

WILLIAM & MARY
PRESIDENT'S REPORT
2013



CREATING LEADERS FOR HOME AND ABROAD

A Message from President Taylor Reveley



STEVENBERG

W. Taylor Reveley, III

William & Mary graduates have had a banner year. James Comey '82, LL.D. '08 became director of the FBI, Ellen Stofan '83 became NASA's chief scientist, and Mary Jo White '70 was named head of the Securities and Exchange Commission.

That's quite a run for any school, even one with Jonathan Jarvis '75, D.P.S. '12 already leading our national parks; Congressman Eric Cantor J.D. '88, LL.D. '11, the current majority leader of the House; Christina Romer '81, D.P.S. '10, a recent chair of President Obama's Council of Economic Advisers and member of his Cabinet; and, of course, Bob Gates '65, L.H.D. '98, recent Secretary of Defense for two U.S. Presidents, former director of the CIA, and William & Mary's sitting Chancellor. Not to mention our storied history including three U.S. presidents (four if we count George Washington — I do), two vice presidents, four members of the U.S. Supreme Court including the great Chief Justice John Marshall, four U.S. Secretaries of State, four U.S. Attorneys General, and the founders of M.I.T. and the University of Virginia — just to name a few. In a recent study, William & Mary ranked first nationally for the percentage of our graduates entering careers in public service over the last decade.

Leadership in all walks of life, not just public service, is in our DNA. In addition to the names we know, there are also countless unsung heroes among our alumni who lead in their communities, states — even world.

At the nation's oldest law school, William & Mary's Puller Clinic is making a real difference for our nation's veterans and provides a national model for how to address the backlog of VA benefits claims. Since the clinic accepted its first clients in 2008, more than 90 law

students, working under the supervision of managing attorneys, have assisted hundreds of veterans with claims for disability benefits. We can only make a dent on our own, but, as a model and catalyst, William & Mary Law School can have a huge impact.

William & Mary's strength in the marketplace for applicants has never been greater. We enrolled a freshman class of 1,479 students from a record pool of more than 14,000 applicants. This was the ninth consecutive year of rising undergraduate applicants. One of our graduate programs had an especially strong year. William & Mary Law School was one of only 11 U.S. law schools (out of 200) with an increase in applications in 2012-13. Our 226 entering J.D. students were selected from nearly 5,900 applicants. Whether undergraduate or graduate, our students are extraordinarily able.

We continue to attract and retain outstanding faculty. This year, U.S. News & World Report ranked William & Mary first among public universities for the excellence of our undergraduate teaching and third among all universities — private and public — behind only Dartmouth and Princeton. Earlier this year, I wrote about our faculty's impressive scholarship, including path-breaking AidData work on the world's largest database of international aid projects since World War II. Last academic year, AidData received a \$25 million, five-year award from USAID, the largest in our history.

William & Mary's global reach and relevance are growing. In the last round of Fulbright grants, 14 recent alumni received them. This was more than any other college or university in Virginia. In terms of Fulbright recipients per undergraduate student, William & Mary ranks first among U.S. public universities and second among all universities, just behind Princeton.

Our Reves Center for International Studies celebrates its 25th anniversary this year as the coordinator of global activities across the university's five schools. William & Mary ranks first among public universities in the country for the percentage of undergraduates

having global experiences during college (over 45 percent for us). We have 580 international students on campus this year from 55 countries. The William & Mary joint-degree program with Scotland's University of St Andrews, now in its third year, is in full cry. We have expanding ties in the Middle East and Asia. The William & Mary Confucius Institute, established in spring 2012 in partnership with Beijing Normal University, has significantly increased our students' access to Chinese language and culture.

Turning from mind to body, more than 80 percent of our students play on varsity, club, or intramural teams, take part in fitness and wellness classes and programs, use the Student Recreation Center on their own, or get involved in other outdoor activities. Tribe Athletics led the Colonial Athletic Association (CAA) in 2012-13 with five championships. In the 31-year history of the conference, William & Mary has won 109 championships, almost 40 more than the next CAA school. Last year, three teams made the NCAA tournament, including the women's tennis team, the women's cross country team (finished 21st in the nation), and the baseball team (reached the regional championship game and finished the year ranked 28th). We do athletics the right way. We consistently rank at the top of the CAA in academic achievement. This year, 15 of 21 teams had an average GPA of 3.0 or better, and eight teams had a 100 percent graduation rate based on NCAA measures.

The Muscarelle Museum of Art continues to present exhibitions of amazing caliber. The museum celebrated its 30th anniversary with an exhibit featuring some of Michelangelo's most rare and precious drawings. The exhibition, "Michelangelo: Sacred & Profane, Masterpiece Drawings from the Casa Buonarroti," attracted almost 50,000 visitors to campus and generated a billion media impressions.

Major exhibits in recent years have included Medici collections; Andrew Wyeth; five centuries of landscape paintings from the Uffizi Gallery in Florence, Italy; Tiffany glass; Andy Warhol; and Dutch landscapes from the Dulwich Picture Gallery in London. In September, the museum presented a selection of costumes from the personal collection of our alumna Glenn Close '74, D.A. '89.

On the facilities front, at the end of last May, William & Mary acquired the Hospitality House (now One Tribe Place) for use, primarily, as a dormitory. Thus, we added 3.7 acres of prime real estate to the campus, 318 rooms, 316 parking spaces, 20,000 square feet of conference space and two restaurants. This acquisition's 330,000 square feet joined the 1.2 million square feet built or renovated on campus in the last decade and more than 165,000 square feet in new construction and acquisitions at VIMS. Work completed last summer included the new fraternity village (11 houses and a joint activities building), greatly expanded dining facilities at the Sadler Center (now seats 700), completion of the 11-month renovation of Tucker Hall (home of the English Department), completion of the 13-month renovation of the Brafferton (home of the president's and provost's offices), and the conversion of the Hospitality House into a dorm (330 students now in residence with another 60 yet to come).

Crucially important, also, we made signal progress last year on a sustainable financial foundation for William & Mary, one no longer so heavily dependent on state support. A generation ago, the Commonwealth provided more than 43 percent of our operating budget. Today, it provides 13 percent, and this percentage will keep declining. Public colleges and universities are increasingly left to fend for ourselves. To meet this challenge, those of us on campus and the Board of Visitors have worked closely together to construct the William

CREATING LEADERS FOR HOME AND ABROAD

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& Mary Promise, a landmark road to financial sustainability for the university.

The Promise hinges on all members of the William & Mary family doing their share — faculty and staff through productivity gains on campus; students and parents through more tuition to help pay what it costs to provide a William & Mary education; alumni, parents and friends through philanthropic support of the university; and the Commonwealth through whatever funds it can provide. No group is asked to pull the load alone. What about campus productivity? William & Mary is already quite efficient when compared to other leading universities. U.S. News & World Report ranks us 114th among all major U.S. universities in financial resources and 32nd in overall quality — (sixth among public institutions). This is by far the largest gap between quality and resources of any major university. But even leading the pack in efficiency, we can and must do better in the years to come. Academic costs cannot continue to increase at the rate they have during the last generation. We are working hard to find creative ways to become more productive in both the academic and the business dimensions of the campus. For instance, we will shortly commission an external review by consultants experienced in the business aspects of universities as part of a multiyear effort to increase our productivity in non-academic areas.

What about tuition paid by students and their families? Last April, our Board voted to significantly raise in-state tuition phased over three years, but did so in ways that held tuition increases for in-state students already on campus to the rate of inflation for the rest of their four years at William & Mary. For in-state students not yet enrolled for whom the tuition increase would apply, their tuition is guaranteed to remain the same for each of their four undergraduate years. It also materially increased need-based financial aid for in-state

students up through the middle class, reducing the net cost for these families. We held tuition increases for out-of-state students to 3 percent, the lowest percentage in more than a decade. The overall result is a meaningful increase in earned income for the university.

What about the support of alumni, parents and friends? Ties between William & Mary and its graduates are among the strongest such ties in the country. Increasingly, these ties entail financial help as well as abiding affection for alma mater. The fiscal year that ended last June 30 was the most successful year for private giving in the university's 320-year history. We raised \$104.3 million in cash, pledges and estate commitments. More than 31,000 donors contributed. Among them were 18,551 alumni, including 14,368 undergraduate alumni, or 23.9 percent of the overall undergraduate alumni body. That percentage places us in the top handful of the 693 U.S. public colleges and universities. Only four — Alabama, Georgia Tech, Arkansas and Clemson — had a higher participation rate, much of it from donors to athletic programs. Some private schools achieve much higher participation rates, and our goal is to move among them. We have a goal of 40 percent participation by 2020, which would place us fourth behind Princeton, Dartmouth and Notre Dame.

A great institution is always under construction, always evolving to take advantage of new opportunities and to meet the realities of ever-changing times. William & Mary has been under construction for more than three centuries. It is thriving in the 21st century. I firmly believe its greatest promise lies ahead.



W. Taylor Reveley, III
President, College of William & Mary



Features

MARK OF EXCELLENCE

1693 Scholars Come Into Their Own

A decade after its start, William & Mary's 1693 Scholars program continues to grow, with gifts from major donors creating a new home for the program and new endowments for future scholarships.

The addition of the Murray House in September 2013 brings a new dimension to the 1693 Scholars program, the university's leading merit scholarship program. Located at the corner of Jamestown Road and Chandler Court, the house provides an intellectual hub for the program's undergraduate scholars who gather in the new space for weekly seminars with professors from various disciplines, informal lunches and study sessions — all hallmarks of the enriched experiences of being a 1693 Scholar.

William & Mary biology professor Dan Cristol, director of the 1693 Scholars program, said having a home base has enhanced the group's cohesiveness. And the addition of a new, full-time associate director, Kim Van Deusen, will increase the frequency of the 1693 Scholars' special programs and events, many of which now will take place at the Murray House.

"It has changed the energy of the scholars," Cristol said. "This gives us a real sense of community."

The home is the latest gift of Jim Murray J.D. '74, LL.D. '00, and his wife, Bruce, of Charlottesville, Va., whose leadership gift and pledge in 2003 launched the scholarship

program. The first three scholars entered William & Mary in 2004.

Murray, a former rector on the university's Board of Visitors, views the home as an anchor for the highly competitive scholarship program that will further attract the nation's top students to William & Mary.

"One of the defining elements of a great university is great students," Murray said, following a festive ribbon-cutting ceremony Sept. 26 at the house. "Great students go on to do great things. William & Mary needs to have these types of brilliant young minds here. We expect great things from them."

Scholars receive full, four-year scholarships covering in-state tuition and room and board. They also are guaranteed the opportunity to study for a semester at Oxford University and also receive \$5,000 to support independent, innovative capstone research projects completed under a faculty mentorship team.

Today, the program boasts 19 scholars and 20 alumni. Most of the alumni are completing graduate and professional studies. As the program's endowments grow and more donors establish scholarships and support the program, the number of scholars selected each year will grow, Cristol said.

Fifteen of the current scholars are funded by the Murrays as Murray 1693 Scholars. Four are Stamps 1693 Leadership Scholars, funded for the second year now by the Stamps Family Charitable Foundation.



Program founders (left) Jim Murray J.D. '74, LL.D. '00, and his wife, Bruce, stand with director Dan Cristol outside the Murray House. Their latest gift provides a new home for the 1693 Scholars program.



The 1693 Scholars gather for the official ribbon cutting at the Murray House.



Morgan Sehdev '17, Ethan Roday '14 and Max Miroff '16 are among the 19 students chosen for the university's premier merit scholarship program.



Several alumni of the 1693 Scholars program tour the Murray House during their Homecoming 2013 visit to talk with current scholars.

Four new endowments have been added to the program: the Estes Family 1693 Scholarship, established by Jean B. '75 and Robey W. Estes, Jr. '74; the Watkins Family 1693 Scholarship Endowment, established by Wendy R. and H. Thomas Watkins, III '74; the Gore 1693 Scholarship Endowment, established by Sally Ives Gore '56; and the Walter J. and Betty Carter Zable 1693 Scholars Scholarship Quasi-Endowment, established by the estate of the late Walter J. '37, LL.D. '78 and Betty Carter Zable '40. Cristol

expects scholars funded by the new endowments to be added in the next two years.

"The Murray House is an amazing place," said 1693 Scholar Wade D. Hodson '16 of Newport News, Va. Already, the physics major and mathematics minor has used the house for everything from hunkering down with studies to tie-dyeing group T-shirts with his fellow scholars. "The great thing is that the Murray House can be what we want it to be. There are a lot of possibilities."

Ancient and Modern Fiction Connect in First-Year Seminar

What does Homer’s Greek hero Odysseus have in common with J.K. Rowling’s wizard Harry Potter? The two protagonists are being jointly discussed and compared in a first-year seminar at William & Mary.

On the surface, it may seem like these characters — separated by generations thousands of years apart — would lack mass collective appeal.

However, when William & Mary classical studies professor Vassiliki “Lily” Panoussi introduced the topic “When Odysseus Met Harry” for the seminar, students flocked to sign up this fall for its initial offering.

“The course name really intrigued me,” says Elizabeth “Bitsy” Dipert ’17. “And when I read the course description, I recognized a lot of the books I loved, as well as classic texts.”

“I was immediately sold when I read the course description,” says Matt

McGuinness ’17. “I loved the idea of Greek myth and Roman myth combined with Youth Literature.”

The first-year seminars, formerly known as freshman seminars, began at William & Mary in 1993. Class size is limited to 15 students, which enhances interactions between professor and student.

About 100 first-year seminars are offered at William & Mary and cover a broad range of topics. In addition to Panoussi’s course, recent topics have included Astrophotography, Anthropology and Food, and Physiology of the Marathon.

“First-year seminars are geared toward helping students write better and think critically,” says

Panoussi, who is the Robert and Sara Boyd Term Distinguished Associate Professor of Classical Studies. “By its very nature, the course is comparative. From comparing, you can focus on different aspects of the texts, you can express opinions, you can make arguments. So, it’s a very fruitful ground for comparing the ancient and modern literature examined in this course.”

These types of courses embody a core of liberal arts strengths that were a source of inspiration for Hunter J. Smith ’51, who made a \$10 million commitment to the seminars in January 2013.

“The seminars fit the profile of William & Mary very well and give freshmen important experiences that develop

independent thinking and writing skills,” she said.

“What is great about this first-year seminar is that I am building skills that are specific to the Classics and the humanities. Yet at the same time, I also am learning about things like sentence structure and citations that I can build on through my other courses. This seminar will really help me be successful no matter what type of writing is required,” said McGuiness.

Dipert offers a similar perspective. Now that she is several months through the course, she has noticed her writing skills improve.

“This class is discussion based, which has helped

as we ease into writing longer papers,” she says.

“The skills I’m acquiring here are serving me well in my other classes.”

That’s a goal of these seminars, according to Panoussi.

“‘When Odysseus Met Harry’ is a first-year course and, in that sense, it serves as a building block for students’ entire careers here.”

First-year students gain critical writing and thinking skills in the seminar taught by associate professor Vassiliki “Lily” Panoussi.





**Financial Report on
Fiscal Year 2013**

William & Mary's Financial Performance



Sam Jones '75, M.B.A. '80

Fiscal year 2013 saw continued improvement in the College's finances as revenues remained strong and expenditures reflected strategic plan priorities. The College's financial health reflects an ability to recruit outstanding

students; to maintain its status as both a public institution within the Commonwealth of Virginia, as well as an internationally recognized "Public Ivy;" to raise revenue through tuition and fees, grants and contracts, and private funds; and a willingness to reallocate funds toward higher priority items.

William & Mary continues to recruit, admit, and retain top-caliber students even as the College competes with the most selective public and private institutions in the country. Freshman applications to the College reached a new high of 14,047 for fall 2013. The credentials of our admitted students remain strong, reflecting the highly selective nature of the College. These statistics, coupled with the College's academic reputation, suggest strong student demand into the future.

Fiscal year 2013 saw renewed state investment in William & Mary and its programs, slowing the decades-long decline in state operating support. Revenue from tuition and fees, self-supporting auxiliary enterprise activities (residence halls, food service, intercollegiate athletics, etc.), grants and contracts, and private giving provided the diversity of funding critical to the university's overall financial health.

Expenditures reflected William & Mary's strategic priorities in maintaining the quality of its academic programs. Salary support for faculty and staff; financial aid for undergraduate and graduate students; and programmatic support for additional enrollment, faculty research, the new marine science minor, and international/study abroad activities serve to move the College forward in these vital areas.

The rebound in the value of endowments benefiting the College that began in fiscal year 2010 continued into fiscal year 2013. By June 30, 2013, the consolidated value of endowments held by all of the various entities supporting the College and its programs totaled \$697.7 million, an increase of 8.3 percent above the June 30, 2012, value and a record high for the College. Strong investment performance by the Board of Visitors and The College of William & Mary Foundation endowments, combined with increased gift flow, supported this increase. The Board of Visitors' endowment and the Foundation's William & Mary Investment Trust, the largest of the College's investment portfolios, remain highly diversified across asset classes. A more detailed discussion of investment performance follows.

Construction and renovation activity remains brisk on campus. The English department returned to its home facility in the newly renovated Tucker Hall. A combination of private and state funds allowed for a complete renovation of the Brafferton, home to offices for the president and the provost. Planning is well under way for the final phase of the Integrated Science Center (ISC) and for the renovation of Tyler Hall. Because the ISC 3 and Tyler Hall projects have been authorized by the state, the College will move forward with construction as soon as planning is complete.

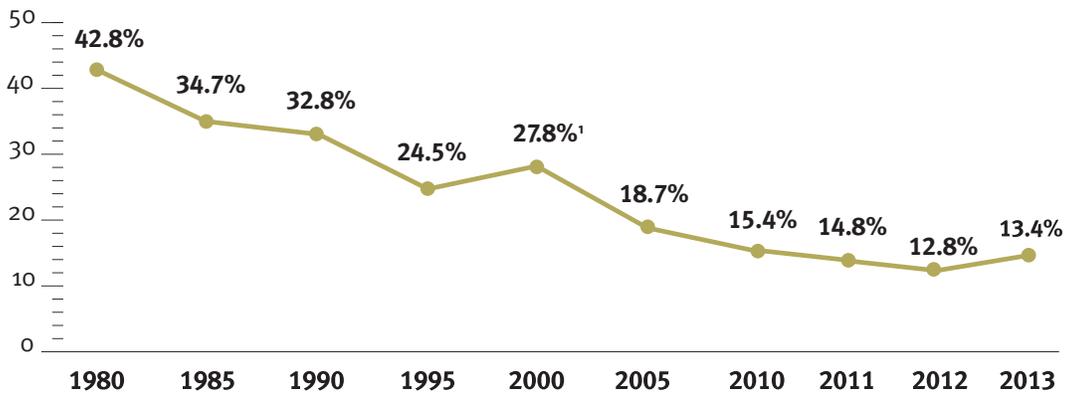
On the non-academic side, construction of the new fraternity houses is complete. This project dramatically improved fraternity housing, while adding an additional 187 beds to William & Mary's on-campus inventory. The College's purchase of the Hospitality House, a hotel adjacent to campus, reaffirms the university's residential commitment. In fall 2013, students moved into portions of the building, which has been renamed One Tribe Place. Planning continues regarding the long-term use of conference, restaurant, and other space available in the building. The College also completed an expansion of the dining facility in the Sadler Center to provide better service and a late-night dining option for students.

STATE SUPPORT FOR OPERATIONS

The College of William & Mary

Fiscal years, which end on June 30

Percentage of operating budget constituted of state support



1. Reflects a state-mandated 20 percent reduction in in-state undergraduate tuition offset dollar for dollar with state general funds.

OUR FUTURE

The Board of Visitors and the administration remain focused on how best to attract and retain the very best students, faculty, and staff while enhancing program quality, affordability, and access. Recognizing the need for additional investment in the College, the Board of Visitors in April approved The William & Mary Promise, a new operating model that provides vitally needed resources to secure the future of Virginia's distinctive "Public Ivy" while markedly enhancing predictability, affordability, and access for Virginia students. Key elements of the promise include:

- A four-year tuition guarantee. The promise provides Virginia families with financial predictability through a commitment to incoming, in-state students that tuition will remain constant through all four years of their undergraduate study. Entering Virginia students now know exactly what their tuition costs will be for all four years at

William & Mary, and those costs will not rise from year to year.

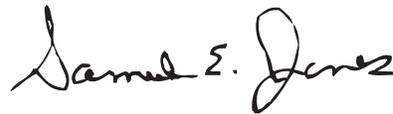
- Tuition capped at the Consumer Price Index for returning Virginia undergraduates. For in-state, undergraduate students enrolled at William & Mary before adoption of the new model, the promise caps annual tuition increases to no greater than the rate of inflation.
- Relief for middle-income families. The promise reduces the "net tuition" paid by middle-income families, as defined by the state's Higher Education Advisory Committee (HEAC). More than 70 percent of Virginia households qualify as middle income under the HEAC definition. Under The William & Mary Promise, students from middle-income families who qualify for need-based financial aid pay no more "net tuition" (tuition less financial aid) than under the former model.

- Less debt for William & Mary graduates. The promise reduces by up to \$8,000 the four-year loan burden for middle-income, in-state undergraduate students who have demonstrated financial need. Specifically, the plan lowers the maximum amount of loans included with an in-state financial aid package by 36 percent (\$2,000 annually) for families with an income between \$40,000 and \$60,000, and by 18 percent (\$1,000 annually) for all other families with demonstrated financial need. Students from Virginia families with a household income of less than \$40,000 will continue to receive financial aid that covers 100 percent of their need with grants.
- Additional Virginia students. The promise provides additional accessibility to the College by enrolling an additional 150 in-state students by 2016.

The William & Mary Promise ensures that all Virginia students, regardless of income or financial aid eligibility, will continue to receive a “Public Ivy” education for less than it actually costs the College to provide that education. Even after the step increases in tuition, William & Mary as a public university will be subsidizing the education of all in-state students, even those whose family incomes and assets make them ineligible for financial aid.

Funds generated through the promise, in combination with private and reallocated funds, allow the College to move forward with key elements of its strategic plan. Faculty and staff salaries and undergraduate financial aid support remain top priorities, even as the College continues initiatives that expand technology-based instructional methods, interdisciplinary opportunities, applied learning, and global education and awareness.

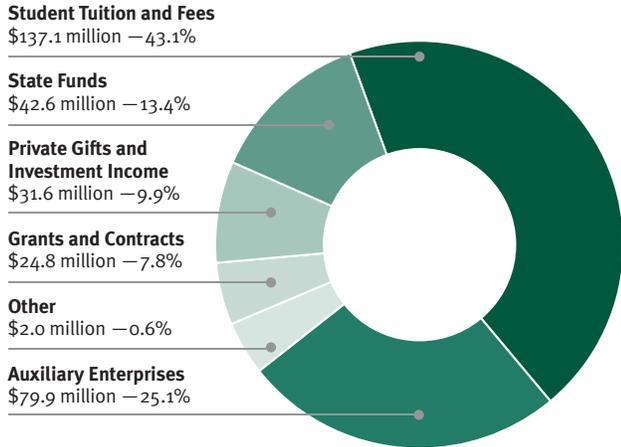
Capital funding now shifts to the programmatic and space needs of William & Mary’s various arts programs. Prior studies have more than adequately documented the condition and space needs in theatre, speech, dance, music, art and art history, and the Muscarelle Museum of Art. The College’s six-year capital plan submitted to the Commonwealth of Virginia last spring requests funding to support the phased implementation of an “Arts Quarter” to provide quality instructional, performance, and exhibition space for William & Mary’s students, faculty, and visitors.



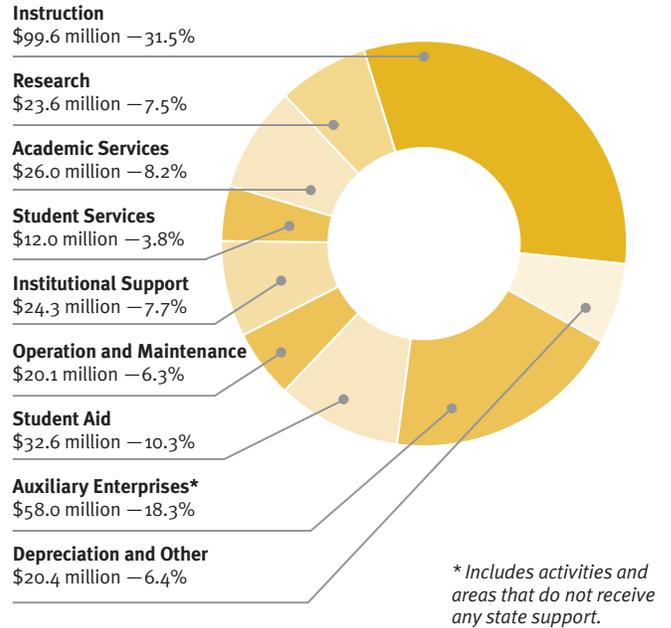
Samuel E. Jones '75, M.B.A. '80
Vice President for Finance

Operating Revenue and Expenses

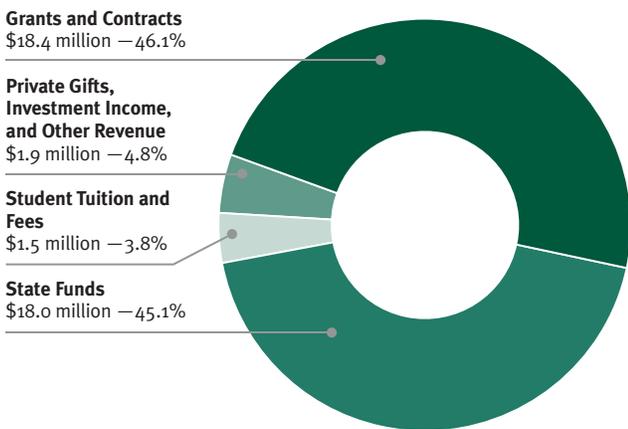
THE COLLEGE OF WILLIAM & MARY
Operating Revenue — \$317.9 million (unaudited)
 Fiscal year 2013



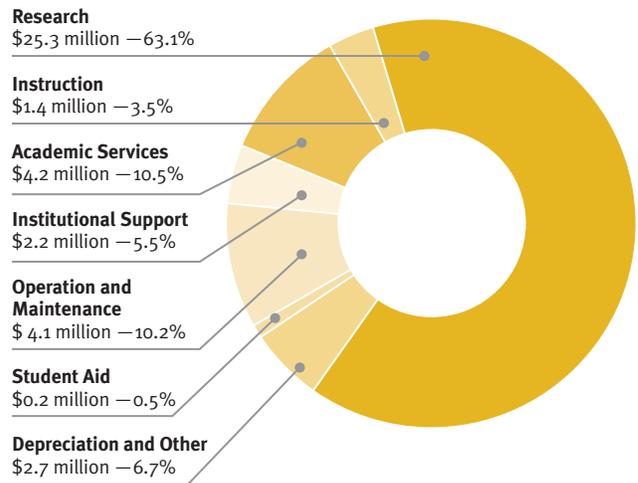
THE COLLEGE OF WILLIAM & MARY
Operating Expenses — \$316.6 million (unaudited)
 Fiscal year 2013



VIRGINIA INSTITUTE OF MARINE SCIENCE
Operating Revenue — \$39.9 million (unaudited)
 Fiscal year 2013



VIRGINIA INSTITUTE OF MARINE SCIENCE
Operating Expenses — \$40.1 million (unaudited)
 Fiscal year 2013



William & Mary benefits from record-breaking fundraising year

More than \$104 million in new activity recorded during fiscal year 2013

William & Mary set new records in fiscal year 2013 for total giving and outright cash gifts.

Alumni, parents, and friends gave or committed a total of \$104.3 million during the fiscal year that ended June 30, 2013, making it the most successful year for private giving in the university's 320-year history. The previous record for total giving, which includes cash gifts, pledges and bequests, was \$101.65 million in 2005.

During fiscal year 2013, the largest portion — \$70.04 million — was in cash gifts, which includes realized bequests. Cash gifts also set a record, topping the previous high set in 2009 by nearly \$20 million. In 2012, the university raised \$43.6 million in cash.

"Philanthropy has never been more important to the success of colleges and universities than it is today," said President Taylor Reveley. "The William & Mary family has truly risen to the occasion with extraordinary generosity."

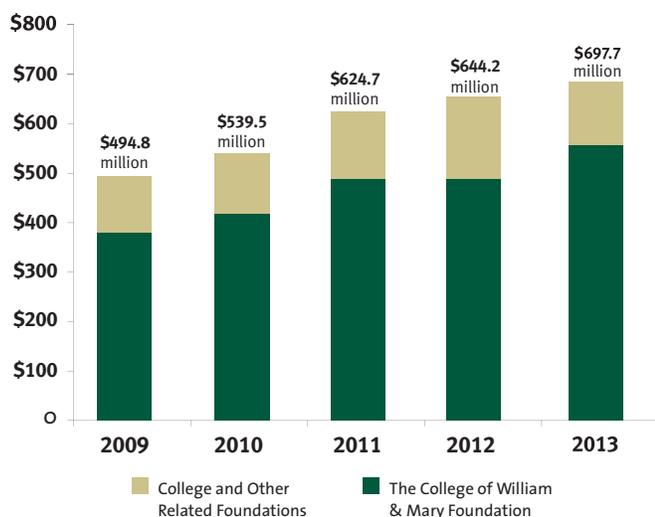
More donors also participated during fiscal year 2013 than any other fiscal year in William & Mary's history. A total of 31,140 individuals, corporations, and foundations made gifts to the university during the fiscal year. Among them, 18,551 alumni made gifts, including 14,368 undergraduate alumni, or 23.9 percent of the overall undergraduate alumni body.

"Gifts of all sizes from all corners are making a significant difference for William & Mary," said Matthew T. Lambert '99, vice president for University Development. Individual gifts of \$250 or less collectively brought in \$2.93 million for William & Mary. And more than 61 percent of William & Mary's undergraduate Class of 2013 participated in the Senior Class Gift effort.

"Our alumni, parents, and friends set the bar high for William & Mary in fiscal year 2013," Lambert said. "It is imperative that we continue this momentum over the next year to make the university more accessible and an even better place to learn, teach and do meaningful research. Truly, philanthropy provides the margin of excellence for our people and programs."

CHANGE IN ENDOWMENT OVER TIME The College of William & Mary and Related Foundations

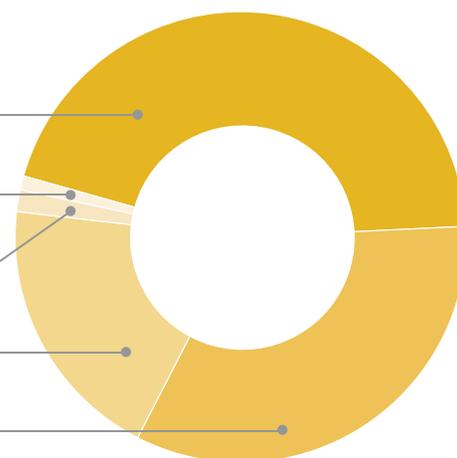
Fiscal years, which end June 30
In millions of dollars



GIFTS BY TYPE The College of William & Mary and Related Foundations

Fiscal year 2013

- Expendable Gifts**
\$31.42 million — 45%
- Other**
\$0.69 million — 1%
- Gifts-in-Kind**
\$1.11 million — 2%
- Capital Project Gifts**
\$13.49 million — 19%
- Endowment Gifts**
\$23.33 million — 33%



Investments

As of June 30, 2013, the consolidated endowment for the College totaled \$697.7 million — another new high-water mark! Compared to the previous year's total of \$644.2 million, the endowment increased by \$53.5 million, or 8.3 percent. Strong gift flow and investment performance were the main drivers of asset growth. With improving conditions in the global markets, the William & Mary Investment Trust ("WAMIT"), the largest of the investment portfolios, earned a 10.7 percent rate of return for the fiscal year ending June 30, 2013. WAMIT's Blended Policy Benchmark returned 9.9 percent.

The Blended Policy Benchmark is comprised of a 56 percent weighting to the MSCI All Country World Index, a 24 percent weighting to the Barclays Capital U.S. Aggregate Bond Index, a 2 percent weighting to the Barclays Capital U.S. Credit Index, an 8 percent weighting to the Barclays Capital U.S. High Yield Index, and a 10 percent weighting to the Dow Jones-UBS Commodity Index. The composition of WAMIT's Policy Benchmark reflects the broad diversification in WAMIT's investment allocation.

Domestic stocks, representing all cap sizes, returned 22.2 percent, outperforming the benchmark of the broad Russell 3000 Index that returned 21.5 percent and the S&P 500 Index that returned 20.6 percent. An increased weighting to domestic equity, particularly

in high-quality blue chips, proved to be a successful catalyst for overall portfolio appreciation in 2013. Improved buoyancy in the U.S. economy and confidence in domestic stocks contributed significantly in the raised exposure level to domestic equity, going from 18.4 percent at the end of June 2011, to 19.9 percent at the end of June 2012, to its current 22.9 percent weighting.

Foreign equity invested in developed regions of Europe, Asia, and the Far East had a portfolio representation of approximately 12.9 percent on June 30, up slightly from last year's weighting at 10.3 percent. Investment performance of 18 percent slightly trailed the asset class benchmark of the MSCI EAFE Index of 18.6 percent. Emerging markets continued to be difficult for investments during the past year. WAMIT's performance in this asset class was a disappointing -2.1 percent return, trailing the MSCI Emerging Markets Index return of 3.2 percent by 530 basis points. WAMIT dealt with the underperforming managers either by termination or reducing their account size. Some new managers are already in place and others are still being evaluated.

WAMIT's exposure to Marketable Alternatives comes in two component asset classes: Absolute Return and Special Situations. Generally, investments in Absolute Return are those designed to consistently produce a positive return that would, at a minimum,

INVESTMENT RESULTS

As of June 30, 2013 — Net of fees

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
The William & Mary Investment Trust (WAMIT)	10.7%	7.8%	3.6%	7.9%
Blended Benchmark	9.9%	10.9%	3.9%	6.6%
Value Added	+0.8%	-3.1%	-0.3%	+1.3%

equate to the yield of inflation plus spending (typically high single digits). Investments in Special Situations are opportunistic in nature and consequently reflect strategies that seek to maximize returns from situations perceived to be temporary aberrations in market pricing or where specific financing can measurably improve asset quality and a company's balance sheet. Together, Absolute Return and Special Situations comprised approximately 26.5 percent of the WAMIT portfolio as of June 30, 2013, down measurably from 33.1 percent in 2012 and 36.2 percent in 2011. Reduced exposure levels to credit strategies and multi-strategy type hedge funds account for the gradual decline in weighting. Combined, these marketable alternatives produced a 10.7 percent return in 2013. Individually, managers in the Absolute Return category returned 7.4 percent, the same as the benchmark HFR Fund of Funds Composite. Managers in Special Situations collectively produced a 16.9 percent return, exceeding the HFR Distressed Securities benchmark that returned 14.9 percent.

Private equity constituted approximately 10.6 percent of total assets on June 30, 2013, up from 9.3 percent in 2012 and 6.6 percent in 2011. With WAMIT's targeted policy allocation at 12 percent, the private equity portion of the portfolio remains beneath the preferred exposure level. However some newer commitments are beginning to call capital more frequently and other opportunities continue to be examined with careful due diligence. WAMIT's private equity returned 11.1 percent in 2013. Its benchmark, the Russell 3000 Index, reflecting the opportunity cost in deviating from the broad public market, returned 21.5 percent. While the expectation is that, over the long term, a successful private equity portfolio will outperform public market investments, individual years such as 2013 are the exception where strong U.S. stock market performance dominated all asset classes.

The fixed income portion of the portfolio returned 1.6 percent for the fiscal year. This compares to the -0.7 percent return of the Barclays Capital U.S. Aggregate

THE WILLIAM & MARY INVESTMENT TRUST: ASSET ALLOCATION OF POLICY PORTFOLIO

Fiscal year 2013	JUNE 30, 2013 ALLOCATION
Domestic Equities	22.9%
Foreign Equities	12.9%
Emerging Market Equities	7.3%
Fixed Income	7.7%
Special Situations	9.6%
Absolute Return	16.9%
Real Assets	7.9%
Private Equity	10.6%
Cash	4.1%
Distributed Securities	0.1%

Bond Index. In Real Assets, an asset class comprised of investments in commodities, natural resources (oil, gas, and timber) and equity real estate, WAMIT's blended exposures had a combined return of 2.6 percent, outperforming the Dow Jones-UBS Commodity Index of -8.0 percent by 1,062 basis points. On June 30, 2013, fixed income carried a 7.7 percent weight in the portfolio; real assets a 7.9 percent weight; and cash, a 4.1 percent weight with a corresponding amount of slightly more than \$19 million.

As of June 30, 2013, the Investments Committee had oversight responsibility of approximately \$472 million in investable assets contained within WAMIT. At that time, 86.9 percent of representative ownership in WAMIT belonged to The College of William & Mary Foundation, 6.4 percent belonged to the Marshall-Wythe School of Law Foundation, 4.7 percent belonged to the William & Mary School of Business Foundation, and 2 percent belonged to the VIMS Foundation. Collectively, WAMIT investments represent approximately 68 percent of the \$697.7 million in total endowment resources that benefit the College.

The College of William & Mary and Related Foundations

Private Gifts in Fiscal Year 2013

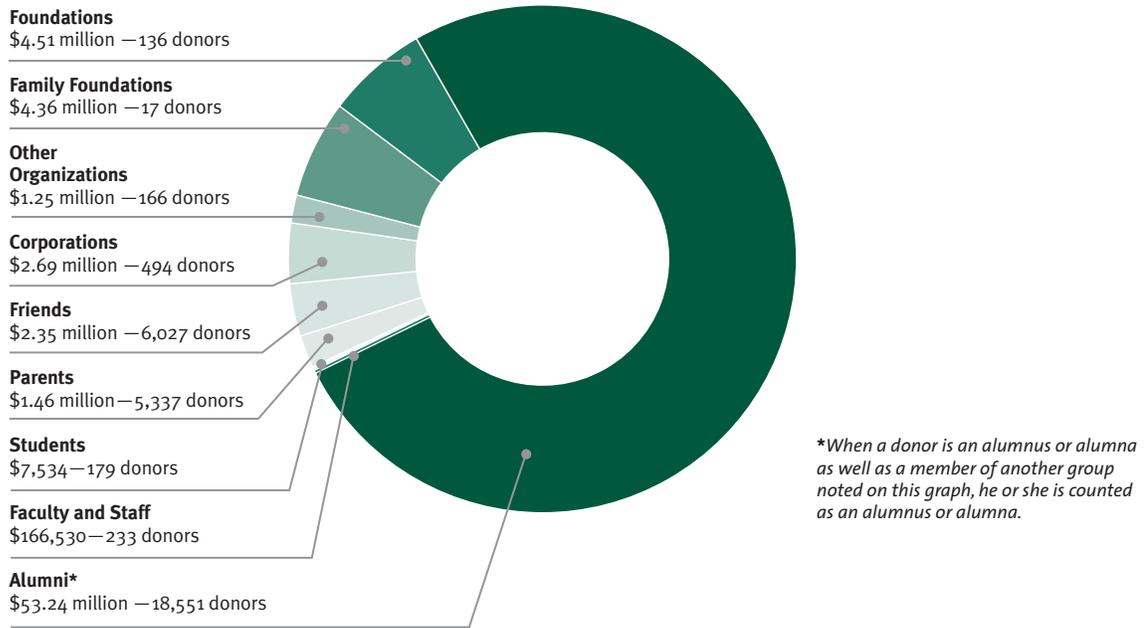
GIFTS BY AREA

The following chart shows gifts made to all areas of the College of William & Mary and its related foundations between July 1, 2012, and June 30, 2013.

Area	Type of Gift				All Gift Types
	Expendable Gifts	Endowment Gifts	Facilities Support	Gifts-in-Kind/ Other	
Schools					
Faculty of Arts & Sciences	\$ 1,865,394	\$ 2,305,202	\$ 40	\$ 56,654	\$ 4,227,290
Mason School of Business	\$ 4,320,278	\$ 1,137,035	\$ 1,727,340	\$ 0	\$ 7,184,653
School of Education	\$ 834,731	\$ 420,936	\$ 0	\$ 1,269	\$ 1,256,936
William & Mary Law School	\$ 2,817,098	\$ 379,383	\$ 101,050	\$ 283,820	\$ 3,581,351
Virginia Institute of Marine Science	\$ 738,036	\$ 838,526	\$ 0	\$ 12,490	\$ 1,589,052
Programs and College-wide Support					
Fund for William & Mary	\$ 5,631,865	\$ 0	\$ 0	\$ 0	\$ 5,631,865
Other College-wide Funding (including faculty support, student aid and other areas)	\$ 9,933,368	\$ 6,431,687	\$ 1,098,289	\$ 1,060,875	\$ 18,524,219
Alumni Association and Order of the White Jacket	\$ 278,236	\$ 84,881	\$ 254,079	\$ 40,253	\$ 657,449
Tribe Athletics	\$ 3,495,007	\$ 11,116,760	\$ 10,308,465	\$ 119,689	\$ 25,039,921
Earl Gregg Swem Library	\$ 863,341	\$ 519,928	\$ 0	\$ 50,786	\$ 1,434,055
Muscarella Museum of Art	\$ 408,740	\$ 36,575	\$ 0	\$ 170,846	\$ 616,161
Omohundro Institute of Early American History and Culture	\$ 233,385	\$ 62,093	\$ 0	\$ 0	\$ 295,478
GIFTS TO ALL AREAS	\$ 31,419,479	\$ 23,333,006	\$ 13,489,263	\$ 1,796,682	\$ 70,038,430

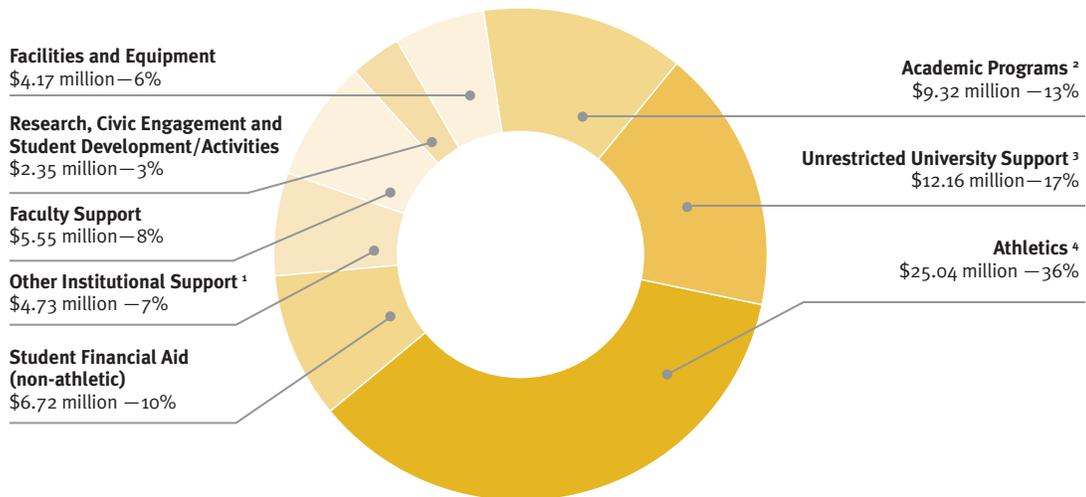
GIFTS BY SOURCE

The following graph shows the sources of the \$70 million raised for William & Mary and its related foundations between July 1, 2012, and June 30, 2013.



GIFTS BY PURPOSE

This graph shows for what purposes the \$70 million in private gifts to William & Mary and its related foundations during fiscal year 2013 was designated.



1. Gifts to campus-wide areas or initiatives that do not fall under any of the other categories.
2. Support for schools, departments and academic programs, as well as University Libraries and the Muscarelle Museum.
3. Unrestricted expendable and endowment gifts benefiting various areas of the College, including gifts to the Fund for William & Mary. Does not include contributions to annual funds specific to a school or area.
4. All facilities and student financial aid related to athletics are included in the Athletics category.

The College of William & Mary Foundation

Financial Summary

SUMMARY STATEMENT OF FINANCIAL POSITION — CONSOLIDATED *

	JUNE 30, 2013
Assets	
Cash	\$ 16,739,564
Pledges and other receivables	29,747,720
Investments	436,312,575
Funds held in trust by others	133,035,301
Property and other assets	18,564,106
Total Assets	\$634,399,266
Liabilities and Net Assets	
LIABILITIES:	
Accounts, notes and bonds payable	\$ 14,562,679
Funds held for others	14,447,873
Other liabilities	5,129,937
TOTAL LIABILITIES	34,140,489
NET ASSETS:	
Unrestricted	25,225,803
Temporarily Restricted	194,328,365
Permanently Restricted	380,704,609
TOTAL NET ASSETS	600,258,777
Total Liabilities and Net Assets	\$634,399,266

* Includes four subsidiaries.

SUMMARY STATEMENT OF ACTIVITIES*

	JUNE 30, 2013
Revenues and Non-operating Activity	
Contributions	\$ 57,002,025
Income on funds held by others	3,442,218
Operating and non-operating investment return	37,935,023
Unrealized gains on funds held in trust by others	3,472,979
Other revenue and non-operating activity	3,597,478
TOTAL REVENUES AND NON-OPERATING ACTIVITY	105,449,723
Expenses	
Program expenses	17,633,827
Fundraising	2,626,843
Administrative and other	1,068,292
TOTAL EXPENSES	21,328,962
Change in Net Assets	84,120,761
Net Assets — Beginning of year	516,138,016
Net Assets — End of year	\$600,258,777

SOURCES OF SUPPORT — \$105.4 MILLION

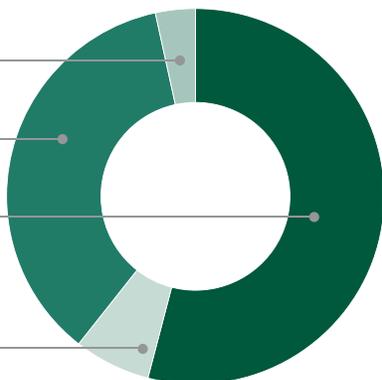
Fiscal year 2013

Other Revenue and Non-operating Activity
\$3.6 million — 3%

Investment Return
\$37.9 million — 36%

Contributions
\$57.0 million — 54%

Income and Unrealized Gain/Loss on Funds Held by Others
\$6.9 million — 7%



USES OF SUPPORT — \$21.3 MILLION

Fiscal year 2013

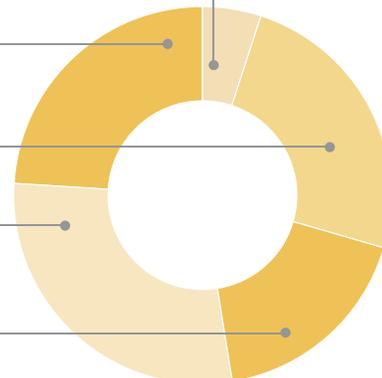
Administrative and Other
\$1.1 million — 5%

Other Program Expenses
\$5.2 million — 24%

Instruction, Research and Academic Support
\$5.1 million — 24%

Scholarships and Fellowships
\$6.1 million — 29%

Institutional Support and Fundraising
\$3.8 million — 18%



THE COLLEGE OF WILLIAM & MARY

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2013-2014

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The 2013 President's Report is produced for the William & Mary community. Go to presidentsreport.wm.edu to view the report online.

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WILLIAM & MARY

OFFICE OF UNIVERSITY DEVELOPMENT

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