

## Appendix A

The following is a recap of the performance history of the asset classes represented in the Charitable Gift Annuity Program of the Community Foundation of South Alabama. The history covers the 27 years from 1973-1999.

<b>Asset Class</b>	<b>Index</b>	<b>Avg. Annual Return</b>
Domestic Small Cap Stocks	9-10 CRSP	13.71%
Domestic Large Cap Stocks	S&P 500	14.17%
Foreign Stocks, Developed	MSCI-EAFE	12.27%
Int. Govt./Corp. Bonds	Lehman Int. Govt./Corp.	8.83%
Cash Equivalents	1-Mo Treasury Bills	6.94%

<b>Asset Class</b>	<b>Worst Return</b>	<b>Year</b>	<b>Best Return</b>	<b>Year</b>
Domestic Small Cap Stocks	-40.34%	10/73	104.02%	7/83
Domestic Large Cap Stocks	-38.92%	10/73	61.01%	7/83
Foreign Stocks, Developed	-36.65%	10/73	90.48%	10/85
Int. Govt./Corp. Bonds	-2.25%	4/79	28.52%	10/81
Cash Equivalents	2.90%	1/93	14.80%	10/80

As detailed in the Investment Policy of the Community Foundation of South Alabama, as amended from time to time, the Moderate Portfolio has the following asset mix.

<b>Asset Class</b>	<b>Moderate Portfolio</b>
Domestic Small Cap Stocks	5.00%
Domestic Large Cap Stocks	45.00%
Foreign Stocks, Developed	10.00%
Foreign Stocks, Emerging	0.00%
Intermediate Corp. Bonds	19.50%
Intermediate Tsy. Bonds	19.50%
Cash Equivalents	1.00%
<b>Total</b>	100.00%

The following is a recap of the performance history of portfolio constructed for use by the CFSA as its Moderate Portfolio.

Annual Return	12.08%
Standard. Deviation	10.76%
Historical Worst	-13.18%
Historical Best	28.58%
Historical Loss Tolerance	-9.44%

Using normal distribution, we derive the Historical Loss Tolerance by applying two standard deviations to the average annual return. There is a chance (less than 5%) that the actual return will be lower than the Historical Loss Tolerance in any one year.

The following is a recap of the performance history of 5-Year U.S. Treasury Notes.

Annual Return	8.48%
Standard. Deviation	7.01%
Historical Worst	-5.13%
Historical Best	29.10%
Historical Loss Tolerance	-5.72%

Using normal distribution, we derive the Historical Loss Tolerance by applying two standard deviations to the average annual return. There is a chance (less than 5%) that the actual return will be lower than the Historical Loss Tolerance in any one year.