

31 January 2020

To: The Class of 1958

Subject: 2019 Annual Report for the USMA Class of 1958 Perpetual Endowment Fund

Dear USMA Class of 1958

2019 was a big year for the markets, but should be taken within the context that the last quarter of 2018 saw a big correction. Still, the strong economy, low interest rates and good corporate profits fueled a very good year for the US Stock Market. The strong dollar and trade war with China was a drag on international holdings....but they still had a decent year.

Here is the status of your Class Endowment as of 31 December 2019:

1. 2019 RESULTS

Value on 1 January 2019:	\$1,138,200
2019 Contributions:	\$ 1,550
Grants to Class of '58 Fund:	\$ (50)
Change in Account Value:	\$ 329,853
Value on 31 December 2019:	\$1,472,174

2. SINCE INCEPTION (10/20/1998):

Total Investments:	\$ 529,115
Total Withdrawals:	\$ (75,900)
Net Lifetime Contributed:	\$ 453,215
Paper Profit:	\$1,018,954

3. 2019 ACCOUNT PERFORMANCE:

Average Amount Invested 2019:	\$1,138,975
Return On Investment:	\$ 329,853
2019 Rate of Return:	29.34%

4. 2019 FUND and BENCHMARK PERFORMANCE

U.S. Equity Pool:	31.51%
Total Market Index Pool:	30.20%
International Equity Index Pool:	21.24%
Sustainable International Index Pool:	21.47%
S&P 500:	31.49%
DJ U.S. Total Stock Mkt Index:	30.90%
MSCI (International Index):	22.29%
MSCI ACWI ex-US Sustainable Index:	23.35%

At the 2018 annual 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 maintained the US Allocation, split between an actively managed fund and an Index fund. The current allocation target 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 Gift 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.

This is my final year as your Class Endowment Treasurer. This spring, I will be turning over the reins to my classmate, Deborah (Gillette) Nagle who was elected to the PEF Board at our November 2019 annual meeting. We will put out a message to let you know when the turnover is official and where to mail your contributions. In the meantime, you can continue to send contributions to me at the below address. Make sure you make it payable to **Fidelity Charitable Gift Fund**.

I want to say what a privilege it has been serving your class. You live up to your motto and this program is one of many examples of how GREAT the USMA Class of 1958 really is. Thanks to all of those who have supported the perpetuity fund, and to me, personally. I have received nothing but positive feedback. Thank you!

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