



TRIENNIAL REPORT OF THE ASSISTANT TREASURER IN THE USA

The investment climate in the United States improved over the previous triennium. This led to better than expected returns, and total interest / dividend income exceeded the budgets during this period. The cumulative quarterly time-weighted return on the portfolio in 2006 was 9.9%, and the value of the account on 31 December 2006 was USD 636,500.

The value of the portfolio declined by USD 170,000 during this triennium because the IFUW financial situation required that funds be transferred to Geneva to support IFUW operating expenses. Over the three years, USD 406,500 was transferred. The market performance and interest/dividend income during this period mitigated the loss in value of the overall portfolio.

Contributing to investment performance over the triennium were the following:

1. Adhering to the investment policy approved by the IFUW Board. The policy includes portfolio allocation guidelines and policies concerning the quality of instruments that IFUW may include in the portfolio
2. The improvement of overall market performance.
3. The stabilization (or lessening volatility) of the exchange rate. In December of 2003, 1 US\$ = 1.24 Swiss francs. In December 2006, the rate was 1 US\$ = 1.22 Swiss francs.
4. Handling of all funds through a Merrill Lynch account, therefore no cash remained idle unless required for transfers to Geneva.
5. Deficit budgets and the continued decline of dues income required additional transfers out of the investment account. Transfers out exceeded deposits, which made it difficult to invest the portfolio for future growth.

Summary of Investments in the USA Account as of 31 December 2006

	US\$	US\$	CHF	CHF
Cash/Money Funds	17,506		21,349	
Fixed Income	191,263		233,245	
Mutual Funds	427,769	636,538	521,664	776,258

Exchange Rate: 1 US\$ = 1.2195 Swiss francs

Karen McKee, IFUW Assistant Treasurer in the USA
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