

# SWARTHMORE COLLEGE OFFICE OF GIFT PLANNING

## Annual Statement 2014

### Dear Friends of Swarthmore College,

We are pleased to present to the Swarthmore College community this Gift Planning Annual Statement 2014. The statement provides an overview of the assets under management for Swarthmore's gift planning program, along with investment performance information.

Support from alumni upholds Swarthmore's proud traditions of academic rigor and creativity, equal access, building intentional community, and an expansion of our role as a global leader in the liberal arts.

If you have comments or questions about this annual statement, please call us at our toll-free number (866) 526-4438 or send an email to [giftplanning@swarthmore.edu](mailto:giftplanning@swarthmore.edu). The Office of Gift Planning welcomes all inquiries.

*Mike Gillum*  
Director of Gift Planning

*Renee Atkinson*  
Gift Planning Administrator

TOTAL ASSETS UNDER MANAGEMENT		
TYPE OF GIFT	YEAR ENDED DEC. 31, 2014	YEAR ENDED DEC. 31, 2013
<b>Charitable Remainder Trusts</b>		
Unitrusts	\$10,543,121	\$10,060,828
Annuity Trusts	\$ 4,750,756	\$ 4,371,391
<b>Subtotal</b>	<b>\$15,293,877</b>	<b>\$14,432,219</b>
<b>Charitable Gift Annuities</b>		
<b>Subtotal</b>	<b>\$21,024,975</b>	<b>\$21,470,141</b>
<b>Pooled Income Funds</b>		
Current Income	\$ 2,995,064	\$ 3,115,625
Balanced	\$ 5,273,553	\$ 5,071,294
<b>Subtotal</b>	<b>\$ 8,268,617</b>	<b>\$ 8,186,919</b>
<b>TOTAL ASSETS</b>	<b>\$44,587,469</b>	<b>\$44,089,279</b>

ANNUAL INCOME DISTRIBUTED TO PARTICIPANTS		
TYPE OF GIFT	YEAR ENDED DEC. 31, 2014	YEAR ENDED DEC. 31, 2013
<b>Charitable Remainder Trusts</b>		
Unitrusts	\$ 497,278	\$ 455,241
Annuity Trusts	\$ 169,337	\$ 161,140
<b>Subtotal</b>	<b>\$ 666,615</b>	<b>\$ 616,381</b>
<b>Charitable Gift Annuities</b>		
<b>Subtotal</b>	<b>\$1,003,276</b>	<b>\$1,000,715</b>
<b>Pooled Income Funds</b>		
Current Income	\$ 92,633	\$ 134,501
Balanced	\$ 140,113	\$ 167,826
<b>Subtotal</b>	<b>\$ 232,746</b>	<b>\$ 302,327</b>
<b>TOTAL</b>	<b>\$1,902,637</b>	<b>\$1,919,423</b>

### CHARITABLE GIFT ANNUITIES

A charitable gift annuity is a simple, contractual agreement between a donor and Swarthmore College. In exchange for an irrevocable gift of cash or securities, Swarthmore pays a fixed lifetime income to one or two individuals designated by the donor. Depending on the age of the annuitants, payments can begin immediately or be deferred into the future. Annuity obligations are backed by the assets of Swarthmore College.

Swarthmore maintains segregated annuity reserve funds from which to make annuity payments. These annuity reserves are invested by John W. Bristol & Co., Inc. in accordance with investment regulations of the states where the College issues annuities. Please contact the Office of Gift Planning if you wish further information about the College annuity reserves.

### FUNDS MANAGEMENT

**JOHN W. BRISTOL & CO. Inc.** has managed funds for Swarthmore College for more than 60 years. In 1992, Bristol assumed responsibility for investing the College's pooled income fund and charitable trust assets. Bristol, a privately owned, independent investment advisor, was founded to advise the endowment funds of Swarthmore College and Princeton University. Both schools remain clients. Bristol invests Swarthmore's gift planning assets in equity and fixed income portfolios.

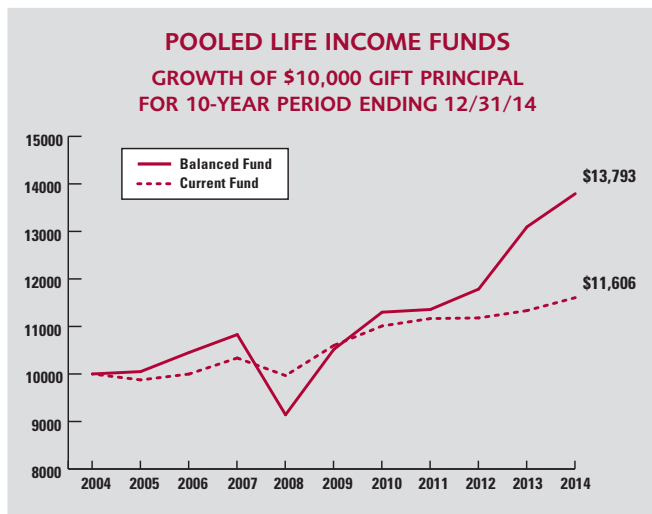
**STATE STREET GLOBAL ADVISORS (SSGA)** provides custodial and administrative services for our charitable trusts and pooled life income funds. SSGA is a recognized industry leader in gift planning administration. State Street issues payments for College administered trusts and pooled life income funds as well as preparing the tax reporting statements for these gift vehicles.



## POOLED LIFE INCOME FUNDS

Similar to a mutual fund, a pooled life income fund combines the gifts of many donors for investment purposes. The College administers the fund and distributes to the beneficiaries a proportionate share of the variable income earned by the fund each quarter. After the death of the last beneficiary of a pooled fund agreement, a proportionate share of the fund assets passes to Swarthmore College to be used as directed by the donor.

Swarthmore's Balanced Pooled Life Income Fund provides both current income and long-term growth of income and principal. Swarthmore's Current Pooled Life Income Fund seeks a high rate of current income. Each fund owns units of the equity and fixed income pools invested by John W. Bristol & Co. Inc.



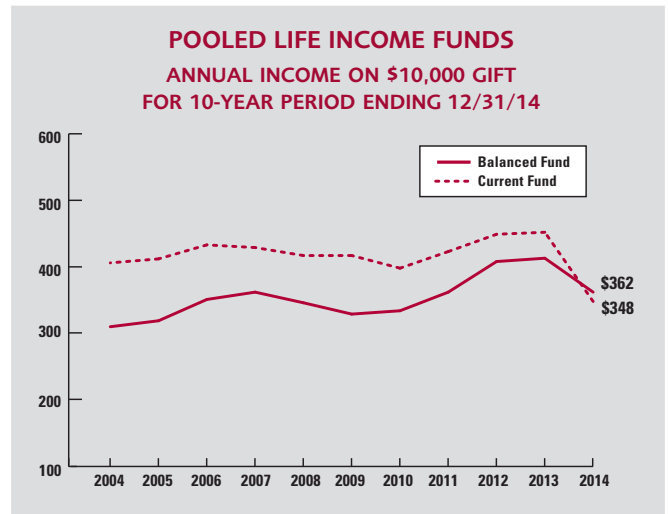
**POOLED LIFE INCOME FUNDS**  
**INVESTMENT RESULTS**

**BALANCED POOLED LIFE INCOME FUND PERFORMANCE**

Year Ended Dec. 31	2014	2013
Capital Growth	5.75%	11.32%
Income Yield	2.64%	3.17%
<b>TOTAL RETURN</b>	<b>8.39%</b>	<b>14.49%</b>

**CURRENT POOLED LIFE INCOME FUND PERFORMANCE**

Year Ended Dec. 31	2014	2013
Capital Growth	2.79%	1.53%
Income Yield	2.99%	3.96%
<b>TOTAL RETURN</b>	<b>5.78%</b>	<b>5.49%</b>



## SWARTHMORE COLLEGE GIFT PLANNING PROGRAM INVESTMENT POOLS

Swarthmore College invests the assets of its charitable remainder trusts and pooled life income funds in two separate investment pools managed by John W. Bristol & Co. Inc. The tables at right compare the equity and fixed income investment pools' total return with their respective benchmark indices, the Standard & Poor's 500 Index, and the Barclays Aggregate Bond Index. Total return includes both capital gains and dividend and interest income. *Please note that past performance does not guarantee future results.*

### CHARITABLE REMAINDER TRUST

A charitable remainder trust pays its beneficiaries income according to the terms of the trust set at its inception. Charitable remainder trusts are tailored to fit the needs of the beneficiaries and pay either a fixed or variable income based on the donor's choice at the trust's inception. At the end of the trust's term, the assets pass to Swarthmore College to be used as directed by the donor.

Each Swarthmore charitable remainder trust holds an individually determined proportion of the equity and fixed income investment pools managed by John W. Bristol & Co. Inc.

**GIFT PLANNING PROGRAM**  
**INVESTMENT POOLS**

**BRISTOL EQUITY INVESTMENT POOL**

Year Ended Dec. 31	Total Return (%) Swarthmore	Total Return (%) S&P 500
2012	11.2	16.0
2013	30.4	32.4
2014	11.9	13.7
<b>Compound Annual Rates of Return Ending Dec. 31, 2014</b>		
3 Years	17.5	20.4
5 Years	13.8	15.5
10 Years	7.7	7.7
<i>Current yield 2.0% as of December 31, 2014</i>		

**BRISTOL FIXED INCOME INVESTMENT POOL**

Year Ended Dec. 31	Total Return (%) Swarthmore	Total Return (%) Barclays Agg. Bond Index
2012	2.7	4.2
2013	-0.2	-2.0
2014	4.1	6.0
<b>Compound Annual Rates of Return Ending Dec. 31, 2014</b>		
3 Years	2.2	2.7
5 Years	3.5	4.4
10 Years	4.6	4.7
<i>Current yield 3.2% as of December 31, 2014</i>		