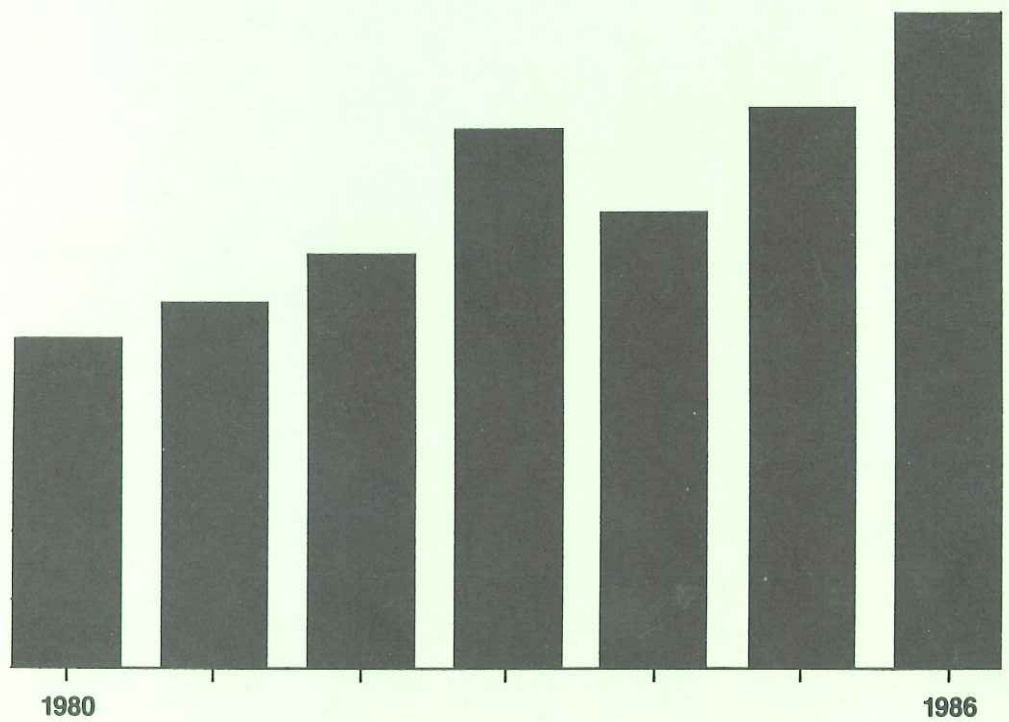
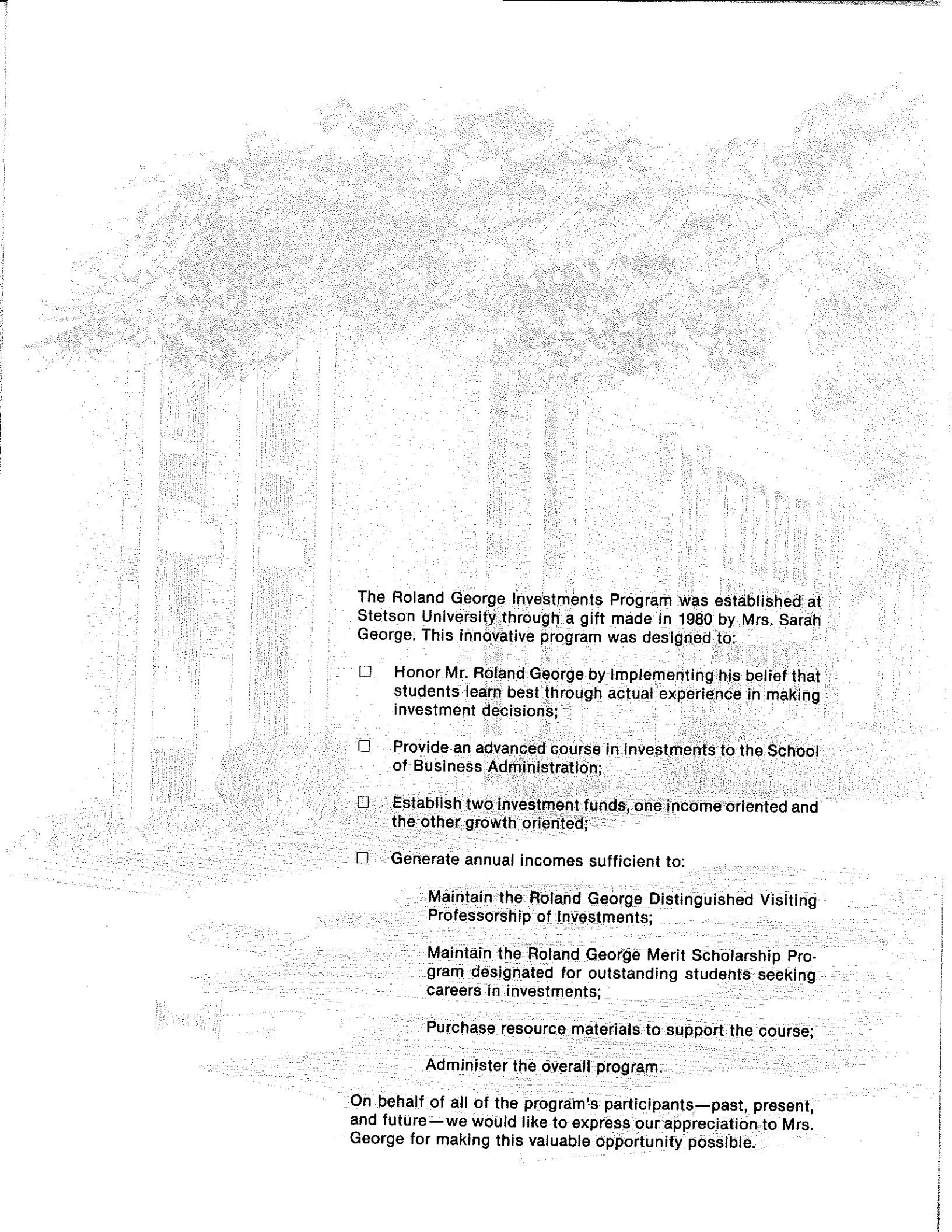


**1985-86
ANNUAL REPORT**

**THE ROLAND GEORGE
INVESTMENTS PROGRAM**

**School of Business Administration
Stetson University
DeLand, Florida**





The Roland George Investments Program was established at Stetson University through a gift made in 1980 by Mrs. Sarah George. This innovative program was designed to:

- Honor Mr. Roland George by implementing his belief that students learn best through actual experience in making investment decisions;
- Provide an advanced course in investments to the School of Business Administration;
- Establish two investment funds, one income oriented and the other growth oriented;
- Generate annual incomes sufficient to:

Maintain the Roland George Distinguished Visiting Professorship of Investments;

Maintain the Roland George Merit Scholarship Program designated for outstanding students seeking careers in investments;

Purchase resource materials to support the course;

Administer the overall program.

On behalf of all of the program's participants—past, present, and future—we would like to express our appreciation to Mrs. George for making this valuable opportunity possible.

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cover graph: Total assets in Program after expenses. See Appendix A.

THE YEAR IN REVIEW

The first half of 1986 proved to be an exciting time for both financial market observers and the students in the Roland George Investments Program. The stock market mounted a sustained upswing and the 1986 class witnessed one of the most dramatic bond rallies in history. For the second year in a row the combined performance of the funds topped twenty percent. Overall, the fund gained 22.9 percent before expenses with the growth fund up 28.4 percent and the income fund up 17.4 percent. By May 30, total assets in the fund stood at \$948,448.

Mr. Gerald T. Kennedy, president of Kennedy Capital Management, Inc., was again chosen as this year's Distinguished Visiting Professor. Mr. Kennedy is to be credited with not only instilling an investment discipline in the students, but also attracting the services of successful investment practitioners. These individuals have added specific expertise in the areas of economic forecasting, portfolio modeling, and computer screening. These professionals have made the program one of the most dynamic and exciting investment courses in the country.

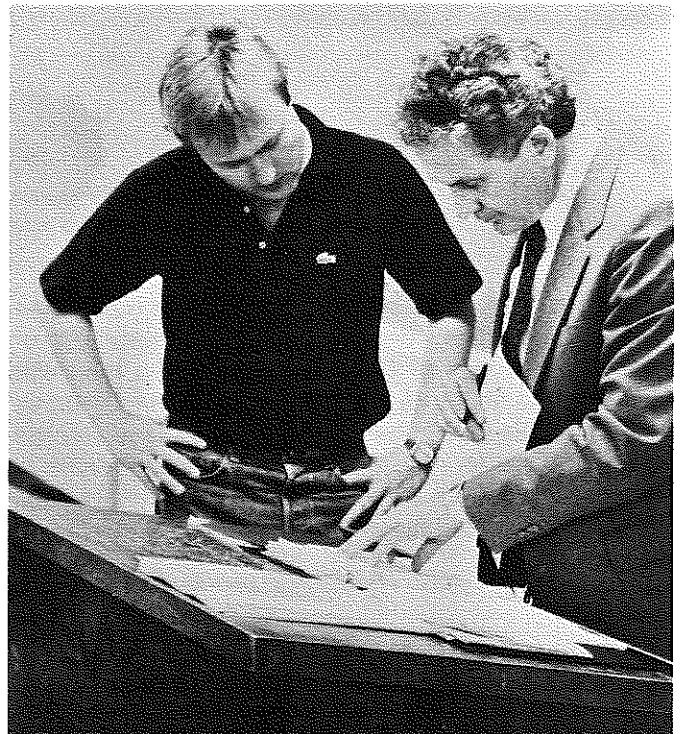
Joining the program this year was a new director, Dr. James Mallett. He joins former directors Dr. Michael Boyd and Professor Kenneth Jackson in gaining beneficial applied knowledge from investment practitioners.

Through the efforts of these directors and the Distinguished Visiting Professors, the Roland George Investments Program has continued to gain state and national attention. Mr. Kennedy has appeared twice on the nationally televised Financial News Network, once with one of this year's students, Ms. Barbara Antonetti. Professor James Mallett and Mr. John Alexander, a former Roland George student, discussed the program with John E. Evans and Carter Randall on Orlando's WESH-TV's show "Money Matters."

On campus, courses related to the portfolio management course were added in the winter term. A course in portfolio research was offered to Roland George

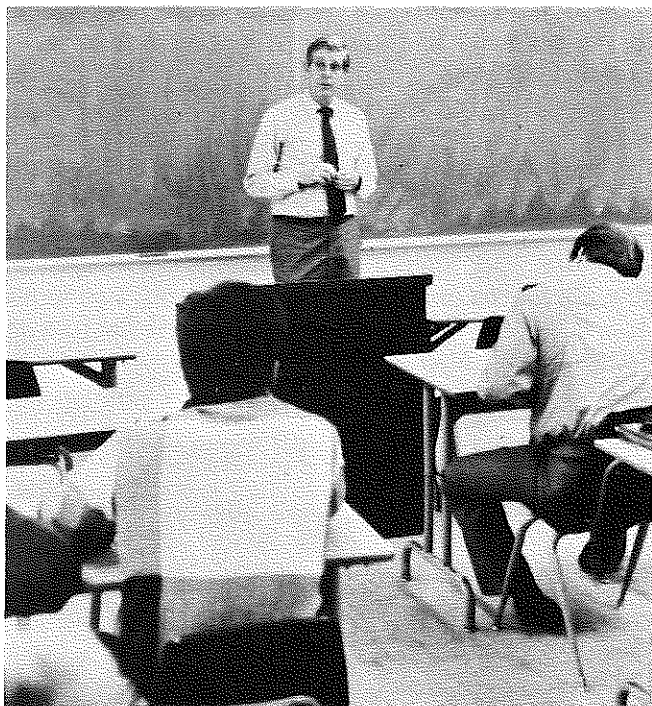
students this year. Also, for the second year, an options and futures course was conducted which allowed the students to travel to Chicago to observe the financial markets.

The course in options and futures was guest-lectured by two practitioners who are also Stetson University graduates. John McCullough and Paul Sneider of J. P. Industries, Inc., visited the campus and arranged the itinerary for the one week visit to Chicago. Two former Roland George students, option traders Brian Yale and Beth Walrath, also shared their knowledge with the students.



Gerald T. Kennedy, 1985-86 Distinguished Visiting Professor, confers with Andrew Trower.

HISTORY OF THE PROGRAM



Carter Randall shares his expertise with the class.

On August 20, 1980, assets with a value of nearly one-half million dollars were transferred to Stetson University. This gift was to fulfill the dream of a man who believed that students should learn from hands-on experience. This dream belonged to Mr. Roland George. His vision is offering Stetson University's students an opportunity that few other institutions of higher education can offer: the investment and management of actual dollars.

To honor her husband and carry forward his dream, Mrs. Sarah George sought out a university that would allow students under the guidance of practitioners to manage the money. She stated that Mr. George was annoyed with colleges that taught only theory. His pro-

gram would enable students to manage an actual portfolio, including the pressure of generating sufficient funds to pay program expenses. She stressed that failure, as well as success, should be part of the learning experience, and required the students to have a major voice in the investment decision-making process.

Mrs. George, her brother Robert Wilson, and lawyer Frank Gaylord approached Stetson University with their idea. Their contributions, along with President Pope Duncan, Dean David Nysten, Dr. H. Douglas Lee, and Professor Kenneth Jackson, developed the academic program. Mr. B. Carter Randall, a panelist on TV's "Wall Street Week" and investment consultant, was chosen to lead off as the Distinguished Visiting Professor.

Mr. Gerald T. Kennedy served as Distinguished Visiting Professor for the second year of the program. He introduced the use of computers in scanning stocks that meet criteria selected from student research. Using services such as Value Line, S&P's Stockpak and the Dow Jones Quote Retrieval in conjunction with literary sources such as Zach's Icarus Services, the O'Neil Reports, and the Mutual Fund Forecaster, the class has benefited greatly.

Today Stetson University and the Roland George Investments Program have become recognized in the financial world. Here in quiet DeLand, Florida, business students are afforded the unique opportunity to manage a portfolio with the pressures of a New York investment company. Where many universities offer courses using computer-simulated programs or "play" money, Stetson University students are charged with investing nearly one million dollars.

Roland George's dream has become a reality. Mr. George felt that exposure to experienced investment managers and participation in actual investment decisions were the ideal way to prepare for a career in investments. For six years the program has met goals successfully.

THE 1986 ROLAND GEORGE INVESTMENTS PROGRAM

COURSE STRATEGY

Course strategy for 1986 was designed to spread the investment decision-making process as evenly as possible throughout the semester. A total of fourteen practitioners taught the students about investment management from their own particular perspectives. The schedule of speakers was meshed with the actual investment process so that students could immediately put their new insights to work.



New program director, Dr. James E. Mallett, and student trustees, Michael Burnick, Chuck Buhler, Roselle Falk, and Andrew Trower.

Using a top-down approach, the major steps in the investment process were:

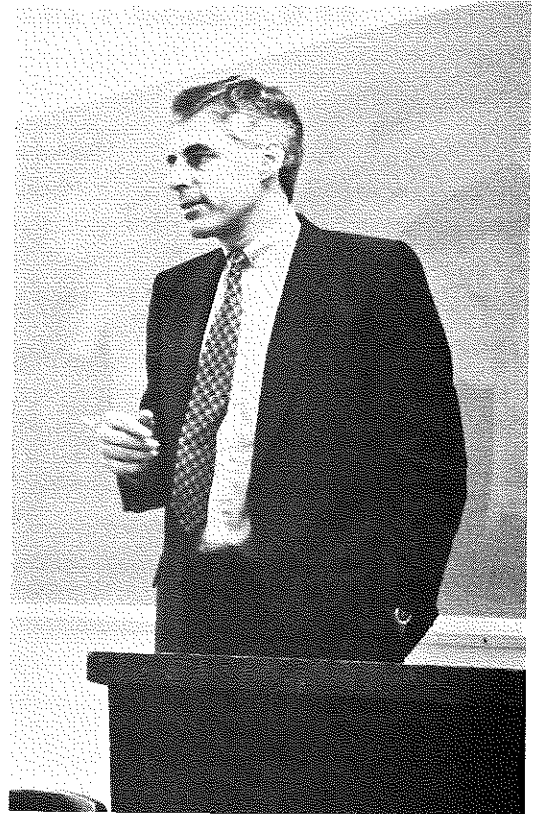
1. Forecast the investment climate for the coming year
2. Establish investment criteria for the income portfolio
3. Based upon these criteria, select an income portfolio to meet next year's budget
4. Establish criteria for the growth portfolio
5. Determine sales candidates from the growth portfolio
6. Design a growth portfolio to provide an increase in the program's assets
7. Develop risk-reduction measures to monitor portfolios while the class is not in session

INVESTMENT ENVIRONMENT

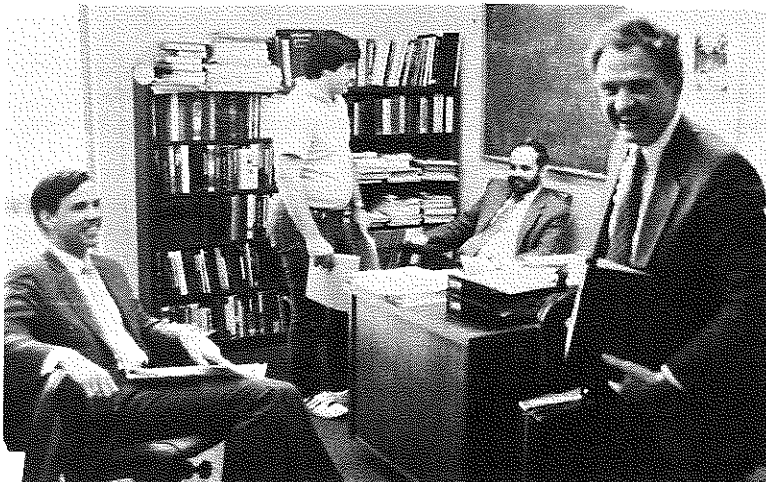
The 1986 Roland George Investments Program experienced a raging bull market. The Dow Industrials charged into uncharted territory. The bond market rallied as interest rates tumbled in response to decelerating inflation largely influenced by the rapid decline in the price of oil. On the first day of class, the S&P 500 Index closed at 212.79 and the Dow closed at 1593.23. By the final day of class the S&P was up 11.4 percent closing at 237.13 while the Dow was up 12.1 percent closing at 1786.21. The market clearly produced exceptional gains for the three-month period.

The bond market rallied to points unmatched in ten years with the yield on thirty year U.S. Treasury bonds going below eight percent. The three month T-bill yield, which was at 7.21 percent the first week of class, dipped below six percent for about two weeks. The outstanding performance of the markets occurred despite a somewhat sluggish economy.

Despite uncertainties, the overwhelming belief of the class was that the bull market would continue. A consensus of the guest speakers supported this opinion. This view was contingent upon no significant increase in the price of oil and barring unforeseen catastrophes.



Michael Landry discussed international investing.



Robert Wohlerber relaxes before addressing the class.



Bruce Hanley explains the O'Neil data services to Gary Lenz.

INCOME PORTFOLIO — OBJECTIVE AND CRITERIA

The 1986 Roland George class set the income portfolio objective based on the guidance of past performance and current financial needs. In 1985 the income target was fifty thousand dollars. The class decided it should lower this requirement to forty-five thousand dollars due to the fall in market interest rates. The main concern was for safety of the principal of the income fund. The class also felt that they should achieve a balance between limited risk for the investments and striving for maximum income.

With these goals in mind, the class established four basic criteria for corporate bonds:

- Maturity of less than twenty years, but greater than five years
- Moody's rating of at least Baa
- At least nine percent yield to maturity
- Priced at or below par

The mix of investments in the income fund changed this year to a higher reliance on corporate bonds (see Appendix B). The class believed this change to be necessary given the declining rates of return on government securities and the on-going bond market rally. The current proportions stand at sixty-five percent corporate bonds, thirty percent U.S. Treasury securities, and five percent common stock.



Mark Finn and Carol Sullivan review material during the class break.

GROWTH PORTFOLIO — OBJECTIVE AND CRITERIA

In developing the growth portfolio, the 1986 class adhered to the following objective: to design a portfolio to provide for above-average growth on capital with below average risk in order to increase the program's assets.

In keeping with this objective, the class decided upon a number of stock-selection criteria. The six primary criteria were:

- Price/earnings ratio less than or equal to thirteen
- Standard & Poor's financial strength rating of B or better; if unrated then subjected to secondary criteria of debt/equity ratio of less than or equal to 70 percent and S&P relative strength of greater than or equal to 50 percent
- Five-year earnings-per-share compound growth rate greater than 15 percent
- Most recent year's earnings-per-share growth of at least 20 percent
- Most recent quarter's earnings-per-share at least 30 percent greater than the same quarter last year

- Dividend payout ratio less than or equal to 40 percent

Six additional criteria were seen to be of secondary importance:

- Total market value of shares less than or equal to \$300 million
- Institutional holdings of less than or equal to 40 percent
- Insider buying greater than insider selling over the last six months as measured by number of transactions
- Individual relative strength greater than 50, as reported by Standard and Poor's Industrial Ratings
- Debt/equity ratio less than or equal to 70 percent
- Earnings surprise as measured by comparing actual earnings to earnings estimates for the quarter

RISK REDUCTION AND PORTFOLIO MONITORING STRATEGIES

The class of 1986 decided that two types of risk should be monitored. 1) Market risk which is the decline in the portfolio due to an overall market decline, and 2) Company risk which is a reduction in the portfolio value due to poor performance of an individual stock in the fund.

In an up market, company risk will be monitored. An up market is defined as one where the current two-week S&P 500 Index average is higher than the highest previous two-week average. Stocks will be sold at market if it is less than the expected price determined from the following formula:

$$\text{Expected price} = [\text{Stock price as of April 30, 1986}] \times 0.7 [1 + (\% \text{ change in S\&P 500 from April 30, 1986}) \times (\text{Beta of stock})]$$

If a stock's beta is less than one, insert one for beta.

All proceeds from stocks sold in an up market are to go to Evergreen Total Return Mutual Fund.

In a market downturn, market risk will be monitored. A down market is defined as a decrease in the two-week average (generally ten days) of the S&P 500 stock index from any previous high starting April 30, 1986. If the S&P 500 drops ten percent, then the three lowest performing stocks will be sold. If the market then drops another five percent (total of fifteen percent), then the next four lowest performing stocks will be sold. If another five percent (total of twenty percent)

decline occurs, then all remaining stocks in the portfolio are to be sold. Stocks are to be sold at market.

If the market goes down to one of the above percentage levels and then rallies, above that point, a return to that level would not necessitate any further action. For example, if the market declines ten percent and rises above that point, a return to the ten percent level would not require any further action.

The exception to the above guideline is if a stock has appreciated ten percent or more over its purchase price, then it will be held in the portfolio until it no longer meets this rule.

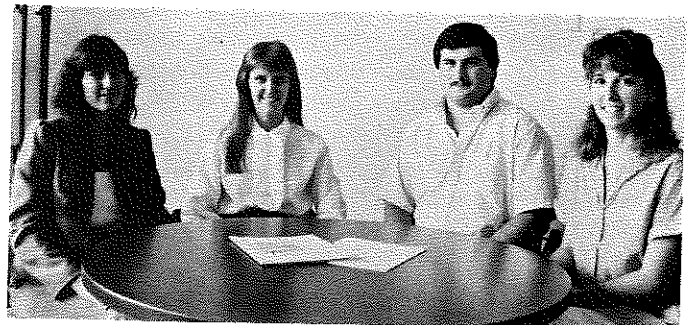
The first seven stocks sold because market risk are to be placed in the Evergreen Total Return Mutual Fund. Any stocks sold and are placed in this fund will count toward the seven stock limit. When the fund has reached its limit of seven stocks, any remaining stock sold because of market risk will be placed in the Sun Bank Cash Management Reserve Account.

The director of the program is to monitor the stocks every other Friday beginning May 23, 1986.

No specific controls are to be placed on the bonds in the income portfolio. Cleveland Electric is to be monitored as the other stocks. If it is sold, however, the proceeds are to go to Stratton Monthly Dividend Mutual Fund. If any bonds are called, the proceeds up to a \$250,000 limit are to be placed in Stratton.

1986 ROLAND GEORGE MERIT SCHOLARS

Four outstanding students were honored with Roland George Merit Scholarships during the past year. For overall academic excellence, awards of one thousand dollars each went to Janet Sealy of Belleview, Florida, and Jackie Olson of Ormond Beach, Florida. Awards of five hundred dollars each for outstanding contribution to the Program were made to Gary Lenz of Castleton, Vermont, and Barbara Antonetti of Venice, Florida. To date, twenty students have received scholarships during the program's six-year existence.



Roland George Merit Scholars (l-r): Jackie Olson, Janet Sealy, Gary Lenz, and Barb Antonetti.

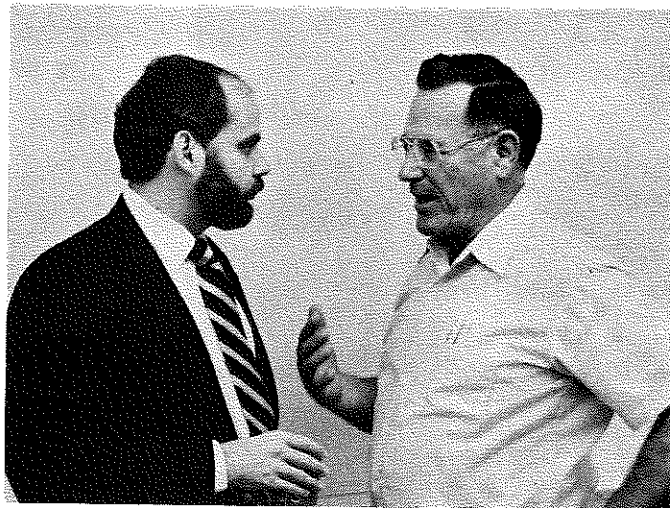
APPENDIX A

SUMMARY OF SIX-YEAR PERFORMANCE^a

| <u>DATE</u> | <u>INCOME</u> | <u>GROWTH</u> | <u>INCOME</u> |
|-------------|------------------------|---------------|----------------------|
| 8/20/80 | _____initial gift_____ | | \$481,499 |
| 5/31/81 | \$233,722 | \$297,354 | 531,076 |
| 5/31/82 | 337,559 | 264,303 | 601,862 ^b |
| 5/31/83 | 374,161 | 407,186 | 781,347 |
| 5/31/84 | 344,588 | 315,376 | 659,964 |
| 5/31/85 | 402,196 | 410,290 | 812,486 |
| 5/31/86 | 471,512 | 476,936 | 948,448 |

^aAll figures net of program expenses.

^bIncludes subsequent gift of \$86,792 in February 1982.



Current Program Director James Mallett and former Program Director Ken Jackson.

APPENDIX B

PORTFOLIO ASSETS — 5/31/86 GROWTH FUND

COMMON STOCKS

| <u>SHARES</u> | <u>NAME</u> | <u>COST</u> | <u>MARKET</u> |
|----------------------------|---------------------------|-------------------|-------------------|
| ENERGY | | | |
| 1,800 | HOLLY CORPORATION | \$ 31,542 | \$ 36,675 |
| FINANCIAL | | | |
| 500 | FIRST BOSTON, INC. | 29,340 | 28,688 |
| 500 | FIRST CAPITAL CORPORATION | 28,477 | 27,500 |
| 1,900 | FIRSTCORP, INC. | 30,452 | 28,263 |
| 1,200 | HUBCO, INC. | 32,674 | 31,200 |
| 1,200 | ICH CORPORATION | 31,177 | 31,950 |
| 1,800 | MDC HOLDINGS, INC. | 34,452 | 34,875 |
| FOOD | | | |
| 900 | PENN TRAFFIC CO. | 28,434 | 37,913 |
| 1,400 | VICTORY MARKETS, INC. | 30,764 | 40,775 |
| SERVICE | | | |
| 1,100 | TECH OPS, INC. | 32,021 | 33,688 |
| 3,400 | WEIMAN, INC. | 31,558 | 25,925 |
| TEXTILE AND APPAREL | | | |
| 1,200 | COLLINS AND AIKMAN | 19,262 | 44,100 |
| 900 | KELLWOOD COMPANY | 30,631 | 34,538 |
| TOTAL COMMON STOCKS | | \$ 390,783 | \$ 436,088 |

MUTUAL FUNDS

| | | | |
|-------|------------------------|-----------|-----------|
| 2,039 | EVERGREEN TOTAL RETURN | \$ 39,000 | \$ 39,454 |
|-------|------------------------|-----------|-----------|

TOTAL CASH EQUIVALENTS

| | |
|----------|----------|
| \$ 1,424 | \$ 1,424 |
|----------|----------|

TOTAL GROWTH FUND ASSETS

| | |
|-------------------|-------------------|
| <u>\$ 431,207</u> | <u>\$ 476,936</u> |
|-------------------|-------------------|

INCOME FUND

U.S. TREASURY BONDS & NOTES

| ESTIMATED UNITS | DESCRIPTION | COST | MARKET | YIELD (%) |
|--------------------|--------------------------------|------------------|-------------------|------------|
| 25,000 | U.S. TSY. 11 3/8% due 02/15/89 | \$ 24,619 | \$ 27,156 | 10.5 |
| 20,000 | U.S. TSY. 11 3/4% due 11/15/93 | 19,500 | 23,719 | 9.9 |
| 30,000 | U.S. TSY. 8 3/4% due 08/15/94 | 22,457 | 31,163 | 8.4 |
| 25,000 | U.S. TSY. 10 1/8% due 11/15/94 | 20,660 | 27,891 | 9.1 |
| | TOTAL TREASURY ISSUES | \$ 87,236 | \$ 109,928 | 9.4 |

CORPORATE BONDS

| | | | | |
|--------|---|-------------------|-------------------|------------|
| 20,000 | AMERICAN TEL. & TEL. 10 3/8% due 06/01/90 | \$ 17,100 | \$ 20,000 | 10.4 |
| 20,000 | NORTON SIMON, INC. 7.7% due 12/1/96 | 13,638 | 17,100 | 9.0 |
| 24,000 | CHRYSLER CORPORATION 8% due 11/01/98 | 22,080 | 21,360 | 9.0 |
| 25,000 | STANDARD OIL OF OHIO 8 1/2% due 01/01/00 | 17,794 | 23,563 | 9.0 |
| 20,000 | GREYHOUND CORPORATION 9 7/8% due 01/15/00 | 19,850 | 19,875 | 9.4 |
| 30,000 | DATA GENERAL CORPORATION 8 3/8% due 09/15/02 | 27,913 | 27,000 | 9.3 |
| 30,000 | GENERAL ELECTRIC 8 1/2% due 05/01/04 | 21,750 | 29,625 | 8.6 |
| 20,000 | IBM CORPORATION 9 3/8% due 10/01/04 | 15,250 | 20,500 | 9.2 |
| 10,000 | ENSEARCH CORPORATION 10 7/8% due 06/15/05 | 10,038 | 10,175 | 10.7 |
| 20,000 | AMERICAN CORPORATION 10 1/4% due 04/01/06 | 19,700 | 19,875 | 10.3 |
| 6,000 | ILLINOIS POWER 8 5/8% due 02/15/08 | 5,551 | 5,385 | 9.6 |
| 25,000 | DOW CHEMICAL COMPANY 8 5/8% due 02/15/08 | 19,938 | 23,000 | 9.4 |
| | TOTAL CORPORATE BONDS | \$ 210,600 | \$ 237,458 | 9.4 |

COMMON STOCKS AND MUTUAL FUNDS

| | | | | |
|-----|--------------------------------|------------------|------------------|-------------|
| 999 | CENTERIOR ENERGY CORPORATION | \$ 18,895 | \$ 24,101 | 10.6 |
| 34 | STRATTON MONTHLY DIVIDEND FUND | 1,000 | 1,009 | |
| | TOTAL STOCKS | \$ 19,895 | \$ 25,110 | 10.5 |

MORTGAGES

| | | | | |
|--|--------------------------------|------------------|------------------|------------|
| | GOODRICH MORTGAGE due 10/01/86 | \$ 32,545 | \$ 32,545 | 12.0 |
| | RHODES MORTGAGE due 08/07/01 | 50,124 | 50,124 | 8.0 |
| | TOTAL MORTGAGES | \$ 82,669 | \$ 82,669 | 9.6 |

TOTAL CASH EQUIVALENTS

| | | |
|------------------|------------------|------------|
| \$ 16,347 | \$ 16,347 | 6.2 |
|------------------|------------------|------------|

TOTAL INCOME FUND ASSETS

| | | |
|-------------------|-------------------|------------|
| \$ 416,747 | \$ 471,512 | 9.4 |
|-------------------|-------------------|------------|

TOTAL PORTFOLIO ASSETS

| | | |
|-------------------|-------------------|--|
| \$ 847,564 | \$ 948,448 | |
|-------------------|-------------------|--|

APPENDIX C

1985 — 1986 TRANSACTIONS

SALES — GROWTH FUND

| UNITS | DESCRIPTION | SALES PRICE | COST | NET PROFIT (LOSS) |
|---------------|-----------------------|-------------------|-------------------|-------------------|
| 1,400 | ALASKA AIR GROUP | \$ 29,271 | \$ 29,750 | \$ (479) |
| 500 | AMERICAN STORES | 27,893 | 27,188 | 706 |
| 900 | CONAGRA | 45,368 | 28,183 | 17,185 |
| 1,000 | DYNALECTRON | 16,810 | 9,383 | 7,426 |
| 600 | EQUITABLE RESOURCES | 23,157 | 20,896 | 2,262 |
| 750 | FLORIDA NATIONAL BANK | 37,369 | 19,961 | 17,408 |
| 2,530 | GUARDSMAN CHEMICAL | 32,905 | 27,889 | 5,016 |
| 900 | LEHIGH PRESS | 30,525 | 27,377 | 3,148 |
| 1,400 | MACMILLAN | 44,237 | 20,478 | 23,759 |
| 1,200 | MAYFLOWER | 22,095 | 29,085 | (6,991) |
| 525 | NARRAGANSETT CAPITAL | 24,688 | 11,374 | 13,314 |
| 600 | NORTHROP CORPORATION | 25,466 | 29,305 | (3,839) |
| 500 | UNION TRUST BANKCORP | 47,434 | 18,701 | 28,733 |
| 1,596 | MUTUAL SHARES | 107,439 | 91,671 | 15,768 |
| TOTALS | | \$ 514,657 | \$ 391,241 | \$ 123,416 |

SALES AND REDEMPTIONS — INCOME FUND

| | | | | |
|--|-----------------------------------|-------------------|-------------------|-------------------|
| 25 | BANKAMERICA CORP. 8.875% 2/15/05 | \$ 22,188 | \$ 17,081 | \$ 5,106 |
| 15 | BELL TELEPHONE PA 11.875% 4/15/20 | 16,476 | 12,425 | 4,051 |
| 10 | GMAC 14.75% 7/15/92 | 10,000 | 10,263 | (263) |
| 600 | CENTRAL HUDSON G&E COMMON | 14,814 | 15,638 | (824) |
| 800 | GULF STATES UTIL. COMMON | 10,251 | 12,071 | (1,819) |
| TOTALS | | \$ 73,729 | \$ 67,477 | \$ 6,251 |
| TOTAL SALES AND REDEMPTIONS OF BOTH FUNDS | | \$ 588,386 | \$ 458,719 | \$ 129,667 |

**INVESTMENTS PURCHASED
GROWTH FUND**

| | | <u>COST</u> |
|-------|-------------------------------------|-------------------|
| 500 | FIRST BOSTON | \$ 29,340 |
| 500 | FIRST CAPITAL CORPORATION - JACKSON | 28,477 |
| 1,900 | FIRSTCORP | 30,452 |
| 1,200 | HUBCO | 32,674 |
| 1,800 | HOLLY CORPORATION | 31,542 |
| 1,200 | ICH | 31,177 |
| 900 | KELLWOOD | 30,631 |
| 1,800 | MDC HOLDINGS | 34,452 |
| 900 | PENN TRAFFIC | 28,434 |
| 1,100 | TECH OPS | 32,021 |
| 1,400 | VICTORY MARKETS | 30,764 |
| 3,400 | WEIMAN | 31,558 |
| 2,039 | EVERGREEN TOTAL RETURN FUND | <u>39,000</u> |
| | TOTAL | \$ 410,522 |

INCOME FUND

| | | |
|----|---|-------------------|
| 20 | AMERICAN CORP. DEL. 10.25% 04/01/06 | \$ 19,650 |
| 24 | CHRYSLER CORP. DEB. 8% 11/01/98 | 22,080 |
| 30 | DATA GENERAL CORP. DEB. 8.375% 09/15/02 | 27,913 |
| 10 | ENSEARCH CORP. DEB. 10.875% 06/15/05 | 10,038 |
| 20 | GREYHOUND CORP. DEB. 9.875% 01/15/00 | 19,850 |
| 6 | ILLINOIS POWER 1ST MTG. 8.625% 07/01/06 | 5,551 |
| 34 | STRATTON MONTHLY DIVIDEND SHARES, INC. | <u>1,000</u> |
| | TOTAL | \$ 106,081 |

TOTAL COST OF NEW INVESTMENTS FOR BOTH FUNDS

\$ 516,603



**The 1986 Roland George Investments Class.
Good Job!**

APPENDIX D

STATEMENT OF OPERATIONS

6/1/85 - 5/31/86

INVESTMENT INCOME

INCOME:

| | | |
|-----------|--|------------------|
| DIVIDENDS | | \$ 16,524 |
| INTEREST | | 44,529 |
| | | <u>\$ 61,053</u> |

EXPENSES:

| | | |
|-------------------------|--------|---------------|
| CUSTODIAL FEES | \$ 800 | |
| ADMINISTRATIVE EXPENSES | 48,894 | 49,694 |
| | | <u>49,694</u> |

NET INVESTMENT INCOME

\$ 11,359

REALIZED GAIN [LOSS] ON INVESTMENTS:

| | | |
|----------------------------------|----------------|---------|
| PROCEEDS FROM SECURITIES SOLD | \$ 588,386 | |
| COST OF SECURITIES SOLD | 458,719 | |
| | <u>458,719</u> | |
| NET REALIZED GAIN ON INVESTMENTS | | 129,667 |

NET DECREASE IN UNREALIZED APPRECIATION ON INVESTMENTS:

| | | |
|---|----------------|----------------|
| MARKET VALUE OF HOLDINGS | \$ 948,448 | |
| COST OF HOLDINGS | 847,564 | |
| | <u>847,564</u> | |
| UNREALIZED APPRECIATION - 5/31/86 | \$ 100,884 | |
| LESS UNREALIZED APPRECIATION - 5/31/85 | 105,948 | |
| | <u>105,948</u> | |
| INCREASE [DECREASE] IN NET UNREALIZED APPRECIATION | | <u>(5,064)</u> |

NET REALIZED GAIN AND DECREASE IN NET UNREALIZED APPRECIATION

\$ 124,603

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS

\$ 135,962

APPENDIX E

PROGRAM LECTURERS, 1981 - 1986

| | |
|--------------------------------|---|
| ALEXANDER, JOHN | Stetson MBA graduate and 1984 Roland George Investments Program Merit Scholar. Financial Analyst, International Business, General Electric Co., 1986. |
| ANTIA, MURAD, J. | Vice President, R & D, Barnett Banks Trust. Dr. Antia previously researched quantitative investment strategies as Assistant Professor of Finance at the University of South Florida, 1986. |
| BLANTON, JOSEPH | Senior Vice President, Professional Capital Management, 1982. |
| FILIPPELLO, A. NICHOLAS | Director of Economic Analysis, Monsanto Company. Consultant to President Reagan's Council of Economic Advisors. Economist, Department of Agriculture, international monetary and trade research, 1982-1986. |
| FINN, MARK | President, Delta Financial Inc. Mr. Finn previously instructed an investments course at the Darden School at the University of Virginia, 1986. |
| GREENE, THOMAS P. | Registered investment advisor and Vice President of Kennedy Capital Management, Inc. He was formerly Vice President, Finance and Treasurer of National Marine Service, Inc., 1986. |
| HAGIN, ROBERT L. | Vice president and Director, quantitative analysis, Kidder, Peabody; formerly at the Wharton School of Business, author of the <i>Dow Jones-Irwin Guide to Modern Portfolio Theory</i> , 1984. |
| HANLEY, BRUCE | Vice President, Financial Services, O'Neil Company. Consultant to major U.S. and European managers. Previously managed \$200 million in trust accounts at Seattle First National Bank, 1983-1986. |
| HANSBERGER, THOMAS L. | President, Templeton Investment Counsel, Inc., former portfolio manager for Stein Roe, Farnham, 1982. |
| HUCKEBA, JAMES | President, Huckeba/Hall Development, 1983. |
| KENNEDY, GERALD T. | President, Kennedy Capital Management, Inc., investment advisory firm ranked among the top quartile of investment advisors by S.E.I. Funds, with \$100 million under management, 1982-1986. |
| LANDRY, MICHAEL | Vice President, Templeton Investment Counsel, Inc.; management of international equities, evaluation and investment, 1984-1986. |
| MONTFORD, CHARLES H. | Senior Vice President and Senior Investment Officer, Barnett Banks of Florida, 1983-1986 |
| MOTYL, GARY PAUL | Investment analyst, Templeton Investment Counsel, Inc., 1984. |

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| NEWCOMB, FREDERICK W. | Past President of the Mutual Fund Society and The Randall Co. President, AIM Financial Services, 1983. |
| RANDALL, B. CARTER | Investment advisor; Roland George Distinguished Visiting Professor of Investments, 1981; Panelist on PBS television's "Wall Street Week"; former senior vice president, Sun Banks of Florida, Inc., 1981, 1982, 1984-1986. |
| ROW, PATRICIA A. | Vice President and CEO, conversion program director, Kennedy Capital Management, Inc., 1984-1986 |
| SMITH, ELLIOT | President, Bache, Halsey, Stuart Metals Co., guest on "Wall Street Week," 1982. |
| STOWERS, JAMES | President, Twentieth Century Investors, Inc., 1982. |
| SULLIVAN, CAROL J. | Vice President and Director, Trading, Kennedy Capital Management, Inc., 1984-1986. |
| TESH, KURT | Research Analyst, Conway Financial Management, Stetson Graduate and 1984 Roland George Investment Program Merit Scholar, 1986. |
| THOMPSON, JACK | Vice President, Templeton Investment Counsel, Inc., 1982. |
| TILTON, JOHN R. | Senior Vice President, American National Bank and Trust, 1983. |
| WOHLEBER, ROBERT | Director, pension asset management, Copperweld Corp., 1983-1986. |
| ZAVANELLI, MAX | President, Zavanelli Portfolio Research, Inc., 1983-1986. |

1986 WINTER TERM LECTURERS IN OPTIONS AND FUTURES

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| MC CULLOUGH, JOHN E. | President of J. P. Industries, Inc. Stetson graduate (B.S. 1968, M.B.A. 1971). |
| SNEIDER, PAUL B. | Director of Business Development of Rialcor Shatkin and partner in J. P. Industries. Stetson graduate (B.S. 1967). |
| WALRATH, BETH | Option maker on Chicago Board of Trade and Chicago Board Options Exchange. Youngest woman trading on C.B.O.T. 1984 Roland George student. |

