



WAAIME Division
Annual Meeting
Sunday, February 26, 2023



Minutes

8:30 AM – 11:30 AM

Hyatt Hotel
Mineral Hall E

Division Members Present

Katherine Pinochet, Chair
Lydia Hull, Scholarship Chair
Margaret Mansanti, Western Rep
Barb Filas
Susana Palomino
Blanche Blattner
Ashley Chanceler
Linda Ross
Karen Jass
Jean Davin
Favila Blanca
Beth Price

SME Staff

Michelle Kroeger, SME CFO

Guests

Tom Austin, UBS
Ryan Smith, UBS

Welcome and Introduction

Ms. Pinochet opened the meeting by welcoming everyone.

UBS Presentation

Thomas Austin and Ryan Smith from UBS presented the market and economic outlook. Highlights from their presentation:

- 2022 was one of the most challenging years for diversified portfolios in recent memory: Stocks experienced a bear market decline, and bonds suffered their biggest drawdown in modern history.
- However, this does not mean that diversification stopped working; diversification within both fixed income and equity portfolios helped to improve returns, while alternative investments and commodities also helped to provide diversification benefits.
- 2022 - saw losses for most asset classes, bonds' worst year ever, the 7th worst year for US large-cap stocks, the 3rd worst year for 60/40 portfolios.
- It's very rare for stocks and bonds to both experience a loss
- High inflation tends to increase stock/bond correlations
- Bonds have consistently rallied after previous stock-bond losses
- Asset class diversification is still important
- Bonds help to improve portfolios' risk-adjusted return potential
- Alternatives and intra-asset class diversification helped in 2022
- Global diversification can boost risk-adjusted return potential
- Lessons from 2022; beware "home bias", Commodities can provide value, bonds are not risk-free
- 2023 will be a year of slower economic growth. Given the uncertainty, we have low market conviction and a recession would drive a larger decline in EPS.
- Extreme pessimism often precedes strong returns, fewer losses, fundamentals continue to favor value, a weaker US dollar could bolster international stock returns

- Breakdown of WAAIME portfolio as of February 8, 2023:
 - Cash 8.03%
 - Fixed Income 31.24%
 - Equity 56.17%
 - Non-traditional 4.56%

- The total amount of expected cash flows over the next year is \$231,299
- The 10 year rate of return after fees is 6.69

Recommendations from UBS:

- Reduce equities by 5%; 3.5% from mid-cap, 1.5% from international.
Move to T-Bills

Mr. Austin and Mr. Ryan then left the meeting.

Approval of Minutes

Ms. Pinochet asked if there were any updates to the minutes from 9-21-22, 2-13-23 and 2-23-23 before approval. None were stated. Motion was made to approve by Ms. Mansanti, 2nd by Ms. Hull and approved unanimously.

Financial Presentation

Ms. Kroeger presented an overview of the financials for the WAAIME division:

- Revenue:
 - FY2022 \$(1,509,185) due to loss on investments
 - Three Months as of 12/31/22 \$530,134
 - FY2023 Budget \$571,258
- Expenses:
 - FY2022 \$563,439
 - Three Months as of 12/31/22 \$5,967
 - FY2023 Budget \$578,503

- Net Income:
 - FY2022 \$(2,072,624)
 - Three Months as of 12/31/22 \$524,167
 - FY2023 Budget \$(7,245)

- The rate of return for the investment portfolio was -14.3% for FY2022 and 6.4% for the 3 months ending 12/31/21. Withdrawals total \$568,327 which were used to fund scholarships and to pay administrative costs.

Recommendations for website improvements

- This item was not discussed

Other Matters

- Ms. Hull requested the breakdown on the contribution expense line item. Provided via email on 4/11/23.
- Ms. Hull requested for the list of accredited mining schools. Provided via email on 4/11/23.
- Discussion about the difficulties encountered during registration for the annual meeting. These concerns were passed on to the appropriate individuals at SME.

The meeting voted to a close.

Respectively submitted.

Katherine Pinochet
Michelle Kroeger