Mineralogical Society of America
Treasurer’s Report

Thomas S. Duffy
MSA Treasurer
October 2017
The Financial Team

- Executive Director, J. Alex Speer
- Financial Advisory and Audit Committee
  - Mark van Baalen, Chair
    - David L. Bish
    - Edward S. Grew
    - Michael Brown
    - Barbara Dutrow
    - Donald D. Hickmott
    - Julia A. Nord
    - Bryan C. Chakoumakos (MSA Secretary)
    - Thomas S. Duffy (MSA Treasurer)
    - Michael Brown (MSA Vice-President)
    - George E. Harlow (MSA President)
- Wells Fargo Investment Advisor, Jeff LeClair
MSA Investment Portfolio

- $3,431,325 on June 30, 2017
- Increase over prior year: ~$347,000

<table>
<thead>
<tr>
<th>Date</th>
<th>Market Value</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2017</td>
<td>$3,431,236</td>
<td>11.2%</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>$3,084,458</td>
<td>-0.3%</td>
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<tr>
<td>6/30/2015</td>
<td>$3,092,256</td>
<td>-1.1%</td>
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<tr>
<td>6/30/2014</td>
<td>$3,126,568</td>
<td>13.7%</td>
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<tr>
<td>6/30/2013</td>
<td>$2,748,896</td>
<td>6.2%</td>
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<tr>
<td>6/30/2012</td>
<td>$2,588,117</td>
<td>-0.2%</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>$2,593,622</td>
<td>14.6%</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>$2,263,134</td>
<td>13.6%</td>
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<tr>
<td>6/30/2009</td>
<td>$1,992,368</td>
<td>-10.4%</td>
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<tr>
<td>6/30/2008</td>
<td>$2,224,590</td>
<td>-13.1%</td>
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<tr>
<td>6/30/2007</td>
<td>$2,560,333</td>
<td></td>
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</tbody>
</table>
Conservative Strategy

• Asset Allocation
  – 66% Equities; 29% Fixed Income; 5% Cash
    Fixed Income: 17% CDs, 9% bonds, 2% MLP

• Quality of Funds
  – 57% of 28 funds ranked in top 32% of asset class
  – None ranked in the bottom 32% of asset class

• Performance
  – 3.4 % annualized over past ten years
  – 6.6% annualized since 2012
Budget 2016

• Operating Expenses Exceeded Income: $123K
  – Income $1,183,055: down $76K
  – Expenses $1,306,056: up $38K
  – After fund transfers: Operating Loss of $48K

• Draft audit by Rubino & Co. Bethesda MD
  – Clean
Budget 2017

• Details not meaningful yet

• Projected operating loss: $101K

• Reflects changes in income stream and increased investments in *Am. Min.*
Budget 2018

• Incremental Budget
• No Increase in Member Dues
• Increased Subscription Rates for *Am. Min.*
  – $5 (~4%) for individuals getting paper copies
  – $25 (~2%) for institutions
  – Increases help with covering real costs
  – All subscriptions subsidized by MSA

• Projected Operating Loss: $62K
Summary

• Relatively strong investment performance
• Essential to continue conservative investment strategy; Strong need to increase endowment
• *American Mineralogist* currently undergoing transition
• Transition in senior management on horizon
• MSA entering Transition Period that will present significant financial challenges