

ILLINOIS STATE UNIVERSITY



3 0711 99871 5619

# Comprehensive Annual Financial Report

TEACHERS' RETIREMENT SYSTEM  
*A Component Unit of the State of Illinois*

*For Fiscal Year Ended June 30, 1995*

The Teachers' Retirement System of the State of Illinois presents 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, 1995. Each year, this report highlights the trends of the System's membership and explores the impact of ongoing events on the fund's progress.

Illinois State University  
Library

MAR 11 1996

Illinois State Depository



2815 West Washington, P.O. Box 19253  
Springfield, Illinois 62794-9253

4200 Commerce Court, Suite 100  
Lisle, Illinois 60532-3611

Illinois

11-22-1506-28



283  
28/12.1  
113  
14301  
1995

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Teachers' Retirement System of the State of Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1994

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 comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Sam Krab*  
President

*Jeffrey L. Esler*  
Executive Director

For the sixth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1994. The award is a prestigious honor recognizing conformance with the highest standards for preparation of state and local government financial reports. This report was produced in compliance with the program's requirements and will be submitted to the GFOA for review.

### CHARTS, TABLES AND SCHEDULES

#### INTRODUCTION

Organizational Chart	4
Revenues	6
Expenses	7

#### FINANCIAL STATEMENTS

Statements of Financial Position	14
Statements of Revenue and Expense and Changes in Net Assets	15
Numbers of Employers/System Membership	17
Investment Summary	18
Derivatives (Contracts Outstanding)	20
Reconciliation of the Unfunded Pension Benefit Obligation	21
Contributions and Funding Shortfalls - PA 86-0273	22
Reserve Accounts	24
Supplemental Schedule of Revenue by Source	26
Supplemental Schedule of Expense by Type	26
Supplemental Schedule of Funding Progress	27
Administrative Expenses	28
Cash Receipts and Disbursements	28

#### ACTUARIAL INFORMATION

Actuarial Valuation	31
Reconciliation of the Unfunded Pension Benefit Obligation	32
PA 86-0273 (SB95) Funding	33
TRS Funded Ratio Under PA 88-0593 (SB533)	33
State Funding Requirements for FY 1997 and FY 1996 Under PA 88-0593	33
Employer's Normal Cost Plus Interest	34
Funded Ratios	34
Payroll Percentages	35
Solvency Test	35
Cash Flow: Member and Employer Contributions Minus Expenses	36

#### MEMBERSHIP AND BENEFITS INFORMATION

Average Annual Salary for Active Members	40
Average Monthly Retirement Benefit	41
Claims Experience	43
Health Insurance Reserve Account	43
Subsidy Payments	43

#### STATISTICAL SUMMARY

Average Annual Salary for Active Members	48
Active Members by Years of Age and Years of Service	50
Retired Members by Years of Service and Years in Retirement	52
Schedule of Average Monthly Payment Amounts	54
Retirees and Beneficiaries Added To and Removed From Rolls	55
Schedule of Participating Employers	56

#### INVESTMENT SUMMARY

Percent of Total Fund	62
Asset Allocation History	63
Asset Class Quarterly Return by Representative Indices	64
Diversification by Industry Sector	65
S&P 500 Industry Returns	65
U.S. Equity Portfolio Profile	65
Diversification by Issuer Type for Fixed Income Managers	67
Diversification by Quality Rating for Fixed Income Manager Portfolio	67
Bond Portfolio Profile	67
Investment Portfolio Summary	68
Composition of Investments at Market Value	69
Book/Market Value Reconciliation	70
Performance Summary	70

### TABLE OF CONTENTS

#### INTRODUCTION

GFOA Certificate of Achievement	2
Board of Trustees	5
Letter of Transmittal	6
Executive Director's Report	8

#### FINANCIAL STATEMENTS

Report of Independent Public Accountants	13
Statements of Financial Position	14
Statements of Revenue and Expense and Changes in Net Assets	15
Notes to Financial Statements	16
Required Supplemental Schedules	26
Supplemental Schedules	28

#### ACTUARIAL INFORMATION

Actuary's Certification	30
Results of the Annual Actuarial Valuation	31
Reconciliation of Unfunded Pension Benefit Obligation	32
Sources of Contributions	33
State Funding	33
Employer's Normal Cost Plus Interest	34
Historical Tests of Financial Condition	34
Cash Flow Summary	36
Actuarial Assumptions	36
Actuarial Cost Method and Valuation	37
Actuarial Assumptions and Method	37

#### MEMBERSHIP AND BENEFITS INFORMATION

Plan Design	40
Membership Profile	40
Contributions	40
Member Services	40
Retirement Benefits	41
Early Retirement Option (ERO)	41
Early Retirement Incentive (ERI)	41
Disability Benefits	41
Death Benefits	42
Member Refunds	42
Member Accounts	42
TRS Health and Prescription Drug Insurance Plan	42
Premiums	42
Plan Changes	42
Current Coverage Options	43
Reserve Account	43
Plan Summary	44

#### STATISTICAL SUMMARY

Average Annual Salary for Active Members	48
Active Members by Years of Age and Years of Service	50
Retired Members by Years of Service and Years in Retirement	52
Schedule of Average Monthly Payment Amounts	54
Retirees and Beneficiaries Added To and Removed From Rolls	55
Schedule of Participating Employers	56

#### INVESTMENT SUMMARY

Introduction	62
Asset Class/Manager Composition	62
Asset Class/Market Indices Returns	64
Total Fund Results	64
U.S. Equity Results and Profile	64
International Equity Results	66
Alternative Investments Results	66
Fixed Income Results and Profile	66
Real Estate Equity Investment Results	68
Short-Term Investment Results	68
Investment Portfolio Summary	68
Composition of Investments at Market Value	69
Book/Market Value Reconciliation	70
Performance Summary	70

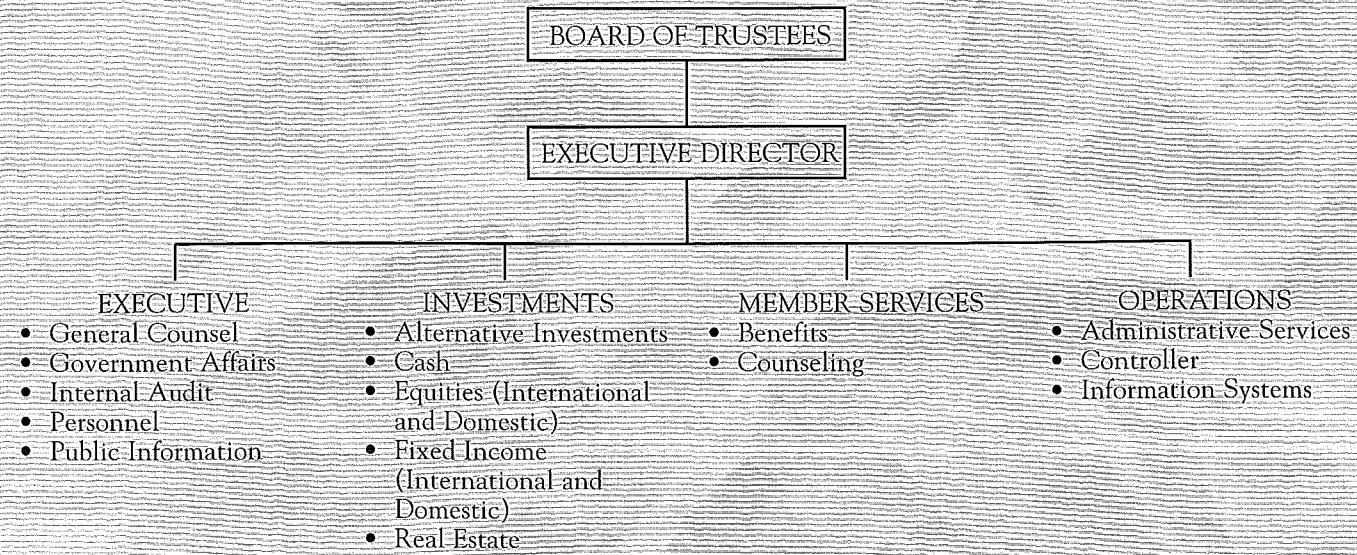
#### INVESTMENT LISTING

Investment Listing	73
--------------------	----



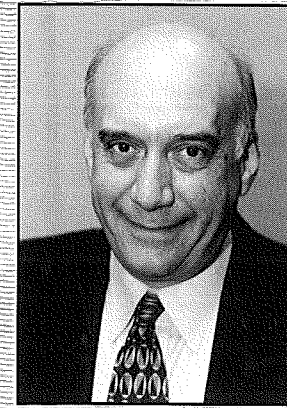
The Teachers' Retirement System of the State of Illinois was created in 1939 by the General Assembly. The Illinois Compiled Statutes contain the laws relating to the creation, definition, maintenance and administration of the System.

TRS is 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.



Joining TRS Executive Director Robert Daniels (seated at center) are members of the Executive Cabinet including, front row, left to right: John Sigle (Director of Member Services) and Ruby Reynolds (Director of Personnel). Standing left to right: Sandy Andrighetti (Internal Auditor), Jon Bauman (Chief Operating Officer), Bill Brewer (Benefits Officer), Judy Davis (Assistant to the Executive Director), Ed Mabie (Information Systems Officer), Alice Kern (Manager of Administrative Services), Scott Mulford (Public Information Officer), Sally Sherman (Counseling Services Manager), Matt Evans (Director of Real Estate & Alternative Investments) and Todd Kennedy (Controller).

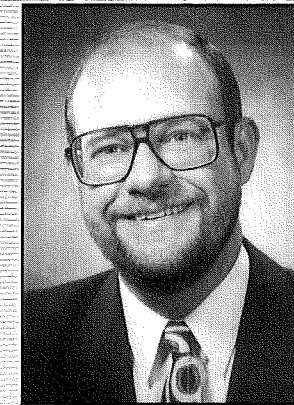
Not pictured are John Day (Director of Government Affairs), Don Nesbitt (Director of Investments), Jack Tucker (Manager, Northern Area Office) and Wilma VanScyoc (General Counsel).



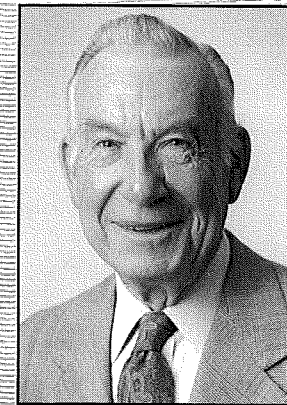
Joseph Spagnolo  
President



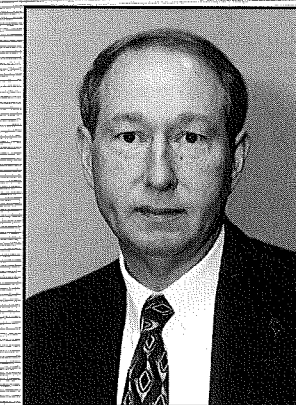
Judith Tucker  
Vice President



Ray J. Althoff



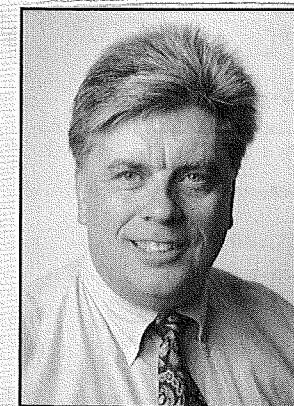
Hugh R. Brown



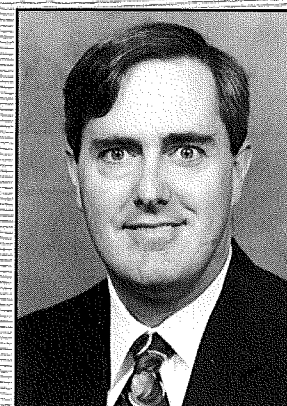
James Bruner



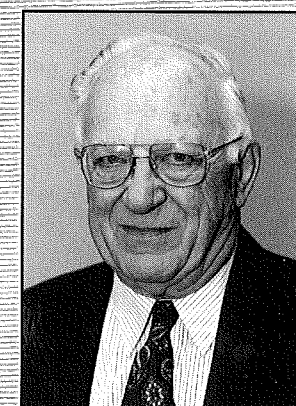
Anne Davis



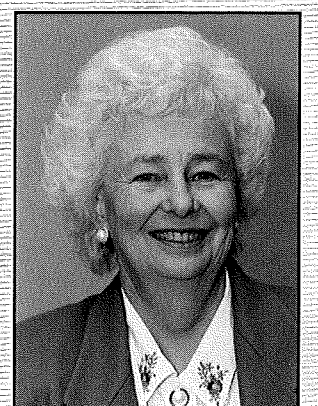
Scott Eshelman



James Kane



Roman Miller



Marilyn Oglesby





# 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, 1995

The Teachers' Retirement System presents the Comprehensive Annual Financial Report for the Teachers' Retirement System - A Component Unit of the State of Illinois - For Fiscal Year Ended June 30, 1995. TRS management is responsible for ensuring 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, 1995.

This report contains six sections: an Introduction, the Financial Statements and Related Notes, Actuarial Information, Membership and Benefits Information, Statistical Summary, and an Investment Summary that includes a detailed investment listing. In all, these sections present a comprehensive review of the System's activities in fiscal year 1995.

## FINANCIAL INFORMATION

The System uses a series of internal controls to monitor and safeguard the System's assets and to promote the efficient operation of the System. TRS undergoes an annual external audit conducted by the Illinois Auditor General in addition to regular reviews conducted 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 generally accepted accounting principles (GAAP) within the guidelines established by the Governmental 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 \$12.6 billion in FY 1995.

Member contributions, the System's major source of funding, come from nearly 129,000 members who contribute 8 percent of their earnings each year. Members also make contributions for optional service, Early Retirement Incentive and Early Retirement Option. In fiscal year 1995, member contributions totaled \$431 million, an \$18 million increase from the previous year. Assets from these contributions are invested to create the second source of funding: investment income, which decreased \$218 million in fiscal year 1995 to \$771 million.

Sources of Revenue	(In millions)			
	1995	1994	Amount	Percent
Member Contributions	\$431	\$413	\$ 18	4.4%
Employer Contributions	598	484	114	23.6
Investment Income plus realized gain on investments	771	989	(218)	(22.0)
<b>TOTAL</b>	<b>\$1,800</b>	<b>\$1,886</b>	<b>(\$86)</b>	<b>(4.6%)</b>

## Board of Trustees

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

Appropriations from the state and other employer contributions make up the third funding source. Employer revenue increased due to recognizing employer Early Retirement Incentive (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 1995 increased \$1 million to \$267.1 million and contributions from federal programs were down \$361,000.

## EXPENSES

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

Benefit payments again increased, growing from \$824 million to \$1,073 million in FY 1995. This 30 percent increase is the result of increased retirements related to the Early Retirement Incentive program and annual increases in annuities as provided by law. Administrative expenses constituted less than 1 percent of the System's FY 1995 expenses.

Expenses	(In millions)			
	1995	1994	Amount	Percent
Benefit Payments	\$1,073	\$824	\$249	30.2%
Health Insurance	38	50	(12)	(24.0)
Refunds	29	22	7	31.8
Administrative	11	11	0	0
<b>TOTAL</b>	<b>\$1,151</b>	<b>\$ 907</b>	<b>\$244</b>	<b>26.9%</b>

## INDEPENDENT AUDIT

Each year, the financial statements, records, and internal controls of TRS are examined by special assistant auditors employed by the Illinois Auditor General. In addition, an annual compliance audit for the previous year is performed to review compliance with applicable statutes and codes. The Report of Independent Public Accountants is on page 13 of this report.

## AWARDS

TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. A recipient of GFOA's certificate for the past six years, this report has been prepared in accordance with GFOA requirements for the preparation of a Comprehensive Annual Financial Report and will again be submitted for certification.

## ACKNOWLEDGMENTS

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

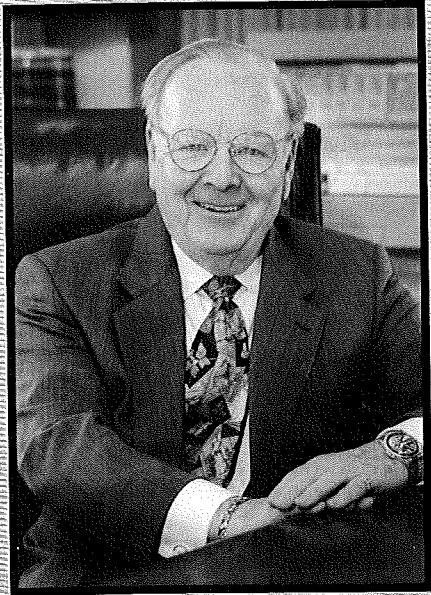
This report is provided to members of the General Assembly and all Illinois school districts outside the city of Chicago and, by request, to members and annuitants. We trust that you find this document informative and helpful. It includes a report from Executive Director Robert Daniels that outlines the major activities during the past year, plans for the coming year, and reviews the economic outlook for the System.

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, 1995.

Sincerely,

Todd Kennedy  
Controller





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  
to our members.*

Fiscal year 1995 was an exceptionally challenging and ultimately rewarding year for the Teachers' Retirement System.

Our number one priority was to solve the TRS health insurance crisis. To that end, the Board of Trustees, membership, and staff mounted a tremendous effort. Most importantly, we endeavored to improve the short-term finances of the program that was in place. We conducted statewide information meetings and spearheaded one of the largest Statehouse lobbying days in recent memory.

Our efforts proved successful on May 25, 1995, when legislation to remedy the crisis passed both houses of the General Assembly with near unanimous margins. Governor Edgar signed the bill into law on June 21. I firmly believe the tremendous support and tireless effort of TRS members, their families, and their constituent groups made the difference. I agree with many Statehouse observers who call their session-long work in support of TRS health insurance "textbook grassroots lobbying." Details of the new health insurance program are on page 25 of this report.

The health insurance legislation also contains a provision taking effect January 1, 1996 that increases the minimum annuity benefit from \$15 to \$25 per year of service per month for eligible annuitants.

Another TRS legislative priority was the extension of the Early Retirement Option (ERO) provision that was due to expire June 30, 1995. Lawmakers passed and Governor Edgar signed legislation to extend the availability of ERO until June 30, 2000.

A fourth significant outcome for the System in the spring 1995 session of the General Assembly was the first budgeted year of increased state appropriations for TRS under the newest pension funding law. Our state appropriations for fiscal year 1996 rose \$62.7 million, or 23.4 percent, over fiscal year 1995. As required state contributions under this law continue to increase in future years, continued vigilance is required to ensure that the future funding commitments are indeed fulfilled.

Unfortunately, increased state funding was not present in FY 1995, contributing to the System's fourth consecutive year of negative cash flow. Nearly \$340 million of investment income was used to pay benefits to our annuitants. We expect negative cash flow to be a continuing TRS problem for at least the next five years, underscoring the importance of increased state funding.

I am pleased to report excellent results from our investment portfolio. TRS investments captured a total return of 13.4 percent in fiscal year 1995. Please join me in commending our investment managers and staff for their performance this year; however, as noted in last year's report, we do not expect double-digit returns to continue throughout the 1990s.

It is important to recognize that TRS, like all large pension funds, has a diversified portfolio of investments allocated according to guidelines established by the Board of Trustees and the Illinois Pension Code. At any point, some investments will outperform others, but the long-term performance of the total portfolio is the most important measure of our success. We continued to exceed our long-term performance objectives in FY 1995.

The asset allocation of the System's investment portfolio is the most important determinant of investment return. The System's portfolio is well diversified among numerous classes in order to ensure stable realization of long-term performance objectives.

TRS uses derivative products as part of its overall asset allocation strategy to reduce risk associated with changes in foreign currency values, with changes in bond prices related to interest rates and with stock index price changes. Details on the System's derivative investments may be found later in this report. In reviewing the information, it is important to note that the contractual principal amount of the derivative contracts represents only a small percentage (less than 10 percent) of the investment portfolio's value. Derivative products are utilized by the System as authorized by law and guidelines and only as an efficient, cost-effective method of managing its portfolio's asset allocation.

Counterbalancing favorable investment returns was a further downturn in the System's actuarial funding status in fiscal year 1995. The funded ratio, which mea-

sures the portion of the System's liability for benefits which are covered by its assets, dropped to 52.7 percent in FY 1995 from 55.1 percent in FY 1994. The unfunded liability, which is the difference between the System's pension liability and assets, grew to \$11.3 billion from \$9.8 billion during this period. As mentioned, TRS looks forward to eventual improvement in its financial condition through Public Act 88-0593, the funding legislation enacted in 1994, that requires significant increases in state appropriations beginning in fiscal year 1996. Past underfunding by the State is the primary cause of the increased unfunded liability.

Our annuitant payroll reached nearly 60,000 by the end of fiscal year 1995, reflecting the conclusion of the Early Retirement Incentive program. Nearly 12,000 TRS members elected to retire under ERI, making it the largest program of its kind. The automated systems and enhanced services developed for the ERI program will continue to allow our staff to serve our membership efficiently and professionally.

During FY 1995, TRS began implementing a major change in our internal operations. Like many public and private entities, the System relies on "mainframe" computer technology to run many of our business programs. We need to prepare for the twenty-first century by moving to up-to-date "open systems" computing that ultimately allows increased service and responsiveness to our members in the years ahead. I will keep you apprised of our progress.

Allow me to stress one important note. Among Illinois' large public pension funds, TRS spends the smallest proportion, just under one percent, of its total expenditures for System administration.

I am pleased to provide this report on behalf of the managers and staff of the Teachers' Retirement System.

Sincerely,

Robert Daniels  
Executive Director



# Financial Statements

---

TEACHERS' RETIREMENT SYSTEM  
*A Component Unit of the State of Illinois*

*For Fiscal Year Ended June 30, 1995*




**Peat Marwick LLP**

Peat Marwick Plaza  
303 East Wacker Drive  
Chicago, IL 60601-5255

**Independent Auditors' Report**

Honorable William G. Holland  
Auditor General  
State of Illinois

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

As Special Assistant Auditors of the Auditor General, we have audited the accompanying balance sheet of the Teachers' Retirement System of the State of Illinois (System), a component unit of the State of Illinois, as of June 30, 1995, and the related statement of revenues and expenses and changes in net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of the System as of June 30, 1994 were audited by other auditors whose report thereon dated October 14, 1994 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards (1994 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Teachers' Retirement System of the State of Illinois as of June 30, 1995, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards (1994 Revision), we have also issued a report dated October 27, 1995 on our consideration of the System's internal control structure and a report dated October 27, 1995 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental information and supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the System. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The information for the years 1986 through 1994 has been derived from financial statements audited by other auditors whose reports thereon expressed an unqualified opinion.

*KPMG Peat Marwick LLP*

October 27, 1995



Member Firm of  
Klynveld Peat Marwick Goerdeler



STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF FINANCIAL POSITION  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	As of June 30	
	1995	1994
<b>ASSETS</b>		
Cash - Note C	\$1,055,000	\$0
Receivables:		
Contributions from employers:		
Salary deductions	23,280,000	25,265,000
Federal and trust funds	5,753,000	5,697,000
Employer ERI	387,788,000	173,392,000
Contributions from members:		
Members' accounts	142,000	101,000
Members' ERI	27,157,000	18,013,000
TOTAL RECEIVABLES	444,120,000	222,468,000
Investments (Net) - Note C	12,499,068,000	12,287,359,000
(Market value 1995: \$13,230,761,000; 1994: \$12,333,823,000)		
Property and equipment (Net of accumulated depreciation) - Note A	3,513,000	4,007,000
TOTAL ASSETS	12,947,756,000	12,513,834,000
<b>LIABILITIES</b>		
Payables:		
Cash overdraft	0	2,513,000
Benefits	788,000	2,765,000
Refunds	991,000	533,000
Notes	221,327,000	141,683,000
Other	24,351,000	22,033,000
Pending trades	58,434,000	352,083,000
TOTAL LIABILITIES	305,891,000	521,610,000
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$12,641,865,000</u>	<u>\$11,992,224,000</u>
<b>PENSION BENEFIT OBLIGATION - Note D</b>		
Retirees and beneficiaries currently receiving benefits	12,702,258,000	10,088,901,000
Terminated members not yet receiving benefits	425,224,000	375,411,000
Current employees:		
Accumulated employee contributions	2,846,405,000	2,850,319,000
Employer-financed vested	3,157,449,000	3,045,589,000
Employer-financed nonvested	4,849,230,000	5,386,655,000
TOTAL PENSION BENEFIT OBLIGATION	23,980,566,000	21,746,875,000
UNFUNDED PENSION BENEFIT OBLIGATION	<u>(11,338,701,000)</u>	<u>(9,754,651,000)</u>
NET ASSETS AVAILABLE FOR BENEFITS - Note G	<u>\$12,641,865,000</u>	<u>\$11,992,224,000</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF REVENUE AND EXPENSE

STATEMENTS OF REVENUE AND EXPENSE AND CHANGES IN NET ASSETS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	For the Fiscal Year Ended June 30	
	1995	1994
<b>REVENUE</b>		
Contributions - Note E		
Members	\$430,761,000	\$413,395,000
State of Illinois	267,146,000	266,077,000
Employers:		
Early retirement option	240,000	409,000
Early retirement incentive	314,390,000	200,225,000
Federal and trust funds	16,393,000	16,754,000
TOTAL CONTRIBUTIONS	1,028,930,000	896,860,000
Investment income		
Interest	395,882,000	323,328,000
Real estate	26,997,000	164,956,000
Dividends	71,106,000	64,440,000
Other	19,942,000	5,968,000
TOTAL INVESTMENT INCOME	513,927,000	558,692,000
Gain on sale of investments	257,560,000	430,229,000
TOTAL REVENUE	1,800,417,000	1,885,781,000
<b>EXPENSE</b>		
Benefits:		
Age retirement	866,461,000	635,213,000
Post-retirement	158,051,000	142,235,000
Survivor	39,901,000	37,645,000
Disability	9,051,000	9,228,000
Health insurance	38,212,000	49,553,000
Refunds	1,111,676,000	873,874,000
Administrative expenses	28,671,000	22,126,000
Prior service credit/Transfers	10,345,000	10,088,000
TOTAL EXPENSE	1,150,776,000	906,613,000
REVENUE IN EXCESS OF EXPENSE	649,641,000	979,168,000
Adjustment of Net Assets Available for Benefits - Note I	0	133,466,000
Net Assets Available for Benefits at Beginning of Year	11,992,224,000	10,879,590,000
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u>\$12,641,865,000</u>	<u>\$11,992,224,000</u>

The accompanying notes are an integral part of these 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 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:** This expense category reflects transfers of members' accumulated contributions to other pension systems.

**Administrative expenses:** This category includes \$95,709 and \$197,063 for accrued compensated absences for FY 1995 and FY 1994, respectively.

**GASB Pronouncements:** In September 1993, the Governmental Accounting Standards Board (GASB) issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." The Statement provides that the System may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. In addition, the System may also apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The System has elected to apply only FASB, APB and ARB materials issued on or before November 30, 1989.

In November 1994, the GASB issued Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." This Statement requires that plan assets be reported at fair value, rather than at cost. In addition, this Statement establishes a new financial reporting framework that will result in significant changes to financial statements as well as the required supplementary information. The requirements of this Statement are effective for periods beginning after June 15, 1996, with earlier implementation encouraged. If comparative financial statements are presented, restatement of the prior year financial statements is required.

The System intends to adopt this Statement beginning with the fiscal year ending June 30, 1997. The effect of this Statement will be to increase the net assets and decrease the unfunded actuarial accrued liability of the System by the difference between fair value and cost of the net assets on the date of adoption.

**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. These criteria include analyzing the significance over the operational or financial relationships with the System.

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

Members are employed by 1,076 school districts and special districts. Member contributions are remitted by each employer to the System. These employers are responsible only for employer contributions for teachers paid from federal and trust funds and for the employer's portion 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, through June 30, 1995, have not met statutory funding requirements of normal cost and amortization of the unfunded pension benefit obligation over a 40-year period with a seven year phase-in as prescribed in Public Act 86-0273.

The System provides retirement benefits, 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, 2000, 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 five 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. The retirement windows were June 1 through September 1 in 1993, 1994, and 1995. Retirements that occurred in 1995 were those delayed by employers because more than 30 percent of those eligible retired in 1994. Employees purchased up to five years of additional service and received an equal number of years of age. Employees contribute 4 percent of the highest salary used in the calculation of final average salary for each year purchased, and employers contribute 20 percent for each year purchased. Employer contributions can be made in either a lump sum, over five years in 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 10 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 10 years, plus 1.9 percent for each of the next 10 years, plus 2.1 percent for each of the next 10 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.

NUMBER OF EMPLOYERS	(Years Ended June 30)	
	1995	1994
Local school districts	912	923
Special districts	129	132
State agencies	35	36
	1,076	1,091
SYSTEM MEMBERSHIP	(Years Ended June 30)	
	1995	1994
Retirees and beneficiaries		
currently receiving benefits	59,634	53,218
Inactive members	38,736*	30,329
Current members	128,796*	128,939
	227,166	212,486

\*Inactive and current members are based on the latest available data.



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. Effective July 1, 1995, members not employed by state agencies will contribute an additional 1/2 of 1 percent of salary toward health insurance benefits for retired members. TRS will collect these funds as agent for the Illinois Department of Central Management Services, which will begin administering the health insurance program on January 1, 1996. These funds are not a part of the System's assets and will not be included in the Annual Financial Report for 1996.

If a member leaves covered employment, the System will refund a member's retirement contributions upon request. The refund consists of actual contributions excluding the 1 percent death benefit contribution.

NOTE C - CASH AND INVESTMENTS

The bank balance and carrying amount of the System's deposits were \$90,593,000 and \$1,055,000 at June 30, 1995 and \$71,134,000 and \$(2,513,000) at June 30, 1994. Of the bank balance, \$89,736,000 and \$69,540,000 was on deposit with the State Treasurer at June 30, 1995 and 1994, respectively. All bank balances at year end are fully collateralized, insured, and in the name of TRS. 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, 1995 and 1994, the System holds no securities classified in either Category 2 or Category 3.

INVESTMENT SUMMARY	COST		MARKET VALUE	
	1995	1994	1995	1994
<b>Category 1:</b>				
Bonds	\$ 3,081,940,000	\$ 2,813,690,000	\$3,165,938,000	\$ 2,762,472,000
Corporate notes	1,518,435,000	2,077,941,000	1,532,515,000	2,037,248,000
Preferred stock	18,714,000	40,868,000	21,817,000	47,369,000
<b>Short term investments:</b>				
Commercial paper	235,185,000	151,132,000	235,185,000	151,078,000
U.S. Treasury bills	112,330,000	99,116,000	112,330,000	140,727,000
Other	(19,659,000)*	9,546,000	(38,812,000)*	17,376,000
Common stock	4,311,200,000	3,655,498,000	5,077,334,000	4,073,618,000
Currency investments	87,344,000	21,611,000	83,588,000	(6,299,000)**
	\$9,345,489,000	\$8,869,402,000	\$10,189,895,000	\$9,223,589,000
<b>Not Categorized:</b>				
Real estate equity	2,060,516,000	2,088,856,000	1,901,964,000	1,785,143,000
Mutual funds	397,968,000	764,973,000	407,785,000	748,008,000
<b>Alternative investments:</b>				
Limited partnerships	96,801,000	52,118,000	117,114,000	59,187,000
Farm land	149,248,000	119,828,000	164,957,000	126,807,000
Collective investment funds	336,926,000	300,111,000	336,926,000	299,018,000
Accrued interest and dividends	112,120,000	92,071,000	112,120,000	92,071,000
<b>Total Investments</b>	<b>\$12,499,068,000</b>	<b>\$12,287,359,000</b>	<b>\$13,230,761,000</b>	<b>\$12,333,823,000</b>

\*The negative book value balance for 1995 is caused by \$35 million in U.S. Treasury notes payable and \$28 million in options contracts at June 30, 1995. The negative market value balance for 1995 is caused by \$35 million in U.S. Treasury notes payable and \$49 million in options contracts at June 30, 1995.

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

A non-material reclassification of assets was made to 1994 figures. In addition, the System has reduced the book value of certain investments by approximately \$115 million in FY 1995 due to declines that were determined to be other than temporary.

The System has nonrecourse mortgages totaling \$316,587,000 and \$275,648,000 on real estate equities at June 30, 1995 and 1994, 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 \$413,162,000 and \$375,723,000 of mortgages receivable which are fully secured by the properties at June 30, 1995 and 1994, 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, 1995 and 1994, TRS had outstanding loaned investment securities having a market value of approximately \$954,357,000 and \$912,822,000, respectively, against which it had received collateral of approximately \$986,218,000 and \$947,482,000 respectively. At June 30, 1995 and 1994, the System has instructed the master trustee to direct \$221,327,000 and \$141,683,000, respectively, of the collateral received from securities lending to be invested in floating rate debt securities collateralized by real estate investments, which results in a note payable from TRS. Income from securities lending was \$3,666,000 in FY 1995 and \$4,098,000 in FY 1994 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, the value of real estate properties nationwide has stabilized. 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 \$21,725,278 as of June 30, 1995. Management believes that other declines in appraised values are temporary in relation to the expected holding periods of the investments.

The System invests in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets such as commodity prices, bond and stock prices, or a market index. Derivatives transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. In order to eliminate credit risk, all derivative securities are acquired through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and senior management, and the risk positions of the investment managers are reviewed on a weekly basis to monitor compliance with the limits.

During the year, the System's derivative investments included foreign currency forward contracts, options, and futures. Derivative contracts are used by experienced investment personnel to quickly and efficiently implement tactical strategies upon the portfolios in a cost effective manner. Foreign currency forward contracts are used to hedge against the currency risk in the System's foreign stock and fixed income security portfolios. The remaining derivative securities are used to improve yield, adjust the duration of the fixed income portfolio, or to hedge changes in interest rates.

Financial futures are an agreement to buy or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. As the market value of the futures contract varies from the original contract price, a gain or a loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation as there are no balance sheet assets or liabilities associated with those contracts.

Financial options are an agreement that gives one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As a writer of financial options, the System receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Accordingly, it is



against the System's policy to invest in any uncovered options. Premiums received are recorded as a liability when the financial option is written, and gains or losses are recognized at the time the options are exercised or when they expire. As of June 30, 1995, the net book and market values of option contracts written were \$(39,992,000) and \$(51,489,000), respectively. As of

The following table presents the aggregate contractual principal amount of the System's outstanding contracts at June 30, 1995:

DERIVATIVE (CONTRACTS OUTSTANDING)		(June 30, 1995)
	Contractual Principal*	
Domestic Interest Rate Products:		
Fixed income futures purchased, net (5,536)		\$826,374,607
Fixed income written call options (3,600)		203,672,820
Fixed income written put options (10,667)		290,448,240
International Interest Rate Products:		
International Fixed income futures purchased, net (2,726)		383,387,487
Domestic Equity Products:		
S&P 500 index futures purchased, net (186)		50,884,950
Written S&P 500 index call options (800)		533,471,250
Written S&P 500 index put options (4,776)		120,548,088
International Equity Products:		
Index futures purchased, net (121)		3,824,194
Foreign Currency Products:		
Futures sold, net (3,074)		394,086,300
Written call options (2,425)		114,020,705
Written put options (2,800)		57,422,775

\*The contractual principal amounts listed above represent the market value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.

June 30, 1994, the net book and market values of option contracts written were \$(3,671,000) and \$(4,253,000), respectively. The book value of options represents the premiums received, and the market value represents the amount needed to close all positions as of that date.

Contractual principal amounts are often used to express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

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, 1995 and 1994. 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.

RECONCILIATION OF THE UNFUNDED PENSION BENEFIT OBLIGATION			(Years Ended June 30)	
	1995	1994		
Unfunded benefit obligation at beginning of year	\$9,754,651,000	\$7,606,300,000		
Additions (deductions):				
Employer cost in excess of contributions	877,237,000	639,746,000		
Amendments:				
For FY95: 5,446 retirements under the TRS Early Retirement Incentive program	148,891,000			
For FY95: Increase in guaranteed minimum retirement annuity COLA due to PA 89-0025	4,000,000			
For FY94: 5,497 retirements under the TRS Early Retirement Incentive program		193,098,000		
Addition to health care reserves		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		
Actuarial losses (gains) compared to assumptions:				
Salary increases for continuing active members	89,801,000	196,373,000		
Investment income	174,564,000	(249,575,000)		
New entrant loss	11,954,000	17,517,000		
Lower than expected mortality	37,071,000	23,508,000		
Prior service credits	12,037,000	64,221,000		
Severance pay for new service retirements	9,013,000	53,229,000		
Retirements with unused sick leave	14,034,000	76,605,000		
Delayed reporting of retirements**	148,207,000	96,420,000		
Other***	57,241,000	243,484,000		
Net additions	1,584,050,000	2,148,351,000		
Unfunded benefit obligation at end of year	\$11,338,701,000	\$9,754,651,000		

\* FY94: Future member contributions will cover \$63 million of the increase in the unfunded pension benefit obligation

\*\* 3,398 retirements that occurred prior to 7/01/93 were not reported to the actuary until 6/30/94.

4,780 retirements that occurred prior to 7/01/94 were not reported to the actuary until 6/30/95.

\*\*\* 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 disabilities than expected.



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 FY 1994 unfunded pension benefit obligation and are identified separately in the reconciliation table shown in this Note.

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 preceding table. The new assumptions were used to calculate the 1996 employer contribution requirements under the state funding law which became effective in 1995 (Public Act 88-0593). The increased state contributions provided under this law will begin in 1996. Public Act 89-0136 requires that the next experience analysis be conducted in 1997.

**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 the Common School Fund (1995 - \$233,786,000; 1994 - \$233,786,000).

Another source of state contributions is the State Pensions Fund (1995 - \$29,079,000; 1994 - \$27,570,000) 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 \$16,393,000 in 1995 and \$16,754,000 in 1994.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$279,258,000 in 1995 and \$278,110,000 in 1994. These amounts represented 6.3 percent of annual covered payroll in both 1995 and 1994.

There are two other sources of employer contributions which were not counted towards the employer's funding obligation in 1995 and 1994 because the costs

of the benefits to which they apply were 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 \$4,282,000 in 1995 and \$4,722,000 in 1994. Employer contributions for the employer's cost under the Early Retirement Option were \$240,000 in 1995 and \$409,000 in 1994.

Total contributions from employers from all sources, including the state's General Revenue Fund appropriations and employer contributions from the Early Retirement Option, were \$598,169,000 in 1995 and \$483,465,000 in 1994. These amounts represented 13.5 percent of the annual covered payroll in 1995 and 10.9 percent in 1994. Included in total contributions are \$314,390,000 and \$200,225,000 of Early Retirement Incentive contributions for 1995 and 1994, respectively. Of this total, \$247,127,000 and \$173,392,000 represents an accounts receivable balance and \$67,263,000 and \$26,833,000 represents cash collected on accounts established in 1995 and 1994, respectively. 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.

Subsequent to June 30, 1994, a new state funding law was enacted that will change state funding practices

Fiscal Year	Total Actual Contributions		
	Requirement	(CS,SP,Fed)	Shortfall
1990	\$282,969	\$269,028	\$13,941
1991	329,331	269,879	59,452
1992	400,982	247,189	153,793
1993	495,013	281,903	213,110
1994	572,627	278,110	294,517
1995	663,792	279,258	384,534

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 percent at the end of the 50-year period. Beginning July 1, 1995, state contributions are being 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, particularly Accounting Principles Board Opinion No. 8 (APB No. 8) "Accounting for the Cost of Pension Plans."

The contributions that are 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 No. 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. 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 SERS for FY 1995 and FY 1994 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, 1995 and 1994, respectively. SERS also issues a separate Annual Financial Report.

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 annual report. 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, 1995 and June 30, 1994 for SERS as a whole, determined through an actuarial valuation at that date, was \$6,988.5 million and \$6,502.1 million, respectively. SERS net assets available for benefits on these respective dates (valued at cost) were \$3,923.1 million and \$3,721.9 million, leaving unfunded pension benefit obligations of \$3,065.4 million and \$2,780.2 million at June 30, 1995 and 1994, respectively. The System's FY 1995 and FY 1994 contribution requirements represented .14 percent 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 annual reports for the years ended June 30, 1995 and June 30, 1994, respectively.

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

- The System's covered payrolls for FY 1995 and FY 1994 were \$4.0 million and \$3.8 million and the payrolls for all System employees were \$5.4 million and \$5.3 million, respectively.

- The System's (i.e., the employer's) actuarially determined contribution requirements for FY 1995 and FY 1994 were \$248.3 thousand and \$211.7 thousand, respectively, or 6.2 percent and 5.6 percent, respectively, of the System's covered payrolls. For FY 1995, the System's and employees' contributions actually made were \$248.3 thousand and \$163.6 thousand, respectively, which represents 6.2 percent and 4.1 percent, respectively, of the current year covered payroll. For FY 1994, the System's and employees' contributions actually made were \$211.1 thousand and \$151.2 thousand, respectively, which represents 5.6 percent and 4.0 percent, respectively, of the covered payroll. During FY 1995 and FY 1994, employee contributions of \$163.6 thousand and \$151.2 thousand, respectively, were made on behalf of employees by the System.



**NOTE G - RESERVE BALANCES**

The balances in the reserve accounts at June 30, 1995 and June 30, 1994, were as follows:

RESERVE ACCOUNTS	(Years Ended June 30)	
	1995	1994
Members' accumulated contributions	\$ 4,051,313,707	\$ 4,010,738,204
Post-retirement increases:		
Minimum retirement allowance	1,916,508	1,796,831
Supplementary payments	571,148	503,816
Health insurance	0	38,211,612
Employers' contributions	8,588,063,637	7,940,973,537
Total reserves	\$12,641,865,000	\$11,992,224,000
Unfunded pension benefit obligation	11,338,701,000	9,754,651,000
Pension Benefit Obligation	\$23,980,566,000	\$21,746,875,000

These statutory reserve accounts are maintained in accordance with provisions of 40 ILCS 5/16-101 *et seq.* (1993). Final reserve allocations cannot be made until annual update processing is completed in early FY 1996.

**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 \$10 per month for each year of creditable service at retirement was enacted. In 1984, the minimum was raised to \$15 per month. In 1996, the minimum will be raised to \$25 per month. The current maximum of \$450 per month for 30 or more years of creditable service will be raised to \$750 per month. 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 expenses resulting from this legislation are charged to the reserve.

**Health Insurance:** 40 ILCS 5/16-153.4 (1993) authorized the Health Insurance Reserve. In 1994 and 1995, the Board of Trustees was authorized to transfer up to \$20 million annually from its investment earnings

in excess of 4 percent per annum and interest was authorized to be credited to this account at a rate of 8 percent annually based on the System's actuarial rate of return assumption. In 1995, the System did not transfer funds or credit any interest to the Health Insurance Reserve. Health insurance subsidy payments for annuitant premiums were charged to the reserve. Refer to Note H for information regarding new health insurance legislation.

**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, 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 annuitants receiving a monthly benefit are eligible for post-retirement health care benefits in accordance with state statutes. Currently, there are 59,634 members receiving monthly annuity benefits of which 31,826 are enrolled in the TRS health plan. At June 30, 1994, there were 53,218 members receiving monthly annuity benefits of which 26,398 were enrolled in the TRS health plan. TRS subsidizes 75 percent of the premium for these enrolled members. In fiscal year 1995, TRS paid \$38.2 million in premium subsidies and \$26.8 million was charged to a premium reserve held by Blue Cross/Blue Shield. In FY 1994, the System paid \$49.5 million in premium subsidies for enrolled members.

Legislation transferring the administration of the health insurance program to the Illinois Department of Central Management Services (CMS) takes effect January 1, 1996. It also establishes a funding mechanism consisting of a 1/2 of 1 percent contribution from active teachers and matching appropriations from the state to pay the subsidy portion of participating annuitants during FY 1996. Participants will have the option to choose between a traditional major medical program and a managed care program. Persons enrolling in managed care or residing in areas with no managed care will receive a 75 percent premium subsidy. All others will receive a 50 percent premium subsidy. Once the program is transferred to CMS, TRS will continue to be responsible for program enrollment and eligibility determination. CMS will be responsible for providing information and consultation to plan participants, determination of coverage benefits, insurance rates and premiums and availability of Health Maintenance Organizations (HMOs).

**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 1994 due to the understatement of prior years' investment income and gains. During FY 1994, it was discovered that TRS inadvertently had not recorded approximately \$25 million in income and \$108 million of realized gains from FY 1989 through FY 1993 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.



NOTE J - HISTORICAL TREND INFORMATION

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

Year Ended June 30	Employee Contributions	Employer Contributions	Percentage of Annual Covered Payroll	Employer's Normal Cost Plus Interest	Percentage of Annual Covered Payroll	Other*	Invest. Income	Total
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
1995	431	279	6.3	1,156	26.2	319	771	1,800

\* Other includes Minimum Retirement, ERO, ERI and Supplemental Contributions. These amounts are not counted for actuarial purposes.

Year Ended June 30	Age Retirement	Post Retirement	Survivor Benefits	Disability Benefits	Health Insurance	Refunds	Administrative/Other Expenses	Total
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
1995	867	158	40	9	38	29	10	1,151

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)
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
1995	12,642	23,981	52.7	11,339	4,417	256.7

Analysis of the dollar amounts of net assets available for benefits, pension benefit 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 percent-

age, 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.



ADMINISTRATIVE EXPENSES		(Years ended June 30)	
	1995	1994	
Personal services	\$7,150,000	\$6,854,000	
Professional services	615,000	791,000	
Postage	345,000	426,000	
Machine repair and rental	320,000	275,000	
Other contractual services	518,000	470,000	
Commodities	290,000	204,000	
Occupancy expense	370,000	374,000	
Provision for depreciation of equipment	731,000	659,000	
Loss on disposition of equipment	6,000	35,000	
	<b>\$10,345,000*</b>	<b>\$10,088,000*</b>	

\* Includes depreciation and is on the accrual basis.

CASH RECEIPTS AND DISBURSEMENTS		(Years ended June 30)	
	1995	1994	
Cash balance at beginning of year	(\$2,513,000)	\$2,246,000	
Cash receipts:			
Member contributions	428,353,000	397,637,000	
Employer contributions	384,235,000	309,447,000	
Investment income	756,601,000	779,855,000	
Annuities returned	584,000	520,000	
Investments sold	29,582,638,000	23,895,011,000	
<b>Total cash receipts</b>	<b>\$31,152,411,000</b>	<b>\$25,382,470,000</b>	
Cash disbursements:			
Benefits	1,118,975,000	880,224,000	
Refunds	28,241,000	22,409,000	
Administrative	10,378,000*	10,201,000*	
Real estate and investment manager expenses	253,961,000	196,198,000	
Investments purchased	29,737,288,000	24,278,197,000	
<b>Total cash disbursements</b>	<b>\$31,148,843,000</b>	<b>\$25,387,229,000</b>	
Cash balance at end of year	\$1,055,000	\$(2,513,000)	

\* Is on the cash basis; therefore, does not include accruals or depreciation.

## Actuarial Information

TEACHERS' RETIREMENT SYSTEM  
A Component Unit of the State of Illinois

For Fiscal Year Ended June 30, 1995



**BUCK  
CONSULTANTS**

55 West Monroe Street Suite 1700  
Chicago, Illinois 60603

November 3, 1995

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, 1995

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 \$23,980,566,000 as of June 30, 1995. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.


The June 30, 1995 valuation reflects the effects of the ongoing Early Retirement Incentive program and a change in the Guaranteed Minimum Annuity provided by the System.

The actuarial valuation was based on a census of retired members as of June 30, 1995, and a census of active and inactive members as of June 30, 1994, 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, 1995. 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 and are the same as those used in the previous valuation.

In our opinion, the amount of \$23,980,566,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1995.

Respectfully submitted,



John W. Thompson  
Consulting Actuary

JWT:rl1  
7228/A4395.A02

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

Actuarial information is based on mathematical relationships and probabilities concerning plan participants and economic events. Actuaries estimate the cost of benefits that members and survivors will receive over their lifetimes and then calculate the amount that should be set aside each year to fund those benefits. Various measures of the Teachers' Retirement System's ability to meet the cost of its obligations are discussed in this section.

This section also discusses Public Act 88-0593 (SB 533), the pension funding legislation enacted in 1994, which requires increases in state contributions beginning in FY 1996. The requirements of Public Act 86-0273 (SB 95) and state appropriations for FY 1995 are also compared.

Nearly 12,000 retirements under the Early Retirement Incentive (ERI) are reflected in the valuation as of June 30, 1995. ERI allowed members to purchase up to five years of age and service if they retired during the summers of 1993 and 1994; additional members retired under ERI in the summer of 1995 if they qualified under the delayed retirement provisions of the legislation. (See Early Retirement Incentive, page 41.)

The System complies with the reporting requirements issued by the Governmental Accounting Standards Board in November 1986 under Statement No. 5, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers."

**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. The unfunded pension benefit obligation is the difference between the pension benefit obligation and the net assets that have been accumulated to cover that obligation. The funded ratio is equal to the net assets available for benefits divided by the pension benefit obligation.

ACTUARIAL VALUATION		<i>(In millions)</i>	
<i>(Years Ended June 30)</i>	1995	1994	
<b>Pension benefit obligation</b>			
Retirees and beneficiaries currently receiving benefits	\$12,702	\$10,089	
Inactives (Terminated employees not yet receiving benefits)	427	375	
<b>Current employees</b>			
Accumulated employee contributions	2,846	2,850	
Employer-financed vested	3,157	3,046	
Employer-financed nonvested	4,849	5,387	
<b>Total pension benefit obligation</b>	<b>\$23,981</b>	<b>\$21,747</b>	
Net assets available for benefits (book value)	12,642	11,992	
<b>Unfunded pension benefit obligation</b>	<b>\$11,339</b>	<b>\$9,755</b>	
Funded Ratio	52.7%	55.1%	



**RECONCILIATION OF UNFUNDED PENSION BENEFIT OBLIGATION**

The following table shows how the System's unfunded pension benefit obligation changed during FY 1995 and FY 1994. The amounts shown represent the differences between actuarial assumptions and experience.

RECONCILIATION OF UNFUNDED PENSION BENEFIT OBLIGATION		
	<i>(In millions)</i>	
<i>(Years Ended June 30)</i>	1995	1994
Unfunded pension benefit obligation at beginning of year	\$9,755	\$7,606
Additions (deductions)		
Employer cost in excess of contributions	877	640
PA 87-1265 (ERI): FY 1995: 5,446 retirements FY 1994: 5,497 retirements	149	193
PA 89-0025: Increase in COLA due to increase in minimum benefit	4	
Addition to health care reserves		22
Changes in assumptions		
New assumption for severance pay		223
New assumption for unused sick leave		296
New assumption for optional service purchases*		253
Actuarial losses (gains) compared to experience		
Salary increases	90	197
Investment income	175	(250)
New entrant loss	12	18
Lower than expected mortality	37	24
Purchases of prior service credits	12	64
Severance pay for new service retirements	9	53
Retirements with unused sick leave	14	77
Delayed reporting of retirements**	148	96
Other***	57	243
<b>Net additions</b>	<b>1,584</b>	<b>2,149</b>
<b>Unfunded pension benefit obligation at end of year</b>	<b>\$11,339</b>	<b>\$9,755</b>

\* \$63 million of the increase will be covered by future member contributions.  
 \*\* 3,398 retirements that occurred prior to 7/1/93 were not reported to the actuary until 6/30/94. 4,780 retirements that occurred prior to 7/1/94 were not reported to the actuary until 6/30/95.  
 \*\*\* 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) Retirements with reciprocal service credits.  
 (e) Fewer disbursements than expected.

All of the factors listed in the table at left caused increases in the unfunded pension benefit obligation during FY 1995. The difference between the employer's normal cost plus interest and employer contributions caused the most significant increase and was five times the size of the increase due to the second most significant factor. (See Employer's Normal Cost plus Interest, page 34.)

For example, there were increases in the unfunded pension benefit obligation due to the cost of ERI benefits that will not be fully covered by employee and employer contributions. Additionally, slightly higher 3 percent annual benefit increases will be paid due to the increase in the minimum benefit, which becomes effective January 1, 1996. (The minimum benefit itself is paid from a separate reserve and is reimbursed by state appropriations, so the total actuarial cost of the minimum benefit program is not counted again as part of the System's pension benefit obligation.)

Increases in the unfunded pension benefit obligation were also caused by differences between the System's long-term actuarial assumptions and its experience in FY 1995. These are listed as actuarial losses in the reconciliation table. For example, salary increases were 8.0 percent compared to the composite assumption of 7.4 percent, and investment returns were 6.5 percent, compared to the 8.0 percent assumption.

Additional actuarial losses were caused by increased life expectancy (and longer benefit payouts). There were also losses for members who retired in FY 1995 with prior service credits (non-TRS service that they purchased), severance pay and unused sick leave.

**SOURCES OF CONTRIBUTIONS**

There are three sources of contributions to the System's trust fund: investment income, member contributions, and employer contributions. Collectively, they affect the funded ratio and the solvency test (page 35). Individually, however, employer contributions are the most important indication of the employer's commitment to the long-term stability of the fund.

Investment income depends on asset allocation and market conditions.

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 the major source of employer contributions.

**STATE FUNDING**

Public Act 88-0593 (SB 533) will begin to strengthen the System's financial position as required state contributions increase. The System's current financial condition is the result of past state funding decisions.

"Percent of benefit payout" was used to determine state pension contributions for many years. This percentage was gradually reduced from 100 percent of benefit payout to 60 percent and then 44 percent; eventually the prior year's funding level (in dollars) became the basis of each year's appropriation, with minor differences due to the timing of distributions from the State Pensions Fund.

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 1990-FY 1996). 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 1990-FY 1995.

PA 86-0273 (SB95) FUNDING			
	<i>(In millions)</i>		
Fiscal Year	Total Requirement	Actual Contribution (CS, SPF, Fed)	Shortfall
1990	\$283.0	\$269.0	\$14.0
1991	329.3	269.9	59.4
1992	401.0	247.2	153.8
1993	495.0	281.9	213.1
1994	572.6	278.1	294.5
1995	663.8	279.3	384.5

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.

TRS FUNDED RATIO UNDER PA 88-0593 (SB533)							
Year Ended	End of Year	Year Ended	End of Year	Year Ended	End of Year	Year Ended	End of Year
June 30	Funded Ratio	June 30	Funded Ratio	June 30	Funded Ratio	June 30	Funded Ratio
1995	52.7%	2008	52.7%	2021	57.2%	2034	66.1%
1996	51.7	2009	53.4	2022	57.4	2035	67.5
1997	50.9	2010	54.1	2023	57.7	2036	69.0
1998	50.3	2011	54.7	2024	58.0	2037	70.7
1999	50.0	2012	55.2	2025	58.4	2038	72.5
2000	49.8	2013	55.6	2026	58.9	2039	74.5
2001	49.8	2014	55.9	2027	59.5	2040	76.6
2002	49.9	2015	56.1	2028	60.1	2041	78.9
2003	50.2	2016	56.3	2029	60.8	2042	81.3
2004	50.6	2017	56.5	2030	61.7	2043	84.0
2005	51.0	2018	56.6	2031	62.6	2044	86.9
2006	51.5	2019	56.8	2032	63.7	2045	90.0
2007	52.1	2020	57.0	2033	64.8		

The FY 1995 actuarial valuation was used to determine FY 1997 state funding requirements and the FY 1997 employer's normal cost. Similarly, the FY 1994 actuarial valuation was used to determine this information for FY 1996.

STATE FUNDING REQUIREMENTS FOR FY 1997 AND FY 1996 UNDER PA 88-0593		
	FY 1997	FY 1996
Employer contribution reserve	\$377,969,000	\$324,276,000
Minimum benefit reserve	8,113,000	6,452,000
Supplemental benefit reserve	66,000	90,000
<b>Total state funding requirements</b>	<b>\$386,148,000</b>	<b>\$330,818,000</b>
Employer's Normal Cost as a percentage of active member payroll	8.21%	8.23%

Compared to PA 86-0273, the most significant change in the newer 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 but not followed.

Under PA 88-0593, 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 pension systems.



**EMPLOYER'S NORMAL COST PLUS INTEREST**

Comparing employer contributions to the amount needed to cover the employer's normal cost plus interest is a common funding standard for a retirement system. (The employer's normal cost is the employer's portion of the cost of benefits earned by active members during the year.) If employer contributions (which for TRS are mostly due from the State of Illinois) cover the employer's normal cost plus interest on the unfunded pension benefit obligation and all of the System's actuarial assumptions match its experience, the unfunded pension benefit obligation will not change. Three contributing factors are present.

First, part of the employer's contribution would cover the cost of benefits earned by active members during the year (employer's normal cost). Second, the rest of the employer's contribution would cover interest on the unfunded pension benefit obligation to keep it from growing. Third, if all the long-term actuarial assumptions are exactly on target in a given year, there would be no actuarial gains or losses. (See Actuarial Assumptions and Method, page 37.)

However, the shortfalls between normal cost plus interest and employer contributions (mostly state appropriations) were \$877 million in FY 1995 and \$640 million in FY 1994. This shortfall has been the single most important factor explaining the change in the System's unfunded benefit obligation for the past several years. As shown under the Reconciliation of the Unfunded Pension Benefit Obligation (page 32), this shortfall has been far more significant over time than any actuarial gain or loss.

**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.

The **Payroll Percentages** table shows 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 percentage

EMPLOYER'S NORMAL COST PLUS INTEREST (In millions)		
(Years Ended June 30)	1995	1994
Employer's normal cost	\$376	\$309
Interest on unfunded pension benefit obligation at beginning of year	780	609
<b>Total employer's cost</b>	<b>\$1,156</b>	<b>\$918</b>
Deduct employer contributions:		
State of Illinois *	263	261
Federal and trust funds	16	17
<b>Total employer contributions</b>	<b>\$279</b>	<b>\$278</b>
<b>Employer's cost in excess of contributions</b>	<b>\$877</b>	<b>\$640</b>

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

FUNDED RATIOS* (In millions)					
As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation*	Funded Ratio*	
				At Cost	At Market
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	10,922	61.2	64.6
1989	7,272	8,089	11,914	61.0	67.9
1990	8,080	8,924	13,663	59.1	65.3
1991	8,747	9,453	15,141	57.8	62.4
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
1995	12,642	13,374	23,981	52.7	55.8

\* 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 analysis for the three-year period ended June 30, 1988.

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 contribu-

tions to the System relative to payroll and actuarial funding requirements have dropped steadily over time.

The **Solvency Test** measures the System's ability to cover different types of obligations if the plan were terminated. (The Solvency Test is a standard measurement of a retirement system's financial health and should be considered illustrative.)

The columns shown are arranged in the order that assets would be used to cover certain types of obligations.

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 1989.

The System failed the minimum standards of the solvency test in FY 1995 and FY 1994.

PAYROLL PERCENTAGES (In millions)										
Year Ended June 30	Unfunded Pension Benefit Obligation			Actuarially Required Employer's Cost (Employer's Normal Cost plus Interest)				Employer Contributions		
	Member Payroll (1)	Unfunded PBO Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)*	Interest on Unfunded Pension Benefit Obligation (6)	Total (7)	Percent of Payroll (8)	Employer Contribution (9)**	Percent of Payroll (10)
1986	\$2,633	\$3,519	133.6%	\$179	6.8%	\$260	\$439	16.7%	\$239	9.1%
1987	2,834	3,858	136.1	194	6.9	246	440	15.5	258	9.1
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	220	7.3
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	237	7.5
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	269	7.9
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	270	7.1
1992	3,976	6,847	172.2	259	6.5	512	771	19.4	247	6.2
1993	4,189	7,606	181.6	285	6.8	548	833	19.9	282	6.7
1994	4,413	9,755	221.1	309	6.9	609	918	20.8	278	6.3
1995	4,417	11,339	256.7	376	8.5	780	1,156	26.2	279	6.3

\* Percentages shown differ from employer normal cost rates calculated by the actuary.

\*\* 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 1995 and FY 1994 figures because the costs of ERI are not part of the regular actuarial costs of the System.

SOLVENCY TEST (In millions)							
Year Ended June 30	Members Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members Employer Portion (3)	Net Assets	Percentage of Benefits Covered by Net Assets		
					(1)	(2)	(3)
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
1995	2,846	12,702	8,433	12,642	100	77	0



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)]
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)
1995	428	379	5	384	812	1,151	(339)

\* System expense in FY 1990 includes \$35.5 million in non-cash expense

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 1992 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. By FY 1995, \$339 million of investment income was used for benefits and other expenses. The natural growth in benefit payments was accelerated in both FY 1995 and FY 1994 due to ERI retirements.

If the state had complied with statutory funding requirements over the past several years, the System would now be in a much stronger financial condition. Higher state contributions would have generated incrementally greater investment income in years when rates of return were particularly high. Additionally, higher contributions would have been built into the state budget and offset the System's cash flow problem. Earnings used to pay benefits cannot be reinvested.

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.

Differences between these long-term assumptions and experience in a given year are called actuarial gains and losses. Each year, the actuary reconciles the differences between major actuarial assumptions 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 System's last experience analysis, covering the four-year period ended June 30, 1992, resulted in minor changes in assumptions that were adopted in the FY 1993 valuation. In compliance with Public Act 89-0136 (SB 114), the next TRS experience analysis will cover the five-year period ending June 30, 1997. All five state retirement systems will conduct experience analyses in 1997 and every five years thereafter so that changes in state funding requirements due to changes in actuarial assumptions will be implemented at the same time.

ACTUARIAL COST METHOD AND VALUATION

Normal cost is the annual cost of benefits earned by members during the year. The pension benefit obligation is the present value of pension benefits that have been earned to date and includes the cost of annual 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, 1995 was 15.0 percent of payroll. Eight percent of normal cost was paid by the members' contributions. The remaining 7.0 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 and no payment was made on the unfunded pension benefit obligation.

ACTUARIAL ASSUMPTIONS AND METHOD

**Inflation assumption:** 4 percent per annum. Implicit in investment and earnings progression assumptions which were last modified in the FY 1987 valuation.

**Investment return:** 8 percent per annum, compounded annually. Adopted in FY 1987 valuation.

**Retirement age:** Graduated rates for active members. Inactive members are assumed to retire at age 62. Adopted in FY 1987 valuation.

Sample annual rates of retirement per 1,000 participants for active members:

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 1993 valuation. Nondisabled pensioners-adopted in the FY 1991 valuation.

**Disability:** Adopted in FY 1993 valuation.

Sample annual rates per 1,000 participants.

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

**Separation:** Graduated rates based on age and sex variations. Adopted in FY 1987 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 1987 valuation.

Sample annual percentage increases:

Age	Male and Female
20	9.7%
30	8.6
40	7.5
50	6.9
60	6.7

**Severance Pay:** Increases with years of service at retirement. Adopted in FY 1994 valuation.

Years of Service at Retirement	Percent of Retirees Who Receive Severance Pay	Severance Pay as % of Final Salary
Under 20	0%	0.0%
20-24	54	13.2
25-29	60	13.2
30-34	66	13.9
35 or more	72	14.6

**Optional Service at Retirement:** The pension benefit obligation for retirement benefits for active members is increased by 2.87 percent to cover the employer cost of optional service purchased in the last two years of service. Adopted in FY 1994 valuation.

**Unused and Uncompensated Sick Leave:** Equals 2.90 percent of regular service at retirement. Adopted in FY 1994 valuation.

**Actuarial Cost Method:** Projected unit credit. Gains and losses are reflected in the unfunded pension benefit obligation. Adopted in FY 1989 valuation.

**Asset valuation method:** Cost value.



# Membership and Benefits Information

---

TEACHERS' RETIREMENT SYSTEM  
*A Component Unit of the State of Illinois*

*For Fiscal Year Ended June 30, 1995*



## PLAN DESIGN

TRS provides retirement and disability benefits to its members and survivor benefits to 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.

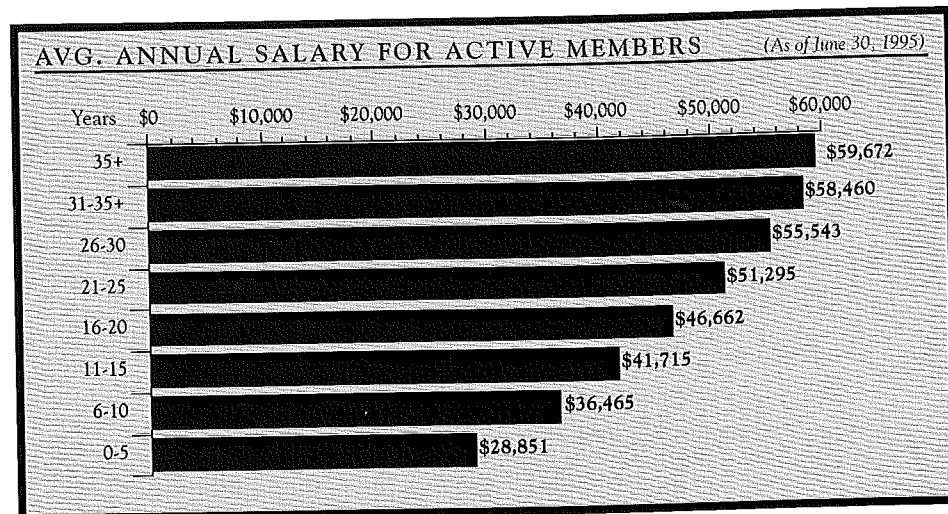
All Illinois public school employees, outside the city of Chicago, and employed in a position requiring certification, are members of TRS and therefore contribute 8 percent of their annual earnings. There are 1,076 employers and 128,796 members. Members do not contribute to Social Security for TRS-covered employment; however, members hired after March 31, 1986, are required to contribute to Medicare.

## MEMBERSHIP PROFILE

The average TRS member is 41 years old. In FY 1995, the largest portion of the active membership was in the 45-49 age group. A detailed membership summary is provided on page 50.

## CONTRIBUTIONS

Active members contributed \$355 million to the System, representing 8 percent of creditable earnings. Additional amounts were contributed by members through ERI, ERO and optional service, resulting in total member contributions of \$431 million in FY 1995. The average salary earned by a TRS member during FY 1995 was \$40,455, 59 percent higher than a decade



ago. The highest salaries were earned by members with 41 to 45 years of service while members in the 0-5 years of service category had an average salary of \$28,851.

## MEMBER SERVICES

The Teachers' Retirement System has offices in Springfield and Lisle to serve its members and annuitants. In FY 1995, the Member Services staff received over 136,200 phone calls, responded to over 116,100 inquiries with personal letters or publications, and conducted office consultations with over 5,900 members. TRS benefits counselors served over 9,100 members through 189 group meetings and 1,161 individual field conferences held throughout the state.

Benefits counselors provided information through the year to members and annuitants. Member Services coordinated nearly 40 statewide information meetings attended by key legislators and officials to explore issues and options for sustaining the health insurance program. In January 1995, plan changes including the introduction of managed care and a Preferred Provider Network were implemented that required information and clarification from the staff. During April and May, over 480 eligible members planning June 1995 retirements attended counselor-conducted workshops titled "Looking Forward to Your Future-Retirement Issues and Answers."

Changes are underway at TRS, using information derived from a Member Services survey. During FY 1995, counselors communicated with the System's database through the use of laptop computers during field counseling sessions. This allows instant access to a member's account and enables staff

to produce personal benefit estimates on demand. TRS is developing a World Wide Web "home page" on the Internet to provide benefit information, membership statistics, and topical articles regarding legislative activity and retirement issues. In addition, work has begun on a new service called "Rapid Retirement" to simplify and accelerate the process of preparing for retirement.

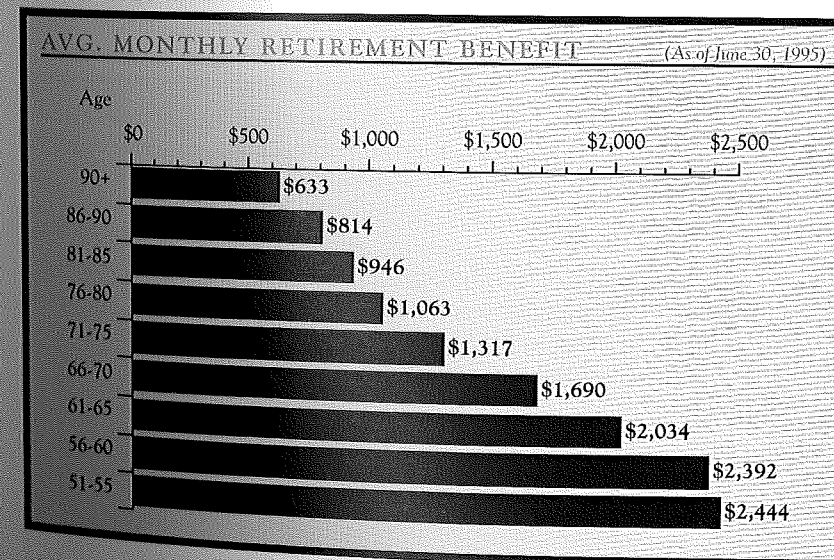
## RETIREMENT BENEFITS

As of June 30, 1995, the TRS plan provided retirement benefits for 52,740 retirees who received an average monthly benefit of \$1,618. The System gained 6,076 monthly retirement benefit recipients in FY 1995, over 5,400 of whom retired under provisions of ERI. Of the 6,076 members who retired during FY 1995, the average age was 58, average service was 31.3 years, and the average monthly benefit was \$2,556. These members retired with an average salary of \$49,265, a 13 percent increase from average FY 1994 retiree salaries.

Anyone receiving a monthly benefit has the option of having annuity payments deposited directly into participating financial institutions. Currently, 77 percent of annuitants participate in this program. This participation level is among the highest in the country for public pension systems.

## EARLY RETIREMENT OPTION (ERO)

Of the 6,076 FY 1995 retirees, eight retired under the provisions of ERO. Members, aged 55 or older with more than 20, but less than 35 years of ser-



vice, 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, 2000. Members with 35 or more years of service can retire and receive a non-discounted 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 third and final year, 623 members had retired under its provisions by the time statistics were compiled for this report. A total of 11,941 members took advantage of the ERI program over the three-year period. This represents approximately 43 percent of the members who were eligible for the program.

In anticipation of ERI, the System instituted numerous administrative changes in the process of retirement preparation to alleviate bottlenecks, increase accuracy, and improve processing speed. Bar codes were affixed to member records that reduced the incidence of lost files and saved processing time. Work procedures were streamlined and member files were audited prior to the traditional retirement season to prevent delays. In addition, systems were designed to produce automated calculations. During the 1995 retirement season, over 93 percent of retiring members were on the August payroll, representing a less than 60-day turnaround for processing.

## DISABILITY BENEFITS

An average monthly benefit of \$1,024 was paid to 880 disability benefit recipients whose average age was 56 and whose average years of service were 16.5.

There were 312 new disability benefits paid during FY 1995 with an average monthly benefit of \$1,239.

During FY 1995, a Disability Determination Unit was established to monitor and adjudicate disability claims and to establish a network of physicians that will provide reexamination services. This unit will obtain and evaluate medical documentation to ensure claims meet the criteria set forth in the statutes and rules of the System and will manage a more comprehensive reexamination caseload.



## DEATH BENEFITS

Average monthly survivor benefits of \$556 were paid to 6,014 survivors of TRS members and annuitants in FY 1995. The average age of the 6,014 survivors was 74. There were 610 new claims for monthly benefits during the year. The average monthly benefit for these new claims was \$689.

An additional \$11.1 million was paid in death benefits to survivors of active, inactive and retired members. These death benefits were refunds of various types of contributions that had been made by the members.

## MEMBER REFUNDS

Members who withdraw from active service with the System may apply for a refund that includes accumulated retirement contributions, exclusive of the 1 percent survivor benefit contribution and accumulated interest. During FY 1995, refunds of these contributions totaled \$8.6 million.

The number of members who requested a refund of their 1 percent survivor benefit contributions increased from 1,177 in FY 1994 to 1,302 in FY 1995. These refunds, totaling \$8.9 million, were granted to members who have no dependent beneficiaries and therefore wish to forfeit any future survivor benefits.

## MEMBER ACCOUNTS

The Member Accounts Department handles requests from members who are interested in purchasing optional service credit or repaying previous refunds from the System. Optional service credit is available for periods of public school teaching in other states or under the auspices of the United States government, substitute and part-time teaching, leaves of absence and involuntary layoffs, and military service. During FY 1995, staff processed 2,687 optional service adjustments that added 6,384 years of service credit to members' accounts.

## 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 and Blue Shield, provides comprehensive coverage for both hospital and physician services. During fiscal year 1995, TRS provided this coverage to over 31,800 annuitants and nearly 6,400 dependents.

## PREMIUMS

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

## PLAN CHANGES

On February 1, 1995, a series of coverage changes was implemented to achieve needed cost savings. Changes included: a Preferred Provider Hospital network, a Medical Services Advisory Program with an alternative prescription drug plan featuring variable deductibles for generic and brand name drugs, pre-certification requirements for all surgeries and hospital admissions for participants not eligible for Medicare, and the establishment of a coinsurance feature for Medicare-eligible participants.

Legislation transferring the administration of the health insurance program to the Illinois Department of Central Management Services (CMS) takes effect January 1, 1996. It also establishes a funding mechanism consisting of a one-half of 1 percent contribution from active teachers and matching appropriations from the state to pay the subsidy portion of participating annuitants during FY 1996. Participants will have the option to choose between a traditional major medical program and a managed care program. Persons enrolling in managed care or residing in areas with no managed care will receive a 75 percent premium subsidy. All others will receive a 50 percent premium subsidy. Once the program is transferred to CMS, TRS will continue to be responsible for program enrollment and eligibility determination. CMS will be responsible for providing information and consultation to plan participants, determination of coverage benefits, insurance rates and premiums and availability of HMOs.

## CURRENT COVERAGE OPTIONS

For annuitants and their dependents who qualify for Medicare, the present TRS plan provides supplemental Medicare coverage. After Medicare's payment and a \$300 yearly deductible, the plan provides 80 percent/20 percent coinsurance of the next \$10,000 and 100 percent thereafter 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 percent/20 percent coinsurance of the next \$10,000. 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.

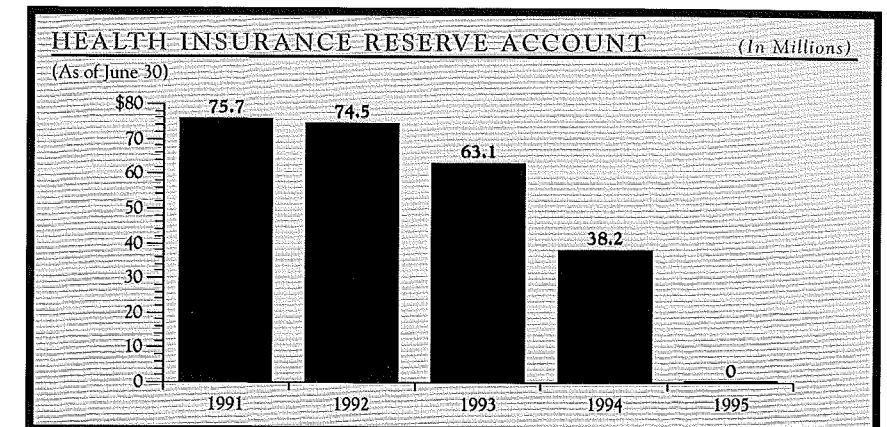
## CLAIMS EXPERIENCE

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
1995**	102,996,095	2,986,887	82,555,440

\* 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.

\*\* \$26,768,087 of premiums paid were charged to the Premium Reserve held by Blue Cross/Blue Shield.

\*\*\* Premiums paid also include annuitant payments for their share of premium expense and for dependent premium expense.



## RESERVE ACCOUNT

The Health Insurance Reserve is authorized under 40 ILCS 5/16-153.4 (1993). In 1994, the Board of Trustees was authorized to transfer up to \$20 million annually from its investment earnings in excess of 4 percent per annum and interest was authorized to be credited to this account at a rate of 8 percent annually based on the System's actuarial rate of return assumption. In 1995 the System did not transfer funds or credit any interest to the Health Insurance Reserve. Health insurance subsidy payments for annuitant premiums were charged to the reserve.

The total subsidy paid on behalf of TRS annuitants was \$65.0 million in fiscal year 1995. Monies for these payments included \$38.2 million paid from the Health Insurance Reserve account and \$26.8 million held by the insurance carrier, Blue Cross/Blue Shield, due to program changes, lower-than expected health care costs, and reductions in contractual reserve requirements. The expenditures reduced the Health Insurance Reserve Account balance to zero at year-end.

## SUBSIDY PAYMENTS

(In thousands)

Fiscal Year	Payment	Fiscal Year	Payment
1981	\$ 110	1989	\$ 8,346
1982	627	1990	10,331
1983	1,503	1991	15,142
1984	2,412	1992	27,717
1985	3,094	1993	37,498
1986	4,800	1994	49,553
1987	5,409	1995*	\$64,980
1988	6,823		

\* \$38.2 million was paid from the TRS Health Insurance Reserve Account and \$26.8 million was charged to the Premium Reserve held by Blue Cross/Blue Shield.



**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 the duties granted under Article 16. The 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 percent 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 full-time, part-time, or substitute positions requiring certification in the public schools of Illinois (except Chicago). Individuals employed in positions requiring teacher certification in certain state institutions are also included.

**SERVICE CREDIT**

A member is granted a maximum of one year of credit for 170 paid days per school year. The school year is July 1 through June 30. Optional service credit may be purchased for military service and related educational training, out-of-system service, official leave of absence, reduction in force, and substitute or part-time teaching rendered 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 non-occupational disability benefits to active members. Non-occupational 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.

On January 1 following the fourth anniversary of the granting of the disability benefit, the monthly benefit will increase by 7 percent. Thereafter, the benefit increases by 3 percent of the current benefit each January 1.

**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 statutory 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 non-dependent beneficiaries. A dependent beneficiary may choose either a lump sum benefit or a monthly payment. Survivor benefit recipients who are beneficiaries of a retired member are eligible for an annual 3 percent increase effective January 1 following the granting of the survivor benefit. Survivor benefit recipients who are beneficiaries of an active or eligible inactive TRS member are eligible for an annual 3 percent increase on January 1 following the first anniversary in receipt of a survivor benefit.

**RETIREMENT BENEFITS**

A member qualifies for a retirement annuity after attaining one of the following conditions: age 62 with five 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, 2000. 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 determined by two factors: average salary (the average of the four highest consecutive salary rates within the last 10 years of creditable service) and the member's total creditable 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**

Annuitants meeting certain service credit criteria receive an annual 3 percent increase in the gross annuity on the later of the January 1 following the first anniversary in retirement or the January 1 following the attainment of age 61.

**REFUNDS**

After a four-month waiting period from the date last taught, a member ceasing covered employment may elect to withdraw all member contributions, exclusive of the 1 percent death benefit contribution. Interest is not refundable. When a member accepts a refund, all service credit and benefit rights are forfeited. Credit can be reestablished if the member returns to a covered position for one year or a reciprocal system for two years 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. Effective January 1, 1996, the plan, known as Teachers' Retirement Insurance Program, will be administered by the Illinois Department of Central Management Services (CMS).

**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 that ensures continuous pension credit for public employment in Illinois.



# Statistical Summary

---

TEACHERS' RETIREMENT SYSTEM  
*A Component Unit of the State of Illinois*

*For Fiscal Year Ended June 30, 1995*



(Years Ended June 30)

Years of Service		1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
0-5	Number	22,160	23,384	24,792	25,296	22,949	26,770	26,962	26,217	28,573	34,193
	Average Salary	18,555	19,726	20,845	22,121	23,284	24,752	25,881	27,051	28,120	28,851
6-10	Number	19,698	18,819	17,129	15,314	15,359	14,811	15,820	16,948	18,158	18,757
	Average Salary	23,005	24,320	25,780	27,124	28,158	30,524	32,141	33,675	35,349	36,465
11-15	Number	20,700	19,460	18,417	17,671	18,066	16,438	15,914	14,663	13,380	12,686
	Average Salary	27,607	29,001	30,312	31,581	32,791	35,078	37,016	38,714	40,413	41,715
16-20	Number	18,528	19,163	19,689	19,867	20,027	18,403	17,454	16,703	15,916	14,775
	Average Salary	31,056	33,144	34,771	36,315	37,984	40,060	41,984	43,692	45,523	46,662
21-25	Number	9,391	10,257	11,474	12,830	14,755	15,719	16,422	17,083	17,233	16,030
	Average Salary	33,309	35,246	37,153	39,141	41,523	43,958	46,051	47,942	49,998	51,295
26-30	Number	5,864	6,245	6,456	6,659	7,152	7,605	8,307	9,431	10,134	9,608
	Average Salary	35,740	37,666	39,474	41,429	43,316	45,877	48,438	51,050	54,071	55,543
31-35	Number	2,002	2,089	2,394	2,758	3,222	3,479	3,742	4,124	3,523	1,930
	Average Salary	37,533	39,310	41,730	43,749	46,363	49,046	52,047	55,598	58,913	58,460
35+	Number	483	517	426	462	457	478	539	707	771	541
	Average Salary	37,533	40,492	43,465	45,979	48,146	49,979	55,044	57,768	60,109	59,672
Total	Number	98,826	99,934	100,777	100,857	101,987	103,703	105,160	105,876	107,688	108,520
	Average Salary	26,522	28,085	29,638	31,318	33,024	35,321	37,193	39,177	40,618	40,455
Percent Change in Average Salary		4.2	5.9	5.5	5.7	5.4	7.0	5.3	5.3	3.7	(0.4)
Total Payroll Full & Part-time		2,621,063,172	2,806,646,390	2,986,828,726	3,158,639,526	3,68,018,688	3,662,893,663	3,911,215,880	4,147,904,052	4,374,071,184	4,390,176,600

Statistical information on the System's active membership for fiscal year 1995 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 salary rates only; substitute and hourly employees and extra-duty earnings were omitted. Total payroll shown in this table will therefore be lower than payroll figures used elsewhere in this report.



ACTIVE MEMBERS BY YEARS OF AGE AND YEARS OF SERVICE

AGE	SUBS	YEARS OF SERVICE				
		0-5	6-10	11-15	16-20	21-25
20-24	Total #	4,182				
	Avg. Salary	24,396				
25-29	Total #	11,453	1,434			
	Avg. Salary	27,793	31,686			
30-34	Total #	4,435	5,187	878		
	Avg. Salary	29,433	34,642	38,689		
35-39	Total #	3,499	2,796	4,027	1,532	
	Avg. Salary	29,094	35,792	39,796	43,439	
40-44	Total #	4,776	3,488	2,864	6,925	2,902
	Avg. Salary	29,997	36,727	42,047	45,962	49,501
45-49	Total #	3,919	3,636	2,782	3,362	9,181
	Avg. Salary	32,189	38,795	43,196	48,191	51,531
50-54	Total #	1,414	1,649	1,524	1,893	2,677
	Avg. Salary	33,154	40,290	44,070	48,115	52,421
55-59	Total #	378	445	486	807	938
	Avg. Salary	33,917	40,867	44,703	48,319	51,251
60-64	Total #	108	105	103	220	269
	Avg. Salary	35,095	40,892	43,761	48,618	50,709
65-69	Total #	24	15	20	31	56
	Avg. Salary	32,503	40,641	44,666	50,856	54,747
70-74	Total #	3	2	2	4	6
	Avg. Salary	28,823	45,580	45,602	52,122	51,849
>74	Total #	2			1	1
	Avg. Salary	26,822			18,403	86,320
	Totals	34,193	18,757	12,686	14,775	16,030
	Avg. Salary	28,851	36,465	41,715	46,662	51,295

(As of June 30, 1995)

						YEARS OF SERVICE					TOTALS	
						26-30	31-35	36-40	41-45	46-50		51-55
												4,182
												24,396
												12,887
												28,226
												10,500
												32,781
												11,854
												36,163
												20,955
												40,741
						3,189						26,069
						55,072						45,960
						5,195	692					15,044
						55,980	57,420					49,351
						863	992	167				5,076
						54,572	59,619	59,304				50,421
						290	206	270	13			1,584
						56,150	57,601	59,962	57,004			51,773
						61	33	38	31	2		311
						54,856	52,761	63,969	61,783	36,719		52,837
						8	7	7	3	2		47
						50,687	49,389	51,232	69,104	51,679	3	49,826
						2					3	11
						45,447		39,921	37,751		2	43,208
						9,608	1,930	483	49	4		108,520
						55,543	58,460	59,882	59,982	44,199	5	40,455



RETIRED MEMBERS BY YEARS OF SERVICE AND YEARS IN RETIREMENT							(As of June 30, 1995)					TOTALS	AVG. AGE	
YEARS RETIRED	YEARS OF SERVICE						31-35	36-40	41-45	46-50	Over 50			
	1-5	6-10	11-15	16-20	21-25	26-30								
1-5	Total #	587	548	609	839	1,881	2,760	4,887	6,189	124	15	3	18,442	60
	Avg. Benefit	180	479	689	984	1,407	1,899	2,526	3,178	3,372	2,993	2,482	2,277	
	Avg. Orig. Benefit	173	458	649	933	1,355	1,849	2,482	3,117	3,210	2,801	2,375	2,226	
6-10	Total #	441	578	635	1,095	1,708	1,806	2,315	1,361	102	25	4	10,070	67
	Avg. Benefit	147	347	585	980	1,322	1,761	2,418	3,000	2,704	2,655	1,578	1,706	
	Avg. Orig. Benefit	117	274	474	807	1,106	1,472	2,040	2,487	2,255	2,193	1,300	1,424	
11-15	Total #	298	376	674	1,147	1,523	1,572	1,863	896	123	34	4	8,510	72
	Avg. Benefit	131	286	513	831	1,090	1,511	2,085	2,511	2,270	2,326	1,838	1,408	
	Avg. Orig. Benefit	89	188	356	594	785	1,092	1,511	1,839	1,629	1,665	1,355	1,017	
16-20	Total #	202	281	547	1,001	1,266	1,176	1,089	679	183	27	2	6,453	78
	Avg. Benefit	115	261	419	634	828	1,127	1,475	1,762	1,748	1,642	1,664	1,008	
	Avg. Orig. Benefit	66	142	248	391	516	712	934	1,103	1,088	998	946	630	
21-25	Total #	136	195	381	746	901	936	926	998	477	89	5	5,790	84
	Avg. Benefit	37	199	354	523	676	885	1,181	1,446	1,409	1,322	1,050	922	
	Avg. Orig. Benefit	10	91	170	267	356	477	648	797	762	705	534	496	
26-30	Total #	30	46	123	277	367	371	292	348	262	57		2,173	88
	Avg. Benefit	55	205	299	419	539	662	815	981	1,058	1,081		702	
	Avg. Orig. Benefit	2	55	81	144	218	276	367	457	496	498		303	
31-35	Total #	5	7	29	115	221	153	189	184	69	11		983	91
	Avg. Benefit	45	204	299	412	507	619	697	813	897	951		629	
	Avg. Orig. Benefit	4	31	53	105	149	205	251	330	373	393		220	
36-40	Total #			3	26	66	69	44	28	10	2		248	94
	Avg. Benefit			328	427	504	608	669	722	823	740		591	
	Avg. Orig. Benefit			39	91	93	138	184	237	309	245		147	
41-45	Total #				3	14	17	11	6				51	97
	Avg. Benefit				410	537	616	680	686				604	
	Avg. Orig. Benefit				41	69	97	156	144				104	
46-50	Total #				2	8	5	1	2				18	98
	Avg. Benefit				370	548	594	675	686				563	
	Avg. Orig. Benefit				12	51	43	83	85				50	
>50	Total #					521	43	1					2	101
	Avg. Benefit					42		678					600	
	Avg. Orig. Benefit					42		83					63	
TOTALS		1,699	2,031	3,001	5,251	7,956	8,865	11,618	10,691	1,350	260	18	52,740	70
AVG. BENEFIT		141	342	516	772	1,078	1,508	2,146	2,728	1,713	1,638	1,649	1,618	
AVG. ORIG. BENEFIT		114	266	383	570	846	1,218	1,846	2,441	1,148	1,063	1,239	1,363	



(As of June 30, 1995)

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits	
	Count	Avg Ben	Count*	Avg Ben	Count	Avg Ben
Under 5	—	—	—	—	1	\$206
6-10	—	—	—	—	21	314
11-15	—	—	—	—	52	366
16-20	—	—	—	—	44	388
21-25	—	—	—	—	1	782
26-30	—	—	1	\$ 568	3	625
31-35	—	—	5	775	4	583
36-40	—	—	17	810	11	685
41-45	—	—	57	808	40	685
46-50	—	—	56	860	55	694
51-55	4,023	\$2,444	78	983	191	822
56-60	7,298	2,392	121	1,081	312	825
61-65	8,993	2,034	79	995	485	768
66-70	8,955	1,690	82	738	734	708
71-75	7,360	1,317	58	680	832	584
76-80	5,997	1,063	26	565	1,039	501
81-85	4,857	946	10	394	1,036	441
86-90	3,366	814	4	369	724	366
Over 90	1,891	633	286	1,338	429	432
<b>TOTALS</b>	<b>52,740</b>	<b>\$1,618</b>	<b>880</b>	<b>\$1,024</b>	<b>6,014</b>	<b>\$556</b>

\*Includes 280 members who are receiving temporary or occupational disability benefits who are counted as active members. The remaining 600 members receive permanent disability benefits.

RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS DURING FY 1995			
Number of Annuitants at Beginning of Year	Added to Rolls	Removed from Rolls	Number of Annuitants at End of Year
54,888	6,822	2,076	59,634



STATISTICAL SUMMARY  
SCHEDULE OF PARTICIPATING EMPLOYERS

5 COUNTY REG VOC SYSTEM  
ABINGDON COMM UNIT SCHL  
ADAMS-PIKE ESR  
ADDISON SCHOOL DISTRICT #4  
ADLAI E STEVENSON H S  
ADOLPH MEYER MNTL HEALTH & DEV  
AERO  
AKIN COM CONS  
ALBERS SCHL  
ALDEN HEBRON SCHL  
ALEPO COMM UNIT SCH DIST #201  
ALEXIS SCHOOL  
ALLEN TWP SCHOOL  
ALLENDALE SCHOOL  
ALTAMONT CUSD #10  
ALTERNATIVE SCHOOL  
ALTON COMM UNIT S D 11  
ALTON MENTAL HLTH CTR  
ALWOOD COMM UNIT SCHOOL  
AMBOY SCHOOL  
ANN M. KILEY CENTER  
ANNA C C SCHOOL  
ANNA JONESBORO COMM  
ANNANAW SCHOOL  
ANTIOCH C C SCHL DIST #4  
ANTIOCH COMM H S  
APTAKISIC TRIPP SCHL  
ARBOR PARK SCHL  
ARCOLA SCHOOL  
ARGENTA SCHOOL  
ARGO COMM HS  
ARGO SUMMIT SCHOOL  
ARLINGTON HEIGHTS SCHOOLS  
ARMSTRONG SCHL  
ARMSTRONG TWP HS  
ARTHUR SCHOOL  
ASHLAND - CHANDLERVILLE  
ASHLEY SCHOOL  
ASHTON C U SCHOOL  
ASST SUPT ESR  
ASTORIA SCHOOL  
ATHENS SCHOOL  
ATWOOD HAMMOND SCHL  
ATWOOD HEIGHTS SCHOOL  
AUBURN SCHL  
AURORA SCHOOL  
AURORA WEST SCHOOL  
AVISON SCHOOL  
AVOCA SCHOOL  
AVON SCHOOL  
BAC REGIONAL VOCATIONAL SYSTEM  
BALL CHATHAM SCHL  
BANNOCKBURN SCHOOL  
BARRINGTON SCHOOL  
BARRY SCHL  
BARTELSON SCHOOL  
BARTONVILLE PUBLIC SCHOOL  
BASED  
BATAVIA SCHOOL  
BEACH PARK SCHOOL  
BEARDSTOWN SCHOOL  
BECK AREA VOCATIONAL CENTER  
BEECHER CITY SCHOOL  
BEECHER SCHOOL  
BELLE VALLEY SCHOOL  
BELLEVILLE SCHOOL  
BELLEVILLE TWP H S 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 DIST 13  
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  
BREESSE SCHOOL  
BREMEN COM H S  
BRIMFIELD SCHOOL  
BROOKWOOD SCHL  
BROWN C C U SCHL  
BROWN CASS MORGAN SCOTT ROE  
BROWNSTOWN SCHOOL  
BRUSSELS COMMUNITY UNIT SCHL  
BUNCOMBE SCHL  
BUNKER HILL C U SCHL  
BURBANK SCHOOL DIST 111  
BUREAU OF AGENCY SUPPORT SERV  
BUREAU VALLEY CUSD 340  
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 H S  
CARBONDALE ELEM SCHL  
CAREER DEVELOPMENT SYSTEM  
CAREER PREPARATION NETWORK  
CARLINVILLE SCHL  
CARMi WHITE COUNTY  
CARRIER MILLS SCHL  
CARROLL-JO DAVIESS E.S.R.  
CARROLL/JO DAVIESTPHNSN REG PRG  
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 H S  
CENTURY UNIT SCHOOL  
CERRO GORDO SCHOOL  
CHAMPAIGN FORD CO ROE  
CHAMPAIGN SCHL  
CHAMPAIGN/FORD VOCATIONAL SYS.  
CHANNEY MONGE 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-MONTGOMERY ROE  
CHRISTOPHER COMM HS  
CHRISTOPHER SCHL  
CICERO SCHOOL  
CISSNA PARK CUSD 6  
CLAY CITY COMM UNIT DIST #10  
CLIFF BARSTOW SCHOOL  
CLINTON SCHOOL  
CLINTON/MARION/WASHINGTON ROE  
COAL CITY SCHOOL  
COBDEN SCHOOL  
COLCHESTER CUSD 180  
COLLINSVILLE SCHOOL  
COLONA SCHOOL  
COLUMBIA UNIT SCHL  
COM CON SCHL  
COM U DIST 5  
COM UNIT SCHOOL  
COMM CONS SCHL DIST 180  
COMM CONS SCHOOL DISTRICT 93  
COMM H S DIST 218  
COMM H S DISTRICT 155  
COMM UNIT DIST  
COMM UNIT DIST #399  
COMM UNIT SCHL 3  
COMM UNIT SCHL DIST #200  
COMM UNIT SCHL 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 SD 201  
CONSERVIL EUREKA SCHL  
CONSOLIDATED H. S. DIST 230  
COOP FOR EMPLOYMENT EDUCATION  
CORNELL SCHOOL  
CORRECTIONS SCHL DIST 428  
COULTEVILLE SCHOOL  
COUNTRY CLUB HILLS SCHOOL  
COUNTY COMPTROLLER/ROE  
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 PUBLIC SCHLS  
DAVEA  
DECATUR SCHL  
DEER CREEK - MACKINAW  
DEER PARK SCHOOL  
DEERFIELD SCHL  
DEKALB CTY SPEC ED  
DEKALB SCHL  
DELABAR VOC ED REG  
DELAND WELDON SCHL  
DELANAV SCHOOL  
DEPT OF REHAB - 41-201  
DEPT OF REHAB - 41-202  
DEPT OF REHAB-CHILD HOSP.  
DEPT OF REHAB-VISUALLY IMPAIRED  
DEPT. OF REHAB-SCHL FOR DEAF  
DEPUY SCHOOL  
DES PLAINES SCHOOL  
DESO TO GRADE SCHOOL  
DIAMOND LAKE SCHL  
DIEC - DUPAGE INTERM ED COOP  
DIETERICH SCHOOL  
DIMMICK CONSOLIDATED SCHOOL  
DISTRICT 50 SCHOOLS  
DIVERNON SCHOOL  
DIXON PUBLIC SCHOOLS  
DODDS SCHOOL  
DOLTON SCHOOL  
DONGOLA SCHOOL  
DONOVAN CUSD 3  
DOWNERS GROVE COMM H S  
DOWNERS GROVE SCHOOL  
DUNLAP COMM UNIT SCHOOL  
DUPAGE HIGH SCHOOL  
DUPO SCHOOL  
DUQUOIN COMM UNIT  
DURAND SCHOOL  
D'WIGHT COMMON SCHL DIST 232  
D'WIGHT TWP HS  
E ALTON WOOD RIVER H S  
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 H S  
EAST PEORIA SCHOOL  
EAST PRAIRIE SCHOOL  
EAST RICHLAND C U SCHL  
EASTLAND COMMUNITY UNIT DIST #6  
EDGAR CTY COMM UNIT #4  
EDINBURG COMM. UNIT #4  
EDMUND F LINDOP SCHL  
EDUCATION FOR EMPLOYMENT  
EDUCATION FOR EMPLOYMENT  
EDUCATION GRANTS  
EDUCATIONAL DEVELP CTR  
EDUCATIONAL SERV CTR 12  
EDUCATIONAL SERVICE CTR H  
EDUCATIONAL SERVICE CTR I  
EDUCATIONAL SERVICE CTR 4  
EDUCATIONAL THERAPY CTR

SCHEDULE OF PARTICIPATING EMPLOYERS

EDWARDS CO CU SCHOOL  
EDWARDSVILLE SCHOOL  
EFFINGHAM CU DIST #40  
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  
ELISABETH LUDEMAN CENTER  
ELK GROVE SCHL  
ELMHURST CUSD  
ELMWOOD COMM UNIT SCHL  
ELMWOOD PARK COMMUNITY SCHOOLS  
ELVERADO COMM UNIT SCHL  
ELWOOD SCHOOL  
EMMONS SCHL  
ERIE COMM SCHOOL UNIT  
ESWOOD COMM CONS  
EVANSTON TOWNSHIP HS  
EVANSTON/SKOKIE SD  
EVERGREEN PARK COMM  
EVERGREEN PARK SCHOOL  
EWING NORTHERN SCHOOL  
FAIRFIELD COMM H S  
FAIRFIELD SCHOOL  
FAIRMONT SCHL  
FAIRVIEW SCHOOL  
FARMINGTON CENTRAL UNIT SCHL  
FARRINGTON SCHOOL  
FENTON HIGH SCHOOL  
FIELD SCHOOL  
FIELDCREST CUSD #6  
HINDLAY SCHOOL  
FISHER C U SCHL DIST #1  
DONOVAN CUSD 3  
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  
FRANKFORD COMM UNIT  
FRANKFORD SCHOOL  
FRANKLIN CUSD 1  
FRANKLIN JEFFERSON CO SPEC ED  
FRANKLIN PARK SCHL  
FREEBURG COMM H S  
FREEBURG SCHOOL  
FREEPORT SCHOOL  
FREMONT SCHOOL  
FULTON CO CUBA SCHOOL  
GALATIA COMM UNIT SCHL  
GALENA UNIT DISTRICT #120  
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  
GERMANTOWN RIDGE FARM CU 4  
GERMANTOWN HILLS SCHL

GERMANTOWN SCHOOL  
GIANT CITY SCHOOL  
GIBSON CTY-MELVIN-SIBLEY CUSD  
GIFFORD SCHL  
GIFTED PROGRAM  
GILLESPIE SCHOOL  
GIRARD SCHOOL  
GLEN ELLYN SCHOOL  
GLENBARD TWP H S  
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 H S  
GRANT PARK SCHL  
GRANTS  
GRASS LAKE SCHL  
GRAYMONT COMM CONS SCHOOL  
GRAYSLAKE COMM H S  
GRAYSLAKE SCHOOL  
GRAYVILLE SCHL  
GREENFIELD SCHOOL  
GREENVIEW SCHL  
GRIDLEY SCHL  
GRIGGSVILLE CUSD #4  
GRUNDY AREA VOC CTR  
GURNEE SCHOOL DIST 56  
HALL TWP HS  
HAMILTON CO C U  
HAMILTON JEFFERSON COOP  
HAMILTON SCHL  
HAMPTON SCHOOL  
HARDIN CO COMM UNIT  
HARLEM SCHOOL  
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 5  
HERITAGE DISTRICT #8  
HERRIN COMM UNIT SCHL  
HERSCHER SCHOOL  
HEYWORTH SCHOOL  
HIWATHA SCHOOL  
HIGH MOUNT SCHOOL  
HIGHLAND PARK TWP H S  
HIGHLAND SCHOOL  
HIGHLANDS SCHL  
HILLSBORO SCHOOL  
HILLSIDE SCHOOL  
HINCKLEY BIG ROCK  
HINSDALE SCHOOL  
HINSIDE SCHOOL  
HOLLIS CONS SCHL  
HOMER COMM CONS SCHOOL  
HOMERWOOD FLOSSMOOR C  
HOMERWOOD SCHOOL  
HONONEGAH COMMUNITY HS  
HOOVER SCHRUM SCHOOL  
HOYLETON CONS SD #29  
HUNTLEY SCHOOL  
HUTSONVILLE SCHOOL  
IL EDUCATION ASSOCIATION  
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  
ILLINOIS 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 DAVIESS CARROLL AVC  
JOHNSBURG SCHL  
JOHNSTON CITY CUSD 1  
JOLIET SCHOOL  
JOLIET TOWNSHIP H S  
JONESBORO SCHOOL  
JOPPA MAPLE GROVE UNIT  
KANE CO ROE  
KANELAND C U S D 302  
KANKAKEE AREA CAREER CTR  
KANKAKEE AREA SPEC COOP 850  
KANKAKEE SCHOOL  
KANSAS SCHL  
KASKASKIA SPEC ED 801  
KEENEYVILLE SCHOOL  
KELL SCHOOL DIST. C-2  
KENDALL CO SP ED COOP  
KENILWORTH SCHOOL  
KEWANEE SCHL  
KILDEER COUNTRYSIDE CCSD 96  
KINGS CONS SCHOOL DIST 144  
KINNICKINICK SCHOOL  
KIRBY SCHOOL  
KNOXVILLE SCHL  
KOMAREK SCHOOL  
L E A S E  
LA GRANGE AREA DEPT SPEC ED  
LA GRANGE SCHL DIST 102  
LA GRANGE SOUTH SCHOOL  
LADD SCHOOL  
LAHARPE COM UNIT SCHL  
LAKE BLUFF SCHOOL DIST #65  
LAKE CO AREA VOC SYSTEM  
LAKE COUNTY EDUC SERV REG  
LAKE FOREST COMM H S 115  
LAKE FOREST SCHOOL  
LAKE PARK COMM H S  
LAKE VILLA C C SCHL  
LAKE ZURICH SCHOOL  
LAMOILLE C U S  
LANSING SCHOOL  
LARAWAY SCHOOL  
LASALLE CO ROE  
LASALLE PERU TWP HS  
LASALLE SCHOOL  
LAWRENCEVILLE COMM U  
LEBANON COMM UNIT SCHL  
LEE CENTER C U SCHL  
LEE/OGLE ROE  
LEERTOWN ELEM SCHL

LELAND SCHOOL  
LEMONT SCHL  
LEMONT TWP H S  
LENA WINSLOW SCHOOL  
LEROY COMMUNITY UNIT SCHOOLS  
LEWISTOWN COMM H S  
LEWISTOWN SCHOOL  
LEXINGTON SCHL  
LEYDEN COM H S  
LIBERTY SCHOOL  
LIBERTYVILLE PUBLIC SCHLS  
LIBERTYVILLE H S  
LICK CREEK SCHL  
LIMESTONE COMM HS DIST 310  
LIMESTONE WALTERS SCHL  
LINCOLN COMM H S  
LINCOLN DEVEL CTR  
LINCOLN ELEM SCHOOL  
LINCOLN SCHOOL  
LINCOLN WAY COMM H S  
LINCOLN-WAY AREA SPEC ED  
LINCOLNSHIRE PRAIRIE VIEW SCHL  
LINCOLNWOOD SCHL  
LINDA BLACKMAN, REG. SUPT.  
LISBON GRADE SCHOOL  
LISLE PUBLIC SCHOOLS  
LITCHFIELD SCHOOL  
LIVINGSTON SCHOOL  
LOCKPORT AREA SPE ED COOP  
LOCKPORT SCHOOL DIST 91  
LOCKPORT TOWNSHIP H S  
LOGAN CONS SCHOOL  
LOGAN-MASON-MENARD PUBLIC SCHL  
LOMBARD SCHOOL  
LOSTANT CUSD #425  
LOVEJOY SCHOOL  
LOVINGTON SCHOOL  
LOW POINT WASHBURN #21  
LUDLOW SCHL  
LYONS H S  
LYONS SCHOOL  
MABLEY DEVELOPMENT CENTER  
MACOMB SCHL  
MADDER MENTAL HEALTH CENTER  
MADISON SCHOOL  
MAERCKER SCHOOL  
MAHOMET SCHOOL  
MALDEN SCHOOL  
MALTA COMM UNIT  
MANHATTAN SCHOOL DIST. 114  
MANNHEIM SCHOOL  
MANTENO COMM UNIT DIST. 5  
MARENGO COMM H S  
MARENGO UNION ELEMENTARY CONS  
MARION SCHOOL  
MARISSA C U  
MAROA FORSYTH COM H S  
MARQUARDT SCHOOL  
MARSHALLS SCHOOL DIST 150  
MARSHALL SCHL  
MARTINSVILLE SCHL  
MASCOUTAH COMM UNIT  
MASSAC COUNTY UNIT SCHOOL  
MATTHESON SCHOOL  
MAYWOOD SCHL  
MAZON-VERONA-KINSMAN COMM UNIT  
MCCELLAN SCHL  
MCFARLAND MENTAL HEALTH  
MCHENRY ELEM SCHOOL DIST #15  
MCHENRY H S  
MCKINLEY SCHOOL  
MCLEAN CO UNIT DIST  
MEDINAH ELEMENTARY SCHOOL  
MENDOTA GRADE SCHOOL



MENDOTA TWP HS  
 MERIDIOSIA SCHL  
 MERIDIAN COMM UNIT  
 MERIDIAN C U SCHL  
 MERIDIAN C.U.S.D #15  
 MERRIAM COMM CONS  
 METAMORA SCHOOL  
 METAMORA TWP H S  
 METRO CNA SERVICES  
 MID COUNTY SCHL  
 MID ILLINOIS ESC 15  
 MIDLAND  
 MIDLOTHIAN SCHL  
 MIDWEST CENTRAL DIST. 191  
 MILFORD SCHL  
 MILFORD TWP HS  
 MILLBURN SCHL  
 MILLER SCHOOL  
 MILLSTADT SCHOOL  
 MINOOKA COMM H S  
 MINOOKA SCHOOL  
 MOKENA SCHOOL  
 MOLINE SCHOOL  
 MOMENCE COMM UNIT SCHL 1  
 MONMOUTH PUBLIC SCHOOLS  
 MONROE SCHOOL  
 MONTICELLO COM U SCHOOL  
 MONTMORENCY SCHL  
 MORRIS COMM H S  
 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 H S  
 MT ZION SCHOOL  
 MULBERRY GROVE SCHL  
 MUNDELEIN CONS H S  
 MUNDELEIN SCHOOL DIST #75  
 MURPHYSBORO SCHL  
 N BOONE COM UNIT SCHOOL  
 N CLAY COMM UNIT  
 N WAYNE COMM U SCHL  
 NAPERVILLE COMMUNITY SCHOOL  
 NASHVILLE COMM H S  
 NASHVILLE SCHL DIST #49  
 NAUVOO SCHOOL  
 NDSEC - N DUPAGE SPEC ED COOP  
 NELSON SCHOOL  
 NEOGA COM UNIT 3 SCHL  
 NEPONSET COM U SCHL  
 NETTLE CREEK SCHOOL  
 NEW ATHENS SCHOOL  
 NEW BERLIN SCHL  
 NEW HOLLAND MIDDLETOWN 88  
 NEW HOPE CCSD  
 NEW LENOX SCHOOL  
 NEW SIMPSON HILL SCHL  
 NEW TRIER TOWNSHIP HS DIST 203  
 NEWARK C C GRADE SCHL  
 NEWARK COMM H S  
 NIANTIC-HARRISTOWN SCHOOLS  
 NILES SCHOOL  
 NILES TOWNSHIP H S  
 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 H S  
 NORTHWEST SCHOOL  
 NORTHWEST SPECIAL ED. DIST.  
 NORTHWESTERN IL ASSO  
 NORTHWESTERN SCHOOL  
 NORWOOD SCHOOL  
 NSSEO  
 O FALLON TWP H S  
 OAK GROVE SCHOOL  
 OAK GROVE SCHOOL  
 OAK LAWN COMM H S DIST. #229  
 OAK LAWN HOMETOWN SCHOOL  
 OAK PARK ELEM SCHOOL  
 OAK PARK RIVER FOREST HS  
 OAKDALE 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 H S  
 OLYMPIA SCHL  
 OPDYKE 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  
 PANA 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. 133  
 PAWNEE CUSD #11  
 PAXTON-BUCKLEY-LODA COMM UNIT  
 PAYSON SCHOOL  
 PEARL CITY SCHL  
 PECCATONICA SCHOOL  
 PEKIN COMMUNITY HIGH SCHOOL  
 PEKIN SCHOOL  
 PEMBROKE SCHOOL  
 PENNOYER SCHL  
 PEORIA COUNTY ROE  
 PEORIA HTS COMM UNIT SCHL  
 PEORIA SCHOOL

PEOTONE SCHOOL  
 PERU SCHOOL  
 PHILIP J ROCK SCHL & SERV CTR  
 PIKELAND SCHOOL  
 PINCKNEYVILLE SCHL  
 PINCKNEYVL COMM HIGH SCHOOL  
 PLAINFIELD SCHL  
 PLANO C U SCHOOL  
 PLEASANT HILL SCHL  
 PLEASANT HILL SCHOOL  
 PLEASANT PLAINS SCHOOL  
 PLEASANT VALLEY SCHOOL  
 PLEASANTDALE SCHOOL  
 POLO COMMUNITY UNIT SCHOOL  
 PONTIAC ESMEN SCHOOL  
 PONTIAC SCHL DIST  
 PONTIAC SCHOOL  
 PONTIAC TWP H S  
 POPE CO COM UNIT SCHL  
 PORTA COMM UNIT  
 POSEN ROBBINS SCHOOL  
 POTOMAC COMM UNIT  
 PRAIRIE CENTRAL SCHOOL  
 PRAIRIE DU ROCHER  
 PRAIRIE GROVE SCHOOL  
 PRAIRIE HILL SCHOOL  
 PRAIRIE HILLS ELEM SCHOOLDIST  
 PRAIRIEVIEW CC GR SCHL  
 PRICHARD CLARK SCHL  
 PRINCETON HIGH SCHOOL  
 PRINCETON SCHL  
 PRINCEVILLE COMMUNITY UNIT  
 PROPHETSTOWN-LYNDON  
 PROSPECT HTS SCHL  
 PROVISIO TWP H S  
 PUFFER-HEFTY SCHL DIST 69  
 PUTNAM CO COM UNIT SCHL  
 QUEEN BEE SCHOOL  
 QUINCY SCHOOL  
 R O W V A SCHOOL  
 RANCOON SCHL  
 RAMSEY COMMUNITY UNIT SCHOOL  
 RANDOLPH CO SPEC ED  
 RANKIN SCHOOL  
 RANTOUL CITY SCHOOL  
 RANTOUL TOWNSHIP H S  
 REAVIS TWP H S  
 RED BUD SCHOOL  
 RED HILL COMM UNIT  
 REED CUSTER COM U SCHL  
 REG DEL SYS VOC ED AND GIFTED  
 REG SUPT OF SCHOOLS  
 REGIONAL FILM LIBRARY  
 REGIONAL OFFICE OF ED  
 REGIONAL OFFICE OF EDUCATION  
 REGIONAL OFFICE OF EDUCATION  
 REGIONAL SUPT  
 REGIONAL SUPT OF SCHOOLS  
 REGIONAL SUPT SCHOOLS  
 REGIONAL VOCATIONAL SYSTEM  
 RHODES SCHOOL  
 RICH TWP HS  
 RICHLAND GRADE SCHOOL  
 RICHMOND BURTON HS  
 RICHMOND SCHOOL  
 RIDGELAND SCHL  
 RIDGEVIEW COMM UNIT SCHOOLS  
 RIDGEWOOD COMM H S  
 RILEY SCHOOL  
 RIVER BEND COMM U SCHL  
 RIVER FOREST SCHOOL  
 RIVER GRV SCHL  
 RIVER RIDGE C U SCHL

RIVER TRAILS SCHL  
 RIVERDALE SCHOOL  
 RIVERDALE SCHOOL  
 RIVERSIDE BROOKFIELD SCHOOL  
 RIVERSIDE SCHOOL  
 RIVERTON COMM UNIT  
 RIVERVIEW SCHOOL  
 ROANOKE BENSON SCHOOL  
 ROBEIN SCHOOL  
 ROCHELLE SCHOOL  
 ROCHELLE TWP HS  
 ROCHESTER SCHL  
 ROCK FALLS H S  
 ROCK FALLS SCHOOLS  
 ROCK ISLAND COUNTY ROE  
 ROCK ISLAND SCHOOL  
 ROCKDALE SCHL  
 ROCKFORD PUBLIC SCHOOLS  
 ROCKRIDGE COM U SCHL  
 ROCKTON SCHL  
 ROE PROFESSIONAL SERVICES #19  
 ROME SCHOOL  
 RONDOUT SCHOOL  
 ROSELLE SCHOOL  
 ROSEMONT SCHOOL  
 ROSEVILLE SCHL  
 ROSSVILLE COMMUNITY UNIT  
 ROUND LAKE COMM UNIT  
 ROXANA SCHL  
 RUTLAND SCHOOL  
 SALEM COMM H S  
 SALEM SCHOOL  
 SALT CREEK SCHOOL  
 SANDOVAL C U DIST #501  
 SANDRIDGE SCHOOL  
 SANDWICH SCHOOL  
 SANGAMON AREA SPECIAL ED  
 SANGAMON COUNTY ROE  
 SARATOGA SCHOOL  
 SASED  
 SAUK VILLAGE SCHOOL  
 SAUNEMIN ELEMENTARY  
 SAVANNA C U S DIST  
 SAVER  
 SCALES MOUND SCHOOL  
 SCHILLER PK SCHL  
 SCHL DIST 89  
 SCHOOL DIST 0880  
 SCHOOL DIST 100  
 SCHOOL DIST 109  
 SCHOOL DIST 126  
 SCHOOL DIST NO 30  
 SCHOOL DISTRICT #95  
 SCHOOL DISTRICT 149  
 SCHOOL DISTRICT 151  
 SCHUYLER CO C U SCHL  
 SELDC57 100 0020 61 MARION  
 SEDOM  
 SEJA 803 PAEC  
 SEJA 804 NSSD  
 SELMAVILLE COMM SCHOOL  
 SENECA GRADE SCHOOL  
 SENECA TWP HIGH SCHOOL  
 SESSER VALIER COM UNIT  
 SHABBONA SCHOOL  
 SHAPIRO DEVELOPMENTAL CTR  
 SHAWNEE C U SCHOOL  
 SHELBYVILLE SCHOOL  
 SHELTON COMMUNITY DIST #5  
 SHERRARD SCHOOL  
 SHILOH SCHOOL DIST. #1  
 SHILOH VILLAGE SCHOOL  
 SHIRLAND SCHOOL

SIGNAL HILL  
 SILVIS SCHOOL  
 SINGER MENTAL HEALTH  
 SKOKIE SCHOOL  
 SKOKIE SCHOOL DIST. #69  
 SKOKIE SCHOOL DIST. 73.5  
 SMITHTON SCHOOL  
 SO WILL CO COOP FOR SPEC ED  
 SOMONAUK COMM UNIT SCHL  
 SOUTH BELOIT PUB SCHL  
 SOUTH CENTRAL COMM UNIT  
 SOUTH COOK ESC #7  
 SOUTH FORK SCHOOL  
 SOUTH METROPOLITAN ASSO 801  
 SOUTH PEKIN GRADE SCHOOL  
 SOUTH WILMINGTON GRADE SCHOOL  
 SOUTHEASTERN COMM UNIT  
 SOUTHERN COMM UNIT  
 SOUTHWEST COOK COOP  
 SOUTHWESTERN SCHL  
 SPARTA C U  
 SPEC ED COOP  
 SPEC ED SEJA 801  
 SPEC ED TCHR  
 SPEC. ED. DIST. OF LAKE CO.  
 SPECIAL ED TEACHER  
 SPECIAL ED. DIST. - REGION 3  
 SPECIAL PROJECTS  
 SPEED ED COOP  
 SPOON RIVER VALLEY SCHOOL  
 SPRING GRV ELEM SCHL  
 SPRING LAKE C C SCHL  
 SPRING VALLEY SCHOOL  
 SPRINGFIELD SCHOOLS  
 ST ANNE COMM H S  
 ST ANNE SCHOOL  
 ST DAVID SCHOOL  
 ST ELMO SCHL  
 ST GEORGE SCHOOL DIST 258  
 ST JOSEPH OGDEN SCHL  
 ST JOSEPH SCHOOL  
 ST LIBERY SCHOOL  
 ST ROSE SCHOOL  
 ST CHARLES SCHOOL  
 STARK CTY CUSD #1000  
 STAUNTON SCHOOL  
 STEELEVILLE SCHOOL  
 STEGER SCHL DIST 194  
 STEPHENSON AREA TECH ED SYS  
 STEWARD SCHOOL  
 STEWARDSON STRASBURG  
 STICKNEY CENTRAL SCHOOL  
 STOCKTON CUSD #206  
 STREATOR ELEMENTARY SCHOOLS  
 STREATOR TWP HIGH SCHOOL  
 SULLIVAN SCHOOL  
 SUMMERSVILLE SCHOOL  
 SUMMIT HILL ADM OFF  
 SUNNYBROOK S D 171  
 SUNSET RIDGE SCHOOL  
 SUPT ED SERV REG  
 SUPT ESR  
 SWANSEA SCHOOL  
 SYCAMORE COM UNIT SCHL  
 TAFT SCHOOL  
 TAMAROA SCHL  
 TAMPICO COMM UNIT  
 TACEP  
 TAYLORVILLE SCHOOL  
 TAZEWELL COUNTY ROE  
 TEACHERS RETIREMENT SYSTEM  
 TENCOSIRSEA REG ED PROG  
 THORNTON SCHOOL  
 THOMPSONVL COM H SCHL  
 THOMPSONVL GR SCHL  
 THOMSON SCHOOL  
 THORNTON FRACTIONAL  
 THORNTON SCHOOL  
 THORNTON TWP HS  
 TINLEY PARK MENTAL HLTH CTR  
 TINLEY PARK SCHOOL  
 TISKILWA SCHOOL  
 TMCSEA  
 TOLEDO SCHOOL  
 TOLONO SCHOOL  
 TONICA SCHOOL  
 TOWER HILL COMM H S  
 TOWER HILL SCHL  
 TOWNSHIP H S DIST 214  
 TOWNSHIP HIGH SCHOOL  
 TREES  
 TREMONT SCHOOL  
 TRI CITY SCHL  
 TRI COUNTY EDUCATION SERV CTR  
 TRI COUNTY SPE ED ASSO  
 TRI POINT COMM SCHOOL  
 TRI VALLEY SCHL  
 SPECIAL ED CO-OP  
 TRIAD COM SCHL  
 TRICO COMM UNIT  
 TRIPLA C U SCHL  
 TROY SCHOOL DISTRICT 30-C  
 TRUANCY ALT PROG RES OFF  
 TRUANT ALTERNATIVE PROG  
 TRUANTS ALT & OPT EDUC PROGRAM  
 TUSCOLA SCHOOL  
 TWIN RIVERS REG VOC DEL SYS  
 UNION COMMUNITY UNIT SCH#115  
 UNION RIDGE SCHOOL  
 UNION SCHOOL  
 UNIT SCHOOL DIST 221  
 UNITED TWP H S  
 UNITY POINT SCHOOL  
 URBANA SCHOOL DISTRICT 116  
 UTICA ELEM SCHL  
 V I T SCHOOL  
 VALLEY VIEW SCHOOL  
 VALMEYER SCHOOL  
 VANDALIA COMM SCHLS  
 VENICE SCHOOL  
 VERMILION ASSOC SPEC EDUCATION  
 VIENNA SCHL  
 VIENNA TWP H S  
 VILLA GROVE SCHOOL  
 VILLA PARK SCHOOL  
 VIRDEN COMM UNIT DIST 4  
 VIRGINIA SCHOOL  
 VOCATIONAL ED PROJECT  
 VOCATIONAL EDUCATION SYSTEM  
 W CHICAGO COMM H S  
 W NORTHFIELD SCHL  
 W WASHINGTON C U SCHL  
 W. LINCOLN-BROADWELL  
 WABASH & OHIO VALLEY SE DIST  
 WABASH COMM UNIT SCHL  
 WALLACE  
 WALTHAM SCHOOL  
 WALTONVILLE SCHOOL  
 WARREN G. MURRAY DEV. CENTER  
 WARREN SCHL  
 WARREN SCHOOL  
 WARREN TWP HIGH SCHOOL  
 WARRENSBURG LATHAM  
 WARSAW SCHOOL  
 WASHINGTON COM H S  
 WASHINGTON ELEMENTARY SCHOOL  
 WATERLOO SCHOOL

WAUCONDA C U SCHL  
 WAUKEGAN PUB SCHLS  
 WAVERLY COMMUNITY UNIT SCHL  
 WAYNE CITY COMM U  
 WCICC/TAP/ESC 8  
 WEBBER TWP HS  
 WENTWORTH WILSON SCHL  
 WESCLIN SCHOOL  
 WEST CENTRAL IL SPEC ED COOP  
 WEST CHICAGO ELEM SCHLS  
 WEST HARVEY-DIXMOOR SCHOOLS  
 WEST PIKE SCHOOL  
 WEST RICHLAND C U SCHL  
 WESTCHESTER SCHL  
 WESTERN SPRGS SCHOOL  
 WESTMER COMM UNIT  
 WESTVILLE C U SCHL  
 WETHERSFIELD SCHOOL  
 WHEELING SCHOOL  
 WHITESIDE SCHOOL  
 WILCO AREA CAREER CENTER  
 WILL CO SCHOOL DISTRICT  
 WILLIAMSFIELD SCHOOL  
 WILLIAMSON CO. SUPT. OF SCHLS  
 WILLIAMSVILLE SCHL  
 WILLOW GROVE SCHOOL  
 WILLOW SPRINGS SCHOOL  
 WILMETTE SCHOOL  
 WILMINGTON COMM UNIT  
 WINCHESTER CU SCHOOL  
 WINDSOR SCHOOL  
 WINFIELD SCHOOL  
 WINNEBAGO SCHOOL  
 WINNETKA SCHOOL  
 WINTHROP HARBOR SCHL  
 WITT SCHOOL  
 WM HOWE DEVL P CTR  
 WOOD DALE SCHOOL  
 WOOD RIVER SCHOOL  
 WOODFORD CO SPEC ED  
 WOODLAND COMM CONS SCHL DIS 50  
 WOODLAND STREATOR  
 WOODLAWN COMM H S  
 WOODLAWN SCHOOL  
 WOODRIDGE SCHOOL  
 WOODSTOCK COMM UNIT  
 WORTH SCHOOL  
 YORKVILLE CUSD #115  
 YORKWOOD SCHL  
 ZEIGLER ROYALTON C U  
 ZION BENTON TWP H S  
 ZION SCHOOL



# Investment Summary

---

TEACHERS' RETIREMENT SYSTEM  
*A Component Unit of the State of Illinois*

*For Fiscal Year Ended June 30, 1995*



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 \$13.2 billion at market value on June 30, 1995. 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 which is 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, etc.) 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, 1995, the System's asset class allocations and diversification by investment approach are summarized in the following chart:

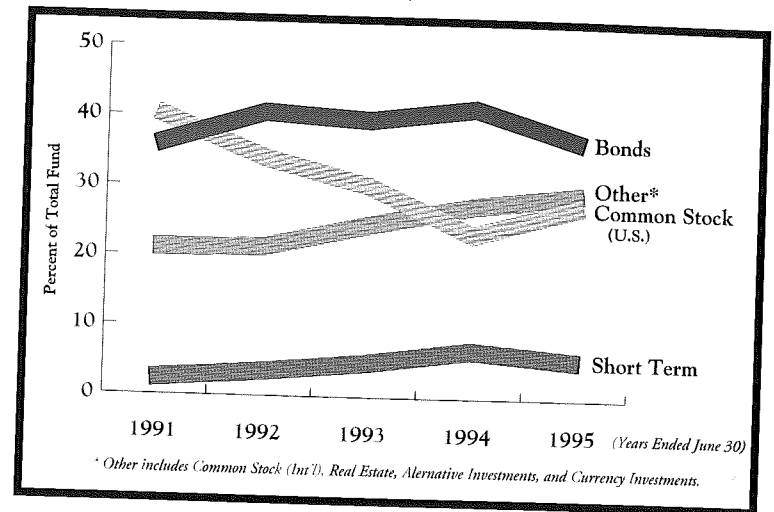
PERCENT OF TOTAL FUND			
Asset Class	Active	Index	Total
Common Stock - U.S.	27.7	0.0	27.7
Bond	35.2	1.9	37.1
Short Term Investments	5.7	0.0	5.7
Currency Investments	0.6	0.0	0.6
Common Stock - Intl.	11.2	0.0	11.2
Real Estate Equity	15.6	0.0	15.6
Alternative Investments	2.1	0.0	2.1
<b>Total</b>	<b>98.1</b>	<b>1.9</b>	<b>100.0</b>

During FY 1995, the System's U.S. common stock holdings increased to 27.7% of the total fund, from 23.6% a year earlier. International common stock allocations remained at 11.2% of the total fund, leaving fiscal year-end total common stock holdings at 38.9% of the total fund.

Bonds decreased to 37.1% of the total fund from 41.5% a year earlier. Real estate equities represented 15.6% of the total fund at fiscal year's end. This compares to 15.1% from the previous fiscal year's end. The fund's five-year asset class allocation history is represented by the graph at right.

The System has established relationships with investment management firms that 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.

Asset Allocation History



The System achieved a higher level of risk management capability during FY 1995 by continuing implementation of a long-term strategic plan designed to achieve a specific set of investment objectives. A globally diversified, multiple asset class, balanced-fund portfolio was designed in order to construct the optimal long-term asset mix.

On June 30, 1995, the following external firms were employed by the System:

- Fixed Income (Bonds)-U.S.
  - American National Bank of Chicago
  - Bear Stearns Asset Management
  - W.R. Huff Asset Management
  - Pacific Investment Management Co.
  - Weiss, Peck & Greer Investments
  - Zimmerman Investment Management Company
- Fixed Income (Bonds) -International
  - Brinson Partners, Inc.
  - Bear Stearns Asset Management
  - Delaware International Advisors, Ltd.
  - Julius Baer Investment Management, Inc.
  - Pacific Investment Management Co.
  - Schroders Capital Management International, Inc.
  - Societe Generale Asset Management
  - Smith Barney
- Equity (Common Stock) - U.S.
  - Ark Asset Management
  - Bank of America
  - Brandywine Asset Management, Inc.
  - Brinson Partners, Inc.
  - Cedar Hill Associates, Inc.
  - Fiduciary Management Associates
  - First of America Investment Corp.
  - Hotchkis and Wiley
  - Lazard Freres Asset Management
  - Liberty Investment Management, Inc.
  - 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
- Sturdivant & Company
- Valenzuela Capital Management, Inc.
- Woodford Capital Management, Inc.
- Zimmerman Investment Management Company
- Equity (Common Stock) - International
  - Ark Asset Management, Inc.
  - 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 Inc.
  - RCM International
  - Scudder, Stevens & Clark, Inc.

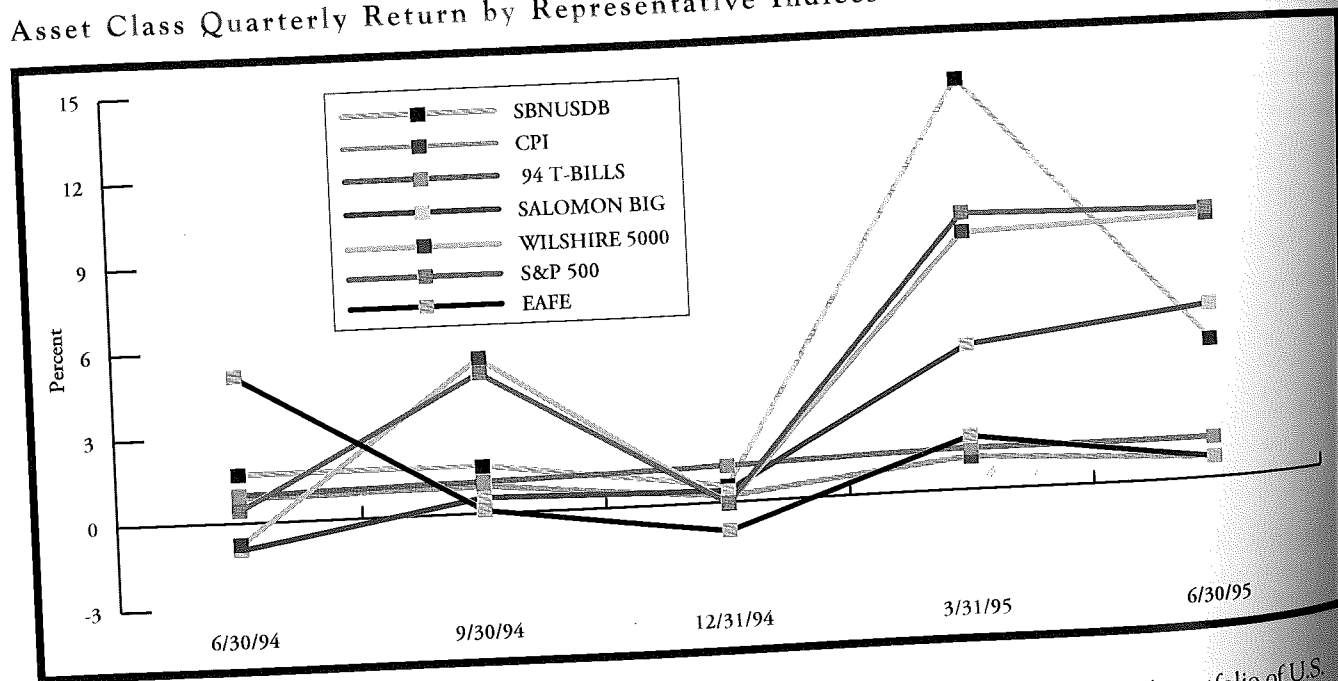
- Real Estate Equity
  - Bear Stearns/Capital Associates Development Corp.
  - Capital Associates Realty Advisors
  - Commonwealth Realty Advisors Inc.
  - First Chicago Heitman/JMB First Apartment Fund
  - Heitman/JMB Advisory Corp.
  - Jones Lang Wootton Realty Advisors
  - K/B Realty Advisors
  - LaSalle Investment Advisors Corp.
  - Lincoln Property Company
  - TCW Realty Advisors
  - Stone-Levy
- Alternative Investments
  - Cozad Asset Management
  - DLJ Merchant Banking, Inc.
  - Frontenac Company
  - Lincoln Park Associates Inc.
  - Penman Asset Management
  - Sandler Investment Advisors
  - Weiss, Peck & Greer
- Tactical Asset Allocation
  - Brinson Partners, Inc.
- Foreign Exchange Exposure Management
  - A.G. Bisset
  - Zimmerman Investment Management Company
- Cash Management
  - Atlantic Asset Management, Inc.
  - Harris Investment Management Co., Inc.
  - Hotchkis & Wiley



ASSET CLASS/MARKET INDICES RETURNS

During FY 1995, U.S. common stock was the best performing asset class as represented by the S&P 500 Index and the Wilshire 5000 Index, which returned 26.0% and 24.7%, respectively. Non-U.S. dollar bonds were the next best performing asset class, as represented by the Salomon Non-U.S. dollar bond index, returning 22.7%. Domestic bonds returned 12.6%, as represented by the Salomon Broad Investment Grade (Salomon BIG) Index. International common stocks, as represented by the Europe, Australia and Far East (EAFE) Index, returned 1.7%. Short-term investments, represented by 91-day Treasury Bills, returned 5.3%. The annual rate of inflation as represented by the Consumer Price Index (CPI) was at 3.0% for FY 1995.

Asset Class Quarterly Return by Representative Indices



TOTAL FUND RESULTS

The System's total time-weighted rate of return for FY 1995 of 13.4% was primarily attributable to the strength of its investments in real estate, international bond and U.S. stock markets. The System's total annualized three-year and five-year returns of 9.8% and 9.2%, respectively, continue to outperform the rate of inflation for these periods, 2.8% and 3.3%, respectively. The System's long-term objective, to exceed the rate of inflation by 3%, has been handily achieved for the three- and five-year periods.

U.S. EQUITY RESULTS AND PROFILE

U.S. equities are expected to achieve a total investment return 6% in excess of the rate of inflation over a long term horizon. TRS domestic equity managers are expected to add value 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.

During FY 1995, the System's portfolio of U.S. common stocks returned 20.6% compared to the S&P 500 return of 26.0% and the Wilshire 5000 return of 24.7%. For three- and five-years, U.S. common stocks generated annualized returns of 12.4% and 11.6%, respectively, comparable to the S&P 500 returns of 13.2% and 12.1% 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 13.6% for the same period and underperformed the five-year Wilshire 5000 return of 12.3%.

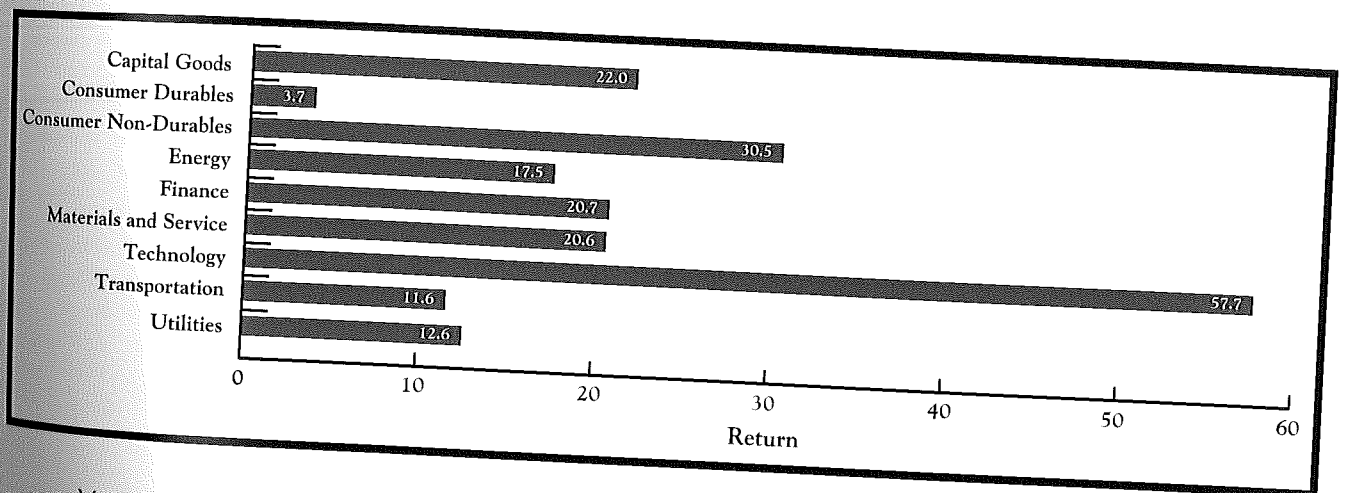
At fiscal year end, 37.9% of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 34.8% at the prior fiscal year end. During FY 1995, TRS completed its move away from passive management, employing equity managers using either fully active or enhanced index management strategies. During FY 1995, the market value of assets assigned to U.S. equity managers increased from \$4.107 billion to \$4.914 billion due to \$29 million in reallocation from the U.S. equity asset class to other asset classes and \$836 million of market value appreciation.

DIVERSIFICATION BY INDUSTRY SECTOR (%)

(As of June 30)

Sector	1995			1994		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	29.2	32.8	29.4	30.1	31.7	29.2
Technology	13.5	14.0	15.4	14.4	11.3	11.6
Materials and Service	14.8	9.4	11.6	17.0	9.9	12.0
Utilities	8.0	12.3	11.3	6.0	13.4	12.6
Finance	14.9	11.3	15.7	13.5	11.6	16.3
Energy	5.3	10.5	7.1	9.0	11.1	7.7
Capital Goods	4.1	5.1	4.6	3.9	5.4	4.9
Consumer Durables	4.1	3.0	3.1	3.6	3.6	3.6
Transportation	6.1	1.6	1.8	2.5	2.0	2.1

S&P 500 Industry Returns



Major sector diversification changes took place during FY 1995 in the portfolio's U.S. common stocks. The listing (upper right) summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices.

All S&P 500 industry sectors provided positive rates of return during FY 1995. Technology was the best performer (57.7%), with consumer non-durables (30.5%) and capital goods (22.0%) as other notable sector performers as illustrated (center above).

U.S. equity managers made stock selection adjustments to their accounts during FY 1995, as evidenced by the comparison (bottom right) of equity portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices.

U.S. EQUITY PORTFOLIO PROFILE

(As of June 30)

	1995			1994		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	15.7	25.5	18.5	15.7	20.5	14.2
Price/Earnings Ratio	21.0	16.5	17.7	16.0	16.2	19.9
Dividend Yield (%)	2.5	2.9	2.4	2.5	2.9	2.7
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 (%)	12.1	4.8	6.8	4.7	3.0	3.4
Market/Book Ratio	8.3	4.0	3.9	3.1	3.2	3.3



INTERNATIONAL EQUITY RESULTS

The international equity investment objective is to achieve a total annual investment return 6% in excess of the rate of inflation over a long-term time horizon. The System's international equity managers are expected to add return in excess of the EAFE Index over longer time periods.

During FY 1995, the benchmark EAFE Index returned 1.7%. Of this, 9% was attributable to currency appreciation as Japanese and German currencies appreciated 11% and 13%, respectively, versus the U.S. dollar. By comparison, the local-market equity component of EAFE returned -7.3%, providing a closer reflection of the -6.1% return contributed by the international common stocks in the TRS portfolio.

The TRS fund maintained its cautious view on Japanese equities, holding only 22.4% of its foreign equities in Japan, compared to that country's 42.2% relative weighting in the EAFE Index. During FY 1995, the market value of assets assigned to international equity decreased from \$1.488 billion to \$1.456 billion due to \$93.9 million of market value depreciation and \$61.9 million of reallocations from other asset classes.

ALTERNATIVE INVESTMENTS RESULTS

Alternative investments returned 30.3% during FY 1995. 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 are expected to provide annualized returns over 10% in excess of the rate of inflation over a long term time horizon. On June 30, 1995, the System had a market value of \$321 million invested in six venture capital limited partnerships and one farmland partnership.

FIXED INCOME RESULTS AND PROFILE

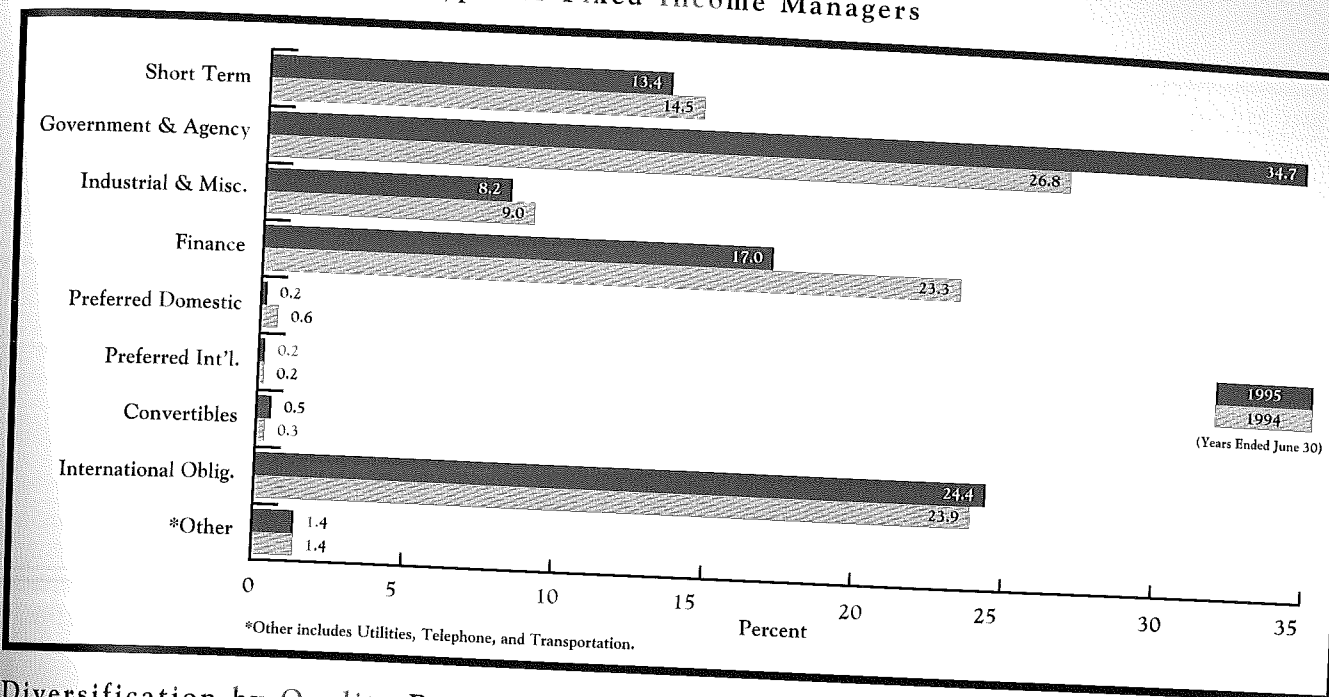
Fixed income investments are expected to achieve a total investment return of 2% in excess of the rate of inflation over a long time horizon. TRS fixed income managers are expected to add value in excess of the bond market, as measured by the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three- to five-year period, or a market cycle. During FY 1995, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 10.6% total return, compared to the 10.0% return of the Salomon BIG Index.

The total funds under management by fixed income managers, including short-term investments, generated a 12.4% total return during FY 1995. For a three- and five-year period, bonds generated 8.8% and 10.9% annualized returns, respectively, as compared to 7.6% and 9.5%, respectively for the BIG Index. During FY 1995, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$4.024 billion to \$4.541 billion due to \$22 million in reallocations from other asset classes and \$495 million of market value appreciation.

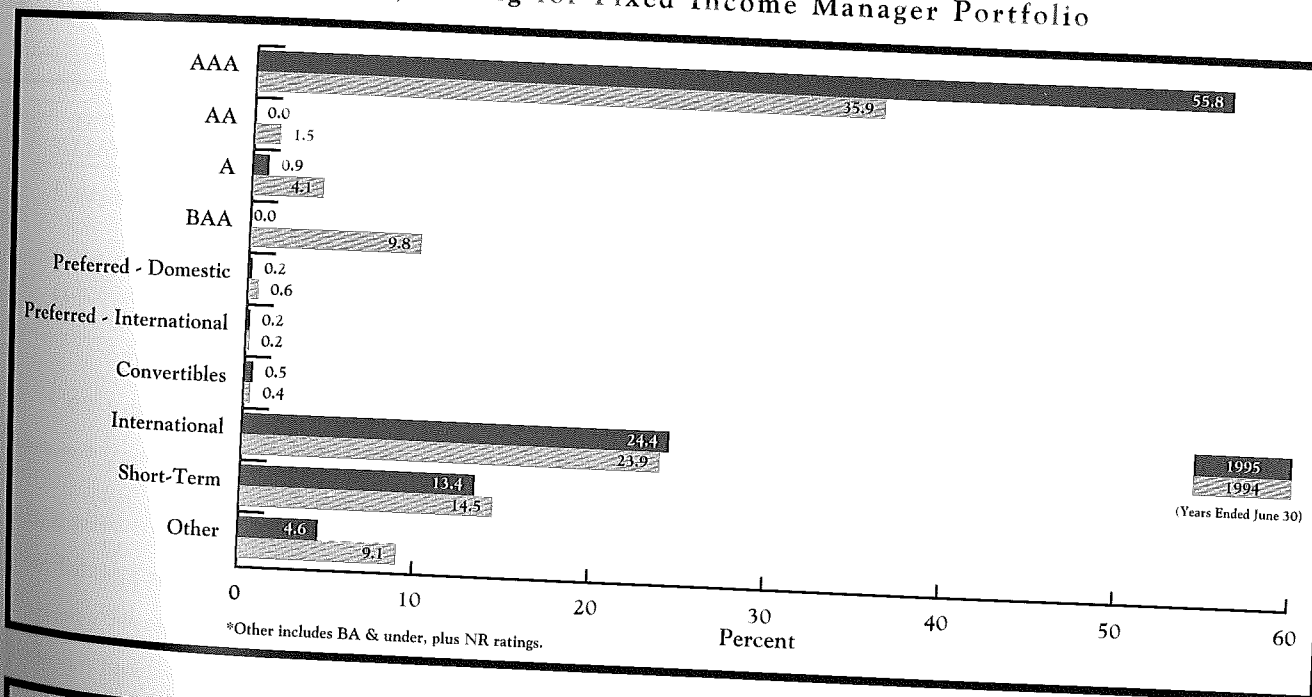
Fixed income assets invested in the international marketplace comprised \$1.535 billion of the \$4.541 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 14.53% in fiscal 1995, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 22.7%. As with international equities, the greater part of international fixed income returns resulted from currency appreciation, which many of the System's managers had hedged away in anticipation of a depreciating U.S. dollar.

The following exhibits reflect changes made within fixed income manager portfolios during FY 1995 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 Portfolio



BOND PORTFOLIO PROFILE

(As of June 30)

Characteristic	1995		1994	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	14.31	13.60	14.00	13.86
Duration (years)	5.02	4.76	6.81	4.78
Coupon (%)	8.94	7.61	8.69	7.55
Yield to Maturity (%)	6.95	6.57	7.48	7.39
Current Yield (%)	7.68	7.15	7.94	7.41



**REAL ESTATE EQUITY INVESTMENT RESULTS**

Real estate equity investments made by the System's four closed-end fund managers and seven separate account managers returned 13.2% during FY 1995. The income component of the total return was 10.7%, while capital appreciation accounted for 2.5%.

The closed-end funds' total return of 6.71% underperformed the 13.4% 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 1995, the market value of assets assigned to the System's real estate investment managers increased from \$1.832 billion to \$2.068 billion. This increase resulted from \$179.0 million in income/reinvested income, \$5.4 million of reallocations from other asset classes to the real estate asset class, and an increase of \$51.9 million for market value appreciation.

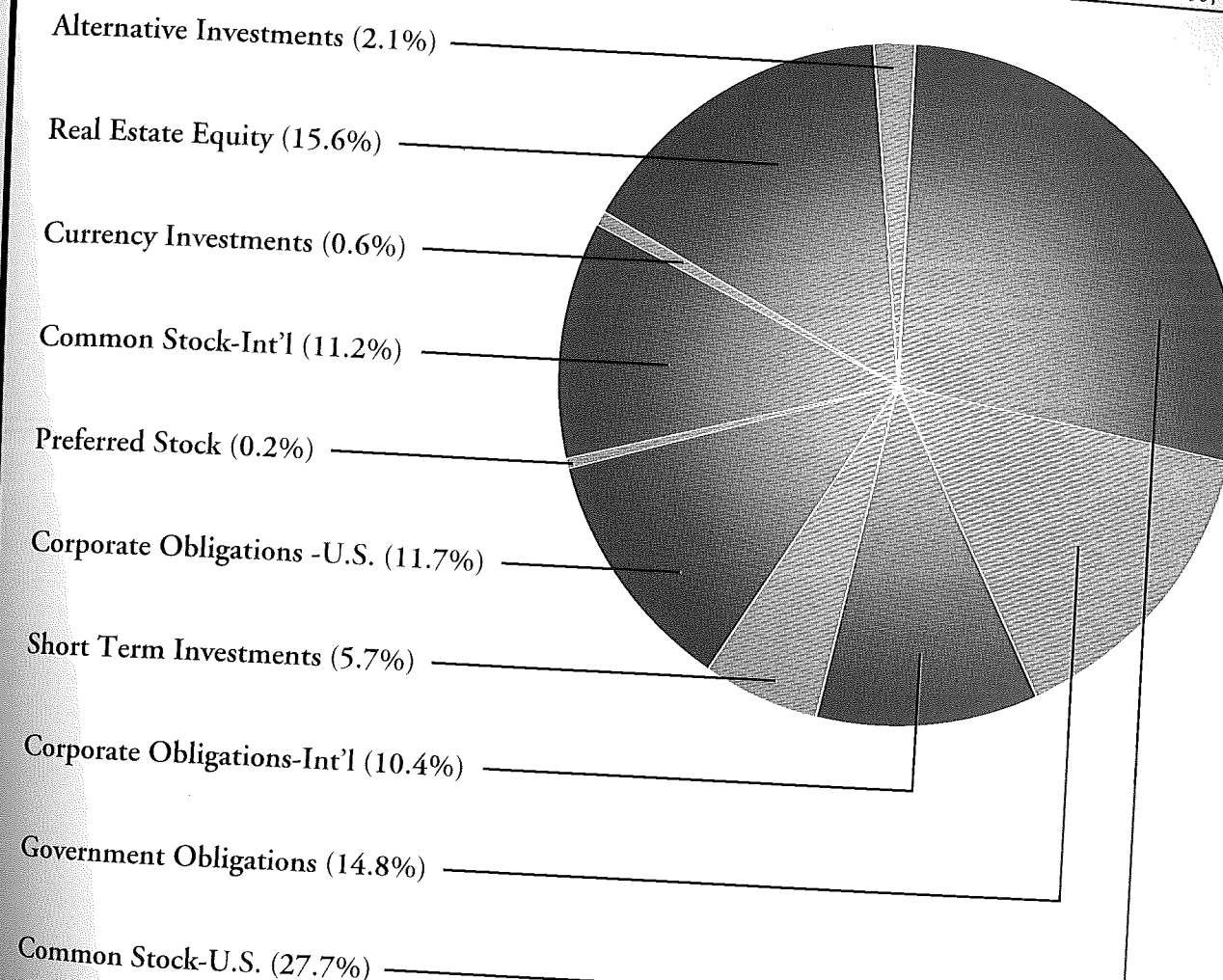
**SHORT-TERM INVESTMENT RESULTS**

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 5.9%, during FY 1995. For the five years ended June 30, 1995, short-term investments returned 5.0%, underperforming the 12.1% return of U.S. common stocks and the 9.5% return of bonds as measured by the Salomon BIG index.

**COMPOSITION OF INVESTMENTS AT MARKET VALUE**

(June 30, 1995)



INVESTMENT PORTFOLIO SUMMARY (June 30, 1995)				
	BOOK VALUE	% OF TOTAL BOOK VALUE	MARKET VALUE	% OF TOTAL MARKET VALUE
<b>BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS</b>				
U.S. Government	\$ 665,798,827	5.4%	\$ 684,684,764	5.2%
Federal Agency	1,230,617,062	9.8	1,275,929,583	9.6
Municipal Bonds	0	0.0	0	0.0
<b>Total Government Obligations</b>	<b>1,896,415,889</b>	<b>15.2</b>	<b>1,960,614,347</b>	<b>14.8</b>
<b>Corporate Obligations</b>				
Finance	955,699,205	7.7	959,333,237	7.4
Industrial and Misc.	455,611,113	3.6	461,960,695	3.5
Public Utilities	45,624,620	0.4	45,771,066	0.4
Transportation	30,361,346	0.2	32,126,420	0.2
Telephone	4,390,571	0.0	4,230,843	0.0
Convertible Issues	26,748,130	0.2	29,092,800	0.2
<b>Total Corporate Obligation</b>	<b>1,518,434,985</b>	<b>12.1</b>	<b>1,532,515,061</b>	<b>11.7</b>
International	1,360,522,989	10.9	1,380,226,758	10.4
Preferred Stock-U.S.	7,787,067	0.1	9,091,108	0.1
Preferred Stock-International	10,927,262	0.1	12,726,024	0.1
<b>TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS</b>	<b>4,794,088,192</b>	<b>38.4</b>	<b>4,895,173,298</b>	<b>37.1</b>
COMMON STOCK - U.S.	2,988,476,249	23.9	3,666,439,311	27.7
COMMON STOCK - INTERNATIONAL	1,382,321,554	11.1	1,488,198,394	11.2
SHORT TERM INVESTMENTS*	776,901,583	6.2	757,748,544	5.7
REAL ESTATE EQUITY	2,223,887,753	17.7	2,057,542,844	15.6
ALTERNATIVE INVESTMENTS	246,049,077	2.0	282,071,115	2.1
CURRENCY INVESTMENT	87,343,764	0.7	83,587,732	0.6
<b>TOTAL PORTFOLIO</b>	<b>\$12,499,068,172</b>	<b>100.0%</b>	<b>\$13,230,761,238</b>	<b>100.0%</b>

\* Includes accrued income and dividends totaling \$112,119,601

Investment Category	Percentage	Sub-Category	Percentage
Common Stock-U.S. (27.7%)	(Percent of Total)	29.2% Consumer Non-Durables	
		14.9% Finance	
		14.8% Materials & Service	
		13.5% Technology	
		8.0% Utilities	
		6.1% Transportation	
		5.3% Energy	
		4.1% Consumer Durables	
		4.1% Capital Goods	
Government Obligations (14.8%)		9.6% Federal Agency	
		5.2% U.S. Government	
		0.0% Municipal Bonds	
Corporate Obligations-Int'l (10.4%)		45.9% Commercial Paper	
		19.9% Variable Notes	
		16.5% Demand Notes	
		8.1% Medium Term Notes	
		7.0% Guaranteed Insurance	
		2.6% Other	
Corporate Obligations -U.S. (11.7%)		7.4% Finance	
		3.5% Industrial	
		0.4% Utilities	
		0.2% Convertibles	
		0.2% Transportation	
		0.0% Telephone	
Short Term Investments (5.7%)		3.1% Other	
		2.6% Investment Reserve Fund	
Alternative Investments (2.1%)			
Real Estate Equity (15.6%)			
Currency Investments (0.6%)			
Common Stock-Int'l (11.2%)			
Preferred Stock (0.2%)			



## 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)
(Years Ended June 30)	1991	1992	1993	1994	1995	1991-1995	
Beginning Book Value	\$ 8,080	\$ 8,747	\$ 9,812	\$ 11,013	\$ 11,992	\$ 8,213**	
Net Contributions Added	5	(49)	(75)	(10)	(122)	(251)	
Investment Income	463	493	520	559	514	2,549	
Net Realized Gain	199	621	622	430	258	2,131	
Ending Book Value	8,747	9,812	10,880	11,992	12,642	12,642	
Unrealized Gain (Loss) -Beginning of Period	844	706	627	665	(95)	844	
Unrealized Gain (Loss) -During Period	(138)	(79)	38	(760)	591	(348)	
<b>Ending Market Value*</b>	<b>\$9,453</b>	<b>\$10,439</b>	<b>\$11,545</b>	<b>\$11,897</b>	<b>\$13,138*</b>	<b>\$13,138*</b>	

\* = Includes miscellaneous liabilities of \$93 million.      \*\* = Includes prior period adjustment of \$133 million.

PERFORMANCE SUMMARY								(Annualized Percent for Periods Ending June 30, 1995*)
(Years Ended June 30)	1991	1992	1993	1994	1995	Annualized 3 Years	Annualized 5 Years	
<b>Total Time-Weighted Return</b>								
TRS	5.9	10.8	11.6	4.7	13.4	9.8	9.2	
CPI	4.6	3.1	3.0	3.3	3.0	2.8	3.3	
<b>Common Stock - US</b>								
TRS	7.4	13.5	14.7	2.7	20.6	12.4	11.6	
S&P 500	7.4	13.5	13.6	1.4	26.0	13.2	12.1	
Wilshire 5000	7.0	13.9	16.2	1.2	24.7	13.6	12.3	
<b>Bonds - US</b>								
TRS	11.5	16.2	13.7	-0.6	12.0	7.8	10.2	
SLG/C	10.9	14.2	12.0	-1.5	12.8	7.9	9.6	
<b>Common Stock-International</b>								
TRS	-8.5	3.2	7.5	12.6	-6.1	5.1	2.0	
EAFE Index	-11.5	-0.3	20.5	17.0	1.7	12.7	4.7	
<b>Real Estate</b>	-2.0	-7.3	-0.5	9.7	13.2	7.2	2.1	
<b>Alternative Investments</b>	1.2	8.8	5.7	1.6	30.3	11.6	8.9	
<b>Short Term</b>								
TRS	6.2	3.8	4.3	3.7	5.9	5.2	5.0	
91 Day Treasury Bill	6.8	4.6	3.2	3.3	5.3	3.9	4.6	
<b>ASSET ALLOCATION (ANNUAL AVERAGE)</b>								
Bonds	27.8	25.5	25.1	24.1	23.2	24.1	25.1	
Common Stock - US	39.7	41.8	40.4	36.8	35.5	37.6	38.8	
Short Term	5.6	4.7	6.2	7.6	5.3	6.4	6.0	
Other	26.9	28.0	28.3	31.5	36.0	31.9	30.1	

\*Performance calculations provided by Harris Trust and Savings Bank

## Investment Listing

TEACHERS' RETIREMENT SYSTEM  
A Component Unit of the State of Illinois

For Fiscal Year Ended June 30, 1995



BONDS, CORPORATE NOTES & PREFERRED STOCK

Government Obligations

U.S. GOVERNMENT  
UNITED STATES TREASURY BILLS

Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
AAA	0.000	11-16-95	10,050,000	9,639,659	9,842,367
AAA	0.000	10-26-95	9,245,000	9,002,555	9,084,969
AAA	0.000	2-8-96	1,500,000	1,403,503	1,450,410
AAA	0.000	8-24-95	13,210,000	12,587,523	13,106,962
AAA	0.000	9-21-95	51,040,000	50,315,152	50,422,928
AAA	0.000	7-13-95	13,095,000	12,923,629	13,076,667
AAA	0.000	8-3-95	30,930,000	30,499,394	30,790,198
AAA	0.000	8-31-95	44,985,000	44,352,780	44,585,532
AAA	0.000	10-5-95	830,000	818,025	818,231
AAA	0.000	7-27-95	5,275,000	5,111,690	5,254,164
AAA	0.000	10-5-95	10,000,000	9,861,477	9,858,200
AAA	0.000	11-16-95	970,000	946,154	952,734

UNITED STATES TREASURY BONDS

AAA	7.500	11-15-16	735,000	699,216	719,536
AAA	8.125	8-15-21	13,250,000	12,553,096	14,425,938
AAA	10.375	11-15-09	37,230,000	40,299,560	43,518,520
AAA	11.750	2-15-01	1,000,000	1,194,901	1,278,590
AAA	10.750	5-15-03	1,175,000	1,355,000	1,269,530
AAA	11.250	8-15-13	1,200,000	1,552,515	1,501,979
AAA	12.000	2-15-15	1,200,000	1,681,500	1,770,000
AAA	10.750	5-15-05	770,000	1,007,799	1,155,239
AAA	8.875	8-15-05	400,000	537,250	566,064
AAA	8.875	8-15-17	850,000	1,034,590	1,128,639
AAA	8.125	8-15-19	500,000	596,328	622,500
AAA	8.500	2-15-20	2,000,000	2,057,188	2,326,880
AAA	7.625	11-15-22	4,980,000	5,377,018	6,022,663
AAA	13.750	8-15-04	800,000	950,750	892,248
AAA	7.500	11-15-24	820,000	1,216,803	1,241,144
AAA	8.000	11-15-21	1,660,000	1,832,744	1,836,641
AAA	7.250	5-15-16	2,500,000	2,606,250	2,886,325
AAA	7.125	2-15-23	3,500,000	3,251,594	3,709,440
AAA	7.625	2-15-25	2,500,000	2,251,563	2,635,150
AAA	8.000	10-15-96	3,000,000	3,083,438	3,386,250
AAA	7.875	11-15-99	2,300,000	2,311,500	2,361,088
AAA	8.875	5-15-00	1,000,000	1,049,375	1,071,090
AAA	7.500	11-15-01	1,100,000	1,216,999	1,232,858
AAA	7.750	1-31-00	11,000,000	11,015,653	11,807,840
AAA	5.750	10-31-97	5,775,000	5,858,969	6,170,241
AAA	8.875	11-15-98	295,000	287,648	294,171
AAA	8.000	5-15-01	650,000	753,695	706,674
AAA	7.875	7-31-96	400,000	422,313	438,376
AAA	6.500	11-30-96	250,000	271,328	255,353
AAA	6.125	12-31-96	1,000,000	1,052,500	1,009,220
AAA	6.375	1-15-99	1,200,000	1,200,961	1,205,628
AAA	6.875	3-31-97	1,900,000	1,982,531	1,924,643
AAA	6.875	4-30-97	1,000,000	1,040,815	1,016,870
AAA	7.500	9-30-97	900,000	913,078	916,029
AAA	6.375	5-15-02	700,000	750,750	753,592
AAA	5.500	6-30-97	1,200,000	1,220,165	1,212,372
AAA	7.31-97	7-31-97	1,800,000	1,748,156	1,787,904
AAA	6.375	8-15-02	1,100,000	1,059,953	1,113,057
AAA	5.625	8-31-97	1,000,000	951,719	995,160
AAA	6.000	10-15-99	1,000,000	965,781	1,000,780
AAA	5.125	4-30-98	1,900,000	1,919,594	1,862,304
AAA	5.375	5-31-98	1,350,000	1,323,891	1,330,803
AAA	5.250	7-31-98	950,000	968,109	932,036
AAA	5.750	8-15-03	330,000	316,566	319,945
AAA	4.750	8-31-98	1,000,000	987,656	965,620
AAA	4.750	10-31-98	1,000,000	982,969	964,220
AAA	4.750	2-15-97	2,100,000	2,025,036	2,063,901
AAA	5.875	2-15-04	4,300,000	3,885,813	4,194,521
AAA	6.750	6-30-99	1,000,000	979,531	1,025,780
AAA	6.125	7-31-96	500,000	490,933	501,720
AAA	6.875	7-31-99	3,350,000	3,406,573	3,454,688
AAA	6.250	8-31-96	1,900,000	1,894,063	1,908,607
AAA	6.500	9-30-96	1,000,000	998,438	1,007,970
AAA	7.875	11-15-04	2,400,000	2,461,492	2,673,000
AAA	7.250	11-30-96	19,100,000	19,230,688	19,461,182
AAA	6.125	5-31-97	22,000,000	22,097,344	22,113,520
AAA	8.625	8-15-97	500,000	555,703	527,110
AAA	8.875	11-15-97	2,600,000	2,713,500	2,769,806
AAA	4.625	2-15-96	1,460,000	1,450,647	1,450,189
AAA	4.250	7-31-95	3,510,000	3,462,835	3,506,174
AAA	5.500	4-30-96	2,200,000	2,186,710	2,195,182
AAA	9.125	5-15-99	1,005,000	1,150,043	1,112,404
AAA	7.875	7-15-96	675,000	699,047	688,919
AAA	8.500	2-15-00	1,000,000	1,078,906	1,100,310
AAA	8.875	2-15-99	1,000,000	1,062,188	1,093,750
AAA	5.125	11-30-98	6,000,000	5,471,250	5,846,220

UNITED STATES TREASURY NOTES



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>U.S. GOVERNMENT (Cont.)</b>						
UNITED STATES TREASURY NOTES (Cont.)						
AAA	7.750	12-31-99	2,500,000	2,483,594	2,669,150	
AAA	7.750	2-15-01	2,000,000	2,002,500	2,162,180	
AAA	8.000	8-15-99	1,700,000	1,818,875	1,824,049	
AAA	8.750	8-15-00	400,000	446,500	448,000	
AAA	3.875	10-31-95	7,820,000	7,619,002	7,775,974	
AAA	4.375	8-15-96	52,500,000	51,056,328	51,696,224	
AAA	7.500	1-31-97	6,750,000	6,826,856	6,917,670	
AAA	8.125	2-15-98	2,700,000	2,801,229	2,844,693	
AAA	6.250	2-15-03	4,600,000	4,276,749	4,612,236	
AAA	6.625	3-31-97	16,000,000	16,057,501	16,207,520	
AAA	6.500	4-30-97	11,500,000	11,489,219	11,631,215	
AAA	6.125	5-15-98	17,900,000	18,069,828	18,017,424	
AAA	6.875	2-28-97	12,000,000	12,038,437	12,195,000	
AAA	3.875	8-31-95	33,020,000	32,408,114	32,921,932	
AAA	6.125	5-31-97	2,000,000	2,017,656	2,010,620	
AAA	6.875	4-30-97	3,000,000	2,970,469	3,053,430	
AAA	6.125	7-31-96	5,000,000	4,904,688	5,015,600	
AAA	6.500	4-30-99	7,500,000	7,252,344	7,635,900	
AAA	7.875	11-15-04	9,500,000	10,087,031	10,580,625	
AAA	7.750	11-30-99	15,000,000	15,049,219	16,003,050	
AAA	7.750	1-31-00	16,900,000	17,587,876	18,061,876	
AAA	3.875	8-31-95	490,000	480,430	488,466	
AAA	4.750	2-15-97	9,000,000	8,859,375	8,848,080	
AAA	8.000	11-15-21	3,000,000	3,179,700	3,468,750	
AAA	5.875	2-15-04	3,000,000	2,622,188	2,929,680	
AAA	6.375	8-15-02	5,000,000	4,603,907	5,059,350	
AAA	7.375	11-15-97	8,000,000	7,923,750	8,260,000	
AAA	6.250	8-31-96	10,000,000	9,818,750	10,046,900	
AAA	8.500	11-15-00	950,000	1,018,875	1,057,616	
AAA	0.000	11-15-04	6,735,000	3,632,152	3,733,076	
AAA	0.000	2-15-19	10,340,000	1,921,636	2,029,018	
US TREASURY BONDS						
US TREASURY SECURITIES						
<b>TOTAL U.S. GOVERNMENT</b>			<b>677,505,000</b>	<b>665,798,827</b>	<b>684,684,764</b>	
<b>FEDERAL AGENCY</b>						
FEDERAL FARM CREDIT BANK						
N/A	0.000	7-14-95	5,930,000	5,896,562	5,896,562	
N/A	0.000	7-20-95	2,010,000	1,995,377	1,995,377	
N/A	0.000	7-11-95	5,770,000	5,739,164	5,739,164	
FEDERAL HOME LOAN BANKS						
AAA	6.990	4-25-97	200,000	207,438	203,282	
AAA	7.650	10-28-99	500,000	493,438	526,485	
AAA	7.490	11-17-97	1,000,000	994,023	1,032,660	
AAA	5.800	9-26-95	8,000,000	7,966,250	8,003,760	
AAA	7.940	10-14-99	1,000,000	984,063	1,005,540	
N/A	0.000	7-12-95	4,020,000	4,001,397	4,001,397	
AAA	0.000	7-13-95	3,330,000	3,313,254	3,313,254	
FEDERAL HOME LOAN MORTGAGE						
AAA	5.650	7-17-95	47,500,000	47,290,524	47,290,524	
AAA	5.600	7-19-91	6,200,000	6,166,696	6,166,696	
AAA	0.000	7-20-95	6,775,000	6,743,334	6,743,334	
AAA	6.750	1-1-09	547,745	484,669	535,075	
AAA	6.383	4-1-24	29,494,732	29,052,312	30,079,908	
AAA	8.500	8-1-05	5,807	5,547	5,970	
AAA	8.500	1-1-08	11,351	10,843	11,718	
AAA	8.500	5-1-08	694,279	663,253	717,079	
AAA	10.000	7-1-09	163,558	174,036	175,699	
AAA	10.000	9-1-09	7,743	7,027	8,318	
AAA	9.500	9-1-19	50,854	53,285	52,983	
AAA	9.500	5-1-16	121,062	126,850	127,345	
AAA	9.500	9-1-16	15,213	15,940	16,002	
AAA	9.500	10-1-16	147,747	154,811	155,415	
AAA	9.500	11-1-16	219,932	230,447	231,346	
AAA	8.500	5-1-17	731,439	699,018	756,688	
AAA	8.500	6-1-01	374,668	360,032	383,191	
AAA	8.500	10-1-09	19,765	18,881	20,161	
AAA	10.000	10-1-10	99,998	106,404	107,610	
AAA	10.000	1-1-11	22,726	24,182	24,490	
AAA	10.500	4-1-11	109,387	97,628	118,314	
AAA	8.500	12-1-08	235,413	224,893	243,040	
AAA	8.500	12-1-09	5,514	5,268	5,680	
AAA	8.500	8-1-10	276,610	264,249	284,958	
AAA	8.500	2-1-11	24,366	23,278	25,179	
AAA	8.500	4-1-09	64,607	61,720	66,700	
AAA	8.500	5-1-09	924,185	882,885	953,371	
AAA	8.500	4-1-10	14,819	14,157	15,299	
AAA	8.500	1-1-10	96,421	92,112	99,466	
AAA	8.500	11-1-08	198,950	190,060	205,233	
AAA	8.500	12-1-09	145,922	139,401	150,530	
AAA	8.500	9-1-10	116,290	111,093	120,658	
AAA	8.500	9-1-08	6,812	6,507	6,987	
AAA	8.500	9-1-08	16,959	16,201	17,589	

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>FEDERAL AGENCY (Cont.)</b>						
FEDERAL HOME LOAN MORTGAGE (Cont.)						
AAA	8.500	2-1-08	35,705	34,109	36,782	
AAA	8.500	7-1-03	6,787	6,484	6,942	
AAA	8.500	10-1-07	449,399	429,317	464,158	
AAA	8.500	9-1-08	168,107	160,595	173,712	
AAA	8.500	10-1-04	88,571	84,613	91,244	
AAA	10.000	1-1-09	23,713	22,653	24,462	
AAA	8.500	12-1-09	18,791	19,994	20,221	
AAA	8.500	12-1-07	10,429	9,963	10,758	
AAA	8.500	2-1-08	166,748	159,296	172,014	
AAA	8.250	12-1-07	42,842	40,928	44,135	
AAA	6.750	10-1-07	82,990	79,333	84,934	
AAA	8.500	9-1-04	271,018	247,854	265,212	
AAA	8.500	12-1-08	153,811	146,937	158,939	
AAA	8.500	12-1-05	187,074	178,715	192,720	
AAA	8.500	8-1-08	7,512	7,177	7,756	
AAA	6.750	4-1-08	18,979	18,130	19,466	
AAA	6.750	12-1-08	443,839	395,156	433,573	
AAA	7.250	11-1-08	358,579	318,911	350,285	
AAA	8.500	5-1-08	386,776	356,801	384,846	
AAA	8.500	8-1-10	183,933	175,714	189,484	
AAA	8.500	7-1-09	122,060	116,606	126,015	
AAA	11.000	1-1-13	102,939	98,339	106,320	
AAA	6.250	12-1-00	142,839	144,625	150,427	
AAA	6.250	2-1-07	254,596	227,346	248,341	
AAA	8.500	6-1-08	350,267	309,876	337,986	
AAA	8.500	12-1-09	21,928	20,948	22,620	
AAA	10.000	1-1-16	654,866	656,912	697,452	
AAA	8.500	6-1-15	120,601	120,601	130,452	
AAA	8.500	3-1-08	16,715	15,968	17,264	
AAA	8.000	6-1-17	800,974	765,180	826,269	
AAA	8.000	1-1-17	21,323	21,553	21,717	
AAA	8.500	5-1-17	250,919	253,624	255,152	
AAA	10.000	10-1-10	287,485	274,638	296,926	
AAA	7.000	2-1-10	152,371	162,133	164,195	
AAA	8.000	4-1-17	1,033,071	934,284	1,019,920	
AAA	8.500	6-1-09	1,747,371	1,616,318	1,782,721	
AAA	8.500	9-1-08	238,538	227,878	245,262	
NR	0.000	4-1-09	1,273,026	1,216,137	1,314,272	
AAA	8.850	1-1-00	542,700	20,588,016	37,310,624	
AAA	9.000	3-15-08	1,276,989	1,271,477	1,318,491	
AAA	6.830	9-15-08	2,010,872	2,007,532	2,096,334	
AAA	7.750	4-13-99	150,000	148,336	149,718	
AAA	6.500	11-7-01	1,000,000	997,188	1,072,810	
AAA	7.000	4-1-09	1,341,823	1,298,633	1,323,373	
AAA	8.000	10-1-09	24,797	23,550	24,852	
AAA	7.000	5-1-25	22,905,396	22,823,080	23,334,872	
AAA	6.000	4-1-08	12,712	12,446	12,740	
AAA	7.000	5-1-98	127,096	129,836	125,904	
AAA	6.000	4-1-98	347,671	362,230	351,148	
AAA	5.500	5-1-98	285,832	291,102	283,150	
AAA	6.500	2-1-99	238,934	242,891	233,558	
AAA	6.500	9-1-99	590	586	591	
AAA	6.500	4-1-24	789	722	759	
AAA	6.500	2-1-24	486,887	488,028	468,322	
AAA	7.000	6-1-24	495,559	461,644	487,194	
AAA	8.000	3-1-07	3,032	3,100	3,115	
AAA	8.500	1-1-08	560,315	575,023	561,536	
AAA	8.500	2-1-18	260,639	272,775	271,432	
AAA	8.500	6-1-21	1,418	1,429	1,477	
AAA	9.500	11-15-18	1,645	1,657	1,713	
AAA	8.000	3-1-21	341,958	357,880	361,924	
AAA	9.000	4-1-17	168	170	173	
AAA	7.000	2-1-21	146,914	156,188	154,151	
AAA	5.500	3-1-23	201,836	199,818	198,429	
AAA	5.500	12-1-00	2,508	2,490	2,429	
AAA	6.500	10-1-00	272,885	275,444	264,270	
AAA	6.000	6-1-01	379,667	369,345	379,546	
AAA	7.000	5-1-99	182,413	178,308	180,702	
AAA	6.500	3-1-24	369	379	363	
AAA	8.500	4-1-24	215,718	197,416	207,493	
AAA	8.500	11-1-24	203	202	210	
AAA	8.000	8-1-06	1,306	1,358	1,353	
AAA	7.500	11-1-06	372,070	374,046	382,302	
AAA	7.500	6-1-07	261,417	261,662	265,581	
AAA	7.500	2-1-				



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
FEDERAL AGENCY (Cont.)	AAA	6.000	1-1-09	526,022	523,310	510,241
FEDERAL HOME LOAN MORTGAGE GOLD (Cont.)	AAA	6.500	2-1-09	74,338	70,180	73,316
	AAA	6.000	3-1-09	3,658	3,671	3,548
	AAA	8.500	2-1-21	10,270	10,748	10,692
	AAA	8.000	5-1-21	1,283,923	1,239,788	1,314,211
	AAA	8.500	9-1-21	178,464	176,903	185,342
	AAA	8.500	9-1-21	378,519	375,207	394,243
	AAA	8.500	6-1-22	146,288	148,208	149,031
	AAA	8.000	8-1-22	156,549	163,251	157,037
	AAA	7.500	11-1-21	565	591	588
	AAA	8.500	11-1-21	170,374	172,930	170,906
	AAA	7.500	3-1-23	590,508	599,366	592,351
	AAA	7.500	3-1-23	623,202	625,344	612,683
	AAA	7.000	6-1-23	422,570	438,812	423,888
	AAA	7.500	7-1-23	258,764	269,842	259,571
	AAA	7.500	6-1-23	649	664	638
	AAA	7.000	8-1-23	22,097	22,583	21,724
	AAA	7.000	10-1-23	532,056	537,294	511,769
	AAA	6.500	11-1-23	748,326	765,397	735,694
	AAA	7.000	11-1-23	346,880	350,783	341,025
	AAA	7.000	11-1-23	436,359	431,450	419,721
	AAA	6.500	11-1-23	420,168	417,870	404,147
	AAA	6.500	1-1-24	868	846	835
	AAA	6.500	1-1-24	16,895,014	17,634,644	17,127,320
FEDERAL HOME LOAN MORTGAGE MULTICLASS	AAA	8.000	10-15-19	4,894,284	4,739,044	4,966,132
	AAA	7.750	1-15-20	1,144,613	1,166,969	1,152,832
	AAA	7.500	9-15-18	6,825,751	6,983,596	6,876,944
	AAA	8.500	1-15-19	91,484	2,697,639	2,334,191
	AAA	0.000	8-15-07	298,165	3,861,237	2,648,451
	AAA	0.000	7-15-06	3,279,014	491,852	412,238
	AAA	7.000	7-15-18	1,206,104	187,923	131,924
	AAA	4.386	11-15-22	5,000,000	4,912,500	4,854,650
	AAA	5.250	9-15-13	6,403,800	1,052,625	751,422
	AAA	6.500	10-15-04	55,253	897,862	698,393
	AAA	0.000	5-15-98	14,018,824	1,888,160	912,065
	AAA	0.000	4-15-01	3,000,000	2,910,000	2,912,790
	AAA	4.950	3-15-04	26,172,258	4,404,301	3,248,763
	AAA	6.500	3-15-19	4,500,000	4,289,063	4,355,145
	AAA	4.750	7-25-11	93,548,312	5,597,326	5,612,892
	AAA	2.425	12-15-23	15,637,498	2,042,648	1,483,217
	AAA	6.000	1-15-06	3,718,240	3,580,549	3,598,550
	AAA	5.250	11-15-16	14,933,094	2,027,634	1,557,522
	AAA	6.000	4-15-06	7,206,632	710,529	710,502
	AAA	6.000	7-15-11	12,000,000	2,379,375	1,814,400
	AAA	6.500	4-15-20	3,113,855	393,124	353,236
	AAA	7.500	11-15-20	1,539,013	1,665,020	1,610,670
	AAA	10.750	11-30-05	10,300,740	10,611,091	10,931,661
	AAA	9.500	1-15-21	12,592,978	13,045,538	13,132,083
	AAA	9.125	6-15-20	18,402,430	2,656,851	4,036,941
FEDERAL HOME LOAN MORTGAGE STRIPPED	AAA	8.000	10-15-18	7,052,817	6,934,902	7,123,345
FEDERAL HOUSING AUTHORITY	AAA	7.430	6-1-19	1,521,870	1,562,885	1,558,684
	AAA	7.430	12-1-21	35,456,980	35,545,616	36,210,440
	AAA	7.430	6-1-24	28,053,542	28,448,044	28,474,344
	AAA	7.440	8-1-22	911,039	936,183	929,259
	AAA	7.430	9-1-22	1,098,100	1,004,701	1,147,514
FEDERAL HOUSING AUTHORITY ALDUS GREEN PROJECT	AAA	8.400	6-1-07	52,370,000	52,132,176	52,132,176
FEDERAL NATIONAL MORTGAGE	N/A	0.000	7-17-95	2,735,000	2,719,941	2,719,941
	N/A	0.000	7-19-95	3,300,000	3,283,291	3,283,291
	N/A	0.000	7-20-95	34,091,208	50,576,400	50,576,400
FEDERAL NATIONAL MORTGAGE ASSOCIATION	A-	0.000	1-1-00	535,200	598,542	630,282
	AAA	7.850	9-10-98	600,000	960,188	907,731
	AAA	7.300	7-10-02	900,000	189,531	260,310
	AAA	0.000	7-5-14	1,000,000	257,480	247,631
	AAA	8.800	7-25-97	235,000	923,885	955,813
	AAA	0.000	8-25-20	45,032	7,650,701	8,873,151
	AAA	10.000	6-25-20	8,226,545	4,589,680	4,558,377
	AAA	7.000	6-25-19	4,549,869	1,650,250	1,594,000
	AAA	7.000	9-25-20	1,600,000	11,141,645	11,063,675
	AAA	7.500	6-25-07	10,840,154	937,467	939,654
	AAA	8.000	12-25-20	900,000	1,131,944	1,115,466
	AAA	7.500	6-25-21	1,100,000	704,636	533,390
	AAA	7.000	6-25-13	6,641,637	625,998	299,594
	AAA	0.000	6-25-23	691,711	2,390,756	1,886,648
	AAA	7.000	11-25-16	15,179,404	1,671,250	742,982
	AAA	6.750	1-25-14	14,000,000	1,212,209	1,077,860
	AAA	0.000	2-25-17	60,040	1,868,594	1,924,220
	AAA	4.875	10-15-98	2,000,000	4,366,144	3,371,422
	AAA	0.000	9-25-08	136,870	1,853,664	1,859,835
	AAA	6.064	9-25-23	1,974,609		

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
FEDERAL AGENCY (Cont.)	AAA	5.300	4-25-07	3,000,000	2,859,375	2,891,250
FEDERAL NATIONAL MORTGAGE ASSOCIATION (Cont.)	AAA	2.506	11-25-23	17,021,028	965,411	1,106,367
	AAA	6.500	3-25-09	7,701,484	1,391,081	1,260,271
	AAA	5.250	3-25-12	3,300,000	3,175,219	3,212,319
	AAA	5.000	3-25-12	5,000,000	4,782,032	4,837,500
	AAA	7.500	12-25-19	2,310,195	290,399	258,673
	AAA	6.500	3-25-18	12,872,071	2,144,004	1,587,255
	AAA	6.500	10-17-24	5,400,000	4,573,969	4,912,272
	AAA	8.500	7-25-19	16,355,673	15,292,569	17,239,860
	AAA	9.250	1-25-20	1,536,151	1,568,794	1,545,260
	AAA	8.500	3-1-11	46,139	45,088	48,051
	AAA	13.250	9-1-11	103,287	109,969	115,358
	AAA	12.750	10-1-11	982,856	1,059,949	1,086,056
	AAA	8.500	3-1-12	4,036	3,972	4,202
	AAA	16.000	9-1-12	19,611	20,656	22,442
	AAA	16.000	9-1-12	221,445	235,562	253,415
	AAA	15.750	9-1-12	251,716	266,819	288,056
	AAA	10.000	12-1-11	402,303	422,921	460,383
	AAA	14.750	8-1-10	54,272	54,709	58,943
	AAA	15.750	8-1-12	1,209,224	1,332,845	1,371,708
	AAA	8.250	8-1-12	576,479	611,518	659,705
	AAA	11.000	10-1-08	227,852	218,809	233,755
	AAA	8.250	12-1-15	1,876,623	2,069,563	2,045,256
	AAA	8.500	9-1-09	275,282	262,894	284,011
	AAA	8.500	9-1-09	16,829	16,351	17,527
	AAA	8.500	6-1-09	160,402	155,840	167,140
	AAA	8.250	6-1-05	723,224	692,939	742,989
	AAA	9.000	10-1-05	24,225	25,747	25,293
	AAA	9.000	10-1-21	706,890	723,899	736,268
	AAA	8.500	12-1-98	39,655	40,807	40,721
	AAA	8.500	1-1-99	19,359	19,922	19,880
	AAA	7.500	4-1-23	730,791	753,400	732,844
	AAA	7.000	11-1-08	169,805	175,642	170,229
	AAA	7.500	12-1-23	51,574	53,016	51,719
	AAA	8.000	6-1-02	150,884	155,128	155,034
	AAA	10.500	11-1-13	70,478	77,372	77,178
	AAA	10.500	3-1-14	51,199	56,207	55,770
	AAA	8.250	7-1-08	519,752	495,876	534,554
	AAA	10.000	4-1-16	212,773	225,673	232,517
	AAA	11.500	5-1-19	315,987	337,119	346,597
	AAA	11.500	4-1-19	222,955	237,865	244,552
	AAA	11.500	6-1-19	168,370	179,630	184,680
	AAA	11.500	6-1-19	30,812	32,873	33,797
	AAA	10.000	6-1-19	187,934	192,574	205,318
	AAA	11.500	12-1-17	62,055	62,481	67,656
	AAA	7.000	1-1-15	293,925	313,581	322,398
	AAA	7.500	5-1-09	1,710,290	1,577,743	1,713,659
	AAA	8.750	9-1-02	758,995	717,251	771,564
	AAA	8.750	4-1-07	583,460	569,785	608,274
	AAA	11.500	8-1-18	370,929	361,540	387,540
	AAA	10.500	9-1-19	17,704	18,887	19,418
	AAA	11.500	1-1-16	176,831	194,128	193,740
	AAA	8.500	3-1-11	28,516	30,423	31,253
	AAA	9.000	5-1-03	20,886	22,003	21,637
	AAA	9.000	11-1-04	305,048	324,209	318,488
	AAA	11.500	11-1-97	3,631,313	3,809,475	3,737,965
	AAA	10.000	11-1-17	89,825	90,443	97,837
	AAA	11.500	10-1-15	55,580	59,297	60,992
	AAA	11.500	1-1-16	101,641	108,438	111,554
	AAA	11.500	7-1-14	26,771	28,561	29,188
	AAA	11.500	2-1-15	64,168	68,459	70,384
	AAA	11.500	11-1-15	67,797	72,331	74,401
	AAA	6.227	1-1-16	71,987	76,801	79,000



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
FEDERAL AGENCY (Cont.)	AAA	9.500	1-1-19	52,886	55,779	55,707
FEDERAL NATIONAL MORTGAGE ASSOCIATION (Cont.)	AAA	8.000	8-1-19	1,994,324	2,075,343	2,052,239
	AAA	9.500	9-1-16	33,404	35,231	35,324
	AAA	9.000	6-1-20	52,363	54,556	55,050
	AAA	7.500	3-1-22	34,215	33,253	34,311
	AAA	9.000	6-1-17	140,634	146,523	147,534
	AAA	7.500	2-1-22	259,887	252,578	260,618
	AAA	8.000	6-1-22	622,352	622,157	633,822
	AAA	8.000	7-1-22	212,294	214,085	216,207
	AAA	7.500	6-1-07	451,597	451,103	459,076
	AAA	10.500	8-1-15	372,223	408,631	407,410
	AAA	8.500	6-1-22	132,400	137,034	136,537
	AAA	10.500	5-1-12	512,298	562,408	560,347
	AAA	10.500	6-1-12	516,259	566,755	564,173
	AAA	10.500	5-1-12	413,520	453,967	452,304
	AAA	7.500	11-1-07	235,755	238,113	239,659
	AAA	7.000	4-1-00	150,566	156,588	151,695
	AAA	5.869	1-1-24	10,824,012	10,722,537	11,052,291
	AAA	8.000	11-1-22	111,125	116,855	113,173
	AAA	8.500	9-1-06	14,132	14,887	14,640
	AAA	7.000	12-1-07	554,946	553,385	556,333
	AAA	8.000	1-1-23	201,425	206,020	205,137
	AAA	8.000	1-1-23	434,053	444,837	443,694
	AAA	7.500	1-1-23	204,321	203,843	204,896
	AAA	7.000	12-1-23	470,344	474,900	462,259
	AAA	7.500	6-1-23	351,710	360,943	352,699
	AAA	7.500	8-1-23	256,148	266,154	256,868
	AAA	6.000	8-1-23	493,876	485,619	462,545
	AAA	6.500	6-1-08	622,136	591,418	613,581
	AAA	7.000	8-1-23	363,599	370,814	357,349
	AAA	6.500	7-1-08	252,391	256,532	248,920
	AAA	7.000	9-1-08	459,330	475,980	460,478
	AAA	5.500	9-1-00	422,281	424,525	408,291
	AAA	7.000	10-1-23	460,713	473,958	452,793
	AAA	6.000	10-1-08	25,858	25,927	25,066
	AAA	9.000	3-1-25	3,758,287	3,815,835	3,914,481
	AAA	8.000	5-1-24	773,042	763,983	787,289
	AAA	8.000	7-1-24	505,909	502,352	515,233
	AAA	8.000	10-1-24	3,270,206	3,236,482	3,330,476
	AAA	6.000	2-1-09	631,208	632,885	611,874
	AAA	6.000	12-1-08	39,632	39,378	38,418
	AAA	7.000	4-1-24	439,265	420,871	431,714
	AAA	7.000	4-1-24	163,959	157,093	161,140
	AAA	6.500	2-1-24	901,897	904,434	866,949
	AAA	6.500	1-1-24	539,295	493,034	518,397
	AAA	6.000	1-1-09	641,663	637,553	622,009
	AAA	6.500	2-1-24	26,943	25,028	25,899
	AAA	6.500	3-1-09	45,871	43,728	45,241
	AAA	6.500	5-1-09	28,392	26,990	28,001
	AAA	6.000	3-1-24	297	257	278
	AAA	6.500	4-1-24	386,938	353,927	371,944
	AAA	7.000	5-1-24	440,541	416,173	432,968
	AAA	7.000	6-1-24	593,026	560,039	582,832
	AAA	8.500	12-1-24	29,022	28,532	29,929
	AAA	8.500	9-1-24	404,660	411,679	417,306
	AAA	7.500	10-1-24	197,952	186,941	198,508
	AAA	8.000	9-1-24	708,235	699,935	721,288
	AAA	9.000	2-1-25	76,796	77,972	79,987
	AAA	9.000	6-1-25	18,000,000	18,714,376	18,748,080
	AAA	6.000	9-1-24	4,667,803	4,290,732	4,371,678
	AAA	8.500	1-1-25	523,257	514,427	539,609
	AAA	8.000	6-15-25	41,000,000	42,069,844	41,768,752
	AAA	8.500	5-15-25	41,000,000	42,467,020	42,293,960
	AAA	7.500	8-25-23	3,540,000	3,557,700	3,551,045
	AAA	8.000	5-15-08	2,735,000	2,808,503	2,810,213
	AAA	6.500	10-15-22	9,095,192	1,648,504	1,455,231
FEDERAL HOME LOAN MORTGAGE MULTICLASS	AAA	0.000	8-10-95	6,700,000	6,638,472	6,638,472
FEDERAL NATIONAL MORTGAGE ASSOCIATION	AAA	8.600	6-15-21	12,810,665	10,830,095	13,297,470
FEDERAL HOME LOAN MORTGAGE MULTICLASS	AAA	9.000	11-15-19	773,233	800,307	794,010
	AAA	13.500	3-15-12	1,385	1,498	1,565
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	AAA	8.000	5-20-22	643,004	630,747	653,453
	AAA	5.500	8-20-22	1,799,679	1,770,434	1,830,327
	AAA	6.000	10-20-23	9,354,644	8,752,439	9,405,814
	AAA	5.500	12-20-23	27,322,080	28,216,452	27,659,234
	AAA	5.500	1-20-24	4,608,945	4,463,476	4,650,702
	AAA	6.500	8-20-24	63,521,576	63,304,348	64,643,368
	AAA	6.500	9-20-24	36,062,368	35,622,356	36,699,228
	AAA	7.000	9-20-24	19,607,040	19,873,574	19,968,594

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
FEDERAL AGENCY (Cont.)	AAA	7.000	3-20-25	31,205,886	31,552,376	31,751,988
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (Cont.)	AAA	13.250	10-20-14	33,464	36,161	36,747
	AAA	13.250	5-20-15	20,643	21,603	22,669
	AAA	8.000	8-15-06	260,514	250,195	268,439
	AAA	8.000	9-15-06	30,625	29,412	31,557
	AAA	8.000	10-15-06	56,453	54,217	58,198
	AAA	6.500	1-15-24	174,372	167,466	179,677
	AAA	7.000	10-15-23	484,542	428,669	465,461
	AAA	7.000	12-15-23	212,962	219,018	209,568
	AAA	8.000	9-15-23	142,577	145,251	140,305
	AAA	7.500	5-15-23	692,949	736,475	709,406
	AAA	7.500	5-15-23	228,122	236,035	229,263
	AAA	7.500	6-15-23	575,907	594,714	578,787
	AAA	7.000	7-15-23	686,852	705,955	690,286
	AAA	7.000	10-15-23	11,484,963	10,449,522	11,301,893
	AAA	7.000	2-15-24	2,665,417	2,585,454	2,622,930
	AAA	6.500	5-15-24	1,778,388	1,600,271	1,750,040
	AAA	7.000	6-15-23	25,460,398	23,439,478	24,457,766
	AAA	7.000	11-15-23	2,994,085	2,904,262	2,946,359
	AAA	7.000	8-15-24	486,808	500,652	479,049
	AAA	7.500	9-15-23	582,662	547,520	573,374
	AAA	7.000	4-15-24	69,575	71,847	69,923
	AAA	7.500	10-15-23	2,914,336	2,619,259	2,867,881
	AAA	8.000	1-15-24	356,920	344,651	358,705
	AAA	7.000	3-15-24	5,372,139	5,684,394	5,499,727
	AAA	7.500	10-15-23	623,532	582,808	613,593
	AAA	6.000	11-15-23	488,241	501,667	490,682
	AAA	7.500	3-15-24	249,917	247,183	233,672
	AAA	7.500	3-15-24	137,849	143,170	138,539
	AAA	6.500	2-15-24	30,689	31,874	30,843
	AAA	9.000	9-15-08	472,721	432,909	454,105
	AAA	7.000	5-15-24	62,295	61,195	66,083
	AAA	7.500	7-15-24	452,401	416,209	445,189
	AAA	9.000	9-15-24	250,738	243,373	251,992
	AAA	9.000	3-15-09	4,892,014	5,015,843	5,138,132
	AAA	9.500	7-15-09	5,666	5,566	6,011
	AAA	10.000	11-15-09	50,863	51,626	54,209
	AAA	8.000	2-15-25	385,562	410,021	420,383
	AAA	13.500	6-15-10	1,196,746	1,163,835	1,225,168
	AAA	13.500	5-15-11	800	870	905
	AAA	10.500	12-15-97	828	901	936
	AAA	11.500	2-15-13	54,755	56,449	57,749
	AAA	10.500	7-15-98	72,136	76,870	80,815
	AAA	10.500	5-15-98	7,514	7,746	7,924
	AAA	13.500	5-15-10	31,238	32,204	32,946
	AAA	13.500	5-15-10	25,356	25,965	28,018
	AAA	13.000	12-15-10	17,879	17,922	19,756
	AAA	13.500	6-15-10	23,578	25,243	25,950
	AAA	13.500	5-15-10	5,617	6,077	6,207
	AAA	13.500	5-15-10	8,599	9,303	9,502
	AAA	13.000	12-15-10	2,387	2,583	2,638
	AAA	13.500	3-15-11	75,060	80,361	82,613
	AAA	13.500	2-15-11	77,282	83,610	85,397
	AAA	13.500	3-15-11	21,981	23,781	24,289
	AAA	13.500	3-15-11	20,004	21,642	22,105
	AAA	13.500	2-15-11	16,863	18,244	18,634
	AAA	13.500	3-15-11	50,155	54,168	55,421
	AAA	13.500	4-15-11	64,949	70,145	71,768
	AAA	13.500	4-15-11	12,520	12,520	13,835
	AAA	13.500	4-15-11	3,475	3,759	3,840
	AAA	13.000	7-15-11	82,377	89,121	91,026
	AAA	10.000	3-15-13	44,519	47,663	48,998
	AAA	13.000	11-15-12	257,958	236,229	280,609
	AAA	13.000	10-15-12	21,500	23,005	23,663
	AAA	11.250	7-15-13	17,575	18,813	19,343
	AAA	10.000	3-15-13	52,200	54,304	57,420
	AAA	11.250	7-15-13			



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Government Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>FEDERAL AGENCY (Cont.)</b>						
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (Cont.)	AAA	9.500	7-15-17	193,549	192,158	206,590
	AAA	8.000	7-15-17	598,084	618,737	616,129
	AAA	8.000	3-15-17	609,609	590,940	628,001
	AAA	8.500	2-15-17	1,136,256	1,076,248	1,188,297
	AAA	8.000	4-15-17	422,884	437,487	436,218
	AAA	8.000	3-15-17	699,115	723,256	720,207
	AAA	8.000	3-15-17	24,594	25,270	24,717
	AAA	7.500	6-15-23	347,399	321,453	366,805
	AAA	9.000	8-15-17	263,600	243,913	278,325
	AAA	9.000	3-15-18	531,887	488,173	561,598
	AAA	9.000	10-15-17	86,959	90,383	97,422
	AAA	11.500	5-15-19	30,264	31,759	33,603
	AAA	11.000	8-15-19	28,254	29,650	31,371
	AAA	11.000	7-15-19	230,681	239,764	258,434
	AAA	11.500	9-15-15	68,854	72,251	76,449
	AAA	11.000	9-15-19	90,330	93,631	99,504
	AAA	11.500	6-15-19	46,864	49,178	52,033
	AAA	10.500	8-15-19	161,906	166,814	162,664
	AAA	7.000	12-15-07	41,714	43,395	45,885
	AAA	11.250	10-15-15	55,642	57,876	61,206
	AAA	11.250	8-15-15	49,973	51,986	54,970
	AAA	11.250	11-15-15	22,922	23,845	25,214
	AAA	11.250	11-15-15	103,713	107,893	114,084
	AAA	11.250	9-15-15	41,869	43,556	46,056
	AAA	11.250	9-15-15	77,321	79,873	85,053
	AAA	11.250	8-15-15	16,973	17,657	18,670
	AAA	11.250	9-15-15	22,773	23,691	25,050
	AAA	11.250	1-15-16	31,990	33,276	35,188
	AAA	11.250	11-15-15	59,084	61,466	64,993
	AAA	11.250	9-15-15	27,374	28,477	30,112
	AAA	11.250	9-15-15	38,950	40,520	42,845
	AAA	11.250	10-15-15	54,531	56,728	59,984
	AAA	11.250	10-15-15	500,993	520,328	531,052
	AAA	9.500	7-15-21	474,969	481,203	490,106
	AAA	8.000	5-15-07	252,603	263,339	253,786
	AAA	7.000	10-15-08	282,777	295,855	284,190
	AAA	7.500	9-15-22	269,488	281,868	270,749
	AAA	7.000	2-15-09	76,391	0	78,205
	AAA	8.000	3-15-25	19,519,444	18,502,298	19,208,304
	AAA	7.000	11-15-24	27,233,454	25,752,636	26,799,354
	AAA	7.000	6-15-24	14,000,000	14,560,000	14,511,840
	AAA	8.500	8-21-25	10,000,000	10,315,625	10,221,800
	AAA	8.000	8-21-25	10,000,000	8,010,000	8,010,000
	AAA	6.000	8-24-25	10,000,000	9,871,875	9,871,800
	AAA	5.500	8-24-25	13,450,000	13,992,753	14,000,509
	AAA	8.500	3-15-25	5,220,000	5,472,844	5,467,950
	AAA	9.000	7-15-25	9,950,000	10,047,781	10,139,647
	AAA	7.500	7-15-25	39,475,312	39,574,000	40,215,472
	AAA	6.500	5-20-23	865,944	864,320	881,236
	AAA	6.500	7-20-24	29,450,618	29,810,062	29,966,006
	AAA	7.000	1-20-25	13,257,123	13,420,811	13,489,124
	AAA	7.000	2-20-25	350,000	355,359	338,517
	AAA	6.125	7-15-03	1,500,000	1,500,234	1,542,900
	AAA	8.250	11-15-96	500,000	484,675	540,010
	AAA	8.250	4-15-42			
<b>TENNESSEE VALLEY AUTHORITY</b>						
<b>TOTAL FEDERAL AGENCY</b>				<b>1,436,203,440</b>	<b>1,230,617,062</b>	<b>1,275,929,583</b>
<b>TOTAL GOVERNMENT OBLIGATIONS</b>				<b>2,113,708,440</b>	<b>1,896,415,889</b>	<b>1,960,614,347</b>

Corporate Obligations

FINANCE	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
ADVANTA CREDIT CARD MASTER TRUST	AAA	6.592	12-15-98	3,000,000	3,000,938	3,000,930
AETNA LIFE & CASUALTY COMPANY	AAA	7.250	8-15-23	150,000	129,140	136,790
ALLSTATE CORPORATION	AAA	6.750	6-15-03	250,000	224,225	246,830
AMERICAN AIRLINES PASS THRU	AAA	7.450	11-26-96	1,186,000	1,186,000	1,198,690
AMERICAN EXPRESS TRUST	AAA	6.600	5-15-00	400,000	398,480	401,872
AMERICAN GENERAL FINANCE	AAA	7.000	10-1-97	8,500,000	8,579,600	8,626,905
AMR CORPORATION	AAA	7.600	1-27-97	9,500,000	9,788,895	9,618,560
ASSOCIATES CORP. OF NORTH AMERICA	AAA	7.480	1-29-97	3,000,000	3,079,140	3,032,250
	AAA	6.750	7-15-97	1,860,000	1,852,653	1,875,643
	AAA	6.750	10-15-99	3,000,000	2,805,390	3,023,370
	AAA	5.875	8-15-97	500,000	497,935	495,375
	AAA	12.000	5-1-20	1,510,000	2,243,288	2,209,055
AUBURN HILLS TRUST	AAA	5.500	4-1-00	250,000	227,035	238,755
AVCO FINANCIAL SERVICES INC.	AAA	7.250	8-1-02	360,000	357,152	366,412
BANC ONE CORPORATION	AAA	7.550	11-15-97	4,500,000	4,662,000	4,615,290
BANC ONE CREDIT CARD MASTER TRUST	AAA	10.300	9-1-00	3,227,000	3,255,075	3,245,652
BANK OF BOSTON CORPORATION						

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Corporate Obligations

FINANCE (Cont.)	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
BANKAMERICA CORPORATION	AAA	9.700	8-1-00			
BANKERS TRUST CO. OF NEW YORK	AAA	4.700	7-1-96	500,000	574,190	561,395
BEAR STEARNS MORTGAGE CAPITAL	AAA	9.000	1-25-21	6,000,000	5,826,060	5,915,040
CASE EQUIPMENT LOAN TRUST	AAA	4.400	11-15-98	20,588	19,945	21,257
CFAC REMIC TRUST MANUFACTURED HOUSING	AAA	9.250	5-15-98	3,950,218	3,928,616	3,925,964
CHASE MANHATTAN CREDIT CARD	AAA	8.750	8-15-99	602,798	644,861	624,456
CHASE MORTGAGE FINANCE CORP.	AAA	7.000	7-25-24	5,000,000	4,995,750	5,107,800
CHEMICAL MORTGAGE SECURITIES	AAA	6.250	2-25-23	749,918	760,229	746,468
CHRYSLER FINANCIAL CORP.	AAA	8.125	12-15-96	8,560,377	8,585,776	8,501,482
CIGNA CORPORATION	AAA	6.625	8-15-00	1,120,000	1,119,070	1,144,158
CIRCUIT CITY CREDIT CARD	AAA	8.750	10-1-01	300,000	309,108	1,144,158
CITIBANK NEW YORK	AAA	8.000	11-15-99	160,000	172,386	298,914
CITICORP	AAA	9.000	1-1-17	300,000	302,484	314,811
CITICORP BANKING CORP.	AAA	9.500	11-1-16	9,976,699	10,163,763	10,076,466
CITICORP EURO	AAA	9.500	2-1-02	8,776,714	9,349,943	9,083,899
CITICORP MORTGAGE SECURITIES INC. REMIC	AAA	6.125	7-10-97	250,000	296,425	283,438
	AAA	6.300	11-26-97	7,000,000	6,205,000	6,967,170
	AAA	10.500	6-1-19	1,000,000	853,500	960,900
	AAA	7.000	11-1-12	1,261,140	1,271,781	1,350,404
	AAA	7.163	11-25-18	2,788,831	2,813,234	2,777,815
	AAA	7.410	5-25-19	2,872,902	2,872,902	2,872,902
	AAA	9.500	7-25-18	2,062,674	2,051,716	2,051,701
	AAA	9.500	11-1-04	9,454,394	9,643,482	9,808,934
	AAA	7.250	4-23-17	6,003,679	5,892,986	6,045,464
	AAA	9.400	8-1-16	288,790	296,551	288,247
	AAA	9.400	9-20-17	5,440,138	5,827,573	5,724,005
	AAA	9.400	1-20-17	7,055,629	7,559,450	7,437,057
	AAA	10.200	2-1-16	27,186,336	27,959,448	27,925,262
	AAA	8.050	4-20-17	7,625,059	7,691,473	8,168,344
	AAA	11.450	9-1-15	3,421,487	3,430,383	3,432,162
	AAA	10.000	5-15-09	4,094,110	4,369,034	4,339,757
	AAA	9.875	6-15-96	300,000	349,890	375,657
	AAA	8.250	4-15-99	2,300,000	2,489,405	2,363,319
	AAA	6.746	11-25-24	250,000	249,673	260,095
	AAA	6.746	12-15-00	3,831,173	3,873,675	3,920,937
	AAA	5.950	9-25-06	4,298,094	4,286,006	4,292,120
	AAA	7.875	8-25-19	5,245,733	5,324,419	5,355,526
	AAA	9.500	6-22-04	368,936	357,580	385,708
	AAA	7.760	3-1-98	7,000,000	6,992,300	7,405,230
	AAA	6.000	7-21-95	150,000	154,374	148,745
	AAA	6.548	3-18-97	3,900,000	3,761,063	3,898,362
	AAA	7.810	7-25-22	2,500,000	2,710,925	2,552,550
	AAA	7.185	3-25-24	1,205,302	1,242,214	1,214,341
	AAA	4.583	9-1-21	4,125,408	4,023,562	3,977,141
	AAA	7.797	12-25-23	1,316,389	1,354,235	1,325,841
	AAA	7.776	6-25-22	3,625,702	3,736,413	3,643,830
	AAA	7.501	12-22-02	4,318,027	4,350,413	4,358,487
	AAA	7.937	9-25-22	1,929,279	1,995,598	1,995,588
	AAA	0.000	3-25-23	5,837,735	5,896,113	5,866,924
	AAA	0.000	5-25-23	6,035,748	6,243,227	6,096,106
	AAA	7.401	11-25-22	4,719,130	4,881,350	4,754,523
	AAA	8.950	4-20-18	3,077,085	3,155,935	3,084,777
	AAA	7.900	9-15-07	303,743	298,427	302,412
	AAA	5.250	11-13-96	2,000,000	2,029,063	2,061,180
	AAA	6.557	1-25-19	3,200,000	3,029,250	3,190,720
	AAA	8.200	11-15-96	3,467,123	3,554,882	3,415,463
	AAA	6.250	4-16-01	5,000,000	5,077,000	5,137,500
	AAA	6.900	8-15-01	2,520,000	2,521,181	2,520,781
	AAA	8.700	7-18-95	1,635,000	1,633,723	1,654,914
	AAA	8.125	7-1-04	3,000,000	3,091,620	3,002,340
	AAA	6.350	10-15-98	33		



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Corporate Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>FINANCE (Cont.)</b>						
GENERAL MOTORS ACCEPTANCE (Cont.)	AAA	5.150	9-21-95	5,000,000	4,966,350	4,986,100
	AAA	6.050	4-19-96	21,000,000	20,597,700	20,989,290
	AAA	6.750	4-25-97	5,775,000	5,738,098	5,818,140
	AAA	7.750	7-18-96	32,000,000	31,909,440	32,529,600
	AAA	7.250	3-14-97	10,000,000	10,053,700	10,153,100
	AAA	5.700	12-22-97	1,000,000	996,310	983,400
	AAA	8.900	3-13-96	2,000,000	2,163,780	2,036,300
	AAA	7.750	1-28-97	1,000,000	1,028,790	1,022,050
	AAA	7.250	2-15-96	1,300,000	1,361,542	1,307,865
	AAA	6.500	4-22-96	10,000,000	10,004,660	10,009,400
	AAA	8.750	2-1-96	5,850,000	6,272,640	5,926,694
	AAA	5.600	4-15-19	1,541,920	1,527,674	1,532,283
GREEN TREE FINANCIAL CORPORATION	AAA	7.389	1-25-23	4,352,064	4,417,345	4,371,083
GREENWICH CAPITAL ACCEPTANCE	AAA	7.419	4-25-23	1,374,289	1,401,346	1,383,731
	AAA	7.647	1-25-22	2,076,010	2,134,397	2,081,200
	AAA	7.428	10-25-22	15,781,688	16,107,290	15,830,927
	AAA	7.171	4-25-24	12,806,500	13,078,638	13,014,606
	AAA	11.000	12-1-15	1,865,717	1,895,459	1,869,915
GUARANTEED MORTGAGE CORP.	AAA	7.235	2-25-20	300,619	297,988	213,439
GUARDIAN S & L HUNTINGTON	AAA	6.578	1-25-19	1,568,457	1,591,984	1,348,873
	AAA	7.657	5-25-20	1,078,875	1,082,920	766,001
	AAA	6.485	7-25-18	2,955,615	2,987,019	2,630,498
	AAA	7.468	2-25-20	304,078	305,599	215,896
	AAA	7.637	3-25-20	1,240,396	1,249,699	880,681
	AAA	7.813	1-25-21	780,448	792,154	600,945
	AAA	8.449	8-25-19	826,594	642,676	832,793
	AAA	6.650	11-20-12	68,533	70,203	67,719
HOME EQUITY LOAN TRUST CLOSE END FUND	AAA	6.650	4-15-12	2,613,800	2,613,800	2,573,756
HOME LOAN INVESTMENTS ASSOCIATION	AAA	6.700	6-15-02	10,000,000	10,000,000	9,934,600
HOUSEHOLD FINANCE CORP.	AAA	6.700	6-15-02	4,495,488	4,501,107	4,501,107
HOUSING SECURITIES INC.	AAA	7.671	5-25-25	4,495,488	7,030,942	7,043,938
	AAA	7.500	4-26-21	7,015,455	1,232,839	1,272,762
	AAA	8.800	1-25-17	1,268,007	247,413	274,558
	AAA	8.625	4-15-01	250,000	247,413	17,933,836
IMPERIAL SAVINGS & LOAN ASSOCIATION	AAA	6.577	3-25-24	17,761,902	17,384,460	17,933,836
IRELAND REPUBLIC EURO	AAA	7.364	11-25-01	2,880	2,826	2,927
KIDDER PEABODY ACCEPTANCE CORP.	AAA	7.364	11-25-01	2,880	2,826	2,927
LB MORTGAGE TR MULTICLASS	AAA	8.375	4-1-97	250,000	267,160	256,570
LEHMAN BROTHERS HOLDINGS	AAA	5.040	12-15-03	5,000,000	4,787,350	4,911,450
LEHMAN BROTHERS INC.	AAA	5.250	4-30-97	3,000,000	2,959,500	2,976,000
MANUFACTURERS HANOVER TRUST	AAA	9.250	4-1-07	4,000,000	4,000,000	3,642,480
MARITRANS CAPITAL CORP.	AAA	8.000	6-1-07	200,000	196,274	213,188
MERRILL LYNCH & COMPANY	AAA	8.164	4-25-23	8,000,000	8,056,250	8,240,000
MERRILL LYNCH MORTGAGE INVESTORS INC.	AAA	8.139	4-25-23	3,000,000	2,976,094	3,075,930
	AAA	6.100	6-29-49	4,900,000	3,874,750	3,868,060
	AAA	7.375	2-1-02	150,000	142,202	154,728
MIDLAND BANK	AAA	7.375	2-1-02	150,000	142,202	154,728
MORGAN GUARANTY TRUST CO.	AAA	9.000	10-20-07	4,857,831	4,991,422	4,942,844
MORGAN J P ACCEPTANCE TRUST	AAA	9.900	3-1-18	10,159,908	9,792,042	10,991,700
MORTGAGE BANKERS FINANCIAL CORP.	AAA	9.500	7-1-18	12,033,793	11,850,388	12,635,482
	AAA	6.350	10-25-18	2,764,023	2,791,663	2,719,108
	AAA	9.000	4-1-18	8,150,276	7,747,565	8,738,563
MORTGAGE OBLIGATION STRIPPED TRUST	AAA	13.750	12-1-05	314,000	338,728	337,895
MORTGAGE SECURITIES III TRUST	AAA	8.481	3-31-99	5,277,623	5,238,414	4,637,712
MUNICIPAL FINANCE AUTHORITY	AAA	8.100	3-1-02	100,000	99,911	106,415
NAFIN FINANCE TRUST II	AAA	8.100	3-1-02	100,000	99,911	106,415
NBD BANCORP INC.	AAA	9.375	9-15-09	360,000	405,644	419,674
NCNB CORPORATION	AAA	8.500	8-15-98	500,000	496,765	528,295
NORWEST FINANCIAL INC.	AAA	6.175	9-1-18	568,819	584,017	563,842
P-B CMO TRUST FOUR REMIC	AAA	7.900	12-30-23	8,000,000	7,069,360	7,692,880
PACIFIC MUTUAL LIFE INSURANCE	AAA	6.250	6-15-98	300,000	302,283	293,754
PAIN WEBBER GROUP INC.	AAA	8.437	11-1-00	4,195,557	4,234,890	4,251,903
PATTEN CORPORATION REMIC TRUST	AAA	4.650	2-2-99	1,075,977	1,053,785	1,058,493
PREMIER AUTO TRUST	AAA	6.500	11-2-97	8,000,000	7,989,610	8,044,960
	AAA	4.750	2-2-00	550,000	528,859	540,716
	AAA	7.450	12-15-99	730,000	739,239	756,689
PRIME CREDIT CARD MASTER TRUST	AAA	7.450	12-15-99	730,000	739,239	756,689
PRUDENTIAL HOME FIFTEEN-YEAR MORTGAGE	AAA	7.400	5-25-07	12,049,032	12,233,533	12,030,115
PRUDENTIAL HOME MORTGAGE SECURITIES	AAA	8.310	5-25-23	4,494,825	4,632,479	4,632,456
REPUBLIC NEW YORK CORP.	AAA	7.750	5-15-09	100,000	94,633	106,210
RESIDENTIAL FUNDING MORTGAGE SECURITIES	AAA	6.100	3-25-19	4,846,071	4,678,730	4,678,687
	AAA	8.114	2-25-07	1,736,346	1,786,808	1,757,547
	AAA	6.434	3-25-25	54,447,040	55,289,268	55,604,040
	AAA	8.625	1-15-21	700,000	759,172	846,013
RESOLUTION FUNDING CORP.	AAA	7.787	2-25-20	2,140,247	2,160,642	1,498,171
RESOLUTION TRUST CORP. INC.	AAA	7.407	2-25-20	2,819,572	2,819,572	2,726,160
RESOLUTION TRUST CORPORATION MORTGAGE MULTICLASS	AAA	0.000	5-25-19	4,000,884	4,040,893	4,000,884
RESOLUTION TRUST CORPORATION MORTGAGE PASS THRU	AAA	9.450	1-25-26	9,099,053	9,872,472	9,372,024
	AAA	5.448	1-25-21	1,102,491	1,106,626	1,058,392
	AAA	6.675	4-25-21	537,223	537,811	540,581
RESOLUTION TRUST CORPORATION REMIC	AAA	6.764	12-25-20	6,776,679	6,842,446	6,782,981
	AAA	6.600	5-25-24	57,458	0	57,458
RESOLUTION TRUST CORPORATION	AAA	7.500	8-25-23	489,299	502,526	482,111

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Corporate Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>FINANCE (Cont.)</b>						
RESOLUTION TRUST CORPORATION (Cont.)	AAA	7.225	5-25-24	21,865,276	21,865,276	22,070,152
RESOLUTION TRUST CORPORATION MORTGAGE	AAA	7.275	3-25-20	1,202,410	1,208,790	1,212,173
RESORTS INTERNATIONAL FINANCING INC.	AAA	16.625	9-1-04	5,000,000	0	0
RURAL ELECTRIC COOP GRANTOR TRUST	AAA	9.580	12-15-19	8,000,000	8,252,240	8,932,080
RYLAND ACCEPTANCE CORP.	AAA	9.850	2-1-19	9,815,925	10,292,137	10,573,616
RYLAND MORTGAGE SECURITIES CORP.	AAA	6.921	3-25-22	1,828,137	1,850,418	1,848,704
	AAA	7.490	12-29-31	185	162	188
SALOMON BROTHERS MORTGAGE SECURITIES VII	AAA	7.129	12-25-21	3,194,152	3,224,097	3,219,098
SALOMON BROTHERS	AAA	6.586	1-25-18	972,168	973,383	966,695
SALOMON BROTHERS MORTGAGE SECURITIES	AAA	4.970	2-15-96	7,000,000	6,846,770	6,936,020
	AAA	7.197	11-25-24	4,589,618	4,675,673	4,681,410
	AAA	11.500	9-1-15	1,525,032	1,672,332	1,666,998
	AAA	7.000	2-1-17	442,206	384,996	439,102
SALOMON INC.	AAA	8.347	6-25-22	4,096,557	4,168,247	4,168,247
	AAA	6.343	3-25-24	6,180,025	6,212,857	6,265,001
	AAA	8.950	8-1-95	1,000,000	1,093,740	1,001,400
	AAA	6.550	12-26-95	13,000,000	12,885,270	13,003,380
	AAA	6.010	8-7-95	50,000,000	50,000,000	49,962,000
	AAA	7.400	3-28-96	20,000,000	20,097,400	20,136,000
	AAA	6.375	2-5-96	6,000,000	6,000,000	5,994,300
	AAA	5.260	2-10-99	1,000,000	947,690	899,340
	AAA	6.100	8-12-98	1,000,000	939,410	976,970
	AAA	5.750	11-18-97	1,500,000	1,417,005	1,462,560
SEARS CREDIT ACCOUNT TRUST	AAA	8.770	2-23-98	1,000,000	1,016,410	1,043,680
SEARS MORTGAGE SECURITIES CORPORATION REMIC	AAA	5.750	3-31-98	1,000,000	948,490	971,220
SEARS MORTGAGE SECURITIES CORP.	AAA	7.750	9-15-96	8,000,000	8,218,750	8,134,960
SEC PACIFIC NATIONAL BANK	AAA	8.150	3-25-22	2,324,630	2,378,750	2,380,560
SECURED FINANCE INC.	AAA	7.940	6-25-22	1,803,192	1,827,986	1,805,446
SECURITY PACIFIC NATIONAL BANK	AAA	10.500	1-1-18	848,770	856,525	899,696
SHEARSON LEHMAN BROTHERS	AAA	9.050	12-15-04	12,000,000	13,193,650	13,667,640
SHEARSON LEHMAN SECURITIES INC.	AAA	5.689	3-1-18	977,121	898,951	898,951
SIGNET CREDIT CARD MASTER TRUST	AAA	6.350	10-16-96	8,000,000	7,956,800	7,933,600
SOUTHWEST SAVINGS ASSOCIATION	AAA	6.601	1-1-19	2,214,567	2,262,318	2,196,562
SPIEGEL CHARGE ACCOUNT TRUST	AAA	4.850	4-15-00	1,615,000	1,585,034	1,585,720
STANDARD CREDIT CARD MASTER TRUST	AAA	5.825	12-31-18	294,448	295,984	293,803
	AAA	6.950	12-17-01	600,000	636,000	606,186
SUNTRUST BANKS INC.	AAA	8.000	8-7-96	5,000,000	5,351,563	5,092,150
TEXACO CAPITAL INC.	AAA	6.750	6-7-00	1,450,000	1,447,970	1,467,212
TMS HOME EQUITY LOAN TRUST	AAA	7.375	7-1-02	110,000	110,409	113,995
TOLEDO EDISON COMPANY	AAA	9.000	11-15-96	400,000	441,738	414,236
TOYOTA MOTORS CREDIT CORP.	AAA	8.400	2-15-24	2,000,000	2,013,438	2,102,500
UBS MORTGAGE TRUST	AAA	9.300	4-1-98	3,500,000	3,807,405	3,580,535
UCC INVESTORS HOLDINGS INC.	AAA	6.800	4-15-98	2,500,000	2,499,025	2,545,850
UNION FEDERAL SAVINGS BANK	AAA	0.000	6-1-20	33,929	483,484	427,650
WESTERN FEDERAL SAVINGS & LOAN	AAA	10.500	5-1-02	3,050,000	3,114,075	3,111,000
	AAA	11.000	5-1-03	1,200,000	1,226,250	1,225,500
	AAA	4.875	2-15-00	2,842,312	2,752,157	2,781,003
	AAA					



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Corporate Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>INDUSTRIAL AND MISCELLANEOUS (Cont.)</b>						
EASTMAN CHEMICAL	AAA	7.250	1-15-24	8,500,000	7,165,925	8,286,140
EMERSON CAPITAL CORPORATION	N/A	10.500	7-1-08	770,000	770,000	978,254
ENRON CORPORATION	AAA	6.750	7-1-05	250,000	250,598	245,040
EXXON CAPITAL CORPORATION	AAA	7.875	8-15-97	165,000	179,302	170,282
FBC MORTGAGE SECURITIES	N/A	8.000	9-1-16	1,693,160	1,543,366	1,703,743
FEDERAL EXPRESS CORPORATION	AAA	10.000	9-1-98	250,000	268,303	274,238
FIRST PV FUNDING CORPORATION	AAA	10.150	1-15-16	4,800,000	4,020,000	4,938,000
FLEET NORSTAR FINANCIAL GROUP INC.	N/A	9.800	10-30-95	5,400,000	5,813,370	5,752,674
FORD CAPITAL	AAA	10.125	11-15-00	200,000	236,108	229,254
FORD HOLDINGS INC.	AAA	9.250	7-15-97	241,000	268,961	254,296
FORD MOTOR COMPANY	N/A	9.090	5-1-96	10,000,000	10,384,000	10,217,800
FORT HOWARD CORPORATION	AAA	9.000	9-15-01	150,000	161,831	166,538
FORT HOWARD CORPORATION	AAA	9.250	3-15-01	300,000	283,125	295,500
FPL FUELS INC.	AAA	9.000	2-1-06	5,755,000	4,973,652	5,237,050
GENERAL ELECTRIC CAPITAL	AAA	8.800	4-1-96	5,280,000	6,834,643	6,858,567
GENERAL ELECTRIC CREDIT	N/A	8.800	4-1-96	5,280,000	5,370,077	5,388,874
GENERAL MEDICAL CORPORATION	N/A	7.650	8-26-96	11,200,000	11,191,600	11,196,416
GENERAL MOTORS ACCEPTANCE	AAA	8.650	5-1-18	3,000,000	3,063,090	3,057,240
GENERAL MOTORS CORPORATION	N/A	8.000	3-1-02	2,499,133	2,477,124	2,530,373
GEORGIA PACIFIC CORP.	AAA	10.875	8-15-03	1,200,000	1,182,000	1,242,000
GMAC MORTGAGE KGKOG MORTGAGE POOL	AAA	8.875	6-1-10	8,500,000	9,151,250	9,782,735
HANNA MA COMPANY	AAA	8.800	3-1-21	200,000	212,025	226,536
HARCOURT GENERAL INC.	AAA	8.800	2-15-97	2,500,000	2,516,000	2,546,150
HARRIS CHEMICAL NORTH AMERICA	AAA	7.625	6-15-97	2,000,000	2,112,100	2,119,520
HERTZ CORPORATION	AAA	9.850	3-15-22	300,000	300,660	333,927
HUNTSMAN CORPORATION	AAA	9.625	3-15-22	300,000	23,697	23,489
INTERNATIONAL CABLETEL	N/A	5.018	12-1-97	23,697	14,976	14,976
ITALY REPUBLIC	AAA	9.000	9-15-98	2,300,000	2,421,440	2,456,561
JENKINS EMPIRE ASSOCIATES	AAA	9.000	6-1-02	250,000	248,570	264,343
K-MART CORPORATION	AAA	8.250	10-15-03	5,000,000	4,819,746	4,675,000
KELLOGG COMPANY	AAA	10.750	10-15-03	5,000,000	4,819,746	4,675,000
LITTON INDUSTRIES INC.	AAA	6.625	7-15-00	250,000	1,600,000	1,748,000
LOUISIANA POWER & LIGHT	AAA	11.000	4-15-04	1,600,000	998,500	1,048,000
MARKS BROTHERS JEWELERS INC.	AAA	0.000	10-15-03	1,600,000	519,173	572,528
MARTIN MARIETTA CORP.	AAA	6.875	9-27-23	11,102,926	10,991,896	10,654,367
MAXUS ENERGY CORPORATION	N/A	6.840	8-1-08	250,000	260,755	257,755
MAYFAIR SUPER MARKETS INC.	AAA	8.125	12-1-06	360,000	359,100	358,506
MERRILL LYNCH & COMPANY	AAA	5.900	7-15-97	4,950,000	5,446,287	5,157,900
MFS COMMUNICATIONS INC.	AAA	12.625	7-1-05	1,250,000	1,391,013	1,391,013
MID-AMERICAN WASTE SYSTEM	N/A	10.320	1-31-99	1,250,000	10,000,000	8,000,000
NABISCO INC.	AAA	12.220	5-31-02	10,000,000	10,000,000	10,000,000
NATIONWIDE CSN TRUST	AAA	9.000	3-1-03	250,000	268,043	279,048
NERCO INC.	AAA	9.375	11-1-03	660,000	608,850	610,500
NEWS AMERICA HOLDINGS INC.	AAA	9.375	11-1-03	660,000	608,850	610,500
OCCEANTAL PETROLEUM CORP.	AAA	9.875	10-15-02	300,000	282,375	286,500
OLYMPIA & YORK 237 PARK AVENUE	AAA	11.750	3-30-03	1,150,000	1,024,313	1,288,000
OSI SPECIALTIES HOLDINGS	AAA	7.500	12-18-95	10,000,000	9,985,375	10,070,200
PAGING NETWORK INC.	AAA	0.000	1-15-04	3,805,000	2,218,556	2,644,475
PENN CENTRAL CORPORATION	AAA	12.250	2-15-03	300,000	303,750	306,750
PENNEY J. C. COMPANY INC.	AAA	8.300	4-15-99	500,000	528,400	524,370
PEPSICO INC.	AAA	6.850	6-15-05	2,300,000	2,259,980	2,266,512
PETRO CANADA	N/A	12.220	2-15-25	3,000,000	2,961,210	3,221,250
PHILIP MORRIS COMPANIES INC.	AAA	9.650	6-1-99	5,000,000	5,097,000	5,486,000
PHILIP MORRIS CREDIT CORP.	AAA	8.250	8-10-18	1,970,000	1,717,032	2,022,993
PHILLIPS ELECTRONICS	AAA	8.250	12-15-01	9,085,000	11,065,530	10,247,335
PHILLIPS PETROLEUM COMPANY	AAA	12.000	12-15-01	9,085,000	4,430,070	4,405,050
RALSTON PURINA COMPANY	AAA	5.950	11-9-98	4,500,000	2,000,000	1,998,940
ROCKWELL INTERNATIONAL CO.	AAA	6.812	11-4-99	2,000,000	2,000,000	18,808,530
ROGERS CABLESYSTEMS LIMITED	AAA	11.750	3-15-11	17,400,000	19,255,486	5,617,443
SAFERCO PRODUCTS	N/A	7.635	3-20-99	9,362,405	9,287,642	674,500
SALOMON INC.	AAA	7.000	4-15-04	950,000	543,828	455,000
SEAGRAM JOSEPH E. & SONS	AAA	0.000	4-15-04	500,000	437,500	455,000
SEARS ROEBUCK & COMPANY	AAA	8.875	2-1-06	500,000	15,652,215	13,706,415
	AAA	10.875	5-1-11	13,500,000	15,652,215	13,706,415
	AAA	6.000	5-1-11	222,000	198,794	303,258
	AAA	6.000	5-1-11	222,000	306,894	163,506
	AAA	7.000	11-15-96	300,000	160,565	5,121,100
	AAA	8.600	10-15-01	150,000	160,565	5,121,100
	AAA	8.600	10-15-01	150,000	160,565	5,121,100
	AAA	8.750	7-1-96	5,000,000	5,175,800	268,303
	AAA	8.750	7-1-96	5,000,000	5,175,800	268,303
	AAA	8.250	10-15-03	250,000	251,175	7,076,510
	AAA	7.125	8-15-02	7,000,000	6,806,060	3,538,371
	N/A	10.500	7-1-08	2,785,110	2,785,110	374,646
	N/A	10.500	7-1-08	2,785,110	2,785,110	374,646
	AAA	8.375	9-15-06	500,000	488,395	552,265
	AAA	8.490	1-1-23	10,000,000	10,832,700	10,296,500
	AAA	9.300	5-1-21	140,000	162,869	161,623
	AAA	7.875	2-15-05	250,000	1,176,188	1,170,125
	AAA	10.125	9-1-12	1,150,000	3,995,760	4,520,720
	AAA	9.630	5-31-00	4,000,000	6,992,160	7,722,540
	AAA	9.460	5-31-99	7,000,000	508,870	246,223
	AAA	9.000	8-6-96	500,000	229,145	295,800
	AAA	7.000	4-15-08	250,000	257,413	4,276,476
	AAA	9.375	11-1-11	4,050,000	4,504,694	
	AAA	9.250	8-1-97	4,050,000	4,504,694	

BONDS, CORPORATE NOTES & PREFERRED STOCK

INVESTMENT LISTING

Corporate Obligations	Moody's Quality Rating	Coupon Rate	Maturity Date	Par Value	Book Value	Market Value
<b>INDUSTRIAL AND MISCELLANEOUS (Cont.)</b>						
SEARS ROEBUCK & COMPANY (Cont.)	AAA	9.250	4-15-98	26,860,000	29,988,384	28,789,086
SHELL OIL COMPANY	AAA	6.950	12-15-98	250,000	249,578	254,623
SKW REAL ESTATE LIMITED PARTNERSHIP	AAA	7.050	4-15-02	4,000,000	3,999,720	3,993,720
STONE CONTAINER CORP.	AAA	10.750	10-1-02	2,180,000	2,162,256	2,283,550
	AAA	12.625	7-15-98	200,000	207,250	217,000
	AAA	9.875	2-1-01	750,000	697,656	743,438
TEACHERS INSURANCE & ANNUITY	AAA	11.500	10-1-04	395,000	392,164	417,713
TELECOMMUNICATIONS INC.	N/A	7.050	12-1-98	250,000	252,813	269,375
TENNECO INC.	AAA	9.800	8-20-14	13,423,915	13,497,747	12,954,078
THRIFTY PAYLESS INC.	AAA	10.000	2-1-12	1,375,000	1,484,986	1,511,895
	AAA	11.750	3-15-08	250,000	279,843	309,143
TIME WARNER INC.	AAA	12.250	4-15-04	800,000	800,000	844,000
TOTAL RENAL CARE INC.	AAA	11.000	8-15-02	1,400,000	1,459,500	1,438,500
UNION CARBIDE CHEMICALS	AAA	0.000	8-15-04	52,600,000	46,117,064	51,811,000
UNIROYAL CHEMICAL INC.	AAA	8.750	8-1-22	750	534,780	683
UNITED AIR LINES INC.	AAA	9.000	8-1-22	300,000	304,665	324,000
	N/A	11.560	9-1-00	300,000	282,375	295,500
WAL MART STORES INC.	N/A	11.560	5-27-06	17,707,628	18,951,944	21,107,492
WILMINGTON TRUST COMPANY CHRYSLER CAPITAL	AAA	5.875	5-27-06	16,795,048	17,979,436	20,091,917
	N/A	10.732	10-15-05	250,000	249,163	233,705
WILMINGTON TRUST COMPANY CILCORP LEASE	N/A	10.732	1-1-13	984,697	984,697	960,079
WILMINGTON TRUST COMPANY MWR CAPITAL	N/A	10.732	1-1-13	329,297	329,297	321,065
WILMINGTON TRUST COMPANY NORTHERN LEASE	N/A	10.732	1-1-13	639,498	639,498	623,510
WILMINGTON TRUST COMPANY PHILIP MORRIS	N/A	10.732	1-1-13	633,428	633,428	617,592
WILMINGTON TRUST COMPANY U. S. WEST	N/A	10.732	1-1-13	950,142	950,142	926,389
TOTAL INDUSTRIALS AND MISCELLANEOUS	N/A	10.732	1-1-13	3,156,213	3,156,213	3,077,307
				1,234,149	1,234,149	1,203,295
				452,992,561	455,611,113	461,960,695
<b>PUBLIC UTILITIES</b>						
BALTIMORE GAS & ELECTRIC	AAA	6.125	7-1-03	300,000	294,702	286,125
BOSTON EDISON COMPANY	AAA	9.375	8-15-21	270,000	307,584	296,301
COMMONWEALTH EDISON CO.	AAA	9.170	10-15-02	10,000,000	11,118,500	11,035,700
CONSOLIDATED EDISON CO.	AAA	7.625	3-1-04	500,000	541,650	526,125
CONSUMERS POWER COMPANY	AAA	8.750	2-15-98	250,000	275,438	262,043
CTC MANSFIELD FUNDING CORP.	AAA	10.250	3-30-03	6,250,000	6,693,313	6,375,000
DUKE POWER COMPANY	AAA	6.250	5-1-04	300,000	292,125	291,357
HOUSTON LIGHT & POWER CO.	AAA	7.625	3-1-97	250,000	249,878	254,730
JERSEY CENTRAL POWER	AAA	6.375	5-1-03	100,000	99,160	97,585
MOUNTAIN STATES TELEPHONE	AAA	5.500	5-1-00	200,000	238,351	224,446
NATIONAL AUSTRALIA BANK	AAA	6.587	10-29-49	6,000,000	4,882,500	4,920,000
OHIO EDISON COMPANY	AAA	9.700	10-15-98	1,850,000	2,010,247	2,025,158
RURAL ELECTRIC COOP GRANTOR LEASE	AAA	8.750	6-15-22	250,000	243,625	254,415
SOUTHERN CALIFORNIA EDISON	AAA	9.730	12-15-17	4,000,000	4,214,770	4,404,320
SOUTHERN CALIFORNIA GAS CO.	AAA	7.500	4-15-99	250,000	247,110	258,140
TEXAS UTILITIES ELECTRIC	AAA	8.750	10-1-21	350,000	359,709	377,797
TRANSCONTINENTAL GAS PIPE	AAA	8.125	2-1-02	250,000</		



INVESTMENT LISTING

BONDS, CORPORATE NOTES & PREFERRED STOCK

Preferred Stocks

	Par Value	Book Value	Market Value
<b>PREFERRED STOCKS - DOMESTIC</b>	90,000	2,866,179	4,095,000
CELLULAR COMMUNICATION	25,000	625,000	1,037,500
GRANITE BROADCASTING CORPORATION	80,000	2,017,280	1,680,000
TOLEDO EDISON COMPANY	1,000	0	0
CHALK LINE HOLDINGS INC.	177,226	0	0
CHALK LINE HOLDINGS INC.	15,207	380,175	380,175
COUNTY SEAT STORES INC.	48,521	398,439	398,439
COUNTY SEAT HOLDINGS INC.	83,333	1,499,994	1,499,994
CHAMPION HEALTHCARE CORP.			
<b>TOTAL PREFERRED STOCKS - DOMESTIC</b>	<b>520,287</b>	<b>7,787,067</b>	<b>9,091,108</b>
<b>PREFERRED STOCKS - INTERNATIONAL</b>	150	112,909	107,832
BOSS AG HUGO	2,566,000	745,753	682,373
CENTRAIS ELETR BRA-ELETROBRAS	6,097,000	248,316	240,889
CESP - CIA ENERGETICA	10,119,000	252,328	197,701
CIA ENERGETICA DE MINAS	5,000,000	912,318	754,369
COMPANIA VALE DO RIO DOCE	5,830	346,672	336,011
CREDITANSTALT BANK	2,500	858,689	840,799
GROHE (FRIEDRICH)	3,400	993,660	761,506
HEILIT AND WOERNER	1,800	1,029,651	2,418,900
HORNBAACH HOLDINGS	8,100	903,900	874,901
JAGENBERG AKTIENGESELLSCHAFT	13,200	249,606	771,479
NOKIA	505	2,617,671	3,252,409
ROCHE HOLDING BASEL GENUSSSCHEINE	692	261,040	57,038
SAMSUNG ELECTRONIC	300	167,375	379,958
SAP	22,300,000	926,189	733,409
TELEBRAS	400	301,185	316,451
WELLA			
<b>TOTAL PREFERRED STOCKS INTERNATIONAL</b>	<b>46,118,877</b>	<b>10,927,262</b>	<b>12,726,024</b>

FOREIGN OBLIGATIONS

Foreign Government Obligations

	Coupon Rate	Maturity Date	Book Value	Market Value
<b>AUSTRALIA (COMMONWEALTH OF)</b>				
AUSTRALIA (GOVERNMENT OF)	13.000			
AUSTRALIA TREASURY BILL	12.000	7-15-00	3,409,915	3,149,700
AUSTRIA GOVERNMENT BOND	6.750	11-15-01	15,019,050	14,282,120
BELGIUM (GOVERNMENT OF)	0.000	11-15-06	14,672,248	13,743,799
BELGIUM (KINGDOM OF)	6.250	9-27-95	4,735,631	4,611,645
	8.750	10-16-03	6,810,689	11,009,310
	8.500	6-25-02	12,645,228	14,752,433
	8.000	10-1-07	1,232,598	1,474,479
	9.000	12-24-12	2,723,669	2,736,093
	7.250	7-30-98	2,820,994	3,408,660
	6.070	4-29-04	1,790,068	2,093,647
	7.000	10-10-95	1,940,649	1,940,649
	6.875	11-6-01	39,196,956	39,471,452
	6.500	5-12-05	10,373,822	10,316,945
	7.375	7-15-03	18,827,138	20,168,946
	6.250	1-3-05	23,324,116	23,725,380
	7.500	1-4-24	43,263,912	42,622,312
	5.750	11-11-04	53,934,364	53,037,260
	8.500	3-1-99	1,341,055	1,379,722
	7.500	3-1-00	2,294,261	2,265,449
	10.500	7-1-97	2,459,878	2,493,267
	7.750	7-1-00	1,995,096	2,104,003
	6.500	9-1-99	1,818,677	1,924,594
	9.000	6-1-04	6,819,088	6,943,191
	9.750	12-1-04	10,280,735	11,033,191
	8.250	6-1-01	1,543,811	1,598,079
	6.000	3-1-97	2,248,619	2,223,088
	0.000	2-10-99	4,971,000	4,970,500
	0.000	9-21-95	5,912,795	5,961,377
	0.000	7-27-95	1,844,924	1,984,400
	13.750	1-18-96	2,418,913	2,720,490
	8.000	9-21-99	1,713,575	1,649,965
	8.000	5-15-03	19,851,736	20,260,080
	9.000	3-15-06	532,718	634,283
	7.000	11-15-98	2,345,138	2,683,355
	9.000	12-15-04	20,491,826	21,066,826
	8.000	11-15-00	28,127,932	30,013,770
	8.250	1-21-02	766,762	766,924
	7.125	9-20-01	20,076,160	23,300,338
	8.000	12-20-99	5,655,519	7,485,008
	7.250	7-22-02	27,636,786	31,907,058
	8.500	10-1-04	2,281,962	2,626,250
	8.500	11-25-02	5,260,566	5,354,874
	4.750	4-25-23	4,352,613	4,482,022
	7.750	4-12-99	3,017,139	3,491,124
	6.750	4-12-00	3,877,988	3,903,033
	6.750	10-25-04	13,278,544	15,064,348
	6.000	10-25-03	6,699,546	6,762,909
	8.500	10-25-25	5,557,065	5,478,701
	8.250	10-25-08	18,644,532	18,709,768
	8.500	2-27-04	5,384,180	7,105,127
	0.000	12-26-12	10,847,102	11,897,473
	9.500	10-25-19	810,190	777,473
	7.000	6-25-98	12,278,152	13,932,130
	8.500	11-12-99	5,403,809	6,062,486
	0.000	11-12-97	289,533	321,042
	0.000	4-25-98	3,910,479	5,132,955
	6.000	12-21-95	4,323,347	4,404,085
	7.500	2-20-98	5,866,556	6,134,470
	8.500	6-15-99	2,642,179	2,981,103
	9.000	3-15-01	9,171,748	11,218,703
	8.500	7-1-00	3,786,405	4,526,411
	6.500	8-1-04	4,294,037	4,265,753
	6.750	12-1-01	4,000,000	4,000,000
	6.500	7-1-01	1,000,000	1,000,000
	6.500	12-1-95	2,000,000	2,000,000
	6.500	3-1-98	1,000,000	1,000,000
	9.000	6-30-04	5,000,000	5,000,000
	12.000	10-1-98	18,106,392	16,806,538
	8.500	5-18-99	1,497,463	1,404,368
	9.500	8-1-99	7,028,049	6,944,333
	12.000	12-1-99	9,791,341	9,527,108
	9.000	1-1-03	937,500	912,685
	8.500	10-1-96	4,670,348	4,618,954
	8.500	1-1-99	11,299,880	11,024,302
	9.500	8-1-97	4,391,269	4,486,743
	9.000	1-1-05	8,521,554	8,341,005
	8.500	10-1-03	10,524,697	8,740,122
	8.500	1-1-04	3,451,234	3,774,904

INVESTMENT LISTING



**INVESTMENT LISTING**  
**FOREIGN OBLIGATIONS**

**Foreign Government Obligations**

	Coupon Rate	Maturity Date	Book Value	Market Value
<b>JAPAN (GOVERNMENT OF)</b>				
	6.700	6-20-00	17,583,118	18,582,862
	5.700	6-20-02	3,510,275	3,723,121
	5.500	3-20-02	19,978,186	20,746,728
	3.600	6-20-05	15,795,946	16,160,015
	6.400	3-20-00	19,348,956	21,809,610
	6.600	6-20-01	9,265,207	9,854,024
	5.000	12-20-02	32,824,424	33,644,160
	4.800	12-20-02	9,027,000	8,953,200
	6.500	10-19-05	4,313,258	4,154,960
	11.500	9-20-00	7,809,644	9,235,407
<b>MALAYSIA</b>				
<b>MONTREAL (CITY OF)</b>				
<b>NETHERLANDS (GOVERNMENT OF)</b>				
<b>NETHERLANDS (GOVERNMENT OF)</b>				
<b>NETHERLANDS (DUTCH GOVERNMENT OF)</b>				
<b>NETHERLANDS (DUTCH STATE LOAN)</b>				
<b>NETHERLANDS (GOVERNMENT OF)</b>				
<b>NEW ZEALAND (GOVERNMENT OF)</b>				
<b>NEW ZEALAND (GOVERNMENT OF) DISC NOTE</b>				
<b>NOVA SCOTIA PROVINCE CANADA</b>				
<b>ONTARIO PROVINCE CANADA</b>				
<b>PORTUGAL REPUBLIC</b>				
<b>QUEBEC PROVINCE CANADA</b>				
<b>SASKATCHEWAN PROVINCE CANADA</b>				
<b>SWEDEN (GOVERNMENT OF)</b>				
<b>SWEDEN (KINGDOM OF)</b>				
<b>SPANISH GOVERNMENT</b>				
<b>SPAIN (GOVERNMENT OF)</b>				
<b>SPAIN (KINGDOM OF)</b>				
<b>STATE BANK OF NEW SOUTH WALES</b>				
<b>SWEDEN (KINGDOM OF)</b>				
<b>UNITED KINGDOM</b>				
<b>UNITED KINGDOM CONVERSION</b>				
<b>UNITED KINGDOM CONVERSION STOCK</b>				
<b>UNITED KINGDOM CONVERSION STOCK</b>				
<b>UNITED KINGDOM GREAT BRITAIN</b>				
<b>UNITED KINGDOM TREASURY</b>				
<b>UNITED KINGDOM TREASURY</b>				
<b>UNITED KINGDOM TREASURY STOCK</b>				
<b>UNITED KINGDOM TREASURY (INDEX)</b>				
<b>TOTAL FOREIGN GOVERNMENT OBLIGATIONS</b>			<b>1,057,211,445</b>	<b>1,098,331,331</b>
<b>INTERNATIONAL CORPORATE OBLIGATIONS</b>				
<b>ABBEY NATIONAL TREASURY</b>				
<b>ABN-AMRO TOKYO 48 HOUR CALL</b>				
<b>AMERICAN TELEPHONE &amp; TELEGRAPH</b>				
<b>AMERITECH CORPORATION DISCOUNT NOTES</b>				
<b>ANZ-AUSTRALIA &amp; NEW ZEALAND 48 HOUR CALL</b>				
<b>ARGYLL GROUP</b>				
<b>ASSOCIATES CORP. OF NORTH AMERICA</b>				
<b>AUTOBAHNEN-UND SCHNELLSTER FINANCIAL</b>				
<b>BANCA COMMERCIAL MILAN 48 HOUR CALL</b>				
<b>BANCO NACIONAL DE COMERCIO</b>				
<b>BANK OF MONTREAL 48 HOUR CALL</b>				
<b>BANESTO FINANCE LIMITED</b>				
<b>BANQUE INDOSUEZ PARIS TIME DEPOSIT</b>				
<b>BAYERISCHE VEREINS</b>				
<b>BELL CANADA EURO</b>				
<b>BRINSON PARTNERS JAPAN ONLY</b>				
<b>CAISSE NATIONALE DES TELECOMM</b>				
<b>CANADIAN NATIONAL RAILROAD</b>				
<b>CANADIAN WHEAT BOARD DISC NOTE</b>				
<b>CAPITAL ONE BANK</b>				
<b>CARTER HOLT HARVEY LIMITED</b>				
<b>CERTIFICADOS DE LA TESOBO</b>				

**FOREIGN OBLIGATIONS**

**INVESTMENT LISTING**

**International Corporate Obligations**

	Coupon Rate	Maturity Date	Book Value	Market Value
<b>CITICORP</b>				
<b>COCA COLA COMMERCIAL PAPER</b>				
<b>COMMONWEALTH BANK OF AUSTRALIA</b>				
<b>CURRENCY REALIZED GAIN</b>				
<b>CREDIT LYONNAIS</b>				
<b>DEUTSCHE BANK GENUSS SCHERN</b>				
<b>DIAMOND CABLE COMMUNICATION</b>				
<b>DRESDNER BANK</b>				
<b>EUROFINA</b>				
<b>EUROFINA BONDS</b>				
<b>EUROPEAN INVESTMENT BANK</b>				
<b>EUROPEAN INVESTMENT BANK</b>				
<b>EXPORT IMPORT BANK OF JAPAN</b>				
<b>FIRST BANK SYSTEM INC.</b>				
<b>GENERAL ELECTRIC CAPITAL CORP.</b>				
<b>GENERAL MOTORS ACCEPTANCE CORP.</b>				
<b>GMAC CANADA</b>				
<b>GREENWICH CAPITAL</b>				
<b>HEWLETT PACKARD CO. DISCOUNT NOTES</b>				
<b>HYDRO QUEBEC</b>				
<b>INDUSTRIES FINANCIAL CORP.</b>				
<b>INTERNATIONAL BANK FOR RECON &amp; DEVELOPMENT</b>				
<b>INTERNATIONAL FINANCE CORP.</b>				
<b>KANSALLIS-OSAKE-PANKKI</b>				
<b>KFW INTERNATIONAL FINANCE</b>				
<b>KOREA ELECTRIC POWER CORP.</b>				
<b>LIDLAW INC.</b>				
<b>MANITOBA PROVINCE CANADA</b>				
<b>MIDLAND BANK</b>				
<b>NACIONAL FINANCIERA</b>				
<b>NACIONAL FINANCIERA</b>				
<b>NEW SOUTH WALES TREASURY CORP.</b>				
<b>NEW SOUTH WALES TREASURY CORP. DISCOUNT</b>				
<b>NORDIC INVESTMENT BANK</b>				
<b>NORSK HYDRO</b>				
<b>NORTHERN TELECOM LIMITED</b>				
<b>NORTHUMBRIAN WATER</b>				
<b>OKOBANK</b>				
<b>PITNEY BOWES CREDIT</b>				
<b>PROCTOR &amp; GAMBLE DISCOUNT NOTES</b>				
<b>QUEENSLAND TREASURY CORP.</b>				
<b>RAYTHEON DISCOUNT NOTES</b>				
<b>RJR NABISCO INC. MEDIUM TERM NOTES</b>				
<b>RTC 1992-15 CLASS A-2A REMIC</b>				
<b>SAXON</b>				
<b>SKANDINAVISKA ENSKILDA</b>				
<b>SWEDBANK</b>				
<b>SWEDBANK SPARBANKEN</b>				
<b>SWEDISH EXPORT CREDIT CORP.</b>				
<b>SWEDISH EXPORT CREDIT CORP.</b>				
<b>TREASURY CORPORATION OF VICTORIA</b>				
<b>TREUHANDANSTALT</b>				
<b>UNION BANK OF NORWAY</b>				
<b>TOTAL INTERNATIONAL CORPORATE OBLIGATIONS</b>			<b>303,311,544</b>	<b>281,895,427</b>
<b>TOTAL FOREIGN OBLIGATIONS</b>			<b>1,360,522,989</b>	<b>1,380,226,758</b>



INVESTMENT LISTING

Short Term Investments	Par Value	Book Value	Market Value
ABBOTT LABORATORIES	6,500,000	6,304,025	6,304,025
ACCRUED INTEREST AND DIVIDENDS	1	112,119,601	112,119,601
ALBERTA PROVINCE	1,000,000	990,869	990,869
AMERITECH CORP.	9,300,000	9,152,829	9,152,829
AT&T COMPANY	2,700,000	2,662,650	2,662,650
	12,000,000	11,713,189	11,713,189
	3,200,000	3,110,877	3,110,877
	2,600,000	2,534,203	2,534,203
BELLSOUTH TELECOMMUNICATIONS	5,600,000	5,458,597	5,458,597
BRINSON PARTNERS INTERNATIONAL	632,163	37,926,108	38,539,792
BRITISH PROVINCE OF COLUMBIA	6,300,000	6,201,537	6,201,537
	5,000,000	4,843,750	4,843,750
	3,300,000	3,202,071	3,202,071
	4,900,000	4,670,797	4,670,797
	22,500,000	21,726,126	21,726,126
CANADIAN TREASURY BILLS	10,000,000	9,740,000	9,740,000
	8,300,000	8,135,135	8,135,135
	3,900,000	3,814,453	3,814,453
CANADIAN WHEAT BOARD	2,825	2,701,267	2,802,965
CERTIFICADOS DE LA TESOBORO	6,000	5,854,135	5,941,200
	6,000	5,212,355	5,929,200
	2,023	1,914,813	1,999,129
CHEVRON OIL FINANCE COMPANY	4,000,000	3,981,520	4,070,406
COCA-COLA COMPANY	4,200,000	4,070,406	4,070,406
COMMONWEALTH BANK OF AUSTRIA	12,000,000	11,813,690	11,813,690
	7,000,000	6,930,934	6,930,934
DUPONT EL DENEMOURS & COMPANY	1,700,000	1,627,314	1,627,314
	2,500,000	2,426,476	2,426,476
	4,500,000	4,366,900	4,366,900
	3,200,000	3,154,591	3,154,591
	3,700,000	3,640,084	3,640,084
ELECTRICITE DE FRANCE	600,000	595,190	595,190
EMERSON ELECTRIC COMPANY	4,200,000	4,185,423	4,185,423
EXPORT DEVELOPMENT CORP.	7,000,000	6,950,419	6,950,419
FORD MOTOR CREDIT COMPANY	2,000,000	1,969,950	1,969,950
GENERAL ELECTRIC CAPITAL	3,400,000	3,375,837	3,375,837
	5,000,000	4,766,722	4,766,722
HEWLETT PACKARD COMPANY	5,900,000	5,824,662	5,824,662
	2,200,000	2,170,009	2,170,009
	5,000,000	4,938,847	4,938,847
	4,000,000	3,977,145	3,977,145
ILLINOIS CENTRAL RAILROAD	8,000,000	7,954,345	7,954,345
KFW INTERNATIONAL FINANCE	4,125,000	4,077,245	4,077,245
KIMBERLY CLARK CORPORATION	7,000,000	6,684,347	6,684,347
LILLY ELI & COMPANY	7,200,000	7,157,304	7,157,304
MOTOROLA INC.	5,000,000	4,924,041	4,924,041
	1,000,000	995,710	995,710
NATIONAL RURAL UTILITIES	21,000,000	20,698,294	20,698,294
CORPORATE FINANCE	2,600,000	2,573,787	2,573,787
	2,500,000	2,463,063	2,463,063
	1,300,000	1,278,105	1,278,105
NEW SOUTH WALES TREASURY	8,000,000	7,915,662	7,915,662
	800,000	779,666	779,666
ONTARIO HYDRO	7,000,000	6,893,303	6,893,303
PITNEY BOWES CREDIT CORP.	7,500,000	7,387,500	7,387,500
PROCTER & GAMBLE COMPANY	1,000,000	988,180	988,180
	1,500,000	1,484,565	1,484,565
	11,800,000	11,697,340	11,697,340
	6,100,000	6,054,379	6,054,379
PROVINCE OF ONTARIO	3,500,000	3,475,061	3,475,061
ROCKWELL INTERNATIONAL COMPANY	5,000,000	4,947,300	4,947,300
SPRINT CAPITAL CORP.	5,000,000	4,867,603	4,867,603
UNION OIL COMPANY OF CALIFORNIA	5,000,000	4,968,070	4,968,070
UNIVERSAL OIL PRODUCTS	6,900,000	6,803,722	6,803,722
U.S. WEST COMMUNICATIONS	7,900,000	7,763,980	7,763,980
	7,100,000	7,014,438	7,014,438
	1,900,000	1,886,392	1,886,392
WARNER LAMBERT COMPANY	4,000,000	3,925,877	3,925,877
	6,000,000	5,911,297	5,911,297
WESTERN AUSTRALIA TREASURY	336,925,568	336,925,568	336,925,568
HARRIS BANK COLLECTIVE INVEST.	-5,100,000	-5,176,337	-5,163,750
UNITED STATES TREASURY NOTES (SALE)	-30,461,313	-30,392,544	-30,392,544
UNITED STATES TREASURY NOTES (SALE)	-26,350,000	-26,350,000	-26,350,000
VARIOUS OPTION CONTRACTS	-2,010	-28,712,404	-49,550,407
<b>TOTAL SHORT TERM INVESTMENTS</b>	<b>651,047,570</b>	<b>776,901,583</b>	<b>757,748,544</b>

Currency Investments	Book Value	Market Value
AUSTRALIAN DOLLAR	3,829,133	3,747,366
AUSTRIAN SCHILLING	311,254	313,584
BELGIUM FRANC	2,003,477	2,019,898
BRAZILIAN CRUZEIRO	6,269	6,181
BRITISH POUND	11,447,336	11,402,426
CANADIAN DOLLAR	1,119,607	1,115,929
DANISH KRONE	237,996	244,902
EUROPEAN CURRENCY UNIT	158	177
FINNISH MARKA	16,000	16,517
FRENCH FRANC	21,492,767	21,855,779
GERMAN DEUTSCHE MARK	17,930,159	18,154,875
HONG KONG DOLLAR	5,569,586	5,567,215
ILLINOIS TEACHERS CUSTOM CASH	11,629,425	11,629,425
INDONESIAN RUPIAH	9,550	9,340
INTERNATIONAL PARTICIPATING UNITS	-7,760,869	-8,480,694
IRISH POUND	1,633,733	1,634,232
ITALIAN LIRA	9,111,945	9,320,727
JAPANESE YEN	10,935,828	11,509,044
MALAYSIAN RINGGIT	2,885,563	2,981,884
MEXICAN PESO	1,701	939
NETHERLANDS GUILDER	1,509,382	1,531,346
NEW ZEALAND DOLLAR	3,131,180	3,131,210
NORWEGIAN KRONE	141,309	142,288
OPEN FORWARD EXCHANGE CONTRACTS	0	-13,773,544
PORTUGUESE ESCUDO	3,883	4,057
SINGAPORE DOLLAR	204,441	208,568
SPANISH PESETA	1,052,740	1,058,519
SWEDISH KRONE	-5,019	-2,788
SWISS FRANC	132,506	134,377
THAILAND BAHT	42,173	42,093
VARIOUS OPTION CONTRACTS	-11,279,446	-1,938,139
<b>TOTAL CURRENCY INVESTMENTS</b>	<b>87,343,764</b>	<b>83,587,732</b>

COMMON STOCK

Domestic	Shares	Book Value	Market Value
<b>AEROSPACE AND DEFENSE</b>			
BOEING COMPANY	120,800	5,949,903	7,565,100
ELECTROMAGNETIC SCIENCES	156,100	1,022,341	2,400,038
KAMAN CORPORATION	77,200	951,478	984,300
LORAL CORPORATION	162,402	4,283,252	8,404,304
MCDONNELL DOUGLAS CORP.	23,400	1,235,617	1,795,950
NORTHROP GRUMMAN CORP.	100,726	4,144,725	5,250,343
RAYTHEON COMPANY	69,700	3,187,779	5,410,463
ROCKWELL INTERNATIONAL	179,300	5,145,334	8,202,975
ROHR INC.	15,800	205,578	227,125
TEXTRON INC.	130,717	7,109,571	7,597,926
UNITED TECHNOLOGIES CORP.	77,800	4,324,637	6,078,125
<b>AUTOMOBILES AND AUTO PARTS</b>			
AUTOLIV	29,000	888,259	1,549,247
AUTOMOTIVE INDUSTRIES HOLDINGS INC.	17,000	421,817	461,125
AUTOZONE INC.	47,000	1,075,635	1,180,875
BEVERLY ENTERPRISES INC.	280,500	3,695,648	3,471,188
CAPCO AUTOMOTIVE PRODUCTS	116,600	1,269,287	903,650
CHRYSLER CORPORATION	4,800	212,688	229,800
COACHMEN INDUSTRIES INC.	160,500	1,867,037	2,447,625
DANA CORPORATION	110,000	2,593,704	3,148,750
DORSEY TRAILERS INC.	43,900	486,173	351,200
EATON CORPORATION	32,000	1,747,459	1,860,000
ECHLIN CORPORATION	4,500	160,012	156,375
FEDERAL-MOGUL CORPORATION	152,800	2,782,764	2,788,600
FORD MOTOR COMPANY	608,100	15,250,375	18,090,976
GENERAL MOTORS CORPORATION	463,300	20,292,526	21,717,188
GENUINE PARTS COMPANY	90,000	3,351,250	3,408,750
LEAR SEATING CORPORATION	100,700	1,739,261	2,303,513
SPX CORPORATION	19,100	257,449	217,263
STANDARD MOTOR PRODUCTS	126,800	2,096,134	2,567,700
TBC CORPORATION	225,000	2,613,044	2,418,750
WABASH NATIONAL CORP.	112,800	3,202,784	3,510,900
<b>BANKING AND FINANCE</b>			
AFLAC INC.	157,700	5,418,459	6,899,375
ALEXANDER & ALEXANDER SERVICES	86,300	1,243,643	2,060,413
AMERICAN EXPRESS COMPANY	386,300	10,235,795	13,617,075
AMERICAN INTERNATIONAL GROUP	50,000	1,837,500	2,425,000
BANC ONE CORPORATION	371,400	26,341,556	42,339,600
BANK OF BOSTON CORPORATION	112,000	2,949,799	3,612,000
BANK OF NEW YORK COMPANY	64,500	2,200,803	2,418,750
BANKAMERICA CORPORATION	126,700	3,628,722	5,115,513
BANKERS TRUST NEW YORK	214,103	6,996,962	11,267,171
BARNETT BANKS INC.	155,000	9,143,161	9,610,000
BAYBANKS INC.	28,000	1,287,579	1,438,500
BEAR STEARNS COMPANIES INC.	34,100	1,566,688	2,702,425
BENEFICIAL CORPORATION	108,552	1,903,463	2,320,299
BOATMANS BANCSHARES INC.	9,400	414,070	413,600
BRINSON PARTNERS EX-DEX	10,700	325,294	377,175
CAPITAL GUARANTY CORP.	951,741	169,192,352	230,015,728
CHASE MANHATTAN CORP.	171,200	3,243,136	3,081,600
CHEMICAL BANKING CORP.	125,600	4,273,101	5,903,200
CITICORP	158,600	6,398,889	7,493,850
CMAC INVESTMENT CORP.	276,900	11,911,561	16,025,588
COLLECTIVE BANCORP INC.	76,800	1,997,620	3,331,200
COMERICA INC.	5,000	97,842	101,250
CONCORD EFS INC.	110,000	3,439,877	3,533,750
CORESTATES FINANCIAL CORP.	6,050	100,750	161,838
CREDIT ACCEPTANCE CORP.	2,700	86,562	93,488
CRESTAR FINANCIAL CORPORATION	11,600	215,294	237,800
DEAN WITTER DISCOVER & CO.	22,000	914,275	1,078,000
DIME BANCORP INC.	86,538	3,167,280	4,067,286
EDWARDS A. G. INC.	227,197	2,044,966	2,271,970
FAIR ISSAC & CO.	20,000	436,279	450,000
FIRST AMERICAN	1,800	38,003	53,550
CORPORATION OF TENNESSEE			
FIRST BANK SYSTEM INC.	185,300	5,659,197	6,647,638
FIRST CHICAGO CORPORATION	3,200	133,072	131,200
FIRST COMMERCE CORP.	71,900	2,554,688	4,305,013
FIRST FEDERAL FINANCIAL CORP.	5,700	147,300	168,150
FIRST FIDELITY BANCORP	53,400	756,457	780,975
FIRST INTERSTATE BANCORP	40,001	1,643,161	2,360,059
FIRST OF AMERICA BANK CORP.	24,300	1,936,826	1,950,075
FIRST TENNESSEE NATIONAL	123,900	4,408,851	4,599,788
FIRST UNION CORP.	11,000	496,654	510,125
FLEET FINANCIAL GROUP INC.	77,100	3,157,687	3,488,775
	66,000	2,058,999	2,450,250

INVESTMENT LISTING

Domestic	Shares	Book Value	Market Value
FOOTHILL GROUP INC.	16,600	238,959	423,300
GATX CORPORATION	69,200	2,738,400	3,261,050
GENERAL ACCEPTANCE CORP.	1,900	42,671	51,775
GLENDALE FEDERAL BANK	175,662	1,901,436	2,195,775
GOLDEN WEST FINANCIAL CORP.	1,300	60,658	61,263
GREAT WESTERN FINANCIAL	211,500	4,081,739	4,362,188
GREEN TREE FINANCIAL CORP.	133,200	4,589,760	5,910,750
GREENPOINT FINANCIAL CORP.	6,500	155,131	153,563
GTECH HOLDINGS CORP.	134,800	2,586,323	3,942,900
HOUSEHOLD INTERNATIONAL	122,600	3,568,647	6,068,700
INTEGRA FINANCIAL CORP.	80,400	3,649,980	3,909,450
KEY CORP.	4,800	144,744	150,600
LEHMAN BROTHERS HOLDINGS	12,600	247,905	275,625
MARSH & MCLENNAN COMPANIES	4,800	379,440	389,400
MBNA CORP.	35,000	1,187,419	1,181,250
MELLON BANK CORPORATION	183,900	6,562,655	7,654,838
MERRILL LYNCH & CO. INC.	78,900	3,806,106	4,142,250
MORGAN J. P. & COMPANY INC.	15,400	707,245	721,875
N S BANCORP INC.	8,600	600,635	603,075
NATIONAL RE CORPORATION	2,700	85,212	83,700
NATIONS BANK CORPORATION	3,400	95,200	113,900
NBD BANCORP INC.	85,100	4,253,733	



INVESTMENT LISTING

COMMON STOCK

Domestic	Shares	Book Value	Market Value
MALLINCKRODT GROUP INC.	21,300	746,565	756,150
MONSANTO COMPANY	186,000	10,922,356	16,763,250
MORTON INTERNATIONAL INC.	233,100	6,806,066	6,818,175
OLIN CORPORATION	44,600	1,936,340	2,296,900
OM GROUP INC.	81,400	1,715,204	2,319,900
OSI SPECIALTIES HOLDINGS	950	0	10
PALL CORPORATION	30,800	684,633	685,300
SHERWIN WILLIAMS COMPANY	140,400	4,190,752	5,001,750
UNION CARBIDE CORPORATION	30,600	999,780	1,025,100
UNIROYAL CHEMICAL CORP.	32,150	381,753	353,650
VERSA TECHNOLOGIES INC.	133,700	1,741,884	1,938,650
<b>CONGLOMERATES</b>			
AIRTOUCH COMMUNICATIONS	152,400	4,022,679	4,343,400
ALLIED SIGNAL INC.	430,000	15,585,715	19,135,000
AMERADA HESS CORPORATION	77,400	3,664,792	3,782,925
AMERICA ONLINE INC.	3,700	103,243	162,800
ARMSTRONG WORLD INDUSTRIES	123,900	5,100,765	6,210,488
BEST PRODUCTS COMPANY INC.	171,600	1,105,020	1,383,439
BON-TON STORES INC.	146,200	1,307,614	1,525,889
BROOKTREE CORPORATION	48,348	381,066	834,003
BWP HOLDINGS INC.	132,300	2,360,975	2,447,550
C. BREWER HOMES INC.	99,100	1,183,715	545,050
C. R. BARD INC.	17,100	496,755	513,000
CALDOR CORPORATION	19,000	342,950	339,625
CAMBRIDGE TECH PARTNERS	2,100	53,025	69,300
CHALK LINE HOLDINGS	2,856	0	0
CORNING INCORPORATED	120,000	3,938,577	3,930,000
COUNTY SEAT HOLDINGS INC.	90,273	601,820	1,606,547
COVENTRY CORP.	107,400	1,177,970	1,517,025
DAMES & MOORE INC.	229,900	3,263,889	2,988,700
DIAL CORPORATION	18,100	439,830	447,975
EMCOR GROUP INC.	375	0	0
ETHAN ALLEN INTERIORS INC.	138,000	3,223,605	2,449,500
FIRST DATA CORP.	86,000	3,296,562	4,891,250
H & R BLOCK INC.	132,431	4,905,908	5,429,671
ITT CORPORATION	57,600	5,160,807	6,768,000
KOHL'S CORP.	3,400	165,104	155,125
LEGGOTT & PLATT INC.	172,800	6,008,647	7,603,200
LOCKHEED MARTIN CORP.	146,300	6,073,388	9,235,188
LOEWS CORPORATION	53,200	5,031,168	6,437,200
MANPOWER INC.	12,200	318,103	311,100
MASCO CORP.	18,300	511,028	494,100
MEDPARTNERS INC.	42,500	851,819	818,125
MINERALS TECHNOLOGIES INC.	77,180	2,240,736	2,778,480
MINNESOTA MINING	275,000	12,953,755	15,778,126
& MANUFACTURING CO.	60,500	1,491,873	1,474,688
NEWELL COMPANIES INC.	114,100	2,178,905	2,495,938
ODGEN CORPORATION	83,000	3,568,224	5,031,875
OMNICOM GROUP	79,606	2,825,639	2,935,471
OWENS CORNING FIBERGLASS	77,864	1,438,822	1,528,081
PARKER & PARSLEY PETE CO.	1,100	22,755	30,250
PEAK TECHNOLOGIES GROUP	50,300	1,989,670	2,238,350
PHI CORPORATION	22,700	851,449	984,613
PMI GROUP INC.	-6,000	0	-132,000
PROMUS HOTEL CORPORATION	119,000	747,690	580,125
QLOGIC CORPORATION	129,000	2,421,463	1,902,750
RIVAL COMPANY	50,000	1,011,060	1,281,250
ROBERT HALF INTERNATIONAL	70,515	140,890	15,513
SEALY HOLDINGS INC.	140,000	3,731,700	4,427,500
SERVICE CORPORATION INTERNATIONAL	350,000	4,879,643	5,950,000
SHAW INDUSTRIES INC.	129,600	1,201,694	1,474,200
SHELBY WILLIAMS INDUSTRIES	90,000	1,170,000	877,500
SITHE ENERGIES INC.	109,985	1,043,305	838,636
STANLEY FURNITURE INC.	252,342	4,391,552	3,564,331
SUNBEAM CORP.	301,137	2,144,297	3,651,286
TERRA INDUSTRIES INC.	102,600	2,892,483	3,591,000
TRINOVA CORPORATION	11,500	899,548	918,563
TRW INC.	3,000	52,325	78,750
U. S. DELIVERY SYSTEMS INC.	169,351	1,934,857	2,624,941
USA WASTE SERVICES INC.	9,100	206,324	216,125
USG CORPORATION	1,700	43,660	38,675
WACKENHUT CORRECTIONS CORP.	1,700	31,375	36,550
WHOLESALE CELLULAR USA INC.	149,900	4,781,305	4,253,413
WXM TECHNOLOGIES INC.	62,000	1,874,098	2,584,594
<b>CONSTRUCTION</b>			
ADVANTA CORPORATION	110,850	5,202,889	6,415,444
ANDREW CORPORATION	8,300	476,130	718,988
APPLIED MATERIALS INC.			

Domestic	Shares	Book Value	Market Value
APPLIED POWER INC.	194,100	3,552,514	5,604,638
BLACK & DECKER CORPORATION	32,000	933,034	988,000
CENTEX CONSTRUCTION	30,000	413,841	386,250
CONGOLEUM CORPORATION	158,000	2,054,000	2,113,250
CRANE COMPANY	15,300	418,624	554,625
KAUFMAN & BROAD HOME CORP.	123,100	1,612,492	1,784,950
LAFARGE CORPORATION	10,500	210,454	196,875
NATIONAL GYPSUM COMPANY	41,468	1,103,372	2,166,703
P P G INDUSTRIES INC.	121,600	2,543,955	5,213,600
PULTE CORPORATION	86,300	2,205,733	2,416,400
REDMAN INDUSTRIES INC.	60,000	1,221,880	1,305,000
STANLEY WORKS	23,000	853,102	871,125
<b>ELECTRICAL AND ELECTRONIC</b>			
ADT LIMITED	111,784	1,127,367	1,313,462
ADVANCED MICRO DEVICES	15,900	585,630	580,350
AFC CABLE SYSTEM INC.	55,500	852,038	1,082,250
ALPHA MICROSYSTEMS	166,000	458,730	202,354
AMP INC.	83,000	0	20,750
ANALOG DEVICES INC.	353,700	11,667,883	14,943,825
APPLE COMPUTER INC.	33,000	539,098	1,122,000
AUTOMATIC DATA PROCESSING	84,500	3,435,944	3,923,927
AVID TECHNOLOGY INC.	387,500	11,367,965	24,364,064
AVNET INC.	2,500	74,201	93,750
BANCTEC INC.	19,000	865,640	916,750
BEI ELECTRONICS INC.	45,550	521,892	711,719
BELDEN INC.	150,000	1,081,604	1,087,500
BMC SOFTWARE INCORPORATED	123,500	2,066,885	3,334,500
BRODERBUND SOFTWARE INC.	65,000	4,114,036	5,021,250
C. P. CLARE CORPORATION	44,300	2,424,320	2,824,125
CABLETRON SYSTEM INC.	1,200	22,700	24,000
CDW COMPUTER CENTERS INC.	532,950	24,395,572	28,379,590
CIRRUS LOGIC INC.	1,900	63,376	95,950
COMPAQ COMPUTER CORP.	88,800	4,159,937	5,566,606
COMPUTER ASSOCIATES	88,900	3,748,096	4,022,725
COMPUTER PRODUCTS INC.	134,700	9,131,312	9,092,250
COMPUTER SCIENCES CORP.	518,400	1,406,397	3,240,000
COMPUTER TASK GROUP INC.	94,800	2,111,334	5,391,750
CREATIVE COMPUTERS INC.	183,700	1,572,571	2,571,800
CYRIX CORPORATION	3,400	74,444	90,100
DH TECHNOLOGY INC.	37,000	939,127	892,625
DIAMOND MULTIMEDIA SYSTEM	97,442	1,037,712	2,679,655
DIGITAL EQUIPMENT CORP.	2,500	46,956	51,250
DISCREET LOGIC INC.	55,900	2,580,075	2,277,925
DOVER CORPORATION	1,100	28,817	36,300
EAGLE POINT SOFTWARE CORP.	13,000	815,615	945,750
ELECTROGLAS INC.	1,800	28,997	30,600
ELECTRONICA FOR IMAGING	1,200	35,400	68,700
EMERSON ELECTRIC COMPANY	1,800	64,479	94,050
EQUIFAX INC.	127,500	6,969,230	9,116,250
EVANS & SUTHERLAND COMPUTERS	140,000	4,172,475	4,655,000
FEDERAL SIGNAL CORPORATION	121,700	1,824,514	1,855,925
FIRST FINANCIAL MANAGEMENT	133,333	1,917,047	2,883,326
FTP SOFTWARE INC.	128,300	5,402,331	10,969,650
GATEWAY 2000 INC.	4,000	112,791	120,000
GENERAL ELECTRIC COMPANY	150,000	3,036,207	3,412,500
GENERAL INSTRUMENT CORP.	1,117,400	37,682,120	62,993,424
GENERAL MOTORS CORPORATION	157,700	5,048,714	6,032,025
GLOBAL VILLAGE COMMUNICATIONS	442,700	12,988,694	19,257,450
GRAINGER W. W. INC.	2,000	21,293	31,250
HADCO CORPORATION	15,000	704,427	881,250
HEWLETT PACKARD COMPANY	66,600	377,675	1,656,675
HONEYWELL INC.	386,500	17,103,964	28,794,250
INSO CORPORATION	85,700	2,981,598	3,695,813
INTEGRATED DEVICE TECHNOLOGY	1,300	55,025	77,675
INTEL CORPORATION	56,200	1,483,611	2,599,250
INTERNATIONAL BUSINESS MACHINES	769,800	27,606,354	48,737,576
JOHNSON CONTROLS INC.	169,400	13,174,545	16,262,400
KENT ELECTRONICS CORP.	95,100	4,938,786	5,373,150
LEGENT CORPORATION	85,800	492,953	3,238,950
LINEAR TECHNOLOGY CORP.	34,900	1,506,216	6,006,000
LOGICON INC.	91,000	3,227,011	1,820,050
LSI LOGIC CORPORATION	40,900	405,077	5,943,088
MACNEAL SCHWENDLER CORP.	151,900	4,097,856	3,220,000
MACROMEDIA INC.	230,000	2,379,201	103,800
MARK IV HOMES INC.	2,400	61,056	68,126
MAFAEE ASSOCIATES INC.	315,372	5,107,224	87,985
MDT CORPORATION	2,900	68,126	65,163
MEASUREX CORPORATION	103,700	679,870	3,143,813

COMMON STOCK

Domestic	Shares	Book Value	Market Value
MERISEL INC.	157,400	848,236	1,200,175
METHODE ELECTRONICS INC.	111,500	310,137	2,174,250
MICRO LINEAR CORPORATION	2,700	39,338	43,875
MICRO WAREHOUSE INC.	5,300	145,350	243,800
MICRON TECHNOLOGY INC.	25,000	1,184,000	1,375,000
MICROSEMI CORPORATION	205,000	447,425	1,793,750
MICROSOFT CORPORATION	81,000	2,649,303	7,320,375
MOLEX INC.	28,000	791,958	1,085,000
MOTOROLA INC.	447,800	23,167,454	30,058,576
NATIONAL COMPUTER SYSTEM	101,700	1,445,780	2,110,275
NATIONAL SEMICONDUCTOR CO.	1,900	53,020	52,725
NETMANAGE INC.	7,000	137,330	119,000
NEWPORT CORP.	152,300	1,372,960	1,427,813
NICHOLS RESEARCH CORP.	130,100	1,536,953	2,272,963
NORAND CORPORATION	1,800	66,025	73,350
NOVELL INC.	68,900	1,343,230	1,373,659
OAK INDUSTRIES INC.	118,800	3,045,589	3,059,100
PERKIN-ELMER CORPORATION	6,000	207,300	212,250
PERFORMANCE SYSTEMS INTERNATIONAL	600	8,400	9,112
QUANTUM CORPORATION	110,300	1,800,106	2,523,113
QUIXOTE CORPORATION	101,600	1,231,228	1,270,000
RADIUS INC.	100,000	1,170,144	1,100,000
RAYCHEM CORPORATION	7,200	255,960	275,400
RECOTON CORPORATION	3,500	58,625	68,250
SANMINA CORPORATION	2,100	56,015	79,800
SANTA CRUZ OPERATION INC.	100,000	582,363	837,500
SEAGATE TECHNOLOGY	2,900	116,087	114,550
SIERRA ON-LINE INC.	85,900	1,617,392	2,147,500
SILICON GRAPHICS INC.	122,600	4,146,315	4,888,675
SILICON VALLEY GROUP INC.	21,502	187,514	779,448
SOFTKEY INTERNATIONAL INC.	3,500	94,977	111,563
STERLING SOFTWARE INC.	55,900	1,079,242	2,152,150
STORAGE TECHNOLOGY CORP.	129,100	3,347,267	3,179,088
SUN MICROSYSTEMS INC.	58,300	1,859,211	2,827,550
SYSTEMS & COMPUTER TECHNOLOGIES	2,700	48,275	54,000
SYSTEMSOFT CORPORATION	2,100	28,578	30,450
TANDEM COMPUTERS INC.	4,000	67,120	64,500
TEAM INCORPORATED	101,600	873,694	171,399
TEKTRONIX INC.	110,000	5,008,714	5,417,500
TERADYNE INC.	13,800	680,197	902,175
TEXAS INSTRUMENTS INC.	42,400	4,227,770	5,676,300
THOMAS & BETTS CORPORATION	2,100	139,713	143,588
TRIAD SYSTEMS CORPORATION	134,000	709,133	963,058
TRIPOS INC.	38,000	200,528	237,500
TYCO INTERNATIONAL LIMITED	90,300	4,794,285	4,876,200
UNISYS CORPORATION	503,800	5,224,572	5,478,825
VLSI TECHNOLOGY INC.	143,000	1,909,482	4,307,875
VMARK SOFTWARE INC.	2,800	45,400	49,700
WANG LABORATORIES INC.	267,000	3,169,220	4,372,125
WATKINS JOHNSON COMPANY	5,600	206,888	249,200
WONDERWARE CORPORATION	1,800	54,425	72,450
WYLE ELECTRONICS	6,000	161,664	168,750
XEROX CORPORATION	38,700	3,760,123	4,537,575
<b>FOOD, SOAP, AND TOBACCO</b>			
ALEXANDER & BALDWIN INC.	64,400	1,613,307	1,432,900
AVON PRODUCTS INC.	142,100	6,757,090	9,520,700
BAUSCH & LOMB INC.	65,500	2,542,127	2,718,250
CAMPBELL SOUP COMPANY	91,500	4,212,379	4,483,500
COLGATE-PALMOLIVE COMPANY	253,500	16,220,383	18,537,188
CONAGRA INCORPORATED	21,500	710,575	749,813
CPC INTERNATIONAL INC.	89,300	5,020,484	5,514,275
DEAN FOODS COMPANY	18,300	513,890	512,400
DREYERS GRAND ICE CREAM INC.	256,703	8,496,893	7,476,475
DURACELL INTERNATIONAL	30,000	692,291	1,098,750
ESKIMO PIE CORPORATION	62,800	1,129,442	1,036,200
FLEMING COMPANIES INC.	106,900	2,750,420	2,832,850
GENERAL MILLS INC.	2,700	139,752	138,713
GILLETTE COMPANY	617,000	17,159,460	27,456,500
HEINZ H J COMPANY	44,700	1,552,618	1,983,563
IBP INC.	96,474	3,431,966	4,196,619
INTERSTATE BAKERIES CORP.	91,882	1,517,861	1,516,053
KELLOGG COMPANY	59,800	3,383,284	4,268,225
MAYBELLINE INC.	117,600	2,028,610	2,410,800
MCDONALDS CORPORATION	952,600	19,983,908	37,270,476
MCCORMICK & CO INC.	30,100	632,925	647,150
MARLBORO HOLDINGS CORPORATION	40,000	1,078,583	1,080,000



INVESTMENT LISTING

COMMON STOCK

Domestic	Shares	Book Value	Market Value
UPJOHN COMPANY	264,300	8,956,539	9,944,288
WARNER LAMBERT COMPANY	96,600	6,795,846	8,343,825
WELLPOINT HEALTH NETWORKS	30,000	852,550	847,500
<b>INSURANCE</b>			
20TH CENTURY INDUSTRIES	105,900	1,267,029	1,323,750
ACE LIMITED	21,900	560,016	635,100
AETNA LIFE & CASUALTY CO.	6,200	379,657	389,825
ALLIED LIFE FINANCIAL CO.	86,000	1,093,375	1,483,500
ALLSTATE CORPORATION	4,000	118,440	118,500
AMERICAN NATIONAL INSURANCE	1,300	82,173	79,300
AMERICAN TRAVELERS CORP.	202,100	2,176,579	3,562,013
AOON CORPORATION	205,000	5,675,907	7,636,250
CHANDLER INSURANCE LIMITED	160,000	1,058,712	760,000
CHUBB CORPORATION	6,700	551,914	536,838
CIGNA CORPORATION	4,800	356,746	372,600
CONSECO INC.	35,429	2,019,116	1,607,591
EQUITABLE IOWA COMPANIES	55,600	1,721,130	1,827,850
EXEL LIMITED	265,100	10,024,290	13,785,200
FIRST COLONY CORPORATION	36,300	864,482	871,200
GENERAL RE CORPORATION	91,400	10,099,663	12,236,175
JOHN ALDEN FINANCIAL CORP.	120,950	2,786,531	2,071,269
LIFE RE CORPORATION	132,200	3,308,598	2,462,225
LINCOLN NATIONAL CORPORATION	140,700	5,292,753	6,155,625
MID OCEAN LIMITED	149,500	4,166,016	4,727,938
NATIONAL INSURANCE GROUP	120,900	1,495,475	816,075
OHIO CASUALTY CORP.	67,569	2,069,301	2,128,424
PARTNERRE HOLDINGS LIMITED	86,991	1,829,249	2,272,640
PAUL REVERE CORPORATION	43,900	1,099,643	746,300
PROGRESSIVE CORPORATION	125,000	2,499,453	4,796,875
PXRE CORPORATION	95,402	2,344,325	2,241,947
RELIANCE GROUP HOLDINGS	219,500	1,706,252	1,426,750
SAFECO CORPORATION	16,000	837,684	918,992
ST. PAUL COMPANIES	102,700	4,266,591	5,057,975
TIG HOLDINGS INC.	193,000	4,601,711	4,439,000
TRANSAMERICA CORPORATION	226,900	8,861,989	13,216,925
TRANSATLANTIC HOLDINGS INC.	15,000	406,744	975,000
TRIAD GUARANTY INC.	9,200	165,425	193,200
USLIFE CORPORATION	150,000	5,378,784	6,037,500
WESTERN NATIONAL CORPORATION	366,400	4,585,844	4,534,200
<b>LEISURE AND ENTERTAINMENT</b>			
AMERICAN CLASSIC VOYAGES ASSOCIATED GROUP INC.	67,800	1,043,928	661,050
	110,750	1,990,371	1,910,438
	19,350	263,723	357,975
BAY NETWORKS INC.	294,700	11,201,780	12,193,213
BELL CABLEMEDIA	183,900	3,458,907	3,494,100
BRUNSWICK CORPORATION	40,000	747,000	680,000
CABLEVISION SYSTEM CORPORATION	112,900	6,525,663	7,197,375
CAPITAL CITIES ABC INC.	109,600	9,067,824	11,836,800
CARMIKE CINEMAS INC.	128,300	2,267,618	3,111,275
CARNIVAL CORPORATION	378,300	6,516,283	8,795,475
CBS INC.	38,000	2,167,788	2,546,000
CINERGI PICTURES ENTERTAINMENT	40,200	267,632	271,350
CIRCUS CIRCUS ENTERPRISES	215,000	6,354,356	7,578,750
CML GROUP INC.	177,600	1,353,627	1,398,600
CUC INTERNATIONAL INC.	61,100	2,219,743	2,573,838
GAYLORD ENTERTAINMENT CO.	115,500	1,897,090	2,916,375
GRIFFIN GAMING & ENTERTAINMENT	5	0	69
HARCOURT GENERAL INC.	15,300	641,776	650,250
HASBRO INC.	264,450	7,219,473	8,396,288
HOSPITALITY FRANCHISE SYSTEMS	64,900	1,968,286	2,247,163
HOST MARRIOTT CORPORATION	100,000	1,078,743	1,062,500
HUFFY CORPORATION	150,450	1,807,338	1,955,850
INFINITY BROADCASTING CORP.	26,600	522,169	887,775
INTERNATIONAL GAME TECHNOLOGIES	67,000	1,101,824	1,030,125
LANDRYS SEAFOOD RESTAURANT	3,800	57,272	76,000
LIN BROADCASTING CORPORATION	47,000	4,646,469	5,945,500
LIN TELEVISION CORPORATION	22,000	666,235	739,750
LONGHORN STEAKS INC.	114,600	1,038,484	1,633,050
MARRIOTT INTERNATIONAL INC.	360,900	10,272,233	12,947,288
MATTEL INC.	127,500	2,414,573	3,346,875
MEDALIST INDUSTRIES INC.	84,600	955,270	528,750
MIKOHN GAMING CORPORATION	37,600	316,537	202,100
MIRAGE RESORTS INC.	75,000	807,459	2,296,875
MORRISON RESTAURANTS INC.	78,348	1,855,672	1,880,352
MULTIMEDIA INC.	35,600	1,074,879	1,379,500
OUTBOARD MARINE CORPORATION	19,000	406,977	372,875
PICCADILLY CAFETERIAS INC.	119,400	1,114,462	1,044,750
PROMUS COS INC.	127,900	4,665,269	4,988,100

Domestic	Shares	Book Value	Market Value
REGAL CINEMAS INC.	3,400	80,531	108,800
RIO HOTEL & CASINO INC.	2,300	27,025	31,625
ROCK BOTTOM RESTAURANTS	1,200	27,488	35,100
SHONEYS INC.	17,200	202,543	202,100
SINCLAIR BROADCAST GROUP	10,800	239,298	302,400
SIZZLER INTERNATIONAL INC.	156,600	1,247,749	998,325
TCA CABLE TV INC.	56,704	1,059,025	1,531,008
TELE COMMUNICATIONS INC.	245,000	4,594,679	5,742,065
TRIARC COMPANIES INC.	93,500	1,514,492	1,460,938
TURNER BROADCASTING SYSTEMS	35,000	754,898	700,000
WALT DISNEY COMPANY	357,700	17,161,038	19,852,350
YOUNG BROADCASTING INC.	116,100	2,062,533	3,221,775
<b>MACHINERY AND EQUIPMENT</b>			
AGCO CORPORATION	19,750	567,298	740,625
AHMANSON H. F. & COMPANY	161,900	3,332,135	3,561,800
ALLIANCE SEMICONDUCTOR CO.	15,000	726,922	735,000
BERGEN BRUNSWIG CORPORATION	22,800	511,039	518,700
BRIGGS & STRATTON CORPORATION	138,200	4,787,371	4,767,900
BROADBAND TECHNOLOGIES INC.	69,000	1,834,430	1,707,750
CATERPILLAR INC.	39,800	2,125,706	2,557,150
CELLULAR COMMUNICATIONS	121,075	2,200,703	3,707,922
COMMUNICATIONS CENTRAL INC.	76,400	635,670	668,500
COMSAT CORPORATION	24,000	454,933	471,000
CUMMINS ENGINE COMPANY INC.	39,000	1,707,031	1,701,375
DEERE & COMPANY	133,600	9,224,026	11,439,501
DIAL PAGE INC.	3,200	0	4,000
DSC COMMUNICATIONS CORP.	560,800	21,957,906	26,077,200
FLUOR CORPORATION	5,700	285,285	296,400
GENERAL SIGNAL CORPORATION	30,000	1,071,064	1,192,500
HARMONIC LIGHTWAVES INC.	2,100	29,778	35,175
HARRIS CORPORATION	58,900	2,207,019	3,040,713
ILLINOIS TOOL WORKS INC.	104,200	4,654,587	5,731,000
INGERSOLL-RAND COMPANY	123,200	4,536,900	4,712,400
KENAMETAL INC.	17,900	585,836	617,550
LCI INTERNATIONAL INC.	4,700	106,056	143,938
MAYTAG COMPANY	74,000	1,219,370	1,184,000
MFS COMMUNICATIONS COMPANY INC.	43,900	1,386,319	1,415,775
NAVISTAR INTERNATIONAL CO.	40,000	642,000	605,000
NEWHALL LAND & FARMING CO.	100,000	1,484,684	1,387,500
NEWMARK & LEWIS INC.	2,000	17,640	0
NEXTEL COMMUNICATIONS INC.	67,000	996,957	946,375
PARKER-HANNIFIN CORPORATION	26,250	795,428	951,563
QUALCOMM INC.	134,900	4,354,052	4,662,414
REGAL BELOIT CORP.	120,900	884,722	1,873,950
SCIENTIFIC ATLANTA INC.	60,000	1,010,025	1,320,000
SCOTSMAN INDUSTRIES INC.	100,000	859,887	1,850,000
SNAP ON INC.	22,500	779,776	871,875
SPECTRIAN CORPORATION	62,700	1,940,143	2,492,325
SUNDRAND CORPORATION	85,200	4,214,857	5,090,700
TELTREND INC.	22,000	378,975	434,500
THERMO ELECTRON CORPORATION	83,250	2,247,830	3,350,813
TRANSACTION NETWORK SERVICES	2,000	32,960	32,000
US ROBOTICS CORPORATION	900	46,707	98,100
XPEDITE SYSTEMS INC.	3,000	61,453	42,000
<b>MINING AND METALS</b>			
AK STEEL HOLDING CORPORATION	18,300	494,127	498,675
ALCAN ALUMINUM LIMITED	87,900	1,839,929	2,669,963
ALUMINUM COMPANY OF AMERICA	168,000	6,978,550	8,421,000
ASARCO INC.	291,800	7,107,809	8,899,900
BETHLEHEM STEEL CORPORATION	52,800	792,225	858,000
CBI INDUSTRIES INC.	4,100	104,729	103,013
CYPRUS AMAX MINERALS CO.	209,487	5,739,851	5,970,380
ENGELHARD CORPORATION	120,000	3,103,928	5,145,000
FREEMONT-MCMORAN INC.	340,000	6,450,765	5,992,500
GENEVA STEEL CO.	12,750	270,141	262,969
GIDDINGS AND LEWIS INC.	82,400	960,220	679,800
HARSCO CORPORATION	105,904	1,804,042	1,893,034
INLAND STEEL INDUSTRIES	50,000	1,225,244	2,637,500
J&L SPECIALTY STEEL INC.	217,300	3,873,771	4,183,025
LTV CORPORATION	224,200	3,778,830	3,278,925
LUKENS INC.	85,700	2,706,225	2,763,825
MICHAEL ANTHONY JEWELERS	199,000	1,404,744	597,000
OLYMPIC STEEL INC.	76,700	1,093,218	709,475
PHILIPS DODGE CORPORATION	69,900	3,570,781	4,324,100
PITTSBURGH SERVICES GROUP	180,500	4,312,435	569,025
PRECISION CASTPARTS CORPORATION	16,200	466,032	2,965,275
REYNOLDS METALS COMPANY	57,300	3,383,112	0

COMMON STOCK

Domestic	Shares	Book Value	Market Value
SANTA FE PACIFIC GOLD CORPORATION	156,491	2,043,773	1,897,453
USX US STEEL GROUP INC.	96,600	2,730,794	3,320,625
WEIRTON STEEL CORPORATION	206,845	1,891,030	1,447,915
WORTHINGTON INDUSTRIES	200,000	4,046,773	4,087,400
<b>OFFICE EQUIPMENT</b>			
ACXIOM CORPORATION	5,000	81,140	119,375
ALTERNATIVE RESOURCES CORP.	5,400	100,764	143,100
AMERICAN BUSINESS PRODUCTS	118,200	1,734,348	2,245,800
AMERICAN SOFTWARE INC.	324,600	1,942,654	1,663,575
AUTODESK INC.	19,400	732,350	834,200
BECTON DICKINSON & COMPANY	110,000	3,707,381	6,407,500
BOWNE & COMPANY INC.	83,204	1,845,046	1,424,869
BROWNING FERRIS INDUSTRIES	354,291	10,753,210	12,754,476
CERIDIAN CORP.	20,500	664,827	755,938
CHECKPOINT SYSTEM INC.	2,100	47,681	46,725
CISCO SYSTEMS INC.	302,200	8,819,767	15,279,836
CLEAN HARBORS INC.	209,300	1,507,215	824,014
CORRECTIONS CORPORATION	500	13,565	17,188
DUPLEX PRODUCTS INC.	157,300	1,966,200	1,307,478
EXPEDITORS INTERNATIONAL	4,600	88,358	103,500
FEDERAL EXPRESS CORPORATION	87,400	5,343,051	5,309,550
FRANKLIN QUEST COMPANY	3,700	119,915	88,800
FUTURE NOW INC.	106,000	1,367,958	795,000
GREINER ENGINEERING INC.	100,400	1,292,542	1,154,600
INTELLIGENT ELECTRONICS	259,000	2,617,416	3,528,875
INTERPUBLIC GROUP OF COMPANIES	95,000	2,354,693	3,562,500
M A R C INC.	86,000	779,055	1,118,000
MID-AMERICAN WASTE SYSTEM	230,200	2,515,477	1,122,225
MILLER HERMAN INC.	144,130	3,175,950	3,567,218
OFFICE DEPOT INC.	308,700	7,639,659	8,682,188
OLSTEN CORP.	105,000	3,115,914	3,438,750
ORACLE CORPORATION	282,650	7,693,367	10,917,357
OXFORD RESOURCES CORP.	4,800	60,072	85,200
ROTECH MEDICAL CORP.	2,100	65,180	58,275
SENSORMATIC ELECTRONICS	65,000	2,007,487	2,307,500
SYBASE INC.	35,000	990,128	1,028,125
WALLACE COMPUTER SERVICES	36,000	1,030,437	1,381,500
WHEELABRATOR TECHNOLOGIES	300,000	5,443,565	4,612,500
<b>OIL AND GAS</b>			
AMOCO CORPORATION	95,100	6,278,339	6,336,038
ANADARKO PETROLEUM CORP.	9,400	400,758	606,550
ARCO CHEMICAL COMPANY	13,300	596,411	603,488
ASHLAND INC.	185,100	5,518,191	6,501,638
ATLANTIC RICHFIELD COMPANY	70,900	7,833,488	7,781,275
CASTLE ENERGY CORPORATION	78,300	1,042,357	812,363
CHEVRON CORPORATION	6,200	299,212	287,525
CODA ENERGY INC.	240,700	1,427,536	1,654,813
DEVON ENERGY CORPORATION	98,500	1,803,535	2,117,750
EL PASO NATURAL GAS CO.	14,500	417,634	413,250
EXXON CORPORATION	73,300	4,906,577	5,176,813
GLENAYRE TECHNOLOGIES INC.	299,650	10,307,749	15,282,150
MITCHELL ENERGY & DEVELOPMENT CORP.	109,668		



INVESTMENT LISTING

COMMON STOCK

Domestic	Shares	Book Value	Market Value
LOWES COMPANIES INC.	276,900	9,261,632	8,272,388
MARKS BROTHERS JEWELERS	2,362	600,000	1
	3,794	1,000,000	0
MAY DEPARTMENT STORES CO.	563,400	20,550,160	23,451,526
MEDICINE SHOPPE INTL. INC.	74,500	1,642,695	2,616,813
MELVILLE CORPORATION	199,700	6,517,855	6,839,725
MEYER FRED INC.	75,800	2,373,773	2,056,075
MICHAELS STORES INC.	160,960	5,328,563	3,221,585
NORDSTROM INC.	92,000	3,725,151	3,806,500
OFFICEMAX INC.	138,600	3,453,173	3,863,475
PENNEY J C COMPANY	261,700	11,247,359	12,561,600
REVCO D S INC.	133,468	1,993,320	3,203,232
RHODES INC.	141,900	1,352,148	1,223,888
RITE AID CORPORATION	101,623	2,485,250	2,604,090
SAFeway INC.	18,500	663,824	691,438
SANFILIPPO JOHN B. & SON INC.	172,200	2,280,980	1,765,050
SEARS ROEBUCK & COMPANY	101,700	5,461,618	6,051,150
TJX COMPANIES INC.	39,400	509,423	522,050
TOYS R US	18,200	453,635	532,350
TUESDAY MORNING CORP.	90,000	495,531	495,000
VONS COMPANIES INC.	10,000	203,170	201,250
WABAN INC.	61,000	921,637	907,375
WAL-MART STORES INC.	1,223,400	19,911,452	32,725,950
WALGREEN COMPANY	139,500	5,411,216	6,992,438
WEST MARINE INC.	3,100	76,835	79,438
WOOLWORTH CORPORATION	188,900	4,178,686	2,857,113
<b>SPECIAL INVESTMENT FUNDS</b>			
AVALON PROPERTIES INC.	86,800	1,722,256	1,725,150
BRINSON PARTNERS	358	3,676,349	4,063,850
BRINSON SMALL CAP TAA FUND	612,462	55,920,872	73,239,456
CARR REALTY CORPORATION	55,500	988,482	957,375
CENTERPOINT PROPERTIES CO.	108,200	2,042,727	2,231,625
CHELSEA GCA REALTY INC.	11,600	301,764	313,200
COLONIAL PROPERTIES TRUST	110,400	2,512,158	2,539,200
CRESCENT REAL ESTATE	90,300	2,404,812	2,878,313
CWM MORTGAGE HOLDINGS INC.	148,600	1,557,242	1,894,650
DEBARTOLO REALTY CORP.	6,200	90,117	90,675
IRVINE APARTMENT COMMUNITIES INC.	75,800	1,287,265	1,307,550
LIBERTY PROPERTY TRUST	63,900	1,289,146	1,254,038
LTC PROPERTIES INC.	177,500	2,442,108	2,329,688
MACERICH COMPANY	106,400	2,044,502	2,088,100
MANUFACTURED HOME COMMUNITIES	80,000	1,638,123	1,230,000
MERRY LAND & INVESTMENT	5,200	108,862	105,950
NATIONWIDE HEALTH PROPERTIES	4,400	163,990	171,600
PRIME RESIDENTIAL INC.	118,510	1,896,160	1,792,464
RFS HOTEL INVESTORS INC.	140,700	1,867,417	2,145,675
ROC COMMUNITIES INC.	65,700	1,301,465	1,453,613
ROUSE COMPANY	125,000	2,385,702	2,453,125
SECURITY CAPITAL INDUSTRIES	111,900	1,733,715	1,818,375
SIMON PROPERTY GROUP INC.	2,026,747	45,107,636	50,922,020
STORAGE USA INC.	76,000	1,906,361	2,156,500
<b>TEXTILES AND APPARELS</b>			
AMERICAN GENERAL CORPORATION	100,100	2,110,929	3,378,375
BANTA CORPORATION	116,400	3,757,305	3,870,300
BROWN GROUP INC.	100,800	2,511,344	2,293,200
BURLINGTON INDUSTRIES INC.	86,300	943,615	992,450
CROWN CRAFTS INC.	24,000	414,842	396,000
FIELDCREST CANNON INC.	77,390	1,849,103	1,673,559
GENESCO INC.	70,300	406,285	219,688
HARTMARK CORPORATION	238,400	1,422,415	1,192,000
JONES APPAREL GROUP INC.	180,400	4,324,455	5,389,450
KELLWOOD COMPANY	188,300	2,911,721	3,201,100
LIZ CLAIBORNE INC.	338,200	7,569,292	7,186,750
MEN'S WEARHOUSE INC.	3,300	73,571	90,750
NIKE INC.	4,700	341,289	394,800
PROFFITS INC.	108,400	2,115,003	3,224,900
QUICKSILVER INC.	23,100	128,590	606,375
V F CORPORATION	41,000	1,750,698	2,203,750
WARNACO GROUP INC.	250,000	4,055,344	5,000,000
WESTPOINT STEVENS INC.	13,800	248,460	246,675
<b>TRANSPORTATION</b>			
AIRBORNE FREIGHT CORPORATION	20,000	401,000	405,000
ALLIED HOLDINGS INC.	106,500	1,592,916	931,875
AMR CORPORATION	14,800	921,793	1,104,450
BURLINGTON NORTHERN INC.	67,600	3,199,025	4,284,150
COMAIR HOLDINGS INC.	26,000	514,301	984,750
CONRAIL INC.	75,800	4,042,323	4,216,375
CSX CORPORATION	57,600	4,217,485	4,327,200

Domestic	Shares	Book Value	Market Value
ILLINOIS CENTRAL CORP.	208,893	6,858,810	7,206,809
KANSAS CITY SOUTHERN INDUSTRIES	3,900	152,061	145,275
KLLM TRANSPORT SERVICES INC.	101,400	1,131,912	1,216,800
LANDSTAR SYSTEM INC.	77,700	1,506,705	2,000,775
M S CARRIERS INC.	58,300	1,336,601	1,107,700
NORFOLK SOUTHERN CORPORATION	123,700	8,180,928	8,334,288
ROLLINS TRUCK LEASING CORP.	260,700	3,059,683	2,802,525
RYDER SYSTEM INC.	323,700	7,207,091	7,728,338
STOLT-NIELSEN	123,500	2,470,032	3,550,625
UAL CORPORATION	1,100	143,479	154,413
UNION PACIFIC CORPORATION	17,000	851,670	941,375
<b>UTILITIES</b>			
AES CORPORATION	165,000	2,891,427	3,135,000
ALLEGHENY POWER SYSTEM INC.	69,300	1,528,086	1,628,550
ALLTEL CORPORATION	11,700	304,453	296,888
AMERITECH CORPORATION	92,300	3,864,334	4,061,200
AT&T CORPORATION	742,200	37,272,784	39,336,600
ATMOS ENERGY CORPORATION	113,900	1,404,561	2,306,475
BELL ATLANTIC CORPORATION	36,100	1,919,620	2,021,600
BELLSOUTH CORPORATION	67,700	3,802,044	4,298,950
BOSTON EDISON COMPANY	18,800	492,446	491,150
CENTURY TELEPHONE	154,000	4,647,784	4,369,750
CINERGY CORPORATION	2,700	69,687	70,875
CMS ENERGY CORPORATION	125,000	2,968,097	3,062,500
COLUMBIA GAS SYSTEM INC.	177,500	3,857,688	5,635,625
CONNECTICUT ENERGY CORP.	115,900	2,482,548	2,274,538
CONSOLIDATED EDISON CO.	31,400	857,204	926,300
CONSOLIDATED NATURAL GAS	13,500	487,074	506,250
DETROIT EDISON COMPANY	198,200	5,559,975	5,846,900
DOMINION RESOURCES INC.	14,600	539,565	532,900
EASTERN ENTERPRISES	76,200	1,973,697	2,276,475
ENRON CORPORATION	174,300	4,208,376	6,122,288
ENRON OIL & GAS COMPANY	43,000	1,018,038	935,250
ENSERCH CORPORATION	4,300	77,121	73,638
ENTERGY CORPORATION	351,800	9,136,742	8,487,176
EQUITABLE RESOURCES INC.	105,400	3,073,492	3,043,425
FPL GROUP INC.	39,500	1,535,530	1,525,688
FRONTIER CORPORATION	100,463	2,040,404	2,398,554
GENERAL PHYSICS CORPORATION	139,000	737,319	364,875
GENERAL PUBLIC UTILITIES	139,000	3,460,952	4,135,250
GTE CORPORATION	234,800	7,446,892	8,012,550
ILLINOVA CORPORATION	21,100	523,280	535,413
LONG ISLAND LIGHTING COMPANY	38,500	610,890	596,750
M C I COMMUNICATIONS CORP.	535,300	11,481,079	11,776,600
MINNESOTA POWER AND LIGHT	20,500	536,604	558,625
NEW ENGLAND ELECTRIC	34,434	1,133,491	1,187,973
NEW YORK STATE ELECTRIC	242,900	5,219,376	5,677,788
NICOR INCORPORATED	19,600	519,778	526,750
NIPSCO INDUSTRIES INC.	94,100	2,889,130	3,199,400
NORTHEAST UTILITIES	114,377	2,509,439	2,573,483
NYNEX CORPORATION	306,000	11,883,538	12,316,500
OKLAHOMA GAS AND ELECTRIC	3,500	121,835	122,938
P P & L RESOURCES INC.	34,500	708,735	672,750
PACIFIC GAS & ELECTRIC CO.	24,400	696,620	707,600
PACIFIC TELESIS GROUP	218,100	5,976,823	5,834,175
PANHANDLE EASTERN CORP.	59,868	1,187,294	1,459,283
PECO ENERGY COMPANY	19,000	523,450	524,875
PENNSYLVANIA ENTERPRISES	44,800	1,194,511	1,388,800
PINNACLE WEST CAPITAL CORP.	241,939	5,248,076	5,927,506
PUBLIC SERVICE ENTERPRISE	197,500	5,440,188	5,480,625
ROCHESTER GAS AND ELECTRIC	75,400	1,654,283	1,602,250
SBC COMMUNICATIONS INC.	210,000	8,032,256	10,001,250
SCE CORPORATION	61,100	926,313	1,046,338
SEAGULL ENERGY CORPORATION	41,000	1,105,135	676,500
SOUTHERN NEW ENGLAND TELEPHONE	12,000	407,898	423,000
SPRINT CORPORATION	478,600	13,669,438	16,092,926
TALISMAN ENERGY INC.	261,500	5,368,224	4,857,886
TELEPHONE & DATA SYSTEM	135,000	4,478,597	4,910,625
TEXAS UTILITIES COMPANY	291,200	11,348,958	10,010,000
U S WEST INC.	45,900	1,690,176	1,910,588
UGI CORPORATION	50,000	927,448	1,056,250
UNICOM CORPORATION	5,900	159,477	59,600
UNION ELECTRIC COMPANY	1,600	58,448	2,992,500
UTILICORP UNITED INC.	106,400	3,103,850	2,127,375
WILLIAMS COMPANIES INC.	61,000	1,838,450	3,666,439,311
<b>TOTAL COMMON STOCK U.S.</b>	<b>101,425,822</b>	<b>2,988,476,249</b>	<b>3,666,439,311</b>

COMMON STOCK

International	Shares	Book Value	Market Value
ABBEY NATIONAL	586,100	3,642,102	4,363,756
ABN-AMRO BANK HOLDINGS	32,025	1,121,838	1,235,147
ACACIA RESOURCES LIMITED	1,000,000	1,605,051	1,758,072
ACCOR	20,000	2,331,194	2,665,291
ACERINOX	24,018	1,743,221	2,949,433
ADVANCE BANK AUSTRALIA	116,900	0	111,046
ADVANCE BANK PLACEMENT	167,000	1,076,148	0
ADVANTEST CORP.	4,000	159,098	150,766
AEGON	107,890	2,055,318	3,729,703
AGIV AG FUER INDUSTRIE & VERK	6,750	2,305,997	2,184,813
AHOLD NV ZAANDAM	41,177	1,213,192	1,473,927
AIR LIQUIDE	2,100	299,189	335,740
AIR NEW ZEALAND	510,647	729,716	1,484,505
AKZO NOBEL	21,024	2,358,619	2,511,219
ALCATEL ALSTHOM COMPAGNIE	30,620	2,735,411	2,759,116
ALLDERS	77,300	192,648	264,400
ALLGON	135,000	1,205,338	3,207,401
ALLIANZ AKTIENGESEIL HOLDINGS	627	0	47,856
ALLIANZ AKTIENGESEILSCHAFT HOLDINGS	777	1,391,437	1,391,650
ALLIED IRISH BANK	82,700	378,308	389,894
ALUSUISSE -LONZAHLDG	416	244,566	260,700
	2,000	664,218	1,258,571
AMANO CORP.	216,000	2,632,061	2,544,178
AMCOR LIMITED	315,594	2,396,787	2,322,261
AMERICAN STANDARD SANITARYWARES	34,800	1,039,406	578,002
AMOY PROPERTIES LIMITED	4,000,000	5,140,487	3,515,347
AMPOLEX LIMITED	496,800	1,595,691	1,126,981
ARES-SERONO SA COINSINS	2,000	1,028,878	1,171,773
ARGENTARIA CORP BANCARIA DE ES	12,420	485,307	458,992
ARGYLL GROUP	109,000	247,341	582,651
ARJO	84,000	1,160,115	738,300
ARJO WIGGINS APPLE	280,000	1,044,362	1,144,812
ARN MONDADORI EDITORE	130,000	1,245,506	830,702
ASAHI BANK LIMITED	225,000	2,300,242	2,398,418
ASAHI DIAMOND INDUSTRIAL	135,040	1,863,982	1,654,205
ASEA AB SERIES B FREE	3,150	335,524	267,345
ASICS CORP.	130,000	474,646	359,836
ASSICURAZIONI GENERALI	100,000	2,502,803	2,348,911
ASSOCIATED BRITISH FOODS	520,000	3,898,747	5,493,060
ASTRA AB SERIES A FREE	114,200	2,358,386	3,520,917
ATLAS COPCO AB SER A FREE	30,728	373,969	430,435
AUGAT INC.	55,000	1,007,920	1,127,500
AUMAR (AUTOPISTAS DEL MAR	106,940	1,235,915	1,280,557
AUSTRALIA & NEW ZEALAND BANKING	1,038,901	2,474,858	3,682,385
AUSTRALIA GAS LIGHT	723,447	1,736,762	2,292,447
AUTOLIV	43,900	1,373,292	2,345,241
AVA-ALLOEMEINE HANDELS'DER	8,925	3,934,543	3,578,770
AXA COMPAGNIE DE MIDI	70,385	3,388,169	3,804,202
BAER HOLDINGS	2,496	2,335,899	2,924,746
BANCO BILBOA VISCAJA	16,200	408,574	467,577
BANCO CENTRAL HISPANO AMERICANO	97,033	2,177,043	2,055,405
BANCO DE SANTANDER	50,200	1,829,682	1,890,820
BANCO POPULAR ESPANOL	12,720	1,577,769	1,979,556
BANK OF IRELAND	528,730	2,453,283	3,028,164
BANK OF NOVA SCOTIA	50,598	1,170,069	1,092,006
BANK OF TOKYO LIMITED	41,000	598,087	656,775
BANKGSELLSCHAFT SCHWEIZ	2,263	2,185,052	2,343,338
BANQUE NATIONALE DE PARIS	26,660	1,245,753	1,286,940
BANQUE PAAARIBAS CERTS D'INVES	7,000	454,449	447,653
BANYU PHARMACEUTICAL CO.	59,000	587,021	694,242
BARCLAYS	42,000	287,247	451,354
BARRICK GOLD CORPORATION	48,000	1,193,525	1,212,000
BASF	800	174,190	170,624
BAT INDUSTRIES	450,000	3,242,963	4,306,169
BAYER	355,800	2,363,949	2,722,663
BAYERISCHE MUENCHEN MOTORENWER	28,911	5,283,741	7,179,185
BAYERISCHE VEREINSBANK	550	296,944	301,604
BBC BROWN BOVERI	4,500	1,393,088	1,362,257
BCE INC.	3,077	1,730,697	3,183,564
BCE MOBIL COMMUNICATIONS INC.	130,900	4,092,398	4,205,163
BEIERSDORF	14,040	166,473	467,523
BELTECO CORPORATION	3,300	1,574,231	2,615,490
BERLINER HANDELS			



INVESTMENT LISTING  
COMMON STOCK

International	Shares	Book Value	Market Value
COURTS COMMON STOCK	170,000	255,387	253,023
CRA LTD.	89,800	1,343,082	1,218,438
CREDIT COMMERCIALE DE FRANCE	15,460	679,670	692,391
CREDIT LOCAL DE FRANCE	12,400	929,390	1,151,109
CREDIT LYONNAIS CERT D'INVEST	13,100	1,458,439	755,057
CREDITANSTALT-BANKVEREIN	16,470	1,063,419	971,243
CRÉDITO ITALIANO	444,000	490,894	514,542
CRH (CEMENT ROADSTORE HOLDINGS)	62,000	348,591	420,189
CRH PLC (IEP) COMMON STOCK	88,700	554,098	592,424
CSR LTD.	247,998	793,983	773,545
CURRENCY REALIZED GAIN	0	80,877,933	0
CYCLE & CARRIAGE LIMITED	43,000	372,529	384,615
DAI NIPPON PRINTING CO. LTD.	227,000	2,912,755	3,609,552
DAIICHI CORP.	16,000	265,538	326,032
DAIICHI PHARMACEUTICAL CO. LTD.	170,000	2,329,542	2,482,929
DAIWA HOUSE INDUSTRIES LTD.	75,000	984,734	1,148,414
DAIWA SECURITIES CO. LTD.	436,000	4,865,796	4,591,110
DALGETY	662,500	4,648,414	4,626,934
DANIELI & C OFFICINE	202,900	661,249	616,659
DANONE GROUPE	7,640	973,874	1,286,073
DAO HENG BANK GROUP LTD.	1,435,210	3,866,438	4,377,506
DBS LAND LTD.	163,000	513,789	510,869
DDI CORP.	239	1,602,284	1,914,258
DE BEERS CONS MINES LIMITED	33,500	800,500	866,813
DE LA RUE	17,500	259,616	260,589
DEN DANSKÉ BANK	21,100	1,113,368	1,324,366
DESCENTE LTD.	242,800	663,056	657,706
DEUTSCHE BANK	77,000	468,693	370,943
DEVELOPMENT BANK OF SINGAPORE	75,570	3,490,508	3,674,490
DICKSON CONCEPTS INT. LTD.	407,000	2,701,786	4,630,626
DONGFANG ELECTRIC MACHINES	550,000	423,055	328,756
DSM	1,780,000	801,006	667,140
DT PFAND & HYP.	20,000	1,027,934	1,722,025
DUNLOP ESTATES	5,500	2,523,372	2,783,578
EAST JAPAN RAILWAY	1,100	402,874	556,716
ECCO	1,300,000	5,882,489	3,465,956
EISAI CO. LTD.	100	465,180	512,369
ELAN	15,100	1,587,913	1,682,104
ELECTRABEL	4,625	450,963	726,070
ELECTROLUX	140,000	2,385,598	2,391,056
ELF AQUITAINE SNEA	57,000	1,869,330	2,329,875
ELKEM	27,780	5,185,596	5,866,914
ELSEVIER	8,400	400,449	381,839
EMAIL LTD.	102,624	7,186,786	7,589,624
EMPRESAS ICA	41,900	1,441,854	1,560,775
SOCIEDAD CONTROLADORA	14,200	563,806	528,950
ENDESA	38,100	526,098	540,754
ENSO-GUTZEIT	1,015,550	7,612,301	11,986,175
ENTERPRISE OIL	153,200	386,821	371,424
ERICSSON TELEFONE CO.	6,000	276,326	61,500
ESPÍRITO SANTO FINANCIAL HOLDINGS	27,834	1,306,144	1,374,572
EVN ENERGIE VERSORENN	86,200	753,654	779,881
FAMILY MART CO. LTD.	327,000	2,133,276	2,062,689
FANUC LTD.	168,000	2,260,188	3,360,000
FAR EAST-LEVINGTON	580,700	3,633,714	11,614,000
FIAT SPA	26,800	618,354	533,674
FILTRONIC COMTEK	80,000	866,412	940,000
FINANZA AND FUTURO HOLDINGS	4,100	506,558	573,277
FINEMORE HOLDINGS LIMITED	4,000	164,269	200,236
FINMECCANICA SPA	9,000	409,083	387,987
FISHER GROUP	54,000	229,910	258,891
FLETCHER CHALLENGE LTD.	109,300	401,549	385,271
FLUGHAFEN WIEN	350,000	1,126,681	1,553,514
FOMENTO DE OBRAS	330,000	1,293,755	1,286,592
FORBO AG WARRANTS	525,000	1,108,304	762,954
FORBO AG ZUERICH REGD	1,100,000	1,073,463	692,150
FORMOSA FUND	96,200	676,810	636,461
FORTIS AMEV	17,400	328,705	127,007
FRASER & NEAVE LTD.	1,070,974	6,103,963	8,295,675
FRASER & NEAVE WARRANTS	1,050,000	317,326	326,754
FRASER & NEAVE WARRANTS	2,955,500	946,326	688,321
FRASER & NEAVE WARRANTS	1,200	0	2,083
FRASER & NEAVE WARRANTS	2,400	794,594	1,170,732
FRASER & NEAVE WARRANTS	160	1,064,000	1,367,200
FRASER & NEAVE WARRANTS	37,000	1,652,294	2,016,555
FRASER & NEAVE WARRANTS	378,400	2,599,766	4,359,385

COMMON STOCK

International	Shares	Book Value	Market Value
INTERNATIONAL NEDERLANDEN	75,576	2,358,283	4,177,274
ISETAN CO. LTD.	26,000	467,690	352,180
ITALCEMENTI	109,600	809,782	754,914
ITO-YOKADO CO. LTD.	30,000	1,398,407	1,579,510
ITOCHU CORP.	257,000	1,494,078	1,498,415
ITOCHU WAREHOUSE	88,000	717,840	414,607
JAFCO	9,000	1,333,650	820,497
JARDINE MATHESON	284,400	2,269,256	2,090,340
JARDINE STRATEGIC	81,000	292,252	260,820
JGC CORPORATION	58,900	888,747	572,352
JOYO BANK LTD.	195,000	1,271,423	1,649,122
JUROKU BANK	156,000	960,209	1,006,929
KAGA ELECTRONICS CO.	61,000	1,066,310	714,902
KAO CORP.	282,000	2,625,421	3,387,997
KARDEX	1,025	121,370	266,904
KARSTADT	4,800	1,881,006	2,101,582
KATOKICHI CO. LTD.	68,000	1,161,913	1,401,653
KAWASAKI STEEL CORP.	274,000	1,120,734	897,200
KAWASHO CORP.	187,000	712,803	770,909
KEDAH CEMENT HOLDINGS	300,000	366,762	477,441
KEPPEL CORPORATION LTD.	818,000	4,189,215	6,672,773
KERRY GROUP	21,000	122,120	138,647
KEYENCE CORP.	15,800	1,683,172	1,767,968
KIM HIN INDUSTRY	212,500	861,875	993,642
KIM HIN INDUSTRY WARRANTS	42,500	10,311	0
KINGFISHER	142,500	1,016,867	963,489
KISSEI PHARM COMMON STOCK	10,700	248,443	339,023
KLM ROYAL DUTCH AIRLINES	7,300	197,516	236,820
KOMATSU LTD.	28,000	251,931	213,381
KON KNP	131,700	3,244,043	3,958,220
KONE CORP.	20,240	2,248,235	2,280,697
KONINKLIJKE TEN CATE	31,500	1,399,081	1,574,492
KONINKLIJKE PTT NEDERLAND	40,800	1,253,077	1,465,695
KOREA ASIA FUND	100	660,000	1,000,000
KOWLOON MOTOR	115,000	216,065	206,591
KRUNG THAI BANK	125,000	227,871	506,380
KUMAGAI GUMI LTD.	1,250,000	2,682,171	5,063,800
KVAERNER INDUSTRIER	2,000,000	2,618,433	1,705,977
KYOCERA CORP.	41,850	2,187,706	1,900,730
KYUSHU ELECTRIC POWER CO. INC.	4,850	221,586	231,290
L'OREAL	76,000	4,493,121	6,248,313
LAFARGE	70,100	1,734,613	1,890,807
LAIRD GROUP	1,400	290,515	351,480
LAND AND GENERAL	23,640	1,737,226	1,839,507
LEGRAND SA	56,000	327,962	313,598
LIGHT SERVICIOS DE ELECTRICIDAD	146,500	246,177	489,735
LINTEC CORP.	24,000	2,395,357	3,812,274
LLOYDS ABBEY LIFE GROUP	618,000	230,122	193,859
LLOYDS BANK	50,000	825,704	683,159
LVM MOET HENNESSY LOUIS VUITTON	186,000	980,917	1,156,998
LYONNAISE DES EAUX	102,700	1,017,244	1,019,525
MABUCHI MOTORS	13,266	2,479,245	2,389,112
MAEDA ROAD CONSTRUCTION CO.	17,370	1,527,078	1,644,014
MAEZAWA KASEI INDUSTRIES CO.	53,700	2,957,685	3,693,863
MALAYAN BANKING BERHAD	7,000	130,784	135,218
MALAYSIAN HELICOPTER SERVICES	5,000	313,144	222,027
MALAYSIAN INTERNATIONAL SHIPPING	809,350	3,449,637	6,407,078
MALAYSIAN RESOURCES CORP.	160	0	199
MANNESMANN	173,333	413,589	508,339
MANWEB	500	362	905
MARUBENI CORP.	1,774,000	1,583,981	3,128,876
MARUETSU INC.	300,000	38,068	327,318
MARUI CO. LTD.	14,451	3,272,340	4,411,204
MATSUSHITA ELECTRIC INDUSTRIES	77,000	824,713	808,495
MATSUSHITA ELECTRIC WORKS LTD.	165,000	911,735	837,635
MAYNE NICKLESS LTD.	81,000	773,341	682,158
MAYR MELNHOF KARTON	18,000	172,917	286,220
MAZDA MOTOR CORP.	501,000	6,687,592	7,789,424
METRA	314,000	3,315,637	3,380,411
MICHELIN SA CIE GENERALE	285,994	1,661,008	1,173,871
MIM HOLDINGS LTD.	5,620	333,022	325,063
MIRAAL INDUSTRY CO.	441,000	1,901,176	1,547,920
MITSUBISHI BANK LTD.	31,700	1,046,389	1,393,244
MITSUBISHI CABLE INDUSTRIES	28,400	1,227,770	1,259,033
MITSUBISHI CHEMICAL CORPORATION	45,079	86,526	55,924
MITSUBISHI CHEMICAL CORPORATION	43,500	617,511	1,009,367
MITSUBISHI CORPORATION	24,000	367,598	517,316
MITSUBISHI CORPORATION	95,000	804,443	547,175
MITSUBISHI CORPORATION	483,000	2,155,569	2,065,130
MITSUBISHI CORPORATION	19,000	248,619	215,961

INVESTMENT LISTING

International	Shares	Book Value	Market Value
MITSUBISHI ELECTRIC CORP.	52,000	344,400	365,042
MITSUBISHI ESTATE CO. LTD.	20,000	205,749	224,971
MITSUBISHI HEAVY INDUSTRIES	396,000	1,959,644	2,686,652
MITSUBISHI MOTORS CORP.	156,000	414,607	1,284,386
MITSUBISHI TRUST & BANKING CORP.	10,000	151,391	141,343
MITSUI ENGINEERING & SHIPBUILDING	449,000	1,523,829	1,523,829
MITSUI FUDOSAN	427,000	4,329,564	4,883,608
MITSUI HOME CO.	5,000	260,051	71,261
MITSUI TRUST & BANKING LTD.	65,000	625,243	71,261
MIURA COMPANY LTD.	153,000	1,838,753	597,175
MIZUNO CORP.	127,000	1,249,147	2,378,806
MO OCH DOMSJO	41,500	1,589,018	1,151,829
MOLSON COMPANIES LTD.	97,755	2,039,249	2,390,856
MONTEDISON	12,500	8,383	1,591,658
MOORE CORP.	100,115	2,065,219	7,781
MOULINEX	55,500	959,234	2,215,045
MUENCHENER RUECKVER	249	503,086	1,342,991
MULTI PURPOSE HOLDINGS	2,000,000	2,804,456	545,098
MURATA MANUFACTURING CO. LTD.	25,000	496,963	3,527,482
N.G.K. SPARK PLUG CO. LTD.	104,000	1,368,007	945,233
NATIONAL AUSTRALIA BANK LTD.	504,086	3,792,789	1,151,476
NATIONAL FOODS LTD.	1,313,172	1,384,926	4,257,481
NATIONAL WESTMINSTER BANK	321,730	2,396,320	2,794,648
NAVIGATION MIXTE	1,600	320,187	330,067
NEC CORP.	313,000	3,186,577	3,424,946
NESTLE	5,383	4,065,194	5,602,133
NEW STRAITS TIMES PRESS	139,000	436,833	410,455
NEWBRIDGE NETWORKS CORPORATION	93,701	3,023,814	3,302,960
NEW WORLD CHINA FUND	64,000	665,600	678,400
NEW WORLD DEVELOPMENT CO. LTD.	354,000	858,032	1,178,094
NEWS CORP.	156,230	967,202	870,506
NEXTEL	130,600	313,831	709,540
NICHIDO FIRE & MARINE INSURANCE CO.	585,000	4,264,819	4,719,980
NICHIEI CO. LTD.	48,400	2,809,496	2,981,541
NICHIMEN	222,000	880,980	933,501
NIFCO INC.	109,000	945,216	1,360,900
NINTENDO CO. LTD.	54,000	3,877,829	3,097,536
NIPPON COMSYS CORP.	400	5,578	4,853
NIPPON CREDIT BANK LTD.	81,000	453,199	400,708
NIPPON DENSO	16,000	169,921	290,225
NIPPON EXPRESS CO. LTD.	50,000	165,845	459,365
NIPPON KOEI CO. LTD.	279,800	2,167,003	3,097,913
NIPPON PAPER INDUSTRIES CO. LTD.	30,000	568,127	194,347
NIPPON SEIKO	198,000	1,274,960	1,140,428
NIPPON SHINPAN LTD.	119,000	953,511	762,499
NIPPON SHOKUBAI CO.	255,000	2,074,611	2,249,654
NIPPON STEEL CORP.	727,000	2,824,413	2,363,400
NIPPON TELEGRAPH & TELEGRAPH	303	2,416,868	2,550,656
NIPPON TRUST & BANKING CO. LTD.	231,000	982,183	780,886
NISHIMATSU CONSTRUCTION CO.	120,000	1,362,225	1,413,432
NISSAN CHEMICAL INDUSTRIES	230,000	1,613,725	1,297,648
NISSAN MOTOR CO. LTD.	210,000	1,603,191	1,340,640
NISSIN STEEL CO. LTD.	324,000	1,566,279	1,186,859
NITTO DENKO	92,000	1,120,205	1,430,393
NKK CORP.	1,130,000	2,879,456	2,648,654
NOKIA	120,000	1,179,734	7,013,442
NOMURA SECURITIES CO. LTD.	232,800	9,033,915	13,938,900
NORANDA INC.	130,000	2,535,676	2,266,203
NORTHERN TELECOM LTD.	58,000	195,337	1,140,860
NORWEB	8,700	162,247	317,550
NOVUS PETROLEUM LTD.	50,700	644,605	548,479
OCÉ VAN GRINTEN	170,000	186,941	191,616
OEST EL WIRTSCH	15,600	695,645	879,355
OHYASHI GUMI CORP.	4,480	327,064	328,623
OHSHO FOOD SERVICE CORP.	377,000	2,835,784	2,895,227
ÔITA BANK LTD.	36,000	819,454	805,656
OJI PAPER CO. LTD.	122,850	990,328	1,056,311
OMRON CORPORATION	151,000	1,711,597	1,449,533
ONWARD KASHIYAMA CO. LTD.	20,000	304,806	381,627
ORIENTAL PRESS GROUP LTD.	57,000	703,525	772,087



INVESTMENT LISTING

COMMON STOCK

International	Shares	Book Value	Market Value
PECHINEY INTERNATIONAL	30,000	882,191	758,123
PEREGRINE INVESTMENTS HOLDINGS LTD.	2,817,000	5,208,467	4,004,782
PEREZ NAVIERA	41,300	128,014	173,512
PETROLEOS	19,400	437,607	530,299
PEUGEOT	22,780	3,191,280	3,162,649
PHARMACIA	70,000	1,090,303	1,518,898
PHILIPS ELECTRONICS	99,920	3,148,440	4,227,509
	38,500	1,255,267	1,645,875
PHILIPPINE LONG DISTANCE TELEPHONE CO.	24,500	1,548,449	1,757,875
PIGEON CORP.	32,000	503,844	727,446
PILKINGTON	363,900	1,034,332	1,010,230
PINAULT PRINTEMPS REDOUTE	12,687	2,081,393	2,721,914
PIONEER INTERNATIONAL LTD.	1,379,700	3,129,736	3,423,243
PLUTONIC RESOURCES	365,000	2,013,493	1,500,741
POLYGRAM	64,460	2,454,413	3,803,992
PORTUGAL TELECOM	9,900	285,394	189,280
POWERGEN	20,000	250,650	242,500
	201,000	1,691,461	1,546,092
PRUDENTIAL CORPORATION	68,000	329,278	362,407
PT ASTRA INTERNATIONAL	900,000	0	1,596,195
PT BANK DAGANG NAS INDONESIA	670,000	1,118,536	1,173,237
PT BANK NIAGA	600,000	2,539,211	1,751,100
PT HANJAYA MANDALA SAMPOERNA	44,000	26,483	345,730
PT MAYORA INDAH	32,000	286,450	146,554
QBE INSURANCE GROUP	829,749	2,538,274	3,293,971
QP CORPORATION	36,300	422,292	332,644
QPL INTERNATIONAL	5,000,000	3,148,257	1,954,766
QPL INTERNATIONAL WARRANTS	1,000,000	0	21,971
RANK ORGANISATION	88,700	284,040	560,218
RANSTAND	4,500	371,801	318,091
REDLAND	178,900	1,337,245	1,172,602
REED INTERNATIONAL	30,700	383,070	431,263
RENAISSANCE ENERGY LTD.	65,700	1,296,153	1,358,085
	266,700	5,890,488	5,512,956
RENONG BERHAD	3,629,000	4,528,439	6,757,859
REPOLA	126,500	2,291,591	2,661,601
REPSOL	25,000	687,000	790,625
	104,800	2,893,935	3,297,440
RESORT WORLD	85,000	837,551	498,564
REUTERS HOLDINGS	721,000	4,248,808	6,010,484
	213,600	5,996,369	10,706,700
RHEINISCH-WESTFAELISCHES ELEK	13,425	3,785,703	4,660,583
RHONE POULENC	53,000	1,269,985	1,195,028
RIKEN VINYL INDUSTRIES CO. LTD.	10,000	105,929	83,628
RINASCENTE PER L'ESERCIZIODI	90,100	486,443	511,616
RINNAI CORP.	65,800	1,565,433	1,457,060
ROAD BUILDERS	94,200	322,823	312,970
ROHM CO. LTD.	71,000	2,420,939	3,662,909
ROTHMANS HOLDINGS LTD.	431,800	1,673,557	1,484,600
ROTHMANS PALL MALL	55,000	384,844	428,630
ROUSSEL UCLAF	7,080	995,307	1,105,634
ROYAL CO. LTD.	16,000	244,779	222,380
ROYAL DUTCH PETROLEUM CO.	37,240	3,679,754	4,544,217
ROYAL DUTCH PETROLEUM CO.	36,400	3,619,324	4,436,250
ROYALE BELGE	4,000	656,706	753,404
RYZ	692,861	7,317,999	9,038,635
RYOYO ELECTRIC CORP.	118,000	2,967,134	2,821,446
SAGA PETROLEUM	289,700	3,534,865	4,111,720
SAINT GOBAIN	45,743	4,651,474	5,529,737
SALOMON	650	250,507	294,327
SAMSUNG ELECTRIC	3,426	89,958	245,816
SAMSUNG ELECTRONICS	586	0	31,498
	4,294	0	228,140
	678	0	36,022
	3,500	0	564,051
	25,900	1,203,269	1,392,125
	32,500	127,036	134,887
SAN MIGUEL CORP.	5,360	2,887,374	3,693,985
SANDOZ	140,000	2,347,972	2,537,905
SANDVIK	47,000	1,114,876	1,245,587
SANGETSU CO. LTD.	43,000	447,707	392,522
SANKI ENGINEERING CO. LTD.	26,800	705,181	621,863
SANKYO COMPANY LTD.	1,046,830	2,682,502	2,508,291
SANTOS LTD.	169,000	3,251,317	3,184,934
SANWA BANK LTD.	109,000	994,008	817,824
SANWA SHUTTER CORP.			
SAP AG SYSTEME ANWENDUNGEN	3,300	1,351,007	4,384,582
PRODUKTE	62,100	3,661,718	4,338,610
SCHERING	24,500	1,388,612	1,522,063
SCHLUMBERGER LTD.			

International	Shares	Book Value	Market Value
SCHMALBACH-LUBECA	31,800	1,928,933	1,975,575
SCHNEIDER	4,100	818,805	817,571
SCHWEIZ BANKVEREIN	13,590	1,039,524	1,075,706
SCHWEIZ RUECKVER WARRANTS	2,360	179,995	417,880
SCHWEIZ RUECKVERSICHERUNG	5,240	0	76,183
SCOTTISH & NEWCASTLE BREWERIES	4,069	1,794,772	3,132,717
SCOTTISH POWER	12,500	72,192	109,971
SEARS	197,500	1,074,151	1,018,017
SECOM	1,320,000	2,001,282	2,089,488
SEGA ENTERPRISES	68,000	3,784,201	4,269,036
SEITA	6,500	500,225	230,448
SEKISUI CHEMICAL CO. LTD.	33,600	932,248	1,010,599
SEKISUI HOUSE LTD.	176,000	1,256,218	2,073,034
SEMBAWANG CORPORATION LTD.	134,000	1,551,396	1,657,249
SENKO CO.	331,930	2,662,998	2,018,895
SEOUL TRUST	244,000	1,512,751	1,480,099
SEVEN-ELEVEN JAPAN CO. LTD.	20	680,000	590,000
SEVENTY-SEVEN (77TH) BANK LTD.	3,000	218,620	214,488
SGS THOMPSON MICRO ELECTRONICS	88,000	885,355	983,654
	15,100	387,174	613,438
	24,000	532,713	975,000
SHIN-ETSU CHEMICAL CO. LTD.	125,000	1,255,951	2,193,764
SHIZUOKA BANK LTD.	157,000	2,104,250	1,960,195
SHO BOND CORP.	10,000	554,883	329,801
SIAM COMMERCIAL BANK			
PUBLIC CO. LTD.	17,900	173,121	181,284
SIDEL	1,300	250,317	455,637
SIEBE	78,000	78,130	776,805
SIEMENS	9,800	4,068,974	4,852,207
SIME DARBY BERHAD	1,522,600	3,279,366	4,246,793
SINGAPORE INTL AIRLINES	768,800	5,838,593	7,096,616
SINGAPORE PRESS HOLDINGS	7,000	0	104,687
	35,000	594,427	523,435
	107,400	1,971,088	2,079,681
SKANDIA GROUP	155,000	1,775,535	3,129,121
SKF FRUEHER	29,200	1,451,986	1,674,964
SMC CORP.	4,400	3,296,139	2,826,144
SMH SCHWEIZER GESELLSCHAFT	82,000	200,077	232,860
SMITH & NEPHEW	465,872	2,265,506	2,107,038
SMITH (HOWARD)	422,350	3,184,512	3,823,206
SMITHKLINE BEECHAM	7,000	255,920	316,750
	103,500	4,078,839	4,683,375
	97,800	291,532	294,581
	170,000	538,990	511,156
	231,700	4,325,446	4,373,338
	3,073	3,516,910	5,334,607
	3,500	985,846	1,124,034
	7,360	827,659	860,881
	53,000	759,369	561,839
	3,970	1,541,769	2,197,223
	4,000	1,592,724	1,472,924
	59,300	2,810,288	2,842,777
	23,700	1,340,471	1,002,159
	32,500	2,192,614	3,062,859
	1,000,000	592,594	600,969
SMURFIT (JEFFERSON) GROUP			
	170,000	538,990	511,156
	231,700	4,325,446	4,373,338
	3,073	3,516,910	5,334,607
	3,500	985,846	1,124,034
	7,360	827,659	860,881
	53,000	759,369	561,839
	3,970	1,541,769	2,197,223
	4,000	1,592,724	1,472,924
	59,300	2,810,288	2,842,777
	23,700	1,340,471	1,002,159
	32,500	2,192,614	3,062,859
	1,000,000	592,594	600,969
	3,235	0	55,036
	1,376,300	2,696,239	2,671,258
	6,500	172,978	176,911
	806,200	2,024,210	2,228,597
	47,000	106,399	199,642
	6,290	279,659	169,978
	65,000	0	225,116
	2,200	1,360,169	1,489,454
	2,230	1,039,283	1,442,019
	247,000	4,546,308	4,276,692
	138,000	1,372,649	1,254,845
	203,000	2,383,231	2,414,967
	70,000	1,061,928	1,162,548
	36,000	63,594	285,372
	965,000	3,126,459	2,511,963
	208,000	1,633,865	1,533,668
	24,000	124,145	140,212
	520	5,015	3,859
	423,000	5,607,224	5,131,819
	442,100	2,460,050	2,356,179
	388,600	2,355,781	2,875,263
	3	89	135
	126,000	1,208,977	1,402,478
	4,000	372,077	74,160

COMMON STOCK

International	Shares	Book Value	Market Value
SWIRE PACIFIC LTD.	1,426,000	7,181,196	10,873,536
TAIHEI DENGYO KAISHA LTD.	6,600	239,256	100,283
TAIWAN FUDEN INC.	8,500	247,010	185,938
TAIYU YUDEN CO. LTD.	39,000	492,127	385,867
TAKASHIMAYA CO. LTD.	199,000	2,656,890	2,672,093
TAKEDA CHEMICAL INDUSTRIES	57,000	696,669	751,946
TAMPILLA	309,000	1,058,103	780,175
TATE & LYLE	65,000	442,050	439,486
TAYLOR WOODROW	1,450,000	1,976,320	2,652,826
TDK CORP.	121,000	4,622,238	5,501,313
TECHNOLOGY RESOURCES INDUSTRIES	575,000	1,935,129	1,650,944
TECK	24,000	374,336	474,264
TEIKOKU OIL COMPANY LTD.	108,000	805,694	636,044
TELEBRAS	776,957	0	0
TELECOM CORP. OF NEW ZEALAND	2,607,440	5,426,960	9,758,292
TELECOM ITALIA	118,000	343,954	319,702
TELEFONICA NACIONAL DE ESPANA	307,200	3,564,004	3,957,642
TELEFONICAS DE ESPANA	7,000	281,085	271,250
TELEFONOS DE MEXICO	26,000	1,515,584	770,250
	33,900	1,315,963	1,004,288
TELEKOM MALAYSIA	219,518	871,259	1,665,744
TELEVISION BROADCASTS LTD.	107,000	499,023	376,142
TESCO	545,800	2,150,679	2,518,109
TESSENDERLO CHEMIE	900	314,931	340,771
TEVA PHARMACEUTICAL	49,598	1,177,757	1,859,925
THK CO. LTD.	23,000	533,319	422,616
THORN EMI	114,718	1,502,395	2,381,689
TIPHOOK	56,100	632,932	105,188
TOKATSU FOODS CO. LTD.	11,000	233,706	137,338
TOKIO MARINE & FIRE INSURANCE CO.	186,000	2,120,348	2,129,477
TOKYO BROADCASTING SYSTEM INC.	16,000	264,684	228,034
TOKYO ELECTRIC POWER CO. INC.	34,300	1,038,522	1,050,416
TOKYO ELECTRON LTD.	11,000	352,211	375,737
TOKYO OHKA KOGYO CO. LTD.	68,000	1,714,175	1,850,183
TOKYO STEEL MANUFACTURING	180,000	3,513,188	3,074,215
TOKYU CORPORATION TOKYO	233,000	1,482,086	1,492,961
TOMKINS	112,000	382,601	400,907
TOSHIBA CORPORATION	410,000	2,580,135	2,593,294
TOSTEM CORPORATION	78,000	2,566,199	2,397,888
TOTAL CIE FRAN DES PETROLES	45,711	2,703,718	2,753,505
TOYO INK. MANUFACTURING CO. LTD.	50,000	176,332	276,797
TOYO SEIKAN KAISHA LTD.	24,000	794,056	701,062
TOYO TRUST & BANKING	146,000	1,450,806	1,220,970
TOYOTA MOTOR CORP.	60,000	662,571	1,187,283
TRANSCANADA PIPELINES LIMITED	231,600	3,497,344	3,097,650
TRELLEBORG	110,000	1,332,859	1,284,059
TV FRANCAISE	7,000	689,581	689,531
U.S. INDUSTRIES INC.	9,309	364,424	176,454
UNILEVER	19,670	2,396,233	2,557,544
	16,200	1,667,079	2,108,025
	14,000	1,280,452	1,724,188
	49,400	1,170,984	1,329,950
	49,000	314,936	311,526
	162,240	1,319,780	1,532,428
	51,000	662,484	816,964
	48,000	515,377	578,742
	99,000	1,314,720	1,100,880
	1,900	224,490	237,947
	29,200	710,309	658,749
	91,000	1,548,306	2,052,942
	10,795	3,418,317	4,235,016
	55,000	0	144,830
	4,170	1,434,218	1,637,450
	126,940	1,259,694	1,078,990
	3,480	386,000	416,343
	925,300	2,671,575	3,437,260
	10,000	256,456	378,750
	204,000	5,324,310	7,726,500



INVESTMENT LISTING

COMMON STOCK

Real Estate	Units	Book Value	Market Value
<b>Closed End Funds</b>			
LASALLE ADVISORS PROFILE	1	14,650,348	14,650,348
BEAR STEARNS REALTY PARTNERSHIP	1	101,289,152	106,278,592
JMB GROUP TRUST III	1	17,684,244	17,684,244
TCW REALTY FUND II	1	16,965,696	16,965,696
<b>TOTAL CLOSED END FUNDS</b>		<b>150,589,440</b>	<b>155,578,880</b>

Properties	Units	Book Value	Market Value
1015 LOCUST ST	15,106,453	1,885,000	
1090 GEMINI ROAD	1,883,867	1,700,000	
1500 LOCUST	60,329,993	53,000,000	
1600 DOWNS DRIVE	2,696,556	2,255,000	
1670 FRONTENAC	3,087,775	3,220,000	
1674 FRONTENAC	2,701,625	3,550,000	
1700 DOWNS DRIVE	5,161,477	4,880,000	
230 GERRY DRIVE	3,087,536	3,025,000	
2301 WINDOR CT.	8,293,640	7,225,000	
330 SOUTH EXECUTIVE DRIVE	8,824,994	6,140,000	
3605 SWENSON AVENUE	3,784,342	3,250,000	
3900 NORTHWOODS	9,523,220	6,400,000	
4200 COMMERCE COURT	3,406,535	0	
451 KINGSTON CT.	2,866,183	2,100,000	
6240 CARMEN	6,458,293	6,265,000	
865 XENIUM LANE	2,972,806	3,950,000	
800 WEST THORNDALE	4,087,195	2,630,000	
ARAPAHOE VILLAGE	6,538,063	5,680,200	
ASHLAND II LAND & OUTPARCELS	150,000	160,000	
AUTUMN CHASE	9,953,624	10,260,000	
BAYTECH	1,067,983	1,067,983	
BIRCH	1,668,733	1,668,733	
BRECKENRIDGE PLACE	36,698,352	22,500,000	
BRELL AUSTIN CORPORATION	1,920,647	2,713,650	
BRELL BIXBY CORPORATION	117,308	913,691	
BRELL BRIDGES CORPORATION	1,066,392	1,473,869	
BRELL CREEKSIDE CORPORATION	3,081,007	2,889,943	
BRELL GRAND PRAIRIE CORPORATION	4,007,384	5,871,741	
BRELL ICC CORPORATION	737,611	731,702	
BRELL KENT CORPORATION	4,721,513	4,721,555	
BRELL OAKLEAF CORPORATION	1,469,067	1,457,865	
BRELL RICHARDSON CORPORATION	2,718,340	3,428,737	
BRELL SILVER HILLS CORPORATION	713,539	620,342	
BRELL TORANCE CORPORATION	1,229,877	1,439,151	
BRELLI CANYON PLAZA CORPORATION	910,298	798,095	
BRELLI LONGWOOD CORPORATION	953,276	1,154,132	
CALIFORNIA MORTGAGE PORTFOLIO I	8,524,361	9,704,349	
CALIFORNIA MORTGAGE PORTFOLIO II	45,338,815	49,504,673	
CALIFORNIA MORTGAGE PORTFOLIO III	8,883,840	9,490,544	
CAMERON COURT	2,763,035	2,763,035	
CAPITAL BUSINESS CENTER	2,752,576	2,752,576	
CANTERWOOD	7,957,632	9,633,583	
CENTRE POINT PLAZA	1,335,218	1,335,218	
CLACKAMAS TOWN CENTER	104,953,098	104,572,104	
COBBLESTONE COURT	18,871,762	16,355,014	
CORPORATE CAMPUS EAST III	26,307,034	16,509,578	
COSTA MESA	40,478,502	22,880,000	
CROSSROADS I	7,439,050	7,100,000	
CRYSTAL COURT	8,058,851	7,524,351	
CYPRESS TRACE	30,980,246	17,000,000	
DATA GENERAL	7,539,081	5,200,000	
DORAL FINANCIAL PLAZA	6,515,031	6,515,031	
ELMWOOD INDUSTRIAL CENTER	2,833,315	1,900,000	
FACTORY STORES AT HERSHEY	15,833,056	22,733,056	
FARIFAX COURT	16,561,077	18,654,120	
FOREST PARK MALL	7,400,000	7,400,000	
FRANKLIN LAKE SELF PARK	27,956,405	15,525,000	
FREMONT	1,324,425	1,324,425	
GAITWAY PLAZA	17,247,041	14,003,653	
GATEWAY OAKS PLAZA LAND	3,295,414	3,530,000	
GM - EL PASO	11,816,021	11,816,021	
GMO LAND	22,343,717	16,050,000	
GOODLUCK LAND	447,060	410,000	
HAMPTON ROADS PORTFOLIO	28,235,898	28,235,898	
HARRISON SQUARE	3,817,500	3,020,000	
HARTFORD INDUSTRIALS	14,100,000	14,100,000	
HEBRON OFFICE BUILDING	4,607,104	4,607,104	
HYTEK	877,558	877,558	
IMG PARHAM OFFICE & LAND	721,147	1,690,000	
INTERSTATE CROSSINGS	9,844,645	4,913,189	
ITC/LUNDY	3,585,700	3,585,700	
KINGSTON COURT LAND	2,938,730	2,440,000	

Real Estate	Book Value	Market Value
LAGUNA HILLS	7,318,272	8,230,000
LAKES OF BELLEVUE	24,842,310	24,610,000
MATTHEESUSSEN HOUSE	311,191	615,000
MAYHEW TECH CENTER	15,440,754	16,050,000
MENDOTA HEIGHTS	18,323,207	10,550,000
METROPLEX MIRAMAR	9,799,834	9,799,834
METROPOLITAN I & II	35,133,424	35,133,424
MISCELLANEOUS ASSETS	269,424,316	270,561,270
MIZNER	9,644,653	9,644,653
MONTBELLO INDUSTRIAL PARK	13,075,287	11,337,330
MONTGOMERY LANE	480,000	663,000
NEW MARKET	10,200,000	10,200,000
NORTH LAKE BUSINESS PARK	26,763,871	14,916,163
NORTHILL	1,683,885	1,683,885
OAKBROOK CENTER LAND	75,616,704	75,700,000
OAKS OF EAGLE CREEK	22,298,898	27,960,000
OAKS OF OAKBROOK	12,923,233	14,700,000
OLYMPUS	824,408	824,408
ORLANDO MARRIOTT AIRPORT HOTEL	26,835,285	16,728,789
ORLANDO MARRIOTT INT'L HOTEL	50,602,823	20,719,289
PACIFIC SHORES LIMITED PARTNERSHIP	6,270,243	6,270,243
PARKWAY CROSSING	1,155,064	1,662,200
PEMBROOKE LAND	1,893,130	5,000,000
PLAZA AT BUCKLAND HILLS	18,945,557	33,859,580
POTOMAC LOANS	54,485,968	65,762,000
QUAIL LAKES EXECUTIVE PARK	3,250,000	3,250,000
RESIDENZ	16,404,587	18,880,000
RIDGE PLAZA	7,736,297	3,729,690
RIDGEWOOD COURT	11,494,859	11,746,348
RIVA 400 LAND	1,841,640	3,175,000
RIVER ROAD BUSINESS CENTER	11,835,558	7,525,000
ROYAL EAGLE PLAZA	17,782,408	11,255,175
SAN JUAN CORPORATE PARK	3,400,000	3,400,000
SAN MARCO APARTMENTS	20,024,354	21,729,614
SAN REMO	91,347	91,347
SEEQI 1846	1,895,097	1,895,097
SEEQI 1847	1,427,622	1,427,622
SEMINOLE TOWNE PLAZA	60,000,000	60,000,000
SOMERSET	34,141,459	29,200,000
SOUTHPARK SQUARE	4,926,284	5,851,379
ST. CHARLES #12	6,168,650	5,950,000
ST. CHARLES LAND	12,678,895	9,500,000
STONE MOUNTAIN FESTIVAL	27,554,290	22,400,000
SUNFOREST APARTMENTS	25,671,997	28,250,000
SUPER 8 MOTELS	15,070,000	15,070,000
SWAN CREEK	548,366	641,165
TECH WEST I	9,704,720	6,855,000
TECH WEST II	3,776,172	4,200,000
TETCOM OFFICE BUILDING	63,999,586	73,000,000
THE AVENUES	18,370,699	15,571,227
THE YARDS PLAZA	1,610,000	1,610,000
THUNDERBIRD INDUSTRIAL CENTER	12,223,282	13,000,000
TIMBER HOLLOW	66,999,285	33,100,000
TIME & LIFE BUILDING	2,360,516	2,836,637
TR KOLL HOTEL CIRCLE CORPORATION	860,343	1,277,803
TR KOLL IMPERIAL CORPORATION	1,394,432	1,439,025
TR KOLL KL CORPORATION	660,394	761,967
TR KOLL LOT 7 CORPORATION	462,140	502,543
TR KOLL PHASE III CORPORATION	2,019,172	2,301,665
TR KOLL TUSTIN CORPORATION	3,156,163	2,253,403
TR KOLL VOSS CORONA CORPORATION	2,599,474	3,500,827
TR KOLL WESTCHESTER CORPORATION	2,590,000	2,590,000
TROY TRADE CENTER	3,742,195	10,644,750
VERMONT SHOPPING CENTER	23,107,811	28,362,623
VILLAGE PARK PLAZA	234,400	500,000
VIRGINIA BEACH TOWNHOMES	10,477,954	7,750,000
WEDGEWOOD I	1,402,911	1,402,911
WEST CHAPMAN	23,417,108	19,270,699
WEST TOWN CORNERS	11,408,186	7,210,837
WESTLAND PARK PLAZA	5,000	5,000
WHITE OAKS MALL	10,476,850	8,390,000
WILDWOOD	28,349,788	14,400,000
WILLIAMS PLAZA I	28,264,553	15,690,000
WILLIAMS PLAZA II	14,635,140	18,706,373
WILLOW KNOLLS COURT	21,725,278	0
REAL ESTATE RESERVES	2,073,298,313	1,901,963,964
<b>TOTAL PROPERTIES</b>	<b>2,223,887,753</b>	<b>2,057,542,844</b>

TOTAL REAL ESTATE 2,223,887,753 2,057,542,844

COMMON STOCK

Alternative Investments

Alternative Investments	Units	Book Value	Market Value
A. MCCALLISTER	0	294,769	376,949
AGLE	0	296,167	468,514
ALEXANDER	0	426,880	521,086
ANDERSON	0	218,360	296,773
BAGG	0	263,546	350,755
BARKELY	0	2,698,993	2,849,709
BARLING	0	290,886	320,720
BARTEL	0	647,184	702,427
BATTS	0	364,222	454,681
BECKNER	0	349,034	381,347
BEMENT	0	1,246,576	1,266,760
BESECKER	0	235,927	276,248
BETHANY	0	1,446,990	1,491,023
BLACK BAYOU	0	1,062,474	1,061,024
BLISS	0	560,506	712,227
BLUE RIDGE	0	680,675	680,675
BOYER	0	84,326	106,645
BRADEN	0	1,015,050	1,063,233
BRADEN 2	0	2,388,201	2,484,960
BUCK LAKE	0	823,878	906,390
CALLAWAY	0	465,638	598,838
CENTERVILLE	0	492,667	492,099
CHILD ESTATE	0	262,971	360,899
CISCO	0	1,280,102	1,438,995
CLAYBAUGH	0	1,073,892	1,103,000
COLOBRAS	0	1,271,572	1,587,670
CORNER GROVE	0	312,717	419,000
COTTONWOOD (PA7)	0	341,244	336,000
COURT CREEK	0	853,859	932,223
DAHMS	0	997,768	1,006,990
DARR	0	960,421	1,170,950
DAVIS	0	540,220	780,526
DELAND	0	1,401,083	1,403,747
DICK	0	283,949	349,164
DLJ MERCHANTING BANKING	1	22,400,336	23,452,108
DONALDSON	0	140,065	149,777
EASON TRUST	0	2,946,974	3,275,429
EDWARDS	0	183,012	231,028
ERB	0	450,371	582,506
ESPE	0	154,168	204,296
FELLMY	0	131,311	176,056
FENCHURCH BETA FUND	1	5,000,000	3,958,030
FILLERS	0	157,478	168,231
FISCHER	0	326,937	368,950
FOSHAY	0	1,262,156	2,091,034
FRONTENAC VENTURE IV	10,000,000	612,353	1,934,889
FRONTENAC VENTURE V	1	7,442,006	6,638,410
FRONTENAC VI LIMITED PARTNERSHIP	1	8,210,390	9,247,080
FRYBARGER	0	272,754	316,222
GALESVILLE	0	947,950	947,652
GREEN	0	179,745	237,200
HAACK	0	545,731	550,200
HAGEMEISTER	0	237,586	282,878
HAMMOND	0	916,486	923,680
HARLOW	0	403,237	453,903
HEAD	0	221,087	322,050
HOESMAN	0	269,156	329,035
HOLLY LANE	0	809,411	1,002,763
HUNT	0	164,987	208,602
HURLOCK	0	218,388	272,364
HUSTED	0	265,163	299,776
HYATT	0	188,351	213,288
IDC-COLES	0	1,260,773	1,722,753
IDC-MACON	0	2,016,100	2,265,888
IDC-MCDONOUGH	0	612,382	771,225
IDC-PIATT	0	2,386,234	2,828,000
IND. UNIVERSITY	0	171,272	224,000
JAMES	0	154,091	153,892
JEFFERIES	0	1,434,265	1,249,150
KEIBER	0	8,384,422	9,087,120
KLEMMME	0	270,384	304,640
KNEDLER	0	211,195	283,746
KUHLMAN	0	188,332	238,500
LAKE CITY	0	1,308,416	1,335,852
LEHMAN	0	200,568	226,440
LEVY RESTAURANT	596	1,436,800	1,436,800
LINDSEY	0	7,550,969	4,255,483
LOSASSO	0	148,051	182,424
LYTLE	0	1,621,882	2,052,183
MADDOX	0	8,480,658	8,486,599

INVESTMENT LISTING

Alternative Investments

Alternative Investments	Units	Book Value	Market Value
MARINE	0	378,858	509,274
MARKS BROS. JEWELERS INC.	600,000	600,000	600,000
MCKAY	0	157,723	219,308
MCMAHON	0	222,107	285,925
MELVIN	0	187,574	224,775
MERIDIAN	0	8,637,466	8,743,328
MIDDAY	0	373,742	489,600
MIDDLESWORTH	0	252,557	276,834
MILLER	0	228,766	301,233
MOYER	0	178,905	223,200
NAFZIGER	0	163,567	185,661
NEESE	0	286,366	370,778
NICKERSON	0	1,158,017	1,161,300
NICKERSON 10A	0	57,192	57,350
NUGENT	0	771,314	739,825
NW MUTUAL	0	3,410,245	4,138,200
O. REESER	0	324,898	422,928
ODUM TRUST	0	359,414	448,000
P. ALMONDS			