



2010 Investment Committee Report

Introduction

The Investment Committee was created by the USAT Board in 2004 and is responsible for directing and monitoring the investment management of USAT Investment Plan assets. The Committee is controlled by the *USA Triathlon Statement of Investment Policy Objectives & Guidelines* document which gives it the authority to delegate certain responsibilities to professional experts in various financial fields and to monitor the USAT Investment Plan performance. In 2009 the Committee was comprised of three USAT Board members, with the USAT Treasurer acting as Chair, and the Committee continued to support David T. Surofchek with Morgan-Stanley-Smith-Barney (Colorado Springs) as the USAT Investment Plan Manager.

2009 Accomplishments

After suffering a substantial setback in 2008 because of the overwhelming negative impacts of the national recession, the USAT Plan recovered quite nicely in 2009. A cautious investment approach was taken in 2009 with investments allocated among domestic and foreign equities, bonds, other cash vehicles. The Plan started the year with a balance of \$3,263 thousand, \$1,600 thousand was added from the USAT operating cash account in multiple transactions during the year, a \$709 thousand gain on investments occurred, bringing the balance of the Plan to \$5,573 thousand at year-end. Despite our conservative investment approach, the gain represented a 19-percent return for the year. We could not have had a more successful year.

The Committee, the Investment Plan Manager, and the USAT Staff Liaison communicated extensively during the year via phone, conference call, and email as Plan deposits and investment re-allocations were made. In addition, Mr. Surofchek provided two presentations on the status of the accounts and his financial and economic outlook, once to the full Board of Directors in the spring and again to the Committee in the fall.

Finally, the Committee personally responded to eleven applications from members around the country who volunteered to serve on the Committee.

2010 Objectives

- To continue to encourage USAT to provide excess cash revenues that may accumulate in the organization's operating accounts into the Investment Plan in order to maximize return.



- To provide financial expertise and counsel to the USAT Executive Director in capital investment and capital expenditure decisions.
- To assess the economic and financial environment risks and the potential benefits of investment returns, providing prudent advice to USAT and the Investment Plan Manager that preserves capital while maximizing the Fund's return.

Conclusion

The Committee will continue to play an active role in directing and monitoring the management of USAT's investments and to work closely with the Investment Plan Manager. Because of the accumulation of funds in the Plan to relatively high levels, USAT should begin planning in 2010 for how these investments can better move the organization forward. One recommendation is to shift some funds into alternative, physical capital investments, including equipment and structures that will more effectively benefit the current staff and current USAT members.

Submitted by:
Bob Wendling, Investment Committee Chair and USAT Treasurer