



**USMA Class of 1958
Perpetual Endowment Fund Board Minutes**

November 15, 2021

This meeting was conducted using Zoom (videoconference)

Board Members:

- P - Founder Member - George Lawton, Chairman, USMA 1958 (Out-going)
- P - Founder Member - Anthony "Tony" Bauer, Vice Chairman, USMA 1958
- A - Founder Member - Alan Chase, USMA 1958
- P - Founder Member - Frank Harlem, USMA 1958
- P - Descendent Member - Deborah Nagle, Treasurer, USMA 1982
- P - Descendent Member - Daniel Peck, Descendent Graduate List Manager, USMA 1983
- P - Descendent Member - Valerie Coffey, Secretary, USMA 1985
- P - Designated Member - Elena Ivanova, Recent Graduate Serving at West Point, USMA 1999
- A - Designated Member - Simone Askew, USMA 2018
- A - Designated Member Emeritus - Jason Crabtree, USMA 2008
- A - Designated Member Emeritus - William 'Pat' Connelly, USMA 1998
- P – Descendent Member - Colin Graves, USMA 2011 (In-coming)

[P= Present; A = Absent]

Chairman, George Lawton, called the meeting to order at approximately 1900 EDT, and verified the Perpetual Endowment Board (PEB) had a quorum (>2/3, with seven members present) of voting members to conduct Perpetual Endowment Fund (PEF) business.

SUBJECT #1: Minutes of November 5, 2020 Meeting

DISCUSSION: The board unanimously approved the minutes for the meeting held on November 5, 2020.

SUBJECT #2: Revised PEF Bylaws

DISCUSSION: The board unanimously approved the revision of the PEF Bylaws.

SUBJECT #3: Treasurer's Report

DISCUSSION: Deborah Nagle provided the Treasurer's report (See Appendix A for the full report). As of 12 November 2021, the total balance is \$2,213,683.

Deborah stated that '58 classmates contributed over \$31,000 in 2021, and the total gains from earnings since November 2020 is over \$670,000. The PEF made an annual contribution of \$50.00 to the Class of '58 gift fund, to satisfy a seven year minimum gifting requirement of \$250 to a charitable organization.

Frank Harlem reported that the audit of the PEF was successful, and that the four investment funds the PEF is invested in earned 23.9% year to date (S&P earned 24.7%). The board voted to leave the PEF money in the four investment funds.

Deborah stated she will rebalance the PEF money across the funds to the approved 40-40-10-10. PEF board members with viewing access to the Fidelity account are George Lawton, Frank Harlem, Dan Peck, and Tony Bauer. Deborah is the only member with authority to make transactions with the funds. With his transition from the board, George Lawton will be removed from the access list for the Fidelity account.

Contributions to the PEF, payable to Fidelity Investments CGF should be sent to:

Deborah Nagle
Treasurer, Perpetual Endowment Fund
408 Crown View Dr.
Alexandria, VA 22314

SUBJECT #4: Terms of Service

DISCUSSION:

George Lawton stated that the only changes to revised PEF Bylaws are the board members' terms of service. The changes are to the class of '58 members and to the 'Recent Graduate Serving at West Point' positions. The changes to the '58 board members is to start the process of members of '58 leaving the board, and the change to the position Elena Ivanova holds is to make the position a semi-permanent position, similar to the 'Designated Member Emeritus' positions.

Tony Bauer will call a PEF board meeting in early 2022 to discuss how to structure the board going forward without members of '58.

SUBJECT #5: Potential New Board Members

DISCUSSION:

Dan Peck successfully contacted 57 known descendants (including two current cadets). Dan reported that ten of the 57 expressed an interest in the Board.

During this meeting, Colin Graves was selected and approved to become a board member replacing the outgoing George Lawton.

SUBJECT #6: George Lawton

DISCUSSION: The board thanked George for his active leadership on the PEF board and for being a great leader that took care of the class over the years.

The minutes, Treasurer's Report, Bylaws, and other PEF documents are available on the '58 website, maintained by Pete Trainor at:
<www.west-point.org/class/usma1958>

The board adjourned at approximately 1930 hours since there was no additional business to discuss. The next meeting is tentatively planned for early 2022.

/signed/
George Lawton
Chairman
USMA Class of 1958

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

Appendix A

STATUS REPORT
AS OF 12 November 2021
FIDELITY INVESTMENT CHARITABLE GIFT FUND
USMA CLASS OF 1958 PERPETUAL ENDOWMENT

1. CURRENT HOLDINGS/ASSET ALLOCATION (As of 10 NOV 2020)

Total Market Index	\$902,320	41%
U.S. Equity Access Pool	\$898,803	40%
International Equity Pool	\$214,533	10%
Sustainable Int'l Index	\$198,027	9%
TOTAL BALANCE:	\$2,213,683	

2. CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed:	\$571,449
Amount Granted to Class of '58 Fund:	\$ 76,000
Net Lifetime Amount Contributed:	\$495,449
TOTAL GAINS FROM EARNINGS:	\$1,718,234

3. FUND PERFORMANCE MEASURED AGAINST BENCHMARKS (As of 30 SEP 2020)

	Cumulative	Average Annual			
	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Total Market Index Pool	14.60%	31.35%	15.27%	16.14%	15.87%
DJ U.S. Total Stk Mkt Index	15.13%	32.13%	15.95%	16.82%	16.56%
U.S. Equity Access Pool	14.32%	29.8%	17.02%	17.52%	Note 1
S&P 500 Index	15.92%	30.00%	15.99%	16.90%	16.63%
International Equity Pool	11.61%	24.66%	11.65%	10.77%	9.24%
MSCI EAFE Index-linked	8.54%	25.98%	7.84%	8.84%	7.50%
Sustainable Intl Index	5.07%	20.30%	8.43%	Note 2	Note 2
MSCI ACWI xUSA ESG Ldrs	6.37%	22.51%	9.95%	10.05%	Note 2

4. TREASURER'S NOTES:

1. On 10 November 2020, transferred funds (according to PEF Board's vote at the 5 NOV 2020 Board meeting):
 - a. U.S. Equity Pool to the U.S. Equity Access Pool
 - b. International Index Pool to the International Equity Pool
2. The market has demonstrated a steady upward trend this year. The only exception was 3rd quarter when uncertainty about the debt ceiling in the latter part of September yielded a low performance rate. ting in a gain for FY20 to date.
3. Overall, 2021 has been a very good year. The total gains from earnings increased from **\$1,045,727** last year (as of 2 NOV 2020) to **\$1,718,234** this year (as of 12 NOV 2021) for an increase of **\$672,507**. That is a
4. 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:
 - a. Dick Oberg left \$20,000 in his will to the Class of '58 PEF.
 - b. Family, friends and classmates of Bill Gillette contributed \$4,500 "in lieu of flowers" to the Class of '58 PEF in Bill's memory
 - c. Company D-2 and the '58 Class general AOG fund combined contributed a total of \$1,100 in memory of seven loss classmates.
 - d. On a happier note, \$5,434 was generated in support of Ed's "March Back" expedition this summer – Thank you Ed.
5. Seven classmates included the Endowment Fund on estate documents for a total of \$174,958. Of the \$174,958, to date \$30,000 has been deposited into the Endowment Fund.
6. The fund makes an annual contribution of \$50 to the Class of 1958 Fund every June, beginning in 2011. This helps satisfy a seven-year gifting requirement of \$250.
7. Contributions should be made to Fidelity Investments CGF. Mail to:

Deborah Gillette Nagle
Treasurer, Perpetual Endowment Fund
408 Crown View Drive
Alexandria, VA 22314

Appendix B

<u>PEF Board Member Status</u>	<u>Term of Service (TOS) Ends</u>
'58 Founder Members (7 Yr TOS)	
Alan Chase	2022
George Lawton	2021 (Retired at this meeting)
Frank Harlem	2027
Tony Bauer	2025
Descendent Members (7 Yr TOS)	
Deborah Nagle (Treasurer)	2026
Dan Peck (Membership)	2023
Valerie Coffey (Secretary)	2024
Colin Graves	2028 (Replaced George Lawton)
Designated Members (10 Yr TOS)	
Simone Askew	2028
Elena Ivanova	2031
Emeritus	
Pat Connelly	N/A
Jason Crabtree	N/A

Note: As people join the board, their term of service length will correspond to the terms in place at the time the person joins. If a person leaves the board, the replacement will fulfill the terms of service of the person who left the board, and be eligible for two additional full terms.