



WEST POINT ASSOCIATION OF GRADUATES
UNITED STATES MILITARY ACADEMY

April 17, 2013

MEMORANDUM TO: Class Presidents, Fundraising Chairs, and Treasurers

SUBJECT: Investment Pools – Class Gift Funds

1. The West Point Association of Graduates (WPAOG) is very appreciative of all gifts received and takes very seriously its responsibilities to hold those funds in trust for use by both the United States Military Academy (USMA) and the WPAOG for future generations of the Long Gray Line. Class Reunion Gift Funds intended for endowments are particularly important, as they provide long-term financial stability.

2. The WPAOG Board of Directors (BOD) has recently approved a policy whereby as of July 1, 2013 any portion of a Class Reunion Gift Fund intended for endowment purposes will be placed in the WPAOG's Long-Term Investment Pool as gifts are received. Any market gain for the funds so invested will be realized and reflected in the total amount for which the Class is recognized at gift presentation. The BOD also stipulated that should the financial market's return negatively affect funds invested in the Long-Term Pool, the loss will not negatively affect the recognition a Class receives for its efforts. It must be noted, however, that it remains the expectation that Classes will endeavor to reach their Class Reunion Gift targets with contributions from classmates rather than through market returns.

3. Further, the BOD re-affirmed the policy with respect to non-endowment Class Reunion Gift Funds, namely that those expected to be spent within one year will remain in the Current Pool, while those expected to be spent between one to three years will remain in the Short-Term Pool.

4. Any residual funds left upon presentation of a Class Reunion Gift will be invested in the Long-Term Pool until the next reunion campaign when the purpose of those funds is determined by the Class.

5. The current allocation of the Long-Term Pool, as approved by the BOD is:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	65%
Domestic Equity	32.5%
International Equity	32.5%
Fixed Income	10%
Alternative Assets	25%

The BOD-approved investment vehicle for the Current Pool is a portfolio of cash equivalents, while the current vehicle for the Short-Term Pool is a portfolio of bonds and cash equivalents.

6. If you have any questions relating to this policy, please contact our Chief Financial Officer, Carl Moccia at: carl.moccia@wpaog.org.

7. Thank you for supporting West Point and your Association of Graduates.

A handwritten signature in black ink, appearing to read "Robert L. McClure". The signature is fluid and cursive, with the first name "Robert" being the most prominent.

ROBERT L. McCLURE
Colonel, USA (Retired)
President and CEO