

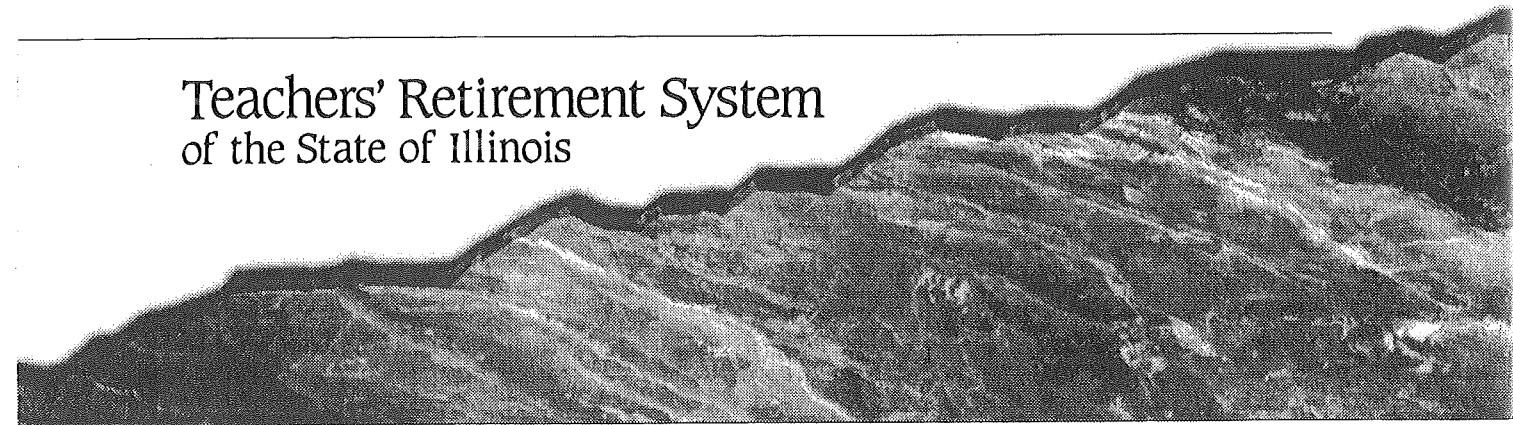


ILLINOIS STATE UNIVERSITY



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Teachers' Retirement System
of the State of Illinois



*Comprehensive Annual Financial Report
for the Teachers' Retirement System—
A Component Unit of the State of Illinois*

For Fiscal Year Ended June 30, 1994

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The Teachers' Retirement System of the State of Illinois is pleased to present the Comprehensive Annual Financial Report for the Teachers' Retirement System—A Component Unit of the State of Illinois for the Fiscal Year Ended June 30, 1994. Each year, this report highlights the trends of the System's membership and explores the impact of ongoing events on the fund's progress.

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Certificate of Achievement for Excellence in Financial Reporting

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Teachers' Retirement System of the State of Illinois

For its Component Unit Financial Report for the Fiscal Year Ended June 30, 1993

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.



Sam Krah
President

Jeffrey L. Essler
Executive Director

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Board of Trustees

Executive Director

Executive Staff

- General Counsel
- Government Affairs
- Internal Audit
- Personnel

Investments

- Alternative Investments
- Equities
- Fixed Income
- Real Estate

Member Services

- Benefits
- Counseling

Operations

- Administrative Services
- Controller
- Information Systems



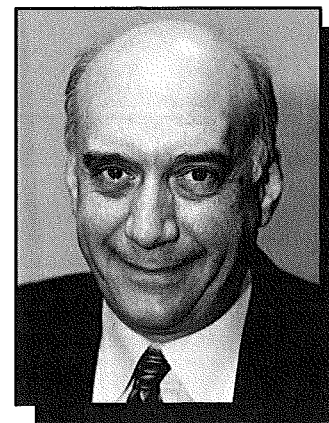
Seated in the foreground is the System's Executive Director Bob Daniels. The remaining members of the Cabinet include, front row, left to right: Judy Davis (Assistant to the Director), Wilma VanScyoc (General Counsel), Jon Bauman (Chief Operating Officer), Alice Kern (Manager of Administrative Services), Sandy Andrighetti (Internal Auditor), and Todd Kennedy (Controller). Standing in the back row, left to right, are: Jack Tucker (Manager of the Lisle Office), Don Nesbitt (Chief Investment Officer), Ed Mabie (Chief Information Officer), John Sigle (Director of Member Services), John Day (Government Affairs Liaison), Paul Craig (Director of Personnel), Bill Brewer (Deputy Director of Benefits) and Sally Sherman (Deputy Director of Counseling). Not pictured is Matt Evans (Investment Officer).

The Teachers' Retirement System of the State of Illinois was created in 1939 by the General Assembly. The Illinois Compiled Statutes contain the laws relating to the creation, definition, maintenance and administration of the System.

TRS is currently comprised of four main divisions: Executive, Investments, Member Services and Operations. Together these divisions are committed to serving the active and retired public school teachers of Illinois as attested in the System's mission statement:

The Teachers' Retirement System of the State of Illinois is committed to protect retirement funds, to administer benefits and to provide quality service to our members.

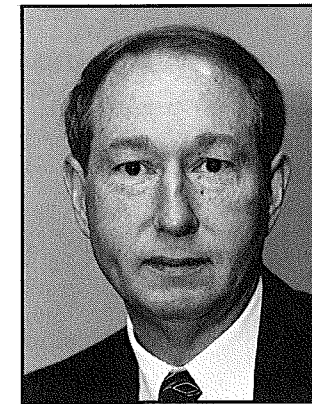
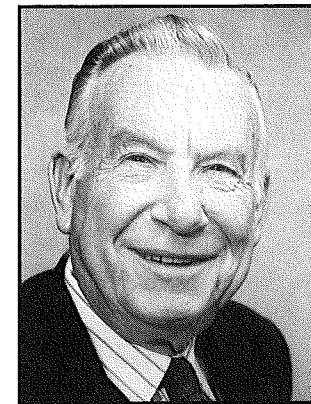
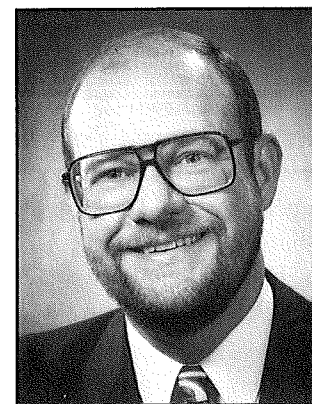
Board of Trustees



Dr. Joseph Spagnolo
President

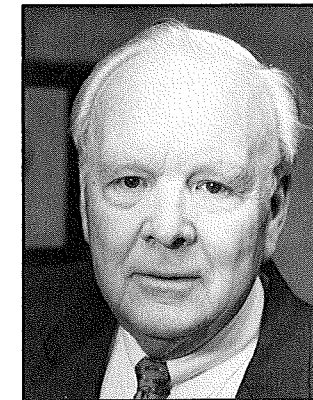
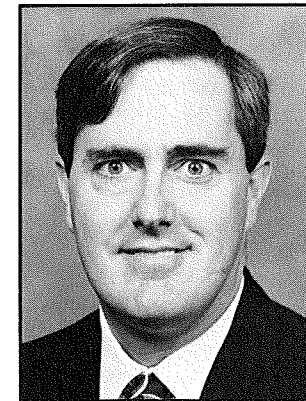


Judith Tucker
Vice President



Ray Althoff
Hugh Brown
James Bruner

Anne Davis
James Kane
Gary Kline



Roman Miller
Marilyn Oglesby
Bob Daniels
Executive Director

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

Robert Daniels
Executive Director

December 15, 1994

The Teachers' Retirement System is pleased to present this year's Comprehensive Annual Financial Report for the Teachers' Retirement System—A Component Unit of the State of Illinois For Fiscal Year Ended June 30, 1994. It is the responsibility of TRS management to ensure that this report is accurate and complete and that all material disclosures have been made. To the best of our knowledge, the information presented is a fair and accurate portrayal of the financial position and operations of TRS as of June 30, 1994.

This report consists of six sections: an Introduction, the Financial Statements and related notes, Actuarial Information, Membership and Benefits Information, Statistical Summary, and an Investment Summary which includes a detailed investment listing. Together, these sections present a comprehensive review of the System's activities in fiscal year 1994.

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 the Illinois 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).

Revenues and Funding

Three major sources fund the system: member contributions, investment income and employer contributions in the form of state appropriations and payments by TRS employers. Total assets available to pay benefits grew to \$12 billion in FY 94.

Member contributions, the System's major source of funding, come from nearly 135,000 members who contribute 8 percent of their earnings each year. In fiscal year 1994, member contributions totalled \$413 million, a \$50 million increase from the previous year. Assets from these contributions are invested to create the second source of funding: investment income.

Investment income decreased \$153.7 million in fiscal year 1994 to \$988.9 million.

Appropriations from the state and other employer contributions make up the third funding source. Employer revenue increased due to recognizing employer ERI contributions as revenue in the year the member retired; however, actual contributions received resulted in a negative cash flow situation. State appropriations to the System for FY 94 decreased \$3.8 million to \$266.1 and contributions from federal programs were down \$448,000.

Expenses

Expenditures consist of payments of benefits, refunds, health insurance subsidies and administrative expenses.

Benefits payments again increased, growing from \$678 million to \$824 million in FY 94. This 22% increase is the result of increased retirements related to the early retirement incentive program, 5&5, and annual increases in annuities as provided by law. Health insurance premium subsidy payments continued to rise in 1994 to an unprecedented \$50 million, due to increased enrollments and rising medical costs. Administrative expenses constituted only 1% of the System's FY 94 expenses.

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.

Revenues (In millions)				
Sources of Revenue	1994	1993	Increase/(Decrease)	
			Amount	%
Member Contributions	413	363	50	13.8
Employer Contributions	484	305	179	58.7
Investment Income plus realized gain on investments	989	1,143	(154)	(13.5)
TOTAL	\$1,886	\$1,811	\$ 75	4.14%

Expenses (In millions)				
Expenses	1994	1993	Increase/(Decrease)	
			Amount	%
Benefit Payments	824	678	146	21.5
Health Insurance	50	37	13	35.1
Refunds	22	19	3	15.8
Administrative	11	10	1	10.0
TOTAL	\$ 907	\$ 744	\$ 163	21.9%

Awards

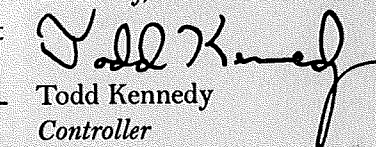
TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program and has received that award in each of the last five years. This report has been prepared in accordance with the requirements established by the GFOA for preparation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

Acknowledgments

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

This report is being provided to members of the General Assembly and all Illinois school districts outside the City of Chicago as well as being made available to members and annuitants upon request. We hope that you find this report informative and helpful. Included in this issue is a report from Executive Director Robert Daniels which outlines the major activities during the past year, plans for the coming year and reviews the economic outlook for the System. In closing, I am pleased to present the Comprehensive Annual Financial Report for the Teachers' Retirement System—A Component Unit of the State of Illinois For Fiscal Year Ended June 30, 1994, for the Teachers' Retirement System of the State of Illinois.

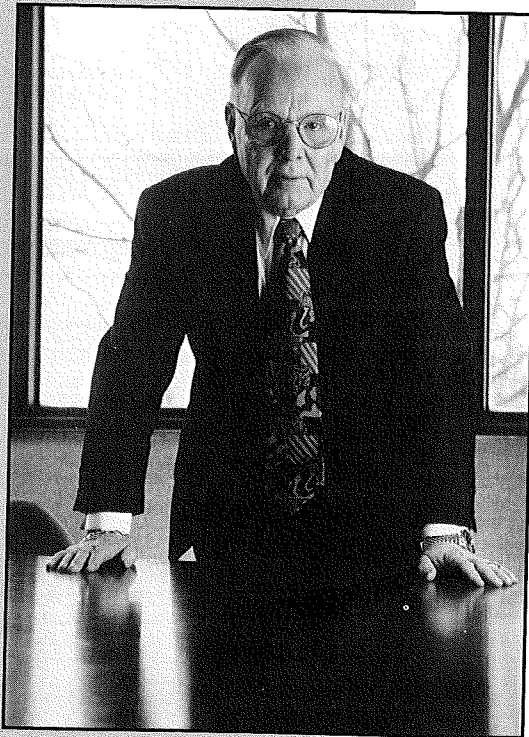
Sincerely,


Todd Kennedy
Controller

Board of Trustees

James Spagnolo President Springfield	Ray J. Althoff Edwardsville	James Bruner Jacksonville	James Kane Long Grove	Roman Miller Waukegan	Judith Tucker Darien
	Hugh R. Brown Evanston	Anne Davis Harvey	Gary Kline Winfield	Marilyn Oglesby Charleston	

Executive Director's Report



Robert Daniels

Each year public pension systems face new challenges—to meet the growing needs of our retired members with adequate benefit levels and insurance coverage, to provide quality service to an ever-growing and changing membership, and to maintain financial stability in an uncertain economic environment. Fiscal year 1994 brought forth many challenges to the Teachers' Retirement System of the State of Illinois.

Effectively administering the second year of the 5&5 Early Retirement Incentive program required the System and its staff to achieve record-level productivity. Under the program, eligible members could purchase up to five years of service credit, receiving an equivalent number of years in age, and retire between June 1 and September 1, 1993 or 1994. In 1993, the program's initial year, 3,978 members retired using the incentive. In the 1994 retirement period, TRS processed a record number of retirement applications; 8,166 applications were received by the System. Over 4,000 of the new retirees received their first annuity payment just one month after their retirement date. In an average summer, TRS processes a total of 1,500 retirements; in 1994, over 8,000 retirements were processed in the summer months—a fivefold increase.

TRS staff began planning the execution of ERI over two years ago and developed automated sys-

tems and streamlined procedures to address the anticipated ERI retirement volume. An informational campaign including targeted mailings and statewide discussion meetings was carried out during fiscal year 1994 to provide members contemplating retirement under ERI with the facts necessary to make an informed decision.

In addition to ERI, TRS efforts again focused on the uncertainties of the System's economic future. The System's growing unfunded pension liability has, for a number of years, been of increasing concern. Since 1991, the System has been involved in litigation to seek full funding by the state. During fiscal year 1994, the continued deterioration of the System's financial position inspired an aggressive legislative effort demanding action on the funding issue. Through the efforts of active and retired members and their organizations, a funding measure unanimously passed both houses of the General Assembly—putting in place a compromise 50-year funding plan for TRS and the other state-funded pension systems. Senate Bill 533 includes a continuing appropriation clause, making it substantially stronger than previous funding programs. The new funding formula combined with the continuing appropriation sets minimum annual state contributions which will be automatically appropriated, providing substantial assurance that the funding commitment will be honored.

Although the new funding program should improve the System's economic prognosis, several key measures of the System's financial health declined during the year just ended. The funded ratio, that portion of the System's current benefit

liability covered by assets, dropped from 58.9% to 55.1%. The unfunded liability, the difference between benefits earned and assets available to pay those benefits, grew \$2.1 billion to an all-time high of \$9.8 billion. Unchanged state funding plus increased benefit payments also resulted in the System's third consecutive year in a negative cash flow situation. As a result, \$202 million in investment earnings was used to pay benefits in fiscal year 1994, an increase of \$127 million from the previous year. We expect our negative cash flow to continue, and to increase, over the next several years until the increased state funding levels promised under Senate Bill 533 are reflected in our financial results.

Achieving a stable funding program for the TRS health insurance program is the System's principal priority. The escalating costs of health care, increased enrollment and the 75 percent subsidy of participant premiums by TRS have caused the cost of the program to far exceed the funds set aside under the Illinois Pension Code. The health insurance reserve fund, the account designated for payment of premium subsidies, may be completely depleted before the end of fiscal year 1995. TRS is, and will continue to be, actively involved in pursuing an improved funding arrangement for the program.

Given the magnitude of these economic concerns, the performance of the System's investment portfolio becomes ever more important. Due to overall declines in the financial markets, TRS' investment earnings and return on investments declined this year. Although our investment earnings were down in fiscal year 1994, the

System's overall performance remained in the top quartile of public pension funds. The lowered return levels confirmed our previously stated expectations that the high returns achieved in the 1980s would not continue. Projections for performance in the second half of the 1990s do not promise double-digit returns, making even more imperative the implementation of Senate Bill 533. The System's investment portfolio yielded a total fund time-weighted rate of return of 4.72 percent. Although returns are lower this year, the annualized total returns for three-year and five-year periods continue to outperform the rate of inflation by more than 3 percent—one of the System's long-term performance objectives. At fiscal year end, the market value of the System's investments totaled \$12.3 billion, up \$619 million from last year.

Recent media reports have focused on the use of "derivatives" by public and private entities as part of their investment strategy. As of the date of this report, the System's use of derivatives is limited; less than one-tenth of one percent (0.1%) of our assets are placed in these instruments. Our investment managers use these instruments in a conservative manner that is both accepted industry practice and specifically authorized by the Board of Trustees' Investment Guidelines.

TRS has not, and will not, utilize the riskier derivative products that have proven to be problematic to other funds and companies.

A strategic plan for the next three fiscal years was developed by TRS staff during fiscal 1994. The top priority in the plan is to increase the financial position of the System by implementing Senate Bill 533, by resolving health insurance funding, and by maintaining our top-quartile investment performance.

The second major priority of the plan is to continue to improve the services provided to our members and other constituencies through automated benefit information systems, enhanced communications and reduced paperwork and internal bureaucracy.

It is my pleasure to provide this report on behalf of the dedicated staff of the Teachers' Retirement System.

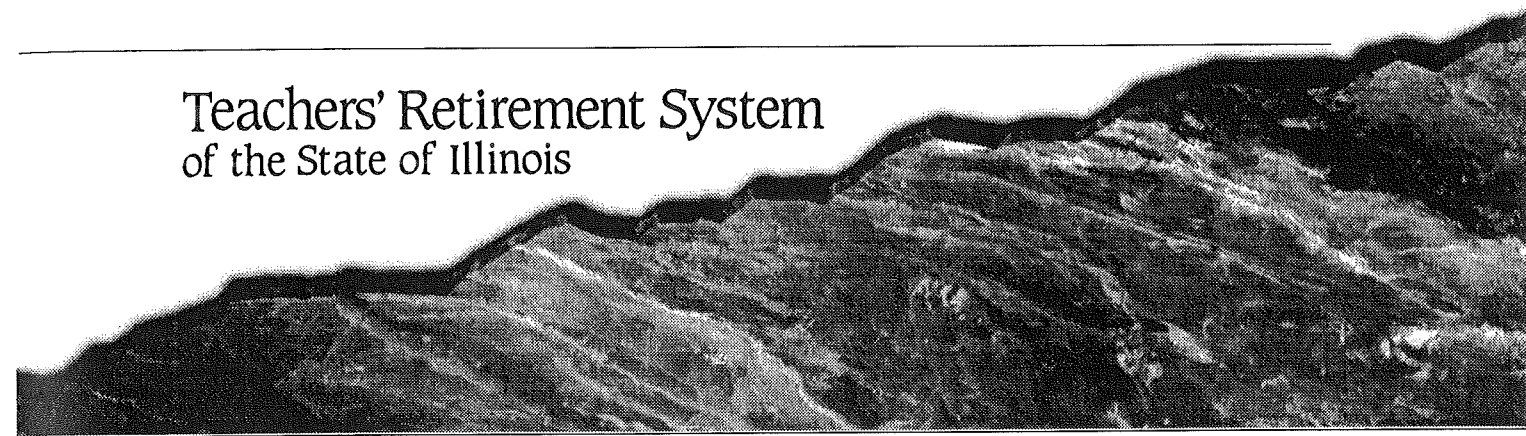
Respectfully submitted,

Robert Daniels
Executive Director

Mission Statement

The Teachers' Retirement System of the State of Illinois is committed to protect retirement funds, to administer benefits and to provide quality service for our members.

Teachers' Retirement System
of the State of Illinois



Financial Statements

Report of Independent Public Accountants

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, 1994 and 1993, and the related statements of revenue and expense and changes in net assets for the years then ended. These financial statements and the required supplemental schedules and 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 and the standards for financial audits contained in Government Auditing Standards (1988 Revision) issued by the Comptroller General of the United States. 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, 1994 and 1993, 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 required supplemental schedules and supplemental schedules 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 required supplementary financial information for the years 1985 through 1990 has been derived from financial statements audited by other auditors, whose reports thereon expressed an unqualified opinion.

Arthur Andersen LLP
ARTHUR ANDERSEN LLP

Chicago, Illinois,
October 14, 1994

Statements of Financial Position

Statements of Financial Position

Teachers' Retirement System of the State of Illinois	As of June 30	
	1994	1993
ASSETS		
Cash—Note C	\$0	\$ 2,246,000
Receivables:		
Contributions from employers:		
Salary deductions	\$25,265,000	\$ 24,195,000
Federal and trust funds	5,697,000	4,803,000
Employer ERI	173,392,000	0
Contributions from members:		
Members' accounts	101,000	117,000
Members' ERI	18,013,000	0
TOTAL RECEIVABLES	222,468,000	29,115,000
Investments (Net)—Note C	12,287,359,000	11,049,325,000
(Market value 1994: \$12,333,823,000; 1993: \$11,714,339,000)		
Property and Equipment		
(Net of accumulated depreciation)—Note A	4,007,000	4,262,000
TOTAL ASSETS	12,513,834,000	11,084,948,000
LIABILITIES		
Payables:		
Cash Overdraft	2,513,000	0
Benefits	2,765,000	4,639,000
Refunds	533,000	766,000
Notes	141,683,000	156,895,000
Other	22,033,000	13,418,000
Pending trades	352,083,000	29,640,000
TOTAL LIABILITIES	521,610,000	205,358,000
NET ASSETS AVAILABLE FOR BENEFITS	\$11,992,224,000	\$10,879,590,000
PENSION BENEFIT OBLIGATION—Note D		
Retirees and beneficiaries		
currently receiving benefits	10,088,901,000	7,510,618,000
Terminated members not yet receiving benefits	375,411,000	308,398,000
Current employees:		
Accumulated employee contributions	2,850,319,000	2,709,573,000
Employer-financed vested	3,045,589,000	2,690,062,000
Employer-financed nonvested	5,386,655,000	5,267,239,000
TOTAL PENSION BENEFIT OBLIGATION	21,746,875,000	18,485,890,000
Unfunded Pension Benefit Obligation	(9,754,651,000)	(7,606,300,000)
NET ASSETS AVAILABLE FOR BENEFITS—Note G	\$11,992,224,000	\$10,879,590,000

The accompanying notes are an integral part of these statements.

Statements of Revenue and Expense and Changes in Net Assets

Teachers' Retirement System of the State of Illinois	As of June 30	
	1994	1993
REVENUE		
Contributions—Note E		
Members	\$413,395,000	\$363,334,000
State of Illinois	266,077,000	269,896,000
Employers:		
Early retirement option	409,000	18,269,000
Early retirement incentive	200,225,000	607,000
Federal and trust funds	16,754,000	17,202,000
TOTAL CONTRIBUTIONS	896,860,000	669,308,000
Investment Income		
Interest	323,328,000	359,767,000
Real Estate	164,956,000	76,750,000
Dividends	64,440,000	79,744,000
Other	5,968,000	3,887,000
TOTAL INVESTMENT INCOME	558,692,000	520,148,000
Gain on sale of investments	430,229,000	622,488,000
TOTAL REVENUE	1,885,781,000	1,811,944,000
EXPENSE		
Benefits:		
Age retirement	635,213,000	504,311,000
Post-retirement	142,235,000	129,358,000
Survivor	37,645,000	34,364,000
Disability	9,228,000	9,837,000
Health insurance	49,553,000	37,498,000
	873,874,000	715,368,000
Refunds	22,126,000	19,286,000
Administrative Expenses	10,088,000	9,221,000
Prior service credit/Transfers	525,000	441,000
TOTAL EXPENSE	906,613,000	744,316,000
REVENUE IN EXCESS OF EXPENSE	979,168,000	1,067,628,000
Adjustment of Net Assets Available for Benefits—Note I	133,466,000	0
Net Assets Available for Benefits at Beginning of Year	10,879,590,000	9,811,962,000
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$11,992,224,000	\$10,879,590,000

The accompanying notes are an integral part of these statements.

Notes to the 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 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.

TRS is engaged in futures contracts that are used as hedge vehicles against possible adverse changes of the System's portfolio securities. Risks of entering into futures and option contracts include the possibility that there may be an illiquid market at the time TRS seeks to close out a contract and changes in the value of the contract may not correlate with changes in the value of the portfolio securities being hedged.

Upon entering into a contract, TRS is required to maintain a collateral account through a custodian or a sub-custodian in an amount sufficient to meet the initial margin requirements. Subsequent payments are made or received by TRS equal to the daily change in the contract value and recorded as unrealized gains or losses. TRS recognizes a gain or loss when the contract is closed or expires.

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.

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 three to ten years while vehicles are assigned a five-year life.

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

Administrative expenses: This category includes \$197,063 for accrued compensated absences for FY94.

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 includes analyzing the significance over the operational or financial relationships with the System.

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

Members are employed by 1,091 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 current statutory funding requirements of 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, 1994, the number of employers was:

Local school districts	923
Special districts	132
State agencies	36
	<u>1,091</u>

The System membership consisted of:

Retirees and beneficiaries currently receiving benefits	53,218
Inactive members*	30,329
Current members *	<u>128,939</u>
	212,486

* 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 and service on or after July 1, 1947 is entitled to a single sum benefit payable upon attainment of age 65.

Public Act 87-1265 provided 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 until 1995 if more than 30 percent of those eligible retired 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 a lump sum, over five years in equal 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.

Notes to the Financial Statements

NOTE C:

CASH AND INVESTMENTS

At June 30, 1994, cash amounts on deposit with the State Treasurer of \$69,540,000 and the commercial bank of \$1,594,000 are fully collateralized and insured. 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 counterparty's trust department in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty but not in the System's name. As of June 30, 1994, the System holds no securities classified in either Category 2 or Category 3.

Investments at June 30, 1994 and 1993 are summarized below:

	Cost		Market Value	
	1994	1993	1994	1993
Category 1:				
Bonds	\$ 2,813,690,000	\$ 2,245,291,000	\$ 2,762,472,000	\$ 2,319,473,000
Corporate notes	2,077,941,000	1,934,796,000	2,037,248,000	1,967,602,000
Preferred stock	40,868,000	32,615,000	47,369,000	38,403,000
Short-term investments:				
Commercial paper	151,132,000	85,473,000	151,078,000	85,473,000
U.S. Treasury bills	99,116,000	15,308,000	140,727,000	27,887,000
Collective investment funds	300,111,000	173,107,000	299,018,000	175,878,000
Other	9,546,000	0	17,376,000	0
Common stock	3,655,497,000	3,577,101,000	4,073,618,000	4,281,321,000
Currency investments	21,611,000	52,761,000	(6,299,000)*	68,566,000
	\$ 9,169,512,000	8,116,452,000	9,522,607,000	8,964,603,000
Not Categorized:				
Real estate equity	2,088,856,000	1,854,629,000	1,785,142,000	1,530,340,000
Mutual funds	795,055,000	827,768,000	785,226,000	977,217,000
Alternative investments:				
Limited partnerships	13,805,000	57,836,000	22,449,000	46,038,000
Farm land	128,060,000	90,068,000	126,328,000	93,569,000
Accrued interest and dividends	92,071,000	102,572,000	92,071,000	102,572,000
Total Investments	\$12,287,359,000	\$11,049,325,000	\$12,333,823,000	\$11,714,339,000

* The negative balance is caused by \$57 million in foreign currency payables and \$32 million in Open Foreign Exchange Contracts at June 30, 1994.

Continued

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, 1994 and 1993. 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.

In 1994, additional actuarial assumptions regarding factors which had not previously been measured such as severance pay, unused sick leave and optional service were adopted. These new assumptions added \$772.1 million to the FY94 unfunded pension benefit obligation and are identified separately in the reconciliation table shown in this Note.

The System has nonrecourse mortgages totaling \$275,648,000 and \$213,754,000 on real estate equities at June 30, 1994 and 1993, 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 \$375,723,000 and \$344,519,000 of mortgages receivable which are fully secured by the properties at June 30, 1994 and 1993, 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, 1994 and 1993, TRS had outstanding loaned investment securities having a market value of approximately \$912,822,000 and \$ 859,089,000, respectively, against which it had received collateral of approximately \$947,482,000 and \$913,552,000 respectively. At June 30, 1994, the System has instructed the master trustee to direct \$141,683,000 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 \$4,098,000 in FY 94 and \$3,419,000 in FY 93 and is included in Investment Income-Other.

Except as noted below, management believes that declines in market values that fall below cost are temporary in nature and reflect normal fluctuations in the economic market. As such, no reserve is established for these holdings.

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 \$25,129,000 and \$23,607,000 as of June 30, 1994 and June 30, 1993, respectively. These amounts are netted against the Investments balance. Management believes that other declines in appraised values are temporary in relation to the expected holding periods of the investments.

For the fiscal year ended June 30, 1994, the fund had entered into approximately 7,100 currency, equity and fixed income futures and options contracts. The book and market values of the option contracts were (\$3,671,000) and (\$4,253,000) respectively, or 0.03% of the fund's market value as of June 30, 1994. These values represent the liability of the repurchase price of the options.

Notes to the Financial Statements

Continued

NOTE D:

FUNDING STATUS AND PROGRESS (Continued from page 19)

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 reflected in the 1993 valuation. New assumptions were adopted for the 1994 valuation and are detailed in the following table. The new assumptions were used to calculate the 1996 employer contribution requirements under the state funding law which will be effective in 1996 (Public Act 88-0593).

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1994 and 1993 is summarized below:

	1994	1993
Unfunded benefit obligation at beginning of year	\$7,606,300,000	\$6,847,391,000
Additions (deductions):		
Employer cost in excess of contributions	639,746,000	551,158,000
Amendments:		
For FY94: 5,497 retirements under the TRS early retirement incentive program	193,098,000	—
For FY93: 624 retirements under the TRS early retirement incentive program	—	38,589,000
Addition to health care reserves	21,600,000	21,600,000
Change in actuarial assumptions:		
For FY93-94:		
New assumption for severance pay	223,335,000	—
New assumption for unused sick leave	295,570,000	—
New assumption for optional service purchases*	253,220,000	—
For FY92-93:		
Revised assumptions for active & disabled mortality and for incidence of disability	—	12,544,000
Actuarial losses (gains) compared to assumptions:		
Salary increases for continuing active members	196,373,000	237,332,000
Investment income	(249,575,000)	(351,089,000)
New entrant loss	17,517,000	23,543,000
Lower than expected mortality	23,508,000	20,987,000
Prior service credits	64,221,000	26,025,000
Severance pay for new service retirements	53,229,000	—
Retirements with unused sick leave	76,605,000	—
Delayed reporting of 3,398 retirements	96,420,000	—
Other**	243,484,000	178,220,000
Net additions	2,148,351,000	758,909,000
Unfunded benefit obligation at end of year	\$9,754,651,000	\$ 7,606,300,000

* Future member contributions will cover \$63 million of the increase in the unfunded pension benefit obligation.

** These items include retroactive benefits for late retirees (50-100 late retirements annually), fewer terminations of vested employees than expected, change in rate of benefit accruals from certified normal cost rate, retirements with reciprocal service credits, and fewer disablements than expected. FY 93 "Other" also includes severance pay for new service retirements, retirements with unused sick leave and delayed reporting of retirements. Costs of these items are shown separately for FY 94.

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 (1994 - \$233,786,000; 1993 - \$225,850,000).

Another source of State contributions is the State Pensions Fund (1994 - \$27,570,000; 1993 - \$38,851,000) which represents a distribution to the System of money escheated to the state.

The third source of employer contributions is 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 \$16,754,000 in 1994 and \$17,202,000 in 1993.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$278,110,000 in 1994 and \$281,903,000 in 1993. These amounts represented 6.3 and 6.7 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 \$4,722,000 in 1994 and \$5,194,000 in 1993. School district contributions for the employer's cost under the

early retirement option were \$409,000 in 1994 and \$18,269,000 in 1993. Early retirement option contributions declined significantly in 1994 due to the 5 & 5 early retirement incentive program.

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 \$483,465,000 in 1994 and \$305,974,000 in 1993. These amounts represented 10.9 percent of the annual covered payroll in 1994 and 7.3 percent in 1993. Included in total contributions for 1994 are \$200,225,000 of early retirement incentive contributions. Of this total, \$173,392,000 represents an accounts receivable balance and \$26,833,000 represents cash collected in 1994. Because the amounts to be received are non-interest bearing, the accounts receivable balance has been discounted for financial statement purposes at a rate of six percent.

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. The table below shows the required and actual state contributions and funding shortfalls for the period 1990 through 1995.

Fiscal Year	In Thousands of Dollars			Actual Cont (CS,SPF,Fed)	Shortfall
	Normal Cost	Amortization	Total Requirement		
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	278,110	294,517
1995	317,623	346,169	663,792	279,365*	384,427*

* Estimates. 1995 shortfall is expected to be \$4,500,000 greater than originally projected due to a lower estimate of federal contributions.

Subsequent to June 30, 1994, a new state funding law was enacted that will change state funding practices beginning in 1996. Public Act 88-0593 provides for a 50-year funding plan which includes a 15-year phase-in period. The System's funded ratio will be 90% at the end of the 50 year period. State contributions will be made through a continuing appropriation instead of through the appropriations process.

It should be noted that Public Act 86-0273 and Public Act 88-0593 establish funding plans that do not conform with official accounting pronouncements, par-

ticularly Accounting Board Principles Opinion #8 (APB #8) "Accounting for the Cost of Pension Plans."

The contributions that will be required under Public Act 88-0593 are presented in the Actuarial Section of this report. The requirements of both Public Acts are significantly different than the funding requirements shown on the Supplemental Schedule of Revenue by Source in the Required Supplemental Information that are computed in accordance with APB#8.

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 FY94 and FY93 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, 1994, and 1993, respectively. The SERS also issues a separate annual financial report (AFR).

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 AFR. 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, 1994, and June 30, 1993, for the SERS as a whole, determined through an actuarial valuation at that date, was \$6,502.1 million and \$6,044.5 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$3,721.9 million and \$3,496.5 million, leaving unfunded pension benefit obligations of \$2,780.2 million and \$2,548.0 million. The System's FY94 and FY93 contribution requirements represented .14 percent and .15 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 AFRs for the years ended June 30, 1994, and June 30, 1993, respectively.

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

- The System's covered payrolls for FY94 and FY93 were \$3.8 million and \$3.6 million and the payrolls for all System employees were \$5.3 million and \$4.3 million, respectively.
- The System's (i.e., the employer's) actuarially determined contribution requirements for FY94 and FY93 were \$211.7 thousand and \$175.3 thousand, respectively, or 5.57% and 4.87% of the System's covered payrolls. For FY94, the System's and employees' contributions actually made were \$211.1 thousand and \$151.2 thousand, respectively, which represents 5.6% and 4.0%, respectively, of the current year covered payroll. For FY93, 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 covered payroll. During FY94, employee contributions of \$151.2 thousand were made on behalf of employees by the System.

NOTE G:

The balances in the reserve accounts at June 30, 1994, and June 30, 1993, were as follows:

	Year Ended June 30	
	1994	1993
Members' accumulated contributions	\$ 4,010,738,204	\$ 3,958,054,256
Post-retirement increases:		
Minimum retirement allowance	1,796,831	1,681,886
Supplementary payments	503,816	451,011
Health insurance	38,211,612	63,098,877
Employers' contributions	7,940,973,537	6,856,303,970
Total reserves	<u>\$11,992,224,000</u>	<u>\$10,879,590,000</u>
Unfunded pension benefit obligation	9,754,651,000	7,606,300,000
Pension Benefit Obligation	<u>\$21,746,875,000</u>	<u>\$18,485,890,000</u>

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 Fiscal 1995. 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. Subsidy payments for annuitant premiums 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.

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 53,218 members receiving monthly annuity benefits of which 26,398 are enrolled in the TRS health plan. TRS subsidizes 75 percent of the premium for these enrolled members. During the year, TRS paid \$49.5 million in premiums for enrolled members.

NOTE I ADJUSTMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As noted in the Statements of Revenue and Expense and Changes in Net Assets, the fund recorded a \$133,466,000 adjustment to net assets available for benefits during FY 94 due to the understatement of prior year's investment income and gains. During FY 94, it was discovered that TRS inadvertently had not recorded approximately \$25 million in income and \$108 million of realized gains from FY 89 through FY 93 for a total understatement to revenue of \$133 million.

In management's opinion, the unrecorded amounts were not material to the TRS financial statements for any individual prior year and, accordingly, amounts previously reported in TRS' financial statements have not been restated.

Required Supplemental Schedules

HISTORICAL TREND INFORMATION

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 Revenue by Source

(In millions of dollars)

Year Ended June 30	Employee Contributions	Employer Contributions				Other*	Investment Income	Total
		Employer Contributions	Percentage of Annual Covered Payroll	Actuarially Required Amount (Normal Cost plus Interest)	Percentage of Annual Covered Payroll			
1985	207	215	8.7	437	17.7	22	445	889
1986	220	239	9.1	439	16.7	21	813	1,293
1987	238	258	9.1	440	15.5	22	835	1,353
1988	253	220	7.3	506	16.8	22	560	1,055
1989	268	237	7.5	559	17.6	24	560	1,089
1990	284	269	7.9	617	18.1	24	814	1,391
1991	311	270	7.1	686	18.2	24	662	1,267
1992	351	247	6.2	771	19.4	25	1,114	1,737
1993	363	282	6.7	833	19.9	24	1,143	1,812
1994	413	278	6.3	918	20.8	205	989	1,885

* Other includes Minimum Retirement, ERO, ERI and Supplemental 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	Administrative/ Other Expenses	Total
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	8	600
1992	457	117	31	9	28	19	12	673
1993	504	129	34	10	38	19	10	744
1994	635	142	38	9	50	22	11	907

Required Supplemental Schedules

Continued

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)
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
1994	11,992	21,747	55.1	9,755	4,413	221.1

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 fiscal years ended June 30)

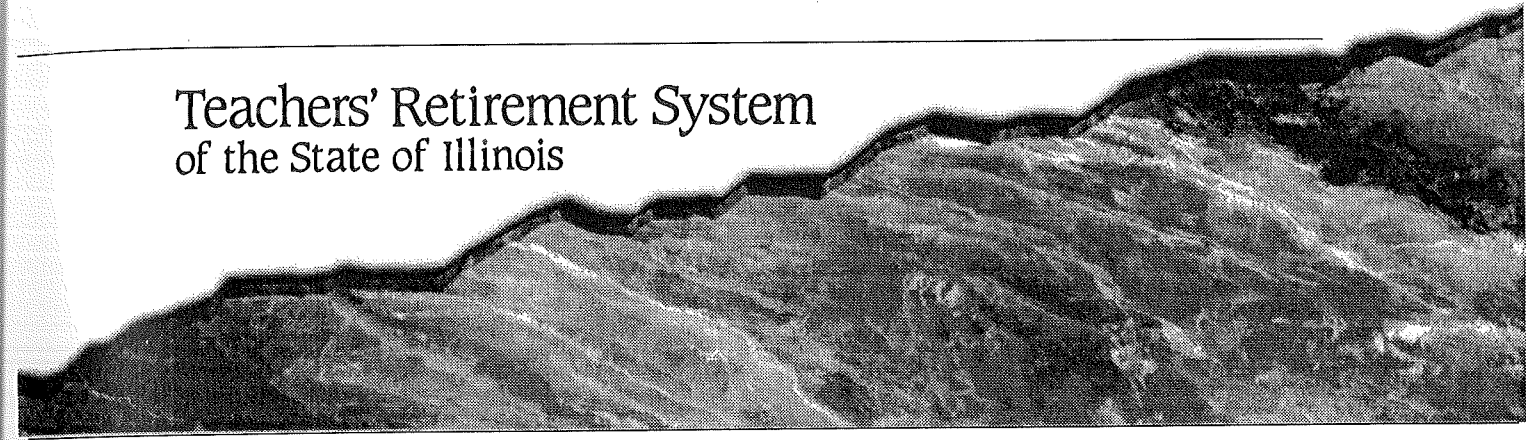
	1994	1993
Personal services	\$6,854,000	\$5,455,000
Professional services	791,000	1,274,000
Postage	426,000	312,000
Machine repair and rental	275,000	273,000
Other contractual services	470,000	444,000
Commodities	204,000	300,000
Occupancy expense	374,000	399,000
Provision for depreciation of equipment	659,000	742,000
Loss on disposition of equipment	35,000	22,000
	\$10,088,000	\$9,221,000

Cash Receipts and Disbursements

(For fiscal years ended June 30)

	1994	1993
Cash balance at beginning of year	\$ 2,246,000	\$ 930,000
Cash receipts:		
Member contributions	397,637,000	362,202,000
Employer contributions	309,447,000	304,280,000
Investment income	779,855,000	691,453,000
Annuities returned	520,000	480,000
Investments sold	23,895,011,000	14,068,925,000
Total cash receipts	\$25,382,470,000	\$15,427,340,000
Cash disbursements:		
Benefits	880,224,000	715,860,000
Refunds	22,409,000	19,212,000
Administrative	10,201,000	8,304,000
Real Estate and investment manager expenses	196,198,000	163,399,000
Investments purchased	24,278,197,000	14,519,249,000
Total cash disbursements	\$25,387,229,000	\$15,426,024,000
Cash balance at end of year	\$ (2,513,000)	\$ 2,246,000

Teachers' Retirement System
of the State of Illinois



Actuarial Information

Actuary's Certification

BUCK CONSULTANTS

55 West Monroe Street Suite 1700
Chicago, Illinois 60603

November 14, 1994

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, 1994

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 \$21,746,875,000 as of June 30, 1994. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

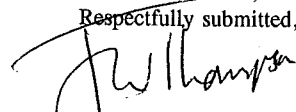
The June 30, 1994 valuation reflects new actuarial assumptions for severance pay, service credit for unused and uncompensated sick leave, and optional service purchases. The effect of these assumption changes was to increase the pension benefit obligation by \$772,125,000.

The actuarial valuation was based on a census of retired members as of June 30, 1994, and a census of active and inactive members as of June 30, 1993, 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, 1994. 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 \$21,746,875,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1994.

Respectfully submitted,



John W. Thompson
Consulting Actuary

JWT:mak
7228A1752.A02

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

Buck Consultants, the actuarial consultant for TRS, is based in Chicago, Illinois. The services of Buck are retained annually.

Actuarial Information

Actuarial information provides insight into the magnitude of obligations incurred by the System. Various measures of financial condition are used to gauge progress in covering earned benefit costs and to evaluate the System's ability to meet its obligations. This section reviews several of those measures.

This section also discusses Public Act 88-0593 (SB 533), the new pension funding legislation which requires increases in state contributions beginning in FY 96. The requirements of a former funding measure, Public Act 86-0273 (also referred to as SB 95), and state appropriations for FY 94 and FY 95 are also compared.

A total of 6,121 ERI retirements are reflected in the valuation as of June 30, 1994. Most of these retirements were processed in July and August 1993 and June 1994. About 5,200 ERI retirements processed after June 1994 and additional delayed retirements will be reflected in the June 30, 1995, valuation.

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.

RESULTS OF THE 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 below. Net assets are subtracted from the pension benefit obligation to obtain the System's unfunded benefit obligation, the value of benefits not covered by the System's assets. 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; however, the TRS funded ratio (at book value) for FY 94 is 3.8 percentage points lower than the FY 93 funded ratio. (See Reconciliation of the Unfunded Pension Benefit Obligations, p. 32.)

Actuarial Valuation		(In Millions of Dollars)	
Year Ended June 30	1994	1993	
Pension benefit obligation:			
Retirees and beneficiaries currently receiving benefits	\$ 10,089	\$ 7,511	
Terminated employees not yet receiving benefits	375	308	
Current employees:			
Accumulated employee contributions	2,850	2,710	
Employer-financed vested	3,046	2,690	
Employer-financed nonvested	5,387	5,267	
Total pension benefit obligation	21,747	18,486	
Net assets available for benefits (book value)	11,992	10,880	
Unfunded pension benefit obligation	\$ 9,755	\$ 7,606	
Funded Ratio	55.1%	58.9%	

The following sections of this report present the major factors affecting the results of the actuarial valuation. These sections are:

- Reconciliation of the Unfunded Pension Benefit Obligation
- New Actuarial Assumptions (FY 94 valuation)

In addition, the **Supplemental Actuarial Information** section reviews:

- State funding practices (including Public Acts 86-0273 and 88-0593)
- Employer's Normal Cost plus Interest
- Historical Tests of Financial Condition
- Cash Flow Summary
- Actuarial Assumptions

Actuarial Information

RECONCILIATION OF UNFUNDED PENSION BENEFIT OBLIGATION

The table below details the reasons the System's unfunded pension benefit obligation changed during FY 94 and FY 93. The amounts shown represent the differences between actuarial assumptions and experience. In FY 94, new actuarial assumptions caused the most significant increase in the unfunded pension benefit obligation. Historically, however, the most significant actuarial loss (which increases the unfunded pension benefit obligation) has been the difference between the employer's normal cost plus interest and employer contributions. (See Employer's Normal Cost plus Interest, page 35.) In FY 94, investment income exceeded the actuary's

projection of income and decreased the unfunded pension benefit obligation; however, this gain was not as significant as the FY 93 gain. Large investment gains are not expected to continue. The \$193 million shown for ERI retirements in FY 94 represents the net increase in the unfunded liability after the future value of employer and employee contributions have been subtracted from the increase in the pension benefit obligation due to the retirements taking place in FY 94. The other factors listed in the table added to the increases in the unfunded pension benefit obligation.

Reconciliation of Unfunded Pension Benefit Obligation (In Millions)

Year Ended June 30	1994	1993
Unfunded pension benefit obligation at beginning of year	\$7,606	\$6,847
Additions (deductions)		
Employer cost in excess of contributions	640	551
Plan amendments (PA 87-1265 -ERI) FY 94: 5,497 retirements; FY 93: 624 retirements	193	39
Addition to health care reserves	22	22
Changes in assumptions		
New assumption for severance pay	223	—
New assumption for unused sick leave	296	—
New assumption for optional service purchases*	253	—
Revised assumptions for active and disabled mortality and for incidence of disability	—	13
Actuarial losses (gains) compared to experience		
Salary increases	197	237
Investment income	(250)	(351)
New entrant loss	18	23
Lower than expected mortality	24	21
Purchases of prior service credits	64	26
Severance pay for new service retirements	53	—
Retirements with unused sick leave	77	—
Delayed reporting of 3,398 retirements	96	—
Other **	243	178
Net additions	2,149	759
Unfunded pension benefit obligation at end of year	9,755	\$7,606

* Future member contributions will cover \$63 million of the increase in the unfunded pension benefit obligation.

** "Other" includes:
a. Retroactive benefits for late retirees (50-100 late retirements annually).
b. Fewer terminations of vested employees than expected.
c. Change in rate of benefit accruals from certified normal cost rate.
d. Retirement with reciprocal service credits.
e. Fewer disablements than expected.

Note: FY 93 "Other" also includes severance pay for new service retirements, retirements with unused sick leave, and delayed reporting of 1,411 retirements. Costs of these items are shown separately for FY 94.

FY 94 actuarial losses resulted from average salary increases of 8.6 percent, compared to the composite 7.4 percent assumption. FY 94 actuarial gains resulted from the actuarial investment return (including interest, dividends and realized gains) of

10.3 percent, compared to the 8 percent assumption. The actuarial rate of return is based on changes in the cost value of assets, while the various rates of return discussed in the Investment Section of this report are based on changes in market value.

NEW ACTUARIAL ASSUMPTIONS

With the FY 94 valuation, the TRS Board of Trustees, upon the actuary's recommendation, has adopted three new actuarial assumptions regarding severance pay, sick leave and optional service. These changes will allow more precise measurement of benefits being earned each year by active members.

Collectively, these three assumptions caused the FY 94 unfunded pension obligation to increase by \$772 million. This is an estimate of additional benefits earned by current members under the new assumptions, payable at their retirement.

The FY 94 actuarial valuation is used to determine the FY 96 funding requirements. Under the new state funding plan (Public Act 88-0593) which becomes effective in FY 96, the contribution requirements certified by the TRS actuaries include the effects of the new assumptions. Therefore, the financial condition of the System will eventually improve because the costs of benefits being earned will be more accurately measured and the state will be required to fund the certified amounts.

Following are brief explanations of the three assumptions and a chart illustrating their estimated impact.

Severance Pay. Severance pay increases final average salary, which in turn increases retirement benefits. Since previous assumptions did not account for this factor, the estimated value of benefits was understated.

Sick Leave. Members may obtain up to one year of service credit for unused and uncompensated sick leave at retirement. This type of service credit had not previously been specifically reported to the actuaries; therefore, no assumptions accounted for it. As a result, the total amount of service at retirement has been underestimated for many retiring members.

Optional Service. Members may purchase various types of non-TRS service to enhance retirement benefits. Typically, members purchase this service as they near retirement. This additional service will not be reflected in the actuarial valuation until retirement.

Member contributions will cover about 25 percent of the cost of providing this additional service; a portion of the \$253 million figure will be offset over time as those member contributions are received.

New Actuarial Assumptions (In Millions of Dollars)

Factor	Increase in Pension Benefit Obligation
Severance Pay	\$ 223
Sick Leave	296
Optional Service	253
Total	\$ 772

Continued

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 affect the funded ratio and the solvency test (page 37). 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 35, and Reconciliation of the Unfunded Pension Benefit Obligation, page 32.)

Investment income depends on asset allocation and market conditions. For TRS, this has been the most significant source of income for several years.

Member contributions (8 percent 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 considered the "employer" in most cases, although contributions may also come from federal or other sources. The state has never complied with statutory funding requirements; however, beginning in FY 96, the state will be required to make the contributions specified under PA 88-0593, the new funding law.

STATE FUNDING PRACTICES

In any organization, retirement benefits earned during employment should be considered part of the payroll expense for each employee. Sound budgeting practices would ensure that, as an employee retires, the accumulated fund is sufficient to cover the cost of the benefits payable to that employee.

Since the State of Illinois has never complied with any actuarial or statutory funding requirements governing payments to the System, TRS compares poorly under most standard actuarial measures. Public Act 88-0593 will begin to strengthen the System's financial position as required state contributions increase. Following is a brief history of state pension funding practices that have contributed to the System's current financial condition.

Percent of benefit payout was used to determine state pension contributions for many years. From FY 73 through FY 81, state contributions to the five state retirement systems were based on 100 percent of each system's expected benefit payout. (Contributions were not related to the costs of benefits earned by active members or the size of a system's unfunded pension benefit obligation.) In FY 82, 100 percent of payout was proposed, but fiscal problems in the state resulted in a reduction to 62.5 percent of payout. In FY 83, 70 percent of payout was proposed as part of a plan to start building back to 100 percent of payout, but this recommendation

was reduced to 51 percent. In FY 84, 77.5 percent was recommended, but was reduced to 60 percent. This 60 percent level became a de facto standard for contributions to the systems and was the basis of the appropriations made in FY 85 and FY 86. In FY 87, 60 percent was recommended but 58 percent was enacted. In FY 88, an aggregate level of 44 percent of payout was enacted. Eventually, payout was no longer used as the basis of

pension appropriations. Instead, the prior year's funding level became the standard, with some increases due to the timing of distributions from the State Pensions Fund. (It should be noted that if state contributions had continued being based on a set percentage of benefit payout, those contributions would have increased dramatically as benefit payouts escalated and may have exceeded some types of actuarial funding requirements.)

Public Act 86-0273 (SB 95) was enacted in 1989 and provided for amortization of the System's unfunded pension benefit obligation over 40 years after a seven-year phase in (FY 90-FY 96). However, the state has never complied with these funding requirements and has continued its practice of essentially level funding. The table below shows the required and actual state contributions and funding shortfalls for FY 90 - FY 95.

A lawsuit which would require the state to comply with the SB 95 funding requirements is still expected to be set for oral argument in the Appellate Court of Illinois, First Judicial District. (A related issue in the case, regarding the constitutionality of the FY 92 transfer of \$21 million from the State Pensions Fund to the State's General Revenue Fund, has been dismissed as moot by the Illinois Supreme Court.)

PA 86-0273 (Senate Bill 95) Funding (In Millions of Dollars)

Fiscal Year	Normal Cost	Amortization	Total Requirement	Actual Cont (CS, SPF, Fed)	Shortfall
1990	\$208.4	\$ 74.6	\$283.0	\$269.0	\$ 14.0
1991	216.8	112.5	329.3	269.9	59.4
1992	244.1	156.9	401.0	247.2	153.8
1993	279.8	215.3	495.1	281.9	213.2
1994	297.5	275.1	572.6	278.1	294.5
1995	317.6	346.2	663.8	279.4*	384.4*

* The estimated FY95 shortfall shown is expected to be \$4.5 million greater than originally projected due to a lower estimate of federal contributions.

Public Act 88-0593 (SB 533) was enacted in 1994 and provides for a 35-year amortization after a 15-year phase-in (FY 1996-FY 2010). State contributions will be gradually increased during the phase-in period to a level percentage of active member payroll. The plan calls for each state system to attain a 90 percent funded ratio (the current average among public plans nationwide) by the end of FY 2045.

Compared to PA 86-0273, the most significant change in the new law is the continuing state appropriation language which requires the state to make contributions to its retirement systems before funding other state programs. This makes the new funding law much more meaningful than previous funding measures which have been enacted and ignored. Employer (state and federal) funding levels under PA 88-0593, which becomes effective in FY 96, are shown below.

PA 88-0593 (Senate Bill 533) Funding (Beginning in FY 96)

Fiscal Year	Estimated Employer (State and Federal) Contributions* (In Millions)	Employer Contributions As a % of Payroll	Funded Ratio End of Year
1995**	\$279	6.0%	54.3%
1996	341	7.0	53.4
1997	409	8.0	52.7
1998	482	9.0	52.3
2010	1,833	20.9	56.4

* Additional amounts for minimum and supplemental benefits will be included in actuarial funding requirements beginning in FY 96.

** Level funding amount.

Under the new law, the System's financial position will not immediately improve due to the phased-in contributions required during the ramp period. However, this enforceable funding policy should eventually lead to a strengthened financial condition for TRS and the other state systems.

EMPLOYER'S NORMAL COST PLUS INTEREST

Theoretically, if the employer (in this case, the State of Illinois) contributes an amount equal to normal cost plus interest on the unfunded pension benefit obligation and all of the System's actuarial assumptions (page 39) exactly match its experience, the unfunded pension benefit obligation would not change. The amount owed by the employer to cover the cost of benefits earned by active members during the year (normal cost) would be fully covered. The portion of the employer's contribution that covers interest on the unfunded pension benefit obligation would keep it from growing like the unpaid balance on a credit card.

However, the state funding shortfalls realized by TRS in FY 94 and FY 93 have added well over a half billion dollars to the unfunded pension benefit obligation each year. This shortfall has been the single most important factor explaining the change in the System's unfunded benefit obligation for the past several years.

Employer's Normal Cost plus Interest (In Millions of Dollars)

Year Ended June 30	1994	1993
Employer's normal cost	\$ 309	\$ 285
Interest on unfunded pension benefit obligation at beginning of year	609	548
Total employer's cost	918	833
Deduct employer contributions:		
State of Illinois*	261	265
Federal and trust funds	17	17
Total employer contributions	278	282
Employer's cost in excess of contributions	\$ 640	\$ 551

* State contributions exclude minimum and supplemental benefits not included in actuarial costs.

Supplemental Actuarial Information

HISTORICAL TESTS OF FINANCIAL CONDITION

The **Funded Ratio** shows the percentage of the pension benefit obligation covered by net assets at either cost or market. Increasing percentages generally indicate improvements in financial condition.

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation*	Funded Ratio*	
				At Cost	At Market
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
1994	11,992	12,039	21,747	55.1	55.4

* 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.

The **Payroll Percentages** table facilitates various types of comparisons. Showing the System's unfunded pension benefit obligation as a percentage 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 per-

centage decreasing. For TRS, however, this percentage is increasing. The actuarially required employer's cost under normal cost plus interest (Column 8) shows the percent of payroll 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 accrues on the unfunded liability. Employer contributions as a percent of payroll (Column 10) show that the state's contributions to the System relative to payroll and actuarial funding requirements have dropped steadily over time.

Payroll Percentages

Year Ended June 30	Unfunded Pension Benefit Obligation			Actuarially Required Employer's Cost (Employer's Normal Cost plus Interest)				Employer Contributions	
	Member Payroll (1)	PBO Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest on Unfunded Pension Benefit Obligation (6)	Percent of Payroll (7)	Employer Contribution (9)*	Percent of Payroll (10)
1985	\$ 2,472	\$ 3,716	150.3%	\$ 184	7.4%	\$ 253	\$ 437	\$ 215	8.7%
1986	2,633	3,519	133.6	179	6.8	260	439	239	9.1
1987	2,834	3,858	136.1	194	6.9	246	440	258	9.1
1988	3,007	4,238	140.9	197	6.6	309	506	220	7.3
1989	3,172	4,642	146.3	220	6.9	339	559	237	7.5
1990	3,402	5,583	164.1	194	5.7	423	617	269	7.9
1991	3,777	6,394	169.3	239	6.3	447	686	270	7.1
1992	3,976	6,847	172.2	259	6.5	512	771	247	6.2
1993	4,189	7,606	181.6	285	6.8	548	833	282	6.7
1994	4,413	9,755	221.1	310	6.9	608	918	278	6.3

* For actuarial comparisons, school district early retirement option and state minimum and supplemental contributions are not included in employer contributions. ERI contributions and receivables are also excluded from FY 94 figures because the costs of ERI are not part of the regular actuarial costs of the System.

Continued

The **Solvency Test** exhibit compares the System's net assets with members' 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 col-

umns are arranged in order that the assets would be used to cover certain types of obligations if the System were to terminate. 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.

For the first time since FY 85, the System failed the minimum standards of the solvency test in FY 94.

Solvency Test

Year Ended June 30	Members' Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members, Employer Portion (3)	Net Assets (4)	Percentage of Benefits Covered by Net Assets		
					(1)	(2)	(3)
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
1994	2,850	10,089	8,808	11,992	100	91	0

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

Fiscal Year Ended June 30	Normal Cost Plus Interest On Unfunded Pension Obligation (1)	General Revenue Reimbursement for Post-Retirement Increases (2)	Statutory Requirements (Columns 1 and 2)		State and Federal Employer Contributions (5)	Shortfall Amounts (6)	
			(Columns 1 and 2) (3)	Minimum (4)*		From Statutory Requirement (5)-(6)	From Minimum (4)-(5)
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
1994	918	5	923	424	283	640	141

* Section 16-158 (a) of the Illinois Pension Code requires the System to certify the amount in column 3 as the state contribution requirement. That amount shall be no less than 9.6 percent of member payroll (Column 4).

Supplemental Actuarial Information

CASH FLOW SUMMARY

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. Investment income received as cash is assumed to be immediately reinvested and thus is not added to member and employer cash contributions.

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. In FY 94, TRS used \$202 million of investment income to pay benefits. The natural growth in benefit payments was accelerated in FY 94 due to ERI retirements.

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 increasingly 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

(Expenses=Benefits, refunds and current expenses)

(In Millions)

Year	Member Contributions (1)	Employer Contributions (2)	Minimum, Supplemental and ERO Contributions (3)	Employer Contributions (All Sources) [(4)=(3)+(2)]	Member and All Sources of Employer Contributions [(5)=(1)+(4)]	Benefits, Refunds and Expenses (6)	Cash Flow [(7)=(5)-(6)]
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)
1994**	395	305	5	310	705	907	(202)

* System expense in FY 90 includes \$35.5 million in non-cash expense.

** Member and employer contributions exclude ERI receivables but include ERI cash contributions. The Supplemental Schedule of Revenue by Source (page 25) includes \$18 million in member ERI receivables in the Member Contributions column and \$173 million in employer ERI receivables in the Other column for FY 94.

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.

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. The last experience analysis was conducted in 1993 for the four-year period ended June 30, 1992. That review resulted in minor changes in assumptions that were reflected in the FY 93 actuarial valuation.

Additional actuarial assumptions regarding factors which had not previously been measured, such as severance pay, unused sick leave, and optional service, are reflected in the FY 94 valuation and are discussed on page 33.

ACTUARIAL COST METHOD AND VALUATION

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 that have been earned to date 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 certified normal cost for the year ending June 30, 1994, was 14.9 percent of payroll. Eight percent of normal cost was paid by the members' contributions. The remaining 6.9 percent was the employer's portion of the normal cost. The actual employer contribution was only 6.3 percent of payroll. Therefore, the employer's cost of benefits earned by active members was not fully covered by the FY 94 contribution, and no payment was made on the unfunded pension benefit obligation.

Continued

ACTUARIAL ASSUMPTIONS AND METHOD

Inflation assumption: 4 percent per annum. Implicit in investment and earnings progression assumptions which were last modified in the FY 87 valuation.

Investment return: 8 percent per annum, compounded annually. Adopted in FY 87 valuation.

Retirement age: Graduated rates for active members. Inactive members are assumed to retire at age 62. Adopted in FY 87 valuation.

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. Active—adopted in FY 93 valuation. Nondisabled pensioners—adopted in the FY 91 valuation.

Disability: Adopted in FY 1993 valuation.

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. Adopted in FY 87 valuation.

Earnings progression: Merit and longevity increases, adjusted for inflation. Approximates 7.4 percent per year to earliest date of retirement eligibility. Adopted in FY 87 valuation.

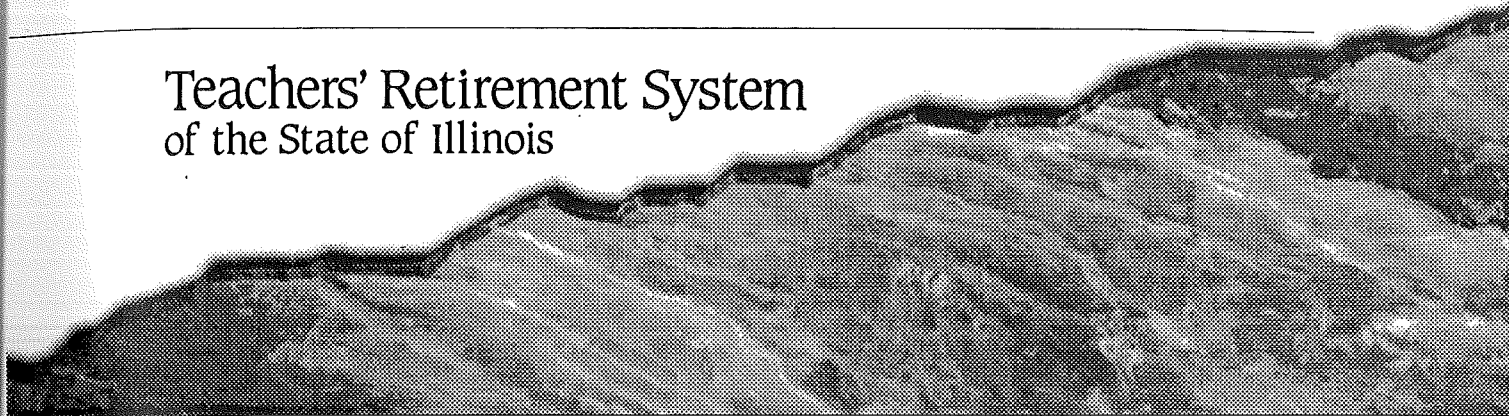
Sample annual percentage increases follow.

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. Adopted in FY 87 valuation.

Asset valuation method: Cost value.

Teachers' Retirement System
of the State of Illinois



Membership and Benefits Information

Membership and Benefits Information

PLAN DESIGN

TRS provides retirement, disability and survivor benefits to its members and their beneficiaries. The TRS plan pays specific benefits in amounts that are specified in the Illinois Pension Code (40 ILCS 5/16-101 *et seq.*), changed only by action of the Illinois General Assembly and the Governor. Benefits are modified with any legislative change to the code.

All Illinois public school employees (employed in a position requiring certification) outside the city of Chicago are members of TRS and therefore contribute 8 percent of their annual earnings. There are 1,091 employers and approximately 128,939 members. Members do not contribute to Social Security for TRS-covered employment; however, members hired after March 31, 1986, are required to contribute to Medicare.

MEMBERSHIP PROFILE

The average TRS member is 42 years of age, a figure which has levelled off in recent years following nearly a decade of gradual increases. In FY 94, the largest portion of the active membership fell into the 45-49 age group. Even though a large percentage of educators are moving towards retirement, there has been a marked decrease in the number of teachers entering the field in the last ten years. Fiscal year 94, however, reflects a significant increase in new teachers due to ERI. During FY 94, 10 percent of the membership elected to continue their teaching careers beyond age 55. A detailed membership summary is provided on page 54.

CONTRIBUTIONS

Active members contributed \$350 million as their required 8 percent of salary to the System. The average salary earned by a TRS member during FY 94 was \$40,619, 68 percent higher than a decade ago. The highest salaries were earned by members with 36-40 years of service while members in the 0-5 years of service had an average salary of \$28,120.

COUNSELING SERVICES

The System maintains offices in Springfield and Lisle to serve its members. In FY 94, TRS offices received nearly 46,000 phone calls, responded to over 1,500 letters and conducted office consultations with an average of 130 members monthly. The TRS benefits counselors serviced over 8,000 members through group meetings and individual conferences held throughout the state.

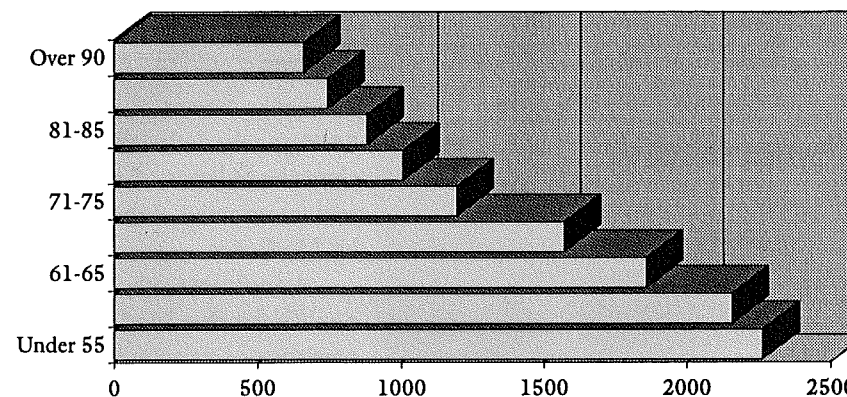
To provide current information on benefit options and legislative activity, the System publishes a series of guides, newsletters and brochures for members, retired members and employers. In addition, members receive a personal statement of benefits which contains information on contributions and service, potential benefits and beneficiary information.

RETIREMENT BENEFITS

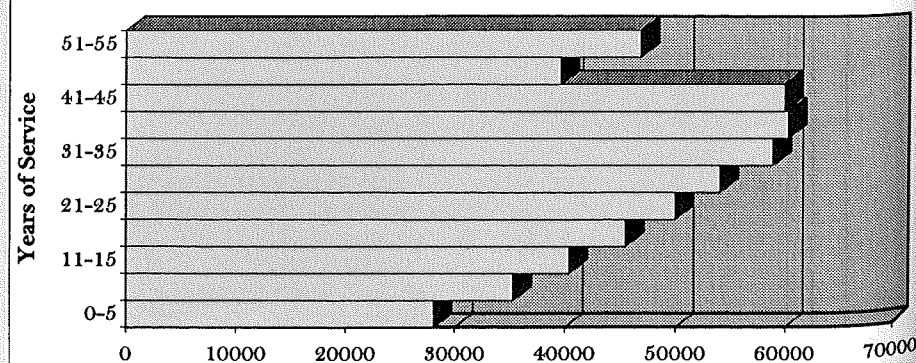
During FY 94, the TRS plan provided retirement benefits for 48,207 annuitants who received an average monthly benefit of \$1,438. The System gained 6,639 monthly retirement benefit recipients in FY 94, over 5,600 of whom retired under provisions of the ERO and ERI. Overall, the System paid \$777.4 million in retirement annuities and post-retirement benefits in FY 94, up 17 percent from FY 93. Of the 6,639 members who retired during FY 94, the average age was 58, average service was 31.6 years, and the average monthly benefit was \$2,281. These members retired with an average salary of \$43,512, a 13 percent increase from average FY 93 retiree salaries.

Anyone receiving a monthly benefit has the option of having annuity payments directly deposited into participating financial institutions. Currently, 72 percent of annuitants participate in this program.

Average Monthly Retirement Benefit (For retired members as of June 30, 1994)



Average Salary (For full and part-time members as of June 30, 1994)



EARLY RETIREMENT OPTION (ERO)

Of the 6,639 FY 94 retirees, 14 retired under the provisions of ERO. Members who are 55 or older and have more than 20 but less than 35 years of service may choose the early retirement option to avoid a discounted annuity with a one-time contribution from the member and employer. Under current law, the early retirement option expires June 30, 1995. Members with 35 or more years of service can retire and receive a nondiscounted annuity.

EARLY RETIREMENT INCENTIVE (ERI)

The early retirement incentive, first made available through Public Act 87-1265 in 1993, allowed members meeting certain age and service requirements to purchase up to five years of additional service and acquire an age enhancement of an equal number of years. During its second year, 7,331 members used the provision to retire, an 86 percent increase over the offering's first year.

Although the incentive's election periods have closed, additional retirements may occur in FY 95 as a result of the employer's right to delay some retirements into 1995. For a more detailed review of the incentive, refer to page 47.

Membership and Benefits Information

Continued

DISABILITY BENEFITS

Disability payments totaling \$9.2 million were made by the System during FY 94, a decrease of 6.2 percent from FY 93. An average monthly benefit of \$974 was paid to members whose average age was 55.8 and whose average years of service was 16.3.

There were 295 new disability benefits paid during FY 94 with an average benefit of \$1,208. Of these new claims, 25 percent were for pregnancy-related disabilities, 15 percent for cancer and tumors, 12 percent for mental illness, another 8 percent for heart and circulatory problems and 3 percent for dislocated and ruptured disks. Other disabilities accounted for the remainder of the claims.

SURVIVOR BENEFITS

Average monthly survivor benefits of \$518 were paid to 5,806 survivors of TRS members and annuitants in FY 94. The average age of the deceased was 73. There were 530 new claims for monthly benefits during the year. The average monthly benefit for these new claims was \$640. Total payments rose from \$34.4 million in FY 93 to \$37.6 million in FY 94.

MEMBER REFUNDS

Members who withdraw from active service with the System may apply for a refund which includes accumulated retirement contributions, exclusive of the 1 percent survivor benefit contribution and accumulated interest. During FY 94, refunds of these contributions totalled \$7.2 million.

The number of members who requested a refund of their 1 percent survivor benefit contribution increased from 377 in FY 93 to 1,177 in FY 94. These refunds, totalling \$4.7 million, were granted by request to members who have no dependent beneficiaries and therefore wish to forfeit any future survivor benefits.

Additional refunds were paid as death benefits bringing the total paid in refunds for the year to \$22 million, an increase of \$3 million from the previous year.

TRS Health and Prescription Drug Insurance Plan

The System has provided optional health and prescription drug insurance to its annuitants and their dependents since 1981. The plan, administered by Blue Cross & Blue Shield, provides comprehensive coverage for both hospital and physician services. During fiscal year 1994, TRS provided this coverage to over 26,000 annuitants and nearly 6,000 dependents.

COVERAGE OPTIONS

For annuitants and their dependents who qualify for Medicare, TRS provides supplemental Medicare coverage. After the \$300 yearly deductible, the plan pays the balance of all reasonable and customary claims not covered by Medicare.

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, 80% - 20% coinsurance of the next \$10,000 and 100% coverage thereafter. Annuitants and their dependents under 65 are offered a plan identical to the Special Coverage Option, however, the deductible is \$500.

The Medicare supplement option has the largest enrollment, with fewer annuitants enrolled in the under 65 group and Special Coverage Option, respectively.

PREMIUMS

The System currently subsidizes 75 percent of the cost of the premium for participating annuitants; dependent premiums are the responsibility of the annuitant.

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, 1993, the reserve fund balance was \$63 million. During FY 94, the account was credited with the maximum allowable transfer of \$20 million plus \$4.7 million interest earned. Subsidy payments of \$49.6 million were charged to the account leaving a June 30, 1994, reserve fund balance of \$38.2 million.

The reserve fund balance decreased significantly during the year due primarily to increased enrollments resulting from the early retirement incentive and increased premiums.

Continuation of this decrease in the reserve fund balance may force TRS to reduce its subsidy payment and/or benefits. The Teachers' Retirement System is actively encouraging the General Assembly to address this issue and to provide options to ensure continuous coverage to TRS annuitants.

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.

Claims Experience

June 30	Premiums Paid	Retention Fees*	Claims Paid
1983	\$ 3,826,263	\$ 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
1994	79,903,205	2,796,612	65,734,806

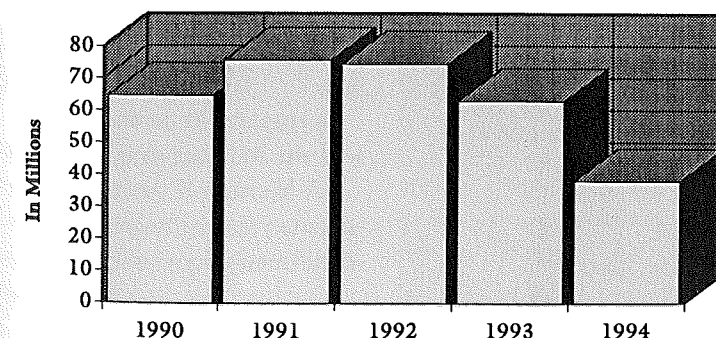
* Retention is the percentage of premiums paid to the insurance carrier to cover the administrative costs for processing claims and the risk involved in underwriting the contract.

Subsidy Payments

Fiscal Year	Payment (In Thousands)
1981	\$ 110
1982	627
1983	1,503
1984	2,412
1985	3,094
1986	4,800
1987	5,409
1988	6,823
1989	8,346
1990	10,331
1991	15,142
1992	27,717
1993	37,498
1994	49,553

Reserve Account

(As of June 30)



Plan Summary

ADMINISTRATION

The Teachers' Retirement System was created and is governed by 40 Illinois Compiled Statutes, Chap. 5, Section 16. 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

The primary sources of the System's revenue are active member contributions, employer contributions and investment income. Members contribute 8% of gross earnings, designated as 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). Since July 1, 1990, TRS-covered employment includes all substitute and part-time teaching positions.

SERVICE CREDIT

A member is granted a maximum of one year of credit for 170 paid days per school year. Optional service credit may also be purchased for military service and related educational training, out-of-system service, official leave of ab-

sence, reduction in force and substitute or part-time teaching prior to July 1, 1990. Up to one year of unused, uncompensated sick leave certified by former employers may also be added at retirement.

DISABILITY BENEFITS

TRS offers both occupational and nonoccupational disability benefits to active members. Nonoccupational disability benefits are payable as disability benefits or as a disability retirement annuity. Occupational disability benefits are payable for duty-related accidents or illnesses. The member continues to accrue service credit while receiving disability benefits but not while receiving a disability retirement annuity.

DEATH BENEFITS

There are two types of death benefits: (1) a return of the member's accumulated contributions and (2) survivor benefits. The return of member contributions includes the retirement contribution (currently 6 1/2 percent) plus the statutorily required interest. The return also includes the 1/2 percent member contribution paid toward the annual increases in annuity.

Beneficiaries of annuitants will receive accumulated contributions minus the amount received as retirement annuity. Survivor benefits can be paid in either a lump sum or a monthly payment. A lump-sum benefit is the only method payable to nondependent beneficiaries. A dependent beneficiary may choose either a lump sum benefit or a monthly payment.

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 (reduced). A member age 55 with less than 35 years of service may use the early retirement option to avoid a discount if retirement occurs before July 1, 1995. Under the ERO provision, the member and employer must make a one-time contribution to the System. 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.

A retirement annuity is based on 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 based on years of service. The maximum annuity, 75 percent of average salary, is achieved with 38 years of service. An actuarial calculation will be used if it provides a greater benefit.

POST-RETIREMENT INCREASE

The System provides 3 percent annual increases in disability, retirement and survivor benefits.

REFUNDS

A member who ceases covered employment may, after a four-month waiting period, elect to withdraw all member contributions, excluding interest and the 1 percent death benefit contribution. When a member accepts a refund, all credit and benefit rights are forfeited. Credit can be re-established if the member returns to a covered position for one year and repays the refund with interest. A TRS member who is receiving disability benefits is not eligible for a refund.

TRS HEALTH AND PRESCRIPTION DRUG INSURANCE PLAN

Annuitants 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.

Early Retirement Incentive

In January 1993, the largest early retirement option ever offered by a public pension fund was enacted by the Illinois General Assembly as part of an omnibus pension bill. Nearly 28,000 teachers in the public schools across Illinois were eligible. During the past two years, nearly 12,000 members retired as a part of this program.

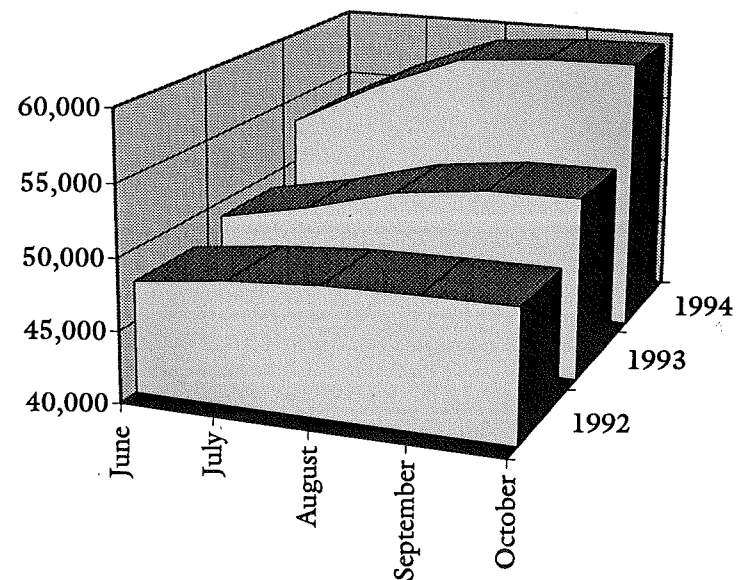
The Early Retirement Incentive, also referred to as '5&5' and 'ERI,' allowed eligible TRS members to purchase up to five years of service credit. With that purchase, an equivalent number of years is added to the member's age, thus allowing retirement earlier with higher benefit levels.

Administratively, ERI represented the biggest challenge TRS has faced in its 55-year existence. In an average summer, TRS processes between 1,500 and 2,000 retirements. The massive workload increases predicted under the incentive sent TRS management into action. Prior to the passage of the 5&5 legislation, TRS developed plans to streamline operations and to launch a major informational and counseling campaign. With this advance preparation, TRS was poised and ready for action on the day of the bill's passage. Within days of the Governor's signature, an extensive information packet outlining the bill's components was in the hands of eligible TRS members. The packet included a basic benefit estimate and step-by-step instructions for taking advantage of the early retirement opportunity. To complement these publications, a series of meetings were scheduled statewide. At these sessions, TRS staff provided estimates, addressed questions and concerns, and assisted with the retirement process.

To accommodate this increased volume of retirements, TRS prepared a comprehensive communications plan and informational campaign. Both the estimate and benefit calculation methods were restructured to improve efficiency. The first step was to automate all estimate calculations—replacing a lengthy manual process with an automated system. An interactive estimate calculation system was also created to allow members to contact the System toll-free from a touch-tone phone and to generate an estimate based on information entered. This allowed a single member to generate a number of different retirement estimates based on varied retirement scenarios—without the assistance of TRS staff. For those who needed special assistance, TRS pension specialists were available as well.

Once the information line was operational, TRS efforts turned to automation of the actual retirement benefit calculation. Through months of effort, TRS was able to expedite retirement processing and begin retirees' annuities more quickly than ever before. Many of the operational improvements which were initiated during 5&5 will remain in place to ensure a high level of service to our members in the years to follow.

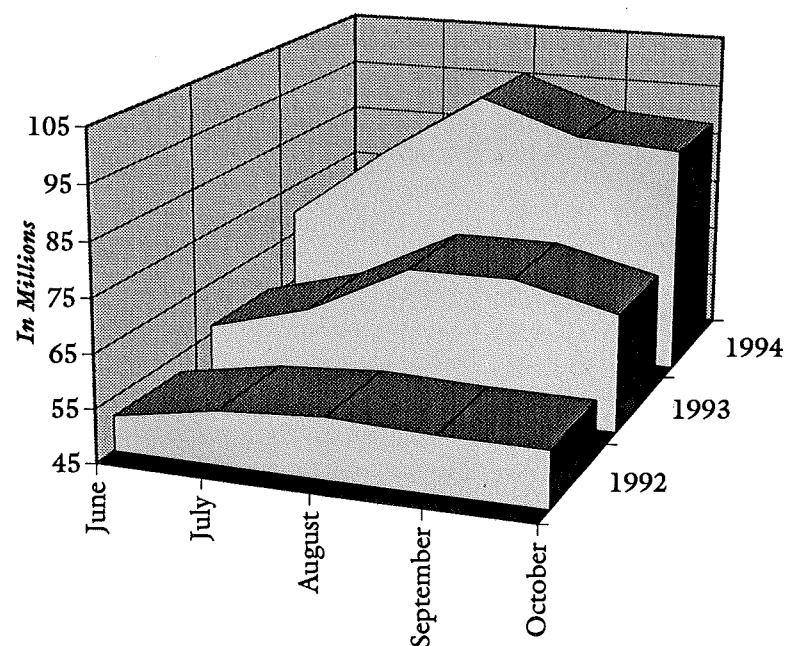
Annuitants on Payroll



Since this incentive began, over 12,000 annuitants have been added to the System's monthly payroll. It is estimated that over 11,000 of those annuitants retired under the provisions of ERI.

Total Monthly Payroll

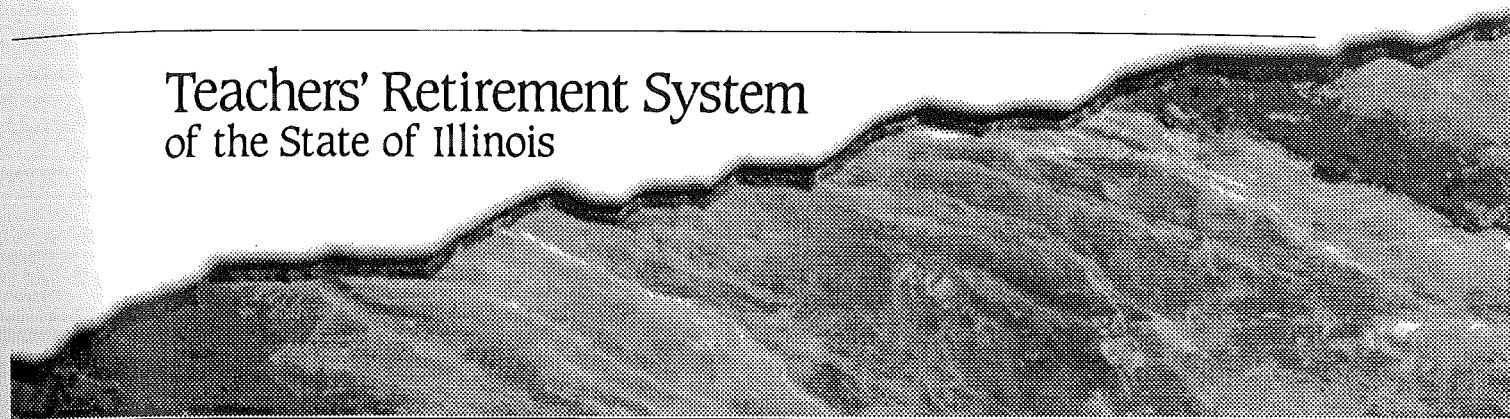
The monthly payroll cost has also experienced a dramatic upswing in the past two years. Over \$30 million has been added to the System's monthly payroll since ERI began, an increase of 56 percent.



Although members may no longer request retirement under ERI, some members will retire in 1995 under ERI as a result of the employer's right to delay retirements from 1994 into 1995. This provision of the bill allows employers to delay some retirements provided at least 30 percent of those eligible in the district actually retire. This protects school districts from losing a large portion of their experienced teaching force in a single year.

As the incentive winds down, TRS now focuses on new directions. The System will channel its efforts into ensuring the continuation of comprehensive health insurance coverage for annuitants and their dependents while keeping a watchful eye on implementation of the new pension funding program established under Senate Bill 533.

Teachers' Retirement System of the State of Illinois



Statistical Summary

Statistical Summary

Average Annual Salary for Active Members by Years of Service

(As of June 30)

Years of Service	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
0-5 Number	19,764	19,030	22,160	23,384	24,792	25,296	22,949	26,770	26,962	26,217	28,573
Average Salary	17,166	17,818	18,555	19,726	20,845	22,121	23,284	24,752	25,881	27,051	28,120
6-10 Number	22,047	21,157	19,698	18,819	17,129	15,314	15,359	14,811	15,820	16,948	18,158
Average Salary	20,915	21,841	23,005	24,320	25,780	27,124	28,158	30,524	32,141	33,675	35,349
11-15 Number	23,462	22,833	20,700	19,460	18,417	17,671	18,066	16,438	15,914	14,663	13,380
Average Salary	25,341	26,378	27,607	29,001	30,312	31,581	32,791	35,078	37,016	38,714	40,413
16-20 Number	15,481	17,419	18,528	19,163	19,689	19,867	20,027	18,403	17,454	16,703	15,916
Average Salary	28,309	29,976	31,056	33,144	34,771	36,315	37,984	40,060	41,984	43,692	45,523
21-25 Number	8,747	9,089	9,391	10,257	11,474	12,830	14,755	15,719	16,422	17,083	17,233
Average Salary	30,199	31,657	33,309	35,246	37,153	39,141	41,523	43,958	46,051	47,942	49,998
26-30 Number	5,053	5,479	5,864	6,245	6,456	6,659	7,152	7,605	8,307	9,431	10,134
Average Salary	31,960	34,026	35,740	37,666	39,474	41,429	43,316	45,877	48,438	51,050	54,071
31-35 Number	2,251	2,009	2,002	2,089	2,394	2,758	3,222	3,479	3,742	4,124	3,523
Average Salary	33,651	35,782	37,533	39,310	41,730	43,749	46,363	49,046	52,047	55,598	58,913
35+ Number	421	430	483	517	426	462	457	478	539	707	771
Average Salary	31,494	33,930	37,533	40,492	43,465	45,979	48,146	49,979	55,044	57,768	60,109
Number	97,226	97,446	98,826	99,934	100,777	100,857	101,987	103,703	105,160	105,876	107,688
Average Salary	24,141	25,454	26,522	28,085	29,638	31,318	33,024	35,321	37,193	39,177	40,618
Percent Increase	5.5	5.4	4.2	5.9	5.5	5.7	5.4	7.0	5.3	5.3	3.4

Statistical information on the System's active membership for fiscal year 1994 is subject to review by the System's audit department and may undergo slight modifications as a result of their review. Annual salaries are computed using full- and part-time earnings only; substitute and hourly employees and extra duty earnings were omitted.

Schedule of Average Monthly Payment Amounts

(As of June 30, 1994)

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits	
	Count	Ave. Benefit	Count	Ave. Benefit	Count	Ave. Benefit
Under 5					3	254
6-10					17	332
11-15					61	360
16-20					40	406
21-25					1	759
26-30			9	914	3	612
31-35			21	997	4	605
36-40			47	914	11	626
41-45			117	992	42	665
46-50			130	1,128	60	729
51-55	2,415	2,263	157	1,096	215	739
56-60	5,568	2,157	181	1,142	288	761
61-65	8,491	1,858	107	903	498	726
66-70	8,481	1,570	85	799	734	675
71-75	7,314	1,195	62	635	857	537
76-80	6,034	1,005	25	517	991	466
81-85	5,115	879	9	359	1,054	399
86-90	3,360	744	5	365	677	335
Over 90	1,429	659	10	390	250	292
TOTALS	48,207	\$ 1,438	965	\$ 974	5,806	\$ 518

Statistical Summary

Continued

Active Members by Years of Age and Years of Service

(As of June 30, 1993)

Age	Substitute	0-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	TOTALS	Average Service*
20-24 Number Average Salary	1,856 2,498	1,231 22,206											1,231 22,206	1.22
25-29 Number Average Salary	3,708 2,686	8,709 25,419	598 29,815										9,307 25,702	3.02
30-34 Number Average Salary	2,016 2,574	3,995 27,396	4,893 31,504	347 34,630									9,235 29,844	6.00
35-39 Number Average Salary	2,510 2,549	2,997 27,125	2,895 32,985	4,988 36,884	721 40,585								11,601 33,620	9.59
40-44 Number Average Salary	4,176 2,913	4,306 27,496	3,380 34,140	3,800 38,645	8,241 42,912	1,396 45,354							21,123 37,759	12.92
45-49 Number Average Salary	3,446 3,141	3,308 29,685	3,141 35,886	2,718 40,226	3,959 45,196	9,643 48,121	1,049 49,772						23,818 42,633	16.68
50-54 Number Average Salary	1,844 3,101	1,217 31,565	1,442 36,764	1,770 40,578	2,069 44,919	3,370 48,757	5,621 51,443	625 54,358					16,114 46,148	20.67
55-59 Number Average Salary	980 2,868	320 32,512	441 36,565	757 41,704	1,141 43,896	1,639 46,936	1,784 51,436	2,595 56,340	162 57,034				8,839 48,910	24.41
60-64 Number Average Salary	517 2,711	110 31,848	123 38,660	229 43,129	462 43,576	788 48,168	715 49,510	745 55,188	397 58,931	11 43,931			3,580 49,334	25.64
65-69 Number Average Salary	284 2,438	18 34,299	28 35,874	51 41,357	98 43,883	211 50,429	220 48,044	131 49,658	75 57,857	35 60,722	1 47,539		868 48,686	26.10
70-74 Number Average Salary	88 2,320	4 30,875	7 35,785	2 44,323	11 40,413	35 50,230	37 57,157	25 53,343	9 40,882	9 53,199	1 52,055	5 44,193	145 49,886	27.57
>74 Number Average Salary	25 3,301	2 45,639		1 17,812	1 50,836	1 46,086	5 47,960	3 51,245	1 47,500	1 44,035			15 46,072	24.83
TOTALS Average Salary	21,450 2,801	26,217 27,051	16,948 33,675	14,663 38,714	16,703 43,692	17,083 47,942	9,431 51,050	4,124 55,598	644 58,059	56 55,917	2 49,797	5 44,193	105,876 39,177	14.49

* Average service calculations exclude substitute earnings.

Statistical Summary

Continued

Active Members by Years of Age and Years of Service*

(As of June 30, 1994)

Age	Substitute	0-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	TOTALS
20-24 Number	2,919	3,125											3,125
Average Salary	2,706	23,519											23,519
25-29 Number	3,067	9,339	1,383										10,722
Average Salary	2,897	26,998	31,297										27,552
30-34 Number	1,933	3,709	5,085	783									9,577
Average Salary	2,617	28,498	33,329	36,647									31,730
35-39 Number	2,624	3,123	2,771	4,544	1,657	1							12,096
Average Salary	2,720	28,330	34,819	38,682	42,622	36,896							35,664
40-44 Number	3,972	4,553	3,540	3,168	7,630	3,015							21,906
Average Salary	3,126	29,226	35,736	40,605	44,866	47,646							39,906
45-49 Number	3,276	3,191	3,358	2,543	3,316	9,222	2,588						24,218
Average Salary	3,384	31,262	37,855	41,959	47,083	50,201	52,781						44,977
50-54 Number	1,710	1,131	1,460	1,544	1,946	2,935	5,467	1,095					15,578
Average Salary	3,199	33,273	38,971	42,505	46,888	51,225	54,682	57,890					49,049
55-59 Number	924	301	419	608	970	1,369	1,385	1,872	273				7,197
Average Salary	3,021	33,146	39,225	44,101	47,050	50,080	54,597	60,243	61,158				51,759
60-64 Number	482	77	118	153	318	569	539	450	365	21	1		2,611
Average Salary	2,939	30,692	40,231	44,342	47,077	52,120	52,775	57,397	60,515	51,428	29,915		52,085
65-69 Number	252	21	18	36	70	111	127	88	55	29	1	1	557
Average Salary	2,509	34,377	35,472	45,480	46,718	52,164	53,412	51,110	57,546	66,545	35,673	49,820	51,202
70-74 Number	67	1	6	1	8	11	25	16	8	9	1	5	91
Average Salary	2,912	64,571	45,488	60,280	41,215	56,852	56,373	59,869	42,775	59,807	53,386	46,308	53,687
>74 Number	25	2			1		3	2	1	1			10
Average Salary	3,102	52,332			17,775		53,291	50,745	55,320	49,752			48,887
TOTALS	21,251	28,573	18,158	13,380	15,916	17,233	10,134	3,523	702	60	3	6	107,688
Average Salary	2,968	28,120	35,349	40,413	45,523	49,998	54,071	58,913	60,323	59,964	39,658	46,893	40,618

* Statistical information on the System's active membership for fiscal year 1994 is subject to review by the System's audit department and may undergo slight modification as a result of their review.

Statistical Summary

Continued

Retired Members by Years of Service and Years in Retirement

(As of June 30, 1994)

Years Retired	Years of Service						31-35	36-40	41-45	46-50	Over 50	TOTALS	Average Age
	1-5	6-10	11-15	16-20	21-25	26-30							
0-5													
Number	534	525	595	838	1,710	2,257	3,669	4,313	125	17	3	14,586	60
Average Benefit	173	435	649	953	1,349	1,799	2,400	655	3,282	2,768	2,422	1,369	
Average Original Benefit	166	416	613	903	1,294	1,751	2,358	607	3,113	2,570	2,375	1,323	
6-10													
Number	432	600	678	1,166	1,727	1,842	2,234	1,348	102	26	7	10,162	67
Average Benefit	138	313	557	931	1,230	1,660	2,278	2,822	2,418	2,510	1,826	1,585	
Average Original Benefit	108	242	451	768	1,025	1,387	1,914	2,328	1,983	2,080	1,478	1,319	
11-15													
Number	285	325	653	1,173	1,469	1,496	1,735	703	126	31	2	7,997	72
Average Benefit	121	278	476	758	995	1,372	1,897	2,180	2,016	2,170	1,410	1,249	
Average Original Benefit	82	185	330	543	718	993	1,384	1,594	1,448	1,583	1,030	904	
16-20													
Number	195	290	572	969	1,235	1,113	1,048	789	221	44	2	6,478	78
Average Benefit	97	248	395	603	775	1,042	1,379	1,663	1,682	1,581	1,616	960	
Average Original Benefit	56	136	231	371	481	656	870	1,043	1,046	964	946	598	
21-25													
Number	122	179	351	715	896	930	885	1,020	593	101	5	5,797	84
Average Benefit	40	183	333	484	626	809	1,081	1,326	1,283	1,229	1,019	865	
Average Original Benefit	9	79	154	241	328	435	599	738	697	655	534	466	
26-30													
Number	28	36	104	243	321	305	267	318	213	47		1,882	88
Average Benefit	40	183	281	399	515	633	766	886	974	963		654	
Average Original Benefit	1	46	69	132	205	262	344	410	454	441		280	
31-35													
Number	8	3	17	103	223	173	214	179	69	6		995	90
Average Benefit	50	156	298	404	494	600	675	786	857	951		615	
Average Original Benefit	4	11	47	105	141	198	245	325	359	402		216	
36-40													
Number			3	23	60	62	41	28	6	2		225	93
Average Benefit			291	404	493	586	652	687	773	719		570	
Average Original Benefit			38	75	92	122	185	222	289	245		138	
41-45													
Number				5	18	21	11	9				64	97
Average Benefit				413	516	598	656	671				581	
Average Original Benefit				36	56	90	135	132				90	
46-50													
Number				4	8	6	3					21	98
Average Benefit				376	527	599	658					538	
Average Original Benefit				16	54	58	83					52	
TOTALS	1,604	1,958	2,973	5,239	7,667	8,205	10,106	8,707	1,455	274	19	48,207	71
Average Benefit	132	316	488	736	1,008	1,393	1,976	1,295	1,591	1,554	1,642	1,230*	
Average Original Benefit	107	244	363	547	786	1,127	1,674	993	1,059	1,018	1,268	981	

* Average benefit for this table is calculated using a weighted average formula based on the data included on this table. For an actual average calculation based on benefits paid divided by number of annuitants, refer to the Schedule of Average Monthly Payment Amounts on page 51.

Statistical Summary

Schedule of Participating Employers

Continued

6 COUNTY REG VOC SYSTEM
ABINGDON COMM UNIT SCHL
ADAMS-PIKE ESR
ADDISON SCHOOL DISTRICT #4
ADLAI STEVENSON HS
ADOLPH MEYER MNTL HEALTH & DEV
AERO
AKIN COM CONS
ALBERS SCHL
ALDEN HEBRON SCHL
ALEDO COMM UNIT SCH DIST #201
ALEXIS SCHOOL
ALLEN TWP SCHOOL
ALLENDALE SCHOOL
ALMONT SCHOOL
ALTERNATIVE SCHOOL
ALTON COMM UNIT S D 11
ALTON MENTAL HLTH CTR
ALWOOD COMM UNIT SCHOOL
AMBOY SCHOOL
ANN M. KILEY DEVEL CENTER
ANNA C SCHOOL
ANNA JONESBORO COMM
ANNANAWAN SCHOOL
ANTIOCH C C SCHL DIST #4
ANTIOCH COMM HS
APTAKISIC TRIPP SCHL
ARBOR PARK SCHL
ARCOLA SCHOOL
AREA SERVICE PROJECT
ARGENTA SCHOOL
ARGO COMM HS
ARGO SUMMIT SCHOOL
ARLINGTON HEIGHTS SCHOOLS
ARMSTRONG SCHL
ARMSTRONG TWP HS
ARTHUR SCHOOL
ARTMP
ASHLAND - CHANDLERVILLE
ASHLEY SCHOOL
ASHTON C U SCHOOL
ATWOOD HEIGHTS SCHOOL
AUBURN SCHL
AUDIO VISUAL INSTITUTE
AURORA SCHOOL
AURORA WEST SCHOOL
AVISTON SCHOOL
AVOCA SCHOOL
AVON SCHOOL
BALL CHATHAM SCHL
BANNOCKBURN SCHOOL
BARRINGTON SCHOOL
BARRY SCHL
BARTELSON SCHOOL
BARTONVILLE PUBLICSCHOOL
BASED
BATAVIA SCHOOL
BEACH PARK SCHOOL
BEARDSTOWN SCHOOL
BECK AREA VOCATIONAL CENTER
BEECHER CITY SCHOOL
BEECHER SCHOOL
BELLE VALLEY SCHOOL
BELLEVILLE SCHL
BELLEVILLE SCHOOL
BELLEVILLE TWP HS J
BELVIDERE SCHOOL
BEMENT SCHOOL
BENJAMIN SCHOOL
BENSenville SCHOOL
BENTON CONS HIGH SCHOOL
BENTON SCHOOL
BERKELEY SCHOOL
BERWYN N SCHOOL
BETHALTO SCHOOL
BETHANY SCHOOL
BETHEL SCHOOL
BI CO SPEC ED COOP
BIG HOLLOW SCHOOL
BISMARCK SCHL
BLACKHAWK AREA SP ED
BLOOM TWP HS
BLOOMINGDALE SCHL
BLOOMINGTON SCHOOL
BLUE ISLAND SCHOOL
BLUE RIDGE SCHOOL
BLUFFS COMMUNITY SCHOOL
BLUFORD GRADE SCHOOL
BMP TRI-COUNTY CO-OP

BOND CO CU SCHL
BOURBONNAIS SCHL
BRACEVILLE SCHOOL
BRADFORD COMM UNIT SCH
BRADLEY BOURBONNAIS
BRADLEY SCHL
BREESE SCHOOL
BREMEN COM HS
BRIMFIELD SCHOOL
BROOKWOOD SCHL
BROWN C C U SCHL
BROWNSTOWN SCHOOL
BRUSSELS COMMUNITY UNIT SCHL
BUNCOMBE SCHL
BUNKER HILL C U SCHL
BURBANK SCHOOL DIST 111
BUREAU OF AGENCY SUPPORT SERV
BURNHAM SCHL
BUSHNELL PRAIRIE SCHL
BUTLER SCHOOL
BYRON C.U.S.D. #226
CAHOKIA UNIT SCHOOL
CAIRO SCHOOL
CALHOUN GREENE JERSEY ESR
CALHOUN SCHOOL
CALUMET SCHL
CAMBRIDGE SCHOOL
CANTON UNION SCHOOL
CAPITAL AREA VOC CTR
CARBONDALE COMM HS
CARBONDALE ELEM SCHL
CAREER DEVELOPMENT SYSTEM
CAREER PREPARATION NETWORK
CARLINVILLE SCHL
CARMICHAEL COUNTY
CARRIER MILLS SCHL
CARROLL JO DAVIES E.S.R.
CARROLLTON SCHL
CARTERVILLE C U SCHL
CARTHAGE C.U.D. #338
CARY SCHOOL
CASEY WESTFIELD COM U SCHL
CASS SCHL
CATLIN COMM UNIT SCHOOL
CENTER CASS SCHOOL DIST #66
CENTRAL A&M CUSD #21
CENTRAL CITY SCHOOL
CENTRAL COMMUNITY HIGH SCHL
CENTRAL COMMUNITY UNIT 4
CENTRAL COMMUNITY UNIT SCHOOL
CENTRAL IL ED SER CTR 14
CENTRAL IL VOC EDUC CO-OP
CENTRAL SCHOOL
CENTRAL SCHOOL
CENTRALIA SCHOOL
CENTRALIA TWP HS
CENTURY UNIT SCHOOL
CERRO GORDO SCHOOL
CHAMPAIGN SCHL
CHAMPAIGN/FORD VOCATIONAL SYS.
CHANEY MONGES SCHOOLS
CHANNAHON SCHOOL
CHARLESTON SCHOOL
CHENOA SCHL
CHERRY SCHOOL
CHESTER COM U SCHL
CHESTER EAST LINCOLN
CHESTER MENTAL HEALTH CTR
CHICAGO HTS SCHL
CHICAGO READ M H CTR
CHICAGO RIDGE SCHOOL
CHOATE MENTAL HEALTH CENTER
CHRISTIAN COUNTY SPECIAL ED
CHRISTIAN-MONT. EDUC FOR EMPL
CHRISTOPHER COMM HS
CHRISTOPHER SCHL
CICERO SCHOOL
CISSNA PARK CUSD 6
CLAY CITY COMM UNIT DIST #10
CLIFF BARSTOW SCHOOL
CLINTON SCHOOL
COAL CITY SCHOOL
COBDEN SCHOOL
COLCHESTER CUSD 180
COLLINSVILLE SCHOOL
COLONA SCHOOL
COLUMBIA UNIT SCHL
COM CON SCHL
COM U DIST 5
COMM UNIT SCHOOL
COMM CONS SCHL DIST 180
COMM CONS SCHOOL DISTRICT 93
COMM HS DIST #18
COMM HS DISTRICT 155
COMM UNIT DIST

COMM UNIT DIST #899
COMM UNIT SCHL 3
COMM UNIT SCHL DIST #200
COMM UNIT SCHL DIST #200
COMM UNIT SCHOOL DIST 11
COMM UNIT SCHOOL DIST 4
COMMUNITY CONS SCHOOL
COMMUNITY CONS. SCH. DIST. 15
COMMUNITY CONSOLIDATED SD #54
COMMUNITY UNIT SCHL
COMMUNITY UNIT SCHL DIST 6
COMMUNITY UNIT SCHOOL
COMMUNITY UNIT SD #01
CONGERVILLE EUREKA SCHL
CONSOLIDATED H. S. DIST #20
COOP FOR EMPLOYMENT EDUCATION
CORNELL SCHOOL
CORRECTIONS SCHL DIST #28
COULTERVILLE SCHOOL
COUNTRY CLUB HILLS SCHOOL
COUNTY SUPT ESR
COWDEN HERRICK HIGH SCHOOL
COWDEN-HERRICK SCHOOLS
CRAB ORCHARD SCHL
CRESCENT CITY SCHOOL
CRESCENT IROQUOIS CO
CRESTON SCHOOL
CRETE MONEE SCHL
CREVE COEUR PUBLIC SCHOOLS
CRYSTAL LAKE SCHOOL
CYPRESS SCHOOL
DAKOTA SCHOOL
DALLAS CITY COM UNIT
DALZELL SCHOOL
DAMIANSVILLE SCHL
DANVILLE C C SCHL
DARIEN PUBLICSCHLS
DAVEA
DECATUR SCHL
DEER CREEK - MACKINAW
DEER PARK SCHOOL
DEERFIELD SCHL
DEKALB CTY SPEC ED
DEKALB SCHL
DELABAR VOC ED REG
DELAN WELDON SCHL
DELAN SCHOOL
DEPT OF REHAB - 41-201
DEPT OF REHAB - 41-202
DEPT OF REHAB-CHILD HOSP.
DEPT OF REHAB-VISUALLY IMPAIRE
DEPT. OF REHAB-SCHL FOR DEAF
DEPT OF REHABILITATION
DEPUES SCHOOL
DES PLAINES SCHOOL
DESOTO GRADE SCHOOL
DIAMOND LAKE SCHL
DIETERICH SCHOOL
DIMMICK CONSOLIDATED SCHOOL
DISTRICT 50 SCHOOLS
DIVERNON SCHOOL
DIXON PUBLIC SCHOOLS
DODDS SCHOOL
DOLTON SCHL
DOLTON SCHOOL
DONGOLA SCHOOL
DONOVAN CUSD 3
DOWNERS GROVE COMM HS
DOWNERS GROVE SCHOOL
DRUG FREE SCHOOL & TRCY PROG
DUNFERMLINE SCHL
DUNLAP COMM UNIT SCHOOL
DUPAGE HIGH SCHOOL
DUPO SCHOOL
DUQUOIN COMM UNIT
DURAND SCHOOL
DWIGHT COMMON SCHL DIST #22
DWIGHT TWP HS
E ALTON WOOD RIVER HS
E CENTRAL IL ED SERV CTR
E ST LOUIS SCHOOL
EARLVILLE SCHOOL
EAST ALTON SCHL
EAST COLOMA SCHOOL
EAST DUBUQUE SCHOOL
EAST MAINE SCHOOL
EAST MOLINE SCHOOL
EAST PEORIA COM HS
EAST PEORIA SCHOOL
EAST PRAIRIE SCHOOL
EAST RICHLAND C U SCHL
EASTLAND COMMUNITY UNIT DIST
EDGAR CTY COMM UNIT DIST #6
EDINBURG COMM. UNIT #4
EDMUND FLINDOP SCHL

EDUCATION FOR EMPLOYMENT
EDUCATION FOR EMPLOYMENT
EDUCATION GRANTS
EDUCATIONAL DEVELP CTR
EDUCATIONAL SERV CTR 12
EDUCATIONAL SERVICE CTR 11
EDUCATIONAL SERVICE CTR 17
EDUCATIONAL SERVICE CTR 4
EDUCATIONAL SERVICE REGION
EDUCATIONAL THERAPY CTR
EDWARDS CO CU SCHOOL
EDWARDSVILLE SCHOOL
EFFINGHAM SCHOOL
EGYPTIAN COMM UNIT SC
EGYPTIAN ED SERVICE CTR 18
EISENHOWER COOPERATIVE
EL PASO SCHL
ELDORADO COMM UNIT
ELEMENTARY SCHOOL DIST 159
ELGIN MENTAL HEALTH CTR
ELGIN SCHL
ELIASBETH LUDEMAN CENTER
ELK GROVE SCHL
ELMHURST CUSD
ELMWOOD COM UNIT SCHL
ELMWOOD PARK COMMUNITY SCHOOLS
ELVERADO COMM UNIT SCHL
ELWOOD SCHOOL
EMMONS SCHL
ERIE COMM SCHOOL UNIT
ESL REGIONAL VOCATIONAL SYSTEM
ESWOOD COMM CONS
EVANSTON TOWNSHIP HS
EVANSTON/SKOKIE SD
EVERGREEN PARK COMM
EVERGREEN PARK SCHOOL
EWING NORTHERN SCHOOL
FAIRFIELD COMM HS
FAIRFIELD SCHOOL
FAIRMONT SCHL
FAIRVIEW SCHOOL
FARMINGTON CENTRAL UNIT SCHL
FARRINGTON SCHOOL
FED ADULT ED PROJECT
FENTON HIGH SCHOOL
FIELD SCHOOL
FIELDCREST CUSD #6
FINDLAY SCHOOL
FISHER C U SCHL DIST #1
FLANAGAN SCHOOL
FLORA COM U SCHOOL
FLOSSMOOR SCHL
FORD HEIGHTS SCHL
FORD IROQUOIS CO SP ED
FOREST PARK SCHOOL
FOREST RIDGE SCHOOL
FOUR RIVERS SPECIAL ED
FOX DEVELOPMENT CENTER
FOX LAKE SCHL
FOX RIVER GROVE SCHOOL
FRANKFORT COMM UNIT
FRANKFORT SCHOOL
FRANKLIN CUSD 1
FRANKLIN JEFFERSON CO SPEC ED
FRANKLIN PARK SCHL
FREEBURG COMM HS
FREEBURG SCHOOL
FREEPORT SCHOOL
FREMONT SCHOOL
FULTON CO CUBA SCHOOL
GALATIA COMM UNIT SCHL
GALENA UNIT DISTRICT
GALESBURG CUSD #205
GALLATIN COUNTY UNIT SD
GALVA SCHL
GARDNER S WILMINGTON
GARDNER SCHOOL
GAVIN SCHOOL
GEFF SCHOOL
GENESE SCHL
GENEVA SCHL
GENOA KINGSTON SCHL
GEO ZELLER ZONE CTR
GEORGETOWN-RIDGE FARM CU 4
GERMANTOWN HILLS SCHL
GERMANTOWN SCHOOL
GIANT CITY SCHOOL
GIBSON CTY-MELVIN-SIBLEY CUSD
GIFFORD SCHL
GIBSON CTY-MELVIN-SIBLEY CUSD
GIFTED PROGRAM
GILLESPIE SCHOOL
GIRARD SCHOOL
GLEN ELLYN SCHOOL
GLENBARD TWP HS
GLENCOE SCHL

GLENVIEW SCHOOL
GOREVILLE COMMUNITY UNIT 1
GOV PURCHASED CARE REVIEW
GOWER SCHOOL DIST 62
GRAND PRAIRIE SCHOOL
GRAND RIDGE SCHL
GRANITE CITY SCHOOL
GRANT COM HS
GRANT PARK SCHL
GRANTS
GRASS LAKE SCHL
GRAYMONT COMM CONS SCHOOL
GRAYSLAKE COMM HS
GRAYSLAKE SCHOOL
GRAYVILLE SCHL
GREENFIELD SCHOOL
GREENVIEW SCHL
GRIDLEY SCHL
GRIGGSVILLE SCHL
GRUNDY AREA VOC CTR
GURNEE SCHOOL DIST #66
HALL TWP HS
HAMILTON CO CU
HAMILTON JEFFERSON COOP
HAMILTON SCHL
HAMPTON SCHOOL
HARDIN CO COMM UNIT
HARLEMSCHOOL
HARMONY EMGE SCHOOL
HARRISBURG COMM UNIT
HARRISON SCHL
HARTSBURG EMDEN SCHOOL
HARVARD SCHOOL
HARVEY PUBLIC SCHOOL
HAVANA SCHOOL
HAWTHORN SCHOOL DIST. 73
HAZEL CREST SCHOOL
HENRY-SENACHWINE CU DIST 6
HERITAGE DISTRICT #8
HERRIN COMM UNIT SCHL
HERSCHER SCHOOL
HEYWORTH SCHOOL
HIWATHA SCHOOL
HIGH MOUNT SCHOOL
HIGHLAND PARK TWP HS
HIGHLAND SCHOOL
HIGHLANDS SCHL
HILLSBORO SCHOOL
HILLSIDE SCHOOL
HINCKLEY BIG ROCK
HINSDALE SCHOOL
HINSDALE TWP HS
HOLLIS CONS SCHL
HOMER COMM CONS SCHOOL
HOMEWOOD FLOSSMOOR C
HOMEWOOD SCHOOL
HONONEGAH COMMUNITY HS
HOOVER SCHRUM SCHOOL
HOYLETON CONS SD #99
HUNTLEY SCHOOL
HUTSONVILLE SCHOOL
IL FEDERATION OF TEACHERS
IL STATE BOARD OF EDUC
IL STATEWIDE FACILITATOR CTR
IL VALLEY CENTRAL U SCHL
IL VALLEY ED SERV CTR 9
ILLINI BLUFFS UNIT
ILLINI CENTRAL CUSD 189
ILLINOIS ASSN. OF SCHL BOARDS
ILLIOPOLIS SCHOOL
INA SCHOOL
INDIAN PRAIRIE C M SCHL
INDIAN VALLEY VOCATIONAL CTR
INDUSTRY SCHOOL
IROQUOIS CO C U SCHL
IROQUOIS WEST SCHL
IRVINGTON CONSOLIDATED SCHOOL
ITASCA SCHOOL
IUKA COMM CONS SCHL 7
JACKSON PERRY EDUCATIONAL SERV
JACKSONVILLE MH DEV CTR
JACKSONVILLE SCHOOL
JAMAICA COM U
JAMP SPECIAL EDUCATION SERV.
JASPER COMM U
JASPER SCHOOL
JERSEYVILLE SCHOOL
JO DAVISS CARROLL AVC
JOHN WILSON, REG. SUPT.
JOHNSBURG SCHL
JOHNSTON CITY CUSD 1
JOLIET SCHOOL
JOLIET TOWNSHIP HS
JONESBORO SCHOOL
JOPPA MAPLE GROVE UNIT

KANKAKEE AREA CAREER CTR
KANKAKEE AREA SPEC COOP #50
KANKAKEE SCHOOL
KANSAS SCHL
KASKASKIA SPEC ED #01
KEENEYVILLE SCHOOL
KELL SCHOOL DIST. C-2
KENDALL CO SP ED COOP
KENILWORTH SCHOOL
KEWANEE SCHL
KILDEER COUNTRYSIDE CCSD #6
KINGS CONS SCHOOL DIST 144
KINNICKINICK SCHOOL
KIRBY SCHOOL
KNOXVILLE SCHL
KOMAREK SCHOOL
L E A S E
LADDS SCHOOL
LAGRANGE AREA DEPT SPEC ED
LAGRANGE SCHL DIST 102
LAGRANGE SOUTH SCHOOL
LAHARPE COMM UNIT SCHL
LAKE BLUFF SCHOOL DIST #66
LAKE CO AREA VOC CTR
LAKE COUNTY EDUC SERV REG
LAKE FOREST COMM HS 115
LAKE FOREST SCHOOL
LAKE PARK COMM HS
LAKE VILLA C C SCHL
LAKE ZURICH SCHOOL
LAMOILLE C U S
LANSING SCHOOL
LARAWAY SCHOOL
LASALLE PERU TWP HS
LASALLE SCHOOL
LAWRENCEVILLE COMM U
LEBANON COMM UNIT SCHL
LEE CENTER C U SCHL
LEEPERTOWN ELEM SCHL
LELAND SCHOOL
LEMONT SCHL
LEMONT TWP HS
LENA WINSLOW SCHOOL
LEROY COMMUNITY UNIT SCHOOLS
LEWISTOWN COMM HS
LEWISTOWN SCHOOL
LEXINGTON SCHL
LEYDEN COM HS
LIBERTY SCHOOL
LIBERTYVILLE PUBLICSCHLS
LIBERTYVILLE HS
LICK CREEK SCHL
LIMESTONE COMM HS
LIMESTONE WALTERS SCHL
LINCOLN COMM HS
LINCOLN DEVEL CTR
LINCOLN ELEM SCHOOL
LINCOLN SCHOOL
LINCOLN WAY COMM HS
LINCOLN-WAY AREA SPEC ED
LINCOLNSHIRE PRAIRIE VIEW SCHL
LINCOLNWOOD SCHL
LISBON GRADE SCHOOLS
LISLE PUBLIC SCHOOLS
LITCHFIELD SCHOOL
LIVINGSTON SCHOOL
LOCKPORT AREA SPE ED COOP
LOCKPORT SCHOOL DIST 91
LOCKPORT TOWNSHIP HS
LOGAN CONS SCHOOL
LOGAN-MASON-MENARD PUBLICSCHL
LOMBARD SCHOOL
LOSTANT CUSD #226
LOVEJOY SCHOOL
LOVINGTON SCHOOL
LOW POINT WASHBURN #21
LUDLOW SCHL
LYONS HS
LYONS SCHOOL
MABLEY DEVELOPMENT CENTER
MACOMB SCHL
MACON SCHOOL
MADDEN MENTAL HEALTH CENTER
MADISON SCHOOL
MAERCKER SCHOOL
MAHOMET SCHOOL
MALDEN SCHOOL
MALTA COMM UNIT
MANHATTAN SCHOOL DIST. 114
MANLIUS SCHOOL
MANNHEIM SCHOOL
MANTENO COMM UNIT DIST. 5
MARENGO COMM HS
MARENGO-UNION ELEMENTARY CONS

MARION SCHOOL
MARISSA C U
MAROA FORSYTH COM HS
MARQUARDT SCHOOL
MARSEILLES SCHOOL
MARSHALL SCHL
MARTINSVILLE SCHL
MASCOUTAH COMM UNIT
MASSAC COUNTY UNIT SCHOOL
MATTESON SCHOOL
MAYWOOD SCHL
MAZON-VERONA-KINSMAN COMM UNIT
MCCELLAN SCHL
MCFARLAND MENTAL HEALTH
MCHENRY ELEM SCHOOL DIST #15
MCHENRY HS
MCKINLEY SCHOOL
MCLEAN CO UNIT DIST
MEDINAH ELEMENTARY SCHOOL
MENDOTA GRADE SCHOOL
MENDOTA TWP HS
MEREDOSIA SCHL
MERIDIAN COMM UNIT
MERIDIAN C U SCHL
MERIDIAN C.U.S.D #15
MERRIAM COMM CONS
METAMORA SCHOOL
METAMORA TWP HS
METRO CNA SERVICES
MID COUNTY SCHL
MID ILLINOIS ESC 15
MIDLOTHIAN SCHL
MIDWEST CENTRAL DIST. 191
MILFORD SCHL
MILFORD TWP HS
MILLBURN SCHL
MILLER SCHOOL
MILLSTADT SCHOOL
MINOOKA COMM HS
MINOOKA SCHOOL
MOKENA SCHOOL
MOLINE SCHOOL
MOMENCE COMM UNIT SCHL 1
MONMOUTH PUBLICSCHOOLS
MONROE SCHOOL
MONTICELLO COM U SCHOOL
MONTMORENCY SCHL
MORRIS COMM HS
MORRIS SCHOOL
MORRISONVILLE SCHOOL
MORTON GROVE SCHOOL
MORTON GROVE SCHOOL
MORTON TOWNSHIP SCHOOL
MORTON UNIT SCHOOL
MT CARROLL C U S DIST
MT OLIVE SCHL
MT PROSPECT SCHOOL
MT PULASKI COM UNIT
MT VERNON SCHOOL
MT VERNON TWP HS
MT ZION SCHOOL
MULBERRY GROVE SCHL
MUNDELEIN CONS HS
MUNDELEIN SCHOOL DIST #76
MURPHYSBORO SCHL
N BOONE COM UNIT SCHOOL
N CLAY COMM UNIT
N WAYNE COMM U SCHL
NAPERVILLE COMMUNITY SCHOOL
NASHVILLE COMM HS
NASHVILLE SCHL DIST #49
NAUVOO SCHOOL
NELSON SCHOOL
NEOGA COM UNIT 3 SCHL
NEPONSET COM U SCHL
NETTLE CREEK SCHOOL
NEW ATHENS SCHOOL
NEW BERLIN SCHL
NEW HOLLAND MIDDLETOWN #8
NEW HOPE CCSD
NEW LENOX SCHOOL
NEW SIMPSON HILL SCHL
NEW TRIER TOWNSHIP HS
NEWARK C C GRADE SCHL
NEWARK COMM HS
NIANTIC-HARRISTOWN SCHOOLS
NILES SCHOOL
NILES TOWNSHIP HS
NOKOMIS SCHL
NORRIDGE SCHOOL
NORRIS CITY-OMAHA-ENFIELD
NORTH CENTRAL REG EDUC LAB
NORTH CHICAGO SCHOOL
NORTH GREENE DIST 3
NORTH PALOS SCHL

NORTH PEKIN-MARQUETTE HTS
NORTH SHORE SCHOOL DIST #112
NORTH WAMAC SCHL
NORTHBROOK SCHOOL
NORTHBROOK SCHOOL
NORTHFIELD TWP HS
NORTHWEST SCHOOL
NORTHWEST SPECIAL ED DIST
NORTHWESTERN IL ASSO
NORTHWESTERN SCHOOL
NORWOOD SCHOOL
NSSEO
O FALLON TWP HS
OAK GROVE SCHOOL
OAK GROVE SCHOOL
OAK LAWN COMM HS DIST #229
OAK LAWN HOMETOWN SCHOOL
OAK PARK ELEM SCHOOL
OAK PARK RIVER FOREST HS
OKDALE SCHOOL
OAKLAND SCHOOL
OAKWOOD C U SCHL
OBLONG COM UNIT SCHL
ODELL SCHL
ODIN COMMUNITY HIGH SCHOOL
ODIN SCHOOL
OFALLON SCHL
OGDEN COMMUNITY CONS. SCHOOL
OGLESBY SCHOOL
OHIO AND WABASH VALLEY VOC SYS
OHIO COMMUNITY CONS
OHIO COMMUNITY HS
OLYMPIA SCHL
OPYDKE BELLE RIVE GR SCHL
OPHIR SCHOOL
ORANGEVILLE SCHOOL
OREGON SCHOOL
ORION SCHOOL
ORLAND PARK SCHOOL
OSWEGO SCHOOL
OTTAWA SCHL
OTTAWA TWP HS
OTTER CREEK SCHOOL
OUT OF STATE
PALATINE TWP HS
PALESTINE SCHOOL
PALOS HEIGHTS SCHOOL
PALOS SCHL
PANAS SCHOOL
PANHANDLE C U SCHL
PARIS SCHOOL
PARIS UNION SCHL
PARK FOREST SCHOOL
PARK RIDGE SCHOOL
PASS/ADULT EDUCATION
PATOKA C U SCHOOL
PATTON SCHOOL DIST. 153
PAWNEE CUSD #11
PAXTON-BUCKLEY-LODA COMM UNIT
PEARL CITY SCHL
PECATONICA SCHOOL
PEKIN COMMUNITY HIGH SCHOOL
PEKIN SCHOOL
PEMBROKE SCHOOL
PENNOYER SCHL
PEORIA COUNTY ROE
PEORIA HTS COMM UNIT SCHL
PEORIA SCHOOL
PEOTONE SCHOOL
PERRY COM HS
PERRY SCHOOLS
PERU SCHOOL
PHILIP J ROCK SCHL & SERV CTR
PIKELAND SCHOOL
PINCKNEYVILLE SCHL
PINCKNEYVILLE COMM HIGH SCHOOL
PLAINFIELD SCHL
PLANO C U SCHOOL
PLEASANT HILL SCHL
PLEASANT HILLS SCHOOL
PLEASANT PLAINS SCHOOL
PLEASANT VALLEY SCHOOL
PLEASANTDALE SCHOOL
POLO COMMUNITY UNIT SCHOOL
PONTIAC ESMEN SCHOOL
PONTIAC SCHL DIST
PONTIAC SCHOOL
PONTIAC TWP HS
POPE CO COMM UNIT SCHL
PORTA COMM UNIT
POSEN ROBBINS SCHOOL
POTOMAC COMM UNIT
PRAIRIE CENTRAL SCHOOL

Statistical Summary

Continued

Schedule of Participating Employers

Continued

PRAIRIE DU ROCHER	SCHOOL DIST 186	THOMASBORO SCHOOL	WESTERN SPRGS SCHOOL
PRAIRIE GROVE SCHOOL	SCHOOL DIST NO 80	THOMPSONVL COM H SCHL	WESTMER COMM UNIT
PRAIRIE HILL SCHOOL	SCHOOL DISTRICT #95	THOMPSONVL GR SCHL	WESTVILLE C U SCHL
PRAIRIE HILLS ELEM SCHOOL	SCHOOL DISTRICT 151	THOMSON SCHOOL	WETHERSFIELD SCHOOL
PRAIRIEVIEW CC GR SCHL	SCHUYLER CO C U SCHL	THORNTON FRACTIONAL	WHEELING SCHOOL
PRICHARD CLARK SCHL	SEDC67 100 0020 61 MARION	THORNTON SCHOOL	WHITESIDE SCHOOL
PRINCETON HIGH SCHOOL	SEDOM	THORNTON TWP HS	WILCO AREA CAREER CENTER
PRINCETON SCHL	SEIA 805 PAEC	TINLEY PARK MENTAL HLTH CTR	WILL CO SCHOOL DISTRICT
PRINCEVILLE COMMUNITY UNIT	SEIA 804 NSSED	TINLEY PARK SCHOOL	WILLIAMSFIELD SCHOOL
PROPHETSTOWN-LYNDON	SELMVILLE COMMSCHOOL	TISKILWA SCHOOL	WILLIAMSON CO SUPT OF SCHLS
PROSPECT HTS SCHL	SENECA GRADE SCHOOL	TMCEA	WILLIAMSVILLE SCHL
PROVISO TWP HS	SENECA TWP HIGH SCHOOL	TOLEDO SCHOOL	WILLOW GROVE SCHOOL
PUFFER-HEFTY SCHL DIST 69	SESSER VALIER COM UNIT	OLONO SCHOOL	WILLOW SPRINGS SCHOOL
PUTNAM CO COM UNIT SCHL	SHABBONA SCHOOL	TONICA SCHOOL	WILMETTE SCHOOL
QUEEN BEE SCHOOL	SHAPIRO DEVELOPMENTAL CTR	TOWER HILL COMM HS	WILMINGTON COMM UNIT
QUINCY SCHOOL	SHAWNEE C U SCHOOL	TOWER HILL SCHL	WINCHESTER CU SCHOOL
R O W V A SCHOOL	SHELBYVILLE SCHOOL	TOWNSHIP H S DIST #14	WINDSOR SCHOOL
RACCOON SCHL	SHELDON COMMUNITY DIST. #5	TOWNSHIP HIGH SCHOOL	WINFIELD SCHOOL
RAMSEY COMMUNITY UNIT SCHOOL	SHERRARD SCHOOL	TREES	WINNEBAGO SCHOOL
RANDOLPH CO SPEC ED	SHILOH SCHOOL DIST. #1	TREMONT SCHOOL	WINNETKA SCHOOL
RANKIN SCHOOL	SHILOH VILLAGE SCHOOL	TRI CITY SCHL	WINTHROP HARBOR SCHL
RANTOUL CITY SCHOOL	SHIRLAND SCHOOL	TRI COUNTY EDUCATION SERV CTR	WITT SCHOOL
RANTOUL TOWNSHIP HS	SIGNAL HILL	TRI COUNTY EDUCATION SERV CTR	WM HOWE DEVL P CTR
REAVIS TWP HS	SILVIS SCHOOL	TRI COUNTY SPE ED ASSO	WOOD DALE SCHOOL
RED BUD SCHOOL	SINGER MENTAL HEALTH	TRI POINT COMMSCHOOL	WOOD RIVER SCHOOL
RED HILL COMM UNIT	SKOKIE SCHOOL	TRI VALLEY SCHL	WOODFORD CO SPEC ED
REED CUSTER COM U SCHL	SKOKIE SCHOOL DIST. #69	TRI-COUNTY SPEC ED CO-OP	WOODLAND COMM CONS SCHL DIS 50
REG DEL SYS VOC ED AND GIFTED	SKOKIE SCHOOL DIST. 75.5	TRIAD COM SCHL	WOODLAND STREATOR
REG SUPT OF SCHOOLS	SMITHTON SCHOOL	TRICO COMM UNIT	WOODLAWN COMM HS
REGIONAL FILM LIBRARY	SO WILL CO COOP FOR SPEC ED	TRIOPIA CU SCHL	WOODLAWN SCHOOL
REGIONAL OFFICE OF EDUCATION	SOMONIAK COMM UNIT SCHL	TROY SCHOOL DISTRICT 80-C	WOODRIDGE SCHOOL
REGIONAL SUPT	SOUTH BELOIT PUB SCHL	TRUANCY ALT PROG RES OFF	WOODSTOCK COMM UNIT
REGIONAL SUPT OF SCHOOLS	SOUTH CENTRAL COMM UNIT	TRUANT ALTERNATIVE PROG	WORTH SCHOOL
REGIONAL SUPT SCHOOLS	SOUTH COOK ESC #7	TRUANTS ALT & OPT EDUC PROGRAM	WYANET GRADE SCHOOL
RHODES SCHOOL	SOUTH EASTERN SPEC ED	TUSCOLA SCHOOL	WYANET HIGH SCHOOL
RICH TWP HS	SOUTH FORK SCHOOL	TWIN RIVERS REG VOC DEL SYS	YORKVILLE CUSD #115
RICHLAND GRADE SCHOOL	SOUTH METROPOLITAN ASSO 801	TWO RIVERS VOC EDUC SYSTEM	YORKWOOD SCHL
RICHMOND BURTON HS	SOUTH PEKIN GRADE SCHOOL	UNION COMMUNITY UNIT SCH#115	ZEIGLER ROYALTON C U
RICHMOND SCHOOL	SOUTH WILMINGTON GRADE SCHOOL	UNION RIDGE SCHOOL	ZION BENTON TWP HS
RIDGELAND SCHL	SOUTHEASTERN COMM UNIT	UNION SCHOOL	ZIONSCHOOL
RIDGEVIEW COMM UNIT SCHOOLS	SOUTHERN COMM UNIT	UNIT SCHOOL DIST #21	
RIDGEWOOD COMM HS	SOUTHWEST COOK COOP	UNITED TWP HS	
RILEY SCHOOL	SOUTHWESTERN SCHL	UNITY POINT SCHOOL	
RIVER BEND COMM U SCHL	SPARLAND SCHL	URBANA SCHOOL DISTRICT 116	
RIVER FOREST SCHOOL	SPARTA CU	UTICA ELEM SCHL	
RIVER GRV SCHL	SPEC ED COOP	V I T SCHOOL	
RIVER RIDGE CU SCHL	SPEC ED SEJA 801	VALEES	
RIVER TRAILS SCHL	SPEC ED TCHR	VALLEY VIEW SCHOOL	
RIVERDALE SCHOOL	SPEC ED DIST OF LAKE CO	VALMEYER SCHOOL	
RIVERDALE SCHOOL	SPECIAL ED TEACHER	VANDALIA COMMSCHLS	
RIVERSIDE BROOKFIELD SCHOOL	SPECIAL ED DIST - REGION 5	VENICE SCHOOL	
RIVERSIDE SCHOOL	SPECIAL PROJECTS	VERMILION ASSOC SPEC EDUCATION	
RIVERTON COMM UNIT	SPEED ED COOP	VIENNA SCHL	
RIVERVIEW SCHOOL	SPOON RIVER VALLEY SCHOOL	VIENNA TWP HS	
ROANOKE BENSON SCHOOL	SPRING GRV ELEM SCHL	VILLA GROVE SCHOOL	
ROBEIN SCHOOL	SPRING LAKE C C SCHL	VILLA PARK SCHOOL	
ROCHELLE SCHOOL	SPRING VALLEY SCHOOL	VIRGENIA SCHOOL	
ROCHELLE TWP HS	SPRINGFIELD SCHOOLS	VOCATIONAL ED PROJECT	
ROCHESTER SCHL	ST ANNE COMM HS	VOCATIONAL EDUCATION SYSTEM	
ROCK FALLS HS	ST ANNE SCHOOL	W CHICAGO COMM HS	
ROCK FALLS SCHOOLS	ST DAVID SCHOOL	W NORTHFIELD SCHL	
ROCK ISLAND SCHOOL	ST ELMO SCHL	W WASHINGTON CU SCHL	
ROCKDALE SCHL	ST GEORGE SCHOOL DIST #58	W LINCOLN-BROADWELL	
ROCKFORD PUBLIC SCHOOLS	ST JOSEPH OGDEN SCHL	WABASH & OHIO VALLEY SE DIST	
ROCKRIDGE COM U SCHL	ST JOSEPH SCHOOL	WABASH COMM UNIT SCHL	
ROCKTON SCHL	ST LIBORY SCHOOL	WALLACE	
ROME SCHOOL	ST CHARLES SCHOOL	WALNUT COMMUNITY HIGH SCHOOL	
RONDOUT SCHOOL	ST ROSE SCHOOL	WALNUT GRADE SCHOOL	
ROSELLE SCHOOL	STARK CTY CUSD #1000	WALTHAM SCHOOL	
ROSEMONT SCHOOL	STAUNTON SCHOOL	WALTONVILLE SCHOOL	
ROSEVILLE SCHL	STEELEVILLE SCHOOL	WARREN G. MURRAY DEV. CENTER	
ROSSVILLE COMMUNITY UNIT	STEGER SCHL DIST 194	WARREN SCHL	
ROUND LAKE COMM UNIT	STEPHENSON ARE VOC TECH ED SYS	WARREN SCHOOL	
ROXANA SCHL	STEWARDS SCHOOL	WARREN TWP HIGH SCHOOL	
RUTLAND SCHOOL	STEWARDSON STRASBURG	WARRENSBURG LATHAM	
SALEM COMM HS	STICKNEY CENTRAL SCHOOL	WARSAW SCHOOL	
SALEM SCHOOL	STOCKTON SCHOOL	WASHINGTON COM HS	
SALT CREEK SCHOOL	STREATOR ELEMENTARY SCHOOLS	WASHINGTON ELEMENTARY SCHOOL	
SANDOVAL CU DIST #501	STREATOR TWP HIGH SCHOOL	WATERLOO SCHOOL	
SANDRIDGE SCHOOL	SULLIVAN SCHOOL	WAUCONDA CU SCHL	
SANDWICH SCHOOL	SUMMERSVILLE SCHOOL	WAUKEGAN PUBLIC SCHOOLS	
SANGAMON AREA SPECIAL ED	SUMMIT HILL ADM OFF	WAVERLY COMMUNITY UNIT SCHL	
SARATOGA SCHOOL	SUNNYBROOK S D 171	WAYNE CITY COMM U	
SASED	SUNSET RIDGE SCHOOL	WCICC/TAP/ESC 8	
SAUK VILLAGE SCHOOL	SUPT ED SERV REG	WEBBER TWP HS	
SAUNEMIN ELEMENTARY	SUPT ESR	WENTWORTH WILSON SCHL	
SAVANNA CU S DIST	SYCAMORE COMM UNIT SCHL	WESCLIN SCHOOL	
SAVER	TAF T SCHOOL	WEST CENTRAL IL SPEC ED COOP	
SCALES MOUND SCHOOL	TAMAROA SCHL	WEST CHICAGO ELEM SCHLS	
SCHILLER PK SCHL	TAMPICO COMM UNIT	WEST HARVEY-DIXMOOR SCHOOLS	
SCHL DIST 89	TAOEP	WEST PIKE SCHOOL	
SCHOOL DIST 0880	TAYLORVILLE SCHOOL	WEST RICHLAND CU SCHL	
SCHOOL DIST 100	TEACHERS RETIREMENT SYSTEM	WESTCHESTER SCHL	
SCHOOL DIST 109	TEUTOPOLIS SCHOOL	WESTERN CU SCHOOL	

Teachers' Retirement System of the State of Illinois

Investment Summary

This list identifies contributing employers as of the date of this report and may reflect consolidations which have occurred since June 30, 1994.

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 \$12.3 billion at market value on June 30, 1994. 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 risk-adjusted rate of return while minimizing the risk of negative returns from adverse short-term changes in the capital markets.

At June 30, 1994, the System's asset class allocations and diversification by investment approach are summarized in the following chart:

Percent of Total Fund			
Asset Class	Active	Index	Total
Common Stock—U.S.	23.6	0.0	23.6
Bonds	38.4	3.1	41.5
Short-Term Investments	7.0	0.0	7.0
Currency Investments	-0.1	0.0	-0.1
Common Stock			
—International	11.2	0.0	11.2
Real Estate Equity	15.1	0.0	15.1
Alternative Investments	1.7	0.0	1.7
Total	96.9	3.1	100.0

During FY 94, the System's U.S. common stock holdings decreased to 23.6% of the total fund, from 30.4% a year earlier. International common stock allocations increased to 11.2% from 9.1% of the total fund, leaving fiscal year-end total common stock holdings at 34.8% of the total fund.

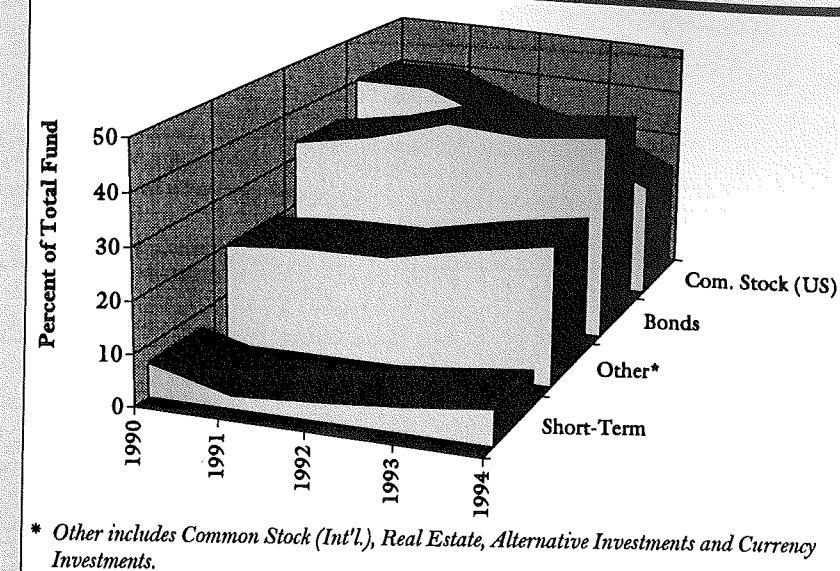
Bonds increased to 41.5% of the total fund from 39.8% a year earlier.

Real estate equities represented 15.1% of the total fund at fiscal year's end. This compares to 13.6% from the previous fiscal year's end. The fund's five-year asset class allocation history is represented at right.

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 FY 94 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.

Asset Allocation History



On June 30, 1994, the following external firms were employed by the System:

Fixed Income (Bonds)—U.S.

Abacus Financial Group, Inc.
American National Bank of Chicago
Bear Stearns Asset Management
Huff Asset Management
Pacific Investment Management Co.
Weiss, Peck & Greer Investments

Fixed Income (Bonds)

—International
Brinson Partners, Inc.
J. P. Morgan Investment Management, Inc.
Julius Baer
Pacific Investment Management Co.
Putnam Advisory Company
Smith Barney

Equity (Common Stock) - U.S.

Ariel Capital Management, Inc.
Ark Asset Management
Brandywine Asset Management, Inc.
Brinson Partners, Inc.
Cedar Hill Associates, Inc.
Eagle Asset Management, Inc.
Fiduciary Management Associates
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 Co.
Pena Asset Management
RCM Capital Management
RXR Capital Management, Inc.

Equity (Common Stock)

—International
Ark Asset Management
Blairlogie International
Brandywine International
Brinson Partners, Inc.
Clay Finlay, Inc.
Daiwa International Capital Management Corp.
Delaware International Advisors, Ltd.
Hotchkis & Wiley International
IDS International Corporation
PCM International
Pyrford 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
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

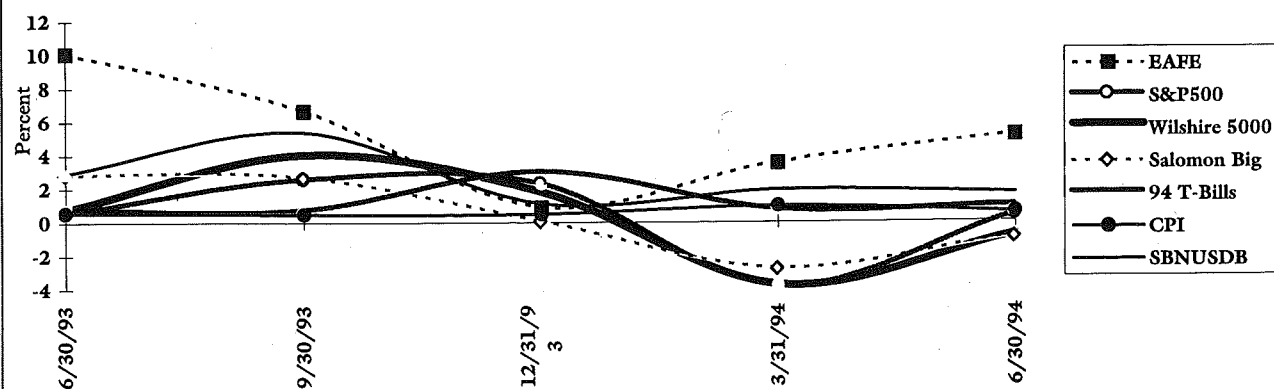
Management
A.G. Bisset
RXR Capital Management, Inc.

Investment Summary

ASSET CLASS/MARKET INDICES RETURNS

During FY 94, international common stock, was the best performing asset class as represented by the Europe, Australia and Far East (EAFE) Index which returned 17%. Non-U.S. dollar bonds were the next best performing asset class, as represented by the Salomon Non-U.S. dollar bond index, returning 10.5%. U.S. common stock, as represented by the the S&P 500 Index and the Wilshire 5000 Index, returned 1.4% and 1.2% respectively. Domestic Bonds returned -1.2% as represented by the Salomon Broad Investment Grade (BIG) Index. Short-term investments, represented by 91-day Treasury Bills, returned 3.3%. The annual rate of inflation as represented by the Consumer Price Index (CPI) was at 3.3% for FY 94.

Asset Class Cumulative Return by Representative Indices



TOTAL FUND RESULTS

The System's total fund time-weighted rate of return for FY 94 of 4.7% was primarily attributable to the strength of the international bond and stock markets. The System's total fund annualized three-year and five-year returns of 8.9% and 8.7%, respectively, continue to outperform the rate of inflation for these periods, 3.2% and 3.7%, 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 5,000 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.

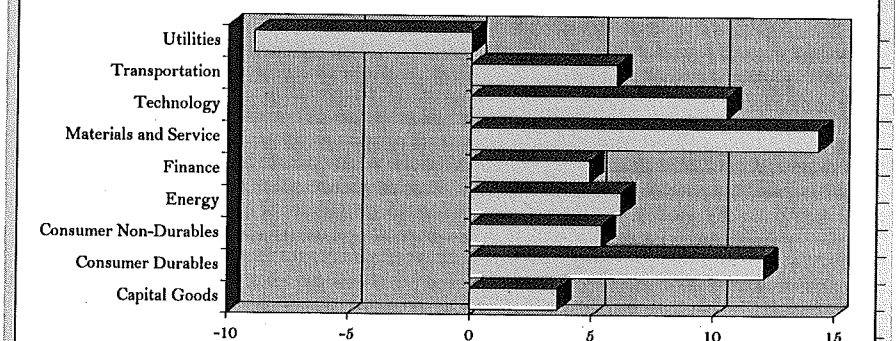
Major sector diversification changes took place during FY 94 in the portfolio's U.S. common stocks. The following listing summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices:

Diversification by Industry Sector (%)

Sector	June 30, 1994			June 30, 1993		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	30.1	31.7	29.2	30.2	33.5	29.7
Technology	14.4	11.3	11.6	12.7	9.4	10.2
Materials and Service	17.0	9.9	12.0	17.0	9.3	11.3
Utilities	6.0	13.6	12.6	6.5	14.8	14.5
Finance	13.5	11.6	16.3	13.2	11.1	15.7
Energy	9.0	11.1	7.7	9.8	11.4	8.0
Capital Goods	3.9	5.4	4.9	4.2	5.2	5.0
Consumer Durables	3.6	3.6	3.6	4.7	3.4	3.6
Transportation	2.5	2.0	2.1	1.9	2.0	2.0

All S&P 500 industry sectors provided positive rates of return during FY 94 except utilities (-8.9%). Materials and service was the best performer (14.3%) with consumer durables (12.2%) and technology stocks (10.5%) as other notable sector performers.

S&P 500 Industry Sector Returns



U.S. equity managers made stock selection adjustments to their accounts during FY 94, 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

(As of June 30)

Sector	1994			1993		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	15.7	20.5	14.2	12.4	21.6	15.6
Price/Earnings Ratio	16.0	16.2	19.9	16.7	17.8	17.6
Dividend Yield (%)	2.5	2.9	2.7	2.3	2.8	2.5
Beta	1.0	1.0	1.1	1.0	1.0	1.1
Diversification (R-Squared)	1.0	1.0	1.0	1.0	1.0	1.0
Five-Year Earnings Growth Rate (%)	4.7	3.0	3.4	6.1	3.3	5.7
Market/Book Ratio	3.1	3.2	3.3	3.3	3.2	3.4

During FY 94, the System's portfolio of U.S. common stocks returned 2.7% compared to the S&P 500 return of 1.4% and the Wilshire 5000 return of 1.2%. For three- and five-years, U.S. common stocks generated annualized returns of 10.1% and 10.3%, respectively, comparable to the S&P 500 returns of 9.0% and 10.1% for the three-year and five-year periods, respectively. The portfolio's U.S. common stocks performed slightly less favorably than the three-year Wilshire 5000 return of 10.2% for the same period and outperformed the five-year Wilshire 5000 return of 10.1%.

At fiscal year end, 34.8% of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 39.7% the prior fiscal year end. During FY 94, TRS completed its move away from passive management, employing equity managers using either fully active or enhanced index management strategies. During FY 94, the market value of assets assigned to U.S. equity managers decreased from \$4.641 billion to \$4.107 billion due to \$64 million of dividend income/appreciation and \$663 million of reallocations from the U.S. equity asset class to other asset classes.

Investment Summary

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 FY 94, the portfolio's international common stocks returned 12.6%, as compared to a return of 17.0% for the 18 country foreign equity market EAFE Index.

The System's underperformance against the benchmark EAFE Index is primarily attributable to the systematic hedging of the System's currency exposure back into the U.S. dollar. During FY 94, the Japan and German currencies appreciated 7% and 9% versus the U.S. dollar respectively.

The benchmark EAFE Index returned 17%, of this, 7.5% was currency appreciation and the remaining 9.5% was due to country stock selection.

The TRS fund maintained its cautious view on Japanese equities, holding only 30.6% of its foreign equities in Japan as compared to its 37.2% relative weighting in the EAFE Index. During FY 94, the market value of assets assigned to international equity increased from \$1.202 billion to \$1.488 billion due to \$149 million of market value appreciation and \$137 million of reallocations from other asset classes.

ALTERNATIVE INVESTMENTS RESULTS

Alternative investments returned 1.6% during FY 94. 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, 1994, the System had a market value of \$275 million invested in six venture capital limited partnerships and one farmland partnership.

FIXED INCOME RESULTS AND PROFILE

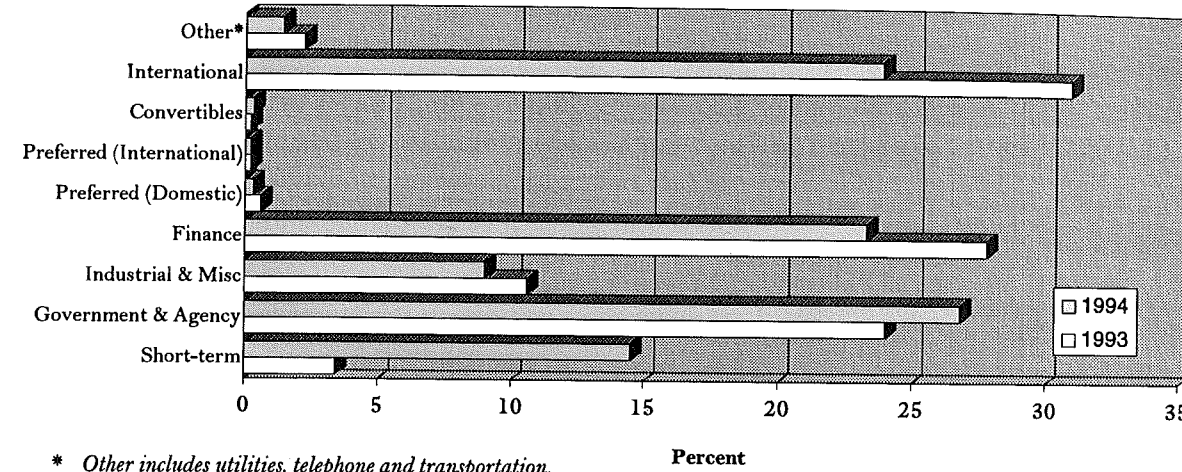
Fixed income manager objectives are to achieve a total investment return 2% in excess of the rate of inflation and in excess of the bond market, as measured by the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three to five-year period, or a market cycle. During FY 94, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a -0.60% total return, compared to the -1.2% return of the Salomon BIG Index.

The total funds under management by fixed income managers, including short-term investments, generated a 0.80% total return during FY 94. For a three- and five-year period, bonds generated 10.25% and 9.87% annualized returns, respectively, as compared to 8.4% and 8.5%, respectively for the BIG Index. During FY 94, the market value of total assets assigned to fixed income managers, including short-term investments, decreased from \$4.083 billion to \$4.024 billion due to \$145 million in interest income/appreciation and reallocation of \$204 million from the bond asset class to other asset classes.

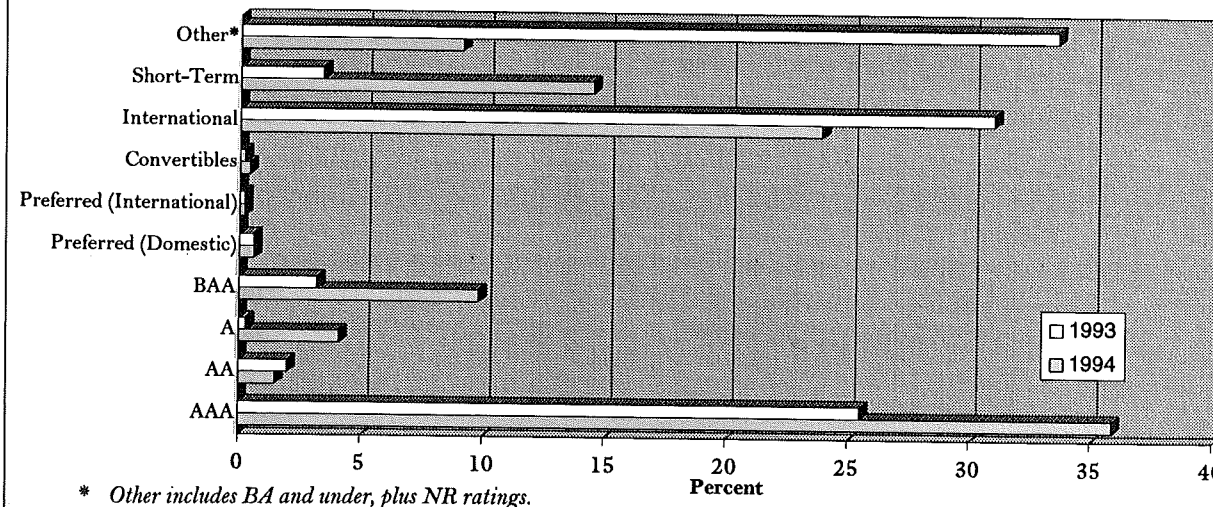
Fixed income assets invested in the international marketplace comprised \$1.239 billion of the \$4.024 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 3.9% in fiscal 1994, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 10.5%.

The exhibits on the following page reflect changes made within fixed income manager portfolios during FY 94 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 Managers



Diversification by Quality Rating for Fixed Income Manager Portfolios



Bond Portfolio Profile

(As of June 30)

Characteristic	1994		1993	
	TRS	BIG	TRS	BIG
Maturity (years)	14.00	13.86	14.07	14.18
Duration (years)	6.81	4.78	6.88	4.27
Coupon (%)	8.69	7.55	8.54	8.11
Yield to Maturity (%)	7.48	7.39	6.18	7.29
Current Yield (%)	7.94	7.41	7.38	5.72

Investment Summary

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 9.7% during FY 94. The income component of the total return was 10.0%, while capital depreciation accounted for -0.30%.

The closed-end funds' total return of 5.19% underperformed the 9.85% total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 7.0% in excess of the rate of inflation. During FY 94, the market value of assets assigned to the System's real estate investment managers increased from \$1.599 billion to \$1.832 billion. This increase resulted from \$164 million in income/reinvested income, \$74 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$5 million for market value depreciation.

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 3.7%, during FY 94. For the five years ended June 30, 1994, short-term investments returned 5.3%, underperforming the 10.3% return of U.S. common stocks and the 9.4% return of bonds.

Investment Portfolio Summary

(June 30, 1994)

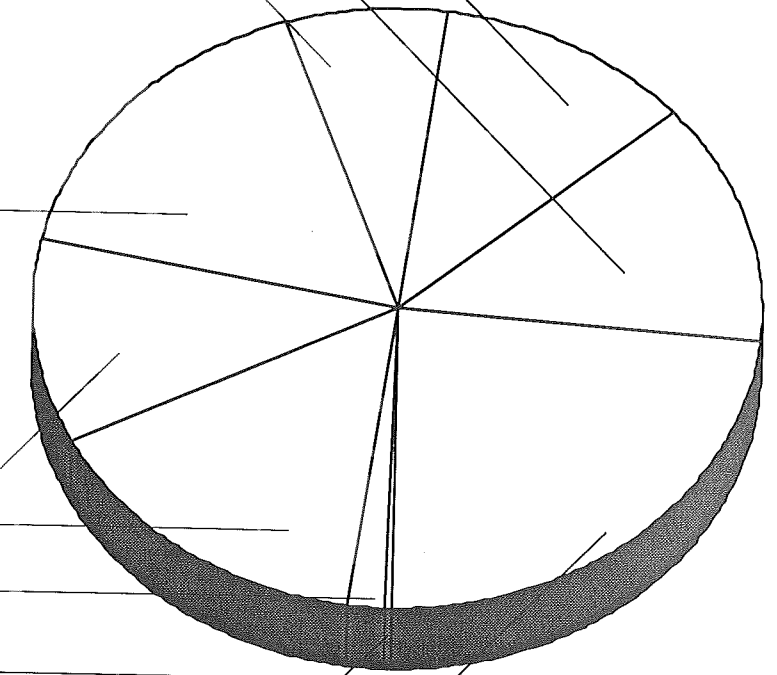
	Book Value	Percent of Total Book Value	Market Value	Percent of Total Market Value
BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS				
U.S. Government	626,817,433	5.1	616,860,226	5.0
Federal Agency	1,003,278,437	8.2	972,603,664	7.9
Municipal Bonds	12,676,404	0.1	12,649,060	0.1
Total Government Obligations	1,642,772,274	13.4	1,602,112,950	13.0
Corporate Obligations				
Finance	1,418,234,262	11.5	1,395,519,448	11.3
Industrial and Misc	552,262,004	4.5	537,795,793	4.4
Public Utilities	57,055,777	0.5	54,170,365	0.4
Transportation	28,071,961	0.2	27,288,257	0.2
Telephone	3,861,817	0.0	3,743,066	0.0
Convertible Issues	18,454,899	0.2	18,730,803	0.2
Total Corporate Obligation	2,077,940,720	16.9	2,037,247,732	16.5
International	1,452,907,887	11.8	1,433,476,770	11.6
Preferred Stock-U.S.	32,418,823	0.3	36,936,464	0.3
Preferred Stock-International	8,449,134	0.1	10,432,121	0.1
TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS				
	5,214,488,838	42.4	5,120,206,037	41.5
COMMON STOCK - U.S.	2,653,306,322	21.6	2,907,487,119	23.6
COMMON STOCK - INT'L	1,200,633,386	9.8	1,382,324,474	11.2
SHORT TERM INVESTMENTS*	816,622,742	6.6	864,916,458	7.0
REAL ESTATE EQUITY	2,186,714,141	17.8	1,857,192,981	15.1
ALTERNATIVE INVESTMENTS	193,983,106	1.6	207,994,408	1.7
CURRENCY INVESTMENTS	21,611,021	0.2	(6,298,606)	-0.1
TOTAL PORTFOLIO	12,287,359,556	100.0	12,333,822,871	100.0

* Includes accrued income and dividends totaling \$92,071,243

Composition of Investments at Market Value

(June 30, 1994)

Corporate Obligation—Int'l. (11.6%)	5.0% U.S. Government
Government Obligations (13.0%)	7.9% Federal Agency
	0.1% Municipal Bonds
Short-Term Investments (7.0%)	5.7% Other
	1.3% Investment Reserve Fund
	(Percent of Total)
	67.6% Commercial Paper
	16.8% Variable Notes
	1.2% Demand Notes
	6.6% Medium Term Notes
	1.2% Guaranteed Insurance
	7.0% Other
Corporate Obligations—U.S. (16.5%)	11.3% Finance
	4.4% Industrial
	0.4% Utilities
	0.2% Convertibles
	0.2% Transportation
	0.0% Telephone
Common Stock—International (11.2%)	
Real Estate Equity (15.1%)	
Alternative Investments (1.7%)	
Preferred Stock (0.4%)	
Common Stock—U.S. (23.6%)	30.1% Consumer Non-Durables
	14.4% Technology
	13.5% Finance
	17.0% Materials & Service
	6.0% Utilities
	9.0% Energy
	3.9% Capital Goods
	3.6% Consumer Durables
	2.5% Transportation
Currency Investments (-0.1%)	



Investment Summary

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 1990-1994
	1990	1991	1992	1993	1994	
Beginning Book Value	\$ 7,272	\$ 8,080	\$ 8,747	\$ 9,812	\$ 11,013a	\$ 7,406a
Net Contributions Added	(6)	5	(49)	(75)	10	(135)
Investment Income	466	463	493	520	559	2,501
Net Realized Gain (Loss)	348	199	621	622	430	2,220
Ending Book Value	8,080	8,747	9,812	10,880	11,992	11,992
Unrealized Gain (Loss) - Beginning of Period	817	844	706	627	665	817
Unrealized Gain (Loss) - During Period	27	(138)	(79)	38	(760)	(912)
Ending Market Value*	8,924	9,453	10,439	11,545	11,897*	\$11,897*

* Includes miscellaneous liabilities of \$437.0 million.

a Includes income and gain adjustment of \$133 million.

Performance Summary

(Annualized Percent for Periods Ending June 30, 1994*)

	1990	1991	1992	1993	1994	Annualized	
						3 Years	5 Years
Total Time-Weighted Return							
TRS Managers Combined	10.4	5.9	10.8	11.6	4.7	8.9	8.7
CPI	4.7	4.6	3.1	3.0	3.3	3.2	3.7
Common Stock - US							
TRS	13.9	7.4	13.5	14.7	2.7	10.1	10.3
S&P 500	16.4	7.4	13.5	13.6	1.4	9.0	10.1
Wilshire 5000	13.3	7.0	13.9	16.2	1.2	10.2	10.1
Bonds—US							
TRS-Equity Managers	7.3	11.5	16.2	13.7	-0.6	9.4	9.4
SLG/C	8.0	10.9	14.2	12.0	-1.5	8.4	8.5
Common Stock-International							
TRS-Equity Managers	20.9	-8.5	3.2	7.5	12.6	8.5	7.3
EAFE Index	3.2	-11.5	-0.3	20.5	17.0	-1.0	-2.3
Real Estate	3.7	-2.0	-7.3	-0.5	9.7	0.0	0.3
Alternative Investments	-0.3	1.2	8.8	5.7	1.6	4.5	2.8
Short-Term							
TRS-Managers	8.5	6.2	3.8	4.3	3.7	3.9	5.3
91-Day Treasury Bills	8.4	6.8	4.6	3.19	3.3	3.8	5.5
Asset Allocation							
Bonds	32.0	27.8	25.5	25.1	24.1	24.9	26.9
Common Stock—US	41.8	39.7	41.8	40.4	36.8	39.7	40.1
Short-Term	5.9	5.6	4.7	6.1	7.6	6.2	6.0
Other	20.3	26.9	28.0	28.3	31.5	29.3	27.0

*Performance calculations provided by Harris Trust and Savings Bank

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						
United States of America						
	AAA	6.875	04-30-1997	900,000	913,078	908,856
	AAA	6.375	01-15-2000	5,750,000	5,655,664	5,585,608
	AAA	6.250	02-15-2003	9,100,000	8,983,125	8,482,929
	AAA	7.250	08-15-2022	1,000,000	1,132,188	950,310
	AAA	8.625	01-15-1995	40,000,000	40,784,375	40,724,800
	AAA	5.500	02-15-1995	50,000,000	50,148,438	50,086,000
	AAA	7.750	02-15-1995	26,650,000	27,122,584	27,062,276
	AAA	3.875	04-30-1995	50,000,000	49,457,031	49,367,000
	AAA	8.500	05-15-1995	50,000,000	51,394,531	51,258,000
	AAA	4.125	05-31-1995	50,000,000	49,484,375	49,390,500
	AAA	4.250	07-31-1995	1,000,000	1,003,281	986,090
	AAA	3.875	08-31-1995	33,000,000	32,475,156	32,345,280
	AAA	3.875	09-30-1995	1,500,000	1,467,422	1,467,660
	AAA	8.625	10-15-1995	2,250,000	2,458,906	2,329,110
	AAA	5.125	11-15-1995	4,100,000	4,171,109	4,064,781
	AAA	4.250	11-30-1995	4,100,000	4,047,972	4,013,531
	AAA	4.250	12-31-1995	5,000,000	5,012,891	4,884,350
	AAA	4.000	01-31-1996	1,500,000	1,457,461	1,456,635
	AAA	4.625	02-29-1996	3,000,000	2,997,188	2,936,730
	AAA	7.750	03-31-1996	4,000,000	4,333,125	4,111,240
	AAA	9.375	04-15-1996	6,600,000	7,266,274	6,963,000
	AAA	5.500	04-30-1996	3,650,000	3,624,274	3,612,369
	AAA	4.250	05-15-1996	1,300,000	1,262,625	1,257,958
	AAA	7.375	05-15-1996	1,750,000	1,803,320	1,788,553
	AAA	7.625	05-31-1996	875,000	947,734	898,380
	AAA	5.875	05-31-1996	10,000,000	9,974,219	9,951,600
	AAA	7.875	06-30-1996	900,000	933,328	928,548
	AAA	7.875	07-15-1996	675,000	699,047	696,411
	AAA	7.875	07-31-1996	250,000	271,328	258,320
	AAA	4.375	08-15-1996	9,500,000	9,519,688	9,158,570
	AAA	7.250	08-31-1996	2,650,000	2,801,438	2,702,179
	AAA	6.875	10-31-1996	1,500,000	1,579,922	1,517,115
	AAA	7.250	11-15-1996	4,000,000	3,976,641	4,078,760
	AAA	6.500	11-30-1996	1,000,000	1,052,500	1,002,970
	AAA	6.125	12-31-1996	900,000	899,578	896,481
	AAA	8.000	01-15-1997	1,700,000	1,833,875	1,763,223
	AAA	4.750	02-15-1997	1,600,000	1,547,000	1,536,752
	AAA	6.875	03-31-1997	3,200,000	3,330,609	3,234,496
	AAA	6.500	05-15-1997	500,000	505,000	500,155
	AAA	6.750	05-31-1997	1,500,000	1,515,469	1,509,375
	AAA	6.375	06-30-1997	2,200,000	2,236,969	2,195,182
	AAA	8.625	08-15-1997	3,000,000	3,334,219	3,171,090
	AAA	8.875	11-15-1997	2,600,000	2,713,500	2,772,250
	AAA	5.625	01-31-1998	1,000,000	1,025,156	966,560
	AAA	8.125	02-15-1998	9,000,000	9,337,428	9,403,560
	AAA	5.125	04-30-1998	1,900,000	1,919,594	1,796,089
	AAA	5.375	05-31-1998	1,000,000	1,010,469	952,190
	AAA	5.250	07-31-1998	1,100,000	1,121,086	1,049,984
	AAA	4.750	08-31-1998	2,000,000	1,986,562	1,850,320
	AAA	4.750	09-30-1998	1,900,000	1,897,180	1,757,196
	AAA	4.750	10-31-1998	1,000,000	982,969	922,340
	AAA	8.875	11-15-1998	650,000	753,695	698,646
	AAA	5.125	11-30-1998	1,500,000	1,500,938	1,400,625
	AAA	5.125	12-31-1998	1,000,000	997,344	932,190
	AAA	6.375	01-15-1999	6,000,000	6,260,625	5,883,720
	AAA	5.875	03-31-1999	13,400,000	13,274,994	12,838,808
	AAA	9.125	05-15-1999	3,705,000	4,239,712	4,037,857
	AAA	6.750	05-31-1999	1,000,000	1,006,563	991,250
	AAA	8.000	08-15-1999	800,000	911,000	835,376
	AAA	8.875	05-15-2000	3,600,000	3,982,907	3,919,500
	AAA	8.750	08-15-2000	3,000,000	3,176,710	3,246,090
	AAA	11.750	02-15-2001	1,000,000	1,355,000	1,243,910
	AAA	7.500	11-15-2001	22,100,000	22,911,688	22,431,500
	AAA	7.500	05-15-2002	1,400,000	1,510,031	1,419,908
	AAA	6.375	08-15-2002	5,950,000	5,713,680	5,619,002
	AAA	10.750	05-15-2003	3,175,000	4,195,094	3,872,992
	AAA	5.750	08-15-2003	11,200,000	11,059,969	10,024,000
	AAA	5.875	02-15-2004	17,835,000	17,226,062	16,032,060
	AAA	10.750	08-15-2005	1,100,000	1,338,881	1,371,051
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,404,060
	AAA	10.375	11-15-2012	3,250,000	3,623,871	3,977,708
	AAA	12.000	08-15-2013	2,075,000	2,918,492	2,842,107
	AAA	11.250	02-15-2015	2,870,000	3,756,342	3,899,153
	AAA	9.250	02-15-2016	4,735,000	5,518,284	5,467,457
	AAA	7.250	05-15-2016	14,500,000	14,609,133	13,731,935
	AAA	7.500	11-15-2016	6,500,000	6,008,477	6,319,235
	AAA	8.125	08-15-2019	3,400,000	3,497,219	3,533,858

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
United States of America (continued)	AAA	8.125	08-15-2021	11,400,000	12,071,201	11,914,824
	AAA	8.000	11-15-2021	5,000,000	5,620,313	5,160,950
	AAA	7.625	11-15-2022	800,000	950,750	794,752
	AAA	7.125	02-15-2023	13,500,000	12,960,313	12,637,215
	AAA	6.250	08-15-2023	1,000,000	1,049,375	840,310
U.S. Treasury Bonds Stripped	AAA	0.000	11-15-2014	1,350,000	422,429	406,944
U.S. Treasury Notes	AAA	0.000	02-15-1999	20,000	15,286	14,556
U.S. Treasury Securities	AAA	0.000	02-15-1996	16,200,000	14,723,532	14,718,996
	AAA	0.000	05-15-1998	5,160,000	4,149,898	3,973,148
	AAA	0.000	11-15-1999	1,850,000	1,002,090	1,273,707
	AAA	0.000	02-15-2002	1,760,000	1,000,171	1,014,341
	AAA	0.000	02-15-2004	500,000	280,697	244,910
	AAA	0.000	05-15-2006	3,425,000	1,425,965	1,387,913
TOTAL U.S. Government				623,310,000	626,817,433	616,860,226
Federal Agency						
Federal Home Loan Banks	AAA	4.219	10-05-1994	6,000,000	6,000,000	5,947,500
	AAA	4.650	09-20-1995	5,000,000	4,998,438	4,998,400
	AAA	6.990	04-25-1997	400,000	414,875	403,748
	AAA	4.283	08-13-1997	2,555,000	2,553,851	2,457,399
	AAA	4.700	09-15-1997	2,550,000	2,550,000	2,233,545
	AAA	6.210	03-29-1999	1,000,000	970,000	955,000
Federal Home Loan Mortgage	AAA	11.000	12-01-2000	241,077	244,090	254,638
	AAA	8.250	06-01-2001	468,267	449,975	470,140
	AAA	8.500	07-01-2003	8,277	7,907	8,364
	AAA	6.750	09-01-2004	320,948	293,517	309,012
	AAA	8.500	10-01-2004	103,171	98,560	103,737
	AAA	8.500	08-01-2005	7,085	6,769	7,151
	AAA	8.500	12-01-2005	227,698	217,523	228,948
	AAA	6.250	02-01-2007	378,969	338,408	362,268
	AAA	8.500	10-01-2007	504,306	481,770	504,830
	AAA	8.250	10-01-2007	128,286	122,634	126,511
	AAA	8.500	12-01-2007	12,513	11,954	12,544
	AAA	8.500	12-01-2007	57,191	54,635	57,408
	AAA	8.500	01-01-2008	13,659	13,048	13,693
	AAA	8.500	02-01-2008	40,664	38,846	40,973
	AAA	8.500	02-01-2008	197,569	188,740	198,320
	AAA	8.500	03-01-2008	22,537	21,530	22,561
	AAA	8.850	03-15-2008	1,606,586	1,599,652	1,632,693
	AAA	8.500	04-01-2008	25,256	24,128	25,492
	AAA	8.500	05-01-2008	837,996	800,548	840,083
	AAA	7.250	05-01-2008	445,713	411,171	439,447
	AAA	6.250	06-01-2008	425,077	376,060	404,886
	AAA	8.500	08-01-2008	9,090	8,684	9,125
	AAA	8.500	09-01-2008	8,679	8,291	8,760
	AAA	8.500	09-01-2008	19,822	18,936	19,871
	AAA	8.500	09-01-2008	191,168	182,626	191,071
	AAA	8.500	09-01-2008	296,755	283,494	299,524
	AAA	9.000	09-15-2008	2,460,000	2,455,915	2,527,650
	AAA	8.500	11-01-2008	238,065	227,427	238,658
	AAA	6.750	11-01-2008	500,610	445,230	481,992
	AAA	8.500	12-01-2008	270,150	258,078	270,823
	AAA	8.500	12-01-2008	175,157	167,329	175,067
	AAA	6.750	12-01-2008	488,116	434,576	469,963
	AAA	8.500	01-01-2009	26,895	25,693	27,042
	AAA	6.750	01-01-2009	663,419	587,022	638,747
	AAA	8.500	04-01-2009	80,075	76,497	80,275
	AAA	8.500	04-01-2009	1,667,108	1,592,609	1,671,259
	AAA	8.500	05-01-2009	1,062,526	1,015,045	1,065,172
	AAA	8.000	06-01-2009	2,071,429	1,916,071	2,031,595
	AAA	10.000	07-01-2009	202,114	215,061	213,448
	AAA	8.500	07-01-2009	143,153	136,756	143,510
	AAA	10.000	09-01-2009	11,514	10,449	12,159
	AAA	8.500	10-01-2009	27,401	26,177	27,552
	AAA	8.500	12-01-2009	8,339	7,966	8,371
	AAA	8.500	12-01-2009	193,203	184,569	193,684
	AAA	10.000	12-01-2009	28,023	29,818	29,607
	AAA	8.500	12-01-2009	26,506	25,321	26,607
	AAA	8.500	01-01-2010	115,235	110,086	115,868
	AAA	10.000	02-01-2010	216,612	230,488	228,948
	AAA	8.500	04-01-2010	18,971	18,123	19,018
	AAA	8.500	08-01-2010	349,705	334,078	351,625
	AAA	8.500	08-01-2010	203,945	194,831	205,064
	AAA	8.500	09-01-2010	143,057	136,664	143,413
	AAA	10.000	10-01-2010	121,840	129,645	128,726
	AAA	8.500	10-01-2010	392,491	374,952	392,900
	AAA	10.000	01-01-2011	30,909	32,889	32,669
	AAA	8.500	02-01-2011	31,643	30,229	31,627

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	10.500	04-01-2011	122,358	109,205	132,566
	AAA	8.500	01-01-2013	119,276	113,945	119,400
	AAA	8.500	06-01-2015	139,214	132,993	139,143
	AAA	10.000	01-01-2016	847,299	849,946	893,002
	AAA	9.500	05-01-2016	146,774	153,792	153,379
	AAA	9.500	09-01-2016	18,923	19,828	19,775
	AAA	9.500	10-01-2016	178,890	187,443	186,940
	AAA	9.500	11-01-2016	256,541	268,807	268,086
	AAA	8.000	01-01-2017	26,535	26,821	25,988
	AAA	7.000	04-01-2017	1,341,335	1,213,070	1,296,266
	AAA	8.500	05-01-2017	891,955	852,419	893,347
	AAA	8.000	05-01-2017	283,692	286,750	277,839
	AAA	8.500	06-01-2017	981,443	937,585	986,831
	AAA	9.500	09-01-2019	63,298	66,324	66,146
	AAA	6.625	04-08-1999	500,000	483,672	487,970
	AAA	6.830	04-13-1999	150,000	148,336	147,470
Federal Home Loan Mortgage Gold	AAA	7.290	04-07-2004	1,000,000	960,470	969,060
	AAA	7.500	04-01-1997	639,598	656,787	646,391
	AAA	7.000	02-01-1998	272,863	282,072	273,032
	AAA	7.000	04-01-1998	354,519	369,365	354,739
	AAA	6.000	05-01-1998	162,855	166,367	157,562
	AAA	6.000	05-01-1998	312,801	318,568	302,635
	AAA	5.500	02-01-1999	292,808	297,658	279,538
	AAA	6.000	05-01-1999	199,821	195,325	193,326
	AAA	7.500	06-01-1999	551,006	559,960	552,896
	AAA	5.500	10-01-2000	295,843	298,616	273,190
	AAA	5.500	12-01-2000	242,077	240,261	223,541
	AAA	6.500	06-01-2001	392,000	381,343	379,503
	AAA	8.500	06-01-2003	659,693	673,093	677,010
	AAA	9.500	05-01-2006	518,114	534,305	544,341
	AAA	8.500	08-01-2006	1,306	1,358	1,340
	AAA	8.500	08-01-2006	505,481	509,983	518,750
	AAA	9.000	10-01-2006	1	1	1
	AAA	8.000	11-01-2006	391,868	393,949	395,296
	AAA	7.500	01-01-2007	196,882	204,388	194,667
	AAA	8.000	02-01-2007	578,117	603,590	583,175
	AAA	8.000	03-01-2007	248,247	253,832	250,419
	AAA	7.500	04-01-2007	374,680	389,433	370,465
	AAA	7.500	06-01-2007	300,720	301,002	297,337
	AAA	7.000	01-01-2008	625,145	641,555	604,628
	AAA	7.500	02-01-2008	302,761	312,790	299,355
	AAA	7.500	02-01-2008	190,460	196,769	188,317
	AAA	6.500	08-01-2008	948,850	962,045	895,772
	AAA	7.000	09-01-2008	573,730	594,707	554,900
	AAA	7.000	09-01-2008	279,032	288,973	269,874
	AAA	7.000	10-01-2008	246,695	255,483	238,598
	AAA	6.000	12-01-2008	487,864	490,913	449,444
	AAA	6.000	01-01-2009	553,388	550,535	509,809
	AAA	6.000	03-01-2009	782,896	785,709	721,243
	AAA	6.500	04-01-2009	1,460,664	1,413,649	1,378,955
	AAA	6.500	06-01-2009	317,720	302,231	299,947
	AAA	6.500	06-01-2009	470,000	447,088	443,708
	AAA	8.000	04-01-2017	82,352	83,432	81,219
	AAA	8.500	02-01-2018	318,060	332,870	320,843
	AAA	8.500	11-15-2018	300,886	303,049	303,519
	AAA	9.000	10-01-2020	231,882	246,519	239,054
	AAA	9.000	11-01-2020	463,837	477,897	478,183
	AAA	9.000	02-01-2021	173,717	184,683	179,090
	AAA	8.500	02-01-2021	12,874	13,474	12,987
	AAA	9.500	03-01-2021	429,554	449,555	452,239
	AAA	8.000	05-01-2021	1,300,290	1,255,592	1,282,411
	AAA	9.000	06-01-2021	1,036,371	1,034,427	1,068,426
	AAA	8.500	06-01-2021	206,044	207,525	207,846
	AAA	9.500	07-01-2021	165,349	177	

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	7.000	06-01-2023	659,209	661,475	614,093
	AAA	7.500	06-01-2023	276,137	287,959	265,263
	AAA	7.500	07-01-2023	429,636	446,150	412,717
	AAA	7.000	08-01-2023	570,837	583,592	531,769
	AAA	7.000	10-01-2023	23,261	23,772	21,669
	AAA	7.000	11-01-2023	755,919	773,164	704,184
	AAA	6.500	11-01-2023	573,829	579,477	517,519
	AAA	7.000	11-01-2023	373,478	377,679	347,917
	AAA	6.500	11-01-2023	444,085	439,089	400,507
	AAA	6.500	12-01-2023	239	237	216
	AAA	7.000	12-15-2023	3,700,000	3,547,375	3,456,022
	AAA	6.500	01-01-2024	447,572	445,125	403,652
	AAA	6.500	01-01-2024	812,871	792,549	733,104
	AAA	6.500	02-01-2024	506,339	507,526	456,652
	AAA	7.000	03-01-2024	462,452	474,953	430,802
	AAA	6.500	04-01-2024	235,998	215,975	212,840
	AAA	6.500	04-01-2024	544,146	497,978	490,749
	AAA	6.500	04-01-2024	218,543	200,001	197,098
	AAA	7.000	05-01-2024	611,541	578,288	569,687
	AAA	7.500	05-01-2024	980,001	959,329	941,408
	AAA	6.500	06-01-2024	510,000	466,889	459,954
	AAA	7.000	06-01-2024	490,000	462,973	456,464
Federal Home Loan Mortgage Multiclass	AAA	19.840	09-15-1996	112,114	128,332	114,917
	AAA	0.000	05-15-1998	75,388	1,225,055	1,225,055
	AAA	7.000	04-15-2001	14,018,824	1,888,160	1,822,447
	AAA	7.000	08-15-2001	500,000	491,172	485,180
	AAA	6.500	12-15-2002	1,109,993	141,205	99,677
	AAA	6.000	06-15-2004	2,000,000	2,005,000	1,795,000
	AAA	10.750	11-30-2005	2,143,651	2,319,163	2,278,959
	AAA	5.800	01-15-2006	1,000,000	993,750	919,060
	AAA	6.000	01-15-2006	19,174,275	2,504,640	2,444,720
	AAA	0.000	07-15-2006	298,165	3,861,237	3,921,988
	AAA	7.425	03-15-2007	3,702,877	850,505	486,188
	AAA	0.000	08-15-2007	116,809	3,444,407	3,531,358
	AAA	5.828	10-15-2007	18,085,723	2,556,168	2,275,184
	AAA	10.359	11-15-2007	653,229	620,568	342,534
	AAA	6.450	12-15-2007	104,555	105,339	41,625
	AAA	10.568	08-15-2008	1,326,781	1,273,897	1,094,595
	AAA	8.079	10-15-2008	4,735,064	4,422,846	3,140,768
	AAA	5.250	09-15-2013	5,000,000	4,912,500	4,725,000
	AAA	0.000	04-15-2015	10,216	159,540	37,651
	AAA	6.000	10-15-2015	750,000	751,992	700,073
	AAA	7.400	01-15-2016	7,000,000	7,015,313	7,142,170
	AAA	7.000	03-15-2017	18,360,606	2,782,779	2,782,733
	AAA	8.500	06-15-2017	500,000	513,438	512,965
	AAA	6.500	02-15-2018	2,285,117	378,115	308,719
	AAA	7.000	07-15-2018	4,097,650	614,648	614,648
	AAA	7.500	08-15-2018	1,500,000	1,550,625	1,517,805
	AAA	7.500	09-15-2018	1,872,027	1,908,590	1,896,588
	AAA	9.500	10-15-2018	2,688,259	2,973,046	2,808,370
	AAA	8.500	01-15-2019	8,000,000	8,185,000	8,154,960
	AAA	7.500	03-15-2019	5,500,000	5,726,875	5,467,330
	AAA	6.500	03-15-2019	30,737,606	5,172,563	4,956,439
	AAA	6.000	07-15-2019	2,000,000	1,835,938	1,810,620
	AAA	8.000	10-15-2019	15,600,203	16,339,834	15,687,877
	AAA	9.000	11-15-2019	1,555,858	1,610,333	1,582,587
	AAA	7.750	01-15-2020	10,000,000	9,682,813	10,150,000
	AAA	6.500	04-15-2020	1,250,000	1,177,344	1,153,900
	AAA	9.125	06-15-2020	17,707,000	18,343,345	18,182,787
	AAA	9.500	01-15-2021	12,859,057	13,246,488	13,116,238
	AAA	9.000	04-15-2021	3,375,000	3,520,020	3,420,326
	AAA	7.500	05-25-2021	500,000	494,531	489,685
	AAA	8.600	06-15-2021	11,758,598	9,778,029	11,960,611
	AAA	0.000	06-15-2022	157,000	5,338,000	6,029,318
	AAA	5.778	11-15-2022	13,582,240	2,116,249	1,919,171
	AAA	4.825	04-15-2023	4,482,359	4,482,359	4,408,086
	AAA	7.500	06-25-2023	4,758,000	4,608,569	4,538,276
	AAA	0.000	11-15-2023	5,852,301	4,389,226	2,418,756
Federal Home Loan Mortgage Stripped	AAA	8.000	10-15-2018	22,364,900	3,228,932	6,422,752
Federal Housing Authority	AAA	7.430	06-01-2019	7,167,692	7,047,857	7,087,056
	AAA	7.430	12-01-2021	1,558,137	1,600,129	1,521,132
	AAA	7.440	08-01-2022	28,428,566	28,828,343	27,753,388
	AAA	7.430	09-01-2022	920,807	946,222	887,428
	AAA	7.430	06-01-2023	8,913,174	9,569,128	8,590,071
	AAA	7.430	06-01-2024	35,831,337	35,920,910	34,263,716
Federal Housing Authority Aldus Green Project	AAA	8.400	06-01-2007	1,166,502	1,067,285	1,186,543
Federal National Mortgage Association	AAA	6.450	06-10-2003	1,600,000	1,597,000	1,442,000
	AAA	6.625	04-10-2003	5,000,000	4,997,656	4,590,600
	AAA	7.300	07-10-2002	900,000	960,188	878,625

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	7.550	06-10-2004	1,000,000	998,594	971,250
	AAA	8.750	06-10-1996	1,000,000	1,082,813	1,044,370
	AAA	8.800	07-25-1997	235,000	257,480	248,879
	AAA	9.350	02-12-1996	1,500,000	1,701,094	1,575,000
	AAA	6.020	01-20-1998	1,700,000	1,759,367	1,658,299
	AAA	6.720	02-25-2003	300,000	309,188	287,922
Federal National Mortgage Association Guaranteed	AAA	6.380	06-25-2003	300,000	300,000	277,656
	AAA	6.500	09-25-1996	3,228,564	3,258,832	3,218,556
	AAA	9.000	11-01-1997	4,318,385	4,530,256	4,462,749
	AAA	8.500	04-01-1998	24,779	25,499	25,352
	AAA	8.500	06-01-1998	3,409	3,508	3,488
	AAA	8.500	08-01-1998	94,060	96,794	96,235
	AAA	8.500	08-01-1998	102,936	105,927	105,316
	AAA	8.500	12-01-1998	71,495	73,573	73,148
	AAA	7.000	01-01-1999	21,205	21,821	21,695
	AAA	7.000	06-25-1999	158,744	163,457	152,294
	AAA	6.000	04-01-2000	154,795	160,986	152,714
	AAA	5.500	06-01-2000	464,551	467,454	439,145
	AAA	6.000	09-01-2000	486,265	488,848	448,881
	AAA	6.000	02-01-2001	304,333	310,657	287,689
	AAA	4.806	05-25-2001	2,103,796	2,099,852	2,101,819
	AAA	7.000	10-25-2001	1,012,959	1,045,000	80,429
	AAA	9.000	12-01-2001	1,000,000	1,045,000	1,041,870
	AAA	6.000	03-25-2002	4,500,000	596,953	452,700
	AAA	0.000	04-25-2002	27,398	6,500	427,685
	AAA	8.000	06-01-2002	176,614	181,581	177,938
	AAA	7.500	09-01-2002	1,004,812	949,548	991,931
	AAA	8.500	05-01-2003	26,832	28,266	27,528
	AAA	9.000	11-01-2004	385,533	409,749	401,675
	AAA	8.250	06-01-2005	851,605	815,944	845,167
	AAA	7.000	06-25-2005	1,759,241	211,658	145,137
	AAA	9.000	10-01-2005	29,327	31,169	30,554
	AAA	8.000	09-01-2006	690,364	681,303	695,541
	AAA	8.500	09-01-2006	18,817	19,822	19,305
	AAA	8.000	12-01-2006	312,080	314,031	314,421
	AAA	8.500	03-01-2007	280,414	295,399	287,685
	AAA	8.750	04-01-2007	640,581	625,567	649,966
	AAA	7.500	05-01-2007	258,611	270,168	255,296
	AAA	7.500	06-01-2007	547,712	547,113	540,690
	AAA	7.500	06-01-2007	101,752	102,674	100,447
	AAA	7.500	06-25-2007	12,374,136	12,718,291	12,490,081
	AAA	8.000	07-01-2007	171,829	177,252	173,118
	AAA	7.500	11-01-2007	274,122	276,864	270,608
	AAA	7.000	12-01-2007	614,958	613,229	594,204
	AAA	7.000	02-01-2008	458,361	466,096	442,892
	AAA	6.500	02-01-2008	372,628	378,916	360,051
	AAA	7.000	03-25-2008	5,358,410	5,411,994	5,172,527
	AAA	8.000	05-01-2008	43,985	45,580	42,501
	AAA	6.500	06-01-2008	2,653,981	2,756,029	2,673,885
	AAA	8.250	06-01-2008	656,376	623,967	619,041
	AAA	6.500	07-01-2008	644,100	614,512	636,049
	AAA	6.500	07-01-2008	282,186	286,816	266,136
	AAA	8.500	08-01-2008	139,654	139,539	141,093
	AAA	7.000	09-01-2008	514,875	533,539	497,498
	AAA	6.500	09-01-2008	484,104	495,601	456,568
	AAA	0.000	09-25-2008	8,970	4,384,889	278,068
	AAA	8.250	10-01-2008	269,832	259,123	268,547
	AAA	6.000	10-01-2008	27,307	27,379	25,105
	AAA	7.000	11-01-2008	187,923	194,383	181,580
	AAA	6.000	11-01-2008	627,161	629,709	576,593
	AAA	9.500	12-01-2008	104,662	105,588	110,223
	AAA	6.000	12-01-2008	534,565	530,388	491,463
	AAA	6.000	12-01-2008	43,603	43,323	40,087
	AAA	8.500	01-01-2009	285,117	277,009	288,336
	AAA	6.000	01-01-2009	684,090	679,708	628,932
	AAA	6.500	02-01-2009	675,184	676,978	620,744
	AAA	6.500	03-01-2009	48,966	46,678	46,180
	AAA	6.500	04-01-2009	297,819	288,233	280,879
	AAA	7.000	04-01-2009	720,213	686,566	679,247
	AAA	6.500	05-01-2009	2,099,078	1,936,400	2,032,244
	AAA	6.500	05-01-2009	236,130	225,098	222,699
	AAA	7.000	05-01-2009	29,904	28,428	28,203
	AAA	8.500	05-01-2009	199,350	194,740	192,621
	AAA	7.000	06-01-2009	186,840	181,527	188,561
	AAA	8.250	06-17-2009	4,758,0		

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	8.500	03-01-2011	54,912	53,662	55,418
	AAA	11.500	03-01-2011	37,127	39,610	41,480
	AAA	11.500	08-01-2011	131,053	139,817	146,248
	AAA	13.250	09-01-2011	130,710	139,166	149,337
	AAA	12.750	10-01-2011	1,259,200	1,357,969	1,433,914
	AAA	15.750	12-01-2011	478,519	503,043	558,671
	AAA	8.500	03-01-2012	6,335	6,234	6,400
	AAA	10.500	05-01-2012	649,598	713,137	714,279
	AAA	10.500	05-01-2012	584,376	641,535	642,562
	AAA	10.500	05-01-2012	4,138,443	4,567,806	4,548,935
	AAA	10.500	06-01-2012	659,696	724,222	724,577
	AAA	14.750	08-01-2012	1,460,438	1,609,741	1,690,457
	AAA	15.750	08-01-2012	658,246	698,255	768,503
	AAA	16.000	09-01-2012	258,133	274,589	301,371
	AAA	16.000	09-01-2012	22,639	23,846	26,431
	AAA	16.000	09-01-2012	310,841	329,492	362,907
	AAA	10.500	11-01-2013	115,258	126,531	126,782
	AAA	6.750	01-25-2014	14,000,000	1,671,250	1,531,460
	AAA	10.500	03-01-2014	63,789	70,029	70,018
	AAA	11.500	07-01-2014	30,439	32,475	33,921
	AAA	11.500	01-01-2015	435,472	464,594	488,273
	AAA	11.500	02-01-2015	70,846	75,583	79,151
	AAA	8.500	04-01-2015	207,433	201,534	209,953
	AAA	10.500	08-01-2015	595,824	654,103	655,460
	AAA	11.500	10-01-2015	66,514	70,963	74,579
	AAA	11.500	10-01-2015	424,630	453,027	476,116
	AAA	9.500	11-01-2015	187,191	188,478	197,270
	AAA	11.500	11-01-2015	93,142	99,370	104,435
	AAA	11.000	12-01-2015	2,223,255	2,451,834	2,466,235
	AAA	10.500	01-01-2016	239,276	262,680	263,201
	AAA	11.500	01-01-2016	125,215	133,588	140,397
	AAA	11.500	01-01-2016	78,743	84,009	88,291
	AAA	4.856	03-25-2016	1,495,501	1,495,501	1,495,022
	AAA	10.000	04-01-2016	274,975	291,645	294,910
	AAA	9.500	09-01-2016	135,987	143,424	143,429
	AAA	7.000	11-25-2016	18,246,160	2,873,770	2,919,386
	AAA	8.500	02-25-2017	1,042,060	1,052,806	1,047,270
	AAA	8.000	05-01-2017	772,372	744,857	760,787
	AAA	9.000	06-01-2017	142,732	148,709	147,545
	AAA	10.000	11-01-2017	93,890	94,536	100,697
	AAA	0.000	11-25-2017	5,042,828	4,609,460	4,313,887
	AAA	10.000	12-01-2017	73,851	74,359	79,206
	AAA	6.500	03-25-2018	14,814,529	2,467,545	2,388,843
	AAA	9.500	05-01-2018	33,859	35,711	35,689
	AAA	8.750	08-01-2018	526,784	513,450	532,563
	AAA	9.500	01-01-2019	69,665	73,474	73,466
	AAA	7.000	03-25-2019	5,500,000	5,678,750	5,329,830
	AAA	11.500	04-01-2019	314,725	335,772	352,885
	AAA	6.000	04-25-2019	700,000	641,266	631,526
	AAA	11.500	05-01-2019	381,886	407,425	428,190
	AAA	11.500	06-01-2019	209,711	223,736	235,139
	AAA	11.500	06-01-2019	31,026	33,101	34,788
	AAA	11.000	06-01-2019	265,614	272,171	295,742
	AAA	7.000	06-25-2019	6,767,978	6,827,197	6,799,652
	AAA	6.250	06-25-2019	900,000	898,031	828,000
	AAA	9.250	07-25-2019	15,730,993	14,635,330	16,178,226
	AAA	9.500	08-01-2019	95,321	100,534	100,546
	AAA	8.000	08-01-2019	2,258,295	2,350,038	2,224,421
	AAA	9.500	08-01-2019	156,941	164,298	165,487
	AAA	6.250	08-25-2019	890,000	824,502	812,953
	AAA	11.500	09-01-2019	17,837	19,029	19,999
	AAA	7.500	09-25-2019	7,415,574	7,575,472	7,445,681
	AAA	11.500	10-01-2019	11,696	12,478	13,114
	AAA	9.500	12-01-2019	79,444	83,788	83,770
	AAA	8.800	12-25-2019	1,830,894	1,867,512	1,852,627
	AAA	11.500	01-01-2020	53,102	56,653	59,541
	AAA	8.500	01-25-2020	3,110,300	3,176,394	3,146,255
	AAA	9.000	04-01-2020	204,087	212,633	210,591
	AAA	10.000	06-01-2020	236,462	250,798	253,606
	AAA	9.000	06-01-2020	63,051	65,691	65,164
	AAA	10.000	06-25-2020	7,446,770	6,870,927	7,742,258
	AAA	0.000	08-25-2020	56,123	1,151,425	1,401,872
	AAA	0.000	08-25-2020	87,000	3,523,500	3,909,780
	AAA	7.000	09-25-2020	1,600,000	1,650,250	1,518,496
	AAA	8.000	12-25-2020	900,000	937,467	889,029
	AAA	8.000	01-01-2021	196,354	205,159	193,409
	AAA	7.250	01-17-2021	15,350,000	14,884,703	14,831,938
	AAA	9.500	02-01-2021	339,104	355,000	357,609
	AAA	12.203	04-25-2021	775,000	306,670	158,178

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	7.500	06-25-2021	1,100,000	1,131,944	1,061,148
	AAA	9.500	09-01-2021	264,464	274,051	278,761
	AAA	9.000	10-01-2021	835,217	855,314	861,835
	AAA	9.000	11-01-2021	639,205	658,780	659,576
	AAA	8.500	11-01-2021	574,008	578,313	578,847
	AAA	7.500	02-01-2022	300,826	292,365	288,510
	AAA	7.500	03-01-2022	34,570	33,598	33,155
	AAA	7.500	03-01-2022	338,729	329,202	324,861
	AAA	0.000	05-25-2022	4,200	801	296,739
	AAA	8.000	06-01-2022	630,936	630,739	621,472
	AAA	8.500	06-01-2022	149,704	154,944	150,966
	AAA	8.000	07-01-2022	228,586	230,514	225,157
	AAA	9.000	08-01-2022	1,485,686	1,582,836	1,534,268
	AAA	0.000	09-25-2022	1,531	311,609	198,973
	AAA	0.000	09-25-2022	7,513,621	6,705,093	5,409,056
	AAA	6.500	10-25-2022	9,399,000	3,298,462	3,242,655
	AAA	8.000	11-01-2022	112,104	117,885	110,423
	AAA	8.000	12-01-2022	330,383	333,583	325,427
	AAA	8.000	12-01-2022	127,258	130,419	125,349
	AAA	8.000	12-01-2022	207,350	218,042	204,240
	AAA	0.000	12-25-2022	22,620,320	3,220,220	3,329,711
	AAA	8.000	01-01-2023	203,272	207,909	200,222
	AAA	8.000	01-01-2023	520,154	533,076	512,352
	AAA	7.500	01-01-2023	268,389	267,760	257,401
	AAA	6.500	01-25-2023	1,975,000	1,803,113	1,756,506
	AAA	7.500	02-01-2023	836,186	847,030	801,952
	AAA	8.500	02-01-2023	189,896	200,103	191,497
	AAA	8.000	03-01-2023	296,627	309,883	292,178
	AAA	7.500	04-01-2023	781,682	805,865	749,680
	AAA	5.032	04-25-2023	6,000,000	5,122,500	3,900,000
	AAA	7.000	05-01-2023	182,701	183,387	170,026
	AAA	7.500	06-01-2023	359,306	368,738	344,596
	AAA	7.500	06-01-2023	356,191	367,434	341,609
	AAA	0.000	06-25-2023	691,711	625,998	359,689
	AAA	5.000	06-25-2023	5,150,000	4,486,938	4,301,847
	AAA	7.000	07-01-2023	678,553	691,275	631,475
	AAA	0.000	07-25-2023	8,607,086	317,386	268,541
	AAA	7.500	08-01-2023	281,617	292,618	270,088
	AAA	6.000	08-01-2023	500,452	492,085	435,704
	AAA	7.000	08-01-2023	380,879	388,437	354,454
	AAA	0.000	08-25-2023	3,075,346	2,880,602	1,181,117
	AAA	7.000	09-01-2023	293,694	303,148	273,318
	AAA	7.000	09-01-2023	485,537	501,166	451,851
	AAA	0.000	09-25-2023	4,000,000	3,600,000	2,853,200
	AAA	7.000	10-01-2023	586,930	601,970	546,209
	AAA	8.000	10-25-2023	2,700,000	2,716,031	2,659,500
	AAA	6.500	11-01-2023	904,391	880,227	814,512
	AAA	7.000	11-01-2023	216,638	222,190	201,608
	AAA	7.000	11-01-2023	387,431	393,364	360,551
	AAA	7.500	12-01-2023	54,260	55,778	52,039
	AAA	7.000	12-01-2023	490,658	495,411	456,616
	AAA	7.000	12-01-2023	292,888	296,229	272,568
	AAA	6.500	12-01-2023	38,138	37,649	34,348
	AAA	7.500	12-01-2023	520,133	534,680	498,838
	AAA	6.500	01-01-2024	497,411	491,038	447,979
	AAA	6.500	01-01-2024	563,913	515,540	507,872
	AAA	6.500	02-01-2024	993,897	996,692	895,123
	AAA	6.500	02-01-2024	27,365	25,420	24,645
	AAA	7.000	04-01-2024	445,123	426,483	414,240
	AAA	7.000	04-01-2024	165,799	158,856	154,296
	AAA	6.500	04-01-2024	684,907	636,215	616,841
	AAA	6.500	04-01-2024	392,000	358,558	353,043
	AAA	7.000	05-01-2024	158,391	149,630	147,401
	AAA	7.000	05-01-2024	43,558	39,822	39,229
	AAA	7.000	05-01-2024	282,939	267,201	263,309
	AAA	7.000	05-01-2024	453,448	428,367	421,988
	AAA	8.000	06-01-2024	599,061	565,738	557,498
	AAA	8.000	06-01-2024	980,000	970,506	965,300
	AAA	6.000	09-14-2024	151,000,000	134,805,625	131,747,500
	AAA	6.000	09-14-2024	50,000,000	47,812,500	49,187,750
	AAA	5.763	10-01-2019	10,336,410	9,716,225	10,512,439
	AAA	0.000	11-01-2022	14,000,000	10,418,100	7,070,000
	AAA	7.000	07-25-2023	6,689,014	1,789,311	2,451,925
	AAA	7.000	09-25-2023	9,130,859	2,619,365	3,358,421
	AAA	7.000	10-01-2023	486,221	500,200	452,487
	AAA	7.500	10-25-2023	7,294,705	2,088,109	2,662,567
	AAA	10.700				

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<i>Continued</i>						
Government National Mortgage Association	AAA	10.500	12-15-1997	93,235	96,120	100,402
	AAA	10.500	05-15-1998	43,596	44,944	46,947
	AAA	10.500	07-15-1998	12,274	12,653	13,217
	AAA	8.500	02-15-2006	114,044	109,268	115,576
	AAA	8.000	08-15-2006	306,331	294,197	302,756
	AAA	8.000	09-15-2006	32,440	31,155	32,120
	AAA	8.000	10-15-2006	60,306	57,917	59,602
	AAA	8.000	11-15-2006	214,146	205,664	212,032
	AAA	8.000	05-15-2007	514,044	520,791	520,629
	AAA	7.000	12-15-2007	182,706	188,244	176,481
	AAA	8.500	07-15-2008	261,598	250,644	265,109
	AAA	8.500	08-15-2008	343,467	329,084	348,080
	AAA	6.500	09-15-2008	384,809	395,030	361,720
	AAA	9.000	09-15-2008	64,575	63,435	66,823
	AAA	9.000	09-15-2008	72,854	71,597	75,418
	AAA	7.000	10-15-2008	278,141	289,962	268,665
	AAA	6.500	12-15-2008	330,295	335,043	310,478
	AAA	9.000	01-15-2009	16,707	16,412	17,295
	AAA	9.000	02-15-2009	215,198	211,398	222,689
	AAA	7.000	02-15-2009	296,112	309,714	286,023
	AAA	6.000	03-15-2009	193,844	197,768	180,895
	AAA	9.000	03-15-2009	6,980	6,857	7,223
	AAA	6.500	05-15-2009	392,592	372,104	369,037
	AAA	9.000	06-15-2009	210,452	206,736	217,778
	AAA	9.500	07-15-2009	67,498	68,511	71,132
	AAA	9.500	08-15-2009	309,567	314,210	326,206
	AAA	9.500	08-15-2009	142,366	144,502	150,018
	AAA	9.500	10-15-2009	109,146	110,783	114,997
	AAA	10.000	11-15-2009	515,863	548,588	553,098
	AAA	13.500	05-15-2010	25,944	26,567	29,576
	AAA	13.500	05-15-2010	18,222	18,266	20,773
	AAA	13.500	05-15-2010	10,897	11,789	12,423
	AAA	13.500	05-15-2010	2,432	2,631	2,772
	AAA	13.500	06-15-2010	823	895	959
	AAA	13.500	06-15-2010	15,345	16,602	17,493
	AAA	10.000	11-15-2010	390,663	415,445	418,861
	AAA	13.000	12-15-2010	77,668	83,153	87,765
	AAA	13.000	12-15-2010	24,006	25,701	27,127
	AAA	13.500	02-15-2011	35,915	38,856	40,943
	AAA	13.500	02-15-2011	11,706	12,664	13,344
	AAA	13.500	02-15-2011	50,992	55,072	58,131
	AAA	13.500	03-15-2011	20,331	21,996	23,178
	AAA	13.500	03-15-2011	17,146	18,550	19,546
	AAA	13.500	03-15-2011	39,939	43,209	45,530
	AAA	13.500	03-15-2011	78,564	84,997	89,563
	AAA	13.500	03-15-2011	124,228	134,166	141,619
	AAA	13.500	04-15-2011	12,731	12,731	14,514
	AAA	13.500	04-15-2011	3,532	3,822	4,027
	AAA	13.500	04-15-2011	104,515	113,073	119,148
	AAA	13.500	05-15-2011	841	916	980
	AAA	13.000	07-15-2011	45,258	48,455	51,142
	AAA	13.500	03-15-2012	1,410	1,525	1,643
	AAA	13.000	10-15-2012	17,815	19,070	20,131
	AAA	13.000	11-15-2012	100,978	108,066	114,105
	AAA	13.000	11-15-2012	21,793	23,318	24,626
	AAA	11.500	02-15-2013	73,287	78,096	82,814
	AAA	10.000	03-15-2013	262,799	240,662	269,860
	AAA	10.000	03-15-2013	178,213	163,224	183,002
	AAA	11.250	07-15-2013	52,990	55,126	58,553
	AAA	11.250	07-15-2013	128,594	133,778	142,097
	AAA	11.250	07-15-2013	50,157	52,179	55,424
	AAA	11.250	07-15-2013	92,059	95,770	101,725
	AAA	11.250	10-15-2013	39,196	40,774	43,312
	AAA	12.750	11-15-2013	36,698	38,739	41,285
	AAA	12.750	11-15-2013	74,484	78,627	83,794
	AAA	12.750	12-15-2013	81,712	86,257	91,926
	AAA	12.000	01-15-2014	6,980	7,192	7,957
	AAA	12.000	04-15-2014	7,699	7,613	8,777
	AAA	13.500	07-15-2014	3,144	3,416	3,662
	AAA	11.250	08-15-2015	56,290	58,551	62,200
	AAA	11.250	08-15-2015	90,889	93,888	100,432
	AAA	11.500	09-15-2015	343,811	357,349	388,506
	AAA	11.250	09-15-2015	104,912	109,141	115,928
	AAA	11.250	09-15-2015	42,347	44,053	46,793
	AAA	11.250	09-15-2015	17,371	18,071	19,195
	AAA	11.250	09-15-2015	6,514	6,776	7,198
	AAA	11.250	09-15-2015	59,766	62,175	66,041
	AAA	11.250	09-15-2015	27,692	28,807	30,599
	AAA	11.250	10-15-2015	42,188	43,888	46,618

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<i>Continued</i>						
	AAA	11.250	10-15-2015	39,416	41,005	43,555
	AAA	11.250	10-15-2015	55,153	57,375	60,944
	AAA	11.000	11-15-2015	129,952	136,074	144,897
	AAA	11.500	11-15-2015	80,693	85,988	91,183
	AAA	11.250	11-15-2015	50,537	52,572	55,843
	AAA	11.250	11-15-2015	54,809	57,017	60,564
	AAA	11.250	11-15-2015	32,325	33,626	35,720
	AAA	11.250	12-15-2015	77,914	81,052	86,095
	AAA	11.000	01-15-2016	6,646	6,975	7,411
	AAA	11.000	01-15-2016	124,007	130,130	138,268
	AAA	11.250	01-15-2016	23,036	23,964	25,455
	AAA	9.000	05-15-2016	668,975	636,781	692,242
	AAA	9.000	06-15-2016	213,200	210,657	220,462
	AAA	9.500	08-15-2016	224,260	225,732	236,595
	AAA	9.000	09-15-2016	807,859	784,633	835,374
	AAA	8.500	02-15-2017	454,523	432,791	459,918
	AAA	8.500	02-15-2017	473,305	456,592	478,924
	AAA	8.500	02-15-2017	1,232,234	1,167,156	1,246,860
	AAA	8.000	03-15-2017	637,970	618,432	629,402
	AAA	8.000	03-15-2017	718,544	696,538	708,894
	AAA	9.000	06-15-2017	560,180	514,141	579,641
	AAA	9.500	07-15-2017	249,584	247,790	263,388
	AAA	8.000	07-15-2017	471,383	456,948	465,444
	AAA	9.000	08-15-2017	371,975	344,193	384,700
	AAA	9.500	08-15-2017	1,170,334	1,215,501	1,235,065
	AAA	9.000	10-15-2017	626,513	575,022	647,946
	AAA	9.000	03-15-2018	266,953	247,015	276,085
	AAA	9.000	05-15-2018	317,173	308,055	328,024
	AAA	11.500	05-15-2019	87,563	91,011	98,946
	AAA	11.000	06-15-2019	104,745	109,916	116,790
	AAA	10.500	06-15-2019	164,015	170,008	179,749
	AAA	11.000	07-15-2019	107,278	121,626	119,615
	AAA	11.000	07-15-2019	28,464	29,869	31,737
	AAA	11.000	07-15-2019	278,840	292,608	310,907
	AAA	11.000	07-15-2019	217,715	228,465	242,752
	AAA	11.000	08-15-2019	85,199	89,405	94,997
	AAA	11.000	08-15-2019	30,565	32,074	34,080
	AAA	11.000	08-15-2019	62,236	65,309	69,393
	AAA	11.000	09-15-2019	74,361	78,030	82,912
	AAA	11.000	09-15-2019	205,993	216,164	229,682
	AAA	9.000	11-15-2019	192,131	204,230	198,595
	AAA	9.000	09-15-2020	165,197	175,599	170,668
	AAA	9.500	07-15-2021	573,295	595,421	603,926
	AAA	10.000	09-15-2021	832,573	891,373	892,668
	AAA	10.000	09-15-2021	364,746	390,506	391,073
	AAA	8.000	06-15-2022	403,477	404,234	396,792
	AAA	7.500	06-15-2022	427,924	416,424	408,133
	AAA	9.000	08-15-2022	339,021	360,369	350,250
	AAA	7.500	09-15-2022	304,047	318,109	289,985
	AAA	7.500	12-15-2022	1	1	1
	AAA	8.000	03-15-2023	1,099,247	1,091,002	1,081,032
	AAA	7.500	04-15-2023	711,729	741,755	678,811
	AAA	7.500	05-15-2023	278,100	287,746	265,238
	AAA	7.500	05-15-2023	595,094	614,528	567,571
	AAA	7.000	05-15-2023	418,044	416,999	384,860
	AAA	7.500	05-15-2023	190,757	196,003	181,934
	AAA	7.500	06-15-2023	205,214	210,921	195,723
	AAA	7.500	06-15-2023	728,538	748,800	694,843
	AAA	7.500	06-15-2023	24,822	25,505	23,674
	AAA	7.500	07-15-2023	77,358	80,621	73,780
	AAA	8.000	09-15-2023	709,186	753,732	697,435
	AAA	7.500	09-15-2023	71,143	73,466	67,853
	AAA	7.000	10-15-2023	218,633	224,850	201,278
	AAA	6.500	10-15-2023	706,354	636,601	625,342
	AAA	7.500	10-15-2023	393,346	379,825	375,154
	AAA	7.500	10-15-2023	272,080	284,664	259,496
	AAA	7.500	10-15-2023	566,534	582,114	540,332
	AAA	6.500	11-15-2023	183,158	167,733	162,152
	AAA	7.000	11-15-2023	491,944	505,934	452,894
	AAA	7.000	11-15-2023	279,792	271,573	257,582
	AAA	7.000	11-15-2023	507,113	522,961	466,859
	AAA	7.500	11-15-2023	198,980	208,369	189,777
	AAA	6.000	11-15-2023	253,351	250,580	215,427
	AAA	7.000	12-15-2023	958,187	969,865	882,126
	AAA	7.000	12-15-2023	147,317	150,079	135,623
	AAA	7.000	12-15-2023	194,838	197,213	179,372
	AAA	6.500	01-15-2024	292,655	291,009	259,091
	AAA	8.000	01-15-2024	5,694,288	6,025,269	5,510,056
	AAA	7.500	02-15-2024	1,835,616	1,909,614	1,750,719

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Government Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
	AAA	7.500	02-15-2024	1,837,501	1,911,575	1,752,516
	AAA	7.500	02-15-2024	5,814,985	6,062,122	5,546,042
	AAA	7.000	02-15-2024	707,548	708,875	651,383
	AAA	6.500	02-15-2024	273,646	246,624	242,262
	AAA	6.500	02-15-2024	478,026	437,767	423,201
	AAA	7.000	03-15-2024	654,387	611,648	602,442
	AAA	7.500	03-15-2024	145,829	151,457	139,085
	AAA	7.500	03-15-2024	31,618	32,838	30,156
	AAA	7.000	04-15-2024	325,613	304,346	299,766
	AAA	7.000	05-15-2024	380,924	375,130	350,687
	AAA	7.000	06-15-2024	541,009	539,656	498,064
	AAA	8.500	07-01-2024	6,000,000	6,159,375	6,060,000
	AAA	6.500	08-23-2024	37,000,000	36,921,250	32,675,440
	AAA	6.500	09-26-2024	50,000,000	49,906,250	44,156,000
Government National Mortgage Association II	AAA	13.250	10-20-2014	33,782	36,505	38,089
	AAA	13.250	05-20-2015	20,827	21,795	23,482
	AAA	11.000	07-20-2019	305,132	313,457	332,594
	AAA	8.000	04-20-2022	113,604	111,438	110,869
	AAA	8.000	05-20-2022	704,636	691,204	687,675
	AAA	5.000	05-20-2022	872,679	827,409	850,591
	AAA	5.500	08-20-2022	7,894,955	7,766,662	7,744,478
	AAA	5.500	12-20-2023	29,390,172	30,352,241	28,650,716
	AAA	5.000	05-20-2024	8,160,000	8,005,725	7,790,270
Government Trust Certificates	AAA	8.550	11-15-1997	1,107,320	1,096,479	1,139,067
	AAA	0.000	11-15-2005	3,000,000	622,530	1,250,280
GNMA (Govt Nat'l Mtg Assoc) Arm	AAA	5.500		2,461,215	2,425,262	2,418,538
Inter American Development Bank	AAA	11.625	12-01-1994	5,000,000	5,213,000	5,126,650
International Bank For Recon & Dev.	AAA	8.625	10-01-1995	1,000,000	1,092,750	1,032,520
Resolution Funding Corporation	AAA	8.875	04-15-2030	700,000	958,563	802,375
Tennessee Valley Authority	AAA	8.250	11-15-1996	1,500,000	1,500,234	1,555,785
	AAA	6.125	07-15-2003	350,000	355,359	315,438
	AAA	8.250	04-15-2042	1,000,000	969,350	998,600
TOTAL Federal Agency				1,230,898,760	1,003,278,437	972,603,664
Municipal						
Alaska Housing Finance Corporation	AAA	9.050	05-01-2014	463,697	486,404	459,060
SLFC Incorporation Ohio Student Loan	AAA	3.624	01-01-1999	12,190,000	12,190,000	12,190,000
TOTAL Municipal				12,653,697	12,676,404	12,649,060
TOTAL GOVERNMENT OBLIGATIONS				1,866,862,457	1,642,772,274	1,602,112,950

Corporate Obligations

FINANCE	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Advanta Mortgage Loan Trust	AAA	4.750	11-25-2009	944,574	944,279	895,277
American Airlines Pass Thru Trust	NR	5.840	11-26-1994	1,223,000	1,223,000	1,222,609
	NR	6.870	11-26-1996	1,186,000	1,186,000	1,176,358
American Express Trust	AAA	6.600	05-15-2000	400,000	398,480	385,748
American General Finance Corporation	A-1	5.000	09-01-1995	350,000	341,093	346,308
Aristar Incorporated	BAA1	7.750	06-15-2001	2,500,000	2,498,325	2,498,250
Associates Corporation Of North America	A-1	4.625	11-30-1996	10,000,000	9,978,200	9,507,800
	A-1	4.980	12-10-1996	4,500,000	4,500,000	4,317,435
	A-1	5.875	08-15-1997	500,000	497,935	482,880
	A-1	5.250	09-01-1998	300,000	301,683	279,672
Autburn Hills Trust	A3	12.375	05-01-2020	3,750,000	5,620,655	5,025,788
AFC Home Equity Loan Trust	AAA	7.750	02-15-2006	5,182,648	5,167,262	5,189,126
AFC Home Equity Loan Trust Remic	AAA	8.400	09-15-2006	382,732	401,868	389,908
AFC Mortgage Loan Trust	AAA	6.950	06-25-2024	15,000,000	14,962,500	14,962,500
AMR Corporation Delaware	BAA3	7.600	01-27-1997	9,500,000	9,430,365	9,430,365
	BAA3	7.480	01-29-1997	3,000,000	3,079,140	2,969,430
Banc One Corporation	A2	7.250	08-01-2002	360,000	357,152	346,360
Bank Of New York Master Credit Card	AAA	7.950	04-15-1996	4,000,000	4,071,875	4,012,480
Bank One Dayton Ohio	A-1	6.625	04-15-2003	250,000	255,080	228,795
Bankamerica Corporation	A3	9.700	08-01-2000	500,000	574,190	541,200
Banque Paribas	A2	6.875	03-01-2009	2,080,000	1,794,853	1,794,811
Bear Stearns Mortgage Cap	AAA	9.000	01-25-2021	52,066	50,439	52,847
Beneficial Corporation	A3	7.180	12-20-1999	2,050,000	2,048,914	2,015,601
Berkley W R Corporation	A3	8.700	01-01-2022	3,000,000	3,465,210	3,041,700
BCI Home Equity Loan	AAA	4.740	04-29-2001	15,469,831	15,469,831	15,469,831
Capital Auto Receivables Asset	AAA	4.900	02-17-1998	500,000	503,750	494,840
Capitol Home Equity Trust	AAA	4.887	12-25-2011	4,469,012	4,469,012	4,474,599
Case Equipment Loan Trust	AAA	4.400	11-15-1998	16,060,525	15,972,695	15,793,920
Caterpillar Financial Services Corporation	A2	3.810	11-24-1994	5,000,000	4,992,550	4,971,250
Central Fidelity Banks Incorporated	BAA2	8.150	11-15-2002	1,030,000	1,157,524	1,036,458
Chase Manhattan Credit Card	AAA	8.500	08-15-1997	2,250,000	2,323,828	2,259,833
	AAA	8.750	08-15-1999	5,000,000	4,995,750	5,187,500

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Chase Manhattan Grantor	AAA	6.900	09-15-1997	321,696	326,723	321,896
Chase Mortgage Financial Corporation Remic	AAA	7.000	07-25-2024	1,341,193	1,359,635	1,337,411
Chase Mortgage Finance Corporation	AA2	9.500	10-01-2004	384,949	382,422	392,647
Chemical Mortgage Securities I Remic	AAA	6.250	01-25-2010	7,450,000	7,036,823	5,898,165
Chrysler Financial Corporation	NR	6.250	02-25-2023	11,422,057	11,437,061	11,386,306
	BAA2	4.820	12-18-1995	5,000,000	4,993,200	4,903,500
	BAA2	5.250	11-15-1996	10,000,000	9,972,000	10,012,800
Cigna Corporation	A3	6.625	08-15-2000	300,000	309,108	285,078
Citibank New York	A2	8.750	10-01-2001	360,000	387,868	371,034
	NR	9.500	11-01-2016	11,276,543	12,013,042	11,614,839
Citicorp	A-1	9.000	01-01-2017	11,729,922	11,949,858	11,733,559
Citicorp Banking Corporation	A3	9.500	02-01-2002	700,000	829,990	758,569
Citicorp Euro	BAA1	5.250	07-10-1997	7,000,000	6,205,000	7,008,750
Citicorp Homeowners Incorporated	NR	6.300	11-26-1997	1,000,000	853,500	972,180
	NR	9.500	09-01-2016	555,487	572,038	572,152
	A-1	8.500	12-01-2016	565,636	532,582	551,852
Citicorp Mortgage Securities Incorporated Remic	NR	8.500	03-01-2017	2,199,600	2,257,683	2,145,995
	AA3	9.500	05-25-2004	1,741,707	1,783,072	1,743,884
	A2	9.500	11-01-2004	10,095,445	9,909,310	10,365,397
	NR	7.000	11-01-2012	6,069,119	6,122,223	6,028,880
	A3	10.500	06-01-2019	1,726,884	1,741,454	1,819,410
Citicorp Person To Person Incorporated	AAA	8.000	03-25-2021	310,268	319,480	311,140
Collateralized Mortgage Obligation	A3	5.560	05-10-1996	7,300,000	6,918,713	7,375,482
	AAA	10.200	02-01-2016	10,251,689	10,340,981	10,751,458
	AAA	9.400	08-01-2016	7,072,977	7,576,699	7,161,389
	AAA	7.250	04-23-2017	377,194	387,331	367,293
	AAA	9.400	09-20-2017	8,420,197	9,021,457	8,599,126
Collateralized Mortgage Securities Corporation	NR	11.450	01-20-2017	35,682,353	36,697,070	36,641,138
Continental Bank Corporation	BAA3	9.875	09-01-2015	5,713,298	6,096,951	6,156,079
Continental Corporation	BAA1	8.250	06-15-1996	2,300,000	2,489,405	2,436,137
Cooperative Utility Trust	AAA	10.700	04-15-1999	1,000,000	998,690	1,004,300
Countrywide Mortgage Backed Securities Remic	AAA	6.500	09-15-2017	3,500,000	3,500,000	4,011,910
	NR	6.750	10-25-2008	2,597,192	2,636,150	2,538,756
CFAC Remic Trust Manufactured Housing	A-1	9.250	02-25-2024	4,804,525	4,876,593	4,876,593
CIT Group Holdings Incorporated	A-1	8.875	05-15-1998	766,043	819,498	793,092
CMC Securities Corporation II	NR	5.310	09-25-2023	1,000,000	1,049,720	1,041,020
CMC Securities Corporation	NR	5.198,115	05-15-2000	5,292,331	5,267,978	5,267,978
CNA Financial Corporation	AAA	7.375	11-25-2023	3,104,856	3,159,191	3,108,737
CNTS Home Equity Loan Trust	A-1	6.250	11-15-2003	8,000,000	7,928,640	7,062,480
Daiwa Mortgage Acceptance Corporation Remic	AAA	8.800	01-15-2006	1,331,539	1,421,002	1,354,841
Dean Witter Discover & Company	NR	4.875	09-25-2006	6,321,492	6,416,315	6,368,904
	A3	6.000	03-01-1998	500,000	514,580	479,030
Discover Card	A3	7.760	06-22-2004	7,000,000	6,992,300	6,860,210
Discover Credit Corporation	AAA	8.100	08-16-1996	808,333	837,130	808,075
	A2	4.588	07-08-1994	1,000,000	993,700	998,870
	A3	4.638	07-25-1994	7,200,000	7,079,400	7,192,008
	A2	4.788	07-21-1995	3,900,000	3,761,063	3,904,095
Dover Credit Card Trust	BAA1	7.810	03-18-1997	2,500,000	2,710,925	2,538,900
Drexel Burnham Lambert CMO Trust	AAA	8.250	10-15-1997	2,896,667	2,922,013	2,901,185
DBL Mortgage Funding Corporation	AAA	8.950	04-20-2018	303,743	298,427	302,318
DLJ Mortgage Acceptance Corporation	AAA	0.000	08-25-2019	434,400	421,028	447,432
	AAA	0.000	07-25-2022	1,527,070	1,573,836	1,546,158
	AAA	0.000	11-25-2022	4,024,798	4,127,934	4,080,139
	AAA	0.000	03-25-2024	4,878,591	4,758,151	4,616,367
DLJ Mortgage Acceptance Corporation Pass Thru	AAA	7.864	09-01-2021	1,988,038	2,045,194	1,985,235
DLJ Mortgage Acceptance Corporation Remic	AA2	5.725	03-19-2000	1,974,619	1,982,023	2,006,706
	NR	0.000	12-25-2023	5,147,349	5,304,523	5,224,559
DLJ Mortgage Acceptance Corporation Stripped	AAA	0.000	09-25-2022	7,480,487	7,555,292	7,555,292
	AAA	0.000	03-25-2023	7,544,730	7,804,080	7,657,901
	AAA	0.000	05-25-2023	6,112,803	6,322,931	6,212,136
DLJ Mortgage Acceptance Corporation	AAA	0.000	06-25-2022	5,597,708	5,639,691	5,660,682
European Investment Bank	AAA	12.625	10-15-1999	2,285,000	2,488,822	2,270,056
First Bank Systems	A2	6.250	08-15-2005	250,000	250,000	225,715
First Boston Mortgage Securities Corporation	NR	0.000	06-26-2000	1,500,000	1,500,000	1,561,635
First Boston Mortgage Securities Corp. Remic	AAA	7.500	07-25-2018	3,851,556	3,894,886	3,886,451
First Boston Mortgage Securities Corporation	AA2	0.000	01-25-2019	4,287,425	4,395,948	4,233,832
First Chicago Master Trust II	AAA	9.250	06-15-1995	10,000,000	10,692,188	10,293,700
First Chicago Master Trust	AAA	6.250	08-15-1999	2,150,000	2,178,891	2,106,312
First Deposit Master Trust	AAA	5.750	06-15-2001	600,000	606,937	571,872
	AAA	6.900	08-15-2001	1,720,000	1,718,656	1,725,349
First Interstate Bancorp	BAA1	8.700	07-18-1995	3,000,000	3,091,620	3,075,780
First PV Funding Corporation	BA3					

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Ford Credit Grantor Trust	AAA	7.375	04-15-1999	1,500,000	1,621,875	1,514,520
	AAA	4.300	07-15-1998	333,847	333,742	325,500
	AAA	7.800	02-15-1996	2,064,564	2,124,566	2,068,425
Ford Holdings Incorporated	A2	9.250	03-01-2000	189,000	213,060	201,839
Ford Motor Credit Company	A2	9.125	12-15-1995	250,000	271,385	258,210
	A2	5.150	02-26-1996	11,700,000	11,612,016	11,475,360
	A2	8.875	08-01-1996	800,000	883,000	832,952
	A2	8.875	06-15-1999	1,000,000	1,075,860	1,053,270
Ford Motor Credit Corporation	A2	7.950	08-15-1994	4,000,000	4,166,680	4,012,280
	A2	8.800	07-18-1995	5,000,000	5,299,400	5,140,400
General Electric Capital Corporation	NR	4.378	10-02-1995	15,000,000	14,812,500	15,000,000
	AAA	8.300	09-20-2009	1,325,000	1,485,837	1,385,632
General Homes Mortgage Securities Incorporated	AAA	11.500	06-01-2015	355,364	382,052	368,580
General Motors Acceptance Corporation	BAA1	8.300	07-18-1994	1,000,000	1,022,220	1,000,980
	BAA1	8.200	07-25-1994	7,500,000	7,743,525	7,511,775
	BAA1	8.200	08-08-1994	6,500,000	6,561,870	6,516,250
	BAA1	8.700	08-09-1994	1,000,000	1,026,550	1,003,000
	BAA1	4.850	08-11-1994	1,000,000	999,730	999,730
	BAA1	4.800	09-12-1994	2,000,000	2,013,540	1,998,080
	BAA1	8.150	09-15-1994	4,150,000	4,342,661	4,171,041
	BAA1	4.600	09-21-1994	10,900,000	10,899,855	10,883,323
	BAA1	7.300	10-04-1994	2,500,000	2,574,900	2,511,050
	BAA1	7.200	10-11-1994	1,950,000	1,995,845	1,958,775
	BAA1	8.650	12-07-1994	1,500,000	1,559,190	1,518,855
	BAA1	8.600	12-08-1994	8,275,000	8,696,115	8,378,024
	BAA1	8.950	12-19-1994	3,000,000	3,132,360	3,043,920
	BAA1	6.650	02-10-1995	7,350,000	7,481,565	7,384,178
	BAA1	8.600	02-15-1995	7,000,000	7,317,450	7,112,350
	BAA1	5.450	02-21-1995	4,003,626	3,987,000	3,977,072
	BAA1	5.350	02-27-1995	5,000,000	5,023,650	4,983,600
	BAA1	8.750	03-15-1995	4,000,000	4,217,320	4,075,920
	BAA1	5.250	04-03-1995	25,060,000	25,314,191	24,934,449
	BAA1	8.600	04-04-1995	2,000,000	2,106,900	2,037,540
	BAA1	6.950	04-10-1995	11,465,000	11,608,427	11,546,516
	BAA1	5.200	04-13-1995	3,000,000	3,004,458	2,982,870
	BAA1	5.125	04-17-1995	4,500,000	4,516,605	4,471,200
	BAA1	9.450	05-15-1995	2,250,000	2,406,713	2,312,978
	BAA1	8.750	02-01-1996	10,850,000	11,444,190	11,185,591
	BAA1	7.250	02-15-1996	1,300,000	1,361,542	1,312,402
	BAA1	8.900	03-13-1996	2,000,000	2,163,780	2,069,440
	BAA1	8.700	04-11-1996	6,000,000	6,483,720	6,191,460
	BAA1	8.700	05-01-1996	2,375,000	2,433,758	2,451,404
	BAA1	8.800	07-03-1996	3,000,000	3,084,690	3,103,230
	BAA1	8.800	07-08-1996	1,500,000	1,542,405	1,551,840
	BAA1	5.150	11-25-1996	2,000,000	1,987,880	1,917,900
	BAA1	7.750	01-28-1997	1,000,000	1,028,790	1,014,450
	BAA1	5.700	12-22-1997	1,000,000	996,310	948,860
	BAA1	8.400	10-15-1999	4,500,000	4,996,890	4,610,610
	BAA1	5.500	12-15-2001	10,950,000	9,669,135	9,346,263
General Motors Acceptance Corporation	AAA	8.250	11-15-1995	1,660,878	1,693,836	1,668,983
	AAA	7.900	01-15-1996	1,854,133	1,892,085	1,862,235
	BAA1	6.750	05-20-1996	21,000,000	20,979,065	20,979,000
Golden West Financial Corporation	A3	6.000	10-01-2003	12,000,000	11,932,500	10,396,560
Great Western Financial Corporation	BAA2	6.125	06-15-1998	2,600,000	2,656,264	2,475,408
Greenwich Capital Acceptance Incorporated	AAA	0.000	10-25-2022	23,900,193	24,393,294	23,959,944
	AAA	0.000	04-25-2023	2,211,207	2,168,514	2,187,489
Greenwich Capital Acceptance Remic	AAA	0.000	01-25-2023	6,611,745	6,710,921	6,675,747
Greenwich Capital Acceptance Incorporated	AAA	0.000	01-25-2022	2,956,255	3,039,399	2,985,817
	AAA	0.000	04-25-2024	18,762,469	19,161,172	19,137,719
Greyhound Financial Corporation	BAA2	5.140	02-15-1996	1,000,000	1,000,000	997,720
Guaranteed Mortgage Corporation II	NR	11.000	12-01-2015	2,555,813	2,596,557	2,643,938
Guardian S & L Association	AA3	0.000	07-25-2018	3,920,772	3,962,431	3,724,734
	AA3	9.087	01-25-2019	2,362,092	2,397,523	2,297,134
	BAA	0.000	02-25-2020	402,472	398,950	342,101
	BAA	6.936	02-25-2020	405,150	407,175	344,377
	BAA	7.239	03-25-2020	1,622,836	1,635,007	1,379,410
	BAA	0.000	05-25-2020	1,382,502	1,387,686	1,216,602
	BAA	7.260	01-25-2021	997,131	1,012,088	847,561
GCC Home Equity Trust	AA2	10.000	07-15-2005	3,643,377	3,877,350	3,812,357
GE Capital Mortgage Services Incorporated Remic	AA-1	6.500	03-25-2024	3,700,000	3,048,453	2,918,560
GMAC Grantor Trust	AAA	5.700	12-15-1996	4,444,710	4,514,853	4,443,287
GS Trust 4 Remic	AAA	9.000	12-25-2019	8,009,156	8,929,857	8,076,673
Home Equity Loan Trust Close-End	AAA	6.650	11-20-2012	93,168	95,439	91,450
Home Loan Investments Associates	NR	0.000	04-15-2012	3,692,022	3,692,022	3,682,792
Home Owners Federal Savings & Loan Association	AAA	5.234	09-01-2017	2,669,510	2,653,753	2,647,119
Household Financial Corporation Home Equity	AAA	4.700	10-08-2003	380,618	379,310	380,854
	AAA	4.560	12-20-2004	14,312,967	14,312,967	14,308,387
Household Finance Corporation Remic	NR	7.250	08-19-2006	1,087,268	1,134,157	1,097,119
Household Finance Corporation	A2	9.375	02-15-1996	500,000	549,600	521,930

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Housing Securities Incorporated Mortgage Pass	A2	7.800	11-01-1996	4,000,000	4,082,120	4,079,840
Imperial Savings & Loan Association	NR	7.000	05-25-2016	6,416,682	6,637,255	6,536,995
International Lease Finance Corporation	AAA	8.800	01-25-2017	2,028,119	1,971,870	2,062,333
Ireland Republic Euro	A2	5.750	03-15-1998	700,000	692,552	669,445
IBM Credit Corporation	AA3	8.625	04-15-2001	500,000	494,825	526,215
	NR	0.000	01-21-1995	7,000,000	7,000,000	6,807,500
ITT Floorplan Receivables	AAA	4.300	04-14-1997	2,290,000	2,290,000	2,284,756
Kidder Peabody Acceptance Corporation	AAA	4.637	02-15-2001	950,000	949,570	950,000
Lehman Brothers Holdings Incorporated	AA2	7.150	04-25-2025	2,472,912	2,460,631	2,355,449
LB Mortgage Trust Multiclass Remic	A3	8.375	04-01-1997	600,000	641,184	611,304
Marine Midland Home Equity Loan Trust	AAA	11.229	11-25-2001	390,792	410,331	397,142
Maritrans Capital Corporation	AAA	4.930	12-15-1997	12,411,508	12,450,294	12,442,536
Marshall & Ilsley Corporation	BA	9.250	04-01-2007	4,000,000	4,000,000	3,296,240
Merrill Lynch & Company Incorporated	A2	6.375	07-15-2003	6,000,000	5,961,060	5,374,500
Merrill Lynch Asset Backed Corporation	A-1	8.000	06-01-2007	400,000	392,548	389,992
Merrill Lynch Mortgage Investors Incorporated	AAA	5.125	07-15-1998	7,318,408	7,385,875	7,240,614
	NR	0.000	04-25-2023	8,000,000	8,056,250	7,910,000
	A2	0.000	04-25-2023	3,000,000	2,976,094	2,922,180
Morgan Guaranty Trust Company	AA-1	7.375	02-01-2002	1,000,000	948,010	979,060
Morgan J P Acceptance Trust Remic	AAA	9.000	10-20-2007	9,227,665	9,481,426	9,392,010
Mortgage Bankers Financial Corporation	NR	9.900	03-01-2018	9,213,361	8,845,495	9,564,574
	NR	9.500	07-01-2018	10,861,314	10,677,909	11,210,831
Mortgage Investments Group	NR	4.500	07-01-2019	1,917,879	1,869,932	1,879,521
Mortgage Oblig Stripped Trust	AAA	6.350	10-25-2018	4,017,063	4,057,233	4,013,287
Mortgage Securities III	NR	9.000	04-01-2018	7,292,152	6,889,442	7,415,171
Municipal Finance Authority	AAA	13.750	12-01-2005	341,000	367,854	385,947
MBNA Credit Card	AAA	8.250	06-30-1998	1,400,000	1,495,813	1,427,118
Nationsbank Credit Card Master	AAA	4.750	09-15-1998	1,680,000	1,678,426	1,608,062
Navistar Financial Owner Trust	NR	4.531	05-15-1995	11,084,257	11,084,257	11,047,124
Nissan Auto Receivables Grantor	AAA	4.475	10-15-1998	7,000,000	6,996,719	6,890,590
Nomura Asset Securities Corporation Remic	AAA	6.800	09-15-1996	3,907,125	3,979,649	3,915,643
	NR	6.680	12-15-2001	5,886,658	5,992,883	5,580,552
Norwest Financial Incorporated	NR	7.526	03-15-2015	1,680,000	1,708,875	1,648,584
NBD Bancorp Incorporated	AA3	8.500	08-15-1998	1,000,000	993,530	1,040,440
NCNB Corporation	A-1	8.100	03-01-2002	500,000	499,555	504,090
Offshore Mexican	A3	9.375	09-15-2009	360,000	405,644	395,312
Orix Credit Alliance Owner Trust	NR	7.000	07-20-1994	49,000,000	49,000,000	48,693,750
CMO Trust Four Remic	NR	4.300	08-17-1998	552,317	549,555	538,939
CMO Trust 89	NR	7.664	09-01-2018	714,320	733,406	711,641
Pacific Gas & Electric Company	NR	7.965	04-01-2019	5,038,726	4,916,922	4,849,774
Paine Webber Group Incorporated	A2	7.350	11-30-2000	7,000,000	7,000,000	6,914,530
Patten Corporation Remic Trust	A3	6.250	06-15-1998	300,000	302,283	284,445
Peoples Bank Credit Card Master Trust	AAA	0.000	11-01-2000	6,293,526	6,352,527	6,306,301
Premier Auto Trust	AAA	4.800	12-15-1996	1,000,000	999,219	967,180
	NR	6.500	11-02-1997	13,000,000	12,991,875	12,967,500
	NR	4.220	03-02-1999	724,324	723,419	700,327
Premier Auto Trust Money Market	NR	3.280	02-02-1995	5,095,405	5,093,813	5,076,297
Private Export Funding Corporation	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,288,300
Prudential Home Fifteen-Year Mortgage	NR	7.400	05-25-2007	13,059,870	13,259,849	12,537,475
Prudential Home Mortgage Securities Company	AAA	6.500	02-25-2024	6,100,000	5,013,438	5,091,548
Prudential Home Mortgage Securities Remic	AA2	9.500	07-25-2020	521,658	528,505	518,721
	AAA	7.500	02-25-2022	2,362,030	2,400,782	2,360,542
	AA2	6.570	07-25-2022	4,084,261	4,201,683	4,169,785
	AAA	7.000	09-25-2023	5,485,799	5,556,086	5,398,356
Residential Funding Mortgage Securities	AAA	0.000	02-25-2007	2,199,220	2,263,134	2,177,227
Residential Funding Mortgage Securities Inc.	AAA	8.500	08-25-2020	7,531,524	7,870,443	7,595,015
	AA-1	9.500	10-25-2020	746,145	766,314	773,887
	NR	5.641	07-25-2022	4,923,618	5,057,479	4,983,637
Residential Funding Mortgage Securities I	NR	0.000	08-25-2023	3,322,200	3,436,401	3,388,644
Resolution Trust Corp. Mortgage Multifamily	AAA	7.000	09-25-2023	4,775,000	4,945,109	4,576,503
	AA-1	7.914	05-25-2019	3,395,667	3,395,667	3,438,113
Resolution Trust Corporation Mortgage Pass Thru	NR	8.000	09-25-2021	1,469,756	1,522,346	1,483,278
	AA2	5.051				

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Resolution Trust Corporation Remic Pass	AA2	10.000	05-25-2022	1,000,000	1,069,690	1,060,000
Rural Electric Coop Grantor Trust	AAA	9.580	12-15-2019	8,000,000	8,252,240	8,905,600
Ryland Acceptance Corporation	NR	9.850	02-01-2019	10,664,580	11,184,479	10,582,250
Ryland Mortgage Securities Corporation Libor	AA2	5.620	07-25-2022	8,000,000	8,201,562	8,232,480
	AAA	5.554	08-25-2022	3,573,040	3,667,947	3,655,685
Ryland Mortgage Securities Corporation	NR	6.093	05-29-2021	9,000,000	8,758,800	8,842,500
	NR	8.300	03-29-2030	910,939	944,245	916,632
	AAA	5.148	12-25-2021	4,369,685	4,410,650	4,358,760
	AAA	4.969	03-25-2022	2,383,499	2,412,548	2,377,540
	AAA	5.385	12-29-2031	4,877,962	4,955,704	4,938,936
RCSB Grantor Trust	AAA	4.420	03-15-2000	4,171,750	4,171,750	4,171,750
Salomon Brothers Mortgage Securities	AAA	5.558	01-25-2018	1,477,748	1,479,595	1,463,887
	AAA	11.500	09-01-2015	2,013,267	2,207,724	2,170,563
	NR	7.000	02-01-2017	581,243	506,045	566,712
Salomon Incorporated	A2	5.352	04-05-1995	4,000,000	4,004,800	4,015,200
	A2	8.950	08-01-1995	1,000,000	1,093,740	1,027,860
	A2	6.550	12-26-1995	3,000,000	3,012,570	3,002,700
	A3	7.500	06-15-1999	5,000,000	5,196,600	5,060,350
	A3	6.875	12-15-2003	5,000,000	5,000,000	4,482,300
	NR	5.370	02-01-1995	3,000,000	2,998,440	2,992,260
	NR	9.450	09-01-2010	150,280	152,910	150,139
Santa Barbara Funding I Incorporated	AAA	9.350	10-15-1995	7,000,000	7,671,563	7,179,340
Sears Credit Account Trust	AAA	7.750	09-15-1996	8,000,000	8,218,750	8,120,000
	NR	8.150	03-25-2022	2,328,668	2,382,882	2,343,944
Sears Mortgage Securities Corporation Remic	AAA	6.420	06-25-2022	2,269,649	2,300,857	2,261,842
Security Pacific Home Equity Trust Home	AAA	8.250	05-10-2003	1,468,028	1,507,481	1,474,443
Security Pacific National Bank	NR	10.500	01-01-2018	1,024,917	1,034,282	1,094,099
Secured Finance Incorporation	AAA	9.050	12-15-2004	8,000,000	8,843,570	8,508,240
Select Auto Receivables Trust	AAA	7.650	07-15-1996	2,514,269	2,585,376	2,534,685
Shearson Lehman Brothers Holdings Incorporated	AAA	0.000	09-05-1994	2,300,000	2,300,000	2,160,850
Shearson Lehman Securities Incorporated	AAA	5.850	01-01-2019	2,759,388	2,818,887	2,724,896
Southwest Savings Association	NR	5.661	12-31-2018	497,298	499,892	495,120
Spiegel Charge Account Trust	AAA	6.950	12-17-2001	600,000	636,000	599,058
Standard Credit Trust	AAA	9.375	06-10-1995	12,200,000	12,810,375	12,554,532
Standard Credit Card Master Trust	AAA	8.000	08-07-1996	8,500,000	8,984,388	8,720,405
	AAA	4.650	03-07-1999	1,950,000	1,947,231	1,846,397
Suntrust Banks Incorporated	A-1	7.375	07-01-2002	360,000	361,339	350,140
SPNB Home Equity Loan Asset Backed	AAA	8.100	06-15-2020	6,405,434	6,622,874	6,455,461
Tenneco Credit Corporation	BAA2	9.750	08-01-1994	1,150,000	1,173,391	1,153,301
Texas Capital	A-1	9.000	11-15-1996	400,000	441,738	419,676
Toledo Edison Company	BA2	9.300	04-01-1998	3,500,000	3,807,405	3,512,670
Toyota Auto Receivables Grantor Trust	AAA	3.900	08-17-1998	9,213,256	9,194,541	9,034,703
Transamerica Finance Corporation	NR	4.630	05-27-1997	10,000,000	9,991,600	10,000,000
UBS Mortgage Trust	AAA	0.000	06-01-2020	44,158	629,245	596,127
UCC Investors Holdings Incorporated	NR	10.500	05-01-2002	2,050,000	2,107,825	2,080,750
	NR	11.000	05-01-2003	1,200,000	1,226,250	1,218,000
Western Federal Savings & Loan Association	AA3	4.687	01-01-2021	4,247,835	4,218,631	4,088,541
	AAA	5.438	05-01-2018	168,651	172,446	165,700
	AAA	5.510	03-01-2019	3,215,333	3,174,261	3,185,173
Xerox Credit Corporation	NR	4.560	03-29-1996	7,000,000	6,993,490	7,000,000
TOTAL FINANCE				1,397,558,731	1,418,234,262	1,395,519,448

INDUSTRIAL AND MISCELLANEOUS

Agricultural Minerals & Chemicals	NR	10.750	09-30-2003	1,700,000	1,701,250	1,717,000
American Brands Incorporated	A3	5.250	07-15-1995	500,000	503,280	496,660
Associates Corporation Of North America	A-1	10.750	11-01-1995	5,000,000	5,328,350	5,275,950
Atlantic Richfield Company	A2	9.125	03-01-2011	500,000	560,045	532,410
AMR Corporation Delaware	BAA3	9.880	06-15-2020	200,000	220,800	193,866
BP North America Incorporated	A-1	9.875	03-15-2004	400,000	463,784	451,980
Caterpillar Incorporated	A2	7.280	06-05-1997	5,000,000	5,035,850	5,036,550
	A3	9.375	07-15-2001	500,000	574,625	541,500
	BA3	0.000	03-15-2003	500,000	194,375	205,000
Century Communications Corporation	NR	11.000	12-31-2003	6,551,000	6,551,000	6,551,000
Champion Healthcare Corporation	NR	11.250	04-15-2004	2,200,000	2,208,625	2,233,000
Charter Medical Corporation	NR	0.000	08-16-2010	7,250,000	2,700,625	2,773,125
Chemical Waste Management Incorporated	BA2	11.750	06-15-2006	5,500,000	6,496,875	6,103,515
Coastal Corporation	A3	7.000	11-15-1999	500,000	510,725	486,835
Coca Cola Enterprises Incorporated	NR	8.000	08-25-2017	1,792,897	1,609,125	1,778,321
Collateralized Mortgage Securities Corporation	B-1	10.625	07-15-2012	2,700,000	2,777,000	2,686,500
Comcast Corporation	NR	10.750	05-01-2002	2,500,000	2,500,000	2,537,500
Container Corporation of America	NR	11.250	05-01-2004	2,500,000	2,500,000	2,562,500
Continental Cablevision Incorporated	BA2	8.500	09-15-2001	1,150,000	1,063,063	1,046,500

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
County Seat Stores Incorporated	BA2	9.000	09-01-2008	3,195,000	2,961,244	2,875,500
CIT Group Holdings Incorporated	NR	12.500	06-15-1997	5,000,000	5,000,000	5,000,000
C & S Sovran Corporation	A-1	5.020	04-06-1995	15,000,000	15,000,000	15,000,000
Dayton Hudson Corporation	A3	9.700	06-15-2021	5,000,000	5,268,550	5,003,900
Diamond Shamrock Incorporated	BAA2	8.000	04-01-2023	1,000,000	1,080,140	1,110,300
Discover Credit Corporation	BAA1	8.920	03-15-1996	500,000	490,045	447,755
Dole Food Incorporated	BAA3	7.000	05-15-2003	1,850,000	2,028,007	1,915,287
Dow Chemical Company	A-1	9.000	04-01-2021	200,000	202,906	181,100
Du Pont E I De Nemours & Company	AA2	8.125	03-15-2004	1,000,000	1,044,080	1,068,040
Eastman Kodak Company	A3	9.125	03-01-1998	1,000,000	997,010	1,015,940
Emerson Capital Corporation				1,000,000	1,062,400	1,019,660
				709,184	709,184	843,397
Enron Corporation	BAA3	6.750	07-01-2005	60,816	60,816	72,325
Exxon Capital Corporation	AAA	7.875	08-15-1997	500,000	501,195	447,290
FBC Mortgage Securities Trust II				165,000	179,302	169,307
Federal Express Corporation	BAA3	10.000	09-01-1998	2,049,841	1,868,490	2,006,282
First PV Funding Corporation	BA3	10.150	01-15-2016	500,000	536,605	538,110
Fleet Norstar Financial Group Incorporated				6,000,000	5,025,000	5,632,500
Ford Capital	A2	10.125	11-15-2000	5,400,000	5,813,370	5,816,772
Ford Holdings Incorporated	A2	9.250	07-15-1997	200,000	236,108	221,416
Ford Holdings Incorporated				241,000	268,961	254,648
Ford Motor Company	A2	9.000	09-15-2001	10,000,000	10,384,000	10,195,400
Fort Howard Corporation	NR	12.625	11-01-2000	500,000	540,968	526,856
	B-1	9.250	03-15-2001	200,000	208,250	205,500
	NR	10.000	03-15-2003	300,000	283,125	280,500
	NR	9.000	02-01-2006	300,000	285,375	279,000
General Electric Credit Corporation 2nd				4,600,000	3,975,552	3,910,000
General Electric Company	AAA	7.875	05-01-1996	3,609,068	3,577,283	3,585,356
General Medical Corporation	NR	10.875	08-15-2003	450,000	490,208	460,566
General Motors Acceptance Corporation	BAA1	8.875	06-01-2010	1,200,000	1,182,000	1,224,000
General Motors Corporation	BAA1	8.000	07-01-1994	8,500,000	9,151,250	9,139,795
	BAA1	8.800	03-01-2021	14,850,000	15,360,510	14,850,000
Georgia Pacific Corporation	BAA3	9.625	03-15-2022	7,400,000	7,857,560	7,900,314
GMAC Mortgage Kkgog Mortgage Pool				400,000	400,880	414,600
Harcourt General Incorporated	BAA1	8.250	06-01-2002	61,876	39,104	61,624
Harris Chemical North America	NR	10.750	10-15-2003	1,000,000	994,280	993,730
Hertz Corporation	BAA1	6.625	07-15-2000	4,000,000	3,921,421	3,680,000
Home Fashions Incorporated	NR	15.500	05-01-2002	700,000	698,649	656,726
Home Fashions Incorporated				13,781,564	11,313,371	5,656,685
Huntsman Corporation	B-1	11.000	04-15-2004	6,170,442	3,750,000	3,750,000
Illinois Power Fuel Company				1,600,000	1,600,000	1,616,000
International Business Machines	A3	9.000	05-01-1998	6,000,000	6,671,250	6,075,240
International Cabletel Incorporated	NR	0.000	10-15-2003	400,000	428,500	409,412
ICI North America Incorporated	A2	8.875	11-15-2006	1,600,000	998,500	944,000
ISP Chems Inc./ISP Tech Incorporated	BAA3	9.000	03-01-1999	300,000	343,578	310,086
Jenkins Empire Associates				350,000	351,138	349,010
				11,606,114	11,490,053	10,450,957
K Mart Corporation	A3	12.500	03-01-2005	5,000,000	5,050,000	5,000,000
Keller Graduate School	NR	13.000	12-01-1999	400,000	532,828	512,940
Kellogg Company	AAA	5.900	07-15-1997	5,226,419	5,226,419	5,226,419
Kroger Company	BA3	9.875	08-01-2002	360,000	359,100	350,986
Leewards Creative Crafts Incorporated	NR	13.500	05-15-2000	300,000	304,125	304,500
Litton Industries Incorporated	BA2	12.625	07-01-2005	5,000,000	5,000,000	5,000,000
Louisiana Power & Light				4,950,000	5,446,287	5,429,457
Martin Marietta Corporation	A3	9.000	03-01-2003	1,250,000	1,250,000	1,385,150
Maxus Energy Corporation	B-1	9.875	10-15-2002	1,000,000	1,072,170	1,052,860
	B-1	9.375	11-01-2003	300,000	282,375	285,000
	B-1	9.375	11-01-2003	750,000	690,000	688,125
Merrill Lynch & Company Incorporated				660,000	608,850	603,900
MFS Communications Incorporated	NR	0.000	01-15-2004	12,400,000	12,561,076	12,457,784
National Medical Enterprises Incorporated	BAA3	7.375	09-01-1997	3,805,000	2,218,556	2,130,800
Norco Incorporated	BAA3	9.650	06-01-1999	5,000,000	4,980,000	4,869,200
News America Holdings Incorporated	BA-1	12.000	12-15-2001	5,000,000	5,097,000	5,376,900
	BA-1	7.750	01-20-2024	9,085,000	11,065,530	10,416,225
Newtrend Group Limited Partnership	NR	12.000	01-01-1997	1,300,000	1,146,530	1,092,728
NWCG Holding Corporation				1,558,688	1,558,688	1,558,688
Occidental Petroleum Corporation	BAA3	11.750	03-15-2011	5,000,000	2,616,100	5,000,000
Olympia & York 237 Park Avenue Associates				19,400,000	21,491,010	21,590,260
Owens Illinois Incorporated	NR	10.000	08-01-2002	9,467,587	9,391,984	5,964,580
Paramount Communications Incorporated	A3	5.875	07-15-2000	1,000,000	988,906	997,500
	A3	7.500	01-15-2002	550,000	558,968	469,178
Penn Central Corporation	BAA3	10.875	05-01-2011	1,000,000	951,300	877,810
Pennney J C Company Incorporated	A2	6.000	05-01-2006	13,500,000	15,652,215	15,067,215
Pepsico Incorporated	A-1					

Investment Listing

Bonds, Corporate Notes and Preferred Stock

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
Phillips Petroleum Company	A2	8.875	07-01-1996	5,000,000	5,175,800	5,170,400
Ralston Purina Company	A2	7.125	08-15-2002	7,000,000	6,806,060	6,483,820
Resorts International Incorporated	BAA2	8.490	01-01-2023	10,000,000	10,832,700	9,533,500
RJR Nabisco Incorporated	BAA1	9.300	05-01-2021	340,000	395,539	349,224
	CA	15.000	04-15-1994	800	792	520
	BAA3	8.875	01-15-1995	5,000,000	5,226,700	5,043,000
	BAA3	10.500	04-15-1998	11,500,000	13,009,125	12,175,395
	BAA3	8.300	04-15-1999	4,000,000	4,000,000	3,735,000
Safeco Products	A2	9.460	05-31-1999	7,000,000	6,992,160	7,574,700
	A2	9.630	05-31-2000	4,000,000	3,995,760	4,361,960
Sears Credit Account Trust	AAA	8.750	01-15-1995	2,250,000	2,347,734	2,274,593
Sears Roebuck & Company	BAA1	7.000	11-01-1994	2,500,000	2,579,925	2,512,300
	BAA1	9.190	03-20-1995	5,600,000	5,894,112	5,724,432
	BAA1	9.430	05-24-1995	5,300,000	5,622,452	5,450,997
	BAA1	9.250	08-01-1997	4,050,000	4,504,694	4,268,538
	BAA1	9.250	04-15-1998	26,860,000	29,988,384	28,494,968
	BAA1	9.375	11-01-2011	250,000	257,413	270,365
	A2	8.350	08-15-1994	5,000,000	5,147,950	5,018,400
Security Pacific Corporation	AA2	6.950	12-15-1998	1,000,000	998,310	987,070
Shell Oil Company				14,075,693	16,191,107	18,135,545
Sonwil Corporation Deferred Interest	B-1	12.625	07-15-1998	200,000	207,250	210,000
Stone Container Corporation	B-1	11.875	12-01-1998	250,000	252,813	256,875
	NR	7.050	04-15-2002	4,000,000	3,999,720	3,968,720
SKW Real Estate Limited Partnership				17,639,738	17,736,757	17,231,731
Teachers Insurance & Annuity				200,000	219,376	211,416
Telecommunications Incorporated	BAA3	9.875	04-01-1998	800,000	800,000	816,000
Thrifty Payless Incorporated	NR	11.750	04-15-2003	8,500,000	9,007,735	7,507,710
Time Warner Entertainment Company	BAA3	8.375	03-15-2023	8,000,000	7,980,810	6,941,920
	BAA3	8.375	07-15-2033	52,600,000	46,117,063	48,523,500
Time Warner Incorporated	BA-1	11.000	08-15-2002	300,000	282,375	285,000
Uniroyal Chemical Incorporated	B-1	9.000	09-01-2000	1,800,000	1,966,896	1,863,936
United States Leasing International Incorporated	A2	8.750	05-01-1996	3,850,000	3,826,130	3,918,723
USX Corporation	BAA3	8.210	01-21-2000	500,000	498,325	428,090
Wal Mart Stores Incorporated	AA-1	5.875	10-15-2005	984,697	984,697	849,912
Wilmington Trust Company Chrysler Capital				639,497	639,497	551,963
Wilmington Trust Company Cilcorp Lease				329,297	329,297	284,223
Wilmington Trust Company Chrysler Capital				633,428	633,428	546,724
Wilmington Trust Company Mwr Capital Inc.				950,142	950,142	820,087
Wilmington Trust Company Northern Leasing Co.				3,156,212	3,156,212	2,724,190
Wilmington Trust Company Philip Morris				1,234,149	1,234,149	1,065,219
Wilmington Trust Company U S West Financial				10,000,000	10,000,000	10,000,000
Xerox Corporation	NR	5.656	05-10-1999			
TOTAL INDUSTRIAL AND MISCELLANEOUS				553,102,149	552,262,004	537,795,793
PUBLIC UTILITIES						
Baltimore Gas & Electric Company	A-1	6.125	07-01-2003	300,000	294,702	266,448
Boston Edison Company	BAA2	9.375	08-15-2021	270,000	307,584	289,437
Commonwealth Edison Company	AA3	9.170	10-15-2002	10,000,000	11,118,500	10,067,200
Consolidated Edison Company	AA3	7.625	03-01-2004	500,000	541,650	494,865
Consumers Power Company	BAA3	8.750	02-15-1998	1,000,000	1,101,750	1,035,310
CTC Mansfield Funding Corporation	BA3	10.250	03-30-2003	6,250,000	6,693,313	6,062,500
Duke Power Company	AA2	6.250	05-01-2004	600,000	584,250	533,160
Georgia Gulf Corporation	B-1	15.000	04-15-2000	200,000	214,250	212,000
Houston Light & Power Company	A2	7.625	03-01-1997	1,000,000	999,510	1,013,900
Idaho Power Company	A2	8.750	03-15-2027	1,000,000	996,250	1,060,130
Jersey Central Power & Light Company	A3	6.375	05-01-2003	100,000	99,160	90,456
Long Island Lighting Company	BAA3	11.750	11-15-1994	13,515,000	15,006,515	13,804,762
Mountain STS Telephone & Telegraph	AA3	9.500	05-01-2000	450,000	536,290	490,464
Northern Illinois Gas Company	AA-1	5.875	05-01-2000	500,000	496,890	464,535
Pacific Gas & Electric Company	A-1	7.875	03-01-2002	500,000	531,715	504,010
Rural Electric Coop Grantor Trust	AAA	9.730	12-15-2017	4,000,000	4,214,770	4,459,480
Southern California Edison Company	AA3	7.500	04-15-1999	500,000	494,220	501,590
Southern California Gas Company	A2	8.750	10-01-2021	350,000	359,709	352,559
Texas Utilities Electric Company	BAA2	8.125	02-01-2002	1,000,000	982,960	1,007,900
United Illuminating Company	BAA3	6.000	01-15-1995	6,000,000	6,106,680	5,996,280
	BAA3	7.375	01-15-1998	350,000	348,289	344,579
	AA2	7.750	01-15-2023	1,000,000	1,036,820	967,520
Wisconsin Electric Power Company	AA3	9.125	12-01-1997	4,000,000	3,990,000	4,151,280
Wisconsin Gas Company						
TOTAL PUBLIC UTILITIES				53,385,000	57,055,777	54,170,365

Corporate Obligations <i>Continued</i>	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
TELEPHONE						
Bell Telephone Company Of Pennsylvania	AA-1	7.700	01-15-2023	400,000	420,429	359,480
GTE Corporation	A3	8.850	03-01-1998	900,000	965,628	946,836
Southern Bell Telephone & Telegraph Company	AAA	8.125	05-01-2017	1,000,000	956,640	955,780
Southwestern Bell Telephone Company	A-1	6.625	04-01-2005	500,000	503,870	454,830
US West Communications	AA3	8.875	06-01-2031	1,000,000	1,015,250	1,026,140
TOTAL TELEPHONE				3,800,000	3,861,817	3,743,066
TRANSPORTATION						
AMR Corporation Delaware	BAA3	6.250	07-01-1995	5,000,000	5,054,090	4,973,900
	BAA3	7.750	12-01-1997	10,000,000	9,918,770	9,876,100
	BAA3	10.000	04-15-2021	1,000,000	1,095,830	988,210
	BAA3	9.800	10-01-2021	2,500,000	2,527,100	2,423,925
Burlington Northern Incorporated	BAA1	8.750	02-25-2022	500,000	551,565	508,985
Delta Air Lines Incorporated	BAA3	9.375	09-11-2007	4,821,496	4,821,496	4,577,914
	BAA3	9.490	01-02-2003	4,008,000	4,103,110	3,939,223
TOTAL TRANSPORTATION				27,829,496	28,071,961	27,288,257
CONVERTIBLE ISSUES						
Sterling Software Incorporated	B-1	5.750	02-01-2003	750,000	750,000	885,000
Time Warner Incorporated	BA3	8.750	01-10-2015	800	836	803
USX Corporation	BAA3	0.000	08-09-2005	41,500,000	17,704,063	17,845,000
TOTAL CONVERTIBLE ISSUES				42,250,800	18,454,899	18,730,803
TOTAL CORPORATE OBLIGATIONS				2,077,926,176	2,077,940,720	2,037,247,732

Preferred Stocks

Preferred Stocks - Domestic	Par Value	Book Value	Market Value
AMR Corporation	103,900	4,631,568	4,675,500
Cellular Communication	140,667	4,132,854	6,752,016
Champion Healthcare Corporation	56,262	1,012,716	1,012,716
Citicorp	189,300	3,753,608	3,715,013
County Seat Holdings Incorporated	43,111	398,439	398,439
County Seat Stores Incorporated	15,207	380,175	380,175
Ford Motor Company	27,500	2,469,500	2,667,500
Granite Broadcasting Corporation	25,000	625,000	625,000
Leewards Creative Crafts Incorporated	263,818	5,069,525	6,525,800
Lynx Therapeutics	67,020	2,072,406	2,305,329
Pxre Corporation	77,081	77,081	77,081
RJR Nabisco Holdings Corporation	26,400	1,320,000	1,465,200
Texaco Incorporated	683,900	4,447,100	4,530,838
Toledo Edison Company	314	11,571	15,857
	80,000	2,017,280	1,790,000
TOTAL PREFERRED STOCKS - DOMESTIC	1,799,480	32,418,823	36,936,464
PREFERRED STOCKS - INTERNATIONAL			
Bau Holdings	7,400	737,572	730,840
Colonia Konzern	200	108,172	110,839
Ea Generali Ag Prf	600	114,133	115,833
Fiat Spa	716,900	1,246,019	1,782,027
Gea Ag	550	176,640	192,837
Heilit And Woerner	3,400	993,660	1,014,766
Hornbach Holdings	1,800	1,029,651	1,866,164
Jagenberg Aktiengesellschaft	8,100	903,900	1,056,079
Roche Holding Basel Genusscheine	746	3,139,387	3,562,736
TOTAL PREFERRED STOCKS - INTERNATIONAL	739,696	8,449,134	10,432,121

Investment Listing

Foreign Obligations

Foreign Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Book Value	Market Value
Argentina (Rep Of)	NR	0.000	03-31-2005	1,714,375	1,624,703
Argentina Par Series L	NR	0.000	03-31-2023	1,180,000	1,052,500
Australia (Commonwealth Of)	NR	7.000	04-15-2000	12,311,758	11,726,015
Australia (Govt Of)	NR	10.000	10-15-2002	3,984,629	3,742,828
	NR	6.750	11-15-2006	16,011,010	15,627,834
Australia Gov't	NR	13.000	07-15-1996	1,547,883	1,575,366
Australia Gov't Bond	NR	9.000	09-15-2004	14,255,017	13,604,849
Austria Gov't Bond (Oesterreich)	NR	6.250	10-16-2003	5,461,106	7,121,017
Banco Nacional De Comercio Exterior	NR	8.000	05-06-1998	2,062,354	2,204,681
Banque Europeenne D'Investissement	NR	6.625	03-15-2000	11,462,844	14,710,635
Belgium (Govt Of)	NR	8.750	06-25-2002	12,645,228	12,471,464
Belgium (Kingdom of)	NR	0.000		7,599,003	7,733,802
	NR	9.000	07-30-1998	1,677,872	1,794,598
	NR	9.000	03-28-2003	8,343,466	8,645,083
	NR	8.500	10-01-2007	1,232,598	1,250,445
Brazil (Rep Of)	NR	0.000	01-01-2001	182,531	209,688
Brinson Partners	NR	0.000	01-01-1900	207,356,164	199,324,590
	NR	0.000	01-01-1900	37,866,732	36,580,876
	NR	0.000	01-01-1900	74,633,914	73,792,827
Brinson Partners International	NR	0.000		60	60
Brinson Partners International Cash	NR	0.000	01-01-1900	18,427,642	22,875,906
Brinson Partners Japan Only	NR	0.000	01-01-1900	16,674,979	17,467,441
British Columbia Bonds	NR	8.500	08-23-2013	773,066	645,266
British Treasury 7% Stock	NR	7.000	11-06-2001	7,652,026	7,038,360
	NR	7.000	11-06-2001	18,785,562	18,226,854
Bundesrepublik (Germany Fed Rep Of)	NR	7.125	12-20-2002	2,659,194	2,757,979
	NR	6.500	07-15-2003	24,118,640	23,778,620
	NR	6.250	01-04-2024	1,655,953	1,612,252
Bundesrepublik Deut(Germany Fed Rep Of)	NR	6.375	05-20-1997	3,461,758	3,629,743
Canada (Government of)	NR	0.000		732,367	742,617
	NR	0.000	10-01-1996	3,679,692	3,219,745
	NR	4.250	12-01-2021	4,485,065	3,618,993
Canada (Government Bonds)	NR	7.750	09-15-1996	3,472,451	3,474,233
	NR	5.750	03-01-1999	9,561,723	9,087,963
	AAA	9.500	06-01-2010	11,868,061	9,693,906
Canada (Government Of)	NR	9.500	10-01-1998	3,588,070	3,016,539
	NR	7.750	09-01-1999	1,690,239	1,737,116
	AAA	9.250	12-01-1999	11,304,744	9,986,763
	AAA	7.500	12-01-2003	1,830,771	1,672,988
	NR	10.250	03-15-2014	7,700,507	7,125,072
Canada Dtd	AAA	7.500	07-01-1997	1,697,393	1,645,646
Canada T-Bill	NR	0.000		3,613,365	3,890,417
Canadian National Railroad	NR	13.000	11-15-2004	3,749,068	3,335,987
Denmark (Danish Gov't of)	NR	8.000	05-15-2003	1,640,498	1,577,650
Denmark (Kingdom of)	NR	9.000	11-15-1998	5,994,958	6,075,546
	NR	9.000	11-15-2000	20,274,864	19,971,005
Deutsche Bundespost	NR	0.000		999,850	990,401
Deutsche Backed Genuss Schern	NR	8.750	06-30-2004	28,775	34,084
Deutschland Bdr Bundesrepublik	NR	7.000	09-20-1999	14,272,230	15,648,287
	NR	7.125	12-20-1999	5,655,519	6,402,764
	NR	8.500	08-21-2000	6,194,049	6,773,484
	NR	8.875	12-20-2000	21,002,154	22,073,263
	NR	8.250	09-20-2001	13,376,359	13,406,220
	NR	8.000	07-22-2002	2,650,257	2,648,570
	NR	8.875	01-22-1996	6,051,004	6,285,058
E I B	NR	9.000	07-16-2001	3,231,504	3,025,260
Eurofina Dtd	NR	9.875	01-17-2007	2,343,109	2,029,469
Finland (Rep Of) Housing	NR	10.750	03-15-2002	4,221,503	4,007,015
Finland (Republic Of)	NR	9.500	03-15-2004	3,122,051	2,969,226
France (Govt of)	NR	8.500	11-12-1996	13,311,873	13,889,618
	NR	8.500	03-12-1997	1,990,560	1,975,471
	NR	8.500	04-25-2023	17,290,326	15,757,096
	NR	0.000		1,877,122	1,870,432
	NR	4.500	05-12-1996	1,216,421	1,285,889
	NR	8.000	05-12-1998	7,217,534	7,287,086
	NR	4.750	04-12-1999	4,344,990	4,434,464
	NR	5.750	11-12-1998	5,779,033	5,888,381
	NR	8.125	05-25-1999	1,585,769	1,790,492
	NR	8.500	10-25-2008	5,197,306	4,917,566
	NR	9.500	06-25-1998	12,278,152	12,567,684
	NR	8.250	02-27-2004	5,384,179	6,356,383
	NR	5.500	04-25-2004	5,280,410	5,143,374
	NR	8.500	12-26-2012	10,847,102	10,619,159
France Oat Coupon Strip	NR	0.000		2,601,899	3,014,013
French Treasury Bonds (France)	NR	8.250	04-25-2022	3,047,297	2,970,041
Glaxo Holdings Place	NR	4.300	09-28-1998	5,046,301	5,268,914
Gov't Of Netherland	NR	8.250	09-15-2007	7,442,035	7,411,869

Foreign Government Obligations—Continued	Moody's Quality Rating	Coupon Rate	Maturity Date	Book Value	Market Value
Greek T-Bills (Bond)	NR	22.250	05-31-1995	5,230,273	4,662,000
GMAC Canada	NR	9.900	09-27-1995	2,493,390	2,196,801
	BAA1	9.350	11-01-1995	1,812,244	1,592,357
Holland Neiderland (Nederland) Government Notes	NR	8.500	06-01-2006	7,809,643	7,996,639
Holland Niederland (Nederland)	NR	6.500	04-15-1996	5,186,536	5,448,067
	NR	6.750	02-15-1999	3,396,674	3,505,501
	NR	8.500	03-15-2001	9,171,748	9,646,891
Holland Niederland (Nederland)	NR	9.000	07-01-2000	731,386	6,923,922
International Bank For Reconstruction	NR	4.500	06-20-2000	934,691	1,031,480
International Bank Reconstruction Development	NR	5.250	03-20-2002	4,074,544	5,481,800
Ireland (Rep of)	NR	8.750	07-27-1997	1,302,849	1,313,536
	NR	9.000	07-15-2001	1,292,866	1,229,576
Italy (Republic Of)	NR	12.000	05-18-1999	6,208,975	6,130,364
	NR	9.000	10-01-1998	18,804,462	18,726,746
	NR	12.000	01-01-1996	4,262,981	4,069,121
	NR	12.500	03-01-1996	4,300,860	4,080,984
	NR	12.000	01-01-1998	2,385,845	2,327,334
	NR	10.000	08-01-1998	18,269,085	18,000,086
	NR	10.000	08-01-2003	4,705,967	4,641,387
Italy BPT	NR	9.000	10-01-2003	10,524,697	10,017,751
Italy Republic	NR	12.000	09-01-1997	3,327,839	3,278,523
Italy (Republic Of)	NR	9.250	03-07-2011	13,068,565	11,567,823
	NR	9.000	10-01-1996	4,670,348	4,810,001
	NR	8.500	01-01-1999	3,407,192	3,462,727
Japan (Gov't of)	NR	6.400	03-20-2000	21,113,438	22,119,255
	NR	5.500	03-20-2002	3,900,656	4,027,042
	NR	5.000	09-20-2002	9,166,702	9,433,929
	NR	4.500	06-20-2003	4,951,650	5,122,428
	NR	6.800	09-20-2011	3,734,058	4,021,436
	NR	4.700	09-22-2003	9,374,619	10,078,652
	NR	3.400	03-22-2004	6,417,409	6,566,218
	NR	5.900	09-20-2012	3,230,556	3,349,904
	NR	5.300	03-20-2013	9,838,159	10,084,473
	NR	5.500	09-20-2013	7,180,318	7,416,523
	NR	4.700	03-20-2014	2,161,744	2,239,630
	NR	4.100	03-20-2014	6,991,729	7,415,305
	NR	4.900	09-22-2008	3,479,632	3,643,294
	NR	6.600	06-20-2001	13,741,249	14,725,891
Mexico Series	NR	0.000	12-31-2019	1,245,625	877,500
Montreal (City of)	NR	11.500	09-20-2000	4,313,258	3,618,993
National Power	NR	7.625	11-15-2000	456,250	492,500
Netherlands (Gov't of)	NR	7.500	01-15-2023	18,155,273	16,588,606
Netherlands (Dutch State Loan)	NR	6.250	07-15-1998	5,472,014	5,616,958
Netherlands (Gov't of)	NR	6.500	07-15-1998	1,146,203	1,120,784
	NR	6.750	10-01-1998	4,533,502	4,518,095
	NR	5.750	01-15-2004	3,226,150	3,266,331
New South Wales Treasury Corporation	NR	7.000	02-01-2000	1,524,583	1,458,854
New Zealand (Govt of)	NR	8.000	11-15-1995	4,226,156	3,552,453
	NR	6.500	02-15-2000	4,220,365	4,073,775
Nykredit Denmark	NR	0.000		5,522,335	4,999,832
Oesterische Kontrollbank	NR	6.500	09-19-1998	3,209,742	3,333,937
Pt Astra Dtd	NR	0.000		749,063	733,125
Republic Of Finland	NR	11.000	01-15-1999	5,089,815	5,017,018
Schweden (Gov't of)	NR	10.750	01-23-1997	3,010,555	2,845,897
	NR	11.000	01-21-1999	6,351,983	6,376,592
	NR	10.250	05-05-2003	16,054,679	14,241,037
Spain (Gov't of)	NR	11.600	01-15-1997	2,174,159	2,041,003
Spain (Gov't of) Bond	NR	10.500	10-30-2003	4,276,766	4,036,610
	NR	10.250	11-30-1998	5,036,709	5,046,605
Spain (Kingdom Of)	NR	10.550	11-30-1996	3,681,324	3,715,575
	NR	11.450	08-30-1998	171,236	175,074
	NR	8.300	12-15-1998	2,810,195	2,754,452
	NR	5.750	03-23-2002	3,762,806	5,448,853
Spanish Government Bond	NR	10.50	05-30-1994	14,147,760	12,880,762
Statens Bostadsfin	NR	11.000	01-21-1999	1,150,172	1,056,839
Sweden (Kingdom Of)	NR	6.000	02-09-2005	1,634,411	1,498,185
	NR	9.000	04-20-2009	843,001	768,686
U.K. Treasury Index	NR	2.500	04-16-2020	177,125	159,791
U.K. Conversion	NR	9.500	10-25-2004	10,601,213	10,280,684
U.K. Treasury	NR	6.750	11-26-2004	8,294,720	8,309,939
U.K. Treasury - War	NR	4.000	12-29-2049	2,472,394	2,438,634
United Kingdom Conversion Stock	NR	10.250	11-22-1999	2,392,795	2,409,621
United Kingdom Conversion	NR	9.000	03-03-2000	2,377,335	2,368,559
United Kingdom Great Brit-Gilt	NR	0.000		8,464,232	8,598,896
United Kingdom Treasury	NR	7.000	08-06-1997	2,393,337	2,438,730
	NR	7.750	09-08-2006	8,337,215	8,306,770
United Kingdom Treasury Stock	NR	8.000	06-10-2003	15,536,947	15,297,602
United Kingdom Treasury War	NR	3.500	12-29-2049	560,256	501,319

Investment Listing

Foreign Obligations

Foreign Government Obligations—Continued	Moody's Quality Rating	Coupon Rate	Maturity Date	Book Value	Market Value
United Kingdom Treasury	NR	2.500	07-26-2016	14,852,570	13,668,570
U.K. Treasury	NR	0.000		14,378,334	14,658,427
TOTAL FOREIGN GOVERNMENT OBLIGATIONS				1,275,198,015	1,265,417,371
INTERNATIONAL CORPORATE OBLIGATIONS					
Banesto Finance Limited	NR	4.400	12-28-1995	4,912,500	5,000,000
Canada Government	AAA	10.125	07-15-1995	9,788,940	9,360,900
Canadian National Railroad Company	A-1	7.625	05-15-2023	489,335	447,315
Cemex S A Euro	NR	0.000	10-05-1994	20,647,699	20,647,620
Chevron Canada Financial Limited	AA2	5.600	04-01-1998	598,800	572,418
Citicorp	BAA3	0.000	01-30-1998	2,850,600	3,001,860
Credit Lyonnais	NR	0.000	05-29-1998	4,800,100	4,943,750
Dial Call Communications Incorporated	NR	0.000	07-21-2000	5,752,054	5,368,679
European Investment Bank	CAA	0.000	04-15-2004	1,771,776	1,952,000
Ford Motor Credit Company Euro	NR	5.250	11-13-1996	1,230,580	1,092,470
Ford Motor Credit Company	NR	0.000	11-30-2010	3,029,250	3,200,000
Ford Motor Credit Company Euro	A2	9.230	10-31-1995	915,000	1,000,000
Hydro Quebec	A-1	8.000	02-01-2013	4,989,500	5,000,000
	NR			3,142,170	3,128,460
	NR			1,392,417	1,241,555
	NR			2,000,000	1,975,360
	A-1	9.375	04-15-2030	1,316,960	1,049,920
	A-1	9.500	11-15-2030	8,130,242	7,348,980
Israel State	NR	8.000	12-01-1994	4,000,000	4,000,000
	NR	8.000	12-01-1995	2,000,000	2,000,000
	NR	8.000	03-01-1998	1,000,000	1,000,000
	NR	8.000	06-30-2004	5,000,000	5,000,000
Israel State Dollar Bonds	AAA	8.000	06-30-2004	5,000,000	5,000,000
John Deere Capital Corporation	NR	11.625	03-20-1995	10,168,000	4,834,813
Kansallis Osake Pankki NY Branch	NR	4.650	05-10-1995	1,991,640	2,000,000
Kansallis-Osake-Pankki	NR	0.000	09-22-2043	17,511,880	17,360,000
Malaysia	NR	0.000	10-19-2005	9,027,000	8,924,400
Manitoba Province Canada	A-1	8.875	09-15-2021	498,120	514,400
Manufacturers Hanover Trust	NR	5.250	04-30-1997	2,959,500	2,985,000
Nafin Finance Trust II	NR	0.000	03-31-1999	7,852,522	5,514,093
Nova Scotia Province Canada	A2	9.375	07-15-2002	579,890	537,925
	A2	8.750	04-01-2022	2,913,051	2,468,163
Ontario Province Canada	AA2	5.700	10-01-1997	1,687,335	1,621,813
	AA2	7.375	01-27-2003	394,080	361,313
OSI Specialties Holdings Company	NR	0.000	04-15-2004	543,828	572,380
Quebec Province Canada	NR	5.312	10-16-2001	3,368,750	3,371,550
	A-1	7.500	07-15-2023	4,418,350	4,315,400
Rogers Cablesystems Limited	BA3	10.125	09-01-2012	1,176,188	1,138,500
Saskatchewan Province Canada	A3	9.125	02-15-2021	495,675	524,555
Spain Kingdom	AA2	9.125	08-01-2000	510,080	536,250
Swedbank	NR	6.187	10-20-2049	5,037,500	5,059,350
Swedbank Sparbanken	NR	6.187	10-20-2049	3,970,000	4,047,480
Texas Instruments Incorporated Euro	NR	2.750	09-29-2002	2,650,200	3,142,500
Thailand Kingdom	A2	8.250	03-15-2002	1,119,110	1,010,727
Union Bank Of Norway	NR	6.187	12-22-2049	9,079,250	8,887,500
TOTAL INTERNATIONAL OBLIGATIONS				177,709,872	168,059,399
TOTAL FOREIGN OBLIGATIONS				1,452,907,887	1,433,476,770

Short-Term Investments

	Par Value	Book Value	Market Value
Accrued Interest and Dividends	0	92,071,243	92,071,243
Ameritech Capital Funding Corporation Disc Note	28,000,000	27,900,133	27,900,133
Brinson Small Cap TAA Fund	754,765	67,527,701	75,119,496
Canadian T Bills	13,100,000	13,047,644	13,047,644
Canadian Wheat Board	14,500,000	14,448,888	14,448,888
Emerson Electric Company	4,000,000	3,985,567	3,985,567
Emerson Electric Company Disc Notes	19,100,000	19,037,161	19,037,161
Ford Motor Credit Corporation	4,300,000	4,285,853	4,285,853
General Electric Capital Corporation	19,405,000	19,366,055	19,366,055
General Electric Capital Corporation Disc Notes	18,350,000	18,264,262	18,264,262
Harris Bank Collective Investment Funds	4,500,000	4,483,800	4,483,800
H J Heinz Company	164,646,474	164,646,474	164,646,474
Heinz (H.J.) Company Discount Notes	14,000,000	13,897,668	13,897,668
Motorola Incorporated	4,500,000	4,472,050	4,472,050
Motorola Incorporated Disc Notes	10,000,000	9,965,925	9,965,925
Nestle Capital Corporation	2,700,000	2,690,483	2,690,483
Newstrend Limited Partnership	40,000,000	39,821,822	39,821,822
Pfizer Incorporated	3,500,000	3,486,300	3,486,300
Pfizer Incorporated Disc Notes	15,587	1,212,699	1,212,699
Province Of Ontario	2,000,000	1,993,688	1,993,688
Raytheon Discount Note	5,000,000	4,985,000	4,985,000
Refco- Gardner Rich & Company	16,600,000	16,533,047	16,533,047
Refco- Mc Donnell Incorporated	1,600,000	1,593,984	1,540,000
Rodman & Renshaw	2	24,951,102	24,951,102
RXR Refco	2	9,655,232	9,655,232
Smith Barney Shearson	1	34,999,829	32,196,580
Sanwa Bank Limited London Time Deposits	2	27,975,729	27,975,729
U.S. T-Bill	1	37,882,335	39,592,732
	1	17,705	17,705
	10,000,000	10,000,000	10,000,000
	10,000,000	10,000,000	10,000,000
	40,525,000	25,226,416	40,474,320
	4,000,000	0	3,983,160
	6,190,000	6,158,496	6,159,298
	3,000,000	0	2,982,450
	4,250,000	0	4,213,408
	6,000,000	2,968,719	5,942,040
	1,750,000	0	1,731,888
	10,000,000	9,478,692	9,474,700
	1,000,000	0	988,550
	27,515,000	27,197,979	27,500,097
	150,000	148,575	149,709
	4,000,000	0	3,989,480
	16,825,000	16,653,260	16,769,646
	14,000,000	9,818,506	13,905,220
	1,000,000	0	992,240
	1,500,000	1,464,965	1,470,795
	22,000,000	21,928,979	21,928,979
		-9,621,224	-9,383,860
Warner - Lambert Company Disc Notes			
Various Options Contracts			
TOTAL SHORT-TERM INVESTMENTS		816,622,742	864,916,458

Currency Investments

	Book Value	Market Value	Currency Investments	Book Value	Market Value
Australian Dollar	3,563,355	3,572,712	Korean Wan		
Austrian Schilling	53,006	55,108	Malaysian Ringgit	113,774	114,029
Belgium Franc	1,770,718	1,780,887	Netherland Guilder	150,075	149,643
British Pound	12,390,639	12,459,393	New Zealand Dollar	2,458,083	2,559,389
Canadian Dollar	808,589	811,435	Norwegian Krone	50,261	52,052
Danish Krone	14,068	14,693	Open Foreign Exchange Contracts	98,427	100,985
European Currency Unit	1,908,679	1,897,853	Option Premium Due to Broker	0	-32,898,873
Finnish Markka	2,977,935	2,971,413	Pending Futures Margin	114,556	-3,231
Foreign Currency Payables	-57,344,899	-57,162,309	Portuguese Escudo	752,398	807,533
French Franc	6,315,690	6,418,484	Singapore Dollar	51,208	52,985
German Mark	15,562,778	15,998,340	Spanish Peseta	125,198	126,065
Hong Kong Dollar	758,678	760,325	Swedish Krone	3,103,609	3,156,289
Illinois Teachers Custom Cash	-5,279,613	-5,279,613	Swiss Franc	932,990	5,469,955
Indonesian Rupiah	646,862	625,845	Thailand Baht	664,267	697,222
Irish Pound	111,601	118,006	United States Dollar/Euroclear	175,680	177,422
Italian Lira	2,124,153	2,098,197	Various Option Contracts	12,397,698	12,397,698
Japanese Yen	8,089,941	8,470,969		5,950,617	5,130,493
TOTAL CURRENCY INVESTMENTS			TOTAL CURRENCY INVESTMENTS	21,611,021	-6,298,606

Investment Listing

Common Stock

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value
AIR TRANSPORT							
E Systems Inc.	28,000	1,205,669	1,046,500	First Virginia Banks Inc.	26,821	1,020,804	989,024
Electromagnetic Sciences Inc.	172,000	1,126,474	1,462,000	Firststar Corp.	50,000	1,666,305	1,768,750
Lockheed Corp.	7,600	502,370	496,850	Fleet Financial Inc.	102,000	3,351,444	3,850,500
Loral Corp.	212,402	6,169,587	7,434,070	Fleet Mortgage Group Inc.	50,000	1,037,138	706,250
Martin Marietta Corp. New	130,000	4,898,295	5,736,250	Fourth Financial Corp.	2,400	71,100	69,000
Mc Donnell Douglas Corp.	7,000	772,548	819,000	Franchise Finance Corp.	58,400	1,245,364	1,248,300
Northrop Grumman Corp.	183,226	6,954,650	6,802,266	Franklin Resources Inc.	113,000	2,877,160	4,195,125
Raytheon Co.	71,200	3,241,995	4,610,200	Genetics Institutional Inc.	20,000	899,491	830,000
Rockwell International Corp.	157,900	4,122,702	5,901,514	Great Western Financial Corp.	308,000	5,664,888	5,659,500
Textron Inc.	84,000	4,528,524	4,399,500	Green Tree Financial Corp.	9,100	306,690	509,600
United Technologies Corp.	71,700	3,697,867	4,606,725	GATX Corp.	43,600	1,560,357	1,765,800
AUTOMOBILES AND AUTO PARTS							
Allen Group Inc.	158,700	2,498,462	2,797,088	GFC Financial Corp.	107,300	3,148,010	3,581,138
Armor All Products Corp.	149,100	2,591,208	3,205,650	Household International Inc.	190,000	4,873,110	6,460,000
Automotive Industries Holding Inc.	2,500	75,000	66,250	Huntington Bancshares Inc.	176,000	4,237,824	4,466,000
Borg Warner Security Corp.	96,950	1,889,827	1,090,688	Integra Financial Corp.	60,000	2,719,482	2,805,000
Chrysler Corp.	82,143	3,451,535	3,901,793	J P Morgan & Co. Inc.	52,084	2,602,815	3,229,160
Coachmen Industries Inc.	106,000	1,109,645	1,325,000	Lehman Brothers Holdings Inc.	67,000	1,157,986	1,005,000
Dana Corp.	28,400	756,185	809,400	Mark Centers Trust	58,700	1,062,476	843,813
Ford Motor Co.	162,700	7,013,222	9,599,300	Marsh & McLennan Companies Inc.	6,000	512,352	500,250
General Motors Corp.	303,500	12,905,819	15,250,875	Mellon Bank Corp.	134,000	7,524,201	7,537,500
Genuine Parts Co.	63,600	2,309,216	2,297,550	Merrill Lynch & Co. Inc.	26,234	995,433	918,190
Lear Seating Corp.	99,900	1,663,501	1,835,663	Michigan National Corp.	69,700	4,032,591	5,018,400
Standard Motor Products Inc.	126,800	2,096,134	2,250,700	Morgan Stanley Group Inc.	10,000	579,612	568,750
Standard Products Corp.	11,850	312,995	346,613	Nationsbank Corp.	25,941	1,189,567	1,332,742
Superior Industries International Inc.	16,367	533,376	523,744	North Fork Bancorp. Inc.	90,000	1,118,507	1,192,500
TBC Corp.	152,000	1,895,688	1,748,000	Northern Trust Corp.	37,500	1,275,000	1,546,875
Wabash National Corp.	40,400	1,086,083	1,807,900	Norwest Corp.	300,400	7,470,911	7,847,951
BANKING AND FINANCE							
Ahmanson (H F) & Co.	110,900	1,955,419	2,093,238	NBD Bancorp Inc.	140,000	4,082,863	4,427,500
Alexander & Alexander Services Inc.	86,300	1,243,643	1,402,375	Old Kent Financial Corp.	139,400	4,561,632	4,879,000
Allied Holdings Inc.	66,100	1,041,075	1,008,025	Paine Webber Group Inc.	30,300	491,841	473,438
Allied Life Financial Corp.	79,600	985,850	955,200	Premier Bancorp InCorp.	6,200	110,300	109,275
Ambac Corp.	202,400	5,582,177	7,944,200	Price T Rowe & Associates Inc.	74,500	591,911	1,974,250
American Express Co.	345,000	8,969,721	8,883,750	PNC Bank Corp.	16,400	507,991	473,550
AmSouth Bancorp.	129,100	3,688,361	4,050,513	Regional Acceptance Corp.	9,000	115,750	150,750
Banc One Corp.	280,054	9,005,976	9,591,851	Regions Financial Corp.	50,000	1,568,138	1,743,750
Bank of Boston Corp.	68,701	1,748,586	1,691,761	Rouse Co.	278,000	4,613,638	5,212,500
Bank Of New York Co. Inc.	129,800	2,270,425	3,747,975	RFS Hotel Investors Inc.	91,100	1,149,694	1,617,025
Bank South Corp.	5,200	98,800	93,600	ROC Communities Inc.	31,600	632,000	687,300
Bankamerica Corp.	116,600	3,712,602	5,334,450	Security Capital Industrial Trust	60,000	907,500	1,027,500
Bankers Trust New York Corp.	140,200	8,244,609	9,340,825	Shawmut National Corp.	81,000	1,694,336	1,782,000
Barnett Banks Inc.	17,100	781,214	748,125	Silicon Valley Bancshares	127,100	1,241,044	1,334,550
Baybanks Inc.	28,300	1,129,308	1,705,075	Southern National Corp.	92,368	1,985,863	1,847,360
Boatmans Bancshares Inc.	194,600	6,249,871	6,129,900	Southtrust Corp.	88,855	1,500,335	1,810,421
Brinson Partners Ex-Dex Fund	1,154,319	198,442,178	216,193,560	Standard Federal Bank	43,276	465,995	1,081,900
California Federal Bank	7,600	95,668	89,300	Student Loan Marketing Association	163,100	7,594,996	5,871,600
Capital Guaranty Corp.	184,600	3,639,093	2,815,150	Sunamerica Inc.	12,100	501,243	494,588
Chase Manhattan Corp.	114,467	3,430,840	4,378,363	Suntrust Banks Inc.	86,700	3,366,163	4,194,113
Chase National Banking Corp.	348,300	11,595,268	13,409,550	Travelers Inc.	363,100	10,349,990	11,709,975
Citicorp	48,800	1,670,950	1,945,900	U S Bancorp	110,000	2,715,660	2,846,250
Coast Savings Financial Inc.	5,600	95,536	94,500	Union Bank San Francisco	3,200	95,200	95,200
Colonial Group Inc.	75,700	798,044	2,043,900	UJB Financial Corp.	30,600	666,999	845,325
Comerica Inc.	100,000	3,115,626	2,825,000	Vesta Insurance Group Inc.	47,900	1,197,500	1,365,150
Continental Bank Corp.	51,800	662,435	1,877,750	Wachovia Corp.	7,400	245,781	245,125
Corestates Financial Corp.	15,000	394,800	386,250	Wells Fargo & Co.	10,600	1,555,147	1,593,975
Countrywide Credit Industries Inc.	96,200	1,554,236	1,382,875	West One Bancorp	100,700	2,216,703	2,895,125
Crestar Financial Corp.	75,000	3,300,395	3,412,500	Zions Bancorp	30,000	1,174,708	1,192,500
Crown American Realty	63,500	1,095,375	849,313	BEVERAGES			
CMAC Investment Corp.	39,000	708,362	984,750	Anheuser Busch Companies Inc.	201,500	10,562,666	10,226,125
Dean Witter Discover & Co.	115,638	3,775,401	4,336,425	Coca Cola Co.	644,500	26,368,955	26,182,813
Deposit Guaranty Corp.	2,300	70,600	67,850	Dr Pepper/Seven-Up Companies Inc.	160,400	2,540,896	3,689,200
Dime Bancorp Inc.	216,700	1,968,538	2,139,913	Mr Coffee Inc.	185,000	1,380,354	2,728,750
Duff & Phelps Corp.	81,200	1,108,287	1,613,850	Pepsico Inc.	635,500	18,302,106	19,462,188
Edwards (A G) Inc.	25,800	589,930	445,050	CHEMICALS AND SYNTHETIC FIBERS			
Federal Home Loan Mortgage	624,500	20,201,094	37,782,250	American Cyanamid Co.	7,500	402,206	420,000
Federal National Mortgage Assoc.	463,000	26,807,110	38,660,500	Avery Dennison Corp.	50,000	1,413,853	1,450,000
First American Corp. Tennessee	129,200	3,851,427	4,231,300	Burlington Resources Inc.	156,100	6,613,061	6,458,638
First Chicago Corp.	94,700	2,689,001	4,557,438	Bush Boake Allen Inc.	76,500	1,227,742	1,338,750
First Commerce Corp.	20,000	552,500	565,000	Cabot Corp.	134,008	6,310,931	6,851,159
First Federal Financial Corp.	62,900	891,033	935,638	Crompton & Knowles Corp.	123,000	2,017,892	2,121,750
First Fidelity Bancorp.	40,001	1,643,161	1,855,046	Cytec Industries Inc.	6,242	81,296	124,060
First Interstate Bancorp	60,700	4,356,138	4,673,900	Dow Chemical Co.	68,800	3,888,147	4,497,800
First Security Corp.	53,900	1,331,450	1,576,575	Du Pont E I De Nemours & Co.	70,000	3,146,500	4,077,500
First Tennessee National Corp.	91,950	3,854,936	4,022,813	Eastman Chemical Co.	56,100	2,236,880	2,678,775
First Union Corp.	60,000	2,388,201	2,767,500	Ecolab Inc.	137,100	1,882,841	3,016,200

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value				
Goodrich B. F. Co.	35,500	1,588,330	1,544,250	Crane Co.	59,900	1,548,239	1,579,863				
Goodyear Tire And Rubber Co.	16,600	573,404	597,600	Granite Construction Inc.	4,400	100,100	86,900				
Great Lakes Chemical Corp.	14,000	925,128	757,750	Interface Inc.	153,750	1,992,398	1,729,688				
Hercules Inc.	115,000	6,726,979	12,305,000	Martin Marietta Materials Inc.	23,300	558,382	512,600				
Lawter International Inc.	15,900	452,504	544,575	National Gypsum Co.	41,468	1,103,372	1,275,141				
Lubrizol Corp.	55,000	680,125	646,250	P P G Industries Inc.	110,000	2,072,125	4,125,000				
Mallinckrodt Group Inc.	134,700	4,530,535	4,377,750	Pulte Corp.	10,200	253,946	234,600				
Mcwhorter Technologies Inc.	9,300	142,216	142,987	Redman Industries Inc.	60,000	1,221,880	990,000				
Monsanto Co.	194,700	11,078,045	14,724,188	Toll Brothers Inc.	42,000	541,520	535,500				
Morton International Inc.	131,700	10,053,675	10,272,600	Valspar Corp.	21,300	677,025	777,450				
Olin Corp.	120,887	5,360,998	6,512,787	ELECTRICAL AND ELECTRONIC							
OM Group Inc.	61,000	1,312,304	1,220,000	Alpha Microsystems	166,000	458,730	321,542				
Rohm & Haas Co.	9,200	515,865	572,700	Alpha Microsystems Rights	83,000	0	49,302				
RPM Inc.	28,800	500,150	489,600	Amdahl Corp.	211,900	1,350,068	1,165,450				
Schulman Inc.	25,000	623,141	646,875	American Power Conversion Corp.	200,000	3,445,344	3,225,000				
Sherwin Williams Co.	205,900	6,165,479	6,485,850	American Software Inc.	208,300	1,664,559	1,041,500				
Synergen Inc.	60,000	1,364,590	487,500	Amp Inc.	159,300	9,580,503	10,991,700				
Versa Technologies Inc.	114,800	1,472,045	1,420,650	Analog Devices Inc.	97,200	2,353,738	2,794,500				
Wellman Inc.	3,500	97,335	98,000	Applied Computer Inc.	89,600	3,512,671	2,374,400				
CONGLOMERATES AND MISCELLANEOUS											
Advanced Technology Labs Inc.	77,500	1,461,363	988,125	Applied Materials Inc.	77,000	3,292,509	3,291,750				
Airtouch Communications	176,300	4,085,383	4,165,088	AST Research Inc.	85,200	1,382,792	1,214,100				
Allied Signal Inc.	240,000	8,570,525	8,310,000	Automatic Data Processing Inc.	418,100	11,972,636	22,211,563				
Armstrong World Industries Inc.	83,200	3,332,232	3,879,200	Avnet Inc.	15,504	511,906	488,376				
Bon Ton Stores Inc.	141,300	1,183,965	1,254,038	ADT Ltd.	116,484	1,164,899	1,179,401				
Brewer Homes Inc.	78,200	994,715	801,550	BancTec Inc.	76,150	812,572	1,523,000				
Central Sprinkler Corp.	78,800	932,218	827,000	BEI Electronics Inc.	163,600	1,179,669	899,800				
Cooper Industries Inc.	98,400	4,076,499	3,542,400	Belden Inc.	111,500	1,588,875	2,062,750				
Corning Inc.	20,000	643,213	652,500	BMC Software Inc.	86,600	5,385,387	3,788,750				
County Seat Holdings Inc.	60,182	601,820	601,820	Cabletron System Inc.	62,500	5,994,203	6,039,063				
Coventry Corp.	76,700	1,834,932	2,818,725	Cobra Electronics Corp.	143,400	945,477	448,125				
CRSS Inc.	223,000	2,089,301	2,397,250	Compaq Computer Corp.	84,249	1,656,055	2,727,561				
Dames & Moore Inc.	83,800	1,380,968	1,225,575	Computer Products Inc.	527,000	1,429,729	1,416,049				
Devry Inc.	58,200	587,964	1,687,800	Computer Sciences Corp.	124,600	3,240,207	5,186,475				
Digicon Inc.	331,000	1,046,563	392,897	Computer Task Group Inc.	160,400	1,353,942	1,363,400				
Dovatron International Inc.	250	2,147	5,000	Connor Computer Corp.	5,000	15,000	9,375				
Ethan Allen Interiors Inc.	30,000	806,250	615,000	Connor Peripherals Inc.	38,600	513,070	468,025				
First Data Corp.	155,000	4,637,845									

Investment Listing

Common Stock

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value
Nichols Research Corp.	121,000	1,439,132	1,194,875	Forest Laboratories Inc.	120,000	5,054,559	5,220,000
Novell Inc.	98,300	2,164,308	1,646,525	FHP International Corp.	80,300	1,711,150	1,927,200
Oak Industries Inc.	87,600	1,276,858	1,741,050	Health Care & Retirement	119,400	2,365,822	2,955,150
Policy Management System Corp.	72,000	1,833,316	2,376,000	Health Systems International Inc.	1,700	52,377	42,713
Quantum Corp.	127,700	1,651,613	1,652,055	Healthsource Inc.	25,000	571,286	712,500
Radius Inc.	180,800	1,079,743	881,400	Healthsouth Rehabilitation Corp.	3,300	100,436	86,625
Read-Rite Corp.	16,600	301,226	213,726	Healthtrust Inc.-The Hospital Co.	152,100	3,631,758	4,220,775
Reliance Electric Co.	82,600	1,467,754	1,497,125	Hillenbrand Industries Inc.	25,000	1,101,250	684,375
Santa Cruz Operation Inc.	265,200	1,527,733	1,458,600	Humana Inc.	220,000	3,496,747	3,547,500
Silicon Graphics Inc.	90,000	2,211,890	1,991,250	Hycor Biomedical Inc.	128,700	589,468	659,588
Silicon Valley Group Inc.	197,002	1,649,400	2,277,737	Invacare Corp.	37,746	978,609	1,028,579
Softkey International Inc.	126,506	1,804,176	1,581,325	Johnson & Johnson	120,000	5,584,356	5,145,000
Stanford Telecommunications Inc.	35,700	260,490	464,100	Lilly Eli & Co.	103,500	4,989,161	5,886,563
Sterling Software Inc.	101,700	1,218,055	3,051,000	Lynx Therapeutics	52,993	10,598	10,598
Stratus Computer Inc.	18,200	532,087	514,150	Manor Care Inc.	240,000	4,690,648	6,030,000
Tandem Computers Inc.	50,000	689,869	562,500	Mariner Health Group Inc.	34,700	733,863	672,313
Team Inc.	93,000	851,936	302,250	Marsam Pharmaceuticals Inc.	54,400	575,075	598,400
Tektronix Inc.	69,600	1,895,083	1,966,200	Mckesson Corp.	75,000	4,288,045	5,409,375
Texas Instruments Inc.	90,800	7,291,008	7,218,600	Medtronic Inc.	81,300	6,178,460	6,514,163
Tripos Inc.	38,000	200,528	228,000	Merck & Co. Inc.	411,858	11,652,382	12,252,776
Union Switch & Signal Inc.	5,200	99,800	95,550	Millipore Corp.	24,000	1,105,200	1,266,000
Wang Laboratories Inc.	150,800	1,810,594	1,729,525	Mylan Laboratories Inc.	48,897	1,083,179	1,039,061
Westinghouse Electric Corp.	175,000	4,026,251	2,034,375	National Health Labs Holdings Inc.	100,000	1,780,881	1,300,000
Xerox Corp.	45,000	2,793,403	4,398,750	National Medical Enterprises Inc.	667,100	9,792,627	10,423,438
Zilog Inc.	3,100	101,525	100,750	Novacare Inc.	21,500	334,247	344,000
3Com Corp.	7,100	398,284	364,763	Oxford Health Plans Inc.	38,500	2,046,381	1,713,250
FOOD SOAP AND TOBACCO				Pfizer Inc.	320,408	20,930,075	20,225,756
Alexander & Baldwin Inc.	52,600	1,367,139	1,354,450	Procyte Corp.	138,300	1,813,424	1,555,875
American Brands Inc.	374,900	13,170,114	11,856,213	Quorum Health Group Inc.	24,900	373,500	435,750
Avon Products Inc.	130,000	5,718,974	7,653,750	Ramsay Health Care Inc.	189,000	2,133,532	1,275,750
Bob Evans Farms Inc.	41,866	417,872	900,119	Regency Health Services Inc.	135,000	1,085,610	1,991,250
Borden Inc.	122,600	3,040,293	1,517,175	Roberts Pharmaceuticals Corp.	31,500	1,051,050	653,625
Campbell Soup Co.	24,000	997,200	825,000	Safeguard Health Enterprises Inc.	119,300	804,263	1,550,900
Clorox Co.	72,290	2,450,999	3,533,174	Schering Plough Corp.	72,320	3,993,827	4,429,600
Colgate-Palmolive Co.	143,200	8,225,586	7,482,200	Sci Medical Life Systems Inc.	24,600	644,888	639,600
CPC International Inc.	47,500	2,114,764	2,291,875	Sierra Health Services	51,500	654,597	1,210,250
Dibrell Brothers Inc.	86,986	2,021,421	1,500,509	Smithkline Beecham	172,300	5,114,308	4,845,938
Dole Food Co.	175,000	6,674,035	4,725,000	Stryker Corp.	150,000	3,863,748	3,975,000
Dreyers Grand Ice Cream Inc.	27,000	605,672	614,250	Sun Healthcare Group Inc.	317,892	5,432,223	5,920,739
Duracell International Inc.	147,500	4,390,414	5,752,500	Therapeutic Discovery Corp.	340	2,057	1,913
Eskimo Pie Corp.	51,800	920,593	932,400	T2 Medical Inc.	30,500	327,651	316,438
First Brands Corp.	100,125	2,187,704	3,667,078	U S Healthcare Inc.	124,000	3,556,752	4,588,000
Fleming Companies Inc.	86,212	2,230,276	2,392,383	United Healthcare Corp.s	175,500	6,500,179	7,919,438
General Mills Inc.	40,500	2,759,088	2,212,313	Universal Standard Med Labs Inc.	10,500	114,550	120,750
Gillette Co.	379,200	20,983,433	24,695,400	Upjohn Co.	180,900	6,249,496	5,268,713
Heinz H J Co.	63,700	2,212,568	2,030,438	Value Health Inc.	4,300	186,183	164,475
Hershey Foods Corp.	11,346	519,028	492,133	Warner Lambert Co.	228,500	15,435,861	15,081,000
Interstate Bakeries Corp.	91,882	1,517,861	1,148,525	Wellpoint Health Networks	125,000	3,992,755	3,687,500
Kellogg Co.	9,398	508,657	511,016	INSURANCE			
McDonalds Corp.	1,210,600	23,542,582	34,956,075	Aetna Life & Casualty Co.	32,900	1,932,777	1,838,288
McCormick & Co. Inc.	51,000	1,070,250	1,032,750	Aflac Inc.	316,500	7,758,371	10,681,875
Nash Finch Co.	107,731	2,144,926	1,858,360	American Bankers Insurance Group	71,000	1,724,043	1,606,375
Penn Traffic Co.	47,500	1,737,301	1,674,375	American General Corp.	108,600	2,386,043	3,000,075
Philip Morris Companies Inc.	344,700	17,686,303	17,752,050	American International Group Inc.	321,600	17,861,867	27,858,600
Pioneer Hi Bred International	165,000	4,233,049	5,403,750	American Travelers Corp.	238,700	2,485,614	3,252,288
Procter & Gamble Co.	552,900	27,239,655	29,511,038	Aon Corp.	185,400	5,028,407	6,280,426
Quaker Oats Co.	6,816	472,306	475,416	Berkley W R Corp.	20,000	555,750	775,000
Russ Berrie & Co. Inc.	97,700	1,064,045	1,489,925	Chandler Insurance Ltd.	140,600	974,712	615,125
Sara Lee Corp.	200,000	4,370,446	4,250,000	Cigna Corp.	67,300	4,011,418	4,912,900
Stanhome Inc.	74,525	2,344,198	2,459,325	Conseco Inc.	35,429	2,019,116	1,651,877
Sysco Corp.	110,000	3,161,750	2,488,750	Continental Corp.	92,100	1,968,544	1,427,550
UST Inc.	101,800	1,546,355	2,761,325	Equitable Iowa Companies	44,600	1,358,720	1,410,475
HEALTH CARE AND COSMETICS				Executive Risk Inc.	87,800	1,053,600	1,141,400
Abbott Laboratories	404,900	10,955,412	11,742,100	Exel Ltd.	200,000	7,217,165	7,725,000
Alza Corp.	25,200	615,802	592,200	First Colony Corp.	16,739	432,100	359,889
American Home Products Corp.	118,137	7,255,109	6,704,275	General Re Corp.	66,900	6,049,381	7,283,738
Amgen Inc.	19,700	789,945	844,638	Liberty Corp.	14,600	375,470	399,675
Baxter International Inc.	279,600	7,031,049	7,339,500	Life Re Corp.	132,200	3,308,598	2,644,000
Becton Dickinson & Co.	220,400	7,632,373	9,008,850	Lincoln National Corp.	13,500	642,260	572,063
Bergen Brunswig Corp.	154,430	2,879,953	2,586,703	Mid Ocean Ltd.	149,500	4,166,016	3,756,188
Beverly Enterprises Inc.	200,000	2,343,458	2,425,000	MBA Inc.	101,450	5,849,102	5,820,695
Biocraft Labs Inc.	74,000	1,150,819	999,000	National Insurance Group	120,900	1,495,475	664,950
Bristol-Myers Squibb Co.	154,960	9,045,148	8,309,730	NWNL Companies Inc.	14,000	438,885	465,500
Caremark International Inc.	95,839	1,632,548	1,593,323	Paul Revere Corp.	79,400	2,000,704	1,578,075
Carter Wallace Inc.	35,000	763,880	651,875	PennCorp Financial Group Inc.	90,600	1,740,155	1,585,500
Columbia/HCA Healthcare Corp.	196,900	6,794,338	7,383,750	Progressive Corp. Ohio	140,000	2,799,387	4,655,000
Community Psychiatric Centers	8,100	103,635	96,188	Pxre Corp.	33,400	807,474	876,750
Cordis Corp.	40,000	1,957,375	1,552,480	Reinsurance Group America Inc.	42,400	1,073,892	1,128,900
				Reliance Group Holdings Inc.	219,500	1,706,252	1,179,813

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value
St Paul Companies	60,800	2,239,846	2,439,600	Ingersoll-Rand Co.	106,000	4,066,918	3,723,250
Tig Holdings Inc.	271,300	6,555,535	5,426,000	Jacobs Engineering Group Inc.	38,000	964,366	779,000
Transamerica Corp.	235,000	9,186,747	12,249,375	Kennametal Inc.	60,000	2,721,573	2,955,000
Transatlantic Holdings Inc.	32,000	1,152,132	1,672,000	LLDS Communications Inc.	80,800	2,066,833	1,414,000
Triad Guaranty Inc.	55,000	952,981	838,750	Manitowoc Co. Inc.	58,134	1,588,183	1,446,083
UNUM Corp.	90,400	4,526,040	4,045,400	Maytag Co.	115,000	2,104,082	2,127,500
USLICO Corp.	30,000	655,062	555,000	MFS Communications Co. Inc.	55,800	1,887,686	1,381,050
US Life Corp.	109,100	3,702,176	3,873,050	Newhall Land & Farming Co.	100,000	1,484,684	1,487,500
USF & G Corp.	137,537	2,076,957	1,684,828	Newmark & Lewis Inc.	2,000	17,640	0
Western National Corp.	5,000	60,350	59,375	Paccar Inc.	105	0	4,856
LEISURE AND ENTERTAINMENT				Regal Beloit Corp.	68,750	1,006,198	1,839,063
American Classic Voyages Co.	13,900	222,405	222,400	Rogers Cantel Mobile Community	50,000	1,155,259	1,212,500
Associated Communications Corp.	77,400	1,255,825	1,993,050	Scientific Atlanta Inc.	68,700	2,296,732	2,378,738
Belo A H Corp.	10,000	460,700	431,250	Scotsman Industries Inc.	100,000	859,887	1,337,500
Bicycle Acquisition Corp.	973	973,000	3,757,527	Solectron Corp.	154,400	3,897,320	3,879,300
Blockbuster Entertainment Corp.	150,000	4,252,295	3,881,250	Sundstrand Corp.	139,700	6,490,594	6,565,900
Brinker International Inc.	27,000	758,522	567,000	Tekelec	38,900	395,386	330,650
Brunswick Corp.	78,500	1,548,672	1,727,000	Thermo Electron Corp.	55,500	2,247,830	2,067,375
Caesars World Inc.	80,000	3,484,077	2,900,000	Toro Co.	47,900	892,260	1,137,625
Capital Cities ABC Inc.	45,000	2,693,843	3,200,625	Welbilt Corp.	9,600	173,675	194,400
Carmike Cinemas Inc.	119,300	2,082,537	2,177,225	Whirlpool Corp.	13,800	658,614	724,500
Carnival Corp.	184,500	6,024,747	8,164,125	MINING - METALS			
Chris-Craft Industries Inc.	121,648	4,399,718	4,394,534	Acme Metals Inc.	32,900	482,261	748,475
Circus Circus Enterprises Inc.	114,000	3,108,026	2,451,000	Allegheny Ludlum Corp.	25,500	496,781	471,750
CKE Restaurants Inc.	289,600	2,412,917	2,461,600	Alumax Inc.	93,600	1,714,276	2,398,500
CUC International Inc.	76,900	2,386,547	2,076,300	Aluminum Co. Of America	37,000	2,539,468	2,705,625
Equity Inns Inc.	60,000	715,000	825,000	Asarco Inc.	335,200	7,276,898	9,427,500
Gaylor Entertainment Co.	80,000	1,260,300	1,960,000	Commercial Metals Co.	80,000	1,881,218	2,060,000
Grand Casinos Inc.	64,000	1,438,521	880,000	Cyprus Amax Minerals Co.	237,187	6,521,812	7,056,313
Hasbro Inc.	297,450	8,372,849	8,811,956	Engelhard Corp.	155,000	4,009,240	3,913,750
Hilton Hotels Corp.	33,295	1,852,659	1,764,635	Freeport-Mcmoran Inc.	340,000	6,450,765	5,525,000
Hospitality Franchise System Inc.	89,300	2,267,261	2,187,850	Freeport-Mcmoran Copper & Gold	4,250	102,797	94,563
Host Marriott Corp.	75,000	862,490	721,875	Geneva Steel Co.	125,600	1,463,636	2,1

Investment Listing

Common Stock

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value
Symbol Technologies Inc.	158,900	3,965,621	3,972,500	PRINTING AND PUBLISHING			
Unifirst Corp.	1,000	13,814	14,125	American Greetings Corp.	91,800	1,662,662	2,754,000
United Stationers Inc.	135,400	2,767,399	1,320,150	Central Newspapers Inc.	82,320	1,547,398	2,335,830
Waban Inc.	161,200	2,334,655	2,679,950	Commerce Clearing House Inc.	64,490	1,114,464	1,128,575
Wallace Computer Services Inc.	50,000	1,359,770	1,600,000	Dun & Bradstreet Corp.	8,800	587,373	488,400
Wheelabrator Technologies Inc.	255,000	4,896,652	4,749,375	Enquirer/Star Group Inc.	166,885	2,687,875	2,941,348
OIL AND GAS				Gannett Co. Inc.	145,000	7,109,343	7,177,500
Amerada Hess Corp.	94,400	4,406,141	4,649,200	Harte Hanks Communications	37,000	686,683	735,375
Amoco Corp.	15,000	815,975	853,125	Knight Ridder Inc.	119,600	7,038,292	6,114,551
Anadarko Petroleum Corp.	68,900	3,887,360	3,522,513	Meredith Corp.	4,400	188,587	187,000
Apache Corp.	256,900	6,580,654	7,096,863	New York Times Co.	45,000	1,194,313	1,074,375
Ashland Oil Inc.	203,100	6,351,410	6,803,850	Pulitzer Publishing Co.	38,000	1,109,814	1,344,250
Atlantic Richfield Co.	100,000	11,029,702	10,225,000	Readers Digest Association Inc.	12,100	512,076	502,150
Cabot Oil & Gas Corp.	71,800	1,172,478	1,498,825	Scrappis E.W. Co.	115,000	2,717,650	3,363,750
Castle Energy Corp.	78,300	1,042,357	1,135,350	Time Warner Inc.	112,000	3,235,500	3,976,000
Chevron Corp.	11,400	505,478	477,375	Tribune Co.	127,500	6,711,495	6,789,375
Clayton Williams Energy Inc.	55,200	886,075	358,800	Valassis Communications Inc.	100,000	1,648,624	1,612,500
Coda Energy Inc.	178,500	1,018,899	1,227,188	RETAIL TRADE			
Devon Energy Corp.	184,100	4,310,757	4,142,250	Albertsons Inc.	180,000	4,210,882	4,950,000
Exxon Corp.	45,300	2,799,189	2,570,775	American Stores Co.	193,700	4,565,464	4,745,650
Glenayre Technologies Inc.	30,800	1,291,278	1,208,900	Carson Pirie Scott & Co.	108,700	1,886,278	1,915,838
Hornbeck Offshore Services Inc.	471,265	7,518,276	6,715,526	Circuit City Stores Inc.	35,200	729,392	721,600
Louisiana Land & Exploration Co.	13,300	520,645	565,250	Claire's Stores Inc.	64,500	568,469	661,125
Mapco Inc.	82,100	4,103,073	4,843,900	Consolidated Stores Corp.	129,000	2,228,454	1,580,250
Mcomran Oil & Gas Co.	34,000	153,000	148,750	Dayton-Hudson Corp.	43,400	3,039,358	3,515,400
Mesa Inc.	281,411	1,847,691	1,547,761	Dollar General Corp.	100,000	2,450,363	2,500,000
Mitchell Energy & Development Corp.	109,668	2,365,898	2,220,777	Dress Barn InCorp.	173,400	2,006,729	1,755,675
	23,000	533,657	448,500	Federated Department Stores Inc.	174,982	5,397,700	4,879,640
Mobil Corp.	121,601	7,897,198	9,910,482	Gap Inc.	69,200	3,143,425	2,958,300
Murphy Oil Corp.	172,082	7,453,920	7,356,506	Gap Inc.	80,000	1,320,753	2,170,000
Noble Affiliates Inc.	50,000	1,376,943	1,512,500	Heilig Meyers Co.	277,500	11,330,540	11,689,688
Occidental Petroleum Corp.	226,900	4,111,094	4,282,738	Home Depot Inc.	169,900	1,800,926	934,450
Oryx Energy Co.	206,700	4,401,645	3,100,500	Jos A Bank Clothiers Inc.	94,500	945,000	732,375
Pennzoil Co.	14,928	771,059	765,060	K Mart Corp.	451,500	8,870,296	6,998,250
Phillips Petroleum Co.	348,300	9,245,850	10,884,375	Kroger Co.	291,051	6,270,307	6,766,936
Pogo Producing Co.	85,000	1,503,225	1,965,625	Lillian Vernon Corp.	59,500	776,361	1,100,750
Pride Petroleum Services Inc.	300,000	1,386,757	1,631,100	Longs Drug Stores Inc.	111,350	4,316,059	3,980,763
Tarragon Oil & Gas Ltd.	72,300	1,018,447	940,551	Lowe's Companies Inc.	247,800	6,449,576	8,487,150
Tenneco Inc.	57,000	2,144,542	2,643,375	Marks Brothers Jewelers Inc.	3,793	1,000,000	0
Texaco Inc.	84,000	5,261,491	5,071,501		2,362	600,000	0
Tosco Corp.	26,300	859,836	782,425	May Department Stores Co.	363,200	11,794,103	14,255,600
Ultramar Corp.	209,374	3,533,976	5,496,068	Medicine Shoppe International Inc.	79,500	1,751,915	1,828,500
USX Marathon Group Inc.	391,574	6,995,292	6,558,865	Mercantile Stores Inc.	46,100	1,557,990	1,480,963
Valero Energy Corp.	159,200	3,861,618	2,786,000	Meyer Fred Inc.	51,400	1,609,279	1,869,675
OIL SUPPORT SERVICES				Payless Cashways Inc.	181,500	2,514,726	2,450,250
Dresser Industries Inc.	59,200	1,260,201	1,213,600	Penny J C Co.	68,800	3,586,981	3,732,400
Global Marine Inc.	1,081,500	5,473,599	5,001,938	Pep Boys Manny Moe & Jack	73,000	2,004,776	2,326,875
Halliburton Co.	17,800	574,747	602,975	Pier 1 Imports Inc.	41,795	390,362	318,687
Helmerich & Payne Inc.	87,300	2,414,212	2,313,450	Revco D S Inc.	111,300	1,264,134	1,780,800
Medermott International Inc.	59,203	1,516,351	1,480,075	Sanfilippo John B & Son Inc.	151,300	2,075,696	1,494,088
Pool Energy Services Co.	214,000	1,647,423	2,247,000	Sears Roebuck & Co.	13,700	561,038	657,600
Shaw Group Inc.	61,900	1,024,394	866,600	Spiegel Inc.	29,200	630,390	554,800
PAPER AND FOREST PRODUCTS				Tandy Corp.	55,946	1,917,079	1,930,137
Alco Standard Corp.	20,000	1,108,550	1,142,500	Toys R Us	564,100	19,428,238	18,474,275
Boise Cascade Corp.	84,500	1,654,409	1,869,563	Trans World Music Corp.	20,200	335,872	227,250
Bowater Inc.	149,200	3,859,451	3,674,050	TXJ Companies Inc.	55,800	1,539,095	1,220,625
Champion International Corp.	134,100	3,713,086	4,408,538	Wal-Mart Stores Inc.	884,951	11,488,221	21,460,062
Chesapeake Corp.	49,400	1,215,228	1,259,700	Walgreen Co.	214,200	6,208,221	7,791,525
Crown Cork And Seal Co. Inc.	110,000	3,687,517	4,097,500	Williams Sonoma Inc.	57,700	1,604,143	1,745,425
Federal Paper Board Co. Inc.	72,621	1,755,493	1,661,205	Woolworth Corp.	320,700	6,019,216	5,091,113
Georgia Pacific Corp.	55,000	2,236,625	3,293,125	SPECIAL INVESTMENT FUNDS			
International Paper Co.	65,600	4,319,527	4,346,000	Avalon Properties Inc.	41,800	864,586	888,250
Kimberly Clark Corp.	9,500	508,046	502,313	Centerpoint Properties Corp.	80,900	1,511,245	1,658,450
Louisiana Pacific Corp.	2,387	22,998	72,804	Crescent Real Estate Equities	34,300	873,612	926,100
Mead Corp.	125,000	3,870,768	5,515,625	Irvine Apartment Communities Inc.	67,100	1,174,250	1,342,000
Pentair Inc.	63,400	2,265,758	2,266,550	Liberty Property Trust	63,900	1,289,146	1,278,000
Rock-Tenn Co.	78,000	1,296,375	1,287,000	LTC Properties Inc.	100,300	1,363,784	1,341,513
Scott Paper Co.	56,000	1,943,147	2,926,000	Macerich Co.	106,400	2,044,502	2,074,800
Sealright InCorp.	97,105	1,601,745	1,480,851	Manufactured Home Communitys Inc.	54,000	1,208,250	1,120,500
Shorewood Packaging Corp.	205,170	1,822,648	3,846,938	Smith Charles E Residential Realty Inc.	50,000	1,209,350	1,281,250
Stone Container Corp.	466,100	7,087,622	6,816,713	TEXTILES AND APPAREL			
Temple Inland Inc.	30,000	1,493,271	1,428,750	Angelica Corp.	67,200	1,915,923	1,772,400
Weyerhaeuser Co.	46,392	1,935,978	1,855,680	Brown Group Inc.	110,800	2,760,486	4,168,850
Willamette Industries Inc.	127,900	5,825,890	5,531,675	Fieldcrest Cannon Inc.	77,390	1,849,103	1,915,403
PHOTOGRAPHIC AND RELATED				Genesco Inc.	137,000	791,765	445,250
Eastman Kodak Co.	109,600	3,685,601	5,274,500	Gymboree Corp.	57,700	2,484,418	2,279,150

Domestic	Shares	Book Value	Market Value	Domestic	Shares	Book Value	Market Value
Hartmarx Corp.	230,000	1,445,460	1,408,750	Southern Co.	67,200	1,322,330	1,260,000
Jones Apparel Group Inc.	80,600	1,927,039	2,276,950	Southwestern Bell Corp.	226,700	8,559,910	9,861,450
Kellwood Co.	93,500	1,320,327	1,998,563	Sprint Corp.	336,400	9,832,589	11,731,950
Liz Claiborne Inc.	125,200	3,713,153	2,504,000	Telefonos De Mexico	301,600	15,219,065	16,851,901
Nike Inc.	9,000	509,712	537,750	Telephone & Data System Inc.	125,000	4,012,997	4,625,000
Phillips-Van Heusen Corp.	79,500	2,553,463	1,997,438	Texas Utilities Co.	256,255	10,324,528	8,007,969
Proffits Inc.	91,500	1,725,313	1,761,375	U S West Inc.	55,820	2,114,045	2,337,463
Quicksilver Inc.	52,100	290,024	709,863	Union Electric Co.	3,018	111,470	95,444
Russell Corp.	109,400	2,255,586	3,186,275	Utilicorp United Inc.	133,400	3,974,545	3,801,900
Unifi Inc.	140,100	3,482,705	3,274,838	UGI Corp.	45,000	828,398	894,375
United States Shoe Corp.	181,610	2,774,922	3,450,590	Western Resources Inc.	5,300	171,988	142,438
V F Corp.	51,700	2,089,612	2,455,750	TOTAL Common Stock—Domestic			
Warnaco Group Inc.	212,600	6,815,050	6,245,125		2,653,306,322	2,907,487,119	
TRANSPORTATION - AIR				International			
Airborne Freight Corp.	14,500	453,739	503,875	Abbey National	399,600	2,280,747	2,423,956
AMR Corp.	90,700	6,207,614	5,385,313	ABN-Amro Bank	42,413	1,432,811	1,399,510
Southwest Airlines Co.	80,000	729,173	2,100,000	Accor Asia Pacific Ltd.	3,031,428	1,291,617	2,436,571
UAL Corp.	21,000	3,058,611	2,667,000	Accor SA	20,000	2,331,194	2,249,496
USAIR Group Inc.	132,375	1,765,793	843,891	Acerinox	26,000	1,524,233	2,617,683
TRANSPORTATION EXCLUDING AIR				Aegion	58,701	2,866,609	3,002,466
American Freightways Corp.	100,000	1,693,683	2,075,000	Agiv Ag Fuer Industrie & Verk	3,200	1,052,158	1,125,982
Arkansas Best Corp.	83,600	989,204	1,045,000	Ahold Nv Zaandam	50,120	1,330,993	1,255,106
Arnold Industries Inc.	3,800	75,050	75,050	Air New Zealand	510,647	729,716	1,611,137
Burlington Northern Inc.	57,700	2,685,564	3,079,738	Airport Facilities Co. Ltd.	13,000	161,106	164,733
Conrail Inc.	17,000	846,720	930,750	Aker As	34,000	455,415	403,911
Consolidated Freightways Inc.	43,000	1,074,326	1,021,250	Akzo Nobel	8,884	846,411	950,613
CSX Corp.	56,565	4,669,403	4,270,658	Alcan Aluminum Ltd.	213,200	4,480,788	4,850,300
Harmon Industries Inc.	138,500	2,876,778	2,770,000	Alcatel Alsthom Compagnie Generale	20,384	2,374,946	2,260,804
Illinois Central Corp.	182,893	6,021,801	6,058,331	Allgon	150,000	1,339,265	1,815,272
KLLM Transport Services Inc.	109,000	1,216,750	1,744,000	Allianz Aktiengesellschaft	100	169,119	147,345
Landstar System Inc.	122,700	1,876,937	3,619,650	Allied Irish Bank	18	13,148	26,522
Norfolk Southern Corp.	60,000	4,107,552	3,780,000	Alpine Electronics InCorp.	180,000	756,641	651,596
Railtex Inc.	1,700	48,875	37,825	Alusuisse-Lonza	34,000	500,629	754,831
Rollins Truck Leasing Corp.	82,000	1,591,594	1,373,500	Amanco Corp.	2,730	906,658	1,318,072
Ryder System Inc.	72,000	1,105,414	1,809,000	American Standard Sanitarywares	171,000	2,017,203	3,258,971
Santa Fe Pacific Corp.	34,400	628,208	709,500	American Standard Sanitarywares	562,155	3,256,979	3,713,331
Stolt-Nielsen	130,900	2,618,033	2,241,663	American Standard Sanitarywares	34,800	1,039,406	1,111,821
Union Pacific Corp.	109,200						

Investment Listing

Common Stock

International	Shares	Book Value	Market Value	International	Shares	Book Value	Market Value
Bankgesellschaft Schweiz	1,400	1,217,513	1,215,845	Ciba-Geigy Ag Basel	1,200	601,263	730,045
Bankinter (Banco Intercom)	20,000	1,904,092	1,673,190		3,824	1,694,720	2,254,960
Banque Bruxelles Lambert	9,200	1,144,260	1,165,803	Cie Financiere Paribas	22,782	1,706,183	1,440,621
Banque Paaaribas Certs D'Invest	7,000	454,449	448,800	Cifra Ser C SA De	509,000	1,240,394	1,187,041
Barclays	109,500	810,240	877,178	Citizen Watch Co. Ltd.	11,000	262,478	103,148
Bass	450,000	3,242,963	3,493,712	City Developments Ltd.	200,000	0	393,417
Bat Industries	333,600	2,193,176	2,059,646		1,000,000	1,971,637	4,229,231
Bayer	25,531	4,467,583	5,595,484		132,495	314,892	326,655
Bayerische Muenchen Motorenwerke	490	249,762	241,382	Cobepa (Cie Belge)	2,700	436,859	461,680
Beazer Homes	174,000	433,103	384,054	Coca-Cola Amatil Ltd.	137,547	572,360	869,373
Beiersdorf	3,300	1,574,231	1,907,634	Coca-Cola Femsa S A De	30,000	631,268	753,750
Beckaert	330	135,143	242,084	Colonia Konzern	350	266,955	268,300
Bell Canada Enterprise (B.C.E.) Inc.	130,200	4,529,876	4,215,225	Commerce Asset	104,000	438,656	369,588
Berliner Kraft & Light	2,800	542,674	497,895	Commerzbank	12,100	2,147,478	2,467,138
Bic Ste	10,000	2,412,230	2,163,400	Compagnie Financiere De Suez	7,670	456,271	371,628
Blue Circle Industries	1,019,000	3,541,225	4,466,827	Conserv Campofio	22,100	1,121,003	1,293,037
Bobst	1,000	937,209	1,292,975	Continental	8,050	1,082,441	1,240,757
Bombardier InCorp.	162,856	1,463,341	2,313,207	Corp. Mapfre Co. Intl De Reaseguros	37,100	1,569,438	1,417,979
Boots Co.	45,000	364,348	369,514	Corporacion Financiera Reunida	380,000	1,192,210	1,325,330
Boral Ltd.	577,213	1,592,818	1,408,711	Cott Corp.	50,000	902,595	675,000
Bowater	36,700	238,132	246,412	Courts Common Stock	1,000,000	460,228	1,442,528
Brambles Industries Ltd.	16,000	169,479	152,453	CRA Ltd.	135,500	1,632,867	1,762,376
Brazil Fund	50,000	524,782	1,200,000	Credit Commerciale De France	7,125	288,692	282,572
Bridgestone Corp.	200,000	2,549,967	3,243,968	Credit Local De France	11,700	959,470	799,432
British Airport Authorities	296,000	3,619,556	4,089,040	Credit Lyonnais Cert D'Invest	8,900	1,118,980	771,148
British Airways	91,750	388,381	528,228	Creditanstalt-Bankverein	30,670	1,980,270	2,047,682
British Columbia Telephone Co.	134,646	2,086,665	2,204,955	CRH Plc (Iep) Common Stock	57,000	216,337	281,765
British Gas Plc	656,000	2,907,840	2,718,659	CS Holdings Bearer	3,000	764,680	1,251,121
British Petroleum Co.	76,000	427,596	456,907	CS Holdings Warrants	3,000	0	24,103
British Petroleum	50,000	2,835,233	3,587,500	CSR Ltd Ord	115,000	412,053	403,346
British Steel	10,500	218,275	227,063	Cubiertas Y Mzov	9,600	824,616	733,103
	1,251,400	2,121,689	2,742,781	Cultor Ser	75,000	2,117,589	1,753,658
British Telecommunications	63,100	440,250	357,926	Dai Nippon Printing Co. Ltd.	331,000	4,782,320	6,543,185
British Vita	98,000	432,688	366,056	Daiel Chemical Industries Ltd.	181,000	893,647	1,071,564
Brkn Hill (Warburg Sg Call Wrt)	87,000	119,043	72,471	Daiichi Pharmaceutical Co. Ltd.	127,000	1,663,094	1,879,677
Brl Hardy Ltd.	49,888	35,612	31,350	Daiken Trade & Industry	87,000	724,867	873,134
	304,719	486,914	456,449	Daikin Industries (Kogyo) Ltd.	169,000	1,177,740	1,653,258
Broken Hill Proprietary Ltd.	538,568	5,939,302	7,075,700	Daimaru Inc.	405,000	3,104,582	3,354,314
BTR Nylex Ltd.	1,018,182	1,992,596	2,157,558	Daimler Benz	3,250	0	20,012
BTR	548,666	2,738,472	2,997,905		3,250	1,439,143	1,486,648
	18,500	27,245	29,697	Dainippon Pharmaceutical Co.	157,000	1,756,586	1,782,560
Burns Philp & Co. Ltd.	129,939	676,619	526,003	Dainippon Screen Manufacturing	305,000	2,502,088	2,736,338
BASF	6,000	945,199	1,149,858	Daito Trust Construction	40,000	941,241	944,806
BBC Brown Boveri	3,015	1,640,742	2,645,448	Daiwa House Industries Ltd.	120,000	1,575,574	1,873,392
BCE Mobil Communications Inc.	14,040	411,564	395,053	Daiwa Koshu Lease Co. Ltd.	123,000	1,273,206	1,284,307
BPB Industries	127,000	674,269	591,994	Daiwa Securities Co. Ltd.	93,000	1,158,438	1,631,006
C.I. Kasei Co.	111,000	1,730,183	1,912,927	Dalgety	280,000	1,922,276	1,789,225
Cabin Co. Ltd.	100,000	863,127	1,084,702	Danieli & C Officine Di Rist	250,000	814,747	931,758
Cable & Wireless	603,328	2,977,918	3,762,197	Danto Corp.	13,000	157,050	193,726
Camas	105,800	118,282	114,312	Dao Heng Bank Group Ltd.	1,435,210	3,866,438	4,047,815
Canadian Imperial Bank	34,000	666,995	728,348	De Beers Cons Mines Ltd.	33,500	800,500	745,375
Canadian Pacific Ltd.	103,000	1,709,745	1,519,250	Den Danske Bank	21,100	1,113,368	1,134,372
Canon Inc.	554,000	6,624,786	9,715,887	Deutsche Bank	6,245	2,869,691	2,680,072
Canon Sale Co. Inc.	105,000	2,628,785	3,576,475	Development Bank Of Singapore	578,750	4,086,654	5,540,456
Capcom Common Stock	22,200	1,496,176	1,026,229	Dickson Concepts International Ltd.	550,000	423,055	339,770
Carlton Communications	200,000	2,320,523	2,491,209	Dresdner Bank A G	66,200	1,514,325	1,558,613
Carrefour	10,650	2,573,479	3,517,484	Dunlop Estates	1,300,000	5,882,489	3,421,184
Carter Holt Harvey Ltd.	3,714,666	6,097,053	8,270,415	DDI Corp.	21	1,526,577	2,005,380
Cartiere Burgo	174,600	866,440	1,075,375	DMC - Dollfus-Mieg	5,500	399,085	398,974
Castorama Dubois Invest	18,000	1,988,129	2,228,979	DSM	21,135	1,072,167	1,498,987
CBR Cimenteries	11,400	3,215,994	4,290,236	Ea Generali	1,800	575,742	561,469
	9,500	0	49,313	East Japan Railway	745	3,278,450	3,813,943
Celsius Industrier	63,000	1,801,987	1,451,046	Eaux (Compagnie Generale Des)	1,800	857,836	723,759
Cementos De Mexico	168,125	922,702	1,114,216	Ecco Sa Ste	3,300	377,644	453,380
Cemex SA	38,812	571,523	509,873	Edaran Otomobil (Malaysia)	61,000	402,897	381,997
Centrale Suiker	70,000	2,432,943	2,545,098	Eisai Co. Ltd.	140,000	2,385,598	2,441,086
Centros Comerciales Pryca Sa	121,014	1,370,115	1,613,766	Elan	20,000	710,750	695,000
Certificados De La Tesoreria C/D	150,000	445,828	425,416	Electrabel	31,850	5,846,808	5,378,039
Certificados De La Tesoreria C/D	311,000	890,954	850,161	Electrafina	12,100	1,153,795	1,189,681
Certificados De La Tesoreria C/D	170,000	453,888	433,106	Elf Aquitaine Snea	85,250	5,962,632	5,927,989
CHA - Chemie Holdings	8,000	2,132,077	1,859,880	Elf Aquitaine Snea Spon	191,900	6,747,588	6,380,675
Chargeurs	3,900	726,569	933,028	Elkem	34,000	437,064	465,110
Cheung Kong Holdings Ltd.	1,630,000	5,119,280	7,117,215	Elsevier	99,055	7,222,607	8,490,430
China Light & Power Co. Ltd.	288,000	1,020,137	1,471,764	Email Ltd.	598,700	2,061,429	2,003,613
Chiyoda Corp.	90,000	1,097,353	1,149,581	Emin Leydier	4,453	219,367	353,205
Chiyoda Fire & Marine Insurance Co.	165,000	1,050,425	1,144,107	Empresas Ica Sociedad Controladora	8,800	223,678	211,200
Christiania Bank Og Kredit	340,000	628,521	631,570	Endesa	85,000	2,309,171	3,823,565
Chubu Electric Power Co. Inc.	59,600	1,569,751	1,613,185	Enterprise Oil	327,000	2,133,276	1,963,378
Chugai Pharmaceutical Co. Ltd.	61,000	505,012	742,058	Ericsson	110,000	2,079,307	2,223,584
				Ericsson L M Telephone Co.	30,000	745,759	1,486,860

International	Shares	Book Value	Market Value	International	Shares	Book Value	Market Value
Eridania Beghin Say	4,600	788,467	723,832	Hokkaido Takushoku Bank Ltd.	8,000	33,619	37,711
Espirito Santo Financial Holdings	40,000	1,299,618	1,190,000	Hokuriku Electric Power Co.	47,000	936,686	1,205,438
Essilor International	9,000	1,157,817	1,135,922	Hollandsche Beton Groep	7,100	998,628	1,175,378
Esso (Francaise)	1,500	264,378	262,960	Honda Motor Co.	113,000	1,796,927	1,981,760
EVN Energie Versorenn	9,900	1,324,984	1,209,573	Hong Kong Electric Holdings Ltd.	2,200,000	6,317,763	6,631,737
Family Mart Co. Ltd.	4,300	243,651	283,340	Hong Kong Land Holding	2,000,000	3,673,859	5,045,606
Fanuc Ltd.	8,000	349,831	384,410	Hong Kong Telecom Ltd.	126,852	1,691,861	2,378,475
Faulding (Fh) and Co.	106,029	590,387	519,085	Hong Leong Credit	1,000,000	3,005,178	5,186,523
Fiat Spa	314,500	917,306	1,263,539		500,000	643,502	2,593,262
Finmore Holdings Ltd.	525,000	1,108,304	1,112,491	Hong Leong Properties	4,000,000	5,225,478	5,132,737
First Capital Corp.	329,000	1,069,161	1,065,674	Hoogovens En Staalfabrieken	99,400	1,952,770	3,987,138
First Olsen Tankers	32,000	320,000	253,434	Hornbach Baumarkt	675	354,653	405,042
Fischer Ag Schaffhausen George	3,000	0	11,211	Horsham Corp.	135,900	1,906,405	1,885,613
	1,600	946,579	1,644,245	House Food Industries Co. Ltd.	42,900	896,442	891,534
Fisher Group	1,050,000	1,070,974	761,717	Huarte Y Cia	107,000	1,314,112	2,332,109
Fletcher Challenge Ltd.	2,665,000	5,293,480	5,822,361	Hume Industries	52,000	715,241	671,707
Flughafen Wien (Vienna Airport)	50,000	2,032,343	2,091,434	Hutchison Whampoa Ltd.	1,000,000	3,478,653	3,630,566
Fomento De Obras Y Const	8,100	946,326	849,360	HSBC Holding	1,660,000	4,382,792	6,818,683
Forbo Ag	1,200	0	5,022	Iberdrola	717,700	5,230,866	7,846,000
Forbo Ag Zuerich	600	794,594	1,112,108	Imasco	68,800	473,753	482,000
Formosa Fund Idrs	160	1,064,000	2,113,731	Immuno International	30,000	930,693	726,720
Formosa Fund Idrs	121,000	385,938	422,086	Imperial Chemical Industries	2,000	1,082,872	896,861
Fortis Amev	3,600	155,486	141,782	Imperial Oil Ltd.	92,700	984,390	1,108,889
Fraser & Neave Ltd.	488,400	3,757,920	5,380,054	Independent Newspaper	53,514	2,072,357	1,565,285
Fraser & Neave	50,000	45,087	263,917	Industrie-Werke Karlsruhe Augsburg	245,000	1,049,986	743,827
Fuji Bank Ltd. Tokyo	16,000	354,948	366,568	Institut Mobiliare Italiano	1,900	420,078	442,915
Fuji Machine Manufacturing Co. Ltd.	118,000	2,399,902	4,234,595	Institut Mobiliare Italiano	7,935	51,272	53,534
Fuji Photo Film Co. Ltd.	42,000	912,981	936,696	International Unp Holdings Ltd.	18,500	355,940	370,000
Fuji Soft Ware Inc.	26,000	770,743	743,274	International Unp Holdings	610,000	151,973	145,701
Furukawa Co.	203,000	1,828,266	2,325,418	International Unp Holdings Group	1,220,000	369,509	969,900
Galeries Lafayette	200,000	1,245,843	1,263,120	Intl. Semi Tech Microelectronics	198,348	6,441,079	8,489,517
Gascogne	3,200	1,023,382	1,223,374	Isuzu Motors Ltd.	60,170	872,576	

Investment Listing

Common Stock

International	Shares	Book Value	Market Value	International	Shares	Book Value	Market Value
Korea Electric Power Co.	47,500	1,166,548	1,684,106	National Foods Ltd.	1,492,397	1,573,944	2,050,130
Krung Thai Bank Public Co. Ltd.	1,250,000	2,682,171	2,770,567	National Westminster Bank	11,600	491,721	465,450
Kumagai Gumi Ltd.	2,000,000	2,618,433	2,406,366	NEC Corp.	130,000	911,056	865,826
Kunert	4,267	661,075	686,366	Neptune Orient Lines Ltd.	99,000	842,921	1,224,395
Kureha Chemical Industry Co.	153,000	709,939	977,144	Nestle Malay	651,000	1,062,582	1,011,652
Kvaerner Industrier	145,080	6,536,602	5,995,734	Nestle	162,000	887,598	1,045,603
Kyocera Corp.	116,000	6,422,612	8,666,666	New Straits Times Press	6,884	5,032,394	5,777,827
Kyungki Bank	59,300	868,236	699,793	New World China Fund	279,000	876,808	932,537
Kyushu Electric Power Co. Inc.	30,900	669,811	783,114	New World Development Co. Ltd.	89,000	925,600	951,869
Kyushu Matsushita Electric	39,000	1,117,599	1,261,194	News Corp.	229,000	503,682	636,975
L'Oreal	775	144,710	151,905	Next	112,010	763,260	684,230
Lafarge Coppee	19,719	1,336,528	1,470,164	Nichido Fire & Marine Insurance Co.	111,000	250,524	400,909
Laird Group	139,900	871,392	786,006	Nichiei Co. Ltd.	475,000	3,281,418	4,275,955
Land Securities	34,300	275,400	327,182	Nichimen	44,200	2,822,266	3,920,639
Legrand	2,400	2,395,357	2,435,610	Nichirei Corp.	222,000	880,980	1,046,484
Leifheit	1,300	553,156	555,451	Nifco Inc.	39,000	312,396	280,705
Lend Lease Corp. Ltd.	20,300	249,015	241,188	Nihon Cement Co. Ltd.	109,000	945,215	1,801,112
Lex Services	116,300	957,600	777,274	Nijverdal Ten Cate	25,000	182,085	186,021
Lindt And Sprungli	70	897,940	1,072,496	Nikko Securities Co. Ltd.	31,500	1,399,081	1,332,353
Lintec Corp.	65,000	1,073,416	1,278,326	Nintendo Co. Ltd. Kyoto	14,000	160,994	191,597
Long Term Credit Bank Japan	373,000	3,046,624	4,537,500	Nippon Chem Indl	36,600	2,886,531	2,649,146
LVMH Moet Hennessy Louis Vuitton	2,880	399,723	441,575	Nippon Denso	269,000	1,924,611	2,181,568
Lyonnais Des Eaux	7,100	688,705	647,701	Nippon Express Co. Ltd.	228,000	3,849,149	4,784,448
M.A.N. Ag Muenchen	3,650	673,720	902,466	Nippon Koei Co. Ltd.	30,000	308,154	319,328
Maanshan Iron And Steel	3,610,000	1,066,112	992,464	Nippon Seiko	267,750	2,177,362	3,012,861
Mabuchi Motors	61,200	3,444,997	4,628,250	Nippon Shokubai Co.	25,000	190,920	190,330
Maeda Construction Co. Ltd.	172,000	1,985,399	1,935,432	Nippon Steel Corp.	234,000	1,885,917	2,372,152
Maeda Road Construction Co.	18,000	343,610	353,998	Nissan Chemical Industries	143,000	488,042	498,679
Maizawa Kasei Industries Co.	3,000	180,703	206,803	Nissan Motor Co. Ltd.	200,000	1,375,184	1,520,610
Magna International Inc.	93,000	4,062,318	3,720,000	Nitto Denko	70,000	492,835	620,916
Malayan Banking Berhad	888,350	3,558,924	4,982,870	Nitshinbo Ind	146,000	1,218,757	1,672,468
Malaysian International Shipping	130,000	413,589	451,996	Nokia	75,000	845,719	1,201,282
Malaysian Resources Corp.	2,000,000	1,785,773	3,734,297	Nokia Corp.	40,000	1,572,978	3,250,868
Malaysian Resources	300,000	38,068	394,176	Nomura Securities Co. Ltd.	6,000	477,000	243,820
Mannesmann	26,276	5,088,192	6,661,869	Noranda Inc.	284,000	4,265,808	6,852,072
Marks & Spencer	1,625	238,367	410,462	Norsk Hydro	30,000	405,265	512,490
Maructus Inc.	57,500	360,656	347,461	Northern Electric	26,300	842,769	829,378
Marui Co. Ltd.	81,000	773,341	903,242	NTN Toyo Bearing Co. Ltd.	35,000	339,698	367,893
Matsushita Community Industrial Co.	240,000	3,143,770	4,501,005	Nutricia Verenigde Ltd.	155,000	776,897	1,120,335
Matsushita Electric Industrial Co.	6,000	147,716	155,102	Ohbayashi Gumi Corp.	54,000	1,996,625	2,586,555
Matsushita Electric Co.	625,000	8,716,924	11,467,934	Ohsho Food Service Corp.	130,000	908,962	896,146
Mayne Nickless Ltd.	86,000	1,021,513	941,642	Oita Bank Ltd.	37,200	931,446	1,244,467
Mazda Motor Corp.	370,994	2,154,674	2,146,996	Okumura Corp.	117,000	990,328	1,008,164
Meiji Seika Kaisha Ltd.	203,000	886,609	1,158,593	Omron Tateisi Electronics Co.	170,000	1,609,083	1,563,086
Mecp	151,000	889,725	1,059,277	Onward Kashiya Co. Ltd.	73,000	1,105,230	1,309,853
Metal Manufacturers	10,000	22,511	23,529	Oriental Press Group Ltd.	228,000	2,611,244	3,282,085
Metalgesellschaft Ag Frankfurt	19,200	3,181,860	2,509,331	Orix Corp.	1,937,000	1,697,756	1,453,471
Metsa Serla	86,000	3,809,644	3,308,191	Overseas Union Bank Ltd.	31,000	1,295,758	1,275,893
Michelin Sa Cie Generale	114,700	4,637,353	4,748,524	Overseas-Chinese Banking Corp.	277,200	1,308,550	1,190,519
Mim Holdings Ltd.	2,683,100	5,766,350	5,646,359	Pacific Ltd.	700,000	3,379,403	6,196,315
Minebea Co. Ltd.	119,000	523,864	1,030,223	Pacific Dunlop Ltd.	1,073,200	1,884,663	2,744,655
Miraai Industry Co.	85,000	1,345,857	1,930,161	Pacific Magazine & Printing Ltd.	1,295,038	4,331,039	4,078,485
Mirror Group	243,800	686,964	466,619	Pasminco Ltd.	219,000	511,148	460,867
Mitsubishi Cable Industries	95,000	804,443	822,447	Paterson Zochonis	1,820,000	2,255,615	2,127,798
Mitsubishi Estate Co. Ltd.	455,000	5,114,969	5,627,271	Pechiney Cert D'Invest	300,000	1,727,447	2,236,532
Mitsubishi Heavy Industries	427,000	2,109,666	3,415,321	Pegasus Gold Inc.	14,400	829,822	1,033,772
Mitsubishi Kasei Corp.	36,000	166,951	191,597	Peregrine Investments Holdings Ltd.	98,556	2,269,917	1,576,896
Mitsubishi Motors Corp.	140,000	1,211,199	1,390,851	Perlis Plantations	2,817,000	5,208,467	4,628,489
Mitsubishi Petrochemical	100,000	531,361	740,030	Petroleos (Espanola)	188,000	537,628	581,428
Mitsubishi Trust & Bkg Corp.	152,000	912,955	1,087,865	Peugeot	32,600	735,361	751,803
Mitsui Fudosan	264,000	3,899,148	4,389,089	Philips Electronics	11,650	1,385,302	1,647,518
Miura Co. Ltd.	226,000	2,238,595	2,749,262	Pigeon Corp.	71,000	1,675,862	2,044,481
Mo Och Domsjo	161,000	1,934,897	3,084,709	Pilkington	36,300	638,140	1,361,554
Molson Companies Ltd.	35,400	1,292,097	1,395,768	Pioneer International Ltd.	382,300	832,544	985,434
Montedison Spa Di Risip	12,500	2,026,588	1,455,388	Plutonic Resources	489,700	918,933	1,026,954
Montedison Spa	1,313,800	772,383	1,210,864	Pohang Iron & Steel	365,000	2,013,493	1,573,562
Mori Seiki Co. Ltd.	4,087,300	0	926,919	Polygram	32,500	1,143,061	3,557,254
Moulinex French	220,000	5,209,270	5,279,354	Potash Corp. Sask Inc.	50,000	1,743,502	1,994,398
Muenchener Ruckver	80	144,601	144,015	Powergen	21,500	731,000	857,313
Multi Purpose Holding	600,000	0	797,572	PT Astra International	66,582	1,398,266	1,822,682
MBF Capital	3,000,000	4,206,684	4,448,884	PT Bank Niaga	201,000	1,691,461	1,529,500
N.G.K. Spark Plug Co. Ltd.	1,000,000	1,024,608	810,634	PT Mayora Indah	300,000	2,540,674	2,142,720
Nab Melbourne Time Deposits	155,000	1,949,022	2,152,677	QP Corp.	600,000	2,539,211	1,907,712
Naigai Co. Ltd.	2,500,000	1,807,250	1,826,750	QBE Insurance Group	312,000	822,110	1,405,348
National Australia Bank Ltd.	35,000	251,521	317,909	QPL International	40,000	511,869	514,980
	573,413	4,088,769	4,592,162	Rank Organisation	537,844	1,902,604	1,945,363
				Rashid Hussain	5,000,000	3,148,257	2,005,305
					1,000,000	0	90,562
					107,637	449,241	614,710
					123,000	347,884	241,000

International	Shares	Book Value	Market Value	International	Shares	Book Value	Market Value
Redland	108,900	817,940	823,627	Sony Corp.	111,400	4,650,802	6,832,303
Renaissance Energy Ltd.	195,200	4,536,995	4,856,122	Sony Music Entertainment	36,750	2,078,578	2,369,415
Renong Berhad	4,000,000	4,492,951	4,078,379	Sophus Berendsen	32,500	2,192,614	2,912,093
Repola	29,950	484,225	516,749	Sovac-Credit Mobilier	6,900	789,889	674,959
Repsol	140,500	3,628,469	4,035,488	Ssangyong Investment and Securities	2,235	0	69,241
Resort World	301,000	1,361,837	1,734,604	St. James Place Capital	74,500	2,192,304	2,308,045
Reuters Holdings	222,600	5,988,687	8,681,400	St. James Place	1,000,000	1,700,469	2,376,990
Rheinisch-Westfaelisches Elek	793,800	4,655,696	5,360,383	Sta Finanziaria Telefonica	376,300	995,770	894,461
Rhone Poulenc	8,200	2,001,395	2,135,658	Stork	1,177,050	2,757,763	3,609,899
Riken Vinyl Ind Co. Ltd.	201,900	5,296,116	4,586,115	Straits Steamship Co. Ltd.	6,290	108,818	155,752
Rinnai Corp.	15,000	158,894	165,746	Sulzer	198,000	430,600	480,362
Riunione Adriatica Ras Di Risip	63,000	1,802,139	1,832,943	Sumitomo Bank Ltd.	2,200	1,360,169	1,455,157
Road Builders	219,400	2,349,115	2,120,503	Sumitomo Corp.	1,775	775,434	1,144,862
Rohm Co. Ltd.	102,000	536,241	564,294	Sumitomo Electric Industries	168,000	3,188,224	3,695,691
Royal Bank Of Scotland	46,000	1,080,808	2,135,747	Sumitomo Forestry Co. Ltd.	112,000	864,932	1,169,450
Royal Dutch Petroleum Co.	30,455	2,853,458	3,199,054	Sumitomo Marine & Fire Insurance	203,000	2,609,243	3,107,417
Royale Belge	96,600	8,865,577	10,094,700	Sumitomo Precision Products	207,000	3,267,983	4,196,884
Ryoyo Electric Corp.	5,600	919,388	2,959,006	Sumitomo Rubber Ind Ltd.	36,000	314,936	351,443
RTZ (Rio Tinto Zinc)	101,000	2,609,470	7,770,987	Sumitomo Trust & Banking Co.	127,000	656,935	1,077,595
Saga Petroleum	610,261	6,123,897	7,770,987	Sun Alliance Group	361,000	3,608,939	3,842,581
Saint Gobain Cie De	210,460	2,307,481	2,469,904	Sun Hung Kai Properties Ltd.	479,000	6,043,949	7,914,978
Sakura Bank Ltd.	33,730	3,104,613	3,929,708	Suzuki Motor Co. Ltd.	180,000	1,116,677	791,816
Salomon	65,000	913,876	922,503	Svenska Handelsbanken	297,600	1,291,814	1,713,332
Samsung Electric	900	365,246	313,244	SWF Pacific Ltd.	143,000	1,588,874	1,899,039
Samsung Electronics Co. Ltd.	1,977	49,627	115,160	SKF	224,600	3,546,927	3,010,332
Sandoz	21,700	998,200	5,767	SKF Frueher	1,311,000	6,259,773	9,413,353
Sangatsu Co. Ltd.	3,510	1,924,158	1,264,025	SMC Corp.	104,000	5,031,390	1,820,000
Sanki Engineering Co. Ltd.	66,000	1,565,571	1,820,583	SMH Schweizer Gesellschaft	426,600	323,666	337,069
Santos Ltd.	126,000	2,335,049	1,711,599	T & N (Turner & Newal)	7,000	2,422,621	1,737,668
Sanwa Bank Ltd. Osaka	1,641,874	1,454,408	4,558,926	Taihei Densyo Kaisha Ltd.	3,000	350,746	339,570
Sanyo Electric Co. Ltd.	124,000	2,171,214	2,815,764	Takashimaya Co. Ltd.	100,000	169,921	175,174
Sap Ag Systeme Anwendungen Produkte	267,000	97					

Investment Listing

Common Stock

International	Shares	Book Value	Market Value	Real Estate	Units	Book Value	Market Value
Valeo	5,000	253,759	237,040	CLOSED END FUNDS			
Vallchermoso	11,433	239,890	205,891	Alex Brown-Profile Fund I	1	22,010,915	15,291,708
Valmet Corp.	76,000	1,237,056	1,235,000	Bear Stearns Realty Partners	1	100,536,028	98,233,490
Veba	5,980	1,679,653	1,880,609	Brinson Partners	869	10,102,983	9,129,190
Victor Co. Of Japan Ltd.	227,000	3,259,132	3,428,773	JMB Group Trust III	1	36,307,924	27,482,997
Vitro Sociedad Anonima	123,300	2,615,264	2,342,700	TCW Realty Fund II	1	29,436,000	20,146,874
Vodafone Group	98,900	7,409,626	7,491,675				
Volvo	34,100	3,365,227	2,973,011	TOTAL CLOSED-END FUNDS		198,393,850	170,284,259
Wacoal Corp.	119,000	1,280,335	1,520,002	PROPERTIES			
Warburg (S.G.) Group	44,400	636,423	472,181	1015 Locust Street		14,739,938	1,580,000
Wellcome	175,600	1,461,534	1,599,128	1090 Gemini Road		1,883,868	1,600,000
Welsh Water	190,200	1,815,286	1,690,984	1600 Downs Drive		59,107,024	51,462,626
Werner Soderstrom	4,700	297,552	293,484	1500 Locust Street		2,661,649	2,100,000
West Aust'N Newspapers Holdings	150,500	481,263	470,673	1670 Frontenac		3,087,776	3,130,000
Western Mining Corp. Holdings Ltd.	537,382	2,927,448	2,831,114	1674 Frontenac		2,701,625	3,630,000
Westmont Properties	1,440,000	5,063,416	9,238,927	1700 Downs Drive		5,161,477	4,500,000
Westpac Banking Corp.	375,700	1,003,509	1,224,102	230 Gerry Drive		3,088,130	6,750,000
Wharf Holdings	82,000	172,660	302,348	2301 Windsor Court		8,293,640	5,350,000
Wheelock And Co. Ltd.	2,188,000	6,138,080	4,698,985	330 S. Executive Drive		8,502,777	5,350,000
Whitcoulls Ltd.	351,428	698,736	836,820	345 W. Fullerton		12,618,161	1,790,000
Wienerberger Baustoffindustrie	2,260	759,016	745,355	3900 Northwoods		9,380,064	5,100,000
Wolters Kluwer	68,856	3,611,787	4,069,641	411 Kingston Court		2,579,201	1,510,000
Woodside Petroleum Ltd.	700,000	2,147,691	2,352,854	4200 Commerce Court		3,397,103	0
Woolworths Ltd.	185,784	456,849	392,324	451 Kingston Court		2,298,753	1,350,000
Wunsche	7,900	748,029	789,255	6240 Carmen		6,055,346	5,425,000
WMX Technology	206,000	1,860,763	1,863,251	800 W. Thorndale		4,060,895	2,500,000
WPP Group	103,400	154,634	158,002	865 Xenium Lane		2,517,805	3,325,000
Xebio Co. Ltd.	81,000	1,394,318	3,580,124	Adams Woods		7,959,117	3,600,000
Yakult Honsha Co. Ltd.	26,000	414,029	458,616	Airport Marriott		24,931,660	20,020,000
Yamaguchi Bank	36,000	403,767	664,202	Arapahoe Village		6,523,385	5,600,000
Yamaha Corp.	109,000	1,040,605	1,425,420	Ashland II Land		27,000	372,000
Yamaichi Securities Co.	185,000	1,258,407	1,740,389	Autumn Chase		9,792,595	19,100,000
Yamamura Glass Co.	188,000	1,375,548	1,581,840	Basset Creek		7,684,584	2,429,000
Yamatake Honeywell Co. Ltd.	23,000	364,593	368,393	Breckinridge		33,395,116	22,394,796
Yamato Kogyo Co. Ltd.	68,000	706,117	723,810	California Mortgage Portfolio I		23,203,295	24,501,382
Yamato Transport Co. Ltd.	210,000	2,596,922	2,788,799	California Mortgage Portfolio II		86,060,514	86,060,514
Yasuda Fire & Marine Insurance	409,000	3,247,435	3,358,419	California Mortgage Portfolio III		20,786,137	20,786,137
Yokohama Reito Co.	172,000	1,714,595	2,475,959	Canterwood		7,857,265	8,147,966
Yorkshire Electricity Group	90,900	961,170	829,198	Clackamas Town Center		97,500,740	102,588,690
Yurtect Corp.	20,000	368,793	521,062	Cobblestone Court		15,349,712	16,250,615
YPF Sociedad Anonima	30,000	740,400	716,250	Corporate Campus East III		26,148,294	15,979,578
Z Landerbk Bk	9,400	952,603	898,959	Costa Mesa		40,120,534	22,140,000
Zuerich Vericherungs	1,300	1,318,653	1,282,511	Crossroads I		7,411,926	7,080,000
				Crystal Court		8,212,580	6,715,113
TOTAL Common Stock—International	1,200,633,386	1,382,324,474		Cypress Trace		30,972,828	17,000,000
				Data General		7,512,841	5,170,000
				Factory Stores at Hershey		6,675,146	6,675,146
				Fairfax Court		17,028,666	18,018,305
				Fisher		351,926	415,380
				Forest Park Mall		29,905,705	13,200,000
				Franklin/Lake Self Park		34,948,908	13,900,000
				Gateway Plaza		17,430,635	14,501,703
				Gateway Oaks Plaza Land		3,295,414	3,550,000
				GMO Land		24,263,302	16,050,000
				Goodluck Land		364,815	718,000
				Hampton Roads		44,469,575	23,492,479
				Harrison Square		3,817,500	2,800,000
				Hartford Industrials		21,790,900	13,259,940
				IMG Parham Office & Land		721,147	1,570,300
				International Drive Marriott		46,572,425	20,338,000
				Interstate Crossings		9,827,568	4,900,000
				Kingston Court Land		2,938,730	2,300,000
				Laguna Hills		7,381,971	8,200,000
				Lakes of Bellevue		24,738,080	21,260,000
				Leed Commerce Center		3,004,313	2,320,000
				Mayhew Tech Center		14,607,658	15,900,000
				Mendota Heights		17,288,262	8,760,000
				Midwest Apartments		18,606,518	11,280,000
				Miscellaneous Real Estate Assets		108,164,001	109,514,919
				Montbello Industrial Park		12,363,787	10,416,698
				North Lake Business Park		14,673,032	742,047
				Oakbrook Center Land		75,616,704	75,300,000
				Oaks of Oakbrook		12,771,077	14,700,000
				Pacific Shores		17,655,027	5,400,000
				Parkway Crossing Warehouse & Land		2,296,898	4,440,750
				Plaza at Buckland Hills		19,983,704	25,525,320
				Potomac Loans		92,632,252	98,185,000
				Quail Lakes Executive Park		9,081,192	2,950,000
				Ridge Plaza		7,892,809	3,701,433

Real Estate	Units	Book Value	Market Value	Alternative Investments	Units	Book Value	Market Value
Ridgewood Court		12,599,236	12,884,741	Agle	0	296,167	346,000
Riva 400 Office & Land		3,452,194	6,406,000	Alexander	0	426,880	464,493
River Roads Business Center		11,473,120	6,950,000	Andersen	0	217,115	229,168
Royal Eagle Plaza		17,939,149	10,149,284	Bagg	0	263,546	321,030
San Juan Corporate Plaza		7,036,420	3,500,000	Barkley	0	2,698,993	2,900,000
San Marco		19,344,053	19,058,622	Barling	0	229,768	248,000
Seminole Towne Center		33,598,469	33,598,469	Bartel	0	647,184	684,600
Somerset		34,100,918	29,100,000	Batts	0	364,222	370,555
Southpark Square		4,861,645	15,200,000	Beckner	0	349,034	363,188
St. Charles #12		6,168,650	5,620,000	Besecker	0	235,927	275,000
St. Charles 3 Building Venture		6,263,354	4,863,000	Bicycle Acquisition Corp.	8,500,000	8,500,000	11,495,342
St. Charles Land		13,988,809	11,260,000	Bliss	0	560,506	620,554
Stone Mountain Festival		27,426,768	23,100,000	Boyer	0	84,326	95,981
Sunforest Apartments		25,854,972	27,900,000	Braden	0	1,015,050	1,128,000
Super 8 Motels		16,385,719	14,570,000	Braden II	0	2,388,201	2,460,000
Tech West I & II		9,513,543	5,720,000	Callaway	0	465,638	477,522
The Avenues		65,702,726	70,639,303	Child Estate	0	262,971	268,576
The Yards Plaza		19,007,023	17,950,156	Claybaugh	0	1,073,892	1,160,000
Time & Life Building		64,333,424	30,500,000	Colobras	0	1,268,185	1,585,500
Tollroad Land		670,680	1,500,000	Corner Grove	0	312,717	327,949
Towne North		9,408,847	6,700,000	Dahms	0	1,053,767	1,000,000
TR Brell Austin Corp.		3,150,858	3,150,858	Darr	0	960,421	979,340
TR Brell Creekside Corp.		5,822,958	5,822,958	Davis	0	540,220	572,190
TR Brell Grand Prairie Corp.		6,577,787	6,577,787	Dick	0	283,949	335,988
TR Brell ICC Corp.		1,066,672	1,066,672	DLJ Merchant Banking	1	8,431,704	9,861,515
TR Brell Kent Corp.		7,348,241	7,348,241	Donaldson	0	137,343	141,000
TR Brell Longwood Corp.		1,296,602	1,296,602	Eason Trust	0	1,473,460	1,561,600
TR Brell Richardson Corp.		4,472,410	4,472,410	Edwards	0	183,012	210,400
TR Brell Silver Hills Corp.		928,168	928,168	Erb	0	450,371	501,080
TR Brell Sunset Corp.		11,252,373	11,252,373	Espe	0	154,168	177,157
TR Brell Torrance Corp.		2,053,711	2,053,711	Fellmy	0	131,311	135,846
TR Koll Camino Del Rio Corp.		1,481,102	1,805,913	Fillers	0	156,532	160,000
TR Koll Hotel Circle Corp.		4,019,693	4,086,073	Fischer	0	329,694	404,275
TR Koll Imperial Corp.		1,428,112	1,672,113	Foshay	0	1,262,156	1,659,000
TR Koll KL Corp.		2,327,102	2,672,694	Frontenac Venture IV	10,000,000	1,135,327	2,066,813
TR Koll Lot 7 Corp.		1,116,111	1,136,191	Frontenac Venture V	1	9,907,765	12,548,501
TR Koll Phase III Corp.		769,784	815,384	Frontenac VI Ltd. Partnership	1	3,300,000	3,152,379
TR Koll Tustin Corp.		3,445,777	3,618,271	Frybarger	0	272,754	294,000
TR Koll Westchester Corp.		4,378,215	4,371,934	Green	0	179,745	200,000
TRB - Newmarket		14,066,564	10,500,000	Haack	0	545,373	563,000
Troy Industrials		8,292,240	5,500,000	Hagemester	0	236,736	267,000
Vermont Land		3,766,354	8,160,750	Harlow	0	403,237	414,433
Village Park Plaza		22,073,359	23,536,361	Head	0	221,087	296,400
Virginia Beach Townhomes		645,812	810,000	Hoesman	0	265,252	281,175
Wedgewood I		10,447,845	7,430,000	Holly Lane	0	809,411	900,000
West Town Corners		23,776,833	23,923,617	Hunt	0	164,987	175,767
Westland Park Plaza		11,605,613	7,062,677	Hurlock	0	217,988	220,997
White Oaks Mall		38,720,893	48,528,451	Husted	0	266,135	307,270
Williams Plaza		28,213,796	12,550,000	Hyatt	0	188,352	188,352
Williams Plaza II		28,135,977	15,120,000	IDC - Coles	0	1,259,308	1,360,068
Willow Knolls Court		14,893,989	18,245,101	IDC - McDonough	0	612,382	646,360
Real Estate Reserves		-25,129,384					

Investment Listing

Common Stock

Alternative Investments	Units	Book Value	Market Value
Moyer	0	178,905	192,000
Nafziger	0	163,567	168,390
Neese	0	286,366	291,326
Nugent	0	771,495	810,000
NW Mutual	0	2,156,754	2,204,800
O. Reeser	0	324,898	360,272
Odum Trust	0	359,414	405,260
P. Almonds	0	3,137,264	3,840,000
Pankey	0	159,843	171,600
Peoples Street	0	470,465	522,276
Peterson	0	169,343	219,093
Phoenix	0	788,771	854,261
Phoenix Mutual	0	1,644,132	1,840,000
Plate	0	431,025	484,475
Press	0	491,561	590,640
RE Resources	0	160,455	170,000
Redlin Trust	0	281,699	313,000
Reese	0	366,965	407,940
River	0	262,067	262,067
Rose	0	91,220	94,722
Russell	0	748,127	823,369
Russell (IN)	0	1,037,427	1,067,400
Saavedra	0	242,938	243,418
Sachs	0	628,519	635,000
Sack	0	603,840	624,000
SAE Corp.	0	962,957	700,000
Saxe	0	546,263	565,000
Saybrook	0	1,958,080	2,247,624
Schable	0	182,440	191,915
Schumacher	0	136,320	146,662
Serenoa Citrus	0	2,060,056	1,950,000
Serenoa Grove	0	2,696,018	2,550,000
Serenoa Vegetable	0	4,663,110	5,200,000
Shawback	0	330,997	364,000
Smith	0	102,493	120,000
Stein man	0	939,967	1,000,000
Stone	0	186,740	196,000
Sudduth	0	556,714	599,940
Sunworld	0	6,544,016	7,117,500
Tenneco	0	2,403,009	2,818,200
Tenneco West	0	8,003,470	10,264,500
Terra Farms	0	153,528	160,720
Thompson I	0	170,403	188,461
Thompson II	0	294,370	324,000
TWB/F/B Ltd. Partnership	4,600,000	1,500,000	100,000
Wall Estate	0	396,928	411,076
Watson	0	330,771	367,540
White	0	289,479	328,035
Whitson	0	174,224	191,455
Winrock	0	695,441	730,000
W P G Enterprise Fund Ltd. Partnership	1	29,343,341	31,588,260
Wright	0	972,691	1,168,524
Wyffels	0	148,732	165,758
Younger	0	318,283	336,817
Zartman	0	394,821	428,044
Zewadski	0	353,187	355,576

TOTAL ALTERNATIVE INVESTMENTS 193,983,106 207,994,408

Copies of this publication may be obtained by writing:

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