

Endowment Disbursement Policy

Investment income on endowment investments held by the Cambrian Foundation is allocated as follows:

- 1) First 4% to be used to pay for yearly scholarships. Any excess above 4% to be allocated as follows:
- 2) Secondly, 10% of the above 4% would be used to pay for the administration of the awards as is the current Foundation practice.
- 3) Thirdly, any further investment earnings in excess of 1) and 2) will be designated to a Rate Stabilization Fund.

The example below will demonstrate the above:

Assuming an investment return of 6% on an endowment balance of \$3,600,000, the following distribution would apply:

Investment return	6.00%	<u>\$216,000</u>
Firstly: for yearly Scholarships	<u>4.00%</u>	\$144,000
	2.00%	
Secondly: for administration costs	<u>0.40%</u>	14,400
Balance	1.60%	
Thirdly: for Rate Stabilization Fund	1.60%	<u>57,600</u>
		<u>\$216,000</u>

Notes:

Should our endowment investments perform at a rate less than 4%, than the following scenarios would apply:

- i. The Rate Stabilization Fund would be used to ensure an award disbursement of 4% of the endowment balance.
- ii. The administration costs would be taken from operating funds.

When there are two (2) years of complete disbursements built up in the Rate Stabilization Fund, the excess above 1) and 2) would then be designated to an Inflation Rate Capitalization fund.

These numbers may change in time and remain at the discretion of the Cambrian Foundation.