

	2012		2013		2014	
	Foundation Pooled Endowment <u>Funds</u>	UA Land Grant Endowment <u>Funds</u>	Foundation Pooled Endowment <u>Funds</u>	UA Land Grant Endowment <u>Funds</u>	Foundation Pooled Endowment <u>Funds</u>	UA Land Grant Endowment <u>Funds</u>
Maximum Distribution Requirements:						
Endowment Fee (current rate)	1.00%	0.50%	1.00%	0.50%	1.00%	0.50%
Investment Costs (estimated)	0.22%	0.22%	0.22%	0.22%	0.10%	0.10%
Annual Spending Rate (current rate)	4.00%	4.50%	4.00%	4.50%	4.00%	4.50%
Distribution Requirements	5.22%	5.22%	5.22%	5.22%	5.10%	5.10%
Planned Portfolio Growth:						
Inflation Provision (Note 1)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other	0.33%	0.33%	0.00%	0.00%	0.00%	0.00%
Desired Return (Note 2)	8.05%	8.05%	7.72%	7.72%	7.60%	7.60%
Shortfall	0.00%	0.00%	-0.29%	-0.29%	-0.48%	-0.48%
Projected Return (Note 3)	8.05%	8.05%	7.43%	7.43%	7.12%	7.12%
Portfolio Risk (Standard Deviation, Note 4)	13.68%	13.68%	13.92%	13.92%	14.30%	14.30%

Notes:

1. The inflation provision based on Callan Associates forecast of inflation.
2. The return required to fund the current spending rate and set aside a provision for inflation equal to the forecasted CPI.
3. Projected Return is based on Callan Associates forecast of returns based on the portfolio's asset allocation and risk characteristics.