

7 February 2021

To: The Class of 1958

Subject: 2020 Annual Report for the USMA Class of 1958 Perpetual Endowment Fund

Dear USMA Class of 1958

2020 was somewhat of a volatile year for the markets, experiencing a significant plunge in the 1st quarter of the calendar year, but finishing strong in the 4th quarter for a solid end of calendar year gain.

Here is the status of your Class Endowment as of 31 December 2020:

1. 2020 RESULTS

Value on 1 January 2020:	\$1,472,174
2020 Contributions:	\$ 10,900
Grants to Class of '58 Fund:	\$ (50)
Change in Account Value:	\$ 275,479
Value on 31 December 2020:	\$1,761,634

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

Total Investments:	\$ 540,015
Total Withdrawals:	\$ (75,950)
Net Lifetime Contributed:	\$ 464,065
Paper Profit:	\$1,297,569

3. 2020 ACCOUNT PERFORMANCE:

Return On Investment:	\$ 275,479
2020 Rate of Return:	19.66%

4. 2020 FUND and BENCHMARK PERFORMANCE

U.S. Equity Access:	25.98%
Total Market Index:	20.05%
International Equity:	14.71%
Sustainable International Index:	12.33%
S&P 500:	18.40%
DJ U.S. Total Stock Mkt Index:	20.79%
MSCI (All Country Wld exUS):	8.02%
MSCI ACWI (ex-US Sustainable Index):	13.81%

At the 5 November 2020 annual board meeting, the PEB voted to make the following changes in the investment funds:

- moved allocation from the International Index Pool to the International Equity Pool
- moved allocation from the U.S. Equity Pool to the U.S. Equity Access Pool.

At the time of fund transfer the funds were rebalanced to 10% for the two International Funds and 40% for the two Domestic Funds.

The current International Equity Pool, and the Sustainable International Index offers more exposure to Emerging Markets. With the reallocation articulated above, we have changed the International Allocation to one actively managed fund and one index fund. We maintained the US Allocation, split between an actively managed fund and an Index fund. The current allocation target is as follows:

- 10% International Equity Pool
- 10% Sustainable International Index
- 40% Total Market Index
- 40% US Equity Access Pool

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 (dnagle82@gmail.com) so that I can annotate that information in the Treasurer's records.

This is my first year as your Class Endowment Treasurer. I am honored to serve as Treasurer for the GREAT USMA Class of 1958's Perpetual Endowment fund. Thanks to all of those who have supported the perpetuity fund in the past, I look forward to serving you in the future. Thanks to Russ Robertson for his selfless service and transferring to me excellent accounting books. 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**.

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