


MICHIGAN STATE
UNIVERSITY

April 13, 2010

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Endowment Trusts

RECOMMENDATION

BE IT RESOLVED that the Board of Trustees, as the grantor and sole beneficiary of the trusts listed on the attached Schedule A, hereby authorizes and instructs the trustees of such trusts to execute such amendments to the trust agreements establishing such trusts and to the related delegation agreements as may be necessary to bring these agreements into conformity with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as recently adopted in Michigan, including, without being limited to, by (i) removing the limitation in Section 3 of each such trust agreement prohibiting the trustees from distributing funds from the trust which cause the value of that trust to fall below its historic dollar value; (ii) removing and/or amending any and all language in each such trust agreement which states or suggests that distributions from the trust are limited to income, earnings, gain, or appreciation in the funds originally deposited into the trust; and (iii) removing the prohibition in Section 8 of each such trust agreement on amending the trust agreement to permit the distribution of funds to the Board in a manner which would cause the trust’s value to fall below the historic dollar value of the assets deposited in the trust; and be it



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FOR FINANCE
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FURTHER RESOLVED the Board of Trustees’ resolution dated July 26, 2000 (a copy of which is annexed hereto as Attachment 1), is hereby amended to read as shown in Attachment 2, in order to make that resolution consistent with UPMIFA and with the changes to the University’s Investment Policy adopted by the Board at this meeting.

BACKGROUND

On July 26, 2000, the Board of Trustees passed the attached resolution revising the University’s investment strategy for operating cash pools. The adoption of the resolution and the revised investment strategy led to the creation of the endowment trusts listed on Schedule A, among others. The resolution stated, “Each trust instrument shall establish, or provide for the establishment and appropriate modification over time, of expenditure policies consistent with the Uniform Management of Institutional Funds Act and consistent with the University’s expenditure policy in effect with respect to

other endowment funds of the University, which is designed to provide over the term of the trust for some increase in the value of the trust as a hedge against inflation." Emphasis added.

The primary provision of the Uniform Management of Institutional Funds Act ("UMIFA") relating to expenditure policies was as follows:

The governing board may appropriate for expenditure for the uses and purposes for which an endowment fund is established so much of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent under . . . [applicable law].

In relevant part, "historic dollar value" was defined by UMIFA as "the aggregate fair value in dollars of an endowment fund at the time it became an endowment fund."

As required by the resolution, the trust instruments establishing each of the trusts listed in Schedule A all reflect the Board's desire that the trusts conform to UMIFA's expenditure requirements, since those requirements were generally applicable to endowment funds in Michigan at that time. Section 3 of each trust agreement establishing a trust listed on Schedule A states that the trustees of that trust "shall not distribute funds which shall cause the value of the Trust to fall below the historic dollar value of the assets contributed to the Trust." Section 8 of each such trust agreement states that no amendment to the trust agreement shall "permit the distribution of funds to the Board in a manner that would cause the value of the Trust to fall below the historic dollar value of the assets deposited into" it. Apart from these restrictions, the trust agreements all make clear the Board's and trustees' intention that policies for distributions from the trusts "shall be consistent with the expenditure policy from time to time in effect with respect to other endowment funds of the University."

In September, 2009, UMIFA was repealed in its entirety in Michigan and replaced with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA removes the prohibition on spending below an endowment fund's historic dollar value. The applicable restriction on spending in UPMIFA is as follows: "Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, and purposes for which the endowment fund is established."

Section 4(1). UPMIFA also provides that, "If the donor consents . . . , an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund." Section 6(1).¹

The restrictions in Sections 3 and 8 of the trust agreements establishing the trusts in Schedule A were reflective of the Board's desire in 2000 to comply with the law in Michigan which then governed endowment funds and to conform spending from the trusts, each of which establishes a five-year term endowment, to spending from other endowment funds at the University, which were then subject to the historic dollar value limitation in Section 3 of UMIFA. Since UPMIFA has been adopted, a restriction of the sort included in Section 3 of the trust agreements would no longer apply to spending from other endowment funds at the University. Keeping these restrictions in the trust agreements would bring them out of conformity with the legal requirements applicable to spending from other endowment accounts at the University. It would mean that spending from the endowment trusts was subject to an impediment that does not apply to other University endowment funds, an impediment that would derive exclusively from the Board's desire to comply with a law that has since been repealed and superseded. Leaving these restrictions in place would, therefore, be contrary to the purposes of the Board resolution, which is the basis for the adoption of the trust instruments.

As a result, the Board authorizes and instructs the trustees of each of the trusts in Schedule A to amend the trust agreements to remove the unnecessary and out-of-date restrictions in Sections 3 and 8 so that spending from the endowment trusts may conform to the same Board policy that applies to other University endowment funds. Trust instruments establishing endowment trusts in the future will no longer contain such restrictions.

The trust agreements also contain other references to UMIFA that must be corrected in light of its repeal, as do the delegation agreements pursuant to which the trustees of the endowment trusts grant investment authority over them to the Vice President for Finance and Operations and Treasurer. These documents will be amended to ensure that these references are removed and that text consistent with UPMIFA is substituted where appropriate.

¹ See also UPMIFA Section 6(5), which states that Section 6 of UPMIFA "does not affect the right of a governing body of an institution to exercise the power to modify restrictions in a gift instrument as conferred by the institution's governing instruments"

The most recent report to the Board on the endowment trusts is appended to this resolution as Attachment 3. It includes information on the number of outstanding trusts which had current values below their historic dollar values as of January 1, 2010 and the amounts by which the historic dollar value for each such trust exceeded its current value on that date.

cc: Trustee Policy Committee
President Simon
Provost Wilcox
Vice President Noto
Secretary Beekman
Controller Brower
Director Klein

SCHEDULE A

ENDOWMENT TRUST 2005C

ENDOWMENT TRUST 2005D

ENDOWMENT TRUST 2005E

ENDOWMENT TRUST 2005F

ENDOWMENT TRUST 2005G

ENDOWMENT TRUST 2005H

ENDOWMENT TRUST 2006A

ENDOWMENT TRUST 2006B

ENDOWMENT TRUST 2006C

ENDOWMENT TRUST 2006D

ENDOWMENT TRUST 2007A

ENDOWMENT TRUST 2007B

ENDOWMENT TRUST 2007C

ENDOWMENT TRUST 2007D

ENDOWMENT TRUST 2008A

ENDOWMENT TRUST 2008B

ENDOWMENT TRUST 2008C

ENDOWMENT TRUST 2008D

ENDOWMENT TRUST 2009A

ENDOWMENT TRUST 2009B

ENDOWMENT TRUST 2009C

ENDOWMENT TRUST 2009D

ENDOWMENT TRUST 2010A

ENDOWMENT TRUST 2010B

MICHIGAN STATE
U N I V E R S I T Y

July 26, 2000

REVISED

MEMORANDUM

To: Trustee Finance Committee

From: Fred Poston

Subject: Revised Investment Strategy for Operating Cash Pools

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that the pooled cash management strategy be revised as follows:

1. Liquidity Pool shall be composed of short-term and intermediate-term commercially available funds and up to a \$75 million bank line of credit or its equivalent. These funds would be available on a daily basis. The target amount for the Liquidity Pool would be \$125 million (12-month average). The benchmark for performance of the short-term funds would be the 91-day Treasury Bill rate. The benchmark for performance of the intermediate-term funds would be the Merrill Lynch 1-3 year Treasury index. The combined size of the short-term and intermediate-term pool would be 15% of the overall operating cash pool (12-month average), subject to a minimum of \$50 million (12-month average).
2. The balance, 85%, of the overall cash pool would be available for investment as long-term capital of the University. A portion (25% target) would be invested in total return oriented fixed income security funds. The benchmark for the total return oriented fixed income security funds would be the Lehman Brothers Aggregate Bond Index. The remainder (60% target) would be transferred to one or more trusts, held therein as endowment funds, and invested in accordance with the terms of the applicable trust instrument, generally in the University's Common Investment Fund.

It is recognized that, from time to time, the investment performance of the trusts may differ significantly from that of the fixed income securities, thereby creating an imbalance with respect to the above-referenced targets. Efforts to rebalance the portfolio will be made to the extent permitted by the provisions of the trusts.

3. The funds invested in the trusts as described above would be established as part of the University's "endowment funds," as that term is used in Article IX, Section 19 of the Michigan Constitution. Since these funds are not needed for



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liquidity purposes, the endowment funds classification, which denotes that the funds are part of the long-term capital of the University, is more consistent with the investment approach contemplated.

4. Each trust described in paragraph 3 shall have a term of at least five years and shall be irrevocable for its term. Upon termination of each trust, the trust assets will revert to the University. The sole beneficiary of the trusts shall be the University. Each trust instrument shall provide for an investment policy for the investment of the trust funds which shall comply with the prudence standards set forth in applicable Michigan law relating to investment of trust funds, taking into account the investment of all endowment and other funds of the University. Subject to the above, each trust shall be permitted to invest in equity securities and in fixed income securities, including market rate promissory notes and other market rate debt obligations of the University. Any borrowings by the University from the trusts, and any borrowings by the University pledging any receipts from the trusts, would be subject to the prior approval of the Board of Trustees of the University. In general, it is anticipated that the trust assets shall be invested as part of the University's Common Investment Fund. Each trust instrument shall establish, or provide for the establishment and appropriate modification over time, of expenditure policies consistent with the Uniform Management of Institutional Funds Act and consistent with the University's expenditure policy from time to time in effect with respect to other endowment funds of the University, which is designed to provide over the term of the trust for some increase in the value of the trust as a hedge against inflation.
5. The President and the Vice President for Finance and Operations and Treasurer are hereby authorized and directed to take whatever actions they, or either of them, deem appropriate to establish, ~~maintain and account for~~ *(wording changed and approved at the full Board meeting held on July 26, 2000)* the trusts described in paragraphs 3 and 4, including preparation, execution and delivery, for and on behalf of the Board, of appropriate trust instruments, consistent with the terms of this resolution, with trustees who are members of the Finance Committee of the Board of Trustees of the University, and transfers of funds to the trusts as set forth herein.
6. The targets contained in this pooled cash management structure are established with a recognition that a significant transition period (target eight quarters) is anticipated to complete movement of funds into this new structure. The transition period, beginning within 90 days from the approval of this Resolution, will minimize the risk of unexpected fluctuations in markets.
7. The Vice President for Finance and Operations and Treasurer shall report to the Finance Committee **and the Board of Trustees** *(wording added and approved at the full Board meeting held on July 26, 2000)* on at least an **semiannual** *(changed to semiannual and approved at the full Board meeting*

held on July 26, 2000) basis on the transition and shall make recommendations, if necessary, to adjust these guidelines. The Vice President for Finance and Operations and Treasurer shall have the authority to appoint fund managers for the short-term, intermediate-term and the total return oriented fixed income security funds, and shall report such appointments to the Finance Committee and the Board of Trustees.

BACKGROUND:

Over the past few years, Finance staff have undertaken an ongoing review of cash management practices. Opportunities exist to establish a portion of the cash pool as long-term capital and to further increase the return on the pool, consistent with maintaining and enhancing the value of principal and prudent amounts of liquidity for operational needs. Investing a portion of these funds in longer duration strategies is a prudent means of enhancing the pool's growth. The recommended revised investment strategy will enable the University to have a greater likelihood of improved returns while bearing a small amount of additional risk. The overall strategy for cash management would be added to the annual review of investments currently done by the Finance Committee.

ATTACHMENT 2

BE IT RESOLVED that the University's pooled cash management strategy shall be as follows:

1. The University's overall cash pool shall be divided, for management and investment purposes, into two parts, the Pooled Cash Fund and a series of endowment trusts. The Pooled Cash Fund shall consist of the Liquidity Pool and the Liquidity Reserve Pool. The main purpose of the Liquidity Pool is to provide a liquid source of funds to meet the University's daily cash requirements. The main purpose of the Liquidity Reserve Pool is to provide a source of funds in case the Liquidity Pool is not sufficient to meet the University's cash needs. The target amounts, investment objectives, performance goals, benchmarks, investment guidelines, and other requirements for the Liquidity Pool and Liquidity Reserve Pool shall be established in the Investment Policy, as from time to time in effect. If authorized by the Investment Policy, the Liquidity Pool may be composed, in part, of a bank line of credit or its equivalent.
2. The balance of the overall cash pool shall be available for investment as long-term capital of the University. It shall be transferred to one or more trusts, held therein as endowment funds, and invested in accordance with the terms of the applicable trust instrument, generally in the University's Common Investment Fund established under the Investment Policy.
3. The funds invested in the trusts as described above shall be established as part of the University's "endowment funds," as that term is used in Article IX, Section 19 of the Michigan Constitution. Since these funds are not needed for liquidity purposes, the endowment funds classification, which denotes that the funds are part of the long-term capital of the University, is more consistent with the investment approach contemplated.
4. Each trust described in paragraph 3 shall have a term of at least five years and shall be irrevocable for its term. Upon termination of each trust, the trust assets will revert to the University. The sole beneficiary of the trusts shall be the University. Each trust instrument shall provide for an investment policy for the investment of the trust funds which shall comply with the prudence standards set forth in applicable Michigan law relating to investment of trust funds, taking into account the investment of all endowment and other funds of the University. Subject to the above, each trust shall be permitted to invest in equity securities and in fixed income securities, including market rate promissory notes and other market rate debt obligations of the University. Any borrowings by the University from the trusts, and any borrowings by the University pledging any receipts from the trusts, shall be subject to the prior approval of the Board. In general, it is anticipated that the trust assets shall be invested as part of the University's Common Investment Fund. Each trust instrument shall establish, or provide for

the establishment and appropriate modification over time, of expenditure policies consistent with the Uniform Prudent Management of Institutional Funds Act and consistent with the University's expenditure policy from time to time in effect with respect to other endowment funds of the University, which is designed to provide for current expenditures for the purposes of the endowment funds, including the trusts, as well as for the maintenance over time of the purchasing power of the endowment funds, including the trusts.

5. The President and the Vice President for Finance and Operations and Treasurer are hereby authorized and directed to take whatever actions they, or either of them, deem appropriate to establish the trusts described in paragraphs 3 and 4, including preparation, execution, and delivery, for and on behalf of the Board, of appropriate trust instruments, consistent with the terms of this resolution, with trustees who are members of the Finance Committee of the Board of Trustees of the University, and transfers of funds to the trusts as set forth herein.
6. The Vice President for Finance and Operations and Treasurer shall report to the Investment Advisory Subcommittee, the Finance Committee, and the Board of Trustees on the Pooled Cash Fund, the Common Investment Fund, and the endowment trusts pursuant to the Investment Policy and the trust instruments and shall make recommendations, if necessary, to adjust these guidelines, including through amendments to the Investment Policy.

ATTACHMENT 3

MICHIGAN STATE
UNIVERSITY

March 17, 2010

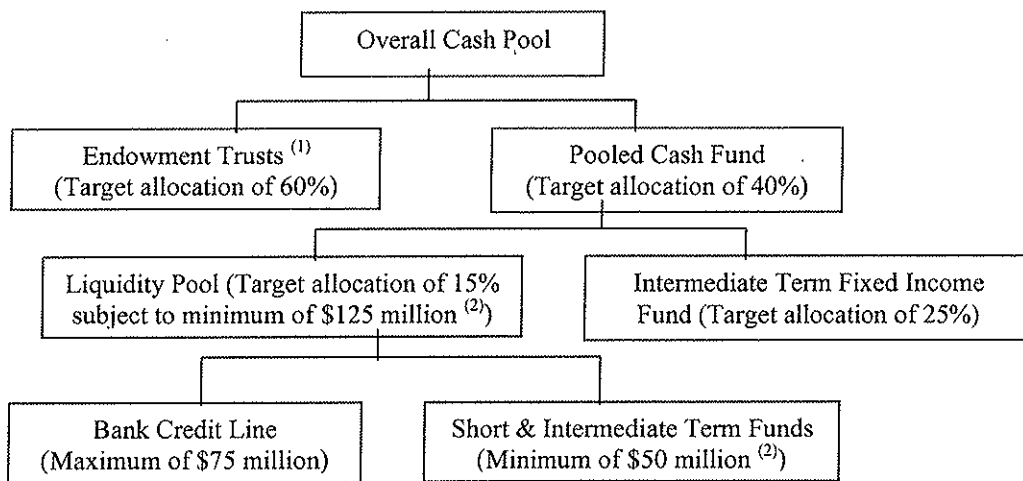
MEMORANDUM

TO: Investment Advisory Subcommittee
FROM: Fred Poston
SUBJECT: Overall Cash Pool and Endowment Trust Update

The following report provides an update on the Overall Cash Pool transition and Endowment Trust activity through January 1, 2010.

Background

The Overall Cash Pool is comprised of numerous departmental working capital balances; unexpended restricted gift and grant balances; committed reserves for self-insurance and Plant expansion, replacement and maintenance; and Endowment Trusts. The investment allocation components of the University's Overall Cash Pool portfolio include the Liquidity Pool, Intermediate Term Fixed Income Fund and Endowment Trusts invested in the University's Common Investment Fund (CIF). The diagram shown below illustrates the portfolio and details the target asset allocation for each component.



- (1) Invested on a long-term basis with other Institutional Funds in the CIF.
- (2) Minimum amounts are based on a 12-month average.

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Overall Cash Pool Asset Allocation Comparison

As illustrated in the table below, the quarterly transfers from the Liquidity Pool to establish the current 24 active Endowment Trusts continue to approximate the Overall Cash Pool’s targeted asset allocations established by the Board of Trustees on December 8, 2000.

	Target Allocation	As of 1/1/2010		As of 7/1/2009		Increase/(Decrease)	
		\$ (millions)	%	\$ (millions)	%	\$ (millions)	%
Liquidity	15%	\$ 150.1	16%	\$132.4	16%	\$ 17.7	0%
Fixed Income	25%	\$ 222.4	24%	\$208.3	24%	\$ 14.1	0%
Endowment Trusts	60%	\$ 563.9	60%	\$518.6	60%	\$ 45.3	0%
Total	100%	\$ 936.4	100%	\$859.3	100%	\$ 77.1	0%

Overall Cash Pool Performance Compared to Benchmarks

Net returns for the most recent one-year, three-year and five-year periods for the Overall Cash Pool components are shown below along with benchmark returns. MSU financial staff members have reviewed the investment performance with the respective investment managers and Cambridge Associates.

	Returns through 12/31/2009		
	For the year	Annualized three year	Annualized five year
Overall Cash Pool Components			
Liquidity Pool (Payden & Rygel)	5.5%	4.9%	4.1%
<i>Benchmark: Merrill Lynch 1-3 year Treasury Index</i>	.8%	4.9%	4.0%
Intermediate Term Fixed Income Fund	13.3%	3.9%	3.7%
<i>Benchmark: Barclays Capital Bond Index</i>	5.9%	6.0%	5.0%
Endowment Trusts	21.3%	1.2%	6.0%
<i>Benchmark: CIF Index Equivalent Return</i>	19.9%	1.9%	6.3%

Pooled Cash Fund Investment Objectives

Liquidity Pool. The primary objective is to provide a liquid source of funds to meet the University’s daily cash requirements. A secondary objective is to yield a competitive investment return while bearing minimal principal risk.

Intermediate-term Fixed Income Fund. The primary objective is to provide a source of funds in the event the Liquidity Pool is insufficient to meet the University’s cash needs. A secondary objective is to earn a higher investment return than the Liquidity Pool. Because of the very low likelihood that these funds would be needed to meet cash flow requirements, a greater degree of principal risk is acceptable in order to obtain a higher return.

MSU’s financial staff is currently reviewing the investment objectives and performance goals of the Pooled Cash Fund. Any recommended changes will be provided in a separate report.

Matured Endowment Trusts Distribution Report

Two endowment trusts have matured since the previous semi-annual Overall Cash Pool and Endowment Trust Update memorandum dated August 27, 2009. The income distributions and the realized gains for those trusts are shown in the following table.

Trust Name	Maturity Date	Historic Dollar Value	Income Distributions	Realized Gain
2004D	10/1/2009	\$15,000,000	\$1,190,007	\$ 1,605,906
2005A	1/1/2010	\$15,000,000	\$1,311,161	\$ 822,370
Total		\$30,000,000	\$2,501,168	\$2,428,276

As authorized by the Board, realized gains from the Trusts maturing in the 2009-10 fiscal year will be used to fund the University's "Just-In-Time" maintenance needs. The historic dollar value of each matured trust was reinvested in a new Trust in order to maintain the progress toward the Overall Cash Pool targeted asset allocation for Endowment Trusts as established by the Board on December 8, 2000.

Active Endowment Trusts Distribution Report

Consistent with the payout rate of the University's Endowment Spending Policy, potential annual cash distributions from the Endowment Trusts are \$0.3120 per unit for the 2009-10 fiscal year. The Endowment Spending Policy payout rate is calculated as 5.0% of the average market value of the endowment for the 20 quarters of the five calendar years prior to the beginning of the fiscal year. According to the terms of each Trust Agreement, distributions shall not cause the value of a Trust to fall below the historic dollar value of the assets deposited in the Trust. Details of the potential 2009-10 distribution from each Endowment Trust's undistributed earnings are shown in the following table along with the actual 2008-09 distribution. At this time, \$24,259,905 of the potential 2009-10 distribution is projected to be held in reserve to maintain the historic dollar value of the assets deposited in the Endowment Trusts.

Trust Name	# Units Held in CIF	2009-10 Spending per Unit	Potential 2009-10 Distribution ⁽⁴⁾	Actual 2008-09 Distribution
2005B	2,656,625	\$0.3120	\$1,492,875	\$235,526
2005C	2,627,314	\$0.3120	\$1,641,930	\$67,400
2005D	4,989,799	\$0.3120	\$3,246,364	\$0
2005E	2,827,553	\$0.3120	\$1,839,606	\$0
2005F	2,827,553	\$0.3120	\$1,839,606	\$0
2005G	2,827,553	\$0.3120	\$1,839,606	\$0
2005H	2,827,553	\$0.3120	\$1,839,606	\$0
2006A	4,931,176	\$0.3120	\$3,208,224	\$0
2006B	4,718,868	\$0.3120	\$3,070,095	\$0
2006C	4,796,693	\$0.3120	\$3,120,728	\$0
2006D	4,738,201	\$0.3120	\$3,082,630	\$0
2007A	2,246,221	\$0.3120	\$1,461,392	\$0
2007B	2,192,671	\$0.3120	\$1,426,552	\$0
2007C	2,102,931	\$0.3120	\$1,582,285	\$0
2007D	4,109,311	\$0.3120	\$3,623,386	\$0
2008A	4,041,302	\$0.3120	\$3,252,036	\$0
2008B	4,238,413	\$0.3120	\$2,956,886	\$0
2008C	4,266,769	\$0.3120	\$2,775,960	\$0
2008D ⁽¹⁾	4,862,982	\$0.3120	\$2,752,205	\$0
2009A ⁽¹⁾	5,581,819	\$0.3120	\$1,741,528	\$945,002
2009B ⁽¹⁾	5,949,770	\$0.3120	\$1,856,297	\$503,648
2009C	5,559,347	\$0.3120	\$1,734,516	\$0
2009D ⁽²⁾	2,580,233	\$0.3120	\$603,774	\$0
2010A ⁽²⁾⁽³⁾	2,513,174	\$0.3120	\$392,055	\$0
Total			\$52,380,142	\$1,751,576

⁽¹⁾Partial year distribution 2008-2009
⁽²⁾Partial year distribution 2009-2010
⁽³⁾Projected
⁽⁴⁾Potential year 2009-2010 distribution includes \$24,577,160 undistributed Trust income held in reserve.

The following table includes the market value as of January 1, 2010 for each Trust and the historic dollar value of the assets originally contributed to the Trust along with the resulting unrealized gain or loss. The Trust's unrealized gain/loss is the difference between the market value and the historic dollar value for that Trust as of January 1, 2010. During the remainder of the 2009-10 fiscal year, the 2005B Trust will mature. The CIF unit market value on the maturity date will determine the Trust's realized gain or loss.

Trust Name	Date Established	Maturity Date	Historic Value	Market Value at 1/1/2010 ⁽¹⁾	Unrealized Gain (Loss) at 1/1/2010
2005B	4/1/2005	4/1/2010	\$15,000,000	\$15,856,197	\$856,197
2005C	7/1/2005	7/1/2010	\$15,000,000	\$15,681,251	\$681,251
2005D	10/1/2005	10/1/2010	\$30,000,000	\$30,000,000	\$0
2005E	10/1/2005	7/1/2012	\$17,000,000	\$17,000,000	\$0
2005F	10/1/2005	10/1/2012	\$17,000,000	\$17,000,000	\$0
2005G	10/1/2005	1/1/2013	\$17,000,000	\$17,000,000	\$0
2005H	10/1/2005	4/1/2013	\$17,000,000	\$17,000,000	\$0
2006A	1/1/2006	1/1/2011	\$30,000,000	\$30,000,000	\$0
2006B	4/1/2006	4/1/2011	\$30,000,000	\$30,000,000	\$0
2006C	7/1/2006	7/1/2011	\$30,000,000	\$30,000,000	\$0
2006D	10/1/2006	10/1/2011	\$30,000,000	\$30,000,000	\$0
2007A	1/1/2007	1/1/2012	\$15,000,000	\$14,517,663	(\$482,337)
2007B	4/1/2007	4/1/2012	\$15,000,000	\$14,171,558	(\$828,442)
2007C	7/1/2007	7/1/2012	\$15,000,000	\$13,805,676	(\$1,194,324)
2007D	10/1/2007	10/1/2012	\$30,000,000	\$27,508,958	(\$2,491,042)
2008A	1/1/2008	1/1/2013	\$30,000,000	\$26,742,302	(\$3,257,698)
2008B	4/1/2008	4/1/2013	\$30,000,000	\$27,592,866	(\$2,407,134)
2008C	7/1/2008	7/1/2013	\$30,000,000	\$27,576,762	(\$2,423,238)
2008D	10/1/2008	10/1/2013	\$30,000,000	\$30,000,000	\$0
2009A	1/1/2009	1/1/2014	\$30,000,000	\$33,315,359	\$3,315,359
2009B	4/1/2009	4/1/2014	\$30,000,000	\$35,511,491	\$5,511,491
2009C	7/1/2009	7/1/2014	\$30,000,000	\$33,181,232	\$3,181,232
2009D	10/1/2009	10/1/2014	\$15,000,000	\$15,400,247	\$400,247
2010A	1/1/2010	1/1/2015	\$15,000,000	\$15,000,000	\$0
Total			\$563,000,000	\$563,861,562	\$861,562

⁽¹⁾Includes \$24,259,905 undistributed Trust income held in reserve.

An updated report of income distributions, realized gains, transactions, investment holdings and returns for the Endowment Trusts will be provided in approximately six months.

Copies to: Policy Committee
Kim Wilcox
Kathy Lindahl
Bob Noto
Nancy Carter

Lou Anna K. Simon
Bill Beekman
Dave Brower
Glen Klein