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**Teachers' Retirement System of the State of Illinois
Comprehensive Annual Financial Report
For the year ended June 30, 1998**

Created through the cooperative efforts of the Accounting,
Administrative Services, Investment and Research Departments of the
Teachers' Retirement System of the State of Illinois.

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SECTION ONE: INTRODUCTION



CERTIFICATE OF ACHIEVEMENT

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, 1997

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.



Douglas R. Ellaworth
President

Jeffrey L. Esall
Executive Director



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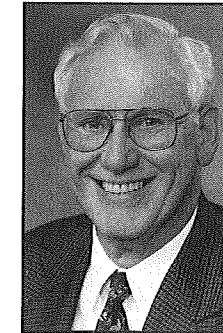
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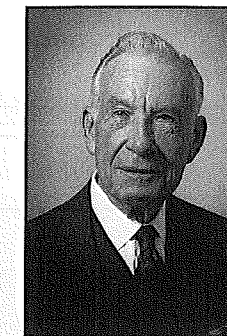
BOARD OF TRUSTEES



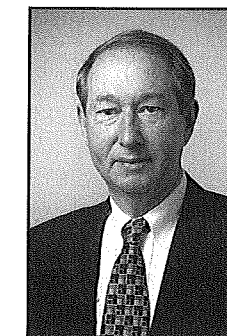
Robert Mandeville
Interim - President
Springfield



Anne Davis
Vice-President
Harvey



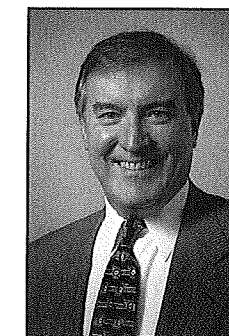
Hugh R. Brown
Evanston



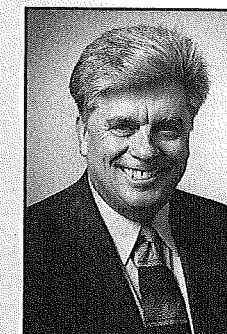
James Bruner
Jacksonville



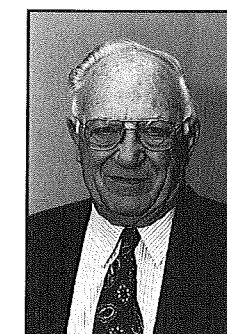
Jan Cleveland
Carmi



William R. Enlow
Springfield



Scott Eshelman
Algonquin



Roman Miller
Waukegan



Marilyn Oglesby
Charleston

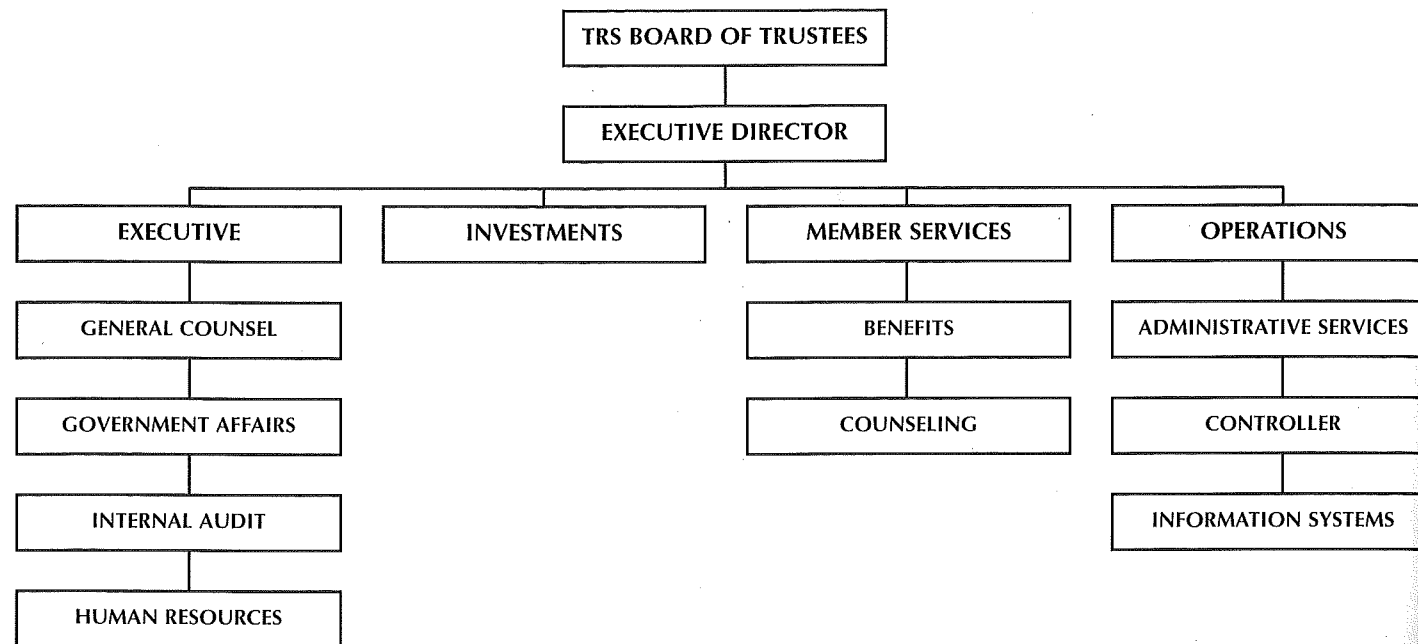


Molly Phalen
Rockford



INTRODUCTION

Guided by the Board of Trustees and the Executive Director, four divisions (Executive, Investments, Member Services and Operations) carry out the day-to-day duties of the Teachers' Retirement System of the State of Illinois.



Members of the Executive Cabinet meet with the Executive Director Keith Bozarth to coordinate the programs and activities of the System.

Seated in the front row from left to right are:

John Sigle, Director of Member Services; Keith Bozarth, Executive Director; Ruby Reynolds, Director of Human Resources.

Standing from left to right are:

Mark Caplinger, Chief Investment Officer; Ed Mabie, Information Systems Officer; Chuck Hunt, Assistant Information Systems Officer; John Day, Director of Governmental Affairs; William Brewer, Jr., Benefits Officer and Jon Bauman, Chief Operating Officer.



CONSULTING AND PROFESSIONAL SERVICES

Actuary

Buck Consultants, Inc. - Chicago, Illinois

Auditor

KPMG Peat Marwick LLP - Chicago, Illinois

Information Systems

Grant Thornton LLP - St. Louis, Missouri
Information Management Group, Inc. - Chicago, Illinois
MCW Technologies - Seattle, Washington

Investment Consultants

(Investment Management Firms are listed on page 64)

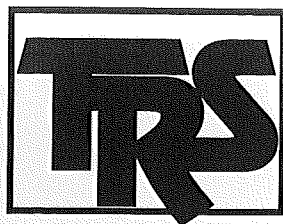
Callan Associates, Inc. - Chicago, Illinois
Clifton Gunderson LLC - Springfield, Illinois
Independent Fiduciary Services - Washington, DC
JW Flynn Company - Indianapolis, Indiana
Joseph J. Blake and Associates, Inc. - Chicago, Illinois

Legal Counsel

Conner & Winters - Washington, DC
Loewenstein, Hagen & Oehlert & Smith - Springfield, Illinois
Morgan, Lewis, & Bockius - Philadelphia, Pennsylvania
Rudnick & Wolfe - Chicago, Illinois

Master Trustee

The Northern Trust Company - Chicago, Illinois



Teachers' Retirement System of the State of Illinois

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

LETTER OF TRANSMITTAL

December 1, 1998

Board of Trustees
Teachers' Retirement System
2815 West Washington, P.O. Box 19253
Springfield, IL 62794-9253

I am pleased to present the Comprehensive Annual Financial Report for the Teachers' Retirement System of the State of Illinois (TRS or System) for the fiscal year ended June 30, 1998. The System's management and staff are responsible for the accuracy and completeness of this report and to ensure 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 the System as of June 30, 1998.

This report consists of five sections:

- the Introductory Section contains this letter of transmittal, identification of the System's trustees, executive staff and organizational structure and a report from our Executive Director which outlines the major activities of the past year and plans for the future;
- the Financial Section contains the independent auditor's report, the financial statements and related notes and required supplemental schedules;
- the Actuarial Section contains the actuary's letter of certification, results of the latest actuarial valuation and a plan summary including any changes in the plan;
- the Statistical Section contains information and statistical data pertaining to members and annuitants and historical data on revenue and expenses; and
- the Investment Section contains information detailing fund performance, investment managers and the fund's portfolio.

Financial Information

A system of internal controls helps TRS to monitor and safeguard assets and promote efficient operations. An annual external audit is conducted by the Illinois Auditor General in addition to regular reviews by the System's Internal Auditor. The annual operating budget is evaluated and approved by the Board of Trustees and financial statements are prepared in accordance with generally accepted accounting principles (GAAP) within the guidelines established by the Governmental Accounting Standards Board (GASB).

Revenues and Funding

Sources of funding the System include member contributions, investment income and employer contributions through state appropriations and payments by school districts. At June 30, 1998, total assets available to pay benefits grew to nearly \$20.0 billion.

One source of funding is contributions from over 137,000 active members who contributed 8% of their earnings through June 30, 1998. Members may also make contributions for optional service credit and the early retirement option (ERO). In FY98, member contributions totaled \$441 million, a \$24 million increase from the previous year. These contributions are invested. Net investment income increased \$229 million to \$2,873 million, a 16.6% return for the year.



LETTER OF TRANSMITTAL

Appropriations from the State of Illinois and employer contributions make up a third funding source. State appropriations for FY98 increased \$82 million to \$467 million while contributions from employers remained at \$36 million.

REVENUES	(In millions)			
	1998	1997	Increase/(Decrease)	
Source	Amount	Amount	Amount	% Change
Member Contributions	\$441	\$417	\$24	5.8%
State of Illinois	467	385	82	21.3
Employer Contributions	36	36	0	0
Net Investment Income	2,873	2,644	229	8.7
TOTAL	\$3,817	\$3,482	\$335	9.6%

Expenses

Expenses include payments of benefits, refunds and administrative expenses. Benefits payments increased from \$1,161 million to \$1,210 million in FY98. This 4.2% increase is the result of new retirements and annual increases in annuities as prescribed by law. Administrative expenses continued to constitute less than 1% of System expenses in FY98.

EXPENSES	(In millions)			
	1998	1997	Increase/(Decrease)	
Source	Amount	Amount	Amount	% Change
Benefits Payments	\$1,210	\$1,161	\$49	4.2%
Refunds	24	22	2	9.1
Administrative/Other	10	10	0	0
TOTAL	\$1,244	\$1,193	\$51	4.3%

Governmental Accounting Standards Board Statement 25

The Governmental Accounting Standards Board (GASB) has issued Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans. Statement 25 required changes in the financial reporting of TRS. Statement 25 was effective for periods beginning after June 15, 1996. Effective with FY97, the System elected to adopt the provisions of GASB 25.

FY97 and FY98 financial statements for TRS have been prepared using Statement Number 25. The principal provisions of this statement include:

- the Statement of Plan Net Assets provides information about the fair value and composition of net assets. This includes reflecting the System's investments at fair value versus cost;
- additions to net assets include unrealized appreciation or depreciation of the fair value of these investments; and



LETTER OF TRANSMITTAL

- schedules of funding progress and contributions from employers and other contributing entities are presented to provide information about the actuarially determined funded status of the plan and contributions made in relation to actuarially required contributions.

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 independent auditor's report on the System's financial statements is included in the Financial Section of this report.

Acknowledgments

Information for this report was gathered by the Accounting, Administrative Services, Investment, and Research Departments and reflects the combined efforts of the TRS staff under the leadership of the Board of Trustees and the Executive Director. 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 for determining responsible stewardship of the assets contributed by members and their employers.

This report is provided to members of the General Assembly, all participating employers and to others by request. The participating employers of TRS form the link between TRS and its members. Their cooperation, for which we are grateful, contributes significantly to our success. We hope this report is both informative and helpful.

Respectfully submitted,

Todd Kennedy
Controller



EXECUTIVE DIRECTOR'S LETTER

the Board of Trustees, Members, and Annuitants of TRS:

It is a pleasure as your newly appointed Executive Director to present the Fiscal Year 1998 Comprehensive Annual Financial Report of the Teachers' Retirement System of the State of Illinois. I would like to share with you some of the highlights of the year just ended before discussing my plans and priorities for the years ahead.

2. Legislation

Years of planning and lobbying by TRS members and their employee organizations were rewarded this past spring with the passage and signing into law of the 2.2 pension benefit formula improvement legislation.

Key provisions of the legislation include:

2.2% flat rate credit for service earned after June 30, 1998.

Voluntary, optional upgrade of prior service by payment of employee contribution. Prior service to be upgraded is reduced by one full year for each three full years worked after June 30, 1998.

Installment financing of upgrades, including a tax-deferred program for in-service members and a 24-month pension deduction program for persons electing the upgrade and retiring before June 30, 2003.

Transitional changes pertaining to persons age 55 or with 34 years of service.

Funding of the program is split between teachers, school districts, and the State.

The legislation will allow active members to receive their full pension after 34 years of service, a four-year reduction from the prior graduated formula. The legislation moves Illinois teachers' pension benefits from near the bottom of their peers nationally to a more equitable middle ranking. I commend all those individuals and organizations who played a role in its development and passage.

Investment Performance

Propelled by strong market performance in most asset classes, the market value of TRS' assets grew during Fiscal Year 1998 to nearly \$20 billion. Income from investments of \$2.9 billion, a record, translates to a total fund return of 16.6%.

Among the major contributions to last year's returns:

- Domestic Equities benefited from the record-setting performances of the markets through late 1997 and early 1998, returning 26.6% for the year.
- Domestic Fixed Income - enjoyed a 12.2% return for the year, ranking in the top 25 percent of comparable pension funds.
- Alternative Investments - continued to be TRS' top performing asset class in Fiscal Year 1998 with a 35.3% return. This group of venture capital and private equity investments has averaged a return exceeding 35% over the past five years.
- Real Estate - returned 14.7% for the year, once again ranking in the top half of comparable funds.
- International Equity and Fixed Income - in very volatile foreign markets, each of these asset classes exceeded their performance benchmarks and posted positive returns of 2.8% and 2.4% respectively.

The Board of Trustees made a significant reallocation of funds in February 1998 from Domestic Equities to Domestic



EXECUTIVE DIRECTOR'S LETTER

Fixed Income in order to keep each asset class within its respective long-term target allocation. The Board and staff will continue to evaluate each asset class to ensure that a well-diversified portfolio is in place which maximizes potential returns while minimizing potential risks.

Funding Progress

The combination of large investment gains and continued increases in state funding under Public Act 88-593 provided another year of forward progress in improving the actuarial status of TRS. At year's end, our funded ratio, or the percentage of our pension benefit obligation covered by our assets, was 66.8%, or a 2.3 percentage point increase from last year. Our unfunded liability, or the difference between the pension benefit obligation and assets, grew by \$384 million this year.

The primary causes of the increased liability include the cost of benefits earned during the year by active members' interest on the unfunded liability, and the costs associated with the new 2.2 formula.

For the seventh consecutive year, TRS was in a negative cash flow position, with \$192 million of investment income being used to pay benefits or a decrease of \$58 million from last year. We anticipate this situation to continue to improve over the next few years. The continuing support of the Governor and General Assembly for pension funding progress is appreciated.

Member Services

Driven by demand for information on the 2.2 formula and the new Payroll Deduction Program, TRS' Member Services division reported record levels of member contacts of all types during Fiscal Year 1998.

The highlights include:

- 145,417 telephone calls
- 136,689 items of correspondence
- 10,668 members counseled at individual or group sessions

Technology

Many members have called or written to inquire about the System's readiness for the year 2000, or "Y2K" as it has come to be known. I want to assure you that TRS services and benefits payments will not be disrupted. We began analyzing our Y2K exposures in 1997 and are well on the way to completing the needed changes to our computer systems. We anticipate the work will be completed in early 1999 and will keep you informed of our progress through the *Topics and Report* newsletter. Progress also continues on TRS 2000, the project to improve member and employer services through an integrated information system.

TRS has also upgraded and expanded the content of our Internet Web site. Please visit us at www.state.il.us/trs.

Future Focus

The next few years at TRS will be both exciting and challenging. While retirement systems throughout the country will be facing a broad range of issues as our population and economy mature, there are three areas mentioned earlier in this letter that will command special focus.

Over the past year the TRS Board of Trustees has begun a fundamental and comprehensive review of the investment program for the system. The Board commissioned a report by Independent Fiduciary Services that will provide a broad range of recommendations based on the best practices of institutional investors. Using that report as a starting point, we will endeavor to design an investment program to serve the system well as we move into the twenty-first century.

The need to deliver promised benefits in an efficient and effective manner becomes ever more important as our



EXECUTIVE DIRECTOR'S LETTER

membership numbers increase and the portion of members in retirement grows larger. To meet that challenge, TRS will continue to examine more sophisticated, but friendly, uses of technology, and continuously review our processes to assure we provide timely and accurate information and service to our principal customers, the teachers of Illinois and their employing school districts. In the past year we have seen both our technology and people stressed as we tried to address the demands created by the 2.2 benefit legislation. The sensible use of new computing and communications technology will help our dedicated staff meet such future demands.

Finally, we will continue to work with the legislative and executive branches of the State of Illinois to carry forward the funding program that began with the legislation passed in 1994. Through that commitment by the State to move toward prudent funding, coupled with careful management of the system's assets and judicious planning of any improvements to the benefit plan, a sound retirement future for Illinois teachers can be assured, without undue burden to future teachers and taxpayers.

In closing, I would like to recognize three individuals for their service to the System. John Day, TRS' Director of Government Affairs served as Interim Executive Director from August 1997 to September 1998 and provided needed leadership to the System during a critical period. Joseph Spagnolo, Superintendent of Education, and Robert Landeville, Interim Superintendent of Education also served as TRS Board President during their respective terms of office.

Each of these three individuals provided leadership and dedication to the System during their tenure, and we express our gratitude for all their efforts.

Sincerely,

Keith Bozarth
Executive Director



**SECTION TWO:
FINANCIAL**

KPMG Peat Marwick LLP

303 East Wacker Drive
Chicago, Illinois 60601-5212
312 665 1000
fax: 312 665 6000

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 statements of plan net assets of the Teachers' Retirement System of the State of Illinois (the System), a component unit of the State of Illinois, as of June 30, 1998 and 1997, and the related statements of changes in plan net assets for the years 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Teachers' Retirement System of the State of Illinois as of June 30, 1998 and 1997, and the changes in plan net assets for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 1998 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required and other supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements of the System and are presented for the purpose of additional analysis. 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 in relation to the basic financial statements taken as a whole.

KPMG Peat Marwick LLP

October 22, 1998

Member Firm of
Klynveld Peat Marwick Goerdeler



NOTES TO FINANCIAL STATEMENTS

A. Plan Description

1. Reporting Entity

The Teachers' Retirement System of the State of Illinois (the System or TRS) is the administrator of a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). Members of the System consist of all teachers employed in the public common schools of Illinois outside Chicago. The System was established by the State of Illinois and is governed by the Illinois Pension Code (40 ILCS 5/16). 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 uses criteria established by the Governmental Accounting Standards Board (GASB) to determine whether other entities should be included within its financial reporting entity. Based on the criteria, the System has no other entities included in these financial statements.

2. Employers

Members of the System are employed by school districts, special districts and certain state agencies. Member contributions are remitted by each employer to the System. As of June 30, 1998, 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. Effective July 1, 1998, Public Act 90-582 required employers to pay a new employer contribution equal to .3% of covered payroll in FY99 and .58% of covered payroll in FY2000 and subsequent years. In addition, the State of Illinois provides employer contributions to partially fund the System. Refer to "Funding" for information regarding employer contributions made by the State of Illinois.

NUMBER OF EMPLOYERS AT JUNE 30, 1998 AND 1997		
	1998	1997
Local school districts	898	904
Special districts	129	133
State agencies	33	34
	1,060	1,071

3. Members

SYSTEM MEMBERSHIP AT JUNE 30, 1998 AND 1997		
	1998	1997
Retirees and beneficiaries		
currently receiving benefits	59,150	59,352
Inactive members entitled to but		
not yet receiving benefits	47,228	48,646
Current active members	137,320	136,604
	243,698	244,602

4. Benefit Provisions

The System is governed by Article 16 of the Illinois Pension Code (40 ILCS 5/16). The System provides retirement, death and disability benefits. A member qualifies for an age retirement annuity after attaining one of the following: age 62 with five years of service credit; age 60 with ten years; or age 55 with 20 years. If retirement occurs between age 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2% for each month the member is under age 60. A member with 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 more than five years of creditable service and service on or after July 1, 1947, is entitled to a single sum benefit payable upon reaching age 65.

A retirement benefit is determined by the average salary of the four highest consecutive salary rates within the last ten years of creditable service and the percentage of average salary to which the member is entitled. This percentage is determined by the following formula: service earned before July 1, 1998: 1.67% for each of the first ten years, plus 1.9% for each of the next ten years, plus 2.1% for each of the next ten years, plus 2.3% for each year over 30. The maximum retirement benefit, 75% of average salary, is achieved with 38 years of service under the graduated formula. Each annuitant who retires after 1969 or made a qualifying contribution receives an annual 3% increase in the current retirement benefit beginning January 1 following attainment of age 61 or January 1 following the first anniversary in retirement, whichever is later.

On May 27, 1998, Governor Edgar signed into law Public Act 90-582 which improved retirement benefits for TRS members. Public Act 90-582 changed the rate



FINANCIAL

Each TRS member accrues benefits beginning July 1, 1998, from a graduated rate to a flat rate equal to 2.2 percent of final average salary. The maximum 75% benefit is attained with 34 years of service under the 2.2 formula. Members retiring on or after the effective date have the option of upgrading their service earned prior to July 1, 1998, to the new flat 2.2% formula by making a payment to the System. Additionally, for members continuing to work, every three full years worked after July 1, 1998, entitles them toward a full one year reduction of the years to be upgraded.

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

Funding

At June 30, 1998, member contributions, established by statute, are 8% of earnings allocated as follows: 6 1/2% for retirement, 1/2% for post-retirement increases and 1% for death benefits. Effective July 1, 1998, Public Act 90-582 increased member retirement contributions 1% from 7% to 8%.

Employer contributions are made by or on behalf of the employers from several sources. The State of Illinois provides the largest source of contributions through state appropriations from the Common School Fund. Additional sources of state contributions are the State Pension Fund and contributions from the General Revenue Fund from which reimbursements are made to the System for certain minimum and supplemental benefits. Effective July 1, 1998, the state will make contributions for the 2.2 formula. Employers also make contributions for teachers paid from federal and trust funds. Additionally, employers contribute their portion of the cost of the early retirement option as well as the early retirement incentive. Employer early retirement incentive contributions could 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. Employee contributions were paid in full during FY98 while employer contributions will be paid in full during FY2001.

The actuarial funding requirements for FY98 and FY97 were determined under Public Act 88-593. The state funding law provides for a 50-year funding plan which includes a 15-year phase-in period. Employer contributions as a percentage of active member payroll will be gradually increased until FY2010 and remain at a level of 8% for the following 35 years. The System's fund-

ing ratio will be 90% at the end of the 50-year period. Beginning July 1, 1995, state contributions have been made through a continuing appropriation instead of through the appropriations process.

Administrative expenses are budgeted and approved by the System's Board of Trustees. Funding for these expenses is included in the employer contribution as determined by the annual actuarial valuation and appropriated by the State of Illinois.

B. Summary of Significant Accounting Policies

1. Basis of accounting

The financial statements of the System are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized as expenditures when due and payable in accordance with the terms of the plan.

2. Method used to value investments

TRS reports investments at fair value. Fair value for equities is determined by using the closing price listed on the national securities exchanges as of June 30. Fair value for fixed income securities is determined principally by using quoted market prices provided by independent pricing services. Fair value for real estate investments is determined by appraisals.

3. Property and Equipment

Equipment is stated on the basis of historical cost. Depreciation is computed using the straight-line method, based upon the estimated useful lives of the assets. Office furniture and equipment is assigned a useful life of three to ten years while vehicles are assigned a five-year life. The System's office building is depreciated over 40 years.

4. Accrued Compensated Absences

Employees of the System are entitled to receive compensation upon termination of employment for all accrued but unused vacation time and one-half of all unused sick leave earned through December 31, 1997. (Lump-sum payments for sick leave earned prior to January 1, 1984 is subject to a maximum of 60 days/420 hours.) Accrued compensated absences as of June 30, 1998 and 1997 totaled \$1,284,507 and \$1,313,249, respectively, and are

included as administrative and investment expenses payable.

5. Receivables

Receivables of the System are separated into three general categories: member contributions collected by and due from employers, early retirement incentive (ERI) contributions due from employers and employer contributions due for members paid from federal funds. Employer ERI receivables are owed to the System as a condition of a member's retirement under the ERI program. TRS is allowed by law to assess penalties for late payment and to collect any unpaid amounts from school districts by filing a claim with a Regional Superintendent of Education or the State Comptroller against future state aid payments to the district. TRS considers these amounts to be fully collectible.

TRS employers are responsible for remitting member contributions withheld from employees' pay and a supplemental 10 1/2% employer contribution for members paid from federal or trust funds. TRS is authorized by law to collect penalties for late payment for semi-monthly remittances and amounts remitted after the fiscal year end. As with employer ERI receivables, TRS has the ability to offset future state aid payments to the school district to collect these receivable amounts.

6. Prior Period Reclassification

Certain prior year amounts have been reclassified on a basis consistent with the current year presentation.

C. Cash

The bank balance and carrying amount of the System's deposits were \$1,641,591 and \$1,129,919 at June 30, 1998 and \$104,381,311 and \$6,706,525 at June

30, 1997. Of the bank balance, \$708,169 and \$98,054,979 were on deposit with the State Treasurer June 30, 1998 and 1997, respectively. Bank balances either insured or collateralized with securities held by State Treasurer or agents in the name of the State Treasurer or collateralized with securities held by the System or its agents in the name of the System. Cash equivalents are classified as short-term investments in the Statement of Plan Net Assets.

D. Investments

1. Investment policies

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

2. Investment summary

The following table presents a summary of the System's investments and related category of custodial credit risk at June 30, 1998 and 1997. 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, 1998 and 1997, the System holds no securities classified in either Category 2 or Category 3.

INVESTMENT SUMMARY

	Fair Value	
	1998	1997
CATEGORY 1:		
Bonds (including short-term collateral)	\$2,329,691,162	\$2,871,538,600
Corporate notes	3,842,379,344	2,136,265,566
Preferred stock	106,840,757	106,809,956
Short term investments:		
Commercial paper (incl. short-term collateral)	55,000,000	421,217,581
U.S. Treasury bills	76,729,450	136,976,069
Other	125,460,214	567,893,573
Common stock	<u>6,560,890,119</u>	<u>5,668,670,025</u>
	13,096,991,046	11,909,371,370
NOT CATEGORIZED:		
Investments Held by Broker/Dealers under Securities Loans:		
Bonds	1,494,045,803	604,589,258
Corporate notes	200,178,490	36,217,016
Common stock	1,136,574,928	927,455,995
Real estate:		
Equity	1,989,628,427	1,935,424,955
Farmland	276,757,251	252,771,928
Commingled funds	1,211,345,740	1,221,617,075
Alternative investments -		
Limited partnerships	458,118,826	364,577,923
Foreign currency investment funds	9,969,850	69,333,815
Collective investment funds (U.S. dollars)	924,873,213	1,890,965,311
Security Lending Short Term Collateral Investment Pool	<u>1,791,059,796</u>	<u>0</u>
Investments and collateral from securities lending	22,589,543,370	19,212,324,646
Less collateral from securities lending	<u>(1,841,099,038)</u>	<u>(1,349,674,873)</u>
Total Investments	<u>\$20,748,444,332</u>	<u>\$17,862,649,773</u>

The System has nonrecourse mortgages totaling \$299,934,518 and \$301,562,774 on real estate equities at June 30, 1998 and 1997, respectively. The amount reported for real estate equity is net of these mortgages, which mature on various dates through the year 2018.

The real estate equity category includes \$ 86,767,215 and \$125,611,288 of mortgages receivable which are fully secured by the properties at June 30, 1998 and 1997, respectively.

At June 30, 1998, the System did not have any investments with one organization that exceeded 5% of net assets available for benefits. At June 30, 1997, the System had investments with one organization (other than U.S. Government and U.S. Government guaranteed obligations) that exceeded 5% of net assets available for benefits. The investments, reported at fair value, were with the Illinois Teachers' Custom Cash Fund at Northern Trust for \$1,890,965,311.



3. Securities lending program

Board of Trustees' policies permit the System to use investments to enter into securities lending transactions—loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The System's master trustee is the agent in lending the plan's domestic securities for cash collateral of 102% of the market value of the securities and international securities for cash collateral of 105% of the market value of the securities. Securities on loan at year-end are presented as not categorized in the preceding schedule of custodial credit risk. At year-end, the System has no credit risk exposure to borrowers because the amount the System owes the borrowers exceeds the amount the borrowers owe the System. The contract with the System's lending agent requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities issuers while the securities are on loan. All securities loans can be terminated on demand either by the System or the borrower, although the average term of the loans is ten days. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which at year end has a weighted average maturity of 50 days. There were no significant violations of legal or contractual provisions, and there were no borrower or lending agent default losses known to the securities lending agent.

As of June 30, 1998 and 1997, TRS had outstanding loaned investment securities having a market value of \$2,830,799,221 and \$1,568,262,268, respectively, against which it had received collateral of \$2,979,211,045 and \$1,611,202,056 respectively. Collateral from securities lending reflected on the Statement of Plan Net Assets consists primarily of collateral received in the form of cash. At June 30, 1998 and 1997, the System has instructed the master trustee to direct \$24,395,976 and \$25,691,740, 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.

4. Derivatives

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 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 regular 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.

Foreign currency forward contracts are an agreement to buy or sell a specific amount of a foreign currency at a specified delivery date or maturity date for an agreed upon price. Fluctuations in the fair value of foreign currency forward contracts are recognized in the System's financial statements as incurred rather than at the maturity or settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation as there are no balance sheet assets or liabilities associated with those contracts.

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 the writer of financial options, the System receives a premium at the outset of the agreement and bears the risk of an



DERIVATIVES CONTRACTS

(CONTRACTS OUTSTANDING AT JUNE 30, 1998)

	Contractual Principal*	Contractual Principal*
	June 30, 1998	June 30, 1997
Domestic Interest Rate Products:		
Fixed income futures purchased, net (3,972)	\$480,712,652	\$1,715,431,804
Fixed income written call options (250)	428,943	2,632,308
Fixed income written put options (1,000)	40,554,817	243,764,864
Fixed income credit spreads (4)	162,000,000	0
International Interest Rate Products:		
International fixed income futures purchased, net (1,542)	325,791,565	71,414,363
International fixed income written bond call options (0)	0	58,095,296
International fixed income written bond put options (0)	0	27,216,891
Domestic Equity Products:		
S&P 500 index futures purchased, net (2,694)	769,810,500	1,395,912,000
S&P 500 index written call options (0)	0	4,452,500
International Equity Products:		
Index futures purchased, net (0)	0	148,493,053
Foreign Currency Products:		
Currency futures, net (0)	0	6,540,713
Written call options (0)	0	92,114,990
Written put options (0)	0	2,109,250

*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 values in the Statements of Plan Net Assets.

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. Fluctuations in the fair value of financial options are recognized in the System's financial statements as incurred rather than at the time the options are exercised or when they expire. As of June 30, 1998, the net cost and fair values of option contracts written were (\$262,820) and \$789,148, respectively. As of June 30, 1997, the net cost and fair values of option contracts written were \$6,348,179 and \$6,920,361, respectively. The cost value of options represents the premiums received, and the fair value represents the amount needed to close all positions as of that date.

The above table presents the aggregate contractual principal amount of the System's outstanding contracts at

June 30, 1998 and 1997. 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.

E. Reserves

TRS maintains statutory reserve accounts in accordance with the provisions of 40 ILCS 5/16-101 et seq. In 1997, legislation was passed by the Illinois General Assembly which allowed the crediting of income at fair value, as opposed to book value, to the Employer's Contribution Reserve.



1. Members' Contribution

	1998	1997
Balances at June 30	\$5,567,842,261	\$5,014,798,877

This reserve accumulates, with 6% interest, the contributions by members prior to retirement. Contributions through June 30, 1998, were 6 1/2% 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. This reserve is fully funded.

2. Minimum Retirement Annuity

	1998	1997
Balances at June 30	\$2,618,918	\$2,405,749

The minimum annuity is set by law at \$25 per month for each year of creditable service to a maximum of \$750 per month after 30 or more years of creditable service. To qualify, annuitants are required to make a one-time contribution which is credited to the reserve. Interest at 6% is credited to the reserve annually, based upon the average reserve balance. The State of Illinois also appropriates funds necessary to pay the minimum benefits provided in the legislation. All benefits paid under this program are charged to the reserve. This reserve is fully funded.

3. Supplementary Annuity

	1998	1997
Balances at June 30	\$740,293	\$680,503

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

4. Employer's Contribution

	1998	1997
Balances at June 30	\$14,394,685,933	\$12,375,222,786

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' 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 all survivor benefit contributions refunded to annuitants.

This reserve does not equal the present value of expected retirement benefits. The additional amount needed (the unfunded actuarial accrued liability) as calculated by the actuary was \$9,942,354,000 in 1998 and \$9,558,477,000 in 1997.

F. TRS Employee Pension Benefits

1. Plan Description

All of the System's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. Financial position and results of operations of the SERS for fiscal years 1998 and 1997 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 1998 and 1997, respectively. SERS also issues a separate CAFR that may be obtained by writing to SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255 or by calling (217) 785-7202. The State of Illinois CAFR may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois, 62704-1858 or by calling (217) 788-2053.

Effective FY97, SERS implemented Governmental Accounting Standards Board (GASB) Statement No. 27 entitled *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. Also, effective FY97, the State of Illinois implemented GASB Statement No. 27 entitled *Accounting for Pensions by State and Local Governmental Employees*.



These new GASB standards supersede all previous authoritative guidance on accounting and financial reporting for defined benefit pension plans of state and local governmental entities.

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, are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute, and the authority under which those obligations are established.

2. Funding Policy

The System pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For FY98 and FY97 the employer contributions rates were 6.500% and 4.963%, respectively. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most state agencies with employees covered by the State Employees' and Teachers' Retirement Systems.

Generally, this "pickup" of employee retirement was part of the fiscal year 1998 and 1997 budget process and was, in part, a substitute for salary increases. The pickup is subject to sufficient annual appropriations and those employees covered may vary across employee groups and state agencies. Currently, state officers, judges, general assembly members, and state university employees are not eligible for the employee pickup.

3. Postemployment Benefits - System Employees

In addition to providing pension benefits, the State Employees Group Insurance Act of 1971, as amended, requires that certain health, dental, and life insurance benefits shall be provided by the state. Substantially all of the System's employees may become eligible for postemployment benefits if they eventually become annuitants. Health and dental benefits include basic benefits for System retirees under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to five thousand dollars per annuitant age 60 or older.

Costs incurred for health, dental, and life insurance for annuitants and their dependents were not separated from benefits provided to active employees and their dependents for the year ended June 30, 1998 and 1997. However, postemployment costs for the state as a whole for all state agencies/departments for dependent health, dental, and life insurance for annuitants and their depend-

ents are disclosed in the State's Comprehensive Annual Financial Report. Cost information for retirees by individual state agency is not available. Payments are made on a "pay-as-you-go" basis.

G. Subsequent Events

On May 27, 1998, Governor Edgar signed into law Public Act 90-582, which changed the rate at which TRS members accrue benefits beginning July 1, 1998, from a graduated rate to a flat rate formula equal to 2.2% of final average salary. Members with service credit earned before July 1, 1998, have the option of upgrading their service earned prior to July 1, 1998, to the new flat 2.2% formula by making a payment to the System equal to 1% of the highest annual salary rate during the preceding four school years. The maximum upgrade cost for members is 20%. Additionally, for members continuing to teach, every three full years worked after July 1, 1998, count toward a full one year reduction of the years to be upgraded. The flat 2.2% formula will allow members to receive 75% of final average salary with 34 years of service.

Members, employers and the State of Illinois will share the cost of the benefit improvement. Effective July 1, 1998, member contributions will increase 1% from 8% to 9% of salary. Employers are required, effective July 1, 1998, to make a new employer contribution equal to 0.3% of their TRS payroll in FY99 and 0.58% of their TRS payroll in FY2000 and subsequent years. Minimum State contribution rates are specified in the statute which include .576% of covered payroll in FY99 and .620% of covered payroll in FY2000 and subsequent years in addition to increases under the 50-year funding plan.

In FY99, two executives were hired by the System. On September 9, 1998, Keith Bozarth began employment as the System's Executive Director and on October 16, 1998, Mark Caplinger, Chartered Financial Analyst, began employment as the System's Chief Investment Officer.

The System had a decline in its investment portfolio subsequent to year end due to turbulent market conditions. At September 30, 1998, the System had incurred an approximate \$982,700,000 (4.8%) decrease in its investment portfolio due to declines in the domestic and international equity markets.



REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS ¹

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL-Projected Unit Credit) (b)	Funded Ratio (a)/(b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (b-a)/(c)
06/30/96	\$15,103,927,000	\$26,141,794,000	57.8%	\$11,037,867,000	\$4,734,250,000	233.1%
06/30/97	17,393,108,000	26,951,585,000	64.5	9,558,477,000	5,013,583,000	190.7
06/30/98	19,965,887,000	29,908,241,000	66.8	9,942,354,000	5,323,403,000	186.8

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES ¹

Year Ended June 30	State Contributions ²	Federal Contributions	Total	Annual Required Contribution per GASB Statement #25	Percentage Contributed	Annual Required Contribution per State Statute	Percentage Contributed
1996	\$324,276,000	\$16,997,000	\$341,273,000	\$1,350,997,000	25.3%	\$341,276,000	100.0%
1997	377,969,000	17,379,000	395,348,000	927,842,000	42.6	395,269,000	100.0
1998	460,439,000	17,246,000	477,685,000	983,312,000	48.6	478,439,000	100.0

¹ The required schedules of funding progress and employer contributions should include information for the current year and as many of the prior years information according to the parameters as are available. The System has only three years of information that meets the parameters. For consistency with figures reported by the System's actuarial amounts have been rounded to the nearest thousand. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions

² Does not include minimum and supplemental retirement contributions of \$6,509,000 and \$5,798,000 in FY98 and FY97 respectively.

See accompanying independent auditor's report.



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Dates	June 30, 1998	June 30, 1997
Actuarial cost method:	Projected unit credit	Projected unit credit
Amortization method:		
a) For GASB Statement #25 reporting purposes	Level percent of payroll	Level percent of payroll
b) Per state statute	15-year phase-in to a level percent of payroll until a 90% funding level is achieved Minimum state contribution rates in statute include cost of 2.2 formula change as a level percent of payroll	15-year phase-in to a level percent of payroll until a 90% funding level is achieved
Remaining amortization period:		
a) For GASB Statement #25 reporting purposes	40 years, open	40 years, open
b) Per state statute	47 years, closed	48 years, closed
Asset valuation method:	Fair value	Fair value
Actuarial assumptions:		
Investment rate of return	8.5%	8.5%
Projected salary increases	6.0-9.3%, composite 7.0%	6.0-9.3%, composite 7.0%
Group size growth rate	0%	0%
Assumed inflation rate	4%	4%
Post-retirement increase	3% compounded	3% compounded
Mortality table	1995 Buck Mortality Tables (rated forward one year for beneficiaries only)	1995 Buck Mortality Tables (rated forward one year for beneficiaries only)

The June 30, 1997 actuarial valuation reflects significant changes in actuarial assumptions utilized in previous valuations. Such changes caused the actuarial accrued liability and the actuarially required contribution rate to decrease by approximately \$933 million and .06%, respectively. The actuarially required contribution rate will be effective for fiscal year 1999.

See accompanying independent auditor's report.



OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended June 30, 1998 and 1997 are summarized below:

	<u>1998</u>	<u>1997</u>
Personal services	\$6,754,240	\$6,765,101
Professional services	807,808	543,217
Postage	374,988	374,413
Machine repair and rental	306,077	261,311
Other contractual services	569,345	525,198
Commodities	233,925	226,453
Occupancy expense	235,241	240,032
Depreciation	481,297	532,828
Gain on disposal of equipment	<u>(1,611)</u>	<u>0</u>
Total Administrative expenses	<u>\$9,761,310</u>	<u>\$9,468,553</u>

SCHEDULE OF INVESTMENT ACTIVITY EXPENSES

Investment activity expenses for the years ended June 30, 1998 and 1997 are summarized below:

	<u>1998</u>	<u>1997</u>
Investment manager fees	\$71,645,986	\$64,962,733
Alternative investment expense	2,931,245	2,153,774
Miscellaneous	<u>1,161,230</u>	<u>1,210,140</u>
Total Investment activity expenses	<u>\$75,738,461</u>	<u>\$68,326,647</u>

See accompanying independent auditor's report.



SECTION THREE:
ACTUARIAL



**BUCK
CONSULTANTS**
One North Franklin, Suite 3500
Chicago, Illinois 60606

November 17, 1998

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, 1998

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 \$29,908,241,000 as of June 30, 1998. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

The actuarial valuation was based on a census of retired members as of June 30, 1998, and a census of active and inactive members as of June 30, 1997, 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.

Presented in the Financial Section of the System's Annual Financial Report, there is a schedule of Required Supplementary Information. This schedule has been reviewed and is consistent with the valuation report. The Actuarial Section of the Annual Financial Report also contains various schedules which are in agreement with the valuation report and have been verified for their accuracy.

The valuation is based on the benefit provisions of TRS in effect on June 30, 1998. 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.

The June 30, 1998 valuation reflects a change in the benefit formula. As required by PA 90-0582, normal retirement benefits are now calculated as 2.2% of final average salary for each year of creditable service earned after June 30, 1998. Members may upgrade to the new formula for all service by making an optional payment. The effect of this change was to increase the value of benefits and increase the unfunded pension benefit obligation by \$985.9 million.

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



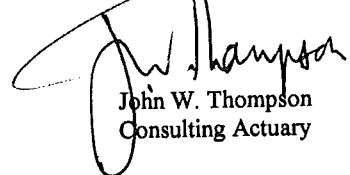
ACTUARIAL

Board of Trustees
Teachers' Retirement System
of the State of Illinois
November 17, 1998
Page 2

This valuation also reflects a change in the definition of "Eligible Child." Under PA 90-0448, Section 16-140(4) of the pension code, the definition of "Eligible Child" was amended to include children under the age of 22 who are full-time unmarried students. Previously, "Eligible Child" was defined as an unmarried natural or adopted child of the member or annuitant under age 18. The effect of this change was an increase in the unfunded pension benefit obligation of \$14.4 million.

In our opinion, the amount of \$29,908,241,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1998.

Respectfully submitted,


John W. Thompson
Consulting Actuary

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ACTUARIAL

Actuaries estimate the cost of benefits that members and survivors will receive over their lifetimes and calculate the amount that should be set aside each year to fund the benefits.

The Teachers' Retirement System complies with the reporting requirements issued by the Governmental Accounting Standards Board (GASB) under Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans."

ACTUARIAL ASSUMPTIONS AND METHOD

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 liability. The unfunded liability is the difference between the accrued liability (the present value of benefits including the cost of annual increases) and the net assets that are available to cover the liability.

Inflation: 4% per annum. Implicit in investment and earnings progression assumptions which were changed in the FY97 valuation.

Investment return: 8.5% per annum, compounded annually. Adopted in FY97 valuation.

Earnings progression: Merit and longevity increases, adjusted for inflation. Approximates 7.0% per year to earliest date of retirement eligibility. Adopted in FY97 valuation.

Sample annual percentage salary increases:

Age	Male & Female
20	9.3 %
30	8.2
40	7.1
50	6.5
60	6.3
69	6.0

Retirement age: Graduated rates based on age and gender of active members. Inactive members are assumed to retire at age 62. Adopted in FY87 valuation.

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

Age	Male	Female
55	97.0	97.0
60	270.0	180.0
65	365.0	330.0
70	1,000.0	1,000.0

Mortality: For death in active service and regular service retirements: 1995 Buck Mortality Tables. For beneficiaries and survivors: 1995 Buck Mortality Tables rated forward one year. For disabled retirements: Pension Benefit Guaranty Corporation rates for male disabled lives not necessarily receiving Social Security, with male rates set forward 5 years and female rates set back 2 years (but not set back to less than 65). Adopted in FY97 valuation.

Disability: Adopted in FY93 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

Termination from active service: Adopted in FY97 valuation.

Sample annual terminations per 1,000 participants:

Age	Nonvested Members		Vested Members	
	Male	Female	Male	Female
20	169.0	186.7	76.5	96.6
30	91.0	135.0	41.2	69.9
40	35.0	55.0	15.8	28.5
50	23.0	36.5	10.4	18.9
60	41.0	44.0	18.6	22.8



ACTUARIAL

Severance Pay: Increases with years of service at retirement. Adopted in FY94 valuation.

Table with 3 columns: Years of Service at Retirement, Percent of Retirees who Receive Severance Pay, and Severance Pay as % of Final Salary. Rows include categories like Under 20, 20-24, 25-29, 30-34, and 35 or more.

Optional Service at Retirement: The accrued liability for retirement benefits for active members is increased by 2.87% to cover the employer cost of optional service purchased in the last two years of service. Adopted in FY94 valuation.

Unused and Uncompensated Sick Leave: Equals 2.90% of regular service at retirement. Adopted in FY94 valuation.

Actuarial Cost Method: Projected unit credit. Gains and losses are reflected in the unfunded liability. Adopted in FY89 valuation.

Asset Valuation Method: Market value. Adopted in FY97 valuation.

Please note that under the projected unit credit cost method used by TRS, the resulting liability for benefits earned is called the "pension benefit obligation," or PBO. A broader term for this liability is "actuarial accrued liability," or AAL. In other words, the PBO is a type of AAL.

Also, please note that measures of the System's financial condition for both June 30, 1998 and June 30, 1997 are shown using market value of assets. These tests are consistent with the System's financial statements which are prepared in accordance with GASB 25. The change to market value was effective June 30, 1997. for determining state funding requirements for FY99.

The actuarial value of assets for FY98 and FY97 equal to the "net assets available for benefits" as shown in the Financial Statements.

ANNUAL ACTUARIAL VALUATION

The annual actuarial valuation measures the total liability for all benefits earned to date. The accrued liability is a present value estimate of all the benefits that have been earned to date. The unfunded liability is the present value of future benefits payable not covered by assets of the valuation date.

The funded ratio shows the percentage of the accrued liability covered by net assets at market value.

ACTUARIAL VALUATION WITH MARKET VALUE ASSETS (\$ Thousands) (Years Ended June 30). Table with 3 columns: Description, 1998, and 1997. Rows include Total actuarial accrued liability, Actuarial value of assets (net assets at market value), Unfunded liability, and Funded ratio.



ACTUARIAL

RECONCILIATION OF UNFUNDED LIABILITY

Table with 3 columns: Description, 1998, and 1997. Rows include Unfunded liability at beginning of year, Additions (deductions), Amendments (FY98 and FY97), Actuarial losses (gains) compared to experience, and Net addition (reduction). Total unfunded liability at end of year is \$9,942,354 for 1998 and \$9,558,477 for 1997.

1 This schedule reflects the unfunded liabilities used by the actuary for determining funding requirements. The change to valuing assets at market value under PA-90-448 was effective beginning with the June 30, 1997 valuation. Consequently, the June 30, 1996 unfunded liability was not recalculated and is shown using assets at book value. For comparative purposes only, other schedules in this section reflect June 30, 1996 assets at market value.
2 455 retirements which occurred prior to 7/1/96 were not reported to the actuary until 6/30/97. 542 retirements which occurred prior to 7/1/97 were not reported to the actuary until 6/30/98.
3 (a) Retroactive benefits for late retirees (50-100 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) Different number of disability claims than expected.

SIGNIFICANT FACTORS IN RECONCILIATION OF UNFUNDED LIABILITY

The net increase in the June 30, 1998 unfunded liability of \$384 million was caused by a combination of factors.

The *employer cost in excess of contributions* is the shortfall between actual employer contributions and the amount needed to cover the cost of benefits earned during the year and to keep the unfunded liability from growing. In 1998, this shortfall was \$776 million.

Benefit increases (plan *amendments*) also caused the unfunded liability to increase. A change from the four-step graduated formula to a flat 2.2% caused a \$986 million increase in the unfunded liability. This amount, as well as the cost of future service, will be covered by a combination of state, school district, and member contributions. Another benefit change allows the benefits of children of deceased members who are full-time unmarried students to continue until age 22 instead of terminating automatically at age 18. This amendment increased the unfunded liability by \$14 million and will be covered by increased state contributions.

The System experienced actuarial gains under the *investment return* and *salary increase* assumptions. Investment income was \$1.4 billion higher than expected, and salary increases were \$46 million lower than expected. These gains offset some of the increases in the unfunded liability caused by the employer cost in excess of contributions, plan amendments, and actuarial losses due to other factors.

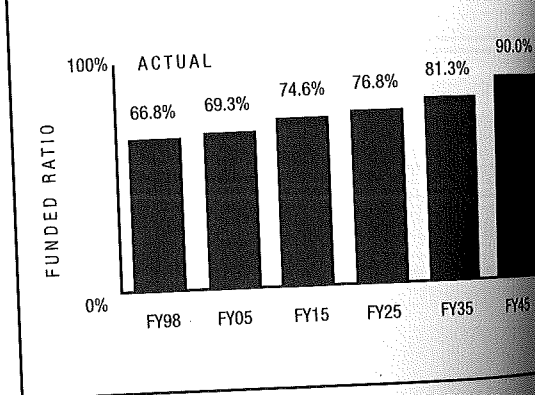
STATE FUNDING

State contributions to TRS under Public Act 88-593 (SB533) began in FY96. The law established the state's commitment to strengthen the System's financial position through a 35-year funding plan following a 15-year phase-in that ends in FY2010. Under the phase-in, contributions are being gradually increased to a level percentage of active member payroll, and that rate (as adjusted annually by the actuaries) will be contributed for the following 35 years. At the end of the funding period in FY2045, the System will reach a 90% funded ratio.

Public Act 90-582, the 2.2 legislation, added minimum state contribution rates for FY99 through FY2010, with the state's share of the cost of the 2.2 formula change paid as a level percentage of active member payroll. The overall phase-in feature and the 90% target funded ratio of Public Act 88-593 are maintained.

Since FY96, state contributions to TRS and the other four state systems have been made through a continuing appropriation, so the required contributions to the systems are made automatically. It is essential that the continuing appropriation feature and the 50-year funding schedule be upheld. The integrity of the funding plan remains a top priority for TRS.

TRS PROJECTED FUNDED RATIO



The FY97 actuarial valuation was used to determine FY99 state funding requirements and the FY99 employer's normal cost. Subsequent to the FY97 valuation, Public Act 90-582 was enacted and required an additional \$32,016,000 in state contributions for the 2.2 formula change; the employer's normal cost also increased due to the formula change. Also in FY99, \$9,695,600 in State Pensions Fund appropriations became available and were made in addition to the required amounts. The FY99 actuarial valuation was used to determine the required state contributions for FY2000.

STATE FUNDING AMOUNTS

	FY2000	FY99
Employer contribution reserve (includes state contributions for 2.2; FY99 includes additional State Pensions Fund amount; excludes federal and trust fund contributions; excludes school district contributions for 2.2)	\$634,039,000	\$567,067,600
Minimum benefit reserve	6,000,000	6,400,000
Supplemental benefit reserve	35,000	40,000
Total state funding amount	\$640,074,000	\$573,507,600
Employer's normal cost as a percentage of active member payroll	8.15%	7.84%
State contribution to the Employer Contribution Reserve as a percent of payroll	10.77%	10.20%

TESTS OF FINANCIAL CONDITION

The **funded ratio** shows the percentage of the accrued liability covered by net assets at book (cost) and market values.

FUNDED RATIO TEST

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation	Funded Ratio (\$Thousands)	
				At Cost	At Market
1989	\$7,272,071	\$8,088,731	\$11,913,959	61.0%	67.9%
1990	8,079,898	8,924,022	13,662,509	59.1	65.3
1991	8,747,122	9,453,140	15,141,334	57.8	62.4
1992	9,811,962	10,439,836	16,659,353	58.9	62.7
1993	10,879,590	11,544,604	18,485,890	58.9	62.5
1994	11,992,224	12,038,688	21,746,875	55.1	55.4
1995	12,641,865	13,374,278	23,980,566	52.7	55.8
1996	13,829,711	15,103,927	26,141,794	52.9	57.8
1997	*	17,393,108	26,951,585	*	64.5
1998	*	19,965,887	29,908,241	*	66.8

* The change to valuing assets at market value was effective beginning June 30, 1997. Accordingly, effective June 30, 1997, net assets and funded ratio are no longer reported at cost.

The **unfunded liability as a percentage of payroll** is a standard measure of the relative size of the unfunded liability. Decreases in this percentage indicate improvements in a system's financial position.

UNFUNDED LIABILITY AS A PERCENTAGE OF PAYROLL TEST

(\$ Thousands)			
Year Ended June 30	Approximate Member Payroll	Unfunded PBO Amount	Percentage of Payroll
1989	\$3,172,000	\$4,641,888	146.3%
1990	3,402,000	5,582,611	164.1
1991	3,777,000	6,394,212	169.3
1992	3,976,000	6,847,391	172.2
1993	4,189,000	7,606,300	181.6
1994	4,413,000	9,754,651	221.0
1995	4,417,000	11,338,701	256.7
1996	4,734,000	11,037,867	233.1
1997	5,013,000	9,558,477	190.7
1998	5,323,000	9,942,354	186.8

Beginning in FY96, unfunded liabilities are calculated using assets at market value.

The **solvency test** measures the ability of TRS to cover different types of obligations if the plan were terminated and is hypothetical. The columns are 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 next, 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. The System passed the minimum standards of the solvency test in 1998 and 1997 after failing for the three prior years.

SOLVENCY TEST							
(\$ Thousands)							
Year Ended June 30	Members Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members Employer Portion (3)	Actuarial Value of Assets*	(A)	Percentage of Benefits Covered by Net Assets (B)	(C)
1989	\$2,003,798	\$4,527,612	\$5,382,369	\$7,272,071	100%	100%	14%
1990	2,167,054	5,121,234	6,374,221	8,079,898	100	100	12
1991	2,311,850	5,742,766	7,086,718	8,747,122	100	100	10
1992	2,503,393	6,338,458	7,817,502	9,811,962	100	100	12
1993	2,709,573	7,510,618	8,265,699	10,879,590	100	100	8
1994	2,850,319	10,088,901	8,807,655	11,992,224	100	91	0
1995	2,846,405	12,702,258	8,431,903	12,641,865	100	77	0
1996	3,002,052	13,351,367	9,788,375	15,103,927	100	91	0
1997	3,329,075	13,091,057	10,531,453	17,393,108	100	100	9
1998	3,651,119	13,830,583	12,426,539	19,965,887	100	100	20

Beginning in FY96, assets are at market value.

OTHER INFORMATION

Please refer to the Statistical Section which immediately follows for the following information:

- Average Annual Salary for Active Members by Years of Service, 1989-1998
- Active Members by Years of Age and Years of Service, June 30, 1998
- Retired Members by Years of Service and Years in Retirement, June 30, 1998
- Schedules of Average Monthly Benefits, June 30, 1998
 - Retiree Benefits
 - Disability Benefits
 - Survivor Benefits
- Retirees and Beneficiaries Added to and Removed from the Rolls, 1995-1998

The schedules appearing in the Statistical Section were prepared by TRS staff.

The Statistical Section contains schedules for Revenue by Source, Expenses by Type, and a Schedule of Participating Employers.

PLAN SUMMARY AND CHANGES

Administration

The Teachers' Retirement System was created and is governed by Article 16 of the Illinois Pension Code. A Board of Trustees is authorized to carry out duties grant-

ed to it under the Article. The Board is comprised of State Superintendent of Education, four persons appointed by the Governor, four elected members of the System and one elected annuitant. The Board of Trustees appoints an Executive Director who is responsible for detailed administration of the System.

Membership

Membership is mandatory for all full-time, part-time and substitute public school personnel employed outside the city of Chicago in positions requiring certification. Persons employed at certain state agencies are also members.

Contributions

During fiscal year 1998, members contributed 6% gross creditable earnings designated as 1 1/2% for retirement annuity, 1/2% for post retirement increases, and 1% for death benefits. Effective July 1, 1998, members contribute 9% of gross creditable earnings, with the additional 1% designated for the retirement annuity. The increase in the contribution rate was implemented as part of the 2.2 benefit formula legislation, Public Act 90-582. Active members do not contribute to Social Security for TRS-covered employment; however, members hired after March 31, 1986 are required to contribute to Medicare. In addition, virtually all members pay a 1% contribution to the Teachers' Health Insurance Security Fund, a separate fund in the State Treasury which is not a part of this retirement plan.

Service Credit

A member is granted a maximum of one year of service credit for 170 paid days per school year, defined by statute as July 1 through June 30. Optional service credit is available for periods of public school teaching in other states or under the auspices of the United States Government, substitute or part-time teaching prior to July 1, 1990, leaves of absence, involuntary layoffs, military service and gaps in teaching due to pregnancy or adoption prior to July 1, 1983. Up to one year of unused, uncompensated sick leave certified by former employers may also be added at retirement.

Legislation signed into law in 1997 provides members and annuitants the opportunity to purchase up to three years of optional service credit for periods prior to July 1, 1983, when covered employment ceased to adopt an infant or care for a newly-adopted child under the age of three. The 1997 law supplemented previously-enacted pregnancy leave legislation signed into law in 1995.

Also in 1997, a payroll deduction program was authorized and became effective July 1, 1998. Active and certain inactive members can make tax-sheltered contributions to TRS to purchase various types of optional service or to upgrade their service under the graduated retirement formula to 2.2.

Refunds

After a four-month waiting period from the date last taught, a member ceasing covered employment may withdraw all contributions, except the 1% death benefit. When accepting a refund, the member forfeits all service credit and benefit rights. 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 member receiving disability benefits is not eligible for a refund.

Retirement Benefits

To be eligible to receive a monthly retirement annuity, a member must terminate active service and meet specific age and service requirements:

Years of Service	Age
5	62
10	60
20	60
35	55 (discounted) 55 (non-discounted)

A member with fewer than five years of creditable service

who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65.

The retirement annuity is determined by two factors: average salary and years of creditable service. Average salary is the average of the creditable earnings in the highest four consecutive years within the last ten years of creditable service. Years of service determine the percentage of the final average salary to which members are entitled.

Years of service earned before July 1, 1998 were earned under a four-step graduated formula:

- 1.67% for each of years 1 through 10;
- 1.9% for each of years 11 through 20;
- 2.1% for each of years 21 through 30;
- 2.3% for each year over 30.

Years of service earned after June 30, 1998 are earned at 2.2% of final average salary.

Members retiring on or after May 27, 1998, the effective date of the 2.2 legislation, can retire under the 2.2 formula by making contributions at the rate of 1% of salary for each year purchased, with a maximum payment of 20% to upgrade all prior years of service. For each three full years worked after June 30, 1998, the number of years to be upgraded is reduced by one.

The maximum annuity, 75% of final average salary, is achieved with 34 years under the 2.2 formula and with 38 years of service under the graduated formula. An actuarial calculation will be used if it provides a greater benefit. The minimum retirement benefit is \$25 per month for each year of creditable service with a maximum of \$750 per month for 30 or more years of service.

Disability Benefits

TRS offers occupational and non-occupational disability benefits to active members. Non-occupational disability benefits are payable as disability benefits or as a disability retirement annuity to members with three years of creditable service. There is no minimum service requirement for occupational disability benefits for duty-related accidents or illnesses. Members continue 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 is increased 7%. Thereafter, the benefit increases by 3% each January 1.

Death Benefits

There are two types of death benefits: a return of the member's accumulated contributions and survivor benefits.

The return of member contributions includes the 6 1/2% contribution with interest and the 1/2% paid toward annual increases in annuity. Beneficiaries of annuitants receive the accumulated contributions minus the amount that had already been received as a 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% increase effective January 1 following the granting of the survivor benefit. Survivor benefit recipients who are beneficiaries of an active or eligible inactive member are eligible for an annual 3% increase on January 1 following the first anniversary in receipt of a survivor benefit.

Early Retirement Option

Members who are age 55 or older with more than 20 but fewer than 35 years of service may choose the early retirement option (ERO) to avoid a discounted annuity with a one-time contribution from the member and the employer. The member contribution is waived with 34 years of service. Under current law, the ERO expires June 30, 2000. Members with 35 or more years of service can retire and receive a non-discounted annuity.

Post-Retirement Increase

Annuitants meeting certain service credit criteria receive an annual 3% increase in their gross annuity on the January 1 after becoming age 61 or the January 1 following the first anniversary in retirement, whichever is later.

Employment-Related Felony Conviction

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

Continuity of Credit within Illinois

TRS is one of 13 public retirement systems included in the provisions of the Retirement Systems' Reciprocity Act that ensures continuous pension credit for public employment in Illinois.

Conflicts

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

SECTION FOUR: STATISTICAL

AVERAGE ANNUAL SALARY FOR ACTIVE MEMBERS BY YEARS OF SERVICE

Years of Service	1989	1990	1991	1992
0-5				
Number	25,296	22,949	26,770	26,982
Average Salary	\$22,121	\$23,284	\$24,752	\$25,881
6-10				
Number	15,314	15,359	14,811	15,820
Average Salary	27,124	28,158	30,524	32,141
11-15				
Number	17,671	18,066	16,438	15,914
Average Salary	31,581	32,791	35,078	37,016
16-20				
Number	19,867	20,027	18,403	17,454
Average Salary	36,315	37,984	40,060	41,984
21-25				
Number	12,830	14,755	15,719	16,422
Average Salary	39,141	41,523	43,958	46,051
26-30				
Number	6,659	7,152	7,605	8,307
Average Salary	41,429	43,316	45,877	48,438
31-35				
Number	2,758	3,222	3,479	3,742
Average Salary	43,749	46,363	49,046	52,047
35+				
Number	462	457	478	539
Average Salary	45,979	48,146	49,979	55,044
Total Number	100,857	101,987	103,703	105,189
Average Salary	\$31,318	\$33,024	\$35,321	\$37,181
% Change Average Salary	5.7%	5.4%	7.0%	5.3%
Total Payroll				
Full & Part-time	\$3,158,639,526	\$3,368,018,688	\$3,662,893,663	\$3,911,216,888

*FY98 statistical information is subject to review by the Audit Department which may result in slight modifications.
Annual salaries are computed using full- and part-time salary rates only; substitute and hourly employee salaries are omitted.
Total payroll shown will be lower than payroll figures used elsewhere in this report*

(Years ended June 30)

1993	1994	1995	1996	1997	1998
26,217	28,573	34,193	33,700	33,134	33,325
\$27,051	\$28,120	\$28,851	\$29,867	\$30,717	\$31,495
16,948	18,158	18,757	19,716	20,340	20,329
33,675	35,349	36,465	37,315	38,170	39,047
14,663	13,380	12,686	13,013	13,830	14,571
38,714	40,413	41,715	42,905	44,258	45,659
16,703	15,916	14,775	14,579	14,295	13,004
43,692	45,523	46,662	47,929	49,309	50,650
17,083	17,233	16,030	15,754	15,235	14,494
47,942	49,998	51,295	52,679	54,096	55,498
9,431	10,134	9,608	11,474	12,977	13,904
51,050	54,071	55,543	56,865	58,168	59,694
4,124	3,523	1,930	2,456	3,525	4,845
55,598	58,913	58,460	59,383	61,434	63,985
707	771	541	549	611	644
57,788	60,109	59,672	61,618	62,841	65,222
105,876	107,688	108,520	111,241	113,947	115,116
\$39,177	\$40,618	\$40,455	\$41,903	\$43,398	\$44,769
5.3%	3.7%	(0.4%)	3.6%	3.6%	3.2%
\$4,374,071,184	\$4,390,176,600	\$4,661,331,623	\$4,945,071,906	\$5,153,628,204	

ACTIVE MEMBERS BY YEARS OF AGE AND YEARS OF SERVICE

AGE	SUBS	YEARS OF SERVICE										TOTALS				
		0-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50		51-55			
20-24 Number	1,856	1,481														1,481
Average Salary	\$3,299	\$25,826														\$25,826
25-29 Number	4,103	12,717	684													13,401
Average Salary	3,817	29,636	34,815													29,900
30-34 Number	2,042	6,059	6,056	401												12,516
Average Salary	3,519	32,298	36,992	41,950												34,878
35-39 Number	2,257	3,104	3,175	3,934	291											10,504
Average Salary	3,235	32,011	38,480	43,519	46,966											38,690
40-44 Number	3,058	3,297	2,557	2,714	4,592	676										13,836
Average Salary	3,599	31,821	38,877	44,433	49,253	52,862										42,417
45-49 Number	3,649	3,748	3,856	3,201	3,658	7,837	1,363									23,663
Average Salary	4,005	33,789	39,977	46,372	50,839	54,888	56,947									47,456
50-54 Number	2,622	2,076	2,826	2,808	2,561	3,756	9,226	1,010								24,262
Average Salary	4,259	36,403	42,237	48,048	51,877	56,892	60,019	62,095								53,285
55-59 Number	1,381	653	940	1,165	1,389	1,581	2,478	3,246	137							11,589
Average Salary	3,892	37,849	43,254	48,608	52,210	56,144	60,469	64,662	66,256							56,274
60-64 Number	706	154	191	299	426	531	664	460	345	19						3,089
Average Salary	3,592	38,561	43,552	48,576	53,853	55,600	58,085	64,437	66,213	58,835						56,175
65-69 Number	330	28	37	41	78	106	145	104	56	52	3					649
Average Salary	3,429	42,290	41,768	44,977	51,984	55,683	59,241	61,501	64,418	62,060	42,465					56,123
70-74 Number	153	8	6	6	7	54	26	20	9	7	8					106
Average Salary	3,050	51,886	45,072	43,183	58,481	54,620	57,864	55,601	60,301	64,319	75,813					57,185
74 + Number	47		1	2	2	14	2	5	3	2		3				20
Average Salary	3,478		72,588	31,920	31,912	55,683	63,984	49,992	45,796	56,260		50,992				49,053
Total Number	22,204	33,325	20,329	14,571	13,004	14,400	13,904	4,845	550	80	11	3				115,116
Average Salary	\$3,732	\$31,495	\$39,047	\$45,659	\$50,650	\$55,683	\$59,694	\$63,985	\$65,833	\$61,347	\$66,718	\$50,992				\$44,769

(As of June 30,1998)

YEARS OF SERVICE

RETIRED MEMBERS BY YEARS OF SERVICE AND YEARS IN RETIREMENT

YEARS RETIRED	YEARS OF SERVICE										TOTAL	AVERAGE AGE			
	1-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50			50 +		
1-5															
Number	580	492	412	546	1,092	1,671	3,084	4,370	133	11	3	12,394			61
Average Benefit	\$209	\$524	\$751	\$1,140	\$1,569	\$2,158	\$2,821	\$3,661	\$3,860	\$3,902	\$3,101	\$2,573			
Average Original Benefit	\$200	\$496	\$703	\$1,068	\$1,471	\$2,000	\$2,652	\$3,363	\$3,662	\$3,732	\$2,921	\$2,388			
6-10															
Number	548	568	654	912	1,766	2,140	3,212	3,219	109	21	4	13,153			66
Average Benefit	187	478	704	1,093	1,536	2,056	2,780	3,367	3,646	3,005	2,270	2,219			
Average Original Benefit	152	388	570	888	1,267	1,720	2,341	2,859	3,002	2,446	1,858	1,864			
11-15															
Number	374	498	625	1,109	1,570	1,711	2,075	1,207	95	28	2	9,294			72
Average Benefit	158	360	632	1,020	1,349	1,837	2,526	3,088	2,679	2,874	2,411	1,757			
Average Original Benefit	102	225	431	720	962	1,312	1,805	2,206	1,896	2,030	1,701	1,251			
16-20															
Number	217	271	587	1,026	1,277	1,237	1,293	566	120	20	2	6,616			77
Average Benefit	139	311	523	820	1,066	1,445	1,979	2,215	2,143	2,168	1,587	1,290			
Average Original Benefit	76	165	302	500	661	907	1,249	1,393	1,335	1,367	1,030	803			
21-25															
Number	150	221	430	760	966	880	878	677	199	36	2	5,208			83
Average Benefit	94	275	441	661	849	1,140	1,488	1,820	1,817	1,699	1,819	1,069			
Average Original Benefit	41	124	213	338	446	615	811	988	977	898	946	570			
26-30															
Number	50	94	190	432	568	558	551	611	327	61	3	3,445			88
Average Benefit	57	237	396	550	715	902	1,166	1,429	1,396	1,325	1,133	959			
Average Original Benefit	8	85	141	211	304	402	558	695	664	616	527	439			
31-35															
Number	7	15	37	110	172	164	150	165	89	17		926			92
Average Benefit	52	225	374	524	641	778	877	1,010	1,055	1,115		782			
Average Original Benefit	1	30	62	120	180	234	309	395	428	451		262			
36-40															
Number	1		3	39	99	71	85	49	14	1		369			94
Average Benefit	109		422	536	637	760	828	887	913	1,166		738			
Average Original Benefit	19		38	102	121	178	224	302	322	446		185			
41-45															
Number				4	10	11	12	7				52			97
Average Benefit				526	657	759	820	824				742			
Average Original Benefit				81	86	108	186	189				131			
46-50															
Number				1	4	1	1	1				11			98
Average Benefit				573	627	714	820	820				694			
Average Original Benefit				30	40	51	107	107				52			
50 +															
Number				1	2	1	1					4			102
Average Benefit				480	660	760	820					655			
Average Original Benefit				15	63	76	83					56			
TOTAL NUMBER	1,927	2,159	2,938	4,940	7,526	8,600	11,241	10,872	1,086	195	16	51,472			71
AVERAGE BENEFIT	\$171	\$407	\$596	\$893	\$1,237	\$1,726	\$2,433	\$3,140	\$2,161	\$2,010	\$2,089	\$1,862			
AVERAGE ORIGINAL BENEFIT	\$135	\$304	\$419	\$621	\$910	\$1,237	\$1,953	\$2,624	\$1,481	\$1,306	\$1,571	\$1,473			

(As of June 30, 1998)

YEARS OF SERVICE

TRS
BENEFIT STATISTICS

(As of June 30, 1998)

RETIREMENT BENEFITS

Average age: All retirees	71
Average service: All retirees	28 years
Average age: 1,123 FY98 retirees	60
Average service: 1,123 FY98 retirees	23 years
Average monthly benefits: 1,123 FY98 retirees including 193 retirees under provisions of early retirement option	\$2,012
Oldest annuitant	105

AGE	COUNT	AVERAGE BENEFIT
51-55	1,358	\$2,182
56-60	6,736	2,726
61-65	9,276	2,435
66-70	9,582	2,067
71-75	7,819	1,709
76-80	7,819	1,299
81-85	6,394	1,114
86-90	4,832	979
90+	3,515	840
Total	51,472	Weighted Average \$1,862

TRS
STATISTICAL

DISABILITY BENEFITS ¹

(As of June 30, 1998)

Average age: All recipients	56
Average service: All recipients	17 years
Average age: 361 new FY98 disability recipients	41
Average service: 361 new FY98 disability recipients	13 years
Average monthly benefits: 361 new FY98 disability recipients	\$1,313

AGE	COUNT	AVERAGE BENEFIT
1-25	0	0
26-30	27	\$ 981
31-35	23	1,108
36-40	28	1,105
41-45	78	1,163
46-50	166	1,279
51-55	197	1,464
56-60	142	1,348
61-65	117	1,431
66-70	73	907
71-75	64	844
76-80	44	664
81-85	13	595
86-90	1	444
90+	9	491
Total	982	Weighted Average \$1,217

¹ Includes 376 individuals receiving temporary or occupational disability benefits and are counted as active members. The remaining 606 individuals receive permanent disability benefits.

(As of June 30, 1998)

SURVIVOR BENEFITS ²

Average age: All recipients 74
 Average age: 663 new FY98 survivor benefits recipients 67
 Average monthly benefits: 663 new FY98 survivor benefits recipients \$783

AGE	COUNT	AVERAGE BENEFIT
		\$328
Under 5	1	354
6-10	16	372
11-15	32	408
16-20	75	516
21-25	14	854
26-30	1	649
31-35	5	611
36-40	9	848
41-45	32	829
46-50	76	927
51-55	213	1,040
56-60	346	1,012
61-65	511	898
66-70	844	737
71-75	951	597
76-80	1,117	547
81-85	1,134	447
86-90	907	372
90+	412	
Total	6,696	Weighted Average \$677

² An additional \$9.4 million was paid in death benefits to survivors of active, inactive and retired members as refunds of various types of contributions.

RETIRES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

(For Fiscal Year Ended June 30)

Year	Number at Beginning of Year	Added to Rolls	Removed from Rolls	Number at End of Year
1995	54,888	6,822	2,076	59,634
1996	59,634	2,063	2,033	59,664
1997	59,664	1,847	2,159	59,352
1998	59,352	1,954	2,156	59,150

REVENUES BY SOURCE

(In Millions)

Year Ended June 30	Member Contributions	Employer Contributions	Employer Contribution as Percentage of Annual Covered Payroll	Net Invest Income ¹	Other Employer Contributions ²	Total
1989	\$268	\$237	7.5%	\$560	\$24	\$1,089
1990	284	269	7.9	814	24	1,391
1991	311	270	7.1	662	24	1,267
1992	351	247	6.2	1,114	25	1,737
1993	363	282	6.7	1,143	24	1,812
1994	413	278	6.3	989	205	1,885
1995	431	279	6.3	771	319	1,800
1996	399	341	7.2	2,096	48	2,884
1997	417	395	7.9	2,644	26	3,482
1998	441	478	9.0	2,873	25	3,817

¹ For 1996, 1997 and 1998, includes realized gains and losses and unrealized appreciation or depreciation of investments. Preceding years include only realized gains and losses. Also, 1997 is restated.

² Includes minimum retirement, ERO, ERI and supplemental contributions. These amounts are not counted for actuarial purposes.

EXPENSES BY TYPE

(In Millions)

Year Ended June 30	Benefits	Health Insurance	Refunds	Administrative/Other Expenses	Total
1989	\$469	\$8	\$20	\$6	\$503
1990	509	11	22	41	583
1991	558	15	19	8	600
1992	614	28	19	12	673
1993	677	38	19	10	744
1994	824	50	22	11	907
1995	1,074	38	29	10	1,151
1996	1,122	0	22	11	1,155
1997	1,161	0	22	10	1,193
1998	1,210	0	24	10	1,244



SCHEDULE OF PARTICIPATING EMPLOYERS

A C CENTRAL CUSD 262
 ABINGDON C.U.S.D. #217
 ADAMS/PIKE ROE
 ADDISON S.D.#4
 ADLAI E. STEVENSON H.S.D. #125
 ADM OFF OF BUREAU OF BLIND SER
 AEROSPEC. ED. COOP
 AKIN C.C.S.D. #91
 ALBERS S.D.#63
 ALDEN HEBRON S.D. #19
 ALEDO C.U.S.D. #201
 ALEXIS C.U.S.D. #400
 ALLEN TOWNSHIP C.U.S.D.#65
 ALLENDALE C.C.S.D. #17
 ALSIP/HALZGRN/OAKLWN S.D. #126
 ALTAMONT C.U.S.D. #10
 ALTERNATIVE SCHOOL
 ALTON C.U.S.D. # 11
 ALTON MENTAL HLTH CTR
 ALWOOD C.U.S.D. #225
 ALXNDOR/JOHN/MASC/PLSKI/UN ROE
 AMBOY C.U.S.D. #272
 ANN M. KILEY CENTER
 ANNA C.C.S.D. #37
 ANNA JONESBORO C.H.S.D. #81
 ANNANAWAN C.U.S.D. #226
 ANTOCH C.C.S.D. #34
 ANTOCH C.H.S.D. #117
 APTAKISIC-TRIPP C.C.S.D. #102
 ARBOR PARK S.D. #145
 ARCOLA C.U.S.D. #306
 AREA 3 LEARNING TECHNOLOGY HUB
 ARGENTA-OREANA C.U.S.D. #1
 ARGO C.H.S.D. #217
 ARGO/SUMMIT S.D. #104
 ARLINGTON HEIGHTS S.D. #25
 ARMSTRONG-ELLIS C.S.D. #61
 ARMSTRONG TWP H.S.D. #225
 ARTHUR C.U.S.D. #305
 ASHLEY C.C.S.D. #15
 ASHTON C.U.S.D. #275
 ASST SUPT ESR
 ASTORIA C.U.S.D.#1.5
 ATHENS C.U.S.D. #213
 ATWOOD HAMMOND C.U.S.D. #39
 ATWOOD HEIGHTS S.D. #125
 AUBURN C.U.S.D. #10
 AURORA EAST U.S.D.#131
 AURORA WEST U.S.D. #129
 AVID C/O REG OFFICE OF EDUC
 AVISTON S.D.#21
 AVOCA S.D.#37
 AVON C.U.S.D. #176
 BAC REGIONAL VOCATIONAL SYSTEM
 BALL CHATHAM C.U.S.D. #5
 BANNOCKBURN S.D. #106
 BARRINGTON C.U.S.D. #220
 BARRY C.U.S.D. #1
 BARTELSON S.D.#57
 BARTONVILLE S.D. #66
 BASSC
 BATAVIA U.S.D. #101
 BEACH PARK C.C.S.D. #3
 BEARDSTOWN C.U.S.D. #15
 BECK AREA VOCATIONAL CENTER
 BEECHER C.U.S.D. #200U
 BEECHER CTY C.U.S.D. #20

BELLE VALLEY S.D. #119
 BELLEVILLE S.D. #118
 BELLEVILLE TWP HSD 201
 BELLWOOD S.D.#88
 BELVIDERE C.U.S.D. #100
 BEMENT C.U.S.D. #5
 BENJAMIN S.D.#25
 BENSONVILLE S.D. #2
 BENTON C.C.S.D. #47
 BENTON C.H.S.D. #103
 BERKELEY S.D.#87
 BERWYN NORTH S.D. #98
 BERWYN SOUTH S.D. #100
 BETHALTO C.U.S.D. #8
 BETHANY C.U.S.D. #301
 BETHEL S.D. #82
 BI CO SPEC ED COOP
 BIG HOLLOW S.D. #38
 BISMARCK C.U.S.D. #1
 BLACKHAWK AREA SP ED
 BLOOM TWP H.S.D. #206
 BLOOMINGDALE S.D. #13
 BLOOMINGTON S.D. #87
 BLUE RIDGE C.U.S.D. #18
 BLUFORD C.C.S.D. #114
 BMP TRI-COUNTY SPEC ED COOP
 BOND COUNTY C.U.S.D. #2
 BOND/EFFINGHAM/FAYETTE ROE
 BOONE/WINNEBAGO ROE
 BOURBONNAIS S.D. #53
 BRACEVILLE S.D.#75
 BRADFORD C.U.S.D. #1
 BRADLEY BOURBONNAIS C.H.S.D.
 BRADLEY S.D. #61
 BREESE S.D. #12
 BREMEN C.H.S.D. #228
 BRIMFIELD C.U.S.D. #309
 BROOKFIELD S.D. #95
 BROOKLYN U.D. #188
 BROOKWOOD S.D. #167
 BROWN CASS MORGAN SCOTT ROE
 BROWN COUNTY C.U.S.D. #1
 BROWNSTOWN C.U.S.D. #201
 BRUSSELS C.U.S.D. #42
 BUNCOMBE C.S.D. #43
 BUNKER HILL C.U.S.D. #8
 BURBANK S.D. #111
 BUREAU OF AGENCY SUPPORT SERV
 BUREAU VALLEY C.U.S.D. #340
 BURNHAM S.D.#154.5
 BUSHNELL PRAIRIE CITY C.U.S.D.
 BUTLER S.D.#53
 BYRON C.U.S.D. #226
 CAHOKIA C.U.S.D. #187
 CAIRO C.U.S.D. #1
 CALHOUN C.U.S.D. #40
 CALHOUN/GRNE/JRSY/MACOUPIN ROE
 CALUMET CITY S.D. #155
 CALUMET PUBLIC S.D. #132
 CAMBRIDGE C.U.S.D. #227
 CAMP POINT C.U.S.D.#3
 CANTON UNION S.D.#66
 CAPITAL AREA VOC CTR
 CARBON CLIFF-BARSTOW S.D.
 CARBONDALE C.H.S.D. #165
 CARBONDALE E.S.D. #95
 CAREER DEVELOPMENT SYSTEM

CAREER PREPARATION NETWORK
 CARLINVILLE C.U.S.D. #1
 CARLYLE C.U.S.D. #1
 CARMIL-WHITE COUNTY C.U.S.D.
 CARRIER MILLS-STONEFORT CUSD
 CARROLL/JO DAV/STPHNSN/REG PRG
 CARROLLTON C.U.S.D. #1
 CARTERVILLE C.U.S.D. #5
 CARTHAGE C.U.S.D. #338
 CARY C.C.S.D. #26
 CASEY-WESTFIELD C.U.S.D. #4C
 CASS S.D.#63
 CATLIN C.U.S.D. #5
 CENTER CASS S.D.#66
 CENTRAL A&M C.U.S.D. #21
 CENTRAL C.H.S.#71
 CENTRAL C.U.S.D. #301
 CENTRAL C.U.S.D. #4
 CENTRAL CITY S.D. #133
 CENTRAL S.D. #104
 CENTRAL S.D. #51
 CENTRAL STICKNEY S.D. #110
 CENTRALIA H.S.D. #200
 CENTRALIA S.D. #135
 CENTURY C.U.S.D. #100
 CERRO GORDO C.U.S.D. #100
 CHAMPAIGN C.U.S.D. #4
 CHAMPAIGN/FORD ED. EMPLOY. SYS
 CHAMPAIGN/FORD ROE
 CHANEY-MONGE S.D. #88
 CHANNAHON S.D. #17
 CHARLESTON C.U.S.D. #1
 CHENOA C.U.S.D. #9
 CHERRY S.D. #92
 CHESTER-EAST LINCOLN C.C.S.D.
 CHESTER C.U.S.D. #139
 CHESTER MENTAL HEALTH CTR
 CHICAGO HEIGHTS S.D. #170
 CHICAGO READ M H CTR
 CHICAGO RIDGE S.D. #127.5
 CHOATE MENTAL HEALTH CENTER
 CHRISTIAN/MONTGOMERY ROE
 CHRISTOPHER C.H.S.D. #38
 CHRISTOPHER C.U.S.D. #34
 CICERO S.D.#99
 CISSNA PARK C.U.S.D. #6
 CLAY CITY C.U.S.D. #10
 CLAY/CWFORD/JSPR/LWRN/RHL ROE
 CLINTON C.U.S.D. #15
 CLINTON/MARION/WASHINGTON ROE
 CLK/CLS/CMBN/DGLAS/MLTR/SH ROE
 COAL CITY C.U.S.D. #1
 COBDEN S.U.D. #17
 COLCHESTER C.U.S.D. #180
 COLLINSVILLE C.U.S.D. #10
 COLONA S.D.#190
 COLUMBIA C.U.S.D. #4
 COMM UNIT SCHOOL DIST #300
 COMM UNIT SCHOOL DIST #399
 COMMUNITY C.S.D. #204
 COMMUNITY C.S.D. #93
 COMMUNITY UNION S.D.#180
 COMMUNITY CONS. S.D. #59
 COMMUNITY H.S.D. #155
 COMMUNITY H.S.D. #218
 COMMUNITY U.S.D. #16

COMMUNITY U.S.D. #2
 COMMUNITY U.S.D. #4
 COMMUNITY U.S.D. #76
 COMMUNITY U.S.D.#200
 CONSOLIDATED H.S.D. #230
 COOK COUNTY S.D. 130
 CORNELL C.C.S.D. #426
 CORRECTIONS S.D.#428 DEPT OF
 COLTERVILLE U.S.D. #1
 COUNTRY CLUB HILLS S.D.
 COUNTY COMPTROLLER/ROE
 COWDEN-HERRICK C.H.S.D. #188
 COWDEN-HERRICK CUD 3A
 CRAB ORCHARD C.U.S.D. #3
 CRESCENT CITY C.C.S.D.
 CRESCENT IROQUOIS C.U.S.D. #252
 CRESTON C.C.S.D. #161
 CRETE MONEE C.U.S.D. #201U
 CREVE COEUR S.D. #76
 CRYSTAL LAKE C.C.S.D. #47
 CUMBERLAND C.U.S.D. #77
 CYPRESS S.D. #64
 DAKOTA C.U.S.D. #201
 DALLAS CITY C.U.S.D. #336
 DALZELL S.D. #98
 DAMIANSVILLE S.D. #62
 DANVILLE C.C.S.D. #118
 DARIEN S.D.#61
 DAVEA
 DECATUR S.D. #61
 DEER CREEK-MACKINAW CUSD
 DEER PARK C.C.S.D. #82
 DEERFIELD S.D. #109
 DEKALB C.U.S.D. #428
 DEKALB COUNTY SPEC. ED.
 DEKALB ROE
 DELABAR VOC ED REG
 DELAND-WELDON C.U.S.D. #57
 DELAVAN C.U.S.D. #703
 DEPT OF REHAB-VISUALLY IMPAIR
 DEPUE U.S.D. #103
 DES PLAINES C.C.S.D. #62
 DESOTO C.C.S.D. #86
 DEWITT/LIVINGSTON/MCLEAN ROE
 DIAMOND LAKE S.D. #76
 DIETERICH C.U.S.D. #30
 DIMMICK C.C.S.D. #175
 DISTRICT 50 SCHOOLS
 DIVERNON C.U.S.D. #13
 DIXON U.S.D. #170
 DODDS C.C.S.D. #7
 DOLTON S.D. #149
 DOLTON S.D.#148
 DONGOLA S.U.D. #66
 DONOVAN C.U.S.D. #3
 DOWNERS GROVE C.H.S.#99
 DOWNERS GROVE G.S.D.#58
 DUNLAP C.U.S.D. #323
 DUPAGE H.S.D.#88
 DUPAGE ROE
 DUPO C.U.S.D. #196
 DUQUOIN COMM UNIT
 DURAND C.U.S.D. #322
 DWIGHT COMMON S.D. #232
 DWIGHT TWP H.S.D. #230
 E I L ED FOR EMPLOYMENT STCTY
 EARLVILLE C.U.S.D. #9

EAST ALTON-WOOD RIVER C.H.S.
 EAST ALTON S.D. #13
 EAST COLOMA S.D. #12
 EAST DUBUQUE U.S.D. #119
 EAST MAINE S.D. #63
 EAST MOLINE S.D. #37
 EAST PEORIA C.H.S.D. #309
 EAST PEORIA S.D.
 EAST PRAIRIE S.D. #73
 EAST RICHLAND C.U.S.D. #1
 EAST ST LOUIS S.D. #189
 EASTLAND C.U.S.D. #308
 EDGAR COUNTY C.U.S.D. #6
 EDINBURG C.U.S.D. #4
 EDUCATION FOR EMPLOYMENT
 EDUCATIONAL DEVELP CTR
 EDUCATIONAL THERAPY CTR
 EDWARDS COUNTY C.U.S.D. #1
 EDWARDSVILLE C.U.S.D. #7
 EDWD/GLTN/HDIN/POP/SLN/WB ROE
 EFFINGHAM C.U.S.D. #40
 EGYPTIAN C.U.S.D. #5
 EISENHOWER COOPERATIVE
 EL PASO C.U.S.D. #375
 ELORADO C.U.S.D. #4
 ELEMENTARY S.D. #159
 ELGIN MENTAL HEALTH CTR
 ELGIN S.D. #46
 ELISABETH LUDEMAN CENTER
 ELMHURST S.D.#205
 ELMWOOD C.U.S.D. #322
 ELMWOOD PARK C.U.S.D. #401
 ELVERADO C.U.S.D. #196
 ELWOOD C.C.S.D. #203
 EMMONS S.D. #33
 ERIE C.U.S.D. #1
 ESWOOD C.C.S.D. #269
 EUREKA C.U.S.D. #140
 EVANSTON C.C.S.D. #65
 EVANSTON TWP H.S.D. #202
 EVERGREEN PARK C.H.S.D.
 EVERGREEN PARK E.S.D.#124
 EWING NORTHERN C.C.D. #115
 FAIRFIELD C.H.S.D. #225
 FAIRFIELD P.S.D. #112
 FAIRMONT S.D. #89
 FARMINGTON CENTRAL C.U.S.D. #265
 FARRINGTON C.C.S.D. #99
 FENTON C.H.S.D. #100
 FIELD C.C.S.D. #3
 FIELDCREST C.U.S.D. #6
 FINLAY C.U.S.D. #2
 FISHER C.U.S.D. #1
 FIVE COUNTY VOC SYSTEM
 FLANAGAN C.U.S.D. #4
 FLORA C.U.S.D. #35
 FLOSSMOOR S.D.#161
 FORD HEIGHTS S.D. #169
 FORD IROQUOIS CO SP ED
 FOREST PARK S.D. #91
 FOREST RIDGE S.D. #142
 FORESTVILLE VALLEY C.U.S.D.
 FORD RIVERS SPECIAL EDUC
 FORD DEVELOPMENT CENTER
 FORD LAKE GRADE S.D. #114
 FORD RIVER GROVE C.S.D. #3
 FRANKFORD C.C.S.D. #157C

SCHEDULE OF PARTICIPATING EMPLOYERS

FRANKFORD C.U.S.D. #168
 FRANKLIN C.U.S.D. #1
 FRANKLIN PARK S.D. #84
 FRANKLIN/JEFFERSON CO SP ED
 FRANKLIN/WILLIAMSON ROE
 FREEBURG C.C.S.D. #70
 FREEBURG C.H.S.D. #77
 FREEPORT S.D. #145
 FREMONT S.D. #79
 FULTON COUNTY C.U.S.D. #3
 FULTON/SCHUYLER ROE
 GALATIA C.U.S.D. #1
 GALENA U.S.D. #120
 GALESBURG C.U.S.D. #205
 GALLATIN C.U.S.D. #7
 GALVA C.U.S.D. #224
 GARDNER C.C.S.D. #72C
 GARDNER S WILMINGTON THSD 73
 GAVIN S.D. #37
 GEFF C.C.S.D. #14
 GEN GEO PATTON S.D. #133
 GENESEO C.U.S.D. #228
 GENEVA C.U.S.D. #304
 GENOA-KINGSTON C.U.S.D.
 GEO ZELLER ZONE CTR
 GEORGETOWN-RIDGE FARM C.U.D.
 GERMANTOWN HILLS S.D.#69
 GERMANTOWN S.D.#60
 GIANT CITY C.C.S.D. #130
 GIBSON CTY-MELVIN-SIBLEY
 GIFFORD C.C.S.D. #188
 GILLESPIE C.U.S.D. #7
 GIRARD C.U.S.D. #3
 GLEN ELLYN C.C.S.D. #89
 GLEN ELLYN S.D.#41
 GLENBARD TWP H.S.D. #87
 GLENCOE S.D.#35
 GLENVIEW C.C.S.D. #34
 GOLF E.S.D. #67
 GOREVILLE C.U.S.D. #1
 GOWER S.D.#62
 GRAND PRAIRIE C.C.S.D. #6
 GRAND RIDGE C.C.S.D. #95
 GRANITE CITY C.U.S.D. #9
 GRANT C.C.S.D. #110
 GRANT C.H.S.D. #124
 GRANT PARK C.U.S.D. #6
 GRASS LAKE S.D. #36
 GRAYSLAKE C.C.S.D. #46
 GRAYSLAKE C.H.S.D. #127
 GRAYVILLE C.U.S.D. #1
 GREENFIELD C.U.S.D.#10
 GREENVIEW C.U.S.D. #200
 GRIDLEY C.U.S.D. #10
 GRIGGSVILLE-PERRY C.U.S.D.
 GRUNDY AREA VOCATIONAL CENTER
 GRUNDY/KENDALL ROE
 GURNEE S.D. #56
 HALL TWP H.S.D. #502
 HAMILTON C.C.S.D. #328
 HAMILTON COUNTY C.U.S.D.
 HAMILTON/JEFFERSON ROE
 HAMPTON S.D. #29
 HANCOCK/MCDONOUGH ROE
 HARDIN COUNTY C.U.S.D. #1
 HARLEM U.S.D. #122
 HARMONY EMGE S.D. #175

HARRISBURG C.U.S.D. #3
 HARRISON S.D. #36
 HARTSBURG EMDEN C.U.S.D.
 HARVARD C.U.S.D. #50
 HARVEY S.D.#152
 HAVANA C.U.S.D. #126
 HAWTHORN C.C.S.D. #73
 HAZEL CREST S.D. #152-5
 HENRY-SENACHWINE C.U.S.D. #5
 HERITAGE C.U.S.D. #8
 HERRIN C.U.S.D. #4
 HERSCHER C.U.S.D. #2
 HEYWORTH C.U.S.D. #4
 HIAWATHA C.U.S.D. #426
 HIGH MOUNT S.D. #116
 HIGHLAND C.U.S.D. #5
 HIGHLAND PARK TWP H.S.D. #113
 HILLSBORO C.U.S.D. #3
 HILLSIDE S.D.#93
 HINCKLEY BIG ROCK CUSD
 HINSDALE C.C.S.D. #181
 HINSDALE TWP H.S.D.#86
 HOLLIS C.S.D. #328
 HOMER C.C.S.D. #33
 HOMEWOOD S.D.#153
 HOMEWOOD/FLOSSMOOR CHSD
 HONONEGAH C.H.S.D.#207
 HOOPESTON AREA C.U.S.D. #11
 HOOVER SCHRUM MEM S.D.
 HOYLETON C.S.D. #29
 HUNTLEY C.S.D. #158
 HUTSONVILLE C.U.S.D. #1
 ICRE-R
 ICRE AT WOOD CRSBVI
 IL EDUCATION ASSOCIATION
 IL FEDERATION OF TEACHERS
 IL PURCHASED CARE REVIEW BD
 IL SCHOOL FOR THE DEAF
 IL STATE BOARD OF EDUC
 IL VALLEY CENTRAL U.S.D. #321
 GOWER S.D.#62
 ILLINI BLUFFS C.U.S.D. #327
 ILLINI CENTRAL C.U.S.D. #189
 ILLINOIS ASSN. OF SCHL BOARDS
 ILLIOPOLIS C.U.S.D. #12
 INA C.C.S.D.#8
 INDIAN CREEK C.U.S.D. #425
 INDIAN PRAIRIE C.U.S.D.
 INDIAN SPRINGS S.D. #109
 INDIAN VALLEY AREA VOC CENTER
 INDUSTRY C.U.S.D. #165
 IROQUOIS AREA REG DELIVERY SYS
 IROQUOIS COUNTY C.U.S.D.
 IROQUOIS WEST C.U.S.D. #10
 IROQUOIS/KANKAKEE ROE
 IRVINGTON C.C.S.D. #11
 ITASCA S.D.#10
 IUKA C.C.S.D.#7
 J.S. MORTON H.S. D.#201
 JACKSON/PERRY ROE
 JACKSONVILLE MH DEV CTR
 JACKSONVILLE S.D. #117
 JAMAICA C.U.S.D. #12
 JAMP SPECIAL EDUCATION SERV.
 JASPER C.C.S.D. #17
 JASPER COUNTY C.U.S.D. #1
 JERSEY C.U.S.D. #100
 JODAVIESS/CARROLL AREA VOC CTR

JOHNSBURG C.U.S.D. #12
 JOHNSTON CITY C.U.S.D. #1
 JOLIET S.D. #86
 JOLIET TWP H.S.D. #204
 JONESBORO C.C.S.D. #43
 JOPPA-MAPLE GROVE U.S.D. #38
 KANE ROE
 KANLAND C.U.S.D. #302
 KANKAKEE AREA CAREER CTR
 KANKAKEE AREA SPEC COOP 850
 KANKAKEE S.D. #111
 KANSAS C.U.S.D. #3
 KASKASKIA SPEC ED 801
 KEENEYVILLE S.D. #20
 KELL C.S.D. #2
 KENDALL CO SP ED COOP
 KENILWORTH S.D.#38
 KEWANEE C.U.S.D. #229
 KILDEER COUNTRYSIDE C.C.S.D.
 KINGS C.S.D. #144
 KINNIKINICK C.C.S.D. #131
 KIRBY S.D.#140
 KNOX ROE
 KNOXVILLE C.U.S.D. #202
 KOMAREK S.D.#94
 L E A S E
 LA GRANGE AREA DEPT SPEC ED
 LA GRANGE S.D. #102
 LA GRANGE SOUTH S.D. #105
 LA GRANGE/HIGHLANDS S.D.
 LADD C.C.S.D. #94
 LAHARPE C.U.S.D. #335
 LAKE BLUFF ELEMENTARY S.D. #65
 LAKE CO AREA VOC SYSTEM
 LAKE COUNTY SPEC. ED.
 LAKE FOREST C.H.S.D. #115
 LAKE FOREST S.D. #67
 LAKE PARK C.H.S.D. #108
 LAKE ROE
 LAKE VILLA C.C.S.D. #41
 LAKE ZURICH C.U.S.D. #95
 LAMOILLE C.U.S.D. #303
 LANSING S.D.#158
 LARAWAY C.C.S.D. #70
 LASALLE-PERU TWP H.S.D.
 LASALLE ELEMENTARY S.D.
 LASALLE ROE
 LAWRENCE COUNTY C.U.S.D. #20
 LEBANON C.U.S.D. #9
 LEE CENTER C.U.S.D. #271
 LEE/OGLE ROE
 LEEPERTOWN C.C.S.D. #175
 LELAND C.U.S.D. #1
 LEMONT TWP H.S.D. #210
 LEMONT/BROMBEREK C.S.D.
 LENA WINSLOW C.U.S.D. #202
 LEROY C.U.S.D. #2
 LEWISTOWN C.U.S.D. #97
 LEXINGTON C.U.S.D. #7
 LEYDEN C.H.S.D. #212
 LIBERTY C.U.S.D. #2
 LIBERTYVILLE C.H.S.D. #128
 LIBERTYVILLE S.D. #70
 LICK CREEK C.C.S.D. #16
 LIMESTONE C.H.S.D. #310
 LIMESTONE WALTERS C.C.S.D.
 LINCOLN-WAY AREA SPEC ED



SCHEDULE OF PARTICIPATING EMPLOYERS

LINCOLN C.H.S.D. #404
 LINCOLN DEVEL CTR
 LINCOLN E.S.D. #27
 LINCOLN E.S.D. #156
 LINCOLN WAY C.H.S.D. #210
 LINCOLNSHIRE-PRAIRIEVIEW S.D.
 LINCOLNWOOD S.D. #74
 LINDOP S.D. #92
 LISBON C.C.S.D. #90
 LISLE C.U.S.D. #202
 LITCHFIELD C.U.S.D. #12
 LIVINGSTON C.C.S.D. #4
 LOCKPORT AREA SPE ED COOP
 LOCKPORT S.D. #91
 LOCKPORT TWP H.S.D. #205
 LOGAN C.C.S.D. #110
 LOGAN/MASON/MENARD ROE
 LOMBARD S.D. #44
 LOSTANT C.U.S.D. #425
 LOVINGTON C.U.S.D. #303
 LOWPOINT-WASHBURN C.U.S.D.
 LUJLOW C.C.S.D. #142
 LYONS S.D. #103
 LYONS TWP H.S.D. #204
 MABLEY DEVELOPMENT CENTER
 MACOMB C.U.S.D. #185
 MACON/PIATT ROE
 MADDEN MENTAL HEALTH CENTER
 MADISON C.U.S.D. #12
 MAERCKER S.D. #60
 MAHOMET-SEYMOUR C.U.S.D. #3
 MAINE TWP H.S.D. #207
 MALDEN C.C.S.D. #84
 MALTA C.U.S.D. #433
 MANHATTAN S.D. #114
 MANNHEIM S.D. #83
 MANTENO C.U.S.D. #5
 MARENGO-UNION E.C.S.D. #1650
 MARENGO C.H.S.D. #154
 MARION C.U.S.D. #2
 MARISSA C.U.S.D. #40
 MAROA FORSYTH C.U.S.D. #2
 MARQUARDT S.D. #15
 MARSEILLES E.S.D. #150
 MARSHALL C.U.S.D. #2C
 MARTINSVILLE C.U.S.D. #3C
 MASCOUTAH C.U.S.D. #19
 MASSAC U.S.D. #1
 MATTESON E.S.D. #162
 MATTOON C.U.S.D. #2
 MAYWOOD S.D. #89
 MAZON-VERONA-KINSMAN ESD 2C
 MCCLELLAN C.C.S.D. #12
 MCFARLAND MENTAL HEALTH
 MCHENRY C.C.S.D. #15
 MCHENRY C.H.S.D. #156
 MCHENRY ROE
 MCKEEL SCHOOL
 MCLEAN COUNTY U.S.D. #5
 MEDINAH E.S.D. #11
 MENDOTA C.C.S.D. #289
 MENDOTA TWP H.S.D. #280
 MEREDOSIA-CHAMBERSBURG CUSD
 MERIDIAN C.U.S.D. #15
 MERIDIAN C.U.S.D. #101
 MERIDIAN C.U.S.D. #223
 MERRIAM C.C.S.D. #19

METAMORA C.C.S.D. #1
 METAMORA TWP H.S.D. #122
 METRO CNA SERVICES
 MIDLAND C.U.S.D. #7
 MIDLOTHIAN S.D. #143
 MIDWEST CENTRAL C.U.S.D. #191
 MILFORD C.S.D. #280
 MILFORD TWP H.S.D. #233
 MILLBURN C.C.S.D. #24
 MILLER TWP C.C.S.D. #210
 MILLSTADT C.C.S.D. #160
 MINOOKA C.C.S.D. #201
 MINOOKA C.H.S. #111
 MOKENA S.D. #159
 MOLINE U.S.D. #40
 MOMENCE C.U.S.D. #1
 MONMOUTH U.S.D. #38
 MONROE S.D. #70
 MONROE/RANDOLPH ROE
 MONTICELLO C.U.S.D. #25
 MONTMORENCY C.C.S.D. #145
 MORRIS C.H.S.D. #101
 MORRIS S.D. #54
 MORRISON C.U.S.D. #6
 MORRISONVILLE C.U.S.D. #1
 MORTON C.U.S.D. #709
 MORTON GROVE S.D. #70
 MOUNT OLIVE C.U.S.D. #5
 MOUNT PROSPECT S.D. #57
 MT CARROLL C.U.S.D. #304
 MT PULASKI C.U.D. #23
 MT VERNON S.D. #80
 MT VERNON TWP H.S.D. #201
 MT ZION C.U.S.D. #3
 MULBERRY GROVE C.U.S.D. #1
 MUNDELEIN C.H.S.D. #120
 MUNDELEIN ELEMENTARY S.D. #75
 MURPHYSBORO C.U.S.D. #186
 NAPERVILLE C.U.S.D. #203
 NASHVILLE C.C.S.D. #49
 NASHVILLE C.H.S.D. #99
 NATIONAL EDUCATION ASSOCIATION
 NAUVOO-COLUSA C.U.S.D.
 NDSEC - N DUPAGE SPEC ED COOP
 NELSON PUBLIC S.D. #8
 NEOGA C.U.S.D. #3
 NEPONSET C.C.S.D. #307
 NETTLE CREEK C.C.S.D. #24C
 NEW ATHENS C.U.S.D. #60
 NEW HOLLAND-MIDDLETOWN E DIST
 NEW HOPE C.C.S.D. #6
 NEW LENOX S.D. #122
 NEW SIMPSON HILL C.S.D. #32
 NEW TRIER TWP H.S.D. #203
 NEWARK C.C.S.D. #66
 NEWARK C.H.S.D. #18
 NIANTIC-HARRISTOWN C.U.S.D. #6
 NILES E.S.D. #71
 NILES TWP C.H.S.D. #219
 NOKOMIS C.U.S.D. #22
 NORRIDGE S.D. #80
 NORRIS CITY-OMAHA-ENFIELD CUSD
 NORTH BOONE C.U.S.D. #200
 NORTH CENTRAL REG EDUC LAB
 NORTH CHICAGO COMM HIGH SCHL
 NORTH CHICAGO S.D. #187
 NORTH CLAY C.U.S.D. #25

NORTH GREENE U.S.D. #3
 NORTH PALOS S.D. #117
 NORTH PEKIN-MARQUETTE HGHT SD
 NORTH SHORE S.D. #112
 NORTH WAMAC S.D. #186
 NORTH WAYNE C.U.S.D. #200
 NORTHBROOK-GLENVIEW S.D. #30
 NORTHBROOK ELEM S.D. #27
 NORTHBROOK S.D. #28
 NORTHFIELD TWP H.S.D. #225
 NORTHWEST C.U.S.D. #175
 NORTHWEST SPECIAL ED. DIST.
 NORTHWESTERN C.U.S.D. #2
 NORWOOD E.S.D. #63
 NSSEO.
 OAK GROVE S.D. #68
 OAK GROVE S.D. #68
 OAK LAWN C.H.S.D. #229
 OAK LAWN/HOMETOWN S.D. #123
 OAK PARK E.S.D. #97
 OAK PARK/RIVER FOREST S.D.
 OAKDALE C.C.S.D. #1
 OAKLAND C.U.S.D. #5
 OBLONG C.U.S.D. #4
 ODELL C.C.S.D. #435
 ODIN C.H.S.D. #700
 ODIN S.D. #122
 O'FALLON C.C.S.D. #90
 O'FALLON T.H.S.D. #203
 OGDEN C.C.S.D. #212
 OGLE CO SPECIAL ED
 OGLESBY E.S.D. #125
 OHIO AND WABASH VALLEY VOC SYS
 OHIO C.C.S.D. #17
 OHIO C.H.S.D. #505
 OKAW AREA VOCATIONAL CENTER
 OLYMPIA C.U.S.D. #16
 OPDYKE-BELLE-RIVE C.C.S.D. #5
 OPHIR C.C.S.D. #235
 ORANGEVILLE C.U.S.D. #203
 OREGON C.U.S.D. #220
 ORION C.U.S.D. #223
 ORLAND PARK S.D. #135
 OSWEGO C.U.S.D. #308
 OTTAWA E.S.D. #141
 OTTAWA TWP H.S.D. #140
 OTTER CREEK-HYATT S.D. #58
 PALATINE C.C.S.D. #15
 PALATINE TWP H.S.D. #211
 PALESTINE C.U.S.D. #3
 PALOS C.C.S.D. #118
 PALOS HEIGHTS S.D. #128
 PANA C.U.S.D. #8
 PANHANDLE C.U.S.D. #2
 PARIS-UNION S.D. #95
 PARIS C.U.S.D. #4
 PARK FOREST S.D. #163
 PARK RIDGE C.C.S.D. #64
 PASS/ADULT EDUCATION
 PATOKA C.U.S.D. #100
 PAWNEE C.U.S.D. #11
 PAXTON-BUCKLEY-LODA
 PAYSON C.U.S.D. #1
 PEARL CITY C.U.S.D. #200
 PEACATONICA C.U.S.D. #321
 PEKIN C.H.S.D. #303
 PEKIN P.S.D. #108

PEMBROKE C.C.S.D. #259
 PENNOYER S.D. #79
 PEORIA HGHTS C.U.S.D. #325
 PEORIA ROE
 PEORIA S.D. #150
 PEOTONE C.U.S.D. #207
 PERANDOE SPECIAL ED DISTRICT
 PERU ELEMENTARY S.D. #124
 PHILIP J ROCK SCHL & SERV CTR
 PIKELAND C.U.S.D. #10
 PINCKNEYVILLE S.D. #50
 PINCKNEYVL C.H.S.D. #101
 PLAINFIELD S.D. #202
 PLANO C.U.S.D. #88
 PLEASANT HILL C.U.S.D. #3
 PLEASANT HILL S.D. #69
 PLEASANT PLAINS C.U.S.D. #8
 PLEASANT VALLEY S.D. #62
 PLEASANTDALE S.D. #107
 POLO C.U.S.D. #222
 PONTIAC-W HOLIDAY S.D. #105
 PONTIAC C.C.S.D. #429
 PONTIAC TWP H.S.D. #90
 POPE COUNTY C.U.S.D. #1
 PORTA C.U.S.D. #202
 POSEN-ROBBINS E.S.D.
 POTOMAC C.U.S.D. #10
 PRAIRIE CENTRAL C.U.S.D. #8
 PRAIRIE DU ROCHER C.C.S.D.
 PRAIRIE GROVE C.S.D. #46
 PRAIRIE HILL C.C.S.D. #133
 PRAIRIE HILLS E.S.D.
 PRAIRIEVIEW C.C.S.D. #192
 PRINCETON E.S.D. #115
 PRINCETON TWP H.S.D. #500
 PRINCEVILLE C.U.S.D. #326
 PROFESSIONAL DEV ALLIANCE/ROE
 PROJECT AREA 1 HUB-ROE
 PROPHETSTOWN-LYNDON CUSD
 PROSPECT HEIGHTS S.D. #23
 PROVISIO TWP H.S.D. #209
 PUFFER-HEFTY S.D. #69
 PUTNAM COUNTY C.U.S.D.
 QUEEN BEE S.D. #16
 QUINCY S.D. #172
 R O W V A C.U.S.D. #208
 RACCOON C.S.D. #1
 RAMSEY C.U.S.D. #204
 RANDOLPH OO SPEC ED
 RANKIN C.S.D. #98
 RANTOUL CITY S.D. #137
 RANTOUL TWP H.S.D. #193
 REAVIS TWP H.S.D. #220
 RED BUD C.U.S.D. #132
 RED HILL C.U.S.D. #10
 REED CUSTER C.U.S.D. #265
 REG DEL SYS VOC ED AND GFTD
 REG C.U.S.D. #4
 REGIONAL FILM LIBRARY
 REGIONAL VOCATIONAL SYSTEM
 RHODES S.D. #84.5
 RICH TOWNSHIP H.S.D. #227
 RICHLAND S.D. 88A
 RICHMOND BURTON H.S.D. #195
 RICHMOND C.S.D. #13
 RIDGELAND S.D. #122
 RIDGEVIEW C.U.S.D. #19
 RIDGEWOOD C.H.S.D. #234

RILEY C.C.S.D. #18
 RIVER BEND C.U.S.D. #2
 RIVER FOREST S.D. #90
 RIVER GROVE S.D. #85.5
 RIVER RIDGE C.U.S.D. #210
 RIVER TRAILS S.D. #26
 RIVERDALE C.U.S.D. #100
 RIVERDALE S.D. #14
 RIVERSIDE S.D. #96
 RIVERSIDE/BROOKFIELD #208
 RIVERTON C.U.S.D. #14
 RIVERVIEW C.C.S.D. #2
 ROANOKE BENSON C.U.S.D. #60
 ROBEIN S.D. #85
 ROBINSON C.U.S.D. #2
 ROCHELLE C.C.S.D. #231
 ROCHELLE TWP H.S.D. #212
 ROCHESTER C.U.S.D. #3A
 ROCK FALLS E.S.D. #13
 ROCK FALLS TWP H.S.D. #301
 ROCK ISLAND ROE
 ROCK ISLAND S.D. #41
 ROCKDALE S.D. #84
 ROCKFORD S.D. #205
 ROCKRIDGE C.U.S.D. #300
 ROCKTON S.D. #140
 ROE PROFESSIONAL SERVICES #19
 ROME C.C.S.D. #2
 RONDOUT S.D. #72
 ROCKS CREEK C.C.S.D. #425
 ROSELLE S.D. #12
 ROSEMONT ELEM. S.D. #78
 ROSEVILLE C.U.S.D. #200
 ROSSVILLE-ALVIN C.U.S.D. #7
 ROUND LAKE AREA S.D. #116
 ROXANA C.U.S.D. #1
 RUTLAND C.C.S.D. #230
 SALEM C.H.S.D. #600
 SALEM S.D. #111
 SALT CREEK S.D. #48
 SANDOVAL C.U.S.D. #501
 SANDRIDGE S.D. #172
 SANDWICH C.U.S.D. #430
 SANGAMON AREA SPECIAL ED
 SANGAMON ROE
 SARATOGA C.C.S.D. #600
 SASED
 SALK VILLAGE C.C.S.D. #168
 SALAMIN C.C.S.D. #438
 SAVANNA C.U.S.D. #300
 SAVER
 SCALES MOUND C.U.S.D. #211
 SCHLAUBURG C.C.S.D. #54
 SCHILLER PARK S.D. #81
 SCHUYLER COUNTY C.U.S.D. #1
 SCOTT MORGAN C.U.S.D. #2
 SEDOS 100 0020 61 MARION
 SEDOM
 SELA 833 PAEC
 SELA 804 NSSD
 SELMAVILLE C.C.S.D. #10
 SENECA C.C.S.D. #170
 SENECA TWP H.S.D. #180
 SENECA VALLEY C.U.S.D.
 SENECA DEVELOPMENTAL CTR
 SENECA C.U.S.D. #84
 SELBYVILLE C.U.S.D. #4

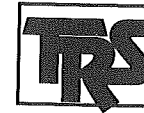
SCHEDULE OF PARTICIPATING EMPLOYERS



SHELDON C.U.S.D. #5
 SHERRARD C.U.S.D. #200
 SHILOH C.U.S.D. #1
 SHILOH VILLAGE S.D. #85
 SHIRLAND C.C.S.D. #134
 SIGNAL HILL S.D. #181
 SILVIS S.D. #34
 SINGER MENTAL HEALTH
 SKOKIE-FAIRVIEW S.D. #72
 SKOKIE S.D. #68
 SKOKIE S.D. #69
 SKOKIE S.D. #73.5
 SMA - SEJA #801
 SMITHTON C.C.S.D. #130
 SO WILL CO COOP FOR SPEC ED
 SOMONAUK C.U.S.D. #432
 SOUTH BELOIT C.U.S.D. #320
 SOUTH CENTRAL C.U.S.D. #401
 SOUTH COOK ISC #4
 SOUTH EASTERN SPEC ED
 SOUTH FORK S.D. #14
 SOUTH HOLLAND S.D. #150
 SOUTH HOLLAND S.D. #151
 SOUTH PEKIN S.D. #137
 SOUTH WILMINGTON C.S.D. #74
 SOUTHEASTERN C.U.S.D. #337
 SOUTHERN C.U.S.D. #120
 SOUTHWEST COOK COOP SPEC ED
 SOUTHWESTERN C.U.S.D. #9
 SPARTA C.U.S.D. #140
 SPEC ED COOP
 SPEC ED TCHR
 SPECIAL ED OF PEORIA COUNTY
 SPECIAL ED. DIST. - REGION 3
 SPEED ED COOP
 SPOON RIVER VALLEY C.U.S.D. #4
 SPRING GROVE S.D. #11
 SPRING LAKE C.C.S.D. #606
 SPRING VALLEY C.C.S.D. #99
 SPRINGFIELD S.D. #186
 ST ANNE C.C.S.D. #256
 ST ANNE C.H.S.D. #302
 ST CLAIR ROE
 ST ELMO C.U.S.D. #202
 ST GEORGE C.C.S.D. #258
 ST JOSEPH C.C.S.D. #169
 ST JOSEPH OGDEN C.H.S. #305
 ST LIBORY C.S.D. #30
 ST ROSE S.D. #14
 ST. CHARLES C.U.S.D. #303
 STARK COUNTY C.U.S.D. #100
 STAUNTON C.U.S.D. #6
 STEELEVILLE C.U.S.D. #138
 STEGER S.D. #194
 STEPHENSON AREA TECH ED SYS
 STERLING C.U.D. #5
 STEWARD ELEMENTARY S.D. #220
 STEWARDSON-STRASBURG C.U.S.D.
 STOCKTON C.U.S.D. #206
 STREATOR ELEMENTARY S.D. #44
 STREATOR TWP H.S.D. #40
 STREATOR WOODLAND C.U.S.D. #5
 SULLIVAN C.U.S.D. #300
 SUMMERSVILLE S.D. #79
 SUMMIT HILL S.D. #161
 SUNNYBROOK S.D. #171
 SUNSET RIDGE S.D. #29

SUPT ESR
 SYCAMORE C.U.S.D. #427
 TAFT S.D. #90
 TAMAROA S.D. #5
 TAOEP
 TAYLORVILLE C.U.S.D. #3
 TAZEWELL ROE
 TEACHERS RETIREMENT SYSTEM
 TENCO/SIRSEA REG ED PROG
 TEUTOPOLIS C.U.S.D. #50
 THE CENTER
 THOMASBORO C.C.S.D. #130
 THOMPSONVILLE C.H.S.D. #112
 THOMPSONVILLE S.D. #62
 THOMSON C.U.S.D. #301
 THORNTON FRACTIONAL H.S.D.
 THORNTON S.D. #154
 THORNTON TWP H.S.D. #205
 TINLEY PARK MENTAL HLTH CTR
 TINLEY PARK S.D. #146
 TMCSEA
 TOLONO C.U.S.D. #7
 TONICA C.C.S.D. #79
 TOWER HILL C.C.S.D. #10
 TOWER HILL C.H.S.D. #185
 TOWNSHIP H.S.D. #214
 TRANSPORTATION DEPT OF
 TREES
 TREMONT C.U.S.D. #702
 TRI-COUNTY SPEC ED CO-OP
 TRI CITY C.U.S.D. #1
 TRI COUNTY EDUCATION SERV CTR
 TRI COUNTY SPE ED ASSO
 TRI POINT C.U.S.D. #6-J
 TRI VALLEY C.U.S.D. #3
 TRIAD C.U.S.D. #2
 TRICO C.U.S.D. #176
 TRIPIA C.U.S.D. #27
 TROY C.C.S.D. #30C
 TUSCOLA C.U.S.D. #301
 TWIN RIVERS REG VOC DEL SYS
 TWO RIVERS PROFESSIONAL DEV.
 UNION C.U.S.D. #115
 UNION RIDGE S.D. #86
 UNION S.D. #81
 UNITED TWP H.S.D. #30
 UNITY POINT C.C.S.D. #140
 URBANA S.D. #116
 UTICA E.S.D. #135
 VIT C.U.S.D. #2
 VALLEY VIEW C.U.S.D. #365
 VALMEYER C.U.S.D. #3
 VANDALIA C.U.S.D. #203
 VENICE C.U.S.D. #3
 VERMILION ASSOC SPEC EDUCATION
 VIENNA S.D. #55
 VIENNA TWP H.S.D. #133
 VILLA GROVE C.U.S.D. #302
 VILLA PARK S.D. #45
 VIRDEN C.U.S.D. #4
 VIRGINIA C.U.S.D. #64
 WABASH & OHIO VALLEY SE DIST
 WABASH C.U.S.D. #348
 WALLACE C.C.S.D. #195
 WALTHAM C.C.S.D. #185
 WALTONVILLE C.U.S.D. #1
 WARREN C.U.S.D. #205

WARREN C.U.S.D. #222
 WARREN G. MURRAY DEV. CENTER
 WARREN TWP H.S.D. #121
 WARRENSBURG-LATHAM C.U.S.D. #11
 WARSAW C.U.S.D. #316
 WASHINGTON C.H.S.D. #308
 WASHINGTON S.D. #52
 WATERLOO C.U.S.D. #5
 WAUCONDA C.U.S.D. #118
 WAUKEGAN C.U.S.D. #60
 WAVERLY C.U.S.D. #6
 WAYNE CITY C.U.S.D. #100
 WEBBER TWP H.S.D. #204
 WESCLIN C.U.S.D. #3
 WEST CENTRAL IL SP ED COOP
 WEST CHICAGO C.H.S.D. #94
 WEST CHICAGO E.S.D. #33
 WEST HARVEY-DIXMOOR S.D.
 WEST LINCOLN-BROADWELL
 WEST NORTHFIELD S.D. #31
 WEST PIKE C.U.S.D. #2
 WEST RICHLAND C.U.S.D. #2
 WEST WASHINGTON C.U.S.D. #10
 WESTCHESTER S.D. #92.5
 WESTERN SPRINGS S.D. #101
 WESTMER C.U.S.D. #203
 WESTMONT C.U.S.D. #201
 WESTVILLE C.U.S.D. #2
 WETHERSFIELD C.U.S.D. #230
 WHEELING C.C.S.D. #21
 WHITESIDE ROE
 WHITESIDE S.D. #115
 WILCO AREA CAREER CENTER
 WILL COUNTY S.D. #92
 WILLIAMSFIELD C.U.S.D. #210
 WILLIAMSVILLE C.U.S.D. #15
 WILLOW GROVE S.D. #46
 WILLOW SPRINGS S.D. #108
 WILMETTE S.D. #39
 WILMINGTON C.U.S.D. #209
 WINCHESTER C.U.S.D. #1
 WINDSOR C.U.S.D. #1
 WINFIELD S.D. #34
 WINNEBAGO C.U.S.D. #323
 WINNETKA S.D. #36
 WINTHROP HARBOR S.D. #1
 WM HOWE DEVL P CTR
 WOLF BRANCH S.D. #113
 WOOD DALE S.D. #7
 WOOD RIVER-HARTFORD E.S.D. #15
 WOODFORD CO SPEC ED
 WOODLAND C.C.S.D. #50
 WOODLAWN C.C.S.D. #4
 WOODLAWN C.H.S.D. #205
 WOODRIDGE S.D. #68
 WOODSTOCK C.U.S.D. #200
 WORTH SCHOOL DISTRICT #127
 YORKVILLE C.U.S.D. #115
 YORKWOOD C.U.S.D. #225
 ZEIGLER ROYALTON C.U.S.D. #188
 ZION-BENTON TWP H.S.D. #126
 ZION ELEMENTARY S.D. #6



SECTION FIVE: INVESTMENTS



INVESTMENTS

INTRODUCTION

The TRS trust fund is invested by authority of the Illinois General Assembly under the "prudent person rule" requiring investments to be managed solely in the interest of fund participants and beneficiaries. As of June 30, 1998, the System's total investments, including accrued investment income, at market value totaled \$20,982,659,087.

Investments are guided by a statement of investment objectives and policies approved by the Board of Trustees. The objective is to provide the greatest long-term benefits to members by maximizing the total rate of return on investments within prudent parameters of risk for a retirement fund of this type. Investment performance is expected to exceed the annual rate of inflation over the long-term by 3% and to outperform various market indices for each asset class.

PERFORMANCE SUMMARY

In accordance with the Association for Investment Management and Research (AIMR) Performance Presentation Standards, the following chart summarizes the development and performance of the total investment portfolio, including accrued income and miscellaneous assets, during the last five years.

PERFORMANCE SUMMARY		(Annualized Percent for Periods Ending June 30 1998*)					
(Years Ended June 30)	1994	1995	1996	1997	1998	Annualized 3 Years	5 Years
Total Time-Weighted Return							
TRS	4.7	13.4	16.9	18.3	16.6	17.2	13.7
CPI	2.5	3.0	2.8	2.3	1.7	2.2	2.4
Common Stock - US							
TRS	2.7	20.6	23.0	27.9	26.6	25.8	19.8
S&P 500	1.4	26.0	26.1	34.6	30.2	30.2	23.1
Wilshire 5000	1.2	24.7	26.2	29.3	28.9	28.1	21.6
Bonds - US							
TRS	-0.6	12.0	3.2	10.8	12.2	8.6	7.0
Salomon BIG	-1.5	12.8	5.0	8.2	10.6	7.9	6.9
Bonds - International							
TRS	4.7	14.4	6.6	4.9	2.4	5.6	7.1
SBNUSDB	10.5	22.7	-1.7	2.2	0.9	0.5	6.4
Common Stock-International							
TRS	12.6	-6.1	27.5	19.9	2.8	16.3	10.2
MSCI ALL COUNTRY Ex. U.S.	16.0	0.1	10.8	14.0	0.6	9.0	9.3
MSCI EAFE	17.0	1.7	13.6	12.8	6.1	10.7	10.0
Real Estate- TRS							
TRS	9.7	13.2	11.1	12.7	14.7	12.7	12.4
Alternative Investments - TRS							
TRS	1.6	30.3	67.7	22.6	35.3	41.7	35.6
Short Term							
TRS	3.7	5.9	5.4	5.6	5.7	5.6	5.3
91 - Day Treasury Bill	3.3	5.3	5.4	5.4	5.3	5.4	5.0
ASSET ALLOCATION (ANNUAL AVERAGE) TRS							
Bonds - U.S.	24.1	23.2	19.8	20.0	22.7	20.8	22.0
Common Stock - U.S.	36.8	35.5	39.9	41.3	42.3	41.2	39.2
Short Term	7.6	5.3	4.7	4.6	4.5	4.6	5.3
Other	31.5	36.0	35.6	34.1	30.5	33.4	33.5

*Asset class returns are provided by The Northern Trust Company in accordance with AIMR Performance Presentation Standards. Index returns are provided by the Northern Trust Company and Bloomberg. The average asset allocation represents TRS assets assigned to each asset class under active management.

ASSET ALLOCATION

A pension fund's most important investment policy decision is the selection of an asset allocation. Similar to other large institutional funds, the System maintains a well-diversified portfolio to effectively control risk. The System's asset allocation as of June 30, 1998, was as follows:

Asset Type	% of Total	
	1998	1997
Bonds	39.0	31.9
Common Stock - U.S.	30.2	30.4
Real Estate Equity	11.8	13.0
Common Stock - International	10.0	9.6
Short Term Investments	6.3	12.1
Alternative Investments	2.2	2.0
Preferred Stock	0.5	0.6
Currency Investments	0.0	0.4
TOTAL	100.0	100.0

Note: The asset allocation above is based on actual assets and not on assets assigned to managers within an asset class.

Percentage totals for FY98 show a slight decrease in U.S. equities from 30.4% a year earlier. International equities increased slightly from the FY97 figure of 9.6%. In all, equities totaled 40.2% of the total portfolio. Bonds increased to 39.0% of the total fund, from 31.9% a year earlier while real estate decreased 1.2% to 11.8% at year end. Over the past five years, the System's allocation history can be represented as follows:

Asset Class	6/30/94	6/30/95	6/30/96	6/30/97	6/30/98
Bonds (U.S. & Global)	41.1%	36.9%	36.4%	31.9%	39.0%
Common Stock (U.S.)	23.6%	27.7%	30.3%	30.4%	30.2%
Short Term	7.0%	5.7%	7.1%	12.1%	6.3%
Other*	28.3%	29.7%	26.2%	25.6%	24.5%

*Other includes Common Stock, Int'l., Preferred Stock, Real Estate, Alternative Investments and Currency Investments.

FUND MANAGEMENT

The fund is externally managed by professional investment firms which bring their particular expertise to the selection and retention of investments. The activities of these firms are reviewed and directed by the System's staff and trustees to ensure compliance with applicable statutes, the investment policy and long-term strategic plans. On June 30, 1998, the following external firms were employed by TRS:

Fixed Income (Bonds) U.S.

Brinson Partners, Inc.
BlackRock Financial Management Inc.
The Chicago Trust Company
Conseco Capital Management, Inc.
Forstmann-Leff International, Inc.
Hughes Capital Management, Inc.
Miller, Anderson, Sherrerd, LLP
Pacific Investment Management Co.
Payden & Rygel Investment Counsel
Strong Capital Management, Inc.
Taplin, Canida & Habacht
W.R. Huff Asset Management Co.
Weiss, Peck & Greer Investments
Western Asset Management Co.

Fixed Income (Bonds) International

Brinson Partners, Inc.
Delaware International Advisors, Ltd.
Julius Baer Investment Management, Inc.
Pacific Investment Management Co.

Equity (Common Stock) - U.S.

Ark Asset Management Co., Inc.
Bank of America (Illinois)
Brinson Partners, Inc.
Fiduciary Management Associates
First Analysis Investment Corp.
Fox Asset Management
Hotchkis and Wiley
Insight Capital Research & Management, Inc.
Institutional Capital Corp.
Lazard Asset Management
Lincoln Capital Management Co.
Mentor Investment Advisors, Inc.
Munder Capital Management, Inc.
Pacific Investment Management Co.
Paradigm Asset Management Co., L.L.C.
Sanford C. Bernstein & Co., Inc.
Sturdivant & Co.
The Edgar Lomax Company
Valenzuela Capital Partners
Wayne Hummer Management Co.

Equity (Common Stock) International

Brandes Asset Management, Inc.
Brandywine Asset Management, Inc.
Brinson Partners, Inc.
Capital Guardian Trust Co.
Clay Finlay, Inc.

Delaware International Advisors, Ltd.
Dresdner RCM Global Investors
Hotchkis & Wiley
Pyrford International, PLC
Scudder Kemper Investments, Inc.

Real Estate Equity

Bear Stearns/Capital Associates Realty Advisors
Capital Associates Realty Advisors
Commonwealth Realty Advisors, Inc.
Cozad/Westchester
DLJ Real Estate Capital Partners, L.P.
Heltman Capital Management
K/B Realty Advisors
LaSalle Advisors Ltd.
LPC Realty Advisors I, Ltd.
RREEF Real Estate Venture Capital Fund, L.P.
Stone-Levy, L.L.C.
Westmark Realty Advisors

Alternative Investments

Angelo, Gordon & Co.
Apex Investment Partners
Daystar Partners
DLJ Merchant Banking Partners, Inc.
Frontenac Company
Kohlberg Kravis Roberts & Co.
Mesirow Private Equity Investments, Inc.
Penman Asset Management, L.P.
Periscope I Fund Managers, L.L.C.
Sandler Capital Management
SCP Private Equity Partners, L.P.
TCW/Latin American Partners, L.L.C.
The Applan Group
Trivest, Inc.
Veronis Suhler & Associates
Walnut Growth Partners, L.L.C.
Weiss, Peck & Greer Venture Partners, L.P.
William Blair Mezzanine Capital Partners

Tactical Asset Allocation

Brinson Partners, Inc.
Pyrford International, Inc.

Cash Management
Atlantic Asset Management, Inc.
Hotchkis & Wiley
The Northern Trust Company

ASSET CLASS & MARKET INDICES

During FY98, U.S. common stock was the best performing asset class as represented by the Wilshire 5000 Index at 28.9% and the S&P 500 Index which returned 30.2%. Domestic bonds were the next best performing asset class as represented by the Salomon Broad Investment Grade (Salomon BIG) Index returning 10.6%. International common stocks as represented by the MSCI All Country Excluding U.S. returned 0.6% and the Europe, Australia and the Far East (EAFE) Index, returned 6.1%. Non-U.S. dollar bonds, represented by the Salomon Brothers Non-U.S. Dollar Bond Index, returned 0.9%. The 91-Day Treasury Bill, reflecting short-term investments, returned 5.3%. The annual rate of inflation, as represented by the Consumer Price Index (CPI), stood at 1.7% for FY98.

ASSET CLASS QUARTERLY RETURN BY REPRESENTATIVE INDICES

Asset Class	Domestic Equity		International Equity		Domestic Fixed Income	International Fixed Income	Short-Term Investments	Inflation
	WILSHIRE 5000	S&P 500	MSCI All Country Ex-U.S.	MSCI EAFE	SALOMON BIG	SBNUSDB*	91-Day T-BILL	CPI
DATE								
6/30/97	16.89	17.42	12.97	12.98	3.60	2.82	1.32	0.19
9/30/97	9.75	7.52	-0.99	-0.70	3.32	0.21	1.31	0.56
12/31/97	1.68	2.85	-8.99	-7.83	2.95	-1.38	1.32	0.06
3/31/98	13.26	13.96	13.69	14.71	1.61	0.42	1.31	0.56
6/30/98	1.95	3.31	-1.77	1.06	2.32	1.67	1.29	0.49

*Salomon Brothers Non-U.S. Dollar Bond Index
Source: The Northern Trust Company

TOTAL FUND RESULTS

In accordance with AIMR Performance Presentations Standards, the System's total time-weighted rate of return for FY98 was 16.6%. This result was due primarily to the System's impressive results in the U.S. stock and bond markets, real estate and alternative investments.

The Fund's total return for FY98 easily surpassed the long-term performance objectives of preserving purchasing power and exceeding the rate of inflation by 3% (as measured by the Consumer Price Index). In addition to these objectives, formally outlined in the System's Statement of Investment Objectives and Policies, the System's returns for FY98 also exceeded the 8.5% required actuarial return. As indicated below, this trend has continued over the annualized three- and five-year period. In addition, the System again bettered its average market weighted index, a cross-section of the returns of numerous market indices based on the System's own asset allocation.

	<u>FY98</u>	<u>3-Year</u>	<u>5-Year</u>
TRS	16.6%	17.2%	13.7%
CPI	1.7	2.2	2.4
Market Weighted Index	14.4	14.1	12.3

U.S. EQUITY RESULTS AND PROFILE

For the fiscal year, the System's U.S. common stock portfolio returned 26.6% compared to the Wilshire 5000 return of 28.9%.

DIVERSIFICATION BY INDUSTRY SECTOR (%)

Sector	June 30, 1998			June 30, 1997		
	TRS	S&P 500	WILSHIRE 5000	TRS	S&P 500	WILSHIRE 5000
Basic Industries	10.7	5.9	7.1	11.7	7.0	8.6
Capital Goods	7.4	7.1	7.0	8.0	8.7	8.1
Consumer Durables	3.6	2.6	2.8	2.8	2.5	2.7
Consumer Non-Durables	38.8	35.6	35.1	39.2	34.9	34.7
Energy	4.6	7.6	5.9	4.2	9.1	6.9
Finance	16.2	18.7	19.7	15.9	16.0	17.4
Technology	12.8	14.2	14.5	14.6	13.3	13.6
Utilities	5.9	8.3	7.9	3.6	8.5	8.0

Source: The Northern Trust Company

Three- and five-year comparisons to this benchmark are noted below:

	<u>FY98</u>	<u>3-Year</u>	<u>5-Year</u>
TRS	26.6%	25.8%	19.8%
Wilshire 5000	28.9%	28.1%	21.6%

At June 30, 1998, 37.5% of the System's investment portfolio was assigned to U.S. equity managers, compared to 41.7% at the prior fiscal year's end. Equity managers using either fully active or enhanced index management strategies continued to be retained during FY98. The market value of assets assigned to U.S. equity managers increased to \$7.723 billion due to \$1.866 billion of market value appreciation and \$1.488 billion in reallocations away from the U.S. equities to other asset classes.

The performance goal of U.S. equities is a total investment return 6% in excess of the rate of inflation over the long term. Domestic equity managers are expected to better the designated benchmark index on an annualized basis over a three- to five-year period or market cycle. The S&P 500 is a popular index, often used to represent U.S. equity market returns. However, the Wilshire 5000 Index provides a more accurate representation of both the aggregate U.S. equity market and the System's domestic equity portfolio. The Wilshire 5000 is highly diversified across the various equity market sectors and industries. The highly diversified financial characteristics and risk factors of the Wilshire 5000 ultimately influence the total return.

TRS domestic equity managers changed the sector diversification of their portfolios during FY98. Increases

to investments were made in the consumer durables and utility sectors to take advantage of the economic value represented in these areas, while investments in basic industries, energy, finance, technology, capital goods and consumer non-durables remained stable or were trimmed back. The previous page's table summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices.

All Wilshire 5000 industry sectors provided positive rates of return during FY98. With the exception of capital goods, the S&P 500 industry sector rates of return were positive. As illustrated below, the sector returns for the S&P 500 and the Wilshire 5000 performed relatively well:

<u>Wilshire 5000 Industry Returns (%)</u>		<u>S&P 500 Industry Returns (%)</u>	
<u>Sector</u>	<u>Return</u>	<u>Sector</u>	<u>Return</u>
Basic Industries	7.4	Basic Industries	7.2
Capital Goods	12.4	Capital Goods	(3.3)
Consumer Durables	35.3	Consumer Durables	40.9
Consumer Non-Durables	31.1	Consumer Non-Durables	33.2
Energy	9.9	Energy	9.8
Finance	39.1	Finance	37.9
Technology	31.9	Technology	39.6
Utilities	38.1	Utilities	41.2
Total Wilshire 5000 Return	28.9%	Total S&P 500 Return	30.2%

Source: The Northern Trust Company

U.S. equity managers made adjustments to their accounts during FY98 as noted by the following comparison of portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices.

U.S. EQUITY PORTFOLIO PROFILE

	June 30, 1998			June 30, 1997		
	TRS	S&P 500	WILSHIRE 5000	TRS	S&P 500	WILSHIRE 5000
Capitalization (\$Bil.)	44.8	71.2	55.4	28.0	50.2	37.4
Price/Earnings Ratio	30.9	29.9	30.8	27.1	25.1	25.5
Dividend Yield (%)	1.3	1.5	1.3	1.4	1.7	1.6
Beta	1.0	1.0	1.0	1.0	1.0	1.0
Diversification (R-Squared)	0.9	1.0	1.0	0.9	1.0	1.0
Five-Year Earnings Growth Rate (%)	10.4	10.5	10.7	16.4	18.4	19.2
Market/Book Ratio	6.8	7.0	6.9	6.2	6.2	5.8

Source: The Northern Trust Company

The capitalization of the TRS domestic equity portfolio increased dramatically from June 30, 1997, to June 30, 1998, primarily due to the significant appreciation of the U.S. equity market. The capitalization of the TRS domestic equity portfolio was much more similar to that of the broader Wilshire 5000 Index. The TRS portfolio emphasizes the broad market and includes small and mid-size firms not included in the S&P 500. The rally in the U.S. equity market also translated into higher Price/Earnings ratios for the TRS domestic equity portfolio and both the S&P 500 and Wilshire 5000 Indices. As of June 30, 1998, the U.S. equity portfolio maintained a Price/Earnings ratio slightly higher than that of the market indices due to the portfolio's slightly greater weighting in growth securities. The TRS domestic equity portfolio, typically divided equally between growth and value securities, slightly favored growth securities as a result of the performance advantage growth securities have had relative to value securities over the past four years.

The top five domestic equity holdings at June 30, 1998, are listed below and represent 5.8% of the assets assigned to domestic equity managers.

Firm	Market Value
Microsoft Corp.	106,846,913
General Electric Co.	103,134,038
Pfizer Inc.	84,178,469
Coca-Cola Co.	77,488,650
Cisco Systems Inc.	77,314,088
	448,962,158

Source: The Northern Trust Company

INTERNATIONAL EQUITY RESULTS

The performance objective for international equities mirrors that of domestic equities: a total annual return of 6% in excess of the rate of inflation and to exceed the MSCI All Country Excluding U.S. Index over the long-term.

For the year ended June 30, 1998, the international equity asset class returned 2.8% compared to the MSCI All Country Excluding U.S. Index return of 0.6%.

	FY98	3-Year	5-Year
TRS	2.8%	16.3%	10.2%
MSCI A.C. Ex. U.S.	0.6%	9.0%	9.3%

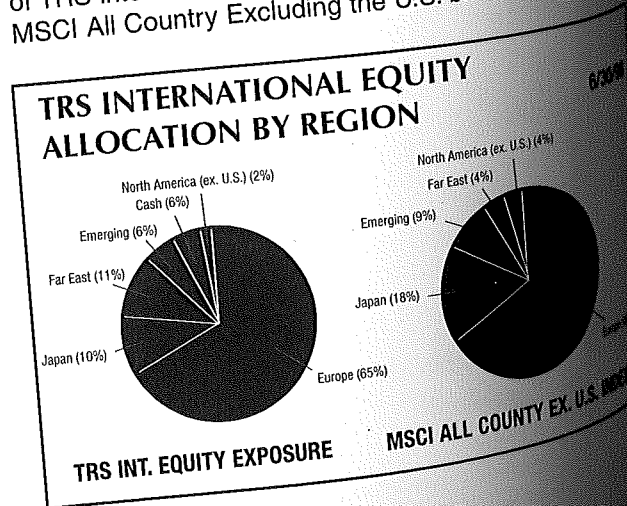
The System's international equity managers continued to limit exposure to Japanese equities, investing only 10.5% of the System's foreign equities in Japan, compared to Japan's relative 17.9% weighting in the MSCI All Country Excluding U.S. Index. For FY98, \$63.9 million of market value appreciation and \$39.7 million in reallocations from other asset classes combined to increase the market value of assets assigned to international equity managers to \$2.235 billion.

The following table illustrates some of the international equity portfolio characteristics as compared to the MSCI EAFE as of June 30, 1998.

	TRS	MSCI EAFE
Capitalization (\$Bil.)	0.8	1.8
Price/Earnings Ratio	23.9	27.1
Dividend Yield (%)	1.9	1.7
Beta	1.2	1.0
Diversification (R-Squared)	0.6	1.0
Return on Equity	23.1	16.4
Price/Book Ratio	8.2	6.2

Source: Wilshire Associates

The pie chart below provides a brief regional overview of TRS international equity exposure as compared to the MSCI All Country Excluding the U.S. benchmark.



ALTERNATIVE INVESTMENTS RESULTS

Alternative investments is a term synonymous with private equity. The private equity market is an important source of funds for start-up companies, private middle-market firms, financially distressed companies and companies seeking buyout financing. Private equity investments are privately placed, that is they are exempt from registration with the Securities and Exchange Commission. Investors in the alternative investments asset class include pension funds, university and college endowments, insurance companies, banks and high net worth individuals.

Investments made in the alternative investments asset class can be in the form of debt or equity. Equity investments represent ownership interest in private incorporated businesses. Debt investments represent investments in unsecured or secured debt securities of private incorporated business.

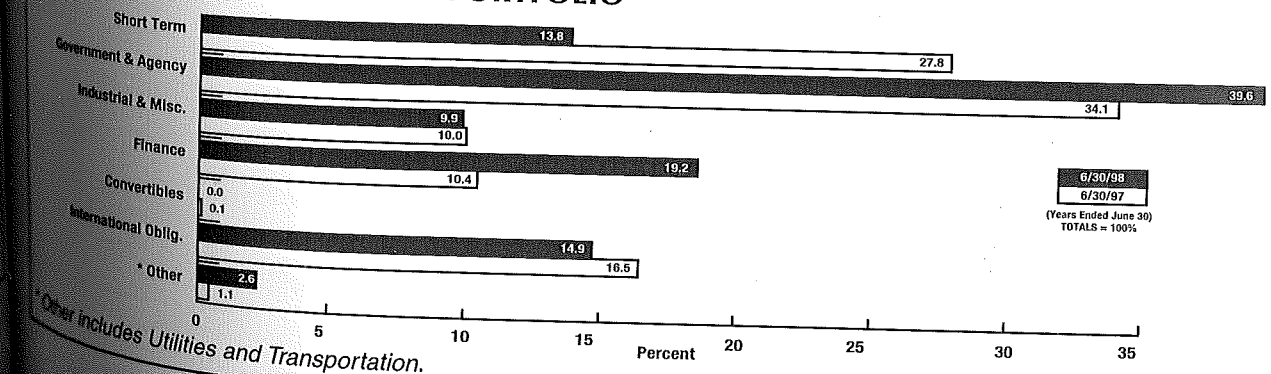
FY98 was another strong year for alternative investments. A total return of 35.3% easily outdistanced its performance objective of earning 10% in excess of the rate of inflation. While representative indices are unavailable, performance is very impressive over the three- and five-year periods with annualized returns of 41.7% and 35.6%, respectively. Overall, the System had a market value of \$458 million invested in 22 venture capital limited partnerships at year end.

	FY98	3-Year	5-Year
TRS	35.3%	41.7%	35.6%
CPI + 10%	11.7%	12.2%	12.4%

FIXED INCOME RESULTS & PROFILE

TRS domestic fixed income managers returned 12.2% for the year compared to the 10.6% return for its benchmark,

DIVERSIFICATION BY ISSUER TYPE FOR FIXED INCOME MANAGEMENT PORTFOLIO



* Other includes Utilities and Transportation.

the Salomon Broad Investment Grade (Salomon BIG). The TRS FY98 results also exceeded those of the benchmark for the three- and five-year period:

	FY98	3-Year	5-Year
TRS	12.2%	8.6%	7.0%
Salomon BIG	10.6%	7.9%	6.9%

The System's international fixed income managers returned 2.4% in fiscal 1998, outperforming their benchmark, the Salomon Brothers Non-U.S. Dollar Bond Index (SBNUSDB), which returned 0.9%. TRS international fixed income managers' results are superior to the SBNUSDB over the three- and five-year period as well.

	FY98	3-Year	5-Year
TRS	2.4%	5.6%	7.1%
SBNUSDB*	0.9%	0.5%	6.4%

* Salomon Brothers Non-U.S. Dollar Bond Index

During FY98, the total bond portfolio, exclusive of short-term investments, generated a 9.5% total return. This compares to the three-year return of 8.0% and five-year return of 7.3%. The market value of total assets assigned to fixed income managers, including short-term investments, increased to \$6.561 billion due to \$485 million of market value appreciation and \$1.427 billion in allocations to fixed income from other asset classes. Assets invested assigned to international fixed income managers totaled \$1.004 billion at year end.

The following exhibits reflect changes made in the U.S. fixed income portfolios during the year in terms of diversification by issuer type and quality rating, as well as the underlying characteristics affecting total return:

DIVERSIFICATION BY QUALITY RATING FOR FIXED INCOME PORTFOLIOS

Moody's	6/30/98	6/30/97
AAA	52.9%	51.7%
AA	3.1%	2.2%
A	3.9%	2.6%
BAA	9.9%	6.8%
CONVERTIBLES	0.0%	0.1%
INTERNATIONAL	17.4%	24.3%
SHORT TERM	1.9%	1.7%
OTHER*	10.9%	10.6%
	100.0%	100.0%

* Other includes under BAA and NR ratings

BOND PORTFOLIO PROFILE

Characteristic	6/30/98		6/30/97	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	10.2	8.4	8.2	8.5
Duration (years)	5.7	5.2	4.7	5.1
Coupon (%)	6.6	7.1	7.5	7.2
Yield to Maturity (%)	6.7	6.1	7.0	6.8
Current Yield (%)	6.6	7.0	6.8	7.1

Source: The Northern Trust Company

REAL ESTATE INVESTMENT RESULTS

Real estate investments earned a 14.7% rate of return during FY98. The income return generated by rents and property dispositions was 9.3%, while property appreciation accounted for 5.4% of the total. For the three- and five-year periods, portfolio managers have generated annualized returns of 12.7% and 12.4%, respectively. The investment goal is to achieve a total return of 7% in excess of the rate of inflation. During the year, the value of assets assigned to real estate increased by \$117 million to \$2.465 billion. The increase was due to \$200 million of reinvested income and \$123 million in market value appreciation, offset by \$206 million in reallocations to other asset classes.

	FY98	3-Year	5-Year
TRS	14.7%	12.7%	12.4%
CPI + 7%	8.7%	9.2%	9.4%

SHORT-TERM INVESTMENT RESULTS

This asset class contains typical short-term investments such as: U.S. Treasury Bills, certificates of deposit, bankers acceptances and commercial paper, and commingled short-term investment funds. For FY98, total return was 5.7%. For the three- and five-year periods, annualized returns were 5.6% and 5.3% compared to 91-day Treasury Bill returns of 5.4% and 5.0%.

SUMMARY REPORTS

The following exhibits provide additional detail regarding the TRS investment portfolio for the year-ending June 30, 1998.

INVESTMENT PORTFOLIO SUMMARY

	June 30, 1998		June 30, 1997	
	MARKET VALUE	% OF TOTAL	MARKET VALUE	% OF TOTAL
BONDS, CORPORATE NOTES, AND GOVERNMENT OBLIGATIONS				
U.S. Government	\$1,270,406,634	6.1	\$832,255,375	4.5
Federal Agency	2,493,333,331	11.9	1,886,494,317	10.5
Total Government Obligations	3,763,739,965	18.0	2,718,749,692	15.0
Corporate Obligations				
Basic Industry	80,388,781	0.4	78,197,706	0.4
Capital Goods	105,963,787	0.5	51,792,676	0.3
Consumer Durables	53,555,958	0.3	29,049,776	0.2
Consumer Non-Durables	227,974,163	1.1	13,580,609	0.1
Convertibles	2,350,375	0.0	4,031,257	0.0
Energy	30,107,003	0.1	12,117,594	0.1
Financial	1,828,226,262	8.7	828,210,561	4.6
Miscellaneous	407,973,971	1.9	486,421,439	2.7
Technology	25,234,038	0.1	125,601,232	0.7
Transportation	106,606,476	0.5	30,905,539	0.2
Utilities	140,952,137	0.7	58,307,520	0.3
Total Corporate Obligations	3,009,332,951	14.3	1,718,215,909	9.6
Foreign Government Obligations	1,007,581,864	4.8	1,147,544,970	6.4
Foreign Corporate Obligations	405,272,257	1.9	169,558,053	0.9
TOTAL BONDS, CORPORATE NOTES, AND GOVERNMENT OBLIGATIONS	8,185,927,037	39.0	5,754,068,624	31.9
Common Stock - U.S.	6,336,877,264	30.2	5,498,625,628	30.4
Preferred Stock - U.S.	62,128,442	0.3	69,367,870	0.4
Common Stock - International	2,104,340,857	10.0	1,736,440,411	9.6
Preferred Stock - International	44,712,315	0.2	37,442,086	0.2
TOTAL EQUITIES	8,548,058,878	40.7	7,341,875,995	40.6
SHORT TERM INVESTMENTS*	1,315,152,039	6.3	2,213,381,354	12.1
REAL ESTATE EQUITY	2,465,432,457	11.8	2,348,125,078	13.0
ALTERNATIVE INVESTMENTS	458,118,826	2.2	364,577,923	2.0
CURRENCY INVESTMENT	9,969,850	0.0	69,333,815	0.4
TOTAL PORTFOLIO	\$20,982,659,087	100.0	\$18,091,362,789	100.0

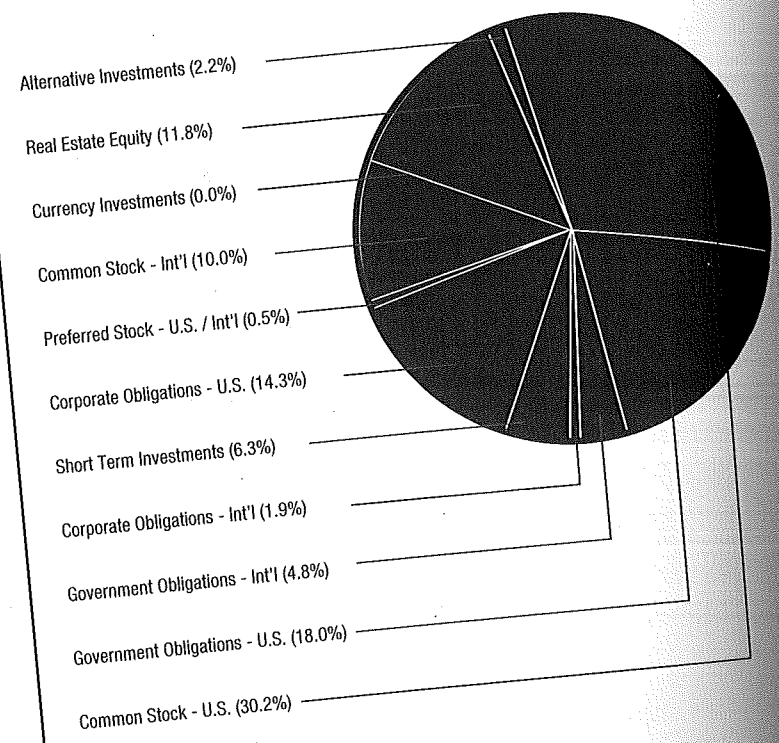
* Includes accrued income and dividends totaling \$234,214,755 and \$228,713,016 for FY98 and FY97 respectively.

TRS
INVESTMENTS

At June 30, 1998

Asset Class	% of Total Fund
Alternative Investments	2.2%
Real Estate Equity	11.8%
Currency Investments	0.0%
Common Stock-Int'l.	10.0%
Preferred Stock-U.S./Int'l.	0.5%
Corporate Obligations -U.S.	14.3%
Basic Industries	3.2%
Capital Goods	3.5
Consumer Durables	1.8
Consumer Non-Durables	7.5
Convertibles	0.1
Energy	1.0
Financial	60.8
Miscellaneous	13.6
Technology	0.8
Transportation	3.1
Utilities	4.6
Short Term Investments	6.3%
Investment Reserve Fund	70.3
Other	29.7
Corporate Obligations-Int'l.	1.9%
Government Obligations-Int'l.	4.8%
Government Obligations -U.S.	18.0%
Federal Agency	66.2
U.S. Government	33.8
Common Stock-U.S.	30.2%
Basic Industries	10.7
Capital Goods	7.4
Consumer Durables	3.6
Consumer Non-Durables	38.8
Energy	4.6
Financial	16.2
Technology	12.8
Utilities	5.9
	100.0%

COMPOSITION OF INVESTMENTS AT MARKET VALUE (June 30, 1998)



TRS TOTAL PORTFOLIO BY COUNTRY TOP TEN COUNTRY WEIGHTING

Country of Incorporation	FY98 % of Assets	Country of Incorporation	FY98 % of Assets
United States	85.6%	Australia	0.9
Japan	2.2	Canada	0.6
Germany	1.8	Switzerland	0.6
United Kingdom	1.8	Sweden	0.6
France	1.2	All Others (46 Countries)	3.6
Netherlands	0.9	Total for 56 Countries	100.0%

Source: The Northern Trust Company

TRS
INVESTMENTS

TOP 50 DOMESTIC AND INTERNATIONAL EQUITY BROKER COMMISSIONS FOR THE YEARS ENDING JUNE 30, 1998 AND 1997

Broker	FY98 Amount	FY97 Amount
Merrill Lynch	\$878,331	\$440,498
Alpha Management, Inc.	705,237	534,280
Goldman Sachs & Co.	550,637	350,105
Morgan Stanley	491,161	557,767
Citation Group, The	453,314	129,049
Salomon Brothers, Inc.	399,271	247,692
Lehman Brothers, Inc.	362,020	164,248
Capel, James Int'l.	354,919	806,503
Warburg SBC	351,364	147,619
Morgan Keegan & Co.	344,424	237,705
Oppenheimer & Co.	329,392	231,536
Bear Stearns, Inc.	301,476	398,022
United Capital Group	295,435	32,592
Montgomery Securities	286,258	168,976
Deutsche Morgan Greenfell	264,539	112,344
Lynch Jones & Ryan	252,374	229,528
Capital Institutional Services	245,061	227,254
DLJ Securities Corp.	242,559	179,818
Instinet, Inc.	236,675	320,384
Hoare Govett	235,560	363,920
Soundview Financial Group	231,955	92,761
First Boston Corp.	231,040	94,265
Commerz Bank	230,186	-
NatWest International	223,316	233,512
HSBC Investment Bank	214,643	1,805
Smith Barney, Inc.	207,707	788,625
UBS Securities	-	-
Phillips & Drew	193,736	282,894
Brown, Alex & Sons	190,890	127,163
Investment Technology Group	187,409	35,137
Abel Noser	180,217	122,338
Paine Webber	167,328	113,052
Hambrecht & Quest	162,381	63,819
W. I. Carr	150,829	68,299
Fleming Robert Jardine	142,449	127,072
Jefferies & Co.	138,865	79,313
Morgan, J.P.	134,182	88,540
Cheureux De Virleu	121,653	64,428
Merrill Lynch Pierce	-	-
Fenner Smith	118,943	201,539
Dresdner Kleinwort Bensen	115,080	178,961
Socete Generale	114,887	76,813
Stanford C. Berstein & Co.	92,382	53,606
Alfred Berg	91,851	32,940
Wine J. B.	88,584	97,670
Robertson Stephens	86,162	60,257
Prudential Securities	85,779	50,765
Leuco Securities	85,136	117,579
Boston Institutional Services	76,076	6,418
Dean Witter Reynolds	69,251	44,227
Kempner & Co.	69,141	14,491
Julius Baer Bank/Securities	68,153	6,048
Others	-	-
FY98 223 brokers)	2,431,933	4,150,673
Total Equity Commissions	\$14,282,151	\$13,354,847

TRS utilizes a commission recapture and soft dollar program. For the year-ended June 30, 1998, TRS recaptured over \$1.2 million in commissions which were reinvested back into the fund. In addition, TRS received \$348,230 in soft dollar credits which were used to fund research and fund consulting expenses. In FY98, TRS received \$335,301 of soft dollar commission credits. At June 30, 1998, TRS had a remaining soft dollar credit balance of \$285,794.

SCHEDULE OF INVESTMENT MANAGER FEES FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

Investment Manager/Account	FY98	FY97
A.G. Bisset & Co., Inc.	\$ 0	\$ 157,359
Acorn Derivatives Management Corporation	0	18,750
American National Bank & Trust Company of Chicago	0	36,606
Analytic Investment Management, Inc.	0	79,500
Angelo, Gordon & Co., L.P.	322,876	543,540
Apex Investment Partners	675,291	675,000
Ark Asset Management, Inc.	6,177,515	5,025,475
Atlantic Asset Management, Inc.	237,438	215,450
Bank of America Investment Advisors	773,401	3,150,913
Bear Stearns Asset Management Inc.	148,831	1,063,242
Bear Stearns Realty Partners	-	-
Apartment Fund I L.P.	870,940	870,940
BlackRock Financial Management Inc.	595,515	5,583
Blairlogie Capital Management Limited	195,787	693,715
Brandes Asset Management, Inc.	175,169	0
Brandywine Asset Management, Inc.	747,165	475,123
Brinson Partners, Inc.	5,434,073	4,206,590
Capital Associates Realty Advisors	3,288,063	3,150,913
Capital Guardian Trust Company	344,702	0
Clay Finlay, Inc.	1,678,069	1,756,391
Commonwealth Realty Advisors, Inc.	2,483,497	2,546,979
Conseco Capital Management, Inc.	92,376	0
Cozad Asset Management, Inc./Westchester Group, Inc.	973,719	860,577
Daiwa International Management Corporation	0	153,441
Daystar Special Situations Fund, L.P.	1,954,977	351,659
Delaware International Advisors Ltd.	1,367,816	1,084,328
DLJ Merchant Banking Partners II, L.P.	0	673,459
DLJ Real Estate Capital Partners, L.P.	723,360	625,968
Dresdner RCM Global Investors	1,740,973	769,927
Fenchurch Beta Fund	0	35,855
Fiduciary Management Associates	139,652	70,441
First Analysis Investment Corporation	70,930	8,483
First of America Investment Corporation	57,780	161,439
Forstmann-Leff International Inc.	56,206	0
Fox Asset Management	165,184	0
Frontenac Diversified III Limited Partnership	0	29,395
Frontenac Venture V Limited Partnership	27,574	127,485
Frontenac VI Limited Partnership	300,001	286,081
Heitman Capital Management	425,677	429,552
Hotchkis and Wiley	2,182,069	1,853,808
Hughes Capital Management, Inc.	20,864	0
IDS International, Inc.	0	132,946
Insight Capital Research & Management, Inc.	313,477	4,646
Institutional Capital Corporation	228,538	0
Julius Baer Investment Management, Inc.	423,756	419,997
K/B Realty Advisors	3,689,041	5,108,197
Kohlberg Kravis Roberts & Co.	675,669	803,638
LaSalle Advisors Ltd.	2,721	47,248
Lazard Asset Management	951,439	1,809,837
Lincoln Capital Management Company	2,772,784	2,235,524
Lotsoff Capital Management Inc.	0	37,340
LPC Realty Advisors I, Ltd.	3,312,520	4,635,582
Mentor Investment Advisors, Inc.	328,754	19,782
Mesirow Private Equity Investments, Inc.	756,453	29,892
Miller Anderson & Sherrerd, LLP	145,531	0
Morgan Stanley Asset Management, Inc.	0	575,296
Munder Capital Management	1,461,437	972,357
Oppenheimer Capital	898,492	2,098,146
Pacific Investment Management Company	2,906,086	5,607,004
Paradigm Asset Management Company, L.L.C.	297,000	201,762
Pareto Partners	0	409,041
Payden & Rygel Investment Counsel	482,552	473
Penman Private Equity and Mezzanine Fund, L.P.	393,017	391,194
Periscope I Fund, L.P.	105,489	0
Pyrford International PLC	797,861	972,104
RREEF R.E. Venture Capital Fund L.P.	500,000	305,707
Sandler Capital Management	199,115	250,000



INVESTMENTS

	180,243	0
Sanford C. Bernstein & Company	150,765	351,065
Schroder Capital Management International, Inc.	874,479	490,413
SCP Private Equity Partners, L.P.	950,377	860,133
Scudder Kemper Investments, Inc.	150,514	347,621
Societe Generale Asset Management Corp.	1,389,365	1,776,165
Stone-Levy, LLC	105,564	0
Strong Capital Management, Inc.	243,607	195,051
Sturdivant & Company	42,857	0
Taplin, Canida & Habacht	951,639	0
TCW/Latin America Private Equity Partners, L.P.	197,073	109,521
The Chicago Trust Company	34,020	0
The Edgar Lomax Company	205,144	0
The Northern Trust Company	740,000	750,000
The Northern Trust Company (Master Trustee)	534,210	469,639
Trivest Inc.	380,492	181,909
Valenzuela Capital Management, Inc.	600,000	600,000
Veronis Suhler & Associates L.P.	653,945	352,099
W.R. Huff Asset Management Company	431,250	350,000
Walnut Growth Partners L.P.	26,090	13,829
Wayne Hummer Management Company		0
Weiss, Peck & Greer Corp.	723,626	166,350
Development Associates V, L.P.	257,500	515,647
Weiss, Peck & Greer Investments	339,699	1,911,029
Weiss, Peck & Greer Venture Partners L.P. I	1,815,891	428,728
Weiss, Peck & Greer Venture Partners L.P. II	1,654,046	3,729
Weiss, Peck & Greer Venture Partners L.P. III	584,887	29,667
Western Asset Management Company	2,171	0
Westmark Realty Advisors	115,395	872,015
William Blair Mezzanine Capital Fund II, L.P.	0	0
Zimmerman Investment Management Co.		
Total Fees paid by TRS	\$70,424,071	\$67,179,558

Source: TRS Note: The total amount for FY98 differs slightly from the face of the financial statements due to cash versus accrual accounting.



INVESTMENT LISTING

FY 98 Annual Investment Listing for the period-ending June 30, 1998

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
U.S. GOVERNMENT OBLIGATIONS					
UNITED STATES TREASURY BILL					
	AAA	N/A	07-23-98	130,000	129,615
	AAA	N/A	07-23-98	3,870,000	3,858,545
	AAA	N/A	07-23-98	7,140,000	7,118,866
	AAA	N/A	10-15-98	12,250,000	12,069,680
	AAA	N/A	10-01-98	17,350,000	17,130,297
	AAA	N/A	08-20-98	365,000	362,461
	AAA	N/A	08-20-98	19,905,000	19,766,545
	AAA	N/A	08-20-98	3,170,000	3,147,950
UNITED STATES TREASURY BOND					
	AAA	N/A	11-27-98	13,425,000	13,145,492
	AAA	7.50	11-15-16	6,700,000	8,043,015
	AAA	7.13	02-15-23	4,000,000	4,731,280
	AAA	6.75	08-15-26	40,000,000	45,793,600
	AAA	6.63	05-15-07	5,600,000	6,014,736
	AAA	6.63	05-15-07	2,510,000	2,695,891
	AAA	6.38	08-15-27	10,000,000	10,981,200
	AAA	6.38	08-15-27	16,350,000	17,954,262
	AAA	6.38	08-15-27	5,855,000	6,429,493
	AAA	6.38	08-15-27	4,500,000	4,941,540
	AAA	6.25	08-15-23	1,500,000	1,605,630
	AAA	6.13	11-15-27	7,455,000	7,988,480
	AAA	6.13	11-15-27	7,285,000	7,806,315
	AAA	5.75	11-30-02	500,000	504,140
	AAA	5.75	11-30-02	17,760,000	17,907,053
	AAA	5.88	11-15-05	2,750,000	2,802,580
	AAA	5.88	11-15-05	2,700,000	2,751,624
	AAA	5.88	11-30-01	3,900,000	3,939,858
UNITED STATES TREASURY INFLATION INDEX BOND					
	AAA	6.50	05-31-02	4,000,000	4,133,360
	AAA	3.65	01-15-08	1,300,000	1,292,409
	AAA	3.65	01-15-08	6,000,000	5,964,964
	AAA	3.65	01-15-08	10,950,000	10,886,059
	AAA	3.47	01-15-07	12,206,674	12,123,910
	AAA	3.47	01-15-07	15,200,000	15,096,941
	AAA	3.47	01-15-07	3,000,000	2,979,659
	AAA	3.69	07-15-02	2,500,000	2,508,708
	AAA	3.69	07-15-02	4,150,000	4,164,454
	AAA	3.69	07-15-02	11,000,000	11,038,313
	AAA	3.69	07-15-02	6,080,000	6,101,177
	AAA	3.65	04-15-28	450,000	446,578
	AAA	3.65	04-15-28	10,935,000	10,851,850
	AAA	7.88	11-15-04	720,000	808,646
	AAA	7.75	12-31-99	5,765,000	5,946,943
	AAA	7.50	02-15-05	9,200,000	10,183,204
	AAA	7.50	11-15-01	1,500,000	1,589,063
	AAA	7.00	07-15-06	750,000	819,023
	AAA	6.63	06-30-01	7,300,000	7,513,306
	AAA	6.50	05-15-05	2,650,000	2,796,996
	AAA	6.50	05-15-05	3,205,000	3,382,781
	AAA	6.38	09-30-01	2,450,000	2,508,947
	AAA	6.25	04-30-01	35,000,000	35,650,650
	AAA	6.13	08-15-07	5,000,000	5,202,350
	AAA	6.13	08-15-07	11,535,000	12,001,821
	AAA	5.88	02-15-04	1,000,000	1,018,440
	AAA	5.75	10-31-02	10,615,000	10,701,194
	AAA	5.75	04-30-03	5,325,000	5,377,398
	AAA	5.75	04-30-03	88,130,000	88,997,199
	AAA	5.75	08-15-03	5,500,000	5,558,410
	AAA	5.63	02-28-01	12,000,000	12,030,000
	AAA	5.63	02-28-01	10,000,000	10,025,000
	AAA	5.50	12-31-00	5,000,000	4,997,650
	AAA	5.50	11-15-98	5,000,000	5,001,550
	AAA	9.25	02-15-16	1,465,000	2,037,727
	AAA	8.75	08-15-20	22,050,000	30,325,586
	AAA	8.50	02-15-20	9,400,000	12,598,914
	AAA	6.25	08-15-23	29,155,000	31,213,926
	AAA	6.25	08-15-23	15,000,000	16,059,300
	AAA	6.00	02-15-26	4,167,000	4,334,972
	AAA	7.75	11-30-99	5,000,000	5,149,200
	AAA	7.25	08-15-04	1,540,000	1,676,352
	AAA	6.38	08-15-02	4,500,000	4,637,295
	AAA	5.75	08-15-03	5,500,000	5,560,005
	AAA	7.50	02-15-05	3,000,000	3,322,170
	AAA	7.13	02-29-00	50,000,000	51,256,000
	AAA	7.13	02-29-00	4,000,000	4,100,480

UNITED STATES TREASURY NOTE



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	6.88	08-31-99	35,000,000	35,525,000
AAA	6.63	05-15-07	1,900,000	2,040,942
AAA	6.50	11-15-06	50,000,000	55,523,500
AAA	6.50	05-15-05	1,950,000	2,058,869
AAA	6.38	03-31-01	38,100,000	38,908,482
AAA	6.25	06-30-02	800,000	819,968
AAA	6.25	04-30-01	2,650,000	2,699,582
AAA	6.25	01-31-02	3,750,000	3,834,038
AAA	6.13	12-31-01	11,500,000	11,708,380
AAA	6.13	09-30-00	9,270,000	9,437,972
AAA	6.13	08-15-00	3,100,000	3,139,556
AAA	6.00	06-30-99	3,785,000	3,821,071
AAA	6.00	06-30-99	5,850,000	5,878,314
AAA	6.00	06-30-99	2,500,000	2,512,100
AAA	5.88	07-31-99	6,250,000	6,272,438
AAA	5.88	02-15-04	5,000,000	5,093,950
AAA	5.88	11-15-99	8,200,000	8,236,654
AAA	5.88	08-15-98	4,500,000	4,502,205
AAA	5.88	09-30-99	2,175,000	2,180,786
AAA	5.75	08-15-03	1,250,000	1,263,638
AAA	5.75	11-30-00	2,500,000	2,505,875
AAA	5.63	11-30-00	370,000	370,870
AAA	5.63	10-31-99	60,000,000	60,067,800
AAA	5.63	02-29-00	2,945,000	2,944,087
AAA	5.50	02-29-00	3,350,000	3,349,565
AAA	5.50	05-31-03	35,175,000	35,180,628
AAA	5.50	05-31-00	6,000,000	6,000,720
AAA	5.50	03-31-00	5,000,000	4,998,450
AAA	5.50	03-31-00	35,500,000	35,488,995
AAA	5.50	03-31-00	5,000,000	4,999,000
AAA	5.50	03-31-00	5,000,000	11,441,649
AAA	5.50	10-15-06	10,775,000	1,279,938
AAA	6.50	09-30-01	1,250,000	2,664,236
AAA	6.38	10-31-01	2,610,000	2,041,560
AAA	6.25	10-31-01	2,000,000	51,039,000
AAA	6.25	10-31-01	50,000,000	21,681,649
AAA	6.25	02-28-02	21,195,000	1,873,633
AAA	6.25	02-15-01	1,880,000	10,589,088
AAA	5.38	02-15-01	10,625,000	4,982,860
AAA	5.38	02-15-01	5,000,000	1,316,644
AAA	5.38	02-15-01	1,315,000	1,943,052
AAA	5.63	11-30-99	1,917,000	8,615,515
AAA	5.63	05-15-08	8,500,000	2,888,732
AAA	5.63	05-15-08	2,850,000	354,757
AAA	5.63	05-15-08	350,000	1,013,590
AAA	5.63	05-15-08	1,000,000	3,431,405
AAA	5.63	05-15-08	3,425,000	3,417,332
AAA	5.63	04-30-00	3,420,000	4,996,100
AAA	5.50	01-31-03	5,000,000	9,838,694
AAA	5.50	01-31-03	9,960,000	12,225,344
AAA	5.38	04-30-99	12,140,000	3,093,851
AAA	6.38	11-30-98	3,090,000	12,162,980
AAA	5.63	08-15-20	43,000,000	411,120
AAA	N/A	08-15-26	2,000,000	14,051,600
AAA	N/A	08-15-26	22,000,000	1,270,406,634
AAA	N/A	08-15-06	1,265,835,674	

UNITED STATES TREASURY NOTE VARIABLE
UNITED STATES TREASURY STRIPPED

TOTAL U.S. GOVERNMENT

U.S. FEDERAL AGENCY

FED. HOUSING ADMINISTRATIVE PROJECT
FEDERAL HOME LOAN BANK

FEDERAL HOME LOAN MORTGAGE ASSOCIATION
FEDERAL HOME LOAN MORTGAGE CORP.

AAA	7.66	06-01-39	60,106	62,847
AAA	5.16	02-15-02	5,000,000	4,854,350
AAA	5.16	02-15-02	2,800,000	2,718,436
AAA	6.02	05-26-00	7,000,000	6,997,830
AAA	5.00	11-15-17	67,186	67,038
AAA	7.14	03-12-07	4,000,000	4,151,246
AAA	5.85	02-21-06	1,000,000	1,006,412
AAA	9.00	09-15-08	1,077,042	596,285
AAA	8.85	03-15-08	576,989	8,407,408
AAA	0.00	04-01-28	8,350,000	95,466,263
AAA	6.32	08-15-32	95,071,770	5,142,880
AAA	9.50	01-15-21	4,816,112	3,138,138
AAA	9.13	06-15-20	3,089,875	700,000
AAA	10.00	09-17-23	681,118	1,170,222
AAA	6.03	05-15-28	1,157,879	



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	10.02	04-15-28	484,941	485,563
AAA	6.50	03-15-13	1,014,920	1,008,577
AAA	6.16	02-15-28	1,726,100	1,732,573
AAA	10.00	11-15-27	1,367,647	1,326,768
AAA	7.50	12-15-24	2,000,000	2,037,500
AAA	6.44	03-15-25	438,893	442,321
AAA	8.50	09-15-24	1,470,033	1,631,266
AAA	7.50	11-15-20	632,081	57,687
AAA	5.85	05-15-15	2,348,000	2,345,065
AAA	6.00	07-15-11	1,315,867	68,264
AAA	5.25	11-15-16	1,418,381	1,408,183
AAA	6.50	01-15-24	3,510,327	471,612
AAA	6.00	12-15-23	1,363,699	1,308,292
AAA	6.00	01-15-06	2,943,347	177,791
AAA	6.50	03-15-19	7,417,512	769,180
AAA	5.50	08-15-04	293,535	292,801
AAA	5.40	08-15-14	662,753	661,096
AAA	5.50	05-15-07	3,000,000	2,985,930
AAA	7.00	01-15-08	2,765,000	2,892,881
AAA	N/A	07-15-06	107,636	609,356
AAA	7.00	03-15-18	1,392,151	1,389,534
AAA	9.69	01-15-21	1,502,739	1,523,401
AAA	8.60	06-15-21	16,566,092	17,363,252
AAA	8.00	10-15-19	530,915	529,752
AAA	8.00	10-15-18	2,288,596	369,036
AAA	8.50	11-01-27	8,517,203	8,887,106
AAA	8.50	05-01-25	2,291,134	2,416,184
AAA	8.50	05-01-27	13,604,896	14,336,159
AAA	8.50	11-01-25	3,339,263	3,485,356
AAA	8.50	01-01-27	4,908,330	5,121,498
AAA	8.50	10-01-26	354,692	370,157
AAA	8.50	09-01-25	3,152,343	3,290,258
AAA	8.50	07-01-25	300,829	313,991
AAA	6.00	06-01-13	188,887	187,057
AAA	6.00	06-01-13	1,600,000	1,584,496
AAA	6.00	06-01-13	495,000	490,203
AAA	6.00	06-01-13	800,369	792,613
AAA	6.00	05-01-13	1,002,646	992,930
AAA	6.00	04-01-13	788,379	780,739
AAA	6.00	03-01-13	959,475	950,177
AAA	6.00	02-01-13	768,959	761,508
AAA	6.00	06-01-13	1,178,092	1,166,676
AAA	6.50	01-01-11	1,128,979	1,137,853
AAA	6.50	05-01-28	369,831	368,788
AAA	6.50	05-01-28	547,193	545,650
AAA	8.50	04-01-25	1,074,044	1,109,252
AAA	8.50	12-01-25	532,476	555,692
AAA	8.50	10-01-25	14,442	15,074
AAA	8.50	10-01-25	156,716	163,549
AAA	8.50	09-01-25	99,179	103,504
AAA	8.50	07-01-25	269,418	281,165
AAA	8.00	07-01-25	14,710	15,224
AAA	8.50	04-01-25	409,068	427,983
AAA	8.50	06-01-25	234,094	244,336
AAA	8.50	05-01-25	152,081	158,735
AAA	8.50	05-01-25	364,433	380,377
AAA	8.00	12-01-25	72,079	74,598
AAA	8.00	08-01-25	19,053	19,718
AAA	8.50	07-01-25	99,175	103,514
AAA	8.50	06-01-25	296,142	309,024
AAA	8.00	06-01-25	23,859	24,693
AAA	8.50	05-01-25	305,402	318,687
AAA	8.50	04-01-25	204,207	213,141
AAA	8.50	04-01-25	207,677	216,711
AAA	8.50	03-01-25	30,402	31,732
AAA	8.50	03-01-25	161,581	168,651
AAA	8.50	03-01-25	119,297	124,516
AAA	8.50	03-01-25	166,281	173,556
AAA	8.50	03-01-25	513,165	535,616
AAA	8.50	02-01-25	49,979	52,166
AAA	8.50	01-01-25	11,538	12,043
AAA	8.50	01-01-25	197,751	206,353
AAA	8.50	01-01-25	195,755	204,270
AAA	8.50	04-01-25	110,022	114,808



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	8.50	04-01-25	323,584	337,660
AAA	8.50	04-01-25	325,181	339,326
AAA	8.50	04-01-25	214,993	224,345
AAA	8.50	04-01-25	252,918	263,920
AAA	8.50	04-01-25	120,839	126,096
AAA	8.50	04-01-25	242,039	252,568
AAA	8.50	04-01-25	289,860	302,469
AAA	8.50	04-01-25	213,514	222,802
AAA	8.50	04-01-25	195,092	203,579
AAA	8.50	04-01-25	142,780	148,991
AAA	8.50	04-01-25	208,433	217,552
AAA	8.50	04-01-25	157,193	164,031
AAA	8.50	04-01-25	177,276	184,988
AAA	8.50	03-01-25	14,889	15,540
AAA	8.50	04-01-25	427,424	446,124
AAA	8.50	03-01-25	163,369	170,476
AAA	8.50	03-01-25	224,779	234,557
AAA	8.50	03-01-25	303,395	316,592
AAA	8.50	03-01-25	164,921	172,095
AAA	8.50	03-01-25	202,905	211,732
AAA	8.50	02-01-25	215,618	224,997
AAA	8.50	01-01-25	161,029	168,034
AAA	8.50	01-01-25	131,345	135,920
AAA	8.00	11-01-24	158,135	165,003
AAA	8.50	12-01-26	815,348	850,758
AAA	8.50	09-01-26	1,345,135	1,345,135
AAA	8.50	10-01-25	1,288,937	2,273,014
AAA	8.50	09-01-25	2,178,051	2,526,775
AAA	8.50	03-01-25	2,420,863	1,106,508
AAA	8.50	01-01-25	1,060,127	212,087
AAA	8.50	12-01-24	203,246	2,564,269
AAA	8.50	11-01-25	2,457,138	331,119
AAA	8.50	07-01-25	317,240	5,677,765
AAA	8.50	06-01-25	5,439,775	391,795
AAA	0.00	05-01-28	392,903	14,957,699
AAA	6.50	05-01-28	14,999,999	348,956
AAA	6.50	04-01-28	334,431	134,169,750
AAA	8.50	06-01-28	137,610,000	666,519
AAA	6.50	05-01-28	668,404	1,231,755
AAA	6.50	05-01-28	1,209,238	1,297,308
AAA	8.50	05-01-27	1,243,108	314,857
AAA	8.50	09-01-25	301,702	2,904,531
AAA	8.50	08-01-25	2,782,784	675,050
AAA	8.50	05-01-25	646,848	878,993
AAA	8.50	11-01-25	842,270	464,733
AAA	8.50	10-01-25	445,253	13,753,890
AAA	8.50	07-01-25	13,177,379	5,800,663
AAA	8.50	06-01-25	5,516,143	8,069,824
AAA	9.00	10-01-17	7,885,000	11,516,036
AAA	7.60	04-01-24	11,257,452	1,506,791
AAA	7.29	10-01-26	1,422,347	1,843,419
AAA	9.25	01-01-19	1,616,155	630,323
AAA	11.50	06-01-20	606,733	11,065
AAA	8.50	04-01-09	10,575	129,281
AAA	8.50	03-01-08	127,780	118,497
AAA	6.25	06-01-08	116,335	69,077
AAA	6.25	02-01-07	85,743	849,416
AAA	8.50	09-01-08	826,744	367,211
AAA	8.00	06-01-09	363,280	197,968
AAA	7.00	04-01-17	189,933	447,618
AAA	8.50	10-01-10	428,175	81,873
AAA	8.50	06-01-17	178,412	269,025
AAA	8.50	06-01-15	253,727	11,646
AAA	10.00	01-01-16	10,632	150,662
AAA	8.50	12-01-09	148,036	232,389
AAA	7.25	05-01-08	228,463	238,303
AAA	6.75	11-01-08	235,838	285,669
AAA	6.75	12-01-08	280,490	67,167
AAA	6.75	01-01-09	64,249	78,659
AAA	8.50	01-01-13	68,019	100,339
AAA	8.50	07-01-09	97,099	779,877
AAA	8.50	08-01-10	739,655	4,140
AAA	8.75	08-01-01	7,870	85,740
AAA	8.50	04-01-08	3,650	
AAA	8.50	08-01-08	92,498	
AAA	8.50	12-01-05		



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	8.50			
AAA	6.75	12-01-08	104,553	109,301
AAA	8.25	09-01-04	76,872	77,506
AAA	8.50	10-01-07	51,433	53,238
AAA	8.50	12-01-07	25,758	26,662
AAA	9.50	02-01-08	89,517	92,997
AAA	8.50	06-01-09	222,835	237,546
AAA	8.50	01-01-09	10,798	11,218
AAA	8.50	10-01-04	23,370	24,088
AAA	8.50	09-01-08	82,721	86,220
AAA	8.50	02-01-08	12,525	13,012
AAA	8.50	10-01-07	317,792	331,235
AAA	8.50	07-01-03	2,634	2,689
AAA	8.50	09-01-08	8,332	8,685
AAA	8.50	09-01-08	2,936	3,012
AAA	8.50	09-01-10	75,463	78,655
AAA	8.50	12-01-09	80,383	83,783
AAA	8.50	01-01-10	46,388	48,191
AAA	8.50	04-01-10	7,566	7,886
AAA	8.50	05-01-09	532,044	554,549
AAA	8.50	04-01-09	36,504	38,162
AAA	8.50	02-01-11	10,919	11,414
AAA	8.50	08-01-10	138,288	143,664
AAA	8.50	12-01-09	2,108	2,190
AAA	8.50	12-01-08	169,183	176,339
AAA	10.50	04-01-11	40,066	43,853
AAA	8.50	10-01-09	9,440	9,807
AAA	8.50	12-01-07	5,220	5,441
AAA	8.50	05-01-17	441,953	466,654
AAA	10.00	09-01-09	3,343	3,596
AAA	8.50	05-01-08	391,611	408,176
AAA	8.50	08-01-05	2,647	2,729
AAA	8.50	01-01-08	5,902	6,151
AAA	8.25	06-01-01	108,696	110,490
AAA	N/A	08-30-28	6,215,000	6,378,144
AAA	N/A	11-01-27	72,450,000	72,245,691
AAA	N/A	11-01-27	6,600,000	6,581,388
AAA	N/A	07-01-28	70,500,000	70,301,190
AAA	N/A	07-01-11	6,000,000	6,043,125
AAA	N/A	04-01-26	2,000,000	1,950,000
AAA	N/A	10-01-27	6,000,000	6,226,860
AAA	8.50	11-01-08	103,683	107,714
AAA	N/A	05-01-28	13,100,000	13,063,058
AAA	N/A	04-01-13	6,500,000	6,437,015
AAA	6.00	06-01-28	79,200,000	77,150,304
AAA	6.00	04-01-28	2,994,516	2,919,653
AAA	6.00	06-01-13	32,155	31,843
AAA	6.00	06-01-13	221,042	218,900
AAA	8.50	03-01-13	2,965,144	2,881,527
AAA	8.50	03-01-25	507,280	529,474
AAA	N/A	06-01-28	13,500,000	13,833,180
AAA	N/A	08-01-28	0	0
AAA	6.90	11-11-18	2,558,728	2,609,903
AAA	7.43	06-01-24	34,160,952	35,390,747
AAA	N/A	01-25-23	1,584,948	1,637,449
AAA	8.38	08-01-23	1,501,781	1,576,870
AAA	7.63	06-01-39	344,889	365,041
AAA	7.43	12-01-21	1,385,720	1,423,245
AAA	7.43	07-01-39	922,403	919,110
AAA	7.43	06-01-19	9,807,964	9,964,303
AAA	7.44	08-01-22	17,220,454	18,061,501
AAA	5.75	09-05-00	3,000,000	1,868,196
AAA	5.20	07-10-98	2,300,000	2,299,632
AAA	5.63	03-15-01	2,500,000	2,497,175
AAA	5.23	11-25-98	1,700,000	1,697,348
AAA	4.88	10-15-98	2,575,000	2,568,975
AAA	6.80	07-23-07	5,600,000	5,746,104
AAA	6.75	07-30-07	5,000,000	5,106,250
AAA	6.66	05-16-08	2,530,000	2,543,839
AAA	N/A	06-01-28	14,000,000	16,572,500
AAA	N/A	07-01-28	21,000,000	21,538,020
AAA	N/A	08-01-28	3,760,000	3,812,875
AAA	N/A	01-01-28	0	0
AAA	N/A	05-01-28	23,300,000	23,627,656
AAA	N/A	05-01-28	21,500,000	21,802,344

FEDERAL HOME LOAN MORTGAGE CORP. GOLD

FEDERAL HOUSING AUTHORITY REILLY MORTG. GROUP

FEDERAL HOUSING AUTHORITY REILLY MORTG. GROUP
FEDERAL HOUSING AUTHORITY ADMIN. CON. LOAN

FEDERAL HOUSING AUTHORITY ADMIN. MORTG.
FEDERAL HOUSING AUTHORITY ADMIN. PROJECT

FEDERAL HOUSING AUTHORITY GMAC PROJ. LOAN
FEDERAL HOUSING AUTHORITY USGI PROJECT LOAN
FEDERAL NATIONAL MORTGAGE ASSOCIATION

TRS
INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	N/A	05-01-28	14,000,000	14,196,875
AAA	N/A	09-01-28	15,500,000	15,436,915
AAA	N/A	04-01-28	21,900,000	21,811,031
AAA	N/A	09-01-28	1,500,000	1,508,430
AAA	N/A	08-01-28	11,000,000	10,955,230
AAA	N/A	07-01-28	14,000,000	13,943,020
AAA	N/A	07-01-28	16,520,000	16,452,764
AAA	N/A	07-01-28	21,900,000	21,810,867
AAA	N/A	07-01-28	10,950,000	10,905,434
AAA	N/A	07-01-28	6,520,000	6,556,642
AAA	N/A	05-01-13	20,000,000	20,112,400
AAA	N/A	05-01-13	1,500,000	1,493,906
AAA	N/A	04-25-28	6,500,000	6,435,000
AAA	N/A	05-01-13	6,520,000	6,448,671
AAA	N/A	04-01-13	11,070,000	10,948,894
AAA	N/A	06-01-28	1,310,958	1,317,094
AAA	6.24	09-18-22	1,445,000	1,453,121
AAA	6.25	12-25-20	4,462,498	267,393
AAA	7.00	11-25-16	6,111,486	6,136,298
AAA	7.50	06-25-07	1,100,000	1,116,500
AAA	7.50	06-25-21	900,000	918,558
AAA	8.00	12-25-20	3,643,727	3,625,508
AAA	7.00	06-18-28	7,025,000	7,391,986
AAA	6.74	08-25-07	9,778,897	9,830,823
AAA	7.00	05-25-25	728,008	730,963
AAA	6.19	07-18-27	500,000	526,761
AAA	7.90	12-25-15	1,393,395	1,460,877
AAA	8.50	02-25-24	390,279	24,290
AAA	7.50	12-25-19	1,068,694	1,071,697
AAA	6.11	03-25-24	3,479,963	228,996
AAA	6.50	03-25-18	3,750,000	3,737,100
AAA	5.75	11-25-17	910,982	927,771
AAA	6.90	12-25-03	10,439,920	509,155
AAA	3.13	11-25-23	1,974,609	1,950,538
AAA	5.88	09-25-23	17,470	172,133
AAA	N/A	02-25-17	4,518,610	4,525,559
AAA	6.50	10-25-04	5,459,609	5,434,004
AAA	5.60	11-25-16	7,455,330	8,007,472
AAA	9.25	07-25-19	22,267	495,983
AAA	N/A	08-25-20	763,849	807,099
AAA	9.00	11-01-10	24,630,000	23,975,581
AAA	N/A	04-01-13	180,348	187,567
AAA	8.25	09-01-09	133,117	150,582
AAA	11.50	10-01-15	31,559	35,823
AAA	11.50	01-01-20	66,410	75,128
AAA	11.50	08-01-11	26,771	30,568
AAA	11.50	01-01-16	53,961	61,455
AAA	11.50	11-01-15	7,015	7,444
AAA	11.50	02-01-15	7,657	8,442
AAA	11.50	07-01-14	37,301	42,482
AAA	11.50	01-01-16	160,735	181,128
AAA	11.50	01-01-15	234,889	247,871
AAA	8.75	08-01-18	292,692	304,658
AAA	8.75	04-01-07	192,558	194,296
AAA	7.50	09-01-02	740,826	753,428
AAA	7.00	05-01-09	452,300	458,121
AAA	6.09	03-01-29	29,996	34,251
AAA	11.50	06-01-19	100,445	114,913
AAA	11.50	06-01-19	38,913	44,518
AAA	11.50	04-01-19	8,486	10,414
AAA	16.00	09-01-12	136,872	167,988
AAA	16.00	09-01-12	133,847	153,132
AAA	11.50	05-01-19	35,540	40,287
AAA	11.50	10-01-15	1,359,941	1,543,888
AAA	11.50	03-01-20	947,163	833,881
AAA	6.19	10-01-28	4,255,919	4,282,116
AAA	6.07	08-01-28	19,629	22,301
AAA	11.50	03-01-11	6,466,924	6,507,342
AAA	6.07	05-01-28	895,693	901,277
AAA	6.07	03-01-28	1,790,145	1,801,851
AAA	6.07	01-01-28	85,457	86,146
AAA	10.50	01-01-16	1,765,862	1,788,888
AAA	6.37	12-01-27	4,730,864	4,780,888
AAA	6.09	11-01-27	905,017	915,017
AAA	6.11	10-01-27		

TRS
INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	6.00	05-01-13	1,006,498	995,487
AAA	7.00	06-01-13	1,000,000	1,018,120
AAA	10.00	11-01-24	2,294,806	2,516,369
AAA	6.00	05-01-13	1,006,282	995,273
AAA	6.00	04-01-13	543,047	537,106
AAA	7.00	04-01-28	1,496,301	1,518,013
AAA	9.00	10-01-24	1,143,650	1,233,907
AAA	6.00	08-01-21	650,327	692,898
AAA	6.00	05-01-13	998,967	988,039
AAA	6.00	05-01-13	995,266	984,378
AAA	6.00	05-01-13	2,977,582	2,945,007
AAA	7.50	09-01-12	69,225	71,236
AAA	6.50	04-01-13	1,488,325	1,497,359
AAA	6.00	05-01-13	1,971,036	1,949,473
AAA	6.50	04-01-13	7,784,039	7,827,785
AAA	6.50	03-01-28	266,165	265,082
AAA	6.50	04-01-28	998,427	994,363
AAA	6.50	02-01-28	900,639	896,973
AAA	6.50	02-01-28	146,108	145,514
AAA	6.50	03-01-28	242,450	241,464
AAA	6.50	01-01-28	885,121	881,519
AAA	7.50	01-01-13	582,963	598,994
AAA	6.50	12-01-27	832,658	829,269
AAA	6.50	03-01-28	225,987	225,067
AAA	6.50	12-01-27	865,791	862,267
AAA	N/A		4,965,000	5,054,991
AAA	N/A		4,660,000	4,651,379
AAA	6.50	12-01-27	868,366	864,832
AAA	6.50	04-01-07	852,018	848,550
AAA	7.50	11-01-12	36,233	37,286
AAA	7.50	04-01-13	457,477	470,058
AAA	6.50	02-01-28	1,492,565	1,487,162
AAA	7.50	01-01-09	33,315	34,154
AAA	7.00	05-01-12	653,116	665,225
AAA	11.00	05-01-11	2,117,508	2,354,520
AAA	7.50	10-01-11	29,386	30,240
AAA	8.25	07-01-08	268,752	279,510
AAA	6.67	03-01-26	12,482,357	12,734,001
AAA	6.72	02-01-26	6,448,001	6,568,901
AAA	7.50	08-01-06	37,396	38,236
AAA	6.09	11-01-38	778,672	783,538
AAA	6.50	01-01-26	1,375,523	1,370,530
AAA	8.25	10-01-08	80,114	82,153
AAA	6.50	09-01-10	1,152,020	1,159,623
AAA	10.50	04-01-16	2,051,035	2,274,700
AAA	7.50	07-01-10	443,448	456,680
AAA	7.00	01-01-13	2,272,506	2,314,639
AAA	8.50	11-01-17	7,492,619	7,862,530
AAA	7.50	12-01-10	140,840	145,043
AAA	7.50	07-01-11	354,015	364,302
AAA	7.50	06-01-10	892,218	918,842
AAA	7.50	07-01-10	71,839	73,982
AAA	11.00	09-01-19	1,191,159	1,336,766
AAA	6.21	06-01-29	1,820,906	1,832,287
AAA	7.00	07-01-09	1,065,427	1,085,372
AAA	7.50	09-01-09	781,289	805,212
AAA	7.50	12-01-09	820,878	846,014
AAA	12.75	10-01-11	510,639	601,104
AAA	13.25	09-01-11	58,386	69,532
AAA	10.50	03-01-14	14,047	15,322
AAA	10.50	11-01-13	64,544	71,582
AAA	7.00	06-01-13	5,000,000	5,090,600
AAA	6.00	04-01-13	2,973,297	2,940,769
AAA	7.50	03-01-13	35,721	36,704
AAA	7.00	03-01-13	1,435,494	1,462,108
AAA	6.50	02-01-13	2,427,780	2,442,517
AAA	7.50	12-01-10	54,907	56,545
AAA	9.00	05-01-25	386,721	408,810
AAA	7.50	01-01-10	869,348	895,967
AAA	7.50	07-01-09	879,365	906,291
AAA	7.50	04-01-09	895,724	923,151
AAA	15.75	08-01-12	278,746	342,072
AAA	14.75	08-01-12	561,334	683,244
AAA	6.09	02-01-31	7,873,531	7,922,740



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
			9,614,116	9,674,204
			396,641	408,449
AAA	6.07	12-01-30	31,833	32,721
AAA	8.25	06-01-05	1,775,292	1,786,388
AAA	7.50	11-01-07	24,460	25,143
AAA	6.12	11-01-28	16,163,997	16,598,324
AAA	7.50	05-01-09	214,261	236,960
AAA	7.50	04-01-24	214,032	236,045
AAA	10.50	05-01-12	311,584	344,593
AAA	10.50	06-01-12	36,713	37,637
AAA	10.50	05-01-12	27,982	28,762
AAA	7.50	10-01-07	207,682	230,832
AAA	7.50	08-01-07	199,298	244,575
AAA	10.50	08-01-15	31,043	31,740
AAA	15.75	12-01-11	1,129,496	1,176,370
AAA	7.50	12-01-06	96,335	118,220
AAA	8.00	08-01-19	31,633	32,429
AAA	16.00	09-01-12	1,786,257	1,797,421
AAA	7.50	05-01-07	19,900,000	20,179,794
AAA	6.11	01-01-21	4,230,000	4,185,056
AAA	N/A	08-01-13	30,000,000	29,877,900
AAA	N/A	05-01-25	1,000,000	995,930
AAA	N/A	07-01-28	2,000,000	1,978,120
AAA	N/A	07-01-28	2,250,000	2,225,385
AAA	N/A	05-01-08	1,761,723	1,772,733
AAA	N/A	05-01-08	2,365,419	2,380,203
AAA	6.09	06-01-28	37,153	38,069
AAA	6.31	02-01-28	2,401,024	2,416,030
AAA	7.50	05-01-07	911,460	934,411
AAA	6.14	04-01-21	13,000,000	13,219,440
AAA	7.50	02-01-07	517	612
AAA	0.00	04-15-28	712	835
AAA	13.50	05-15-11	26,860	29,361
AAA	13.50	06-15-10	71,948	78,646
AAA	11.25	07-15-13	81,559	92,905
AAA	11.25	07-15-13	16,628	19,200
AAA	10.00	03-15-13	20,345	23,492
AAA	13.00	10-15-12	127,613	145,366
AAA	13.00	11-15-12	3,245	3,732
AAA	10.00	03-15-13	11,679	13,433
AAA	13.50	04-15-11	25,539	29,375
AAA	13.50	04-15-11	20,494	23,572
AAA	13.50	03-15-11	5,185	5,963
AAA	13.50	02-15-11	21,888	25,132
AAA	13.50	06-15-10	33,420	38,373
AAA	13.00	12-15-10	8,993	10,284
AAA	13.00	12-15-10	10,062	11,042
AAA	13.50	05-15-10	12,126	13,307
AAA	11.25	10-15-15	13,669	15,007
AAA	11.25	10-15-15	56,489	61,990
AAA	11.25	09-15-15	15,644	17,168
AAA	11.25	09-15-15	41,992	46,011
AAA	11.25	09-15-15	40,051	43,363
AAA	11.25	08-15-15	38,507	42,257
AAA	11.25	01-15-15	53,158	58,338
AAA	11.25	09-15-15	39,909	43,796
AAA	11.25	08-15-15	2,284,899	2,513,025
AAA	11.25	10-15-15	26,797,363	28,627,602
AAA	10.00	12-15-20	2,364,574	2,596,601
AAA	9.00	11-15-17	2,361,289	2,597,040
AAA	10.00	08-15-18	924,150	951,855
AAA	10.00	02-15-21	2,803,074	2,948,330
AAA	8.00	08-15-27	480,467	495,075
AAA	7.00	06-15-27	8,405,001	8,798,865
AAA	7.50	09-15-07	591,872	616,367
AAA	8.00	08-15-25	4,529,714	4,683,079
AAA	8.00	03-15-25	353,458	363,000
AAA	8.00	01-15-28	227,559	235,498
AAA	7.50	08-15-27	324,127	338,677
AAA	8.00	06-15-27	416,416	431,211
AAA	8.00	09-15-27	633,883	654,000
AAA	8.00	07-15-27	996,693	1,025,000
AAA	8.00	06-15-27	225,994	234,000
AAA	8.00	06-15-27	13,957,650	14,400,000
AAA	8.00	05-15-27		

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION



INVESTMENT LISTING

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
AAA	8.00	07-15-27	923,829	957,318
AAA	8.00	07-15-27	266,975	276,653
AAA	8.00	06-15-27	268,415	278,146
AAA	8.00	07-15-27	10,497,733	10,870,088
AAA	7.50	06-15-27	1,384,489	1,422,950
AAA	8.00	11-01-26	440,920	456,904
AAA	8.00	10-15-26	197,969	205,145
AAA	8.50	02-15-27	26	28
AAA	8.00	12-15-26	9,870,235	10,219,049
AAA	8.00	12-15-26	931,748	965,524
AAA	8.00	11-15-26	321,929	333,599
AAA	8.00	11-15-26	935,101	968,999
AAA	8.00	07-15-26	307,412	318,555
AAA	8.00	01-15-27	333,474	345,563
AAA	8.00	02-15-27	224,305	232,436
AAA	8.00	10-15-26	798,808	827,765
AAA	8.00	06-15-26	311,989	323,299
AAA	8.00	09-15-26	12,697,469	13,145,563
AAA	8.00	10-15-26	8,073,650	8,366,319
AAA	8.00	07-15-26	10,303,439	10,676,938
AAA	8.00	10-15-26	416,681	431,786
AAA	8.00	08-15-27	1,640,975	1,700,460
AAA	8.00	09-15-26	916,667	949,896
AAA	8.00	01-15-26	143,097	148,284
AAA	8.00	08-15-25	326,604	338,443
AAA	8.00	01-15-26	307,132	318,265
AAA	8.00	08-15-23	236,439	245,010
AAA	8.00	06-15-25	12,681,324	13,129,482
AAA	8.00	07-15-26	305,357	316,426
AAA	7.50	07-15-27	44,284	45,515
AAA	8.00	05-15-25	599,404	621,133
AAA	8.00	08-15-25	7,637,153	7,907,050
AAA	8.50	10-15-26	66,187	69,744
AAA	6.50	05-15-24	828,179	829,471
AAA	7.30	06-15-00	363,004	365,396
AAA	6.50	05-15-24	535,187	536,022
AAA	6.50	04-15-24	814,863	816,134
AAA	6.50	05-15-24	775,438	776,647
AAA	6.50	04-15-24	872,415	873,776
AAA	6.50	04-15-24	469,687	470,420
AAA	7.50	03-15-24	22,150	22,773
AAA	8.00	10-15-26	67,409	69,853
AAA	8.00	03-15-24	318,886	330,446
AAA	7.50	03-15-24	104,491	107,430
AAA	8.00	07-15-27	257,182	266,505
AAA	6.50	05-15-24	836,639	837,944
AAA	7.50	09-15-23	47,747	49,119
AAA	7.00	10-15-23	1,674,701	1,703,891
AAA	8.00	08-15-27	243,886	252,727
AAA	8.00	07-15-27	309,048	320,251
AAA	6.50	12-15-23	5,560,545	5,570,943
AAA	7.50	05-15-23	340,898	350,695
AAA	8.00	06-15-26	6,822,808	7,063,585
AAA	6.50	11-15-23	635,555	636,744
AAA	9.75	08-15-05	656,684	695,697
AAA	9.75	08-15-04	492,439	519,361
AAA	9.50	11-15-16	1,479,527	1,610,983
AAA	8.00	11-15-06	102,878	106,719
AAA	8.00	10-15-06	18,947	19,655
AAA	8.00	09-15-06	17,748	18,352
AAA	12.00	04-15-14	4,219	4,850
AAA	12.00	01-15-14	1,072	1,233
AAA	13.50	07-15-14	2,944	3,508
AAA	N/A	08-01-28	3,655,000	3,787,494
AAA	N/A	04-15-28	20,000,000	20,556,250
AAA	N/A	07-15-22	29,060,000	29,522,926
AAA	N/A	10-15-27	51,340,000	51,227,565
AAA	N/A	10-15-27	22,000,000	21,951,820
AAA	N/A	07-01-28	4,100,000	4,214,031
AAA	N/A	07-01-28	4,800,000	4,933,500
AAA	N/A	03-15-28	24,500,000	24,446,345
AAA	N/A	03-15-28	30,500,000	30,433,205
AAA	N/A	04-01-28	1,550,000	1,547,094
AAA	N/A	07-30-28	10,000,000	9,578,125

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
MASCO CORP.					
NORFOLK SOUTHERN CORP.					
NORTHROP GRUMMAN CORP.					
OWENS & MINOR INC.					
OWENS CORNING					
PIONEER AMERICAS ACQUISITION CORP.					
POLYMER GROUP INC.					
POWERTEL INC.					
SOVEREIGN SPECIALTY CHEMICALS INC.					
STONE CONTAINER CORP.					
SYNTHETIC INDUSTRIES					
TYCO INTERNATIONAL					
UNIROYAL CHEMICAL INC.					
UNITED DEFENSE INDUSTRIES INC.					
WORLD COLOR PRESS INC.					
Capital Goods					
DEERE JOHN CAPITAL CORP.					
FLORIDA WINDSTROM					
GREEN TREE RECREATIONAL EQUIP. & CONSUMER					
HILFIGER TOMMY CORP.					
INTERMEDIA COMMUNICATION INC.					
INTERNATIONAL BUSINESS MACHINES CORP.					
INTERNATIONAL CABLETEL INC.					
JACOR COMMUNICATIONS CO.					
LES INC.					
LIN T.V. CORP.					
LUMBERMENS MUTUAL CASUALTY CO.					
MALLINCKRODT INC.					
MARCUS CABLE CO.					
NEXTEL COMMUNICATIONS INC.					
PACIFIC LUMBER CO.					
PRINTPACK INC.					
R. H. DONNELLY					
RAYTHEON CO.					
RURAL CELLULAR					
SAFERCO PRODUCTS					
SAINSBURY					
SALEM COMMUNICATION CORP.					
SEQUA CORP.					
SERVICEMASTER CO.					
U.S. FILTER CORP.					
UNITED ILLUM. CO.					
USA WASTE SERVICES INC.					
WESTERN WIRELESS CORP.					
YOUNG BROADCASTING INC.					
Consumer Durables					
ALLBRITON COMMUNICATIONS					
AMERICAN COMMUNICATION LINES LLC.					
CENCALL COMMUNICATIONS CORP.					
CENTURY COMMUNICATIONS					
CMO CIRCUIT CITY CREDIT CARD					

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
COLBS MCKINNON CORP.					
COLTEC INDUSTRIES INC.					
COMCAST CELLULAR HOLDINGS INC.					
FEDERAL MOGUL CORP.					
FEDERATED DEPARTMENT STORES					
FINGERHUT					
GOODRICH B.F. CO.					
HEILIG MEYERS					
NATIONWIDE MUTUAL LIFE					
PACIFIC MUTUAL LIFE INSURANCE CO.					
PAGING NETWORK INC.					
PRUDENTIAL INSURANCE CO.					
RENAISSANCE MEDIA					
TELEPORT COMMUNICATIONS GROUP INC.					
Consumer NonDurables					
ABBEY HEALTHCARE GROUP INC.					
AMERISERVE FOOD DISTRIBUTION INC.					
ARCHIBALD CANDY CORP.					
BAUSCH & LOMB INC.					
CF CABLE TV INC.					
CHANCELLOR MEDIA CORP.					
CHOICE HOTELS INTERNATIONAL INC.					
COLOMBIA					
COLUMBIA HEALTHCARE CORP.					
COMCAST CORP.					
CONTINENTAL CABLEVISION INC.					
CUMBERLAND FARMS INC.					
DIAMOND CABLE COMMUNICATIONS					
ESPIRE INC.					
EXTENDED STAY AMERICA INC.					
FALCON HOLDING GROUP L.P.					
HAMMONS JOHN Q. HOTELS L.P.					
HEALTHSOUTH CORP.					
HERTZ CORP.					
HILTON HOTELS CORP.					
IMPACT CORP.					
JONES INTERCABLE					
K-M COMMUNICATIONS CORP.					
KAMART CORP.					
KROGER CO.					
LOWE'S INC.					
MAGELLAN HEALTH SERVICES INC.					
MARSH SUPERMARKETS INC.					
MEDPARTNERS INC.					
MIRAGE RESORTS INC.					
MONEY STORE RESIDENTIAL					
NAUTICARE COMPANIES INC.					
PARSONS INC.					
PERMAN MARCUS GROUP INC.					
PHILIP INC. HEALTHCARE RECEIVABLES					
PHILIP INC.					
PHILIP SYSTEMS INC.					
PERKINS FAMILY RESTAURANTS L.P.					
PERKINS INC.					
PHILIP MORRIS CO.					
BB	8.50	04-01-08			
BAA	7.50	04-15-08	250,000	245,625	
BAA	9.50	05-01-07	2,000,000	1,980,000	
BAA	9.50	05-01-07	350,000	363,125	
BAA	7.50	05-01-07	1,400,000	1,452,500	
BAA	7.75	07-01-04	500,000	498,995	
BAA	7.00	07-01-06	1,000,000	1,023,190	
BAA	6.23	02-15-28	3,000,000	3,053,370	
BAA	7.00	02-15-07	1,800,000	1,818,000	
BAA	6.13	04-15-38	1,000,000	1,027,500	
A	7.50	01-20-07	4,000,000	3,986,800	
AA	7.90	02-15-24	685,000	710,181	
BB	10.13	12-30-23	8,000,000	9,193,520	
BB	8.88	08-01-07	500,000	517,500	
AA	8.30	02-01-06	1,480,000	1,450,400	
AA	8.30	07-01-25	720,000	830,203	
BBB	10.00	07-01-25	1,750,000	2,017,855	
NR	N/A	04-15-08	1,250,000	767,188	
		07-01-07	2,245,000	1,927,894	
			52,385,000	53,555,958	
BBB	9.50	11-01-02	2,000,000	1,980,000	
BBB	10.13	07-15-07	500,000	517,500	
BB	10.25	07-01-04	1,000,000	1,060,000	
BAA	6.75	12-15-04	2,600,000	2,626,858	
BA	9.13	07-15-07	1,000,000	1,113,720	
BAA	8.13	12-15-07	1,400,000	1,419,250	
BAA	7.13	05-01-08	3,000,000	3,048,000	
BAA	8.00	06-14-01	19,250,000	19,273,100	
BAA	6.13	12-15-00	1,300,000	1,262,768	
BAA	10.63	07-15-12	4,295,000	5,470,670	
BAA	9.00	09-01-08	895,000	1,045,288	
BAA	9.50	08-01-13	1,000,000	1,179,290	
BAA	11.00	06-01-07	3,000,000	3,275,370	
BAA	8.50	09-15-01	1,150,000	1,217,114	
BAA	8.50	09-15-01	1,400,000	1,486,968	
NR	10.50	10-01-03	606,000	593,880	
CAA	N/A	12-15-05	440,000	365,200	
NR	N/A	11-01-05	2,500,000	2,081,250	
BB	9.15	03-15-08	600,000	591,000	
BB	8.38	04-15-10	400,000	396,000	
BB	9.29	04-15-10	500,000	316,250	
B	8.88	02-15-04	1,275,000	1,284,563	
B	6.88	06-15-05	2,000,000	2,000,740	
B	N/A	06-15-08	1,000,000	998,140	
AAA	6.63	05-15-08	2,500,000	2,511,250	
AAA	7.00	07-15-03	1,500,000	1,537,635	
BAA	7.00	07-15-04	360,000	355,255	
BB	12.38	06-15-08	750,000	765,000	
BAA	8.88	04-01-07	1,250,000	1,337,500	
BAA	8.50	02-01-06	1,500,000	1,526,250	
BAA	7.95	02-01-23	850,000	856,375	
BAA	6.00	07-01-10	3,000,000	2,996,820	
AA	6.88	02-15-28	1,000,000	1,030,440	
AA	6.88	02-15-28	3,300,000	3,400,452	
BBB	9.00	02-15-08	2,740,000	2,719,450	
BB	8.88	08-01-07	1,000,000	1,020,000	
B	6.88	09-01-00	2,500,000	2,350,875	
B	7.38	10-01-06	600,000	537,780	
BAA	6.75	08-01-07	7,500,000	7,377,000	
BAA	6.20	03-15-08	2,000,000	2,000,000	
BBB	9.00	08-01-07	4,500,000	4,455,000	
A	6.38	02-01-35	2,000,000	1,987,140	
A	6.70	06-15-02	1,000,000	995,110	
A	6.85	06-15-05	2,000,000	1,993,200	
NR	6.65	06-01-08	1,010,000	1,013,798	
NR	6.22	06-01-02	10,600,000	10,600,000	
BBB	11.50	07-01-08	250,000	250,000	
B	8.88	06-15-07	270,000	281,138	
B	10.13	12-15-07	500,000	530,000	
BB	8.38	04-01-08	500,000	501,250	
BB	8.38	04-01-08	425,000	426,063	
AA	7.20	07-15-05	800,000	818,440	
AA	7.20	02-01-07	1,250,000	1,295,613	
AA	6.15	03-15-10	6,000,000	5,999,880	

TRS
INVESTMENT LISTING

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
PHYSICIAN SALES & SERVICES INC.					
RCN CORP.					
REGAL CINEMAS INC.					
REVLON CONSUMER PRODUCTS CORP.					
RJR NABISCO INC.					
ROYAL CARIBBEAN CRUISES LTD.					
SARA LEE CORP.					
SC INTERNATIONAL SERVICES INC.					
SCOTSMAN GROUP INC.					
SFX ENTERTAINMENT INC.					
SHOPKO STORES INC.					
SHOWBOAT INC.					
SINCLAIR BROADCAST GROUP INC.					
SMITHFIELD FOODS INC.					
SMITH'S FOOD & DRUG INC.					
STATION CASINOS INC.					
STOP & SHOP INC.					
SUN HEALTHCARE GROUP INC.					
TCI COMMUNICATIONS INC.					
TENET HEALTHCARE CORP.					
TIME WARNER ENTERTAINMENT CO. L.P.					
WAL-MART STORES INC.					
WALT DISNEY CO.					
ZIFF-DAVIS INC.					
Convertibles					
CHINA PETROCHEMICAL					
HUTCHINSON TECHNOLOGIES INC.					
MORGAN STANLEY/DEAN W. & CO.					
Energy					
AMERIGAS PARTNERS L.P.					
CALTEX OIL CORP.					
CMS ENERGY CORP.					
COHO ENERGY INC.					
CROSS TIMBERS OIL CO.					
FERRELLGAS FINANCIAL L.P.					
FORCENERGY INC.					
HARCOR ENERGY INC.					
LAFFAN GAS					
NATIONAL OILWELL INC.					
NEWARK INC.					
NOBLE AFFILIATES INC.					
NORTH ATLANTIC ENERGY CORP.					
OCCIDENTAL PETROLEUM CORP.					
P&L COAL HOLDINGS CORP.					
TENNECO INC.					
VINTAGE PETROLEUM INC.					
Financial					
ABBAY NATIONAL					
ABS CPS GRANTOR TRUST					
ACCESS FINANCIAL MORTGAGE LOAN					

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
ADVANTA CORP.					
ADVANTA MORTGAGE LOAN TRUST					
AEI HOLDING CO.					
ALLSTATE CORP.					
AMERICAN SOUTHWEST FINAN. SECURITIES CORP.					
AMERITECH CAPITAL FUNDING CORP.					
AMETEK INC.					
AMRESCO MORTGAGE					
AMRESCO RESIDEN. SECUR. CORP. MORTG. LOAN					
AMSOUTH BANK OF ALABAMA					
AMVESCAP					
AON CAPITAL					
APACHE FINANCE					
ARCADIA AUTOMOBILE RECEIVABLES					
ASSET BACKED SECURITIES INVESTMENT					
ASSET SECURITIZATION CORP.					
ASSOCIATE CORP. OF NORTH AMERICA					
AT&T CAPITAL CORP.					
BANC ONE					
BANK AMERICA MORTGAGE SECURITIES INC.					
BANK BOSTON CORP.					
BANKAMERICA CAPITAL II					
BANKAMERICA CORP.					
BANKAMERICA MANUF. HOUSING CONSTRUCTION					
BANKAMERICA MORTGAGE SECURITIES INC.					
BANKERS TRUST CO.					
BARCLAYS BANK					
BB&T CORP.					
BCF L.L.C. VARIABLE RATE CMO					
BEAR STEARNS INC.					
BEAR STEARNS MORTGAGE SECURITIES INC.					
BELLSOUTH SAV. & EMPLOY. STOCK OWNERSHIP					
CAPITAL ONE BANK					
CHASE CAPITAL II					
CHASE CREDIT CARD					
CHASE MANHATTAN CORP.					
CHRYSLER FINANCIAL CORP.					
CITIBANK CREDIT CARD					
CITICORP					
CITICORP MORTGAGE SECURITIES INC.					
CITY GROUP HOLDINGS INC.					
CITY NATIONAL BANK					
CITYSCAPE HOME EQUITY LOAN					
CMO SECURITIES CORP. II					
CMO CHASE MORTGAGE FINANCIAL CORP.					
CMO COLLATERALIZED MORTGAGE OBLIGATION					
CMO CHAMBS INC. MORTGAGE PASS THRU					
CMO CHAMBS MORTGAGE INC.					
CMO FIRST PLUS HOME					
CMO GE CAPITAL HOME					
CMO HMO COLLATERALIZED MORTG. SEC. CORP.					
CMO P&P CMO					
CMO RESIDEN. FUNDING MORTG. SECURITIES INC.					

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
	NR	7.50	09-25-25	8,000,000	8,097,006
	NR	6.33	04-01-26	6,143,464	6,156,181
	NR	9.85	02-01-19	8,643,448	8,705,508
	NR	6.88	10-25-23	1,033,412	733,723
	NR	11.50	09-01-15	690,821	734,294
	NR	6.84	01-24-19	1,643,788	1,637,443
	NR	6.84	06-25-18	22,415	22,330
	NR	6.70	04-15-05	3,500,000	3,511,410
	NR	6.50	04-15-05	1,250,000	1,254,513
	AAA	6.50	04-15-05	603,196	617,896
	AAA	6.50	08-25-17	1,388,597	1,391,219
	BAA	8.00	09-15-23	3,500,000	3,505,845
	BAA	7.07	06-15-05	5,715,000	5,946,743
	BAA	6.80	08-15-03	11,000,000	10,993,070
	BA	8.38	01-01-01	2,000,000	1,995,620
	BAA	6.15	07-15-03	2,000,000	1,842,367
	BAA	6.36	10-15-11	1,845,264	1,035,180
	BAA	6.19	03-01-03	1,000,000	3,019,110
	BAA	7.25	03-16-05	3,000,000	1,538,115
	AAA	6.22	03-16-05	1,500,000	582,500
	AAA	6.60	06-15-27	500,000	1,605,000
	A	10.50	05-15-16	1,500,000	1,061,775
	NR	9.25	11-01-05	990,000	4,300,000
	NR	8.13	08-15-09	4,300,000	1,576,602
	NR	6.20	11-19-04	1,574,634	512,965
	NR	6.20	05-25-26	500,000	2,628,418
	NR	7.00	10-25-25	2,600,000	172,448
	B	7.50	08-25-05	163,359	1,751,435
	BAA	6.25	08-25-19	1,750,000	1,000,820
	BAA	9.50	01-01-01	1,000,000	10,073,717
	A	5.80	02-05-99	9,870,000	1,245,700
	A	5.80	06-15-31	1,250,000	2,543,400
	NR	5.80	09-16-03	2,500,000	586,387
	A	6.71	08-15-18	572,085	5,723,228
	NR	6.13	05-25-06	5,694,755	1,908,571
	AAA	6.75	06-19-28	1,888,328	1,730,118
	AAA	8.22	06-25-22	1,715,689	537,676
	AAA	7.66	05-25-23	527,056	1,717,000
	AAA	7.82	09-25-21	1,700,000	5,916,636
	AAA	6.41	05-08-10	120,600,000	3,524,859
	AAA	N/A	04-15-05	3,525,000	13,026,130
	NR	6.17	06-15-03	13,000,000	1,020,588
	NR	6.40	12-17-98	770,000	1,400,000
	NR	10.50	07-01-08	1,400,000	1,837,299
	NR	5.71	04-25-08	1,837,299	4,997,350
	NR	6.06	01-25-08	5,000,000	2,985,930
	NR	6.25	12-15-07	3,000,000	791,271
	NR	6.30	07-01-05	795,000	2,022,500
	AAA	6.30	07-01-05	2,000,000	1,385,413
	AAA	6.50	04-01-08	1,370,000	2,605,182
	AA	6.50	04-01-08	2,550,000	37,297,480
	AA	7.00	04-01-28	39,500,000	605,000
	AA	6.50	10-06-99	600,000	3,111,768
	NR	6.50	12-15-07	2,921,846	1,157,796
	BB	9.35	01-25-12	1,092,260	3,737,688
	NR	7.92	07-25-01	3,542,840	1,529,500
	NR	7.79	04-25-11	1,500,000	2,972,737
	NR	7.72	11-15-02	2,700,000	1,880,737
	NR	6.55	01-31-27	1,683,939	1,171,180
	NR	8.12	02-25-18	1,103,516	690,000
	A	6.69	09-01-16	695,000	1,279,330
	A	8.00	01-01-01	1,250,000	1,981,400
	BAA	5.78	05-15-27	2,000,000	188,000
	BAA	7.15	02-01-27	150,000	1,136,000
	NR	6.71	10-01-03	1,000,000	1,000,700
	BAA	10.63	04-15-03	947,000	215,000
	BAA	12.50	01-15-16	202,000	2,288,400
	NR	10.15	01-15-16	8,249,261	5,034,000
	NR	10.15	04-15-04	5,000,000	1,375,000
	NR	5.97	10-15-03	10,000,000	2,300,000
	BAA	5.98	08-15-03	1,375,000	1,576,000
	BAA	6.05	09-17-03	2,325,000	6,142,000
	BAA	5.68	09-17-03	1,575,000	3,036,000
	BAA	5.68	04-15-03	6,000,000	
	BAA	5.80	05-15-07	3,000,000	
	NR	6.56	09-18-12		
	BAA	6.73			

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
FIRSTPLUS HOME LOAN	BAA	7.35	10-20-09	2,999,111	3,054,557
	BAA	5.71	03-10-08	1,331,477	1,330,638
	BAA	5.70	10-12-09	1,700,000	1,700,000
	BAA	6.49	07-10-17	3,000,000	3,014,040
	BAA	5.80	12-10-08	5,574,110	5,574,110
	A	9.50	08-09-00	8,000,000	8,510,000
	A	9.88	02-15-02	2,000,000	2,247,400
	A	5.65	10-15-01	20,000,000	19,925,000
	A	5.90	10-15-00	4,517,835	4,523,482
	A	5.80	05-15-99	2,194,071	2,192,009
	A	6.50	11-15-99	535,872	536,708
	A	5.25	06-16-08	8,130,000	4,492,895
	A	7.20	06-15-07	5,000,000	5,318,750
	A	5.84	10-15-02	2,000,000	1,993,580
	A	6.13	04-28-03	3,500,000	3,500,245
	A	7.00	09-25-01	2,500,000	2,563,525
	A	5.92	11-30-10	5,000,000	4,988,300
	A	6.06	03-30-99	5,100,000	5,109,588
	A	6.08	08-14-00	18,000,000	18,032,940
	A	6.04	07-13-01	9,000,000	9,055,620
	NR	7.00	11-30-00	1,100,000	1,116,280
	NR	9.87	12-31-49	2,700,000	2,372,760
	NR	9.87	12-31-49	1,000,000	878,800
	AAA	7.40	05-25-26	5,400,000	5,618,445
	AAA	6.50	06-25-28	2,500,000	2,518,750
	AAA	8.30	09-20-09	975,000	1,150,091
	AAA	6.66	05-01-18	3,000,000	3,045,600
	AAA	8.00	03-01-02	763,426	793,886
	AA	6.50	04-15-02	1,713,708	1,723,870
	AA	5.88	01-22-03	30,000,000	29,670,000
	AA	6.38	12-01-01	1,250,000	1,259,588
	AA	6.63	10-20-03	15,000,000	15,291,150
	AA	5.77	01-08-02	10,000,000	9,987,800
	AA	6.75	05-01-28	2,470,000	2,476,299
	B	11.38	02-15-04	500,000	484,375
	A	6.20	12-15-00	2,000,000	2,010,500
	A	5.87	01-09-01	36,000,000	36,101,160
	A	5.94	12-24-01	40,000,000	40,242,800
	A	5.74	01-27-00	2,450,000	2,456,983
	A	6.10	03-30-99	25,000,000	25,010,500
	A	5.81	01-25-01	30,000,000	30,081,900
	AAA	8.45	07-15-27	1,499,762	1,544,275
	AAA	7.57	09-15-28	9,487,196	1,464,538
	AAA	5.95	07-15-29	1,373,003	1,373,003
	AAA	6.78	06-15-28	2,850,000	2,889,188
	AAA	6.38	08-16-28	1,980,917	1,987,712
	AAA	8.05	10-15-27	2,600,000	2,842,112
	AAA	7.95	09-15-27	2,400,000	2,553,000
	AAA	7.30	11-15-28	1,090,000	1,137,339
	AAA	7.65	10-15-27	2,600,000	2,766,556
	AAA	6.91	04-15-28	10,000,000	10,175,000
	NR	6.17	09-20-05	10,000,000	10,046,700
	NR	6.70	07-15-02	2,000,000	2,034,180
	AAA	7.65	04-25-24	1,903,617	1,963,048
	AAA	7.17	04-25-23	436,441	441,237
	AAA	7.17	04-25-23	1,454,802	1,470,791
	AAA	7.26	01-25-23	1,428,783	1,436,250
	AAA	7.08	10-25-22	5,009,143	5,057,582
	AAA	7.65	01-25-22	757,140	770,898
	NR	6.93	07-13-30	2,000,000	1,978,540
	NR	7.16	01-25-19	597,518	517,413
	AAA	5.63	03-15-00	1,600,000	1,586,960
	BAA	7.24	04-15-12	965,307	999,092
	BAA	6.69	12-25-29	11,171,436	11,331,858
	BAA	7.52	04-25-23	1,541,937	1,565,128
	AA	8.38	05-15-27	5,000,000	5,525,650
	AA	8.38	05-15-27	2,500,000	2,762,825
	NR	1.40	04-19-15	25,691,230	2,186,917
	NR	2.06	09-25-24	23,455,545	938,222
	NR	6.50	09-15-00	55,000,000	7,150,000
	NR	N/A	03-15-17	30,638,009	1,895,880
	NR	3.00	01-08-04	17,030,880	595,911
	NR	1.85	10-08-04	10,529,365	184,264
	NR	2.75	10-08-03	9,368,917	327,818



INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
	NR	3.00	05-07-99	11,326,600	158,799
	NR	N/A	03-15-07	7,000,000	5,040,000
	NR	12.50	05-01-06	4,000,000	3,180,000
	NR	0.00	09-15-05	1,750,000	1,496,250
	NR	5.87	10-20-27	1,553,934	1,555,955
	BAA	5.87	10-20-27	67,500,000	11,137,500
	BAA	8.25	09-20-00	8,593,700	8,593,700
	BAA	5.85	01-20-28	2,015,100	2,055,402
	BAA	6.70	02-25-07	535,805	533,828
	BAA	8.80	01-25-17	716,800	727,265
	BAA	7.76	11-25-24	20,000,000	19,997,800
	BAA	6.42	08-25-98	2,335,000	2,350,154
	BAA	7.63	04-15-28	1,500,000	1,511,550
	NR	6.50	04-15-08	7,900,000	7,960,830
	NR	6.50	04-15-08	4,000,000	4,013,600
	NR	6.50	08-27-25	4,000,000	3,041,374
	BAA	0.01	09-27-24	3,031,975	2,423,187
	BAA	5.84	03-25-24	2,200,000	2,299,000
	BAA	7.90	09-01-06	4,885,192	4,928,231
	BAA	6.80	11-18-04	3,300,000	3,297,162
	BAA	6.33	01-15-02	3,500,000	3,486,955
	BAA	6.20	04-01-03	5,000,000	4,995,650
	BAA	6.25	04-01-03	250,000	262,735
	BAA	7.20	08-15-09	2,000,000	2,005,820
	BAA	5.94	01-18-00	10,000,000	10,030,200
	BAA	6.20	12-23-99	10,000,000	10,052,600
	BAA	5.98	02-27-01	10,000,000	12,565,750
	BAA	5.98	02-27-01	12,500,000	1,267,325
	BAA	5.98	12-27-02	1,250,000	3,999,880
	BAA	6.63	05-23-01	4,000,000	5,344,600
	BAA	5.78	04-15-07	5,000,000	7,774,436
	BAA	7.38	11-25-12	7,755,049	6,000,000
	AAA	6.85	10-25-20	6,000,000	2,187,780
	BAA	5.74	06-15-05	2,000,000	335,000
	BA	8.25	03-01-08	500,000	1,706,250
	BBB	N/A	08-04-23	1,500,000	1,859,200
	NR	9.20	02-01-27	2,000,000	1,528,170
	NR	6.49	09-12-02	1,500,000	1,759,717
	NR	6.96	06-17-02	1,775,000	1,803,924
	NR	6.04	09-15-03	1,800,000	1,583,950
	NR	5.81	03-15-03	1,580,000	4,362,920
	NR	5.80	04-02-12	4,350,000	3,802,153
	BAA	6.35	01-15-27	3,500,000	3,807,449
	AAA	8.00	02-15-10	3,900,000	2,905,830
	BAA	6.38	05-28-25	2,904,967	3,448,071
	BAA	5.96	07-28-22	3,430,541	993,100
	BAA	6.58	09-11-03	1,000,000	2,393,464
	BAA	5.84	10-01-01	2,370,000	1,523,580
	AAA	6.38	06-01-28	1,500,000	2,004,820
	AAA	6.75	10-03-00	2,000,000	1,720,000
	AAA	5.68	06-27-00	1,700,000	2,629,376
	AAA	6.47	04-27-08	2,500,000	889,976
	AAA	7.00	07-17-09	1,490,000	45,982,201
	AAA	6.25	03-23-05	45,895,000	3,130,313
	AAA	5.84	06-25-22	3,000,000	2,770,659
	AAA	8.05	11-21-28	2,700,000	2,497,775
	AAA	6.96	11-01-03	2,500,000	393,822
	A	6.30	12-16-25	392,595	748,365
	NR	6.50	12-15-25	785,190	1,848,100
	NR	9.40	07-15-29	1,841,198	3,519,754
	A	6.86	02-28-01	3,520,000	10,068,360
	A	5.88	03-09-99	10,050,000	3,492,303
	A	6.17	06-18-30	3,475,000	9,221,853
	NR	6.33	08-25-04	9,175,000	5,025,000
	NR	6.68	08-25-04	5,000,000	14,840,735
	NR	6.68	07-15-00	14,617,865	3,540,775
	NR	6.68	07-15-00	3,500,000	2,604,440
	AAA	6.38	05-15-05	2,000,000	12,437,400
	AAA	6.38	05-15-05	12,000,000	4,000,000
	AAA	6.38	05-15-03	4,000,000	3,670,000
	AAA	7.00	08-21-07	3,000,000	16,050,000
	AAA	6.03	02-15-25	16,000,000	4,871,100
	AA	12.22	03-15-01	4,872,173	6,430,200
	BAA	6.20	11-15-04	6,000,000	1,800,000
	BAA	5.94	12-01-45	1,500,000	1,500,000
	AAA	7.75	02-01-24		
	AAA	7.75			



INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
	AAA	N/A	10-17-16		
	AAA	8.15	10-17-36	1,660,000	1,833,138
	AAA	8.25	08-10-18	4,000,000	4,507,560
	AAA	8.15	03-04-20	5,000,000	5,641,400
	AAA	6.59	03-15-30	2,500,000	2,722,650
	AAA	4.33	05-25-24	9,000,000	9,235,530
	AAA	1.76	02-25-25	3,104,371	3,110,704
	AAA	6.75	06-15-07	19,134,760	32,912
	NR	6.18	01-15-27	5,000,000	5,205,450
	BBB	10.00	02-15-07	1,000,000	982,880
	BBB	N/A	04-01-08	2,655,000	2,840,850
	NR	5.72	01-25-21	2,010,000	1,306,500
	NR	6.49	02-01-27	20,000,000	2,488,100
	NR	6.13	08-15-00	2,500,000	2,000,000
	NR	6.13	08-15-00	2,130,337	2,152,919
	NR	6.80	03-15-02	6,027,216	6,091,104
	NR	6.63	12-15-02	8,000,000	8,109,708
	NR	N/A	03-15-07	3,100,000	3,155,751
	NR	5.85	08-15-02	500,000	500,000
	NR	6.35	10-15-03	6,010,000	6,009,639
	A	N/A	08-15-06	2,914,614	2,931,898
	A	N/A	03-25-28	7,300,000	5,080,289
	A	8.25	05-01-02	5,407,523	4,873,530
	A	9.25	12-15-01	1,300,000	1,385,800
	A	7.74	01-30-12	2,855,000	3,116,004
	AA	7.40	08-15-16	3,500,000	3,936,625
	BAA	5.83	11-15-05	4,330,000	4,392,612
	BAA	4.65	02-02-99	1,080,000	1,080,000
	BAA	6.25	06-06-01	33,821	33,800
	NR	6.25	05-06-01	4,150,000	4,172,037
	AAA	7.40	05-25-07	4,000,000	4,004,920
	AAA	6.80	05-25-24	7,487,705	7,620,687
	AAA	7.98	05-25-23	199,035	198,350
	BAA	8.11	03-31-99	1,279,552	1,311,024
	BA	9.00	11-15-00	184,311	183,851
	NR	7.50	07-25-27	1,500,000	1,566,375
	NR	7.07	10-25-19	1,315,753	1,330,398
	BAA	8.88	03-15-27	3,100,000	3,123,963
	B	10.00	08-15-04	3,750,000	4,218,000
	NR	9.15	11-28-27	250,000	252,500
	AAA	9.40	06-30-08	800,000	827,000
	AAA	9.40	12-29-49	4,610,000	4,581,602
	AAA	9.40	12-29-49	1,250,000	1,242,300
	AAA	3.65	02-14-02	1,000,000	993,840
	AAA	3.65	02-14-02	20,900,000	20,386,069
	AAA	6.25	10-01-99	30,000,000	29,262,300
	AAA	6.50	03-01-00	2,700,000	2,709,207
	AAA	6.63	11-15-03	2,000,000	2,015,720
	AAA	6.70	07-05-00	5,000,000	5,089,650
	AAA	7.30	05-15-02	1,930,000	1,955,611
	AAA	7.50	02-01-03	1,000,000	1,036,100
	AAA	5.81	10-20-98	1,500,000	1,574,145
	AAA	6.22	11-19-98	24,000,000	24,007,440
	AAA	5.82	07-15-98	1,800,000	1,801,836
	AAA	7.69	06-25-22	50,000,000	50,002,000
	AAA	8.31	04-25-24	518,415	532,570
	AAA	7.84	01-01-01	1,684,692	1,739,445
	AAA	8.08	03-25-24	1,083,364	1,122,298
	AAA	7.97	03-25-24	3,088,005	3,195,121
	AAA	7.00	02-25-17	1,174,425	1,199,135
	AAA	6.13	01-15-03	190,299	189,893
	AAA	6.25	06-15-05	375,000	374,246
	AAA	5.80	08-15-05	2,500,000	2,483,600
	AAA	6.45	10-16-06	4,000,000	3,990,000
	AAA	7.00	07-15-08	2,700,000	2,737,962
	AAA	6.64	06-25-22	1,800,000	1,877,058
	AAA	8.15	03-25-22	783,153	792,453
	AAA	7.45	03-15-06	1,241,066	1,253,862
	BAA	6.38	03-25-18	1,561,408	1,568,044
	NR	6.03	05-04-29	591,410	591,593
	BAA	9.60	03-25-21	2,476,537	2,498,628
	B	9.00	06-01-09	576,378	576,563
	A	7.40	06-01-06	1,400,000	1,449,000
	BAA	N/A	12-31-18	1,500,000	1,584,720
				34,938	34,831

TRS
INVESTMENT LISTING

STANDARD CREDIT CARD

STUDENT FEDERAL BANCORP INC.
SUNAMERICA INC.
SUNTRUST BANKS INC.
SUNTRUST CAPITAL
TEACHERS INSURANCE ANNUITY ASSOC.
TEAM FLEET FUNDING CORP.
TERRA NOVA INSURANCE UK HOLDINGS
THE MONEY STORE

TMS HOME EQUITY
TOKAI PREFERRED CAPITAL
TRAVELERS GROUP
TRIANGLE FUNDING LTD.
U.S. BANCORP
U.S. BANK NATIONAL ASSOCIATION
U.S. SMALL BUSINESS ADMINISTRATION
U.S. WEST CAPITAL FUNDING INC.

UCC INVESTORS HOLDING INC.
UCFC LOANS
USAA CAPITAL CORP.
WALSH ACCEPTANCE CORP.
WELLS FARGO CAPITAL
WESTERN FEDERAL S&L ASSN. MARINA DEL RAY
WFS FINANCIAL

WILLIAMS INC.
WILMINGTON TRUST CO./ CHRYSLER CAPITAL
WILMINGTON TRUST CO./CILCORP LEASE
WILMINGTON TRUST CO./TUCSON ELECT. POWER

WORLD FINANCIAL NETWORK CREDIT CARD

Miscellaneous
BRINSON CO. U.S. BOND FUND
CAL INFRASTRUCTURE PG&E
CAL. INFRASTRUCTURE & ECONOMIC DEV. BANK

CHELSEA GCA REALTY PARTNERSHIP L.P.
DEVELOPERS DIVERSIFIED REALTY CORP.
DUKE REALTY LTD
DVI RECEIVABLE VI L.L.C.
EOP OPERATIONS L.P.

FISHER SCIENTIFIC INTERNATIONAL INC.
FOREST CITY ENTERPRISES INC.
FORT JAMES CORP.
FOX LIBERTY NETWORKS
FRESENIUS MED CARE
GARDEN STATE NEWSPAPER
GATX CAPITAL CORP.
GCB ISP HOLDINGS
GENERAL GROWTH PROPERTIES
GUANGDONG ENTERPRISES HOLDINGS LTD.
H.M.H. PROPERTIES INC.
H.R.P.T. PROPERTIES
HANSON OVERSEAS
HOLMES PRODUCTS CORP.
INTEGRATED HEALTH SERVICES INC.

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
BAA	N/A	09-07-99	5,000,000	5,000,000
BAA	8.25	11-07-03	860,000	916,433
BAA	8.25	11-07-03	10,000,000	10,656,200
BAA	7.75	07-17-06	3,900,000	4,266,366
AAA	7.75	07-31-09	3,925,000	2,981,312
BAA	5.60	07-31-09	3,500,000	3,745,875
AA	7.38	07-01-06	9,000,000	8,990,460
BAA	6.34	03-15-28	770,053	793,155
NR	7.05	08-20-14	1,600,000	1,595,750
NR	6.13	10-25-04	3,100,000	3,159,303
NR	7.00	05-15-08	500,000	504,840
BAA	6.64	09-15-14	3,147,241	3,162,348
BAA	7.36	05-16-01	4,100,000	4,117,917
NR	7.18	12-15-14	1,400,000	1,288,000
NR	9.98	12-29-49	3,000,000	3,042,600
NR	6.88	02-15-98	10,025,700	10,025,700
AA	5.94	10-15-05	1,000,000	998,750
NR	5.88	11-30-10	2,000,000	2,029,680
BAA	5.88	02-01-08	4,065,520	4,065,520
A	6.50	07-01-17	3,936,368	3,500,070
NR	6.85	07-15-02	500,000	500,010
AAA	6.13	07-15-02	2,895,000	2,895,232
AAA	6.13	07-15-28	2,775,000	2,775,222
AAA	6.88	07-15-28	1,800,000	1,800,144
AAA	6.88	07-15-28	1,800,000	3,416,000
AAA	10.50	05-01-02	3,050,000	990,711
NR	7.65	06-15-20	950,000	651,489
NR	6.54	09-20-99	645,000	1,167,600
NR	6.69	03-01-27	1,157,693	2,153,640
NR	6.69	12-01-26	2,000,000	913,582
AA	7.73	03-25-19	910,187	12,018,763
NR	6.98	09-20-00	12,000,000	1,947,036
BAA	6.20	11-20-00	1,950,000	676,931
BAA	5.78	03-20-02	675,000	1,112,076
BAA	6.25	03-20-02	1,110,000	1,247,238
BAA	6.10	02-15-00	1,250,000	1,128,920
NR	5.95	01-01-13	984,697	377,662
AAA	10.73	01-01-13	329,297	733,823
AAA	10.73	01-01-13	639,497	1,416,166
AAA	10.73	01-01-13	1,234,149	1,090,288
AAA	10.73	01-01-13	950,142	726,859
AAA	10.73	01-01-13	633,428	10,192,000
AAA	10.73	01-01-13	10,000,000	1,828,226,262
AAA	6.70	02-15-04	2,214,720,820	225,982,886
NA	N/A	N/A	1,788,561	1,504,772
AAA	6.15	06-25-02	1,500,000	12,025,462
AAA	6.22	03-25-04	11,935,000	1,018,690
AAA	6.42	12-26-09	1,000,000	2,065,583
AAA	6.17	03-25-03	2,055,000	1,260,180
AAA	6.17	10-21-07	1,250,000	1,527,890
BA	7.25	05-15-00	1,500,000	1,500,285
NR	7.63	05-15-00	1,500,000	2,267,105
NR	6.75	05-30-08	2,250,000	1,244,680
NR	6.04	04-10-06	1,250,000	696,770
NR	6.38	02-15-03	1,000,000	1,393,630
BAA	6.75	02-15-08	1,400,000	2,756,380
BAA	6.50	06-15-04	2,750,000	596,815
BAA	6.76	06-15-07	595,000	1,303,965
BAA	6.76	06-15-07	1,300,000	985,000
BAA	6.76	06-15-07	1,000,000	643,800
BAA	9.00	02-01-08	650,000	2,437,400
BBB	8.50	03-15-08	2,500,000	2,430,633
BAA	6.63	09-15-04	2,500,000	1,822,186
BAA	8.88	08-15-07	1,750	1,260,780
B	N/A	12-01-06	1,250,000	3,360,000
BAA	8.75	10-01-09	3,365,000	2,690,100
B	6.50	11-01-00	2,000,000	2,631,400
BAA	9.00	10-15-03	2,000,000	4,300,400
BAA	6.81	11-15-07	5,000,000	1,840,000
AA	8.88	05-22-07	1,700,000	10,100,000
NR	9.50	05-15-05	10,000,000	1,690,000
NR	6.75	12-18-02	1,500,000	1,500,000
NR	7.38	01-15-03	500,000	500,000
B	9.88	11-15-07	500,000	500,000
BBB	9.50	09-15-07	500,000	500,000
BB	9.50	09-15-07	500,000	500,000

TRS
INVESTMENT LISTING

IRIDIUM CAPITAL CORP.
JENKINS-EMPIRE ASSOCIATES
K-MART LEASE
MAGNUM HUNTER INC.
MARKET HUB PARTNERS
MCKESSON CORP.
MID AMERICA WASTE SYSTEMS INC.
MID STATE

MIDLAND REALTY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NGC CORP.
OHA
OHIO ST. ECON. DEV. REVENUE ENTERPRISE FUND
PRIME PROPERTY FUNDING II INC.

PRIVATE PLACEMENT RESTR. ENHAN. RETURNS
PRIVATE PLACEMENT RESTRUCTURED ASSET
PRIVATE PLACEMENT SER 1996-C
ROGERS CANTEL INC.
SHOW LOW, AZ. IDA. HOSP. NAVAPACHE REG. MED.

SIGNET
SIMON DEBARTOLO GROUP L.P.

SONWIL CORP.
SPIEKER PROPERTIES INC.
ST. CHARLES COUNTY, MO PUBLIC ARENA AUTH.

TMS
VASTAR RESOURCES INC.

WESTPOINT STEVENS INC.
WORLD FINANCIAL PROPERTIES TOWER CORP.

Technology
COMPUTER ASSOCIATES INTERNATIONAL INC.
DIALOG CORP.
HONEYWELL INC.
LEVEL 3 COMMUNICATIONS CORP.

LUCENT TECHNOLOGIES INC.
MIDDERMOTT J. RAY
MICROCELL TELECOM INC.

MOG INC.
ORION NETWORK SYSTEMS INC.
ORION CORP.
MAX TECHNOLOGIES INC.

Transportation
ASHANTA AUTOMOBILE RECEIVABLES
AIRPLANES TRUST
KANSAS FREIGHTWAYS INC.
TRK CORP.
CONTINENTAL AIRLINES
DELTA AIR LINES INC.

ENTERPRISE RENT-A-CAR
FEDERAL EXPRESS CORP.
TRANSPORTATION RESOURCES INC.
WEST PACIFIC CORP.

WEST AIR LINES INC.

Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
BB	9.25	01-15-08	200,000	207,750
BB	9.25	01-15-08	2,875,000	2,986,406
BBB	13.00	07-15-05	1,333,000	1,419,645
NR	6.84	08-01-08	9,370,049	9,589,660
BAA	9.35	01-02-20	750,000	816,675
NR	10.00	03-01-08	300,000	301,500
BAA	8.25	06-01-07	600,000	606,000
AAA	6.60	03-01-00	1,450,000	1,461,571
NR	12.25	02-15-03	300,000	60,000
BAA	7.34	07-01-35	2,091,656	2,174,004
BAA	7.79	07-01-35	1,786,895	1,820,400
NR	7.48	08-25-28	800,000	847,706
NR	7.43	02-15-29	3,620,000	4,113,406
NR	N/A	02-15-20	2,855,000	729,453
NR	N/A	02-15-11	3,200,000	1,444,480
NR	7.13	05-15-18	1,300,000	1,330,121
BAA	6.20	03-15-04	9,975,572	9,975,572
NR	6.83	06-01-05	2,290,000	2,290,000
NR	6.80	08-15-02	290,000	294,048
NR	5.95	08-15-07	795,000	821,116
NR	8.74	10-01-07	11,500,000	11,526,220
NR	7.03	10-01-07	1,000,000	1,005,200
NR	8.30	08-01-00	2,600,000	2,603,120
NR	6.13	12-01-99	1,000,000	982,500
NR	6.25	12-01-00	330,000	330,557
NR	6.50	12-01-02	360,000	360,856
NR	5.86	01-01-01	340,000	342,177
BAA	6.75	06-15-05	1,055,000	1,056,319
BAA	6.75	07-15-04	2,500,000	2,483,800
BAA	12.50	12-01-01	1,000,000	999,200
BAA	6.75	12-01-01	22,861,347	32,569,875
NR	6.54	01-15-08	5,000,000	4,953,450
NR	6.76	09-15-05	1,300,000	1,321,453
BAA	8.40	09-15-08	2,390,000	2,401,909
BAA	6.00	02-15-24	2,000,000	2,161,050
BAA	6.00	04-20-10	1,900,000	1,899,069
BAA	6.00	04-20-10	2,100,000	2,098,971
BAA	7.88	06-15-08	750,000	752,813
BAA	6.95	09-01-13	1,075,000	1,120,849
NR	6.25	04-15-03	3,965,000	407,973,971
NR	11.00	11-15-07	300,000	3,974,873
AA	7.00	03-15-07	4,200,000	328,500
BB	10.38	05-01-07	500,000	4,447,464
BB	8.50	05-15-08	500,000	552,500
BB	9.13	05-01-08	500,000	502,500
BB	9.13	05-01-08	1,250,000	1,215,625
AA	6.50	01-15-28	4,500,000	4,376,250
B	9.38	07-15-06	2,000,000	2,018,900
BBB	N/A	06-01-06	1,000,000	1,055,000
B	10.00	05-01-06	1,900,000	1,420,250
BB	11.25	01-15-07	750,000	802,500
NR	12.00	04-15-03	750,000	843,750
NR	7.00	10-15-06	1,250,000	1,418,750
BAA	6.75	12-15-03	2,200,000	2,277,176
BAA	10.88	03-15-19	25,065,000	25,234,038
BAA	9.13	08-15-99	1,000,000	1,129,547
BAA	8.10	09-15-22	2,500,000	2,579,975
AAA	6.65	09-15-17	9,635,000	11,014,539
BAA	9.38	09-11-07	1,100,000	1,122,418
BAA	9.49	01-02-03	4,069,788	4,627,186
BAA	10.50	04-30-16	3,134,000	3,424,584
BAA	6.95	03-01-04	1,000,000	1,330,430
BAA	7.60	07-20-01	2,132,000	2,182,806
BBB	10.75	03-15-08	2,500,000	2,685,725
BAA	6.25	03-15-99	500,000	535,065
BAA	6.40	02-01-06	1,500,000	1,502,205
BAA	6.63	02-01-08	1,000,000	991,440
BAA	7.25	11-01-08	2,400,000	2,395,584
BAA	10.25	07-15-21	2,000,000	2,089,180
BAA	11.56	05-27-06	2,200,000	2,987,424
			30,826,791	38,594,526

TRS
INVESTMENT LISTING

	Moody's Quality Rating	Rate	Maturity	Par Value	Market Value
USAIR					813,750
WORLD OMNI AUTO LEASE SECURITIZATION	BAA	9.63	09-01-03	750,000	3,013,110
	NR	6.18	05-25-00	3,000,000	2,505,450
	NR	6.07	11-25-03	2,500,000	8,877,068
	NR	6.30	06-25-02	8,857,758	106,606,476
				94,605,337	
				3,500,000	3,730,930
	NR	7.50	03-01-06	500,000	497,500
	B	8.00	03-15-08	1,750,000	1,898,750
	BA	10.25	07-15-06	3,300,000	3,327,753
	AAA	6.35	03-01-00	3,400,000	3,373,854
	NR	6.25	01-15-05	1,500,000	1,715,325
	NR	9.00	06-01-17	1,500,000	1,518,810
	NR	7.63	10-15-07	1,000,000	1,065,110
	BA	10.25	01-15-04	950,000	968,525
	BA	8.75	07-15-07	750,000	766,875
	NR	9.25	02-01-04	500,000	498,750
	NR	7.88	04-01-08	1,705,000	1,743,045
	NR	6.80	12-15-12	2,500,000	2,426,250
	NR	6.50	01-15-06	1,000,000	1,034,560
	NR	7.38	06-01-03	6,610,000	6,727,394
	BA	6.63	07-15-03	5,000,000	5,029,850
	NR	6.38	07-15-00	1,250,000	1,301,288
	NR	7.38	01-15-04	1,000,000	1,098,320
	NR	7.63	04-15-13	10,000,000	11,063,200
	NR	9.17	10-15-02	3,500,000	3,666,425
	NR	9.50	02-15-17	750,000	754,200
	NR	6.62	09-01-07	1,450,000	1,460,875
	NR	8.25	01-30-08	750,000	755,625
	NR	8.25	01-30-08	1,600,000	1,606,488
	NR	8.84	04-15-18	1,400,000	1,424,234
	AA	6.86	02-01-28	2,000,000	2,147,440
	AA	8.25	04-01-04	1,950,000	1,530,750
	NR	N/A	02-01-06	360,000	282,600
	BB	N/A	05-01-06	1,000,000	1,141,870
	BB	9.00	11-01-22	12,800,000	12,632,704
	NR	5.13	12-01-22	6,400,000	6,334,400
	NR	5.25	12-01-26	12,800,000	12,969,088
	NR	5.50	12-01-29	1,250,000	1,273,475
	NR	10.32	01-31-99	1,355,000	1,347,114
	NR	6.50	04-15-10	4,060,000	4,036,371
	BAA	6.50	04-15-10	2,000,000	1,992,560
	BAA	6.13	04-15-12	4,000,000	3,985,120
	BAA	6.13	04-15-12	4,000,000	1,016,890
	BAA	7.75	06-01-11	1,000,000	3,484,585
	A	6.20	02-01-08	3,500,000	1,307,828
	AAA	6.24	02-15-02	1,300,000	1,649,919
	NR	8.75	04-01-22	1,500,000	1,605,430
	BA	8.00	06-01-04	500,000	502,120
	BA	7.63	10-01-05	1,250,000	1,280,630
	BA	7.75	10-01-08	600,000	627,000
	B	9.50	04-15-06	519,275	527,284
	NR	6.81	05-25-05	2,500,000	2,457,450
	NR	5.63	11-01-01	3,205,000	3,211,823
	NR	6.38	05-01-08	3,000,000	3,045,447
	AAA	6.65	11-01-08	2,000,000	2,191,400
	NR	10.38	11-15-00	2,000,000	2,186,750
	AA	8.25	04-01-04	3,156,212	3,553,507
	NR	10.73	01-01-13	3,000,000	3,127,000
	NR	7.55	04-01-04	137,670,488	140,992,137
				3,133,651,736	3,008,332,001

TRS
INVESTMENT LISTING

	Rate	Maturity	Market Value
FOREIGN GOVERNMENT OBLIGATIONS			
ARGENTINA REPUBLIC OF			
AUSTRALIA COMMONWEALTH OF	3.39	04-01-01	411,312
	3.11	04-01-01	464,486
	6.63	03-31-05	511,988
	9.75	03-15-02	8,523,785
	9.00	09-15-04	8,364,690
	8.75	08-15-08	461,643
	8.75	08-15-08	8,047,968
	7.50	09-15-09	8,595,533
	7.50	09-15-09	2,176,484
	7.00	04-15-00	7,020,993
	6.75	11-15-06	5,694,888
	6.75	11-15-06	2,612,949
	10.00	02-15-06	323,807
	10.00	10-15-02	2,549,283
	9.00	06-27-01	2,232,654
	5.10	11-21-04	1,894,968
	4.75	09-15-99	10,143,144
	4.25	12-01-21	11,928,316
	10.25	03-15-14	1,531,488
	9.00	03-01-11	5,760,631
	8.75	12-01-05	4,098,535
	9.00	12-01-04	1,886,543
	8.50	03-01-00	2,714,046
	7.50	03-01-01	3,581,993
	7.50	03-01-01	5,301,350
	6.50	06-01-04	1,511,149
	6.00	06-01-08	2,717,820
	4.25	12-01-26	3,616,470
	4.25	12-01-26	12,057,311
	4.25	12-01-26	21,698,820
	7.00	03-06-00	14,668,036
	3.00	12-22-00	722,340
	6.63	07-31-06	510,794
	6.56	07-31-10	602,560
	6.56	07-31-06	742,756
	9.00	11-15-00	12,595,201
	8.00	05-15-03	10,076,501
	8.00	05-15-03	2,710,346
	8.00	03-15-06	3,403,446
	8.00	11-15-01	1,288,352
	7.00	12-15-04	7,438,071
	7.00	12-15-04	1,141,559
	7.00	12-15-04	5,414,250
	7.00	11-10-07	3,681,809
	7.00	11-10-24	2,597,777
	9.00	11-10-24	4,463,935
	9.00	05-15-00	7,482,450
	9.00	07-01-00	4,777,701
	8.25	09-15-07	6,157,212
	8.25	09-15-07	2,647,601
	8.50	03-15-01	5,008,849
	8.50	06-01-06	4,898,240
	7.50	01-15-23	4,777,923
	7.50	01-15-23	637,056
	7.00	06-15-05	2,851,858
	7.00	05-15-99	23,100,383
	5.75	01-15-04	5,362,157
	5.00	04-15-08	7,158,964
	8.25	10-15-10	1,173,983
	7.88	07-28-04	1,433,055
	6.00	04-25-08	984,881
	10.00	09-15-01	2,335,634
	N/A	08-14-98	3,629,669
	8.50	12-26-12	3,447,043
	7.75	04-12-00	4,043,070
	7.50	04-25-05	7,575,293
	7.25	04-25-06	7,509,725
	6.75	10-25-04	4,071,783
	6.00	10-25-25	613,839
	5.25	04-25-08	12,091,464
	5.50	04-25-04	7,554,582
	4.50	07-12-03	7,877,018
BELGIUM KINGDOM OF			
CANADA GOVERNMENT OF			
COLOMBIA REPUBLIC OF			
CROATIA REPUBLIC OF			
DENMARK KINGDOM OF			
DUTCH GOVERNMENT OF			
EURO INVESTMENT BANK			
FINLAND REPUBLIC OF			
FRANCE GOVERNMENT OF			

TRS
INVESTMENT LISTING

	Rate	Maturity	Market Value
GERMANY FEDERAL REPUBLIC OF	8.50	08-21-00	9,655,845
	8.00	07-22-02	16,021,911
	8.38	05-21-01	6,777,950
	8.75	05-22-00	25,842,881
	7.38	01-03-05	8,809,828
	6.50	07-04-27	20,391,143
	6.50	10-14-05	6,462,299
	6.25	04-26-06	7,303,712
	6.00	07-04-07	6,453,227
	6.00	07-04-07	6,933,767
	6.13	05-20-99	27,304,886
	6.25	01-04-24	8,991,025
	6.50	07-15-03	3,143,911
	5.00	08-20-01	2,077,696
	5.75	08-22-00	4,011,524
	14.00	10-23-03	699,918
GREECE REPUBLIC OF	8.90	03-21-04	1,001,216
	8.90	03-21-04	10,012,160
	14.80	06-17-03	170,341
	8.80	06-19-07	7,304,632
	8.60	03-26-08	4,498,817
	5.75	03-31-08	1,765,116
	10.20	01-28-00	1,644,045
	3.67	05-01-35	1,246,537
HAUS LTD.	6.38	10-22-07	2,589,063
INTER-AMERICAN DEVELOPMENT BANK	10.25	04-11-02	343,485
INTERNATIONAL BANK RECON & DEVELOPMENT	7.50	12-01-01	4,000,000
ISRAEL GOVERNMENT OF	8.00	07-01-01	1,000,000
	7.50	01-31-03	2,000,000
	7.00	03-31-06	2,000,000
	7.50	06-30-04	5,000,000
	7.00	04-30-05	1,000,000
	9.50	02-01-06	3,604,383
	9.00	11-01-23	3,200,771
ITALY REPUBLIC OF	9.00	10-01-98	4,143,329
	9.00	10-01-03	12,164,139
	8.50	08-01-99	2,742,184
	7.25	11-01-26	3,272,748
	6.00	01-01-00	8,168,064
	10.50	07-15-00	2,583,996
	8.50	01-01-04	4,904,281
	4.50	06-20-03	10,892,594
	4.10	12-22-03	1,648,072
JAPAN GOVERNMENT OF	3.00	09-20-05	1,572,433
	8.88	04-15-08	591,953
	5.75	10-19-05	8,586,490
KOREA REPUBLIC OF	10.00	07-25-02	1,458,688
MALAYSIA FEDERAL REPUBLIC OF	11.50	09-20-00	3,812,859
MENDOZA PROVINCE	6.69	03-31-99	1,496,250
MONTREAL CITY OF	8.00	12-01-01	1,333,707
NACIONAL FINANCIER	7.00	02-01-00	1,265,125
NEW SOUTH WALES TREASURY	8.00	04-15-04	2,207,899
	8.00	04-15-04	1,959,448
	8.00	02-15-01	2,403,621
	8.00	02-15-01	2,333,699
	8.00	11-15-06	4,002,878
	8.00	11-15-06	16,125,882
	8.00	11-15-06	1,772,700
	8.00	11-15-06	1,081,989
	8.00	07-15-09	4,574,689
	7.00	02-15-00	7,961,889
	6.50	02-15-16	18,577,146
	4.50	02-15-16	1,711,309
	4.50	03-15-02	108,364
	10.00	03-15-02	22,817,778
	10.00	03-15-02	1,362,088
	10.00	10-27-24	4,572,480
	3.75	10-27-14	684,989
	4.00	10-27-24	4,304,679
POLAND GOVERNMENT OF	3.00	10-27-24	914,088
	6.94	10-27-24	403,889
	3.00	10-21-98	684,989
	N/A	09-23-98	25,302,000
	N/A	04-09-26	3,473,333
	6.62	10-21-01	
	5.75		

TRS
INVESTMENT LISTING

	Rate	Maturity	Market Value
QUEENSLAND TREASURY	8.00	08-14-01	3,982,543
	8.00	07-14-99	1,273,485
SINGAPORE COUNTRY OF	8.00	05-14-03	2,322,496
SCANDINAVIA COUNTRY OF	0.00	09-04-98	253,955
SOUTH AFRICA REPUBLIC OF	6.59	06-29-49	5,041,250
	13.00	08-31-10	1,345,722
	12.50	12-21-06	737,999
	12.00	02-28-05	488,837
SPAIN KINGDOM OF	7.90	02-28-02	3,492,220
	6.00	01-31-08	3,774,745
	8.40	04-30-01	4,553,498
	5.25	01-31-03	4,900,046
	10.00	02-28-05	3,722,695
	10.00	02-28-05	5,403,776
	8.00	08-15-07	1,992,115
	6.00	02-09-05	1,606,482
	6.50	10-25-06	4,913,927
	6.50	10-25-06	10,342,912
	13.00	06-15-01	896,667
	13.00	06-15-01	5,550,057
	10.25	05-05-03	4,354,475
	10.25	05-05-00	4,108,663
	10.25	05-05-00	4,468,344
	10.25	05-05-00	1,521,727
	7.38	12-02-02	4,211,479
	NA	12-07-05	7,056,937
	9.00	08-06-12	3,201,154
	8.00	06-10-03	26,072,951
	8.00	06-10-03	6,071,783
	8.00	12-07-00	6,881,785
	8.50	12-07-05	12,937,174
	8.50	12-07-05	6,592,799
	7.00	06-07-02	2,866,434
	7.25	12-07-07	10,016,435
	7.50	12-07-06	9,818,096
	6.75	11-26-04	24,219,778
	6.75	11-26-04	501,103
	6.50	11-26-04	4,665,444
	6.50	12-07-03	10,568,261
	9.50	10-25-04	17,397,314
			1,007,581,864
TOTAL FOREIGN GOVERNMENT OBLIGATIONS			
INTERNATIONAL CORPORATE OBLIGATIONS			
BANCO SANTIAGO	7.00	07-18-07	1,571,905
BG INSTRUMENTS	7.00	04-04-00	1,477,250
BRINSON COMGLD. NON-U.S. EX- JAPAN BOND FUND	N/A	N/A	
CABLE & WIRELESS COMMUNICATIONS	6.75	03-06-08	234,991,276
CALL NET ENTERPRISES INC.	6.63	03-06-05	1,006,090
CANADIAN IMPERIAL BANK	0.00	08-15-07	5,039,350
CANADIAN OCCIDENTAL PETROLEUM	6.20	08-01-00	1,057,500
COMCAST CABLE COMMUNICATIONS INC.	5.95	11-09-98	3,101,537
CORPORACION ANDINA DE FOMENTO	8.38	05-01-07	4,497,480
CREDIT LYONNAIS	7.38	07-21-00	3,690,555
DIAMOND CABLE COMMUNICATIONS	5.81	07-19-00	3,570,945
DOMINION RESOURCES	13.25	09-30-04	5,673,990
EMP NAC ELECTRICID	0.00	02-15-02	4,371,000
EMPRESA NACIONAL DE ELECTRICIDAD	8.13	06-06-07	765,900
ESPRITO SANTO CENTRAIS ELETRICAS	7.88	02-01-27	1,105,591
EXPRESS PIPELINE L.P.	7.75	07-15-08	1,101,453
FORSBERGSBANKN	10.00	07-15-07	785,504
FOR REGS QUINGLING	6.47	12-31-11	378,000
HAWAII WELLCOME	6.47	12-29-49	1,152,323
INDIA COA	3.50	01-22-02	4,516,313
ILLINOIS REPUBLIC	8.75	12-01-05	727,950
INVESTMENTS	9.25	01-15-04	1,586,641
INTERNATIONAL FINANCE CORP.	14.80	05-19-03	2,090,540
IRVING-CRANE	9.50	11-15-30	168,389
IRVING-CRANE	7.63	08-21-07	2,596,625
IRVING-CRANE	10.25	04-10-02	3,221,728
IRVING-CRANE	7.53	01-01-01	937,650
IRVING-CRANE	6.38	12-01-03	17,495,408
IRVING-CRANE	6.38	12-01-03	597,713
IRVING-CRANE			563,063

TRS
INVESTMENT LISTING

	Rate	Maturity	Market Value
KREDITANST FUR WIE	5.00	01-04-09	3,559,083
LIDLAW INC.	6.50	05-01-05	1,207,344
LEHMAN BROS. HOLDINGS FRANCE	6.32	07-03-01	10,030,500
MATSUSHITA ELECTRIC INDUSTRIES	5.88	11-06-00	7,021,700
METRONET COMMUNICATIONS CORP.	7.25	08-01-02	1,350,700
NAFIN FINANCE	NA	06-15-08	309,375
NEWSQUEST CAPITAL	8.23	03-31-99	2,284,275
NORDBANKEN AB	11.00	05-01-06	508,500
NORTHERN TRUST LONDON	6.44	10-29-49	1,999,000
OIL ENTERPRISES LTD.	5.38	09-23-98	7,500,000
OKABANK	5.38	09-23-98	8,600,000
PETRO GEO SERVICES	6.24	06-30-08	1,164,977
PETROLIAM NASIONAL BERHAD	7.11	10-29-49	2,015,000
PTPOLY INTERNATIONAL	6.22	09-29-49	3,342,078
ROGERS CABLESYSTEMS LTD.	7.50	03-31-07	1,596,060
ROGERS CANTEL	7.13	10-18-06	598,738
SKANDINAVISKA ENSKILDA BANKEN	9.38	07-30-07	37,400
SUNAMERICA INSTITUTION	10.13	09-01-12	1,250,625
SVENSKA HANDELSBKN	9.38	06-01-08	1,560,000
SWEDBANK	6.63	03-29-49	2,526,275
SWEDISH EXP. CREDIT	5.13	04-15-08	1,184,381
TELEWEST COMMUNICATIONS	7.13	03-29-49	5,137,500
TYCO INTERNATIONAL GROUP	7.72	10-29-49	3,026,100
UNION BANK NORWAY	6.50	06-05-01	1,977,298
YPF SOCIEDAD ANONIMA	NA	10-01-07	2,970,000
TOTAL INTERNATIONAL CORPORATE OBLIGATIONS	9.63	10-01-06	1,239,625
TOTAL INTERNATIONAL OBLIGATIONS	9.63	10-01-06	2,110,000
TOTAL BONDS, CORPORATE NOTES AND GOVERNMENT OBLIGATIONS	6.13	06-15-01	2,400,408
	6.13	06-15-01	2,001,640
	6.13	06-15-01	3,002,460
	6.13	06-15-01	4,628,793
	7.31	12-29-49	5,286,094
	7.75	08-27-07	2,006,660
			405,272,257
			1,412,854,121
			8,185,927,037

TRS
INVESTMENT LISTING

	Shares	Market Value
COMMON STOCK U.S.		
Aerospace		
AEROFLEX INC.	32,000	332,000
ALLIED SIGNAL INC.	130,500	5,790,938
BOEING CO.	6,600	294,113
EVANS & SUTHERLAND COMPUTER CORP.	96,600	2,433,113
LITTON INDUSTRIES INC.	22,000	1,298,000
LOCKHEED MARTIN CORP.	29,900	1,764,100
MARTIN MARIETTA MATERIALS INC.	19,300	2,043,388
NORTHROP GRUMMAN CORP.	7,300	772,888
OEI INC.	7,200	762,300
RAYTHEON CO.	37,000	3,917,375
SUNDSTRAND CORP.	64,800	2,916,000
TEXTRON INC.	53,900	5,558,438
UNITED TECHNOLOGIES CORP.	123,000	12,684,375
Transportation	82,500	1,320,000
AIRNET SYSTEMS INC.	127,700	7,358,713
AMR CORP.	21,300	1,227,413
ATLANTIC COAST AIRLINES INC.	60,000	3,457,500
CIRCLE INTERNATIONAL GROUP INC.	100,000	5,725,000
DELTA AIR LINES INC.	303,700	21,771,494
HUNT J.B. TRANSPORTATION SERVICES INC.	22,200	1,591,463
U.S. CARRIERS	24,500	1,756,344
MESABA HOLDING INC.	105,000	9,712,500
MIDWAY AIRLINES CORP.	14,600	1,350,500
UAL CORP.	69,500	6,428,750
Aluminum	31,200	2,886,000
ALUMAX INC.	38,300	617,588
ALUMINUM CO. OF AMERICA	25,200	2,097,900
BAK CORP.	31,000	2,580,750
REYNOLDS METALS CO.	67,200	5,594,400
Automotive Accessories	8,300	249,000
AVIN INDUSTRIES INC.	96,500	2,702,000
BOG WARNER AUTOMOTIVE INC.	9,000	1,163,250
BORGES & STRATTON CORP.	8,500	1,098,625
CHRYSLER CORP.	9,550	340,219
CHRYSLER FINANCIAL GROUP INC.	59,000	1,600,375
CHRYSLER GROUP HOLDINGS INC.	4,850	131,556
CHRYSLER PART CO.	19,950	458,850
CHRYSLER TOOL WORKS INC.	33,900	779,700
CHRYSLER GROUP HOLDINGS INC.	89,900	1,719,338
CHRYSLER GROUP HOLDINGS INC.	12,800	998,400
CHRYSLER GROUP HOLDINGS INC.	6,219	288,406
CHRYSLER GROUP HOLDINGS INC.	16,525	766,347
CHRYSLER GROUP HOLDINGS INC.	174,000	11,473,125
CHRYSLER GROUP HOLDINGS INC.	14,300	942,906
CHRYSLER GROUP HOLDINGS INC.	30,000	1,978,125
CHRYSLER GROUP HOLDINGS INC.	10,100	178,013
CHRYSLER GROUP HOLDINGS INC.	122,300	6,833,513
CHRYSLER GROUP HOLDINGS INC.	102,300	5,716,013
CHRYSLER GROUP HOLDINGS INC.	10,900	395,806
CHRYSLER GROUP HOLDINGS INC.	9,300	446,981
CHRYSLER GROUP HOLDINGS INC.	87,600	4,210,275
CHRYSLER GROUP HOLDINGS INC.	28,200	1,355,363
CHRYSLER GROUP HOLDINGS INC.	60,500	2,264,969
CHRYSLER GROUP HOLDINGS INC.	28,500	1,066,969
CHRYSLER GROUP HOLDINGS INC.	17,600	658,900
CHRYSLER GROUP HOLDINGS INC.	25,600	1,369,600
CHRYSLER GROUP HOLDINGS INC.	110,000	5,885,000
CHRYSLER GROUP HOLDINGS INC.	95,000	5,082,500
CHRYSLER GROUP HOLDINGS INC.	31,000	1,658,500
CHRYSLER GROUP HOLDINGS INC.	44,200	1,419,925
CHRYSLER GROUP HOLDINGS INC.	12,500	178,906
CHRYSLER GROUP HOLDINGS INC.	40,700	1,406,694
CHRYSLER GROUP HOLDINGS INC.	39,500	1,365,219
CHRYSLER GROUP HOLDINGS INC.	195,900	13,064,081
CHRYSLER GROUP HOLDINGS INC.	276,000	2,415,000
MOTIVEPOWER INDUSTRIES INC.		
SNAP-ON INC.	12,900	316,050
TBC CORP.	46,000	1,667,500
Automotive - Cars	180,100	1,193,163
CHRYSLER CORP.		
FORD MOTOR CO.	62,500	3,523,438
GENERAL MOTORS CORP.	62,200	3,506,525
GENERAL MOTORS CORP.	63,800	3,764,200
GENERAL MOTORS CORP.	128,200	7,563,800
GENERAL MOTORS CORP.	64,000	3,776,000
GENERAL MOTORS CORP.	342,500	20,207,500
GENERAL MOTORS CORP.	232,000	15,500,500
GENERAL MOTORS CORP.	17,800	1,189,263
GENERAL MOTORS CORP.	46,700	3,120,144
GENERAL MOTORS CORP.	123,900	8,278,069
GENERAL MOTORS CORP.	40,400	2,699,225
GENERAL MOTORS CORP.	74,500	1,788,000
GENERAL MOTORS CORP.	26,666	639,984
GENERAL MOTORS CORP.	4,500	76,500
GENERAL MOTORS CORP.	103,700	4,446,138
Banking		
BANC ONE CORP.	12,700	708,819
BANK OF NEW YORK INC.	43,000	2,399,938
BANKAMERICA CORP.	84,210	4,699,971
BANKAMERICA CORP.	103,800	5,793,338
BANKAMERICA CORP.	70,900	3,957,106
BANKAMERICA CORP.	58,000	3,237,125
BANKAMERICA CORP.	14,600	888,775
BANKAMERICA CORP.	5,500	475,750
BANKAMERICA CORP.	100,000	8,650,000
BANKAMERICA CORP.	39,100	3,382,150
BANKAMERICA CORP.	65,400	3,637,875
BANKAMERICA CORP.	93,200	5,184,250
BANKAMERICA CORP.	15,000	1,740,938
BANKAMERICA CORP.	52,900	6,139,706
BANKAMERICA CORP.	15,500	589,000
BANKAMERICA CORP.	48,200	3,639,100
BANKAMERICA CORP.	48,400	3,654,200
BANKAMERICA CORP.	98,000	7,399,000
BANKAMERICA CORP.	44,800	3,382,400
BANKAMERICA CORP.	407,200	30,743,600
BANKAMERICA CORP.	71,000	5,360,500
BANKAMERICA CORP.	264,000	19,932,000
BANKAMERICA CORP.	35,800	5,343,150
BANKAMERICA CORP.	25,000	3,731,250
BANKAMERICA CORP.	66,150	9,872,888
BANKAMERICA CORP.	25,100	3,746,175
BANKAMERICA CORP.	22,000	3,283,500
BANKAMERICA CORP.	24,700	3,686,475
BANKAMERICA CORP.	11,050	341,169
BANKAMERICA CORP.	37,800	989,888
BANKAMERICA CORP.	5,200	250,250
BANKAMERICA CORP.	11,000	974,875
BANKAMERICA CORP.	34,700	3,075,288
BANKAMERICA CORP.	23,700	2,100,413
BANKAMERICA CORP.	105,700	9,367,663
BANKAMERICA CORP.	21,000	498,750
BANKAMERICA CORP.	26,400	1,160,782
BANKAMERICA CORP.	60,000	3,495,000
BANKAMERICA CORP.	211,900	12,343,175
BANKAMERICA CORP.	88,200	5,137,650
BANKAMERICA CORP.	43,900	2,557,175
BANKAMERICA CORP.	44,200	1,687,888
BANKAMERICA CORP.	7,200	601,200
BANKAMERICA CORP.	67,700	5,652,950
BANKAMERICA CORP.	23,800	1,987,300
BANKAMERICA CORP.	74,000	1,484,625
BANKAMERICA CORP.	10,500	210,656
BANKAMERICA CORP.	35,300	1,264,181
BANKAMERICA CORP.	43,200	1,547,100
BANKAMERICA CORP.	9,750	349,172
BANKAMERICA CORP.	46,000	1,638,750
BANKAMERICA CORP.	73,400	4,459,050
MOTIVEPOWER INDUSTRIES INC.		
SNAP-ON INC.	12,900	316,050
TBC CORP.	46,000	1,667,500
Automotive - Cars	180,100	1,193,163
CHRYSLER CORP.		
FORD MOTOR CO.	62,500	3,523,438
GENERAL MOTORS CORP.	62,200	3,506,525
GENERAL MOTORS CORP.	63,800	3,764,200
GENERAL MOTORS CORP.	128,200	7,563,800
GENERAL MOTORS CORP.	64,000	3,776,000
GENERAL MOTORS CORP.	342,500	20,207,500
GENERAL MOTORS CORP.	232,000	15,500,500
GENERAL MOTORS CORP.	17,800	1,189,263
GENERAL MOTORS CORP.	46,700	3,120,144
GENERAL MOTORS CORP.	123,900	8,278,069
GENERAL MOTORS CORP.	40,400	2,699,225
GENERAL MOTORS CORP.	74,500	1,788,000
GENERAL MOTORS CORP.	26,666	639,984
GENERAL MOTORS CORP.	4,500	76,500
GENERAL MOTORS CORP.	103,700	4,446,138
Banking		
BANC ONE CORP.	12,700	708,819
BANK OF NEW YORK INC.	43,000	2,399,938
BANKAMERICA CORP.	84,210	4,699,971
BANKAMERICA CORP.	103,800	5,793,338
BANKAMERICA CORP.	70,900	3,957,106
BANKAMERICA CORP.	58,000	3,237,125
BANKAMERICA CORP.	14,600	888,775
BANKAMERICA CORP.	5,500	475,750
BANKAMERICA CORP.	100,000	8,650,000
BANKAMERICA CORP.	39,100	3,382,150
BANKAMERICA CORP.	65,400	3,637,875
BANKAMERICA CORP.	93,200	5,184,250
BANKAMERICA CORP.	15,000	1,740,938
BANKAMERICA CORP.	52,900	6,139,706
BANKAMERICA CORP.	15,500	589,000
BANKAMERICA CORP.	48,200	3,639,100
BANKAMERICA CORP.	48,400	3,654,200
BANKAMERICA CORP.	98,000	7,399,000
BANKAMERICA CORP.	44,800	3,382,400
BANKAMERICA CORP.	407,200	30,743,600
BANKAMERICA CORP.	71,000	5,360,500
BANKAMERICA CORP.	264,000	19,932,000
BANKAMERICA CORP.	35,800	5,343,150
BANKAMERICA CORP.	25,000	3,731,250
BANKAMERICA CORP.	66,150	9,872,888
BANKAMERICA CORP.	25,100	3,746,175
BANKAMERICA CORP.	22,000	3,283,500
BANKAMERICA CORP.	24,700	3,686,475
BANKAMERICA CORP.	11,050	341,169
BANKAMERICA CORP.	37,800	989,888
BANKAMERICA CORP.	5,200	250,250
BANKAMERICA CORP.	11,000	974,875
BANKAMERICA CORP.	34,700	3,075,288
BANKAMERICA CORP.	23,700	2,100,413
BANKAMERICA CORP.	105,700	9,367,663
BANKAMERICA CORP.	21,000	498,750
BANKAMERICA CORP.	26,400	1,160,782
BANKAMERICA CORP.	60,000	3,495,000
BANKAMERICA CORP.	211,900	12,343,175
BANKAMERICA CORP.	88,200	5,137,650
BANKAMERICA CORP.	43,900	2,557,175
BANKAMERICA CORP.	44,200	1,687,888
BANKAMERICA CORP.	7,200	601,200
BANKAMERICA CORP.	67,700	5,652,950
BANKAMERICA CORP.	23,800	1,987,300
BANKAMERICA CORP.	74,000	1,484,625
BANKAMERICA CORP.	10,500	210,656
BANKAMERICA CORP.	35,300	1,264,181
BANKAMERICA CORP.	43,200	1,547,100
BANKAMERICA CORP.	9,750	349,172
BANKAMERICA CORP.	46,000	1,638,750
BANKAMERICA CORP.	73,400	4,459,050

TRS
INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
FRED MEYER INC.	47,900	2,035,750	FIRST AMERICAN FINANCIAL CORP.	103,100	1,159,875
GOLF TRAINING OF AMERICA INC.	88,600	3,045,625	FPIC INSURANCE GROUP INC.	9,500	855,000
HUSSMANN INTERNATIONAL INC.	10,200	189,338	HARTFORD FINANCIAL SERVICES GROUP	6,300	211,838
M&F WORLDWIDE CORP.	124,800	1,240,200	HELEN TROY LTD.	31,100	3,557,063
MARRIOTT INTERNATIONAL INC.	58,400	1,890,700	INNKEEPERS U.S.A.	197,000	4,334,000
MCDONALD'S CORP.	7,700	531,300	INTERWEST BANCORP INC.	373,900	4,720,488
MEDIA ARTS GROUP INC.	156,700	10,812,300	LEHMAN BROTHERS HOLDINGS INC.	16,800	728,700
NEWELL CO.	11,600	223,300	M/A/R/C INC.	32,800	2,544,050
	228,000	11,357,250	MORGAN STANLEY DEAN WITTER & CO.	104,450	1,723,425
	62,400	3,108,300		120,000	10,965,000
	5,100	254,044		27,300	2,494,538
	32,700	1,628,869		83,600	1,463,000
	3,000	70,500	RELIANCE GROUP HOLDING INC.		
NORTHWEST PIPE CO.	126,900	4,005,281	Technology/Computer	29,000	1,230,688
OFFICE DEPOT INC.	15,500	638,406	ADOBE SYSTEMS INC.	10,000	149,375
PEPSICO INC.	146,900	6,050,444	ALPHA INDUSTRIES INC.	61,400	6,454,675
	597,800	24,621,888	AMERICA ON-LINE	7,500	135,469
PICCADILLY CAFETERIAS INC.	146,800	1,890,050	ANDREW CORP.	8,600	99,975
PROCTER & GAMBLE CO.	70,100	6,383,481	ANSOFT CORP.	120,000	3,540,000
	26,200	2,385,838	APPLIED MATERIALS INC.	10,000	295,000
	489,400	44,565,988	ASPECT DEVELOPMENT INC.	2,550	192,844
RARE HOSPITALITY INTERNATIONAL INC.	79,000	1,160,313	AUTODESK INC.	30,000	1,158,750
RUBBERMAID INC.	240,000	7,920,000	AVIATION SALES CO.	22,750	901,489
SANFILIPPO JOHN B. & SON	179,100	873,113	BANCTEC INC.	16,200	374,625
SEALED AIR CORP.	76,800	2,822,400	BANCTEC INC.	172,300	3,984,438
	152,347	5,598,752	BEI TECHNOLOGIES INC.	143,800	2,750,175
	117,340	1,642,760	BELL & HOWELL CO.	97,600	2,519,300
SENSORMATIC ELECTRIC CORP.	125,500	1,757,000	BELL MICROPRODUCTS INC.	78,700	627,160
	5,700	186,675	BENCHMARK ELECTRONICS INC.	13,100	262,000
SYLVAN LEARNING SYSTEMS INC.	10,000	155,000		125,300	2,506,000
TRISTAR AEROSPACE CO.	108,100	3,040,313	BLACK BOX CORP.	5,800	192,488
TUPPERWARE CORP.	182,000	5,118,750	BMC SOFTWARE INC.	204,000	10,595,250
	46,600	2,035,838		177,800	9,234,488
TWINLAB CORP.	7,100	310,181		37,000	883,375
				8,000	209,000
Energy	26,400	1,362,900	BROADVISION INC.	140,000	4,375,000
ASHLAND INC.	76,600	2,336,300	BUTLER INTERNATIONAL INC.	6,000	157,500
ATMOS ENERGY CORP.	8,600	166,625	CADENCE DESIGN SYSTEMS INC.	55,000	1,471,250
CEANIC CORP.	37,800	255,150	CAMBREX CORP.	12,400	1,141,575
COHO ENERGY INC.	27,500	1,402,500	CDI CORP.	212,250	6,964,528
COOPER CAMERON CORP.	61,400	3,131,400	CISCO SYSTEMS INC.	539,500	49,667,719
	14,150	305,994		21,999	624,222
CORE LAB	74,300	1,504,575	COMPAQ COMPUTER CORP.	410,300	11,642,263
ENRON OIL & GAS CO.	35,000	1,330,000	COMPUSA INC.	139,900	2,535,688
NOBLE AFFILIATES INC.	183,400	2,705,150		85,900	1,556,938
POOL ENERGY SERVICES CO.	6,800	100,300		205,300	3,721,063
	14,150	239,666		70,000	3,889,375
PRIDE INTERNATIONAL INC.	394,120	8,916,965	COMPUTER ASSOCIATES INTERNATIONAL INC.	11,700	598,163
R&B FALCON CORP.	77,400	1,751,175	COMPUWARE CORP.	3,000	155,625
	7,000	428,313	COMVERSE TECHNOLOGY INC.	6,250	292,969
SEACOR SMIT INC.	29,700	1,817,269	CSG SYSTEMS INTERNATIONAL INC.	96,100	1,435,494
	30,000	151,875	DATA GENERAL CORP.	35,200	671,000
SUPERIOR ENERGY SERVICES INC.	90,000	416,250	DATASTREAM SYSTEMS INC.	9,200	853,875
TEAM INC.	323,900	14,413,550	DELL COMPUTER CORP.	113,200	10,506,375
TRANSOCEAN OFFSHORE INC.	202,575	6,393,773		292,800	27,175,500
ULTRAMAR-DIAMOND SHAMROCK CORP.	160,200	3,023,775		153,800	8,305,200
VINTAGE PETROLEUM INC.	32,700	324,956		85,300	1,801,963
ZAPATA CORP.				105,900	4,745,644
				6,700	278,888
				221,000	1,844,024
				125	617
				200	525
				29,400	848,825
				347,170	11,478,308
				307,300	14,289,450
				37,900	1,762,380
				170,200	5,999,550
				32,900	1,316,000
				100,000	5,987,500
				31,294	1,673,728
				52,600	3,149,403
				19,700	1,179,538
Financial Services	5,900	416,319	ELECTRIC ARTS		
ALBANK FINANCIAL CORP.	151,200	4,413,150	ELECTRIC FOR IMAGING INC.		
AMERIN CORP.	117,800	3,813,775	EMC CORP.		
AMERUS LIFE HOLDINGS INC.	58,190	2,298,505	ENERGY EAST CORP.		
APARTMENT INVESTMENT & MANAGEMENT CO.	11,100	172,050	EXABYTE CORP.		
BILLING CONCEPTS	106,600	5,143,450	EXIGENT INTERNATIONAL INC.		
CASE CORP.	12,000	579,000			
	23,200	1,119,400	FILENET CORP.		
	14,400	178,200	GENESYS TELECOMMUNICATIONS LABORT. INC.		
CENTRIS GROUP INC.	45,200	1,695,000	GULFSTREAM AEROSPACE CORP.		
CIT GROUP INC.	22,500	551,250			
COASTAL BANCORP INC.	16,500	1,006,500	HBO & CO.		
ENERGY ANIMATION INC.	103,800	2,659,875	HEARST ARGYLE T.V. INC.		
FBL FINANCIAL GROUP INC.	30,400	342,000	HEWLETT-PACKARD CO.		
FIDELITY NATIONAL CORP.					

TRS
INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
HONEYWELL INC.	280,000	16,765,000	TICE TECHNOLOGIES INC.		
	119,400	7,149,075		125	250
	100,000	8,356,250	TIMBERLINE SOFTWARE CORP.	400	100
	8,100	676,856	TRIDENT MIRCOSYSTEMS INC.	34,700	817,619
	13,000	1,086,313	TRIMBLE LTD.	34,100	181,156
	48,700	4,069,494	UNISYS CORP.	34,700	817,619
	2,700	73,575	VANSTAR CORP.	61,000	987,438
	146,300	292,600	VISIO CORP.	56,400	1,593,300
	174,100	11,534,125	WANG LABS INC.	43,900	650,269
	7,500	103,830		19,100	912,025
	524,300	38,863,738		121,700	3,095,744
	18,500	1,371,313	Utilities Other		
	100,000	7,412,500	AMERICAN WEST HOLDING CORP.		
	32,300	2,394,238	BEI ELECTRONICS INC.		
	71,950	8,260,759	DPL CO.	18,100	516,981
	24,000	2,755,500	ENERGY CORP.	145,300	581,200
	28,700	3,295,119	ENERGY CORP.	33,800	612,625
	51,300	5,889,881		80,400	2,311,500
	42,300	4,856,569		35,800	1,029,250
	210,100	7,905,013	Motor Carriers		
	210,300	1,123,843	COVENANT TRANS. INC.		
	63,000	1,204,875	KLLM TRANSPORTATION SERVICES INC.	12,850	250,575
	115,700	2,212,763	LANDSTAR SYSTEMS INC.	100,300	1,191,063
	112,600	4,391,400	U.S. XPRESS ENTERPRISES INC.	109,600	3,829,150
	23,700	924,300	WERNER ENTERPRISES INC.	7,150	119,763
	39,200	2,364,250	WISCONSIN CENTRAL TRANSPORTATION CORP.	39,500	752,969
	355,300	29,556,519		357,300	7,815,938
	20,700	1,721,981	Non-Ferrous Metals		
	96,000	7,986,000	COMMONWEALTH INDUSTRIES INC.		
	70,200	688,838		203,400	2,034,000
	29,400	323,400	LINDBERG CORP.	7,500	75,000
	22,400	618,800	PHELPS DODGE CORP.	14,300	278,850
	205,000	22,216,875		35,000	2,001,563
	59,900	6,491,663	WYMAN-GORDON CO.	43,500	2,487,656
	142,400	15,432,600		90,100	1,796,369
	578,600	62,705,775	Oil Services		
	7,900	812,713	BAKER HUGHES INC.		
	205,700	10,812,106		54,200	1,873,288
	104,000	2,496,000	CALLON PETROCHEMICAL CO.	100,000	3,456,250
	52,500	1,706,250	COASTAL CORP.	76,200	1,090,613
	134,700	4,377,750	DEVON ENERGY CORP.	44,000	3,071,750
	148,900	4,066,831	GLOBAL INDUSTRIES LTD.	124,200	4,339,238
	9,400	335,463	HELMERICH & PAYNE INC.	11,950	201,656
	74,000	1,415,250	MCDERMOTT INTERNATIONAL INC.	114,400	2,566,850
	8,850	169,256	SANTA FE ENERGY RESOURCES INC.	11,900	267,006
	300,000	7,368,750	SCHLUMBERGER LTD.	82,600	2,844,538
	64,500	1,584,281		79,579	855,474
	285,000	7,730,625		105,000	7,172,813
	341,300	9,257,763		41,000	2,800,813
	21,200	996,400		26,800	1,830,775
	8,450	144,178		78,200	5,342,038
	10,500	286,781		55,000	1,815,000
	4,000	224,750		77,100	1,522,725
	68,400	1,419,300		12,400	412,300
	59,400	1,232,550		24,450	1,220,972
	61,900	1,284,425	Paper		
	33,200	713,800	CHAMPION INTERNATIONAL CORP.		
	127,300	2,609,650	CONS PAPERS INC.	14,100	693,544
	11,450	176,044		9,000	245,250
	650,700	31,558,950		41,400	1,128,150
	29,800	549,438		77,300	3,449,513
	80,900	2,047,781		128,600	5,738,775
	37,600	1,633,250		54,900	2,449,913
	42,800	1,859,125		70,000	4,125,625
	16,600	448,200		11,300	665,994
	34,300	1,470,613		222,000	9,546,000
	7,500	150,000		32,400	1,393,200
	56,400	1,660,275		38,300	1,646,900
	47,900	3,430,838		26,300	1,130,900
	16,900	985,481		39,600	1,257,300
	35,500	2,070,094		51,050	641,316
	8,200	478,163		7,700	232,925
	282,200	8,660,013		28,500	1,535,438
	70,000	2,148,125		23,300	1,255,288
				100,000	1,200,925
				24,200	4,962,500
				45,300	1,279,725



INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
WEYERHAEUSER CO.	187,000	8,637,063	UNION PACIFIC CORP.	200,000	5,962,500
WILLAMETTE INDUSTRIES INC.	84,800	2,713,600		31,100	1,368,400
	35,700	1,142,400		100,500	1,765,031
				65,250	2,251,125
Petroleum					
ABRAXAS PETROLEUM CORP.	29,000	264,625	Real Estate	2,700	103,950
AMOCO CORP.	60,200	2,513,350	CENTEX CONSTRUCTION PRODUCTS INC.	33,500	724,438
	36,100	1,507,175	ESG RE LTD.	2,500	31,875
	141,900	5,924,325	MAC GRAY CORP.	8,600	102,125
	28,400	1,185,700	PENTACON INC.	50,000	1,625,000
	34,900	2,726,563	SIMON DEBARTOLO GROUP	49,700	1,615,250
ATLANTIC RICHFIELD CO.	120,400	9,406,250			
	15,100	1,179,688	Rubber	70,800	3,513,450
	44,000	3,437,500	GOODRICH B.F. CO.	25,600	1,270,400
BURL RESOURCES INC.	102,700	4,422,519		22,700	1,462,731
	31,500	1,356,469	GOODYEAR TIRE & RUBBER CO.	55,000	3,544,063
CHEVRON CORP.	35,300	2,956,375			
	9,600	804,000			
	36,300	3,040,125	Service Industries	7,050	167,438
	34,900	2,922,875	ABR INFORMATION SERVICES INC.	5,600	175,000
	68,300	5,720,125	ACCUSTAFF INC.	307,400	9,606,250
DRESSER INDUSTRIES INC.	48,800	2,150,250		14,200	559,125
EXXON CORP.	173,700	12,397,838	AHL SERVICES INC.	27,000	648,000
	48,100	3,433,138	ALLIED WASTE INDUSTRIES INC.	307,300	5,300,925
	47,700	3,404,588	ASSISTED LIVING CONCEPTS INC.	7,100	122,475
	55,900	3,989,863		275,000	20,040,625
	18,000	1,284,750	AUTO DATA PROCESSING INC.	359,600	26,205,850
KERR-MCGEE CORP.	50,000	2,893,750		40,900	406,444
MOBIL CORP.	23,100	1,770,038	AUTOMOBILE PROTON CORP.	41,900	1,765,038
	86,200	6,605,075	BLOCK H&R INC.	11,050	283,156
	39,300	3,011,363	BROOKDALE LIVING COMMUNITIES INC.	48,400	1,545,775
	43,700	3,348,513	BUDGET GROUP INC.	4,950	138,600
OCCIDENTAL PETROLEUM CORP.	66,400	1,792,800	CAREY INTERNATIONAL INC.	1,055,000	21,627,500
	464,000	12,528,000	CENDANT CORP.	5,300	96,063
PHILLIPS PETROCHEMICAL CO.	260,100	12,533,569	CENTENNIAL HEALTHCARE CORP.	50,200	2,949,250
	57,200	2,756,325	CERIDIAN CORP.	26,000	988,000
	25,900	1,248,056	CIBER INC.	92,800	185,600
	50,000	2,409,375	CLEAN HBR INC.	33,500	2,110,500
SUN COMPANY INC.	36,200	1,405,013	COGNIZANT CORP.	25,345	801,536
	33,800	1,311,863	COM. FEDERAL CORP.	223,700	8,053,200
TEXACO INC.	65,500	3,909,531	DUN & BRADSTREET	125,800	2,390,200
	52,700	3,145,531	ELECTROMAGNETIC SCIENCE INC.	500,308	16,666,510
TOSCO CORP.	88,800	4,393,675	FIRST DATA CORP.	190,100	6,332,706
UNOCAL CORP.	122,900	4,393,675		57,300	1,908,806
	72,100	2,577,575		181,000	6,029,563
USX - MARATHON GROUP	169,000	5,798,813		169,100	5,633,144
	53,000	1,818,563		10,250	271,625
	80,100	2,748,431	FORE SYSTEMS INC.	90,100	1,205,088
			FRITZ INC.	54,500	647,188
Printing/Publishing	199,200	4,083,600	HEADWAY CORP.	39,700	694,750
AMERICAN BUSINESS PRODUCTS INC.	149,550	4,617,356	HEALTHPLAN SERVICES CORP.	157,400	2,292,138
BANTA CORP.	46,100	2,178,225	IKON OFFICE SOLUTIONS INC.	164,200	4,946,525
BOWATER INC.	115,300	5,188,500	IMC GLOBAL INC.	134,800	5,055,000
BOWNE & CO. INC.	9,350	226,738	INTEGRATED HEALTH SERVICES INC.	10,600	397,500
CADMUS COMMUNICATIONS CORP.	120,200	2,914,850		170,000	10,316,875
	53,900	3,004,925	INTERPUBLIC GROUP COMPANIES INC.	4,500	273,094
DOW JONES & CO. INC.	25,800	559,538		27,900	603,338
MAIL-WELL INC.	4,000	65,500	KTI INC.	40,950	1,236,178
PLAYBOY ENTERPRISES INC.	33,200	589,300	LABOR READY INC.	28,100	2,290,150
	57,400	2,009,000	MCGRAW-HILL COMPANIES INC.	15,700	1,279,550
				9,950	103,231
				29,600	1,300,552
Railroads	12,800	1,256,800	MECON INC.	22,899	1,074,822
BURLINGTON NORTHERN SANTA FE CORP.	32,500	3,191,094	MEDIAONE GROUP INC.	6,675	147,684
	85,400	8,385,213	MEREDITH CORP.	589,300	21,583,113
	50,700	4,978,106	META GROUP INC.	31,700	2,512,225
	18,300	1,796,831	METZLER GROUP INC.	15,500	1,228,375
CSX CORP.	60,972	2,774,226	NEW YORK TIMES CO.	43,750	776,563
	75,000	3,412,500	OFFSHORE LOGISTICS	380,000	18,552,500
	30,700	1,396,850	OMNICOM GROUP INC.	25,462	712,936
KAN CITY INDUSTRIES INC.	271,500	13,473,188	OUTDOOR SYSTEMS INC.	228,000	9,276,750
NORFOLK SOUTHERN CORP.	46,700	1,392,244	PAYCHEX INC.		
	35,500	1,058,344			



INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
PMT SERVICES INC.	15,450	393,009	COACHMEN INC.	550,000	21,793,750
PRINCETON VIDEO IMAGE INC.	15,000	69,375	HARRAH'S ENTERTAINMENT INC.	210,200	5,491,475
QUIXOTE CORP.	151,600	1,857,100	HOST MARRIOTT CORP.	56,300	1,308,975
RENT-WAY INC.	32,900	1,003,450	N2K INC.	424,500	7,561,406
REP SERVICES INC.	107,700	2,584,800	PREMIER PACKAGES INC.	51,300	1,006,763
ROMAC INTERNATIONAL INC.	9,761	296,490	PRIME HOSPITALITY CORP.	112,600	7,501,975
RYDER SYSTEMS INC.	122,000	3,850,625		13,200	230,175
SCB COMPUTER TECHNOLOGY INC.	20,100	221,100	RFS HOTEL INVESTMENTS INC.	69,100	1,204,931
SHOLIDGE INC.	183,000	1,441,125	SCP POOL CORP.	324,400	6,163,600
SNYDER COMMUNICATIONS INC.	973,500	42,834,000	SCRIPPS E.W. INC.	7,900	193,550
SOS STAFFING SERVICES INC.	103,400	1,815,963	SUNBURN LODGES AMERICA INC.	16,500	904,406
STAFFMARK INC.	6,550	239,894	TRAVEL SERVICES INTERNATIONAL INC.	10,950	165,619
SUPERIOR SERVICES INC.	9,500	285,594	WALT DISNEY CO.	6,050	198,894
	5,750	172,859		17,400	1,828,088
TECH SOLUTIONS CO.	6,500	205,969	Utilities-Electric	278,600	29,270,413
U.S. FREIGHTWAYS CORP.	10,400	341,578	ALLEGHENY ENERGY INC.	59,573	6,258,888
U.S.A. WASTE SERVICES INC.	167,900	8,290,063	AMERICAN ELECTRIC POWER CO. INC.	7,200	756,450
WACKENHUT CORP.	7,200	168,300			
WORLD ACCESS INC.	7,550	226,500	CALENERGY INC.	30,200	909,775
YORK GROUP INC.	68,900	1,309,100	CALPINE CORP.	13,600	617,100
			CAROLINA POWER & LIGHT CO.	32,000	1,452,000
Steel			CENT & S.W. CORP.	23,400	1,061,775
CARPENTER TECHNOLOGY CORP.	31,300	1,572,825	CILCORP INC.	40,300	1,211,519
CHICAGO BRIDGE & IRON CO.	73,000	1,131,500	CINERGY CORP.	165,700	3,345,069
CITATION CORP.	2,060	41,200	CMS ENERGY CORP.	22,400	971,600
HARSCO CORP.	100,000	4,581,250	CONN ENERGY CORP.	25,000	671,875
NUCOR CORP.	26,000	1,196,000	CONSOLIDATED EDISON INC.	14,400	691,200
	24,900	1,145,400	DQE INC.	16,200	567,000
RELIANCE STEEL & ALUMINUM CO.	63,200	2,441,100	EDISON INTERNATIONAL	238,200	10,480,800
USX-U.S. STEEL GROUP	70,900	2,339,700	DUKE ENERGY CORP.	155,800	4,342,925
	19,200	633,600		14,100	649,481
	273,300	9,018,900		18,700	673,200
				16,900	1,001,325
Textiles				15,600	924,300
ALBANY INTERNATIONAL CORP.	118,289	2,831,472		30,100	889,831
CROWN CRAFTS INC.	126,600	1,946,475		160,300	4,738,869
GALEY & LORD INC.	8,600	127,925		170,000	5,025,625
GUILFORD MILLS INC.	25,170	503,400		49,500	1,522,125
HAGGAR CORP.	134,800	1,718,700		16,900	695,013
INTERFACE INC.	48,900	987,169		115,100	7,251,300
NORTEK INC.	26,407	812,015		27,000	1,020,938
NORTON MCNAUGHTON INC.	122,300	794,950		38,900	1,470,906
PILLOWTEX CORP.	3,450	138,431		37,800	1,164,713
QUAKER FABRIC CORP.	22,500	324,844		86,400	3,267,000
RUSSELL CORP.	26,000	784,875		37,800	1,164,713
	174,000	5,252,625		445,000	13,350,000
TOMMY HILFIGER	38,400	2,400,000		62,300	1,869,000
VE CORP.	11,800	610,650		17,000	755,438
	29,200	1,511,100		114,000	1,702,875
				61,600	1,724,800
Alcohol/Tobacco				45,800	1,282,400
BECK'S-BUSCH COMPANIES INC.	18,500	872,969		39,100	884,638
	44,100	2,080,969		203,700	4,608,713
	117,000	5,520,938		120,000	3,502,500
COORS ADOLPH CO.	34,400	1,623,250		275,000	6,239,063
PHILIP MORRIS COMPANIES INC.	11,500	391,000		9,100	206,456
	155,700	6,130,688		141,700	4,879,794
	41,400	1,630,125		144,000	4,959,000
	40,400	1,590,750		26,600	916,038
	218,000	8,583,750		156,500	4,665,656
	107,400	4,228,875		123,700	4,491,856
	27,100	1,067,063		46,600	1,290,238
	339,700	13,375,688		99,700	4,150,013
	690,600	27,192,375		24,100	1,003,163
	43,300	1,028,375		89,000	3,704,625
	124,000	2,945,000		25,400	890,588
	45,000	360,000		37,500	1,314,844
				44,200	1,549,763
Food, Hotel, Motel					
AMERICAN COIN MERCHANDISING INC.	46,100	910,475	Utilities-Natural Gas		
BEHNT ENTERTAINMENT GROUP INC.	94,500	1,051,313	CONSOLIDATED NATURAL GAS CO.	12,300	724,163
GALLWAY GOLF CO.	82,700	1,628,156	EL PASO NATURAL GAS CO.	100,000	3,825,000
HAWAIIAN CORP.	374,000	14,819,750	ENRON CORP.	61,000	3,297,813
	90,400	3,582,100	PEOPLES ENERGY CORP.	33,500	1,293,938



INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
URALITA	164,300	2,344,996		590	376,530
				880	561,603
Sweeden	98,400	1,505,323	Taiwan		
AGA	144,533	2,954,128	ADR TAIWAN SEMICONDUCTOR	108,750	1,835,156
ASTRA	190,000	3,883,434	MANUFAC CO. LTD.	34,000	1,054,000
	175,800	3,593,199	ASE TEST LTD.		
ELECTROLUX	215,000	3,693,463	FOR. & COL. EMERGING MKTS.	175,000	2,038,750
	95,825	1,646,168	TAIWAN INVEST. CO.	122,000	823,500
	206,500	3,547,443	TAIWAN FUND CLOSED END		
	83,200	2,430,827			
ERICSSON	140,000	4,090,333	Thailand	112,100	137,806
	60,800	1,410,425	BANGKOK BANK	152,700	187,716
ESSELTE	40,500	1,218,824		35,000	57,092
FORENINGSSPARBK	37,500	1,128,541	BANPU CO.	88,000	143,546
	85,000	1,556,132		95,799	22,648
GAMBRO	13,500	861,641	LAND & HOUSES	361,473	85,455
HENNES & MAURITZ	30,000	1,751,119		459,000	132,926
INVESTOR AB	3,750	23,511	TELECOMASIA	958,900	277,696
MANDAMUS FASTIGHET	49,900	1,426,626		350,000	308,215
MO OCH DOMSJO	323,900	2,375,973	THAI FARMERS BANK	39,000	44,255
NORDBANKEN HOLDINGW	60,000	1,455,818	TIPCO ASPHALT	29,000	32,908
SCANIA	120,000	2,053,944			
SKAND ENSKILDA BANK	374,300	5,350,562	Turkey	67,300	277,613
SKANDIA FORSAKRING	106,300	1,932,752	TURKIYE BANK	3,600	0
SKF	80,300	1,263,671	TURKIYE BANK RIGHTS		
STORA KOPPARBERGS	80,000	2,382,475			
VOLVO			United Kingdom	158,000	1,616,011
Switzerland	2,477	3,658,017	31 GROUP	69,712	1,238,751
ABB	408	602,532	ABBAY NATIONAL	178,100	3,164,756
	220	324,895	ABBAY NATIONAL	60,000	1,211,220
	150	221,519	ADR BAT INDUSTRIES	22,200	1,959,150
	1,290	1,905,063	ADR BRITISH PETROLEUM	112,900	1,333,631
	11,300	5,095,728	ADR DANKA BUSINESS SYSTEMS	154,300	1,822,669
ADECCO	1,350	1,877,967		29,000	572,750
ARES-SERONO	26,271	3,373,073	ADR DENISON INTERNATIONAL	59,700	2,082,038
CIBA SPEZIALITATEN	6,068	3,996,527	ADR DR. SOLOMON'S GROUP	16,000	956,992
CLARIANT	3,629	807,481	ADR GLAXO WELLCOME	10,400	670,800
CREDIT SUISSE GROUP	20,000	4,450,158	ADR IMPERIAL CHEMICALS	7,950	234,525
	20,531	4,568,310	ADR SELECT APPOINTMENTS HOLDINGS	24,000	1,452,000
	3,000	1,526,899	ADR SMITHKLINE BEECHAM	9,600	421,200
FORBO HOLDINGS	2,237	2,846,394	ADR ZENECA GROUP	238,600	2,080,096
HOLDERBK FN GLARUS	1,500	4,692,445	ALLIANCE UNICHEM	185,717	1,744,564
JULIUS BAER HOLDINGS	1,130	2,418,236	ALLIED DOMECQ	960,000	9,057,964
NESTLE	1,200	2,568,038	ASSOCIATED BRITISH FOODS	281,000	3,145,977
	847	1,812,607	BANK OF SCOTLAND	124,100	3,578,016
	320	684,810	BARCLAYS	42,000	1,210,932
	520	1,112,816		583,035	10,929,353
	1,607	3,439,031	BASS	199,109	1,993,283
	965	1,607,061	BAT INDUSTRIES	303,000	3,033,337
NOVARTIS	2,368	3,940,422		163,500	1,636,800
	1,013	1,685,662	BG	1,454,117	8,406,773
	3,712	6,176,878	BILLITON	506,400	1,026,589
	690	1,148,180	BLUE CIRCLE INDUSTRIES	1,295,292	7,315,653
	400	665,612	BOC GROUP	119,521	1,628,273
	1,920	3,194,937		80,782	1,100,519
	1,325	2,204,839		176,941	2,410,524
	182	1,787,243		135,000	1,839,148
ROCHE HOLDINGS GENUSSCHEINE	80	785,601		128,000	1,743,785
	485	4,762,708		76,196	1,262,432
	120	1,178,402	BOOTS CO.	113,176	1,875,125
	732	1,851,234		791,200	13,108,780
SCHWEIZ-RUCKVERSIC	486	1,229,098	BRITISH-BORNEO PETROLEUM	276,000	1,374,612
	1,121	1,900,113	BRITISH PETROLEUM CO.	155,000	2,260,320
SGS HOLDINGS	980	1,661,116		82,535	1,203,584
	1,800	1,465,585		138,360	2,017,663
SIG SCHW IND HG	2,230	1,759,830		201	2,931
SULZER	3,000	2,367,484		279,700	3,453,432
	4,640	3,927,848	BRITISH TELECOM	1,222,812	3,488,852
SWISS LIFE	13,700	1,298,375	BTR	404,787	1,154,913
TAG HEUER	15,650	5,819,225		499,300	5,052,649
UBS	6,526	2,426,655	CABLE & WIRELESS	68,000	825,975
ZURICH VERISCHERUN	6,500	4,148,207			



INVESTMENT LISTING

	Shares	Market Value		Shares	Market Value
CADBURY SCHWEPPE	162,088	2,508,370			
CARADON	507,500	1,574,982			
CARLTON COMMUNICATIONS	399,200	3,563,453	STAGECOACH HOLDINGS	283,230	3,456,848
CENTRICA	836,000	1,408,816	STOREHOUSE	145,519	3,098,112
CGU	110,000	2,051,924		510,000	2,135,849
COATS VIYELLA	606,200	748,470	TAYLOR WOODROW	710,400	2,975,113
COMPUTACENTER	174,800	2,184,490	TESCO	1,895,000	6,355,241
COOKSON GROUP	447,695	1,538,779		235,000	2,293,773
ELECTROCOMPONENTS	468,000	3,767,644	THOMSON TRAVEL GROUP	188,874	1,843,549
ELEMENTIS	267,360	686,980	TI GROUP	71,200	219,775
EMI GROUP	359,228	3,140,713	TOMKINS	135,000	1,024,877
	97,200	849,815		252,800	1,371,896
FILTRONIC	219,500	1,470,438		338,722	1,838,178
FIRSTGROUP	211,900	1,449,578	UNILEVER	220,458	1,196,382
GALLAHER GROUP	282,900	1,563,564		372,052	2,019,053
GENERAL ELECTRIC CO.	459,000	3,955,576	UTD UTILITIES	73,000	777,088
GKN ORD	283,400	3,614,965		109,000	1,160,310
GLAXO WELLCOME	867,200	11,061,741	VICKERS	144,704	2,104,140
	64,000	1,921,046		86,769	1,261,708
GRANADA GROUP	262,365	7,875,240	VODAFONE GROUP	242,200	889,045
GREAT UNIV. STORES	42,000	1,260,687	WIMPEY GEORGE	372,100	1,365,869
GREENALLS GROUP	344,141	10,329,857	WPP GROUP	102,000	1,294,274
	166,681	3,064,746		574,100	1,115,938
HANSON	789,000	10,399,940	ZENECA GROUP	461,000	3,020,952
HILLSDOWN HOLDINGS	98,000	851,904		760,700	4,984,899
HYDER	146,000	1,269,163		100,000	4,291,387
IMPERIAL CHEMICAL INDUSTRIES	208,750	1,268,682	Venezuela	54,944	2,357,860
JARVIS	579,506	1,566,389	ADR ANONIMA NACIONAL	72,400	3,106,964
KINGFISHER	87,400	1,372,233	TELEFON. DE VENEZUELA		
LLOYD'S TSB GROUP	113,356	1,819,476	TOTAL INTERNATIONAL COMMON STOCK	36,900	922,500
LUCAS VARITY	134,300	2,155,648		201,628,195	2,104,340,857
MARKS & SPENCER	230,000	2,657,507			
MEDEVA	146,800	2,363,633	PREFERRED STOCK INTERNATIONAL		
MIRROR GROUP	150,000	2,098,558	ADR ARACRUZ CELULOSE	63,000	720,531
MISYS	325,000	1,290,586	ADR NEWS CORP.	240,500	6,794,125
MONUMENT OIL & GAS	130,600	1,188,679	ADR OIL CO. LUKOIL	72,000	522,000
NATWEST	194,114	1,766,763	ADR TELECOMMUNICACOES BRASILEIRAS	12,300	1,343,000
NORWICH UNION	364,503	1,039,978	ADR USINAS SIDERURGICAS DE MINAS GERAIS	92,100	448,988
NYCOMED AMERSHAM	164,400	619,922	BALLAST NEDAM	27,000	1,197,227
ORANGE	35,000	1,986,393	BANCO ITAU	2,492,800	1,422,487
PATERSON ZOCHONIS	1,753,875	1,715,423	BANK AUSTRIA	34,104	1,768
POWERGEN	115,600	2,065,732	BAYER MOTOREN WERK	34,104	2,768,818
RAILTRACK GROUP	100,040	1,787,680	BDNI BANK DAGANG NAS	82	2,349
RECKITT & COLMAN	205,000	1,487,887	CENTRAIS GERADORAS	801,250	541
RENTOKIL INITIAL	122,000	885,474	DAIMLER-BENZ	31,125,000	44,941
REUTERS GROUP	191,175	1,420,079	DYCKERHOFF	31,265	34,643
REXAM	200,000	2,118,998	ELETROBRAS	2,880	1,124,875
RIO TINTO	132,500	1,403,836	FIAT	44,170,000	1,328,995
ROYAL & SUN ALLIANCE	362,527	3,840,969	FIRST FINANCIAL ITALY	465,000	1,157,562
SCOT HYDRO-ELECTRIC	300,000	2,032,235	HENKEL KGAA	502,700	14,423
SEMA GROUP	114,910	1,587,504	INTERNATIONAL CAYMAN TRUST	42,800	4,232,576
SHELL TRANSPORTATION & TRADING	234,450	3,238,973	MARSCHOLLEK LAUTEN	140,000,000	930,576
SEBE	62,000	1,519,638	METRO	7,000	3,412,742
SMITH & NEPHEW	91,000	1,736,977	MOBIL	27,155	1,053
SMITHKLINE BEECHAM	608,600	4,376,591	PETROL BRASILEIROS	34,000	1,319
	164,400	1,885,824		15,900	83,684
	111,800	1,282,452		95,600	1,768,600
	216,493	2,483,381		100,000	1,850,000
	200,000	2,294,190	SANWA INTERNATIONAL FINA UNITS	6,460,000	1,200,847
	362,900	1,589,436	SAP	129,000,000	945,761
	226,028	2,545,615	TELEBRAS	4,100	2,782,548
	112,000	1,261,388	TELESP-TEL SAO PAULO	6,250	4,241,690
	455,000	5,124,387	USINAS SID MINAS	22,300,000	2,425,506
	67,000	692,537	TOTAL PREFERRED STOCK INTERNATIONAL	1,051	5,361
	118,000	1,048,403	TOTAL U.S. AND INTERNATIONAL EQUITY	386,350,941	44,712,315
	178,000	1,581,490	SHORT TERM INVESTMENTS		
	408,000	4,826,509	ACCRUED INTEREST & DIVIDENDS		
	200,000	2,365,936	AMERICAN EXPRESS CREDIT CORP.	N/A	234,214,755
	438,000	3,083,992		2,500,000	2,508,454
	289,600	2,039,096			
	85,000	1,697,617			
	476,000	1,187,339			
	320,000	798,211			
	396,190	4,835,536			



INVESTMENT LISTING

	Shares	Market Value
BANKERS TRUST CO.	45,000,000	45,000,000
BRH BANKING & TRUST CO.	10,000,000	10,000,000
BRINSON CO. U.S. CASH MANAGEMENT FUND	N/A	78
BURLINGTON NORTHERN SANTA FE CORP.	10,000,000	9,998,111
CHARTA CORP.	2,455,000	2,449,647
CIESCO L.P.	2,265,000	2,260,061
CITIBANK	N/A	193,429
CORPORATE RECEIVABLES CORP.	2,030,000	2,023,367
EDISON FUNDING CO.	10,000,000	9,951,843
ENRON OIL & GAS CO.	5,900,000	5,898,894
	6,000,000	5,998,127
	7,500,000	7,483,646
GATX CAPITAL CORP.	5,000,000	4,998,440
	9,000,000	9,051,349
GENERAL ELECTRIC CAPITAL CORP.	N/A	924,873,213
ILLINOIS TEACHERS CUSTOM CASH FUND		
MONEY MARKET OBLIG.	1	1
PRIME INSTITUT. SHARES	7,500,000	7,488,311
OCCIDENTAL PETROLEUM CORP.	10,000,000	9,989,085
RAYTHEON CO.	10,000,000	9,998,439
	5,000,000	4,995,321
TEXAS UTILITIES CO.	5,000,000	4,988,320
U.S. WEST CAPITAL FUNDING INC.	N/A	789,148
VARIOUS OPTION CONTRACTS		
TOTAL SHORT TERM INVESTMENTS		1,315,152,039

Market Value

REAL ESTATE

	Market Value
Closed-End Funds	
BEAR STEARNS REALTY PARTNERSHIP	123,257,543
JMB GROUP TRUST III	38,106,674
DLJ REAL ESTATE	26,528,141
RREEF REAL ESTATE FUND L.P.	11,046,049
Total Closed-End Funds	198,938,407

	Market Value
Property Listing	
1015 18TH ST	13,200,000
1090 GEMINI ROAD	1,925,000
1500 LOCUST	68,500,000
1670 FRONTENAC	3,600,000
1674 FRONTENAC	3,600,000
1700 DOWNS DRIVE	5,050,000
230 GERRY DRIVE	3,210,000
2301 WINDSOR CT.	7,300,000
330 SOUTH EXECUTIVE DRIVE	7,230,000
3605 SWENSON AVENUE	3,950,000
3900 NORTHWOODS	9,250,000
4200 COMMERCE COURT	5,540,000
451 KINGSTON CT.	2,160,000
6240 CARMEN	6,700,000
800 WEST THORNDALE	3,520,000
865 XENIUM LANE	4,480,000
A. MCCALLISTER	441,000
AGLE	542,800
ALEXANDER	640,700
ANDERSEN	344,300
ARLINGTON ROAD	9,814,502
AUTUMN CHASE	11,580,000
BADGER MOUNTAIN	19,146,500
BARKLEY	2,990,100
BARLING	368,000
BARTEL	720,000
BATTS	546,800
BAYTECH	2,885,384
BECKNER	428,000
BEMENT	1,357,800
BESECKER	363,900
BETHANY	1,631,700
BIRCH	5,534,785
BLISS	803,900
BLUE RIDGE	256,000

	Market Value
BOYER	131,900
BRADEN	1,294,400
BRADEN 2	2,693,400
BRECKINRIDGE PLACE	24,070,000
TR BRELL BIXBY CORPORATION	1,940,145
TR BRELL CALIFORNIA CTR CORPORATION	1,348,822
TR BRELL CANYON PLAZA CORPORATION	1,254,580
TR BRELL CREEKSIDE CORPORATION	11,468,155
TR BRELL ICC CORPORATION	2,461,610
TR BRELL LONGWOOD CORPORATION	3,074,908
TR BRELL OAKLEAF CORPORATION	2,235,736
TR BRELL TORRANCE CORPORATION	2,955,602
CALIFORNIA MORTGAGE PORTFOLIO I	1,308,772
CALIFORNIA MORTGAGE PORTFOLIO II	11,301,633
CALIFORNIA MORTGAGE PORTFOLIO III	2,314,057
CALLAWAY	668,200
CAMERON COURT	6,787,358
CANDY MT GRAPES	289,000
CANTERWOOD	18,600,000
CENTERVILLE	578,900
CHICAGO HOLIDAY INN CITY CENTRE	63,500,000
CHILD ESTATE	197,400
CISCO	1,571,100
CLACKAMAS TOWN CENTER	116,151,053
CLAYBAUGH	1,567,900
COASTAL VINEYARDS	4,275,000
COBBLESTONE COURT	14,903,874
COLOBRAS	1,859,800
CORPORATE CAMPUS EAST III	22,467,510
COSTA MESA	27,300,000
COURT CREEK	1,138,500
CROSSROADS I	7,850,000
CRYSTAL COURT	3,886,571
CYPRESS TRACE	16,350,000
DAHMS	1,060,000
DARR	1,447,700
DATA GENERAL	5,700,000
DAVIS	909,600
DELAND	1,610,100
DELTA VINEYARDS	4,991,000
DICK	395,300
DONALDSON	185,300
EASON TRUST	4,179,800
ERB	687,300
EXCHANGE PARK	9,267,278
FACTORY STORES AT HERSHEY	24,000,000
FAIRFAX COURT	17,430,681
FELLMY	204,700
FILLERS	200,000
FISCHER	416,000
FRANKLIN/LAKE SELF PARK	20,350,000
FRYBARGER	362,400
GAITWAY PLAZA	11,831,021
GALESVILLE	1,088,000
GARDENS	3,200,000
GATEWAY OAKS PLAZA LAND	2,700,000
GM - EL PASO	13,350,000
GMO LAND	19,823,000
GOODLUCK	375,000
GREEN	276,000
HAACK	720,500
HAGEMEISTER	370,500
HAMMOND	1,027,200
HAMPTON ROADS PORTFOLIO	38,000,000
HARLOW	601,900
HEAD	330,600
HEBRON OFFICE BUILDING	12,056,617
HOESMAN	394,800
HOLLY LANE	1,298,300
HUNT	235,600
HURLOCK	310,600
HUSTED	351,700
HYATT	241,600
I-45	8,100,000



INVESTMENT LISTING

Market Value

IDC-COLES	1,729,700
IDC-MCDONOUGH	940,200
IDC-PIATT	3,295,200
IND. UNIVERSITY	264,000
INTERSTATE CROSSINGS	9,030,000
JAMES	233,800
JEFFERIES	1,438,000
KINGSTON COURT LAND	2,240,000
KLEMME	358,400
KNEDLER	367,500
KUHLMAN	288,400
LAGUNA HILLS	7,625,000
LAKE CITY	1,455,100
LAKES OF BELLEVUE	33,900,000
LEHMAN	369,500
LINDSEY	5,636,600
LOS ALAMOS	6,863,500
LOSASSO	223,500
LYTLE	2,160,000
MADDOX	9,699,000
MAESTRAS GROVE	12,950,700
MARINE	576,000
MARLIN - LEMONS 1	1,336,000
MARLIN - LEMONS 2	748,000
MAYHEW TECH CENTER	18,640,000
MCKAY	234,100
MCMAHON	318,200
MELVIN	249,800
MENDOTA HEIGHTS	12,100,000
MERIDIAN	8,742,800
MIDDAY	584,000
MIDDLESWORTH	343,700
MILLER	334,700
MONTBELLO INDUSTRIAL PARK	31,400,000
MONTGOMERY LANE	350,000
MOYER	272,000
NAFZIGER	181,300
NARANJA	9,573,900
NEESE	438,900
TRB NEWMARKET	5,100,000
NORTH LAKE BUSINESS CENTER	23,600,000
NORTHILL	7,476,588
NUGENT	781,000
NW MUTUAL	6,569,400
O. REESER	501,200
OAKBROOK CENTER LAND	73,200,000
OAKS OF EAGLE CREEK	31,700,000
OAKS OF OAKBROOK	13,600,000
ODUM TRUST	489,500
ORANGE CO.	4,612,000
ORLANDO MARRIOTT AIRPORT HOTEL	58,200,000
ORLANDO MARRIOTT INT'L HOTEL	79,800,000
OTIS	230,700
P. ALMONDS IV	5,136,000
P. ALMONDS IX	2,640,000
P. ALMONDS VIII	4,576,000
P. ALMONDS XII	4,800,000
P. ALMONDS XIII	3,104,000
PACIFIC SHORES LIMITED PARTNERSHIP	12,450,000
PARHAM	2,300,000
PARKWAY CROSSING	1,800,000
PEMBROOKE	3,350,000
PEOPLES STREET	712,100
PETERSON	257,000
PETERSON	10,462,200
PHOENIX	1,156,300
PHOENIX MUTUAL	2,456,500
PLAZA AT BUCKLAND HILLS	24,968,272
PORTAGE CREEK	2,880,000
POTOMAC LOANS	26,300,000
PREM. PISTACHOIS 1	263,600
PREM. VINEYARDS 1	2,880,000
PREM. VINEYARDS II	1,272,000
PRESIDENT'S PLACE	48,600,000

Market Value

PRESS	754,000
RE RESOURCES	200,000
REDLIN TRUST	440,400
REESE	580,900
RESIDENZ	20,500,000
RICE ESTATE - PA11	2,960,000
RICHARDSON CENTER	11,300,000
RICHMOND	6,000,000
RIDGE PLAZA	0
RIDGEWOOD COURT	7,837,382
RIVA ROAD	3,250,000
RIVER LAKE	271,700
RIVER ROAD BUSINESS CENTER	6,940,000
RIVERSIDE	490,500
ROAD LOUDOUN	1,200,000
ROSE	156,000
ROYAL EAGLE PLAZA	8,115,759
RUSSELL	1,100,000
RUSSELL (IN)	1,427,700
SAAVEDRA	274,700
SACHS	898,600
SACK	848,200
SAE CORPORATION	600,800
SAN MARCO ON BROKEN SOUND	24,346,566
SAXE TRUST	600,000
SAYBROOK	2,622,200
SCHABLE	234,800
SCHOOL STREET	16,600,000
SCHUMACHER	213,600
SEEQ1	6,039,631
SEEQ2	5,202,483
SEMINOLE TOWNE CENTER	72,900,000
SERENOA CITRUS	2,400,000
SERENOA GROVE	3,184,700
SERENOA LEMONS	211,900
SERENOA VEGETABLES	5,333,400
SEYMOUR	587,500
SHAWBACK	392,000
SMITH	180,000
SOMERSET	34,000,000
SOUTHPARK SQUARE	9,600,000
ST. CHARLES #12	6,300,000
ST. CHARLES LAND	8,900,000
STEINMAN	1,266,200
STONE KING	260,700
STONE MOUNTAIN FESTIVAL	21,500,000
SUDDUTH	775,700
SUNFOREST APARTMENTS	28,350,000
SUNWORLD	10,074,000
SUPER 8 MOTELS	1,970,000
SWAN CREEK	641,300
TECH WEST I	5,600,000
TENNECO	736,000
TENNECO WEST	9,360,700
TERRA FARMS	226,100
TETCOM	8,800,000
THE AVENUES	83,400,000
THE YARDS PLAZA	9,347,042
THOMPSON	256,600
THOMPSON	432,000
TIMBER HOLLOW	16,400,000
TIME & LIFE BUILDING	37,657,349
TR KOLL FLORHAM PARK	46,900,000
TR KOLL 85 E. COLORADO FUNDING CORP.	2,064,262
TR KOLL PHASE III CORPORATION	916,729
TR KOLL VOSS CORONA CORPORATION	3,524,071
TR KOLL WESTCHESTER CORPORATION	4,319,714
VALLEY WEST	3,982,500
VERMONT	14,500,000
VILLAGE PARK PLAZA	27,559,319
WALL ESTATE	659,900
WATSON	469,200
WEDGEWOOD I	7,600,000
WEST CHAPMAN	2,346,522



INVESTMENT LISTING

Market Value

WEST TOWN CORNERS	13,672,592
WESTLAND PARK PLAZA	6,584,686
WHITE	481,100
WHITE OAK CENTER I	13,910,000
WHITSON	259,300
WILDWOOD	10,300,000
WILLIAMS PLAZA I	20,000,000
WILLIAMS PLAZA II	22,530,000
WILLOW BRANCH	1,412,100
WILLOW KNOLLS COURT	17,462,801
WINROCK	917,000
WRIGHT	1,582,400
WYFFEL	198,900
YOUNGER	376,800
ZARTMAN	581,500
ZEWADSKI	461,700
Total Properties	2,193,825,222
Real Estate Loans and Misc. Assets	
ARLINGTON ROAD LOAN	5,425,498
EXCHANGE PARK LOAN	4,732,722
HEBRON OFFICE BUILDING LOAN	2,443,383
RIDGE PLAZA LOAN	10,000,000
MISCELLANEOUS ASSETS	50,067,225
Total Real Estate Loans and Misc. Assets	72,668,828
TOTAL REAL ESTATE	2,465,432,457
ALTERNATIVE INVESTMENTS	
ANGELO GORDON & COMPANY	33,572,576
APEX INVESTMENT FUND III L.P.	39,549,345
DAYSTAR SPECIAL SITUATIONS FUND L.P.	65,510,533
DLJ MERCHANT BANKING II	26,629,176
DLJ MERCHANT BANKING I	17,668,823
FRONTENAC VENTURE V	2,040,182
FRONTENAC VENTURE VI	10,285,188
KOHLBERG KRAVIS ROBERTS & CO.	20,861,104
MESIROW CAPITAL PARTNERS VII	9,201,319
PENMAN PRIVATE EQUITY	8,506,383
PERISCOPE FUND I	1,310,040
SANDLER CAPITAL MANGEMENT	17,254,285
SCP PRIVATE EQUITY L.P.	8,637,221
TCW/LATIN AMERICA PRIVATE EQUITY PARTNERS	11,445,917
TRIVEST COMPANY	7,240,797
VS&A COMMUNICATIONS PARTNERS II	26,575,914
WALNUT GROWTH PARTNERS L.P.	6,017,653
WILLIAM BLAIR MEZZANINE FUND II	13,937,536
WPG CORPORATE DEVELOPMENT	7,501,963
WPG ENTERPRISE FUND I	16,800,887
WPG ENTERPRISE FUND II	66,094,484
WPG ENTERPRISE FUND III	41,477,500
TOTAL ALTERNATIVE INVESTMENTS	458,118,826
CURRENCY INVESTMENTS	
ARGENTINE AUSTRAL	763,628
AUSTRALIAN DOLLAR	575,051
AUSTRIAN SHILLING	16
BELGIAN FRANC	177,791
BRAZILIAN REAL	10
BRITISH POUND STERLING	7,288,831
CANADIAN DOLLAR	461,454
DANISH KRONE	79
EUROPEAN CURRENCY UNIT	374
FINISH MARKKA	211
FRENCH FRANC	1,205,079
GERMAN DEUTSCHE MARK	(1,582,653)
HONG KONG DOLLAR	110,965
INDONESIAN RUPIAH	(2)
IRISH POUND	26,296
ITALIAN LIRA	(2,078,147)

Market Value

JAPANESE YEN	2,280,593
MALAYSIAN RINGGIT	13,907
MEXICAN NUEVO PESO	23
NETHERLANDS GUILDER	(172,385)
NEW ZEALAND DOLLAR	4
NORWEGIAN KRONE	161,132
PHILIPPINE PESO	12
PORTUGUESE ESCUDO	39
SINGAPORE DOLLAR	384
SOUTH AFRICAN RAND	85
SOUTH KOREAN WON	47,594
SPANISH PESETA	(27,848)
SWEDISH KRONA	121
SWISS FRANC	717,207
TOTAL CURRENCY INVESTMENTS	9,969,850
TOTAL FUND	20,982,659,087

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