DRAFT CBL AMENDMENT CBL-12

SUBJECT: Amend AMVETS Investment Policy

SOURCE: AMVETS Department of North Carolina

WHEREAS, the AMVETS National Headquarters changed its asset allocation and asset class guidelines within the investment portfolio, and changed its investment manager; and

WHEREAS, the AMVETS Bylaws need to reflect these changes; now therefore be it

RESOLVED, to amend Appendix D: AMVETS Investment Policy as follows:

**FUND INVESTMENT POLITICS**

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Lower Limit</th>
<th>Target</th>
<th>Upper Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Equity</td>
<td>0%</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>Mid Cap Equity</td>
<td>0%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Small Cap Equity</td>
<td>0%</td>
<td>05%</td>
<td>10%</td>
</tr>
<tr>
<td>International Equity</td>
<td>0%</td>
<td>05%</td>
<td>10%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>40%</td>
<td>50%</td>
<td>100</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Separate decision determined by the needs of the Fund

To the following:

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Lower Limit</th>
<th>Target</th>
<th>Upper Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap Equity</td>
<td>0%</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>0%</td>
<td>N/A</td>
<td>10%</td>
</tr>
</tbody>
</table>

(except hedge funds)

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Lower Limit</th>
<th>Target</th>
<th>Upper Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid/Small Cap Equity</td>
<td>0%</td>
<td>15%</td>
<td>25%</td>
</tr>
<tr>
<td>International Equity</td>
<td>0%</td>
<td>05%</td>
<td>10%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>40%</td>
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</tr>
<tr>
<td>Cash</td>
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<td></td>
</tr>
</tbody>
</table>

Separate decision determined by the needs of the Fund

**Domestic Equity:**
The investment manager is prohibited from investing in letter or restricted stock, and commodities. The investment manager is discouraged from investing in options, futures and forward contracts and/or any other derivative instrument; or from engaging in short sales, margin transactions or other specialized investment activities.

**Real Estate**
As real estate is introduced to the portfolio, the amount and type of exposure will be determined jointly by the organization and the investment manager not to exceed 10%.
Total Fund

From:
S&P 500 Index 2.0%
Russell Mid-Cap Index 2.0%
Russell 2000 Index 2.0%
Morgan Stanley EAFE Index 3.0%
Lehman Bond Aggregate Bond Index 0.3%
Donohue Money Market Fund Index 0%

Total Fund

To the following:
S&P 500 Index 2.0%
Russell Mid-Cap Index 2.0%
Russell 2000 Index 2.0%
Morgan Stanley EAFE Index 3.0%
Barclay Bond Aggregate Bond Index 0.3%

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