

5 February 2023

To: The Class of 1958

Subject: 2022 Annual Report for the USMA Class of 1958 Perpetual Endowment Fund

Dear USMA Class of 1958

Overall, 2022 proved to be a down year. The market was volatile throughout 2022 resulting in a downward trend most of this year. The positive news is that in the 4th quarter of 2022 the market showed an upward trend toward the end of the year. This upward trend is continuing – **as of 3 February 2023 the balance is over 1.9 million dollars which is about \$164 thousand more than the balance at end of 2022.** Below are the account details.

Status of your Class Endowment as of 31 December 2022

1. 2022 RESULTS

Value on 1 January 2022:	\$2,222,412
2022 Contributions:	\$ 2,300
Grants to Class of '58 Fund:	\$ (50)
Administrative Adjustments: ¹	\$ 5,448
Change in Account Value:	\$ (449,448)
Value on 31 December 2022:	\$1,780,662

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

Total Investments:	\$ 573,849
Total Withdrawals:	\$ (76,050)
Net Lifetime Contributed:	\$ 497,799
Paper Profit:	\$1,282,863

3. 2022 ACCOUNT PERFORMANCE:

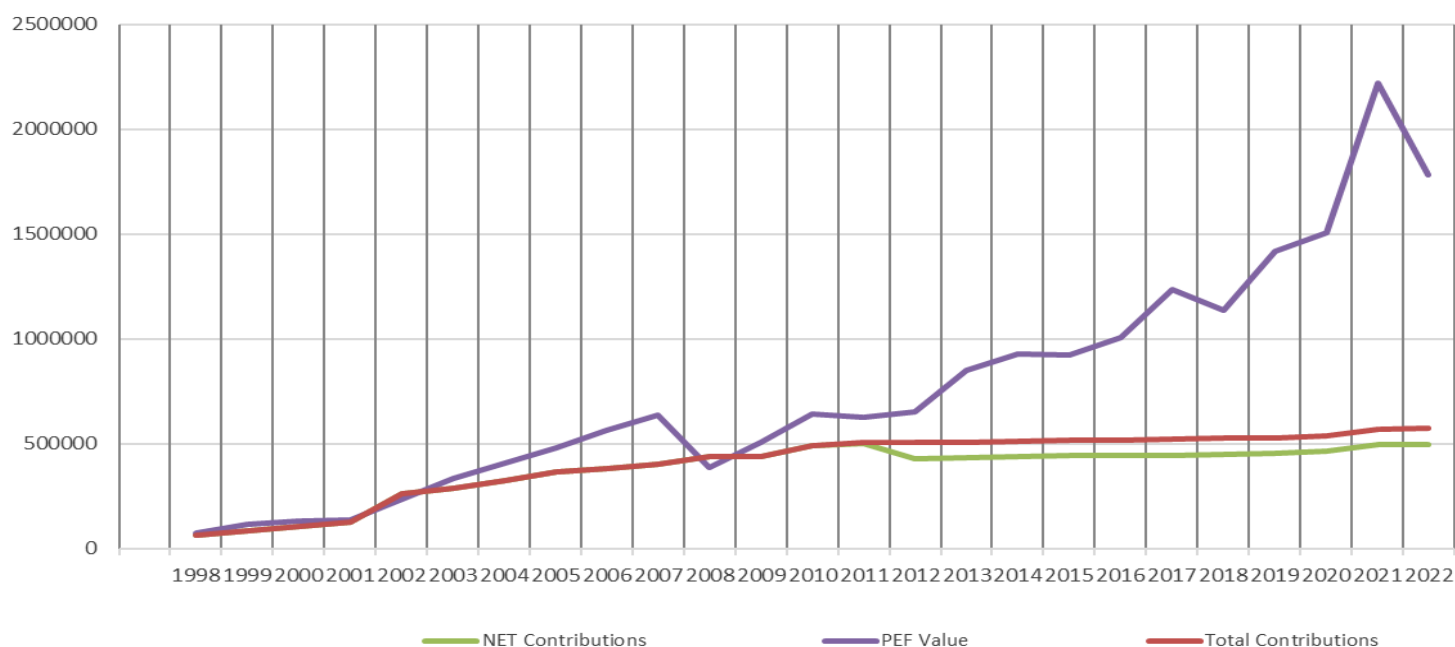
Return on Investment:	\$ (449,448)
2022 Rate of Return:	-19.88%

4. 2022 FUND and BENCHMARK PERFORMANCE

• U.S. Equity Access:	-19.28%
Benchmark – S&P 500:	-18.11%
• Total Market Index:	-20.00%
Benchmark – DJ U.S. Total Stock Mkt Index:	-19.53%
• International Equity Access:	-15.86%
Benchmark – MSCI EAFE Index:	-14.27%
• Sustainable International Index:	-19.37%
Benchmark – MSCI ACWI xUSA ESG Ldrs:	-18.65%

¹ This line item "Administrative Adjustments" reflects 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."

CLASS of 1958 Perpetual Endowment Fund Performance



At the 29 November 2022 annual board meeting, the board voted to leave the PEF money in the four current investment funds. At the end of calendar year 2022, the accounts reflected the board approved allocation target as follows (no rebalancing of accounts was required):

- 10% International Equity Access 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.

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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