



North Dakota Legislative Council

Prepared for the Legacy Fund Earnings Committee

LC# 21.9386.01000

August 2020

PERCENT OF MARKET VALUE CALCULATION

The schedule below provides information on the legacy fund asset values and the investment returns as reported by the Retirement and Investment Office. The transition from the 100 percent fixed income portfolio to the diversified asset allocation strategy began in August 2013 and was completed in January 2015.

Date	Asset Value	Annual Net Return	5-Year Net Return
June 30, 2014	\$2,215,959,696	6.64%	N/A
June 30, 2015	\$3,328,640,377	3.31%	N/A
June 30, 2016	\$3,858,787,372	1.06%	N/A
June 30, 2017	\$4,721,371,130	12.03%	4.76%
June 30, 2018	\$5,601,826,134	7.57%	6.06%

The schedule below provides information on the estimated amount that would have been available for spending from a legacy earnings fund based on the percent of market value calculation if the provisions of proposed bill draft 21.0111.02000 had been implemented prior to the end of the 2017-19 biennium for appropriation or transfer during the 2019 legislative session. The asset values would have included the value on June 30, 2018, and prior fiscal years.

Amounts Shown in Millions				
	2-Year Average	3-Year Average	4-Year Average	5-Year Average
Average value	\$5,161.6	\$4,727.3	\$4,377.6	\$3,945.3
Biennial percent ¹				
1 percent	\$51.6	\$47.3	\$43.8	\$39.5
2 percent	\$103.2	\$94.5	\$87.6	\$78.9
3 percent	\$154.8	\$141.8	\$131.3	\$118.4
4 percent	\$206.5	\$189.1	\$175.1	\$157.8
5 percent	\$258.1	\$236.4	\$218.9	\$197.3
6 percent	\$309.7	\$283.6	\$262.7	\$236.7
7 percent	\$361.3	\$330.9	\$306.4	\$276.2
8 percent	\$412.9	\$378.2	\$350.2	\$315.6
9 percent	\$464.5	\$425.5	\$394.0	\$355.1
10 percent	\$516.2	\$472.7	\$437.8	\$394.5

¹The percentages reflect the calculation for the biennium. As a reference, the common schools trust fund uses 10 percent.

The schedule below provides information on the estimated amount that would have been retained as a reserve in a legacy earnings fund if the provisions of proposed bill draft 21.0111.02000 had been implemented prior to the end of the 2017-19 biennium. The legacy fund earnings for the 2017-19 biennium totaled \$455.3 million, which would have been transferred to the legacy earnings fund under the provisions of proposed bill draft 21.0111.02000. Negative amounts reflect scenarios in which the amount available for spending exceeds the transfer of earnings from the legacy fund resulting in a reduction to any available reserves or a reduction to the amount available for spending if the reserves are insufficient to cover the shortfall.

Amounts Shown in Millions				
Biennial Percent ¹	2-Year Average	3-Year Average	4-Year Average	5-Year Average
1 percent	\$403.7	\$408.0	\$411.5	\$415.8
2 percent	\$352.1	\$360.8	\$367.7	\$376.4
3 percent	\$300.5	\$313.5	\$324.0	\$336.9
4 percent	\$248.8	\$266.2	\$280.2	\$297.5
5 percent	\$197.2	\$218.9	\$236.4	\$258.0
6 percent	\$145.6	\$171.7	\$192.6	\$218.6
7 percent	\$94.0	\$124.4	\$148.9	\$179.1
8 percent	\$42.4	\$77.1	\$105.1	\$139.7
9 percent	(\$9.2)	\$29.8	\$61.3	\$100.2
10 percent	(\$60.9)	(\$17.4)	\$17.5	\$60.8

¹The percentages reflect the calculation for the biennium. As a reference, the common schools trust fund uses 10 percent.