

## Report of the MSA Financial Advisory Committee for 1983

The year-end summary of the investment portfolio, managed by William G. Campbell and Co., Inc., is contained in Table 1 (status), Table 2 (interest and dividends), and Table 3 (realized capital gains and losses). The portfolio followed the stock market, performing well until midyear and declining thereafter. A growth in principal of \$77,367 partially offset the withdrawal of \$140,000 (see below).

During the beginning of the year, the Committee concerned itself with changes in the instruments in which the Society's Funds are invested. Our goal has been to achieve a suitable balance between risk, stability, rate of growth of principal, and level of income. But there are two additional benefits of these changes. First, accounting by the Treasurer and Business Office will be simplified. Second, the Council will more easily be able to track the performance of the Society's various funds and understand how much of the Endowment Fund income (interest, dividends, and both realized and unrealized capital gains) is available for expenditure each year while at the same time maintaining adequate long-term growth of principal.

The invested portion of the General Operating Fund represents, in large part, escrowed subscription monies of members and institutional subscribers to The American Mineralogist. Most of these monies were removed from the investment portfolio of cyclical growth stocks in January and placed in a stable money-market fund. (Some of these monies have subsequently been invested in U.S. Treasury Bills.) Bonds and stocks having a value approximately equal to that of the Crystallography and the Mineralogy - Petrology Funds were liquidated late in 1983 so that these Funds could be removed from the portfolio in January, 1984, and, during this current period of high real interest rates, be reinvested in U.S. Treasury Notes and the money market. These stable instruments will provide a steady yield to support the research grants. By the end of 1984, the managed investment portfolio will contain only the Endowment Fund.

During late 1983, the Committee proposed, and the Council adopted, a long-term strategy for fund-raising. The membership will undoubtedly be exposed to some of these plans during 1984 and 1985. The Committee Chairman also began to coordinate these fund-raising activities with those for the 1986 International Mineralogical Association Meeting, which is being underwritten by MSA. ---

Respectfully submitted  
The Committee for 1983  
J.S. Huebner (Chairman)  
H.C.W. Skinner  
K. Towe  
P.M. Bell (ex-officio)  
O.B. James (ex-officio)

Table 1. MSA investment portfolio at 1983 year-end

Security	Cost	Market Value 12/31/83
<u>Senior Securities</u>		
40,000 U.S. Treasury Notes 10-750X 8/15/90	40,075.00	38,228.00
<u>Common Stocks</u>		
455 Analog Devices	6,177.10	17,631.25
200 Apollo Computer, Inc.	7,564.81	6,500.00
200 Apple Computer, Inc.	2,875.00	4,875.00
400 Argosystems, Inc.	6,918.28	8,800.00
300 Ask Computer	6,450.89	5,025.00
400 Automatix Inc	8,144.83	8,200.00
400 Avant Garde Computing Inc.	10,000.00	9,100.00
400 Avantek	2,429.00	8,350.00
200 Bristol-Myers	6,406.51	8,450.00
100 Burlington Northern	2,953.00	9,900.00
100 Capital Cities Communications	3,807.50	14,400.00
400 Computer Consoles	4,991.13	8,200.00
200 ComputerVision Corp.	1,894.67	8,675.00
300 Convergent Technologies Inc.	2,550.00	7,125.00
600 Corvus Systems Inc.	9,565.81	4,950.00
200 Grey Research Inc.	3,037.77	11,125.00
300 Gullinet Software	4,183.50	12,225.00
200 Diconex Corp.	5,791.25	5,750.00
300 Dysan Corp.	6,302.00	7,200.00
400 EDSG	5,568.50	13,000.00
400 Federal Express Corporation	4,132.06	18,500.00
200 General Instrument	3,297.61	6,500.00
400 Great Lakes Chemical	9,815.00	13,550.00
100 HBO & Co.	3,641.89	2,900.00
400 Hewlett-Packard	8,542.00	16,950.00
400 Hogan Systems	5,100.00	9,300.00
300 Hospital Corp. of America	1,828.64	11,850.00
400 Intecomp Corp.	7,226.00	7,250.00
400 Intergraph Corp.	4,550.00	15,400.00
100 International Business Machs	11,769.02	12,200.00
400 K L A Instrs. Corp.	9,530.22	10,400.00
400 Key Pharmaceuticals	8,709.89	7,000.00
500 M A Com Inc	12,059.00	9,937.50
600 MCI Communications Corp.	6,312.50	8,625.00
300 Medical 21 Corp.	6,870.63	5,100.00
200 NBI Inc.	4,454.34	5,350.00
600 Network Sys. Corp.	5,193.89	12,375.00
200 Novo Industri AS ADR	7,159.92	11,200.00
400 Policy Mgmt. Sys. Inc.	4,600.00	11,200.00
200 Price Co.	7,800.00	12,950.00
200 Printronix	3,449.74	5,400.00
300 Rodime PLC ADR	7,150.00	6,225.00
200 ROLM	3,543.50	10,075.00
200 Sanders Associates	10,976.00	10,050.00
600 Softech Inc.	10,511.22	9,000.00
300 Stratus Computer Inc.	4,000.00	3,450.00
200 Systems & Computer Technology	6,582.39	5,450.00
200 Tandy Corporation	5,005.80	8,675.00
100 Teledyne	2,750.68	16,725.00
500 Teradyne	5,370.49	18,000.00
385 Texas Oil & Gas	12,243.40	18,383.75
400 Ungermann Bass	8,501.67	5,200.00
400 VLSI Tech. Inc.	5,772.27	5,200.00
400 Wal-Mart Stores	4,383.03	15,600.00
400 Wang Laboratories CLB	3,247.51	14,250.00
200 Xebec	4,700.00	3,550.00
Common Stocks	338,392.82	543,252.50
<u>Cash Balance</u>	81,910.44	81,910.44
<u>Total, December 31, 1983</u>	460,378.26	663,390.94

Table 2. MSA investment portfolio: dividends and interest received during 1983

<u>Interest - Government Bonds</u>	
U.S. of America Treasury Note Ser. A 8/15/90	4,300.00
U.S. of America Treasury 2/15/95	8,628.26
Accrued interest paid, purchase of U.S. Amer. Note 2/15/95	-2,841.85
Sub-total - Interest	10,086.41
<u>Interest - Corporate Bonds</u>	
Georgia Power Co., 1st Mtge. 11/1/2001	2,668.76
Internat. Bank Reconstruction & Development 1/1/85	1,405.87
U.S. Steel Corp. Conv. Sub. Deb. 7/1/2001	396.11
Sub-total - Interest	4,470.74
<u>Interest - Money Market</u>	
Reserve Fund	254.84
Chemical Bank	1,477.01
Sub-Total - Interest	1,731.85
<u>Dividends</u>	
Amdahl Corp. Com.	90.00
Analog Devices Inc. Com. cash in lieu of fractional share	11.29
Bristol-Myers Co. Com.	232.50
Burlington Northern	325.00
Capital Cities Communications Inc. Com.	20.00
Citicorp Corp. Del. Com.	548.00
Eastman Kodak Co. Com.	225.00
EG&G Inc. Com.	144.00
General Electric Co. Com.	190.00
General Instrument Corp. Com.	112.50
Great Lakes Chemical Corp. Com.	62.00
HBO & Co. Com.	2.50
Hewlett-Packard Co. Com.	63.00
Hospital Corp. of America Com.	133.00
Houston Natural Gas Corp. Com.	264.00
International Business Machine Corp. Com.	285.00
Key Pharmaceuticals Inc. Com.	5.00
M/A - Com. Inc.	101.00
Novo Industrias	78.29
Raytheon Co. Com.	280.00
Rubbermaid Inc. Com.	72.00
Smithkline Beckman Corp. Com.	130.00
Superior Oil Co. Com.	50.00
Sysco Corp. Com.	16.00
Texas Oil & Gas Corp. Com.	110.60
Viacom Internat. Inc. Com.	95.00
Wal Mart Stores Inc. Com.	55.50
Wang Laboratories Inc.	40.00
Warner Communications Inc. Com.	00.00
Waste Management Inc. Com.	52.00
Total Dividends	3,793.18
Total Dividends and Interest	20,082.18

Table 3. MSA investment portfolio: capital gains and losses realized in 1983

	<u>Cost</u>	<u>Proceeds</u>	<u>Gain</u>
100 Amdahl Corp.	1,628.21	1,949.93	321.72
500 Amdahl Corp.	7,004.11	8,582.21	1,578.10
250 Apple Computer Inc.	6,117.31	7,468.75	1,351.44
100 Analog Devices	1,336.49	3,725.37	2,388.88
100 Analog Devices	1,336.49	3,588.87	2,252.38
100 Burlington Northern	2,953.00	8,776.66	5,823.66
400 Citicorp	14,149.53	13,998.81	-150.72
200 Cetus Corp.	4,600.00	2,670.28	-1,929.72
100 Computer Consoles	2,495.57	3,508.33	1,012.76
100 Cullinane Database Systems Inc.	1,394.50	3,171.39	1,776.89
100 Diasonics Inc.	2,200.00	768.74	-1,431.26
200 Dyan Corp.	6,150.00	4,694.00	-1,456.00
100 Eastman Kodak Co.	8,777.00	6,820.92	-1,956.08
200 General Electric Co.	10,806.00	10,935.63	129.63
100 General Instrument	1,648.81	4,824.78	3,175.97
35,000 Georgia Power Co. 1st.	25,550.00	20,650.00	-4,900.00
300 Home Health Care Amer. Inc.	6,825.00	2,475.00	-4,350.00
300 Houston Natural Gas	8,709.23	10,849.13	2,139.90
100 Hospital Corp. of America	609.55	4,972.33	4,362.78
100 Intergraph Corp.	2,454.00	4,787.50	2,333.50
15,000 Incl. Bank Recon. & Develop.	15,022.50	14,250.00	-772.50
600 ISC System	8,890.00	7,669.13	-1,220.87
300 Liz Claiborne Inc.	6,336.31	11,000.40	4,664.09
100 MA Com. Inc.	2,475.00	2,892.90	417.90
400 Masstor Sys. Inc.	6,400.00	9,100.00	2,700.00
100 M C I Communications Corp.	1,668.75	4,070.50	2,401.75
300 Paradyne Corp.	6,325.00	6,748.27	423.27
100 People Express Airls. Inc.	3,675.00	5,775.00	2,100.00
100 Prime Computer Inc.	3,368.68	3,421.44	52.76
200 Prime Computer Inc.	3,500.09	6,096.91	2,596.82
200 Raytheon	2,938.58	8,277.72	5,339.14
200 Rubbermaid	8,860.00	8,009.73	-850.27
200 Smithkline Beckman Corp.	11,524.12	13,275.55	1,751.43
700 Sykes Datatronica Inc.	12,352.00	6,878.54	-5,473.46
200 Superior Oil	7,434.86	7,482.20	47.34
300 Superior Oil	11,152.30	10,919.66	-232.64
200 Sysco Corp.	6,957.00	6,714.77	-242.23
100 Tandy Corporation	2,502.90	4,824.78	2,321.88
100 Teledyne	2,750.68	12,880.55	10,129.87
100 Teradyne	1,074.10	3,041.89	1,967.79
200 Teradyne	2,148.20	7,040.76	4,892.56
10,000 U.S. Steel Corp. Sub. Deb. Conv.	10,000.00	5,612.00	-4,388.00
60,000 U.S. Treasury Bonds	59,462.50	55,012.50	-4,450.00
400 Viacom Intl. Inc.	7,326.56	13,304.31	5,977.75
100 Wal-Mart Stores	2,191.51	4,968.32	2,776.81
200 Waste Management	5,446.13	9,152.12	3,705.99
	328,527.57	377,638.58	49,111.01