

# The legacy

## Problem sheet

A school has been left £1 000 000 in the will of an ex-pupil. The constraints on how the money should be invested and used are:

- The money should have a lifetime of approximately 50 years.
- The school must benefit in some way (spend part of the investment) every year.

You have been asked to evaluate models of investment and expenditure based on any balance being invested at different rates of interest and possibly considering different inflation rates.

What model would you choose to ensure the best return for the school over a period of 50 years (or longer if you wish)?