

Treasurer's Report to the Membership

Fiscal Year 2010

Dear Colleagues,

As I complete my tenth year serving you and our Society as Treasurer, I am pleased to report that our endowment has had a very good year. When I assumed this position in 2000, I could never have imagined the gyrations that lay ahead: two devastating market crashes with a spectacular five-year bull market in between and now the beginnings of a second recovery.

It is, therefore, extremely gratifying to inform you that for the fiscal year ending 30 June 2010, our investments gained 13.1%. The good news, however, does not stop there. As I write this on 31 December, we have made a stunning additional 13.9% during the last six months of 2010.

Furthermore, with these and earlier gains, our AMS endowment has now made back all the money it lost in the recent crash and then some. Our investment gains in the market now stand \$384,000 or 11.4% above our late2007 peak, which is a level far better than achieved by a great number of endowments, many of which are still underwater. When we add to this the \$967,000 received during these last three years in your OPUS Campaign contributions and from the National Endowment for the Humanities and Mellon Foundation grants, our AMS Endowment stands, as of 31 December 2010, at a new high point of \$4,451,000.

As noted, our endowment has recently been doing better than many others. You might remember from my report in the February 2010 Newsletter that, last fiscal year, the AMS outperformed every single Ivy League endowment by anywhere from 2% to 13%. This year the competition was much tighter. But with our 13% we still came in third place. Princeton squeaked by us at 14%, while Columbia's gain of 17% easily surpassed all, with the other six schools finishing the year between 9% and 13%.

There is an important reason why our endowment has done so well. We keep it simple, while other endowments have turned more and more to esoteric and illiquid alternative investments. Our present approach is to aim for an approximate 50-50 split between stocks and bonds, and within stocks a 25-25 split between domestic and international.

American Musicological Society

We own no individual stocks or bonds, so we avoid company-specific meltdowns like an Enron. Rather, we do it all with low-cost, broadly diversified mutual funds. The advantage of the simple approach is that it ensures that our money is invested at relatively low risk, compared to that of many other endowments.

Sincerely,

James Ladewig

AMS Treasurer

Published February 2011 (in the [AMS Newsletter](#))

[Donate to the AMS](#)

Calendar year membership tally: 3,565 (as of October 31, 2009)