

**SIGMA XI, THE SCIENTIFIC RESEARCH SOCIETY
REPORT OF THE COMMITTEE ON FINANCES
FOR THE YEAR ENDED JUNE 30, 2003**

The membership of the Committee on Finances for 2002-03 is:

Richard L. Meyer, Chair
David Campbell
Jaleh Daie
Evan R. Ferguson
Arthur M. Geller
Marye Ann Fox
W. Franklin Gilmore
Lawrence M. Kushner
Raymond P. Lutz
Ann H. Williams

The Committee on Finances met on March 1, 2003, in Research Triangle Park, North Carolina, reviewed the performance of Sigma Xi's investments, and recommended a draft budget, which reflected the organizational structure, for FY 2004 to the Executive Committee. The purpose of the Research and Operations Fund is to provide annual support for research and Society operations. The purpose of the Building Fund is to finance construction of the new Sigma Xi Center building.

As of June 30, 2003, the balances in these funds were as follows:

Fund	Cost	Market Value
Research and Operations	\$12,512,703	\$ 13,737,355
Building (Money Market)	\$ 2,583,999	\$ 2,583,999
Total	\$15,096,702	\$ 16,321,354

Dividend/interest yields and total returns, based on cost, for these funds on June 30, 2003 were:

Fund	Dividend and Interest Yield, Percent	Total Return Including Realized Capital Loss, Percent
Research and Operations	1.2	(22.18)
Building	1.0	1.0

The Research and Operating Fund yields reflect the decision of the Board of Directors to favor long-term growth potential over current yields. As the result of continued market softness over the past year, the market value of Sigma Xi Research and Operations Fund decreased by 10 percent from July 1, 2002 to June 30, 2003. However, the Committee is confident that the adjusted investment strategy will produce improved investment performance as the market returns to historical averages.

Richard L. Meyer
Chair