



# **ANNUAL ENDOWMENT REPORT**

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## **CLASS OF 1967 MEMORIAL SCHOLARSHIP FUND**

**CALENDAR YEAR 2007**

**The Citadel Foundation • 171 Moultrie Street • Charleston, SC 29409**

## ENDOWMENT ASSET MANAGEMENT

The Citadel Foundation is a private, non-profit corporation that provides financial assistance and support to The Citadel through an endowment devoted to the support and enhancement of academics. The Foundation currently oversees the investment of nearly \$164 million in its portfolio. Return on investments for 2007, after all fees, was 7.1%.

Investments are managed for long-term growth using the expertise of external investment managers. An investment consultant provides day-to-day coordination of the investment program. Internal oversight and management decisions are the responsibility of the Foundation's Investment Committee and Board of Directors.

### **Asset Allocation Strategy**

The Citadel Foundation's overall asset allocation strategy as of 12/31/07 on which this report is based:

<b>Asset Allocation</b>	<b>Target</b>
<b>EQUITIES</b>	
Domestic Value-Large Cap	20%
Domestic Growth-Large Cap	14%
Small and Mid-Cap Domestic	9%
Domestic Core-All Cap	11%
Domestic Blend-Large Cap	4%
International	22%
<b>FIXED INCOME</b>	
Domestic Bonds	20%
<b>TOTAL ALLOCATION</b>	<b>100%</b>

This strategy is designed to provide sufficient annual total return to cover endowment spending for academic grants to The Citadel, Foundation operating expenses, and growth in principal to provide for annual increases in purchasing power.

### **Management of the Endowment**

Each investment manager is reviewed quarterly for performance. The investment consultant rates each manager against similar benchmarks for each asset class and presents a written analysis to the Investment Committee. The investment managers are expected to exceed the performance of their respective indexes and benchmarks. Additionally, their performance is reviewed in terms of their contribution to the overall portfolio.

### **Annual Allocation Policy**

The annual allocation from endowed funds held at The Citadel Foundation is governed by the current distribution policy of the Foundation, calculated using a five-year rolling average of the fair market value as determined at December 31 of each year. Historic periods with no fund balance will be included. An endowed fund is eligible for spending consideration once the corpus (cash receipts not including allocated income/gains) surpasses the endowed fund general minimum (\$25,000 effective 2006). The minimum award in an annual period is \$500, subject to other requirements based upon the particular program of the fund.

## **Statement of Purpose and Activity**

### **Class of 1967 Memorial Scholarship Fund**

Established in 1982, the Class of 1967 Memorial Scholarship fund was initiated in November 1977 by class members to mark the occasion of their 10th reunion and in memory of their deceased classmates. The fund awards annual scholarships each year to a cadet or cadets believed to possess those attributes of ability, character, temperament, and personality that are in accord with the traditionally high standards of The Citadel. The committee will also consider as first preference the son of a deceased member of the Class of 1967; as second preference, the son of a member of the Class of 1967; as third preference, the son of any deceased alumnus; and, if no qualified applicant meets these three preferences, then any qualified applicant.

#### **Scholarship Recipient(s) 2007-2008:**

Cadet Alexander M. B. Pipas, 2008  
Frankfurt, Germany  
E Company, Political Science

Cadet John P. Stinson, 2008  
Corona, CA  
N Company, History

Mr. Brian N. Lander, 2008  
Parker, CO  
A Company, Political Science  
(International Politics)

Cadet Jui-Chiang Chen, 2008  
Taipei County, Taipei County  
R Company, Mathematics

Mr. Earl B. Benson, 2009  
Ellijay, GA  
Band Company, Criminal Justice

Cadet Louis R. Doelling, Jr., 2009  
Atlanta, GA  
A COMPANY, Pre-Business Administration

Cadet Jesse M. Johnson, 2011  
Waynesville, NC  
Band Company, Civil Engineering

Cadet Michael D. Westfall, 2010  
Murrells Inlet, SC  
K COMPANY, Pre-Business Administration

**The Citadel Foundation**  
**Annual Financial Report to Donors**

1/1/2007 to 12/31/2007

**Class of 1967 Memorial Scholarship Fund**

**Revenues**

Allocated Investment Income	\$55,952
Allocated Unrealized Gains	(\$3,604)
Contributions	\$200
Contributions	\$103,187
Contributions of Securities	\$7,304
<b>Total Revenues</b>	<b><u>\$163,039</u></b>

**Expenses**

Grants to The Citadel	\$27,019
Allocated Investment Expenses	\$2,089
<b>Total Expenses</b>	<b><u>\$29,108</u></b>

<b>BEGINNING NET ASSETS</b>	<b>\$683,991</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$133,931</b>
<b>ENDING NET ASSETS</b>	<b><u>\$817,922</u></b>