2018-2019

PLANNED GIVING REPORT
A simulation app that allows parents to understand how their deaf children interpret sound with a cochlear implant was developed as a project of Lehigh’s 2018 Mountaintop Initiative.
Dear Friends,

As many of you know, without a scholarship, I would not have attended Lehigh and benefited from an experience that provided the foundation for a most gratifying life. I have always felt humbled that someone had the passion and belief to provide me, and many other young people, with such an opportunity. I knew I needed to pay that forward, and I am doing so by supporting Lehigh’s endowment through planned giving vehicles.

I can personally speak to how useful these vehicles were in creating an estate plan that fit my financial needs while helping to support an institution I greatly value. These options allowed me to build a portfolio that will ultimately support the scholarship fund I created, while at the same time providing me with fixed payments for the rest of my life. For me, these vehicles are a great way to support Lehigh and its students. They are also tax-wise ways to protect and manage my estate.

In these pages, you will find information about these tools and how to get started on your own planning process. Of course, I highly recommend connecting with the Lehigh planned giving team as you explore whether they are right for you. They are an accomplished group of professionals and very easy to work with.

I have always said — if you are passionate about something, you need to make it last, even beyond your life. Endowment is what makes that possible.

Thank you for your commitment and dedication to Lehigh.

Mike Caruso ’67
Chairman, Tower Society

Dear Friends,

The best part of my job as assistant vice president for planned giving is getting to know Lehigh alumni and friends. Through the years, I have had the pleasure of working with so many fellow graduates and their families, all of whom share a deep commitment to the university and a desire to help ensure others benefit from a Lehigh education.

It is an honor for me to be part of the conversation about how you might support Lehigh in a way that not only helps you reach your personal goals, but also creates an enduring legacy of generosity. In these pages, you will find information about planned giving vehicles ranging from bequests and gift annuities to charitable remainder unitrusts and more. Each is an opportunity to have an impact on the university and its students, and many of these options enable you to see the influence of your generosity during your lifetime.

We are pleased to share these updates with you, along with a story of how planned giving makes a difference to Lehigh students. You will also find the names of those whose bequests were realized in the past fiscal year. We are grateful for their generosity and commitment to Lehigh.

As always, my team and I stand ready to answer any questions you might have. We look forward to getting to know you better.

Sincerely,

Lorraine Wiedorn ’84G ’13P ’17P
Assistant Vice President for Planned Giving
As a project of Lehigh’s Creative Inquiry program, students worked to refine and proliferate mushroom production houses for farmers in Sierra Leone to utilize as a cash crop.

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Planned Giving Overview

One of the most popular ways to make a gift now, without reducing your income, is through Lehigh’s Planned Giving Program. The following types of life income gifts are offered to help you provide meaningful support to Lehigh while also addressing your personal financial goals and plans.

Charitable Gift Annuity

Lehigh offers both immediate and deferred payment annuities. A person who enters into a gift annuity agreement with Lehigh is accomplishing two goals — making a gift to Lehigh and securing a fixed income for life. In the case of a deferred payment annuity, the person agrees to wait one or more years before life income payments start in return for a somewhat higher rate of return than the immediate annuity offers.

Lehigh bases its gift annuity rates on those established by the American Council on Gift Annuities, a national organization of charities that issue gift annuities. The council reviews rates periodically, at which time rates may be changed for new gift annuities.

The annuity rates are lower than those offered by insurance companies, but donors have the satisfaction of obtaining a charitable tax deduction for part of the value of the gift as well as doing something of lasting benefit for the university.

The rates have been computed to produce a “residuum,” or gift to Lehigh at the expiration of the agreement, which is on average 50 percent of the amount of the initial contribution. The rates are based on actuarial studies of mortality experience among gift annuitant lives and consideration for the income rate expected from the invested reserve funds.

Beneficiaries receive monthly annuity payments for life according to the terms of a simple contract. These payments are fixed and guaranteed by the revenues and assets of the university. Information may be found online at lehigh.edu/plannedgiving.

Pooled Income Fund

Lehigh’s pooled income fund is an irrevocable trust fund which operates similarly to a mutual fund. Your contributions are pooled under the trusteeship of Lehigh. All income earned by the fund in each quarter is paid out to the participants in pro rate shares. All dividends and interest must be paid out to life beneficiaries. The terms of the gift are irrevocable, and Lehigh ultimately receives the principal.

Charitable Remainder Trusts

These gift vehicles have separately invested portfolios, each of which is individually managed by Lehigh or by a trustee chosen by you. These include charitable lead trusts and charitable remainder trusts.

A charitable remainder trust pays the life income beneficiary a percentage of the fair market value of the trust assets, as revalued annually. This fixed percentage, no less than 5 percent (as dictated by the IRS), is determined jointly by you and Lehigh’s Treasurer’s Office at the time that the trust agreement is prepared. Income is paid on a quarterly basis.
### Planned Giving Total Assets Under Management
Fiscal year ending June 30, 2019

<table>
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<th>TYPE OF GIFT</th>
<th>MARKET VALUE</th>
<th>NUMBER OF PARTICIPANTS</th>
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<tr>
<td>Charitable Gift Annuities</td>
<td>20,299,569</td>
<td>243</td>
</tr>
<tr>
<td>Pooled Life Income Funds</td>
<td>9,710,234</td>
<td>34</td>
</tr>
<tr>
<td>Charitable Remainder Unitrusts</td>
<td>7,386,621</td>
<td>17</td>
</tr>
<tr>
<td>Charitable Lead Annuity Trust</td>
<td>5,968,177</td>
<td>1</td>
</tr>
<tr>
<td>Funds Held in Trust by Others</td>
<td>4,456,282</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL PLANNED GIVING ASSETS</strong></td>
<td><strong>$47,820,883</strong></td>
<td><strong>309</strong></td>
</tr>
</tbody>
</table>

Lehigh students tutor elementary and middle school students to increase reading and math proficiency as part of the America Reads and America Counts programs.
The Office of Planned Giving recognizes the following individuals who have provided for Lehigh through their estates and whose bequests we received in fiscal year 2019. Their visionary gifts support a strong tradition of philanthropy at Lehigh and are invaluable to future generations of students. We are forever grateful for the programs they have supported through their generosity.

**In fiscal year 2019, over $11.070 million was received for restricted purposes.**

- George A. Barker, Jr. 1937
  *Barker Memorial Fund*
- Elinor King Bretzlaff
  *O-Driscoll-King Scholarship Fund*
- Olive M. Brown
  *Lehigh University Memorial Endowment Fund*
- Martha "Tish" Carnes Brown 1949W
  *David O. Brown ’49 & Stephen G. Brown ’53 Scholarship Fund*
- Raymond Coates 1959
  *Raymond J. Coates ’59 Endowed Research Fund*
- Wouter deNie 1968
  *Wouter M. deNie ’68 Endowed Scholarship Fund*
- Ruth W. Fidorack 1952
  *Gerald M. Overfield ’14 Endowment Fund*
- Marie Figueroa 1952W
  *Howard G. Figueroa Endowed Scholarship Fund*
- Glenn J. Gibson through the Gibson Charitable Remainder Annuity Trust 1935
  *Glenn J. Gibson ’35 Endowed Fund*
- Robert J. Gill 1944
  *Robert J. Gill ’44 Endowed Fund for Linderman Library*
- Virginia Hale 1930W through the Bernard Hale Trust 1930
  *Bernard R. and M. Virginia Hale Endowed Scholarship*
- Dale R. Heffelfinger 1970
  *Dale R. Heffelfinger ’70 Scholarship*
- Theodore Heske, Jr. 1960
  *Lehigh Fund*
- Mary W. Hilliard 1961G
  *Alumni Bulletin*
- William F. Hosford, Jr. 1950
  *William F. Hosford Endowment Fund at the Materials Science Department*
- Edna R. Kellett 1942W
  *John Kellett III Endowed Fund*
- Walter R. King 1913
  *O-Driscoll-King Scholarship Fund*
- Wilbur C. Knerr 1950
  *Wilbur C. Knerr ’50 Endowed Scholarship Fund*
- Ronald E. Lipetz 1962
  *Ronald E. Lipetz ’62 Endowed Scholarship Fund*
- William S. McConnor 1941
  *William F. McConnor ’14 and William S. McConnor ’41 Endowed Fund for the P.C. Rossin College of Engineering*
The following individuals left unrestricted bequests, providing $1.944 million to the university.

Edward P. Becker 1951
Ernst Benzien 1962
George R. Brothers, Jr. 1946
Charles H. Carter, Jr. 1941
Marie Deach
Donald H. Fiedler 1962
Bruce Frankenfield 1953
Ruth Anne Herterich 1952W
Alan Richard Kephart 1953
Charles E. Klabunde 1953
Alice D. Madden 1967G
Edward M. Pawlak 1951
Marie Pawlak 1951W
Lawrence J. Roseman 1950
Richard C. Smith 1955
Wilma T. Uhrich 1933W
When Andy Hoke, a senior majoring in journalism and history, was growing up in Allentown, Pennsylvania, Lehigh University was always on his radar. When it came time for him to choose a university, what really set Lehigh apart was the comprehensive scholarship and financial aid package, including the O-Driscoll-King Scholarship — a fund that was borne from a charitable remainder trust.

“I never would have been able to attend Lehigh without this scholarship,” Hoke recalls. “It really was the deciding factor.”

Hoke entered Lehigh as a statistics major and realized early on that path did not appeal to him. He credits the support system he had at Lehigh with helping him find his passion for journalism and history.

“After talking to faculty, staff, and friends at Lehigh, I realized I was interested in research and writing, in putting my thoughts into words with my own unique style, and in being out in the world. I don’t know if I would have discovered that if I hadn’t come to Lehigh,” he says.

Since changing his major, Hoke has fully immersed himself in his interests. He is an associate sports editor for The Brown and White and had the opportunity to work for a media company in Singapore through a scholarship.

Thanks to a scholarship funded by an alumnus, Andy Hoke ’20 can receive a Lehigh education and pursue his passion in sports journalism.

SKY’S THE LIMIT, THANKS TO A SCHOLARSHIP
the Iacocca International Internship program. Getting to interview the mayor of Allentown, Pennsylvania, was another highlight in his Lehigh career. “My journalism major has allowed me to do so many interesting, noteworthy, and cool things. Lehigh brings so much to the table. It’s not just about the classroom. I’m getting real experience.”

As for his future aspirations, he is adopting a sky’s-the-limit mentality: “I really like sports media. Maybe I’ll work for ESPN or NBC Sports, or maybe I’ll get a Ph.D. and teach at a university. I’m keeping an open mind. As long as I follow my passions, I’ll enjoy it.”

When reflecting on what the O-Driscoll-King Scholarship means to him, Hoke says, “I want to express my full gratitude. I’m here, at Lehigh. And that’s because of the generosity of donors. It’s made me much more cognizant of everything philanthropy can do for people. I don’t know where I would be if I hadn’t attended Lehigh. I don’t know if I’d be on the same path. My scholarship set the tone for my entire future. I don’t take it for granted.”

Endowment support enables Lehigh to fulfill its promise to admit the most talented students and meet 100 percent of their demonstrated financial need. It is certainly a promise worth keeping for students like Andy Hoke, who can now go out into the professional world with real-world journalism experience, ready to pursue his passions with confidence and determination. Wherever his career goes, he knows he is equipped for success, and he is grateful for all the opportunities that Lehigh donors made possible for him.
This disclosure statement is intended to provide basic information regarding the gift annuities issued by Lehigh.

**Description of a Gift Annuity** | A gift annuity is a simple contract between the donor(s) and Lehigh University (hereinafter “Lehigh”). In exchange for the donor’s(s’) contribution(s), Lehigh promises to make fixed payments for life to one or two annuitants [usually, but not necessarily, the donor(s)]. The amount paid is based on the age(s) of the annuitant(s), in accordance with Lehigh’s rate schedule.

**Not a Commercial Investment** | The act of establishing a gift annuity with Lehigh is not, and should not be viewed as, an investment. Rather, it is a way to arrange for annuity payments while making a charitable donation. In this respect, a gift annuity issued by Lehigh is different from a commercial annuity. While both types of annuities make payments that are usually partially tax-free, the charitable donation aspect of establishing a gift annuity may result in additional tax benefits that are not available when purchasing a commercial annuity. These tax benefits include a current federal income tax charitable deduction (if you itemize your deductions) and possible future estate tax savings.

**Gift Annuity Rates** | The gift annuity rates paid by Lehigh are those suggested by the American Council on Gift Annuities, which is a national organization of charities that has been in existence since 1927. These rates have been calculated so as to provide attractive payments to the donor(s) and/or other annuitant(s) and also to result in a significant portion of the contribution remaining for the charity. Because a charitable gift is involved, the rates are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

**Assets Backing Annuity** | The annuity payments are a general obligation of Lehigh, and they are backed by all of our assets (subject to security interests). As of June 30, 2019, the market value of our total invested funds exceeded $1 billion. We also maintain a gift annuity reserve fund valued at more than $11.3 million in accordance with the laws of the states in which we issue gift annuities. Assets received by Lehigh for gift annuities are managed internally, in a conservative and disciplined manner. If Lehigh should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of Lehigh.

**Governance** | Responsibility for governing Lehigh, which was established in Pennsylvania in 1865, is vested in a board of trustees. Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L.104-62). This information is provided to you in accordance with the requirements of that act.
Points to Remember

- A contribution for a gift annuity is irrevocable.

- The right to annuity payments may not be assigned to any person or organization other than Lehigh.

- The gift date is the date when you actually transfer assets. In the case of cash, it is the date you mail or deliver a check. In the case of an electronic transfer of securities, it is the date they are received into the account of Lehigh. If you have certificates, it is the date they are properly endorsed and mailed or delivered.

- The gift annuity is governed by applicable state laws.

Description of Reserve

Gifts to the annuity program are invested in accordance with state requirements. The assets held generate income to distribute to beneficiaries and provide a reserve of capital, if needed, to make up the difference between the income earned and the required distributions.

Upon the termination of the life interests covered by a given contract, a proportionate share of the entire reserve is applied to the purpose outlined in the original gift annuity agreement. At maturity, the contract balance is invested in the endowment fund.

Lehigh has completed applications for all states with annuitants and all state requirements for registration of gift annuity programs. At June 30 each year, Lehigh performs an internal review of our gift annuity reserve compared to the total reserve assets to the present value of the reserve’s liabilities. Our reserve assets at June 30, 2019, are well in excess of the present value of its liabilities.
Board of Trustees

Finance Committee Members During 2018-2019

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Former Managing Director
Bain Capital

Jeffrey Bosland ’88 ’22P
Senior Managing Director
Cerberus Capital Management LP

Robert L. Brown III ’78
Retired Partner
PricewaterhouseCoopers LLP

Francis J. Ingrassia ’75 ’16P
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Jane P. Jamieson ’75
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WR Capital Partners

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Sarat Sethi ’92 (Chair)
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Dock Street Capital LLC

Frank E. “Ted” Walsh III ’88
Partner
WR Capital Partners
Please share with the Office of Planned Giving any questions or comments you may have about the information within this report. Our planned giving team can also help explore the different gift options available to integrate your passion for Lehigh with your personal financial goals and plans.

Lorraine Wiedorn ‘84G ‘13P ‘17P  
Assistant Vice President  
(610) 758-4874  
lms1@lehigh.edu

Carl Henzelman III ’82  
Senior Planned Giving Officer  
(610) 758-5520  
cfh207@lehigh.edu

Susan Lopez  
Associate Director  
610-758-4974  
sul308@lehigh.edu

Kimberly Scretchen  
Coordinator  
(610) 758-4749  
kasb16@lehigh.edu

For more information:  
Planned Giving Website and Online Gift Calculator  
PLANNEDGIVING.LEHIGH.EDU

A practical guide to assist you in gift planning is available online at plannedgiving.lehigh.edu. This useful site features an easy-to-use Online Gift Calculator that enables users to receive fast, accurate, and confidential calculations on charitable deductions. The Online Gift Calculator allows users to determine their personal planned gift deductions and gift annuity taxation amounts.