

## Component unit annual financial report for the year ended ...

Teachers' Retirement System of the State of Illinois.  
Springfield, Ill. : Teachers' Retirement System of the State of Illinois,

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# COMPONENT UNIT FINANCIAL REPORT

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FOR THE YEAR ENDED  
JUNE 30, 1991

Teachers' Retirement System  
of the State of Illinois

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June 30, 1990

Membership		101,987
Active	JUL 11 1994	19,989
Inactive		46,097
Benefit recipient	'994	
<b>Total</b>		<b>168,073</b>
Contributions		\$ 283,780,000
Member		\$ 293,024,000
State of Illinois		\$ (5,582,611,000)
Unfunded pension		\$ 8,079,898,000
Net assets (Book V		10.4%
Investment Return		\$ 519,597,000
Benefits paid		

*\*Estimated*

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**COMPONENT UNIT**  
**ANNUAL FINANCIAL REPORT**  
FOR THE YEAR ENDED  
JUNE 30, 1991

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*Prepared by the  
Finance and Accounting Departments  
and  
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Year Ended June 30, 1991

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Bob Daniels  
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Gary Kline  
*Winfield*

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

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217/753-0500

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708/505-0500

# Administrative Staff

Fred Husmann  
*Executive Director*

Joan T. Hancock  
*General Counsel*

Jo Ellen Keim  
*Member Services*

Darrell Elder  
*Counseling Services*

Curt Moore  
*Accounting*

Tom Zimmerman  
*Investments*



2 Component Unit Annual Financial Report

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# Letter of Transmittal

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

The Management of the Illinois Teachers' Retirement System presents the Component Unit Financial Report for the year ended June 30, 1991. This report consists of six major sections: the Introduction, the Financial Statements, the Actuarial Summary, Membership and Benefits Information, Statistical Section, and the Investment Report. This report is a Component Unit Financial Report and is incorporated into the State of Illinois' Consolidated Annual Financial Report. It is the responsibility of TRS Management to ensure the accuracy and completeness of this report and that all material disclosures have been made. To the best of our knowledge, the information presented in this Component Unit Financial Report is accurate and fairly presents the financial position of the Illinois Teachers' Retirement System as of June 30, 1991, and the results of operations for the year ended June 30, 1991.

## MAJOR INITIATIVES

During the fiscal year, two members of the Board of Trustees were reappointed to four-year terms by former Governor James R. Thompson. Gary Anderson, who was first appointed to the Board in 1981, is mayor of Decatur and President of Decatur Title Corporation. Bob Daniels has served on the Board since 1977 and is the Executive Director of the Illinois Education Association.

In January 1991, Trustees Hugh R. Brown and Anne Davis were re-elected to their seats on the Board. Brown was the first trustee to be elected by TRS retired members in 1987. Davis is a Harvey elementary school teacher who has served on the board since 1979. Also in January, Wheaton mathematics

teacher Gary Kline was elected to the Board of Trustees for a four-year term.

The Illinois General Assembly approved Senate Bill 1951 on January 8, 1991; Governor Thompson signed the legislation on January 14, 1991, making it Public Act 86-1488. While the legislation contained numerous administrative changes, there were three substantive changes that took effect when the bill became law.

The retroactivity of retirement benefits was changed to eliminate the one-year limitation on retroactivity and to make it possible for TRS to backdate a retirement benefit to make it effective the day following the last day of creditable service regardless of how long a member has been out of service or when they resigned.

The second substantive change allows retired TRS members to teach without restriction in colleges and universities.

The most significant change was to increase the amount of TRS support for the health insurance program. Previously, the System was limited to paying one-half of the premium for annuitants. The System now pays 75 percent of the premium.

## FINANCIAL INFORMATION

A system of internal controls is in place to safeguard the System's assets and promote the efficient operation of the System. TRS is audited annually in addition to its own internal audit program with an Internal Auditor who reports directly to the Executive Director. The System operates according to an administrative budget approved annually by the Board of Trustees.

The financial statements of the

Illinois Teachers' Retirement System are prepared in conformity with generally accepted accounting principles (GAAP) within the guidelines established by the Governmental Accounting Standards Board (GASB).

## REVENUES AND FUNDING

The major sources of revenue for TRS are member contributions, employer contributions from the State of Illinois and investment income. Revenue is accounted for on an accrual basis.

Active member contributions to the trust fund for FY91 were \$311 million, or 8 percent of their salaries, compared with \$284 million for the year ended June 30, 1990, an increase of \$27 million. This increase is attributable to salary increases and the inclusion in membership in the System of part-time and substitute teachers starting July 1, 1990.

Contributions from the State of Illinois for fiscal 1991 were \$294 million, an increase of \$1 million. While state underfunding remained the same for FY91, there was a slight increase in Early Retirement payments to account for the \$1 million increase.

State funding of the employer cost as required by law would maintain the unfunded pension benefit obligation at a fixed dollar amount; however, the State has not yet funded the System on this basis. For a number of years prior to 1982, the State funded the System by reimbursement of benefit payments. Subsequent to 1982, State appropriations have ranged from 44 percent to 66 percent of benefit payments. As a result of the State's debt to the System, the unfunded pension benefit obligation has grown dramatically in the last decade.

Source of Revenue	Revenues in Millions		Increase/Decrease	
	1991	1990	Amount	Percent
Member Contributions	\$ 311	\$ 284	\$ 27	9.5 %
State Contributions	294	293	1	0.3 %
Investment Income plus Realized Gain on Investments	662	814	(152)	(18.7)%
Total	\$1,267	\$1,391	\$ (124)	( 8.9)%

The Illinois General Assembly passed a bill in FY89 requiring funding of the System on an actuarially sound basis beginning in FY90. The appropriation to provide that funding has not been in the State's budget in either of the last two years. Instead, the unfunded pension benefit obligation grew to over \$6 billion during FY91 as a result of the State's continued underfunding of the System. The current debt owed by the State of Illinois to the Teachers' Retirement System is \$6.4 billion, an increase of \$811.6 million from FY90.

Investment income dropped \$152 million from FY90 to \$662 million. For a detailed discussion of investment performance, see the Investment Report section of this report.

The results of an actuarial valuation conducted by the System's actuaries as of June 30, 1991, are included in the Actuarial Summary section of this report. The System's audited financial statements with related footnotes for the fiscal year ending June 30, 1991, are shown in the Financial Statements section.

The assets available for benefits continued to grow in FY91 to \$8.7 billion.

## EXPENSES

Expenditures of the Teachers' Retirement System are attributable to benefit payments, refunds, health insurance premium subsidies and administrative expenses. During the year ended June 30, 1991, the System paid \$49 million more in benefit payments to recipients. This is attributable to more members in retirement and the 3 percent compounded annual increase in benefits. The 50 percent or \$5 million increase in the expenditure for health insurance premiums was due to a sizable increase from 50 percent to 75 percent in the portion

of premiums paid by TRS, combined with an increase in premiums of approximately 25 percent and an increase in the plan's enrollment. Administrative expense in FY90 included a \$35 million reclassification of accounts receivable. When the effects of this reclassification are removed, the rest of the change in administrative expense was an increase of \$1 million, which is primarily attributable to the transfer of \$860 thousand of prior service credit to other retirement systems prescribed by legislation.

## INVESTMENTS

Investment income and realized gain on investments of \$662.6 million during FY91 were positive contributors to the fund's financial status. Investments totaled \$9.4 billion at market value at June 30, 1991. As trustee for members' funds, the System is responsible for investment of the fund under the prudent person standard. This standard has permitted the System to allocate trust funds across a broad group of asset classes, including stocks, bonds and real estate.

The System's total fund, time-weighted rate of return was 5.9 percent. Annualized three-year and five-year total returns of 10.2 percent and 9.3 percent, respectively, continue to outperform the rate of inflation for these periods, 4.8 percent and 4.4 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for both the three-year and five-year periods.

A summary of the System's investment activities during FY91 and historic performance results is presented in the Investment Report section which is followed by the Investment Listing.

## INDEPENDENT AUDIT

The Teachers' Retirement System is audited annually by independent external auditors hired by the Illinois Auditor General's office. Each year the financial statements, records and internal controls of TRS are examined by these external auditors and, every other year, a compliance audit for the previous two years is performed to ensure compliance with all applicable statutes and codes. The Independent Auditor's Report is contained on page 9 of this report.

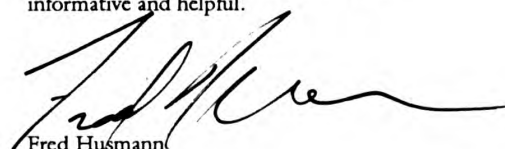
## AWARDS

TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program and has received the award each of the last two years. This report has been prepared in accordance with the requirements established by the GFOA for preparation of a Component Unit Financial Report and will be submitted to the GFOA for review this year.

## ACKNOWLEDGMENTS

This report reflects the combined effort of the TRS staff under the leadership of the Board of Trustees and the Executive Director. The Accounting Department, under the management of Curt Moore, compiled the report. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

This report is being mailed to members of the General Assembly and Illinois school districts outside of Chicago as well as being made available upon request to all members and retired members of the System. We hope that you find this report informative and helpful.

  
Fred Husmann  
Executive Director

## Expenses in Millions

Source of Expense	1991	1990	Increase/Decrease Amount	Percent
Benefit Payments	\$ 558	\$ 509	\$ 49	9.6 %
Health Insurance Refunds	15	10	5	50.0 %
Administrative	8	42	(34)	(81.0)%
<b>Total</b>	<b>\$ 600</b>	<b>\$ 583</b>	<b>\$ 17</b>	<b>2.9 %</b>

# Certificate of Achievement

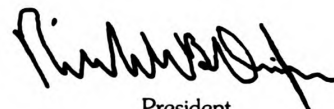
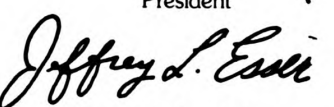
## Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Teachers' Retirement System  
of the State of Illinois

For its Component Unit  
Financial Report  
for the Fiscal Year Ended  
June 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose component unit financial reports (CUFR's) achieve the highest standards in government accounting and financial reporting.



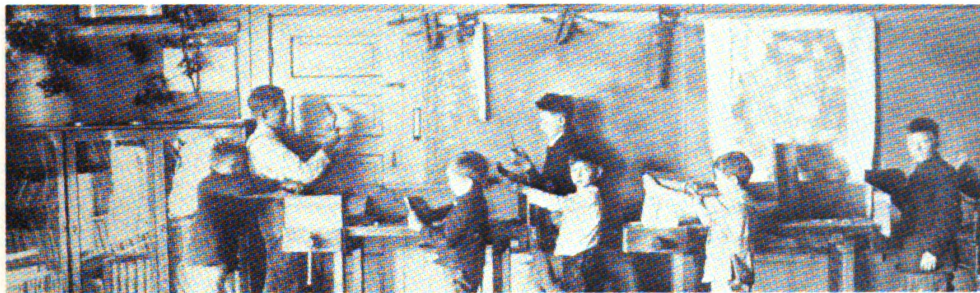
  
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## *FINANCIAL STATEMENTS*

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# Independent Auditors' Report

ARTHUR ANDERSEN & Co.  
CHICAGO, ILLINOIS

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Honorable Robert G. Cronson  
Auditor General  
State of Illinois

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

We have audited, as Special Assistant Auditors for the Auditor General, the accompanying statement of financial position of the TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS as of June 30, 1991, and the related statement of revenue, expense and changes in net assets for the year then ended. These financial statements and the schedules referred to below are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. The financial statements of the Teachers' Retirement System of the State of Illinois as of June 30, 1990, were audited by other auditors whose report dated September 28, 1990, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Teachers' Retirement System of the State of Illinois as of June 30, 1991, and the results of its operations and the changes in its net assets for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of supplementary financial information on Pages 16 and 17 at June 30, 1991, and for the year then ended are presented for purposes of additional analysis and are not a required part of the basic financial statements. This 1991 information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary financial information for the years 1982 through 1990 has been derived from financial statements audited by other auditors whose reports thereon expressed an unqualified opinion.

*Arthur Andersen & Co.*  
ARTHUR ANDERSEN & CO.

October 15, 1991



# Financial Statements

## Statements of Financial Position

Teachers' Retirement System of the State of Illinois

	June 30	
	1991	1990
<b>Assets</b>		
Cash - Note C	\$ 2,610,000	4,058,000
Receivables:		
Contributions from school districts:		
Salary deductions	16,893,000	12,228,000
Federal and trust funds	2,676,000	2,101,000
Members accounts	113,000	90,000
Total receivables	19,682,000	14,419,000
Investments - Note C (Market value 1991 \$9,438,303,000; 1990 \$8,910,482,000)	8,732,285,000	8,066,358,000
Property and equipment - Note A	980,000	1,172,000
Total assets	8,755,557,000	8,086,007,000
<b>Liabilities</b>		
Payables:		
Benefits	849,000	1,239,000
Refunds	350,000	79,000
Other - Note A	7,236,000	4,791,000
Total liabilities	8,435,000	6,109,000
<b>Net Assets Available for Benefits</b>	<b>\$8,747,122,000</b>	<b>8,079,898,000</b>
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$5,742,766,000	5,121,234,000
Terminated members not yet receiving benefits	278,842,000	278,494,000
Current employees:		
Accumulated employee contributions	2,311,850,000	2,167,054,000
Employer-financed vested	2,227,297,000	1,960,401,000
Employer-financed nonvested	4,580,579,000	4,135,326,000
Total pension benefit obligation	15,141,334,000	13,662,509,000
<b>Unfunded pension benefit obligation</b>	<b>(6,394,212,000)</b>	<b>(5,582,611,000)</b>
Net Assets Available for Benefits - Note G	<b>\$8,747,122,000</b>	<b>8,079,898,000</b>

See notes to financial statements.

**Statements of Revenue and Expense  
and Changes in Net Assets**

Teachers' Retirement System of the State of Illinois

	Year Ended June 30	
	<u>1991</u>	<u>1990</u>
<b>Revenue</b>		
Contributions - Note E		
Members	\$ 310,969,000	283,780,000
State of Illinois	262,504,000	263,507,000
School districts:		
Early retirement option	17,995,000	17,282,000
Federal and trust funds	<u>13,086,000</u>	<u>12,235,000</u>
Total contributions	604,554,000	576,804,000
Investment income - Note C		
Interest	302,000,000	315,940,000
Dividends	100,319,000	96,151,000
Other	<u>61,222,000</u>	<u>53,440,000</u>
Total investment income	463,541,000	465,531,000
Gain on sale of investments	<u>199,079,000</u>	<u>348,398,000</u>
Total revenue	1,267,174,000	1,390,733,000
<b>Expense</b>		
Benefits:		
Age retirement	414,337,000	378,827,000
Post-retirement	106,089,000	96,008,000
Survivor	28,793,000	26,209,000
Disability	8,658,000	8,222,000
Health insurance	<u>15,142,000</u>	<u>10,331,000</u>
	573,019,000	519,597,000
Refunds	19,416,000	21,662,000
Administrative expenses - Note A	6,655,000	6,175,000
Transfers/Prior service credit	<u>860,000</u>	<u>35,472,000</u>
Total expense	599,950,000	582,906,000
Revenue in Excess of Expense	667,224,000	807,827,000
Net Assets Available for Benefits		
At Beginning of Year	8,079,898,000	<u>7,272,071,000</u>
Net Assets Available for Benefits		
At End of Year	<u>\$8,747,122,000</u>	<u>8,079,898,000</u>

See notes to financial statements.

# Financial Statements

NOTES TO FINANCIAL STATEMENTS  
Teachers' Retirement System of the State of Illinois  
June 30, 1991

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting: The financial statements of the Teachers' Retirement System of the State of Illinois are prepared using the accrual basis of accounting.

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

Investments authorized: Through the Board of Trustees, as authorized in Article 16 of the Illinois Pension Code, the System serves as fiduciary for the members' trust funds and is responsible for investment of such funds under authority of the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries by specifying fiduciary responsibility with regard to the members' trust funds.

Equipment: Equipment is stated on the basis of historical cost. Provisions for depreciation are computed by the straight-line method, based upon the estimated useful lives of the assets. Equipment is assigned a useful life of from three to ten years while vehicles are assigned a five-year life.

Prior service credit consists of an adjustment to reflect members' contributions for prior service credit on the cash basis to meet revenue recognition criteria for the year ended June 30, 1990, and transfer of members' accumulated contributions to other pension systems for the year ended June 30, 1991.

Administrative expenses and other payables include \$482,638 for accrued compensated absences for FY91.

## NOTE B - PLAN DESCRIPTION

The System is the administrator of a cost-sharing multiple-employer public employee retirement plan. Members of the System consist of all teachers employed in the public common schools of Illinois outside of Chicago. The System was established by the State of Illinois and is governed by Article 16 of the Illinois Pension Code. The System is a component unit of the State of Illinois and is included in the State's financial statements as a pension trust fund.

The System has developed criteria to determine whether other entities should be included within its financial reporting entity. The criteria include, but are not limited to, whether the System exercises oversight responsibility on financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing arrangements.

Based on this criteria, the System has no other entities included in these financial statements.

Members are employed by 1,114 school districts and special districts. Member contributions are remitted by each employer district to the System. These employers are only responsible for employer contributions for teachers paid from federal and trust funds and for the employer's portion of the early retirement option. The State of Illinois provides employer contributions to fund the System. State contributions are based on annual appropriations which are less than statutory funding of normal cost and amortization of the unfunded pension benefit obligation over a 40-year period with a six-year phase-in as prescribed in Public Act 86-0273.

At June 30, 1991, the number of employers was:

Local school districts	951
Special districts	127
State agencies	<u>36</u>
	1,114

At June 30, 1991, the System membership consisted of:

Retirees and beneficiaries currently receiving benefits	46,651
Terminated members entitled to benefits but not yet receiving them	10,000
Current members:	
Vested	81,000
Nonvested	<u>43,500</u>
	181,151

Terminated and current members are estimated based on the latest available data.

The pension plan provides retirement benefits, health insurance, and death and disability benefits. A member qualifies for an age retirement annuity after attaining one of the following: age 62 with five years of service credit; age 60 with ten years; age 55 with 20 years. If retirement occurs between age 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years of service credit may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, and within six months of the last day of service requiring contributions and if the member and employer both make a one-time contribution to the System.

The retirement benefit is determined by the average salary of the four 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 retirement benefit, 75 percent of average salary, is achieved with 38 years of service. Each annuitant who retired after 1969 or made a qualifying contribution receives an annual 3 percent increase in the current retirement benefit beginning January 1 following attainment of age 61 or following the first anniversary in retirement, whichever is later.

Member contributions, established by statute, are 8 percent of earnings allocated as follows: 6 1/2 percent for retirement, 1/2 percent for post-retirement increases and 1 percent for death benefits. If a member leaves covered employment, the System will refund a member's contributions upon request. The refund consists of actual contributions excluding the 1 percent death benefit contribution.

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**NOTE C - CASH AND INVESTMENTS**

At June 30, 1991, the bank balance and carrying amount of the System's deposits were \$48,299,000 and \$2,610,000, respectively. Of the bank balance, \$46,787,000 was on deposit with the State Treasurer. The System's investments are categorized to give an indication of the level of risk at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party but not in the System's name.

Investments at June 30, 1991 and 1990 are summarized below:

**Category 1:**

	Cost		Market Value	
	1991	1990	1991	1990
Bonds	\$1,500,206,000	1,849,215,000	1,501,028,000	1,841,482,000
Corporate notes	1,299,274,000	768,994,000	1,303,622,000	769,404,000
Preferred stock	15,248,000	7,203,000	16,567,000	7,201,000
Short term investments	298,644,000	196,011,000	298,879,000	196,245,000
Common stock	3,295,255,000	2,953,954,000	3,969,839,000	3,584,124,000
Real estate	1,088,202,000	824,867,000	1,000,598,000	822,811,000
Alternative investments	92,547,000	97,074,000	92,746,000	91,873,000
Currency investments	58,654,000		57,496,000	
Accrued interest and dividends	<u>87,702,000</u>	<u>77,980,000</u>	<u>87,702,000</u>	<u>77,980,000</u>
	\$7,735,732,000	6,775,298,000	8,328,477,000	7,391,120,000
Mutual funds (Not categorized)	<u>996,553,000</u>	<u>1,291,060,000</u>	<u>1,109,826,000</u>	<u>1,519,362,000</u>
Total Investments	<u>\$8,732,285,000</u>	<u>8,066,358,000</u>	<u>9,438,303,000</u>	<u>8,910,482,000</u>

The System has nonrecourse mortgages totaling \$140,681,000 and \$136,823,000 on real estate equities at June 30, 1991 and 1990, respectively. The amount reported for real estate equity is net of these mortgages, which mature in various dates through the year 2011.

The real estate category includes \$146,436,000 of mortgages receivable which are fully secured by the properties.

At June 30, 1991, the System has investments with one organization (other than U.S. Government and U.S. Government guaranteed obligations) that exceed 5 percent of net assets available for benefits. The investments, reported at cost, are with Harris Bank of Chicago for \$550,953,000.

**NOTE D - FUNDING STATUS AND PROGRESS**

The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee services to date. The measure is the actuarial present value of credited projected benefits and is intended to help users to assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other public employee retirement systems.

The pension benefit obligation is determined as of June 30, 1991 and 1990. Significant actuarial assumptions are summarized as follows:

The present value of future pension payments is computed using a discount rate of 8 percent. The discount rate represents the estimated long-term rate of return on current and future investments.

Future pension payments reflect an assumption of a 4 percent salary increase due to inflation and a 3 percent salary increase for merit adjustments.

Future pension payments include post-retirement increases based on 3 percent of the pension payment of the previous year.

An experience analysis is required by statute to determine the adequacy of actuarial assumptions regarding mortality, service and compensation experience. The most recent experience analysis was performed using June 30, 1988,

based on this analysis, there were no changes in actuarial assumptions. During the period between experience analyses, the actuary develops annual actuarial estimates based upon the most recent experience analysis performed.

The annual actuarial estimate performed in FY91 included a change in the mortality rate assumption resulting in a \$14,173,000 increase in the unfunded pension benefit obligation.

# Financial Statements

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1991 and 1990 is summarized below:

	1991	1990
Unfunded benefit obligation at beginning of year	\$5,582,611,000	4,641,888,000
Additions (deductions):		
Addition to health care reserves	21,600,000	21,600,000
Employer cost in excess of contributions	397,823,000	330,532,000
Amendments		642,310,000
Actuarial losses (gains) compared to assumptions:		
Salary increases	73,722,000	11,143,000
Investment income	(9,123,000)	(202,975,000)
Other	113,406,000	138,113,000
Change in post-retirement mortality assumptions	214,173,000	
Net additions	811,601,000	940,723,000
Unfunded benefit obligation at end of year	\$6,394,212,000	5,582,611,000

## NOTE E - CONTRIBUTION REQUIREMENTS

Employer contributions made by the State of Illinois are based on annual appropriations and are not actuarially determined. The State appropriations are derived from three different sources. The largest appropriation is made from the Common School Fund (1991 - \$232,835,000; 1990 - \$234,300,000) and is based on a percentage of benefits estimated to be paid. The percentage of appropriations to benefits estimated to be paid was 41 percent.

The other two sources of State contributions are the General Revenue Fund and the State Pension Fund. The General Revenue Fund appropriation (1991 - \$5,711,000; 1990 - \$22,637,000) reimburses the System for certain minimum retirement allowances and in FY90 included additional State funding. The State Pension Fund appropriation (1991 - \$23,958,000; 1990 - \$6,570,000) represents a distribution to the System of money escheated to the State.

Total contributions from employers for 1991 and 1990 were \$293,585,000 and \$293,024,000, respectively, which were 7.8 and 8.6 percent of annual covered payroll, respectively.

In some instances, the school districts and special districts are responsible for employer contributions. These contributions are required for teachers paid from federal and trust funds and for the employers' portion of the early retirement option.

In 1989, the Illinois General Assembly passed Public Act 86-0273 which required a level of funding of the Teachers' Retirement System that would pay normal costs as determined by the actuaries plus amortization of the unfunded pension benefit obligation over 40 years after a seven-year phase-in. The employer and employee actuarial contribution requirement for 1991 and 1990 are \$624,881,000 and \$864,836,000, respectively. The actual contribution for 1991 and 1990 was \$604,554,000 and \$576,804,000, respectively. The actuary has determined that the shortfall in the 1991 contribution in comparison with that required will increase the actuarially determined contribution requirement for 1992 by \$1,626,000. However, the General Assembly did not appropriate money to provide the required level of funding in either FY91 or FY92. A schedule of funding drawn from actuarial valuations is presented below:

Fiscal Year	In Thousands of Dollars				
	Normal Cost	Amortization	Total Requirement	Actual Contribution	Difference
1991	\$ 216,783	\$ 112,548	\$ 329,331	\$ 293,585	\$ 35,746
1992	244,108	156,874	400,982	278,000	122,982

The underfunding in FY91 and FY92 means that in order to get back on schedule with the phase-in to the 40-year amortization, the State would have to make the following contributions in fiscal years 93 through 96:

Fiscal Year	In Thousands of Dollars			
	Estimated Covered Payroll	Normal Costs	Amortization	Total Requirement
1993	\$ 4,108,000	\$ 279,755	\$ 215,259	\$ 495,014
1994	4,272,000	290,923	267,855	558,778
1995	4,443,000	302,568	324,784	627,352
1996	4,621,000	314,690	385,392	700,082

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**NOTE F - PENSION DISCLOSURE**

All of the System's full-time employees who are not eligible for another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state agencies, including the System, participate on a cost-sharing basis. The financial position and result of operations of the SERS for FY91 and FY90 and the related GASB Statement 5 employer disclosures are included in the State's Comprehensive Annual Financial Report for years ended June 30, 1991, and 1990, respectively. The SERS also issues a separate component unit financial report (CUFR).

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established, is included as an integral part of the SERS CUFR. Also included is a discussion of employer and employee obligations to contribute, the authority under which those obligations are established, as well as an explanation of the pension benefit obligation. The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits.

The pension benefit obligation at June 30, 1991, and June 30, 1990, for the SERS as a whole, determined through an actuarial valuation at that date was \$4,949.9 million and \$4,538.1 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$2,979.4 million and \$2,795.6 million, leaving unfunded pension benefit obligations of \$1,970.5 million and \$1,742.5 million. The System's FY91 and FY90 contribution requirements represented .006% and .005%, respectively of total contributions required of all state agency/department employers participating in SERS.

Ten-year historical trend information designed to provide information about SERS progress made in accumulating sufficient assets to pay benefits when due is presented in its separately issued CUFRs for the years ended June 30, 1991, and June 30, 1990, respectively.

Pertinent financial information relating to the System's participation in SERS is summarized as follows:

The System's covered payrolls for FY91 and FY90 were \$2.8 million and \$2.6 million and the payrolls for all System employees were \$3.2 million and \$3.0 million, respectively.

The System's (i.e., the employers') actuarially determined contribution requirements for FY91 and FY90 were \$132.2 thousand and \$161.6 thousand, respectively, or 4.72% and 6.2% of the System's covered payrolls. For FY91, the System's and employees' contributions actually made were \$135.6 thousand and \$114 thousand, respectively, which represents 4.8% and 4.1%, respectively, of the current year covered payroll. For FY90, the System's and employees' contributions actually made were \$161.8 thousand and \$106.1 thousand, respectively, which represents 6.2% and 4.1%, respectively, of the covered payroll.

**NOTE G - RESERVE BALANCES**

The balances in the reserve accounts at June 30, 1991, and June 30, 1990, were as follows:

	Year Ended		These statutory reserve accounts are maintained in accordance with provisions of Illinois Revised Statutes, 1989, Chapter 108 1/2, Article 16. The reserve requirements for Fiscal 1991 are estimates. Final reserve allocations cannot be made until annual update processing is completed in early Fiscal 1992.
	June 30, 1991	June 30, 1990	
Members' Accumulated Contributions	\$ 3,378,117,000	3,053,438,000	
Cost Retirement Increases:			
Minimum Retirement Allowance	1,616,000	1,437,000	
Supplementary Payments	422,000	366,000	
Health Insurance	75,704,000	64,677,000	
Employer's Contributions	5,291,263,000	4,959,980,000	
<b>Total Reserves</b>	<b>\$ 8,747,122,000</b>	<b>8,079,898,000</b>	
Unfunded PBO	6,394,212,000	5,582,611,000	
<b>Pension Benefit Obligation</b>	<b>\$15,141,334,000</b>	<b>13,662,509,000</b>	

**Members' Accumulated Contributions:** This reserve accumulates, with 6% interest, the contributions by members prior to retirement. Contributions are made by salary deduction (6 1/2% of salary) and are fully refundable on withdrawal from the System, excluding interest credited thereon. The interest accrued is refundable only in the event of death. Interest is credited as of the date of retirement or death for those retiring or dying during the year, and of the end of the fiscal year for all other members. Interest is computed annually based upon the individual member balance in the reserve at the beginning of the fiscal year.

**Minimum Retirement Allowance:** In 1974, a minimum retirement allowance equal to \$15 per month for each year of credit service at retirement, up to a maximum of \$450 per month for 30 or more years of credited service was established. To qualify, annuitants are required to make a one-time contribution which is credited to the reserve. Interest at 6% is credited to the reserve annually, based upon the average reserve balance. The State of Illinois also appropriates funds necessary to pay the minimum benefits provided in the legislation. All benefits paid under this program are charged to the reserve.

# Financial Statements

**Supplementary Payments:** In 1961, legislation was enacted to provide for increased annuities to members then retired who met certain specified requirements. Annuitants were required to make a one-time contribution which was credited to this reserve. The State of Illinois also appropriates funds which are credited to the reserve. Interest at 6% is credited to the reserve annually, based upon the average reserve balance. The annuity increases resulting from this legislation are charged to the reserve.

**Health Insurance:** Effective February 28, 1987, Chapter 108 1/2, Paragraph 16-153.4 of the Illinois Revised Statutes established the Health Insurance Reserve. The Board of Trustees is authorized to transfer up to \$20 million annually from its investment earnings in excess of 4% per annum. Interest is credited to this account at a rate of 8% annually based on the System's actuarial rate of return assumption. Health insurance benefits paid to the System's members are charged to the reserve.

**Employer's Contribution:** This reserve serves as a clearing account for income and expenses of the System. The reserve is credited with contributions from the State of Illinois not specifically allocated to other reserves, member and employer contributions, income from invested assets of the System, the interest portion of the accumulated contributions of members granted refunds and contributions from annuitants which qualify for automatic annual increases in annuity. The reserve is charged with amounts necessary to be transferred to the Members' Accumulated Contribution Reserve, all amounts necessary to be refunded to withdrawing members, all benefits paid to temporarily or accidentally disabled members, all death benefits paid, all health insurance costs and survivor benefit contributions refunded to annuitants.

## Required Supplemental Schedules

### NOTE H - HISTORICAL TREND INFORMATION

Supplemental schedules of historical trend information are presented below. These are designed to provide information on the System's progress in accumulating assets to pay benefits when due.

#### Supplemental Schedule of Revenues by Source

(In millions of dollars)

Year Ended June 30	Employee Contributions	Employer Contributions				Investment Income	Total
		Employer Contributions	Percentage of Annual Covered Payroll	Actuarially Required Amount*	Percentage of Annual Covered Payroll		
1982	\$ 180	\$ 169	7.8%	\$ 277	12.7%	\$ 238	\$ 587
1983	189	161	7.0	373	16.3	132	482
1984	195	207	8.8	413	17.6	234	636
1985	207	238	9.6	446	18.0	445	890
1986	220	260	9.9	448	17.0	813	1,293
1987	238	280	9.9	448	15.8	835	1,353
1988	253	242	8.1	514	17.1	560	1,055
1989	268	260	8.2	566	17.8	560	1,088
1990	284	293	8.6	624	18.3	814	1,391
1991	311	294	7.8	691	18.3	662	1,267

\* Changes in actuarial assumptions and actuarial method resulted in a \$80.7 million increase in the actuarially required amount for the year ended June 30, 1983. Changes in actuarial assumptions resulted in a \$53.2 million increase in the actuarially required amount for the year ended June 30, 1988.

#### Supplemental Schedule of Expense by Type

(In millions of dollars)

Year Ended June 30	Benefits	Refunds	Administrative/Other Expenses	Total
1982	\$ 238	\$ 27	\$ 2	\$ 267
1983	262	23	3	288
1984	291	24	3	318
1985	325	24	3	352
1986	360	26	4	390
1987	398	26	5	429
1988	436	21	5	462
1989	477	20	6	503
1990	520	22	41	583
1991	573	19	8	600

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# Supplemental Schedules

## Supplemental Schedule of Funding Progress

In millions of dollars)

June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1982	\$3,215	\$6,109	52.6%	\$2,894	\$2,177	132.9%
1983	3,410	6,690	51.0	3,280	2,287	143.4
1984	3,728	7,349	50.7	3,621	2,345	154.4
1985	4,265	7,982	53.4	3,717	2,472	150.3
1986	5,168	8,687	59.5	3,519	2,633	133.6
1987	6,092	9,950*	61.2	3,858	2,834	136.1
1988	6,684	10,922	61.2	4,238	3,007	140.9
1989	7,272	11,914	61.0	4,642	3,172	146.3
1990	8,080	13,663**	59.1	5,583	3,402	164.1
1991	8,747	15,141	57.8	6,394	3,777	169.3

Analysis of the dollar amounts of net assets available for benefits, pension obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

*Includes increases of \$55 million due to plan amendments and \$393 million due to changes in actuarial assumptions.*

*Includes effect of COLA of 3% compounded of \$642 million dollars.*

## Supplemental Schedules

Administrative expenses for the years ended June 30, 1991 and 1990 are summarized below:

	1991	1990
Personal services	\$ 4,214,000	3,496,000
Professional services	497,000	737,000
Postage	310,000	256,000
Machine repair and rental	202,000	251,000
Other contractual services	286,000	294,000
Commodities	189,000	232,000
Occupancy expense	388,000	424,000
Provision for depreciation of equipment	569,000	485,000
	<u>\$ 6,655,000</u>	<u>6,175,000</u>

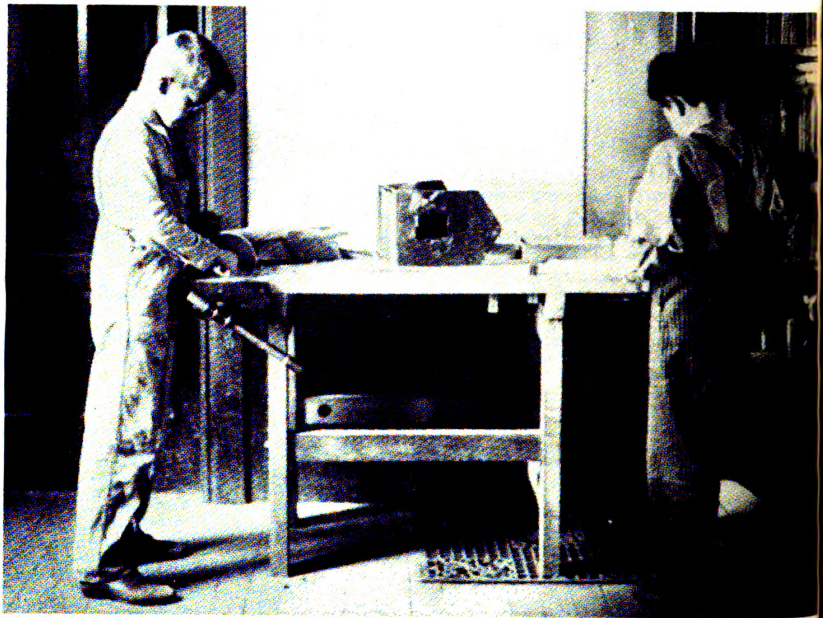
Cash receipts and disbursements for the years ended June 30, 1991 and 1990 are summarized below:

Cash balance at beginning of year	\$ 4,058,000	1,437,000
Cash receipts:		
Member contributions	308,075,000	285,705,000
Employer contributions	287,732,000	287,045,000
Investment income	502,721,000	560,614,000
Annuities returned	520,000	472,000
Investments sold	11,028,293,000	8,464,195,000
Total cash receipts	<u>\$12,127,341,000</u>	<u>9,598,031,000</u>
Cash disbursements:		
Benefits	574,002,000	519,300,000
Refunds	19,221,000	21,920,000
Administrative	5,774,000	5,843,000
Real Estate and investment manager expenses	106,651,000	85,552,000
Investments purchased	11,423,141,000	8,962,795,000
Total cash disbursements	<u>\$12,128,789,000</u>	<u>9,595,410,000</u>

Cash balance at end of year \$ 2,610,000 4,058,000



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*ACTUARIAL  
SUMMARY*

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# Actuary's Certification

**BUCK CONSULTANTS**  
55 West Monroe Street Suite 1700  
Chicago, Illinois 60603

October 4, 1991

Board of Trustees  
Teachers' Retirement System  
of the State of Illinois  
2815 West Washington Street  
Springfield, Illinois 62794

Subject: Pension Benefit Obligation as of June 30, 1991

Ladies & Gentlemen:

Based upon our annual actuarial valuation of the Teachers' Retirement System of the State of Illinois, we have determined the pension benefit obligation of the System to be \$15,141,334,000 as of June 30, 1991. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

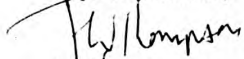
Effective with the current valuation, the assumed mortality rates of annuitants were revised to reflect the increase in annuitant and beneficiary longevity. This was accomplished by increasing the "rate-back" in the UP-1984 Mortality Table from 5 years to 6 years, thereby increasing the pension benefit obligation of the System by \$214,173,000 as of June 30, 1991. The amount of \$214,173,000 is included in the total pension benefit obligation of the System noted above.

The actuarial valuation was based on a census of retired members as of June 30, 1991, and a census of active and inactive members as of June 30, 1990, which were submitted to us by the System. While we did not verify the data at their source, we did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. We also understand that the outside auditor of the System has made an examination of the membership data.

The valuation is based on the provisions of TRS in effect on June 30, 1991. The actuarial assumptions used in the valuation are those specified by the Board of Trustees of the System based on recommendations made by the actuary.

In our opinion, the amount of \$15,141,334,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1991.

Respectfully submitted,



John W. Thompson  
Consulting Actuary

JWT:kam  
P22K:72281122K:AM

Buck Consultants, Inc.  
312 | 332-2285 Fax 312 | 332-5245

# Actuarial Information

## Introduction

A retirement plan can generally be described as a promise by the employer to provide for employees' pensions in return for services provided by the employees; as such, a pension is a form of deferred compensation. Retirement plans generally provide for retirement benefits, post-retirement increases, disability benefits, survivor benefits and group health insurance.

Since 1939, the Teachers' Retirement System of the State of Illinois has provided pension and ancillary benefits to all public elementary and secondary teachers except for those employed by the city of Chicago. Funding of these benefits comes from employee contributions, employer contributions (principally State appropriations) and investment income. Employee contributions established by the Illinois Pension Code are currently 8 percent of salary. Investment income and employer funding are primary determinants of the System's financial status. Benefits are an obligation of the State of Illinois and are an enforceable contract right.

To assess the funding status of the System, annual estimates of the pension benefit obligation 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 mortality and disability rates). These estimates are known as actuarial assumptions.

## Actuarial Assumptions

Actuarial assumptions are projections based on past experience of the group and other groups with similar attributes. Assumptions should project future experience over terms of at least 50 years. Experience never coincides exactly with these projections. Differences that occur between assumptions and experience are called actuarial gains and losses. A review of the assumptions (an experience analysis) is required by statute. The most recent experience analysis was conducted in 1989 using demographic and economic data for the three-year period ended June 30, 1988. The review resulted in a change to the projected unit credit method from the attained age method.

## Actuarial Valuation

An important step in an actuarial valuation is application of 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 the pension benefit obligation. Normal cost is the annual cost of service earned by System members during the fiscal year. Pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects

of projected salary increases which are estimated to be payable in the future as a result of employee services to date.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is the projected unit credit actuarial method. The current normal cost is 14.3 percent of payroll. Eight percent of normal cost is paid by the members' contributions. The remaining 6.3 percent is the employers' portion of the normal cost.

## Actuarial Assumptions

- **Inflation assumption:** 4 percent per annum (included in investment returns and earnings progression assumption).
- **Investment return:** 8 percent per annum, compounded annually.
- **Retirement age:** 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 follow.

Age	Male	Female
55	97	97
60	270	180
65	365	330
70	1,000	1,000

- **Mortality:** Active participants - UP 1984 Table, set back two years; nondisabled pensioners - UP 1984 Table, set back six years.
- **Disability:** Sample annual rates per 1,000 participants follow.

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.
- **Earnings progression:** Merit and longevity increases, adjusted for inflation. Approximates 7 percent per year to earliest date of retirement eligibility. Sample annual percentage increases follow.

Age	Unisex
20	9.7%
30	8.6
40	7.5
50	6.9
60	6.7

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**Reconciliation of Unfunded Pension Benefit Obligation**

(In Millions of Dollars)

Year Ended June 30

	<u>1991</u>	<u>1990</u>
Unfunded pension benefit obligation at beginning of year	\$ 5,583	4,642
Additions (deductions):		
Amendments	-	642
Employer cost in excess of contributions	398	331
Addition to health care reserves	22	22
Actuarial losses (gains) compared to assumptions:		
Salary increases	74	11
Investment income	(9)	(203)
Other	112	138
Changes in post-retirement mortality assumptions	214	-
Net additions (deductions)	<u>811</u>	<u>941</u>
Unfunded pension benefit obligation at end of year	<u>\$ 6,394</u>	<u>5,583</u>

Fiscal year 1991 actuarial gains and losses resulted from the following: average salaries increased by 7.9 percent compared to 7 percent assumption; and actuarial investment return (including interest, dividends, and realized gains) was 8.1 percent, compared to the 8 percent assumption.

**ASB Statement Number 5**

The System complies with the reporting requirements of Statement Number 5 of the Governmental Accounting Standards Board, Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers, November 1986. This statement prescribes financial disclosure requirements for public employee retirement systems including a standardized measure of the pension benefit obligation. The System uses this standardized measure for funding purposes as well as for financial reporting. The actuarial terminology used by Statement 5 is used consistently for all financial and funding exhibits.

**Actuarial Valuation**  
(Millions of Dollars)

	June 30	
	<u>1991</u>	<u>1990</u>
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$ 5,743	5,121
Terminated employees not yet receiving benefits	279	279
Current employees:		
Accumulated employee contributions	2,312	2,167
Employer-financed vested	2,227	1,961
Employer-financed nonvested	<u>4,580</u>	<u>4,135</u>
Total pension benefit obligation	15,141	13,663
Assets available for benefits, net of cost	<u>8,747</u>	<u>8,080</u>
Unfunded pension benefit obligation	<u>\$ 6,394</u>	<u>5,583</u>

**Employer Cost in Excess of Contributions**

(In Millions of Dollars)

	Year Ended June 30	
	<u>1991</u>	<u>1990</u>
Employer normal cost	\$ 239	194
Interest on unfunded pension benefit obligation at beginning of year	447	423
Minimum retirement benefit funded annually from the State General Revenue Fund and not included in the actuarial valuation of pension benefit obligation	<u>6</u>	<u>7</u>
	\$ 692	624
Deduct employer contributions:		
State of Illinois	263	264
Early retirement option	18	17
Federal and trust funds	<u>13</u>	<u>12</u>
	294	293
Employer cost in excess of contributions	<u>\$ 398</u>	<u>331</u>

# Actuarial Information

## Actuarial Funding Current Funding Policy

On August 23, 1989, Public Act 86-0273 was enacted which provides for amortization of the System's unfunded pension benefit obligation over 40 years with a seven-year phase-in. Implementation of this legislation would provide financial stability for the System by funding benefits on an actuarially sound basis. This legislation was not implemented in FY90 or FY91 because State appropriations were insufficient to meet the funding requirements of Public Act 86-0273.

## Advantages of Actuarial Funding

Retirement benefits earned during employment are part of the payroll expense for each employee. Sound financing of a retirement system requires that benefits

*“Sound actuarial  
funding practices bolster  
membership confidence in  
retirement security.”*

accruing to each employee be paid for during the career of the employee by regular contributions to the retirement system based on a percentage of payroll. When an employee retires, the accumulated funds should be sufficient to provide for the benefits payable to that employee. The cost of benefits for current employees should be borne by current taxpayers and should not become a liability for future taxpayers.

Sound actuarial funding practices also protect the employer. Current assessment of costs for both the employer and contributing employees protects the employer from the future impact of increasing contributions to pay for benefits that were underfunded. In addition, current funding protects against funding problems caused by changes in the work force.

Sound actuarial funding practices bolster membership confidence in retirement security. An individual's retirement security should not depend on future taxpayers or be subject to short-term employer distress caused by economic cycles. When sound actuarial funding practices are used, investment earnings may provide an appropriate method to pay for additional cost of living adjustments required by annuitants.

As a public pension plan, the Teachers' Retirement System is not covered by the Employee Retirement Income Security Act of 1974 (ERISA). That federal legislation did provide funding standards for private pension plans which the Teachers' Retirement System uses as a model. ERISA standards require annual funding to amortize the unfunded accrued benefit cost in the same manner as a home mortgage, with level annual payments of principal and interest over 30 years.

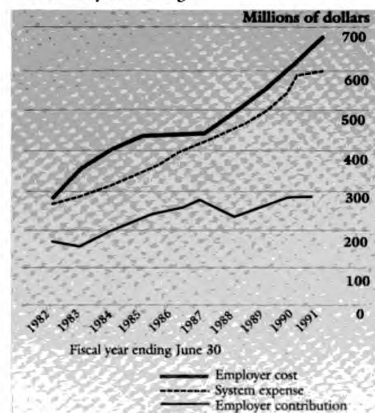
The **Percentage of Benefits Covered by Net Assets** exhibit compares the plan's net assets with the member's contributions, the amount necessary to cover the present value of benefits currently being paid, and the employer's portion of future benefits for active members.

A test of financial soundness of a pension 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.

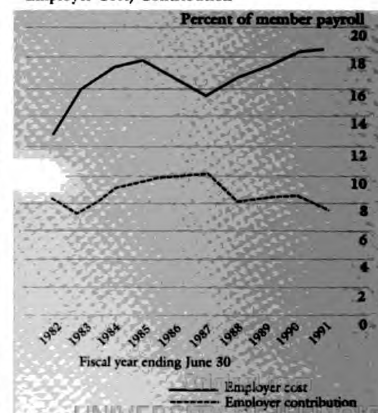
For a System receiving actuarially determined contribution amounts, the total of actuarial values in Columns 1 and 2 should generally be fully covered by assets and the portion of the actuarial value of Column 3 covered by assets should increase over time.

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

Summary of Funding



Employer Cost/Contribution



**Test of Financial Soundness**

The following three charts show ten-year trends representing differing perspectives on the System's actuarial status.

**Funding Ratios\***

(in Millions of Dollars)

Year Ended June 30	As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation	Funding Ratio Cost	Funding Ratio at Market
	1982		\$ 3,215	\$ 2,734	\$ 6,109	\$ 52.6
1983		3,410	3,605	6,690	51.0	53.9
1984		3,728	3,630	7,349	50.7	49.4
1985		4,265	4,598	7,982	53.4	57.6
1986		5,168	5,952	8,687	59.5	68.5
1987		6,092	6,958	9,950	61.2	69.9
1988		6,684	7,055	10,923	61.2	64.6
1989		7,271	8,088	11,914	61.0	67.9
1990		8,080	8,924	13,663	59.1	65.3
1991		8,747	9,438	15,141	57.8	62.4

As required by statute, the System's actuaries conducted an analysis of experience for the four-year periods ended June 30, 1981, and June 30, 1985, and for the three-year period ended June 30, 1988. For actuarial purposes, the effects of this analysis were reflected in the pension benefit obligation for the years ended June 30, 1982, and June 30, 1987, respectively; there was no effect on pension benefit obligation resulting from the three-year period ended June 30, 1988.

**Percentage of Pension Benefit Obligation**

(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		
	(1)	(2)	(3)		(1)	(2)	(3)
1982	\$ 1,100	\$ 2,365	\$ 2,644	\$ 3,215	100%	89%	0%
1983	1,264	2,565	2,861	3,410	100	84	0
1984	1,372	2,803	3,174	3,728	100	84	0
1985	1,472	3,130	3,380	4,265	100	89	0
1986	1,596	3,402	3,689	5,168	100	100	5
1987	1,718	3,777	4,455	6,092	100	100	13
1988	1,860	4,165	4,898	6,684	100	100	13
1989	2,004	4,528	5,382	7,272	100	100	14
1990	2,167	5,121	6,375	8,080	100	100	12
1991	2,312	5,743	7,086	8,747	100	100	10

**Roll Percentages**

(in Millions of Dollars)

Year Ended June 30	UNFUNDED PENSION BENEFIT OBLIGATION			EMPLOYER'S COST				EMPLOYER CONTRIBUTIONS		
	Member Payroll (1)	Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest on Unfunded Pension Benefit Obligation (6)	Total (7)	Percent of Payroll (8)	Employer Contribution (9)	Percent of Payroll (10)
1982	\$ 2,177	\$ 2,894	132.9%	\$ 138	6.3%	\$ 133	\$ 271	12.5%	\$ 169	7.8%
1983	2,287	3,280	143.4	164	7.2	203	367	16.1	161	7.0
1984	2,345	3,621	154.4	176	7.5	230	406	17.3	207	8.8
1985	2,472	3,716	150.3	184	7.4	253	437	17.7	238	9.6
1986	2,633	3,519	133.6	179	6.8	260	439	16.7	260	9.9
1987	2,834	3,838	135.4	194	6.9	246	440	15.5	280	9.9
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	242	8.1
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	260	8.2
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	293	8.6
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	294	7.8

Original from

# Actuarial Information

## State Funding Summary

(In Millions of Dollars)

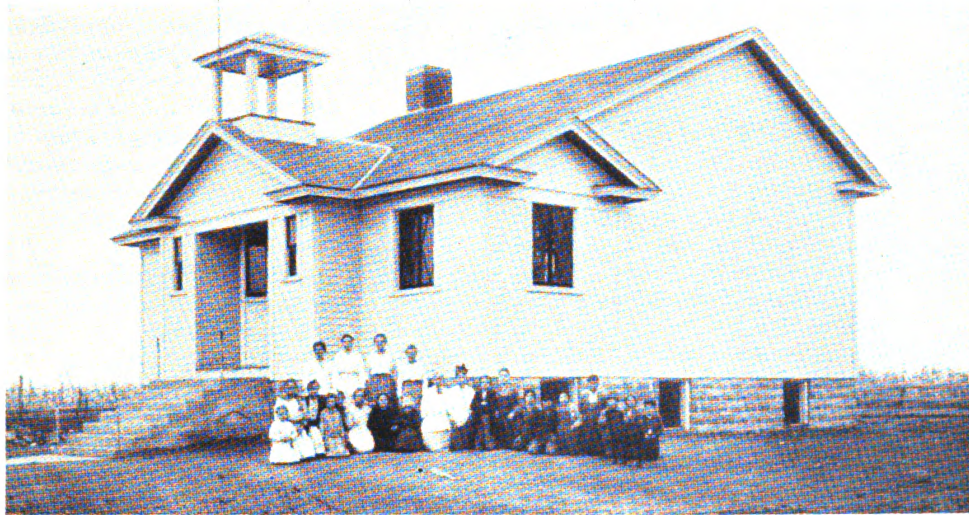
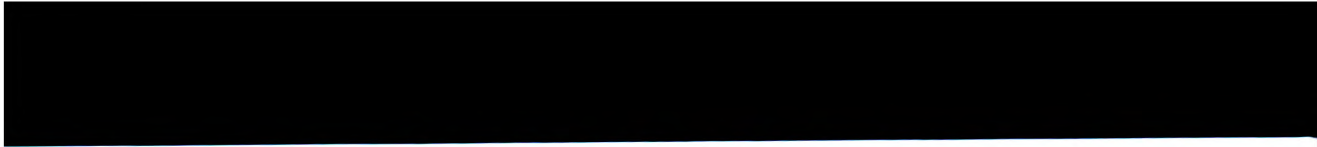
FUNDING REQUIREMENTS					COVERAGE PERCENTAGE				
Fiscal Year Ended June 30	Normal Costs Plus Interest On Unfunded Pension Benefit Obligation	General Revenue Reimbursement Post-Retirement Increases	Statutory Requirements		System Expense	Employer Contributions	Statutory Requirements		System Expense
			Actuarial (Columns 1 and 2)	Minimum (4)[A]			Actuarial (7)[B]	Minimum (8)[C]	
	(1)	(2)	(3)	(4)[A]	(5)	(6)	(7)[B]	(8)[C]	(9)[D]
1982	271	6	277	202	267	169	61.0	83.7	63.3
1983	367	6	373	213	288	161	43.2	75.6	55.9
1984	406	7	413	218	318	207	50.1	95.0	65.1
1985	437	9	446	237	352	237	53.1	100.0	67.3
1986	439	9	448	253	390	260	58.0	102.8	66.7
1987	440	8	448	272	429	280	62.5	102.9	65.3
1988	506	8	514	289	462	242	47.1	83.7	52.4
1989	559	7	566	305	503	260	45.9	85.2	51.7
1990	617	7	624	327	583	293	47.0	89.6	50.3
1991	686	6	692	363	600	294	42.5	81.0	49.1

**NOTE A** - 9.6 percent of member payroll - the appropriate amount required by Section 16-158 of the Illinois Pension Code.

**NOTE B** - Employer contributions divided by actuarial requirement. (Col. 6/Col. 3)

**NOTE C** - Employer contributions divided by minimum requirement. (Col. 6/Col. 4)

**NOTE D** - Employer contributions divided by System expense. (Col. 6/Col. 5)



*Beaver Dam School  
Sangamon County  
1917*

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## MEMBERSHIP AND BENEFITS INFORMATION

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# Membership Information

## Membership Profile

All certificated Illinois public school employees outside the city of Chicago are members of TRS. These members include full and part-time employees, subject to certain limitations as outlined in the "Plan Summary" on page 28.

Members are employed by 1,114 employers including public school districts.

System members do not contribute to Social Security; however, many earned coverage by that system through non-TRS employment. All TRS members hired after March 31, 1986, are required to contribute to Medicare.

As of June 30, 1990, (the most current fiscal year statistics available), there were 101,987 TRS members, a slight increase from the 100,857 members on June 30, 1989.

The average TRS member on June 30, 1990, was 43 years old. The average age of the member population has remained stable for the past five years although active member age had increased steadily since the early 1970s.

Fifty-seven percent of the active member population was in the 35-49 age group during FY90, compared to 40 percent of total membership in this same age group ten years ago. Despite this large percentage of educators moving toward retirement, there is a marked decrease in the number of teachers entering the field in the last ten years. During FY81, 6 percent of the total membership were age 20 to 24. In FY90, this age group composed only 1 percent of the total member population.

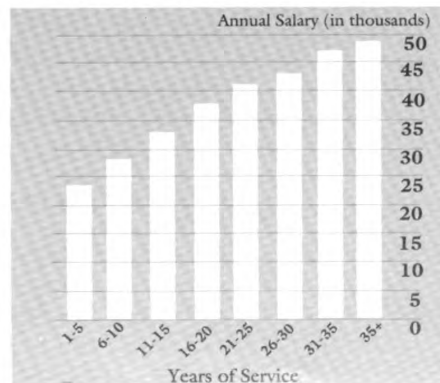
The number of active members who choose to work after age 55 has risen steadily in the past decade, from 9.8 percent during FY81 to 12.3 percent in FY91.

## Contributions

Active members contributed \$311 million as their required 8 percent of salary to the System, up 10 percent from FY90.

The average annual salary for active members rose 6.9 percent from FY89 to FY90, from \$31,318 to 33,464. Since

Average Annual Salary  
Active Members by Years of Service  
As of June 30, 1990



FY81, this figure has increased by 73 percent from \$19,361. Generally, the more years of service the member accrues, the higher salary he or she earns. Peak salaries averaging \$48,793 during FY90 were earned by the 400 members in the 36-40 years of service category, while those with under six years of service averaged \$23,022 annually.

## Member Refunds

Members who withdraw from active service with the System may apply for a refund four months from the last day of teaching. The refund includes accumulated retirement contributions, exclusive of the 1 percent survivor benefit contribution and accumulated interest.

The System paid 2,144 former members \$9.8 million in refunds of retirement contributions during FY91. This is a decrease from the \$13.3 million paid in refunds in FY90. The total number of refunds decreased 21 percent, from 2,703 in FY90.

A refund of the 1 percent survivor benefit contribution was paid to 416 retired members in FY91, down from 531 members who received this refund in FY90. A total of \$1.1 million was paid for this refund, which is granted to members who request the refund and who do not have a beneficiary deemed a dependent under the Illinois Pension Code. Acceptance of this refund terminates the retiree member's eligibility for survivor benefit coverage from the System.

## Counseling Services

The System maintains two offices, in Springfield and Lisle, to serve members throughout the state. During FY90, the TRS offices received over 41,000 phone calls. In addition, staff members sent out over 170,000 letters and conducted office consultations with an average of 204 members monthly.

Individual retirement conferences are held around the state each year by the System's benefits counselors. During FY91, 6,511 members attended these conferences. An additional 10,538 members attended group meetings held by TRS around the state.

During FY88, the System initiated a program to help members plan for retirement. The seminars are designed to help members identify and plan to attain retirement goals. In FY90, 493 members attended these seminars. This number increased to 783 during fiscal 1991.

A series of guides designed for members, retired members and employers is published annually by the System. In addition, bulletins and newsletters are mailed to these audiences with current information concerning benefits, legislation and System administration.

Individual member statements of account are mailed annually to all members. These present up-to-date information on each member's TRS contributions and service.

# Benefits Information

As a trust fund for its members and annuitants, the Teachers' Retirement System provides retirement annuities and disability and survivor benefits. The System also administers the TRS Health and Prescription Drug Insurance Plan. These benefits are in the System's plan as outlined in Article 16, Chapter 108 1/2 of the Illinois Revised Statutes.

## Plan Design

The TRS plan is designed to pay specific benefits in amounts that are set forth by Illinois law. This design may only be changed by action of the Illinois General Assembly and the Governor. Benefits cannot be increased or reduced without a change in the TRS plan design.

## Retirement Benefits

During FY91, the TRS plan provided retirement benefits for 40,571 annuitants. The average benefit of \$1,077 was up percent from \$1,015 on June 30, 1990.

### TRS Annuitant Profile June 30, 1991

Average Age:	73
Average Service:	26.7
Average Monthly Annuity:	\$1,077
Average Original Monthly Annuity:	\$852
Average Years in Retirement:	13

Overall, the System paid \$520.4 million in retirement annuities in FY91, up 10 percent from FY90. The number of annuitants receiving benefits rose during FY91, up 500 from June 30, 1990. The System offers retired members direct deposit of TRS annuity payments with participating financial institutions. At the end of FY91, 29,509 of the total 46,651 benefit recipients were participating in the direct deposit program. This represents 63.2 percent of all benefit participants.

Although the annuity for those members in retirement less than five years is higher than average at \$1,524, this amount drops to below the overall average after ten years in retirement—members retired between 11 and 15 years receive an average benefit of only \$928, below the \$1,077 average.

Average annuity also decreases as the retired member's service increases. Retirees aged 55 through 59 receive an average benefit of \$1,640 monthly, while those age 80 and over receive an average of only \$681.

Of the 2,097 TRS members who retired during FY91, the average age was 60, average service, 27.0, and average monthly benefit, \$1,728. These members retired with an average salary of \$37,236.

Members who are 55 or older and have 20 or more years of service may choose the early retirement option to avoid a reduction in their annuity if they retire before earning 35

years of service. Enacted in 1980, this option allows the member and employer to make a one-time contribution to TRS and avoid a reduced annuity. Current law calls for an end to the early retirement option after June 30, 1995. A nondiscounted annuity is granted to members with 35 or more years of service with no contributions required from either the member or the employer.

## Use of Early Retirement Option

Year	Total Retire-ments	ERO Retire-ments	ERO % of Total	Average Payment	Average Salary
1981	1,750	419	23.9	4,924	21,092
1982	1,725	384	22.3	5,532	23,073
1983	1,946	468	24.0	5,801	24,889
1984	1,842	454	24.7	6,451	28,340
1985	2,336	645	27.6	5,924	28,331
1986	2,160	534	24.7	6,757	30,985
1987	2,093	552	26.4	7,191	32,202
1988	2,116	555	26.5	7,646	34,935
1989	2,044	630	30.8	7,798	37,141
1990	2,067	573	27.7	8,032	38,911
1991	2,097	627	29.9	8,339	40,746

## Disability Benefits

Disability payments of \$8.7 million were made by the System during FY91, up 6 percent from FY90. A total of 1,142 nonoccupational disability benefits were paid to members whose average age was 58 and average years of service was 16.6.

There were 293 new nonoccupational disability benefits paid during FY91 and the average benefit for these new recipients was \$1,103. Of these new claims, 25 percent were for pregnancy-related disabilities; 13 percent were for mental illness; 14 percent for cancer and tumors, with other disabilities accounting for the remainder of the claims.

## Survivor Benefits

A total of 1,214 death and survivor benefit claims were paid in FY91. Total payments rose from \$26.2 million in FY90 to \$28.8 million in FY91.

Average monthly survivor benefits of \$421 were paid to 4,967 survivors of TRS members and annuitants in FY91. The average age of the deceased was 72. There were 431 new claims during the year for monthly benefits and the average monthly benefit for FY91 claims was \$543.

Original from

# Benefits Information

## Health Insurance

Since 1981, the System has provided health and prescription drug insurance. The plan, administered by Blue Cross/Blue Shield, is available to annuitants electing coverage. Annuitants may also enroll their eligible dependents. On June 30, 1991, enrollment in the plan totaled 17,691 annuitants and 4,361 dependents.

## Coverage Options

For annuitants and their dependents who qualify for Medicare, TRS provides Medicare supplement coverage. After the \$300 yearly deductible, the plan pays the balance of all claims that are reasonable and customary that Medicare does not pay. As of June 30, 1991, 12,774 members and 2,936 dependents were enrolled in this option.

Annuitants who do not qualify for free Medicare Part A coverage at age 65 may elect the Special Coverage Option. This option provides coverage for both hospital and physician services. It pays all claims that are reasonable and customary after a \$300 deductible and 80%-20% coinsurance of the next \$10,000 of covered expenses and 100 percent coverage thereafter. As of June 30, 1991, 1,032 annuitants and dependents were enrolled in this option.

Annuitants and their dependents under 65 are offered a major medical plan which provides coverage for both hospital and physician services. On June 30, 1991, 3,895 annuitants and 1,415 dependents were enrolled in this plan.

## Premiums

The System pays 75 percent of the cost of the premium for participating annuitants; however, dependent premiums are the responsibility of the annuitants.

### TRS Subsidy Payments

FY 1982	626,695	FY 1987	5,409,299
FY 1983	1,502,799	FY 1988	6,822,664
FY 1984	2,412,284	FY 1989	8,322,849
FY 1985	3,427,819	FY 1990	10,290,444
FY 1986	4,466,057	FY 1991	15,144,273

## Reserve Account

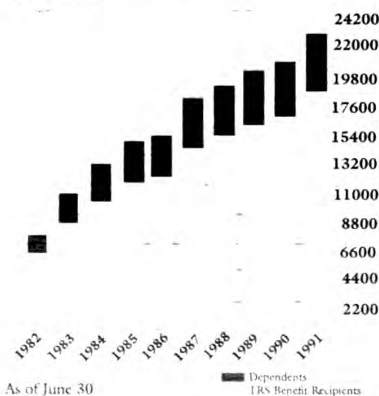
The System maintains a Health Insurance Reserve Account. On June 30, 1990, the reserve fund balance was \$64.1 million. During FY90, the account was credited with the required \$20 million plus \$6.2 million interest earned. Premium payments of \$15.2 million were charged to the account leaving a June 30, 1991, reserve fund balance of \$75.7 million.

## Claims Experience

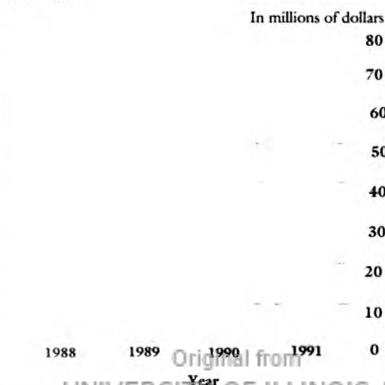
Year	Premiums Paid	Retention* Fees	Claims Paid
1981	\$ 291,001	21,068	100,577
1982	1,597,841	115,684	1,207,809
1983	3,826,362	277,021	3,467,117
1984	6,242,236	368,008	5,962,159
1985	8,931,731	427,746	8,195,989
1986	11,640,732	539,458	9,859,417
1987	13,932,201	617,300	13,163,179
1988	17,066,035	735,546	17,714,923
1989	20,859,736	899,055	22,015,321
1990	26,048,490	1,122,690	24,921,799
1991	31,411,797	1,353,848	30,348,628

\* Retention is the percentage of premiums paid to the insurance carrier to cover the administrative costs for processing claims and the risk involved in underwriting the contract. Because claims paid and retention fee due to Blue Cross/Blue Shield in a year would exceed the premiums paid, Blue Cross/Blue Shield forfeits the portion of the retention fee which exceeds the premiums paid.

Health Plan Enrollment  
1982 - 1991



Health Insurance Reserve Account  
Fund Balance  
June 30



# Legislative Issues

The Teachers' Retirement System plays an important role in providing economic security for its members in retirement. The System is designed not only as a defined benefit plan which replaces a set percentage of teachers' income based on the number of years which a member works as a teacher but also as a replacement for Social Security. These complementary roles are taken seriously by the Teachers' Retirement System as it works in support of equitable benefits which improve the retirement security of its members.

A recent survey of TRS members indicates that one-half of all active and retired teachers have never been employed outside the teaching profession. Those who have worked outside teaching average less than 10 years in other fields (see Table 1). Teachers' salaries and retirement benefits are the principal sources from which they must draw their lifetime income. Because teachers, most of whom are not highly compensated, are not able to set aside large sums during years of active employment, retirement benefits for teachers are, in part, designed to compensate for these lower salaries.

Table 1. TRS member employment outside teaching

	Never Employed Outside Teaching	Employed Outside Teaching	Avg. # of Yrs.
Retired members	46%	54%	9.3 yrs.
Active members			
Less than 45 years old	56%	44%	5 yrs.
45 or more years old	50%	50%	6.8 yrs.

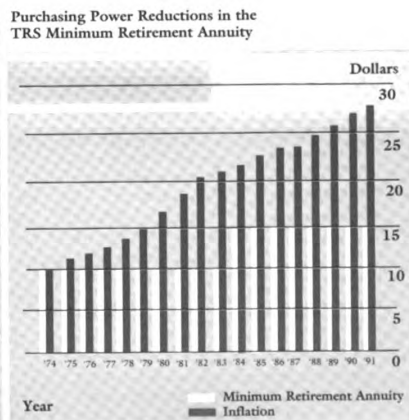
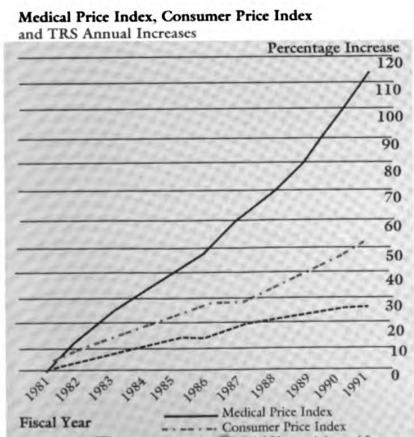
In recent years, several legislative changes have substantially improved retirement security for TRS members and their survivors. Legislation approved in 1989 provides for annual increases based on current rather than original benefits and annual increases in benefits for survivors. These changes provide an important shield against the decline in purchasing power brought about by increasing health care costs and other economic trends (see below).

Unfortunately, TRS members in retirement for many years and those with small pensions are not significantly protected by these benefit improvements. Inflation hit many of these individuals too hard for the annual increase improvements by themselves to meaningfully increase their economic security. Many of these retirees rely on the TRS minimum retirement benefit as their bottom line protection. The minimum retirement benefit provides protection for the lowest paid and those in retirement the longest.

## Minimum Retirement Benefits

The TRS minimum Retirement annuity was instituted in 1974 at \$10 per month for each year of creditable service in order to protect against the shrinking buying power of TRS annuities. Currently, annuitants who make a qualifying contribution are guaranteed a minimum retirement benefit of \$15 per month for each year of creditable service up to a maximum of \$450 per month. Over 6000 TRS annuitants rely on the minimum retirement benefit to protect their annuities. However, for many, the standard of living that this minimum supports does not approach that of their original annuity at the time they retired.

Because minimum retirement levels are an important protection for long-term retirees, these levels need to be increased over time. Since 1974, when the minimum retirement levels were introduced at \$10 per month for each year of creditable service, the cost of living has risen significantly. In order to maintain the same buying power, the \$10 per month would need to be \$25 per month. Unfortunately, this level has only been increased to \$15 per month. The TRS minimum retirement level maintains a significantly lower standard of living today than it did in 1974 (see below).



# Legislative Issues

If the TRS minimum retirement level were increased to \$25 per month for each year of creditable service up to a maximum of \$750 per month, 10,405 TRS members would see an increase in monthly benefits averaging \$54 per month. This new floor for TRS benefits would significantly aid retirees hit hard by inflation. The annual increase based on current benefits will then protect these retirees from once again experiencing a dramatic loss in purchasing power.

## Retirement Formula

In addition to a floor below which benefits will not fall, retirement security also flows from adequate benefits at retirement. The Teachers' Retirement System supports legislation to improve the retirement benefit formula for Illinois teachers by replacing the current graduated formula with one that will provide 2.2 percent of final average salary for each year of service credit (see Table 2). This improvement is necessary to provide TRS members with retirement benefits which compare favorably with not only teacher retirement benefits across the country, but also with other public employee retirement benefits in the State of Illinois.

Table 2. *Percent of final average salary at normal retirement age.*

Creditable Service	Current Formula	Proposed Formula
5	8.35%	11.00%
10	16.7%	22.00%
15	26.2%	33.00%
20	35.7%	44.00%
25	46.2%	55.00%
30	56.7%	66.00%
35	68.2%	75.00%
38 or more	75.00%	75.00%

Comparisons of TRS with teacher retirement plans in other states show that the benefits Illinois teachers receive still fall behind those provided to teachers outside of Illinois. All twelve other states that, like Illinois, have teachers' retirement plans which are not coordinated with Social Security provide teachers with better retirement formulas than TRS. Eight of these states provide a formula of 2 percent or greater per year of service. In 1990, the average newly retired TRS member received 1.86 percent of their final average salary for each year of service.

When the TRS plan is compared with other Illinois public employee plans, again the TRS retirement formula falls behind most others. Because the required employee contribution rates of the various systems differ greatly, the best method for comparison is to examine what members of the systems receive for each dollar they contribute. When the value of retirement benefits is expressed as a percentage of the accumulated value of a member's contributions, TRS comes in far behind most public employee plans in Illinois.

In fact, retirement benefits for educators in Illinois are lower than benefits offered to any other group of public employees. For example, under the Teachers' Retirement System, the value of a benefit at retirement for an employee who retires at age 60 with 20 years of service is 184.5 percent of the value of the employee's accumulated contributions. In other words, the employer (for TRS, the State of Illinois) contributes 84.5 cents for every dollar contributed by a teacher retiring at age 60 with 20 years of service. At the same time, the employer of a member retiring under these conditions under the Illinois Municipal Retirement Fund (I.M.R.F.), contributes \$2.24 for each dollar contributed by an I.M.R.F. member.

## 1992 Legislative Session

In 1992, the Teachers' Retirement System will again support legislation to improve the minimum retirement benefit and the TRS retirement formula. While TRS works closely with the Illinois General Assembly and the Governor in support of benefit improvements which increase retirement security for TRS members, the success of the System's benefit improvements is directly related to the involvement of TRS members and retirees.

In recent years, TRS members and retirees have increased their role in the legislative process by subscribing to the *TRS Legislative Update* and by contacting their elected officials regarding issues of interest to them. This active participation will help advance legislative efforts aimed at improving the retirement security of teachers throughout the State of Illinois.

# Plan Summary

## Administration

The Teachers' Retirement System was created and is governed by Chapter 108 1/2, Article 16 of the Illinois Revised Statutes. A Board of Trustees, comprised of the State Superintendent of Education, four persons appointed by the Governor, and three elected members of the System and one elected annuitant, is authorized to carry out provisions of this Article. This Board appoints an executive director responsible for the general administration of the System.

## Revenue

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 positions requiring certification in public schools of Illinois (outside Chicago). After July 1, 1990, TRS-covered employment includes all substitute and part-time teaching positions.

## 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 certain conditions, optional credit is granted for substitute or part-time teaching positions, for out-of-system employment, for official leave of absence, for military service. Such service credit accrues additional contributions. Up to one year of credit is also added at the time of retirement for unused, compensated sick leave days accrued with TRS employers.

## Disability benefits

A member with at least three years of creditable service 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. In the case of disability due to pregnancy, only one physician must verify the disability. Part-time and substitute teachers must work as teachers for at least 340 hours in either the school year in which the disability occurs or the preceding school year to be eligible for disability benefits.

Disability benefits are 40 percent of current salary. The member continues to earn service credit while receiving disability benefits.

A disability retirement annuity is available for members who have received a disability benefit for the maximum period. This benefit pays 35 percent of the last salary or the amount computed by the retirement annuity formula, whichever is greater.

Occupational 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 workers' compensation program. Service credit is earned during periods of occupational disability.

On January 1 following the fourth anniversary of the granting of disability, occupational disability or certain disability retirement benefits, the benefit increases 7 percent. Thereafter, the benefit increases 3 percent of the current benefit annually.

## Death Benefits

Death benefits consist of a return of the member's accumulated contributions and the payment of survivor benefits.

Accumulated contributions are the member's contributions to the System plus the interest required by statute. Survivors of members receive a return of accumulated contributions. Survivors of annuitants receive accumulated contributions minus the amount received as retirement annuity.

Survivors of members are eligible for survivor benefits if death occurs while the member is employed as a teacher, during the first year following termination of employment, while on a creditable leave of absence, or while in receipt of disability or occupational disability benefits. Survivors of inactive members not meeting these requirements but with 20 years of service are eligible for survivor

benefits calculated as though the member had been in retirement. Beneficiaries of annuitants who have not taken a refund of survivor benefit contributions are also eligible for survivor benefits.

Survivor benefits are payable in one of two forms. A lump-sum settlement is available to dependent and nondependent beneficiaries. It consists of a cash settlement based on the final salary rate as a teacher.

Monthly benefits are payable to dependent beneficiaries of annuitants and members with 1 1/2 years of credit and at least 60 days of creditable service during the 18 months preceding death. The System provides a 3 percent annual increase in the currently payable monthly survivor benefit.

If a member retired or is retiring and has no spouse or eligible child, he or she may take a refund of actual survivor benefit contributions, waiving all rights to have survivor benefits paid to beneficiaries; however, designated beneficiaries remain eligible for a return of the member's excess accumulated contributions (if any) upon the member's death. To restore eligibility for survivor benefits, the member must return to contributing service for at least one year and repay the refund with interest.

## Retirement annuity

A member qualifies for a retirement annuity after attaining one of the following: age 62 with 5 years of service credit; age 60 with 10 years; or age 55 with 20 years. If retirement occurs between ages 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, application for retirement occurs within six months of the last day of service requiring contributions, and the member and the employer both make a one-time contribution to the System. Substitute teachers must teach 85 or more days in a school term with one employer to be eligible for the early retirement option.

The annuity is determined by the average of the four 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 is 75 percent of average salary, is achieved with 38 years of service.

An actuarial calculation is used if a member has no service after July 1, 1947, or if it provides a greater benefit. This calculation is based on interest and mortality rate factors which are subject to change.

## Post-retirement increase

The System provides 3 percent compounded annual increases in the age or disability retirement annuity for qualifying annuitants beginning the later of: January 1 following the attainment of age 61 or January 1 following the first anniversary in retirement.

## Refunds

The System will refund a member's contributions provided the member has officially resigned from a position requiring System membership, has not been reemployed in such a position, and submits the refund application not earlier than four months after termination of employment. The refund consists of all retirement contributions made by the member excluding interest and the 1 percent death benefit contribution. When the 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.

## TRS Health and Prescription Drug Insurance Plan

Annuitants and beneficiaries of the System and their eligible dependents may enroll in the TRS Health and Prescription Drug Insurance Plan. This partially subsidized plan covers hospital and physicians' medical expenses and prescription drugs.

## Special conditions

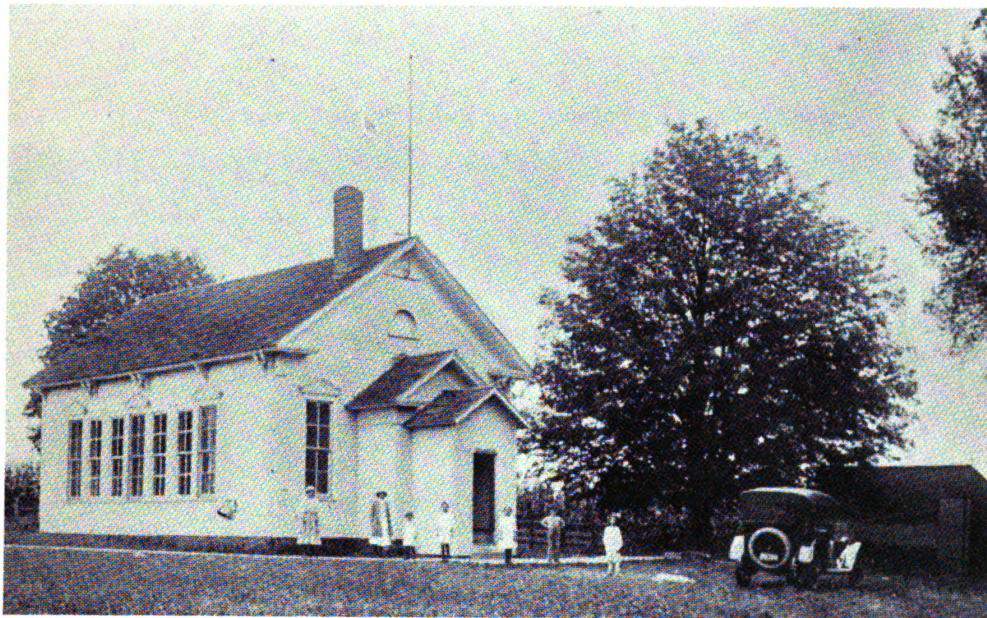
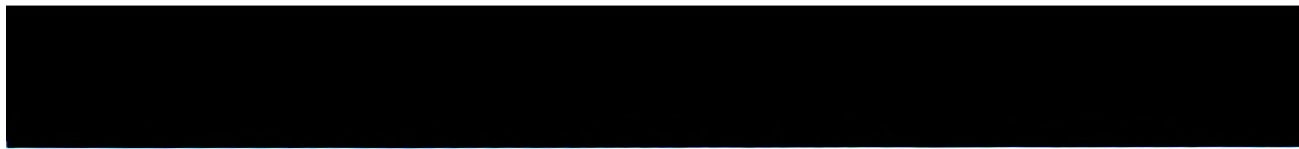
Any member convicted of a felony related to or in connection with teaching is not eligible for TRS benefits; however, that member may receive a refund of contributions.

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 continuous pension credit for public employment in Illinois.





*East Side School  
Sangamon County  
1917*

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*STATISTICAL  
SECTION*

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# Exhibits

## Active Members by Years of Age and Years of Service

Years of Age	<1	1-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	>75	Total	
20-24	Total #	283	1,083																
	Average \$	9,126	19,389																
25-29	Total #	398	7,429		586														
	Average \$	10,209	21,921		25,427														
30-34	Total #	211	3,861		4,521	770													
	Average \$	10,317	23,228		26,567	29,351													
35-39	Total #	283	3,594		3,016	7,074													
	Average \$	9,593	23,499		28,469	31,724													
40-44	Total #	402	4,543		2,980	4,174													
	Average \$	9,140	24,694		29,815	34,053													
45-49	Total #	192	2,431		2,000	2,281													
	Average \$	9,409	25,857		30,358	34,524													
50-54	Total #	72	868		892	1,532													
	Average \$	8,633	26,963		31,611	34,917													
55-59	Total #	31	306		334	722													
	Average \$	6,981	26,761		31,464	34,189													
60-64	Total #	11	90		125	279													
	Average \$	9,069	28,286		31,050	34,299													
65-69	Total #	3	16		17	62													
	Average \$	8,806	32,358		29,941	33,067													
70-74	Total #	4	1		6	18													
	Average \$	14,850	11,407		27,728	37,913													
>74	Total #	2	2		2	1													
	Average \$	8,808	42,355		32,449	57,732													
<b>Total</b>	<b>Total #</b>	<b>1,888</b>	<b>24,225</b>	<b>14,474</b>	<b>16,902</b>	<b>19,351</b>	<b>21,724</b>	<b>24,053</b>	<b>26,449</b>	<b>28,815</b>	<b>31,189</b>	<b>33,524</b>	<b>35,917</b>	<b>38,189</b>	<b>40,299</b>	<b>42,067</b>	<b>43,913</b>	<b>45,732</b>	<b>1,888</b>
	<b>Average \$</b>	<b>9,534</b>	<b>23,436</b>	<b>28,577</b>	<b>33,009</b>	<b>37,913</b>	<b>42,728</b>	<b>47,524</b>	<b>52,299</b>	<b>57,067</b>	<b>61,841</b>	<b>66,615</b>	<b>71,389</b>	<b>76,163</b>	<b>80,937</b>	<b>85,711</b>	<b>90,485</b>	<b>95,259</b>	<b>9,534</b>



	Years of Service						
	26-30	31-35	36-40	41-45	46-50	51-55	
							1,366
							\$ 17,263
							8,413
							\$ 21,611
							9,363
							\$ 25,053
							15,305
							\$ 29,085
1,884							24,216
\$1,258							\$ 33,451
7,197	797						18,617
\$2,076	42,725						\$ 36,928
2,579	3,690	536					12,205
\$1,140	43,869	43,670					\$ 38,983
1,685	1,751	1,928	69				8,101
0,452	43,494	47,353	48,047				\$ 40,887
849	605	621	241	7			3,478
0,246	41,276	46,488	49,484	41,189			\$ 40,667
211	142	101	69	31			782
0,240	41,158	42,234	50,775	46,807	31,388		\$ 40,388
27	19	15	4	9			134
1,801	41,625	35,417	47,655	37,673			\$ 38,274
							7
							\$ 32,137
5,436	7,012	3,205	394	42	15		101,987
5,473	43,359	34,674	48,923	45,950	36,915		33,024

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# Exhibits

## Average Annual Salary for Active Members by Years of Service

Years of Service	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Under 1	Total # 1,481	1,170	808	950	1,129	1,740	1,338	1,462	1,463	1,501
	Average \$ 13,156	14,165	14,638	15,192	16,107	9,126	9,484	9,029	8,850	20,019
1-5	Total # 28,981	26,614	22,674	18,814	17,901	20,420	22,046	23,330	28,833	21,448
	Average \$ 14,414	15,682	16,689	17,266	17,926	18,668	19,826	20,987	22,270	23,513
6-10	Total # 26,319	24,732	23,433	22,047	21,157	19,698	18,819	17,129	15,314	15,359
	Average \$ 17,971	19,446	20,338	20,915	21,841	23,005	24,320	25,780	27,124	28,158
11-15	Total # 21,750	22,560	23,201	23,462	22,833	20,700	19,460	18,417	17,671	18,066
	Average \$ 21,554	23,277	24,467	25,341	26,378	27,607	29,001	30,312	31,581	32,791
16-20	Total # 12,566	12,666	13,920	15,481	17,419	18,528	19,163	19,689	19,867	20,027
	Average \$ 23,678	25,580	22,165	28,309	29,976	31,056	33,144	34,771	36,315	37,984
21-25	Total # 7,583	8,355	8,588	8,747	9,089	9,391	10,257	11,474	12,830	14,755
	Average \$ 25,368	27,415	28,976	30,199	31,657	33,309	35,246	37,153	39,141	41,523
26-30	Total # 3,877	4,199	4,494	5,053	5,479	5,864	6,245	6,456	6,659	7,152
	Average \$ 26,367	28,473	30,396	31,960	34,026	35,740	37,666	39,474	41,429	43,316
31-35	Total # 1,680	2,228	2,279	2,251	2,009	2,002	2,089	2,394	2,758	3,222
	Average \$ 27,067	29,914	31,887	33,651	35,782	37,533	39,310	41,730	43,749	46,363
Over 35	Total # 317	455	436	421	430	483	517	426	462	457
	Average \$ 24,347	26,889	30,042	31,494	33,930	37,533	40,492	43,465	45,979	48,146
	Total # 104,554	102,979	99,833	97,226	97,446	98,826	99,934	100,777	105,857	101,987
	Average \$ 19,361	21,281	22,877	24,141	25,454	26,522	28,085	29,638	31,318	33,024

\* Statistical information on the System's active membership is not yet available for FY91.

## Active Members by Age

Years of Age	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
20-24	5,325	4,263	3,106	2,509	2,703	1,405	1,371	1,318	1,240	1,366
25-29	17,511	15,106	12,886	10,924	9,883	8,588	8,464	8,562	8,351	8,413
30-34	22,746	21,180	19,456	17,500	15,964	12,877	11,762	10,879	9,918	9,363
35-39	17,381	19,416	19,775	20,301	21,208	20,844	19,981	18,642	17,013	15,305
40-44	12,422	13,252	14,536	15,395	16,583	19,802	20,942	22,194	23,210	24,216
45-49	10,276	10,539	10,787	11,202	11,614	13,269	14,929	16,188	17,417	18,617
50-54	9,339	9,464	9,464	9,372	9,494	10,177	10,502	11,066	11,553	12,205
55-59	6,346	6,438	6,563	6,673	6,714	7,618	7,763	7,730	7,834	8,101
60-64	2,681	2,741	2,698	2,715	2,610	3,286	3,268	3,273	3,405	3,478
65-69	498	516	502	554	551	867	848	806	787	782
>69	29	64	60	81	122	93	104	119	129	141
	104,554	102,979	99,833	97,226	97,446	98,826	99,934	100,777	100,857	101,987

### Average Monthly Annuity for Retirees by Age

Age	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<55										
55 Total #	126	148	164	176	169	173	167	171	178	191
Average \$	821	879	934	1160	1082	1258	1351	1373	1525	1624
56 Total #	123	149	159	216	183	204	206	209	216	259
Average \$	1021	1068	1220	1252	1407	1537	1533	1797	1754	1886
57 Total #	89	98	128	174	143	134	134	141	140	127
Average \$	1038	1164	1285	1431	1467	1563	1565	1534	1723	1963
58 Total #	95	110	117	159	141	136	137	141	131	168
Average \$	1068	1204	1353	1457	1438	1465	1630	1730	1725	1967
59 Total #	101	126	133	187	174	168	136	143	163	160
Average \$	1087	1075	1241	1415	1498	1566	1621	1786	1893	2043
60 Total #	322	340	382	372	334	333	343	337	366	319
Average \$	718	820	858	1030	1036	1080	1165	1303	1385	1451
61 Total #	173	183	164	207	155	175	186	180	192	186
Average \$	817	956	1108	1326	1264	1337	1367	1475	1667	1975
62 Total #	158	183	162	175	151	169	154	162	159	153
Average \$	701	799	955	977	950	1161	1337	1376	1300	1519
63 Total #	120	114	121	151	121	120	129	118	111	125
Average \$	770	995	971	1053	1100	1233	1304	1522	1558	1520
64 Total #	103	115	115	122	103	130	117	88	98	94
Average \$	833	915	979	1032	1098	1150	1401	1383	1489	1621
65 Total #	120	129	104	114	121	126	125	2109	100	95
Average \$	855	870	882	1015	1061	1274	1239	1302	1471	1642
66 Total #	88	97	79	84	74	79	95	92	81	75
Average \$	834	871	820	1065	1186	1295	1150	1318	1452	1637
67 Total #	30	43	29	56	52	37	42	41	35	44
Average \$	912	789	1020	1062	861	1114	1406	1483	1495	1733
68 Total #	34	37	28	32	36	33	40	24	30	28
Average \$	734	820	1109	865	740	1116	1481	1372	1538	1385
69 Total #	21	33	21	28	24	17	34	17	16	24
Average \$	605	862	946	949	696	1273	1262	1099	1470	1725
70 Total #	5	21	19	36	38	30	20	25	19	18
Average \$	788	862	1217	938	903	1107	1234	1170	1432	1493
>70 Total #	17	20	17	47	141	29	50	45	32	31
Average \$	193	337	1077	581	236	758	606	671	1631	1722
Total #	1725	1946	1842	2336	2160	2093	2116	2044	2067	2097
Average \$	836	927	1043	1162	1119	1294	1355	1463	1570	1728
Average Age	61	61	61	61	61	61	61	61	60	60

### New Retirees by Years of Service

Years of Service	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
1-5	61	69	83	84	113	97	92	92	89	76
6-10	79	86	77	106	198	106	112	117	112	85
11-15	158	160	143	150	173	114	150	120	103	109
16-20	258	284	257	275	242	265	242	212	190	178
21-25	316	354	312	397	343	351	347	334	358	386
26-30	314	376	326	465	413	441	399	410	414	381
31-35	375	431	449	578	436	437	465	509	515	584
36-40	121	142	152	241	213	252	265	221	286	252
-40	43	44	43	40	29	30	44	29	35	46
Total:	1725	1946	1842	2336	2160	2093	2116	2044	2067	2097
Average service	25.1	25.4	25.5	26.3	24.4	25.8	25.9	25.7	26.3	27.0

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Year Ended June 30, 1991 37

# Exhibits

## Retired Members by Years of Service and Years in Retirement

June 30, 1991

Years Retired		Years of Service			
		1-5	6-10	11-15	16-20
1-5	Total #	408	486	555	963
	Average Benefit	138	347	538	879
	Ave. Original Benefit	130	326	509	836
6-10	Total #	377	500	730	1,250
	Average Benefit	115	248	471	771
	Ave. Original Benefit	89	184	377	639
11-15	Total #	245	334	655	1,139
	Average Benefit	103	235	381	594
	Ave. Original Benefit	71	151	262	428
16-20	Total #	200	296	549	962
	Average Benefit	44	187	327	487
	Ave. Original Benefit	19	97	184	289
21-25	Total #	51	98	234	506
	Average Benefit	40	170	260	383
	Ave. Original Benefit	3	62	86	163
26-30	Total #	22	17	69	213
	Average Benefit	52	126	254	367
	Ave. Original Benefit	2	27	55	112
31-35	Total #	8	1	10	69
	Average Benefit	81	227	281	373
	Ave. Original Benefit	7	13	40	85
36-40	Total #		1		16
	Average Benefit		189		359
	Ave. Original Benefit		38		44
41-45	Total #				7
	Average Benefit				349
	Ave. Original Benefit				20
46-50	Total #				2
	Average Benefit				371
	Ave. Original Benefit				20
Totals	Total #	1,311	1,733	2,802	5,127
	Average Benefit	106	257	411	636
	Ave. Original Benefit	82	194	305	484

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31-35	36-40	41-45	46-50	>50	Total	Average Age
2,162	1,108	101	28	3	9,128	
2,169	2,594	2,450	2,265	1,477	1,524	62
2,114	2,469	2,338	2,151	1,391	1,470	
2,203	870	121	33	6	9,604	
1,926	2,255	2,036	2,168	1,641	1,275	67
1,615	1,892	1,681	1,786	1,372	1,067	
1,283	693	191	25		7,329	
1,394	1,581	1,622	1,549		928	73
1,025	1,147	1,179	1,126		675	
1,221	1,275	575	114	8	7,625	
1,101	1,348	1,318	1,228	1,139	847	79
691	847	816	752	692	523	
571	659	507	109	2	4,021	
773	930	994	972	1,010	661	84
411	509	542	520	573	341	
348	399	240	35		2,028	
634	744	836	813		587	87
272	347	400	377		247	
107	56	33	4		587	
592	636	712	704		514	90
187	232	291	271		146	
45	24	4	1		178	
597	616	651	639		536	94
150	178	196	232		116	
4	5	1			57	
603	611	630			499	95
124	89	118			55	
2	1				14	
603	626				517	97
83	83				64	
7,946	5,090	1,773	349	19	40,571	
1,613	1,693	1,293	1,294	1,338	1,077	73
1,339	1,326	855	872	1,004	852	

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# Exhibits

## Increases in Monthly Annuity for Retirees

Years Retired		1-5	6-10	11-15	16-20	21-25
1-5	Total #	408	486	555	963	1,558
	Average Auto Inc	6	16	27	43	41
	Average Ad Hoc	2	5	2	1	
6-10	Total #	377	500	730	1,250	1,684
	Average Auto Inc	19	38	80	129	283
	Average Ad Hoc	8	26	14	3	1
11-15	Total #	245	334	655	1,139	1,418
	Average Auto Inc	27	57	98	155	264
	Average Ad Hoc	9	26	21	11	
16-20	Total #	200	296	549	962	1,227
	Average Auto Inc	10	49	92	143	196
	Average Ad Hoc	15	41	50	55	77
21-25	Total #	51	98	234	506	663
	Average Auto Inc	4	37	53	97	147
	Average Ad Hoc	34	72	121	122	113
26-30	Total #	22	17	69	213	377
	Average Auto Inc	4	21	41	81	117
	Average Ad Hoc	45	78	158	174	173
31-35	Total #	8	1	10	69	157
	Average Auto Inc	9	21	42	75	88
	Average Ad Hoc	65	193	200	213	254
36-40	Total #		1		16	34
	Average Auto Inc		37		52	33
	Average Ad Hoc		114		263	246
41-45	Total #				7	11
	Average Auto Inc				31	14
	Average Ad Hoc				298	86
46-50	Total #				2	4
	Average Auto Inc				35	14
	Average Ad Hoc				316	33
Totals	Total #	1,311	1,733	2,802	5,127	7,088
	Average Auto Inc	14	37	72	115	143
	Average Ad Hoc	9	26	34	37	39

6-30	31-35	36-40	41-45	46-50	>50	Total
,764	2,162	1,108	101	28	3	9,128
48	55	125	112	113	87	53
						1
,850	2,203	870	121	33	6	9,604
216	311	363	355	382	270	205
						3
,348	1,283	693	191	25		7,329
281	367	430	438	417		245
3	2	4	5	7		8
204	1,221	1,275	575	114	8	7,625
255	341	423	413	379	343	260
62	69	78	89	97	104	64
631	571	659	507	109	2	4,021
184	240	297	317	305	321	199
123	122	124	135	148	117	121
314	348	399	240	35		2,028
150	186	236	269	256		169
188	176	162	167	180		170
147	107	56	33	4		587
121	153	185	225	212		122
280	253	219	196	220		246
53	45	24	4	1		178
.01	140	160	174	194		113
45	307	278	281	213		307
17	4	5	1			57
74	130	104	127			71
04	349	417	386			372
5	2	1				14
02	104	105				84
70	416	438				369
33	7,946	5,090	1,773	349	19	40,571
35	241	314	344	323	277	184
39	33	53	95	100	56	40

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# Exhibits

## Annuitants by Benefit Range

Benefit Range	Total	Cumulative Total	% of Total	Cumulative % of Total
1-100	682	682	1.68	1.68
101-200	1096	1778	2.70	4.38
201-300	1691	3469	4.17	8.55
301-400	2054	5523	5.06	13.61
401-500	2868	8391	7.07	20.68
501-600	3758	12149	9.26	29.95
601-700	2709	14858	6.68	36.62
701-800	2497	17355	6.15	42.78
801-900	2546	19901	6.28	49.05
901-1000	2434	22335	6.00	55.05
1001-1100	2145	24480	5.29	60.34
1101-1200	1878	26358	4.63	64.97
1201-1300	1807	28165	4.45	69.42
1301-1400	1588	29753	3.91	73.34
1401-1500	1436	31189	3.54	76.88
1501-1600	1266	32455	3.12	80.00
1601-1700	1144	33599	2.82	82.82
1701-1800	979	34578	2.41	85.23
1801-1900	748	35326	1.84	87.07
1901-2000	693	36019	1.71	88.78
2001-2100	644	36663	1.59	90.37
2101-2200	583	37246	1.44	91.80
2200+	3325	40571	8.20	100.00

## Average Monthly Annuity

Years of Age	Count	Percent of Total	Average
<55	29	0.09	\$584
55-59	2505	6.17	\$1,640
60-64	6774	16.70	\$1,495
65-69	7648	18.85	\$1,279
70-74	7041	17.35	\$990
75-79	6254	15.41	\$876
80-84	5595	13.79	\$754
85-89	3364	8.29	\$642
>89	1361	3.35	\$596
<b>Total:</b>	<b>40,571</b>	<b>100</b>	<b>\$1,077</b>

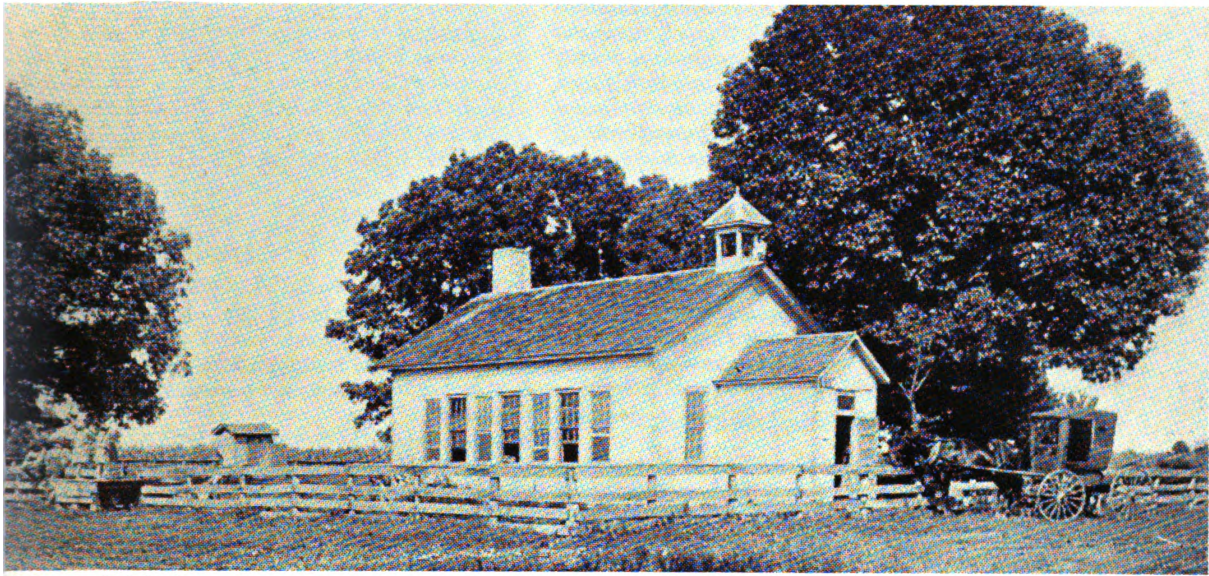
Average Age: 72

Fiscal Year	Benefits				
	Number of New Recipients	Average Age	Average Monthly Benefit	Average Service	Average Years in Receipt of Benefit
1982	332	41	\$649	11.	0.12
1983	382	42	\$690	12.	0.11
1984	366	43	\$747	13.	0.04
1985	337	43	\$759	13.	0.12
1986	356	43	\$829	14.	0.26
1987	343	42	\$884	14.	0.08
1988	339	43	\$904	14.	0.11
1989	340	43	\$972	14.	0.11
1990	292	44	\$1,016	14.	0.09
1991	293	44	\$1,103	14.	0.11

Year	Monthly Survivor Benefits		
	New Fiscal Year Recipients	Average Age	Average Monthly Benefit
1982	355	65	351
1983	369	65	361
1984	454	75	359
1985	384	66	387
1986	426	66	496
1987	410	67	442
1988	413	68	443
1989	485	69	477
1990	428	68	543
1991	471	70	
	431		

As of June 30	Membership Profile			
	Benefit Recipients	Inactive Members	Active Members	Total Members per Benefit Recipient
1982	36,121	31,566	102,979	170,666
1983	37,505	32,385	99,833	169,723
1984	38,533	32,542	97,226	168,301
1985	40,113	30,600	97,446	167,550
1986	41,417	28,400	98,826	170,843
1987	42,659	25,996	99,934	170,993
1988	43,396	20,834	100,777	170,169
1989	45,718	19,989	100,857	167,409
1990	46,097	20,674	101,987	168,073
1991	45,680		124,500*	191,854*





*McFountain School  
Sangamon County  
1917*

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*INVESTMENT  
REPORT*

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# Investment Summary

## INTRODUCTION

The mission of the Teachers' Retirement System, to provide retirement security for members, is facilitated by management of the trust fund's investment portfolio, which totaled \$9.4 billion at market value on June 30, 1991. The System serves as fiduciary for the members' trust fund and is responsible for investment of the fund under authority of the prudent person rule which establishes a standard that fiduciaries shall prudently discharge their duties solely in the interests of fund participants and beneficiaries. By permitting optimal diversification of assets within the fund, the prudent person standard has enabled the System to enhance control over fund risk and return parameters. The prudent person standard also permits the System to establish an investment policy based solely upon member characteristics, plan characteristics, financial requirements of the trust fund and a particular risk/reward tradeoff.

The System has established a long-range Statement of Investment Objectives and Policies for managing and monitoring 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 the guidelines within 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. The System's staff coordinates and monitors the investments of the trust fund's assets and assists the Board of Trustees in the formulation and implementation of investment policy and long-term investment strategy.

## ASSET CLASS/MANAGER COMPOSITION

Asset allocation is a risk management process designed to construct the optimal long-term asset mix which achieves a specific set of investment objectives. Of all the components of investment policy formulation, asset allocation on a secular basis will have the most impact on long-term total rate of return. Consequently, the establishment of allocations across the major asset classes is the most important decision in the pension investment management process.

Diversification is the key to effective risk management. 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.

Management of asset class allocations and diversification of investment approaches (active core, active specialty, index

funds) has enabled the System to more effectively control the fund's risk/reward parameters.

Diversification by asset class, investment approach, and investment manager style provides the System with a greater expected rate of return while minimizing the risk of negative returns from adverse short-term changes in the capital markets.

At June 30, 1991, the System's asset class allocations and diversification by investment approach were as follows:

Asset Class	% of Total Fund		
	Active	Index	Total
Common Stock - U.S.	27.4	12.8	40.2
Bonds	32.6	3.5	36.1
Short-Term Investments	2.2	0.3	2.5
Currency Investments	0.6	0.0	0.6
Common Stock - International	5.1	2.4	7.5
Real Estate	11.7	0.0	11.7
Alternative Investments	1.4	0.0	1.4
Total	81.0	19.0	100.0

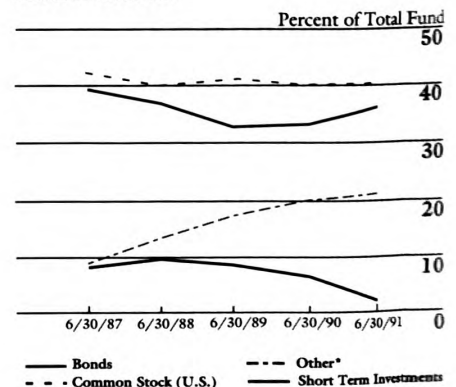
During FY91, the System's U.S. common stock holdings remained at 40.2% of the total fund, unchanged from a year earlier. International common stock allocations decreased to 7.5% of the total fund from 8.3% a year earlier, leaving fiscal year-end total common stock holdings at 47.7% of the total fund.

Bonds increased to 36.1% of the total fund from 33.2% a year earlier. This was largely attributable to the positive returns of the bond managers. Short-term investments decreased to 2.5% of the total fund from 6.6% a year earlier. Equity managers were holding lower levels of cash at year's end, while fixed income managers were holding slightly higher levels of cash at year's end.

Real estate equities represented 11.7% of the total fund at fiscal year's end. This compares to 10.4% from the previous fiscal year's end.

The fund's five-year asset class allocation history is represented below.

Asset Allocation



\*Includes Common Stock (International), Real Estate Equity, Alternative Investments and Currency Investments.

The System has established relationships with investment management firms which utilize a diversity of management approaches. This policy 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.

The System achieved a higher level of risk management capability during FY91 by continuing implementation of a long-term strategic plan designed to achieve a specific set of investment objectives. A globally diversified, multiple asset class, balanced-fund portfolio was designed in order to construct the optimal long-term asset mix. In implementing this strategy, two international fixed income managers were retained and three new international equity regional specialists were retained to provide a new balance between domestic and international investment approaches for fixed income and equities. On June 30, 1991, the following external investment management firms were employed by the System:

**Fixed Income (Bonds) - U.S.**  
 Stearns Asset Management  
 Pacific Investment Management Company  
 The Street Bank and Trust Company

**Fixed Income (Bonds) - International**  
 Brinson Partners, Inc.  
 J.P. Morgan Investment Management, Inc.  
 Parnham Advisory Company

**Equity (Common Stock) - U.S.**  
 American National Bank of Chicago  
 Capital Management, Inc.  
 Indywine Asset Management, Inc.  
 Brinson Partners, Inc.  
 Hill Associates, Inc.  
 Chase Investors Management Corp.\*  
 Capital Management  
 Capital Management, Inc.  
 Chikis and Wilcy  
 Capital Management, Inc.  
 Stone Investment Management Corp.  
 Freres Asset Management  
 Man Ark Management Company, Inc.  
 Capital Management Company  
 Stanly Asset Management (The Chicago Group)  
 Capital Management, Inc.  
 Capital Management Group, Inc.  
 enheimer Capital  
 Capital Management  
 is Wong & Associates

**Equity (Common Stock) - International**  
 ers Trust Investment Management, Limited  
 ess Capital Corp.  
 International Capital Management Corp.  
 e Finlay, Inc.  
 International, Limited  
 ay Johnstone International, Inc.  
 International  
 der, Stevens & Clark, Inc.  
 Street Bank and Trust Company

**Estate Equity**  
 Brown Kleinwort Benson Realty Advisors Corp.  
 Stearns/Capital Associates Development Corp.  
 ett & Kahnweiler Realty Advisors  
 on Partners, Inc.  
 Institutional Realty Corp.  
 Lang Wootton Realty Advisors  
 arlane Realty Advisors, Inc.  
 Realty Advisors

**Alternative Investments**

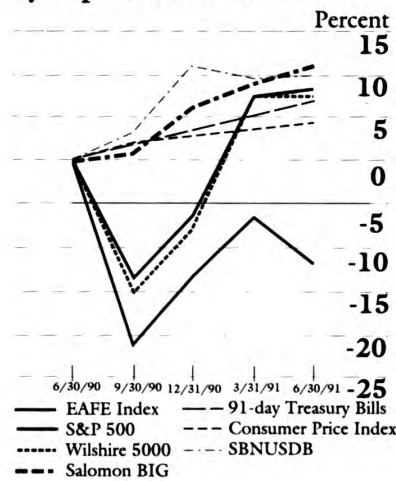
Frontenac Company  
 Weiss, Peck & Greer  
**Tactical Asset Allocation**  
 Brinson Partners, Inc.  
**Foreign Exchange Exposure Management**  
 Matuschka and Company  
 N. M. Rothschild International Asset Management Limited  
 \*Chase Investors Management Corp. became UBS Asset Management (New York), Inc. on June 28, 1991.

**INVESTMENT RESULTS**

**Asset Class/Market Indices Returns**

During FY91, domestic bonds was the best performing asset class as represented by the Salomon Broad Investment Grade (BIG) Bond Index which returned 10.9%. Non-U.S. dollar bonds was the next best performing asset class as represented by the Salomon Non-Dollar Bond Index which returned 9.9%. U.S. common stock, represented by the S&P 500 Index and the Wilshire 5000 Index, returned 7.4% and 7.0% respectively. Short-term investments, represented by 91-day Treasury Bills, returned 6.8%. International common stock, represented by the Europe, Australia and Far East (EAFE) Index, returned -11.5%. All major asset classes and market indices except the EAFE Index outperformed the 4.6% annual rate of inflation as represented by the Consumer Price Index (CPI).

**Asset Class Cumulative Return By Representative Indices**



Source: Harris Trust and Savings Bank

**Total Fund Results**

The System's total fund time-weighted rate of return for FY91 of 5.9% was primarily attributable to the resurgence of the bond markets. The System's total fund annualized three-year and five-year returns of 10.2% and 9.3%, respectively, continue to outperform the rate of inflation for these periods, 4.8% and 4.4%, respectively. The System's long-term objective, to exceed the rate of inflation by 3%, has been achieved for the three- and five-year periods. The System's income rate of return during FY91 was 6.2%.

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# Investment Summary

## U.S. Equity Results and Profile

U.S. equity manager objectives are to achieve a total investment return 6% in excess of the rate of inflation and in excess of the Standard & Poor's (S&P) 500 Stock Index on an annualized basis over a three- to five-year period or market cycle. In addition, the Wilshire 5000 Index is informally used as a total equity portfolio benchmark since it is more representative of the aggregate U.S. equity market. The 5000 stocks within the Wilshire 5000 Index, more so than the 500 stocks within the S&P 500 Index, are highly diversified across the various equity market sectors and industries, and have highly diversified financial characteristics and risk factors which ultimately influence the total return.

During FY91, the System's portfolio of U.S. common stocks returned 7.7% compared to the S&P 500 return of 7.4% and the Wilshire 5000 return of 7.0%. For three- and five-years, U.S. common stocks generated annualized returns of 13.1% and 10.9%, respectively, below S&P 500 returns of 14.6% and 11.9% for the three-year and five-year periods, respectively. The portfolio's U.S. common stocks performed more favorably when compared with the three- and five-year Wilshire 5000 returns of 13.2% and 10.4%, respectively. Combined U.S. equity manager accounts, which include both common stock and short-term investments, returned 7.4% during FY91.

At fiscal year end, 43.5% of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 43.2% the prior fiscal year end. Within the U.S. common stock asset class, 27.2% of the asset class was allocated to an S&P 500 Index Fund and 3.1% to a Non-S&P 500 Index Fund at fiscal year end. The remaining 69.7% of the U.S. common stock asset class was allocated to active and enhanced index fund investment manager relationships. During FY91, the market value of assets assigned to U.S. equity managers increased from \$3.852 billion to \$4.109 billion due to \$289 million of dividend income/appreciation and \$32 million of reallocations from the U.S. equity asset class to other asset classes.

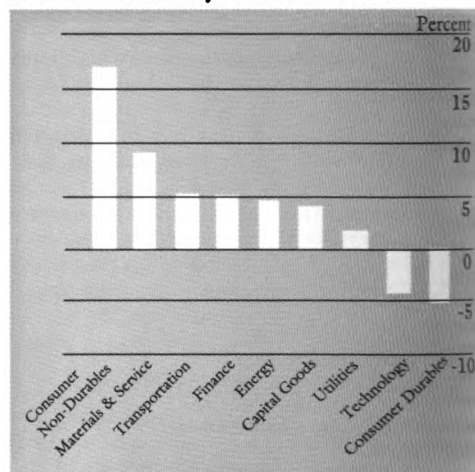
Major sector diversification changes took place during FY91 in the portfolio's U.S. common stocks. The following listing summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices:

## Diversification by Industry Sector (%)

Sector	June 30, 1991			June 30, 1990		
	S&P TRS	WIL 500	WIL 5000	S&P TRS	WIL 500	WIL 5000
Consumer						
Non-Durables	35.4	36.4	33.3	30.0	31.5	30.1
Technology	12.6	10.0	10.3	13.7	10.9	10.6
Materials and Service	11.6	9.8	11.8	12.1	10.7	12.4
Utilities	9.8	13.2	14.0	11.5	14.5	14.4
Finance	11.4	8.4	11.2	12.8	8.2	11.7
Energy	8.2	13.0	10.0	8.2	13.2	10.2
Capital Goods	6.0	5.2	5.1	6.4	5.9	5.5
Consumer Durables	2.5	2.3	2.5	3.0	3.1	3.0
Transportation	2.5	1.7	1.8	2.3	2.0	2.1

All S&P 500 industry sectors except Consumer Durables and Technology provided positive rates of return during FY91, with Consumer Non-Durables (16.7%), Materials and Service (9.3%), and Transportation (5.3%) the leading industry sector performers.

## S&P 500 Industry Sector Returns



Source: Harris Trust and Savings Bank

U.S. equity managers made stock selection adjustments to their accounts during FY91, as evidenced by the following comparison of equity portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices:

## U.S. Equity Portfolio Profile

	June 30, 1991			June 30, 1990		
	S&P TRS	WIL 500	WIL 5000	S&P TRS	WIL 500	WIL 5000
Capitalization (\$Bil)	14.91	18.27	14.15	14.40	16.03	12.50
Price/Earnings Ratio	14.77	14.27	18.05	13.44	13.06	16.50
Dividend Yield (%)	2.73	3.49	3.00	3.30	3.37	3.30
Beta	1.01	1.00	1.02	1.00	1.00	1.04
Diversification (R-Squared)	0.99	1.00	1.00	0.99	1.00	0.99
Five-Year Earnings Growth Rate (%)	12.54	10.99	11.32	11.62	9.24	10.00
Market/Book Ratio	3.13	3.01	3.47	2.84	2.73	3.29

## International Equity Results

International equity manager objectives are to achieve a total annual investment return 6% in excess of the rate of inflation and in excess of the EAFE Index over longer time periods. During FY91, the portfolio's international common stocks returned -8.5%, as compared to a return of -11.5% for the 18 country foreign equity market EAFE Index.

The System's wide margin of outperformance over the benchmark EAFE Index is attributable primarily to the systematic underweighting of the Japan component of the international equity portfolio. The Japanese market substantially underperformed EAFE both in local currency and in U.S. dollar terms over the one-year period, while the TRS fund, maintaining its cautious view on Japanese equities, held only 21.8% of its foreign equities in Japan as compared to

0.7% Japan weighting in the EAFE Index.

The basket of EAFE currencies appreciated by 1.1% over the 12 months ended June 1991, which increased a -11.9% EAFE return in local (foreign) currency terms to -11.5% in U.S. dollar terms. The System's currency exposure managers also contributed to the excess return above the EAFE Index. At fiscal year end, 5.0% of the asset class was allocated to an EAFE Index Fund and 19.3% of the asset class was allocated to an EAFE ex-Japan Fund. The remaining 75.7% of the asset class was allocated to active managers. During FY91, the market value of assets assigned to international equity decreased from \$885 million to \$790 million due to \$102 million of market value depreciation and \$7 million of reallocations from other asset classes.

#### Alternative Investments Results

Alternative investments returned 1.2% during FY91. A representative alternative investments index is not available for relative performance comparison. Over the long term, however, and as a result of its higher risk orientation, alternative investments is expected to provide annualized returns over 10% in excess of returns provided by the S&P 500 and Wilshire 5000 Indices. On June 30, 1991, the System had a market value of \$134 million invested in four venture capital limited partnerships.

#### Fixed Income Results and Profile

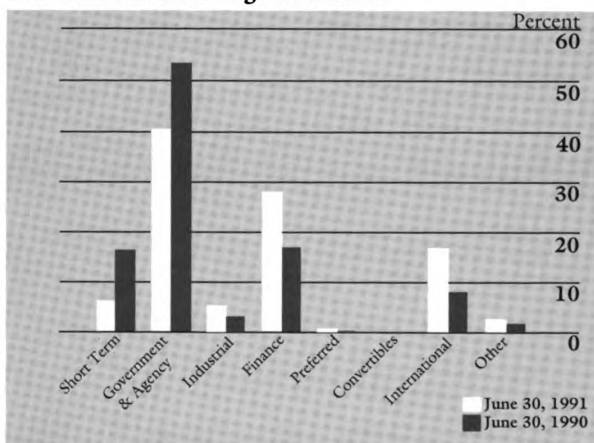
Fixed income manager objectives are to achieve a total investment return 2% in excess of the rate of inflation and in excess of the bond market, as measured by the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three- to five-year period, or a market cycle. During FY91, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 11.7% total return, compared to the 10.9% return of the Salomon BIG Index.

The total funds under management by fixed income managers, including short-term investments, generated a 11.5% total return during FY91. For a three- and five-year period, funds generated 10.8% and 8.8% annualized returns, respectively, as compared to 10.5% and 9.1%, respectively for the BIG Index. During FY91, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$2.996 billion to \$3.153 billion due to \$329 million in interest income/appreciation and reallocation of \$172 million from the bonds asset class to other asset classes.

Financial futures contracts controlling approximately \$426 million of underlying U.S. Treasury Bonds and U.S. Treasury Notes, are included within the \$3.153 billion market value of total assets assigned to fixed income managers at year end. The futures contracts contributed substantially to the superior performance of the System's fixed income portfolio. Futures contracts continue to serve as an effective tool for implementation of portfolio strategies. Fixed income assets invested in the international market comprised \$539 million of the \$3.153 billion market value of total assets assigned to fixed income managers at year end. The System's international fixed income managers performed well in fiscal 1991, returning 11.5% as the benchmark Salomon Brothers Non-U.S. Dollar Index, which returned 9.9%.

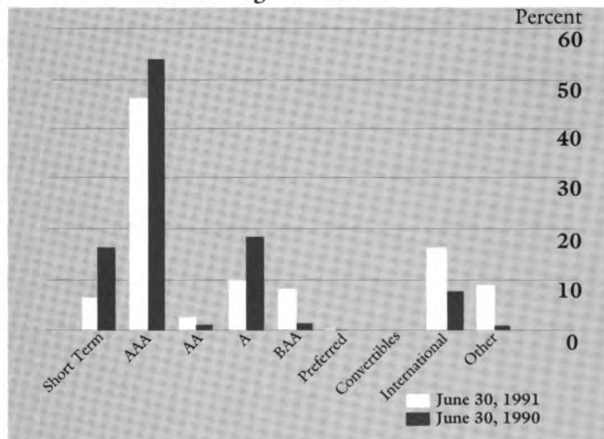
The following exhibits reflect changes made within fixed income manager portfolios during FY91 with regard to diversification by issuer type and quality ratings, as well as the underlying bond portfolio characteristics (excluding short-term investments) primarily affecting total return.

#### Diversification by Issuer Type For Fixed Income Manager Portfolios



Source: Harris Trust and Savings Bank

#### Diversification by Quality Rating For Fixed Income Manager Portfolios



Source: Harris Trust and Savings Bank

#### Bond Portfolio Profile

Characteristic	6/30/91		6/30/90	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	12.43	13.78	8.91	9.26
Duration (years)	5.36	4.38	4.52	4.61
Coupon (%)	9.26	9.05	9.48	9.04
Yield to Maturity (%)	8.27	8.25	8.89	8.94
Current Yield (%)	8.72	8.77	9.10	9.05



# Investment Summary

## Real Estate Equity Investment Results

Real estate equity investments made by the System's four closed-end fund managers and six separate account managers returned -2.0% during FY91. The income component of the total return was 5.5%, while capital depreciation accounted for -7.1%.

The closed-end funds' total return of -0.1% outperformed the -2.6% total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 6% in excess of the rate of inflation. During FY91, the market value of assets assigned to the System's real estate investment managers increased from \$990 million to \$1.175 billion. This increase resulted from \$38 million in income/reinvested income, \$235 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$88 million for market value depreciation. The System will continue to progress toward

a 15% asset allocation target for the real estate equity asset class over the next one to two years.

## Short-Term Investment Results

The investment management firms use discretion in allocating funds to short-term investments as part of their asset allocation strategies within the respective asset classes. Managers confine portfolio investment 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.

As an asset class, the System's short-term investments generated a total return of 6.2%, during FY91. For the five years, short-term investments returned 7.5%, underperforming the 10.9% return of U.S. common stocks and the 8.8% return of bonds. Total assets allocated to short-term investments decreased from \$584 million to \$232 million during FY91.

## Investment Portfolio Summary\*

June 30, 1991

	Book Value	% of Total Book Value	Market Value	% of Total Market Value	Yield at Market
<b>BONDS, CORPORATE NOTES AND PREFERRED STOCK</b>					
Government Obligations					
U.S. Government	\$ 933,950,604	10.7%	\$931,046,605	9.9%	8.9%
Federal Agency	527,027,600	6.0	541,690,538	5.7	8.5
Municipal Bonds	921,108	.0	968,904	.0	9.3
Total Government Obligations	1,461,899,312	16.7	1,473,706,047	15.6	
Corporate Obligations					
Finance	1,010,871,526	11.5	1,017,137,434	10.7	9.5
Industrial and Miscellaneous	189,783,452	2.2	187,489,903	2.0	9.7
Public Utilities	62,100,274	.7	62,279,117	.7	9.8
Transportation	23,575,928	.3	23,616,573	.3	9.5
Telephone	12,943,186	.2	13,098,599	.1	8.5
Total Corporate Obligations	1,299,274,366	14.9	1,303,621,626	13.8	
International	614,858,324	7.0	616,717,868	6.5	4.3
Preferred Stock - U.S.	9,962,251	.1	11,831,890	.1	3.5
Preferred Stock - International	5,285,952	.1	4,734,665	.1	0.0
<b>TOTAL BONDS, CORPORATE NOTES AND PREFERRED STOCK</b>	<b>3,391,280,205</b>	<b>38.8</b>	<b>3,410,612,096</b>	<b>36.1</b>	
<b>COMMON STOCK - U.S.</b>	<b>2,984,199,906</b>	<b>34.2</b>	<b>3,797,460,957</b>	<b>40.2</b>	<b>2.8</b>
<b>COMMON STOCK - INTERNATIONAL</b>	<b>750,258,281</b>	<b>8.6</b>	<b>710,577,202</b>	<b>7.5</b>	<b>1.6</b>
<b>SHORT-TERM INVESTMENTS**</b>	<b>229,242,311</b>	<b>2.6</b>	<b>231,717,017</b>	<b>2.5</b>	<b>6.2</b>
<b>REAL ESTATE EQUITY</b>	<b>1,186,727,012</b>	<b>13.6</b>	<b>1,101,118,524</b>	<b>11.7</b>	<b>5.5</b>
<b>VENTURE CAPITAL</b>	<b>131,923,627</b>	<b>1.5</b>	<b>129,321,285</b>	<b>1.4</b>	<b>9.7</b>
<b>CURRENCY INVESTMENT</b>	<b>58,653,852</b>	<b>.7</b>	<b>57,496,077</b>	<b>.6</b>	<b>0.0</b>
<b>TOTAL PORTFOLIO</b>	<b>\$ 8,732,285,194</b>	<b>100.0%</b>	<b>\$ 9,438,303,158</b>	<b>100.0%</b>	<b>5.0%</b>

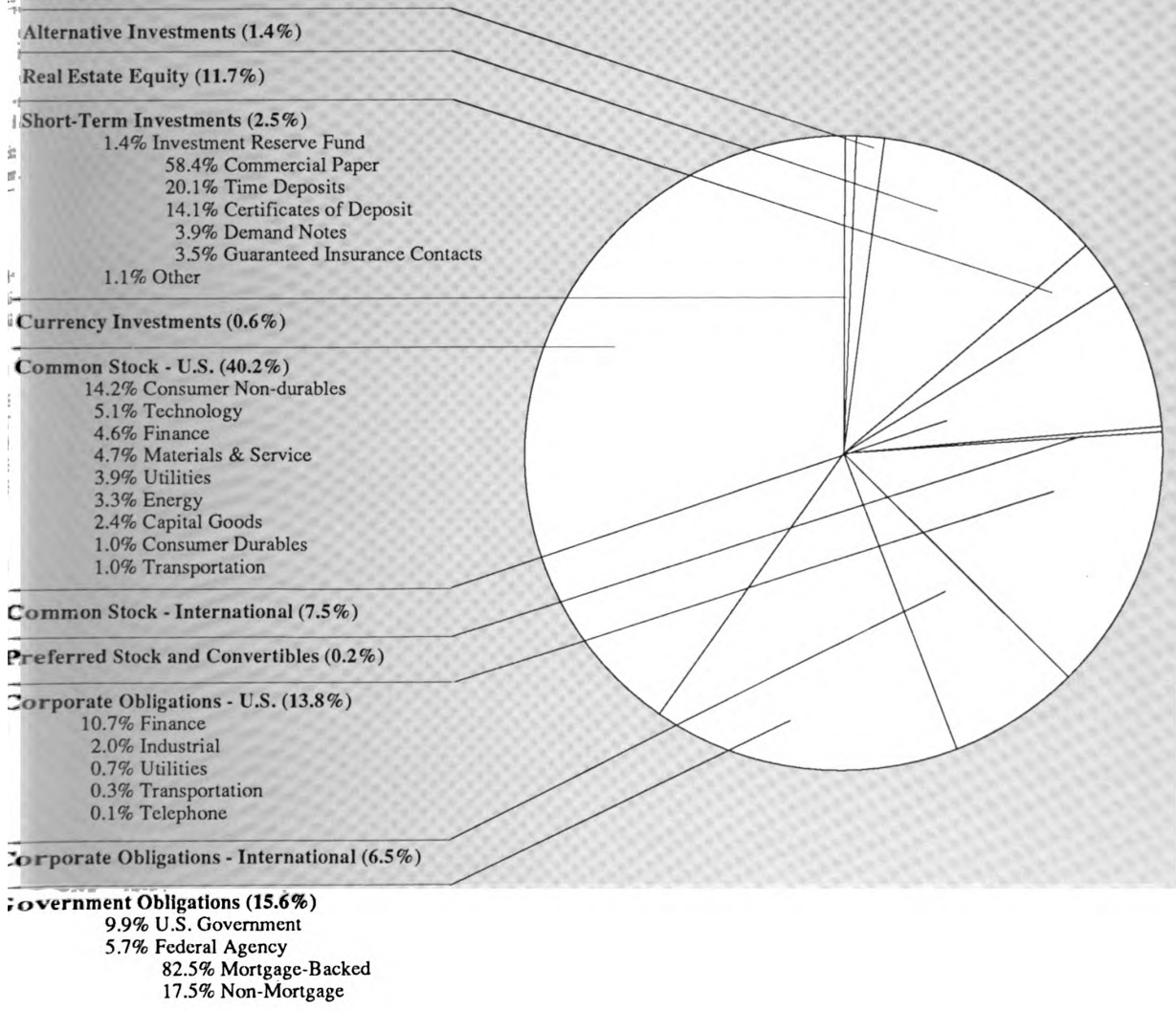
\*For Investment purposes, financial futures contracts in the net amount of \$422,435,187 were classified according to the type of security controlled and correspondingly removed from the classification as short-term investments as follows: U.S. Government Obligations - \$426,343,812 and Common Stock U.S. - (\$3,908,625).

\*\*Includes accrued interest and dividends totaling \$87,701,788.

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**Composition of Investments  
(At Market Value)**

June 30, 1991



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# Investment Summary

SUMMARY STATISTICS	Book/Market Value Reconciliation						
	Fiscal Years Ending June 30 (Millions)						
	1987	1988	1989	1990	1991	Five Years 1987-1991	
The following tables summarize the development and performance of the total investment portfolio, including accrued income and miscellaneous assets, during the last five years:	Beginning Book Value	\$5,168	6,092	6,684	7,272	8,080	5,168
	Net Contributions Added	89	32	26	(6)	5	146
	Investment Income	364	394	428	466	463	2115
	Net Realized Gain (Loss)	471	166	134	348	199	1,318
	Ending Book Value	6,092	6,684	7,272	8,080	8,747	8,747
	Unrealized Gain (Loss) - Beginning of Period	780	866	371	817	844	780
	Unrealized Gain (Loss) - During Period	86	(495)	446	27	(138)	(74)
	Ending Market Value*	\$6,958	7,055	8,089	8,924	9,453*	9,453*

\*Includes miscellaneous assets of \$15 million.

## Performance Summary

Annualized Percent for Periods Ending June 30, 1991\*

	1987	1988	1989	1990	1991	Annualized	
						3 Years	5 Years
Total Time-Weighted Return							
TRS	15.4	0.9	14.4	10.4	5.9	10.2	9.3
Inflation (CPI)	3.8	4.0	5.1	4.7	4.6	4.8	4.4
Common Stock-U.S. Returns							
TRS	23.8	-6.3	18.3	13.9	7.4	13.1	10.9
S&P 500	25.1	-6.8	20.5	16.4	7.4	14.6	11.9
Wilshire 5000	20.2	-5.9	19.5	13.3	7.0	13.2	10.4
Bond Returns							
TRS	4.8	6.7	13.8	7.3	11.5	10.8	8.8
Salomon BIG	5.6	8.4	12.5	8.0	10.9	10.5	9.1
Common Stock—International Returns							
TRS	56.5	-7.7	12.9	20.9	-8.5	7.7	12.5
EAFE Index	58.8	3.9	9.4	3.2	-11.5	0.0	10.5
Real Estate Equity Returns	9.1	7.7	8.7	3.7	-2.0	3.4	5.4
Alternative Investments	14.0	2.0	6.9	-0.3	1.2	2.6	4.6
Short-Term Returns							
TRS	6.2	7.3	9.3	8.5	6.2	8.0	7.5
91-Day Treasury Bills	5.5	6.4	8.8	8.4	6.8	8.0	7.2
Income Rate of Return**	5.6	5.9	6.5	6.5	6.2	6.4	6.1
Cash Return***	16.2	9.5	9.4	12.4	10.3	10.7	11.5
Asset Allocation (Annual Average)							
Bonds	42.1	38.8	32.9	32.0	27.8	30.9	34.7
Common Stock-U.S.	41.1	40.6	40.8	41.8	39.7	40.8	40.8
Short-Term	8.3	9.1	9.0	5.9	5.6	6.9	7.7
Other****	8.5	11.5	17.3	20.3	26.9	21.4	16.8

\* Performance calculations provided by Harris Trust and Savings Bank.

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

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

\*\*\*\* Includes Real Estate, Common Stock-International, Bonds-International, Alternative Investments and Currency Investments.



*Grey School  
Jo Davies County*

## *INVESTMENT LISTING*

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# Investment Listing

## BONDS, CORPORATE NOTES AND PREFERRED STOCK

### GOVERNMENT OBLIGATIONS

	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
U.S. Government						
U.S. Treasury Bonds						
	AAA	10.500%	02-15-1995	\$13,900,000	14,868,524	15,159,611
	AAA	10.375	05-15-1995	2,400,000	2,558,184	2,611,488
	AAA	11.625	11-15-2004	6,240,000	7,693,956	7,800,000
	AAA	10.750	08-15-2005	7,700,000	9,177,595	9,114,873
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,283,740
	AAA	10.375	11-15-2012	3,250,000	3,623,871	3,748,688
	AAA	12.000	08-15-2013	130,700,000	173,917,902	170,073,375
	AAA	11.250	02-15-2015	3,000,000	3,881,429	3,811,860
	AAA	9.250	02-15-2016	3,200,000	3,645,500	3,427,008
	AAA	7.250	05-15-2016	2,500,000	2,295,383	2,173,423
	AAA	7.500	11-15-2016	5,465,000	4,889,922	4,879,207
	AAA	8.875	08-15-2017	2,000,000	1,958,750	2,069,380
	AAA	8.750	08-15-2020	1,795,000	1,875,382	1,808,450
	AAA	8.375	09-30-1991	5,000,000	5,286,719	5,148,450
	AAA	8.375	06-30-1992	1,585,000	1,627,933	1,603,450
	AAA	8.375	02-15-1993	3,000,000	2,977,031	3,068,450
	AAA	7.750	11-15-1993	7,000,000	7,080,430	7,091,840
	AAA	7.000	01-15-1994	9,000,000	8,597,813	8,957,790
	AAA	12.625	08-15-1994	18,000,000	20,661,047	20,548,080
	AAA	9.500	10-15-1994	21,100,000	22,328,078	22,291,416
	AAA	11.625	11-15-1994	76,000,000	85,447,759	85,238,560
	AAA	8.250	11-15-1994	7,300,000	7,353,983	7,457,388
	AAA	11.250	02-15-1995	7,400,000	8,233,037	8,230,206
	AAA	11.250	05-15-1995	2,875,000	3,177,971	3,209,219
	AAA	10.500	08-15-1995	7,600,000	8,204,180	8,314,854
	AAA	8.625	10-15-1995	1,000,000	994,590	1,028,750
	AAA	8.875	02-15-1996	3,000,000	3,101,016	3,112,500
	AAA	7.750	03-31-1996	3,000,000	3,010,781	2,984,070
	AAA	7.375	05-15-1996	2,000,000	1,832,009	1,957,500
	AAA	7.875	06-30-1996	10,000,000	9,963,500	9,993,700
	AAA	8.000	10-15-1996	6,920,000	6,948,582	6,902,700
	AAA	8.000	10-15-1996	2,000,000	2,004,373	2,002,500
	AAA	7.250	11-15-1996	23,980,000	23,078,485	23,200,650
	AAA	8.000	01-15-1997	2,000,000	1,997,500	1,998,740
	AAA	8.500	05-15-1997	2,500,000	2,400,996	2,551,550
	AAA	8.875	11-15-1997	5,600,000	5,651,625	5,806,500
	AAA	7.875	01-15-1998	15,000,000	14,856,250	14,812,500
	AAA	8.125	02-15-1998	5,700,000	5,527,295	5,707,125
	AAA	9.250	08-15-1998	1,000,000	1,003,750	1,055,940
	AAA	8.875	11-15-1998	1,810,000	1,890,319	1,876,735
	AAA	8.875	02-15-1999	1,300,000	1,328,906	1,346,722
	AAA	9.125	05-15-1999	2,500,000	2,595,516	2,625,775
	AAA	8.875	05-15-2000	1,600,000	1,678,609	1,656,992
	AAA	8.750	08-15-2000	2,900,000	3,005,352	2,983,373
	AAA	7.750	02-15-2001	1,000,000	985,156	967,190
				426,343,812	426,343,812	426,343,811
<b>Total U.S. Government</b>				<b>871,163,812</b>	<b>933,950,604</b>	<b>931,046,685</b>
Federal Agency						
Federal Farm Credit Banks						
	AAA	8.490%	06-05-1992	4,000,000	4,000,000	4,000,000
	AAA	10.300	07-25-1995	1,000,000	1,088,540	1,083,120
	AAA	7.750	04-25-1996	1,000,000	975,730	989,680
Federal National Mortgage Debenture						
	AAA	10.600	11-10-1995	1,000,000	1,082,188	1,096,250
	AAA	11.950	01-10-1995	2,000,000	2,328,125	2,253,740
FHA Project #221						
	AAA	8.400	06-01-2007	1,340,292	1,226,294	1,289,200
FHLMC Groups						
	AAA	6.250	VARIOUS	1,402,148	1,246,289	1,325,725
	AAA	6.750		3,162,154	2,824,484	2,915,276
	AAA	7.000		2,950,269	2,668,149	2,842,377
	AAA	7.250		845,870	780,315	787,048
	AAA	7.750		5,000,000	4,712,500	4,681,550
	AAA	8.000		36,015,185	33,849,386	34,541,434
	AAA	8.250		3,868,626	3,668,752	3,696,703
	AAA	8.500		29,830,398	28,238,059	29,151,065
	AAA	8.600		9,093,000	7,112,431	7,263,034
	AAA	8.750		7,997,974	7,807,804	7,814,260
	AAA	8.850		3,300,000	3,285,756	3,249,477
	AAA	9.000		48,228,102	45,695,105	45,796,868
	AAA	9.300		5,000,000	4,964,580	5,104,650
	AAA	9.450		4,000,000	4,021,875	4,052,760
	AAA	9.500		5,458,925	5,521,488	5,567,256
	AAA	10.000		32,550,973	31,894,155	33,259,904
	AAA	10.500		362,396	323,439	381,647
	AAA	11.000		470,599	476,482	492,952
	AAA	11.875		2,952,404	3,106,483	3,205,219
	AAA	7.000	VARIOUS	3,561,687	3,285,656	3,333,490
	AAA	7.500		15,483,086	14,216,942	14,628,707
	AAA	8.000		25,168,033	24,058,006	24,339,586
	AAA	8.250		4,315,384	4,127,633	4,184,831
	AAA	8.500		6,287,742	6,174,480	6,206,946
	AAA	8.545		15,624,089	14,686,644	15,428,788
	AAA	8.750		2,153,357	2,101,060	2,112,451
	AAA	9.000		3,579,342	3,129,811	3,165,069
	AAA	9.250		11,931,679	10,836,016	11,027,019
	AAA	9.500		831,841	837,560	849,995
	AAA	9.850		2,200,000	2,282,156	2,317,744
	AAA	10.000		6,332,194	5,761,909	6,228,308
	AAA	10.450		10,000,000	10,475,000	10,742,300
	AAA	10.500		5,076,742	5,194,142	5,376,688
	AAA	11.000		655,000	671,170	698,597
	AAA	11.500		7,284,101	7,771,226	7,844,030
	AAA	12.750		3,297,891	3,556,569	3,648,281
	AAA	13.250		266,425	283,660	295,729
<b>FNMA Pools</b>						

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VERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
AA Pools (continued)	AAA	14.750%		\$ 2,773,061	3,056,556	3,091,964
	AAA	15.750%		2,292,807	2,423,084	2,613,800
	AAA	16.000%		1,211,470	1,285,904	1,350,789
AA Pools Floating Rate Notes	AAA	0	VARIOUS	5,754,000	5,736,019	5,788,639
AC Mortgage KGKOG FHA Pool	AAA	5.018	04-25-1993	681,690	429,720	638,443
AA Pools	AAA	7.250	VARIOUS	6,273,406	4,964,099	5,814,632
	AAA	8.000%		6,356,390	6,104,649	6,139,666
	AAA	8.500%		7,825,081	7,471,276	7,616,539
	AAA	8.750%		3,443,451	3,281,915	3,365,973
	AAA	9.000%		11,189,452	10,634,830	11,142,338
	AAA	9.250%		2,680,830	2,570,247	2,694,235
	AAA	9.500%		9,484,660	9,527,671	9,680,487
	AAA	9.625%		7,650,123	7,666,857	7,832,196
	AAA	10.000%		850,932	779,294	885,760
	AAA	10.500%		1,129,381	1,166,922	1,193,678
	AAA	11.000%		5,530,805	5,769,570	5,974,192
	AAA	11.250%		9,037,936	9,402,103	9,690,295
	AAA	11.500%		2,370,357	2,484,443	2,625,906
	AAA	12.000%		46,448	47,135	52,544
	AAA	12.500%		6,617,974	7,447,285	7,552,761
	AAA	12.750%		1,001,265	1,056,961	1,127,674
	AAA	13.000%		521,783	558,572	590,267
	AAA	13.250%		172,769	185,972	195,013
	AAA	13.500%		1,579,150	1,694,772	1,802,416
Government Backed Trust Certificates	AAA	8.550%	11-15-1993	4,040,609	4,050,205	4,092,895
	AAA	9.450%	05-15-1994	3,000,000	3,053,620	3,106,800
	AAA	8.875%	05-15-1995	6,000,000	5,927,468	6,169,200
	AAA	8.550%	11-15-1997	2,100,000	2,079,441	2,134,650
	AAA	9.625%	05-15-2002	7,250,000	7,572,423	7,629,900
	AAA	9.400%	05-15-2002	5,000,000	4,969,688	5,206,000
Government Backed Trust Of Zero Coupon	AAA	0	05-15-1993	1,000,000	785,910	877,170
	AAA	0	11-15-1993	1,500,000	1,121,775	1,266,585
	AAA	0	11-15-1994	7,000,000	4,937,100	5,419,540
	AAA	0	05-15-2000	10,000,000	4,049,900	4,649,700
	AAA	0	11-15-2005	5,000,000	1,037,550	1,401,700
Intend Mortgage Corporation II	A2	11.875%	04-01-2006	1,364,320	1,441,677	1,409,097
	A2	11.000%	12-01-2015	7,268,297	7,393,990	7,816,836
American Development Bank	AAA	13.250%	08-15-1994	2,000,000	2,297,860	2,290,360
Bank For Reconstruction and Development	AAA	8.625%	10-01-1995	1,000,000	995,400	1,022,650
	AAA	9.520%	07-20-1998	1,000,000	1,057,600	1,046,400
Initial Funding Mortgage	NR	10.000%	07-25-2015	14,004,471	13,982,589	14,284,560
Intention Funding Corp-Stripped Bonds	AAA	0	01-15-1996	13,000,000	7,721,220	9,058,400
	AAA	0	07-15-1998	5,000,000	2,760,900	2,773,600
	AAA	0	01-15-2001	10,000,000	4,066,500	4,434,200
	AAA	0	04-15-2008	23,500,000	6,506,915	6,492,110
12296 Inc Govt GTD Bond	AAA	8.100%	02-27-2002	1,000,000	921,250	979,750
Mass Valley Authority	AAA	8.250%	11-15-1996	1,500,000	1,500,234	1,502,805
Trusty Stripped Securities	AAA	0	02-15-1995	8,000,000	6,029,680	6,068,800
	AAA	0	08-15-2001	10,000,000	4,348,800	4,280,100
	AAA	0	11-15-2015	60,000,000	8,325,000	7,546,800
State Federal Agency				643,880,824	527,027,600	541,690,538
Municipal				925,737	921,108	968,904
Mass State Development Finance Authority	A2	9.750%	11-15-2005	925,737	921,108	968,904
Other Municipal				925,737	921,108	968,904
<b>U.S. GOVERNMENT OBLIGATIONS</b>				<b>\$1,515,970,373</b>	<b>1,461,899,312</b>	<b>1,473,706,047</b>

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance						
Housing Finance Corporation	AAA	8.700%	11-01-2021	\$ 5,146,585	4,372,225	4,395,698
State Housing Finance Corporation	AAA	9.620%	10-15-1994	5,000,000	5,018,200	5,214,950
Express Company	AA2	11.950%	01-15-1995	1,000,000	1,088,000	1,107,150
Investment Corporation Of North America	AA3	9.000%	06-15-1993	1,000,000	1,002,320	1,022,920
Hills Trust	BAA3	12.375%	05-01-2020	10,000,000	10,000,000	7,200,000
Mass Mortgage Capital Trust I	NR	9.000%	01-25-2021	964,914	934,761	933,854
Atlantic Capital Funding	AA3	8.625%	09-15-1993	1,000,000	999,270	1,021,980
Gas Finance Inc	AAA	9.500%	03-15-2018	1,000,000	998,750	983,590
Mar Financial Services	A2	8.750%	05-12-2000	8,000,000	8,079,440	8,200,000
Manhattan Credit Card Master Trust	AAA	8.750%	08-15-1999	6,500,000	6,494,475	6,526,390
Mortgage Finance Corporation	NR	9.500%	10-01-2024	4,733,797	4,702,732	4,770,768
Bank Credit Card Trust	AAA	8.750%	12-15-1994	5,000,000	5,036,719	5,093,250
Financial Corporation	A2	9.700%	02-10-1992	2,000,000	1,974,260	1,938,660
	BA-1	9.500%	06-01-2008	7,000,000	7,005,320	6,499,710
	BAA2	7.875%	07-15-1991	1,000,000	998,600	1,000,000
	A3	8.770%	08-15-1992	5,000,000	4,969,000	5,070,350
	BAA3	10.150%	02-15-1998	7,000,000	6,983,634	7,051,940
	BAA2	9.750%	08-01-1999	1,500,000	1,476,232	1,447,500
	BAA2	8.500%	01-01-2002	11,526,000	10,413,510	10,006,009
	BAA2	10.750%	12-15-2015	3,000,000	2,991,250	2,946,990
Homeowners Inc	A2	9.500%	09-01-2016	2,578,306	2,655,126	2,423,608
	A-1	8.500%	12-01-2016	3,401,314	3,202,550	3,182,371
Mortgage Securities Inc	AA2	9.500%	11-01-2004	41,533,612	40,767,836	41,741,280
	AA2	10.500%	06-01-2019	5,449,125	5,495,102	5,592,164
Person To Person Inc	BAA3	12.500%	01-15-1996	7,000,000	7,103,200	7,002,800
Licensed Mortgage Obligation Trust	AAA	10.200%	02-01-2016	16,968,715	17,140,618	17,553,457
Licensed Mortgage Securities Corporation	AAA	11.450%	09-01-2015	18,679,384	19,969,626	20,248,265
	NR	8.000%	08-25-2017	3,900,000	3,500,250	3,535,584
Licensed Mtg Securities-Zero Coupon	AAA	0	06-26-2018	5,000,000	2,328,050	2,348,600
University Facility Loan	A2	9.200%	12-01-1991	3,000,000	2,943,281	3,033,270
Bank Corporation	BAA3	9.875%	06-15-1996	5,000,000	5,000,000	5,015,450
Illinois Corporation	BAA2	9.800%	08-01-1993	5,000,000	4,476,650	5,002,100
Utility Trust Certificates	AAA	10.700%	09-15-2017	5,000,000	5,000,000	5,864,150
Mass Valley Funding Corporation	BAA3	12.000%	06-01-2017	11,000,000	11,000,000	11,168,700
Mortgage Funding Corporation	AAA	9.500%	08-01-2019	6,385,255	6,188,109	6,349,470

# Investment Listing

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
Dover Credit Card Trust	AAA	8.250%	04-15-1997	\$ 6,000,000	6,013,125	6,028,013
Dow Capital B V	A2	8.480	09-21-1992	2,000,000	1,992,580	2,034,913
Drexel Burnham Lambert CMO Trust Series	A2	8.000	07-01-2017	2,273,460	2,152,682	2,192,591
FBC Mortgage Securities Trust II	AAA	8.950	04-20-2018	4,057,455	3,986,449	4,149,914
FBC Mortgage Securities Trust V	A2	8.000	09-01-2016	7,257,887	6,615,778	6,779,311
Financing Corporation	NR	9.000	01-20-2018	5,109,100	4,824,324	4,670,119
Financing Corporation Coupons Stripped	NR	10.700	10-06-2017	1,000,000	1,097,061	1,170,013
First Bank Systems Inc	NR	9.650	06-06-2000	6,300,000	6,992,523	6,715,411
First Chicago Corporation	AAA	0	06-06-2000	10,000,000	4,578,900	4,574,303
First Chicago Master Trust II	BAA1	7.750	11-13-1991	9,000,000	8,995,500	9,007,743
First Home Mortgage Acceptance Corporation	BAA2	9.500	06-19-1992	5,000,000	5,000,000	5,081,313
First Interstate Bank Corporation	BAA1	9.875	08-15-2000	21,500,000	21,096,875	21,245,879
First PV Funding Corporation	NR	8.400	06-15-1998	5,000,000	4,943,750	4,948,119
Fleet/Norstar Financial Group, Inc.	A2	11.000	02-01-2016	8,308,379	8,716,132	8,845,681
Ford Credit 1991-A Grantor Trust	NR	10.500	05-01-1994	20,000,000	20,549,600	21,187,267
Ford Motor Credit Company	BA2	10.300	01-15-2014	2,000,000	2,005,000	1,853,001
General Electric Capital Corporation	BA-1	10.150	01-15-2016	6,000,000	5,025,000	5,499,183
General Motors Acceptance Corporation	NR	7.850	12-15-1992	29,000,000	28,943,900	29,088,453
Guardian Savings & Loan Association	BAA1	9.950	05-15-1993	20,000,000	20,113,800	20,569,801
Home Owners Federal Savings & Loan	BAA2	9.900	06-03-1993	6,000,000	5,995,620	6,173,581
Household Finance Corporation	AAA	7.800	02-15-1996	2,252,653	2,243,853	2,259,681
Imperial Savings & Loan Association	A2	8.950	06-08-1992	2,000,000	2,023,580	2,096,263
Irving Bank Corporation	A2	6.920	06-29-1992	5,000,000	4,995,700	4,992,859
ITT Financial Corporation	A2	9.260	10-19-1992	1,200,000	1,216,248	1,216,124
KFW International Finance Inc	A2	9.000	06-15-1993	1,000,000	998,400	1,017,551
Lyons Funding Corporation	A2	7.500	03-01-1994	1,000,000	975,730	978,243
Maritime Midland Banks Inc	A2	9.450	05-20-1994	2,500,000	2,549,950	2,567,225
Maritans Capital Corporation	AAA	8.000	12-30-1996	8,500,000	8,203,020	8,302,035
MBNA Credit Card Trust	AAA	8.000	12-01-1992	2,500,000	2,496,500	2,511,550
Mellon Financial	A2	8.000	03-01-2002	9,371,525	9,288,422	8,940,998
Merrill Lynch & Company	AAA	8.813	03-15-2018	6,000,000	5,910,000	5,794,800
Mortgage Bankers Financial Corporation	NR	10.150	03-12-1992	6,000,000	6,139,140	6,130,800
National Credit Card Trust	NR	9.350	05-11-1992	7,000,000	7,143,640	7,133,420
Norstar Bancorporation Inc	NR	8.750	07-09-1992	10,000,000	10,164,500	10,156,200
Norwest Financial Inc	A2	8.350	08-07-1992	4,000,000	4,056,480	4,046,080
Paine Webber	NR	7.600	08-10-1992	8,600,000	8,650,654	8,632,680
Philip Morris Credit Corporation	A-1	9.250	11-01-1992	2,500,000	2,493,125	2,528,325
Private Export Funding Corporation	AA3	8.700	02-01-1994	4,000,000	4,006,400	4,051,720
Rabobank Nederland	A-1	8.000	04-15-1994	1,000,000	997,590	993,060
Rothschild Mortgage Trust Zero Coupons	AAA	8.200	08-08-1994	3,500,000	3,377,290	3,485,930
Rural Electric Grantor Trust Certificate	A3	10.150	03-15-1992	57,680,000	58,334,455	58,674,980
Ryland Acceptance Corporation	A3	9.450	06-30-1993	6,000,000	6,021,000	5,988,840
Salmon Brothers Mortgage Securities II Inc	AA3	9.800	12-01-1993	7,000,000	7,236,100	7,253,960
Salmon Brothers Mortgage Securities IV Inc	BAA1	19.250	06-15-2000	11,200,000	11,123,700	11,420,192
Salmon Brothers Mortgage Securities VIII Inc	A3	9.500	12-02-1991	1,000,000	1,013,520	1,026,420
Salmont Brothers Mortgage Securities II Inc	NR	9.810	07-25-2018	11,807,963	11,933,423	11,845,040
Salmont Brothers Mortgage Securities IV Inc	AAA	9.935	01-25-2019	7,134,559	7,241,577	7,223,812
Salmont Brothers Mortgage Securities VIII Inc	AAA	10.612	09-01-2017	8,022,236	8,069,868	8,162,705
Sealed Air Corporation	BAA1	10.250	12-05-1996	5,375,000	5,363,766	5,347,050
Shutterstock Inc	A3	9.350	10-01-1992	1,000,000	1,014,720	1,027,830
Simon Property Group Inc	A3	6.850	10-01-1992	6,000,000	5,971,200	6,000,000
Southwest Airlines Company	A2	9.000	02-01-1994	2,000,000	2,031,380	2,025,720
Standard & Poor's 500 Index	AAA	8.150	03-19-1996	4,672,601	4,660,920	4,701,104
State Street Bank	NR	8.800	00-00-0000	14,246,815	13,851,689	14,068,730
State Street Bank	A2	6.125	07-01-1992	4,100,000	2,270,986	4,027,184
State Street Bank	A2	9.250	11-01-1992	2,000,000	1,997,500	2,034,540
State Street Bank	AAA	9.310	06-01-1993	2,000,000	2,002,220	2,069,460
State Street Bank	A2	10.700	07-01-2003	535,827	550,516	535,827
State Street Bank	AAA	7.625	03-01-2003	8,000,000	8,000,000	7,120,000
State Street Bank	A2	9.250	04-01-2007	4,000,000	4,000,000	4,015,400
State Street Bank	AAA	8.750	06-30-1994	4,150,000	4,251,289	4,289,938
State Street Bank	AAA	8.050	02-10-1992	6,100,000	6,178,263	6,235,420
State Street Bank	BAA1	8.050	10-31-1995	19,000,000	19,000,000	19,032,300
State Street Bank	A2	9.250	10-01-1991	5,000,000	5,007,950	5,034,450
State Street Bank	A2	9.000	11-23-1992	6,500,000	6,500,000	6,622,070
State Street Bank	AAA	9.900	03-01-2018	6,870,731	6,502,865	6,973,998
State Street Bank	NR	9.500	07-01-2018	8,177,039	7,995,064	8,016,360
State Street Bank	AAA	8.750	08-15-1994	1,500,000	1,517,344	1,519,485
State Street Bank	AAA	9.850	03-31-1995	6,000,000	6,111,563	6,245,400
State Street Bank	AAA	9.450	12-31-1997	2,500,000	2,569,725	2,579,250
State Street Bank	NR	7.550	05-24-1993	2,350,000	2,359,424	2,344,243
State Street Bank	A3	9.375	09-15-2009	12,000,000	11,220,000	11,566,920
State Street Bank	A3	10.200	07-15-2015	10,300,000	10,264,563	10,687,691
State Street Bank	A3	9.500	06-01-2004	11,700,000	11,401,533	11,506,365
State Street Bank	A-1	13.375	05-01-2014	3,000,000	3,153,240	3,037,230
State Street Bank	AA3	8.250	02-01-1994	1,000,000	998,400	1,004,990
State Street Bank	BAA3	10.000	02-15-1992	5,000,000	5,066,450	5,086,350
State Street Bank	A2	10.500	07-01-2008	2,785,110	2,785,110	2,919,157
State Street Bank	BAA2	10.500	07-01-2008	294,890	294,890	309,083
State Street Bank	AAA	9.000	01-31-1996	1,000,000	1,009,420	1,028,300
State Street Bank	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,156,480
State Street Bank	AAA	9.450	12-31-1999	4,000,000	4,407,282	4,399,038
State Street Bank	AA2	8.900	01-27-1993	1,000,000	965,230	1,021,420
State Street Bank	A-1	8.900	01-27-1993	1,000,000	1,019,280	1,019,230
State Street Bank	A2	12.000	01-01-2007	1,546,029	1,618,416	1,645,067
State Street Bank	AAA	8.600	07-27-1992	1,000,000	1,001,440	1,016,260
State Street Bank	AAA	9.000	10-26-1992	1,000,000	1,009,400	1,023,960
State Street Bank	AAA	0	01-01-2019	8,350,000	4,467,751	4,476,686
State Street Bank	AAA	9.730	12-15-2017	4,000,000	4,214,770	4,080,280
State Street Bank	AAA	9.580	12-15-2019	8,000,000	8,252,240	8,006,960
State Street Bank	A2	9.550	04-25-1999	4,578,789	4,611,699	4,638,908
State Street Bank	NR	9.700	11-01-2006	13,000,000	13,231,563	13,300,690
State Street Bank	AAA	8.000	06-01-2007	2,705,980	2,592,678	2,718,995
State Street Bank	NR	10.750	01-01-2016	5,235,889	5,478,049	5,550,043
State Street Bank	AAA	11.500	09-01-2015	3,174,403	3,424,670	3,434,672
State Street Bank	AAA	7.000	02-01-2017	3,346,822	2,913,827	2,958,779
State Street Bank	NR	9.861	01-25-2018	8,110,425	8,120,563	8,335,976

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CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
Salomon Inc	A2	9.875%	05-15-1992	\$ 8,000,000	8,170,160	8,397,520
	NR	7.250	06-22-1992	40,000,000	40,000,000	40,000,000
Santa Barbara Savings & Loan Association	AAA	8.000	12-31-1996	4,100,000	3,957,238	3,901,478
Sears Credit Card Trust 1991-A	AAA	8.850	03-15-1996	6,000,000	6,023,438	6,011,220
Sears Mortgage Securities Corporation	AAA	9.625	02-25-2012	3,000,000	2,929,380	3,076,890
Security Pacific National Bank	A3	10.150	03-15-1994	3,500,000	3,525,625	3,529,330
	A2	10.500	01-01-2018	5,016,507	5,061,969	5,165,447
Security Pacific Nat'l Bank-Floating Rate	A-1	6.654	01-18-1995	36,000,000	35,864,316	35,640,000
Southwest Savings Association	AAA	10.200	12-31-2018	3,859,995	3,879,295	3,869,684
Standard Credit Card Trust Certificates	AAA	7.875	07-07-1994	2,800,000	2,779,000	2,786,868
	AAA	9.375	07-10-1997	5,000,000	5,085,938	5,115,700
	AAA	9.250	07-07-1998	2,000,000	1,981,000	1,972,500
Teneco Capital Inc	A-1	8.625	06-30-2010	8,000,000	8,029,440	8,177,280
Toyota Motor Credit Corporation	AAA	8.750	09-15-1991	11,000,000	10,978,000	11,048,400
Travelers Mortgage Services Inc	NR	7.500	02-01-2017	6,964,706	6,206,295	6,616,471
	AA2	10.150	04-25-2019	11,174,395	10,675,039	11,397,883
U.S. Home Equity Loan	NR	8.500	04-15-2021	5,228,392	5,227,805	5,226,719
U.S. West Financial Services Inc	A2	9.250	08-02-1994	3,500,000	3,624,110	3,609,060
Western Federal Savings & Loan	NR	10.169	03-01-2019	11,894,701	11,742,754	12,121,653
Wilmington Trust Alamoito Company	A2	10.500	01-01-2015	7,927,423	7,927,423	5,239,551
<b>Total Finance</b>				<b>1,028,214,693</b>	<b>1,010,871,526</b>	<b>1,017,137,434</b>

**CORPORATE OBLIGATIONS**

**Industrial and Miscellaneous**

Ahmanson (H.F.) & Company	BAA3	9.875	11-15-1999	10,000,000	9,894,000	9,795,700
Amoco Canada Petroleum Company	BAA3	13.500	09-01-2003	15,000,000	23,017,500	23,045,250
Champion International Corporation	BAA1	9.700	05-01-2001	5,000,000	5,000,000	4,964,050
Chrysler Corporation	BA3	12.000	11-15-2015	4,000,000	4,356,667	2,720,000
Dayton Hudson Corporation	A2	9.500	06-10-2015	5,000,000	5,058,600	5,151,950
	A3	9.700	06-15-2021	3,000,000	3,000,000	3,019,860
Disney (Walt) Company Zero Coupon	A-1	0	06-27-2005	4,600,000	2,133,500	1,955,000
Emerson Capital Corporation	A2	10.500	07-01-2008	709,184	709,184	743,317
	A2	10.500	07-01-2008	60,816	60,816	63,743
Georgia Pacific Corporation	BAA3	10.100	06-15-2002	6,000,000	5,996,220	5,797,500
General Motors Corporation	A-1	8.800	03-01-2021	3,000,000	2,997,990	2,987,580
Inner Pacificorp Inc	NR	8.700	03-02-1992	5,000,000	5,051,800	5,051,550
Interco, Inc	NR	14.500	12-15-2003	127	127	1
Interorth Inc	BAA2	9.500	02-15-1992	7,657,000	7,777,674	7,724,994
Kimberly Clark Corporation	AA2	8.625	05-01-2001	4,000,000	3,986,720	3,950,800
Nasco Inc	BAA2	9.650	06-01-1999	5,000,000	5,097,000	5,228,150
Occidental Petroleum Corporation	BAA2	10.500	03-15-1993	11,000,000	10,972,500	11,018,920
	BA-1	8.950	04-15-1994	5,000,000	4,918,750	4,982,300
	BAA2	10.875	03-15-1996	6,600,000	6,855,750	6,866,112
	BAA2	10.125	09-15-2009	2,500,000	2,278,025	2,569,525
	BAA2	11.750	03-15-2011	2,000,000	2,041,944	2,207,480
	BAA2	11.125	06-01-2019	6,000,000	5,883,540	6,392,460
Phillips Petroleum Company	BAA1	13.875	03-15-1997	636,946	692,492	686,048
Rabobank Nederland	AAA	9.050	02-25-1993	1,000,000	1,003,740	1,027,070
Resorts International Inc	CAA	15.000	04-15-1994	84,000	84,000	45,360
Reynolds (R.J.) Industries Inc	BA-1	10.750	08-01-1993	10,000,000	10,095,000	10,018,200
Safeco Products	A2	9.460	05-31-1999	7,000,000	6,992,160	7,153,160
	A2	9.630	05-31-2000	4,000,000	3,995,760	4,130,000
	A2	9.350	05-15-1993	10,000,000	10,021,700	10,243,900
Sears Roebuck & Company	NR	12.500	12-01-2008	9,208,040	11,309,245	11,253,975
Sonwil Corporation	NR	8.200	12-18-1991	10,000,000	9,922,100	10,059,300
Texas Eastern Corporation	A2	7.488	03-20-1999	9,720,439	9,642,338	8,359,578
237 Park Avenue Associates Floating Rate	AAA	8.400	03-20-1992	5,000,000	5,000,000	5,000,000
United States Leasing International Inc	AAA	8.600	06-30-1993	3,000,000	3,029,610	3,029,070
Universal Corporation	CA	13.750	02-01-2003	800,000	907,000	248,000
Walter (Jim) Corporation						
<b>Total Industrial and Miscellaneous</b>				<b>181,576,552</b>	<b>189,783,452</b>	<b>187,489,903</b>

**Public Utilities**

Central Power & Light Company	A-1	9.750	11-01-1994	1,000,000	992,500	1,018,800
Colorado Interstate Gas Company	BAA1	10.000	06-15-2005	2,000,000	2,014,740	2,008,820
Commonwealth Edison Company	BAA1	10.375	10-15-1992	2,200,000	2,197,800	2,283,512
	A3	7.900	04-15-1994	2,500,000	2,500,000	2,495,500
	BAA	9.125	10-15-2008	500,000	474,835	492,780
Connecticut Light & Power Company	BA-1	9.500	06-01-2019	2,000,000	1,977,500	1,997,700
Detroit Edison Company	BAA2	11.875	12-15-2000	2,201,000	2,343,565	2,334,953
Gulf States Utilities Company	BA3	15.000	09-01-2012	4,700,000	5,478,438	4,911,500
Long Island Lighting Company	BA-1	10.250	06-15-1994	11,000,000	10,978,000	11,417,890
	BA-1	5.250	03-01-1996	800,000	375,488	688,528
Louisiana Power & Light Company	BAA2	9.420	01-31-1992	1,000,000	1,000,000	1,032,190
	NR	10.500	04-01-1993	10,244,000	10,244,000	9,973,400
	BAA2	10.320	01-31-1999	1,250,000	1,250,000	1,323,050
Niagara Mohawk Power Corporation	NR	7.800	02-06-1992	4,450,000	4,471,761	4,470,871
Philadelphia Electric Company	BAA3	10.875	11-15-1995	2,250,000	2,311,875	2,317,500
System Energy Resources Inc	BA-1	9.875	09-01-1991	9,413,000	9,499,772	9,495,363
Wisconsin Gas Company	A-1	9.125	12-01-1997	4,000,000	3,990,000	4,017,560
<b>Total Public Utilities</b>				<b>61,264,000</b>	<b>62,100,274</b>	<b>62,279,117</b>

**Telephone**

General Telephone Company California	AA3	9.375	06-15-2026	2,000,000	1,850,020	1,966,500
MCI Communications Corporation	BAA2	8.320	11-08-1991	8,000,000	7,988,000	8,033,840
United Telecommunications Inc	BAA3	8.250	08-15-1992	3,100,000	3,105,166	3,048,419

<b>Total Telephone</b>				<b>13,100,000</b>	<b>12,943,186</b>	<b>13,098,599</b>
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# Investment Listing

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Transportation</b>						
AMR Corporation	BAA1	8.900%	11-23-1992	\$ 7,000,000	6,987,750	7,102,410
	BAA1	8.850	12-14-1992	4,500,000	4,490,820	4,583,855
	BAA1	10.000	04-15-2021	3,000,000	2,981,070	2,933,940
Delta Air Lines Inc	A3	9.750	05-15-2021	2,000,000	1,988,400	1,969,660
Kansas City Southern Industries Inc	BAA2	12.000	10-01-2010	3,750,000	4,129,688	4,007,888
Union Pacific Railroad Company	AA-1	9.500	02-15-1999	3,000,000	2,998,200	3,039,420
<b>Total Transportation</b>				<b>23,250,000</b>	<b>23,575,928</b>	<b>23,616,573</b>
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>1,307,405,245</b>	<b>1,299,274,366</b>	<b>1,303,621,626</b>
<b>TOTAL U.S. BONDS AND CORPORATE NOTES</b>				<b>\$2,823,375,618</b>	<b>2,761,173,678</b>	<b>2,777,327,673</b>
<b>INTERNATIONAL OBLIGATIONS</b>						
ADT Ltd	NR	8.000%	07-31-2005	\$ 382,162		317,912
Australia Commonwealth	AA2	12.750	09-15-1992	3,343,144		3,173,310
	NR	12.500	03-15-1997	1,646,650		1,663,546
	NR	12.500	09-15-1997	2,296,606		2,335,085
	NR	12.000	11-15-2001	6,859,265		7,021,496
	NR	12.000	07-01-1991	6,272,420		6,164,136
Banco Central Madrid	AAA	10.000	02-14-1997	5,553,014		4,724,808
Banque Europeenne D'Investissement	AAA	9.000	05-24-1999	1,723,259		1,695,254
Banque Francaise Du Commerce Extérieur	NR	10.000	07-02-1991	6,567,080		6,514,640
Banque Indosuez Paris	AA-1	9.125	03-18-1996	3,906,962		3,829,402
Belgium (Kingdom Of)	AA-1	9.125	03-18-1996	96,140		3,942,051
BEI Banque Europeenne D' Investissement	NR	9.000	04-20-1999	1,263,601		1,119,715
Brinson Int'l Dollar Bond Fund	NR	0		51,018,708		56,692,391
Brinson Int'l Non-Dollar Bond Fund	NR	0		99,189,397		106,359,714
Buoni Poliennali Tesoro	NR	12.500	03-01-2001	7,827,148		7,698,606
Canada (Government Of)	AAA	10.250	03-01-1996	5,814,822		5,772,991
	AAA	9.250	10-01-1996	18,327,531		18,208,940
	AAA	9.500	10-01-1998	8,161,572		8,539,920
	AAA	10.500	03-01-2001	10,777,460		11,151,275
	AAA	10.750	10-01-2009	7,857,638		8,087,968
	AAA	10.250	03-15-2014	4,227,074		4,350,094
Chrysler Financial Corporation Eurobond	BAA2	13.250	11-29-1994	1,889,055		1,881,338
Credit Foncier De France	AAA	9.375	12-27-1999	9,022,824		7,935,263
Den Danske Copenhagen	NR	8.938	07-03-1991	2,315,987		2,291,278
Denmark (Kingdom Of)	NR	9.000	11-15-2000	4,294,347		4,217,520
Deutschland Bundes Republic	NR	7.000	09-20-1994	1,788,212		1,570,747
	NR	6.000	03-20-1997	5,427,899		4,866,515
	NR	7.125	12-20-1999	5,655,519		5,939,961
	NR	7.750	02-21-2000	5,896,618		5,286,167
	NR	6.750	02-15-1999	6,194,049		5,907,821
Dutch (Government Of) Netherland Kingdom	NR	8.750	06-27-2006	4,926,094		4,351,162
Elf Enterprise Finance	AAA	12.625	10-15-1999	344,000		311,262
European Investment Bank	NR	9.000	11-12-1992	9,966,180		9,966,180
France (B.T.A.N.)	NR	9.000	11-12-1995	5,896,488		5,022,087
France (Government Of)	NR	9.000	11-12-1995	4,925,342		4,275,373
	NR	8.000	10-12-1994	4,108,465		3,929,549
	NR	9.700	12-13-1997	9,955,560		8,362,355
	NR	8.125	05-25-1999	2,582,423		2,461,231
	NR	8.500	03-28-2000	12,105,294		10,421,743
	NR	9.500	04-25-2000	6,513,014		5,850,357
	NR	9.500	01-25-2001	196,281		183,327
	NR	10.000	02-26-2001	9,470,969		8,331,108
	NR	8.250	02-27-2004	12,602,038		11,687,318
	NR	8.500	12-26-2012	1,280,000		1,215,632
	NR	8.500	10-25-2019	16,931,173		15,710,055
Hanson Plc	NR	9.500	01-31-2006	268,650		236,261
Holland Niederlande	NR	6.000	04-15-1995	5,043,763		4,461,349
	NR	7.750	01-15-2000	9,611,145		8,290,472
	NR	9.000	07-01-2000	1,524,589		1,339,431
	NR	9.400	02-01-2021	25,784,980		26,205,920
Hydro Quebec	AAA	9.375	04-15-2030	1,471,380		1,508,233
Industrial Bank Of Japan Ltd	AAA	8.500	11-30-1994	2,997,450		3,038,222
Int'l Bank For Reconstruction Euro Bond	AAA	7.625	10-30-1995	3,721,925		3,712,749
Ireland (Republic Of)	AAA	6.750	03-15-2000	3,491,573		3,587,682
Israel (State Of)	AAA	8.625	04-15-2001	1,979,300		1,965,202
	AAA	8.500	03-01-1993	1,000,000		1,000,000
	AAA	8.500	12-01-1994	4,000,000		4,000,000
	NR	8.500	12-01-1995	2,000,000		2,000,000
Italy (Republic of)	AAA	9.625	03-01-1999	2,032,480		2,070,160
Japan (Government Of)	NR	5.100	06-20-1996	3,512,417		3,352,141
	NR	4.900	03-20-1998	5,787,858		6,473,834
	NR	4.800	06-22-1998	6,064,359		6,413,810
	NR	4.700	12-21-1998	5,678,377		6,342,694
	NR	4.700	06-21-1999	5,977,478		6,315,047
	NR	6.400	03-20-2000	21,627,588		21,318,199
Kansallis-Osake-Pankki	A2	10.150	03-15-1993	2,010,720		2,084,062
	A2	10.000	03-15-1994	999,270		1,014,868
	NR	11.500	09-20-2000	4,313,258		4,460,908
Montreal (City Of)	AAA	13.750	12-01-2005	439,051		483,260
Municipal Finance Authority Canada	A-1	9.750	05-15-2000	494,250		522,335
New Brunswick (Province Of) Canada	AAA	12.100	04-01-1995	7,891,650		7,622,063
New South Wales Treasury Corporation	AAA	12.500	04-01-1997	6,558,396		6,345,093
Newfoundland (Province of) Canada	BAA1	13.875	10-01-1992	1,107,570		1,077,290
Nordiska Insteringsbanken	BAA1	9.875	06-01-2020	5,575,020		5,701,355
Norges Kommunalbank	AAA	4.875	01-06-1994	614,973		689,381
Norske Skog	A2	7.875	05-17-1997	1,385,130		1,443,912
Ontario Hydro	NR	8.125	12-31-2000	266,867		250,822
	AA2	12.750	10-14-1992	2,362,426		2,350,629
	AA2	10.750	11-19-1995	1,720,243		1,776,562
	AA2	10.875	01-08-1996	13,470,298		13,368,286
PT Inti Indonesia Utama	NR	7.000	05-02-2006	650,000		545,671

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Quebec (Province Of) Canada	BA2	12.125	10-01-1993		1,632,900	1,633,320
	NR	15.000%	11-07-1993		\$ 11,801,161	12,218,114
Queensland Treasury Corporation	AAA	12.000	07-15-1999		5,352,614	5,420,703
	AAA	12.000	08-15-2001		3,195,961	3,340,989
Regional Municipality Of York	NR	11.750	04-17-2000		6,216,762	6,391,807
Royal Bank Of Canada	NR	8.375	07-02-1991		3,502,000	3,503,560
Saskatchewan (Province of) Canada	A2	9.125	02-15-2021		991,350	981,180
Spain (Kingdom of)	AA2	9.125	08-01-2000		1,020,160	1,014,360
Spain (Government of)	AA2	13.450	04-15-1996		13,023,834	11,473,289
Svenska Handelsbanken	A2	9.700	03-04-1993		1,499,670	1,550,340
Swedish Export Credit Corporation	AAA	8.625	04-15-2026		1,632,520	1,838,480
Telecom Australia	AAA	12.500	11-15-2000		1,311,035	1,331,030
Tubos De Acero	NR	7.500	06-12-1997		750,000	738,750
United Kingdom (Government of)	NR	10.000	11-15-1996		2,094,439	1,986,315
<b>TOTAL INTERNATIONAL OBLIGATIONS</b>					<b>614,858,324</b>	<b>616,717,868</b>

PREFERRED STOCK - U.S.	SHARES	BOOK VALUE	MARKET VALUE
Federal Paper Board Company Inc 2.875%	35,700	1,962,214	2,017,050
RJR Nabisco Holdings Corporation 11.500%	45,000	939,814	1,575,000
Texasco Inc Variable Rate	314	11,571	16,250
Time Warner Inc Series C 8.750%	16	712	663
Time Warner Inc Series D 11.000%	133,292	5,030,660	6,282,927
Toledo Edison Company Adjustable Rate	80,000	2,017,280	1,940,000
<b>TOTAL PREFERRED STOCK - U.S.</b>		<b>9,962,251</b>	<b>11,831,890</b>

PREFERRED STOCK - INTERNATIONAL	SHARES	BOOK VALUE	MARKET VALUE
KSB AG	2,700	664,623	585,430
Rheinisch Westfaelisches	9,200	1,937,252	1,649,643
Smithkline Beecham Plc	25,000	1,309,265	1,338,150
Tate & Lyle	240,000	702,989	642,312
Winterthur Schweizer	1,130	671,823	519,130
<b>TOTAL PREFERRED STOCKS - INTERNATIONAL</b>		<b>5,285,952</b>	<b>4,734,665</b>

TOTAL BONDS, CORPORATE NOTES AND PREFERRED STOCK		
	<b>\$3,391,286,205</b>	<b>\$3,410,612,096</b>

SHORT TERM INVESTMENTS						
Accrued Interest and Dividends	NR			\$ 87,701,788	87,701,788	87,701,788
Fleet/Norstar Financial Group, Inc.	BAA2	7.700%	07-01-1991	1,000,000	1,017,700	1,000,000
Harris Bank Collective Investment Funds	NR	6.130		251,913,056	251,913,056	254,398,250
Harris Bank Due To Broker	NR			-20,163,975	-20,163,975	-20,163,975
Harris Bank Master Trust Reserve Fund	NR	6.370		299,039,751	299,039,751	299,039,751
Industrial Bank Of Japan-New York Branch	AAA	8.500	11-30-1993	2,200,000	2,211,594	2,200,000
ITT Financial Corporation	NR	6.000	07-11-1991	4,000,000	4,000,000	4,000,000
Prudential Funding Corporation	NR	5.900	07-18-1991	9,900,000	9,900,000	9,900,000
Swiss Bank Certificate of Deposit	AA2	8.900	08-17-1992	3,000,000	3,034,110	3,000,000
U.S. Treasury Bills	AAA		07-05-1991	1,000,000	982,628	999,430
	AAA		08-22-1991	4,000,000	3,961,174	3,968,560
	AAA		09-26-1991	1,000,000	985,804	986,610
	AAA		12-19-1991	5,500,000	5,339,979	5,352,380
	AAA		04-09-1992	1,855,000	1,753,889	1,769,410
Various Futures Contracts				-422,435,187	-422,435,187	-422,435,187
<b>TOTAL SHORT TERM INVESTMENTS</b>				<b>\$229,510,433</b>	<b>229,242,311</b>	<b>231,717,017</b>

CURRENCY INVESTMENTS	BOOK VALUE	MARKET VALUE	CURRENCY INVESTMENTS	BOOK VALUE	MARKET VALUE
Australian Dollar Currency Fund	\$ 1,345,339	1,345,787	Japanese Yen Currency Fund	15,442,913	15,442,661
Australian Dollar Put Option	89,100	94,116	Japanese Yen Put Option	2,119,631	3,685,000
Austrian Schilling	993	980	Malaysian Ringit Currency Fund	1,068,731	1,067,327
Belgium Franc Currency Fund	27,582	27,229	Netherlands Guilder Currency Fund	3,444,003	3,196,258
British Pound Currency Fund	2,659,632	2,513,475	New Zealand Dollar Currency Fund	197,624	196,842
Canadian Dollar Currency Fund	2,537,930	2,560,421	Norwegian Krone Currency Fund	5,593	5,591
Canadian Dollar Put Option	565,195	146,200	Singapore Dollar Currency Fund	1,158,722	1,163,890
Danish Krone Currency Fund	240,146	235,436	Spanish Peseta Currency Fund	1,681,028	1,641,393
Deutsch Mark Currency Fund	9,204,792	8,410,534	Spanish Peseta Put Option	330,023	370,127
European Currency Unit Fund	583,515	544,769	Swedish Krone Currency Fund	47,260	46,845
French Franc Currency Fund	2,075,197	1,830,545	Swiss Franc Currency Fund	450,698	429,079
French Franc Put Option	726,425	771,750	Swiss Franc Put Option	588,000	652,313
German Mark Call Option	-265,329	-89,408	Thailand Baht Currency Fund	367,228	361,170
German Mark Put Option	1,688,529	2,593,625	United Kingdom Put Option	1,047,253	1,248,038
Hong Kong Dollar Currency Fund	1,352,909	1,347,366	U.S. Index Put Option	330,182	320,000
Indonesian Rupian Currency Fund	41,262	41,344	U.S. Treasury Call Option	8,698,847	10,774,546
Italian Lira Currency Fund	-1,197,101	-1,133,398	Various Forward Foreign Exchange Contracts	0	-4,395,594
			<b>TOTAL CURRENCY INVESTMENTS</b>	<b>\$58,653,852</b>	<b>57,496,077</b>

# Investment Listing

## COMMON STOCK - U.S.

	SHARES	BOOK VALUE	MARKET VALUE
<b>Air Transport</b>			
Boeing Company	510,075	\$ 15,810,936	23,335,932
E Systems Inc	59,700	2,243,065	2,410,388
General Dynamics Corporation	67,000	3,800,971	2,805,626
Grumman Corporation	83,695	1,640,369	1,496,049
Instrument System Corporation	4,800	10,440	15,600
Lockheed Corporation	68,100	2,960,940	2,970,863
Loral Corporation	130,700	5,013,998	5,309,689
Martin Marietta Corporation	103,261	4,418,154	5,769,710
McDonnell Douglas Corporation	19,300	1,405,790	1,560,000
Microsemi Corporation	200,000	423,000	400,000
Northrop Corporation	21,200	828,282	537,950
Penn Central Corporation	12,000	297,300	270,000
Raytheon Company	148,579	10,727,361	11,886,320
Rockwell International Corporation	189,200	4,366,598	5,273,950
Textron Inc	164,600	4,580,159	5,287,776
Transtech Corporation	1,100	29,090	7,425
UNC Inc	8,700	84,133	41,325
United Technologies Corporation	110,700	5,149,592	4,926,150
<b>Automobiles and Auto Parts</b>			
Arvin Industries Inc	73,000	1,188,951	1,624,250
Landig Inc	10,400	655,058	1,071,200
Chrysler Corporation	113,639	2,495,705	1,619,356
Cooper Tire & Rubber Company	33,300	707,696	974,025
Cummins Engine Company Inc	7,300	397,686	291,088
Dana Corporation	156,400	5,687,474	5,122,100
Eaton Corporation	17,314	723,886	1,049,661
Echlin Inc	28,100	428,373	382,863
Ford Motor Credit Company	542,800	18,275,057	19,540,800
General Motors Corporation	667,300	26,209,095	27,192,475
General Motors Corporation Class E	86,500	2,519,799	4,043,875
General Motors Corporation Class H	5,400	133,164	90,450
Genuine Parts Company	63,550	2,171,155	2,724,706
Goodrich (B.F.) Company	96,400	3,699,752	3,807,800
Goodyear Tire & Rubber Company	79,283	2,970,459	2,636,160
Rolls Royce Plc	200,000	3,527,514	2,494,000
SPX Corporation	22,300	398,204	356,800
TBC Corporation	81,000	1,006,625	1,204,875
TRW Inc	158,900	6,635,522	6,693,663

## Banking and Finance

Advent Corporation	95,000	1,018,385	1,555,625
Ahanson (H.F.) & Company	159,200	3,217,684	2,885,501
American Express Company	767,696	20,671,894	17,273,160
Ameritrust Corporation	29,000	466,075	583,625
Amsouth Bancorporation	20,000	559,825	567,500
BB&T Financial Corporation	112,296	2,328,434	2,330,142
Bank One Corporation	189,800	5,371,618	7,259,850
Bank of Hawaii Inc	4,000	171,000	239,500
Bank of Boston Corporation	37,680	751,368	259,051
Bank of New York Company Inc	114,300	3,179,681	3,128,963
BankAmerica Corporation	330,000	8,277,290	11,962,500
Bankers Trust New York Corporation	90,046	3,425,470	4,355,976
Barclays Plc	16,800	437,095	478,800
Barnett Banks Inc	73,025	1,985,572	1,953,419
Bear Stearns Companies Inc	94,500	1,038,170	1,287,563
Beneficial Corporation	10,700	512,316	605,888
Block (H&R) Inc	69,200	2,013,011	3,806,000
Boatmans Bancshares Inc	15,200	578,304	611,800
Brazil Fund Inc	50,000	524,782	731,250
C&S / Sovran Corporation	70,901	1,664,986	1,692,762
Central Bancshares Of The South Inc	21,300	391,450	484,575
Chase Manhattan Corporation	204,088	4,745,988	3,316,428
Chemical Banking Corporation	64,787	1,970,426	1,384,822
Citicorp	166,300	4,077,033	2,411,350
Cornelia Inc	19,800	664,687	764,775
Crestline Financial Corporation	45,608	1,573,702	1,761,609
Countrywide Credit Industries Inc	120,000	895,624	2,370,000
Dominion Bankshares Corporation	56,000	609,800	595,000
Dreyfus Corporation	25,000	701,750	912,500
Edwards (A.G.) Inc	11,100	381,873	352,425
Federal Home Loan Mortgage Corporation	274,500	18,982,117	22,097,250
Federal National Mortgage Association	277,800	7,360,294	13,751,100
First of America Bank Corporation	62,920	1,327,442	1,738,165
First American Corporation Tennessee	48,000	562,032	618,000
First Bank Systems Inc	46,000	715,875	845,250
First Chicago Corporation	28,913	922,556	603,559
First Fidelity Bancorporation	78,900	1,917,788	2,150,025
First Hawaiian Inc	10,000	243,750	290,000
First Interstate Bancorp	115,429	3,891,072	3,621,585
First Union Corporation	153,600	3,193,593	3,417,600
Firstar Corporation	9,300	254,681	331,313
Fiserv Inc	12,000	309,495	483,000
Fleet/Norstar Financial Group, Inc	54,282	1,383,797	1,200,990
Franklin Resources Inc	45,000	1,675,914	1,586,250
Golden West Financial Corporation	31,700	643,179	1,121,388
Great Western Financial Corporation	293,400	4,963,249	5,207,850
Green Tree Acceptance Inc	74,181	1,213,327	1,984,342
Household International Inc	143,600	5,727,744	6,479,951
Manufacturers Hanover Corporation	59,800	1,896,931	1,293,175
Manufacturers National Corporation	12,200	701,500	747,250
Marshall & Ilsley Corporation	13,000	519,311	513,500
MBNA Corporation	148,400	3,524,898	4,581,851
Mellon Bank Corporation	31,350	1,155,013	936,582
Mercantile Bancorporation Inc	22,300	668,031	669,000
Merrill Lynch & Company	50,400	1,793,828	1,934,100

## COMMON STOCK - U.S.

	SHARES	BOOK VALUE	MARKET VALUE
<b>Banking and Finance (continued)</b>			
Michigan National Corporation	23,000	641,560	632,500
Morgan (J.P.) & Company Inc	259,975	9,830,761	13,551,198
National City Corporation	50,300	1,407,735	1,735,350
NBD Bancorp Inc	52,600	1,467,618	1,821,275
NCNB Corporation	58,192	1,695,134	2,060,964
Norwest Corporation	275,138	5,540,486	7,566,295
Primerica Corporation	219,600	6,289,981	6,093,900
PNC Financial Corporation	69,917	2,578,595	2,525,751
Rouse Company	60,000	1,304,988	990,000
Salomon Inc	190,900	5,353,584	6,204,250
Security Pacific Corporation	135,781	3,838,488	3,122,963
Shawmut National Corporation	38,600	985,384	178,525
SEI Corporation	61,550	1,041,354	1,615,688
Signet Banking Corporation	35,000	560,660	564,375
Society Corporation	30,000	1,272,450	1,252,500
Standard Federal Bank	238,129	2,172,364	2,619,419
State Street Boston Corporation	83,200	4,017,334	3,723,200
Student Loan Marketing Association	493,700	23,262,201	25,721,000
Summit Bancorporation	48,000	657,745	684,000
Suntrust Banks Inc	161,100	3,973,685	4,853,138
Union Planters Corporation	85,156	1,094,904	1,064,450
U.S. Bancorp	127,800	3,482,505	3,854,000
Wachovia Corporation	5,000	253,642	249,375
Wells Fargo & Company	55,700	3,405,453	3,843,300
Westpac Banking Ltd	20,000	401,186	342,500

## Beverages

Anheuser Busch Companies Inc	343,683	10,067,265	16,582,705
Brown Forman Corporation	20,300	815,995	1,558,025
Coca Cola Company	550,500	11,355,273	30,002,250
Coors (Adolph) Company	30,100	644,182	673,488
Pepsico Inc	1,291,900	21,389,734	37,465,100

## Chemicals and Synthetic Fibers

Air Products & Chemicals Inc	118,100	5,578,708	7,956,988
American Cyanamid Company	159,500	6,796,794	10,307,688
Applied Extrusion Technologies Inc	32,200	310,400	273,700
Biogen Inc	74,802	1,628,339	2,019,654
Biorad Laboratories Inc	18,100	418,839	418,563
Browning Ferris Industries Inc	146,600	3,609,204	3,811,600
Chemical Waste Management Inc	50,000	1,135,748	953,750
Crompton & Knowles Corporation	58,000	964,150	1,580,500
Dexter Corporation	35,500	736,397	718,875
Dow Chemical Company	202,200	9,165,764	10,741,875
Dow Chemical Company Rights	78,489	0	618,101
Du Pont (E.I.) De Nemours & Company	373,000	10,562,958	17,111,376
Ethyl Corporation	60,300	1,500,760	1,628,100
First Brands Corporation	152,625	3,173,546	4,773,500
First Mississippi Corporation	205,816	2,358,123	2,341,158
FMC Corporation	36,600	1,177,656	1,610,400
Grace (W.R.) & Company	53,700	1,331,319	1,805,663
Great Lakes Chemical Corporation	19,000	1,503,888	1,548,500
Hercules Inc	85,000	3,133,909	3,145,000
Imcera Group Inc	11,700	508,227	1,096,875
Loctite Corporation	19,800	313,868	660,825
Lubrizol Corporation	44,000	2,115,493	2,020,800
Lyondell Petrochemical Company	48,800	1,191,077	1,171,200
Monsanto Corporation	182,100	8,782,788	12,016,600
Nalco Chemical Company	107,400	2,781,352	3,047,475
NCH Corporation	28,400	1,520,624	1,874,400
NI Industries Inc	78,550	1,874,187	1,227,344
Olin Corporation	42,000	1,923,150	2,073,750
PPG Industries Inc	194,300	8,043,748	10,759,364
Quantum Chemical Corporation	14,351	526,220	186,563
Rohm & Haas Company	33,500	916,245	1,440,500
Rollins Environmental Services Inc	30,474	325,061	255,219
Sherwin Williams Company	127,300	2,625,513	3,102,938
Thiokol Corporation	148,013	1,815,590	2,238,697
Union Carbide Corporation	287,704	5,454,727	5,861,970
Valspar Corporation	1,900	62,833	84,788
W H Brady Company	39,708	1,357,238	1,439,415
Waste Management Inc	979,900	23,935,573	35,766,150
Wellman Inc	60,900	1,454,832	1,636,888
Witco Corporation	9,800	362,992	403,025

## Conglomerates and Miscellaneous

Acuson	24,600	702,025	716,475
Adaptic Inc	73,000	749,775	885,125
Alzo N V Amhem	41,142	1,352,220	1,141,691
Alex Brown Inc	260,900	4,988,695	3,783,050
Alexander & Baldwin Inc	3,000	91,740	72,750
American National Bank Mini-Cap Fund	1,600,605	18,291,499	19,383,647
American National Bank Multiple	3,203,144	83,691,852	106,598,710
Anr Inc	170,000	1,120,843	998,750
Applied Biosystems Inc	10,700	296,925	141,775
Associated Communications Corp. Class A	9,200	171,350	131,100
Associated Communications Corp. Class B	124,800	1,935,855	1,716,000
Avery Dennison Corporation	29,900	726,198	740,025
Bally Corporation	9,900	284,640	311,850
Bassett Furniture Industries Inc	3,900	148,870	146,250
Bectman Instruments Inc	65,800	1,146,988	1,192,625
Brinson Partners Ex-Dex Fund	1,275,183	95,751,103	181,707,650
Broad Inc	331,900	2,856,655	3,816,850
Business Records Corporation	47,000	582,664	752,000
CDI Corporation	75,400	1,071,734	688,025

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## COMMON STOCK - U.S.

## Conglomerates and Miscellaneous (continued)

	SHARES	BOOK VALUE	MARKET VALUE
Cellular Communications Inc	167,267	\$ 4,830,265	5,185,277
Central Sprinkler Corporation	38,900	524,220	627,625
Chambers Development Inc	85,000	1,592,835	2,252,500
Chart House Enterprises Inc	56,500	725,363	565,000
Chemdesign Corporation	71,000	726,426	532,500
CMS Energy Corporation	329,200	9,805,896	8,353,451
Colonial Group Inc	74,300	777,894	1,040,200
Corning Incorporated	61,300	2,243,407	3,808,263
Datacube Corporation	36,004	1,585,965	2,160,240
Dial Corporation Arizona	85,300	2,942,935	2,921,525
DH Technology Inc	72,000	747,693	657,000
Electromagnetic Sciences Inc	153,000	869,329	1,663,875
Eljer Industries Inc	48,500	595,399	672,938
Equifax Inc	21,900	421,590	407,888
Exxel Industries Inc	1,430	13,579	13,585
Fair Isaac & Company	65,000	458,958	520,000
Flightsafety International Inc	15,450	370,234	795,675
Gebl Company	48,000	434,592	276,000
General Parametrix Corporation	132,500	412,949	331,250
Gilbert Associates Inc	92,097	2,227,289	2,049,158
Hanson Plc	122,700	2,258,806	2,039,888
Harsco Corporation	60,000	1,470,292	1,650,000
Hillenbrand Industries Inc	6,500	187,330	290,875
HBO & Company	98,500	810,180	615,625
DMC Fertilizer Group Inc	49,600	2,110,480	2,287,800
Institut North America Inc	48,000	247,304	546,000
Integrated Device Technology Inc	584,200	3,283,850	3,067,050
Interveco Inc	32,000	285,875	344,000
ITT Corporation	147,800	6,989,823	8,313,750
Jacobs Jay Inc	38,500	245,250	298,375
Johnson Worldwide Association Inc	57,550	1,401,106	1,237,325
Jostens Inc	20,386	489,501	629,418
Keene Corporation	1,500	11,871	1,734
Keema Inc	35,000	491,750	393,750
Keystone International Inc	40,000	660,400	1,245,000
Kinder-Care Learning Centers Inc	109,103	761,454	71,572
Kulicke & Soffa Industries Inc	80,000	540,000	630,000
Lam Research Corporation	150,200	842,931	1,295,475
Leichters Inc	30,000	484,938	907,500
Leggett & Platt Inc	65,250	1,938,132	2,145,094
Liton Industries Inc	36,741	2,976,915	2,829,057
Loews Corporation	116,800	9,842,490	11,694,601
MARC Inc	65,000	713,614	869,375
Marietta Corporation	49,000	305,588	324,625
Material Sciences Corporation	1,300	28,204	14,950
MCN Corporation	114,900	2,455,484	2,470,350
Medalist Industries Inc	37,000	335,495	277,500
Medusa Corporation	92,000	1,298,023	1,449,000
Merisel Inc	205,800	992,763	540,225
Michaels Stores Inc	6,200	47,509	50,375
Millipore Corporation	25,700	893,736	1,066,550
Minnesota Mining & Manufacturing Company	387,600	26,024,308	36,289,051
Morton International Inc Industry	69,600	3,134,674	3,671,000
MS Carriers Inc	60,800	1,023,388	1,124,800
Mueller Industries Inc	45,300	520,037	560,588
Nacco Industries Inc	2,000	34,878	91,750
National City Corporation	22,100	1,109,731	1,127,100
National Education Corporation	148,862	1,238,660	1,042,034
National Service Industries Inc	25,700	635,376	642,500
Nelcor Inc	114,288	2,231,379	2,228,616
Newmark & Lewis Inc	2,000	17,640	2,000
Northwest Gold Corporation	125,100	69,142	23,456
Ogden Corporation	22,766	613,079	429,709
Olsen Corporation	39,800	505,414	731,325
Omniscion Group	96,900	2,462,743	2,749,538
PDA Engineering	58,500	266,344	363,063
Pet Inc	52,000	750,615	923,000
PHH Corporation	42,500	1,040,238	1,232,500
Pinkertons Inc	23,600	625,026	616,550
Pioneer Hi-Bred International Inc	35,900	1,493,195	1,777,050
Power Gen Plc	16,720	353,974	388,740
Price (T Rowe) & Associates Inc	73,900	1,174,288	2,032,250
Receptech Corporation	40,000	500,000	655,000
Rubbermaid Inc	140,000	4,653,315	7,070,000
S&P 500 Index - Futures Contracts		-3,908,625	-3,908,625
Safecor Services Inc	262,505	2,001,752	2,198,479
Safety-Kleen Corporation	110,400	2,700,120	3,381,000
Safeway Inc	569,000	2,891,640	2,347,125
Sanford Corporation Illinois	61,100	1,051,072	1,664,975
Schwitzer Inc	123,000	778,257	922,500
Sealy Holdings Inc	70,515	140,890	8,814
Service Corporation International	37,600	918,022	817,800
Sheilby Williams Industries Inc	95,600	915,562	836,500
Societe Nationale Elf Aquitaine	38,400	1,160,605	1,089,600
Sotheby's Holdings Inc	47,000	565,421	564,000
Standard International Corporation	41,500	1,043,101	985,625
Stanhorne Inc	81,075	2,409,678	2,716,013
Interling Software Inc	152,700	1,455,771	1,736,963
Summagraphics Corporation	90,000	1,000,123	832,500
Systems Center Inc	75,000	679,657	731,250
Systems Industries Inc	300,600	455,409	450,900
Tam Inc	70,000	697,094	577,500
Teklec	68,700	707,023	1,150,725
Teledyne Inc	178,800	3,630,952	3,397,200
Tecor Inc	23,000	332,679	1,575,500
RC Companies Inc	39,100	195,240	420,325
Timova Corporation	50,000	1,144,637	1,275,000
Tinon Corporation	1,700	15,394	38,675
Althi Inc	1,500	12,470	9,938
Unity Corporation	249,100	700,249	591,613
Future Stores Inc	38,000	293,354	819,750
Ursa Technologies Inc	65,000	796,192	926,250
Viacom Inc	149,100	3,567,418	3,988,425

## COMMON STOCK - U.S.

## Construction

	SHARES	BOOK VALUE	MARKET VALUE
Armstrong World Industries Inc	135,800	3,966,023	3,938,200
Beazer Plc	211,700	1,043,984	1,374,275
CBI Industries Inc	11,700	361,252	383,175
Centex Corporation	9,400	254,106	353,675
Pedders Corporation	8,200	81,503	76,876
Fleetwood Enterprises Inc	11,200	256,029	345,800
Florida Rock Industries Inc	37,500	1,267,792	1,012,500
Fluor Corporation	45,700	1,043,984	2,147,900
Fuller H B Company	50,960	1,262,360	2,178,540
Greiner Engineering Inc	90,000	1,160,207	1,338,750
Homeowners Group Inc	74,000	594,501	573,500
Interface Inc	145,750	1,882,176	1,985,844
Johnson Controls Inc	19,700	608,323	600,850
JWP Inc	16,800	359,176	277,200
Kaufman & Broad Home Corporation	12,428	115,535	167,779
Manville Corporation	155,609	1,058,609	992,007
Masco Corporation	153,600	3,530,156	3,530,800
Morrison Knudsen Corporation	5,000	277,175	233,750
Owens Corning Fiberglas Corporation	20,400	328,588	543,150
PHM Corporation	10,600	144,455	133,826
Ryland Group Inc	13,000	325,910	250,250
Skylone Corporation	5,600	83,303	85,400
Standard Brands Paint Company	415,000	3,017,050	3,060,625
Toil Brothers Inc	600,000	4,048,428	4,800,000
USG Corporation	47,800	480,614	83,650
Zum Industries Inc	7,500	193,223	262,500

## Electrical and Electronic

	SHARES	BOOK VALUE	MARKET VALUE
A A R Corporation	124,000	2,503,855	1,922,000
Advanced Micro Devices Inc	340,700	2,849,961	4,088,400
Alltel Corporation	42,000	1,617,744	1,583,500
AMP Inc	54,800	2,381,237	2,726,300
Andrew Corporation	4,300	92,773	135,450
Augst Inc	22,000	303,973	280,500
Avnet Inc	50,000	1,300,715	1,387,500
Bairco Corporation	1,500	47,484	11,438
BEI Electronics Inc	208,000	1,575,615	1,872,000
Commodore International Ltd	182,300	1,533,452	2,119,238
Computer Products Inc	330,000	909,899	866,250
Cray Computer Corporation	15,200	221,382	155,800
Cybertek Corporation	66,000	379,455	792,000
Cypress Semiconductor Corporation	70,070	771,541	1,191,190
Dallas Semiconductor Corporation	257,576	2,264,493	2,060,608
DSC Communications Corporation	20,500	309,245	153,750
Dynascan Corporation	139,500	960,613	733,775
EG & G Inc	69,200	2,635,321	2,785,300
Emerson Electric Company	416,742	13,771,438	19,430,596
Emulex Corporation	252,000	1,368,243	1,890,000
Esco Electronics Corporation	3,310	14,895	21,515
Federal Signal Corporation	35,800	878,990	895,000
Galileo Electric Corporation	130,000	779,738	763,750
General Electro Optics Company	1,135,300	51,688,257	84,012,200
Gentyle Group Inc	86,500	810,000	583,875
Giga Tronics Inc	81,000	563,419	648,000
Grainger (W.W.) Inc	66,600	2,018,816	3,121,875
Hadco Corporation	175,000	895,639	831,250
Harris Corporation	19,600	611,630	507,151
Hewlett Packard Company	290,900	13,061,819	14,763,175
Hubbell Inc	23,995	909,919	1,178,754
IDB Communications Group Inc	75,000	671,250	693,750
IMO Industries Inc	75,000	802,249	1,021,875
Intel Corporation	165,400	5,494,995	7,691,100
Kent Electronics Corporation	82,400	710,128	1,297,800
M/A-COM Inc	14,900	217,223	81,850
Magnetek Inc	50,000	427,516	675,000
Methode Electronics Inc	295,000	1,641,082	2,470,625
Molex Inc	91,700	1,960,044	2,498,825
Motorola Inc	121,800	5,911,030	8,099,700
National Presto Industries Inc	49,300	1,867,678	2,323,263
National Semiconductor Corporation	998,900	7,217,600	5,618,814
Perkin-Elmer Corporation	17,000	448,266	484,500
Pioneer Standard Electronics Inc	50,000	599,063	637,500
Quantum Corporation	143,500	1,435,564	1,488,813
Radiation Systems Inc	115,700	1,260,569	2,024,750
Raychem Corporation	18,600	789,810	483,600
Regional Electricity Cos England & Wales	25,000	494,050	781,250
Samsung Electronics Global Depository	27,000	707,670	717,022
Scientific Atlanta Inc	13,000	196,084	178,750
Sensomatic Electronics Corporation	100,000	1,412,800	2,350,000
Tektronix Inc	174,500	3,028,626	4,558,813
Teleflex Inc	21,300	524,325	612,375
Telefonos De Mexico	110,000	2,997,500	2,818,750
Tollatec Inc	66,500	635,261	997,500
Texas Instruments Inc	172,900	6,169,545	5,748,925
Thomas & Betts Corporation	9,000	406,978	486,000
Tyco Laboratories Inc	20,600	927,710	988,800
Varian Associates Inc	155,900	5,350,338	6,450,363
Westinghouse Electric Corporation	49,200	11,212,137	11,682,413
Westmark International Inc	43,000	1,088,567	1,531,875
Zenith Electronics Corporation	14,500	388,634	103,313

## Food Soap and Tobacco

	SHARES	BOOK VALUE	MARKET VALUE
American Brands Inc	265,500	8,259,021	10,420,875
American Fructose Corporation Class A	114,173	2,659,835	2,511,806
American Fructose Corporation Class B	22,400	458,861	490,000
Archer Daniels Midland Company	305,090	4,517,391	7,207,751
Armor All Products Corporation	87,300	1,315,245	807,525
Bob Evans Farms Inc	58,400	777,189	1,065,800
Borden Inc	92,300	2,050,712	3,208,501
Brunos Inc	33,000	635,250	635,250
Campbell Soup Company	63,700	1,969,138	4,705,838

# Investment Listing

## COMMON STOCK - U.S.

### Food Soap and Tobacco (continued)

Company	SHARES	BOOK VALUE	MARKET VALUE
Clorox Company	111,790	\$ 3,529,216	4,387,758
Colgate Palmolive Company	87,656	1,983,600	3,221,358
Conagra Inc	140,750	3,636,312	5,876,313
CPC International Inc	160,900	8,506,497	13,736,839
Dean Foods Company	46,684	2,028,280	2,118,287
Ecolab Inc	113,900	2,893,898	3,146,488
Fleming Companies Inc	139,694	4,682,215	5,552,867
Flowers Industries Inc	49,500	722,118	829,125
Food Lion Inc	56,600	772,855	990,500
General Mills Inc	98,900	2,505,176	5,587,850
Gerber Products Company	19,000	553,194	1,135,250
Heinz (H.J.) Company	226,900	5,437,872	8,366,938
Hershey Foods Corporation	64,000	1,546,831	2,608,000
Hormel (Geo. A.) & Company	50,000	955,196	968,750
International Multifoods Corporation	9,000	384,253	389,250
Karcher (Carl) Enterprises Inc	434,000	3,555,638	4,068,750
Kellogg Company	118,000	6,500,917	11,608,251
McCormick & Co Inc	14,680	189,977	587,200
McDonalds Corporation	830,084	22,350,014	27,289,012
Mr Coffee Inc	37,700	366,050	292,175
Nash Finch Company	49,275	990,385	936,225
Newport Corporation	135,000	1,260,294	1,113,750
Philip Morris Companies Inc	1,481,000	43,469,677	94,043,500
Premark International Inc	54,800	1,223,648	1,191,900
Procter & Gamble Company	349,564	14,984,765	27,047,516
Quaker Oats Company	38,400	1,442,192	2,380,800
Ralston Purina Company	91,600	3,545,507	4,488,400
RJR Nabisco Holdings Corporation	67,200	774,459	705,600
Sara Lee Corporation	170,000	3,697,770	6,863,750
Super Food Services Inc	43,800	785,338	624,150
Sysco Corporation	103,900	2,386,099	4,259,900
Tasty Baking Company	49,500	919,783	891,000
Tops Inc	69,400	340,945	988,950
Unilever NV	136,500	8,274,913	10,868,813
Universal Corporation	69,171	2,262,300	2,169,852
UST Inc	165,300	2,881,133	7,231,875
Whitman Corporation	52,000	412,156	689,000
Wrigley (Wm. Jr.) Company	9,800	302,066	585,550
Wrigley (Wm. Jr.) Company Class B	10,000	113,774	597,500

### Health Care and Cosmetics

Company	SHARES	BOOK VALUE	MARKET VALUE
Abbott Laboratories	279,200	7,171,532	14,448,600
Alberto Culver Company	14,400	167,467	324,000
Alberto Culver Company Class A	54,000	1,125,526	1,019,250
Alza Corporation	14,200	682,594	804,075
American Home Products Corporation	274,800	11,541,266	16,384,951
Amgen Inc	15,000	1,819,722	1,768,125
Avon Products Inc	129,500	4,807,673	5,503,750
Bausch & Lomb Inc	31,950	1,542,091	2,583,957
Baxter International Inc	472,386	12,846,941	15,234,449
Becton Dickinson & Company	79,200	5,112,280	5,890,501
Bergen Brunswig Corporation	21,900	597,197	550,238
Beverly Enterprises Inc	153,000	944,092	1,434,375
Bindley Western Industries Inc	77,000	789,250	1,087,625
Biomet Inc	24,500	352,419	643,125
Block Drug Company Inc	23,055	738,138	1,268,025
Bristol-Myers Squibb Company	692,020	28,888,606	53,804,555
California Biotechnology Inc	80,000	688,125	930,000
Community Psychiatric Centers	72,450	2,202,363	2,173,500
Cowenty Corporation	42,600	639,053	708,225
CR Bard Inc	26,900	355,189	756,563
Forest Laboratories Inc	15,000	469,093	540,000
FHP International Corporation	23,100	430,500	531,300
Gillette Company	229,972	4,725,588	8,776,541
Guest Supply Inc	107,000	709,564	922,875
Haemonetics Corporation	23,100	516,822	577,500
Healthdyne Inc	71,000	700,309	1,047,250
Healthsource Inc	25,800	371,573	677,250
Helen Of Troy Corporation	88,100	1,023,782	1,134,288
Helene Curtis Industries Inc	25,053	748,662	745,327
Hospital Staffing Services Inc	88,400	708,718	696,150
Humana Inc	130,300	4,684,161	6,238,114
Institutum Group Ltd	110,000	705,010	508,750
International Flavors & Fragrances Inc	37,100	2,215,949	2,861,338
Johnson & Johnson	334,300	15,232,119	27,914,050
Lifetime Corporation	40,000	859,158	1,075,000
Lilly (Eli) & Company	463,000	23,111,318	33,278,125
Manor Care Inc	32,400	660,188	619,651
Marion Merrell Dow Inc	78,489	2,655,065	2,727,493
McKesson Corporation	19,300	626,013	636,900
MDT Corporation	157,300	1,031,278	1,061,775
Medco Containment Services Inc	70,000	1,041,425	3,360,000
Medtronic Inc	15,700	1,046,822	1,774,100
Merck & Company Inc	502,100	26,440,575	58,306,364
Mylan Laboratories Inc	4,100	90,487	99,425
National Health Labs Inc	91,000	1,657,875	1,729,000
National Medical Enterprises Inc	242,400	8,819,414	10,574,702
Pfizer Inc	414,300	13,232,721	22,993,650
Qual-Med Inc	58,800	793,800	661,500
Safeguard Health Enterprises Inc	75,000	438,320	435,900
Schering Plough Corporation	371,500	11,476,223	18,482,125
Smithkline Beecham Plc	179,300	8,184,951	9,435,663
St Jude Medical Inc	34,600	1,065,771	1,505,100
Syntex Corporation	208,000	4,654,347	7,956,000
Takecare Inc	24,700	475,675	438,425
U.S. Healthcare Inc	6,750	84,312	217,688
Upjohn Company	249,700	7,832,672	10,581,039

## COMMON STOCK - U.S.

### Health Care and Cosmetics (continued)

Company	SHARES	BOOK VALUE	MARKET VALUE
Warner Lambert Company	83,100	3,089,111	6,024,750
Xoma Corporation	29,100	577,303	712,950

### Insurance

Company	SHARES	BOOK VALUE	MARKET VALUE
Actna Life & Casualty Company	101,021	5,447,760	4,179,744
Alexander & Alexander Services Inc	20,400	539,078	459,000
American Family Corporation	120,000	1,865,917	2,610,000
American General Corporation	136,000	4,428,732	5,151,000
American International Group Inc	440,125	29,445,658	37,080,531
AON Corporation	93,000	3,318,308	3,510,750
Berkley (W.R.) Corporation	45,000	1,251,875	1,327,500
C N A Financial Corporation	31,100	1,866,310	2,480,225
Capital Holding Corporation	53,400	2,186,096	2,616,600
Chandler Insurance Ltd	165,000	1,354,863	556,875
Chubb Corporation	877,400	8,589,771	13,071,150
Cigna Corporation	118,600	6,458,916	5,529,728
Continental Corporation	29,200	1,140,305	795,700
General Re Corporation	92,600	5,672,490	8,808,576
Jefferson-Pilot Corporation	35,075	1,305,196	1,499,456
Lincoln National Corporation	21,000	1,039,811	963,375
Marsh & McLennan Companies Inc	36,800	2,416,348	2,879,600
MBIA Inc	48,000	1,678,695	1,476,000
National Insurance Group	35,000	469,875	293,125
Pacific Rim Holding Company	60,000	462,697	435,000
Progressive Corporation Ohio	70,000	2,653,171	3,718,750
Provident Life & Accident Insurance Co	113,089	1,870,230	2,035,602
Safeco Corporation	32,000	849,404	1,248,000
St Paul Companies	112,130	6,424,991	7,036,158
Stewart Information Services Corporation	36,000	591,175	414,000
Torchmark Corporation	53,900	2,370,669	2,600,675
Transamerica Corporation	162,500	5,549,743	5,260,938
Transatlantic Holdings Inc	40,000	1,005,683	1,360,000
Travelers Corporation	52,634	2,228,271	1,144,790
Trenwick Group Inc	19,000	439,622	536,750
Unum Corporation	25,800	1,082,050	1,647,975
USF&G Corporation	16,425	1,413,660	382,580
USLI CO Corporation	110,000	2,528,077	2,158,750
USLIFE Corporation	8,700	343,410	357,788
Washington National Corporation	4,600	130,947	67,275
Zenith National Insurance Corporation	40,400	690,715	658,500

### Leisure and Entertainment

Company	SHARES	BOOK VALUE	MARKET VALUE
American Television & Communications	51,172	2,114,708	1,957,329
Bally Manufacturing Corporation	17,100	266,624	66,263
Blockbuster Entertainment Corporation	77,000	974,207	654,500
Brunswick Corporation	245,000	4,413,076	3,460,628
Caesars World Inc	48,280	1,085,305	1,158,720
Capital Cities ABC Inc	42,300	15,806,557	18,141,413
Carolco Pictures Inc	492,000	4,480,404	4,797,000
CBS Inc	12,921	2,051,021	2,080,281
Circus Circus Enterprises Inc	9,010	269,052	662,238
Cochmen Industries Inc	120,500	789,987	652,625
Comcast Corporation-Class A Common	40,550	370,627	582,907
Comcast Corporation-Class A Special	16,425	395,847	227,897
General Cinema Corporation	194,995	4,175,022	4,582,383
Harcly Davidson Inc	26,300	499,713	933,650
Hasbro Inc	258,340	4,681,879	7,168,935
Hilton Hotels Corporation	30,900	1,308,215	1,293,938
Huffy Corporation	173,800	3,194,193	4,410,176
King World Productions Inc	109,750	2,613,275	3,210,188
Lin Broadcasting Corporation	1,787	430,868	104,540
Luby's Cafeterias Inc	12,350	186,747	225,388
Marriott Corporation	48,200	1,048,351	855,550
Mattel Inc	81,000	1,577,826	2,065,500
Mirage Resorts Inc	29,300	773,035	761,800
Onboard Marine Corporation	83,800	1,563,633	1,351,276
Paramount Communications Inc	159,100	6,305,590	6,383,888
Piccadilly Cafeterias Inc	47,000	423,065	517,000
Promus Cos Inc	59,300	1,371,421	1,186,000
Ryans Family Steak Houses Inc	135,000	1,066,279	1,063,125
Shoney's Inc	19,275	264,729	298,768
Tele Communications Inc	637,792	9,052,286	8,769,648
Turner Broadcasting Systems Inc	121,500	1,794,135	1,625,063
United Artists Entertainment Co-Class A	6,000	65,500	83,250
United Artists Entertainment Co-Class B	85,000	1,202,490	1,158,125
United Garming Inc	25,000	206,226	53,125
Visacom Inc	52,200	1,082,257	1,396,356
Walt Disney Company	138,800	9,276,055	15,476,202
Wendys International Inc	351,671	2,574,698	3,428,792

### Machinery and Equipment

Company	SHARES	BOOK VALUE	MARKET VALUE
Acme Cleveland Corporation	2,800	37,326	16,800
Arctco Inc	56,400	426,458	458,250
Black & Decker Corporation	21,500	604,876	488,250
Briggs & Stratton Corporation	37,100	833,158	890,912
Brown & Sharpe Manufacturing Co-Class A	1,400	24,512	13,650
Brown & Sharpe Manufacturing Co-Class B	600	0	5,850
BWIP Holdings Inc	55,100	801,275	798,959
Caterpillar Inc	69,100	3,431,299	3,411,819
Cincinnati Milacron Inc	13,600	295,379	170,000
Clark Equipment Company	10,100	300,688	296,375
Cooper Industries Inc	204,500	6,312,386	10,946,311
Crane Company	38,875	775,500	1,069,000
Gross & Trecker Corporation	115,000	112,924	28,857
Deere & Company	98,200	4,514,467	5,106,400

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COMMON STOCK - U.S.

Machinery and Equipment (continued)

Company	SHARES	BOOK VALUE	MARKET VALUE
Dover Corporation	32,200	\$ 811,616	1,267,875
Duiron Company Inc	20,000	340,801	455,000
Foster Wheeler Corporation	17,800	302,937	482,826
General Signal Corporation	9,663	443,304	420,341
Hammilinger Industries Inc	105,900	2,272,004	2,184,188
Hisco Company	50,000	455,125	562,500
Illinois Tool Works Inc	92,300	4,135,752	5,803,364
Ingersoll-Rand Company	26,000	727,835	1,313,000
Intertek Corporation	5,310	135,539	17,922
Kaydon Corporation	16,400	498,420	701,100
Manitowoc Company Inc	64,402	1,467,647	1,223,638
Maytag Company	131,700	2,727,691	1,991,963
Measurix Corporation	34,800	924,865	722,100
Monarch Machine Tool Company	1,800	30,786	16,875
Navistar International Corporation	625,900	2,728,791	2,190,650
Network Equipment Technologies	70,000	644,724	612,500
Paccar Inc	73,600	2,675,833	3,256,800
Pall Corporation	28,900	535,640	1,036,788
Parker-Hannifin Corporation	104,150	2,694,923	2,799,032
Regal Beloit Corporation	105,300	1,541,129	1,474,200
Smith Corona Corporation	161,000	1,028,553	1,267,875
Snap On Tools Corporation	20,800	551,384	618,800
Sprague Technologies Inc	165,000	1,053,271	825,000
Stanley Works	43,450	1,175,837	1,656,532
Tennant Company	4,500	146,265	160,875
Timken Company	49,800	1,379,988	1,282,350
Tokheim Corporation	3,100	68,030	37,200
Whirlpool Corporation	36,000	999,745	1,156,501

Mining - Metals

Company	SHARES	BOOK VALUE	MARKET VALUE
Acme Steel Company	19,500	267,213	273,000
Acan Aluminum Ltd	197,950	3,729,316	4,107,463
Allegheny Ludlum Corporation	51,900	1,176,407	1,303,988
Aluminum Company Of America	124,300	7,316,702	8,390,250
Amax Inc	119,200	2,821,224	2,756,501
Armo Inc	312,400	2,698,996	1,601,051
Asarco Inc	65,900	1,801,669	1,705,164
Bethlehem Steel Corporation	101,900	1,554,320	1,643,138
British Steel Plc	70,000	1,608,960	1,400,000
Carpenter Technology Corporation	5,100	251,807	248,625
Cleveland Cliffs Inc	8,000	250,469	250,000
Cyprus Minerals Company	117,192	2,481,938	2,563,575
Eastern Enterprises	60,707	1,639,899	1,472,145
Echo Bay Mines Ltd	43,500	713,193	402,375
Engelhard Corporation	22,450	447,035	665,082
Hcla Mining Company	45,000	686,993	517,500
Homestake Mining Company	49,500	670,613	829,125
Inco Ltd	52,522	937,727	1,884,227
Inland Steel Industries Inc	16,300	507,003	350,450
Kennametal Inc	95,100	2,961,620	3,387,938
Lukens Inc	76,434	2,295,972	3,363,096
Vaco Industries Inc	20,400	544,060	935,851
National Intergroup Inc	10,900	226,281	173,038
Newmont Mining Corporation	35,300	1,256,546	1,403,175
Nucor Corporation	27,200	1,634,391	2,060,400
helps Dodge Corporation	17,100	675,449	1,107,225
ittston Company	20,500	290,749	345,938
acer Dome Ltd	118,522	1,785,517	1,622,066
ynolds Metals Company	35,800	1,591,424	2,112,200
IX US Steel Group Inc	154,193	3,127,866	3,527,165
estmoreland Coal Company	3,800	72,077	74,100
orthington Industries Inc	19,900	464,064	512,425

Office Equipment

Company	SHARES	BOOK VALUE	MARKET VALUE
obc Systems Inc	30,000	612,401	1,297,500
o Standard Corporation	20,383	524,566	642,065
ha Microsystems	70,000	286,350	218,750
dahl Corporation	270,783	3,706,251	3,960,202
le Computer Inc	203,000	8,527,002	8,424,500
nive Corporation	196,300	1,453,021	809,738
on Tate	113,600	2,376,282	1,192,800
i Computer System Inc	58,000	490,222	464,000
Research Inc	11,000	248,050	222,750
desk Inc	50,700	2,178,645	2,458,950
matic Data Processing Inc	674,600	15,809,990	21,924,500
zec Inc	115,500	1,679,300	1,357,125
pacq Computer Corporation	227,400	6,409,014	7,077,825
puter Associates International Inc	98,100	1,503,674	993,263
uter Sciences Corporation	62,500	3,944,089	4,320,313
or Peripherals Inc	160,100	3,923,767	2,581,613
of Data Corporation	136,400	2,226,735	1,449,251
Research Inc	103,600	6,041,491	3,418,800
eneral Corporation	50,300	785,659	748,213
ranslation Inc	75,000	456,926	384,375
omputer Corporation	16,000	360,944	392,000
i Communications Associates Inc	68,000	1,232,365	960,500
Equipment Corporation	142,000	10,368,966	8,449,000
x Products Inc	72,000	1,014,174	1,008,000
ternational Corporation	1,000	10,456	6,250
ed Inc	115,000	2,669,775	3,106,500
& Sutherland Computer Corporation	21,500	418,125	430,000
al Binding Corporation	59,500	1,002,437	1,145,375
well Inc	106,644	4,824,309	6,465,294
Manufacturing Company	81,700	922,294	1,245,925
ation Resources Inc	43,000	553,761	1,021,250
raph Corporation	90,200	2,626,061	2,277,550
ational Business Machines Corp	464,700	54,604,632	45,133,989
ive Inc	110,249	897,489	1,109,803
a Corporation	115,400	601,470	504,875
g Inc	50,000	507,955	762,500

COMMON STOCK - U.S.

Office Equipment (continued)

Company	SHARES	BOOK VALUE	MARKET VALUE
Logicon Inc	65,000	1,059,467	1,592,500
Lotus Development Corporation	116,700	3,211,510	3,909,450
LSI Logic Corporation	411,100	2,948,124	3,288,800
MacNeal Schwendler Corporation	298,053	3,768,604	4,657,078
Micropolis Corporation	107,000	841,627	682,126
Microsoft Corporation	46,500	2,504,914	3,167,813
Miller Herman Inc	58,280	1,216,187	1,194,740
Moore Corporation	50,200	1,279,716	1,341,076
NCR Corporation	112,000	6,504,242	11,984,000
Novell Inc	50,000	704,236	2,450,000
Oracle Systems Corporation	158,600	2,014,911	1,348,100
Panasonic System Inc	50,000	582,388	543,750
Pitney Bowes Inc	39,500	1,244,360	2,325,563
Quarterdeck Office Systems	43,400	500,008	564,200
Reynolds & Reynolds Company	28,000	448,412	623,000
Seagate Technology	281,000	3,625,158	2,107,500
Shared Medical Systems Corporation	11,300	310,210	221,763
Silicon Valley Group Inc	229,402	1,698,318	1,634,489
Software Publishing Corporation	152,600	2,941,336	2,193,625
Stratus Computer Inc	64,600	2,273,383	1,897,625
Sun Microsystems Inc	75,000	1,326,485	2,090,625
Tandem Computers Inc	274,200	4,169,096	3,804,526
Telex Corporation	266,500	1,974,798	4,563,813
3COM Corporation	277,000	2,327,819	2,112,125
Unisys Corporation	3,800	106,913	3,800
Ultimate Corporation	81,200	1,866,244	304,500
United Stationers Inc	135,400	2,767,399	1,455,550
Vairitronic Systems Inc	69,700	483,838	522,750
VLSI Technology Inc	60,000	411,281	487,500
Wang Laboratories Inc	1,101,369	5,415,399	4,130,134
Western Digital Corporation	21,400	551,820	85,600
Xerox Corporation	129,532	7,097,948	6,994,728
Xilinx Inc	100,000	2,062,500	2,100,000

Oil and Gas

Company	SHARES	BOOK VALUE	MARKET VALUE
Allied Signal Inc	228,418	6,914,123	7,537,794
Amerada Hess Corporation	159,302	7,084,562	8,184,142
Amoco Corporation	302,700	11,417,991	15,334,188
Anadarko Petroleum Corporation	99,200	2,981,772	2,455,200
Ashtand Oil Inc	25,300	954,089	768,488
Atlantic Richfield Company	205,600	19,909,894	23,592,600
British Gas Plc	20,000	890,440	780,000
Burlington Resources Inc	150,000	6,388,979	5,700,000
Cabot Oil & Gas Corporation	40,000	641,360	595,000
Chevron Corporation	206,400	10,771,005	14,525,401
Coastal Corporation	51,575	1,015,125	1,495,675
Exxon Corporation	745,500	27,422,165	43,332,189
Fluke (John) Manufacturing Inc	34,100	577,197	622,325
Freeport McMoran Inc	40,000	1,450,042	1,460,000
Ker-McGee Corporation	29,800	1,121,278	1,180,826
Louisiana Land & Exploration Company	49,339	1,847,909	1,757,702
Maxus Energy Corporation	49,755	613,707	422,918
Maxxam Inc	8,600	404,999	399,900
Mobil Corporation	324,400	14,317,838	20,842,700
Murphy Oil Corporation	7,500	303,338	261,563
Occidental Petroleum Corporation	146,810	4,327,310	3,138,064
Offshore Logistics Inc	83,500	640,256	730,625
Oryx Energy Company	41,700	1,239,816	1,297,913
Pennzoil Company	20,000	1,197,650	1,437,500
Phillips Petroleum Company	220,900	4,596,311	5,632,950
Production Operators Corporation	26,300	421,963	476,688
Royal Dutch Petroleum Company	406,000	21,151,880	31,465,000
Sun Company Inc	53,500	1,645,921	1,551,500
Swift Energy Company	1,300	19,854	11,050
Tenneco Inc	116,246	5,562,378	4,649,840
Texaco Inc	246,900	12,344,866	14,844,863
Tranco Energy Company	6,250	208,007	189,844
Unocal Corporation	181,334	3,531,350	4,261,349
USX Marathon Group Inc	369,469	9,862,945	8,313,053
Valero Energy Corporation	95,200	1,761,403	2,153,900
Vintage Petroleum Inc	199,200	1,065,287	750,750
Williams Companies Inc	92,527	2,604,207	2,937,732

Oil Support Services

Company	SHARES	BOOK VALUE	MARKET VALUE
B J Services Company	28,100	720,008	646,300
Baker Hughes Inc	281,560	6,955,045	6,616,660
Dresser Industries Inc	171,200	2,807,202	3,252,800
Environmental Systems Company	18,000	356,510	245,250
Halliburton Company	98,000	3,433,067	3,577,000
Helmerich & Payne Inc	12,300	296,290	282,900
McDermott International Inc	96,600	2,803,520	1,811,250
Noble Affiliates Inc	102,000	1,417,148	1,364,250
Offshore Pipelines Inc	159,900	943,410	959,400
Pool Energy Services Company	19,781	147,951	145,886
Rowan Companies Inc	74,100	712,870	620,588
Schlumberger Ltd	156,900	7,309,107	9,237,488

Paper and Forest Products

Company	SHARES	BOOK VALUE	MARKET VALUE
Bemis Company Inc	24,900	408,463	843,488
Bowen Cascade Corporation	86,236	2,875,428	2,199,019
Boise Inc	74,800	2,699,058	2,057,000
Champion International Corporation	114,770	3,306,845	3,254,613
Crown Cork & Seal Company Inc	26,300	423,719	1,218,950
Federal Paper Board Company Inc	95,900	2,119,280	2,785,813
Georgia Pacific Corporation	124,800	5,373,622	6,166,375
Glatfelter Company	14,300	745,251	838,125
International Paper Company	161,190	7,660,998	11,351,850
James River Corporation	42,644	1,137,710	1,071,431
Kimberly Clark Corporation	61,800	2,960,005	5,901,900

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# Investment Listing

## COMMON STOCK - U.S.

### Paper and Forest Products (continued)

	SHARES	BOOK VALUE	MARKET VALUE
Louisiana Pacific Corporation	18,258	\$ 466,064	746,296
Mead Corporation	31,500	843,601	1,039,500
Potlatch Corporation	14,900	391,277	633,250
Scott Paper Company	56,500	1,862,956	2,358,875
Sealright Inc	114,265	1,914,306	2,785,209
Shorewood Packaging Corporation	146,470	1,230,112	1,556,244
Stone Container Corporation	35,100	661,700	759,038
Temple Inland Inc	86,750	2,914,118	3,936,282
Union Camp Corporation	35,050	1,058,287	1,559,725
Westvaco Corporation	32,800	730,900	1,090,600
Weyerhaeuser Company	165,800	3,999,262	4,435,151
Willamette Industries Inc	23,000	1,081,000	1,313,875

### Photographic and Related

CPI Corporation	24,500	639,658	762,563
Eastman Kodak Company	455,450	18,135,864	17,648,688
Polaroid Corporation	127,486	3,357,163	3,139,344

### Printing and Publishing

Affiliated Publications Inc	19,400	138,463	177,025
American Greetings Corporation	63,400	2,289,535	2,036,726
Banta Corporation	44,000	1,027,988	1,199,000
Central Newspapers Inc	44,720	699,173	905,580
Deluxe Corporation	66,800	1,924,267	2,955,900
Donnelley (R.R.) & Sons	39,000	1,361,643	1,686,750
Dow Jones & Company Inc	45,300	1,905,021	1,223,100
Dow Jones & Company Inc Class B	22,750	723,814	614,250
Dun & Bradstreet Corporation	142,848	6,281,567	6,767,424
Gannett Company Inc	243,900	8,807,429	10,213,313
Gibson Greetings Inc	13,000	302,250	312,000
Harcourt Brace & Jovanovich Inc	36,500	458,392	18,250
Harland (John H.) Co	58,000	1,218,915	1,290,500
Houghton Mifflin Company	18,900	482,388	441,788
Knight Ridder Inc	38,700	1,599,646	1,901,138
Lee Enterprises Inc	2,900	67,133	71,775
Lillian Vernon Corporation	73,000	738,088	657,000
McGraw-Hill Inc	74,800	4,495,090	4,441,251
Meredith Corporation	1,400	45,739	38,500
Meredith Corporation Class B	6,400	234,488	176,000
New York Times Company	38,500	1,057,570	928,813
Readers Digest Association Inc	38,700	1,003,888	1,339,988
Reuters Holdings Plc	115,500	5,291,199	4,230,188
Time Warner Inc	78,900	6,707,725	6,953,063
Times Mirror Company Class A	41,036	1,621,784	1,210,562
Times Mirror Company Class C	48,236	1,283,355	1,422,962
Tribune Company	32,900	1,188,718	1,435,263
Washington Post Company	10,000	2,727,175	2,240,000
Western Publishing Group Inc	53,800	778,629	618,700

### Retail Trade

Albertsons Inc	69,300	1,015,254	2,841,300
American Stores Company New	22,200	1,361,265	1,831,500
BHC Communications Inc	81,359	4,107,448	4,240,838
Catalis Companies Inc	14,949	524,061	478,368
Charming Shoppes Inc	149,100	2,655,778	3,093,825
Circuit City Stores Inc	23,400	558,296	397,800
Claires Stores Inc	74,550	770,209	1,099,613
Consolidated Stores Corporation	27,600	297,702	200,100
CSS Industries Inc	48,000	844,622	1,458,000
Dayton Hudson Corporation	164,131	9,773,501	11,735,367
Dillard Department Stores Inc	21,800	1,310,149	2,645,976
Dollar General Corporation	93,463	1,286,781	1,619,246
Dress Barn Inc	479,000	5,083,951	6,346,750
Fabri-Centers Of America Inc	12,000	358,500	337,500
Gander Mountain Inc	70,000	582,500	490,000
Gap Inc	105,500	2,350,708	6,316,813
Giant Food Inc	47,000	1,198,323	1,380,626
Great Atlantic & Pacific Tea Company	21,600	690,519	936,900
Handelman Company	246,275	3,141,546	3,293,928
Home Depot Inc	89,549	891,825	4,040,899
Home Shopping Network Inc	95,000	767,300	463,125
Jan Bell Marketing Inc	45,000	565,574	517,500
K Mart Corporation	275,900	9,504,560	12,484,475
K-Swiss Inc	15,500	362,549	313,875
Kroger Company	46,600	218,374	996,075
Limited Inc	511,200	7,312,338	14,441,400
Longs Drug Stores Inc	61,650	2,546,934	2,712,600
Lowe's Companies Inc	18,400	482,296	577,300
Marsh Supermarkets Inc Class A	22,000	426,291	484,000
Marsh Supermarkets Inc Class B	22,000	442,095	418,000
May Department Stores Company	160,277	6,340,385	8,534,751
Mercantile Stores Inc	102,587	3,806,919	4,052,187
Merry Go Round Enterprises Inc	25,300	478,690	683,100
Newell Companies Inc	79,300	1,399,246	2,656,550
Nordstrom Inc	43,000	1,292,744	1,698,500
Penny (J.C.) Company	159,000	7,802,050	8,427,000
Pep Boys Manny Moe & Jack	24,400	363,475	338,500
Pier 1 Imports Inc	102,714	683,580	718,998
Price Company	33,000	1,195,885	1,782,900
Rite Aid Corporation	58,800	2,156,549	2,506,351
Ross Stores Inc	248,000	1,931,324	3,255,000
Russ Berrie & Company Inc	102,500	1,523,872	1,409,375
Safeway Inc	78,000	1,523,680	1,433,250
Sears Roebuck & Company	224,800	8,771,762	8,514,301
Service Merchandise Inc	393,750	1,892,016	4,085,156

## COMMON STOCK - U.S.

### Retail Trade (continued)

	SHARES	BOOK VALUE	MARKET VALUE
Spiegel Inc	77,000	1,083,656	1,270,500
Super Value Stores Inc	56,600	1,309,725	1,377,725
Syds Corporation	86,400	992,384	1,004,400
Tandy Corporation	242,600	8,618,917	6,489,550
Tiffany & Company	14,100	523,157	747,300
TJX Companies Inc	50,900	822,504	916,200
Toys R Us	320,237	6,088,830	9,006,665
Tuesday Morning Inc	85,000	993,629	1,296,250
Value City Department Stores Inc	168,600	3,455,594	3,224,475
Waban Inc	207,910	2,176,822	4,184,189
Wal-Mart Stores Inc	1,456,100	22,243,431	62,248,275
Walgreen Company	323,900	7,255,211	10,759,675
Wetterau Inc	10,900	282,883	303,838
Winn-Dixie Stores Inc	41,300	945,022	1,384,888
Woolworth Corporation	274,100	7,815,967	8,428,575

### Textiles and Apparel

Angelia Corporation	87,500	2,652,071	3,423,438
Brown Group Inc	123,700	3,125,981	2,906,950
Claiborne (Liz) Inc	286,600	9,453,713	13,434,376
Gantos Inc	120,000	866,186	540,000
Genesco Inc	325,700	1,684,077	1,547,075
Hartmarx Corporation	11,600	276,842	111,650
Jones Apparel Group Inc	45,000	630,000	703,125
Kellwood Company	248,500	2,680,888	4,597,250
Lands End Inc	26,600	327,764	358,800
Leslie Fay Companies Inc	193,418	2,419,817	3,747,474
Meiville Corporation	227,500	9,243,160	11,033,750
Nike Inc	109,800	3,726,996	3,966,520
Oshkosh B Gosh Inc	58,550	1,912,375	2,356,638
Petrie Stores Corporation	16,700	539,744	340,263
Phillips Van Heusen Corporation	34,000	741,864	969,000
Reebok International Ltd	116,900	1,892,800	2,790,988
Russell Corporation	8,900	212,959	264,775
Springs Industries Inc	76,200	2,071,969	3,429,000
Stride Rite Corporation	207,600	2,068,401	2,648,900
United States Shoe Corporation	97,489	2,738,955	2,802,809
VF Corporation			

### Transportation - Air

AMR Corporation	159,800	9,177,000	9,707,850
Atlantic Southeast Airlines Inc	40,000	627,069	1,370,000
British Airways Plc	65,000	2,008,696	1,690,000
Comair Holdings Inc	80,000	1,127,288	1,520,000
Delta Air Lines Inc	53,200	3,385,996	3,650,850
Federal Express Corporation	30,700	1,370,791	1,181,355
Harper Group Inc	20,500	525,313	533,000
Southwest Airlines Company	190,290	4,092,056	4,847,540
UAL Corporation	72,122	7,916,290	10,008,928
USAir Group Inc	22,600	821,288	339,000

### Transportation Excluding Air

Burlington Northern Inc	103,100	2,759,123	2,964,125
Consolidated Freightways Inc	96,750	1,499,716	1,498,000
Consolidated Rail Corporation	20,600	712,257	1,174,200
CSX Corporation	215,037	6,838,827	9,757,363
Illinois Central Corporation	42,000	792,594	897,750
KLLM Transport Services Inc	65,000	637,934	820,625
Mapco Inc	46,000	2,024,669	2,294,250
Norfolk Southern Corporation	80,600	2,260,171	3,677,376
Roadway Services Inc	57,100	2,574,197	2,940,650
Ryder System Inc	328,600	6,815,211	6,325,550
Santa Fe Pacific Corporation	90,462	816,663	802,850
Union Pacific Corporation	138,900	9,757,664	11,588,150
Werner Enterprises Inc	32,900	481,238	732,025
Yellow Freight System Inc	76,800	2,376,042	2,323,200

### Utilities

American Electric Power Company Inc	345,500	9,611,572	9,803,363
American Telephone & Telegraph Company	666,330	19,172,760	25,487,123
Ameritech Corporation New	133,300	5,488,181	8,031,325
Arkia Inc	247,700	4,731,286	4,118,013
Atmos Energy Corporation	95,000	1,638,443	1,662,500
Baltimore Gas & Electric Company	96,700	2,893,707	2,828,475
Bell Atlantic Corporation	242,600	7,282,338	11,462,850
Bellsouth Corporation	314,405	12,760,494	15,209,342
Carolina Power & Light Company	35,222	1,524,708	1,607,000
Centel Corporation	158,000	5,297,621	4,937,500
Center Energy Corporation	10,300	194,414	1,68,663
Central & South West Corporation	48,000	1,458,507	2,165,000
Cincinnati Gas And Electric Company	8,100	245,592	478,138
Columbia Gas System Inc	25,000	993,166	6,822,785
Commonwealth Edison Company	189,866	6,208,692	6,822,785
Communications Satellite Corporation	57,400	1,768,571	1,643,075
Consolidated Edison Co Of New York Inc	122,900	2,693,167	3,026,413
Consolidated Natural Gas Company	68,800	2,574,773	2,798,000
Detroit Edison Company	101,500	2,109,479	2,892,750
Dominion Resources Inc	91,400	3,785,572	4,330,076
Duke Power Company	101,900	2,169,488	2,814,988
DPL Inc	105,000	1,851,376	2,152,500
Enron Corporation	33,700	1,650,203	1,941,963
Enserch Corporation	32,100	807,434	569,775
Entergy Corporation	95,600	1,505,009	2,222,700
Ericsson (L.M.) Telephone Company	70,000	2,210,141	2,178,750

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**COMMON STOCK - U.S.**

	SHARES	BOOK VALUE	MARKET VALUE
<i>Utilities (continued)</i>			
Florida Progress Corporation	45,000	\$ 1,665,168	1,760,625
FPL Group Inc	137,800	4,158,678	4,185,675
General Public Utilities Corporation	90,000	1,847,520	2,081,250
Grace Energy Corporation	126,912	2,194,871	1,935,408
GTE Corporation	790,100	17,820,027	23,406,713
Hawaiian Electric Industries Inc	12,000	380,062	382,500
Houston Industries Inc	63,700	1,942,262	2,277,275
Ipalco Enterprises Inc	10,000	251,590	275,000
Kansas Power And Light Company	88,862	2,043,420	2,121,580
Kentucky Utilities Company	15,500	303,335	350,688
Long Island Lighting Company	122,600	2,273,796	2,743,175
McCaw Cellular Communications Inc	17,255	488,909	366,669
MCI Communications Corporation	435,300	9,602,112	12,242,814
New York State Electric & Gas Corporation	65,000	1,803,035	1,600,623
Niagara Mohawk Power Corporation	68,300	1,133,671	1,050,113
Norin Inc	12,725	504,910	550,356
Northeast Utilities	94,700	2,035,074	1,953,188
Northern States Power Company	32,300	939,771	1,118,388
Nynex Corporation	244,300	16,938,324	17,436,914
Ohio Edison Company	165,900	3,033,849	3,027,675
Onek Inc	13,700	218,710	195,225
Pacific Enterprises	118,089	4,274,288	3,085,076
Pacific Gas & Electric Company	306,300	6,433,804	7,734,075
Pacific Telesis Group	411,900	13,515,030	17,402,775
Pacificorp	127,600	2,654,144	2,679,600
Panhandle Eastern Corporation	46,365	1,044,525	538,989
Pennsylvania Power And Light Company	7,200	307,404	314,100
Peoples Energy Corporation	17,100	334,656	423,225
Philadelphia Electric Company	262,300	4,750,392	5,278,788
Portland General Corporation	75,601	1,380,761	1,323,018
PSI Resources Inc	152,620	2,550,157	2,403,765
Public Service Company Of Colorado	95,969	2,265,262	2,171,299
Public Service Enterprise Group	214,375	5,210,752	5,546,954
San Diego Gas And Electric Company	317,100	12,821,473	11,851,613
Santa Fe Energy Resources Inc	32,384	409,406	416,944
SCE Corporation	216,400	7,064,928	8,412,550
Scottish Hydro Electric ADR	4,160	72,273	75,920
Scottish Power Plc ADR	8,840	153,580	153,551
Sonat Inc	21,400	824,308	847,975
Southern Company	234,347	5,364,481	6,444,543
Southern New England Telecommunications	35,000	1,277,524	1,128,750
Southwest Gas Corporation	110,000	2,094,025	1,265,000
Southwestern Bell Corporation	263,000	11,360,136	14,070,500
Teco Energy Inc	18,000	586,658	612,000
Telefonos De Espana	85,000	2,486,375	2,210,000
Telephone & Data System Inc	70,000	2,072,200	2,091,250
Texas Utilities Company	206,793	6,612,637	7,186,073
U S West Inc	394,900	12,267,733	13,969,412
U S West Newvector Group Inc	25,000	883,750	1,006,250
Union Electric Company	91,700	2,524,824	2,728,075
United Telecommunications Inc	339,994	10,376,606	10,029,823
Unicorp United Inc	30,900	663,683	760,913
<b>TOTAL COMMON STOCK-U.S.</b>		<b>\$2,984,199,906</b>	<b>3,797,460,957</b>

**COMMON STOCK - INTERNATIONAL**

	SHARES	BOOK VALUE	MARKET VALUE
Bankinter (Banco Intercom)	7,700	620,545	559,395
Bankverein	11,000	2,452,935	2,246,779
Barclays Plc	190,000	1,331,339	1,315,929
Bass Plc	65,926	1,183,576	966,665
BAT Industries Plc	45,000	585,557	518,229
Bayer AG	8,776	1,406,240	1,309,406
Bayerische Vereinsbank	11,000	2,638,463	2,324,396
BBC Brown Boveri Series A	160	569,351	459,794
BBC Brown Boveri Warrants	535	0	4,485
BCE Inc	73,000	2,483,328	2,666,297
Blue Circle Industries Plc	64,000	320,483	247,063
Bobst AG	100	307,638	277,062
Boral Ltd	200,000	577,840	503,152
Bowater Plc	65,000	614,937	633,634
Brantley Industries Ltd	142,200	1,540,936	1,854,146
Brinsley Investments Ltd	1,785,000	1,225,631	1,172,102
Brinson Partners Non U S Equity Fund	42,804,211	42,804,211	42,204,972
British Airport Authorities	130,000	943,907	929,893
British Gas Plc	1,108,400	4,991,408	4,341,748
British Petroleum Company Plc	85,000	605,309	451,524
Broken Hill Proprietary Ltd	192,398	1,571,874	1,881,508
BTR Ltd Warrants	7,793	0	9,986
BTR Nylex Ltd	1,932,964	3,988,773	4,403,773
BTR Plc	116,893	887,994	701,522
Cabin Company Ltd	31,000	379,443	381,158
Cable & Wireless Plc	367,097	3,456,149	3,149,832
Cadbury Schweppes Plc	345,700	2,185,225	1,945,717
Canon Inc	267,000	3,063,967	2,894,372
Cap Gemini Sogeti	21,038	1,597,008	1,113,372
Cap Gemini Sogeti Warrants	2,338	87,689	19,039
Carlton Communications Plc	20,000	139,164	147,926
Carrefour	2,900	1,002,037	869,053
Carter Holt Harvey Ltd	485,000	600,916	455,357
Casino Guichard Perrachon Et At Cie	21,800	597,784	443,810
Catalana De Gas	5,895	316,305	285,509
Cemex Sa "B"	165,000	1,296,900	1,637,853
CGI Informatique	32,980	2,316,454	1,595,282
Charoong Thai Wire & Cable	69,500	855,811	842,409
Cheung Kong Holdings Ltd	1,330,000	2,209,894	2,998,970
China Light & Power Company Ltd	150,000	260,364	378,817
Ciba Geigy	1,000	2,196,321	1,662,321
Cineplex Odeon Corporation	512,700	2,614,720	2,755,763
City Developments Ltd	650,000	1,150,053	1,172,433
CMB Packaging	35,000	1,249,073	809,444
CMK Corporation	30,000	692,410	722,447
Cofeifar Impresit	126,000	486,825	410,953
Coles Myer Ltd	130,000	1,111,744	1,071,883
Gumbel AG Baden Motor	510	598,516	473,196
Commerzbank AG	808,200	606,907	459,277
Compagnie Bancaire	35,200	3,204,516	2,751,784
Compagnie Modernes	2,800	637,854	528,989
Credit National	7,800	1,763,742	1,446,934
Credito Fondiario	22,666	36,724	99,241
CS Holdings	1,160	1,365,075	1,390,207
CS Holdings Warrants	1,160	0	23,543
CSK Corporation	10,000	346,367	399,419
Cubiertas Y Mzov Compania General	3,400	495,465	529,640
Cycle & Carriage Ltd	500,000	1,460,553	1,644,924
Dai Nippon Printing Company Ltd	80,000	897,894	884,689
Dai Nippon Screen	61,000	744,195	652,385
Daicel Chemical Industries Ltd	147,000	893,895	716,554
Daiichi Pharmaceutical Company Ltd	50,000	926,681	734,815
Daikin Industries (Kogyo) Ltd	85,000	1,052,772	1,026,559
Daimler-Benz AG	3,900	1,687,672	1,611,629
Dairy Farm International	1,300,000	1,825,599	1,842,546
Daiva House Industries	400	297,500	112,500
Daiva Kohso Lease Co Ltd	90,000	1,628,470	982,470
Delhaize Freres & Cie "Le Lion"	13,900	2,749,762	2,913,378
Deutsche Bank AG	13,780	5,685,090	4,793,502
Deutsche Bank AG Warrants	1,695	241,486	201,809
Deutsche Lufthansa AG	6,500	527,242	462,617
Development Bank of Singapore Ltd	200,000	619,841	751,560
Dieseldyne Euro-Dollar	23,250	497,147	443,036
Dixons Group Plc	200,000	666,544	658,532
Douglas Holding AG	2,600	1,220,448	1,140,405
Dracomis Dragados Y Construccione	42,100	1,140,924	980,577
Eaux (Compagnie Generale Des)	2,450	1,083,999	969,623
Electrabel NPV	3,000	452,673	340,124
Elf Aquitaine Snea	16,200	1,011,197	948,515
Elf Gabon	1,000	235,596	199,511
Elsevier NV	104,050	4,800,285	4,239,487
Empresa Nacional De Electricidad	100,000	1,892,500	2,062,500
Encor Inc	626,000	918,303	581,206
Encor Inc Warrants	300,000	363,636	1,314
Endesa	90,000	2,051,114	1,858,485
Enterprise Oil Plc	37,000	463,029	308,472
Eridania Zuccherifici	89,050	513,599	337,359
Eridania Zuccherifici Rights	89,050	0	5,353
Eurofrance	1,600	506,366	438,826
Family Mart Company Ltd	15,400	1,107,915	1,176,433
Family Mart Company Ltd Warrants	265	410,750	318,000
Fanuc Ltd	17,600	677,275	672,247
Finanziaria Telefonica	1,577,100	3,279,366	2,379,992
Fletcher Challenge Limited	732,000	1,571,968	1,560,038
Forster Brewing Ltd.	1,150,000	1,354,098	1,384,819
Fuji Bank Limited Tokyo	28,000	524,044	521,501
Fuji Fire & Marine Insurance	89,000	724,432	645,568
Fuji Machine Manufacturing Company	48,000	830,950	1,086,072
Fuji Photo Film Company	60,000	1,494,158	1,462,356
Fuji Photo Film Company Warrants	510	716,550	366,563
Fujitsu Limited	79,000	684,689	626,485
GB-INNO-BM	19,450	1,581,588	696,469
GEA Agriculture	89,000	44,964	77,000
General Electric Company	60,000	1,038,000	1,038,000

**COMMON STOCK - INTERNATIONAL**

Acma Ltd	600,000	\$ 797,294	820,193
ADT Ltd	2,233,821	5,776,119	2,844,258
Advantest Corporation	500	0	16,731
Aegion Group Plc	138,000	665,646	420,812
AFP Group Plc	673,100	820,630	593,708
AGA	41,000	2,050,776	2,074,346
Agua Barcelona	13,500	429,522	403,002
Ahold Nv Zaandam	15,300	592,940	609,158
Air Liquide	4,400	532,724	465,797
Alcatel Alsthom Compagnie Generale	52,700	5,711,669	4,840,833
Algemeene Bk Nederland	6,700	134,036	70,544
Allianz Aktiengesellschaft	1,180	1,692,643	1,464,817
Allied Lyons Plc	180,000	1,678,286	1,512,353
Alps Electric Company Ltd	220	156,750	53,625
Alta Industria-Aktien	1,675	558,136	559,099
Aluminium Company Malaysia	600,000	616,924	506,466
Aluminium Company Malaysia Rights	300,000	0	72,737
Amalgamated Steel Mills	579,000	1,168,772	1,070,641
American Barrick Resources Corporation	30,000	673,806	689,763
American Standard Sanitaryware	69,600	1,326,279	1,197,398
Amoy Properties Ltd	2,500,000	1,168,082	1,360,972
Ampol Exploration Ltd	955,000	2,126,230	2,160,831
Angkasa	28,950	26,033	46,794
Antah Holding	295,000	426,675	320,267
Aoyama Trading Company Ltd	16,500	1,059,909	1,152,423
Argyll Group Plc	586,667	2,976,396	2,692,954
Asatsu Inc	14,000	611,400	707,896
Ascorm Holding	225	622,516	401,579
Ashikaga Bank Ltd	59,000	499,156	506,513
Astra International	93,000	1,008,303	805,045
Astra International Series A	8,300	765,646	818,290
Janco Commerciale Italiana	969,100	3,447,622	3,250,600
Janca Nazionale	36,000	457,284	344,631
Janco Commercial Portugues	63,100	1,350,167	987,510
Janco De Santander	20,500	1,081,344	920,657
Janco Popular Espanol	6,400	622,030	657,131
Janngok Insurance	33,000	561,344	580,635
Janak Of Ayudhya	18,500	466,942	303,807
Janak Of Ayudhya Rights	18,500	0	19,292
Janak Of Montreal	55,700	1,611,980	1,658,760
Janak Of Nova Scotia	196,200	2,870,550	2,835,519
Janngesellschaft	1,880	3,511,992	3,094,330

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# Investment Listing

## COMMON STOCK - INTERNATIONAL

	SHARES	BOOK VALUE	MARKET VALUE
General Lumber	1,000,000	\$ 1,089,379	1,091,954
Genting Berhad	172,000	445,488	707,317
GKN Plc	120,000	709,832	663,722
Glaxo Holdings	236,742	5,739,552	6,596,682
Godo Steel	40,000	628,775	582,032
Granada Group Plc	154,600	129,166	353,573
Grand Metropolitan Plc	52,302	620,769	610,804
Grontmij	20,400	2,538,885	2,378,688
Groupe Assurances	1,660	692,417	496,647
Gruco Anaya	5,300	405,903	386,905
Guardian Royal Exchange	250,000	913,411	762,340
Haden Maclellan	180,000	430,978	367,870
Hankyu Department Stores	280	309,750	269,500
Hanson Plc	160,000	609,915	520,338
Haw Par Brothers International Ltd	900,000	1,301,946	1,281,339
Hidroel Cantabrico	32,800	619,638	583,444
Hidreola Hidroelectrica	493,800	2,729,457	2,461,168
Hillsdown Holdings Plc	600,880	2,883,043	2,027,225
Hilti	1,000	98,197	10,954
Hitachi Corporation	599,000	5,653,606	4,793,761
Hochtief AG	1,428	1,124,609	1,087,242
Hokuriku Electric Power Company Inc	47,000	936,686	804,408
Holzmann	1,000	930,329	238,488
Honda Motor Company	22,000	231,524	1,113,259
Hong Kong & China Gas Company	800,000	1,229,777	418,761
Hong Kong Telecommunications Ltd	500,000	416,776	3,904,490
Hong Leong Industries	1,531,000	3,669,002	1,816,878
Hunter Douglas	85,200	1,940,813	1,430,228
Hutchison Whampoa Ltd	750,000	1,095,018	566,116
IHC Caland	20,000	612,266	165,270
IMC Fertilizer Group Inc	1,087,000	440,376	1,105,475
Iberduero SA	183,000	1,256,783	204,000
India Magnum Fund	9,600	219,000	1,024,376
Industrial Bank Of Japan Ltd	40,000	1,017,344	2,355,000
Interdiscount Holding	1,164	3,312,679	1,024,376
Internationale Nederlanden	22,710	712,500	547,180
Itokyo-Kokudo Company	32,000	891,211	1,040,673
Itoki Kossusho	54,000	1,089,085	1,210,045
Jardine Matheson Holdings	470,000	1,969,992	2,089,293
JGC Corporation	46,200	794,820	726,026
Joshin Denki Company Limited	147,000	3,097,608	2,695,099
Kajima Corporation	298,650	3,642,544	3,085,373
KAO Corporation	92,000	878,199	783,124
Karstadt Agriculture	4,960	1,847,472	1,728,120
Kato Works Company Ltd	115,000	933,452	962,172
Katokichi Company Ltd	1,200	0	27,239
Kaufhof Holdings	1,620	219,906	187,695
Keck Seng	500,000	561,643	589,080
Keio Teito Electric Railway Company	99,000	740,670	635,994
Keppel Corporation Limited	989,000	3,395,799	4,179,268
Kinki Sharyo Company	42,800	249,094	238,342
Kirin Brewery Company	179,850	1,994,340	1,831,873
Kitz Corporation	50,000	489,031	469,263
Koi Fire & Marine Insurance Company	227,000	1,599,737	1,466,546
Kokusai Electric Company	20,000	552,398	538,380
Kokuyo Company Limited	36,000	903,299	942,892
Komatsu Forklift Company	50,000	592,995	531,104
Komori Corporation	1,400	25,121	45,835
Koninklijke Sphinx	3,800	350,519	349,856
Korea Asia Fund	97,000	1,003,950	1,081,550
Korea Fund Inc	71,407	1,157,553	1,008,624
Korea Growth Trust	5	173,000	146,800
Kwang Sang Hong	5,000,000	460,014	476,743
Kyocera Corporation	27,000	1,314,461	1,245,403
Kyushu Denki Kojiki Company	56,000	806,170	1,010,408
Kyushu Electric Power Company	8,000	141,905	158,895
Kyushu Matsushita Electric	78,000	1,706,855	1,804,590
Labroke Group	792,600	3,994,074	3,156,141
Laforge Coppée	8,700	583,818	514,347
Landis & Gyr	2,600	2,710,552	1,826,031
Lend Lease Corporation	82,153	928,142	1,052,290
Lisnave Estado Navais De Lisboa	37,002	821,007	444,163
Lloyds Abbey Life Group	85,000	559,130	530,800
Malayan Banking	500,000	1,110,627	1,275,144
Malayan Credit Limited	1,000,000	1,011,797	1,043,676
Malayan United Industries	710,000	489,267	566,164
Malaysian International Shipping	330,000	1,013,273	1,010,777
Mandarin Oriental International	1,300,000	1,024,376	720,268
Mannesmann	18,220	3,690,383	2,824,707
Manweb	75,000	312,605	294,393
Matsushita Electric Industrial Ltd	243,000	3,112,059	2,952,430
Matsushita Industrial Company	30,000	763,712	720,265
Memtec Limited	660,129	1,662,785	865,805
MM Holdings Ltd	646,100	911,860	941,562
Mitsubishi Bank Limited	174,000	3,215,755	3,215,435
Mitsubishi Estate Company	47,000	471,502	444,527
Mitsubishi Heavy Industries Limited	368,000	1,983,392	1,879,498
Mitsubishi Motor Company	500	406,250	350,000
Mitsui Marine & Fire Insurance Company	126,000	902,087	806,696
Mitsui Real Estate Development Company	118,000	1,196,100	1,081,706
Mitsui Company Limited	40,000	520,205	552,930
Mori Seiki Company	58,000	1,298,162	1,147,767
Muenchener Ruckversicherungs	660	978,809	917,621
Mycom Berhad	300,000	608,893	646,552
National Finance & Sec	3,400	13,498	46,529
National Power ADR	27,280	577,536	613,800
National Westminster Bank	120,876	674,147	564,655
Natsteel Limited	90,000	360,885	536,018
NEC Corporation	251,000	2,945,524	2,556,576
Nestle SA	772	4,333,820	4,173,376

## COMMON STOCK - INTERNATIONAL

	SHARES	BOOK VALUE	MARKET VALUE
Netherlands Guilder Put Option	35,846	345,487	286,138
New Straits Times Press	131,000	419,379	295,734
New World Development Company Ltd	1,000,000	1,091,847	1,314,264
NGK Insulators Ltd	135,000	1,228,727	1,070,575
Nichicon Corporation	6,000	67,803	65,915
Nichido Fire & Marine Insurance Company	238,000	1,615,176	1,454,498
Nikkei Put Option		3,327,504	977,417
Nippon Comsys Corporation	52,000	603,663	593,964
Nippon Denso	72,000	911,380	832,888
Nippon Shokubai	54,000	613,185	510,733
Nomura Securities Company Ltd	263,000	4,159,647	3,980,622
Northern Electricity	120,000	374,990	348,496
Northern Telecom Ltd	121,931	2,396,996	4,450,482
Novo Nordisk Class B	15,796	794,168	1,046,043
NRJ SA	27,000	1,028,502	993,808
Nutricia	1,414	73,961	94,888
Obras Y Construcciones	6,452	622,895	483,501
Obayashi Road Construction Company	174,000	2,422,444	2,709,068
Okamura Corporation	293,000	3,659,400	3,419,220
Oliver Corporation	25,000	498,249	481,995
Onward Kashiwama Company Ltd	73,000	901,006	897,566
Oriental Hotel	147,000	1,005,592	649,490
Orkla Borregaard	13,000	514,543	359,014
Overseas Chinese Banking Corporation	503,000	2,669,388	2,995,746
Pacific Carriers Ltd	1,505,000	952,841	1,553,651
Pacific Dunlop Ltd	533,450	2,037,349	2,103,062
Pan Malaysia Cement	309,000	441,959	365,801
Parkway Holding Ltd	1,000,000	823,690	879,183
Pechiney Cert D'Invest	8,750	454,489	513,628
Pegasus Gold Inc	180,991	2,156,513	2,398,151
Perlis Plantations	250,000	809,028	787,780
Petrofina SA	1,500	490,530	470,384
Petromed Inc	8,600	606,190	604,331
Peugeot SA	5,750	569,438	528,174
Pioneer Electronic Corporation	26,000	1,061,967	735,834
Pioneer International Ltd	964,000	1,892,661	1,796,713
Pirelli Spa	216,735	216,735	495,944
Procordia	20,000	629,636	611,406
PT Berlima	123,000	923,503	820,007
PT Indocement Tunggal Prakasa	100,000	582,891	563,312
PT Multipolar	77,500	553,203	644,837
PT Sampoerna	200,000	581,648	284,240
PT Supreme Cable Manufacturing	80,000	349,922	262,534
PT Supreme Cable Manufacturing Rights	80,000	0	483,725
PT Unilever	252,000	999,270	573,028
PT Ultrajaya	500	3,333	5,116
Rank Organisation Plc	50,000	580,562	516,607
Redland Plc	265,500	2,936,370	2,377,138
Remy Et Associates SA	7,235	479,574	266,304
Renaissance Energy Ltd	80,000	957,272	1,051,068
Renong	2,000,000	1,145,644	1,056,094
Rentokil Group Plc	350,000	1,539,484	1,827,994
Resort World (Malaysia)	250,000	618,185	893,499
Reuters Holdings Plc	145,000	3,217,745	1,799,204
Rio Tinto Zinc	313,000	3,149,813	2,797,250
Rhone Poulenc SA	13,000	837,766	714,575
Roche Holding	1,586	4,679,224	4,823,403
Rothmans Holdings Ltd	100,000	795,020	977,925
Royal Bank Of Scotland	200,000	597,095	564,456
Royal Company Ltd	30,000	426,710	440,889
Royal Dutch Petroleum Company	17,767	1,413,877	1,379,955
S A Brewing Holdings Ltd	812,000	1,489,135	2,049,025
Saint Gobain	7,600	622,100	531,637
Saipem Spa	200,000	536,830	242,073
Salomon SA	4,000	1,051,483	954,385
Samsung Electronics	22,900	622,392	608,141
Sandoz AG	2,887	4,494,952	4,245,960
Sanki Engineering Company	21,000	349,788	368,208
Sanko Engineering & Construction Company	63,000	647,569	550,020
Sanko Metal Industrial Company	40,000	429,800	494,727
Sanwa Bank Ltd	75,000	1,238,830	1,173,159
Sanyo Engineering & Construction	70,000	830,948	906,515
Saskatchewan Oil And Gas Corporation	46,400	582,259	426,734
Schering AG	6,018	1,618,665	2,637,939
Schmidler Holding AG	950	952,926	587,628
Schweizerische Ruckversicherungs	7,310	3,954,700	2,957,060
Seagram Company Ltd	47,400	2,747,113	4,959,594
Seino Transportation Company	99,000	1,652,067	1,584,382
Seikui House Ltd	101,200	999,744	957,152
Sembawang Shipyards	180,000	617,927	653,432
Seoul International Trust	34	1,133,000	1,096,000
Sharp Corporation	45,000	551,632	497,637
Shell Transport & Trading Ltd	320,000	2,614,292	2,665,270
Shimizu Company Ltd	31,000	1,089,520	1,211,136
Shin Etsu Chemical Company Ltd	48,000	540,245	555,259
Shiseido Company Ltd	264,000	3,819,063	3,610,927
Shizuoka Bank Ltd	30,000	263,052	290,288
Showa Shell Oil	104,000	1,163,847	1,097,130
Shun Tak Holdings Ltd	1,250,000	548,155	716,725
Siam Cement Company Ltd	49,000	1,239,054	1,406,130
Siam Commercial Bank	21,000	533,557	538,313
Siam Commercial Bank Rights	24,000	0	86,117
Siemens AG	6,500	2,320,131	2,282,804
Simex Darby	680,000	1,067,973	914,124
Simon Engineering Plc	190,000	1,074,210	1,016,994
Sino Land Rights	1,400,000	0	478,031
Sino	34	551,632	2,240,608
Smithkline Beecham Plc	258,500	2,621,146	1,607,578
Snow Brand Milk Products Company Ltd	3,000	193,977	855,587
Soares Da Costa	140,000	922,243	445,854
	30,000	635,831	

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COMMON STOCK - INTERNATIONAL	SHARES	BOOK VALUE	MARKET VALUE
Sony Corporation	90,500	\$ 4,716,136	4,148,070
Southern Electric Plc	80,000	229,334	229,026
Spanish Peseta Put Option	102,456	199,930	191,270
State Street Bank Eafe Ex-Japan Index		161,961,214	152,660,883
State Street Bank Eafe Index Fund		40,611,364	39,551,621
Stolt Tankers & Terminals Holdings	20,600	492,076	535,600
Strabag Bau	2,660	1,117,887	1,056,654
Suntomo Corporation	130,000	1,053,012	964,718
Suntomo Corporation Warrants	370	335,976	102,916
Suntomo Electric Industries	130,000	1,417,924	1,314,664
Suntomo Marine & Fire Insurance	105,000	729,160	648,565
Suntomo Realty & Development Company	291,700	2,449,501	2,120,112
Sun Hung Kai Properties Ltd	860,000	1,639,306	2,103,399
Swire Pacific Ltd	500,000	1,009,153	1,269,167
Swiss Franc Put Option		7,328	407,006
SME (Meridionale Di Electric)	64,000	194,053	145,570
Taiwanair Sa	13,500	635,242	585,482
Taibeyo Bank	1,000	11,419	7,639
Taipei Prefab Construction Company Ltd	82,000	915,422	1,103,678
Taipei Road Construction Company Ltd	124,000	1,055,584	1,136,709
Taiish Pharmaceutical Company Ltd	40,000	697,007	619,864
Takaoka Electric Manufacturing Company	74,000	545,309	522,228
Takasago Thermal Engineering Company	20,000	429,857	433,614
Takeda Chemical Industries Ltd	160,000	2,110,608	1,722,814
Tasaki Shinju	40,000	758,658	666,427
Tate & Lyle	267,000	1,491,798	1,598,043
Tatsuta Electric Wire	99,000	799,195	792,291
TDK Corporation	112,000	4,332,980	4,815,733
Telefonica De Espana	725,035	6,298,182	6,256,893
Telekom Malaysia	1,338,000	3,266,558	5,575,000
Television Broadcasts Ltd	900,000	1,089,531	771,164
Telus Corporation	34,200	357,336	393,165
Tembaga Mulia	91,500	559,011	385,026
Thom EMI Plc	48,000	596,100	576,913
Time Engineering	500,000	552,982	450,790
Tiphook Plc	180,000	1,296,941	1,307,981
TNT (Thomas Nationwide)	1,105,000	1,281,322	661,077
Toda Construction Company Ltd	40,000	494,208	433,614
Tokai Senko	57,000	691,051	704,986
Tokatsu Foods Company Ltd	10,000	382,427	531,104
Tokio Marine & Fire Insurance Company	245,000	2,565,197	2,085,494
Tokyo Broadcasting System Inc	57,000	901,988	837,690
Tokyo Electron Ltd	65,000	1,290,536	1,626,779
Tokyo Ohka Kogyo Company Ltd	42,000	1,411,367	1,454,498
Tokyo Tekke Company Ltd	134,400	2,809,335	2,317,419
Tomei Industrial Holdings	634,500	139,805	151,247
Toshiba Corporation	94,000	676,417	499,922
Toshiba Engineering & Construction	215,000	2,297,247	2,440,169
Total Cie Francaise Des Petroles	22,385	2,882,835	2,767,128
Toyo Corporation	81,000	1,002,265	1,031,288
Toyo Kanetsu	80,000	671,167	622,774
Toyo Seikan Kaisha Ltd	73,000	1,025,540	1,021,466
Transcanada Pipelines Ltd	70,000	928,356	1,004,462
Transcanada Pipelines Ltd Warrants	30,000	113,982	42,043
Tyfful Company Ltd	1,600,000	247,983	298,931
UMW Holdings	174,000	437,562	461,895
Unilever NV	7,200	389,858	573,678
Union Chemie Belegizue	1,100	741,564	495,510
Union Des Assurances De Paris	5,200	573,058	447,165
United Engineers Ltd	750,000	1,095,049	1,174,569
United Overseas Bank	284,000	1,145,717	1,135,678
UNP Industries	120,000	73,862	74,626
Uralita SA	33,000	1,219,902	553,583
Valeo SA	3,000	214,399	224,755
Vallehermoso SA	30,685	904,272	797,117
Van Der Horst Ltd	400,000	304,265	265,188
Vard AS Series A	20,420	414,752	212,558
Vard AS Series B	72,000	1,475,608	713,780
Veba AG	61,000	682,053	607,135
Vicofan Sa Envoltura	32,000	935,047	779,146
VIG (Gen Bezi)	11,604	406,673	305,162
Waterford Glass Group Plc	1,257,274	792,131	591,397
Western Mining Corporation	304,668	1,067,343	1,145,034
Westfield Trust	250,000	382,280	377,748
Whitebread & Company Plc	11,050	94,667	80,295
Woodside Petroleum Ltd	500,000	1,073,613	1,315,405
famanouchi Pharmaceutical Company Ltd	3,100	3,299	58,865
/TL Corporation	862,000	1,009,274	968,100
/okogawa Electric (Hokushin) Corporation	156,000	1,471,766	1,384,654
/odenko Corporation	29,000	316,162	327,025
<b>TOTAL COMMON STOCK-INTERNATIONAL</b>		<b>\$750,258,281</b>	<b>710,577,202</b>

## REAL ESTATE

### Closed End Funds

Jex Brown-Profile Fund I	24,875,000	24,498,051
ear Stearns Realty Partners	33,445,834	33,716,352
irst Apartment Fund	22,682,995	20,507,416
MB Group Trust III	25,832,490	29,648,852
CW Realty Fund II	25,000,000	25,731,521
<b>Total Closed End Funds</b>	<b>131,836,319</b>	<b>134,102,192</b>

### Properties

dams Woods Office Building	7,532,826	4,000,000
rapahoe Village	5,967,458	5,225,000
airport Center	13,746,307	13,746,307
reckenridge Office Park	33,173,476	35,544,638
orporate Campus East	23,795,099	21,300,000
orporate West II Building	3,059,241	2,559,000

## REAL ESTATE

### Properties (continued)

	BOOK VALUE	MARKET VALUE
Costa Mesa Courtyard	39,123,836	37,550,000
Crosswoods	16,945,821	16,020,000
Cypress Trace Shopping Center	26,631,223	15,100,000
Data Executive Building	7,377,568	6,580,396
Executive Drive Building, 330 South	7,994,285	5,400,000
Fairland- Arizona	981,032	981,032
Fairland- California	3,987,941	3,987,941
Forest Park Land	2,420,891	2,420,001
Forest Park Mall	30,149,461	21,600,000
Franklin/Lake Self Park	32,687,821	32,688,318
Gateway Plaza	3,295,414	4,900,000
Groves (S.J.) Office Building	6,887,467	4,160,000
GMO Land	8,110,622	8,111,894
Hartford Industrials	21,771,242	20,041,826
HSA Kensington	4,321,802	3,920,000
Interstate Crossings	9,773,946	7,340,000
Inver Grove	6,041,909	6,060,000
Laguna Hills Plaza	7,537,500	8,100,000
Lakes of Bellevue	23,630,816	19,000,000
Leed Commerce Center	3,001,085	3,140,000
Locust Street Apartments, 1015	13,524,128	9,150,000
Locust Street Building 1500	56,389,220	50,187,983
Mayhew Technology Center	13,697,147	17,650,001
Mendota Heights Business Park	16,709,079	12,100,000
Midwest Apartments	18,291,000	17,750,000
Montbello Industrial Park	12,964,548	12,964,548
Newmarket South	8,442,000	9,365,000
Norfolk Office Portfolio	44,469,575	41,738,000
North Lake Park	12,201,024	9,350,000
North-Tech	28,515,217	21,547,012
Oakbrook Center	75,610,129	75,610,129
Oakbrook Land Venture	4,166,112	4,707,638
Orlando Marriot Hotels	66,206,865	74,762,202
Portland/Boulder Apartment	24,253,204	24,253,204
Quail Lakes	8,705,239	6,450,000
Ridge Plaza Center	6,828,752	5,893,395
River Road Business Center	11,023,447	6,400,000
San Juan Corporate Plaza	6,571,776	5,725,000
Second & Harrison Apartments	3,517,500	3,517,500
Somerset Apartments	6,794,668	6,752,000
St. Charles Land Venture	4,026,716	18,800,000
St. Charles 3, 4, & 5	5,644,887	5,525,000
Stone Mountain Festival	26,857,583	25,175,000
Sunforest Apartments	25,426,500	25,426,500
Super 8 Motels	16,385,719	18,225,000
345 Fullerton Parkway	14,188,955	14,187,131
Time and Life Building	57,548,100	57,500,000
Towne North Shopping Center	9,329,399	6,050,000
Troy Trade Center	8,040,000	8,100,000
TRB-MIP Corporation	2,461,947	2,450,000
TRM-Meredith Park	1,257,079	1,257,079
TRS Springfield Office Building	4,704,507	4,704,507
Various Miscellaneous Net Assets	951,200	951,150
Williams Plaza I	27,032,738	17,350,000
Williams Plaza II	23,827,961	13,715,000
Wooddale Industrials	14,561,933	12,700,000
<b>Total Properties</b>	<b>1,054,890,693</b>	<b>967,016,332</b>
<b>TOTAL REAL ESTATE</b>	<b>\$1,186,727,012</b>	<b>1,101,118,524</b>

## ALTERNATIVE INVESTMENTS

American Healthcare Inc	10,000,000	10,350,536
Bicycle Acquisition Corporation	973,000	1,405,460
	8,500,000	9,160,847
Chalk-Line Holdings Inc	745,710	797,832
	1,000,000	671,501
	8,000,000	8,190,748
County Seat Holdings Inc	601,820	601,820
	398,439	398,439
County Seat Stores Inc	380,175	380,175
	5,000,000	5,000,000
DeVry Inc	5,137,881	5,137,881
	701,992	1,443,828
Frontenac Venture IV	614,500	584,600
Frontenac Venture V	6,877,012	2,208,973
Home Fashions Inc	17,500,000	19,728,392
	922,576	922,576
	11,313,371	11,313,371
Keller Graduate School Of Management	12,169,276	12,169,276
	739,291	1,520,544
	953,008	953,007
Levy Restaurants Limited Partnership	124,900	124,900
	61,900	61,900
	125,600	125,600
	1,250,000	625,000
	3,000,000	2,700,000
Marks Brothers Jewelers Inc	1,000,000	1,000,000
	600,000	600,000
	10,000,000	10,000,000
Net Worth Inc	515,800	515,800
Newtrend Limited Partnership	0	373,261
	1,558,688	1,558,688
	1,558,688	1,558,688
TW B/F/B Limited Partnership	4,000,000	2,500,000
W P G Enterprise Fund	15,000,000	14,637,643
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>\$133,923,627</b>	<b>129,321,285</b>

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# Investment Listing



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**Component Unit  
Financial Report**  
Year Ended June 30, 1992

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	JUL 11 1994	June 30, 1991
<b>Membership</b> JUN 14 1994		
Active		122,793
Inactive		17,751
Annuitants		46,650
<b>Total</b>		<b>187,194</b>
<b>Contributions</b>		
Member		310,969,000
State of Illinois		262,504,000
Unfunded pensi		(6,394,212,000)
Net Assets (Boc		8,747,122,000
Investment Retu		5.9%
Benefits paid		573,019,000

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Teachers' Retirement System  
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**Component Unit Annual  
Financial Report**  
For The Year Ended June 30, 1992

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AT URBANA-CHAMPAIGN



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Springfield, Illinois 62794-9253

217/753-0311

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*The Report on Compliance Audit and Supplementary Financial Information of the Teachers' Retirement System for the years ended June 30, 1992, and 1991, is published in a separate document and is incorporated herein by reference.*

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## Letter of Transmittal



Teachers' Retirement System  
of the State of Illinois

P.O. Box 19253, 2815 West Washington  
Springfield, Illinois 62794-9253  
217/753-0311

### TRUSTEES

Robert Leininger  
Springfield

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Bob Daniels  
Springfield

Anne Davis  
Harvey

Gary Kline  
Winfield

Marjorie Cashin Shea  
Springfield

Tom Zimmerman  
Executive Director

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

The Management of the Illinois Teachers' Retirement System presents the Component Unit Financial Report for the year ended June 30, 1992. This report consists of six major sections: the Introduction, the Financial Statements, the Actuarial Summary, Membership and Benefits Information, Exhibits and the Investment Summary. This report is a Component Unit Financial Report and is incorporated into the State of Illinois' Consolidated Annual Financial Report. It is the responsibility of TRS Management to ensure the accuracy and completeness of this report and that all material disclosures have been made. To the best of our knowledge, the information presented in this Component Unit Financial Report is accurate and fairly presents the financial position of the Illinois Teachers' Retirement System as of June 30, 1992, and the results of operations for the year ended June 30, 1992.

### Major Initiatives

During the fiscal year, four significant benefit changes were enacted and implemented. The most far-reaching improvement is the single-sum retirement benefit. A member with fewer than five years of creditable service is eligible to receive a single-sum retirement benefit at age 65. The benefit is the actuarial equivalent of a life annuity consisting of 1.67 percent of final average salary for each year of creditable service. To be eligible, the member must terminate TRS-covered employment.

A benefit improvement for military service veterans was also passed. The new law allows optional service credit for up to two years of active military service that did not immediately follow employment as a teacher. This benefit is available for active members, inactive members and annuitants. Between its enactment in November of 1991 and the end of the fiscal year, 4,861 members took advantage of this option.

The other two changes affected far fewer

members but are of significant value to those directly impacted by them. The early retirement incentive plan was available for TRS members employed by State agencies. This allowed establishment of up to five years of additional creditable service by making contributions and it allowed an age enhancement of an equivalent period. Ninety-five members took advantage of this option. Finally, an opportunity is provided for the purchase of up to three years of service credit for periods of involuntary lay-off if a member returns to teaching following the layoff.

### Financial Information

A system of internal controls is in place to safeguard the System's assets and promote the efficient operation of the System. TRS is audited annually in addition to its own internal audit program with an Internal Auditor who reports directly to the Executive Director. The System operates according to an administrative budget approved annually by the Board of Trustees.

The financial statements of the Illinois Teachers' Retirement System are prepared in conformity with generally accepted accounting principles (GAAP) within the guidelines established by the Governmental Accounting Standards Board (GASB).

### Revenues and Funding

The major sources of revenue for TRS are member contributions, employer contributions from the State of Illinois and investment income. Revenue is accounted for on an accrual basis.

Active member contributions to the trust fund for FY92 were \$351 million or 8.6 percent of their salaries, compared with \$311 million for the year ended June 30, 1991, an increase of \$40 million. This increase is attributable to salary increases and increased membership in the System.

Contributions from employers for fiscal 1992 were \$272 million, a decrease of \$22 million. State appropriations were \$24 million while early retirement cost payments were \$1.5 million higher and federal program contributions were up \$1.5 million.

State funding of the employer cost required by law would maintain the unfunded pension benefit obligation at a fixed dollar amount; however, the State has not yet funded the System on this basis. For a number of years prior to 1982, the State funded the System by reimbursement of benefit payments. Subsequent to 1982, State appropriations ranged from 37 percent to 66 percent of benefit payments. As a result, the State debt to the System, the unfunded pension benefit obligation has grown dramatically in the last decade.

### Revenues in Millions

Source of Revenue	1992	1991	Increase (Decrease) Amount	% Change
Member Contributions	\$ 351	\$ 311	\$ 40	12.9%
Employer Contributions	272	294	(22)	(7.5%)
Investment Income plus Realized Gain on Investments	1,114	662	452	68.3%
Total	\$1,737	\$1,267	\$470	37%

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The Illinois General Assembly passed a bill in FY89 requiring funding of the System on an actuarially sound basis beginning in FY90. The appropriation to provide that funding has not been in the State's budget in any of the last three years. Instead, the unfunded pension benefit obligation grew to over \$6.8 billion during FY92, an increase of \$453.2 million from FY91, as a result of the State's continued underfunding of the System.

Investment income increased \$452 million from FY91 to \$1,114 million. For a detailed discussion of investment performance, see the Investment Summary section of this report.

The results of an actuarial valuation conducted by the System's actuaries as of June 30, 1992, are included in the Actuarial Summary section of this report. The System's audited financial statements with related footnotes for the fiscal year ending June 30, 1992, are shown in the Financial Statements section.

The assets available for benefits continued to grow in FY92 to \$9.8 billion.

Expenditures of the Teachers' Retirement System are attributable to benefit payments, refunds, health insurance premium subsidies and administrative expenses. During the year ended June 30, 1992, the System paid \$56 million more in benefit payments to recipients. This is attributable to more members in retirement and the 3 percent compounded annual increase in benefits. The 86.7 percent or \$13 million increase in the expenditure for health insurance premiums was due to an increase in premiums of approximately 69 percent and an

increase of 4,000 members in the plan's enrollment. Administrative expense in FY92 included a \$1.5 million reclassification of accumulated depreciation. When the effects of this reclassification are removed, the rest of the change in administrative expense was an increase of \$3 million, which is primarily attributable to an increase of \$2.5 million in the transfer of prior service credit to other retirement systems.

Investment income and realized gain on investments of \$1,114 million during FY92 were positive contributors to the fund's financial status. Investments totaled \$10.5 billion at market value at June 30, 1992. As trustee for members' funds, the System is responsible for investment of the fund under the prudent person standard. This standard has permitted the System to allocate trust funds across a broad group of asset classes, including stocks, bonds and real estate.

The System's total fund, time-weighted rate of return was 10.8 percent. Annualized three-year and five-year total returns of 9.0 percent and 8.4 percent, respectively, continue to outperform the rate of inflation for these periods, 4.1 percent and 4.3 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for both the three-year and five-year periods.

A summary of the System's investment activities during FY92 and historic performance results is presented in the Investment Summary section which includes the Investment Listing.

The Teachers' Retirement System is audited annually by independent external auditors hired by the Illinois Auditor General's office. Each year the financial statements, records and internal controls of TRS are examined by these external auditors and, every other year, a compliance audit for the previous two years is performed to ensure compliance with all applicable statutes and codes. The Independent Auditor's Report is contained on page 9 of this report.

TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program and has received the award each of the last three years. This report has been prepared in accordance with the requirements established by the GFOA for preparation of a Component Unit Financial Report and will be submitted to the GFOA for review this year.

This report reflects the combined effort of the TRS staff under the leadership of the Board of Trustees and the Executive Director. The Accounting Department, under the management of Curt Moore, compiled the report. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

This report is being mailed to members of the General Assembly and Illinois school districts outside of Chicago as well as being made available upon request to all members and retired members of the System. We hope that you find this report informative and helpful.



Tom Zimmerman  
 Executive Director

December 1, 1992

**Expenses in Millions**

	1992	1991	Increase/Decrease	
			Amount	Percent
Benefit Payments	614	\$ 558	\$ 56	10.0%
Health Insurance	28	15	13	86.7%
Refunds	19	19	0	0.0%
Administrative	12	8	4	50.0%
<b>Total</b>	<b>\$673</b>	<b>\$ 600</b>	<b>\$73</b>	<b>12.2%</b>

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 Year Ended June 30, 1992 5

Certificate of Achievement

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Teachers' Retirement System  
of the State of Illinois

For its Component Unit  
Financial Report  
for the Fiscal Year Ended  
June 30, 1991

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose component unit financial reports (CUFRs) achieve the highest standards in government accounting and financial reporting.



*J. L. ...*  
President

*Jeffrey L. Esdell*  
Executive Director

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Financial Statements  
for the year ended June 30, 1992

**Independent Auditor's Report**

**Financial  
Statements**

ARTHUR  
ANDERSEN

ARTHUR ANDERSEN & CO SC

33 West Monroe Street  
Chicago IL 60603-5382

Boar  
Teach  
2815 W  
Spring

ANDERSEN & CO.

OF INDEPENDENT PUBLIC ACCOUNTANTS

Holland

ment System  
Illinois:  
d, as Special Assistant Auditors for the Auditor General, the  
statements of financial position of the TEACHERS' RETIREMENT SYSTEM  
OF ILLINOIS (the "System") as of June 30, 1992 and 1991, and the  
ements of revenue and expense and changes in net assets for the years  
e the financial statements and the supplemental schedules referred  
e the responsibility of the System's management. Our responsibility  
ess an opinion on these financial statements and supplemental schedules  
our audits.

sted our audits in accordance with generally accepted auditing standards  
rnement Auditing Standards (1988 Revision), issued by the Comptroller  
of the United States. Those standards require that we plan and perform  
dit to obtain reasonable assurance about whether the financial statements  
-ee of material misstatement. An audit includes examining, on a test basis,  
nce supporting the amounts and disclosures in the financial statements. An  
t also includes assessing the accounting principles used and significant  
imates made by management, as well as evaluating the overall financial  
atement presentation. We believe that our audits provide a reasonable basis  
r our opinion.

n our opinion, the financial statements referred to above present fairly, in all  
material respects, the financial position of the Teachers' Retirement System of  
the State of Illinois as of June 30, 1992 and 1991, and the results of its  
operations and the changes in its net assets for the years then ended, in  
conformity with generally accepted accounting principles.  
Our audits were made for the purpose of forming an opinion on the financial  
statements taken as a whole. The schedules of supplementary financial  
information listed in the table of contents are presented for purposes of  
additional analysis and are not a required part of the financial statements of  
Teachers' Retirement System of the State of Illinois. Such information has been  
subjected to the auditing procedures applied in our audits of the financial  
statements and, in our opinion, is fairly presented in all material respects in  
relation to the financial statements taken as a whole. The supplementary  
financial information for the years 1983 through 1990 has been derived from  
financial statements audited by other auditors, whose reports thereon expressed  
an unqualified opinion.

*Arthur Andersen & Co.*  
ARTHUR ANDERSEN & CO.

Chicago, Illinois,  
October 16, 1992



Financial Statements

**Statements of Financial Position**

Teachers' Retirement System of the State of Illinois

	June 30	
	1992	1991
<b>Assets</b>		
Cash - Note C	\$ 930,000	\$ 2,610,000
Receivables:		
Contributions from school districts:		
Salary deductions	19,824,000	16,893,000
Federal and trust funds	3,373,000	2,676,000
Members accounts	265,000	113,000
Total receivables	23,462,000	19,682,000
Investments - Note C (Market value 1992 \$10,493,714,000; 1991 \$9,458,467,000)	9,865,840,000	8,752,449,000
Property and equipment (Net of accumulated depreciation) - Note A	4,741,000	980,000
Total assets	9,904,972,000	8,466,522,000
<b>Liabilities</b>		
Payables:		
Benefits	4,059,000	849,000
Refunds	639,000	350,000
Other	9,053,000	7,236,000
Pending trades	69,260,000	20,164,000
Total payables	13,811,000	8,599,000
<b>Net Assets Available for Benefits</b>	<b>\$ 9,811,962,000</b>	<b>\$ 8,747,122,000</b>
<b>Pension benefit obligation:</b>		
Retirees and beneficiaries currently receiving benefits	\$ 6,338,458,000	\$ 5,742,766,000
Terminated members not yet receiving benefits	282,786,000	278,842,000
Current employees:		
Accumulated employee contributions	2,503,393,000	2,311,850,000
Employer-financed vested	2,511,488,000	2,227,297,000
Employer-financed nonvested	5,023,228,000	4,580,579,000
Total pension benefit obligation	\$16,659,353,000	\$15,141,334,000
Unfunded Pension Benefit Obligation	(6,847,391,000)	(6,394,212,000)
<b>Net Assets Available for Benefits - Note G</b>	<b>\$ 9,811,962,000</b>	<b>\$ 8,747,122,000</b>

See notes to financial statements.



## Statements of Revenue and Expense and Changes in Net Assets

Teachers' Retirement System of the State of Illinois

	Year Ended June 30	
	1992	1991
<b>Revenue</b>		
Contributions - Note E		
Members	\$ 350,909,000	\$ 310,969,000
State of Illinois	238,175,000	262,504,000
School districts:		
Early retirement option	19,503,000	17,995,000
Federal and trust funds	14,698,000	13,086,000
Total contributions	<b>623,285,000</b>	604,554,000
Investment income - Note A		
Interest	329,592,000	302,000,000
Dividends	94,396,000	100,319,000
Other	67,982,000	61,222,000
Total investment income	<b>491,970,000</b>	463,541,000
Gain on sale of investments	622,119,000	199,079,000
<b>Total revenue</b>	<b>1,737,374,000</b>	1,267,174,000
<b>Expense</b>		
Benefits:		
Age retirement	456,746,000	414,337,000
Post-retirement	117,304,000	106,089,000
Survivor	30,699,000	28,793,000
Disability	9,134,000	8,658,000
Health insurance	27,717,000	15,142,000
<b>Total benefits</b>	<b>641,600,000</b>	573,019,000
Refunds	19,303,000	19,416,000
Administrative expenses	8,247,000	6,655,000
Transfers	3,384,000	860,000
<b>Total expense</b>	<b>672,534,000</b>	599,950,000
<b>Revenue in Excess of Expense</b>	<b>1,064,840,000</b>	667,224,000
Net assets available for benefits at beginning of year	<b>8,747,122,000</b>	8,079,898,000
<b>Net Assets Available for Benefits at End of Year</b>	<b>\$ 9,811,962,000</b>	\$8,747,122,000

See notes to financial statements.

## Notes to Financial Statements

June 30, 1992

# Financial Statements

### NOTE A: Summary of Significant Accounting Policies

**Basis of accounting:** The financial statements of the Teachers' Retirement System of the State of Illinois (the System) are prepared using the accrual basis of accounting.

**Investments accounting:** Investments are valued on the basis of cost. Gain or loss on the sale of investments is determined based on average cost for stocks and identified cost for debt securities. Investment income is shown as net of investment expenses.

**Investments authorized:**

Through the Board of Trustees, as authorized in Article 16 of the Illinois Pension Code, the System serves as fiduciary for the members' trust funds and is responsible for investment of such funds under authority of the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries by specifying fiduciary responsibility with regard to the members' trust funds.

**Property and Equipment:**

Equipment is stated on the basis of historical cost. Provisions for depreciation are computed by the straight-line method, based upon the estimated useful lives of the assets. Equipment is assigned a useful life of from three to ten years while vehicles are assigned a five year life. In fiscal year 1992 (FY92), property and equipment reflects the reclassification of the TRS Springfield Office Building, land and land improvements from the investments portfolio to fixed assets. Depreciation expense incurred on the building is included in FY92 administrative expenses.

**Transfers:** The transfers category reflects transfers of members' accumulated contributions to other pension systems.

**Administrative expenses:** This category includes \$131,118 for accrued compensated absences for FY92.

### NOTE B: Description of System

The System is the administrator of a cost-sharing multiple-employer public employee retirement plan. Members of the System consist of all teachers employed in the public common schools of Illinois outside of Chicago. The System was established by the State of Illinois and is governed by Article 16 of the Illinois Pension Code. The System is a component unit of the State of Illinois and is included in the State's financial statements as a pension trust fund.

The System has developed criteria to determine whether other entities should be included within its financial reporting entity. The criteria include, but are not limited to, whether the System exercises oversight responsibility on financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing arrangements.

Based on these criteria the System has no other entities included in these financial statements.

Members are employed by 1,104 school districts and special districts. Member contributions are remitted by each employer district to the System. These employers are only responsible for employer contributions for teachers paid from federal and trust funds and for the employer's portion of the early retirement option. The State of Illinois provides employer contributions to fund the System. State contributions are appropriated annually and have not met statutory funding of normal cost and amortization of the unfunded pension benefit obligation over a 40 year period with a seven year phase-in as prescribed in Public Act 86-0273.

**At June 30, 1992:**

**The number of employers was:**

Local school districts	942
Special districts	126
State agencies	36
	<b>1,104</b>

**System membership consisted of:**

Retirees and beneficiaries	
currently receiving benefits	48,667
Terminated members entitled to benefits but not yet receiving them	20,388
Current members	126,500
	<b>195,555</b>

Terminated and current members are estimated based on the latest available data.

The pension plan provides retirement benefits, health insurance, death benefits and disability benefits. A member qualifies for an age retirement annuity after attaining one of the following: age 62 with five years of service credit, age 60 with ten years, or age 55 with 20 years. If retirement occurs between age 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years of service credit may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, and within six months of the last day of service requiring contributions and if the member and employer both make a one-time contribution to the System. A member with less than 5 years of creditable service is entitled to a single-sum benefit payable upon attainment of age 65.

The retirement benefit is determined by the average salary of the four 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 retirement benefit, 75 percent of average salary, is achieved with 38 years of service. Each annuitant who retired after 1969 or made a qualifying contribution receives an annual 3 percent increase in the current retirement benefit beginning January 1 following attainment of age 61 or following the first anniversary in retirement, whichever is later.

Member contributions, established by statute, are 8 percent of earnings allocated as follows: 6 1/2 percent for retirement, 1/2 percent for post-retirement increases and 1 percent for death benefits. If a member leaves covered employment, the System will refund a member's contributions upon request. The refund consists of actual contributions excluding the 1 percent death benefit contribution.

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**NOTE C. Cash and Investments**

At June 30, 1992, the bank balance and carrying amount of the System's deposits were \$52,567,000 and \$930,000, respectively. Of the bank balance, \$51,805,000 was on deposit with the State Treasurer. These bank balances are fully collateralized. The System's investments are categorized to give an indication of the level of risk at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party but not in the System's name. There are no category 2 or 3 investments at June 30, 1992, or June 30, 1991.

Investments at June 30, 1992, and 1991, are summarized below:

Category 1:	Cost		Market Value	
	1992	1991	1992	1991
Bonds	\$ 1,587,788,000	\$1,500,206,000	\$ 1,667,554,000	\$1,501,028,000
Corporate notes	2,298,215,000	1,299,274,000	2,339,729,000	1,303,622,000
Preferred stock	36,530,000	15,248,000	40,343,000	16,567,000
Short-term investments	212,250,000	318,808,000	213,754,000	319,043,000
Common stock	3,241,210,000	3,295,255,000	3,851,993,000	3,969,839,000
Alternative investments	122,355,000	92,547,000	116,503,000	92,746,000
Currency investments	72,699,000	58,654,000	56,701,000	57,496,000
Accrued interest and dividends	93,125,000	87,702,000	93,125,000	87,702,000
	\$7,664,172,000	\$6,667,694,000	\$8,379,702,000	\$7,348,043,000
<b>Investments not categorized:</b>				
Real estate equity	1,411,753,000	1,088,202,000	1,164,099,000	1,000,598,000
Mutual funds	789,915,000	996,553,000	949,913,000	1,109,826,000
<b>Total Investments</b>	<b>\$9,865,840,000</b>	<b>\$8,752,449,000</b>	<b>\$10,493,714,000</b>	<b>\$9,458,467,000</b>

The System has nonrecourse mortgages totaling \$155,529,000 and \$140,681,000 on real estate equities at June 30, 1992, and 1991, respectively. The amount reported for real estate equity is net of these mortgages, which mature on various dates through the year 2011.

The real estate category includes \$170,087,000 of mortgages receivable

which are fully secured by the properties. For purposes of evaluating the carrying value of individual real estate properties stated at cost, the System has compared the total of estimated gross cash flows plus the estimated residual values to be recovered from each property and has concluded that no reserve for impairments that are other than temporary is necessary.

**NOTE D - Funding Status and Progress**

The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee services to date. The measure is the actuarial present value of credited projected benefits and is intended to help users to assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other public employee retirement systems.

The pension benefit obligation is determined as of June 30, 1992, and 1991. Significant actuarial assumptions are summarized as follows:

The present value of future pension payments is computed using a discount rate of 8 percent. The discount rate represents the estimated long-term rate of return on current and future investments.

- Future pension payments reflect an assumption of a 4 percent salary increase due to inflation and a 3 percent salary increase for merit adjustments.
- Future pension payments include post-retirement increases based on 3 percent of the pension payment of the previous year.

An experience analysis is required by statute to determine the adequacy of actuarial assumptions regarding mortality, service and compensation experi-

ence. The most recent experience analysis was performed using data for the three-year period ending June 30, 1988. Based on this analysis there were no changes in actuarial assumptions. During the period between experience analyses, the actuary develops annual actuarial estimates, based upon the most recent experience analysis performed.

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1992, and 1991, is summarized below:

	1992	1991
Unfunded benefit obligation at beginning of year	\$6,394,212,000	\$5,582,611,000
Additions (deductions):		
Addition to health care reserve	21,600,000	21,600,000
Employer cost in excess of contributions	523,518,000	397,823,000
Amendments		
For FY92: Military service purchases \$2,500,000		
State Employees' early retirement incentive program \$5,000,000	7,500,000	--
Actuarial losses (gains) compared to assumptions:		
Salary increases	110,583,000	73,722,000
Investment income	(407,712,000)	(9,123,000)
Other	197,690,000	113,406,000
Change in post-retirement mortality assumptions	0	214,173,000
Net additions	453,179,000	811,601,000
Unfunded benefit obligation at end of year	\$6,847,391,000	\$6,394,212,000

# Financial Statements

## NOTE H:

### Contributions to the System

Employer contributions made by the State of Illinois are based on annual appropriations and are not actuarially determined. The largest source of State appropriations is made from the Common School Fund (1992 - \$225,850,000; 1991 - \$232,835,000). The Common School Fund appropriation was decreased by 3 percent in FY92.

Another source of State contributions is the State Pensions Fund (1992 - \$6,641,000; 1991 - \$23,958,000) which represents a distribution to the System of money escheated to the State.

The third source of employer contributions are federal and trust contributions. School districts and special districts make these contributions for teachers paid from federal and trust funds. Amounts received from these sources were \$14,698,000 in 1992 and \$13,086,000 in 1991.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$247,189,000 in 1992 and \$269,879,000 in 1991. These amounts represented 6.2 percent and 7.1 percent of covered payroll, respectively.

There are two other sources of employer contributions which are not counted towards the employer's funding obligation because the costs of the benefits to which they apply are not included in the calculation of the annual funding requirement. The State's General Revenue Fund appropriations to reimburse the System for certain minimum and sup-

plemental benefits were \$5,684,000 in 1992 and \$5,711,000 in 1991. School district contributions for the employer's cost under the early retirement option were \$19,503,000 in 1992 and \$17,995,000 in 1991.

Total contributions from employers from all sources, including the State's General Revenue Fund appropriations and school district contributions for the early retirement option, were \$272,376,000 in 1992 and \$293,585,000 in 1991. These amounts represented 6.9 percent of annual covered payroll in 1992 and 7.8 percent in 1991.

In 1989, the Illinois General Assembly passed Public Act 86-0273 which required a level of funding of the Teachers' Retirement System that would pay normal costs as determined by the actuaries plus amortization of the unfunded pension benefit obligation over 40 years after a seven-year phase-in. However, the General Assembly did not appropriate money to provide the required level of funding in any of the phase-in years.

It should be noted that Public Act 86-0273 establishes a funding plan that, even if adhered to, would not conform with official accounting pronouncements, particularly APB #8. The following schedules illustrate requirements and contributions computed in accordance with Public Act 86-0273 and are significantly different than the funding requirements and contributions presented in the actuarial section and Note H of this report that are computed in accordance with APB #8.

#### In Thousands of Dollars

Fiscal Year	Normal Cost	Amortization	Total Req.	Actual Cont. (CS,SPF,Fed)	Shortfall
1990	\$208,398	\$ 74,571	\$282,969	\$269,028	\$ 13,941
1991	216,783	112,548	329,331	269,879	59,452
1992	244,108	156,874	400,982	247,189	153,793
1993	279,754	215,259	495,013	279,701*	215,312*

\*Estimated

The underfunding in fiscal years 1990 through 1993 make it difficult to get back on schedule with the phase-in to a 40-year amortization. Total employer contributions will have to be significantly higher in fiscal years 1994 through 1996. State contribution requirements would be reduced by any amounts received from federal and trust funds.

#### In Thousands of Dollars

Fiscal Year	Estimated Covered Payroll	Normal Cost	Amortization	Total Cont. Requirement
1994	\$4,299,000	\$297,491	\$275,136	\$572,627
1995	4,471,000	309,393	332,642	642,035
1996	4,650,000	321,780	393,855	715,635

## NOTE H:

### Financial Statements

All of the System's full-time employees who are not eligible for another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state agencies, including the System, participate on a cost-sharing basis. The financial position and result of operations of the SERS for FY92 and FY91 and the related GASB Statement 5 employer disclosures are included in the State's Comprehensive Annual Financial Report for years ended June 30, 1992, and 1991, respectively. The SERS also issues a separate component unit financial report (CUFR).

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting and the authority under which benefit provisions are established, is included as an integral part of the SERS CUFR. Also included is a discussion of employer and employee obligations to contribute, the authority under which those obligations are established, as well as an explanation of the pension benefit obligation. The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits.

The pension benefit obligation at June 30, 1992, and June 30, 1991, for the SERS as a whole, determined through an actuarial valuation at that date was \$5,600.8 million and \$4,949.9 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$3,278.2 million and \$2,981.4 million, leaving unfunded pension benefit obligations of \$2,322.6 million and \$1,968.5 million. The System's FY92 and FY91 contribution requirements represented .0012 percent and .006 percent, respectively, of total contributions required of all state agency/department employers participating in SERS.

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Ten-year historical trend information designed to provide information about SERS progress made in accumulating sufficient assets to pay benefits when due is presented in its separately issued CUFRRs for the years ended June 30, 1992, and June 30, 1991, respectively.

Pertinent financial information relating to the System's participation in SERS is summarized at right:

The System's covered payrolls for FY92 and FY91 were \$3.1 million and \$2.8 million and the payrolls for all System employees were \$3.5 million and \$3.2 million, respectively.

The System's (i.e., the employers') actuarially determined contribution requirements for FY92 and FY91 were \$146.9 thousand and \$132.2 thousand, respectively, or 4.74 percent and 4.72 percent of the System's covered payrolls.

For FY92, the System's and employees' contributions actually made were \$148.1 thousand and \$125.2 thousand, respectively, which represents 4.8 percent and 4.0 percent, respectively, of the current-year covered payroll. For FY91, the System's and employees' contributions actually made were \$135.6 thousand and \$114 thousand, respectively, which represents 4.8 percent and 4.1 percent, respectively, of the covered payroll.

**NOTE G:**  
**Reserve Balances**

The balances in the reserve accounts at June 30, 1992, and June 30, 1991, were as follows:

	Year Ended June 30	
	1992	1991
Members' accumulated contributions	\$ 3,624,340,256	\$ 3,319,041,477
Post-retirement increases:		
Minimum retirement allowance	1,571,212	1,467,908
Supplementary payments	422,660	385,566
Health insurance	74,534,435	75,703,635
Employer's contributions	6,111,093,437	5,350,523,414
Total reserves	\$ 9,811,962,000	\$ 8,747,122,000
Unfunded pension benefit obligation	6,847,391,000	6,394,212,000
Pension Benefit Obligation	\$ 16,659,353,000	\$15,141,334,000

These statutory reserve accounts are maintained in accordance with provisions of Illinois Revised Statutes, 1989, Chapter 108 1/2, Article 16. Final reserve allocations cannot be made until annual update processing is completed in early Fiscal 1993.

**Members' Accumulated Contributions:** This reserve accumulates, with 6 percent interest, the contributions by members prior to retirement. Contributions are made by salary deduction (6 1/2 percent of salary) and are fully refundable upon withdrawal from the System, excluding interest credited thereon. The interest accrued is refundable only in the event of death. Interest is credited as of the date of retirement or death for those retiring or dying during the year, and as of the end of the fiscal year for all other members. Interest is computed annually based upon the individual member balance in the reserve at the beginning of the fiscal year.

**Minimum Retirement Allowance:** In 1974, a minimum retirement allowance equal to \$15 per month for each year of creditable service at retirement, up to a maximum of \$450 per month for 30 or more years of credited service was established. To qualify, annuitants are required to make a one-time contribution which is credited to the reserve. Interest at 6 percent is credited

to the reserve annually, based upon the average reserve balance. The State of Illinois also appropriates funds necessary to pay the minimum benefits provided in the legislation. All benefits paid under this program are charged to the reserve.

**Supplementary Payments:** In 1961, legislation was enacted to provide for increased annuities to members then retired who met certain specified requirements. Annuitants were required to make a one-time contribution which was credited to this reserve. The State of Illinois also appropriates funds which are credited to the reserve. Interest at 6 percent is credited to the reserve annually, based upon the average reserve balance. The annuity increases resulting from this legislation are charged to the reserve.

**Health Insurance:** Effective February 28, 1987, Chapter 108 1/2, Paragraph 16-153.4 of the Illinois Revised Statutes established the Health Insurance Reserve. The Board of Trustees is authorized to transfer up to \$20 million annually from its investment earnings in excess of 4 percent per

annum. Interest is credited to this account at a rate of 8 percent annually based on the System's actuarial rate of return assumption. Health insurance benefits paid to the System's members are charged to the reserve.

**Employer's Contribution:** This reserve serves as a clearing account for income and expenses of the System. The reserve is credited with contributions from the State of Illinois not specifically allocated to other reserves, member and employer contributions, income from invested assets of the System, the interest portion of the accumulated contributions of members granted refunds and contributions from annuitants which qualify for automatic annual increases in annuity. The reserve is charged with amounts necessary to be transferred to the Members' Accumulated Contribution Reserve, all amounts necessary to be refunded to withdrawing members, all benefits paid to temporarily or accidentally disabled members, all death benefits paid, all health insurance costs and survivor benefit contributions refunded to annuitants.

## Required Supplemental Schedules

# Financial Statements

### Historical Trend Information

Supplemental schedules of historical trend information are presented below. These are designed to provide information on the System's progress in accumulating assets to pay benefits when due.

### Supplemental Schedule of Employer Contributions (In Millions of Dollars)

Year Ended June 30	Employee Contributions	Employer Contributions				Investment Income	Total
		Employer Contributions	Percentage of Annual Covered Payroll	Required Amount*	Percentage of Annual Covered Payroll		
1983	\$ 189	\$ 161	7.0%	\$ 373	16.3%	\$ 132	\$ 482
1984	195	207	8.8	413	17.6	234	636
1985	207	238	9.6	446	18.0	445	890
1986	220	260	9.9	448	17.0	813	1,293
1987	238	280	9.9	448	15.8	835	1,353
1988	253	242	8.1	514	17.1	560	1,055
1989	268	260	8.2	566	17.8	560	1,088
1990	284	293	8.6	624	18.3	814	1,391
1991	311	294	7.8	691	18.3	662	1,267
1992	351	272	6.9	796	20.0	1,114	1,737

\* Changes in actuarial assumptions and actuarial method resulted in a \$80.7 million increase in the actuarially required amount for the year ended June 30, 1983. Changes in actuarial assumptions resulted in a \$53.2 million increase in the actuarially required amount for the year ended June 30, 1988.

### Supplemental Schedule of Expense by Type (In Millions of Dollars)

Year Ended June 30	Benefits	Administrative/Other Expenses		Total
		Refunds	Administrative/Other Expenses	
1983	\$ 262	\$ 23	\$ 3	\$ 288
1984	291	24	3	318
1985	325	24	3	352
1986	360	26	4	390
1987	398	26	5	429
1988	436	21	5	462
1989	477	20	6	503
1990	520	22	41	583
1991	573	19	7	599
1992	642	19	12	673

Analysis of the dollar amounts of net assets available for benefits, pension obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

### Supplemental Schedule of Funding Progress (In Millions of Dollars)

Year Ended June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5)
1983	\$ 3,410	\$ 6,690	51.0 %	\$ 3,280	\$ 2,287	143.4 %
1984	3,728	7,349	50.7	3,621	2,345	154.4
1985	4,265	7,982	53.4	3,717	2,472	150.3
1986	5,168	8,687	59.5	3,519	2,633	133.6
1987	6,092	9,950*	61.2	3,858	2,834	136.1
1988	6,684	10,922	61.2	4,238	3,007	140.9
1989	7,272	11,914	61.0	4,642	3,172	146.3
1990	8,080	13,663**	59.1	5,583	3,402	164.1
1991	8,747	15,141	57.8	6,394	3,777	169.3
1992	9,812	16,659	58.9	6,847	3,976	172.2

\* Includes increases of \$55 million due to plan amendments and \$393 million due to changes in actuarial assumptions.

\*\* Includes effect of COLA of 3% compounded of \$642 million dollars.

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## Supplemental Schedules

Cash disbursements for the years ended June 30, 1992 and 1991, are summarized as follows:

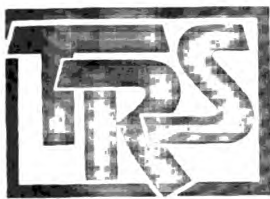
	1992	1991
Personal services	\$ 4,273,000	\$ 4,214,000
Professional services	671,000	497,000
Postage	253,000	310,000
Machine repair and rental	259,000	202,000
Other contractual services	488,000	286,000
Commodities	231,000	189,000
Occupancy expense	0	388,000
Provision for depreciation of equipment	2,063,000	569,000
(Gain) Loss on disposition of equipment	9,000	0
	<u>\$ 8,247,000</u>	<u>\$ 6,655,000</u>

Cash receipts and disbursements for the years ended June 30, 1992, and 1991, are summarized as follows:

	1992	1991
Cash balance at beginning of year	\$ 2,610,000	\$ 4,058,000
Cash receipts:		
Member contributions	349,699,000	308,075,000
Employer contributions	266,353,000	287,732,000
Investment income	628,522,000	502,721,000
Annuities returned	563,000	520,000
Investments sold	13,518,577,000	11,028,293,000
Total cash receipts	<u>\$14,763,714,000</u>	<u>\$12,127,341,000</u>
Cash disbursements:		
Benefits	639,075,000	574,002,000
Refunds	19,122,000	19,221,000
Administrative	6,778,000	5,774,000
Real estate and investment manager expenses	137,937,000	106,651,000
Investments purchased	13,962,482,000	11,423,141,000
Total cash disbursements	<u>\$14,765,394,000</u>	<u>\$12,128,789,000</u>
Cash balance at end of year	<u>\$ 930,000</u>	<u>\$ 2,610,000</u>







## Actuarial Information

**Actuary's Certification**

**Actuarial  
Information**

BUCK  
CONSULTANTS

Xerox Centre  
55 West Monroe Street, Suite 1700, Chicago, Illinois 60603

Board of Trustees  
Teachers' Retirement  
of Illinois  
2815 West Washington  
Springfield, Illinois

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Suite 1700

ment System  
of Illinois  
Washington Street  
Illinois 62794

Pension Benefit Obligation as of June 30, 1992

Gentlemen:

Upon our annual actuarial valuation of the Teachers' Retirement System of the State of Illinois, we have determined the pension benefit obligation of the System to be \$16,659,353,000 as of June 30, 1992. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

The June 30, 1992 valuation reflects for the first time the inclusion of substitute teachers and other part-time or hourly-paid teachers who are on a flexible or limited work schedule. The inclusion of these members increased the active membership of TRS by approximately 19,000 for purposes of the June 30, 1992 valuation, based on the census information for active members as of June 30, 1991. The effect on the unfunded pension benefit obligation due to the inclusion of these members is minimal.

Included in the pension benefit obligation of \$16,659,353,000 as of June 30, 1992 is an amount of \$7,500,000 due to the amendments to the System which were reflected during the fiscal year 1991/92. The amount of \$7,500,000 includes \$2,500,000 on account of military service purchases and \$5,000,000 on account of State employees who are TRS members and who utilized the State employees' early retirement incentive program.

The actuarial valuation was based on a census of retired members as of June 30, 1992, and a census of active and inactive members as of June 30, 1991, which were submitted to us by the System. While we did not verify the data at their source, we did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. We also understand that the outside auditor of the System has made an examination of the membership data.

The valuation is based on the provisions of TRS in effect on June 30, 1992. The actuarial assumptions used in the valuation are those specified by the Board of Trustees of the System based on recommendations made by the actuary.

In our opinion, the amount of \$16,659,353,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1992.

Respectfully submitted,

  
John W. Thompson  
Consulting Actuary

Buck Consultants Inc.  
1337 2285  
Fax 312 332-5245

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# Actuarial Information

Retirement benefits are a form of deferred compensation earned by employees during their careers. Retirement plans generally provide for retirement benefits as well as post-retirement increases, disability benefits and survivor benefits. Some plans also provide a subsidy under a group health insurance plan. This section describes the common ways of measuring the financial health of a retirement system and the system's ability to cover the cost of the benefits earned to date.

Since 1939, the Teachers' Retirement System of the State of Illinois has provided pension and ancillary benefits to all public elementary and secondary teachers in Illinois except for those employed by the City of Chicago. Funding of these benefits comes from employee contributions, employer contributions and investment income. Employee contributions are established by the Illinois Pension Code, currently fixed at 8 percent of salary. Investment income depends on asset allocation and market conditions and varies from year to year. Employer contributions, consisting mainly of state appropriations, are currently subject to the appropriations process and are not based on a recognized actuarial funding method.

For public employees in Illinois, pension benefits represent more than a promise made by an employer to provide benefits in exchange for services rendered by employees—they are an enforceable, contractual right under the state constitution. Benefits earned by TRS members are an obligation of the State of Illinois and should be funded accordingly.

To assess the funding status of a retirement system, an estimate of the pension benefit obligation is obtained each year through the actuarial valuation. To estimate the pension benefit obligation, actuaries must make demographic assumptions based on employee data (such as age, salary and service credit); economic assumptions (for salary increases and interest rates); and decrement assumptions (for mortality and disability rates). These actuarial assumptions will be used to make projections that will be reflected in the actuarial valuation.

## Actuarial Assumptions

The actuary constructs a set of assumptions based on the past experience of plan participants and the experiences of other groups with similar attributes. After taking this historical view, the actuary looks forward to judge how costs incurred under the plan are likely to be affected by future events. A lengthy timeframe (even longer than 50 years) is involved because the projections include estimates for factors that will affect even young active members and their survivors.

Experience never coincides exactly with these projections. Differences that occur between assumptions and experience are called actuarial gains and losses. Each year, the actuary reconciles the differences between major actuarial factors and experience in the process of explaining the change in the system's unfunded pension benefit obligation. The actuary may also recommend changes in actuarial assumptions after completing this annual review. At least every four years, the actuary conducts an experience analysis to determine whether variance from the actuarial assumptions warrants changing the assumptions. The most recent experience analysis was conducted in 1989, when the System changed consulting actuaries, using demographic and economic data for the three-year period ended June 30, 1988. The review resulted in a change to the projected unit credit method from the attained age method.

## Actuarial Valuation

An important step in an actuarial valuation is application of 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 the pension benefit obligation. Normal cost is the annual cost of benefits earned by System members during the fiscal year. The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases which are estimated to be payable in the future as a result of employee services to date.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is the projected unit credit actuarial method. The normal cost for the year ending June 30, 1992, was 14.5 percent of payroll. Eight percent of normal cost was paid by the members'

contributions. The remaining 6.5 percent was the employer's portion of the normal cost.

## Actuarial Assumptions & Methods

**Inflation assumption:** 4 percent per annum (included in investment returns and earnings progression assumption).

**Investment return:** 8 percent per annum, compounded annually.

**Retirement age:** 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 follow.

Age	Male	Female
55	97	97
60	270	180
65	365	330
70	1,000	1,000

**Mortality:** Active participants - UP 1984 Table, set back two years; nondisabled pensioners - UP 1984 Table, set back six years.

**Disability:** Sample annual rates per 1,000 participants follow.

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.

**Earnings progression:** Merit and longevity increases, adjusted for inflation. Approximates 7 percent per year to earliest date of retirement eligibility. Sample annual percentage increases follow.

Age	Unisex
20	9.7%
30	8.6
40	7.5
50	6.9
60	6.7

**Actuarial Cost Method:** Projected unit credit. Gains and losses are reflected in the unfunded pension benefit obligation.

**Asset valuation method:** Cost value.

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**GASB Statement Number 5**

The System complies with the reporting requirements issued by the Governmental Accounting Standards Board in November 1986 under *Statement Number 5: Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers*. This statement prescribes financial disclosure requirements for public employee retirement systems including a standardized measure of the pension benefit obligation. The System uses this standardized measure for funding purposes as well as for financial reporting. The actuarial terminology used by Statement 5 is used consistently for all financial and funding exhibits.

**Actuarial Valuation**  
(In Millions of Dollars)

	Year Ended June 30	
	1992	1991
Pension benefit obligation:		
Retirees and beneficiaries		
currently receiving benefits	\$ 6,338	\$ 5,743
Terminated employees not yet receiving benefits	283	279
Current employees:		
Accumulated employee contributions	2,503	2,312
Employer-financed vested	2,512	2,227
Employer-financed nonvested	5,023	4,580
<b>Total pension benefit obligation</b>	<b>16,659</b>	<b>15,141</b>
<b>Net assets available for benefits, at cost</b>	<b>9,812</b>	<b>8,747</b>
<b>Unfunded pension benefit obligation</b>	<b>\$ 6,847</b>	<b>\$ 6,394</b>

**Reconciliation of Unfunded Pension Benefit Obligation**  
(In Millions of Dollars)

	Year Ended June 30	
	1992	1991
<b>Unfunded pension benefit obligation at beginning of year</b>	<b>\$ 6,394</b>	<b>\$ 5,583</b>
Additions (deductions):		
Employer cost in excess of contributions*	524	398
Plan amendments**	8	--
Addition to health care reserves	22	22
Actuarial losses (gains) compared to assumptions:		
Salary increases	111	74
Investment income	(408)	(9)
Other	196	112
Changes in post-retirement mortality assumptions	--	214
<b>Net additions (deductions)</b>	<b>453</b>	<b>811</b>
<b>Unfunded pension benefit obligation at end of year</b>	<b>\$ 6,847</b>	<b>\$ 6,394</b>

\* See note below the following table.

\*\* FY92 amendments= \$5 million for early retirement incentive for TRS state employees and \$2.5 million for military service.

**Employer Cost in Excess of Contributions**  
(In Millions of Dollars)

	Year Ended June 30	
	1992	1991
Employer normal cost	\$ 259	\$ 239
Interest on unfunded pension benefit obligation at beginning of year	512	447
	771	686
Minimum retirement benefit funded annually from the State General Revenue Fund and not included in the actuarial valuation of pension benefit obligation*	6	6
Early retirement option contributions	19	--
<b>Total employer cost</b>	<b>796</b>	<b>692</b>
Deduct employer contributions:		
State of Illinois	238	263
Early retirement option	19	18
Federal and trust funds	15	13
<b>Total employer contributions</b>	<b>272</b>	<b>294</b>
<b>Employer cost in excess of contributions</b>	<b>\$ 524</b>	<b>\$ 398</b>

\*Early retirement option contributions were not added as costs in the FY91 report. If they had been, the shortfall in the employer contribution would have been \$416 million.

Fiscal year 1992 actuarial gains and losses resulted from the following: average salaries increased by 7.9 percent, compared to the composite 7 percent assumption, and the actuarial investment return (including interest, dividends, and realized gains) was 12.7 percent, compared to the 8 percent assumption.

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Year Ended June 30, 1992 23

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# Actuarial Information

## Actuarial Funding Current Funding Policy

On August 23, 1989 Public Act 86-0273 was enacted and provides for amortization of the System's unfunded pension benefit obligation over 40 years after a seven-year phase in. Implementation of this legislation would provide financial stability for the System by funding benefits on a rational and systematic basis. This legislation was not implemented in any of the first three phase-in years because State appropriations were insufficient to meet the funding requirements of the act. It should be noted that the FY93 contribution will also fall short of the statutory funding requirement. (See Notes to Financial Statements, page 14, for a discussion of the funding requirements and actual contributions under PA 86-0273.)

## Advantages of Actuarial Funding

Retirement benefits earned during employment are part of the payroll expense for each employee. Sound financing of a retirement system requires that benefits accruing to each employee be paid for during the employee's career by regular contributions to the retirement system based on a percentage of payroll. When an employee retires, the accumulated funds should be sufficient to provide for the benefits payable to that employee. The cost of benefits for current employees should be borne by current taxpayers and should not become a liability for future taxpayers.

Sound actuarial funding practices also protect the employer. Current assessment of costs for both the employer and contributing employees protects the employer from the future impact of increasing contributions to pay for benefits that were underfunded.

Sound actuarial funding practices bolster membership confidence in retirement security. An individual's retirement security should not depend on future taxpayers or be subject to short-term employer distress caused by economic cycles or poor budgeting practices.

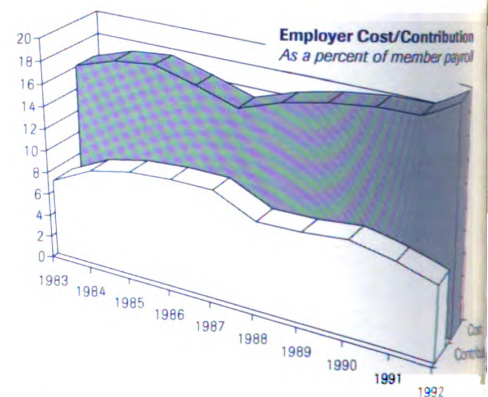
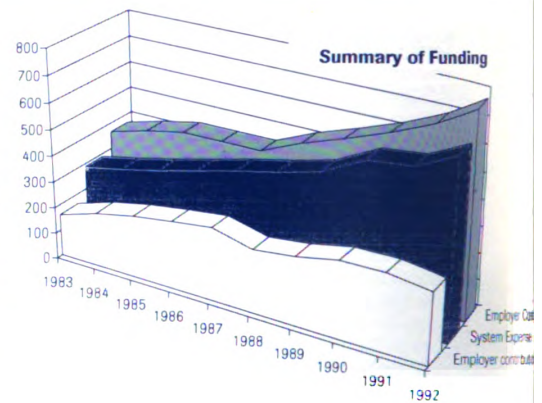
As a public pension plan, the Teachers' Retirement System is not covered by the Employee Retirement Income Security Act of 1974 (ERISA). However, that federal legislation did provide funding standards for private pension plans and many ERISA standards

are incorporated in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has devoted considerable attention to disclosure by public pension plans and employers over the past several years.

The **Percentage of Benefits Covered by Net Assets** exhibit compares the plan's net assets with the member's 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. This exhibit is essentially a short-term solvency test.

A test of financial soundness of a pension 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.



The **Payroll Percentages test** compares member payroll to unfunded pension benefit obligation, normal cost and normal cost plus interest. These percentages should decrease over the years if the System is growing stronger and give an indication of the relative size of the unfunded pension benefit obligation.

The TRS Funding Summary found on page 26 shows employer contributions in relation to various statutory funding requirements (other than PA 86-0273) under the Illinois Pension Code. Also shown are member contributions and System expenses. For the first time in history, the System had to use investment earnings to fund benefits in FY92 because expenses exceeded member and employer contributions.

## Tests of Financial Soundness

The following three charts show ten-year trends representing differing perspectives on the System's actuarial status.

### Funding Ratios\*

(In Millions of Dollars)

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation	Funding Ratio	
				At Cost	At Market
1983	\$ 3,410	\$ 3,605	\$ 6,690	51.0 %	53.9 %
1984	3,728	3,630	7,349	50.7	49.4
1985	4,265	4,598	7,982	53.4	57.6
1986	5,168	5,952	8,687	59.5	68.5
1987	6,092	6,958	9,950	61.2	69.9
1988	6,684	7,055	10,923	61.2	64.6
1989	7,271	8,088	11,914	61.0	67.9
1990	8,080	8,924	13,663	59.1	65.3
1991	8,747	9,458	15,141	57.8	62.5
1992	9,812	10,494	16,659	58.9	63.0

\*The System's actuaries conducted an experience analysis for the four-year periods ended June 30, 1981, and June 30, 1985, and for the three-year period ended June 30, 1988. For actuarial purposes, the effects of these analyses were reflected in the pension benefit obligation for the years ended June 30, 1982, and June 30, 1987, respectively; there was no effect on pension benefit obligation resulting from the three-year period ended June 30, 1988.

### 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		
					(1)	(2)	(3)
1983	\$ 1,264	\$ 2,565	\$ 2,861	\$ 3,410	100 %	84 %	0 %
1984	1,372	2,803	3,174	3,728	100	84	0
1985	1,472	3,130	3,380	4,265	100	89	0
1986	1,596	3,402	3,689	5,168	100	100	5
1987	1,718	3,777	4,455	6,092	100	100	13
1988	1,860	4,165	4,898	6,684	100	100	13
1989	2,004	4,528	5,382	7,272	100	100	14
1990	2,167	5,121	6,375	8,080	100	100	12
1991	2,312	5,743	7,086	8,747	100	100	10
1992	2,503	6,338	7,818	9,812	100	100	12

### Payroll Percentages

(In Millions of Dollars)

Year Ended June 30	UNFUNDED PENSION BENEFIT OBLIGATION			ACTUARILY REQUIRED EMPLOYER'S COST				EMPLOYER CONTRIBUTIONS		
	Member Payroll (1)	Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest on Unfunded Pension Benefit Obligation (6)	Total (7)	Percent of Payroll (8)	Employer Contribution (9)	Percent of Payroll (10)
1983	\$ 2,287	\$ 3,280	143.4%	\$ 164	7.2 %	\$ 203	\$ 367	16.1%	\$ 161	7.0%
1984	2,345	3,621	154.4	176	7.5	230	406	17.3	207	8.8
1985	2,472	3,716	150.3	184	7.4	253	437	17.7	238	9.6
1986	2,633	3,519	133.6	179	6.8	260	439	16.7	260	9.9
1987	2,834	3,838	135.4	194	6.9	246	440	15.5	280	9.9
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	242	8.1
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	260	8.2
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	293	8.6
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	294	7.8
1992	3,976	6,847	172.2	259	6.5	512	771	19.4	272	6.9

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Year Ended June 30, 1992 25



## TRS Funding Summary

(In Millions of Dollars)

FUNDING REQUIREMENTS					System Expense (5)	Employer Contributions (6)	COVERAGE PERCENTAGE		
Fiscal Year Ended June 30	Normal Costs Plus Interest On Unfunded Pension Benefit Obligation (1)	General Revenue Reimbursement Post-Retirement Increases (2)	Statutory Requirements (Columns 1 and 2)				Statutory Requirements Actuarial (7)[B]	Statutory Requirements Minimum (8)[C]	System Expense (9)[D]
			Actuarial (3)	Minimum (4)[A]					
1983	\$ 367	\$ 6	\$ 373	\$ 213	\$ 288	\$ 161	43.2%	75.6%	55.9%
1984	406	7	413	218	318	207	50.1	95.0	65.1
1985	437	9	446	237	352	237	53.1	100.0	67.3
1986	439	9	448	253	390	260	58.0	102.8	66.7
1987	440	8	448	272	429	280	62.5	102.9	65.3
1988	506	8	514	289	462	242	47.1	83.7	52.4
1989	559	7	566	305	503	261	45.9	85.2	51.7
1990	617	7	624	327	583	293	47.0	89.6	50.3
1991	686	6	692	363	600	294	42.5	81.0	49.1
1992	771	6	777	382	673	272	35.0	71.2	40.4

**NOTE A** - 9.6 percent of member payroll - the appropriate amount required by Section 16-158 of the Illinois Pension Code.

**NOTE B** - Employer contributions divided by actuarial requirement. (Col. 6/Col. 3)

**NOTE C** - Employer contributions divided by minimum requirement. (Col. 6/Col. 4)

**NOTE D** - Employer contributions divided by System expense. (Col. 6/Col. 5)

**NOTE E** - System expense in FY90 includes \$35.5 million in non-cash expense.

### Breakdown of Employer Contributions (In Millions of Dollars)

Year	State Contributions	Federal and School District (ERD) Contributions	Total Employer Contributions
1983	\$ 144	\$ 17	\$ 161
1984	189	18	207
1985	214	23	237
1986	238	22	260
1987	257	23	280
1988	217	25	242
1989	232	29	261
1990	264	30	293
1991	263	31	294
1992	238	34	272

### Member and Employer Contributions Minus Expenses (In Millions of Dollars)

Year	Member Contributions	Total Employer Contributions	Total Member and Employer Contributions	Total Contributions minus System Expense
1983	\$ 189	\$ 161	\$ 350	\$ 62
1984	195	207	402	84
1985	207	237	444	92
1986	220	260	480	90
1987	238	280	518	89
1988	253	242	495	33
1989	268	261	529	26
1990 (E)	284	293	577	(6)
1991	311	294	605	5
1992	351	272	623	(50)

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**Membership and  
Benefits Information**

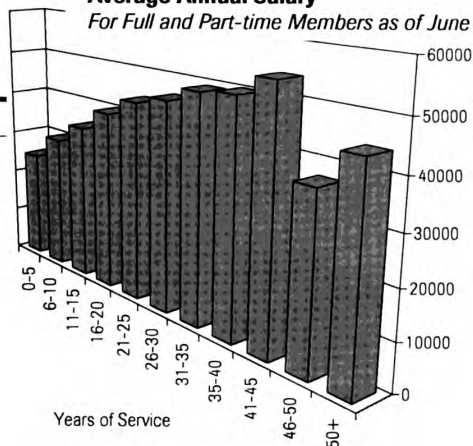
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## **Membership and Benefits Information**

## Membership Information

### Average Annual Salary

For Full and Part-time Members as of June 30, 1991



### Membership Profile

All certificated Illinois public school employees outside the city of Chicago are members of TRS. These members include full- and part-time employees, subject to certain limitations as outlined in the "Plan Summary" on page 34.

Members are employed by 1,104 employers including public school districts.

System members do not contribute to Social Security; however, many earned coverage by that system through non-TRS employment. All TRS members hired after March 31, 1986, are required to contribute to Medicare.

As of June 30, 1991, the most current fiscal year statistics available, there were 122,793 TRS members (includes full-time, part-time, substitute, hourly and extra duty teachers), a significant increase from the 101,987 members on June 30, 1990. The addition of substitute teachers as active contributing members of TRS is credited for this 20.4 percent increase.

The average TRS member on June 30, 1991, was 43 years old. The average age of the member population has remained relatively stable for the past five years although active member age had shown a steady increase since the early 1970s.

Fifty-six percent of the active member population was in the 35-49 age group during FY91, compared to 42 percent of total membership in this same age group ten years ago. Despite this large percentage of educators moving toward retirement, there is a marked decrease in the number of teachers entering the field in the last ten years. During FY82, 4 percent of the total membership were age 20 to 24. In FY92, this age group composed only 2 percent of the total member population.

The number of active members who choose to work after age 55 has risen steadily in the past decade, from 9.5 percent during FY82 to 11.8 percent in FY91.

### Contributions

During FY92, active members contributed \$351 million as their required 8 percent of salary to the System, up 13 percent from FY91.

The average annual salary for active members rose 5.6 percent from FY90 to FY91, from \$33,024 to \$35,321. Since FY82, this figure has increased by 66 percent from \$21,281. Generally, the more years of service the member accrues, the higher salary he or she earns. Peak salaries averaging \$53,994 during FY91 were earned by the 43 members in the 41-45 years of service category, while those with under six years of service averaged \$24,752 annually.

### Member Refunds

Members who withdraw from active service with the System may apply for a refund four months from the last day of teaching. The refund includes accumulated retirement contributions exclusive of the 1 percent survivor benefit contribution and accumulated interest.

The System paid 2,353 former members \$9.4 million in refunds of retirement contributions during FY92. This is a decrease from the \$9.8 million paid in refunds in FY91. The total number of refunds increased 10 percent from 2,144 in FY91.

A refund of the 1 percent survivor benefit contribution was paid to 437 retired members in FY92, up from 416 members who received this refund in FY91. A total of \$2.1 million was paid for this refund, which is granted to retired members who request the refund and who do not have a beneficiary deemed a dependent under the Illinois Pension Code. Acceptance of this refund terminates the retired member's eligibility for survivor benefit coverage from the System.

### Counseling Services

The System maintains two offices, in Springfield and Lisle, to serve members throughout the state. During FY92, the TRS offices received over 41,800 phone calls. In addition, staff members sent out over 201,000 letters and conducted office consultations with an average of 296 members monthly.

Individual retirement conferences are held around the state each year by the System's benefits counselors. During FY92, 7,978 members attended these conferences. An additional 9,227 members attended group meetings held by TRS around the state.

A series of guides designed for members, retired members and employers is published annually by the System. During FY92, all active and inactive members as well as all retired members received current versions of the guides. In addition, bulletins and newsletters are mailed to these audiences with current information concerning benefits, legislation and System administration.

Individual member statements of account are mailed annually to all members. These present up-to-date information on each member's TRS contributions and service.

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# Membership and Benefits Information

## Benefits Information

As a trust fund for its members and annuitants, the Teachers' Retirement System provides retirement annuities and disability and survivor benefits. The System also administers the TRS Health and Prescription Drug Insurance Plan. These benefits are in the System's plan as outlined in Article 16, Chapter 108 1/2 of the Illinois Revised Statutes.

### Plan Design

The TRS plan is designed to pay specific benefits in amounts that are set forth by Illinois law. This design may only be changed by action of the Illinois General Assembly and the Governor. Benefits cannot be increased or reduced without a change in the TRS plan design.

### Retirement Benefits

During FY92, the TRS plan provided retirement benefits for 42,147 annuitants. The average benefit of \$1,174 was up 1.9 percent from \$1,077 on June 30, 1991.

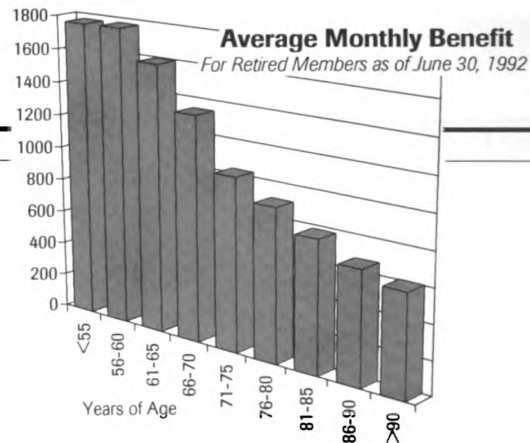
### TRS Annuitant Profile

June 30, 1992

Average Age:	72
Average Service:	26.8
Average Annuity:	\$1,174
Average Original Annuity:	\$937
Average Years in Retirement:	12

Overall, the System paid \$574.1 million in retirement annuities in FY92, up 10.3 percent from FY91. The number of annuitants receiving benefits rose during FY92, up 1,576 from June 30, 1991. The System offers anyone receiving a monthly benefit, including retired members and survivor benefit recipients, electronic direct deposit of TRS annuity payments with participating financial institutions. At the end of FY92, 31,691 of the total 48,667 benefit recipients were participating in the direct deposit program. This represents 65.1 percent of all benefit participants.

Although the annuity for those members in retirement less than five years is higher than average at \$1,677, this amount drops to below the overall



average between six and ten years in retirement—members retired between 11 and 15 years receive an average benefit of only \$1,005, below the \$1,174 average.

Average annuity also decreases as the retired member's age increases. Retirees aged 56 through 60 receive an average annuity of \$1,771 monthly, while those age 90 and over receive an average of only \$604.

Of the 2,547 TRS members who retired during FY92, the average age was 60, average service, 26.9, and average monthly benefit, \$1,791. These members retired with an average salary of \$38,802.

Members who are 55 or older and have 20 or more years of service may choose the early retirement option to avoid a reduction in their annuity if they retire before earning 35 years of service. Enacted in 1980, this option allows the member and employer to make a one-time contribution to TRS and avoid a reduced annuity. Current law calls for an end to the early retirement option after June 30, 1995. A nondiscounted annuity is granted to members with 35 or more years of service with no contributions required from either the member or the employer.

### Use of early retirement option

Year	Total Retirement	ERO Retirement	ERO Percent of Total	Average Payment	Average Salary
1982	1,725	384	22.3	5,532	23,073
1983	1,946	468	24.0	5,801	24,889
1984	1,842	454	24.7	6,451	28,340
1985	2,336	645	27.6	5,924	28,331
1986	2,160	534	24.7	6,757	30,985
1987	2,093	552	26.4	7,191	32,202
1988	2,116	555	26.5	7,646	34,935
1989	2,044	630	30.8	7,798	37,141
1990	2,067	573	27.7	8,032	38,911
1991	2,097	627	29.9	8,339	40,746
1992	2,547	631	24.8	8,456	42,291

### Disability Benefits

Disability payments of \$9.1 million were made by the System during FY92, up 5.5 percent from FY91. A total of 1,142 disability benefits were paid to members whose average age was 58 and average years of service was 17.3.

There were 273 new disability benefits paid during FY92 and the average benefit for these new recipients was \$1,172. Of these new claims, 21 percent were for pregnancy-related disabilities, 10 percent for cancer and tumors, 8 percent for mental illness, another 8 percent for heart and circulatory problems with other disabilities accounting for the remainder of the claims.

### Survivor Benefits

Average monthly survivor benefits of \$452 were paid to 5,378 survivors of TRS members and annuitants in FY92. The average age of the deceased was 72. There were 533 new claims during the year for monthly benefits and the average monthly benefit for FY92 claims was \$583.

Total payments rose from \$28.8 million in FY91 to \$30.7 million in FY92.

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## Health Insurance

Since 1981, the System has provided health and prescription drug insurance. The plan, administered by Blue Cross/Blue Shield, is available to annuitants electing coverage. Annuitants may also enroll their eligible dependents. On June 30, 1992, enrollment in the plan totaled 21,409 annuitants and 4,984 dependents.

### Coverage Options

For annuitants and their dependents who qualify for Medicare, TRS provides Medicare supplement coverage. After the \$300 yearly deductible, the plan pays the balance of all reasonable and customary claims that are not covered by Medicare. As of June 30, 1992, 15,123 members and 3,399 dependents were enrolled in this option.

Annuitants who do not qualify for free Medicare Part A coverage at age 65 may elect the Special Coverage Option. This option provides coverage for both hospital and physician services. It pays all claims that are reasonable and customary after a \$300 deductible and 80%-20% coinsurance of the next \$10,000 of covered expenses and 100 percent coverage thereafter. As of June 30, 1992, 1,204 annuitants and dependents were enrolled in this option.

Annuitants and their dependents under 65 are offered a major medical plan which provides coverage for both hospital and physician services. On June 30, 1992, 5,094 annuitants and 1,573 dependents were enrolled in this plan.

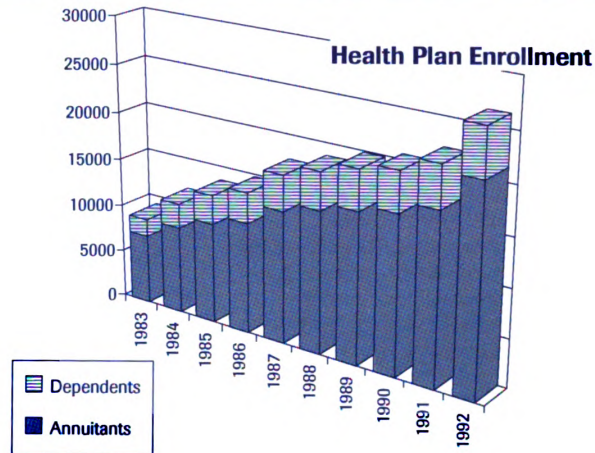
### Premiums

The System pays 75 percent of the cost of the premium for participating annuitants; however, dependent premiums are the responsibility of the annuitants.

The amounts which the System paid in premiums have been:

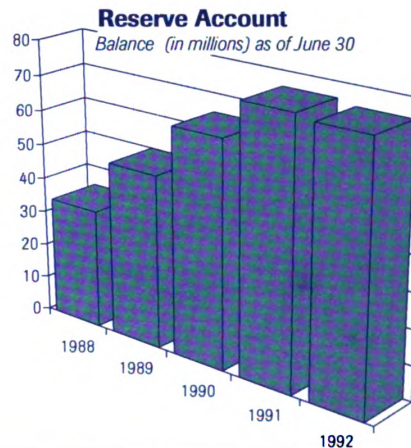
### TRS Subsidy Payments

FY83	1,503,000	FY88	6,823,000
FY84	2,412,000	FY89	8,346,000
FY85	3,094,000	FY90	10,331,000
FY86	4,800,000	FY91	15,142,000
FY87	5,409,000	FY92	27,717,000



### Reserve Account

The System maintains a Health Insurance Reserve Account. On June 30, 1991, the reserve fund balance was \$75.7 million. During FY92, the account was credited with the \$20 million plus \$6.5 million interest earned. Premium payments of \$27.7 million were charged to the account leaving a June 30, 1992, reserve fund balance of \$74.5 million.



### Claims Experience

Year June 30	Premiums Paid	Retention* Fees	Claims Paid
1981	\$ 291,001	21,068	100,572
1982	1,597,841	115,684	1,207,864
1983	3,826,362	277,021	3,467,117
1984	6,242,236	368,008	5,962,159
1985	8,931,731	427,746	8,195,968
1986	11,640,732	539,458	9,859,427
1987	13,932,201	617,300	13,163,179
1988	17,066,035	735,546	17,714,923
1989	20,859,736	899,055	22,015,321
1990	26,048,490	1,122,690	24,921,796
1991	31,411,797	1,353,848	30,348,628
1992	45,562,267	1,963,734	40,927,520

\*Retention is the percentage of premiums paid to the insurance carrier to cover the administrative costs for processing claims and the risk involved in underwriting the contract.

## Legislative Issues

# Membership and Benefits Information

The Teachers' Retirement System plays an important role in providing economic security for its members in retirement. The System is a defined benefit plan which replaces a percentage of a teachers' income based on the years of service as a teacher and is not coordinated with Social Security. The Teachers' Retirement System works in support of equitable benefits to improve the retirement security of its members.

A 1990 survey of TRS members indicates that one-half of all active and retired teachers have never been employed outside the teaching profession. Those who have worked outside teaching average less than 10 years in other fields (see Table 1). Teachers' salaries and retirement benefits are the principal sources from which they must draw their lifetime income. Because teachers, most of whom are not highly compensated, are not able to set aside large sums during years of active employment, retirement benefits for teachers are, in part, designed to compensate for these lower salaries.

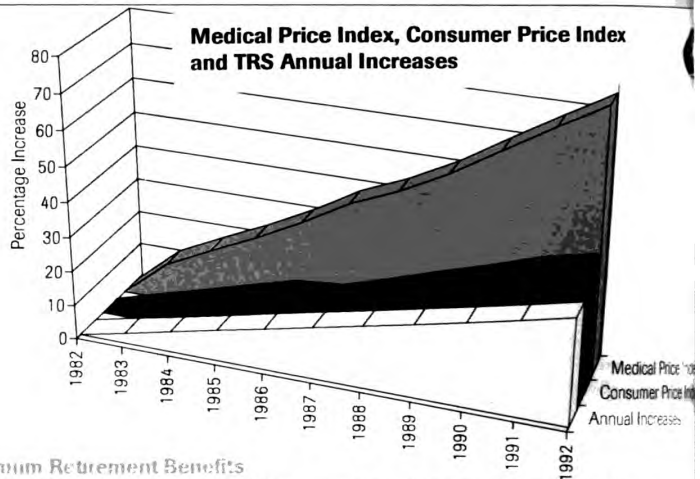
Table 1.

TRS member employment outside teaching

	Never Employed Outside Teaching	Employed Outside Teaching	Average Number of Years
Retired members	46%	54%	9.3 yrs
Active members			
Less than age 45	56%	44%	5 yrs
Age 45 or over	50%	50%	6.8 yrs

TRS bases annual increases for retirees and survivors on current benefits. These increases provide an important shield against the decline in purchasing power caused by increasing health care costs and other economic trends (see below).

Unfortunately, TRS annuitants in retirement for many years and those with small pensions are not sufficiently protected by these increases. Annual increases have not offset the effects of inflation. Many of these retirees rely on the TRS minimum retirement benefit as their bottom-line protection. The minimum retirement benefit provides protection for the lowest-paid and those in retirement the longest.



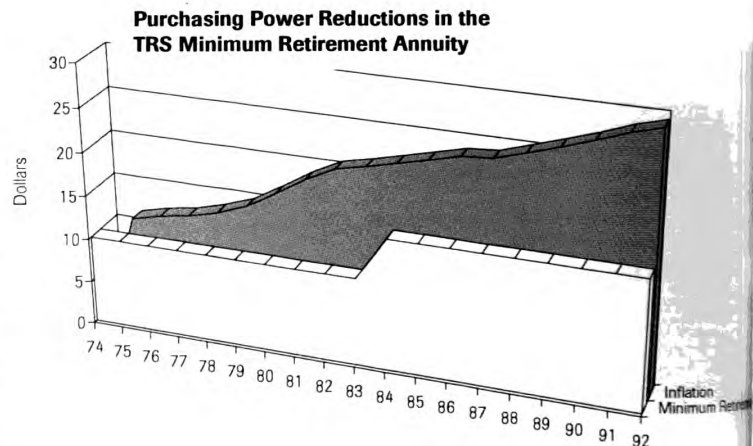
### Minimum Retirement Benefits

The TRS minimum retirement annuity was instituted in 1974 at \$10 per month for each year of creditable service in order to protect against the shrinking buying power of TRS annuities. Currently, annuitants who make a qualifying contribution are guaranteed a minimum retirement benefit of \$15 per month for each year of creditable service up to a maximum of \$450 per month. Over 4,800 TRS annuitants rely on the minimum retirement benefit to protect their

annuities. However, for many, the standard of living that this minimum supports does not approach that of their original annuity at the time they retired.

In order to maintain the same buying power that the minimum benefit supported in 1974, the original benefit of \$10 per month for each year of creditable service would need to be increased to \$25 per month. However, this level has only been increased to \$15 per month.

If the TRS minimum retirement level were increased to \$25 per month for each year of creditable service up to a maximum of \$750 per month, 8,744 TRS members would see an increase in monthly benefits averaging \$89 per month. This new floor would aid retirees experiencing reduced purchase power due to inflation. Annual increases would help protect retirees from experiencing any further loss in purchasing power.



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**Retirement Formula**

In addition to a floor below which benefits will not fall, retirement security also flows from adequate benefits at retirement. The Teachers' Retirement System continues to support legislation to improve the retirement benefit formula for Illinois teachers by replacing the current graduated formula with one that will provide 2.2 percent of final average salary for each year of service credit (see Table 2). This improvement is necessary to provide TRS members with retirement benefits which compare favorably with not only teacher retirement benefits across the country, but also with other public employee retirement benefits in the State of Illinois.

Nationally, the average retirement formula for public employee retirement systems not coordinated with Social Security is 2.2 percent per year of service credit.

**Table 2**  
**Percent of final average salary at normal retirement age**

Creditable Service	Current Formula	Proposed Formula
5	8.35%	11.00%
10	16.7%	22.00%
15	26.2%	33.00%
20	35.7%	44.00%
25	46.2%	55.00%
30	56.7%	66.00%
35	68.2%	75.00%
38 or more	75.00%	75.00%

Comparisons of TRS benefits with those of other teacher retirement plans show that the benefits Illinois teachers receive still fall behind those provided to teachers outside of Illinois. All twelve other states that, like Illinois, have teachers' retirement plans which are not coordinated with Social Security provide teachers with better retirement formulas than TRS. Eight of these states provide a formula of 2 percent or greater per year of service. In 1992, the average newly retired TRS member received 1.87 per-

cent of their final average salary for each year of service.

When the TRS plan is compared with other Illinois public employee plans, again the TRS retirement formula falls behind most others. Because the required employee contribution rates of the various systems differ greatly, the best method for comparison is to examine what members of the systems receive for each dollar they contribute. When the value of retirement benefits is expressed as a percentage of the accumulated value of a member's contributions, TRS, by comparison, finishes far behind most public employee plans in Illinois.

In fact, when compared this way, retirement benefits for educators in Illinois are among the lowest of those provided to public employees in Illinois. For example, under the Teachers' Retirement

System, the value of a benefit at retirement for an employee who retires at age 60 with 20 years of service is 184.5 percent of the value of the employee's accumulated contributions. In other words, the employer (for TRS, the State of

Illinois) contributes 84.5 cents for every dollar contributed by a teacher retiring at age 60 with 20 years of service. At the same time, the employer of a member retiring under these conditions under the Illinois Municipal Retirement Fund (I.M.R.F.), contributes \$2.14 for each dollar contributed by an I.M.R.F. member.

Additionally, the retirement value of a member's early years of employment should be no less than that of his or her final years. A graduated formula particularly jeopardizes the retirement security of teachers unable to teach under a single retirement system throughout their careers.

**1993 Legislative Session**

In 1993, the Teachers' Retirement System will again support legislation to improve the minimum retirement benefit and the TRS retirement formula. TRS will also continue its legal efforts to force compliance with the funding mandate of Public Act 86-0273. While TRS works closely with the Illinois General Assembly and the Governor in support of adequate funding and benefit improvements which increase retirement security for TRS members, the success of the System's efforts is directly related to the involvement of TRS members and retirees.

In recent years, TRS members and retirees have increased their role in the legislative process by subscribing to the TRS *Legislative Update* and by contacting their elected officials regarding issues of interest to them. This active participation will help advance legislative efforts aimed at improving the retirement security of teachers throughout the State of Illinois.



## Plan Summary

# Membership and Benefits Information

### Administration

The Teachers' Retirement System was created and is governed by Chapter 108 1/2, Article 16 of the Illinois Revised Statutes. A Board of Trustees, comprised of the State Superintendent of Education, four persons appointed by the Governor, four elected members of the System and one elected annuitant, is authorized to carry out provisions of the Article. This Board appoints an executive director responsible for the general administration of the System.

### Revenue

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 positions requiring certification in the public schools of Illinois (outside Chicago). Beginning July 1, 1990, TRS-covered employment includes all substitute and part-time teaching positions.

### 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, optional credit is granted for substitute or part-time teaching prior to July 1, 1990, out-of-system service, an official leave of absence, reduction in force, and military service and related educational training. Such service requires additional contributions. Up to one year of credit is also added at retirement for unused, uncompensated sick leave days established with former employers.

### Disability Benefits

A member with at least three years of creditable service 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. In the case of disability due to pregnancy, only one physician must verify the disability. Part-time and substitute teachers must work as teachers for at least 340 hours in either the school year in which the disability occurs or the preceding school year to be eligible for disability benefits.

Disability benefits are 40 percent of current salary. The member continues to earn service credit while receiving disability benefits.

A disability retirement annuity is available for members who have received a disability benefit for the maximum period. This benefit pays 35 percent of the last salary or the amount computed by the retirement annuity formula, whichever is greater.

Occupational 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 workers' compensation program. Service credit is earned during periods of occupational disability.

On January 1 following the fourth anniversary of the granting of disability, occupational disability or disability retirement benefits, the benefit increases 7 percent. Thereafter, the benefit increases 3 percent of the current benefit annually.

### Death Benefits

Death benefits consist of a return of the member's accumulated contributions and the payment of survivor benefits.

Accumulated contributions are the member's contributions to the System plus the interest required by statute. Survivors of members receive a return of accumulated contributions. Survivors of annuitants receive accumulated contributions minus the amount received as retirement annuity.

Survivors of members are eligible for survivor benefits if death occurs while the member is employed as a teacher, during the first year following termination of employment, while on a creditable leave of absence, or while in receipt of disability or occupational disability benefits. Survivors of inactive members not meeting these requirements but with 20 years of service are eligible for survivor benefits calculated as though the member had been in retirement. Beneficiaries of annuitants who contributed to the survivor benefit program and did not withdraw those contributions are also eligible for survivor benefits.

Survivor benefits are payable in one of two forms. A lump-sum settlement is available to dependent and nondependent beneficiaries. For active members, it consists of a cash settlement based on the final salary rate as a teacher. For retired members, the benefit is based on the greater of final average salary reduced by 1/6 for each year or partial year in retirement, survivor benefit contributions or \$3,000.

Monthly benefits are payable to dependent beneficiaries of annuitants and members with 1 1/2 years of credit and at least 60 days of creditable service during the 18 months preceding death. The System provides a 3 percent increase in the currently payable monthly survivor benefit on January 1 following the granting of the benefit for survivors of an annuitant and on January 1 following the first anniversary of the granting of the benefit for survivors of a member.

If a member retired or is retiring and has no spouse or eligible child, he or she may take a refund of actual survivor benefit contributions, waiving all rights to have survivor benefits paid to beneficiaries; however, designated beneficiaries remain eligible for a return of the member's excess accumulated contributions (if any) upon the annuitant's death. To restore eligibility for survivor benefits the annuitant must return to contribution service for at least one year and repay the refund with interest.

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A member qualifies for a retirement annuity after attaining one of the following: age 62 with 5 years of service credit; age 60 with 10 years; or age 55 with 20 years. If retirement occurs between ages 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, application for retirement occurs within six months of the last day of service requiring contributions, and the member and the employer both make a one-time contribution to the System. Substitute teachers must teach 85 or more days in a school term with one employer to be eligible for the early retirement option.

The annuity is determined by the average of the four 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.

An actuarial calculation is used if a member has no service after July 1, 1947, or if it provides a greater benefit. This calculation is based on interest and mortality rate factors which are subject to change.

A member with fewer than five years of creditable service who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65. The benefit is the actuarial equivalent of a life annuity consisting of 1.67 of final average salary for each year of creditable service. To be eligible, the member must terminate TRS-covered employment.

#### Post-retirement Increase

The System provides 3 percent compounded annual increases in the age or disability retirement annuity for qualifying annuitants beginning the later of: January 1 following the attainment of age 61 or January 1 following the first anniversary in retirement.

#### Refunds

The System will refund a member's contributions provided the member has officially resigned from a position requiring System membership, has not been reemployed in such a position, and submits the refund application not earlier than four months after termination of employment. The refund consists of all retirement contributions made by the member excluding interest and the 1 percent death benefit contribution. When the 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.

#### TRS Health and Prescription Drug Insurance Plan

Annuitants and beneficiaries of the System and their eligible dependents may enroll in the TRS Health and Prescription Drug Insurance Plan. This partially subsidized plan covers hospital and physicians' medical expenses and prescription drugs.

#### Single-Sum Benefits

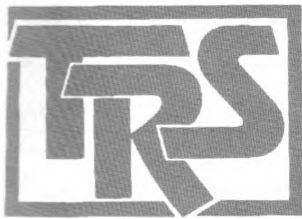
Any member convicted of a felony related to or in connection with teaching is not eligible for TRS benefits; however, that member may receive a refund of contributions.

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 with Illinois

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





Trust for the Republic of Serbia

## Active Members by Years of Age and Years of Service

*As of June 30, 1991 (The latest data available for active members)*

**Exhibits**

Years of Service		Substitutes	Full and Part-time Members:				
			0-5	6-10	11-15	16-20	21-25
<b>Years of Age</b>							
<b>20-24</b>	<b>Total #</b>	<b>1,565</b>	<b>1,411</b>				
	Average \$	2,446	20,305				
<b>25-29</b>	<b>Total #</b>	<b>2,616</b>	<b>8,196</b>	<b>637</b>			
	Average \$	2,587	23,303	26,753			
<b>30-34</b>	<b>Total #</b>	<b>1,823</b>	<b>4,053</b>	<b>4,457</b>	<b>626</b>		
	Average \$	2,450	24,784	28,583	31,297		
<b>35-39</b>	<b>Total #</b>	<b>2,691</b>	<b>3,593</b>	<b>2,845</b>	<b>6,298</b>	<b>1,042</b>	
	Average \$	2,563	24,789	30,386	33,709	37,460	
<b>40-44</b>	<b>Total #</b>	<b>4,276</b>	<b>4,921</b>	<b>3,076</b>	<b>4,249</b>	<b>9,585</b>	<b>1,627</b>
	Average \$	2,999	25,529	31,423	35,580	39,547	42,615
<b>45-49</b>	<b>Total #</b>	<b>2,821</b>	<b>3,040</b>	<b>2,313</b>	<b>2,561</b>	<b>3,932</b>	<b>8,407</b>
	Average \$	3,387	27,200	32,532	36,775	41,557	44,390
<b>50-54</b>	<b>Total #</b>	<b>1,501</b>	<b>1,075</b>	<b>1,000</b>	<b>1,600</b>	<b>2,006</b>	<b>2,915</b>
	Average \$	3,949	29,080	33,225	36,950	40,763	44,194
<b>55-59</b>	<b>Total #</b>	<b>877</b>	<b>358</b>	<b>343</b>	<b>756</b>	<b>1,184</b>	<b>1,678</b>
	Average \$	4,994	28,983	33,538	36,716	40,210	43,160
<b>60-64</b>	<b>Total #</b>	<b>564</b>	<b>99</b>	<b>114</b>	<b>274</b>	<b>529</b>	<b>869</b>
	Average \$	5,854	28,852	32,902	35,893	40,068	43,241
<b>65-69</b>	<b>Total #</b>	<b>260</b>	<b>21</b>	<b>21</b>	<b>66</b>	<b>106</b>	<b>190</b>
	Average \$	4,408	27,414	33,252	36,351	41,568	42,983
<b>70-74</b>	<b>Total #</b>	<b>72</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>19</b>	<b>33</b>
	Average \$	4,081	31,333	21,007	30,641	39,802	44,334
<b>&gt;74</b>	<b>Total #</b>	<b>24</b>	<b>1</b>	<b>2</b>	<b>2</b>		
	Average \$	2,444	1,576	32,087	33,372		
<b>Total</b>	<b>Total #</b>	<b>19,090</b>	<b>26,770</b>	<b>14,811</b>	<b>16,438</b>	<b>18,403</b>	<b>15,719</b>
	Average \$	\$3,114	\$24,752	\$30,524	\$35,078	\$40,060	\$43,958

*The 1990-91 school year was the first in which substitute teachers contributed to TRS as active members. This participation is attributed with the 20.4 percent membership increase.*

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Active members of TRS contributed 8 percent of their earnings toward retirement benefits. FY 91 was the first year during which substitute teachers contributed as members of the System.

26-30	31-35	36-40	41-45	46-50	51-55	Totals	Ave. Service
						1,411	1.1
						\$20,305	
						8,833	2.9
						\$23,551	
						9,136	6.0
						\$27,083	
						13,778	9.7
						\$30,980	
						23,458	13.0
						\$35,035	
956						21,209	16.6
44,953						\$39,213	
4,060	565					13,221	20.3
46,443	46,705					\$41,536	
1,740	2,110	100				8,269	23.8
46,008	49,675	49,171				\$43,470	
647	677	252	7			3,468	24.6
43,894	49,891	51,107	41,192			\$43,413	
176	102	59	25	2		768	25.0
43,854	45,285	48,918	60,310	38,298		\$43,039	
25	24	11	11	8	1	143	28.4
46,178	41,193	35,159	47,788	36,277	44,120	\$41,389	
1	1	2				9	20.7
36,198	42,400	44,110				\$33,257	
7,605	3,479	424	43	10	1	103,703	14.0
\$45,877	\$49,046	\$49,899	\$53,994	\$36,681	\$44,120	\$35,321	

### Contributing Members by Age

Years of Age	Substitute Teachers		Full/Part-Time Members		Total	Cumulative Total
	Count	Ave. \$	Count	Ave. \$		
20-24	1,565	2,446	1,411	20,305	2,976	2,976
25-29	2,616	2,587	8,833	23,551	11,449	14,425
30-34	1,823	2,450	9,137	27,086	10,960	25,385
35-39	2,691	2,563	13,778	30,980	16,469	41,854
40-44	4,276	2,999	23,457	35,035	27,733	69,587
45-49	2,821	3,387	21,209	39,213	24,030	93,617
50-54	1,501	3,949	13,221	41,536	14,722	108,339
55-59	877	4,994	8,269	43,470	9,146	117,485
60-64	564	5,854	3,468	43,413	4,032	121,517
65-69	260	4,408	768	43,039	1,028	122,545
70-74	72	4,081	143	41,389	215	122,760
>74	24	2,444	9	33,257	33	122,793*

\*Includes substitute, full- and part-time members.

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Year Ended June 30, 1992 39

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### Average Annual Salary for Active Members by Years of Service

Exhibits

As of June 30	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	
<b>Years of Service</b>											
<b>0-5</b>	<b>Total #</b>	<b>27,784</b>	<b>23,482</b>	<b>19,764</b>	<b>19,030</b>	<b>22,160</b>	<b>23,384</b>	<b>24,792</b>	<b>25,296</b>	<b>22,949</b>	<b>26,770</b>
	<b>Average \$</b>	<b>15,618</b>	<b>16,618</b>	<b>17,166</b>	<b>17,818</b>	<b>18,555</b>	<b>19,726</b>	<b>20,845</b>	<b>22,121</b>	<b>23,284</b>	<b>24,752</b>
6-10	Total #	24,732	23,433	22,047	21,157	19,698	18,819	17,129	15,314	15,359	14,811
	Average \$	19,446	20,338	20,915	21,841	23,005	24,320	25,780	27,124	28,158	30,524
<b>11-15</b>	<b>Total #</b>	<b>22,560</b>	<b>23,201</b>	<b>23,462</b>	<b>22,833</b>	<b>20,700</b>	<b>19,460</b>	<b>18,417</b>	<b>17,671</b>	<b>18,066</b>	<b>16,438</b>
	<b>Average \$</b>	<b>23,277</b>	<b>24,467</b>	<b>25,341</b>	<b>26,378</b>	<b>27,607</b>	<b>29,001</b>	<b>30,312</b>	<b>31,581</b>	<b>32,791</b>	<b>35,078</b>
16-20	Total #	12,666	13,920	15,481	17,419	18,528	19,163	19,689	19,867	20,027	18,403
	Average \$	25,580	22,165	28,309	29,976	31,056	33,144	34,771	36,315	37,984	40,060
<b>21-25</b>	<b>Total #</b>	<b>8,355</b>	<b>8,588</b>	<b>8,747</b>	<b>9,089</b>	<b>9,391</b>	<b>10,257</b>	<b>11,474</b>	<b>12,830</b>	<b>14,755</b>	<b>15,719</b>
	<b>Average \$</b>	<b>27,415</b>	<b>28,976</b>	<b>30,199</b>	<b>31,657</b>	<b>33,309</b>	<b>35,246</b>	<b>37,153</b>	<b>39,141</b>	<b>41,523</b>	<b>43,958</b>
26-30	Total #	4,199	4,494	5,053	5,479	5,864	6,245	6,456	6,659	7,152	7,605
	Average \$	28,473	30,396	31,960	34,026	35,740	37,666	39,474	41,429	43,316	45,877
<b>31-35</b>	<b>Total #</b>	<b>2,228</b>	<b>2,279</b>	<b>2,251</b>	<b>2,009</b>	<b>2,002</b>	<b>2,089</b>	<b>2,394</b>	<b>2,758</b>	<b>3,222</b>	<b>3,479</b>
	<b>Average \$</b>	<b>29,914</b>	<b>31,887</b>	<b>33,651</b>	<b>35,782</b>	<b>37,533</b>	<b>39,310</b>	<b>41,730</b>	<b>43,749</b>	<b>46,363</b>	<b>49,046</b>
Over 35	Total #	455	436	421	430	483	517	426	462	457	478
	Average \$	26,889	30,042	31,494	33,930	37,533	40,492	43,465	45,979	48,146	49,979
	<b>Total #</b>	<b>102,979</b>	<b>99,833</b>	<b>97,226</b>	<b>97,446</b>	<b>98,826</b>	<b>99,934</b>	<b>100,777</b>	<b>100,857</b>	<b>101,987</b>	<b>103,703</b>
	<b>Average \$</b>	<b>21,281</b>	<b>22,877</b>	<b>24,141</b>	<b>25,454</b>	<b>26,522</b>	<b>28,085</b>	<b>29,638</b>	<b>31,318</b>	<b>33,024</b>	<b>35,321</b>

\* Statistical information on the System's active membership is not yet available for FY92.  
Annual salaries for full- and part-time teaching only; Substitute, hourly and extra duty employees were omitted.

### Active Members by Age

As of June 30	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991*
20-24	4,263	3,106	2,509	2,703	1,405	1,371	1,318	1,240	1,366	2,976
25-29	15,106	12,886	10,924	9,883	8,588	8,464	8,562	8,351	8,413	11,449
30-34	21,180	19,456	17,500	15,964	12,877	11,762	10,879	9,918	9,363	10,960
35-39	19,416	19,775	20,301	21,208	20,844	19,981	18,642	17,013	15,305	16,469
40-44	13,252	14,536	15,395	16,583	19,802	20,942	22,194	23,210	24,216	27,733
45-49	10,539	10,787	11,202	11,614	13,269	14,929	16,188	17,417	18,617	24,030
50-54	9,464	9,464	9,372	9,494	10,177	10,502	11,066	11,553	12,205	14,722
55-59	6,438	6,563	6,673	6,714	7,618	7,763	7,730	7,834	8,101	9,146
60-64	2,741	2,698	2,715	2,610	3,286	3,268	3,273	3,405	3,478	4,032
65-69	516	502	554	551	867	848	806	787	782	1,028
>69	64	60	81	122	93	104	119	129	141	248
	<b>102,979</b>	<b>99,833</b>	<b>97,226</b>	<b>97,446</b>	<b>98,826</b>	<b>99,934</b>	<b>100,777</b>	<b>100,857</b>	<b>101,987</b>	<b>122,793*</b>

\*Statistical information on the System's active membership is not yet available for FY92. FY91 totals include substitute teachers.

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### Average Monthly Annuity for New Retirees by Age

<i>As of June 30</i>	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>Age</b>										
55 <b>Total #</b>	148	164	176	169	173	167	171	178	191	237
Average \$	879	934	1,160	1,082	1,258	1,351	1,373	1,525	1,624	1,767
56 <b>Total #</b>	149	159	216	183	204	206	209	216	259	271
Average \$	1,068	1,220	1,252	1,407	1,537	1,533	1,797	1,754	1,886	1,998
57 <b>Total #</b>	98	128	174	143	134	134	141	140	127	192
Average \$	1,164	1,285	1,431	1,467	1,563	1,565	1,534	1,723	1,963	2,105
58 <b>Total #</b>	110	117	159	141	136	137	141	131	168	167
Average \$	1,204	1,353	1,457	1,438	1,465	1,630	1,730	1,725	1,967	1,972
59 <b>Total #</b>	126	133	187	174	168	136	143	163	160	225
Average \$	1,075	1,241	1,415	1,498	1,566	1,621	1,786	1,893	2,043	2,099
60 <b>Total #</b>	340	382	372	334	333	343	337	366	319	344
Average \$	820	858	1,030	1,036	1,080	1,165	1,303	1,385	1,451	1,683
61 <b>Total #</b>	183	164	207	155	175	186	180	192	186	240
Average \$	956	1,108	1,326	1,264	1,337	1,367	1,475	1,667	1,975	1,753
62 <b>Total #</b>	183	162	175	151	169	154	162	159	153	204
Average \$	799	955	977	950	1,161	1,337	1,376	1,300	1,519	1,614
63 <b>Total #</b>	114	121	151	121	120	129	118	111	125	136
Average \$	995	971	1,053	1,100	1,233	1,304	1,522	1,558	1,520	1,750
64 <b>Total #</b>	115	115	122	103	130	117	88	98	94	131
Average \$	915	979	1,032	1,098	1,150	1,401	1,383	1,489	1,621	1,706
65 <b>Total #</b>	129	104	114	121	126	125	109	100	95	121
Average \$	870	882	1,015	1,061	1,274	1,239	1,302	1,471	1,642	1,429
66 <b>Total #</b>	97	79	84	74	79	95	92	81	75	86
Average \$	871	820	1,065	1,186	1,295	1,150	1,318	1,452	1,637	1,669
67 <b>Total #</b>	43	29	56	52	37	42	41	35	44	60
Average \$	789	1,020	1,062	861	1,114	1,406	1,483	1,495	1,733	1,493
68 <b>Total #</b>	37	28	32	36	33	40	24	30	28	34
Average \$	820	1,109	865	740	1,116	1,481	1,372	1,538	1,385	1,633
69 <b>Total #</b>	33	21	28	24	17	34	17	16	24	29
Average \$	862	946	949	696	1,273	1,262	1,099	1,470	1,725	1,341
70 <b>Total #</b>	21	19	36	38	30	20	25	19	18	30
Average \$	862	1,217	938	903	1,107	1,234	1,170	1,432	1,493	1,498
>70 <b>Total #</b>	20	17	47	141	29	50	45	32	31	40
Average \$	337	1,077	581	236	758	606	671	1,631	1,722	1,466
<b>Total #</b>	1,946	1,842	2,336	2,160	2,093	2,116	2,044	2,067	2,097	2,547
<b>Average \$</b>	927	1,043	1,162	1,119	1,294	1,355	1,463	1,570	1,728	1,791
<b>Average Age</b>	61	61	61	61	61	61	61	60	60	60

### New Retirees by Years of Service

<i>As of June 30</i>	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>Years of Service</b>										
1-5	69	83	84	113	97	92	92	89	76	125
6-10	86	77	106	198	106	112	117	112	85	120
11-15	160	143	150	173	114	150	120	103	109	165
16-20	284	257	275	242	265	242	212	190	178	200
21-25	354	312	397	343	351	347	334	358	386	387
26-30	376	326	465	413	441	399	410	414	381	431
31-35	431	449	578	436	437	465	509	515	584	652
36-40	142	152	241	213	252	265	221	286	252	427
>40	44	43	40	29	30	44	29	35	46	40
<b>Total:</b>	1,946	1,842	2,336	2,160	2,093	2,116	2,044	2,067	2,097	2,547
<b>Ave. Service</b>	25.4	25.5	26.3	24.4	25.8	25.9	25.7	26.3	27.0	26.9

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### Retired Members by Years of Service and Years in Retirement

As of June 30, 1992

Years of Service ⇄		1-5	6-10	11-15	16-20	21-25	26-30
Years Retired							
<b>1-5</b>	<b>Total Number</b>	<b>428</b>	<b>499</b>	<b>604</b>	<b>925</b>	<b>1,671</b>	<b>1,727</b>
	Average Benefit	152	370	571	920	1,276	1,662
	Ave. Original Benefit	144	351	543	880	1,231	1,613
<b>6-10</b>	<b>Total Number</b>	<b>413</b>	<b>526</b>	<b>708</b>	<b>1,265</b>	<b>1,662</b>	<b>1,845</b>
	Average Benefit	124	274	514	828	1,073	1,469
	Ave. Original Benefit	98	207	413	684	895	1,234
<b>11-15</b>	<b>Total Number</b>	<b>250</b>	<b>305</b>	<b>639</b>	<b>1,121</b>	<b>1,396</b>	<b>1,349</b>
	Average Benefit	112	246	402	644	834	1,148
	Ave. Original Benefit	74	158	277	463	605	838
<b>16-20</b>	<b>Total Number</b>	<b>212</b>	<b>321</b>	<b>555</b>	<b>975</b>	<b>1,236</b>	<b>1,174</b>
	Average Benefit	55	199	345	522	685	899
	Ave. Original Benefit	27	105	196	315	422	560
<b>21-25</b>	<b>Total Number</b>	<b>69</b>	<b>115</b>	<b>287</b>	<b>585</b>	<b>752</b>	<b>751</b>
	Average Benefit	44	190	288	413	538	685
	Ave. Original Benefit	7	80	114	191	272	359
<b>26-30</b>	<b>Total Number</b>	<b>21</b>	<b>28</b>	<b>75</b>	<b>228</b>	<b>355</b>	<b>300</b>
	Average Benefit	48	143	260	376	475	580
	Ave. Original Benefit	2	30	60	116	179	232
<b>31-35</b>	<b>Total Number</b>	<b>4</b>	<b>2</b>	<b>13</b>	<b>80</b>	<b>189</b>	<b>146</b>
	Average Benefit	73	197	284	387	461	558
	Ave. Original Benefit	7	12	41	97	117	153
<b>36-40</b>	<b>Total Number</b>		<b>1</b>	<b>1</b>	<b>13</b>	<b>35</b>	<b>60</b>
	Average Benefit		194	294	369	482	560
	Ave. Original Benefit		38	44	55	92	106
<b>41-45</b>	<b>Total Number</b>				<b>6</b>	<b>21</b>	<b>19</b>
	Average Benefit				405	466	550
	Ave. Original Benefit				41	36	54
<b>46-50</b>	<b>Total Number</b>				<b>4</b>	<b>10</b>	<b>5</b>
	Average Benefit				354	498	563
	Ave. Original Benefit				16	61	83
<b>Totals</b>	<b>Total Number</b>	<b>1,397</b>	<b>1,797</b>	<b>2,882</b>	<b>5,202</b>	<b>7,327</b>	<b>7,376</b>
	<b>Average Benefit</b>	<b>115</b>	<b>275</b>	<b>438</b>	<b>672</b>	<b>903</b>	<b>1,220</b>
	<b>Ave. Original Benefit</b>	<b>91</b>	<b>209</b>	<b>328</b>	<b>510</b>	<b>710</b>	<b>979</b>

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Retirement annuities are designed to provide security in retirement. In FY 92, TRS paid over \$450 million in retirement annuities with an additional \$117 million paid for post-retirement benefits.

31-35	36-40	41-45	46-50	>50	Total	Ave. Age
<b>2,486</b>	<b>1,538</b>	<b>117</b>	<b>31</b>	<b>4</b>	<b>10,030</b>	
2,277	2,798	2,838	2,427	1,592	1,677	62
2,226	2,687	2,718	2,286	1,494	1,623	
<b>2,163</b>	<b>1,181</b>	<b>110</b>	<b>31</b>	<b>5</b>	<b>9,909</b>	
2,014	2,506	2,161	2,257	1,777	1,386	67
1,687	2,088	1,775	1,827	1,454	1,155	
<b>1,338</b>	<b>623</b>	<b>151</b>	<b>20</b>	<b>1</b>	<b>7,193</b>	
1,549	1,702	1,748	1,732	1,258	1,005	73
1,137	1,235	1,269	1,271	961	729	
<b>1,172</b>	<b>1,089</b>	<b>406</b>	<b>77</b>	<b>6</b>	<b>7,223</b>	
1,192	1,469	1,442	1,347	1,161	882	79
751	922	896	830	692	547	
<b>687</b>	<b>814</b>	<b>618</b>	<b>127</b>	<b>4</b>	<b>4,809</b>	
880	1,061	1,093	1,061	1,125	738	84
485	594	602	573	631	393	
<b>328</b>	<b>369</b>	<b>218</b>	<b>36</b>		<b>1,958</b>	
672	797	886	861		608	88
293	371	422	401		258	
<b>142</b>	<b>113</b>	<b>56</b>	<b>9</b>		<b>754</b>	
622	702	761	824		559	90
211	284	319	351		180	
<b>40</b>	<b>28</b>	<b>5</b>	<b>2</b>		<b>185</b>	
615	632	662	677		555	94
161	187	208	245		128	
<b>9</b>	<b>7</b>	<b>2</b>			<b>64</b>	
613	636	657			531	95
107	128	154			65	
<b>3</b>					<b>22</b>	
620					503	97
83					61	
<b>8,368</b>	<b>5,762</b>	<b>1,683</b>	<b>333</b>	<b>20</b>	<b>42,147</b>	
<b>1,725</b>	<b>1,941</b>	<b>1,387</b>	<b>1,376</b>	<b>1,399</b>	<b>1,174</b>	<b>72</b>
<b>1440</b>	<b>1567</b>	<b>922</b>	<b>924</b>	<b>1044</b>	<b>937</b>	

## Increases in Monthly Annuity for Retirees

Exhibits

Years of Service ⇄		1-5	6-10	11-15	16-20	21-25	26-30
<b>Years Retired</b>							
<b>1-5</b>	<b>Total Number</b>	<b>428</b>	<b>499</b>	<b>604</b>	<b>925</b>	<b>1,671</b>	<b>1,727</b>
	Average Auto Inc	6	15	27	41	45	49
	Average Ad Hoc	2	4	2			
<b>6-10</b>	<b>Total Number</b>	<b>413</b>	<b>526</b>	<b>708</b>	<b>1,265</b>	<b>1,662</b>	<b>1,845</b>
	Average Auto Inc	21	45	90	141	178	235
	Average Ad Hoc	6	22	10	3	1	
<b>11-15</b>	<b>Total Number</b>	<b>250</b>	<b>305</b>	<b>639</b>	<b>1,121</b>	<b>1,396</b>	<b>1,349</b>
	Average Auto Inc	29	62	106	173	225	309
	Average Ad Hoc	8	26	19	8	5	1
<b>16-20</b>	<b>Total Number</b>	<b>212</b>	<b>321</b>	<b>555</b>	<b>975</b>	<b>1,236</b>	<b>1,174</b>
	Average Auto Inc	15	56	103	163	217	288
	Average Ad Hoc	12	38	45	45	46	50
<b>21-25</b>	<b>Total Number</b>	<b>69</b>	<b>115</b>	<b>287</b>	<b>585</b>	<b>752</b>	<b>751</b>
	Average Auto Inc	7	52	74	121	168	222
	Average Ad Hoc	31	58	100	101	97	104
<b>26-30</b>	<b>Total Number</b>	<b>21</b>	<b>28</b>	<b>75</b>	<b>228</b>	<b>355</b>	<b>300</b>
	Average Auto Inc	5	25	50	91	132	171
	Average Ad Hoc	41	88	150	169	163	178
<b>31-35</b>	<b>Total Number</b>	<b>4</b>	<b>2</b>	<b>13</b>	<b>80</b>	<b>189</b>	<b>146</b>
	Average Auto Inc	11	24	49	92	111	142
	Average Ad Hoc	55	161	195	198	233	263
<b>36-40</b>	<b>Total Number</b>		<b>1</b>	<b>1</b>	<b>13</b>	<b>35</b>	<b>60</b>
	Average Auto Inc		42	54	69	104	122
	Average Ad Hoc		114	196	245	285	332
<b>41-45</b>	<b>Total Number</b>				<b>6</b>	<b>21</b>	<b>19</b>
	Average Auto Inc				65	67	88
	Average Ad Hoc				300	363	408
<b>46-50</b>	<b>Total Number</b>				<b>4</b>	<b>10</b>	<b>5</b>
	Average Auto Inc				39	93	118
	Average Ad Hoc				300	345	362
<b>Totals</b>	<b>Total Number</b>	<b>1,397</b>	<b>1,797</b>	<b>2,882</b>	<b>5,202</b>	<b>7,327</b>	<b>7,376</b>
	Average Auto Inc	16	42	80	129	157	206
	Average Ad Hoc	8	24	31	34	36	35

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Annuitants with at least one year of service after August 1969 and those who have made contributions equivalent to one year of creditable service after that date will receive an annual increase of 3 percent of the gross retirement annuity. Increases are applied annually on January 1.

31-35	36-40	41-45	46-50	>50	Total
<b>2,486</b> 51	<b>1,538</b> 111	<b>117</b> 120	<b>31</b> 141	<b>4</b> 98	<b>10,030</b> 54
<b>2,163</b> 328	<b>1,181</b> 419	<b>110</b> 386	<b>31</b> 429	<b>5</b> 323	<b>9,909</b> 228 3
<b>1,338</b> 413	<b>623</b> 467	<b>151</b> 479	<b>20</b> 461	<b>1</b> 296	<b>7,193</b> 270 6
<b>1,172</b> 386 55	<b>1,089</b> 481 66	<b>406</b> 471 76	<b>77</b> 434 83	<b>6</b> 367 102	<b>7,223</b> 283 52
<b>687</b> 295 100	<b>814</b> 361 106	<b>618</b> 371 120	<b>127</b> 356 132	<b>4</b> 379 114	<b>4,809</b> 242 103
<b>328</b> 212 167	<b>369</b> 268 157	<b>218</b> 302 161	<b>36</b> 287 173		<b>1,958</b> 188 163
<b>142</b> 182 229	<b>113</b> 232 185	<b>56</b> 258 183	<b>9</b> 280 193		<b>754</b> 157 221
<b>40</b> 164 289	<b>28</b> 182 264	<b>5</b> 197 257	<b>2</b> 222 211		<b>185</b> 135 292
<b>9</b> 132 374	<b>7</b> 150 358	<b>2</b> 171 332			<b>64</b> 95 371
<b>3</b> 122 415					<b>22</b> 93 350
<b>8,368</b> 256 28	<b>5,762</b> 331 43	<b>1,683</b> 375 91	<b>333</b> 357 95	<b>20</b> 301 53	<b>42,147</b> 201 36

## Annuitants by Benefit Range

As of June 30, 1992

Exhibits

Benefit Range	Retirement Benefits		Disability Benefits		Survivor Benefits		Total	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$
1-100	974	54	2	77	230	50	1,206	54
101-200	1,135	148	6	165	311	154	1,452	149
201-300	1,581	258	50	266	1,531	247	3,162	253
301-400	1,856	355	80	359	884	344	2,820	352
401-500	2,671	451	109	451	701	444	3,481	449
501-600	3,048	555	129	552	431	549	3,608	554
601-700	2,810	647	111	654	389	647	3,310	647
701-800	2,428	751	111	752	280	747	2,819	750
801-900	2,395	852	89	852	201	846	2,685	851
901-1000	2,416	951	95	950	121	950	2,632	951
1001-1100	2,215	1,050	66	1,052	78	1,046	2,359	1,050
1101-1200	1,898	1,150	70	1,148	61	1,148	2,029	1,150
1201-1300	1,910	1,250	50	1,251	44	1,247	2,004	1,250
1301-1400	1,680	1,349	53	1,352	34	1,355	1,767	1,350
1401-1500	1,533	1,451	32	1,455	21	1,450	1,586	1,451
1501-1600	1,356	1,550	25	1,541	11	1,563	1,392	1,549
1601-1700	1,213	1,650	20	1,645	15	1,653	1,248	1,650
1701-1800	1,068	1,750	10	1,752	14	1,743	1,092	1,750
1801-1900	927	1,849	13	1,866	5	1,832	945	1,849
1901-2000	815	1,948	8	1,944	3	1,952	826	1,948
2001-2100	745	2,050	5	2,071	1	2,006	751	2,050
2101-2200	700	2,151	3	2,172	4	2,158	707	2,151
2200+	4,773	2,852	5	2,810	8	2,465	4,786	2,852
	<b>42,147</b>	<b>\$1,174</b>	<b>1,142</b>	<b>\$855</b>	<b>5,378</b>	<b>\$452</b>	<b>48,667</b>	<b>\$1,086</b>

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An annuitant is anyone receiving a monthly benefit from TRS. This group of individuals includes retirees and survivor and disability benefit recipients. The chart at left categorizes the amount of benefits by benefit type.

<i>Cumulative Total</i>	<i>% of Total</i>	<i>Cumulative % of Total</i>
1,206	2.48	2.48
2,658	2.98	5.46
5,820	6.50	11.96
8,640	5.79	17.75
12,121	7.15	24.91
15,729	7.41	32.32
19,039	6.80	39.12
21,858	5.79	44.91
24,543	5.52	50.43
27,175	5.41	55.84
29,534	4.85	60.69
31,563	4.17	64.86
33,567	4.12	68.97
35,334	3.63	72.60
36,920	3.26	75.86
38,312	2.86	78.72
39,560	2.56	81.29
40,652	2.24	83.53
41,597	1.94	85.47
42,423	1.70	87.17
43,174	1.54	88.71
43,881	1.45	90.17
48,667	9.83	100.00
<b>48,667</b>	<b>100</b>	<b>100</b>

### Average Monthly Annuity

Exhibits

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits		Total	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$
0-5					6	339	6	339
6-10					24	311	24	311
11-15					65	332	65	332
16-20					30	359	30	359
21-25					1	600	1	600
26-30			9	810			9	180
31-35			19	832	4	598	23	791
36-40			46	821	19	657	65	773
41-45			102	909	46	681	148	838
46-50			121	970	68	585	189	831
51-55	237	1,767	197	1,059	179	708	613	1,230
56-60	3,794	1,770	184	1,039	277	637	4,255	1,665
61-65	7,755	1,593	166	823	530	651	8,451	1,519
66-70	7,866	1,337	125	697	618	560	8,609	1,272
71-75	6,939	1,028	86	549	812	447	7,837	963
76-80	6,052	904	36	416	977	410	7,065	833
81-85	5,295	779	27	376	992	339	6,314	708
86-90	3,045	668	16	383	534	294	3,595	611
>90	1,164	604	8	361	196	261	1,368	553
<b>Totals/Ave.</b>	<b>42,147</b>	<b>\$1,174</b>	<b>1,142</b>	<b>\$855</b>	<b>5,378</b>	<b>\$452</b>	<b>48,667</b>	<b>\$1,087</b>

Average Age: 72

### Disability Benefits

New Fiscal Year Recipients

Year	Number of New Recipients	Average Age	Average Monthly Benefit	Average Service	Average Years in Receipt of Benefit
1983	382	42	690	12	0.11
1984	366	43	747	13	0.04
1985	337	43	759	13	0.12
1986	356	42	829	13	0.26
1987	343	43	884	14	0.08
1988	339	44	904	14	0.11
1989	340	45	972	14	0.11
1990	292	44	1,016	14	0.09
1991	293	44	1,103	14	0.11
1992	273	46	1,172	16	0.12

Members who encounter a disabling illness or accident are provided a monthly benefit based on a percentage of current salary. Members continue to accrue service credit with the System while receiving a temporary or occupational disability benefit.

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<i>Cumulative Total</i>	<i>Percent of Total</i>	<i>Cumulative Percent of Total</i>
6	0.01%	0.01%
30	0.05%	0.06%
95	0.13%	0.20%
125	0.06%	0.26%
126	0.00%	0.26%
135	0.02%	0.28%
158	0.05%	0.32%
223	0.13%	0.46%
371	0.30%	0.76%
560	0.39%	1.15%
1,173	1.26%	2.41%
5,428	8.74%	11.15%
13,879	17.36%	28.52%
22,488	17.69%	46.21%
30,325	16.10%	62.31%
37,390	14.52%	76.83%
43,704	12.97%	89.80%
47,299	7.39%	97.19%
48,667	2.81%	100.00%
<b>48,667</b>	<b>100.00%</b>	<b>100.00%</b>

*The chart at left illustrates the average benefit amount by the age of the benefit recipient*

### Monthly Survivor Benefits

*New Fiscal Year Recipients*

<i>Year</i>	<i>Number</i>	<i>Average Age</i>	<i>Average Monthly Benefit</i>
1983	454	65	351
1984	384	75	361
1985	426	66	359
1986	410	66	387
1987	413	67	496
1988	485	68	442
1989	428	69	443
1990	471	68	477
1991	431	70	543
1992	533	69	583

*Members who made contributions toward the survivor benefit program provide monthly benefits to their survivors after their death.*

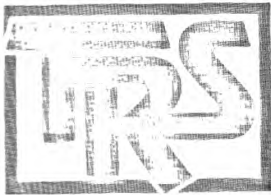


## Membership Profile

Exhibits

As of June 30	Benefit Recipients	Inactive Members	Active Members	Total Members	Active Members per Benefit Recipient
1983	37,505	32,385	99,833	169,723	2.66
1984	38,533	32,542	97,226	168,301	2.52
1985	40,113	29,991	97,446	167,550	2.43
1986	41,417	30,600	98,826	170,843	2.39
1987	42,659	28,400	99,934	170,993	2.34
1988	43,396	25,996	100,777	170,169	2.32
1989	45,718	20,834	100,857	167,409	2.21
1990	46,097	19,989	101,987	168,073	2.21
1991	46,680	20,674	122,793	143,467	2.63
1992	48,667	18,446*	125,000*	191,170*	2.52

\*Estimated



Trust for the University of Illinois at Urbana-Champaign

## Investment Summary

The mission of the Teachers' Retirement System, to provide retirement security for members, is facilitated by management of the trust fund's investment portfolio, which totaled \$10.5 billion at market value on June 30, 1992. The System serves as fiduciary for the members' trust fund and is responsible for investment of the fund under authority of the prudent person rule which establishes a standard that fiduciaries shall prudently discharge their duties solely in the interests of fund participants and beneficiaries. By permitting optimal diversification of assets within the fund, the prudent person standard has enabled the System to enhance control over fund risk and return parameters. The prudent person standard also permits the System to establish an investment policy based solely upon member characteristics, plan characteristics, financial requirements of the trust fund and a particular risk/reward trade-off.

The System has established a long-range Statement of Investment Objectives and Policies for managing and monitoring 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 the guidelines within which outside investment managers operate.

The System's investment performance objective is to achieve an annualized 3 percent 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. The System's staff coordinates and monitors the investments of the trust fund's assets and assists the Board of Trustees in the formulation and implementation of investment policy and long-term investment strategy.

## Asset Class/Manager Composition

Asset allocation is a risk management process designed to construct the optimal long-term asset mix which achieves a specific set of investment objectives. Of all the components of investment policy formulation, asset allocation on a secular basis will have the most impact on long-term total rate of return. Consequently, the establishment of allocations across the major asset classes is the most important decision in the pension investment management process.

Diversification is the key to effective risk management. 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.

Management of asset class allocations and diversification of investment approaches (active core, active specialty, index funds) has enabled the System to more effectively control the fund's risk/reward parameters.

Diversification by asset class, investment approach and investment manager style provides the System with a greater expected rate of return while minimizing the risk of negative returns from adverse short-term changes in the capital markets.

At June 30, 1992, the System's asset class allocations and diversification by investment approach were as follows:

During FY92, the System's U.S. common stock holdings decreased to 34.2 percent of the total fund from 40.1

percent a year earlier. International common stock allocations remained virtually unchanged at 7.4 percent of the total fund, leaving fiscal year-end total common stock holdings at 41.6 percent of the total fund.

Bonds increased to 40.7 percent of the total fund from 36.1 percent a year earlier. This was largely attributable to the positive returns of the bond managers in a falling interest rate environment and the reallocation from equity to bonds.

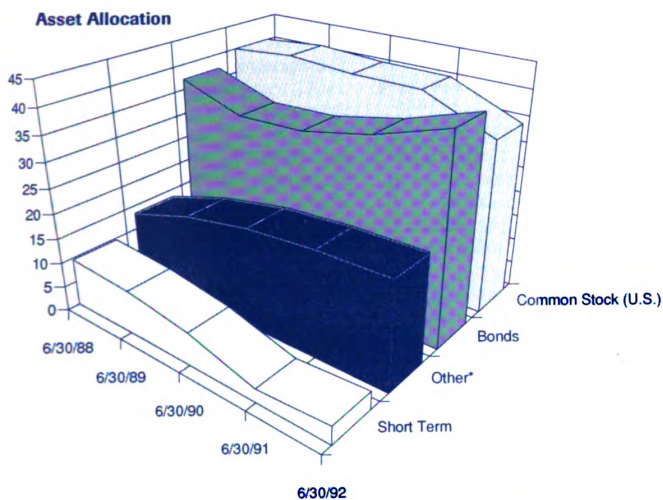
Real estate equities represented 12.0 percent of the total fund at fiscal year's end. This compares to 11.6 percent from the previous fiscal year's end.

The fund's five-year asset class allocation history is represented at right.

Asset Class	Percent of Total Fund		
	Active	Index	Total
Common Stock - U.S.	30.0	4.2	34.2
Bonds	36.3	4.4	40.7
Short-Term Investments	3.2	0.4	3.6
Currency Investments	0.6	0.0	0.6
Common Stock - International	5.4	2.0	7.4
Real Estate	12.0	0.0	12.0
Alternative Investments	1.5	0.0	1.5
<b>Total</b>	<b>89.0</b>	<b>11.0</b>	<b>100.0</b>

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\* Includes Common Stock (Int'l), Real Estate Equity, Alternative Investments and Currency

The System has established relationships with investment management firms which utilize a diversity of management approaches. This policy 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.

The System achieved a higher level of risk management capability during FY92 by continuing implementation of a long-term strategic plan designed to achieve a specific set of investment objectives. A globally diversified, multiple asset class, balanced-fund portfolio was designed in order to construct the optimal long-term asset mix. On June 30, 1992, the following external firms were employed by the System:

**Fixed Income (Bonds) - U.S.**

Amalgamated Bank of Chicago  
 American National Bank of Chicago  
 Bear Stearns Asset Management  
 Pacific Investment Management Company  
 Weiss, Peck & Greer Investments

**Fixed Income (Bonds) - International**

Brinson Partners, Inc.  
 J.P. Morgan Investment Management, Inc.  
 Putnam Advisory Company

**Equity (Common Stock) - U.S.**

American National Bank of Chicago  
 Ariel Capital Management, Inc.  
 Brandywine Asset Management, Inc.  
 Brinson Partners, Inc.  
 Cedar Hill Associates, Inc.  
 Cozad Asset Management  
 Eagle Asset Management, Inc.  
 Hotchkis and Wiley  
 Keystone Investment Management Corp.  
 Lazard Freres Asset Management  
 Lehman Ark Management Company, Inc.  
 Lincoln Capital Management Company  
 Morgan Stanley Asset Management  
 (The Chicago Group)

Munder Capital Management, Inc.  
 NCM Capital Management Group, Inc.  
 Oppenheimer Capital  
 Pacific Investment Management Company  
 RCM Capital Management  
 RXR Capital Management, Inc.  
 UBS Asset Management (New York), Inc.  
 Denis Wong & Associates

**Equity (Common Stock) - International**

American National Bank of Chicago  
 Brinson Partners, Inc.  
 Clay Finlay, Inc.  
 Daiwa International Capital Management Corp.  
 HD International, Limited  
 Murray Johnstone International, Inc.  
 PCM International  
 Scudder, Stevens & Clark, Inc.

**Real Estate Equity**

Alex Brown Kleinwort Benson Realty Advisors Corp.  
 Bear Stearns/Capital Associates Development Corp.  
 Brinson Partners, Inc.  
 Capital Associates Realty Advisors  
 Commonwealth Realty Advisors Inc.  
 JMB Institutional Realty Corp.  
 Jones Lang Wootton Realty Advisors  
 Kensington Realty Advisors, Inc.  
 Lincoln Property Company  
 TCW Realty Advisors

**Alternative Investments**

Cozad Asset Management  
 DLJ Merchant Banking, Inc.  
 Frontenac Company  
 Weiss, Peck & Greer

**Tactical Asset Allocation**

Brinson Partners, Inc.

**Foreign Exchange Exposure Management**

N. M. Rothschild International Asset Management Limited  
 RXR Capital Management, Inc.

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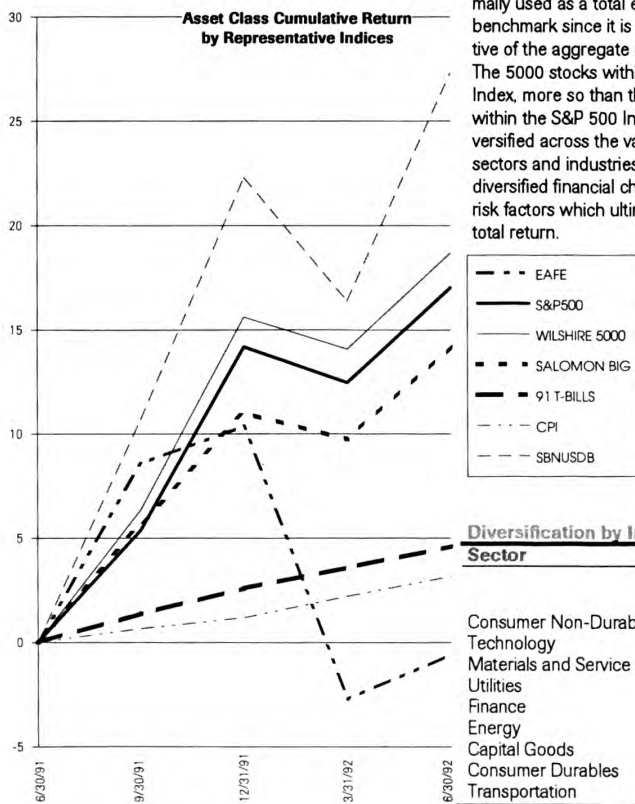
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## Investment Results

### Investment Summary

#### Asset Class/Market Indices Returns

During FY92, non-U.S. dollar bonds was the best performing asset class as represented by the Salomon Non-U.S. dollar Bond Index which returned 27.3 percent. Domestic bonds was the next best performing asset class as represented by the Salomon Broad Investment Grade (BIG) Bond Index which returned 14.2 percent. U.S. common stock, represented by the Standard & Poor's (S&P) 500 Index and the Wilshire 5000 Index, returned 13.5 percent and 13.9 percent respectively. Short-term investments, represented by 91-day Treasury Bills, returned 4.6 percent. International common stock, represented by the Europe, Australia and Far East (EAFE) Index, returned -0.3 percent. All major asset classes and market indices except real estate and the EAFE Index outperformed the 3.1 percent annual rate of inflation as represented by the Consumer Price Index (CPI).



#### Total Fund Results

The System's total fund time-weighted rate of return for FY92 of 10.8 percent was primarily attributable to the strength of the bond and stock markets. The System's total fund annualized three-year and five-year returns of 9.0 percent and 8.4 percent, respectively, continue to outperform the rate of inflation for these periods, 4.1 percent and 4.3 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for the three- and five-year periods. The System's income rate of return during FY92 was 6.8 percent.

#### U.S. Equity Results and Profile

U.S. equity manager objectives are to achieve a total investment return 6 percent in excess of the rate of inflation and in excess of the S&P 500 Stock Index on an annualized basis over a three- to five-year period or market cycle. In addition, the Wilshire 5000 Index is informally used as a total equity portfolio benchmark since it is more representative of the aggregate U.S. equity market. The 5000 stocks within the Wilshire 5000 Index, more so than the 500 stocks within the S&P 500 Index, are highly diversified across the various equity market sectors and industries, and have highly diversified financial characteristics and risk factors which ultimately influence the total return.

During FY92, the System's portfolio of U.S. common stocks returned 13.5 percent compared to the S&P 500 return of 13.5 percent and the Wilshire 5000 return of 13.9 percent. For three- and five-year, U.S. common stocks generated annualized returns of 11.6 percent and 9.0 percent, respectively, below S&P 500 returns of 12.4 percent and 9.8 percent for the three- and five-year periods, respectively. The portfolio's U.S. common stocks performed more favorably when compared with the three- and five-year Wilshire 5000 returns of 11.2 percent and 9.1 percent, respectively.

At fiscal year end, 40.7 percent of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 42.8 percent the prior fiscal year end. Within the U.S. common stock asset class, 11.8 percent of the asset class was allocated to an S&P 500 Index Fund. The remaining 89.2 percent of the U.S. common stock asset class was allocated to active and enhanced index fund investment manager relationships. During FY92, the market value of assets assigned to U.S. equity managers increased from \$4.109 billion to \$4.258 billion due to \$553 million of dividend income/appreciation and \$404 million of reallocations from the U.S. equity asset class to other asset classes.

Major sector diversification changes took place during FY92 in the portfolio's U.S. common stocks. The following listing summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices:

#### Diversification by Industry Sector (%)

Sector	June 30, 1992			June 30, 1991		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	37.5	37.6	33.8	35.4	36.4	33.3
Technology	10.0	9.6	9.6	12.6	10.0	10.3
Materials and Service	13.4	10.0	12.0	11.6	9.8	11.8
Utilities	9.7	12.7	13.3	9.8	13.2	14.0
Finance	13.2	9.2	12.9	11.4	8.4	11.2
Energy	6.5	11.1	8.5	8.2	13.0	10.0
Capital Goods	6.0	5.1	4.8	6.0	5.2	5.1
Consumer Durables	3.5	2.8	3.1	2.5	2.3	2.5
Transportation	2.2	2.0	2.0	2.5	1.7	1.9

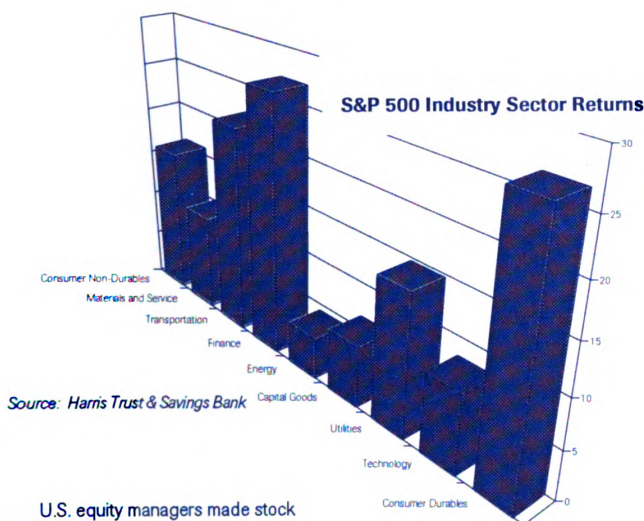
All S&P 500 industry sectors provided positive rates of return during FY92, with Finance (27.0 percent), Consumer Durables (26.6 percent), and Transportation (22.0 percent) the leading industry sector performers.

#### International Equity Results

International equity manager objectives are to achieve a total annual investment return 6 percent in excess of the rate of inflation and in excess of the EAFE Index over longer time periods. During FY92, the portfolio's international common stocks returned 3.2 percent, as compared to a return of -0.3 percent for the eighteen country foreign equity market EAFE Index.

The System's wide margin of outperformance over the benchmark EAFE Index is attributable primarily to the systematic underweighting of the Japan component of the international equity portfolio. The Japanese market substantially underperformed EAFE both in local currency and in U.S. dollar terms over the one-year period, while the TRS fund, maintaining its cautious view on Japanese equities, held only 9.0 percent of its foreign equities in Japan as compared to 38.9 percent Japan weighting in the EAFE Index.

The basket of EAFE currencies appreciated by 12.5 percent over the 12 months ended June 1992, which increased a -11.4 percent EAFE return in local (foreign) currency terms to -0.3 percent in U.S. dollar terms. The System's currency exposure managers also contributed to the excess return above the EAFE Index. At fiscal year end, 11.3 percent of the asset class was allocated to an EAFE Index Fund and 11.6 percent of the asset class was allocated to an EAFE ex-Japan Fund. The remaining 77.1 percent of the asset class was allocated to active managers. During FY92, the market value of assets assigned to international equity increased from \$790 million to \$904 million due to \$55 million of market value appreciation and \$59 million of reallocations from other asset classes.



Source: Harris Trust & Savings Bank

U.S. equity managers made stock selection adjustments to their accounts during FY92, as evidenced by the following comparison of equity portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices:

#### U.S. Equity Portfolio Profile

Sector	June 30, 1992			June 30, 1991		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	15.38	20.80	14.44	14.91	18.27	14.15
Price/Earnings Ratio	17.29	20.67	24.38	14.77	14.27	18.05
Dividend Yield (%)	2.61	3.04	2.77	2.73	3.49	3.00
Beta	0.98	1.00	1.03	1.01	1.00	1.02
Diversification (R-Squared)	0.99	1.00	1.00	0.99	1.00	1.00
Five-Year Earnings Growth Rate (%)	7.11	8.79	6.95	12.54	10.99	11.32
Market/Book Ratio	3.15	3.49	3.60	3.13	3.01	3.47

#### Alternative Investments Results

Alternative investments returned 8.8 percent during FY92. A representative alternative investments index is not available for relative performance comparison. Over the long term and as a result of its higher risk orientation, alternative investments is expected to provide annualized returns over 10 percent in excess of returns provided by the S&P 500 and Wilshire 5000 Indices. On June 30, 1992, the System had a market value of \$183 million invested in four venture capital limited partnerships and one farmland partnership.

# Investment Summary

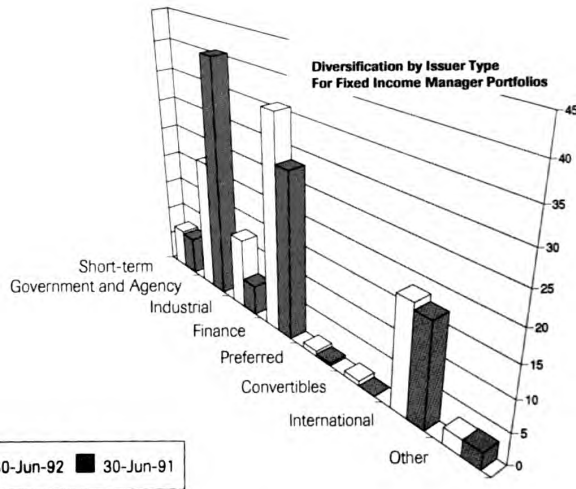
## Fixed Income Results and Profile

Fixed income manager objectives are to achieve a total investment return 2 percent in excess of the rate of inflation and in excess of the bond market, as measured by the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three- to five-year period, or a market cycle. During FY92, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 16.8 percent total return, compared to the 14.2 percent return of the Salomon BIG Index.

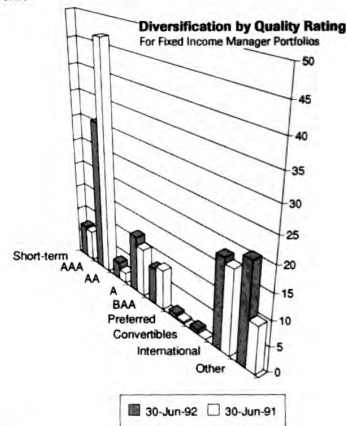
The total funds under management by fixed income managers, including short-term investments, generated a 16.2 percent total return during FY92. For a three- and five-year period, bonds generated 11.6 percent and 11.0 percent annualized returns, respectively, as compared to 10.9 percent and 10.6 percent, respectively for the BIG Index. During FY92, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$3.153 billion to \$3.709 billion due to \$521 million in interest income/appreciation and reallocation of \$35 million from other asset classes to the bond asset class.

Fixed income assets invested in the international marketplace comprised \$915 million of the \$3.709 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 19.1 percent in fiscal 1992, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 27.3 percent.

The exhibits at right reflect changes made within fixed income manager portfolios during FY92 with regard to diversification by issuer type and quality ratings, as well as the underlying bond portfolio characteristics (excluding short-term investments) primarily affecting total return.



Source: Harris Trust & Savings Bank



Source: Harris Trust & Savings Bank

Characteristic	6/30/92		6/30/91	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	10.93	14.13	12.43	13.78
Duration (years)	6.03	4.16	5.36	4.38
Coupon (%)	8.06	8.65	9.26	9.05
Yield to Maturity (%)	6.60	6.79	8.27	8.25
Current Yield (%)	7.74	8.03	8.72	8.77

## Real Estate Equity Investment Results

Real estate equity investments made by the System's four closed-end fund managers and six separate account managers returned -7.3 percent during FY92. The income component of the total return was 5.4 percent, while capital depreciation accounted for -12.0 percent.

The closed-end funds' total return of -7.4 percent outperformed the -8.0 percent total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 6 per-

cent in excess of the rate of inflation. During FY92, the market value of assets assigned to the System's real estate investment managers increased from \$1.175 billion to \$1.293 billion. This increase resulted from \$61 million in income/reinvested income, \$231 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$174 million for market value depreciation. The System will continue to progress toward a 15 percent asset allocation target for the real estate equity asset class over the next one to two years.

Investment Performance

The investment management firms use discretion in allocating funds to short-term investments as part of their asset allocation strategies within the respective asset classes. Managers confine portfolio investment 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.

As an asset class, the System's

short-term investments generated a total return of 3.8 percent, during FY92. For the five years, short-term investments returned 7.0 percent, underperforming the 9.0 percent return of U.S. common stocks and the 11.0 percent return of bonds.

Assets Under Management  
June 30, 1992

	<i>Book Value</i>	<i>Percent of Total Book Value</i>	<i>Market Value</i>	<i>Percent of Total Market Value</i>
<b>BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS</b>				
U.S. Government	\$ 369,653,545	3.7%	\$ 378,180,045	3.6%
Federal Agency	606,292,499	6.1	643,549,121	6.1
Municipal Bonds	48,986,917	0.5	49,413,560	0.5
<b>Total Government Obligations</b>	<b>1,024,932,961</b>	<b>10.3</b>	<b>1,071,142,726</b>	<b>10.2</b>
<b>Corporate Obligations</b>				
Finance	1,598,515,826	16.2	1,630,277,101	15.5
Industrial and Miscellaneous	548,701,875	5.6	554,047,400	5.3
Public Utilities	89,905,223	0.9	92,708,111	0.9
Transportation	19,146,760	0.2	19,615,990	0.2
Telephone	7,478,680	0.1	7,857,275	0.1
Convertible Issues	34,466,828	0.4	35,222,896	0.3
<b>Total Corporate Obligation</b>	<b>2,298,215,192</b>	<b>23.4</b>	<b>2,339,728,773</b>	<b>22.3</b>
International	746,005,214	7.6	820,809,110	7.8
Preferred Stock-U.S.	27,242,839	0.3	30,256,614	0.3
Preferred Stock-International	9,287,396	0.1	10,086,397	0.1
<b>TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS</b>	<b>4,105,683,602</b>	<b>41.7</b>	<b>4,272,023,620</b>	<b>40.7</b>
COMMON STOCK - U.S.	2,864,314,628	29.0	3,591,720,104	34.2
COMMON STOCK - INTERNATIONAL	760,386,723	7.7	775,948,182	7.4
SHORT TERM INVESTMENTS*	377,973,945	3.8	379,866,026	3.6
REAL ESTATE EQUITY	1,516,409,808	15.4	1,257,007,574	12.0
ALTERNATIVE INVESTMENTS	168,371,678	1.7	160,447,963	1.5
CURRENCY INVESTMENT	72,699,372	0.7	56,700,855	0.6
<b>TOTAL PORTFOLIO</b>	<b>\$ 9,865,839,756</b>	<b>100.0%</b>	<b>\$10,493,714,324</b>	<b>100.0%</b>

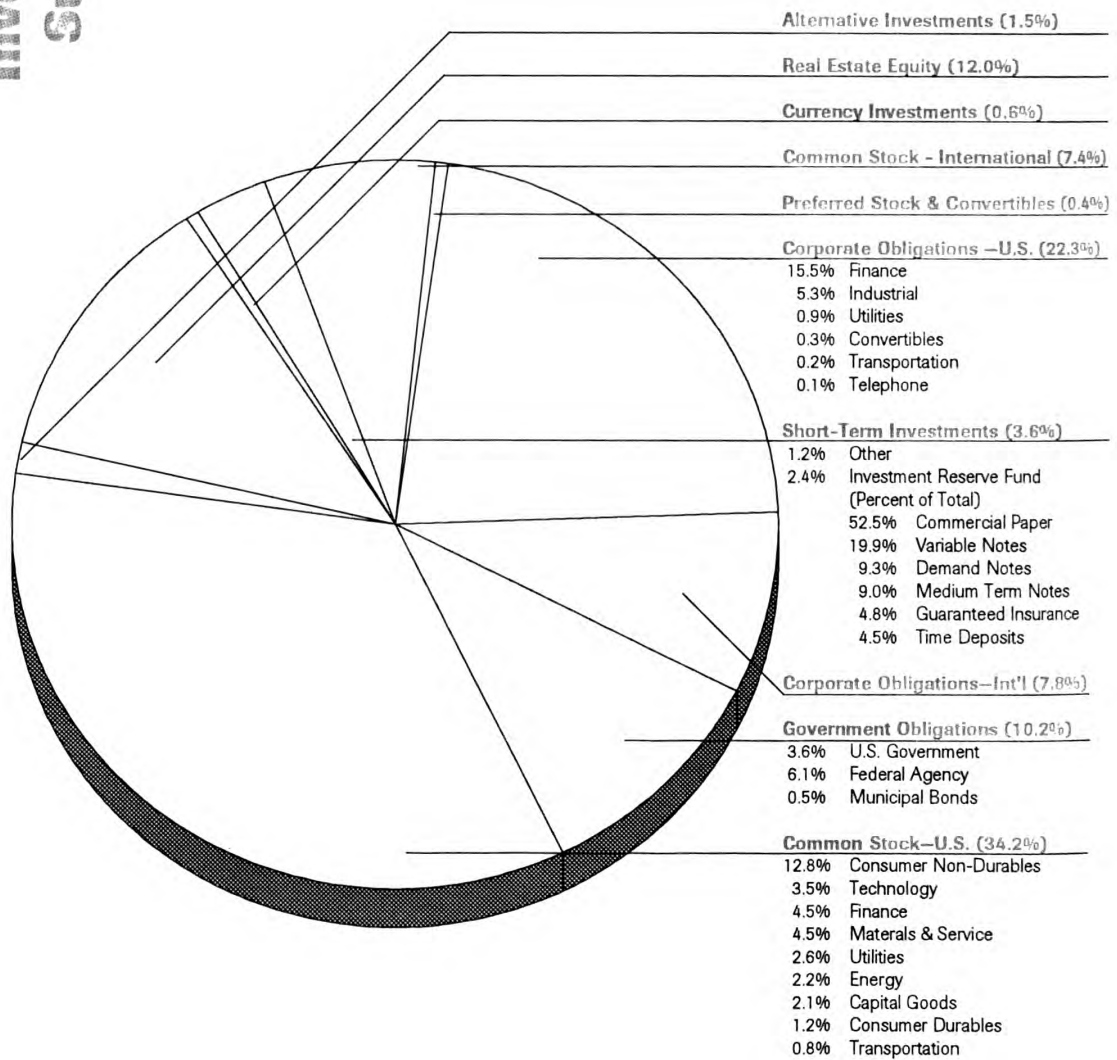
\* Includes accrued income and dividends totaling \$93,125,350



**Composition of Investments at Market Value**

June 30, 1992

**Investment  
Summary**



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## Summary Statistics

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

Fiscal Years Ending June 30 (Millions)						
	1988	1989	1990	1991	1992	Five Years 1988-1992
Beginning Book Value	6,092	6,684	7,272	8,080	8,747	6,092
Net Contributions Added	32	26	(6)	5	(49)	8
Investment Income	394	428	466	463	492	2,243
Net Realized Gain (Loss)	166	134	348	199	622	1,469
Ending Book Value	6,684	7,272	8,080	8,747	9,812	9,812
Unrealized Gain (Loss) - Beginning of Period	866	371	817	844	706	866
Unrealized Gain (Loss) - During Period	(495)	446	27	(138)	(79)	(239)
Ending Market Value	7,055	8,089	8,924	9,453	10,439*	10,439*

\* Includes miscellaneous liabilities of \$54 million.

Annualized Percent for Periods Ending June 30, 1992

	1988	1989	1990	1991	1992	Annualized	
						3 Years	5 Years
Total Time-Weighted return							
- TRS	0.9	14.4	10.4	5.9	10.8	9.0	8.4
- CPI	4.0	5.1	4.7	4.6	3.1	4.1	4.3
Common Stock - U.S.							
TRS	(6.3)	18.3	13.9	7.4	13.5	11.6	9.0
S&P 500	(6.8)	20.5	16.4	7.4	13.5	12.4	9.8
Wilshire 5000	(5.9)	19.5	13.3	7.0	13.9	11.2	9.1
Bonds - U.S.							
TRS	6.7	13.8	7.3	11.5	16.2	11.6	11.0
Salomon BIG	8.4	12.5	8.0	10.9	14.2	10.9	10.6
Common Stock-International							
TRS	(7.7)	12.9	20.9	(8.5)	3.2	5.0	3.9
EAFE Index	3.9	9.4	3.2	(11.5)	(0.3)	(3.1)	0.7
Real Estate	7.7	8.7	3.7	(2.0)	(7.3)	(2.0)	2.0
Alternative Investments	2.0	6.9	(0.3)	1.2	8.8	3.1	3.7
Short-Term							
TRS	7.3	9.3	8.5	6.2	3.8	6.1	7.0
91-day Treasury Bills	6.4	8.8	8.4	6.8	4.6	6.6	7.0
Income Rate of Return	5.9	6.5	6.5	6.2	6.8	6.5	6.4
Cash Return	9.5	9.4	12.4	10.3	14.3	12.3	11.2
Asset Allocation (Annual Average)							
Bonds	38.8	32.9	32.0	27.8	25.5	28.4	31.3
Common Stock - U.S.	40.6	40.8	41.8	39.7	41.8	41.1	40.9
Short Term	9.1	9.0	5.9	5.6	4.7	5.4	6.8
Other	11.5	17.3	20.3	26.9	28.0	25.0	20.6

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Year Ended June 30, 1992 59

**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	0 %	08-15-2015	\$ 6,860,000	\$ 1,041,211	\$ 1,053,216
U.S. Treasury Notes	AAA	8.375	06-30-1992	12,825,000	13,118,102	12,825,000
	AAA	8.125	08-31-1992	4,255,000	4,345,479	4,284,232
	AAA	8.750	09-30-1992	2,170,000	2,210,876	2,195,758
	AAA	8.125	09-30-1992	6,100,000	6,205,918	6,162,861
	AAA	9.750	10-15-1992	14,490,000	14,993,430	14,729,954
	AAA	7.000	01-31-1993	4,970,000	5,060,191	5,058,975
	AAA	8.000	08-15-1993	2,350,000	2,453,887	2,445,457
	AAA	6.000	10-31-1993	12,320,000	12,502,332	12,570,219
	AAA	8.875	02-15-1994	11,045,000	11,778,457	11,773,308
	AAA	9.500	05-15-1994	15,600,000	16,720,989	16,896,672
	AAA	8.625	01-15-1995	1,000,000	1,050,938	1,079,690
	AAA	8.500	05-15-1995	8,300,000	8,745,750	8,976,948
	AAA	7.500	02-29-1996	6,000,000	6,178,125	6,326,220
	AAA	7.750	03-31-1996	10,000,000	10,321,953	10,625,000
	AAA	9.375	04-15-1996	26,660,000	29,364,083	29,767,490
	AAA	8.000	10-15-1996	2,000,000	2,004,375	2,140,820
	AAA	7.250	11-15-1996	12,000,000	11,500,391	12,510,000
	AAA	8.000	01-15-1997	2,000,000	1,997,500	2,141,880
	AAA	6.250	01-31-1997	5,000,000	4,921,875	5,012,500
	AAA	6.875	03-31-1997	10,000,000	9,971,875	10,253,100
	AAA	6.750	05-31-1997	2,000,000	2,011,250	2,036,120
	AAA	8.500	07-15-1997	3,000,000	3,101,250	3,277,500
	AAA	8.875	11-15-1997	5,600,000	5,651,625	6,214,264
	AAA	8.125	02-15-1998	7,600,000	7,618,463	8,172,356
	AAA	8.250	07-15-1998	3,000,000	3,054,375	3,241,860
	AAA	6.375	01-15-1999	2,000,000	1,919,375	1,965,620
	AAA	8.875	02-15-1999	95,000	101,873	105,596
	AAA	9.125	05-15-1999	1,205,000	1,257,681	1,355,625
	AAA	8.875	05-15-2000	2,200,000	2,287,796	2,448,964
	AAA	8.750	08-15-2000	6,600,000	6,988,761	7,299,204
	AAA	8.500	11-15-2000	2,000,000	2,040,000	2,160,000
	AAA	7.750	02-15-2001	1,000,000	985,156	1,041,580
	AAA	11.625	11-15-2004	6,240,000	8,082,469	8,322,600
	AAA	12.000	05-15-2005	760,000	1,012,700	1,041,671
	AAA	10.750	08-15-2005	7,470,000	9,126,341	9,489,216
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,443,120
	AAA	10.375	11-15-2012	3,250,000	3,623,871	4,040,140
	AAA	12.000	08-15-2013	15,574,000	21,445,975	21,720,902
	AAA	11.250	02-15-2015	2,870,000	3,756,342	3,906,788
	AAA	9.250	02-15-2016	7,990,000	9,083,400	9,190,977
	AAA	7.250	05-15-2016	6,500,000	5,886,633	6,087,640
	AAA	7.500	11-15-2016	6,500,000	6,008,477	6,256,250
	AAA	8.750	05-15-2017	14,190,000	15,417,252	15,586,864
	AAA	8.875	08-15-2017	7,160,000	7,632,620	7,960,989
	AAA	8.125	08-15-2019	3,400,000	3,497,219	3,505,196
	AAA	8.750	08-15-2020	1,350,000	1,488,797	1,485,844
	AAA	8.125	05-15-2021	4,000,000	3,955,000	4,135,000
	AAA	8.125	08-15-2021	14,900,000	15,039,203	15,412,113
	AAA	8.000	11-15-2021	13,000,000	13,062,746	13,304,720
U.S. Treasury Notes	AAA	7.875	08-15-2001	4,000,000	4,087,708	4,190,000
	AAA	7.500	11-15-2001	6,000,000	6,093,750	6,129,360
U.S. Treasury Securities	AAA	0	05-15-1995	5,500,000	4,583,590	4,712,895
	AAA	0	02-15-1998	2,980,000	1,960,155	2,052,654
	AAA	0	08-15-1999	2,040,000	1,189,432	1,234,220
	AAA	0	11-15-1999	1,850,000	1,002,090	1,087,457
	AAA	0	05-15-2015	10,970,000	1,738,670	1,711,320
	AAA	0	08-15-2017	6,750,000	872,910	885,533
	AAA	0	02-15-2018	32,500,000	4,110,950	4,105,075
<b>Total U.S. Government</b>				<b>\$ 401,889,000</b>	<b>\$ 369,653,545</b>	<b>\$ 378,180,045</b>
<b>Federal Agency</b>						
Federal Home Loan Mortgage	AAA	8.000 %	07-01-2000	\$ 834,337	\$ 795,097	\$ 860,669
	AAA	11.000	12-01-2000	441,527	447,046	473,597
	AAA	8.250	06-01-2001	790,862	759,989	817,007
	AAA	8.000	08-01-2001	834,063	794,837	860,586
	AAA	8.000	03-01-2002	1,287,137	1,226,601	1,327,759
	AAA	8.000	04-01-2002	625,853	596,227	645,398
	AAA	8.000	06-01-2002	1,042,191	994,328	1,075,082
	AAA	8.000	11-01-2002	991,934	948,679	1,049,277
	AAA	8.500	07-01-2003	15,350	14,664	16,040
	AAA	8.000	04-01-2004	1,979,067	2,058,230	2,043,587
	AAA	6.750	09-01-2004	491,737	449,709	492,195
	AAA	8.500	10-01-2004	227,516	217,349	236,440
	AAA	8.500	10-01-2004	9,199,808	9,549,113	9,576,356
	AAA	8.000	02-01-2005	219,197	208,948	226,114
	AAA	8.000	02-01-2005	1,081,888	1,012,181	1,095,401
	AAA	8.500	08-01-2005	11,403	10,894	11,918
	AAA	8.500	12-01-2005	436,767	417,249	453,897
	AAA	8.500	07-01-2006	72,508	75,409	75,907
	AAA	8.500	08-01-2006	351,589	365,653	368,068
	AAA	8.500	11-01-2006	248,001	257,821	259,824
	AAA	8.500	12-01-2006	347,689	361,597	363,985
	AAA	8.500	01-01-2007	81,063	84,305	84,381
	AAA	8.500	01-01-2007	316,168	328,815	330,987
	AAA	6.250	02-01-2007	596,190	532,379	599,356
	AAA	8.500	02-01-2007	472,727	491,636	494,884
	AAA	8.500	10-01-2007	704,214	672,744	733,925
	AAA	8.250	10-01-2007	309,664	296,019	317,737
	AAA	8.500	12-01-2007	30,338	28,992	31,618

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GOVERNMENT OBLIGATIONS (continued)

Federal Agency (continued)

Federal Home Loan Mortgage (continued)

	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
AAA	8.500%	12-01-2007	\$ 107,574	\$ 102,767	\$ 111,793	
AAA	8.500	01-01-2008	23,999	22,927	25,012	
AAA	8.500	02-01-2008	101,618	97,077	105,603	
AAA	8.500	02-01-2008	318,508	304,275	331,000	
AAA	8.500	03-01-2008	38,491	36,771	40,115	
AAA	8.500	04-01-2008	34,458	32,918	36,013	
AAA	8.500	05-01-2008	1,546,696	1,477,578	1,611,952	
AAA	7.250	05-01-2008	750,177	692,038	761,189	
AAA	6.250	06-01-2008	588,634	520,758	591,760	
AAA	8.500	08-01-2008	18,674	17,839	19,462	
AAA	8.500	08-01-2008	240,947	245,465	250,491	
AAA	8.500	09-01-2008	15,032	14,360	15,710	
AAA	8.500	09-01-2008	49,926	47,695	52,033	
AAA	8.500	09-01-2008	332,723	317,854	346,760	
AAA	8.500	09-01-2008	558,084	533,145	583,198	
AAA	8.500	11-01-2008	523,494	500,100	545,580	
AAA	6.750	11-01-2008	696,406	619,366	688,348	
AAA	8.500	12-01-2008	667,257	637,439	695,408	
AAA	8.500	12-01-2008	259,974	248,357	271,592	
AAA	6.750	12-01-2008	745,261	663,515	736,638	
AAA	8.500	01-01-2009	44,500	42,511	46,245	
AAA	6.750	01-01-2009	872,818	772,307	847,445	
AAA	8.500	04-01-2009	176,085	168,217	183,515	
AAA	8.500	04-01-2009	2,326,688	2,222,715	2,424,851	
AAA	8.500	05-01-2009	1,704,063	1,627,913	1,775,957	
AAA	8.000	06-01-2009	3,183,734	2,944,954	3,329,485	
AAA	10.000	07-01-2009	468,986	499,031	502,106	
AAA	8.500	07-01-2009	256,093	244,649	266,898	
AAA	10.000	09-01-2009	24,154	21,920	25,860	
AAA	8.500	10-01-2009	74,729	71,390	77,660	
AAA	8.500	12-01-2009	21,510	20,549	22,353	
AAA	8.500	12-01-2009	363,496	347,252	378,831	
AAA	10.000	12-01-2009	44,895	47,771	48,126	
AAA	8.500	12-01-2009	45,464	43,432	47,247	
AAA	8.500	01-01-2010	232,870	222,463	242,003	
AAA	10.000	02-01-2010	563,443	559,539	603,994	
AAA	8.500	04-01-2010	41,820	39,952	43,585	
AAA	10.000	04-01-2010	626,785	666,939	671,895	
AAA	8.500	08-01-2010	532,932	509,117	553,834	
AAA	8.500	08-01-2010	365,012	348,701	381,485	
AAA	8.500	09-01-2010	247,646	236,580	258,094	
AAA	10.000	10-01-2010	289,246	307,776	309,672	
AAA	8.500	10-01-2010	724,407	692,035	754,970	
AAA	10.000	01-01-2011	51,209	54,489	54,825	
AAA	8.500	02-01-2011	81,377	77,740	85,014	
AAA	10.500	04-01-2011	263,426	235,108	284,993	
AAA	10.000	07-01-2011	260,804	277,512	279,222	
AAA	9.500	04-01-2012	2,618,494	2,618,494	2,786,235	
AAA	8.500	01-01-2013	170,608	162,984	177,806	
AAA	8.500	06-01-2015	230,546	220,244	240,849	
AAA	10.000	01-01-2016	2,566,017	2,574,036	2,747,229	
AAA	9.500	05-01-2016	611,409	640,642	654,299	
AAA	10.000	05-01-2016	1,025,867	1,040,293	1,098,314	
AAA	8.500	08-01-2016	339,658	346,026	350,378	
AAA	9.500	09-01-2016	66,865	70,062	71,556	
AAA	9.500	10-01-2016	628,191	658,227	672,259	
AAA	9.500	11-01-2016	953,201	998,775	1,010,088	
AAA	8.500	01-01-2017	183,062	186,495	188,840	
AAA	8.500	01-01-2017	364,064	370,891	375,554	
AAA	8.500	01-01-2017	348,357	354,888	359,351	
AAA	8.000	03-01-2017	109,803	97,519	112,960	
AAA	8.000	03-01-2017	181,826	162,450	187,053	
AAA	7.000	04-01-2017	2,358,813	2,133,251	2,377,235	
AAA	8.500	05-01-2017	2,992,842	2,860,184	3,103,667	
AAA	8.500	05-01-2017	670,849	683,428	696,107	
AAA	8.500	05-01-2017	817,267	832,591	847,531	
AAA	8.500	05-01-2017	657,838	670,172	678,599	
AAA	8.500	05-01-2017	653,223	665,471	673,839	
AAA	8.000	05-01-2017	445,480	398,009	458,007	
AAA	8.500	05-01-2017	268,835	273,875	277,319	
AAA	8.500	05-01-2017	247,104	251,737	254,902	
AAA	8.500	06-01-2017	1,715,174	1,638,527	1,782,443	
AAA	8.000	07-01-2017	6,503,543	5,930,418	6,690,520	
AAA	8.500	07-01-2017	573,290	584,039	591,383	
AAA	8.500	07-01-2017	433,836	441,970	447,528	
AAA	8.000	08-01-2017	514,070	456,559	528,850	
AAA	8.500	09-01-2017	1,393,956	1,420,093	1,437,949	
AAA	8.000	07-01-2018	872,073	774,510	897,145	
AAA	9.500	09-01-2019	208,761	218,742	221,220	
AAA	9.000	06-01-2021	3,844,018	3,836,811	4,072,237	
AAA	8.850	03-15-2008	3,000,000	2,987,051	3,168,750	
AAA	9.000	09-15-2008	3,045,000	3,039,943	3,233,425	
AAA	7.500	04-01-1997	1,657,505	1,702,500	1,738,308	
AAA	7.500	06-01-1999	1,268,001	1,268,606	1,329,816	
AAA	8.000	01-01-2002	492,874	470,258	508,429	
AAA	8.500	10-01-2002	301,719	313,788	315,861	
AAA	8.500	06-01-2003	1,748,855	1,764,379	1,830,824	
AAA	9.500	05-01-2006	1,623,813	1,674,558	1,721,746	
AAA	8.500	08-01-2006	1,928,831	1,946,010	2,019,236	
AAA	8.000	11-01-2006	1,677,502	1,686,413	1,732,021	
AAA	8.500	12-01-2006	114,367	118,941	119,727	
AAA	8.500	01-01-2007	980,536	1,019,757	1,026,493	
AAA	8.500	01-01-2007	75,858	78,892	79,413	
AAA	8.500	02-01-2007	2,203,670	2,291,817	2,293,867	
AAA	8.000	03-01-2007	683,419	698,795	704,987	
AAA	7.500	06-01-2007	490,000	490,459	495,052	
AAA	8.500	11-15-2018	833,781	840,493	867,332	
AAA	9.500	03-01-2021	1,246,102	1,338,257	1,327,138	
AAA	8.000	05-01-2021	1,666,478	1,802,328	1,827,138	

Federal Home Loan Mortgage Gold

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GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Federal Home Loan Mortgage Gold (continued)						
	AAA	8.500%	06-01-2021	\$ 741,117	\$ 746,444	\$ 767,745
	AAA	8.500	09-01-2021	999,222	990,479	1,046,056
	AAA	8.500	09-01-2021	988,415	979,766	1,034,742
	AAA	9.000	04-01-2022	1,915,712	1,973,782	2,029,446
Federal Home Loan Mortgage Multiclass	AAA	4.600	12-15-2021	5,038,839	5,026,242	5,046,700
	AAA	19.840	09-15-1996	2,427,705	2,778,895	2,782,757
	AAA	7.500	09-15-2005	20,710,000	19,956,027	20,706,065
	AAA	10.750	11-30-2005	4,455,348	4,820,130	4,845,191
	AAA	12.520	03-15-2007	7,131,250	5,902,607	6,774,688
	AAA	7.250	01-15-2020	14,526,000	13,540,956	14,058,408
	AAA	9.500	01-15-2020	13,926,254	14,301,900	15,040,354
	AAA	9.500	01-15-2021	10,641,873	11,029,304	11,386,804
	AAA	4.440	06-15-2022	17,205,653	17,194,899	17,205,653
	AAA	4.450	04-15-2023	13,093,431	13,093,431	13,109,798
Federal Housing Authority	AAA	8.400	06-01-2007	1,287,163	1,177,684	1,319,342
	AAA	7.430	06-01-2019	7,722,870	7,593,754	7,655,295
Federal National Mortgage Association	AAA	8.500	07-16-2007	3,714,000	3,868,363	3,846,511
	AAA	7.500	05-01-1992	883,337	888,306	905,421
	AAA	8.500	10-01-1997	17,832	18,350	18,651
	AAA	8.500	04-01-1998	288,884	297,280	308,202
	AAA	8.500	06-01-1998	23,376	24,055	24,450
	AAA	8.500	08-01-1998	607,099	624,743	634,983
	AAA	8.500	08-01-1998	439,698	452,477	459,894
	AAA	8.500	12-01-1998	478,460	492,365	500,435
	AAA	8.500	01-01-1999	96,216	99,012	100,635
	AAA	7.500	05-01-1999	506,318	509,166	516,976
	AAA	7.500	05-01-1999	477,882	480,570	489,829
	AAA	7.500	05-01-1999	540,144	543,183	553,648
	AAA	7.500	05-01-1999	438,202	440,667	449,157
	AAA	7.500	05-01-1999	523,809	526,755	536,304
	AAA	7.500	05-01-1999	496,362	499,154	508,771
	AAA	7.500	05-01-1999	536,178	539,194	549,583
	AAA	7.500	05-01-1999	468,024	470,657	458,954
	AAA	4.369	05-25-2001	7,438,463	7,424,516	7,417,467
	AAA	7.500	09-01-2002	1,759,021	1,662,275	1,772,759
	AAA	8.000	01-01-2005	3,982,449	3,758,436	4,103,157
	AAA	8.000	02-01-2005	818,349	772,317	843,153
	AAA	8.000	02-01-2005	932,537	880,082	960,802
	AAA	8.000	02-01-2005	1,018,351	961,069	1,049,217
	AAA	8.000	03-01-2005	1,459,087	1,377,014	1,511,060
	AAA	8.000	04-01-2005	3,448,537	3,254,557	3,553,062
	AAA	8.000	04-01-2005	1,143,712	1,079,378	1,178,378
	AAA	8.250	06-01-2005	1,213,657	1,162,835	1,252,336
	AAA	8.000	06-01-2005	163,952	154,729	169,921
	AAA	8.000	09-01-2006	1,900,227	1,875,287	1,957,823
	AAA	8.000	12-01-2006	824,811	829,966	849,811
	AAA	8.750	04-01-2007	871,636	851,208	912,500
	AAA	7.500	05-25-2007	3,521,875	3,054,297	2,890,121
	AAA	7.500	06-01-2007	975,001	973,935	999,376
	AAA	8.250	07-01-2008	1,202,898	1,147,640	1,229,951
	AAA	8.500	08-01-2008	360,382	360,084	378,005
	AAA	8.250	10-01-2008	496,208	476,515	512,023
	AAA	9.500	12-01-2008	229,135	231,162	244,670
	AAA	8.500	01-01-2009	436,866	424,443	463,760
	AAA	7.000	05-01-2009	3,054,451	2,817,731	3,100,288
	AAA	8.500	06-01-2009	542,884	527,446	569,431
	AAA	8.250	09-01-2009	655,403	625,910	662,363
	AAA	8.500	09-01-2009	35,395	34,388	37,126
	AAA	8.500	01-01-2010	130,249	128,078	136,313
	AAA	10.000	08-01-2010	133,017	134,089	143,284
	AAA	8.500	03-01-2011	120,236	117,498	126,115
	AAA	11.500	03-01-2011	79,101	84,391	87,579
	AAA	11.500	08-01-2011	356,183	380,002	394,358
	AAA	13.250	09-01-2011	220,062	234,299	248,875
	AAA	12.750	10-01-2011	2,630,024	2,836,317	2,954,648
	AAA	15.750	12-01-2011	756,643	795,421	873,204
	AAA	8.500	03-01-2012	11,256	11,078	11,780
	AAA	14.750	08-01-2012	2,147,380	2,366,910	2,456,731
	AAA	15.750	08-01-2012	1,069,140	1,134,124	1,233,841
	AAA	16.000	09-01-2012	451,536	480,321	516,584
	AAA	16.000	09-01-2012	41,574	43,790	47,564
	AAA	16.000	09-01-2012	468,730	496,854	538,255
	AAA	11.500	07-01-2014	41,692	44,480	46,180
	AAA	11.500	01-01-2015	864,181	921,974	956,804
	AAA	11.500	02-01-2015	228,336	243,606	252,809
	AAA	8.500	04-01-2015	413,522	401,762	438,976
	AAA	11.500	10-01-2015	130,371	139,090	144,344
	AAA	11.500	10-01-2015	873,576	931,996	967,206
	AAA	9.500	11-01-2015	457,893	461,041	490,083
	AAA	11.500	11-01-2015	175,560	187,301	194,377
	AAA	11.000	12-01-2015	4,306,485	4,749,245	4,780,198
	AAA	11.500	01-01-2016	376,441	401,615	416,798
	AAA	11.500	01-01-2016	179,719	191,737	198,981
	AAA	10.000	04-01-2016	910,035	965,206	980,272
	AAA	9.500	09-01-2016	452,116	476,841	482,349
	AAA	9.500	12-01-2016	372,778	393,164	397,705
	AAA	7.500	04-01-2017	318,882	278,972	324,112
	AAA	8.000	05-01-2017	1,802,219	1,738,015	1,816,853
	AAA	7.500	05-01-2017	4,605,106	4,028,748	4,680,630
	AAA	9.000	06-01-2017	491,078	511,642	517,330
	AAA	10.000	11-01-2017	280,138	282,064	301,759
	AAA	10.000	12-01-2017	131,531	132,435	141,683
	AAA	9.500	05-01-2018	164,998	174,021	176,031
	AAA	8.750	08-01-2018	905,578	882,656	954,108
	AAA	0	12-25-2018	2,091,174	1,931,722	1,965,703
	AAA	9.500	01-01-2019	309,777	326,718	330,492
	AAA	11.500	04-01-2019	377,234	402,462	417,666
	AAA	11.500	05-01-2019	588,213	627,550	651,258
	AAA	11.500	06-01-2019	316,998	338,197	350,974

GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Federal National Mortgage Association Guaranteed (continued)						
	AAA	11.500%	06-01-2019	\$ 44,426	\$ 47,397	\$ 49,187
	AAA	11.000	06-01-2019	410,239	420,366	450,618
	AAA	11.500	06-01-2019	58,178	62,069	64,414
	AAA	9.500	08-01-2019	289,392	305,218	308,743
	AAA	9.500	08-01-2019	810,086	848,059	864,257
	AAA	11.500	09-01-2019	48,584	51,833	53,791
	AAA	11.500	10-01-2019	58,328	62,229	64,580
	AAA	9.500	12-01-2019	178,299	188,050	190,222
	AAA	11.500	01-01-2020	81,076	86,498	89,766
	AAA	9.000	04-01-2020	601,464	626,651	634,353
	AAA	10.000	06-01-2020	698,729	741,089	752,657
	AAA	9.000	06-01-2020	403,526	420,424	425,591
	AAA	9.500	02-01-2021	1,700,649	1,780,367	1,814,371
	AAA	10.000	08-01-2021	2,688,383	2,851,366	2,895,873
	AAA	9.500	09-01-2021	903,021	935,755	963,406
	AAA	9.000	10-01-2021	2,857,556	2,926,316	3,013,807
	AAA	9.000	11-01-2021	1,875,776	1,933,221	1,978,343
	AAA	8.500	11-01-2021	1,816,485	1,830,109	1,879,481
	AAA	7.500	02-01-2022	447,588	435,000	438,914
	AAA	7.500	03-01-2022	102,211	99,336	100,230
	AAA	7.500	03-01-2022	425,201	413,242	416,961
	AAA	0	03-25-2022	7,918,098	5,837,123	5,995,504
	AAA	8.000	04-01-2022	999,185	985,446	1,007,299
	AAA	8.000	04-01-2022	1,657,887	1,635,091	1,671,349
	AAA	8.000	05-01-2022	998,985	985,249	1,007,096
	AAA	8.000	05-01-2022	998,395	984,667	1,006,502
	AAA	8.000	05-01-2022	999,051	985,314	1,007,164
	AAA	8.000	05-01-2022	1,033,764	1,019,550	1,042,158
	AAA	8.000	05-01-2022	999,279	985,539	1,007,393
	AAA	8.000	05-01-2022	999,186	985,448	1,007,300
	AAA	8.000	05-01-2022	999,100	985,362	1,007,212
	AAA	8.000	05-01-2022	998,400	985,658	1,007,515
	AAA	8.000	05-01-2022	999,175	985,436	1,007,288
	AAA	8.000	05-01-2022	999,349	985,608	1,007,464
	AAA	8.000	05-01-2022	964,900	951,633	972,735
	AAA	8.000	05-01-2022	999,529	985,786	1,007,646
	AAA	8.000	05-01-2022	999,763	986,017	1,007,882
	AAA	8.000	06-01-2022	975,001	974,696	982,318
	AAA	0	03-09-2002	24,000,000	16,419,840	16,762,560
Federal National Mortgage Association Debenture Strips	AAA	7.755	10-01-2019	14,122,523	13,275,172	14,043,014
Federal National Mortgage Association Guaranteed Variable	AAA	10.000	03-25-2018	6,473,923	1,662,989	1,893,622
Federal National Mortgage Association Stripped	AAA	10.000	11-25-2018	9,745,229	2,503,306	2,856,521
	AAA	10.000	12-25-2018	43,552,069	11,432,418	12,765,982
	AAA	10.500	03-25-2021	6,837,426	1,914,479	1,965,760
FHLMC Multi Class Mortgage Partnership Certificate	AAA	10.000	Various	39,221,001	37,080,752	41,202,343
	AAA	9.450		4,000,000	4,021,875	4,292,480
	AAA	0		2,782,381	1,950,275	1,949,141
	AAA	10.000		10,000,000	9,868,750	10,800,000
	AAA	7.500		12,000,000	11,638,751	12,140,600
	AAA	9.500		3,424,653	3,279,965	3,503,831
FNMA Guaranteed REMIC Pass Thru Certificate	AAA	6.861		537,237	535,559	540,423
	AAA	0		15,000,000	9,516,300	10,848,300
	AAA	8.500		35,685,329	33,495,697	37,238,355
GMAC Mortgage KGKOG Mortgage Pool	NR	5.018	04-25-1993	394,571	248,728	395,313
Government Backed Trust	AAA	0	05-15-1996	5,000,000	3,560,550	3,948,950
	AAA	9.625	05-15-2002	6,000,000	6,308,700	6,758,820
Government National Mortgage Association	AAA	10.500	12-15-1997	279,024	287,656	299,513
	AAA	10.500	05-15-1998	118,570	122,238	127,277
	AAA	10.500	07-15-1998	82,070	84,609	88,096
	AAA	8.750	07-15-2001	845,183	798,698	862,087
	AAA	9.250	10-15-2002	1,011,101	969,393	1,061,656
	AAA	9.250	10-15-2002	1,290,098	1,236,881	1,354,603
	AAA	8.750	06-15-2003	2,132,120	2,038,840	2,174,762
	AAA	8.500	02-15-2006	184,368	176,648	194,191
	AAA	8.000	08-15-2006	381,007	365,915	391,972
	AAA	8.000	09-15-2006	52,167	50,100	53,668
	AAA	8.000	10-15-2006	82,555	79,285	84,931
	AAA	8.000	11-15-2006	281,812	270,649	289,922
	AAA	8.000	05-15-2007	797,591	808,059	826,001
	AAA	8.500	07-15-2008	431,694	413,616	455,773
	AAA	8.500	08-15-2008	584,324	559,855	616,917
	AAA	9.000	09-15-2008	104,124	102,285	111,949
	AAA	9.000	09-15-2008	124,268	122,122	133,604
	AAA	9.000	01-15-2009	30,196	29,662	32,465
	AAA	9.000	02-15-2009	526,822	517,520	566,413
	AAA	9.000	03-15-2009	11,529	11,325	12,395
	AAA	9.000	06-15-2009	676,185	664,246	727,000
	AAA	9.500	07-15-2009	238,299	241,874	259,484
	AAA	8.500	08-15-2009	1,955,203	1,873,329	2,064,264
	AAA	9.500	08-15-2009	429,239	435,678	467,399
	AAA	9.500	08-15-2009	422,007	428,337	459,524
	AAA	9.500	10-15-2009	319,395	324,186	347,789
	AAA	10.000	11-15-2009	1,032,986	1,098,516	1,124,664
	AAA	13.500	05-15-2010	26,900	27,546	31,339
	AAA	13.500	05-15-2010	18,800	18,846	21,902
	AAA	13.500	05-15-2010	11,348	12,277	13,220
	AAA	13.500	05-15-2010	2,504	2,709	2,917
	AAA	13.500	06-15-2010	1,654	1,798	1,969
	AAA	13.500	06-15-2010	38,034	41,077	44,310
	AAA	13.500	06-15-2010	26,913	29,116	31,354
	AAA	10.000	11-15-2010	705,110	749,841	767,689
	AAA	13.000	12-15-2010	146,469	156,813	168,439
	AAA	13.000	12-15-2010	24,707	26,452	28,413
	AAA	13.500	02-15-2011	61,511	66,547	71,660
	AAA	13.500	02-15-2011	22,977	24,858	26,768
	AAA	13.500	02-15-2011	52,354	56,543	60,993
	AAA	13.500	03-15-2011	50,865	55,030	59,258
	AAA	13.500	03-15-2011	43,939	51,188	51,188
	AAA	13.500	03-15-2011	46,752	50,492	54,466

**GOVERNMENT OBLIGATIONS (continued)**

**Federal Agency (continued)**

Government National Mortgage Association (continued)

MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
AAA	13.500%	03-15-2011	\$ 41,000	\$ 44,357	\$ 47,785
AAA	13.500	03-15-2011	101,670	109,994	118,445
AAA	13.500	03-15-2011	19,600	21,205	22,834
AAA	13.500	03-15-2011	127,543	137,746	148,587
AAA	13.500	03-15-2011	57,842	62,579	67,387
AAA	13.500	04-15-2011	12,160	13,155	14,166
AAA	13.500	04-15-2011	8,896	9,321	10,363
AAA	13.500	04-15-2011	35,525	38,434	41,387
AAA	13.500	04-15-2011	13,074	13,074	15,232
AAA	13.500	04-15-2011	3,626	3,923	4,224
AAA	13.500	04-15-2011	140,818	152,347	164,052
AAA	13.500	05-15-2011	1,862	2,027	2,215
AAA	13.500	05-15-2011	34,060	36,785	39,680
AAA	13.000	07-15-2011	79,985	85,634	91,382
AAA	13.500	11-15-2011	14,932	14,932	17,386
AAA	13.500	03-15-2012	1,442	1,560	1,717
AAA	13.000	10-15-2012	18,208	19,491	20,940
AAA	13.000	11-15-2012	103,169	110,412	118,645
AAA	13.000	11-15-2012	22,273	23,832	25,614
AAA	11.500	02-15-2013	165,285	176,131	188,881
AAA	10.000	03-15-2013	381,885	349,717	413,380
AAA	10.000	03-15-2013	320,158	293,229	346,571
AAA	11.250	07-15-2013	186,384	193,898	205,061
AAA	11.250	07-15-2013	247,338	257,309	272,149
AAA	11.250	07-15-2013	160,978	167,467	177,126
AAA	11.250	07-15-2013	276,004	287,131	303,690
AAA	11.250	10-15-2013	215,064	223,734	236,637
AAA	11.500	10-15-2013	20,522	21,868	23,465
AAA	12.750	11-15-2013	124,031	130,930	142,791
AAA	12.750	11-15-2013	119,142	125,769	137,162
AAA	12.750	11-15-2013	145,236	153,315	167,203
AAA	12.750	12-15-2013	230,176	242,980	264,990
AAA	12.000	01-15-2014	25,643	26,420	29,682
AAA	12.000	04-15-2014	10,762	10,641	12,456
AAA	13.500	07-15-2014	4,183	4,545	4,977
AAA	11.250	08-15-2015	37,380	38,886	41,130
AAA	11.250	08-15-2015	97,552	101,470	107,338
AAA	11.250	08-15-2015	80,891	84,152	89,006
AAA	11.250	08-15-2015	47,721	49,644	52,508
AAA	11.250	08-15-2015	229,916	239,184	252,979
AAA	11.250	08-15-2015	217,739	226,512	239,581
AAA	11.250	08-15-2015	95,946	99,813	105,570
AAA	11.500	09-15-2015	986,241	1,025,074	1,127,698
AAA	11.250	09-15-2015	46,866	48,754	51,567
AAA	11.250	09-15-2015	104,210	108,406	114,664
AAA	11.250	09-15-2015	76,169	79,239	83,809
AAA	11.250	09-15-2015	462,005	480,628	508,349
AAA	11.250	09-15-2015	246,561	256,493	271,293
AAA	11.250	09-15-2015	83,308	86,667	91,685
AAA	11.250	09-15-2015	43,063	44,799	47,383
AAA	11.250	09-15-2015	245,994	255,909	270,669
AAA	11.250	09-15-2015	117,847	122,593	129,668
AAA	11.250	10-15-2015	102,591	106,723	112,882
AAA	11.250	10-15-2015	134,756	140,186	148,274
AAA	11.250	10-15-2015	280,676	291,983	308,830
AAA	11.250	10-15-2015	201,482	209,602	221,693
AAA	11.250	10-15-2015	172,997	179,967	190,351
AAA	11.000	11-15-2015	378,325	396,147	421,711
AAA	11.500	11-15-2015	348,648	371,528	398,655
AAA	11.250	11-15-2015	121,258	126,143	133,421
AAA	11.250	11-15-2015	100,417	104,462	110,490
AAA	11.250	11-15-2015	166,063	172,743	182,720
AAA	11.250	12-15-2015	197,343	205,291	217,138
AAA	11.000	01-15-2016	34,318	36,013	38,254
AAA	11.000	01-15-2016	322,861	338,803	359,887
AAA	11.250	01-15-2016	127,275	132,404	140,042
AAA	9.000	05-15-2016	1,402,443	1,334,950	1,487,894
AAA	9.000	06-15-2016	493,924	486,976	524,018
AAA	9.500	08-15-2016	843,164	848,697	906,131
AAA	9.000	09-15-2016	1,518,596	1,474,936	1,611,124
AAA	9.500	10-15-2016	122,979	123,364	132,163
AAA	9.500	11-15-2016	1,664,404	1,669,605	1,788,701
AAA	9.500	11-15-2016	2,160,975	2,167,727	2,322,357
AAA	9.500	01-15-2017	693,959	696,128	745,784
AAA	8.500	02-15-2017	816,970	777,908	848,881
AAA	8.500	02-15-2017	854,501	824,326	887,676
AAA	8.500	02-15-2017	2,314,723	2,192,477	2,405,137
AAA	8.000	03-15-2017	970,027	940,320	980,940
AAA	8.000	03-15-2017	932,994	904,422	943,491
AAA	9.000	06-15-2017	1,455,380	1,335,766	1,544,056
AAA	9.500	06-15-2017	148,763	149,228	158,872
AAA	9.500	07-15-2017	675,944	671,086	726,423
AAA	8.000	07-15-2017	942,069	913,219	952,867
AAA	9.500	08-15-2017	102,876	103,198	110,559
AAA	9.500	08-15-2017	92,269	92,557	99,159
AAA	9.000	08-15-2017	844,368	781,304	885,815
AAA	9.500	08-15-2017	2,785,863	2,893,379	2,993,911
AAA	9.000	10-15-2017	913,403	838,333	969,057
AAA	9.500	11-15-2017	123,417	123,802	132,633
AAA	9.500	01-15-2018	59,546	59,732	63,983
AAA	9.000	03-15-2018	834,792	772,443	885,655
AAA	9.000	05-15-2018	831,813	807,899	862,496
AAA	9.500	01-15-2019	64,905	65,108	69,752
AAA	11.500	05-15-2019	230,238	239,303	263,261
AAA	11.000	06-15-2019	345,721	362,791	385,389
AAA	10.500	06-15-2019	391,265	405,562	430,024
AAA	11.000	07-15-2019	215,053	225,671	239,715
AAA	11.000	07-15-2019	537,605	564,149	598,257
AAA	11.000	07-15-2019	325,625	341,708	362,968

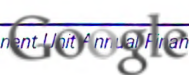
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GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Government National Mortgage Association (continued)	AAA	11.000 %	08-15-2019	\$ 154,089	\$ 161,697	\$ 171,760
	AAA	11.000	08-15-2019	47,804	50,165	53,287
	AAA	11.000	08-15-2019	115,531	121,235	128,780
	AAA	11.000	09-15-2019	157,939	165,732	176,051
	AAA	11.000	09-15-2019	341,542	358,405	380,710
	AAA	9.500	10-15-2019	460,477	461,916	494,866
	AAA	9.500	07-15-2021	989,802	1,028,003	1,063,721
	AAA	10.000	09-15-2021	1,869,490	2,001,523	2,035,407
	AAA	10.000	09-15-2021	732,530	784,265	797,542
	AAA	8.000	06-15-2022	490,000	490,919	495,513
	AAA	7.500	06-15-2022	490,000	476,831	482,038
	AAA	9.625	05-15-2029	7,630,668	7,647,360	8,119,489
Government National Mortgage Association II	AAA	13.250	10-20-2014	68,526	74,051	78,634
	AAA	13.250	05-20-2015	21,125	22,107	24,241
	AAA	11.000	07-20-2019	1,068,469	1,099,188	1,178,981
	AAA	8.000	04-20-2022	229,718	225,339	230,579
	AAA	8.000	05-20-2022	979,268	960,801	982,940
	AAA	5.000	05-20-2022	973,759	923,245	855,214
Government Trust Certificates	AAA	8.550	11-15-1993	3,037,538	3,044,752	3,142,607
	AAA	9.450	05-15-1994	2,418,808	2,461,234	2,550,343
	AAA	0	11-15-1994	7,000,000	4,937,100	6,182,330
	AAA	8.875	05-15-1995	6,000,000	5,927,468	6,337,800
	AAA	8.550	11-15-1997	2,100,000	2,079,441	2,248,386
	AAA	0	11-15-2005	5,000,000	1,037,550	1,701,000
Inter American Development Bank	AAA	13.250	08-15-1994	1,000,000	1,148,930	1,155,370
Student Loan Marketing Association	AAA	3.970	12-30-1994	1,000,000	1,000,000	1,007,170
Tennessee Valley Authority	AAA	4.168	11-27-1996	2,000,000	2,000,000	2,030,720
	AAA	8.250	11-15-1996	1,500,000	1,500,234	1,605,330
<b>Total Federal Agency</b>				<b>\$ 688,533,506</b>	<b>\$ 606,282,499</b>	<b>\$ 643,548,121</b>
<b>Municipal</b>						
Security Pacific Corporation	NR	4.537	11-17-1993	\$ 49,000,000	\$ 48,986,917	\$ 49,413,560
<b>Total Municipal</b>				<b>\$ 49,000,000</b>	<b>\$ 48,986,917</b>	<b>\$ 49,413,560</b>
<b>TOTAL GOVERNMENT OBLIGATIONS</b>				<b>\$1,139,522,506</b>	<b>\$ 1,024,932,961</b>	<b>\$ 1,071,142,726</b>
<b>CORPORATE OBLIGATIONS</b>						
<b>Finance</b>						
Alaska Housing Finance Corporation	NR	9.620 %	10-15-1994	\$ 5,000,000	\$ 5,018,200	\$ 5,434,000
	AAA	8.700	11-01-2021	5,612,630	4,838,270	5,407,433
Associates Corporation Of North America	NR	8.650	11-09-1992	2,000,000	2,044,060	2,029,800
	A-1	8.850	10-01-1993	1,500,000	1,568,775	1,564,785
AFC Home Equity Loan Trust REMIC	AAA	8.400	09-15-2006	3,650,624	3,771,551	3,802,344
AFC Home Equity Loan Trust	AAA	7.750	02-15-2006	9,930,901	9,901,418	10,169,838
AMR Corporation Delaware	BAA1	8.625	08-15-1992	4,250,000	4,327,775	4,266,150
	BAA1	9.140	02-21-2012	3,000,000	2,983,740	3,140,250
Banc One Corporation	A2	8.740	09-15-2003	3,000,000	3,118,210	3,176,940
Bank New York Company Incorporated	NR	5.250	12-05-1997	6,800,000	6,508,000	6,664,000
Bank Of New York Master Credit Corporation	NR	7.950	04-15-1996	900,000	942,750	941,625
Bank Of New York Overseas Finance Nv	NR	5.250	01-24-1996	3,000,000	2,917,500	2,898,420
Bankamerica Corporation	A3	5.250	07-02-1996	3,000,000	2,859,000	2,910,000
Bankers Trust New York Corporation	NR	8.125	05-15-2002	3,000,000	3,022,950	3,059,040
	A2	9.000	08-01-2001	2,100,000	2,141,239	2,256,849
	A2	7.500	01-15-2002	3,500,000	3,296,090	3,419,745
Bear Stearns Mortgage Capital	NR	9.000	01-25-2021	558,943	541,476	577,807
Beneficial Corporation	A2	9.300	10-18-1993	1,500,000	1,566,705	1,578,510
British Gas Finance Incorporated	AAA	9.500	03-15-2018	1,000,000	998,750	1,076,580
Capitol Home Equity Trust Variable Rate	NR	4.450	12-15-1996	23,209,777	23,209,777	23,187,960
Capstead Securities Corporation III	AAA	8.500	05-25-2011	11,076,294	11,335,895	11,377,459
Caterpillar Financial Services Corporation	A3	8.950	07-03-1992	3,300,000	3,386,988	3,300,000
	NR	4.800	12-06-1993	30,000,000	30,000,000	30,000,000
	NR	5.007	01-19-1994	9,500,000	9,500,000	9,500,000
	NR	8.750	05-12-2000	8,000,000	8,079,440	8,600,000
Chase Manhattan Corporation	BAA3	15.500	11-01-1992	707,000	738,886	727,192
	BAA3	8.500	05-28-1996	1,900,000	1,888,600	1,881,000
	AAA	8.750	08-15-1999	6,000,000	6,055,750	6,451,860
Chase Manhattan Credit Card Master	NR	7.400	05-15-2000	4,000,000	4,091,875	4,093,720
Chase Manhattan Credit Card Trust	AAA	6.900	09-15-1997	1,720,819	1,747,707	1,748,782
Chase Manhattan Grantor Trust	AA2	9.500	10-01-2024	1,972,842	1,959,395	2,071,484
Chase Mortgage Finance Corporation	NR	8.250	10-25-2003	50,618,000	51,649,595	51,739,169
Chase Mortgage Finance Corporation REMIC	AA2	9.500	01-25-2004	10,465,953	10,649,107	10,652,351
Chemical New York Corporation	BA2	5.250	10-09-1997	3,000,000	2,880,000	2,867,550
Chrysler Financial Corporation	BA3	9.500	06-01-2008	7,000,000	7,005,320	7,031,920
Citicorp	NR	8.770	08-15-1992	5,000,000	4,969,000	5,019,650
	NR	4.875	02-14-1994	3,000,000	3,012,960	2,969,070
	NR	7.750	03-13-1995	5,000,000	4,989,000	5,170,150
	BAA2	6.400	09-01-1998	1,000,000	957,500	940,000
	NR	6.300	11-26-1997	1,000,000	853,500	855,110
Citicorp Banking Corporation	NR	5.250	07-10-1997	7,000,000	6,205,000	6,495,510
Citicorp Homeowners Incorporated	A-1	8.500	12-01-2016	2,338,488	2,201,833	2,338,488
	NR	9.500	09-01-2016	1,645,083	1,694,097	1,720,658
Citicorp Mortgage Securities Incorporated	A3	10.500	06-01-2019	3,799,362	3,831,419	4,039,215
	AA3	9.500	05-25-2004	13,500,000	13,820,625	13,879,755
	AA3	9.500	11-01-2004	30,413,503	29,852,754	32,057,657
Citicorp Person To Person Incorporated	BAA3	12.500	01-15-1996	6,000,000	6,118,200	6,120,000
	BAA3	4.920	05-10-1996	4,250,000	3,948,725	4,080,000
Collateralized Mortgage Obligation Trust	AAA	10.200	02-01-2016	18,766,860	18,938,763	20,268,209
Collateralized Mortgage Security Corporation	AAA	11.450	09-01-2015	13,948,093	14,884,720	15,063,941
	AAA	0	06-26-2018	5,000,000	2,328,050	2,818,550
	AAA	10.000	09-20-2021	248,449	8,571,497	8,851,003
Colonial Credit Card Trust	AAA	7.450	01-15-1998	1,500,000	1,510,313	1,568,895



CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
Comcast Corporation	BAA1	2.750%	04-15-2003	\$ 1,400,000	\$ 1,899,333	\$ 1,954,260
Commercial Credit Group Incorporated	A2	9.875	12-01-1995	1,525,000	1,674,130	1,679,132
Continental Corporation	A-1	8.250	04-15-1999	1,000,000	998,690	1,021,540
Cooperative Utility Trust	AAA	10.700	09-15-2017	3,500,000	3,500,000	4,232,585
CIT Group Holdings Incorporated	A-1	5.500	02-01-1994	2,000,000	1,991,840	2,001,880
	A-1	4.050	12-01-1992	30,000,000	29,970,000	30,000,000
	A-1	8.875	06-15-1996	2,000,000	2,099,440	2,155,540
CNA Financial Corporation	AA2	8.875	03-01-1998	2,000,000	2,102,520	2,148,320
Discover Card Trust	AAA	8.850	05-16-1996	1,425,000	1,484,793	1,491,790
	AAA	8.850	07-16-1998	5,000,000	5,139,063	5,321,850
Discover Credit Corporation	NR	5.000	02-07-1994	3,300,000	3,300,000	3,297,162
Dover Credit Card Trust	NR	8.250	10-15-1997	1,900,000	1,948,032	1,991,428
Drexel Burnham Lambert CMO Trust	AAA	8.950	04-20-2018	3,492,727	3,431,605	3,731,735
DBL Mortgage Funding Corporation	AA2	9.500	08-01-2019	2,961,126	2,869,979	3,111,966
DLJ Mortgage Acceptance Corporation Mortgage Pass Thru	AAA	8.304	09-01-2021	3,828,352	3,938,417	3,997,029
DLJ Mortgage Acceptance Corporation Mortgage Variable Rate	AAA	5.471	06-25-2022	6,980,066	7,032,416	7,045,867
European Investment Bank	AAA	12.625	10-15-1999	6,861,000	7,473,001	7,547,100
Financing Corporation	NR	10.700	10-06-2017	1,000,000	1,097,061	1,267,500
	NR	9.650	11-02-2018	1,300,000	1,420,913	1,510,431
First Bank System	NR	5.250	05-29-1997	1,500,000	1,416,750	1,445,355
	NR	5.250	11-13-1996	3,200,000	3,029,250	3,102,432
First Boston Mortgage Securities Corporation	AAA	8.250	07-25-2015	14,052,664	14,461,069	14,531,297
	BAA2	7.450	01-25-2019	9,376,853	9,814,199	9,658,159
First Chicago Corporation	BAA2	5.250	07-24-1996	2,000,000	1,902,500	1,920,000
	BAA1	5.250	02-07-1997	2,000,000	1,877,500	1,917,640
	A3	8.625	07-15-1992	6,000,000	6,098,620	6,002,940
	BAA1	9.875	08-15-2000	6,500,000	6,378,125	7,193,940
First Chicago Master Trust II	AAA	9.250	12-15-1996	500,000	535,234	539,375
	AAA	8.875	06-15-1995	2,500,000	2,607,813	2,598,425
	AAA	8.400	06-15-1998	5,000,000	4,979,688	5,312,500
First Interstate Bancorp	NR	8.700	07-18-1995	3,000,000	3,091,620	3,108,480
	BAA3	12.750	05-01-1997	4,750,000	5,530,473	5,710,450
	BAA2	10.875	04-15-2001	7,000,000	7,675,850	8,043,070
	NR	10.500	05-01-1994	20,000,000	20,549,600	21,231,600
First PV Funding Corporation	BA2	10.300	01-15-2014	2,000,000	2,005,000	2,035,900
Fleet Finance Home Equity Trust	AAA	8.450	04-17-2006	3,915,256	4,095,725	4,082,868
Fleet Financial Group Incorporated	BAA2	8.625	07-15-1992	4,000,000	4,060,000	4,002,440
Fleet/Nonstar Financial Group Incorporated	BAA2	9.950	05-15-1993	20,000,000	20,113,800	20,805,200
	BAA2	7.850	12-15-1992	29,000,000	28,943,900	29,360,470
	BAA	9.900	06-03-1993	6,000,000	5,995,620	6,222,540
Ford Credit Auto Loan Master Trust	A2	6.875	01-15-1999	5,500,000	5,460,489	5,527,500
Ford Credit 1991-A Grantor Trust	A2	7.800	02-15-1996	10,112,997	10,406,892	10,416,367
Ford Motor Credit Company	A2	9.230	10-31-1995	3,000,000	3,142,170	3,238,500
	A2	10.750	12-03-1992	1,000,000	1,044,900	1,022,690
	A2	9.260	10-19-1992	1,200,000	1,216,248	1,201,884
	A2	8.300	02-01-1993	9,000,000	9,150,570	9,194,580
	A2	9.000	06-15-1993	1,000,000	998,400	1,032,340
	A2	8.800	09-17-1993	1,000,000	1,037,470	1,046,790
	A2	9.200	09-30-1993	4,450,000	4,647,847	4,683,937
	A2	9.450	05-20-1994	2,500,000	2,549,950	2,680,300
FBC Mortgage Securities Trust II	AAA	8.000	09-01-2016	5,516,365	5,028,329	5,626,692
Franklin Savings Association Capital Incorporated	NR	8.200	09-20-2001	1,147,657	1,159,134	1,148,223
General Electric Capital Corporation	AAA	8.300	09-20-2009	350,000	371,851	369,276
General Motors Acceptance Corporation	A-1	8.700	07-20-1992	3,000,000	3,045,600	3,004,590
	A-1	8.350	01-25-1993	1,500,000	1,534,500	1,530,075
	A-1	5.500	04-08-1993	10,000,000	10,062,500	10,057,400
	A-1	6.500	05-05-1993	18,000,000	17,996,760	18,257,460
	A-1	9.100	06-08-1993	1,000,000	1,032,140	1,038,770
	A-1	8.950	06-08-1993	8,400,000	6,519,168	6,639,616
	A-1	9.050	06-15-1993	7,000,000	7,170,170	7,273,840
	A-1	8.450	08-03-1993	500,000	512,745	517,440
	A-1	9.000	10-21-1993	5,000,000	5,202,500	5,227,900
	A-1	5.700	10-29-1993	2,000,000	2,006,500	2,010,060
	A-1	6.900	11-01-1993	7,000,000	7,002,240	7,139,580
	A-1	8.950	11-03-1993	3,000,000	3,131,250	3,137,250
	A-1	6.750	11-08-1993	1,000,000	1,018,530	1,018,140
	A-1	8.900	11-29-1993	18,500,000	19,316,405	19,441,280
	A-1	8.750	12-14-1993	14,000,000	14,495,880	14,699,660
	A-1	6.150	01-14-1994	8,600,000	8,551,410	8,703,200
	A-1	6.375	01-18-1994	3,500,000	3,496,570	3,553,270
	A-1	6.250	02-25-1994	8,000,000	7,930,160	8,103,520
	A-1	8.550	03-15-1994	2,900,000	3,018,929	3,042,825
	A-1	6.900	04-01-1994	8,750,000	8,749,825	8,950,813
	A2	8.000	04-15-1994	1,000,000	997,500	1,039,190
	A2	9.450	05-15-1994	1,800,000	1,899,486	1,917,396
	A-1	7.900	06-06-1994	6,000,000	6,152,280	6,260,940
	A-1	8.200	07-25-1994	7,500,000	7,743,525	7,875,375
	A-1	8.200	08-08-1994	3,500,000	3,377,290	3,666,565
	A-1	8.650	12-07-1994	15,000,000	15,654,750	15,953,250
	A2	8.750	01-01-1995	600,000	634,140	634,530
	A-1	8.700	05-01-1996	2,375,000	2,433,758	2,538,590
	A-1	8.800	07-03-1996	3,000,000	3,084,690	3,215,880
	A-1	8.800	07-08-1996	1,500,000	1,542,405	1,607,835
	A-1	7.750	02-20-1997	4,000,000	3,984,480	4,108,400
	A-1	7.900	05-01-1997	2,500,000	2,512,500	2,575,050
	A-1	7.900	05-05-1997	5,000,000	4,984,700	5,147,900
	A-1	5.550	05-15-1997	13,278,462	13,269,167	13,340,605
	A2	8.625	06-15-1999	3,061,000	3,180,379	3,258,312
	A2	8.400	10-15-1999	11,500,000	11,997,340	12,063,155
	AAA	8.250	11-15-1995	683,820	705,403	707,822
Great Western Federal Savings Bank	A3	9.800	12-01-1993	7,000,000	7,226,100	7,369,600
Greenwich Capital Acceptance Incorporated	NR	7.860	01-25-2022	5,767,838	5,930,058	6,011,183
Guaranteed Mortgage Corporation II	AAA	11.000	12-01-2015	6,997,471	7,109,022	7,597,015
Guardian Savings & Loan Association	AA2	6.986	05-25-2020	2,254,442	2,282,896	2,272,771
	AA2	9.810	07-25-2018	8,019,723	8,104,932	8,114,997
	AA2	8.209	01-25-2019	4,806,049	4,878,139	4,863,144
	AA2	6.919	02-25-2020	652,609	655,872	657,915
	AA2	6.875	03-25-2020	2,535,612	2,556,629	2,550,673
	AA2	7.222	01-25-2021	1,627,828	1,652,245	1,635,463

Original from



CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
GCC Home Equity Trust	AA2	10.000%	07-15-2005	\$ 6,695,845	\$ 7,125,843	\$ 7,198,033
GMAC Grantor Trust	AAA	6.750	06-15-1996	3,447,358	3,468,753	3,513,065
GMAC 1992-C Grantor Trust	AAA	5.950	02-15-1997	22,855,425	22,848,283	23,083,980
Heller Financial Incorporated	NR	4.120	08-28-1992	8,400,000	8,400,000	8,400,000
Heller (Walter E.) & Company	BAA1	12.375	10-15-1992	2,000,000	2,052,700	2,032,480
Home Owners Federal Savings & Loan Association	AA2	8.379	09-01-2017	4,711,755	4,739,731	4,805,990
Home Savings America	BAA1	10.250	12-05-1996	5,375,000	5,363,766	5,693,200
Household Finance Corporation Home Equity	AAA	4.260	10-08-2003	1,814,876	1,808,637	1,812,027
Household Finance Corporation	A3	8.550	10-01-1992	6,000,000	5,971,200	6,025,860
	A3	9.625	11-01-1992	2,500,000	2,576,600	2,532,625
	A3	7.500	08-01-1995	2,600,000	2,527,460	2,601,144
	A3	7.800	11-01-1996	4,000,000	4,082,120	4,103,360
Imperial Savings & Loan Association	AA2	8.800	01-25-2017	8,171,813	7,945,172	8,539,544
International Lease Finance Corporation	A2	7.400	06-01-1993	3,300,000	3,325,410	3,365,076
	A2	6.625	06-01-1996	22,255,000	22,109,007	22,309,525
	A2	8.350	10-01-1998	4,000,000	3,991,600	4,159,960
Ireland Republic	AA3	8.625	04-15-2001	1,000,000	989,650	1,062,430
Ing Bank Corporation	A3	6.125	07-01-1992	4,100,000	2,270,986	4,100,000
ITI Financial Corporation	A-1	8.625	02-15-2005	5,000,000	5,104,550	5,090,500
	A-1	9.250	11-01-1992	2,000,000	1,997,500	2,022,720
	A-1	8.500	01-15-1998	1,425,000	1,452,417	1,487,999
Manne Midland Banks Incorporated	NR	7.625	03-01-2003	8,000,000	8,000,000	7,490,000
Mantrans Capital Corporation	NR	9.250	04-01-2007	4,000,000	4,000,000	3,784,760
Mellon Bank Corporation	BAA2	5.250	11-29-1996	7,000,000	6,667,500	6,776,140
Merrill Lynch & Company Incorporated	A-1	9.000	11-23-1992	6,500,000	6,500,000	6,589,765
	A-1	7.125	11-01-1994	30,000,000	29,962,500	30,950,400
Morgan Guaranty Trust Company New York, NY	AA-1	7.375	02-01-2002	1,000,000	948,010	982,690
Mortgage Bankers Financial Corporation	NR	9.900	03-01-2018	7,576,605	7,208,739	8,182,733
	NR	9.500	07-01-2018	8,988,589	8,806,614	9,707,676
	NR	9.000	04-01-2018	6,103,082	5,700,371	6,331,947
Mortgage Securities III Trust Fund	NR					
Municipal Finance Authority Canada	AAA	13.750	12-01-2005	388,000	418,555	474,062
MWCC Receivables Trust One	NR	9.250	08-17-1993	225,000	235,828	234,209
National Credit Card Trust	AAA	9.450	12-31-1997	2,500,000	2,569,725	2,733,575
National Rural Utilities Cooperative Finance	AA	7.550	05-24-1993	2,350,000	2,359,424	2,405,296
Nissan Auto Receivables Grantor	NR	5.300	06-15-1997	2,008,592	2,005,767	2,011,725
Norwest Bank Master Trust Credit	AAA	9.050	10-15-1995	2,500,000	2,635,156	2,614,050
Norwest Financial Incorporated	AA3	8.250	02-01-1994	1,000,000	998,400	1,041,620
	AA3	8.500	08-15-1998	2,000,000	1,987,060	2,113,240
NBD Bancorp Incorporated	NR	8.100	03-01-2002	500,000	499,555	508,930
NCNB Corporation	BAA1	10.500	03-15-1999	10,750,000	11,612,750	11,769,208
P-B CMO Trust Four REMIC	NR	5.427	09-01-2018	2,015,747	2,069,605	2,035,904
Philip Morris Companies Incorporated	A2	8.250	12-15-1992	1,400,000	1,421,700	1,422,876
Premier Auto Trust Odd	NR	9.900	11-17-1997	17,800,000	17,769,242	17,927,804
Private Export Funding Corporation	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,382,680
Provident National Bank Philadelphia	NR	8.900	01-27-1993	1,000,000	965,230	1,025,510
Prudential Home Mortgage Securities Company REMIC	AAA	8.500	08-25-2021	8,842,061	9,038,244	9,074,165
Prudential Home Mortgage Securities Mortgage	AAA	7.500	04-25-2007	4,806,036	4,852,594	4,893,169
PHH Corporation	NR	4.000	08-27-1992	8,400,000	8,400,000	8,400,000
Rabobank Nederland	NR	9.000	10-26-1992	1,000,000	1,009,400	1,014,430
	NR	7.250	05-25-1995	2,000,000	2,012,860	2,066,820
Republic National Bank	AA-1	6.400	04-15-1995	400,000	400,000	406,824
Residential Funding Mortgage Securities I	AA-1	9.500	10-25-2020	2,875,345	2,953,069	3,002,953
	AA-1	9.500	07-25-2021	1,500,000	1,558,125	1,566,570
Resolution Trust Corporation Mortgage Multifamily	A-1	7.824	05-25-2019	4,347,136	4,347,136	4,412,343
Resolution Trust Corporation Mortgage Pass Thru	AAA	8.027	02-25-2020	3,496,807	3,530,136	3,543,804
	AAA	4.427	11-25-2020	3,289,581	3,289,581	3,292,673
	AAA	4.450	03-25-2021	3,910,640	3,915,528	3,910,640
	AAA	7.666	01-25-2021	2,341,844	2,350,626	2,350,626
Resolution Trust Corporation REMIC Variable Rate	AAA	4.487	04-25-2021	3,263,583	3,267,153	3,312,537
Resolution Trust Corporation Securities Incorporated	NR	4.387	07-25-2022	22,400,000	22,400,000	22,400,000
Resolution Trust Corporation	NR	7.516	01-25-2022	10,000,000	10,276,563	10,000,000
	NR	5.070	06-25-2024	10,000,000	10,000,000	10,000,000
	NR	8.350	06-25-2029	1,477,576	1,508,974	1,508,516
Rural Electrical Cooperative Grantor Trust Certificate	AAA	9.580	12-15-2019	8,000,000	8,252,240	8,546,800
Ryland Acceptance Corporation Four	AAA	9.450	04-01-2010	6,299,426	6,449,037	6,614,397
	AAA	9.550	04-25-1999	2,747,828	2,767,578	2,810,506
	AAA	9.700	11-01-2006	4,355,524	4,433,106	4,518,856
	AAA	8.000	06-01-2007	1,302,903	1,248,350	1,312,258
	AAA	10.750	01-01-2016	4,570,886	4,771,368	4,719,440
Ryland Mortgage Securities Corporation	AAA	5.820	12-25-2021	6,821,338	6,885,288	6,932,185
	AAA	5.479	03-25-2022	3,465,176	3,507,408	3,579,978
RCSB 1991-F Grantor Trust	AAA	6.870	03-15-2000	25,633,266	25,633,266	25,633,266
Salomon Brothers Mortgage Securities II Incorporated	AAA	11.500	09-01-2015	2,915,160	3,132,322	3,135,108
Salomon Brothers Mortgage Securities IV Incorporated	NR	7.000	02-01-2017	2,370,651	2,063,946	2,311,385
Salomon Brothers Mortgage Securities VII Incorporated	AA2	7.891	01-25-2018	4,486,535	4,492,143	4,621,131
Salomon Incorporated	NR	8.950	08-03-1992	275,000	279,972	275,872
	NR	9.500	06-01-1993	3,000,000	3,105,120	3,127,080
	NR	5.175	06-11-1993	35,000,000	35,000,000	34,980,400
	NR	6.600	07-18-1993	12,000,000	12,000,000	12,227,400
	NR	6.710	07-30-1993	3,900,000	3,900,000	3,977,571
Sears Credit Account Trust 1990-D	AAA	7.750	09-16-1998	12,000,000	12,328,125	12,491,160
Sears Credit Account Trust 1991-A	AAA	8.850	03-15-1996	6,000,000	6,277,500	6,421,860
Sears Credit Account Trust 1989	AAA	9.000	09-15-1993	1,025,000	1,076,250	1,067,281
Sears Mortgage Securities Corporation	NR	6.103	06-25-2022	10,000,000	10,300,000	10,000,000
	AAA	9.625	02-25-2012	2,838,159	2,771,349	2,985,403
Security Pacific Corporation	A3	7.875	01-20-1997	2,500,000	2,309,725	2,501,400
Security Pacific National Bank of Los Angeles	NR	10.500	01-01-2018	2,645,903	2,670,114	2,837,731
	NR	9.000	10-25-2017	3,116,770	3,183,095	3,241,441
Shearson Lehman Hutton Holdings	NR	4.953	02-01-1994	10,000,000	10,000,000	9,956,300
Shearson Lehman Securities Incorporated Asset Trust	NR	7.717	01-01-2019	5,722,013	5,845,394	5,877,595
Southwest Savings Association	NR	8.515	12-31-2018	1,971,946	1,982,231	1,994,741
Standard Credit Card Master Trust	AAA	7.875	07-07-1994	3,450,000	3,521,625	3,610,632
	AAA	8.000	06-07-1996	3,500,000	3,487,200	3,673,880
	AAA	9.000	03-10-1995	10,000,000	10,407,813	10,709,300
Security Pacific National Bank Home Equity Loan Asset Backed Certificate	AAA	8.100	06-15-2020	789,043	796,255	811,973
Transamerica Finance Corporation	NR	5.555	11-19-1993	35,000,000	35,000,000	35,000,000
Travelers Mortgage Services	AA2	9.672	04-25-2019	8,908,497	8,510,398	9,559,975
US Auto Receivables	AAA	8.150	01-16-1996	473,443	486,388	484,834

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
US Bancorp	BAA2	8.875 %	09-01-1998	\$ 5,250,000	\$ 5,341,875	\$ 5,296,725
US Business Equity Loan Trust	NR	8.125	05-15-2002	5,000,000	4,964,750	5,037,100
US West Financial Services Incorporated	AAA	5.387	08-15-2017	27,459,452	27,459,452	27,493,776
Westinghouse Credit Corporation	NR	4.082	09-03-1992	25,000,000	24,944,750	25,000,000
	NR	4.015	09-15-1992	25,000,000	24,787,500	24,927,500
Western Federal Savings & Loan	BAA2	8.875	06-14-2014	2,000,000	2,091,518	2,088,480
	AA2	7.971	05-01-2018	513,517	525,072	527,480
	AA2	7.599	03-01-2019	7,757,958	7,658,859	8,007,687
Xerox Credit Corporation	A2	9.250	03-15-1993	2,000,000	2,064,780	2,042,520
<b>Total Finance</b>				<b>\$ 1,582,010,228</b>	<b>\$ 1,588,515,828</b>	<b>\$ 1,630,277,101</b>
<b>Industrial and Miscellaneous</b>						
Ahmanson (H.F.) & Company	BAA3	9.875 %	11-15-1999	\$ 10,000,000	\$ 9,894,000	\$ 10,834,800
Aktebiolaget	NR	0	07-26-2002	3,000,000	1,619,400	1,341,080
Albertsons Incorporated	NR	6.375	05-01-1995	400,000	399,720	402,008
Anistar Incorporated	BAA1	9.875	09-22-1993	3,000,000	3,137,940	3,121,920
Associates Corporation Of North America	A-1	9.000	06-15-1993	1,000,000	1,002,320	1,035,580
AMR Corporation Delaware	BAA1	9.800	10-01-2021	2,500,000	2,527,100	2,631,325
	BAA1	8.850	12-14-1992	7,500,000	7,572,690	7,635,975
	BAA1	9.700	11-07-2011	4,000,000	4,168,120	4,290,520
Boise Cascade Corporation	BAA2	8.375	08-15-1994	1,000,000	999,750	1,001,090
BP America Incorporated	AA3	8.500	04-15-2001	2,000,000	2,062,680	2,093,500
C & S Sovran Corporation	NR	8.640	07-15-1994	5,000,000	5,268,550	5,317,200
Caterpillar Incorporated	NR	7.280	06-05-1997	5,000,000	5,035,850	4,983,200
Chemical New York Corporation	BAA3	6.500	05-01-2004	3,000,000	2,907,900	2,880,000
Citicorp	NR	8.500	01-01-2002	10,743,993	9,706,983	10,594,329
Cleveland Electric Illuminating	NR	9.375	02-15-1993	14,750,000	15,252,828	15,150,315
	NR	9.450	03-01-1993	4,000,000	4,137,040	4,116,760
Coastal Corporation	BAA3	11.250	06-15-1996	14,400,000	15,129,000	15,036,336
Collateralized Mortgage Security Corporation	NR	8.000	08-25-2017	3,900,000	3,500,250	3,982,875
Commercial Credit Group Incorporated	A2	9.150	11-01-1993	1,000,000	1,056,360	1,041,850
Dayton Hudson Corporation	A3	9.700	06-15-2021	1,000,000	1,080,140	1,102,260
	NR	9.500	06-10-2015	5,000,000	5,058,600	5,465,250
Disney Euro Convertibles	A-1	0	06-27-2005	4,600,000	2,133,500	2,150,500
Dow Chemical Company	A-1	9.000	04-01-2021	1,000,000	1,044,080	1,042,890
Du Pont E.I. De Nemours & Company	AA2	8.125	03-15-2004	1,000,000	997,010	1,033,570
Eastman Kodak Company	A2	9.125	03-01-1998	1,000,000	1,062,400	1,062,690
Emerson Capital Corporation	NR	10.500	07-01-2008	709,184	709,184	856,588
	NR	10.500	07-01-2008	60,816	60,816	73,458
Enron Corporation	BAA2	10.625	02-15-1999	5,750,000	5,980,000	6,008,750
Federal Express Corporation	NR	10.000	09-01-1998	500,000	536,605	525,120
First Private Funding Corporation	BA2	10.150	01-15-2016	6,000,000	5,025,000	6,030,000
Fleet Norstar Financial Group Incorporated	NR	9.340	03-30-1994	3,000,000	3,168,270	3,168,430
	NR	9.800	10-30-1995	5,400,000	5,813,370	5,889,402
Ford Capital BV	A2	9.000	08-15-1998	8,000,000	8,454,300	8,525,760
Ford Motor Credit Company	A2	9.000	01-15-1993	500,000	512,540	510,240
G F Mortgage Corporation	NR	10.300	08-01-1997	2,257,265	2,334,153	2,298,167
General Cinema Corporation	BAA2	8.250	06-01-2002	1,000,000	994,280	1,007,730
General Electric Credit Corporation 2nd	NR	8.000	03-01-2002	6,622,221	6,563,497	6,738,110
General Motors Acceptance Corporation	A2	9.250	03-15-1993	2,500,000	2,584,000	2,576,400
	NR	9.900	04-15-1994	2,000,000	2,117,420	2,145,680
General Motors Corporation	NR	4.520	06-28-1993	4,200,000	4,144,350	4,200,000
	A2	8.800	03-01-2021	3,000,000	2,997,990	3,166,780
Greater Northern Nekooosa Corporation	NR	9.300	01-07-1993	10,000,000	10,270,000	10,219,600
GPA Delaware Incorporated	BAA1	8.750	12-15-1998	15,000,000	14,945,250	15,235,950
GPA Group Delaware	NR	5.090	06-15-1994	16,500,000	16,500,000	16,500,000
	NR	5.750	12-06-1993	35,000,000	35,000,000	35,000,000
Illinois Power Fuel Company	NR	11.300	12-01-1994	6,000,000	6,671,250	6,626,860
Interco Incorporated	CA	14.500	12-15-2003	128	128	4
InterNorth Incorporated	BAA2	11.000	03-01-1995	4,500,000	4,736,250	4,634,685
IBM Corporation	AA2	9.000	05-01-1998	1,000,000	1,071,250	1,071,930
ISP Chemicals Incorporated	NR	9.000	03-01-1999	350,000	351,138	347,508
JC Penney Incorporated	A2	9.750	12-15-1995	3,000,000	3,089,250	3,048,960
K Mart Corporation	A-1	12.500	03-01-2005	1,000,000	1,332,070	1,350,530
Kansalis-Osake-Pankki	NR	10.000	03-15-1994	1,000,000	998,270	1,038,520
	A	10.150	03-15-1993	2,000,000	2,010,720	2,059,940
Leewards Creative Crafts Incorporated	NR	13.500	05-15-2000	5,000,000	5,000,000	5,000,000
Long Island Lighting Company	BAA3	11.375	04-01-1993	6,400,000	6,806,580	6,697,536
	BAA3	10.250	06-15-1994	13,250,000	13,404,063	14,377,443
Loral Corporation	BAA1	9.125	02-01-2022	5,000,000	4,992,300	5,109,300
Louisiana Power & Light	NR	10.320	01-31-1999	1,250,000	1,250,000	1,436,725
Lyondell Petrochemical Company	BAA3	9.950	06-01-1996	350,000	380,713	379,117
Martin Marietta Corporation	A2	9.000	03-01-2003	1,000,000	1,072,170	1,083,120
Michigan Bell Telephone Company	NR	9.250	11-15-1998	2,600,000	2,832,856	2,868,086
Mobil Corporation- Variable	NR	4.650	09-18-1995	20,000,000	20,000,000	19,800,000
Nerco Incorporated	BAA	9.650	06-01-1999	5,000,000	5,097,000	5,510,500
NCNB Corporation	BAA1	10.200	07-15-2015	4,150,000	4,135,722	4,632,687
Occidental Petroleum Corporation	BAA2	10.500	03-15-1993	5,000,000	5,267,970	5,146,250
	BAA2	10.875	03-15-1996	24,115,000	25,220,597	25,108,744
	BAA2	11.750	03-15-2011	2,000,000	2,041,944	2,337,500
Olympia & York	NR	7.000	03-20-1999	9,645,470	9,568,446	5,305,008
Paramount Communications Incorporated	NR	7.500	01-15-2002	1,000,000	951,300	972,620
Penn Central Corporation	BAA1	10.875	05-01-2011	5,000,000	5,236,500	5,238,300
Pfizer Incorporated	AAA	7.125	10-01-1996	5,000,000	4,988,500	5,087,450
Philip Morris Companies Incorporated	A2	9.400	10-01-1995	1,000,000	1,088,850	1,084,410
	A2	8.750	06-15-1997	13,000,000	13,802,490	13,966,290
	NR	8.000	01-11-1993	6,500,000	6,586,190	6,614,075
Philip Morris Credit Corporation Series C	NR	10.500	07-01-2008	2,785,110	2,785,110	3,363,995
	NR	10.500	07-01-2008	294,890	294,890	356,183
Provident National Bank	AA	8.900	01-27-1993	1,000,000	1,019,280	997,260
Rabobank Nederland	NR	9.050	02-25-1993	1,000,000	1,003,740	1,028,950
Resorts International Incorporated	CAA	15.000	04-15-1994	800	792	520
River Bend Fuel Services Incorporated	NR	11.390	01-31-1993	18,000,000	18,619,200	18,686,340
Rural Housing Trust 1987-1 Senior	NR	6.330	08-01-2000	1,821,008	1,807,351	1,824,432
RUR Nabesco Incorporated	BAA3	8.300	04-15-1999	13,000,000	13,000,000	13,292,500
Sater Company	NR	9.630	05-31-2000	4,000,000	3,995,760	4,400,520

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Industrial and Miscellaneous (continued)</b>						
Safeco Products	NR	9.460 %	05-31-1999	7,000,000	\$ 6,992,160	\$ 7,644,210
Sears Roebuck & Company	A2	9.350	05-15-1993	10,000,000	10,021,700	10,340,300
Security Pacific Corporation	A3	8.350	08-15-1994	3,000,000	3,111,570	3,159,180
Shell Oil Company	AAA	6.950	12-15-1998	1,000,000	998,310	1,001,100
Sonwil Corporation	NR	12.500	12-01-2008	11,044,703	13,035,680	14,368,495
Standard Oil Company	AA3	6.300	07-01-2001	1,250,000	1,127,225	1,139,350
Texas Eastern Corporation	BA-1	9.875	12-15-1992	14,000,000	14,202,580	14,130,060
Texas Instrument Incorporated	A3	9.250	06-15-2003	3,000,000	3,216,570	3,227,820
Toledo Edison Company	NR	15.000	01-15-1993	2,500,000	2,639,150	2,645,325
Union Texas Petroleum Holdings Incorporated	BA3	6.500	11-01-1992	1,000,000	990,313	980,000
United Telecommunications Incorporated	BAA3	8.250	08-15-1992	3,100,000	3,105,166	3,108,215
Universal Corporation	NR	8.600	06-30-1993	4,000,000	4,047,240	4,127,920
US Steel Corporation	A	9.100	07-15-1993	4,000,000	4,149,680	4,190,000
USG Corporation	CA	16.000	07-15-2008	100	0	16
USX Corporation	NR	9.100	07-15-1993	32,000,000	33,019,200	33,520,000
Water (Jim) Corporation	CA	13.750	02-01-2003	800,000	907,000	376,000
Waste Management Incorporated	A-1	7.750	02-01-1995	1,200,000	1,234,032	1,254,852
Wilmington Trust Alamato Company	NR	10.500	01-01-2015	7,927,423	7,927,423	6,668,763
<b>Total Industrial and Miscellaneous</b>				<b>\$ 541,628,111</b>	<b>\$ 548,701,875</b>	<b>\$ 554,047,400</b>
<b>Public Utilities</b>						
Central Maine Power Company	BAA1	9.350 %	02-01-1998	\$ 10,350,000	\$ 10,846,697	\$ 10,779,836
Central Power & Light Company	A2	9.750	11-01-1994	1,000,000	992,500	1,019,900
Colorado Interstate Gas Company	BAA1	10.000	06-15-2005	2,000,000	2,014,740	2,210,100
Columbus Southern Power Company	NR	8.650	10-15-1992	1,500,000	1,524,150	1,515,690
Commonwealth Edison Company	A3	10.375	10-15-1992	2,200,000	2,197,800	2,231,504
	NR	7.900	04-15-1994	2,500,000	2,500,000	2,607,300
	A3	9.125	10-15-2008	500,000	474,835	523,230
Connecticut Light & Power Company	BAA1	10.000	10-01-1995	17,187,000	17,572,732	17,530,740
	BAA1	9.500	06-01-2019	2,000,000	1,977,500	2,115,940
Consolidated Edison Company Incorporated	AA2	7.625	03-01-2004	3,000,000	2,976,750	3,061,360
Detroit Edison Company	A3	9.375	08-15-1992	13,250,000	13,449,625	13,297,038
Houston Light & Power Company	A3	7.625	03-01-1997	1,000,000	999,510	1,028,670
Idaho Power Company	A2	8.750	03-15-2027	1,000,000	996,250	1,014,400
Long Island Lighting Company	BAA3	11.700	11-15-1993	3,000,000	3,281,540	3,244,980
Pacific Gas & Electric Company	A-1	10.000	05-01-2020	2,625,000	2,826,797	2,808,514
Pennsylvania Power & Light Company	A2	10.875	01-01-2016	2,600,000	2,805,322	2,793,960
Resolution Funding Corporation Federal Coupon	NR	0	04-15-2006	23,500,000	6,506,915	7,769,100
Rothschild LF Mortgage Trust	AAA	0	01-01-2019	8,350,000	4,467,751	5,297,324
Rural Electrical Cooperative Grantor Trust Certificate	NR	9.730	12-15-2017	4,000,000	4,214,770	4,280,560
Southern California Edison Company	AA2	7.500	04-15-1999	1,000,000	988,440	1,011,420
Tennessee Valley Authority	AAA	8.250	04-15-2042	1,000,000	969,350	973,570
Texas Utilities Electric Company	BAA2	8.125	02-01-2002	1,000,000	982,960	1,016,160
United Illuminating Company	NR	7.375	01-15-1998	350,000	348,289	352,275
Wisconsin Gas Company	A-1	9.125	12-01-1997	4,000,000	3,990,000	4,276,360
<b>Total Public Utilities</b>				<b>\$ 108,912,000</b>	<b>\$ 89,905,223</b>	<b>\$ 92,708,111</b>
<b>Telephone</b>						
Bell Atlantic Capital Funding Corporation	A-1	8.625 %	09-15-1993	\$ 1,000,000	\$ 999,270	\$ 1,043,900
General Telephone Company California	AA3	9.375	06-15-2026	2,000,000	1,850,020	2,148,240
South Central Bell Telephone Company	AAA	9.625	03-01-2019	2,500,000	2,657,500	2,646,175
Southern Bell Telephone & Telegraph Company	AAA	8.125	05-01-2017	1,000,000	956,640	987,550
US West Communications	AA3	8.875	06-01-2031	1,000,000	1,015,250	1,031,410
<b>Total Telephone</b>				<b>\$ 7,500,000</b>	<b>\$ 7,478,680</b>	<b>\$ 7,857,275</b>
<b>Transportation</b>						
AMR Corporation Delaware	NR	8.900 %	11-23-1992	\$ 7,000,000	\$ 6,987,750	\$ 7,111,580
Boeing Company	AA3	8.750	08-15-2021	6,000,000	6,153,120	6,197,580
Delta Air Lines Incorporated	BAA1	9.750	05-15-2021	2,000,000	1,988,400	2,082,460
Union Pacific Railroad Company	AA-1	9.500	02-15-1999	3,000,000	2,998,200	3,188,160
United Air Lines Incorporated	BAA2	9.750	08-15-2021	1,000,000	1,019,290	1,036,210
<b>Total Transportation</b>				<b>\$ 19,000,000</b>	<b>\$ 19,146,760</b>	<b>\$ 19,615,890</b>
<b>Convertible Issues</b>						
Eastman Kodak Company	BAA1	0 %	10-15-2011	\$ 100,000,000	\$ 27,875,000	\$ 28,375,000
First Interstate Bancorp	NR	4.118	08-25-1992	3,600,000	3,591,828	3,600,396
Service Corporation International	BAA1	6.500	09-01-2001	3,000,000	3,000,000	3,247,500
<b>Total Convertible Issues</b>				<b>\$ 106,600,000</b>	<b>\$ 34,466,828</b>	<b>\$ 35,222,896</b>
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 2,365,650,334</b>	<b>\$ 2,298,215,192</b>	<b>\$ 2,339,728,773</b>
<b>TOTAL U.S. BONDS AND CORPORATE NOTES</b>				<b>\$ 3,505,172,932</b>	<b>\$ 3,323,148,153</b>	<b>\$ 3,410,871,499</b>

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Bankamerica Corporation	A3	5.000 %	03-07-1997		\$ 1,880,000	\$ 1,920,200
Bnsson Partners International	NR	0			54,958,441	65,756,637
Bnsson Partners International Non-Dollar	NR	0			128,192,334	158,641,394
Bundesobligationen	NR	0			7,640,726	7,856,529
Canada (Government Of)	AAA	9.750	12-01-2001		6,109,609	6,384,183
	AAA	9.500	10-01-1998		12,329,660	12,977,929
	AAA	10.750	10-01-2009		1,877,102	2,065,002
	AAA	9.250	06-01-2022		8,554,290	8,856,641
	NR	0			4,742,834	4,650,108
	NR	10.500	03-01-2001		4,310,984	4,693,898
	AAA	8.250	03-01-1997		3,305,090	3,429,819
	AAA	8.500	04-01-2002		18,553,801	18,905,877
Credit Foncier De France	AAA	9.375	12-27-1999		9,022,824	9,522,310
Daewoo Telecom Convertible Bond	NR	3.500	12-31-2006		808,444	784,080
Denmark (Kingdom Of)	NR	8.000	05-15-2003		1,802,804	1,865,514
	9.000		11-15-1995		2,693,269	2,780,589
	AA-1	9.000	11-15-1998		6,571,330	6,771,087
	AA-1	9.000	11-15-2000		1,805,938	1,866,951
Deutsche Bank Genus Schern	NR	8.750	06-30-2004		28,775	33,035
Deutschland Bundes Republik	NR	8.250	09-20-2001		10,183,266	10,673,964
	NR	8.000	01-21-2002		8,144,009	8,516,297
	NR	8.875	01-22-1996		8,979,015	9,245,857
	AAA	6.000	03-20-1997		2,713,950	2,987,304
	AAA	7.000	09-20-1999		6,302,854	7,357,709
	AAA	7.125	12-20-1999		5,655,519	6,176,730
	AAA	8.875	12-20-2000		5,174,932	6,129,914
	AAA	7.000	09-20-1994		1,788,212	1,895,370
	AAA	8.500	08-21-2000		6,194,049	6,680,350
	AAA	6.500	01-02-1999		4,623,526	4,916,381
Enserch Finance Nv	BAA1	11.625	05-01-1993		1,063,800	1,025,890
First Bank System Incorporated	BAA1	5.250	11-26-2010		915,000	945,250
France (B.T.A.N.)	NR	9.000	11-12-1995		13,770,158	14,872,764
	NR	9.000	02-12-1996		8,918,132	9,724,865
France (Government Of)	NR	8.125	05-25-1999		1,610,271	1,748,064
	NR	8.500	03-28-2000		1,613,599	1,692,818
	NR	8.250	02-27-2004		13,975,253	16,132,169
	NR	8.500	12-26-2012		9,903,971	11,015,691
	NR	9.500	04-25-2000		1,348,811	1,371,764
	NR	8.500	03-12-1997		24,725,709	26,800,020
	NR	9.500	01-25-2001		22,159,749	23,954,453
	NR	8.500	04-25-2023		13,114,577	14,332,022
	NR	10.000	02-26-2001		4,029,312	4,247,652
	NR	9.000	11-12-1992		5,896,488	6,016,585
	NR	8.500	10-25-2019		4,288,246	4,912,693
General Motors Acceptance Corporation	A-1	7.000	10-08-1993		5,353,530	5,359,095
GMAC (Canada)	NR	0			12,645,750	12,784,251
Holland Niederlande	NR	8.250	06-15-2002		11,020,471	11,602,434
	NR	6.750	02-15-1999		4,926,094	5,337,539
	NR	8.500	03-15-2001		1,176,752	1,408,230
	NR	7.750	01-15-2000		9,611,145	10,102,471
	NR	6.000	04-15-1995		5,043,763	5,434,818
	NR	9.000	07-01-2000		1,524,589	1,624,679
Hydro Quebec	AA3	11.250	10-10-2000		6,522,579	6,565,618
	AA3	9.375	04-15-2030		1,471,380	1,630,425
	AA3	9.500	11-15-2030		2,190,360	2,202,280
	AA3	9.400	02-01-2021		25,784,980	28,243,280
Industrial Bank Of Japan Ltd	AA2	8.500	11-30-1994		2,997,450	3,196,620
International Bank Of Reconstruction	AA2	5.250	03-20-2002		6,897,643	7,240,166
Israel (State Of)	AAA	8.500	12-01-1994		4,000,000	4,000,000
	AAA	8.500	12-01-1995		2,000,000	2,000,000
	AAA	8.500	03-01-1993		1,000,000	1,000,000
Japan (Government Of)	NR	4.700	12-21-1998		7,329,639	7,674,044
	NR	4.700	06-21-1999		2,922,477	3,054,976
	NR	5.100	06-20-1996		3,840,847	4,007,291
	NR	6.400	03-20-2000		22,548,282	23,762,581
	NR	4.900	09-22-1997		8,790,503	9,064,777
	NR	4.800	06-22-1998		7,403,066	7,768,727
Manitoba (Province Of)	A-1	8.875	09-15-2021		996,240	1,036,350
Montreal (City Of)	NR	11.500	09-20-2000		4,313,258	4,700,571
New Brunswick (Province Of)	A-1	9.750	05-15-2000		494,250	562,985
New South Wales Treasury Corporation Inscribed Stock	NR	11.500	07-01-1999		5,007,501	5,047,057
Newfoundland (Province Of)	BAA1	13.875	10-01-1992		2,085,800	2,040,200
	BAA1	9.875	06-01-2020		5,575,020	6,132,280
Ontario-Hydro	NR	10.750	11-19-1995		1,720,243	1,823,343
	NR	8.625	02-06-2002		4,322,768	4,128,795
	NR	9.000	06-24-2002		7,380,700	7,273,305
PT Inti Indorayon Utama	NR	7.000	05-02-2006		1,480,250	1,429,061
PT Fabrik Kertas	NR	7.250	04-12-2001		378,975	381,514
Quebec (Province of)	AA3	4.125	10-16-2001		3,368,750	3,341,660
Queensland Treasury Exchange	NR	10.500	05-15-2003		5,588,927	5,583,989
Queensland Treasury Corporation	AAA	12.000	08-15-2001		4,225,878	4,554,233
Saskatchewan (Province Of)	A2	9.125	02-15-2021		991,350	1,042,850
Security Pacific Corporation	NR	5.000	02-21-1997		951,500	962,680
Spain (Kingdom Of)	AA2	9.125	08-01-2000		1,020,160	1,104,730
	AAA	13.450	04-15-1996		4,383,360	4,565,710
	NR	5.750	03-23-2002		3,762,806	3,894,160
	NR	5.750	03-23-2002		4,220,047	4,345,453
	NR	11.000	06-15-1997		2,881,584	2,966,911
Texas Commercial Bancshares Incorporated	BAA3	5.250	11-26-1997		10,655,000	10,610,160
Texas Instruments Incorporated	BAA1	2.750	09-29-2002		2,650,200	2,744,130
United Kingdom (Government Of)	NR	10.500	02-21-1997		3,140,440	3,395,972
	NR	10.000	11-15-1996		2,699,248	2,831,370
	NR	12.000	11-20-1998		9,661,931	10,068,977
	NR	10.000	06-09-1994		1,501,453	1,541,968
	NR	9.750	08-27-2002		8,541,388	9,058,410
	NR	10.000	02-26-2001		5,608,910	7,185,295
	NR	10.000	09-08-2003		4,769,563	5,001,634
United Kingdom Treasury Loan	NR	8.750	09-01-1997		10,451,218	11,221,889
United Kingdom Conversion Stock	NR	9.500	10-25-2004		1,900,533	1,960,795

**TOTAL INTERNATIONAL OBLIGATIONS**

Original \$ 746,005,214      \$ 820,809,110

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	SHARES	BOOK VALUE	MARKET VALUE
<b>PREFERRED STOCKS</b>			
<b>Domestic</b>			
Cellular Communication	182,267	\$ 5,344,015	\$ 6,105,945
Delta Airlines	34,400	1,720,000	1,788,800
Ford Motor Company Series A	6,000	309,546	475,500
General Motors Corporation	16,000	818,552	808,000
Leewards Creative Crafts Incorporated	1,407,032	5,069,536	5,069,536
RJR Nabisco Holdings Corporation	392,500	3,974,063	3,875,938
Texaco Incorporated	314	11,571	16,485
Texas Instruments Incorporated	55,900	1,627,297	1,725,913
Time Warner Incorporated 11%	113,566	3,940,036	6,004,803
Time Warner Incorporated 8.75%	16	711	794
Toledo Edison Company	80,000	2,017,280	2,040,000
US Air Group Incorporated	52,400	2,410,232	2,344,900
<b>TOTAL PREFERRED STOCKS - Domestic</b>		<b>\$ 27,242,839</b>	<b>\$ 30,256,614</b>
<b>International</b>			
Coles Myer Limited Non Redeemable Non-Cumulative Preferred	2,600	\$ 49,177	\$ 54,283
Credito Italiano (Di Rsp) Non Convertible	396,610	562,976	402,781
Henkel Kgaa Preferred Shares	5,604	2,107,613	2,288,737
Hombach Preferred	2,300	1,315,665	1,563,060
KSB AG	2,288	563,207	597,925
Rheinisch Westfaelsches	9,200	1,937,252	2,023,672
Smithkline Beecham	32,000	2,064,088	2,450,577
Tate & Lyle	230,000	687,418	705,362
<b>TOTAL PREFERRED STOCKS - International</b>		<b>\$ 9,287,396</b>	<b>\$ 10,086,397</b>
<b>TOTAL BONDS, CORPORATE NOTES AND PREFERRED STOCKS</b>		<b>\$4,105,683,602</b>	<b>\$ 4,272,023,620</b>

SHORT-TERM INVESTMENTS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Accrued Interest and Dividends	NR	0%		\$ 0	\$ 93,125,350	\$ 93,125,350
American Express Credit Corporation	NR	0	07-20-1992	10,000,000	9,927,472	9,927,472
Brinson Partners International Cash	NR	0		0	170,177	170,177
Federal National Mortgage Association	NR	0	02-04-1993	25,000,000	24,218,333	24,218,333
Ford Motor Credit	NR	0	07-02-1992	10,000,000	9,984,042	9,984,042
Harris Bank Due To Broker	NR	0		0	-69,259,473	-69,259,473
Harris Bank Collective Investment Funds	NR	0		33,595,000	33,595,000	33,595,000
Illinois Teachers' Custom Cash	NR	0		0	9,053,651	9,053,651
U.S. Treasury Bills	AAA	0	07-02-1992	4,570,000	4,543,638	4,569,232
	AAA	0	09-24-1992	11,855,000	11,677,627	11,754,745
	AAA	0	07-09-1992	5,000,000	4,952,000	4,996,100
	AAA	0	07-16-1992	1,810,000	1,775,009	1,807,376
	AAA	0	08-20-1992	72,000,000	70,975,020	71,652,960
	AAA	0	09-17-1992	100,000,000	98,260,000	99,237,000
	AAA	0	11-19-1992	4,860,000	4,735,203	4,790,307
	AAA	0	12-03-1992	1,000,000	981,422	984,280
<b>TOTAL SHORT-TERM INVESTMENTS</b>				<b>\$ 278,690,006</b>	<b>\$ 377,973,945</b>	<b>\$ 378,866,026</b>

CURRENCY INVESTMENTS	BOOK VALUE	MARKET VALUE	CURRENCY INVESTMENTS	BOOK VALUE	MARKET VALUE
Australian Dollar Currency Fund	\$ 89,300	\$ 87,853	Italian Lira Currency Fund	\$ 129,214	\$ 133,668
Banca Commercial Italiana Time Deposits	3,721,740	3,809,680	Japanese Yen Call Option	-2,174,438	-2,858,750
	10,000,000	10,000,000	Japanese Yen Currency Fund	15,360,052	15,699,497
Bankers Trust & Company Time/Deposits	4,377,670	4,376,075	Japanese Yen Put Option	870,512	813,719
Belgian Franc Currency Fund	315	325	Malaysian Ringit Currency Fund	4,312,048	4,347,417
British Pound Call Option	-1,008,125	-2,120,000	Netherlands Glders Currency Fund	3,730,031	4,036,886
British Pound Currency Fund	-1,908,601	-1,854,796	New Zealand Dollar Currency Fund	32	32
British Pound Put Option	1,010,033	773,914	Singapore Dollar Currency Fund	39,065	39,554
Canadian Dollar Currency Fund	1,233,569	1,230,183	Spanish Peseta Currency Fund	270,272	351,407
Collateral held at Refco	333,643	333,643	Swiss Franc Call Option	-209,450	-478,250
Danish Krone Currency Fund	61,789	62,928	Swiss Franc Currency Fund	3,692,343	3,869,873
Deutsche Mark Call Option	-1,334,875	-2,983,750	Swiss Market Index Put Option	102,714	124,708
Deutsche Mark Currency Fund	4,949,852	5,142,556	Thailand Baht Currency Fund	1,310,018	1,318,980
Deutsche Mark Put Option	1,050,500	1,001,000	US Dollar Cash Collateral at Harris Futures	5,174,000	5,174,000
Eurodollar Call Option	-56,300	-66,616	US Treasury Bond Call Option	303,516	507,900
European Currency Unit Fund	2,298	2,371	US Treasury Note Call Option	1,689,098	2,494,186
French Franc Call Option	4,258,916	5,074,169		776,563	1,060,500
French Franc Currency Fund	4,428,291	4,734,936	US Treasury Notes Euro Call Option	438,282	624,000
French Franc Put Option	395,090	584,150	Various Forward Foreign Exchange Contracts	0	-16,020,145
Hong Kong Dollar Currency Fund	4,569,766	4,571,437			
Indonesian Rupian Currency Fund	710,629	702,615	<b>TOTAL CURRENCY INVESTMENTS</b>	<b>\$ 72,690,372</b>	<b>\$ 56,700,855</b>

COMMON STOCK - DOMESTIC			COMMON STOCK - DOMESTIC				
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
<b>AIR TRANSPORT</b>				<b>BANKING AND FINANCE (continued)</b>			
AAR Corporation	142,400	\$ 1,938,535	\$ 1,886,800	Hibernia Corporation	60,000	\$ 379,795	\$ 330,000
Boeing Company	227,875	7,344,073	9,086,516	Homeowners Group Incorporated	74,000	594,501	407,000
E Systems Incorporated	58,800	2,247,890	1,940,400	Household International Incorporated	70,800	2,591,450	3,557,700
Electromagnetic Sciences Incorporated	135,000	874,818	928,125	Integra Financial Corporation	39,376	1,296,056	1,476,600
General Dynamics Corporation	55,900	3,219,352	3,989,863	Key Corporation	206,197	6,228,954	6,675,628
Grumman Corporation	99,210	1,893,479	2,244,627	Latin America Equity Fund Incorporated	10,000	150,000	162,500
Keene Corporation	1,500	11,871	938	Magic Investment Corporation	113,200	3,856,833	3,862,950
Liton Industries Incorporated	11,882	475,456	555,484	Margaretten Financial Corporation	55,000	946,741	701,250
Lockheed Corporation	73,600	3,202,075	3,247,601	Marsh & McLennan Companies Incorporated	19,800	1,283,119	1,534,500
Loral Corporation	57,200	2,240,442	1,844,700	Marshall & Ilsley Corporation	37,131	1,559,208	2,135,033
Martin Marietta Corporation	18,750	738,866	982,032	Mellon Bank Corporation	71,750	2,867,182	2,950,720
McDonnell Douglas Corporation	10,600	765,442	413,400	Merrill Lynch & Company Incorporated	27,900	999,553	1,408,950
Northrop Corporation	10,400	408,859	273,000	Morgan (J.P.) & Company Incorporated	102,887	4,227,952	5,774,533
Raytheon Company	166,693	6,124,232	7,334,492	MBNA Corporation	108,900	3,841,914	4,328,775
Rockwell International Corporation	314,900	7,610,840	7,282,063	MNC Financial Incorporated	95,000	654,098	1,021,250
Textron Incorporated	66,800	1,859,258	2,496,651	National City Corporation	48,200	1,585,378	2,193,100
Thokol Corporation	126,047	1,630,790	2,016,752	National Re Corporation	5,000	115,000	93,125
United Technologies Corporation	84,000	4,124,516	4,389,000	Nationsbank Corporation	77,827	2,378,495	3,706,495
<b>AUTOMOBILES AND AUTO PARTS</b>				Northeast Bancorporation Incorporated			
Apogee Enterprises Incorporated	26,100	335,985	234,900	40,000	507,500	490,000	
Arvin Industries Incorporated	176,100	3,694,079	4,446,525	Northern Trust Corporation	25,000	1,275,000	1,475,000
Chrysler Corporation	345,739	6,923,315	7,303,736	Northwest Corporation	35,638	559,266	1,354,244
Coachmen Industries Incorporated	132,400	868,341	844,050	NBD Bancorp Incorporated	53,604	1,151,466	1,534,414
Dana Corporation	110,300	3,974,946	4,811,839	Old Kent Financial Corporation	19,040	592,620	780,640
Eaton Corporation	9,514	423,230	759,931	PNC Financial Corporation	55,317	2,390,567	2,987,118
Echlin Corporation	238,200	3,322,622	4,466,250	Pnc (T. Rowe) & Associates Incorporated	43,350	688,842	1,620,200
Excel Industries Incorporated	1,430	13,579	18,411	Phemex Corporation	218,843	6,735,995	8,398,101
Federal-Mogul Corporation	40,000	741,662	735,000	Raymond James Financial Incorporated	50,684	947,953	1,051,693
Ford Motor Company	278,600	9,739,798	12,780,776	Republic New York Corporation	30,000	1,386,890	1,196,250
General Motors Corporation	420,500	16,612,087	18,502,000	Riggs National Corporation	40,000	322,188	305,000
Genuine Parts Company	217,075	6,350,734	6,946,400	Rouse Company	124,200	2,226,031	1,894,050
Harley Davidson Incorporated	73,200	1,740,787	1,912,350	Salomon Incorporated	35,500	1,103,125	1,198,125
Modine Manufacturing Company	39,972	1,352,671	1,129,209	Shawmut National Corporation	82,500	1,143,036	1,495,313
Sun Electric Corporation	86,000	778,852	795,500	Signal Banking Corporation	35,000	560,660	1,382,500
SPX Corporation	32,800	740,597	705,200	Silicon Valley Bancshares	33,915	361,138	373,065
TBC Corporation	121,500	1,006,625	1,837,688	Society Corporation	40,000	1,790,855	2,330,000
Uarco Incorporated	321,000	1,298,088	882,750	Southern Savings Bancorp Incorporated	70,000	843,896	840,000
<b>BANKING AND FINANCE</b>				Soytrust Corporation			
Ahmsen (H.F.) & Company	147,100	2,473,691	2,463,925	42,005	851,049	1,081,629	
Alexander & Alexander Services Incorporated	11,100	293,040	238,650	Standard Federal Bank Troy	104,399	952,394	2,166,279
Ambac Corporation	257,000	6,717,930	9,123,500	40,000	945,424	1,430,000	
American Express Company	578,896	15,157,814	13,459,332	Student Loan Marketing Association	505,000	25,586,657	34,483,629
AmSouth Bancorporation	25,000	522,644	718,750	Summit Bancorporation	48,000	657,745	744,000
B B & T Financial Corporation	46,040	954,630	1,300,630	Suntrust Banks Incorporated	69,400	1,807,086	2,810,700
Banc One Corporation	171,560	4,832,378	7,827,426	TW Holdings Incorporated	260,000	827,814	975,000
Bancorp Hawaii Incorporated	22,000	959,000	1,034,000	Union Planters Corporation	71,316	916,955	1,310,432
Bank Of Boston Corporation	72,880	1,051,092	1,794,671	UJF Financial Corporation	66,400	1,064,720	1,303,100
Bank Of New York Company Incorporated	95,900	2,720,140	3,871,963	US Bancorporation	80,550	1,582,664	1,943,269
Bank South Corporation	40,000	422,133	435,000	Wachovia Corporation	25,000	1,402,285	1,540,625
BankAmerica Corporation	424,063	14,313,836	18,817,796	Wells Fargo & Company	14,200	797,360	1,059,675
Bankers Trust New York Corporation	135,046	7,078,532	7,933,953	West One Bancorporation	27,800	863,394	1,146,750
BankWorster Corporation	40,000	512,500	500,000	<b>BEVERAGES</b>			
Barnett Banks Incorporated	18,425	539,921	684,029	Anheuser Busch Companies Incorporated	274,483	8,431,145	15,233,807
Barnett Banks Warrants	1,273	0	21,593	Brown Forman Corporation	13,000	550,652	1,017,250
BayBanks Incorporated	34,000	648,470	1,156,000	Coca Cola Company	509,600	5,689,126	20,384,000
Bear Stearns Companies Incorporated	1	8	12	Coors (Adolph) Company	10,200	207,317	200,176
Beneficial Corporation	6,800	330,830	396,950	General Cinema Corporation	20,884	378,654	498,606
Boatmans Bancshares Incorporated	15,590	665,031	781,449	Midlantic Corporation	60,000	443,622	877,500
Brazil Fund Incorporated	50,000	524,782	856,250	Mr. Coffee Incorporated	147,200	1,085,186	938,400
Brunson Partners Ex-Dex Fund	1,275,183	101,166,684	205,007,399	PepsiCo Incorporated	1,160,800	22,096,933	40,482,901
Brunson Partners Non U.S. Equity	346,666	52,448,973	52,233,991	<b>CHEMICALS AND SYNTHETIC FIBERS</b>			
Brunson Small Cap TAA Fund	754,765	60,397,011	59,362,810	Air Products & Chemicals Incorporated	76,700	1,981,396	3,259,750
Chase Manhattan Corporation	61,182	1,860,164	1,690,157	American Cyanamid Company	187,600	9,171,272	10,435,252
Chemical Banking Corporation	228,019	6,847,037	8,465,206	Avery Dennison Corporation	15,700	377,618	419,975
Citicorp	92,900	2,328,676	1,974,125	Bandag Incorporated Warrants	5,000	0	322,500
Colonial Bancgroup Incorporated	50,000	747,500	800,000	Bandag Incorporated	5,000	645,250	350,000
Colonial Group Incorporated	75,700	798,044	1,438,300	Betz Laboratories Incorporated	6,000	347,669	327,000
Comerica Incorporated	142,568	6,330,499	8,447,155	Burlington Resources Incorporated	90,000	3,820,993	3,611,250
Continental Bank Corporation	193,700	2,477,097	3,535,025	Cabot Corporation	92,000	3,853,001	4,140,000
Corestates Financial Corporation	11,508	368,001	566,769	Carlisle Companies Incorporated	14,949	524,061	639,070
Countrywide Credit Industries Incorporated	14,200	482,736	493,450	Chemed Corporation	20,900	606,035	566,913
Dominion Bankshares Corporation	76,000	871,050	1,083,000	Cooper Tire & Rubber Company	45,300	1,704,851	2,168,738
Dreyfus Corporation	72,100	2,272,984	2,721,775	Crompton & Knowles Corporation	44,000	365,712	792,000
Duff & Phelps Corporation	38,200	687,600	759,225	Dow Chemical Company	190,200	9,676,038	10,960,275
Enhance Financial Services Group Incorporated	67,400	1,204,718	1,145,800	Du Pont De Nemours & Company (E.I.)	259,100	8,633,726	13,084,550
EquiMark Corporation	175,000	555,625	1,006,250	Ecolab Incorporated	80,850	2,057,150	2,637,732
Fair Isaac & Company	43,000	303,619	559,000	Ethyl Corporation	32,600	796,863	863,900
Federal Home Loan Mortgage Corporation	769,100	20,333,072	30,571,725	First Brands Corporation	166,925	3,837,228	4,548,706
Federal National Mortgage Association	427,200	18,292,738	26,059,200	First Mississippi Corporation	5,300	59,040	60,288
First American Corporation	33,000	386,397	759,000	Fuller (H.B.) Company	44,762	739,209	2,182,123
First Chicago Corporation	148,713	3,753,938	5,260,723	GenCorp Incorporated	30,000	452,125	416,250
First Colonial Bankshares Corporation	32,000	468,200	488,000	Georgia Gulf Corporation	38,400	829,454	811,200
First Empire State Corporation	6,400	576,384	809,600	Goodrich (B. F.) Company	61,900	2,400,893	2,932,513
First Fidelity Bancorporation	18,500	590,818	700,689	Goodyear Tire And Rubber Company	49,083	2,305,734	3,368,322
First Hawaiian Incorporated	25,000	693,440	625,000	Grace (W.R.) & Company	63,900	2,058,103	2,172,600
First Interstate Bancorp	16,683	753,515	686,105	Great Lakes Chemical Corporation	91,000	4,605,789	5,642,000
First Of America Bank Corporation	87,200	2,109,676	2,899,400	Hercules Incorporated	109,200	4,130,460	5,760,300
First Security Corporation	40,700	951,825	986,975	Imcoera Group Incorporated	291,000	9,403,628	9,275,627
First Union Corporation	225,900	6,851,630	8,555,963	Lubrizol Corporation	180,100	10,160,827	12,449,413
Firststar Corporation	9,300	254,681	510,338	Lyondell Petrochemical Company	253,600	5,935,333	5,542,400
Firststed Michigan Incorporated	25,000	565,922	521,875	Monsanto Company	110,200	5,904,077	6,074,776
Fleet Financial Group Incorporated	81,382	2,229,765	2,410,943	Morton International Incorporated	105,600	5,253,309	5,742,001
Foothill Group Incorporated	125,000	630,000	1,000,000	Myers Industries Incorporated	7,000	116,690	162,750
Franklin Resources Incorporated	90,000	1,675,914	2,227,500	Nalco Chemical Company	62,600	1,768,368	2,245,776
Golden West Financial Corporation	15,000	301,061	688,125	Nich Corporation	19,800	1,049,624	1,247,400
Great Western Financial Corporation	392,700	6,889,749	6,626,813	Clint Corporation	44,600	1,936,340	2,051,600
Green Tree Financial Corporation	3,500	57,660	115,500	Pall Corporation	20,600	254,746	535,600
				Quantum Chemical Corporation	33,251	757,467	602,674
				Rohm & Haas Company	46,200	2,076,694	2,552,550

Original from

COMMON STOCK - DOMESTIC			COMMON STOCK - DOMESTIC				
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
<b>CHEMICALS AND SYNTHETICS (continued)</b>				<b>ELECTRICAL AND ELECTRONIC (continued)</b>			
Sherrin Williams Company	89,500	\$ 2,121,830	\$ 2,461,250	Apple Computer Incorporated	54,700	\$ 2,072,296	\$ 2,625,600
Union Carbide Corporation	153,604	3,091,460	4,166,510	Applied Materials Incorporated	279,300	5,389,011	5,586,011
Versa Technologies Incorporated	80,000	993,048	1,000,000	Archive Corporation	254,200	1,709,658	1,842,950
Wellman Incorporated	191,725	5,094,988	4,098,122	Arrow Electronics Incorporated	65,000	837,019	1,226,875
Witco Corporation	92,000	3,966,419	3,933,000	ASK Computer System Incorporated	96,000	964,083	1,080,000
WD 40 Company	9,800	313,201	387,100	AST Research Incorporated	4,000	90,200	55,000
<b>CONGLOMERATES AND MISCELLANEOUS</b>				Augat Incorporated	7,500	103,627	81,563
Acrop Incorporated	35,000	356,836	140,000	Autodesk Incorporated	52,800	1,682,163	2,026,201
Amphenol Corporation	93,000	833,832	674,250	Automatic Data Processing Incorporated	546,600	14,712,048	23,367,150
Armstrong World Industries Incorporated	111,200	3,433,275	3,322,101	Avnet Incorporated	68,500	1,747,552	1,892,313
Bairco Corporation	1,500	47,484	10,688	ADC Telecommunications Incorporated	25,900	697,200	900,025
Bassett Furniture Industries Incorporated	3,150	80,744	112,613	BancTec Incorporated	85,000	1,235,848	1,933,750
Bertiz International Incorporated	74,600	1,303,049	1,342,800	Bei Electronics Incorporated	146,000	1,060,268	1,295,750
Boston Scientific Corporation	113,600	1,953,861	1,945,400	Cabletron System Incorporated	25,676	1,424,504	1,258,124
Burlington Industries Incorporated	17,400	206,173	204,450	Chipe & Technologies Incorporated	60,000	798,255	420,000
Central Sprinkler Corporation	71,000	835,537	674,500	Compaq Computer Corporation	157,600	3,835,860	3,920,301
Chart House Enterprises Incorporated	15,300	145,983	131,963	Computer Associates	55,100	827,609	633,650
Chemdesign Corporation	10,900	64,038	59,950	Computer Products Incorporated	377,200	1,035,867	1,037,300
Corstar International Incorporated	63,054	1,039,826	1,158,617	Computer Sciences Corporation	40,900	2,436,446	2,566,475
Coming Incorporated	96,800	2,208,702	3,642,100	Computer Task Group Incorporated	93,200	844,018	745,600
Coventry Corporation	69,800	912,764	855,050	Cray Research Incorporated	7,500	448,790	214,688
Critical Care Incorporated	49,600	2,418,349	1,909,600	Dallas Semiconductor Corporation	180,200	1,307,885	1,531,700
CRSS Incorporated	74,000	793,736	786,250	Daniel Industries Incorporated	23,000	313,396	296,125
Dames & Moore Incorporated	24,800	531,550	446,400	Data Translation Incorporated	46,600	283,904	215,525
Diel Corporation	160,700	5,891,336	5,724,938	Dell Computer Corporation	11,300	189,003	204,813
First Data Corporation	50,000	1,104,660	1,243,750	Digital Equipment Corporation	110,800	7,532,883	3,836,452
FMC Corporation	10,600	308,896	527,350	Dinex Corporation	15,700	467,365	431,750
Gentyle Group Incorporated	110,000	983,125	495,000	Dover Corporation	18,100	478,139	730,788
Giddings & Lewis Contingent Rights	3,100	0	2,170	DH Technology Incorporated	92,100	955,277	1,062,175
Hanson Plc	122,700	2,258,806	2,407,988	EG & G Incorporated	92,200	1,864,423	2,120,600
Hon Industries Incorporated	26,000	504,094	494,000	Ekco Group Incorporated	79,800	794,069	598,500
ITT Corporation	166,100	8,966,048	10,754,975	Emerson Electric Company	239,142	8,084,671	11,658,173
Johnson Worldwide Association	63,350	1,525,192	1,282,838	Emulex Corporation	252,000	1,368,243	1,701,000
Ladd Furniture Incorporated	101,500	932,375	799,313	Esco Electronics Corporation	1,910	8,599	13,131
Leggett & Platt Incorporated	120,500	1,787,179	2,892,000	Evans & Sutherland Computer Corporation	80,500	1,458,027	1,227,625
Loews Corporation	22,900	2,241,950	2,553,350	Evers Systems Incorporated	100,000	661,535	362,500
Marietta Corporation	61,500	377,988	436,188	Exabyte Corporation	50,500	1,265,157	1,609,688
Minnesota Mining & Manufacturing Company	292,900	20,578,763	28,411,300	Federal Signal Corporation	68,700	1,193,240	1,296,713
Mueller Industries Incorporated	56,600	657,938	799,475	Fluke (John) Manufacturing Incorporated	31,400	531,495	887,050
Nelcor Incorporated	75,882	1,481,534	1,897,050	Galileo Electro Optics Corporation	130,000	779,738	763,750
Newbridge Networks Corporation	102,000	941,168	1,648,390	General Electric Company	897,200	51,229,816	77,532,300
Newell Companies Incorporated	85,000	2,636,320	3,038,750	General Instrument Corporation	58,500	877,246	840,938
Ogden Corporation	161,066	3,167,520	3,160,920	General Motors Corporation	253,000	4,650,828	7,084,000
Omnicom Group	127,700	3,728,841	4,469,500	Genus Incorporated	127,200	434,765	318,000
Owens Corning Fiberglas Corporation	11,200	191,301	338,800	Giga Tronics Incorporated	81,000	563,419	597,375
Owens Illinois Incorporated	200,000	2,200,000	2,375,000	Grainger (W.W.) Incorporated	41,000	1,287,413	1,891,126
Pictured Corporation	51,900	1,850,570	1,401,300	Hadco Corporation	120,000	612,899	1,080,000
S&P 500 Index Call Option	-60,000	-843,222	-427,500	Hewlett Packard Company	207,600	10,215,445	14,298,451
Scotts Company	46,000	932,460	667,000	Hubbell Incorporated	25,194	909,919	1,256,551
Sealy Holdings Incorporated	70,515	140,890	2,115	IMO Industries Incorporated	100,000	1,053,736	1,187,500
Service Corporation International	13,500	333,661	345,938	Instrument System Corporation	4,800	10,440	25,200
Shaw Industries Incorporated	18,000	363,042	389,250	Intel Corporation	198,900	8,177,713	11,337,300
Shelby Williams Industries Incorporated	109,600	1,006,057	945,300	Intergraph Corporation	14,600	384,409	191,626
Staples Incorporated	88,600	2,467,512	2,768,750	Intertan Incorporated	42,600	961,833	639,000
Takecare Incorporated	29,900	537,277	934,375	Iomega Corporation	160,400	897,907	922,300
Terra Industries Incorporated	361,995	2,038,552	1,900,474	Johnson Controls Incorporated	41,476	1,558,080	1,627,933
Tokos Medical Corporation	5,800	212,891	168,200	Joslyn Manufacturing Company	4,100	130,175	139,400
Tnnova Corporation	41,500	985,320	944,125	JWP Incorporated	83,600	1,273,820	1,024,100
Tyco Laboratories Incorporated	9,900	443,800	336,600	Kent Electronics Corporation	73,400	632,565	1,348,725
TCBY Enterprises Incorporated	52,300	285,225	228,813	Knowledgeware Incorporated	28,000	313,438	353,500
TRW Incorporated	16,700	741,177	897,625	Kulicke & Soffa Industries Incorporated	80,000	540,000	350,000
Ultramar Corporation	240,400	3,606,000	3,636,500	Lam Research Corporation	43,000	241,318	510,625
Vanity Corporation	55,350	1,043,386	975,545	Logicon Incorporated	69,400	578,674	1,075,700
Waste Management Incorporated	852,800	22,639,884	28,675,401	Lotus Development Corporation	13,400	290,184	249,575
Whitman Corporation	29,100	241,345	389,213	M/A-Com Incorporated	9,400	135,263	48,176
York International Corporation	135,000	4,296,690	4,471,875	MacNeal Schwendler Corporation	248,600	2,523,150	2,734,600
<b>CONSTRUCTION</b>				Magnetek Incorporated	100,000	1,136,981	1,462,500
Amre Incorporated	175,300	1,155,108	1,051,800	Mark IV Homes Incorporated	311,200	4,303,776	4,162,300
Business Records Corporation Holding Company	44,000	545,473	847,000	Measurex Corporation	38,000	986,104	722,000
Centex Corporation	5,900	160,480	257,388	Mensel Incorporated	210,000	962,841	2,257,500
Crane Company	9,675	133,771	222,525	Methode Electronics Incorporated	196,100	1,090,902	2,843,450
Fleetwood Enterprises Incorporated	6,300	150,000	179,550	Micropolis Corporation	175,000	1,490,709	1,509,376
Florida Rock Industries Incorporated	46,600	1,466,738	1,205,775	Microsemi Corporation	200,000	423,000	350,000
Granite Construction Incorporated	66,300	1,692,053	1,442,025	Microsoft Corporation	95,550	5,127,210	6,888,500
Interface Incorporated	158,350	2,060,714	2,296,075	Motorola Incorporated	82,900	4,963,126	6,352,214
Kaufman & Broad Home Corporation	21,228	346,028	302,499	National Semiconductor Corporation	170,200	1,485,398	1,680,726
Lawson Products Incorporated	26,200	786,528	681,200	Newport Corporation	135,000	1,260,294	776,250
Masco Corporation	72,400	1,700,145	1,882,400	Nichols Research Corporation	92,800	1,051,507	1,160,000
Medusa Corporation	126,000	1,906,533	2,252,250	Novell Incorporated	181,900	7,872,443	9,686,175
Morrison Knudsen Corporation	5,600	155,219	114,800	Perkin-Elmer Corporation	9,400	256,607	282,000
P P G Industries Incorporated	123,500	5,123,827	8,089,250	Quantum Corporation	110,400	1,131,522	1,490,400
PHM Corporation	13,200	269,152	227,700	Radiation Systems Incorporated	53,700	390,046	590,700
Schuler Homes Incorporated	22,500	348,750	292,500	Raychem Corporation	10,300	426,600	328,313
Skyline Corporation	2,600	39,499	37,376	Reliance Electric Company	70,000	1,322,360	1,207,500
Stanley Works	34,550	951,655	1,373,363	Reynolds & Reynolds Company	71,800	2,097,590	2,665,575
Starnett (L.S.) Company	6,200	161,676	151,900	Samsung Electronics (Gds)	1,236	19,974	17,304
Toil Brothers Incorporated	21,800	225,278	198,925	Samsung Electronics	27,000	707,670	479,250
Vulcan Materials Company	8,100	330,355	376,650	Seagate Technology	262,000	3,138,582	3,897,250
Waxman Industries Incorporated	96,000	480,000	432,000	Silicon Valley Group Incorporated	249,402	1,820,716	1,184,660
<b>ELECTRICAL AND ELECTRONIC</b>				Software Publishing Corporation	169,600	2,970,917	1,484,000
Adaptive Incorporated	161,812	1,784,976	3,701,450	Sprague Technologies Incorporated	134,500	858,575	807,000
Adobe Systems Incorporated	30,000	612,401	1,365,000	Stanford Telecommunications Incorporated	100,000	712,956	525,000
Advanced Micro Devices Incorporated	18,200	326,558	159,250	Sterling Software Incorporated	105,000	1,029,804	1,680,000
Aldus Corporation	67,700	1,952,468	803,938	Stratus Computer Incorporated	49,500	2,271,733	2,123,313
Alpha Microsystems	70,000	286,350	109,340	Summagraphics Corporation	90,000	1,000,123	720,000
Amдах Corporation	29,900	438,018	526,988	Symantec Corporation	101,900	4,153,500	3,857,000
AMP Incorporated	87,700	4,408,400	4,724,839	Systems Center Incorporated	79,000	763,150	711,000
				Tandem Computers Incorporated	28,700	573,466	340,813
				Team Incorporated	86,000	1,124,440	451,500
				Tektronix Incorporated	10,500	313,218	183,750



COMMON STOCK - DOMESTIC			COMMON STOCK - DOMESTIC				
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
<b>ELECTRICAL AND ELECTRONIC (continued)</b>			<b>HEALTH CARE AND COSMETICS (continued)</b>				
Teledyne Incorporated	16,100	\$ 450,885	\$ 303,888	Danon Systems Incorporated	60,000	\$ 781,750	\$ 810,000
Telematics International Incorporated	136,400	416,149	375,100	Durr-Fillauer Medical Incorporated	24,300	469,388	528,525
Texas Instruments Incorporated	31,300	1,239,717	1,099,413	Forest Laboratories Incorporated	66,000	2,384,116	2,112,000
Thomas & Betts Corporation	4,700	224,620	279,650	General Parametrix Corporation	110,000	342,825	371,250
Unsys Corporation	43,900	1,084,746	395,100	Gensia Pharmaceuticals Incorporated	28,300	1,048,857	1,032,950
US Bioscience Incorporated	18,000	343,656	186,750	Glaxo Holdings Plc	177,200	3,562,936	4,496,450
Verifone Incorporated	15,500	315,936	310,000	Haemonetics Corporation	22,096	658,356	707,072
Vishay Intertechnology Incorporated	67,810	1,384,559	1,678,298	Helene Curtis Industries Incorporated	78,125	2,587,940	2,576,125
Vodafone Group Plc	75,000	4,173,255	4,818,750	Hillenbrand Industries Incorporated	4,900	70,609	181,300
VLSI Technology Incorporated	90,000	691,281	686,250	Hologic Incorporated	60,000	582,500	457,500
Wang Laboratories Incorporated	45,869	629,859	166,276	Hospital Staffing Services Incorporated	94,200	795,409	647,625
Westinghouse Electric Corporation	247,300	6,305,129	4,358,663	Humana Incorporated	139,050	3,710,798	2,937,432
Xerox Corporation	221,932	12,931,090	15,479,757	HBO & Company	53,500	440,047	788,125
Zenith Electronics Corporation	7,800	208,937	55,576	HCA Hosp Corporation	50,000	1,061,400	1,043,750
<b>FOOD SOAP AND TOBACCO</b>			<b>INTERNATIONAL MUREX TECH CORPORATION</b>				
Alberto Culver Company	7,900	97,962	171,825	International Murex Tech Corporation	19,500	309,215	243,750
Alexander & Baldwin Incorporated	46,000	1,240,044	1,150,000	Johnson & Johnson	383,400	10,833,420	17,157,150
American Brands Incorporated	221,200	7,267,860	9,843,400	Lifetime Corporation	17,500	481,291	229,688
American Fructose Corporation	124,301	2,863,300	2,625,859	Lily (Eli) & Company	240,200	12,221,629	15,643,026
American Fructose Corporation Class B	20,900	465,455	418,000	Manor Care Incorporated	15,750	224,576	289,407
American Maze Products Company	2,500	53,243	51,250	Marion Merrell Dow	110,100	3,531,603	3,605,775
Archer Daniels Midland Company	186,398	2,609,618	4,403,654	McKesson Corporation	72,200	2,419,222	2,292,350
Armor All Products Corporation	87,300	1,315,245	1,374,975	MDI Corporation	17,300	1,031,278	609,538
Bob Evans Farms Incorporated	103,086	1,675,141	1,765,354	Medco Containment Services Incorporated	231,950	3,994,474	6,998,500
Borden Incorporated	113,400	3,363,022	3,458,700	Medtronic Incorporated	42,700	2,122,209	3,490,725
C P C International Incorporated	306,300	8,644,413	14,128,088	Merck & Company Incorporated	938,600	18,577,282	45,756,750
Campbell Soup Company	69,200	1,077,673	2,499,851	Milipore Corporation	74,700	2,696,854	2,474,436
Clorex Company	94,690	3,050,671	4,296,559	Mylan Laboratories Incorporated	18,100	624,937	714,950
Colgate-Palmolive Company	157,856	5,927,834	8,169,048	National Health Labs Incorporated	214,600	4,905,311	4,426,125
Conagra Incorporated	106,475	1,342,273	2,781,659	National Medical Enterprises Incorporated	368,800	5,672,900	5,301,501
Dean Foods Company	42,200	1,005,275	1,123,575	Nichols Institute	28,500	370,408	271,563
Dele Food Company	150,000	6,024,188	4,350,000	Optical Radiation Corporation	12,400	300,625	182,900
Fleming Companies Incorporated	127,805	4,337,746	4,393,328	Pfizer Incorporated	494,600	24,871,931	36,105,600
Flowers Industries Incorporated	17,000	258,055	299,625	Qual-Med Incorporated	39,900	538,650	578,550
General Mills Incorporated	61,300	1,864,017	4,114,763	Ramsay Health Care Incorporated	167,900	1,998,709	1,998,388
Gerber Products Company	10,400	301,256	691,600	Receptech Corporation	40,000	500,000	870,000
Gibson Greetings Incorporated	43,800	1,112,497	1,078,575	Regency Health Services Incorporated	42,000	273,000	273,000
Gillette Company	152,572	3,844,553	7,266,243	Safeguard Health Enterprises Incorporated	80,300	470,929	803,000
Heinz (H.J.) Company	70,200	1,453,892	2,693,925	Schering Plough Corporation	272,000	9,518,737	14,926,001
Helen Of Troy Corporation	88,100	1,023,782	1,795,038	Shared Medical Systems Corporation	5,400	147,386	99,226
Hershey Foods Corporation	43,200	1,084,995	1,814,400	Serra Health Services	50,200	1,276,146	909,675
Hormel (Geo. A.) & Company	50,000	955,196	1,000,000	Smithkline Beecham Plc	75,000	3,975,232	5,746,875
International Flavors & Fragrances	35,100	2,469,636	3,400,313	St. Jude Medical Incorporated	9,900	236,372	373,725
International Multifoods Corporation	23,500	688,853	689,500	Syntex Corporation	138,600	3,349,873	4,747,050
IBP Incorporated	281,400	4,919,180	5,276,250	United Healthcare Corporations	58,300	3,763,146	4,838,900
IHOP Corporation	53,500	602,500	682,125	Universal Health Services Incorporated	147,384	2,410,334	1,658,070
Jan Bell Marketing Incorporated	174,500	2,369,878	2,639,313	Upjohn Company	312,700	11,007,988	10,006,400
Jostens Incorporated	37,086	944,514	917,879	U.S. Healthcare Incorporated	145,148	7,145,486	7,402,548
Kellogg Company	203,900	6,520,180	13,583,863	U.S. Surgical Corporation	15,500	1,711,478	1,476,375
Lancaster Colony Corporation	99,150	3,010,316	2,912,531	Warner Lambert Company	375,200	23,792,929	22,887,200
Lance Incorporated	7,700	173,419	180,950	Xoma Corporation	16,000	303,416	216,000
McDonalds Corporation	789,284	23,902,904	36,307,064	<b>INSURANCE</b>			
Michaels Foods Incorporated	37,600	558,482	474,700	Aetna Life & Casualty Company	83,821	4,527,425	3,468,095
Nash Finch Company	49,275	990,385	862,313	AFLAC Incorporated	162,200	3,171,625	4,906,550
New Pet Incorporated	29,300	441,529	457,813	American General Corporation	112,700	3,912,186	5,522,300
Philp Morris Companies Incorporated	1,031,600	33,382,524	75,822,600	American International Group Incorporated	427,125	30,541,437	37,853,954
Pioneer Hi Bred International	126,309	8,355,000	10,104,720	American Travelers Corporation	129,000	1,689,366	1,689,375
Premark International Incorporated	12,800	498,756	449,601	AON Corporation	86,800	3,112,915	3,981,950
Procter & Gamble Company	803,328	24,291,283	36,953,088	Argonaut Group Incorporated	4,488	120,054	118,932
Quaker Oats Company	36,800	1,603,261	2,088,400	Berkley (W.R.) Corporation	50,000	1,369,375	1,688,750
Ralston Purina Company	183,000	8,633,347	8,508,500	Broad Incorporated	305,400	3,874,732	4,733,700
Rubbermaid Incorporated	45,900	650,707	1,348,313	C N A Financial Corporation	16,900	1,007,216	1,428,050
Russ Berne & Company Incorporated	147,527	2,580,736	4,352,047	Capital Holding Corporation	42,900	1,864,609	2,563,275
Sara Lee Corporation	122,100	3,124,071	6,288,150	Chandler Insurance Limited	171,000	1,247,002	961,675
Super Food Services Incorporated	20,900	292,899	240,350	Chubb Corporation	114,300	5,782,327	8,115,300
Super Valu Stores Incorporated	104,100	2,633,383	2,498,400	Cigna Corporation	66,400	4,062,492	3,701,600
Sysco Corporation	58,500	566,439	1,447,875	Continental Corporation	16,900	675,963	475,313
Tambrands Incorporated	60,000	3,524,640	3,825,000	Exel Limited	125,000	3,980,800	4,500,000
Universal Corporation Virginia	88,136	1,374,163	2,302,553	General Re Corporation	125,400	9,051,762	10,627,650
USI Incorporated	280,900	2,426,867	7,865,200	Jefferson-Pilot Corporation	50,662	1,474,118	2,121,472
Wetters Incorporated	41,500	975,573	1,079,000	Kemper Corporation	55,700	2,095,106	1,350,725
Wingley (Wm. Jr.) Company	10,800	161,066	815,400	Lincoln National Corporation	11,500	571,589	707,250
<b>HEALTH CARE AND COSMETICS</b>			<b>MBIA Incorporated</b>				
A L Laboratories Incorporated	16,000	368,960	298,000	MBIA Incorporated	24,475	1,133,626	1,324,709
Abbott Laboratories	586,400	12,451,623	17,445,400	Nac Re Corporation	60,000	1,542,950	1,552,500
Acuson	25,300	520,546	512,325	National Insurance Group	72,300	850,538	939,900
Allergan Incorporated	14,000	366,324	308,000	Old Republic International Corporation	195,000	4,073,579	4,338,750
Alza Corporation	293,900	11,415,619	13,409,189	Progressive Corporation	90,000	3,692,287	5,085,000
American Home Products Corporation	167,300	8,528,978	11,961,950	Saleco Corporation	17,500	478,356	905,625
Amgen Incorporated	64,800	3,760,284	3,944,701	St. Paul Companies	68,910	4,060,463	5,521,414
Applied Biosystems Incorporated	168,268	2,643,413	2,187,484	Torchmark Corporation	42,300	2,072,874	2,871,113
Avon Products Incorporated	414,000	17,534,387	21,217,500	Transamerica Corporation	334,600	13,075,782	14,847,876
Bausch & Lomb Incorporated	55,200	1,556,159	2,635,800	Transatlantic Holdings Incorporated	50,000	1,355,813	1,637,500
Baxter International Incorporated	445,486	13,046,991	16,204,554	Travelers Corporation	154,634	3,767,510	3,189,327
Beckman Instruments Incorporated	102,200	1,796,391	1,903,375	Trenwick Group Incorporated	24,800	584,622	688,200
Becton Dickinson & Company	79,500	5,034,827	5,922,750	USLICO Corporation	143,200	3,152,237	2,506,000
Bergen Brunswig Corporation	88,630	1,810,025	1,695,049	USLIFE Corporation	4,500	177,097	228,375
Beverly Enterprises Incorporated	100,700	966,881	793,013	USF&G Corporation	23,220	785,546	330,885
Bindley Western Industries Incorporated	32,000	328,000	464,000	<b>LEISURE AND ENTERTAINMENT</b>			
Biomet Incorporated	21,800	149,824	373,325	Arco Incorporated	56,400	426,458	740,250
Biograd Laboratories Incorporated	11,600	212,934	213,150	Associated Communications Corporation	76,500	1,230,963	1,185,750
Block Drug Company Incorporated	18,346	570,280	853,089	Bally Manufacturing Corporation	11,300	179,109	59,325
Bristol-Myers Squibb Company	544,220	29,591,298	35,850,494	BHC Communications Incorporated	30,000	1,419,121	1,725,000
C R Bard Incorporated	14,700	213,578	363,825	Blockbuster Entertainment Corporation	43,800	556,772	574,876
Chiron Corporation	1,000	65,079	54,750	Brunswick Corporation	149,800	3,153,262	2,190,826
Collagen Corporation	65,000	1,360,496	1,202,500	Cesars World Incorporated	44,280	995,387	1,273,050
Community Psychiatric Centers	237,450	3,169,977	2,730,675	Capital Cities ABC Incorporated	26,800	10,057,075	12,240,300
Diagnostic Products Corporation	6,000	169,297	190,500	Carnival Cruise Lines Incorporated	60,000	1,738,740	1,695,000
				Circus Circus Enterprises Incorporated	68,020	2,071,552	2,839,835
				Comcast Corporation	32,525	414,206	569,188

COMMON STOCK - DOMESTIC			COMMON STOCK - DOMESTIC				
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
<b>LEISURE AND ENTERTAINMENT (continued)</b>			<b>MINING AND METALS (continued)</b>				
Comcast Corporation Class A	2,150	\$ 54,402	\$ 36,819	CB1 Industries Incorporated	100,000	\$ 3,237,585	\$ 3,350,000
CBS Incorporated	6,073	1,038,351	1,172,089	Echo Bay Mines Ltd	21,900	345,493	131,400
Electronic Arts Incorporated	40,100	915,120	952,375	Engelhard Corporation	12,250	251,197	496,125
Habro Incorporated	416,898	7,596,168	11,777,370	Freeport McMoran Incorporated	250,000	4,754,595	4,937,500
Hilton Hotels Corporation	20,000	865,746	917,501	Giddings And Lewis Incorporated	169,442	4,426,061	3,812,445
Hully Corporation	180,750	2,146,602	2,598,281	Harsco Corporation	117,449	3,222,870	4,301,570
International Dairy Queen Incorporated	28,900	628,902	578,000	Homestake Mining Company	26,800	371,342	351,751
Karcher Carl Enterprises Incorporated	501,100	4,163,870	3,632,975	Imco Recycling Incorporated	20,300	133,212	263,900
King World Productions Incorporated	69,750	1,738,859	1,612,970	Inco Limited	28,822	519,712	882,674
Ln Broadcasting Corporation	24,787	2,069,658	1,586,368	Inland Steel Industries Incorporated	39,000	1,019,661	1,014,000
Luby's Cafeterias Incorporated	59,050	842,898	996,469	Interlake Corporation	184,910	808,153	785,868
Marmott Corporation	27,000	619,122	435,376	Lukens Incorporated	84,600	3,106,451	4,642,425
Mattel Incorporated	135,401	1,516,109	3,418,851	Maternal Sciences Corporation	16,800	201,272	254,100
Medaist Industries Incorporated	38,500	348,058	317,625	Nacco Industries Incorporated	30,100	1,098,850	1,271,725
Mirage Resorts Incorporated	29,300	773,035	758,138	National Intergroup Incorporated	5,900	119,642	81,863
Outboard Marine Corporation	86,500	1,597,658	1,513,750	Newmont Mining Corporation	17,300	642,254	839,050
Paramount Communications Incorporated	32,200	1,012,844	1,461,076	Nucor Corporation	12,600	245,058	652,500
Piccadilly Cafeterias Incorporated	90,000	786,538	933,750	Phelps Dodge Corporation	106,600	3,802,535	5,170,100
Promus Cos Incorporated	69,700	1,473,348	1,986,450	Pittston Corporation	11,900	171,048	185,938
Ryans Family Steak Houses Incorporated	117,400	951,080	997,900	Precision Castparts Corporation	5,100	162,332	115,388
Safecard Services Incorporated	162,500	11,116,954	1,645,313	Reynolds Metals Company	172,900	9,886,656	10,006,589
Sbarro Incorporated	24,000	553,273	570,000	Standex International Corporation	73,268	1,896,324	2,381,210
Shonys Incorporated	10,775	155,580	219,541	USX US Steel Group Incorporated	12,173	239,613	346,931
Suzler International Incorporated	56,700	706,321	602,438	Westmoreland Coal Company	1,900	35,753	22,325
Tele Communications Incorporated	785,692	12,113,469	15,419,206	Worthington Industries Incorporated	16,250	252,020	373,750
Tyco Toys Incorporated	43,600	781,966	763,000				
TCA Cable TV Incorporated	113,623	1,994,277	2,329,272	<b>OFFICE EQUIPMENT</b>			
Viacom Incorporated	25,400	677,101	825,500	Agency Rent A Car	49,000	620,047	477,750
Walt Disney Company	183,800	2,957,657	6,639,775	Air & Water Technologies Corporation	99,100	1,910,713	1,585,600
Wendys International Incorporated	148,891	1,066,982	1,637,801	Aico Standard Corporation	11,883	305,071	444,127
				Allwaste Incorporated	88,600	614,370	542,676
<b>MACHINERY AND EQUIPMENT</b>				Alpine Group Incorporated	70,000	819,368	420,000
Acme Cleveland Corporation New	1,100	14,864	6,738	American Building Maintenance	7,900	298,485	288,350
Andrew Corporation	7,700	225,512	218,450	Bowling & Company	33,000	501,399	490,875
Black & Decker Corporation	17,400	344,215	389,326	Browning Ferris Industries Incorporated	328,700	6,988,627	7,231,400
Bnggs And Stratton Corporation	93,103	3,883,851	4,177,999	Cardian Corporation	216,600	3,047,960	3,005,326
Brown & Sharpe Manufacturing Company	1,000	8,065	5,250	Cisco Systems Incorporated	115,700	4,982,199	5,437,900
Caterpillar Incorporated	27,800	1,409,632	1,494,250	Comdisco Incorporated	163,000	2,385,318	2,628,375
Cellular Communications Pr Incorporated	26,800	389,650	402,000	Communications Satellite Corporation	76,800	3,119,791	3,235,200
Cincinnati Milacron Incorporated	7,300	166,188	105,850	Corporate Software Incorporated	94,900	1,217,312	1,020,175
Clark Equipment Company	6,100	177,979	149,450	Cross A T Company	4,700	124,913	112,213
Cooper Industries Incorporated	233,900	8,719,960	10,788,638	Cybertek Corporation	80,000	488,368	610,000
Cummins Engine Company Incorporated	3,900	226,553	267,150	Data General Corporation	118,600	1,550,441	963,625
Deere & Company	60,700	2,663,317	2,587,338	Deb Shops Incorporated	16,700	189,027	129,425
Digital Communications	129,600	2,178,467	2,284,200	Duplex Products Incorporated	131,000	1,708,283	1,670,250
Digital Microwave Corporation	23,100	213,313	144,375	ECC International Corporation	1,000	10,456	2,500
DSC Communications Corporation	11,300	159,390	53,675	Federal Express Corporation	14,500	665,915	654,314
Dynasac Corporation	139,500	960,613	540,563	Figgie International Incorporated	111,650	2,192,864	2,037,613
Dynatech Corporation	18,100	366,525	325,800	FlightSafety International Incorporated	15,450	370,234	677,869
Fedders Corporation	3,900	38,460	19,013	General Binding Corporation	90,000	1,561,450	1,485,000
Fluor Corporation	40,100	1,143,238	1,604,000	Greiner Engineering Incorporated	92,000	1,184,557	1,288,000
Foster Wheeler Corporation	9,700	169,320	246,139	Groundwater Technology Incorporated	15,200	334,300	368,600
Fuqua Industries Incorporated	65,000	974,102	755,825	H & R Block Incorporated	63,500	958,371	2,166,938
General Signal Corporation	119,358	7,267,518	6,892,924	Harper Group Incorporated	69,550	1,225,476	1,182,350
Graco Incorporated	14,500	417,024	344,375	Honeywell Incorporated	112,000	5,752,411	7,840,000
Hammelheger Industries Incorporated	6,300	132,542	124,425	Horsehead Resource Development Incorporated	105,000	879,875	918,750
Harris Corporation	9,200	294,166	253,000	Hunt Manufacturing Company	112,800	1,405,554	1,466,400
Ilex Corporation	46,900	822,674	938,000	Information Resources Incorporated	16,000	383,071	372,000
Illinois Tool Works Incorporated	46,400	1,909,279	2,824,602	International Business Machines	222,400	24,897,534	21,767,401
Ingersoll-Rand Company	28,500	411,546	783,750	Interpublic Group Of Cos Incorporated	70,000	1,609,880	1,977,500
Kaydon Corporation	33,400	830,218	726,450	Kinder-Care Learning Centers Incorporated	109,103	761,454	34,040
Kennametal Incorporated	37,100	1,265,822	1,270,675	M A R C Incorporated	72,000	658,720	630,000
Lamson & Sessions Company	100,000	654,075	562,500	McCaw Cellular Communications	50,956	1,376,783	1,254,972
Manitowoc Company Incorporated	15,900	363,225	353,375	Miller Herman Incorporated	118,680	2,379,612	2,106,570
Maytag Company	214,031	4,388,868	3,531,512	National Education Corporation	202,262	1,601,142	1,820,358
Monarch Machine Tool Company	1,000	17,343	10,123	National Service Industries Incorporated	14,200	350,035	340,800
Navistar International Corporation	68,300	457,631	179,288	Oracle Systems Corporation	78,900	997,587	1,203,225
Newmark & Lewis Incorporated	2,000	17,840	62	Pliny-Bowes Incorporated	101,300	2,472,363	2,925,308
Paccar Incorporated	36,500	1,782,147	2,126,125	Platinum Technology Incorporated	55,034	880,544	846,148
Parker-Hannifin Corporation	13,150	378,465	382,995	Premier Industrial Corporation	20,000	654,750	647,500
Porta System Corporation	13,100	324,459	214,513	PDA Engineering	58,500	266,344	628,875
Regal Beloit Corporation	90,000	1,317,204	1,552,500	Quarterdeck Office Systems	75,000	991,076	928,125
Schwitzer Incorporated	123,000	778,257	1,014,750	Rollins Environmental Services	16,674	191,381	206,341
Scientific Atlanta Incorporated	7,000	110,113	166,250	Ryder System Incorporated	167,600	3,225,347	4,315,700
Scottsman Industries Incorporated	76,000	606,505	674,500	Safety-Kleen Corporation	80,100	1,887,534	2,222,775
Smith Corona Corporation	201,000	1,403,617	1,557,750	Settel Incorporated	10,605	111,105	53,025
Snap On Tools Corporation	67,500	2,253,232	2,100,939	Sensormatic Electronics Corporation	85,000	1,200,880	2,273,750
Sprint Corporation	245,194	6,510,974	5,332,970	Sequent Computer Systems Incorporated	25,200	362,250	381,150
Tecumseh Products Company Class A	10,523	619,206	610,394	Sothebys Holdings Incorporated	98,900	1,132,463	1,248,613
Tecumseh Products Company Class B	17,734	1,068,367	1,108,375	Standard Register Company	13,900	215,125	208,500
Tekelec	66,800	686,736	901,800	Sun Microsystems Incorporated	80,800	1,667,306	2,110,900
Tennant Company	11,600	441,803	504,600	Ultimate Corporation	3,800	106,913	6,175
Terex Corporation New	80,000	1,257,180	900,000	Unifirst Corporation	7,900	196,788	185,650
Timken Company	43,000	1,196,828	1,177,126	United Stationers Incorporated	165,400	3,137,174	2,067,500
Tokheim Corporation	15,300	181,646	114,750	Varticon Systems Incorporated	69,700	483,838	392,063
Toro Company	73,100	1,165,145	1,005,125	Wackenhut Corporation	7,500	216,155	201,563
Watts Industries Incorporated	28,400	1,302,780	1,384,500	3COM Corporation	220,000	1,885,167	2,392,500
Whirlpool Corporation	28,200	894,002	1,050,450				
Zum Industries Incorporated	28,900	923,953	809,200				
				<b>OIL AND GAS</b>			
<b>MINING - METALS</b>				Allied Signal Incorporated	38,418	1,367,368	2,064,968
Acme Steel Company	70,000	1,014,968	1,225,000	Amerada Hess Corporation	28,800	1,089,994	1,303,200
Alican Aluminum Limited	206,950	4,108,601	4,423,557	Amoco Corporation	136,800	5,288,215	6,532,200
Allegheny Ludlum Corporation	23,800	710,162	847,875	Ashland Oil Incorporated	120,500	3,747,216	3,208,313
Aluminum Company Of America	58,500	3,474,211	4,438,888	Atlantic Richfield Company	277,800	28,610,659	29,332,950
Amx Incorporated	213,300	4,673,874	4,585,950	Cabot Oil & Gas Corporation	99,700	1,354,470	1,159,013
Arco Incorporated	588,100	4,074,620	4,116,700	Chevron Corporation	82,500	4,101,969	5,527,500
Asarco Incorporated	135,700	3,205,472	4,104,925	Coastal Corporation	27,875	554,040	693,391
Bethlehem Steel Corporation	18,000	303,520	272,250	Devon Energy Corporation	95,300	953,000	1,000,650
Cyprus Minerals Company	8,092	220,085	230,622	Exxon Corporation	412,500	16,678,935	25,523,439
				Global Marine Incorporated	410,000	881,034	717,500

COMMON STOCK - DOMESTIC			COMMON STOCK - DOMESTIC					
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE	
<b>OIL AND GAS (continued)</b>			<b>RETAIL TRADE</b>					
Kerr McGee Corporation	18,400	\$ 705,689	\$ 736,000	Albertsons Incorporated	58,300	\$ 1,333,607	\$ 2,434,025	
Louisiana Land & Exploration Company	56,839	2,125,642	1,932,526	American Stores Company	28,200	817,783	958,800	
Mapco Incorporated	92,700	4,356,202	5,017,388	Ann Taylor Stores Corporation	88,000	1,343,356	1,749,000	
Maxus Energy Corporation	23,355	287,464	140,130	Brunos Incorporated	17,100	338,627	230,850	
Mobil Corporation	190,800	8,821,743	11,734,200	Burlington Coat Factory	205,350	4,291,101	3,747,638	
Noble Affiliates Incorporated	68,700	954,491	1,021,913	Caldor Corporation	45,000	646,165	720,000	
Occidental Petroleum Corporation	79,810	2,403,504	1,566,272	Charming Shoppes Incorporated	13,700	336,892	393,875	
Oryx Energy Company	23,400	695,618	409,500	Circuit City Stores Incorporated	107,500	2,553,795	3,319,064	
Pennzoil Company	10,800	669,293	483,300	Clares Stores Incorporated	231,750	2,015,804	1,593,282	
Phillips Petroleum Company	189,100	4,221,139	4,585,675	Costco Wholesale Corporation	19,500	631,535	555,750	
Pride Petroleum Services Incorporated	144,100	614,703	540,375	Dart Group Corporation	2,900	207,629	211,700	
Royal Dutch Petroleum Company	233,800	13,917,353	20,486,725	Dayton-Hudson Corporation	22,031	1,046,289	1,476,077	
Santa Fe Energy Resources Incorporated	17,784	226,943	144,496	Dillard Department Stores Incorporated	59,400	1,682,753	2,190,376	
Sun Company Incorporated	29,000	902,068	743,125	Dress Barn Incorporated	140,100	1,442,021	1,295,925	
Swift Energy Company	1,300	19,854	8,125	Fays Incorporated	12,500	140,879	100,000	
Tenneco Incorporated	33,746	1,607,816	1,248,602	Fingerhut Companies Incorporated	76,100	2,175,389	2,187,875	
Texaco Incorporated	169,700	9,219,735	10,478,975	Food Lion Incorporated	136,750	1,442,593	1,595,625	
Unocal Corporation	67,334	1,297,887	1,717,017	Gartos Incorporated	120,000	866,186	1,200,000	
USX Marathon Group Incorporated	74,769	1,965,264	1,626,226	Gap Incorporated	90,600	2,361,632	3,125,700	
Valero Energy Corporation	144,200	3,190,556	3,370,675	Giant Food Incorporated	16,500	398,393	340,314	
Williams Companies Incorporated	11,100	299,981	321,900	Great Atlantic And Pacific Tea	180,800	5,457,274	4,861,600	
<b>OIL SUPPORT SERVICES</b>			<b>Grossman Incorporated</b>			342,000	1,746,142	1,239,750
Baker Hughes Incorporated	36,560	784,457	740,340	Handelman Company	123,275	1,667,610	1,633,394	
Dresser Industries Incorporated	107,500	2,080,577	2,244,063	Home Depot Incorporated	64,349	1,117,244	4,327,471	
Enterra Corporation	151,500	2,797,074	2,689,125	Home Shopping Network Incorporated	170,000	1,256,775	977,500	
Halliburton Company	29,200	921,425	777,450	House Of Fabrics Incorporated	85,800	1,532,750	1,254,825	
Helmench & Payne Incorporated	239,500	5,379,734	5,538,438	K Mart Corporation	528,800	9,562,052	12,162,400	
McDermott International Incorporated	13,000	337,920	260,000	Kroger Company	27,300	124,014	406,088	
Nabors Industries Incorporated	120,500	828,438	858,563	Limited Incorporated	613,300	12,926,016	13,952,575	
NL Industries Incorporated	76,450	1,731,071	640,269	Longs Drug Stores Incorporated	119,750	4,760,276	3,996,657	
Pool Energy Services Company	128,114	942,873	880,784	Lowes Companies Incorporated	20,000	261,832	392,500	
Production Operators Corporation	107,900	3,323,924	3,533,725	May Department Stores Company	146,677	6,836,030	8,122,239	
Rowan Companies Incorporated	144,800	1,087,515	868,800	Melville Corporation	30,200	985,422	1,374,100	
Schlumberger Limited	164,400	9,020,737	10,336,651	Mercantile Stores Incorporated	66,900	2,261,225	2,268,238	
<b>PAPER AND FOREST PRODUCTS</b>			<b>Merry Go Round Enterprises Incorporated</b>			107,800	1,104,141	1,495,275
Ball Corporation	4,700	136,129	165,088	Michaels Stores Incorporated	6,200	47,509	123,225	
Bemis Company Incorporated	17,400	137,294	424,125	Nordstrom Incorporated	24,200	749,733	683,650	
Boise Cascade Corporation	12,536	401,250	228,782	Penney (J.C.) Company	112,300	5,621,664	7,931,188	
Bowater Incorporated	149,200	3,859,451	3,095,900	Pep Boys Manny Moe & Jack	197,600	4,203,134	4,495,400	
Champion International Corporation	160,500	4,439,156	4,413,750	Per 1 Imports Incorporated	160,949	1,048,679	1,166,861	
Chesapeake Corporation	49,400	1,215,228	1,222,650	Party City Corporation	13,400	481,476	442,200	
Crown Cork And Seal Company Incorporated	63,000	1,996,222	1,953,000	Rite Aid Corporation	156,462	3,027,789	3,109,863	
Federal Paper Board Company Incorporated	130,600	3,821,562	3,852,700	Ross Stores Incorporated	228,000	1,775,572	3,163,500	
Fibreboard Corporation	65,000	512,782	503,750	Sears Roebuck & Company	265,800	10,735,414	10,565,550	
Georgia Pacific Corporation	84,700	3,436,709	5,187,875	Service Merchandise Incorporated	682,725	3,106,241	7,168,613	
International Paper Company	162,300	9,742,802	11,340,713	Shopko Stores Incorporated	118,600	1,678,202	1,630,750	
James River Corporation Of Virginia	150,044	3,481,154	3,075,902	Spiegel Incorporated	77,000	1,083,656	981,750	
Kimberly Clark Corporation	122,900	4,444,643	7,189,650	Starhome Incorporated	70,925	2,254,981	2,331,659	
Louisiana Pacific Corporation	33,737	1,111,083	1,560,338	Stop & Shop Companies Incorporated	20,000	250,000	272,500	
Marville Corporation	65,000	652,483	609,375	Tandy Corporation	102,791	3,361,816	2,518,380	
Mead Corporation	156,700	4,798,017	5,523,675	Tops Incorporated	80,300	1,227,825	1,385,177	
Pottlatch Corporation	8,300	225,406	367,275	Toys R Us	206,837	4,168,693	7,135,675	
Scott Paper Company	20,900	637,231	799,425	TJX Companies Incorporated	17,700	272,776	331,875	
Sealight Incorporated	97,405	1,674,572	2,410,774	Venture Stores Incorporated	31,100	240,087	608,600	
Shorewood Packaging Corporation	198,670	1,698,377	1,639,028	Waban Incorporated	157,629	2,942,569	3,152,560	
Stone Container Corporation	18,300	369,411	459,788	Wal-Mart Stores Incorporated	703,100	11,549,088	37,791,625	
Temple Inland Incorporated	141,850	5,973,150	6,879,725	Walgreen Company	279,800	7,107,825	9,478,226	
Union Camp Corporation	19,650	624,004	913,725	Winn Dixie Stores Incorporated	23,300	538,944	1,042,675	
Wausau Paper Mills Company	50,062	2,219,527	2,052,542	Woolworth Corporation	115,700	3,161,243	3,138,363	
Westvaco Corporation	17,900	415,299	686,913	<b>TEXTILES AND APPAREL</b>				
Weyerhaeuser Company	64,400	1,711,704	2,205,701	Angelica Corporation	101,600	3,236,525	3,022,600	
Zero Corporation	30,300	347,128	310,575	Brown Group Incorporated	115,500	2,906,910	2,627,625	
<b>PHOTOGRAPHIC AND RELATED</b>			<b>Clairol (Liz) Incorporated</b>			408,300	14,559,368	14,392,575
CPI Corporation	29,300	731,013	637,275	Fieldcrest Mills Incorporated	91,700	1,795,109	1,684,988	
Eastman Kodak Company	262,950	10,731,817	10,550,870	Genesco Incorporated	327,600	1,691,976	1,638,000	
Polaroid Corporation	65,986	1,722,152	1,806,368	Hartmarx Corporation	81,100	651,433	456,188	
<b>PRINTING AND PUBLISHING</b>			<b>Kellwood Company</b>			85,000	934,542	2,337,500
Affiliated Publications Incorporated	192,600	1,818,112	2,094,525	Leslie Fay Companies Incorporated	60,300	983,735	927,113	
American Greetings Corporation	276,300	10,536,057	11,846,363	Lida Incorporated	62,200	715,300	847,475	
Baldwin Technology Incorporated	32,500	171,079	130,000	Nike Incorporated	75,600	3,136,172	4,696,651	
Banta Corporation	56,000	1,434,641	2,009,000	Nortek Incorporated	100,000	638,848	550,000	
Central Newspapers Incorporated	44,720	699,173	933,530	Oshkosh B Gosh Incorporated	105,350	3,305,277	2,396,713	
Commerce Clearing House Incorporated	83,790	1,447,991	1,340,640	Reebok International Limited	26,300	436,715	634,488	
Delluxe Corporation	47,400	1,317,653	2,014,500	Russell Corporation	85,900	1,404,171	2,684,375	
Donnelley (R.R.) & Sons	21,300	752,535	1,152,863	Springs Industries Incorporated	4,100	104,913	148,650	
Dow Jones & Company Incorporated	44,950	1,919,806	1,444,019	Stride Rite Corporation	77,700	1,536,090	1,602,563	
Dun & Bradstreet Corporation	223,848	10,171,049	12,675,394	United States Shoe Corporation	489,000	5,607,843	6,112,500	
Enquirer/Star Group Incorporated	60,500	926,248	983,125	V F Corporation	132,589	4,821,295	5,833,916	
Gannett Company Incorporated	315,900	12,674,793	14,018,064	Warnaco Group Incorporated	140,000	4,660,055	4,252,500	
Graphic Industries Incorporated	12,600	73,410	59,850	<b>TRANSPORTATION - AIR</b>				
Harland (John H.) Company	24,600	576,052	507,376	Atlantic Southeast Airlines Incorporated	35,900	1,240,830	1,041,100	
Houghton Mifflin Company	101,574	2,907,693	2,996,433	AMR Corporation	161,900	10,244,163	10,462,789	
Knight Ridder Incorporated	132,200	6,685,019	7,717,177	Comair Holdings Incorporated	139,500	1,349,303	1,953,000	
Lee Enterprises Incorporated	4,800	114,614	130,800	Delta Air Lines Incorporated	18,600	1,078,789	1,008,050	
Lillian Vernon Corporation	73,000	738,088	857,750	Southwest Airlines Company	202,182	6,506,505	8,668,553	
McGraw-Hill Incorporated	88,500	5,365,479	5,121,939	UAL Corporation	5,322	489,446	617,252	
Meredith Corporation	3,200	116,334	87,600	US Air Group Incorporated	12,400	460,434	158,100	
New England Business Service Incorporated	31,600	593,225	505,600	<b>TRANSPORTATION EXCLUDING AIR</b>				
New York Times Company	76,300	2,229,301	2,136,400	Angel & American Shipholdings Limited	147,495	2,335,514	1,935,872	
Readers Digest Association Incorporated	80,000	3,840,000	3,630,000	Arkansas Best Corporation	3,800	37,050	44,175	
Reuters Holdings Plc	157,700	7,843,355	10,368,775	Burlington Northern Incorporated	85,600	2,490,157	3,199,301	
Scraps (E.W.) Company	80,000	1,822,400	2,200,000	Consolidated Freightways Incorporated	78,750	1,185,306	1,013,907	
Time Warner Incorporated	142,020	12,985,378	15,764,220	Consolidated Rail Corporation	72,000	5,646,025	6,507,001	
Times Mirror Company	59,772	2,067,879	2,002,362	CSX Corporation	61,903	2,206,114	3,923,103	
Tribune Company	33,300	1,337,682	1,365,300	Illinois Central Corporation	44,601	1,039,051	931,046	
Valassis Communications Incorporated	225,800	4,006,872	4,431,325	KLLM Transport Services Incorporated	78,666	579,048	1,297,989	
Washington Post Company	15,000	3,670,025	3,255,000	M S Camers Incorporated	50,000	841,602	1,350,000	

COMMON STOCK - DOMESTIC			COMMON STOCK - INTERNATIONAL				
	SHARES	BOOK VALUE	MARKET VALUE	SHARES	BOOK VALUE	MARKET VALUE	
<b>TRANSPORTATION EXCLUDING AIR (continued)</b>							
Norfolk Southern Corporation	42,600	\$ 1,224,324	\$ 2,710,426	Accor	6,060	\$ 757,188	\$ 882,434
Rayway Services Incorporated	30,900	1,404,934	1,969,875	Acerinox	39,900	2,481,160	2,611,634
Santa Fe Pacific Corporation	132,362	1,276,200	1,604,889	AGA	41,000	2,030,776	2,086,754
Union Pacific Corporation	219,200	8,421,192	10,987,401	Aguas Barcelona	20,223	608,796	702,522
Yellow Freight System Incorporated	7,700	170,965	209,825	Ahold Cpn 14 Rts Ex 6/12/92	10,775	0	7,912
				Ahold Nv Zaandam	10,775	425,417	524,719
<b>UTILITIES</b>							
American Electric Power Company Incorporated	123,900	3,438,113	3,949,313	Air Liquide	15,194	1,972,675	2,292,570
Ametech Corporation New	78,500	3,371,309	4,935,688	Akzo N V Arnhem	102,132	3,716,592	4,417,210
Arkla Incorporated	30,900	628,783	281,963	Alcatel Alsthom Compagnie Generale	19,785	2,162,144	2,506,407
Atmos Energy Corporation	95,000	1,638,443	1,852,500	Algemene Bk Nederland Nv	6,700	134,036	91,326
AT&T Company	592,394	15,763,658	25,472,942	Allianz Aktiengesellschaft Holding	531	722,039	793,703
Baltimore Gas & Electric Company	118,150	2,424,626	2,628,838	Allied Lyons Plc	100,000	955,863	1,201,954
Bell Atlantic Corporation	213,000	8,461,233	9,478,500	Alps Electric Company Ltd	220	156,750	6,188
Bellsouth Corporation	117,405	4,534,611	5,796,872	Amcol Holding Ltd	750,000	994,551	1,192,022
Boston Edison Company	10,900	259,965	282,038	Amcor Ltd	374,527	1,695,998	2,134,106
Carolina Power And Light Company	16,722	724,819	844,461	American Standard Sanitaryware	69,600	1,039,406	1,022,354
Centel Corporation	285,000	9,429,058	8,193,750	Amplex Ltd	560,000	1,299,106	1,457,287
Central & South West Corporation	71,700	1,336,743	2,025,525	Aoyama Trading Company Ltd	26,500	1,615,735	1,520,209
Central Hudson Gas & Electric	77,758	2,166,703	2,245,262	Argyll Group Plc	270,000	1,382,127	1,820,646
Columbia Gas System Incorporated	107,000	2,049,092	1,819,000	Ashikaga Bank Ltd	59,000	499,040	377,894
Commonwealth Edison Company	57,866	1,907,422	1,540,683	Assicurazioni Generali	29,500	732,124	709,286
Connecticut Energy Corporation	17,500	354,941	391,563	Astra Ab Series A	25,381	2,953,167	2,463,652
Consolidated Edison Co Of New York Incorporated	70,500	1,568,522	1,974,000	Australian Provincial Newspaper	500,000	568,122	542,146
Consolidated Natural Gas Company	21,100	718,568	894,113	Autobacs Seven Company Ltd	4,000	273,471	300,756
CMS Energy Corporation	65,100	1,008,556	1,033,463	Autopistas Concesionaria Espanol	78,000	996,701	1,029,194
Detroit Edison Company	46,700	861,808	1,459,375	ANB Eafe/Eafe-Ex Combined Fund	1	814,914	58,508
Dominion Resources Incorporated	72,550	2,016,614	2,775,038	ANB Multiple Intercap Eafe Index Fund	1	109,143,056	103,850,110
Duke Power Company	55,800	1,203,378	1,911,150	ANB Multiple International Eafe-EX Fund	1	100,504,371	105,963,677
DPL Incorporated	105,000	1,851,376	2,716,875	Banca Commercial Italiana	90,662	282,789	193,038
Eastern Enterprises	7,252	194,224	199,430	Banco Bilbao Viscaya	89,300	2,660,695	2,402,979
Enron Corporation	40,300	937,397	1,687,563	Banco Commercial Portugues	26,000	606,635	405,019
Enron Oil & Gas Company	80,111	2,050,056	2,042,831	Banco De Santander	6,858	359,384	329,540
Energer Corporation	178,900	2,710,148	2,683,500	Bangkok Bank	780,000	1,411,830	2,570,797
Energy Corporation	44,100	661,281	1,245,825	Bangkok Insurance	36,666	568,566	543,944
FPL Group Incorporated	73,900	2,240,032	2,577,263	Bank Of Ayudhya	246,670	494,401	425,987
General Physics Corporation	103,900	1,380,860	662,363	Bank Of Commerce Berhad	600,000	1,069,222	1,174,121
General Public Utilities Corporation	164,113	3,724,309	4,205,396	Bankgesellschaft Schweiz	2,000	2,535,158	2,612,909
GTE Corporation	535,300	11,699,013	17,062,688	Bankinter (Banco Intercom)	7,700	620,545	483,200
Houston Industries Incorporated	34,600	1,069,917	1,518,075	Bankverein Sbv Schweizenscher	11,000	2,452,935	2,035,541
Ipaclo Enterprises Incorporated	10,000	251,590	350,000	Barclays Plc	140,000	982,002	880,036
K.N. Energy Incorporated	86,860	2,304,291	2,106,355	Bayer AG	9,800	1,581,565	1,805,650
Ku Energy Corporation	15,500	303,335	410,750	Bayensche Muenchen Motorenwerke AG	7,800	2,274,585	3,006,355
M C I Communications Corporation	321,400	8,029,701	10,324,876	Bayensche Vereinsbank AG	9,410	2,204,364	2,490,016
MCN Corporation	114,900	2,455,484	2,858,138	BCE Incorporated	33,000	1,122,601	1,230,381
New England Electric System	69,105	2,028,909	2,263,189	Benetton Group	28,000	220,857	293,641
New York State Electric And Gas	65,000	1,803,035	1,909,375	Bilfinger & Berger Bau Mannheim	1,730	1,052,016	1,101,858
Niagara Mohawk Power Corporation	37,100	614,992	704,900	Biogen Incorporated	3,000	110,897	76,500
Nicor Incorporated	5,025	199,413	225,497	Boral Ltd	200,000	577,840	468,115
Northern States Power Company	17,900	528,510	742,850	Boskalis Westminster	92,800	1,143,620	1,203,000
Nyxex Corporation	127,100	8,767,192	10,025,014	BPB Industries Plc	604,800	1,665,557	1,796,599
Ohio Edison Company	188,200	3,507,757	3,928,678	Brindgestone Corporation	195,000	1,746,068	1,753,215
Oreok Incorporated	7,500	119,036	127,500	Brierley Investments Ltd	942,400	593,139	507,679
Pacific Enterprises	19,189	879,636	364,591	British Aerospace Plc	414,000	2,401,952	1,932,079
Pacific Gas & Electric Company	129,600	2,833,488	4,179,600	British Gas Plc	415,000	2,650,508	2,770,909
Pacific Telesis Group	135,800	3,867,893	5,448,975	British Land Company Plc	130,000	656,194	507,640
Pacificorp	83,500	1,774,224	1,857,875	British Petroleum Company Plc	592,100	6,072,820	5,067,101
Panhandle Eastern Corporation	29,320	656,661	458,125	British Steel Plc	70,000	1,608,960	822,500
Pennsylvania Enterprises Incorporated	25,400	644,884	628,650	British Telecom	56,490	98,366	122,669
Pennsylvania Power And Light Company	14,400	307,404	372,600	British Telecommunications Plc	121,200	2,933,057	3,168,651
Peoples Energy Corporation	9,900	196,526	259,875	Broken Hill Proprietary Ltd	131,778	1,082,034	1,419,003
Philadelphia Electric Company	58,800	1,066,701	1,550,851	BSN	3,968	650,422	851,217
Public Service Company Of Colorado	95,969	2,265,262	2,579,167	BTR Nylex Ltd	1,341,298	2,845,290	2,768,294
Public Service Enterprise Group	245,575	6,591,310	6,784,010	Buhrmann Letterode	66,000	1,902,583	1,891,526
PSI Resources Incorporated	16,700	226,526	281,813	BPI	16,000	490,598	577,811
Questar Corporation	54,600	1,051,988	1,242,150	Cabin Company Ltd	55,000	620,885	512,001
SCE Corporation	89,700	2,981,657	3,969,225	Cable & Wireless Plc	331,048	3,216,867	3,304,309
Sonnet Incorporated	32,000	1,198,152	1,200,000	Cadbury Schweppes Plc	245,700	1,551,815	2,190,330
Southern Company	86,047	1,873,866	3,000,890	Canon Incorporated	474,000	5,426,723	5,204,506
Southern New England Telecom	50,000	1,755,744	1,618,750	Cap Gemini Sogeti	32,944	2,160,440	1,774,185
Southwestern Bell Corporation	132,000	5,799,017	8,052,000	Cap Gemini Sogeti Warrants	2,338	87,689	18,027
Teco Energy Incorporated	11,000	358,513	430,375	Carrefour	4,063	1,640,685	2,090,563
Telefonos De Mexico	165,000	5,162,246	7,218,750	Carter Holt Harvey Ltd	1,288,000	1,457,872	1,860,153
Telephone & Data System Incorporated	130,000	4,032,700	4,078,750	Casino Guichard Perrachon	62,550	1,956,116	1,892,474
Texas Utilities Company	221,365	7,610,326	8,660,908	Casio Computer Company Ltd	248,182	2,621,289	2,396,989
Transco Energy Company	5,250	166,791	73,500	Castorama Dubois Invest	4,200	369,565	405,812
U G I Corporation	90,000	1,607,170	1,586,250	Cemex Sa "B" (Mxp)	112,200	881,892	1,715,677
Union Electric Company	21,400	734,047	767,726	Cheung Kong Holdings Ltd	1,730,000	3,573,957	5,864,406
Unilcorp United Incorporated	65,700	1,780,073	1,552,163	China Light & Power Company Ltd	250,000	1,073,073	1,107,840
US West Incorporated	292,000	9,474,275	10,658,000	Chiyoda Shoe	35,000	1,717,805	698,979
				Chubu Engineering Corporation	19,000	386,846	281,183
				Chugai Pharmaceutical Company Ltd	71,000	587,801	666,596
				Ciba Geigy	1,990	0	10,873
				Ciba-Geigy AG Basel Bearer	110	246,285	266,063
				Ciba-Geigy AG Basel	1,915	4,280,604	4,673,766
				Citic Pacific Ltd	500,000	570,865	879,603
				City Developments Ltd	1,475,000	3,520,490	3,504,144
				Coats Vyeila Plc	587,500	2,362,113	2,228,996
				Colas	2,840	300,741	455,127
				Coles Myer Ltd	130,000	1,111,744	1,150,984
				Commerzbank AG	4,649	758,227	770,776
				Compagnie Bancaire	27,282	2,438,539	2,155,696
				Compagnie Financiere De Paribas	12,300	812,154	835,037
				Comptoirs Modernes Bonus Rts Exp 7/30/92	1,806	0	37,509
				Comptoirs Modernes	1,806	391,640	375,086
				Cookson Group Plc	270,000	604,792	743,173
				Credit National	5,612	1,226,715	10,033,423
				Cubiertas Y Mzov	5,180	674,340	418,705
				Cycle & Camage Ltd	300,000	876,332	1,187,384
				CMB Packaging	35,819	1,218,477	1,307,453
				CMK Corporation	30,000	496,199	465,455
				CS Holdings Bearer Certificates	743	958,978	949,991
<b>TOTAL COMMON STOCK-DOMESTIC</b>		<b>2,864,314,628</b>	<b>3,581,720,104</b>				

COMMON STOCK - INTERNATIONAL (continued)				COMMON STOCK - INTERNATIONAL (continued)			
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
CS Holdings Warrants Exp 12/21/92	743	\$ 0	\$ 20,434	Korean Investment Fund Incorporated	25,000	\$ 300,000	\$ 265,625
Dai Nippon Printing Company Ltd	80,000	897,894	859,302	Kyocera Corporation	60,000	2,274,202	2,005,038
Daicel Chemical Industries Ltd	147,000	893,895	626,909	Kyushu Denki Kogyo Company Fukuoka	80,000	1,386,214	1,381,249
Daijuku Company Ltd	31,000	563,168	490,836	Kyushu Electric Power Company Inc	25,900	574,226	440,997
Daimler-Benz AG	3,900	1,687,672	1,945,680	KAO Corporation	101,200	878,199	829,354
Daito Trust Construction	25,000	985,542	897,095	L'Oreal	4,670	514,658	829,524
Darwa House Industries Company Ltd	135,400	2,269,153	1,712,121	Ladbroke Group	120,000	574,627	431,449
Darwa Koshu Lease Company Ltd	90,000	1,022,470	859,302	Landis & Gyr Ag Zug	2,600	2,710,552	1,816,436
Deutsche Bank AG	11,520	4,723,098	5,223,044	Lend Lease Corporation Ltd	83,999	948,963	1,035,164
Deutsche Bank Warrants 6/30/95	1,340	195,668	176,851	Leon Nathan Ltd	800,000	770,417	752,010
Development Bank Of Singapore Fgn (Sgd)	375,000	3,063,828	3,293,135	Lion Nathan Ltd	272,200	582,463	656,161
Disneyland Euro	23,250	620,331	490,591	Lion Nathan 10% Convertible Stock	14,285	26,850	36,767
Douglas Holding Ag	2,925	1,229,740	1,086,197	Lisnave Estado Navas De Lisboa	242	2,637	1,809
Draconsa Dragados Y Construccione	47,318	1,018,228	771,836	Liu Chong Hing Investment Ltd	1,000,000	911,111	892,741
Eax (Compagnie Generale Des)	2,000	827,834	862,766	Lucas Industries	780,000	1,772,570	1,812,646
EDC Group	161,200	1,234,543	1,618,207	LVMH Moet Hennessy Louis Vuitton	984	792,430	747,932
Elan Plc	44,590	1,834,292	1,800,321	Maeda Construction Company Ltd	15,000	137,942	107,413
Electrabel NPV	3,000	431,812	440,346	Maeda Road Construction Company )	67,000	1,531,487	1,465,985
Elsevier Nv	21,565	1,233,999	1,362,959	Magna International Incorporated	32,000	595,853	840,000
Empresas Sociedad Controladora Ads (Usm)	123,268	2,351,196	2,141,782	Makita Corporation	113,000	1,726,494	1,681,288
Endesa	90,000	2,051,114	3,310,127	Malaysian International Shipping Fgn My1 (Sgd)	330,000	1,013,273	914,286
Eurotunnel Sa Units (1epic&tesa) Scovam	185,000	1,482,010	1,267,505	Malaysian Pacific Industries	550,000	842,363	882,987
Family Mart Company Ltd	400	0	22,024	Malaysian Resources Corporation	1,500,000	715,890	712,859
Family Mart Warrants Exp 2/14/95	265	410,750	230,219	Mannesmann Ag	18,220	3,690,383	3,455,040
Fanuc Ltd	62,600	2,073,792	1,907,635	Matsumoto Yushi-Seiyaku	5,500	233,582	126,906
Finanzaria Agrodust Spa	166,050	848,591	735,070	Matsushita Elect Ind Company	398,000	4,542,532	4,148,360
Fletcher Challenge Ltd	310,000	599,331	595,643	Mayne Nickless Ltd	230,400	1,422,355	1,288,730
Fochi Spa Filippo	96,000	799,704	849,529	Mikuni Coca-Cola Bottling Company	64,000	1,303,665	1,369,791
Foster Brewing Ltd	650,000	749,200	938,099	Mim Holdings Ltd	646,100	1,309,645	1,449,436
Fuj Fire & Marine Insurance	89,000	724,432	439,040	Mitsubishi Heavy Industries	525,000	2,411,641	2,213,686
Fuj Machine Manufacturing Company Ltd	38,000	657,835	650,046	Mitsubishi Motor Company	680	545,159	208,250
Fuji Oil Company	95,000	846,146	589,577	Mitsui Fudosan	165,000	1,712,696	1,021,376
Fuji Photo Film Company Ltd	44,000	996,033	980,241	Mitsui Marine & Fire Insurance Company	181,000	1,158,512	841,034
Fuji Soft Ware Incorporated	15,000	631,640	309,110	Miura Company Ltd	40,000	520,205	442,381
Fujiitsu Ltd	20,000	170,133	97,069	Moore Corporation Ltd	28,600	712,499	493,550
GB-INNO-BM	15,800	611,957	725,996	Mon Seiki Company Ltd	33,000	738,609	546,134
Generale De Banque Npv	4,200	784,099	822,872	Murata Manufacturing Company Ltd	115,000	2,041,731	2,131,944
Getronics Nv	55,000	981,478	951,530	Naiga Company Ltd	88,000	989,491	576,242
Gst-Brocades Nv	42,848	784,900	960,936	National Foods Ltd	1,145,233	1,237,210	1,250,330
GKN Plc	81,000	474,697	547,737	National Westminster Bank Plc	431,700	2,271,876	2,713,654
Glaxo Holdings Plc	84,000	755,460	1,086,445	Natsteel Ltd	1,300,000	3,277,305	3,226,407
Godo Steel	85,000	1,031,000	865,667	Nestle Sa Cham Et Vevey Reg	610	3,501,656	4,324,103
Graana Group Plc	60,000	239,700	278,869	New World Development Company Ltd	700,000	764,293	1,747,962
Grand Metropolitan Plc	254,604	1,889,022	2,245,547	Nikko Fire & Marine Insurance Company	238,000	1,615,176	1,164,593
Grontry	55,296	1,720,468	1,694,271	Nichold Index Put Option	22,200	267,408	1,341,257
Groupe Assurances (Gan)	1,660	692,417	566,720	Nine Network	350,000	1,024,462	942,212
Grupo Anaya	5,203	398,474	189,200	Nintendo Company Ltd	50,200	4,730,309	4,313,696
Guoco Group Ltd	4,000,000	1,417,097	1,656,100	Nippon Denso	72,000	911,380	790,558
Haden Maclellan	180,000	430,978	233,152	Nippon Koei Company Ltd	67,000	710,898	618,379
Hai Sun Hup Group Ltd	300,000	520,994	478,664	Nippon Light Metal Company Ltd	55,000	287,304	278,318
Hanson Plc	337,600	1,371,592	1,313,479	Nippon Meat Packers Incorporated	207,000	2,971,511	2,865,772
Havas	9,850	828,743	938,268	Nippon Seiko	440,000	1,975,769	1,820,447
Hellenic Bottling Company	10,610	244,737	323,687	Nig Eoe Index Put Option	28,418	158,960	193,679
Hydroel Cantabrico	36,080	619,638	695,359	Novit Corporation	33,000	497,793	420,103
Hillsdown Holdings Plc	156,800	2,059,025	18,60,835	Northern Telecom Ltd	66,631	1,333,783	2,448,690
Hitachi Ltd	603,000	5,234,835	3,646,304	Novo Nordisk As	25,346	2,081,414	2,271,635
Hitachi Zosen Corporation	137,000	589,662	529,760	NEC Corporation	326,000	3,445,694	2,137,307
Hochstef Ag Vorm Gebr Helfmann	1,831	1,425,821	1,430,681	NRJ	27,000	1,026,502	1,133,113
Hokuriku Electric Power Company	47,000	936,686	837,660	Obras Y Construcciones	6,452	622,895	227,915
Holzmann Ag Philipp	680	485,714	501,414	Oce Van Grinten Nv	14,563	388,797	605,683
Hon Kwok Land Investment	3,000,000	857,439	941,260	Oest El Wirtsch Class A	12,000	490,460	545,099
Hong Kong & China Gas Company Ltd	960,000	1,229,777	1,664,380	Oester Mineralverw (Omy)	9,430	731,710	768,576
Hong Kong Electric Holdings Ltd	211,000	436,285	524,156	Obayashi Road Construction Company	161,000	2,292,416	2,728,523
Hong Kong Land Holding Usd	1,000,000	1,391,714	1,772,544	Olver Corporation	11,000	188,956	175,918
Hong Leong Industries	1,014,000	2,416,642	3,057,388	Orward Kashyama Company Ltd	73,000	901,006	667,948
Hoogovens En Staafabrieken	71,730	2,001,711	2,059,924	Overseas-Chinese Banking Corporation	650,000	4,156,066	5,166,066
Howell Holdings Ltd	1,250,000	810,417	905,680	Pacific Dunlop Ltd	589,281	2,425,561	2,325,819
HSBC Holding	556,000	2,809,509	3,488,937	Pechiney Cert D'Invest	4,025	251,325	267,126
Huarte Y Ca	60,000	966,166	872,726	Pegasus Gold Incorporated	143,656	1,711,666	2,029,141
Hunter Douglas Nv	1,035	0	36,536	Perygine Investments Holdings Ltd	2,600,000	288,682	714,840
Hysan Development Company Ltd	900,000	1,130,412	1,665,157	Peugeot	18,600	2,369,140	2,589,542
I.G.B. Corporation	1,000,000	749,460	650,958	Philips Electronics	127,700	2,304,660	2,239,034
I.D. Data Device Incorporated W/	200	0	5,299	Pioneer International Ltd	629,610	1,668,189	1,468,940
I.D. Data Device Incorporated	2,000	49,533	52,990	Pirelli Spa	2,016,000	2,055,077	2,255,606
Inderola	217,000	1,550,883	1,690,908	Placer Dome Ltd	64,322	966,068	651,261
International Unp Holdings	240,000	151,401	160,147	Preussag AG	1,520	299,848	409,798
International Nederlanden Group Nv	9,948	297,743	279,889	Procordia	20,000	629,636	632,570
Ito-Yokado Company Ltd	51,000	1,771,195	1,748,919	Progressive Enterprises	1,300,000	1,378,967	1,167,202
ICI Australia Ltd	91,000	409,533	391,960	PT Indocement Tunggul Prakasa	100,000	582,891	594,000
Japan Radio Company Ltd	108,900	1,959,318	1,550,969	PT International Nickel Indonesia (Foreign)	63,000	154,924	196,486
Jardine Matheson Holdings	743,600	3,473,052	6,253,588	PT Kalbe Farma (Foreign)	120,000	645,298	831,600
Jardine Strategic Holdings Ltd	400,000	1,405,326	1,392,159	PT Supreme Cable Manufacturing Corporation Fgn	115,200	391,138	376,358
Jeronimo Martins	21,500	910,618	1,006,488	QBE Insurance Group	204,567	1,103,126	994,322
Joyce Boutique Holdings	5,000,000	789,492	963,902	Queens Moat Houses	1,620,300	2,586,901	2,361,105
Joyo Bank Ltd	70,000	478,631	414,931	Ranger Oil Ltd	143,547	1,076,611	1,056,659
JGC Corporation	400	0	6,683	Reliance Industries Ltd	180,000	2,943,000	2,189,172
Kajima Corporation	64,000	780,712	420,103	Repsol Group Plc	525,000	951,281	1,680,069
Karstadt AG	3,942	1,419,579	1,586,663	Repsol	202,400	5,508,078	6,003,651
Kato Works Company Ltd	95,000	771,112	449,741	Reuters Holdings Plc	125,000	2,824,018	2,756,809
Kawasaki Keen Kaisha Ltd	320,000	1,262,457	891,128	Rheimsch-Westfaelisches Elek AG	4,000	967,660	1,085,508
Keppel Corporation Ltd	487,500	1,025,152	1,587,817	Rhone-Poulenc	53,940	5,603,300	6,454,189
Kinko Shanyo Company	240	0	1,010	Rhinoce Per L'Esercizio	70,000	379,365	358,423
Kinseki Ltd	10,000	89,200	109,800	Rothmans Holdings Ltd	265,400	3,029,508	1,458,701
Kim Brewery Company Ltd	89,000	1,003,241	793,104	Royal Bank Of Scotland	220,000	658,940	796,223
Koa Fire & Marine Insurance	222,000	1,565,587	1,050,974	Royal Dutch Petroleum Company	3,892	316,344	343,243
Kokeyo Company Ltd	36,000	903,299	724,678	Royal Orchid (Sheraton) Hotel Forgn Reg	400,000	519,351	549,360
Komatsu Forklift Company Tochgi	50,000	592,995	331,388	Rtz (Rio Tinto Zinc)	250,000	2,550,743	2,976,313
Komori Corporation	20,000	452,177	303,938	Saint Gobain	23,450	2,195,780	2,599,932
Korea Asia Fund Bearer	294	1,663,950	1,220,668	Salomon	4,000	1,051,483	1,093,098
Korea Fund Inc (Usd)	73,589	1,186,288	837,075	Samsung Electronics	23,944	639,327	422,981
Korea Growth Trust Idr (Usm)	5	173,000	109,000	Sandoz	1,837	2,883,037	4,041,251

COMMON STOCK - INTERNATIONAL (continued)			COMMON STOCK - INTERNATIONAL (continued)				
	SHARES	BOOK VALUE	MARKET VALUE	SHARES	BOOK VALUE	MARKET VALUE	
Sandoz AG Basel	1,328	\$ 2,159,891	\$ 2,873,478	Wing Tai Holdings	1,600,000	\$ 1,846,370	\$ 1,771,181
Sandoz AG	1,050	1,785,946	2,310,200	Wisor Industrial Corporation Ltd	1,000,000	1,278,524	1,630,223
Sandoz Ltd	125,000	4,207,250	5,515,000	Wo Kee Hong Holdings Ltd	2,000,000	427,292	834,519
Sankyo Company Ltd	128,000	2,405,732	2,464,605	Wolters Kluwer Cva Ntlfl Nv	46,766	1,782,951	1,969,572
Sanwa Bank Ltd	50,000	826,425	461,477	Woodside Petroleum Ltd	500,000	1,073,613	1,402,101
Schening AG	6,807	3,287,111	3,211,368	Xebe Company Ltd	11,000	227,785	213,552
Schindler Holding AG	1,500	816,200	773,709	Yodogawa Steel Works Ltd	83,000	426,051	362,554
Seagram Company Ltd	105,000	1,589,606	2,926,875	Yokogawa Elect (Hokushin) Corporation	102,000	912,985	601,368
Seapower Resources International Ltd	5,000,000	822,277	1,048,001				
SEB	1,135	389,114	454,172	<b>TOTAL COMMON STOCK-INTERNATIONAL</b>		<b>\$760,386,723</b>	<b>\$775,948,182</b>
Secom	81,000	3,755,699	3,911,973				
Seikosai House Ltd	100,000	993,470	907,041	<b>REAL ESTATE</b>		<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
Sembawang Shipyard	488,000	2,328,188	2,338,900				
Semen Cibinong	89,000	344,443	396,495	<b>Closed-End Funds</b>			
Semt-Tech (Global) Company Ltd	375,000	858,179	1,048,001	Alex Brown-Profile Fund I	\$ 24,875,000	\$ 24,498,051	
Seoul Trust	20	680,000	420,000	Bear Stearns Realty Partners	77,536,944	78,259,666	
Seven-Eleven Japan Company Ltd	42,000	2,385,924	2,442,805	Brinson Partners First Apartment Fund	16,864,028	14,666,415	
Sevillana De Electrodad	312,900	1,673,771	1,722,980	JMB Group Trust III	25,832,490	20,778,395	
Sharp Corporation	125,000	1,216,861	1,034,345	TCW Realty Fund II	25,000,000	21,278,945	
Shell Transport & Trading Ltd	75,000	577,095	721,458				
Shimachu Company Ltd	59,000	1,564,574	1,337,885	<b>Total Closed-End Funds</b>		<b>\$170,108,462</b>	<b>\$159,481,472</b>
Shimano Incorporated	183,000	2,326,104	2,067,576				
Shimano Industries	206	190,004	142,012	<b>Properties</b>			
Shin-Etsu Chemical Company Ltd	122,000	1,478,241	1,252,193	Adams Woods	\$ 7,532,826	\$ 4,000,000	
Shinko Kogyo Company	20,000	294,743	151,174	Arapahoe Village	5,967,458	5,250,000	
Shiseido Company Ltd	90,145	1,080,976	1,004,134	Autumn Chase (PBIII)	10,045,102	10,000,000	
Siam Cement Company Ltd	25,000	571,815	555,800	Basset Creek/S.J. Groves	6,908,383	4,000,000	
Siam Commercial Bank Foreign	13,000	330,297	357,141	Bayport Center	14,227,732	4,000,000	
Siebe Plc	70,000	829,677	960,039	Breckenridge	33,125,947	31,600,000	
Siemens AG	11,980	4,584,208	5,227,082	Carterwood (PBIV)	7,850,045	6,685,831	
Simon Engineering	140,000	719,506	624,026	Clackamas Town Center	64,891,527	64,891,527	
Singapore Land Ltd	450,000	1,386,462	1,419,295	Cobblestone Court	3,181,264	3,181,264	
Sip	514,000	603,847	576,428	Corporate Campus East	23,795,099	17,500,000	
SKF Ab	49,800	1,046,954	1,027,125	Corporate West II	3,099,634	3,399,453	
SKF Frueher Ab	46,000	829,153	844,856	Costa Mesa Courtyards	39,123,836	32,000,000	
Smith Group Plc	280,000	2,297,277	2,389,431	Crosswoods (Formerly TOLD)	16,945,821	14,900,000	
Smithkline Beechman *A*	79,000	1,109,385	1,343,807	Crystal Court	8,099,185	8,099,185	
Snow Brand Milk Products Company	90,000	592,871	564,991	Cypress Trace S.C.	26,747,284	15,136,000	
Soares Da Costa	30,000	635,631	810,038	Data General Building	7,471,294	5,200,000	
Societe Nationale Elf Aquitaine	94,000	2,982,175	3,325,250	Fairfax Court	8,135,030	8,135,030	
Sony Corporation	95,900	3,880,180	3,143,677	Forest Park Land	2,508,754	2,750,000	
South China Morning	2,000,000	737,688	1,132,100	Forest Park Mall	30,149,461	21,300,001	
Sphinx Koninklijke Nv	8,000	178,928	246,984	Franklin/Lake Self Park	34,352,485	27,359,982	
Star Micronics Company Ltd	25,000	246,790	278,478	Gateway Plaza	19,094,678	19,094,678	
Slet Savings	1,300,000	2,887,481	1,879,784	Gateway Oaks Plaza	3,295,414	3,000,000	
Stolt Tankers & Terminals	91,300	2,001,476	1,609,163	GMO Land	10,503,096	8,583,511	
Strabag	3,569	1,477,437	1,483,398	Hartford Industrials	21,805,854	13,050,000	
Sumitomo Bank Ltd	40,000	675,093	426,468	Interstate Crossings	9,773,946	6,250,001	
Sumitomo Electric Industries	80,000	874,889	579,870	Inver Grove	6,041,909	6,100,000	
Sumitomo Forestry Company Ltd	189,000	2,536,750	2,932,368	Kensington Center	7,816,685	5,820,000	
Sumitomo Marine & Fire Insurance	194,000	1,054,754	1,046,534	Laguna Hills Plaza	7,509,771	8,112,529	
Sumitomo Realty & Development Company Ltd	35,000	216,335	156,504	Lakes of Bellevue	24,050,761	20,199,999	
Sun Hung Kai Properties Ltd	400,000	755,274	1,876,051	Leed Commerce Center	3,001,085	3,140,000	
Swire Pacific Ltd	500,000	1,009,153	2,377,409	Mayhew Tech Center	13,697,147	15,070,701	
Tabcaciera	20,500	953,588	1,173,557	Mendota Heights	16,709,079	11,360,000	
Taisei Rotec Corporation	130,000	1,114,275	1,251,557	Midwest Apartments	18,291,000	18,200,000	
Takasago Thermal Engineering Company	30,000	641,917	405,782	Miscellaneous Real Estate Assets	9,202,823	9,239,597	
Takeda Chemical Industries	160,000	2,110,608	1,362,152	Montbello Industrial Park	11,196,419	6,399,999	
Tanjong Plc	300,000	686,287	1,605,431	Naperville Industrials	8,450,109	8,400,000	
Tasuki Shinju	48,000	758,658	331,882	Newmarket South	13,818,750	9,400,000	
Tate & Lyle	110,000	715,835	745,935	Norfolk Office	44,469,575	31,100,000	
Tatsuta Electric Wire	130,000	1,054,163	466,490	North Lake Business Park	12,367,657	11,999,153	
Telecom Corporation Of New Zealand	2,350,000	2,896,719	2,634,230	North-Tech (Formerly OPUS)	28,515,217	22,127,012	
Telefonica De Espana Ca	282,000	2,344,426	3,032,412	Oaks of Oakbrook (Land Venture)	12,721,429	12,877,638	
Telefonicas De Espana	100,000	2,923,646	3,237,500	Orlando Marnotts	67,763,793	62,800,000	
Telekom Malaysia	683,000	1,553,595	3,709,585	Plaza at Buckland Hills	9,435,051	9,435,051	
Termbaga Mulia	74,000	452,096	223,443	Quail Lakes Executive	8,705,239	4,999,160	
Thom Emi Plc	130,500	1,811,970	1,996,110	Ridge Plaza	6,420,851	4,201,898	
Tiphook Plc	345,000	2,365,356	2,510,389	Ridgewood Court	6,821,854	6,821,854	
Toda Construction Company Ltd	36,300	388,079	196,687	River Road Business Center	11,055,854	6,432,999	
Tokai Senko Kk Nagoya	57,000	691,051	304,312	Royal Eagle Plaza	20,316,765	20,316,765	
Tokatsu Foods Company Ltd	12,000	382,427	224,373	San Juan Corporate Center	6,675,666	3,999,999	
Toko Marine & Fire Insurance Company	206,000	2,054,099	1,622,649	Second & Harrison Apartments	3,517,500	2,750,000	
Tokyo Broadcasting System Incorporated	44,000	696,272	364,089	Somerset Park Apartments	7,264,000	3,837,999	
Tokyo Electron Ltd	30,000	583,086	389,073	Southpark (PBII)	4,797,532	4,749,670	
Tokyo Ohka Kogyo Company Ltd	54,000	1,519,523	1,353,401	St. Charles #12	4,173,765	4,070,000	
Tokyo Tekko Company Ltd	189,000	3,414,514	2,466,197	St. Charles #3,#4,#5	5,848,944	5,120,001	
Tomei Industrial Holdings	1,434,000	343,093	505,583	St. Charles Land	14,443,667	12,780,631	
Toray Industries Incorporated	355,000	1,730,814	1,790,769	Stone Mountain Festival	27,111,615	20,400,000	
Toshiba Corporation	50,000	235,800	257,393	Stonecreek (PBI)	1,733,939	-1,358,906	
Toshiba Engineering & Construction	74,000	790,680	552,277	Suncenter Apartments	25,926,500	26,631,000	
Total B	27,000	1,045,723	1,227,978	Super 8 Motels	16,385,719	16,820,001	
Toto Ltd	145,000	1,834,198	1,880,519	The Yards Plaza	21,531,364	21,531,364	
Toyo Corporation	73,000	903,276	405,416	Time-Life Building	57,573,713	37,175,104	
Toyo Sash Company Ltd	80,000	1,677,491	1,718,604	Towne North S.C.	9,329,399	6,050,000	
Toyo Seikan Kasha Ltd	23,000	608,249	530,639	Troy Industrial	8,040,000	8,100,000	
Toyota Motor Corporation	217,000	2,307,362	2,486,247	TRB-MIP Corporation	2,461,947	2,960,000	
TDK Corporation	71,000	2,583,777	2,344,383	TRM-Meredith Park	1,262,660	1,164,169	
TNT (Thomas Nationwide)	1,105,000	1,281,322	1,346,877	TRS-Oakbrook Center	75,611,379	76,000,000	
Unilever Nv	146,100	12,126,111	15,833,588	Vanous Real Estate Operating Accounts	21,992,465	21,992,465	
Unilever Nv	4,780	394,429	517,898	Village Park Plaza	17,490,190	17,490,190	
Vallehermoso	93,685	2,018,386	1,805,564	West Town Corners	25,119,326	25,119,326	
Vard As	72,000	1,475,608	966,046	Westland Park	11,710,608	11,710,608	
Viscofan Sa Envoltura	21,000	515,921	376,363	Williams Plaza I	27,035,592	13,000,000	
Vitro Sociedad Anonima	67,200	1,705,200	1,310,400	Williams Plaza II	24,415,298	13,000,001	
VNU (Ver Ned Utgevers)	46,435	2,050,961	2,231,530	Willow Knolls Court	16,775,397	12,320,000	
Waste Management International Plc	188,500	3,957,184	4,241,250	Wooddale Industrials	14,561,933	12,320,000	
Waterford Glass Group Plc	1,257,274	792,131	652,672				
Westfield Trust	568,579	906,483	973,653				
Westpac Banking Corporation	1,514,595	5,019,663	3,896,125				
Wienerberger Baustoffindustrie AG	2,112	871,553	891,411				

REAL ESTATE	BOOK VALUE	MARKET VALUE
<b>Properties (continued)</b>		
1015 Locust Building	\$ 14,103,416	\$ 1,700,001
1500 Locust St.	57,148,031	41,300,000
330 South Executive Drive	7,994,285	5,480,000
345 Fullerton Parkway	18,144,621	14,685,367
345 Fullerton Parkway Conversion	9,110,897	9,110,897
<b>Total Properties</b>	<b>\$1,346,301,346</b>	<b>\$1,097,526,102</b>
<b>TOTAL REAL ESTATE</b>	<b>\$1,516,409,808</b>	<b>\$1,257,007,574</b>

ALTERNATIVE INVESTMENTS	BOOK VALUE	MARKET VALUE
Arizona Farm Land	\$ 1,015,050	\$ 1,027,913
Arkansas Farm Land	619,675	630,000
Bicycle Acquisition Corporation	973,000	3,014,541
	5,050,000	5,050,000
	8,500,000	10,620,357
California Farm Land	6,628,163	7,020,200
Chalk Line Holdings Incorporated	787,315	354,292
	745,710	289,005
	7,212,685	6,400,000
	1,000,000	243,244
County Seat Holdings Incorporated	398,439	398,439
	601,820	601,820
	5,137,881	5,137,881
County Seat Stores Incorporated	380,175	380,175
	5,000,000	5,000,000
DeVry Incorporated	1,301,061	4,077,698
Florida Farm Land	8,331,559	8,331,559
Frontenac Venture IV	6,877,012	2,206,326
Frontenac Venture V	16,914,461	20,981,930
Home Fashions Incorporated	15,860	3,965
	2,779,792	1,369,696
	13,781,564	6,890,783
	362,852	181,426
Illinois Farm Land	11,750,940	11,932,968
Indiana Farm Land	2,261,542	2,268,751
Keller Graduate School Of Management	12,169,276	12,169,276
	953,008	953,007
Levy Restaurant Limited Partnership	1,436,800	1,804,511
	3,000,000	3,000,000
Marks Brothers Jewelers Incorporated	10,000,000	8,000,000
	1,000,000	350,000
	600,000	210,000
Newtrend Group Limited Partnership	0	133,906
	1,558,688	1,558,688
	1,558,688	1,558,688
Ohio Farm Land	3,656,595	3,733,941
TWB/F/B Limited Partnership	1,786,250	1,786,250
W P G Enterprise Fund Limited Partnership	22,225,817	20,756,527
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>\$168,371,678</b>	<b>\$160,447,983</b>



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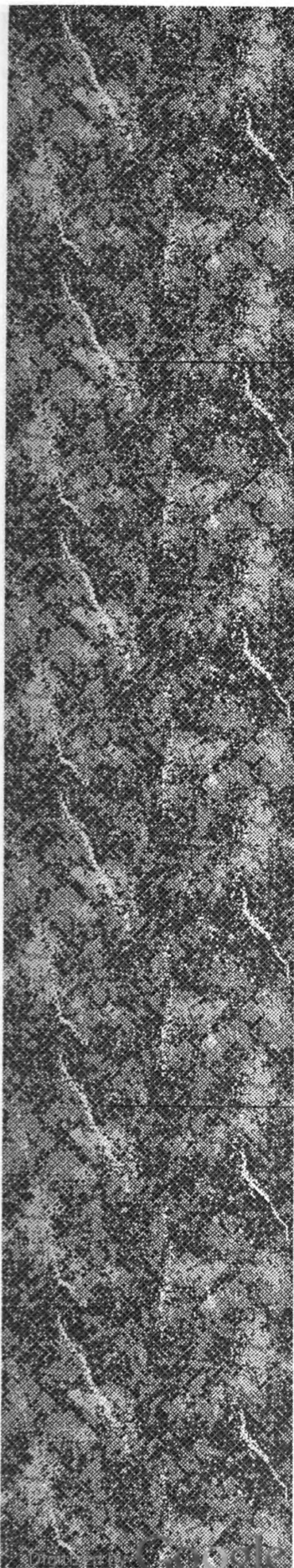
 Teachers' Retirement System  
of the State of Illinois

## Component Unit Annual Financial Report

*For Year Ended June 30, 1993*

	<i>June 30, 1993</i>	<i>June 30, 1992</i>
<b>Membership</b>		
Active	125,770*	126,220
Inactive	25,000*	22,000*
Annuitants	49,854	48,667
<b>Total:</b>	<b>200,624</b>	<b>196,887</b>
<b>Contributions</b>		
Member	363,334,000	350,909,000
State of Illinois	269,896,000	238,175,000
<b>Unfunded pension benefit cost</b>		
	(7,606,300,000)	(6,847,391,000)
<b>Net Assets (Book value)</b>	<b>10,879,590,000</b>	<b>9,811,962,000</b>
<b>Investment Income</b>	<b>1,142,636,000</b>	<b>1,114,089,000</b>
<b>Investment Return</b>	<b>11.6%</b>	<b>10.8%</b>
<b>Benefits and other expenses</b>	<b>715,368,000</b>	<b>641,600,000</b>

*\*Estimated*



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The Teachers' Retirement System of the State of Illinois is

the Component Unit Annual Financial Report for the Year Ended June 30, 1993. Each year, this report highlights the trends of the System's membership and explores the impact of ongoing events on the fund's progress.

This report is produced by the Accounting and Information Systems Departments and is compiled for presentation by the Public Information Department in accordance with the laws and rules governing the Teachers' Retirement System of the State of Illinois.

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Teachers' Retirement System  
of the State of Illinois

2815 West Washington, P.O. Box 19253  
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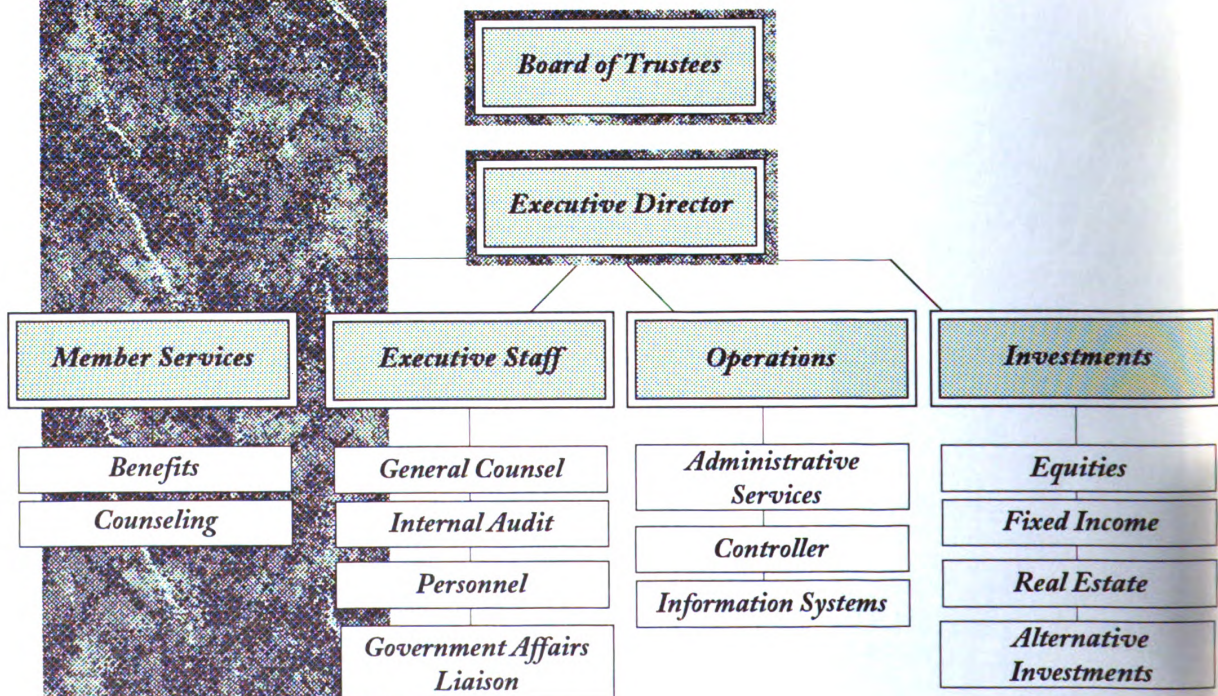


Members of the TRS cabinet, seated left to right, are Wilma VanScyoc, General Counsel; Jon Bauman, Chief Operating Officer; Bob Daniels, Executive Director; Tom Zimmerman, Chief Investment Officer; and Paul Craig, Director of Personnel. Standing, left to right, are John Sigle, Director of Member Services; Todd Kennedy, Controller; Judy Davis, Assistant to the Director; John Day, Government Liaison; Ed Mabie, Chief Information Officer; Bill Brewer, Deputy Director of Benefits; Alice Kern, Manager of Administrative Services; Sally Sherman, Deputy Director of Counseling; and Sandy Andrighetti, Internal Auditor.



**Mission Statement**

*As a fiduciary for our members, the Teachers' Retirement System of the State of Illinois strives to promote maximum possible financial security for members in a manner that reflects our commitment to excellent service and instills confidence in our integrity.*



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# Board of Trustees



*Right: Board President  
Robert Leininger*



*Right: Ray J. Althoff  
Hugh R. Brown*



*Right: James Bruner  
Anne Davis  
James Kane*



*Left: Gary Kline  
Roman Miller  
Marilyn Oglesby*



*Left: Judith Tucker, Vice President  
Robert Daniels, Executive Director*



## Dedication

**Gary Anderson**

*July 1941 - March 1993*

This Annual Financial Report is dedicated to the late Gary Anderson who served on the Board of Trustees since 1981. His death was a great loss to a great many. His presence and dedicated service will be sadly missed.

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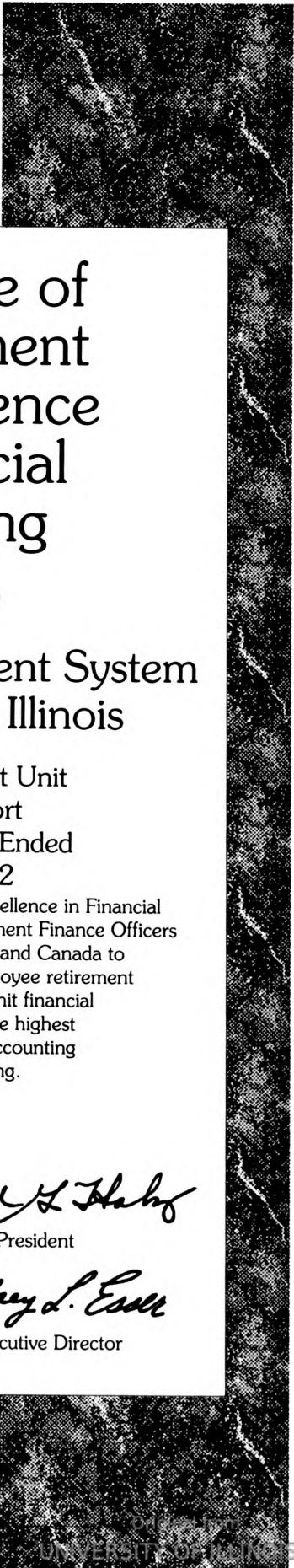
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# Certificate of Achievement



## Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Component Unit Financial Report for the Fiscal Year Ended June 30, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose component unit financial reports (CUFRs) achieve the highest standards in government accounting and financial reporting.

*The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System of the State of Illinois for its Component Unit Annual Financial Report for the fiscal year ended June 30, 1992. The Certificate of Achievement is a prestigious award for recognizing conformance with the highest standards for preparation of state and local government financial reports.*

*To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized component unit financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.*

*A Certificate of Achievement is valid for a period of one year. TRS has received the certificate for the last four consecutive fiscal years. We believe this annual financial report continues to conform to the Certificate of Achievement program requirements and will be submitted to the GFOA for review.*



President

Executive Director





# Teachers' Retirement System of the State of Illinois

P.O. Box 19253, 2815 West Washington  
Springfield, Illinois 62794-9253  
217/753-0311

Robert Daniels  
Executive Director

The management of the Teachers' Retirement System of the State of Illinois presents the Component Unit Financial Report for the Year Ended June 30, 1993. This report consists of six major sections: an introduction, the financial statements and notes, a summary of actuarial valuations, a membership and benefits section, an investments summary with an investment listing. This report is added to the State of Illinois Comprehensive Annual Financial Report. It is the responsibility of TRS management to ensure the accuracy and completeness of this report and that all material disclosures have been made. To the best of our knowledge, the information presented in this report is accurate and presents fairly the financial position and operations of TRS as of June 30, 1993.

## Major Initiatives

The enactment and implementation of the 5&5 Early Retirement Incentive was the most prominent of the many accomplishments of FY 93. This incentive, the largest of its kind within U.S. public pension systems, allowed eligible TRS members to purchase up to five years of service credit. With this purchase, the same number of years is added to the member's age. The combined service and age enhancement allowed thousands of members to retire early with increased benefits. The incentive presented an early retirement opportunity to nearly 28,000 members.

Spurred by the need to prepare for this massive retirement incentive, TRS implemented automated calculation programs which generate benefit estimates and retirement benefit amounts—thus removing the rigorous hours of manual calculation, verification and checking. A detailed project narrative provided on page 8 outlines this and the other related accomplishments and challenges brought by this legislation and TRS's response.

The Illinois Pension Code was amended to provide parity for certain death and disability benefit recipients who engaged in part-time or substitute teaching after the onset of a disability. The change benefitted a total of 73 recipients who received retroactive adjustments based on the new law. The average benefit increase was \$2,800 annually. Other code amendments have allowed members to purchase optional service credit for leaves of absence occurring before 1963 and allowed dependent beneficiaries to become eligible for benefits without the expense of a judicial determination. Changes in federal tax laws required

TRS to apply mandatory 20 percent withholding of certain lump-sum distributions.

The management structure of TRS underwent a reorganization to more closely align related functions and streamline the operations of the System.

Although the year brought many rewarding challenges, it also made ever more evident the seriousness of the System's economic outlook. The state's unfunded liability to the five public pension funds continued to grow dramatically in FY 93 to an unprecedented \$14.4 billion. The state's unfunded liability to TRS alone constitutes \$7.6 billion of that total. The System remained in a negative cash flow situation, forced for the second consecutive year, to apply investment income toward the payment of member benefits. With continued

## Investments

As trustee for members' funds, the System is responsible for investment of the fund under the prudent person standard. This standard permits the System to allocate trust funds across a broad group of asset classes, including stocks, bonds and real estate.

The System's total fund, time-weighted rate of return was 11.56 percent. Annualized three-year and five-year total returns of 9.42 percent and 10.61 percent, respectively, continue to outperform the rate of inflation for these periods, 3.57 percent and 4.09 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for both the three-year and five-year periods.

***"ERI represents the largest early out program ever offered in U.S. public pension systems. It opened the retirement window to an unprecedented 28,000 teachers."***

inadequate state funding levels, the anticipated insolvency date of the fund is estimated at the year 2014.

The escalating cost of health care and increasing enrollments of eligible annuitants continues to challenge the TRS health plan. TRS currently pays 75 percent of the premium cost for annuitants, but the subsidy cost far exceeds the revenues set aside by the Illinois Pension Code for this purpose. TRS is examining legislation and other initiatives to provide health insurance coverage to TRS health plan participants.

## Financial Information

The System uses a series of internal controls to monitor and safeguard the System's assets and promote the efficient operation of the System. TRS undergoes an annual external audit conducted by special assistant auditors for the Illinois Office of the Auditor General in addition to the reviews conducted regularly by the System's Internal Auditor. The System's annual operating budget is evaluated and approved by the TRS Board of Trustees.

The financial statements of TRS, presented on pages 14 and 15, are prepared in accordance with the generally accepted accounting principles (GAAP) within the guidelines established by the Government Accounting Standards Board (GASB).

Investment income and realized gain of \$1,142.6 million were positive contributors to the fund's financial status during FY 93. Investments totaled \$11.7 billion at market value on June 30, 1993.

## Economic Condition and Outlook

State funding of the employer cost as required by law would maintain the unfunded pension benefit obligation at a fixed dollar amount; however, the state has continually failed to fund the System on this basis. Prior to 1982, the state funded the System through reimbursement of benefit payments. Since 1982, funding levels have ranged from 37 to 66 percent of benefit payments. Despite the 1989 passage of Senate Bill 95 requiring the state to pay off its unfunded pension benefit obligation to TRS by the year 2036, the state's appropriation has consistently fallen short of the required funding levels each year. The result is a \$7.6 billion unfunded liability to TRS, a \$759 million increase from FY 92.

The System continues to urge the Governor and the General Assembly to increase state appropriations in recognition of its actuarial funding needs. The System must currently rely heavily on the performance of investments to ensure benefits are fully paid. The continuation of this negative cash flow situation will seriously jeopardize pension benefits guaranteed by the Illinois Constitution.

TRS is an AA, EEO, ADA employer.

### Revenues and Funding

Three major sources fund the System: member contributions, investment income and employer contributions in the form of appropriations from the State of Illinois and a smaller portion from federal sources. Total assets available to pay benefits grew to \$10.9 billion in FY 93.

Member contributions are the major source of funding and come from approximately 126,000 members who contribute 8 percent of their earnings each year. In FY 93, member contributions to the TRS trust fund totalled \$363 million, a \$12 million increase from the \$351 million contributed in FY 92. The System invests these assets to create the second source of income: investment income.

Investment income in FY 93 was up \$27 million from FY 92 to \$520.1 million. As of June 30, 1993, the total fund, time-weighted rate of return was 11.56 percent. In FY 93, \$75 million of investment returns were used to provide benefits—a compensatory measure resulting from continued underfunding of TRS by the State of Illinois. This represents the second consecutive year of the use of investment earnings to pay benefits; in FY 92, \$50 million of investment earnings was used for benefits payments. A detailed discussion of investment performance and holdings is included in the Investment Summary portion of this report.

Appropriations from the state and contributions paid from federal funds make up the third funding source. Contributions from employers via state appropriations to the System for FY 93 were \$269.9 million. State appropriations remained constant from FY 92 to FY 93 while federal program contributions were \$2.5 million higher.

#### Revenues (in millions)

Source of revenue			Increase/(Decrease)	
	1993	1992	Amount	Percent
Member Contributions	\$ 363	\$ 351	\$ 12	3.4%
Employer Contributions	305	272	33	12.1%
Investment Income plus realized gain on investments	1,143	1,114	29	2.5%
<b>TOTAL</b>	<b>\$ 1,811</b>	<b>\$ 1,737</b>	<b>\$ 74</b>	<b>18.0%</b>

### Expenses

Expenditures of TRS consist of payments of retirement benefits, refunds, health insurance subsidies and administrative expenses. During FY 93, benefit payments rose \$64 million from FY 92 to \$678 million. The increase is attributable to an increase in the number of retirees and the 3 percent annual increase in benefits. A 32.1 percent increase of \$9 million in health insurance premium payments was due to increased membership and premium increases. Administrative expenses in FY 93 constituted only 1 percent of the System's total expenses.

#### Expenses (in millions)

Expenses			Increase/(Decrease)	
	1993	1992	Amount	Percent
Benefit Payments	\$ 678	\$ 614	\$ 64	10.6
Health Insurance	37	28	9	32.1
Refunds	19	19	0	0.0
Administrative	10	12	(2)	(20.0)
<b>TOTAL</b>	<b>\$ 744</b>	<b>\$ 673</b>	<b>\$ 71</b>	<b>22.7</b>

### Independent Audit

TRS is audited annually by special assistant auditors hired by the Illinois Auditor General. Each year, the financial statements, records and internal controls of TRS are examined by these external auditors. Every other year, a compliance audit for the previous two years is performed to ensure compliance with applicable statutes and codes. The Report of Independent Public Accountants is contained on page 13 of this report.

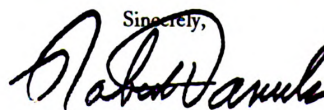
### Awards

TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program and has received the award in each of the last four years. This report has been prepared in accordance with the requirements established by the GFOA for preparation of a Component Unit Annual Financial Report and will again be submitted to GFOA for certification this year.

### Acknowledgments

This report reflects the efforts of TRS staff under the leadership of the Board of Trustees and the Executive Director. The Accounting Department, with the assistance of the Public Information Administrator, compiled the report. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

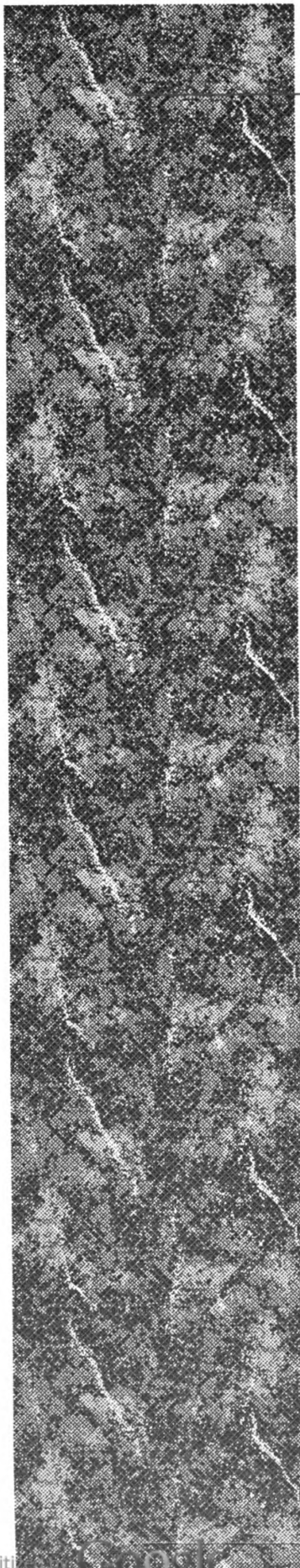
This report is being provided to members of the General Assembly and all Illinois school districts outside of the City of Chicago as well as being made available to members and retired members upon request. We hope that you find this report informative and helpful. In closing, I am pleased to present the Component Unit Annual Financial Report for Year Ended June 30, 1993, for the Teachers' Retirement System of the State of Illinois.

Sincerely,  
  
Robert Daniels  
Executive Director

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Teachers' Retirement System of the State of Illinois



## Project Narrative: Early Retirement Incentive

The commitment of the Teachers' Retirement System is—and always has been—to provide the optimum in personalized service to its members. The Early Retirement Incentive (made available by Public Act 87-0273) presented the single-most comprehensive challenge to maintain this level of service ever experienced by TRS.

With the first draft of the Early Retirement Incentive (ERI), TRS sprang into action, outlining impact expectations, problem statements and action plans. Staff size was increased through temporary employment contracts and the addition of permanent staff. Existing resources were evaluated and upgraded where needed to accommodate the anticipated workload.

In preparation for this incentive, TRS began implementing automated processes to replace the previous manual procedures. Given the anticipated magnitude of ERI, manual processing was an impossibility. TRS staff produced—in a matter of months—the System's first automated retirement benefit estimate calculation program allowing members calling from a touch-tone phone to enter salary and service credit information and generate a benefit estimate. A copy of the estimate was mailed to the member the following day. Previously the estimate process required calculation, verification and checking by TRS staff prior to being mailed to the member, a process taking up to four days.

The automation of the retirement benefit calculation allowed the System to expedite the processing of retirement and transfer applicants to payroll more quickly and efficiently than ever before. The complex series of calculations including checks and verifications now takes only 5 minutes, compared to the 20 minutes taken when processed manually. Other automated processes which streamlined the services offered during ERI included the automation of a number of letters and logging and tracking systems for member's records and retirement applications.

The automation efforts of TRS staff have been recognized by Cincom Communications, Inc. who featured TRS in an client success story circulated inter-

nationally. Cincom Communications manufactures the software used by TRS in formulating all of these automated processes.

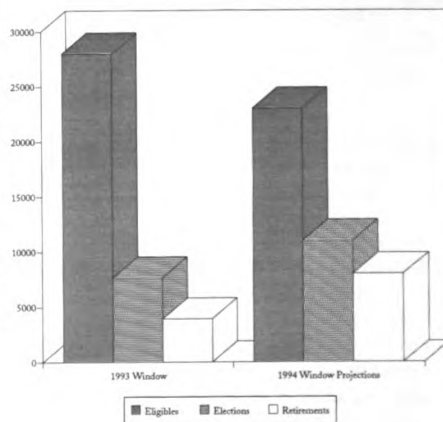
An extensive informational campaign was prepared prior to the bill's passage and was ready for implementation as the bill was signed by Governor Edgar in January. A toll-free information/election line managed the phenomenal levels of telephone traffic, responding to nearly 30,000 phone calls during the first window period.

Within days of the Governor's signature, a packet of materials including a benefit estimate was sent to each to eligible member. The packet outlined the incentive in detail and provided step-by-step instructions for the election and retirement processes.

An interactive video teleconference was another key component in this campaign. Members of TRS staff, working in conjunction with Western Illinois University's Satellite Education Network, conducted the 90-minute live and interactive presentation which was broadcast to satellite locations statewide. In some areas, the program was carried by cable companies directly into the homes of members. Following the broadcast, videotapes of the presentation were available for purchase.

These months of preparation proved to be very successful. Under the incentive's first two-month window, nearly 8,000 members elected to retire under ERI. Over 3,900 members retired at the close of the 1992-93 school year, compared to an average of 2,500 in previous years. Nearly all of these members received their first annuity payment by November 1, 1993.

ERI Participation



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A record of 4,699 TRS members began their retirement benefits during the summer of 1993. "We met a great challenge, handling roughly three times our normal summer workload," said Bob Daniels, Executive Director of TRS.

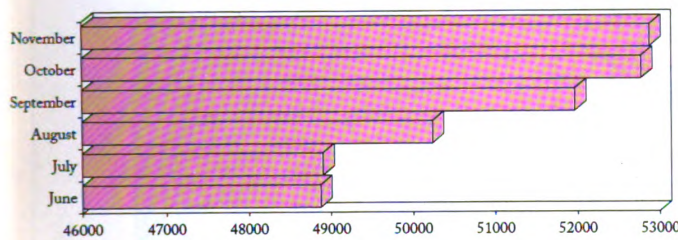
"Using a new, automated benefit calculation system designed by our own information systems staff, we processed record volumes efficiently and effectively," Daniels said.

About 1,400 to 1,600 members retire in a typical summer, but the number soared in 1993 because of the first year of the 5&5 early retirement incentive. Here are the details:

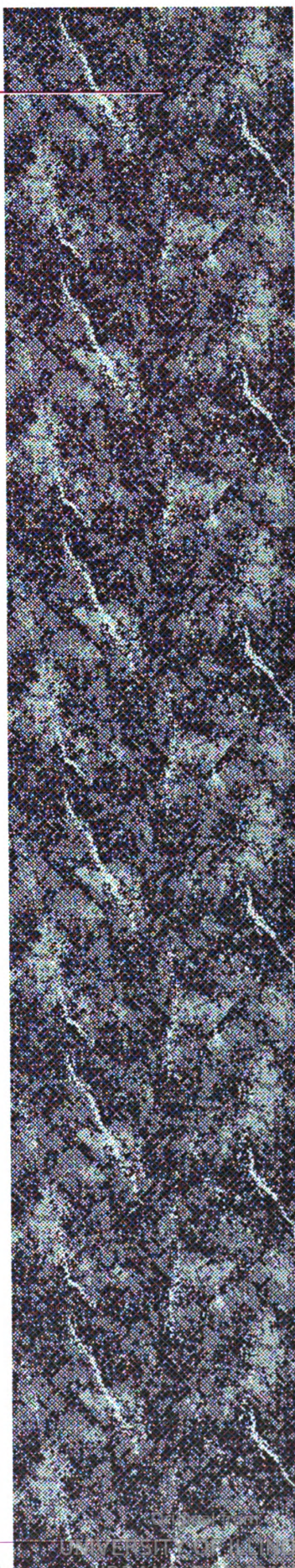
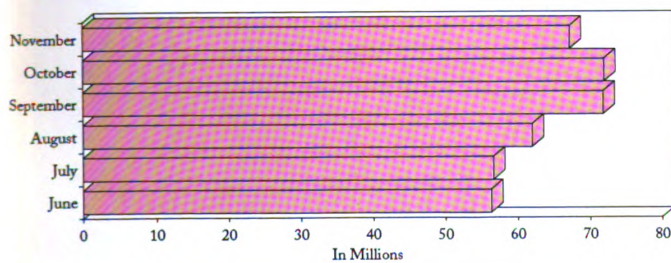
- 3,927 persons retired under 5&5
- 742 persons took regular retirements
- 30 persons retired using the early retirement option.

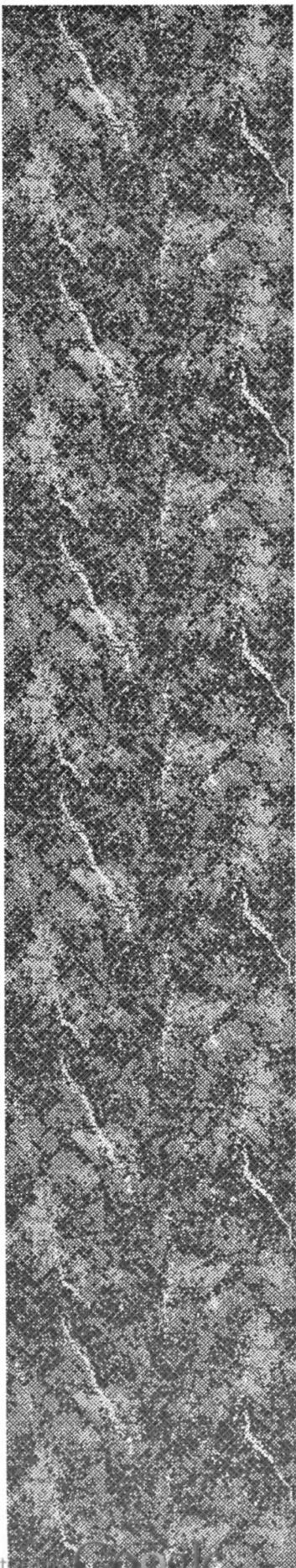
Some 7,655 persons filed 5&5 elections in 1993. TRS officials expect as many as 11,000 of the 23,000 eligible teachers will make an election during the final 1994 5&5 window. Up to 8,000 additional members may actually retire using the 5&5 incentive in the 1994 window.

**Total Monthly Payroll (1993)** (In Millions)



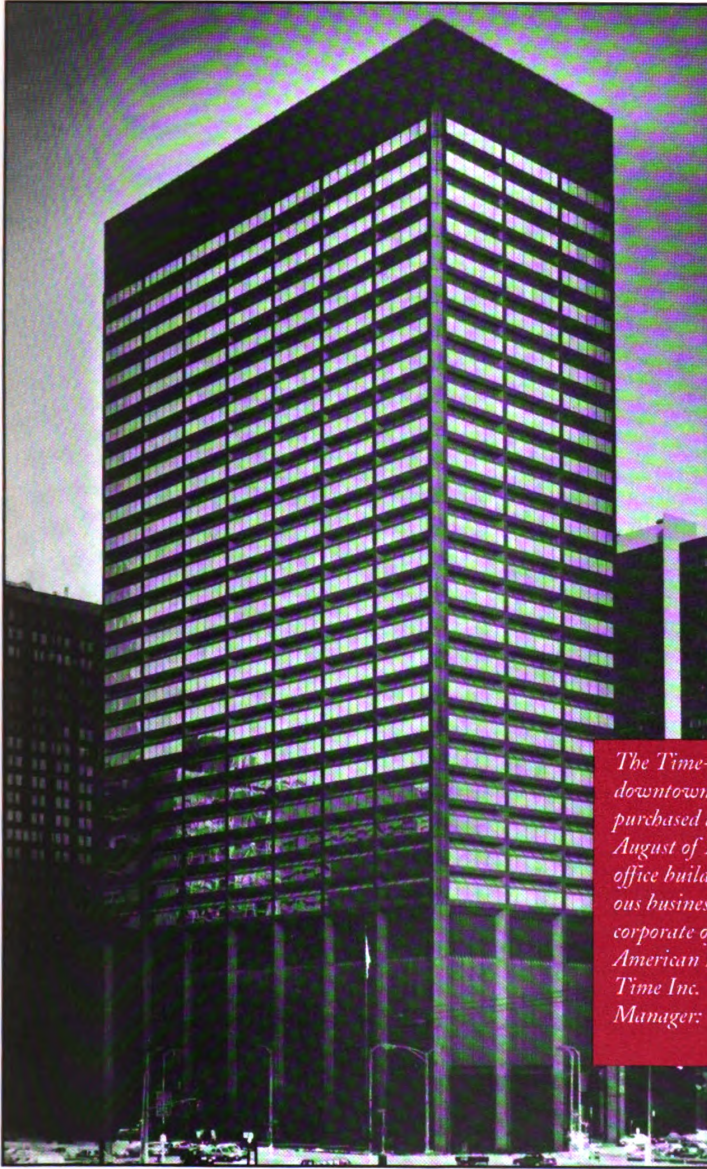
**Annuitant Population (1993)**



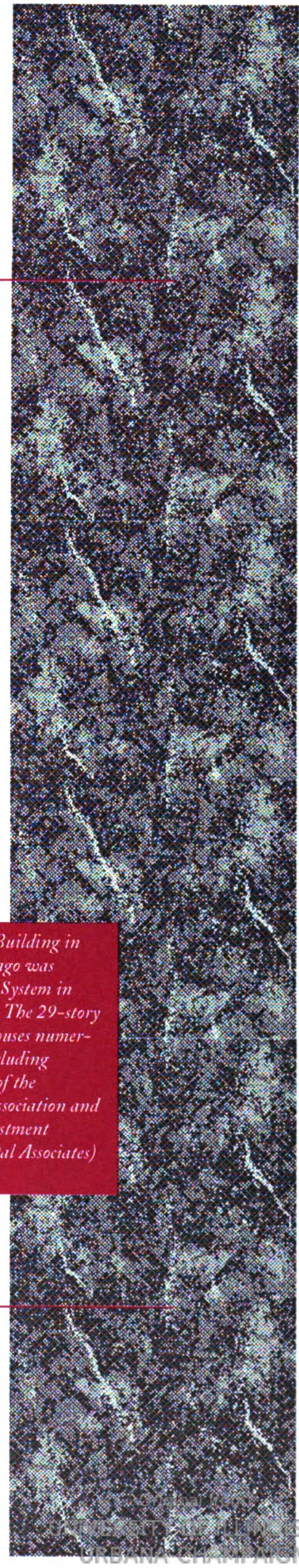


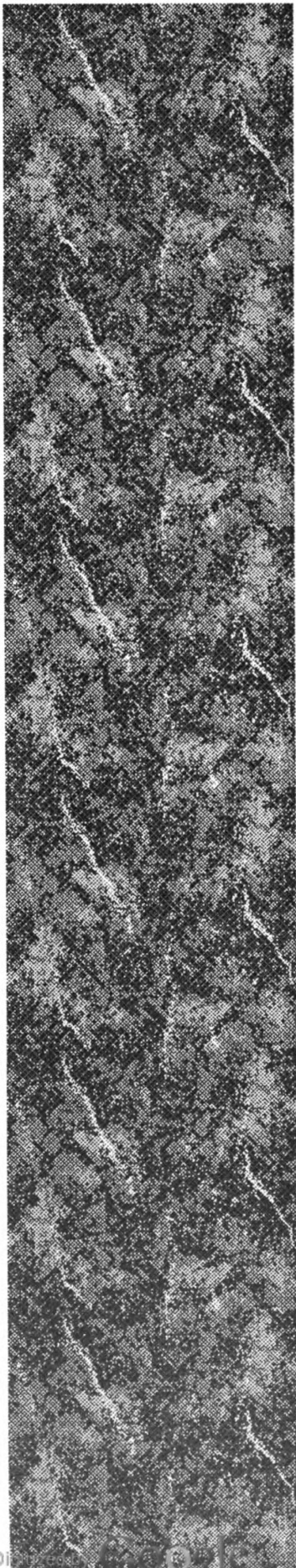


## Financial Statements and Notes



*The Time-Life Building in downtown Chicago was purchased by the System in August of 1988. The 29-story office building houses numerous businesses including corporate offices of the American Bar Association and Time Inc. (Investment Manager: Capital Associates)*





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# Report of Independent Public Accountants

ARTHUR ANDERSEN & CO.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Honorable William G. Holland  
Auditor General  
State of Illinois

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

We have audited, as Special Assistant Auditors for the Auditor General, the accompanying statements of financial position of the TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (the "System") as of June 30, 1993 and 1992, and the related statements of revenue and expense and changes in net assets for the years then ended. These financial statements and the supplemental schedules referred to below are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Teachers' Retirement System of the State of Illinois as of June 30, 1993 and 1992, and the results of its operations and the changes in its net assets for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of supplementary financial information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Teachers' Retirement System of the State of Illinois. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. The supplementary financial information for the years 1984 through 1990 has been derived from financial statements audited by other auditors, whose reports thereon expressed an unqualified opinion.

*Arthur Andersen & Co.*  
ARTHUR ANDERSEN & CO.

Chicago, Illinois,  
October 8, 1993



# Financial Statements

## Statements of Financial Position

Teachers' Retirement System of the State of Illinois

	June 30	
	1993	1992
<b>Assets</b>		
Cash - Note C	\$ 2,246,000	\$ 930,000
Receivables:		
Contributions from school districts:		
Salary deductions	24,195,000	19,824,000
Federal and trust funds	4,803,000	3,373,000
Members' accounts	117,000	265,000
<b>Total receivables</b>	<b>29,115,000</b>	<b>23,462,000</b>
Investments - Note C	11,049,325,000	9,865,840,000
(Market value 1993—\$11,714,339,000; 1992—\$10,493,714,000)		
Property and equipment (Net of accumulated depreciation)	4,262,000	4,741,000
<b>Total assets</b>	<b>11,084,948,000</b>	<b>9,894,973,000</b>
<b>Liabilities</b>		
Payables:		
Benefits	4,639,000	4,059,000
Refunds	766,000	639,000
Notes	156,895,000	0
Other	13,418,000	9,053,000
Pending trades	29,640,000	69,260,000
<b>Total liabilities</b>	<b>205,358,000</b>	<b>83,011,000</b>
<b>Net Assets Available for Benefits</b>	<b>10,879,590,000</b>	<b>9,811,962,000</b>
Pension benefit obligation — Note D		
Retirees and beneficiaries		
currently receiving benefits	7,510,618,000	6,338,458,000
Terminated members not yet receiving benefits	308,398,000	282,786,000
Current employees:		
Accumulated employee contributions	2,709,573,000	2,503,393,000
Employer-financed vested	2,690,062,000	2,511,488,000
Employer-financed nonvested	5,267,239,000	5,023,228,000
<b>Total pension benefit obligation</b>	<b>\$ 18,485,890,000</b>	<b>\$ 16,659,353,000</b>
<b>Unfunded Pension Benefit Obligation</b>	<b>(7,606,300,000)</b>	<b>(6,847,391,000)</b>
<b>Net Assets Available for Benefits—Note G</b>	<b>\$ 10,879,590,000</b>	<b>\$ 9,811,962,000</b>

See notes to financial statements.

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**Statements of Revenue and Expense and Changes in Net Assets**  
 Teachers' Retirement System of the State of Illinois

	Year Ended June 30	
	1993	1992
<b>Revenue</b>		
Contributions - Note E		
Members	\$ 363,334,000	\$ 350,909,000
State of Illinois	269,896,000	238,175,000
School districts:		
Early retirement option	18,269,000	19,503,000
Early retirement incentive	607,000	-
Federal and trust funds	17,202,000	14,698,000
Total contributions	669,308,000	623,285,000
Investment income		
Interest	359,767,000	326,524,000
Real Estate	76,750,000	68,713,000
Dividends	79,744,000	94,737,000
Other	3,887,000	3,046,000
Total investment income	520,148,000	493,020,000
Gain on sale of investments	622,488,000	621,069,000
<b>Total revenue</b>	<b>1,811,944,000</b>	<b>1,737,374,000</b>
<b>Expense</b>		
Benefits:		
Age retirement	504,311,000	456,746,000
Post-retirement	129,358,000	117,304,000
Survivor	34,364,000	30,699,000
Disability	9,837,000	9,134,000
Health insurance	37,498,000	27,717,000
	715,368,000	641,600,000
Refunds	19,286,000	19,303,000
Administrative expenses	9,221,000	8,247,000
Transfers	441,000	3,384,000
<b>Total expense</b>	<b>744,316,000</b>	<b>672,534,000</b>
<b>Revenue in Excess of Expense</b>	<b>1,067,628,000</b>	<b>1,064,840,000</b>
Net assets available for benefits at beginning of year	9,811,962,000	8,747,122,000
<b>Net Assets Available for Benefits at End of Year</b>	<b>\$ 10,879,590,000</b>	<b>\$ 9,811,962,000</b>

See notes to financial statements.

# Notes to Financial Statements

June 30, 1993

## NOTE A

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of accounting:** The financial statements of the Teachers' Retirement System of the State of Illinois (the System or TRS) are prepared using the accrual basis of accounting.

**Investments accounting:** Investments are valued on the basis of cost. Gain or loss on the sale of investments is determined based on average cost for stocks and identified cost for debt securities. Investment income is shown as net of investment expenses. Gain or loss on real estate is recognized upon sale and for market declines judged to be other than temporary. Real estate investments are valued at historical cost, subject to adjustment for market declines judged to be other than temporary. No provision for depreciation has been made because real estate is treated as an investment asset.

**Investments authorized:** Through the Board of Trustees, as authorized in the Illinois Pension Code (40 ILCS 5/16-101 *et seq.*), the System serves as fiduciary for the members' trust funds and is responsible for investment of such funds under authority of the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries by specifying fiduciary responsibility with regard to the members' trust funds.

**Equipment:** Equipment is stated on the basis of historical cost. Provisions for depreciation are computed by the straight-line method, based upon the estimated useful lives of the assets. Equipment is assigned a useful life of three to ten years while vehicles are assigned a five-year life.

**Transfers:** The transfers category reflects transfers of members' accumulated contributions to other pension systems.

**Administrative expenses:** This category includes \$71,309 for accrued compensated absences for FY93.

**Prior Period Reclassification:** Prior year amounts have been reclassified on a basis consistent with the current year presentation.

## NOTE B

### PLAN DESCRIPTION

The System is the administrator of a cost-sharing multiple-employer public employee retirement plan. Members of the System consist of all teachers employed in the public common schools of Illinois outside of Chicago. The System was established by the State of Illinois and is governed by the Illinois Pension Code (40 ILCS 5/16-101, *et seq.*). The System is a component unit of the State of Illinois and is included in the state's financial statements as a pension trust fund.

The System has developed criteria to determine whether other entities should be included within its financial reporting entity. The criteria include, but are not limited to, whether the System exercises oversight responsibility on financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing arrangements.

Based on these criteria, the System has no other entities included in these financial statements.

Members are employed by 1,088 school districts and special districts. Member contributions are remitted by each employer district to the System. These employers are responsible only for employer contributions for teachers paid from federal and trust funds and for the employer's portions of the early retirement option and the early retirement incentive contributions. The State of Illinois provides employer contributions to fund the System. State contributions are appropriated annually and have not met statutory funding of

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normal cost and amortization of the unfunded pension benefit obligation over a forty-year period with a seven-year phase-in as prescribed in Public Act 86-0273.

At June 30, 1993, the TRS-covered employers consisted of:		At June 30, 1993, the System membership consisted of:	
Local school districts	929	Retirees and beneficiaries	
Special districts	127	currently receiving benefits	49,854
State agencies	<u>32</u>	Inactive members	25,000
	1,088	Current members	<u>125,770</u>
			200,624

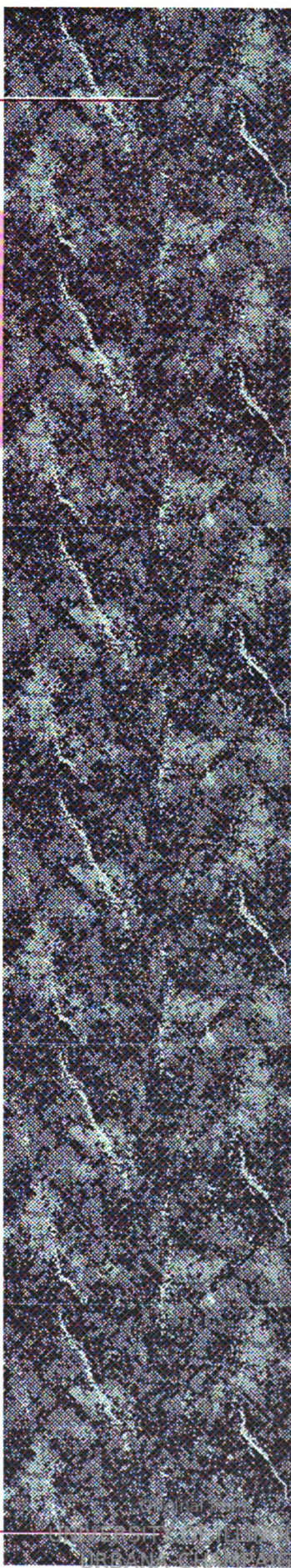
*Terminated and current members are estimated based on the latest available data.*

The System provides retirement benefits, health insurance, death benefits and disability benefits. A member qualifies for an age retirement annuity after attaining one of the following: age 62 with five years of service credit; age 60 with ten years; age 55 with 20 years. If retirement occurs between age 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years of service credit may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, and within six months of the last day of service requiring contributions and if the member and employer both make a one-time contribution to the System. A member with less than 5 years of creditable service is entitled to a single-sum benefit payable upon attainment of age 65.

Public Act 87-1265 provides an early retirement incentive known as 5&5. The retirement windows are June 1 through September 1 in 1993 and 1994. Retirements may be delayed by the employer until 1995 if more than 30 percent of those eligible retire in 1994. Employees may purchase up to five years of additional service and receive an equal number of years of age. Employees contribute 4 percent of the highest salary used in the calculation of final average salary for each year purchased, and employers contribute 20 percent for each year purchased. Employer contributions can be made in either a lump sum, over five years in quarterly installments, or under a different schedule approved by the TRS Board of Trustees.

A retirement benefit is determined by the average salary of the four 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 retirement benefit, 75 percent of average salary, is achieved with 38 years of service. Each annuitant who retired after 1969 or made a qualifying contribution receives an annual 3 percent increase in the current retirement benefit beginning January 1 following attainment of age 61 or following the first anniversary in retirement, whichever is later.

Member contributions, established by statute, are 8 percent of earnings allocated as follows: 6 1/2 percent for retirement, 1/2 percent for post-retirement increases and 1 percent for death benefits. If a member leaves covered employment, the System will refund a member's contributions upon request. The refund consists of actual contributions excluding the 1 percent death benefit contribution.



**NOTE C***CASH AND INVESTMENTS*

At June 30, 1993, the bank balance and carrying amount of the System's deposits were \$58,545,000 and \$2,246,000, respectively. Of the bank balance, \$56,625,000 was on deposit with the State Treasurer. The System's investments are categorized to give an indication of the level of risk at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party but not in the System's name.

Investments at June 30, 1993 and 1992 are summarized below:

	Cost		Market Value	
	1993	1992	1993	1992
<b>Category 1:</b>				
Bonds	\$ 2,245,291,000	\$ 1,587,788,000	\$ 2,319,473,000	\$ 1,667,554,000
Corporate notes	1,934,796,000	2,298,215,000	1,967,602,000	2,339,729,000
Preferred stock	32,615,000	36,530,000	38,403,000	40,343,000
Short-term investments:				
Commercial paper	85,473,000	19,912,000	85,473,000	19,911,000
U.S. Treasury bills	15,308,000	125,301,000	27,887,000	126,806,000
Other	173,107,000	67,037,000	175,878,000	67,037,000
Common stock	3,577,101,000	3,241,210,000	4,281,321,000	3,851,993,000
Currency investments	52,761,000	72,699,000	68,566,000	56,701,000
Accrued interest and dividends	102,572,000	93,125,000	102,572,000	93,125,000
	<b>8,219,024,000</b>	<b>7,541,817,000</b>	<b>9,067,175,000</b>	<b>8,263,199,000</b>
<b>Not Categorized:</b>				
Real estate equity	1,854,629,000	1,411,753,000	1,530,340,000	1,164,099,000
Mutual funds	827,768,000	789,915,000	977,217,000	949,913,000
Alternative investments:				
Limited partnerships	57,836,000	88,091,000	46,038,000	81,558,000
Farm land	90,068,000	34,264,000	93,569,000	34,945,000
<b>Total Investments</b>	<b>\$11,049,325,000</b>	<b>\$9,865,840,000</b>	<b>\$11,714,339,000</b>	<b>\$10,493,714,000</b>

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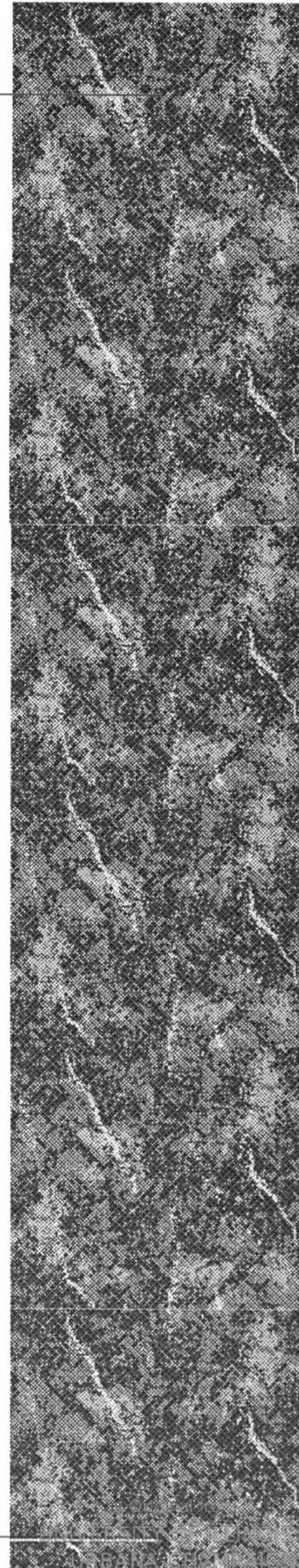
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The System has nonrecourse mortgages totaling \$213,754,000 and \$164,485,000 on real estate equities at June 30, 1993 and 1992, respectively. The amount reported for real estate equity is net of these mortgages, which mature on various dates through the year 2017.

The real estate equity category includes \$344,519,000 and \$170,087,000 of mortgages receivable which are fully secured by the properties at June 30, 1993 and 1992, respectively.

The System participates in a securities lending program whereby securities are loaned to brokers and, in return, receives collateral of amounts slightly in excess of the market value of securities loaned. Collateral consists solely of cash, letters of credit and government securities which are held by or reinvested at the discretion of the master trustee. As of June 30, 1993 and 1992, TRS had outstanding loaned investment securities having a market value of approximately \$859,089,000 and \$551,924,000, respectively, against which it had received collateral of approximately \$913,552,000 and \$621,346,000 respectively. The System has instructed the master trustee to direct \$156,895,000 of the collateral received from securities lending to be invested in floating rate debt securities collateralized by real estate investments which results in a note payable from TRS. Income from securities lending was \$3,419,000 in FY 93 and \$3,241,000 in FY 92 and is included in Investment Income-Other.

In general, there has been a decline nationally in the value of real estate properties. Losses in market value judged to be other than temporary have been recognized in TRS' financial statements through the creation of a Reserve for Real Estate account which has a balance of \$23,607,000 which is netted against the Investments category as of June 30, 1993. Management believes that other declines in appraised values are temporary in relation to the expected holding periods of the investments.



## NOTE D

### FUNDING STATUS AND PROGRESS

The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee services to date. The measure is the actuarial present value of credited projected benefits and is intended to help users to assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other public employee retirement systems.

The pension benefit obligation is determined as of June 30, 1993 and 1992. Significant actuarial assumptions are summarized as follows:

- The present value of future pension payments is computed using a discount rate of 8 percent. The discount rate represents the estimated long-term rate of return on current and future investments.
- Future pension payments reflect an assumption of a 4 percent salary increase due to inflation and a 3.4 percent salary increase for merit adjustments.
- Future pension payments include post-retirement increases based on 3 percent of the pension payment of the previous year.

An experience analysis is required by statute to determine the adequacy of actuarial assumptions regarding mortality, service and compensation experience. The most recent experience analysis was performed for the four-year period ending June 30, 1992. Based on this analysis, there were minor changes in actuarial assumptions. During the period between experience analyses, the actuary develops annual actuarial estimates based upon the annual valuations.

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1993 and 1992 is summarized below:

	1993	1992
Unfunded pension benefit obligation at beginning of year	\$6,847,391,000	\$6,394,212,000
Additions (deductions):		
Employer cost in excess of contributions	551,158,000	523,518,000
Amendments:		
For FY 93: 624 retirements under the TRS early retirement incentive program	38,589,000	-
For FY 92: Military service purchases	-	2,500,000
State employees' early retirement incentive program	-	5,000,000
Addition to health care reserves	21,600,000	21,600,000
Change in actuarial assumptions:		
Revised assumptions for active and disabled mortality and for incidence of disability	12,544,000	-
Actuarial losses (gains) compared to assumptions:		
Salary increases	237,332,000	110,583,000
Investment income	(351,089,000)	(407,712,000)
New entrant loss	23,543,000	**
Mortality loss	20,987,000	**
Prior service credits	26,025,000	**
Other*	178,220,000	197,690,000
Net additions	758,909,000	453,179,000
Unfunded pension benefit obligation at year's end	\$7,606,300,000	\$6,847,391,000

Assuming 30 percent utilization of the early retirement incentive by eligible employees over the next two years, it is anticipated that the unfunded pension benefit obligation will increase by an additional \$172.8 million in 1993 dollars.

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\* These items include timing differences in reporting of retirements, retroactive benefits for late retirees, retroactive law change regarding disability retirement annuities, fewer terminations of vested employees, change in rate of benefit accruals, retirements with reciprocal service credits, unused sick leave, retirements under the early retirement option and fewer disablements.

\*\* These items were included in the Other category in FY 92 and cannot be individually identified.

**NOTE E**

*CONTRIBUTION REQUIREMENTS*

Employer contributions made by the State of Illinois are based on annual appropriations and are not actuarially determined. The largest source of state appropriations is made from the Common School Fund (1993 - \$225,850,000; 1992 - \$225,850,000).

Another source of state contributions is the State Pensions Fund (1993 - \$38,851,000; 1992 - \$6,641,000) which represents a distribution to the System of money escheated to the state.

The third source of employer contributions are federal and trust contributions. School districts and special districts make these contributions for teachers paid from federal and trust funds. Amounts received from these sources were \$17,202,000 in 1993 and \$14,698,000 in 1992.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$281,903,000 in 1993 and \$247,189,000 in 1992. These amounts represented 6.7 and 6.2 percent of annual covered payroll, respectively.

There are two other sources of employer contributions which are not counted towards the employer's funding obligation because the costs of the benefits to which they apply are not included in the calculation of the annual funding requirement. The state's General Revenue Fund appropriations to reimburse the System for certain minimum and supplemental benefits were \$5,194,000 in 1993 and \$5,684,000 in 1992. School district contributions for the employer's cost under the early retirement option were \$18,269,000 in 1993 and \$19,503,000 in 1992.

Total contributions from employers from all sources, including the state's General Revenue Fund appropriations and school district contributions from the early retirement option, were \$305,974,000 in 1993 and \$272,376,000 in 1992. Included in total contributions for 1993 are early retirement incentive contributions totalling \$607,000. These amounts represented 7.3 percent of annual covered payroll in 1993 and 6.8 percent in 1992.

In 1989, the Illinois General Assembly passed Public Act 86-0273 which required a level of funding of the System that would pay normal costs as determined by the actuaries plus amortization of the unfunded pension benefit obligation over 40 years after a seven-year phase-in. However, the General Assembly did not appropriate money to provide the required level of funding in any of the phase-in years.

It should be noted that Public Act 86-0273 establishes a funding plan that, even if adhered to, would not conform with official accounting pronouncements, particularly Accounting Board Principles Opinion #8 (APB #8) "Accounting for the Cost of Pension Plans." The following schedules illustrate requirements and contributions computed in accordance with Public Act 86-0273 and are significantly different than the funding requirements and contributions presented in the actuarial section and Note I of this report that are computed in accordance with APB #8.

Fiscal Year	Normal Cost	(In Thousands of Dollars)			Shortfall
		Amortization	Total Requirement	Actual Contribution (CS, SPF, Fed)	
1990	\$208,398	\$ 74,571	\$282,969	\$269,028	\$ 13,941
1991	216,783	112,548	329,331	269,879	59,452
1992	244,108	156,874	400,982	247,189	153,793
1993	279,754	215,259	495,013	281,903	213,110
1994	297,491	275,136	572,627	280,355*	292,272*

\*Estimated

The underfunding in fiscal years 1990 through 1994 makes it difficult to comply with the phase-in schedule to a 40-year amortization. Total employer contributions will have to be significantly higher in fiscal years 1995 and 1996. State contribution requirements would be reduced by any amounts received from federal and trust funds.

Fiscal Year	(In Thousands of Dollars)			
	Estimated Covered Payroll	Normal Cost	Amortization	Total Contribution Requirement
1995	\$ 4,531,000	\$317,623	\$346,169	\$663,792
1996	4,712,000	330,311	421,724	752,035



## NOTE F

### PENSION DISCLOSURE FOR TRS AS AN EMPLOYER

All of the System's full-time employees who are not eligible for another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state agencies, including the System, participate on a cost-sharing basis. The financial position and result of operations of the SERS for FY 93 and FY 92 and the related GASB Statement 5: "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers" disclosures are included in the State's Comprehensive Annual Financial Report for years ended June 30, 1993, and 1992, respectively. The SERS also issues a separate component unit financial report (CUFR).

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting and the authority under which benefit provisions are established, is included as an integral part of the SERS CUFR. Also included is a discussion of employer and employee obligations to contribute, the authority under which those obligations are established, as well as an explanation of the pension benefit obligation. The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits.

The pension benefit obligation at June 30, 1993, and June 30, 1992, for the SERS as a whole, determined through an actuarial valuation at that date was \$6,044.5 million and \$5,600.8 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$3,496.5 million and \$3,278.2 million, leaving unfunded pension benefit obligations of \$2,548.0 million and \$2,322.6 million. The System's FY 93 and FY 92 contribution requirements represented .15 percent and .12 percent, respectively, of total contributions required of all state agency/department employers participating in SERS.

Ten-year historical trend information designed to provide information about SERS progress made in accumulating sufficient assets to pay benefits when due is presented in its separately issued CUFRs for the years ended June 30, 1993, and June 30, 1992, respectively.

Pertinent financial information relating to the System's participation in SERS is summarized as follows:

The System's covered payrolls under SERS for FY 93 and FY 92 were \$3.6 million and \$3.1 million and the payrolls for all System employees were \$4.3 million and \$3.5 million, respectively.

The System's (i.e., the employer's) actuarially determined contribution requirements for FY 93 and FY 92 were \$175.3 thousand and \$146.9 thousand, respectively, or 4.87% and 4.74% of the System's covered payrolls. For FY 93, the System's and employees' contributions actually made were \$183.2 thousand and \$144.1 thousand, respectively, which represents 5.1% and 4.0%, respectively, of the current year covered payroll. For FY 92, the System's and employees' contributions actually made were \$148.1 thousand and \$125.2 thousand, respectively, which represents 4.8% and 4.0%, respectively, of the covered payroll.

**NOTE G****RESERVE BALANCES**

The balances in the reserve accounts at June 30, 1993, and June 30, 1992, were as follows:

	Year Ended June 30	
	1993	1992
Members' accumulated contributions	\$ 3,958,054,256	\$ 3,624,340,256
Post-retirement increases:		
Minimum retirement allowance	1,681,886	1,571,212
Supplementary payments	451,011	422,660
Health insurance	63,098,877	74,534,435
Employers' contributions	6,856,303,970	6,111,093,437
Total reserves	\$10,879,590,000	\$ 9,811,962,000
Unfunded pension benefit obligation	7,606,300,000	6,847,391,000
<b>Pension Benefit Obligation</b>	<b>\$18,485,890,000</b>	<b>\$16,659,353,000</b>

These statutory reserve accounts are maintained in accordance with provisions of 40 ILCS 5/16-101 *et seq.* (1993). Final reserve allocations cannot be made until annual update processing is completed in early FY 94.

*Total reserves should equal the actuarial value of assets (cost value).*

**Members' Accumulated Contributions:** This reserve accumulates, with 6 percent interest, the contributions by members prior to retirement. Contributions are made by salary deduction (6 1/2 percent of salary) and are fully refundable upon withdrawal from the System, excluding interest credited thereon. The interest accrued is refundable only in the event of death. Interest is credited as of the date of retirement or death of those retiring or dying during the year, and as of the end of the fiscal year for all other members. Interest is computed annually based upon the individual member balance in the reserve at the beginning of the fiscal year.

**Minimum Retirement Allowance:** In 1974, a minimum retirement allowance equal to \$15 per month for each year of creditable service at retirement, up to a maximum of \$450 per month for 30 or more years of credited service was established. To qualify, annuitants are required to make a one-time contribution which is credited to the

reserve. Interest at 6 percent is credited to the reserve annually, based upon the average reserve balance. The State of Illinois also appropriates funds necessary to pay the minimum benefits provided in the legislation. All benefits paid under this program are charged to the reserve.

**Supplementary Payments:** In 1961, legislation was enacted to provide for increased annuities to members then retired who met certain specified requirements. Annuitants were required to make a one-time contribution which was credited to this reserve. The State of Illinois also appropriates funds which are credited to the reserve. Interest at 6 percent is credited to the reserve annually, based upon the average reserve balance. The annuity increases resulting from this legislation are charged to the reserve.

**Health Insurance:** 40 ILCS 5/16-153.4 (1993) authorizes the Health Insurance Reserve. The Board of Trustees is authorized to transfer up to \$20 million annually from its investment earnings in excess of 4 percent per annum. Interest is

credited to this account at a rate of 8 percent annually based on the System's actuarial rate of return assumption. Health insurance benefits paid to the System's members are charged to the reserve.

**Employer's Contribution:** This reserve serves as a clearing account for income and expenses of the System. The reserve is credited with contributions from the State of Illinois not specifically allocated to other reserves, member and employer contributions, income from invested assets of the System, the interest portion of the accumulated contributions of members granted refunds and contributions from annuitants who qualify for automatic annual increases in annuity. The reserve is charged with amounts necessary to be transferred to the Members' Accumulated Contribution Reserve, all amounts necessary to be refunded to withdrawing members, all benefits paid to temporarily or accidentally disabled members, all death benefits paid, all health insurance costs and survivor benefit contributions refunded to annuitants.

**NOTE H****POST-RETIREMENT HEALTH CARE BENEFITS**

In addition to the pension benefits described in Note B, TRS provides post-retirement health care benefits, in accordance with state statutes, to all members receiving a monthly benefit from the System. Currently, there are 49,854 members receiving monthly annuity benefits, of which 22,947 are enrolled in the TRS health plan. TRS subsidizes 75 percent of the premium for these enrolled members. During the year, TRS paid \$37.5 million in premiums for enrolled members.

**NOTE I**

*HISTORICAL TREND INFORMATION*

Supplemental schedules of historical trend information are presented below. These are designed to provide information on the System's progress in accumulating assets to pay benefits when due.

**Supplemental Schedule of Revenues by Source** *(In millions of dollars)*

Year Ended June 30	Employee Contributions	Employer Contributions				Investment Income	Total
		Employer* Contributions	Percentage of Annual Covered Payroll	Actuarially Required Amount <i>(Normal Cost plus Interest)</i>	Percentage of Annual Covered Payroll		
1984	\$ 195	\$ 191	8.1 %	\$ 406	17.3 %	\$ 234	\$ 620
1985	207	215	8.7	437	17.7	445	867
1986	220	239	9.1	439	16.7	813	1,272
1987	238	258	9.1	440	15.5	835	1,331
1988	253	220	7.3	506	16.8	560	1,033
1989	268	237	7.5	559	17.6	560	1,065
1990	284	269	7.9	617	18.1	814	1,367
1991	311	270	7.1	686	18.2	662	1,243
1992	351	247	6.2	771	19.4	1,114	1,712
1993	363	282	6.7	833	19.9	1,143	1,788

\* Minimum Retirement, ERO and Supplemental Contributions are not included in Employer Contributions.

**Supplemental Schedule of Expense by Type** *(In millions of dollars)*

Year Ended June 30	Age Retirement	Post Retirement	Survivor Benefits	Disability Benefits	Health Insurance	Refunds	Admin/Other Expenses	Total
1984	\$ 214	\$ 55	\$ 15	\$ 5	\$ 2	\$ 24	\$ 3	\$ 318
1985	238	61	17	6	3	24	3	352
1986	264	65	19	7	5	26	4	390
1987	290	75	21	7	5	26	5	429
1988	316	83	23	7	7	21	5	462
1989	348	88	25	8	8	20	6	503
1990	379	96	26	8	11	22	41	583
1991	414	106	29	9	15	19	7	599
1992	457	117	31	9	28	19	12	673
1993	504	129	34	10	38	19	10	744

Supplemental Schedule of Funding Progress

(In millions of dollars)

June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5)
1984	\$ 3,728	\$ 7,349	50.7 %	\$ 3,621	\$ 2,345	154.4 %
1985	4,265	7,982	53.4	3,717	2,472	150.3
1986	5,168	8,687	59.5	3,519	2,633	133.6
1987	6,092	9,950	61.2	3,858	2,834	136.1
1988	6,684	10,922	61.2	4,238	3,007	140.9
1989	7,272	11,914	61.0	4,642	3,172	146.3
1990	8,080	13,663	59.1	5,583	3,402	164.1
1991	8,747	15,141	57.8	6,394	3,777	169.3
1992	9,812	16,659	58.9	6,847	3,976	172.2
1993	10,880	18,486	58.9	7,606	4,189	181.6

*Analysis of the dollar amounts of net assets available for benefits, pension obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.*

SUPPLEMENTAL SCHEDULES

Administrative expenses for the years ended June 30, 1993 and 1992, are summarized below:

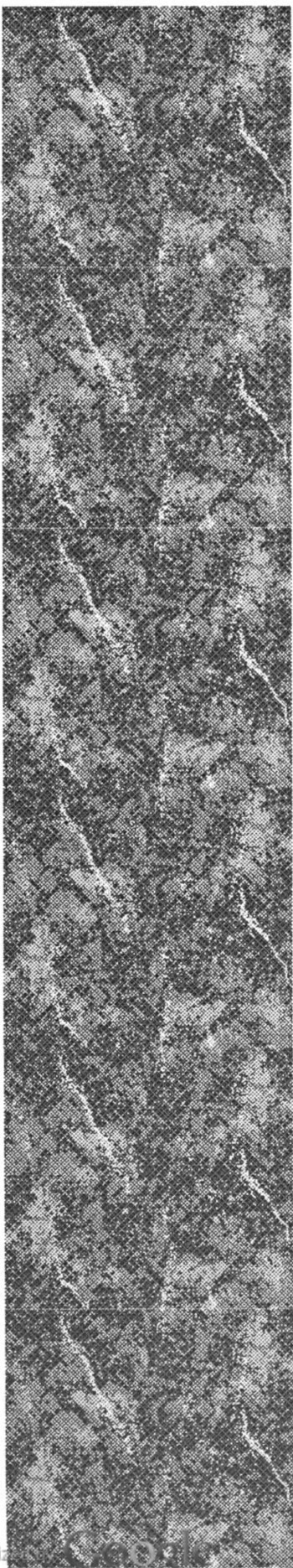
	1993	1992
Personal services	\$5,455,000	\$4,273,000
Professional services	1,274,000	671,000
Postage	312,000	253,000
Machine repair and rental	273,000	259,000
Other contractual services	444,000	488,000
Commodities	300,000	231,000
Occupancy expense	399,000	-
Provision for depreciation of equipment	742,000	2,063,000
Loss on disposition of equipment	22,000	9,000
	<b>\$9,221,000</b>	<b>\$8,247,000</b>

Cash receipts and disbursements for the years ended June 30, 1993 and 1992, are summarized below:

	1993	1992
Cash balance at beginning of year	\$ 930,000	\$ 2,610,000
Cash receipts:		
Member contributions	362,202,000	349,699,000
Employer contributions	304,280,000	266,353,000
Investment income	691,453,000	628,522,000
Annuities returned	480,000	563,000
Investments sold	14,068,925,000	13,518,577,000
<b>Total:</b>	<b>\$ 15,427,340,000</b>	<b>\$14,763,714,000</b>
Cash disbursements:		
Benefits	715,860,000	639,075,000
Refunds	19,212,000	19,122,000
Administrative	8,304,000	6,778,000
Real Estate and Investment Manager expenses	163,399,000	137,937,000
Investments purchased	14,519,249,000	13,962,482,000
<b>Total:</b>	<b>\$15,426,024,000</b>	<b>\$14,765,394,000</b>
Cash balance at end of year	\$ 2,246,000	\$ 930,000

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## Actuarial Information



*St. John's Plantation is a 400-unit garden-style apartment complex located on 23 acres near Jacksonville, Florida. The property was purchased by the System in May of 1991. (Investment Manager: Capital Associates/Bear Stearns)*

## Actuary's Certification

### BUCK CONSULTANTS

55 West Monroe Street Suite 1700  
Chicago, Illinois 60603

October 13, 1993

Board of Trustees  
Teachers' Retirement System  
of the State of Illinois  
2815 West Washington Street  
Springfield, Illinois 62794

Subject: Pension Benefit Obligation as of June 30, 1993

Ladies & Gentlemen:

Based upon our annual actuarial valuation of the Teachers' Retirement System of the State of Illinois, we have determined the pension benefit obligation of the System to be \$18,485,890,000 as of June 30, 1993. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

The June 30, 1993 valuation reflects revised actuarial assumptions for rates of mortality amongst active and disabled employees, and rates of disability amongst active employees. The effect of these assumption changes was to increase the pension benefit obligation by \$12,544,000.

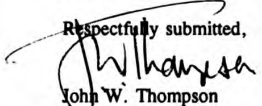
Included in the pension benefit obligation of \$18,485,890,000 as of June 30, 1993 is an amount of \$41,331,000 due to amendments to the Pension Code which were enacted during the fiscal year 1992/93. The amount of \$41,331,000 is on account of 624 retirements under the Early Retirement Incentive (ERI) program.

The actuarial valuation was based on a census of retired members as of June 30, 1993, and a census of active and inactive members as of June 30, 1992, which were submitted to us by the System. While we did not verify the data at their source, we did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. We also understand that the outside auditor of the System has made an examination of the membership data.

The valuation is based on the benefit provisions of TRS in effect on June 30, 1993. The actuarial assumptions used in the valuation are those specified by the Board of Trustees of the System based on recommendations made by the actuary.

In our opinion, the amount of \$18,485,890,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1993.

Respectfully submitted,

  
John W. Thompson  
Consulting Actuary

JWT:rh  
7228/771RR.A02

Buck Consultants, Inc.  
312 | 332-2285 Fax 312 | 332-5245

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Actuarial information provides insights to the kinds of obligations that have been incurred under the System. Various measures of financial condition are used to gauge the state's progress in covering the cost of those benefits and the System's ability to meet its obligations.

This section explains various types of actuarial information and measures of financial condition. It contains some discussion of the effects of the early retirement incentive (ERI) due to the initial retirements under that provision during the first month of the first window period. Additional effects will be measured in future valuations. Most of the discussion centers on employer contribution levels.

The System complies with the reporting requirements issued by the Governmental Accounting Standards Board in November 1986 under Statement Number 5: Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers. This statement prescribes financial disclosure requirements for public employee retiree systems and includes a standardized measure of the pension benefit obligation. The System uses this standardized measure for determining funding requirements and for financial reporting. The actuarial terminology used in GASB Statement Number 5 is used consistently for all financial and funding exhibits.

### Annual Actuarial Valuation

The purpose of the annual valuation is to measure the System's total liability for all benefits earned to date. The types of obligations are categorized in the table shown below. Net assets are subtracted from the pension benefit obligation to obtain the System's unfunded benefit obligation. Net assets divided by the pension benefit obligation yields the funded ratio.

An increasing funded ratio is one indicator of an improvement in financial condition. The TRS funded ratio (at book value) for FY 93 is unchanged from the FY 92 valuation.

Actuarial Valuation (In Millions of Dollars)	Year Ended June 30	
	1993	1992
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$ 7,511	\$ 6,338
Terminated employees not yet receiving benefits	308	283
Current employees:		
Accumulated employee contributions	2,710	2,503
Employer-financed vested	2,690	2,512
Employer-financed nonvested	5,267	5,023
<b>Total pension benefit obligation</b>	<b>18,486</b>	<b>16,659</b>
Net assets available for benefits	10,880	9,812
<b>Unfunded pension benefit obligation</b>	<b>\$ 7,606</b>	<b>\$ 6,847</b>
Funded Ratio	58.9%	58.9%

### Sources of Contributions

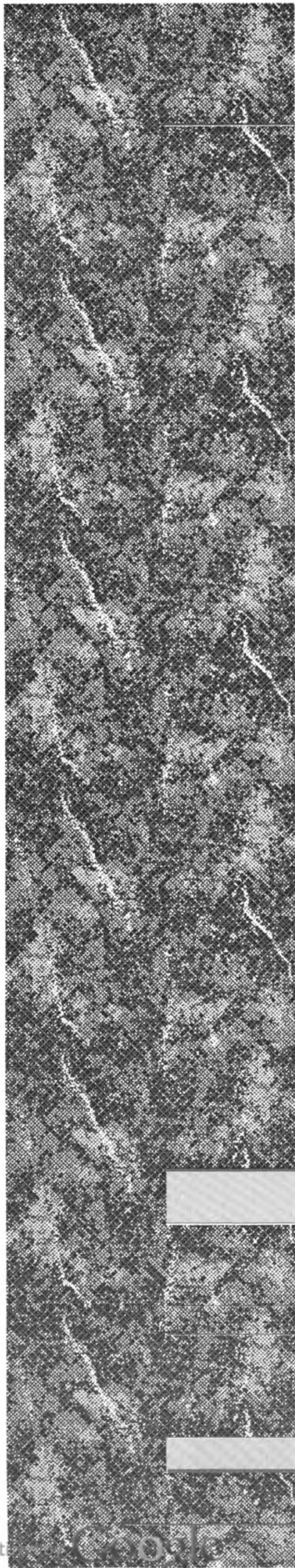
There are three sources of contributions to the System's trust fund: investment income, member contributions and employer contributions. Collectively, the three sources affect the funded ratio and the solvency test (page 32). Individually, however, employer contributions are the most important indication of the employer's commitment to the long-term stability of the fund. (See Employer's Normal Cost plus Interest, page 30, and Reconciliation of the Unfunded Pension Benefit Obligation, page 31.)

Investment income depends on asset allocation and market conditions. For TRS, this source has been the most significant source of income for several years.

Member contributions (8% of salary) are specified under the Illinois Pension Code (40 ILCS 5/16-152) and are the most stable source of System income.

Employer contributions are also specified under the statute. The State of Illinois is the "employer" in most cases, although contributions may also come from federal sources. The state, which should be the most significant source of TRS income, has never complied with statutory funding requirements and uses the amounts due the five state retirement systems to support other state programs. Members, however, must comply with statutory requirements.





**Shortfalls in State Contributions**

**Pension Funding Task Force.**

*TRS will be an active participant in a special task force on state pension funding and benefits. The task force, created by Senate Joint Resolution 44 in 1993, is charged with recommending to the Governor and the General Assembly methods of resolving the unfunded liability of the state pension systems. The proposals of this task force are likely to attract considerable attention over the next year.*

Retirement benefits earned during employment are part of the payroll expense for each employee. Sound budgeting practices should be followed so that when an employee retires, the accumulated fund is sufficient to cover the cost of the benefits payable to that employee. The obligation for that employee's benefits should not be passed on to future administrations or taxpayers. If state contributions remain level, the System's actuaries estimate the System would be insolvent by 2014. The state constitution would require current state revenues to be used to pay benefits (approximately \$3 billion annually by the time of insolvency).

**Senate Bill 95**

On August 23, 1989, Public Act 86-0273 (SB 95) was enacted and provides for amortization of the System's unfunded pension benefit obligation over 40 years after a seven-year phase in. Implementation of this legislation would provide financial stability for the System by funding benefits on a more rational and systematic basis than current practice; however, the state has never complied with these funding requirements, nor will it in FY 94. Note E in the Notes to the Financial Statements (page 21) shows the shortfall each year since FY 90. The difference between state funding levels and actuarial funding (even a phase-in to actuarial funding like SB 95) becomes larger the longer compliance is delayed. A lawsuit which would require the state to comply with the SB 95 funding requirements will be heard by the Illinois Court of Appeals.

**Employer's Normal Cost plus Interest**

The employer's normal cost is the amount needed to cover the employer's share of the cost of benefits earned by active members during the year. The interest payment is the amount needed to stabilize the unfunded pension benefit obligation. If the employer contributes normal cost plus interest and all of the System's actuarial assumptions (page 34) exactly match its experience, the unfunded liability would not change. However, the funding shortfalls under this measure in FY 93 and FY 92 have added over a half billion dollars to the unfunded pension benefit obligation each year. This is the single most important factor explaining the change in the System's unfunded benefit obligation. (See Reconciliation of the Unfunded Pension Benefit Obligation, page 31.)

Employer's Normal Cost plus Interest (In Millions of Dollars)	Year Ended June 30	
	1993	1992
Employer's normal cost	\$ 285	\$ 259
Interest on unfunded pension benefit obligation at beginning of year	548	512
<b>Total employer's cost</b>	<b>833</b>	<b>771</b>
Deduct employer contributions:		
State of Illinois*	265	232
Federal and trust funds	17	15
<b>Total employer contributions</b>	<b>282</b>	<b>237</b>
<b>Employer's cost in excess of contributions</b>	<b>\$ 551</b>	<b>\$ 524</b>

\* State contributions exclude minimum and supplemental benefits not included in actuarial costs. Original from

**Reconciliation of Unfunded Pension Benefit Obligation**

The table below details the reasons the System's unfunded pension benefit obligation changed during FY 93 and FY 92. The amounts shown represent the differences between actuarial assumptions and experience. Although very large actuarial gains in investment earnings were experienced both years, even larger funding shortfalls occurred. (See Employer's Normal Cost plus Interest, page 30.) The other factors listed contributed to the net additions to the unfunded pension benefit obligation shown in the table.

Reconciliation of Unfunded Pension Benefit Obligation	<i>(In Millions)</i>	
	Year Ended June 30	
	1993	1992
Unfunded pension benefit obligation at beginning of year	\$6,847	\$6,394
<b>Additions (deductions)</b>		
Employer cost in excess of contributions	551	524
Plan amendments		
624 ERI retirements (PA 87-1265)	39	-
Military service purchases (PA 87-0794)	-	2
100 ERI retirements (PA 87-0014)	-	5
Addition to health care reserves	22	22
Changes in demographic experience due to FY 1989 - 1992 experience analysis	13	-
<b>Actuarial losses (gains) compared to experience</b>		
Salary increases	237	111
Investment income	(351)	(408)
New entrant loss	23	*
Lower than expected mortality	21	*
Purchases of prior service credits	26	*
Other **	178	197
<b>Net additions</b>	<b>759</b>	<b>453</b>
<b>Unfunded pension benefit obligation at end of year</b>	<b>\$ 7,606</b>	<b>\$ 6,847</b>

\* These items were included in the Other category in FY 92 and cannot be individually identified.  
 \*\* For FY 93, "Other" includes:  
 a. 1,411 retirements occurred in May and June of 1992 but were not reported to the actuary until June 30, 1993.  
 b. Retroactive benefits for late retirees (50-100 late retirements annually).  
 c. Retroactive law change allowing change in disability retirement annuity to service retirement.  
 d. Fewer terminations of vested employees than expected.  
 e. Change in rate of benefit accruals from certified normal cost rate.  
 f. Retirement with reciprocal service credits.  
 g. Retirements with unused sick leave.  
 h. Retirements under the early retirement option.  
 i. Fewer disablements than expected.

FY 93 actuarial gains and losses resulted from the following: average salaries increased by 9.1 percent, compared to the composite 7.4 percent assumption, and the actuarial investment return (including interest, dividends and realized gains) was 11.6 percent, compared to the 8 percent assumption.

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### Historical Tests of Financial Condition

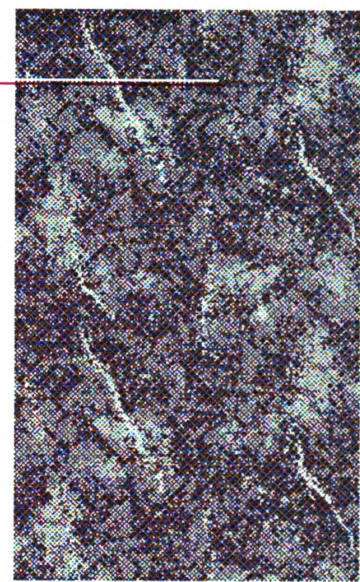
The Solvency Test exhibit compares the plan's net assets with the member's contributions, the amount necessary to cover the present value of benefits currently being paid, and the employer's portion of future benefits for active members. It measures the System's ability to cover different types of obligations if the plan were terminated.

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 that the assets would be used to cover certain types of obligations. In other words, employee contributions would be refunded first, amounts due for current beneficiaries would be covered second and the employer's obligation for active members would be covered last. Columns 1 and 2 should be fully covered by assets. The portion of Column 3 which is covered by assets should increase over time but has decreased since FY 89.

#### Solvency Test

Year Ended June 30	Members' Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members, Employer Portion (3)	Net Assets	<i>(In Millions of Dollars)</i>		
					Percentage of Benefits Covered by Net Assets		
					(1)	(2)	(3)
1984	\$ 1,372	\$ 2,803	\$ 3,174	\$ 3,728	100 %	84 %	0 %
1985	1,472	3,130	3,380	4,265	100	89	0
1986	1,596	3,402	3,689	5,168	100	100	5
1987	1,718	3,777	4,455	6,092	100	100	13
1988	1,860	4,165	4,898	6,684	100	100	13
1989	2,004	4,528	5,382	7,272	100	100	14
1990	2,167	5,121	6,375	8,080	100	100	12
1991	2,312	5,743	7,086	8,747	100	100	10
1992	2,503	6,338	7,818	9,812	100	100	12
1993	2,710	7,511	8,265	10,880	100	100	8

The Payroll Percentages table facilitates various types of comparisons. Showing the System's unfunded pension benefit obligation as a percent of payroll (Column 3) is a standard measure of the relative size of the unfunded pension benefit obligation. Generally, a system that is growing stronger will show this percentage decreasing. For TRS, however, this percentage is increasing. The actuarially required employer's cost under normal cost plus interest (Column 8) shows the amount the employer would need to contribute each year to cover its portion of the benefits earned by active members during the year and stabilize the System's unfunded liability. The largest portion of the increase in this percentage is due to the interest payment that would be needed on the unfunded liability. Employer contributions as a percent of payroll (Column 10) show that the System's contributions relative to payroll and actuarial funding requirements have dropped steadily over time.



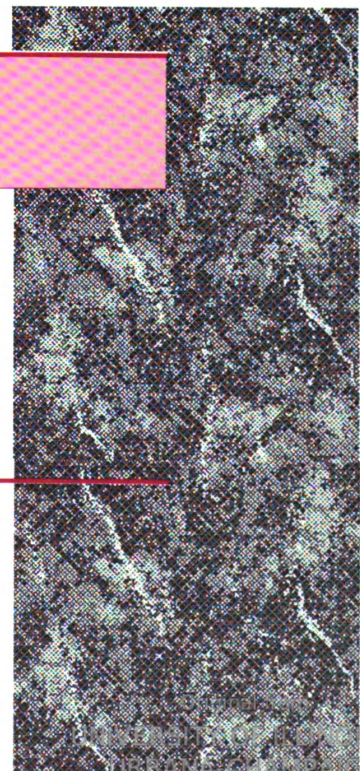
Year Ended June 30	Unfunded Pension Benefit Obligation			Actuarially Required Employer's Cost				Employer Contributions		
	Member Payroll (1)	Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest on Unfunded Pension Benefit Obligation (6)	Total (7)	Percent of Payroll (8)	Employer Contribution (9)*	Percent of Payroll (10)
1984	\$ 2,345	\$ 3,621	154.4%	\$ 176	7.5%	\$ 230	\$ 406	17.3%	\$ 191	8.1%
1985	2,472	3,716	150.3	184	7.4	253	437	17.7	215	8.7
1986	2,633	3,519	133.6	179	6.8	260	439	16.7	239	9.1
1987	2,834	3,838	136.4	194	6.9	246	440	15.5	258	9.1
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	220	7.3
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	237	7.5
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	269	7.9
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	270	7.1
1992	3,976	6,847	172.2	259	6.5	512	771	19.4	247	6.2
1993	4,189	7,606	181.6	285	6.8	548	833	19.9	282	6.7

\*For actuarial comparisons, school district early retirement option and state minimum and supplemental contributions are not included in employer contributions.

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation**	Funding Ratio*	
				At Cost	At Market
1984	\$ 3,728	\$ 3,630	\$ 7,349	50.7 %	49.4 %
1985	4,265	4,598	7,982	53.4	57.6
1986	5,168	5,952	8,687	59.5	68.5
1987	6,092	6,958	9,950	61.2	69.9
1988	6,684	7,055	10,923	61.2	64.6
1989	7,272	8,088	11,914	61.0	67.9
1990	8,080	8,924	13,663	59.1	65.3
1991	8,747	9,458	15,141	57.8	62.5
1992	9,812	10,440	16,659	58.9	62.7
1993	10,880	11,545	18,486	58.9	62.5

\* Funded ratio: Net assets divided by pension benefit obligation.

\*\* The System's actuaries conducted analyses for the four-year periods ended June 30, 1981, June 30, 1985, and June 30, 1992; and for the three-year period ended June 30, 1988. The effects of these analyses were reflected in the pension benefit obligation for the years ended June 30, 1982, June 30, 1987, and June 30, 1993, respectively; there was no effect on the pension benefit obligation resulting from the three-year period ended June 30, 1988.



## Actuarial Assumptions & Methods

**Inflation assumption:** 4 percent per annum (included in investment return and earnings progression assumptions).

**Investment return:** 8 percent per annum, compounded annually.

**Retirement age:** 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 follow.

Age	Male	Female
55	97	97
60	270	180
65	365	330
70	1,000	1,000

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

**Disability:** Sample annual rates per 1,000 participants follow.

Age	Male	Female
20	0.4	0.7
30	0.4	0.8
40	0.6	1.2
50	1.2	2.4
60	4.0	8.0
75	6.0	12.0

**Separation:** Graduated rates based on age and sex variations.

**Earnings progression:** Merit and longevity increases, adjusted for inflation. Approximates 7.4 percent per year to earliest date of retirement eligibility. Sample annual percentage increases follow.

Age	Male and Female
20	9.7 %
30	8.6
40	7.5
50	6.9
60	6.7

**Actuarial Cost Method:** Projected unit credit. Gains and losses are reflected in the unfunded pension benefit obligation.

**Asset valuation method:** Cost value.

## Actuarial Background Information

### Actuarial Assumptions

An estimate of the pension benefit obligation is obtained each year through the actuarial valuation. Actuaries make demographic assumptions (for salary and service credit), economic assumptions (for salary increases and interest rates) and decrement assumptions (for mortality and disability rates). These actuarial assumptions are used to make projections that will be used in the actuarial valuation.

The actuary constructs a set of assumptions based on the past experience of plan participants and the experiences of other groups with similar characteristics. After taking this historical view, the actuary looks forward to judge how costs incurred under the plan are likely to be affected by future events. A lengthy timeframe is involved because the projections include estimates for factors that will affect even young active members and their survivors.

Experience never coincides exactly with these projections. Differences that occur between assumptions and experience are called actuarial gains and losses. Each year, the actuary reconciles the differences between major actuarial factors and experience in the process of explaining the change in the system's unfunded pension benefit obligation. The actuary may also recommend changes in actuarial assumptions before the next experience analysis.

### Experience Analysis

At least once every four years, the actuary conducts an experience analysis to determine how closely the assumptions reflect what actually transpired. A review for the period July 1, 1988, through June 30, 1992, was recently completed. As a result of this analysis, minor changes in assumptions were adopted by the Board of Trustees and used in the FY 93 valuation. The net effect of these changes was a \$12.5 million increase in the pension benefit obligation (an increase of less than 0.1 percent).

The changes in assumptions and their effects on the System's unfunded pension obligation are shown below:

	Millions
Revision in rates of mortality among active members	\$ 22.0
Revision in rates of mortality among disability retirements	(9.6)
Extension of rates of disability retirement to age 60-69 (instead of normal retirement)	0.2
<b>Net Increase in the Unfunded Pension Benefit Obligation</b>	<b>\$ 12.5</b>

### Actuarial Cost Method and Valuation

An important step in an actuarial valuation is the application of 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 the development of normal cost and the pension benefit obligation. Normal cost is the annual cost of benefits earned by members during the year. The pension benefit obligation is a standardized disclosure of the present value of pension benefits and includes the effects of projected benefit increases.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is projected unit credit. The normal cost for the year ending June 30, 1993, was 14.8 percent of payroll. Eight percent of normal cost was paid by the members' contributions. The remaining 6.8 percent was the employer's portion of the normal cost. The actual employer contribution was only 6.7 percent of payroll. Therefore, no payment was made on the unfunded pension benefit obligation. Original from

The TRS Funding Summary below shows employer contributions in relation to statutory funding requirements (other than PA 86-0273) under the Illinois Pension Code.

TRS Funding Summary

(In Millions)

Fiscal Year Ended/Benefit June 30	Normal Cost Plus Interest On Unfunded Pension Obligation (1)	General Revenue Reimbursement Post-Retirement Increases (2)	Statutory Amounts Requirement		Employer Contributions Plus GRF Reimbursement (5)	Shortfall Amounts	
			Requirement			(6)	(7)
			(Columns 1 and 2)	Minimum (4)*		From Statutory Requirement (3) - (5)	From Minimum (4) - (5)
1984	\$ 406	\$ 7	\$ 413	\$ 218	\$ 198	\$ 215	\$ 20
1985	437	9	446	237	224	222	13
1986	439	9	448	253	248	200	5
1987	440	8	448	272	266	182	6
1988	506	8	514	289	228	286	61
1989	559	7	566	305	244	322	61
1990	617	7	624	327	276	348	51
1991	686	6	692	363	276	416	87
1992	771	6	777	382	253	524	129
1993	833	5	838	402	287	551	115

\* 9.6 percent of member payroll - the amount required by Section 16-158 of the Illinois Pension Code.

The TRS Cash Flow Summary shows the difference between the sum of member contributions and employer contributions and benefit payments, refunds and current expenses. (For this purpose, other sources of employer contributions which do not count towards meeting the System's actuarial requirements are included.)

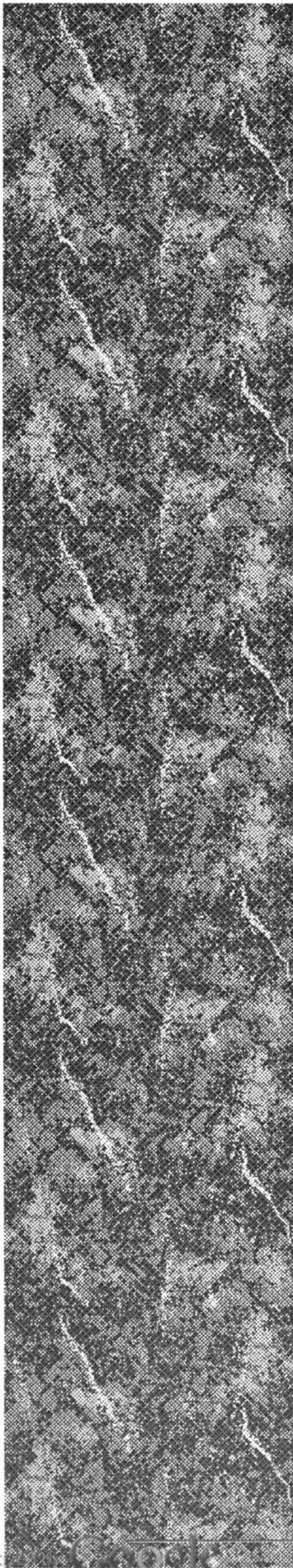
FY 92 was the first year that System expenses exceeded member and employer contributions—\$50 million of investment income had to be used to pay benefits and other expenses. In FY 93, the state's continued underfunding required the System to use \$75 million in investment income for this purpose. (A \$36 million non-cash expense resulted in a negative value for FY 90.) The use of investment income for expenses is particularly serious for a system like TRS because the state's failure to appropriate statutorily required amounts has made it very dependent on investment earnings. Earnings used to pay benefits cannot be reinvested to build a secure retirement trust fund.

Cash Flow: Member and Employer Contributions Minus Expenses (Benefits, refunds and current expenses)

(In Millions)

Year	Member Contributions (8)	Employer Contributions (9)	Minimum, Supplemental and ERO Contributions (10)	Employer Contributions (All Sources) [(11)=(9)+(10)]	Member and All Sources of Employer Contributions [(12)=(8)+(11)]	Benefits, Refunds and Expense (13)	Cash Flow [(14)=(12)-(13)]
1984	\$ 195	\$ 191	\$ 16	\$ 207	\$ 402	\$ 318	\$ 84
1985	207	215	22	237	444	352	92
1986	220	239	21	260	480	390	90
1987	238	258	22	280	518	429	89
1988	253	220	22	242	495	462	33
1989	268	237	24	261	529	503	26
1990*	284	269	24	293	577	583	(6)
1991	311	270	24	294	605	600	5
1992	351	247	25	272	623	673	(50)
1993	363	282	24	306	669	744	(75)

\* System expense in FY 90 includes \$35.5 million in non-cash expense.

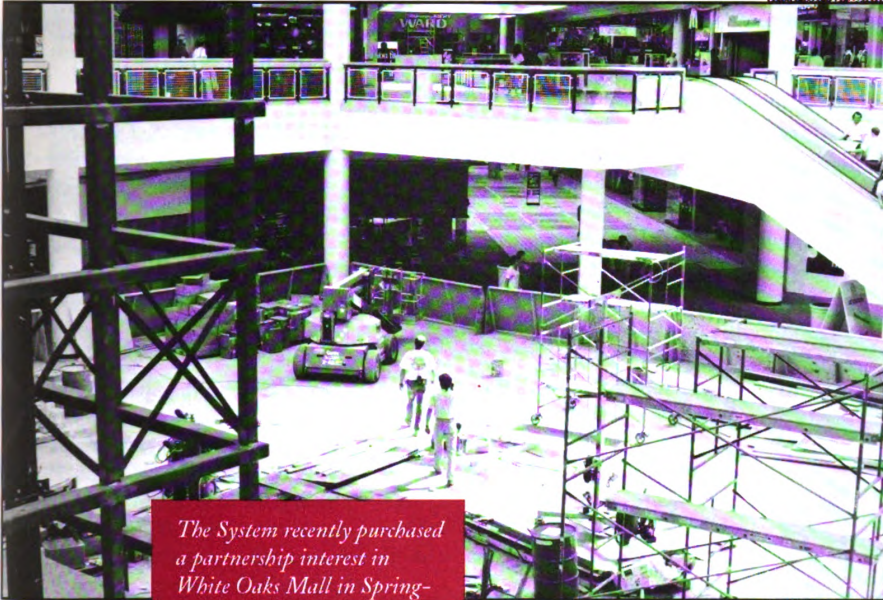


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## Membership & Benefits Information



*The System recently purchased a partnership interest in White Oaks Mall in Springfield, Illinois. As part of this investment, the mall underwent extensive renovation. White Oaks is a bi-level regional mall with over 900,000 square feet of retail space. (Investment Manager: Jones Lang Wootton)*



## Membership profile

All certificated Illinois public school employees outside the city of Chicago are members of TRS. These members include full and part-time employees, subject to certain limitations as outlined in the "Plan Summary" on page 42.

TRS members are employed by 1,088 employers including public school districts.

System members do not contribute to Social Security; however, many earned coverage by that system through non-TRS employment. All TRS members hired after March 31, 1986, are required to contribute to Medicare.

As of June 30, 1992, the most current fiscal year statistics available, there were 126,220 TRS members, a 3 percent increase from the 122,793 members on June 30, 1991.

The average TRS member on June 30, 1992, was 43 years old. The average age of the member population has remained relatively stable for the past five years, although active member age had shown a steady increase since the early 1970s.

Fifty-four percent of the active member population was in the 35-49 age group during FY 92 compared to 45 percent of total membership in this same age group ten years ago. Despite this large percentage of educators moving toward retirement, there is a marked decrease in the number of teachers entering the field in the last ten years. During FY 83, 3.1 percent of the total membership were age 20 to 24. In FY 92, this age group composed only 2.2 percent of the total member population.

The number of active members who choose to work after age 55 has risen steadily in the past decade, from 10 percent during FY 83 to 12 percent in FY 92.

## Contributions

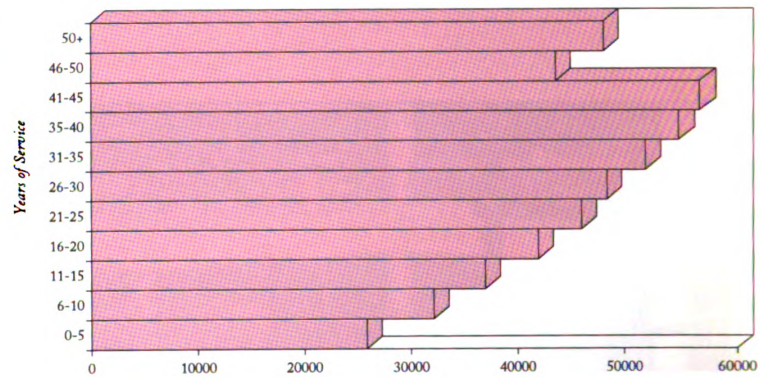
Active members contributed \$363 million as their required 8 percent of salary to the System, up 3 percent from FY 92.

The average annual salary for active members rose 5.3 percent from FY 91 to FY 92, from \$35,321 to \$37,193. Since FY 83, this figure has increased by

62.6 percent from \$22,877. Generally, the more years of service the member accrues, the higher salary he or she earns. Peak salaries averaging \$56,869 during FY 92 were earned by 47 members in the 41-45 years of service category, while those with under six years of service averaged \$25,882 annually.

### Average Annual Salary

Full and Part-time members as of June 30, 1992



## Member refunds

Members who withdraw from active service with the System may apply for a refund four months after the last day of teaching. The refund includes accumulated retirement contributions, exclusive of the 1 percent survivor benefit contribution, and accumulated interest.

The System paid 2,037 former members \$8.2 million in refunds of retirement contributions during FY 93. This is a decrease from the \$9.4 million paid in refunds in the previous year. The total number of refunds decreased 13 percent, from 2,353 in FY 92.

A refund of the 1 percent survivor benefit contribution was paid to 377 retired members in FY 93, down from 437 members who received this refund in FY 92. A total of \$1.7 million was paid for this refund, which is granted to retired members who do not have a beneficiary deemed a dependent under the Illinois Pension Code and who request the refund. Acceptance of this refund terminates the retired member's eligibility for survivor benefit coverage from the System.

## Counseling services

The System maintains two offices, in Springfield and Lisle, to serve members throughout the state. During FY 93, the TRS offices received over 52,000 phone calls. In addition, staff members sent out nearly 175,000 letters and conducted office consultations with an average of 300 members monthly.

Individual retirement conferences are held around the state each year by the System's benefits counselors. During FY 93, 106 members attended these conferences. An additional 6,901 members attended group meetings held by TRS around the state.

A series of guides designed for members, retired members and employers is published annually by the System. In addition, bulletins and newsletters are mailed to these audiences with current information concerning benefits, legislation and System administration.

Individual member statements of account are mailed annually to all members. These present up-to-date information on each member's TRS contributions and service.

## Benefits Information

As a trust fund for its members and annuitants, TRS provides retirement annuities and disability and survivor benefits. The System also administers the TRS Health and Prescription Drug Insurance Plan. These benefits are in the System's plan as outlined in the Illinois Pension Code (40 ILCS 5/16-101 *et seq.*)

### Plan design

The TRS plan is designed to pay specific benefits in amounts that are set forth by Illinois law. This design may only be changed by action of the Illinois General Assembly and the Governor. Benefits cannot be modified without a change in the TRS plan design.

### Retirement benefits

During FY 93, the TRS plan provided retirement benefits for 43,195 annuitants. The average benefit of \$1,256 was up 7 percent from \$1,174 on June 30, 1992.

#### TRS Annuitant Profile

Average Age:	72
Average Years of Service:	26.77
Average Annuity:	\$ 1,256
Average Original Annuity:	\$ 1,001
Average Years in Retirement:	12.3

Overall, the System paid \$633.7 million in retirement annuities in FY 93, up 11 percent from FY 92. The number of annuitants receiving benefits rose during FY 93, up 1,048 from June 30, 1992. The System offers anyone receiving a monthly benefit, including retired members and survivor benefits recipients, electronic funds transfer of TRS annuity payments with participating financial institutions. At the end of FY 93, 34,007 of the total 48,922 benefit recipients were participating in the direct deposit program. This represents 69.5 percent of all benefit participants.

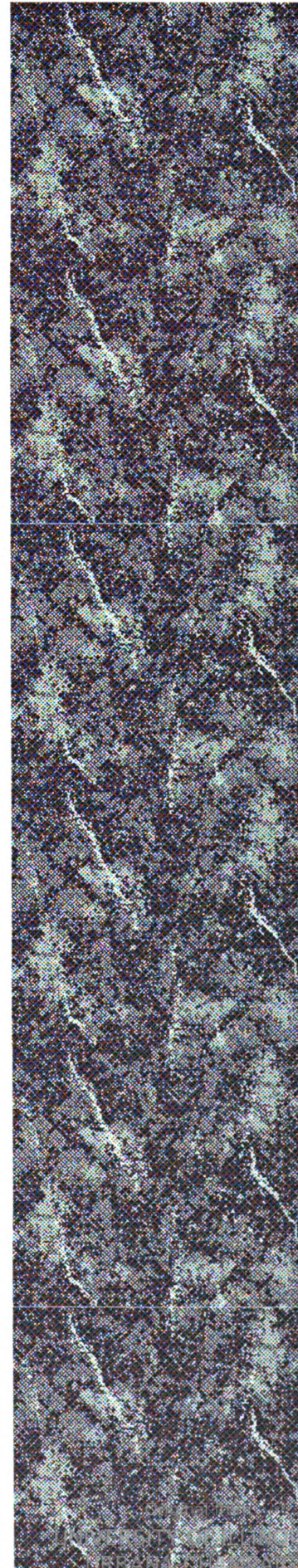
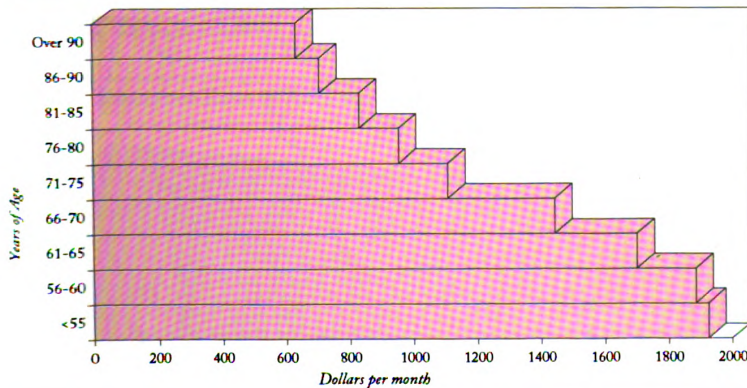
Although the annuity for those members in retirement less than five years is higher than average at \$1,781, this amount drops to below the overall average after ten years in retirement—members retired between 11 and 15 years receive an average benefit of only \$1,111, below the \$ 1,256 average.

Average annuity also decreases as the retired member's age increases. Retirees aged 55 through 59 receive an average annuity of \$1,884 monthly, while those age 80 and over receive an average of only \$759.

Of the 2,450 TRS members who retired during FY 93, the average age was 60, average service, 27.8 and the average monthly benefit, \$1,848. These members retired with an average salary of \$38,493.27, a slight decrease from FY 92 retiree salaries.

### Average Monthly Benefit

*For retired members as of June 30, 1993*



### Early Retirement Option

Members who are 55 or older and have 20 or more years of service may choose the early retirement option to avoid a reduction in their annuity if they retire before earning 35 years of service. Enacted in 1980, this option allows the member and employer to make a one-time contribution to TRS and avoid a reduced annuity. Current law calls for an end to the early retirement option after June 30, 1995. A nondiscounted annuity is granted to members with 35 or more years of service with no contributions required from either the member or the employer.

Use of this early retirement option decreased in FY 93 due to the introduction of the early retirement incentive.

### Early Retirement Incentive

The early retirement incentive, made available through Public Act 87-1265, allows members who are at least 50 but less than 55 years of age with at least 15 years of service or age 55 or older with at least five years of service to purchase up to five years of additional service and acquire an age enhancement of an equal number of years. The law specifies two window periods for election and retirement under the incentive, the first during FY 93 and the second during FY 94 although a smaller percentage of retirements may occur in FY 95 through the employer's right to delay some retirements.

As of June 30, 1993, 7,638 members had elected to retire under ERI. Of these elections, 2,824 had submitted retirement applications.

### Disability benefits

Disability payments of \$9.8 million were made by the System during FY 93, up 7.7 percent from FY 92. A total of 1,017 disability benefits were paid to members whose average age was 55 and average years of service was 16.8.

There were 348 new disability benefits paid during FY 93 with an average benefit of \$ 1,198. Of these new claims, 32 percent were for pregnancy-related disabilities, 14 percent for cancer and tumors, 5 percent for mental illness, another 5 percent for heart and circulatory problems, 5 percent for dislocated and ruptured disks and 1 percent for AIDS. Other disabilities accounted for the remainder of the claims.

### Survivor benefits

Average monthly survivor benefits of \$484 were paid to 5,642 survivors of TRS members and annuitants in FY 93. The average age of the deceased was 73. There were 552 new claims during the year for monthly benefits and the average monthly benefit for FY 93 claims was \$595. Total payments rose from \$30.7 million in FY 92 to \$34.4 million in FY 93.

Use of the Early Retirement Option

As of June 30

Year	Retirements		ERO % of Total	Average Payment	Average Salary
	Total	ERO			
1983	1,946	468	24.0	5,801	24,889
1984	1,842	454	24.7	6,451	28,340
1985	2,336	645	27.6	5,924	28,331
1986	2,160	534	24.7	6,757	30,985
1987	2,093	552	26.4	7,191	32,202
1988	2,116	555	26.5	7,646	34,935
1989	2,044	630	30.8	7,798	37,141
1990	2,067	573	27.7	8,032	38,911
1991	2,097	627	29.9	8,339	40,746
1992	2,547	631	24.8	8,456	42,291
1993	2,450	487	19.9	9,604	46,447

### Health insurance

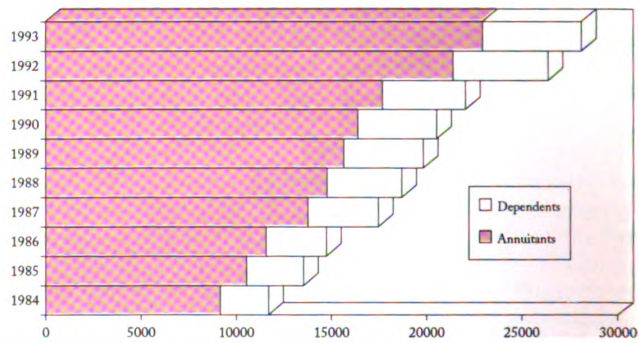
Since 1981, the System has provided health and prescription drug insurance. The plan, administered by Blue Cross/Blue Shield, is available to annuitants electing coverage. Annuitants may also enroll their dependents.

### Coverage options

For annuitants and their dependents who qualify for Medicare, TRS provides Medicare supplement coverage. After the \$300 yearly deductible, the plan pays the balance of all claims that are reasonable and customary that Medicare does not pay. As of June 30, 1993, 16,167 members and 3,627 dependents were enrolled in this option.

Annuitants who do not qualify for free Medicare Part A coverage at age 65 may elect the Special Coverage Option. This option provides coverage for both hospital and physician services. It pays

### Health Plan Enrollment



all claims that are reasonable and customary after a \$300 deductible and 80%-20% coinsurance of the next \$10,000 of covered expenses and 100 percent coverage thereafter. As of June 30, 1993, 1,291 annuitants and dependents were enrolled in this option.

Annuitants and their dependents under 65 are offered a major medical plan which provides coverage for both hospital and physician services. On June 30, 1993, 5,502 annuitants and 1,558 dependents were enrolled in this plan.

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**Premiums**

The System pays 75 percent of the cost of the premium for participating annuitants; however, dependent premiums are the responsibility of the annuitants.

**Reserve Account**

The System maintains a Health Insurance Reserve Account for the purpose of paying the System's 75 percent share for enrolled annuitants. On June 30, 1992, the reserve fund balance was \$74.5 million. During FY 93, the account was credited with the maximum allowable transfer of \$20 million plus \$6 million interest earned. Premium payments of \$37.5 million were charged to the account leaving a June 30, 1993, reserve fund balance of \$63 million.

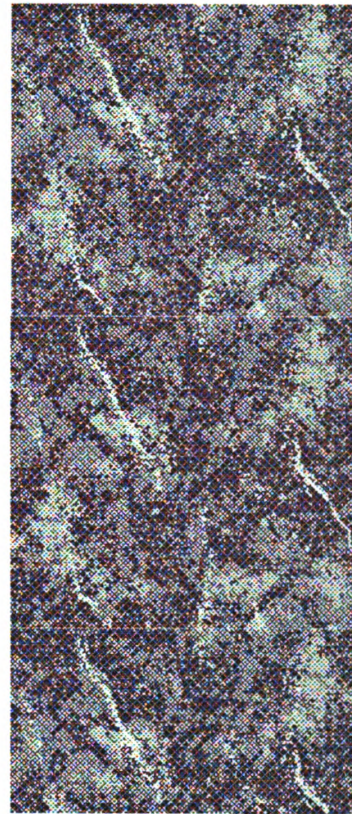
For the second consecutive year, the reserve fund balance failed to increase—a result of the \$20 million transfer limit, the recent increase to a 75 percent premium subsidy and increased premiums and enrollment.

**TRS Subsidy Payments**

Fiscal Year			
1981	109,689	1987	5,409,000
1982	627,000	1988	6,823,000
1983	1,503,000	1989	8,346,000
1984	2,412,000	1990	10,331,000
1985	3,094,000	1991	15,142,000
1986	4,800,000	1992	27,717,000
		1993	37,498,000

Under the Illinois Pension Code, the System can transfer up to \$20 million dollars from investment earnings into the Reserve Account annually. Interest accrues on the balance and the resulting balance is used to meet the System's 75 percent premium subsidy payments.

Continuation of this downward trend may result in insufficient funds as early as February 1995. The Teachers' Retirement System is actively encouraging the General Assembly to readdress this issue and to explore options to ensure continuing coverage to TRS annuitants.



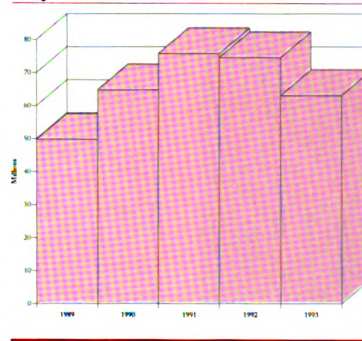
**Claims Experience**

June 30	Premiums Paid	Retention Fees*	Claims Paid
1983	\$ 3,826,362	\$ 277,021	\$ 3,467,117
1984	6,242,236	368,008	5,962,159
1985	8,931,731	427,746	8,195,968
1986	11,640,732	539,458	9,859,427
1987	13,932,201	617,300	13,163,179
1988	17,066,035	735,546	17,714,923
1989	20,859,736	899,055	22,015,321
1990	26,048,490	1,122,690	24,921,796
1991	31,411,797	1,353,848	30,348,628
1992	45,562,267	1,963,734	40,927,520
1993	61,229,774	2,639,003	53,282,267

\*Retention is the percentage of premiums paid to the insurance carrier to cover the administrative costs for processing claims and the risk involved in underwriting the contract.

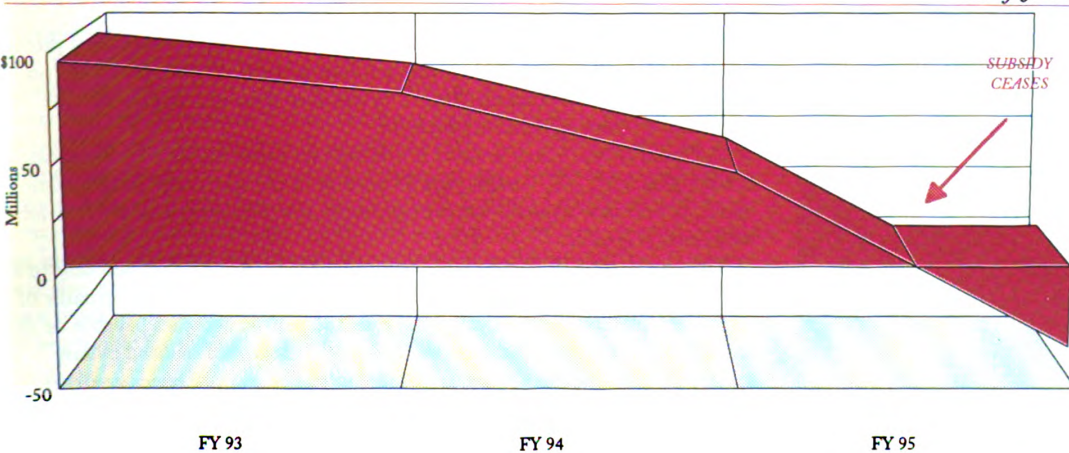
**Reserve Account**

As of June 30



**Health Insurance Reserve Account**

As of June 30



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## Plan Summary

### Administration

The Teachers' Retirement System was created and is governed by 40 Illinois Compiled Statutes beginning with Chap. 5, Section 16-101. A Board of Trustees, comprised of the State Superintendent of Education, four persons appointed by the Governor, four elected members of the System and one elected annuitant, is authorized to carry out provisions of the Article. This Board appoints an Executive Director responsible for the detailed administration of the System.

### Revenue

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 positions requiring certification in the public schools of Illinois (outside Chicago). Beginning July 1, 1990, TRS-covered employment includes all substitute and part-time teaching positions.

### 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, optional credit is granted for substitute or part-time teaching prior to July 1, 1990, out-of-system service, an official leave of absence, reduction in force, and military service and related educational training. Such service requires additional contributions. Up to one year of credit is also added at retirement for unused, uncompensated sick leave days established with former employers.

### Disability Benefits

A member with at least three years of creditable service 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. In the case of disability due to pregnancy, only one physician must verify the disability. Part-time and substitute teachers must work as teachers for at least 340 hours in either the school year in which the disability occurs or the preceding school year to be eligible for disability benefits.

Disability benefits are 40 percent of the greater of the contract salary rate in effect at the time the benefit becomes payable or the annual contract rate on the date the disability commenced. The member continues to earn service credit while receiving disability benefits.

A disability retirement annuity is available for members who are receiving a disability benefit. This benefit pays 35 percent of the salary used in calculating disability benefits or the amount computed by the retirement annuity formula, whichever is greater.

Occupational disability benefits are available to members disabled due to a duty-related accident or illness. This benefit pays 60 percent of the greater of the contract salary rate in effect at the time the benefit becomes payable or the annual contract rate on the date the disability commenced reduced by any amounts payable under a workers' compensation program. Service credit is earned during periods of occupational disability.

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On January 1 following the fourth anniversary of the granting of disability, occupational disability or disability retirement benefits, the benefit increases 7 percent. Thereafter, the benefit increases 3 percent of the current benefit annually.

#### Death Benefits

Death benefits consist of a return of the member's accumulated contributions and the payment of survivor benefits.

Accumulated contributions are the member's contributions to the System plus the interest required by statute. Survivors of members receive a return of accumulated contributions. Survivors of annuitants receive accumulated contributions minus the amount received as retirement annuity.

Survivors of members are eligible for survivor benefits if death occurs while the member is employed as a teacher, during the first year following termination of employment, while on a creditable leave of absence, or while in receipt of disability or occupational disability benefits. Survivors of inactive members not meeting these requirements but with 20 years of service are eligible for survivor benefits calculated as though the member had been in retirement. Beneficiaries of annuitants who contributed to the survivor benefit program and did not withdraw those contributions are also eligible for survivor benefits.

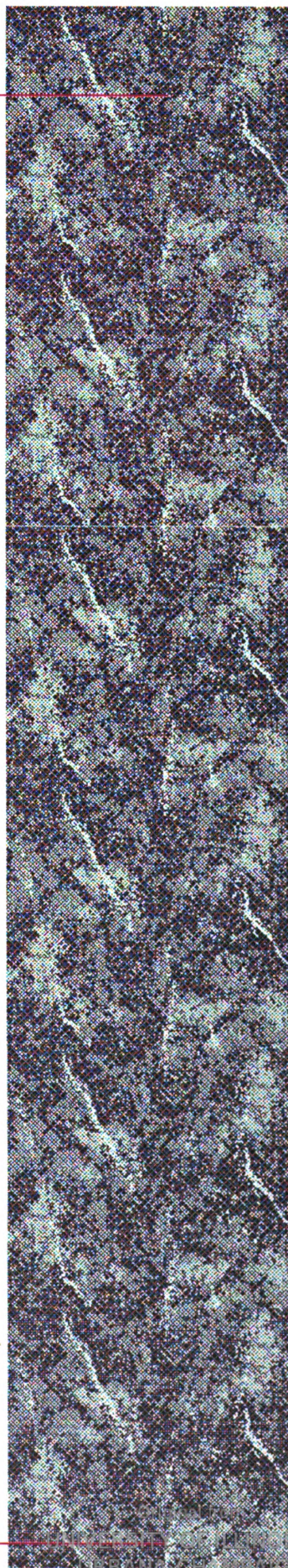
Survivor benefits are payable in one of two forms. A lump-sum settlement is available to dependent and nondependent beneficiaries. For active members, it consists of a cash settlement based on the final salary rate as a teacher. For retired members, the benefit is based on the greater of the higher annual salary rate within the last four years of service reduced by 1/6 for each year or partial year in retirement, survivor benefit contributions or \$3,000.

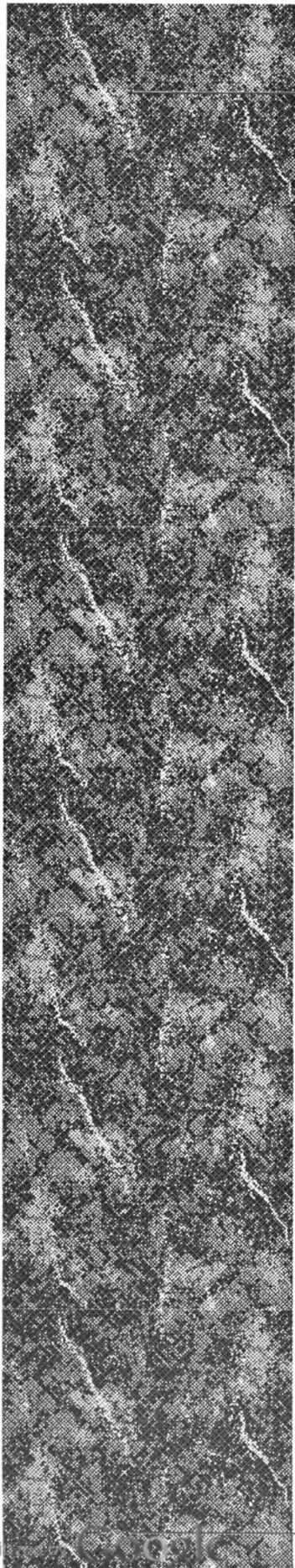
Monthly benefits are payable to dependent beneficiaries of annuitants and members with 1 1/2 years of credit and at least 60 days of creditable service during the 18 months preceding death. The System provides a 3 percent increase in the currently payable monthly survivor benefit on January 1 following the granting of the benefit for survivors of an annuitant and on January 1 following the first anniversary of the granting of the benefit for survivors of a member.

If a member retired or is retiring and has no spouse or eligible child, he or she may take a refund of actual survivor benefit contributions, waiving all rights to have survivor benefits paid to beneficiaries; however, designated beneficiaries remain eligible for a return of the member's excess accumulated contributions (if any) upon the annuitant's death. To restore eligibility for survivor benefits, the annuitant must return to contributing service for at least one year and repay the refund with interest.

#### Retirement Benefits

A member qualifies for a retirement annuity after attaining one of the following: age 62 with 5 years of service credit; age 60 with 10 years; or age 55 with 20 years. If retirement occurs between ages 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, application for retirement occurs within six months of the last day of service requiring contributions, and the member and the employer both make a one-time contribution to the System. Substitute teachers must teach 85 or more days in a school term with one employer to be eligible for the early retirement option.





The annuity is determined by the average of the four 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.

An actuarial calculation is used if a member has no service after July 1, 1947, or if it provides a greater benefit. This calculation is based on interest and mortality rate factors which are subject to change.

A member with fewer than five years of creditable service who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65. The benefit is the actuarial equivalent of a life annuity consisting of 1.67 of final average salary for each year of creditable service. To be eligible, the member must terminate TRS-covered employment.

#### Post-Retirement Increase

The System provides 3 percent compounded annual increases in the age or disability retirement annuity for qualifying annuitants beginning the later of: January 1 following the attainment of age 61 or January 1 following the first anniversary in retirement.

#### Refunds

The System will refund a member's contributions provided the member has officially resigned from a position requiring System membership, has not been reemployed in such a position, and submits the refund application not earlier than four months after termination of employment. The refund consists of all retirement contributions made by the member excluding interest and the 1 percent death benefit contribution. When the 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.

#### TRS Health and Prescription Drug Insurance Plan

Annuitants and beneficiaries of the System and their eligible dependents may enroll in the TRS Health and Prescription Drug Insurance Plan. This partially subsidized plan covers hospital and physicians' medical expenses and prescription drugs.

#### Special Conditions

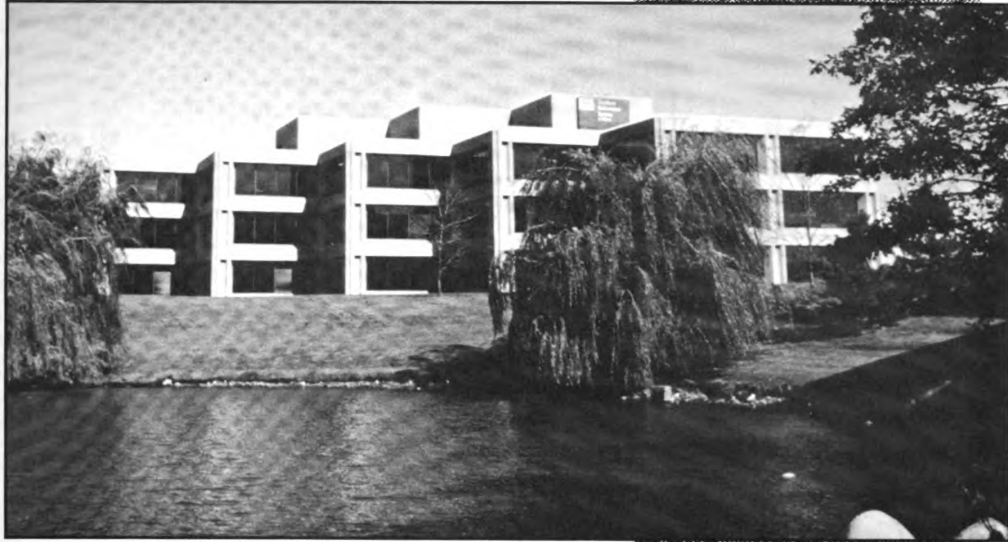
Any member convicted of a felony related to or in connection with teaching is not eligible for TRS benefits; however, that member may receive a refund of contributions.

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

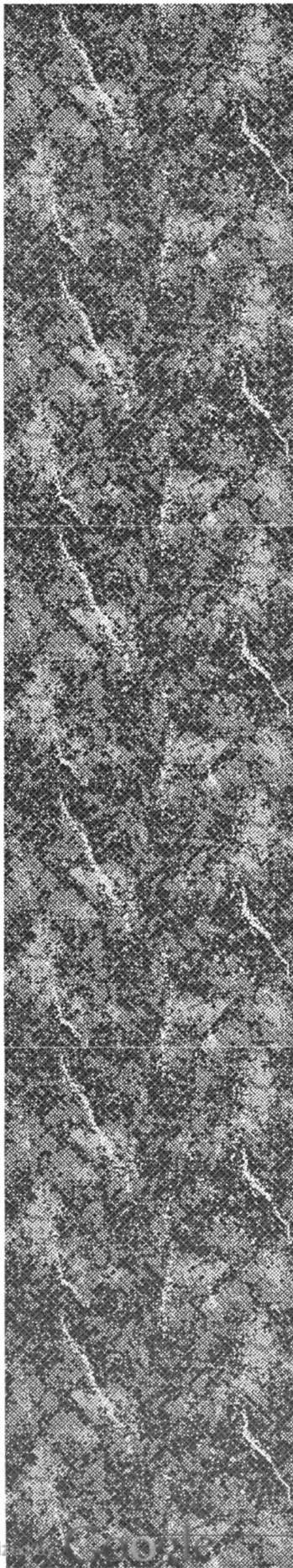
TRS is one of 13 systems included in the provisions of the Retirement Systems Reciprocal Act which assures continuous pension credit for public employment in Illinois.

Statistical Section



*The Teachers' Retirement System has offices in both Springfield (bottom) and Lisle (top). Both office complexes also house tenant businesses as well as offices for the System. (Investment Manager: In Springfield, TRS; in Lisle, Capital Associates)*





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**Average Annual Salary for Active Members by Years of Service\***

<i>As of June 30</i> <i>Years of Service</i>		1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
0-5	Total #	23,482	19,764	19,030	22,160	23,384	24,792	25,296	22,949	26,770	26,962
	Average \$	16,618	17,166	17,818	18,555	19,726	20,845	22,121	23,284	24,752	25,881
6-10	Total #	23,433	22,047	21,157	19,698	18,819	17,129	15,314	15,359	14,811	15,820
	Average \$	20,338	20,915	21,841	23,005	24,320	25,780	27,124	28,158	30,524	32,141
11-15	Total #	23,201	23,462	22,833	20,700	19,460	18,417	17,671	18,066	16,438	15,914
	Average \$	24,467	25,341	26,378	27,607	29,001	30,312	31,581	32,791	35,078	37,016
16-20	Total #	13,920	15,481	17,419	18,528	19,163	19,689	19,867	20,027	18,403	17,454
	Average \$	22,165	28,309	29,976	31,056	33,144	34,771	36,315	37,984	40,060	41,984
21-25	Total #	8,588	8,747	9,089	9,391	10,257	11,474	12,830	14,755	15,719	16,422
	Average \$	28,976	30,199	31,657	33,309	35,246	37,153	39,141	41,523	43,958	46,051
26-30	Total #	4,494	5,053	5,479	5,864	6,245	6,456	6,659	7,152	7,605	8,307
	Average \$	30,396	31,960	34,026	35,740	37,666	39,474	41,429	43,316	45,877	48,438
31-35	Total #	2,279	2,251	2,009	2,002	2,089	2,394	2,758	3,222	3,479	3,742
	Average \$	31,887	33,651	35,782	37,533	39,310	41,730	43,749	46,363	49,046	52,047
Over 35	Total #	436	421	430	483	517	426	462	457	478	539
	Average \$	30,042	31,494	33,930	37,533	40,492	43,465	45,979	48,146	49,979	55,044
	Total #	99,833	97,226	97,446	98,826	99,934	100,777	100,857	101,987	103,703	105,160
	Average \$	22,877	24,141	25,454	26,522	28,085	29,638	31,318	33,024	35,321	37,193

\* Statistical information on the System's active membership is not yet available for FY93.  
Annual salaries are computed using full- and part-time teaching earnings only; substitute and hourly employees and extra duty earnings were omitted.

**Schedule of Average Monthly Payment Amounts**

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$
< 5					6	305
06 - 10					18	335
11 - 15					68	335
16 - 20					34	356
21 - 25			1	790	0	000
26 - 30			11	900	1	618
31 - 35			21	974	4	611
36 - 40			48	905	18	663
41 - 45			112	929	45	684
46 - 50			127	1,091	77	647
51 - 55	449	1,924	188	1,080	198	745
56 - 60	3,936	1,884	183	1,189	282	698
61 - 65	7,775	1,701	135	911	525	671
66 - 70	8,076	1,442	92	779	670	615
71 - 75	7,167	1,106	55	578	830	489
76 - 80	6,067	952	21	458	980	447
81 - 85	5,194	827	9	347	1,067	362
86 - 90	3,241	702	6	371	589	324
Over 90	1,290	628	8	383	230	281
<b>Totals</b>	<b>43,195</b>	<b>\$ 1,256</b>	<b>1,017</b>	<b>\$ 966</b>	<b>5,642</b>	<b>\$ 484</b>

**Active Members by Years of Age and Years of Service**

AGE	Substitutes 0	Full and Part-time Members				
		0-5	6-10	11-15	16-20	21-25
<b>20-24</b>	<b>Total Number</b> 1,901	<b>1,468</b>				
	Average Salary 2,340	21,204				
	Average Years of Service					
<b>25-29</b>	<b>Total Number</b> 3,283	<b>8,476</b>	<b>636</b>			
	Average Salary 2,618	24,402	28,407			
	Average Years of Service					
<b>30-34</b>	<b>Total Number</b> 1,996	<b>4,056</b>	<b>4,601</b>	<b>478</b>	<b>1</b>	
	Average Salary 2,638	26,178	30,090	33,631	29,827	
	Average Years of Service					
<b>35-39</b>	<b>Total Number</b> 2,694	<b>3,328</b>	<b>2,775</b>	<b>5,717</b>	<b>786</b>	
	Average Salary 2,555	25,838	31,743	35,393	38,878	
	Average Years of Service					
<b>40-44</b>	<b>Total Number</b> 4,399	<b>4,820</b>	<b>3,315</b>	<b>4,176</b>	<b>9,032</b>	<b>1,388</b>
	Average Salary 3,034	26,430	32,858	36,951	41,352	43,819
	Average Years of Service					
<b>45-49</b>	<b>Total Number</b> 3,125	<b>3,160</b>	<b>2,687</b>	<b>2,694</b>	<b>3,866</b>	<b>9,045</b>
	Average Salary 3,349	28,511	34,212	38,826	43,694	46,367
	Average Years of Service					
<b>50-54</b>	<b>Total Number</b> 1,757	<b>1,158</b>	<b>1,268</b>	<b>1,783</b>	<b>2,013</b>	<b>3,300</b>
	Average Salary 3,976	30,499	34,934	39,191	42,768	46,548
	Average Years of Service					
<b>55-59</b>	<b>Total Number</b> 930	<b>357</b>	<b>389</b>	<b>749</b>	<b>1,162</b>	<b>1,637</b>
	Average Salary 5,142	30,519	35,106	39,385	41,978	45,263
	Average Years of Service					
<b>60-64</b>	<b>Total Number</b> 594	<b>117</b>	<b>123</b>	<b>258</b>	<b>478</b>	<b>834</b>
	Average Salary 5,670	28,795	34,464	39,270	41,222	45,818
	Average Years of Service					
<b>65-69</b>	<b>Total Number</b> 269	<b>19</b>	<b>23</b>	<b>52</b>	<b>105</b>	<b>186</b>
	Average Salary 4,621	26,426	33,292	38,788	45,221	46,571
	Average Years of Service					
<b>70-74</b>	<b>Total Number</b> 87	<b>3</b>	<b>3</b>	<b>6</b>	<b>10</b>	<b>30</b>
	Average Salary 4,052	39,172	21,199	30,023	42,812	47,905
	Average Years of Service					
<b>&gt; 74</b>	<b>Total Number</b> 25	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>
	Average Salary 2,807	38,107	39,904	37,075	41,214	37,979
	Average Years of Service					
	<b>Total Number</b> 21,060	<b>26,962</b>	<b>15,820</b>	<b>15,914</b>	<b>17,454</b>	<b>16,422</b>
	Average Salary 3,125	25,881	32,141	37,016	41,984	46,051

26-30	31-35	36-40	41-45	46-50	51-55	Totals	Average Service
						<b>1,468</b> 21,204	1.18
						<b>9,112</b> 24,682	2.944
						<b>9,136</b> 28,538	5.915
						<b>12,606</b> 32,284	9.596
						<b>22,731</b> 36,291	12.83
<b>943</b> 47,788						<b>22,395</b> 41,080	16.615
<b>4,779</b> 48,899	<b>596</b> 50,261					<b>14,897</b> 43,823	20.409
<b>1,738</b> 48,452	<b>2347</b> 52,657	<b>109</b> 55,975				<b>8,488</b> 46,039	24.061
<b>645</b> 46,320	<b>666</b> 52,136	<b>297</b> 55,906	<b>12</b> 50,228			<b>3,430</b> 45,907	24.813
<b>178</b> 46,908	<b>110</b> 48,877	<b>67</b> 52,692	<b>27</b> 61,188	<b>2</b> 40,042		<b>769</b> 46,403	25.632
<b>22</b> 50,043	<b>20</b> 50,266	<b>9</b> 36,163	<b>8</b> 52,248	<b>6</b> 44,832	<b>1</b> 48,169	<b>118</b> 45,707	28.213
<b>1</b> 37,781						<b>10</b> 38,631	28.597
<b>8,307</b> 48,438	<b>3,742</b> 52,047	<b>483</b> 55,070	<b>47</b> 56,868	<b>8</b> 43,635	<b>1</b> 48,169	<b>105,160</b> \$ 37,193	<b>14.112</b>

## Retired Members by Years of Service and Years in Retirement

⊖ YEARS RETIRED		⊕ YEARS OF SERVICE					
		1-5	6-10	11-15	16-20	21-25	26-30
<b>1-5</b>	<b>Total Number</b>	<b>446</b>	<b>518</b>	<b>606</b>	<b>849</b>	<b>1,606</b>	<b>1,732</b>
	Average Benefit	162	409	597	939	1,307	1,736
	Average Original Benefit	154	390	563	888	1,252	1,678
<b>6-10</b>	<b>Total Number</b>	<b>412</b>	<b>555</b>	<b>687</b>	<b>1,211</b>	<b>1,700</b>	<b>1,841</b>
	Average Benefit	130	288	537	876	1,157	1,569
	Average Original Benefit	101	219	434	722	965	1,313
<b>11-15</b>	<b>Total Number</b>	<b>256</b>	<b>315</b>	<b>652</b>	<b>1,163</b>	<b>1,431</b>	<b>1,417</b>
	Average Benefit	115	262	440	701	916	1,248
	Average Original Benefit	77	170	304	503	663	907
<b>16-20</b>	<b>Total Number</b>	<b>208</b>	<b>307</b>	<b>571</b>	<b>948</b>	<b>1,225</b>	<b>1,144</b>
	Average Benefit	75	223	368	563	725	972
	Average Original Benefit	41	122	213	343	449	610
<b>21-25</b>	<b>Total Number</b>	<b>94</b>	<b>146</b>	<b>314</b>	<b>679</b>	<b>852</b>	<b>861</b>
	Average Benefit	42	183	308	445	585	743
	Average Original Benefit	9	76	134	216	304	397
<b>26-30</b>	<b>Total Number</b>	<b>21</b>	<b>29</b>	<b>92</b>	<b>232</b>	<b>355</b>	<b>306</b>
	Average Benefit	44	162	274	386	489	610
	Average Original Benefit	3	34	63	121	189	250
<b>31-35</b>	<b>Total Number</b>	<b>8</b>	<b>4</b>	<b>13</b>	<b>85</b>	<b>204</b>	<b>154</b>
	Average Benefit	67	157	297	399	477	577
	Average Original Benefit	5	14	43	105	128	178
<b>36-40</b>	<b>Total Number</b>		<b>1</b>	<b>3</b>	<b>21</b>	<b>45</b>	<b>67</b>
	Average Benefit		200	282	388	490	571
	Average Original Benefit		38	38	65	95	109
<b>41-45</b>	<b>Total Number</b>				<b>6</b>	<b>20</b>	<b>21</b>
	Average Benefit				419	486	575
	Average Original Benefit				42	45	67
<b>46-50</b>	<b>Total Number</b>				<b>4</b>	<b>7</b>	<b>6</b>
	Average Benefit				365	512	579
	Average Original Benefit				16	64	75
<b>Total Number</b>		<b>1,445</b>	<b>1,875</b>	<b>2,938</b>	<b>5,198</b>	<b>7,445</b>	<b>7,549</b>
Average Benefit		122	296	461	701	950	1,291
Average Original Benefit		97	228	343	524	740	1,028

<b>31-35</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>&gt;50</b>	<b>Totals</b>	<b>Average Age</b>
<b>2,548</b>	<b>1,815</b>	<b>112</b>	<b>24</b>	<b>4</b>	<b>10,260</b>	
2,385	2,878	3,155	2,550	1,966	1,781	62
2,331	2,776	3,003	2,406	1,858	1,721	
<b>2,256</b>	<b>1,291</b>	<b>108</b>	<b>31</b>	<b>5</b>	<b>10,097</b>	
2,152	2,663	2,279	2,473	1,793	1,498	67
1,803	2,206	1,875	2,021	1,449	1,246	
<b>1,470</b>	<b>647</b>	<b>144</b>	<b>27</b>	<b>2</b>	<b>7,524</b>	
1,709	1,906	1,864	1,837	1,369	1,111	72
1,250	1,388	1,344	1,339	1,030	805	
<b>1,096</b>	<b>897</b>	<b>295</b>	<b>56</b>	<b>2</b>	<b>6,749</b>	
1,283	1,568	1,546	1,461	1,569	916	78
810	983	952	890	946	570	
<b>807</b>	<b>962</b>	<b>602</b>	<b>116</b>	<b>6</b>	<b>5,439</b>	
987	1,204	1,199	1,130	997	806	84
550	676	659	605	538	432	
<b>310</b>	<b>360</b>	<b>225</b>	<b>42</b>		<b>1,972</b>	
712	838	929	931		634	88
314	388	439	433		270	
<b>174</b>	<b>132</b>	<b>64</b>	<b>9</b>		<b>847</b>	
649	744	798	835		584	90
228	305	334	346		198	
<b>38</b>	<b>32</b>	<b>8</b>	<b>2</b>		<b>217</b>	
635	655	699	698		560	94
179	203	232	245		132	
<b>13</b>	<b>8</b>	<b>2</b>			<b>70</b>	
637	653	677			559	96
130	135	154			81	
<b>3</b>					<b>20</b>	
639					522	98
83					60	
<b>8,715</b>	<b>6,144</b>	<b>1,560</b>	<b>307</b>	<b>19</b>	<b>43,195</b>	
2,097	1,838	1,483	1,461	1,510	\$ 1,256	72
1,709	1,528	983	972	1,150	\$ 1,001	

## Schedule of Participating Employers

As of June 30, 1993

5 CTY REG VOC SYS	BRADFORD CUS	COMM CONS SCH DIST 54
ABINGDON CUS	BRADLEY BOURBONNAIS	COMM UNIT SCH
ADAMS-PIKE ESR	BRADLEY SCH	COMM UNIT SCH DIST 6
ADDISON SCH DIST 4	BREESE SCH	COMM UNIT SCH
ADLAI E STEVENSON HS	BREMEN COMM HS	COMM UNIT SD 201
ADOLPH MEYER ZONE CTR	BRIMFIELD SCH	CONGERVIL EUREKA SCH
AERO	BROOKWOOD SCH	CONS H S DIST 230
AKIN COMM CONS	BROWN C C UNIT SCH	COOP FOR EMPL ED
ALBERS SCH	BROWNSTOWN SCH	CORNELL SCH
ALDEN HEBRON SCH	BRUSSELS CUS	CORRECTIONS SCH DIST 428
ALEDO CUSD 201	BRYCE ASH SCH	COULTERVILLE SCH
ALEXIS SCH	BUNCOMBE SCH	COUNTRY CLUB HILLS SCH
ALLEN TWP SCH	BUNKER HILL CUS	COUNTRY SUP ESR
ALLEDALE SCH	BURBANK SCH DIST 111	COWDEN HERRICK HS
ALTAMONT SCH	BUREAU CTY EDUC SERV REGION	COWDEN-HERRICK SCHS
ALTERNATIVE SCH	BUREAU OF AGENCY SUPPORT SERV	CRAB ORCHARD SCH
ALTON MH CTR	BURNHAM SCH	CRESCENT CITY SCH
ALTON SCH	BUSHNELL PRAIRIE SCH	CRESCENT IROQUOIS CO
ALWOOD CUS	BUTLER SCH	CRESTON SCH
AMBOY SCH	BYRON CUSD 226	CRETE MONEE SCH
ANN M KILEY DEV CTR	CAHOKIA UNIT SCH	CREVE COEUR PUB SCHS
ANNA C C SCH	CAIRO SCH	CRYSTAL LAKE COMM H S
ANNA JONESBORO COMM	CALHOUN GREENE JERSEY ESR	CRYSTAL LAKE SCH
ANNAWAN SCH	CALHOUN SCH	CYPRESS SCH
ANTIOCH C C SCH DIST 34	CALUMET SCH	DAKOTA SCH
ANTIOCH COMM HS	CAMBRIDGE SCH	DALLAS CITY CU
APTAKISIC TRIPP SCH	CANTON UNION SCH	DALZELL SCH
ARBOR PARK SCH	CAPITAL AREA VOC CTR	DAMIANSVILLE SCH
ARCOLA SCH	CARBONDALE COMM H S	DANVILLE C C SCH
AREA SERVICE PROJECT	CARBONDALE ELEM SCH	DARIEN PUB SCHS
ARGENTA SCH	CAREER DEV SYS	DAVEA
ARGO COMM HS	CAREER PREPARATION NETWORK	DECATUR SCH
ARGO SUMMIT SCH	CARLINVILLE SCH	DEER CREEK - MACKINAW
ARLINGTON HTS SCHS	CARMY WHITE CTY	DEER PARK SCH
ARMSTRONG SCH	CARRIER MILLS SCH	DEERFIELD SCH
ARMSTRONG TWP HS	CARROLLTON SCH	DEKALB CTY SPE ED
ARTHUR SCH	CARTERVILLE C UNIT SCH	DEKALB SCH
ARTMP	CARTHAGE CUD 338	DELABAR VOC ED REG
ASHLAND-CHANDLERVILLE	CARY SCH	DELAND WELDON SCH
ASHLEY SCH	CASEY WESTFIELD CUS	DELANAVN SCH
ASHTON C UNIT SCH	CASS SCH	DEPT OF REHAB- 41-201
ASSISTANT CTY SUP	CATLIN CUS	DEPT OF REHAB- 41-202
ASSISTANT SUP ESR	CENTER CASS SCH DIST 66	DEPT OF REHAB-CHILD HOSP
ASSISTANT SUP ESR	CENTRAL A&M CUSD 21	DEPT OF REHAB-VISUALLY
ASTORIA SCH	CENTRAL CITY SCH	IMPAIRED
ATHENS SCH	CENTRAL COMM HS	DEPT OF REHAB-SCH FOR DEAF
ATWOOD HAMMOND SCH	CENTRAL CU 4	DEPT OF REHAB
ATWOOD HEIGHTS SCH	CENTRAL CUS	DEPUUE SCH
AUBURN SCH	CENTRAL IL ED SER CTR 14	DESOTO GRADE SCH
AUDIO VISUAL INST	CENTRAL IL VOC ED COOP	DESPLAINES SCH
AURORA SCH	CENTRAL SCH	DIAMOND LAKE SCH
AURORA WEST SCH	CENTRAL SCH	DIETERICH SCH
AVISTON SCH	CENTRALIA SCH	DIMMICK CONS SCH
AVOCA SCH	CENTRALIA TWP HS	DIST 50 SCHS
AVON SCH	CENTURY UNIT SCH	DIVERNON SCH
BALL CHATHAM SCH	CERRO GORDO SCH	DIXON PUB SCHS
BANNOCKBURN SCH	CHAMPAIGN SCH	DODDS SCH
BARRINGTON SCH	CHAMPAIGN/FORD VOC SYS	DOLTON SCH
BARRY SCH	CHANEY MONGE SCH SYS	DOLTON SCH
BARTELSON SCH	CHANNAHON SCH	DONGOLA SCH
BARTONVILLE PUB SCH	CHARLESTON SCH	DONOVAN SCH
BASED	CHENOA SCH	DOWNERS GROVE COMM HS
BATAVIA SCH	CHESSER SCH	DOWNERS GROVE SCH
BEACH PARK SCH	CHESTER CUS	DRUG FREE SCH & TRUANCY
BEARDSTOWN SCH	CHESTER EAST LINCOLN	PROGRAM
BEASON SCH	CHESTER MH CTR	DUNFERMLINE SCH
BECK AREA VOC CTR	CHICAGO HTS SCH	DUNLAP CUS
BEECHER CITY SCH	CHICAGO READ MH CTR	DUPAGE HS
BEECHER SCH	CHICAGO RIDGE SCH	DUPAGE WEST COOK REG ED
BELLE VALLEY SCH	CHOATE MH CENTER	DUPO SCH
BELLEVILLE SCH	CHRISTIAN-MONT ED FOR EMPL	DUQUOIN CU
BELLEVILLE SCH	CHRISTOPHER COMM HS	DURAND SCH
BELLEVILLE TWP HS J	CHRISTOPHER SCH	DWIGHT COMM SCH MULT
BELVIDERE SCH	CICERO SCH	HANDICAP
BEMENT SCH	CISSNA PARK SCH	DWIGHT GRADE SCH
BENJAMIN SCH	CLAY CITY CU DIST 10	DWIGHT TWP HS
BENSENVILLE SCH	CLIFF BARSTOW SCH	E ALTON WOOD RIVER HS
BENTON CONS HS	CLINTON SCH	E CENTRAL IL ESC
BENTON SCH	COAL CITY SCH	E ST LOUIS SCH
BERKELEY SCH	COBDEN SCH	EARLVILLE SCH
BERWYN N SCH	COLCHESTER SCH	EAST ALTON SCH
BETHALTO SCH	COLLINSVILLE SCH	EAST CHICAGO HTS SCH
BETHANY SCH	COLONA SCH	EAST COLOMA SCH
BETHEL SCH	COLUMBIA UNIT SCH	EAST DUBUQUE SCH
BI CTY SP ED COOP	COMM CONS SCH	EAST MAINE SCH
BIG HOLLOW SCH	COMM UNIT DIST 5	EAST MOLINE SCH
BISMARCK SCH	COMM UNIT SCH	EAST PEORIA COMM HS
BLACKHAWK AREA SP ED	COMM CONS SCH DIST 180	EAST PEORIA SCH
BLOOM TWP HS	COMM CONS SCH DIST 93	EAST PRAIRIE SCH
BLOOMINGDALE SCH	COMM HS DIST 218	EAST RICHLAND CUS
BLOOMINGTON SCH	COMM UNIT DIST	EASTLAND CU DIST
BLUE ISLAND SCH	COMM UNIT DIST 399	EDGAR CITY CU DIST 6
BLUE MOUND CUS	COMM UNIT SCH 3	EDINBURG CU 4
BLUE RIDGE SCH	COMM UNIT SCH DIST 200	EDMUND F LINDOP SCH
BLUFFS COMM SCH	COMM UNIT SCH DIST 300	ED FOR EMPL
BLUFORD GRADE SCH	COMM UNIT SCH DIST 11	ED FOR EMPL
BOND CTY CUS	COMM UNIT SCH DIST 4	ED GRANTS
BOURBONNAIS SCH	COMM CONS SCH	EDL DEV CTR
BRACEVILLE SCH	COMM CONS SCH DIST 15	ESC 12

Original from

UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

ESC 11  
 ESC 17  
 ESC 4  
 EDL SERVICE REGION  
 EDL THERAPY CTR  
 EDWARDS CTY CUS  
 EDWARDSVILLE SCH  
 EFFINGHAM SCH  
 EGYPTIAN CU SC  
 EGYPTIAN ESC 18  
 EISENHOWER COOP  
 EL PASO SCH  
 ELDORADO CU  
 ELEM SCH DIST 159  
 ELGIN MH CTR  
 ELGIN SCH  
 ELISABETH LUDEMAN CTR  
 ELK GROVE SCH  
 ELMHURST CUSD  
 ELMWOOD CUS  
 ELMWOOD PARK COMM SCHS  
 ELVERADO CUS  
 ELWOOD SCH  
 EMMONS SCH  
 ERIE COMM SCH UNIT  
 ESL REG VOC SYS  
 ESWOOD COMM CONS  
 EVANSTON TWP HS  
 EVANSTON/SKOKIE SCH DIST  
 EVERGREEN PARK COMM  
 EVERGREEN PARK SCH  
 EWING NORTHERN SCH  
 FAIRFIELD COMM HS  
 FAIRFIELD SCH  
 FAIRMONT SCH  
 FAIRVIEW SCH  
 FARMINGTON CENTRAL UNIT SCH  
 FARRINGTON SCH  
 FED ADULT ED PROJECT  
 FENTON HS  
 FIELD SCH  
 FIELDCREST CUSD 6  
 FINDLAY SCH  
 FISHER CUSD 1  
 FLANAGAN SCH  
 FLORA CUS  
 FLOSSMOOR SCH  
 FORD IROQUOIS CTY SP ED  
 FOREST PARK SCH  
 FOREST RIDGE SCH  
 FOUR RIVERS SP ED  
 FOX DEV CTR  
 FOX LAKE SCH  
 FOX RIVER GROVE SCH  
 FRANKFORT COMM UNIT  
 FRANKFORT SCH  
 FRANKLIN JEFFERSON CTY SP ED  
 FRANKLIN PARK SCH  
 FRANKLIN SCH  
 FREEBURG COMM HS  
 FREEBURG SCH  
 FREEPORT SCH  
 FREMONT SCH  
 FULTON CTY CUBA SCH  
 GALATIA CUS  
 GALENA UNIT DIST  
 GALESBURG CUS  
 GALLATIN CTY USD  
 CALVA SCH  
 GARDNER S WILMINGTON  
 GARDNER SCH  
 GAVIN SCH  
 GEFF SCH  
 GENERAL OFFICE  
 GENESEO SCH  
 GENEVA SCH  
 GENOA KINGSTON SCH  
 GEO ZELLER ZONE CTR  
 GEORGETOWN-RIDGE FARM CU 4  
 GERMANTOWN HILLS SCH  
 GERMANTOWN SCH  
 GIANT CITY SCH  
 GIFFORD SCH  
 GIFTED PROGRAM  
 GILLESPIE SCH  
 GIRARD SCH  
 GLEN ELLYN SCH  
 GLENBARD TWP HS  
 GLENCOE SCH  
 GLENVIEW SCH  
 GOREVILLE CU 1  
 GOV PURCHASED CARE REVIEW  
 GOWER SCH  
 GRAND PRAIRIE SCH  
 GRAND RIDGE SCH  
 GRANITE CITY SCH  
 GRANT COMM HS  
 GRANT PARK SCH  
 GRANTS

GRASS LAKE SCH  
 GRAYMONT C CONS SCH  
 GRAYSLAKE COMM HS  
 GRAYSLAKE SCH  
 GRAYVILLE SCH  
 GREENFIELD SCH  
 GREENVIEW SCH  
 GRIDLEY SCH  
 GRIGGSVILLE SCH  
 GRUNDY AREA VOC CTR  
 GURNEE SCHS  
 HALL TWP HS  
 HAMILTON CTY C U  
 HAMILTON JEFFERSON COOP  
 HAMILTON SCH  
 HAMPTON SCH  
 HARDIN CTY CU  
 HARLEM SCH  
 HARMONY EMGE SCH  
 HARRISBURG CU  
 HARRISON SCH  
 HARTSBURG EMDEN SCH  
 HARVARD SCH  
 HARVEY PUB SCH  
 HAVANA SCH  
 HAWTHORN SCH DIST 73  
 HAZEL CREST SCH  
 HENRY-SENACHWINE CUD 5  
 HERITAGE DIST 8  
 HERRIN CUS  
 HERSCHER SCH  
 HEYWORTH SCH  
 HIAWATHA SCH  
 HIGH MOUNT SCH  
 HIGHLAND PARK TWP HS  
 HIGHLAND SCH  
 HIGHLANDS SCH  
 HILLSBORO SCH  
 HILLSIDE SCH  
 HINCKLEY BIG ROCK  
 HINSDALE SCH  
 HINSDALE TWP HS  
 HOLLIS CONS SCH  
 HOMER COMM CONS SCH  
 HOMEWOOD FLOSSMOOR C  
 HOMEWOOD SCH  
 HONONEGAH COMM HS  
 HOOVER SCH RUM SCH  
 HOYLETON CONS SD 29  
 HUNTLEY SCH  
 HUTSONVILLE SCH  
 IL ED ASS  
 IL FED OF TEACHERS  
 IL STATE PSYCH INST  
 IL STATE BOARD OF ED  
 IL STATEWIDE FACILITATOR CTR  
 IL VALLEY CENTRAL UNIT SCH  
 IL VALLEY ESC 9  
 ILLINI BLUFFS UNIT  
 ILLINI CENTRAL CUSD 189  
 IL ASS OF SCH BOARDS  
 ILLIOPOLIS SCH  
 INA SCH  
 INDIAN PRAIRIE C M SCH  
 INDIAN VALLEY VOC CTR  
 INDUSTRY SCH  
 IROQUOIS CTY CUS  
 IROQUOIS CTY GIFTED PROG  
 IROQUOIS WEST SCH  
 IRVINGTON CONS SCH  
 ITASCA SCH  
 IUKA COMM CONS SCH 7  
 JACKSON PERRY EDL SERV  
 JACKSONVILLE MH DEV CTR  
 JACKSONVILLE SCH  
 JAMAICA COMM U  
 JAMP SPECIAL EDL SERV  
 JASPER CU  
 JASPER SCH  
 JERSEYVILLE SCH  
 JODAVIESS CARROLL AVC  
 JOHN WILSON, REG SUP  
 JOHNSBURG SCH  
 JOHNSTON CITY CUSD 1  
 JOLIET SCH  
 JOLIET TWP HS  
 JONESBORO SCH  
 JOPPA MAPLE GROVE UNIT  
 KANELAND CUSD 302  
 KANKAKEE AREA CAREER CTR  
 KANKAKEE AREA SPEC COOP 850  
 KANKAKEE SCH  
 KANSAS SCH  
 KASBEER SCH  
 KASKASKIA SP ED 801  
 KEENEYVILLE SCH  
 KELL SCH  
 KENDALL CTY SP ED COOP  
 KENILWORTH SCH

KEWANEE SCH  
 KILDEER COUNTRYSIDE CCSD 96  
 KINGS CONS SCH  
 KINNICKINICK SCH  
 KIRBY SCH  
 KNOXVILLE SCH  
 KOMAREK SCH  
 L E A S E  
 LADD SCH  
 LAGRANGE AREA DEPT SP ED  
 LAGRANGE SCH  
 LAGRANGE SOUTH SCH  
 LAHARPE CUS  
 LAKE BLUFF SCH DIST 65  
 LAKE CTY AREA VOC CTR  
 LAKE CTY EDL SERVICE REGION  
 LAKE FOREST COM HS  
 LAKE FOREST SCH  
 LAKE PARK COMM HS  
 LAKE VILLA C C SCH  
 LAKE ZURICH SCH  
 LAMOILLE C UNIT S  
 LANSING SCH  
 LARAWAY SCH  
 LASALLE PERU TWP HS  
 LASALLE SCH  
 LAWRENCEVILLE CU  
 LEBANON CUS  
 LEE CTR C UNIT SCH  
 LEEPERTOWN ELEM SCH  
 LELAND SCH  
 LEMONT SCH  
 LEMONT TWP HS  
 LENA WINSLOW SCH  
 LEROY CU SCHS  
 LEWISTOWN COMM HS  
 LEWISTOWN SCH  
 LEXINGTON SCH  
 LEYDEN COMM HS  
 LIBERTY SCH  
 LIBERTYVILLE PUB SCHS  
 LIBERTYVILLE HS  
 LICK CREEK SCH  
 LIMESTONE COMM HS  
 LIMESTONE WALTERS SCH  
 LINCOLN COMM HS  
 LINCOLN DEV CTR  
 LINCOLN ELEM SCH  
 LINCOLN SCH  
 LINCOLN WAY COMM HS  
 LINCOLN-WAY AREA SP ED  
 LINCOLNSHIRE PRAIRIE VIEW SCH  
 LINCOLNWOOD SCH  
 LISBON GRADE SCH  
 LISLE PUB SCHS  
 LITCHFIELD SCH  
 LIVINGSTON SCH  
 LOCKPORT AREA SP EDL COOP  
 LOCKPORT SCH DIST 91  
 LOCKPORT TWP HS  
 LOGAN CONS SCH  
 LOGAN-MASON-MENARD PUB SCH  
 LOMBARD SCH  
 LOSTANT CUSD 425  
 LOVEJOY SCH  
 LOVINGTON SCH  
 LOW POINT WASHBURN 21  
 LUDLOW SCH  
 LYONS HS  
 LYONS SCH  
 MABLEY DEV CTR  
 MACOMB SCH  
 MACON SCH  
 MADDEN MH CTR  
 MADISON SCH  
 MAERCKER SCH  
 MAHOMET SCH  
 MALDEN SCH  
 MALTA CU  
 MANHATTAN SCH DIST 114  
 MANLIUS SCH  
 MANNHEIM SCH  
 MANTENO CU DIST 5  
 MARENGO COMM HS  
 MARENGO-UNION ELEM CONS  
 MARION SCH  
 MARISSA C U  
 MAROA FORSYTH COMM HS  
 MARQUARDT SCH  
 MARSEILLES SCH  
 MARSHALL SCH  
 MARTINSVILLE SCH  
 MASCOUATAH CU  
 MASSAC CTY UNIT SCH  
 MATTESON SCH  
 MAYWOOD SCH  
 MAZON-VERONA-KINSMAN CU  
 MCCLELLAN SCH  
 MCFARLAND ZONE CTR

MCHENRY ELEM SCH DIST 15  
 MCHENRY HS  
 MCKINLEY SCH  
 MCLEAN CTY UNIT DIST  
 MEDINAH ELEM SCH  
 MENDOTA GRADE SCH  
 MENDOTA TWP HS  
 MEREDOSIA SCH  
 MERIDIAN CU  
 MERIDIAN C UNIT SCH  
 MERRIAM COMM CONS  
 METAMORA SCH  
 METAMORA TWP HS  
 MID CTY SCH  
 MID IL ESC 15  
 MIDLOTHIAN SCH  
 MIDWEST CENTRAL DIST 191  
 MILFORD SCH  
 MILFORD TWP HS  
 MILLBURN SCH  
 MILLER SCH  
 MILLSTADT SCH  
 MINOOKA COMM HS  
 MINOOKA SCH  
 MOKENA SCH  
 MOLINE SCH  
 MOMENCE SCH  
 MONMOUTH PUB SCHS  
 MONROE SCH  
 MONTICELLO CUS  
 MONTMORENCY SCH  
 MORRIS COMM HS  
 MORRIS SCH  
 MORRISONVILLE SCH  
 MORTON GROVE SCH  
 MORTON GROVE SCH  
 MORTON TWP SCH  
 MORTON UNIT SCH  
 MT CARROLL CUSD  
 MT MORRIS CUS  
 MT OLIVE SCH  
 MT PROSPECT SCH  
 MT PULASKI CU  
 MT VERNON SCH  
 MT VERNON TWP HS  
 MT ZION SCH  
 MULBERRY GROVE SCH  
 MUNDELEIN CONS HS  
 MUNDELEIN SCH DIST 75  
 MURPHYSBORO SCH  
 N BOONE CUS  
 N CLAY CU  
 N WAYNE CUS  
 NAPERVILLE COMM SCH  
 NASHVILLE COMM HS  
 NASHVILLE SCH DIST 49  
 NAUVOO SCH  
 NELSON SCH  
 NEOGA CU 3 SCH  
 NEPONSET CUS  
 NETTLE CREEK SCH  
 NEW ATHENS SCH  
 NEW BERLIN SCH  
 NEW HOLLAND-MIDDLETOWN 88  
 NEW HOPE CCSD  
 NEW LENOX SCH  
 NEW SIMPSON HILL SCH  
 NEW TRIER TWP HS  
 NEWARK C C GRADE SCH  
 NEWARK COMM HS  
 NEWMAN SCH  
 NIANTIC-HARRISTOWN SCHS  
 NILES SCH  
 NILES TWP HS  
 NOKOMIS SCH  
 NORRIDGE SCH  
 NORRIS CITY-OMAHA-ENFIELD  
 NORTH CENTRAL REG ED LAB  
 NORTH CHICAGO SCH  
 NORTH GREENE DIST 3  
 NORTH PALOS SCH  
 NORTH PEKIN-MARQUETTE HTS  
 NORTH SHORE SCH DIST 112  
 NORTH WAMAC SCH  
 NORTHBROOK SCH  
 NORTHBROOK SCH  
 NORTHFIELD TWP HS  
 NORTHWEST SCH  
 NORTHWEST SP ED DIST  
 NORTHWESTERN IL ASS  
 NORTHWESTERN SCH  
 NORWOOD SCH  
 NSSEO  
 O FALLON TWP HS  
 OAK GROVE SCH  
 OAK GROVE SCH  
 OAK LAWN COMM HS DIST 229  
 OAK LAWN HOMETOWN SCH  
 OAK PARK ELEM SCH

Original from



Schedule of Participating Employers

Continued from page 17

OAK PARK RIVER FOREST HS  
 OAKDALE SCH  
 OAKLAND SCH  
 OAKWOOD CUS  
 OBLONG CUS  
 ODELL SCH  
 ODIN COMM HS  
 ODIN SCH  
 OFALLON SCH  
 OGDEN COMM CONS SCH  
 OGLESBY SCH  
 OHIO COMM CONS  
 OHIO COMM HS  
 OLYMPIA SCH  
 OPDYKE BELLE RIVE GR SCH  
 OPHIR SCH  
 ORANGEVILLE SCH  
 OREGON SCH  
 ORION SCH  
 ORLAND PARK SCH  
 OSWEGO SCH  
 OTTAWA SCH  
 OTTAWA TWP HS  
 OTTER CREEK SCH  
 OWEGO SCH  
 PALATINE TWP HS  
 PALESTINE SCH  
 PALOS HEIGHTS SCH  
 PALOS SCH  
 PANA SCH  
 PANHANDLE CUS  
 PARIS SCH  
 PARIS UNION SCH  
 PARK FOREST SCH  
 PARK RIDGE SCH  
 PASS/ADULT ED  
 PATOKA CUS  
 PATTON SCH DIST 133  
 PAWNEE CUSD 11  
 PAXTON-BUCKLEY-LODA CU  
 PAYSON SCH  
 PEARL CITY SCH  
 PEACATONICA SCH  
 PEKIN COMM HS  
 PEKIN SCH  
 PEMBROKE SCH  
 PENNOYER SCH  
 PEORIA CTY ESR  
 PEORIA HEIGHTS CUS  
 PEORIA SCH  
 PEOTONE SCH  
 PERRY COMM HS  
 PERRY SCHS  
 PERU SCH  
 PHILIP J ROCK SCH & SERV CTR  
 PIKELAND SCH  
 PINCKNEYVILLE SCH  
 PINCKNEYVILLE COMM HS  
 PLAINFIELD SCH  
 PLANO CUS  
 PLEASANT HILL SCH  
 PLEASANT HILL SCH  
 PLEASANT PLAINS SCH  
 PLEASANT VALLEY SCH  
 PLEASANT VIEW SCH  
 PLEASANTDALE SCH  
 POLO CUS  
 PONTIAC ESMEN SCH  
 PONTIAC SCH DIST  
 PONTIAC SCH  
 PONTIAC TWP HS  
 POPE CTY CUS  
 PORTA CU  
 POSEN ROBBINS SCH  
 POTOMAC CU  
 PRAIRIE CENTRAL SCH  
 PRAIRIE DU ROCHER  
 PRAIRIE GROVE SCH  
 PRAIRIE HILL SCH  
 PRAIRIE HILLS ELEM SCH  
 PRAIRIEVIEW CC GR SCH  
 PRICHARD CLARK SCH  
 PRINCETON HS  
 PRINCETON SCH  
 PRINCEVILLE CU  
 PROPHETSTOWN-LYNDON  
 PROSPECT HTS SCH  
 PROVISO TWP HS  
 PUFFER SCH  
 PUTNAM CTY CUS  
 QUEEN BEE SCH  
 QUINCY SCH  
 R O W V A SCH  
 RACCOON SCH  
 RAMSEY CUS  
 RANDOLPH CTY SP ED  
 RANKIN SCH  
 RANTOUL CITY SCH  
 RANTOUL TWP HS  
 REAVIS TWP HS

RED BUD SCH  
 RED HILL CU  
 REED CUSTER CUS  
 REG DEL SYS VOC ED & GIFTED  
 REG SUP OF SCHS  
 REGIONAL FILM LIBRARY  
 REGIONAL SERVICE VARIED PROGRAM  
 REGIONAL SUP  
 REGIONAL SUP OF SCHS  
 REGIONAL SUP SCHS  
 RHODES SCH  
 RICH TWP HS  
 RICHLAND GRADE SCH  
 RICHMOND BURTON HS  
 RICHMOND SCH  
 RIDGELAND SCH  
 RIDGEVIEW CU SCHS  
 RIDGEWOOD COMM HS  
 RILEY SCH  
 RIVER BEND CUS  
 RIVER FOREST SCH  
 RIVER GROVE SCH  
 RIVER RIDGE CUS  
 RIVER TRAILS SCH  
 RIVERDALE SCH  
 RIVERDALE SCH  
 RIVERSIDE BROOKFIELD SCH  
 RIVERSIDE SCH  
 RIVERTON CU  
 RIVERVIEW SCH  
 ROANOKE BENSON SCH  
 ROBEIN SCH  
 ROCHELLE SCH  
 ROCHELLE TWP HS  
 ROCHESTER SCH  
 ROCK FALLS HS  
 ROCK FALLS SCHS  
 ROCK ISLAND SCH  
 ROCKDALE SCH  
 ROCKFORD PUB SCHS  
 ROCKRIDGE CUS  
 ROCKTON SCH  
 ROME SCH  
 RONDOUT SCH  
 ROSELLE SCH  
 ROSEMONT SCH  
 ROSEVILLE SCH  
 ROSSVILLE CU  
 ROUND LAKE CU  
 ROXANA SCH  
 RUTLAND SCH  
 SALEM COMM HS  
 SALEM SCH  
 SALT CREEK SCH  
 SANDOVAL CUD 501  
 SANDRIDGE SCH  
 SANDWICH SCH  
 SANGAMON AREA SP ED  
 SARATOGA SCH  
 SASED  
 SAUK VILLAGE SCH  
 SAUNEMIN ELEM  
 SAVANNA CUSD  
 SAVER  
 SCALES MOUND SCH  
 SCHILLER PK SCH  
 SCHOOL DIST 89  
 SCHOOL DIST 0880  
 SCHOOL DIST 100  
 SCHOOL DIST 109  
 SCHOOL DIST 126  
 SCHOOL DIST NO 30  
 SCHOOL DIST 95  
 SCHOOL DIST 151  
 SCHUYLER CTY CUS  
 SEDCS7 100 0020 61 MARION  
 SEJA 803 PAEC  
 SEJA 804 NSSED  
 SELMAVILLE COMM SCH  
 SENECA GRADE SCH  
 SENECA TWP HS  
 SESSER VALIER CU  
 SHABBONA SCH  
 SHAPIRO DEV CTR  
 SHAWNEE CUS  
 SHELBYVILLE SCH  
 SHELDON COMM DIST 5  
 SHERRARD SCH  
 SHILOH SCH DIST 2  
 SHILOH VILLAGE SCH  
 SHIRLAND SCH  
 SIGNAL HILL  
 SILVIS SCH  
 SINGER MENTAL HEALTH  
 SKOKIE SCH  
 SKOKIE SCH DIST 69  
 SKOKIE SCH DIST 73.5  
 SMITHTON SCH  
 SO WILL CTY COOP FOR SP ED

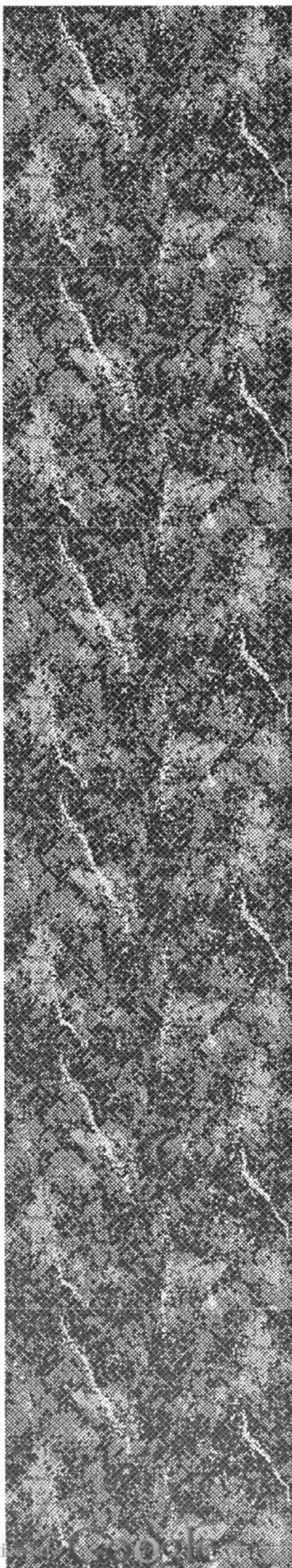
SOMONAUK CUS  
 SOUTH BELOIT PUB SCH  
 SOUTH CENTRAL CU  
 SOUTH COOK ESC 7  
 SOUTH EASTERN SP ED  
 SOUTH FORK SCH  
 SOUTH METROPOLITAN ASS 801  
 SOUTH PEKIN GRADE SCH  
 SOUTH WILMINGTON SCH  
 SOUTHEASTERN CU  
 SOUTHERN CU  
 SOUTHWEST COOK COOP  
 SOUTHWESTERN SCH  
 SPARLAND SCH  
 SPARTA C U  
 SPEC ED COOP  
 SPEC ED SEJA 801  
 SPEC ED TCHR  
 SPEC ED DIST OF LAKE CO  
 SPECIAL ED TEACHER  
 SPECIAL ED DIST - REGION 3  
 SPECIAL PROJECTS  
 SPEED ED COOP  
 SPOON RIVER VALLEY SCH  
 SPRING GRV ELEM SCH  
 SPRING LAKE C C SCH  
 SPRING VALLEY SCH  
 SPRINGFIELD SCHS  
 ST ANNE COMM H S  
 ST ANNE SCH  
 ST DAVID SCH  
 ST ELMO SCH  
 ST GEORGE C C SCH  
 ST JOSEPH OGDEN SCH  
 ST JOSEPH SCH  
 ST LIBORY SCH  
 ST CHARLES SCH  
 ST ROSE SCH  
 STARK CITY CUSD 1000  
 STAUNTON SCH  
 STEELEVILLE SCH  
 STEGER SCH DIST 194  
 STEPHENSON ARE VOC TECH ED SYS  
 STEWARD SCH  
 STEWARDSON STRASBURG  
 STICKNEY CENTRAL SCH  
 STOCKTON SCH  
 STREATOR ELEM SCHS  
 STREATOR TWP HS  
 SULLIVAN SCH  
 SUMMERSVILLE SCH  
 SUNMIT HILL ADM OFF  
 SUNNYBROOK S D 171  
 SUNSET RIDGE SCH  
 SUPT ED SERV REG  
 SUPT ESR  
 SYCAMORE CUS  
 TAFT SCH  
 TAMAROA SCH  
 TAMPICO CU  
 TAOEP  
 TAYLORVILLE SCH  
 TEACHERS RETIREMENT SYS  
 TEUTOPOLIS SCH  
 THOMASBORO SCH  
 THOMPSONVILLE COMM HS  
 THOMPSONVILLE GRADE SCH  
 THOMSON SCH  
 THORNTON FRACTIONAL  
 THORNTON SCH  
 THORNTON TWP HS  
 TINLEY PARK MH CTR  
 TINLEY PARK SCH  
 TISKILWA SCH  
 TMCSEA  
 TOLEDO SCH  
 TOLONO SCH  
 TONICA SCH  
 TOWER HILL COMM HS  
 TOWER HILL SCH  
 TOWNSHIP HS DIST 214  
 TOWNSHIP HS  
 TREES  
 TREMONT SCH  
 TRI CITY SCH  
 TRI CTY ED SERVICE CTR  
 TRI CTY SP ED ASS  
 TRI POINT COMM SCH  
 TRI VALLEY SCH  
 TRI-COUNTY SP ED CO-OP  
 TRIAD COMM SCH  
 TRICO CU  
 TRIPIA C UNIT SCH  
 TROY SCH DIST 30-C  
 TRUANCY ALT PROG RES OFF  
 TRUANT ALT PROGRAM  
 TRUANTS ALT & OPT ED PROGRAM  
 TUSCOLA SCH  
 TWIN RIVERS REG VOC DEL SYS

TWO RIVERS VOC EDUC SYS  
 UNION CUS 115  
 UNION RIDGE SCH  
 UNION SCH  
 UNIT SCH DIST 221  
 UNITED TWP HS  
 UNITY POINT SCH  
 URBANA SCH DIST 116  
 UTICA ELEM SCH  
 V I T SCH  
 VALLEY VIEW SCH  
 VALMEYER SCH  
 VANDALIA COMM SCHS  
 VENICE SCH  
 VERMILION ASSOC SP ED  
 VIENNA SCH  
 VIENNA TWP HS  
 VILLA GROVE SCH  
 VILLA PARK SCH  
 WRDEN SCH  
 VIRGINIA SCH  
 VOC ED PROJECT  
 VOC ED SYS  
 WEST CHICAGO COMM HS  
 WEST NORTHFIELD SCH  
 WEST WASHINGTON CUS  
 WEST LINCOLN-BROADWELL  
 WABASH & OHIO VALLEY SE DIST  
 WABASH CUS  
 WALLACE  
 WALNUT COMM HS  
 WALNUT GRADE SCH  
 WALTHAM SCH  
 WALTONVILLE SCH  
 WAPELLA SCH  
 WARREN G MURRAY DEV CTR  
 WARREN SCH  
 WARREN SCH  
 WARREN TWP HS  
 WARRENSBURG LATHAM  
 WARSAW SCH  
 WASHINGTON COMM HS  
 WASHINGTON GR SCH  
 WATERLOO SCH  
 WATERMAN SCH  
 WAUCONDA CUS  
 WAUKEGAN PUB SCHS  
 WAVERLY CUS  
 WAYNE CITY CU  
 WCICC/TAP/ESC 8  
 WEBBER TWP HS  
 WENTWORTH WILSON SCH  
 WESCLIN SCH  
 WEST CENTRAL IL SP ED COOP  
 WEST CHICAGO SCH  
 WEST HARVEY-DIXMOOR SCHS  
 WEST PIKE SCH  
 WEST RICHLAND CUS  
 WESTCHESTER SCH  
 WESTERN CUS  
 WESTERN SPRGS SCH  
 WESTMER CU  
 WESTVILLE CUS  
 WETHERSFIELD SCH  
 WHEELING SCH  
 WHITESIDE SCH  
 WILCO AREA CAREER CTR  
 WILL CTY SCH DIST  
 WILLIAMSFIELD SCH  
 WILLIAMSON CTY SUP OF SCHS  
 WILLIAMSVILLE SCH  
 WILLOW GROVE SCH  
 WILLOW SPRINGS SCH  
 WILMETTE SCH  
 WILMINGTON CU  
 WINCHESTER CUS  
 WINDSOR SCH  
 WINFIELD SCH  
 WINNEBAGO SCH  
 WINNETKA SCH  
 WINTHROP HARBOR SCH  
 WITT SCH  
 WM HOWE DEV CTR  
 WOOD DALE SCH  
 WOOD RIVER SCH  
 WOODFORD CTY SP ED  
 WOODLAND SCH  
 WOODLAND STREATOR  
 WOODLAWN COMM HS  
 WOODLAWN SCH  
 WOODRIDGE SCH  
 WOODSTOCK CU  
 WORTH SCH  
 WYANET GRADE SCH  
 WYANET HS  
 YORKVILLE CUSD 115  
 YORKWOOD SCH  
 ZEIGLER ROYALTON C U  
 ZION BENTON TWP HS  
 ZION SCH

## Investment Summary



*The Gatehouse, purchased by the System in August of 1991, is a 348-unit garden-style apartment complex located on over 16 acres of ground in Miami Lakes, Florida. (Investment Manager: Capital Associates/Bear Stearns)*



### Introduction

The mission of the Teachers' Retirement System, to provide retirement security for members, is facilitated by management of the trust fund's investment portfolio, which totaled \$11.7 billion at market value on June 30, 1993. The System serves as fiduciary for the members' trust fund and is responsible for investment of the fund under authority of the prudent person rule which establishes a standard that fiduciaries shall prudently discharge their duties solely in the interests of fund participants and beneficiaries. By permitting optimal diversification of assets within the fund, the prudent person standard has enabled the System to enhance control over fund risk and return parameters. The prudent person standard also permits the System to establish an investment policy based solely upon member characteristics, plan characteristics, financial requirements of the trust fund and a particular risk/reward tradeoff.

The System has established a long-range Statement of Investment Objectives and Policies for managing and monitoring 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 the guidelines within 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. The System's staff coordinates and monitors the investments of the trust fund's assets and assists the Board of Trustees in the formulation and implementation of investment policy and long-term investment strategy.

### Asset Class/Manager Composition

Asset allocation is a risk management process designed to construct the optimal long-term asset mix which achieves a specific set of investment objectives. Of all the components of investment policy formulation, asset allocation on a secular basis will have the most impact on long-term total rate of return. Consequently, the establishment of allocations across the major asset classes is the most important decision in the pension investment management process.

Diversification is the key to effective risk management. 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.

Management of asset class allocations and diversification of investment approaches (active core, active specialty, index funds) has enabled the System to more effectively control the fund's risk/reward parameters.

Diversification by asset class, investment approach, and investment manager style provides the System with a greater expected rate of return while minimizing the risk of negative returns from adverse short-term changes in the capital markets.

At June 30, 1993, the System's asset class allocations and diversification by investment approach were:

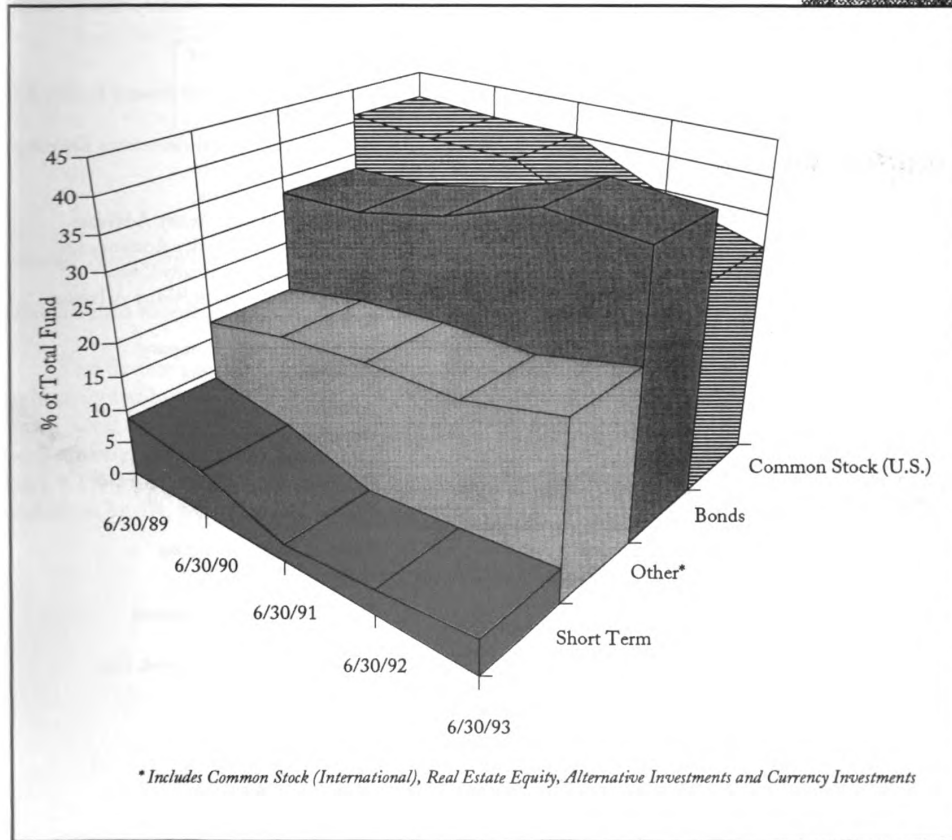
Percent of Total Fund			
Asset Class	Active	Index	Total
Common Stock—U.S.	25.9	4.5	30.4
Bonds	36.1	3.7	39.8
Short-Term Investments	4.0	1.0	5.0
Currency Investments	0.6	0.0	0.6
Common Stock			
—International	8.1	1.0	9.1
Real Estate	13.6	0.0	13.6
Alternative Investments	1.5	0.0	1.5
<b>Total</b>	<b>89.8</b>	<b>10.2</b>	<b>100.0</b>

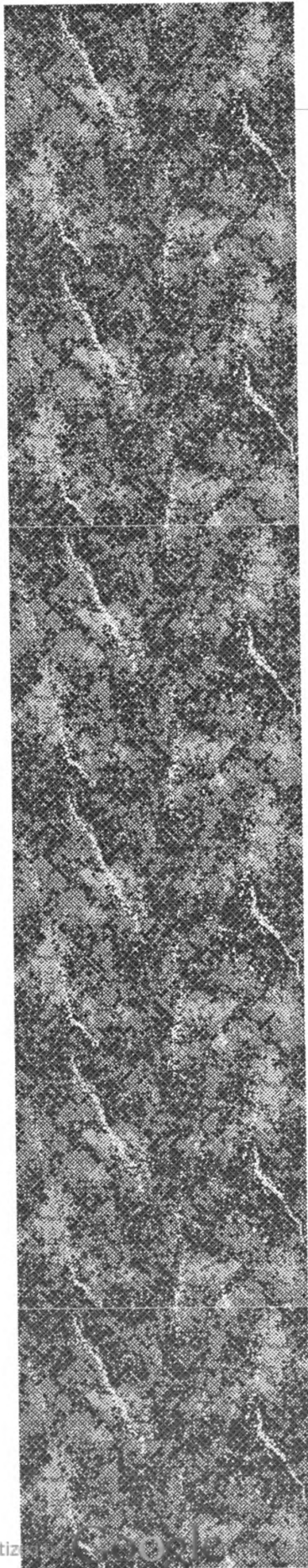
During FY93, the System's U.S. common stock holdings decreased to 30.4% of the total fund, from 34.2% a year earlier. International common stock allocations increased to 9.1% from 7.4% of the total fund, leaving fiscal year-end total common stock holdings at 39.5% of the total fund.

Bonds decreased to 39.8% of the total fund from 40.7% a year earlier. This was largely attributable to the positive returns of the bond managers in a falling interest rate environment, and the reallocation from bonds to real estate.

Real estate equities represented 13.6% of the total fund at fiscal year's end. This compares to 12.0% from the previous fiscal year's end.

The fund's five-year asset class allocation history is represented below.





The System has established relationships with investment management firms which utilize a diversity of management approaches. This policy 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.

The System achieved a higher level of risk management capability during FY93 by continuing implementation of a long-term strategic plan designed to achieve a specific set of investment objectives. A globally diversified, multiple asset class, balanced-fund portfolio was designed in order to construct the optimal long-term asset mix. On June 30, 1993, the following external firms were employed by the System:

**Fixed Income (Bonds)—U.S.**

Abacus Financial Group, Inc.  
Amalgam Trust Bank of Chicago  
American National Bank of Chicago  
Bear Stearns Asset Management  
Pacific Investment Management Company  
Weiss, Peck & Greer Investments

**Fixed Income (Bonds)**

**—International**

Brinson Partners, Inc.  
J. P. Morgan Investment Management, Inc.  
Julius Baer  
Putnam Advisory Company  
Smith Barney

**Equity (Common Stock) - U.S.**

American National Bank of Chicago  
Ariel Capital Management, Inc.  
Ark Asset Management  
Brandywine Asset Management, Inc.  
Brinson Partners, Inc.  
Cedar Hill Associates, Inc.  
Cozad Asset Management  
Eagle Asset Management, Inc.  
Holland Capital Management  
Hotchkis and Wiley  
Keystone Investment Management Corp.  
Lazard Freres Asset Management  
Lincoln Capital Management Company  
Morgan Stanley Asset Management (The Chicago Group)  
MPI Investment Management  
Munder Capital Management, Inc.  
NCM Capital Management Group, Inc.  
Oppenheimer Capital  
Pacific Investment Management Company  
RCM Capital Management  
RXR Capital Management, Inc.  
UBS Asset Management (New York), Inc.

**Equity (Common Stock)**

**—International**

American National Bank of Chicago  
Brandywine International  
Brinson Partners, Inc.  
Clay Finlay, Inc.  
Daiwa International Capital Management Corp.  
Delaware International Advisors, Ltd.  
Hotchkis & Wiley International  
IDS International Corporation  
Murray Johnstone International, Inc.  
PCM International  
Scudder, Stevens & Clark, Inc.  
UBS Phillips & Drew International Investment

**Real Estate Equity**

Alex Brown Kleinwort Benson Realty Advisors Corp.  
Bear Stearns/Capital Associates Development Corp.  
Brinson Partners, Inc.  
Capital Associates Realty Advisors  
Commonwealth Realty Advisors Inc.  
JMB Institutional Realty Corp.  
Jones Lang Wootton Realty Advisors  
K/B Realty Advisor  
Lincoln Property Company  
TCW Realty Advisors

**Alternative Investments**

Cozad Asset Management  
DLJ Merchant Banking, Inc.  
Frontenac Company  
Weiss, Peck & Greer

**Tactical Asset Allocation**

Brinson Partners, Inc.

**Foreign Exchange Exposure Management**

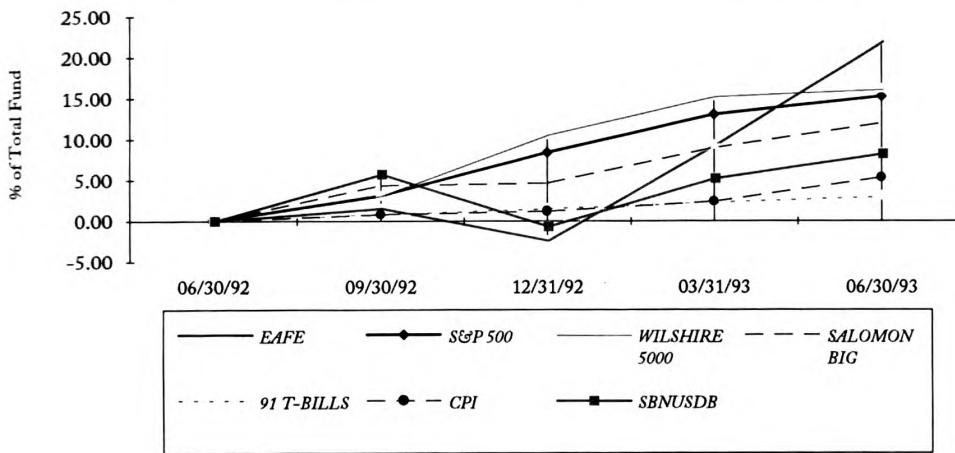
RXR Capital Management, Inc.

## INVESTMENT RESULTS

### Asset Class/Market Indices Returns

During FY93, international common stock, was the best performing asset class as represented by the Europe, Australia and Far East (EAFE) Index which returned 20.5%. U.S. common stock was the next best performing asset class as represented by the the S&P 500 Index and the Wilshire 5000 Index which returned 13.6% and 16.2% respectively. Domestic Bonds returned 12.0% as represented by the Salomon Broad Investment Grade (BIG) Index. Non-U.S. dollar bonds as represented by the Salomon Non-U.S. dollar bond Index, returned 8.0%. Short-term investments, represented by 91-day Treasury Bills, returned 3.2%. All major asset classes and market indices except real estate outperformed the 3.0% annual rate of inflation as represented by the Consumer Price Index (CPI).

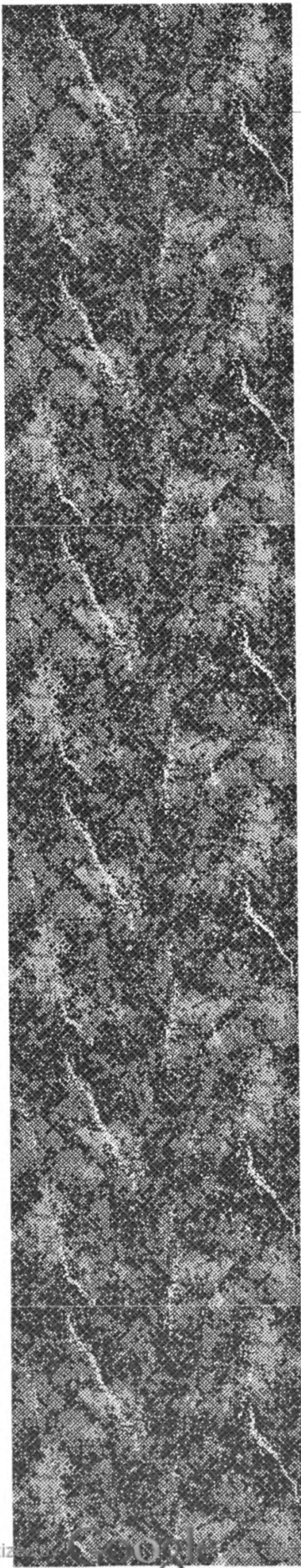
### Asset Class Cumulative Return by Representative Indices



Source: Harris Trust and Savings Bank

### Total Fund Results

The System's total fund time-weighted rate of return for FY93 of 11.6% was primarily attributable to the strength of the bond and stock markets. The System's total fund annualized three-year and five-year returns of 9.4% and 10.6%, respectively, continue to outperform the rate of inflation for these periods, 3.6% and 4.1%, respectively. The System's long-term objective, to exceed the rate of inflation by 3%, has been achieved for the three and five-year periods.



**U.S. Equity Results and Profile**

U.S. equity manager objectives are to achieve a total investment return 6% in excess of the rate of inflation and in excess of the Standard & Poor's (S&P) 500 Stock Index on an annualized basis over a three to five-year period or market cycle. In addition, the Wilshire 5000 Index is informally used as a total equity portfolio benchmark since it is more representative of the aggregate U.S. equity market. The 5000 stocks within the Wilshire 5000 Index, more so than the 500 stocks within the S&P 500 Index, are highly diversified across the various equity market sectors and industries, and have highly diversified financial characteristics and risk factors which ultimately influence the total return.

During FY93, the System's portfolio of U.S. common stocks returned 14.7% compared to the S&P 500 return of 13.6% and the Wilshire 5000 return of 16.2%. For three- and five-years, U.S. common stocks generated annualized returns of 11.8% and 13.5%, respectively, comparable to the S&P 500 returns of 11.5% and 14.2% for the three-year and five-year periods, respectively. The portfolio's U.S. common stocks performed slightly less favorably when compared with the three- and five-year Wilshire 5000 returns of 12.3% and 13.9%, respectively.

At fiscal year end, 39.7% of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 40.7% the prior fiscal year end. Within the U.S. common stock asset class, 5.3% of the asset class was allocated to an S&P 500 Index Fund. The remaining 94.7% of the U.S. common stock asset class was allocated to active and enhanced index fund investment manager relationships. During FY93, the market value of assets assigned to U.S. equity managers increased from \$4.258 billion to \$4.641 billion due to \$609 million of dividend income/appreciation and \$226 million of reallocations from the U.S. equity asset class to other asset classes.

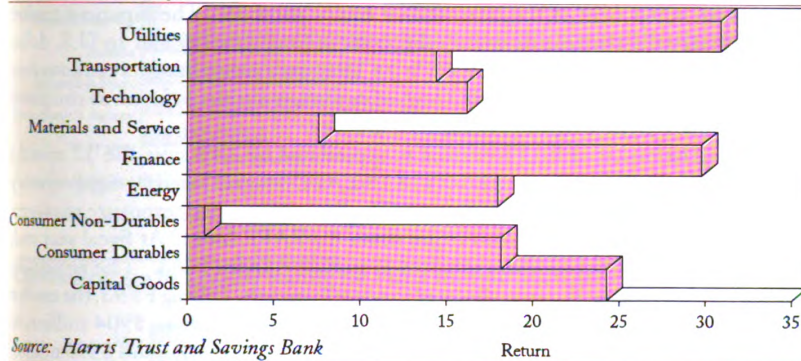
Major sector diversification changes took place during FY93 in the portfolio's U.S. common stocks. The following listing summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices:

**Diversification by Industry Sector (%)**

Sector	June 30, 1993			June 30, 1992		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	30.2	33.5	29.7	37.5	37.6	33.8
Technology	12.7	9.4	10.2	10.0	9.6	9.6
Materials and Service	17.0	9.3	11.3	13.4	10.0	12.0
Utilities	6.5	14.8	14.5	9.7	12.7	13.3
Finance	13.2	11.1	15.7	13.2	9.2	12.9
Energy	9.8	11.4	8.0	6.5	11.1	8.5
Capital Goods	4.2	5.2	5.0	6.0	5.1	4.8
Consumer Durables	4.5	3.3	3.6	3.5	2.8	3.1
Transportation	1.9	2.0	2.0	2.2	2.0	2.0

All S&P 500 industry sectors provided positive rates of return during FY93, with Finance (29.8%), Capital Goods (24.3%), and Utilities (30.9%) the leading industry sector performers.

### S&P 500 Industry Sector Returns



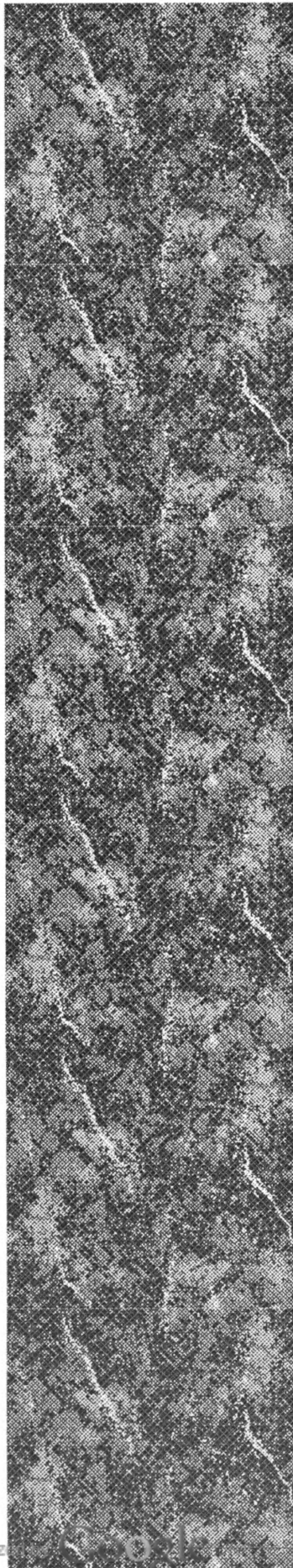
Source: Harris Trust and Savings Bank

U.S. equity managers made stock selection adjustments to their accounts during FY93, as evidenced by the following comparison of equity portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices:

### U.S. Equity Portfolio Profile

Sector	June 30, 1993			June 30, 1992		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	12.4	21.6	15.6	15.4	20.8	14.4
Price/Earnings Ratio	16.7	17.8	17.6	17.3	20.7	24.4
Dividend Yield (%)	2.3	2.8	2.5	2.6	3.0	2.8
Beta	1.0	1.0	1.1	1.0	1.0	1.0
Diversification (R-Squared)	1.0	1.0	1.0	1.0	1.0	1.0
Five-Year Earnings Growth Rate (%)	6.1	3.3	5.7	7.1	8.8	7.0
Market/Book Ratio	3.3	3.2	3.4	3.2	3.5	3.6





### International Equity Results

International equity manager objectives are to achieve a total annual investment return 6% in excess of the rate of inflation and in excess of the EAFE Index over longer time periods. During FY93, the portfolio's international common stocks returned 7.5%, as compared to a return of 20.5% for the 18 country foreign equity market EAFE Index.

The System's wide margin of underperformance against the benchmark EAFE Index is attributable primarily to the systematic underweighting of the Japan component of the international equity portfolio. The Japanese market substantially underperformed EAFE both in local currency and in U.S. dollar terms over the one-year period, while the TRS fund, maintaining its cautious view on Japanese equities, held only 32.6% of its foreign equities in Japan as compared to 48.4% Japan weighting in the EAFE Index.

The basket of EAFE currencies appreciated by 2.4% over the 12 months ended June 1993, which increased a 18.1% EAFE return in local (foreign) currency terms to 20.5% in U.S. dollar terms. The System's currency exposure managers also contributed to the excess return above the EAFE Index. At fiscal year end, 10.5% of the asset class was allocated to an EAFE Index Fund. The remaining 89.5% of the asset class was allocated to active managers. During FY93, the market value of assets assigned to international equity increased from \$904 million to \$1.202 billion due to \$102 million of market value appreciation and \$196 million of reallocations from other asset classes.

### Alternative Investments Results

Alternative investments returned 5.7% during FY93. A representative alternative investments index is not available for relative performance comparison. Over the long term, however, and as a result of its higher risk orientation, alternative investments is expected to provide annualized returns over 10% in excess of returns provided by the S&P 500 and Wilshire 5000 Indices. On June 30, 1993, the System had a market value of \$250 million invested in six venture capital limited partnerships and one farmland partnership.

### 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 the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three to five-year period, or a market cycle. During FY93, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 13.7% total return, compared to the 12.0% return of the Salomon BIG Index.

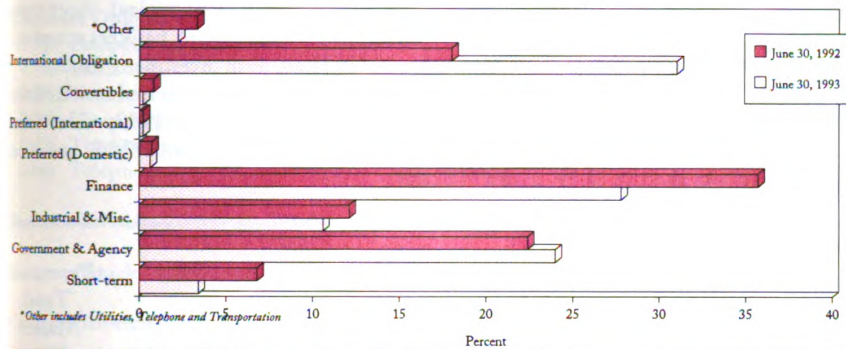
The total funds under management by fixed income managers, including short-term investments, generated a 13.5% total return during FY93. For a three- and five-year period, bonds generated 13.8% and 12.5% annualized returns, respectively, as compared to 12.3% and 11.5%, respectively for the BIG Index. During FY93, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$3.709 billion to \$4.083 billion due to \$493 million in interest income/appreciation and reallocation of \$119 million from the bond asset class to other asset classes.

Fixed income assets invested in the international marketplace comprised \$1.231 billion of the \$4.083 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 14.1% in fiscal 1993, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 8.0%.

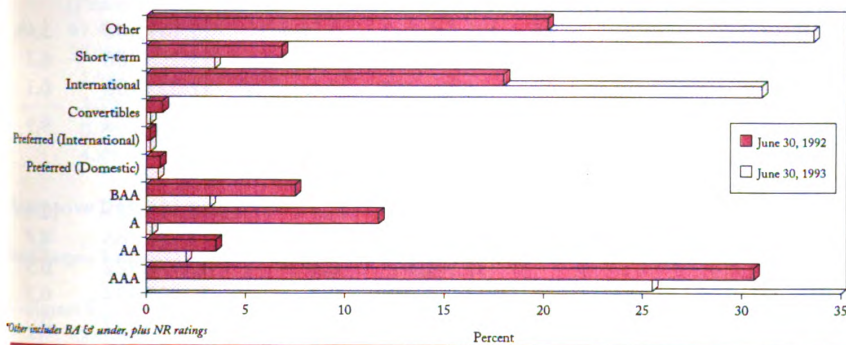
The exhibits on the following page reflect changes made within fixed income manager portfolios during FY93 with regard to diversification by issuer type and quality ratings, as well as the underlying bond portfolio characteristics (excluding short-term investments) primarily affecting total return.

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### Diversification by Issuer Type for Fixed Income Managers



### Diversification by Quality Rating for Fixed Income Manager Portfolios



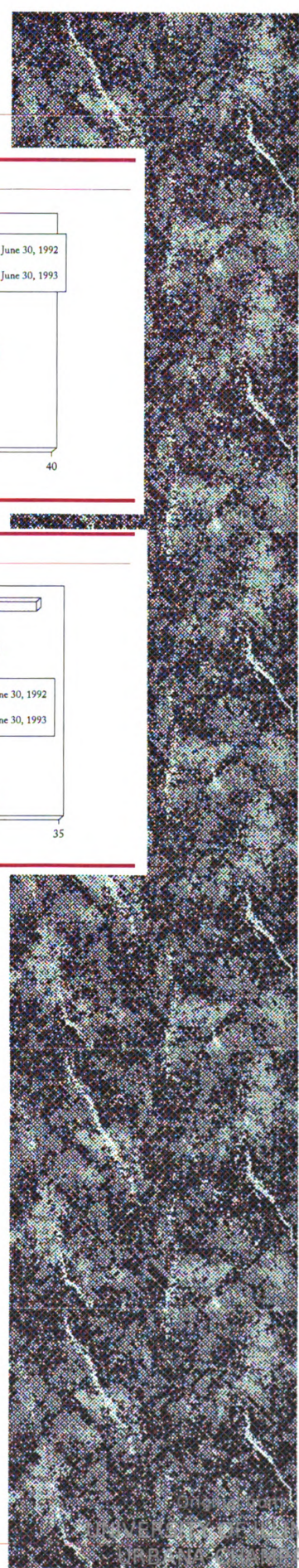
### Bond Portfolio Profile

Characteristic	June 30, 1993		June 30, 1992	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	14.07	14.18	10.93	14.13
Duration (years)	6.88	4.27	6.03	4.16
Coupon (%)	8.54	8.11	8.06	8.65
Yield to Maturity (%)	6.18	7.29	6.60	6.79
Current Yield (%)	7.38	5.72	7.74	8.03

### Real Estate Equity Investment Results

Real estate equity investments made by the System's four closed-end fund managers and five separate account managers returned -0.5% during FY93. The income component of the total return was 5.2%, while capital depreciation accounted for -5.7%.

The closed-end funds' total return of -2.5% underperformed the -0.3% total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 6% in excess of the rate of inflation. During FY93, the market value of assets assigned to the System's real estate investment managers increased from \$1.293 billion to \$1.599 billion. This increase resulted from \$86 million in income/reinvested income, \$324 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$104 million for market value depreciation. The System will continue to progress toward a 15% asset allocation target for the real estate equity asset class over the next one to two years.



### Short-Term Investment Results

The investment management firms use discretion in allocating funds to short-term investments as part of their asset allocation strategies within the respective asset classes. Managers confine portfolio investment 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.

As an asset class, the System's short-term investments generated a total return of 4.3%, during FY93. For the five years ended June 30, 1993, short-term investments returned 5.5%, underperforming the 13.5% return of U.S. common stocks and the 12.5% return of bonds.

### Investment Portfolio Summary

June 30, 1993

	Book Value	Percent of Total Book Value	Market Value	Percent of Total Market Value
<b>BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS</b>				
U.S. Government	\$ 403,642,013	3.7%	\$ 422,109,360	3.6%
Federal Agency	690,292,354	6.2	722,250,486	6.2
Municipal Bonds	11,898,102	0.1	12,023,908	0.1
<b>Total Government Obligations</b>	<b>1,105,832,469</b>	<b>10.0</b>	<b>1,156,383,754</b>	<b>9.9</b>
<b>Corporate Obligations</b>				
Finance	1,318,302,067	11.9	1,340,591,725	11.4
Industrial and Misc	508,069,116	4.6	513,933,566	4.4
Public Utilities	61,546,846	0.6	62,976,922	0.5
Transportation	33,964,916	0.3	35,037,994	0.3
Telephone	4,937,786	0.0	5,334,989	0.0
Convertible Issues	7,975,387	0.1	9,726,825	0.1
<b>Total Corporate Obligation</b>	<b>1,934,796,118</b>	<b>17.5</b>	<b>1,967,602,021</b>	<b>16.8</b>
International	1,419,986,838	12.9	1,498,117,487	12.8
Preferred Stock-U.S.	23,798,542	0.2	29,558,732	0.3
Preferred Stock-International	8,816,440	0.1	8,844,104	0.1
<b>TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS</b>				
	4,493,230,407	40.7	4,660,506,098	39.8
<b>COMMON STOCK - U.S.</b>	<b>2,820,077,357</b>	<b>25.5</b>	<b>3,555,959,573</b>	<b>30.4</b>
<b>COMMON STOCK—International</b>	<b>967,320,192</b>	<b>8.8</b>	<b>1,061,183,352</b>	<b>9.1</b>
<b>SHORT-TERM INVESTMENTS*</b>	<b>568,174,167</b>	<b>5.1</b>	<b>583,525,381</b>	<b>5.0</b>
<b>REAL ESTATE EQUITY</b>	<b>1,944,597,601</b>	<b>17.6</b>	<b>1,594,610,233</b>	<b>13.6</b>
<b>ALTERNATIVE INVESTMENTS</b>	<b>203,164,193</b>	<b>1.8</b>	<b>189,987,734</b>	<b>1.5</b>
<b>CURRENCY INVESTMENT</b>	<b>52,761,112</b>	<b>0.5</b>	<b>68,566,365</b>	<b>0.6</b>
<b>TOTAL PORTFOLIO</b>	<b>\$11,049,325,029</b>	<b>100.0%</b>	<b>\$11,714,338,736</b>	<b>100.0%</b>

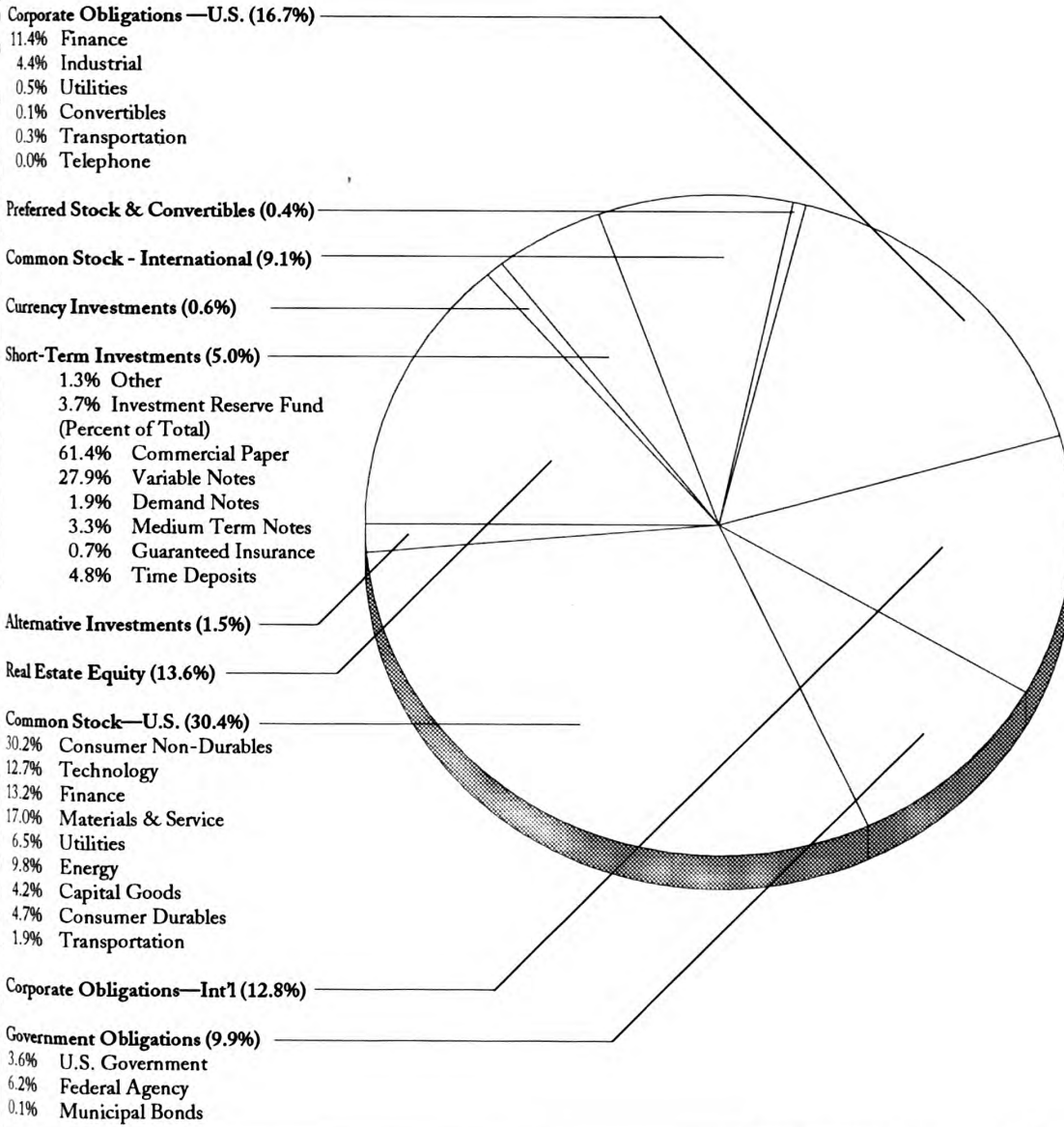
\*Includes accrued interest and dividends totalling \$102,572,092.

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**Composition of Investments at Market Value**

June 30, 1993



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### Summary Statistics

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

Book/Market Value Reconciliation						(In Millions)
	Fiscal Years Ending June 30					Five Years 1989-1993
	1989	1990	1991	1992	1993	
Beginning Book Value	\$ 6,684	\$ 7,272	\$ 8,080	\$ 8,747	\$ 9,812	\$ 6,684
Net Contributions Added	26	(6)	5	(49)	(75)	(99)
Investment Income	428	466	463	493	520	2,370
Net Realized Gain (Loss)	134	348	199	621	623	1,925
Ending Book Value	7,272	8,080	8,747	9,812	10,880	10,880
Unrealized Gain (Loss) - Beginning of Period	371	817	844	706	627	371
Unrealized Gain (Loss) - During Period	446	27	(138)	(79)	38	294
<b>Ending Market Value*</b>	<b>\$ 8,089</b>	<b>\$ 8,924</b>	<b>\$ 9,453</b>	<b>\$10,439</b>	<b>\$11,545*</b>	<b>\$11,545*</b>

\* Includes miscellaneous liabilities of \$169.7 million.

Performance Summary	Annualized Percent for Periods Ending June 30, 1993*						
	1989	1990	1991	1992	1993	Annualized 3 Years 5 Years	
Total Time-Weighted Return							
TRS Managers Combined	14.4	10.4	5.9	10.8	11.6	9.4	10.6
CPI	5.1	4.7	4.6	3.1	3.0	3.6	4.1
Common Stock - US							
TRS	18.3	13.9	7.4	13.5	14.7	11.8	13.5
S&P 500	20.5	16.4	7.4	13.5	13.6	11.5	14.2
Wilshire 5000	19.5	13.3	7.0	13.9	16.2	12.3	13.9
Bonds—US							
TRS-Equity Managers	13.8	7.3	11.5	16.2	13.7	13.8	12.5
SLG/C	12.5	8.0	10.9	14.2	12.0	12.3	11.5
Common Stock-International							
TRS-Equity Managers	12.9	20.9	-8.5	3.2	7.5	0.5	6.7
EAFE Index	9.4	3.2	-11.5	-0.3	20.5	2.1	3.7
Real Estate	8.7	3.7	-2.0	-7.3	-0.5	-3.3	0.4
Alternative Investments	6.9	-0.3	1.2	8.8	5.7	5.2	4.4
Short-Term							
TRS-Managers	9.3	8.5	6.2	3.8	4.3	4.8	6.4
91-Day Treasury Bills	8.8	8.4	6.8	4.6	3.19	4.9	6.3
Asset Allocation (Annual Average)**							
Bonds	32.9	32.0	27.8	25.5	25.1	26.1	28.6
Common Stock—US	40.8	41.8	39.7	41.8	40.4	40.6	40.9
Short-Term	9.0	5.9	5.6	4.7	6.1	5.6	6.4
Other***	17.3	20.3	26.9	28.0	28.3	27.7	24.1

\* Performance calculations provided by Harris Trust and Savings Bank

\*\* Based on total annual average assets held by TRS managers within asset classes.

\*\*\* Includes Real Estate, Common Stock—International, Bonds—International, Alternative Investments and Currency Investments.

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**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>						
United States Of America Treasury Bonds	AAA	11.750%	02-15-2001	\$ 1,000,000	\$ 1,355,000	\$ 1,384,530
	AAA	10.750	05-15-2003	3,175,000	4,195,094	4,342,321
	AAA	8.750	05-15-2017	1,000,000	1,570,074	1,245,000
	AAA	10.750	08-15-2005	1,135,000	1,384,814	1,595,742
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,695,620
	AAA	10.375	11-15-2012	3,250,000	3,623,871	4,495,140
	AAA	12.000	08-15-2013	2,000,000	2,802,500	3,099,060
	AAA	11.250	02-15-2015	2,870,000	3,756,342	4,396,926
	AAA	9.250	02-15-2016	2,200,000	2,506,281	2,864,466
	AAA	7.250	05-15-2016	6,500,000	5,886,633	6,932,640
	AAA	7.500	11-15-2016	6,500,000	6,008,477	7,121,530
	AAA	8.125	08-15-2019	3,400,000	3,497,219	3,983,848
	AAA	8.125	08-15-2021	11,490,000	12,173,075	13,513,274
	AAA	8.000	11-15-2021	5,000,000	5,620,313	5,810,950
United States Of America Treasury Notes	AAA	7.125	02-15-2023	14,000,000	14,580,417	14,809,340
	AAA	6.000	10-31-1993	12,320,000	12,502,332	12,427,800
	AAA	8.875	02-15-1994	11,045,000	11,778,457	11,414,345
	AAA	4.250	07-31-1994	5,000,000	5,027,734	5,032,800
	AAA	4.250	08-31-1994	1,000,000	997,344	1,006,410
	AAA	4.250	10-31-1994	30,000,000	30,206,250	30,192,300
	AAA	6.000	11-15-1994	500,000	514,844	514,765
	AAA	8.250	11-15-1994	17,950,000	19,170,705	19,012,999
	AAA	4.625	12-31-1994	3,400,000	3,446,094	3,440,358
	AAA	8.625	01-15-1995	1,000,000	1,050,938	1,070,310
	AAA	4.250	01-31-1995	800,000	808,125	804,624
	AAA	5.500	02-15-1995	1,275,000	1,311,367	1,306,671
	AAA	3.875	02-28-1995	13,500,000	13,484,488	13,497,840
	AAA	3.875	03-31-1995	12,000,000	12,009,937	11,990,640
	AAA	3.875	04-30-1995	7,490,000	7,469,799	7,478,316
	AAA	5.875	05-15-1995	500,000	521,016	516,720
	AAA	8.500	05-15-1995	8,300,000	8,745,750	8,967,901
	AAA	4.125	05-31-1995	14,000,000	13,983,594	14,032,760
	AAA	4.125	06-30-1995	22,600,000	22,574,160	22,645,878
	AAA	8.625	10-15-1995	1,250,000	1,366,406	1,372,075
	AAA	5.125	11-15-1995	4,100,000	4,171,109	4,185,854
	AAA	7.750	03-31-1996	4,000,000	4,333,125	4,347,480
	AAA	9.375	04-15-1996	8,600,000	9,468,175	9,715,334
	AAA	7.250	08-31-1996	8,750,000	9,404,610	9,450,000
	AAA	7.250	11-15-1996	12,000,000	11,500,391	12,978,720
	AAA	6.500	11-30-1996	1,000,000	1,052,500	1,059,530
	AAA	8.000	01-15-1997	1,935,000	2,091,971	2,143,612
	AAA	6.250	01-31-1997	5,000,000	4,921,875	5,256,250
	AAA	6.875	03-31-1997	3,200,000	3,330,609	3,435,008
	AAA	6.375	06-30-1997	2,200,000	2,236,969	2,328,898
	AAA	8.625	08-15-1997	3,000,000	3,334,219	3,423,750
	AAA	8.875	11-15-1997	2,600,000	2,713,500	3,002,584
	AAA	8.125	02-15-1998	12,500,000	12,968,650	14,115,250
	AAA	8.250	07-15-1998	22,900,000	25,948,563	26,098,901
	AAA	8.875	11-15-1998	12,650,000	8,816,038	9,575,924
	AAA	6.375	01-15-1999	6,000,000	6,260,625	6,340,320
	AAA	9.125	05-15-1999	3,705,000	4,239,712	4,424,585
	AAA	6.375	07-15-1999	375,000	390,715	395,978
	AAA	8.875	05-15-2000	3,600,000	3,982,907	4,304,232
	AAA	8.750	08-15-2000	3,000,000	3,176,710	3,574,230
	AAA	7.875	08-15-2001	1,560,000	1,759,597	1,788,883
	AAA	7.500	11-15-2001	6,400,000	6,773,969	7,184,000
	AAA	7.500	05-15-2002	1,700,000	1,845,094	1,909,304
	AAA	6.375	08-15-2002	250,000	252,852	260,780
	AAA	6.250	02-15-2003	250,000	256,641	258,593
US Treasury Securities	AAA	0.000	02-15-2002	1,760,000	1,000,171	1,063,251
	AAA	0.000	05-15-2003	1,520,000	804,703	837,474
	AAA	0.000	08-15-2003	3,130,000	1,622,936	1,693,487
	AAA	0.000	05-15-2006	13,810,000	5,749,655	6,031,656
	AAA	0.000	05-15-2008	100,000	35,401	37,097
	AAA	0.000	02-15-2012	46,500,000	10,186,349	12,657,765
US Treasury Securities Generic Tint Bond	AAA	0.000	08-15-2017	6,750,000	995,791	1,202,648
US Treasury Securities Stripped Interest Payment	AAA	0.000	05-15-1995	5,500,000	4,583,590	5,112,525
	AAA	0.000	11-15-1999	1,850,000	1,002,090	1,312,483
	AAA	0.000	02-15-2018	32,500,000	4,110,950	5,587,075
<b>TOTAL U.S. Government</b>				<b>474,145,000</b>	<b>403,642,013</b>	<b>422,109,360</b>

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GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Home Loan Mortgage Gold Series 1	AAA	9.500	11-01-2021	8,125,484	1,604,783	1,594,626
Federal Home Loan Banks	AAA	0.000	03-23-1994	10,000,000	10,000,000	10,150,000
	AAA	6.990	04-25-1997	400,000	414,875	428,876
Federal Home Loan Mortgage	AAA	6.000	05-01-1998	195,822	200,044	201,941
	AAA	11.000	12-01-2000	316,322	320,276	340,540
	AAA	8.250	06-01-2001	675,018	648,650	707,878
	AAA	8.500	07-01-2003	11,446	10,934	12,061
	AAA	6.750	09-01-2004	413,456	378,118	425,988
	AAA	8.500	10-01-2004	180,049	172,003	189,727
	AAA	8.500	08-01-2005	10,164	9,710	10,710
	AAA	8.500	12-01-2005	284,340	271,633	299,623
	AAA	8.500	08-01-2006	1,306	1,358	1,378
	AAA	6.250	02-01-2007	501,458	447,786	515,248
	AAA	8.500	10-01-2007	597,810	571,095	626,953
	AAA	8.250	10-01-2007	243,013	232,305	255,467
	AAA	8.500	12-01-2007	24,589	23,490	25,788
	AAA	8.500	12-01-2007	92,571	88,435	97,084
	AAA	8.500	01-01-2008	19,084	18,231	20,014
	AAA	8.500	02-01-2008	64,110	61,245	67,556
	AAA	8.500	02-01-2008	263,433	251,660	276,275
	AAA	8.500	03-01-2008	37,184	35,522	38,997
	AAA	8.500	04-01-2008	28,403	27,133	29,929
	AAA	8.500	05-01-2008	1,221,760	1,167,163	1,281,321
	AAA	7.250	05-01-2008	622,271	574,045	652,215
	AAA	6.250	06-01-2008	477,633	422,556	492,559
	AAA	8.500	08-01-2008	13,637	13,028	14,302
	AAA	8.500	09-01-2008	11,628	11,109	12,253
	AAA	8.500	09-01-2008	38,953	37,212	40,852
	AAA	8.500	09-01-2008	232,603	222,209	243,943
	AAA	8.500	09-01-2008	395,714	378,031	416,984
	AAA	8.500	11-01-2008	412,300	393,876	432,400
	AAA	6.750	11-01-2008	569,669	506,650	574,118
	AAA	8.500	12-01-2008	436,713	417,197	458,002
	AAA	8.500	12-01-2008	238,051	227,413	249,656
	AAA	6.750	12-01-2008	556,986	495,892	566,906
	AAA	8.500	01-01-2009	35,701	34,106	37,620
	AAA	6.750	01-01-2009	735,702	650,981	741,448
	AAA	8.500	04-01-2009	139,537	133,301	146,339
	AAA	8.500	04-01-2009	2,018,160	1,927,973	2,116,545
	AAA	8.500	05-01-2009	1,397,432	1,334,985	1,465,557
	AAA	8.000	06-01-2009	2,684,540	2,483,200	2,828,834
	AAA	10.000	07-01-2009	313,415	333,493	342,697
	AAA	8.500	07-01-2009	226,363	216,248	237,398
	AAA	10.000	09-01-2009	17,327	15,724	18,945
	AAA	8.500	10-01-2009	55,909	53,410	58,914
	AAA	8.500	12-01-2009	17,379	16,602	18,226
	AAA	8.500	12-01-2009	284,733	272,009	298,613
	AAA	10.000	12-01-2009	36,855	39,216	40,299
	AAA	8.500	12-01-2009	34,295	32,762	35,966
	AAA	8.500	01-01-2010	183,758	175,546	193,635
	AAA	10.000	02-01-2010	273,489	291,010	299,041
	AAA	8.500	04-01-2010	33,122	31,642	34,737
	AAA	8.500	08-01-2010	445,959	426,030	469,929
	AAA	8.500	08-01-2010	306,674	292,969	323,157
	AAA	8.500	09-01-2010	204,755	195,605	214,737
	AAA	10.000	10-01-2010	210,165	223,629	229,801
	AAA	8.500	10-01-2010	589,259	562,927	617,986
	AAA	10.000	01-01-2011	42,687	45,421	46,675
	AAA	8.500	02-01-2011	63,531	60,692	66,628
	AAA	10.500	04-01-2011	194,421	173,520	215,381
	AAA	8.500	01-01-2013	145,537	139,033	152,631
	AAA	8.500	06-01-2015	214,632	205,041	225,096
	AAA	10.000	01-01-2016	1,515,110	1,519,845	1,656,667
	AAA	9.500	05-01-2016	327,060	342,698	351,691
	AAA	9.500	09-01-2016	37,401	39,189	40,217
	AAA	9.500	10-01-2016	346,727	363,304	372,839
	AAA	9.500	11-01-2016	510,402	534,805	548,840
	AAA	8.000	01-01-2017	54,795	55,386	57,193
	AAA	7.000	04-01-2017	1,854,519	1,677,181	1,899,714
	AAA	8.500	05-01-2017	1,913,248	1,828,443	2,011,302
	AAA	8.000	05-01-2017	488,261	493,526	509,623
	AAA	8.500	06-01-2017	1,357,248	1,296,596	1,423,413
	AAA	9.500	09-01-2019	122,198	128,040	131,400
	AAA	9.000	06-01-2021	2,282,745	2,278,465	2,433,977
Federal Home Loan Mortgage Corporation	AAA	8.850	03-15-2008	2,750,000	2,738,130	2,902,955
	AAA	9.000	09-15-2008	2,730,000	2,725,466	2,900,625
Federal Home Loan Mortgage Gold	AAA	7.500	04-01-1997	1,267,616	1,301,683	1,324,253
	AAA	7.000	01-01-1998	12	12	12
	AAA	7.000	02-01-1998	390,774	403,963	407,015
	AAA	6.000	05-01-1998	392,000	399,228	404,250
	AAA	7.500	06-01-1999	1,052,529	1,069,632	1,099,230
	AAA	8.500	06-01-2003	1,121,984	1,144,775	1,184,041
	AAA	9.500	05-01-2006	964,788	994,937	1,034,735
	AAA	8.500	08-01-2006	1,420,741	1,433,395	1,499,323
	AAA	8.000	11-01-2006	1,160,805	1,166,972	1,222,827
	AAA	7.500	01-01-2007	371,679	385,849	388,285
	AAA	8.000	03-01-2007	518,600	530,269	546,309
	AAA	7.500	04-01-2007	598,803	622,381	625,558
	AAA	7.500	06-01-2007	441,510	441,924	461,236
	AAA	7.500	02-01-2008	632,879	653,844	661,156

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GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
<b>Federal Home Loan Mortgage Gold (continued)</b>						
	AAA	7.500	02-01-2008	280,156	289,436	292,674
	AAA	8.000	04-01-2017	176,763	179,083	185,710
	AAA	8.500	02-01-2018	643,334	673,290	682,134
	AAA	8.500	11-15-2018	644,008	648,637	682,849
	AAA	9.000	10-01-2020	503,196	534,960	537,162
	AAA	9.000	11-01-2020	1,050,974	1,082,832	1,120,601
	AAA	9.000	02-01-2021	320,172	340,383	341,383
	AAA	8.500	02-01-2021	27,765	29,058	29,405
	AAA	9.500	03-01-2021	769,246	805,064	831,024
	AAA	8.000	05-01-2021	1,771,428	1,710,535	1,861,097
	AAA	8.500	06-01-2021	444,164	447,357	470,397
	AAA	9.500	07-01-2021	248,406	266,494	268,356
	AAA	8.500	09-01-2021	369,685	366,450	391,056
	AAA	8.500	09-01-2021	772,744	765,982	817,416
	AAA	8.000	10-01-2021	742,751	751,803	780,350
	AAA	8.500	11-01-2021	245,882	257,331	260,711
	AAA	8.000	06-01-2022	845,977	857,081	888,801
	AAA	9.500	12-01-2022	5,050,000	5,446,109	5,455,566
	AAA	7.500	12-01-2022	878,458	878,458	911,945
	AAA	8.000	01-01-2023	497,643	517,549	522,834
	AAA	7.500	01-01-2023	488,525	496,006	507,148
	AAA	7.000	02-01-2023	738,529	731,144	752,377
	AAA	7.500	02-01-2023	498,679	507,250	517,688
	AAA	7.000	03-01-2023	239,333	236,939	243,820
	AAA	7.500	03-01-2023	235,395	238,926	244,368
	AAA	7.500	03-01-2023	737,637	748,702	765,756
	AAA	7.000	06-01-2023	686,000	688,358	692,428
	AAA	7.500	07-15-2023	11,600,000	11,904,151	12,049,500
<b>Federal Home Loan Mortgage Multi Class</b>						
	AAA	19.840	09-15-1996	1,037,049	1,187,068	1,191,311
	AAA	6.500	12-15-2002	1,370,717	174,373	174,369
	AAA	0.000	02-15-2004	48,558	530,590	530,013
	AAA	10.750	11-30-2005	3,017,701	3,264,775	3,270,433
	AAA	6.500	10-15-2006	1,119,860	200,000	143,824
	AAA	5.329	10-15-2007	29,057,920	4,131,917	3,051,082
	AAA	9.667	11-15-2007	1,250,000	1,187,500	1,187,500
	AAA	3.688	05-15-2008	4,001,517	3,995,265	3,995,235
	AAA	7.000	02-15-2013	1,850,000	272,297	272,283
	AAA	6.750	05-15-2013	5,500,000	5,676,172	5,652,955
	AAA	5.250	09-15-2013	5,000,000	4,912,500	4,878,100
	AAA	0.000	04-15-2015	61,993	968,144	833,812
	AAA	6.500	12-15-2015	5,250,000	5,251,641	5,315,625
	AAA	0.000	01-15-2016	1,165,041	205,791	205,560
	AAA	6.500	02-15-2018	2,568,461	425,000	424,978
	AAA	9.000	02-15-2019	1,270,000	1,330,947	1,329,919
	AAA	9.500	01-15-2020	15,308,401	15,684,047	16,499,548
	AAA	9.500	01-15-2021	11,698,053	12,085,484	12,604,653
	AAA	6.250	10-15-2021	1,250,000	1,184,180	1,242,963
	AAA	8.000	01-15-2022	8,635,000	8,931,828	8,667,381
	AAA	3.813	05-15-2022	10,140,896	10,135,117	10,159,911
	AAA	8.000	06-15-2022	4,900,000	4,976,563	5,003,537
	AAA	3.812	07-15-2022	10,827,120	10,827,120	10,827,120
	AAA	3.675	10-15-2022	5,071,232	5,068,855	5,068,088
	AAA	5.279	11-15-2022	18,745,356	2,920,714	2,794,933
	AAA	3.812	03-15-2023	7,315,373	7,315,373	7,315,373
	AAA	3.762	04-15-2023	7,911,612	7,911,612	8,032,739
	AAA	7.000	05-15-2023	3,017,500	2,696,050	2,658,176
	AAA	7.750		10,000,000	9,682,813	10,668,700
<b>Federal Home Loan Mortgage Stripped</b>						
	AAA	9.500	11-01-2021	18,999,677	3,776,186	3,995,822
<b>Federal Home Loan Multi Class Partnership Cert</b>						
<b>Federal Housing Authority</b>						
	AAA	9.300		36,056,269	33,688,749	39,468,271
	AAA	8.400	06-01-2007	1,229,338	1,124,777	1,286,195
	AAA	7.430	06-01-2019	7,621,834	7,494,406	7,974,344
	AAA	7.430	12-01-2021	1,578,956	1,621,509	1,655,930
	AAA	7.440	08-01-2022	28,776,574	29,181,245	30,179,432
	AAA	7.430	09-01-2022	930,598	956,282	975,964
	AAA	7.430	06-01-2024	36,178,726	36,269,168	37,851,992
<b>Federal National Mortgage Association</b>						
	AAA	6.450	06-10-2003	1,600,000	1,597,000	1,612,992
	AAA	6.625	04-10-2003	5,000,000	4,997,656	5,065,600
	AAA	8.800	07-25-1997	235,000	257,480	267,752
	AAA	9.150	07-10-2000	2,750,000	2,990,625	2,908,125
	AAA	9.350	02-12-1996	1,500,000	1,701,094	1,683,285
	AAA	6.020	01-20-1998	1,700,000	1,759,367	1,692,554
	AAA	7.000	07-14-2023	5,360,000	5,346,600	5,455,462
<b>Federal National Mortgage Association Guaranteed</b>						
	AAA	8.500	10-01-1997	9,988	10,279	10,469
	AAA	8.500	04-01-1998	138,503	142,528	145,168
	AAA	8.500	06-01-1998	11,077	11,399	11,610
	AAA	24.990	07-25-1998	70,357	86,890	83,021
	AAA	8.500	08-01-1998	294,700	303,264	308,881
	AAA	8.500	08-01-1998	211,006	217,138	221,159
	AAA	8.500	12-01-1998	262,154	269,773	274,769
	AAA	8.500	01-01-1999	66,837	68,779	70,053
	AAA	7.000	06-25-1999	221,617	228,197	219,401
	AAA	6.000	06-01-2000	490,000	493,063	503,166
	AAA	3.650	05-25-2001	6,095,474	6,084,045	6,114,492
	AAA	7.000	10-25-2001	1,382,671	164,624	164,621
	AAA	0.000	04-25-2002	6,328,274	754,820	754,394
	AAA	8.000	06-01-2002	338,326	347,842	356,616
	AAA	7.500	09-01-2002	1,374,505	1,298,907	1,435,065
	AAA	8.500	05-01-2003	60,199	63,416	63,623
	AAA	9.000	11-01-2004	786,087	835,463	839,148
	AAA	8.250	06-01-2005	1,060,696	1,016,279	1,121,686
	AAA	7.000	06-25-2005	2,508,065	301,751	301,745

Original from



GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Federal National Mortgage Association Guaranteed (continued)	AAA	9.000	10-01-2005	66,353	70,521	70,832
	AAA	8.000	09-01-2006	1,495,099	1,475,475	1,575,924
	AAA	8.500	09-01-2006	46,038	48,498	48,657
	AAA	8.000	12-01-2006	637,854	641,841	672,336
	AAA	8.500	03-01-2007	571,728	602,280	604,242
	AAA	8.750	04-01-2007	797,975	779,273	847,346
	AAA	7.500	06-01-2007	864,342	863,397	902,425
	AAA	7.500	06-01-2007	156,018	157,432	162,892
	AAA	8.000	07-01-2007	263,470	271,786	277,713
	AAA	7.500	11-01-2007	287,162	290,033	299,814
	AAA	7.000	12-01-2007	672,973	671,080	694,421
	AAA	7.000	02-01-2008	483,670	491,832	499,085
	AAA	7.000	02-01-2008	482,157	490,294	497,524
	AAA	8.250	07-01-2008	988,737	943,317	1,045,589
	AAA	8.500	08-01-2008	287,190	286,953	305,677
	AAA	8.250	10-01-2008	376,500	361,558	398,149
	AAA	9.500	12-01-2008	166,879	168,355	180,698
	AAA	8.500	01-01-2009	355,963	345,840	378,876
	AAA	7.000	05-01-2009	2,576,955	2,377,241	2,659,881
	AAA	8.500	06-01-2009	403,497	392,023	429,470
	AAA	8.250	09-01-2009	514,620	491,462	542,358
	AAA	8.500	09-01-2009	31,596	30,697	33,629
	AAA	8.500	01-01-2010	107,909	106,111	114,855
	AAA	10.000	08-01-2010	88,102	88,812	96,939
	AAA	8.500	03-01-2011	87,458	85,467	93,088
	AAA	11.500	03-01-2011	61,254	65,351	69,294
	AAA	11.500	08-01-2011	272,666	290,900	308,453
	AAA	13.250	09-01-2011	168,995	179,928	191,703
	AAA	12.750	10-01-2011	1,739,312	1,875,739	1,969,771
	AAA	15.750	12-01-2011	631,258	663,610	730,681
	AAA	8.500	03-01-2012	9,777	9,622	10,406
	AAA	10.500	05-01-2012	849,348	932,424	947,022
	AAA	10.500	05-01-2012	933,728	1,025,059	1,041,107
	AAA	10.500	05-01-2012	7,202,029	7,949,239	8,030,262
	AAA	10.500	06-01-2012	959,819	1,053,701	1,070,198
	AAA	14.750	08-01-2012	1,705,985	1,880,390	1,957,618
	AAA	15.750	08-01-2012	866,956	919,650	1,003,501
	AAA	16.000	09-01-2012	325,782	346,550	377,092
	AAA	16.000	09-01-2012	32,744	34,489	37,901
	AAA	16.000	09-01-2012	385,077	408,182	445,727
	AAA	10.500	11-01-2013	176,553	193,822	196,857
	AAA	10.500	03-01-2014	95,750	105,116	106,762
	AAA	11.500	07-01-2014	34,854	37,184	39,428
	AAA	11.500	01-01-2015	553,011	589,994	625,594
	AAA	11.500	02-01-2015	111,626	119,091	126,276
	AAA	8.500	04-01-2015	341,288	331,582	363,256
	AAA	10.500	08-01-2015	1,063,726	1,167,772	1,186,055
	AAA	11.500	10-01-2015	67,994	72,541	76,918
	AAA	11.500	10-01-2015	675,444	720,615	764,096
	AAA	9.500	11-01-2015	316,819	318,997	343,054
	AAA	11.500	11-01-2015	123,045	131,274	139,195
	AAA	11.000	12-01-2015	3,176,367	3,502,937	3,568,426
	AAA	10.500	01-01-2016	481,421	528,510	536,784
	AAA	11.500	01-01-2016	217,795	232,360	246,381
	AAA	11.500	01-01-2016	134,262	143,241	151,884
	AAA	3.700	03-25-2016	11,806,436	11,806,436	11,854,370
	AAA	10.000	04-01-2016	545,182	578,233	599,869
	AAA	9.500	09-01-2016	137,758	145,292	149,166
	AAA	8.000	05-01-2017	1,385,585	1,336,224	1,456,597
	AAA	9.000	06-01-2017	203,690	212,219	217,565
	AAA	10.000	11-01-2017	250,696	252,420	275,843
	AAA	0.000	11-25-2017	7,000,000	6,398,438	6,435,800
	AAA	10.000	12-01-2017	110,893	111,655	122,016
	AAA	9.500	05-01-2018	98,031	103,392	106,149
	AAA	8.750	08-01-2018	757,156	737,991	804,002
	AAA	0.000	10-25-2018	1,016,549	402,710	402,706
	AAA	0.000	12-25-2018	106,000	2,913,228	2,913,228
	AAA	9.500	01-01-2019	174,655	184,206	189,118
	AAA	11.500	04-01-2019	375,132	400,219	424,368
	AAA	11.500	05-01-2019	470,399	501,857	532,139
	AAA	11.500	06-01-2019	315,043	336,112	356,393
	AAA	11.500	06-01-2019	44,156	47,109	49,951
	AAA	11.000	06-01-2019	323,114	331,091	362,996
	AAA	11.500	06-01-2019	25,959	27,695	29,366
	AAA	9.500	08-01-2019	161,066	169,875	174,404
	AAA	8.000	08-01-2019	2,802,477	2,916,327	2,956,613
	AAA	9.500	08-01-2019	458,731	480,234	496,719
	AAA	11.500	09-01-2019	17,952	19,152	20,308
	AAA	7.375	09-25-2019	1,250,000	1,286,719	1,296,475
	AAA	11.500	10-01-2019	43,125	46,010	48,786
	AAA	7.500	10-25-2019	250,000	257,891	256,015
	AAA	9.500	12-01-2019	124,073	130,858	134,347
	AAA	11.500	01-01-2020	69,166	73,791	78,244
	AAA	8.850	01-25-2020	2,500,000	2,675,780	2,589,825
	AAA	9.000	04-01-2020	481,666	501,836	514,477
	AAA	10.000	06-01-2020	442,959	469,813	487,392
	AAA	9.000	06-01-2020	195,736	203,933	209,070
	AAA	11.000	08-01-2020	1,033,792	1,151,386	1,161,393
	AAA	0.000	08-25-2020	84,468	1,732,976	1,559,129
	AAA	8.000	12-25-2020	900,000	937,467	972,279
	AAA	3.850	01-25-2021	20,801,568	20,840,741	20,801,568
	AAA	9.500	02-01-2021	857,650	897,852	928,672

Original from

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Federal National Mortgage Association Guaranteed (continued)	AAA	8.000	03-25-2021	792,782	552,967	515,546
	AAA	16.139	04-25-2021	775,000	306,670	306,668
	AAA	6.500	05-25-2021	6,750,000	6,522,188	6,547,500
	AAA	7.500	06-25-2021	1,100,000	1,131,944	1,165,307
	AAA	5.750	08-25-2021	2,750,000	2,508,825	2,511,080
	AAA	9.500	09-01-2021	551,700	571,699	597,386
	AAA	9.000	10-01-2021	1,864,547	1,909,413	1,991,560
	AAA	7.750	10-25-2021	3,300,000	3,413,438	3,411,375
	AAA	9.000	11-01-2021	1,274,200	1,313,223	1,360,999
	AAA	8.500	11-01-2021	1,575,988	1,587,808	1,669,554
	AAA	7.500	02-01-2022	422,950	411,054	438,544
	AAA	7.500	03-01-2022	101,075	98,232	104,801
	AAA	7.500	03-01-2022	420,441	408,616	435,942
	AAA	0.000	03-25-2022	33,309	26,720	26,720
	AAA	0.000	04-25-2022	1,453,393	1,381,632	1,427,959
	AAA	0.000	05-25-2022	7,635,329	7,288,410	7,288,410
	AAA	8.000	06-01-2022	956,753	956,454	1,004,591
	AAA	8.500	06-01-2022	496,319	513,691	525,786
	AAA	8.000	07-01-2022	533,824	538,328	560,515
	AAA	8.000	07-25-2022	3,000,000	3,067,500	3,095,610
	AAA	3.870	11-25-2022	4,602,541	4,602,541	4,617,637
	AAA	8.000	12-01-2022	466,161	470,677	489,469
	AAA	8.000	12-01-2022	160,927	164,925	168,973
	AAA	4.145	12-25-2022	26,686,775	3,799,119	3,792,191
	AAA	8.000	01-01-2023	390,613	399,524	410,144
	AAA	8.000	01-01-2023	651,126	667,302	683,682
	AAA	7.500	01-01-2023	292,313	291,628	303,091
	AAA	7.500	02-01-2023	997,429	1,010,365	1,034,204
	AAA	8.500	02-01-2023	374,241	394,357	396,460
	AAA	8.000	03-01-2023	929,018	970,533	975,468
	AAA	7.500	04-01-2023	968,022	997,970	1,003,713
	AAA	7.000	05-01-2023	195,759	196,494	199,123
	AAA	7.500	06-01-2023	392,000	402,290	406,453
	AAA	7.500	06-01-2023	400,000	412,625	414,748
	AAA	0.000	06-25-2023	3,500,000	3,167,500	3,202,500
Federal National Mortgage Association Deb Strips	AAA	0.000	03-09-2002	29,000,000	20,005,790	24,097,260
Federal National Mortgage Association Gtd Variable	AAA	6.652	10-01-2019	12,008,469	11,287,961	12,239,272
Federal National Mortgage Association REMIC	AAA	8.500		27,587,144	26,053,762	30,381,108
Federal National Mortgage Association Stripped	AAA	9.000	01-25-2017	3,239,676	639,836	634,750
	AAA	10.000	03-25-2018	4,207,246	1,080,736	975,534
	AAA	8.500	05-25-2018	96,134	22,616	18,115
	AAA	10.000	08-25-2018	3,806,605	818,420	882,637
	AAA	10.000	11-25-2018	5,550,056	1,425,671	1,288,612
	AAA	8.000	04-25-2019	1,839,379	395,467	374,185
	AAA	10.500	03-25-2021	4,533,095	1,269,267	1,014,280
	AAA	10.000	02-25-2022	14,216,456	3,731,820	3,571,885
	AAA	9.500	09-25-2022	11,343,692	2,847,530	2,410,534
Financing Corporation	AAA	10.700	10-06-2017	1,000,000	1,097,061	1,411,870
	AAA	9.650	11-02-2018	1,300,000	1,420,913	1,687,972
Government National Mortgage Association	AAA	10.500	12-15-1997	159,645	164,584	174,212
	AAA	10.500	05-15-1998	78,602	81,033	85,774
	AAA	10.500	07-15-1998	33,969	35,020	37,069
	AAA	8.500	02-15-2006	164,590	157,698	177,910
	AAA	8.000	08-15-2006	365,106	350,644	390,433
	AAA	8.000	09-15-2006	42,994	41,291	45,977
	AAA	8.000	10-15-2006	66,148	63,527	70,736
	AAA	8.000	11-15-2006	240,884	231,342	257,594
	AAA	8.000	05-15-2007	724,785	734,297	771,664
	AAA	7.000	12-15-2007	200,833	206,921	208,049
	AAA	8.500	07-15-2008	373,443	357,805	401,799
	AAA	8.500	08-15-2008	439,066	420,680	472,404
	AAA	9.000	09-15-2008	99,981	98,216	108,666
	AAA	9.000	09-15-2008	110,598	108,690	120,206
	AAA	9.000	01-15-2009	23,646	23,229	25,700
	AAA	9.000	02-15-2009	403,479	396,355	438,530
	AAA	9.000	03-15-2009	8,466	8,316	9,201
	AAA	9.000	06-15-2009	475,365	466,972	516,660
	AAA	9.500	07-15-2009	120,128	121,930	131,691
	AAA	9.500	08-15-2009	377,529	383,192	413,867
	AAA	9.500	08-15-2009	364,975	370,450	400,104
	AAA	9.500	10-15-2009	200,827	203,839	220,156
	AAA	10.000	11-15-2009	686,261	729,796	759,389
	AAA	13.500	05-15-2010	26,455	27,091	30,952
	AAA	13.500	05-15-2010	18,533	18,577	21,683
	AAA	13.500	05-15-2010	11,172	12,086	13,071
	AAA	13.500	05-15-2010	2,470	2,673	2,890
	AAA	13.500	06-15-2010	1,627	1,768	1,944
	AAA	13.500	06-15-2010	15,593	16,869	18,243
	AAA	10.000	11-15-2010	566,206	602,125	626,541
	AAA	13.000	12-15-2010	132,110	141,441	152,587
	AAA	13.000	12-15-2010	24,380	26,102	28,159
	AAA	13.500	02-15-2011	47,843	51,760	55,976
	AAA	13.500	02-15-2011	18,784	20,321	21,977
	AAA	13.500	02-15-2011	51,721	55,858	60,513
	AAA	13.500	03-15-2011	20,616	22,304	24,121
	AAA	13.500	03-15-2011	17,392	18,816	20,348
	AAA	13.500	03-15-2011	40,506	43,823	47,392
	AAA	13.500	03-15-2011	100,435	108,658	117,509
	AAA	13.500	03-15-2011	5,398	5,840	6,316
	AAA	13.500	03-15-2011	126,000	136,081	147,420
	AAA	13.500	04-15-2011	12,014	12,997	14,056
	AAA	13.500	04-15-2011	12,915	12,915	15,110

Original from

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Government National Mortgage Association	AAA	13.500	04-15-2011	3,582	3,876	4,191
	AAA	13.500	04-15-2011	139,134	150,526	162,787
	AAA	13.500	05-15-2011	1,275	1,388	1,524
	AAA	10.000	05-15-2011	11,989	13,235	13,267
	AAA	13.000	07-15-2011	79,017	84,597	91,264
	AAA	13.500	11-15-2011	14,763	14,763	17,273
	AAA	13.500	03-15-2012	1,428	1,544	1,706
	AAA	13.000	10-15-2012	18,025	19,294	20,819
	AAA	13.000	11-15-2012	102,147	109,318	117,980
	AAA	13.000	11-15-2012	22,049	23,592	25,467
	AAA	11.500	02-15-2013	117,424	125,130	135,038
	AAA	10.000	03-15-2013	101,781	112,357	112,627
	AAA	10.000	03-15-2013	376,340	344,639	411,502
	AAA	10.000	03-15-2013	280,465	256,875	306,669
	AAA	11.250	07-15-2013	79,690	82,903	89,128
	AAA	11.250	07-15-2013	177,545	184,702	198,571
	AAA	11.250	07-15-2013	50,831	52,880	56,850
	AAA	11.250	07-15-2013	167,423	174,173	187,251
	AAA	11.250	10-15-2013	105,291	109,536	117,761
	AAA	12.750	11-15-2013	81,278	85,800	93,064
	AAA	12.750	11-15-2013	75,256	79,442	86,168
	AAA	12.750	11-15-2013	143,927	151,933	164,796
	AAA	12.750	12-15-2013	228,123	240,812	261,201
	AAA	12.000	01-15-2014	13,643	14,057	15,826
	AAA	12.000	04-15-2014	7,857	7,769	9,114
	AAA	13.500	07-15-2014	4,148	4,507	4,957
	AAA	11.250	08-15-2015	20,753	21,589	23,210
	AAA	11.250	08-15-2015	96,679	100,563	108,129
	AAA	11.250	08-15-2015	80,167	83,399	89,662
	AAA	11.250	08-15-2015	165,761	171,231	185,392
	AAA	11.250	08-15-2015	70,515	72,682	78,866
	AAA	11.250	08-15-2015	95,096	98,929	106,358
	AAA	11.500	09-15-2015	694,699	722,053	798,904
	AAA	11.250	09-15-2015	43,166	44,907	48,279
	AAA	11.250	09-15-2015	325,895	339,031	364,490
	AAA	11.250	09-15-2015	122,501	127,436	137,009
	AAA	11.250	09-15-2015	47,421	49,332	53,037
	AAA	11.250	09-15-2015	6,581	6,846	7,360
	AAA	11.250	09-15-2015	173,508	180,501	194,056
	AAA	11.250	09-15-2015	48,019	49,952	53,705
	AAA	11.250	10-15-2015	46,909	48,799	52,465
	AAA	11.250	10-15-2015	57,032	59,330	63,787
	AAA	11.250	10-15-2015	77,487	80,609	86,664
	AAA	11.250	10-15-2015	133,758	139,149	149,599
	AAA	11.250	10-15-2015	100,747	104,806	112,679
	AAA	11.000	11-15-2015	209,285	219,144	237,800
	AAA	11.500	11-15-2015	317,454	338,287	365,073
	AAA	11.250	11-15-2015	120,200	125,043	134,435
	AAA	11.250	11-15-2015	55,357	57,586	61,912
	AAA	11.250	11-15-2015	32,624	33,937	36,488
	AAA	11.250	12-15-2015	145,955	151,833	163,240
	AAA	11.000	01-15-2016	14,576	15,295	16,562
	AAA	11.000	01-15-2016	236,341	248,010	268,542
	AAA	11.250	01-15-2016	49,625	51,624	55,502
	AAA	10.000	03-15-2016	2,481	2,738	2,745
	AAA	9.000	05-15-2016	1,201,466	1,143,645	1,298,328
	AAA	10.000	06-15-2016	10,189	11,247	11,274
	AAA	9.000	06-15-2016	334,354	330,366	361,309
	AAA	9.500	08-15-2016	518,783	522,188	566,770
	AAA	9.000	09-15-2016	1,303,979	1,266,490	1,409,106
	AAA	8.500	02-15-2017	713,287	679,183	763,880
	AAA	8.500	02-15-2017	772,335	745,062	827,117
	AAA	8.500	02-15-2017	1,796,144	1,701,285	1,923,545
	AAA	8.000	03-15-2017	877,026	850,167	929,095
	AAA	8.000	03-15-2017	767,304	743,806	812,859
	AAA	9.000	06-15-2017	1,087,794	998,391	1,175,492
	AAA	9.500	07-15-2017	435,116	431,988	475,364
	AAA	10.000	07-15-2017	265,258	292,820	293,524
	AAA	8.000	07-15-2017	788,197	764,059	834,992
	AAA	9.000	08-15-2017	556,495	514,932	601,360
	AAA	9.500	08-15-2017	2,108,356	2,189,725	2,303,379
	AAA	9.000	10-15-2017	774,048	710,431	836,452
	AAA	9.000	03-15-2018	618,000	571,844	667,824
	AAA	9.000	05-15-2018	604,353	586,978	653,076
	AAA	10.000	01-15-2019	1,255,110	1,385,524	1,388,854
	AAA	10.000	02-15-2019	59,335	65,501	65,658
	AAA	11.500	05-15-2019	125,701	130,651	144,556
	AAA	11.000	06-15-2019	206,297	216,483	234,405
	AAA	10.500	06-15-2019	196,807	203,998	220,670
	AAA	11.000	07-15-2019	133,592	151,460	151,794
	AAA	11.000	07-15-2019	91,151	95,651	103,570
	AAA	11.000	07-15-2019	430,156	451,395	488,764
	AAA	10.000	07-15-2019	73,323	80,942	81,137
	AAA	11.000	07-15-2019	265,845	278,971	302,066
	AAA	10.000	08-15-2019	4,037,335	4,456,840	4,467,554
	AAA	11.000	08-15-2019	120,049	125,976	136,405
	AAA	11.000	08-15-2019	40,321	42,312	45,815
	AAA	11.000	08-15-2019	81,066	85,068	92,111
	AAA	11.000	09-15-2019	119,721	125,629	136,033
	AAA	11.000	09-15-2019	249,501	261,820	283,496
	AAA	10.000	09-15-2019	53,061	58,574	58,715
	AAA	10.000	11-15-2019	25,146	27,759	27,825

Original from

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Federal Agency (continued)</b>						
Government National Mortgage Association	AAA	10.000	08-15-2020	3,974,974	4,387,998	4,398,547
	AAA	10.000	03-15-2021	39,111	43,175	43,279
	AAA	9.500	07-15-2021	859,852	893,037	939,388
	AAA	10.000	09-15-2021	1,615,003	1,729,062	1,787,097
	AAA	10.000	09-15-2021	635,163	680,021	702,846
	AAA	8.000	06-15-2022	477,201	478,096	505,533
	AAA	7.500	06-15-2022	485,317	472,274	505,181
	AAA	7.500	05-15-2023	500,000	517,344	520,465
	AAA	7.500	05-15-2023	195,827	201,212	203,842
	AAA	7.500	06-01-2023	210,188	216,034	218,791
	AAA	7.500	06-15-2023	769,812	791,222	801,320
	AAA	9.500	07-01-2023	15,380,000	16,795,966	16,812,186
	AAA	8.000	07-01-2023	6,540,000	6,862,218	6,934,427
	AAA	7.500	08-01-2023	5,000,000	5,175,000	5,195,300
Government National Mortgage Association II	AAA	7.000	08-17-2023	13,000,000	12,957,344	13,235,560
	AAA	13.250	10-20-2014	49,303	53,278	56,822
	AAA	13.250	05-20-2015	20,986	21,962	24,187
	AAA	11.000	07-20-2019	668,718	686,963	743,112
	AAA	8.000	04-20-2022	217,241	213,100	228,509
	AAA	8.000	05-20-2022	940,121	922,200	988,885
Government Trust Certificates	AAA	5.000	05-20-2022	946,803	897,688	964,111
	AAA	8.550	11-15-1997	2,100,000	2,079,441	2,240,406
Inter American Development Bank	AAA	0.000	11-15-2005	5,000,000	1,037,550	2,223,200
	AAA	13.250	08-15-1994	1,000,000	1,148,930	1,099,110
International Bank For Reconstruction	AAA	8.625	10-01-1995	1,000,000	1,092,750	1,088,280
Private Export Funding Corporation	AAA	5.750	04-30-1998	250,000	249,760	254,690
Student Loan Marketing Association	AAA	8.550	02-01-1995	1,000,000	1,071,250	1,070,000
Tennessee Valley Authority	AAA	3.420	12-30-1994	1,000,000	1,000,000	1,001,900
	AAA	3.530	11-27-1996	2,000,000	2,000,000	2,005,000
	AAA	8.250	11-15-1996	1,500,000	1,500,234	1,658,610
	AAA	8.250	04-15-2042	1,000,000	969,350	1,120,000

**TOTAL Federal Agency** 841,514,883 690,292,354 722,250,486

**Municipal**

Alaska State Housing Finance Corporation NR 9.050 05-01-2014 11,333,366 11,898,102 12,023,908

**TOTAL Municipal** 11,333,366 11,898,102 12,023,908

**TOTAL GOVERNMENT OBLIGATIONS** 1,326,993,249 1,105,832,469 1,156,383,754

**CORPORATE OBLIGATIONS**

**Finance**

AFC Home Equity Loan Trust	NR	7.750	02-15-2006	7,391,294	7,369,351	7,714,663
AFC Home Equity Loan Trust Remic	AAA	8.400	09-15-2006	548,129	575,536	583,829
Alaska Housing Finance Corporation	NR	6.850	11-05-1993	3,250,000	3,281,330	3,274,278
	NR	8.700	11-01-2021	4,325,962	3,758,550	4,477,370
American Express Trust	NR	6.600	05-15-2000	400,000	398,480	411,624
American General Finance Corporation	NR	5.000	09-01-1995	350,000	341,093	353,063
AMR Corporation Delaware	NR	7.480	01-29-1997	3,000,000	3,079,140	3,095,340
	NR	7.600	01-27-1997	9,500,000	9,788,895	9,837,440
	NR	9.140	02-21-2012	3,000,000	2,983,740	3,205,470
Associates Corporation Of North America	NR	5.875	08-15-1997	500,000	497,935	505,815
Banc One Corporation	NR	7.250	08-01-2002	360,000	357,152	378,904
Bankamerica Corporation	A3	5.250	07-02-1996	3,000,000	2,859,000	3,000,000
	A3	9.700	08-01-2000	500,000	574,190	591,660
Bear Stearns Mortgage Capital	NR	9.000	01-25-2021	217,256	210,466	227,914
Beneficial Corporation	NR	4.405	01-15-1997	4,100,000	4,100,031	4,100,000
	NR	7.180	12-20-1999	2,050,000	2,048,914	2,186,694
British Gas Finance Inc	AAA	9.500	03-15-2018	500,000	499,375	535,000
Capital Auto Receivable Asset Trust	NR	3.350	06-15-1994	7,173,016	7,171,283	7,173,016
	NR	4.200	11-15-1995	21,450,000	21,446,648	21,922,544
	NR	4.700	05-15-1997	200,000	199,875	199,874
Capitol Home Equity Trust Variable Rate	NR	3.700	12-25-2011	11,973,803	11,973,803	12,026,128
Caterpillar Financial Services Corporation	NR	5.600	06-15-1994	16,000,000	16,281,760	16,175,680
	NR	8.750	05-12-2000	3,000,000	3,029,790	3,351,270
CFAC Remic Trust	NR	9.250	05-15-1998	972,391	1,040,245	1,033,166
Chase Manhattan Credit Card Master	NR	8.750	08-15-1999	6,000,000	6,055,750	6,613,080
Chase Manhattan Grantor Trust	NR	6.900	09-15-1997	847,033	860,268	860,527
Chase Mortgage Finance Corporation Remic	NR	7.000	06-25-2024	2,450,000	2,509,719	2,517,375
	NR	7.000	07-25-2024	13,212,019	13,393,684	13,393,684
	NR	9.500	01-25-2004	166,441	169,354	167,273
	NR	8.000	05-25-2024	9,527,888	9,685,694	9,706,536
Chase Mortgage Finance Corporation	NR	9.500	10-01-2004	736,164	731,333	767,907
	NR	8.000	03-25-2023	3,687,348	3,803,153	3,803,130
Chemical Mortgage Securities I Remic	NR	6.250	02-25-2023	10,000,000	10,009,375	10,050,000
Cigna Corporation	NR	8.750	10-01-2001	360,000	387,868	405,313
Citibank New York	NR	9.500	11-01-2016	20,072,677	21,383,673	21,377,401
	NR	9.000	01-01-2017	18,339,325	18,683,188	18,941,039
	NR	4.187	02-14-1994	3,000,000	3,012,960	3,002,850
	NR	8.625	11-15-1994	400,000	417,636	418,948

Original from

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
	BAA2	6.500	09-01-1998	833,000	797,598	799,680
	NR	6.300	11-26-1997	1,000,000	853,500	977,180
Citicorp Banking Corporation	NR	5.250	07-10-1997	7,000,000	6,205,000	7,000,000
Citicorp Homeowners Inc	A-1	8.500	12-01-2016	1,163,528	1,095,534	1,188,986
	NR	8.500	03-01-2017	4,966,880	5,098,036	5,075,555
	NR	9.500	09-01-2016	965,112	993,867	1,027,844
Citicorp Mortgage Securities Inc	NR	10.500	06-01-2019	2,373,895	2,393,925	2,567,510
	NR	9.500	05-25-2004	13,149,503	13,461,803	13,494,677
Citicorp Mortgage Securities Inc Remic	NR	7.000	11-01-2012	10,000,000	10,087,500	10,100,000
	NR	8.000	03-25-2021	8,339,318	8,586,890	8,511,275
	NR	9.500	11-01-2004	19,394,198	19,036,618	20,563,862
Citicorp Person To Person Inc	BAA3	4.370	05-10-1996	7,300,000	6,918,713	7,008,000
CMC Securities Corporation I	NR	5.545	04-25-2023	2,354,869	2,335,736	2,357,931
Collateralized Mortgage Obligation Trust	NR	7.250	04-23-2017	588,894	604,720	609,505
	NR	9.400	08-01-2016	9,361,423	10,054,000	10,022,527
	NR	9.400	09-20-2017	14,791,048	15,860,195	15,900,377
	NR	10.200	02-01-2016	16,560,454	16,704,696	18,278,601
Collateralized Mortgage Securities Corporation	NR	11.450	09-01-2015	9,276,199	9,899,104	10,139,999
	NR	8.550	08-20-2014	1,355,036	1,372,821	1,356,730
Commercial Credit Group Inc	A2	9.875	12-01-1995	1,525,000	1,674,130	1,698,652
Continental Corporation	NR	8.250	04-15-1999	1,000,000	998,690	1,076,790
Cooperative Unity Trust	AAA	10.700	09-15-2017	3,500,000	3,500,000	4,318,790
CIT Group Holdings Inc	A-1	8.875	06-15-1996	1,000,000	1,049,720	1,101,480
CNA Financial Corporation	NR	8.875	03-01-1998	2,000,000	2,102,520	2,246,860
Daiwa Mortgage Acceptance Corporation Remic	NR	4.875	09-25-2006	7,363,916	7,474,374	7,488,144
DBL Mortgage Funding Corporation	NR	9.500	08-01-2019	920,286	891,958	980,104
Dean Witter Discover & Co	NR	6.875	03-01-2003	200,000	201,060	203,168
Deere, John Owner Trust	NR	3.500	04-29-2000	10,000,000	10,000,000	10,000,000
Discover Card Trust	NR	8.100	08-16-1996	4,850,000	5,022,781	4,962,132
Discover Credit Corporation	NR	4.000	02-07-1994	3,300,000	3,300,000	3,306,930
	NR	3.449	07-08-1994	1,000,000	993,700	990,570
	NR	3.499	07-25-1994	7,200,000	7,079,400	7,125,480
	NR	3.649	07-21-1995	3,900,000	3,761,063	3,782,493
DLJ Mortgage Acceptance Pass Thru	NR	7.827	09-01-2021	2,956,525	3,041,525	3,089,568
DLJ Mortgage Acceptance Corporation Variable Rate	NR	5.520	06-25-2022	6,545,583	6,594,674	6,711,251
DLJ Mortgage Acceptance Corporation Remic	NR	4.656	03-19-2000	1,995,198	2,002,680	2,002,680
Dover Credit Card Trust	NR	8.250	10-15-1997	1,000,000	1,002,188	1,030,930
Drexel Burnham Lambert CMO Trust	NR	8.950	04-20-2018	303,743	298,427	313,137
European Investment Bank	AAA	12.625	10-15-1999	4,573,000	4,980,912	5,005,057
FBC Mortgage Securities	NR	8.350	10-20-2018	1,530,894	1,538,549	1,526,577
FBS Mortgage Corporation Remic	NR	6.828	06-25-2023	4,401,000	4,442,259	4,467,015
First Bank System	NR	5.250	05-29-1997	1,500,000	1,416,750	1,490,625
First Boston Mortgage Securities Corporation	NR	5.983	01-25-2019	6,096,586	6,250,902	6,275,643
	NR	4.980	06-25-2000	1,500,000	1,500,000	1,500,000
First Chicago Corporation	BAA2	5.250	07-24-1996	2,000,000	1,902,500	2,000,000
	NR	6.875	06-15-2003	2,400,000	2,385,456	2,443,848
	BAA1	9.875	07-01-1999	4,000,000	4,399,200	4,676,640
	BAA1	9.875	08-15-2000	2,750,000	3,269,530	3,283,060
First Chicago Master Trust II	NR	9.250	06-15-1995	500,000	535,234	543,280
	NR	8.875	06-15-1995	1,666,667	1,738,542	1,690,100
First Interstate Bancorp	NR	8.700	07-18-1995	3,000,000	3,091,620	3,229,230
	NR	10.500	05-01-1994	2,233,000	2,294,363	2,346,392
First PV Funding Corporation	BA2	10.300	01-15-2014	2,000,000	2,005,000	2,000,000
First Union Corporation	NR	5.950	07-01-1995	710,000	730,512	726,678
Fleet Finance Home Equity Trust	AAA	8.450	04-17-2006	2,678,450	2,801,910	2,841,327
	NR	5.450	03-20-2023	9,167,129	9,161,400	9,161,445
Fleet Financial Group Inc	NR	8.125	07-01-2004	335,000	341,221	369,539
Ford Credit Auto Loan	NR	6.875	01-15-1999	5,500,000	5,460,469	5,773,240
	AAA	8.600	12-15-1994	3,237,667	3,280,161	3,242,717
	NR	7.800	02-15-1996	5,372,535	5,528,675	5,511,845
Ford Holdings Inc	A2	9.250	03-01-2000	189,000	213,060	218,554
Ford Motor Credit Company	NR	7.950	08-15-1994	4,000,000	4,166,680	4,168,120
	AA3	9.125	12-15-1995	250,000	271,385	273,785
	A2	8.875	08-01-1996	800,000	883,000	884,312
	NR	6.250	02-26-1998	21,090,000	21,054,147	21,532,890
	A2	8.875	06-15-1999	1,000,000	1,075,860	1,134,870
Ford Motor Credit Corporation	NR	6.150	01-14-1994	5,000,000	5,072,900	5,060,700
FBC Mortgage Securities Trust II	AAA	8.000	09-01-2016	3,393,736	3,093,491	3,496,600
GCC Home Equity Trust	AA2	10.000	07-15-2005	5,030,141	5,353,171	5,448,297
General Electric Capital Corporation	AAA	8.300	09-20-2009	1,325,000	1,485,837	1,542,473
General Homes Mortgage Securities Inc	NR	11.500	06-01-2015	546,505	587,547	587,148
General Motors Acceptance Corporation	NR	7.850	07-16-1993	2,000,000	2,044,400	2,001,920
	NR	6.750	11-08-1993	1,000,000	1,018,530	1,007,330
	NR	8.950	11-22-1993	3,000,000	3,095,100	3,048,480
	NR	8.900	11-29-1993	18,500,000	19,316,405	18,810,615
	NR	8.900	11-30-1993	3,800,000	4,022,034	3,864,220
	NR	8.650	12-07-1993	4,000,000	4,231,080	4,066,720
	NR	8.750	12-14-1993	14,000,000	14,495,880	14,249,200
	NR	6.150	01-14-1994	8,600,000	8,551,410	8,664,070
	NR	6.375	01-18-1994	3,500,000	3,496,570	3,530,590
	NR	6.250	02-07-1994	350,000	359,142	353,000
	NR	6.200	02-14-1994	2,000,000	2,047,440	2,017,100
	NR	6.250	02-25-1994	8,000,000	7,930,160	8,074,240
	NR	8.500	03-07-1994	5,450,000	5,756,835	5,583,689
	NR	8.500	03-08-1994	5,000,000	5,294,000	5,123,150
	NR	8.550	03-15-1994	2,900,000	3,018,929	2,974,385
	NR	6.900	04-01-1994	8,750,000	8,749,825	8,884,838
	NR	8.200	04-11-1994	850,000	896,801	871,709
	NR	7.900	06-06-1994	6,000,000	6,152,280	6,164,940
	NR	9.150	06-09-1994	1,150,000	1,210,145	1,194,655
	NR	8.200	07-25-1994	7,500,000	7,743,525	7,767,900

Original from

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
	NR	8.200	08-08-1994	6,500,000	6,561,870	6,747,780
	NR	8.150	09-15-1994	2,150,000	2,287,901	2,236,667
	NR	4.600	09-21-1994	9,000,000	8,988,930	8,997,300
	NR	7.300	10-04-1994	2,500,000	2,574,900	2,578,800
	NR	8.600	12-08-1994	8,275,000	8,696,115	8,706,955
	NR	5.450	02-21-1995	3,987,000	4,003,626	4,021,328
	NR	5.350	02-27-1995	5,000,000	5,023,650	5,035,050
	NR	5.250	04-03-1995	4,285,000	4,283,243	4,304,283
	NR	5.200	04-13-1995	3,000,000	3,004,458	3,010,260
	NR	8.700	05-01-1996	2,375,000	2,433,758	2,568,919
	NR	8.800	07-03-1996	3,000,000	3,084,690	3,260,250
	NR	8.800	07-08-1996	1,500,000	1,542,405	1,630,425
	NR	7.750	02-20-1997	4,000,000	4,187,320	4,247,400
	NR	7.750	04-15-1997	9,000,000	8,883,225	9,528,750
	NR	7.900	05-01-1997	2,500,000	2,512,500	2,646,575
	A2	8.625	06-15-1999	5,000,000	5,312,600	5,493,400
	A2	5.500	12-15-2001	750,000	666,105	684,533
Great Western Bank	NR	9.660	11-29-1993	3,400,000	3,546,880	3,478,030
	A3	9.800	12-01-1993	7,000,000	7,226,100	7,149,660
Greenwich Capital Acceptance Inc	NR	7.656	01-25-2022	4,488,974	4,615,226	4,690,978
	NR	6.026	10-25-2022	35,680,676	36,416,827	36,438,891
Greenwich Capital Acceptance Inc Variable	NR	5.658	04-25-2023	2,936,624	2,994,438	2,999,027
Greenwich Capital Acceptance Remic	NR	5.764	01-25-2023	9,579,004	9,722,689	9,782,558
Guaranteed Mortgage Corporation II	NR	11.000	12-01-2015	4,449,885	4,520,823	4,871,200
Guardian S & L Association	NR	6.828	02-25-2020	546,552	549,284	550,651
	NR	6.136	07-25-2018	5,889,869	5,952,449	5,913,782
	NR	6.442	01-25-2019	3,452,339	3,504,124	3,486,862
	NR	6.835	02-25-2020	541,244	536,508	545,304
	NR	6.842	03-25-2020	2,066,412	2,081,910	2,081,910
	NR	6.966	05-25-2020	1,864,263	1,871,254	1,878,245
	NR	7.219	01-25-2021	1,331,187	1,351,154	1,349,490
Home Equity Loan Trust Close-End	NR	6.650	11-20-2012	149,360	153,001	151,926
Home Loan Investments Associates	NR	5.957	04-15-2012	5,244,704	5,244,704	5,241,400
Home Owners Federal Savings & Loan Association	NR	6.122	09-01-2017	3,229,038	3,248,210	3,294,620
Home Savings America Irwindale Ca	BAA1	10.250	12-05-1996	5,375,000	5,363,766	5,949,050
Household Finance Corporation Home Equity	NR	4.470	10-08-2003	970,718	967,381	973,445
Household Finance Corporation	NR	9.260	07-26-1995	2,600,000	2,858,622	2,833,896
	A3	9.375	02-15-1996	500,000	549,600	553,545
	NR	7.800	11-01-1996	4,000,000	4,082,120	4,305,040
Housing Securities Inc	NR	8.000	06-25-2019	2,989,589	3,038,169	3,052,161
Housing Securities Inc Mortgage Pass	NR	5.935	05-25-2016	8,342,835	8,629,620	8,342,835
	NR	7.250	08-25-2016	7,750,868	7,702,695	7,821,091
Imperial Savings & Loan Association	NR	8.800	01-25-2017	3,624,789	3,524,258	3,819,621
International Lease Finance Corporation	NR	5.750	03-15-1998	700,000	692,552	699,944
JCP Master Credit Card Trust	NR	8.700	09-15-1995	642,079	671,173	652,910
Kidder Peabody Acceptance Corporation 1	NR	7.150	04-25-2025	2,499,814	2,487,400	2,524,812
LB Mortgage Trust Multiclass Remic	NR	14.000	11-25-2001	756,548	794,375	794,375
Margaretten Financial Corporation	NR	6.750	06-15-2000	2,600,000	2,597,374	2,628,626
Maritrans Capital Corporation	NR	9.250	04-01-2007	4,000,000	4,000,000	3,601,240
Mellon Bank Corporation	NR	5.250	11-29-1996	7,000,000	6,667,500	7,006,510
Mellon Financial Company	NR	5.375	08-01-1995	3,000,000	3,041,370	3,041,370
Merrill Lynch & Company Inc	NR	8.000	06-01-2007	400,000	392,548	437,820
Morgan Guaranteed Trust Company	AA-1	7.375	02-01-2002	1,250,000	1,207,878	1,339,500
Mortgage Bankers Financial Corporation I	NR	9.900	03-01-2018	8,354,998	7,987,132	9,177,381
	NR	9.500	07-01-2018	9,880,685	9,697,281	10,862,529
Mortgage Investments	NR	4.500	07-01-2019	2,297,553	2,240,114	2,240,114
Mortgage Obligation Trust	NR	6.350	10-25-2018	5,917,970	5,977,149	5,991,944
Mortgage Securities III Trust	NR	9.000	04-01-2018	6,671,177	6,268,466	7,229,888
Municipal Finance Authority	AAA	13.750	12-01-2005	366,000	394,823	448,167
MWCC Receivables Trust One	NR	9.250	08-17-1993	225,000	235,828	225,491
Norwest Financial Inc	AA3	8.500	08-15-1998	1,000,000	993,530	1,126,390
	NR	6.875	12-15-1999	6,000,000	5,959,020	6,285,240
NBD Bancorp Inc	A-1	8.100	03-01-2002	500,000	499,555	554,655
NCNB Corporation	BAA1	9.125	10-15-2001	2,000,000	2,082,700	2,317,840
	BAA1	9.375	09-15-2009	360,000	405,644	434,840
P-B Cmo Trust Four Remic	NR	5.421	09-01-2018	1,314,258	1,349,373	1,334,787
Pacific Gas & Electric Company	NR	7.350	11-30-2000	7,000,000	7,000,000	7,452,830
Premier Auto Trust	NR	3.466	10-15-1998	9,999,967	9,999,967	9,999,967
Private Export Funding Corporation	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,580,890
Prudential Home Mortgage Securities Co	NR	7.200	10-25-2016	1,500,000	1,483,828	1,552,500
	NR	7.500	04-25-2007	289,495	292,300	289,313
Prudential Home Mortgage Securities Remic	NR	6.500	04-25-2023	2,411,116	2,411,116	2,455,553
Prudential Home Mortgage Securities	NR	7.500	08-25-2007	1,460,954	1,508,435	1,501,130
Residential Funding Mortgage Securities I	NR	6.750	11-25-2022	5,500,000	5,462,188	5,611,705
	NR	8.114	02-25-2007	12,204,868	12,559,572	12,632,038
	NR	7.750	10-25-2017	1,253,902	1,285,446	1,290,140
	NR	6.062	02-25-2019	6,510,000	659,751	660,179
	NR	8.500	08-25-2020	18,100,000	18,914,500	19,355,597
	NR	5.880	07-25-2022	6,751,675	6,935,236	6,935,253
	NR	7.000	06-25-2023	9,378,000	9,533,323	9,565,560
Residential Funding Mortgage Securities I Remic	NR	9.000	06-25-2021	7,068	7,103	7,068
	NR	6.500	02-25-2023	4,660,729	4,700,782	4,717,590
Resolution Trust Corporation	NR	7.500	08-25-2023	1,127,228	1,157,699	1,147,304
	NR	6.600	05-25-2024	939,425	942,535	957,087
	NR	7.516	02-25-2022	10,000,000	10,276,563	10,276,600
	NR	4.387	06-25-2024	9,370,893	9,370,893	9,370,893
	NR	8.350	06-25-2029	4,839,876	4,883,146	4,873,127
Resolution Trust Corporation Multifamily	NR	7.743	05-25-2019	3,796,915	3,796,915	3,841,984
	NR	8.000	09-25-2021	2,112,000	2,187,570	2,195,846
	NR	7.899	02-25-2020	3,305,350	3,336,854	3,344,585
	NR	3.740	11-25-2020	1,771,870	1,771,870	1,777,948
	NR	8.150	01-25-2021	3,158,218	3,324,517	3,310,128

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CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Finance (continued)</b>						
	NR	3.740	03-25-2021	3,360,773	3,363,179	3,360,773
	NR	5.850	07-25-2024	1,773,309	1,770,355	1,782,459
	NR	7.750	04-25-2028	5,165,266	5,210,514	5,178,180
	NR	5.771	01-25-2021	1,680,241	1,686,542	1,676,040
Resolution Trust Corporation Remic	NR	4.280	12-25-2020	11,153,113	11,121,896	11,306,469
	NR	5.871	12-25-2020	9,415,135	9,506,509	9,650,513
	NR	3.800	04-25-2021	2,069,179	2,071,442	2,079,525
	NR	10.000	05-25-2022	1,000,000	1,069,690	1,069,690
	NR	4.950	03-25-2025	989,800	989,459	989,463
Resolution Trust Corporation Securities Inc	NR	3.637	07-25-2023	22,317,394	22,315,204	22,317,394
Resolution Trust Corporation Inc Remic	NR	4.350	05-25-2024	28,883,844	28,883,844	28,847,739
Resolution Trust Corporation Mortgage Pass	NR	4.287	05-25-2022	4,571,892	4,614,754	4,614,776
Resolution Trust Corporation Mortgage Remic	NR	4.337	03-25-2020	1,200,949	1,207,329	1,207,698
Revolving Home Equity Loan Trust	NR	3.720	06-09-2022	11,255,760	11,255,760	11,276,921
Residential Funding Mortgage Securities I Inc	NR	9.500	10-25-2020	1,339,264	1,375,466	1,391,161
Rural Electrical Cooperative Grantor Trust Cert	AAA	9.580	12-15-2019	8,000,000	8,252,240	9,405,120
Ryland Mortgage Securities Corporation	NR	4.933	03-25-2022	3,106,341	3,144,200	3,148,060
Ryland Mortgage Securities Corporation Libor	NR	5.620	07-25-2022	8,000,000	8,201,562	8,160,000
Ryland Mortgage Securities Corporation Partnership	NR	4.908	12-25-2021	5,850,174	5,905,019	5,928,742
Ryland Mortgage Securities Corporation Remic	NR	8.250	07-25-2027	2,457,428	2,469,715	2,465,857
Ryland Mortgage Securities Corporation Three Remic	NR	4.953	05-29-2021	9,000,000	8,758,800	8,758,800
	NR	8.337	03-29-2030	961,172	996,315	996,254
Ryland Mortgage Securities Corporation Two	NR	8.500	12-26-2021	851,010	866,434	865,366
RCSB Grantor Trust	NR	4.170	03-15-2000	11,451,752	11,451,752	11,451,752
RTC Mortgage Trust	NR	4.937	03-15-2003	9,052,556	9,052,556	9,049,659
	NR	6.250	05-15-2003	6,750,000	6,572,813	6,615,000
	NR	6.250	12-15-2002	9,250,000	8,646,865	8,764,375
Salomon Bros Mortgage Securities IV Inc	NR	7.000	02-01-2017	1,105,536	962,507	1,130,410
Salomon Bros Mortgage Securities VII Inc	NR	6.255	01-25-2018	2,661,760	2,665,087	2,718,322
Salomon Brothers Mortgage Securities II	NR	11.500	09-01-2015	3,081,435	3,379,064	3,422,303
Salomon Inc	NR	6.600	07-18-1993	12,000,000	12,000,000	12,011,880
	NR	6.710	07-30-1993	3,900,000	3,900,000	3,907,683
	NR	4.118	04-05-1995	4,000,000	4,004,800	4,005,000
	NR	8.950	08-01-1995	1,000,000	1,093,740	1,079,690
Santa Barbara Funding I Inc	NR	9.450	09-01-2010	1,479,581	1,505,474	1,523,495
Sears Credit Account Trust	NR	7.750	09-15-1996	8,000,000	8,218,750	8,597,440
Sears Mortgage Securities Corporation	NR	8.800	12-15-1994	13,200,000	14,100,938	13,975,500
	NR	7.625	12-25-2016	1,719,347	1,748,361	1,747,287
	NR	6.449	06-25-2022	4,120,123	4,176,775	4,176,775
	NR	9.178	04-25-2022	1,843,428	1,902,763	1,935,599
Sears Mortgage Securities Corporation Remic	NR	8.150	03-25-2022	5,763,159	5,897,332	6,015,297
Securities Pacific Home Equity Trust Home	NR	8.250	05-10-2003	6,035,360	6,197,560	6,174,897
Security Pacific Corporation	NR	6.240	02-03-1994	5,000,000	5,081,400	5,070,650
Security Pacific National Bank of L.A.	NR	10.500	01-01-2018	1,471,932	1,485,401	1,611,766
Shearson Lehman Brothers Holdings Inc	NR	0.000	09-05-1994	2,300,000	2,300,000	2,300,000
	NR	8.375	04-01-1997	600,000	641,184	650,412
Shearson Lehman Hutton Holdings	NR	4.140	02-01-1994	10,000,000	10,000,000	10,001,400
Shearson Lehman Securities Inc	NR	6.199	01-01-2019	3,828,217	3,910,763	3,904,781
Southwest Savings Associations	NR	9.086	12-31-2018	1,216,556	1,222,902	1,256,849
Standard Credit Card Master Trust I	NR	7.875	07-07-1994	3,450,000	3,521,625	3,579,375
	NR	8.000	08-07-1996	1,500,000	1,492,200	1,627,500
Standard Credit Trust	NR	9.375	06-10-1995	200,000	219,750	217,500
Suntrust Banks Inc	NR	7.375	07-01-2002	360,000	361,339	382,975
SPNB Home Equity Loan Asset Backed Certificate	AAA	8.100	06-15-2020	7,877,107	8,131,991	8,135,555
Texas Capital Inc	A-1	9.000	11-15-1996	400,000	441,738	448,196
Toledo Edison Company	NR	9.300	04-01-1998	3,500,000	3,807,405	3,839,815
UBS Mortgage Trust	NR	0.000	06-01-2020	89,961	1,281,951	1,132,952
US Auto Receivables Trust	NR	8.150	01-16-1996	2,913,976	2,982,728	2,992,653
Western Federal Savings & Loan Association	NR	6.099	05-01-2018	302,135	308,933	306,667
	NR	5.333	01-01-2021	5,760,162	5,720,560	5,731,361
	NR	6.397	03-01-2019	4,920,430	4,857,577	5,024,990
GMAC Mortgage	NR	0.000		183,922	116,236	183,922
<b>TOTAL FINANCE</b>				<b>1,305,722,704</b>	<b>1,318,302,067</b>	<b>1,340,591,725</b>
<b>INDUSTRIAL AND MISCELLANEOUS</b>						
Ahmanson H F & Company	BAA3	9.875	11-15-1999	10,000,000	9,894,000	11,631,200
American Brands Inc	A3	5.250	07-15-1995	500,000	503,280	500,545
AMR Corporation Delaware	NR	9.250	01-18-1994	1,000,000	1,035,100	1,022,310
	NR	9.700	11-07-2011	4,000,000	4,168,120	4,484,120
	BAA1	9.880	06-15-2020	200,000	220,800	223,796
Atlantic Richfield Company	A-1	9.125	03-01-2011	500,000	560,045	594,945
BP North America Inc	AA3	9.875	03-15-2004	400,000	463,784	503,468
C & S Sorran Corporation	NR	0.000		5,000,000	5,268,550	5,240,050
Caterpillar Inc	NR	7.280	06-05-1997	5,000,000	5,035,850	5,295,250
	A2	9.375	07-15-2001	500,000	574,625	587,695
Citicorp	NR	0.000		9,961,986	9,000,455	11,089,882
Cleveland Electric Illuminating	NR	9.250	07-29-1999	9,000,000	9,946,530	10,207,530
Coca Cola Enterprises Inc	NR	7.000	11-15-1999	500,000	510,725	524,070
	A3	7.875	02-01-2002	200,000	217,122	217,416
Collateralized Mortgage Securities Corporation	NR	8.000	08-25-2017	2,948,867	2,646,608	3,110,111
Continental Illinois Corporation	BA2	9.125	10-15-1993	2,500,000	2,591,500	2,527,050
County Seat Stores Inc	NR	12.500	06-15-1997	5,000,000	5,000,000	5,000,000
CIT Group Holdings Inc	NR	5.020	04-06-1998	15,000,000	15,000,000	15,000,000
Dayton Hudson Corporation	A3	9.700	06-15-2021	1,000,000	1,080,140	1,242,500
	NR	9.500	06-10-2015	5,000,000	5,058,600	6,027,100
Diamond Shamrock Inc	NR	8.000	04-01-2023	500,000	490,045	499,050
Digital Equipment Corporation	NR	7.125	10-15-2002	250,000	249,878	259,340
Dow Chemical Company	A-1	9.000	04-01-2021	1,000,000	1,044,080	1,183,810
Du Pont E I De Nemours & Co	NR	8.125	03-15-2004	1,000,000	997,010	1,133,710

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CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Industrial and Miscellaneous (continued)</b>						
Eastman Kodak Company	A2	9.125	03-01-1998	1,000,000	1,062,400	1,068,130
Emerson Capital Corporation	NR	0.000		709,184	709,184	933,286
	NR	0.000		60,816	60,816	80,034
Exxon Capital Corporation	AAA	7.875	08-15-1997	165,000	179,302	181,284
Federal Express Corporation	NR	10.000	09-01-1998	500,000	536,605	578,850
First Private Funding Corporation	BA2	10.150	01-15-2016	6,000,000	5,025,000	5,940,000
Peter Norstar Financial Group Inc	NR	0.000		3,000,000	3,168,270	3,224,040
	NR	0.000		5,400,000	5,813,370	5,995,674
Ford Capital BV	A2	9.000	08-15-1998	8,000,000	8,454,300	9,049,600
	AA3	10.125	11-15-2000	200,000	236,108	243,400
Ford Holdings Inc	A2	9.250	07-15-1997	241,000	268,961	272,957
Ford Motor Company	A2	9.000	09-15-2001	250,000	269,718	287,778
	NR	7.500	11-15-1999	3,225,000	3,240,964	3,437,979
Ford Motor Credit Company	NR	8.200	05-23-1994	2,700,000	2,814,210	2,799,954
Fruit Of The Loom Inc	BA3	7.000	03-15-2011	2,000,000	1,820,000	1,843,060
Gannett Company Inc	AA3	5.250	03-01-1998	250,000	248,498	249,035
General American Trans Corporation	NR	4.950	12-21-1993	7,000,000	7,147,770	7,027,440
General Electric Company	AAA	7.875	05-01-1996	450,000	490,208	485,901
General Electric Credit Corporation	0.000	0.000		5,001,514	4,957,466	5,176,567
General Motors Acceptance Corporation	NR	6.375	01-24-1994	10,000,000	10,140,100	10,089,600
	NR	9.900	04-15-1994	2,000,000	2,117,420	2,077,160
	A2	8.875	06-01-2010	8,500,000	9,151,250	9,849,800
General Motors Corporation	A2	8.000	07-01-1994	2,850,000	2,956,590	2,939,633
	A2	8.800	03-01-2021	7,400,000	7,857,560	8,227,468
Georgia Pacific Corporation	NR	9.625	03-15-2022	400,000	400,880	458,900
GMAC Grantor Trust	NR	6.750	06-15-1996	864,011	862,526	883,987
GPA Delaware Inc	CAA	8.750	12-15-1998	4,470,000	4,453,685	2,905,500
GPA Group Delaware	NR	5.090	06-15-1994	16,500,000	16,500,000	14,025,000
GTE Corporation	NR	7.830	05-01-2023	1,750,000	1,750,000	1,806,893
Harcourt General Inc	NR	8.250	06-01-2002	1,000,000	994,280	1,090,060
Hertz Corporation	BAA2	9.500	05-15-1998	4,000,000	4,495,080	4,545,400
Home Fashions Inc	NR	15.500	05-01-2002	13,781,564	11,313,371	5,656,685
IBM Corporation	A-1	9.000	05-01-1998	400,000	428,500	428,800
ICI North America Inc	NR	8.875	11-15-2006	300,000	343,578	346,023
Illinois Power Fuel Company	NR	0.000		6,000,000	6,671,250	6,386,160
Interco Inc	CA	14.500	12-15-2003	128	128	128
ISP Chemicals Inc/ISP Tech Inc	NR	9.000	03-01-1999	350,000	351,138	368,407
K Mart Corporation	A-1	12.500	03-01-2005	400,000	532,828	578,120
Keller, Graduate School Of	NR	13.000	12-01-1999	9,126,419	9,126,419	9,126,419
Kellogg Company	NR	5.900	07-15-1997	360,000	359,100	370,667
Keycorp	NR	6.300	04-20-2000	2,750,000	2,712,518	2,777,225
Leewards Creative Crafts Inc	NR	13.500	05-15-2000	5,000,000	5,000,000	5,000,000
Long Island Lighting Company	BAA3	10.250	06-15-1994	14,050,000	14,267,023	14,807,717
Louisiana Power & Light	NR	0.000		1,250,000	1,250,000	1,512,100
Lyondell Petrochemical Company	BAA3	9.950	06-01-1996	350,000	380,713	388,626
Martin Marietta Corporation	A2	9.000	03-01-2003	1,000,000	1,072,170	1,170,660
National Medical Enterprises Inc	NR	7.375	09-01-1997	5,000,000	4,980,000	4,752,100
Narco Inc	BAA	9.650	06-01-1999	5,000,000	5,097,000	5,817,500
Newtrend Group Limited Partnership	NR	12.000	01-01-1997	1,558,688	1,558,688	1,558,688
Occidental Petroleum Corporation	BAA2	11.750	03-15-2011	2,000,000	2,041,944	2,365,880
Olympia & York	NR	0.000		9,561,542	9,485,189	4,780,771
Paramount Communications Inc	NR	8.500	07-01-1996	2,500,000	2,578,925	2,494,075
	NR	7.500	01-15-2002	1,000,000	951,300	1,058,040
Penn Central Corporation	BAA1	10.875	05-01-2011	5,000,000	5,236,500	5,642,100
Penney, J C Company	A2	6.000	05-01-2006	222,000	198,794	210,900
Pepsico Inc	A-1	7.000	11-15-1996	650,000	664,937	688,688
Philip Morris Companies Inc	A2	9.400	10-01-1995	800,000	871,080	877,616
	NR	7.750	05-01-1999	1,400,000	1,488,508	1,502,746
	NR	7.125	08-15-2002	2,000,000	2,012,580	2,073,820
Philip Morris Credit Corporation Series C	NR	0.000		2,785,110	2,785,110	3,665,205
	NR	0.000		294,890	294,890	388,075
Ralston Purina Company	BAA1	9.300	05-01-2021	340,000	395,539	399,500
Resorts International Inc	CA	15.000	04-15-1994	800	792	576
RJR Nabisco Inc	BAA3	10.500	04-15-1998	8,500,000	9,730,035	9,605,000
	BAA3	8.300	04-15-1999	4,000,000	4,000,000	4,130,000
Safer Company	NR	9.630	05-31-2000	4,000,000	3,995,760	4,729,280
Safeco Products	NR	9.460	05-31-1999	7,000,000	6,992,160	8,144,570
Sears Roebuck & Company	A2	7.000	11-01-1994	2,500,000	2,579,925	2,578,175
	A2	9.250	08-01-1997	4,050,000	4,504,694	4,571,964
	A2	9.250	04-15-1998	26,860,000	29,988,384	30,512,691
	A2	9.375	11-01-2011	250,000	257,413	291,380
Security Pacific Corporation	A3	8.350	08-15-1994	3,000,000	3,111,570	3,131,610
Shell Oil Company	AAA	6.950	12-15-1998	1,000,000	998,310	1,062,970
Sonwil Corporation Deferred	NR	0.000		12,468,434	14,459,412	17,582,362
Southeast Real Estate	NR	6.000	04-29-1999	7,884,616	7,861,208	7,884,616
Teachers Insurance & Annuity	NR	0.000		21,825,681	21,945,722	22,289,476
Tele Communications Inc	NR	7.375	02-15-2000	2,000,000	1,995,100	2,078,860
	NR	9.250	01-15-2023	8,000,000	8,160,660	8,770,640
	BAA3	9.875	04-01-1998	200,000	219,376	228,228
Tenneco Inc	BAA2	7.875	10-01-2002	4,000,000	4,060,685	4,226,000
Time Warner Inc	BA2	11.000	08-15-2002	43,600,000	37,123,938	38,477,000
Union Oil Company Of California	BAA1	9.750	03-01-1994	5,365,000	5,643,819	5,547,517
United States Leasing International Inc	A2	8.750	05-01-1996	1,800,000	1,966,896	1,962,162
USG Corporation	CA	16.000	07-15-2008	100	0	16
USX Corporation	NR	8.500	03-01-2023	7,500,000	7,445,250	7,643,175
	NR	0.000		36,000,000	37,168,880	36,021,960
Wal Mart Stores Inc	NR	5.500	03-01-1998	250,000	250,000	251,758
Waste Management Inc	A-1	7.750	02-01-1995	1,200,000	1,234,032	1,263,180
	NR	6.375	07-01-1997	250,000	258,585	260,400
Wilmington Trust Company Chrysler Capital	NR	0.000		984,697	984,697	945,919
Wilmington Trust Company Cilcorp Lease	NR	0.000		639,497	639,497	614,314
	NR	0.000		329,297	329,297	316,330

Original from



CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>Industrial and Miscellaneous (continued)</b>						
Wilmington Trust Company Capital Inc	NR	0.000		633,428	633,428	608,484
Wilmington Trust Company Northern Leasing Company	NR	0.000		950,142	950,142	912,725
Wilmington Trust Company Philip Morris	NR	0.000		3,156,212	3,156,212	3,031,921
Wilmington Trust Company U S West	NR	0.000		1,234,149	1,234,149	1,185,548
<b>TOTAL INDUSTRIAL AND MISCELLANEOUS</b>				<b>503,509,772</b>	<b>508,069,116</b>	<b>513,933,566</b>
<b>PUBLIC UTILITIES</b>						
Boston Edison Company	NR	9.375	08-15-2021	270,000	307,584	304,039
Colorado Interstate Gas Company	BAA2	10.000	06-15-2005	2,000,000	2,014,740	2,415,900
Commonwealth Edison Company	NR	8.160	06-01-1994	1,500,000	1,561,035	1,553,430
	A3	9.375	02-15-2000	5,085,000	5,697,081	5,860,818
Connecticut Light & Power Company	BAA1	9.500	06-01-2019	1,000,000	988,750	1,084,710
Consolidated Edison Company New York Inc	NR	6.250	04-01-1998	250,000	253,585	258,943
	AA2	7.625	03-01-2004	500,000	541,650	550,130
Consumers Power Company	BAA3	8.750	02-15-1998	1,000,000	1,101,750	1,091,580
CTC Mansfield Funding Corporation	NR	10.250	03-30-2003	6,250,000	6,693,313	6,515,625
Duke Power Company	NR	6.250	05-01-2004	600,000	584,250	596,760
Houston Light & Power Company	NR	7.625	03-01-1997	1,000,000	999,510	1,077,720
Idaho Power Company	NR	8.750	03-15-2027	1,000,000	996,250	1,116,090
Jersey Central Power & Light Company	NR	6.375	05-01-2003	100,000	99,160	100,253
Long Island Lighting Company	BAA3	11.700	11-15-1993	3,000,000	3,281,540	3,078,240
	BAA3	11.750	11-15-1994	13,515,000	15,006,515	14,746,217
Northern Illinois Gas	NR	5.875	05-01-2000	500,000	496,890	501,025
Pacific Gas & Electric Company	NR	7.875	03-01-2002	500,000	531,715	549,080
Rural Electric Coop Grantor Trust Certificate	NR	9.730	12-15-2017	4,000,000	4,214,770	4,443,440
Southern California Edison Company	NR	7.500	04-15-1999	500,000	494,220	542,060
Southern California Gas Company	A2	8.750	10-01-2021	350,000	359,709	380,461
Texas Utilities Electric Company	NR	8.125	02-01-2002	1,000,000	982,960	1,094,600
	NR	7.375	08-01-2001	4,000,000	3,971,160	4,146,840
United Illuminating Company	NR	7.375	01-15-1998	350,000	348,289	373,881
Western Resources Inc	NR	7.250	07-01-1999	5,000,000	4,993,600	5,317,000
Wisconsin Electric Power Company	NR	7.750	01-15-2023	1,000,000	1,036,820	1,054,640
Wisconsin Gas Company	A-1	9.125	12-01-1997	4,000,000	3,990,000	4,223,440
<b>TOTAL PUBLIC UTILITIES</b>				<b>58,270,000</b>	<b>61,546,846</b>	<b>62,976,922</b>
<b>TELEPHONE</b>						
General Telephone Company	AA3	9.375	06-15-2026	1,000,000	925,010	1,057,180
GTE Corporation	A3	8.850	03-01-1998	900,000	965,628	1,010,601
Northern Telecom Limited	NR	6.875	10-01-2002	150,000	150,000	157,035
Southern Bell Telephone & Telegraph Company	AAA	8.125	05-01-2017	1,000,000	956,640	1,041,780
Southwestern Bell Telephone Company	NR	6.625	04-01-2005	500,000	503,870	507,215
United Telephone Company Florida	NR	7.250	12-15-2004	400,000	421,388	426,308
US West Communications	AA3	8.875	06-01-2031	1,000,000	1,015,250	1,134,870
<b>TOTAL TELEPHONE</b>				<b>4,950,000</b>	<b>4,937,786</b>	<b>5,334,989</b>
<b>TRANSPORTATION</b>						
AMR Corporation Delaware	BAA1	10.000	04-15-2021	1,000,000	1,095,830	1,132,220
	NR	6.250	07-01-1995	5,000,000	5,054,090	5,040,100
	BAA1	9.800	10-01-2021	2,500,000	2,527,100	2,779,700
	NR	9.160	12-20-1993	4,000,000	4,129,000	4,076,080
	NR	7.750	12-01-1997	14,000,000	13,913,770	14,470,120
Burlington Northern Inc	NR	8.750	02-25-2022	500,000	551,565	571,490
Consolidated Rail Corporation	NR	5.770	12-01-1995	1,775,000	1,821,239	1,823,209
Delta Air Lines Inc	NR	9.375	09-11-2007	4,872,322	4,872,322	5,145,075
<b>TOTAL TRANSPORTATION</b>				<b>33,647,322</b>	<b>33,964,916</b>	<b>35,037,994</b>
<b>CONVERTIBLE ISSUES</b>						
Avnet Inc	A2	6.000	04-15-2012	500,000	511,200	515,000
Coeur D Alene Mines Corporation Idaho	NR	7.000	11-30-2002	2,460,000	2,459,351	3,591,600
Service Corporation International	BAA1	6.500	09-01-2001	3,000,000	3,000,000	3,615,000
Sterling Software Inc	B-1	5.750	02-01-2003	750,000	750,000	729,375
Time Warner Inc	BA3	8.750	01-01-2015	1,200,800	1,254,836	1,275,850
<b>TOTAL CONVERTIBLE ISSUES</b>				<b>7,910,800</b>	<b>7,975,387</b>	<b>9,726,825</b>
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>1,786,580,097</b>	<b>1,934,796,118</b>	<b>1,967,602,021</b>

Original from

PREFERRED STOCKS	SHARES	BOOK VALUE	MARKET VALUE
<b>Domestic</b>			
Arco Inc	10,000	500,000	605,000
Cellular Communication	167,267	4,866,318	6,523,413
Conagra Inc	25,000	791,750	765,625
Ford Motor Company Series A	39,500	3,225,415	3,564,875
General Motors Corporation	22,000	1,136,644	1,221,000
Lewards Creative Crafts Inc	263,818	5,069,525	8,157,832
	67,020	2,072,406	2,072,406
Lynx Therapeutics	77,081	77,081	77,081
R/R Nabisco Holdings Corporation	28,000	1,019,299	819,000
Tesco Inc	314	11,571	16,250
Toledo Edison Company	80,000	2,017,280	2,080,000
US Air Group Incorporated	65,000	3,011,253	3,656,250
<b>TOTAL PREFERRED STOCKS - Domestic</b>		<b>23,798,542</b>	<b>29,558,732</b>

PREFERRED STOCKS	SHARES	BOOK VALUE	MARKET VALUE
<b>International</b>			
Henkel Kgsa Preferred Shares	6,421	2,449,679	2,000,938
Hornbach Holdings	1,800	1,029,651	1,255,405
International Nederlanden Group Limited Company Preferred	18,480	0	77,744
Rhänisch Westfälisches Preferred	1,619	229,994	362,472
	12,953	2,756,116	2,415,655
Roche Holding Basel Genussscheine Preferred	110	360,894	362,890
Volkswagen AG Preferred	3,800	497,901	661,461
Wella Ag Preferred	400	89,981	170,318
Zürich Versicherungsgesellschaft Pfg Ct	1,900	1,402,224	1,537,221
<b>TOTAL PREFERRED STOCKS - International</b>		<b>8,816,440</b>	<b>8,844,104</b>

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
Australia (Commonwealth Of)	NR	9.500	02-28-1994	4,027,848	3,485,079
	NR	7.000	08-15-1998	17,047,252	16,251,626
Australia (Government Of)	NR	10.000	10-15-2002	3,109,329	3,269,817
Australia Government Bond	NR	9.000	09-15-2004	1,801,560	1,836,066
Austria Government Bond (Oesterreich)	NR	6.250	10-16-2003	5,461,106	6,471,149
ANB Multiple Intercap Eafe Index Fund	NR	0.000		112,437,889	126,631,909
Bank New York Company Inc	NR	5.250	12-05-1997	6,508,000	6,812,716
Bank Of New York Overseas Fin Nv	NR	5.250	01-24-1996	2,917,500	3,000,000
Banque Europeenne D'Investissement	NR	6.625	03-15-2000	15,771,138	18,467,961
Belgium (Government Of)	NR	8.750	06-25-2002	6,714,781	6,313,899
	NR	9.000	06-27-2001	3,726,322	3,558,540
Belgium (Kingdom Of)	NR	9.000	07-30-1998	5,950,988	5,522,775
	NR	6.000	12-16-1998	2,902,709	3,480,563
Brinson Partners International	NR	0.000		59,944,421	74,158,741
	NR	0.000		210,564	210,564
Brinson Partners International Non-Dollar	NR	0.000		220,583,860	260,870,000
British Columbia Bonds (Variable)	NR	8.500	08-23-2013	2,705,732	2,709,490
Bundesobligationen	NR	0.000		25,829	25,197
Bundesrepublik Deut Bond	NR	7.250	01-20-2000	2,921,627	2,818,143
Bundesrepublik Deut(Germany Federal Republic Of)	NR	6.375	05-20-1997	7,231,268	6,949,577
Caixa Nacional Des Telecomn	NR	0.000		10,019,579	10,019,579
Canada (Government Bonds)	NR	9.500	06-01-2010	3,689,029	3,708,384
	NR	0.000		9,192,824	9,157,083
Canada (Government of)	NR	0.000	10-01-1996	4,341,782	4,293,798
	NR	9.500	10-01-1998	3,588,070	3,557,729
	NR	9.250	12-01-1999	2,965,405	2,941,030
	NR	7.500	12-01-2003	1,654,924	1,677,203
	NR	6.000	02-01-1996	1,550,680	1,551,244
Canadian National Railroad	NR	7.625	05-15-2023	489,335	505,975
Chemical New York Corporation	NR	5.250	10-09-1997	4,881,000	5,006,250
Chewon Canada Financial Ltd	NR	5.600	04-01-1998	598,800	603,648
Citicorp O/S Finance	NR	5.000	01-30-1998	2,850,600	3,000,000
	NR	3.437	05-29-1998	4,800,100	4,800,000
	NR	0.000	08-23-1996	6,459,750	6,510,140
Denmark (Government Of)	NR	9.750	02-10-1995	6,157,345	5,606,580
	NR	8.000	05-15-2003	8,543,044	8,757,250
Denmark (Kingdom Of)	NR	9.250	08-10-1995	2,443,154	2,332,881
	NR	9.000	11-15-1995	5,482,740	5,326,5
	NR	9.000	11-15-1998	10,998,131	10,917,046
Deutsche Bank Genuss Schem	NR	9.000	11-15-2000	24,553,563	24,643,199
Deutschland Bundesrepublik	NR	8.750	06-30-2004	28,775	33,296
	NR	8.000	01-21-2002	1,497,290	1,424,726
	NR	6.000	03-20-1997	4,695,367	4,648,397
	NR	7.000	09-20-1999	14,272,230	14,794,289
	NR	7.125	12-20-1999	5,655,519	6,074,823
	NR	9.000	10-20-2000	24,580,251	23,261,912
	NR	8.875	12-20-2000	21,002,154	21,174,260
	NR	7.250	10-21-2002	2,558,095	2,432,977
	NR	8.500	08-21-2000	6,194,049	6,487,430
	NR	8.000	07-22-2002	2,650,257	2,544,803
Deutschland Bundesrepublik Trustee Bond	NR	7.000	09-20-1994	1,788,212	1,768,995
E I B (Registered Bulldog Ex.Dividend)	NR	9.000	07-16-2001	1,582,340	1,551,056

Original from

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
First Bank System	NR	5.250	11-13-1996	3,029,250	3,184,000
First Bank System Inc	NR	5.250	11-26-2010	915,000	992,500
First Chicago Corp	NR	5.250	02-07-1997	1,877,500	2,005,000
Ford Credit Canada	NR	8.450	02-10-1995	24,462,100	24,443,249
Ford Motor Credit Company Euro	NR	9.230	10-31-1995	3,142,170	3,277,500
France (B.T.A.N.)	NR	9.000	02-12-1995	5,929,165	5,459,261
France (Government of)	NR	8.500	03-12-1997	3,002,407	3,188,509
	NR	9.500	01-25-2001	2,316,226	2,239,005
	NR	8.500	04-25-2023	2,407,104	2,378,674
	NR	8.125	05-25-1999	3,491,572	3,666,228
	NR	8.500	03-28-2000	2,850,645	2,905,239
	NR	8.250	02-27-2004	17,803,079	20,541,420
	NR	8.500	12-26-2012	13,243,644	14,794,958
	NR	0.000	04-25-1999	279,016	156,265
	NR	0.000	04-25-2000	258,786	247,773
	NR	9.500	06-25-1998	12,278,152	12,504,479
France	NR	0.000	10-25-2008	761,902	872,831
France Btan	NR	8.500	11-12-1997	16,866,928	16,103,716
France Oat Coupon Strip	NR	0.000		2,969,244	3,151,802
France Government Bond	NR	6.750	10-25-2003	12,069,708	11,876,324
G.E.F.C.O.	NR	0.000	09-29-2000	662,841	678,587
General Motors Acceptance Corporation Euro	NR	7.000	10-08-1993	5,353,530	5,304,128
Greek T-Bills	NR	22.250	05-31-1995	5,230,273	4,900,000
GMAC Canada	NR	0.000		12,645,750	11,917,467
Holland Nederland	NR	8.500	03-15-2001	9,171,748	9,327,234
Holland Neiderland (Nederland) Government Notes	NR	8.500	06-01-2006	7,809,643	7,772,107
Holland Nederland (Nederland)	NR	6.750	02-15-1999	985,219	1,069,762
	NR	6.000	04-15-1995	5,043,763	5,226,000
	NR	9.000	07-01-2000	6,731,386	6,700,066
Hydro Quebec	NR	8.000	02-01-2013	1,392,417	1,418,458
	AA3	9.375	04-15-2030	5,370,976	5,986,722
	AA3	9.500	11-15-2030	11,200,283	12,150,642
International Bank Reconstruction Dev	NR	6.000	10-18-1996	1,157,718	1,340,925
	NR	5.250	03-20-2002	11,331,477	13,407,245
Ireland Republic of	AA3	8.625	04-15-2001	494,825	576,110
	NR	8.750	07-27-1997	1,179,672	1,218,087
Inish (Government of)	NR	9.000	07-15-2001	1,292,866	1,266,605
Israel State	AAA	8.000	12-01-1994	4,000,000	4,000,000
	AAA	8.000	12-01-1995	2,000,000	2,000,000
	NR	8.000	03-01-1998	1,000,000	1,000,000
Israel State Dollar Bonds	NR	8.000	06-30-2004	5,000,000	5,247,800
Italy (Republic Of)	NR	12.000	01-01-1996	4,262,981	4,138,548
	NR	12.500	03-01-1996	4,300,860	4,187,023
	NR	12.000	01-01-1998	9,725,268	10,068,484
	NR	12.000	05-01-1997	4,877,811	5,112,905
	NR	12.000	09-01-2002	5,998,748	6,132,673
	NR	12.000	10-01-1995	11,929,970	11,502,341
	NR	12.000	05-18-1999	9,238,359	8,908,020
	NR	9.250	03-07-2011	2,440,026	2,409,414
	NR	11.500	03-01-2003	10,826,643	10,732,965
	NR	12.000	01-01-2003	6,491,742	6,209,335
Italy	NR	12.000	09-01-1997	21,953,211	21,053,591
Japan (Government of)	NR	5.000	09-21-1998	26,795,857	28,054,749
	NR	5.600	09-20-2012	3,756,634	3,916,914
	NR	4.800	12-20-2002	7,655,425	7,564,806
	NR	6.600	06-20-2001	10,752,029	10,527,346
	NR	6.400	03-20-2000	6,149,242	6,420,307
	NR	4.900	03-20-1998	1,490,803	1,578,519
	NR	5.000	09-21-2009	3,436,853	3,465,444
	NR	4.700	12-21-1998	17,489,352	19,198,080
	NR	4.900	09-22-2008	3,588,452	3,603,439
	NR	5.000	09-20-1999	1,471,555	1,542,278
	NR	4.900	09-20-1999	1,479,505	1,562,768
	NR	4.500	06-20-2003	1,801,518	1,844,272
	NR	4.500	06-20-2003	35,279,477	33,433,526
	NR	6.000	12-20-2001	3,969,061	4,154,912
John Deere Capital Corporation	NR	11.625	03-20-1995	4,844,000	4,834,813
Kansallis Osake Pankki New York Branch	NR	4.650	05-10-1995	1,991,640	2,000,000
Manitoba Province Canada	A-1	8.875	09-15-2021	498,120	585,705
Manufacturers Hanover Trust	NR	5.250	04-30-1997	2,959,500	2,990,610
Montreal (City Of)	NR	11.500	09-20-2000	4,313,258	4,607,011
Netherlands (Government of)	NR	0.000		6,570,178	6,582,931
	NR	6.500	07-15-1998	2,980,127	2,765,077
	NR	6.750	10-01-1998	4,533,502	4,297,862
New Brunswick Province Of Canada	A-1	9.750	05-15-2020	494,250	632,260
Newfoundland Province Of Canada	BAA1	9.875	06-01-2020	5,575,020	6,793,710
New Zealand (Government of)	NR	9.000	11-15-1996	4,998,642	4,944,900
	NR	10.000	03-15-2002	7,005,723	7,439,575
Norsk Hydro A S	NR	7.750	06-15-2023	995,350	1,012,470
Nova Scotia Province Canada	NR	9.375	07-15-2002	579,890	593,910
Oesterische Kontrollbank	NR	6.500	09-19-1998	2,848,942	3,350,970
Offshore Mexican Bond Limited	NR	7.000	07-20-1994	49,000,000	48,861,820
Ontario Province Canada	NR	5.700	10-01-1997	1,687,335	1,708,792
	NR	7.375	01-27-2003	394,080	398,659
Petro Canada	NR	8.600	10-15-2001	428,172	447,312
PT Inti Indorayon Utama	NR	7.000	05-02-2006	598,399	638,400
PT Pabrik Kertas	NR	7.250	04-12-2001	126,325	135,575
Quebec Province Canada	NR	3.187	10-16-2001	3,368,750	3,368,750
Republic Of Finland	NR	11.000	01-15-1999	7,949,578	8,255,591
Saskatchewan Province Canada	A2	9.125	02-15-2021	495,675	580,715
Schweden (Government of)	NR	10.750	01-23-1997	1,869,788	1,752,235
	NR	11.000	01-21-1999	1,453,751	1,491,107
	NR	10.250	05-05-2003	3,219,452	3,154,061
	NR	11.500	09-01-1995	1,219,519	1,169,283

Original from

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
Seagram Company Limited	NR	6.500	04-01-2003	246,575	251,215
Security Pacific Corporation	NR	5.000	02-21-1997	2,951,600	3,000,000
Skandinaviska Enskilda Banken	NR	8.450	05-15-2002	2,978,195	3,023,103
Spain (Government of)	NR	11.600	01-15-1997	3,702,810	3,520,324
	NR	10.900	08-30-2003	18,299,062	18,057,788
	NR	10.300	06-15-2002	5,149,549	5,004,539
Spain,(Kingdom of)	AA2	9.125	08-01-2000	510,080	589,530
	NR	10.550	11-30-1996	1,254,530	1,226,544
	NR	11.450	08-30-1998	1,440,640	1,418,237
Spain (Government of)	AAA	13.450	04-15-1996	7,171,881	5,965,662
	NR	11.300	01-15-2002	6,173,081	5,981,382
Spain (Kingdom of)	NR	11.800	01-15-1995	2,348,948	1,761,275
	NR	12.250	03-25-2000	13,263,669	12,586,113
	NR	5.750	03-23-2002	3,762,806	4,872,906
Spanish (Government of)	NR	11.000	06-15-1997	11,287,822	10,114,266
Statens Bostadsf	NR	13.000	09-20-1995	6,627,910	6,775,004
Sweden (Kingdom of)	NR	0.000		24,799,042	24,799,042
Swiss Bank Notes Euro	AAA	0.000	02-28-2001	1,218,717	1,252,776
Telekom Malaysia	NR	0.000		358,513	357,075
Texas Commerce Bancshares Inc	NR	0.000	11-26-1997	10,655,000	11,020,570
Texas Instruments Inc Euro	NR	2.750	09-29-2002	2,650,200	3,052,500
Toronto Variable	NR	9.625	05-14-2002	837,357	840,439
United Kingdom (Fully Paid) Government Bond	NR	8.750	09-01-1997	3,591,587	3,627,178
United Kingdom Conversion	NR	9.000	03-03-2000	2,657,630	2,797,018
United Kingdom Conversion Stock	NR	9.000	03-03-2000	4,323,032	4,233,152
UK Conversion Stock	NR	9.500	10-25-2004	837,598	834,252
United Kingdom Treasury Bonds	NR	0.000		1,919,565	1,905,189
	NR	9.750	08-27-2002	852,787	842,641
	NR	8.500	07-16-2007	1,690,364	1,711,288
United Kingdom Treasury Stock	NR	8.000	06-10-2003	19,523,249	19,413,404
World Bank	NR	4.500	03-20-2003	3,970,589	4,113,282

**TOTAL INTERNATIONAL OBLIGATIONS** 1,419,986,838 1,498,117,487

**TOTAL BONDS, CORPORATE NOTES,  
PREFERRED STOCKS AND GOVERNMENT OBLIGATIONS** 4,493,230,407 4,660,506,098

SHORT-TERM INVESTMENTS	PAR VALUE	BOOK VALUE	MARKET VALUE
Accrued Interest and Dividends		102,572,092	102,572,092
Collateral held at REFCO		-216,780	-216,780
Harris Bank Collective Investment Funds	191,715,100	191,715,100	191,715,100
Illinois Teachers Custom Cash		-5,659,807	-5,659,807
Florida Power Corporation	12,500,000	12,469,278	12,469,278
General Electric Capital Corporation	67,000,000	66,824,125	66,824,125
Norfolk Southern Corporation	6,200,000	6,179,254	6,179,254
Rodman & Renshaw		19,999,829	23,696,655
RXR REFCO		22,882,335	30,472,399
United States Of America T-Bills	400,000	397,169	399,340
	5,850,000	5,794,257	5,830,024
	30,065,000	29,833,442	30,051,870
	4,400,000	4,365,167	4,400,000
	2,000,000	1,967,695	1,973,220
	11,205,000	10,901,090	11,204,407
	500,000	496,620	499,745
	4,250,000	4,217,703	4,222,545
	93,100,000	92,313,722	92,436,648
	14,460,000	13,853,944	14,415,456
Various Options Contracts		-12,732,068	-9,960,190

**TOTAL SHORT-TERM INVESTMENTS** 443,645,105 568,174,167 583,525,381

CURRENCY INVESTMENTS	BOOK VALUE	MARKET VALUE
Australian Dollar	1,137,903	1,117,539
Austrian Schilling	1,823,025	1,706,696
Belgian Franc	1,123,378	1,111,579
British Pound	1,778,208	1,744,797
Canadian Dollar	581,880	577,733
Danish Krone	477,005	447,504
Deutsche Mark	1,058,389	1,037,457
European Currency Unit	969	862
Foreign Cash Equivalents	26,137,071	26,105,286
Foreign Currency Payables	-30,261,093	-30,247,761
Foreign Forward Contracts	0	14,820,615
French Franc	9,292,059	8,883,772
Hong Kong Dollar	7,696,712	7,700,744
Indonesian Rupiah	3,381	3,343
Irish Punt	525	486
Italian Lira	-425,511	-446,840
Japanese Yen	17,061,478	17,477,505
Korean Won	55,457	55,263
Malaysian Ringit	1,077,940	1,077,718
Netherlands Guilders	2,035,902	1,914,228
New Zealand Dollar	222,668	224,016
Singapore Dollar	1,913,066	1,925,097
Spanish Peseta	1,060,334	1,017,831
Swedish Krona	25,519	24,339
Swiss Franc	286,489	272,324
Thailand Baht	27,683	27,672
Various Options Contracts	8,570,675	9,986,560

**TOTAL CURRENCY INVESTMENTS** 52,761,112 68,566,365

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
<b>AIR TRANSPORT</b>				<b>COMMON STOCK-Domestic</b>			
Boeing Company	61,175	1,634,581	2,263,475	First Commerce Corporation	1,687	60,310	62,419
E Systems Inc	81,800	3,209,974	3,456,050	First Empire State Corporation	6,400	576,384	876,800
Electromagnetic Sciences Inc	161,000	1,051,534	1,026,375	First Fidelity Bancorporation	33,278	1,164,871	1,634,783
General Dynamics Corporation	1,890	119,638	167,029	First Interstate Bancorp	4,373	215,058	274,413
Grumman Corporation	3,700	96,273	147,075	First Of America Bank Corporation	30,819	669,188	1,240,465
Keene Corporation	1,500	11,871	375	First Security Corporation	40,700	951,825	1,170,125
Litton Industries Inc	27,683	1,242,663	1,771,712	First Tennessee National Corporation	1,500	60,750	60,750
Lockheed Corporation	119,000	7,410,782	7,854,000	First Union Corporation	159,561	5,661,935	7,738,709
Loral Corporation	76,478	3,404,485	4,569,561	First Virginia Banks Inc	35,521	1,351,925	1,296,517
Martin Marietta Corporation	64,100	4,474,832	5,055,888	Firstar Corporation	39,000	1,080,467	1,267,500
McDonnell Douglas Corporation	26,011	1,487,369	1,928,066	Fleet Final Group Inc	98,400	2,943,098	3,321,000
Northrop Corporation	199,100	7,625,495	8,312,425	Fleet Mortgage Group Inc	35,000	821,188	700,000
Raytheon Company	109,747	4,556,302	6,735,722	Foothill Group Inc	187,500	1,081,563	2,039,063
Rockwell International Corporation	260,700	6,579,334	8,668,275	Franklin Resources Inc	70,000	1,303,489	2,747,500
Textron Inc	48,300	1,377,803	2,710,838	GATX Corporation	39,000	1,371,139	1,457,625
Thiokol Corporation	75,808	1,023,674	1,658,300	Golden West Financial Corporation	12,500	491,133	529,688
United Technologies Corporation	129,738	6,607,007	7,005,852	Great Western Financial Corporation	372,300	6,613,236	6,236,025
<b>AUTOMOBILES AND AUTO PARTS</b>				<b>COMMON STOCK-Domestic</b>			
Apogee Enterprises Inc	28,800	364,592	345,600	Green Tree Financial Corporation	10,000	172,293	420,000
Armor All Products Corporation	88,800	1,333,245	1,554,000	Gtech Holdings Corporation	91,300	3,477,863	3,172,675
Arvin Industries Inc	215,500	5,145,403	7,219,250	Hibernia Corporation	100,000	805,000	675,000
Borg Warner Security Corporation	65,276	1,422,702	1,346,318	Homeowners Group Inc	74,000	594,501	425,500
Chrysler Corporation	218,000	8,225,113	10,300,500	Household International Inc	50,200	1,840,398	3,470,076
Coachmen Industries Inc	50,100	369,400	657,563	Integra Financial Corporation	41,388	1,841,570	1,940,063
Dana Corporation	44,400	2,001,751	2,408,700	Inter-Regional Financial Group Inc	2,927	58,567	62,931
Douglas & Lomason Company	2,250	60,872	57,938	J P Morgan & Company Inc	70,137	3,071,291	4,760,550
Durakon Industries Inc	3,197	61,265	51,951	Key Corporation	156,000	5,293,149	6,513,000
Eaton Corporation	4,600	115,536	206,425	Margaretten Financial Corporation	38,900	669,604	680,750
Echlin Incorporation	280,200	6,419,007	7,845,600	Mark Centers Trust	55,000	1,073,742	1,106,875
Excel Industries Inc	1,430	13,579	25,919	Marsh & McLennan Companies Inc	4,900	308,182	428,138
Federal-Mogul Corporation	55,000	865,711	1,182,500	Mellon Bank Corporation	158,838	9,884,864	8,954,493
Ford Motor Company	210,209	8,486,601	10,983,420	Mercantile Bancorporation Inc	27,549	1,175,256	1,356,789
General Motors Corporation	399,300	15,291,126	17,768,850	Merrill Lynch & Company Inc	7,604	288,559	615,924
Genuine Parts Company	195,000	5,915,032	6,751,875	Michigan National Corporation	63,000	3,358,341	3,559,500
Modine Manufacturing Company	49,800	724,358	1,070,700	MBNA Corporation	89,200	1,607,763	2,609,100
Standard Motor Products Inc	3,375	60,749	64,547	Nationsbank Corporation	66,408	2,836,009	3,295,462
Standard Products Company	7,250	160,669	251,031	North Fork Bancorporation Inc NY	123,200	1,131,590	1,386,000
Superior Industries International Inc	35,000	1,679,750	1,964,375	Northern Trust Corporation	37,500	1,275,000	1,575,000
SPX Corporation	900	25,416	14,175	Norwest Corporation	91,038	1,473,663	2,492,165
TBC Corporation	44,750	247,169	564,969	NBD Bancorp Inc	7,575	132,026	245,241
Wabash National Corporation	43,000	1,065,706	1,139,500	Old Kent Financial Corporation	41,000	1,432,934	1,373,500
Wynn International Inc	2,113	61,457	62,598	Paine Webber Group Inc	47,400	1,016,297	1,380,525
<b>BANKING AND FINANCE</b>				<b>COMMON STOCK-Domestic</b>			
Ahmanson (H F) & Company	122,500	2,089,142	2,128,438	Pec Israel Economic Corporation	65,009	1,473,963	1,714,612
Alex Brown Inc	59,886	1,304,716	1,422,293	Pioneer Group Inc	1,631	60,468	62,386
Alexander & Alexander Services Inc	2,800	74,115	77,350	Premier Bancorporation Inc	4,083	56,846	61,755
Ambac Corporation	230,200	6,623,457	9,639,626	Price T Rowe & Associates Inc	43,350	688,842	1,994,100
American Express Company	223,700	6,275,576	7,214,325	Primera Corporation	167,200	3,694,279	8,798,900
Americredit Corporation	130,000	658,804	650,000	Property Trust Of America	60,000	1,057,005	1,110,000
Ampal American Israel Corporation	7,253	60,865	67,090	PNC Financial Corporation	14,574	309,990	477,299
Amsooth Bancorporation	26,862	579,315	879,731	Republic New York Corporation	15,000	697,768	763,125
Banc One Corporation	233,460	8,996,417	13,132,125	Riggs National Corporation	37,000	331,878	282,125
Bancorp Hawaii Inc	10,000	377,862	448,750	Rouse Company	217,000	3,479,796	3,526,250
Bank of Boston Corporation	5,891	145,820	145,796	Salomon Inc	10,200	342,498	390,150
Bank of New York Company Inc	84,600	2,905,011	5,023,125	Shawmut National Corporation	134,100	2,743,278	3,201,638
Bankamerica Corporation	371,863	14,003,575	16,826,780	Silicon Valley Bancshares	85,000	806,585	754,375
Bankers Trust New York Corporation	163,557	9,279,257	12,123,662	Southern National Corporation	59,991	1,325,347	1,312,303
Bankwestcor Corporation	40,000	524,167	940,000	Southtrust Corporation	69,344	986,813	1,343,530
Barnett Banks Inc	5,300	155,420	253,075	Standard Federal Bank of Troy	57,376	617,823	1,341,164
Baybanks Inc	35,000	1,279,170	1,505,000	State Street Boston Corporation	40,000	945,424	1,325,000
Bear Stearns Companies Inc	73,443	1,325,433	1,725,911	Student Loan Marketing Association	223,700	11,459,423	9,675,025
Beneficial Corporation	1,800	92,103	132,300	Summit Bancorporation	48,000	657,745	996,000
Boatman Bancshares Inc	33,700	1,916,132	2,034,638	Sunamerica Inc	119,500	2,047,297	3,883,750
Brinson Partners Ex-Dex Fund	1,154,319	97,858,225	209,190,391	Suntrust Banks Inc	62,500	1,910,975	2,945,313
Brinson Partners Non U S Equity	346,665	53,938,650	58,747,475	Trustmark Corporation	1,365	50,595	58,013
Central Bancshares of the South	2,517	56,773	61,667	Union Bank of San Francisco	1,898	61,211	50,772
Chase Manhattan Corporation	147,727	4,467,456	4,764,182	Union Planters Corporation	49,718	708,136	1,280,239
Chemical Banking Corporation	376,919	12,642,328	15,406,564	UJB Financial Corporation	18,800	337,366	460,600
Citicorp	38,400	1,065,511	1,156,801	US Bancorp	117,650	2,812,341	2,941,250
Citizens First Banking Inc	230,000	761,245	1,495,000	Vermont Financial Services Corporation	50,000	766,250	887,500
CMAC Investment Corporation	39,000	708,362	1,101,750	Wachovia Corporation	113,200	3,398,250	3,981,250
Colonial Bancgroup Inc	40,000	598,000	805,000	Wells Fargo & Company	3,600	207,984	396,900
Colonial Group Inc	78,130	858,794	2,011,848	West One Bancorp	44,014	1,687,930	2,173,191
Comerica Incorporated	206,928	5,489,356	6,130,242	Westamerica Bancorporation	2,322	48,207	61,823
Commerce Bancshares Inc	2,025	60,750	56,700	<b>BEVERAGES</b>			
Constellation Bancorp	125,000	859,375	1,062,500	Anheuser Busch Companies Inc	310,583	12,694,084	15,063,276
Continental Bank Corporation	266,896	3,968,403	6,372,143	Brown Forman Corporation	6,500	290,233	566,313
Corestates Financial Corporation	4,408	149,146	254,562	Coca Cola Company	165,400	2,963,855	7,112,200
Countrywide Credit Industries Incorporated	95,300	2,309,543	2,918,563	Coors Adolph Company	4,200	59,302	78,226
Crestar Financial Corporation	38,400	1,217,097	1,603,200	Dr Pepper/Seven-Up Companies Inc	235,200	3,710,442	4,292,400
Dean Witter Discover & Company	132,900	4,371,674	4,983,750	Mr. Coffee Inc	185,000	1,380,354	1,572,500
Deposit Guaranty Corporation	2,136	50,730	62,478	Pepsico Inc	984,000	20,549,272	36,408,000
Dine Savings Bank New York	210,000	1,332,080	1,496,250	<b>CHEMICALS AND SYNTHETIC FIBERS</b>			
Downey Savings And Loan	19,537	347,406	317,476	Air Products & Chemicals Inc	80,700	2,766,626	3,167,475
Dreyfus Corporation	25,000	765,895	1,018,750	American Cyanamid Company	202,700	11,107,778	10,844,450
Duff & Phelps Corporation	78,422	1,037,423	1,333,174	Avery Dennison Corporation	22,600	577,003	663,876
Eaton Vance Corporation	1,800	43,286	59,850	Burlington Resources Inc	55,000	2,065,549	2,667,500
Enhance Financial Services Group Inc	25,100	460,222	489,450	Cabot Corporation	136,291	5,740,530	6,644,186
Federal Home Loan Mortgage Corporation	728,400	21,198,004	40,699,350	Chemdesign Corporation	11,600	67,545	55,100
Federal National Mortgage Association	519,900	29,035,544	43,086,714	Chemed Corporation	23,236	666,892	714,507
First Alabama Bancshares Inc	40,000	1,255,630	1,350,000	Cooper Tire & Rubber Company	66,800	1,822,029	1,686,700
First American Corporation of Tennessee	36,000	1,014,360	1,057,500	Crompton & Knowles Corporation	101,100	1,587,391	2,211,563
First Chicago Corporation	137,200	3,388,128	5,642,351	Dow Chemical Company	155,000	8,351,562	8,776,876
First Citizens Bancshares Inc NC	1,190	51,205	57,120	Du Pont De Nemours & Company (E.I.)	145,000	5,453,054	6,833,126
				Ecobat Inc	63,750	1,621,693	2,733,282
				Ethyl Corporation	17,482	317,364	524,463
				Ferro Corporation	10,000	309,740	313,750

Original from

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
First Mississippi Corporation	1,300	14,626	12,513	Shelby Williams Industries Incorporated	110,600	1,014,732	1,354,850
Fuller (H.B.) Company	20,000	820,529	710,000	Sithe Energies Incorporated	90,000	1,170,000	1,080,000
Georgia Gulf Corporation	48,000	1,025,654	876,000	Terra Industries Incorporated	286,037	1,599,071	1,072,639
Goodrich (B.F.) Company	1,700	69,152	72,250	The Money Store Incorporated	3,462	50,299	64,047
Goodyear Tire And Rubber Company	57,266	1,478,652	2,433,805	Trinova Corporation	35,300	860,212	1,107,538
Grace (W.R.) & Company	76,000	2,721,042	3,078,000	TRW Incorporated	4,100	196,004	258,813
Great Lakes Chemical Corporation	84,100	4,487,270	5,792,388	Whitman Corporation	7,100	65,401	96,738
Grow Group Incorporated	3,682	60,278	62,134	Whittaker Corporation	4,189	63,609	56,028
Hercules Incorporated	98,100	3,658,591	7,615,013	WMX Technologies Incorporated	713,200	19,944,390	23,089,851
IMC Fertilizer Group Incorporated	148,300	5,592,648	4,356,313	York International Corporation	182,400	6,115,091	7,478,400
Ingers Group Incorporated	143,300	4,705,475	4,299,000				
Lawter International Incorporated	24,400	325,489	344,650	CONSTRUCTION			
Lilly Industrial Coatings Incorporated	4,000	64,128	69,000	AMRE Incorporated	330,700	1,988,824	1,942,863
Lubrizol Corporation	532,100	15,050,094	16,561,613	Black & Decker Corporation	10,700	217,153	231,388
Monsanto Company	217,800	11,748,768	12,850,200	Business Records Corp. Holding Company	29,900	370,673	695,175
Morton International Incorporated	105,400	5,427,693	8,155,325	Centex Corporation	3,000	41,481	102,375
Myers Industries Incorporated	9,450	134,022	216,169	Crane Company	39,150	926,443	1,135,350
Nalco Chemical Company	87,300	2,914,894	3,022,763	Fleetwood Enterprises Incorporated	3,200	40,279	63,600
NCH Corporation	19,800	1,049,624	1,269,675	Interface Incorporated	149,450	1,942,139	1,606,588
Oil Dri Corporation Of America	2,641	59,423	63,714	Justin Industries Incorporated	2,982	60,758	52,185
Olin Corporation	141,419	6,270,775	6,275,468	Kaufman & Broad Home Corporation	3,028	30,407	56,396
Pall Corporation	18,214	226,134	323,299	Lawson Products Incorporated	31,304	912,805	805,975
Quantum Chemical Corporation	53,451	898,769	1,015,569	Medusa Corporation	106,000	1,641,652	2,769,250
Rohm & Haas Company	32,500	1,700,509	1,742,813	Morrison Knudsen Corporation	1,000	26,721	25,375
Sherwin Williams Company	180,900	5,179,692	5,856,638	MDC Holdings Incorporated	10,340	59,574	62,040
Syngene Incorporated	30,000	1,048,675	348,750	Ply Gem Industries Incorporated	5,592	57,299	57,318
Union Carbide Corporation	20,604	249,706	396,627	Puerto Rican Cement Incorporated	2,479	60,546	62,905
Vena Technologies Incorporated	101,000	1,273,795	1,363,500	PHM Corporation	9,800	221,355	309,926
Vigoro Corporation	52,732	1,270,323	1,100,781	PPG Industries Incorporated	67,800	2,545,007	4,440,900
Wilman Incorporated	135,081	2,946,831	2,954,897	Resource Mortgage Capital Incorporated	54,896	1,173,901	1,543,950
WD 40 Company	12,500	432,502	578,125	Ryland Group Incorporated	3,056	59,711	58,446
				Schuler Homes Incorporated	10,000	155,000	207,500
CONGLOMERATES AND MISCELLANEOUS				Skyline Corporation	800	12,558	13,500
Advanced Technology Labs Incorporated	105,500	2,033,613	1,819,875	Stanley Works	27,350	764,384	1,097,419
Agency Rent A Car	54,300	663,133	454,763	Starrett (L.S.) Company	6,800	176,571	164,050
Air & Water Technologies Corporation	45,000	536,966	630,000	Toll Brothers Incorporated	26,700	308,914	304,425
Allied Signal Incorporated	15,718	584,021	1,049,177	Valpar Corporation	3,900	128,409	138,450
Alltrista Corporation	525	6,780	7,481	Vulcan Materials Company	7,700	314,041	356,125
Amoskeag Company	2,077	60,874	79,965	Waxman Industries Incorporated	96,000	480,000	324,000
Amphenol Corporation	123,000	1,046,337	1,276,125	ELECTRICAL AND ELECTRONIC			
Armstrong World Industries Incorporated	92,500	2,865,690	2,983,125	Adaptec Incorporated	11,400	244,462	260,775
Baumco Corporation	1,500	47,484	7,875	ADT Limited	4,700	37,532	41,713
Banknorth Group Incorporated	50,000	718,750	868,750	Advanced Micro Devices Incorporated	3,600	67,918	86,851
Bassett Furniture Industries Incorporated	1,437	29,596	47,062	Alpha Microsystems	83,000	323,855	217,875
Boston Scientific Corporation	113,600	1,953,861	1,590,400	Amdahl Corporation	7,500	117,966	41,250
Brinson Small Cap TAA Fund	754,765	61,211,704	72,427,209	American Management Systems Inc.	3,076	65,273	57,675
Burlington Industries Incorporated	81,800	949,825	1,196,325	American Software Incorporated	160,000	1,339,565	1,240,000
Caldor Corporation	84,356	1,962,442	2,108,900	Analogic Corporation	4,418	48,598	70,688
Caremark International Incorporated	77,000	1,050,048	1,232,000	Analysts International Corporation	2,292	61,311	67,614
Central Sprinkler Corporation	71,000	835,537	798,750	Anthens Electronics Incorporated	25,000	937,464	821,875
Chalk Line Holdings	2	787,315	0	Apple Computer Incorporated	47,400	2,128,271	1,872,300
Columbia Hospital Corporation	21,000	517,214	561,750	Applied Magnetics Corporation	5,875	71,877	57,281
Cooper Industries Incorporated	132,700	5,509,937	6,701,350	Ask Computer System Incorporated	92,000	1,039,286	989,000
Coming Incorporated	12,900	198,323	428,925	Autodesk Incorporated	1,900	75,916	107,113
County Seat Holdings Incorporated	60,182	601,820	601,820	Automatic Data Processing Incorporated	430,100	12,046,701	20,644,800
Coventry Corporation	104,500	1,505,399	3,474,625	Avnet Incorporated	83,200	2,232,758	2,828,800
CRSS Incorporated	174,500	1,662,945	1,505,063	ADC Telecommunications Incorporated	56,800	817,688	1,775,000
Denvy Incorporated Delaware	114,972	774,339	2,888,672	AMP Incorporated	75,200	4,168,714	4,066,000
Dial Corporation	2,497,421	2,707,513	2,707,513	AST Research Incorporated	84,900	1,312,361	1,262,888
Digicon Incorporated	130,000	551,349	308,750	Banctec Incorporated	79,265	873,315	1,446,587
Dovaton International Incorporated	630	7,074	10,710	Boole & Babbage Incorporated	2,670	69,303	67,418
First Data Corporation	204,300	6,042,260	7,559,100	BEL Electronics Incorporated	163,600	1,179,669	1,227,000
FMC Corporation	28,782	1,469,922	1,302,386	BMC Software Incorporated	69,100	4,308,983	3,645,025
Gentyle Group Incorporated	110,000	983,125	350,570	Cabletron System Incorporated	37,000	3,370,060	3,903,500
Grey Advertising Incorporated	373	60,173	61,545	Cherry Corporation	2,553	62,586	53,613
Hib Royal & Hamilton Company	25,000	384,215	337,500	Cirrus Logic Incorporated	44,000	827,152	764,500
Hon Industries Incorporated	28,800	577,326	820,800	Cobra Electronics Corporation	150,900	994,927	414,975
ITT Corporation	53,000	2,921,254	4,518,250	Compaq Computer Corporation	189,387	5,901,977	9,279,963
Kendall International Incorporated	25,000	628,125	962,500	Computer Associates	385,960	7,469,758	11,482,311
Kinder-Care Learning Centers Incorporated	7,921	67,329	40,595	Computer Products Incorporated	491,900	1,332,589	1,045,288
	5,630	95,710	73,190	Computer Sciences Corporation	27,800	1,716,510	2,317,825
Ladd Furniture Incorporated	78,000	716,505	702,000	Computer Task Group Incorporated	142,400	1,227,805	1,068,000
Lawyers Title Corporation	82,500	806,400	1,608,750	Computervision Corporation	185,000	1,037,949	670,625
Leggett & Platt Incorporated	90,500	1,349,597	3,348,500	Connor Peripherals Incorporated	10,500	216,959	102,375
Leves Corporation	20,000	1,930,300	1,892,500	Convex Computer Corporation	111,000	796,186	541,125
Marietta Corporation	98,000	690,198	992,250	Cray Research Incorporated	33,000	1,064,210	915,750
Masco Corporation	16,900	403,103	504,888	Dallas Semiconductor Corporation	29,329	239,155	432,603
Minerals Technologies Incorporated	55,953	1,651,582	1,650,614	Daniel Industries Incorporated	25,600	348,488	345,600
Minnesota Mining & Manufacturing Co.	199,300	14,226,926	21,524,400	Data General Corporation	95,800	1,101,660	922,076
Moorco International Incorporated	11,000	187,660	187,000	Data Translation Incorporated	50,400	313,392	428,400
Mueller Industries Incorporated	2,382	59,744	78,606	Dell Computer Corporation	32,934	1,210,089	617,513
Newell Companies Incorporated	5,300	108,439	176,225	Devon Group Incorporated	3,600	65,381	52,200
Newtrend Group Limited Partnership	1	0	434,140	Digital Equipment Corporation	23,300	1,732,374	972,775
Ogden Corporation	238,866	4,677,739	6,270,233	Dionex Corporation	18,800	577,908	667,400
Omnicom Group	212,114	7,544,337	8,723,189	Dover Corporation	3,800	103,562	178,126
Owens Corning Fiberglas Corporation	2,800	53,268	116,900	DH Technology Incorporated	107,142	1,141,013	1,392,846
Owens Illinois Incorporated	250,000	2,681,000	2,875,000	Ekco Group Incorporated	96,000	775,165	1,032,000
Parker & Parsley Pete Company	58,570	854,336	1,639,960	Electrocom Automation Incorporated	95,500	1,732,051	1,384,750
Philips Holding	20,000	260,175	315,000	Emerson Electric Company	131,442	5,409,833	7,656,497
Pinkertons Incorporated	3,115	60,743	66,973	Emulex Corporation	281,800	1,564,181	1,902,150
Praxair Incorporated	36,504	548,860	565,812	Eso Electronics Corporation	2,010	9,471	19,598
Primadonna Resorts Incorporated	55,000	1,059,390	1,237,500	Evans & Sutherland Computer Corp.	99,600	1,662,613	1,494,000
Robert Half International Incorporated	3,240	60,754	71,685	Exar Corporation	2,540	63,014	71,755
Rollins Environmental Services	132,874	1,037,527	979,946	EG & G Incorporated	86,738	1,782,613	1,669,707
Scotts Company	74,000	1,461,620	1,276,500	Federal Signal Corporation	116,300	2,245,530	2,762,125
Sealy Holdings Incorporated	70,515	140,890	7,052	First Financial Management Corporation	210,900	7,918,854	8,884,163
Service Corporation International	23,450	466,333	483,657				

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COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Galileo Electro Optics Corporation	111,000	664,986	610,500	Chiquita Brands International	164,900	2,513,890	1,731,450
General Electric Corporation	742,900	39,917,200	71,132,675	Clorox Company	73,090	2,403,340	3,809,817
General Instrument Corporation	140,800	4,613,251	5,473,600	Colgate-Palmolive Company	102,056	4,029,544	5,944,762
General Motors Corporation	246,700	5,660,466	7,215,975	Conagra Incorporated	32,825	502,661	828,832
Genus Incorporated	127,200	434,765	333,900	Curtice Burns Foods Incorporated	4,542	61,444	58,478
Giga Tronics Incorporated	81,000	563,419	486,000	Dean Foods Company	57,000	1,393,664	1,524,750
Granger W W Incorporated	74,300	3,759,496	4,606,600	Dole Food Company	175,000	6,674,035	6,256,250
Hadco Corporation	122,600	695,239	996,125	Duracell International Incorporated	194,100	5,777,488	6,017,100
Harman International Industries	78,676	807,425	1,652,196	Farmer Brothers Company	408	47,940	61,608
Hewlett Packard Company	197,500	11,534,785	15,997,500	First Brands Corporation	171,225	4,002,557	5,029,735
Honeywell Incorporated	245,500	6,993,197	9,114,189	Fleming Companies Incorporated	99,710	3,281,544	3,302,900
Hubbell Incorporated	25,194	909,919	1,439,207	General Mills Incorporated	131,600	8,171,874	8,948,800
Hutchinson Technology Incorporated	2,279	70,446	49,568	Gerber Products Company	30,000	891,788	836,251
Instrument System Corporation	13,969	70,158	101,275	Gibson Greetings Incorporated	300,900	5,821,628	5,529,038
Intel Corporation	243,100	10,094,945	13,370,500	Gillette Company	311,672	15,842,973	17,180,920
Intergraph Corporation	5,400	139,410	48,600	Heinz (H.J.) Company	30,300	693,059	1,117,313
International Business Machines	164,800	14,719,823	8,137,001	Helen Of Troy Corporation	142,879	1,303,256	2,750,421
Imega Corporation	206,600	1,123,150	878,500	Hershey Foods Corporation	63,600	2,534,825	2,997,150
Irel Corporation	45,700	1,175,417	1,348,150	Horrel (Geo A.) & Company	63,000	1,223,971	1,350,875
IMO Industries Incorporated	120,000	722,717	825,000	International Flavors & Fragrances Inc	21,376	1,628,049	2,431,520
Johnson Controls Incorporated	2,700	90,140	131,288	International Multifoods Corporation	2,359	60,570	57,796
Joslyn Manufacturing Company	6,750	146,980	190,688	Interstate Bakeries Corporation	119,051	1,993,762	1,904,816
JWP Incorporated	85,689	1,154,462	107,111	IBP Incorporated	196,900	3,619,157	4,184,125
Keane Incorporated	2,219	54,805	68,234	IHOP Corporation	43,000	484,252	1,096,500
Kent Electronics Corporation	73,400	632,565	1,688,200	Jan Bell Marketing Incorporated	68,500	995,201	924,750
Knowledgeware Incorporated	33,500	377,919	309,875	Jostens Incorporated	59,086	1,490,594	1,144,793
Komag Incorporated	3,063	61,489	52,071	Kellogg Company	16,100	448,212	883,488
Legent Corporation	29,000	945,995	1,036,750	Lance Incorporated	15,100	342,380	320,875
Linear Technology Corporation	30,000	725,325	866,250	Lone Star Steakhouse Saloon	45,700	1,121,625	1,028,250
Logicon Incorporated	86,500	879,973	2,108,438	Mc Donalds Corporation	758,984	24,241,512	37,285,091
Lotus Development Corporation	4,800	102,292	166,201	McCormick & Company Incorporated	12,000	335,449	279,000
LSI Logic Corporation	135,000	1,516,488	2,126,250	Michaels Foods Incorporated	61,900	812,304	557,100
Macnael Schwendler Corporation	248,900	2,579,381	3,546,825	Nash Finch Company	71,659	1,450,002	1,531,711
Magnetek Incorporated	50,000	610,525	950,000	Nef Incorporated	7,300	121,174	115,888
Mark IV Homes Incorporated	469,576	6,207,885	10,506,752	Philip Morris Companies Incorporated	444,439	16,300,227	21,555,292
Merisel Incorporated	247,200	1,322,147	2,935,500	Pioneer Hi Bred International	167,000	3,701,157	4,613,375
Methode Electronics Incorporated	188,000	522,921	2,162,000	Premark International Incorporated	63,600	2,752,323	3,672,900
Micon Technology Incorporated	2,359	59,388	87,578	Procter & Gamble Company	463,260	17,980,603	24,089,520
Micropolis Corporation	180,000	1,585,153	1,170,000	Quaker Oats Company	4,900	201,965	371,175
Microsemi Corporation	200,000	423,000	637,400	Ralston Purina Company	252,100	11,970,846	11,659,625
Microsoft Corporation	69,000	4,278,705	6,072,000	Rubbermaid Incorporated	82,500	2,268,625	2,340,938
Motorola Incorporated	182,600	8,580,800	15,954,676	Russ Berrie & Company Incorporated	198,182	2,405,634	2,848,867
MDT Corporation	126,400	828,694	1,185,000	Sara Lee Corporation	125,200	1,690,576	3,098,700
MTS Systems Corporation	2,189	60,745	62,934	Seacorp Corporation	247	42,470	47,146
National Data Corporation	3,738	60,743	60,743	Stanhome Incorporated	114,525	3,722,969	3,321,225
National Semiconductor Corporation	7,100	88,460	114,488	Stokely USA Incorporated	71,800	598,575	592,350
Newbridge Networks Corporation	202,700	5,967,411	9,628,250	Super Food Services Incorporated	23,200	315,448	220,400
Newport Corporation	135,000	1,260,294	801,495	Sysco Corporation	21,000	215,745	527,626
Nichols Research Corporation	92,800	1,051,507	1,287,600	Tasty Baking Company	3,306	58,955	65,707
Novell Incorporated	92,700	2,439,343	2,410,200	Tyson Foods Incorporated	100,000	2,353,686	2,200,000
Oak Industries Incorporated	3,351	58,767	90,477	TCBY Enterprises Incorporated	65,853	395,042	460,971
Perkin-Elmer Corporation	8,637	326,027	285,021	Universal Corporation Virginia	48,500	1,309,500	1,194,313
Pioneer Standard Electronics Incorporated	3,775	49,466	67,006	UST Incorporated	249,500	2,276,969	7,391,438
Quantum Corporation	80,000	890,761	900,000	Windmere Corporation	8,526	58,733	63,945
Radiation Systems Incorporated	84,000	779,999	966,000	Wrinkley (Wm. Jr.) Company	13,000	80,200	432,250
Radius Incorporated	120,000	696,175	465,000				
Raychem Corporation	2,700	104,267	106,650	HEALTH CARE AND COSMETICS			
Read-Rite Corporation	94,900	2,075,679	949,000	A L Laboratories Incorporated	2,467	62,107	66,917
Reliance Elec Company	75,000	1,417,210	1,406,250	Abbott Laboratories	420,400	10,097,860	10,772,751
Samsung Electronics	86	1,384	2,817	Acuson	74,800	1,151,580	869,550
	1,891	48,189	62,403	Adac Laboratories	5,581	59,361	76,041
Seagate Technology	14,600	265,274	231,775	Allergan Incorporated	2,200	57,321	53,900
Silicon Valley Group Incorporated	272,202	1,985,869	2,653,970	Alza Corporation	19,300	523,464	530,750
Software Publishing Corporation	182,000	2,255,383	1,228,500	American Home Products Corporation	69,237	3,518,542	4,465,787
Standard Microsystems Corporation	3,841	49,822	63,377	American Medical Holdings Incorporated	5,522	62,938	66,954
Stanford Telecommunications Inc	108,000	788,036	1,512,000	Amgen Incorporated	16,400	759,800	598,600
Sterling Software Incorporated	176,587	2,782,384	3,377,227	Anika Research Incorporated	1,584	0	4,752
Storage Technology Corporation	80,000	2,460,460	3,130,000	Arbor Drugs Incorporated	23,000	493,846	494,500
Stratus Computer Incorporated	4,500	145,312	147,375	Bausch & Lomb Incorporated	56,800	2,072,029	2,804,500
Summagraphics Corporation	85,500	950,117	245,813	Baxter International Incorporated	419,555	11,632,013	12,009,763
Sun Microsystems Incorporated	43,100	1,067,555	1,276,838	Beckman Instruments Incorporated	123,301	2,503,969	2,589,321
SCI Systems Incorporated	3,118	48,132	53,786	Becton Dickinson & Company	167,700	5,607,984	6,708,000
Tandem Computers Incorporated	107,400	1,555,745	1,342,500	Bergen Brunswig Corporation	106,630	2,131,127	1,919,340
Team Incorporated	93,000	851,936	465,000	Beverly Enterprises Incorporated	224,900	2,800,366	2,783,138
Tektronix Incorporated	4,314	122,559	113,243	Biomet Incorporated	19,500	180,784	204,750
Teledyne Incorporated	3,800	110,159	80,276	Biord Laboratories Incorporated	12,900	230,930	190,275
Telematics International Incorporated	148,400	437,494	1,131,550	Bristol-Myers Squibb Company	281,827	17,476,532	16,275,509
Texas Instruments Incorporated	47,800	2,776,066	3,340,026	C R Bard Incorporated	40,106	1,330,249	1,112,942
Thomas & Betts Corporation	1,200	59,281	76,500	Chatten Incorporated	2,385	72,477	25,043
TYCO Laboratories Incorporated	1,600	71,029	66,200	Collagen Corporation	127,500	2,781,451	2,900,625
Unisys Corporation	18,000	461,389	218,251	Community Psychiatric Centers	243,650	3,119,521	2,801,975
Visay Intertek Incorporated	35,658	659,487	1,288,145	Cordis Corporation	33,342	1,295,666	1,066,944
Westinghouse Electric Corporation	245,000	5,690,334	3,889,376	Damon Corporation	103,000	1,069,590	2,330,375
Wyle Laboratories	3,496	59,989	52,003	Diagnostic Products Corporation	14,500	364,890	306,313
Xerox Corporation	183,555	11,523,581	14,661,456	Forest Laboratories Incorporated	97,962	3,748,275	3,416,425
Zenith Electronics Corporation	1,900	52,270	14,013	FHP International Corporation	40,000	794,456	1,090,000
				Galen Health Care Incorporated	37,450	476,973	702,188
				General Parametrics Corporation	37,590	115,236	103,373
				Genesis Health Ventures Incorporated	3,422	60,534	61,596
				Genzyme Corporation	48,000	1,624,296	1,872,000
				Haemoretics Corporation Massachusetts	46,862	735,303	1,165,692
				Health Care & Retirement	22,000	392,651	442,750
				Helene Curtis Industries Incorporated	27,964	911,074	824,938
				Hillenbrand Industries Incorporated	29,900	1,171,859	1,274,488
				Humana Incorporated	31,600	245,687	355,500
				Hycor Biomedical Incorporated	80,000	363,381	344,960
				Invacare Corporation	52,576	1,355,095	1,209,248

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UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Johnson & Johnson	246,383	8,344,495	10,224,895	Bicycle Acquisition Corporation	973	973,000	3,330,561
Kinetic Concepts Incorporated	161,803	1,471,907	728,114	Blockbuster Entertainment Corporation	48,600	696,861	1,057,050
Life Technologies Incorporated	51,552	1,289,359	921,492	Brunswick Corporation	132,000	2,924,138	1,666,501
Lifenine Corporation	17,500	481,291	553,438	BHC Communications Incorporated	19,772	1,295,431	1,433,470
Lilly (Eli) & Company	169,944	8,020,919	8,369,742	Caesars World Incorporated	11,707	302,391	525,352
Lynx Therapeutics	52,993	10,599	10,599	Capital Cities ABC Incorporated	22,200	8,318,622	11,388,600
Manor Care Incorporated	218,850	4,198,292	4,322,288	Carmike Cinemas Incorporated	3,951	61,500	62,228
Marquette Electronics	70,327	1,323,668	1,054,905	Carnival Cruise Lines Incorporated	182,000	5,768,124	7,120,750
McKesson Corporation	74,100	2,577,690	3,260,400	Chart House Enterprises Incorporated	49,000	416,160	367,500
Med-Chem Products Incorporated	5,282	65,689	42,256	Chris-Craft Industries Incorporated	1,891	61,107	66,185
Medco Containment Services Incorporated	53,700	1,754,288	1,718,400	Circus Circus Enterprises Incorporated	249,700	12,201,928	15,106,850
Medical Care America Incorporated	58,000	983,366	1,058,500	Comcast Corporation	8,800	89,283	193,600
Medtronic Incorporated	34,500	2,451,408	2,328,750	Comcast Corporation Class A	100,000	1,237,329	2,050,000
Merck & Company Incorporated	372,017	7,097,899	13,206,604	CUC International Incorporated	45,700	1,204,800	1,268,175
Millipore Corporation	58,700	1,863,543	1,893,075	CBS Incorporated	828	136,407	193,752
Mylan Laboratories Incorporated	65,000	1,612,799	1,771,250	Discovery Zone Incorporated	47,300	1,668,183	1,773,750
National Health Labs Incorporated	203,100	4,786,587	3,731,963	Electronic Arts Incorporated	45,700	1,097,820	1,382,425
National Medical Enterprises Incorporated	698,500	9,181,182	7,334,250	Foodmaker Incorporated	70,000	863,410	726,250
Nichols Institute	31,400	385,599	219,800	Gaylord Entertainment Company	40,000	1,260,300	1,845,000
Novacare Incorporated	13,200	214,412	178,200	Harcourt General Incorporated	8,484	158,919	319,210
Optical Radiation Corporation	13,700	320,941	214,063	Hasbro Incorporated	148,900	3,047,241	5,620,976
Pacificare Health System Incorporated	36,000	1,032,222	1,345,500	Hilton Hotels Corporation	5,270	233,802	242,420
Pfizer Incorporated	368,632	20,012,715	24,698,344	Hollywood Park Incorporated	45,700	1,221,671	1,325,300
Ramsay Health Care Incorporated	189,000	2,133,532	1,181,250	Huffy Corporation	187,850	2,256,619	3,005,600
Regency Health Services Incorporated	112,000	845,981	1,190,000	International Dairy Queen Incorporated	98,672	2,015,189	1,702,092
Safeguard Health Enterprises Incorporated	108,000	693,869	904,500	Johnson Worldwide Association	55,950	1,341,210	1,132,988
Salick Health Care Incorporated	5,400	70,182	65,475	Karcher Carl Enterprises Incorporated	466,400	3,878,970	3,323,100
Schering Plough Corporation	172,700	6,461,299	12,045,825	King World Productions Incorporated	100,410	2,911,730	3,351,185
Shared Medical Systems Corporation	2,500	68,219	58,438	Lin Broadcasting Corporation	20,000	1,422,952	1,985,000
Sierra Health Services	104,383	1,338,732	2,113,756	Lubys Cafeterias Incorporated	125,636	2,346,566	2,685,471
Smithkline Beecham Plc	135,000	4,079,322	3,898,125	Marcus Corporation	2,613	38,324	60,099
St Jude Medical Incorporated	29,100	1,010,599	1,091,250	Mariott Corporation	6,700	170,313	170,850
Therapeutic Discovery Corporation	3,110	18,816	16,328	Mattel Incorporated	18,374	177,197	473,131
United Healthcare Corporation	25,200	856,091	1,619,100	Medialist Industries Incorporated	46,000	437,195	529,000
Upjohn Company	301,400	9,972,444	9,004,326	Mirage Resorts Incorporated	61,000	1,628,537	2,684,000
Utah Medical Products Incorporated	5,983	69,441	59,830	National Pizza Company	8,099	56,693	54,668
US Healthcare Incorporated	162,200	7,002,105	7,704,500	Outboard Marine Corporation	62,400	1,140,078	1,053,001
US Surgical Corporation	1,800	169,690	49,500	Paramount Communications Incorporated	7,900	277,701	426,600
Warner Lambert Company	436,500	28,981,562	30,936,939	Piccadilly Cafeterias Incorporated	121,000	1,100,509	1,149,500
<b>INSURANCE</b>				Promus Cos Incorporated	126,700	5,159,288	6,065,764
Ace Limited	67,000	1,842,500	1,993,250	Ryans Family Steak Houses Incorporated	4,100	32,928	30,750
Aetna Life & Casualty Company	52,400	3,043,778	2,901,650	Safecard Services Incorporated	130,512	966,171	1,680,343
AFALC Incorporated	187,500	2,928,462	5,320,313	Sbarro Incorporated	1,857	65,520	71,030
Allmerica Property & Casualty Inc	20,500	974,018	1,140,313	Shoney's Incorporated	4,675	71,168	86,488
American Bankers Insurance Group	60,271	1,448,286	1,627,317	Sizzler International Incorporated	162,800	1,633,868	1,241,350
American General Corporation	180,900	3,448,077	5,720,963	Tele Communications Incorporated	248,600	3,675,798	5,655,650
American International Group Inc	304,125	23,418,588	39,232,125	Thor Industries Incorporated	3,064	75,180	50,173
American National Insurance Co	1,168	60,857	62,488	Turner Broadcasting Systems	50,000	977,750	1,025,000
American Travelers Corporation	231,900	2,402,333	2,347,988	Turner Broadcasting Systems Incorporated	8,000	159,008	162,000
AON Corporation	81,800	2,933,600	4,345,625	Tyco Toys Incorporated	119,195	1,514,724	1,385,642
Argonaut Group Incorporated	43,858	1,199,035	1,381,527	TCA Cable TV Incorporated	107,204	2,121,975	2,170,881
Beckley (W.R.) Corporation	45,000	1,250,438	1,749,375	United Television Incorporated	1,813	60,736	61,869
CNA Financial Corporation	4,100	238,737	387,450	Wicop Restaurants Incorporated	2,479	61,355	56,707
Capital Holding Corporation	66,200	1,564,527	2,590,075	Walt Disney Company	220,664	7,055,812	8,992,058
Chandler Insurance Limited	133,600	944,962	534,400	Wendys International Incorporated	136,625	1,149,247	1,998,141
Chubb Corporation	40,900	1,875,415	3,553,188	<b>MACHINERY AND EQUIPMENT</b>			
Cigna Corporation	85,000	5,072,062	5,174,375	Acme Cleveland Corporation	35,000	374,945	393,750
Conseco Incorporated	1,078	60,699	67,375	Andrew Corporation	284,529	7,282,012	7,895,680
Continental Corporation	6,600	232,354	205,426	Applied Power Incorporated	104,000	1,778,106	1,768,000
Delphi Financial Group	3,000	60,750	60,000	Aspect Telecommunications Corporation	3,076	60,751	69,210
Ezel Limited	150,000	5,048,815	7,200,000	Atlantic Tele-Network Incorporated	45,000	691,875	618,750
First Bancorporation Ohio Incorporated	1,405	60,766	66,738	Blount Incorporated	4,226	60,224	57,579
General Re Corporation	80,800	6,121,368	9,221,301	Briggs And Stratton Corporation	73,676	3,155,077	4,871,826
Horace Mann Educators Corporation	40,000	976,566	1,000,000	Cascade Corporation	3,147	68,949	62,153
Jefferson-Pilot Corporation	3,500	76,777	174,563	Caterpillar Incorporated	117,100	6,530,314	8,767,863
Kansas City Life Insurance Company	1,085	60,760	58,048	Cellular Communications Pr Incorporated	71,075	819,453	1,172,738
Kemper Corporation	107,400	3,811,731	3,812,700	Cincinnati Milacron Incorporated	252,800	5,981,626	6,162,001
Liberty Corporation	51,000	1,454,932	1,549,125	Clark Equipment Company	1,200	34,236	41,550
Lincoln National Corporation	5,800	145,808	225,475	Comast Corporation	336,400	7,108,058	10,176,100
Market Corporation	1,711	60,741	62,024	Cummins Engine Company Incorporated	1,882	142,789	159,970
MBIA Incorporated	70,375	3,816,555	4,635,953	Curtiss-Wright Corporation	1,640	48,924	59,860
NAC Re Corporation	80,000	2,316,900	2,840,000	Deere & Company	60,100	2,574,816	3,989,138
National Insurance Group	86,000	1,052,750	1,247,000	Digital Communications	179,900	2,873,487	2,316,213
Navigators Group Incorporated	15,000	474,525	517,500	Digital Microwave Corporation	25,500	241,042	229,500
NWNL Companies Incorporated	45,332	1,296,235	1,405,292	Dynatech Corporation	22,272	467,938	579,072
Old Republic International Corporation	281,658	6,142,541	6,618,963	DSC Communications Corporation	160,800	5,895,392	8,160,600
Orion Capital Corporation	33,575	1,299,649	1,275,850	Fedders Corporation	700	6,286	3,413
Progressive Corporation Ohio	153,500	2,622,567	5,027,125	Fluor Corporation	12,800	444,910	537,600
Safeco Corporation	27,444	1,236,117	1,602,045	Foster Wheeler Corporation	2,400	44,246	70,800
St Paul Companies	53,500	3,804,419	4,246,563	Fuqua Industries Incorporated	85,000	1,212,300	818,125
Tig Holdings Incorporated	64,800	4,002,962	4,202,400	General Datacomm Industries Incorporated	4,812	38,773	69,774
Torchmark Corporation	60,200	2,388,555	3,198,126	General Signal Corporation	1,283	60,629	84,037
Transamerica Corporation	240,300	9,371,932	12,705,863	Graco Incorporated	18,413	532,039	584,613
Transatlantic Holdings Incorporated	51,000	1,546,841	2,811,375	Harnischfeger Industries Incorporated	1,100	22,985	22,963
Travelers Corporation	129,400	2,701,662	4,140,800	Harris Corporation	116,173	3,959,361	4,501,704
Trenwick Group Incorporated	24,800	584,622	1,050,900	Idex Corporation	46,900	822,674	1,301,475
UNUM Corporation	22,900	1,197,133	1,236,600	Illinois Tool Works Incorporated	59,000	1,308,428	2,205,125
USLIICO Corporation	149,800	3,270,942	2,733,850	Ingersoll-Rand Company	10,206	203,802	345,729
US Life Corporation	133,450	4,517,187	5,521,494	Jacobs Engineering Group Incorporated	17,000	480,145	374,000
USF&G Corporation	5,685	200,407	103,041	Kennametal Incorporated	30,000	1,019,935	1,005,000
<b>LEISURE AND ENTERTAINMENT</b>				LCI International Incorporated	14,300	260,975	325,325
Aico Standard Corporation	3,134	78,236	152,783	M A Com Incorporated	1,600	22,652	13,200
Associated Communications Corporation	76,500	1,230,963	1,530,000	Manitowoc Company Incorporated	64,149	1,628,369	2,060,787
Aztec Corporation	167,222	1,176,176	1,504,998	Maytag Company	93,400	1,990,347	1,401,000
Bally Manufacturing Corporation	2,400	41,502	23,100	Manufacturing Communications Co. Inc.	148,400	3,737,271	4,452,000
				Navistar International Corporation	27,900	186,750	69,750

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COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Newhall Land & Farming Company	33,000	535,334	495,000	National Education Corporation	236,062	1,760,155	1,770,465
Newmark & Lewis Incorporated	2,000	17,640	0	National Service Industries Incorporated	3,300	80,911	84,150
Octel Communications Corporation	62,357	1,634,128	1,387,443	Oracle Systems Corporation	90,600	3,437,322	4,462,050
Pacarc Incorporated	50,800	2,821,113	3,098,800	Pitney-Bowes Incorporated	131,300	4,264,597	5,448,950
Parker-Hannifin Corporation	5,350	156,210	177,219	QYC Network Incorporated	45,700	2,753,369	2,901,950
Penn Central Corporation	21,368	480,531	683,776	Ryder System Incorporated	139,200	2,599,507	4,350,000
Porta System Corporation	14,500	334,145	88,813	Safety-Kleen Corporation	44,400	921,696	810,300
Qualcomm Incorporated	102,000	5,060,533	5,916,000	SaniFill Incorporated	35,000	475,113	621,250
Regal Beloit Corporation	68,750	1,006,198	1,340,625	Seitel Incorporated	11,511	119,513	119,427
Schwitzer Incorporated	123,000	778,257	753,375	Sensomatic Electronics Corporation	60,000	938,778	2,340,000
Scientific Atlanta Incorporated	4,000	42,618	129,500	Smith Corona Corporation	141,000	984,627	722,625
Scotsman Industries Incorporated	100,000	859,887	1,212,500	Sothebys Holdings Incorporated	110,000	1,281,252	1,416,250
Snap On Tools Corporation	59,200	2,036,330	2,308,800	Standard Register Company	16,300	258,354	301,550
Solectron Corporation	7,000	277,647	329,000	Staples Incorporated	45,700	1,536,276	1,468,113
Synoptics Communications Incorporated	70,700	1,907,250	2,545,200	Sungard Data System Incorporated	56,354	1,762,214	1,732,886
Tecumseh Products Company Class B	844	61,312	62,456	Sybase Incorporated	15,200	1,003,571	1,128,600
Tekelco	73,100	743,001	402,050	Tetra Technologies Incorporated Delaware	60,000	511,285	487,500
Tellabs Incorporated	43,233	1,056,341	1,664,471	Ultimate Corporation	3,800	106,913	13,300
Tennant Company	13,600	521,823	571,200	Unifirst Corporation	8,700	219,700	256,650
Thermo Electron Corporation	17,000	1,019,830	1,009,375	United Stationers Incorporated	174,774	3,304,594	2,315,756
Timken Company	2,000	58,229	66,500	Varitronic Systems Incorporated	39,700	275,586	367,225
Tokheim Corporation	17,600	203,231	171,600	Waban Incorporated	120,000	1,878,140	1,635,000
Toro Company	149,600	2,590,236	2,786,300	Wackenhut Corporation	8,300	226,967	111,013
Varity Corporation	46,950	875,524	1,408,500		8,300	9,912	109,975
Whirlpool Corporation	13,200	476,984	750,751	Wallace Computer Services Incorporated	56,400	1,504,414	1,466,400
Zurn Industries Incorporated	29,800	989,927	953,600	Weston Roy F Incorporated	4,783	55,714	52,613
				Wheelabrator Technologies Incorporated	444,600	8,808,395	8,002,800
<b>MINING - METALS</b>				<b>OIL AND GAS</b>			
Acme Metals Incorporated	88,700	1,300,198	1,485,725	Amerada Hess Corporation	6,300	222,117	308,700
Allegheny Ludlum Corporation	26,000	789,882	1,160,250	Amoco Corporation	70,400	2,975,330	3,863,201
Aluminum Company Of America	40,000	2,634,102	2,800,000	Anadarko Petroleum Corporation	21,000	862,180	845,250
Amx Incorporated	193,100	4,221,088	4,489,575	Apache Corporation	182,636	4,503,216	5,068,149
Armco Incorporated	441,800	3,029,216	3,203,050	Ashland Oil Incorporated	183,900	5,153,775	4,689,450
Asarco Incorporated	137,700	3,195,543	2,650,725	Atlantic Richfield Company	224,800	23,240,137	26,133,000
Bethlehem Steel Corporation	5,900	96,178	110,625	Cabot Oil & Gas Corporation	67,000	915,145	1,624,750
Chaparral Steel Co	170,353	1,625,010	1,639,648	Chevron Corporation	34,100	2,039,975	2,992,275
Commerical Metals Company	25,000	685,300	846,875	Clayton Williams Energy Incorporated	37,000	629,000	638,250
Cyprus Minerals Company	61,800	1,684,342	1,521,826	Coastal Corporation	10,646	241,724	278,127
CBI Industries Incorporated	6,000	193,191	150,000	Cross Timbers Oil Co	40,000	542,660	650,000
Destec Energy Incorporated	3,919	61,848	70,542	Devon Energy Corporation	222,700	5,214,587	5,985,063
Engelhard Corporation	4,550	67,459	170,625	Exxon Corporation	162,233	6,567,305	10,727,658
Freeport-McMoran Incorporated	340,000	6,450,765	6,290,000	Kerr-McGee Corporation	10,000	434,086	500,000
Giddings and Lewis Incorporated	2,342	56,181	50,061	Louisiana Land & Exploration Company	96,239	3,688,102	4,090,158
Handy & Harman	3,521	59,914	56,776	Mapeco Incorporated	70,900	3,411,189	3,970,400
Harsco Corporation	60,000	1,470,292	2,272,500	Maxus Energy Corporation	726,455	6,820,134	6,538,095
Homestake Mining Company	15,300	215,138	292,614	Mesa Energy Corporation	255,307	1,657,311	1,595,669
Inland Steel Industries Incorporated	36,400	982,588	1,046,500	Mitchell Energy & Dev Corporation	33,000	804,450	825,000
Interlake Corporation	183,300	765,149	801,938	Mobil Corporation	150,500	7,887,094	11,249,875
IMCO Recycling Incorporated	22,600	166,886	310,750	Noble Affiliates Incorporated	31,238	686,522	753,617
Lone Star Technologies Incorporated	7,838	44,089	66,623	Nuevo Energy Company	2,761	62,261	63,503
Lukens Incorporated	214,500	8,194,283	10,108,313	Occidental Petroleum Corporation	260,510	5,133,997	5,470,710
Material Sciences Corporation	18,000	222,884	351,000	Offshore Pipelines Incorporated	16,797	261,165	251,955
Michael Anthony Jewelers Incorporated	18,600	125,247	116,250	Oryx Energy Company	213,000	4,588,979	4,366,500
Nacco Industries Incorporated	20,600	1,145,375	1,037,726	Pennzoil Company	2,800	190,061	175,350
National Intergroup Incorporated	1,400	26,763	18,200	Phillips Petroleum Company	336,300	8,227,245	9,416,400
National Steel Corporation	68,000	968,742	1,385,500	Pride Petroleum Services Incorporated	201,000	851,164	954,750
Newmont Mining Corporation	120,300	6,129,331	6,315,750	Reading & Bates Corporation	175,000	1,024,675	1,378,125
Nucor Corporation	3,000	61,579	256,126	Santa Fe Energy Resources Incorporated	9,884	118,763	103,783
Phelps Dodge Corporation	86,229	3,780,607	3,847,970	Snyder Oil Corporation	3,329	28,135	65,332
Pittston Company	2,400	34,901	43,800	Sun Company Incorporated	7,100	226,793	170,400
Reynolds Metals Company	107,300	6,140,015	5,150,400	Swift Energy Company	1,300	19,854	14,950
Standex International Corporation	34,400	540,273	713,800	Tenneco Incorporated	94,246	3,682,501	4,806,546
Trinity Industries Incorporated	140,600	7,056,963	7,082,725	Texaco Incorporated	160,605	9,452,021	10,158,266
USX US Steel Group Incorporated	126,173	4,147,172	5,141,550	Ultramar Corporation	328,587	5,384,003	7,434,281
Westmoreland Coal Company	400	7,075	2,500	Unocal Corporation	30,600	629,297	895,051
Worthington Industries Incorporated	6,650	103,705	207,813	USX Marathon Group Incorporated	327,809	6,165,261	5,531,778
				Valero Energy Corporation	109,900	2,586,100	2,417,800
<b>OFFICE EQUIPMENT</b>				<b>OIL SUPPORT SERVICES</b>			
Allwaste Incorporated	108,700	722,129	529,913	B J Services Company	55,000	964,929	1,567,500
Alpine Group Incorporated	77,000	900,652	779,625	Baker Hughes Incorporated	20,128	440,089	528,360
American Building Maintenance	20,960	390,299	361,560	Dresser Industries Incorporated	32,100	518,356	754,350
Bowne & Company	39,500	630,639	706,063	Energy Service Incorporated	647,900	1,185,503	1,821,895
Browning-Ferris Industries Incorporated	145,400	3,686,832	3,943,976	Enterra Corporation	128,600	2,639,071	3,359,675
Ceridian Corporation	77,900	1,009,734	1,168,500	Gerrity Oil & Gas Corporation	93,427	1,274,441	1,424,762
Checkpoint System Incorporated	5,062	60,744	49,987	Global Marine Incorporated	1,518,300	6,603,661	6,642,563
Cisco Systems Incorporated	140,800	6,918,272	7,708,800	Halliburton Company	48,300	1,568,859	1,841,439
Comdisco Incorporated	147,500	2,158,494	2,157,188	Helmerich & Payne Incorporated	64,206	1,398,576	2,239,185
Corporate Software Incorporated	118,700	1,464,477	1,276,025	McDermott International Incorporated	56,781	1,414,037	1,632,454
Cross A T Company	26,500	549,921	443,875	Nabors Industries Incorporated	205,500	1,692,249	2,080,688
Cybertek Corporation	71,300	445,736	1,069,500	Noble Drilling Corporation	195,000	1,088,678	1,535,625
Deb Shops Incorporated	18,500	201,890	113,313	NLI Industries Incorporated	4,650	60,041	17,438
Duplex Products Incorporated	153,000	1,951,287	1,702,125	Parker Drilling Company	185,000	1,083,121	1,202,500
ECC International Corporation	1,000	10,456	2,375	Phoenix Resource Companies Incorporated	1,862	60,869	67,032
Federal Express Corporation	3,700	172,447	172,513	Pool Energy Services Company	324,400	2,506,487	2,960,150
Flightsafety International Incorporated	119,250	4,815,523	4,993,594	Rowan Companies Incorporated	830,200	6,988,019	8,302,000
General Binding Corporation	104,400	1,804,059	1,631,251	Smith International Incorporated	120,000	1,068,372	1,125,000
Greiner Engineering Incorporated	96,300	1,250,312	1,468,575	Tidewater Incorporated	368,100	7,486,634	8,006,175
Groundwater Technology Incorporated	17,900	378,722	237,175	Weatherford International Incorporated	549,400	4,869,983	6,249,425
H & R Block Incorporated	85,300	2,106,293	3,049,475	Western Company Of North America	54,585	659,914	866,537
Harland John H Co	91,200	2,363,556	2,496,600				
Harper Group Incorporated	31,050	530,668	465,750	<b>PAPER AND FOREST PRODUCTS</b>			
Hunt Manufacturing Company	116,200	1,453,846	1,612,276	Ball Corporation	1,100	28,055	31,075
Interpublic Group of COS Incorporated	83,400	2,044,809	2,293,500	Bemis Company Incorporated	65,600	1,735,570	1,463,850
M A R C Incorporated	72,000	658,720	567,000	Boise Cascade Corporation	86,967	1,737,639	2,043,725
McCaw Cellular Communications	116,700	3,114,891	5,368,200	Bowater Incorporated	149,200	3,859,451	2,928,050
Mid-American Waste Systems Inc	49,800	585,212	610,050	Champion International Corporation	140,400	3,899,822	4,738,500
Miller Herman Incorporated	123,980	2,503,303	3,161,490				
Nashua Corporation	2,282	61,451	62,470				

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COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Chesapeake Corporation	49,400	1,215,228	895,375	Mark's Brothers Jewelers Incorporated	3,793	1,000,000	350,000
Consolidated Papers Incorporated	20,000	805,000	1,070,000	Mark's Brothers Jewelers Incorporated	2,362	600,000	210,000
Crown Cork And Seal Company Inc	80,800	2,470,700	3,030,000	Marsh Supermarkets Incorporated	4,263	60,748	53,288
Federal Paper Board Company Incorporated	1,800	29,297	40,950	May Department Stores Company	222,954	5,461,312	8,527,991
Fibreboard Corporation	65,000	512,782	796,250	Medicine Shoppe International Inc	25,400	521,275	571,500
Georgia Pacific Corporation	60,900	2,462,711	3,555,038	Melville Corporation	7,000	236,854	326,375
International Paper Company	165,100	9,901,570	10,566,400	Mercantile Stores Incorporated	101,400	3,375,725	3,434,927
James River Corporation Of Virginia	9,144	252,926	180,594	Merry Go Round Enterprises Inc	121,500	1,281,976	1,321,313
Kimberly Clark Corporation	23,700	749,198	1,173,150	Meyer Fred Incorporated Delaware	55,500	1,523,353	1,956,375
Longview Fibre Company Washington	50,000	857,303	887,500	Michaels Stores Incorporated	6,200	47,509	189,875
Louisiana Pacific Corporation	73,787	1,529,300	2,361,184	Nordstrom Incorporated	9,200	287,601	257,600
Mead Corporation	154,000	4,829,861	6,891,500	Payless Cashways Incorporated	195,300	2,707,517	2,563,313
Pedlatch Corporation	1,900	54,669	79,325	Penney J C Company	90,000	2,291,081	4,061,250
Scott Paper Company	4,900	155,711	162,313	Pep Boys Manny Moe & Jack	37,000	913,102	832,500
Sealright Incorporated	89,705	1,548,138	1,457,706	Pier 1 Imports Incorporated	237,549	1,786,687	2,167,635
Shorewood Packaging Corporation	194,170	1,661,553	1,577,632	Price Company	5,300	194,286	180,200
Stone Container Corporation	213,620	3,926,962	1,922,580	Recco D S Incorporated	126,300	1,367,598	1,531,388
Temple Inland Incorporated	53,800	2,602,801	2,447,900	Rite Aid Corporation	116,900	2,552,509	2,104,200
Union Camp Corporation	7,750	253,726	329,375	Ros Stores Incorporated	169,593	2,328,790	2,586,293
Westvaco Corporation	4,500	114,164	153,000	Sears Roebuck & Company	248,400	10,607,294	13,662,000
Weyerhaeuser Company	31,900	909,716	1,359,739	Service Merchandise Incorporated	568,125	2,749,878	6,462,422
Zero Corporation	36,100	430,540	532,475	Shopko Stores Incorporated	84,121	1,290,289	998,937
				Spiegel Incorporated	54,206	782,634	1,151,878
<b>PHOTOGRAPHIC AND RELATED</b>				Strawbridge & Clothier	2,558	60,753	58,195
CPI Corporation	35,000	819,999	546,875	Supervalu Incorporated	103,600	2,773,804	3,483,551
Eastman Kodak Company	227,650	9,759,516	11,382,500	Tandy Corporation	7,091	264,235	212,730
Polaroid Corporation	3,106	103,578	118,805	Tiffany & Company	54,500	1,545,791	1,757,625
				Toys R Us	485,037	15,867,748	17,825,110
<b>PRINTING AND PUBLISHING</b>				Trans World Music Corporation	43,521	725,831	739,857
American Greetings Corporation	268,100	10,270,621	15,348,725	TJX Companies Incorporated	269,500	7,627,474	9,129,313
Baldwin Technology Incorporated	35,700	185,364	129,413	Wal-Mart Stores Incorporated	1,027,500	9,927,073	26,971,875
Banta Corporation	88,300	1,558,174	2,847,675	Walgreen Company	208,600	5,490,328	8,422,226
Central Newspapers Incorporated	72,320	1,315,458	1,853,200	Winn Dixie Stores Incorporated	5,100	121,401	285,600
Commerce Clearing House Incorporated	64,490	1,114,464	1,047,963	Woolworth Corporation	127,600	3,850,614	3,461,151
Deluxe Corporation	32,700	858,315	1,250,775	Youngkers Incorporated	35,000	1,050,000	984,375
Donnelley (R.R.) & Sons	17,400	315,368	491,550				
Dow Jones & Company Incorporated	25,900	1,216,227	718,725	<b>SPECIAL INVESTMENT FUNDS</b>			
Dun & Bradstreet Corporation	195,348	9,036,697	11,501,115	General Growth Properties Incorporated	68,000	1,573,900	1,666,000
Enquirer/Star Group Incorporated	162,735	2,618,292	2,644,444				
Gannett Company Incorporated	293,300	11,989,950	14,591,675	<b>TEXTILES AND APPAREL</b>			
Graphic Industries Incorporated	14,000	85,144	120,750	Anglica Corporation	87,900	2,637,391	2,098,613
Knight Ridder Incorporated	112,400	5,959,253	5,872,900	Brown Group Incorporated	112,000	2,801,458	3,500,000
Lee Enterprises Incorporated	5,100	123,542	138,975	Fieldcrest Mills Incorporated	2,615	43,889	71,259
McGraw-Hill Incorporated	78,800	4,850,585	4,649,200	Gann Incorporated	1,944	61,297	67,068
McClatchy Newspapers Incorporated	2,613	60,219	53,567	Genesco Incorporated	304,075	1,733,535	2,356,581
Meredith Corporation	900	31,687	32,288	Hartmarx Corporation	168,300	1,082,975	1,051,875
New England Business Service Inc	35,200	654,516	563,200	K-Swiss Incorporated	2,454	51,534	55,829
New York Times Company	35,300	951,142	860,438	Kellwood Company	65,500	761,054	1,989,563
Plenum Publishing Corporation	2,113	62,334	54,938	Liz Claiborne Incorporated	178,900	6,365,346	5,545,900
Scholastic Corporation	11,500	403,938	457,125	Nike Incorporated	45,250	2,255,497	2,494,407
Schupp E.W. Company	100,000	2,318,200	2,575,000	Nortek Incorporated	150,000	941,350	931,250
Time Warner Incorporated	414,980	10,232,218	16,028,603	Oshkosh B Gosh Incorporated	108,650	3,335,422	1,629,750
Times Mirror Company	42,267	1,567,442	1,225,743	Phillips-Van Heusen Corporation	32,500	969,325	999,375
Tribune Company	61,800	2,706,833	3,321,750	Quicksilver Incorporated	125,000	695,836	1,500,000
Valassis Communications Incorporated	282,300	5,084,910	3,599,325	Reebok International Limited	6,100	109,098	170,038
Value Line Incorporated	1,939	60,730	59,624	Russell Corporation	93,900	1,792,443	2,793,525
Washington Post Company	32,300	7,797,861	7,380,550	Springs Industries Incorporated	1,200	33,533	41,850
				Stride Rite Corporation	2,700	31,402	42,188
<b>RETAIL TRADE</b>				Superior Surgical Manufacturing	3,797	61,645	66,922
Albertsons Incorporated	101,300	4,391,256	5,470,200	Unifl Incorporated	118,650	3,019,314	3,989,607
American Stores Company	45,280	1,763,787	2,099,861	United States Shoe Corporation	358,500	3,952,555	3,495,375
Ann Taylor Stores Corporation	46,000	821,117	1,029,250	V F Corporation	31,289	1,133,030	1,443,206
Big B Incorporated	3,156	60,359	60,753	Warnaco Group Incorporated	166,800	5,411,450	5,587,800
Brunos Incorporated	6,300	123,863	59,063	Wolverine World Wide Incorporated	3,018	60,076	53,570
Burlington Coat Factory	52,171	831,667	1,219,497				
Charming Shoppes Incorporated	6,900	93,129	94,875	<b>TRANSPORTATION - AIR</b>			
Circuit City Stores Incorporated	24,600	377,585	793,350	AMR Corporation Delaware	102,100	6,405,730	6,487,825
Claire's Stores Incorporated	177,150	1,540,982	2,590,819	Comair Holdings Incorporated	50,150	341,815	1,328,975
Consolidated Stores Corporation	70,000	1,215,804	1,242,500	Delta Air Lines Incorporated	3,300	180,836	159,638
Costco Wholesale Corporation	133,300	3,222,523	2,199,450	Mesa Airlines Incorporated	2,927	50,956	64,394
Dart Group Corporation	3,300	240,543	273,075	Southwest Airlines Company	141,400	1,840,257	6,168,575
Dayton-Hudson Corporation	44,831	2,972,703	2,981,262	UAL Corporation	2,722	251,549	335,487
Dechamps Incorporated	2,641	60,743	53,480	US Air Group Incorporated	3,200	128,761	52,800
Dillard Department Stores Incorporated	40,600	1,547,760	1,471,750				
Dress Barn Incorporated	160,200	1,756,653	2,002,500	<b>TRANSPORTATION EXCLUDING AIR</b>			
Fingerhut Companies Incorporated	168,200	6,558,002	7,232,600	American Freightways Corporation	30,000	415,125	555,000
Flagstar Companies Incorporated	52,000	827,814	585,000	American President Companies Limited	29,000	1,128,553	1,649,375
Gantos Incorporated	120,000	866,186	570,000	Arkansas Best Corporation	113,000	1,319,456	988,750
Gap Incorporated	44,100	1,144,133	1,334,025	Arnold Industries Incorporated	2,049	70,038	64,031
Giant Food Incorporated	4,000	104,647	99,000	Burlington Northern Incorporated	119,000	3,952,813	6,381,376
Great Atlantic And Pacific Tea	2,600	86,043	82,550	Chalk Line Holdings Incorporated	3,500	3,500,000	1,750,000
Grossman Incorporated	132,400	654,468	380,650	Consolidated Freightways Incorporated	66,300	950,038	1,060,800
Handleman Company	84,159	1,076,764	1,104,587	Consolidated Rail Corporation	14,400	478,873	772,201
Haverly Furniture Cos Incorporated	8,893	189,662	173,414	CSX Corporation	6,916	217,988	494,494
Heilig Meyers Company	70,000	1,733,488	2,651,250	Greyhound Lines Incorporated	203,430	3,492,718	4,221,173
Home Depot Incorporated	147,996	4,265,487	6,474,826	Illinois Central Corporation	53,287	1,289,474	1,445,410
Incom Corporation	3,356	48,690	72,154	KLLM Transport Services Incorporated	82,000	649,062	1,619,500
Ingles Markets	10,456	70,578	74,499	M S Carriers Incorporated	32,000	269,313	784,000
Intertan Incorporated	115,800	1,696,046	998,775	Norfolk Southern Corporation	9,600	291,880	625,200
K Mart Corporation	443,200	8,808,045	9,307,200	Roadway Services Incorporated	4,400	156,120	255,200
Kroger Company	280,600	5,207,250	4,840,350	Santa Fe Pacific Corporation	51,462	606,805	945,614
Leslies Poolmart	80,000	531,313	840,000	TNT Freightways Corporation	2,271	60,749	63,588
Lillian Vernon Corporation	93,064	1,030,366	1,256,364	Union Pacific Corporation	217,100	9,187,119	13,243,100
Limited Incorporated	375,600	6,757,189	8,028,450	Varlen Corporation	1,960	55,860	63,945
Longs Drug Stores Incorporated	119,550	4,747,240	4,064,700	Werner Enterprises Incorporated	5,000	296,250	326,250
Lowe's Companies Incorporated	109,800	3,512,919	4,295,926	Yellow Corporation	3,200	74,991	61,600
Mac Frugals Bargains Close Outs	84,500	1,120,644	1,288,625				

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COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
<b>UTILITIES</b>				<b>INTERNATIONAL</b>			
AES Corporation	19,487	506,185	589,482	Abbey National	1,149,300	6,471,028	7,019,100
Alltel Corporation	25,000	1,282,708	1,337,500	Acenox	53,730	3,248,608	3,525,056
American Electric Power Company Inc	12,400	330,381	468,100	Aegon	39,500	1,840,462	1,703,023
American Water Works Company Inc	46,182	1,223,179	1,258,460	Agri	41,000	2,030,776	1,883,132
Ameritech Corporation	23,800	1,136,165	1,912,925	Agus Barcelona	2,756	12,436	69,340
Arksa Incorporated	8,200	167,752	80,975	Ahold Nv Zaandam	65,033	3,293,630	3,310,260
Atmos Energy Corporation	95,000	1,638,443	2,671,875	Air Liquide	7,501	1,003,065	960,365
AT&T Company	556,629	19,178,809	35,067,627	Air New Zealand	500,000	715,962	737,825
Baltimore Gas & Electric Company	10,150	191,019	260,094	Akzo Nv Amhem	4,000	308,157	316,905
Bell Atlantic Corporation	34,100	1,143,983	2,024,688	Alcan Aluminum Limited	211,150	4,316,814	4,117,425
Bellsouth Corporation	33,000	1,307,202	1,831,500	Alcatel Alsthom Compagnie Generale	30,930	3,610,366	3,502,678
Carolina Power And Light Company	12,344	270,900	402,723	Algemene Bk Nederland NV	6,700	134,036	133,054
Centerior Energy Corporation	92,375	1,719,045	1,697,391	Allianz Aktiengesellschaft Holding	724	925,754	912,732
Central & South West Corporation	12,600	196,973	409,500	Allied Lyons Plc	159,400	1,609,197	1,276,606
Central Hudson Gas & Electric	1,862	60,636	64,006	Alusuisse - Lonzhldg	9,141	2,776,796	2,891,850
Century Telephone Enterprises	35,000	1,016,750	1,080,625	Alusuisse - Lonza Holding	1,900	571,029	618,653
Columbia Gas System Incorporated	83,615	1,443,976	2,069,471	Amano Corporation	171,000	2,017,203	2,222,045
Commonwealth Edison Company	166,500	4,356,595	4,662,000	Amcor Limited	980,937	4,993,408	5,224,603
Commonwealth Energy Systems	1,361	61,027	64,307	American Barrick Resources Corporation	53,000	1,142,650	1,338,250
Connecticut Energy Corporation	49,000	1,079,477	1,231,125		11,000	247,482	277,774
Consolidated Edison Company	26,100	593,113	920,025	American Standard Sanitaryware	69,600	1,039,406	1,157,893
Consolidated Natural Gas Company	14,100	617,746	745,538	Ampolx Limited	650,000	1,564,664	1,876,146
D W G Corporation	85,915	1,616,154	1,793,476	Anglian Water	140,000	1,000,895	1,006,397
Detroit Edison Company	62,300	1,995,117	2,164,925	Aokam Perdana	300,000	569,782	1,575,262
Dominion Resources Incorporated	10,750	292,142	478,375	Aoyama Trading Company Limited	39,750	1,615,735	2,467,443
Duke Power Company	31,900	899,584	1,272,013	Aracruz Celulose	149,636	1,297,157	1,384,133
DQF Incorporated	38,582	1,177,322	1,335,902	Argyll Group Plc	471,400	2,582,440	2,298,960
Eastern Enterprises	1,600	42,794	45,400	Arjo Wiggins Apple	170,100	508,643	464,247
Energex Corporation	2,571	48,294	66,846	Asahi Bank Limited	225,000	2,300,242	2,587,197
Enron Corporation	140,400	6,296,523	9,248,851	Asahi Chemical Industry Company	52,000	247,142	332,021
Enron Oil & Gas Company	138,900	4,624,866	5,660,175	Asatsu Incorporated	10	0	436
Enserch Corporation	81,400	1,352,157	1,475,375	Asda Group Plc	2,300,000	2,419,497	2,538,363
Energy Corporation	19,600	301,027	710,500	Associated British Foods	407,500	3,017,333	2,941,488
FPL Group Incorporated	20,100	604,197	766,313	Astra A Free	1,900	64,004	65,512
General Physics Corporation	139,000	737,319	590,750	Astra AB Series A	204,000	3,908,612	3,774,285
General Public Utilities Corporation	341,500	9,540,130	10,928,000	Atlas Copco AB Series A	3,300	173,144	128,941
Gulf States Utilities Company	78,765	1,322,031	1,457,153	Attwoods Plc	50,000	535,560	443,750
GTE Corporation	312,200	7,007,525	11,278,226	Aumar (Autopistas Del Mar)	20,000	221,899	229,701
Houston Industries Incorporated	14,400	455,826	630,000	Australia & New Zealand Banking Group	930,000	2,010,041	2,293,771
Idaho Power Company	54,355	1,629,990	1,685,005	Australia Gas Light	812,044	1,848,939	1,921,645
Illinois Power Company	56,612	1,330,128	1,436,530	Autobaes Seven Company Limited	33,720	2,642,413	3,467,546
Iowa Illinois Gas & Electric Company	2,613	60,546	61,732	Avira Finanzsar Spa	100,000	366,014	286,513
Ku Energy Corporation	14,500	283,765	442,250	Axi Ff	3,971	926,075	949,822
Long Island Lighting Company	115,400	3,237,653	3,144,650	ABN-Amro Bank Holding	1,818	0	52,730
M C I Communications Corporation	174,700	4,923,996	10,045,250	Banco Bilbao Viscaya	263,640	7,612,035	7,646,694
MCN Corporation	154,300	4,231,842	5,381,213	Banco De Santander	111,800	2,754,266	2,666,826
MDU Resources Group Incorporated	46,438	1,231,358	1,387,335	Banco Popular Espanol	38,764	1,611,409	1,727,221
New England Electric System	44,771	1,469,733	1,869,189	Bank Of Ireland	24,000	2,704,612	2,573,878
New York State Electric And Gas	91,000	2,709,525	3,207,750	Bank Of Montreal	813,200	2,878,655	3,017,135
Niagara Mohawk Power Corporation	9,200	151,856	221,951	Bankgesellschaft Schweiz	156,000	3,028,604	3,194,059
Nicor Incorporated	4,450	89,439	121,263	Bankverein Sth Schweizerischer	9,000	4,872,764	6,538,554
Northeast Utilities	111,000	3,101,784	2,983,125	Banque Nationale De Paris	5,700	1,187,995	1,547,260
Northern States Power Company	4,100	124,857	188,088	Banyu Pharmaceutical Company Limited	31,700	2,901,822	2,955,721
Nynex Corporation	41,700	3,129,643	3,773,850	Barclays Dezoete Wedd	20,000	157,462	179,678
Ohio Edison Company	81,416	1,826,070	2,004,870	Barclays	1,600	81,077	99,862
Oklahoma Gas and Electric Company	39,382	1,349,708	1,447,289	Bass	426,950	2,703,151	2,955,517
Oneok Incorporated	72,300	1,695,209	1,888,839	Bassetti Spa	138,100	1,209,840	1,003,037
Pacific Enterprises	8,489	383,130	206,920	Bar Industries	85,000	289,233	279,683
Pacific Gas & Electric Company	47,000	980,932	1,568,626	Bayer	570,234	3,952,192	3,563,374
Pacific Telesis Group	27,100	728,701	1,317,738	Bayerische Hypotheken-Und Wechselbk	26,500	4,579,994	4,246,281
Pacificor Corporation	18,100	377,148	343,900	Bayerische Muenchen Motorenwerke (BMW)	1,760	473,322	414,155
Parhandle Eastern Corporation	76,083	1,474,375	1,864,034	Bayerische Vereinsbank	11,000	2,204,364	2,343,920
Pennsylvania Enterprises Incorporated	31,960	842,017	934,830	Bbc Brown Boveri	11,660	6,495,237	6,230,080
Pennsylvania Power & Light Company	15,000	325,663	440,265	Belcaert Sa	660	270,287	298,323
Peoples Energy Corporation	2,300	45,742	74,463	Bell Canada Enterprise (B.C.E.)Inc.	355,900	12,514,404	12,100,687
Philadelphia Electric Company	24,600	462,341	753,376	Best Denki (Electric)	110,000	1,562,310	1,511,652
Public Service Enterprise Group	170,700	4,698,005	5,846,475	Biogen Incorporated	34,066	1,359,662	1,102,887
PSI Resources Incorporated	3,700	53,554	88,338	Blue Circle Industries	895,000	2,994,840	3,363,704
Sonat Incorporated	2,900	106,080	193,575	Bombardier Incorporated	196,056	1,761,660	1,891,940
South Jersey Industries Incorporated	2,531	60,865	62,642	Boral Limited	262,000	704,432	525,694
Southern Company	29,900	806,974	1,259,538	Boskalis Westminster	204,600	3,248,408	3,624,722
Southern New England Telecom	58,000	2,051,756	2,001,000	Brazil Fund	50,000	524,782	875,000
Southwest Gas Corporation	3,375	60,771	57,797	Bridgestone Corporation	581,000	5,856,208	6,572,090
Southwestern Bell Corporation	348,000	12,146,288	13,485,000	British Airport Authorities	126,000	1,501,486	1,369,911
Sprint Corporation	507,000	13,923,380	17,808,376	British Airways	91,750	388,381	422,823
SCE Corporation	49,600	788,810	1,202,800	British Columbia Telephone Company	133,000	2,057,884	2,139,610
Teco Energy Incorporated	6,000	195,553	283,500	British Gas Plc	791,000	3,559,379	3,515,498
Telephone & Data System Incorporated	150,000	4,815,596	6,637,500	British Land Company	70,776	0	340,944
Texas Utilities Company	258,524	10,130,705	11,827,475	British Land Company	300,800	959,608	1,480,423
Transco Energy Company	1,100	31,289	18,425	British Petroleum Company	1,334,700	5,629,310	6,140,913
UGI Corporation	40,000	714,298	1,010,000	British Petroleum	83,600	4,301,863	4,702,500
Union Electric Company	3,400	116,921	140,675	British Steel	484,200	5,924,343	6,718,275
US West Incorporated	92,700	3,116,043	4,252,613	British Steel	576,300	564,374	812,222
Western Resources Incorporated	48,403	1,591,855	1,688,055	British Telecommunications	621,900	3,777,026	3,974,344
Williams Companies Incorporated	14,000	456,701	766,500	Broken Hill Proprietary Limited	147,578	1,235,285	1,389,062
<b>TOTAL COMMON STOCK-Domestic</b>		<b>2,820,077,357</b>	<b>3,555,959,573</b>	BSN Ord	10,466	1,846,790	1,660,409
				Bundesobligationen	141,367	190,007	195,149
				Burns Philp & Co Limited	358,151	935,377	945,424
				BASF	2,900	405,776	402,140
				BTR Nylax Limited	495,444	964,065	980,881
				BTR Plc	474,666	2,334,950	2,668,847
				Cable & Wireless	476,048	4,730,187	5,502,330
				Cadbury Schweppes	250,818	1,551,815	1,735,685
				Canadian Imperial Bank	164,000	3,131,397	4,128,148

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COMMON STOCK-International				COMMON STOCK-International			
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
Canal Plus	8,000	1,709,884	1,699,202	Galerias Lafayette	1,200	337,437	350,278
Canon Incorporated	526,000	6,202,146	6,441,677	Gebe	10,491	1,982,151	2,053,656
Carlton Communications	173,600	2,014,733	2,014,297	General Electric Company	146,500	630,899	741,774
Carrefour	4,600	2,090,372	2,314,171	Gestetner Holdings	145,000	333,833	250,853
Carter Holt Harvey Limited	2,330,121	3,205,656	3,663,506	Getronics	56,170	981,478	1,112,533
Cartiere Burgo	109,000	421,712	520,499	Gio Australia Holdings	360,000	653,379	623,938
Cathay Pacific Airways Limited	151,000	205,150	195,053	Glaxo Holdings	150,000	2,520,780	2,531,250
Comex Sa "B"	18,000	279,180	287,763	Glaxo Holdings	336,800	3,670,942	2,827,969
Chargeurs Sa	1,800	327,491	309,990	Godo Steel	241,000	2,449,051	2,183,146
Cheung Kong Holdings Limited	1,330,000	3,243,042	4,569,914	Golden Hope Plants	23,100	18,249	18,239
China Light & Power Company Limited	455,000	1,997,648	2,350,965	Goldwin Incorporated Common Stock	161,700	1,434,679	1,995,381
China Travel International Limited	1,004,000	324,120	285,319	Grand Metropolitan	668,800	4,607,370	4,269,078
Chiyoda Shoe	14,000	295,823	514,354	Great Universal Stores	72,800	1,729,907	1,930,580
Chugai Pharmaceutical Company Limited	96,000	833,991	1,283,362	Grontry	55,296	1,720,468	1,404,428
Ciba-Geigy Ag Basel Bearer	2,250	1,098,074	1,071,431	Groupe De La Cite	3,000	249,558	315,730
Ciba-Geigy Ag Basel	5,950	2,596,454	2,621,134	Groupense International	3,000,000	785,664	709,165
Cifra	1,720,000	3,061,600	3,629,200	Grupo Carso	149,000	1,809,210	1,676,250
City Developments Limited	395,000	0	1,031,281	Grupo Embotellador De Mexico	65,000	1,215,500	1,271,985
City Developments Limited	1,975,000	4,687,865	5,156,404	Guangzhou Investment Company	5,000,000	1,301,275	1,149,648
Club Mediterranee	2,500	175,485	156,343	Guilbert	1,000	215,203	215,203
Coats Viyella	768,221	2,875,640	2,784,111	Guinness	540,700	3,736,856	3,798,144
Commerzbank	7,856	1,269,170	1,376,693	Gunze	290,000	1,581,178	1,838,102
Commerzbank Profit Part Cert	71,100	44,591	48,755	Guoco Group Limited	750,000	1,626,609	1,898,856
Commerzbank Profit Part Cert	600,000	230,763	451,875	GKN	616,400	4,245,840	4,136,845
Commonwealth Bank Of Australia	110,700	651,192	641,258	GTM Entrepouse	40,000	3,115,290	2,921,765
Compagnie Financiere De Paribas	40,700	2,763,911	3,037,324	Hagemeyer	9,000	356,953	363,102
Compagnie Financiere De Suez	15,767	908,016	839,286	Hallenstein Glasson	200,000	292,502	309,082
Compania De Telefonos	36,000	2,064,720	2,389,500	Hang Seng Bank	57,500	429,261	434,509
Continental	3,000	376,446	380,314	Hanul Bank	55,610	832,807	734,180
Corporation Mapfre Company	8,000	255,183	307,292	Hanson	265,000	4,901,162	4,505,000
Courts Common Stock	1,109,000	510,392	1,188,214	Harrison and Crosfield	712,700	2,614,948	2,407,516
Credit Commercial De France	9,000	361,363	366,351	Havas	70	0	187
Credit Commercial De France	165	6,295	6,716	Hellas Bottling Company	3,410	297,405	249,733
Credit National	50,000	2,527,370	3,605,238	Henderson Land Developments Co	15,915	244,737	369,641
Credit National	6,313	1,226,715	1,367,239	Hennes & Mauritz	130,000	243,745	362,720
Credit National	166	33,053	35,951	Hidroel Cantabrico	120,000	3,061,893	2,887,771
Cubiertas Y Mzov Sa	4,000	242,756	206,193	Hillside Holdings	88,123	1,539,589	1,496,142
CBR Cementeries Npr	13,000	3,484,597	3,633,142	Hillsdown Holdings	270,000	574,430	551,669
CMB Packaging Sa	72,100	2,789,419	2,552,343	Hino Motors	38,000	178,101	250,802
CRA Limited	275,000	2,564,172	2,401,427	Hirose Electric Company Limited	48,000	1,563,389	2,198,767
CRH Plc	117,000	391,714	484,181	Hitachi Limited	55,100	3,631,018	4,139,388
CS Holdings Bearer Certificates	600	764,680	1,052,113	Hitachi Limited	396,000	3,088,678	2,961,605
CS Holdings Bearer Wts Exp 12-21-93	600	0	233,803	Hitachi Maxell Limited	10,000	152,338	167,338
Dai Nippon Printing Company Limited	198,000	2,196,042	3,035,645	Hochief Ag Vorm Gebr Helfmann	1,665	1,202,186	1,029,511
Daicel Chemical Industries Limited	160,000	951,363	822,668	Hokuriku Electric Power Company	47,000	936,686	1,247,838
Daichi Pharmaceutical Company Limited	127,000	1,663,094	1,899,615	Holderbank Financiere Glarus	800	296,690	349,780
Daijin Industries (Kogyo) Limited	45,000	244,664	384,924	Hong Kong Electric Holdings Limited	151,000	332,147	347,194
Daimler-Benz	750	247,000	270,554	Hong Kong Land	1,104,000	1,606,541	2,267,467
Dainippon Screen Manufacture	23,000	127,332	158,036	Hong Kong Telecommunications Limited	85,000	3,078,962	3,559,375
Daiwa House Industries Limited	165,000	2,176,068	2,267,479	Hong Leong Credit	800,000	1,544,889	3,640,607
Daiwa Koshu Lease Company Limited	147,000	1,521,636	1,580,364	Honshu Paper Company	45,000	155,462	246,520
Daiwa Securities Company Limited	55,000	567,109	642,709	Hoogovens En Staalfabrieken	123,800	2,290,988	2,251,486
Dalgety	280,000	1,922,276	1,958,506	Hopewell Holdings Limited	201,000	127,855	122,031
Danieli & C Officine	100,000	296,564	367,176	Hoya Corporation	107,000	1,314,112	1,800,521
Den Danske Bank	4,000	164,893	206,581	Hsbc Holding	459,967	2,420,017	4,367,056
Deutsche Bank	8,556	3,615,307	3,455,050	Hsbc Holding	33,000	254,193	328,272
	4,500	88,199	84,924	Huarte Y Cia	24,000	231,703	206,500
Development Bank Of Singapore	412,000	3,473,852	3,678,571	Hume Industries	600,000	1,596,225	1,971,995
Dickson Concepts International Limited	350,000	261,551	275,786	Hunter Douglas	10,000	251,472	279,591
Docks De France	1,824	154,015	155,475	Flutchison Whampon Limited	1,090,000	2,275,270	2,928,631
Douglas Holding	983	344,530	269,627	Hysan Development Company Limited	973,000	1,629,144	2,010,979
DSM	6,100	250,907	284,995	I.O. Data Device Incorporated	20	0	1,040
Eaux (Compagnie Generale Des)	2,040	844,152	777,876	I.O. Data Device Incorporated	200	4,503	10,396
Echo Bay Mines Limited	3,500	54,287	42,875	Iberdrola	199,800	1,292,864	1,227,939
Eisai Company Limited	40,000	465,252	635,698	Imetal	38,100	2,268,795	2,975,185
Electrabel	19,650	3,675,157	3,463,092	Imperial Oil Limited	53,000	1,054,991	1,967,675
Electrolux	5,000	151,254	137,143	Inchape	127,100	1,088,803	1,103,221
Elf Aquitaine	96,855	6,649,648	6,788,264	Inco Limited	11,822	215,644	265,995
Elsint Limited	165,528	883,732	910,404	Independent Newspaper	40,000	163,470	166,346
Elsevier Nv	72,977	4,967,863	5,274,455	Industrie Natuzzi	43,600	654,000	752,100
Empresas Sociadad Controladora	205,000	3,853,316	3,818,125	International Unp Holdings	296,000	172,584	115,443
Endesa	70,000	1,595,311	2,419,925	International Nederlanden Group	190,196	6,204,793	6,411,070
Ericson L M Telephone Company	230,800	8,143,418	10,184,050	Italcementi	28,000	201,756	171,794
Eridania Beghin	17,910	2,089,775	2,427,015	Ito-Yokado Company Limited	102,000	3,242,214	4,138,394
Eurotunnel	185,000	1,482,010	1,131,192	ICI Australia Limited	161,000	661,511	761,990
ECC Group	178,400	1,332,211	1,138,761	Japan Digital Lab	56,910	1,091,590	2,000,407
Fairwood Holdings Limited	120,000	52,192	49,215	Japan Radio Company Tokyo	108,000	1,943,125	1,575,035
Family Mart Company Limited	3,000	177,469	177,808	Japan Securities Finance Limited	100,000	1,390,204	1,551,851
Family Mart Warrants	265	410,750	120,906	Jardine Matheson Holdings	450,479	2,117,386	3,433,218
Faulding (Ph) and Company	27,200	104,202	99,723	Jardine Strategic Holdings Limited	500,000	1,663,131	1,608,215
Finanziaria Agroidstriale	15,000	45,756	41,041	Jeronimo Martins	39,500	1,844,107	1,901,887
Fischer Ag Schaffh/George	5,250	0	4,681	Joyo Bank	460,000	2,963,961	4,063,793
Fischer Ag Schaffhausen George	1,050	509,770	540,916		24,250	0	214,432
Fisher Group	400,000	402,763	393,730	Jungheinrich	3,100	386,870	355,200
Fletcher Challenge Limited	400,000	494,208	598,846	Jurouki Bank	60,000	336,097	355,056
Forbo Ag Zuerich	400	471,590	515,159	Jusco Company Limited	33,000	389,464	617,001
Formosa Fund	160	1,064,000	1,025,440	Kanigumi Company	83,000	794,496	853,518
Forte	400,000	1,214,259	1,354,191	Kandenko Company	7,000	0	168,834
Foster Brewing Limited	275,000	262,808	212,645	Karstadt	6,903	2,359,013	2,105,828
Fraser & Neave Limited (Singapore)	344,400	2,077,520	2,650,862	Katokichi Company	95,000	1,955,555	2,344,604
Fraser & Neave	50,000	45,087	128,695	Kaufhof Holding	1,000	250,011	282,378
Fuji Heavy Industries Limited	133,000	374,775	442,633	Kedah Cement Holding	300,000	366,762	392,065
Fuji Machine Manufacturing Company	96,000	1,975,708	2,405,182	Keppel Corporation	325,000	1,025,152	1,560,960
Fuji Photo Film Company Limited	120,000	2,637,883	2,804,550	Kingfisher	62,557	501,792	563,517
Fuji Soft Ware Incorporated	26,000	770,743	454,524	Koa Fire & Marine Insurance	126,000	860,582	850,452
Fujisawa Pharmaceutical Company	38,000	253,872	358,795	Komatsu Forklift Company	50,000	592,995	545,895
Furukawa Company	181,000	1,131,927	1,033,860	Komori Corporation	20,000	452,177	360,852

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COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
Kon Knp	38,000	605,163	655,341	Okamura Corporation	44,000	308,729	333,592
Koninklijke Bots Wessanen	34,597	765,263	766,609	Olympus Optical Company Limited	137,000	1,448,026	1,511,279
Koninklijke Pkshold Holding	21,000	401,365	408,255	Onward Kashiyama Company Limited	86,000	957,381	956,726
Korea Asia Fund Bearer	100	660,000	658,318	OTC Jpy Topix	958,396	280,827	235,637
Kunert	1,700	243,354	239,125	Overseas Union Limited	894,274	342,684	289,260
Kureha Chemical Industry Company	48,000	159,517	251,288	Overseas-Chinese Bkg Corporation	77,000	253,527	284,483
Kvaerner Industrier	60,000	3,193,857	1,797,177	P&O Pen & Oriental	900,000	5,394,770	6,594,827
Kyocera Corporation	142,000	6,345,249	7,102,056	Pacific BBA Limited	171,200	1,227,597	1,588,138
Kyushu Denki Kogyo Company	68,000	1,258,939	1,150,613	Pacific Dunlop Limited	400,000	702,003	741,259
Kyushu Electric Power Company Inc	30,900	669,811	852,163	Paterson Zochonis	2,210,000	7,962,318	7,159,684
KAO Corporation	385,000	3,469,479	4,283,015	Pechiney Cert D'Invest	300,000	1,727,447	1,780,732
L'Oreal	1,350	252,076	257,150	Pechiney International	4,700	256,905	257,542
Ladbroke Group	315,700	1,091,333	871,045	Pernod-Ricard	65,200	2,910,015	2,271,789
Lafarge Coppee	14,373	881,299	970,854	Petrofina Sa Bruxelles	916	69,275	62,989
Land Securities	315,000	2,529,182	2,804,652	Peugeot Sa	1,300	387,244	334,027
Lindt And Sprungli	53	702,138	679,085	Peugeot Sa	11,200	1,171,125	1,126,121
Lippo Land	75,000	217,746	215,190	Philips Electronics	53,000	649,353	833,704
London & Scott Marine Oil	112,000	254,538	267,259	Pilcon Engineering	800,000	1,350,417	1,418,903
Lyonnais Des Eaux	10,562	873,913	844,801	Pillington	355,000	572,166	675,045
LVMH Moet Hennessy Louis Vuitton	1,979	1,509,859	1,332,971	Pioneer Electronic Corporation	12,000	254,226	251,288
M & G Group	28,200	305,589	329,731	Pioneer International Limited	212,000	367,551	327,861
M.A.N.	2,150	360,306	359,127	Placer Dome Limited	26,422	395,028	548,257
M.C. Packaging (Hong Kong)	2,500,000	1,296,095	1,049,538	Pohang Iron & Steel	49,300	1,733,935	1,553,500
Mabuchi Motors	30,900	1,412,521	1,753,433	Potash Corporation Sask Incorporated	88,382	1,856,080	1,756,592
Magazine Globus	600	187,109	319,002	Powergen	525,100	2,407,905	3,030,729
Magna International Incorporated	130,900	4,141,638	5,170,550	Progressive Enterprises	1,550,000	1,629,813	1,571,970
Magnum Corporation	400,000	1,398,293	1,789,187	Prosecur Cia De Seguridad New W/I	1,538	16,652	23,631
Malayan Banking Berhad (Malaysia)	54,900	232,070	251,972	Prosecur Cia De Seguridad	10,000	161,407	153,646
Malayan Banking (Singapore)	750,000	2,951,688	3,348,214	Proton	500,000	1,346,438	1,266,484
Malaysian International Shipping	330,000	1,013,273	971,305	PT Mayora Indah	300,000	822,110	975,528
Malaysian International Shipping	130,000	413,589	386,814	PT Modern Photo Film Company	120,000	651,160	903,798
Malaysian Resources Corporation	300,000	450,730	565,271	QWA(Papierwerke Waldhof)	4,000	376,509	344,621
	500,000	312,928	925,710	QAF	1,500,000	1,145,893	1,265,394
	112,500	70,479	211,977	QBE Insurance Group	207,932	1,117,644	949,461
	2,000,000	1,164,271	3,765,072	Racal Group Consolidated	94,000	252,547	308,422
Malaysian Resources	300,000	38,068	424,737	Rank Organisation	52,000	542,574	610,341
	67,500	8,574	101,621	Redland	201,600	1,370,755	1,431,171
Mandarin Oriental	1,500,000	1,248,880	1,482,271	Reliance Industries Limited	180,000	2,943,000	2,385,000
Mannesmann	21,381	4,165,304	3,354,600	Repsol	10,000	243,100	248,750
Maruetsu Incorporated	19,000	151,048	182,950	Repsol Sa	135,200	3,302,459	3,344,443
Marui Company Limited	249,000	3,050,296	3,491,665	Resort World Bhd (Malaysia)	133,000	409,107	506,962
Matsumoto Yushi-Seiyaku	7,000	259,712	180,613	Reuters Holdings	149,000	7,594,251	9,387,000
Matsushita Elect Ind Company	317,000	3,384,924	3,733,978	Rheinisch-Westfaelisches	8,200	2,001,395	2,577,908
Mayne Nickless Limited	220,000	1,290,326	1,082,292	Rhone Poulenc S.A.	30,000	3,082,263	3,005,960
Mediobanca Spa	157,000	1,478,164	1,565,272	Robinson Company	250,000	1,124,681	1,311,527
Michelin Cie Generale B Regd	58,619	1,779,140	1,588,713	Rohm Company Limited	59,000	938,866	1,373,388
Mim Holdings Limited	319,000	544,326	397,647	Rothmans Holdings	30,000	108,005	142,986
Minebea Company Limited	76,000	254,603	390,767	Royal Bank Of Canada	120,700	2,679,516	2,567,233
Mitsubishi Heavy Industries	795,000	3,461,363	4,838,269	Royal Dutch Petroleum Company	61,459	5,537,043	5,681,758
Mitsubishi Motor Company	680	545,159	340,000	Rugby Group	155,022	9,858,606	14,378,291
Mitsubishi Trust & Bkg Corporation	165,000	1,856,058	1,958,978	RTZ (Rio Tinto Zinc)	670,000	2,569,970	2,697,943
Mitsui Fudosan	519,000	4,217,432	5,967,803	Saga Petroleum	734,536	7,536,276	7,783,582
Mitsui Marine & Fire Insurance Company	21,000	150,348	172,760	Saint Gobain Cie De	160,000	1,766,594	1,734,990
Miura Company Limited	161,000	1,934,897	2,633,940	Sandoz	73,063	6,839,503	6,456,552
Molson Companies Limited	97,000	2,026,588	1,722,375	Sangetsu Company Limited	1,091	2,504,328	2,284,181
Montedison Di Risip	12,500	8,383	3,235	Sanki Engineering Company Limited	72,000	1,707,896	2,221,204
Montedison	570,000	443,914	278,441	Sankyo Company Limited	95,000	1,044,282	1,287,756
Moore Corporation	145,100	2,511,836	2,412,288	Santas Limited	1,240,000	3,055,621	3,017,032
Moulinex French Common Stock	25,000	360,604	408,797	Sanwa Bank Limited Osaka	80,000	1,214,660	1,667,772
Murata Manufacturing Company Limited	92,000	1,633,385	2,442,576	Sanyo Electric Company Limited	125,000	373,379	512,999
Naigai Company Limited	35,000	251,521	291,206	Schering	470	223,709	217,836
Nanyang Press	400,000	1,173,119	1,353,559	Schlumberger Limited	33,700	1,573,671	2,135,738
National Australia Bank Limited	681,900	4,324,797	4,522,817	Schmalbach-Lubeca	3,000	589,868	522,207
National Bank Of Canada Montreal	196,300	1,590,628	1,589,677	Schweiz Bankverein	4,900	555,135	645,633
National Foods Limited	1,460,000	1,537,370	1,527,981	Schweiz Ruedversicherung	8,042	3,056,213	3,553,339
National Westminster Bank	40,000	260,609	292,911	Scitex Limited	11,000	463,845	422,125
Nestle Malysa	29,000	157,306	155,659	Scottish & Newcastle Breweries	50,000	370,807	345,259
Nestle Cham Et Vevey	8,353	6,066,715	6,294,695	Seagran Company Limited	45,597	759,388	1,191,222
Nestle Regd Rts	3,850	0	34,683	Sears	1,320,000	2,001,282	1,948,962
New Straits Times Press	60,000	156,528	150,525	Secom	66,000	3,086,342	3,899,447
New World Development Company	66,000	141,239	167,099	Segs Enterprises	71,560	5,021,626	6,689,786
News Corporation	170,807	870,789	856,226	Sekisui Chemical Company Limited	585,000	4,100,416	5,031,362
Next Plc	145,000	327,261	375,199	Sekisui House Limited	612,000	6,597,277	6,865,539
Nichido Fire & Marine	300,000	1,784,135	2,201,572	Sembawang Shipyard (Singapore)	484,000	2,979,440	3,904,187
Nichiei Company Limited	8,400	402,215	612,514	Senko Company	244,000	1,512,751	1,792,893
Nichimen	85,000	275,643	351,223	Seoul Trust	20	680,000	560,000
Nifco Incorporated	140,000	1,214,038	1,989,361	Seven-Eleven Japan Company Limited	53,500	2,783,511	3,506,015
Nintendo Company Limited Kyoto	29,000	2,512,843	2,602,622	Sharp Corporation Osaka	242,000	2,954,291	2,805,298
Nippon Comys Corporation	225,000	1,836,149	2,313,754	Shell Transport & Trading Limited	65,000	567,026	611,698
Nippon Denetsu Kogyo	69,300	1,111,080	1,230,917	Shimachu Company Limited	59,000	1,564,574	2,119,762
Nippon Koei Company Limited	210,000	1,778,851	2,198,767	Shimano Incorporated	134,000	1,703,268	3,231,963
Nippon Shokubai Company	197,000	1,184,825	1,639,073	Shin-Etsu Chemical Company Limited	100,000	1,201,973	1,579,897
Nippon Steel Corporation	877,000	3,194,661	3,000,700	Shindler	200	496,225	578,563
Nippon Telegraph & Tele	448	3,350,524	3,610,166	Shinhan Bank	73,300	1,450,963	1,232,485
Nisshinbo	36,000	252,371	324,767	Shiseido Company Limited	30,000	329,752	398,246
Nitto Denko	28,000	249,830	342,903	Shun Tak Holdings Limited	400,000	289,174	387,522
Nomura Securities Company Limited	307,000	4,345,050	5,596,479	Siam Cement Company Limited (Local)	25,000	571,815	489,540
Noranda Incorporated	30,000	405,265	512,203	Siam Cement (Foreign)	10,000	258,146	231,636
Noritz Corporation	105,000	1,334,680	1,806,130	Siam Commercial Bank Public Company	25,000	148,603	148,255
Norsk Hydro	12,500	314,042	305,943	Siebe	64,000	444,947	467,703
North West Water	35,400	298,488	249,723	Siemens	16,448	6,658,006	5,976,806
Northern Telecom Limited	52,431	1,609,668	1,395,976	Sime Darby Berhad	1,264,000	2,218,123	2,291,700
Nutricia	27,000	1,996,625	1,883,712	Sing Tao Holdings	2,000,000	1,292,694	2,299,295
NRJ	14,839	565,257	929,280	Singapore International Airlines	40,000	233,049	246,305
Oce Van Grinten	20,000	508,548	535,142	Sip	270,500	267,121	447,905
Oita Bank Limited	50,000	383,977	388,430				
Oji Paper Company Limited	36,000	249,430	343,277				

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COMMON STOCK-International			COMMON STOCK-International				
	SHARES	BOOK VALUE	MARKET VALUE	SHARES	BOOK VALUE	MARKET VALUE	
Siri	44,600	263,956	258,880	Whitbread & Company	431,000	3,013,125	3,252,535
Skandia Group	10,000	144,036	151,375	Wing Tai Holdings	1,250,000	1,243,445	1,885,776
Smh Schweizer Gesellschaft	10,025	999,789	1,589,067	Winterthur Schweiz'	3,338	1,438,903	1,351,429
Snow Brand Milk Products Company	265,250	1,484,833	1,996,150	Walters Kluwer	65,856	2,666,387	3,224,811
Soures Da Costa	64,400	1,664,252	1,072,666	WMX Technology	123,000	1,165,567	1,218,056
Soc. Gen De Surveillance Holding	2,610	2,773,126	2,983,899	Xebio Company Limited	81,000	1,394,318	2,256,541
Societe Generale	33,090	3,676,358	3,436,454	Yamaguchi Bank	154,000	1,727,226	2,375,454
Societe Nationale Elf Aquitaine	16,000	483,960	538,000	Yamaha Corporation	35,000	250,772	363,189
Solvay & Cie Sa	1,750	647,227	580,155	Yamaha Motors Company Limited	50,000	309,293	383,289
Sommer - Alibert	1,200	258,104	315,208	Yamaichi Securities Company	49,000	283,509	375,623
Sony Corporation	115,300	4,616,367	4,624,114	Yamanouchi Pharmaceutical Company	19,000	383,585	396,096
Sungyong Investment And Securities	74,500	2,192,304	2,152,722	Yamato Kogyo Company Limited	28,000	295,819	314,110
St Finanziaria Telefonica	1,150,000	2,682,033	2,664,121	Yamazaki Baking Company Limited	170,000	2,624,802	2,860,641
Stolt Tankers & Terminals	130,900	2,618,033	2,454,375	Yangtzejiang Berhad	400,000	1,865,944	1,913,652
Storehouse	1,300,000	3,912,726	4,110,298	Yodogawa Steel Works Limited	86,000	441,092	627,097
Stork	14,700	253,720	251,209	Yokogawa Elect (Hokushin) Corporation	102,000	912,985	886,799
Strabag Bau	3,271	1,242,884	1,140,675	Yokohama Reito Company	172,000	1,714,595	2,170,722
Sulzer	1,450	0	3,352	Yurtect Corporation	76,000	1,477,667	2,031,990
Sumitomo Bank Limited	1,450	609,917	650,256	YPF Sociedad Anonima	70,000	1,330,000	1,522,500
Sumitomo Corporation	208,000	3,550,913	4,394,543				
Sumitomo Electric Industries	42,000	255,743	316,858	<b>TOTAL COMMON STOCK-International</b>	<b>967,320,192</b>	<b>1,061,183,352</b>	
Sumitomo Forestry Company Limited	116,000	1,276,820	1,192,869				
Sumitomo Marine & Fire	247,000	3,874,799	4,317,978	<b>REAL ESTATE</b>	<b>UNITS</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
Sumitomo Precision Products	556,000	3,210,947	4,932,680	<b>CLOSED-END FUNDS</b>			
Sun Alliance Group	127,000	656,935	1,116,024	Alex Brown-Profile Fund I		24,875,000	17,664,164
Sun Hung Kai	82,000	424,642	436,592	Bear Stearns Realty Partners		98,749,998	99,264,240
Sun Hung Kai Properties Limited	1,200,000	608,945	565,782	Brinson Partners First Apartment Fund	1,219	14,261,164	11,874,597
Suzuki Motor Company	659,000	2,934,546	3,277,336	JMB Group Trust III		25,832,490	17,325,629
Swire Pacific Limited	335,000	2,091,195	2,787,255	TCW Realty Fund II		25,000,000	17,405,772
Syntax Corporation	1,489,000	6,645,193	7,645,512				
SKF	25,100	414,271	458,075	<b>TOTAL CLOSED-END FUNDS</b>		<b>188,718,652</b>	<b>163,534,402</b>
SKF Fruzher Ab Svenska	104,000	1,637,459	1,261,000	<b>PROPERTIES</b>			
Tabacalera	375,600	4,115,905	4,567,955	Adams Woods		7,595,107	3,850,000
Taisei Rotec Corporation	4,000	127,722	114,927	Arapahoe Village		6,393,185	5,550,000
Taiyo Chemical Industries	114,000	977,133	1,204,274	Ashland Junction Shopping Center		2,245,468	2,245,468
Taisho Pharmaceutical Company Limited	80,300	1,441,902	1,553,917	Ashland Outparcels		101,020	101,020
Takeda Chemical Industries	140,000	1,584,341	1,675,251	Autumn Chase		9,712,145	9,800,000
Tasaki Shinju	119,000	1,464,898	1,479,587	Basset Creek Office Center / S.J. Groves		7,648,713	2,100,000
Tate & Lyle	111,000	690,704	622,451	Birdneck Lake I Apartments		1,450,000	1,450,000
Taylor Woodrow	1,450,000	1,976,319	2,205,781	Birdneck Lake II Apartments		1,217,793	1,217,793
Telecom Corporation Of New Zealand	2,423,050	3,013,718	4,043,650	Breckinridge Office Park		33,382,373	22,081,327
Telefonica De Espana Cia	444,000	4,377,797	4,741,209	Buckmar Land		1,153,904	1,153,904
Telefonos De Mexico	265,400	11,390,425	12,407,450	Camino del Rio		1,416,828	1,416,828
Telegraaf Holdings	4,000	203,498	247,294	Canterwood		7,784,716	7,750,000
Telekom Malaysia	383,000	2,294,127	2,294,127	Clackamas Town Center		65,524,083	65,770,861
Tenaga Nasional	750,000	2,935,893	2,764,299	Cobblestone Court		5,184,363	5,184,363
Tesco	67,000	254,355	243,660	Cornerstone Industrial Centre		2,530,049	2,530,049
Teva Pharmaceutical	165,000	614,160	527,844	Corona Industrial Building		3,946,877	3,946,877
Thomson	53,716	1,279,087	1,107,893	Corporate Campus East		25,148,888	14,400,000
Thorn	7,000	205,965	211,878	Corporate West II		3,346,442	0
Thyssen	280,400	3,817,372	3,792,970	Costa Mesa Courtyards		39,421,416	21,800,000
Tiphook	3,700	381,864	417,876	Crystal Court		8,783,550	8,783,550
Tokai Bank Limited	217,900	2,561,136	3,268,500	Cypress Trace Shopping Center		29,969,813	15,300,000
Tokai Senko Kk Nagoya	108,000	606,147	518,649	Data General Building		7,486,601	5,150,000
Tokatsu Foods Company Limited	30,000	252,395	415,073	Dulles South Business Park		1,928,807	1,928,807
Tokio Marine & Fire Insurance Company	119,000	1,000,272	1,023,474	Fairfax Court		17,768,358	17,768,358
Tokyo Broadcasting System Incorporated	18,000	382,427	286,064	Forest Park Land		2,509,624	2,750,870
Tokyo Ohka Kogyo Company Limited	567,000	5,585,371	6,625,749	Forest Park Mall		30,203,206	21,353,746
Tokyo Steel Manufacturing	89,000	1,069,571	1,164,823	Franklin-Lake Self Park		34,942,908	17,900,000
Tokyo Style Company Limited	130,000	3,445,651	4,399,404	Gateway Plaza		19,087,991	19,087,991
Tokyo Teikoku Company Limited	86,000	1,871,940	2,114,444	Gateway Oaks Plaza		3,295,414	3,700,000
Toshiba Corporation	80,000	1,350,541	1,323,748	GMO Land		24,263,302	16,057,000
Total B FES0	193,000	3,472,153	2,453,794	Hartford Industrials		21,499,873	13,169,971
Toshiba Corporation	531,000	2,715,767	3,325,917	Imperial Business Park		1,416,828	1,416,828
Toyo Corporation	29,678	1,352,787	1,420,765	Interstate Crossings Business Center		9,828,008	4,900,000
Toyo Seikan Kaisha Limited	73,000	903,276	648,318	Inver Grove Industrial		6,041,909	5,700,000
Transportation Maritima Mexicana	13,000	312,903	376,745	IBM / Hotel Circle		3,744,474	3,744,474
TDK Corporation	184,518	1,975,309	1,775,986	IBM Complex / Land		4,250,482	4,250,482
Unilever N V	89,000	2,590,696	3,111,742	Jersey Industrial Building		1,467,429	1,467,429
Union Des Assurances De Paris	62,600	5,364,676	6,619,950	K/B Unallocated Portfolio Reserves		1,700,000	1,700,000
Unipapel Esp Sppt 500	32,834	3,713,364	3,481,571	Kaiser Property / Phase III		759,015	759,015
United Overseas Bank Foreign	3,500	313,997	361,655	KL San Jose		2,327,645	2,327,645
Uey Company Limited	13,000	281,866	297,612	Laguna Hills Plaza		7,440,064	8,800,000
Uralita Rights	250,000	1,524,820	1,600,985	Lakes of Bellevue		24,708,397	19,160,000
Uralita Rights	84,000	804,572	8,643	Leed Commerce Center		3,004,313	2,050,002
UCB (Union Chemie Belegizue)	30,000	167,311	188,985	Master Venture Properties		17,000,000	17,000,000
Vallehermoso	500	369,966	317,971	Mayflower Apartments		5,700,000	5,700,000
Veba	14,000	207,920	182,839	Mayhew Tech Center		14,017,351	14,800,000
Vetro Sociedad Anonima	2,300	588,847	508,199	McKeller - Anaheim Hills		3,213,163	3,213,163
Vodafone Group	141,800	3,007,660	2,410,600	McKeller Corporate Center		1,113,221	1,113,221
Volkswagen	146,300	9,116,357	9,984,975	McKeller Debt - 2nd TD		6,269,463	6,269,463
Volkswagen	280,300	1,619,155	1,885,358	McKeller Tech Center		3,440,868	3,440,868
Volvic Electric	110,000	361,667	394,515	Mendota Heights Business Center		16,902,731	8,300,000
Volkswagen	14,300	2,431,112	3,042,335	Meridith Park		1,264,229	1,720,000
Volvo	2,000	104,159	108,162	Midwest Apartments		18,291,000	200,000
Wacoal Corporation	40,000	448,833	418,813	Miscellaneous Real Estate Assts		205,307	193,565
Waste Management International	36,000	755,749	715,500	Montbello Industrial Park		11,339,014	9,600,000
Waterford Glass Group	1,257,274	792,131	637,533	Newmarket South Shopping Center		13,885,846	10,330,000
Wearne Brothers Limited	500,000	1,256,236	1,169,951	Norfolk Office Properties		44,469,575	28,162,693
Wellcome	268,500	4,094,625	2,651,438	North Lake Business Park		13,640,092	14,600,000
Welsh Water	85,000	689,870	722,583	Oaks of Oakbrook		12,722,229	12,449,947
Wembley Industries Holdings	1,700,000	1,957,484	1,983,664	Orlando Marriotts		69,553,708	66,331,000
Western Mining Corporation Holdings	979,600	3,484,332	3,787,407				
Westpac Banking Corporation	245,600	509,243	607,390				
Wharf Holdings	105,000	203,045	272,622				

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REAL ESTATE-Properties	UNITS	BOOK VALUE	MARKET VALUE	ALTERNATIVE INVESTMENTS	UNITS	BOOK VALUE	MARKET VALUE
Pacific Shores Center		16,820,734	4,800,000	Arizona, Woodruff 1	1	502,276	517,851
Parham Land		140,000	140,000	Arizona, Yuma 1	1	1,015,050	1,127,951
Parham Office Building		310,000	310,000	Arizona, Yuma 2	1	2,698,993	2,869,897
Potomac Equity Loan Portfolio	147,189,224	147,189,224	147,189,224	Arizona, Yuma 3	1	2,328,851	2,378,780
Poway Industrial Property	4,705,892	4,705,892		Arkansas, Lonoke	1	690,106	710,063
Prado Industrial Center	870,337	870,337		Bicycle Acquisition Corporation	8,500,000	8,500,000	10,872,077
Quail Lakes Executive	8,882,253	2,825,000		Bicycle Acquisition Corporation	5,000,000	5,050,000	5,050,000
Quidd Building	5,970,917	5,970,917		California, Fresno 1	1	8,118,976	8,200,054
Quidd Land	607,212	607,212		California, Kern 1	1	4,036,578	4,064,204
Ridge Plaza	7,276,005	2,999,163		California, Kern 2	1	739,753	760,349
Ridgewood Court	11,582,397	11,582,397		California, Kern 3	1	622,407	647,893
Riva Road Land	1,791,640	1,791,640		California, Kern 4	1	7,429,886	8,875,800
Riva 400 Office	1,599,000	1,599,000		California, Kern 5	1	140,798	140,800
River Road Business Center	11,372,644	6,300,000		California, Kern 6	1	1,372,609	1,423,865
Royal Eagle Plaza	20,270,432	20,270,432		California, Kern 7	1	3,879,851	3,866,037
San Juan Corporate Center	6,919,918	3,800,000		California, Merced 2	1	1,267,810	1,496,946
Second & Harrison Apartments	3,817,500	3,800,000		Chalk Line Holdings Inc	1,000	1,000,000	0
Seminole Towne Center	19,160,547	19,160,547			177,226	2,800,000	0
Somerset Park Apartments	8,719,822	4,636,175		Chalk Line Inc	8,610	7,212,685	0
Southpark Square	4,761,535	5,750,000		Chalk Line Manufacturing Incorporated	6,000,000	6,000,000	6,000,000
St. Charles #12 Associates	6,067,933	5,750,000		County Seat Holdings Inc	38,305	398,439	398,439
St. Charles #3, #4, #5	5,848,944	4,500,001		County Seat Stores Inc	15,207	380,175	380,175
St. Charles Land Venture	13,714,580	8,700,001			5,137,881	5,137,881	5,137,881
Stone Creek	4,282,134	2,275,480		DLJ Merchanting Banking	1	8,153,995	8,503,233
Stone Mountain Festival Shopping Center	27,250,057	21,900,000		Florida, Collier 1	1	1,740,956	1,794,193
Sunforest Apartments	25,926,500	27,100,000		Florida, Collier 2	1	4,654,112	4,969,967
Super 8 Motels	16,385,719	16,090,001		Florida, Collier 3	1	2,663,247	2,663,247
The Avenues	63,884,161	63,884,161		Florida, Highlands 1	1	3,118,568	3,118,568
The Plaza at Buckland Hills	11,777,126	11,777,126		Florida, Indian River	1	5,476,472	5,476,472
The Yards Plaza	22,868,261	22,868,261		Florida, Polk 1	1	890,296	816,028
Time-Life Building	59,065,476	29,700,000		Frontenac Venture IV	10,000,000	6,500,242	6,105,235
Towne North Shopping Center	9,366,254	6,300,000		Frontenac Venture V	1	14,749,976	14,852,611
Troy Industrial	8,072,820	6,900,000		Frontenac Venture VI	1	900,000	879,972
TRB-MIP Corporation	2,517,805	2,950,000		Home Fashions Inc	4,754,138	3,750,000	1,875,000
TRS - Oakbrook Center Land	75,623,005	76,011,626		Illinois, Henderson 2	1	187,574	189,394
Various Real Estate Operating Accounts	32,081,001	32,081,001		Illinois, Bureau 1	1	748,127	771,986
Village Park Plaza	20,475,377	20,475,377		Illinois, Bureau 2	1	323,970	324,530
Virginia Beach Townhomes	399,000	399,000		Illinois, Champaign 1	1	470,465	474,797
Virginia Meadows Land	1,182,314	1,182,314		Illinois, Champaign 2	1	179,745	184,000
Voss Corona	5,060,099	5,060,099		Illinois, Champaign 3	1	394,821	403,815
West Town Corners	26,541,490	26,541,490		Illinois, Champaign 4	1	148,051	153,040
Westland Park Plaza	11,682,354	11,682,354		Illinois, Champaign 5	1	222,107	225,973
White Oaks Mall	38,665,214	38,665,214		Illinois, Champaign 6	1	136,320	136,694
Williams Plaza Phase I	27,472,007	12,040,000		Illinois, Champaign 7	1	373,742	392,000
Williams Plaza Phase II	27,356,337	13,600,000		Illinois, Champaign 8	1	154,168	158,311
Willow Knolls Court	17,864,169	17,864,169		Illinois, Christian 1	1	1,621,699	1,692,850
1015 Locust Building	14,398,221	1,430,000		Illinois, Coles 1	1	1,259,101	1,259,101
1500 Locust Street Apartments	58,085,043	45,322,480		Illinois, DeKalb	1	366,965	372,638
330 South Executive Drive	8,161,151	5,200,000		Illinois, DeWitt 1	1	269,156	269,210
345 Fullerton Parkway	19,321,003	12,336,921		Illinois, DeWitt 2	1	163,567	164,073
345 Fullerton Parkway - Conversion	2,663,079	2,663,079		Illinois, Douglas 1	1	170,403	172,422
4 & 6 Venture Street	5,161,301	5,161,301		Illinois, Douglas 2	1	228,766	229,837
85 East Colorado Boulevard	1,973,438	1,973,438		Illinois, Douglas 4	1	182,440	182,598
1301 Frontenac (Naperville Industrials)	2,661,163	1,530,000		Illinois, Douglas 5	1	156,143	156,000
1670 Frontenac (Naperville Industrials)	3,087,776	3,050,000		Illinois, Edgar 1	1	294,769	302,270
1674 Frontenac (Naperville Industrials)	2,701,625	3,300,000		Illinois, Edgar 3	1	450,371	450,972
1600 Downs Drive (Wood Dale Industrials)	2,630,188	2,025,000		Illinois, Henderson 1	1	1,262,156	1,364,428
1700 Downs Drive (Wood Dale Industrials)	5,161,477	4,550,000		Illinois, Henderson 3	1	351,926	352,750
230 Gerry Drive (Wood Dale Industrials)	3,059,764	2,825,000		Illinois, Henry 1	1	148,732	149,060
800 West Thorndale (Wood Dale Industrials)	4,057,790	2,550,000		Illinois, LaSalle 1	1	263,546	270,498
411 Kingston Court (Kingston Court Portfolio)	2,579,201	1,509,999		Illinois, LaSalle 2	1	490,977	516,810
451 Kingston Court (Kingston Court Portfolio)	2,298,753	1,240,000		Illinois, LaSalle 3	1	598,940	605,212
Kingston Court Land (Kingston Court Portfolio)	2,938,730	2,640,000		Illinois, Livingston 1	1	324,898	328,944
Crossroads 1 (Crosswoods Portfolio)	7,140,400	6,000,000		Illinois, Macon 1	1	174,224	175,501
Wedgewood 1 (Crosswoods Portfolio)	10,416,275	7,500,000		Illinois, Macon 2	1	2,008,666	2,018,383
1090 Gemini Road (North Tech Portfolio)	1,883,868	1,550,000		Illinois, Marshall	1	972,691	1,046,803
2301 Windsor Court (North Tech Portfolio)	8,293,640	6,600,000		Illinois, McDonough 1	1	183,012	185,648
Tech West 1 & 11 (North Tech Portfolio)	9,370,857	6,300,000		Illinois, McDonough 2	1	431,025	438,660
3900 Northwoods (North Tech Portfolio)	9,369,174	5,400,000		Illinois, McDonough 3	1	164,987	166,109
Real Estate Reserves	-23,606,716	0		Illinois, McDonough 4	1	355,037	356,000
				Illinois, McDonough 5	1	186,740	184,000
TOTAL PROPERTIES	1,755,878,949	1,431,075,831		Illinois, McDonough 6	1	612,382	616,980
				Illinois, McLean 1	1	548,804	578,243
TOTAL REAL ESTATE	1,944,597,601	1,594,610,233		Illinois, McLean 2	1	788,771	803,161
				Illinois, McLean 3	1	1,958,080	1,967,573
				Illinois, Moultrie 1	1	283,949	296,460
				Illinois, Moultrie 2	1	314,783	320,000
				Illinois, Moultrie 3	1	171,272	176,000
				Illinois, Piatt 1	1	294,370	297,000
				Illinois, Piatt 2	1	2,382,869	2,417,468
				Illinois, Shelby	1	84,326	89,194
				Illinois, Warren 1	1	169,343	175,438
				Illinois, Warren 2	1	220,522	223,100
				Illinois, Wood	1	1,072,617	1,143,064
				Illinois, Vermillion 1	1	285,825	295,231
				Indiana, Allen 1	1	220,800	221,280
				Indiana, Allen 2	1	266,135	287,966
				Indiana, Allen 4	1	200,568	202,604
				Indiana, Boone 1	1	426,880	437,798
				Indiana, Boone 2	1	131,311	134,034
				Indiana, Boone 3	1	393,374	400,259
				Indiana, Boone 4	1	91,220	93,329
				Indiana, Boone 5	2	599,082	603,967
				Indiana, Clinton 1	1	167,528	168,756
				Indiana, Clinton 2	1	541,894	547,549
				Indiana, Clinton 3	1	216,740	218,042
				Indiana, Grant 2	1	378,708	384,000

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ALTERNATIVE INVESTMENTS	UNITS VALUE	BOOK VALUE	MARKET
Indiana, Hendricks 1	1	345,218	346,239
Indiana, Hendricks 2	1	461,952	462,850
Indiana, Hendricks 3	1	19,004	19,004
Indiana, Kosciusko 1	1	163,827	165,000
Indiana, Tipton 1	1	403,237	409,499
Indiana, Wabash 1	1	252,557	252,557
Indiana, Warren 3	1	266,384	268,800
Indiana, White 1	1	217,988	218,011
Lery Restaurant	596	1,436,800	1,804,511
Marks Brothers Jewelers Incorporated	350,000	350,000	350,000
Marks Brothers Jewelers Inc	10,000,000	10,000,000	8,000,000
Newstrend Ltd Partnership	15,587	1,304,314	1,304,314
Ohio, Darke	1	235,927	269,510
Ohio, Fayette 1	1	211,195	222,687
Ohio, Fayette 2	1	296,167	335,249
Ohio, Fayette 3	1	262,971	268,576
Ohio, Hancock 1	1	102,493	110,324
Ohio, Hancock 2	1	188,332	198,264
Ohio, Madison	1	804,935	844,718
Ohio, Van Wert 1	1	248,571	266,589
Ohio, Van Wert 2	1	939,745	962,274
Ohio, Wood 1	1	139,337	132,461
Ohio, Wood 2	1	236,161	251,004
Ohio, Wood 3	1	1,642,320	1,722,521
TWB/F/B Limited Partnership	4,600,000	1,500,000	1,500,000
W P G Enterprise Fund	1	27,971,208	27,405,371
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>\$ 203,164,193</b>	<b>\$ 189,987,734</b>

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