United Board
for Christian Higher Education in Asia
475 Riverside Drive, Suite 1221 • New York, NY 10115

Dear Friends,

I have very exciting news to share: A five-year, five million dollar fund-raising campaign for the Tunghai University Endowment Fund was initiated and announced during the recent celebrations of Tunghai University's Fiftieth Year Anniversary in Taichung, Taiwan. Even more exciting: A most generous pledge of one million dollars (US) toward the new $5,000,000 goal has already been made by one of Tunghai's alumni in North America.

The Tunghai University Endowment Fund is a permanent fund of the United Board that was originally established in 1998, thanks to the vision and leadership of the Tunghai alumni chapter in Southern California. They consulted with some individual alumni and the United Board about the terms that would govern the use of the endowment, and their proposal for this permanent fund was presented to and approved by the trustees of the United Board in April, 1998. The trustees formally received the fund and endorsed its terms by officially voting on April 28, 1998:

> "to receive with appreciation gifts from alumni and friends of Tunghai University in Taichung, Taiwan, to establish a permanent endowment fund to be called "the Tunghai University Endowment Fund." Remittances from the endowment are to be used for academic activities at Tunghai including joint programs with other universities within and beyond Taiwan. Within one year of the establishment of the fund, Tunghai shall develop a procedure, in accordance with the established practice of the United Board, to [1] identify priorities for academic activities to be supported by the fund, and [2] select recipients of the fund. An annual report on the use of the fund is to be made to the United Board by Tunghai prior to the Board's release of each succeeding year's remittance. In the unlikely event that conditions make it impossible for the United Board to use the fund for this purpose, its Board of Trustees shall designate the fund for a similar program elsewhere, preferably in Taiwan or China."

Please be aware that this is a different fund from an endowment fund held in Taiwan for the benefit of the university, called the TEFA endowment. The Tunghai University Endowment Fund is instead a United Board endowment, which is managed by the United Board's professional financial advisors along with all of the other United Board endowment funds. As of June 30, 2005, before the US $1,000,000 pledge, the market value of the Tunghai University Endowment Fund had grown to $109,392.

Every year, the United Board sends an annual grant to Tunghai University from this endowment for the purposes outlined above. The amount of the annual grant is based on the United Board's endowment spending policy, which results in annual grants of

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approximately 5% of the 12-quarter average market value of the fund. This is in line with the spending policies of similar U.S. non-profits and educational institutions. Any excess income from investment of the assets is returned to the fund, ensuring that it will continue to grow even as it produces annual grants for the university.

Tunghai University just celebrated its 50th birthday. As the donor who pledged $1,000,000 for this campaign to re-invigorate the Tunghai University Endowment Fund noted, "During its first half-century, Tunghai University has educated and contributed many talents and skilled human resources in various areas of science, engineering, architecture, art, music, business, and humanities in Taiwan as well as internationally. To sustain future educational and scholarly activities and contributions, the financial stability of the University is essential. An endowment fund of five million dollars is very small when compared with that of major universities in the U.S. However, achieving this goal is a first step toward more financial contributions and support from Tunghai's alumni and friends for the next fifty years."

We invite you to join this generous donor and make a contribution to help the fund continue to grow. All donations to the United Board for the Tunghai University Endowment Fund are tax deductible in the U.S. to the full extent allowed by law, and all contributions are important and greatly appreciated. The United Board will acknowledge all contributions and issue a receipt to each donor for their tax records.

If you would like to be part of this effort to make the Tunghai University Endowment Fund even more effective for the University and its future, please complete the enclosed donation form. Please be sure to make your check payable to the United Board and indicate on the memo line of the check that it is for the Tunghai University Endowment Fund. You may also contribute by credit card, if you prefer, through the United Board's secure website (www.unitedboard.org). (Because the bank processing fees for checks from outside the U.S. can be prohibitively high, we especially ask supporters from outside the U.S. to make their gifts by credit card in U.S. dollars. This is similar to making a credit card purchase in U.S. dollars from a U.S. vendor.) Or you may make a contribution of appreciated securities which you have held longer than one year; for some donors, such stock donations can result in additional tax benefits. Please contact me for more information about the procedures for making such a stock gift.

I am enclosing a contribution form for your convenience and look forward to hearing from you. Please don't hesitate to contact me with any questions about this new campaign or how to make a contribution to the United Board for it. You may reach me by mail here at the United Board, by email at nhawkins@unitedboard.org or by phone at 212-870-2612.

Thank you, and my best wishes to you!

Yours sincerely,

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Nan Hawkins
Director of Alumni Giving and Communications