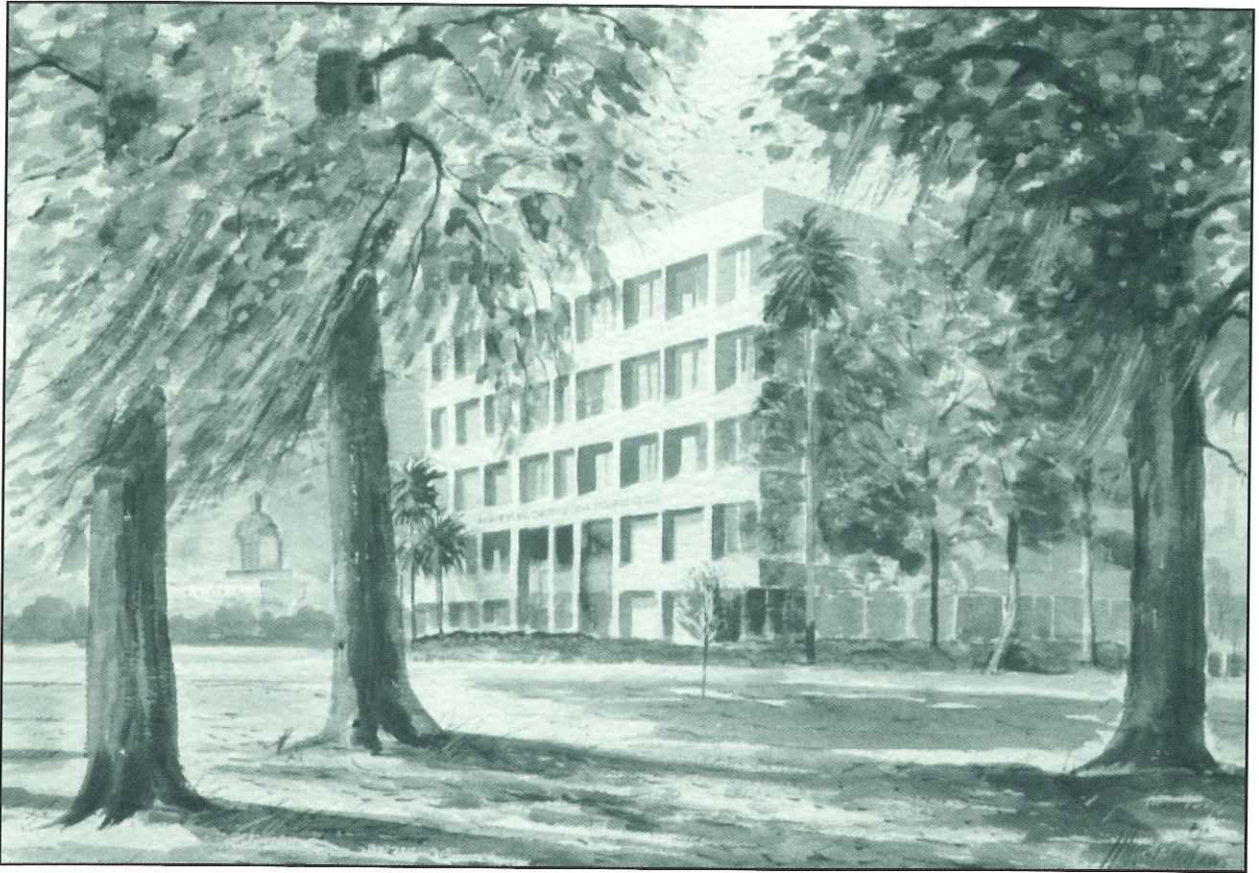


ANNUAL REPORT 1996-1997

ROLAND GEORGE INVESTMENTS PROGRAM



STETSON
UNIVERSITY



*From a watercolor by Professor Emeritus Fred L. Messersmith, A.W.S.
Eugene M. and Christine Lynn Business Center*

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Dean

JAMES E. MALLETT,
Director

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Of Applied Investments

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ACKNOWLEDGEMENT

The Roland George Investments Program was established at Stetson University through a gift made in 1980 by the late 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.

TABLE OF CONTENTS

ACKNOWLEDGMENT	ii
THE YEAR IN REVIEW	3
HISTORY OF PROGRAM	4
GUEST LECTURERS	5
THE 1997 ROLAND GEORGE INVESTMENTS PROGRAM	
Investment Strategy	6
Investment Environment	6
Objectives and Criteria — Growth Portfolio	7
— Income Portfolio	7
1996-1997 Roland George Merit Scholars	8
PROFILES	8
APPENDICES	
A. Summary of Seventeen-Year Performance	9
B. Portfolio Assets — 5/31/97	10
C. Transactions (6/1/96 through 5/31/97)	12
D. Statement of Operations (6/1/96 through 5/31/97)	14
E. Program Lecturers (1992 through 1997)	15

YEAR IN REVIEW

Students in the Roland George Investments Program had the good fortune this year to have an environment where neither the economy nor the stock market could do us wrong. Along with this great environment the class was able to incorporate into the program new investment tools like the Bridge Data workstations. In addition, criteria for selecting stocks and security purchase procedures were modified.

Program assets set a new record of \$1.7 million dollars for fiscal year ending May 1997. Overall, the fund advanced 4.2 percent before Program expenses. The Income Fund gained 6.2 percent compared to the 6.9 percent gain of Lipper Intermediate Investment Grade bond index. The Growth Fund grew by 2.5 percent compared to a loss for the Lipper Small Cap Fund Index of -2.6 percent.

The Income Fund focused on investment-grade corporate bonds of intermediate maturity while the Growth Fund invested mainly in small companies. Twenty-five percent of the Growth Fund remained in closed-end country funds. The Growth Fund did



Spring 1997 Class:

Front row, left to right: Kirn Khalsa, Derek Tompkins, Brian Caldarelli, Stacy Salvatore, and Karen O'Connell; Back row, left to right: Jason Wolford, Tina Tsounis, Chris Maffett, Steve Jonas, and Adrian Warfield

not keep up with the torrid pace of the S&P 500 Index (28 percent), but our portfolio tracked the style sectors in which our funds were invested quite well.

Ned Schmidt, CFA, led the George students for the third year as the Roland and Sarah George Visiting Professor of

Applied Investments. The visiting professor rotates every three years, so this was Ned's last year. Ned has been very popular with the George students and worked very closely with them. During the past three years, Ned worked with the students to create the *George Investment View*, directed student assistants during research with the Florida Board of Administration, and incorporated new computer resources into the Program.

We are pleased to announce that Dr. Christopher Ma will be the new visiting George Professor for the 1997-1998 academic year. Dr. Ma comes to us from Chicago, Illinois, where he was a Visiting Professor of Finance at Loyola University Chicago. Currently he is the Director of Investments and Portfolio Manager at KCM Asset Management Group, Inc. Dr. Ma has his Ph.D. in Finance from the University of Illinois at Urbana-Champaign, CFA certification, as well as extensive publications and teaching experience. We wish to welcome Christopher Ma to Stetson University and thank Ned Schmidt for the excellent job that he performed with the Roland George Investments Program during the past three years.



Spring 1997 Class (continued):

Front row, left to right: A. J. Warren; Mindy Giebels, Sean Dunn, and Jimmy Cannon; Back row, left to right: Jamie Campbell, Karl Kletzing, Todd Pasquarella, and Phil Cox

HISTORY OF THE PROGRAM

On August 20, 1980, assets with a value of nearly \$500,000 were transferred to Stetson University. This gift fulfilled the dream of Mr. Roland George, who believed students should learn from hands-on experience. His vision allows Stetson University to offer students an opportunity that few other institutions of higher education can – the investment and management of actual dollars.

In honor of her husband, Mrs. Sarah George sought a university that would allow students to manage money under the guidance of successful practitioners. Because Mr. George was annoyed with colleges teaching only theory, the program he envisioned would enable students to manage an actual portfolio. Under the pressure of generating sufficient income to pay program expenses, the students would purchase and sell securities, and monitor the portfolio. Mrs. George stressed that failure, as well as success, should be part of the learning experience, and insisted that students have a major voice in the investment decision-making process.

Mrs. George, along with her brother Robert Wilson and attorney Frank Gaylord, approached Stetson University with her idea. Their contributions, along with those of President Pope Duncan, Dean David Nysten, Dr. H. Douglas Lee, and Professor Kenneth Jackson, developed the Roland George Investments Program.

Mr. Carter Randall, a panelist on PBS television's "Wall Street Week" and an investment consultant, was chosen as the first Distinguished Visiting Professor. He eventually served in that capacity six times. Mr. Randall has been instrumental in guiding the students into the real world of investing with his knowledge and insight. He has also enhanced the program by attracting prominent investment professionals to Stetson University to teach the students.

Mr. Gerald T. Kennedy served as Distinguished Visiting Professor from 1982 to 1987. He introduced the use of computers to scan stocks meeting criteria selected from student research. The

introduction of services such as Value Line, S&P's Stockpak and the Dow Jones News Retrieval, in conjunction with data sources such as Zack's Icarus Services, the O'Neil Reports, and the Mutual Fund Forecaster, has taught students the use of sophisticated research materials.

Mrs. Sarah George passed away in 1988. In her will she left a gift of \$3.6 million to establish the Roland and Sarah George Investments Institute. This Institute provides support for investments education at Stetson, such as symposiums to bring investment professionals and academic theorists together, and helps to provide access to research in investments for the School of Business faculty. The Stetson community greatly appreciates Mrs. George's generosity and vision for investments education.

With the additional endowment provided by the George estate, the program was enhanced by dividing the class into two semesters. During the first semester, students focus on the Growth Fund and equity management techniques. The second semester course places emphasis on management of the Income Fund, which comprises bonds and other income generating securities. Although monitoring the entire portfolio is essential throughout the year, this structure enables students to

concentrate their efforts in a specific area of investments.

The George endowment has also allowed the program to have a full-time resident professor with applied experience. Max Zavanelli was chosen as the first George Professor of Applied Investments. Mr. Zavanelli possesses both the applied portfolio experience and the academic background necessary to teach applied investments in the Roland George Investments Program. Under his leadership, the program has improved by adding real-time stock quotes, switching to institutional trading of securities to save on commission costs, and obtaining a major stock database from Zack's Investment Research.

The second George professor, Ned Schmidt, CFA, began teaching at Stetson in 1994. Mr. Schmidt possesses applied portfolio experience, as well as the academic background required to teach applied investments in the Roland George Investments Program. Since he has been with the program, he has introduced the *George Investment View* newsletter, a collection of student articles on investments. Additionally, during the past three years, *Bridge Data* workstations, *Compustat* data base, and *Windows on Wall Street* have been incorporated into the George class.

Stetson University's Roland George Investments Program is unique in its conception and design. Stetson business students are afforded the opportunity to manage a portfolio, complete with the pressures of possible failure. While many universities offer courses using computer-simulated programs with "play" money, Stetson University students are charged with investing over \$1.7 million.

Mr. Roland George felt that exposing students to experienced investment managers and allowing them to participate in actual investment decisions were ideal ways to prepare for a career in investments. His dream has become a reality, and the program has met its goals successfully for seventeen years.

ROLAND GEORGE INVESTMENTS PROGRAM

VISITING PROFESSORS

B. Carter Randall	1981
Gerald T. Kennedy	1982-87
B. Carter Randall	1988-91
Max Zavanelli	1991-94
Ned W. Schmidt, CFA	1994-Present

DIRECTORS

Kenneth L. Jackson	1980-81
G. Michael Boyd	1982-84
James E. Mallett	1985-Present

Guest Lecturers

1996 - 1997

“...allow students to manage money under the guidance of successful practitioners...failure as well as success should be part of the learning experience...”



Theodore R. Aronson
Founder
Aronson & Partners
Philadelphia, PA
Fall 1996



Marx L. Cazenave
President & CEO
Progressive Investment
Management Co.
San Francisco, CA
Fall 1996



Lan Janecek
Chief of Equity
Florida State
Board of
Administration
Tallahassee, FL
Fall 1996



Daniel R. Jaworski
Senior Vice-President
STI Capital
Management
Fall 1996



Gerald T. Kennedy
President
Kennedy Capital
Management, Inc.
St. Louis, MO
Fall 1996



Michael R. Mach
Senior Vice-President
Portfolio Advisor
Putnam Institutional
Management Co.
Boston, MA
Fall 1996



B. Carter Randall
The Randall Company
Orlando, FL
Fall 1996
Spring 1997



Robert Schumacher
Chief Investment
Officer
Riverside Group, Inc.
Jacksonville, FL
Spring 1997



Robert H. Stovall
President
Stovall/Twenty-First
Advisers, Inc.
New York, NY
Spring 1997



Max Zavanelli
Zavanelli Portfolio
Research
Orange City, FL
Fall 1996

Not Pictured:

Elizabeth D. Collins, Municipal Analyst, Fixed Income Dept., Raymond James & Associates, St. Petersburg, FL, Spring 1997;
Edward R. Evanouskas, Senior Vice-President, Director of Fixed Income, Raymond James & Associates, St. Petersburg, FL, Spring 1997.

STRATEGY

The orientation of the Roland George Investments Program is that of a collective agreement of the program's students. The policies, strategies, and tactics are those chosen by the group and do not necessarily reflect that of individual students or faculty members, as is true in all organizations. The Program is designed to be student-run under the guidance of a faculty member who has real-world investment experience.

The investment orientation of the Roland George Investments Program is a "bottom up" strategy, with attention to macroeconomic trends. The selection of individual securities, subject to investment criteria, is the primary focus. An overall macroeconomic view is formulated to avoid situations where the individual security's likelihood of appreciating is limited.

The investment approach of this year's class is comprised of two steps. These two activities are the selection process and the pricing discipline.

First, the students determine the selection process to utilize, in order to limit the types of securities considered. The selection process defines the style of the portfolios. Investment managers, equity and fixed income alike, have a well defined style that delineates the types of securities that are purchased. For example, a growth stock manager would never buy stock in a steel company, and a value manager would probably never buy shares in a rapidly growing software firm. Style discipline is necessary to limit the number of choices that must be

considered. Further, style restrictions will influence portfolio returns relative to other managers as all styles are not in fashion at one time, nor can one manager pursue all styles.

Next, a pricing discipline is applied to the selected securities to determine which are the most attractively priced. Given any two securities, one is more attractively priced than the other. This situation is true regardless of the assessment of company fundamentals as the market discounts future activities with reliable efficiency.

Securities are selected based on the relative attractiveness of expected returns. As many foreign economies and companies are likely to grow faster than those of the United States, companies based in other countries are to be considered on equal footing with those of this country. Further, as the dollar is expected to depreciate against most other currencies, investment in securities denominated in currencies other than the U.S. dollar should be considered. This approach suggests that U.S. based securities not be given a preference in selection, except where the availability of reliable data is concerned.

In support of this global orientation, 30% of the Growth Portfolio is dedicated to closed-end country funds that are invested in especially attractive nations. Use of these country funds allows for geographic and currency diversification, as well as diversification of economic and market risks.

Investment Environment

The investment environment during the past academic year was one of rich rewards for those participating in large

capitalization stocks. Working with other investment styles, such as a small capitalization value stocks, produced

reasonable if not spectacular gains. For example, the S&P 500 Index produced a price gain of 28% for the twelve months ending May 1997 while the small stock index (Russell 2000) gained 5.23% in the same time period. Based on past empirical data, the Class expects a small cap/value approach to produce superior returns over the long run.

The class outlook for the economy is one of continued moderate growth. For the past several years the economy has been growing at a steady pace and should continue its 2%-3% long term growth rate. Inflation is expected to increase over two percent bringing about a moderate increase in the Federal Funds rate. Long term U. S. Treasury securities are expected to increase to 7.4%, while unemployment should remain low.



Function as part of an investment team allows for individual contribution and individual growth, as well as the success of the program.

OBJECTIVES AND CRITERIA

GROWTH PORTFOLIO

The objectives of the Growth Portfolio are as follows:

- ✦ To provide an opportunity for students to make real time investments in equity securities with the potential to appreciate in price.
- ✦ To contribute positively to the return of the George portfolio as a whole.

This year's George students have determined that smaller companies have more potential for real growth than large, mature companies. Accordingly, the style they have chosen to implement can be described as a small capitalization, quality growth approach. In addition to indications of growth and profitability, the companies considered must have sound financial characteristics. The major criteria are as follows:

- ✦ **Annual Sales:** The annual sales of the company for the most recent year must be greater than the bottom 20% of the companies and less than the top 5% of the companies.
- ✦ **Profitability:** Net income must be positive and the return on equity must be greater than 5%.
- ✦ **Growth:** Earnings per share must have demonstrated a growth rate of at least 5% on a compound basis for the past 10 years, and be forecast to continue this trend in the future.
- ✦ **Balance Sheet Items:** The following balance sheet items must also be met:

Total Asset/Total Equity	<2.0
Total Long Term Debt/Total Equity	<1.0
Current Ratio	>1.2
- ✦ **Market Capitalization:** Market Capitalization must be greater than \$50 million.

Should a stock fail to meet one of the criteria, the class reserved the right to waive that one criteria by a majority vote of the class.

The pricing discipline is designed to further sort stocks already selected from the stock selection process. The procedure for filtration involves objective elimination of stocks by means of the criteria listed below. After the quantitative screen is completed, students qualitatively screen the list of remaining companies.

- ✦ **Price/(Sales/Share):** This figure represents the current trading price per unit sales. The lower this figure the less "overvalued" the company.
- ✦ **Price/Book Value:** This figure measures the current trading price compared to the total common equity divided by total common shares outstanding. Again, the lower this figure the less overvalued the stock.
- ✦ **Price/(Cash Flow/Share):** This figure compares market price to cash flow. The higher the cash flow/share the more liquid the company. Therefore, the price per unit of cash flow ranks low figures (high cash flow) better than high figures (low cash flow).

- ✦ **Price/(Earnings/Share):** The common P/E ratio is used last in our pricing criteria. Of course, the lower the P/E ratio the more efficiently priced the stock is compared to earnings. Stocks with relatively high ratios represent companies that people are willing to pay more for and have consequently bid up the price.

Country Funds

Closed-end country funds may account for as much as 30% of the Growth Portfolio. Through the use of these funds, students can target for investment economies which can be expected to return higher real growth rates than are likely in the United States. Guidelines for the selection of country funds are as follows:

- ✦ Maximum exposure of the portfolio to country funds should not exceed 30%.
- ✦ The country should be expected to have strong economic performance, and a positive environment for business and capital.
- ✦ The economic performance of the countries should, to the degree possible, reflect different positions along the business cycle, such that the diversification of economic performance is achieved.
- ✦ The future currency risk of the nation should be reasonable. Historical currency performance is explicitly excluded as a method of forecasting the future performance of currency.
- ✦ Selection of country funds should be diversified by geographic region.

INCOME PORTFOLIO

The objectives of the Income Portfolio are as follows:

- ✦ To provide an opportunity for students to make real time investments in securities where the total return consists largely of interest income.
- ✦ To provide stability to the earnings of the total portfolio.

Given the above objectives, the Income Portfolio is managed more conservatively than the Growth Portfolio. Management of this fund is further constrained by the size of the portfolio. Unlike equities, bonds most often trade in round lots of \$1 million. This limits the opportunities for profitable trading. Selection of securities, therefore, is based on individual merit.

The current strategy for the portfolio is a managed ladder approach. The basic structure includes a maximum maturity of ten years, with 10% of the portfolio maturing each year. This basic strategy can be modified, however, to take advantage of the shape of the yield curve and expected changes in interest rates. Further, policies for the management of the Income Portfolio are as follows:

- ✦ Bonds must be rated A or better at the time of purchase.
- ✦ No more than 50% of the portfolio can be denominated in currencies other than the U.S. dollar.

PROFILES

"BRIDGE TO WALL STREET"

News Journal, Daytona Beach, Florida

September 25, 1996

*"Computers give Stetson students
touch of reality . . ."*

DELAND - A new computer system at Stetson University's business school is giving students the ability to make investment decisions with up-to-the-minute market information.

Bridge Information Systems, a St. Louis, Mo., company, has donated a network server, software and three terminals to Stetson's Roland George Investment Institute. The equipment, valued at \$43,000, gives Stetson faculty members and students the ability to retrieve the latest stock and bond trading information.

"This system gives students the chance to see trading exactly as it's done by the professionals," said Jim Mallett, director of the institute.

Mallett said the scope and sophistication of Stetson's data system is more advanced than what a typical stockbroker would have available through a computer terminal at his desk.

"This is similar to what would be used by a money manager at a major institution, someone handling hundreds of millions of dollars," Mallett said. Only four other business schools in America have comparable data systems, he added.

At the institute, business students get the chance to invest real money, a \$480,000 gift given to Stetson in 1980 by Sarah George of Eustis in memory of her late husband. Over a 16-year period, the student-managed portfolio has grown in value to more than \$1.6 million.

Trainers from Bridge visited the campus earlier this month, helping 23 undergraduates and 10 graduate students learn how to retrieve prices, trend charts and other statistics.



Wendy Freeman, standing, an account manager with Bridge Information Systems, shows Stetson graduate student Carrie Sanders how to find stock prices on a new computer network donated to Stetson's Roland George Investment Institute. Students use the computer to manage a \$1.6 million portfolio of securities.

1996 - 1997 ROLAND GEORGE MERIT SCHOLARS

This academic year, six students were awarded Merit Scholarships in recognition of their special achievements. During the fall semester, Brian Caldarelli, James C. Campbell and Andrew C. Rasmussen were recipients. Likewise, Thomas A. Jackson, Steven K. Jonas and Christopher E. Maffett received awards in the spring semester.

Since the inception of the Roland George Investments Program at Stetson in 1980, seventy outstanding students have been recognized.



MERIT SCHOLARS

Frontrow (left to right): Brian Caldarelli, Steven K. Jonas and James C. Campbell
Backrow (left to right): Thomas A. Jackson and Christopher E. Maffett

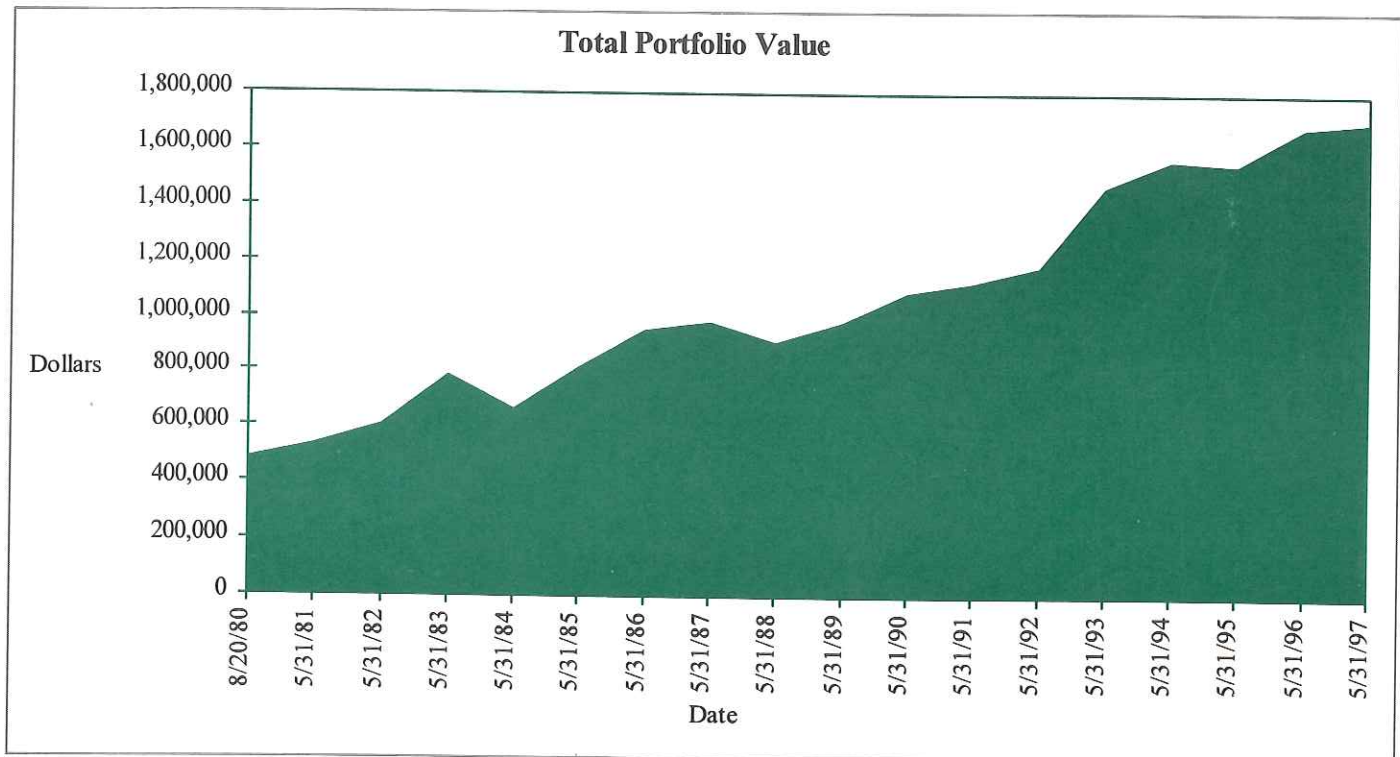
PERFORMANCE

APPENDIX A SUMMARY OF SEVENTEEN-YEAR PERFORMANCE 5/31/97

<u>DATE</u>	<u>INCOME</u>	<u>GROWTH</u>	<u>TOTAL</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 ^a
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
5/31/87	476,248	498,175	974,423
5/31/88	467,783	434,509	902,292
5/31/89	496,747	475,699	972,446
5/31/90	509,761	569,591	1,079,352
5/31/91	579,978	537,431	1,117,409
5/31/92	616,547	562,297	1,178,844
5/31/93	687,708	778,023	1,465,731 ^b
5/31/94	779,942	775,785	1,555,727 ^b
5/31/95	790,106	749,717	1,539,823 ^b
5/31/96	792,512	882,426	1,674,938 ^b
5/31/97	798,163	904,564	1,702,727 ^b

^a - Includes subsequent gift of \$ 86,792 in February 1982

^b - Program expenses deducted after the end of the fiscal year



PORTFOLIO ASSETS

APPENDIX B GROWTH FUND 5/31/97

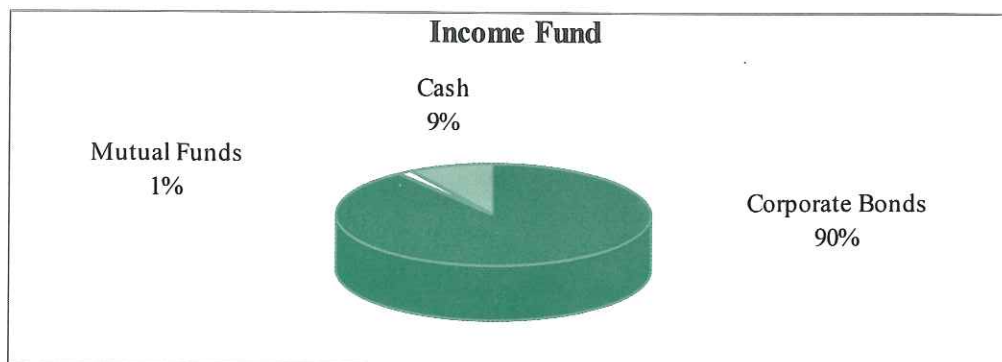
SHARES MARKET COMMON STOCKS	NAME	COST
2,500	Allied Healthcare	\$ 24,688
4,350	Analytical Surverys	\$ 54,375
2,000	Biomet	37,376
4,000	CMI Corporation	17,000
1,000	Cooper Tire & Rubber Co.	22,375
2,400	Diodes Incorporated	22,800
1,000	Electro Scientific Industries, Inc.	38,000
2,400	Gentex	48,300
300	Great Lakes Chemical	14,663
9,000	Hycor Bio Medical	15,750
30	ICN Pharmaceuticals	649
1,000	IBP Incorporated	23,500
600	Micron Technology, Inc.	25,350
1,000	Mirage Resorts Inc.	23,875
300	Novellus Systems, Inc.	24,563
4,000	PSC Incorporated	27,000
300	Phelps Dodge Corporation	25,088
2,900	Skywest	43,863
1,800	TCA Cable TV	60,750
4,000	Transmedia Network	13,500
3,000	Trizec Hahn Corporation	64,875
	Total Common Stocks	\$ 547,499
CLOSED-END INTERNATIONAL MUTUAL FUNDS		
1,714	Chile Fund	\$ 43,279
1,836	Germany Fund	25,934
2,133	Malaysia Fund	31,195
1,780	Mexico Fund	30,038
2,500	New South Africa Fund	37,188
2,018	Swiss Helvetia Fund	47,928
	Total Closed-End Mutual Funds	\$ 215,562
MUTUAL FUNDS		
658	Vanguard Index Value Portfolio	\$ 12,286
	Total Open-End Mutual Funds	\$ 12,286
	TOTAL EQUITY	\$ 846,813
	TOTAL CASH EQUIVALENTS	\$ 57,752
	TOTAL GROWTH FUND ASSETS	\$ 904,564



PORTFOLIO ASSETS

APPENDIX B (CONT.) INCOME FUND 5/31/97

UNITS	DESCRIPTION	COST	MARKET	YIELD(%)
CORPORATE BONDS				
50	AT&T 4.375% 5/1/99	\$ 45,885	\$ 48,145	4.54%
40	Rockwell International 8.375% 5/1/99	45,800	42,076	7.96%
50	IBM 6.375% 6/15/00	48,375	49,583	6.43%
100	Walt Disney Company 6.375% 3/30/01	98,561	98,736	6.46%
100	General Motors 6.750% 2/7/02	99,385	98,999	6.82%
100	Bell Atlantic 5.875% 2/1/04	93,510	94,662	6.21%
100	Wal-Mart Stores 5.875% 10/15/05	94,340	92,597	6.34%
100	Loews Corporation 6.750% 12/15/06	96,260	95,657	7.06%
100	Hersheys Foods 6.950% 3/1/07	<u>99,385</u>	<u>98,163</u>	7.08%
	Total Corporate Bonds	\$ 721,501	\$ 718,618	6.58%
MUTUAL FUND - FIXED INCOME				
940	Vanguard Short-Term Corporate	\$ <u>10,000</u>	\$ <u>10,056</u>	6.20%
	Total Mutual Funds - Fixed Income	\$ 10,000	\$ 10,056	6.20%
	TOTAL INCOME INSTRUMENTS	\$ 731,501	\$ 728,674	6.58%
	TOTAL CASH EQUIVALENTS	\$ <u>69,489</u>	\$ <u>69,489</u>	5.10%
	TOTAL INCOME FUND ASSETS	\$ <u>800,990</u>	\$ <u>798,163</u>	6.45%
	TOTAL PORTFOLIO ASSETS	\$ <u><u>1,623,873</u></u>	\$ <u><u>1,702,727</u></u>	



TRANSACTIONS

APPENDIX C

SALES

UNITS	DESCRIPTION	SALES PRICE	NET COST	PROFIT [LOSS]
GROWTH FUND				
2,100	Ben & Jerry's	\$ 32,435	\$ 26,486	\$ 5,949
500	Intel Corporation	54,431	14,710	39,721
5	Intel Jan. 110 Call Options	2,897	2,897	0
625	Tetra Tech Inc.	14,640	10,795	3,845
	Total Growth Fund Sales	\$ 104,403	\$ 54,888	\$ 49,515
INCOME FUND				
89	U. S. Treasury Note	\$ 93,776	\$ 100,377	\$ (6,601)
	Total Income Fund Sales	\$ 93,776	\$ 100,377	\$ (6,601)
	TOTAL PORTFOLIO SALES & REDEPTIONS	\$ 198,179	\$ 155,265	\$ 42,914



Les Williams and Christen Rano, both December 1996 graduates, enjoy their final presentation.

TRANSACTIONS

APPENDIX C (CONT.) PURCHASES

UNITS	DESCRIPTION		COST
GROWTH FUND			
4,000	CMI Corporation	\$	18,210
1,000	Cooper Tire & Rubber		21,935
2,400	Diodes Incorporated		14,530
1,000	Electro Scientific		28,060
1,836	Germany Fund		25,262
300	Great Lakes Chemical		14,784
1,000	IBP Incorporated		23,935
5	Intel Jan. 110 Call Options		2,897
600	Micron Technology		17,821
1,000	Mirage Resorts		21,185
300	Novellus Systems		18,346
300	Phelps Dodge		19,359
18	Swiss Helvetia Fund		403
658	Vanguard Index Value		10,416
	Total Growth Fund Purchases	\$	237,143
INCOME FUND			
100	General Motors 6.750% 2/7/02	\$	99,385
100	Hersheys Foods 6.950% 3/1/07		99,385
100	Loews Corporation 6.750% 12/15/06		96,260
940	Vanguard Short-Term Corporate		10,000
	Total Income Fund Purchases	\$	305,030
	TOTAL PORTFOLIO PURCHASES	\$	542,173

Ned Schmidt (left), visiting professor, is recognized for his three years of service to the program by director Jim Mallett.



STATEMENT OF OPERATIONS

APPENDIX D
June 1, 1996 - May 31, 1997

INCOME:		\$ 16,700
Dividends		<u>50,281</u>
Interest		\$ 66,981
EXPENSES:		
Custodial Fees	\$ 3,246	
Administrative Expenses	<u>39,222^a</u>	\$ 42,468
		\$ 24,513
NET INVESTMENT INCOME:		
REALIZED GAIN [LOSS] ON INVESTMENTS:		
Proceeds from Securities Sold	\$ 198,179	
Cost of Securities Sold	<u>155,265</u>	
NET REALIZED GAIN [LOSS] ON INVESTMENTS		\$ 42,914
NET DECREASE IN UNREALIZED APPRECIATION ON INVESTMENTS:		
Market Value of Holdings	\$ 1,702,727	
Cost of Holdings	<u>1,623,873</u>	
Unrealized Appreciation - 5/31/97	78,854	
Less Unrealized Appreciation - 5/31/96	<u>122,392</u>	
Increase [Decrease] in Net Unrealized Appreciation		\$ <u>[43,538]</u>
NET REALIZED GAIN [LOSS] AND INCREASE [DECREASE] IN NET UNREALIZED APPRECIATION:		\$ <u>[624]</u>
NET INCREASE IN ASSETS RESULTING FROM OPERATIONS:		\$ <u>23,889</u>

^a 1997 administrative expenses deducted after May 31, 1997.

PROGRAM LECTURERS

APPENDIX E 1992-1997

ALBERS, CHARLES	Senior Vice-President, Guardian Life Insurance; Chairman, Guardian Park Avenue Fund; six times on Forbes Honor Roll of Mutual Funds. 1991-1993.
ALLEN, GARRY	Chief Investment Officer, Signet Trust Company, Richmond, VA. 1992-1996.
ARONSON, THEODORE R., C.F.A., C.I.C.	Founder, Aronson & Partners, Philadelphia, PA. 1997.
BAIN, JOHN S.	Director, Investor Relations, CellStar Corporation, Carrollton, TX; formerly Senior Vice-President and Research Analyst, Raymond James & Associates, St. Petersburg, FL. 1990-1995.
BONDING, KARIN B., CFA	Vice-President, Education Department, Association for Investment Management and Research (AIMR), Charlottesville, VA. 1995.
CAZENAVE, MARX L.	President & Chief Executive Officer, Progressive Investment Management Company, San Francisco, CA. 1997.
COLLINS, ELIZABETH D.	Municipal Analyst-Healthcare, Fixed Income Department, Raymond James & Associates, St. Petersburg, FL. 1997.
DUNLAP, ALBERT J.	Chairman and Chief Executive Officer, Scott Paper Company, Philadelphia, PA. 1996.
EVANOUSKAS, EDWARD R.	Senior Vice-President & Director of Fixed Income Research, Raymond James & Associates, St. Petersburg, FL. 1997.
FINN, MARK	President, Delta Financial, Inc. Mr. Finn previously instructed an investments course at the Darden School of Business, University of Virginia. 1986, 1991-1994.
HARDIN, DAVID R.	Principal, Fixed Income Group, Barrow, Hanley, Mewhinney & Strauss, Inc., Dallas, TX. 1995-1996.
HUGHES, JAMES	Analyst, Waterstreet Capital; Jacksonville, FL; 1991 Roland George Investments Program Merit Scholar and Stetson graduate (BBA, 1991). 1992.
JACKSON, JOHN	President, Old Dominion Asset Management, L.P., Norfolk, VA. 1994.
JANECEK, LAN	Director of Equities, State Board of Administration, Tallahassee, FL. 1993-1997.
JARRIEL, BARBARA	Chief Investment Officer of Fixed Income, State Board of Administration, Tallahassee, FL. 1994-1996.
JAWORSKI, DANIEL R., C.F.A.	Formerly Senior Vice-President, STI Capital Management, Orlando, FL. 1997.
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 more than \$1.6 billion under management; 1982-1987 Roland George Distinguished Visiting Professor of Investments. 1982-1997.
KENT, CYNTHIA S.	Advocacy Administrator, Association for Investment Management and Research (AIMR), Charlottesville, VA. 1995.

PROGRAM LECTURERS

APPENDIX E (CONT.) 1992-1997

- MACH, MICHAEL R., C.F.A. Senior Research Analyst, Fundamental Research, Piper Jaffray, Minneapolis, MN; formerly Senior Vice-President, Portfolio Advisor, Putnam Investments Management, Boston, MA. 1997.
- McEVILLY, STEVEN T. Director, Active Trader Enterprise, Charles Schwab and Company, Inc., Orlando, FL. 1996.
- McGOVERN, CAROLYN P. Administrative Consultant, Wyatt Preferred Choice, L.L.C., Jacksonville, FL. 1996.
- MILLER, GARY, C.F.A. Senior Vice-President and Chief Investment officer, ADAM Investment Services, Inc., Atlanta, GA. 1996.
- PERNY, ELLIOTT Senior Executive Vice-President, SunBank Capital Management, N.A., Orlando, FL. 1988, 1995.
- PURDUE, STARR H. Manager, Trust Investments, Florida Power Corporation, St. Petersburg, FL. 1996.
- RANDALL, B. CARTER Investment advisor, The Randall Company; 1981, 1988-91 Roland George Distinguished Visiting Professor of Investments; Panelist on PBS television's "Wall Street Week"; former Senior Vice-President, Sun Banks of Florida, Inc. 1981, 1982, 1984-1997.
- SCHUMACHER, ROBERT Chief Investment Officer, Riverside Group, Inc., Jacksonville, FL. 1990-1997.
- SINQUEFIELD, REX Chairman and Chief Investment Officer, DFA Investment Dimensions Group, Inc., Santa Monica, CA. 1992, 1993.
- SKALA, MARTIN Senior Editor and Mutual Fund Analyst of Standard & Poor's Outlook newsletter, New York, NY. 1993.
- STANLEY, JEFFREY A. International Operations, American Bond Partners International, Orlando, FL. Stetson graduate (BBA 1990). 1995.
- STOVALL, ROBERT, C.F.A. President of Stovall Twenty-First Advisors, Inc.; CPA; panelist on PBS television's "Wall Street Week"; and, columnist for Financial World magazine. 1989-1997.
- VICTOR, JON President, Security Capital Management, Inc., Stamford, CT. 1994.
- WANGER, RALPH, C.F.A. President, Wanger Asset Management, Inc., Chicago, IL. 1993.
- WATSON, JR., WILLIAM A. President, Watson Realty Corporation, Jacksonville, FL. Stetson graduate (BBA 1959). 1995.
- ZACKS, BENJAMIN Officer, Zacks Investment Research. 1992-1993.
- ZAVANELLI, MAX President, Zavanelli Portfolio Research, Inc.; 1991-1994 Roland and Sarah George Visiting Professor of Applied Investments. 1983-1986, 1991-1997.
- ZIEMBA, WILLIAM T., Ph.D. Alumni Professor of Management Science, University of British Columbia; International Investing, Japan. 1993.
- ZIPPER, PETER Vice-President, Royal Trust Bank, Austria. 1995.

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