

THE INSTITUTE FOR ADVANCED STUDY

M I N U T E S

Meeting of the Finance Committee

July 18, 1985

New York, New York

- Present:** Messrs. Hansmann (chairman), Dilworth, Woolf.
Also Messrs. Asmundson, Logan from Rockefeller & Co,
Mr. Rowe and Mrs. Labalme.
- Absent:** Messrs. Brown, Wolfensohn, Mrs. Delmas.
- Minutes:** Mr. Hansmann opened the meeting at 12:30 p.m. Mr. Hansmann pointed out that both he and Mr. Dilworth had been involved in the decision not to take up the option offered by Rockefeller & Co. for oil exploration and development as reported in the April 26, 1985, minutes, and with that clarification, the minutes were approved as circulated.
- Reports from
Bank of New York:** Mr. Rowe responding to a question concerning the reports from the Bank of New York stated that the individual reports were now arriving on time, but the combined reports were still late.
- Hamilton, Johnston
& Co.:** Mr. Hansmann commented that Rosenberg Capital Management had been able to reconcile its figures with those of Hamilton, Johnston & Co. but Rockefeller & Co. had not as yet been able to do so. Mr. Logan said they were still working on it.
- Rockefeller & Co.
report:** Mr. Logan and Mr. Asmundson reported on the stocks and bonds under Rockefeller & Co.'s management. Common stocks were up 32.2% (compared with S & P 500 which was 30.8%) and bonds were up 28.6% (compared with the Shearson Lehman index which was up 28.9%). The 5500 Fund was up 17.9% (compared with NASDAQ Industrials at 16.5%). The total portfolio was up 26.0%, bringing the endowment up to nearly \$140 million. The top ten holdings were all up and the current investment outlook made stocks more attractive than bonds for the first time in a long stretch. It was Rockefeller's intention to sell, in due course, domestic bonds, and to move into more equities.

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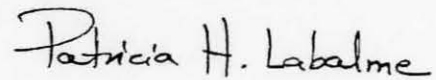
The projected loss of income this move would involve led to discussion about whether the Institute should solidify its income at this point, moving part of its holdings into short term obligations of high quality as a ready reserve, and whether parameters should be drawn for the Institute's activities, so that anything beyond these boundaries would have to be independently funded. Also discussed were the strength of the dollar, the trade balance, oil prices, the direction of the inflation rate, and the automotive industry.

Mr. Hansmann expressed the Finance Committee's approval of Rockefeller's conservative posture while encouraging an "aggressive conservatism."

The quality of the Institute, Mr. Hansmann said, was its essential feature and should be preserved.

There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,



Patricia H. Labalme
Secretary of the Corporation