

17 JANUARY 2022

To: The Class of 1958

Subject: 2021 Annual Report for the USMA Class of 1958 Perpetual Endowment Fund

Dear USMA Class of 1958

Overall, 2021 proved to be a great year. The market demonstrated a steady upward trend this year. The only exception was 3<sup>rd</sup> quarter when uncertainty about the debt ceiling in the latter part of September yielded a low performance rate of gain. But that dip was short lived with the market finishing strong at the end of the year. **Your PEF is now worth over \$2 million dollars.**

Here is the status of your Class Endowment as of 31 December 2021:

1. 2021 RESULTS

Value on 1 January 2021:	\$1,761,634
2021 Contributions:	\$ 31,534
Grants to Class of '58 Fund:	\$ (50)
Administrative Adjustments: <sup>1</sup>	\$ 5,056
Change in Account Value:	\$ 424,238
<b>Value on 31 December 2021:</b>	<b>\$2,222,412</b>

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

Total Investments:	\$ 571,549
Total Withdrawals:	\$ (76,000)
Net Lifetime Contributed:	\$ 495,549
Paper Profit:	\$1,726,863

3. 2021 ACCOUNT PERFORMANCE:

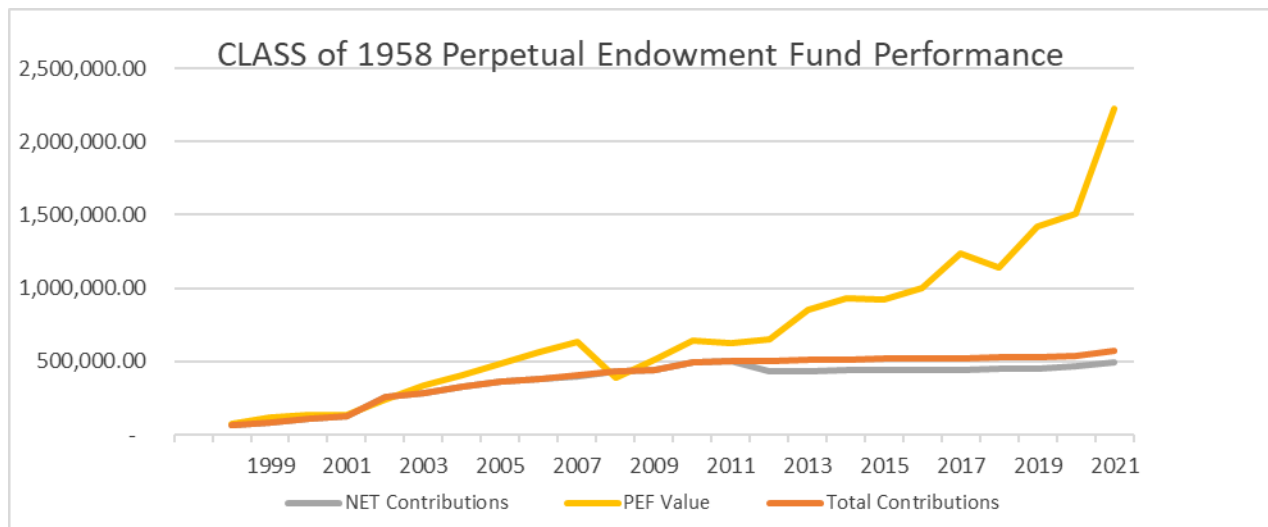
Return on Investment:	\$ 424,238
2021 Rate of Return:	26.16%

4. 2021 FUND and BENCHMARK PERFORMANCE

• <b>U.S. Equity Access:</b>	28.05%
Benchmark – S&P 500:	28.71%
• <b>Total Market Index:</b>	24.91%
Benchmark – DJ U.S. Total Stock Mkt Index:	25.66%
• <b>International Equity:</b>	18.66%
Benchmark – MSCI EAFE Index - Linked:	11.48%
• <b>Sustainable International Index:</b>	6.98%
Benchmark – MSCI ACWI xUSA ESG Ldrs:	8.43%

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<sup>1</sup> This year, the line item "Administrative Adjustments" was added to account for dollars deposited in the PEF each quarter because our fund is above the million-dollar threshold. There is standard administrative fee that is taken out of the PEF account each quarter and then based on PEF account value a certain amount of dollars is returned to the fund. This type of transaction is termed "Administrative Adjustments."



At the 15 November 2021 annual board meeting, the board voted to leave the PEF money in the four current investment funds. At the end of calendar year 2021, the accounts were rebalanced to reflect the allocation target 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. Years ago, 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.

Contributions for 2021 stand at \$31,434. This is the highest contribution level since 2010 when the total contributions stood at \$50,818. Most of the donations this year were made in memory of lost classmates: On a happier note, \$5,434 was generated in support of Ed Weckel's "March Back" expedition this summer.

Seven members of the Class have included the Endowment Fund on estate documents for a total of \$174,958. Of the \$174,958, \$30,000 has been deposited into the Endowment Fund. If anyone has established the Gift Fund as a beneficiary in your estate, 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.

The PEF was established by a vote of the Class of '58 on the 40th reunion to provide a long-term series of gifts to the USMA. The Endowment by-laws require that the Endowment Board distribute 25% of the Fund to the Academy in 2058 and continue with additional 25% donations every 10 years after that into perpetuity.

If you would care to contribute to your class fund, please mail your check to the below address, made payable to **"Fidelity Charitable Gift Fund."**

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