



## 2008 ANNUAL REPORT

*Roberta A. Brooks, Assistant Treasurer, Canada*  
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### Report of Assistant Treasurer in Canada, 2008

As of December 31, 2008:

- The value of the IFUW account was USD 525,415 versus \$661,666 at year-end 2007.
- Total Interest and Dividend Income earned from IFUW funds invested in the USA was USD 27,575. This figure is the actual total income, keeping in mind that most of the mutual funds are on reinvestment. The true year-end breakdown is as follows: Ordinary Dividends: \$17,538; Interest Income \$7,206; Qualified Dividends - \$2,547; Capital Gain Distribution \$284.
- Cash/Money Accounts total \$48,259.
- Cumulative quarterly time weighted return for 2008 is negative -21%. The cumulative Rate of Return, which is measured from 2000, is 34.83%, compared to 70.27% at the end of 2007, the reason why it is not negative even though the current year 2008 is negative.
- The following contributions were received in the US account during the year 2008:
  - IFUW Support – donations \$ 550
  - International Dues \$ 260

The year 2008 has seen a drop in the value of the portfolio of USD 131,924, approximately 21%. In view of the volatile market during this period, the portfolio has maintained value better than could have been expected. The portfolio presently consists of 30% Equity, 54% Fixed income, 16% Cash, which the broker regards as prudent in the present marketplace. The time weighted rate of return shows that the portfolio has outperformed on a relative basis over the past 8 years. The S&P 500 has returned roughly a negative -40% return over this same time period. T-bills returned roughly 30% and the portfolio about 35%. Cash flow is 4.7%.

I contacted Nicholas Anger, Merrill Lynch, and received detailed messages from him in January 2009. He stated that the year had been very tough for all asset classes, except for Treasuries. Under normal conditions, fixed income outperforms in a recession but “fixed income instruments” were basically the cause of the recession. The net worth lost in the USA alone was double the amount of the 2000-02 recession. He believes that some growth may return in 2010, and that some opportunities in the fixed income space are available.

He recommended two changes to the portfolio in January, which were made in consultation with Catherine Bell, IFUW Treasurer. While he does not like being down 21%, he states that this was an outperformance with many income/equity funds down more than 40%.

Respectfully submitted,

Roberta A. Brooks, Assistant Treasurer, Canada  
January 31, 2009

## **Report of Assistant Treasurer in Geneva, 2008**

The Assistant Treasurer has supported the regular activities of the Headquarters in collaborating with the Secretary General and the Finance Officer. Thus, she has attended meetings with, for instance the auditors KPMG and representatives from NFA's visiting Geneva.

In particular, the Assistant Treasurer was asked to participate in the interviews organized in order to select the new Finance Officer, replacing Christine Marijan retiring. On that purpose information by different public offices related to retirement was sought.

Concerning the terms and conditions for the new Finance Officer, both the Assistant Treasurer and the Treasurer were consulted..

Expenditure related to the Headquarters does not exceed the budget for 2008. With the reduction in time allocated for the post of Finance Officer, savings of more than 50,000 CHF per annum are estimated. In 2009 part of this may be used to offset the departure indemnity offered to Christine Marijan. Some of it may also be used for hiring short-term help. A final decision will be taken toward the end of 2009. In 2009 there will be 5 employees for a fulltime equivalent of 2.9, which is a little less than requested by the Task Force Report in 2004.

Inflation during 2007-2008 has been low, about 0,7% (based on the annual Geneva cost-of-living report) and will not be applied to salaries in 2009, but instead will be carried forward to 2010. Step increments for those eligible will be applied in 2009.

According to decisions taken during the Finance Committee meeting 2007, short term investment in Geneva has been taken. Investment on term deposit from June to November 2008 has yielded a profit of about 1'000 CHF, included movements for cash flow.

For this year, my thanks go to the staff members for their efficiency and in particular to Christine Marijan with whom the Assistant Treasurer have had the pleasure to work during several years and thus, the opportunity to appreciate her helpfulness and kindness.

Hillevi Perraudin  
Geneva, 2007-02-09