

USMA Class of 1958
Perpetual Endowment Fund Board Minutes

3 December 2013

6108 Glen Oaks Court, Springfield, Virginia

Board Members Present: Gerald 'Jerry' Mitchell (Chairman), Russell 'Russ' Robertson (Treasurer, Descendent Member, USMA 1982), Jason Crabtree (Trustee Emeritus, USMA 2008), John Nun (Past Chairman)

Board Members Present via teleconference: Valerie Coffey (Secretary, Descendent Member, USMA 1985), Elena Meskill (Designated Member, USMA 1999)

Board Members Absent: Dale Hruby II (Descendent Member, USMA 1983), William 'Pat' Connelly (Trustee Emeritus, USMA 1998),

Others Present: Anthony 'Tony' Smith (Executive Committee Liaison Member)

Chairman, Jerry Mitchell, called the meeting to order at approximately 1745 hours.

SUBJECT #1: 2012 Perpetual Endowment Fund Meeting Minutes

DISCUSSION: Jerry Mitchell made a motion that the 2012 minutes, provided to each attendee and available on the class website, be approved as written. The motion was approved.

SUBJECT #2: Perpetual Endowment Fund Treasurer's Report

DISCUSSION: Russ Robertson, Board Treasurer, presented the status of the Perpetual Endowment Funds (see below). Elena Meskill reported that the USMA Class of 1958 Perpetual Endowment Fund has now been added as an organization in the 2012 Annual Report of Gifts and the class has been recognized for the \$75k contribution to renovate the First Class Club in 2012.

1. CURRENT HOLDINGS/ASSET ALLOCATION (AS OF 30 NOV 2013)

US Equity	\$332,018	40%
Total Market Index	\$335,043	41%
International Equity	<u>\$159,850</u>	19%
TOTAL BALANCE:	\$826,911	

2. CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed:	\$508,330
Amount Granted to Class of '58 Fund:	\$ 75,600
Net Lifetime Amount Contributed:	\$432,730
TOTAL GAINS FROM EARNINGS:	\$394,181

3. NET PROFIT/LOSS 2013 YEAR TO DATE

Value on 1 Jan 2013	\$654,822
Contributions:	\$ 2,000
Granted to Class of '58 Fund:	\$ (50)
Net Amount Contributed:	\$ 1,950
Net Gain from Growth:	\$170,139
Current Value:	\$826,911

4. PERCENT APPRECIATION

2013 YTD:	26%
Lifetime Increase:	91% (Total Gains from earnings/Net Amount Contributed)

5. ONE YEAR PERFORMANCE

<u>Fund/Benchmark</u>	<u>11/30/2012</u>	<u>11/30/2013</u>	<u>Change</u>
U.S. Equity	28.27	36.91	31%
Total Market Index	13.61	17.80	31%
International Equity	7.51	8.80	17%
Dow Jones Industrial	13,026	16,086	23%
NASDAQ	3,010	4,060	35%
S&P 500	1,416	1,805	27%

6. FUND PERFORMANCE MEASURED AGAINST BENCHMARKS (As of 10/31/2013)

	3 Months	1 Year	3 Year	5 Year	10 Year	Exp Ratio
U.S. Equity Pool	5.45%	28.68%	15.70% (note 1)	14.78% (note 1)	7.35% (note 1)	.73
S&P 500 Index	4.75%	27.18%	16.56%	15.17%	7.46%	
Total Market Index Pool	4.85%	28.13%	16.17%	15.29%	8.07% (note 2)	.07
DJ US Total Stock Index	4.99%	28.86%	16.90%	16.01%	8.13%	
International Equity Pool	7.89%	18.89%	6.98% (note 3)	13.86% (note 3)	N/A	1.16
MSCI EAFA Index	9.35%	20.42%	6.17%	12.63%	N/A	

Note 1: US Equity Fund opened 7/1/2011. Results are from underlying Fund: Fidelity Stock Selector All Cap Fund

Note 2: 10 Year results are from underlying Fund: Spartan Total Market Index, Fidelity Advantage Class

Note 3: Results are from underlying Fund: Fidelity Total International Equity

7. TREASURER'S NOTES:

- a. The Endowment had a very positive year. Because the original funds were closed and replaced with new funds in 2012, it is difficult to make direct comparisons beyond one year.
- b. Only \$2000 donated this year, most due to the March Back campaign.
- c. Five classmate currently have the Endowment Fund included on estate documents for a total of \$76,958.
- d. The fund makes an annual contribution of \$50 to the Class of 1958 Fund every June 6th, beginning in 2011. This helps satisfy a seven-year gifting requirement of \$250.
- e. For the record, the PEF made two contributions in 2012 for the First Class Club renovation for a total of \$75,000 per approval of the board.

Send additional PEF contributions, payable to Fidelity Investments CGF-1958 PEF' to:

*Russell Robertson
8606 Cross View
Fairfax Station, VA 22039*

For more information contact Russ Robertson at:
<RRobertson@wealthcrest.com>

SUBJECT #3: Potential New Board Members

DISCUSSION: Dale Hruby is maintaining a list of Class of 1958 descendants who are potential board members. Jerry Mitchell recommends Paul 'Church' Hutton's son, Captain Richard Hutton be added to the list of potential board members. CPT Hutton, not a USMA graduate, is currently working on his Master's Degree at Georgetown University, and upon graduation in 2015, his follow-on assignment is to teach history at the USMA.

SUBJECT #4: Creation of a '58 Advisory Board

DISCUSSION: Past Chairman recommended the Perpetual Endowment Fund Board consider creating an Advisory Board of members of the class of 1958. The board decided against the recommendation to create an additional formal advisory board, but approved publicizing upcoming meetings and means of participating to members of USMA '58. If the Board expects more than 10 members of '58 to participate on a regular basis, the Board will reconsider the recommendation to form a formal advisory board.

The board adjourned at approximately 1830 hours since there was no additional business to discuss. The next meeting is tentatively planned for 23 October 2014.

Perpetual Endowment Fund Board

/signed/
Gerald C. Mitchell
Chairman
USMA Class of 1958

/signed/
Valerie G. Coffey
Secretary
USMA Class of 1985