

7 February 2019

To: The Class of 1958

Subject: 2018 Annual Report for the USMA Class of 1958 Perpetual Endowment Fund

Dear USMA Class of 1958

2018 was an interesting year in the US stock market, ending with the first annual loss in years. The International markets had an even rougher year. Consequently, your Perpetuity Fund logged in its first major loss in value since 2011 (it saw a very small .5% drop in value in 2015). Volatility continues as we have already seen a 9% recovery for 2019. With the new election cycle and world economy appearing to slow, I expect to see much the same this year in terms of ups and downs. On the positive side, we had the largest amount of contributions we have seen in years, so thanks to all those who continue to support the Perpetuity Endowment Fund.

Here is the status of your Class Endowment as of 31 December 2018:

1. 2018 RESULTS

Value on 1 January 2018:	\$1,238,908
2018 Contributions:	\$ 6,865
Grants to Class of '58 Fund:	\$ (50)
Change in Account Value:	\$ (110,081)
Value on 31 December 2018:	\$1,138,200

2. SINCE INCEPTION:

Total Investments:	\$527,565
Total Withdrawals:	\$(75,850)
Net Lifetime Contributed:	\$451,715
Paper Profit:	\$686,485

3. 2018 ACCOUNT PERFORMANCE:

Average Amount Invested 2018:	\$1,242,316
Return On Investment:	\$ (110,081)
2018 Rate of Return:	-8.59%

4. 2018 FUND and BENCHMARK PERFORMANCE

U.S. Equity Pool:	-9.16%
Total Market Index Pool:	-5.85%
International Equity Index Pool:	-13.99%
S&P 500:	-4.38%
DJ U.S. Total Stock Mkt Index:	-5.30%
MSCI (International Index):	-13.60%

At the last board meeting, the PEB decided to split the International portion of our holdings into two: The current International Equity Index Pool, and the Sustainable International Index which offers more exposure to Emerging Markets. We will maintain the current US Allocation, so as of the beginning of this year, the current allocation is as follows:

- 40% U.S. Equity Fund (based on the Fidelity Stock Selector All-Cap Fund)
- 40% Total Market Index
- 10% International Index Fund
- 10% Sustainable International Index

The fund is required to contribute \$250 every seven years to a charitable cause. The Endowment Board voted to accomplish this with an automatic donation to the AOG - Class of 1958 fund of \$50 each year in June. In addition, the Fund granted \$75,000 in 2012 towards the funding of the First Class Club Renovation and upgrade.

Several members of the Class of 1958 have included the Gift Fund as a beneficiary in their estate documents. Currently, this totals \$174,958. If you have done so, please drop me a line or send me an email (RRobertson@Wealthcrest.com) so that I can annotate that in the Treasurer's records.

As I enter my final year as your Class Endowment Treasurer, I want to say what a privilege it has been serving with your class. I also want to extend a special thanks to current and former board members who have been very supportive during my tenure.

If you would care to send contributions to the fund, please mail your check to the below address, made payable to **Fidelity Charitable Gift Fund** and include the annotation **CGF-1958** in the memo field.

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