

**SIGMA XI, THE SCIENTIFIC RESEARCH SOCIETY
REPORT OF THE COMMITTEE ON FINANCES
FOR THE YEAR ENDED JUNE 30, 2004**

The membership of the Committee on Finances for 2003-04 is:

Richard L. Meyer, Chair
Francisco J. Ayala
David Campbell
Jaleh Daie
Arthur M. Geller
Lawrence M. Kushner
Raymond P. Lutz
Peter Raven
Patrick Sculley
Ann H. Williams

The Committee on Finances met on March 19, 2004, 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 2005 to the Board of the Corporation. The purpose of the Research and Operations Fund is to provide annual support for research and Society operations. The purpose of the Capital Campaign Fund is to finance construction of the new Sigma Xi Center building.

As of June 30, 2004, the balances in these funds were as follows:

Fund	Cost	Market Value
Research and Operations	\$11,623,137	\$ 13,797,203
Capital Campaign	\$ 2,787,757	\$ 2,760,605
Total	\$14,410,894	\$ 16,557,808

Dividend/interest yields and total returns, based on cost, for these funds on June 30, 2004 were:

Fund	Dividend and Interest Yield, Percent	Total Return Including Realized Capital Gains, Percent
Research and Operations	1.2	9.6
Capital Campaign	4.2	2.7

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 market conditions over the past year, the market value of Sigma Xi Research and Operations Fund has increased 0.44 percent from July 1, 2003 to June 30, 2004. However, the Committee is confident that the adjusted investment strategy will produce improved investment performance as the market returns to historical averages. The Committee recommended that the Capital Campaign funds be invested in low risk instruments and managed in reference to mortgage repayment strategy.

Richard L. Meyer
Chair