

## **Annual report.**

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# 1982 ANNUAL FINANCIAL REPORT

Teachers' Retirement System of the State of Illinois  
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URBANA-CHAMPAIGN

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# **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

**DEPOSITORY**

**JUL 13 1983**

**UNIVERSITY OF ILLINOIS  
AT URBANA-CHAMPAIGN**

## **1982 ANNUAL FINANCIAL REPORT**



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### **TEACHERS' RETIREMENT SYSTEM**

2815 West Washington Street  
Springfield, Illinois 62708

477 East Butterfield Road  
Lombard, Illinois 60148



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# Teachers' Retirement System of the State of Illinois



2815 West Washington—Springfield, Illinois 62708—(217) 753-0311  
477 E. Butterfield Road, Suite 213—Lombard, Illinois 60148—(312) 969-3240

November 19, 1982

Board of Trustees  
Teachers' Retirement System  
of the State of Illinois  
Springfield, Illinois

The annual financial report of the Teachers' Retirement System of the State of Illinois (TRS) for the year ended June 30, 1982 (FY82), with appropriate comparable data for June 30, 1981 (FY81), is hereby submitted. This report contains comprehensive financial information about the System including financial statements with related footnotes, statistical data, a listing of the investment portfolio, and a plan summary. It also contains the Certified Public Accountants' opinion on the financial statements and the Actuary's letter on reserve (funding) requirements. This report has been prepared in accordance with generally accepted principles of governmental pension trust fund accounting and reporting.

## Revenue

Primary sources of revenue included appropriations from the Illinois General Assembly, contributions from active members, and earnings on investments. Total revenues for FY82 were \$586.8 million. This was a decrease of 8.0% from FY81 revenues of \$637.9 million.

Employer contributions from the State of Illinois of \$155.0 million for FY82 represented a decrease of 33.1% from the FY81 appropriation of \$231.8 million. Prior to FY82, the State appropriation was calculated to reimburse the System for estimated benefit payments. For FY82, the State appropriation represented only 62% of estimated benefit payments.

Investment income for FY82 was \$285.5 million compared to \$223.5 million for FY81. This 27.7% increase in investment income was due to a larger investment portfolio and the acquisition of higher yield securities. For FY82, investment income represented 48.7% of total revenue compared to 35.0% for FY81. To increase the potential for continued growth of investment income, investment portfolio adjustments were made during FY82 which resulted in the recognition of \$47.2 million in realized losses. Historical investment returns are summarized on Page 21.

**Expenses**

Benefits paid to retired members, disabled members, and surviving beneficiaries accounted for 89.0% of the System's expenses. The remaining expenses included the payment of refunds to teachers who left the System and withdrew their contributions (10.1%) and the cost of administering the System (.9%). Total expenses for FY82 of \$267.3 million increased 11.6% over FY81 expenses. Benefit payments of \$238.0 million for FY82 increased \$25.2 million or 11.8% over FY81 payments as a result of new retirements and post-retirement increases. Refund payments for FY82 to 6,696 members increased 10.3% to \$26.9 million (see pages 26-27 for a 10 year summary of expenses).

**Funding**

The State cost for FY82 was \$270.0 million representing normal cost plus interest on the unfunded State obligation. The State appropriation of \$155.0 million thus resulted in an increase in the unfunded obligation by \$115.0 million. During FY82, the System's Actuary completed an experience analysis for the four-year period ended June 30, 1981. Based on this review, changes in assumptions were adopted and included in the actuarial estimate of reserve requirements as of June 30, 1982. This estimate indicates reserve requirements of \$6.1 billion with an unfunded obligation of the State of Illinois of \$2.9 billion. The funding ratio of assets to liabilities indicates a decrease from 53.7% for FY81 to 52.6% for FY82 (see Page 25 for cost and market value funding ratios).

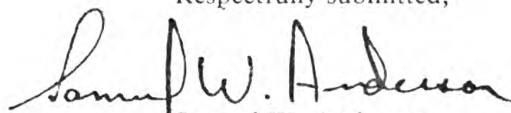
**State Agencies**

The State Treasurer of Illinois is the ex officio Treasurer for TRS. Disbursements of funds are made on the basis of vouchers authorized by the Executive Director and processed through the State Comptroller. The Auditor General of Illinois appoints the Certified Public Accountants who conduct the annual audit of the System.

**Acknowledgements**

This report was compiled through the combined efforts of the TRS staff. It is intended to provide complete and reliable information about the operation of the System and its financial status. This report will be distributed to all public school buildings and a summary will appear in the System's newsletters.

Respectfully submitted,



Samuel W. Anderson  
Executive Director



# FINANCIAL STATEMENTS



Ernst & Whinney

900 First National Bank Building  
Springfield, Illinois 62701

217/528-2551

Honorable Robert G. Cronson  
Auditor General  
State of Illinois

Board of Trustees  
Teachers' Retirement System  
of the State of Illinois

We have examined the statements of financial position of the Teachers' Retirement System of the State of Illinois as of June 30, 1982 and 1981, and the related statements of revenue and expense and changes in net assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Teachers' Retirement System of the State of Illinois at June 30, 1982 and 1981, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Ernst & Whinney*

Springfield, Illinois  
November 19, 1982

## STATEMENTS OF FINANCIAL POSITION

	June 30	
	1982	1981
<b>ASSETS</b>		
Cash	\$ 5,352,851	1,976,378
Receivables:		
Contributions from School Districts:		
Salary deductions	7,716,138	7,109,889
Federal and trust funds	2,697,963	2,621,139
Contributions from State of Illinois	12,100,334	18,756,988
Members accounts	18,393,336	16,862,146
Accrued interest and dividends	58,218,686	48,576,956
	<u>99,126,457</u>	<u>93,927,118</u>
Investments—Note C	3,115,382,174	2,797,098,068
Property and equipment—Note D	4,481,942	4,641,878
	<u>3,224,343,424</u>	<u>2,897,643,442</u>
<b>LIABILITIES</b>		
Payables:		
Investments purchased	7,573,692	—
Benefits	452,863	378,694
Refunds	602,251	1,247,424
Other	505,454	329,305
	<u>9,134,260</u>	<u>1,955,423</u>
<b>NET ASSETS</b>	<u>\$3,215,209,164</u>	<u>2,895,688,019</u>
Actuarially-determined accrued benefit cost—Note E	\$6,109,070,834	5,390,421,114
Net assets	<u>3,215,209,164</u>	<u>2,895,688,019</u>
Unfunded accrued benefit cost—representing an obligation of the State of Illinois	<u>\$2,893,861,670</u>	<u>2,494,733,095</u>

See notes to financial statements.

# STATEMENTS OF REVENUE AND EXPENSE AND CHANGES IN NET ASSETS

		Year Ended June 30	
		1982	1981
<b>REVENUE</b>			
Contributions:			
Members	\$	179,547,687	166,396,962
State of Illinois		154,969,147	231,871,230
School Districts:			
Early retirement option		6,119,329	6,041,890
Federal and trust funds		7,936,674	8,952,592
Total contributions		348,572,837	413,262,674
Investment income:			
Interest		247,639,247	187,990,309
Dividends		37,776,257	35,655,209
Other		523,164	116,862
		285,938,668	223,762,380
Less investment expenses		435,805	250,000
Total investment income		285,502,863	223,512,380
Gain (loss) on sale of investments		(47,249,275)	1,109,198
Total revenue		586,826,425	637,884,252
<b>EXPENSE</b>			
Benefits:			
Age retirement		178,904,780	166,502,424
Post-retirement		43,032,491	32,838,254
Survivor		11,398,656	9,735,967
Disability		4,055,809	3,567,803
Health insurance		626,695	109,689
		238,018,431	212,754,137
Refunds		26,913,144	24,426,316
Administrative expenses—Note F		2,373,705	2,329,436
Total expense		267,305,280	239,509,889
Excess of Revenue Over Expense		319,521,145	398,374,363
Net assets at beginning of year		2,895,688,019	2,497,313,656
Net Assets at End of Year		\$3,215,209,164	2,895,688,019

See notes to financial statements.



## Notes to Financial Statements

June 30, 1982

## NOTE A—SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:** The financial transactions of the Teachers' Retirement System of the State of Illinois are recorded on the accrual basis.

**Investments:** Investments are valued on the basis of cost. Gain or loss on the sale of investments is determined based on average cost for stocks and identified amortized cost for debt securities.

**Property and Equipment:** Property and equipment are stated on the basis of cost. Provisions for depreciation are computed by the straight-line method, based upon the estimated useful lives of the assets.

## NOTE B—DESCRIPTION OF THE RETIREMENT SYSTEM

The Retirement System is governed by Article 16 of the Illinois Pension Code and benefits under the System are defined in the Code. All full-time teachers and teachers employed less than full-time on a permanent and continuous basis in the public common schools of Illinois (outside of Chicago) are members of the Retirement System.

Members are required to contribute specified percentages of their salaries for retirement benefits, post-retirement increases and survivor benefits. The State of Illinois is obligated by statute to contribute, through annual appropriations, the funds not otherwise provided which are necessary to meet the cost of maintaining the System. There are no statutory provisions for termination of the Retirement System.

The above brief description of the Retirement System is provided for general information purposes only. Members should refer to the Plan Summary included elsewhere in this report or the Illinois Pension Code for more complete information.

## NOTE C—INVESTMENTS

Investments at June 30, 1982 and 1981 are summarized below. (Certain 1981 amounts have been reclassified to conform with 1982 classifications.)

	Cost or Amortized Cost		Market Value	
	1982	1981	1982	1981
Government obligations	\$ 936,935,855	974,171,673	802,340,761	840,064,308
Corporate obligations	1,500,422,374	1,124,724,287	1,245,293,519	837,779,634
Common stocks	678,023,945	698,202,108	586,349,986	716,530,856
<b>Total</b>	<u>\$3,115,382,174</u>	<u>2,797,098,068</u>	<u>2,633,984,266</u>	<u>2,394,374,798</u>

The excess of aggregate cost or amortized cost of investments over aggregate market value (unrealized depreciation) amounted to \$481,398,000 at June 30, 1982. Sales of investment securities during the period of three months ended September 30, 1982 resulted in net realized losses of \$234,271,000 (unaudited). Unrealized depreciation of investments amounted to \$85,251,000 (unaudited) at September 30, 1982.

At June 30, 1982, the System had portfolio securities with a market value of \$50,056,500 on loan to brokers under a fully collateralized securities lending arrangement. Net earnings of \$380,129 from securities lending during 1982 is included in other investment income.

## NOTE D—PROPERTY AND EQUIPMENT

Property and equipment and the related allowances for depreciation at June 30, 1982 and 1981 are summarized as follows:

	1982	1981
Land	\$ 108,660	108,660
Land improvements	300,860	300,860
Building	4,007,860	3,980,960
Equipment	1,196,278	1,067,965
Other	2,643	2,643
	<u>5,616,301</u>	<u>5,461,088</u>
Less allowances for depreciation	<u>1,134,359</u>	<u>819,210</u>
<b>Net carrying value</b>	<u>\$4,481,942</u>	<u>4,641,878</u>

The System occupies approximately 46% of the Teachers' Retirement System Building. The remaining space is occupied by various tenants under lease arrangements. Net rental income of \$107,206 for 1982 and \$63,932 for 1981 is included in other investment income.

# TEACHERS' RETIREMENT SYSTEM

## Financial Statements

### Notes to Financial Statements—Continued

#### NOTE E—ACTUARIALLY-DETERMINED ACCRUED BENEFIT COST

The calculations of accrued benefit cost (arising from service credits in periods prior to June 30, 1982 and 1981, respectively) were made by a consulting actuary as of June 30, 1982 and 1981 on the bases of the attained age normal cost method with unit credit past service and the entry age normal cost method, respectively. The more significant assumptions underlying the actuarial computations were as follows:

Rate of return on investments	7% (5½% in 1981)
Retirement age	Graduated rates by age— 55 to 70 years
Rate of turnover	Graduated rates by age—consistent with the System's experience
Mortality basis	UP 1984 Table, set back two years (1951 Group Annuity Table in 1981)

An actuarial valuation is required by statute to be performed at least once every four years to determine the adequacy of actuarial assumptions regarding mortality, service and compensation experience. The most recent valuation was performed as of July 1, 1981.

Changes in the reserve accounts maintained in accordance with the provisions of Article 16 of the Illinois Pension Code are summarized below:

Reserve Accounts	Balance July 1, 1981	Allocation of Revenue (Expense)	Statutory Transfers In (Out)	Increase in Unfunded Accrued Benefit Cost	Balance June 30, 1982
Members' accumulated contributions	\$1,298,495,123	113,707,632	35,751,344	—	1,447,954,099
Retirement—annuity payments	1,636,563,196	(179,280,840)	92,829,389	—	1,550,111,745
Post-retirement increases:					
Annual increase in base pensions	927,982,122	(3,409,003)	129,226,229	—	1,053,799,348
Increased age retirement allowances	90,853,609	(16,257,082)	54,518,381	—	129,114,908
Minimum retirement allowances	728,917	19,482	44,320	—	792,719
Supplementary payments	91,854	27,846	6,346	—	126,046
Survivor benefits	390,384,287	25,728,065	72,474,862	—	488,587,214
Employer's contribution	1,045,322,006	378,985,045	(384,850,871)	399,128,575	1,438,584,755
<b>Total</b>	<b>\$5,390,421,114</b>	<b>319,521,145</b>	<b>-0-</b>	<b>399,128,575</b>	<b>6,109,070,834</b>

#### NOTE F—ADMINISTRATIVE EXPENSES

Administrative expenses are summarized below:

	Year Ended June 30	
	1982	1981
Personal services	\$1,547,899	1,515,144
Professional services	76,505	121,662
Other contractual services	324,923	303,056
Commodities	56,064	59,344
Occupancy expense	172,024	158,626
Provision for depreciation of equipment	196,290	171,604
	<u>\$2,373,705</u>	<u>2,329,436</u>

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# Hansen

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A. S. Hansen, Inc. 1080 Green Bay Road • Lake Bluff, Illinois 60044 • Telephone 312-234-3400

October 8, 1982

Board of Trustees  
Teachers' Retirement System  
of the State of Illinois  
2815 West Washington Street  
P.O. Box 4057  
Springfield, Illinois 62708

**Actuarial Estimate as of June 30, 1982**

In accordance with the provisions of the Teachers' Retirement System of the State of Illinois, we have made an estimate of the actuarial position of the Fund and reserve requirements as of June 30, 1982.

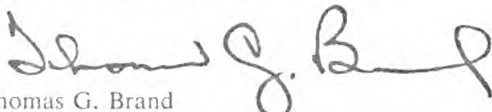
This estimate is based on a census of retired members as of June 30, 1982 and a census of active and inactive members as of June 30, 1981. Net assets used for actuarial purposes are based upon cost or amortized cost values less current liabilities as provided by the Fund office. Plan provisions considered are those in effect June 30, 1982.

Actuarial assumptions and methods used are based on the last experience analysis covering the period July 1, 1977 to June 30, 1981. The unfunded past State requirement is that determined as of June 30, 1982, considering actuarial assumptions and plan provisions effective on that date.

In our opinion, the reserve requirement of \$6,109,070,834 is a fair representation of the actuarial position of the Fund as of June 30, 1982.

Respectfully submitted,

A. S. HANSEN, INC.



Thomas G. Brand  
Member, American Academy of Actuaries

**ACTUARIAL PRINCIPLES**

The ultimate total State cost of the Teachers' Retirement System during its entire period of existence will be equal to:

1. the total of all benefit payments and administrative expenses, less
2. the sum of teachers' contributions and investment return.

The purpose of actuarial determinations is to identify the estimated costs allocable to any one period. If the State of Illinois contributed the actuarially-determined costs, the annual State requirement would remain reasonably consistent as a percentage of the payroll of covered teachers. Historically, the State has not funded the System in this manner. The unfunded State requirement has increased by past service cost of benefit improvements and by the excess of annual costs over contributions made by the State.

During FY82, the System's Actuary completed an experience analysis for the four-year period ended June 30, 1981. Based on this review, changes in assumptions were adopted and included in the actuarial estimate of reserve requirements as of June 30, 1982.

**ACTUARIAL PRESENT VALUE OF BENEFIT REQUIREMENTS**

	June 30	
	1982	1981
Retired members	\$2,365,250,264	2,207,372,970
Active members (Net of present value of future normal cost)	3,616,220,570	3,019,864,423
Inactive members	127,600,000	163,183,721
<b>Total Requirements</b>	<b>\$6,109,070,834</b>	<b>5,390,421,114</b>

**RECONCILIATION OF UNFUNDED ACCRUED BENEFIT COST**

	Year Ended June 30, 1982
Unfunded accrued benefit cost at beginning of year	\$2,494,733,095
Additions:	
Excess of State cost over contributions	114,786,775
Plan amendments	81,547,000
Revised actuarial assumptions and method	202,794,800
<b>Total Additions</b>	<b>399,128,575</b>
<b>Unfunded accrued benefit cost at end of year</b>	<b>\$2,893,861,670</b>

## SUMMARY OF ACTUARIAL ASSUMPTIONS

(Valuation as of June 30, 1982)

- Investment return —7%
- Retirement age —Graduated rates for active members. Inactive members are assumed to retire at age 62. Sample annual rates of retirements per 1,000 participants for active members are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	83.0	100.0
60	269.0	250.0
65	750.0	715.0
70	1,000.0	1,000.0

- Mortality:
  - Active participants and nondisabled pensioners —UP 1984 Table, set back two years.

Disabled pensioners —Pension Benefit Guaranty Corporation Rates.

- Disability —Sample annual rates per 1,000 participants are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.35	.70
30	.42	.84
40	.58	1.15
50	1.20	2.40

- Separation —Graduated rates based on age and sex variations.

- Earnings progression —Merit and longevity increases. Approximates 6% per year to earliest date of retirement eligibility. Sample annual percentage increases are as follows:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	8.8%	8.8
30	6.8	6.8
40	6.3	6.3
50	5.5	5.3
60	4.8	4.7

- Marital status —Males: 85%; Females: 60%.

- Actuarial method —Attained age normal cost method with unit credit past service. Original from

# INVESTMENTS



## INVESTMENT SUMMARY

During the fiscal year, the Teachers' Retirement System continued to work toward achieving the investment objective—to provide the greatest possible long term benefits to members by maximizing the total rate of return on investments within prudent perimeters of risk.

The System's investment portfolio as of June 30, 1982 had an aggregate market value of \$2.634 billion, an increase of \$240 million or 10.0% over the previous year. Investment of new cash flows and reinvestment of matured securities resulted in an increase in the System's income rate of return to 11.9% from 9.7% the previous year.

The Springfield Marine Bank served as the System's investment advisor during the fiscal year. The table presented below compares the rates of return for the System's equities, fixed income and total fund (composite) with several market indicators. In the equities and fixed income areas, the System's 1982 fiscal year rates of return compare favorably with the returns of all market indicators, while the System's composite rate of return for the fiscal year, 8.1%, exceeded the Consumer Price Index, 7.1%. For the 5-year rate of return comparisons, all market indicators were surpassed, except the S&P 500.

Rate of Return*	Fiscal Years Ended June 30					Annualized 5-Year Rate
	1978	1979	1980	1981	1982	
TRS Time-Weighted Equities	0.9%	7.8	8.0	18.2	-9.1	4.8
Standard & Poor 500	0.0	13.7	17.1	20.4	-11.7	7.2
Dow Jones Industrials	-5.4	9.2	9.7	19.3	-11.4	3.7
TRS Time-Weighted Fixed Income	2.6	8.4	7.5	-3.5	15.5	5.9
Salomon Bond Index	-0.8	7.2	-2.4	-13.0	8.7	-0.4
LKL Bond Index**	0.3	7.1	-1.0	-8.5	11.9	1.7
TRS Time-Weighted Composite	1.8	8.2	7.5	2.6	8.1	5.6
TRS Income Rates of Return	6.7	7.8	9.2	9.7	11.9	9.0

On August 25, 1982 Governor Thompson signed Senate Bill 1579 which provides for an investment authority commonly known as "the prudent person rule". This legislation allows the System to increase the diversification of investments and the flexibility to take advantage of new investment vehicles as the financial markets change.

During the fiscal year, the System also conducted an analysis of the investment management system in an effort to increase future investment performance. The analysis resulted in the selection of a multiple investment manager team of three equity managers and six fixed income managers with a diversity of management styles and proven track records managing large institutional accounts. The multiple managers commenced providing services to the System on July 1, 1982.

\*Performance calculations provided by Becker Funds Evaluation Service.

\*\*Lehman Brothers Kuhn Loeb Bond Index



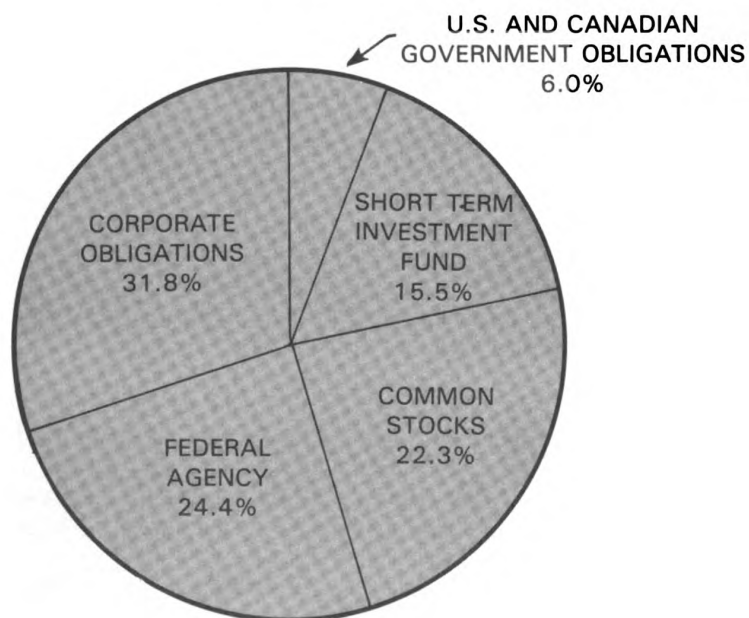
## INVESTMENT PORTFOLIO SUMMARY\*

June 30, 1982

	Book Value
Government Obligations:	
U.S. Government	\$ 151,573,157
Federal Agency	767,720,430
Canadian	17,642,268
<b>Total Government Obligations</b>	<b>936,935,855</b>
Corporate Obligations:	
Bonds and Notes	1,092,259,574
Short Term Investment Fund	408,162,800
<b>Total Corporate Obligations</b>	<b>1,500,422,374</b>
Common Stocks	678,023,945
<b>Total Portfolio</b>	<b>\$3,115,382,174</b>

## COMPOSITION OF INVESTMENTS

(At Market Value)



\*See Pages 37-44 for complete investment listing.

# STATISTICAL TABLES



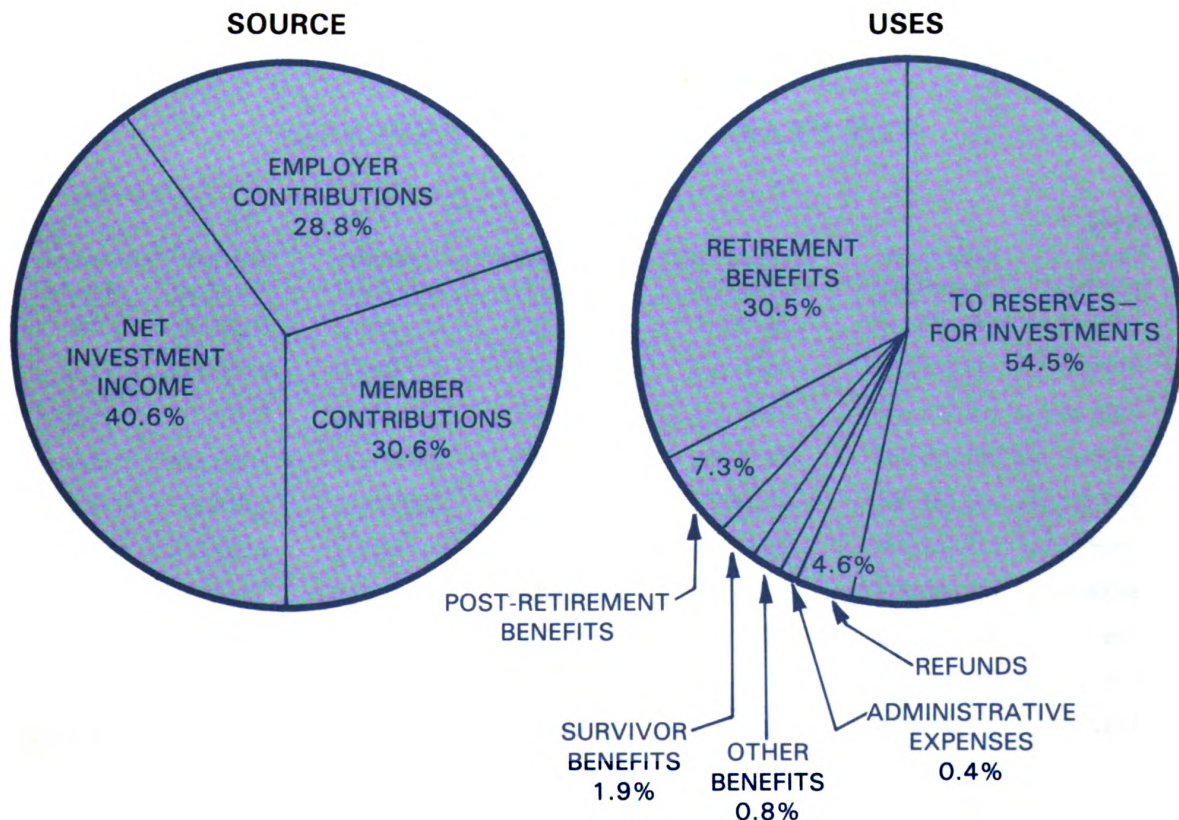
## TEN YEAR SUMMARY OF FUNDING RATIOS

I

As of June 30	Net Assets at Cost	Net Assets at Market	Actuarial Funding Requirements	Funding Ratio at Cost	Funding Ratio at Market
1973	\$ 962,325,380	930,651,968	2,603,044,525	37.0%	35.8
1974	1,086,281,325	947,032,702	2,790,636,472	38.9	33.9
1975	1,260,547,327	1,140,233,842	3,010,690,937	41.9	37.9
1976	1,448,294,814	1,395,658,888	3,328,977,780	43.5	41.9
1977	1,654,558,861	1,596,530,412	3,706,902,237	44.6	43.1
1978	1,896,887,470	1,744,150,335	3,989,247,264	47.6	43.7
1979	2,171,628,193	2,010,050,278	4,560,538,584	47.6	44.1
1980	2,497,313,656	2,277,398,436	4,957,477,232	50.4	45.9
1981	2,895,688,019	2,492,964,748	5,390,421,114	53.7	46.2
1982	3,215,209,164	2,733,811,255	6,109,070,834	52.6	44.8

## 1982 REVENUE

II



## TEN YEAR SUMMARY OF REVENUE

(By Source)

Year Ended June 30	Member Contributions	Percent of Total	Employer		
			State Appropriations	District Contributions	Percent of Total
1973	\$ 95,610,694	41.0%	91,979,900	2,912,174	40.6
1974	102,046,397	41.3	96,702,300	3,315,771	40.5
1975	114,914,651	36.4	130,723,094	3,716,784	42.7
1976	122,847,659	35.9	138,551,600	4,290,964	41.8
1977	125,215,335	33.0	156,976,400	4,672,892	42.5
1978	132,176,556	30.6	175,069,000	5,398,022	41.8
1979	141,087,603	29.3	188,641,596	6,740,259	40.6
1980	150,501,011	27.4	212,697,717	8,564,895	40.3
1981	166,396,962	26.1	231,871,230	14,994,482	38.7
1982	179,547,687	30.6	154,969,147	14,056,003	28.8

## TEN YEAR SUMMARY OF EXPENSES

(By Type)

Year Ended June 30	Retirement Benefits	Percent of Total	Post-Retirement Benefits	Percent of Total	Survivor Benefits	Percent of Total
1973	\$ 81,027,399	76.1%	6,698,138	6.3	3,933,996	3.7
1974	93,867,222	76.2	8,002,506	6.5	4,410,550	3.6
1975	102,875,465	72.0	15,502,949	11.0	5,031,776	3.6
1976	113,275,935	73.4	18,769,279	12.2	5,155,184	3.3
1977	124,561,904	71.7	20,112,058	11.6	5,818,332	3.3
1978	135,163,476	71.4	21,728,897	11.5	6,661,210	3.5
1979	144,896,371	70.2	23,841,793	11.6	7,544,393	3.6
1980	154,476,872	68.9	26,996,859	12.1	8,459,660	3.8
1981	166,502,424	69.5	32,838,254	13.7	9,735,967	4.1
1982	178,904,780	66.9	43,032,491	16.1	11,398,656	4.3

# TEACHERS' RETIREMENT SYSTEM

## Statistical Tables

### III — Continued

<u>Investment Income</u>	<u>Percent of Total</u>	<u>Gains (Losses) on Investments</u>	<u>Percent of Total</u>	<u>Other</u>	<u>Total</u>
43,676,343	18.8	(1,261,450)	(0.5)	352,479	233,270,140
53,453,535	21.6	(8,869,468)	(3.6)	404,341	247,052,876
63,627,793	20.2	2,199,701	0.7	15,579	315,197,602
74,091,561	21.6	2,381,378	0.7	685	342,163,847
88,032,219	23.2	5,095,346	1.3	7,805	379,999,997
108,393,151	25.1	10,588,381	2.5	6,726	431,631,836
138,816,114	28.9	5,860,958	1.2	(337)	481,146,193
179,400,957	32.6	(1,598,212)	(0.3)	—	549,566,368
223,512,380	35.0	1,109,198	0.2	—	637,884,252
285,502,863	48.7	(47,249,275)	(8.1)	—	586,826,425

### IV — Continued

<u>Disability &amp; Health Benefits</u>	<u>Percent of Total</u>	<u>Refunds</u>	<u>Percent of Total</u>	<u>Administrative Expenses</u>	<u>Percent of Total</u>	<u>Total</u>
1,138,014	1.1	12,915,934	12.1	793,228	0.7	106,506,709
1,348,031	1.1	14,604,867	11.9	863,755	0.7	123,096,931
1,588,393	1.1	14,835,114	10.5	1,097,903	0.8	140,931,600
1,858,535	1.2	14,118,173	9.1	1,239,254	0.8	154,416,360
2,200,636	1.3	19,579,606	11.3	1,463,414	0.8	173,735,950
2,499,285	1.3	21,639,987	11.4	1,610,372	0.9	189,303,227
2,682,067	1.3	25,594,136	12.4	1,846,710	0.9	206,405,470
3,121,683	1.4	28,909,607	12.9	1,916,224	0.9	223,880,905
3,677,492	1.5	24,426,316	10.2	2,329,436	1.0	239,509,889
4,682,504	1.7	26,913,144	10.1	2,373,705	0.9	267,305,280

V

**AGE RETIREMENT BENEFICIARIES BY BENEFIT  
RANGE AT JUNE 30, 1982**

<u>Monthly Benefit</u>	<u>Total Beneficiaries</u>	<u>Cumulative Total</u>	<u>Percentage of Total</u>	<u>Cumulative Percentage of Total</u>
\$ 01 — 100	1,290	1,290	4.0%	4.0
101 — 200	1,633	2,923	5.0	9.0
201 — 300	3,133	6,056	9.6	18.6
301 — 400	5,438	11,494	16.7	35.3
401 — 500	4,248	15,742	13.0	48.3
501 — 600	3,482	19,224	10.7	59.0
601 — 700	3,080	22,304	9.5	68.5
701 — 800	2,680	24,984	8.2	76.7
801 — 900	1,744	26,728	5.4	82.1
901 — 1,000	1,448	28,176	4.4	86.5
1,001 — 1,100	1,185	29,361	3.6	90.1
1,101 — 1,200	905	30,266	2.8	92.9
1,201 — 1,300	674	30,940	2.1	95.0
1,301 — 1,400	510	31,450	1.6	96.6
1,401 — 1,500	334	31,784	1.0	97.6
1,501 — over	784	32,568	2.4	100.0

**FIVE YEAR STATISTICAL PATTERN OF AGE RETIREMENT BENEFITS**

	<u>Average Monthly Benefit</u>	<u>Median Monthly Benefit</u>
1978	\$469.43	387.36
1979	489.71	407.40
1980	514.77	432.11
1981	550.78	470.81
1982	595.65	535.92



# TEACHERS' RETIREMENT SYSTEM

## Statistical Tables

### TEN YEAR MEMBERSHIP PROFILE

VI

YEAR ENDED JUNE 30	BENEFIT RECIPIENTS	INACTIVE MEMBERS	ACTIVE MEMBERS
1972	22,899	29,866	102,494
1973	24,394	29,310	103,000
1974	25,848	29,349	102,569
1975	27,229	29,411	105,706
1976	28,244	29,491	105,316
1977	30,295	30,214	103,216
1978	31,457	30,970	105,433
1979	32,423	31,341	105,353
1980	33,410	31,486	105,247
1981	34,690	31,719	104,121
1982	36,121	32,000*	104,000*

### DISTRIBUTION OF ACTIVE MEMBERS (At July 1, 1981)

VII

#### BY AGE

Age	Male	Female	Total
20-24	1,325	5,397	6,722
25-29	3,488	10,484	13,972
30-34	8,105	14,269	22,374
35-39	8,073	10,325	18,398
40-44	5,210	7,510	12,720
45-49	4,379	5,959	10,338
50-54	3,762	5,609	9,371
55-59	2,550	3,982	6,532
60-64	772	2,209	2,981
65-69	126	465	591
70 or older	28	94	122
TOTAL	37,818	66,303	104,121

#### BY SERVICE

Years of Service	Male	Female	Total
Under 1	352	1,501	1,853
1-4	5,922	20,371	26,293
5-9	7,496	17,168	24,664
10-14	8,806	13,419	22,225
15-19	5,855	6,770	12,625
20-24	4,941	3,739	8,680
25-29	2,613	1,971	4,584
30-34	1,658	912	2,570
35 or more	175	452	627
TOTAL	37,818	66,303	104,121



## DISABILITY EXPENSES

VIII

As of June 30	PERMANENT		TEMPORARY	
	Current Recipients	Total Amount	Current Recipients	Total Amount
1978	590	\$1,738,476	129	760,809
1979	605	1,844,711	151	837,356
1980	607	2,001,268	196	1,120,415
1981	586	1,997,566	246	1,570,237
1982	578	2,026,937	279	2,028,872

## SURVIVOR BENEFIT EXPENSES

IX

As of June 30	MONTHLY BENEFITS		LUMP SUM	
	Current Recipients	Total Amount	Total Recipients	Total Amount
1978	1,727	\$4,887,754	350	1,773,456
1979	1,893	5,586,620	399	1,957,773
1980	2,078	6,420,491	430	2,039,169
1981	2,304	7,485,315	433	2,250,652
1982	2,570	8,803,736	460	2,594,920

## PROFILE OF CLAIMS FOR CURRENT YEAR

X

	AGE RETIREMENT Total Claims 1,726	PERMANENT DISABILITY Total Claims 26
Median Age	61	50
Median Service	25.812 Years	5.751 Years
Median Monthly Benefit	\$775.83	456.46

## PLAN SUMMARY



**PURPOSE**

The Teachers' Retirement System (TRS) was established on July 1, 1939 by the Illinois General Assembly to provide retirement allowances and other benefits for teachers, annuitants and beneficiaries. This system superseded a previous retirement fund established on May 27, 1915.

**ADMINISTRATION**

TRS is governed by a nine-member Board of Trustees composed of the State Superintendent of Education, four members of the System elected by the active and retired membership and four persons from the public sector appointed by the Governor.

The Board appoints an Executive Director who is responsible for all administrative functions and supervision of staff employees. The Board also appoints an actuary, investment counsel and legal counsel.

**MEMBERSHIP**

All teachers who are employed under one of the following conditions in the public common schools of Illinois (outside of Chicago) are members.

- Full-time teachers employed at least four clock hours per day, daily.
- Teachers employed less than full-time, on a permanent and continuous basis, whose services are expected to be rendered for a full and complete school term.

A member who meets the qualifying conditions may verify and have additional service credit recorded for the following types of service:

- Substitute teaching
- Leaves of absence
- Part-time employment completed prior to 1969
- Out-of-State teaching
- Military service
- Unused accumulated sick leave

**CONTRIBUTIONS**

Every teacher meeting the qualifying conditions for membership is required to contribute to the System. The current contribution rate is 8% of gross earnings. These contributions, upon receipt, are credited to separate reserves for the following purposes:

- For retirement—6- $\frac{1}{2}$  %
- For post-retirement increases— $\frac{1}{2}$  %
- For survivor benefits— $\frac{1}{2}$  %

**SURVIVOR BENEFITS**

Payable if death occurs while employed as a teacher; during the first year following termination of such employment for reasons other than retirement; while in retirement.

**Definitions**

- Dependent Beneficiary—a spouse; an unmarried child under the age of 18; or parents who received one-half of their support from the member.
- Non-dependent Beneficiary—any individual (other than dependent beneficiaries), organization, or the member's estate. (ust be designated by the member.)
- Average salary—the average of the four highest consecutive annual salary rates within the last ten years of creditable service.
- Accumulated Contributions—all contributions (except 1% survivor benefit amount) made by the member, plus interest.
- Retirement—being in receipt of an age or disability retirement allowance.
- Inactive Member—person who terminated teaching, for reasons other than retirement, more than one year prior to death.
- Inactive Member—person who terminated teaching, for reasons other than retirement, more than one year prior to death

**Lump sum settlement**

Non-dependent beneficiaries are eligible for this settlement only. Dependent beneficiaries may elect to receive this settlement or the monthly income explained elsewhere

The lump sum settlement includes two cash amounts:

- 1/6 of the final salary rate times the number of full years of teaching with TRS.  
(Minimum—1/6 of salary rate  
Maximum—final salary rate)
- A return of accumulated contributions

**Monthly income option**

Payable only to dependent beneficiaries provided the member had established 1-½ years of credit with TRS at the time of death. A spouse with no minor children must be age 50 to receive the monthly income.

This settlement includes three cash amounts:

- A one-time payment of \$1,000
- The appropriate monthly income subject to maximums of \$400 per month for one dependent beneficiary and \$600 per month for two or more dependent beneficiaries. (Exception: TRS will pay 50% of the member's earned monthly retirement allowance if greater than the above maximums )
- A return of accumulated contributions

**Survivor Benefit Refund**

Upon retirement, a member with no dependent beneficiary may elect to accept a refund of actual survivor benefit contributions and waive all rights to survivor benefits.

**DISABILITY BENEFITS**

Members who become disabled while teaching or within 90 days after such employment may qualify for disability benefits; however, no benefit can be paid for periods the member has a right to receive salary (including sick leave) from the employer.

A Temporary Disability Benefit is available to teachers who have a minimum of three years of service. A Permanent Disability Benefit is available to teachers who have received a Temporary Disability Benefit for the maximum eligible period. An Accidental Disability Benefit is available to teachers under age 70 who are disabled due to a duty-related accident or illness.

**Benefit amounts**

- Temporary disability—40% of current salary
- Permanent disability—the greater of 35% of last salary or the amount computed by the age retirement formula (If disability occurs prior to

age 55, the amount computed by the age retirement formula is reduced by ½% for each month the member is under age 55)

- Accidental disability—60% of current salary offset by any amounts paid under a workers' compensation program

**Effective date of benefits**

- Temporary Disability Benefits begin on the later of: 31st calendar day of absence from duty; day following last day for which salary is payable; or date notification is received, if more than 90 days after commencement of disability.
- Permanent Disability Benefits begin on the day following the last day for which temporary disability is paid.
- Accidental Disability Benefits begin on the later of: day following the last day for which salary is payable; or the date notification is received if more than 90 days after commencement of disability.

**Duration of benefits**

- Temporary Disability Benefits cease when one of the following events first occurs: disability ceases; member accepts any gainful employment; or benefits are paid for a period equal to one-fourth of the member's creditable service.
- Accidental Disability Benefits are payable until member is able to engage in any gainful employment.
- Temporary and Accidental Disability Benefits are further limited as follows: If disability occurs prior to age 60, benefits cease at age 65; if disability occurs at age 60 or over, benefits cease after five years or attainment of age 70, whichever occurs first.
- Permanent Disability Benefits are payable for the duration of disability or until re-employment as a teacher. Gainful employment other than teaching is permitted within limitations.
- Members who are receiving a Temporary

Disability Benefit may request termination of this benefit and transfer to a Permanent Disability Benefit. Members who are receiving a Temporary or Accidental Disability Benefit may elect to transfer to an Age Retirement Allowance, if eligible.

### RETIREMENT ALLOWANCE

A qualifying member may select one of two types of retirement allowances. The Life Annuity provides the largest allowance payable throughout the lifetime of the retiring member. The Reversionary Annuity reduces the member's earned allowance to provide a monthly allowance, in addition to any benefits under the Survivor Benefits Program, for a surviving designated beneficiary.

#### Eligibility

A member qualifies for a retirement allowance after attaining one of the following combinations of age and years of service:

- age 62 with 5 years
- age 60 with 10 years
- age 55 with 20 years

If retirement occurs between the ages of 55 and 60 with 20 or more, but less than 35 years of credit, the allowance will be reduced at the rate of  $\frac{1}{2}\%$  for each month the member is less than age 60, unless the Early Retirement Option is utilized.

#### Calculation of benefit

A retirement allowance is determined by two factors. The first is the average salary which is the average of the four highest consecutive annual salary rates within the last ten years of creditable service. In computing the average salary, each annual salary rate earned after June 30, 1979, cannot exceed the previous year's full-time rate by more than 20%.

The second factor is the percentage of the four-year average to which the member is entitled. This percentage is determined by years of service according to the following formula:

- 1.67% for each of the first 10 years, plus
- 1.9% for each of the next 10 years, plus
- 2.1% for each of the next 10 years, plus
- 2.3% for each year over 30 years of credit.

The maximum allowance, 75% of average salary, is attained with 38 years of service. In determining the member's actual allowance, TRS will use total credit (including fractional years) and will use the member's exact age if the early retirement discount is applicable.

#### Early Retirement Option

A member may avoid the early retirement discount if the following conditions are met: (a) retirement occurs before June 30, 1990; (b) retirement occurs within six months of the last day of teaching for which retirement contributions are required; (c) the member and the employer each make a one-time contribution to the System.

The required contributions are determined as a percentage of the retiring member's last full-time salary rate, or the highest full-time salary rate used to compute the average salary, whichever is greater. The required percentages are as follows:

Member's Age	% By Member	% By Employer
Age 55	35%	100
56	28	80
57	21	60
58	14	40
59	7	20

This option may be limited at the discretion of the employer to a specified percentage, not lower than 30% of those eligible. The right to participate must be allocated on the basis of seniority in the service of the employer.

#### POST-RETIREMENT INCREASES

TRS provides increases in the original age or disability retirement allowance at the rate of 3% per year. The initial increase is payable the later of:

- January 1, following the attainment of age 61

- January 1, following the first anniversary in retirement

**TRS HEALTH AND PRESCRIPTION  
DRUG PLAN**

Persons who are receiving a monthly retirement, disability or survivor benefit from TRS and their eligible dependents qualify for the TRS Health and Prescription Drug Plan. This partially subsidized plan covers hospital and physicians' medical expenses and may provide 100% coverage for prescription drugs.

**REFUNDS**

TRS will refund a member's contributions provided

the member has officially resigned from teaching employment and the application is submitted not earlier than four months after termination of employment. The refund consists of all retirement contributions made by the member excluding the 1% survivor benefit contribution.

**RECIPROCITY ACT**

TRS is included in the provisions of the Retirement Systems' Reciprocal Act which assures continuous pension credit for public employment in Illinois. Those wishing additional information should contact the TRS Springfield office.



## INVESTMENT LISTING

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>GOVERNMENT OBLIGATIONS</b>						
U.S. Government						
U.S. Treasury Bills .....	AAA	— %	07-01-82	\$ 14,860,000	14,860,000	14,860,000
	AAA	—	07-08-82	16,585,000	16,543,629	16,552,659
	AAA	—	07-15-82	14,115,000	14,045,678	14,056,140
U.S. Treasury Bonds .....	AAA	7.250	08-15-92	2,879,000	1,979,313	1,900,140
	AAA	8.625	08-15-93	8,114,000	5,935,913	5,700,085
	AAA	9.000	02-15-94	5,138,000	4,057,842	3,725,050
	AAA	13.875	05-15-11	10,000,000	9,676,376	9,975,000
U.S. Treasury Notes .....	AAA	8.875	06-30-83	1,305,000	1,235,236	1,240,559
	AAA	8.875	06-30-84	5,005,000	4,615,268	4,535,781
	AAA	14.000	12-31-84	10,000,000	9,992,562	9,875,000
	AAA	9.625	08-15-85	5,000,000	4,767,291	4,412,500
	AAA	13.500	02-15-86	20,000,000	19,907,834	19,400,000
	AAA	8.000	08-15-86	5,050,000	4,351,529	4,103,125
	AAA	9.000	02-15-87	5,260,000	4,690,475	4,349,336
	AAA	12.375	01-15-88	5,000,000	4,975,986	4,618,750
	AAA	14.625	01-15-89	5,000,000	4,956,230	5,009,350
	AAA	10.750	11-15-89	5,000,000	5,006,672	4,234,350
	AAA	13.000	11-15-90	10,000,000	9,945,714	9,393,700
	AAA	14.500	05-15-91	5,000,000	5,000,000	5,006,250
	AAA	14.250	11-15-91	5,000,000	5,029,609	4,956,250
Total U.S. Government				<b>158,311,000</b>	<b>151,573,157</b>	<b>147,904,025</b>
Federal Agency						
Federal Farm Credit Banks .....	AAA	16.700	07-01-82	2,000,000	2,000,000	2,000,000
	AAA	13.550	07-01-82	10,000,000	10,000,000	10,000,000
	AAA	14.300	08-02-82	5,000,000	5,000,000	5,003,100
	AAA	15.450	08-02-82	5,000,000	5,000,000	5,001,550
	AAA	11.650	09-01-82	10,000,000	10,000,000	9,953,100
	AAA	13.800	10-01-82	10,000,000	10,000,000	9,981,200
	AAA	14.500	11-01-82	5,000,000	5,000,000	4,996,850
	AAA	9.450	04-23-84	10,000,000	10,000,000	9,175,000
	AAA	13.200	03-04-85	5,000,000	5,000,000	4,818,750
	AAA	13.250	04-22-85	5,000,000	5,000,000	4,821,850
	AAA	12.750	09-03-85	10,000,000	10,000,000	9,412,500
	AAA	13.950	03-03-86	5,000,000	5,000,000	4,831,250
	AAA	10.750	10-20-86	10,000,000	10,000,000	8,662,500
	AAA	14.625	01-20-87	5,000,000	5,000,000	4,900,000
	AAA	12.650	04-20-88	5,000,000	5,000,000	4,550,000
	AAA	13.050	01-23-89	5,000,000	5,000,000	4,581,250
	AAA	7.750	09-05-89	10,000,000	10,000,000	6,950,000
	AAA	15.650	10-23-89	5,000,000	5,000,000	5,081,250
	AAA	10.950	01-22-90	10,000,000	10,000,000	8,225,000
	AAA	10.400	07-23-90	25,015,000	22,529,175	19,918,194
	AAA	14.100	04-22-91	5,000,000	5,000,000	4,756,250
	AAA	14.700	07-22-91	5,000,000	5,000,000	4,893,750
	AAA	15.200	01-20-92	5,000,000	5,000,000	5,006,250
Federal Home Loan Banks .....	AAA	11.600	05-25-83	5,000,000	5,000,000	4,871,850
	AAA	9.050	02-27-84	5,000,000	4,646,346	4,575,000
	AAA	14.550	04-25-85	5,000,000	5,000,000	4,950,000
	AAA	8.125	05-28-85	10,000,000	9,983,065	8,450,000
	AAA	12.800	07-25-85	10,000,000	10,000,000	9,462,500
	AAA	15.750	03-25-86	5,000,000	5,000,000	5,050,000
	AAA	15.500	05-27-86	5,000,000	5,000,000	5,025,000
	AAA	11.300	11-25-86	10,000,000	10,000,000	8,812,500
	AAA	10.450	02-25-87	5,000,000	5,000,000	4,243,750
	AAA	11.100	03-25-87	5,000,000	5,000,000	4,343,750
	AAA	7.375	11-26-93	15,400,000	13,861,830	9,278,500
Federal Home Loan Banks Discount Notes .....	AAA	—	07-29-82	5,000,000	4,949,444	4,949,444
Federal Home Loan Mortgage Corporation .....	AAA	16.450	10-15-84	10,000,000	10,000,000	10,300,000
	AAA	9.375	12-27-88	5,000,000	5,000,000	3,831,250
	AAA	8.750	09-15-05	5,849,600	5,784,044	4,602,875
	AAA	8.850	03-15-08	7,300,000	7,268,491	5,274,250
	AAA	9.000	09-15-08	11,175,000	11,150,596	8,465,063
	AAA	9.400	09-15-08	7,450,000	7,417,212	5,801,688
	AAA	9.875	03-15-09	18,625,000	18,558,342	14,830,156
	AAA	10.250	03-15-09	23,244,000	21,373,389	18,856,695
	AAA	10.000	09-15-09	11,272,500	10,838,635	8,891,184
	AAA	13.000	09-01-10	17,531,355	17,290,225	14,572,939



## TEACHERS' RETIREMENT SYSTEM

## Investment Listing

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>GOVERNMENT OBLIGATIONS</b>						
Federal Agency (Continued)						
Federal National Mortgage Association .....	AAA	15.500%	08-10-82	\$ 5,000,000	5,000,000	5,012,500
	AAA	8.200	04-10-84	10,000,000	9,991,680	8,943,700
	AAA	13.000	11-12-85	5,000,000	5,000,000	4,693,750
	AAA	7.300	12-10-86	5,085,000	4,962,300	3,813,750
	AAA	7.750	03-10-87	5,000,000	5,000,000	3,768,750
	AAA	7.400	10-01-97	4,440,000	3,999,944	2,541,900
	AAA	8.200	07-10-02	10,000,000	9,990,153	5,987,500
GNMA Pool: 22995 .....	AAA	9.000	11-15-08	4,819,951	4,680,830	3,265,517
23867 .....	AAA	9.000	08-15-08	4,574,874	4,498,610	3,099,477
26352 .....	AAA	9.000	10-15-08	4,646,640	4,577,323	3,148,099
26685 .....	AAA	9.000	09-15-08	4,526,904	4,462,689	3,066,978
26914 .....	AAA	9.000	10-15-08	4,415,561	4,342,838	2,991,543
27245 .....	AAA	9.000	12-15-08	2,968,000	2,149,888	2,010,820
28178 .....	AAA	9.000	02-15-09	9,578,685	9,212,562	6,489,559
28473 .....	AAA	9.000	11-15-08	4,662,759	4,580,825	3,159,019
28843 .....	AAA	9.000	01-15-09	4,812,071	4,643,711	3,260,178
29168 .....	AAA	9.000	05-15-09	4,736,349	3,500,672	3,208,876
29739 .....	AAA	9.000	03-15-09	3,241,855	2,347,748	2,196,357
31155 .....	AAA	9.000	04-15-09	4,652,750	4,446,635	3,152,238
31660 .....	AAA	9.500	06-15-09	4,808,568	4,677,533	3,353,976
31951 .....	AAA	9.000	06-15-09	9,653,163	9,334,844	6,540,018
32876 .....	AAA	9.500	07-15-09	4,753,228	4,626,607	3,315,377
33368 .....	AAA	9.500	10-15-09	4,796,838	4,570,751	3,345,795
33966 .....	AAA	9.500	09-15-09	4,688,614	4,445,604	3,270,309
33990 .....	AAA	9.500	07-15-09	4,780,022	4,649,337	3,334,065
34673 .....	AAA	11.000	01-15-10	4,833,248	4,592,276	3,739,726
35345 .....	AAA	9.500	09-15-09	4,746,806	4,522,983	3,310,897
35697 .....	AAA	10.000	11-15-09	4,829,394	4,599,034	3,483,200
35947 .....	AAA	9.500	09-15-09	4,709,054	4,507,858	3,284,565
36739 .....	AAA	10.000	11-15-09	2,855,507	2,717,306	2,059,535
36785 .....	AAA	10.000	12-15-09	9,671,132	8,529,408	6,975,304
36953 .....	AAA	11.000	01-15-10	4,934,085	4,642,495	3,817,748
37512 .....	AAA	11.000	01-15-10	4,831,427	4,540,084	3,738,317
37733 .....	AAA	10.000	11-15-09	1,971,546	1,879,375	1,421,978
38664 .....	AAA	11.000	02-15-10	4,749,135	4,508,162	3,674,643
39314 .....	AAA	12.500	04-15-10	4,743,061	4,449,738	4,013,815
GNMA Project Loan: 000-35131 .....	AAA	7.500	08-01-19	14,922,665	9,486,524	8,020,932
000-35189 .....	AAA	7.500	04-01-20	3,186,706	2,304,974	1,712,854
044-35458 .....	AAA	7.500	07-01-19	2,026,529	1,292,163	1,089,259
062-35126 .....	AAA	7.500	04-01-19	1,707,099	1,084,996	917,566
062-35194 .....	AAA	7.500	03-01-20	1,710,952	1,091,192	919,637
064-35179 .....	AAA	7.500	11-01-19	6,694,892	4,540,102	3,599,928
071-35242 .....	AAA	7.500	05-01-18	10,131,131	8,313,315	5,446,535
082-35178 .....	AAA	7.500	09-01-20	2,685,461	1,936,505	1,443,435
086-35110 .....	AAA	7.500	12-01-19	4,918,621	3,314,914	2,643,759
114-35227 .....	AAA	7.500	06-01-19	1,730,663	1,100,139	930,231
116-35097 .....	AAA	7.500	05-01-19	1,663,265	1,107,034	894,005
121-35482 .....	AAA	7.500	06-01-18	1,818,330	1,162,479	977,352
121-35627 .....	AAA	7.500	08-01-19	3,978,470	2,884,815	2,138,428
121-35632 .....	AAA	7.500	06-01-20	1,934,250	1,407,858	1,039,659
121-35642 .....	AAA	7.500	10-01-19	2,027,845	1,509,622	1,089,967
121-35645 .....	AAA	7.500	11-01-19	4,238,874	3,085,294	2,278,395
121-35651 .....	AAA	7.500	05-01-20	2,478,100	1,839,087	1,331,979
136-32008 .....	AAA	7.500	01-01-18	1,252,912	921,113	673,440
136-35519 .....	AAA	7.500	12-01-19	1,256,089	803,465	675,148
136-35538 .....	AAA	7.500	09-01-20	2,498,581	1,861,088	1,342,987
136-35540 .....	AAA	7.500	02-01-20	1,978,543	1,473,038	1,063,467
136-35546 .....	AAA	7.500	05-01-20	4,210,159	3,124,930	2,262,961
136-35552 .....	AAA	7.500	06-01-20	1,944,065	1,424,170	1,044,935
136-35558 .....	AAA	7.500	06-01-20	2,076,129	1,530,801	1,115,919
136-35561 .....	AAA	7.500	04-01-20	2,196,272	1,608,862	1,180,496
Capehart FHA Insured Project Loans .....	AAA	4.250	02-01-85	13,266,709	13,032,886	11,456,043
FHA Insured Project Loans 064-35192 .....	AAA	7.500	02-01-22	8,127,233	4,529,716	4,372,782
FHA Insured Project Loans Series 1981-1 .....	AAA	—	04-01-93	5,415,334	3,375,970	3,052,895
FHA Insured Project Loans — Fifteenth .....	AAA	7.450	05-01-21	37,794,659	21,751,608	20,314,629
FHA Insured Project Loans — Nineteenth .....	AAA	7.500	04-01-20	12,284,402	6,947,163	6,602,866
FHA Insured Project Loans — Thirty-third .....	AAA	7.430	09-01-21	7,110,068	3,944,477	3,821,662
Inter-American Development Bank .....	AAA	8.250	01-15-85	10,000,000	10,002,262	8,587,800
	AAA	9.000	02-01-01	2,000,000	2,000,000	1,246,040
	AAA	8.750	07-15-01	10,070,000	10,172,278	6,100,104

## TEACHERS' RETIREMENT SYSTEM

## Investment Listing

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>GOVERNMENT OBLIGATIONS</b>						
Federal Agency (Continued)						
Inter-American Development Bank .....	AAA	8.375%	06-01-02	\$ 3,250,000	2,061,735	1,882,238
.....	AAA	10.750	08-01-87	5,000,000	5,000,000	4,223,300
International Bank for Reconstruction and Development .....	AAA	5.375	07-01-91	8,735,000	6,841,169	4,782,325
.....	AAA	5.375	04-01-92	4,044,000	3,660,411	2,135,272
.....	AAA	5.875	09-01-93	15,000,000	14,932,522	7,945,950
.....	AAA	8.375	07-01-86	5,000,000	5,000,000	4,003,900
.....	AAA	7.800	12-01-86	10,622,000	10,611,238	8,171,398
G & A Ltd. 1 Government Guaranteed Ship Finance .....	AAA	15.900	02-15-97	7,000,000	7,000,000	10,500,000
Iachmar Corporation Government Guaranteed .....	AAA	14.000	09-25-88	4,474,000	4,474,000	4,136,258
Ship Finance .....						
Patriot Ship Corporation Government Guaranteed .....	AAA	8.000	03-31-06	5,000,000	3,133,548	2,751,250
Ship Finance .....						
Twelve Federal Intermediate Banks .....	AAA	6.950	01-05-87	4,000,000	3,777,720	3,060,000
Twelve Federal Land Banks .....	AAA	7.350	10-20-83	1,555,000	1,491,079	1,426,713
Twelve Federal Land Banks .....	AAA	8.200	01-22-90	10,095,000	9,466,145	7,217,925
Twelve Federal Land Banks .....	AAA	7.350	01-20-97	10,250,000	7,473,426	5,855,313
Total Federal Agency .....				848,738,690	767,720,430	642,927,704
Canadian						
Canada (Government of) .....	NR	8.625	04-01-98	9,900,000	8,672,339	6,143,742
Canadian National Railroad .....	AA	9.700	07-15-04	5,000,000	4,988,969	3,157,450
Ontario (Province of) Canada .....	A	4.750	09-15-90	4,000,000	3,980,960	2,207,840
Total Canadian .....				18,900,000	17,642,268	11,509,032
<b>TOTAL GOVERNMENT OBLIGATIONS</b> .....				<b>\$1,025,949,690</b>	<b>936,935,855</b>	<b>802,340,761</b>

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>CORPORATE OBLIGATIONS</b>						
Finance						
American Express Credit Corporation .....	AA	7.700%	03-01-87	\$ 5,000,000	5,000,000	3,777,700
American Express Credit Corporation .....	AA	12.875	01-15-91	10,000,000	10,000,000	8,822,100
American International Group Incorporated .....	NR	7.750	03-01-87	5,000,000	4,991,243	3,678,400
American Investment Company of Illinois .....	NR	4.625	09-01-83	440,000	440,000	386,650
American Savings and Loan Association .....	NR	8.500	04-15-84	10,000,000	9,993,123	8,961,200
American Savings and Loan Association .....	AA	9.500	06-30-85	5,000,000	5,000,000	4,322,500
Associates Investment Company .....	A	4.625	04-01-85	5,470,000	5,125,402	4,161,685
BP North American Finance Corporation .....	AA	9.250	02-01-01	8,715,000	5,717,885	5,455,503
Bankamerica Corporation .....	AA	8.750	05-01-01	10,000,000	9,924,552	6,086,100
Beneficial Corporation .....	A	4.625	06-01-87	3,000,000	3,000,000	2,995,830
Beneficial Finance Company .....	A	4.450	06-01-88	1,000,000	882,165	559,250
Beneficial Finance Company .....	A	4.500	03-01-92	5,000,000	4,530,648	2,338,450
Broadview Savings and Loan Company .....	NR	8.000	11-01-84	5,000,000	4,997,317	4,300,600
C.I.T. Financial Corporation .....	NR	4.375	04-01-83	3,000,000	2,998,594	2,760,000
C.I.T. Financial Corporation .....	AA	6.375	10-01-86	3,700,000	3,559,991	2,667,071
C.I.T. Financial Corporation .....	A	8.800	03-15-93	3,000,000	2,454,494	1,942,860
Citicorp .....	AA	14.375	07-01-86	5,060,000	4,931,929	4,952,475
Citicorp .....	AA	8.450	03-15-07	10,300,000	8,003,777	5,732,362
Clark Equipment Credit Corporation .....	A	4.875	12-01-83	2,480,000	2,409,640	2,167,892
Commercial Credit Company .....	A	9.300	12-01-86	5,000,000	5,000,000	3,921,800
Community Federal Savings and Loan Association .....	AAA	10.000	09-01-89	7,880,000	7,552,347	6,098,884
Continental Illinois Corporation .....	AA	8.500	11-01-85	10,000,000	9,988,852	8,228,400
Deere, (John) Credit Company .....	AA	5.000	10-31-90	4,000,000	4,000,000	2,150,640
First Chicago Corporation .....	AA	7.750	10-15-86	10,250,000	9,699,154	7,799,225
First Interstate Bank of California .....	NR	4.500	09-17-88	3,000,000	3,000,000	1,777,500
Ford Motor Credit Company .....	NR	10.000	03-15-83	5,000,000	5,000,000	4,800,000
Ford Motor Credit Company .....	BAA	7.850	03-01-88	5,250,000	4,651,899	3,438,383
Ford Motor Credit Company .....	BAA	8.700	04-01-99	10,000,000	10,000,000	5,242,800
Ford Motor Credit Company .....	BAA	9.850	03-15-04	5,000,000	5,000,000	2,821,950
General Electric Credit Corporation .....	AA	8.250	02-15-86	5,000,000	4,990,932	4,040,250
General Electric Credit Corporation .....	AA	7.625	02-01-88	5,000,000	4,990,004	3,629,950
General Electric Credit Corporation .....	AA	5.500	11-01-01	5,000,000	2,125,179	2,118,750
General Motors Acceptance Corporation .....	AA	8.625	11-15-85	5,000,000	5,000,000	4,088,500
General Motors Acceptance Corporation .....	AA	7.850	11-01-98	5,000,000	4,921,600	2,775,100
Gibraltar Savings Association .....	AAA	9.750	08-15-84	5,000,000	5,000,000	4,499,850

Original from

UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

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## TEACHERS' RETIREMENT SYSTEM

## Investment Listing

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>CORPORATE OBLIGATIONS</b>						
Finance (continued)						
Great Western Savings and Loan Association .....	NR	7.800%	10-01-89	\$ 7,000,000	5,748,180	6,001,030
Household Finance Corporation .....	AA	6.375	01-01-88	5,000,000	4,981,948	3,400,550
Houston First Savings Association .....	NR	8.875	08-01-84	5,000,000	4,997,942	4,432,100
Imperial Savings and Loan Association .....	NR	7.700	06-15-87	10,400,000	9,289,725	7,677,384
International Harvester Credit Corporation .....	CAA	7.625	02-01-93	4,772,000	4,249,507	1,741,780
International Harvester Credit Corporation .....	CAA	7.500	01-15-94	5,000,000	4,986,245	1,756,250
Irving Bank Corporation .....	AA	6.125	07-01-92	4,100,000	2,270,986	2,160,044
Irving Bank Corporation .....	AA	8.500	06-01-02	5,000,000	5,000,000	2,880,200
Marine Midland Banks Incorporated .....	NR	5.000	07-15-89	2,155,000	1,876,060	1,181,306
Marine Midland Banks Incorporated .....	NR	7.625	03-01-03	8,000,000	8,000,000	3,934,640
Marsea Marine Eleven Incorporated .....	AAA	16.000	05-01-01	3,138,000	3,138,000	3,173,303
Marsea Marine Twelve Incorporated .....	AAA	16.000	05-01-01	3,151,000	3,151,000	3,186,449
Mercantile Trust Company National Association .....	NR	4.600	12-01-83	3,000,000	3,000,000	2,580,480
Northern California Savings and Loan Association .....	AAA	12.500	02-01-85	5,000,000	5,000,000	4,655,550
Penney (J.C.) Credit Corporation .....	A	4.500	07-01-84	6,150,000	5,987,613	4,981,808
Private Export Funding Corporation .....	AAA	9.500	09-15-85	5,000,000	5,000,000	4,313,700
Private Export Funding Corporation .....	AAA	16.250	09-30-86	5,000,000	5,000,000	5,069,300
Private Export Funding Corporation .....	AAA	7.700	03-31-87	5,000,000	4,994,053	3,755,700
Private Export Funding Corporation .....	AAA	11.750	10-30-87	5,000,000	4,990,477	4,360,200
Private Export Funding Corporation .....	AAA	16.200	09-30-89	5,000,000	5,000,000	5,123,250
Talman Federal Savings and Loan Association .....	NR	8.375	04-15-83	3,700,000	3,700,000	3,518,071
Union Bank LA California .....	AA	4.625	11-26-88	2,000,000	2,000,000	1,130,520
U.S. Bancorp .....	AA	8.600	04-15-88	5,000,000	5,000,000	3,704,050
Wells Fargo and Company .....	A	11.550	01-15-83	5,000,000	5,000,000	4,901,000
Wells Fargo & Company .....	A	9.550	07-01-85	5,000,000	5,000,000	4,296,000
Wells Fargo & Company .....	A	10.625	12-15-85	5,000,000	4,990,327	4,353,950
Westinghouse Credit Corporation .....	A	7.600	10-15-97	6,290,000	5,284,834	3,333,763
World Savings and Loan Association .....	NR	7.950	12-15-82	5,000,000	5,000,000	4,836,850
Total Finance				335,401,000	317,517,624	249,939,838
Industrial and Miscellaneous						
Allied Stores Corporation .....	NR	6.000	05-15-92	13,570,000	7,640,069	7,276,913
Anadarko Production Company .....	A	14.750	12-01-91	5,000,000	5,000,000	4,701,000
Archer Daniels Midland Company .....	A	16.000	05-15-11	10,000,000	9,790,918	9,676,800
Armco Steel Corporation .....	A	8.500	09-01-01	5,000,000	4,988,489	2,778,850
Atlantic Richfield Company .....	AAA	7.000	12-01-91	12,255,000	7,857,086	7,414,030
Bethlehem Steel Corporation .....	BAA	8.450	03-01-05	10,000,000	10,000,000	5,126,400
Caterpillar Tractor Company .....	AA	14.750	11-01-88	2,500,000	2,500,000	2,437,650
Caterpillar Tractor Company .....	AA	8.600	05-01-99	6,000,000	6,000,000	3,738,780
Chesebrough Ponds Incorporated .....	AA	10.625	07-15-90	5,000,000	4,989,929	3,968,100
Chrysler Corporation .....	AAA	11.400	07-15-90	10,000,000	10,000,000	8,269,700
Chrysler Corporation .....	AAA	14.900	10-15-90	5,000,000	4,913,657	4,737,000
Cities Service Gas Company .....	NR	8.250	06-01-91	2,000,000	2,000,000	1,382,720
Cities Service Gas Company .....	AA	13.000	09-15-05	10,850,000	9,212,269	8,818,338
City Investing Company .....	NR	7.750	03-01-89	2,400,000	2,400,000	1,776,000
Continental Oil Company .....	AA	8.875	06-01-01	5,100,000	3,328,821	3,152,412
Countrywide Stations Incorporated .....	NR	7.500	09-01-02	8,749,000	8,749,000	5,468,125
Deere and Company .....	AA	10.500	05-15-85	5,000,000	4,992,747	4,437,150
Delaware Western Property Incorporated .....	NR	9.000	12-01-00	3,845,000	3,845,000	2,494,444
Dow Chemical Company .....	A	8.500	02-01-05	10,000,000	10,000,000	5,676,500
Dow Chemical Company .....	A	8.625	02-15-08	5,000,000	4,965,770	2,868,500
DuPont (E.I.) De Nemours and Company .....	AA	8.000	05-01-86	5,000,000	5,000,000	4,012,550
DuPont (E.I.) De Nemours and Company .....	AA	14.000	12-01-91	9,000,000	8,684,784	8,502,210
Eltra Corporation .....	A	8.500	01-15-01	5,000,000	4,986,711	2,855,400
Enserch Corporation .....	A	16.375	04-01-07	5,000,000	4,980,187	4,890,150
Export Development Corporation .....	AAA	9.850	01-15-84	5,000,000	4,700,600	4,622,150
Export Development Corporation .....	AAA	14.125	03-01-88	5,000,000	4,986,752	4,775,300
Flintkote Company .....	BAA	8.250	07-15-96	3,000,000	3,000,000	1,632,720
Ford Motor Company .....	BAA	9.150	08-01-04	5,230,000	3,772,876	2,731,420
Getty Oil Company .....	AAA	10.000	07-15-87	10,100,000	9,010,291	8,419,057
Grant (W.T.) Company .....	—	4.750	04-15-96	316,800	316,800	316,800
Gulf Oil Corporation .....	AAA	5.350	06-15-91	4,150,000	2,484,937	2,341,638
Gulf Oil Corporation .....	AAA	6.625	06-15-93	1,775,000	1,288,418	1,059,036
Gulf Oil Corporation .....	AAA	8.500	11-15-95	15,600,000	13,614,138	10,203,492
Hospital Corporation of America .....	A	16.500	01-15-07	5,000,000	4,950,818	4,900,950
Hughes Tool Company .....	AA	14.250	12-15-88	10,000,000	9,919,048	9,559,100
Interco Incorporated .....	A	14.250	02-15-91	5,000,000	5,000,000	4,598,100
Internorth Incorporated .....	A	10.750	08-01-90	7,380,000	6,967,866	5,909,166
Internorth Incorporated .....	A	17.500	08-01-91	5,000,000	4,988,678	5,148,550
K Mart Corporation .....	AA	9.875	07-15-85	5,000,000	4,978,537	4,327,050
Kerr Glass Manufacturing Corporation .....	NR	12.250	07-01-92	3,082,000	3,082,000	2,488,715

## TEACHERS' RETIREMENT SYSTEM

## Investment Listing

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>CORPORATE OBLIGATIONS</b>						
Industrial and Miscellaneous (Continued)						
Marathon Oil Company .....	AA	8.500%	11-01-06	\$ 10,400,000	5,982,184	5,762,432
Martin Marietta Corporation .....	A	15.550	11-01-87	5,000,000	5,000,000	4,921,250
Mobil Oil Corporation .....	AAA	7.375	10-01-01	20,805,000	12,903,352	11,353,289
Monsanto Company .....	AA	8.500	06-15-00	10,000,000	9,964,040	5,909,500
P P G Industries Incorporated .....	AA	8.000	02-15-85	5,000,000	4,995,073	4,196,900
P P G Industries Incorporated .....	AA	9.000	06-15-95	5,000,000	4,986,713	3,306,900
Pfizer Incorporated .....	AA	8.875	08-15-85	10,000,000	10,000,000	8,504,200
Republic New York Corporation .....	A	13.750	09-15-05	15,530,000	14,096,382	12,845,329
Sears Roebuck and Company .....	NR	6.000	05-01-00	3,245,000	1,484,588	1,439,969
Staley (A.E.) Manufacturing Company .....	A	8.875	06-01-01	7,000,000	6,176,937	4,241,160
Standard Oil Company of California .....	AAA	7.000	04-01-96	5,090,000	4,744,794	2,890,357
Studebaker Worthington Incorporated .....	BAA	9.350	11-15-03	5,000,000	5,000,000	2,844,550
Sun Oil Company .....	AA	8.500	11-15-00	4,846,000	3,133,993	2,912,931
Superior Oil Company .....	AA	14.375	12-01-91	5,000,000	4,952,627	4,735,400
Swift and Company .....	NR	4.750	10-01-83	450,000	449,839	392,625
Tenneco Incorporated .....	A	13.375	01-15-91	5,000,000	4,978,605	4,473,850
Tenneco Incorporated .....	A	14.500	04-01-06	10,000,000	9,422,638	8,711,800
Times Mirror Company .....	AA	9.625	09-15-86	10,000,000	9,984,950	8,312,200
Travelers Corporation .....	AAA	8.700	08-01-95	4,697,000	4,697,000	3,059,908
USS Holdings Company .....	A	12.500	03-01-94	5,318,600	4,249,638	4,094,418
Union Carbide Corporation .....	AA	7.500	12-15-06	5,450,000	2,988,617	2,784,950
Union Oil Company of California .....	AA	8.375	12-01-82	10,000,000	10,000,000	9,692,600
Union Tank Car Company .....	A	9.300	11-15-89	1,500,000	1,500,000	1,094,295
Union Tank Car Company .....	A	15.875	12-15-96	5,000,000	5,000,000	4,923,850
Union Tank Car Company .....	A	9.800	06-01-99	10,000,000	10,000,000	6,574,800
Westinghouse Electric Corporation .....	A	8.625	09-01-95	6,436,000	6,171,875	4,043,674
Total Industrial and Miscellaneous				<b>437,670,400</b>	<b>392,751,041</b>	<b>323,516,103</b>
Pipeline						
Marathon Pipe Line Company .....	NR	7.750	12-15-96	4,074,074	4,074,074	2,594,690
Mountain Fuel Supply Company .....	A	4.875	09-01-86	1,960,000	1,963,569	1,335,130
Natural Gas Pipeline Company of America .....	A	8.200	08-01-86	5,000,000	5,000,000	4,027,450
Total Pipeline				<b>11,034,074</b>	<b>11,037,643</b>	<b>7,957,270</b>
Public Utilities						
Arizona Public Service Company .....	NR	4.800	11-01-91	2,000,000	2,000,000	969,180
Arizona Public Service Company .....	NR	4.450	06-01-92	1,000,000	1,000,000	619,290
Baltimore Gas and Electric Company .....	AA	12.125	09-15-90	5,000,000	5,000,000	4,292,400
Baltimore Gas and Electric Company .....	AA	8.375	09-15-06	6,000,000	6,067,644	3,349,620
Bay State Gas Company .....	NR	4.750	11-01-87	1,750,000	1,750,000	953,715
Brooklyn Union Gas Company .....	A	9.750	06-01-85	5,000,000	5,000,000	4,293,050
Brooklyn Union Gas Company .....	NR	4.375	05-28-88	960,000	960,000	574,550
Carolina Power and Light Company .....	A	9.250	06-01-08	5,000,000	4,951,294	2,986,700
Carolina Power and Light Company .....	A	12.250	11-01-09	5,000,000	5,000,000	3,821,700
Central Power and Light Company .....	AA	12.375	01-01-10	5,000,000	5,000,000	3,957,650
Citizens Utilities Company .....	NR	4.800	12-31-91	1,000,000	1,000,000	536,520
Columbia Gas System Incorporated .....	A	8.250	09-01-96	10,235,000	9,478,680	6,325,025
Columbia Gas System Incorporated .....	A	7.500	06-01-97	5,000,000	2,933,450	2,836,400
Columbia Gas System Incorporated .....	A	7.500	10-01-97	7,275,000	4,849,241	4,107,174
Commonwealth Edison Company .....	A	12.500	12-15-86	5,000,000	4,978,180	4,435,400
Commonwealth Edison Company .....	NR	5.750	11-01-96	4,000,000	4,000,000	3,030,080
Commonwealth Edison Company .....	A	5.750	12-01-96	7,130,000	3,372,750	3,166,077
Consolidated Edison Company New York Incorporated .....	NR	4.400	06-01-93	2,000,000	2,000,000	909,000
Consolidated Edison Company New York Incorporated .....	NR	4.600	10-15-94	5,300,000	4,738,188	3,023,862
Consolidated Natural Gas Company .....	AA	7.625	05-01-97	2,000,000	1,206,320	1,131,680
Consolidated Natural Gas Company .....	AA	8.125	06-01-97	5,000,000	5,045,681	2,973,150
Consolidated Natural Gas Company .....	AA	8.625	03-01-99	10,055,000	7,940,458	6,124,199
Florida Power and Light Company .....	A	9.375	06-01-06	5,000,000	5,000,000	3,069,700
Florida Power and Light Company .....	A	15.875	03-01-11	5,000,000	5,000,000	4,755,500
Florida Power and Light Company .....	A	17.000	05-01-11	5,000,000	5,000,000	5,058,950
Florida Power Corporation .....	A	13.625	04-01-87	5,000,000	5,000,000	4,724,250
Florida Power Corporation .....	A	13.300	11-01-90	5,000,000	5,000,000	4,516,150
Houston Lighting and Power Company .....	A	13.875	02-01-91	10,000,000	9,924,687	9,264,600
Houston Lighting and Power Company .....	A	11.250	12-01-09	5,000,000	4,972,538	3,535,200
Illinois Power Company .....	AA	11.375	08-01-87	5,000,000	4,987,007	4,354,800
Illinois Power Company .....	AA	8.625	07-01-06	5,000,000	4,963,029	2,825,150
Indianapolis Water Company .....	NR	4.750	01-01-92	1,500,000	1,503,805	765,405
Kansas Power and Light Company .....	NR	4.750	09-01-91	2,000,000	2,000,000	1,084,540
Long Island Lighting Company .....	BAA	9.250	11-01-82	5,000,000	5,000,000	4,909,050

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	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>CORPORATE OBLIGATIONS</b>						
Public Utilities (Continued)						
Long Island Lighting Company .....	NR	4.400%	04-01-93	\$ 2,000,000	2,000,000	894,240
Northern Illinois Gas Company .....	AA	8.750	07-01-01	5,000,000	4,777,488	3,039,800
Northern States Power Company .....	AA	6.500	10-01-97	5,400,000	3,875,590	2,695,734
Philadelphia Electric Company .....	NR	4.850	10-01-86	1,380,000	1,380,000	966,276
Public Service Company of Indiana Incorporated .....	A	12.125	09-01-90	5,000,000	5,000,000	4,232,850
Public Service Company of Indiana Incorporated .....	A	8.875	10-01-08	5,000,000	4,943,514	2,878,800
Public Service Electric and Gas Company .....	AA	8.500	03-01-04	6,000,000	6,130,325	3,442,620
Public Service Electric and Gas Company .....	AA	12.000	11-01-09	5,000,000	4,988,520	3,816,300
Quebec Hydro Electric Commission .....	NR	4.750	11-16-89	4,000,000	4,000,000	2,159,600
Southern California Edison Company .....	AA	5.250	05-15-91	11,150,000	8,085,674	6,090,576
Southern California Edison Company .....	AA	8.125	10-15-94	2,955,000	2,853,998	1,806,746
Southern California Edison Company .....	AA	7.875	12-01-95	5,000,000	3,047,433	2,946,800
Southern California Edison Company .....	AA	8.875	03-01-00	5,000,000	5,135,814	3,035,500
Texas Power and Light Company .....	AAA	9.375	02-01-09	5,000,000	4,980,126	3,127,050
Tucson Electric Power Company .....	NR	4.700	11-01-91	2,000,000	2,000,000	1,851,720
Washington Gas Light Company .....	NR	4.500	06-01-87	1,446,000	1,446,000	903,070
West Penn Power Company .....	AA	8.500	12-01-07	5,000,000	5,000,000	2,765,250
Western Slope Gas Company .....	NR	7.750	12-01-97	10,000,000	10,000,000	5,325,000
Wisconsin Electric Power Company .....	AA	13.750	12-01-86	5,000,000	5,000,000	4,765,050
Wisconsin Electric Power Company .....	AA	8.875	05-15-08	5,000,000	4,989,217	2,888,750
Wisconsin Power and Light Company .....	AA	8.875	05-01-06	4,500,000	4,528,748	2,614,140
Total Public Utilities				260,036,000	240,785,399	175,525,589
Telephone						
American Telephone and Telegraph Company .....	AAA	4.625	02-01-94	6,000,000	5,572,700	2,830,020
American Telephone and Telegraph Company .....	AAA	5.625	08-01-95	3,340,000	2,855,718	1,658,076
American Telephone and Telegraph Company .....	AAA	4.375	10-01-96	1,150,000	877,364	474,295
American Telephone and Telegraph Company .....	AAA	4.375	05-01-99	8,531,000	7,548,804	3,214,481
General Telephone Company of California .....	A	4.500	06-01-94	3,000,000	2,988,049	1,274,520
General Telephone Company of Illinois .....	NR	4.875	09-01-95	4,000,000	4,000,000	1,754,840
General Telephone Company of Ohio .....	NR	5.100	03-01-96	3,000,000	3,000,000	1,398,780
Illinois Bell Telephone Company .....	AAA	6.000	07-01-98	4,900,000	4,239,871	2,299,619
Mountain States Telephone and Telegraph Company .....	AAA	4.500	06-01-02	3,000,000	3,035,133	1,058,310
New England Telephone and Telegraph Company .....	AAA	4.000	04-01-93	4,675,000	3,512,385	2,012,447
New England Telephone and Telegraph Company .....	AAA	4.500	07-01-02	2,000,000	2,009,312	693,540
Ohio Bell Telephone Company .....	AAA	5.000	02-01-06	1,425,000	1,061,104	512,031
Pacific Telephone and Telegraph Company .....	A	9.500	06-15-11	10,000,000	10,000,000	6,003,600
Southern Bell Telephone and Telegraph Company .....	AAA	4.375	04-01-01	2,000,000	2,013,619	713,140
Southwestern Bell Telephone Company .....	AAA	4.750	10-01-92	10,070,000	7,683,098	4,910,736
Southwestern Bell Telephone Company .....	AAA	4.500	08-01-97	7,135,000	4,191,685	2,766,739
Southwestern Bell Telephone Company .....	AAA	14.250	12-10-20	5,200,000	4,662,765	4,638,556
Total Telephone				79,426,000	69,251,607	38,213,730
Transportation						
Burlington Northern Incorporated .....	A	12.875	08-01-05	5,970,000	5,012,126	4,910,086
Chicago Union Station Company .....	A	4.625	06-01-88	3,850,000	3,847,560	2,367,365
Exxon Transportation Company .....	NR	7.400	07-01-02	10,000,000	10,000,000	5,928,900
Louisville and Nashville Railroad Company .....	A	12.300	02-01-95	5,000,000	5,000,000	4,102,000
Pan American World Airways Incorporated .....	NR	6.500	12-01-92	4,358,581	4,358,581	2,320,944
Pullman Leasing Company .....	NR	7.750	05-01-93	9,154,000	9,154,000	5,123,494
Seaboard Coast Line Railroad Company .....	AA	11.375	05-15-95	5,000,000	4,977,139	4,027,000
Southern Pacific Transportation Company .....	A	8.200	12-01-01	5,000,000	5,000,000	2,756,500
Southern Railway Company .....	AA	8.500	10-15-01	5,000,000	4,990,354	2,656,150
Union Pacific Corporation .....	NR	6.000	03-01-92	13,500,000	7,676,500	7,281,750
Total Transportation				66,632,581	60,016,260	41,474,189
Corporate Bonds						
Memorex Corporation .....	A	5.250	04-01-90	900,000	900,000	504,000
Total Bonds and Notes				1,191,100,055	1,092,259,574	837,130,719
Short-Term Investment Funds						
Farris Bank Collective Investment Funds .....	NR	—	—	408,162,800	408,162,800	408,162,800
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$1,599,262,855</b>	<b>1,500,422,374</b>	<b>1,245,293,519</b>

# TEACHERS' RETIREMENT SYSTEM

## Investment Listing

	Shares	Book Value	Market Value
<b>COMMON STOCKS</b>			
Aerospace Defense			
Boeing Company .....	100,000	\$ 3,759,750	1,550,000
Martin Marietta Corporation .....	195,000	7,433,465	4,972,500
Raytheon Company .....	250,000	10,320,575	9,093,750
Automobiles and Auto Parts			
Firestone Tire and Rubber Company .....	90,000	2,142,163	1,080,000
Ford Motor Company .....	277,500	13,206,458	6,660,000
General Motors Corporation .....	300,000	18,854,310	13,387,500
Libbey-Owens-Ford Company .....	90,000	2,896,283	2,047,500
Banking and Finance			
American Express Company .....	280,000	10,088,610	11,270,000
Beneficial Corporation .....	169,000	6,553,924	2,851,875
Chase Manhattan Corporation .....	100,000	5,506,831	4,162,500
Citicorp .....	435,000	15,504,517	10,929,375
Continental Illinois Corporation .....	200,000	5,282,363	4,625,000
Household International Corporation .....	104,500	2,704,086	1,959,375
Beverages			
Pepsico Inc. ....	550,000	10,727,239	21,175,000
Chemical and Synthetic Fibers			
Air Products and Chemicals Incorporated .....	210,000	6,009,938	6,378,750
Dow Chemical Company .....	235,000	10,093,407	4,876,250
Union Carbide Corporation .....	120,000	6,848,318	5,085,000
Construction			
American Standard Incorporated .....	92,000	2,786,230	2,185,000
Masco Corporation .....	45,800	774,272	1,494,225
Owens-Corning Fiberglass Corporation .....	130,000	2,743,743	2,063,750
Electrical and Electronic			
Corning Glass Works .....	160,000	9,963,866	6,940,000
Emerson Electric Company .....	260,000	9,091,247	11,635,000
General Electric Company .....	330,000	17,387,900	20,996,250
Gould Incorporated .....	190,000	4,812,375	4,488,750
Hewlett Packard Company .....	150,000	5,048,530	6,375,000
Motorola Incorporated .....	130,000	7,646,348	7,962,500
RCA Corporation .....	335,000	9,892,521	5,695,000
Westinghouse Electric Corporation .....	125,000	4,360,239	3,234,375
Whirlpool Corporation .....	145,000	5,108,889	4,531,250
Food, Soap and Tobacco			
American Can Company .....	125,000	4,455,550	3,625,000
Archer Daniels Midland Company .....	198,686	4,239,637	2,682,261
Beatrice Foods Company .....	325,000	7,423,538	6,296,875
C.P.C. International Incorporated .....	200,000	6,414,677	7,125,000
Consolidated Foods Corporation .....	100,000	4,109,105	3,562,500
General Mills Incorporated .....	200,000	4,434,053	8,375,000
Pillsbury Company .....	160,000	6,098,885	6,180,000
Procter and Gamble Company .....	206,900	16,984,255	17,172,700
Ralston Purina Company .....	440,000	4,977,134	5,830,000
Staley (A.E.) Manufacturing Company .....	215,500	6,621,554	3,932,875
Health Care and Cosmetics			
American Home Products Corporation .....	400,000	11,930,802	15,150,000
American Hospital Supply Corporation .....	70,000	2,635,238	3,097,500
Baxter Travenol Laboratories Incorporated .....	100,000	2,254,659	3,637,500
Becton Dickinson and Company .....	167,400	6,170,478	6,947,100
Lilly (Eli) and Company .....	100,000	5,413,890	5,725,000
Schering Plough Corporation .....	150,000	6,537,506	4,406,250
Smithkline Beckman Corporation .....	100,000	3,805,769	6,437,500
Warner Lambert Company .....	200,000	7,372,111	4,050,000
Insurance			
Aetna Life and Casualty Company .....	150,000	3,211,950	5,250,000
Leisure and Entertainment			
CBS Incorporated .....	110,000	5,172,060	4,097,500
Walt Disney Productions .....	195,000	9,427,002	11,456,250
Machinery and Equipment			
Caterpillar Tractor Company .....	200,000	8,748,393	7,425,000
Deere and Company .....	140,000	5,128,333	3,500,000
GATX Corporation .....	120,000	4,124,554	2,835,000

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# TEACHERS' RETIREMENT SYSTEM

## Investment Listing

COMMON STOCK	Shares	Book Value	Market Value
Mining—Metals			
Amax Incorporated .....	84,999	\$ 2,831,292	1,795,604
Inland Steel Company .....	110,000	5,157,195	2,158,750
Phibro Salomon Corporation .....	145,000	5,655,802	3,570,625
Pittston Company .....	120,000	2,680,749	1,815,000
Office Equipment			
Burroughs Corporation .....	200,000	13,265,737	6,300,000
Honeywell Incorporated .....	125,000	9,777,875	8,375,000
International Business Machines Corporation .....	375,000	22,827,042	22,734,375
Xerox Corporation .....	71,000	8,885,939	2,280,875
Oil and Gas			
Amerada Hess Corporation .....	150,000	5,775,800	2,756,250
Atlantic Richfield Company .....	200,000	6,873,665	7,375,000
Exxon Corporation .....	375,000	8,897,542	10,406,250
Getty Oil Company .....	180,000	14,111,620	8,955,000
Mobil Corporation .....	400,000	8,347,612	8,950,000
Shell Oil Company .....	110,000	4,905,478	3,822,500
Texaco Inc. ....	250,000	8,863,818	7,312,500
Texas Oil and Gas Corporation .....	275,000	7,004,100	6,978,125
Union Oil Company of California .....	108,500	4,853,325	3,499,125
Oil Support Services			
Baker International Corporation .....	161,600	5,609,686	3,838,000
Halliburton Company .....	220,000	4,863,394	6,187,500
Reading and Bates Corporation .....	270,000	6,357,425	3,645,000
Paper and Forest Products			
Georgia Pacific Corporation .....	120,000	3,035,413	1,680,000
International Paper Company .....	210,000	8,552,853	7,743,750
Owens-Illinois Incorporated .....	210,000	5,325,808	4,882,500
Weyerhaeuser Company .....	270,000	9,706,782	6,750,000
Photographic and Related			
Eastman Kodak Company .....	230,000	16,209,087	16,962,500
Minnesota Mining and Manufacturing Company .....	275,000	15,213,481	14,643,750
Retail Trade			
K Mart Corporation .....	231,000	8,073,285	4,244,625
Penney (J.C.) Company .....	115,080	5,774,170	4,315,500
Sears Roebuck and Company .....	350,000	12,579,566	6,781,250
Transportation Excluding Air			
Sante Fe Industries Incorporated .....	325,000	6,554,693	4,875,000
Union Pacific Corporation .....	175,000	6,031,474	5,928,125
Utilities			
American Telephone and Telegraph Company .....	350,004	18,550,675	17,850,204
Central Illinois Light Company .....	100,000	2,137,037	1,475,000
Central Illinois Public Service Company .....	290,000	3,576,146	3,697,500
General Telephone and Electronics .....	185,000	6,087,407	5,087,500
Illinois Power Company .....	259,999	6,324,421	5,297,480
Middle South Utilities Incorporated .....	304,000	4,541,329	3,952,000
Tenneco Incorporated .....	160,000	6,683,922	3,960,000
Conglomerates and Miscellaneous			
International Telephone and Telegraph .....	210,000	10,281,770	4,961,250
City Investing Company Warrants .....	27,200	—	4,287
<b>TOTAL COMMON STOCKS</b>		<b>\$678,023,945</b>	<b>\$86,349,986</b>

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