

Treasurer's Report to the Membership

Fiscal Year 2009

Dear Colleagues,

I will use this message as an opportunity to look back over the past three years. In so doing, I will bring you some very good news, but also some sobering, prudent thoughts.

In 2007 the stock and bond markets gave our endowment one of its best years ever, as it rose by October to an all-time high of \$3.364 million. We all know what direction things went from there. During the ensuing eighteen months we had a market loss of \$900,400 (which does not include donations to and payouts from the endowment).

March 2009 marked the bottom of the bear market, and the good news I bring you now is that just in the nine months from March to December we have gained back \$811,600 of what we lost during the previous eighteen months. Thus, we have made back most of our paper losses, and only another \$88,800 in market appreciation (a very small amount in relation to our total funds invested) is needed to break even in our investments since late 2007.

We now know that during the fiscal year that included the depth of the market meltdown, when things felt so painful, the AMS was actually doing far better than almost all of its peers. The results that universities and foundations have now reported for the fiscal year ending June 2009 show that we outperformed the average endowment by 6%. And, in fact, we outperformed every single Ivy League endowment by an amount ranging from 2% to 13%. This was achieved, furthermore, while maintaining a conservative, balanced portfolio of stock and bond mutual funds. Part of the reason for this financial achievement is that during the panic we never sold even one penny of stocks. In fact, we bought low and moved an additional quarter million dollars into the stock market.

When we look beyond these investment returns from the stock and bond markets and factor in both the deposits from your OPUS donations and the withdrawals for fellowship, publication, and other expenses, our endowment (as I write in early January) stands a bit over \$3.9 million. And by the time the last of your checks for your OPUS pledges arrives at our office, we will reach a new grand total comfortably beyond \$4

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million.

There is, however, another side to this story. Looking back to where we stood in October 2007, we remain basically flat in our investments. We are, indeed, significantly behind where we had hoped to be upon entering the decade of the '10s. We have also learned from the crash of late 2008 that in the financial world things can change in a moment and that we may never take past market performance for granted. Thus, for the future financial wellbeing of our Society, we must always maintain a conservative, prudent philosophy, not only in the ways we invest our money, but also in the ways we spend our money.

Sincerely,

James Ladewig

AMS Treasurer

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Calendar year membership tally: 3,581 (as of October 31, 2008)