Dear Scholars, Alumni, and Friends:

It gives me great pleasure to send you greetings from the Terry Foundation at the beginning of 2017, a year that will mark the Terry Foundation’s 30th year of funding Scholars at four-year universities in the State of Texas. When Howard and Nancy Terry began this enterprise, more than 30 years ago, it was with a $1 million initial endowment, 16 Scholars, and two universities. Even so, we knew that the Foundation would grow – and it has! Today our endowment has grown to almost $600 million and we have 1707 Scholars working towards their four-year degrees at 13 public universities all across Texas.

Today our budget is over $34.7 million and we are helping more deserving young people than ever before. Even with such growth, the Foundation remains true to the values of Howard and Nancy Terry: No one gets a scholarship without a personal interview; we focus on educating our Scholars “one student at a time;” and each of the three criteria (academics, leadership and need) counts equally in the selection process.

We maintain an active presence in the lives of each of our Scholars and constantly strive to provide financial, moral and emotional support to help them achieve their educational goals. Achieving these goals takes the active assistance of our entire family of alumni and friends all across Texas and the United States. One of the most rewarding things about working for the Terry Foundation is the constant feedback we receive from our current and former Scholars as we watch them grow and become leaders. The participation of our alumni is essential to our success. We have an advisory board of 48 alumni, alumni chapters in Austin, Dallas, Houston and San Antonio, and Terry Student Organizations at each of our thirteen campuses. Most importantly, our alumni provide most of the panelists for our interview panels. We extend our heart-felt thanks to all the alumni who provide these services: truly we could not do what we do without you!

All cohorts of our Scholars continue to perform at high levels of academic achievement. We are especially pleased with our excellent graduation/retention rates of 98% (traditional Scholars) and 97% (transfer Scholars) together with outstanding average GPAs of 3.54 (traditional) and 3.45 (transfer). Those numbers are especially impressive considering that 52% of our Scholars are eligible for federal financial aid. These statistics speak volumes about the high quality of our Scholars.

Last year, 2016, was an excellent year for the Terry Foundation notwithstanding the struggles of accommodating growth and assimilation of new schools. We heartily thank all those who have helped contribute to our success and each of us at the Foundation recognizes that we have the best job in the world: we are helping change lives for the better every day!

Very truly yours,

Rhett G. Campbell
Chief Executive Officer and Chairman of the Board of Directors of the Terry Foundation

December 23, 2016
The Terry Scholarship Program was created by Howard and Nancy Terry to help young people to help themselves. Their desire to invest in Texas students was born of their belief that a university – like the state it represents – is only as good as the educated citizens it produces.

Despite his extraordinary success in ventures that made the Terry Foundation possible, Howard Terry observed that “the Terry Foundation is the most important thing I’ve done in my life, because it’s enabled me to help more people than I would have ever been able to help otherwise.”

In 2016, the Terry Foundation funded 1,707 scholarships for entering freshman and transfer students at 13 Texas public universities.

The legacy of the Terrys lives on in the thousands of Scholars who bear their name, and exemplify the four program pillars every day...

Scholarship
Leadership
Service
Community

2016 in review

2016 Scholar count by school

<table>
<thead>
<tr>
<th>University</th>
<th># Scholars</th>
</tr>
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<tbody>
<tr>
<td>TAMU</td>
<td>300</td>
</tr>
<tr>
<td>UT</td>
<td>280</td>
</tr>
<tr>
<td>TTU</td>
<td>172</td>
</tr>
<tr>
<td>UNT</td>
<td>148</td>
</tr>
<tr>
<td>UT-Dallas</td>
<td>141</td>
</tr>
<tr>
<td>UH</td>
<td>138</td>
</tr>
<tr>
<td>UT-San Antonio</td>
<td>137</td>
</tr>
<tr>
<td>TXST</td>
<td>128</td>
</tr>
<tr>
<td>TWU</td>
<td>98</td>
</tr>
<tr>
<td>SHSU</td>
<td>60</td>
</tr>
<tr>
<td>TAMU-Galveston</td>
<td>44</td>
</tr>
<tr>
<td>UT-Arlington</td>
<td>33</td>
</tr>
<tr>
<td>UT-El Paso</td>
<td>28</td>
</tr>
</tbody>
</table>

In December 2016, cumulative scholarship funds given surpassed $200M ($207,014,792)

Traditional Scholarships awarded: 287
Avg. Annual stipend: $20,583
Avg. 4-year total commitment per student: $65,446

Transfer Scholarships awarded: 167
Avg. Annual stipend: $16,767
Avg. 3-year total commitment per student: $40,639

Cumulative totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional Scholars</th>
<th>Transfer Scholars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>1,182</td>
<td>525</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,122</td>
<td>513</td>
</tr>
<tr>
<td>2014-15</td>
<td>973</td>
<td>343</td>
</tr>
<tr>
<td>2013-14</td>
<td>835</td>
<td>158</td>
</tr>
<tr>
<td>2012-13</td>
<td>712</td>
<td>993</td>
</tr>
</tbody>
</table>
The impact of the Terry Legacy

The Terry Foundation has become larger than the Terrys ever imagined, fulfilling in the process their dreams of making a difference in the lives of students across the state. In January 2016, The Terry Foundation was awarded the Mirabeau B. Lamar Medal for outstanding service to higher education in Texas. The award recognized the impact that the Terry’s legacy has made; it is presented by the Council of Public University Presidents and Chancellors (CPUPC), the Independent Colleges and Universities of Texas (ICUT) and the Texas Association of Community Colleges (TACC).

Incoming 2016 Scholars

<table>
<thead>
<tr>
<th>Valedictorians</th>
<th>Average SAT Score (vs. university mean of 1143)</th>
<th>Phi Theta Kappa Honor Society Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>1250</td>
<td>65%</td>
</tr>
</tbody>
</table>

“The Terry Foundation gave me two of the greatest gifts – my education and the smile on my mom’s face when I walked across that stage.”

- Ciara Knight (TXST 2012)

Terry Scholar Retention Rates

- Traditional Scholars: 98%
- Transfer Scholars: 97%

Average GPAs

- Traditional Scholars: 3.54
- Transfer Scholars: 3.45

SCHOLARSHIP
The Terry Scholar Alumni Advisory Board is comprised of Terry Scholar Alumni who have distinguished themselves in their service to the Foundation and to their fellow Terry Scholars.

In 2016, the Advisory Board collectively dedicated over 1000 hours to representing the Foundation at events as well as serving in leadership positions in local Terry Scholar Alumni Chapters and during Terry Scholarship Interviews.

2016 TERRY SCHOLAR ALUMNI BOARD

Alex Brandt (TAMU, 2004)  
Susan Buck (UT, 1997)  
Nellson Burns (TAMU, 1993)  
Brandy Butler (TAMU, 2001)  
Brian Carroll (UT, 1994)  
Charles CHF (UTD, 2006)  
Kristen Cummings (TAMU, 2004)  
Leigh Darvick (UT, 1996)  
Christian De la Cruz (TXST, 2006)  
Alicia Dietrich (UT, 2000)  
Amanda Donohoe (UT, 1987)  
Joseph Dowd (TAMU, 1995)  
K.K. Eschbach (TAMU, 2004)  
Kaleb Fulgham (UH, 2006)  
Noel Fuller (TXST, 2008)  
Robert Gabriel (UT, 1994)  
Maria Garnett (TAMU, 2006)  
Amanda Ghagar (UT, 2001)  
Lesley Gleason (TAMU, 2005)  
Scott Grass (UT, 2006)  
Hollie Shiny Gray (TAMU, 1998)  
Melissa Hernandez (UT, 2008)  
Alexis Johnson (UT, 2001)  
Justin Johnson (UT, 2009)  
Ray Kerlick Jr. (UT, 1987)  
Pat Kinder (UT, 1998)  
Lucy Krali (TAMU, 1988)  
Madly Kulkarni (UT, 2001)  
Samantha McMillan (UTD, 2008)  
Wes Migura (TAMU, 1988)  
Kimberly Pekar (TAMU, 1998)  
Harrison Pierce (UTSA, 2008)  
Jaka Pringle (UT, 1993)  
Allison Readinger (UT, 1994)  
Dane Reese (UT, 1989)  
Meredith Reyes (UT, 1997)  
Michael Reynolds (TXST, 2004)  
Jody Rodenberg (TAMU, 2003)  
Enrique Saguera (UTSA, 2007)  
Jacob Setterbo (UT, 2001)  
Garrett Sloan (TXST, 2009)  
Bonnie Southard (TXST, 2004)  
Steven Strauss (UT, 1998)  
Justin Thompson (UT, 1997)  
Christopher Wurtz (TAMU, 1997)  
Kasey Yanna (UT, 2003)

SERVICE

About 140 Terry Scholars traveled from all across the state for the annual Terry Statewide Service Project in April 2016. This year, the Scholars made a huge impact cleaning up Cedar Hill State Park by performing tasks such as trail clearing, historical building upkeep, vine trimming, and invasive species removal.

Officers from all 13 Terry Schools voted on the project during their retreat in January 2016. With much gratitude, the park rangers estimated that the Terrys were able to complete about six months of work in three hours.
2016 Monthly Gifts
Brian Carroll (UT 1994)
Lauren Moeller Schwartz (UT 2005)
Christopher Powell (UT 2009)
Kassie Stewart (UTSA 2009)
Jake Setterbo (UT 2001)
Justin Thompson (UT 1997)

2016 Single Gifts
Janine and David Barry
Parents of Mikayla and Matthew Barry
Matthew Barry (TAMU 2010)
Cassandra Cuellar (UT 2003)
Monica Culver (UT 2002)
Jacob DeVries (UT 1996)
Jaclynn Mohrfeld Halterman (TAMU 1996)
Christina Morton Dooley (UT 1993)
David Rodriguez (UT 2002)
Kimberly and Mark Shorman
Parents of Kristin and Nathan Shorman

2016 was the first full year for the new Terry Scholar Alumni Association (TSAA). In 2016, the TSAA was led by a group of 44 officers across its four chapters: Houston, Dallas/Ft. Worth, Austin, and San Antonio. Chapters hosted mentorship activities and socials with Scholars as well as events for Alumni and their families.

Howard and Nancy Terry’s generosity has enabled us to make a tremendous impact on the lives of others despite never asking for any outside financial contributions. Nonetheless, we are extremely gratified to see that some of our alumni remember us financially even without being asked. In 2016, we received over 60 gifts for a total of $26,250.

We extend a sincere thanks to those alumni who made these contributions; every dollar that comes in from alumni and friends means we are able to give that many more scholarships across Texas. In acknowledgment that such gifts will only increase in importance of furthering our educational goals, the Board of Directors has directed that the Foundation increase its visibility in the area of alumni giving and make it easier for alumni to favor us if they choose. We are not yet to the point of actively soliciting contributions but we welcome them and promise to be good stewards of our alumni’s financial gifts, treating them on an equal par with the endowment.

To make a gift or learn more about the many ways to give back to the Foundation, visit terryfoundation.org/give-back