

## UST Investment Strategy

### A Solid Strategy

UST's Trustees work hard to make sure the Trust's overall investment performance continues to help offset administrative expenses for members.

With the help of experts in investment management and asset protection, UST members have continued to see overall positive investment returns over the history of the trust.



### Investment Governance

The UST Trustees prudently oversee the management of the Trust's investments and have a written policy statement regarding goals and objectives for the performance of the portfolio on behalf of the members.

The UST Trustees work closely with Graystone Consulting, a leading institutional investment consultant, to manage the Trust assets.

The Trust's portfolio is **designed to produce minimal volatility to the member reserve accounts yet achieve an attractive rate of return** over a market cycle.

The portfolio is invested to minimize the possibility of investment losses in members' reserve accounts and produce income that helps offset trust administrative expenses.

The investment portfolio's level of risk and return is closely monitored by the Trustees, as well as changes in the capital markets and their potential impacts on the portfolio.

### Investment Success

Since 2000 the **portfolio has generated over \$16 million for our members.**

### Asset Allocation and Investment Theory

as of April 2011

Global Stocks

25%

Stocks are still priced at a forward P/E ratio of 13, at the lower end of their 40-year historical range. The global equity dividend yield is also high, as compared with its history and cash yields.

Global Bonds

60%

A high-quality, very diversified bond portfolio. Currently the portfolio is tilted toward high-grade and high yield corporate debt – both of which offer attractive yields when compared to government bonds.

Real Estate

5%

A portfolio of public real estate holdings of every type. The combination of limited new real property supply, high distributions, and the potential inflation hedge make this asset class attractive.

Alternatives

10%

A basket of liquid investments designed to have a similar volatility as the bond market but not be affected by the potential of rising interest rates.