Mineralogical Society of America
Treasurer’s Report

Thomas S. Duffy
MSA Treasurer
November 2018
The Financial Team

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

- $3,464,339 on June 30, 2018
- Increase over prior year: ~$33,000

<table>
<thead>
<tr>
<th>Date</th>
<th>Market Value</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2018</td>
<td>$3,464,339</td>
<td>1.0%</td>
</tr>
<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>
</tr>
<tr>
<td>6/30/2015</td>
<td>$3,092,256</td>
<td>-1.1%</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>$3,126,568</td>
<td>13.7%</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>$2,748,896</td>
<td>6.2%</td>
</tr>
<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>
</tr>
<tr>
<td>6/30/2009</td>
<td>$1,992,368</td>
<td>-10.4%</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>$2,224,590</td>
<td>--</td>
</tr>
</tbody>
</table>
Conservative Strategy

• Asset Allocation
  – 64% Equities; 32% Fixed Income; 4% 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
  – 54% increase over ten year period
  – 26% increase over past five years
Budget 2017

• Operating Expenses Exceeded Income: $134K
  – Income $1,271,391: up $88K
  – Expenses $1,405,533: up $99K
  – After fund transfers: Operating “Profit” of $121K

• Draft audit by Rubino & Co. Bethesda MD
  – Clean
Budget 2018

• Details not meaningful yet

• Projected operating loss: $73K

• Reflects changes in income stream and increased investments in *Am. Min.*
Budget 2019

- Incremental Budget
- Increase in Member Dues
  -- $5 increase to $85 for regular members
  - No increase for student members
  - New membership category: Early Career Professional

- Increased Subscription Rates for *Am. Min.*
  - $10 (~8%) for individuals getting paper copies
  - $50 (~4%) for institutions
  - Increases help with covering real costs
  - All subscriptions subsidized by MSA

- Projected Operating Loss: $10K
- Transition Expenses are not reflected in this budget
Summary

• MSA currently in transition period presenting significant financial challenges over the next 18 months

• Investment performance mixed

• Essential to continue conservative investment strategy; Strong need to increase endowment

• *American Mineralogist* still undergoing transition; Future uncertainty over Open Access