



MINUTES OF THE 137th ANNUAL GENERAL MEETING
MARCH 11, 2022, AT FIOR D'ITALIA, SAN FRANCISCO, CA

The meeting was called to order at 6:10 PM.

President's Greeting

Ruedi Sandmeier extended a warm greeting to everyone. He thanked Dylan Stine for the tasting of Swiss wines from the small town of Dardagny near Geneva. He also welcomed our guest, Consul Jean-Daniel Glauser, who will later conduct the reelection of Board members and Auditors. Tonight we have two recipients of our scholarship program, namely Leah Coale and Fatuma Rinderknecht as our guests. They may tell us a little about themselves later. Also tonight, we welcome the parents of our scholarship recipient, Patrick Zimmermann. Also in attendance is Bernadette Frager, the niece and executor of the estate of our former member, Mrs. Gina Bloom. Finally, we are happy to welcome former Board members Susy Lutsky and Melanie Facen. Above all, thank you, our trusted members who are attending this meeting. Your generous contributions over the years are very much appreciated.

Ruedi also noted the passing of three members in the recent past who faithfully attended our Annual Meeting: Hans Maeder, Willy Ostertag, and Emil Zollinger.

Tonight, we have 30 members in attendance, and have received 8 proxies, which meet our quorum requirement of 10% of the membership to conduct the Annual Meeting.

Copies of the minutes of the 2021 Annual Meeting have been posted on our website and also placed on the tables. Are there any questions about the minutes? John Zeiter made a motion to approve the minutes, seconded by Andy Egger.

Committee Reports

Treasurer's Report

Treasurer John Zeiter indicated that the P&L statement has been reviewed by our auditors, and then proceeded to read the details of the financial profit and loss statement and endowment balances.

Auditors Report, presented by Pius Kampfen

Pius Kampfen presented the report of the audit that he and Stefan Welter conducted for the period of January 1, 2021 to December 31, 2021 for the Swiss Benevolent Society's General Fund, the Amstutz Fund, the Canonica Fund, the Isler Fund, the Silvia and Jacques Iselin Fund, as well as the Walter Munz Scholarship Fund. They examined, on a test basis, the evidence supporting the amounts and disclosures to obtain reasonable assurances that these statements are free of material misstatements. In conclusion, they found that the balance sheets and the statements of operations fairly represent the financial position of the Swiss Benevolent Society and that the books have been kept in an orderly manner.

Finally, Pius reiterated that John Zeiter keeps the books in an exemplary manner.

Investment Committee Report, presented by Andy Egger

Andy began by saying what a pleasure it is to be here in person again. What a difference it is to meeting virtually, and let's all hope that we'll never again have to do this by Zoom!

It might be of interest to share a few reflections of what's happening these days in terms of fiscal and monetary policies because both profoundly impact the capital markets, investor behavior, and, last but not least, the SBS endowment.

There has been a lot of talk recently about the return of inflation and we all know it has returned and, according to the February Consumer Price Index of 7.9% it is yet at another 40 years record high. Inflation,

the great Milton Friedman famously used to say, "inflation is always and everywhere a monetary phenomenon and it exists when the rate of growth of the money supply exceeds the rate of growth of output".

The Federal Reserve conducts monetary policy, in other words it expands or shrinks the money supply by either buying or selling fixed income securities in the open market. For a long time now, it has been on an aggressive monetary expansion trajectory and, as a result, has ushered in the current cycle of inflation. However, the Government too, not the Fed alone, bears responsibility. Congress, in Andy's view, has been practicing poor economic stewardship for the country. It embarked a few years ago on an irresponsible spending spree that culminated in 2021. It spent money like a drunken sailor, while expecting the Fed to pay for it through a mechanism known as money supply financed deficit spending; simply put, it relied on the Fed to create money "ad infinitum", and the Fed obliged.

As inflation takes its course, it causes real incomes of all kinds, including wages, to shrink, and consumers eventually have no choice but to adjust their consumption habits and that will lead to an economic slowdown and ultimately to recession.

Regarding our endowment, we did fine in 2021: the portfolio returned 14% compared to the S&P 500 Index, which ended the year up 26%. We can never expect to match the S&P 500 because our investment guidelines require us to keep almost half of our portfolio in fixed income securities and cash. By the same token, looking at the equity market year to date, the S&P 500 has lost 10.6% while our portfolio is down merely 3.9%.

Going forward in an inflationary environment, we are probably going to reduce our exposure to growth ETF's and other interest sensitive holdings, build up our cash position, and start looking at defensive stocks, including consumer staples and utilities.

Ruedi thanked Andy for a job well done and his golden touch with our investments.

Welfare Report, presented by Carla Twitchell

We have had a few inquiries for financial assistance. When I responded that Swiss Benevolent Society assists those who are registered with the Swiss Consulate, the correspondents did not call back. I assume they were not registered with the Consulate. In December, I asked a Swiss friend of mine to accompany me to visit a person within the Swiss community who is in an assisted living facility. My friend had ties to the Swiss valley of origin of this woman, and the three of us had a nice visit. There are elderly Swiss in the Bay Area who live alone and have limited ability to get to grocery stores and medical appointments, but they do not qualify for nursing homes or choose not to move from their homes. I would like to find out who they are and then schedule visits to meet them and see what their needs are.

Scholarship Committee Report, presented by Ariana Ghelfi

The Scholarship Committee (Susann Sandmeier, John Andrew and Ariana Ghelfi) is pleased to report that in 2021 the Society awarded \$79,500 in scholarships to 25 young Swiss in Northern California. For comparison, in 2020 we made 22 awards for a total of \$70,000.

We received a record 31 applications, of which 16 were re-applicants. Awards were made from all named funds (Munz, Canonica, Amstutz, Isler, Iselin) and the General Fund.

Our scholars represent a wide array of academic disciplines including viticulture ecology, molecular environmental biology, neuroscience, clinical psychology, nursing, sociology, social welfare, education, civil and aerospace engineering, business, music, screenwriting and history; they study at a diverse set of schools, including: California State universities, University of California universities (Berkeley, Davis, Los Angeles, San Francisco), and private schools (Vanderbilt, USC, Benedictine, Loyola Marymount, St. Mary's, Middlebury), a private college (CCA), and out of state universities (Ohio, Boston, Boulder, Hawaii, Indiana).

Ariana closed by thanking John Andrew and Susann Sandmeier for their assistance, time and commitment administering this program. The Committee is grateful to have this opportunity to express their gratitude to

our generous donors whose financial support makes these scholarships possible while also demonstrating a commitment to education.

Membership Committee Report, presented by Doug Twitchell

The data has been verified with our Treasurer, John Zeiter. There may be some differences in our totals due to the timing of donations. I record donations based on the date the donation was made whereas accounting will record donations on the date actually posted by the bank.

In 2021, there were 87 separate donations for a total of \$36,587. The settlement of the Gina Bloom trust resulted in a donation of \$15,665. Other significant donations over \$1,000 were from a stock donation with matching corporate donation (\$3,942), and also a \$1,500 donation from Gaehwiler Construction. Five donations were between \$500 and \$1,000. The average donation amount (excluding the Bloom trust) was \$243.

The annual donation solicitation mailing to members occurs in the fall, using the criteria of members who have donated in the last 4 years. There were 139 letters mailed.

Ruedi then asked our two young guests to introduce themselves and tell us about their studies.

Leah Coale of Novato is studying biology at St. Mary's College, with a goal of helping people with diseases and disabilities. Tonight, she's accompanied by her sister, a previous award recipient.

Fatuma Rinderknecht, following her studies at Harvard, is currently in medical school at UCSF.

Both students are happy to have a chance to meet the Board and SBS members and are very grateful for the awards.

Bernadette Frager, niece and executor of our benefactor Gina Bloom, gave us a lovely snapshot of her aunt's life. Gina was born in Davos (her father had 13 siblings) and she was fiercely independent all her life. Upon moving to America as a young adult, she moved to different parts of the country before setting down in Stockton. Some of her many talents and activities included writing, arts and crafts, knitting and sewing; she was an environmentalist from day one. She really lived life to the fullest. To conclude, Bernadette read two poems composed by Gina.

President's Report by Ruedi Sandmeier

"As you have heard from the reports of the various functions, our Society stands on a very solid foundation. We have excellent financial results, are able to award scholarships and welfare as needed, and were able to operate during the pandemic.

What I can tell you about 2021 is that our main goal, to help students shoulder the heavy expenses of education, and to help Swiss in need, was achieved. The board met over Zoom and was able to conduct business as normally as possible. Of our two events, the Annual Meeting was held over Zoom, and our traditional Senior Party and Spring Dance was replaced with a luncheon outdoors at the SwissPark beer garden. This was well attended and we plan to hold another such event on May 22.

At this point, are there any questions or comments about what you have heard?

Since no matters were submitted from the floor for a vote, we can now proceed to the elections.

As I said before, I have an excellent Board helping me to run the various tasks of our society. I hope you can honor that confirming our board member and our Auditors. Our Board works well together as a team, and I am honored to work with such a fine group.

Under our By-Laws, the Directors are elected based on a three-year period rotation cycle. One Board member is up for re-election for a three-year term, and we also need to re-elect Pius Kampfen and Stefan Welter for the Auditor positions.

Now it is time to hand over the meeting to Consul Jean-Daniel Glauser, to proceed with the reelection of one Board member for a three-year term, and Auditors for a one-year term. All three were approved by acclamation:

Carla Twitchell, Vice President, Welfare
Pius Kampfen, Auditor
Stefan Welter, Auditor

Recent news from the Consulate includes the arrival of Consul General Balz Alpblanalp for a 4-year term. The borders are open for travelers, but it's always wise to consult the Consulate's website for the most recent information before booking your ticket to Switzerland. The war in Ukraine is of great concern; it forced the Swiss Embassy in Kiev to very quickly evacuate during the first week of hostilities. Jean-Daniel himself will leave San Francisco for his next assignment in Kosovo this summer.

Ruedi resumed his report by expressing our deep appreciation for the steadfast support we have been receiving from the Consulate. It has been a pleasure working with your team and we look forward to a continued close cooperation.

As a final note, he asked the audience to let him know if they are acquainted with our donor George Stadelmann, whose generous donations we have been unable to acknowledge these past couple of years for lack of contact information.

With no further questions or comments from the audience, Marianne Aubert made a motion to close the meeting, seconded by Susann Sandmeier.

Meeting closed at 6:55 PM.