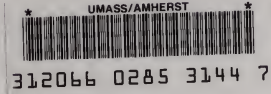


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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Annual Report

Year Ended June 30, 1992

GOVERNMENT DOCUMENTS  
COLLECTION

OCT 28 1998

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# Peat Marwick

Certified Public Accountants

One Boston Place  
Boston, MA 02108

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## Independent Auditors' Report

The Unitholders and the Trustee  
Massachusetts State Teachers and Employees  
Retirement Systems Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of portfolio investments, of Massachusetts State Teachers and Employees Retirement Systems Trust (the Trust: comprised of the Capital Fund and the Cash Fund) as of June 30, 1992, and the related statements of operations, statements of changes in net assets, and the per unit and other data for the year then ended. These financial statements and per unit and other data are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and per unit and other data based on our audit. The statements of changes in net assets for the year ended June 30, 1991 and the per unit and other data for the four years ended June 30, 1991, were audited by other auditors whose report thereon dated October 5, 1991, expressed an unqualified opinion on those statements and per unit and other data.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and per unit and other data are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 1992 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 6, the financial statements include securities consisting of a number of interests in venture capital and real estate funds, limited partnerships, futures pools, oil and gas commodities pools, balanced pools and alternative investments held by the Capital Fund valued at \$491,841,177 (7.8% of the net assets of the Capital Fund), whose values have been estimated by management in the absence of readily ascertainable market values. We have reviewed the procedures used by management in arriving at their estimate of value of such securities and have inspected underlying documentation, and, in the circumstances, we believe that the procedures are reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ from the values that would have been used had a ready market for the securities existed, and the differences could be material.

In our opinion, the financial statements and per unit and other data referred to above present fairly, in all material respects, the financial position of Massachusetts State Teachers and Employees Retirement Systems Trust as of June 30, 1992, the results of its operations, the changes in its net assets, and the per unit and other data for the year then ended in conformity with generally accepted accounting principles.

*KPMG* *David Mairand*

September 25, 1992



ORIGINAL ARTICLES

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Per Unit and Other Data

	Capital Fund				
	Year ended June 30.				
	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
Per unit data (for a unit outstanding throughout each year):					
Investment income	\$ 6.55	\$ 6.32	\$ 6.82	\$ 5.47	\$ 6.76
Expenses	<u>(0.35)</u>	<u>(0.33)</u>	<u>(0.22)</u>	<u>(0.18)</u>	<u>(0.26)</u>
Net investment income	6.20	5.99	6.60	5.29	6.50
Dividends from net investment income	(5.96)	(6.55)	(6.31)	(6.75)	(4.23)
Net realized and unrealized gain (loss) on investments and foreign currency	<u>7.45</u>	<u>0.53</u>	<u>3.32</u>	<u>6.89</u>	<u>(3.74)</u>
Net increase (decrease) in net asset value	7.69	(0.03)	3.61	5.43	(1.47)
Net asset value per unit:					
Beginning of year	<u>109.43</u>	<u>109.46</u>	<u>105.85</u>	<u>100.42</u>	<u>101.89</u>
End of year	\$ <u>117.12</u>	\$ <u>109.43</u>	\$ <u>109.46</u>	\$ <u>105.85</u>	\$ <u>100.42</u>
Ratios:					
Expenses to average net assets	0.30%	0.30%	0.21%	0.22%	0.24%
Net investment income to average net assets	5.22%	5.57%	6.15%	6.44%	5.76%
Portfolio turnover	138%	171%	71%	47%	59%
Number of units outstanding at end of year (000 omitted)	53,844	50,687	45,092	42,547	35,576

Note: Certain of the per unit figures are based on average units outstanding during each year.

See notes to financial statements.

# MEMORANDUM

DATE: 10/10/54

TO: SAC, NEW YORK

FROM: SAC, NEW YORK

SUBJECT: [Illegible]

[The remainder of the memorandum text is illegible due to extreme blurriness.]

Very truly yours,  
 [Illegible Signature]

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Per Unit and Other Data

	Cash Fund				
	Year ended June 30				
	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988*</u>
Per unit data (for a unit outstanding throughout each period):					
Investment income	\$ 0.047853	\$ 0.072466	\$ 0.086928	\$ 0.087985	\$ 0.059852
Expenses	<u>(0.000551)</u>	<u>(0.000580)</u>	<u>(0.000588)</u>	<u>(0.000593)</u>	<u>(0.000447)</u>
Net investment income	<u>0.047302</u>	<u>0.071886</u>	<u>0.086340</u>	<u>0.087392</u>	<u>0.059405</u>
Dividends declared from net investment income	<u>0.047302</u>	<u>0.071886</u>	<u>0.086340</u>	<u>0.087392</u>	<u>0.059405</u>
Net asset value per unit at beginning and end of period	\$ <u>1.00</u>	\$ <u>1.00</u>	\$ <u>1.00</u>	\$ <u>1.00</u>	\$ <u>1.00</u>
Ratios:					
Expenses to average net assets	0.06%	0.06%	0.06%	0.06%	0.05%**
Net investment income to average net assets	5.11%	7.54%	8.56%	8.90%	7.11%**
Number of units outstanding at end of period (000 omitted)	419,901	456,294	765,466	584,399	604,568

\* For the period from the start of business, September 1, 1987, to June 30, 1988.

\*\* Annualized.

See notes to financial statements.

# MEMORANDUM FOR THE RECORD

DATE: [Illegible]

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APPROVED: [Illegible Signature]

[Illegible Title]



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

DOMESTIC BONDS	(43.4%)	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
<b>CONVERTIBLE BONDS</b>	(0.3%)				
AIR WISCONSIN		7.75%	6/15/10	\$725,000	\$ 616,250
ALUMINUM CO AMER		6.25%	5/27/02	1,230,000	1,509,825
AMER BANKERS INS		5.75%	5/27/01	800,000	926,500
AMERICAN STORES CO NEW		7.25%	9/15/00	80,000	80,400
APACHE CORP		7.50%	10/1/00	835,000	885,100
BANK OF BOSTON CORP		7.75%	6/15/11	350,000	392,000
CHIRON CORP		7.25%	7/1/15	60,000	72,000
CONNER PERIPHERALS INC		6.50%	3/1/02	200,000	197,000
FIELDCREST CANNON INC		6.00%	3/15/12	340,000	241,400
GIDDINGS & LEWIS INC WIS		10.00%	3/15/15	647,000	931,680
GRACE(W.R.)&CO		6.25%	9/15/02	340,000	334,263
HASBRO INC		6.00%	11/15/98	470,000	547,550
HERCULES INC		8.00%	8/15/10	350,000	395,500
HOME DEPOT INC		4.50%	2/15/97	600,000	654,000
INTERFACE INC		8.00%	9/15/13	420,000	420,000
LIEBERT CORP		8.00%	11/15/10	80,000	147,590
LITTON INDS INC		0.00%	9/26/10	1,840,000	565,800
MARK IV INDUSTRIES		6.25%	2/15/07	140,000	144,200
NOBLE AFFILIATES INC		7.25%	6/1/12	170,000	170,000
OGDEN CORP		5.75%	10/20/02	450,000	365,344
OMNICOM GROUP		7.00%	10/1/13	290,000	406,000
OMNICOM GROUP INC		6.50%	7/27/04	130,000	170,544
ORYX ENERGY CO		7.50%	5/15/14	180,000	154,350
SEAGATE TECHNOLOGY		6.75%	5/12/01	400,000	284,000
SONAT INC		7.91%	9/6/05	4,500,000	1,721,250
STAPLES INC		7.00%	6/1/15	510,000	744,600
SUN MICROSYSTEMS		6.38%	10/15/99	480,000	518,400
SUNGUARD DATA SYS INC		8.25%	5/1/15	250,000	278,750
TELEFONICA DE ESP		4.00%	7/28/03	200,000	252,125
UNIFI INC		6.00%	3/15/02	600,000	612,000
USX CORP		8.13%	8/9/05	6,000,000	2,212,500
WABAN INC		6.50%	7/1/02	160,000	159,984
<b>TOTAL CONVERTIBLE BONDS</b>					<u>17,110,905</u>
<b>CORPORATE BONDS</b>	(12.2%)				
<b>ASSET BACKED</b>	(3.9%)				
DISCOVER CARD TRUST		8.00%	11/20/00	38,000,000	38,916,600
DISCOVER CARD TRUST		8.00%	10/15/98	29,000,000	29,951,200
FICAL HOME EQUITY LINE TRUST		8.90%	11/15/97	3,718	3,701
FIRST CHICAGO MASTER TRUST II		8.40%	5/15/98	22,000,000	23,375,000
MBNA MASTER CREDIT CARD TRUST		7.75%	10/15/98	32,000,000	33,379,840
SEARS CREDIT ACCOUNT TRUST		8.68%	12/26/96	7,771,810	8,003,410
STANDARD CREDIT CARD MASTER TRUST I		7.88%	1/7/00	45,000,000	45,671,700
STANDARD CREDIT CARD MASTER TRUST I		6.13%	8/7/95	25,000,000	24,797,500
STANDARD CREDIT CARD TRUST		8.00%	10/7/97	37,000,000	38,838,160
					<u>242,937,111</u>

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

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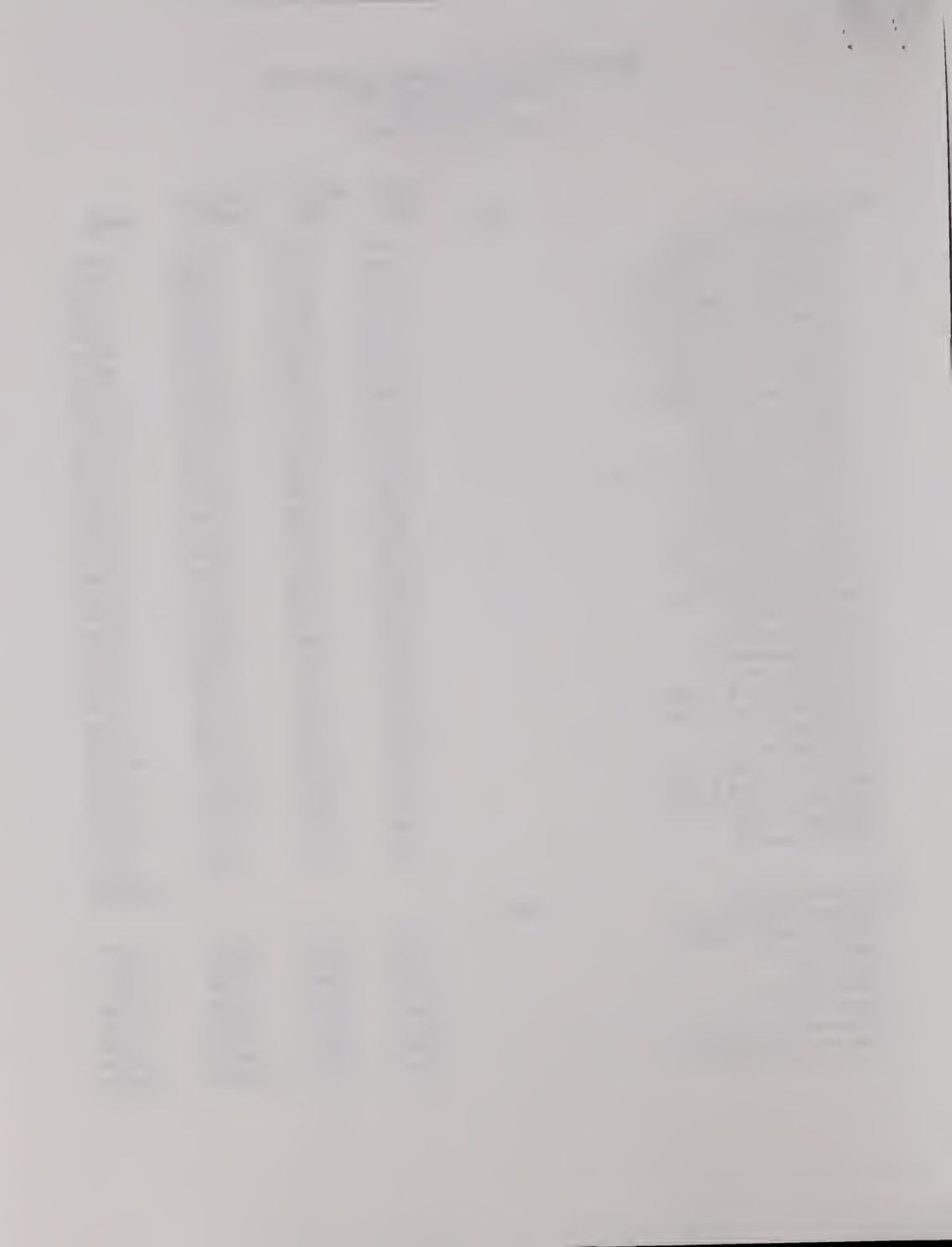
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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
<b>ELECTRIC UTILITIES</b>				
	(1.0%)			
APPALACHIAN POWER CO	7.50%	12/1/98	5500,000	\$ 504,295
ATLANTIC CITY ELETIC CO	8.00%	5/1/01	1,000,000	1,010,360
BALTIMORE GAS & ELECTRIC CO	7.63%	9/1/01	700,000	692,783
BALTIMORE GAS & ELECTRIC CO	6.13%	8/1/97	800,000	761,392
CAMBRIDGE ELECTRIC LIGHT CO	7.75%	6/1/02	979,000	946,204
CAMBRIDGE ELECTRIC LIGHT CO	6.25%	6/1/97	500,000	483,630
CAROLINA POWER & LIGHT CO	8.75%	1/1/00	400,000	409,144
CAROLINA POWER & LIGHT CO	6.88%	10/1/98	500,000	488,700
CENTRAL MAINE POWER CO	7.38%	1/1/99	10,000,000	10,012,500
DELMARVA POWER & LIGHT CO	8.38%	12/1/00	1,400,000	1,432,522
FLORIDA POWER & LIGHT CO	7.63%	1/1/01	4,000,000	3,998,120
FLORIDA POWER CORP	7.00%	11/1/98	500,000	491,700
FLORIDA POWER CORP	6.13%	8/1/97	500,000	475,870
INDIANA & MICHIGAN ELECTRIC CO	7.00%	5/1/98	1,000,000	988,160
IOWA POWER & LIGHT CO	9.00%	1/1/00	389,000	399,670
IOWA POWER & LIGHT CO	6.63%	1/1/98	600,000	581,172
IOWA PUBLIC SERVICE CO	8.00%	9/1/01	500,000	505,325
JERSEY CENT. PWR & LT CO	6.63%	9/1/97	700,000	679,063
LOUISVILLE GAS & ELEC CO	8.25%	8/1/01	800,000	822,032
MADISON GAS & ELEC CO	7.75%	1/15/01	900,000	895,437
METROPOLITAN EDISON CO	5.75%	6/1/96	600,000	585,768
MISSISSIPPI PWR CO	8.13%	12/1/00	700,000	717,465
NEW ENGLAND PWR CO	8.38%	9/1/99	550,000	563,849
NEW ENGLAND PWR CO	7.13%	7/1/98	700,000	694,792
NEW ENGLAND PWR CO	6.88%	10/1/97	950,000	931,342
NORTHERN STS PWR CO MINN	8.25%	6/1/01	1,000,000	1,025,070
NORTHERN STS PWR CO MINN	7.38%	3/1/02	500,000	486,290
OHIO EDISON CO	8.75%	6/15/22	11,000,000	10,931,250
OLD DOMINION ELEC CORP	7.97%	12/1/02	12,000,000	12,183,120
PENNSYLVANIA PWR & LT CO	8.13%	6/1/99	900,000	918,242
PUBLIC SERVICE ELE & GASCO	7.88%	11/1/01	10,000,000	10,026,200
SOUTHWESTERN ELEC PWR CO	7.00%	12/1/97	500,000	492,700
WEST PENN PWR CO	7.88%	7/1/99	700,000	713,734
WEST PENN PWR CO	7.00%	11/1/97	300,000	295,698
				<u>67,143,599</u>
<b>FINANCE AND BANKING</b>				
	(5.8%)			
AMERICAN EXPRESS CR CORP	7.35%	2/1/99	9,000,000	8,973,990
ARKLA INC MEDIUM TERM NT	8.78%	7/19/96	1,000,000	1,023,580
ARKLA INC MTN	8.74%	5/14/98	1,000,000	1,007,030
ARKLA MTN	8.74%	7/19/96	1,000,000	1,022,230
AUBURN HILLS TR	15.88%	5/1/20	680,000	823,650
BANK VA CO	5.25%	5/15/97	170,000	153,000
CHASE MORTGAGE FIN CORP	8.00%	2/25/24	10,000,000	9,587,500
CITIBANK MEDIUM TERM NTS	7.75%	3/20/95	20,000,000	20,680,000



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
<b>FINANCE AND BANKING (CONT.)</b>				
CITICORP	9.00%	4/15/99	53,000,000	\$ 3,134,040
CITICORP	7.80%	3/20/95	10,000,000	10,352,200
COMERICA INC	9.75%	5/1/99	3,000,000	3,283,020
CONTINENTAL BK NA CHICAGO ILL	11.25%	7/1/01	2,800,000	3,088,512
EXXON CAP CORP	7.45%	12/15/01	15,000,000	15,014,850
FIRST MD BANCORP	8.38%	5/15/02	10,000,000	10,093,700
FORD CAP B V	9.13%	5/1/98	15,000,000	15,967,500
FORD MTR CR CO	8.88%	8/1/96	12,000,000	12,831,000
GENERAL ELEC CAP CORP MEDIUM	10.80%	12/5/96	4,000,000	4,645,680
GENERAL ELEC CR CORP	8.00%	3/1/02	348,538	356,955
GENERAL ELECTRIC CAP CORP MTN	10.90%	10/15/96	6,000,000	6,976,560
GENERAL MTRS ACCEP CORP	8.20%	9/13/96	5,000,000	5,247,300
GENERAL MTRS ACCEP CORP	7.75%	4/15/97	41,750,000	42,757,428
GENERAL MTRS ACCEP CORP	7.50%	5/8/97	25,000,000	25,686,250
HOUSEHOLD FIN CORP	5.50%	12/15/01	3,000,000	2,503,890
INTEGRA FINL CORP	9.25%	2/15/95	1,000,000	1,072,040
INTERNATIONAL FINANCE CORP	8.50%	5/15/02	12,000,000	12,165,000
ITT FINL CORP	10.10%	6/9/97	5,000,000	5,031,250
MERRILL LYNCH & CO	7.41%	2/13/97	5,000,000	5,096,875
MORGAN STANLEY GROUP INC	8.10%	7/1/07	25,000,000	24,321,000
NAC RE CORP	8.10%	6/24/02	15,000,000	15,274,500
NATIONSBANK CORP	8.00%	6/15/99	3,000,000	3,012,000
NAVISTAR FINL CORP	8.13%	6/15/02	22,000,000	22,062,700
NBD BANCORP INC	9.75%	8/15/95	2,500,000	2,434,624
PAINE WEBBER GROUP INC	8.10%	3/1/02	9,000,000	9,160,740
PHILADELPHIA SVG FD SOC	9.25%	12/15/01	9,000,000	9,351,720
SALOMON INC MEDIUM TERM NTS	12.00%	11/15/94	750,000	751,695
SHAWMUT CORP	8.12%	3/30/95	2,500,000	2,623,275
SHEARSON LEHMAN HUTTON HLDGS	8.13%	2/1/97	5,000,000	4,750,000
SHEARSON/AMER EXP PT	8.75%	5/15/02	12,000,000	12,290,040
SIGNET BKG CORP	9.63%	12/1/12	391,103	422,935
SPRINGFIELD INST FOR SVGS *	5.25%	4/15/98	100,000	90,000
SVENSKA HANDELSBANKEN	6.33%	11/1/96	3,835,626	3,645,763
WESTINGHOUSE CR CORP MEDIUM	8.35%	7/15/04	20,000,000	20,071,200
	8.75%	6/3/96	5,000,000	4,682,550
				<u>363,519,772</u>
<b>INDUSTRIALS</b>				
COLTEC INDS INC	(0.6%)			
EATON CORP	10.25%	4/1/02	540,000	540,000
FORD MOTOR CO DEL	7.00%	4/1/11	800,000	689,672
GEORGIA PAC CORP	8.88%	1/15/22	3,000,000	3,076,590
MCDERMOTT INC	10.25%	9/15/18	2,500,000	2,606,050
STONE SAVANNAH RIV PULP	9.38%	3/15/02	2,500,000	2,594,750
TEMPLE INLAND MEDIUM TERM NT	14.13%	12/15/00	90,000	98,550
TXJ COMPANIES	8.13%	12/15/06	1,650,000	1,636,766
	9.50%	5/1/16	900,000	930,852



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

		COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
INDUSTRIALS(CONT.)					
UNISYS CORP		15.00%	7/1/97	\$ 120,000	\$ 130,200
WESTINGHOUSE ELEC CORP		8.38%	6/15/02	25,000,000	24,902,750
					<u>37,206,180</u>
MISCELLANEOUS	(0.5%)				
SHAWMUT NATIONAL AUTO REC		5.55%	11/15/97	30,000,000	29,967,000
TELEPHONE	(0.2%)				
CELLULAR COMMUNICATIONS INC		8.66%	7/27/99	260,000	143,000
GENERAL TEL CO CALIF		7.75%	12/1/98	12,000,000	12,182,400
GENERAL TEL CO FLA		8.00%	3/1/01	400,000	404,096
GENERAL TEL CO KY		7.75%	10/1/01	200,000	198,896
GTE SOUTHWEST INC		9.25%	3/1/00	200,000	204,488
GTE SOUTHWEST INC		7.88%	10/1/01	2,050,000	2,055,310
GTE SOUTHWEST INC		6.88%	3/1/98	200,000	195,825
HAWAIIAN TEL CO		8.00%	9/1/01	500,000	505,325
HAWAIIAN TEL CO		6.75%	4/1/98	500,000	486,550
					<u>16,375,890</u>
TRANSPORTATION	(0.0%)				
NAVISTAR INTL TRANSP CORP		9.00%	6/15/04	250,000	222,500
RYDER SYS INC		9.38%	1/15/98	2,500,000	2,578,100
TEXAS EASTN TRANSMISSION CORP		10.00%	8/15/01	500,000	545,725
					<u>3,346,325</u>
OTHER	(0.2%)				
COASTAL CORP		10.25%	10/15/04	1,000,000	1,104,480
FAIR LANES INC		11.88%	8/15/97	70,000	70,616
MATTEL INC		8.00%	3/15/01	80,000	90,400
MEDITRUST		8.36%	1/1/02	140,000	145,775
NEWS AMER HLDGS INC		12.00%	12/15/01	230,000	244,948
SEARS ROEBUCK & CO		8.20%	10/17/97	5,000,000	5,218,750
TENNESSEE GAS PIPELINE CO		6.00%	12/15/11	4,250,000	3,097,612
					<u>9,972,581</u>
TOTAL CORPORATE BONDS					<u>770,468,458</u>
MORTGAGE BACKED SECURITIES	(18.4%)				
FEDERAL AGENCIES	(0.1%)				
FED HM LN PC # 160026		8.00%	9/1/07	2,697,293	2,790,430
FED HM LN PC # 185304		8.75%	11/1/08	43,693	45,829
FED HM LN PC # 220016		8.75%	10/1/01	846,136	878,652
FED HM LN PC # 293023		8.00%	2/1/12	3,273,468	3,423,328
					<u>7,138,239</u>

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 311

LECTURE 1

MECHANICS

LECTURE 1

MECHANICS

LECTURE 1



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
<b>GOVERNMENT SPONSORED</b>				
	(1.5%)			
FNMA POOL # 050541	7.50%	12/1/21	\$9,576,287	\$ 9,390,699
FNMA POOL # 050575	8.50%	5/1/22	38,951,464	40,302,300
FNMA POOL # 050623	7.50%	6/1/22	528,695	518,914
FNMA POOL # 054278	8.25%	5/1/02	6,668,446	6,889,305
FNMA POOL # 156839	7.50%	4/1/22	292,669	286,997
FNMA POOL # 159860	7.50%	6/1/22	1,128,651	1,107,771
FNMA POOL # 161361	8.25%	5/1/22	7,636,327	7,717,425
FNMA POOL # 163301	8.50%	5/1/22	2,815,534	2,856,866
FNMA POOL # 164236	8.25%	5/1/22	5,188,822	5,243,927
FNMA POOL # 166111	8.00%	6/1/22	2,596,818	2,565,968
FNMA POOL # 166112	8.25%	6/1/22	7,389,984	7,320,666
FNMA POOL # 166113	8.50%	6/1/22	1,886,821	1,914,520
FNMA POOL # 168759	8.25%	6/1/22	5,502,548	5,450,934
FNMA POOL # 33026	8.50%	9/1/16	431,511	449,643
FNMA POOL # 33401	8.50%	9/1/16	340,733	359,044
FNMA POOL # 33424	8.50%	9/1/16	1,265,588	1,333,600
				<u>93,708,579</u>
<b>OTHER COLLATERALIZED</b>				
<b>MORGAGE OBLIGATIONS</b>				
	(10.1%)			
CHASE MORTGAGE FINANCE CORP	8.00%	2/25/23	10,000,000	10,025,000
CHASE MTG FIN CORP	8.00%	4/25/23	10,000,000	10,100,000
CITICORP MTG SECS INC	8.50%	2/25/06	8,909,000	8,686,275
CITICORP MTG SECS INC	8.00%	5/25/21	2,500,000	2,531,250
CITICORP MTG SECS INC	7.75%	11/25/05	3,000,000	3,011,250
FEDERAL HOME LN MTG CORP	8.00%	4/15/20	24,000,000	24,494,880
FEDERAL HOME LN MTG CORP	8.00%	3/15/21	16,397,810	16,069,854
FEDERAL HOME LN MTG CORP	8.00%	3/15/21	2,000,000	2,080,620
FEDERAL HOME LN MTG CORP	8.00%	4/15/21	5,000,000	5,106,250
FEDERAL HOME LN MTG CORP	8.00%	6/15/21	25,007,000	25,561,655
FEDERAL HOME LN MTG CORP	8.00%	11/15/06	24,975,000	25,568,156
FEDERAL HOME LN MTG CORP	8.00%	11/15/06	10,000,000	10,095,200
FEDERAL HOME LN MTG CORP	8.00%	3/15/07	13,025,000	13,057,563
FEDERAL HOME LN MTG CORP	8.00%	12/15/07	9,824,000	9,827,144
FEDERAL HOME LN MTG CORP	8.00%	12/15/18	10,000,000	10,168,700
FEDERAL HOME LN MTG CORP	7.95%	3/15/20	27,000,000	27,548,370
FEDERAL HOME LN MTG CORP	7.50%	12/15/20	22,100,000	20,774,000
FEDERAL HOME LN MTG CORP	7.50%	12/15/20	36,627,690	34,430,029
FEDERAL HOME LN MTG CORP	7.50%	12/15/05	20,000,000	19,950,000
FEDERAL HOME LN MTG CORP	7.50%	11/15/19	10,000,000	9,825,000
FEDERAL HOME LN MTG CORP	7.25%	3/15/07	11,497,000	11,108,975
FEDERAL HOME LN MTG CORP	7.00%	11/15/19	2,500,000	2,387,500
FEDERAL HOME LN MTG CORP	4.50%	4/15/21	3,000,000	2,409,360
FEDERAL HOME LN MTG CORP	8.00%	11/15/06	10,000,000	10,215,600
FEDERAL NATL MTG ASSN	11.02%	8/14/95	1,000,000	1,152,460
FEDERAL NATL MTG ASSN	8.25%	1/25/18	10,000,000	10,362,500

# THE HISTORY OF THE

The history of the world is a vast and complex subject, encompassing the lives and actions of countless individuals and the evolution of societies and civilizations. From the dawn of time to the present day, the human experience has been shaped by a myriad of factors, including geography, climate, technology, and culture. The study of history allows us to understand the patterns of human behavior and the forces that have shaped our world.

In the early days of human existence, our ancestors lived in small, nomadic groups, relying on hunting and gathering for survival. As time passed, these groups began to settle in one place, leading to the development of agriculture and the birth of the first civilizations. The ancient world was marked by the rise of empires such as the Egyptians, Greeks, and Romans, each leaving a lasting legacy on the world.

The Middle Ages saw the rise of feudalism and the growth of the Christian Church, which played a central role in society. The Renaissance brought a renewed interest in art, science, and humanism, paving the way for the modern world. The Industrial Revolution of the 18th and 19th centuries transformed the world through the invention of the steam engine and the mass production of goods, leading to unprecedented economic growth and social change.

The 20th century was a period of global conflict, with the two World Wars and the Cold War shaping the modern world. The end of the century saw the fall of the Soviet Union and the rise of a new global order. Today, we live in a world of rapid technological advancement, globalization, and environmental challenges, all of which continue to shape the course of human history.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

OTHER COLLATERALIZED	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
MORGAGE OBLIGATIONS (CONT.)				
FEDERAL NATL MTG ASSN	8.00%	11/25/21	\$25,000,000	\$ 25,367,000
FEDERAL NATL MTG ASSN	8.00%	11/25/01	11,200,000	11,539,360
FEDERAL NATL MTG ASSN	8.00%	11/25/04	11,000,000	11,347,160
FEDERAL NATL MTG ASSN	8.00%	1/25/07	13,806,000	14,025,930
FEDERAL NATL MTG ASSN	8.00%	8/25/18	7,430,000	7,569,313
FEDERAL NATL MTG ASSN	7.95%	3/25/20	31,000,000	31,116,250
FEDERAL NATL MTG ASSN	7.50%	3/25/21	20,918,792	19,585,219
FEDERAL NATL MTG ASSN	7.50%	1/25/07	22,000,000	21,560,000
FEDERAL NATL MTG ASSN	7.50%	11/25/19	10,000,000	9,828,125
FEDERAL NATL MTG ASSN GTD	8.00%	3/25/09	10,000,000	10,075,000
HOME LIFE INSURANCE CO	8.66%	9/1/98	1,540,500	1,601,842
HOUSING SEC INC	7.75%	4/25/20	9,616,000	9,087,120
MASS MUTUAL LIFE	8.95%	2/1/00	2,829,027	2,871,463
MERRILL LYNCH MTG INVS	8.15%	7/15/17	8,000,000	8,057,440
MERRILL LYNCH MTG INVS	7.65%	1/15/12	9,442,963	9,407,552
MERRILL LYNCH MTG INVS INC	7.75%	7/15/17	1,000,000	1,010,620
MGIC MTG MKT CORP	15.25%	10/1/12	128,843	128,843
MGIC MTG MKT CORP	13.38%	1/1/11	354,871	354,871
PMI MTG CORP	9.25%	11/1/10	503,979	512,813
PRUDENTIAL HOME MTG SECS CO	7.50%	4/25/22	3,000,000	2,966,970
RESIDENTIAL FUNDING SEC I	8.50%	11/25/20	10,064,000	10,169,672
RESOLUTION TR CORP	8.63%	6/25/30	16,727,165	16,978,072
RESOLUTION TR CORP	8.35%	6/25/29	490,000	511,658
RESOLUTION TR CORP	8.00%	9/25/21	9,966,633	10,066,299
RESOLUTION TRUST CORP MTG PASS	7.75%	6/25/30	17,188,737	17,038,336
SALOMON BROS MTG SECS IV INC	10.50%	11/1/00	40,521	40,521
SEARS CR ACCOUNT TR	8.76%	10/15/96	8,978,054	9,287,796
SEARS CR ACCOUNT TR	8.49%	12/27/96	1,022,990	1,022,479
SEARS MORTGAGE	8.50%	4/1/87	1,580,637	1,605,928
SECURITY PACIFIC ACCEP CORP	7.25%	12/11/15	19,261,488	19,128,782
SHEARSON LEHMAN CMO INC	8.75%	8/27/17	1,634,752	1,750,198
STANDARD CREDIT CARD TRUST	9.38%	7/10/97	5,900,000	6,419,908
STUDENT LN MARKETING ASSN	12.05%	3/19/96	10,000,000	10,100,000
STUDENT LOAN MARKETING ASSN	11.15%	4/7/97	5,000,000	5,000,000
TRAVELERS INS MTG	10.95%	10/1/94	2,111,790	2,281,260
TRAVELERS MTG SVCS INC	10.50%	6/25/08	139,224	140,268
YANKEE BANK MASS	6.20%	12/31/94	1,634,270	1,489,130
				637,590,789
 U.S. GUARANTEED	 (6.7%)			
GNMA POOL # 179874	8.50%	2/15/20	4,627,843	4,808,607
GNMA POOL # 183571	8.50%	8/15/21	964,194	1,001,855
GNMA POOL # 191894	8.00%	5/15/17	4,792,521	4,846,437
GNMA POOL # 206104	8.50%	4/15/17	11,018,415	11,448,795
GNMA POOL # 212114	8.00%	4/15/17	13,988,324	14,145,693
GNMA POOL # 216775	8.50%	5/15/21	9,854,876	10,239,807

1. The first part of the paper discusses the general principles of the method of moments, which is a powerful technique for analyzing the distribution of particles in a system. It is particularly useful for systems where the particles are distributed in a non-uniform manner, such as in a gas or a liquid. The method involves calculating the moments of the distribution function, which are then used to determine the parameters of the distribution.

2. In the second part, the author applies the method of moments to the study of the distribution of particles in a gas. The distribution function is assumed to be a Maxwell-Boltzmann distribution, and the moments are calculated using the standard formulas for the Maxwell-Boltzmann distribution. The results show that the method of moments is a very effective way of analyzing the distribution of particles in a gas.

3. The third part of the paper discusses the application of the method of moments to the study of the distribution of particles in a liquid. The distribution function is assumed to be a Maxwell-Boltzmann distribution, and the moments are calculated using the standard formulas for the Maxwell-Boltzmann distribution. The results show that the method of moments is a very effective way of analyzing the distribution of particles in a liquid.

4. Finally, the author discusses the application of the method of moments to the study of the distribution of particles in a solid. The distribution function is assumed to be a Maxwell-Boltzmann distribution, and the moments are calculated using the standard formulas for the Maxwell-Boltzmann distribution. The results show that the method of moments is a very effective way of analyzing the distribution of particles in a solid.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
U.S. GUARANTEED (CONT.)				
GNMA POOL # 217807	8.50%	5/15/17	\$4,209,879	\$ 4,374,317
GNMA POOL # 220870	8.50%	6/15/17	4,603,621	4,783,438
GNMA POOL # 225968	8.50%	6/15/17	9,027,293	9,379,899
GNMA POOL # 232565	8.50%	6/15/17	4,298,866	4,466,779
GNMA POOL # 235962	9.50%	5/15/21	978,917	1,052,023
GNMA POOL # 278758	8.50%	10/15/19	9,569,362	9,943,141
GNMA POOL # 296036	8.50%	5/15/21	9,724,679	10,104,525
GNMA POOL # 296112	8.50%	8/15/21	9,706,774	10,085,921
GNMA POOL # 296135	8.50%	8/15/21	9,644,936	10,021,667
GNMA POOL # 298076	8.50%	5/15/21	5,022,219	5,218,387
GNMA POOL # 298105	8.50%	5/15/21	9,672,442	10,050,248
GNMA POOL # 298582	8.00%	11/15/21	19,425,857	19,644,397
GNMA POOL # 301366	8.50%	6/15/21	9,788,611	10,170,954
GNMA POOL # 302918	8.50%	6/15/21	8,821,084	9,165,636
GNMA POOL # 305028	8.50%	6/15/21	971,974	1,009,939
GNMA POOL # 306118	8.50%	8/15/21	9,697,208	10,075,981
GNMA POOL # 306139	8.00%	12/15/21	10,638,629	10,758,313
GNMA POOL # 306540	8.50%	10/15/21	9,705,468	10,084,564
GNMA POOL # 307568	8.50%	6/15/21	9,116,073	9,472,147
GNMA POOL # 308085	8.50%	9/15/21	9,735,004	10,115,253
GNMA POOL # 310562	8.50%	8/15/21	9,700,620	10,079,526
GNMA POOL # 310594	8.50%	10/15/21	9,604,748	9,979,909
GNMA POOL # 310595	8.50%	9/15/21	9,694,200	10,072,856
GNMA POOL # 312001	8.50%	6/15/21	9,693,924	10,072,568
GNMA POOL # 312150	8.50%	10/15/21	9,612,636	9,988,106
GNMA POOL # 312184	8.00%	12/15/21	29,350,557	29,680,751
GNMA POOL # 312460	8.50%	8/15/21	10,585,901	10,999,387
GNMA POOL # 312511	8.50%	10/15/21	9,743,033	10,123,595
GNMA POOL # 312959	8.50%	8/15/21	12,544,973	13,034,980
GNMA POOL # 313024	8.50%	9/15/21	9,737,387	10,117,729
GNMA POOL # 313038	8.50%	10/15/21	9,739,793	10,120,229
GNMA POOL # 316170	8.00%	5/15/22	9,793,568	9,903,746
GNMA POOL # 316208	8.00%	2/15/22	10,194,233	10,308,918
GNMA POOL # 320795	8.00%	4/15/22	9,791,960	9,902,120
GNMA POOL # 320804	7.50%	4/15/22	9,981,026	9,818,833
GNMA POOL # 323058	8.00%	4/15/22	9,784,453	9,894,528
GNMA POOL # 323416	8.00%	5/1/22	9,793,248	9,903,422
GNMA POOL # 324485	9.50%	5/15/22	988,064	1,061,852
GNMA POOL # 325201	8.00%	5/15/22	9,792,543	9,902,709
				421,434,487
TOTAL MORTGAGE BACKED SECURITIES				1,159,872,094
MUNICIPAL BONDS				
STATE AND LOCAL DEBT (0.0%)				
NEW YORK CITY	9.35%	2/1/02	1,800,000	1,794,078



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

U.S. GOVERNMENT AND		COUPON	MATURITY	PRINCIPAL	
AGENCY OBLIGATIONS	(12.5%)	RATE	DATE	AMOUNT	VALUE
PRINCIPAL ONLY TREASURY RECEIPT		7.77%	5/15/01	\$135,000,000	\$ 69,510,150
TENNESSEE VALLEY AUTH		6.00%	1/15/97	25,000,000	24,562,500
TENNESSEE VALLEY AUTH		6.88%	1/15/02	10,000,000	9,675,000
UNITED STATES TREAS BONDS		9.38%	2/15/06	9,000,000	10,465,290
UNITED STATES TREAS BONDS		7.25%	5/15/16	10,000,000	9,365,600
UNITED STATES TREAS NT		11.63%	11/15/94	50,000,000	44,277,500
UNITED STATES TREAS NT		6.28%	5/15/95	100,000,000	85,522,000
UNITED STATES TREAS NTS		9.25%	8/15/98	6,650,000	7,514,500
UNITED STATES TREAS NTS		8.25%	11/15/94	84,000,000	89,853,960
UNITED STATES TREAS NTS		7.75%	2/15/01	30,000,000	31,246,800
UNITED STATES TREAS NTS		7.50%	11/15/01	123,000,000	125,690,010
UNITED STATES TREAS NTS		6.75%	5/31/97	2,500,000	2,547,650
UNITED STATES TREAS NTS		5.50%	2/15/95	3,000,000	3,018,750
UNITED STATES TREAS NTS		5.13%	5/31/94	50,000,000	50,312,500
UNITED STATES TREAS NTS		9.50%	11/15/95	150,000,000	123,777,000
UNITED STATES TREAS SEC		6.52%	8/15/97	5,100,000	3,671,183
UNITED STATES TREAS SEC		8.33%	5/15/01	102,000,000	52,940,040
UNITED STATES TREAS SECS		5.68%	11/15/94	50,000,000	44,308,000
TOTAL U.S. GOVERNMENT AND AGENCY OBLIGATIONS					788,258,433
<b>TOTAL DOMESTIC BONDS</b>					2,737,503,968
<b>SUPRANATIONAL</b>	(0.4%)				
INTERNATIONAL BANK FOR RECON		8.13%	3/1/01	8,000,000	8,434,960
KOREAN DEV BANK		7.90%	2/1/02	20,000,000	19,797,800
TOTAL SUPRANATIONAL					28,232,760
<b>FOREIGN BONDS IN U.S. DOLLARS</b>	(0.8%)				
<b>CORPORATE</b>	(0.3%)				
BASS AMERICA INC		8.13%	3/31/02	18,500,000	18,860,380
BRITISH GAS		0.00%	11/4/21	10,000,000	887,500
CIBA GEIGY CORP		5.50%	10/28/98	250,000	282,812
MEXICO(UTD MEX ST)		0.00%	3/31/08	1,000,000	929,950
					20,960,642
<b>GOVERNMENT</b>	(0.5%)				
HYDRO QUEBEC		7.60%	12/9/98	5,000,000	5,060,000
ISRAEL SEC CORP		8.00%	6/24/96	3,000,000	3,000,000
ISRAEL ST		8.00%	4/14/93	1,000,000	1,000,000
ISRAEL ST		7.00%	12/16/96	3,000,000	3,000,000
ISRAEL ST		6.00%	5/1/94	2,000,000	2,000,000
ISRAEL ST		6.00%	2/1/95	2,000,000	2,000,000

THE UNIVERSITY OF CHICAGO

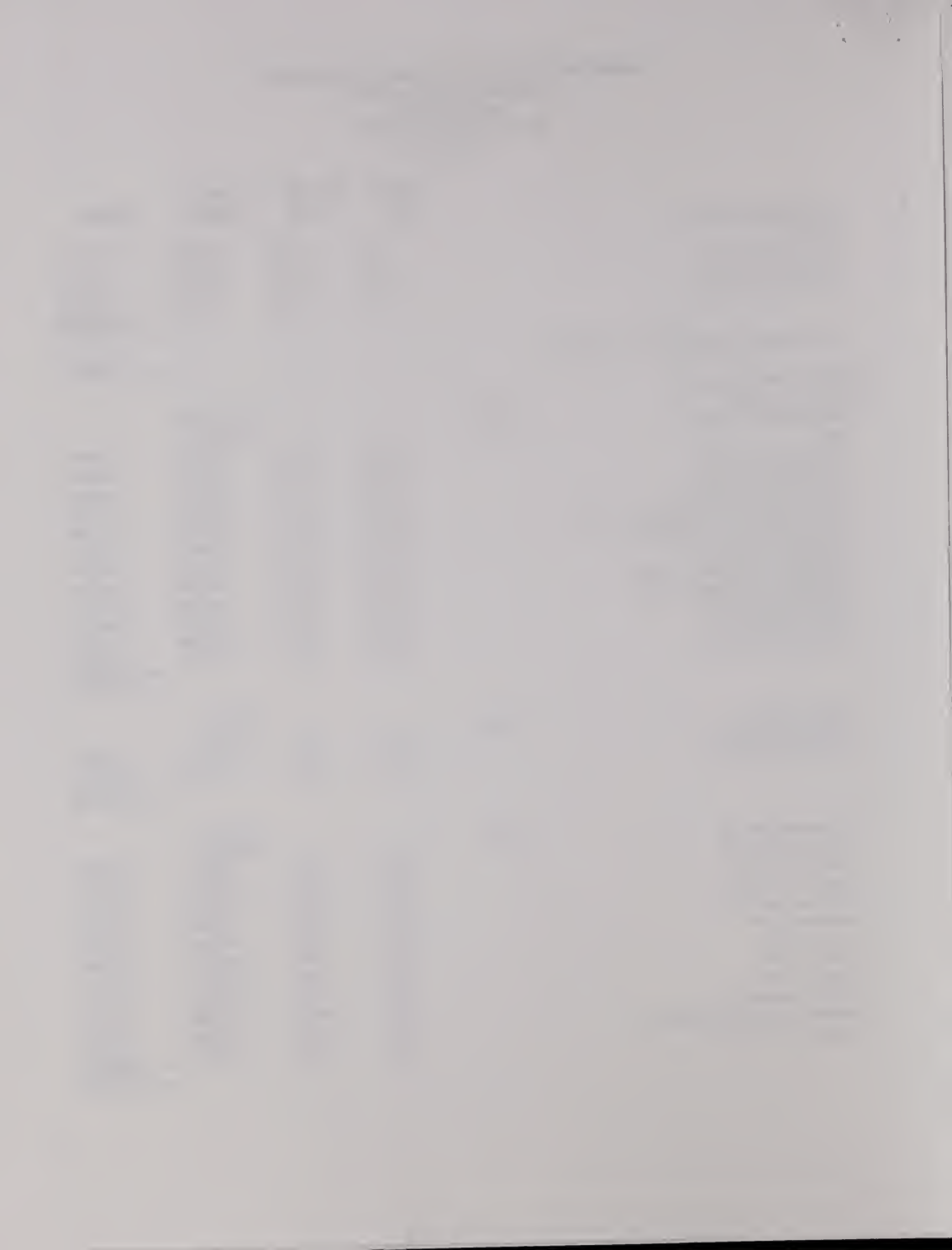
PHYSICS DEPARTMENT

PHYSICS 311



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE	
<b>GOVERNMENT (CONT.)</b>					
ISRAEL ST	7.50%	3/31/04	\$4,000,000	\$ 4,000,000	
ITALY (REPUBLIC OF)	0.00%	3/1/99	2,500,000	1,512,750	
ONTARIO (PROV OF)	14.63%	8/31/92	7,000,000	7,091,070	
THAILAND KINGDOM	8.70%	8/1/99	1,000,000	1,036,580	
				<u>29,700,400</u>	
<b>TOTAL FOREIGN BONDS IN U.S. DOLLARS</b>				<u>50,661,042</u>	
<b>FOREIGN GOVERNMENT AND CORPORATE BONDS</b>					
<b>AUSTRALIAN DOLLAR</b>					
<b>AUSTRALIAN DOLLAR</b>					
ANZ	(0.8%)	10.00%	3/15/94	7,000,000	5,330,075
AUST & O SEAS TELE		12.50%	11/15/00	1,500,000	1,257,569
AUSTRALIA (CMNWLTH)		12.50%	1/15/98	5,000,000	4,456,708
AUSTRALIA (CMNWLTH)		12.00%	7/15/99	6,000,000	5,327,458
COMMONWEALTH GOVERNMENT LOAN		10.50%	9/15/95	10,000,000	7,790,820
NEW SOUTH WALES TREASURY		12.50%	4/1/97	5,000,000	4,343,866
PIONEER CONCRETE		9.50%	6/21/98	600,000	457,705
QUEENSLAND TREASURY CORP		12.00%	8/15/01	6,000,000	5,234,977
QUEENSLAND TREASURY CORP		10.50%	5/15/03	3,300,000	2,631,119
STATE ELEC COM VIC		12.00%	9/2/01	4,700,000	3,937,261
STH AUST GOVT FIN		13.00%	7/15/95	10,000,000	8,542,254
TELECOM AUSTRALIA		12.50%	8/1/92	1,000,000	749,755
				<u>50,059,567</u>	
<b>BELGIAN FRANC</b>					
<b>BELGIAN FRANC</b>					
BELGIUM (KINGDOM)	(0.1%)	10.00%	8/2/00	50,000,000	1,688,202
BELGIUM (KINGDOM)		9.00%	7/27/01	90,000,000	2,885,794
				<u>4,573,996</u>	
<b>CANADIAN DOLLAR</b>					
<b>CANADIAN DOLLAR</b>					
CANADA (GOVT OF)	(0.6%)	10.25%	3/1/96	5,600,000	5,094,049
CANADA (GOVT OF)		9.75%	6/1/21	3,000,000	2,704,715
CANADA (GOVT OF)		9.75%	12/1/01	6,300,000	5,727,521
CANADA (GOVT OF)		8.25%	3/1/97	1,000,000	857,523
CANADA GOVT*		10.25%	3/15/14	850,000	792,256
CANADA GOVT		9.75%	6/1/01	10,830,000	9,828,945
CANADA GOVT		9.25%	6/1/22	5,000,000	4,341,045
CANADA GOVT		0.00%	5/1/01	11,000,000	3,589,238
FINNISH EXPORT CRE		10.25%	8/30/96	1,000,000	888,279
HYDRO QUEBEC GLOBAL BOND		9.63%	7/15/22	1,000,000	820,720
QUEBEC PROVINCE OF		8.50%	4/1/97	1,500,000	1,453,149
				<u>36,097,440</u>	



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CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
DEUTSCHE MARK (0.7%)				
DEUTSCHE MARK				
BADEN WURTTTEMB FIN	6.00%	5/5/98	1,000,000	\$ 588,868
BERLINER BANK	8.25%	6/1/96	5,000,000	3,235,988
BRAUNSCHW HANN	8.50%	6/1/94	3,000,000	1,942,576
BRAUNSCHW HANN BK	8.25%	3/1/96	2,000,000	1,290,463
BRAUNSCHW HANN HYPO	8.50%	6/1/95	3,000,000	1,938,644
BREMER	7.00%	2/1/96	1,000,000	622,621
BUNDES REP DEUTSCH	6.38%	11/20/98	5,000,000	2,984,318
BUNDESREP DEUT	6.50%	5/20/98	5,000,000	3,020,692
BUNDESSCHATZANWEISUNGEN	8.63%	5/22/95	1,000,000	651,654
DT BUNDESBahn	6.25%	4/1/97	1,000,000	601,976
DT BUNDESPOST	6.00%	7/1/97	5,000,000	2,980,386
DT BUNDESPOST	6.75%	10/1/97	2,000,000	1,215,093
DT GENOSSENSCH BANK	8.00%	9/1/94	1,000,000	639,005
EUROPEAN INVEST BK	7.38%	5/24/97	1,000,000	634,024
FINLAND (REP OF)	8.63%	11/12/98	2,000,000	1,327,820
GERMANY(FED REP)	8.75%	12/20/95	2,000,000	1,309,469
GERMANY(FED REP)	8.38%	5/21/01	1,500,000	997,536
GERMANY(FED REP)	6.50%	1/20/94	6,000,000	3,794,708
GERMANY(FED REP)	6.75%	1/20/99	1,500,000	909,354
GERMANY(FED REP)	6.13%	1/20/97	5,000,000	2,999,392
HESSISCHE LANDESBANK	8.50%	7/1/96	4,000,000	2,611,074
SECURITY PACIFIC	0.00%	12/4/95	3,000,000	1,882,608
INTL BANK RECON & DEV	8.50%	9/12/01	2,000,000	1,342,239
INTL BANK RECON & DV	6.63%	4/14/97	2,000,000	1,230,167
LKB BADEN WURTTTEMB	8.25%	11/28/01	2,000,000	1,313,402
NORDRH WESTFALEN	6.38%	2/20/96	1,000,000	611,150
NORDRHEIN WESTFALEN	7.50%	4/18/95	1,000,000	633,434
NORDRHEIN WESTFALEN	7.00%	7/17/95	1,000,000	623,931
STAATSBANK BERLIN	9.30%	12/10/93	2,000,000	1,313,139
WESTDEUTSCHE LANDESBANK	8.00%	3/1/95	2,000,000	1,278,011
			<u>46,523,742</u>	
DANISH KRONE (0.4%)				
DANISH KRONE				
DENMARK (KINGDOM)	8.00%	5/15/03	6,200,000	987,427
DENMARK (KINGDOM)*	8.00%	5/15/03	20,000,000	3,185,248
DENMARK (KINGDOM)	9.00%	11/15/00	29,000,000	4,916,305
DENMARK (KINGDOM)	9.00%	11/15/96	19,000,000	3,186,389
DENMARK (KINGDOM)	9.00%	11/15/98	59,000,000	9,901,613
			<u>22,176,982</u>	
SPANISH PESETA (0.4%)				
SPANISH PESETA				
SPAIN (GOVT OF)	13.45%	4/15/96	1,650,000,000	17,726,017
SPAIN (GOVT OF)	11.30%	1/15/02	300,000,000	3,056,156
SPAIN (KINGDOM OF)	12.25%	3/25/00	200,000,000	2,114,322

1. The first part of the paper is devoted to a general discussion of the problem of the structure of the nucleus. It is shown that the nucleus is a many-body system and that the interactions between the nucleons are of a complex nature. The problem is then reduced to a many-body problem in quantum mechanics.

2. In the second part of the paper, the author discusses the problem of the structure of the nucleus in terms of the shell model. It is shown that the shell model is a good approximation to the many-body problem and that the shell model can be used to calculate the properties of the nucleus.

3. In the third part of the paper, the author discusses the problem of the structure of the nucleus in terms of the liquid drop model. It is shown that the liquid drop model is a good approximation to the many-body problem and that the liquid drop model can be used to calculate the properties of the nucleus.

4. In the fourth part of the paper, the author discusses the problem of the structure of the nucleus in terms of the collective model. It is shown that the collective model is a good approximation to the many-body problem and that the collective model can be used to calculate the properties of the nucleus.

5. In the fifth part of the paper, the author discusses the problem of the structure of the nucleus in terms of the superfluid model. It is shown that the superfluid model is a good approximation to the many-body problem and that the superfluid model can be used to calculate the properties of the nucleus.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

		COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
SPANISH					
<u>PESETA</u>					
SPANISH PESETA (CONT.)					
SPAIN (KINGDOM OF) *		11.90%	7/15/96	100,000,000	\$ 1,027,031
SPAIN (KINGDOM OF)		11.80%	1/15/95	150,000,000	1,539,766
SPAIN (KINGDOM OF)		11.60%	1/15/97	150,000,000	1,528,078
					26,991,370
FINNISH					
<u>MARKKA</u>					
FINNISH MARKKA	(0.1%)				
FINLAND (REP OF)		11.75%	3/15/96	12,000,000	2,927,462
FINLAND (REP OF)		11.00%	3/15/01	8,000,000	1,887,498
					4,814,960
FRENCH					
<u>FRANC</u>					
FRENCH FRANC	(0.6%)				
FRANCE (GOVT OF)		9.00%	11/12/95	22,500,000	4,355,717
FRANCE (GOVT OF)		9.00%	2/12/96	22,500,000	4,357,466
FRANCE (GOVT OF)		8.50%	4/25/23	15,000,000	2,835,298
FRANCE (GOVT OF)		8.13%	5/25/99	32,000,000	5,992,658
FRANCE (GOVT)		8.50%	3/28/00	16,000,000	3,064,746
FRANCE (GOVT OF)		9.70%	12/13/97	5,000,000	1,000,979
FRANCE (GOVT OF)		8.50%	3/12/97	20,000,000	3,820,048
FRANCE (GOVT OF)		8.50%	6/25/97	10,000,000	1,907,691
FRANCE (GOVT OF)		8.50%	10/25/19	15,000,000	2,822,178
FRANCE (OAT)		8.25%	2/27/04	30,000,000	5,610,731
SNCF		8.80%	2/2/00	5,000,000	949,958
					36,717,470
POUND					
<u>STERLING</u>					
POUND STERLING	(0.6%)				
AUTOBAHN & SCHNELL		10.38%	1/10/01	1,000,000	1,999,090
CONVERSION		10.00%	11/15/96	3,900,000	7,597,253
EE FINANCE		8.75%	6/27/06	500,000	883,733
EXCHEQUER		10.50%	2/21/97	1,900,000	3,773,445
EXPORT FINANCE*		9.13%	5/19/93	1,000,000	1,863,631
INTL BANK RECON&DV		9.25%	7/20/07	1,000,000	1,892,185
ITALY (REPUBLIC OF)		10.50%	4/28/14	1,880,000	3,771,687
ITALY (REPUBLIC OF)		10.50%	6/26/93	1,250,000	2,488,469
JAPAN DEVEL BANK		9.25%	7/23/93	1,000,000	1,886,247
OESTERREICH		10.38%	3/29/99	1,000,000	1,989,635
SVENSK EXPORTKREDT		10.38%	3/8/96	1,000,000	1,951,577
TREASURY		10.50%	5/19/99	1,900,000	3,836,637
TREASURY		9.75%	8/27/02	750,000	1,477,046
TREASURY		9.50%	1/15/99	1,250,000	2,432,048
					37,842,683

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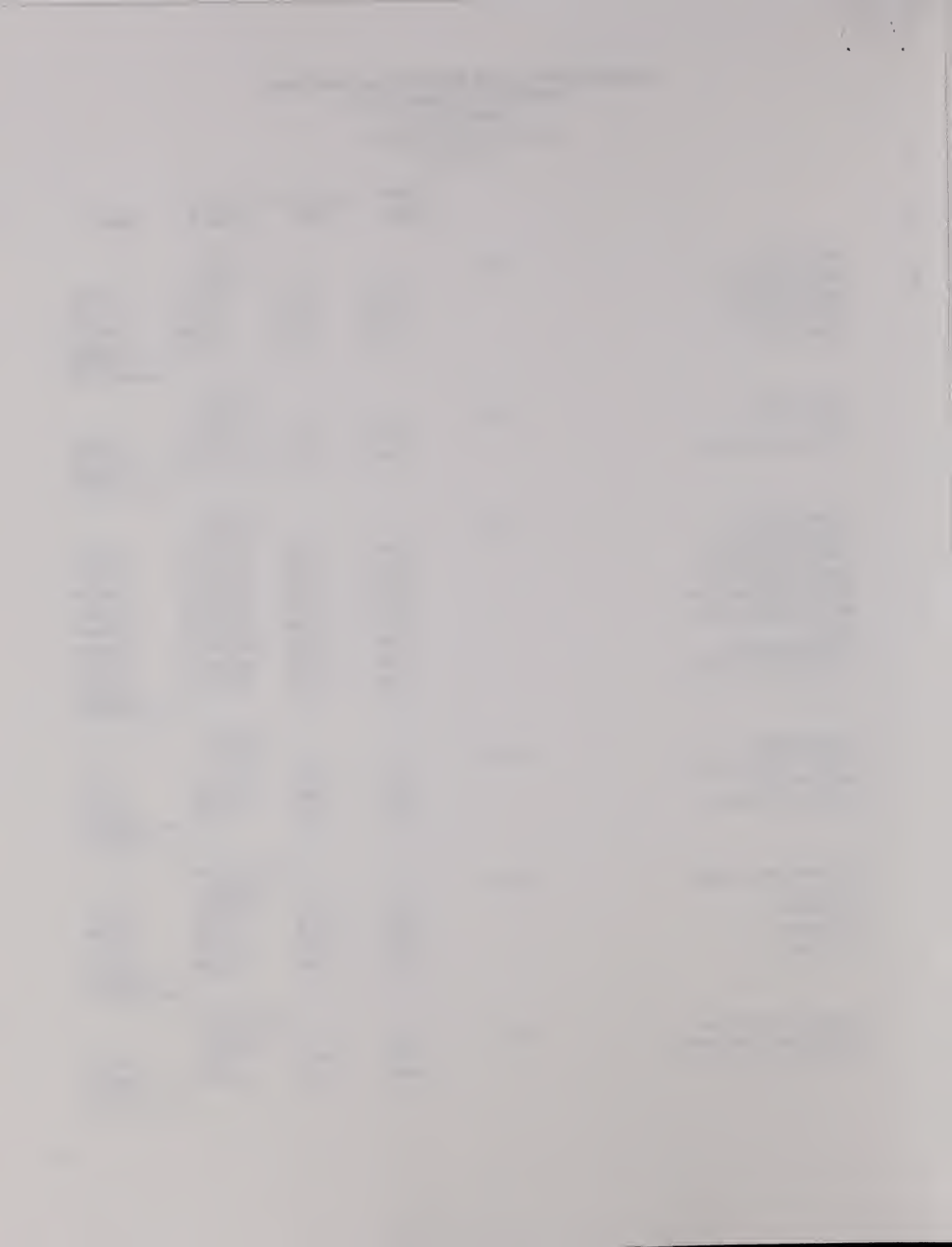
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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
IRISH POUND				
	(0.2%)		IRISH POUND	
IRELAND (REP OF)	9.00%	7/30/96	1,000,000	\$ 1,730,427
IRELAND (REP OF)	9.00%	7/15/01	2,000,000	3,498,435
IRELAND (REP OF)	9.25%	7/11/03	2,800,000	4,987,127
IRISH CAPITAL	9.75%	6/1/98	1,700,000	3,049,527
				13,265,516
ITALIAN LIRA				
	(0.1%)		ITALIAN LIRA	
EDF *	12.38%	7/3/95	2,000,000,000	1,726,092
EUROPEAN INV BANK	12.00%	12/10/97	1,500,000,000	1,351,228
				3,077,320
JAPANESE YEN				
	(0.4%)		JAPANESE YEN	
CREDIT LOCAL DE FR	7.00%	6/21/96	300,000,000	2,530,128
EUROPEAN INV BANK	6.63%	3/15/00	179,000,000	1,511,417
INTER AMER DEV BK	7.25%	3/15/00	100,000,000	869,143
INTL BANK RECON & DEV	5.25%	3/20/02	300,000,000	2,342,822
INTL BANK RECON & DV	6.75%	3/15/00	241,000,000	2,058,809
JAPAN	4.80%	6/21/99	1,500,000,000	11,481,014
SPAIN(KINGDOM OF)	5.75%	3/23/02	300,000,000	2,354,714
TOKYO ELECTRIC POWER	6.00%	12/18/96	300,000,000	2,434,988
				25,583,035
MEXICAN PESO				
	(0.0%)		MEXICAN PESO	
MEXICAN ATUSTABONOS	5.30%	7/14/94	1,465,100	537,706
MEXICAN CETES	0.00%	7/16/92	950,000,000	300,709
MEXICAN GOVT CETE	0.00%	1/14/93	362,067	1,015,005
				1,853,420
NETHERLANDS GUILDER				
	(0.2%)		NETHERLANDS GUILDER	
DUTCH GOVT	8.25%	2/15/02	3,000,000	1,734,511
DUTCH GOVT	9.00%	5/15/00	4,000,000	2,402,650
DUTCH GOVT	8.50%	6/1/06	8,125,000	4,818,995
DUTCH GOVT	6.50%	1/15/99	2,500,000	1,316,111
				10,272,267
NEW ZEALAND DOLLAR				
	(0.0%)		NEW ZEALAND DOLLAR	
INDEPENDENT NEWSPAPERS	12.00%	9/30/93	240,000	684,552
NEW ZEALAND (GOVT)	10.00%	3/15/02	3,000,000	1,788,961
				2,473,513





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

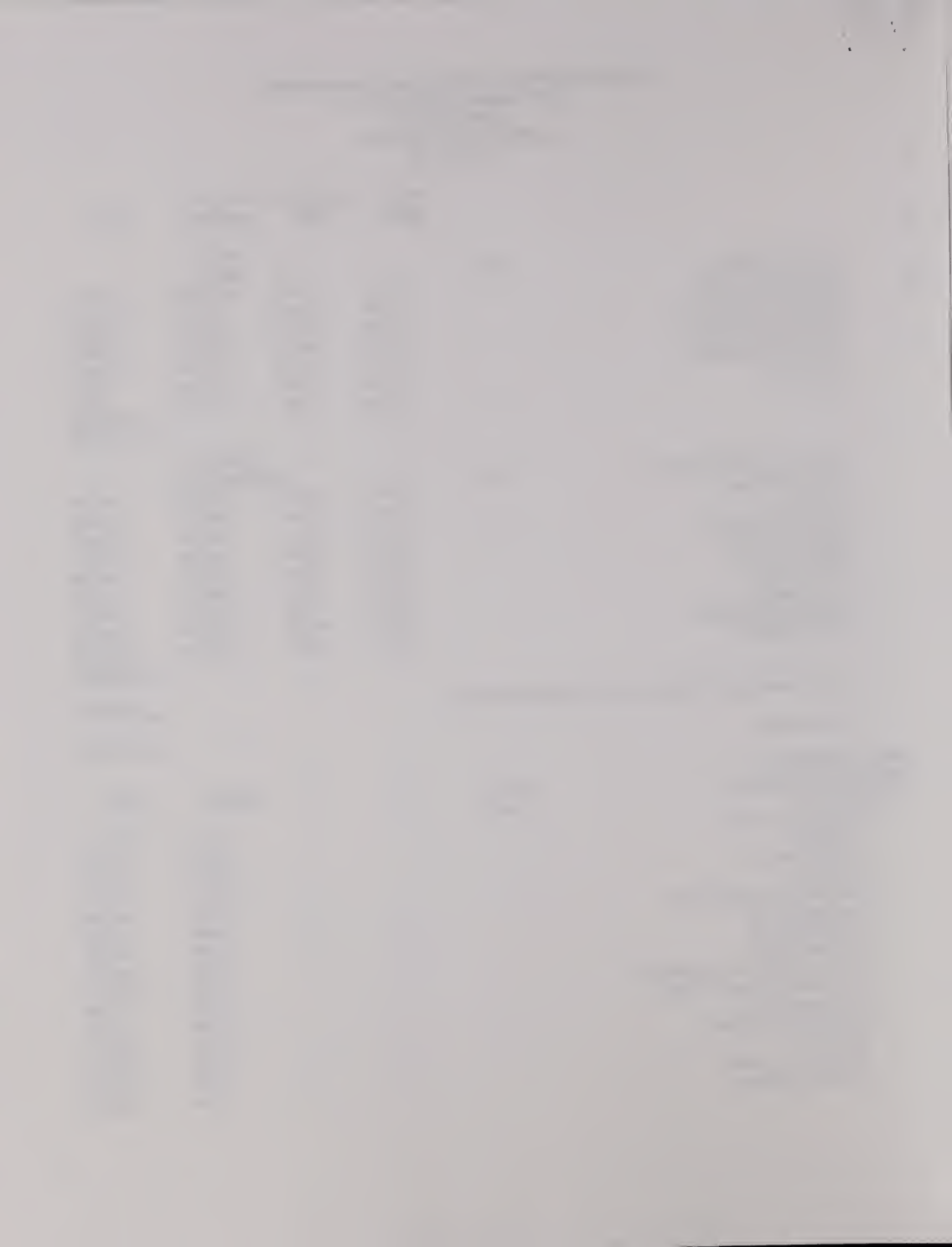
	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
				SWEDISH KRONA
SWEDISH KRONA	(0.2%)			
STATENS BOSTAD FIN	12.50%	1/23/97	29,000,000	\$ 5,440,401
SWEDEN (KINGDOM OF)	11.20%	9/1/94	15,000,000	2,730,813
SWEDEN (KINGDOM OF)	10.75%	1/23/97	10,000,000	1,845,381
SWEDEN (KINGDOM OF)	13.00%	6/15/01	14,000,000	3,029,267
SWEDEN (KINGDOM OF)	11.20%	9/1/04	10,000,000	1,857,529
VOLVO (AB)	10.00%	2/1/95	808,500	164,181
VOLVO B	10.00%	3/31/95	1,730,575	367,113
			<u>15,434,685</u>	

				EUROPEAN CURRENCY UNIT
EUROPEAN CURRENCY UNIT	(0.2%)			
AS EXPORTFINANS*			500,000	686,687
EUROFIMA	10.50%	5/29/95	1,000,000	1,295,003
EUROPEAN INV BANK	7.63%	2/10/94	1,000,000	1,326,875
FRANCE (GOVT OF)	8.63%	3/14/93	1,000,000	1,368,812
IND BANK JAPAN	9.50%	4/25/00	1,000,000	1,293,326
ITALY (REP OF)	7.75%	1/13/94	1,000,000	1,331,068
ITALY (REP OF)	9.25%	3/7/11	1,000,000	2,208,738
ITV (REP OF)	0.00%	3/7/05	3,977,500	1,300,874
LVMH MOET HENNESSY	8.00%	8/24/93	1,000,000	4,189,469
NEW ZEALAND*	10.63%	6/26/97	3,000,000	<u>15,000,852</u>

TOTAL FOREIGN GOVERNMENT AND CORPORATE BONDS 352,758,818

TOTAL BONDS 3,169,156,588

DOMESTIC COMMON AND PREFERRED STOCKS		(31.5%)	SHARES	VALUE
AEROSPACE		(0.6%)		
ALLIED SIGNAL INC			119,900	\$ 6,444,625
BOEING CO			179,752	7,167,611
COLTEC INDS INC			124,600	2,336,250
E SYS INC			37,100	1,224,300
GENERAL DYNAMICS CORP			11,900	849,363
GRUMMAN CORP			9,500	214,937
LITTON INDS INC			62,400	2,917,200
LOCKHEED CORP			41,800	1,844,425
MARTIN MARIETTA CORP RIGHTS			133,089	6,970,536
MCDONNELL DOUGLAS CORP			19,900	776,100
NORTHROP CORP			12,300	322,875
ROCKWELL INTL CORP			101,900	2,356,437
ROHR INC			56,500	579,125
SUNDSTRAND CORP			83,400	2,898,150
THIokol CORP DEL			37,500	600,000



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
<b>AEROSPACE (CONT.)</b>		
TRW INC	171.00	\$ 919,125
UNITED TECHNOLOGIES CORP	4.900	256.025
		<u>38,677.084</u>
<b>AIR TRAVEL (0.2%)</b>		
AMR CORP	133.100	8,601.588
DELTA AIR LINES INC DEL	41.100	2,229.674
DELTA AIR LINES INC PREFERRED	16.500	858.000
PAN AM CORP	23.300	58
UAL CORP	25.700	2,981.200
USAIR GROUP INC	11.800	150.450
		<u>14,820.970</u>
<b>ALUMINUM (0.2%)</b>		
ALCAN ALUM LTD	71.600	1,530.450
ALUMINUM CO AMER	73.000	5,538.875
REYNOLDS METALS CO	125.231	7,247.743
		<u>14,317.068</u>
<b>APPAREL &amp; TEXTILES (0.4%)</b>		
ANGELICA CORP	9,300	276.675
BROWN GROUP INC	4,000	91.000
CINTAS CORP	70,000	1,855.000
CML GROUP INC	23,100	1,143.450
FRUIT OF THE LOOM INC	56,200	1,854.600
HARTMARX CORP	5,300	29.813
KELLWOOD CO	13,000	357.500
LIZ CLAIBORNE	22,700	800.174
NIKE INC	84,016	5,219.494
OSHKOSH B GOSH INC	3,800	86.450
PHILLIPS VAN HEUSEN CORP	15,000	335.625
QUIKSILVER INC	5,000	28.125
REEBOK INTL LTD	286,850	6,920.256
RUSSELL CORP	10,600	331.250
SPRINGS INDS INC	4,600	167.900
STRIDE RITE CORP	13,400	276.375
UNIFI INC	25,000	953.125
V F CORP	70,700	3,110.800
		<u>23,837.612</u>
<b>AUTO PARTS (0.1%)</b>		
DANA CORP	10,700	466.787
EATON CORP	12,200	974.475
GENUINE PARTS CO	69,950	2,238.400
MAGNA INTL INC	18,000	472.500
		<u>4,152.162</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
AUTOMOBILES		
	(0.7%)	
CHRYSLER CORP	58,650	\$ 1,238,981
CHRYSLER CORP PREFERRED	30,000	2,047,500
FORD MTR CO DEL	30,600	15,904,861
FORD MTR CO DEL PREFERRED	346,700	2,425,050
GENERAL MTRS CORP	388,900	17,111,600
GENERAL MTRS CORP PREFERRED SERIES E	25,000	2,800,000
NAVISTAR INTL CORP (HLDG CO ) PREFERRED	17,700	778,800
NAVISTAR INTL CORP (HLDG CO)	65,600	172,200
PACCAR INC	9,100	530,075
		<u>43,009,067</u>
BANKS		
	(2.0%)	
BANC ONE CORP	125,910	5,744,644
BANCORP HAWAII INC	8,250	387,750
BANK OF BOSTON CORP	42,200	1,039,175
BANK OF NEW YORK INC	92,500	3,734,688
BANKAMERICA CORP	258,399	11,466,455
BANKERS TR N Y CORP	51,700	3,037,374
BARNETT BKS INC PREFERRED SERIES A	6,500	510,250
BARNETT BKS INC RIGHTS	18,250	677,531
CENT BANCSHARES SOUTH	9,800	325,850
CHASE MANHATTAN CORP	96,800	2,674,100
CHEMICAL BKG CORP	192,232	7,136,613
CHEMICAL BKG CORP PREFERRED	16,200	1,296,000
CITICORP CONVERTIBLE PREFERRED	22,100	1,635,400
COMERICA INC	23,182	1,373,534
COMMERCE BANCSHARES INC	12,800	467,200
CONCORD COMPUTING CORP	80,000	1,670,000
CORE STATES FINL CORP	14,300	704,275
CRESTAR FINL CORP	18,000	540,000
DOMINION BANKSHARES CORP	30,600	436,050
FIRST AMER BK CORP	6,700	222,775
FIRST CHICAGO CORP	103,100	3,647,163
FIRST COMM CORP	12,900	612,750
FIRST COMMERCE	12,500	407,813
FIRST FIDELITY BANCORP NEW	76,300	2,889,862
FIRST INTST BANCORP	31,400	1,291,325
FIRST TENN NATL CORP	16,500	602,250
FIRST UNION CORP	129,600	4,908,600
KEYCORP	50,350	1,630,080
MBNA CORP	156,000	6,201,000
MELLON BK CORP	19,500	801,938
MIDLANTIC CORP	25,000	365,625
MORGAN J P & CO INC	88,400	4,961,450
N S BANCORP INC	27,800	615,075
NATIONAL COMM BANCORP	13,300	309,225
NATIONSBANK CORP	299,000	14,239,875
NATIONSBANK CORP PREFERRED	27,000	1,785,375
NBD BANCORP INC	68,362	1,956,862



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
<b>BANKING (CONT.)</b>		
NORWEST CORP	144.600	\$ 5,494,800
OLD KENT FINL CORP	20.900	856,900
PNC FINANCIAL	102.600	5,540,400
REPUBLIC N Y CORP	5.000	199,375
SHAWMUT NATIONAL CORP	17.600	319,000
SIGNET BANKING CORP	23.400	924,300
SOCIETY CORP	29.640	1,726,530
SOUTHERN NATL CORP N C	28.000	805,000
SOUTHTRUST CORP	26.550	683,663
STANDARD FED BK TROY MICH	119.000	2,469,250
STATE STREET BOSTON CORP	60.000	2,145,000
SUMMIT BANCORPORATION	38.000	589,000
SUNTRUST BKS INC	63.206	2,559,843
U S BANCORP	23.400	564,525
WACHOVIA CORP NEW	58.500	3,605,062
WELLS FARGO & CO	25.000	1,865,625
		<u>122,654,205</u>
<b>BROADCASTING</b>	(0.4%)	
BHC COMMUNICATIONS INC	15.000	862,500
CAPITAL CITIES ABC INC	4.800	2,192,400
CBS INC	5,717	1,103,380
COMCAST CORP CLASS A	29,400	514,500
COMCAST CORP CLASS A SPECIAL	213.700	3,659,612
LIBERTY MEDIA CORP	9,260	428,275
LIBERTY MEDIA CORP PREFERRED	926	49,078
LIN BROADCASTING CORP	120.700	7,724,800
QVC NETWORK INC	10.600	217,300
TELE COMMUNICATIONS INC	504.192	9,894,767
		<u>26,646,612</u>
<b>BUILDING CONSTRUCTION</b>	(0.0%)	
FLUOR CORP	62.200	2,488,000
MORRISON KNUDSEN CORP	5.600	114,800
		<u>2,602,800</u>
<b>BUSINESS SERVICES</b>	(0.4%)	
AUTOMATIC DATA PROCESSING INC	36.600	1,564,650
BLOCK H & R INC	30.400	1,037,400
BOWNE & CO INC	36.000	535,500
CENTEX TELEMANAGEMENT INC	100.000	1,375,000
CUC INTL INC	84.100	2,512,488
DE LUXE CORP	64.100	2,724,250
DONNELLEY R R & SONS CO	20.200	1,093,325
ECOLAB INC	6.200	202,275
FIRST DATA CORP	75.000	1,865,625
FLIGHTSAFETY INTL INC	19.400	851,174
JWP INC	9.900	121,275
LEGENT CORP	60.000	1,965,000
LOGICON INC	3.700	57,350





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
<b>BUSINESS SERVICES (CONT.)</b>		
MERRILL CORP	17.000	\$ 157,250
OGDEN CORP	25.300	496,513
OLSTEN CORP	5.000	128,125
OMNICOM GROUP	61.900	2,166,500
SAFETY KLEEN CORP	34.587	959,789
SERVICE CORP INTL	12.450	319,031
SOTHEBYS HLDGS INC	34.100	430,512
STONE & WEBSTER INC	35.000	980,000
TELEDATA COMMUNICATIONS INC	14.500	157,688
WASTE MGMT INTL PLC. ADR	130.000	2,925,000
		<u>24,625,720</u>
<b>CHEMICALS</b>	<b>(0.6%)</b>	
AIR PRODS & CHEMS INC	32.000	1,360,000
AKZO N V. ADR	44.400	1,920,300
CABOT CORP	2.700	121,500
CONSTAR INTERNATIONAL	16.800	308,700
DOW CHEM CO	108.800	6,269,600
ETHYL CORP	106.700	2,827,550
FIRST MISS CORP	57.400	652,925
FMC CORP	18.300	910,425
GEORGIA GULF CORP	12.400	261,950
GOODRICH B F CO	6.600	312,675
GRACE W R & CO	91.900	3,124,600
GREAT LAKES CHEMICAL CORP	44.200	2,740,400
HERCULES INC	19.600	1,053,900
MORTON INTL INC IND	12.500	679,688
NL INDS INC	16.870	141,285
POTASH CORP SASK INC	24.100	518,150
PPG INDS INC	97.400	6,379,700
QUANTUM CHEM CORP	6.500	117,813
ROHM & HAAS CO	75.200	4,154,800
SIGMA ALDRICH	35.000	1,754,375
VIGORO CORP	10.200	219,300
		<u>35,809,636</u>
<b>COAL</b>	<b>(0.0%)</b>	
NERCO INC	16.700	200,400
WESTMORELAND COAL CO	2.200	25,850
		<u>226,250</u>
<b>COMPUTERS &amp; BUSINESS</b>		
<b>EQUIPMENT</b>	<b>(1.2%)</b>	
AMDAHL CORP	113.100	1,993,388
APPLE COMPUTER	134.500	6,456,000
AST RESH INC	72.500	996,874
CERIDIAN CORP	136.900	1,899,488
CISCO SYS INC	31.400	1,475,800
COMPAQ COMPUTER CORP	22.484	559,290



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

		SHARES	VALUE
COMPUTERS & BUSINESS (CONT.)			
CONNOR PERIPHERALS INC		26.100	\$ 482.850
CRAY RESH INC		7.500	214.688
DATA GEN CORP		4.700	38,188
DIGITAL COMMUNICATIONS ASSOC		31.600	556,950
DIGITAL EQUIP CORP		91.300	3,161,263
ELBIT LTD		3.100	105,788
EXABYTE CORP		16.800	535,500
GERBER SCIENTIFIC INC		52.800	534,600
HEWLETT PACKARD CO		87.100	5,999,013
I I S INTELLIGENT INFORMATION		12.200	277,550
INTERGRAPH CORP		12.600	165,375
INTERNATIONAL BUSINESS MACHS		316.778	31,004,647
PITNEY BOWES INC		41,000	1,183,875
SEAGATE TECHNOLOGY		45.700	679,788
STRATUS COMPUTER INC		34.300	1,470,611
SUN MICROSYSTEMS INC		274.300	7,166,087
TANDEM COMPUTERS INC		104.000	1,235,000
TANDY CORP		3,697	90,577
TECH DATA CORP		40.200	613,050
UNISYS CORP		38,100	342,900
UNISYS CORP PREFERRED		24,900	743,888
WANG LABS INC		37.700	136,663
XEROX CORP		42,997	2,999,041
			<u>73,118,732</u>
CONGLOMERATES	(0.2%)		
ITT CORP		91.500	5,924,625
TEXTRON INC		246,300	9,205,462
			<u>15,130,087</u>
CONSTRUCTION & MINING EQUIPMENT	(0.0%)		
DOVER CORP		16.000	646,000
EMPRESAS ICA SOCIEDAD CONTROL. ADR		10.300	178,963
FOSTER WHEELER CORP		10.100	256,288
			<u>1,081,251</u>
CONSTRUCTION MATERIALS	(0.1%)		
ARMSTRONG WORLD IND INC		37.000	1,105,375
LONE STAR INDS INC		2.600	8,774
MASCO CORP		128.700	3,346,200
OWENS CORNING FIBERGLAS		11.600	350,900
SHERWIN WILLIAMS CO		22.400	616,000
			<u>5,427,249</u>
CONTAINERS & GLASS	(0.0%)		
BALL CORP		19.600	688,450
BEMIS INC		13.400	326,625
TEMPLE INLAND INC		14.250	691,124
VITRO SOCIEDAD ANONIMA. ADR		8.200	159,900
			<u>1,866,099</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
<b>COSMETICS &amp; TOILETRIES</b>		
	(0.2%)	
ALBERTO CULVER CO	7.500	\$ 163,125
AVON PRODS INC	151,200	7,749,000
F & C INTL INC	53,333	799,995
HELENE CURTIS INDS INC	18,200	600,600
		<u>9,312,720</u>
<b>DOMESTIC OIL</b>		
	(9.6%)	
AMERADA HESS CORP	46,100	2,086,025
ANADARKO PETE CORP	70,300	1,660,837
ATLANTIC RICHFIELD CO	61,100	6,583,525
FREEPORT-MCMORAN INC	104,000	2,054,000
KERR MCGEE CORP	53,100	2,124,000 <sup>1</sup>
LOUISIANA LD & EXPL CO	13,700	465,800
MOBIL CORP	180,400	11,094,600
MURPHY OIL CORP	25,000	853,125
PENNZOIL CO	10,400	465,400
PHILLIPS PETE CO	68,100	1,651,425
SUN INC	27,800	712,375
TENNECO INC	28,100	1,039,700
TOSCO CORP	4,600	106,950
TOSCO CORP PREFERRED SERIES F	3,700	223,850
UNOCAL CORP	241,500	6,158,250
USX MARATHON GROUP	75,200	1,635,600
		<u>38,915,462</u>
<b>DRUG &amp; HEALTH CARE</b>		
	(3.1%)	
AIRGAS INC	400	12,000
ALZA CORP CLASS A	219,300	10,005,563
AMERICAN HOME PRODS CORP	220,112	15,738,008
AMGEN INC	28,100	1,710,588
APPLIED BIOSCIENCE INTL INC	100,000	1,325,000
BALLARD MEDICAL PRODUCTS	50,000	1,175,000
BARD C R INC	15,200	376,200
BAUSCH & LOMB INC	50,400	2,406,600
BAXTER INTL INC	503,400	18,311,175
BECTON DICKINSON & CO	9,800	730,100
BERGEN BRUNSWIG CORP	17,700	338,512
BEVERLY ENTERPRISES INC	417,300	3,286,238
BIAGEN INC	30,000	765,000
BIOMET INC	89,200	1,527,550
CARDINAL DISTR INC	68,875	2,066,250
COMMUNITY PSYCHIATRIC CENTERS	12,150	139,725
CONTINENTAL MED SYS INC	172,300	2,584,500
COVENTRY CORP	29,800	365,050
CRITICAL CARE AMER INC	123,000	4,735,500
DIAGNOSTIC PRODS CORP	23,500	746,125
FOREST LABS INC	62,500	2,000,000
FOUNDATION HEALTH CORP	20,650	609,175
GENENTECH INC	110,000	3,492,500



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
<b>DRUG &amp; HEALTH CARE (CONT.)</b>		
GENSIA PHARMACEUTICALS INC	40,000	\$ 1,460,000
GENZYME CORP	43,000	1,892,000
HCA HOSP CORP AMER	50,200	1,047,925
HEALTH CARE & RETIREMENT CORP	52,100	989,900
HEALTH INFUSION INC	18,600	223,200
HEALTH MGMT ASSOC	76,050	1,521,000
HEALTHSOUTH REHABILITATION	114,775	2,238,112
HUMANA INC	46,950	991,819
IMCERA GROUP INC	231,400	7,375,875
IMMUCOR CORP	70,000	665,000
ISIS PHARMACEUTICALS	3,000	24,749
LUXOTTICA GROUP S P A. ADR	30,200	1,634,575
MANOR CARE INC	37,500	689,063
MARION MERRELL DOW INC	46,800	1,532,700
MCKESSON CORP	10,100	320,675
MEDCO CONTAINMENT SVCS INC	305,000	9,150,000
MEDICAL CARE INTL INC	115,000	5,951,250
MEDTRONIC INC	70,400	5,755,200
MERCK & CO INC	600,100	29,254,875
MYLAN LABS INC	60,200	2,377,900
NATIONAL HEALTH LABS INC	250,000	5,156,250
NATIONAL INTERGROUP INC	5,700	79,088
NATIONAL MEDICAL ENTERPRISES	65,300	938,688
NATIONWIDE HEALTH PPTYS INC	29,000	819,250
NICHOLS INSTITUTE CLASS A	60,000	487,500
NICHOLS INSTITUTE CLASS C	40,600	340,024
PACIFICARE HEALTH SYS INC	3,600	106,200
PACIFICARE HEALTH SYS INC CLASS B	3,600	88,200
PURITAN BENNETT CORP	30,000	990,000
QUANTUM HEALTH RES INC	50,000	1,112,500
ST JUDE MED INC	22,200	838,050
STRYKER CORP	60,000	1,995,000
SURGICAL CARE AFFILIATES INC	221,600	6,703,400
SYNTEX CORP	161,390	5,527,607
T2 MED INC	100,000	2,100,000
TEVA PHARMACEUTICAL INDS LTD. ADR	11,000	255,750
TOKOS MED CORP DEL	100,000	2,900,000
UNITED HEALTHCARE CORP	12,000	996,000
UNITED STATES SURGICAL CORP	92,000	8,763,000
VALLEN CORP	70,000	1,470,000
VENCOR INC	62,500	1,632,813
VISX INC DEL	52,000	637,000
VIVRA INC	60,000	1,612,500
		<u>195,090,997</u>
<b>ELECTRIC UTILITIES (1.3%)</b>		
AMERICAN ELEC PWR INC	61,700	1,966,688
BALTIMORE GAS & ELEC CO	32,400	720,900
BOSTON EDISON CO	13,600	351,900





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
<b>ELECTRIC UTILITIES(CONT.)</b>		
CALIFORNIA ENERGY INC	3,800	\$ 48,925
CAROLINA PWR & LT CO	68,600	3,464,300
CENTRAL & SOUTH WEST CORP	61,800	1,745,850
CINCINNATI GAS & ELEC CO	52,700	1,811,562
CMS ENERGY CORP	38,200	606,425
COMMONWEALTH EDISON CO	81,700	2,175,262
CONSOLIDATED EDISON CO N Y INC	59,400	1,663,200
DETROIT EDISON CO	167,700	5,240,625
DOMINION RES INC VA	39,450	1,508,963
DPL INC	59,400	1,536,975
DQE	7,000	209,125
DUKE PWR CO	53,200	1,822,100
ENTERGY CORP	266,300	7,522,975
FPL GROUP INC	46,100	1,607,738
HOUSTON INDUSTRIES INC	62,000	2,720,250
ILLINOIS PWR CO	127,500	2,900,625
MONTANA PWR CO	3,500	91,875
NEW YORK ST ELEC & GAS CORP	16,400	481,750
NIAGARA MOHAWK PWR CORP	92,000	1,748,000
NORTHERN STS PWR CO MINN	16,300	676,450
OHIO EDISON CO	39,700	828,738
PACIFIC GAS & ELEC CO	173,700	5,601,824
PACIFICORP	64,600	1,437,350
PHILADELPHIA ELEC CO	381,900	10,072,612
PINNACLE WEST CAP CORP	279,000	5,056,875
PORTLAND GEN CORP	14,800	238,650
PSI RESOURCES INC	65,700	1,108,688
PUBLIC SVC ENTERPRISE GROUP	55,100	1,522,138
SCECORP	78,100	3,455,925
SOUTHERN CO	118,700	4,139,662
TEXAS UTILS CO	93,100	3,642,537
UNION ELEC CO	31,600	1,133,650
UNITED ILLUM CO	14,700	545,738
		<u>81,406,850</u>
<b>ELECTRICAL EQUIPMENT</b>		
	(1.2%)	
ARROW ELECTRS INC	32,500	613,438
BOSTON SCIENTIFIC	200,000	3,425,000
COOPER INDS INC	28,500	1,314,563
COOPER INDS INC CONVERTIBLE PREFERRED	29,300	860,687
DURACELL INTL INC	106,500	2,968,687
EMERSON ELEC CO	176,926	8,625,143
GENERAL ELECTRIC CO	625,797	48,655,717
GENERAL SIGNAL CORP	23,200	1,339,800
GRAINGER W W INC	14,200	654,975
JOHNSON CTLS INC	35,900	1,409,074
MILLIPORE CORP	7,300	241,813
NATIONAL SVC INDS INC	32,400	777,600
NOVELLUS SYS INC	3,000	27,750



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	SHARES	VALUE
<b>ELECTRICAL EQUIPMENT(CONT.)</b>		
PREMIER INDL CORP	50,000	\$ 1,618,750
RAYCHEM CORP	9,700	309,188
WESTINGHOUSE ELEC CORP	75,900	1,337,738
		<u>74,179,923</u>
<b>ELECTRONICS (0.8%)</b>		
ADAPTEC INC	28,100	642,788
ADVANCED MICRO DEVICES INC	34,200	299,250
ALLIANT TECHSYSTEMS INC	1,675	38,106
ALTERA CORP	70,000	805,000
AMERICAN SUPERCONDUCTOR CORP	30,000	510,000
AMF INC	27,700	1,492,338
ANALOG DEVICES INC	56,900	547,663
ANDREW CORP	2,600	74,100
ANTHEM ELECTRS INC	50,000	1,737,500
ASPECT TELECOMMUNICATIONS CORP	15,500	135,625
DSC COMMUNICATIONS CORP	10,700	50,825
ECI TELECOM LTD	10,400	286,000
EG & G INC	62,400	1,435,200
ELSCINT LTD	53,100	272,137
EXAR CORP	6,600	99,000
HARRIS CORP DEL	10,500	288,750
HONEYWELL INC	27,800	1,946,000
INTEL CORP	245,550	13,996,350
KYOCERA CORP	15,000	1,005,000
LINEAR TECHNOLOGY CORP	65,000	2,453,750
LORAL CORP	33,600	1,083,600
M/A COM INC	5,900	30,238
MARSHALL INDS	15,800	472,025
MAXIM INTEGRATED PRODS INC	80,000	1,680,000
MICRON TECHNOLOGY INC	140,000	1,995,000
MICROPOLIS CORP	12,900	111,263
MOTOROLA INC	34,600	2,651,225
NATIONAL SEMICONDUCTOR CORP	24,700	243,912
NORTHERN TELECOM LTD	63,800	2,344,650
PERKIN ELMER CORP	8,700	261,000
PICTURETEL CORP	12,000	324,000
RAYTHEON CO	192,000	8,448,000
SCIENTIFIC ATLANTA INC	5,900	140,125
TEKTRONIX INC	7,600	133,000
TELEDYNE INC	14,400	271,800
TEXAS INSTRS INC	31,500	1,106,437
THERMO INSTR SYS INC	10,000	258,750
THOMAS & BETTS CORP	4,500	267,750
VISHAY INTERTECHNOLOGY INC	24,800	613,800
XILINX INC	50,000	906,250
		<u>51,458,207</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	(0.7%)	<u>SHARES</u>	<u>VALUE</u>
FINANCIAL SERVICES			
ADVANTA CORP CLASS A		9.700	\$ 157,625
ADVANTA CORP CLASS B		9.700	140,650
ALEX BROWN INC		27,100	457,312
AMERICAN EXPRESS CO		197,300	4,587,225
BENEFICIAL CORP		54,900	3,204,787
CATELLUS DEV CORP		11,200	93,800
CHARTER ONE FINL INC		29,850	656,700
CITICORP		232,500	4,940,625
CRAGIN FINL CORP		26,800	696,800
FEDERAL RLTY INVT TR		16,300	348,413
FLEET FINL GROUP INC		69,575	2,061,159
GFC FINL CORP		22,750	472,063
GRUPO FINANCIERO BANCOMER. ADK		12,000	414,000
HEALTH CARE PPTY INVS INC		50,600	1,201,750
HOUSEHOLD INTL CORP		31,700	1,592,925
MERRILL LYNCH & CO INC		76,800	3,878,400
MORGAN STANLEY GROUP INC		79,700	3,994,962
PAINE WEBBER GROUP INC		14,650	316,806
PAINE WEBBER GROUP INC WARRANTS		150,000	103,125
PRIMERICA CORP NEW		136,300	5,230,512
SALOMON INC		91,000	3,071,250
SALOMON INC WARRANTS*		100,000	56,250
STUDENT LN MARKETING ASSN		71,900	4,925,150
UNITED ASSET MGMT CORP		40,000	1,005,000
WEINGARTEN RLTY INVS		9.700	317,675
			<u>43,924,964</u>
FOOD & BEVERAGE	(1.7%)		
A & W BRANDS INC		15,000	478,125
ARCHER DANIELS MIDLAND CO		133,942	3,164,380
CAMPBELL SOUP CO		67,800	2,449,275
COCA COLA CO		489,200	19,568,000
CONAGRA INC		87,525	2,286,591
CPC INTL INC		77,200	3,560,850
FLOWERS INDS INC		12,900	227,362
GENERAL MILLS INC		63,100	4,235,587
GERBER PRODS CO		62,800	4,176,200
HEINZ H J CO		112,900	4,332,537
HERSHEY FOODS CORP		25,800	1,083,600
IBP INC		55,300	1,036,875
INTERNATIONAL MULTIFOODS CORP		33,200	830,000
KIRIN BREWERY CO. E A WARRANTS		120	6,000
PEPSICO INC		579,354	20,204,971
PET INC NEW		26,800	418,750
PIONEER HI BRED INTL INC		57,100	4,568,000
QUAKER OATS CO		49,700	2,820,475
RALSTON PURINA CO		46,600	2,166,900



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

		SHARES	VALUE
FOOD & BEVERAGE(CONT.)			
SARA LEE CORP		213,800	\$ 11,010,700
SYSCO CORP		305,800	7,568,550
UNILEVER N V		72,500	7,857,187
UNIVERSAL FOODS CORP		43,300	1,174,512
WHITMAN CORP		26,800	358,450
WRIGLEY WM JR CO		10,200	770,100
WRIGLEY WM JR CO CLASS B		1,200	90,600
			<u>106,444,577</u>
FOREST PRODUCTS (0.2%)			
GEORGIA PAC CORP		67,300	4,122,125
LOUISIANA PAC CORP		67,350	3,114,938
WEYERHAEUSER CO		135,336	4,635,258
			<u>11,872,321</u>
GAS & PIPELINE UTILITIES (0.3%)			
ARKLA INC		30,200	275,575
COASTAL CORP		106,875	2,658,515
COLUMBIA GAS SYS INC		13,200	224,400
CONSOLIDATED NAT GAS CO		49,600	2,101,800
EASTERN ENTERPRISES		5,900	162,250
ENRON CORP		128,700	5,389,312
ENSERCH CORP		16,800	252,000
NICOR INC		22,600	1,014,175
ONEOK INC		46,700	793,900
PACIFIC ENTERPRISES		18,200	345,800
PANHANDLE EASTN CORP		158,498	2,476,531
PEOPLES ENERGY CORP		45,200	1,186,500
SONAT INC		16,200	607,500
SOUTHWESTERN ENERGY CO		7,500	225,938
WILLIAMS COS INC (DEL)		89,900	2,607,100
			<u>20,321,296</u>
GAS EXPORATION (0.1%)			
ENRON OIL AND GAS CO		6,300	160,650
MAGMA PWR CO NEW		2,800	68,600
MAXUS ENERGY CORP		26,000	156,000
OCCIDENTAL PETE CORP		132,300	2,596,387
ORYX ENERGY CO		22,800	399,000
SANTA FE ENERGY RES INC		30,205	245,415
UNION TEX PETE HLDGS INC		63,600	1,009,650
			<u>4,635,702</u>
GOLD (0.0%)			
ECHO BAY MINES LTD		25,800	154,800
HOMESTAKE MNG CO		25,700	337,313
NEWMONT MNG CORP		17,600	853,600





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
GOLD(CONT.)		
PLACER DOME INC	61.200	\$ 619.650
		<u>1,965.363</u>
HOMEBUILDERS	(0.0%)	
CENTEX CORP	3.600	157.050
KAUFMAN & BROAD HOME CORP	7.300	104.025
PHM CORP	6.200	106.950
		<u>368.025</u>
HOTELS & RESTAURANTS	(0.5%)	
AU BON PAIN CO INC	71.000	1,118.250
BRINKER INTL INC	60.000	1,980.000
CRACKER BARREL OLD CTRY STORE	90.900	2,817.900
DIAL CORP DEL	93.400	3,327.375
HILTON HOTELS CORP	35.700	1,637.737
LUBYS CAFETERIAS INC	58.850	993.094
MARRIOTT CORP RIGHTS	24.700	398.288
MCDONALDS CORP RIGHTS	304.034	13,985.563
MORRISON INC	56.100	1,290.300
PROMUS COS INC	18.600	530.100
RYANS FAMILY STEAK HOUSES INC	13.700	116.450
SHONEYS INC	9.200	187.450
SPAGHETTI WHSE INC	50.000	1,150.000
UNO RESTAURANT CORP	100.000	875.000
WENDYS INTL INC	25.425	279.676
		<u>30,687.183</u>
HOUSEHOLD APPLIANCES & FURNISHINGS	(0.5%)	
BASSETT FURNITURE INDS INC	3.000	107.250
CLOROX CO	43.400	1,969.275
CORNING INC	97.200	3,657.150
FEDDERS USA INC	2.900	14.137
LECHTERS INC	90.000	1,822.500
LEGGETT & PLATT INC	7.600	182.400
MAYTAG CORP RIGHTS	52.472	865.788
NEWELL CO	134.400	4,804.800
PROCTER & GAMBLE CO	305.330	14,045.180
ROYAL APPLIANCE MFG CO	12.700	508.000
RUBBERMAID INC	41.400	1,216.125
SINGER CO N V	13.900	340.550
SNAP ON TOOLS CORP	15.900	494.888
STANLEY WORKS	11.000	437.250
THE BLACK & DECKER CORP	56.200	1,257.475
WHIRLPOOL CORP	28.200	1,050.450
ZENITH ELECTRS CORP	7.000	49.875
		<u>32,823.093</u>



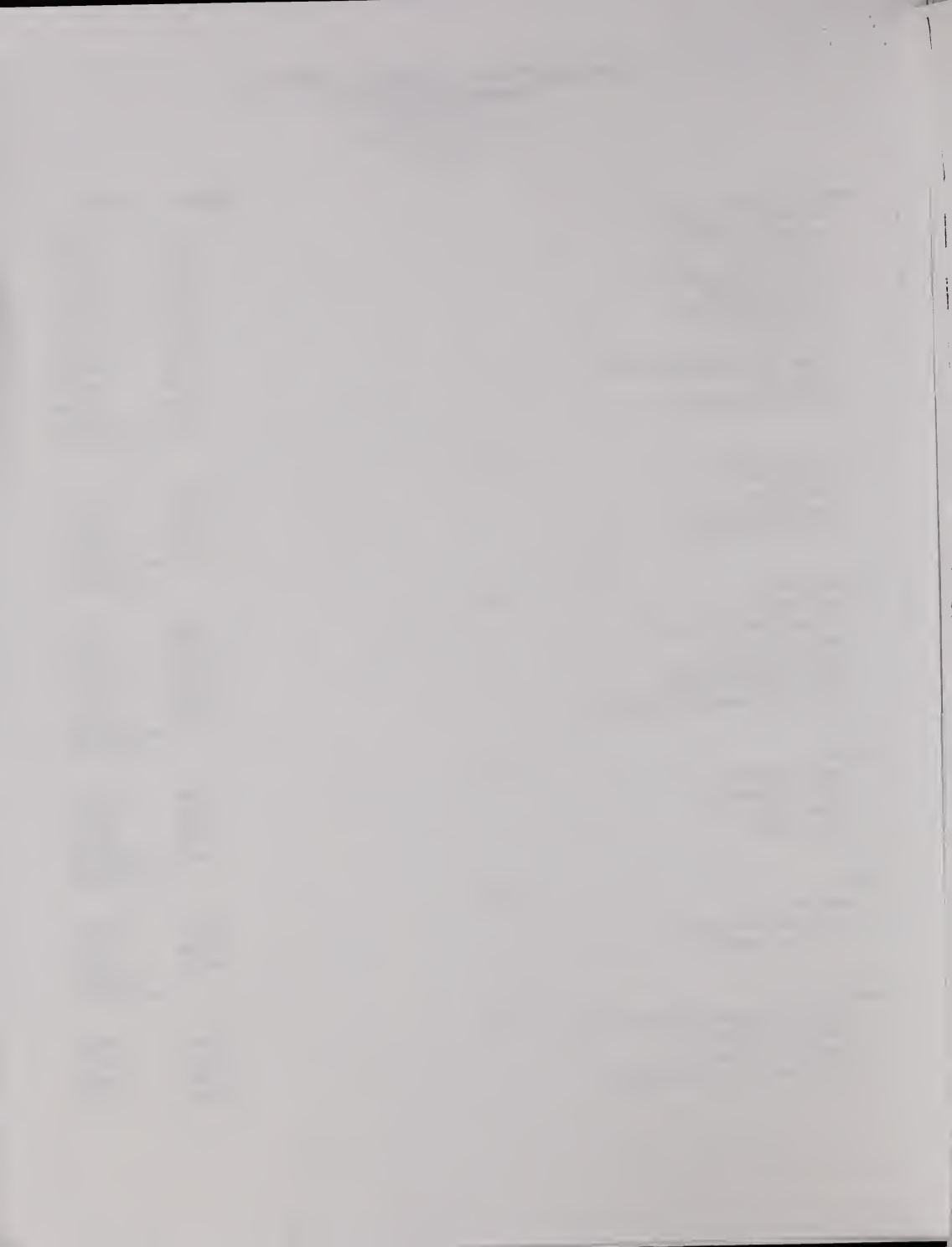
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
<b>INDUSTRIAL MACHINERY</b>	(0.1%)	
ACME CLEVELAND CORP NEW	1,000	\$ 6,124
BRIGGS & STRATTON CORP	3,500	157,063
CINCINNATI MILACRON INC	75,400	1,093,300
CLARK EQUIP CO	4,100	100,450
CRANE CO	34,650	796,950
CUMMINS ENGINE INC	3,900	267,150
CUMMINS ENGINE PREFERRED	3,800	191,425
KEYSTONE INTL INC	50,000	1,337,500
MONARCH MACH TOOL CO	600	6,075
MOORCO INTL INC	40,000	920,000
NACCO INDS INC	2,300	97,176
PALL CORP	92,573	2,406,898
PEC ISRAEL ECONOMIC CORP	18,100	300,913
SPX CORP	11,700	251,550
THERMO ELECTRON CORP	6,000	244,500
TYCO LABS INC	13,500	459,000
		<u>8,636,074</u>
<b>INSURANCE</b>	(1.6%)	
AETNA LIFE & CAS CO	88,500	3,661,688
ALEXANDER & ALEXANDER SVCS INC	10,600	227,900
AMBAC INC	85,000	3,017,500
AMERICAN GEN CORP	171,100	8,383,900
AMERICAN INTL GROUP INC	111,995	9,925,555
AON CORP	50,000	2,293,750
BROAD INC	100,900	1,563,950
CAPITAL HLDG CORP DEL	26,600	1,589,350
CHUBB CORP	21,500	1,526,500
CIGNA CORP	48,300	2,692,725
CNA FINL CORP	121,100	10,232,950
CONSECO INC	13,900	352,713
CONTINENTAL CORP	69,800	1,963,125
CRAWFORD & CO	60,000	1,162,500
EQUIFAX INC	45,700	748,338
FREMONT GEN CORP	100,000	2,100,000
GENERAL REINSURANCE CORP	25,000	2,118,750
GUARANTY NATL CORP NEW	44,300	664,500
HANOVER INS CO	21,700	754,075
HARTFORD STEAM BOILER INSP&INS	10,000	551,250
JEFFERSON PILOT CORP	48,300	2,022,563
LINCOLN NATL CORP IND	10,900	670,350
LOEWS CORP	180,200	20,092,300
MARSH & MCLENNAN COMPANIES INC RIGHTS	31,600	2,449,000
NAC RE CORP	50,000	1,293,750
NYMAGIC INC	50,000	1,425,000
OLD REP INTL CORP	72,600	1,615,350
ORION CAP CORP	37,400	1,280,950



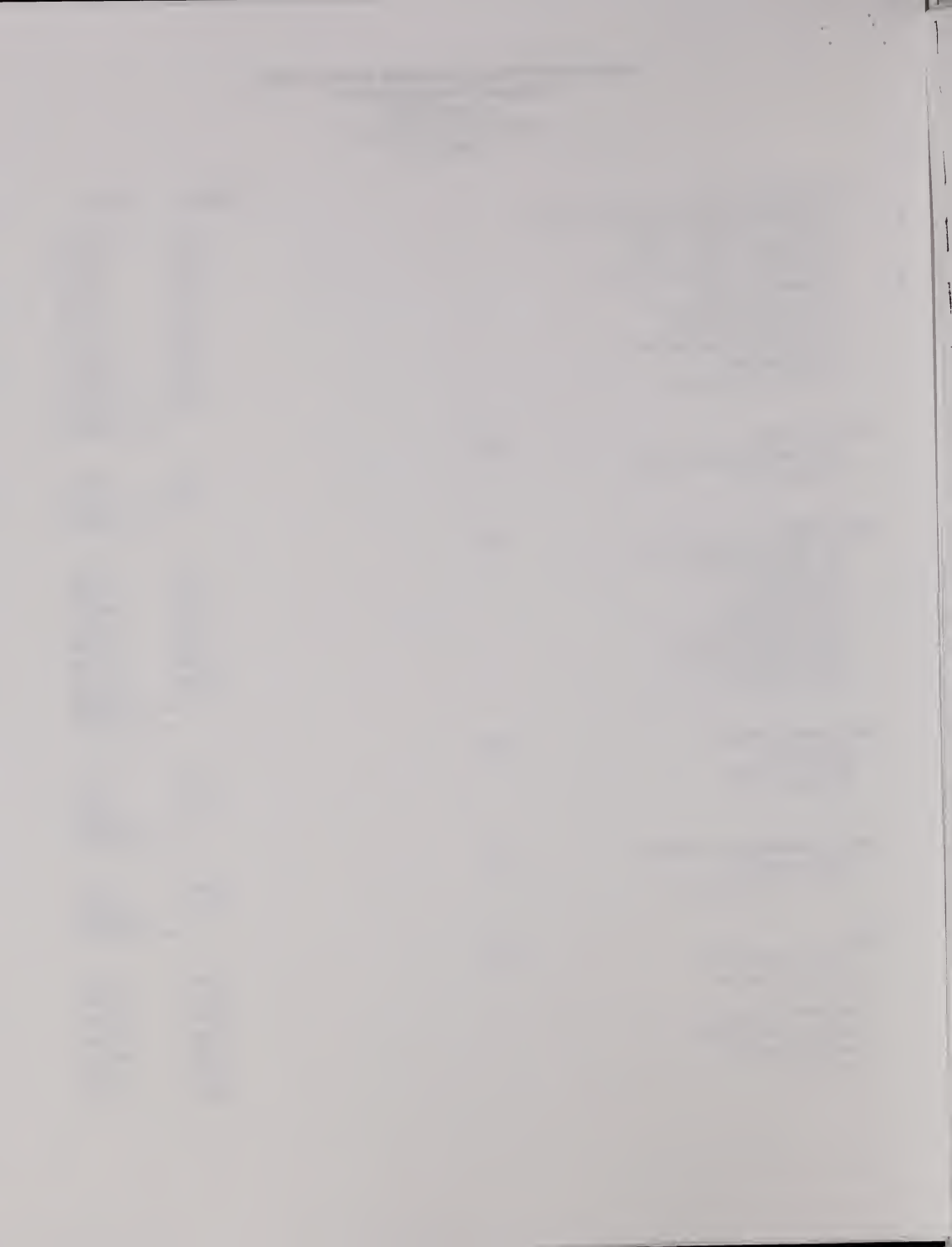
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
INSURANCE(CONT.)		
PROGRESSIVE CORP OHIO	9,200	\$ 519,800
PROTECTIVE LIFE CORP	9,700	232,800
SAFECO CORP	87,300	4,517,774
ST. PAUL COMPANIES INC.	95,000	7,611,875
TORCHMARK CORP	13,600	923,100
TRANSAMERICA CORP	30,500	1,353,438
TRAVELERS CORP	26,600	548,625
USF&G CORP	21,800	310,650
USF&G CORP PREFERRED SERIES C	5,700	404,700
USLIFE CORP	3,600	182,700
ZENITH NATL INS CORP	20,000	380,000
		<u>103,365,744</u>
INTERNATIONAL OIL (1.0%)		
AMOCO CORP	277,800	13,264,950
EXXON CORP	641,000	39,661,875
IMPERIAL OIL LTD	9,000	329,626
ROYAL DUTCH PETE CO	140,700	12,328,838
		<u>65,585,289</u>
LEISURE TIME (0.4%)		
BALLY MFG CO	4,400	23,100
BLOCKBUSTER ENTMT CORP	39,200	514,500
DISNEY (WALT) CO	268,800	9,710,400
KING WORLD PRODTNS INC	217,000	5,018,125
OUTBOARD MARINE CORP	5,100	89,250
PARAMOUNT COMMUNICATIONS INC	175,700	7,972,387
		<u>23,327,762</u>
LIQUOR (0.2%)		
ANHEUSER BUSCH	139,000	7,714,500
BROWN FORMAN CORP	7,250	567,312
COORS ADOLPH CO	10,700	209,988
SEAGRAM LTD	133,600	3,724,100
		<u>12,215,900</u>
MINING (0.1%)		
AMAX INC	143,900	3,093,850
CYPRUS MINERALS CORP	10,300	293,550
ROYAL OAK MINES INC	98,200	147,300
		<u>3,534,700</u>
MISCELLANEOUS (0.1%)		
AEROVIAS DE MEXICO S A DEC V. ADR *	30,000	375,000
ARACRUZ CELULOSE. ADR	17,000	157,250
BANAMEX WTS LTD*	50,000	410,500
DISTRIBUIDORA CHILECTRA METRO	10,800	340,200



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

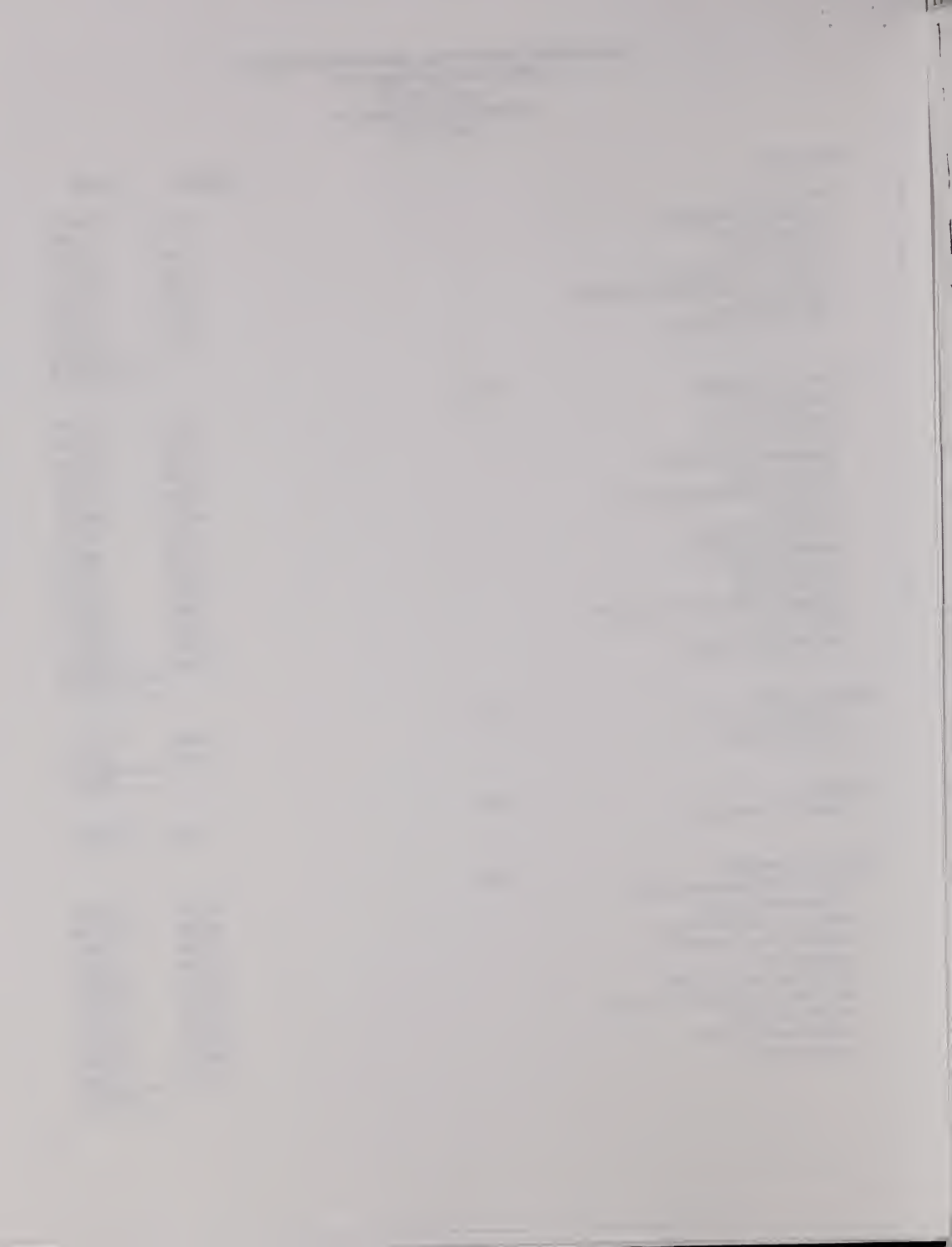
		SHARES	VALUE
MISCELLANEOUS (CONT.)			
FOMENTO ECONOMICO MEXICANO S A. ADR *		62,450	\$ 274,155
GRUPO CARSO SA DE C V. ADR		48,000	504,000
GRUPO SITUR S A DE C V. ADR *		30,000	382,500
GRUPO VIDEO VISA S A DE C V. ADR		23,000	451,490
QUILMES INDL (QUIN)		1,120	212,800
RELIANCE INDUSTRIES LTD		32,000	376,000
RIVERWOOD INTL CORP		67,000	954,750
ROLLINS TRUCK LEASING CORP		92,200	1,659,601
WATTS INDS INC		30,000	1,462,500
WESTERN GARNET LTD*		100,000	904,000
			<u>8,464,746</u>
MOBILE HOMES	(0.0%)		
FLEETWOOD ENTERPRISES INC		51,300	1,462,050
SKYLINE CORP		2,900	41,688
			<u>1,503,738</u>
NEWSPAPERS	(0.2%)		
DOW JONES & CO INC CLASS B		3,150	101,194
DOW JONES & CO INC		26,250	843,280
GANNETT INC		63,600	2,822,250
KNIGHT RIDDER INC		31,000	1,809,625
NEW YORK TIMES CO		19,800	554,400
REUTERS HLDGS PLC. ADR		69,000	4,536,750
TIMES MIRROR CO (DEL)		40,000	1,340,000
TRIBUNE CO NEW		36,600	1,500,600
			<u>13,508,099</u>
NON-FERROUS METALS	(0.0%)		
ASARCO INC.		10,800	326,700
ENGELHARD CORP		11,700	473,850
INCO LTD		27,100	829,938
			<u>1,630,488</u>
OFFICE FURNISHINGS & SUPPLIES	(0.0%)		
MOORE CORP LTD		24,800	427,800
VIKING OFFICE PRODS INC		100,000	1,775,000
			<u>2,202,800</u>
PAPER	(0.3%)		
ALCO STANDARD CORP		19,400	725,075
BOISE CASCADE CORP		10,866	198,305
BOWATER INC		95,900	1,989,925
CHAMPION INTL CORP		84,200	2,315,500
FEDERAL PAPER BRD INC		15,300	451,350
JAMES RIV CORP VA		23,244	476,500
MEAD CORP		29,600	1,043,400





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

PAPER(CONT.)		SHARES	VALUE
PENTAIR INC		23,900	\$ 866,375
PENTAIR INC PREFERRED		2,800	75,600
POTLATCH CORP		7,600	336,300
SCOTT PAPER CO		35,200	1,346,400
STONE CONTAINER CORP		108,850	2,734,856
STONE CONTAINER CORP PREFERRED		10,000	241,250
WESTVACO CORP		52,725	2,023,322
WILLAMETTE INDS INC		11,800	445,450
			<u>15,269,608</u>
<b>PETROLEUM SERVICES</b>	(0.2%)		
ASHLAND OIL INC		15,100	402,038
BAROID CORP NEW		110,300	675,588
HALLIBURTON CO		80,133	2,133,542
HELMERICH & PAYNE INC		6,400	148,000
HORSHAM CORP		85,000	669,375
LYONDELL PETROCHEMICAL CO		46,900	1,008,350
MAPCO INC		7,200	389,700
MCDERMOTT INTL INC		30,100	602,000
PARKER DRILLING CO		20,000	95,000
ROWAN COS INC		18,800	112,800
SMITH INTL INC		6,900	196,650
SOCIETE NATIONALE ELF AQUITAIN		53,300	1,885,487
TOTAL S A		125,400	2,852,850
VALERO ENERGY CORP		37,400	874,225
			<u>12,045,605</u>
<b>PHOTOGRAPHY</b>	(0.1%)		
EASTMAN KODAK CO		170,000	6,821,250
POLAROID CORP		29,750	814,406
			<u>7,635,656</u>
<b>PLASTICS</b>	(0.0%)		
ILLINOIS TOOL WKS INC		15,700	955,738
			<u>955,738</u>
<b>POLLUTION CONTROL</b>	(0.4%)		
AJR & WTR TECHNOLOGIES CORP		146,000	2,336,000
ATTWOODS PLC. ADR		148,400	1,855,000
BROWNING FERRIS INDS INC		43,800	963,600
CHEMICAL WASTE MGMT INC		192,000	3,240,000
LAIDLAW INC		100,000	1,037,500
MID-AMERN WASTE SYS INC		77,000	1,232,000
ROLLINS ENVIRONMENTAL SVCS INC		67,800	839,024
WASTE MGMT INC		345,820	11,628,198
WESTERN WASTE INDS		100,000	1,225,000
ZURN INDS INC		3,000	84,000
			<u>24,440,322</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

		<u>SHARES</u>	<u>VALUE</u>
PUBLISHING	(0.3%)		
AMERICAN GREETINGS CORP		59.500	\$ 2,551,063
DUN & BRADSTREET CORP		105.500	5,973,937
GIBSON GREETINGS INC		17.700	435,863
HARLAND JOHN H CO		47.800	985,875
HOUGHTON MIFFLIN CO		55.500	1,637,250
JOSTENS INC		39.800	985,050
MCGRAW HILL INC		12.700	735,012
MEREDITH CORP		4.100	112,238
MERIDITH CORP CLASS B		900	24,638
NATIONAL ED CORP		7.700	69,300
TIME WARNER INC		24,000	2,664,000
TIME WARNER INC PREFERRED SERIES C		31,000	1,538,375
TIME WARNER INC PREFERRED SERIES D		16.813	888,986
			<u>18,601,587</u>
RAILROADS & EQUIPMENT	(0.5%)		
BURLINGTON NORTHERN INC		19.800	740,025
CONSOLIDATED RAIL CORP		43.065	3,891,999
CSX CORP		112.796	7,148,446
GATX		6.700	175,876
GATX CORP PREFERRED		14.900	681,675
ILLINOIS CENT CORP		40.000	835,000
NORFOLK SOUTHW CORP		109.200	6,947,850
SANTA FE PAC CORP		45.140	547,322
TRINITY INDS INC		51.800	1,586,375
UNION PAC CORP		125.100	6,270,637
			<u>28,825,205</u>
RETAIL GROCERY	(0.2%)		
ALBERTSONS INC		34.800	1,452,900
AMERICAN STORES CO NEW		26.300	894,200
FLEMING COS INC		22.600	776,875
GIANT FOODS INC		15.700	323,813
GREAT ATLANTIC & PAC TEA INC		20.200	545,400
KROGER CO		94.600	1,407,175
QUALITY FOOD CTRS INC		50.000	1,843,750
RYKOFF S E & CO		6.800	110,500
SAFEWAY INC		73.900	896,038
STOP & SHOP COS INC NEW		170.800	2,327,150
VONS COS INC		8.300	200,236
WETTERAU INC		5.000	130,000
WINN DIXIE STORES INC		22.900	1,024,775
			<u>11,932,812</u>

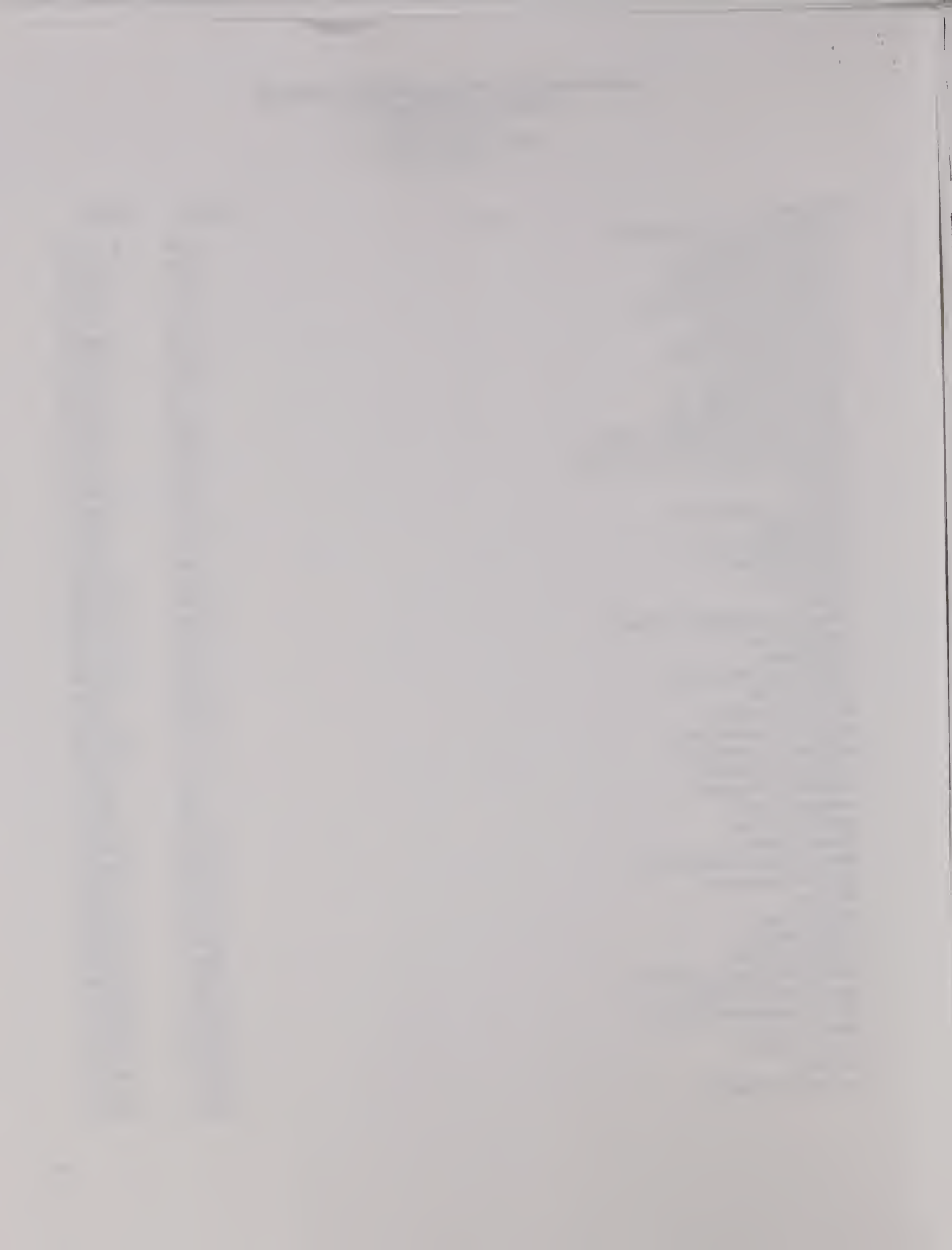
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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

RETAIL TRADE	(2.3%)	<u>SHARES</u>	<u>VALUE</u>
CARTER HAWLEY HALE STORES		8.000	\$ 12.000
CASH AMER INTL INC		180.000	1,890.000
CHARMING SHOPPES INC		171.800	4,939,250
CIRCUIT CITY STORES INC		31.100	960,213
CONSOLIDATED STORES CORP		6.400	74.400
COSTCO WHSL CORP		100.000	2,850.000
DAYTON HUDSON CORP		183.480	12,293.160
DILLARD DEPT STORES INC		231.900	8,551.313
DOLLAR GEN CORP		500	10.000
EDISON BROS STORES INC		5.100	198.900
FAMILY DLR STORES INC		35.500	554.688
FEDERATED DEPT STORES INC NEW		34.927	445,325
FEDERATED DEPT STORES RESTRICTED		4.582	45,820
FINGERHUT COS INC		7.300	209.875
GAP INC		46.800	1,614.600
GENERAL CINEMA CORP		18.554	442,976
GENESCO INC		5.900	29.500
HANDELMAN CO DEL		7.900	104,675
HOME DEPOT INC		251.950	16,943,638
INTERTAN INC		23.900	358.500
K MART		409.300	9,413.900
K MART CORP PREFERRED SERIES A		72.700	3,344.200
LANDS END INC		7.400	244,200
LIMITED INC		93.700	2,131.675
LONGS DRUG STORES CORP		5.300	176.888
LOWES COS INC		48.800	957.700
MAY DEPT STORES CO		75.532	4,182.584
MELVILLE CORPORATION		71.200	3,239.600
MERCANTILE STORES INC		10.550	357.381
MEYER FRED INC DEL		6.100	150.212
MICHAELS STORES INC		6.500	129,188
NORDSTROM INC		21.200	598.900
OFFICE DEPOT INC		80.000	2,000.000
PENNEY J C INC		68.600	4,844.875
PEP BOYS MANNY MOE & JACK		14.600	332.150
PETRIE STORES CORP		7.600	165.300
PRICE CO		74.500	2,458.500
RITE AID CORP		21.600	429.300
ROSS STORES INC		50.000	693.750
SCHOLASTIC CORP		75.000	2,287.500
SEARS ROEBUCK & CO PREFERRED		79.500	3,408.563
SEARS ROEBUCK AND CO		93.100	3,700.725
SERVICE MERCHANDISE CO INC		54.550	572.775
SUPERVALU INC		196.900	4,725.600
TIJ COS INC NEW		26.600	498.750
TOYS R US		469.050	16,182.225
WAL MART STORES INC		462.200	24,843.250



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

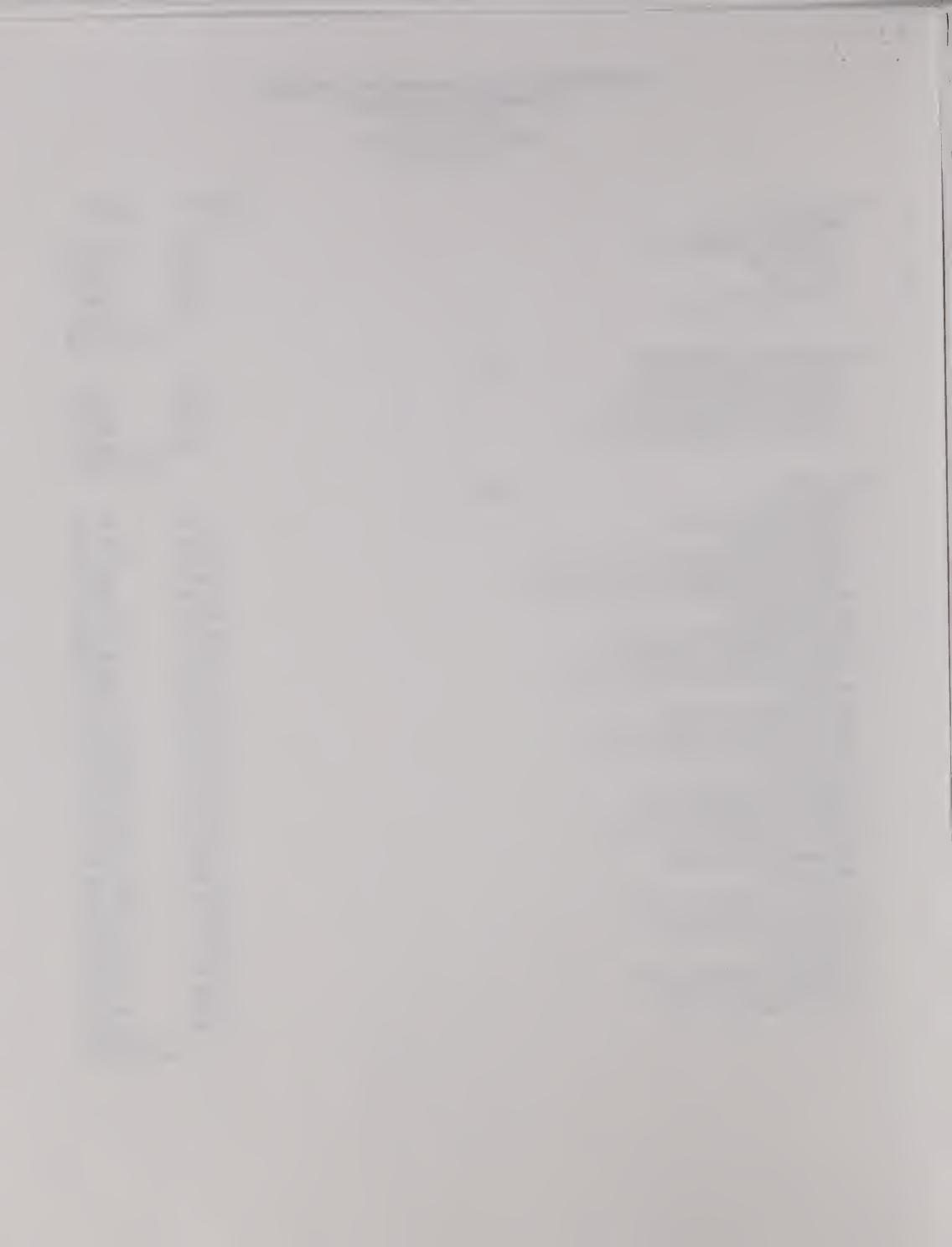
		<u>SHARES</u>	<u>VALUE</u>
RETAIL TRADE (CONT.)			
WALGREEN CO		32.000	\$ 1,084,000
WOOLWORTH CORP		77.300	2,096,762
			<u>147,779,286</u>
SAVINGS & LOAN	(0.1%)		
AHMANSON H F AND CO		73.100	1,224,425
BOSTON BANCORP		22.200	566,100
CENTURA BKS INC		11.000	198,000
FIRST FINL CORP WIC		45.600	775,200
GOLDEN WEST FINL CORP DEL		58.400	2,679,100
GREAT WESTN FINL CORP		85.550	1,443,655
			<u>6,886,480</u>
SOFTWARE	(0.5%)		
ADOBE SYS INC		45,000	2,047,500
AUTODESK INC		96,300	3,695,514
BMC SOFTWARE INC		30,000	1,350,000
BORLAND INTL INC		1,000	41,250
COMPUTER ASSOC INTL INC		52,150	599,725
COMPUTER SCIENCES CORP		4,200	263,550
EASEL CORP		30,100	684,775
INFORMIX CORP		18,900	567,000
INTERSOLV INC		100,000	1,375,000
LOTUS DEV CORP		11,100	206,737
MENTOR GRAPHICS CORP		50,000	512,500
MICROSOFT CORP		118,000	8,260,000
NOVELL INC		145,800	7,763,850
ORACLE SYS CORP		38,300	584,075
PARAMETRIC TECHNOLOGY CORP		4,700	175,075
POLICY MGMT SYS CORP		30,000	1,890,000
PROGRESS SOFTWARE CORP		20,000	785,000
SCITEX LTD		17,400	595,950
SHARED MEDI CAL SYSTEM		5,400	99,226
STRUCTURAL DYNAMICS RESH CORP		55,000	825,000
SYMANTEC CORP		60,000	2,280,000
			<u>34,601,727</u>
STEEL	(0.2%)		
ARMCO INC		20,300	142,100
BETHLEHAM STL CORP		4,100	193,725
BETHLEHEM STL CORP		64,100	969,512
BIRMINGHAM STL CORP		37,200	981,150
BRITISH STL PLC, ADR		58,300	685,025
INLAND STL INDS INC		8,500	221,000
INLAND STL INDS INC PREFERRED		3,200	188,000
LUKENS INC		5,000	274,375
NUCOR CORP		38,400	1,987,200





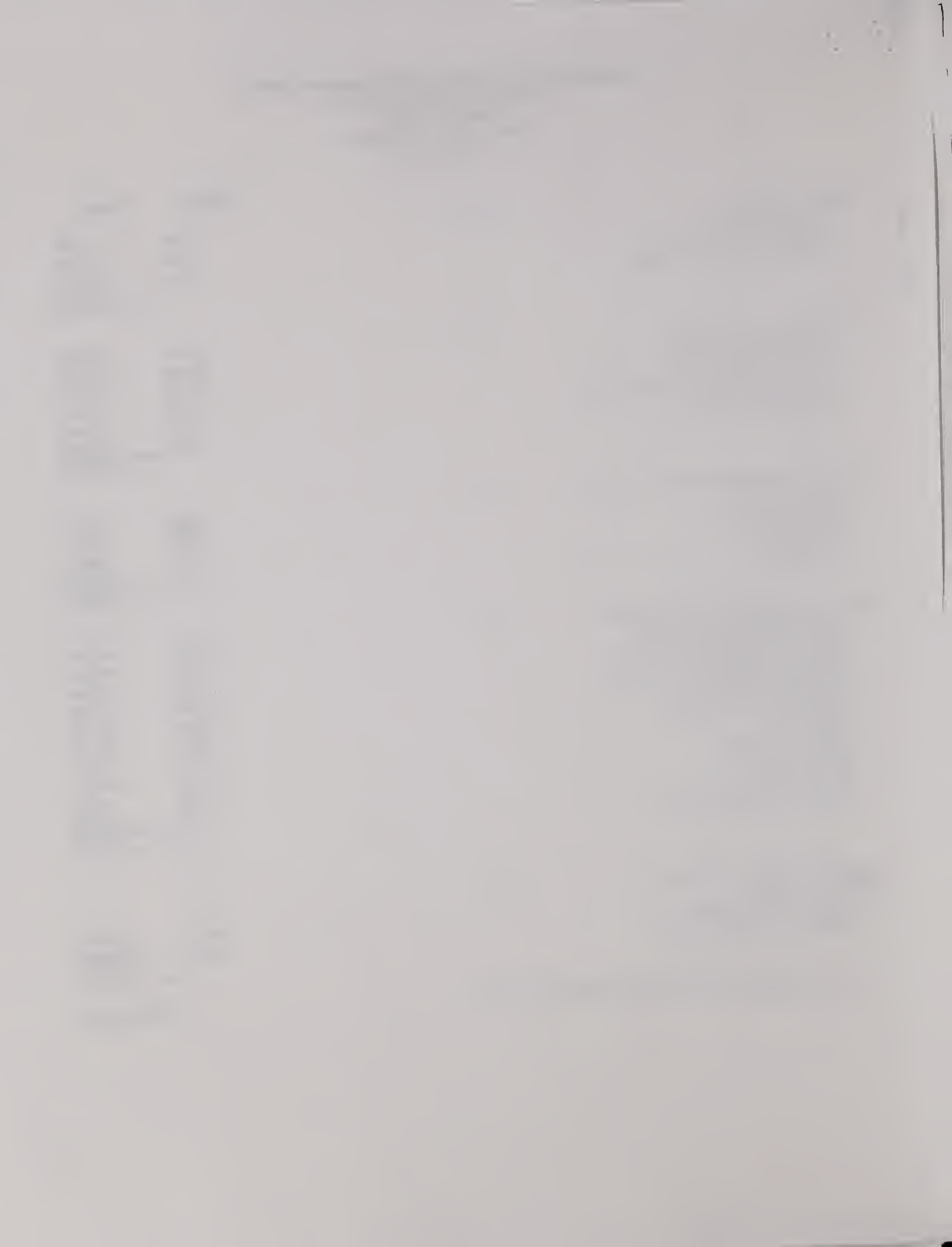
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
STEEL (CONT.)		
OREGON STL MLS INC	69,700	\$ 1,472,413
PRECISION CASTPARTS CORP	32,100	726,263
QUANEX CORP	74,600	1,799,725
USX U S STL	73,980	2,108,430
WORTHINGTON INDS INC	15,600	358,800
		<u>12,107,718</u>
TELECOMMUNICATION SERVICES (0.2%)		
CELLULAR COMMUNICATIONS I	225,000	7,537,500
CELLULAR COMMUNICATIONS INC	17,000	569,500
COMMUNICATIONS SATELLITE CORP	37,100	1,562,837
LANNET DATA COMMUNICATIONS INC	10,100	246,388
		<u>9,936,225</u>
TELEPHONE (2.3%)		
ALLTEL CORP	11,900	464,100
AMERICAN TEL AND TEL CO.	554,446	23,841,177
AMERITECH CORP	69,000	4,338,375
ASSOCIATED COMMUNICATIONS CORP CLASS A	50,000	756,250
ASSOCIATED COMMUNICATIONS CORP CLASS B	48,000	744,000
BELL ATLANTIC CORP	140,800	6,265,600
BELLSOUTH CORP	146,500	7,233,437
BRITISH TELECOMMUNICATIONS, ADR	106,200	6,730,425
CELLULAR COMMS PUERTO RICO	41,666	624,990
COMPANIA DE TELEFONOS CHILE SA, ADR	18,300	1,084,276
GTE CORP	227,800	7,261,125
LDDS COMMUNICATIONS INC	21,100	611,900
MCCAW CELLULAR COMMUNICATIONS	530,000	13,051,250
MCI COMMUNICATIONS CORP	145,000	4,658,125
NYNEX CORP	190,900	15,057,237
PACIFIC TELESIS GROUP	106,000	4,253,250
PHILIPPINE LONG DISTANCE TEL	25,900	1,048,950
ROGERS CANTEL MOBILE COMM INC	70,800	1,292,100
SOUTHERN NEW ENGLAND	4,300	139,213
SOUTHWESTERN BELL CORP	87,800	5,355,800
SPRINT CORP	132,600	2,884,050
TELEFONICA DE ESPANA S A, ADR	200,100	6,478,238
TELEFONOS DE MEXICO SA, ADR	191,131	8,361,980
TELEPHONE & DATA SYS INC	240,000	7,530,000
U.S.WEST INC	196,100	7,157,650
UNITED STATES CELLULAR CORP	36,000	666,000
VANGUARD CELLULAR SYS INC	25,000	618,750
VODAFONE GROUP PLC, ADR	71,000	4,561,750
		<u>143,069,998</u>



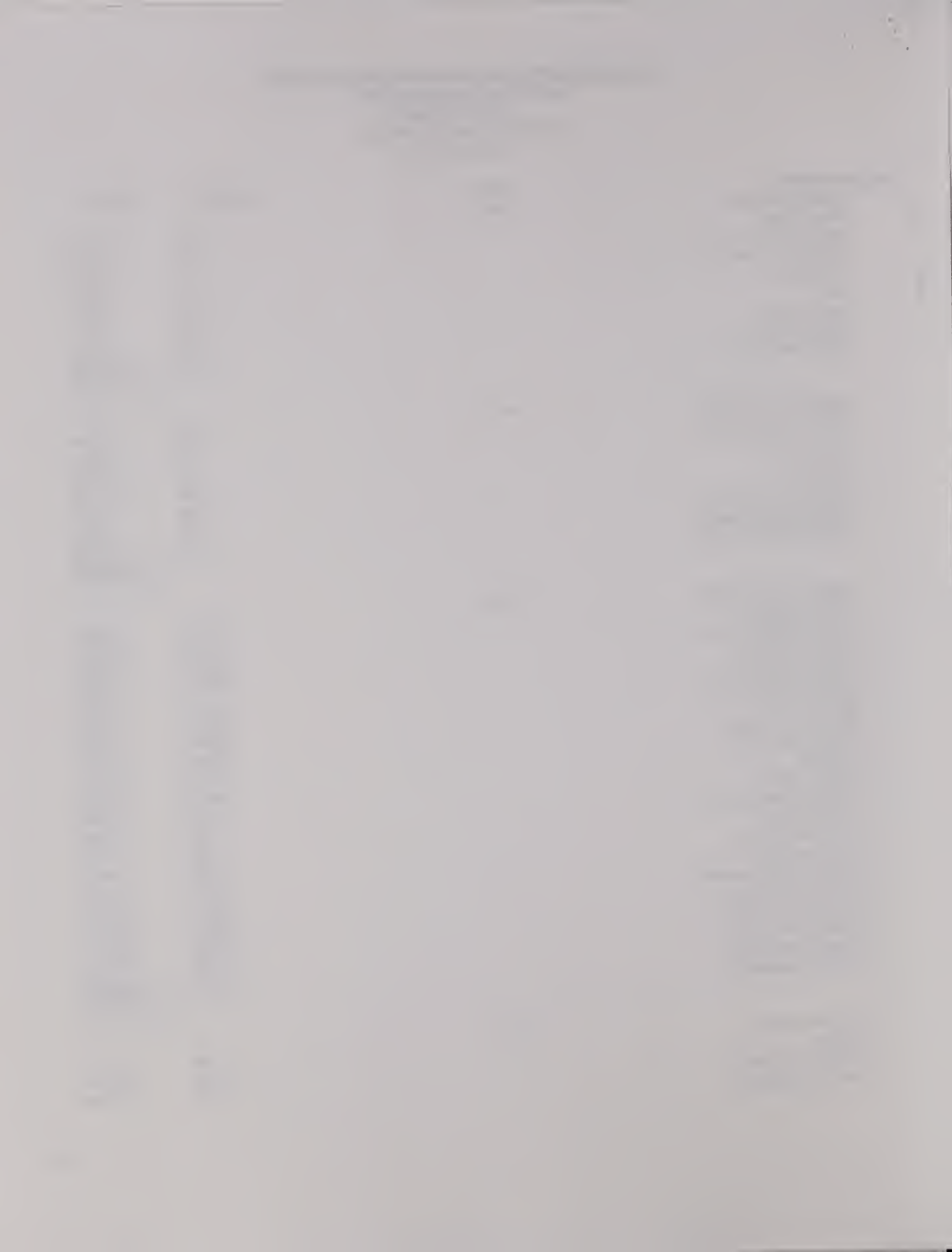
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

		SHARES	VALUE
TIRES & RUBBER	(0.2%)		
CARLISLE COS INC		6,200	\$ 265,050
COOPER TIRE & RUBR CO		11,800	564,925
GOODYEAR TIRE AND RUBBER		125,300	8,598,712
			<u>9,428,687</u>
TOBACCO	(1.1%)		
AMERJCAN BRANDS INC		214,400	9,540,800
PHILIP MORRIS COS INC		638,098	46,900,203
RJR NABISCO HLDGS CORP		763,356	6,679,365
RJR NABISCO HLDGS CORP PREFERRED		121,100	1,195,862
UNIVERSAL CORP VA		4,800	125,400
UST INC		271,000	7,588,000
			<u>72,029,630</u>
TOYS, AMUSEMENTS & SPORTING GOODS	(0.1%)		
BRUNSWICK CORP		60,200	880,425
FISHER PRICE INC		7,960	156,215
HASBRO INC		24,300	686,475
MATTEL INC		110,850	2,798,962
			<u>4,522,077</u>
TRUCKING & FREIGHT FORWARDING	(0.1%)		
ALEXANDER & BALDWIN INC		89,700	2,242,500
AMERICAN PRESIDENT COS LTD		13,700	604,512
CONSOLIDATED FREIGHTWAYS INC		8,050	103,644
FEDERAL EXPRESS CORP		13,800	622,725
HUNT J B TRANS SVCS INC		65,850	1,349,925
PITTSTON CO		9,800	153,125
ROADWAY SVCS INC		10,100	643,875
RYDER SYS INC		62,650	1,613,236
SMART & FINAL INC		3,000	59,625
YELLOW FGHT SYS INC DEL		7,400	201,650
			<u>7,594,817</u>
U.S. GOVERNMENT & AGENCIES	(0.4%)		
FEDERAL AGENCIES			
FEDERAL HOME LN MTG CORP		99,810	3,967,448
FEDERAL NATL MTG ASSN		334,525	20,406,025
			<u>24,373,473</u>
TOTAL DOMESTIC COMMON AND PREFERRED STOCKS			<u>1,987,421,278</u>



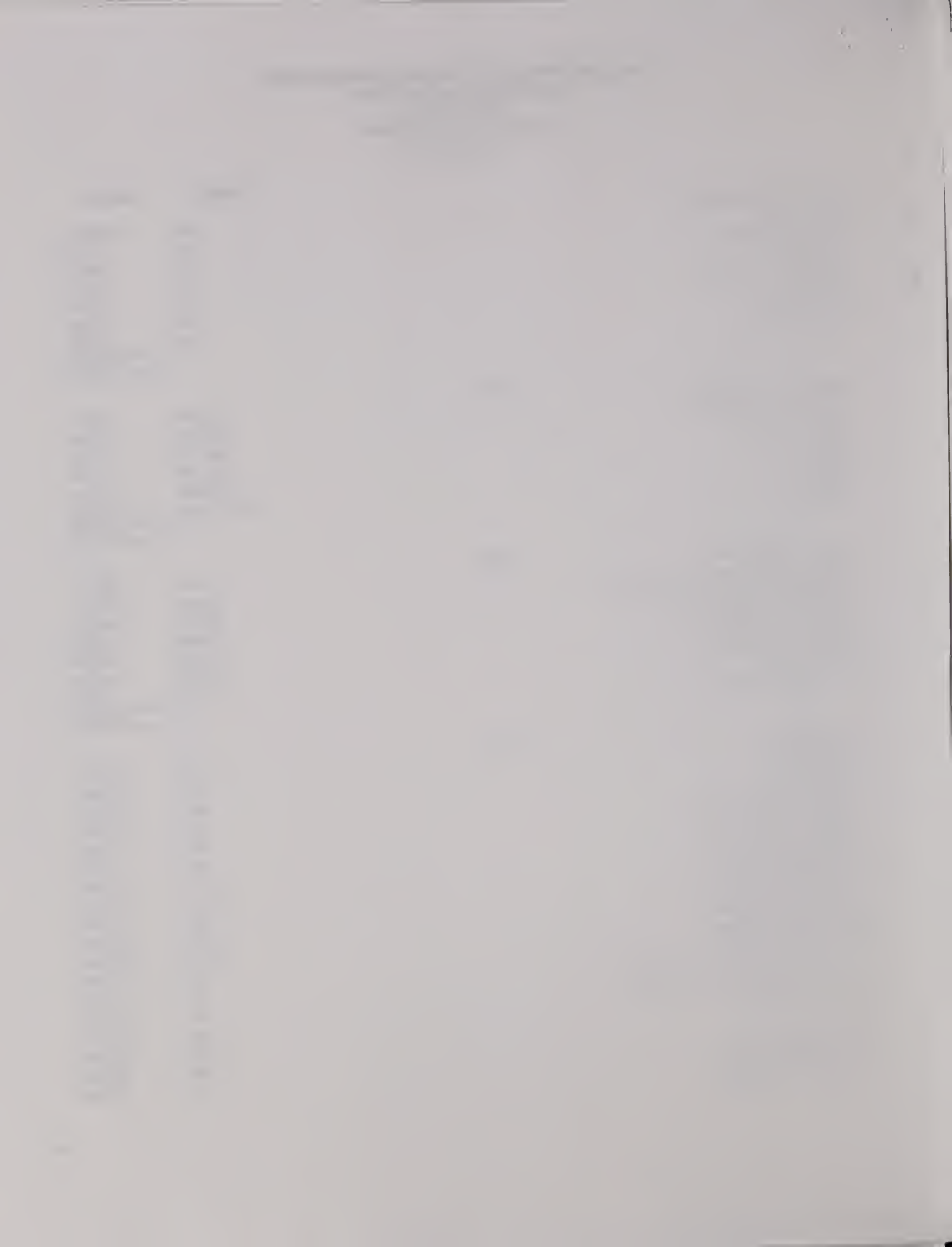
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

FOREIGN STOCKS	(6.6%)	<u>SHARES</u>	<u>VALUE</u>
ARGENTINE PESO	(0.0%)		
ASTRA CORP		16.247	\$ 61,446
BAGLEY SA		10.160	88,635
BCO FRANCES RIOPL		17,950	193,707
CORCEMAR		17,348	108,826
I R S A		160,000	506,692
MOLINOS RIO		3,800	51,355
PEREZ COMPANC		16,000	143,617
TELEFONICA		215,000	787,118
			<u>1,941,396</u>
AUSTRIAN SHILLING	(0.0%)		
CREDITANSTALT BANK		2,500	118,142
EA GENERALI AG		700	219,120
LENZING AG		400	33,229
OMV AG		29,300	2,382,200
REIDINGHAUS BRAUER		500	75,304
VEITSCHER MAGNESIT		2,800	85,955
WIENERBERGER BAUST		100	42,094
			<u>2,956,044</u>
AUSTRALIAN DOLLAR	(0.3%)		
AMCOR LIMITED		145,000	824,316
AUST & NZ BANK GRP		750,000	2,148,638
AUST NATL INDS		585,300	860,233
BORAL LIMITED		400,000	934,061
BRAMBLES INDS LTD		11,900	157,674
BRASH HLDGS		229,140	888,945
BTR NYLEX LIMITED		200,000	411,822
BURNS PHILP & CO		78,000	209,492
CRA LTD		169,800	1,768,454
EMAIL LIMITED		84,200	246,246
FOSTERS BREWING GP		41,600	59,899
ICI AUSTRALIA		5,464	23,480
LEND LEASE CORP		8,600	105,737
M I M HOLDINGS		38,600	86,392
NATL AUSTRALIA BANK		32,500	186,943
PACIFIC DUNLOP LTD		349,000	1,351,337
PIONEER INTL LTD		839,891	1,955,007
SA BREWING HLDGS		718,500	1,581,319
SAGASCO HOLDINGS		466,148	862,475
WESTERN MINING CP		558,100	2,111,012
			<u>16,773,482</u>
BELGIAN FRANC	(0.1%)		
A.G.FIN		800	47,235
ARBED(ACIER REUN)		15,000	1,914,505
C B R CIMENTERIES		100	25,495



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
BELGIAN FRANC (CONT.)		
COLRUYT S A	4.000	\$ 602.202
DELHAIZE LE LION	600	31.129
ELECTRABEL	6.000	878.476
GEVAERT PHOTO PROD	500	104.398
KREDIETBANK	4.963	760.609
PETROFINA SA	1.400	472.340
TRACTEBEL	1.700	420.427
		<u>5.256.816</u>
BRAZILIAN CRUZERIO	(0.0%)	
ANTARTICA DA PARAI	250.000	26.082
BANCO BRADESCO SA	4.700.000	204.304
BRAHMA PN	2.863.400	352.663
ITAUSA	401.000	173.149
TELEBRAS PN	69.500.000	1.037.243
USIMINAS	535.000.000	235.660
		<u>2.029.101</u>
CANADIAN DOLLAR	(0.1%)	
ALCAN ALUMINIUM LTD	11.600	250.344
BCE MOBILE COMMUNICATIONS INC	50.000	1.026.941
CORBY DISTILLERIES LTD	13.800	540.974
EURO NEVADA MNG LTD	22.000	305.059
FIRST MARATHON INC	19.600	165.520
IMASCO LTD	33.200	958.799
ST LAWRENCE CEM CO	935	7.604
		<u>3.255.241</u>
SWISS FRANC	(0.2%)	
BALOISE HLDG	660	900.053
BALOISE HLDG	660	1.050.942
ELCO LOOSER LA HLD	100	224.868
ELVIA SCHWEIZ.VERS	250	272.925
FISCHER (GEORGE) AG	574	97.847
FISCHER (GEORGE) AG	246	42.648
FISCHER (GEORGE) AG	121	102.692
GRANDS MGS JEMOLI	10.305	2.227.567
HERO CONS LENZBERG	100	504.140
MOEVENPICKBEARER	2.475	682.221
MOVENPICK HLDGS	5.125	1.412.680
SGS SOC GEN DE SURVEILL HLDGS	50	43.704
SGS SOC GEN DE SURVEILL HLDGS	85	451.332
SIKA FINANZ AG	154	61.327
SMH	425	388.442
SMH (PART CERTS)	1.000	917.608
SULZER GEBRUDER AG	625	260.684
ZURICH VERSICHERUN	146	194.866





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	SHARES	VALUE
SWISS FRANC (CONT.)		
ZURICH VERSICHERUN	600	\$ 371,685
ZURICH VERSICHERUN	300	0
ZURICH VERSICHERUN	152	<u>202,875</u>
		<u>10,411,106</u>
DEUTSCHE MARK	(0.3%)	
ASKO DEUT KAUFHAUS	600	292,959
BAYWA AG	300	79,827
BEIERSDORF AG	1,500	752,060
BILFINGER & BERGER	900	570,091
DOUGLAS HOLDING AG	2,350	867,114
FRIEDRICH GROHE AG	1,700	372,130
HEIDELBERG ZEMENT	1,000	589,850
HOCHTIEF AG	1,000	785,157
IKB DT INDUSTRIEBK	3,000	491,543
JUNGHEINRICH	1,000	219,556
KARSTADT AG	1,700	681,868
KAUFHALLE AG	1,800	356,270
KAUFHOF HOLDING AG	1,800	603,418
KLOCKNER HUMBOLDT DEUT	4,100	363,027
LINOTYPE HELL AG	1,100	296,302
LUFTHANSA	24,500	2,028,006
PORSCHE AG	1,400	532,360
PWA PAPIERWERKE WALDOF	4,000	605,580
RWE AG	1,000	2,731,665
RWE AG NON VOTING PREFERRED	7,800	1,721,737
SALAMANDER AG	900	175,186
SAP AG	400	452,219
SCHERING AG	2,400	1,132,514
STRABAG HAU AG	450	186,688
VIAG AG	5,150	1,316,351
WALTHER & CIE AG	842	<u>226,254</u>
		<u>18,429,732</u>
DANISH KRONE	(0.0%)	
BALTICA HLDGS AS	500	44,725
D/S 1912	5	78,375
D/S 1912	7	109,724
D/S SVENDBORG	7	158,623
DANISCO A/S	1,400	181,353
FLS INDUSTRIES	800	90,642
ISS (INTL SERV SYS)	800	136,099
LAURITZEN (J.) HLDGS	100	33,906
RADIO METER AS	500	<u>25,813</u>
		<u>859,260</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
SPANISH PESETA		
(0.2%)		
ACERINOX SA	35,360	\$ 2,314,512
BANCO BILBAO VIZCAYA	4,800	129,166
BCO ESP DE CREDIT	2,000	50,287
CORPORACION MAPFRE	700	30,910
EMPRESA NAC DE ELEC	14,200	522,274
FOM CONSTR Y CONTRA	1,490	176,326
GRUPO DURO FELGUERA	76,650	836,195
IBERDROLA I SA	350,000	2,727,319
REPSOL SA	18,000	533,931
TABACALERA SA	2,700	154,569
TELEFONICA DE ESPANA	205,500	2,209,829
URALITA	180,600	1,857,632
		<u>11,542,950</u>
FINNISH MARKKA		
(0.1%)		
CULTOR OY	10,600	137,719
HUHTAMAKI OY	100,000	2,839,081
INSTRUMENTARIUM	6,600	177,852
INSTRUMENTARIUM	11,500	326,494
KYMMENE OY	14,900	254,531
KYMMENE OY	134,900	2,434,271
METRA AB	2,400	36,379
NOKIA AB(OY)	4,100	66,586
REPOLA	7,100	70,039
STOCKMANN AB(OY)	57,500	1,867,658
		<u>8,210,610</u>
FRENCH FRANC		
(0.4%)		
AXA	3,170	570,543
BONGRAIN SA	200	115,880
BSN	2,200	469,934
CANAL PLUS	1,550	359,109
CARNAUDMETALBOX	7,700	279,866
CARREFOUR	895	458,550
CASINO GUICH PERR	7,600	228,963
CASTORAMA DUBOIS	9,296	894,374
CIE DE ST GOBAIN	24,200	2,671,662
CIE FIN PARIBAS	2,300	155,480
CSF (THOMSON)	4,200	122,695
ELF SANOFI	1,600	326,222
EURAFRANCE	1,600	440,353
LVMH MOET HENNESSY	4,200	3,178,799
LYONNAI EAUX DUMEZ	5,000	519,924
LYONNAISE DES EAUX	2,500	490,771
MICHELIN (CIE GEN)	30,000	44,024
MICHELIN(C G D E )	29,700	1,177,618
MOULINEX	4,900	151,430



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
FRENCH FRANC(CONT.)		
PEUGEOT SA	23.000	\$ 3,200.801
RADIOTECHNIQUE(LA)	900	98,835
SEB SA	1,325	527,944
SOC NATL ELF AQUIT	68.100	4,994,037
VALEO	19.102	2,895,951
		<u>24,373,765</u>
POUND STERLING		(0.6%)
ABBAY NATIONAL	60.000	318,714
AIRTOURS	54.800	265,576
ALLIED LYONS	30.000	359,765
ARJO WIGGINS APPLETON PLC	59.200	257,647
ASSOC BRIT FOODS	14.300	116,047
ATTWOODS	108.400	269,879
BAA PLC	50.000	658,524
BANK OF IRELAND	350.000	1,004,415
BARCLAYS	100.000	627,165
BASS	56.400	616,333
BBA GROUP	52.200	138,889
BET	135.700	377,820
BRITISH GAS	68.100	316,442
BRITISH STEEL	1,585.000	1,807,377
BRITISH TELECOM	152.800	974,281
BURTON GROUP	315.800	267,079
CABLE & WIRELESS	94.700	943,082
CARLTON COMUNCTNS	4.300	49,850
DAWSON INTL	28.000	108,557
DUNHILL HLDGS	50.000	424,763
FKI	136.500	206,238
GRANADA GROUP	393.333	1,820,235
GREAT PORTLAND EST	16.200	42,642
IMI	81.500	388,002
IRISH LIFE	200.000	627,165
KLEINWORT BNSON GP	350.000	1,892,424
KWIK FIT HOLDINGS	162.900	588,224
KWIK SAVE GROUP	40.000	485,768
LADBROKE GROUP	295.975	2,026,593
LAND SECURITIES	18.500	141,340
LASMO	625.900	2,135,194
LEGAL & GENERAL	18.900	136,853
LLOYDS BANK	85.700	697,096
LLOYDS CHEMISTS	199.000	1,274,533
MARKS AND SPENCER	60.693	381,222
MB CARADON	56.700	278,017
MCALPINE(ALFRED)	310.000	1,072,263
MEDEV A	241.300	967,627
MEPC	13.300	73,555



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
POUND STERLING(CONT.)		
MIDLAND BANK	44,900	\$ 391,676
NATIONAL WESTMINSTER	408,700	2,563,225
REDLAND	101,600	916,216
ROTHMANS INTL	35,000	773,598
RUGBY GROUP	17,100	64,347
SCOTTISH HYDRO	213,000	797,470
SEARS	575,000	912,478
SEDGWICK GROUP	19,200	64,222
SEVERN TRENT WATER	50,000	383,901
SLOUGH ESTATES	600,000	1,875,795
SLOUGH ESTATES PREFERRED	500,000	974,007
SMITHKLINE BEECHAM	20,000	339,430
SMITHS INDUSTRIES	19,000	103,634
SOUTHERN WATER	2,400	17,927
SPRING RAM CORP	168,800	492,435
STOREHOUSE	725,000	1,860,116
TARMAC	50,000	94,075
TIPHOOK	80,000	580,793
WASTE MANAGEMENT	20,000	222,739
WESSEX WATER	106,800	1,002,689
WILLIAMS HLDGS	50,500	294,644
		<u>39,862,613</u>
HONG KONG DOLLAR	(0.9%)	
AMOY PROPERTIES	1,000,000	807,102
BANK OF EAST ASIA	480,000	2,308,958
CAFE DE CORAL GP	1,064,000	446,554
CATHAY PAC AIRWYS	295,000	460,952
CHEUNG KONG(HLDGS)	1,137,000	3,846,895
CHINA LIGHT&POWER	761,000	3,365,843
CITIC PACIFIC LTD	40,000	70,250
GOLD PEAK INDUSTRIES HOLDING	272,000	105,375
GT SHMZHEN & CHINA FD	32,100	52,562
GUANGDONG INVMT LTD	140,000	66,893
HANG LUNG DEVEL.CO	1,970,000	3,078,224
HANG SENG BANK	37,500	246,973
HENDERSON LAND DEV	1,000,000	2,543,986
HONG KONG AIRCRAFT	20,000	58,886
HONG KONG ELECTRIC	1,103,000	2,734,798
HONG KONG LAND	224,000	393,401
HONG KONG TELECOMM	1,000,000	1,142,857
HONGKONG&CHINA GAS	35,000	60,565
HONGKONG&SHANG BK	214,800	1,345,317
HOPEWELL HLDGS	2,211,000	1,598,915
HSBC HLDGS	347,105	2,173,958
HUTCHISON WHAMPOA	1,252,000	2,861,714
HYSAN DEVELOPMENT	900,000	1,661,985





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
HONG KONG DOLLAR (CONT.)		
JARDINE MATHESON	174.253	\$ 1,462,656
JARDINE STRATEGIC	512.000	1,778,569
LUKS INDUSTRIES	2,040.000	757,386
MANDARIN ORIENTAL	21.000	18,034
NEW WORLD DEVEL	1,573.000	3,920,438
POKPHAND (CP) CO	150.000	50,363
SEMI TECH(GLOBAL)	174.200	485,904
SHUN TAK HOLDINGS LTD	108.000	82,286
SUN HUNG KAJ CO	230.000	122,518
SUN HUNG KAJ PROP	20.000	46,747
SUN HUNG KAJ PROPS	785.000	3,674,736
SWILYNN INTL HLDGS*	400.000	19,629
SWIRE PACIFIC	752.000	3,568,812
TAI CHEUNG HLDGS	593.000	765,779
TECHTRONIC INDUSTRIES	5,050.000	978,208
TIAN AN CHINA INV.	300.000	143,341
TOMEI INTERNATIONAL HLDGS	1,624.000	571,480
WHARF(HLDGS)	1,450.000	3,333,010
WING LUNG BANK	10.000	83,293
WO KEE HONG HLDGS	1,462.000	608,872
WO KEE HONG HLDGS WARRANTS	2,200.000	420,468
YAU LEE HOLDINGS	2,420.000	506,266
		<u>54,831,758</u>
INDONESIAN RUPIAH	(0.1%)	
ASTRA INTL		
DUTA ANGGADA	80.000	446,870
INDOCEMENT TUNGGAL	160.000	297,913
INTI INDORAYON	6.000	35,279
MULTIPOLAR	296.000	601,902
PT JAPFA	103.000	550,110
SEMEN GRESIK	359.000	510,127
UNITED TRACTORS	40.000	105,838
	74.000	<u>598,276</u>
		<u>3,146,315</u>
ITALIAN LIRA	(0.3%)	
ALITALIA-LINEE AER	55.500	35,601
ALITALIA-LINEE AER PRIV	170.300	100,679
ALLEANZA ASSICURAZ	90.000	896,944
BCA COMM ITALIANA	41.600	101,654
BCO AMBROS VENETO	25.000	78,882
CEMENTIR SPA	32.200	46,334
COGEFAR	8.300	17,699
CREDITO ITALIANO	67.000	85,956
DALMINE SPA	104.900	34,918
DANIELI & C	122.000	739,223
DANIELI & C DI RI SP	565.000	2,071,701



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
ITALIAN LIRA (CONT.)		
EDISON	199,600	\$ 657,479
FIDIS	62,900	205,829
FINANZIARIA AGROINDUSTRIALE SP	50,000	221,044
FINANZIARIA AGROINDUSTRIUALE	43,000	246,009
GILARDINI IND	43,100	105,731
ITALGAS (SOC ITAL)	195,800	472,350
MEDIOBANCA SPA	39,400	433,066
PIRELLI SPA	618,800	691,419
RAS	42,300	586,860
RAS DI RISP	42,700	301,627
RINASCENTE(LA)	12,100	61,873
SASIP	11,000	47,771
SIP	1,718,000	1,924,083
SIP DI RISP	364,800	389,904
SIRTI SPA	49,500	377,123
SNIA BPD	93,900	82,291
STET	2,244,000	3,015,038
TELECO CAVI SPA	35,000	210,707
TORO ASSICURAZIONI	42,400	337,401
UNICEM(UNION CEM)	473,500	1,764,926
		<u>16,342,122</u>
JAPANESE YEN	(1.0%)	
AJINOMOTO CO INC	20,000	182,352
AMADA CO	11,000	90,700
AOKI CORP	31,000	107,651
AOYAMA TRADING	5,000	285,816
ASAHI BREWERIES	22,000	170,935
ASAHI CHEMICAL IND	100,000	489,971
ASAHI GLASS CO	46,000	371,997
ASHIKAGA BANK	50,000	319,115
BANK OF TOKYO	64,000	504,876
BANK OF YOKOHAMA	39,000	259,423
BANYU PHARMACEUTICAL	45,000	374,614
BRIDGESTONE CORP	73,000	654,008
CANON INC	68,000	743,995
CHIBA BANK	18,000	119,306
CHIYODA CORP	5,000	67,391
CHUGAI PHARMACEUTICAL CO	35,000	327,440
CITIZEN WATCH CO	6,000	40,197
COSMO OIL	21,000	115,714
DAI ICHI KANGYO BANK	134,000	1,243,004
DAI NIPPON PRINTNG	30,000	321,097
DAIDO STEEL CO	8,000	24,990
DAIFUKU CO	2,000	31,555
DAIICHI PHARM CO	16,000	199,160
DAINIPPON INK & CHEMICAL	24,000	83,343



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
JAPANESE YEN (CONT.)		
DAINIPPON SCREEN	26,000	\$ 160,168
DAISHOWA PAPER MFG	6,000	92,761
DAITO TRUST CONSTRUCTION	13,500	483,787
DAIWA HOUSE IND CO	13,000	162,848
DAIWA SECURITIES	122,000	706,097
EBARA CORPORATION	46,000	488,702
EZAKI GLICO CO	17,000	176,564
FANUC CO	14,000	425,117
FUJI BANK	97,000	992,072
FUJI PHOTO FILM CO	23,000	510,584
FUJITA CORP	39,000	174,701
GUNMA BANK	12,000	81,154
HANKYU CORP	54,000	241,893
HOKURIKU BANK	60,000	356,775
HONDA MOTOR CO	58,000	639,182
HONSHU PAPER CO	15,000	53,754
HOUSE FOOD INTL CO	4,000	72,941
INDUSTRIAL BANK JAPAN	70,000	849,124
ITO YOKADO CO	12,000	410,053
JAPAN SECURITIES FINANCE	30,000	206,929
JAPAN STEEL WORKS	45,000	151,986
JGC CORP	3,000	49,949
JOYO BANK	19,000	112,226
JUJO PAPER CO	13,000	53,492
JUSCO CO	5,000	61,048
KAJIMA CORP	23,000	150,440
KANDENKO CO	30,000	566,083
KANSAI ELECTRIC POWER	72,000	1,278,681
KAWASAKI STEEL CRP	153,000	331,158
KEIHIN ELEC EXPRESS RAIL CO	46,000	200,587
KEIYO CO	22,000	462,222
KIKKOMAN SHOYU CO	50,000	316,340
KINDEN CORP	12,000	198,843
KINKI NIPPON RAILWAY	78,000	439,071
KIRIN BREWERY CO	34,000	301,911
KOBE STEEL	167,000	386,617
KONICA	6,000	26,829
KUBOTA	49,000	186,086
KUMAGAI GUMI CO	32,000	120,257
KYOCERA CORP. ADR	9,000	299,691
KYOWA HAKKO KOGYO	31,000	206,208
KYOWA SAITAMA BANK	69,000	317,839
MABUCHI MOTOR	10,000	515,341
MAKITA	23,000	340,997
MANDOM CORP	1,000	10,941
MARUBENI CORP	181,000	497,955
MATSUSHITA ELECTRIC INDS	93,000	965,908



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
JAPANESE YEN(CONT.)		
MITSUBISHI ELECTRIC	166.000	\$ 623.833
MITSUBISHI ESTATE	80.000	468.089
MITSUBISHI HEAVY INDUSTRY	150.000	630.302
MITSUBISHI KASEI	40.000	124.950
MITSUBISHI OIL CO	21.000	127.702
MITSUBISHI PETROCHEMICAL	18.000	105.035
MITSUBISHI STEEL	2.000	9.213
MITSUBISHI TRUST & BKG	33.000	200.674
MITSUBISHI W HOUSE	30.000	211.686
mitsui ENGINEERING & SHIP	63.000	192.302
MITSUI FUDOSAN CO	24.000	148.038
MITSUI MARINE& FIRE INS CO	19.000	87.973
MITSUI OSK LINES	16.000	45.160
MITSUI TRUST & BANKING	52.000	247.364
MOCHIDA PHARMACEUTICAL	3.000	74.923
NAGOYA RAILROAD CO	44.000	177.912
NATIONAL HOUSE IND	40.000	545.469
NEC CORP	82.000	535.701
NGK INSULATORS	15.000	110.957
NINTENDO CO	3.000	256.878
NIPPON DENSO	30.000	328.233
NIPPON EXPRESS CO	65.000	360.739
NIPPON FIRE AND MARINE	18.000	81.345
NIPPON LIGHT METAL CO	15.000	75.636
NIPPON MEAT PACKERS	23.000	317.292
NIPPON MINING CO	32.000	111.631
NIPPON OIL CO	48.000	243.559
NIPPON STEEL CORP	312.000	662.935
NIPPON SUISAN KAISHA	100.000	345.675
NIPPON YUSEN KK	26.000	94.617
NISSEKI HOUSE INDS	8.000	34.885
NISSHINBO INDS INC	20.000	129.232
NISSIN FOOD PRODS.	3.000	50.662
NKK CORPORATION	162.000	322.382
NOMURA SECURITIES	118.000	1,169.429
ODAKYU ELECTRIC RAILWAY	40.000	191.866
OJI PAPER CO	77.000	478.617
OKUMURA CORP	3.000	18.100
OLYMPUS OPTICAL CO	8.000	59.367
OMRON CORP	22.000	226.750
OSAKA GAS CO	247.000	802.902
PENTA OCEAN CONSTRUCTION	15.000	94.545
PIONEER ELECTRONIC CORP	40.000	1,097.281
RICOH CO	19.000	76.072
RYOSAN CO	10.000	178.387
SAGAMI RAILWAY CO	14.000	45.731
SAKURA BANK	128.000	963.070





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
JAPANESE YEN (CONT.)		
SANKYO CO	35.000	\$ 671.530
SAPPORO BREWERIES	36.000	245.176
SATO KOGYO CO	30.000	168.873
SECOM CO	19.000	914.374
SEKISUI CHEMICAL	20.000	115.595
SEKISUI HOUSE	17.000	153.651
SEVEN ELEVEN JAPAN	23.000	1,332.990
SHARP CORP	69.000	568.937
SHIMAMURA	7.000	256.402
SHIMIZU CORP	18.000	124.871
SHIN ETSU CHEMICAL CO	43.000	439.784
SHISEIDO CO	9.000	99.897
SHIZUOKA BANK	45.000	381.749
SHOWA DENKO KK	79.000	170.990
SONY CORP	19.000	620.630
STAR MICRONICS	40.000	443.986
SUMITOMO BANK	143.000	1,519.227
SUMITOMO CHEMICAL	44.000	144.422
SUMITOMO ELECTRIC	64.000	462.253
SUMITOMO FORESTRY	60.000	927.615
SUMITOMO HEAVY IND	10.000	30.920
SUMITOMO MAR AND FIRE	22.000	118.259
SUMITOMO METAL IND	98.000	189.582
SUMITOMO METAL MINING	10.000	51.693
SUMITOMO RUBBER	125.000	827.519
SUZUKI MOTOR CO	75.000	429.319
TAISEI CORP	55.000	281.258
TAKEDA CHEMICAL INDS	18.000	152.700
TOBU RAILWAY CO	40.000	177.277
TOHOKU ELECTRIC POWER	34.000	633.474
TOKAI BANK	100.000	674.701
TOKIO MARINE & FIRE	104.000	816.301
TOKYO ELECTRIC POWER	84.000	1,691.589
TOKYO ELECTRON	35.000	452.312
TOKYO GAS CO	205.000	663.126
TOKYO STEEL MANUFACTURING	60.000	1,365.258
TOKYU CORP	25.000	108.420
TOPPAN PRINTING CO	17.000	132.625
TORAY INDS INC	74.000	371.966
TOSHIBA CORP	125.000	641.204
TOSTEM	46.000	984.699
TOTO	27.000	348.926
TOYO SEIKAN KAISHA	27.000	620.788
TOYOTA AUTOMATIC LOOM WORKS	4.000	41.544
UBE INDUSTRIES	20.000	53.913
YAMAICHI SECURITIES	176.000	732.578
YAMANOUCHI PHARMACEUTICALS	10.000	191.866



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	SHARES	VALUE
JAPANESE YEN (CONT.)		
YAMATO SETUBI CONS	5,000	\$ 45,588
YAMATO TRANSPORT	22,000	165,702
YAMAZAKI BAKING CO	22,000	336,637
YASUDA TRUST AND BANKING	30,000	178,387
YORK BENIMARU	6,000	161,262
		<u>59,882,008</u>
MEXICAN PESO	(0.6%)	
ACCICOR	35,646,382	25,082,331
APASCO	117,000	389,531
ARGOS*	10,000	7,811
BANACCI	37,000	213,205
BIMBO 1	13,000	46,611
BIMBO 2	45,000	167,106
CEMENTOS MEXICANOS	20,000	303,481
CEMEX SA	19,500	291,524
CERAMIC	39,000	149,820
CERAMIC B2	33,000	147,899
CIFRA SA DE CV	92,000	152,413
CIFRA SA DE CV ORD	911,000	1,344,442
COMMERCIAL DE MEXICANA	315,000	393,276
FEMSA	140,000	506,441
GPO FIN BANCOMER	528,000	878,942
GRUPO CARSO	97,000	521,680
GRUPO FINANCIERO BANAMEX ACCIV	137,000	789,434
GRUPO GEMEX	37,000	246,370
GRUPO POSADAS	95,000	57,783
GRUPO SITUR	316,250	416,098
GRUPO TELEvisa	27,000	301,656
GRUPO VIDEO VISA S A	785,000	814,212
HERDEZ	330,000	300,023
KIMBERLY CLARK MEX	44,500	366,114
MASECA A2	290,000	181,032
MASECA B2	205,000	129,940
SEARS ROEBUCK DE MEXICO	64,000	450,739
SIDEK	403,000	599,903
SIDEK B	104,000	139,832
SISTEMA ARGOS	120,000	93,733
SORIANA	43,000	119,760
TELEFONOS DE MEXIC	696,000	1,520,669
TELEMEX	364,000	792,379
TOLMEX SA DE CV	124,000	841,551
VITRO SA	40,000	257,383
		<u>39,015,124</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
MALAYSIAN RINGGIT		
(0.2%)		
GENTING BERHAD	500.000	\$ 2,452,032
HONG LEONG INDS	385.000	1,158,932
KEDAH CEMENT HLDGS	400.000	444,953
MALAYAN BANKING	100.000	326,937
RENONG BERHAD	103.000	35,317
RESORTS WORLD	550.000	2,872,659
ROTHMANS PALL MALL	300.000	1,507,100
SIME DARBY BERHAD (M)	1,050.000	1,599,200
SIME UEP PROPS BHD	500.000	617,991
TELEKOM MALAYSIA BERHAD	300.000	1,626,711
UNITED ENGINEERS (MAL) BHD	850.000	1,165,809
		<u>13,807,636</u>
NETHERLANDS GUILDER		
(0.4%)		
ABN AMRO HLDGS NV	89.347	2,232,896
ABN AMRO HLDGS NV DIV COUPON	22.400	559,805
AEGON NV	59.400	2,085,180
AKZO NV	48.900	4,211,891
ELSEVIER NV	7.100	447,722
HEINEKEN NV	1.200	116,610
HOLLANDSCHE BETON	17.000	2,089,678
IHC CALAND NV C & EN A*	12.000	496,571
INTL NEDERLANDEN	5.700	160,008
KON BIJENKORF BEH	45.000	2,058,294
NEDLLOYD GROEP NV	65.000	2,111,763
OCE VD GRINTEN NV	97.100	4,029,373
PIRELLI TYRE HLDGS	99.000	1,530,513
UNILEVER NV	7.700	832,384
WOLTERS KLUWER	3.300	138,667
		<u>23,101,355</u>
NORWEGIAN KRONE		
(0.0%)		
ACTINOR SHIPPING AG	600	7,627
AKER AS	2,600	23,919
HAFSLUND NYCOMED	1,300	34,793
HAFSLUND NYCOMED SERIES B	20,150	524,105
KVAERNER AS	1,500	0
KVAERNER INDUSTRIJER	1,500	44,661
NORSK HYDRO AS	33,200	863,538
NORSKE SKOGINDUST	50,000	903,248
ORKLA A/S	2,700	73,389
VARD	41,200	551,316
		<u>3,026,596</u>



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
NEW ZEALAND DOLLAR (0.0%)		
BANK OF NEW ZEALAND	63.700	\$ 24,572
BRIERLEY INVESTMENT LTD	235.800	126,828
CARTER HOLT HARVEY*	618.367	897,002
CARTER HOLT HARVEY	639.300	923,894
FLETCHER CHALLENGE	51.100	98,001
LION NATHAN LTD	300.000	722,039
		<u>2,792,336</u>
PORTUGUESE ESCUDO (0.1%)		
BCO COMM PORTUGUES	29.100	451,941
BCO PORT DE INVSET	12.600	452,116
CONST METAL MAGUE	18.750	684,569
CORTICEIRA AMORIM	125.000	1,055,070
SONAE INVESTIMENTO	31.000	296,951
UNICER UNIAO CERVJ	15.600	448,300
		<u>3,388,947</u>
SWEDISH KRONE (0.2%)		
ASEA AB	2.600	181,964
ASEA AB	2.400	166,226
ASTRA AB SERIES A	1.050	101,661
ASTRA AB SERIES B	36.341	3,380,165
ELECTROLUX AB	9.600	416,000
ERICSSON(L.M) TELE	16.100	394,079
MO OCH DOMSJO AB	54.000	2,398,742
PROCORDIA AB	18.000	567,865
SKANDINAVISKA ENSK BANK	3.000	16,318
VOLVO(AB)	60.650	4,200,663
		<u>11,823,683</u>
SINGAPORE DOLLAR (0.3%)		
AMALG STEEL MILLS	162.000	176,979
CHUAN HUP HLDGS	128.000	101,913
CITY DEVELOPMENTS	1,300.000	4,012
CYCLE & CARRIAGE	100.000	395,012
CYCLE & CARRIAGE WARRANTS	250.000	493,765
DBS LAND	350.000	488,210
DEV BANK SINGAPORE	456.000	3,996,531
FAR EAST LEVINGSTONE	150.000	448,091
GENTING BERHAD	71.000	348,382
INCHCAPE BERHAD	118.000	444,265
KEPPEL CORP	300.000	1,397,971
KUALA LUMPUR KEPG	115.000	154,734
MALAYAN BANKING	127.000	411,522
NEPTUNE ORIENT LNS	200.000	190,099
O/SEAS UNION ENTPR	100.000	481,421
OVERSEAS CHINESE BANK	200.000	1,678,800





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	SHARES	VALUE
SINGAPORE DOLLAR(CONT.)		
SEMBAWANG SHIPYARD	700,000	\$ 3,348,342
SIME DARBY BHD	47,000	71,361
SIME DARBY HLDGS	85,000	129,459
SINGAPORE AIRLINES	233,000	2,631,704
SINGAPORE LAND	150,000	472,162
SINGAPORE LAND WARRANTS	100,000	129,613
SINGAPORE PRESS HLDGS	16,000	129,366
STRAITS STEAMSHIP LAND CO	812,000	1,262,951
STRAITS TRADING CO	77,000	151,129
TRACTORS MLYSA HLD	113,000	132,514
TRACTORS MLYSA HLD	24,000	28,145
UNITED O/S LAND	500,000	174,361
UNITED OVER SEAS LAND	400,000	397,481
		<u>20,270,295</u>
THAILAND BAHT		
(0.2%)		
BANGKOK BANK	6,600	21,803
BANGKOK BANK	420,000	1,387,465
BANGKOK FIRST INV	2,800	32,318
BANGKOK INSURANCE	4,600	63,347
BANK OF AYUDHYA	13,700	23,719
KRUNGTHAI BANK	45,800	247,913
LAND & HOUSE CO	55,000	547,264
NATL FIN & SECS	40,000	464,876
PHATRA THANAKIT CO	200,090	1,911,310
POST PUBLISHING	60,000	513,434
SAHAPATHANAPIBUL CO	100,000	585,075
SIAM CEMENT	80,000	1,948,659
SIAM COMMERCIAL BK	39,000	1,074,151
SWEDISH MOTOR	70,000	376,120
THAI FARMERS BANK	27,500	527,563
		<u>9,725,017</u>
TOTAL FOREIGN STOCKS		<u>407,055,308</u>
INVESTMENT COMPANIES		
(0.2%)		
BRAZIL FD INC	30,000	513,750
CHILE FD INC	10,000	367,501
CHINA FUND	47,000	517,000
CHINA FUND WARRANTS	9,400	13,160
EMERGING MEXICO FD INC	30,000	525,000
EUROPEAN WT FD INC	65,000	430,625
FIRST PHILIPPINE FD INC	69,000	793,500
FRANKLIN RES INC	72,000	1,782,000
GENESIS CHILE FUND	11,000	213,070

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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

	<u>SHARES</u>	<u>VALUE</u>
<b>INVESTMENT COMPANIES (CONT.)</b>		
INDIA GROWTH FD INC	20.000	\$ 320,000
LATIN AMER INVT FD INC	30.300	840,825
MEXICO FD INC	4.000	88,000
MORGAN STANLEY EMERG MKT FD INC	14.037	236,876
NEW GERMANY FD INC	206.900	2,379,350
SOUTH AMERICA FUND NV	245.000	474,688
SOUTH AMERICA FUND WARRANTS	90.000	59,400
THAI CAP FD INC	20.000	167,500
THAI FD INC	10.000	158,750
		<u>9,880,995</u>
<b>REAL ESTATE *</b>		
	A (3.4%)	
AETNA LIFE INS CO	15,952.182	13,747,000
AEW/SSB REAL ESTATE FUND IV AEW	7.401	2,426,091
AEW/SSB REAL ESTATE FUND V	7.449	6,000,339
BEAR STEARNS REALTY PARTNERS	19,387.969	18,987,259
COPLEY REAL ESTATE FUND	10,000.000	9,044,670
FIRST CHICAGO INVESTMENTS	19.327	7,268,684
FRANKLIN ADVANTAGE REAL ESTATE	1,402.500	13,544,112
FRANKLIN REAL ESTATE INCOME FD	634.138	6,367,217
FRANKLIN SELECT REAL ESTATE	1,077.608	10,443,535
JOHN HANCOCK R E LTD PARTN	5,000.000	3,930,395
LEHNDORF & BABSON FUND II	35	3,714,001
LEHNDORFF & BABSON FD IV	111	11,101,560
LEHNDORFF & BABSON PROP FD III	112	10,494,897
MERIDIAN PT RLTY TR VI CO	792.500	7,925,000
MERIDIAN PT RLTY TR VII CO	1,040.756	8,763,166
METRIC INSTL APART FUND	50	4,783,180
PRU BACHE SEC. EQ FOGELMAN	1,040.000	19,035,494
PUBLIC STORAGE INST FD II	7,500.000	7,342,703
SHURGUARD INSTITUTIONAL FUND	30	8,641,000
SIERRA CAP R.E.L.P. ADV FD	750	7,336,156
SIERRA CAP RLTY TR VIII	1,560.754	12,532,855
STERLING GROUP INC	15,000.000	15,622,875
TA ASSOCIATES REALTY ADVENT FUND II	3,770.000	3,815,466
		<u>212,867,655</u>
<b>VENTURE CAPITAL *</b>		
	(1.6%)	
BETA PARTNERS LP	1,994.440	1,756,844
CLAYTON & DUBLIER ASSOC II	2,031.147	15,965,062
CLAYTON & DUBLIER ASSOC III	662.450	814,643
CROSSROADS CAPITAL III	5,000.000	4,730,875
FONTENAC VENTURE LTD PRTSHIP	10,000.000	12,284,750
JOHN HANCOCK VENTURE CAP	9,881.688	8,504,172
NARRAGANSETT CAP PARTNERS BLP	7,929.420	6,079,851
NEW ENTERPRISES ASSOC IV	6,726.452	6,115,977

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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST  
CAPITAL FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

			<u>SHARES</u>	<u>VALUE</u>
VENTURE CAPITAL (CONT.)				
PRUDENTIAL LIMITED			9,822,706	\$ 10,466,742
TA ASSOCIATES			20,000,000	19,935,340
THOMAS H LEE EQUITY PTR			2,100,768	1,614,802
VISTA III LTD PRTN			3,776,243	3,697,621
WCAS CAPITAL PARTNERS			8,834,656	9,261,750
				<u>101,228,429</u>
ALTERNATIVE INVESTMENTS *	(1.6%)			
MFA MASTERS			489,706	51,966,314
SENTRY FINANCIAL CORP LP			50,000,000	50,000,000
				<u>101,966,314</u>
BALANCED POOLS *	(0.1%)			
RXR INSTITUTIONAL BALANCE FD V			920,419	920,419
THE FOUR SEASONS FUND			5,000	6,759,900
				<u>7,680,319</u>
GUARANTEED INVESTMENT CONTRACT	(0.1%)			
MASS MUTUAL		8.95%	11/15/05	
			5,000,000	<u>5,150,000</u>
COMMODITIES POOLS (OIL AND GAS) *	(0.1%)			
PRU BACHE PENSION & INTL INV			27,659	<u>6,499,865</u>
FUTURES POOLS *	(0.6%)			
PRU BACHE FUTURES FUND			100,000	10,827,000
PRU BACHE FUTURE FD II			100,000	10,396,000
PRU BACHE OPTIMAX FUTURES LP			200,000	19,436,000
				<u>40,659,000</u>
		<u>STRIKE</u>	<u>EXERCISE</u>	
		<u>PRICE</u>	<u>DATE</u>	
PURCHASED OPTIONS	(0.0%)			
SWISS FRANCS		1.525	8/7/92	23,607,000
SWISS FRANCS		1.525	8/10/92	10,492,000
FRENCH FRANCS-MARCH		8.500	4/25/23	4,000,000
FRENCH FRANCS		8.500	4/25/93	24,000,000
DEUTSCHE MARK		80.500	9/29/92	7,000,000
				<u>51,288</u>
				<u>223,666</u>
				<u>PRINCIPAL</u>
				<u>AMOUNT</u>
MISCELLANEOUS	(0.0%)			
FURLOUGH LOAN PROGRAM			605,543	<u>605,543</u>

THE HISTORY OF THE  
CITY OF BOSTON

From its first settlement in 1630 to the present time, the city of Boston has been the seat of a government which has been the model of a free and independent republic. The principles of justice and equity which were first established here, have since been extended to all parts of the world. The city has been the birthplace of many of the great men of the world, and has been the scene of many of the most important events of our history. The city has been the seat of a government which has been the model of a free and independent republic. The principles of justice and equity which were first established here, have since been extended to all parts of the world. The city has been the birthplace of many of the great men of the world, and has been the scene of many of the most important events of our history.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEMS TRUST  
 CAPITAL FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

SHORT TERM INVESTMENTS	(0.3%)	COUPON RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
GBP CALL DEPOSIT				\$1,898,010	\$ 3,607,169
NATL AUSTRALIA BANK CALL DEPOSIT				4,618,281	3,445,492
DUPONT E I DE NEM & CO		3.80%	7/10/92	2,250,000	2,245,250
FEDERAL HOME LN MTG CORP		0.01%	7/6/92	4,500,000	4,491,225
HEWLETT PACKARD CO		3.75%	7/1/92	4,500,000	4,496,250
TOYS R US INC		3.78%	7/15/92	3,000,000	2,990,865
					<u>21,276,251</u>
 TOTAL INVESTMENTS	 (96.3%)				 6,071,671,211
(COST \$5,655,417,368)					
 OTHER ASSETS & LIABILITIES	 (3.7%)				 <u>234,273,561</u>
 NET ASSETS	 (100.0%)				 <u>\$ 6,305,944,772</u>

Percentages of investments are based on total net assets

Security descriptions are as reflected on the custodian's records.

- See note 6 to financial statements.

See notes to financial statements.





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEM TRUST  
CASH FUND  
PORTFOLIO OF INVESTMENTS  
JUNE 30, 1992

REPURCHASE AGREEMENTS	(47.6%)	RATE	MATURITY DATE	PRINCIPAL AMOUNT	VALUE
KIDDER PEABODY		3.95%	7/1/92	\$ 40,000,000	\$ 40,000,000
(Secured by \$37,327,000 FNMA Remic 1296-F, 7.00%, 07/15/99; \$10,820,000 FNMA #25845, 10.08%, 08/01/18)					
BARCLAYS DEZEOTE		3.95%	7/1/92	40,000,000	40,000,000
(Secured by \$34,270,000 FFCB, 4.15%, 02/01/93; \$5,170,000 FNMA 7.75%, 11/10/93)					
SMITH BARNEY		3.95%	7/1/92	40,000,000	40,000,000
(Secured by \$19,230,000 FHLB, 9.15%, 03/25/97; \$6,615,000 FNMA, 9.20%, 09/01/00; \$10,465,000, FNMA, 8.45%, 07/12/93)					
PRUDENTIAL SECURITIES		3.95%	7/1/92	40,000,000	40,000,000
(Secured by \$17,877,000 FHLMC F1168A, 6.50%, 11/15/04; \$25,000,000 FNMA 91163L, 8.50%, 12/25/21)					
MORGAN STANLEY		3.95%	7/1/92	40,000,000	40,000,000
(Secured by \$42,359,434 FNMA #70132, 12/01/17; \$27,340,000 FNMA #93872, 11/01/17)					
TOTAL REPURCHASE AGREEMENTS					<u>200,000,000</u>

COMMERCIAL PAPER	(40.3%)				
BEAR STERNS DISCOUNTED NOTES		3.88%	7/6/92	10,000,000	9,964,479
CIESCO INC. DISCOUNT NOTES		3.83%	7/16/92	10,000,000	9,961,700
CIESCO INC. DISCOUNT NOTES		3.77%	7/9/92	10,000,000	9,948,686
CIT GROUP HOLDINGS, INC.		3.88%	7/13/92	10,000,000	9,949,409
CIT GROUP HOLDINGS, INC.		3.85%	7/14/92	10,000,000	9,950,805
COMMERICAL CR CO		3.83%	7/23/92	10,000,000	9,969,147
CORPORATE ASSET FUNDING CO.		3.90%	7/2/92	10,000,000	9,967,500
CORPORATE ASSET FUNDING CO.		3.85%	7/24/92	10,000,000	9,966,847
FORD MOTOR CREDIT CORP		3.82%	7/14/92	10,000,000	9,969,227
GOLMAN SACHS DISCOUNT NOTES		3.83%	7/20/92	10,000,000	9,966,000
MERRILL LYNCH DISCOUNT NOTES		3.80%	7/1/92	10,000,000	9,957,777
MERRILL LYNCH DISCOUNT NOTES		3.85%	7/17/92	10,000,000	9,970,055
PHH CORP DISC		3.85%	7/10/92	10,000,000	9,968,986
PHH CORP DISC		3.83%	7/10/92	10,000,000	9,970,211
PREFERRED RECEIVABLES FUNDING		3.87%	7/27/92	10,000,000	9,948,400
UNITED STATE LEASING		3.85%	7/7/92	10,000,000	9,957,222
UNITED STATE LEASING		3.83%	7/22/92	10,000,000	9,961,700
TOTAL COMMERCIAL PAPER					<u>169,348,151</u>

MONEY MARKET INSTRUMENTS	(11.1%)				
HOSTON SAFE DEPOSIT & TRUST		3.40%		427,243	427,243
MASSACHUSETTS MUNICIPAL DEPOSIT TRUST		3.61%		1,000,000	1,000,000
SHEARSON LEHMAN PROV FED TR FD		3.93%		44,999,998	45,000,000
TOTAL MONEY MARKET INSTRUMENTS					<u>46,427,243</u>

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MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
 RETIREMENT SYSTEM TRUST  
 CASH FUND  
 PORTFOLIO OF INVESTMENTS  
 JUNE 30, 1992

TIME DEPOSITS	(1.4%)	<u>RATE</u>	<u>DATE</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>VALUE</u>
BOSTON SAFE DEPOSIT & TRUST/EURO DOLLAR		3.88%	7/1/92	\$ 6,000,000	<u>\$ 6,000,000</u>
TOTAL INVESTMENTS	(100.4%)				421,775,394
(COST \$421,775,394)					
OTHER ASSETS & LIABILITIES	(-0.4%)				<u>(1,874,811)</u>
NET ASSETS	(100.0%)				<u><u>\$419,900,583</u></u>

See notes to financial statements.



**MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST**

Statements of Assets and Liabilities

June 30, 1992

<u>Assets</u>	<u>Capital Fund</u>	<u>Cash Fund</u>
Investments, at value (note 1) (average cost, \$5,655,417,368 and \$221,775,394, respectively)	\$ 6,071,671,211	221,775,394
Repurchase agreements, at value (note 1)	<u>-</u>	<u>200,000,000</u>
Total investments	6,071,671,211	421,775,394
Cash equivalents (note 1)	185,800,706	-
Foreign currency, at value (note 1) (cost, \$35,801,393)	36,216,707	-
Forward foreign currency contracts to buy at value (note 1)	120,536,698	-
Receivable for forward foreign currency contracts sold	139,233,930	-
Receivable for investments sold	53,523,147	-
Dividends receivable	6,433,522	-
Interest receivable	41,422,446	661,214
Foreign taxes recoverable	<u>1,997,232</u>	<u>-</u>
Total assets	<u>6,656,835,599</u>	<u>422,436,608</u>
<u>Liabilities</u>		
Cash overdraft	-	2,523,113
Payable for investments purchased	87,013,291	-
Forward foreign currency contracts to sell, at value (note 1)	135,064,370	-
Payable for forward foreign currency contracts purchased	125,651,916	-
Accrued custodian expense	636,799	12,912
Accrued management expense	<u>2,524,451</u>	<u>-</u>
Total liabilities	<u>350,890,827</u>	<u>2,536,025</u>
Net assets	\$ <u>6,305,944,772</u>	<u>419,900,583</u>
Net assets consist of the following:		
Paid-in capital	\$ 4,739,861,125	419,900,583
Accumulated net realized gain on investments and foreign currency transactions	925,710,854	-
Unrealized appreciation of investments and foreign currency transactions	415,840,825	-
Undistributed net investment income	<u>224,531,968</u>	<u>-</u>
Total net assets	\$ <u>6,305,944,772</u>	<u>419,900,583</u>
Units of participation outstanding owned by:		
Commonwealth of Massachusetts State Employees' Annuity Fund	24,654,395	60,016,049
Commonwealth of Massachusetts Teachers' Annuity Fund	29,189,368	174,083,828
Capital Fund	<u>-</u>	<u>185,800,706</u>
Total units of participation outstanding	<u>53,843,763</u>	<u>419,900,583</u>
Net asset value, offering price, and redemption price per unit	\$ <u>117.12</u>	<u>1.00</u>

See notes to financial statements.



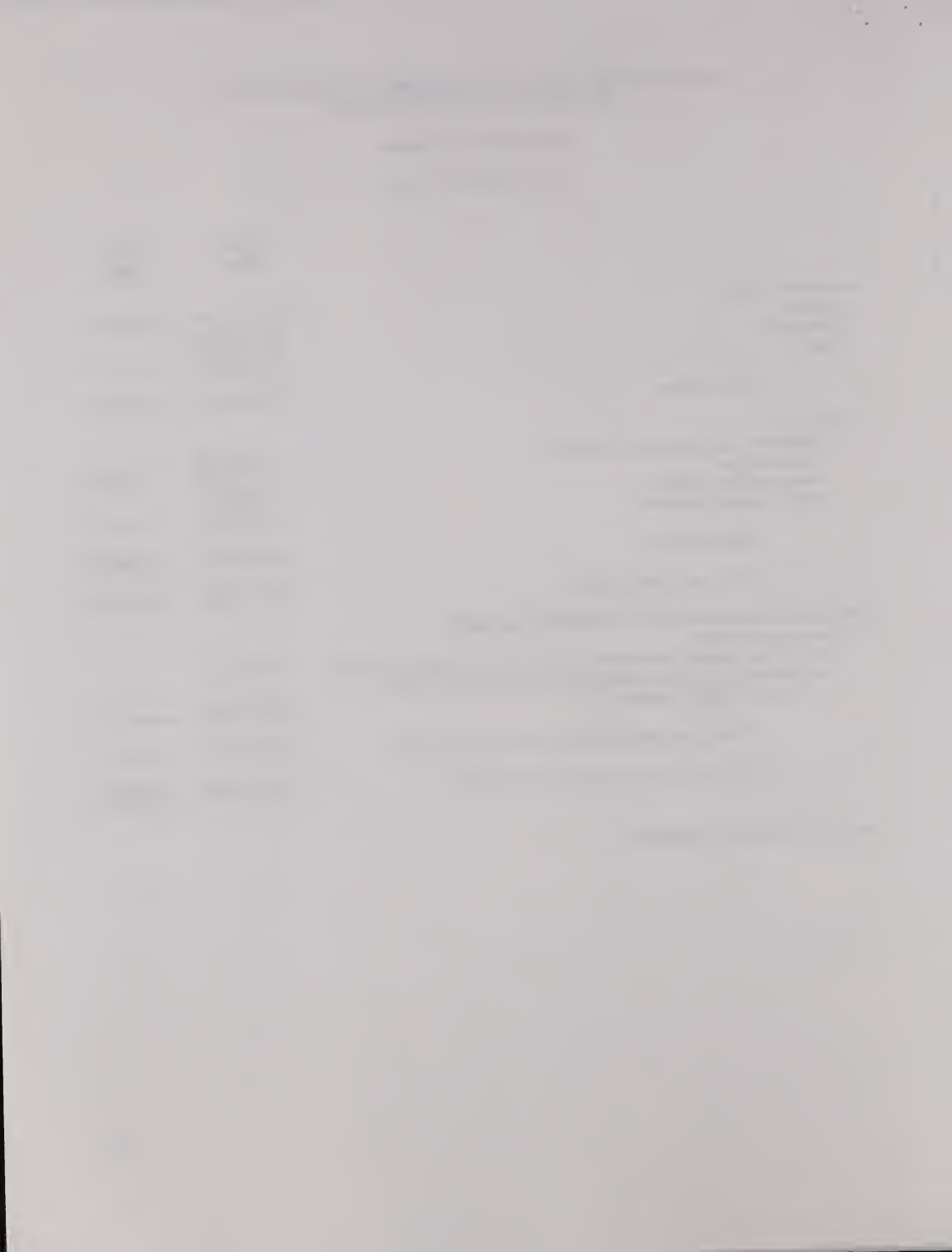
MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Statements of Operations

Year ended June 30, 1992

	Capital Fund	Cash Fund
Investment income:		
Interest	\$ 230,453.775	21,051,374
Dividends	101,167.930	-
Other	<u>8,678.709</u>	<u>-</u>
Total income	340,300.414	21,051,374
Expenses:		
Investment management fee (note 5)	10,164.283	-
Custodian fee	2,777.995	242,634
Foreign taxes withheld	4,289.975	-
Other operating expenses	<u>1,392.534</u>	<u>-</u>
Total expenses	<u>18,624.787</u>	<u>242,634</u>
Net investment income	<u>321,675.627</u>	<u>20,808,740</u>
Realized and unrealized gain on investments and foreign currency transactions:		
Net realized gain on investments and foreign currency transactions	172,547.951	-
Net increase in unrealized appreciation of investments and foreign currency transactions	<u>248,049.440</u>	<u>-</u>
Net realized and unrealized gain on investments	<u>420,597.391</u>	<u>-</u>
Net increase in net assets from operations	\$ <u><u>742,273.018</u></u>	<u><u>20,808,740</u></u>

See notes to financial statements.





MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Statements of Changes in Net Assets - Capital Fund

Years ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 321,675,627	284,676,816
Net realized gain on investment and foreign currency transactions	172,547,951	43,003,224
Increase (decrease) in net unrealized appreciation of investments and foreign currency transactions	<u>248,049,440</u>	<u>(9,481,182)</u>
Net increase in net assets from operations	742,273,018	318,198,858
Dividends to unitholders from net investment income (note 2)	(309,664,747)	(311,389,819)
Net increase from Trust unit transactions (note 3)	<u>326,514,426</u>	<u>604,394,715</u>
Net increase in net assets	759,122,697	611,203,754
Net assets:		
Beginning of year	<u>5,546,822,075</u>	<u>4,935,618,321</u>
End of year (including undistributed net investment income of \$224,531,968 and \$212,521,088, respectively)	\$ <u><u>6,305,944,772</u></u>	<u><u>5,546,822,075</u></u>

See notes to financial statements.

# THE UNIVERSITY OF CHICAGO

OFFICE OF THE DEAN OF STUDENTS  
5500 S. UNIVERSITY AVENUE, CHICAGO, ILL. 60637

NAME	ADDRESS	CITY	STATE	ZIP
ALAN B. ADAMS	1234 N. LAUREL	CHICAGO	ILL.	60610
JANE M. BROWN	5678 W. MADISON	CHICAGO	ILL.	60640
ROBERT C. GREEN	9101 S. MICHIGAN	CHICAGO	ILL.	60619
SARAH D. HARRIS	2345 E. CANTON	CHICAGO	ILL.	60646
MICHAEL E. JONES	3456 N. STATE	CHICAGO	ILL.	60647
LUCAS F. KING	7890 W. WASHINGTON	CHICAGO	ILL.	60648
EMILY G. LEE	1122 S. DEARBORN	CHICAGO	ILL.	60605
DANIEL H. MILLER	4567 N. HALSTED	CHICAGO	ILL.	60641
AMANDA I. NICHOLS	8901 W. FULLER	CHICAGO	ILL.	60644
CHRISTOPHER O. PETERSON	1357 E. 53RD	CHICAGO	ILL.	60645
STEPHANIE Q. ROBERTS	2468 N. LAUREL	CHICAGO	ILL.	60642
ANDREW R. SMITH	3579 W. MADISON	CHICAGO	ILL.	60643
HELEN S. TAYLOR	4680 S. MICHIGAN	CHICAGO	ILL.	60608
ISAAC T. WALKER	5791 E. CANTON	CHICAGO	ILL.	60649
OLIVIA U. YOUNG	6802 N. STATE	CHICAGO	ILL.	60640
JACOB V. ZIMMERMAN	7913 W. WASHINGTON	CHICAGO	ILL.	60648

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Statements of Changes in Net Assets - Cash Fund

Years ended June 30, 1992 and 1991

	<u>1992</u>	<u>1991</u>
From investment activities - net income, declared as dividends to unitholders (note 2)	\$ <u>20,808,740</u>	<u>51,753,386</u>
From trust unit (principal) transactions at net asset value of \$1.00 per share:		
Proceeds from sale of units	\$ 7,638,408,963	4,342,189,051
Net asset value of units issued to unitholders in payment of dividends declared	20,808,740	51,753,386
Cost of units reacquired	<u>(7,695,611,280)</u>	<u>(4,703,114,427)</u>
Net decrease in net assets	(36,393,577)	(309,171,990)
Net assets:		
Beginning of year	<u>456,294,160</u>	<u>765,466,150</u>
End of year	\$ <u>419,900,583</u>	<u>456,294,160</u>

See notes to financial statements.

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
RESEARCH REPORT

1. Title: *[Faint text]*

2. Author(s): *[Faint text]*

3. Date: *[Faint text]*

4. Abstract: *[Faint text]*

5. Introduction: *[Faint text]*

6. Experimental: *[Faint text]*

7. Results: *[Faint text]*

8. Discussion: *[Faint text]*

9. Conclusions: *[Faint text]*

10. References: *[Faint text]*

11. Acknowledgments: *[Faint text]*

12. Appendix: *[Faint text]*

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Notes to Financial Statements

June 30, 1992

(1) **Significant Accounting Policies**

The Trust is a combined investment fund for the Commonwealth of Massachusetts State Employees' Annuity Fund (Employees) and the Commonwealth of Massachusetts Teachers' Annuity Fund (Teachers). The Trust consists of two investment funds, known as the Capital Fund and the Cash Fund. The Trust was established by the Treasurer of the Commonwealth, as Trustee, under Declaration of Trust dated January 1, 1989, pursuant to authority granted under MGLA, Chapter 29, Section 38a. This Declaration of Trust constitutes a consolidation, amendment and complete restatement of the Declaration of Trust dated June 22, 1984, with respect to the Treasurer's Management Trust (TMT), the Declaration of Trust dated December 28, 1984, with respect to the Treasurer's Fixed Income Securities Trust (TFIST) and the Declaration of Trust dated August 31, 1987, with respect to the Treasurer's Cash Management Trust (TCMT). The Trust was formed on January 1, 1989, as a result of the merger of these three separate investment trusts. The merger has been accounted for as a pooling of interest, and, as a result, the financial statements of the Capital Fund include the combined accounts and results of operations of TMT and TFIST. The corresponding per unit and other data have been restated to reflect the merger. The financial statements and per unit data of the Cash Fund reflect the results of operations of TCMT from inception.

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

*(a) Cost of Investments*

The Trust's initial portfolio was acquired in an exchange of Trust units for Trust units held by unitholders in Treasurer's Management Trust, Treasurer's Fixed Income Securities Trust, and Treasurer's Cash Management Trust. The cost at which investments are carried on the books and in the financial statements is based on the cost as reflected on the records of the three predecessor investment trusts or, if acquired subsequently, on purchase cost.

*(b) Investment Valuations*

Securities (including options) listed on security exchanges or reported through the NASDAQ national market are valued at closing sales prices. If no sale has been reported, the last published sale or the mean between the last bid-and-asked prices, whichever is more recent, shall be used. If such value shall be unavailable or if, in the opinion of the Trustee, the value thus obtained may not fairly indicate the actual market value, the security shall be valued by a reputable broker or investment banker selected by the Trustee. Unlisted securities shall be valued either by taking the mean between the most recent published bid-and-asked prices, or by averaging quotations obtained from dealers, brokers or investment bankers approved by the Trustee. Short-term obligations are valued at amortized cost, which when combined with accrued interest, approximates value. Securities for which such valuations are unavailable are appraised at their fair value as determined in good faith by the investment managers responsible for such investments at the direction of the Trustee.

(Continued)

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

LABORATORY

CHICAGO, ILLINOIS

1. The first part of the experiment is devoted to the study of the reaction of the metal with the acid. The reaction is exothermic and the heat evolved is measured by the rise in temperature of the acid solution. The heat of reaction is calculated from the temperature rise and the heat capacity of the solution.

2. The second part of the experiment is devoted to the study of the reaction of the metal with the acid in the presence of a catalyst. The reaction is exothermic and the heat evolved is measured by the rise in temperature of the acid solution. The heat of reaction is calculated from the temperature rise and the heat capacity of the solution.

3. The third part of the experiment is devoted to the study of the reaction of the metal with the acid in the presence of a catalyst. The reaction is exothermic and the heat evolved is measured by the rise in temperature of the acid solution. The heat of reaction is calculated from the temperature rise and the heat capacity of the solution.

4. The fourth part of the experiment is devoted to the study of the reaction of the metal with the acid in the presence of a catalyst. The reaction is exothermic and the heat evolved is measured by the rise in temperature of the acid solution. The heat of reaction is calculated from the temperature rise and the heat capacity of the solution.

MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Notes to Financial Statements

*(c) Cash Equivalents*

Cash equivalents of \$185,800,706 consist of investments of the Capital Fund in the Cash Fund and are recorded at net asset value, offering price, and redemption price per unit of the Cash Fund.

*(d) Federal Income Taxes*

The Trust is not subject to federal income tax.

*(e) Foreign Currency Translation*

Investment valuations, other assets, and liabilities initially expressed in foreign currencies are converted into U.S. dollars based upon current exchange rates. Purchases and sales of foreign investment securities and income and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions.

*(f) Income*

For the Capital Fund, interest income is determined on the basis of interest accrued and discount earned, adjusted for amortization of premium on discount on long-term debt securities (bonds). Dividend income is recorded on the ex-dividend date. For the Cash Fund, interest income consists of interest accrued and discount earned, plus or minus net realized gain or loss, if any, on investments.

*(g) Expenses*

All of the expenses of the Trust, with the exception of the custodian fee, are borne by the Capital Fund. The custodian fee applicable to the Capital Fund and the Cash Fund is borne by each Fund.

*(h) Repurchase Agreements*

It is the policy of the Trust to require the custodian bank to take possession, or to have segregated within the custodian bank's vault, all securities held as collateral in support of repurchase agreement investments. Additionally, procedures have been established by the Trust to monitor, on a daily basis, the market value of the repurchase agreement's underlying securities to ensure the existence of a proper level of collateral.

*(i) Written Options*

The Trust may write call or put options for which premiums are received and are recorded as liabilities, and are subsequently adjusted to the current value of the options written. Premiums received from writing options which are exercised or are closed are treated as realized gains. Premiums received from writing options which are exercised or are closed are offset against the proceeds or amount paid on the exercise or closing transaction to determine the realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Trust. The Trust as writer of an option may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

(Continued)

# MEMORANDUM FOR THE RECORD

DATE: 10/26/67

TO: SAC, NEW YORK

FROM: SA [Name], NEW YORK

SUBJECT: [Subject Name]

[Detailed body text of the memorandum, including dates, locations, and descriptions of events or findings.]

APPROVED: [Signature]



MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST

Notes to Financial Statements

*(j) Forward Foreign Currency Contracts*

The Trust may enter into forward foreign currency contracts to manage its exposure to the risk of fluctuating foreign currency exchange rates. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The forward foreign currency contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the contract settlement date.

*(k) Financial Instruments*

The Trust regularly trades financial instruments with off-balance sheet risk in the normal course of its investing activities and to assist in managing exposure to market risks such as interest rates. These financial instruments include written options, commodities pools and futures pools.

The notional or contractual amounts of these instruments represent the investment the Trust has in particular classes of financial instruments and does not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. The Trust has positions in several investment pools at June 30, 1992, which actively trade in such investments.

*(l) Other*

Investment transactions are accounted for on the trade date.

**(2) Distributions**

*(a) Capital Fund*

It is the current practice of the Capital Fund to declare and pay, semiannually, distributions of substantially all of the net investment income earned by the Fund during the year. Prior to June 30, 1989, the Capital Fund retained and reinvested a significant portion of net investment income to enable the Capital Fund to reach prudent asset allocation targets, while avoiding significant sales of fixed income securities.

*(b) Cash Fund*

The net income of the Cash Fund is determined once daily, and all of the net income so determined is declared as a dividend to shareholders of record at the time of the declaration. Distributions are paid monthly in the form of additional shares of the Fund.

**(3) Units of Participation**

The Declaration of Trust permits the Trustee to issue an unlimited number of full and fractional units of participation (without par value). Units of participation in the Capital Fund may be issued only to the Employees and Teachers. Units of participation in the Cash Fund may be issued to the Employees, Teachers, and the Capital Fund.

(Continued)



**MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST**

Notes to Financial Statements

Transactions in Capital Fund units were as follows:

	Units	<u>Year ended June 30,</u>		1991	Amount
		<u>1992</u>	Amount		
Sales	27,707,786	\$ 2,806,750,314	10,315,086	\$ 1,098,904,371	
Redemptions	<u>(24,550,708)</u>	<u>(2,480,235,888)</u>	<u>(4,720,817)</u>	<u>(494,509,656)</u>	
Net increase	<u>3,157,078</u>	<u>\$ 326,514,426</u>	<u>5,594,269</u>	<u>\$ 604,394,715</u>	

(4) **Purchases and Sales of Investments**

Purchases and sales of investments of the Capital Fund, other than short-term obligations, aggregated \$8,928,021,213 and \$8,336,751,655, respectively.

(5) **Investment Management Services**

The Trust has engaged a number of investment managers to perform investment advisory and management services for \$3,328,042,300 of the assets of the Capital Fund as of June 30, 1992. For their services, the investment managers are compensated based on the amount of assets of the Trust that they have under management or that the Trust has committed to invest with them. The remainder of the Trust assets are managed by employees of the Commonwealth of Massachusetts. No investment management fees are paid on assets managed by these employees. All employees of the Commonwealth received remuneration for their services to the Trust from the Commonwealth. Total investment management fees paid during the year ended June 30, 1992, amounted to \$10,164,283, representing 0.16% of the Capital Fund's average net assets.

(6) **Not Readily Marketable Investments**

The Capital Fund has acquired a number of interests in venture capital and real estate funds, limited partnerships, futures pools, commodities pools, balanced pools and alternative investment pools which consist principally of investments that are not readily marketable. At June 30, 1992, such not readily marketable investments of \$491,841,177 which represented 7.8% of the net assets. These investments have been valued at fair value, as determined in good faith by management. As of June 30, 1992, the Trust was committed to invest an additional \$41,582,915 in certain of the partnerships.

(Continued)



**MASSACHUSETTS STATE TEACHERS AND EMPLOYEES  
RETIREMENT SYSTEMS TRUST**

Notes to Financial Statements

(7) Investments By Category

The Commonwealth of Massachusetts and the Trust's Operating Trust Agreement authorize the investment without limitation in bonds, debentures, notes, certificates and other evidence of indebtedness, whether or not in registered form, interest in real estate, venture capital and leveraged buyout investments, common and preferred stocks and all other forms of certificates representing an interest or participation in any enterprise, whether or not incorporated.

The Trust's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. The amounts shown below represent carrying value which equals market value at June 30, 1992. Category 1 includes investments that are insured or registered or for which the securities are held by the Trust or its agent in the Trust's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the custodian bank's trust department or agent in the Trust's name. Category 3 includes repurchase agreements with no underlying securities and uninsured and unregistered investments for which the securities are held by the custodian but not in the Trust's name.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Capital Fund:			
Convertible bonds	\$ 17,110,905	-	-
Corporate bonds	770,468,458	-	-
Mortgage backed securities	1,159,872,094	-	-
Municipal bonds	1,794,078	-	-
U.S. Government and Agency obligations	788,258,433	-	-
Supranational	28,232,760	-	-
Foreign bonds in U.S. dollars	50,661,042	-	-
Foreign government and corporate bonds	352,758,818	-	-
Domestic common and preferred stocks	1,987,421,278	-	-
Foreign stocks	407,055,308	-	-
Investment companies	9,880,995	-	-
Real estate	212,867,655	-	-
Venture capital	101,228,429	-	-
Alternative investments	101,966,314	-	-
Balanced pools	7,680,319	-	-
Guaranteed investment contracts	5,150,000	-	-
Commodities pools	6,499,865	-	-
Futures pools	40,659,000	-	-
Purchased options	223,666	-	-
Miscellaneous	605,543	-	-
Short-term investments	21,276,251	-	-
Total Capital Fund	\$ <u>6,071,671,211</u>	<u>-</u>	<u>-</u>
Cash Fund:			
Repurchase agreements	\$ 200,000,000	-	-
Commercial paper	169,348,151	-	-
Money market instruments	46,427,243	-	-
Time deposits	6,000,000	-	-
Total Cash Fund	\$ <u>421,775,394</u>	<u>-</u>	<u>-</u>

