



DATE: February 15, 2008  
TO: All Financial Information Users  
FROM: Sheila Farley  
Assistant Treasurer  
RE: Endowment Pool Payout per Share for Fiscal Year 2009

The endowment pool net spendable payout per share for fiscal year 2009, for all University and Foundation endowments that are invested in the endowment pool, will be \$6.64, a 5% increase from the current fiscal year net spendable payout of \$6.30 per share. The payout is calculated under the temporary 6% endowment spending policy. The Board of Trustees agreed to a one year extension of the 6% spending policy on February 13, 2008. The increased payout reflects the addition of higher quarterly market values that replace older lower market values in the trailing 12-quarter market value calculation.

Net 6% spendable payout per share	\$6.64
Estimated fund raising fee (subject to approval)	<u>2.04</u>
Gross payout per share	\$8.68

All endowments invested in the endowment pool should budget revenue in their expendable endowment fund at a gross budgeted payout per share amount of \$8.68. Individual endowment funds that pay the fund raising fee should budget \$2.04 per share as a transfer for fund raising fee in their expendable endowment fund. Individual endowment funds that are ineligible to be charged the fee should budget \$2.04 per share as a transfer to endowment principal in their expendable endowment fund.

This letter is intended to provide budget planning guidance to the university community for fiscal year 2009.

Visit the UC Flex Financials System (SAP Transaction ZENDW\_18) for endowment payout projections and market values. For assistance utilizing the transaction, contact me ([Sheila.farley@uc.edu](mailto:Sheila.farley@uc.edu)).

Please share this information widely with the appropriate people in your department.

Attachment

cc: President's Cabinet  
Investment Committee  
Endowment Operations Committee  
Deans  
College and Department Business Administrators

**Endowment Spending Policy  
Calculation of Fiscal Year 2009 Endowment Pool Payout**

The endowment pool spending policy pays 6% of the 12-quarter trailing average market value of an endowment pool share. The payout is distributed quarterly.

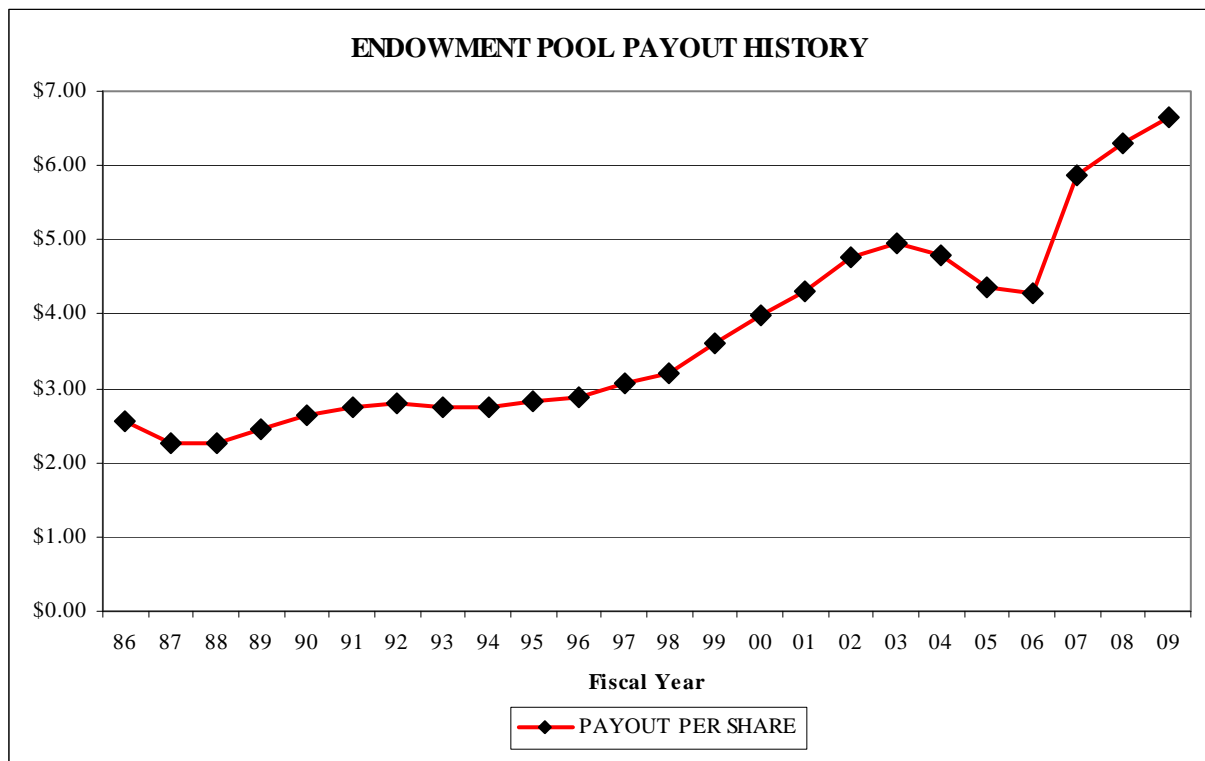
<b>Fiscal Year 2009 Payout:</b>	<u>"A" Share Market Values</u>
December, 2007	\$116.2109
September, 2007	118.6858
June, 2007	117.3386
March, 2007	114.8359
December, 2006	114.5180
September, 2006	108.7142
June, 2006	108.2805
March, 2006	112.0508
December, 2005	107.3625
September, 2005	105.8259
June, 2005	102.2975
March, 2005	101.1835

12-Quarter Average Market Value per Share \$110.6087

**Net Spendable Payout per Share = \$110.6087 X 6% \$6.6365**

**Estimated Fund Raising Fee per Share = \$110.6087 X 1.85% \$2.0463**  
(subject to approval)

**Gross Payout per Share \$8.6828**



1986 and prior – All dividends and interest distributed  
 1987 – Transition to 6% payout policy  
 2009 – Extension of 6% payout policy

1993 – Transition to 5% payout policy  
 2007 – Temporary 6% payout policy