

REPORT OF THE BOARD OF TRUSTEES - 2012
Esther A. H. Hopkins, Peter C. Meltzer, Michael E. Strem

The Trustees of the Section for the year 2012 were Esther A. H. Hopkins, Michael Strem and Peter Meltzer. We met with our financial consultant, Robert M. Sarly, Senior Vice President at Morgan Stanley, held informal meetings, received reports from Smith Barney and from Piper Enterprises and discussed recommendations for the Board as to uses for the Funds in our care in keeping with the wishes of the donors of the funds.

The Trust Funds of the Northeastern Section are in three Trust Accounts and six income accounts. The Trust Accounts are (one)—the Consolidated, comprising the principal amounts of the Richards, the Norris, the Publication, the Permanent, the Hill and a portion of the Brauner trusts, (two)—the Esselen Trust, and (three)—the Levins Trust. To keep the capital ratios constant in the Consolidated Trust, capital amounts withdrawn from it are distributed to the Income accounts in the ratio of their ownership.

The Consolidated Account for 2012 had an opening portfolio value of \$1,798,247.86. Withdrawals from the Consolidated Account consisted of \$75,000 in distributions to the income accounts and \$33,552.12 of management fees and expenses. The adjusted opening balance was, therefore, \$1,689,695.74. The closing balance was \$1,842,318.70 for an increase of \$152,622.96. The Consolidated Trust contains money funds, stocks and mutual funds. The current yield at year-end was 5.94% and the annualized anticipated income was \$91,522.26.

The Esselen Fund, comprising money funds, mutual funds and government bonds, had an opening balance of \$563,499.85. \$18,000.00 was withdrawn for the expense of the award this year. The adjusted opening value was \$549,499.85 and the closing value was \$586,592.78. The Levins Fund, comprising money funds and mutual funds had an opening portfolio balance of \$10,054.33. No expenses were withdrawn during the year. The closing portfolio value was \$11,611.19. The Brauner Trust “income account” comprised of money funds, common stock and mutual funds had an opening balance of \$38,876.41. Distributions of \$1,557.83 were deposited to the Fund with expenses of \$3,000 for the 2011 Brauner lecture, giving an adjusted opening balance of \$37,859.30. The closing value was \$42,158.48 of which \$11,938.70 was income and the remainder was Trust principal.

The Hill income account comprising money funds and mutual funds had an opening portfolio value of \$26,652.00, received \$3,745.58 from the prorated distribution from the Consolidated Account and distributed \$1,201.78 to the Section for expenses, for an adjusted value of \$29,195.80. The closing value was \$33,340.29. The Norris Award income account, comprising only money funds had an opening portfolio value of \$1,577.79 and an adjusted value of \$7,426.82 after receiving \$43,754.33 from the prorated distribution and withdrawing \$37,905.50 for expenses. The closing portfolio value was \$7,426.92. The Permanent income account, comprising money funds, common stocks and mutual funds had an opening portfolio value of \$84,465.29, received \$10,832.48 from the prorated distribution and withdrew \$15,466.24 in expenses for an adjusted value of \$79,831.53. The closing value of the portfolio was \$90,680.25. The Publication income account, comprising money funds, common stocks and mutual funds had an opening portfolio value of \$77,387.92, received \$6,123.15 from the prorated distribution and withdrew expenses of \$9,201.67 for an adjusted value of \$74,309.40. The closing value was \$83,133.27. The Richards income account, comprising money funds and mutual funds had an opening value of \$9,034.20, received \$8,986.43 from the capital distribution, and withdrew expenses of \$12,000.00 for an adjusted value of \$6,020.63. The closing value was \$6,579.76.

The total value of all accounts at the beginning of the year was \$2,610,220.71 and at year end was \$2,703,841.64. Expenses and withdrawals totaled \$130,327.31.

Respectfully submitted,

The Trustees
Esther A.H. Hopkins, Michael Strem, Peter Meltzer