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Teachers' Retirement System  
of the State of Illinois

DEPOSITORY

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UNIVERSITY OF ILLINOIS  
AT URBANA-CHAMPAIGN





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(June 30, 1984)



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*Controller*



**Teachers' Retirement System**  
of the State of Illinois

2815 West Washington Street  
Springfield, Illinois 62708  
Phone 217/753-0311

477 East Butterfield Road  
Lombard, Illinois 60148  
Phone 312/969-3240

Introduction . . .

Financial Statement  
Actuarial Report

Statistical Information

Investment Report





“ Annuities for new System retirees rose 11 percent during 1984. The median monthly annuity of \$967 is \$96 higher than the \$871 median annuity earned by FY 83 retirees. ”

Samuel W. Anderson

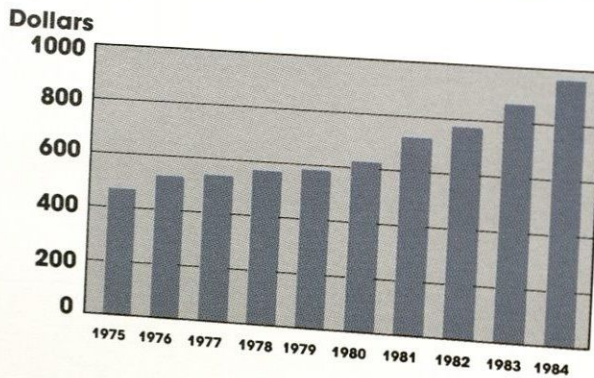
### Profile of 1984 TRS Retiree

- Median age: 60
- Median years of service: 26.841
- Median monthly annuity: \$967.28

Median monthly retirement annuities paid to 1984 retirees ranged from \$88, for the 83 members who retired with 1 to 5 years of service, to \$1,710 for members who retired with over 40 years of service.

### Summary of Median Monthly Annuities

New retirees



Fiscal year ending June 30

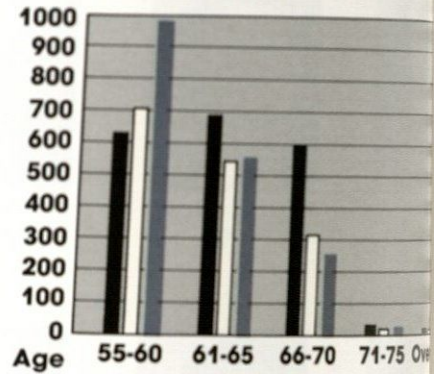
### Early retirements

Of the 1,841 1984 retirees, 452 used the early retirement option, making one-time employer and employee contributions to the System to avoid a discounted retirement annuity when retiring before age 60.

During the four years since its June 1, 1980 creation, the early retirement option has been used each year by about one-fourth of the new retirees of the System. In 1982, 23 percent took advantage of the new option, 24 percent in 1983 and 25 percent in 1984.

### New Retirees By Age

Number of new retirees



1975 1979

Passage of the early retirement option legislation also account for the increase in the number of members retiring between the ages of 55 and 60. In 1980, 46 percent of the System's new retirees, or 46 percent of the System's new retirees that year, were between 55 and 60 years of age. In 1984, 982 (53 percent) of the 1,841 new retirees were in that age group.

While the number of new retirees had decreased from 1,942 in 1975 to 1,528 in 1980, in the next year the total number of new retirements began to rise again, to 1,750 in FY81; 1,725 in FY82; and 1,946 in FY83.



## Other benefits

Other benefits paid by the System during 1984 were in the form of temporary and permanent disability benefits and death benefits.

The median monthly temporary disability benefit in 1984 was \$754 with 364 beneficiaries receiving these payments. The number of new temporary disability claims every year has risen from 87 claims in 1975 to 328 in 1984, but still represents less than 1/2 of 1 percent of all active members. The median monthly benefit for new claims processed has risen from \$417 monthly in 1975 to \$724 in 1984. The greatest percentage of these new claims, 30 percent, was for pregnancy. Mental illness, disabilities related to cancer and tumors, and heart and circulatory problems each accounted for 10 percent of the total. (See *Statistical Information*, page 28.)

The 626 members who qualified for permanent disability were paid a disability retirement annuity at a median rate of \$385 monthly. New permanent disability claims have decreased in numbers since 1975, down 44 percent from 64 claims in 1975 to 38 in 1984, with as few as 14 claims processed in 1981 for this type of disability benefits. The median monthly benefit for new permanent disability annuitants rose from \$421 in 1975 to \$553 in 1984, up 31 percent. (See *Statistical Information*, page 27.)

The 3,165 survivors of System members and annuitants received a median monthly benefit of \$251 in 1984. The median monthly benefit has increased 40 percent for new recipients of survivor benefits — from \$225 in 1975 to \$315 in 1984. The number of new beneficiaries of these monthly benefits has risen from 205 in 1975 to 383 in 1984, with a ten-year high of 454 claims in 1983.

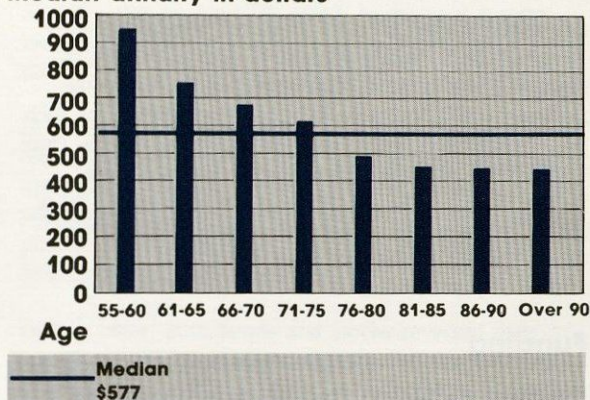
## Inflation's effect

Despite the increase in benefits paid to new recipients, TRS members who have been in retirement for a number of years have seen the value of their benefits dramatically reduced by inflation. Of the System's 34,378 annuitants, 6,560 (19 percent) are over 80 years of age. These annuitants are receiving annuities which were based on salaries earned in the 1960's. The median monthly annuity is \$453 for those over 90 years of age, \$454 for those between 86 and 90, and \$457 for those between 81 and 85 years of age.

## Median Monthly Annuity — All Annuitants

By age

Median annuity in dollars

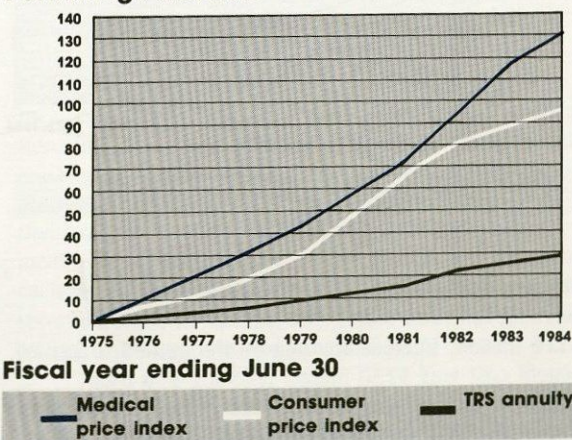


While younger annuitants receive a higher median monthly annuity (\$948 for the 55 through 60 year age group), 14,031 (42 percent) of the System's total annuitants received an annuity of \$500 or less during 1984. (See *Statistical Information*, page 26.)

For the period January, 1976 through January 1981, inflation climbed an average of 9.6 percent per year. To maintain purchasing power based on the Consumer Price Index (CPI), the annuities of members retiring in 1975 would have to have been increased by 95 percent by 1984. The actual post-retirement increases were 2 percent a year to January 1, 1979, and 3 percent thereafter totaling 24 percent. In 1982, an ad hoc increase of \$1 per month per year of service was granted, adding a 4 percent adjustment.

## Inflation's Effect On TRS Annuities

Percentage increase



Fiscal year ending June 30

Medical price index    Consumer price index    TRS annuity



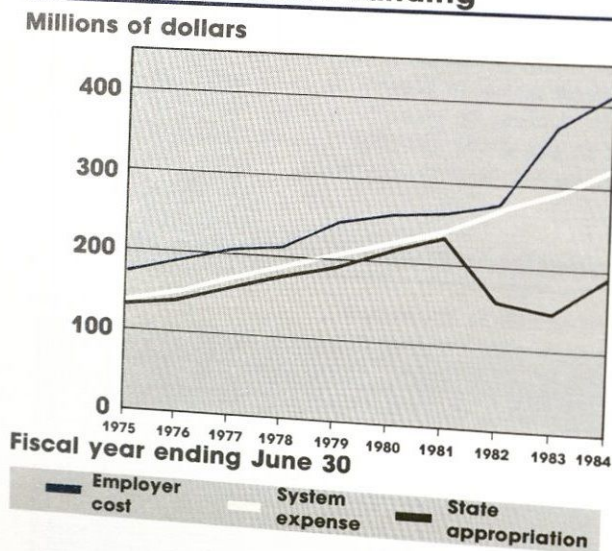
The problem of the retired member is further compounded if the member is not covered by Medicare since medical costs have increased 130 percent over this ten-year period.

Legislation passed in 1983 increased benefits for over 7,600 of the System's annuitants who have been in retirement the longest. This legislation increased the minimum retirement annuity to \$15 per month for each year of service to a maximum of \$450 per month. Over 150 annuitants with limited years of service were further aided by the passage of legislation which set a minimum retirement annuity of \$200 per month for those with 10 or more years of service.

## Funding

Funding of the System continues to be a major problem. For the fourth consecutive year, the 1984 State of Illinois' appropriation to the System was below benefit payment levels, requiring that investment income be used to pay benefits rather than being reinvested. For FY84 the System's appropriation from the State was \$188.9 million or 59 percent of the System expense. The appropriation for 1985 is \$214 million or only 61 percent of the System's expected \$352 million expense.

## Summary Of Annual Funding

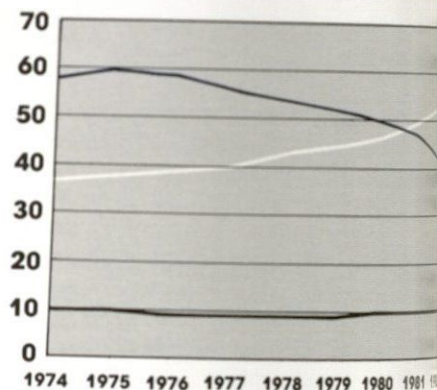


The actuarially-determined employer cost of benefits accruing for 1984 was 7.505 percent of payroll or \$176 million. Interest accruing on the unfunded accrued benefit cost was \$230 million resulting in a total employer cost for the year of \$406 million. The deficit in the employer contributions based on the actuarial requirement amounted to \$206 million. The total unfunded accrued benefit cost at June 30, 1984, was \$3.6 billion. (See *Actuarial Report*, page 15 for further information.)

State appropriations which are consistently less than System expense serve to escalate the employer cost shown on the graph "Summary of Annual Funding". This cost rises steadily on an annual rate and the interest on the unfunded accrued benefit cost.

The continuing growth of the unfunded accrued cost is compounded by the aging of the active membership. In 1974, 54 percent of the 104,700 members were under age 35. Over the past decade the overall age distribution of the TRS membership has changed, so that in 1983 only 36 percent of the membership was under age 35.

## Active Members By Age\*



## Fiscal year ending June 30

\*(Statistical information on the System's active members is not yet available for FY84.)

The collective service credit for TRS members has shifted dramatically over the 10 years from 1974 to 1983. In 1974, 73,773 active members had 10 years or less of service, while 903 had 26 or more years of service. In 1983 the number of members with 10 years of service or less had declined to 47,131, a decrease of 36 percent. However, the number of members with 26 or more years of service rose 673 percent over that same time span, so that by 1983 6,983 members were in this service bracket.

## Legislation

Among legislation passed in 1984, the General Assembly amended the *Illinois Pension Code* to increase the amount which the System can spend to subsidize the health and prescription drug insurance program from \$3.6 to \$6 million annually. In addition, a technical correction bill was passed which moved the effective date of legislation passed in 1983 to June 1984. The legislation allowed use of 170 unused, unpaid sick leave days for retirement credit.



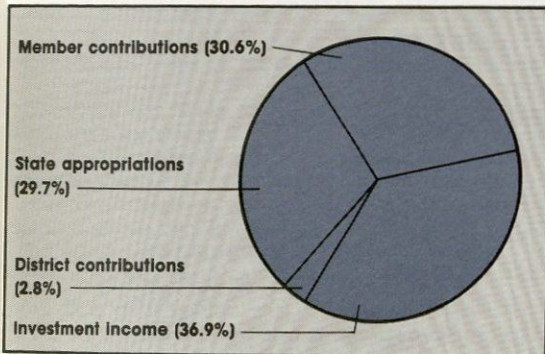
## Revenue

Total revenue for the System was up 32 percent in 1984 from 1983 and is summarized below (in millions of dollars):

	1984	1983
Member contributions	\$194.76	189.34
State appropriation	188.91	144.44
District contributions	17.95	17.00
Investments	234.75	131.43
Total	<u>\$636.37</u>	<u>482.21</u>

## Revenue By Source

June 30, 1984



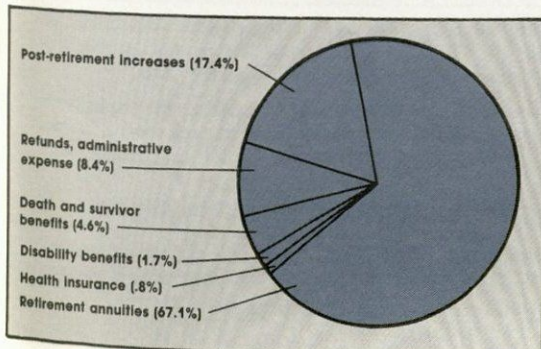
## Expense

Expenses, including benefits, refunds and administrative expenses, totaled \$318.2 million, an increase of \$30.4 million (10.6 percent) over 1983 as summarized below (in millions of dollars):

	1984	1983
Retirement annuities	\$213.60	193.24
Post-retirement increases	55.50	49.86
Death and survivor benefits	14.77	13.12
Disability benefits	5.33	4.61
Health insurance	2.41	1.50
Refunds, administration	26.59	25.47
Total	<u>\$318.20</u>	<u>287.80</u>

## Expense By Type

June 30, 1984



## Investment activity

Investments totaled \$3.65 billion at book value and \$3.55 billion at market value on June 30, 1984, up from \$3.33 billion for book value and \$3.52 billion at market value on June 30, 1983. Investment income including gains and losses for the year was \$234.75 million.

Diversification of investments continued in 1984 with allocations to real estate equities, international equities and venture capital. These allocations, along with additional allocations to common stock in 1984, should provide the System with a more efficient long-term balance of risk and return.

During 1984, both bonds and stocks reversed their record upward movements of 1983. Allocations to short-term investments served to reduce total fund risk levels. The System's income rate of return at market value was 9.1 percent for the fiscal year.

The *Investment Report*, page 30-36, details investment activity for FY84.

## Member services

The System's member services during FY84 included individual conferences, group meetings and publications.

During FY 84, 5,135 System members met with TRS retirement consultants for individual consultations concerning retirement. System retirement consultants also hosted 169 group meetings around the state which were attended by 10,256 members and annuitants. In addition to these organized meetings, the System responded to over 2,500 phone calls monthly and averaged over 9,000 letters monthly concerning System benefits and operations. The TRS Springfield office averaged over 150 visitors monthly during 1984, while the TRS Lombard office averaged 85 visitors each month.

In addition to periodic newsletters which are mailed to members, the System published a new series of publications in 1984 aimed at addressing the information needs of active members, annuitants and employers: the *Member Guide*, *Retired Member Guide* and *Employer Guide to the Teachers' Retirement System*. The member's annual statement of account is also mailed to each active member and details individual earnings, contributions, service credit and other information related to TRS service and benefits.

This comprehensive annual financial report will be distributed to all public school buildings and a summary will appear in the System's newsletters.

*Samuel W. Anderson*

Samuel W. Anderson  
Executive Director  
November 2, 1984



Three primary sources of revenue for the System are contributions from active members, appropriations from the State of Illinois and investment income. The required member contribution rate is 8 percent of gross earnings, designated as follows: 6 1/2 percent for retirement annuity, 1/2 percent for post-retirement increases and 1 percent for death benefits.

## Membership

Membership in the System is mandatory for all individuals certified under the provisions of the *School Code of Illinois* and employed in the public schools of Illinois (except Chicago), provided employment is on a regular, full-time basis consisting of four or more clock hours daily; or on a permanent and continuous part-time basis in a position in which services are expected to be rendered for a complete school term.

## Service credit

A member is granted one year of credit for 170 paid days but not more than one year during a fiscal year ending June 30. Subject to limitations, credit is granted for substitute teaching, out-of-system service, an official leave of absence, part-time teaching and military service. Such service requires additional contributions. Credit is also added at retirement for up to one year for 170 unused, unpaid sick leave days established with the last employer.

## Disability benefits

A member disabled while employed as a teacher or within 90 days of such employment may be eligible for benefits if two licensed physicians verify the disability; however, no benefit will be paid while the member is entitled to receive salary (regular or sick leave) from the employer. Three types of disability benefits are available to members.

**Temporary disability benefits**, available for members with three years of creditable service, pay 40 percent of current salary and add service credit while the member is in receipt of the benefit.

**Permanent disability benefits** in the form of a disability retirement annuity, are available for members who have received a temporary disability benefit for the maximum period. This benefit pays the greater of 35 percent of the last salary or the amount computed by the retirement annuity formula.

**Accidental disability benefits** are available to members disabled due to a duty-related accident or illness. This benefit pays 60 percent of current salary reduced by any amounts payable under a worker's compensation program. Service credit is earned while this benefit is payable.

## Death benefits

Benefits are available to survivors of members if death occurs while the member is employed as a teacher; during the first year following termination of employment; or during retirement. These benefits consist of a return of the member's accumulated contributions and the payment of survivor benefits.

**Accumulated contributions** are a return of the member's accumulated contributions to the System, plus the statutorily-required interest. Survivors of active members receive a return of accumulated contributions. Survivors of annuitants receive accumulated contributions minus the amount the member received as retirement annuity.

is greater.

An active member who ceased teaching for reasons other than retirement more than one year prior to death with at least 10 years of service has a vested interest in survivor benefits; however, survivors of an inactive member with less than 10 years service will receive only a return of accumulated contributions.

## Retirement annuity

A member qualifies for an age retirement annuity after attaining one of the following: age 62 with 5 years of creditable service; age 60 with 10 years; age 55 with 20 years. If retirement occurs between ages 55 and 60 with less than 10 years of service, the annuity will be reduced at the rate of 1 percent for each month the member is under age 60. A member with less than 35 years may use the early retirement option to avoid a discount for early retirement if retirement occurs before June 30, 1990 and within six months of the day of service requiring contributions and if the member and the employer both make a one-time contribution to the System.

The annuity is determined by the average salary of the highest consecutive salary rates within the last ten years of creditable service and the percentage of average salary to which the member is entitled. This percentage is determined by the following formula: 1.67 percent for each of the first ten years, plus 1.9 percent for each of the next ten years, plus 2.1 percent for each of the next ten years, plus 2.3 percent for each year over 30. The maximum annuity, 75 percent of average salary, is achieved with 38 years of service.

## Post-retirement increases

The System provides 3 percent automatic annual increases on the original age or disability retirement annuity for members age 61 or older with one year in retirement.

## Refunds

The System will refund a member's contributions provided the member has officially resigned from a position requiring contributions to the System 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 one percent death benefit contribution. When a member accepts a refund, he or she forfeits all credit with the System. The credit may be reestablished if the member returns to teaching in a position requiring contributions to the System for one year and repays the refund with interest.

## Special conditions

Any member convicted of a felony related or in connection with teaching is not eligible for TRS benefits; however, the member may receive a refund of contributions.

Conditions involving a claim for benefits may require further clarification. If any conflicts arise between material in this summary and that of the law, the law takes precedence.

## Continuity of credit within Illinois

TRS is one of 13 systems included in the provisions of the Retirement Systems Reciprocal Act which assures continuity of pension credit for public employment in Illinois.





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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 Teachers' Retirement System of the State of Illinois as of June 30, 1984 and 1983, 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 status of Teachers' Retirement System of the State of Illinois at June 30, 1984 and 1983, and the changes in its financial status for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Ernst & Whinney*

Springfield, Illinois  
November 2, 1984



Teachers' Retirement System  
of the State of Illinois

**STATEMENTS OF FINANCIAL POSITION**

June 30

1984

**Assets**

Cash	\$ 304,000
Receivables:	
Contributions from School Districts:	
Salary deductions	8,756,000
Federal and trust funds	3,044,000
Contributions from State of Illinois	—
Members accounts	20,920,000
Accrued interest and dividends	47,752,000
	<u>80,472,000</u>
Investments — Note C	3,645,001,000
Property and equipment — Note D	4,043,000
	<u>3,729,820,000</u>

**Liabilities**

Payables:	
Benefits	663,000
Refunds	1,117,000
Other	249,000
	<u>2,029,000</u>

**NET ASSETS**

	<u>\$3,727,791,000</u>
Actuarially-determined accrued benefit cost — Note E	
Net assets	\$7,348,733,000
	<u>3,727,791,000</u>
Unfunded accrued benefit cost — representing an obligation of the State of Illinois	
	<u>\$3,620,942,000</u>

*See notes to financial statements.*

**STATEMENTS OF REVENUE AND EXPENSE  
AND CHANGES IN NET ASSETS**

	Year Ended June 30	
	1984	1983
<b>Revenue</b>		
Contributions:		
Members	\$ 194,761,000	189,340,000
State of Illinois	188,905,000	144,437,000
School Districts:		
Early retirement option	9,053,000	7,875,000
Federal and trust funds	8,901,000	9,129,000
Total contributions	<u>401,620,000</u>	<u>350,781,000</u>
Investment income:		
Interest	260,699,000	266,938,000
Dividends	45,187,000	31,175,000
Other	1,455,000	1,018,000
	<u>307,341,000</u>	<u>299,131,000</u>
Less investment expenses	5,089,000	3,820,000
Total investment income	<u>302,252,000</u>	<u>295,311,000</u>
Loss on sale of investments	(67,500,000)	(163,881,000)
Total revenue	<u>636,372,000</u>	<u>482,211,000</u>
<b>Expense</b>		
Benefits:		
Retirement	213,598,000	193,245,000
Post-retirement increases	55,496,000	49,863,000
Death and survivor	14,772,000	13,119,000
Disability	5,333,000	4,609,000
Health insurance	2,412,000	1,503,000
	<u>291,611,000</u>	<u>262,339,000</u>
Refunds	23,746,000	22,801,000
Administrative expenses — Note F	2,837,000	2,667,000
Total expense	<u>318,194,000</u>	<u>287,807,000</u>
<b>Revenue in Excess of Expense</b>	<b>318,178,000</b>	194,404,000
Net assets at beginning of year	<u>3,409,613,000</u>	<u>3,215,209,000</u>
<b>Net Assets at End of Year</b>	<u><b>\$3,727,791,000</b></u>	<u>3,409,613,000</u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

June 30, 1984

### NOTE A — SIGNIFICANT ACCOUNTING POLICIES

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

**Investment:** Investments are valued on the basis of cost. Gain or loss on the sale of investments is determined based on average cost for identified 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 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 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 System.

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

The above brief description of the 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, 1984 and 1983 are summarized below:

	Cost		Market Value	
	1984	1983	1984	1983
Bonds, corporate notes and preferred stock	\$1,385,812,000	1,913,927,000	1,312,373,000	1,928,770,000
Short term investments	1,048,154,000	587,379,000	1,048,243,000	587,400,000
Common stock	1,175,202,000	827,374,000	1,150,952,000	1,027,500,000
Other	35,833,000	—	35,848,000	—
	<u>\$3,645,001,000</u>	<u>3,328,680,000</u>	<u>3,547,416,000</u>	<u>3,523,670,000</u>

At June 30, 1984, the System had portfolio securities with a market value of \$340,731,000 on loan to brokers under a fully collateralized securities lending arrangement. Net earnings of \$1,284,000 and \$855,000 from securities lending in 1984 and 1983, respectively, is included in other investment income.

### NOTE D — PROPERTY AND EQUIPMENT

Property and equipment and the related allowances for depreciation at June 30, 1984 and 1983 are summarized as follows:

	1984	1983
Land	\$ 109,000	109,000
Land improvements	301,000	301,000
Building	4,015,000	4,007,000
Equipment	1,307,000	1,273,000
Other	3,000	3,000
	<u>5,735,000</u>	<u>5,693,000</u>
Less allowances for depreciation	<u>1,692,000</u>	<u>1,466,000</u>
Net carrying value	<u>\$4,043,000</u>	<u>4,227,000</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 \$147,000 for 1984 and \$129,000 for 1983 is included in other investment income.



## NOTE E — ACTUARIALLY-DETERMINED ACCRUED BENEFIT COST

The calculations of accrued benefit cost (arising from service credits in periods prior to June 30, 1984 and 1983, respectively) were made by a consulting actuary as of June 30, 1984 and 1983 on the basis of the attained age normal cost method with unit credit past service. The more significant assumptions underlying the actuarial computations were as follows:

Rate of return on investments	7%
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
Earnings progression	Annual salary increases ranging from 8.8% at age 20 to 4.7% at age 60

An experience analysis 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 experience analysis was performed as of July 1, 1981. During the period between experience analyses, the actuary develops annual actuarial estimates, based upon the most recent experience analysis performed, which are used to value the accrued benefit cost.

The total accrued benefit cost, as calculated by the consulting actuary using the above actuarial assumptions, as of June 30, 1984 and 1983 is presented below:

	<u>1984</u>	<u>1983</u>
Present value of benefits:		
Participants currently receiving benefits	\$2,803,253,000	2,564,521,000
Active members (net of present value of future normal cost)	4,409,145,000	3,991,553,000
Inactive members	<u>136,335,000</u>	<u>133,637,000</u>
Total accrued benefit cost	<u>\$7,348,733,000</u>	<u>6,689,711,000</u>

Although the System is not currently required to and has not adopted the provisions of Statement of Financial Accounting Standards No. 35, "Accounting and Reporting by Defined Benefit Pension Plans," the System's consulting actuary has calculated the actuarial present value of accumulated plan benefits based on the method prescribed by the Statement. The actuarial assumptions used in the computations were the same as in the valuation referred to above, except future salary increases were not considered. This information as of June 30, 1984 and 1983 is presented below:

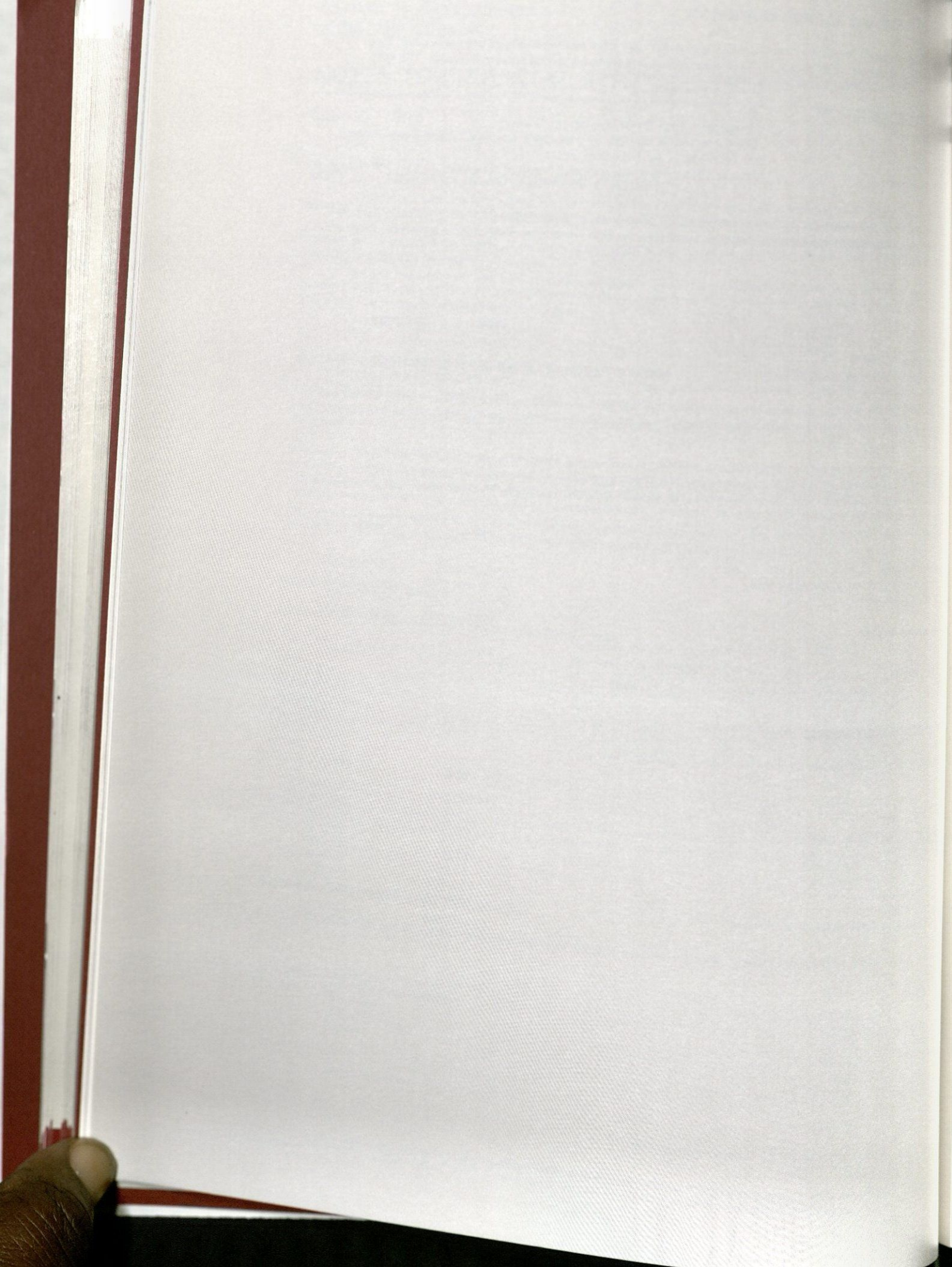
	<u>1984</u>	<u>1983</u>
Vested benefits:		
Participants currently receiving benefits	\$2,803,253,000	2,564,521,000
Other participants	<u>2,902,406,000</u>	<u>2,583,350,000</u>
	5,705,659,000	5,147,871,000
Nonvested benefits	<u>420,965,000</u>	<u>486,985,000</u>
Actuarial present value of accumulated plan benefits	<u>\$6,126,624,000</u>	<u>5,634,856,000</u>

## NOTE F — ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended June 30, 1984 and 1983 are summarized below:

	<u>1984</u>	<u>1983</u>
Personal services	\$1,982,000	1,832,000
Professional services	124,000	69,000
Postage	122,000	115,000
Machine repair and rental	103,000	99,000
Other contractual services	157,000	142,000
Commodities	63,000	48,000
Occupancy expense	183,000	158,000
Provision for depreciation of equipment	<u>103,000</u>	<u>204,000</u>
	<u>\$2,837,000</u>	<u>2,667,000</u>







# Hansen

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

October 16, 1984

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, 1984*

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, 1984.

This estimate is based on a census of retired members as of June 30, 1984 and a census of active and inactive members as of June 30, 1983. Net assets used for actuarial purposes are based upon cost values less current liabilities as provided by the Fund office. Plan provisions considered are those in effect June 30, 1984.

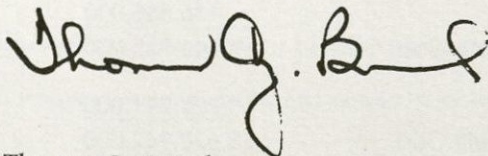
All costs, liabilities, and other factors under the Plan were determined in accordance with generally accepted actuarial principles and procedures, using an actuarial cost method which we believe to be appropriate.

Actuarial assumptions and methods used are those adopted July 1, 1982 based on the last experience analysis. The unfunded past requirement is that determined as of July 1, 1984, considering actuarial assumptions and plan provisions effective on that date.

In our opinion, the reserve requirement of \$7,348,733,000 is a fair representation of the actuarial position of the Fund as of June 30, 1984.

Respectfully submitted,

A. S. HANSEN, INC.



Thomas G. Brand  
Member, American Academy of Actuaries

TGB:ds



## Pension financing

The Teachers' Retirement System is financed by employee contributions, employer contributions (State appropriations) and investment earnings. Employee contributions are established by the *Illinois Pension Code* at 8 percent of pay. Investment earnings and State funding are primary determinants of the System's financial status.

Estimates of accrued benefit cost are obtained through annual actuarial valuations. To estimate the amount, actuaries use demographic data (such as employee age, salary, and service credits), economic assumptions (such as estimated salary increases and interest rates), and decrement assumptions (such as employee mortality and disability rates).

Accrued benefit cost is the present value of benefits earned by System members. It is the estimate of the value of pension benefits at the time the estimate is prepared. Although accrued during each member's employment, benefits are not paid until the member retires, thus the value changes as the member's salary and years of service change. Further, membership continually changes as some members leave and are replaced by new members.

The amount of benefits payable in the future is estimated by the actuary for all participants at the valuation date. Important assumptions in this computation are the retirement age and earnings progression for active members, and mortality for all participants. Once the amount of benefits is computed, the actuary estimates the money necessary to be invested at the valuation date to provide an amount adequate to fund benefit payments as they come due. Each year's adjusted benefit payments are discounted by an assumed interest rate to determine the present dollar value of benefits.

The final step in a valuation is to apply a cost method assigning portions of the total value of benefits to past, present, and future periods of employee service. This

allocation is accomplished by development of normal cost and accrued benefit cost.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is the attained age normal cost method with unit credit service. Normal cost is the annual cost of service earned by System members during the fiscal year. The method also assumes that this normal cost would accumulate with interest at a rate sufficient to pay benefits under the plan. Normal cost is an annual amount which represents a level percentage of pay. This level percentage of pay would be paid from the participant's current age until the date the participant retired or terminated service.

The current normal cost is 15.5 percent of payroll. Eight percent of this normal cost is paid by the members' contributions. The remaining 7.5 percent is the employer's portion of the normal cost.

Actuarial funding of System benefits would require annual State appropriations funding the employer's normal cost (7.5 percent of payroll) plus interest on the System's unfunded accrued benefit cost. The employer's normal cost plus interest is called employer cost. (See *Payroll Percentages*, page 19). The State has not funded the System on this basis. In recent years until 1982, the State funded the System by reimbursement of benefit payments. Subsequent to 1982, the State's appropriation has been set to reimburse portions of benefit payments ranging from 55 percent to 65 percent of benefit payments. The current funding practices do not reflect an actuarially sound funding method. (See *State Funding Summary*, page 18).

As the membership matures, as is happening with the System (See graph, page 4) and more members retire, the benefit payments significantly escalate. When funding is based on benefit payments, the unfunded accrued benefit cost grows. If funding is based on actuarial recommendations, the unfunded accrued benefit cost stabilizes and decreases.

## Summary of actuarial requirements

	1984	June 30 1983
Present value of benefits:		
Participants currently receiving benefits	\$2,803,253,000	2,564,521,000
Active members (net of present value of future normal cost)	4,409,145,000	3,991,553,000
Inactive members	136,335,000	133,637,000
Accrued Benefit Cost	7,348,733,000	6,689,711,000
Less actuarial value of net assets	3,727,791,000	3,409,613,000
Unfunded Accrued Benefit Cost	\$3,620,942,000	3,280,098,000



## Unfunded accrued benefit cost

During the fiscal year 1984, the unfunded accrued benefit cost of the System increased from \$3,280,098,000 to \$3,620,942,000. This increase resulted from two factors:

- state contributions less than cost requirements for the year, and
- actuarial gains and losses.

## Reconciliation of unfunded accrued benefit cost

	Year ended June 30	
	1984	1983
Unfunded accrued benefit cost at beginning of year	\$3,280,098,000	2,893,861,000
Additions (deductions):		
Employer cost in excess of contributions	206,159,000 <sup>1</sup>	211,953,000
Plan amendments	—	23,858,000
Actuarial losses (gains) compared to assumptions:		
Salary increases	63,632,000 <sup>2</sup>	141,116,000
Investment income	6,841,000 <sup>3</sup>	93,634,000
Other	64,212,000 <sup>4</sup>	(84,324,000)
Net additions	<u>340,844,000</u>	<u>386,237,000</u>
Unfunded accrued benefit cost at end of year	<u>\$3,620,942,000</u>	<u>3,280,098,000</u>

NOTE 1 — Employer cost in excess of contributions.

	Year Ended June 30	
	1984	1983
Employer normal cost	\$175,921,000	164,813,000
Interest on unfunded accrued benefit cost at beginning of year	<u>229,607,000</u>	<u>202,570,000</u>
	405,528,000	367,383,000
Minimum retirement benefit funded annually from the State General Revenue Fund and not included in the actuarial valuation of accrued benefit cost	<u>7,490,000</u>	<u>6,011,000</u>
	413,018,000	373,394,000
Deduct employer contributions:		
State of Illinois	(188,905,000)	(144,437,000)
Early retirement option	(9,053,000)	(7,875,000)
Federal and trust funds	(8,901,000)	(9,129,000)
	<u>(206,859,000)</u>	<u>(161,441,000)</u>
Employer cost in excess of contributions	<u>\$206,159,000</u>	<u>211,953,000</u>

NOTE 2 — Average salaries increased by approximately 7.5 percent compared to the 6 percent actuarial assumption.

NOTE 3 — Investment return, including interest, dividends, and realized losses was 6.8 percent, slightly less than the 7 percent assumption.

NOTE 4 — Includes retired mortality and active teacher turnover less than expected, and the reentry of some members to teaching.



## Tests of financial soundness

The following four exhibits illustrate different measures of the financial soundness of the System.

The **State Funding Summary** compares state appropriations to the actuarial funding requirement, statutory funding requirement and System expense.

The **Funding Ratios** exhibit shows the percentage of the System's accrued benefit cost covered by net assets. This funding ratio is used to assess the System's ability to make future benefit payments. The exhibit illustrates the ratio of net assets to the System's accrued benefit cost over 10 years, with net assets valued both at cost and at market.

The **Percentage of Benefits Covered by Net Assets** exhibit compares the plan's net assets with the members' accumulated contributions, the amount necessary to cover the present value of benefits currently being paid, and the employer's portion of future benefits for active members.

The final test, **Payroll Percentages**, compares member payroll to unfunded accrued benefit cost, normal cost and normal cost plus interest. These percentages decrease over the years if the System is growing stronger.

## State funding summary

(In millions of dollars)

Fiscal Year Ended June 30	FUNDING REQUIREMENTS					STATE CONTRIBUTIONS (6)	COVERAGE PERCENTAGE		System Expense (PV)
	Normal Cost Plus Interest On Unfunded Accrued Benefit Cost (1)	General Revenue Reimbursement Post-Retirement Increases (2)	Statutory Requirement		System Expense (5)		Actuarial Requirement (7)(B)	Minimum (8)(C)	
			Actuarial (Columns 1 and 2) (3)	Minimum (4)(A)					
1975	170	7	177	129	141	131	74.0	101.5	92.0
1976	187	9	196	139	154	139	70.9	100.0	90.0
1977	202	8	210	143	174	157	74.7	109.7	90.0
1978	207	8	215	151	189	175	81.4	115.8	92.0
1979	241	7	249	160	206	189	75.9	118.1	91.0
1980	254	7	261	173	224	213	81.6	123.1	95.0
1981	259	6	266	188	240	231	86.8	122.8	98.0
1982	271	6	277	202	267	155	55.9	76.7	58.0
1983	367	6	373	213	288	144	38.6	67.6	50.0
1984	406	7	413	218	318	189	45.7	86.7	59.0

**NOTE A** — 9.3 percent of member payroll — the appropriation amount required by Sections 16-133.1, 16-153 and 16-158 of the *Illinois Pension Code*.

**NOTE B** — State contributions divided by actuarial requirement required by Section 16.159 of the *Illinois Pension Code* (Col. 6 + Col. 3)

**NOTE C** — State contributions divided by minimum requirement (Col. 6 + Col. 4)

**NOTE D** — State contributions divided by System expense (Col. 6 + Col.5)

## Funding ratios

As of June 30	Net Assets at Cost	Net Assets at Market	Actuarial Funding Requirements	Funding Ratio at Market Cost	Funding Ratio at Market
1975	\$1,260,547,000	1,140,234,000	3,010,691,000	41.9%	37.9
1976	1,448,295,000	1,395,659,000	3,328,978,000	43.5	41.9
1977	1,654,559,000	1,596,530,000	3,706,902,000	44.6	43.1
1978	1,896,887,000	1,774,150,000	3,909,247,000	47.6	43.7
1979	2,171,628,000	2,010,050,000	4,560,539,000	47.6	44.1
1980	2,497,314,000	2,277,398,000	4,957,477,000	50.4	45.9
1981	2,895,688,000	2,492,965,000	5,390,421,000	53.7	46.2
1982	3,215,209,000	2,733,811,000	6,109,071,000	52.6	44.8
1983	3,409,613,000	3,604,656,000	6,689,711,000	51.0	53.9
1984	3,727,791,000	3,630,206,000	7,348,733,000	50.7	49.4



## Percentage of benefits covered by net assets

(In millions of dollars)

Year Ended June 30	Members' Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members, Employer Portion (3)	Net Assets	Percentage of Benefits Covered by Net Assets [A]		
					(1)	(2)	(3)
1974	\$ 692	1,264	1,054	1,261	100	45	0
1976	776	1,435	1,117	1,448	100	47	0
1977	858	1,566	1,283	1,655	100	51	0
1978	955	1,697	1,338	1,897	100	56	0
1979	1,060	1,893	1,607	2,172	100	59	0
1980	1,173	2,011	1,774	2,497	100	66	0
1981	1,298	2,207	1,885	2,896	100	72	0
1982	1,448	2,365	2,296	3,215	100	75	0
1983	1,608	2,565	2,518	3,410	100	70	0
1984	1,778	2,803	2,768	3,728	100	70	0

**NOTE A** — A test of financial soundness of a System is its ability to pay all promised benefits when due. Column 1 represents the value of members' accumulated contributions. Column 2 represents the amount necessary to pay participants currently receiving benefits. Column 3 represents the employer's portion of future benefits for active members. The columns are arranged in order of priority; that is, members' contributions would be covered first, then current benefit recipients, and finally the employer portion of the active member benefits.

For a System receiving actuarially determined contribution amounts, the total of actuarial values in Columns 1 and 2 should generally be fully covered by assets and the portion of the actuarial value of Column 3 covered by assets should increase over time.

## Payroll percentages

(In millions of dollars)

Year Ended June 30	Member Payroll (1)	UNFUNDED ACCRUED BENEFIT COST		EMPLOYER'S COST				STATE CONTRIBUTIONS		
		Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest On Unfunded Accrued Benefit Cost (6)	Total (7)	Percent of Payroll (8)	State Contribution (9)	Percent of Payroll (10)
1975	\$1,387	1,750	126.2	77	5.6	93	170	12.2	131	9.4
1976	1,490	1,881	126.3	88	5.9	99	187	12.5	139	9.3
1977	1,534	2,052	133.8	96	6.3	106	202	13.2	157	10.2
1978	1,620	2,092	129.2	96	5.9	111	207	12.8	175	10.8
1979	1,721	2,389	138.8	116	6.7	125	241	14.0	189	11.0
1980	1,856	2,460	132.5	125	6.9	129	254	13.7	213	11.5
1981	2,021	2,495	123.4	128	6.7	131	259	12.8	231	11.4
1982	2,177	2,894	132.9	138	6.3	133	271	12.5	155	7.1
1983	2,287	3,280	143.4	164	7.2	203	367	16.1	144	6.3
1984	2,345	3,621	154.4	176	7.5	230	406	17.3	189	8.1



Graduated rates for active members. Inactive members are assumed to retire at age 62. Sample annual rates of retirement per 1,000 participants for active members are as follows:

Age	Male	Female
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:

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

- **Separation**

Graduated rates based on age and sex  
variations.

30	6.8
40	6.3
50	5.5
60	4.8

- **Marital status**

Males: 85%; Females: 60%

- **Actuarial method**

Attained age normal cost method with unit  
past service.



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## TEN YEAR SUMMARY OF REVENUE

(By Source)

Year Ended June 30	Member Contributions	Percent of Total	State Appropriation
1975	\$114,914,651	36.4	130,723,094
1976	122,847,659	35.9	138,551,600
1977	125,215,335	33.0	156,976,400
1978	132,176,556	30.6	175,069,000
1979	141,087,603	29.3	188,641,596
1980	150,501,011	27.4	212,697,717
1981	166,396,962	26.1	231,871,230
1982	179,547,687	30.6	154,969,147
1983	189,339,841	39.3	144,437,110
1984	194,761,424	30.6	188,904,800

## TEN YEAR SUMMARY OF EXPENSES

(By Type)

Year Ended June 30	Retirement Annuities	Percent of Total	Post-Retirement Increases	Percent of Total
1975	\$102,875,465	72.0	15,502,949	11.0
1976	113,275,935	73.4	18,769,279	12.2
1977	124,561,904	71.7	20,112,058	11.6
1978	135,163,476	71.4	21,728,897	11.5
1979	144,896,371	70.2	23,841,793	11.6
1980	154,476,872	68.9	26,996,859	12.1
1981	166,502,424	69.5	32,838,254	13.7
1982	178,904,780	66.9	43,032,491	16.1
1983	193,245,385	67.2	49,862,589	17.3
1984	213,597,891	67.1	55,496,014	17.4



Employer

District Contributions

Percent of Total

Investment Income

Percent of Total

Gains (Losses) on Investments

Percent of Total

Other

Total

3,716,784  
4,290,964  
4,672,892  
5,398,022  
6,740,259  
8,564,895  
14,994,482  
14,056,003  
17,004,036  
17,954,366

42.7  
41.6  
42.5  
41.8  
40.6  
40.1  
38.7  
28.3  
33.5  
32.5

63,627,793  
74,091,561  
88,032,219  
108,393,151  
138,816,114  
179,400,957  
223,512,380  
285,502,863  
295,310,681  
302,251,707

20.2  
21.6  
23.2  
25.1  
28.9  
32.6  
35.0  
48.7  
61.2  
47.5

2,199,701  
2,381,378  
5,095,346  
10,588,381  
5,860,958  
(1,598,212)  
1,109,198  
(47,249,275)  
(163,881,104)  
(67,500,017)

0.7  
0.7  
1.3  
2.5  
1.2  
(0.3)  
0.2  
(8.1)  
(34.0)  
(10.6)

15,579  
685  
7,805  
6,726  
(337)  
—  
—  
—  
—  
—

315,19  
342,16  
379,99  
431,63  
481,14  
549,56  
637,88  
586,82  
482,21  
636,37

Death & Survivor Benefits

Percent of Total

Disability & Health Benefits

Percent of Total

Refunds

Percent of Total

Administrative Expense

Percent of Total

Total

5,031,776  
5,155,184  
5,818,332  
6,661,210  
7,544,393  
8,459,660  
9,735,967  
11,398,656  
13,118,925  
14,771,663

3.6  
3.3  
3.3  
3.5  
3.6  
3.8  
4.1  
4.3  
4.6  
4.7

1,588,393  
1,858,535  
2,200,636  
2,499,285  
2,682,067  
3,121,683  
3,677,492  
4,682,504  
6,112,041  
7,745,657

1.1  
1.2  
1.3  
1.3  
1.3  
1.4  
1.5  
1.7  
2.1  
2.4

14,835,114  
14,118,173  
19,579,606  
21,639,987  
25,594,136  
28,909,607  
24,426,316  
26,913,144  
22,801,368  
23,745,442

10.5  
9.1  
11.3  
11.4  
12.4  
12.9  
10.2  
10.1  
7.9  
7.5

1,097,903  
1,239,254  
1,463,414  
1,610,372  
1,846,710  
1,916,224  
2,329,436  
2,373,705  
2,666,864  
2,837,254

0.8  
0.8  
0.8  
0.9  
0.9  
0.9  
1.0  
0.9  
0.9  
0.9

140  
154  
173  
189  
206  
223  
239  
267  
287  
318



## Median Annual Salary of Active Members By Years of Service\*

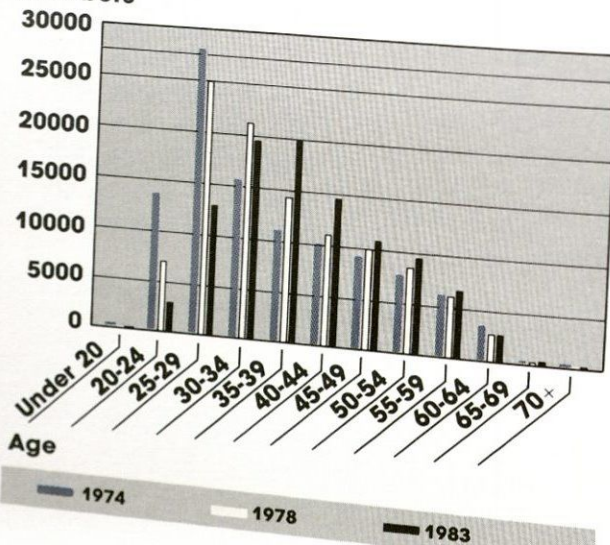
Years of service		1974	1975	1976	1977	1978	1979	1980	1981	1982
Under 1	Total #	2,309	2,161	2,143	2,088	2,315	2,295	2,018	1,488	1,343
	Median \$	8,500	9,084	9,585	10,000	10,300	10,900	11,582	12,477	13,602
1-5	Total #	47,383	45,648	42,217	37,462	35,026	32,647	30,582	29,244	26,701
	Median \$	9,447	10,080	10,700	11,200	11,660	12,152	12,835	13,938	15,178
6-10	Total #	24,081	26,812	29,558	29,925	30,198	29,827	28,399	26,622	24,674
	Median \$	11,884	12,743	13,500	14,040	14,610	15,239	16,080	17,344	18,771
11-15	Total #	20,784	20,735	20,552	20,539	17,386	18,547	20,367	22,104	22,755
	Median \$	13,900	14,960	15,857	16,471	17,027	17,914	19,093	20,780	22,482
16-20	Total #	5,997	6,930	7,781	8,626	12,844	12,950	12,824	12,609	12,661
	Median \$	15,470	16,690	17,597	18,215	18,716	19,628	21,026	22,770	24,723
21-25	Total #	3,249	3,601	3,900	4,233	4,910	5,757	6,642	7,478	8,256
	Median \$	16,500	17,555	18,448	18,985	20,000	21,021	22,550	24,432	26,415
26-30	Total #	703	1,099	1,634	2,215	2,718	3,168	3,513	3,778	4,076
	Median \$	15,638	17,294	18,968	19,953	20,752	21,779	23,219	25,089	27,201
31-35	Total #	158	192	246	362	486	700	1,082	1,614	2,152
	Median \$	14,147	15,425	16,074	17,446	19,036	20,976	22,876	25,690	28,551
Over 35	Total #	42	57	76	104	152	196	245	318	456
	Median \$	15,393	16,425	17,462	18,005	18,280	19,545	22,145	23,530	25,668
Total	Total #	104,706	107,235	108,107	105,554	106,035	106,087	105,672	105,255	103,074
	Median \$	11,123	12,055	12,960	13,743	14,507	15,418	16,632	18,275	20,137

\*Statistical information on the System's active membership is not yet available for FY84.

### Active Members by Age

1974, 1978, 1983

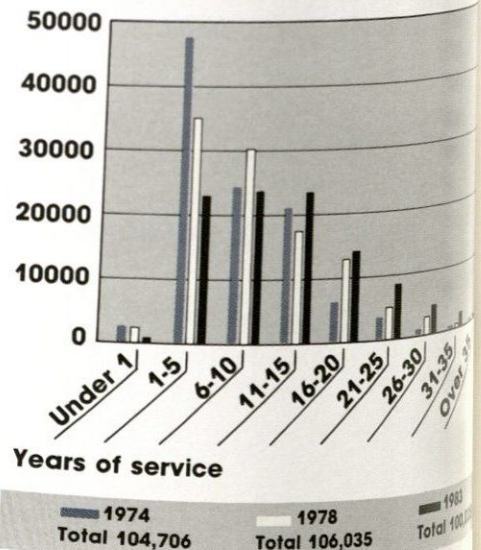
Number of members



### Active Members by Years of Service

1974, 1978, 1983

Number of members



Years of service

1974  
Total 104,706

1978  
Total 106,035

1983  
Total 108,107



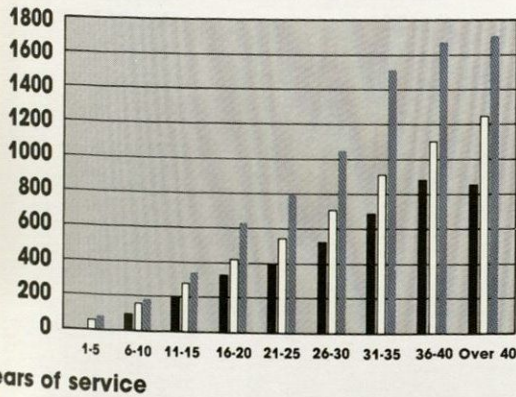
## Median Monthly Annuity For New Retirees By Years of Service

Years of service		1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Under 1	Total #	—	1	—	—	—	—	—	—	—	—
	Median \$	—	413	—	—	—	—	—	—	—	—
1-5	Total #	90	73	50	60	63	61	60	61	69	83
	Median \$	—	24	44	73	55	63	61	73	75	88
6-10	Total #	95	99	108	85	85	65	72	79	76	77
	Median \$	90	117	132	146	162	130	162	139	174	195
11-15	Total #	173	147	172	157	154	135	157	158	160	143
	Median \$	197	216	236	234	280	272	273	288	356	348
16-20	Total #	278	257	267	260	251	250	254	258	284	256
	Median \$	322	339	365	386	419	418	486	505	557	642
21-25	Total #	291	359	344	325	287	293	343	316	354	312
	Median \$	399	432	476	497	540	549	620	680	750	790
26-30	Total #	311	302	319	314	296	267	359	314	386	326
	Median \$	524	584	613	666	706	770	868	935	963	1,056
31-35	Total #	271	314	319	282	236	283	334	375	431	449
	Median \$	687	767	827	868	913	1,003	1,140	1,242	1,336	1,520
36-40	Total #	245	242	200	166	143	122	111	117	137	149
	Median \$	875	977	1,015	1,080	1,104	1,157	1,126	1,316	1,495	1,678
Over 40	Total #	188	171	119	89	63	52	60	47	49	46
	Median \$	850	1,000	990	1,085	1,250	1,182	1,275	1,359	1,440	1,710
Total	Total #	1,942	1,965	1,898	1,738	1,578	1,528	1,750	1,725	1,946	1,841
	Median \$	474	536	546	572	588	631	729	776	871	967

### Median Monthly Annuity For New Retirees

By years of service

Median annuity in dollars



1975  
Median \$474

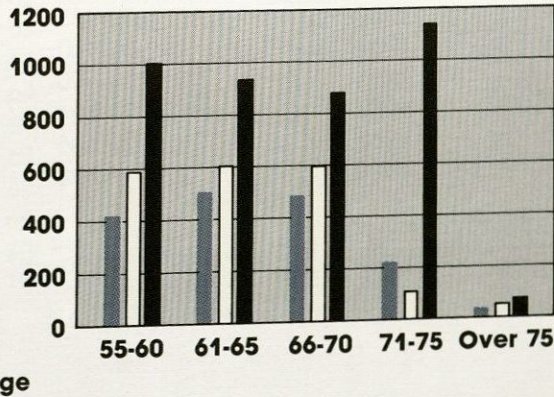
1979  
Median \$588

1984  
Median \$967

### Median Monthly Annuity For New Retirees

By age

Median annuity in dollars



1975

1979

1984



## Active Annuitants by Benefit Range\*

June 30, 1984

Monthly Benefit	Total	Cumulative Total	Percent of Total	Cumulative Percent of Total
\$ 01- 100	632	632	1.8%	1.8%
101- 200	846	1,478	2.5	4.3
201- 300	2,486	3,964	7.4	11.7
301- 400	4,371	8,335	12.9	24.6
401- 500	5,696	14,031	16.9	41.5
501- 600	3,401	17,432	10.1	51.6
601- 700	3,136	20,568	9.3	60.9
701- 800	2,913	23,481	8.6	69.5
801- 900	2,092	25,573	6.2	75.7
901-1,000	1,681	27,254	5.0	80.7
1,001-1,100	1,436	28,690	4.3	85.0
1,101-1,200	1,197	29,887	3.5	88.5
1,201-1,300	928	30,815	2.8	91.3
1,301-1,400	738	31,553	2.2	93.5
1,401-1,500	599	32,152	1.8	95.3
1,501-1,600	386	32,538	1.1	96.4
1,601-1,700	306	32,844	.9	97.3
1,701-1,800	246	33,090	.7	98.0
1,801-1,900	180	33,270	.5	98.5
1,901-2,000	139	33,409	.4	98.9
2,001-2,100	103	33,512	.3	99.2
2,101-2,200	68	33,580	.2	99.4
Over 2,201	205	33,785	.6	100.0

\*Does not include 593 persons who receive a benefit through the Retirement Systems' Reciprocal Act.

## Membership Profile

As of June 30th	Benefit Recipients	Inactive Members	Active Members
1975	27,229	29,411	107,235
1976	28,244	29,491	108,107
1977	30,295	30,214	105,554
1978	31,457	30,970	106,035
1979	32,423	31,341	106,087
1980	33,410	31,486	105,672
1981	34,690	31,719	105,255
1982	36,121	31,566	103,074
1983	37,505	32,385	100,035
1984	38,533	31,500**	99,500**

\*\*Estimated.



**Temporary Disability Benefits**

New Fiscal Year Recipients

<u>Year</u>	<u>Number of New Recipients</u>	<u>Median Age</u>	<u>Median Monthly Benefit</u>
1975	87	44	\$417
1976	121	44	455
1977	135	39	461
1978	145	36	464
1979	175	38	503
1980	249	36	543
1981	305	36	573
1982	304	36	637
1983	341	40	683
1984	328	41	724

**Permanent Disability Benefits**

New Fiscal Year Recipients

<u>Year</u>	<u>Number of New Recipients</u>	<u>Median Age</u>	<u>Median Monthly Benefit</u>
1975	64	50	\$421
1976	55	51	403
1977	56	50	431
1978	59	50	414
1979	46	50	466
1980	34	52	546
1981	14	43	492
1982	28	50	480
1983	41	50	481
1984	38	49	553

**Monthly Death Benefits**

New Fiscal Year Recipients

<u>Year</u>	<u>Number of New Recipients</u>	<u>Median Age</u>	<u>Median Monthly Benefit</u>
1975	205	66	\$225
1976	241	65	258
1977	260	64	288
1978	223	64	293
1979	278	67	306
1980	303	67	291
1981	336	68	300
1982	369	69	300
1983	454	70	301
1984	383	71	315



Cancer and tumors (10.1%)

Other (15.8%)

Heart and circ. (10.1%)

Mental illness (10.1%)

Accidents (6.7%)

Diabetes (3.4%)

Kidneys (3.4%)

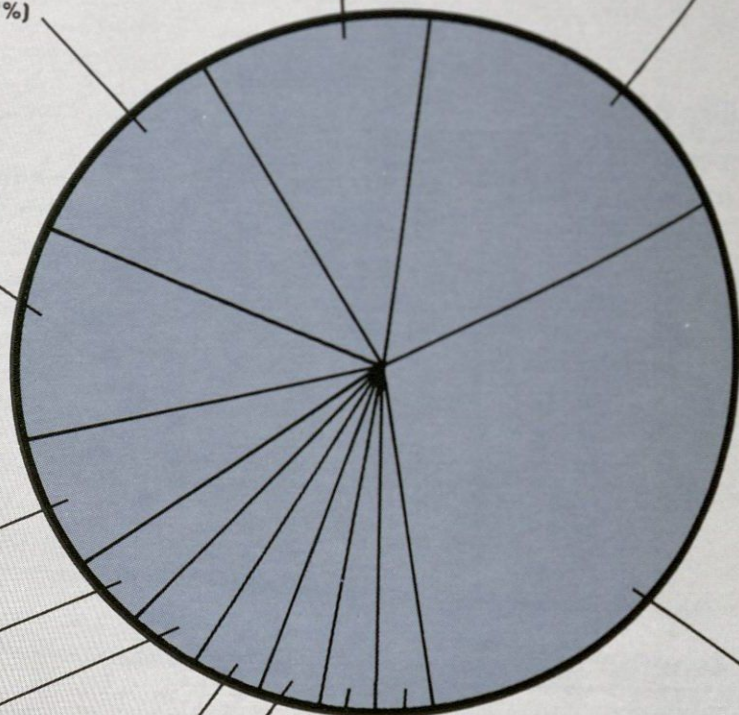
Pneumonia, flu, etc. (3%)

Disc dislocation (2.7%)

Digestive diseases (2.4%)

Eye diseases (2.4%)

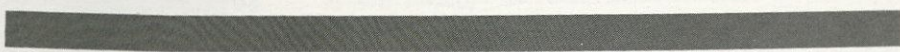
Pregnancy (2.1%)







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## Introduction

The investment portfolio of the Teachers' Retirement System of the State of Illinois, valued at \$3.55 billion at market value, is governed by an investment authority known as the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries, who include anyone that has authority with respect to the fund. The prudent person standard states that fiduciaries shall discharge their duties solely in the interests of the fund participants and beneficiaries and with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. By permitting further diversification of investments within a fund, the prudent person standard may enable a fund to reduce overall risk and increase returns. The prudent person standard also permits a fund to establish an investment policy based solely upon investment criteria and a particular risk/reward tradeoff.

The System has established a long-range Statement of Investment Objectives and Policies for the management and monitoring of the fund. The investment policy establishes the fund's investment objective, to provide the greatest possible long-term benefits to members of the System by maximizing the total rate of return on investments within prudent parameters of risk. The investment policy also defines the responsibilities of the fiduciaries with respect to the fund, the statutory investment authority under the prudent person rule, the level of acceptable risk, asset restrictions, investment performance objectives and guidelines in which outside investment managers operate.

The System's investment performance objective is to achieve an annualized 3% total rate of return in excess of the rate of inflation over a long-term period of time. In addition, each asset class is expected to outperform various representative market indices.

The fund is managed by professional investment management firms based on statutory investment authority under the prudent person rule and investment policy guidelines adopted by the Board of Trustees.

### Asset class/manager composition

The establishment of asset class allocations is the most important decision in the pension investment management process. The major portion of investment performance comes from the allocation of asset classes. Large institutional portfolios, such as the System's, tend to be well diversified within the asset classes utilized. Therefore, although most investment managers of specific asset classes focus on security selection, specific securities held will not have nearly as much impact on total performance as will the overall level of particular asset class commitments.

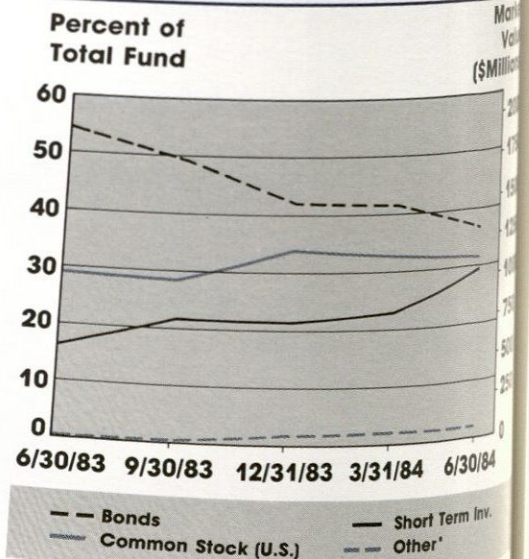
During fiscal 1984, the System's U.S. common stock holdings increased to 31.3% of the total fund from a year earlier. Diversification efforts continued during the year with diversification into international equity securities. This new asset class comprised 1.1% of the total fund at fiscal year end, bringing total common stock holdings to 32.4% of the total fund.

Bonds decreased to 37.1% of the total fund from a year earlier, primarily as a result of increases in the holdings of short-term investments by fixed income managers. Reallocation of commitments to equity managers from fixed income managers also contributed to the decrease in commitments to bonds. New portfolio management tools, financial futures, were utilized within the bond asset class. Financial futures, fully hedged and offset by short-term investments, serve to reduce the transactions costs incurred by the System, increase portfolio management flexibility and to better balance the risk/reward relationship of a manager's fixed income portfolio.

Short-term investments increased to 29.5% of the total fund from 17% a year earlier. Both fixed income and equity managers increased short-term investment holdings, signifying general economic concern and defensive strategies. Short-term investments offsetting financial futures commitments represented 3.3% of the total fund.

Diversification into real estate equities and venture capital occurred in fiscal 1984 and represented .9% and .1% of the total fund, respectively, at year end. Further diversification among asset classes is currently under investigation. Asset class diversification, in conjunction with investment manager style diversification, could provide the System with a greater expected rate of return while minimizing the risk of negative returns from adverse short-term changes in the markets.

### Asset Allocation



\*Includes Real Estate Equity, Venture Capital and Common Stock (International)



The System has established relationships with investment management firms having a diversity of management styles, which tends to complement the diversification of asset classes. The managers have discretionary authority in the selection and retention of investments, subject to the provisions of the statutory investment authority and the Statement of Investment Objectives and Policies.

On June 30, 1984, the following thirteen external investment management firms were employed by the System:

#### Fixed Income (Bonds)

Dreyfus Management, Inc.  
 MacKay-Shields Financial Corporation  
 Pacific Investment Management Company  
 T. Rowe Price Associates, Inc.  
 Marine Bank of Springfield

#### Equity (Common Stock)

Alliance Capital Management Corporation  
 Batterymarch Financial Management  
 CMB Investment Counselors  
 Criterion Investment Management Company  
 Kemper Financial Services, Inc.

#### Real Estate Equity

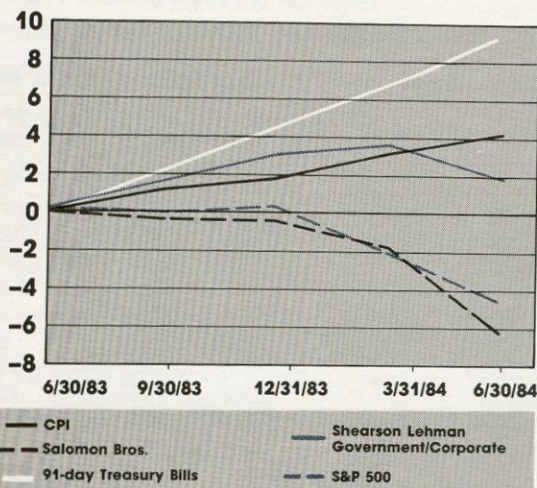
The First National Bank of Chicago  
 TCW Realty Advisors

#### Venture Capital

Frontenac Company

## Asset Class Cumulative Return By Representative Indices

Percent



Source: SEI Funds Evaluation Service

#### Total Fund Results

The System's income rate of return during fiscal 1984 was 9.1%. The System's total fund time weighted return of -1.5% for fiscal 1984 was reflective of market corrections from the dramatic price movement during the previous year. The System's total fund annualized three-year and five-year returns of 11.4% and 8.8%, respectively, continue to outperform the rate of inflation for these periods, 5% and 7.5%, respectively. Achievement of the investment objective, to exceed the rate of inflation by 3%, may be realized over a long-term period.

#### Equity Results and Profile

Equity manager objectives are to achieve a total investment return 6% in excess of the rate of inflation and in excess of the Standard and Poor's 500 Stock Index on an annualized basis over a three to five year period, or market cycle. During fiscal 1984, common stocks returned -13.9%, as compared to a return of -4.6% by the Standard and Poor's 500. For three years and five years, common stocks generated 8.7% and 10.4% annualized returns, respectively. Combined equity manager accounts, which include both common stock and short-term investments, returned -10.4% during fiscal 1984, reflecting the advantageous returns of short-term investments during the short-term period as compared to common stocks.

At fiscal year-end, 40.3% of the System's investment portfolio was assigned to equity managers, including short-term investments, compared to 34% the prior fiscal year-end. During the fiscal year, the market value of assets assigned to equity managers increased from \$1.2 billion to \$1.43 billion due to \$152 million of market value depreciation and \$382 million of new allocations.

## Investment results

### Asset Class/Market Indices Returns

During fiscal 1984, common stocks, represented by the Standard & Poor's 500 Index, returned -4.6%, while long-term bonds, represented by the Salomon Bond Index, returned -6.3%. Intermediate-term bonds, represented by the Shearson Lehman Government/Corporate Bond Index, performed slightly better, returning 1.8%. The best performing major asset class was the short-term investment class, which returned 9.2%, as represented by 91-day Treasury Bills. Only short-term investments were able to outperform the rate of inflation, which increased 4.2%, as represented by the Consumer Price Index.



Major sector diversification changes took place during the year in the common stock portfolio, as summarized in the following listing:

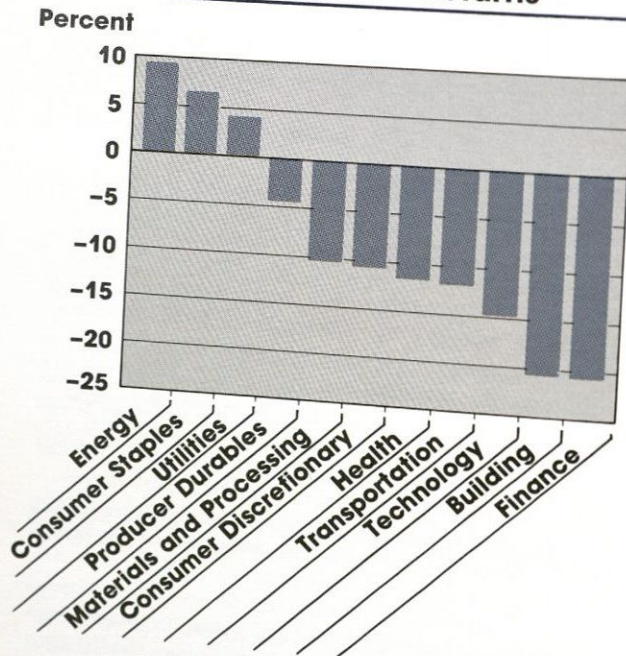
### Diversification by Industry Sector (%)

Sector	June 30, 1983		June 30, 1984	
	TRS	S&P 500	TRS	S&P 500
Technology	16.5	16.1	17.4	15.2
Consumer Discretionary	14.3	12.4	15.4	12.3
Consumer Staples	7.6	11.1	11.5	12.4
Energy	12.3	18.9	10.9	19.4
Materials & Processing	12.5	6.5	10.0	6.4
Producer Durables	10.3	7.6	9.7	7.9
Health	5.9	7.1	6.9	6.7
Finance	4.0	6.5	6.5	5.7
Utilities	5.4	9.6	5.4	10.1
Transportation	5.1	2.2	4.3	2.3
Building	6.0	2.0	2.0	1.8

Source: SEI Funds Evaluation Service

The S&P 500 Index returned -4.6% during fiscal 1984, with seven of the eleven industry sectors falling by more than 10%. Only the Energy, Consumer Staples and Utilities sectors provided positive rates of return during fiscal 1984.

### S&P 500 Industry Sector Returns



\*Source: SEI Funds Evaluation Service

Equity managers made major stock selection adjustments to their portfolios during fiscal 1984, as evidenced by the following comparison of equity portfolio characteristics with the S&P 500:

### Equity Portfolio Profile

	June 30, 1983		June 30, 1984	
	TRS	S&P 500	TRS	S&P 500
Capitalization (\$Bil)	7.00	8.20	5.79	8.20
Price/Earnings Ratio	20.32	14.00	11.64	14.00
Dividend Yield (%)	2.87	3.30	3.63	3.30
Beta	1.06	1.00	1.08	1.00
Diversification (R-Squared)	0.96	1.00	0.91	1.00
Return on Net Worth (%)	8.35	12.90	12.01	12.90
Three-Year Earnings Growth Rate (%)	4.55	1.80	11.30	1.80
Market/Book Ratio	1.66	1.70	1.42	1.70
Debt/Equity Ratio (%)	57.57	51.70	57.81	51.70

### Fixed Income Results and Profile

Fixed income manager objectives are to achieve a total investment return 2% in excess of the rate of inflation and in excess of the bond market, as measured by Salomon Brothers' High Grade Corporate Bond Index and Shearson Lehman Government/Corporate Bond Index on an annualized basis over a three to five year period or a market cycle. During fiscal 1984, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a total return, slightly below the 1.8% of the intermediate term Shearson Lehman Government/Corporate Bond Index, but well above the -6.3% of the long-term Salomon Bond Index. For three and five years, bonds generated 13.8% and 7.9% annualized returns, respectively, as compared to 14.2% and 8.2%, respectively, for the Shearson Lehman Index and 13.2% and 4.2%, respectively, for the Salomon Index. The total funds under management by fixed income managers, including short-term investments, generated a 3.9% total return, well above the fiscal 1984 returns for both the Shearson Lehman and Salomon Indices and reflective of the fixed income managers' advantageous allocation to short-term investments.

The market value of bonds decreased to \$1.312 billion from \$1.909 billion during fiscal 1984. Fixed income managers held approximately \$678 million in short-term investments on June 30, 1984. During fiscal 1984, the market value of total assets assigned to fixed income managers, including short-term investments, decreased from \$2.259 billion to \$1.990 billion due to reallocation of \$382 million from fixed income managers to equity managers and \$113 million market value appreciation.

Financial futures contracts controlling approximately \$120 million of underlying GNMA securities and U.S. Treasury Bonds are not reflected in the \$1.312 billion market value of bonds at fiscal year end. In order to reflect short-term investments offsetting the futures contracts, or 3.3% of the total fund, commitments by

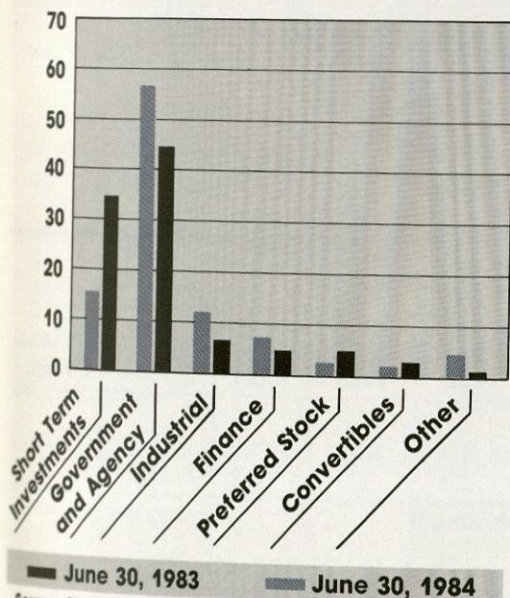


the System to the short-term investment asset class should be correspondingly reduced. Because the performance of the financial futures contracts tends to mirror long-term bonds and in order to reflect the impact of the financial futures contracts, the System's commitment to the bonds asset class should be increased by 3.3%.

The following exhibits reflect changes made within fixed income manager portfolios during fiscal 1984 with regard to diversification by issuer type and quality ratings, as well as the underlying fixed income portfolio characteristics primarily affecting total return.

### TRS Investment Portfolio Diversification by Issuer Type

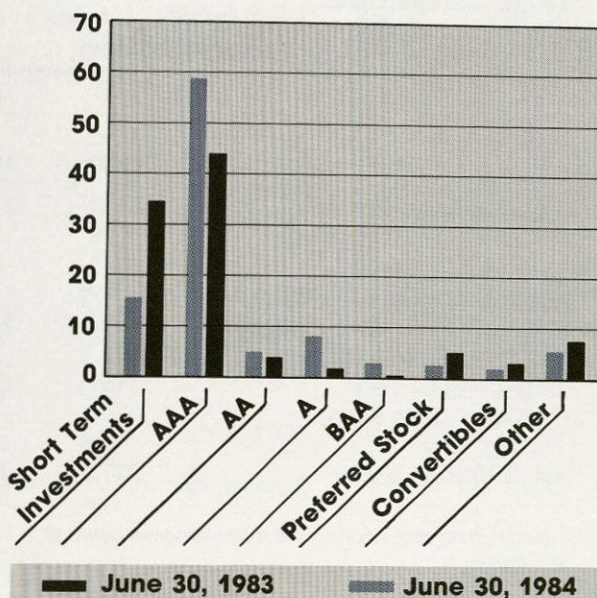
For Fixed Income Manager Portfolios  
Percent



Source: Harris Trust and Savings Bank

### TRS Investment Portfolio Diversification by Quality Rating

For Fixed Income Manager Portfolios  
Percent



Source: Harris Trust and Savings Bank

### Bond Portfolio Profile

Characteristic	6/30/83	6/30/84
Maturity (years)	13.8	6.5
Duration (years)	5.3	2.9
Coupon (%)	11.1	11.2
Yield to Maturity (%)	12.0	13.0
Current Yield (%)	11.4	11.9

### Short-Term Investment Results

The investment management firms use discretion in anticipating short-term market conditions by raising or lowering short-term investment positions within the respective asset classes. Managers confine portfolio investments to typical short-term investments, such as U.S. Treasury Bills, certificates of deposit, bankers acceptances and commercial paper, and commingled short-term investment funds. Commercial paper investments must be rated P-1 and/or A1 by Moody's and Standard and Poor's, respectively.

As an asset class, short-term investments generated a total return of 10.5% in fiscal 1984, outperforming both the .7% of bonds and the -13.9% of common stocks. For the five years, short-term investments returned 12.2% annualized, again outperforming both stocks and bonds, which returned 10.4% and 7.9%, respectively.



## Summary statistics

The following tables summarize the development and performance of the total investment portfolio, including accrued income and miscellaneous assets of the System, during the last five years:

### Book/market value reconciliation

	Fiscal Years Ending June 30 (Millions)					Five Year 1980-1984
	1980	1981	1982	1983	1984	
Beginning Book Value	2172	2497	2896	3215	3409	2172
Net Contributions Added	148	174	81	63	84	550
Investment Income	179	224	285	295	303	1286
Net Realized Gain (Loss)	(2)	1	(47)	(164)	(68)	(280)
Ending Book Value	2497	2896	3215	3409	3728	3728
Unrealized Gain (Loss) — Beginning of Year	(162)	(220)	(403)	(481)	196	(162)
Unrealized Gain (Loss) — During Year	(58)	(183)	(78)	677	(294)	64
Ending Market Value	2277	2493	2734	3605	3630*	3630*

\* Includes accrued income and miscellaneous assets of \$83 million.

### Performance summary

Annualized Percent for Periods Ending June 30, 1984\*

						Annualized	
	1980	1981	1982	1983	1984	3 Years	5 Years
Total Time-Weighted Return							
TRS	7.5	2.6	8.1	30.0	- 1.5	11.4	8.8
Inflation (CPI)	14.3	9.6	7.1	2.6	4.2	5.0	7.5
Common Stock Returns (less cash)							
TRS	8.0	18.2	-9.1	64.0	-13.9	8.7	10.4
S&P 500	17.1	20.4	-11.7	61.2	- 4.6	10.7	13.9
Bond Returns (less cash)							
TRS	5.2	-5.5	12.7	29.7	0.7	13.8	7.9
Shearson Lehman G/C Bond Index	3.8	-4.1	13.4	29.1	1.8	14.2	8.2
Salomon Bond Index	-2.4	-13.0	8.7	42.4	-6.3	13.2	4.3
Short-Term Returns							
TRS	12.1	14.1	14.2	10.2	10.5	11.6	12.2
91-Day Treasury Bills	11.2	13.2	13.0	8.6	9.2	10.3	11.1
Income Rate of Return**	9.2	9.7	11.9	9.9	9.1	10.3	9.9
Cash Return***	8.2	9.0	8.2	4.2	6.8	6.4	7.3
Asset Allocation (Annual Average)							
Bonds	60.3	60.2	59.4	53.9	46.4	53.2	56.0
Common Stock — U.S.	28.6	30.4	26.8	21.8	31.7	26.8	27.9
Short-Term	11.1	9.4	13.8	24.3	20.0	19.4	15.7
Other****	—	—	—	—	1.9	.6	.4

\* Performance calculations provided by SEI Funds Evaluation Service.

\*\* Income return, based on average market value, includes interest and dividends.

\*\*\* Cash return, based on beginning book value, includes interest, dividends and realized gains/losses.

\*\*\*\* Includes Real Estate Equity, Common Stock-International and Venture Capital.



## Investment Portfolio Summary

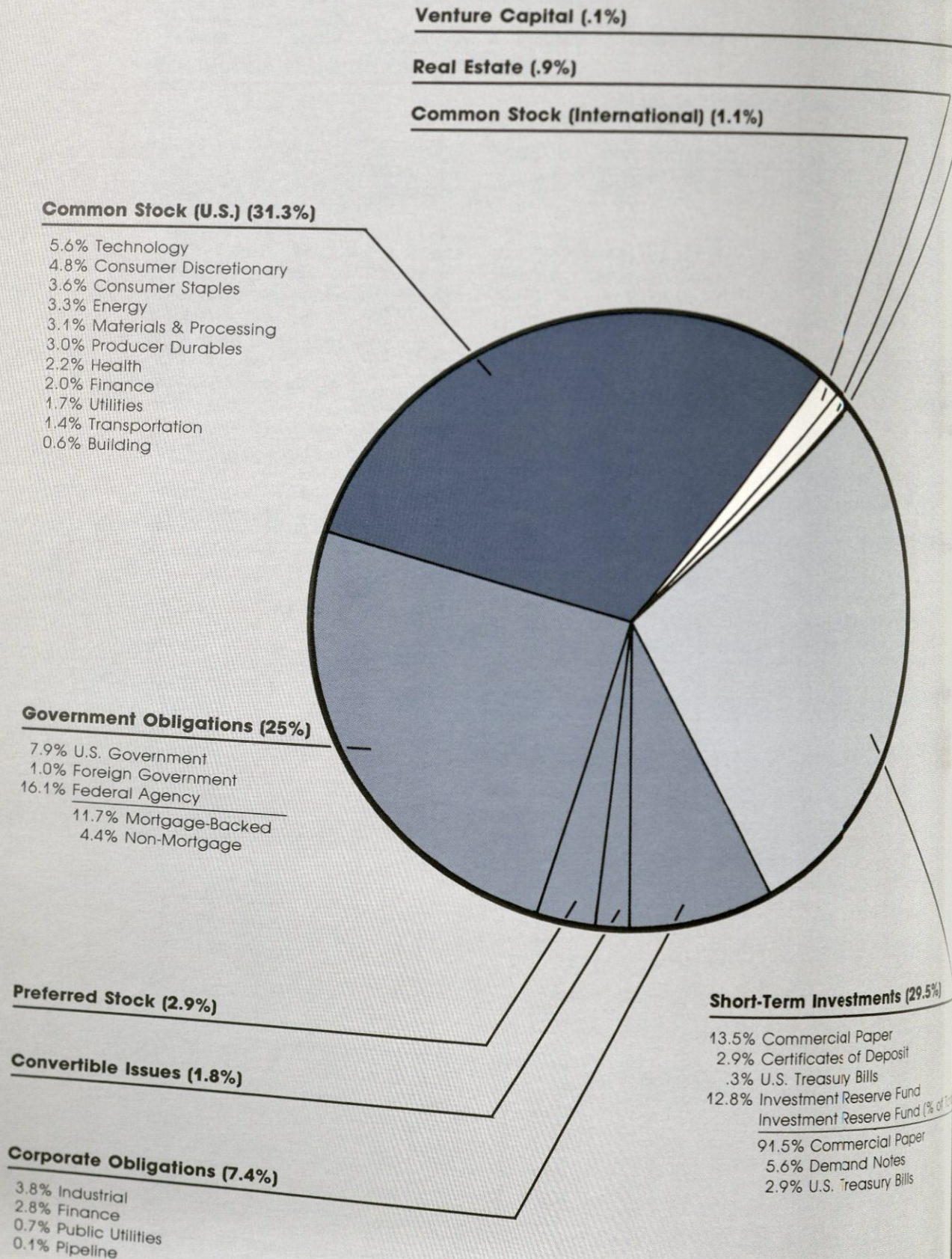
June 30, 1984

	<u>Book Value</u>	<u>% of Total Book Value</u>	<u>Market Value</u>	<u>% of Total Market Value</u>	<u>Yield at Market</u>
<b>BONDS, CORPORATE NOTES AND PREFERRED STOCK</b>					
Government Obligations:					
Federal Agency	\$ 600,651,095	16.5%	\$ 568,795,644	16.1%	13.1%
U.S. Government	298,094,917	8.2	281,716,052	7.9	13.0
Foreign Government	36,901,756	1.0	35,816,323	1.0	12.1
Corporate Obligations:					
Industrial	134,418,851	3.7	133,519,973	3.8	10.6
Finance	105,624,702	2.9	99,821,620	2.8	11.9
Public Utilities	26,834,757	.7	23,312,917	.7	15.0
Pipeline	5,000,000	.1	4,619,400	.1	8.9
Convertible Issues	66,851,289	1.8	62,874,535	1.8	9.8
Preferred Stock	111,434,603	3.1	101,896,438	2.9	12.2
<b>TOTAL BONDS, CORPORATE NOTES AND PREFERRED STOCK</b>	<b>1,358,811,970</b>	<b>38.0</b>	<b>1,312,372,902</b>	<b>37.1</b>	<b>12.5</b>
<b>SHORT-TERM INVESTMENTS</b>	<b>1,048,153,888</b>	<b>28.8</b>	<b>1,048,243,226</b>	<b>29.5</b>	<b>11.0</b>
<b>COMMON STOCK-DOMESTIC</b>	<b>1,133,829,934</b>	<b>31.1</b>	<b>1,111,258,158</b>	<b>31.3</b>	<b>3.7</b>
<b>COMMON STOCK-INTERNATIONAL</b>	<b>41,371,676</b>	<b>1.1</b>	<b>39,693,142</b>	<b>1.1</b>	<b>0.2</b>
<b>REAL ESTATE EQUITY</b>	<b>32,500,000</b>	<b>.9</b>	<b>32,515,000</b>	<b>.9</b>	<b>7.5</b>
<b>VENTURE CAPITAL</b>	<b>3,333,334</b>	<b>.1</b>	<b>3,333,334</b>	<b>.1</b>	<b>.0</b>
<b>TOTAL PORTFOLIO</b>	<b><u>\$3,645,000,802</u></b>	<b><u>100.0%</u></b>	<b><u>\$3,547,415,762</u></b>	<b><u>100.0%</u></b>	<b><u>9.0%</u></b>



# Composition of Investments

(At Market Value)





# BONDS, CORPORATE NOTES AND PREFERRED STOCK

GOVERNMENT OBLIGATIONS	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>U.S. Government</b>						
U.S. Treasury Bonds	AAA	8.625%	11-15-1993	\$ 5,000,000	4,167,150	3,659,350
	AAA	9.000	02-15-1994	18,000,000	16,656,973	13,443,660
	AAA	12.000	08-15-2013	59,750,000	53,429,063	52,243,608
	AAA	13.250	05-15-2014	1,000,000	978,451	971,250
U.S. Treasury Notes	AAA	11.625	08-31-1984	10,000,000	10,015,700	10,015,600
	AAA	10.000	06-30-1985	2,000,000	1,990,000	1,959,380
	AAA	12.625	05-31-1986	10,000,000	9,918,750	9,906,200
	AAA	12.000	03-31-1988	9,000,000	8,839,688	8,589,330
	AAA	13.625	06-30-1988	5,000,000	4,994,750	4,995,300
	AAA	10.500	08-15-1988	10,000,000	9,930,208	9,025,000
	AAA	13.875	08-15-1989	15,000,000	15,207,813	15,060,900
	AAA	10.750	07-15-1990	15,000,000	14,588,281	13,143,750
	AAA	11.500	10-15-1990	15,000,000	14,972,300	13,575,000
	AAA	11.750	01-15-1991	38,000,000	36,970,954	34,698,560
	AAA	12.375	04-15-1991	33,200,000	33,138,388	31,145,584
	AAA	13.750	05-15-1992	5,000,000	5,300,000	4,975,000
	AAA	10.500	11-15-1992	1,500,000	1,494,781	1,255,305
	AAA	10.875	02-15-1993	10,000,000	9,854,063	8,525,000
	AAA	11.875	08-15-1993	10,000,000	9,950,938	8,968,700
	AAA	11.750	11-15-1993	2,500,000	2,498,781	2,223,425
	AAA	13.125	05-15-1994	34,680,000	33,197,888	33,336,150
<b>Total U.S. Government</b>				<b>309,630,000</b>	<b>298,094,917</b>	<b>281,716,052</b>
<b>Federal Agency</b>						
Federal Farm Credit Banks	AAA	13.200	03-04-1985	5,000,000	5,000,000	5,035,950
	AAA	12.750	09-03-1985	10,000,000	10,000,000	10,006,200
	AAA	13.950	03-03-1986	5,000,000	5,000,000	5,057,800
	AAA	14.625	01-20-1987	5,000,000	5,000,000	5,126,550
	AAA	12.650	04-20-1988	5,000,000	5,000,000	4,848,450
	AAA	15.650	10-23-1989	5,000,000	5,000,000	5,306,250
	AAA	14.700	07-22-1991	5,000,000	5,000,000	5,143,750
	AAA	15.200	01-20-1992	5,000,000	5,000,000	5,250,000
Federal Home Loan Banks	AAA	8.125	05-28-1985	10,000,000	9,983,065	9,665,600
	AAA	13.900	07-25-1985	9,000,000	9,025,313	9,120,960
	AAA	12.800	07-25-1985	10,000,000	10,000,000	10,028,100
	AAA	15.750	03-25-1986	5,000,000	5,000,000	5,190,600
	AAA	15.500	05-27-1986	5,000,000	5,000,000	5,173,450
	AAA	11.300	11-25-1986	10,000,000	10,000,000	9,587,500
	AAA	10.450	02-25-1987	5,000,000	5,000,000	4,671,850
	AAA	11.100	03-25-1987	5,000,000	5,000,000	4,737,500
	AAA	11.550	11-27-1989	10,000,000	10,000,000	9,150,000
	AAA	11.100	08-26-1991	2,000,000	2,007,500	1,738,740
Federal Home Loan Mortgage Corporation	AAA	12.625	05-01-1994	7,000,000	6,956,250	6,479,340
	AAA	8.850	03-15-2008	6,200,000	6,173,239	4,808,844
	AAA	9.000	09-15-2008	8,550,000	8,531,328	6,909,426
FHA Floating Rate Participation Certificates	AAA	5.030	04-01-1993	4,151,725	2,590,983	3,560,104
FHA Mortgage Loan-Oak Ridge, Tennessee	AAA	5.250	07-01-1989	385,113	390,817	342,751
FHLMC Group: 17023	AAA	12.500	02-01-2010	106,723	104,522	95,250
17073	AAA	12.500	01-01-2013	818,780	801,893	730,761
80334	AAA	8.000	10-01-2009	71,840	56,349	50,019
160042	AAA	8.750	04-01-2008	13,732,678	10,007,689	9,939,026
161043	AAA	8.750	04-01-2008	18,131,257	13,213,153	13,303,809
161046	AAA	8.750	05-01-2008	14,892,573	10,852,963	10,778,500
161086	AAA	10.000	09-01-2009	85,352	77,457	66,254
170091	AAA	12.500	01-01-2014	3,896,061	3,810,835	3,477,235
170092	AAA	12.500	12-01-2014	9,903,530	9,838,538	8,838,901
180067	AAA	8.000	07-01-2008	107,980	82,065	75,181
180106	AAA	8.000	01-01-2009	8,838,275	7,026,428	6,153,649
180195	AAA	8.000	05-01-2010	8,558,944	6,804,361	5,959,165
180335	AAA	8.000	10-01-2009	2,782,515	2,048,626	1,937,326
180353	AAA	8.000	04-01-2009	8,162	6,395	5,682
180354	AAA	8.000	05-01-2009	4,253,582	3,131,700	2,961,557
180366	AAA	8.000	12-01-2008	90,573	68,836	63,062
180444	AAA	8.000	11-01-2009	9,639,043	7,403,990	6,711,183
180972	AAA	8.000	08-01-2008	912,228	693,293	635,139
180997	AAA	10.500	04-01-2011	1,749,098	1,561,070	1,392,719
181018	AAA	8.500	01-01-2009	4,444,556	3,622,313	3,177,858
181290	AAA	8.000	01-01-2009	20,564,200	15,743,178	14,317,824
181311	AAA	8.500	11-01-2009	4,373,124	3,551,796	3,126,783
181339	AAA	8.000	06-01-2009	1,016,729	748,567	707,898
181378	AAA	8.500	05-01-2010	1,838,008	1,470,407	1,314,176
181410	AAA	8.000	04-01-2010	31,218	24,301	21,736
181661	AAA	8.500	09-01-2009	1,978,510	1,582,808	1,414,635
181833	AAA	8.500	12-01-2008	11,969,381	9,051,844	8,558,107
181954	AAA	8.500	01-01-2011	2,476,856	1,876,219	1,770,952
183179	AAA	8.000	10-01-2008	2,466	1,843	1,717
183840	AAA	8.000	09-01-2009	11,863,658	8,957,062	8,260,072
184081	AAA	9.000	05-01-2012	1,030,087	781,578	755,826
184292	AAA	8.250	02-01-2009	1,878,314	1,481,520	1,324,211
184456	AAA	8.500	11-01-2007	8,639	6,911	6,177
184603	AAA	8.500	11-01-2008	1,196,898	955,648	855,782
184638	AAA	9.000	01-01-2011	1,026,770	779,061	753,392
184754	AAA	9.250	11-01-2007	593,887	450,612	441,704
184989	AAA	8.000	06-01-2009	4,770,016	3,714,650	3,321,124
185209	AAA	8.250	10-01-2008	139,963	109,784	98,674



GOVERNMENT OBLIGATIONS

Moody's  
Quality  
Rating

Coupon  
Rate

Maturity  
Date

Par  
Value

Book  
Value

Federal Agency (Continued)

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value
185237	AAA	9.000 %	06-01-2007		
185243	AAA	8.500	01-01-2009	\$ 953,193	723,235
185376	AAA	8.000	07-01-2008	3,494,864	2,776,232
185718	AAA	7.000	07-01-2008	3,754,228	2,907,181
186109	AAA	8.500	12-01-2008	2,383,180	1,763,554
186344	AAA	9.000	09-01-2012	23,251	18,691
186634	AAA	8.500	12-01-2007	971,206	736,903
186806	AAA	8.500	12-01-2008	78,551	59,502
187042	AAA	8.000	08-01-2008	11,155	8,450
187132	AAA	8.000	04-01-2009	1,735	1,319
187201	AAA	8.000	08-01-2010	976,081	759,818
187228	AAA	9.000	05-01-2008	2,076	1,578
187249	AAA	8.000	02-01-2009	992,705	753,215
187517	AAA	8.500	05-01-2009	4,573	3,560
FNMA Pool: 353	AAA	7.500	07-01-2011	1,387	1,110
504	AAA	8.000	12-01-2009	4,533,895	3,425,924
557	AAA	7.500	11-01-2008	3,422,074	2,652,107
760	AAA	16.000	09-01-2012	2,188,628	1,641,471
761	AAA	16.000	09-01-2012	12,648,520	13,454,863
792	AAA	8.500	12-01-2011	1,114,861	1,174,263
845	AAA	7.500	06-01-2009	868,688	690,064
1125	AAA	9.000	07-01-2009	4,224,761	2,941,490
1379	AAA	16.000	09-01-2012	13,714,244	11,245,680
1491	AAA	15.750	12-01-2011	7,415,550	7,860,483
1499	AAA	8.500	02-01-2008	9,613,008	10,105,675
2432	AAA	12.000	07-01-2013	5,356,858	4,104,693
2445	AAA	15.750	08-01-2012	4,717,556	4,552,441
2447	AAA	12.500	02-01-2014	9,925,655	9,839,096
Federal National Mortgage Association	AAA	13.000	11-12-1985	5,000,000	9,703,879
	AAA	7.750	03-10-1987	5,000,000	5,000,000
	AAA	12.750	10-10-1988	5,000,000	5,000,000
	AAA	7.400	10-01-1997	4,440,000	3,999,944
GNMA Pool: 22809	AAA	8.200	07-10-2002	10,000,000	9,990,153
23646	AAA	8.000	03-15-2008	205,286	163,202
27638	AAA	9.000	02-15-2009	730,720	639,380
30185	AAA	9.000	10-15-2008	58,886	50,053
31769	AAA	9.000	05-15-2009	155,706	132,350
31803	AAA	9.000	05-15-2009	137,305	116,799
43703	AAA	9.000	06-15-2009	441,103	374,938
45228	AAA	15.000	07-15-2011	5,795	6,221
45267	AAA	16.000	11-15-2011	290,896	317,076
45272	AAA	16.000	10-15-2011	114,215	124,498
45612	AAA	17.000	10-15-2011	19,199	22,702
45613	AAA	15.000	09-15-2011	19,342	20,913
45639	AAA	17.000	11-15-2011	104,058	123,055
45888	AAA	15.000	07-15-2011	18,673	20,048
45970	AAA	15.000	06-15-2011	18,195	19,669
46047	AAA	16.000	11-15-2011	275,232	300,003
46060	AAA	16.000	12-15-2011	140,445	153,085
46125	AAA	17.000	11-15-2011	25,018	29,801
46129	AAA	15.000	07-15-2011	14,892	16,109
46230	AAA	16.000	10-15-2011	80,122	88,135
46266	AAA	15.000	09-15-2011	17,167	18,432
46405	AAA	17.000	11-15-2011	19,772	23,380
46419	AAA	17.000	11-15-2011	295,990	349,957
46534	AAA	15.000	07-15-2011	22,832	24,688
46536	AAA	15.000	08-15-2011	495,654	532,074
46765	AAA	15.000	09-15-2011	15,713	16,985
46767	AAA	16.000	10-15-2011	1,839,345	2,004,904
47012	AAA	17.000	10-15-2011	182,732	216,056
47135	AAA	15.000	11-15-2010	918,266	788,704
47184	AAA	17.000	01-15-2012	23,560	25,424
47185	AAA	16.000	11-15-2011	385,164	455,705
47272	AAA	16.000	12-15-2011	925,463	1,008,755
47285	AAA	16.000	12-15-2011	14,231	15,512
47479	AAA	17.000	10-15-2011	199,128	217,053
47527	AAA	17.000	11-15-2011	270,062	319,320
47589	AAA	15.000	12-15-2011	122,541	144,908
47691	AAA	16.000	07-15-2011	12,886	13,937
47769	AAA	15.000	10-15-1991	22,986	26,061
47800	AAA	15.000	06-15-2011	17,172	18,573
47802	AAA	16.000	10-15-2011	27,080	29,638
47825	AAA	17.000	11-15-2011	80,099	94,712
47925	AAA	16.000	10-15-2011	8,078	9,161
47928	AAA	16.000	12-15-2011	7,578	8,594
47933	AAA	17.000	02-15-2012	4,790	5,438
47951	AAA	17.000	12-15-2011	10,389	12,376
48038	AAA	17.000	11-15-2011	222,023	263,191
48040	AAA	16.000	11-15-2011	16,323	19,301
48041	AAA	16.000	12-15-2011	609,002	663,934
48042	AAA	17.000	12-15-2011	6,297	7,109
48058	AAA	16.000	12-15-2011	368,561	435,789
48063	AAA	16.000	12-15-2011	155,833	171,038
48066	AAA	17.000	12-15-2011	387,176	422,022
48119	AAA	16.000	11-15-2011	31,363	37,083
48216	AAA	17.000	12-15-2011	273,638	298,266
48225	AAA	16.000	12-15-2011	42,601	50,373
	AAA	16.000	12-15-2011	3,849	4,343



GOVERNMENT OBLIGATIONS

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Federal Agency (Continued)						
GNMA Pool: 48372	AAA	15.000 %	01-15-2012	\$ 21,091	22,809	21,513
48462	AAA	16.000	01-15-2012	1,399	1,582	1,486
48535	AAA	15.000	07-15-2011	9,133	9,805	9,316
48538	AAA	17.000	11-15-2011	33,943	40,135	38,017
48596	AAA	16.000	12-15-2011	49,999	54,499	53,124
48612	AAA	17.000	12-15-2011	166,755	197,555	186,766
48623	AAA	17.000	12-15-2011	277,230	327,822	310,498
48629	AAA	16.000	10-15-2011	102,713	111,957	109,132
48630	AAA	17.000	11-15-2011	288,855	341,524	323,517
48632	AAA	17.000	11-15-2011	67,934	80,324	76,086
48633	AAA	16.000	12-15-2011	406,014	442,652	431,390
48634	AAA	15.000	01-15-2012	16,312	17,641	16,639
48715	AAA	15.000	08-15-2011	25,986	28,101	26,506
48815	AAA	16.000	10-15-2011	487,097	530,936	517,541
48819	AAA	16.000	11-15-2011	70,293	76,619	74,686
48821	AAA	17.000	12-15-2011	279,847	330,898	313,428
48825	AAA	15.000	01-15-2012	60,493	64,954	61,703
48853	AAA	16.000	10-15-2011	725,784	791,105	771,146
48855	AAA	17.000	11-15-2011	27,342	32,333	30,623
48895	AAA	15.000	08-15-2011	2,266,156	2,433,044	2,311,479
48924	AAA	17.000	12-15-2011	87,781	103,799	98,315
48995	AAA	15.000	08-15-2011	156,123	167,635	159,245
48997	AAA	17.000	11-15-2011	29,214	34,547	32,719
48999	AAA	15.000	02-15-2012	17,320	18,723	17,666
49071	AAA	15.000	08-15-2011	33,907	36,401	34,585
49077	AAA	17.000	11-15-2011	173,987	205,725	194,866
49128	AAA	15.000	09-15-2011	38,349	41,469	39,116
49139	AAA	16.000	12-15-2011	503,966	549,323	535,464
49165	AAA	16.000	11-15-2011	24,514	26,722	26,046
49193	AAA	16.000	12-15-2011	272,164	299,060	289,175
49194	AAA	16.000	12-15-2011	144,173	157,302	153,184
49205	AAA	16.000	12-15-2011	360,833	393,352	383,385
49213	AAA	16.000	10-15-2011	197,171	214,917	209,495
49259	AAA	17.000	11-15-2011	51,871	61,336	58,096
49273	AAA	17.000	11-15-2011	18,547	21,838	20,772
49274	AAA	17.000	11-15-2011	61,856	73,296	69,279
49277	AAA	16.000	12-15-2011	10,481	11,424	11,136
49329	AAA	17.000	11-15-2011	23,165	27,391	25,945
49336	AAA	17.000	11-15-2011	20,085	23,749	22,495
49350	AAA	16.000	03-15-2012	667,567	726,396	709,290
49356	AAA	15.000	09-15-2011	60,133	64,548	61,336
49393	AAA	17.000	11-15-2011	92,558	109,440	103,665
49426	AAA	17.000	11-15-2011	332,564	393,249	372,472
49478	AAA	16.000	10-15-2011	33,720	37,579	35,828
49479	AAA	17.000	11-15-2011	92,850	109,790	103,992
49487	AAA	16.000	12-15-2011	324,615	353,883	344,903
49547	AAA	15.000	08-15-2011	17,195	18,593	17,539
49577	AAA	16.000	03-15-2012	481,619	524,965	491,251
49598	AAA	17.000	11-15-2011	525,073	620,852	588,081
49607	AAA	15.000	08-15-2011	13,738	14,751	14,013
49656	AAA	16.000	10-15-2011	21,774	23,734	23,135
49658	AAA	16.000	12-15-2011	28,146	30,679	29,905
49695	AAA	17.000	11-15-2011	97,932	115,802	109,684
49721	AAA	16.000	04-15-2012	8,256	8,999	8,772
49731	AAA	16.000	09-15-2011	14,959	16,380	16,455
49735	AAA	16.000	11-15-2011	83,367	90,870	88,577
49822	AAA	17.000	11-15-2011	75,982	89,846	85,099
49834	AAA	17.000	11-15-2011	50,111	59,253	56,124
49920	AAA	16.000	09-15-2011	19,325	21,064	20,533
49921	AAA	15.000	07-15-2011	12,776	13,718	13,031
49926	AAA	17.000	11-15-2011	21,430	25,337	24,002
49930	AAA	16.000	03-15-2012	66,203	72,161	70,341
49948	AAA	15.000	02-15-2012	22,348	23,994	22,795
49950	AAA	16.000	01-15-2012	296,487	326,566	315,018
49970	AAA	16.000	11-15-2011	780,695	850,958	829,488
49972	AAA	16.000	03-15-2012	8,268	9,328	8,785
49992	AAA	16.000	10-15-2011	524,975	572,223	557,786
50010	AAA	15.000	07-15-2011	16,129	17,447	16,452
50034	AAA	17.000	11-15-2011	57,128	67,556	63,986
50038	AAA	17.000	11-15-2011	119,009	140,708	133,290
50080	AAA	16.000	12-15-2011	31,119	33,919	33,064
50084	AAA	16.000	12-15-2011	539,908	588,500	573,653
50095	AAA	16.000	04-15-2012	154,319	168,208	163,964
50110	AAA	15.000	07-15-2012	26,569	28,727	27,101
50143	AAA	15.000	06-15-2012	19,855	21,477	20,252
50161	AAA	15.000	09-15-2011	1,231	1,331	1,255
50177	AAA	16.000	04-15-2012	261,638	285,186	277,990
50178	AAA	16.000	01-15-2012	341,137	371,925	362,458
50185	AAA	17.000	10-15-2011	199,576	235,976	223,525
50204	AAA	17.000	11-15-2011	160,746	190,063	180,036
50206	AAA	15.000	07-15-2011	4,297	4,614	4,383
50209	AAA	17.000	11-15-2011	58,507	69,181	65,528
50228	AAA	16.000	04-15-2012	162,393	177,100	172,542
50238	AAA	16.000	11-15-2011	36,481	39,841	38,761
50241	AAA	15.000	02-15-2012	536,712	576,255	547,447
50261	AAA	15.000	09-15-2011	25,052	27,098	25,553
50341	AAA	16.000	12-15-2011	340,359	370,993	361,631
50349	AAA	15.000	02-15-2012	25,453	27,515	25,962



GOVERNMENT OBLIGATIONS

Moody's  
Quality  
Rating

Coupon  
Rate

Maturity  
Date

Par  
Value

Book  
Value

Federal Agency (Continued)

GNMA Pool:	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value
50446	AAA	16.000 %	12-15-2011	\$ 919,503	1,002,259
50487	AAA	16.000	12-15-2011	339,958	370,554
50513	AAA	15.000	06-15-2012	43,454	46,804
50516	AAA	16.000	03-15-2012	9,557	10,417
50519	AAA	16.000	04-15-2012	328,956	358,562
50556	AAA	16.000	12-15-2011	315,980	344,418
50608	AAA	15.000	08-15-2011	30,306	32,782
50664	AAA	16.000	10-15-2011	258,347	281,598
50665	AAA	17.000	11-15-2011	9,223	10,000
50682	AAA	16.000	10-15-2011	5,644	6,300
50683	AAA	16.000	10-15-2011	245,051	267,105
50685	AAA	16.000	12-15-2011	562,322	612,931
50698	AAA	16.000	12-15-2011	860,389	937,824
50714	AAA	17.000	11-15-2011	249,114	294,561
50736	AAA	17.000	11-15-2011	12,179	14,402
50742	AAA	17.000	11-15-2011	24,560	29,040
50770	AAA	17.000	11-15-2011	80,930	95,700
50772	AAA	16.000	12-15-2011	494,794	539,325
50786	AAA	15.000	07-15-2012	30,129	32,348
50812	AAA	16.000	03-15-2012	141,889	154,659
50836	AAA	15.000	08-15-2012	44,765	48,064
50849	AAA	17.000	11-15-2011	7,619	9,010
50851	AAA	16.000	11-15-2011	391,504	426,739
50901	AAA	16.000	12-15-2011	246,228	268,388
50905	AAA	17.000	11-15-2011	529,050	625,704
50915	AAA	17.000	11-15-2011	16,769	19,826
50924	AAA	15.000	08-15-2011	545,790	585,953
50939	AAA	17.000	12-15-2011	451,210	533,534
50941	AAA	17.000	12-15-2011	18,524	21,905
50945	AAA	17.000	11-15-2011	21,068	24,910
50954	AAA	17.000	10-15-2011	345,683	409,881
50956	AAA	17.000	10-15-2011	262,861	310,833
50957	AAA	17.000	11-15-2011	44,952	53,158
50978	AAA	17.000	11-15-2011	111,357	131,675
50983	AAA	17.000	12-15-2011	43,009	50,856
50984	AAA	17.000	11-15-2011	968,522	1,144,095
50995	AAA	17.000	10-15-2011	129,904	153,604
50996	AAA	17.000	10-15-2011	205,803	243,357
51056	AAA	15.000	05-15-2012	19,049	20,604
51168	AAA	17.000	11-15-2011	26,351	31,162
51209	AAA	15.000	01-15-2012	14,347	15,513
51264	AAA	17.000	11-15-2011	39,155	46,295
51265	AAA	16.000	12-15-2011	406,502	443,087
51274	AAA	16.000	12-15-2011	62,117	67,958
51281	AAA	17.000	11-15-2011	256,253	302,908
51284	AAA	17.000	11-15-2011	80,940	95,710
51303	AAA	15.000	02-15-2012	12,145	13,118
51318	AAA	16.000	11-15-2011	229,315	249,956
51327	AAA	15.000	09-15-2011	43,937	47,177
51369	AAA	15.000	01-15-2012	25,654	27,749
51370	AAA	15.000	02-15-2012	14,114	15,266
51376	AAA	17.000	11-15-2011	34,544	40,846
51377	AAA	15.000	09-15-2011	57,320	61,714
51381	AAA	16.000	11-15-2011	418,643	456,321
51386	AAA	16.000	12-15-2011	361,696	394,249
51388	AAA	17.000	11-15-2011	12,516	14,798
51391	AAA	17.000	11-15-2011	15,099	17,852
51392	AAA	17.000	11-15-2011	18,762	22,183
51395	AAA	15.000	01-15-2012	93,218	100,083
51398	AAA	16.000	03-15-2012	106,599	116,465
51430	AAA	17.000	12-15-2011	455,750	538,878
51439	AAA	15.000	10-15-2011	18,947	20,493
51444	AAA	16.000	04-15-2012	435,205	474,374
51463	AAA	16.000	10-15-2011	401,310	437,428
51491	AAA	16.000	03-15-2012	237,797	259,199
51529	AAA	17.000	11-15-2011	146,100	172,762
51538	AAA	17.000	11-15-2011	9,473	11,200
51568	AAA	16.000	12-15-2011	241,327	263,046
51582	AAA	16.000	04-15-2012	402,516	438,742
51589	AAA	15.000	02-15-2012	16,850	18,213
51590	AAA	16.000	03-15-2012	258,132	281,378
51595	AAA	15.000	03-15-2012	15,201	16,439
51640	AAA	15.000	09-15-2011	549,137	593,598
51660	AAA	16.000	11-15-2011	632,585	689,518
51690	AAA	17.000	12-15-2011	77,194	91,279
51696	AAA	16.000	10-15-2011	849,019	925,430
51702	AAA	16.000	04-15-2012	31,549	34,389
51710	AAA	15.000	06-15-2011	96,157	104,009
51723	AAA	17.000	12-15-2011	32,464	35,112
51737	AAA	17.000	12-15-2011	17,263	20,407
51756	AAA	17.000	11-15-2011	23,544	27,839
51757	AAA	16.000	12-15-2011	467,957	510,072
51765	AAA	17.000	10-15-2011	110,419	130,807
51792	AAA	17.000	10-15-2011	399,402	472,285
51826	AAA	16.000	10-15-2011	350,498	414,601
51837	AAA	16.000	10-15-2011	8,847	10,011
51839	AAA	17.000	12-15-2011	7,482	8,846
51911	AAA	15.000	07-15-2012	736,436	790,999



GOVERNMENT OBLIGATIONS

Moody's  
Quality  
Rating

Coupon  
Rate

Maturity  
Date

Par  
Value

Book  
Value

Market  
Value

Federal Agency (Continued)

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
GNMA Pool: 51966	AAA	16.000 %	03-15-2012	\$ 676,929	737,892	719,237
51967	AAA	17.000	11-15-2011	214,692	253,876	240,455
51968	AAA	16.000	12-15-2011	66,344	72,314	70,490
51972	AAA	15.000	06-15-2012	71,390	76,909	72,818
51990	AAA	16.000	10-15-2011	609,714	664,588	647,821
52002	AAA	16.000	12-15-2011	181,929	198,302	193,299
52003	AAA	17.000	11-15-2011	58,216	68,837	65,202
52004	AAA	16.000	11-15-2011	532,432	580,351	565,709
52037	AAA	17.000	10-15-2011	16,271	19,240	18,224
52039	AAA	16.000	12-15-2011	360,351	392,782	382,872
52074	AAA	17.000	11-15-2011	35,423	41,885	39,674
52080	AAA	17.000	12-15-2011	326,500	386,204	365,680
52096	AAA	17.000	11-15-2011	16,664	19,849	18,664
52097	AAA	16.000	12-15-2011	42,416	46,487	45,067
52100	AAA	17.000	11-15-2011	198,634	236,099	222,470
52130	AAA	17.000	11-15-2011	65,189	77,085	73,011
52143	AAA	17.000	11-15-2011	269,879	319,124	302,265
52208	AAA	15.000	07-15-2012	238,982	256,482	243,761
52213	AAA	16.000	03-15-2012	446,546	486,735	474,455
52226	AAA	15.000	10-15-2011	557,910	599,013	569,068
52241	AAA	15.000	08-15-2012	755,303	810,930	770,409
52264	AAA	17.000	12-15-2011	21,906	25,903	24,535
52307	AAA	16.000	03-15-2012	660,646	720,104	701,936
52337	AAA	17.000	12-15-2011	43,701	51,786	48,945
52437	AAA	16.000	10-15-2011	302,489	329,717	321,395
52439	AAA	15.000	09-15-2011	45,487	49,197	46,397
52455	AAA	15.000	01-15-2012	42,486	45,616	43,336
52459	AAA	17.000	11-15-2011	41,608	49,196	46,601
52464	AAA	17.000	11-15-2011	35,457	41,918	39,712
52467	AAA	16.000	03-15-2012	264,882	288,725	281,437
52496	AAA	16.000	11-15-2011	535,665	583,875	569,144
52497	AAA	17.000	11-15-2011	213,868	252,898	239,532
52499	AAA	16.000	11-15-2011	28,805	31,398	30,606
52500	AAA	16.000	12-15-2011	62,824	68,478	66,750
52550	AAA	15.000	12-15-2011	48,965	52,574	49,944
52554	AAA	15.000	05-15-2012	28,557	30,664	29,129
52555	AAA	15.000	02-15-2012	15,885	17,178	16,202
52568	AAA	16.000	04-15-2012	986,355	1,075,127	1,048,002
52614	AAA	17.000	10-15-2011	398,364	471,426	446,168
52624	AAA	17.000	12-15-2011	62,594	74,020	70,105
52633	AAA	17.000	12-15-2011	288,664	341,308	323,304
52641	AAA	16.000	01-15-2012	327,080	356,517	347,522
52644	AAA	15.000	03-15-2012	18,367	19,720	18,734
52662	AAA	16.000	03-15-2012	520,773	567,642	553,321
52664	AAA	16.000	04-15-2012	631,823	688,687	671,312
52676	AAA	17.000	11-15-2011	615,616	727,954	689,490
52701	AAA	15.000	08-15-2012	22,213	24,012	22,657
52730	AAA	16.000	12-15-2011	2,012	2,282	2,138
52731	AAA	17.000	11-15-2011	162,996	192,899	182,556
52743	AAA	17.000	12-15-2011	403,710	477,354	452,155
52787	AAA	16.000	12-15-2011	337,958	368,374	359,081
52812	AAA	15.000	04-15-2012	27,684	29,935	28,238
52827	AAA	17.000	11-15-2011	17,220	20,361	19,286
52840	AAA	16.000	02-15-2012	3,137	3,538	3,333
52845	AAA	15.000	02-15-2012	596,174	639,775	608,097
52864	AAA	16.000	04-15-2012	387,149	421,992	411,345
52870	AAA	15.000	08-15-2012	66,442	71,252	67,771
52872	AAA	15.000	09-15-2012	235,755	252,919	240,470
52876	AAA	17.000	11-15-2011	8,949	10,583	10,023
52904	AAA	16.000	03-15-2012	356,967	389,094	379,278
52935	AAA	16.000	03-15-2012	174,813	190,554	185,739
52950	AAA	15.000	05-15-2012	733,312	787,502	747,978
53033	AAA	16.000	03-15-2012	477,782	520,782	507,643
53038	AAA	15.000	02-15-2012	1,485,805	1,595,368	1,515,521
53065	AAA	15.000	06-15-2012	537,563	576,921	548,314
53072	AAA	16.000	03-15-2012	413,650	450,878	439,503
53073	AAA	16.000	03-15-2012	111,113	121,119	118,058
53092	AAA	16.000	01-15-2012	266,030	289,973	282,657
53117	AAA	15.000	09-15-2012	19,513	21,108	19,904
53159	AAA	15.000	07-15-2012	557,258	598,268	568,403
53179	AAA	16.000	01-15-2012	437,170	476,516	464,494
53182	AAA	17.000	11-15-2011	362,053	428,131	405,499
53186	AAA	17.000	01-15-2012	196,075	231,827	219,604
53194	AAA	16.000	01-15-2012	751,396	819,022	798,358
53196	AAA	17.000	01-15-2012	305,298	360,998	341,934
53205	AAA	16.000	01-15-2012	2,102	2,371	2,233
53225	AAA	17.000	11-15-2011	19,256	22,771	21,567
53242	AAA	17.000	11-15-2011	356,715	421,770	399,521
53243	AAA	16.000	11-15-2011	342,733	373,578	364,153
53304	AAA	17.000	11-15-2011	15,381	18,319	17,226
53305	AAA	16.000	12-15-2011	99,030	107,949	105,219
53307	AAA	16.000	12-15-2011	425,621	464,492	452,223
53308	AAA	16.000	12-15-2011	346,669	377,869	368,336
53429	AAA	17.000	12-15-2011	170,184	201,271	190,606
53432	AAA	17.000	01-15-2012	73,523	86,930	82,346
53439	AAA	16.000	03-15-2012	811,485	884,519	862,203
53443	AAA	17.000	12-15-2011	163,192	192,958	182,775
53471	AAA	16.000	04-15-2012	6,717	7,597	7,137



GOVERNMENT OBLIGATIONS

Moody's  
Quality  
Rating

Coupon  
Rate

Maturity  
Date

Par  
Value

Book  
Value

Federal Agency (Continued)

GNMA Pool: 53474	AAA	16.000 %	03-15-2012	\$ 480,682	523,944
53491	AAA	16.000	03-15-2012	7,502	8,525
53524	AAA	17.000	12-15-2011	7,732	9,143
53772	AAA	15.000	05-15-2012	685,960	736,526
53773	AAA	15.000	02-15-2012	16,076	17,377
53790	AAA	15.000	08-15-2012	375,670	406,238
53809	AAA	15.000	02-15-2012	79,075	84,906
53812	AAA	16.000	03-15-2012	10,609	11,989
53840	AAA	15.000	08-15-2012	685,418	735,924
53882	AAA	15.000	09-15-2011	5,286	5,675
53887	AAA	15.000	07-15-2012	270,438	290,360
53890	AAA	16.000	01-15-2012	30,144	34,093
53995	AAA	15.000	03-15-2012	653,616	701,844
54055	AAA	11.500	05-15-2012	938,174	805,804
54068	AAA	16.000	04-15-2012	612,471	670,482
54151	AAA	15.000	01-15-2012	475,622	510,622
54279	AAA	15.000	04-15-2012	126,337	135,648
54280	AAA	16.000	04-15-2012	1,665	1,892
54306	AAA	16.000	04-15-2012	706,016	769,582
54316	AAA	15.000	06-15-2012	491,079	527,212
54329	AAA	11.500	03-15-2013	490,685	421,453
54341	AAA	15.000	06-15-2012	261,603	280,862
54343	AAA	15.000	07-15-2012	43,534	46,744
54376	AAA	16.000	05-15-2012	468,227	510,368
54404	AAA	15.000	04-15-2012	414,484	445,014
54429	AAA	15.000	07-15-2012	536,496	576,017
54443	AAA	15.000	02-15-2012	412,235	445,795
54447	AAA	15.000	07-15-2011	575,297	617,692
54458	AAA	16.000	04-15-2012	461,380	502,904
54468	AAA	15.000	08-15-2012	270,736	290,695
54489	AAA	16.000	03-15-2012	357,878	391,005
54577	AAA	16.000	04-15-2012	3,639	4,136
54609	AAA	15.000	08-15-2012	80,427	86,358
54638	AAA	15.000	01-15-2012	35,501	38,117
54648	AAA	15.000	02-15-2012	131,972	141,658
54757	AAA	16.000	04-15-2012	4,289	4,838
54784	AAA	15.000	07-15-2012	641,906	709,147
54815	AAA	15.000	02-15-2012	13,830	14,889
54821	AAA	15.000	04-15-2012	323,405	347,202
54838	AAA	15.000	09-15-2012	664,482	712,752
54859	AAA	15.000	07-15-2012	223,402	239,854
54975	AAA	15.000	07-15-2012	611,538	656,657
55042	AAA	15.000	07-15-2012	203,088	218,030
55094	AAA	16.000	04-15-2012	22,088	24,915
55098	AAA	16.000	05-15-2012	18,025	20,484
55170	AAA	15.000	09-15-2012	55,146	59,205
55172	AAA	15.000	09-15-2012	93,844	100,769
55184	AAA	15.000	06-15-2012	505,312	542,542
55191	AAA	16.000	03-15-2012	10,504	11,858
55207	AAA	15.000	04-15-2012	96,190	103,279
55208	AAA	16.000	04-15-2012	8,961	10,147
55214	AAA	15.000	05-15-2012	566,741	608,527
55255	AAA	15.000	05-15-2012	32,304	34,938
55288	AAA	15.000	08-15-2012	333,083	357,595
55317	AAA	15.000	03-15-2012	22,701	24,374
55388	AAA	15.000	06-15-2012	544,972	585,099
55398	AAA	15.000	07-15-2012	619,875	665,473
55419	AAA	16.000	04-15-2012	7,536	8,501
55485	AAA	15.000	07-15-2012	1,159,002	1,244,235
55580	AAA	15.000	08-15-2012	270,863	290,812
55614	AAA	14.750	06-15-1997	561,411	608,070
55855	AAA	15.000	06-15-2012	206,882	223,752
55958	AAA	15.000	08-15-2012	738,309	792,693
55990	AAA	15.000	08-15-2012	63,413	68,575
56004	AAA	15.000	07-15-2012	1,145,273	1,232,028
56008	AAA	15.000	08-15-2012	1,178,724	1,265,264
56171	AAA	15.000	07-15-2012	444,200	476,887
56172	AAA	15.000	08-15-2012	636,178	682,493
56254	AAA	15.000	07-15-2012	543,812	583,877
56267	AAA	15.000	04-15-2012	217,762	233,803
56275	AAA	15.000	07-15-2012	699,290	750,588
56285	AAA	15.000	08-15-2012	572,313	614,488
56454	AAA	15.000	08-15-2012	91,011	98,422
56464	AAA	15.000	06-15-2012	669,006	718,275
56578	AAA	15.000	07-15-2012	473,011	507,883
56581	AAA	15.000	08-15-2012	1,729,873	1,857,328
56622	AAA	15.000	09-15-2012	248,729	267,068
56653	AAA	15.000	06-15-2012	503,903	541,066
56695	AAA	15.000	08-15-2012	681,335	731,551
56703	AAA	15.000	08-15-2012	317,027	340,351
56755	AAA	15.000	06-15-2012	1,067,182	1,145,839
56842	AAA	15.000	09-15-2012	27,594	29,842
56854	AAA	15.000	07-15-2012	547,617	587,855
56920	AAA	15.000	09-15-2012	1,094,703	1,175,367
56932	AAA	15.000	07-15-2012	366,130	393,083
56939	AAA	15.000	07-15-2012	397,141	426,417
56944	AAA	15.000	08-15-2012	382,963	411,186
56979	AAA	15.000	08-15-2012	582,360	625,281



**GOVERNMENT OBLIGATIONS**

**Federal Agency (Continued)**

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
GNMA Pool: 57079	AAA	15.000 %	06-15-2012	\$ 451,288	484,574	460,313
57132	AAA	15.000	07-15-2012	498,498	535,274	508,468
57202	AAA	15.000	08-15-2012	149,967	162,201	152,967
57213	AAA	15.000	08-15-2012	121,242	129,943	123,667
57222	AAA	15.000	08-15-2012	690,818	741,697	704,635
57224	AAA	15.000	10-15-2012	335,163	359,850	341,866
57309	AAA	15.000	08-15-2012	124,426	133,600	126,915
57367	AAA	15.000	07-15-2012	563,242	604,748	574,507
57477	AAA	15.000	09-15-2012	833,465	901,381	850,134
57495	AAA	11.500	04-15-2013	986,821	847,587	831,397
57579	AAA	15.000	08-15-2012	424,882	456,210	433,380
57580	AAA	15.000	08-15-2012	765,552	823,404	780,863
57624	AAA	15.000	09-15-2012	14,902	16,000	15,200
57732	AAA	15.000	08-15-2012	1,151,278	1,236,016	1,174,303
57749	AAA	15.000	08-15-2012	480,952	516,411	490,571
57801	AAA	15.000	10-15-2012	351,659	377,571	358,693
57892	AAA	15.000	08-15-2012	382,079	410,237	389,721
57993	AAA	15.000	10-15-2012	713,688	766,233	727,962
58061	AAA	15.000	10-15-2012	149,265	161,227	152,250
58062	AAA	15.000	09-15-2012	516,750	554,832	527,085
58396	AAA	15.000	10-15-2012	717,933	770,426	732,291
58483	AAA	16.000	09-15-2012	225,836	246,161	239,951
58981	AAA	11.500	06-15-2013	29,832	25,623	25,133
59424	AAA	10.500	03-15-1998	1,409	1,355	1,197
59910	AAA	11.500	05-15-2013	19,838,724	17,039,604	16,714,125
61203	AAA	11.500	03-15-2013	4,923,262	4,228,621	4,147,848
61661	AAA	11.500	12-15-2012	949,544	815,569	799,990
61727	AAA	11.500	05-15-2013	37,443	32,160	31,546
64039	AAA	11.500	04-15-2013	49,752	42,732	41,916
64047	AAA	11.500	03-15-2013	881,194	756,863	742,406
65281	AAA	11.500	04-15-2013	973,719	836,333	820,358
65560	AAA	11.500	04-15-2013	99,385	85,362	83,732
65886	AAA	11.500	06-15-2013	1,470,668	1,263,166	1,239,038
66555	AAA	11.500	03-15-2013	969,307	832,544	816,641
66672	AAA	11.500	07-15-2013	968,884	832,181	816,285
67422	AAA	11.500	03-15-2013	1,004,810	863,037	846,552
69394	AAA	11.500	05-15-2013	34,781	29,874	29,303
69400	AAA	11.500	07-15-2013	980,582	842,228	826,140
71372	AAA	11.500	09-15-2013	49,837	42,805	41,988
90754	AAA	13.500	05-15-2010	644,816	660,385	612,575
90756	AAA	13.500	05-15-2010	259,737	266,016	246,750
94233	AAA	13.500	11-15-2011	195,108	199,814	185,353
96759	AAA	10.000	03-15-2013	1,040,786	950,438	787,094
97470	AAA	13.500	10-15-2012	283,138	289,926	268,981
98234	AAA	10.000	03-15-2013	1,045,415	954,530	790,595
101120	AAA	11.500	07-15-2013	982,384	843,776	827,658
101272	AAA	11.500	08-15-2013	1,005,331	863,485	846,992
107735	AAA	11.500	09-15-2013	562,609	483,229	473,998
109004	AAA	11.500	01-15-2014	1,996,440	1,714,755	1,682,001
113166	AAA	8.000	05-15-2008	3,907,881	2,987,086	2,608,510
GNMA: Various Pools	AAA	0	00-00-0000	2,380	2,668	2,508
GNMA Project Loan: 136-32008	NR	7.500	01-01-2018	39,007	28,677	22,575
GNMA Sears Mortgage Securities Corporation	AAA	8.500	04-01-2017	12,200,000	8,471,375	8,540,000
G & A Ltd. 1 Government Guaranteed Ship Finance	AAA	15.900	02-15-1997	7,000,000	7,000,000	7,122,150
Inter American Development Bank	AAA	14.625	08-01-1992	5,000,000	5,381,250	5,100,300
International Bank for Reconstruction & Development	AAA	14.625	08-01-1987	5,000,000	5,000,000	5,051,700
Lachmar Corporation Government Gtd Ship Finance	AAA	11.000	10-15-1989	5,000,000	5,000,000	4,555,150
Treasury Receipts	AAA	0	02-15-1991	4,740,000	2,090,719	1,951,268
	AAA	13.375	02-15-1991	3,076,250	1,277,013	1,266,378
	AAA	13.375	08-15-1991	3,076,250	1,204,444	1,184,356
	AAA	0	02-15-1992	7,000,000	2,682,260	2,529,450
<b>Total Federal Agency</b>				<b>659,286,126</b>	<b>600,651,095</b>	<b>568,795,644</b>

<b>Foreign</b>						
Canadian National Railway Company	NR	14.000	01-15-2006	5,300,000	5,518,250	5,010,514
Erste Sparkasse Euro Floating Rate	NR	15.000	06-01-2006	3,000,000	3,243,750	2,980,950
Hydro-Quebec	NR	10.190	01-27-1994	4,000,000	3,939,200	3,952,000
Israel (Government of) Floating Rate	NR	13.375	02-15-2013	2,045,000	2,170,256	1,839,109
Sweden (Kingdom of) Floating Rate	NR	13.000	12-01-1987	1,000,000	1,000,000	1,000,000
	NR	12.040	05-15-1991	10,000,000	10,016,000	10,020,000
	NR	11.000	02-03-1993	11,000,000	11,014,300	11,013,750
<b>Total Foreign</b>				<b>36,345,000</b>	<b>36,901,756</b>	<b>35,816,323</b>

<b>TOTAL GOVERNMENT OBLIGATIONS</b>						
				<b>1,005,261,126</b>	<b>935,647,768</b>	<b>886,328,019</b>

**CORPORATE OBLIGATIONS**

<b>Finance</b>						
Associates Investment Company	A-1	4.625%	04-01-1985	\$ 5,470,000	5,125,402	5,153,725
AVCO Financial Services Incorporated	NR	14.125	12-15-1985	1,600,000	1,594,000	1,610,800
Barclays American Corporation	NR	13.000	07-01-1996	5,000,000	4,970,200	4,912,500
Beneficial Finance Company	A3	4.450	06-01-1988	1,000,000	882,165	743,620



**CORPORATE OBLIGATIONS**

**Finance (Continued)**

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value
Financial Corporation	AA3	6.375 %	10-01-1986	\$ 3,700,000	3,559,991
Corp Floating Rate	NR	10.770	04-10-1992	5,000,000	4,993,750
Corp	AA-1	13.125	05-01-1989	1,665,000	1,665,000
	NR	13.750	06-01-1996	5,000,000	5,000,000
Motor Credit Corporation	NR	15.400	09-04-1987	5,000,000	5,223,000
Motor Credit Corporation Floating Rate	NR	10.900	04-08-1987	10,000,000	10,002,500
eral Motors Acceptance Corporation	AA2	11.750	10-15-1989	3,000,000	2,994,750
tion First Savings Association Texas	NR	8.875	08-01-1984	3,000,000	2,998,765
g Bank Corporation	AA3	6.125	07-01-1992	4,100,000	2,270,965
y Credit Corporation	AA3	13.750	03-01-1988	5,750,000	5,717,800
he Midland Banks Incorporated	NR	7.625	03-01-2003	8,000,000	8,000,000
on Financial Company	NR	13.500	08-15-1987	2,200,000	2,192,014
ncipal Finance Authority B C	AAA	13.750	12-01-2005	494,000	532,903
ern California Savings and Loan Association	AAA	12.500	02-01-1985	3,000,000	3,000,000
e Export Funding Corporation	AAA	16.250	09-30-1986	5,000,000	5,000,000
	AAA	11.750	10-30-1987	5,000,000	4,990,477
	AAA	16.200	09-30-1989	4,411,000	4,411,000
Commerce Bank Floating Rate	NR	10.390	10-21-1985	13,500,000	13,500,000
ncorp	AA2	8.600	04-15-1988	5,000,000	5,000,000
Bank Los Angeles California	NR	4.625	11-26-1988	2,000,000	2,000,000
<b>Total Finance</b>				<b>107,890,000</b>	<b>105,624,702</b>

**Industrial and Miscellaneous**

Laboratories	AA-1	11.000	02-01-1993	5,000,000	4,975,000
an Hospital Supply Corporation	AA2	13.125	09-01-1992	5,000,000	4,954,750
oods International Incorporated Delaware	NR	12.000	12-15-2008	2,500,000	2,400,000
g Glass Works	A2	8.250	12-01-2007	2,450,000	1,849,000
nt (E.I.) De Nemours and Company	AA2	8.000	05-01-1986	5,000,000	5,000,000
do Nuclear Limited	NR	10.500	02-28-1989	3,000,000	2,987,400
orporation	A3	8.500	01-15-2001	4,000,000	3,989,369
ncorporated	NR	9.000	12-31-2007	46,000	27,846
Development Corporation	AAA	14.125	03-01-1988	5,000,000	4,986,752
hipping Company Deferred Interest	NR	0	09-01-2012	220,000,000	10,000,000
al Mills Incorporated	NR	10.375	10-15-1984	8,000,000	8,000,000
ool Company Variable Rate	NR	12.625	08-15-1985	8,800,000	8,814,960
	NR	14.125	08-05-1985	4,775,000	4,775,000
th Incorporated	A2	14.250	12-15-1988	10,000,000	9,919,048
orporation	A3	10.500	06-01-2008	1,050,000	1,040,484
on Oil Company	A2	9.875	07-15-1985	5,000,000	4,978,537
ynch and Company Incorporated FL Rate	BAA2	12.500	03-01-1994	4,568,600	4,115,521
ncorporated	NR	10.620	05-10-1992	10,000,000	9,987,075
ustries Incorporated	AA2	8.875	08-15-1985	10,000,000	10,000,000
ebuck and Company	AA3	8.000	02-15-1985	5,000,000	4,995,073
o Oil Company	NR	12.000	01-15-1994	7,000,000	7,000,000
ncorporated	AA3	14.375	12-01-1991	5,000,000	4,959,481
irror Company	A2	13.375	01-15-1991	5,000,000	4,978,658
<b>Total Industrial and Miscellaneous</b>	AA3	9.625	09-15-1986	10,000,000	9,984,950
<b>Total</b>				<b>345,889,600</b>	<b>134,418,851</b>

**Line**

Gas Pipeline Company of America	A2	8.200	08-01-1986	5,000,000	5,000,000
<b>Public Utilities</b>					
Power Company	BAA1	16.000	06-01-2014	2,000,000	1,997,500
nd Lighting Company	BA3	16.750	07-01-1991	1,435,000	1,492,400
	BA3	17.000	12-01-1991	1,000,000	1,018,750
Fuel Supply Company	BA2	5.250	03-01-1996	800,000	375,488
State Electric and Gas Corporation	BA3	13.500	05-01-2013	5,000,000	4,825,000
Illinois Gas Company	BAA2	4.875	09-01-1986	1,960,000	1,963,569
hia Electric Company	AA2	18.000	02-01-2012	2,000,000	2,517,500
rice Company of Indiana Incorporated	BA-1	11.000	03-01-1993	5,000,000	4,985,000
Electric Power Company	BA2	4.375	02-15-2009	5,000,000	5,000,000
<b>Public Utilities</b>	AAA	13.750	02-01-1989	1,000,000	659,560
			12-01-1986	2,000,000	2,000,000
<b>Total Public Utilities</b>				<b>27,195,000</b>	<b>26,834,757</b>
<b>Total Corporate Obligations</b>				<b>485,974,600</b>	<b>271,878,310</b>

**Convertible Issues**

General Corporation	NR				
anufacturing Corporation	BA-1	11.000	11-04-2008	273,000	357,296
anks Florida Incorporated	A	10.000	12-15-2006	3,000	2,614
orporation	BAA1	9.750	12-15-2006	2,151,000	3,018,953
erbach Corporation	BAA2	9.250	06-15-2006	4,568,000	5,034,864
s and Fuel Association	BAA2	9.250	05-01-2009	330,000	313,662
orporation	A3	9.750	08-15-2008	1,885,000	1,802,138
ation	BAA3	10.000	10-01-2001	1,000,000	972,500
of Incorporated	NR	8.500	11-01-2007	4,004,000	4,564,554
orporation	BAA1	9.750	07-01-2009	1,625,000	1,625,000
orporation	NR	10.250	03-15-2006	2,700,000	2,670,950
ical Enterprises Incorporated	BAA2	8.000	03-31-2009	7,627,000	7,645,329
ation	BAA1	8.750	05-15-2008	2,000,000	2,000,000
vation Incorporated	BA2	8.000	06-01-2008	4,560,000	4,494,479
the Oil Refining Corporation	BAA2	6.000	12-01-2007	1,835,000	1,954,275
		8.875	03-15-2008	931,000	970,709

**Convertible Issues**

General Incorporated

Bank Street Station Corporation

Stores (F) and Company

Industries Leasing Comp

Stone Lumber Company

**TOTAL CONVERTIBLE ISSUES**

**TOTAL BONDS AND CORP**

**PREFERRED STOCKS**

West Corporation \$6.74

American General Corporation

United States Steel Corporation

United States Steel Company \$5.00

Whelan Northern Incorporated

City Investing Company \$2.875

Financial Corporation of America

First Interstate Corporation Del

Investment International Corp

One Star Industries Incorporated

Ch Corporation \$3.00

Ch Incorporated 1.50%

West Airlines Incorporated

United States Steel Corporation

**TOTAL PREFERRED STOCKS**

**TOTAL BONDS, CORPOR**

**AND PREFERRED STOCK**

**SHORT TERM INVESTMENT**

West Bank of Texas

American Express Credit Corp

American Security Bank

American Education Bank

Bank of New England

Bank of Nova Scotia

Bank of America

Bank of America Acceptance Corp

Central Bank Bankers Accept

Central Bank of Canada

Central Bank of France Co

Equity Corporation

First National Bank and Trust

First National Edson Comp

First National

First National Company

First National Credit Bank

First National de France

First National Bank Minneapolis

First National Bank of Atlanta

First National Bank of Maryland

First State Credit Corporation

First State United

First State Bank

General Electric Credit Corporat

General Motors Acceptance Co

First State Due to Broker

First State Investment Reserves F

First State National Gas

First State Finance

First State Corporation

First State

First State National Acceptance

First State National Acceptance

First State and Company Inc

First State Fuel Corporation

First State Fuel Incorporated

First State Bank Limited

First State Bank Short Term Invest

First State Guaranty Company Euro

First State Guaranty Trust Company



	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	BAA3	9.250 %	10-01-2005	\$ 800,000	750,000	760,000
	A3	7.750	05-01-2008	3,100,000	3,114,280	2,728,000
Corporation	NR	9.000	05-15-2008	13,677,000	12,212,902	11,898,990
Company Incorporated	NR	10.000	01-15-2006	10,036,000	9,977,667	9,283,300
Company	NR	4.500	04-01-1987	3,000,000	2,584,120	2,557,500
Company	NR	4.250	04-01-1988	1,000,000	785,000	792,500

**67,105,000      66,851,289      62,874,535**

**ISSUES**

**CORPORATE NOTES**

**553,079,600      338,729,599      324,148,445**

	Shares	Book Value	Market Value
	100,800	6,280,028	5,871,600
	152,500	9,524,308	9,226,250
	107,600	5,824,500	5,057,200
	154,000	7,147,159	7,007,000
	469,200	11,830,408	11,084,850
	438,500	20,704,701	17,704,438
	61,300	1,532,500	1,524,838
	36,300	2,451,579	2,250,600
	276,700	13,816,574	13,419,950
	479,200	13,535,244	11,620,600
	29,600	536,993	473,600
	136,200	2,629,471	2,553,750
	114,300	15,621,138	14,101,762

**111,434,603      101,896,438**

**STOCKS**

**CORPORATE NOTES**

**STOCK**

**1,385,811,970      1,312,372,902**

**INVESTMENTS**

	NR	11.000%	07-24-1984	\$ 4,000,000	4,000,000	4,000,000
Corporation	NR	11.400	07-26-1984	5,000,000	5,000,000	5,000,000
	NR	10.900	07-03-1984	15,000,000	14,977,292	14,977,292
	NR	11.350	09-07-1984	10,000,000	10,002,290	10,000,000
Bank	NR	10.500	07-17-1984	10,000,000	9,778,333	9,778,333
	NR	10.350	07-12-1984	5,000,000	4,999,270	5,000,000
	NR	10.600	07-02-1984	10,000,000	9,902,833	9,902,833
	NR	10.800	07-16-1984	10,000,000	9,859,000	9,859,000
Corporation	NR	10.800	08-06-1984	5,000,000	4,865,000	4,865,000
Acceptance	NR	11.100	07-23-1984	3,000,000	2,971,325	2,971,325
Life Corporation	NR	10.900	07-09-1984	12,000,000	11,803,800	11,803,800
	NR	10.400	07-13-1984	5,000,000	4,943,667	4,943,667
Trust	NR	11,000	07-12-1984	15,000,000	14,931,250	14,931,250
Company	NR	10.600	07-02-1984	10,000,000	9,999,928	10,000,000
	NR	11,100	07-24-1984	5,000,000	4,944,500	4,944,500
	NR	10.450	07-26-1984	10,000,000	9,738,750	9,738,750
	NR	10.625	07-20-1984	5,000,000	4,935,069	4,935,069
	NR	11,550	09-20-1984	10,000,000	9,730,500	9,730,500
	NR	11,500	08-14-1984	9,000,000	8,738,375	8,738,375
London	NR	11,125	09-10-1984	10,000,000	9,721,875	9,721,875
to	NR	10,690	07-10-1984	10,000,000	10,001,231	10,000,000
land	NR	11,250	08-27-1984	5,000,000	4,903,125	4,903,125
	NR	10,150	07-06-1984	5,000,000	4,868,896	4,868,896
tion	NR	10,300	07-24-1984	5,000,000	4,871,250	4,871,250
	NR	10,850	07-25-1984	3,000,000	2,961,121	2,961,121
	NR	10,320	07-05-1984	3,000,000	2,910,560	2,910,560
	NR	10,750	08-29-1984	5,000,000	4,831,285	4,831,285
	NR	11,450	09-10-1984	5,000,000	4,871,188	4,871,188
Corporation	NR	10,375	07-05-1984	5,000,000	4,935,156	4,935,156
Life Corporation	NR	11,100	08-03-1984	5,000,000	4,930,625	4,930,625
	NR	11,000	07-11-1984	15,000,000	14,926,667	14,926,667
	NR	11,000	07-12-1984	15,000,000	14,926,667	14,926,667
ive Fund	NR	11,000	07-03-1984	15,000,000	14,977,083	14,977,083
	NR	0	00-00-0000	-4,537,613	-4,537,613	-4,537,613
	NR	0	00-00-0000	458,477,765	458,477,765	458,477,765
	NR	10,550	08-06-1984	5,000,000	4,910,618	4,910,618
	NR	11,100	07-18-1984	8,000,000	7,926,000	7,926,000
	NR	11,000	07-27-1984	3,000,000	2,973,417	2,973,417
ance	NR	10,550	08-06-1984	5,000,000	4,910,618	4,910,618
ation	NR	11,000	07-13-1984	5,000,000	4,910,618	4,910,618
ly Incorporated	NR	10,250	07-27-1984	2,000,000	1,964,556	1,964,556
	NR	9,960	05-19-1986	7,000,000	6,824,611	6,824,611
ed	NR	10,950	07-19-1984	10,000,000	10,000,000	10,000,000
	NR	11,050	07-11-1984	3,000,000	2,972,625	2,972,625
vestment Fund	NR	11,075	07-26-1984	15,000,000	14,930,938	14,930,938
ly Euro-Dollar	NR	11,475	09-28-1984	8,000,000	7,899,094	7,899,094
Company	NR	0	00-00-0000	5,000,000	4,842,219	4,842,219
	NR	11,750	09-25-1984	380,298	380,298	380,298
	NR	11,150	08-08-1984	15,000,000	15,000,000	15,000,000
	NR	11,260	09-06-1984	5,000,000	4,997,270	5,000,000
	NR	11,270	09-17-1984	5,000,000	4,879,581	4,879,581
				5,000,000	4,862,256	4,862,256



**SHORT TERM INVESTMENTS**

	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value
National Car Rental	NR	11.050 %	07-24-1984	\$ 3,000,000
Norwest Corporation	NR	10.550	07-13-1984	9,000,000
Ohio Edison Fuel Company	NR	10.900	07-26-1984	5,000,000
Paccar Financial Corporation	NR	10.500	07-11-1984	4,000,000
	NR	10.700	07-12-1984	5,000,000
Pacific Energy Trust Company	NR	11.450	08-07-1984	5,000,000
Pacific Light Company	NR	11.000	07-20-1984	3,000,000
Philip Morris Credit Corporation	NR	10.750	07-20-1984	3,000,000
Prudential Funding Corporation	NR	11.050	07-13-1984	15,000,000
Republic Bank Dallas	NR	10.950	07-24-1984	10,000,000
Republic Bank Dallas Bankers Acceptance	NR	10.350	07-02-1984	5,000,000
Rite Aid Corporation	NR	10.750	07-23-1984	3,000,000
Sangs Fuel Company	NR	11.100	08-02-1984	5,000,000
Sanwa Bank Limited Bankers Acceptance	NR	10.500	07-18-1984	10,000,000
Sears Roebuck Acceptance Corporation	NR	11.000	07-12-1984	15,000,000
Security Pacific National Bank	NR	11.330	09-27-1984	5,000,000
Shawmut Bank of Boston Bankers Acceptance	NR	10.850	09-07-1984	5,000,000
Standard Oil Company of California	NR	11.050	07-03-1984	15,000,000
	NR	10.800	07-20-1984	3,000,000
	NR	11.000	07-31-1984	3,000,000
Sumitomo Bank Limited Bankers Acceptance	NR	10.700	08-07-1984	5,000,000
Swiss Bank Corporation Overseas Finance	NR	10.500	07-12-1984	10,000,000
	NR	11.200	09-04-1984	10,000,000
Texaco Incorporated	NR	11.050	07-12-1984	15,000,000
	NR	11.050	07-23-1984	3,000,000
	NR	11.050	07-26-1984	3,000,000
Texas America Bank Fort Worth Texas	NR	10.600	07-02-1984	5,000,000
	NR	11.650	08-28-1984	15,000,000
Texas Commerce Bancshares	NR	11.250	07-20-1984	5,000,000
Textron Financial Corporation	NR	11.050	07-30-1984	3,000,000
Tokai Bank Limited New York	NR	10.260	07-24-1984	5,000,000
	NR	11.400	08-06-1984	4,000,000
	NR	11.450	08-06-1984	5,000,000
U.S. Treasury Bills	NR	11.500	09-10-1984	5,000,000
	NR	9.360	07-12-1984	1,075,000
	NR	9.860	08-09-1984	485,000
	NR	9.760	08-16-1984	800,000
	NR	9.940	08-23-1984	10,000
	NR	10.390	11-29-1984	5,000,000
	NR	10.490	12-13-1984	60,000
	NR	10.580	12-20-1984	850,000
United Technologies Corporation	NR	10.370	12-27-1984	1,130,000
	NR	10.800	07-20-1984	3,000,000
<b>TOTAL SHORT TERM INVESTMENTS</b>				<b>1,055,730,450</b>

**COMMON STOCK-DOMESTIC**

	Shares	Book Value
<b>Air Transport</b>		
Boeing Company	100,000	\$ 3,750
E Systems Incorporated	125,000	450
EDO Corporation	150,000	330
Lockheed Corporation	553,100	20,610
Martin Marietta Corporation	69,600	253
Sanders Associates	60,000	3,240
United Technologies Corporation	28,700	980
<b>Automobiles and Auto Parts</b>		
Chrysler Corporation	279,800	4,690
Dana Corporation	40,900	1,200
Eaton Corporation	75,300	3,190
Firestone Tire and Rubber Company	47,800	974
Ford Motor Company	490,650	18,093
Fruehauf Corporation	123,100	4,375
Gencorp Incorporated	101,543	2,724
General Motors Corporation	230,100	13,796
Goodrich (B.F.) Company	76,100	1,692
Goodyear Tire and Rubber Company	75,800	2,289
Libbey-Owens-Ford Company	90,000	2,896
Timken Company	43,600	2,113
<b>Banking and Finance</b>		
Ahmanson (H.F.) & Company		
American Express Company		
Amerifin Corporation		
Bank of New York Company Incorporated	50,000	1,908
Bankamerica Corporation	125,000	4,344
Beneficial Corporation	100,000	2,958
Calfed Incorporated	50,000	1,617
Chase Manhattan Corporation	211,600	3,974
Cincinnati Financial Corporation	25,000	853
Continental Illinois Corporation	33,000	507
Federal National Mortgage Association	50,000	2,753
Fleet Financial Group Incorporated	75,000	4,692
General Re Corporation	50,000	1,320
	210,000	5,065
	69,000	3,043
	50,000	3,130



Book Value

**COMMON STOCK-DOMESTIC**

Shares Book Value Market Value

**Banking and Finance (Continued)**

Golden West Financial Corporation Delaware	21600	\$ 525,960	251,100
Great Western Financial Corporation	152,700	2,521,979	2,710,425
Home Federal Savings and Loan Association	62,700	831,101	768,075
Manufacturers Hanover Corporation	82,800	2,941,056	2,049,300
Merrill Lynch and Company Incorporated	125,000	4,475,650	3,359,375
N C N B Corporation	127,800	3,187,130	3,067,200
Sabine Royalty Trust	92,600	2,030,724	1,886,725
Security Pacific Corporation	42,700	2,146,436	1,804,075
State Street Boston Corporation	16,100	499,225	547,400
Student Loan Marketing Association	109,400	2,825,957	2,639,275

**Beverages**

National Distillers and Chemical	78,800	1,957,651	2,176,850
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**Chemicals and Synthetic Fibers**

Allied Corporation	322,450	10,313,930	10,197,481
American Cyanamid Company	122,000	6,010,244	5,871,250
Celanese Corporation	54,900	3,434,011	3,554,775
Diamond Shamrock Corporation	166,800	3,744,949	3,085,800
Dow Chemical Company	75,000	3,221,300	2,100,000
Du Pont (E.I.) De Nemours and Company	62,000	2,331,665	2,828,750
Ethyl Corporation	11,600	154,391	253,750
Ferro Corporation	600	15,612	15,150
FMC Corporation	80,900	2,549,968	3,933,763
Grace (WR) and Company	2,100	75,117	90,825
Hercules Incorporated	112,600	4,106,124	3,363,925
International Minerals and Chemical	7,200	193,419	259,200
Koppers Company Incorporated	195,100	2,360,298	3,658,125
Monsanto Company	48,400	2,451,878	2,093,300
Naico Chemical Company	125,000	3,924,092	2,968,750
PPG Industries Incorporated	128,800	2,566,363	3,590,300
Union Carbide Corporation	60,000	3,424,159	3,060,000
Williams Companies	103,500	1,702,245	2,716,875

**Conglomerates and Miscellaneous**

Advanced Micro Devices Incorporated	126,800	2,380,141	3,899,100
American General Corporation	439,200	10,253,124	9,113,400
AMFAC Incorporated	103,500	2,495,895	2,277,000
Andrew Corporation	130,800	4,890,993	4,349,100
Beverly Enterprises	142,000	4,993,860	3,887,250
Big Three Industries Incorporated	88,400	2,054,906	2,055,300
Coastal Corporation	85,100	2,000,590	2,478,538
Community Psychiatric Centers	95,700	3,649,740	3,349,500
CSX Corporation	230,650	5,203,982	4,785,988
Eagle-Picher Industries Incorporated	9,300	115,599	213,900
Emhart Corporation	100,000	3,108,237	2,912,500
Foremost Corporation of America	70,500	1,842,125	1,744,875
Gulf and Western Industries Incorporated	137,700	2,151,692	4,027,725
UN Broadcasting Corporation	175,000	3,527,677	3,784,375
Union Industries Incorporated	15,400	910,496	1,131,900
Lewis Corporation	25,000	1,563,761	2,012,500
ETV Corporation	69,600	988,392	826,500
Norton Company	29,000	874,205	942,500
Ocean Drilling and Exploration Company	21,700	525,284	580,475
Ogden Corporation	121,000	3,246,585	3,388,000
Signal Companies Incorporated	176,000	4,807,521	4,642,000
Stanley Works	35,900	897,418	776,338
Storer Communications Incorporated	75,000	2,414,495	3,009,375
Texton Incorporated	79,100	2,128,970	2,254,350
Waste Management Incorporated	208,900	8,931,367	6,815,363
Webb Del E Corporation	2,300	15,215	39,100

**Construction**

Armstrong World Industries Incorporated	136,300	2,466,639	3,492,688
Dravo Corporation	700	8,414	8,313
Ideal Basic Industries Incorporated	13,600	255,535	255,000
Mohasco Corporation	65,600	699,657	1,098,800
National Gypsum Company	88,600	2,530,135	2,646,925
Owens-Corning Fiberglas Corporation	100,000	2,110,572	2,625,000
Standard Brands Paint Company	132,000	2,638,425	2,590,500
U.S. Home Corporation	33,000	550,624	189,750
United States Gypsum Company	48,400	1,999,043	2,347,400

**Electrical and Electronic**

American Ecology Corporation	885	0	3,208
AMP Incorporated Endorsed Shares	280,300	10,345,494	8,969,600
Avnet Incorporated	277,300	9,844,143	9,150,900
Black and Decker Manufacturing Company	131,000	3,280,771	2,963,875
Coming Glass Works	47,900	3,330,408	3,053,625
Electronic Data System Incorporated	360,600	8,203,650	15,100,125
ElectroSpace System Incorporated	184,200	5,471,146	4,466,850
Emerson Electric Company	31,300	1,900,756	1,991,463
General Electric Company	172,600	9,593,349	9,061,500
Genrad Incorporated	130,000	5,474,726	2,990,000

Book Value

000 2,970,531  
 000 8,881,341  
 000 4,931,875  
 000 3,959,167  
 000 4,949,472  
 000 4,933,206  
 000 2,973,417  
 000 2,968,646  
 000 14,930,938  
 000 10,000,000  
 000 4,913,750  
 000 2,968,646  
 000 4,930,625  
 000 9,749,167  
 000 14,931,250  
 000 4,853,654  
 000 4,867,389  
 000 14,963,167  
 000 2,972,100  
 000 2,970,667  
 000 4,864,754  
 000 9,736,167  
 000 9,704,444  
 000 14,921,729  
 000 2,971,654  
 000 2,972,395  
 000 5,000,000  
 000 15,000,000  
 000 4,940,938  
 000 2,971,654  
 000 4,833,275  
 000 3,894,867  
 000 4,868,007  
 000 4,872,222  
 000 1,068,200  
 000 473,295  
 000 780,480  
 000 9,751  
 000 4,734,583  
 000 56,345  
 000 804,511  
 000 1,069,859  
 000 2,973,000  
 000 1,048,153,888  
 3,759,750  
 4,509,500  
 3,300,000  
 20,618,186  
 2,536,739  
 3,247,766  
 987,530  
 4,698,247  
 1,200,600  
 3,190,235  
 974,256  
 18,093,777  
 4,375,264  
 2,721,877  
 13,796,506  
 1,692,947  
 2,289,808  
 2,896,283  
 2,113,497  
 1,908,000  
 4,344,990  
 2,958,000  
 1,617,478  
 3,971,732  
 853,625  
 507,825  
 2,753,415  
 4,692,722  
 1,320,591  
 5,065,041  
 3,043,321  
 1,130,000



**COMMON STOCK—DOMESTIC**

	Shares	Book Value
<b>Electrical and Electronic (Continued)</b>		
Gould Incorporated	170,000	\$ 6,045,238
Hewlett Packard Company	372,400	11,748,965
Hoover Company	42,000	416,980
Intel Corporation	138,500	5,067,720
Lear Siegler Incorporated	75,000	3,587,721
Motorola Incorporated	260,600	10,388,087
Park Communications Incorporated	32,000	608,000
RCA Corporation	498,600	16,311,703
Teradyne Incorporated	125,000	4,259,000
Varian Associates Incorporated	136,500	7,429,634
Viacom International Incorporated	100,000	3,242,237
Zenith Electronics Corporation	125,000	4,006,521
<b>Food Soap and Tobacco</b>		
Castle and Cooke Incorporated	253,500	2,233,333
Collins Foods International Incorporated Delaware	80,000	400,000
Dart and Kraft Incorporated	55,000	4,035,717
General Foods Corporation	108,000	5,165,670
Morton Thiokol Incorporated	146,000	10,975,781
Philip Morris Incorporated	224,000	14,641,680
Sysco Corporation	155,000	4,235,100
<b>Health Care and Cosmetics</b>		
Abbott Laboratories	117,800	5,129,473
American Home Products Corporation	60,000	3,054,838
Avon Products Incorporated	250,000	5,466,250
Bristol Myers Company	131,600	5,604,802
Comprehensive Care Corporation	26,600	718,904
Hospital Corp of America	53,199	1,697,716
Johnson and Johnson	155,000	6,855,381
Merck and Company Incorporated	35,000	3,271,813
National Medical Enterprises Incorporated	293,500	7,843,745
Pfizer Incorporated	272,000	10,071,520
Pharmacia AB	290,000	6,839,010
Searle (G.D.) and Company	175,000	7,270,347
Squibb Corporation	129,400	5,863,148
<b>Insurance</b>		
Farmers Group Incorporated	70,000	2,470,000
Travelers Corporation	98,000	2,331,613
<b>Leisure and Entertainment</b>		
American Broadcasting Companies Incorporated	85,000	4,990,150
Brunswick Corporation	125,000	3,756,473
Capital Cities Communications Incorporated	107,700	13,326,598
CBS Incorporated	16,500	1,141,552
Churchs Fried Chicken Incorporated	123,000	3,173,954
Golden Nugget Incorporated	317,000	5,614,691
Holiday Inns Incorporated	175,000	9,288,515
Prime Motor Inns Incorporated	102,500	2,039,847
<b>Machinery and Equipment</b>		
Acme Cleveland Corporation	45,100	859,502
American Hoist and Derrick Company	61,500	570,105
Amsted Industries Incorporated	8,100	153,405
Browning Ferris Industries Incorporated	66,700	1,934,556
Caterpillar Tractor Company	280,500	12,789,386
Clark Equipment Company	12,300	227,984
Colt Industries Incorporated	1,000	26,770
Combustion Engineering Incorporated	42,800	1,349,201
Deere and Company	100,000	3,663,095
Foster Wheeler Corporation	62,000	869,240
GATX Corporation	60,000	1,995,752
General Signal Corporation	1,300	52,130
Ingersoll-Rand Company	54,900	2,273,373
Jay Manufacturing Company	84,600	1,958,067
Kollmorgen Corporation	164,900	5,572,778
Midland Ross Corporation	42,700	641,454
Omark Industries Incorporated	21,100	401,322
Pall Corporation	110,000	3,833,027
Rexnord Incorporated	47,300	519,784
Smith International Incorporated	16,500	398,393
Valley Industries Incorporated	2,700	10,517
White Consolidated Industries Incorporated	67,400	2,482,622
<b>Mining—Metals</b>		
Aluminum Company of America	207,600	7,251,674
Amax Incorporated	55,000	1,721,541
Amoco Incorporated	149,900	2,452,236
Asarco Incorporated	77,800	2,135,381
Bethlehem Steel Corporation	131,800	2,421,786
Cleveland-Cliffs Iron Company	21,000	443,795
Engelhard Corporation	100,000	3,775,848
Homestake Mining Company	141,000	2,530,598
Inland Steel Company	31,900	1,123,932



**COMMON STOCK—DOMESTIC**

**Mining—Metals (Continued)**

	Shares	Book Value	Market Value
Alcoa Aluminum and Chemical Corporation	187,700	\$ 2,719,967	2,721,650
Newmont Mining Corporation	80,500	4,017,960	2,978,500
North American Coal Corporation	10,000	475,200	477,500
Phelps Dodge Corporation	99,700	2,383,419	1,719,825
Phibro Salmon Incorporated	419,600	12,487,077	11,224,300
United States Steel Corporation	283,400	6,498,531	6,907,875
Westmoreland Coal Company	33,700	793,450	808,800

**Office Equipment**

Acacia Computer Incorporated	30,300	620,828	734,775
Qasa General Corporation	104,700	4,683,168	4,779,900
Strataproducts Corporation	150,000	4,344,487	2,531,250
Digital Equipment Corporation	37,000	3,410,426	3,108,000
International Business Machines Corporation	345,200	34,756,455	36,504,900
Novell International Incorporated	14,000	228,750	155,750
NCII Corporation	102,000	3,646,866	2,499,000
Tandem Computers Incorporated	39,600	1,352,770	930,600
Wang Laboratories Incorporated	371,200	12,664,053	10,486,400

**Oil and Gas**

Atlantic Richfield Company	181,100	8,079,058	8,240,050
Cabot Corporation	145,100	3,920,602	3,554,950
Enstar Corporation Delaware	18,688	185,268	261,632
Exxon Corporation	255,000	6,050,329	10,391,250
Marathon Petroleum Corporation	184,100	5,956,011	5,753,125
Louisiana Land and Exploration Company	206,500	6,085,590	6,065,938
Midcon Energy and Development Corporation	78,600	1,879,697	1,513,050
Midcon Corporation	100,000	2,086,903	2,650,000
Newpark Resources Incorporated	72,200	310,519	243,675
Novan Drilling and Exploration Company	41,600	1,000,480	1,112,800
Occidental Petroleum Corporation	140,800	2,920,938	2,763,200
Southland Royalty Company	115,000	2,169,077	1,581,250
Standard Oil Company of California	25,400	920,708	889,000
Standard Oil Company of Ohio	80,400	3,934,796	3,507,450
Superior Oil Company	55,000	1,616,440	2,330,625
Tenneco Incorporated	120,000	5,012,944	4,485,000
Unocal Incorporated	116,900	4,143,703	3,945,375
Unocal Oil and Gas Corporation	150,000	3,421,269	3,337,545
Unocal Corporation	189,200	6,829,194	6,338,200
Unocal Petroleum Corporation	128,100	3,216,252	2,946,300

**Oil Support Services**

Arco International Corporation	181,100	3,082,322	3,259,800
Arco Industries Incorporated	11,000	231,220	220,000
Arco Refining Company	264,800	6,784,297	8,903,900
Arco Services Incorporated	352,500	7,123,559	5,595,938
Arco Trading and Sales Corporation	54,300	891,199	726,263
Arco Companies Incorporated	216,800	2,826,136	2,411,900
Arco Refining Limited	105,800	1,314,887	1,150,575
Arco Services Incorporated	165,400	7,852,423	7,484,350
Arco Refining Incorporated	69,700	2,517,200	2,361,088
Arco Refining Company of North America	28,600	771,097	661,375
Arco Refining	84,500	792,503	739,375

**Paper and Forest Products**

Alcoa Cascade Corporation	96,300	2,591,351	3,286,238
Champion International Corporation	63,600	1,311,422	1,232,250
Crown Salesbach Corporation	126,500	2,651,330	3,889,875
Georgia Paper Board Company Incorporated	3,000	63,435	113,250
Georgia Pacific Corporation	120,000	3,035,413	2,280,000
Kimberly Clark Corporation	138,800	5,732,903	5,586,700
Louisiana Pacific Corporation	85,932	1,723,870	1,568,259
West Corporation	2,000	36,540	64,000
West Publishing Corporation	20,700	543,739	574,425
West Publishing Company	106,800	3,045,541	4,045,050
West Publishing Industries Incorporated	34,600	1,193,225	1,176,400
West Publishing	84,400	3,124,488	2,257,700
West Publishing	48,800	1,952,976	1,159,000

**Photographic and Related**

Kodak Photo Incorporated	49,100	195,067	257,775
Kodak Company	100,000	7,415,938	6,925,000
Kodak Mining and Manufacturing Company	86,400	6,661,094	6,663,600

**Printing and Publishing**

Carlisle and Bradstreet Corporation	299,000	17,878,501	17,715,750
Carlisle Company Incorporated	169,700	5,872,342	7,084,975
Carlisle Printing Incorporated	123,700	2,427,596	3,030,650
Carlisle Printing	51,600	1,479,784	1,399,650
Carlisle Printing	129,900	3,159,595	4,075,613
Carlisle Printing	21,800	648,364	872,000
Carlisle Printing	180,000	5,273,610	4,500,000
Carlisle Printing	60,700	3,964,805	4,719,425



**COMMON STOCK-DOMESTIC**

	Shares	Book Value
<b>Retail Trade</b>		
James Department Stores Incorporated	105,700	\$ 4,869,812
Dayton-Hudson Corporation	125,000	4,243,015
Federated Department Stores Incorporated	50,000	2,802,775
Walmart Corporation	205,700	6,884,428
Woolco (R.H.) and Company Incorporated	187,400	8,412,584
National Convenience Stores Incorporated	190,000	3,563,350
Southland Corporation	223,000	7,688,981
Super Valu Stores Incorporated	66,500	1,902,717
Wendy Corporation	100,000	3,788,789
Ways R Us	289,100	12,025,915
Worland Incorporated	14,200	222,159
Wal-Mart Stores Incorporated	84,000	3,261,381
Walgreen Company	288,000	10,830,737
Woolworth (F.W.) Company	196,100	3,495,564
<b>Transportation—Air</b>		
American Airlines Corporation Delaware	100,000	3,675,350
American Express Corporation	107,300	3,769,515
Northwest Airlines Incorporated	154,000	6,151,455
<b>Transportation Excluding Air</b>		
American Northern Incorporated	134,600	6,673,823
Airco Incorporated	137,800	3,172,156
Aransas Shipholding Group Incorporated	100,100	1,513,215
American Central Corporation	180,000	6,840,238
Air System Incorporated	95,378	5,195,650
American Southern Pacific Corporation	348,438	4,878,345
Amtrak Line Railroad Company	4,100	91,122
American Pacific Corporation	42,700	2,240,444
Amtrak Freight System Incorporated Delaware	113,000	2,267,075
<b>Utilities</b>		
American Information Technologies Corporation	155,600	10,090,330
American Telephone and Telegraph Company	100,000	1,510,328
American Public Service Company	3,500	81,883
American Gas and Electric Company	4,600	128,317
American Atlantic Corporation	36,900	2,309,016
American South Corporation	30,000	717,208
American Power and Light Company	91,700	1,979,226
American West Corporation	108,100	4,031,507
American Consolidated Edison Co of New York Incorporated	108,700	1,850,074
American Power Company	134,500	2,625,440
American Power Company	245,700	4,233,039
American (L.M.) Telephone Company Class A	5,000	103,850
American Natural Gas Corporation	64,900	3,495,930
American Corporation	107,900	4,461,192
American National Corporation	36,000	1,794,867
American City Power and Light Company	76,500	3,475,445
American Power and Light Company	40,000	446,714
American South Utilities Incorporated	97,800	2,079,554
American Corporation	900	20,493
American Telesis Group	140,600	2,164,475
American Corp	10,000	521,630
American Philadelphia Electric Company	17,000	851,820
American General Electric Company	42,500	808,350
American Service Electric and Gas Company	8,700	133,937
American California Edison Company	241,700	3,751,184
American Company	76,600	1,638,857
American Western Bell Corporation	89,500	3,071,965
American Western Corporation	271,900	4,271,876
American Utilities Company	10,000	502,915
American Electric Power Company	270,200	8,602,023
American Incorporated	20,600	487,087
American	188,500	4,235,670
American	10,000	473,900
		<b>1,133,829,934</b>

**COMMON STOCK-DOMESTIC**

**COMMON STOCK-INTERNATIONAL**

American Technologies Ltd	12,500	729,912
American Prop Ltd Ordinary	17,500	786,997
American Properties Ltd Rights	72,000	545,785
American Corporation	6,667	0
American Wireless	2,750	757,857
American Incorporated	125,000	687,304
American Insurance	150,000	655,985
American Pic	150,000	862,873
American Printing Ltd Japan	8,500	756,914
American	300,000	552,752
American	200,000	685,971
American	7,000	594,807

**COMMON STOCK—INTER**

American (L.W.) Telephone Comp		
American Prop Ltd		
American N Y		
American South Corporation		
American Ltd		
American		
American Radio Company Ltd		
American Waltham and Comp		
American Dutch Airlines		
American Industries Ltd		
American Lease Corporation Ltd		
American Banking		
American Electric Industrial Ltd		
American Electric Works Ltd		
American Nederlanden N Y		
American		
American Bank		
American Steel Corporation		
American Securities Company Ltd		
American		
American Electronics Comp		
American		
American Electronic Corporation		
American Electronics Plc		
American States Gold Mining C		
American and Common Ltd		
American Ltd		
American Company Limited		
American (L.S.)		
American Corporation American Dep		
American Telephones and Cable		
American Plc		
American Broadcasting System		
American Printing Company Ltd		
American Corporation		
American		
American Bank of Switzerland		
American Company Ltd		
American West Corporation and Min		
American Nederlande (Ugover)		
American Banking Corporation		

**TOTAL COMMON STOCK**

**REAL ESTATE**

**TOTAL REAL ESTATE**

**VENTURE CAPITAL**



INTERNATIONAL

	Shares	Book Value	Market Value
Company Adr Ser B	15,000	\$ 836,774	585,756
	100,000	901,778	665,654
	17,500	755,255	722,707
	140,000	783,924	813,820
	250,000	913,568	889,998
	12,800	839,795	768,038
	5,000	393,804	240,345
	185,000	689,304	802,787
Company Ltd	500,000	805,660	537,180
	14,000	773,410	707,193
	51,250	157,002	302,016
	150,000	682,609	608,063
	75,000	352,551	293,711
al Ltd	120,000	833,217	834,174
st	400,000	1,104,494	1,063,360
	10,000	723,946	675,111
	375	763,835	811,283
	900,000	599,995	541,800
	1,500,000	1,119,409	960,570
ny Ltd	250,000	763,922	715,158
	11,000	762,621	799,414
Company	100,000	808,862	792,044
	25,000	1,047,307	798,211
tion	60,000	729,561	685,034
	300,000	960,209	871,515
ing Company	7,500	1,188,328	1,076,250
	125,000	848,601	827,703
	2,000	1,025,092	812,246
	200,000	1,007,366	943,712
n Depository	8,000	1,156,729	1,131,651
Cables Plc	50,000	736,972	747,808
	200,000	966,196	857,940
	15,000	131,949	110,220
Ltd	300,000	1,085,088	985,842
	300,000	782,332	947,925
	500,000	802,737	806,790
	7,500	680,132	557,766
	498	801,009	699,766
Mining Co Ltd	250,000	1,107,842	1,316,563
gevevsbedriven	6,000	808,805	722,250
ion	20,000	822,345	963,078
	200,000	700,184	621,000

**41,371,676**

**39,693,142**

12,500,000

12,500,000

20,000,000

20,015,000

**32,500,000**

**32,515,000**

3,333,334

3,333,334

OCK-INTERNATIONAL







