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AWCI 2012 Mid-Year Report James M. Dodson Perpetuation Fund

Dale Coates gave a brief update on the state the AWCI portfolio during a GoToMeeting conference call on February 22, 2012. Since Johnson Investment Counsel has been the Fund investment advisor (2007), the portfolio has been able to maintain a modest return in a volatile market. Most funds have not been able to maintain their value during one of the worst economic cycles since the Great Depression, but we have been fortunate to have excellent guidance during this uncertain period. Note the document submitted with this report.

In October 2011, Coates sent the Perpetuation Fund a proposal from Johnson Investment Counsel recommending changes to the Investment Policy of the Perpetuation Fund. The focus of those changes is the ability to invest in Alternative Assets. This document is referred to here as the Policy Draft or PD. The members of the trust engaged in 2 teleconferences, one informational and one official meeting with all Fund Trustees attending that meeting. Coates explained that changes in the current economic climate prompted this PD.

Johnson has recommended Alternative Assets be included as part of our portfolio if the timing is prudent. Only Alternative Assets that fall within the overall policy guidelines may be invested in. Having the ability to invest in them does not mean we will, only if it is prudent to do so.

In order for this PD to go into effect, a Constitutional amendment must be presented to the membership for approval. It is the hope of the Trustees that will happen at the next BOD election.

A proposal is being forwarded to the Constitution and Bylaws Committee.

Respectfully submitted by James M. Dodson Perpetuation Fund Chair,
Doug Thompson

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