2017 WINTER LEADERSHIP COUNCIL MEETING
February 25, 2017
2017 WINTER LEADERSHIP COUNCIL MEETING

February 25, 2017
Welcome
Porter S. Garner III ’79
President and CEO
Our Mission

• Strengthen The Association of Former Students;

• Promote the interests and welfare of Texas A&M University;

• Perpetuate the ties of affection and esteem formed in university or college days; and

• Serve the student body.
Invocation
Justin Martinez ’17
Deputy Corps Commander and Chaplain
Association News
Porter S. Garner III ’79
President and CEO
Orange and Maroon Legislative Day
Record Ring Day – April 7
1890 Aggie Ring
All-Time Donor Record Set in 2016 – Thank you!
2017 Distinguished Alumni

• Highest honor bestowed upon a former student

• 10 recipients were selected February 3

• Surprise announcements have begun

• 2017 Distinguished Alumni Gala: September 29, Reed Arena
Introduction of 2017 Chair of the Board
Porter S. Garner III ’79
President and CEO
Phil Miner ’80
2017 Chair of the Board
Chair’s Welcoming Remarks
Phil Miner ’80
2017 Chair of the Board
2016 Chair of the Board
Dwain Mayfield '59
Chair’s Welcoming Remarks
Phil Miner ’80
2017 Chair of the Board
Approval of Minutes
Phil Miner ’80
2017 Chair of the Board
The Association Report
Phil Miner ’80
2017 Chair of the Board
Fundraising Report
Cathy Mann ’92
Board Member and Chair, Fundraising Committee
A Record-Breaking Year!

WHOOP!!
Let’s Celebrate!
# 2016 Annual Fund Results

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Donors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016 Goal</strong></td>
<td>$10,250,000</td>
<td>52,000</td>
</tr>
<tr>
<td><strong>2016 Actual</strong></td>
<td>$10,251,477</td>
<td>53,879</td>
</tr>
<tr>
<td><strong>Variance</strong></td>
<td>$1,477</td>
<td>1,879</td>
</tr>
<tr>
<td><strong>2015 Actual</strong></td>
<td>$9,423,600</td>
<td>48,234</td>
</tr>
<tr>
<td><strong>2016 Growth</strong></td>
<td>$827,877</td>
<td>5,645</td>
</tr>
<tr>
<td><strong>2016 Growth %</strong></td>
<td>8.8%</td>
<td>11.7%</td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td>Donors</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>YTD Actual</td>
<td>$1,691,385</td>
<td>15,124</td>
</tr>
<tr>
<td>Vs. YTD Goal</td>
<td>+$64,629</td>
<td>+999</td>
</tr>
<tr>
<td>Vs. Last YTD Actual</td>
<td>+$118,967</td>
<td>+2,742</td>
</tr>
</tbody>
</table>

2017 Annual Fund

TENASTEX A&M
THE ASSOCIATION OF FORMER STUDENTS
CENTURY CLUB MEMBER
Endowed Century Club | 2016

• Total Funds: 911

• Trust Fund Balance: $22,104,022

• Goal: 50 new funds

• Actual: 50

• Annual Fund Income: $820,866
Aggie Ring Scholarships | 2016

- Total Funds: 67
- Trust Fund Balance: $1,541,951
- New Scholarships: 14
- Rings Awarded: 113
Tom C. “Ike” Morris ’33 Endowed Ring Scholarship

- Chaired Ring Committee that established standards and qualifications for the Aggie Ring in 1933

- Oldest living Texas Aggie
Lead by Example Campaign

• Gifts to The Association as of December 31, 2016: $66 Million

All gifts to The Association of Former Students are counted as part of the university’s $4 billion Lead by Example Campaign.
Student Beneficiary
Albert Saenz ’17
President, Aggie Network Student Ambassadors
Fundraising Report
Cathy Mann ’92
Board Member and Chair, Fundraising Committee
Finance Report
Mark Fischer ’72
Board Member and Chair, Finance Committee
Mission Support to Students and University

Cash Distributions $5,551,654
Programs 3,344,412
Short term Student Loans 212,000

Total Mission Support to Students and University 9,108,066

Former Student Program Support 3,420,721

Total Association Mission Impact 2016 $12,528,787
Total Assets: $108,262,278

- Trust Funds
  - $57,157,841
  - 53%

- Operating and Board Designated Funds
  - $32,477,904
  - 30%

- Student Loan Funds
  - $5,953,934
  - 5%

- Building Fund
  - $12,672,599
  - 12%
Total Assets - Millions

- Investments: $78.0 (72%)
- Building & Equipment: $12.9 (12%)
- Receivables and Prepaid Expenses: $8.8 (8%)
- Cash & Short Term Investments: $8.4 (8%)

Total Assets: $99.0 Million
Investment Portfolio

• Endowment managed by the Texas A&M Foundation

• Endowment held at the Texas A&M Foundation: $77.8 million

• Association’s spending policy: 4%
Total Revenue: $20,233,187

- Contributions: $12,673,858 (63%)
- Royalties: $1,142,239 (6%)
- Investments: $3,032,676 (15%)
- Program Revenue: $3,137,240 (15%)
- Other: $247,174 (1%)

Total Revenue: $20,233,187
Total Expenses: $17,792,597

- Student, University and Former Student Support: $12,316,787 (69%)
- Fundraising: $2,813,886 (16%)
- General & Administrative: $2,661,924 (15%)

An additional $212,000 in loans was provided through The Association’s Short Term Loan Fund
Sources of Support

• Operating Fund
  o Endowed Century Club Funds

• Memorial Funds

• Trust Funds

• Building Funds

• Student Loan Funds

• Ring Scholarship Funds
## 2016 Operating Fund

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$ 15,675,000</td>
<td>$ 15,896,594</td>
<td>$ 221,594</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>15,675,000</td>
<td>15,623,947</td>
<td>51,053</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>NET REVENUES OVER EXPENSES</strong></td>
<td>$ -</td>
<td>$ 272,647</td>
<td>$ 272,647</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
Student Perspectives
Hannah Wimberly ’17
Student Body President
The Association of Former Students Leadership Council

University Update
February 2017
The state’s first public higher education institution (1876) with more than 60,000 students today.
Texas A&M today…
Texas A&M at a Glance

Land-, sea- and space grant university

Public, Tier One Research, ($860M+ in Research Expenditures)

1 of 62 Members of Association of American Universities (AAU)

The Land Grant University FOR Texas & Beyond
Texas A&M at a Glance

Led by accomplished administrators and academic leaders:

President Michael K. Young, Esquire
Former President of University of Washington

Dr. Karan L. Watson, Provost & Executive VP

16 Deans
(Agriculture, Architecture, Business, Dentistry, Engineering, Education, Geosciences, Law, Liberal Arts, Medicine, Nursing, Pharmacy, Public Health, Science, Veterinary Medicine)

2 Branch Campus & 7 Educational Sites
(Galveston & Doha, Qatar) & (D,FW, Houston, Temple, RoundRock, Kingsville & McAllen)

8 Administrative Support Divisions:
Finance & Administration, Human Resources, Marketing & Communications, Government Relations, Student Affairs, Research, Diversity, Health Science Center
“Aggieland” Is Universal

Texas A&M at Galveston

- Special Purpose Maritime & Marine based degree programs
- 2200+ students
- 50th Anniversary 2012
“Aggieland” is Universal

Texas A&M at Qatar

- Engineering Degree Programs
- 500+ students
- New Graduate Degree Offerings
- Renewed 10 Yr Agreement with Qatar Education Foundation – Education City
Texas A&M at a Glance

Texas A&M Health Science Center

- Education Sites & TAMU Presence across Texas
- Temple, Round Rock, Kingsville, Dallas, McAllen and Houston
Texas A&M at a Glance

Texas A&M University Health Science Center

- Developing Future health care leaders
- Promoting Health & Preventing disease
- Designing new frontiers in Biomedical Science through translational research & practice
- Improving Access to health care
- Ensuring Global health & Biosecurity
Texas A&M School of Law

- Acquired Texas Wesleyan University’s School of Law, 2013
- Downtown Ft. Worth
- Faculty and Student Adjustment to TAMU Mission, Rankings Rise
Texas A&M at a Glance

Higher Education Center - McAllen

- Approved THECB October 2016
- Facility unique partnership with City of McAllen & Hidalgo County
- Initial facility - 65,000 Sq Ft
- 140 Seat Auditorium
- Classrooms & Laboratories (wet and dry labs)
- Anchored in Tres Lagos Development (Ware Road & Monte Cristo)
- Initial Degree Programs (Public Health, Nursing, Interdisciplinary Engineering)
  Others TBD
INTERNATIONAL PRESENCE
INTERNATIONAL PRESENCE

More than 5,500 international students enrolled from 127 countries

Including Texas A&M @ Qatar
INTERNATIONAL PRESENCE

Robust study-abroad program involving 50 countries and over 4600 students per year.

#1 Public University in USA for Credit Bearing Study Abroad (#2 Overall)
International Presence

Three affiliated overseas signature international service providers:
- Soltis Center, La Fortuna, Costa Rica
- Santa Chiara Center, Castiglion Fiorentino, Italy
- Hacienda Santa Clara
  San Miguel de Allende, Mexico
World-class academics
Intrinsic core values
Unrivaled spirit

Welcome to “Aggieland”
TAMU Headlines

December Commencement (4,648)
May Commencement on track to be record breaking (@11,000) 17 Ceremonies

Enrollment to Fill Pipeline-Fall ’17
43,000 Apps, 37,000 Complete, 25,000 Admitted
Target of 9,500-10,000 Freshmen Accepted
25% First Generation
65,000+ Total University (incl HSC, TAMUQ & TAMUG)
13,000+ Graduate & Professional
6,700+ International (122 Countries)
TAMU Headlines

Investing in Excellence

Governors University Research Initiative
  7 Faculty and over $25M
National Marketing Campaign
  Fearless on Every Front
  Washington DC Metro Takeover
  SXSW http://sxsw.tamu.edu/
Transformative Learning
  Pedagogy Project
  Study Abroad, #1 Public in USA
  Entrepreneurship Programs CNVE, EIC, Veterans Bootcamp
Chronicle of Diversity in Higher Education
  TAMU #1 Hispanic PhDs & Top 10 African American Masters & PhD
A COMMUNITY OF SCHOLARS

More than 4,000* award-winning teachers and researchers in 16 academic colleges.

77% of tenured/tenure track faculty teach full time

* HSC Clinical Faculty
A Community of Scholars

49 A&M faculty are members of the:

National Academy of Sciences,
National Academy of Engineering,
Institute of Medicine,
American Academy of Nursing,
American Arts & Sciences,
American Law Institute
More than 2,600 public and private organizations recruit Texas A&M students through the university’s Career Center each year.
Community - SELFLESS SERVICE
Community Partnership

Community Programs connecting Faculty and Student scholarship to community

Convening for community engagement – Community of Faculty Retirees, Senior World Passport, Fit For Life, Texas Target Communities

Active engagement in Chamber, Cities, County, CVB, RGVP, GHP, DFW Chamber, etc

Lifelong Learning …Camps and programs, Continuing Education, Professional Development & Leadership Development
Over **$860 million** invested in 2015 R&D expenditures

Competitiveness and excellence of faculty
National Science Foundation Higher Education Research & Development Survey
Expenditures by Sponsor Type as Reported for
Texas A&M University
Dollars in Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Government</th>
<th>Institution Funds</th>
<th>State/Local Governments</th>
<th>Business</th>
<th>Nonprofit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$206,242</td>
<td>$127,042</td>
<td>$115,623</td>
<td>$33,613</td>
<td>$18,027</td>
<td>$10,435</td>
</tr>
<tr>
<td>2007</td>
<td>$228,363</td>
<td>$146,757</td>
<td>$121,498</td>
<td>$36,465</td>
<td>$24,112</td>
<td>$10,805</td>
</tr>
<tr>
<td>2008</td>
<td>$245,607</td>
<td>$157,163</td>
<td>$124,138</td>
<td>$43,421</td>
<td>$52,378</td>
<td>$12,035</td>
</tr>
<tr>
<td>2009</td>
<td>$261,491</td>
<td>$190,900</td>
<td>$133,140</td>
<td>$34,622</td>
<td>$62,596</td>
<td>$20,502</td>
</tr>
<tr>
<td>2010</td>
<td>$280,173</td>
<td>$191,115</td>
<td>$139,411</td>
<td>$46,754</td>
<td>$61,956</td>
<td>$6,144</td>
</tr>
<tr>
<td>2011</td>
<td>$291,812</td>
<td>$186,541</td>
<td>$131,925</td>
<td>$54,880</td>
<td>$44,519</td>
<td>$16,450</td>
</tr>
<tr>
<td>2012</td>
<td>$269,460</td>
<td>$193,012</td>
<td>$128,819</td>
<td>$49,392</td>
<td>$70,607</td>
<td>$360</td>
</tr>
<tr>
<td>2013</td>
<td>$314,104</td>
<td>$229,051</td>
<td>$154,423</td>
<td>$52,299</td>
<td>$71,559</td>
<td>$7,542</td>
</tr>
<tr>
<td>2014</td>
<td>$311,920</td>
<td>$232,920</td>
<td>$167,219</td>
<td>$70,607</td>
<td>$61,956</td>
<td>$9,584</td>
</tr>
<tr>
<td>2015</td>
<td>$304,437</td>
<td>$247,330</td>
<td>$100,289</td>
<td>$71,559</td>
<td>$44,519</td>
<td>$18,544</td>
</tr>
</tbody>
</table>
Inform, Educate & Entertain
For More Information, Visit:

http://accountability.tamu.edu
http://ppo.tamu.edu

Chad Wootton ’96
Associate Vice President
External Affairs
Office of the Provost
C-Wootton@tamu.edu
Texas A&M University Report
Michael O’Quinn ’86
Vice President, Government Relations
Texas A&M Foundation Report

Bill Toler ’76

Chairman of the Board
“Lead by Example” Campaign

- Campaign Gift Total to Date
- Campaign Marketing and Communications Update
## Campaign Gift Total to Date


$2,435,531,603

<table>
<thead>
<tr>
<th>Organization</th>
<th>Raised</th>
<th>% of Target</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas A&amp;M Fndn./Univ./Programs</td>
<td>$1,399,370,008</td>
<td>57%</td>
<td>~$2,460,000,000</td>
</tr>
<tr>
<td>Private Support to Research</td>
<td>$ 460,960,267</td>
<td>58%</td>
<td>~$ 800,000,000</td>
</tr>
<tr>
<td>12th Man Foundation</td>
<td>$ 491,136,380</td>
<td>82%</td>
<td>~$ 600,000,000</td>
</tr>
<tr>
<td>The Association of Former Students</td>
<td>$ 66,024,342</td>
<td>66%</td>
<td>$ 100,000,000</td>
</tr>
<tr>
<td>Bush Library Foundation</td>
<td>$ 18,040,606</td>
<td>45%</td>
<td>~$ 40,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,435,531,603</strong></td>
<td><strong>61%</strong></td>
<td><strong>$4,000,000,000</strong></td>
</tr>
</tbody>
</table>
## Campaign Gift Total To Date (1/1/12-12/31/16)

### Campaign Totals Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash to date</td>
<td>$1,080,871,829</td>
</tr>
<tr>
<td>Estate Pledges</td>
<td>$592,627,335</td>
</tr>
<tr>
<td>Pledges</td>
<td>$270,892,609</td>
</tr>
<tr>
<td>12th Man</td>
<td>$491,136,380</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$2,435,528,153</td>
</tr>
</tbody>
</table>

### Further Breakdown by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>$1,474,551,368</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>$34,499,830</td>
</tr>
<tr>
<td>Athletics</td>
<td>$182,625,479</td>
</tr>
<tr>
<td>Construction</td>
<td>$455,078,784</td>
</tr>
<tr>
<td>Undesignated</td>
<td>$288,772,691</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$2,435,528,153</td>
</tr>
</tbody>
</table>

### Academic Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>College (incl. programs)</td>
<td>$589,518,915</td>
</tr>
<tr>
<td>Faculty (chairs, professorships, fellowships)</td>
<td>$74,384,713</td>
</tr>
<tr>
<td>Research (private grants research)</td>
<td>$460,960,267</td>
</tr>
<tr>
<td>Students (scholarships, fellowships)</td>
<td>$349,687,473</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$1,474,551,368</td>
</tr>
</tbody>
</table>

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**S P I R I T A N D M I N D™**
Campaign Marketing and Communications

**Campaign Leadership**
- Memorandum of Understanding – University & Texas A&M Foundation
- Key campaign focuses and responsibilities
  - University – National Branding & Reputation Campaign
  - Texas A&M Foundation – Lead By Example Campaign
- Continue coordination and collaboration across Affiliates and University

**Lead By Example – Campaign Leadership**
- A&M Foundation has primary role in directing and coordinating day-to-day activities and marketing of the Lead By Example campaign
- Internal communications via regular Affiliate CEO meetings
- National Campaign Committee and Co-Chairs
- Lynn Schlemeyer, VP-Development Support at A&M Foundation appointed to lead A&M Foundation efforts and coordinate with designated Affiliate peers and Amy Smith, TAMU’s Chief Marketing and Communications Officer
### Fundraising Projects – Engineering / Music Activities Center / The Gardens

<table>
<thead>
<tr>
<th></th>
<th>Engineering Education Campaign: 25 x 25</th>
<th>Music Activities Center</th>
<th>The Gardens at Texas A&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising Goal</td>
<td>$135M</td>
<td>$40M</td>
<td>$16M</td>
</tr>
<tr>
<td></td>
<td>($85M bldgs., $50M programs)</td>
<td>($20M gifts, $20M University)</td>
<td>(Phase 1 goal in private gifts)</td>
</tr>
<tr>
<td>Raised</td>
<td>$83.3</td>
<td>$39.3M</td>
<td>$12.8M</td>
</tr>
<tr>
<td></td>
<td>($64.4M bldgs., $18.9M programs)</td>
<td>(signed gift agreements and university commitment)</td>
<td>($7.8M gifts, $5M university)</td>
</tr>
<tr>
<td>Info</td>
<td>➢ 30-month construction in progress.</td>
<td>➢ Facilities for Aggie bands, choirs, orchestras; practice rooms and field; offices.</td>
<td>➢ Development of 40 acre green space on west campus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Focusing of remaining opportunities.</td>
<td></td>
</tr>
</tbody>
</table>
# TAMF Performance Highlights 4Q2016

<table>
<thead>
<tr>
<th></th>
<th>4Q2016</th>
<th>Fiscal YTD</th>
<th>1 Y</th>
<th>3Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total LTIP Policy Benchmark (new)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.90%</td>
<td>5.39%</td>
<td>7.28%</td>
<td>3.34%</td>
</tr>
<tr>
<td><strong>Allocation Index (new)</strong></td>
<td>1.03%</td>
<td>4.45%</td>
<td>7.44%</td>
<td>2.41%</td>
</tr>
<tr>
<td></td>
<td>0.88%</td>
<td>4.94%</td>
<td>8.27%</td>
<td>2.81%</td>
</tr>
<tr>
<td><strong>Old (75/25 benchmark)</strong></td>
<td>0.15%</td>
<td>4.23%</td>
<td>6.67%</td>
<td>3.24%</td>
</tr>
<tr>
<td><strong>Traditional Equity Benchmark</strong></td>
<td>0.09%</td>
<td>6.95%</td>
<td>7.35%</td>
<td>3.04%</td>
</tr>
<tr>
<td></td>
<td>0.95%</td>
<td>6.85%</td>
<td>8.12%</td>
<td>2.83%</td>
</tr>
<tr>
<td><strong>Total Fixed Income Benchmark</strong></td>
<td>-0.40%</td>
<td>1.49%</td>
<td>6.69%</td>
<td>2.94%</td>
</tr>
<tr>
<td></td>
<td>-4.89%</td>
<td>-4.17%</td>
<td>2.89%</td>
<td>1.24%</td>
</tr>
<tr>
<td><strong>High Inflation Beta (Energy/Commodities) Benchmark</strong></td>
<td>4.27%</td>
<td>9.45%</td>
<td>19.51%</td>
<td>-2.85%</td>
</tr>
<tr>
<td></td>
<td>5.76%</td>
<td>1.37%</td>
<td>11.37%</td>
<td>-20.60%</td>
</tr>
<tr>
<td><strong>Low Inflation Beta (Real Estate/Timber) Benchmark</strong></td>
<td>-2.26%</td>
<td>-1.94%</td>
<td>3.32%</td>
<td>7.13%</td>
</tr>
<tr>
<td></td>
<td>2.07%</td>
<td>4.24%</td>
<td>10.08%</td>
<td>12.45%</td>
</tr>
<tr>
<td><strong>Private Markets Benchmark</strong></td>
<td>6.23%</td>
<td>6.42%</td>
<td>7.10%</td>
<td>10.93%</td>
</tr>
<tr>
<td></td>
<td>3.84%</td>
<td>6.55%</td>
<td>9.21%</td>
<td>10.79%</td>
</tr>
<tr>
<td><strong>Hedge Funds Benchmark</strong></td>
<td>2.66%</td>
<td>5.98%</td>
<td>3.92%</td>
<td>0.64%</td>
</tr>
<tr>
<td></td>
<td>1.00%</td>
<td>3.86%</td>
<td>1.95%</td>
<td>0.15%</td>
</tr>
</tbody>
</table>
Calendar Year 2016
Change in LTIP Value

$1.39 Billion as of June 30, 2016
Long-Term Performance

15-Year Return of 7.2%
(1/2/2002 to 12/31/2016)

Passive Benchmark (75% MSCI ACWI/25% Barclays US Bond Aggregate) returned 4.8% over same 15-year period
Thank you for your leadership
And all you do for Texas A&M University
Other Business
Phil Miner ’80
2017 Chair of the Board
Distinguished Alumnus

Bill Huffman ’53
Chair’s Closing Remarks
Phil Miner ’80
2017 Chair of the Board
Spirit of Aggieland
2017 WINTER LEADERSHIP COUNCIL MEETING

February 25, 2017