



USMA Class of 1958 Perpetual Endowment Fund Board Minutes

November 21, 2023

This meeting was conducted using Zoom (videoconference)

Board Members:

- P - Descendent Member – Russell Robertson, Chairman, USMA 1982
- P - Founder Member – Frank Harlem, Vice Chairman, 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
- A – Descendent Member – Colin Graves, USMA 2011
- 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
- P - Designated Member Emeritus - William ‘Pat’ Connelly, USMA 1998
- P - Founder Member – Anthony “Tony” Bauer, Board Member, USMA 1958

[P= Present; A = Absent]

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

SUBJECT #1: Minutes of 29 November, 2022 Meeting

DISCUSSION: The board unanimously approved the minutes for the meeting held on November 29, 2022.

SUBJECT #2: List of Descendants

DISCUSSION: Dan Peck provided an update on the list of descendants. Dan will coordinate with Elena Ivanova to validate each individual's contact information.

Miscellaneous facts and questions that were discussed during this meeting:

- There are 11 people interested in serving on the board at this time, and Dan will provide a summary report of this meeting to each of them.
- There are 58 descendants, including #58, Colette Coffey who is currently a Yearling at the academy.
- There are 23 grandchildren descendants, which started in 2007
- Can spouses of descendants be tracked on the list as a descendant? Russ will take this question to the EXCOM next month.

SUBJECT #3: Treasurer's Report

DISCUSSION: Deborah Nagle provided the Treasurer's report (See Appendix A for the full report). As of 21 November 2023, the total balance is **\$2.136M**.

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.

Deborah stated she will rebalance the PEF money across the funds to the approved 40-40-10-10 on December 30, 2023. PEF board members with viewing access to the Fidelity account are Frank Harlem, Dan Peck, and Russ Robertson. Deborah is the only member with authority to make transactions with the funds.

Contributions to the Perpetuity Fund are considered charitable donations for tax purposes (on Schedule A for Federal Taxes). However, they do NOT qualify as a Qualified Charitable Deductions (QCD) which allows contributions to be made directly from IRAs for those at least age 70 ½, in effect becoming immediately tax-deductible. Donor-advised Funds, such as the PEF, are not eligible for a QCD since they are not considered an "operational" charity.

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: The board voted unanimously to extend Dan Peck's term of service as Descendent Graduate List Manager for his second term. Valerie Coffey's second term of service will end in 2024. Dan will identify candidates for replacing Valerie. Dan will send out the resumes and the board will vote to approve one. That individual will participate as an observer at the fall 2024 board, and then take over duties starting in 2025. In addition, as Tony's and Frank's terms of service lapse, Dan will plan to bring on two new descendant members over the next three years.

SUBJECT #5: 2058 Planning

DISCUSSION: The PEF signed a MOU with the class of 2008, but the class of 2008 leadership has changed. Russ Robertson will coordinate with the class of 2008 leadership to ensure the PEF planning for 2058 remains a topic of consideration. Russ will invite the 2008 class leadership to our PEF board meetings as observers. Elena stated that AOG only plans for class reunions two years out and the West Point buildings footprint is changing with the 2035 (more realistically 2045) plan. Dan will write a summary to share with the class of 2008 membership. Elena will provide photos to include in the summary.

Russ will brief and receive input from the Class of 1958 Executive Committee about the PEB's future responsibilities for the 100th Anniversary Ceremony in 2058.

SUBJECT #6: Closing Comments

DISCUSSION: 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 2000 hours since there was no additional business to discuss. The next meeting is tentatively planned for November 2024.

/signed/
Russ Robertson
Chairman
USMA Class of 1958

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

Appendix A

STATUS REPORT

AS OF 10 November 2023

FIDELITY INVESTMENT CHARITABLE GIFT FUND
USMA CLASS OF 1958 PERPETUAL ENDOWMENT

1. CURRENT HOLDINGS/ASSET ALLOCATION

Total Market Index	\$837,292	40%
U.S. Equity Access Pool	\$857,284	41%
International Equity Pool	\$187,596	9%
Sustainable Int'l Index	\$186,283	9%
TOTAL BALANCE:	\$2,068,455	

2. CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed:	\$609,749
Amount Granted to Class of '58 Fund:	\$ 76,100
Net Lifetime Amount Contributed:	\$533,649
TOTAL GAINS FROM EARNINGS:	\$1,534,806

3. FUND PERFORMANCE MEASURED AGAINST BENCHMARKS

	Cumulative	Average Annual			
	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Total Market Index Pool	8.88%	7.78%	8.42%	9.46%	9.79%
DJ U.S. Total Stk Mkt Index	9.39%	8.39%	9.06%	10.10%	10.43%
U.S. Equity Access Pool	11.09%	10.62%	9.95%	11.92%	Note 1
S&P 500 Index	10.69%	10.14%	10.36%	11.01%	11.18%
International Equity Pool	2.74%	12.24%	2.23%	4.60%	3.22%
MSCI EAFE Index-linked	2.94 %	14.65%	5.95%	4.32%	3.03%
Sustainable Intl Index	0.27%	12.03%	0.42%	2.75%	Note 2
MSCI ACWI xUSA ESG Ldrs	0.86%	12.75%	1.47%	3.94%	3.49%

Note 1: Pool created 07/01/2011, therefore historic performance is not available for earlier periods.

Note 2: Pool created 01/31/2018, therefore historic performance is not available for earlier periods.

4. TREASURER'S NOTES:

a. On 30 December 2022, I will rebalance the fund percentages to reflect the following:

- Total Market Index ----- 40%
- U.S. Equity Access Pool ----- 40%
- International Equity Pool ----- 10%
- Sustainable Int'l Index ----- 10%

b. Overall, 2023 has been a better year than last year. Although the market has still been a bit unsettled, the PEF has trended up this year. The PEF increased in value by \$287,793 (16.2% increase) above the 31 December 2022 value (1,780,662). However, the fund is still lower than the 31 December 2021 value (**\$2,222,412**).

c. The positive news is that all funds yielded a positive return this year.

d. Contributions for 2023 stand at \$35,900. The large 2023 contribution to date is largely due to the \$24,900 disbursed on 1 June 2023 from the class of '58's admin funds in honor (at the time) of 249 surviving classmates (\$100 donation for each). The distribution was voted on at the class reunion in May 2023 at the business meeting.

e. 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.

f. On 6 June 2022, the fund made its annual contribution of \$50 to the Class of 1958 Fund. This annual contribution began in 2011 to satisfy a seven-year gifting requirement of \$250.

g. We have had some issues this year with Fidelity requiring me to send them an "Irrevocable Contribution Form" signed by the individual who wrote the check for deposit into the PEF.

h. Contributions to the Class of '58 Perpetual Endowment Fund should be made to **Fidelity Investments CGF**. Mail contributions 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)	
Frank Harlem	2027
Tony Bauer	2025
Descendent Members (7 Yr TOS)	
Deborah Nagle (Treasurer)	2026
Dan Peck (Membership)	2029 (extended at this meeting)
Valerie Coffey (Secretary)	2024
Colin Graves	2028
Russell Robertson (Chairman)	2030 (Replaced Alan Chase)
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.