



DATE: January 15, 2009
TO: All Financial Information Users
FROM: Sheila Farley
Assistant Treasurer
RE: Endowment Pool Payout per Share for Fiscal Year 2010

The endowment pool net spendable payout per share for fiscal year 2010, for all University and Foundation endowments that are invested in the endowment pool, will be \$5.40, an 18.7% decrease from the current fiscal year net spendable payout of \$6.64 per share. The payout is calculated based on the return to the 5% endowment spending policy. The decreased payout is attributable to two factors. The first factor reflects the addition of lower quarterly market values that replace older higher market values in the trailing 12-quarter market value calculation. This accounts for 2.3% of the decrease. The second factor is the return to the 5% spending policy which accounts for 16.4% of the decrease.

Net 5% spendable payout per share	\$5.40
Estimated fund raising fee (subject to approval)	<u>2.00</u>
Gross payout per share	\$7.40

All endowments invested in the endowment pool should budget revenue in their expendable endowment fund at a gross budgeted payout per share amount of \$7.40. Individual endowment funds that pay the fund raising fee should budget \$2.00 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 \$2.00 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 2010.

Visit the UCFlex Financials System (SAP Transaction ZENDW_18) for endowment payout projections and market values. For assistance utilizing the transaction, contact me (Sheila.farley@uc.edu).

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

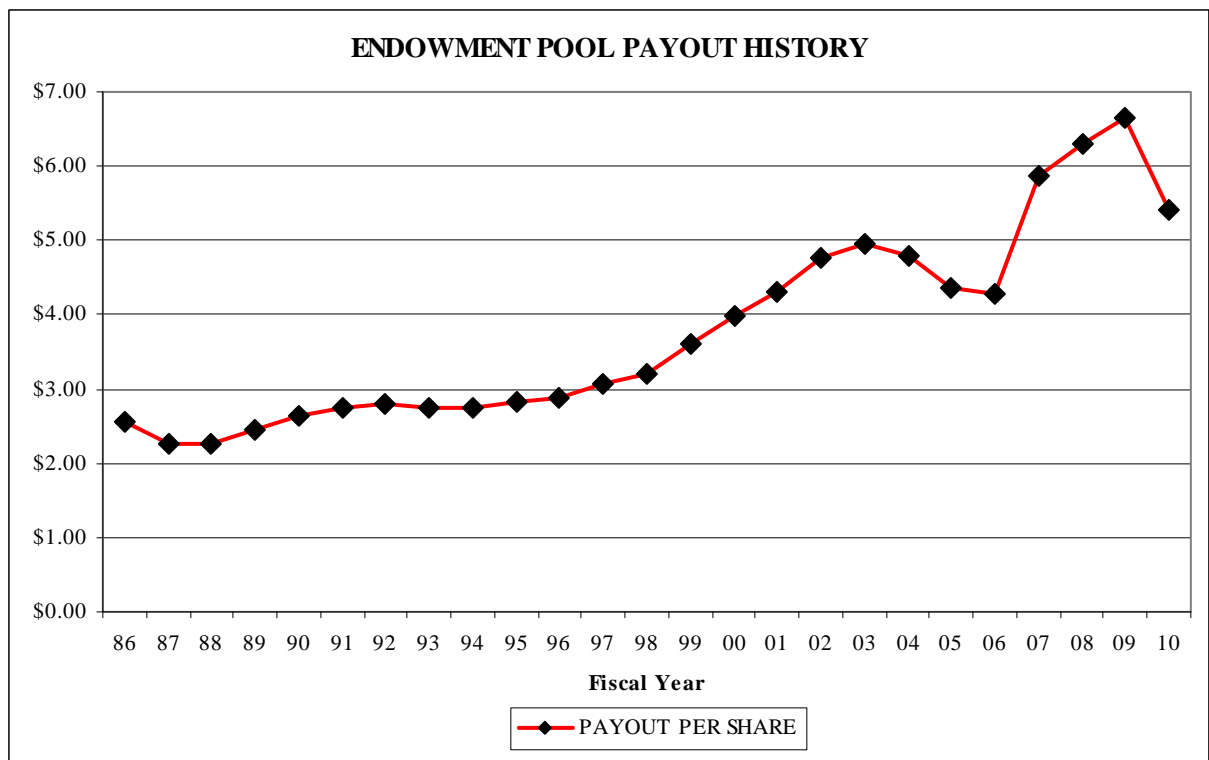
Attachment

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

**Endowment Spending Policy
Calculation of Fiscal Year 2010 Endowment Pool Payout**

The endowment pool spending policy pays 5% of the 12-quarter trailing average market value of an endowment pool share. The payout is distributed monthly.

Fiscal Year 2010 Payout:	<u>"A" Share Market Values</u>
December, 2008	\$ 78.7166
September, 2008	94.6320
June, 2008	105.0456
March, 2008	108.0877
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
 12-Quarter Average Market Value per Share	 \$108.0931
Net Spendable Payout per Share = \$108.0931 X 5%	\$5.4047
Estimated Fund Raising Fee per Share = \$108.0931 X 1.85%	
(subject to approval)	<u>\$1.9997</u>
Gross Payout per Share	\$7.4044



1986 and prior – All dividends and interest distributed
1987 – Transition to 6% payout policy
1993 – Transition to 5% payout policy

2007 – Temporary 6% payout policy
2009 – Extension of 6% payout policy
2010 – Return to 5% payout policy