

ITEM 159-2008-R0513
Attachment 2: Sample Investment Outcomes

	MSU Borrows \$18 Million for			
	15 Years at 4.0%	15 Years at 3.4%	20 Years at 3.8%	30 Years at 4.0%
Annual Debt Service Paid by MSU	\$ 1,603,000	\$ 1,538,000	\$ 1,290,000	\$ 1,035,000
Foundation Remaining Balance at Various Rates of Return				
Historical Rates (2001 - 2011)	\$ 508,000	\$ 1,932,000	\$ 2,285,000	\$ 5,497,000
MSUAF Earns 5% each year	\$ (180,000)	\$ 1,282,000	\$ 1,385,000	\$ 3,303,000
MSUAF Earns 7% each year	\$ 4,339,000	\$ 6,078,000	\$ 10,019,000	\$ 27,451,000
<i>Assumption: gift funds received evenly over a 5-year period</i>				
<i>Calculations are based on \$18 million borrowing, and an \$18 million MSUAF investment, and do not take into account the investment of the entire \$25 million gift.</i>				

