

**SIGMA XI, THE SCIENTIFIC RESEARCH SOCIETY  
REPORT OF THE COMMITTEE ON FINANCES  
FOR THE YEAR ENDED JUNE 30, 1999**

The membership of the Committee on Finances for 1998-99 is:

John W. Prados, Chair  
Peter D. Blair  
S. Gaylen Bradley  
W. Franklin Gilmore  
Peggie Hollingsworth  
Lawrence M. Kushner  
Raymond P. Lutz  
Richard L. Meyer  
John H. Moore

The Committee on Finances met on February 20, 1999, in Research Triangle Park, North Carolina, reviewed the performance of Sigma Xi's investments, and recommended a draft budget for FY 2000 to the Executive Committee. In consultation with representatives of J. C. Bradford & Company, the Society's investment manager, the committee also developed a revised investment policy statement.

The Society's investments are divided into the following four major funds:

*the Endowment Fund*, composed of two parts:

- *Research Endowment Funds*, whose income is designated to support the Grants-in-Aid of Research program
- *Other Endowment Funds*, whose income and gains are designated to support other programs of the Society. It includes *the Life Member Fund*, which is a depository of life member payments, with income and gains credited to the annual dues for life members

*the Operating and Reserve Fund*, in which operating funds are invested over periods of several months to balance the cyclic cash flows of the Society

*the Capital Fund*, which is a depository of contributions from various sources toward construction of the new Sigma Xi Center in Research Triangle Park.

As of June 30, 1999, the balances in each of these funds were as follows:

Fund	Cost	Market Value
Endowment	\$13,691,336	\$ 18,803,492
Operating and Reserve	545,849	547,349
Capital	196,962	180,435
<b>Total</b>	<b>\$14,434,147</b>	<b>\$ 19,531,276</b>

Dividend/interest yields and total returns, based on cost, for the three funds on June 30, 1999 were :

Fund	Dividend and Interest Yield, Percent	Total Return Including Realized Capital Gains, Percent
Endowment	2.76	12.90
Operating and Reserve	5.01	5.15
Capital	7.21	7.50

These yields reflect the decision of the Board of Directors to favor long-term growth potential over current yields in the Endowment Fund portfolio, combined with a favorable equities market. The market value of all Sigma Xi funds increased by 10.67 percent from July 1, 1998 to June 30, 1999.

John W. Prados  
Chair