



150 YEARS

Serving West Point & the Long Gray Line

December 20, 2018

Class of 1960
LTG Charles P. Otstott, USA, Retired
6152 Pohick Sta Dr
Fairfax Station, VA 22039-1646

Dear ~~General~~ Otstott, *Charles,*

On behalf of the West Point Association of Graduates (WPAOG), I am pleased to present you with the 2018 Annual Report for the **Cadet Activities Endowment** (for Academic Year 2017-2018), **Long Gray Line Endowment** (for Calendar Year 2018) and the **West Point Preparatory Scholarship Program** (for Academic Year 2017-2018). This report includes documents from the Academy and the WPAOG detailing the activities and events supported by these endowments during the specified timeframe, and a financial statement detailing the performance of the endowments as of December 31, 2017.

The endowments of WPAOG are invested under the direction of the Association's Investment Committee, using policy guidelines established by the Board of Directors. The Committee retains a professional investment management consultant and allocates assets to various investment managers and asset classes to minimize risk. For the year ending December 31, 2017, the investment returns of WPAOG met or were slightly below our related benchmarks, while the cumulative three years and five years returns were favorable to those benchmarks. For more information on how WPAOG manages and invests endowments, see the enclosed Investments Overview.

Please feel free to contact Amanda Kennedy, our Stewardship Coordinator, at (845) 446-1570 or via email at Amanda.Kennedy@wpaog.org if you have any questions pertaining to the report. We thank you for sharing in our mission to serve West Point and the Long Gray Line.

Go like '60!

Sincerely,

Kristin E. Sorenson
Kristin E. Sorenson
Vice President of Development

West Point Association of Graduates Investments Overview

While all gifts to West Point Association of Graduates (WPAOG) and the United States Military Academy (USMA) make a real difference in the lives of the West Point cadets, faculty, and staff, an endowment gift is especially meaningful because it provides a long-term source of support. Endowment donors have the opportunity to have a lasting influence on the programs and to honor or memorialize loved ones, friends, or other individuals.

Of course, Gifts other than Endowments are also critical to the operations of USMA and WPAOG in providing specific program support and / or unrestricted gifts for use by the Superintendent of USMA or the CEO of WPAOG.

What are WPAOG's responsibilities with regards to my endowment and other gifts?

- Managing endowments and other gifts to maximize total return within prudent risk guidelines as established by the Board of Directors
- Ensuring proceeds are provided and utilized for the intended purpose
- Prudent spending of endowment earnings to provide an income stream sufficient to support the activity designated, in perpetuity
- Providing an annual endowment report outlining the financial performance along with the Academy's report of the activity as supported by the endowment

Will or can the WPAOG spend the principal of my endowment?

The WPAOG follows New York State non-profit law, which requires standards of prudence in developing spending policies, and **may** permit spending below the original gift value (principal). Spending policy is considered imprudent if the spending rate is greater than 7% over a trailing 5 years average. The WPAOG current policy is **not** to spend into the principal and to spend 4% of the average balance of the prior 12 quarters. However, there may be times when some or all of the annual distribution is not required by the Academy due to various reasons. Any unused distribution remains in a deferred account in the endowment to support future needs; these funds are available to the Academy when requested.

How are endowments managed at the WPAOG?

The primary investment objective of the WPAOG is to maximize total return within prudent risk guidelines. The secondary objective is to preserve capital—less risk will be assumed for funds intended for near-term use; greater risk may be assumed for longer-term funds including endowments.

The WPAOG Board of Directors (BOD) has overall responsibility for the endowments. The BOD assigns the operating and supervisory responsibility for endowments to the Investment Committee. The Investment Committee provides advice and recommendations to the BOD and is comprised of volunteer graduates who are professionals in the field. The WPAOG also utilizes an Investment Consultant, LCG Associates, to work with the WPAOG Chief Financial Officer and the Investment Committee to implement policy and to manage the day-to-day operations of the portfolio; in line with the Investment Policy, the BOD and Investment Committee. In 2016, the Investment Committee worked with the WPAOG and hired Cliffwater LLC, an Alternative Investment

Consultant. The Investment Committee meets at least quarterly to review financial performance, ensure compliance, and make recommendations for change.

How are funds invested?

In order to ensure maximum liquidity to meet our cash needs, the WPAOG segregates funds into three investment pools. This segregation is based on WPAOG liabilities and the related anticipated cash need. Each pool takes on a different risk/reward profile in order to best protect the principal while ensuring liquidity in line with the needs of the funds. The three pools are:

- **Current Pool:** Anticipated spending within one year
- **Short -term Pool:** Anticipated spending between one and three years
- **Long-term Pool:** Anticipated spending is beyond three years. This pool includes the majority of our endowments.

The BOD-approved investment vehicle for the Current Pool is a portfolio of short duration bond funds which seeks to provide a conservative approach to earning a higher level of income than is generally generated through money market funds; the vehicle for the Short-term Pool is a bond portfolio, and the long-term pool is a well-diversified portfolio as directed by its Investment Committee and approved by the Board of Directors. The Investment Committee is committed to preserving capital, generating income, and providing reasonable principal growth.

Class of 1960 Report for USCC's Directorate of Cadet Activities Endowment

Endowment Performance Report As of 12/31/2017

Endowment Description

The purpose of this endowment is to support the Directorate of Cadet Activities (DCA), which provides a co-curricular, recreational, cultural, spiritual and social outlets for cadets that contribute to cadet development militarily, physically, academically, ethically, spiritually and socially.

AY '17-'18 Distribution Taken	\$278,190.49
Endowment Balance as of 12/31/2017	\$7,685,316.97
Available for AY '18-'19	\$282,812.96

Following this financial statement is the narrative report for Academic Year '17-'18 reflecting what the Cadet Activities Endowment made possible. The report is written by the of the Directorate of Cadet Activities Extracurricular Program Manager, Carol Miller, and detailing the activities supported in part by your class' contribution to this endowment.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
UNITED STATES MILITARY ACADEMY
West Point, New York 10996

10 May 2018

Cadet Activities Endowment

TO: Class of 1960, LTG (R) Charles P. Otstott

Please permit this correspondence to serve as an expression of heartfelt thanks to the Class of 1960 for your sustained generosity to the Directorate of Cadet Activities and its diverse and expanding Extracurricular Club Program. DCA continues its mission to produce leaders of character who, upon commissioning, will serve the United States of America with integrity and courage with the highest of standards that they learned throughout their 47-month Academy career. Leader development has always been, and continues to be, the primary objective of the Extracurricular Club Program. As stated in previous years, our Program is a veritable "leadership lab" in which cadets grow, mature and learn as they adhere to the West Point Leader Development System (WPLDS). West Point Cadets remain committed to the values of Duty. Honor. Country.

Your continued annual unrestricted donations are crucial to all of our enhancement programs. Because of your generous endowment, we emerged victorious in numerous National Championships! This year's "champions" came from Cycling, Judo, Men's Boxing, Women's Boxing, Fencing, Orienteering and Parachute a truly extraordinary victory, where the Officer in Charge said "We didn't just win this year! We literally CRUSHED our competitors!" They came home with 31 trophies, to include the Gavel Award!" There are still three additional Nationals scheduled to take place at the end of the month, so we are confident that this number will increase! As in past years, we dominated our rival Sister Academies as this exhaustive list demonstrates – Volleyball, Chess, Powerlift, Debate, Pipes and Drums, Judo, Pistol, West Point Model UN, Alpine Ski, Fencing, Drill, Marathon, Water Polo, Aviation, Men's Boxing, Triathlon, Cycling, Climbing and Crew!!!

Because of the Class of 1960's endowment, we were able to purchase many important club items which represent the diversity of the DCA Extracurricular Club Program...and here is just a small sampling – various uniform items, soccer nets, fishing equipment, music stands, battery packs and sports transmitters, radio systems, shrink wrap for boats and winter canvas and finally shooting targets. Clearly this is just a snapshot of where this money was spent.

The Directorate of Cadet Activities is proud to have played a role in the leader development of the 4,400 fine young and women who represent the Corps of Cadets. Thanks to your enduring generosity, in the past, present and future, our successes will continue to grow and multiply.

From a personal perspective, I will be retiring from government service this summer. It has been a distinct and humble privilege to have served this Academy and our cadets, I will remain grateful for all that your class has contributed to the DCA Extracurricular Club Program!

Carol Miller
Extracurricular Program Manager
Directorate of Cadet Activities

#S3000, Carol Miller, Extracurricular Program Manager, DCA, (845) 938-2402

Class of 1960 Report for WPAOG's Long Gray Line Endowment

Endowment Performance Report
As of 12/31/2017

Endowment Description

Supports the work and initiatives of the WPAOG, providing for class reunions, bar pinning ceremonies, the Ring Melt Ceremony, distinguished graduate awards, and memorial support.

2018 Distribution Taken	\$1,528,744.00
Endowment Balance as of 12/31/2017	\$39,841,135.00
Available for 2019	\$1,601,085.27

Following this financial statement is the 2018 narrative report for the Long Gray Line Endowment, written by WPAOG Vice President of Alumni Support, Terence Sinkfield, detailing the activities supported in part by your class' contribution to the endowment.



West Point

ASSOCIATION OF GRADUATES

WPAOG – Long Gray Line Endowment Report 2018

On behalf of the entire West Point Association of Graduates, thank you for your support of the Long Gray Line Endowment.

The Long Gray Line Endowment supports class reunions, bar pinning ceremonies, awards, and memorial assistance, among many other activities and services that are funded in part by your generous gift that would not be possible otherwise. These traditions and programs strengthen the bonds of the Long Gray Line and honor West Point's generations of heroes.

In 2018, the following services were among the highlights of the activities supported by the Long Gray Line Endowment:


- *Rockbound Highland Home Program.* We continue to receive positive feedback for this brand new program that expanded access to West Point and allowed graduates to share their 47-month experience with their families and guests. Officially launched on Founders' Day on March 16, we welcomed more than 238 graduates on more than 134 Grad Insider Tours during the year. As of November 1, more than 2,515 Grad Pass applications were processed. This program was paid for in part by a special endowment, but supplemented with the Long Gray Line endowment.
- *WPAOG Publications.* *West Point* magazine (quarterly) tells the West Point story to all graduates, cadet parents, and widows at no cost. WPAOG printed over 232,000 copies in 2018. *TAPS* magazine memorialized 275 graduates and sold over 1100 copies. We sold almost 450 copies of the 2015 *Register of Graduates & Former Cadets*.
- *WPAOG Digital/Multimedia Communication.* Since March 2018, WPAOG sent over 215 unique targeted broadcast emails to the Long Gray Line. We currently maintain a presence on Facebook (47K likes), LinkedIn (17.4K); Twitter (13.4K followers), Instagram (3.5K), Vimeo, YouTube, Flickr, and Pinterest. WPAOG verified and communicated 485 graduate deaths.
- 150 families were assisted by our Memorial Assistance Coordinator paid for in part by a special endowment, but supplemented with the Long Gray Line Endowment.
- The use of online registration services continues to rise with 157 online registration sites established in support of classes, societies, and other shared interest groups.

Serving West Point and the Long Gray Line

- Seven Professors, USMA or Academy Professors, became WPAOG Associate Members with an additional five Associate Members while 10 individuals became a Friend of West Point.
- WPAOG supported 139 Societies and 80 graduated classes, as well as four cadet classes.

As part of our vision, WPAOG is placing added emphasis upon services for individual graduates and their families that enhance connections among graduates and increase the affinity between graduates and our alma mater. Thanks to your generous gift, we will continue to make the Long Gray Line the most highly connected alumni body in the world. I look forward to seeing you back at our Rockbound Highland Home.

Best regards from West Point!


Terence A. Sinkfield '99
Vice President of Alumni Support

**Class of 1960 Report for the WPAOG's
West Point Preparatory Scholarship Program**

Endowment Performance Report
As of 12/31/2017

Endowment Description

Supports the West Point Preparatory School Scholarship Program. A total of 92 scholarship funds, including the Class of 1960 Scholarship, have been pooled into this endowment to fund this program. Funds from this endowment are used as needed. Roughly \$220,000 is used on an annual basis to support WPPSP cadets.

Endowment Balance as of 12/31/2017 \$7,897,336.00

Following this financial statement is the narrative report for the West Point Preparatory Scholarship Program for Academic Year '17-'18 prepared by Captain David Mason, Soldier Admissions in the West Point Admissions Office. The program is administered by WPAOG in partnership with Admissions. WPAOG's WPPSP Program Manager is Laurie Fontana.

WPAOG
West Point Preparatory Scholarship Program
Class of 1960 Report

Background:

For more than 200 years, the United States Military Academy (USMA) at West Point has been an international symbol of integrity, academic excellence, and national service. Its mission is to educate, train, and inspire the Corps of Cadets so that each graduate is a commissioned leader of character committed to the values of Duty, Honor, and Country, and prepared for a career of professional excellence and service to the nation as an officer in the U.S. Army.

West Point's approximately 4,400 cadets come from all 56 U.S. states and territories, as well as 35 foreign countries. During their four years at West Point, cadets take part in rigorous academic, physical, and military programs. These high-caliber programs have contributed to West Point's consistent ranking by U.S. News & World Report as one of the "Top Public Liberal Arts Colleges" in the country. Its small class size and low faculty-to-student ratio have contributed to West Point being recognized by the Princeton Review as one of the country's best classroom experiences with one of the most accessible faculty.

The West Point Preparatory Scholarship Program:

Some applicants to West Point are excellent cadet candidates yet narrowly miss the acceptance cut-off, presenting just below the high academic and physical standards required for admission. Many of these students however, as identified by the USMA Admissions department, could greatly increase their chances of acceptance through a year of preparatory training. This is where the West Point Preparatory Scholarship Program (WPPSP), established in the 1980-1981 Academic Year, comes in. The WPPSP provides partial scholarships for one year of post-secondary school education at preparatory schools and military junior colleges for carefully selected and highly motivated young people seeking admission to the Academy. It has offered 1,603 scholarships since its inception.

Each year, USMA Admissions selects approximately 40 candidates from several hundred applicants to be beneficiaries of this program. Selected candidates are divided into two categories: scholars/leaders, and recruited athletes. By law, the program follows NCAA standards of accepting three scholars for every one athlete. All scholar/leader candidates must attend one of four pre-selected military junior colleges of their choice, and all recruited athletes must attend a private preparatory school, as determined by their USMA coach. Private preparatory schools provide intense and concentrated instruction, with required study five evenings per week, yet allow the candidate to play his or her sport at the post-secondary level without losing a year of college eligibility. Each scholar/leader typically receives approximately \$3,000 from WPPSP, and each athlete receives approximately 1/3 of tuition costs, as private preparatory school costs vary considerably.

Overall, these cadet candidates do extremely well. In fact, over 90% of WPPSP participants ultimately gain admission to West Point. Recent data has shown that in the last 9 out of 11 years,

students who have participated in the WPPSP program have a higher graduation rate than “direct-admit” cadets, roughly 15% higher.

2017-2018 Academic Year

With the support of generous donors like the Class of 1960, through the West Point Association of Graduates, twenty-four scholar'-leaders and six athletes were awarded a scholarship by the West Point Preparatory Scholarship Program for the 2017-2018 Academic Year. Of these 30 recipients, twenty-four scholar-leaders attended the following schools: Marion Military Institute, Northwestern Preparatory School, and New Mexico Military Institute. The six recruited athletes attended Kingsborough Community College, Hebron Academy, Mercersburg Academy, and University of Massachusetts-Lowell.

The following are a few of these talented candidates:

- **Forde Leslie Norris** - Athens, Georgia - attended Prince Avenue Christian School in Athens, Georgia where he earned four varsity letters in football while serving as a team captain for his senior year. In addition to his prowess on the football field, he earned two varsity letters in track (serving as a team captain for a year) and an additional varsity letter in golf. Forde is an exceptionally well-rounded cadet with impressive academic achievements and extracurricular involvement. He graduated in the top fifth of his class and serves as his Class President, National Honor Society Vice President, is a member of the Beta Club and represented the state of Georgia as an attendee at Boys State in 2016. Despite not having a parent who served in the armed forces, Forde is the co-founder and current operator of Woods for Warriors, an organization that has raised over \$18K in benefits for wounded veterans by chopping, splitting and delivering firewood. Forde has a brother, Sutton, who is a member of the USMA Class of 2019. Forde attended Marion Military Institute for his prep year and is now a Plebe (Freshman) cadet with the Class of 2022.
- **Chandler Cross Jones** – Andalusia, Alabama - Cadet Jones attended Lurleen B. Wallace Community College after graduating from Andalusia High School in the top quarter of his class. He distinguished himself both on and off the athletic field by earning a total of six varsity letters (four in football, two in baseball) where he also served as a team captain for his football team. He was a member of the National Honor Society and earned his black belt in martial arts. Cadet Jones attended Marion Military Institute for his prep year.
- **Sophie Reitz-Bouren** - Summit, New Jersey – Sophie attended Summit High School where she obtained a 3.96 GPA and earned four varsity letters and serving as team captain of the Swim Team. Sophie attended Girls State and was the Debate President at her school. With her busy schedule, she still found time to intern with Congressman Lance's office for all 4 years and lifeguard in the summers. She received recognition for her volunteer efforts which included founding and coaching the Summit Students Civics Council among others. Sophie is an extremely gifted Candidate who received a full scholarship to the University of Indiana's ROTC program, which she turned down to

attend the Marion Military Institute, pursuing her dream to attend the United States Military Academy.

- **Matthew Aaron Tilk** - Brecksville, Ohio - Cadet Tilk attended Brecksville-Broadview Heights High School where he earned three varsity letters in football and one varsity letter in wrestling. In addition to his athletic accomplishments, Cadet Tilk was, and continues to be an exceptional student in the classroom. He ranked within the top 25 of a graduating class of 365 other high school students and maintained a 4.407 grade point average taking a course load largely of Advanced Placement classes. Active both in and outside of his school, Cadet Tilk served as the Treasurer of the National Honor Society and was selected to serve on the Superintendent Student Advisory Board for his school district. Cadet Tilk attended Marion Military Institute for his prep year and appears to be continuing his pattern of high achievement here at West Point as a member of the Class of 2022.
- **Arthur Jae Duk Shim** - Newark, California - Cadet Shim graduated with in the top 10% of his class from Newark Memorial High School. He distinguished himself both on and off the athletic field by earning three varsity letters in football, as well as being team captain for three years on his football team. He served on the Student Athlete Advisory Council as the Public Relations Manager and Chief Fundraiser, and he attended Boys State in California. Arthur attended Northwestern Preparatory School for his prep year.
- **Bryanne Barrett** - White Bluff, Tennessee - Cadet Barrett attended Dickson High School in Dickson, Tennessee where she earned varsity letters in track, rifle and cheerleading - two years of which she served as cheerleading captain. On top of her athletic commitments, she developed strong leadership abilities as JROTC Battalion commander, and graduated in the top 20% of her high school class. She was also a member of her high school's Beta club, band, and drama club. Cadet Barrett attended Marion Military Institute for her prep year and is a member of the USMA Class of 2022.
- **Karen Yan** - Overland Park, Kansas - Cadet Yan attended Blue Valley North High School. Karen has three varsity letters from her high school tennis team and was a team captain in her senior year. She also served on her school's yearbook staff, national honor society, and on the newspaper. Karen graduated in the top 20% of her high school class with a 3.9 GPA. She attended Marion Military Institute for her prep year.
- **Angela Vantrees** - Houston, Texas - Cadet Vantrees attended Bellaire Senior High School where she is a member of the national honor society and orchestra. Angela also participated in dramatic activities, winning multiple accolades for a variety of achievements, including best actress and best poetry recitation. Additionally, Cadet Vantrees was a member of her school's track and cross-country teams for multiple years, and graduated in the top 10% of her class of over 750 students, with a GPA of 4.57. Angela attended Marion Military Institute for her prep year.
- **Cameron Thompson** - Littleton, Colorado - Cadet Thompson graduated from Heritage High School where he earned varsity letters in baseball, cross country, and wrestling. He

was the captain of his baseball and cross-country teams in his senior year. Cameron attended Colorado Boys State, served as an Eagle Scout, member of the national honor society, and on his high school newspaper staff. While Cameron was attending New Mexico Military Institute for the last year he earned straight A's and was ranked as the #1 cadet militarily. Cameron attended Marion Military Institute for his prep year and is now a proud member of the USMA Class of 2022.

The West Point Preparatory Scholarship Program continues to greatly impact the lives and opportunities of promising USMA candidates from around the country. We thank you for your support, and we look forward to updating you on the many more candidates benefiting from your generosity.