

## Report of the MSA Financial Advisory Committee for 1982

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The performance of the Society's investment portfolio has met the expectations expressed when William G. Campbell and Sons was appointed the MSA investment counsellor in 1976. Over this period the market value of the portfolio has increased at an average annual rate of 13%, whereas the consumer price index increased at an average annual rate of 9% and the MSA operating expenses at 10%. The market value of the portfolio stood at \$726,023 at the end of 1982. The list of securities in the portfolio at the close of 1982, the summary of dividends and interest received during 1982, and the summary of the capital gains and losses due to sales of securities during 1982 follow as Tables 1, 2, and 3. To be consistent with the auditor, M.B. Hariton and Company, capital transactions have been reconciled to reflect the status that would have been achieved had all transactions been completed on the date that they were initiated by the investment counsellor.

The Society appointed a new Financial Advisory Committee in August, 1982. This committee began to review the management of this Society's finances, including its operating monies. It should be noted at the outset that the tireless efforts of the current Treasurer have done much to resolve the uncertainties in the accounting that were noted in the report for 1981. However, there are still delays in obtaining periodic financial reports and the audit. The Committee examined the nature of the funds that compose the investment portfolio and recommended that all operating monies (largely subscription escrow) be withdrawn from the investment portfolio and placed in the Operating Fund's money-market fund for use during 1983. The large value for cash in the portfolio (Table 1) represents proceeds (Table 3) that had not yet been transferred to that money-market fund. We are developing further recommendations that will simplify the accounting of the Society's investments, enable the Council to understand more easily the status of each individual fund, and permit investment objectives that will closely meet anticipated uses of various fund incomes.

Respectfully submitted  
 The Committee for 1982:  
 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, 1982

Security	Cost	Market Value 12-31-82
<b>Senior Securities</b>		
35,000 Georgia Power Co. 1st 7.625% 11/01/01	25,550.00	21,743.75
15,000 Intl. Bank Recon. & Develop. 8.150% 1/01/85	15,022.50	14,362.50
10,000 U.S. Steel Corp. Sub. Deb. Conv. 5.750% 7/01/01	4,600.00	5,337.50
40,000 U.S. Treasury Notes 10.750% 8/15/90	40,075.00	40,674.80
Total Senior Securities	90,647.50	82,118.55
<b>Common Stocks</b>		
300 Amdahl Corp.	8,632.32	8,925.00
437 Analog Devices	8,850.08	12,072.13
450 Apple Computer Inc.	8,992.31	13,443.75
400 Avantek	2,429.00	8,500.00
100 Bristol-Myers	6,406.51	6,725.00
200 Burlington Northern	5,906.00	10,625.00
100 Capital Cities Communication	3,807.50	11,962.50
200 Cetus Corp.	4,600.00	2,475.00
400 Citicorp	14,149.53	13,000.00
300 Computer Consoles	7,486.70	10,762.50
200 Computervision Corp.	1,894.67	6,175.00
200 Convergent Technologies Inc.	2,550.00	6,725.00
200 Cray Research Inc	3,037.77	7,725.00
200 Cullinane Database Systems Inc.	5,578.00	9,225.00
500 Dysan Corp.	12,452.00	8,250.00
400 EGM	5,568.50	11,300.00
200 Federal Express Corp.	4,132.06	14,850.00
300 General Instrument	4,946.42	14,925.00
200 Hewlett-Packard	8,542.00	14,600.00
200 Hogan Systems	5,100.00	5,550.00
300 Hospital Corp. of America	2,438.19	16,650.00
300 Houston Natural Gas	8,709.23	10,725.00
600 ISC System	8,890.00	11,100.00
300 Intergraph Corp.	7,004.00	14,325.00
300 Liz Claiborne Inc.	6,336.31	11,175.00
400 M A Com. Inc.	9,900.00	9,250.00
300 MCI Communications Corp.	5,006.25	10,912.50
200 NBI Inc.	4,454.34	7,400.00
300 Network Sys. Corp.	5,193.89	10,387.50
200 Novo Industri A.S. ADR	7,159.92	8,775.00
200 Paradyme Corp.	6,325.00	7,500.00
300 People Express Airs. Inc.	3,675.00	6,450.00
200 Policy Mgmt. Sys. Inc.	4,600.00	7,250.00
300 Prime Computer Inc.	6,868.77	10,387.50
200 Printronix	3,449.74	5,300.00
200 Raytheon	2,938.58	8,950.00
200 Rolm	3,543.50	10,150.00
200 SmithKline Beckman Corp.	11,524.12	13,800.00
500 Superior Oil	18,587.16	14,375.00
700 Sykes Datatronics Inc.	12,352.00	7,700.00
300 Tandy Corporation	7,508.70	15,225.00
200 Teledyne	5,501.36	25,875.00
400 Teradyne	8,592.79	11,400.00
350 Texas Oil & Gas	12,243.40	11,900.00
400 Viacom Intl. Inc.	7,326.56	12,100.00
300 Wal-Mart Stores	6,574.54	14,962.50
400 Wang Laboratories Cl. B.	3,247.51	11,800.00
200 Waste Management	5,446.13	10,700.00
Total Equities	320,458.36	514,340.88
<b>Cash Balance</b>		
	129,565.26	129,565.26
<b>Account Total, December 31, 1982</b>	<b>540,671.22</b>	<b>726,024.69</b>

Table 2. Dividends and interest from investments, 1982

Interest	
Reserve Fund (Money-market fund for portfolio cash)	887.02
Inter. Bank Recon. Recon. & Dev. 1/1/85	1,222.50
U.S. Steel Corp. 7/1/01	575.00
U.S. Treasury Notes 3/31/84	3,640.80
U.S. Treasury Notes 11/30/82	1,779.87
Georgia Power, Co. 11/1/01	2,668.76
	10,773.95
Accrued Interest paid, purchase of U.S. Amer. Trea. Note A	<630.98>
Subtotal - Interest	10,142.97
Dividends	
Amdahl Corp.	100.00
Amsted	124.00
Analog Devices	9.15
Bristol-Myers	52.50
Burlington Northern	501.00
Capital Cities Communications	40.00
Dresser Ind.	240.00
EG&G	128.00
Foothill	161.40
General Ins.	132.00
Hewlett-Packard	72.00
Hilton Hotel	540.00
Houston Natural Gas	495.00
Hospital Corp. of America	186.75
Kollmorgen	64.00
M/A-Com, Inc.	60.00
Novo Industries	74.28
Overnite Transport	160.00
Overseas Shipholding Group	235.89
Parker Drilling Co.	72.00
Raytheon Co.	560.00
Scientific Atlanta	36.00
SmithKline Beckman	478.00
Sony	94.58
Superior Oil	100.00
Texas Oil & Gas	91.00
Viacom Intl. Inc.	110.00
Wal Mart	100.50
Wang	26.00
Warner Communications	100.00
Waste Management	52.00
Subtotal - dividends	5,196.05
Total Dividends and Interest	15,339.02

Table 3. Capital gains and losses realized in 1982

	Cost	Proceeds	Gain
200 Amsted Industries	3,574.50	5,203.98	1,629.48
400 Avantek	2,429.00	5,650.00	3,221.00
100 Burlington Northern	2,953.00	5,731.99	2,778.99
100 Capital Cities Communications	3,807.50	11,381.80	7,574.30
200 Computervision Corp.	1,894.68	4,412.85	2,518.17
200 Convergent Technologies Inc.	2,550.00	6,375.00	3,825.00
100 Cray Research Inc.	1,518.88	3,834.71	2,315.83
100 Cullinane Database Systems Inc.	2,789.00	5,119.51	2,330.51
400 Datapoint Corp.	3,922.31	5,319.82	1,397.51
400 Dresser Industries	6,837.01	5,615.21	-1,221.80
100 Federal Express	2,950.00	4,675.15	1,725.15
533 Foothill Group Inc. Cl-A	6,500.00	5,932.29	-567.71
100 Hewlett-Packard	4,271.00	6,756.96	2,485.96
300 Hilton Hotels	3,308.13	10,494.33	7,186.20
150 Hospital Corp. of America	1,219.10	8,223.00	7,003.90
500 Intermedics Inc.	11,500.00	8,462.50	-3,037.50
300 Kollmorgen	6,893.89	6,830.39	-63.50
100 MCI Communications Corp.	1,668.75	3,775.00	2,106.25
400 Monolithic Memories	8,807.72	4,444.00	-4,363.72
100 NBI Inc.	2,227.17	3,760.34	1,533.17
629 Overseas Shipholding Group Inc.	6,851.08	6,801.30	-49.78
300 Overnight Transportation	7,283.51	8,448.03	1,164.52
100 Paradyne Corp.	3,162.50	4,702.40	1,539.90
600 Parker Drilling	5,315.00	4,647.43	-667.57
200 Prime Computer Inc.	6,737.35	6,551.85	-185.50
200 Prinstonix	3,450.00	5,750.00	2,300.00
200 Raytheon	2,938.58	8,304.44	5,365.86
600 Scientific-Atlanta Inc. Com.	3,707.00	9,554.67	5,847.67
600 Sony Corp.	9,135.45	7,465.04	-1,670.41
600 Storage Technology	3,576.00	11,043.37	7,467.37
600 Tandem Computers Inc.	4,000.00	16,050.00	12,050.00
100 Tandy Corporation	2,502.90	4,752.27	2,249.37
600 Triad Systems Corp.	9,732.00	12,050.89	2,318.89
400 Tymshare	4,637.00	8,045.96	3,408.96
25,000 U.S. Treasury Notes	26,649.83	26,240.63	-409.20
15,000 U.S. Treasury Notes	14,996.88	15,040.63	43.75
300 Wal-Mart Stores	6,574.55	13,033.86	6,459.31
100 Warner Communications	5,457.35	2,976.17	-2,481.18
	208,328.62	293,457.77	85,129.15