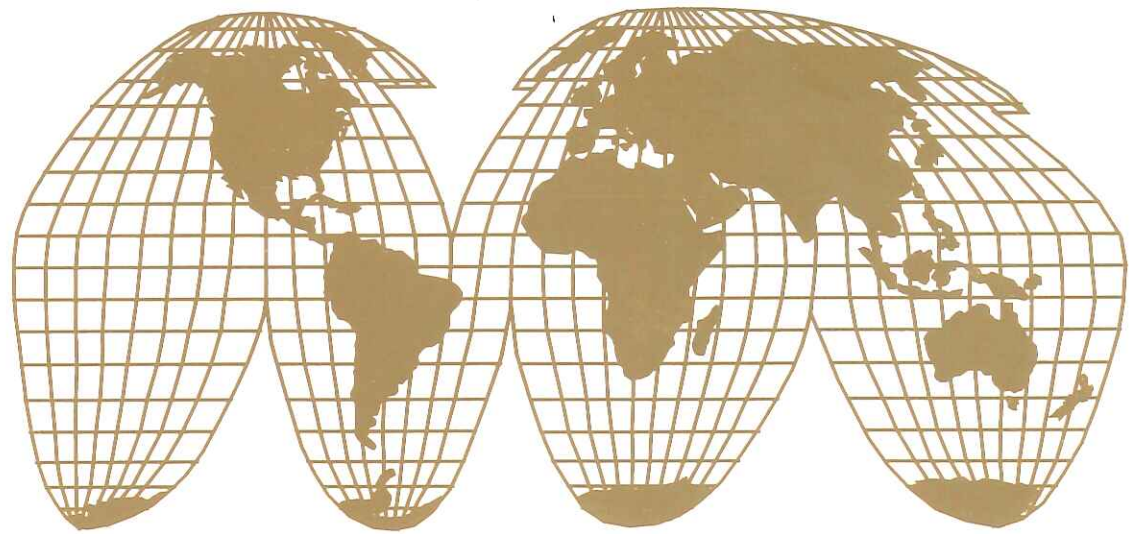
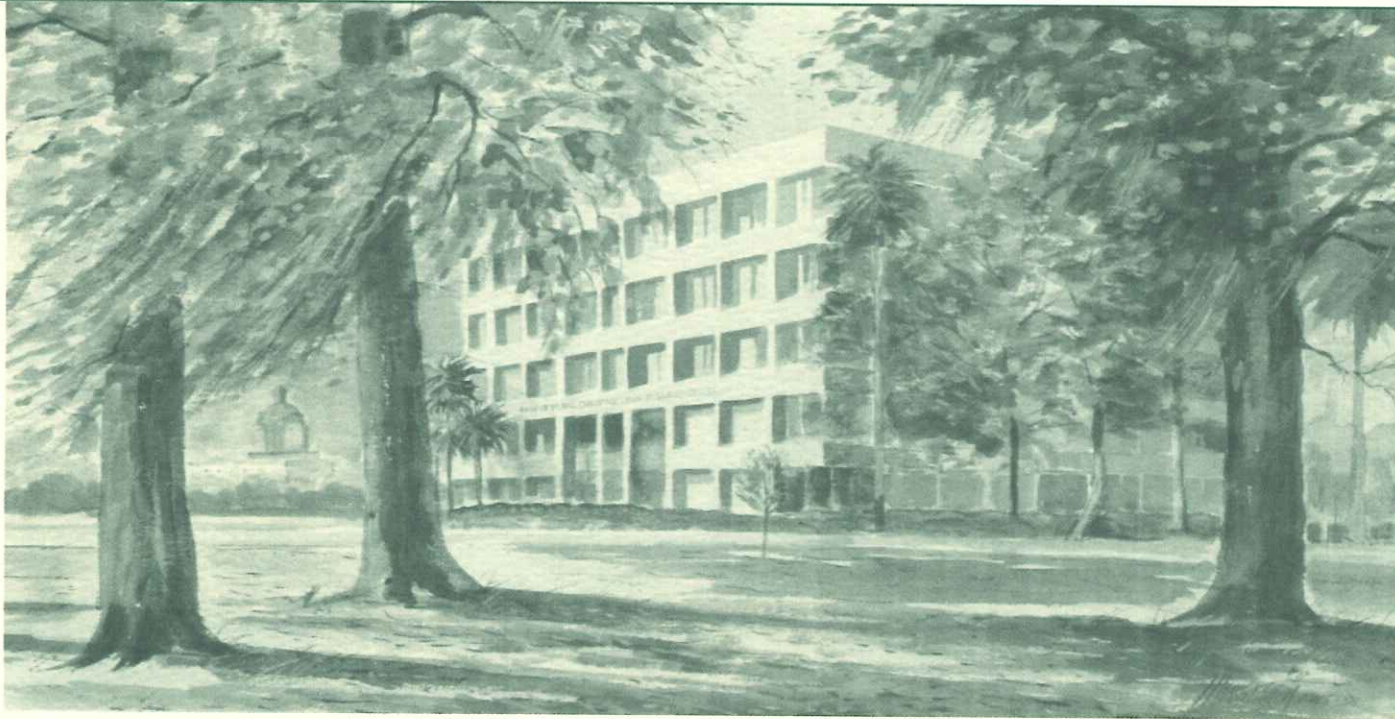


ROLAND
GEORGE
INVESTMENTS
PROGRAM



1998-1999 ANNUAL REPORT



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

PAUL E. DASCHER,
Dean

Frank G. Castle, CFA,
Visiting George Professor
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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

| | |
|---|----|
| ACKNOWLEDGEMENT | ii |
| THE YEAR IN REVIEW | 3 |
| 1998-1999 ROLAND GEORGE MERIT SCHOLARS | 3 |
| IN TRIBUTE | 4 |
| LECTURERS | 5 |
| THE 1999 ROLAND GEORGE INVESTMENTS PROGRAM | |
| PORTFOLIO STRATEGY: | |
| –Top-Down View | 6 |
| –Growth Portfolio Update | 6 |
| –Growth Portfolio Strategies | 7 |
| –Income Portfolio Update | 7 |
| –Income Portfolio Goals | 7 |
| HISTORY OF THE PROGRAM | 8 |
| APPENDICES | |
| A. Summary of Nineteen-Year Performance | 9 |
| B. Portfolio Assets — 5/31/99 | 10 |
| C. Transactions (6/1/98 through 5/31/99) | 12 |
| D. Statement of Operations (6/1/98 through 5/31/99) | 14 |
| E. Program Lecturers (1995 through 1999) | 15 |

This year's participants in the Roland George Investments Program have watched the US stock market with awe this year and speculated about the variables responsible for exceptional earnings multiples. The students' focus has been on fundamental research, and decisions have been driven by the desire to reduce both market and company risk. The eclectic security decisions reflect the unique nature of this year's participants.

Assets under management by the George students grew by \$132,000 to \$2,135,000. In addition, the fund provided for Program expenses of \$63,000. Overall, the fund advanced by 9.7% before expenses. Comprising this performance was a 14.2% gain in the Growth Fund and a 5.3% return in the Income Fund. Both funds handily outpaced their benchmarks, but the Growth Fund trailed the S&P 500's spectacular gain of over 20%.

Our new visiting professor, Mr. Frank Castle, CFA, was excellent in helping students analyze and select securities. He struck instant rapport with the students. His vast knowledge and applied investment experience was instrumental in the class excelling in the Roland George Investments Program. Professor Castle is continuing with the Program next year.

"...a dream fulfilled...students are afforded the opportunity to manage a portfolio, complete with the pressures of possible failure..."



MERIT SCHOLARS - 1998-1999

Left to right: Tscherner Upjohn, Shiran Samarawickrama, Dennis Clark, Derek Mears, William Laird, Joshua Kingdon and Walter Ballard

With the aid of Professor Castle, five Baseline terminals were added to the Program resources this year. Baseline, coupled with existing Bridge and Bloomberg systems, gives investments students access to resources that only the largest investment firms have available. Our students work with real-time quotes, analytic software, and financial data to screen and analyze stocks and bonds for purchase and sell decisions.

The Roland George Investments Program continues to grow and prosper. Thanks to the vision of Mrs. George, Stetson University was among the first to have students manage actual money. Today there are over sixty student managed investment programs in the United States. Professors Anthony Lerro and James Mallett are spearheading the formation of the Association of Student Managed Investment Programs to help these programs grow and prosper and for new programs to be created. The Association's first meeting will be in Orlando in October.

Gerald T. Kennedy 1934-1999

A highly respected professional and truly valued visiting professor, Mr. Gerald T. Kennedy passed away on March 17, 1999, while vacationing in the Persian Gulf. He was 65.

Mr. Kennedy was president and chief executive officer of Kennedy Capital Management, Inc., a registered investment advisory firm in St. Louis, Missouri, which ranks among the top investment advisors with more than \$3 billion under management. Prior to founding Kennedy Capital Management, Inc., in 1980, he was a chemical engineer and later one of the plant managers for Monsanto Company. At one point, Mr. Kennedy was in charge of the training and professional development of other Monsanto plant managers worldwide. In addition to an undergraduate engineering degree from Iowa State University, he earned a master's degree in business administration from St. Louis University.

In 1982, Mr. Kennedy came to assist with the Roland George Investments Program at Stetson University. He was selected as the distinguished visiting professor to fulfill one of the original requirements by Mrs. George to have a successful prominent investments practitioner in residence. While commuting from St. Louis for his designated class periods, Mr. Kennedy also arranged for guest lecturers to bring further practical expertise and experience to the program. His approach of bringing in a broad base of knowledge from many professionals has continued in use to this day.

Mr. Kennedy began his endeavors by giving a series of lectures describing how Kennedy Capital Management, Inc., screens and selects stocks for



Photo art from archives

its clients, examining key variables and assigning relative weights for those selections that would have a high statistical probability of outperforming the market. The class developed a strategy and set criteria for student research. It was at this point that Mr. Kennedy introduced the use of computers to aid the students in their research. Using services such as Value Line, Standard & Poor'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, he taught students the use of sophisticated research materials, highly regarded at the time.

Continuing his role as visiting professor through 1987, Mr. Kennedy contributed greatly by adding specific expertise in the areas of economic forecasting, portfolio modeling and computer screening. His frequent appearance on the nationally televised Financial News Network, once with an investments program student, furthered state and national recognition of the Roland George Investments Program.

As one of the oldest student managed investment programs nationwide, we feel Mr. Kennedy's 18 year involvement as visiting professor and guest lecturer has played a significant role in the performance of our program. We are proud of the standing we have with the Roland George Investments Program and gratefully give tribute to Gerald T. Kennedy for his contributions to enhance the foundation upon which our program was built.

LECTURERS

1998 — 1999

"...exposing students to experienced investment managers...ideal to prepare for a career in investments..."

— FACULTY —

Frank G. Castle, CFA
George Professor of
Applied Investments



James E. Mallett, Ph.D.
Director, George
Investments Institute and
Professor of Finance



— GUEST SPEAKERS —



Brian R. Bruce
President and CEO
Bruce Global Management
Dallas, TX
Spring 1999



Thomas L. Halaburt
TBA Business Group Leader,
Hewitt Associates,
Jacksonville, FL
Fall 1998



James A. Hughes, Jr.
President & Partner,
V⁴, Inc.,
Orlando, FL
Fall 1998



Gerald T. Kennedy
President
Kennedy Capital
Management, Inc.
St. Louis, MO
Fall 1998



Christopher A. Rupp, II
Senior Analyst,
Sterne, Agee & Leach,
Atlanta, GA
Fall 1998



Robert Schumacher
Vice-President
First Capital Group
First Union National Bank
Jacksonville, FL
Spring 1999



Robert H. Stovall, CFA
President
Stovall/Twenty-Frist
Advisors, Inc.
New York, NY
Spring 1999



Max Zavanelli
President
Zavanelli Portfolio
Research, Inc.
Orange City, FL
Fall 1998

PORTFOLIO STRATEGY

TOP-DOWN VIEW

While the 1998-1999 Roland George Investments Program students took a bottom-up approach to their security selection, prudence dictated that the macroeconomic variables and overall market valuation issues be studied in detail. A bottom-up investment approach implies that the investor first looks at the value of individual securities, then studies the sector the company is in, and finally analyze the macroeconomic impact on the chosen firms. The top-down approach to investing starts first with the economic environment then works down to the individual security selection.

Economic turmoil and equity market upheaval at the start of class in September 1998 made for an interesting start to the classes' investment experience. When the class got underway in the fall, Asian financial markets

| VALUE | BLEND | GROWTH | |
|-------|-------|--------|------------|
| 11% | | | LARGE CAP |
| 12% | | 50% | MEDIUM CAP |
| 6% | | 21% | SMALL CAP |

Current Investment Style

had already imploded, Russia's financial breakdown was underway, and the fear was that Brazil would be next. The rapid drop in the equity market value in September dropped market valuation levels closer to historic norms. The George class kept its cool and went about the task of analyzing their portfolio and seeking stocks of value.

Rapid action by the Federal Reserve in cutting interest rates led to the stock market reflation in October and prevented the global crisis from spreading and becoming a domestic crisis. By the end of 1998, stock valuations were again at historically high levels driven by a strong economy, low interest rates, low inflation, and liquidity from investors who continued to believe that it was their birthright that stocks can only go higher. Plus, these investors were rational when compared to the new Internet investors who felt that economic laws had been repealed for their benefit.

As the spring semester progressed, both the economic outlook and the market continued to improve. With signs that both the international and domestic economy were on the upswing, the George students sought to capitalize on this strength by increasing their energy holdings and placing a small investment in the Japan Fund. The strength of the economy also led

students to invest in high-income securities to take advantage of the wide spreads in interest yields.

GROWTH PORTFOLIO UPDATE

The Roland George Investments Program Growth Fund had another good year. Growth Fund assets increased from \$975,190 to \$1,113,886 for an overall increase of 14%. This performance compares favorably with the performance of the small-cap Russell 2000 of negative four percent and the S&P Midcap Index performance of 10.5%. Since the majority of the stocks in the growth fund are small and mid-cap stocks, these indexes were chosen as the benchmarks to compare our portfolio performance.

| VALUE | BLEND | GROWTH | |
|-------|-------|--------|------------|
| 5% | 5% | | LARGE CAP |
| 17% | 12% | | MEDIUM CAP |
| 24% | | 37% | SMALL CAP |

1998 Investment Style

The portfolio has shifted more to mid-cap stocks from small companies and more to growth from value. The shift to growth was largely influenced by the success of TCA Cable in our portfolio. Of course, when TCA Cable was purchased, it was a value play. Below is a comparison of this year's portfolio style box compared to last year.

This year's class sought to sell under-performing stocks while focusing buys on undervalued securities and sound growth companies that had fallen out of favor. An effort was made to add oil stocks to the portfolio because of the sector's potential to grow with the economic expansion. Exposure in international mutual funds was reduced to avoid their volatility and political risk.

GROWTH PORTFOLIO GOALS

Our aim is to:

- ✦ Generate equity investments suitable for the George portfolio, seeking preservation of capital and above-average, full-cycle total return.

- ✦ Achieve an above-average risk-adjusted real return (alpha) by following a disciplined strategy of emphasizing both hidden intrinsic values and depressed, oversold values as defined in our Investment Goals. Virtually all portfolio investments will be relatively out of favor when purchased; patience is needed in order to achieve our goals.
- ✦ Control portfolio relative volatility (beta) through liberal emphasis on stocks with low P/Es, stocks generating above-average portfolio income, and a full managed equity/reserve ratio. We stress adequate category diversification of stocks. Our goal is to build a portfolio which should not closely track the broad stock market indices.

GROWTH PORTFOLIO STRATEGIES

There is more than one legitimate definition of value and/or growth. Stocks selected and owned will fall into one of our value growth categories, several of which we have listed herein. We believe that the market will, from time to time, focus on the under-valuation of our individual securities and adjust their values upwards.

Hidden or undervalued asset situation

- * Understated good will, real estate, inventory, or natural resource assets that ultimately should be better recognized by investors.

Corporate earnings recovery and margin improvement situations

- * Internal management bootstrap operations and oversold cyclical recovery situations.

Inordinately low relative or absolute P/E situations

- * Sound growth companies inordinately depressed because of market panic or negative company image even though they have strong, enduring customer franchises or good product lines which build in highly visible future growth.

Special situation takeover, liquidation, or restructuring candidates

- * High cash flow and/or free cash per share, often with undervalued assets.
- * Gap between public and private value.
- * Attractiveness dependent on regulatory and economic climates.

INCOME PORTFOLIO UPDATE

The Roland George Investments Program Income Portfolio outpaced its benchmark this year. Our income fund total return was 5.3% after program expenses compared to the Lipper Intermediate Investment Grade Bond Index total return of 3.8%. The decision to be in shorter-term securities turned out to be a correct decision as longer-term bonds' total returns were less due to rising interest rates.

It was the general agreement of the class that given a growing economy and a stable interest rate environment, an increase in credit risk would be acceptable. Spreads between Treasury bonds and high yielding corporate bonds were very wide given the fall 1998 international financial turmoil. To capture these wide spreads, the class proposed that ten percent of the portfolio be placed in high yielding bonds that were rated at least B by Standard and Poor.

INCOME PORTFOLIO GOALS

After reviewing the Income Portfolio, coupled with economic and current analysis, the Spring 1999 George class decided on the following objectives for the Income Portfolio:

- ✦ Produce \$60,000 in current income
- ✦ Maximize total return subject to prudent preservation of capital
- ✦ 90% of portfolio in bonds of BBB or better
- ✦ 10% of portfolio in bonds rated B or BB

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 and Dow Jones News Retrieval, in conjunction with data sources such as Zack's Icarus Services and the O'Neil Reports, 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 selected as the first Roland and Sarah George Professor of Applied Investments. Since then, Ned Schmidt, Christopher Ma, and Frank Castle have also served as Visiting George Professors. These individuals were selected because they had applied investment experience and the enthusiasm to convey this knowledge effectively in the classroom to the students. Not only have they helped in greatly improving the level of investment experience for students at Stetson University but have aided in developing the Roland and Sarah George Investments Institute into a premier organization for applied investment research and investment education.

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 \$2 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 nineteen years.

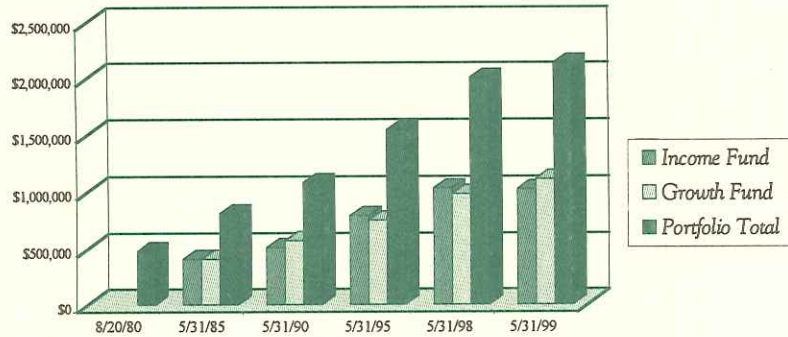
ROLAND GEORGE INVESTMENTS PROGRAM VISITING PROFESSORS

| | |
|-------------------------------|-----------------|
| B. Carter Randall | 1981 |
| Gerald T. Kennedy | 1982-87 |
| B. Carter Randall | 1988-91 |
| Max Zavanelli | 1991-94 |
| Ned W. Schmidt, CFA | 1994-97 |
| Christopher K. Ma, Ph.D., CFA | 1997-98 |
| Frank G. Castle, CFA | 1998 to present |

DIRECTORS

| | |
|-------------------------|-----------------|
| Kenneth L. Jackson | 1980-81 |
| G. Michael Boyd, Ph.D. | 1982-84 |
| James E. Mallett, Ph.D. | 1985 to present |

TOTAL PORTFOLIO VALUE



1998-1999 Class

(Left to right)

First Row: Sandi Sauerland, Jerra Fortner and Anna Berkey

Second Row: William Laird, Patrick Fleming, Ryan Cournoyer,
Russell Kelton and Dahl Curry

Third Row: Graham Forum, Shiran Samarawickrama, Dennis Clark,
Chad Warrick, Walter Ballard, Tschamer UpJohn

Fourth Row: Chad Robinson, Garrett Davis, Josh Kingdon and Derek Mears

Not pictured: Alex Brown, Chris Daher, David Doorneweerd,
Matt Hogle, Mark King, Robert Korey, Bill McKee, Nicole Mendez,
Jim Pascale, Christen Rano, Chris Remo, Taucier Smalls and Rubelette Wilson

APPENDIX A
SUMMARY OF NINETEEN-YEAR PERFORMANCE
5/31/99

| DATE | INCOME | GROWTH | TOTAL |
|---------|------------------|------------|------------------------|
| 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 |
| 5/31/98 | 1,027,786 | 975,195 | 2,002,981 ^b |
| 5/31/99 | 1,021,160 | 1,113,886 | 2,135,046 ^b |

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

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

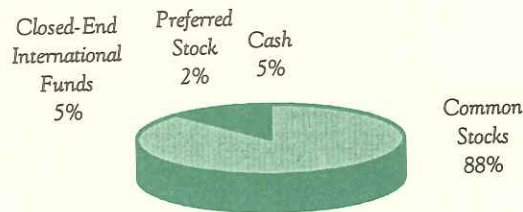
In establishing the Growth and Income funds, the charter establishing the Roland George Investments Fund set an asset allocation of fifty percent to the Growth Fund and fifty percent to the Income Fund. Therefore, funds are periodically transferred between funds to keep that balance.

PORTFOLIO ASSETS

APPENDIX B GROWTH FUND 5/31/99



Voting on proposal — all part of students' decision making participation.



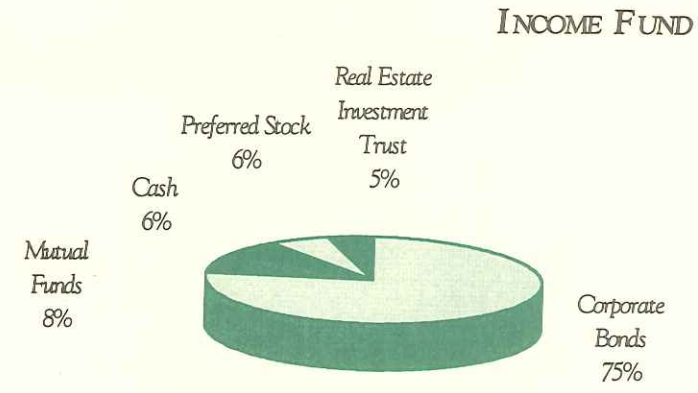
GROWTH FUND

| SHARES COMMON | NAME STOCKS | COST | MARKET |
|--|--------------------------------------|-------------------|---------------------|
| 2,400 | Analytical Surveys, Inc. | \$ 12,430 | \$ 58,800 |
| 200 | Beckman Coulter, Inc. | 7,771 | 10,150 |
| 2,000 | Biomet, Inc. | 34,360 | 79,875 |
| 1,000 | EG&G | 31,185 | 29,688 |
| 1,000 | Electro Scientific Industries, Inc. | 28,060 | 37,500 |
| 1,400 | Ensco International, Inc. | 19,680 | 24,850 |
| 1,000 | FDX Corporation | 32,233 | 54,813 |
| 3,000 | Frequency Electronics, Inc. | 34,285 | 26,063 |
| 1,000 | Gentex Corporation | 10,719 | 60,062 |
| 1,600 | Global Marine, Inc. | 19,490 | 22,500 |
| 300 | Great Lakes Chemical | 13,201 | 13,556 |
| 400 | Gulfstream Aerospace Corporation | 19,771 | 24,700 |
| 700 | Halliburton Company | 28,395 | 28,963 |
| 1,000 | IBIS Technology Corporation | 25,435 | 19,688 |
| 600 | Micron Technology, Inc. | 17,821 | 22,725 |
| 500 | Mirage Resorts, Inc. | 10,593 | 10,250 |
| 1,400 | Nisource, Inc. | 31,018 | 39,113 |
| 600 | Novellus Systems, Inc. | 18,346 | 29,288 |
| 4,000 | Panera Bread Company | 24,970 | 28,000 |
| 3,000 | Paxson Communications Corporation | 26,770 | 38,813 |
| 1,800 | TCA Cable TV, Inc. | 41,740 | 203,850 |
| 3,000 | Thoratec | 22,848 | 25,125 |
| 400 | Toys R Us | 13,596 | 9,225 |
| 3,000 | Trizec Hahn Corporation | 27,525 | 61,875 |
| 900 | Westcoast Energy, Inc. | 21,036 | 17,775 |
| | TOTAL COMMON STOCKS | \$ 573,278 | \$ 977,247 |
| CLOSED-END INTERNATIONAL MUTUAL FUNDS | | | |
| 3,000 | Japan Equity Fund | 27,713 | 25,500 |
| 2,500 | New South Africa Fund, Inc. | 36,688 | 25,781 |
| | TOTAL CLOSED-END MUTUAL FUNDS | \$ 64,401 | \$ 51,281 |
| PREFERRED STOCK | | | |
| 1,500 | Plains Resources, Inc. | 25,585 | 25,781 |
| | TOTAL PREFERRED STOCK | \$ 25,585 | \$ 25,781 |
| | TOTAL EQUITY | \$ 663,264 | \$ 1,054,309 |
| | TOTAL CASH EQUIVALENTS | \$ 59,577 | \$ 59,577 |
| | TOTAL GROWTH FUND ASSETS | \$ 722,841 | \$ 1,113,886 |

APPENDIX B (CONT.)
INCOME FUND
5/31/99

| UNITS | DESCRIPTION | | | COST | MARKET |
|--|-------------------------------|---------|----------|---------------------|---------------------|
| CORPORATE BONDS | | | | | |
| 50 | IBM Corporation | 6.375% | 6/15/00 | \$ 48,375 | 50,333 |
| 30 | Coastal Corporation | 10.375% | 10/1/00 | 31,670 | 31,556 |
| 40 | Rockwell International | 8.375% | 2/15/01 | 45,800 | 41,453 |
| 100 | Walt Disney | 6.375% | 3/30/01 | 98,561 | 100,868 |
| 100 | Bell Atlantic | 5.875% | 2/1/04 | 93,510 | 97,881 |
| 40 | Coeur D Alene Mines | 7.250% | 10/31/05 | 24,108 | 22,800 |
| 100 | Hersheys Foods | 6.950% | 3/1/07 | 99,385 | 102,704 |
| 100 | Lehman Brothers | 6.625% | 2/15/08 | 102,406 | 97,118 |
| 40 | MFC Bancorp | 8.000% | 4/1/08 | 32,110 | 40,000 |
| 100 | Nationsbank | 6.600% | 5/15/10 | 101,947 | 97,686 |
| 100 | International Paper | 6.875% | 11/1/23 | 100,510 | 93,979 |
| TOTAL CORPORATE BONDS | | | | \$ 778,382 | \$ 776,378 |
| MUTUAL FUND - FIXED INCOME | | | | | |
| 12,000 | Templeton Global Income | | | 80,850 | 78,750 |
| TOTAL MUTUAL FUNDS - FIXED INCOME | | | | \$ 80,850 | \$ 78,750 |
| PREFERRED STOCK | | | | | |
| 500 | Globalstar Telecom | 8.000% | 2/15/11 | 21,295 | 23,438 |
| 1,000 | Metromedia Intl Group | 7.250% | | 27,560 | 36,000 |
| TOTAL PREFERRED STOCK | | | | \$ 48,855 | 59,438 |
| REAL ESTATE INVESTMENT TRUST | | | | | |
| 2,000 | Crescent Real Estate Equities | | | 45,110 | 46,125 |
| TOTAL REITs | | | | \$ 45,110 | 46,125 |
| TOTAL INCOME INSTRUMENTS | | | | \$ 953,197 | \$ 960,691 |
| TOTAL CASH EQUIVALENTS | | | | \$ 60,469 | \$ 60,469 |
| TOTAL INCOME FUND ASSETS | | | | \$ 1,013,666 | \$ 1,021,160 |
| TOTAL PORTFOLIO ASSETS | | | | \$ 1,736,507 | \$ 2,135,046 |

PORTFOLIO ASSETS



Contemplation . . .
Jerra Fortner presenting proposal

TRANSACTIONS

APPENDIX C SALES



Business news at its best!



Chris Remo with research
for presentation.

| UNIT | DESCRIPTION | SALES PRICE | NET COST | PROFIT [Loss] |
|--|--------------------------------------|-------------------|----------------|----------------|
| GROWTH FUND | | | | |
| 2,500 | Allied Health | \$ 5,172 | \$ 24,688 | \$ (19,515) |
| 500 | BankAmerica | 35,391 | 29,348 | 6,043 |
| 1,000 | Cooper Tire and Rubber | 19,439 | 21,935 | (2,496) |
| 400 | Dillard's | 11,854 | 14,863 | (3,009) |
| 2,400 | Diodes | 10,507 | 14,530 | (4,023) |
| 300 | Exxon | 19,622 | 18,121 | 1,501 |
| 400 | First Union | 21,478 | 19,871 | 1,607 |
| 2,283 | Germany Fund | 29,583 | 31,855 | (2,272) |
| 3,000 | Hycor Bio Medical | 4,557 | 13,827 | (9,269) |
| 1,000 | IBP | 27,814 | 23,935 | 3,879 |
| 500 | LVM Hennessy Louis Vuitton | 24,579 | 18,670 | 5,909 |
| 500 | Merrill Lynch | 34,485 | 34,512 | (27) |
| 75 | Octel | 939 | 1,582 | (643) |
| 300 | Phelps Dodge | 16,153 | 19,359 | (3,205) |
| 4,036 | Swiss Helvetia | 57,585 | 41,599 | 15,986 |
| 702 | Vanguard Value Index Fund | 16,297 | 11,371 | 4,926 |
| TOTAL GROWTH FUND SALES | | \$ 335,457 | 340,065 | (4,608) |
| INCOME FUND | | | | |
| 50 | AT&T Corporation (Matured) 4.375% | \$ 50,000 | 45,885 | 4,115 |
| 940 | Vanguard Short-Term Corporate | 10,094 | 10,000 | 94 |
| TOTAL INCOME FUND SALES | | \$ 60,094 | 55,885 | 4,209 |
| TOTAL PORTFOLIO SALES & REDEMPTIONS | | \$ 395,551 | 395,950 | (399) |

**APPENDIX C (CONT.)
PURCHASES**

| UNIT | DESCRIPTION | COSTS |
|--------------------|---------------------------------------|-------------------|
| GROWTH FUND | | |
| 4,000 | Au Bon Pain (Panera Bread) | \$ 24,970 |
| 1,000 | EG&G | 31,185 |
| 1,400 | EnSCO International | 19,680 |
| 3,000 | Frequency Electronics | 34,285 |
| 1,600 | Global Marine | 19,490 |
| 400 | Gulfstream Aerospace | 19,771 |
| 700 | Halliburton | 28,395 |
| 1,000 | IBIS | 25,435 |
| 3,000 | Japan Equity Fd | 27,713 |
| 3,000 | Paxson Communications | 26,770 |
| 1,500 | Plains Resources | 25,585 |
| 3,000 | Thoratec | 22,848 |
| | TOTAL GROWTH FUND PURCHASES | \$ 306,126 |
| INCOME FUND | | |
| 30 | Coastal Corporation 10.38% 10/1/00 | \$ 31,670 |
| 40 | Coeur D Alene Mines 7.25% 10/31/05 | 24,108 |
| 2,000 | Crescent Real Estate Equities Trust | 45,110 |
| 500 | Globalstar Telecom 8% 2/15/11 | 21,295 |
| 1,000 | Metromedia Int'l Group 7.25% | 27,560 |
| 40 | MFC Bancorp 8% 4/1/08 | 32,110 |
| 12,000 | Templeton Global Income | 78,750 |
| | TOTAL INCOME FUND PURCHASES | \$ 260,603 |
| | TOTAL PORTFOLIO PURCHASES | \$ 566,729 |



Hands-on sophisticated research resources made available.



Real-time quotes and state-of-the-art data are keys to proposals.

STATEMENT OF OPERATIONS

APPENDIX D
JUNE 1, 1998 - MAY 31, 1999

| | | | |
|---|----------------------------|---------|--------------------------|
| INCOME: | | | \$ 22,095 |
| Dividends | | | <u>60,140</u> |
| Interest | | | \$ <u>82,235</u> |
| EXPENSES: | | | |
| Custodial Fees | \$ 3,929 | | |
| Administrative Expenses | <u>62,956</u> ^a | | \$ 66,885 |
| | | | \$ <u>15,350</u> |
| NET INVESTMENT INCOME: | | | |
| REALIZED GAIN [LOSS] ON INVESTMENTS: | | | |
| Proceeds from Securities Sold | \$ 395,551 | | |
| Cost of Securities Sold | <u>395,950</u> | | |
| NET REALIZED GAIN [LOSS] ON INVESTMENTS | | \$ -399 | |
| NET DECREASE IN UNREALIZED APPRECIATION ON INVESTMENTS: | | | |
| Market Value of Holdings | \$ 2,135,046 | | |
| Cost of Holdings | <u>1,736,505</u> | | |
| Unrealized Appreciation-5/31/99 | 398,541 | | |
| Less Unrealized Appreciation-5/31/98 | <u>286,119</u> | | |
| INCREASE [DECREASE] IN NET UNREALIZED APPRECIATION: | | | \$ <u>112,424</u> |
| NET REALIZED GAIN [LOSS] AND INCREASE [DECREASE] IN NET UNREALIZED APPRECIATION: | | | \$ <u>112,023</u> |
| NET INCREASE IN ASSETS RESULTING FROM OPERATIONS: | | | \$ <u><u>127,373</u></u> |

^a 1999 administrative expenses deducted after May 31, 1999.

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APPENDIX E
1995–1999

| | |
|-----------------------------------|---|
| ALLEN, GARRY | Chief Investment Officer, Signet Trust Company, Richmond, VA. 1992–1996. |
| ARELLANO, RICHARD C. | Associate, Fixed Income Research, ABN AMRO, Inc., Chicago, IL. 1998. |
| ARONSON, THEODORE R., CFA, CIC | 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. |
| BRUCE, BRIAN R. | President and CEO, Bruce Global Management, Dallas, TX. 1998–1999. |
| BUKOWSKI, DANIEL J. | Senior Vice–President and Director of Quantitative Research, Zurich Kemper Investments, Chicago, IL. 1998. |
| 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. |
| GARNISH, JOHN F., CFA | Principal, Manager of Fixed Income Investments, Segall Bryant & Hamill Investment Counsel, Chicago, IL. 1998. |
| HALABURT, THOMAS L. | TBA Business Group Leader, Hewitt Associates, Atlanta, GA. 1999. |
| HARDIN, DAVID R. | Principal, Fixed Income Group, Barrow, Hanley, Mewhinney & Strauss, Inc., Dallas, TX. 1995–1996. |
| HUGHES, JAMES A., JR. | President and Partner, V ⁴ , Inc., Orlando, FL. Stetson graduate (BBA 1991). 1999. |
| 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., CFA | Formerly Senior Vice–President, STI Capital Management, Orlando, FL. 1997. |
| KAUFMAN, GEORGE G., Ph.D. | John J. Smith, Jr. Professor of Finance and Economics, Director, Center for Financial and Policy Studies, School of Business Administration, Loyola University, Chicago, IL. 1998. |

PROGRAM LECTURERS

APPENDIX E (CONT.)
1995-1999

- 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. 1982-1999.
- KENT, CYNTHIA S. Advocacy Administrator, Association for Investment Management and Research (AIMR), Charlottesville, VA. 1995.
- MACH, MICHAEL R., CFA 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, CFA Senior Vice-President and Chief Investment Officer, ADAM Investment Services, Inc., Atlanta, GA. 1996.
- PERNY, ELLIOTT Senior Executive Vice-President, STI 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, 1984-1998.
- RUPP, CHRISTOPHER A., II Senior Analyst, Sterne, Agee & Leach, Atlanta, GA. Stetson graduate (BBA 1993). 1999.
- SCHUMACHER, ROBERT Vice-President, First Capital Group, FirstUnion National Bank, Jacksonville, FL. 1990-1999.
- SERIO, MICHAEL J., CFA Senior Portfolio Manager, Segall Bryant & Hamill Investment Counsel, Chicago, IL. 1998.
- STANLEY, JEFFREY A. International Operations, American Bond Partners International, Orlando, FL. Stetson graduate (BBA 1990). 1995.
- STOVALL, ROBERT, CFA President of Stovall Twenty-First Advisors, Inc.; CPA; panelist on PBS television's "Wall Street Week"; and, columnist for Financial World magazine. 1989-1999.
- WATSON, JR., WILLIAM A. President, Watson Realty Corporation, Jacksonville, FL. Stetson graduate (BBA 1959). 1995.
- ZAVANELLI, MAX President, Zavanelli Portfolio Research, Inc.; 1991-1994 Roland and Sarah George Visiting Professor of Applied Investments. 1983-1986, 1991-1999.
- ZIPPER, PETER Vice-President, Anglo Irish Bank (Austria), Vienna, Austria. 1995.

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