JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

212-267-9000

Memo to Mr. Schur
Mr. Rosenwald
Mr. Shanks
Mr. Linder
Mr. Dilworth
Mr. Hansmann
Mr. Morgan
Dr. Kaysen

October 27, 1970

INSTITUTE FOR ADVANCED STUDY

Minutes, Meeting of the Finance Committee
October 14, 1970 at the Century Club, N.Y.C.

1. Present:

Mr. Linder	Mr. Morgan
Mr. Dilworth	Dr. Kaysen
Mr. Hansmann	Mr. Bristol

2. Investment changes on the attached schedule were ratified.

3. The Committee discussed at length the advisability of borrowing funds through the New Jersey Educational Facilities Authority and decided to take no action at this time.

4. The following two resolutions were announced and unanimously passed with respect to authorized check signing:

   1.) For the Capital Accounts - U. S. Trust Company of N. Y.

   Dr. Kaysen, Mr. Linder, Mr. Hansmann,
   Mr. Peterson, Mr. Dilworth;

   Any combination of two (2) signatures.

   2.) For the Operating Account - Princeton Bank & Trust Co. and the Payroll Account - First National Bank of Princeton

   Mr. Morgan, Mr. Pope, Mrs. Bortell,
   Mrs. Higbee, Mr. Hansmann;

   Any combination of two (2) signatures.

John W. Bristol
Secretary

Ralph E. Hansmann
Treasurer

INSTITUTE FOR ADVANCED STUDY

SUMMARY OF PURCHASES & SALES
For the Period April 17, 1970 through October 7, 1970

PURCHASES

I. Short Term Securities		Cost
1,000M	U.S. Treasury Note Ser. E 8% due 5-15-71	$1,004,375.-
1,000M	U.S. Treasury Note Ser. B 5 3/8% due 11-15-71	968,125.-
1,000M	U.S. Treasury Note Ser. F 8.25% due 8-15-71	1,006,875.-
1,000M	U.S. Treasury Note Ser. A 4.75% due 2-15-72	952,187.50
700M	U.S. Treasury Bills Disc. 7.10% due 1-31-71	665,043.17
600M	U.S. Treasury Notes 3.875% due 11-15-71	575,531.25
28M	U.S. Treasury Bills Disc. 5.90% due 11-30-70	27,665.01
		$5,199,801.93

II. Long Term Bonds		Cost
800M	U.S. Treasury Bonds 4% due 8-15-72	$ 754,250.-
1,100M	U.S. Treasury Notes A 5.75% due 11-15-74	1,049,468.75
		$1,803,718.75

III. Equities		Average Price	Cost
10,000 shs.	Columbia Gas System	30.64	$ 306,448.27
10,000 shs.	Crowell Collier & MacMillan	9.83	98,341.-
3,500 shs.	Kerr McGee Corp.	76.93	269,247.75
8,000 shs.	Squibb Beech-Nut	60.53	484,239.81
12,000 shs.	Getty Oil Co.	51.56	618,766.76
5,000 shs.	O. M. Scott & Sons A	16.07	80,328.20
10,000 shs.	Gulf Oil Corp.	26.56	265,619.-
4,000 shs.	Schlumberger Ltd.	80.53	322,133.98
			$2,445,124.77

IV. Received

1% Stock Dividend (payable 6-25-70)
104 06/100 Georgia Pacific Corp.

2/1 Stock Split (payable 5-20-70)
7,700 shs. Kimberly Clark

2/1 Stock Split (payable 7-1-70)
4,166 shs. Great West Life Insurance

PURCHASES (continued)

IV. Received (continued)

1% Stock Dividend (payable 9-25-70)
105 10/100 Georgia Pacific Corp.

1% Stock Dividend (payable 10-31-70)
206 06/100 Central Tel & Utilities

4% Stock Dividend (payable 12-16-70)
1,462 16/100 Crowell-Collier & MacMillan

Received
7,027 20/100 Transocean Oil Inc.
on stock dividend of
8,000 shs. J. Ray McDermott & Co.

SALES

I. Maturities

		Proceeds
500M	Federal National Mtge. Association 7 3/8% due 7-10-70	$ 500,000.-
100M	U.S. Treasury Bills Disc. 7.60% due 9-30-70	93,751.11
1,000M	Federal Intermediate Credit Bank 8.80% due 10-1-70	1,000,000.-
		$1,593,751.11

II. Fixed Income Securities

		Proceeds
250M	Imperial Oil Ltd. 3 5/8% due 2-1-75	$ 190,971.88
198M	Canadian British Aluminium 5.75% due 6-15-77	156,489.30
500M	U.S. Treasury Bills due 9-30-70	468,755.50
600M	U.S. Treasury Bills 5.80% due 11-30-70	554,958.50
	Redeemed in Full	
	Export-Import Bank of Washington 5.50% due 2-24-73	857,143.30
	Received S/F Payments	
	Canadian Petrofina Ltd.	7,371.84
	McDonald's Corp. Note	100,483.19
	Home Oil Co. Ltd. Ser. B. 5.50% due 9-1-71	15,000.-
		$2,351,173.51

SALES (continued)

III. Equities		Average Price	Proceeds
10,000 shs.	Betz Laboratories	37.45	$ 374,505.-
8,820 shs.	Carolina Power & Light Co.	27.43	241,888.95
10,000 shs.	Celanese Corp.	54.80	547,955.89
15,000 shs.	Central Illinois Light Co.	21.36	320,399.76
10,000 shs.	Chrysler Corp.	24.77	247,720.-
4,000 shs.	International Business Machines	298.52	1,194,088.83
10,000 shs.	Louisville Gas & Electric	30.77	307,657.88
12,000 shs.	Russell Stover Candies	22.08	264,938.20
14,000 shs.	General Tel & Electronics	26.15	366,036.24
25,000 shs.	Newmont Mining Corp.	30.72	768,019.30
13,574 shs.	American Electric Power	24.74	335,822.44
10,000 shs.	Reynolds Metals Co.	23.10	230,980.75
9,680 shs.	Shell Oil Co.	39.44	381,822.20
20,200 shs.	Tenneco Inc.	19.18	387,413.93
2,000 shs.	Superior Oil Nevada	143.01	286,022.04
7,027 shs.	Transocean Oil Inc.	6.19	43,510.94
18,260 shs.	Virginia Electric Power	19.95	364,285.76
			$6,663,068.11

September 14, 1970

Mr. Ira A. Schur
125 Park Avenue
New York, New York - 10017

Dear Ira:

I have discussed your letter of September 8th with the senior representatives of Haskins & Sells, and I have the following information for you:

1. They make the point that the opinion is required as a part of the report rather than a separate letter, and that they use the negative phraseology because there are some requirements of the indenture that would not normally turn up in an audit.

2. The indenture requires an annual report, and they feel that this will be incomplete without a summary of the investments and estimated annual income. You should note that they list the summary only and have not given any breakdown of the investments.

3. You are correct that the National Science Foundation grant should not be considered as matching money, and it will not be so shown. Also, they will make the suggested addition to Note E.

4. The balance forward for Social Sciences, in the amount of $170,810, was included in last year's report on Schedule 3, Page 12, as one of the specific purpose funds.

I am content that they will make the changes that you have suggested in the report, and I have told them to go to press.

Cordially yours,

M. C. Mg.

Minot C. Morgan, Jr.
General Manager

MCM/op
cc: R.E. Hansmann
T. Carey
Dr. C. Kaysen ✓

IRA A. SCHUR
125 PARK AVENUE
NEW YORK, N.Y. 10017

September 8, 1970

Mr. Minot C. Morgan, Jr.
Institute for Advanced Study
Fuld Hall
Princeton, N. J.

Dear Mike:

I have had a chance to look over the draft of the reports on the Institute, submitted by Haskins & Sells. As I told you on the phone, I wish you would determine why it is necessary for us to have a negative opinion accompanying the statements, which presumably are to be forwarded in connection with the mortgage. I would presume that Haskins & Sells has, in their permanent file, a listing of requirements which the Institute must meet, and it would seem to me they would be able to satisfy themselves concerning this.

I note also in their listing of contents of the first section of their working papers, which I assume are the statements to be furnished to the mortgagor, that they have listed a summary of investments and estimated annual income. Are these details required by the Indenture?

On Exhibit C, I note as at June 30, 1970, a figure shown in Note 1 of $522,746 as "amounts received toward matching requirement". Should the National Science Foundation grant be considered in this connection? On Note E, of Notes to the Financial Statement, you might ask Dr. Kaysen whether he would like to have a sentence added to this Note, stating that the Trustees had not availed themselves of the authorization.

I wish you would ask the Haskins & Sells representative concerning the following: On Exhibit C this year a statement of the fund for the new program in social sciences begins with a balance at July 1, 1969 of $170,810. I would have assumed that this balance was included in the General Fund balance of the previous year, or in Other General Funds balance. However, I note this year that the beginning General Fund balance is $42,641,323, which is the same amount as shown on last year's Exhibit A of the General Fund. The Other General Funds figure is also the same except that this year a $10,000 anonymous donation was received. Would you be good enough to ask them where the beginning balance of $170,810 was included in last year's statement.

I shall retain the drafts which I have for the present in the event a representative of Haskins & Sells would like to talk to me, particularly about the negative opinion.

With warmest regards, I am,

Sincerely,

CC Dr. Carl Kaysen
Mr. Ralph Hansmann

May 26, 1970

Memorandum to Members of the
Finance Committee

After our decision not to borrow at this time I spoke with Mr. Bambach, the Executive Director of the New Jersey Educational Facilities Authority, to communicate it to him. He agreed to our continuing to leave open the option to borrow at a later time. We will review the situation again in September. At that time, if we decide not to borrow, he might wish to close off the option and raise the question about the sharing of legal and other expenses the Authority has been involved in in connection with the preparation of the documents for the issue.

Carl Kaysen

To: Messrs. Schur, Shanks, Dilworth, Hansmann, Linder

cc: Mr. M. C. Morgan, Jr.

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

212-267-9000

Memo to Mr. Schur
Mr. Rosenwald
Mr. Shanks
Mr. Linder
Mr. Dilworth
Mr. Hansmann
Mr. Morgan
Dr. Kaysen

April 27, 1970

INSTITUTE FOR ADVANCED STUDY

Minutes, Meeting of the Finance Committee April 24, 1970 at the Fuld Hall, Princeton

1. Present:

Mr. Linder	Dr. Kaysen
Mr. Dilworth	Mr. Morgan
Mr. Shanks	Mr. Bristol
Mr. Hansmann	

2. Investment changes on the attached schedule were ratified.

3. The Committee reviewed the list of holdings as of March 31st and noted special special reports on DeSoto, Inc., Coastal States Gas Producing and Betz Laboratories.

4. The Committee discussed at length investment policy in the light of planned capital expenditures. It was agreed that cash or equivalent would be increased to approximately 15% of the portfolio. This would involve the sale of approximately \$5 million of equity securities.

John W. Bristol
Secretary

Ralph E. Hansmann
Treasurer

INSTITUTE FOR ADVANCED STUDY

SUMMARY OF PURCHASES & SALES
For the Period Sept. 29, 1969 through April 17, 1970

PURCHASES

I. Short Term Securities

		Cost
600M	U. S. Treasury Bills Disc. 7.57% due 11-30-70	$ 554,958.50
600M	U. S. Treasury Bills Disc. 7.60% due 9-30-70	562,506.67
1,700M	General Electric Note 9.05% due 1-8-70	1,700,000.-
1,000M	Federal Intermediate Credit Bank 8.80% due 10-1-70	1,001,250.-
1,000M	Federal Land Bank 6.80% due 2-23-71	982,187.50
500M	Federal National Mtge. Assoc. 7.375% due 7-10-70	496,953.13
		$5,297,855.80

II. Long Term Bonds

		Cost
100M	Southern California Edison 8 1/8% due 10-15-94	$ 100,000.-
1,300M	Federal Land Bank 6% due 10-20-71	1,278,062.51
		$1,278,062.51

III. Equities

	Price Range	Cost
3,000 shs. J. Ray McDermott & Co.	60 1/4 - 60 1/2	$ 181,887.92
6,000 shs. Westvaco Corp.	23 7/8 - 24	144,983.80
2,000 shs. Kerr-Mc Gee Corp.	89 1/4	179,455.60
		$ 506,327.32

IV. Received

1% Stock Dividend (payable 3-28-70)
103 03/100 shs. Georgia Pacific Corp.

4% Stock Dividend (payable 12-17-69)
1,012 04/100 shs. Crowell-Collier & MacMillan

2/1 Stock Split (payable 10-23-69)
12,000 shs. Betz Laboratories

1% Stock Dividend (payable 12-19-69)
102 01/100 shs. Georgia Pacific Corp.

3/2 Stock Split (payable 12-2-69)
8,112 shs. Damon Corp.

IV. Received (continued)

4/3 Stock Split (payable 12-1-69)
3,333 33/100 shs. Williamhouse Regency

1/9 Stock Split (payable 12-26-69)
2,475 shs. Royal Dutch Petroleum

2/1 Stock Split (payable 1-20-70)
5,000 shs. O. M. Scott

Gifts Retained	Value
500 shs. Kimberly Clark	$ 37,750.-
500 shs. Westvaco	15,000.-
	$ 52,750.-

SALES

I.	Maturities		Proceeds
	1,200M	U. S. Treasury Bills Disc. 7.01% Matured 12-4-69)	$1,178,766.67
	1,500M	U. S. Treasury Bills Disc. 5.99% Matured 12-31-69	1,416,389.55
	1,700M	General Electric Corp. 9.05% Matured 1-8-70	1,700,000.-
	200M	Federal Land Bank 5.75% Matured 1-20-70	200,000.-
	120M	U. S. Treasury Bonds 4% Matured 2-15-70	120,000.-
	1,300M	Federal Home Loan Bank 6.85% Matured 3-25-70	1,300,000.-
			$5,915,156.22

II.	Fixed Income Securities		Proceeds
	Received Payments		
		Canadian Petrofina Ltd.	$ 7,109.19
		McDonalds Corp.	89,914.26
		Export-Import Bank of Washington 5.50% due 2-24-73	142,857.-
		Arvida Corp. Note 6% due 4-1-76	11,783.60
	100M	Southern California Edison 8 1/4% due 10-15-94	98,000.-
			$ 349,664.05

III. Equities	Sale Price Per Share	Proceeds
14,000 shs. Mead Corp.	23 1/2 - 24	$ 326,615.03
2,000 shs. Schlumberger Ltd.	93 - 93 1/2	185,679.45
1,000 shs. Superior Oil of Nevada	160	159,396.80
7,427 shs. Allied Chemical Corp.	30 - 31 1/8	225,056.56
73 shs. Texas Instruments Inc.	139	10,096.17
8,000 shs. Falconbridge Nickel Mines	152 3/4 -158	1,239,980.16
9,000 shs. Connecticut General Ins. Corp.	63 1/2 - 66 5/8	571,454.90
5,000 shs. General Cigar	28 1/8 - 29	141,208.52
8,000 shs. Hanna Mining	48 - 48 1/2	382,206.61
Tendered		
88 shs. General Waterworks $4.40 Pfd.		9,680.-
		$3,251,374.20

IV. Sale of Gifts Received	Sale Price Per Share	Proceeds
8M Rheingold Corp. 6 1/2% due 1994	107 - 107 1/2	$ 8,554.82
5M Bethlehem Steel 6 7/8% due 1999	95 5/8	4,768.65
1,000 shs. Union Camp Corp.	35 5/8	35,208.68
		$ 48,532.15

THE INSTITUTE FOR ADVANCED STUDY

DAMON CORPORATION

Present Holding:
(reflecting three for two split Dec. 2, 1969)

Number of Shares:	24,336
Book Cost:	$244,977 ($10)
Current Market Value:	$1,216,800 ($50)

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007
212-267-9000

November 21, 1969

DAMON CORPORATION

(formerly Damon Engineering, Inc.)

Progress Report

Present Price	1969 Price Range	Earnings Per Share (Aug. 31) 1968	1969	1970E	1971E	PER 1970E	Dividend
74	80 - 40	$0.57	$0.82	$1.30	$1.80	57X	None

CAPITALIZATION (12/31/68) - Approximate

	At Book (Millions)	(%)	At Current Market (Millions)	(%)
Long-term Debt	$ 0.5	4.0%	$ 0.5	0.3%
Common Equity (2.1 million shares)	11.3	96.0	155.5	99.7
	$11.8	100.0%	$156.0	100.0%

OPERATING RECORD

Years Ended Aug. 31	Sales --(millions)--	Pre-tax Income	Pre-tax Margin	Net Income (millions)	Per Share Earns.	Per Share Price Range(a)	PER
1964	$ 7.2	$0.5	6.9%	$0.3	$0.16	---	---
1965	8.4	0.7	8.3	0.4	0.24	---	---
1966	10.3	0.8	7.8	0.4	0.25	---	---
1967	13.1	1.1	8.4	0.6	0.34	24-10	70-29
1968	15.7	2.1	13.4	1.0	0.57	54-20	95-35
1968 (revised)	22.8			1.3	0.61		
1969	24.7			1.9	0.82	80-40(b)	92-47

(a) Calendar year;
(b) To date.

DAMON ENGINEERING, INC.

Progress Report

Present Price	1969 Price Range	Earnings Per Share (Aug. 31) 1968	1969	1970E	1971E	PER 1970E	Dividend
74	80 - 40	$0.57	$0.82	$1.30	$1.80	57X	None

SUMMARY AND CONCLUSION

Damon's record of rapid growth is likely to continue, primarily from growth in its clinical laboratories business and to a lesser extent from sales growth of science apparatus for use by students in new -curriculum school programs.

Operation of clinical laboratories is currently a $3 billion service industry, with an annual growth of about 15% reflecting the ever-increasing need for more tests and evaluations on blood, tissue, and other human functions. In the clinical laboratory field, Damon is aggressively capitalizing on the fragmented industry structure by acquiring independent labs and combining operations into highly efficient units. It is particularly well prepared to do this because of the high price/earnings ratio of its stock and good record (helpful in making acquisitions), and its success in attracting staff pathologists and pathologist owned laboratories for acquisition. A significant added strength for the Company in this field is its capability to design new equipment which would permit it to begin offering proprietary services. A major step is the recently announced development of a biochemical profile blood test machine which needs only a single drop of blood instead of a full test tube. The unique service possible with such equipment would be of major benefit for the testing of blood from infants.

Management of Damon is impressive. It appears well organized, has knowledge of the Company's strengths and weaknesses, and has specific plans on the development of the Company using its strengths. The Company has been successful in attracting a number of strong technical experts from competitors.

The stock, selling at about ninety times earnings for the year just ended, and about forty times earnings for the year following the current fiscal year appears exceedingly high. However, the outstanding prospects for the clinical laboratory business, the impressive management, and the generally favorable outlook for the Company's other businesses substantially increases the worth of the stock. Continued holding is recommended.

BACKGROUND

Damon was organized in 1961 initially to engage in the fabrication of quartz crystal products, used mostly for frequency control in the electronics industry. By 1965, a plan to broaden the Company's interests into educational and medical growth areas was actively pursued. In September, 1965, the Educational Division was established to design, develop, and manufacture apparatus and equipment for use by students in new - curriculum programs in the sciences. Picked to head the division was Arthur Vash, a recognized pioneer and innovator in the field, who had previously been Vice President of Research and Development for Macalaster Scientific Corp.

Entry into the medical field occurred in April, 1968 through the acquisition of International Equipment Company (IEC), the leading manufacturer of centrifuges in the nation, with equipment placed in virtually every clinical laboratory. It gave the Company a "name" entry in the medical field, and permitted the subsequent initial acquisition and development of its clinical laboratory (diagnostic test) business.

SALES BREAKDOWN

The Company's sales by division in recent years and estimates for the year just completed are as follows:

Years Ended Aug. 31	Electronics	Educational	Int'l Equip. Co. & Plastics	Biomedical Sciences (Clinical Laboratories)	Total
			-thousands-		
1964	$ 853	-	$ 6,310	-	$ 7,163
1965	1,240	-	7,207	-	8,447
1966	1,377	$ 166	8,766	-	10,309
1967	2,160	977	9,921	-	13,058
1968	3,848	2,510	9,350	-	15,709
1969E	4,000	7,500*	10,000	$2,500	24,000

* Includes a recent acquisition with volume of about $4.0 million.

ELECTRONICS DIVISION (estimated 17% of fiscal 1969 sales)

The Company is a leading manufacturer of quartz crystals, the major product of this division. Although it is the Company's original business, it is currently the least valued because practically all the sales are for government end-use, and growth potential is limited.

EDUCATIONAL DIVISION (estimated 31% of fiscal 1969 sales)

Demand for inexpensive, good quality, and durable apparatus and equipment has been created by radical changes which have evolved in science education during the past ten years. New - curriculum programs are being developed which supplement teacher demonstration with experiments conducted by each individually equipped student. The cost of individual catalog items offered by the Company range from about 50¢ to $170 and the total cost to equip a class of 30 students ranges from approximately $800 to $4,500.

Damon's educational equipment is usually sold through major publishers under exclusive arrangements, in which the publishers supply the textbooks and market the programs and Damon supplies the equipment. Specific programs include various physical science courses with Prentice-Hall, John Wiley and Addison-Wesley, and physics with Holt, Rinehart & Winston. Competition from the publishers in the manufacture of the apparatus is not considered a threat because publishers are not generally proficient in a competitive manufacturing environment.

In order to help expand the market for its science apparatus beyond new - curriculum school classes, Damon recently acquired Estes Industries, the nation's leading manufacturer of flying model rockets and associated products. Estes, a strong growth entity itself, will market selected products of the Educational Division through its mail order catalog and nationwide network of more than a thousand independent hobby centers. This acquisition more than doubled the Division's sales, from about $3.5 million to about $7.5 million.

INTERNATIONAL EQUIPMENT COMPANY & PLASTICS DIVISION (estimated 42% of fiscal 1969 sales)

The acquisition of IEC gave Damon a quality name (for centrifuges) in the hospital and laboratory field, superb metal handling capability in its plant, and an important sales and earnings contribution. Growth, however, has only averaged about 10% annually in the past, and is not expected to accelerate in the future.

BIOMEDICAL SCIENCES (estimated 10% of fiscal 1969 sales)

The Biomedical Sciences Division, primarily consisting of the Company's clinical laboratories for diagnostic testing, is Damon's newest area of active interest, and the area of greatest potential. The Company officially entered the field in March 1969 when it announced agreement to acquire a group of companies operating nine clinical laboratories.

The biomedical testing industry has estimated annual revenues of about $3 billion, and is growing approximately 15% per year reflecting the increasing number of tests demanded by doctors. The industry is highly fragmented, with most private labs, which account for about half of the industry, owned and managed by pathologists in order to assure maximum acceptance by the medical community. Profit margins for the larger, efficiently run labs tend to be high (estimated at about 15% after taxes, after adjustment for excess salaries paid owner-managements) because of the price umbrella given by hospital lab charges and other less efficient laboratories and doctors' general preference for highest quality rather than lowest price.

Damon's approach to developing a substantial business in this market has the following main segments:

(1) Acquire operating laboratories. To date, the Company has had little difficulty. The pathologist-owners have been receptive to joining Damon, probably because of the management, the Company's capabilities, and the attractiveness of the stock.

(2) Consolidate laboratory operations in each locality to greatly improve efficency. New markets are also pursued.

(3) Develop special equipment which can be used to offer a proprietary service and lead to greater market acceptance. The Company's strong engineering capability plus some acquired talent, especially a former Vice President and Director of Research of Technicon Corp. (the acknowledged leader in laboratory test equipment), makes it well equipped to develop a successful product. A major step was the recently announced automated blood testing machine which requires only a single drop of blood instead of the small test tube full required by competitive equipment. With this equipment, commonly employed tests could be extended to infants, as well as making the current tests less traumatic mentally on older children and adults.

In fiscal 1969, volume of the division is estimated to have totaled at least $2.5 million. An increase to about $10.0 million is estimated for fiscal 1970.

OUTLOOK

The outlook for earnings growth is extremely favorable. However, specific projections are difficult because of numerous acquisitions and rapid internal increases in the Biomedical Sciences Division. Expectations for fiscal 1970 are an earnings increase of about 50% to $1.30 per share, and in fiscal 1971, an increase of about 40% to $1.80.

FINANCIAL

The Company's finances are strong. Debt is small, and working capital ample. On August 31, 1968, current assets were almost three times current liabilities, and working capital totaled about $4.6 million. A public issue of new stock in December, 1968 netted the Company an additional $5.6 million.

Acquisitions are generally paid for with stock.

RECOMMENDATION

The extremely attractive prospects for Damon's Biomedical Sciences and Educational Divisions, and its strong management capabilities makes the probability high that the Company will experience rapid future growth. Although the current price of the stock is very high, the long-term potential for further gains is excellent. Continued holding is advised.

DEF/hm

John W. Bristol & Co., Inc.

Finance Com

October 1, 1969

Dear Ira:

Attached are 6 copies of our estimates of the monthly expenditures which the Institute will incur between now and next December, showing both our ordinary operations and the estimated costs of new construction. I thought you might find these useful to have for the Finance Committee. I am sending a copy separately to Ralph.

Cordially,

Carl Kaysen

Mr. Ira Schur
125 Park Avenue
New York 10017

Enclosures (6)

CASH FLOW CHART

October 1, 1969

	I.A.S. OPERATIONS	NEW CONSTRUCTION	TOTAL
September 1, 1969	$ 200,000	$ 35,000	$ 235,000
October 1, 1969	225,000	190,000	415,000
November 1, 1969	240,000	100,000	340,000
December 1, 1969	240,000	120,000	360,000
January 1, 1970	240,000	170,000	410,000
February 1, 1970	240,000	190,000	430,000
March 1, 1970	240,000	270,000	510,000
April 1, 1970	240,000	245,000	485,000
May 1, 1970	225,000	280,000	505,000
June 1, 1970	215,000	290,000	505,000
FISCAL 1969-1970	($2,305,000)	($1,890,000)	($4,195,000)
July 1, 1970	$ 200,000	$ 320,000	$ 520,000
August 1, 1970	180,000	355,000	535,000
September 1, 1970	200,000	390,000	590,000
October 1, 1970	225,000	310,000	535,000
November 1, 1970	240,000	265,000	505,000
December 1, 1970	240,000	240,000	480,000
FIRST HALF FISCAL 1970-1971	($1,285,000)	($1,880,000)	($3,165,000)
TOTAL - 16 MONTHS	$3,590,000	$3,770,000	$7,360,000

April 14, 1969

INSTITUTE FOR ADVANCED STUDY OF PRINCETON

To: Members of the Finance Committee
From: Ira A. Schur

Progress Report on the Institute's Portfolio

Inasmuch as I won't be able to chair the April 25 meeting, I am submitting this brief progress report which summarizes the evolution of the portfolio since our last formal meeting in October, 1968 and the major changes which were brought to the portfolio over the past six months.

Fluctuations of Assets Since September 30, 1968

	Net Assets	Index	St. & Poors 425 Index	Index	Dow Jones	Index
Sept. 30, 1968	$55,750,000	100	112.01	100	935.79	100
Oct. 31, 1968	56,163,000	101	112.86	101	952.39	102
Nov. 30, 1968	57,846,000	104	118.03	105	985.08	105
Dec. 31, 1968	56,822,460	102	113.02	101	943.75	101
Jan. 31, 1969	57,397,632	103	111.79	100	946.05	101
Feb. 28, 1969	54,692.236	98	106.64	95	905.21	97
Mar. 31, 1969	57,046,000*	102	110.91	99	935.48	100
Adjusted**	58,035,000	104				

* Ex Actual Withdrawals from Principal as follows:

	Operations	Capital Expenditures	Total
4th Quarter 1968	$203,204	$406,008	$611,212
1st Quarter 1969	303,261	75,000	378,261
	$506,465	$481,008	$989,473

** Assuming no withdrawls from principal.

I believe that the behavior of the portfolio over the past six months can be considered as most gratifying as it has outperformed by a fair margin the two leading stock indexes. The portfolio's showing has been all the more rewarding as an equity exposure exceeding 85% of total assets has been maintained throughout the period.

I attribute the fair performance of the portfolio not only to the nominal investments in long term bonds, but also to the satisfactory balance of the equity portfolio and to the absence of speculative issues.

Major Portfolio Changes Since September 30, 1968

Outside of the transactions authorized by the Committee on October 9, 1968, very few changes have taken place over the past six months.

We took advantage of the sharp rise in the prices of Weyerhaeuser and Georgia Pacific to reduce these two holdings by respectively 2,000 shares @ 85 (present price 83) and 3,827 shares @ 94 (present price 88).

We have also eliminated the holding of 8,500 shares Magnavox Co. received in exchange for the holding of 20,000 shares H. & A. Selmer, Inc. upon the merger of these two companies.

A block of 20,000 shares Sun Oil $2.25 Conv. Preferred stock was bought at 45 (present price 49) and 20,000 shares Continental Oil have been accumulated within a price range of 36 3/8 - 37 1/4 (present price 36).

We have tendered the holding of 8,500 shares Great-West Life Assurance at a price of US$130. The Investors Group, the Canadian subsidiary of Investors Diversified Services of Minneapolis, is seeking at least 30% of the shares outstanding. Great-West Life Assurance traded as low as $40 per share in 1968.

We will take advantage of the current secondary offering of 500,000 shares Williamhouse-Regency at 34 5/8 net to create a new holding of 10,000 shares. To cover the cost of this transaction we will be selling the small holdings of 5,000 shares General Cigar and the 7,058 shares Liberty National Life Insurance.

Additional information on the recent transactions will be presented either through the forthcoming formal agenda for the April 25 meeting or directly by Mr. Hansmann and Mr. Cotty who will be attending the meeting.

IRA A. SCHUR
125 PARK AVENUE
NEW YORK, N.Y. 10017

April 11, 1969

Dr. Carl Kaysen
Institute for Advanced Study
Princeton, New Jersey

Dear Carl:

I am enclosing a brief report re the Finance Committee.

May I also remind you that you were going to take up the question of the signing of checks. The present situation is that the Treasurer or Assistant Treasurer can sign the checks countersigned by any member of the Finance Committee. It seems to me that it would be preferable to have someone in New York sign checks in addition to the Treasurer. Though I suppose in a pinch if Ralph Hansmann is out of town, I could sign as Secretary (if I am continued in that post) with one of the members of the Finance Committee.

With warmest regards, I am

Sincerely yours,

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

212-267-9000

Memo to Mr. Schur
Mr. Hochschild
Mr. Shanks
Mr. Strauss
Mr. Dilworth
Mr. Hansmann

April 17, 1969

INSTITUTE FOR ADVANCED STUDY

Agenda for Meeting of the Finance Committee
Friday, April 25, 1969, at 11:30 A. M.
at the Fuld Hall in Princeton, New Jersey

1. Report of acting Chairman

2. Ratify investment changes since last meeting
(Schedule attached)

3. Investment Review:

   - List of Holdings as of March 31, 1969;
   - Mr. Schur's Progress Report
     (to be distributed)

4. For Information:

   - Betz Laboratories, Inc.
     (Progress Report dated March 14, 1969)

   - Selmer - Magnavox Merger (Holding: 8,500 shs. Magnavox)
     (Memos dated December 24 and December 27, 1968)

   - Tender Offer for Great-West Life Assurance Company
     (Holding: 8,500 shares)
     (Memo dated April 3, 1969 previously submitted)

   - Williamhouse-Regency Inc. (Holding:10,000 shares)
     (Memo dated April 1, 1969)

John W. Bristol & Co., Inc.

INSTITUTE FOR ADVANCED STUDY

SUMMARY OF PURCHASES & SALES

For the Period October 1, 1968 through April 16, 1969

PURCHASES

I. Short Term Securities

	Cost
500 M U.S. Treasury Bills 5.21%, due 1-2-69	$ 493,415.14
1,700 M U.S. Treasury Bills Disc. 5.51%, due 1-3-69	1,676,322.30
700 M U.S. Treasury Bills Disc. 6.35%, due 7-10-69	677,528.05
1,700 M U.S. Treasury Bills Cisc., due 12-31-69	1,605,241.52
	$4,452,507.01

II. Equities

	Price Range	
5,000 shs. H. & A. Selmer, Inc.(1)	18 7/8 - 19 3/8	$ 97,600.56
3,500 shs. Deere & Co.		188,802.25
20,000 shs. Sun Oil $2.25 Cv.Pfd.	45	905,260.00
20,000 shs. Continental Oil (Del.)	36 3/8 - 37 1/4	743,314.11
10,000 shs. Williamhouse Regency	34 5/8	346,250.00
		$2,281,226.92

(1) Exchanged since for 2,125 shs. Magnavox.

III. Received

8,500 shs. Magnavox Co.
in exchange for
20,000 shs. H. & A. Selmer, Inc.

50% Stock Dividend (payable 5-1-69)
3,000 shs. Connecticut General Ins. Co.

3/2 Stock Split (payable 3/31/69)
5,000 shs. Becton Dickinson Co.

1% Stock Dividend (payable 2-10-69)
50 shs. Georgia Pacific

4% Stock Dividend (payable 12-12-68)
973 12/100 shs. Crowell Collier MacMillan

III. Received (continued)

2/1 Stock Split (payable 10-25-68)
17,201 shs. Gulf Oil

1% Stock Dividend (payable 12-19-68)
87 40/100 shs. Georgia Pacific

1% Stock Dividend (payable 12-20-68)
202 shs. Central Tel. & Utilities

12 1/2 Stock Dividend (payable 12-17-68)
2,475 shs. Royal Dutch Petroleum

2/1 Stock Split (payable 1-15-69)
19,800 shs. Coastal States Gas Producing

3/2 Stock Split (payable 11-29-68)
5,518 50/100 shs. Damon Engineering

Received in Exchange
4,840 shs. J. P. Morgan & Co.
in exchange for
2,420 shs. Morgan Guaranty Trust Co.

SALES

I. Maturities	Proceeds
1,000 M U.S. Treasury Bills Disc. 5.16%, matured 10-31-68	$1,000,000.00
500 M U.S. Treasury Bills Disc. 5.21%, matured 1-2-69	493,415.14
1,700 M U.S. Treasury Bills Disc. 5.51%, matured 1-30-69	1,676,322.30
	$3,169,737.44

II. Fixed Income Securities	
700 M U.S. Treasury Bills Disc. 5.60%, due 4-30-69	$ 660,347.33
500 M New York Bank for Savings 5%	500,000.00
	$1,160,347.33

SALES (cont'd)

III. Equities	Sale Price Per Share	Proceeds
6,400 shs. CNA Financial Corp.	46 3/4	$ 296,167.68
4,900 shs. Arkansas Louisiana Gas	37 1/2-37 3/4	182,124.09
5,000 shs. Celanese Corp.	67 1/2-68 3/4	338,714.36
250 shs. Trans Ocean Oil	22	5,413.50
10,540 shs. Minnesota Nat'l Life tendered	8.50	89,590.00
331 shs. Damon Engineering Inc.	47	15,442.44
2,000 shs. Weyerhaeuser Co.	84	166,785.54
3,827 shs. Georgia Pacific Corp.	94	358,619.39
8,500 shs. Magnavox	52 3/8-53	443,254.56
4,402 shs. Gulf Oil Corp.	43	191,650.16
7,058 shs. Liberty National Life	41 -41 3/8	289,011.21
8,000 shs. CNA Financial $1.10 Pfd.	30 3/4	244,964.35
Second and Final Liquidating Dist.		
8,000 shs. A.V.C. Corp. Part. Ctfs.	1.54	12,320.00
		$2,634,057.28

IV. Received Payments	
Export-Import Bank of Washington 5.50%, due 2-24-73	$ 142,857.00
Canadian Petrofina Ltd.	1,131.56
McDonalds Corp. Note due 12-31-81	33,272.96
Arvida Corp. Note 6%, due 4-1-76	10,381.05
Canadian Petrofina Ltd.	1,108.41
Canadian Petrofina Ltd.	1,114.16
McDonalds Corp. Note due 12-31-81	33,836.20
Canadian Petrofina Ltd.	1,102.70
	$ 224,804.04

JOHN W. BRISTOL & CO., INC.
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March 14, 1969

BETZ LABORATORIES, INC.

Progress Report

Present Price	1968/9 Price Range	Earnings Per Share 1967	1968	E.1969	P/E Ratio E.1969	Current Dividend	Current Yield
46	60-34	$1.02	$1.20	$1.45*	31X	$0.48	1.05%

* allowing for 10% surtax for all of 1969.

CAPITALIZATION (as of December 31, 1968):

	Book Value	Market Value
	------(in $ million)------	
Funded Debt	-.-	-.-
Common Stock & Surplus	$10.1	$78.0
(1,711,000 shares outstanding)	$10.1	$78.0
	=====	=====

Return on Invested Capital: 21%

OPERATING RECORD

Year End. Dec. 31	Net Sales (In $000s)	Pretax Income (in $000s)	Pretax Margins	Net Income (In $000s)	Per Share Earnings	Per Share Cash Dividend
1964	$15,467	$2,067	13.2%	$1,010	$0.61	$0.11
1965	17,422	2,539	14.6	1,304	0.78	0.15
1966	20,461	2,846	13.8	1,442	0.87	0.20
1967	24,016	3,344	13.8	1,723	1.02	0.325
1968	28,149	4,471	16.4	2,049	1.20	0.42

RECENT RESULTS

Quarter Ended	Sales ($000s) 1968	1967	% Incr.	Pretax Earnings ($ 000's) 1968	1967	% Incr.	Per Share Earnings 1968	1967	% Incr.
March	$ 6,434	$ 5,598	+15%	N.A.	N.A.	-	$0.27	$0.24	+13%
June	7,014	5,971	+17	N.A.	N.A.	-	0.28	0.25	+12
Sept.	6,960	5,967	+17	$1,152	$ 893	+29%	0.31	0.28	+11
Dec.	7,741	6,480	+19	1,270	821	+54	0.34	0.25	+36
	$28,149	$24,016	+17	$4,471	$3,344	+34%	$1.20	$1.02	+18%
Surtax							0.11		
Without the Surtax, earnings would have been							$1.31		+28%

BACKGROUND

Betz Laboratories, a business started in 1925, is engaged solely in the field of chemical water treatment. The Company's products are used principally in boilers, water and steam pipes, heat exchanges, air conditioning equipment, etc. to control corrosion, scales, and deposits.

Betz Laboratories can be considered as a service company inasmuch as its staff of engineers works closely with the customers which include all of the largest industrial companies in the U.S., in formulating and developing the best water treatment program for each plant. The programs thus developed are maintained or modified by Betz Laboratories as a result of regular follow-up visits and analyses of water samples.

1968 DEVELOPMENTS

As indicated by the above table, 1968 has proven to be an excellent year for Betz. Sales increased 17%, pretaxincome 34%, and per share earnings 18%. If it had not been for the surtax which penalized earnings by 11¢ per share, reported earnings would have been up 28%. It is noteworthy that fourth quarter sales and earnings showed the greatest quarter to quarter improvement.

In 1968 Betz Laboratories acquired Universal Interlock, Inc., which specializes in the manufacture of highly sensitive electronic equipment specially designed to provide reliability and minimum maintenance under rugged industrial use conditions. Such equipment is used increasingly in the fields of industrial water treatment and pollution abatement. For several years Betz had been selling Universal Interlock equipment. That small company increased its sales 110% in 1968 to $907,000.

Early in 1969 Betz announced the proposed acquisition of Albright & Friel, Inc., consultant engineers specializing in municipal and industrial work emphasizing designs of municipal water supply and waste water facilities.

Betz Laboratories' foreign operations were expanded in 1968 with the opening of a branch in England and with a joint venture with B.T.I. Chemicals Ltd., a British polymer manufacturer. Late in 1968 Betz formed a Swedish corporation inasmuch as the Scandinavian pulp and paper industry represents a substantial market for Betz' microbiological control products. These new foreign subsidiaries have been added to Betz Laboratories Ltd. of Canada whose sales increased from $1.3 million in 1967 to $1.655 million in 1968, a 28% improvement, and to Betz de Mexico S.A.

FINANCIAL SITUATION

Betz enjoys an extremely strong financial situation. At the end of 1968 current assets were $7.1 million, current liabilities $2.6 million, a ratio of 2.75:1. The Company has no debt outstanding.

Notwithstanding the expansion of the Company's operations in 1968, its cash position increased on a net basis by $700,000.

SUMMARY AND CONCLUSION

Betz Laboratories represents an undiluted participation in the highly promising water treatment industry. The well publicized water problems of the United States, the increasing regulations to fight pollution and conserve water, are bound to favor Betz Laboratories. Although serving the industrial market, Betz' services have to be maintained even during periods of plant shutdowns. Therefore Betz' activity is not subject to the fluctuations of industrial activity.

Betz' sales increased at an annual compounded rate of 16% over the past four years and pretax income at a rate of 21%. We believe that this past record of growth will be maintained in the future and could accelerate as water pollution efforts are intensified.

Betz Laboratories is in our estimation a unique situation which justifies the premium of the stock on the market place. The Betz family and the management of the Company control some 55% of the shares outstanding, and John W. Bristol & Co., Inc. supervise an additional 9%. Marketability, therefore, is thin.

We rate Betz Laboratories as an outstanding long term situation for capital appreciation.

EC/hm John W. Bristol & Co., Inc.

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

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December 27, 1968

PROSPECTIVE MERGER
MAGNAVOX - H. & A. SELMER

The directors of both Magnavox and H. & A. Selmer have agreed to merge their companies, subject to the approval of their stockholders.

The plan calls for the issuance of .425 shares Magnavox for each share Selmer. Based on the current price of 58 for Magnavox, the exchange value is $25 per Selmer share (Record high: 26 1/4 reached in 1966).

Although we hate to part with an old friend whose present revenues of some $20 million will be lost within Magnavox's $500 + million annual volume, we believe that the proposed merger is timely from the standpoint of Selmer's stockholders.

1. Selmer has achieved a remarkable record as revenues quadrupled over the past ten years while earnings increased sixfold.

2. The 30% increase in school enrollment between 1955 and 1965, together with the adoption or expansion of music programs by many schools, have been extremely beneficial to Selmer whose sales of band instruments to schools account for over 80% of its revenues.

3. As a result of the declining birth rate in the U. S. since 1958, enrollment in elementary schools is now peaking out. Projections point to a 6% decline between 1970 and 1975. There is thus ground for concern that Selmer would have to increase substantially its share of the band instrument market to maintain its growth trend of the past.

4. Another concern is the taxpayers' increasing tendency to vote down proposed school bond issues. It may affect in times music programs on account of their secondary importance relative to pure academic instruction.

For all these reasons we believe that Selmer's merger with Magnavox has favorable implications.

Selmer will have had an unfavorable year in 1968. For the first 9 months, sales increased 4% but earnings declined 13%. For the full year earnings should approximate $.85-$.90 per share, down from $.95 in 1967, also a disappointing year.

Magnavox, in turn, had a banner year in 1968: earnings are estimated at $2.75 per share, up sharply from $2.00 in 1967, and the previous record of $2.25 in 1966. Based on the proposed exchange ratio, the equity of a Selmer share in Magnavox current earnings is $1.20, some 30% above Selmer's own earning power. Magnavox's dividend will be increased shortly to bring it up to Selmer's parity level.

The investment merits of Magnavox are reveiwed in the enclosed study.

We recommend that Selmer stockholders vote in favor of the merger when the proxy statements for the yet unscheduled special stockholders meeting is forwarded to them.

John W. Bristol & Co., Inc.

EC/lg

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

212-267-9000

December 24, 1968

THE MAGNAVOX COMPANY
Common Stock

Present Price	1968 Price Range	Earnings Per Share (a) 1966	1967	1968E	1969E	PER 1969E	Dividend	Yield
58	62 - 37	$2.25	$2.00	$2.75	$3.20	18.1X	$1.00	1.7%

(a) Years ending December 31.

CAPITALIZATION

	Book (000)	(%)	Market (000)	(%)
Long Term Debt	$ 26,135	17.4%	$ 26,135	2.9%
Common & Surplus (15,446,000 shares)	123,902	82.6	865,868	97.1
	$150,037	100.0%	$892,003	100.0%

Book Value per share (12/31/67): $8.02
Return on book value, est. 1968 earnings: 34.3%

OPERATING RECORD (millions)

Years Ending Dec. 31	Sales	Pre-tax Income	Pre-tax Margins	Net Income	Per Share Data: Earnings	Price Range	PER Hi	Lo
1960	$124.9	$13.1	10.5%	$ 6.5	$ .46	9 - 5	20	12
1961	140.8	18.2	12.9	9.0	.63	24 - 8	38	12
1962	201.9	26.0	12.9	12.7	.86	24 -14	27	16
1963	174.5	22.1	12.7	11.3	.77	24 -18	31	23
1964	242.5	28.4	11.7	14.8	.97	22 -14	23	15
1965	333.3	44.1	13.2	23.0	1.50	43 -16	28	10
1966	455.7	65.2	14.3	34.7	2.25	63 -37	28	16
1967	464.3	57.0	12.3	30.8	2.00	50 -34	25	17

December 24, 1968

THE MAGNAVOX COMPANY
Common Stock

Current Price	1968 Price Range	Earnings Per Share (a) 1966	1967	1968E	1969E	PER 1969E	Dividend	Yield
58	62 - 37	$2.25	$2.00	$2.75	$3.25	17.8X	$1.00	1.7%

(a) Years ending December 31.

SUMMARY AND CONCLUSION

Magnavox is having an excellent year. Penetration of the color television market has sharply increased, a major military electronics contract was awarded to its government division, and good results are being experienced in radio, phonograph, industrial and other product areas. Continued progress in 1969 is expected. The only potential problem area foreseen is color television (accounting for about 41% of sales) because of the slow industry growth and large excess capacity. However, with any additional competiveness component costs would also tend to decrease, especially color picture tubes. This would help Magnavox because all of its requirements are purchased from others.

Under its new president, the Company is expanding into non-consumer fields more aggressively, and compatible acquisitions are being sought in order to increase the growth potential. The stock appears to be an excellent holding at the current price.

BACKGROUND AND DESCRIPTION

Magnavox is mainly a producer of top-of-the-line television sets, radios and phonographs. Following is an estimated breakdown of sales and earnings:

	Percent of Total Sales	Earnings	Net Margin(%)
Television Sets	46%	56%	8.5%
Radio & Phonograph	21	34	12.0
Furniture	8	5	4.5
Government & Industrial	25	5	1.5
	100%	100%	7.0%

TELEVISION

About 89% of television revenues are from color sets. Distribution is unique in the industry in that sales are made direct to retailers. The resulting elimination of the wholesalers profit permits higher margins for the authorized distributors and better enforcement by the Company against price cutting. As a result, dealers tend to promote Magnavox, emphasizing its quality and good value. Together with the emphasis on good style and appearance, the Company has achieved an excellent reputation with consumers.

Magnavox has significantly increased its penetration of the color television market since 1965, both in terms of units and dollar volume.

	1965	1966	1967	1968E
Magnavox color sets sold	173,000	380,000	430,000	530,000
As % of industry (units)	6.4%	7.6%	7.8%	9.3%
Magnavox color dollar volume (mils.)	$83.0	$183.0	$191.0	$220.0
As % of industry dollar sales	8.7%	9.8%	9.5%	11.0%

Industry color tube capacity is estimated at 10-12 million units and set capacity at about 8 1/2 million. Because demand totals only about 6 million sets per year, there is substantial excess capacity and much competition. In this environment, Magnavox has done extremely well this year and will show increased market penetration and an excellent advance in revenues.

The Company purchases all of its component needs. Consequently price weakness in color picture tubes and other components is of direct benefit, unlike more integrated producers such as RCA and Zenith. Management is not concerned with potential increased competition in 1969, especially since marginal producers such as Westinghouse and possibly General Electric are leaving the field.

RADIO AND PHONOGRAPH

Radio and phonograph operations have characteristics similar to the Company's television business in terms of high quality, method of distribution, and increasing market penetration. While Magnavox can reasonably be expected to continue outperforming the industry, this business is not expected to contribute significantly to the Company's growth.

FURNITURE

The furniture division sells bedroom and dining room furniture, as well as filling the Company's television cabinet needs. Good progress is expected in this area, reflecting the increased rate of family formations, higher levels of consumer income and improved marketing and distribution.

GOVERNMENT

Sales presently consist chiefly of military revenues derived from airborne and ground communications equipment, various components, anti-submarine warfare systems and government financed research and development. The order backlog is approximately \$142 million, which includes only about \$16 million of initial funding on an estimated \$400 million program for airborne processing display systems and sonobuoys for the detection of submarines. Government sales and earnings are expected to rise sharply next year as production under this major award begins.

INDUSTRIAL

The nucleus of this business is currently the Magnafax facsimile transceiver. Although facsimile transmission has been a glamour area, the high transmission costs (using a telephone, it takes six-minutes per page) will prevent it from attaining extremely widespread, convenience usage. In addition there is little proprietary knowledge or patent protection. Strong, specialized marketing with application and cost experts is essential for successful participation in the field. In order to make its effort more efficient, the Company is expected to develop and acquire complementary products which could be added to the product line.

MANAGEMENT

Robert Platt became president of Magnavox on April 3, 1968, a few days after the unexpected death of Frank Freimann. Platt was formerly treasurer of General Electric Credit Corp. He joined Magnavox in 1963 as Vice President of Finance and was responsible for its subsequent furniture company acquisitions.

Frank Freimann had been a very dominant leader at Magnavox, making most major and many minor decisions. Platt is correcting the weaknesses in the organization resulting from this dominance, and is also placing greater emphasis on broadening the Company's markets and making acquisitions to increase the growth potential.

SALES AND EARNINGS

Between 1960 and 1967, sales and earnings increased at an approximate 20% compounded rate, which includes the unprecedented color television boom in 1965 and 1966. Future internal growth may average 10% annually, and with acquisitions, growth might be as high as 15% annually.

Magnavox and H. & A. Selmer, a manufacturer of musical instruments, have agreed to merge, in which each share of Selmer would be exchanged for 0.425 shares of Magnavox. Selmer would add about $20.0 million to Magnavox's sales, but would have virtually no effect on earnings per share. Management is interested in Selmer because of its good record and its compatible product line, since many of its retail outlets also sell television sets, and the resulting duplication of selling would add to marketing effectiveness. An additional factor is Selmer's knowledge and success in selling to schools, which would help Magnavox if it chose to expand in that direction.

FINANCIAL

The Company's finances are strong. On December 31, 1967, working capital totaled $104 million, and the ratio of current assets to current liabilities was 3.0 to 1. Capital expenditures are budgeted at $11.5 million this year compared with $8.0 million in 1967. Depreciation and amortization charges should rise to $8.5 million, from $7.4 million in 1967. No external financing appears necessary in the intermediate future.

RECOMMENDATION

Magnavox has had an extremely good record, and it is expected that above average performance will continue. Selling at 18.1 times estimated 1969 earnings, the stock is reasonably priced and is an excellent holding.

John W. Bristol & Co., Inc.

DEF/lg
12-24-68

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
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212-267-9000

April 1, 1969

WILLIAMHOUSE-REGENCY INC.

Common Stock

Present Price	1968/69 Price Range	Earnings Per Share-A 1968	1969E	1970E	PER 1968E	Current Dividend	Yield
34	42-16	$1.04	$1.40	$1.75	19.0X	Nil	Nil

A - Years ending June 30.

Williamhouse-Regency is the product of a merger in May 1967 of Williamhouse with Regency Thermographers, Inc.

The Williamhouse division is engaged in the manufacture and design of high quality paper products such as blank cards for social and commercial invitations, envelopes, and greeting cards all of which require further imprinting. Regency is a leading supplier of personalized imprinting services on commercial and social cards and envelopes. The combined company thus has the ability to obtain the correct paper, create and design the desired product, and offer a variety of printing processes to the consumer.

In recognition of the importance to the Company of social announcements, particularly for weddings, Williamhouse-Regency acquired early in 1968 Brides Showcase International, Inc., which is franchising bridal salons which sell under one roof brides' and bridesmaids' gowns and all other accessories which are usually identified with weddings, and also provides all services connected with the organization of a wedding. At the time of the acquisition 5 salons were in operation. There are presently 22 salons located in 17 states.

In 1968 Williamhouse-Regency acquired Prudential Paper Products, a manufacturer of school supplies which had sales of close to $2 million; this acquisition rounded out the Hi-Craft division, acquired in 1965, which is also selling school supplies.

Also in 1968 Williamhouse-Regency acquired the Greenwood Publishing Corporation, a publishing firm specializing in the reprinting of books and periodicals, military history, negro history and scholarly works; Greenwood started recently an original book publishing program at present consisting of 20 titles, primarily in the social sciences and humanities field.

Also acquired in 1968 was Mission Card Company, printer of Christmas cards which at time of acquisition had sales of close to $2 millipn; it rounds out the business of the Castle division which produces packaged notes and greeting cards.

The common stock of Williamhouse-Regency offers the investors a participation in two important trends: a) the sharply rising number of marriages due to well-known demographic factors; and b) the formalization of social, business, and religious functions.

As indicated by the enclosed statistical data, Williamhouse-Regency has achieved a remarkable record of earnings growth. Per share earnings for the fiscal year ended June 30, 1968 were more than four times their level of 1964 and based on the results of the first two fiscal quarters ending December 31, 1968, which were up 43%, we anticipate for the current fiscal year an improvement of earnings of about 35% with the prospects of annual earnings growth of at least 15% over the next five years.

We rate the stock as very attractive for long term appreciation.

WILLIAMHOUSE-REGENCY INC.

Common Stock

Present Price	1968/69 Price Range	Earnings Per Share-A 1968	1969E	1970E	PER 1968E	Current Dividend	Yield
34	42-16	$1.04	$1.40	$1.75	19.0X	Nil	Nil

A - Years ending June 30.

CAPITALIZATION 12/31/68

	At Book ($ mil.)	%	At Market ($ mil.)	%
Long Term Debt	$ 2.88	23.0%	$ 2.88	4.5%
Common Stock & Surplus (1,870,000 shares)	9.88	77.0	64.00	95.5
	$12.76	100.0%	$66.88	100.0%

Return on Equity 20.5%
Book Value per share $5.35

OPERATING RECORD - PRO-FORMA

Years Ending June 30	Net Sales (000)	Profit Before Taxes (000)	Pretax Margins	Net Income (000)	Earnings Per Share	Price Range - A
1963	$ 9,265	$ 656	7.1%	$ 364	$0.22	3 - 2
1964	10,514	779	7.4	418	0.24	5 - 3
1965	12,188	1,339	11.0	799	0.46	8 - 3
1966	14,540	1,849	12.7	1,034	0.59	9 - 6
1967	16,782	2,958	17.6	1,628	0.92	18 - 8
1968	21,726	3,859	17.6	1,995	1.04	42 - 16
6 mos. Dec. 31						
1967	10,546	1,280	12.2	695	0.37	
1968	13,970	2,079	15.0	1,039	0.53	
12 mos. 12/31/68					1.20	

BACKGROUND

As stressed in the preamble of this memorandum, Williamhouse-Regency is a specialized company which primarily offers a service function in converting a variety of blanks suitable for all sorts of announcements which are then imprinted or engraved. Together with Photon, Inc. Williamhouse-Regency has developed the thermographic process which is a technique that duplicates the feel and appearance of the finest engraving, but at much lower cost, so that it can be offered at mass market prices. This has helped increase the Company's markets beyond those for normal engraved invitations. The distribution of personalized social and commercial announcements takes place through catalogues which can be found in about 30,000 department stores, stationeries, printing shops, gift and greeting card shops in the United States. Thanks to its 8 plants located throughout the nation, Williamhouse-Regency is able to ship a finished order the day after it is received.

The Company's business envelopes are primarily created from high grade paper to match letterheads and advertising matter. Since most paper mills don't convert raw paper into envelopes, Williamhouse-Regency has now arrangements to supply matching envelopes for the branded papers of 17 paper mills.

Williamhouse-Regency creates annually about 500 new designs for greeting cards, stationery, and packaged "thank-you" notes, invitations for parties and luncheons, as well as for births, engagements, and changes of address. It is also imprinting Christmas cards. All of these products are distributed through the same 30,000 outlets which carry the catalogues for commercial and social announcements.

Breakdown of the Company's revenues for the fiscal year ended June 30, 1968:

Commercial and Social Announcements and Commercial Stationery	$10,990,000	51%
Business Envelopes	4,825,000	22
Greeting Cards, Stationery and School Supplies	4,612,000	21
Other (principally Franchised Bridal Salons and Publishing)	1,300,000	6
Total	$21,727,000	100%

FINANCIAL SITUATION

Notwithstanding its accelerated growth, Williamhouse-Regency enjoys a strong financial situation. As of December 31, 1968, current assets amounted to $11.7 million vs. current liabilities of $4.1 million, or a current ratio of 2.85:1. Through the sale of an additional 100,000 shares some time in April, 1969, the Company will raise more than $3 million which will be used to repay short term indebtedness and as an addition to working capital.

MANAGEMENT

We are personally acquainted with the management of Williamhouse-Regency which is very dedicated and foresighted.

As of now management, directors, and officers of the Company, together with members of the family, control 70% of the Company's total number of shares outstanding. Upon the sale of 400,000 shares scheduled in April 1969, the same group will control between 45% and 50% of the shares to be outstanding. Management has thus a vested interest in the Company and in its growth.

SUMMARY AND CONCLUSION

Williamhouse-Regency is engaged in a business favored by social and demographic trends which point to a continuous growth for imprinted announcements. The record of the Company cannot be faulted and it is expected that the Company's revenues and earnings will continue to grow at a superior pace.

The new franchised bridal salons could prove to be a substantial contribution to earnings; each store may add 1¢ to per share earnings after their operations become profitable.

EC/hm John W. Bristol & Co., Inc.

JOHN W. BRISTOL & CO., INC.
233 BROADWAY
NEW YORK, N. Y. 10007

212-267-9000

Memo to Mr. Schur
Mr. Hochschild
Mr. Shanks
Mr. Dilworth
Mr. Hansmann

May 2, 1969

INSTITUTE FOR ADVANCED STUDY

Minutes, Meeting of the Finance Committee
April 25, 1969 at the Fuld Hall, Princeton

1. Present:

Mr. Dilworth	Mr. Rosenwald
Mr. Shanks	Mr. Hansmann
Mr. Kaysen	Mr. Bristol

2. Investment changes on attached schedule were ratified.

3. Because he was unable to attend the meeting, Mr. Schur submitted a written report covering activity of the portfolio since the last meeting and the current status of the fund.

4. The Committee reviewed security holdings as of March 31, 1969, and discussed investment policy in general. It was agreed that no change in over-all policy was indicated at this time.

John W. Bristol
Secretary

Ralph E. Hansmann
Treasurer

INSTITUTE FOR ADVANCED STUDY

SUMMARY OF PURCHASES & SALES

For the Period October 1, 1968 through April 16, 1969

PURCHASES

I. Short Term Securities

	Cost
500 M U.S. Treasury Bills 5.21%, due 1-2-69	$ 493,415.14
1,700 M U.S. Treasury Bills Disc. 5.51%, due 1-3-69	1,676,322.30
700 M U.S. Treasury Bills Disc. 6.35%, due 7-10-69	677,528.05
1,700 M U.S. Treasury Bills Cisc., due 12-31-69	1,605,241.52
	$4,452,507.01

II. Equities

	Price Range	
5,000 shs. H. & A. Selmer, Inc.(1)	18 7/8 - 19 3/8	$ 97,600.56
3,500 shs. Deere & Co.		188,802.25
20,000 shs. Sun Oil $2.25 Cv.Pfd.	45	905,260.00
20,000 shs. Continental Oil (Del.)	36 3/8 - 37 1/4	743,314.11
10,000 shs. Williamhouse Regency	34 5/8	346,250.00
		$2,281,226.92

(1) Exchanged since for 2,125 shs. Magnavox.

III. Received

8,500 shs. Magnavox Co.
in exchange for
20,000 shs. H. & A. Selmer, Inc.

50% Stock Dividend (payable 5-1-69)
3,000 shs. Connecticut General Ins. Co.

3/2 Stock Split (payable 3/31/69)
5,000 shs. Becton Dickinson Co.

1% Stock Dividend (payable 2-10-69)
50 shs. Georgia Pacific

4% Stock Dividend (payable 12-12-68)
973 12/100 shs. Crowell Collier MacMillan

III. Received (continued)

2/1 Stock Split (payable 10-25-68)
17,201 shs. Gulf Oil

1% Stock Dividend (payable 12-19-68)
87 40/100 shs. Georgia Pacific

1% Stock Dividend (payable 12-20-68)
202 shs. Central Tel. & Utilities

12 1/2 Stock Dividend (payable 12-17-68)
2,475 shs. Royal Dutch Petroleum

2/1 Stock Split (payable 1-15-69)
19,800 shs. Coastal States Gas Producing

3/2 Stock Split (payable 11-29-68)
5,518 50/100 shs. Damon Engineering

Received in Exchange
4,840 shs. J. P. Morgan & Co.
in exchange for
2,420 shs. Morgan Guaranty Trust Co.

SALES

I. Maturities

	Proceeds
1,000 M U.S. Treasury Bills Disc. 5.16%, matured 10-31-68	$1,000,000.00
500 M U.S. Treasury Bills Disc. 5.21%, matured 1-2-69	493,415.14
1,700 M U.S. Treasury Bills Disc. 5.51%, matured 1-30-69	1,676,322.30
	$3,169,737.44

II. Fixed Income Securities

700 M U.S. Treasury Bills Disc. 5.60%, due 4-30-69	$ 660,347.33
500 M New York Bank for Savings 5%	500,000.00
	$1,160,347.33

SALES (cont'd)

III. Equities

	Sale Price Per Share	Proceeds
6,400 shs. CNA Financial Corp.	46 3/4	$ 296,167.68
4,900 shs. Arkansas Louisiana Gas	37 1/2-37 3/4	182,124.09
5,000 shs. Celanese Corp.	67 1/2-68 3/4	338,714.36
250 shs. Trans Ocean Oil	22	5,413.50
10,540 shs. Minnesota Nat'l Life tendered	9.50	89,590.00
331 shs. Damon Engineering Inc.	47	15,442.44
2,000 shs. Weyerhaeuser Co.	84	166,785.54
3,827 shs. Georgia Pacific Corp.	94	358,619.39
8,500 shs. Magnavox	52 3/8-53	443,254.56
4,402 shs. Gulf Oil Corp.	43	191,650.16
7,058 shs. Liberty National Life	41 -41 3/8	289,011.21
8,000 shs. CNA Financial $1.10 Pfd.	30 3/4	244,964.35
Second and Final Liquidating Dist.		
8,000 shs. A.V.C. Corp. Part. Ctfs.	1.54	12,320.00
		$2,634,057.28

IV. Received Payments

Export-Import Bank of Washington 5.50%, due 2-24-73	$ 142,857.00
Canadian Petrofina Ltd.	1,131.56
McDonalds Corp. Note due 12-31-81	33,272.96
Arvida Corp. Note 6%, due 4-1-76	10,381.05
Canadian Petrofina Ltd.	1,108.41
Canadian Petrofina Ltd.	1,114.16
McDonalds Corp. Note due 12-31-81	33,836.20
Canadian Petrofina Ltd.	1,102.70
	$ 224,804.04

April 14, 1969

INSTITUTE FOR ADVANCED STUDY OF PRINCETON

To: Members of the Finance Committee
From: Ira A. Schur

Progress Report on the Institute's Portfolio

Inasmuch as I won't be able to chair the April 25 meeting, I am submitting this brief progress report which summarizes the evolution of the portfolio since our last formal meeting in October, 1968 and the major changes which were brought to the portfolio over the past six months.

Fluctuations of Assets Since September 30, 1968

	Net Assets	Index	St. & Poors 425 Index	Index	Dow Jones	Index
Sept. 30, 1968	$55,750,000	100	112.01	100	935.79	100
Oct. 31, 1968	56,163,000	101	112.86	101	952.39	102
Nov. 30, 1968	57,846,000	104	118.03	105	985.08	105
Dec. 31, 1968	56,822,460	102	113.02	101	943.75	101
Jan. 31, 1969	57,397,632	103	111.79	100	946.05	101
Feb. 28, 1969	54,692.236	98	106.64	95	905.21	97
Mar. 31, 1969	57,046,000*	102	110.91	99	935.48	100
Adjusted**	58,035,000	104				

* Ex Actual Withdrawals from Principal as follows:

	Operations	Capital Expenditures	Total
4th Quarter 1968	$203,204	$406,008	$611,212
1st Quarter 1969	303,261	75,000	378,261
	$506,465	$481,008	$989,473

** Assuming no withdrawls from principal.

I believe that the behavior of the portfolio over the past six months can be considered as most gratifying as it has outperformed by a fair margin the two leading stock indexes. The portfolio's showing has been all the more rewarding as an equity exposure exceeding 85% of total assets has been maintained throughout the period.

I attribute the fair performance of the portfolio not only to the nominal investments in long term bonds, but also to the satisfactory balance of the equity portfolio and to the absence of speculative issues.

Major Portfolio Changes Since September 30, 1968

Outside of the transactions authorized by the Committee on October 9, 1968, very few changes have taken place over the past six months.

We took advantage of the sharp rise in the prices of Weyerhaeuser and Georgia Pacific to reduce these two holdings by respectively 2,000 shares @ 85 (present price 83) and 3,827 shares @ 94 (present price 88).

We have also eliminated the holding of 8,500 shares Magnavox Co. received in exchange for the holding of 20,000 shares H. & A. Selmer, Inc. upon the merger of these two companies.

A block of 20,000 shares Sun Oil $2.25 Conv. Preferred stock was bought at 45 (present price 49) and 20,000 shares Continental Oil have been accumulated within a price range of 36 3/8 - 37 1/4 (present price 36).

We have tendered the holding of 8,500 shares Great-West Life Assurance at a price of US$130. The Investors Group, the Canadian subsidiary of Investors Diversified Services of Minneapolis, is seeking at least 30% of the shares outstanding. Great-West Life Assurance traded as low as $40 per share in 1968.

We will take advantage of the current secondary offering of 500,000 shares Williamhouse-Regency at 34 5/8 net to create a new holding of 10,000 shares. To cover the cost of this transaction we will be selling the small holdings of 5,000 shares General Cigar and the 7,058 shares Liberty National Life Insurance.

Additional information on the recent transactions will be presented either through the forthcoming formal agenda for the April 25 meeting or directly by Mr. Hansmann and Mr. Cotty who will be attending the meeting.