

FUND REAL-RETURI	1.00%
INITIAL WR	3.75%
INVESTMENT	\$10,000
ISM PRICE	\$21.30
ISM COUPON	2.05%

Take inflation-adjusted payout based on initial withdrawal rate from ISM interest, maintaining the real value of the principal.

Excess ISM interest goes to a m'mkt fund (earning some real return). At maturity, fund is added to maturing bonds; 'surplus' compares that to inflated value of 'investment'.

YEAR	ISM INT	CUM INFL	INFLATION	PAYOUT	FUND
2007	\$475	1.0000	2.00%	\$375	\$0
2008	\$593	1.0200	3.00%	\$383	\$100
2009	\$593	1.0506	3.00%	\$394	\$315
2010	\$1,180	1.0821	8.00%	\$406	\$526
2011	\$1,180	1.1687	8.00%	\$438	\$1,347
2012	\$6	1.2622	-2.00%	\$473	\$2,210
2013	\$241	1.2369	0.00%	\$464	\$1,720
2014	\$593	1.2369	3.00%	\$464	\$1,514
2015	\$827	1.2740	5.00%	\$478	\$1,703
2016	\$593	1.3377	3.00%	\$502	\$2,155
2017	\$593	1.3779	3.00%	\$517	\$2,333
2018		1.4192	3.00%	\$532	\$2,502

SURPLUS	\$47
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ANNUALIZED INFLATION	3.2340%
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