

DUKE PERRY TO RETIRE AT END OF YEAR

“I am grateful for the opportunity I have had to serve the Foundation and West Virginia University. It has been a wonderful experience and I thank all, especially our staff, who have helped me in the growth and success of our Foundation,” said F. Duke Perry of his eight years as President and CEO of the West Virginia University Foundation.

Chairman of the Foundation Board David Hamstead has announced that Mr. Perry will retire effective Dec. 31, 2006. He reiterated that a national search is being conducted to find a successor.

“Duke Perry has made a significant contribution to the strength of our organization and the success of our development programs,” he said. “During his tenure, which began in 1999, the Foundation has experienced exceptional growth, conducted a historical capital campaign and built a new facility.”



(continued on page 2)

INSIDE

ALUMNI HOUSE	4
BAND AID DRIVE	5
INVESTMENT GROUP	3
PLANNED GIVING	6
STAFF NEWS	2

FINANCIAL FACTS

(as of 6/30/06)

TOTAL ASSETS
\$803.2 MILLION

ENDOWMENT
\$407.8 MILLION

GIFTS RECEIVED
\$61.2 MILLION

FOUNDATION SETS RECORD

The WVU Foundation has received gifts totaling a record \$61.2 million for Fiscal Year 2006. The previous high was \$57.4 million during Fiscal Year 2002 and in the midst of the history making *Building Greatness Campaign*, which raised more than \$336 million in five years. This June 30, 2006 total included 10 gifts of more than \$1 million.

FOUNDATION ANNOUNCES 2006 OUTSTANDING PHILANTHROPISTS

The West Virginia University Foundation has announced the recipients of its 2006 Outstanding Philanthropy awards. The awards honor donors with exceptional generosity, commitment, leadership, and proven records of outstanding civic and charitable devotion to WVU.

Outstanding Philanthropists are **Raymond J. and Stephanie Lane**; Outstanding Volunteer Philanthropists are **Stanley M. and Virginia Hostler**; and the Outstanding Philanthropic Organization is **Claude Worthington Benedum Foundation**. All are members of the Woodburn Circle Society, the WVU Foundation’s most prestigious giving society.

This marks the second year of the annual awards, which were created in celebration of the Foundation’s 50th Anniversary in 2005. They are presented at the

annual Woodburn Circle Society dinner and induction ceremony.

The **Lanes** of Atherton, California, have shown tremendous devotion and support to WVU.

Mr. Lane, a member of the WVU Foundation Board, is a general partner in the venture capital firm of Kleiner Perkins Caulfield & Byers. A 1968 graduate of WVU’s Eberly College of Arts and Sciences, Mr. Lane was inducted into the WVU Academy of Distinguished Alumni in 1997. Active in civic organizations, Mrs. Lane is taking on-line courses from West Virginia University.

Among the couple’s contributions was \$5 million to the WVU Department of Computer Science and Electrical Engineering, which has been named in their honor. Their gifts support a computer science chair,

(continued on page 2)

PHILANTHROPISTS CONTINUED

graduate fellowships, faculty research labs, engineering library resources, and music scholarships.

The **Hostlers**, of Charleston, W.Va., have a longstanding history of dedication to WVU.

Mr. Hostler is a graduate of the WVU College of Law and established the WVU Institute for Labor Studies. A member of the WVU Foundation Board of Directors, he was honored in 1997 as the Most Loyal Alumni Mountaineer. Mrs. Hostler is a volunteer with Hospice and serves on the Board of the Charleston Women's Club.

The couple's support includes a fund enabling under-represented WVU students to attend medical school, the WVU Health Sciences and Technology Academy and programs at the College of Law, WVU Children's Hospital, the WVU Alumni Association, Athletics, Extension and other campus units. In 1999 the WVU Health Sciences auditorium was renamed Hostler Auditorium in their honor.

The **Claude Worthington Benedum Foundation**, a faithful contributor to WVU, was established in 1944 by Michael and Sarah Benedum of Bridgeport and Blacksville, W.Va., respectively.

Their goal to "help people help themselves" has been carried on through the Foundation's work with



Outstanding Philanthropists pictured from left are: Stanley and Virginia Hostler, Pat Getty, Stephanie and Ray Lane

hundred of charities and non-profit organizations dedicated to education, health, human services, community development, and economic development in West Virginia and Southwestern Pennsylvania.

Since its inception, the Foundation has created nearly 6,500 grants totaling more than \$265 million. Approximately two-thirds of the Foundation's grant money is spent in West Virginia. Of its \$11.67 million in grant making during 2005, more than \$2 million benefited programs at WVU and were administered by the WVU Foundation.

William P. "Pat" Getty, president of the Benedum Foundation, accepted the award.

PERRY RETIREMENT CONTINUED

Mr. Hamstead added that assets are now more than \$800 million and the endowment is over \$400

million, ranking it in the top 150 endowments among those supporting public colleges in the nation. Mr. Perry's many accomplishments also include total revenue exceeding \$100 million for the first time in the Foundation's 50-year history, when it reached \$100.3 million for Fiscal Year 2004; a capital campaign that raised in excess of \$336 million to benefit the University and the two largest gifts ever made to the Foundation.

Construction of One Waterfront Place, the Foundation's \$33.1 million, 172,000 square-foot, seven-story office building in Morgantown's Wharf District, was completed in 2001. The Foundation

occupies the seventh floor of its facility and leases, at cost, the first six floors to WVU. The building has also served as a catalyst for the renovation of the Waterfront District.

Prior to taking the position at the WVU Foundation, Mr. Perry was president of the George Mason University Foundation, Inc. from 1993 to 1998 and the Florida State University Foundation, Inc. from 1990 to 1993. He held various positions at Virginia Tech from 1967 to 1990, including Associate Vice President for Development.

Mr. Perry earned bachelor's and master's degrees in business administration from Virginia Tech. He has served on committees of national fund-raising and foundation organizations and as a consultant to universities, colleges and hospitals.

WVU FOUNDATION STAFF NEWS

New staff include:

Andrew (AJ) Blosser - Technology Services Web Developer
Angela Murphy - Gift Processing Supervisor
Melissa Richey - Administrative Secretary - HSC
Jill Ridgway - Development Administrative Assistant

Promotions include:

Shari Crowder - Accounting Assistant to Gift Processor
Sarah Gibson - Assistant to Associate Director of The University Fund

Cheryl Lint - Assistant Receipt & Pledge Manager to Gift Processor

Laura Miller - Assistant to Associate Director of Individual Giving

Carolyn Riggie - Matching Gifts & Donor Records Assistant to Assistant Data Coordinator

Jason Turner - Interim to Director of Research & Prospect Management

Candace Twigg - Office Administrator to Manager of Office Services

Tammi Wilson - Accounting Assistant to Gift Processor

INVESTMENTS - A KEY TO THE FOUNDATION'S SUCCESS

For most investors, every dollar of return on their stock and bond portfolio is important because it means security in retirement, a dream vacation, or an inheritance for offspring. But few of us probably get too upset if our investment return is 8.8% a year, let's say, instead of 8.9%.

For the WVU Foundation's Investment Group, however, that 0.1% difference is a very big "deal." According to Dorothy J. Dotson, vice president for investments, "those 10 basis points of return on the endowed investment portfolio translate into approximately 10 scholarships for present and future WVU students."

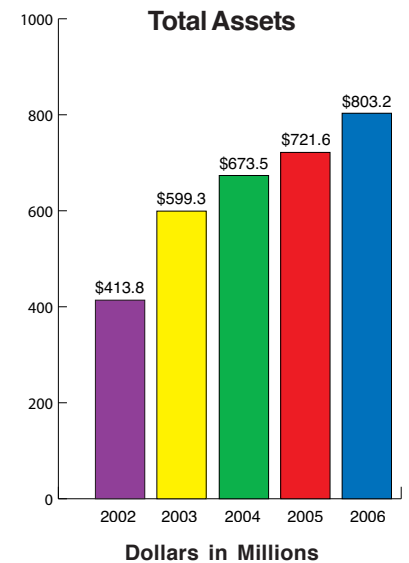
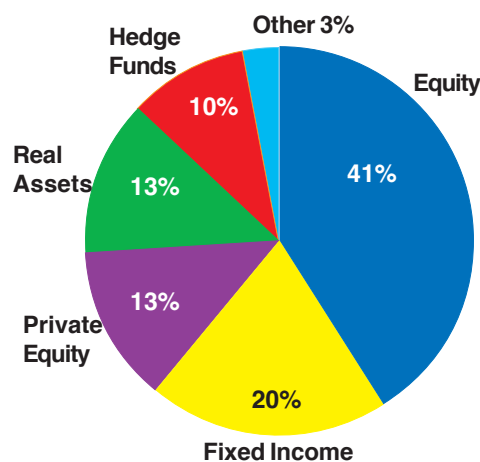
The ability to continue to fund scholarships, professorships, and other endowed and non-endowed needs of the University is what motivates the five members of the Investment Group to maximize the return on every dollar raised from donors by the Foundation's Development staff. The challenge is to create a portfolio that will last "in perpetuity" (forever) by taking advantage of rising markets, while preserving capital in declining markets. In order to achieve this risk-return balance, the Investment Group has crafted an asset allocation that results in a diverse mix of investments that can be rebalanced to navigate ever-changing market conditions. The current asset mix (see chart) includes U.S. and international stocks and bonds, as well as significant investments in private equity, real estate, natural resources, and other "alternative" investments.

This asset allocation policy, which is approved by the Foundation's Investment Committee, guides the Investment Group as it seeks to identify funds and fund managers to implement the strategy. Thanks to support from the Committee and

longstanding relationships with the investment community, the Investment Group is able to partner with an elite group of global fund managers, some of whom run unique, 'out-of-the-mainstream' strategies. As a result, the Foundation's asset allocation is on a par with that of much larger endowments.

The Investment Group spends much of its time reviewing potential new managers and strategies, scanning at least two or three new investment opportunities each week. The remainder of their time is spent overseeing the existing portfolio (meeting with managers at least once annually), monitoring performance, staying abreast of current market conditions and trends, and reporting quarterly to the Investment Committees of both the Foundation and WVU Hospitals.

The Foundation is fortunate to have an actively involved Investment Committee, comprised of members who have each led major corporations in their respective fields. The seven-member Investment Committee is chaired by Bob McMillan, president, Jefferson Distributing Co.; with Michele McNeill, founder of Kern McNeill International, acting as Vice Chair. Also serving are Jim Chamberlain, former chairman and CEO of BioSource International; Ray Lane, general partner of the



venture capital firm, Kleiner Perkins Caulfield & Byers; Verl Purdy, founder and president of AGDATA; Bob Reynolds, vice chairman and chief operating officer of Fidelity Investments; and Bruce McClymonds, president of WVU Hospitals.

In addition to managing the endowed and non-endowed portfolios, the Foundation's charter permits it to act in an investment agency role on behalf of affiliates of WVU. As a result, since January 2003, the Investment Group has been actively managing the WVU Hospitals' investment portfolio, which currently represents about one-third of the total assets under management.

For Fiscal Year 2005, the National Association of Colleges and University Business Officers (NACUBO) ranked the WVU Foundation in the top quartile among 746 institutions in terms of market value of endowment assets, with \$328 million. As of June 30, 2006, the value of the Foundation's endowed investments is expected to have grown to approximately \$400 million. Together, with the non-endowed assets and investments managed on behalf of WVU Hospitals and other affiliates, the total portfolio is approaching \$750 million.

(continued on page 4)

INVESTMENTS CONTINUED

The one word that is never used by the Investment Group is “bored.” In light of the ever-changing capital markets and the global nature of investing today, there is never a dull moment. Yet, while dealing on a daily basis with some of the world’s leading money managers and being keenly aware of the markets’ movements, the Investment Group is able to keep itself grounded and focused on the task at hand, knowing that every dollar of excess return means opportunity — for a West Virginia high school student to gain a college education, for a professor to undertake groundbreaking research, for a doctor to achieve excellence in patient care, or for the construction of yet newer and better facilities at WVU and its affiliates.

WVU FOUNDATION IS NONPROFIT AWARD FINALIST

The WVU Foundation is a finalist for the 2006 Nonprofit Awards for Excellence, selected by *Foundation & Endowment Money Management*.

Nominees were chosen by the editorial staffs of *FEMM* and *Alternative Investment News* and included industry recommendations.

According to the industry publication, the nominees are examples of the best-run nonprofits in performance, investment decisions and use of managers/consultants.

Criteria for the savviest nonprofit award included not only a track record of good returns and sound decisions, but also innovation in how the fund manages its assets and how it approached its goals. This should include having an internal “brain trust” of investment talent.

Other nominees for awards include the Indiana University Foundation, University of Texas Management Co., University of Washington, Wake Forest and Yale Universities.

Winners will be announced at a dinner on October 16 at the Hotel Nikko in San Francisco.

West Virginia University is a special place for its graduates. Soon, they will find a new alumni center on campus to reminisce and celebrate their special memories.

“With more than 170,000 graduates worldwide and record enrollment at WVU, this new facility will position the WVU Alumni Association to better meet the changing needs of our alumni and friends,” says Jim Gardill, chair of the WVU Alumni Association Board of Directors.

The WVU Alumni Association, in partnership with the WVU Foundation, has embarked on a \$12 million capital campaign to build a new alumni center that will serve alumni, friends and the University community.

The new center will retain the Erickson name in honor of the family’s continued generosity. In addition to the gift made to fund the current facility, the Erickson Foundation has generously provided a \$1 million gift to the WVU Foundation for the new Erickson Alumni Center.

Earlier this year the Hazel Ruby McQuain Charitable Trust pledged a generous gift of \$1.5 million to the building campaign. The gift will be used to build the grand hall and gardens at the new center.

Less than 400 yards from Milan Puskar Stadium, the more than 44,000 square feet facility triples the size



of the current Erickson Alumni Center and will feature a set of genuine bronze carillon bells along with a custom multi-bell digital touch screen carillon instrument which can be programmed to play some of WVU’s most popular songs, such as the “Alma Mater,” “Country Roads,” “Simple Gifts,” and the “WVU Fight Song.”

Located on a beautiful park-like setting with walking paths and gorgeous landscaping, the new alumni center will have terraces, multiple meeting and banquet facilities, an outdoor fireplace and waterfall. A Hall of Honor will pay tribute to some of WVU’s most distinguished and memorable alumni.

Groundbreaking is expected to take place in 2007 with an anticipated completion date of fall 2008. The former alumni center will become the property of WVU and be renovated to house a museum of art under the direction of the College of Creative Arts.

BAND AID GOAL IS \$270,000 FOR 400 NEW UNIFORMS

The West Virginia University Foundation has launched a \$270,000 Band Aid Drive to raise funds to purchase 400 new uniforms for the WVU Mountaineer Marching Band, the "Pride of West Virginia."

"The current 11-year-old uniforms are basically worn out. The manufacturer said the average life of band uniforms is seven to eight years," said Jay Drury, band director.

"We've done very well making them last this long. The band members took very good care of the uniforms."

The new uniforms combine the best and most popular qualities of the last two into a striking, updated version. The bright, white coat front is again accented with a brilliant, gold sash lying diagonally across the torso with the "Flying WV" over the left breast. A trimmed canopy has been added to the shortened coat bringing added detail and 21st century style.

The state outline, the "Flying WV" and the words "The Pride of West Virginia" will be an added embroidered detail on the right shoulder of each coat. The style of the sleeve will show slight modification as well. The new coats will offer a significant band of gold-trimmed blue fabric ending in a straight cuff.

The half cape is being replaced with the full cape that was last seen on the uniforms during the 1980s. The cape and the back of the coat feature a large, gold "Flying WV."

The helmet receives an update as well – a blue "Flying WV" will be featured on top of the gold shield in the front.



Baritone Section Leader Glen Chilcote models the new uniform



Alumni and friends who provide ongoing private financial support for WVU by contributing \$1,000 or more each fiscal year are members of Foundation Partners.

Foundation Partner tents will be held prior to the Eastern Washington game on September 9th and the Syracuse contest on October 14th. Watch for your invitation in the mail.

Yes! I would like to provide "Band Aid" for new uniforms!

Name (as it should appear in uniform)

Address

City State Zip

E-mail

My employer will match my gift.

(Employer name)

Check enclosed (payable to WVUF-Band Aid Drive)

Charge my: Visa MasterCard

American Express Discover

Credit Card Number Exp. Date IVC#

Name as it appears on credit card

Credit Card Billing address

Signature

Check the appropriate box above and make check payable to: WVUF-Band Aid Drive
Mail to: WVU Foundation, PO Box 1650, Morgantown, WV 26507-1650.



- \$5,000 or more Band Directors Club
- \$1,000 Drum Major Club
- \$500 Full Uniform
- \$340 Coat & Cape
- \$105 Pants
- \$60 Hat
- \$35 Raincoat
- Other

\$ Total Gift

www.wvuf.org/bandaid/ 304-284-4016

To make a gift of securities, please call 304-284-4032.

wvuf-DM 06-06 G

INCOME-PRODUCING GIFTS CAN BENEFIT DONORS AND WVU

While there are many ways of supporting West Virginia University, some donors choose to make a gift that



The Irvin Stewart Society honors those who have made planned gifts benefitting WVU and its affiliated organizations.

New members from 3/1-6/30 include one anonymous and:

Rebecca Fain Cochran '85,
Charleston, WV
Sandra L. Cotton '84, Morgantown, WV
H. James Douds, JD '52, '55
Peachtree City, GA
Patricia A. Douds, Peachtree City, GA
Stanley E. Friedman '49,
Shaker Heights, OH
Ralph Haberfield Jr., Wheeling, WV
James A. Larrabee, Morgantown, WV
June H. Larrabee, PhD, Morgantown, WV
Fredrick D. Lucas '69, Cincinnati, OH
Karen MacKay, MD, Morgantown, WV
Thomas E. Menighan '74, Annapolis, MD
Susan L. Polk, MD '70, Glenview, IL
Florence S. Reneau, Grafton, WV
Rev. Oren N. Reneau, Grafton, WV
Robert E. Stitzel, PhD, Morgantown, WV
Margaret Estelle Vorous, Inwood, WV

provides a two-way benefit – income for themselves first and later support for WVU.

The WVU Foundation's oldest income-producing gift still in operation was set up in 1978. Almost 200 members of the Irvin Stewart Society have chosen this type of gift.

An income-producing gift is a smart choice for those in their retirement years who want to supplement their income. Even individuals still in their working years can take advantage of this way to put more away for retirement, just like an IRA, coupled with a tax deduction now. Also, this gift arrangement can be used to provide income for family members, such as a parent or child. The donor also chooses how the remaining funds will benefit WVU after their income payout ends.

It is as simple as transferring stocks, bonds, mutual funds or cash (a minimum value of \$25,000) to the WVU Foundation and signing a contract listing the applicable terms. Marketable real

estate is also a good asset for an income-producing gift although it involves more steps to make the contribution.

The Foundation staff is available to help with the details. For a sample illustration of how such a gift can meet a person's income needs, contact the Planned Giving Office at 800-847-3856.



Woodburn Circle Society is the WVU Foundation's most prestigious philanthropic society. Membership is available to those who make one-time gifts or pledges of at least \$100,000 to benefit WVU or its affiliated organizations.

New Woodburn Circle Society members (1/1-6/30):

Boston Scientific Corporation
Omnicom Management, Inc.
Lewis M. and Margaret Webb
J. Vance Johnson Testamentary Trust
Estate of Jane W. Koch
Drs. Paul and Laura Mesaros Trust
Estate of Jane Pestun
Estate of Janet C. Reed



WVU FOUNDATION
ONE WATERFRONT PLACE
PO Box 1650
MORGANTOWN, WV 26507-1650

ADDRESS SERVICE REQUESTED

WVU FOUNDATION NEWS
MARCH 2006

PUBLISHER
WVU FOUNDATION

EDITOR
PAM FRONKO

**If you wish to receive this
newsletter electronically,
please e-mail
DonorRelations@wvuf.org**