

### Inputs

| Inputs                          |         | Implied ratios                     |       |
|---------------------------------|---------|------------------------------------|-------|
| 2013 Endowment beg balance      | 882,214 | Sustainable Endowment: SAF ratio   | 41.00 |
| Endowment yield                 | 5.0%    | Output:Sustainable endowment ratio | 0.02  |
| Payout growth (every two years) | 5.0%    |                                    |       |
| Group growth rate:              | 0.0%    |                                    |       |

\*note: 2011-12 actual SAFC growth rate: 4.97%; 2011-12 actual annual endowment yield: 4.75%

### Current Endowment Schedule

|                             | 2011    | 2012      | 2013      | 2014      | 2015      | 2134        |
|-----------------------------|---------|-----------|-----------|-----------|-----------|-------------|
| SAFC SAF Allocation         | 80.17   | 84.16     | 84.16     | 88.37     | 88.37     | 1,650.64    |
| Endowment SAF Allocation    | 5.00    | 5.00      | 5.00      | 5.00      | 5.00      | 5.00        |
| Intended SAFC SAF Income    |         | 1,136,160 | 1,136,160 | 1,192,968 | 1,192,968 | 22,283,671  |
| Actual SAFC SAF Income      |         | 1,068,660 | 1,068,660 | 1,125,468 | 1,125,468 | 22,216,171  |
| Endowment SAF Income        |         | 67,500    | 67,500    | 67,500    | 67,500    | 67,500      |
| Endowment (beg of yr)       |         | 750,000   | 882,214   | 997,200   | 1,117,935 | 841,100,132 |
| Endowment SAF Income        |         | 67,500    | 67,500    | 67,500    | 67,500    | 67,500      |
| Payout to SAFC              |         | 0         | 0         | 0         | 0         | 0           |
| Endowment Interest          |         | 40,875    | 47,486    | 53,235    | 59,272    | 42,058,382  |
| Endowment (end of yr)       | 750,000 | 882,214   | 997,200   | 1,117,935 | 1,244,706 | 883,226,014 |
| Sustainable payout          |         | 21,517    | 24,322    | 27,267    | 30,359    | 21,542,098  |
| Interest: SAF Income Ratio  |         | 0.04      | 0.04      | 0.04      | 0.05      | 1.89        |
| Endowment: SAF Income Ratio |         | 0.78      | 0.88      | 0.94      | 1.04      | 39.64       |

### Sustainability analysis

| Metric                                  | Year   | Sustainable payouts across years |        |
|---|--------|----------------------------------|--------|
| Interest = SAFC SAF Income              | 2108   | 2013                             | 24,322 |
| Sustainable (no further input required) | 2134   | 2014                             | 27,267 |
| 2013 sustainable payout                 | 24,322 | 2015                             | 30,359 |
| 2013 sustainable payout (SAF dollars)   | 1.80   | 2016                             | 33,605 |

**Chart 1: Sustainable year requirement analysis: endowment yield vs payout growth**

|                                 |       | Endowment yield |       |             |       |       |       |
|---------------------------------|-------|-----------------|-------|-------------|-------|-------|-------|
|                                 |       | 2134            | 4.00% | 5.00%       | 6.00% | 7.00% | 8.00% |
| Payout growth (every two years) | 3.00% |                 | 2129  | 2090        | 2070  | 2058  | 2050  |
|                                 | 4.00% |                 | 2168  | 2108        | 2080  | 2064  | 2054  |
|                                 | 5.00% |                 | 2183  | <b>2134</b> | 2094  | 2072  | 2059  |
|                                 | 6.00% |                 | 2183  | 2174        | 2112  | 2082  | 2066  |
|                                 | 7.00% |                 | 2183  | 2183        | 2138  | 2096  | 2074  |

**Chart 2: 2013 sustainable payout analysis: endowment yield vs payout growth**

|                                 |       | Endowment yield |        |               |        |        |        |
|---------------------------------|-------|-----------------|--------|---------------|--------|--------|--------|
|                                 |       | 24,322          | 4.00%  | 5.00%         | 6.00%  | 7.00%  | 8.00%  |
| Payout growth (every two years) | 3.00% |                 | 24,022 | 33,587        | 43,152 | 52,716 | 62,279 |
|                                 | 4.00% |                 | 19,367 | 28,955        | 38,542 | 48,128 | 57,713 |
|                                 | 5.00% |                 | 14,711 | <b>24,322</b> | 33,932 | 43,540 | 53,147 |
|                                 | 6.00% |                 | 10,056 | 19,689        | 29,321 | 38,952 | 48,582 |
|                                 | 7.00% |                 | 5,400  | 15,056        | 24,711 | 34,364 | 44,016 |

\*note: SAF expected growth rate per two years is 6.0%

**Chart 3: Sustainable payout analysis: beginning year vs payout growth**

|                                 |       | Year payouts begin |               |        |        |        |        |
|---------------------------------|-------|--------------------|---------------|--------|--------|--------|--------|
|                                 |       | 24,322             | 2013          | 2014   | 2015   | 2016   | 2017   |
| Payout growth (every two years) | 3.00% |                    | 33,587        | 37,654 | 41,924 | 46,407 | 51,115 |
|                                 | 4.00% |                    | 28,955        | 32,460 | 36,141 | 40,006 | 44,065 |
|                                 | 5.00% |                    | <b>24,322</b> | 27,267 | 30,359 | 33,605 | 37,014 |
|                                 | 6.00% |                    | 19,689        | 22,073 | 24,576 | 27,204 | 29,964 |
|                                 | 7.00% |                    | 15,056        | 16,879 | 18,793 | 20,803 | 22,914 |

\*note: assumes 5% endowment yield

**Chart 4: Payout growths given beginning year**

|                    |      | Year   |        |        |        |        |  |
|--------------------|------|--------|--------|--------|--------|--------|--|
|                    |      | 2013   | 2014   | 2015   | 2016   | 2017   |  |
| Year payouts begin | 2013 | 24,322 | 25,538 | 25,538 | 26,815 | 26,815 |  |
|                    | 2014 |        | 27,267 | 27,267 | 28,630 | 28,630 |  |
|                    | 2015 |        |        | 30,359 | 31,877 | 31,877 |  |
|                    | 2016 |        |        |        | 33,605 | 33,605 |  |
|                    | 2017 |        |        |        |        | 37,014 |  |

**Chart 2A: 2013 sustainable payout analysis: endowment yield vs payout growth (SAF dollars)**

|                                 |       | Endowment yield |       |       |       |       |       |    |      |    |      |
|---------------------------------|-------|-----------------|-------|-------|-------|-------|-------|----|------|----|------|
|                                 |       | 19,689          | 4.00% | 5.00% | 6.00% | 7.00% | 8.00% |    |      |    |      |
| Payout growth (every two years) | 3.00% | \$              | 1.78  | \$    | 2.49  | \$    | 3.20  | \$ | 3.90 | \$ | 4.61 |
|                                 | 4.00% | \$              | 1.43  | \$    | 2.14  | \$    | 2.85  | \$ | 3.57 | \$ | 4.28 |
|                                 | 5.00% | \$              | 1.09  | \$    | 1.80  | \$    | 2.51  | \$ | 3.23 | \$ | 3.94 |
|                                 | 6.00% | \$              | 0.74  | \$    | 1.46  | \$    | 2.17  | \$ | 2.89 | \$ | 3.60 |
|                                 | 7.00% | \$              | 0.40  | \$    | 1.12  | \$    | 1.83  | \$ | 2.55 | \$ | 3.26 |

\*note: SAF expected growth rate per two years is 6.0%

**Chart 3A: Sustainable payout analysis: beginning year vs payout growth (SAF dollars)**

|                                 |       | Year payouts begin |      |      |      |      |      |    |      |    |      |
|---------------------------------|-------|--------------------|------|------|------|------|------|----|------|----|------|
|                                 |       | 44,065             | 2013 | 2014 | 2015 | 2016 | 2017 |    |      |    |      |
| Payout growth (every two years) | 3.00% | \$                 | 2.49 | \$   | 2.79 | \$   | 3.11 | \$ | 3.44 | \$ | 3.79 |
|                                 | 4.00% | \$                 | 2.14 | \$   | 2.40 | \$   | 2.68 | \$ | 2.96 | \$ | 3.26 |
|                                 | 5.00% | \$                 | 1.80 | \$   | 2.02 | \$   | 2.25 | \$ | 2.49 | \$ | 2.74 |
|                                 | 6.00% | \$                 | 1.46 | \$   | 1.64 | \$   | 1.82 | \$ | 2.02 | \$ | 2.22 |
|                                 | 7.00% | \$                 | 1.12 | \$   | 1.25 | \$   | 1.39 | \$ | 1.54 | \$ | 1.70 |

\*note: assumes 5% endowment yield

**Chart 4A: Payout growths given beginning year (SAF dollars)**

|                    |      | Year |      |      |      |      |      |      |      |      |
|--------------------|------|------|------|------|------|------|------|------|------|------|
|                    |      | 2013 | 2014 | 2015 | 2016 | 2017 |      |      |      |      |
| Year payouts begin | 2013 | \$   | 1.80 | \$   | 1.89 | \$   | 1.99 | \$   | 1.99 |      |
|                    | 2014 |      | \$   | 2.02 | \$   | 2.02 | \$   | 2.12 | \$   | 2.12 |
|                    | 2015 |      |      | \$   | 2.25 | \$   | 2.36 | \$   | 2.36 |      |
|                    | 2016 |      |      |      | \$   | 2.49 | \$   | 2.49 |      |      |
|                    | 2017 |      |      |      |      | \$   | 2.74 |      |      |      |