WE THANK YOU

Since its inception in 1953, the Texas A&M Foundation has been a partner in our university’s mission of education, research and service, and this partnership touches every part of the university today. In 2018, thanks to your generosity, we made $111.1 million available in support to Texas A&M. Your contributions also helped grow the total value of the endowments held in our long-term investment pool to nearly $1.8 billion.

Texas A&M University is a unique institution in the higher education landscape and continues to be recognized nationally in many different ways for its combination of excellence, affordability, and ability to develop leaders of character who have an impact on the state, nation, and world.

While much of this success should be attributed to Texas A&M’s exceptional students, administration, faculty and staff, private philanthropy plays a major role as well. Across campus, your generosity makes learning and discovery possible. From scholarships, fellowships and professorships to academic programs and facility upgrades, your gifts sustain our university’s proud history and help secure its future.

As we enter the final stages of the Lead by Example campaign—the most ambitious fundraising effort the university has ever undertaken and the largest ever in the state of Texas at $4 billion—we are excited to report that through the commitment of several double-digit million-dollar gifts, we have surpassed the $3.24 billion mark. This number encompasses contributions from all four of Texas A&M’s fundraising organizations.

The continued loyalty of our planned giving donors continues to be a huge source of support. Nearly 40 percent of the $1.95 billion the Foundation has raised toward the campaign has been committed in planned gifts through bequests, trusts, real estate, life insurance and retirement accounts, among other methods. Gifts of all sizes are meaningful and support Texas A&M’s important mission of developing leaders of character dedicated to serving the greater good.

Finally, we want you to know that we take the investment of your gifts seriously. Thanks to exceptional governance and our dedicated Board of Trustees, the Foundation’s portfolio has achieved an average 8.1 percent annual rate of return over a 15-year period. When you consider the growth potential of this portfolio from investment returns, the continued generosity of our donors and a best-in-class fundraising organization, we have an incredible opportunity and responsibility to continue making a substantial impact on Texas A&M’s future.

As we look to 2019, we remain grateful and humbled by the support of thoughtful donors who share a vision for this great institution that is full of promise. To learn more about making a current or planned gift through the Foundation, visit our website at txamfoundation.com.

Thanks for all you do.

Jorge A. Bermúdez ’73  
Chairman of the Board

Tyson Voelkel ’96  
President
ABOUT THE TEXAS A&M FOUNDATION

The Texas A&M Foundation is a nonprofit organization that builds a brighter future for Texas A&M University, one relationship at a time. Foundation team members solicit and manage investments in academics and leadership programs essential to the university’s pursuit to be among the best universities. The Foundation works with former students, corporations and other Texas A&M supporters to match their charitable interests with the university’s priorities. Gifts create scholarships, advance faculty endeavors, enhance student programs and fund new facilities.

ONLINE ANNUAL REPORT

The Foundation’s animated online annual report includes additional fiscal year financials, donor gift statistics, year-end highlights, inspiring stories of donor impact and information on fundraising initiatives for the coming year.

View the report at annualreport.txamfoundation.com.

INVESTMENT PHILOSOPHY

By investing assets, the Foundation aims to preserve the purchasing power of gifts in perpetuity while providing steady earnings for Texas A&M. Each of the approximately 7,700 individual endowment accounts are managed in the Foundation’s long-term investment pool, which has a total value of nearly $1.8 billion as of June 30, 2018.

Endowed gifts are powerful given their long-term financial impact. Due to their perpetual nature, funds must be invested in a manner in which we can expect to earn a long-term rate of return to support current and future educational programs and meet the funding requirements of the Foundation and the university.

It is our view that diversification is the single most important component to help us achieve our return goals. The Foundation’s portfolio is biased toward equity investments and bond markets to better benefit from long-term growth expectations. In general, we seek to partner with talented investment managers that possess a competitive advantage, a differentiated strategy and interests that align with ours. Our portfolio is well-diversified by asset class, industry and geography.

Over the last fifteen years, the Foundation has achieved an average annual return of 8.1 percent on its long-term investment pool.

BOARD OF TRUSTEES

The Foundation’s Board of Trustees consists of seven former students, each with extensive business experience. These individuals determine our investment and fundraising policies and approve our annual budget.

Jorge A. Bermúdez ’73, Chairman
Otway B. Denny Jr. ’71, Chairman-elect
T. Randall Cain ’82
Kathleen M. Gibson ’81
William R. Lemmons Jr. ’83
Louis Paletta ’78
P. William Toler ’76
The Lead by Example Campaign

Lead by Example is Texas A&M’s $4 billion comprehensive campaign, one of the boldest initiatives in the history of public higher education and the largest fundraising endeavor ever undertaken in Texas. This campaign encompasses all private gifts benefiting Texas A&M, including gifts from individuals, foundations and corporations through the Texas A&M Foundation, The Association of Former Students, the 12th Man Foundation and the George H.W. Bush Presidential Library Foundation.
$3.24 BILLION
81% of our $4 billion goal

Corporate and Foundation Donors: 22,660
Gifts: 676,059
Individual Donors: 173,836

New Endowments: 2,401
Scholarships & Graduate Fellowships: 1,918
Faculty Chairs, Professorships & Fellowships: 97
Other Endowments: 386*

* Includes those supporting student organizations, college-based programs and excellence funds, study abroad initiatives and the university libraries, among others.
Gifts to Texas A&M

Donors gave $237.5 million to the Texas A&M Foundation and Texas A&M University during the fiscal year ending June 30, 2018. Following generally accepted accounting principles, the totals include pledges and irrevocable planned gifts. For every dollar raised during the past five years, the Foundation has spent an average of 12.2 cents.

Foundation’s Change in Net Assets

The Foundation’s net assets increased 11.4 percent during the 2018 fiscal year.

Money magazine ranks Texas A&M No. 8 on its “Best Colleges for Big Paychecks” list for the university’s affordability, educational value and return on investment for students after graduation.

Texas A&M petroleum engineering professor Dr. William McCain gives back by endowing a $1 million chair for a petroleum engineering faculty member. The gift was matched with $500,000 from the Texas A&M University President’s Office, helping to ensure that the university’s petroleum engineering program remains top-notch.

Texas A&M opens its new School of Innovation led by Andrew Morriss ’18, former dean of the School of Law. The school is designed to be an interdisciplinary hub for creative thinking and problem-solving among students of all majors.
Where the $237.5 Million Came From

Contributions from former students, friends, and private and family foundations (many formed by former students) make up 77 percent of gifts to the university and the Foundation, while gifts from corporations and other organizations make up 23 percent of the total.

How the $237.5 Million Was Directed

Each Foundation gift is linked to an “impact area.” Student impact represents scholarships and fellowships to undergraduate and graduate students. Faculty impact gifts fund chairs, professorships and fellowships. College impact gifts help a college or department through discretionary or building funds, which in turn support faculty and students through improved teaching and learning environments. Spirit impact gifts cultivate student organizations, traditions and other outside-the-classroom programs.

Sources of gifts received in fiscal year 2018

- 42% Private, Family & Other Foundations
- 27% Former Students
- 16% Corporations
- 8% Friends
- 7% Organizations

Contributions from former students, friends, and private and family foundations

77%

Contributions from corporations and other organizations

23%

Where fiscal year 2018 gifts were directed

- 56% Student Impact
- 29% College Impact
- 8% Other Impact*
- 4% Faculty Impact
- 3% Spirit Impact

*Includes gifts that pass to non-university accounts, such as The Texas A&M University System and The Association of Former Students’ matching funds, as well as Foundation gifts in holding and class gift funds, for which donors have not yet identified the gift impact area.

In the wake of Hurricane Harvey, Aggies step up to help their fellow Texans by rescuing families and their pets, housing students from Texas A&M Galveston, and offering their expertise to better understand the environmental and economic impacts of the storm.

Nicole ’06 and Michael Horn Jr. ’05 endow a study abroad scholarship using matching funds to help students in the College of Liberal Arts broaden their horizons. Their scholarship is intended for international studies students learning Spanish as a second language or studying abroad in a Spanish-speaking country.

For the first time in Texas A&M’s history, the university ranks among the Wall Street Journal’s top 20 public universities at No. 19.

Texas A&M breaks ground on the new $40 million John D. White ’70–Robert L. Walker ’58 Music Activities Center on the corner of George Bush Drive and Coke Street. The new building will house all 14 of Texas A&M’s choirs, bands and orchestras.

In addition to a gift that supports scholarships for the School of Law and a gift that supports a joint initiative between the School of Law and the Bush School of Government and Public Service on legal policy matters related to cyber issues, Sonja and Neal Adams ’68 create a scholarship to support students studying elementary education while they student teach in the Fort Worth Independent School District.
Foundation Funds Made Available to Texas A&M

The Foundation annually makes millions of dollars available to Texas A&M for students, faculty, facilities and programs according to donors’ wishes. In fiscal year 2018, these funds totaled $111.1 million. These funds consist of non-endowed gifts—funds made available to disburse immediately rather than invested by the Foundation—and income from endowments.

Long-Term Investment Pool Asset Allocation

By investing assets, the Foundation preserves the purchasing power of gifts while providing steady earnings for Texas A&M. The Foundation’s long-term investment pool, which has a total value of approximately $1.8 billion, is composed mostly of endowments, but also includes other non-endowed funds invested for the long term.

Texas A&M officials dedicate the new Clinic and Education Building for dentistry students in Dallas. The facility’s endodontic clinic will be named in honor of Drs. Murat Ayik and Antonio Berto, who contributed a $350,000 gift to support construction. Both men are practitioners in the Dallas metro area who specialize in endodontics, a field involving root canals.

Robbie Hughes recognizes her late husband with a donation to create the Dudley J. Hughes ’51 Teaching Microscopy Lab, which will provide impactful, hands-on learning experiences for students in the College of Geosciences. Mr. Hughes was an acclaimed exploration geologist, and the Hughes family has long supported geology and geophysics at Texas A&M.

Dr. Luke Lyons ’08 ’18 goes viral with his LEGO replica of the 103-year-old Academic Building, which he completed after almost two years of planning and construction.

To raise money for Hurricane Harvey relief efforts, all five living former U.S. presidents gather for the “Deep from the Heart: The One America Appeal” concert at Reed Arena, which featured performances from the likes of Alabama, Lyle Lovett and Lady Gaga.

With more than 3,600 students studying in a foreign country in the past year, Texas A&M earns the No. 1 ranking among public universities for sending students abroad from the Institute of International Education.
New Scholarship and Faculty Endowments

The Foundation prides itself on enhancing the academic experience at Texas A&M University for both students and faculty. Donors who create endowments for scholarships, chairs, professorships and fellowships leave a legacy that enhances Texas A&M’s core mission of providing the highest-quality undergraduate and graduate programs.

*The 71 other endowments include those supporting student organizations, college-based programs and excellence funds, study abroad initiatives and the university libraries, among others.

<table>
<thead>
<tr>
<th>Endowment Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships &amp; Graduate Fellowships</td>
<td>305</td>
</tr>
<tr>
<td>Other Endowments*</td>
<td>71</td>
</tr>
<tr>
<td>Faculty Chairs, Professorships &amp; Fellowships</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>387</strong></td>
</tr>
</tbody>
</table>

Total endowments created during fiscal year 2018

Investment Performance

The Texas A&M Foundation has a solid record of investing. Over the years, we have consistently met internal performance goals and outperformed many peer organizations, ranking in the top or high second investment quartile.

Prior to 2015, the long-term investment pool (LTIP) was benchmarked against a passive index comprised of a global equity index and a domestic bond index (75% MSCI ACWI/25% Barclays U.S. Bond Aggregate Index). In 2015, the Foundation’s Board of Trustees implemented a new policy benchmark that better reflects the target asset allocation of the LTIP. Our custodian bank was able to backtest the new policy benchmark for returns prior to 2015, but only back to 2012. As such, we are not able to produce a 10 and 15-year return for the new policy benchmark. We are still able to report the old 75/25 benchmark for all periods shown here.

2017 December

Members of the Corps of Cadets will benefit from more financial support in the future thanks to a $3 million bequest from Barbara Ann and William Reesby ’64. The couple also created a $100,000 endowed scholarship to see cadets benefit from their gift during their lifetimes.

2017 December

Influenced by his study abroad experience in 1982, environmental design graduate David Baker ’83 and his wife Giuseppa spearheaded an effort to create a global study scholarship for current architecture students. The gift, named in honor of Dr. Elton Abbott Jr. ’83—who led Baker’s trip abroad more than three and a half decades ago—is also receiving contributions from other former students and friends of Abbott, who is now associate dean for international programs in the College of Architecture.

2018 January

Jimbo Fisher officially takes his place as Texas A&M’s head football coach, sparking excitement among Aggie football fans.

2018 January

Tyler Wooten ’19 partners with Russell Geyer ’19 and Ashlyn Pedersen ’19 to create a 3D braille map of Texas A&M’s campus for visually impaired students, staff, faculty and visitors. The map is now located at the southeast entrance of the Memorial Student Center.
Endowment Performance Over Time

The Texas A&M Foundation invests endowments using asset allocation to maximize growth while safeguarding capital during tough economic times. The chart below illustrates the market value of a $100,000 endowed scholarship created in 1998 and its cumulative value of student stipends. This single endowment would have paid out approximately $5,000 annually for a total of $101,850 by 2018. Its market value after 20 years would be $134,007.

Planned Gift Expectancies Over Time

The Foundation’s Office of Gift Planning helps donors establish after-lifetime and dual-benefit gifts that will aid Texas A&M University and its students in the future. For fiscal year 2018, the Foundation documented planned gifts valued at $121.2 million, ranging from $1,000 to $20 million in size. The chart below, which illustrates gift expectancies documented by the Foundation in the last 10 years, represents a total of $927.6 million. However, the Foundation has documented more than $1.2 billion* in planned gift expectancies since 1999.

*These totals include planned gifts that will be received by the Texas A&M Foundation, The Association of Former Students, the 12th Man Foundation and the George H.W. Bush Presidential Library Foundation.

In addition to funding scholarships for cadets being trained as licensed maritime deck officers, Capt. Jack Smith '64 and his wife, Jere, establish a planned gift to further support Sea Aggies in Texas A&M Galveston’s Maritime Academy. Their gift will provide scholarships, help with the upkeep of Galveston’s vessel training simulator and support students who participate in summer training cruises.

The Houston Livestock Show and Rodeo creates five fellowships for students pursuing graduate degrees in the Bush School of Government and Public Service.

Thomas Powell ’62 donates $500,000, matched by the College of Science, to the Science Leadership Scholars Program, which was created to help first-generation students like Oscar Gonzalez ’18 complete their science degrees through financial and academic support. Scholars participate in informative workshops that teach time-management and study skills and frequently meet one-on-one with the program’s adviser.
**Planned Giving by the Numbers**

**PLANNED GIVING FAST FACTS**

A Q&A with Glenn Pittsford ’72, vice president for gift planning.

What has been the impact of planned gifts during the Lead by Example campaign?

The Texas A&M Foundation has a goal to raise $1 billion in planned gifts during the campaign, and so far, we have raised more than $778 million since 2012. Simply put, the impact of planned gifts to the campaign—and to Texas A&M’s future—cannot be understated. Giving a planned gift is one of the best ways to invest in the future of Texas A&M, as it is an enduring sign of loyalty that will continue to benefit the university after your lifetime.

Is creating a planned gift difficult?

Not at all! Through planned gifts, you can leverage the value of your estate to help the people, charities and organizations most important to you. If you’re interested in making a planned gift, the Foundation’s gift planning officers will partner with you to explore opportunities that can deliver the greatest benefits to you, to loved ones and to Texas A&M. If you’d like to see an overview of the types of gifts available, visit our website at txamfoundation.com/plan. Through many planned gifts, you can provide for loved ones, receive tax benefits, generate potential retirement income and support Texas A&M, all at the same time.

Will I be recognized for my gift?

Certainly! As a planned giving donor, we welcome you to become a Heritage Member of the A&M Legacy Society. As I tell people when we celebrate, “You have a lifetime of respect and appreciation from me for your generosity.” We love to build lifetime relationships with our planned giving friends. When your gift is in place, be sure to alert one of the Foundation’s gift planning officers. It is important for us to have information on the intended gift, where it will be coming from and under what circumstances it is to be received. We also need to ensure that we know what you want the gift to be used for when received in the future.

Learn more about making a planned gift by contacting the Office of Gift Planning at (800) 392-3310 or giftplanning@txamfoundation.com.

| Number of planned gifts created in 2018 | 121 |
| Number of new Heritage members in 2018 | 112 |
| Average planned gift size in 2018* | $1,000,000 |
| Value of realized gifts during fiscal year 2018 as a result of estate intentions | $17,317,782 |
| Value of realized gifts in the past 10 years | $185,970,552 |

*Excludes contingent gifts

**Number of planned gifts created in 2018**

**Number of new Heritage members in 2018**

**Average planned gift size in 2018***

**Value of realized gifts during fiscal year 2018 as a result of estate intentions**

**Value of realized gifts in the past 10 years**

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A learning studio in the new Zachry Engineering Education Complex will be named in honor of Shari ‘83 and Charles “Chuck” Mely ’82 in recognition of their $1 million gift to support the building’s construction.

The Dallas Hispanic Bar Association creates a scholarship fund for Texas A&M law students who are members of the school’s Hispanic Law Student Association, have financial need and intend to practice in Dallas.

Former First Lady Barbara Bush passes away. To pay their respects, thousands gather to watch the motorcade proceed to her final resting place beside her daughter, Robin, on the grounds of the George Bush Presidential Library and Museum at Texas A&M.

In support of the Department of Marketing’s Professional Selling Initiative, Jerry Crider ’65 establishes a $250,000 endowment. In 2018, the Sales Education Foundation named Texas A&M’s sales program one of the best in the nation for producing ethical, well-trained sales professionals.

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**2018 MARCH**

The Dallas Hispanic Bar Association creates a scholarship fund for Texas A&M law students who are members of the school’s Hispanic Law Student Association, have financial need and intend to practice in Dallas.

**2018 APRIL**

Former First Lady Barbara Bush passes away. To pay their respects, thousands gather to watch the motorcade proceed to her final resting place beside her daughter, Robin, on the grounds of the George Bush Presidential Library and Museum at Texas A&M.
Texas A&M ranks among the nation’s top animation schools for the fourth year in a row. According to Animation Career Review, the university’s animation program placed third among public institutions, second in the Southwest and first in Texas.

Using matching funds, Pamela and Hayne Blakely create a scholarship endowment for students pursuing undergraduate degrees in special education to support the growing need for teachers in this field.

Mike Walker ’66 gives $20 million each to Texas A&M University and to The University of Texas at Austin to name both schools’ mechanical engineering departments. Texas A&M’s Department of Mechanical Engineering is currently ranked No. 7 in the nation.

Elizabeth and Paul “Haskell” Motheral ’52 donate $250,000 to the new John D. White ’70 – Robert L. Walker ’58 Music Activities Center and choose to name the building’s concert band hall after Aggie band and music activities director Dr. Timothy B. Rhea. Their gift completes the $20 million Texas A&M Foundation fundraising campaign for the new facility, while a gift of property from the couple helped jumpstart the campaign.
After serving as Texas A&M’s mascot from August 2008 to May 2015, former “First Lady of Aggieland” Reveille VIII passes away at age 12.

Col. Charles Edwards gives a $500,000 planned gift to create Corps 21 Scholarships for cadets in the College of Agriculture and Life Sciences who grew up in rural areas.

Named after lead donors Amy ’84 and Tim Leach ’82, the Leach Teaching Gardens opens on West Campus. The seven-acre oasis showcases the beauty of Texas A&M through a variety of flora and fauna.

In memory of their late son, Sebastian, who aspired to become a veterinarian after completing his service in the U.S. Army, Judy ’93 and John Weiskopf endow a scholarship to benefit student veterans, children of veterans, spouses of veterans or former members of the Corps of Cadets pursuing a Doctor of Veterinary Medicine.

Statement of Activities and Changes in Net Assets | For Years Ending June 30

<table>
<thead>
<tr>
<th>Revenues, Gains and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2018 Total</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$580,521</td>
<td>$119,044,766</td>
<td>$68,308,324</td>
<td>$187,933,611</td>
<td>$134,161,709</td>
</tr>
<tr>
<td>Other support</td>
<td>175,727</td>
<td>1,774,886</td>
<td>1,509,097</td>
<td>3,459,710</td>
<td>8,557,842</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>1,375,764</td>
<td>24,943,086</td>
<td>379,656</td>
<td>26,698,506</td>
<td>20,844,328</td>
</tr>
<tr>
<td>Rental income</td>
<td>600</td>
<td>61,300</td>
<td>-</td>
<td>61,900</td>
<td>56,377</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments and other assets</td>
<td>4,936,489</td>
<td>103,337,190</td>
<td>3,551,671</td>
<td>111,825,350</td>
<td>165,135,129</td>
</tr>
<tr>
<td>Revenue from oil and gas interests</td>
<td>161,533</td>
<td>972,454</td>
<td>1,164,833</td>
<td>2,298,820</td>
<td>647,124</td>
</tr>
<tr>
<td>Other revenue</td>
<td>902,155</td>
<td>-</td>
<td>-</td>
<td>902,155</td>
<td>728,480</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>127,165,715</td>
<td>(127,165,715)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenues, Gains and Other Support</td>
<td>$135,298,504</td>
<td>$122,967,967</td>
<td>$74,913,581</td>
<td>$333,180,052</td>
<td>$330,130,989</td>
</tr>
</tbody>
</table>

Expenses

| Payments and transfers to Texas A&M University—scholarships, fellowships, grants and other payments | $103,512,734 | - | - | $103,512,734 | $75,473,232 |
| Management and general            | 5,714,465   | - | - | 5,714,465 | 5,371,654 |
| Total Expenses                    | $128,533,457 | - | - | $128,533,457 | $98,874,275 |

Change in Net Assets

| $6,765,047 | $122,967,967 | $74,913,581 | $204,646,595 | $231,256,714 |

Net Assets, Beginning

| $68,776,568 | $558,958,094 | $1,163,285,335 | $1,791,019,997 | $1,559,763,283 |

Net Assets, Ending

| $75,541,615 | $681,926,061 | $1,238,198,916 | $1,995,666,592 | $1,791,019,997 |
A&M LEGACY SOCIETY

The A&M Legacy Society recognizes individuals, corporations and organizations whose cumulative and current giving to Texas A&M totals $100,000 or more.

Heritage membership within the A&M Legacy Society honors individuals and families who have made planned gifts—such as gifts in wills, charitable trusts, or beneficiary gifts of retirement accounts or life insurance—to the Texas A&M Foundation to benefit Texas A&M University.

We are proud to display the names of Legacy members in Legacy Hall of the Jon L. Hagler Center.

TOTAL AMOUNT CONTRIBUTED TO TEXAS A&M BY A&M LEGACY SOCIETY MEMBERS TO DATE

$3.4 BILLION

340
New Legacy members in fiscal year 2018

113
New Heritage members in fiscal year 2018

6,093
Total number of Legacy members

2,259
Total number of Heritage members
As we wrap up another historic year, we send our greatest thanks to our donors. It is with your support that we’re able to build a brighter future for Texas A&M University. As passionate professionals who believe in Texas A&M’s unique ability to positively impact and transform lives, we are proud to partner with you to ensure the ongoing and future success of Texas A&M. Your impact will be felt everywhere in the world that Aggies dare to make a difference.