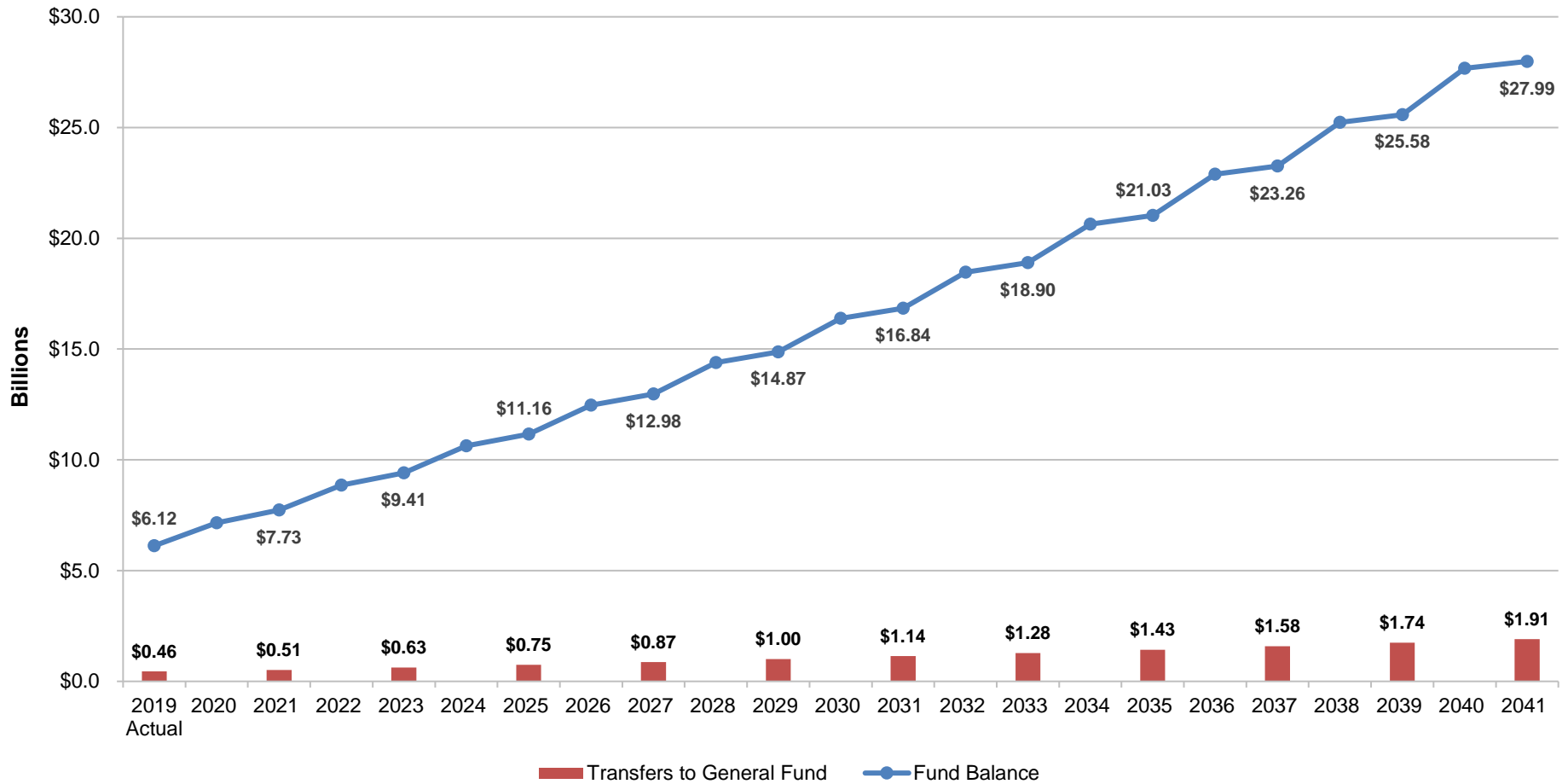


LEGACY FUND PROJECTIONS

This memorandum provides information on projections for the legacy fund, including the fund balance and transfers to the general fund. The projections are based on the current definition of legacy fund earnings pursuant to North Dakota Century Code Section 21-10-12, which defines earnings as dividends, interest, and realized gains and losses, but excludes unrealized gains and losses. The projections reflect oil and gas tax revenue deposits of \$660 million per year, the same as the 2019 legislative revenue forecast for the 2019-21 biennium. The projected earnings reflect annual returns of 5.5 percent, including 2 percent of unrealized gains and 3.5 percent of dividends, interest, and realized gains. The legacy fund had actual net annual returns of 7.57 percent for fiscal year 2018 and 4.98 percent for fiscal year 2019 based on the performance reports published by the Retirement and Investment Office.

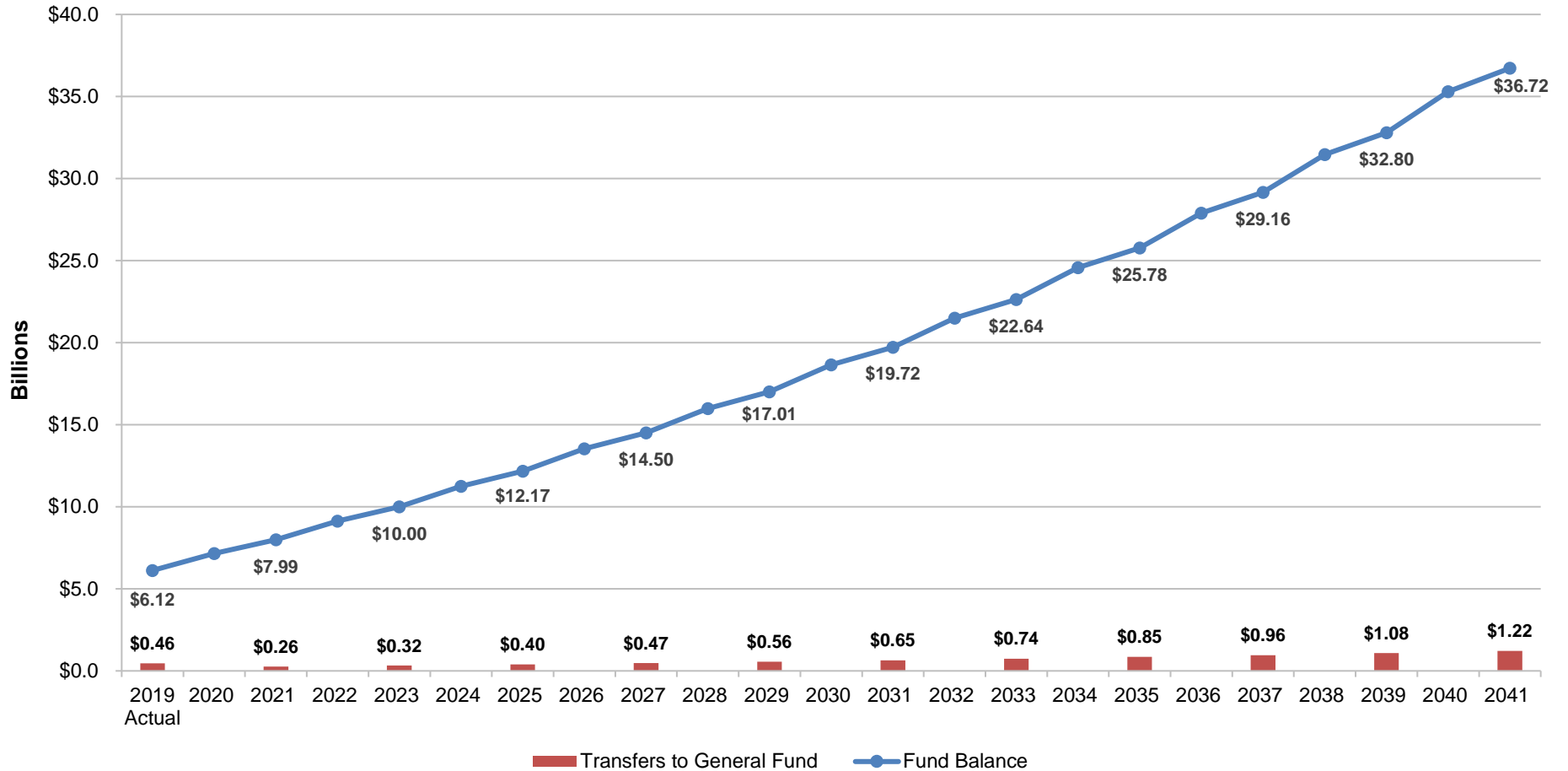
TRANSFER 100 PERCENT OF LEGACY FUND EARNINGS TO GENERAL FUND

The chart below provides information on the projected legacy fund balance and transfers to the general fund under the assumption 100 percent of the legacy fund earnings are transferred to the general fund at the end of each biennium. A schedule with more detailed amounts is attached as [Appendix A](#).



TRANSFER 50 PERCENT OF LEGACY FUND EARNINGS TO GENERAL FUND

The chart below provides information on the projected legacy fund balance and transfers to the general fund under the assumption 50 percent of the legacy fund earnings are transferred to the general fund at the end of each biennium and the remaining 50 percent is returned to the legacy fund. A schedule with more detailed amounts is attached as [Appendix B](#).



LEGACY FUND EARNINGS RETURNED TO THE LEGACY FUND

The chart below provides information on the projected legacy fund balance and transfers to the general fund under the assumption the legacy fund earnings are returned to the legacy fund at the end of each biennium. A schedule with more detailed amounts is attached as [Appendix C](#).

