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# THE Annual Financial Report

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**PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO**

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*THE Annual  
Financial  
Report*

for the  
Calendar Year Ended December 31, 1982

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
OF OHIO  
277 EAST TOWN STREET, COLUMBUS, OHIO 43215**

# THE PUBLIC EMPLOYEES RETIREMENT BOARD

## Elected Members



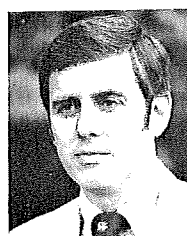
**JERRY E. CAPLINGER**  
Representing  
Municipal  
Employees



**WALTER H. KYLE**  
Representing  
State  
Employees



**RICHARD J. REHMER**  
Representing  
College - University  
Employees



**DUSTY RHODES**  
Representing  
Miscellaneous  
Employees



**WILLIAM G. WILCOX**  
Representing  
Retirees



**WAYNE F. WILKE**  
Representing  
County  
Employees

## Statutory Members

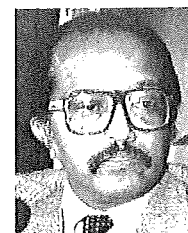
**ANTHONY J. CELEBREZZE, JR.**  
Attorney General



**THOMAS E. FERGUSON**  
State Auditor



**WILLIAM G. SYKES**  
Director,  
Administrative Services



## Executive Director

**WILLIAM S. McLAUGHLIN**



## Assistant Directors

**RICHARD D. MYERS**  
Benefits

**ROBERT A. McLAUGHLIN**  
Investments

**RICHARD E. SCHUMACHER**  
Comptroller

# LETTER OF TRANSMITTAL

Members of the Retirement Board  
Public Employees Retirement System  
Columbus, OH 43215

July 15, 1982

Dear Board Members:

We are pleased to submit the Annual Financial Report of the Public Employees Retirement System. The report contains the 1982 financial statements and schedules, a summary of operations for the year, a report of examination by the Auditor of the State of Ohio, a statement and related actuarial data from the Board Actuary — Gabriel, Roeder, Smith & Company, the investment portfolio and summary, and a plan statement for PERS.

## ACCOUNTING

The financial records of the Public Employees Retirement System are recorded and reported on a modified accrual system of accounting. As of December 31, 1982, the accrual of interest income on a monthly basis was initiated. Also, the related entries for amortization of premium, accumulation of discount, and write-off of deferred losses were placed on a monthly accrual basis. The impact of this change is detailed in the financial statements, footnote 2.

Accounts receivable at year-end, in addition to accrued interest receivable, reflect accrued employer charges and investment proceeds due on sales that have not yet been settled. Investments are recorded at cost; thus, on the balance sheet, bonds and mortgages are carried at amortized book value and stocks are carried at cost. Fixed assets are listed at cost less accrued depreciation.

## REVENUES

Total revenues for 1982, excluding the effect of the change to the accrual method of investment income accounting, increased 12.7% over the preceding year. There are three major components of revenue: member contributions, employer charges, and investment income. All components showed an increase over the preceding year, with investment income showing the greatest increase at 20.0%. The employee contribution rate remains at 8.5% (9.5% for law enforcement contributors), and the employer rates remain constant with State Government at 13.71%, Local Government at 13.95%, and Law Enforcement at 18.10%.

## BENEFIT PAYMENTS

Total benefit disbursements for 1982 were \$473.8 million. Included in this amount was \$406.8 million paid to fulfill the System's obligation to its retirants. The balance of the disbursements, \$67.0 million, included refunds in lieu of monthly benefits to members or beneficiaries for reasons of separation from service or death. Health care payments totaled \$78.1 million in 1982. This represents an increase of 44.6% over 1981 payments of \$54.0 million. Health care costs are paid by the Public Employees Retirement System on a split funding program initiated in January of 1981. Under the split funding arrangement, the Aetna



Company is paid directly by the System for claims incurred. This method is less costly than the premium method previously used for coverage of our retirants. Refunds of members' accounts for reasons of separation from service or death decreased in total dollars paid out over the previous year. During 1981, 35,108 accounts were refunded, compared to 34,299 accounts in 1982. Total dollars refunded for 1981 were \$75.8 million; for 1982, \$66.7 million.

#### FUNDING AND RESERVES

Money held by a retirement system for a particular purpose is considered a reserve. We refer to these reserves as funds. The proper funding of a retirement system is the key to assuring reliability in the payment of current and future benefits. A higher level of funding provides greater potential contributions from investment earnings. The Public Employees Retirement System stresses adequate funding as a fundamental requirement. Continuous improvement in the funding of the System is sought through suitable reserves, higher investment earnings, and effective cost-containment programs. As of December 31, 1982, funds established by the System totaled \$7,153 million, compared to \$6,129 million at the previous year-end.

Reserves are maintained in the annuity and pension reserve fund and the survivor benefit fund to meet future obligations to all current retirants and beneficiaries.

The actuarial evaluation dated December 31, 1981, shows an unfunded accrued liability of \$4,949.1 million. This is the difference between the employer accumulation fund balance held and the actuarially calculated liability for the fund. Factors are included in the employer contribution rates to provide the assets to amortize these liabilities over future funding years. The current funding periods for the three groups under PERS are as follows: State Government, 30 years; Local Government, 35 years; Law Enforcement, 18 years.

#### INVESTMENTS

The investment portfolio provided net revenues of \$686.4 million dollars to the System in 1982. Of this amount, \$137.7 million was attributable to the change in the accounting method from cash to accrual on investment income. The

earnings recorded on a cash basis comparable to 1981 — \$548.7 million — represent a substantial increase over 1981. Net revenues are comprised of bond interest, accumulation of discount, amortization of premium, dividend income, recognized gains and losses on the sale of securities, and amortization of deferred losses on bonds sold.

#### PROFESSIONAL SERVICES

Professional services are provided to the Public Employees Retirement System by consultants appointed by the Board to aid in efficient and effective management of the system. Actuarial services are provided by Gabriel, Roeder, Smith & Company, Detroit, Michigan. The investment adviser is Valueline, New York City. The financial records of the retirement system are examined by the Auditor of the State of Ohio as provided by law.

#### ACKNOWLEDGMENTS

The preparation of this report reflects the combined efforts of the Public Employees Retirement System's staff under the Retirement Board's direction. Its purpose is to provide complete and reliable information as a basis for making management decisions, as a means for determining compliance with legal provisions, and as a means for determining responsible stewardship over the assets contributed by the members and their employers.

This report is being mailed to all employer units of PERS of Ohio, each state legislator, and other interested parties.

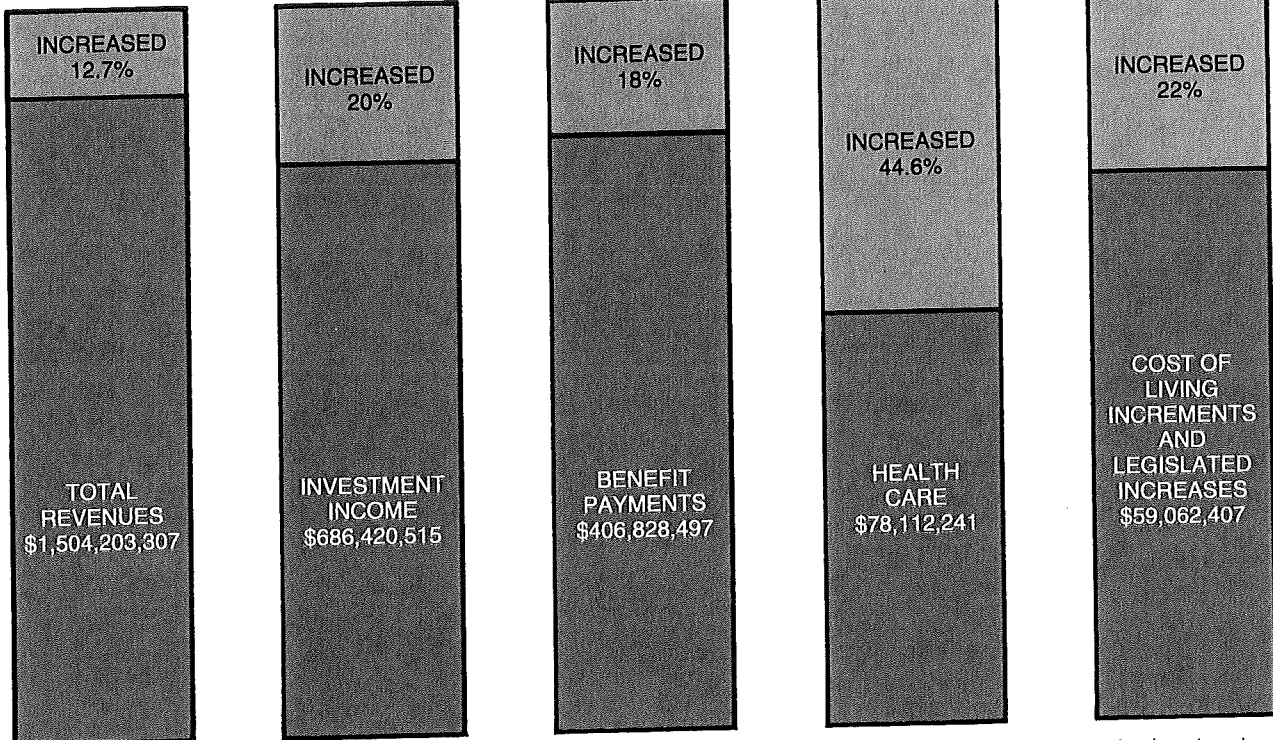
RICHARD E. SCHUMACHER  
Assistant Director — Comptroller

WILLIAM S. McLAUGHLIN  
Executive Director



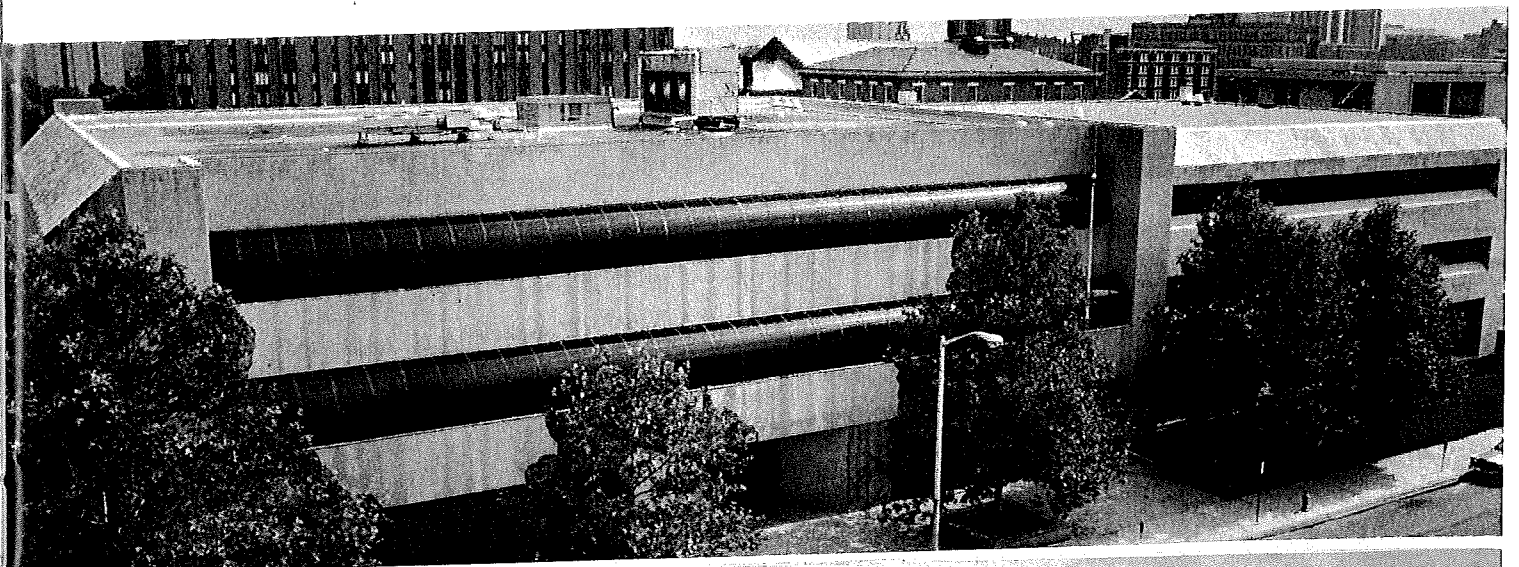
**1982**

# A YEAR OF GROWTH



TO SERVE MORE EFFICIENTLY . . .

During the late summer of 1982, PERS staff members in the departments of Benefits, Refunds, Files, Microfilm, Audit and Review, Investments, Membership Determination, Accounting, and Office Services occupied the new 37,000-square-foot addition to the PERS offices at 277 East Town Street. Off-street parking for active and retired PERS members also was provided in the expansion.



# FINANCIAL STATEMENTS

Balance Sheet

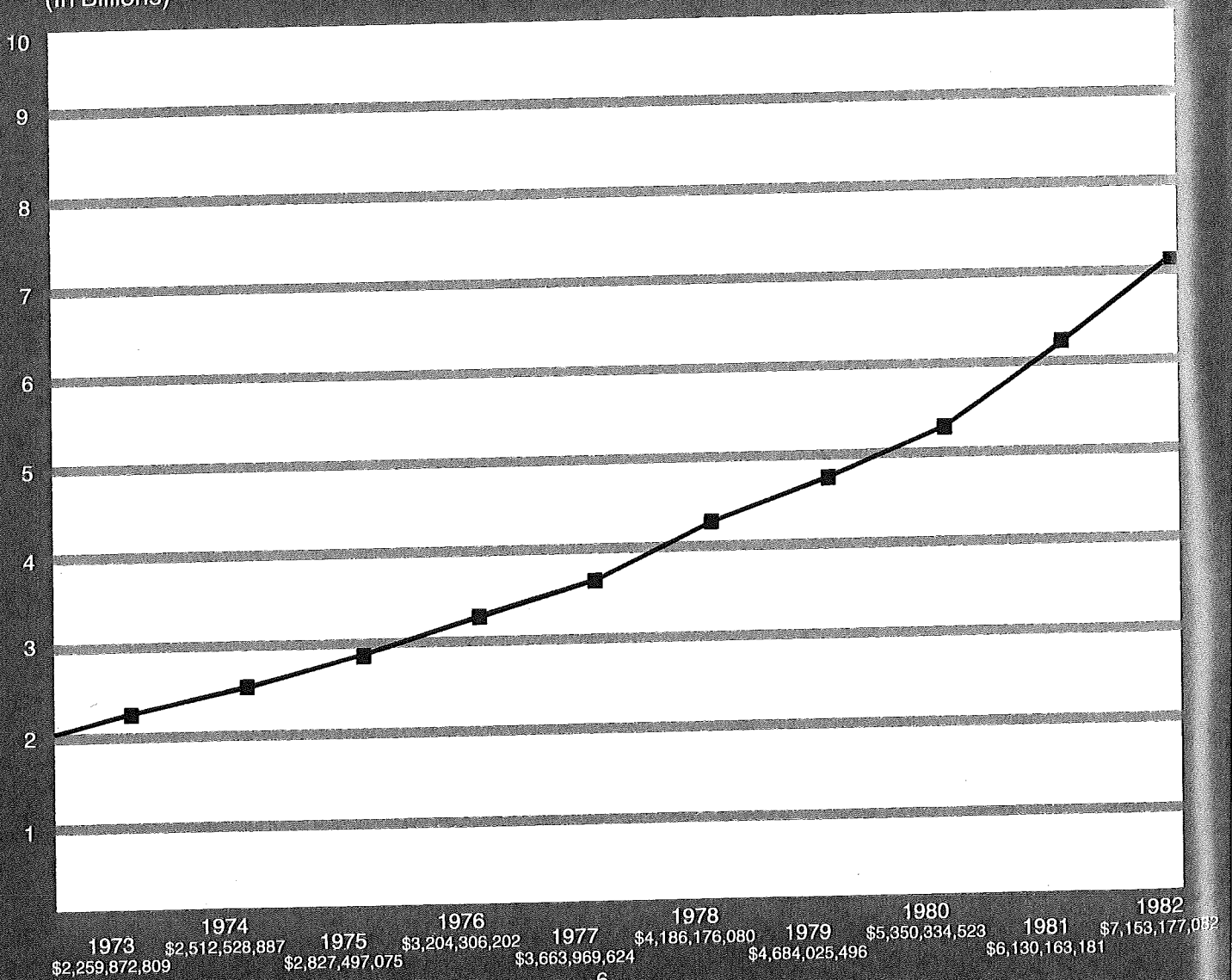
Statement of Revenue and Expense

Statement of Changes in Financial Position

Statement of Changes in Funds

Notes to Financial Statements

GROWTH OF TOTAL ASSETS — 1973 -1982  
(In Billions)





**BALANCE SHEET****December 31, 1982****With Comparative Figures for 1981****ASSETS**

	1982	1981
Cash and Short-Term Securities:		
Cash	\$ 2,354,447	\$ 19,541,004
Short-Term Securities (Note 3)	<u>1,763,540,645</u>	<u>841,376,475</u>
	<u>\$1,765,895,092</u>	<u>\$ 860,917,479</u>
Receivables:		
Employer	\$ 80,455,180	\$ 60,060,998
Investment Sale Proceeds	18,578,150	2,575,817
Interest (Note 2)	<u>118,268,140</u>	<u>                    </u>
	<u>\$ 217,301,470</u>	<u>\$ 62,636,815</u>
Investments: (Notes 2 and 3)		
Bonds and Mortgages, at Book Value	\$3,856,228,542	\$3,666,506,194
Stocks, at Cost	818,256,462	1,126,005,829
Deferred Cost on Bonds Sold (Note 4)	<u>487,091,665</u>	<u>408,586,638</u>
	<u>\$5,161,576,669</u>	<u>\$5,201,098,661</u>
Fixed Assets:		
Land and Buildings,		
Net of Accumulated Depreciation	\$ 7,462,221	\$ 5,002,381
Furniture, Fixtures and Equipment,		
Net of Accumulated Depreciation	<u>852,384</u>	<u>396,027</u>
	<u>\$ 8,314,605</u>	<u>\$ 5,398,408</u>
Prepaid Expense	<u>\$ 89,246</u>	<u>\$ 111,818</u>
TOTAL ASSETS	<u>\$7,153,177,082</u>	<u>\$6,130,163,181</u>

**LIABILITIES AND RESERVES**

Liabilities		
Medical Insurance Payable	\$ 578,555	\$ 545,726
Investment Commitments Payable	<u>                    </u>	<u>191,584</u>
	<u>\$ 578,555</u>	<u>\$ 737,310</u>
Funds:		
Members Savings Fund	\$1,664,479,327	\$1,491,011,231
Employer Accumulation Fund (Note 5)	1,879,492,306	1,397,504,982
(Net of Unfunded Accrued Liabilities:		
1982, \$4,949,064,301;		
1981, \$5,245,903,645)		
Annuity and Pension Reserve Fund	3,101,382,178	2,772,637,319
Survivor Benefit Fund	499,745,222	460,581,549
Income Fund	6,890,181	7,466,983
Expense Fund	<u>609,313</u>	<u>223,807</u>
	<u>\$7,152,598,527</u>	<u>\$6,129,425,871</u>
TOTAL LIABILITIES AND RESERVES	<u>\$7,153,177,082</u>	<u>\$6,130,163,181</u>

The accompanying notes are an integral part of the financial statements.



# STATEMENT OF REVENUE AND EXPENSE

Year Ended December 31, 1982

With Comparative Figures for 1981

REVENUE:	1982	1981
Member Contributions:		
Payroll Deductions	\$ 305,453,084	\$ 279,008,916
Expense Fees Prior Years Service	6,848	7,124
Reinstatements	2,586,774	2,670,292
Annuity and Service Credit Purchases	2,908,001	2,676,556
Retirement from Other Systems	825,214	567,720
Total Member	<u>\$ 311,779,921</u>	<u>\$ 284,930,608</u>
Employer Contributions:		
Employer Charges	\$ 498,835,818	\$ 462,329,135
Reinstatements	187,096	221,459
Retirement from Other Systems	856,144	589,535
State Subsidies	5,930,854	6,395,001
Total Employer	<u>\$ 505,809,912</u>	<u>\$ 469,535,130</u>
Investment Income:		
Bond Interest (Note 2)	\$ 719,561,568	\$ 443,046,876
Accumulation of Discount	35,648,710	25,274,791
Amortization of Premium	(241,301)	
Net Accrued Interest on Purchases	5,217,034	2,206,541
Dividend Income	53,364,887	54,504,731
Gain on Securities Sold	156,920,820	68,018,714
Loss on Securities Sold (Note 2)	(284,051,203)	(135,664,121)
Total Investment	<u>\$ 686,420,515</u>	<u>\$ 457,387,532</u>
Other		
Miscellaneous	\$ 192,959	\$ 230,852
Total Other	<u>\$ 192,959</u>	<u>\$ 230,852</u>
<b>TOTAL REVENUE</b>	<u><b>\$1,504,203,307</b></u>	<u><b>\$1,212,084,122</b></u>
<b>EXPENSE:</b>		
Benefits:		
Retirement Annuities	\$ 262,967,883	\$ 232,356,980
Disability Benefits	32,076,639	28,486,146
Survivor Annuities	31,648,728	29,013,565
Health Care	78,112,241	54,033,205
Retirement to Other Systems	2,023,006	1,967,683
Total Benefits	<u>\$ 406,828,497</u>	<u>\$ 345,857,579</u>
Refunds:		
Separation	\$ 63,954,454	\$ 73,182,786
Death	2,722,037	2,617,655
Unauthorized	223,274	353,665
Other Systems	57,326	69,699
Other	21,791	15,125
Total Refunds	<u>\$ 66,978,882</u>	<u>\$ 76,238,930</u>
Administrative Expense	<u>\$ 7,223,272</u>	<u>\$ 6,620,678</u>
<b>TOTAL EXPENSE</b>	<u><b>\$ 481,030,651</b></u>	<u><b>\$ 428,717,187</b></u>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<u><b>\$1,023,172,656</b></u>	<u><b>\$ 783,366,935</b></u>



# STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1982

## RESOURCES PROVIDED BY:

Excess of Revenues Over Expenses	\$1,023,172,656
Net Sales of Stock Investments	307,749,367
Item Not Requiring Resources Currently:	
Depreciation	<u>436,484</u>
Total Resources Provided	<u>\$1,331,358,507</u>

## RESOURCES USED BY:

Net Purchases of Investments:	\$ 189,722,348
Bonds and Mortgages	78,505,027
Deferred Cost on Bond Exchange Sales	2,574,505
Home Office Expansion	778,176
Equipment	<u>1,059,778,451</u>
Net Increase in Working Capital	<u>\$1,331,358,507</u>
Total Resources Used	

## ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL

	YEARS ENDED DECEMBER 31,		Increase (Decrease)
	1982	1981	
Current Assets:			
Cash	\$ 2,354,447	\$ 19,541,004	\$ (17,186,557)
Short-Term Securities	1,763,540,645	841,376,475	922,164,170
Employer Receivables	80,455,180	60,060,998	20,394,182
Investment Sale Proceeds	18,578,150	2,575,817	16,002,333
Interest Receivable	118,268,140		118,268,140
Prepaid Expense	<u>89,246</u>	<u>111,818</u>	(22,572)
Total Current Assets	<u>\$1,983,285,808</u>	<u>\$ 923,666,112</u>	
Current Liabilities:			
Medical Insurance Payable	\$ 578,555	\$ 545,726	(32,829)
Investment Commitments Payable		<u>191,584</u>	<u>191,584</u>
Total Current Liabilities	<u>\$ 578,555</u>	<u>\$ 737,310</u>	
Working Capital	<u>\$1,982,707,253</u>	<u>\$ 922,928,802</u>	<u>\$1,059,778,451</u>

The accompanying notes are an integral part of the financial statements.



# STATEMENT OF CHANGES IN FUNDS

Year Ended December 31, 1982

	Total	Member Savings
Balance January 1, 1982	\$6,129,425,871	\$1,491,011,231
Additions:		
Member Contributions	\$ 311,779,921	\$ 311,773,073
Employer Contributions	505,809,912	
Investment Income	686,420,515	
Other	<u>192,959</u>	<u>                    </u>
Total Additions	<u>\$1,504,203,307</u>	<u>\$ 311,773,073</u>
Deductions:		
Benefit Payments	\$ 406,828,497	
Refunds	66,978,882	\$ 66,935,004
Administrative Expense	<u>7,223,272</u>	<u>                    </u>
Total Deductions	<u>\$ 481,030,651</u>	<u>\$ 66,935,004</u>
Transfers — Increase (Decrease)		
Retirement Annuities		\$ (91,396,658)
Disability Benefits		(4,391,893)
Survivor Annuities		(1,312,029)
Retirement to Other Systems		25,782,904
Statutory Interest		
Annual Interest		<u>(52,297)</u>
Other		<u>                    </u>
Total Transfers	<u>                    </u>	<u>\$ (71,369,973)</u>
Balance December 31, 1982	<u>\$7,152,598,527</u>	<u>\$1,664,479,327</u>

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1** — The Public Employees Retirement System of Ohio is created by Chapter 145 of the Revised Code of Ohio. Administration of the retirement system is vested in a Board consisting of nine members. Five of the members are elected by the active membership, and one is elected by the retirants. The Attorney General, the Auditor of State, and the Director of the Department of Administrative Services serve as statutory members of the Board.

The accounting records are maintained on a modified accrual basis. Various funds are established to hold the reserves for current and future benefit payments. Effective December 31, 1982, the accounting for interest, premium, discounts, and deferred loss was established on the full accrual basis.

- A) **The Members Savings Fund** holds members' contributions in trust prior to their refund or transfer to a benefit disbursement fund.
- B) **The Employer Accumulation Fund** is used to accumulate employer contributions to be used in providing the reserves required to transfer to the Annuity and Pension Reserve Funds as members retire or become eligible for disability benefits.
- C) **The Annuity and Pension Reserve Fund** is the fund from which annuity and disability pensions are paid. This reserve is fully funded according to the latest actuarial study dated December 31, 1981. There are sufficient assets in this fund to pay the vested benefits of all retirants and beneficiaries as of the valuation date.

Employer Accumulation	Retirement Annuities	Survivor Annuities	Income	Administrative Expense
\$1,397,504,982	\$2,772,637,319	\$460,581,549	\$ 7,466,983	\$ 223,807
				\$ 6,848
\$ 467,952,017		\$ 37,857,895	\$ 686,420,515	
	\$ 26,283	1,070	21,011	144,595
\$ 467,952,017	\$ 26,283	\$ 37,858,965	\$ 686,441,526	\$ 151,443
	\$ 368,971,988	\$ 37,856,509	\$ 957	\$ 393
\$ 42,528				7,223,272
\$ 42,528	\$ 368,971,988	\$ 37,856,509	\$ 957	\$7,223,665
\$ (313,730,945)	\$ 405,127,603	\$ 4,391,893		
(817,931)	2,129,960			
(25,782,904)				
226,578,153	211,805,342	34,769,324	\$(473,152,819)	\$7,457,728
127,831,462	78,627,659		(213,864,552)	\$7,457,728
\$ 14,077,835	\$ 697,690,564	\$ 39,161,217	\$(687,017,371)	
\$1,879,492,306	\$3,101,382,178	\$499,745,222	\$ 6,890,181	\$ 609,313

D) **The Survivor Benefit Fund** provides the reserves to pay benefits due dependents of deceased members of the retirement system. This fund is also "fully funded."

E) **The Income Fund** is the fund which is credited with the interest and dividends earned on investments. The balance in this fund is transferred to other funds to aid in the funding of future benefit payments.

F) **The Expense Fund** provides for the disbursement of administrative expenses, with the necessary monies allocated to it from the Income Fund.

Investments in fixed income assets are recorded at par with appropriate entries for discounts and premiums. Equities are recorded at cost.

Fixed Assets — buildings, furniture and fixtures — are recorded at cost and depreciated over estimated useful lives.

**NOTE 2 — Change to Accrual Method for Interest and Related Accounts**

As of December 31, 1982, accounting for interest, premium, discount, and deferred loss was changed to the accrual basis of accounting. The entry to establish the unrecorded accruals to date was recorded as a net increase in interest income of \$137,685,082. This figure is included in the Statement of Revenue and Expense under the heading Investment Income — Bond Interest.

The income accrual entry is comprised of three parts. First is the actual interest earned and receivable on the invest-



**Notes (Continued)**

ments, which amounted to \$106,629,729. Second is the amortization of premium, which is a \$34,438 earnings reduction. Third is the accumulation of discount, which totaled \$37,332,743. The sum of these items is the net increase shown in 1982 investment earnings over the cash earnings that would have been reported on the cash basis of accounting used in prior years. The entry to record deferred loss on an accrual basis amounted to \$6,242,951. This entry increased the recorded loss on securities sold for the year.

The change to the accrual basis of accounting for investment income will allow timely recording of portfolio earnings. This, in turn, will provide a better measure of portfolio performance.

A "Receivable — Interest" account was added on the balance sheet to record the coupon income earned but not yet due for payment. In addition to the \$106,629,729 explained above, \$11,638,412 was added to the receivable account to accrued interest paid and bond purchases.

**NOTE 3 — Investments**

A summary of investments held as of December 31, 1981 and 1982 follows:

	1982	1981
Short-Term Investments (At amortized cost for 1982 and net cost for 1981)	<u>\$1,763,540,645</u>	<u>\$ 841,376,475</u>
Long-Term Investments		
Bonds and Mortgages		
—Par	\$4,938,043,404	\$4,475,474,611
Add-Premium	12,110,256	1,967,669
Deduct-Discounts	<u>1,093,925,118</u>	<u>810,936,086</u>
Bonds and Mortgages Book Value	<u>\$3,856,228,542</u>	<u>\$3,666,506,194</u>
Stocks — Common and Preferred (at cost)	<u>\$ 818,256,462</u>	<u>\$1,126,005,829</u>

The Investment Portfolio Summary beginning on page 28 details the holdings of PERS. The purchase yield on short-term investments held December 31, 1982, was 8.52%. These are investments that mature within 180 days of the date they are purchased. The purchase yield on the long-term holdings was 11.93% as of December 31, 1982. On the total portfolio, both long and short, the purchase yield was 11.11%.

The purchase yield must be adjusted for the write-off of Deferred Cost on Bonds Sold as described in NOTE 4.

**NOTE 4 — Deferred Cost on Bonds Sold**

The account "Deferred Cost on Bonds Sold" was estab-

lished to record losses accrued on the sales of bonds under the program to reinvest the proceeds in similar bonds. These exchanges are made to increase annual income, to shorten or to extend maturities as market conditions change, or to improve the quality of the bond portfolio. The policy for deferred cost is to amortize these costs over the remaining term of the bonds sold or the term of the bond purchased, whichever is shorter. Future accounting periods will be charged through the amortization of the deferral with a share of the losses incurred to produce the desired portfolio changes. In addition, policy requires that, on the subsequent sale of any bond purchased as part of a bond swap on which a loss was deferred, any unamortized loss must be immediately recognized in the records.

	1982	1981
Balance Prior Year End	\$408,586,638	\$167,777,244
Losses Realized on		
Bonds Exchanged	297,699,246	330,414,924
Losses Amortized	(32,456,443)	(23,666,118)
Losses Written off on		
Sales Prior to Maturity	<u>(186,737,776)</u>	<u>(65,939,412)</u>
Balance Year End	<u>\$487,091,665</u>	<u>\$408,586,638</u>

The amortization of Deferred Cost on Bonds Sold affects the portfolio purchase yield. Assuming an average twenty-year life on the portfolio, the annual amortization would be \$24,354,583. The modification of the purchase yield for this estimated write-off indicates an adjusted yield of 11.5%.

**NOTE 5 — Unfunded Accrued Liabilities**

When accrued liabilities (liabilities resulting from past service) exceed accrued assets, the difference is labeled unfunded accrued liabilities. The actuary, through complex mathematical calculations, determines the accrued liabilities of the Employer Accumulation Fund as of a given period. Based on these actuarial calculations, the following table reflects PERS of Ohio's unfunded accrued liabilities for 1982 and 1981.

	1982	1981
Employer Accumulation Fund Actuarially Calculated Liabilities	\$6,828,556,607	\$6,643,408,627
Employer Accumulation Fund Assets	<u>1,879,492,306</u>	<u>1,397,504,982</u>
Unfunded Accrued Liabilities	<u>\$4,949,064,301</u>	<u>\$5,245,903,645</u>

The employer contribution rates include factors to amortize these liabilities in a systematic manner. These rates are detailed on page 24 of this report.

# LETTER FROM THE AUDITOR OF STATE



THOMAS E. FERGUSON  
AUDITOR OF STATE  
COLUMBUS, OHIO 43216

June 15, 1983

The Retirement Board  
Public Employees Retirement System  
277 East Town Street  
Columbus, Ohio 43215

Dear Members of the Board:

The annual inspection of the records and accounts of the Public Employees Retirement System for calendar year 1982 has recently been completed.

The inspection was performed in accordance with standards for such inspections promulgated by the Bureau of Inspection and Supervision of Public Offices and, accordingly, consisted principally of obtaining an understanding of the accounting system and making inquiries of and evaluating responses from members of management of the Retirement System to determine compliance with applicable state statutes.

In the course of our inspection, nothing came to our attention to cause us to take exception to the accounting system or to believe that there has been a lack of compliance with state statutes.

Sincerely,

A handwritten signature in cursive script that reads "Thomas E. Ferguson".

THOMAS E. FERGUSON  
Auditor of State

# SCHEDULES

## CASH RECEIPTS AND DISBURSEMENTS

December 31, 1982

With Comparative Figures for 1981

	1982	1981
Cash Balance at Beginning of Year	\$ 19,541,004	\$ 13,906,477
Receipts:		
Member Contributions	\$ 305,498,173	\$ 279,581,959
Employer Contributions	480,074,409	466,689,827
Purchases of Back Service	5,680,442	5,549,878
State Subsidies	5,930,854	6,395,001
Investments:		
Matured and Sold	9,482,255,047	5,590,081,728
Interest and Dividends	694,992,383	537,878,349
Rental Income	144,595	150,181
Miscellaneous	58,077	80,700
TOTAL CASH RECEIPTS	<u>\$10,974,633,980</u>	<u>\$6,886,407,623</u>
Disbursements:		
Refunds:		
Separation Beneficiaries	\$ 64,242,289	\$ 73,613,878
Annuity Payments:	2,722,037	2,617,655
Retirement Annuities	317,269,488	276,988,793
Disability Benefits	49,399,414	34,473,993
Survivor Annuities	38,105,851	36,163,073
Retirement to Other Systems	2,023,006	1,967,683
Investment Purchases	10,507,931,151	6,447,703,892
Administrative Expenses	10,127,301	7,244,129
TOTAL CASH DISBURSEMENTS	<u>\$10,991,820,537</u>	<u>\$6,880,773,096</u>
CASH BALANCE AT END OF YEAR	<u>\$ 2,354,447</u>	<u>\$ 19,541,004</u>



# ADMINISTRATIVE EXPENSE

December 31, 1982  
With Comparative Figures for 1981

	1982	1981
PERSONAL SERVICES:	\$3,309,172	\$2,940,431
Salaries and Wages	443,094	392,096
Retirement Contributions	301,451	222,531
Insurance	6,724	1,375
Bureau of Employment Services		
SUPPLIES:	114,670	111,447
Office Supplies	36,714	41,177
Printing and Publications	5,925	7,307
Dues and Subscriptions		
OTHER SERVICES AND CHARGES:		
Professional Services:	14,071	4,349
Auditing	50,812	49,796
Actuarial	183,403	150,646
Investment	125,836	127,821
Medical	12,908	
Pension Review	14,988	3,360
Employee Training	134,592	206,252
Data Processing Contract		
Communication:	75,159	67,496
Telephone and Telegraph	7,188	8,108
Freight, Express and Drayage	416,068	299,644
Postage	79,330	72,119
Transportation and Travel	172,400	147,162
Utilities		
Rentals:	1,253,825	1,299,344
Equipment	27,872	39,015
Office Space		
Repair and Maintenance:	1,349	1,418
Equipment	177,248	152,248
Building	10,980	11,088
Microfilm	65,332	69,739
Retirement Study Commission	33,556	17,296
Taxes — Real Property	2,867	8,910
Miscellaneous	<u>\$7,077,534</u>	<u>\$6,452,175</u>
DEPRECIATION ON:	\$ 97,658	\$ 94,576
Building	48,080	73,927
Equipment and Fixtures	<u>\$ 145,738</u>	<u>\$ 168,503</u>
TOTAL ADMINISTRATIVE EXPENSE	<u>\$7,223,272</u>	<u>\$6,620,678</u>

## FURNITURE, FIXTURES AND EQUIPMENT

Year Ended December 31, 1982

	Balance December 31 1981	Additions	Deletions	Balance December 31 1982
Furniture, Fixtures and Equipment	\$1,169,701	\$522,808	\$273,739	\$1,418,770
Accumulated Depreciation	773,674	48,080	255,368	566,386
	<u>\$ 396,027</u>	<u>\$474,728</u>	<u>\$ 18,371</u>	<u>\$ 852,384</u>

## LAND AND BUILDINGS

Year Ended December 31, 1982

	Balance December 31 1981	Additions	Deletions	Balance December 31 1982
Land and Buildings	\$5,532,530	\$2,574,505	\$(17,007)	\$8,107,035
Accumulated Depreciation	530,149	97,658	\$ 17,007	644,814
	<u>\$5,002,381</u>	<u>\$2,476,847</u>	<u>\$ 17,007</u>	<u>\$7,462,221</u>

# ACTUARIAL DATA

## Summary of Assumptions Adopted by Retirement Board After Consulting with Actuary

- a. *Investment Return.* 7.5 percent annually, compounded annually. Considering other financial assumptions, the 7.5 percent rate translates to an assumed real rate of return of 2 percent; the real rate of return is the rate of investment return over the inflation rate. Adopted 1982.
- b. *Individual Employee Pay Increases.* An employee's pay is assumed to increase each year, in accordance with a table consisting of a percent increase for each age. For sample ages, the following table describes annual increase percents. Adopted 1981.

<u>Age</u>	<u>Merit &amp; Seniority</u>		<u>Base (Economy)</u>	<u>Increase Next Year</u>	
	<u>State</u>	<u>Local</u>		<u>State</u>	<u>Local</u>
30	3.2%	2.8%	5.5%	8.7%	8.3%
40	2.2	1.8	5.5	7.7	7.3
50	1.4	1.2	5.5	6.9	6.7
60	0.6	0.6	5.5	6.1	6.1

- c. *Active Employee Total Payroll.* Increasing 5.5% annually, compounded annually, which is the base portion of the individual pay increase assumption. In effect, this assumes no change in the number of active employees. Adopted 1982.

The following tables of assumed probabilities, adopted in 1981, for the indicated risk areas are used by the actuary and are on file at PERS:

- d. *Retirement Ages for Age & Service Retirement*
- e. *Withdrawal From Covered Employment*
- f. *Death After Retirement*
- g. *Death Before Retirement*
- h. *Disability Retirement*
- i. *Funding Method.* An entry age normal cost method of valuation is used in determining age and service benefit liabilities and current service cost. Adopted 1975.

## Summary of Unfunded Accrued Liabilities

Each time a new benefit is added which applies to service already rendered, an "unfunded accrued liability" is created. Laws governing PERS require that these additional liabilities be financed systematically over a period of future years. Also, if actual financial experiences are less favorable than assumed financial experiences, the difference is added to unfunded accrued liabilities.

In an inflationary economy, the value of dollars is decreasing. This environment results in employee pay increasing in dollar amounts and retirement benefits increasing in dollar amounts resulting in unfunded accrued liabilities increasing

in dollar amounts, all at a time when the actual substance of these items may be decreasing. Looking at just the dollar amounts of unfunded accrued liabilities can be misleading. Unfunded accrued liabilities dollars divided by active employee payroll dollars provides an index which clarifies understanding. The smaller the ratio of unfunded liabilities to active member payroll, the stronger the system. Observation of this relative index over a period of years will give an indication of whether the system is becoming financially stronger or weaker.

Valuation Year	Computed Accrued Liabilities	Reported Assets	Unfunded Accrued Liabilities (UAL)	Active Member Payroll	UAL As A % of Active Member Payroll
1977	\$6,447,763,978	\$3,480,227,838	\$2,967,536,140	\$2,694,428,033	110
1978	7,575,886,508	4,014,673,343	3,561,213,165	3,055,713,793	117
1979	8,964,203,137	4,666,621,722	4,297,581,415	3,217,159,922	134
1980	10,388,373,050*	5,235,223,720	5,153,149,330*	3,440,915,581	150*
1981	11,055,417,268	6,106,352,967	4,949,064,301	3,307,571,008	150

The System has 3 divisions which are rated separately by experience for purposes of determining the employer contribution rates. Accordingly, the aggregate numbers presented on this page are indicative only of the overall

condition of the System and are not indicative of the status of any one division.

\*Based on revised actuarial assumptions. UAL as a percent of payroll was 137 before assumption changes.

## Short-Term Solvency Test

The PERS financing objective is to pay for benefits through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the system are level in concept and soundly executed, the system will pay all promised benefits when due — the ultimate test of financial soundness.

A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (cash and investments) are compared with: 1) Active member contributions on deposit; 2) The liabilities for future benefits to present retired lives; 3) The liabilities for service already rendered by active members. In a system that has been following the dis-

cipline of level percent of payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level cost financing, the funded portion of liability 3 will increase over time. Liability 3 being fully funded is very rare.

It is wise to pay attention to both fundamental and short-term solvency tests.

### Computed Accrued Liabilities For

Valuation Year	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer Financed Portion)	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
1977	\$1,001,600,424	\$1,682,721,114	\$3,763,442,440	\$3,480,227,838	100	100	21
1978	1,126,362,844	1,923,018,416	4,526,505,248	4,014,673,343	100	100	21
1979	1,216,190,275	2,413,903,288	5,334,109,574	4,666,621,722	100	100	19
1980	1,362,792,214	2,709,541,433	6,316,039,403	5,235,223,720	100	100	18
1981	1,491,011,231	3,296,464,414	6,267,941,623	6,106,352,967	100	100	21

# LETTER FROM THE ACTUARY

GABRIEL, ROEDER, SMITH & COMPANY  
ACTUARIES & CONSULTANTS

2090 First National Building  
Detroit, Michigan 48226  
Area 313: 961-3346

April 22, 1983

The Retirement Board  
Public Employees Retirement System of Ohio  
277 East Town Street  
Columbus, Ohio 43215

The basic financial objective of PERS is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Ohio citizens.

In order to determine PERS present financial position and level contribution rates for the future, annual actuarial valuations are made.

The latest completed actuarial valuation is based upon data and assumptions as of December 31, 1981. Conditions and results are shown in our reports.

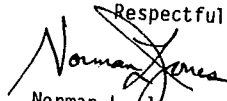
These valuations indicate that the contribution rates, established by the Retirement Board for benefits then in effect, meet the basic objective.

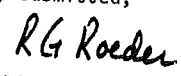
Assumptions concerning future experiences are needed for an actuarial valuation. The relationships between assumed financial experiences and actual financial experiences are determined each year by actuarial gain/loss analysis. We believe the assumptions produce results which are reasonable.

For the mathematics of level cost financing to work, the investment return rate must be more than the inflation rate. This has not been possible in recent years because of the severe damage to the investment environment caused by inflation.

Based upon the results of valuations it is our opinion that Public Employees Retirement System of Ohio continues in sound condition in accordance with actuarial principles of level cost financing.

Respectfully submitted,

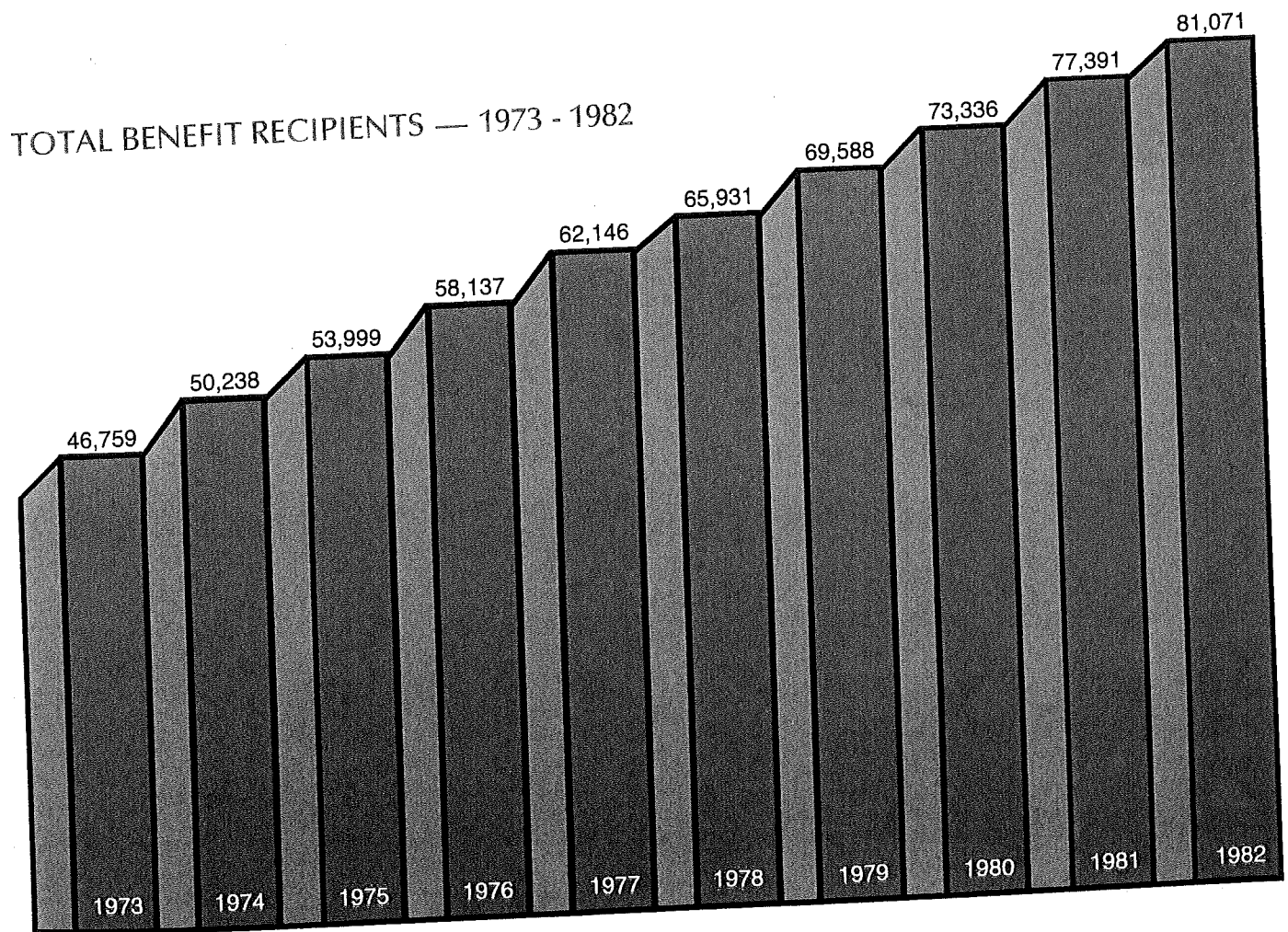
  
Norman L. Jones

  
Richard G. Roeder

RGR:jg

# STATISTICAL TABLES

- Revenues by Source
- Disbursements by Type
- Disbursements by Category
- Member Count
- Contribution Rates: Members
- Number of Employer Units
- Employer Contribution Rates — State
- Employer Contribution Rates — Local
- Employer Contribution Rates — Law Enforcement
- Net Benefit Payments by Category
- New Benefit and Refund Payments by Year





# REVENUES BY SOURCE

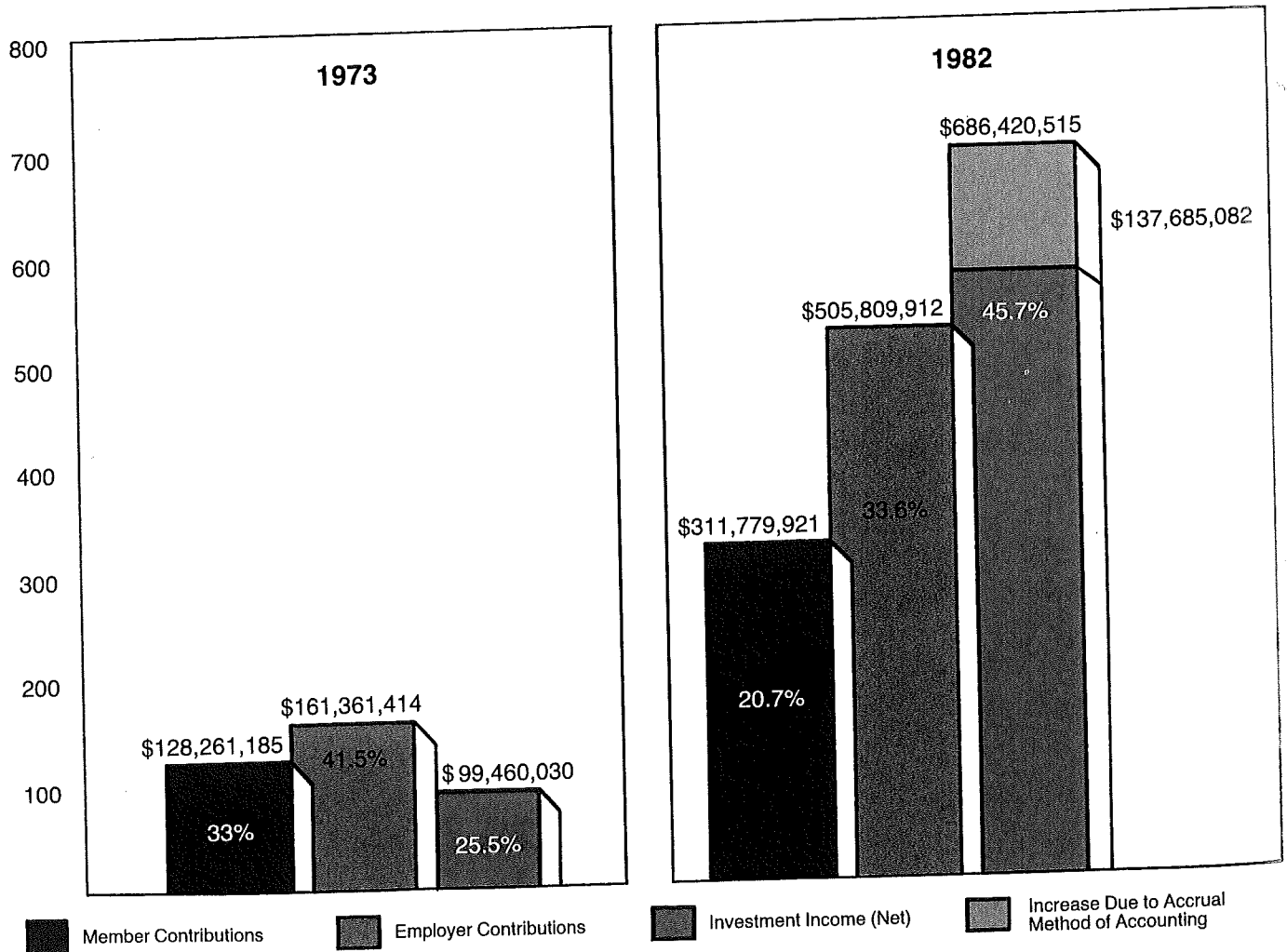
## Last Ten Years

	Member Contributions	Employer Contributions	Investment Income (Net)	Other	Total
1973	\$128,261,185	\$161,361,414	\$ 99,460,030	\$ 99,678	\$ 389,182,307
1974	148,475,457	185,180,430	70,907,627	110,688	404,674,202
1975	160,162,773	223,886,119	130,914,060	339,924	515,302,876
1976	179,683,373	262,752,079	151,840,150	90,868	594,366,470
1977	201,919,726	309,575,701	202,686,233	14,409	714,196,069
1978	234,747,412	378,228,720	208,163,680	60,423	821,200,235
1979	248,550,285	394,820,271	218,710,495	204,640	862,285,691
1980	269,246,190	439,006,229	329,014,384	184,250	1,037,451,053
1981	284,930,608	469,535,130	457,387,532	230,852	1,212,084,122
1982	311,779,921	505,809,912	686,420,515*	192,959	1,504,203,307

\*See Notes to Financial Statements — Note 2.

### SOURCES OF INCOME: A TEN YEAR PERSPECTIVE

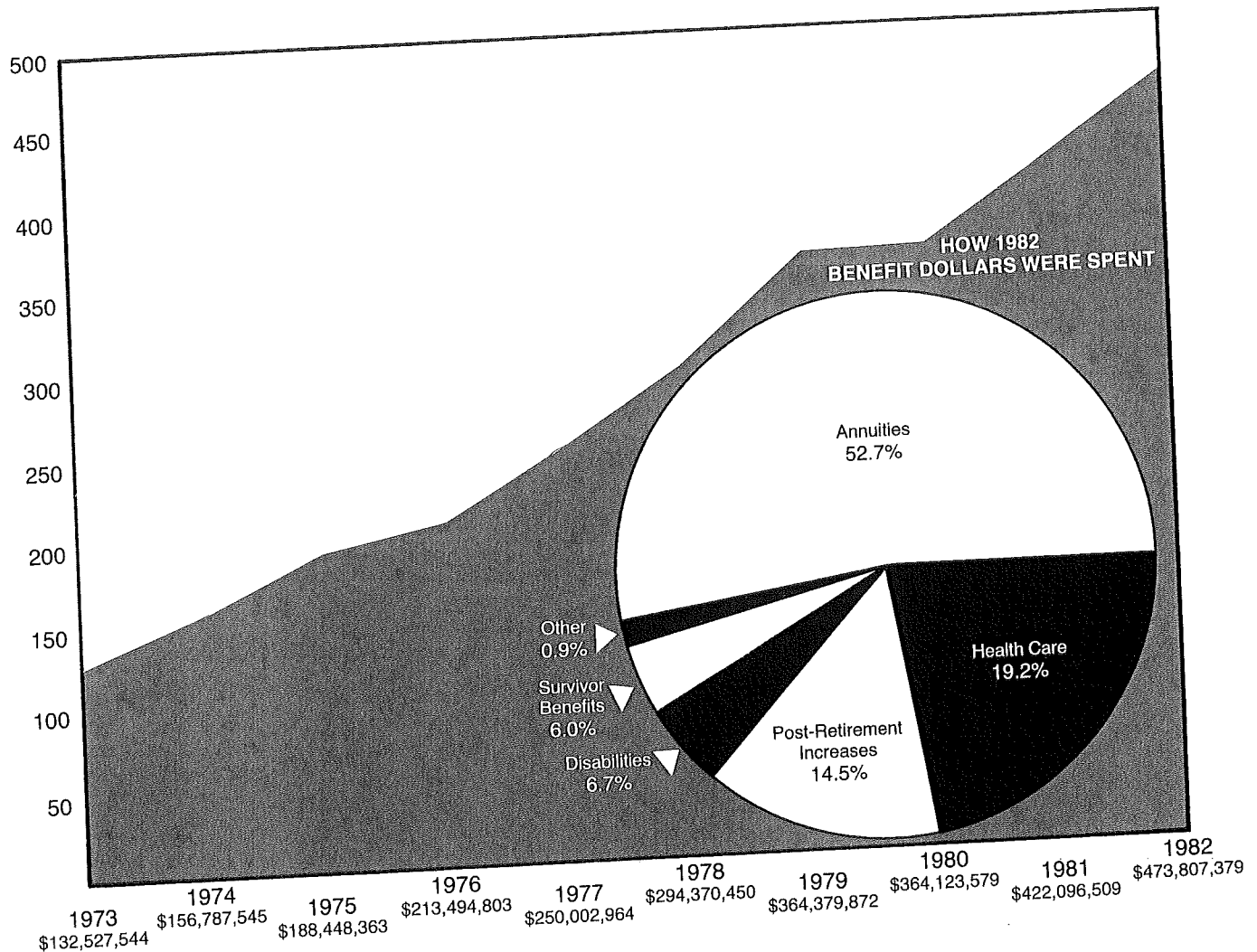
(In Millions)





# TOTAL BENEFITS PAID, INCLUDING REFUNDS — LAST TEN YEARS

(In Millions)



## DISBURSEMENTS BY TYPE

Last Ten Years

	Benefit Payments	Refunds	Administrative Expense	Total
1973	\$100,826,321	\$31,701,501	\$2,440,537	\$134,968,359
1974	124,111,520	32,733,683	2,883,614	159,728,817
1975	155,995,116	32,454,951	3,532,127	191,982,194
1976	176,555,770	36,962,005	3,823,413	217,341,188
1977	204,824,240	45,189,181	4,171,429	254,184,850
1978	234,238,430	60,132,020	4,683,030	299,053,480
1979	268,433,588	95,946,284	5,205,476	369,585,348
1980	299,609,180	64,514,399	5,798,912	369,922,491
1981	345,857,579	76,238,930	6,620,678	428,717,187
1982	406,828,497	66,978,882	7,223,272	481,030,651



# DISBURSEMENTS BY CATEGORY

Last Ten Years

BENEFITS

	Annuities	Disabilities	Other Systems	Survivors	CPI	Post Retirement Legislative Incr.
1973	\$ 70,586,857	\$ 4,867,912	\$2,619,921	\$11,348,578	\$ 1,860,678	\$ 9,397,081
1974	79,688,330	6,071,920	2,394,625	12,550,588	2,678,474	12,298,844
1975	91,848,956	8,004,005	4,071,754	14,152,719	3,566,227	19,442,953
1976	104,889,718	10,268,674	2,492,386	15,448,314	4,764,863	18,726,070
1977	121,894,409	13,180,932	1,448,220	16,955,127	6,778,913	18,596,335
1978	137,607,458	15,699,450	1,225,617	18,295,016	9,185,292	17,231,971
1979	153,958,033	18,801,479	2,038,904	19,808,511	13,212,604	18,170,820
1980	170,755,615	21,862,642	1,849,714	21,521,104	19,101,857	18,956,041
1981	192,045,068	24,970,899	1,967,683	22,974,505	24,942,579	23,399,149
1982	214,286,038	27,372,888	2,023,006	24,535,836	31,468,090	27,594,317

## MEMBER COUNT

Last 10 Years

	Active Contributing	Inactive	Total
1973	219,509	29,273	248,782
1974	231,759	28,770	260,529
1975	244,912	29,274	274,186
1976	250,712	23,809	274,521
1977	280,045	22,736	302,781
1978	279,088	39,378	318,466
1979	263,614	46,404	310,018
1980	258,559	52,782	311,341
1981	255,097	53,005	308,102
1982	251,169	52,454	303,623

## CONTRIBUTION RATES: MEMBERS

Last 10 Years

Calendar Year	Contribution Rate
1973	8.1
1974	8.0
1975	8.0
1976	8.0
1977	8.5
1978	8.5
1979	8.5
1980	8.5
1981	8.5
1982	8.5





Health Care	Death Benefits	REFUNDS			Total All Payments
		Separation	Beneficiaries	Other	
\$ 145,294		\$29,478,240	\$1,662,827	\$ 560,156	\$132,527,544
7,554,739	\$ 874,000	30,314,990	1,945,013	416,022	156,787,545
13,701,002	1,207,500	28,572,476	1,958,709	1,922,062	188,448,363
18,785,745	1,180,000	34,671,269	1,845,152	422,612	213,494,803
24,699,933	1,270,371	43,393,966	1,693,303	91,455	250,002,964
33,719,070	1,274,556	57,696,936	2,220,385	214,699	294,370,450
41,112,677	1,330,560	76,573,982	2,524,667	16,847,635	364,379,872
44,182,218	1,379,989	61,560,229	2,515,380	438,790	364,123,579
54,033,205	1,524,491	73,182,786	2,617,655	438,489	422,096,509
78,112,241	1,436,081	63,954,454	2,722,037	302,391	473,807,379

## NUMBER OF EMPLOYER UNITS

### Last 10 Years

Calendar Year	State	County	Law Enforcement	Municipalities	Villages	Miscellaneous	Libraries	Townships	TOTALS
1973	181	196	—	284	529	288	249	1,257	2,984
1974	178	213	—	283	540	294	251	1,265	3,024
1975	184	203	83	284	549	329	250	1,270	3,152
1976	173	159	88	269	557	334	250	1,275	3,105
1977	269	200	88	277	572	321	250	1,283	3,260
1978	270	205	88	281	578	332	251	1,281	3,286
1979	262	198	88	281	569	323	248	1,283	3,252
1980	253	193	88	284	560	327	248	1,275	3,228
1981	252	200	146	291	569	328	249	1,286	3,321
1982	248	207	151	294	576	348	249	1,267	3,340



## EMPLOYER CONTRIBUTION RATES — STATE

### Last Ten Years

Calendar Year	CURRENT COSTS			UNFUNDED LIABILITY		Total
	Normal	Health	Survivor Benefits	Prior Service	Health	
1973	6.73%	— %	1.15%	2.52%	— %	10.40%(1)
1974	6.63	—	1.15	2.62	—	10.40
1975	8.50	—	1.35	2.15	—	12.00 (2)
1976	8.36	—	1.35	2.29	—	12.00
1977	6.74	1.15	1.35	3.71	0.76	13.71 (3)
1978	6.93	1.12	1.38	3.54	0.74	13.71
1979	6.62	1.25	1.32	3.60	0.92	13.71
1980	6.41	1.31	1.34	3.92	0.73	13.71
1981	6.40	1.27	1.04	4.09	0.91	13.71
1982	5.77	1.10	0.99	4.93	0.92	13.71

(1) Effective 7-1-73 (2) Effective 7-1-75 (3) Effective 7-1-77

## EMPLOYER CONTRIBUTION RATES — LOCAL

### Last Ten Years

Calendar Year	CURRENT COSTS			UNFUNDED LIABILITY		Total
	Normal	Health	Survivor Benefits	Prior Service	Health	
1973	5.93%	— %	1.35%	2.12%	— %	9.40%
1974	5.91	—	1.35	2.14	—	9.40
1975	7.71	—	1.52	1.97	—	11.20
1976	8.10	—	1.55	2.25	—	11.90
1977	6.43	1.29	1.55	3.96	0.72	13.95 (1)
1978	7.09	1.66	1.37	3.06	0.77	13.95
1979	6.96	1.68	1.30	3.16	0.85	13.95
1980	6.79	1.75	1.38	3.33	0.70	13.95
1981	6.67	1.65	1.06	3.65	0.92	13.95
1982	6.03	1.27	1.07	4.66	0.92	13.95

(1) Effective 7-1-77

## EMPLOYER CONTRIBUTION RATES — LAW ENFORCEMENT

Calendar Year	CURRENT COSTS			UNFUNDED LIABILITY		Total
	Normal	Health	Survivor Benefits	Prior Service	Health	
1975	7.71%	— %	1.52%	1.97%	— %	11.20%
1976	13.02	—	0.85	3.67	—	17.54
1977	10.26	1.29	0.85	5.42	0.28	18.10 (1)
1978	10.86	1.66	0.85	4.45	0.28	18.10
1979	11.69	1.68	0.83	3.62	0.28	18.10
1980	11.82	1.75	0.94	2.89	0.70	18.10
1981	11.35	1.65	1.28	3.46	0.36	18.10
1982	10.38	1.27	1.58	4.47	0.40	18.10

(1) Effective 7-1-77

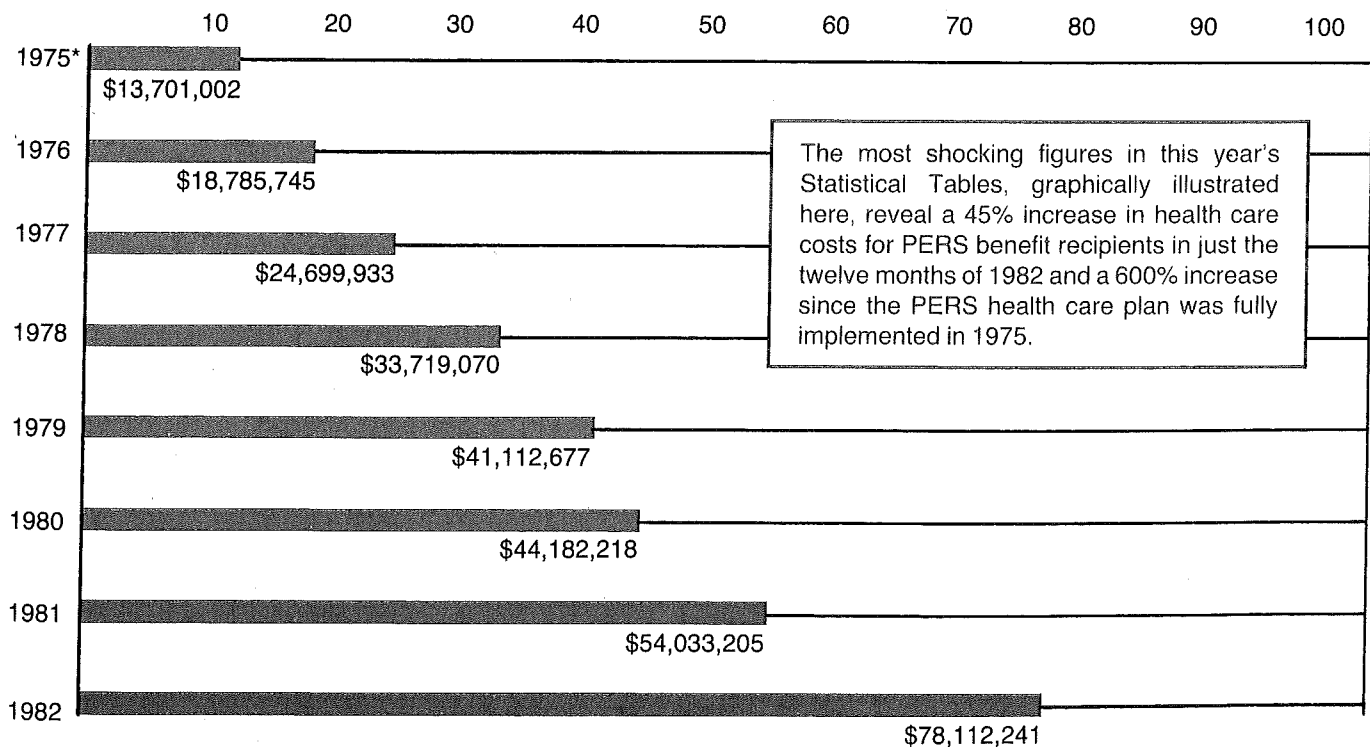
# NET BENEFIT PAYMENTS BY CATEGORY

As of Year-end	Annuities	Disabilities	Survivors	Total
1973	37,953	2,187	6,619	46,759
1974	40,659	2,531	7,048	50,238
1975	43,510	2,980	7,509	53,999
1976	46,718	3,466	7,953	58,137
1977	49,945	3,904	8,297	62,146
1978	52,986	4,334	8,611	65,931
1979	55,866	4,770	8,952	69,588
1980	58,798	5,184	9,354	73,336
1981	62,212	5,565	9,614	77,391
1982	65,363	5,807	9,901	81,071

# NEW BENEFIT AND REFUND PAYMENTS BY YEAR

Year Ending Dec. 31	Annuity	Disability	S1 & S2 Survivors	Refund
1973	4,063	393	564	34,366
1974	4,437	509	640	34,321
1975	4,910	650	759	34,024
1976	5,023	751	677	36,542
1977	5,172	711	673	34,807
1978	5,067	706	675	46,632
1979	4,851	701	666	53,727
1980	5,068	715	727	36,831
1981	5,772	693	667	35,108
1982	5,445	563	631	28,283

## HEALTH CARE (In Millions)



\* First year that Health Care Plan was fully implemented.

# *INVESTMENTS*

Investment Report

Investment Portfolio Summary

Schedule of Investment Activity

Investment Listings

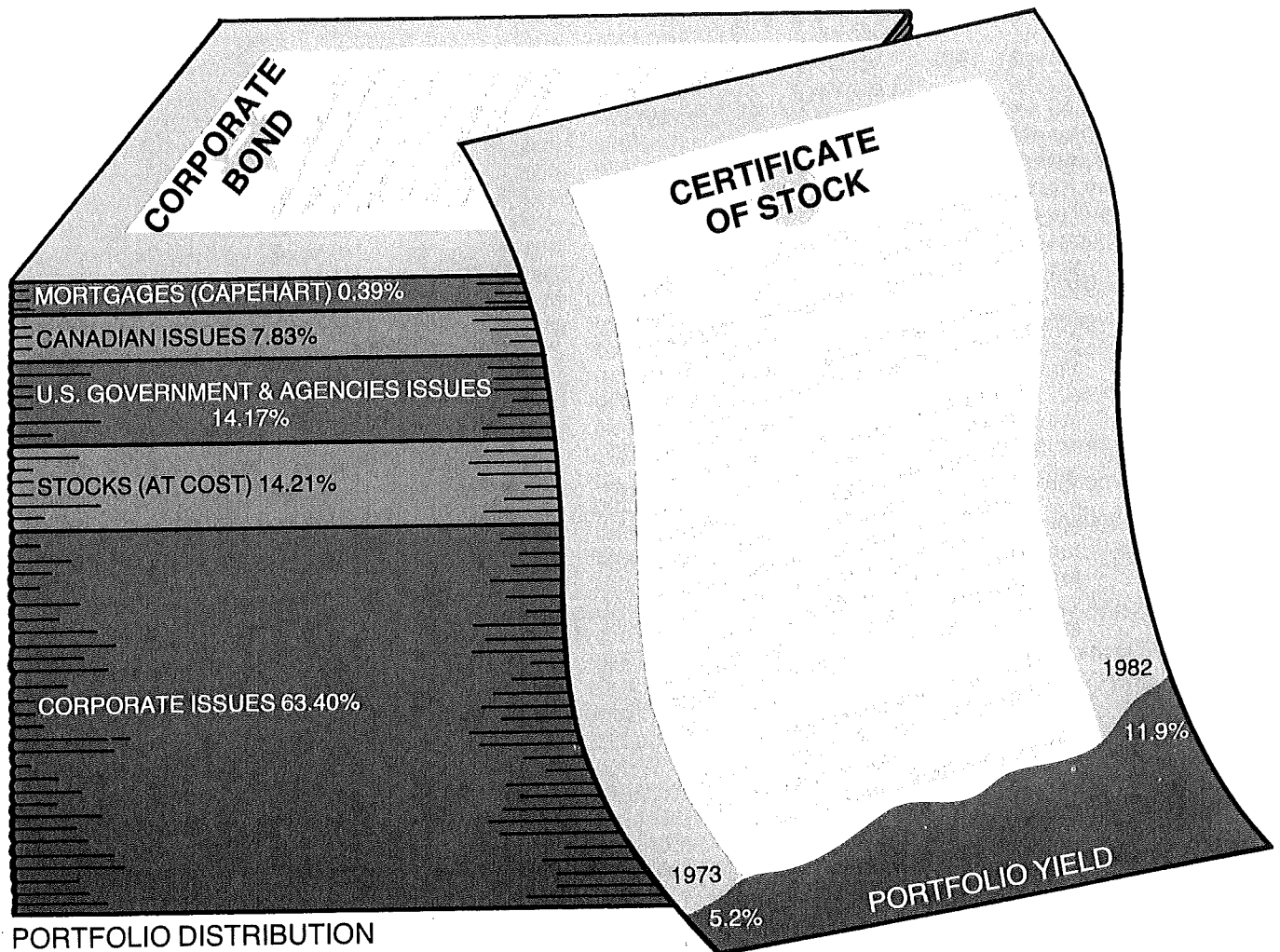
# INVESTMENT REPORT

The year 1982 began with the stock and bond market experiencing negative returns and both interest rates and inflation showing no sign of receding from their lofty heights. By year-end the financial markets and all economic indicators had made a complete turnaround. The returns from stocks and bonds by the close of the year were in many cases outstanding and in sharp contrast with the Consumer Price Index rate of less than 4% for the year, the smallest gain for inflation in a decade. During 1982 the investments of the System provided excellent results, and many programs that had been implemented over the recent years proved their worthiness.

In 1981 the State statutes were changed by the legislature to allow the System to invest in Ohio companies at an early stage in their development. Using this authority, the System has been investing in companies that hopefully will provide above-average returns and also stimulate our state economy.

With the unsettled market condition during the first half of the year, PERS took advantage of the high interest rates and purchased \$385,000,000 of high quality bonds with an average yield-to-maturity of 15.50%. The System took a less aggressive posture on buying stocks, but did use the year to upgrade its positions. PERS has also continued the bond exchange program, selling one bond for another, with the result that income increased and both quality and liquidity were strengthened.

The year 1983 appears to be a transition period with the economy coming out of a recession. Corporate profits should show modest gains as companies increase their operating rates. Interest rates and inflation should hold their improvement if the federal deficit is restricted to a reasonable level. The posture of the Public Employees Retirement System is to continue investing in high quality assets and to further its program of investing in young Ohio companies.





# INVESTMENT PORTFOLIO SUMMARY

Year Ended December 31, 1982

	Par Value	Market Value	Book Value	Yield (1)	% of Portfolio
U.S. Gov't. & Agencies Issues	\$ 815,689,842	\$ 695,775,397	\$ 613,173,220	13.60	14.17
Canadian Issues	451,000,000	374,536,306	399,136,148	11.97	7.83
Corporate Issues	3,649,088,600	2,849,052,907	2,822,093,101	12.97	63.40
Mortgages (Capehart)	22,264,962	18,232,974	21,826,073	4.58	.39
Stocks (At Cost)	818,256,462	1,274,291,072	818,256,462	5.61	14.21
<b>Total Portfolio</b>	<b>\$5,756,299,866</b>	<b>\$5,211,888,656</b>	<b>\$4,674,485,004</b>	<b>11.90</b>	<b>100.00</b>

(1) See Notes to Financial Statements — Notes 2 and 3.

# INVESTMENT ACTIVITY

Year Ended December 31, 1982

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Bonds and Notes (Par Value)</b>				
U.S. Gov't. and Agencies	\$ 51,550,000	\$ 975,150,000	\$ 921,200,000	\$ 105,500,000
U.S. Treasury	52,503,000	11,000,000	4,909,000	58,594,000
U.S. Gov't. Insured Merchant Marine	449,937,914	231,748,295	30,090,367	651,595,842
U.S. Agencies and Guar. Obligations	\$ 553,990,914	\$1,217,898,295	\$ 956,199,367	\$ 815,689,842
Total U.S. Gov't. and Agencies	\$ 449,055,000	\$ 106,600,000	\$ 104,655,000	\$ 451,000,000
Canadian Obligations				
Corporate				
Industrial	\$1,348,711,496	\$ 810,205,722	\$ 757,832,131	\$1,401,085,087
Utilities	1,813,573,021	1,051,360,591	920,243,305	1,944,690,307
Finance and Insurance	281,123,722	144,197,304	122,007,820	303,313,206
Total Corporate	\$3,443,408,239	\$2,005,763,617	\$1,800,083,256	\$3,649,088,600
Mortgages (Capehart)	\$ 29,020,458	—	\$ 6,755,496	\$ 22,264,962
Stocks (At Cost)				
Common	\$1,106,164,786	\$ 67,565,383	\$ 363,850,144	\$ 809,880,025
Convertible Preferred	19,841,043	72,210	11,536,816	8,376,437
Total Stocks	\$1,126,005,829	\$ 67,637,593	\$ 375,386,960	\$ 818,256,462
<b>TOTAL PORTFOLIO</b>	<b>\$5,601,480,440</b>	<b>\$3,397,899,505</b>	<b>\$3,243,080,079</b>	<b>\$5,756,299,866</b>

FOOTNOTE: Corporate beginning balances adjusted to reflect reclassification of several bonds.

1982

# DETAILED LISTING OF BOND PORTFOLIO

## December 31, 1982

### U.S. GOVERNMENT & AGENCIES

Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
			\$	\$	\$
FHA—SERIES MM	4.125%	04/01/1986	37,800	36,833	31,053
FHA—SERIES MM	4.625%	12/01/1992	3,400	2,351	2,155
FHA—ALICE VILLAGE	7.500%	03/01/2022	3,561,858	2,285,259	2,537,111
FHA—ALMOND TERRACE	7.500%	07/01/2022	1,570,466	887,531	1,118,643
FHA—AMHERST VILLAGE	7.500%	05/01/2021	3,099,749	1,662,240	2,207,951
FHA—ANGLERS MANOR	7.500%	03/01/2021	3,171,075	1,534,008	2,258,756
FHA—APPLE VILLAGE	7.500%	02/01/2019	7,017,309	4,151,433	4,998,429
FHA—ARBOR TERRACE	7.500%	10/01/2021	1,387,179	723,067	988,088
FHA—ASPEN-STRATFORD APTS.	7.500%	05/01/2019	2,200,512	1,320,307	1,567,424
FHA—AUSTIN VILLAGE APTS.	7.500%	02/01/2022	1,863,190	901,319	1,327,150
FHA—AUTUMN TRACE APTS.	7.500%	08/01/2021	1,655,167	873,101	1,178,976
FHA—BATAVIA VILLAGE	7.500%	02/01/2021	1,506,353	823,371	1,072,975
FHA—BAYBERRY HOUSING FOR THE ELDERLY	7.500%	08/01/2018	5,424,935	3,188,229	3,864,181
FHA—BRIARWOOD APTS. OF COLUMBUS	7.500%	04/20/2022	5,041,379	2,527,152	3,590,974
FHA—BROOKCHESTER SECTION VI	7.500%	10/15/2020	2,031,324	1,294,969	1,446,912
FHA—CAMBRIDGE SQUARE	7.500%	10/01/2019	3,341,915	2,005,149	2,380,446
FHA—CAMBRIDGE VILLAGE	7.500%	08/01/2018	1,553,097	1,058,058	1,106,271
FHA—CAMPUS MANOR	7.500%	05/01/2019	1,499,965	791,231	1,068,425
FHA—CANTON TOWER	7.500%	08/01/2018	4,553,405	3,679,375	3,243,390
FHA—CARLTON-GREEN ESTATES	9.500%	11/01/2019	3,482,369	3,295,193	2,138,383
FHA—THE CAROLINA	7.500%	07/01/2022	2,412,196	1,669,692	1,718,207
FHA—CASA DE AMIGOS	7.500%	10/01/2022	1,400,869	973,757	997,839
FHA—CEDAR WOODS APTS.	7.500%	07/20/2021	2,491,184	1,214,948	1,774,470
FHA—CHEYENNE STATION	7.500%	02/01/2022	2,821,768	1,608,408	2,009,945
FHA—CLIFFVIEW APTS.	7.500%	10/15/2020	3,960,514	2,524,828	2,821,074
FHA—COUNTRYQUIRE APTS.	7.500%	08/01/2022	1,926,424	1,086,021	1,372,191
FHA—COVE APTS & RACQUETBALL CLUB	7.500%	10/01/2022	4,941,666	2,876,187	3,519,948
FHA—CRAWFORD SQUARE APTS.	7.500%	09/01/2019	1,065,534	580,821	758,979
FHA—CREEKWOOD APTS.	7.500%	10/01/2018	2,861,317	1,543,223	2,038,116
FHA—CROSS CREEK APTS.	7.500%	12/01/2019	2,531,366	1,370,141	1,803,092
FHA—DEEP LAKE HERMITAGE APTS.	7.500%	06/01/2020	3,925,244	2,070,566	2,795,951
FHA—DELAWARE VILLAGE	7.500%	09/01/2021	1,317,352	706,429	938,350
FHA—DELHI ESTATES	7.500%	03/01/2021	2,196,532	1,183,401	1,564,589
FHA—DOUGLAS MANOR	7.500%	04/01/2019	3,230,394	1,938,236	2,301,010
FHA—DUCKWOOD TRAILS	7.500%	02/01/2022	5,207,824	2,799,773	3,709,533
FHA—EAGLES LANDING	7.500%	11/01/2021	996,133	592,699	709,545
FHA—EARHART WOODS	7.500%	02/01/2019	4,298,567	2,982,135	3,061,869
FHA—EASTSIDE HILLS APTS.	7.500%	01/01/2022	1,533,780	824,574	1,092,512
FHA—EISNER COURT	7.500%	02/01/2021	1,876,696	1,012,178	1,336,771
FHA—ELGIN MANOR	7.500%	06/01/2022	3,636,900	1,918,464	2,590,564
FHA—ESSEX VILLAGE	7.500%	08/01/2019	3,126,594	1,823,114	2,227,073
FHA—FAIRINGTON APTS.	7.500%	02/01/2021	4,376,181	3,036,012	3,117,154
FHA—FAIRINGTON APTS. OF SOUTHBEND	7.500%	02/01/2020	4,582,331	2,480,258	3,263,995
FHA—FAIRVIEW MANOR	7.500%	10/20/2021	4,337,653	2,290,132	3,089,710
FHA—FERNWOOD COURT	7.500%	05/01/2020	2,638,300	1,276,278	1,879,261
FHA—FINLEY APTS.	7.500%	06/01/2020	1,414,544	763,854	1,007,580
FHA—FLEETWOOD APTS.	7.500%	11/01/2019	1,940,018	958,196	1,381,875
FHA—FOREST PARK APTS.	7.500%	07/01/2020	1,493,385	816,282	1,063,738
FHA—FORUM MANOR	7.500%	10/01/2021	1,543,917	918,631	1,099,732
FHA—FOUNTAIN SQUARE APTS.	7.500%	08/20/2021	2,654,667	1,400,337	1,890,919
FHA—FOX RIDGE APTS.	7.500%	03/01/2022	2,495,859	1,407,041	1,777,800
FHA—FOXWOOD APTS.	7.500%	08/01/2021	2,602,795	1,372,974	1,853,970
FHA—FRANKLIN COURT	7.500%	01/01/2021	2,795,223	1,533,456	1,991,037
FHA—GENTRY PLACE	7.500%	08/01/2021	3,153,965	1,525,732	2,246,569
FHA—GILLPARK COOPERATIVE	7.500%	01/01/2021	10,030,523	5,153,178	7,144,742

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
FHA—GLENBROOK II	7.500%	08/01/2022	\$ 3,405,646	\$ 1,924,663	\$ 2,425,841
FHA—HADLEY WEST	7.500%	12/01/2018	6,164,554	3,622,902	4,391,012
FHA—HARBOUR TOWN APTS.	7.500%	10/15/2020	2,551,632	1,626,665	1,817,527
FHA—HIDDEN MEADOW TOWNHOUSES	7.500%	03/01/2021	3,311,283	1,591,486	2,358,627
FHA—HIGHLAND PLACE	7.500%	09/01/2021	3,844,467	2,061,595	2,738,414
FHA—HIGHVIEW PARK	7.500%	10/01/2018	1,278,102	870,707	910,392
FHA—HILLCREST ELDERLY	7.500%	09/15/2017	3,733,635	2,186,786	2,659,468
FHA—HOPKINS VILLAGE	7.500%	08/01/2020	5,778,467	3,120,372	4,116,002
FHA—HUNTERS CREEK	7.500%	10/01/2021	4,604,684	2,544,870	3,279,917
FHA—HUNTINGTON TOWERS	7.500%	10/01/2019	5,359,161	2,900,730	3,817,330
FHA—IRVING OAKS	7.500%	08/01/2022	2,815,235	1,590,999	2,005,292
FHA—JAMESTOWN APTS. OF SEYMOUR	7.500%	02/01/2020	3,349,081	2,009,449	2,385,551
FHA—JAMESTOWN APTS. OF VALPARAISO	7.500%	06/01/2020	4,846,460	2,848,260	3,452,133
FHA—KEYSTONE APTS.	7.500%	05/01/2021	8,401,418	4,200,709	5,984,330
FHA—KING VILLAGE	7.500%	05/01/2019	1,903,837	1,028,072	1,356,103
FHA—KOKOMO MANOR	7.500%	09/01/2019	2,502,637	1,354,592	1,782,629
FHA—LAKEVIEW APTS.	7.500%	08/01/2022	3,209,209	1,841,283	2,285,919
FHA—LALUZ APTS.	7.500%	10/01/2020	2,687,062	1,474,119	1,913,994
FHA—LATANA SQUARE	7.500%	02/01/2022	1,375,006	783,753	979,417
FHA—LAWRENCE VILLAGE	7.500%	08/01/2020	1,732,153	944,194	1,233,812
FHA—LAWRENCEBURG VILLAGE	7.500%	01/01/2021	1,977,048	1,077,687	1,408,251
FHA—LIMA CLUB APTS.	7.500%	11/01/2018	2,039,811	1,389,638	1,452,957
FHA—LOGAN PLACE	7.500%	11/01/2019	1,091,980	539,341	777,817
FHA—LONE OAK MANOR	7.500%	08/01/2019	1,525,633	804,771	1,086,708
FHA—MAJESTIC OAKS APTS.	7.500%	10/01/2021	4,381,765	2,311,381	3,121,131
FHA—MAPLE HILLS APTS.	7.500%	01/01/2019	1,707,156	843,183	1,216,007
FHA—MARION VILLAGE	7.500%	11/01/2021	1,561,099	841,056	1,111,971
FHA—McMILLEN WOOD	7.500%	03/01/2019	2,475,274	1,979,397	1,763,137
FHA—MEADOWLANDS	7.500%	02/01/2022	1,779,924	1,005,904	1,267,840
FHA—MONUMENT SQUARE APTS.	7.500%	09/01/2019	2,180,988	1,485,799	1,553,517
FHA—MT VERNON PLAZA	7.500%	12/01/2018	7,708,140	5,434,247	5,490,508
FHA—NEW FLORAL GARDENS	7.500%	08/01/2019	10,921,194	6,235,169	7,779,166
FHA—NEWARK GREEN	7.500%	10/20/2021	1,285,171	618,551	915,427
FHA—NORTHWOOD APTS. OF FRANKLIN	7.500%	02/01/2020	2,307,716	1,249,087	1,643,786
FHA—OAKWOOD GARDENS	7.500%	04/01/2023	6,796,200	3,831,357	4,840,933
FHA—OLENTANGY COMMONS	7.500%	09/01/2021	4,968,809	2,746,111	3,539,282
FHA—130 CLINTON STREET	7.500%	10/01/2019	3,628,446	2,183,065	2,584,542
FHA—PARISH SQUARE APTS.	7.500%	05/01/2022	1,032,263	554,954	735,281
FHA—PARK BLUFF APTS.	7.500%	07/01/2019	3,683,781	2,210,268	2,623,957
FHA—PLEASANT HILL APTS.	7.500%	06/01/2022	2,729,487	1,555,807	1,944,213
FHA—RICHFIELD APTS.	7.500%	04/01/2021	3,033,393	1,467,404	2,160,686
FHA—RIDGE VILLAGE	7.500%	06/01/2022	1,370,432	774,484	976,158
FHA—RIDGEWOOD II APTS.	7.500%	12/01/2020	3,475,432	1,670,380	2,475,550
FHA—RIVER BEND APTS.	7.500%	03/01/2022	3,039,395	1,470,307	2,164,961
FHA—RIVERVIEW APTS.	7.500%	05/01/2019	1,781,853	962,201	1,269,214
FHA—ROLLING RIDGE TOWNHOUSES	7.500%	07/20/2021	1,897,117	1,000,729	1,351,316
FHA—ROSLYN PLAZA	7.500%	10/20/2019	3,305,407	2,284,865	2,354,441
FHA—SHAKER PARK GARDENS APTS.	7.500%	08/01/2021	3,349,815	1,796,339	2,386,073
FHA—SHAWNEE II	7.500%	09/01/2019	1,913,661	945,178	1,363,101
FHA—SILVER SPRING SQUARE	7.500%	08/20/2022	1,572,896	888,905	1,120,374
FHA—SOUTHGATE VILLAGE	7.500%	02/01/2022	2,459,803	1,463,583	1,752,118
FHA—STANFORD TOWNHOUSES	7.500%	01/01/2019	3,903,678	2,678,902	2,780,590
FHA—TAMARIND SQUARE	7.500%	09/01/2018	1,221,035	831,835	869,743
FHA—THE TERRACE	7.500%	08/01/2020	2,801,854	1,553,905	1,995,761
FHA—THOMASTON GARDENS	7.500%	03/01/2021	2,032,625	1,003,936	1,447,839
FHA—TOWNHOMES OF CHOWEN BEND	7.500%	04/01/2022	2,507,728	1,389,481	1,786,254
FHA—TOWNHOUSE OF LOWELL	7.500%	01/01/2019	3,275,645	1,925,093	2,333,242
FHA—TRAFALGOR SQUARE	9.440%	01/20/2020	1,636,623	1,399,313	1,004,985
FHA—TREE BOURNE II	7.500%	12/30/2017	1,601,123	940,818	1,140,480
FHA—TUDOR RIDGE	7.500%	12/01/2018	3,641,836	2,913,469	2,594,080



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
FHA—TULLAHOMA VILLAGE APTS.	7.500%	02/01/2020	\$ 1,765,909	\$ 872,202	\$ 1,257,857
FHA—TWINOAKS	7.500%	05/01/2018	1,798,363	1,225,143	1,280,974
FHA—UNIVERSITY VILLAGE	7.500%	12/20/2021	4,874,195	2,754,598	3,471,889
FHA—VANDALIA ELDERLY	7.500%	07/01/2018	1,473,504	1,003,832	1,049,577
FHA—VILLAGE PARK APTS.	7.500%	06/01/2020	1,019,194	558,619	725,972
FHA—VISTA VERDE APTS.	7.500%	05/01/2022	2,189,622	1,248,085	1,559,668
FHA—VISTA VERDE II	7.500%	06/01/2022	2,028,104	1,409,753	1,444,618
FHA—WASHBURN APTS.	7.500%	08/01/2018	1,133,672	788,026	807,515
FHA—WASHINGTON SQUARE APTS.	7.500%	08/01/2021	2,857,415	1,541,118	2,035,336
FHA—WESLEY CAMILLA TOWER	7.500%	05/01/2019	8,911,996	6,277,146	6,348,015
FHA—WILLOW WOOD ESTATES	7.500%	05/01/2022	1,610,456	1,119,443	1,147,128
FHA—WILLOWBROOK APTS.	7.500%	11/01/2019	1,131,457	612,419	805,937
FHA—WILLOWPARK APTS.	7.500%	11/01/2019	1,728,161	933,207	1,230,969
FHA—WILMINGTON GREEN	7.500%	08/01/2021	2,395,140	1,299,600	1,706,058
FHA—WOOD GLEN APTS.	7.500%	12/01/2020	2,730,663	1,474,558	1,945,051
FHA—WOODLEN PLACE	7.500%	04/01/2022	2,047,556	1,100,784	1,458,474
FHA—WRIGHTSTOWN ARMS APTS.	15.200%	05/01/2020	1,490,512	806,763	1,061,691
FmHA—ALLEN EDMONDS SHOE CORP.	9.200%	08/01/2008	559,857	559,857	461,099
FmHA—ENDRIES FASTENER & SUPPLY CO.	9.200%	10/01/2008	240,787	240,787	198,312
FmHA—FRIDAY CANNING CO.	9.300%	10/26/1993	12,202,819	12,202,819	10,915,421
FmHA—HOLIDAY INN OF LAS CRUCES	10.050%	12/01/2004	3,935,912	3,965,452	3,484,069
FmHA—NORLAND CORP.	9.200%	07/01/2008	387,466	387,466	319,117
FmHA—OCONOMOWOC CANNING CO.	9.200%	09/01/2008	6,142,784	6,142,784	5,059,197
FmHA—PACKAGING SERVICES	10.125%	09/15/1999	1,197,178	1,201,656	1,079,256
FmHA—ROBERT ENDRIES CO.	9.200%	08/01/2008	100,630	100,630	82,879
FmHA—SHELL PATTERNS	9.200%	08/01/2008	144,236	144,236	118,793
FmHA—TEXFI INDUSTRIES INC.	14.000%	03/27/1995	8,625,000	8,625,000	9,487,500
GNMA—REAL ESTATE FINANCING — 023537	9.000%	09/15/2008	948,045	667,187	779,577
GNMA—WESTERN PACIFIC FIN. CORP. — 023653	9.500%	06/15/2009	916,048	794,671	786,656
GNMA—UNITED FEDERAL MORT. — 023969	9.000%	09/15/2008	913,112	642,603	750,852
GNMA—CHASE MORTGAGE CORP. — 026127	9.000%	06/15/2009	943,285	659,710	775,663
GNMA—STOCKTON WHATLEY DAVIN — 026598	9.000%	01/15/2009	251,068	173,550	206,453
GNMA—INTERNATIONAL MORT. CORP. — 026880	9.000%	12/15/2008	231,144	159,778	190,069
GNMA—AMERICAN MORTGAGE — 026942	9.000%	09/15/2008	1,907,802	1,342,615	1,568,786
GNMA—MERCANTILE MORTGAGE — 026971	9.000%	10/15/2008	700,560	484,262	576,070
GNMA—RELIANCE FUNDING — 027104	9.000%	09/15/2008	878,322	618,120	722,244
GNMA—MURRAY INVESTMENT CO. — 027222	9.000%	11/15/2008	1,355,837	840,619	1,114,905
GNMA—ADVANCE MORTGAGE — 027497	9.000%	01/15/2009	910,981	637,117	749,099
GNMA—AMERICAN GENERAL MORTGAGE — 027583	9.000%	11/15/2008	949,324	668,086	780,629
GNMA—COUNTRYWIDE FUNDING — 028015	9.000%	11/15/2008	22,714	15,701	18,677
GNMA—WEYERHAUSER MORTGAGE — 028063	9.000%	11/15/2008	164,952	114,033	135,640
GNMA—JUSTICE MORTGAGE — 029023	9.500%	09/15/2009	988,502	859,378	848,876
GNMA—THARPE & BROOKS — 029037	9.500%	09/15/2009	46,452	32,516	39,890
GNMA—UTAH MORTGAGE CORP. — 029220	9.000%	12/15/2008	1,609,015	1,112,232	1,323,093
GNMA—MID-STATES MORTGAGE CO. — 029325	9.000%	02/15/2009	44,093	30,479	36,258
GNMA—NATIONAL AMERICAN — 029487	9.500%	12/15/2008	947,338	662,545	813,527
GNMA—CHASE HOME MORTGAGE CORP. — 030198	9.500%	09/15/2009	489,447	354,849	420,313
GNMA—FIRST CONTINENTAL MORTGAGE — 030383	9.000%	06/15/2009	973,967	673,254	800,893
GNMA—CHARLES F CURRY CO. — 030510	9.500%	09/15/2009	989,464	866,091	849,702
GNMA—UNITED VIRGINIA MORT. CORP. — 030588	9.000%	04/15/2009	954,241	659,619	784,672
GNMA—COLLATERAL INVESTMENT CO. — 030894	9.000%	04/15/2009	2,747,453	2,000,492	2,259,230
GNMA—SUBURBAN COASTAL — 031157	9.000%	04/15/2009	965,572	675,297	793,990
GNMA—CONSERVATIVE MORTGAGE CO. — 031539	9.500%	07/15/2009	489,034	301,371	419,958
GNMA—RAINIER MORTGAGE — 031883	9.500%	06/15/2009	1,898,296	1,658,087	1,630,162
GNMA—NEVADA SAVINGS — 031926	9.000%	06/15/2009	940,421	657,707	773,308
GNMA—CITIZENS FIDELITY BANK — 032162	9.500%	07/15/2009	38,625	27,038	33,169
GNMA—CENTRAL MORTGAGE CO. — 032310	9.500%	08/15/2009	934,547	810,720	802,542
GNMA—GULF COAST INVESTMENT CORP. — 032662	9.000%	06/15/2009	923,808	638,584	759,647
GNMA—CENTRAL MORTGAGE — 032829	9.500%	09/15/2009	928,037	649,626	796,952
GNMA—INSTITUTIONAL SECURITIES CORP. — 032836	9.500%	09/15/2009	92,531	64,772	79,461

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
GNMA—RALPH C SUTRO CO. — 032867	9.500%	10/15/2009	\$ 48,987	\$ 35,515	\$ 42,068
GNMA—RALPH C SUTRO CO. — 032868	9.500%	11/15/2009	973,311	681,365	835,831
GNMA—LARSON MORTGAGE — 032874	9.500%	07/15/2009	959,712	782,165	824,152
GNMA—WESTERN MORT. LOAN CORP. — 032944	9.500%	07/15/2009	792,239	645,675	680,335
GNMA—WESTERN MORT. LOAN CORP. — 032949	9.500%	08/15/2009	960,929	841,114	825,198
GNMA—ECONOMY SAVINGS & LOAN — 033038	9.500%	07/15/2009	489,247	342,473	420,141
GNMA—UTAH MORTGAGE — 033059	9.500%	07/15/2009	964,042	839,019	827,871
GNMA—NOWLIN MORTGAGE — 033097	9.500%	08/15/2009	960,973	696,705	825,235
GNMA—UNITY SAVINGS ASSOC. — 033159	9.500%	07/15/2009	982,110	851,985	843,387
GNMA—MORTGAGE CORP. OF THE SOUTH — 033285	9.500%	10/15/2009	37,573	27,240	32,266
GNMA—MORTGAGE CORP. OF THE SOUTH — 033287	9.500%	08/15/2009	935,817	814,454	803,633
GNMA—NORTHLAND MORTGAGE CO. — 033511	9.500%	07/15/2009	971,545	680,081	834,314
GNMA—MID-STATES MORTGAGE CORP. — 033678	9.500%	07/15/2009	476,862	345,725	409,505
GNMA—GUIDE MORTGAGE CO. — 033740	9.500%	10/15/2009	480,192	336,134	412,365
GNMA—MID-STATES MORTGAGE CORP. — 033831	9.500%	06/15/2009	41,083	29,785	35,280
GNMA—AIKEN-SPIER INC. — 033963	9.000%	07/15/2009	2,866,392	2,087,093	2,357,034
GNMA—PIONEER SAVINGS & LOAN — 034000	9.500%	07/15/2009	966,484	838,424	829,968
GNMA—NEW YORK GUARDIAN MORT. — 034068	9.500%	09/15/2009	947,085	826,925	813,309
GNMA—MID-STATES MORTGAGE CO. — 034083	9.500%	08/15/2009	943,829	818,772	810,513
GNMA—LAUIER MORTGAGE CORP. — 034159	9.500%	08/15/2009	469,969	397,123	403,585
GNMA—FIRST FAMILY MORTGAGE — 034310	9.500%	08/15/2009	44,674	32,388	38,364
GNMA—NBD MORTGAGE — 034389	9.500%	10/15/2009	965,036	699,651	828,725
GNMA—STANDARD FED. SAV. & LN. — 034480	9.500%	10/15/2009	964,516	838,525	828,278
GNMA—STANDARD FED. SAV. & LN. — 034481	9.500%	10/15/2009	894,427	777,590	768,089
GNMA—WEST. BANCORP MORT. CORP. — 034483	11.000%	12/15/2009	968,068	779,900	918,696
GNMA—STANWELL MORTGAGE — 034568	9.500%	09/15/2009	955,185	828,623	820,265
GNMA—FIRST FAMILY MORT. CORP. — 034711	9.500%	09/15/2009	949,620	664,734	815,486
GNMA—FORT WORTH MORTGAGE — 034793	9.500%	09/15/2009	966,345	700,600	829,849
GNMA—LOMAS & NETTLETON — 035024	9.500%	09/15/2009	1,413,911	934,953	1,214,196
GNMA—CAPITAL MORTGAGE CO. — 035075	9.500%	09/15/2009	1,002,057	726,491	860,517
GNMA—FIRST CONTINENTAL MORT. — 035174	9.500%	10/15/2009	969,885	678,920	832,889
GNMA—DREW MORTGAGE — 035234	9.500%	10/15/2009	1,002,775	869,907	861,133
GNMA—MORTGAGE ASSOCIATES INC. — 035275	9.500%	10/15/2009	1,862,234	1,303,564	1,599,193
GNMA—ICM MORTGAGE CORP. — 035341	10.000%	01/15/2010	6,912,060	6,039,413	6,099,893
GNMA—CITIZENS & SOUTHERN — 035415	9.500%	09/15/2009	1,000,154	867,633	858,882
GNMA—MASON McDUFFIE — 035541	9.500%	08/15/2009	799,607	675,668	686,663
GNMA—GENSTAR PACIFIC FIN. CORP. — 035616	10.000%	11/15/2009	476,711	362,300	420,697
GNMA—GENSTAR PACIFIC FIN. CORP. — 035620	9.500%	11/15/2009	956,516	832,468	821,408
GNMA—WESTLAND MORTGAGE — 035724	9.500%	09/15/2009	956,307	831,388	821,229
GNMA—UNITED SAVINGS & LOAN — 035844	9.500%	09/15/2009	951,269	832,658	816,902
GNMA—MANNING SAVINGS & LOAN — 035885	10.000%	01/15/2010	964,478	842,712	851,152
GNMA—SHERWOOD & ROBERTS — 035943	10.000%	11/15/2009	918,087	697,746	810,212
GNMA—FBS HOMES INC. — 036085	9.500%	10/15/2009	973,067	681,146	830,123
GNMA—MAJESTIC SAVINGS & LOAN — 036189	9.500%	09/15/2009	986,947	858,027	841,964
GNMA—FIRST FAMILY MORT. CORP. — 036206	9.500%	10/15/2009	930,007	651,005	793,389
GNMA—NORTH AMER. MORT. CORP. — 036269	9.500%	10/15/2009	1,906,191	1,626,240	1,626,171
GNMA—COUNTRYWIDE FUNDING — 036303	9.500%	10/15/2009	926,150	803,435	790,099
GNMA—ECONOMY SAVINGS & LOAN — 036340	9.500%	10/15/2009	978,891	856,836	835,092
GNMA—ECONOMY SAVINGS & LOAN — 036346	10.000%	11/15/2009	684,634	599,054	604,189
GNMA—GRAHAM MORTGAGE — 036395	9.500%	11/15/2009	2,865,149	2,441,062	2,444,258
GNMA—BANCO MORTGAGE CO. — 036420	9.500%	11/15/2009	236,925	200,202	202,121
GNMA—MILIKIN MORTGAGE CO. — 036451	9.500%	10/15/2009	886,426	775,902	756,210
GNMA—FARM & HOME SAV. ASSOC. — 036484	9.500%	11/15/2009	1,004,134	727,997	856,627
GNMA—MANUFACTURERS HANOVER — 036488	10.000%	11/15/2009	922,594	701,172	814,189
GNMA—SECURITY PACIFIC MORTGAGE — 036495	9.500%	10/15/2009	144,619	122,203	123,374
GNMA—RAINIER MORTGAGE — 036554	10.000%	12/15/2009	1,920,070	1,675,261	1,694,462
GNMA—SHERWOOD & ROBERTS — 036645	9.500%	10/15/2009	921,998	802,428	786,557
GNMA—LOMAS & NETTLETON CO. — 036697	10.000%	11/15/2009	468,886	409,068	413,791
GNMA—LOMAS & NETTLETON CO. — 036698	9.500%	10/15/2009	1,804,883	1,575,893	1,539,745
GNMA—UNITED FIRST MORT. CORP. — 036813	11.000%	12/15/2009	270,165	216,976	256,387

Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
GNMA—UNITY SAVINGS ASSOCIATION — 036822	11.000%	12/15/2009	\$ 963,587	\$ 773,882	\$ 914,444
GNMA—GENSTAR PACIFIC FINANCIAL — 037122	11.000%	11/15/2009	24,236	19,525	23,000
GNMA—RESERVE SAVINGS & LOAN — 037330	9.500%	01/15/2010	906,246	738,591	773,119
GNMA—STOCKTON WHATLEY DAVIN — 037510	9.500%	10/15/2009	986,102	855,443	841,244
GNMA—UNITED MORTGAGE CO. — 037613	11.000%	11/15/2009	892,733	688,548	847,204
GNMA—EAGLE INVESTMENT — 037743	9.500%	10/15/2009	49,091	34,363	41,879
GNMA—LOMAS & NETTLETON CO. — 037913	10.000%	12/15/2009	4,581,092	3,687,778	4,042,814
GNMA—LOMAS & NETTLETON CO. — 037914	11.000%	12/15/2009	44,931	36,197	42,639
GNMA—MANUFACT. HANOVER MORT. — 038053	11.000%	01/15/2010	198,892	160,233	188,749
GNMA—CONTINENTAL ILLINOIS NAT. BK. — 038083	9.500%	10/15/2009	476,502	345,463	406,503
GNMA—SECURITY PACIFIC MTG. — 038100	10.000%	11/15/2009	4,842,299	4,273,329	4,273,329
GNMA—KISSELL CO. — 038241	11.000%	02/15/2010	4,402,399	4,248,315	4,177,876
GNMA—KISSELL CO. — 038347	11.000%	01/15/2010	4,196,200	4,196,200	3,982,194
GNMA—KISSELL CO. — 038350	9.500%	10/15/2009	4,598,283	4,356,873	3,922,795
GNMA—KISSELL CO. — 038351	10.000%	11/15/2009	3,771,199	3,697,848	3,328,083
GNMA—KISSELL CO. — 038352	10.000%	11/15/2009	4,531,885	4,443,748	3,999,388
GNMA—UNITED FIRST MORTGAGE — 038484	11.000%	03/15/2010	1,983,345	1,597,833	1,882,195
GNMA—UNITED FIRST MORTGAGE — 038486	11.000%	03/15/2010	107,393	86,518	101,916
GNMA—UNIVERSITY SAVINGS — 038489	9.500%	01/15/2010	995,530	811,357	849,287
GNMA—CONTINENTAL ILLINOIS MORT. — 038546	11.000%	01/15/2010	93,108	75,010	88,360
GNMA—KISSELL CO. — 038823	11.000%	12/15/2009	916,191	916,191	869,465
GNMA—DRG FINANCIAL — 038863	10.750%	01/15/2015	5,553,358	5,164,623	4,864,631
GNMA—FIRST FAMILY MORTGAGE CORP. — 039223	9.500%	12/15/2009	961,185	672,830	819,987
GNMA—CAPITAL MORTGAGE CO. — 039233	11.000%	03/15/2010	891,717	718,390	846,240
GNMA—STANDARD FEDERAL SAV. & LN. — 039308	11.000%	02/15/2010	951,493	766,547	902,967
GNMA—ADVANCE MORTGAGE — 040144	11.500%	03/15/2010	943,960	781,127	907,335
GNMA—KISSELL CO. — 040286	11.000%	03/15/2010	2,704,465	2,582,764	2,566,538
GNMA—KISSELL CO. — 040288	11.500%	03/15/2010	1,717,012	1,693,296	1,650,392
GNMA—MOYER MORTGAGE — 040956	11.000%	07/15/2010	977,592	785,128	927,734
GNMA—UNITED FIRST MORTGAGE — 041116	11.000%	09/15/2010	966,086	774,078	916,816
GNMA—NEW YORK GUARDIAN MORTGAGE — 041769	11.500%	07/15/2010	929,718	769,342	893,645
GNMA—FIRST FIDELITY — 041829	11.000%	07/15/2010	1,979,585	1,586,143	1,878,626
GNMA—COLONIAL MORTGAGE — 041969	11.000%	07/15/2010	1,001,670	806,971	950,585
GNMA—ENGEL MORTGAGE — 042484	11.000%	07/15/2010	681,903	547,654	647,126
GNMA—FULTON GOSS INC. — 042497	11.000%	08/15/2010	975,524	783,468	925,772
GNMA—FIRST MORTGAGE CORP. — 042667	11.000%	08/15/2010	804,792	648,360	763,747
GNMA—SECURITY NATIONAL BANK — 042796	11.000%	09/15/2010	990,643	793,753	940,120
GNMA—FIRST CONTINENTAL MORTGAGE — 043116	11.500%	10/15/2010	991,825	820,735	953,342
GNMA—OKLAHOMA MORTGAGE CO. — 043334	11.000%	08/15/2010	2,007,235	1,548,080	1,904,866
GNMA—NATIONAL MORTGAGE CO. — 043510	11.000%	07/15/2010	1,782,140	1,435,740	1,691,251
GNMA—ICM MORTGAGE CORP. — 043566	12.500%	12/15/2010	4,860,224	4,369,639	4,957,429
GNMA—BANCO MORTGAGE CO. — 043594	11.000%	09/15/2010	9,734,927	8,274,688	8,591,073
GNMA—BALDWIN UNITED MORTGAGE — 043673	11.500%	10/15/2010	891,200	737,468	856,622
GNMA—PLAZA MORTGAGE — 043851	11.000%	09/15/2010	982,206	788,834	932,114
GNMA—FIRST FAMILY MORTGAGE — 043880	11.000%	09/15/2010	487,146	392,457	462,302
GNMA—WATERFIELD MORTGAGE — 044616	12.500%	12/15/2010	2,321,388	1,984,786	2,367,815
GNMA—CAMERON BROWN — 044668	12.500%	12/15/2010	5,908,448	5,376,688	6,026,617
GNMA—UNITED VIRGINIA MORTGAGE — 044695	10.000%	09/15/2010	990,583	752,843	874,189
GNMA—THIRD BUILDING CORP. — 044866	11.500%	10/15/2010	938,589	776,683	902,172
GNMA—SUBURBAN COASTAL CORP. — 045219	12.500%	12/15/2010	6,701,665	6,165,532	6,835,698
GNMA—SUBURBAN COASTAL CORP. — 045236	13.500%	05/15/2011	2,943,970	2,708,452	3,094,848
GNMA—FIRST MORTGAGE CORP. — 045425	10.000%	12/15/2010	989,006	751,644	872,798
GNMA—RICHARD GILL — 045812	11.500%	01/15/2011	1,001,998	829,153	963,120
GNMA—WEYERHAUSER MORTGAGE — 045842	12.500%	12/15/2010	2,452,366	2,096,773	2,501,413
GNMA—WATERFIELD MORTGAGE — 046866	13.000%	04/15/2011	2,878,298	2,554,489	3,007,821
GNMA—FIRST FAMILY MORTGAGE — 047019	13.000%	03/15/2011	4,811,149	4,179,695	5,027,651
GNMA—KISSELL CO. — 047127	12.500%	12/15/2010	4,710,156	4,027,183	4,804,359
GNMA—EAGLE MORTGAGE — 048415	11.250%	10/15/2010	198,183	163,996	190,493
GNMA—MASON McDUFFIE — 048531	13.500%	05/15/2011	2,947,209	2,711,432	3,079,833
GNMA—WEAVER BROTHERS — 048644	11.500%	03/15/2011	49,653	41,088	47,727

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
GNMA—RICHARD GILL — 049189	11.500%	06/15/2011	\$ 997,107	\$ 825,106	\$ 958,419
GNMA—KISSELL CO. — 051651	13.500%	05/15/2011	2,973,529	2,824,855	3,125,922
GNMA—KISSELL CO. — 051652	14.000%	06/15/2011	1,003,691	981,610	1,065,167
GNMA—KISSELL CO. — 051653	15.000%	07/15/2011	1,002,284	1,002,284	1,083,720
GNMA—UTAH MORTGAGE LOAN CORP. — 051659	17.000%	11/15/2011	2,757,953	2,757,953	3,130,277
GNMA—GRAHAM MORTGAGE CO. — 051833	11.500%	10/15/2011	1,007,823	833,973	968,719
GNMA—ICM MORTGAGE — 052117	17.000%	10/15/2011	741,222	741,222	841,287
GNMA—KISSELL CO. — 052439	15.000%	09/15/2011	3,853,913	3,484,471	4,167,043
GNMA—KNUTSON MORTGAGE — 053902	11.000%	03/15/2012	1,001,050	802,091	949,996
GNMA—SUBURBAN COASTAL CO. — 054339	11.000%	04/15/2012	997,311	769,177	946,449
FALCON ONE SEA TRANSPORT CO.	12.100%	06/30/2006	11,000,000	11,000,000	11,435,600
GLOBAL MARINE DEEP WATER DRILLING	14.000%	10/01/1996	22,110,000	22,110,000	25,289,418
MERIT THREE DRILLING	14.125%	10/01/1995	6,250,000	6,250,000	7,194,375
OFFSHORE LOGISTICS, INC.	9.125%	12/15/2000	1,777,000	1,777,000	1,470,822
SHIPCO	8.000%	11/22/2001	9,457,000	6,325,186	7,041,398
SHIPCO	8.500%	05/01/2002	8,000,000	5,702,908	6,228,000
UNITED STATES TREASURY	8.750%	11/15/2008	24,000,000	18,934,299	20,354,880
UNITED STATES TREASURY	9.125%	05/15/2009	2,700,000	2,301,105	2,372,625
UNITED STATES TREASURY	10.375%	11/15/2009	2,000,000	1,925,015	1,973,740
UNITED STATES TREASURY	10.375%	11/15/2012	5,000,000	4,887,611	4,981,250
UNITED STATES TREASURY	12.750%	11/15/2010	16,800,000	16,791,688	19,477,416
UNITED STATES TREASURY	13.875%	05/15/2011	38,000,000	39,699,545	47,618,560
UNITED STATES TREASURY	14.000%	11/15/2011	4,000,000	4,934,216	5,075,000
UNITED STATES TREASURY	14.250%	02/15/2002	13,000,000	16,444,515	16,485,560
TOTAL U.S. GOVERNMENT & AGENCIES			\$815,689,842	\$613,173,220	\$695,775,397

## CANADIAN

BRITISH COLUMBIA HYDRO AND POWER	10.250%	10/01/1999	\$ 8,050,000	\$ 7,012,085	\$ 7,121,110
BRITISH COLUMBIA HYDRO AND POWER	9.625%	06/01/2005	14,550,000	11,701,966	12,073,299
BRITISH COLUMBIA HYDRO AND POWER	8.625%	12/01/2006	4,815,000	3,402,288	3,602,920
BRITISH COLUMBIA HYDRO AND POWER	8.375%	06/15/2007	20,410,000	16,018,290	14,844,805
BRITISH COLUMBIA HYDRO AND POWER	15.000%	04/15/2011	31,500,000	30,413,380	35,732,340
BRITISH COLUMBIA HYDRO AND POWER	15.500%	07/15/2011	15,000,000	14,768,751	17,317,650
BRITISH COLUMBIA HYDRO AND POWER	15.500%	11/15/2011	11,500,000	11,016,309	13,278,820
BRITISH COLUMBIA HYDRO AND POWER	9.250%	09/01/1997	23,625,000	23,625,000	18,071,707
HYDRO QUEBEC	7.500%	01/01/2003	9,900,000	8,082,674	6,216,210
HYDRO QUEBEC	8.250%	01/01/2004	19,805,000	16,939,847	13,388,180
HYDRO QUEBEC	10.250%	01/15/2005	13,250,000	12,044,826	10,741,377
HYDRO QUEBEC	9.750%	08/01/2005	24,550,000	23,684,535	18,840,161
HYDRO QUEBEC	10.000%	11/15/2005	13,000,000	12,033,939	10,283,780
HYDRO QUEBEC	8.600%	09/15/2006	24,000,000	20,618,279	16,867,920
HYDRO QUEBEC	10.000%	07/15/2008	14,000,000	12,819,576	11,024,020
HYDRO QUEBEC	10.750%	06/15/2010	21,000,000	20,346,914	17,680,530
HYDRO QUEBEC	13.250%	10/15/2010	20,000,000	19,906,654	20,000,000
HYDRO QUEBEC	8.000%	10/15/2003	2,245,000	1,832,709	1,538,027
MANITOBA HYDRO ELECTRIC BOARD	9.250%	06/15/2004	3,300,000	2,579,795	2,605,812
MANITOBA HYDRO ELECTRIC BOARD	9.375%	12/01/2004	2,000,000	1,374,685	1,596,520
MANITOBA HYDRO ELECTRIC BOARD	9.250%	01/15/2006	13,450,000	9,602,405	10,578,021
MANITOBA HYDRO ELECTRIC BOARD	9.250%	06/30/2001	12,000,000	8,803,519	9,568,560
MANITOBA HYDRO ELECTRIC BOARD	8.625%	12/01/2006	20,750,000	15,362,814	15,273,452
NEW BRUNSWICK ELECTRIC POWER COMMISSION	9.000%	02/15/1997	5,000,000	4,983,377	3,658,200
NEW BRUNSWICK ELECTRIC POWER COMMISSION	10.000%	01/15/2005	2,500,000	1,919,244	2,058,200
NEW BRUNSWICK ELECTRIC POWER COMMISSION	9.375%	05/01/2001	1,850,000	1,479,745	1,453,878
NEW BRUNSWICK ELECTRIC POWER COMMISSION	8.750%	08/01/2007	5,450,000	5,240,511	3,960,678
PROVINCE OF MANITOBA	14.750%	03/15/1997	13,500,000	14,568,129	15,280,785
PROVINCE OF NEW BRUNSWICK	14.750%	07/01/1991	3,000,000	2,960,983	3,281,550
PROVINCE OF ONTARIO	7.375%	02/15/1999	1,750,000	1,591,761	1,225,770
PROVINCE OF ONTARIO	7.850%	05/15/2001	3,000,000	2,832,164	2,126,460



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
PROVINCE OF ONTARIO	7.700%	05/15/2002	\$ 2,000,000	\$ 1,897,090	\$ 1,386,120
PROVINCE OF ONTARIO	7.300%	12/15/2002	1,550,000	1,381,954	1,023,108
PROVINCE OF ONTARIO	7.900%	10/15/2003	5,000,000	4,659,850	3,499,850
PROVINCE OF ONTARIO	8.875%	03/01/2005	5,000,000	3,901,241	3,858,200
PROVINCE OF ONTARIO	8.400%	01/15/2007	950,000	888,602	693,661
PROVINCE OF ONTARIO	8.375%	09/15/2007	15,000,000	11,983,175	10,902,450
PROVINCE OF ONTARIO	8.750%	01/05/2008	5,250,000	3,909,517	3,970,155
PROVINCE OF ONTARIO	8.700%	11/15/2006	13,850,000	10,690,911	10,235,288
PROVINCE OF SASKATCHEWAN	8.625%	05/15/2007	11,650,000	8,933,121	8,529,897
PROVINCE OF SASKATCHEWAN	9.250%	04/15/2008	7,000,000	6,358,521	5,457,830
PROVINCE OF SASKATCHEWAN	8.750%	01/15/1998	5,000,000	4,964,990	3,689,000
REGIONAL MUNICIPALITY OF PEEL					
TOTAL CANADIAN			\$451,000,000	\$399,136,148	\$374,536,306

**CORPORATE**

ACF INDUSTRIES	14.500%	12/01/1996	\$ 7,750,000	\$ 7,427,612	\$ 8,650,472
ACF INDUSTRIES	11.000%	10/01/1989	935,000	935,000	881,798
ACCELERATION CORPORATION	10.500%	09/01/1994	4,600,000	4,600,000	3,703,000
AIR PRODUCTS AND CHEMICALS	11.625%	05/01/2010	15,150,000	12,608,989	14,294,025
ALABAMA POWER COMPANY	10.875%	10/01/2005	5,000,000	4,958,588	4,260,800
ALUMINUM COMPANY OF AMERICA	7.000%	04/15/2011	23,000,000	11,343,906	13,368,750
AMERICAN CYANAMID COMPANY	8.375%	03/15/2006	17,500,000	12,334,335	12,670,700
AMERICAN STANDARD	12.375%	08/01/2010	20,500,000	19,289,283	20,255,230
ANCHOR HOCKING	8.625%	07/01/2006	9,350,000	8,550,835	6,834,569
ANHEUSER BUSCH INC.	9.200%	04/01/2005	13,500,000	10,302,931	11,069,865
ANHEUSER BUSCH INC.	8.550%	09/01/2008	16,450,000	11,418,499	12,522,727
APPALACHIAN POWER COMPANY	10.125%	06/01/1995	500,000	502,838	417,895
APPALACHIAN POWER COMPANY	7.625%	02/01/2002	2,500,000	2,206,632	1,621,400
APPALACHIAN POWER COMPANY	7.500%	12/01/2002	7,440,000	7,041,243	4,729,980
APPALACHIAN POWER COMPANY	8.125%	07/01/2003	1,800,000	1,503,840	1,222,470
APPALACHIAN POWER COMPANY	8.500%	03/01/2004	7,000,000	6,303,768	4,912,810
ARCHER DANIELS MIDLAND COMPANY	16.000%	05/15/2011	20,000,000	19,905,394	22,827,400
ARCHER DANIELS MIDLAND COMPANY	7.000%	05/15/2011	32,850,000	15,973,912	19,217,250
ARKANSAS POWER AND LIGHT COMPANY	10.500%	06/01/2004	1,600,000	1,615,790	1,319,856
ATCHISON TOPEKA AND SANTA FE	7.500%	05/01/1984	179,493	176,598	156,171
ATLANTIC CITY ELECTRIC COMPANY	7.500%	04/01/2002	6,100,000	3,279,270	4,104,934
ATLANTIC CITY ELECTRIC COMPANY	7.750%	06/01/2003	4,250,000	2,326,926	2,919,707
ATLANTIC CITY ELECTRIC COMPANY	12.625%	01/01/2010	5,000,000	4,980,871	4,990,500
ATLANTIC CITY ELECTRIC COMPANY	3.250%	01/01/1983	500,000	499,999	367,800
ATLANTIC REFINING COMPANY	3.850%	06/01/1983	677,000	672,850	661,198
BALTIMORE AND OHIO RAILROAD	9.000%	06/01/1986	800,000	800,000	734,312
BALTIMORE AND OHIO RAILROAD	9.000%	06/01/1987	700,000	700,000	629,594
BALTIMORE AND OHIO RAILROAD	9.000%	06/01/1991	800,000	796,036	665,784
BALTIMORE AND OHIO RAILROAD	9.000%	06/01/1992	800,000	795,726	657,032
BALTIMORE AND OHIO RAILROAD	9.000%	06/01/1993	800,000	795,438	649,272
BALTIMORE AND OHIO RAILROAD	7.250%	04/15/2001	8,600,000	6,038,507	5,761,398
BALTIMORE GAS AND ELECTRIC	7.625%	09/01/2001	2,500,000	1,418,326	1,740,600
BALTIMORE GAS AND ELECTRIC	7.125%	01/01/2002	9,000,000	4,708,190	5,910,930
BALTIMORE GAS AND ELECTRIC	7.500%	07/01/2002	7,350,000	6,303,159	5,019,535
BALTIMORE GAS AND ELECTRIC	7.500%	09/15/2002	2,000,000	1,152,268	1,364,060
BALTIMORE GAS AND ELECTRIC	8.125%	02/01/2004	400,000	376,037	288,896
BALTIMORE GAS AND ELECTRIC	8.250%	09/15/2007	1,600,000	1,011,025	1,156,640
BALTIMORE GAS AND ELECTRIC	10.875%	05/01/2010	2,000,000	1,529,313	1,912,340
BEATRICE FOODS	9.250%	01/15/2019	9,500,000	6,161,637	7,511,745
BELL TELEPHONE OF PENNSYLVANIA	9.850%	10/01/2009	9,250,000	7,955,970	7,728,837
BIG THREE INDUSTRIES	8.500%	04/01/2004	2,500,000	1,578,197	1,892,750
BORDEN COMPANY	9.375%	06/15/2009	11,000,000	7,294,343	8,922,100
BORDEN COMPANY	12.500%	02/01/2001	15,000,000	15,000,000	14,527,500
BRUSH WELLMAN INC.	15.500%	01/02/1999	10,253,772	10,253,772	12,781,327

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
			\$	\$	\$
BURLINGTON NORTHERN INC.	14.250%	01/01/1994	1,750,000	1,750,000	1,998,692
BURLINGTON NORTHERN INC.	9.250%	06/15/1998	5,000,000	5,000,000	4,042,850
BURROUGHS CORPORATION	11.500%	08/01/2010	25,000,000	19,232,236	22,804,500
CARGILL INCORPORATED	9.500%	12/15/2000	4,500,000	4,500,000	3,734,820
CARGILL INCORPORATED	8.250%	06/30/2002	10,000,000	7,235,408	7,462,800
CARBORUNDUM COMPANY	9.250%	05/15/2000	6,000,000	6,002,581	4,824,840
CARLISLE CORPORATION	11.000%	06/15/2000	15,000,000	15,000,000	12,764,400
CARNATION COMPANY	7.500%	03/01/1996	836,000	774,947	630,243
CAROLINA POWER AND LIGHT	7.750%	05/01/2003	2,600,000	1,519,788	1,736,982
CAROLINA TELEPHONE AND TELEGRAPH COMPANY	7.750%	10/01/2001	1,000,000	1,004,597	702,430
CAROLINA TELEPHONE AND TELEGRAPH COMPANY	9.000%	05/01/2008	3,900,000	3,061,705	2,975,895
CATERPILLAR TRACTOR COMPANY	8.000%	11/01/2001	6,000,000	3,600,417	4,360,620
CENTRAL HUDSON GAS AND ELECTRIC COMPANY	7.750%	02/01/2002	1,000,000	1,011,231	662,750
CENTRAL ILLINOIS LIGHT COMPANY	9.250%	03/01/2005	500,000	500,000	395,650
CENTRAL ILLINOIS PUBLIC SERVICE	7.500%	04/01/2001	3,250,000	3,024,911	2,238,860
CENTRAL ILLINOIS PUBLIC SERVICE	7.500%	05/01/2002	3,680,000	2,453,373	2,515,942
CENTRAL ILLINOIS PUBLIC SERVICE	9.125%	10/01/2008	6,200,000	6,076,695	4,827,878
CENTRAL POWER AND LIGHT	14.625%	01/01/2011	7,500,000	7,816,921	8,256,900
CENTRAL TELEPHONE COMPANY	7.600%	10/01/1997	1,450,000	1,270,933	1,025,150
CENTRAL TELEPHONE COMPANY	8.125%	12/01/1998	3,100,000	3,082,027	2,272,796
CENTRAL TELEPHONE COMPANY OF VIRGINIA	8.200%	09/01/2007	1,000,000	986,616	667,940
CHESAPEAKE AND POTOMAC TEL. OF MD.	7.250%	02/01/2012	4,250,000	2,224,454	2,740,145
CHESAPEAKE AND POTOMAC TEL. OF MD.	9.000%	10/01/2018	6,000,000	3,564,070	4,588,260
CHESAPEAKE AND POTOMAC TEL. OF VA.	7.250%	06/01/2012	6,250,000	3,249,078	4,026,312
CHESAPEAKE AND POTOMAC TEL. OF VA.	9.500%	04/15/2019	11,550,000	7,535,131	9,325,932
CHESAPEAKE AND POTOMAC TEL. OF WASH. D.C.	7.750%	11/01/2013	3,500,000	1,957,344	2,384,585
CHESAPEAKE AND POTOMAC TEL. OF WEST VA.	7.250%	05/01/2009	6,650,000	5,907,450	4,229,134
CINCINNATI BELL INC.	7.375%	08/01/2011	7,800,000	5,738,657	5,072,184
CINCINNATI BELL INC.	9.600%	10/01/2015	2,000,000	1,670,626	1,626,280
CINCINNATI BELL INC.	8.625%	12/01/2000	2,000,000	1,246,470	1,461,660
CINCINNATI GAS AND ELECTRIC COMPANY	9.150%	11/01/2004	6,200,000	6,070,447	4,656,138
CINCINNATI GAS AND ELECTRIC COMPANY	9.125%	04/15/2008	2,000,000	1,981,312	1,485,160
CINCINNATI GAS AND ELECTRIC COMPANY	8.450%	03/15/2007	9,600,000	6,012,186	6,817,056
CITICORP	8.125%	07/01/2007	6,000,000	3,518,924	4,106,040
CITICORP	10.875%	06/15/2010	5,750,000	5,750,000	5,009,687
CITICORP	7.000%	04/15/2011	10,250,000	5,059,328	5,176,250
CITIES SERVICE COMPANY	8.875%	03/01/2005	5,164,000	4,756,932	3,889,421
CITIZENS UTILITIES	15.250%	07/30/1992	20,000,000	20,000,000	21,150,000
CLEVELAND ELECTRIC ILLUMINATING COMPANY	9.950%	06/01/2002	10,000,000	10,000,000	6,953,400
COLONIAL PIPELINE CORPORATION	17.500%	01/15/2010	24,660,332	24,660,332	28,046,196
COLUMBIA FINANCE CORP. OF DELAWARE	7.000%	06/01/1998	1,550,000	1,522,716	973,183
COLUMBUS AND SOUTHERN OHIO ELECTRIC CO.	7.625%	05/01/1999	1,000,000	1,008,079	637,020
COLUMBUS AND SOUTHERN OHIO ELECTRIC CO.	10.000%	04/01/1999	20,000,000	20,000,000	17,205,800
COMMONWEALTH EDISON COMPANY	9.125%	06/01/1998	4,000,000	4,000,000	3,086,560
COMMONWEALTH EDISON COMPANY	7.625%	04/01/2003	3,350,000	2,917,497	2,073,013
CONNECTICUT LIGHT AND POWER	7.900%	04/01/1999	6,750,000	4,187,566	4,903,200
CONSOLIDATED EDISON OF NEW YORK	6.850%	10/01/1998	8,755,000	5,722,288	5,754,048
CONSOLIDATED EDISON OF NEW YORK	8.900%	01/15/2000	13,500,000	10,271,481	10,652,580
CONSOLIDATED EDISON OF NEW YORK	9.375%	09/15/2000	3,500,000	2,709,735	2,864,190
CONSOLIDATED EDISON OF NEW YORK	7.900%	09/01/2001	11,275,000	6,940,676	8,051,477
CONSOLIDATED EDISON OF NEW YORK	7.900%	04/15/2002	18,975,000	11,526,895	13,499,574
CONSOLIDATED EDISON OF NEW YORK	7.750%	02/15/2003	27,050,000	17,175,330	18,844,382
CONSOLIDATED EDISON OF NEW YORK	8.400%	10/15/2003	29,650,000	19,656,900	21,983,992
CONSOLIDATED EDISON OF NEW YORK	9.125%	03/01/2004	2,500,000	2,014,042	1,975,375
CONSOLIDATED EDISON OF NEW YORK	7.000%	03/15/2007	34,750,000	17,948,986	20,415,625
CORNING GLASS WORKS	9.300%	08/01/1994	2,143,750	2,143,750	1,821,823
CUTLER HAMMER INCORPORATED	8.875%	11/15/2008	2,750,000	2,614,401	2,019,160
DANA CORPORATION	10.875%	05/15/2005	25,000,000	20,483,038	23,752,750
DAYTON-HUDSON CORPORATION	11.875%	10/15/2012	18,000,000	17,832,126	18,036,720
DAYTON-HUDSON CORPORATION	8.000%	11/01/2003	2,250,000	1,944,295	1,504,777

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
DELMARVA POWER AND LIGHT COMPANY	7.000%	11/01/1998	\$ 4,450,000	\$ 3,671,701	\$ 3,103,474
DELMARVA POWER AND LIGHT COMPANY	8.750%	01/01/2000	2,100,000	1,697,242	1,609,692
DELMARVA POWER AND LIGHT COMPANY	7.625%	12/01/2001	7,650,000	6,732,231	5,274,139
DELMARVA POWER AND LIGHT COMPANY	7.500%	08/01/2002	9,250,000	6,830,371	6,287,687
DELMARVA POWER AND LIGHT COMPANY	8.000%	07/01/2003	2,645,000	2,022,935	1,874,432
DELMARVA POWER AND LIGHT COMPANY	9.625%	07/01/2008	10,380,000	10,066,974	8,465,097
DELMARVA POWER AND LIGHT COMPANY	11.750%	07/01/2010	1,000,000	875,561	913,720
DENVER AND RIO GRANDE WESTERN RAILROAD	6.000%	03/01/1983	113,000	113,000	112,189
DIAMOND STATE TELEPHONE COMPANY	8.200%	08/01/2011	1,000,000	911,539	709,430
DIAMOND STATE TELEPHONE COMPANY	7.750%	12/01/2013	5,250,000	4,811,678	3,515,137
DOW CHEMICAL COMPANY	8.500%	02/01/2005	5,900,000	4,008,056	4,381,222
DOW CHEMICAL COMPANY	8.500%	01/15/2006	16,500,000	10,885,653	12,214,455
DOW CHEMICAL COMPANY	7.875%	07/15/2007	27,200,000	22,154,272	18,774,256
DOW CHEMICAL COMPANY	9.750%	01/02/2000	2,805,193	2,805,193	2,387,219
DOW CHEMICAL COMPANY	9.750%	07/02/1999	2,793,918	2,793,918	2,381,703
DUPONT D'NEMOURS CHEMICAL COMPANY	8.450%	11/15/2004	26,500,000	17,167,787	20,080,905
DUPONT D'NEMOURS CHEMICAL COMPANY	8.500%	05/01/2006	4,500,000	2,946,840	3,426,885
DUKE POWER COMPANY	7.000%	02/01/1999	3,500,000	2,112,054	2,265,445
DUKE POWER COMPANY	7.500%	03/01/2001	10,150,000	6,066,433	6,747,923
DUKE POWER COMPANY	7.375%	12/01/2001	5,000,000	2,759,662	3,259,100
DUKE POWER COMPANY	7.750%	04/01/2002	5,000,000	3,084,426	3,389,750
DUKE POWER COMPANY	8.125%	11/01/2003	7,000,000	4,361,272	4,879,700
DUKE POWER COMPANY	8.375%	10/01/2006	4,250,000	2,538,690	2,997,525
DUKE POWER COMPANY	8.125%	09/01/2007	500,000	283,450	341,990
DUKE POWER COMPANY	9.375%	08/01/2008	1,650,000	1,072,249	1,276,126
DUKE POWER COMPANY	10.125%	05/01/2009	6,000,000	4,558,528	4,926,120
DUQUESNE LIGHT COMPANY	7.750%	07/01/2003	5,000,000	4,473,414	3,310,500
DUQUESNE LIGHT COMPANY	8.375%	04/01/2007	3,300,000	3,270,208	2,286,735
EATON CORPORATION	7.000%	04/01/2011	25,000,000	11,940,729	13,843,750
EL PASO ELECTRIC	9.000%	11/01/2004	1,000,000	979,599	748,560
EL PASO ELECTRIC	10.500%	11/01/2005	1,500,000	1,493,320	1,280,940
EXXON PIPE LINE	9.000%	10/15/2004	4,750,000	3,400,774	3,936,705
FMC CORPORATION	9.500%	01/15/2000	16,000,000	11,353,659	12,929,760
FEDERATED DEPARTMENT STORES	10.250%	06/15/2010	22,150,000	18,098,933	20,192,383
FIRST BANC GROUP OF OHIO, INC.	9.000%	11/01/1996	8,750,000	8,750,000	6,354,512
FLORIDA POWER AND LIGHT COMPANY	8.000%	06/01/1999	1,500,000	1,074,318	1,069,695
FLORIDA POWER AND LIGHT COMPANY	7.625%	01/01/2001	10,200,000	7,091,129	6,910,194
FLORIDA POWER AND LIGHT COMPANY	7.750%	09/01/2001	6,000,000	3,307,928	4,099,920
FLORIDA POWER AND LIGHT COMPANY	7.625%	06/01/2002	6,100,000	3,424,189	4,090,965
FLORIDA POWER AND LIGHT COMPANY	7.500%	01/01/2003	3,500,000	2,056,240	2,305,695
FLORIDA POWER AND LIGHT COMPANY	10.125%	03/01/2005	2,206,000	2,169,432	1,857,981
FLORIDA POWER AND LIGHT COMPANY	9.375%	06/01/2006	3,500,000	2,239,289	2,740,185
FLORIDA POWER AND LIGHT COMPANY	9.125%	01/01/2008	2,000,000	1,199,903	1,572,420
FLORIDA POWER AND LIGHT COMPANY	15.250%	03/01/2010	1,500,000	1,669,549	1,665,075
FLORIDA POWER AND LIGHT COMPANY	15.875%	03/01/2011	3,100,000	3,441,909	3,525,537
FLORIDA POWER AND LIGHT COMPANY	12.500%	10/01/2012	10,000,000	9,807,356	9,793,900
FLORIDA POWER CORPORATION	7.875%	08/01/1999	2,000,000	1,208,194	1,412,040
FLORIDA POWER CORPORATION	7.750%	10/01/2001	2,000,000	1,087,292	1,371,340
FLORIDA POWER CORPORATION	7.375%	06/01/2002	5,100,000	2,661,276	3,338,919
FLORIDA POWER CORPORATION	7.250%	11/01/2002	5,400,000	2,755,813	3,474,414
FLORIDA POWER CORPORATION	7.750%	06/01/2003	7,350,000	4,406,335	4,987,930
FLORIDA POWER CORPORATION	8.000%	12/01/2003	4,800,000	2,865,631	3,326,304
FLORIDA POWER CORPORATION	10.875%	09/01/2004	3,700,000	2,952,667	3,169,605
FLORIDA TELEPHONE	6.375%	02/01/1993	2,767,271	2,520,967	1,902,305
FOURTH SWANSEA PROPERTIES INCORPORATED	9.250%	05/15/1989	933,336	933,336	854,263
FRUIT GROWERS EXPRESS	8.150%	06/01/1997	3,000,000	2,691,130	2,137,770
GENERAL AMERICAN TRANSPORTATION	9.000%	11/15/1998	4,000,000	3,685,334	3,228,800
GENERAL AMERICAN TRANSPORTATION	13.875%	09/15/2001	11,000,000	10,740,750	11,195,910
GENERAL AMERICAN TRANSPORTATION	15.875%	02/01/2003	10,000,000	10,000,000	11,515,100
GENERAL ELECTRIC COMPANY	8.500%	05/01/2004	14,300,000	9,212,660	11,728,717

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
GENERAL ELECTRIC CREDIT CORPORATION	11.750%	06/01/2005	\$ 4,750,000	\$ 4,760,274	\$ 4,694,615
GENERAL FOODS CORPORATION	7.000%	06/15/2011	35,250,000	17,804,030	22,251,562
GENERAL MILLS INC.	9.375%	03/01/2009	29,100,000	19,769,001	24,011,283
GENERAL MOTORS ACCEPTANCE CORPORATION	8.250%	11/15/2006	4,800,000	3,386,335	3,522,528
GENERAL MOTORS ACCEPTANCE CORPORATION	9.750%	05/01/2003	6,000,000	5,149,094	5,039,040
GENERAL MOTORS ACCEPTANCE CORPORATION	12.000%	06/01/2005	4,250,000	3,619,729	4,153,482
GENERAL TELEPHONE CO. OF CALIFORNIA	7.125%	12/01/1998	4,550,000	3,723,967	2,866,545
GENERAL TELEPHONE CO. OF CALIFORNIA	7.625%	12/01/2001	4,300,000	2,946,520	2,781,283
GENERAL TELEPHONE CO. OF CALIFORNIA	8.500%	04/01/2007	10,450,000	9,574,341	7,196,810
GENERAL TELEPHONE CO. OF CALIFORNIA	8.875%	04/01/2008	6,550,000	5,804,550	4,647,159
GENERAL TELEPHONE CO. OF CALIFORNIA	10.125%	05/01/2009	6,000,000	4,625,267	4,757,280
GENERAL TELEPHONE CO. OF CALIFORNIA	10.750%	10/01/2009	5,500,000	5,316,841	4,598,220
GENERAL TELEPHONE CO. OF FLORIDA	8.625%	03/01/2000	2,000,000	1,809,101	1,479,440
GENERAL TELEPHONE CO. OF FLORIDA	7.500%	08/01/2002	15,655,000	9,096,368	10,258,408
GENERAL TELEPHONE CO. OF FLORIDA	8.125%	11/01/2003	4,000,000	3,439,415	2,777,280
GENERAL TELEPHONE CO. OF FLORIDA	10.750%	07/01/2004	3,750,000	2,918,644	3,239,212
GENERAL TELEPHONE CO. OF FLORIDA	13.375%	09/01/2010	1,250,000	1,079,629	1,280,187
GENERAL TELEPHONE CO. OF ILLINOIS	9.375%	08/01/2005	4,000,000	3,984,936	3,187,960
GENERAL TELEPHONE CO. OF INDIANA	7.500%	12/01/2001	1,000,000	896,511	682,800
GENERAL TELEPHONE CO. OF INDIANA	6.250%	07/01/1997	2,000,000	1,699,585	1,247,520
GENERAL TELEPHONE CO. OF KENTUCKY	8.375%	03/01/2007	1,000,000	988,892	704,400
GENERAL TELEPHONE CO. OF MICHIGAN	7.625%	05/01/2003	3,000,000	2,508,963	1,968,300
GENERAL TELEPHONE CO. OF THE NORTHWEST	10.750%	09/01/2004	1,355,000	1,348,870	1,157,048
GENERAL TELEPHONE CO. OF OHIO	7.625%	09/01/2002	1,000,000	617,440	664,180
GENERAL TELEPHONE CO. OF OHIO	16.625%	05/01/2011	5,000,000	4,896,101	5,836,350
GENERAL TELEPHONE CO. OF PENNSYLVANIA	8.000%	09/01/2003	1,200,000	729,026	819,348
GENERAL TELEPHONE CO. OF PENNSYLVANIA	9.250%	06/01/2005	2,000,000	1,776,075	1,526,180
GENERAL TELEPHONE CO. OF PENNSYLVANIA	12.000%	06/01/2010	2,500,000	2,428,530	2,296,550
GENERAL TELEPHONE CO. OF THE SOUTHEAST	8.250%	02/01/2004	500,000	488,935	337,870
GENERAL TELEPHONE CO. OF THE SOUTHWEST	7.500%	10/01/2002	5,000,000	2,943,413	3,272,700
GENERAL TELEPHONE CO. OF THE SOUTHWEST	7.750%	10/01/2003	2,150,000	1,488,349	1,438,758
GENERAL TELEPHONE CO. OF THE SOUTHWEST	8.375%	05/01/2007	1,700,000	1,680,490	1,192,040
GENERAL TELEPHONE CO. OF THE SOUTHWEST	14.000%	11/01/2010	4,150,000	3,600,522	4,346,502
GENERAL TELEPHONE CO. OF THE SOUTHWEST	18.000%	09/01/2001	10,000,000	9,932,530	11,901,800
GENERAL TELEPHONE CO. OF UPSTATE NEW YORK	9.125%	04/01/2004	5,500,000	5,381,554	4,049,375
GENERAL TELEPHONE CO. OF WISCONSIN	7.750%	06/01/2003	2,500,000	1,326,665	1,662,700
GEORGIA POWER COMPANY	8.125%	09/01/1999	1,000,000	1,001,556	693,780
GEORGIA POWER COMPANY	8.125%	06/01/2001	2,735,000	2,739,234	1,873,146
GEORGIA POWER COMPANY	7.625%	11/01/2001	4,000,000	4,024,612	2,578,800
GEORGIA POWER COMPANY	7.500%	12/01/2002	6,650,000	6,650,000	4,194,421
GREAT NORTHERN NEKOOSA	8.700%	04/01/2008	25,550,000	20,969,582	19,698,794
GULF POWER COMPANY	8.875%	07/01/2000	1,000,000	772,248	761,770
GULF POWER COMPANY	10.250%	05/01/2009	2,000,000	1,722,023	1,604,420
GULF STATES UTILITIES COMPANY	8.500%	08/01/2003	3,000,000	2,254,330	2,062,680
GULF STATES UTILITIES COMPANY	10.125%	04/01/2009	1,250,000	1,118,795	983,687
GULF STATES UTILITIES COMPANY	11.750%	06/01/2010	8,000,000	7,945,075	7,094,960
HALLIBURTON COMPANY	9.250%	04/01/2000	2,000,000	1,576,701	1,704,920
HARRIS CORPORATION	7.750%	12/15/2001	19,775,000	13,053,065	13,816,199
HARRIS CORPORATION	11.500%	06/01/2010	13,100,000	10,664,165	12,426,791
HARSCO CORPORATION	12.250%	05/01/2010	12,000,000	11,572,718	11,768,760
HAWAIIAN TELEPHONE COMPANY	8.000%	09/01/2001	1,600,000	1,577,507	1,149,968
HEINZ, H.J. COMPANY	6.625%	10/31/1992	5,228,000	4,943,919	3,811,316
HERSHEY FOODS	9.500%	03/15/2009	33,150,000	25,919,025	26,897,910
HONEYWELL INCORPORATED	9.375%	06/15/2009	29,000,000	19,047,491	23,620,210
HONEYWELL INCORPORATED	14.125%	02/01/2011	25,000,000	24,112,054	27,100,500
HOUSTON LIGHT AND POWER	8.125%	02/01/2004	5,700,000	3,266,277	3,984,756
HOUSTON LIGHT AND POWER	8.750%	03/01/2005	3,000,000	1,819,444	2,213,100
HOUSTON LIGHT AND POWER	8.375%	10/01/2006	13,350,000	8,302,653	9,454,069
HOUSTON LIGHT AND POWER	8.375%	10/01/2007	6,200,000	3,546,764	4,377,634
HOUSTON LIGHT AND POWER	8.875%	09/01/2008	20,200,000	12,197,762	14,958,100



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
HOUSTON LIGHT AND POWER	11.250%	12/01/2009	\$ 12,200,000	\$ 9,499,325	\$ 10,984,026
HUNTINGTON BANCSHARES, INC.	8.875%	09/15/1997	9,843,750	9,760,493	6,599,250
ILLINOIS BELL TELEPHONE COMPANY	8.250%	08/18/2016	2,900,000	1,600,533	2,090,407
ILLINOIS BELL TELEPHONE COMPANY	12.250%	08/05/2017	5,600,000	5,558,000	5,577,600
ILLINOIS POWER COMPANY	7.625%	06/01/2003	7,200,000	4,878,214	4,958,928
ILLINOIS POWER COMPANY	8.250%	11/01/2007	5,400,000	4,139,495	3,885,894
ILLINOIS POWER COMPANY	8.875%	08/01/2008	15,200,000	10,394,804	11,536,952
ILLINOIS POWER COMPANY	12.625%	08/01/2010	4,500,000	4,547,262	4,543,425
INDIANA BELL TELEPHONE COMPANY	8.125%	08/01/2011	1,000,000	587,431	721,650
INDIANAPOLIS POWER AND LIGHT	7.125%	05/01/1998	2,000,000	2,015,976	1,365,360
INDIANAPOLIS POWER AND LIGHT	7.400%	03/01/2002	1,000,000	691,641	676,830
INTERNATIONAL BUSINESS MACHINES	9.375%	10/01/2004	50,630,000	45,370,321	45,010,070
INTERSTATE POWER COMPANY	10.000%	05/01/2004	3,500,000	3,523,808	2,780,295
INTERSTATE POWER COMPANY	8.375%	09/15/2002	2,000,000	1,988,167	1,405,960
INTERSTATE POWER COMPANY	9.000%	03/15/2008	6,600,000	6,488,835	4,838,988
IOWA ILLINOIS GAS AND ELECTRIC CO.	7.875%	08/15/1999	3,242,000	2,877,118	2,351,422
IOWA ILLINOIS GAS AND ELECTRIC CO.	8.750%	04/01/2006	5,900,000	5,624,803	4,462,701
IOWA ILLINOIS GAS AND ELECTRIC CO.	8.750%	09/01/2008	1,350,000	1,264,939	1,015,227
IOWA POWER AND LIGHT	8.750%	03/01/2006	5,200,000	5,173,669	3,808,844
IOWA POWER AND LIGHT	8.250%	09/15/2007	5,000,000	4,930,636	3,496,400
IOWA POWER AND LIGHT	9.750%	01/15/2009	6,325,000	6,268,337	5,052,220
IOWA PUBLIC SERVICE COMPANY	9.000%	04/01/2000	1,000,000	737,438	789,480
IOWA PUBLIC SERVICE COMPANY	7.375%	06/01/2002	4,000,000	3,596,103	2,695,040
IOWA PUBLIC SERVICE COMPANY	8.000%	08/01/2007	6,080,000	5,859,479	4,256,790
IOWA PUBLIC SERVICE COMPANY	8.750%	08/01/2008	2,300,000	2,143,048	1,729,945
IOWA PUBLIC SERVICE COMPANY	9.750%	09/01/2009	6,000,000	5,794,836	4,905,300
IOWA SOUTHERN UTILITIES	9.250%	07/01/2005	2,500,000	2,453,563	1,968,700
JOHNSON, S. C. AND SONS	10.000%	11/01/1999	3,750,000	3,750,000	3,154,312
KANSAS POWER AND LIGHT	7.625%	04/01/1999	2,000,000	1,923,505	1,407,680
KENNECOTT COPPER CORPORATION	7.875%	05/01/2001	2,000,000	1,777,941	1,388,160
KENTUCKY POWER COMPANY	7.875%	09/01/2002	3,650,000	2,709,323	2,433,455
KENTUCKY POWER COMPANY	8.875%	11/01/2006	2,500,000	2,000,205	1,808,175
KOPPERS CORPORATION	11.250%	05/01/2000	15,000,000	14,227,272	13,296,750
KRAFT INCORPORATED	8.375%	04/15/2004	1,500,000	1,174,317	1,139,550
KRAFT INCORPORATED	7.600%	01/15/2007	10,000,000	6,066,329	6,989,200
LANCASTER COLONY CORPORATION	10.000%	12/01/1989	10,000,000	10,000,000	9,186,500
LOUISVILLE AND NASHVILLE RAILROAD	8.625%	02/01/1983	748,000	747,938	746,234
LOUISVILLE AND NASHVILLE RAILROAD	10.000%	11/01/1990	952,575	952,575	782,493
LOUISVILLE AND NASHVILLE RAILROAD	9.250%	10/30/1991	2,639,129	2,639,129	2,020,253
LYONDELL PROPERTIES, INCORPORATED	9.500%	12/30/1997	8,160,898	8,160,898	6,791,336
MADISON GAS AND ELECTRIC COMPANY	9.750%	11/15/2005	2,030,000	2,003,373	1,662,590
MARTIN MARIETTA CORPORATION	7.000%	03/15/2011	25,000,000	13,286,609	13,500,000
MASSACHUSETTS ELECTRIC	12.500%	10/01/2012	15,000,000	14,823,032	14,601,450
MAY DEPARTMENT STORES COMPANY	7.950%	07/15/2002	9,800,000	7,995,025	6,859,314
MAYER, OSCAR & COMPANY	11.625%	05/15/2010	9,925,000	7,823,827	9,945,445
MICHIGAN BELL TELEPHONE COMPANY	7.750%	06/01/2011	5,950,000	5,326,966	3,986,381
MICHIGAN BELL TELEPHONE COMPANY	8.125%	06/01/2015	2,500,000	1,386,429	1,732,950
MICHIGAN CONSOLIDATED GAS COMPANY	8.125%	07/15/1998	1,250,000	1,165,821	803,400
MINNESOTA POWER AND LIGHT	8.700%	09/01/2006	2,000,000	1,650,354	1,455,160
MINNESOTA POWER AND LIGHT	8.350%	09/01/2007	3,100,000	1,732,380	2,183,299
MISSISSIPPI POWER AND LIGHT COMPANY	7.750%	02/01/2003	1,300,000	1,027,778	849,264
MISSISSIPPI POWER AND LIGHT COMPANY	8.250%	09/01/2003	3,475,000	3,326,244	2,380,583
MISSISSIPPI POWER AND LIGHT COMPANY	9.875%	05/01/2004	7,200,000	7,174,373	5,628,888
MISSOURI PACIFIC RAILROAD COMPANY	7.375%	03/15/1983	700,000	699,775	695,317
MISSOURI PACIFIC RAILROAD COMPANY	9.500%	10/01/1990	1,100,000	1,094,797	983,972
MISSOURI PACIFIC RAILROAD COMPANY	9.500%	10/01/1991	1,450,000	1,442,553	1,274,579
MISSOURI PACIFIC RAILROAD COMPANY	9.500%	10/01/1994	950,000	944,141	807,661
MONONGAHELA POWER COMPANY	10.375%	11/01/2004	1,800,000	1,772,612	1,476,162
MONONGAHELA POWER COMPANY	8.625%	12/01/2007	6,725,000	6,528,710	4,779,861
MONSANTO COMPANY	8.750%	05/15/2008	22,000,000	13,653,436	16,623,640

NOTE: Cents omitted. Columns will not add.



BOND PORTFOLIO

Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
			\$	\$	\$
MONTANA DAKOTA UTILITIES COMPANY	10.750%	10/15/1999	3,681,000	3,681,000	3,164,886
MUSTANG FUEL CORPORATION	9.625%	07/31/1996	1,750,000	1,750,000	1,551,812
MUSTANG FUEL CORPORATION	10.375%	07/31/1995	1,950,000	1,950,000	1,729,689
NL INDUSTRIES	9.375%	07/01/2000	6,000,000	4,765,186	4,970,700
NATIONAL FUEL GAS COMPANY	7.500%	05/15/1997	3,550,000	2,975,846	2,253,149
NATIONAL FUEL GAS COMPANY	9.875%	08/01/1999	11,850,000	11,332,663	9,064,065
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	6.125%	10/01/2006	10,000,000	6,463,974	5,705,300
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	8.625%	09/01/2009	3,000,000	2,251,979	2,249,550
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	8.200%	06/01/2004	7,000,000	4,550,243	5,110,420
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	7.375%	10/15/2007	34,200,000	18,439,551	22,504,626
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	8.000%	11/15/2003	6,200,000	3,983,313	4,440,316
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	9.500%	06/01/2010	1,500,000	1,225,695	1,471,380
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	12.200%	05/15/2017	12,450,000	11,511,289	12,194,277
NEW ENGLAND TELEPHONE & TELEGRAPH CO.	15.250%	06/15/2018	7,500,000	7,282,551	8,518,725
NEW JERSEY BELL TELEPHONE COMPANY	7.250%	04/01/2011	14,400,000	7,210,604	9,428,256
NEW JERSEY BELL TELEPHONE COMPANY	8.250%	02/15/2016	1,000,000	575,603	727,520
NEW JERSEY BELL TELEPHONE COMPANY	8.000%	09/15/2016	2,100,000	1,497,860	1,482,096
NEW JERSEY BELL TELEPHONE COMPANY	14.625%	03/01/2021	13,150,000	11,990,514	14,547,845
NEW YORK STATE ELECTRIC & GAS	9.375%	03/01/2005	2,750,000	2,733,566	2,030,187
NEW YORK STATE ELECTRIC & GAS	8.625%	11/01/2007	5,500,000	5,457,627	3,773,715
NEW YORK TELEPHONE COMPANY	7.375%	12/15/2011	4,000,000	2,598,400	2,644,680
NEW YORK TELEPHONE COMPANY	8.300%	08/15/2012	2,250,000	1,618,155	1,632,600
NEW YORK TELEPHONE COMPANY	8.875%	03/15/2015	2,800,000	1,897,907	2,141,300
NEW YORK TELEPHONE COMPANY	8.625%	06/15/2016	6,750,000	4,100,245	5,015,520
NEW YORK TELEPHONE COMPANY	8.250%	10/15/2015	3,700,000	2,034,182	2,657,969
NEW YORK TELEPHONE COMPANY	8.875%	06/15/2018	5,000,000	3,818,430	3,814,150
NIAGARA MOHAWK POWER CORP.	7.375%	02/01/2001	5,100,000	4,131,587	3,280,830
NIAGARA MOHAWK POWER CORP.	7.750%	08/01/2002	4,500,000	3,418,824	2,949,120
NIAGARA MOHAWK POWER CORP.	8.250%	12/01/2003	4,100,000	3,508,970	2,816,372
NIAGARA MOHAWK POWER CORP.	8.350%	08/01/2007	7,900,000	5,537,309	5,410,315
NORFOLK & WESTERN RAILWAY	7.000%	01/01/1984	97,000	97,000	93,331
OKLAHOMA GAS & ELECTRIC COMPANY	7.125%	01/01/2002	6,000,000	3,193,411	3,924,300
OKLAHOMA GAS & ELECTRIC COMPANY	9.125%	01/01/2005	2,500,000	1,585,956	1,947,175
OLEFINS PROPERTIES INC.	9.150%	06/01/1995	4,859,200	4,859,200	4,137,317
ORANGE & ROCKLAND UTILITIES	8.125%	05/15/2003	2,750,000	1,641,126	1,913,752
OWENS-CORNING FIBERGLAS	12.000%	05/01/2010	9,500,000	8,128,035	8,263,670
PACIFIC GAS & ELECTRIC COMPANY	7.750%	12/01/2005	6,500,000	5,802,929	4,357,210
PACIFIC TELEPHONE & TELEGRAPH CO.	6.000%	11/01/2002	13,750,000	7,468,922	7,720,212
PACIFIC TELEPHONE & TELEGRAPH CO.	6.500%	07/01/2003	29,760,000	16,722,415	17,444,419
PACIFIC TELEPHONE & TELEGRAPH CO.	8.650%	04/01/2005	2,575,000	1,866,275	1,894,582
PACIFIC TELEPHONE & TELEGRAPH CO.	7.800%	03/01/2007	9,300,000	5,539,632	6,265,689
PACIFIC TELEPHONE & TELEGRAPH CO.	7.250%	02/01/2008	16,750,000	9,673,025	10,520,507
PACIFIC TELEPHONE & TELEGRAPH CO.	7.625%	06/01/2009	7,700,000	4,321,892	5,043,038
PACIFIC TELEPHONE & TELEGRAPH CO.	9.500%	06/15/2011	7,750,000	6,255,852	6,069,257
PACIFIC TELEPHONE & TELEGRAPH CO.	8.875%	07/01/2015	14,650,000	10,701,858	10,831,184
PACIFIC TELEPHONE & TELEGRAPH CO.	8.375%	02/01/2017	4,950,000	3,767,897	3,453,912
PACIFIC TELEPHONE & TELEGRAPH CO.	9.000%	01/15/2018	5,800,000	4,703,449	4,302,672
PACIFIC TELEPHONE & TELEGRAPH CO.	9.625%	07/15/2018	23,285,000	19,036,587	18,368,372
PACIFIC TELEPHONE & TELEGRAPH CO.	9.625%	11/01/2014	11,700,000	9,476,932	9,249,786
PACIFIC TELEPHONE & TELEGRAPH CO.	9.875%	02/15/2016	2,000,000	1,632,568	1,613,260
PACIFIC TELEPHONE & TELEGRAPH CO.	12.700%	11/15/2019	3,000,000	3,000,000	2,942,640
PACIFIC TELEPHONE & TELEGRAPH CO.	12.350%	07/15/2020	2,500,000	2,450,135	2,422,325
PARKER HANNIFIN CORPORATION	11.750%	10/15/2005	10,000,000	10,000,000	8,696,800
PENNEY, J. C. COMPANY	11.500%	06/15/2010	13,000,000	12,681,922	12,282,920
PENNEY, J. C. COMPANY	12.000%	07/15/2010	8,000,000	7,687,923	7,873,920
PENNSYLVANIA MART PROPERTIES	10.250%	04/07/2005	2,268,424	2,268,424	1,981,922
PENNSYLVANIA POWER & LIGHT COMPANY	7.000%	01/01/1999	5,150,000	4,314,929	3,234,457
PENNSYLVANIA POWER & LIGHT COMPANY	8.125%	06/01/1999	2,000,000	2,015,487	1,400,880
PENNSYLVANIA POWER & LIGHT COMPANY	7.250%	02/01/2001	6,375,000	5,488,321	4,027,916
PENNSYLVANIA POWER & LIGHT COMPANY	7.625%	02/01/2002	3,125,000	2,738,340	2,042,781



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
PENNSYLVANIA POWER & LIGHT COMPANY	7.500%	01/01/2003	\$ 10,300,000	\$ 9,341,219	\$ 6,596,841
PENNSYLVANIA POWER & LIGHT COMPANY	9.750%	05/01/2005	20,065,000	19,101,807	15,883,654
PENNSYLVANIA POWER & LIGHT COMPANY	9.750%	11/01/2005	16,200,000	15,953,650	12,809,988
PENNSYLVANIA POWER & LIGHT COMPANY	8.250%	12/01/2006	9,350,000	8,123,851	6,371,370
PETROLEUM FACILITIES INC.	4.700%	06/01/1989	108,000	101,167	78,667
PETROLEUM FACILITIES INC.	4.700%	12/01/1989	255,000	238,883	182,041
PETROLEUM FACILITIES INC.	4.700%	06/01/1990	235,000	219,395	180,562
PITTSBURGH & LAKE ERIE RAILROAD COMPANY	6.250%	04/01/1983	92,000	91,963	91,004
PLANTATION PIPELINE	7.000%	02/01/1999	2,475,000	2,277,849	1,721,684
POTOMAC ELECTRIC POWER	7.750%	03/15/2004	2,150,000	2,017,756	1,495,475
POTOMAC ELECTRIC POWER	8.375%	01/15/2009	8,500,000	5,057,436	6,183,410
PROCTER & GAMBLE COMPANY	8.250%	03/01/2005	16,750,000	10,566,903	13,353,770
PUBLIC SERVICE COMPANY OF COLORADO	7.250%	02/01/2001	2,000,000	1,052,959	1,283,860
PUBLIC SERVICE COMPANY OF COLORADO	7.500%	08/01/2002	2,000,000	1,091,439	1,305,300
PUBLIC SERVICE COMPANY OF NEW MEXICO	13.125%	11/01/2012	5,000,000	5,072,481	4,998,150
PUBLIC SERVICE ELECTRIC & GAS	7.000%	06/01/1998	3,700,000	2,082,491	2,480,924
PUBLIC SERVICE ELECTRIC & GAS	7.625%	11/15/2001	5,975,000	3,466,361	4,137,388
PUBLIC SERVICE ELECTRIC & GAS	7.500%	04/01/2002	3,500,000	1,974,850	2,394,210
PUBLIC SERVICE ELECTRIC & GAS	8.500%	03/01/2004	1,500,000	1,006,933	1,131,330
PUBLIC SERVICE ELECTRIC & GAS	8.450%	09/01/2006	8,650,000	5,958,269	6,330,848
PUBLIC SERVICE ELECTRIC & GAS	8.250%	06/01/2007	2,000,000	1,170,499	1,428,960
PUBLIC SERVICE ELECTRIC & GAS	8.125%	09/01/2007	11,500,000	8,089,544	8,096,345
PUBLIC SERVICE ELECTRIC & GAS	9.750%	07/01/2009	2,700,000	1,796,577	2,257,119
PUBLIC SERVICE ELECTRIC & GAS	14.375%	09/01/2012	4,350,000	4,606,795	4,700,784
PULLMAN LEASING COMPANY	12.250%	06/01/2000	4,600,000	4,600,000	4,503,262
PULTE ACCEPTANCE CORP.	12.550%	01/15/2008	9,902,988	9,885,678	9,608,869
PULTE ACCEPTANCE CORP.	12.600%	09/15/2008	9,919,193	10,005,641	9,657,327
PULTE ACCEPTANCE CORP.	13.750%	03/15/2008	7,823,184	7,231,192	8,194,003
PULTE ACCEPTANCE CORP.	13.750%	02/15/2009	20,057,984	20,057,984	21,008,732
PULTE ACCEPTANCE CORP.	14.500%	04/15/2009	25,035,766	25,035,766	27,178,828
PULTE ACCEPTANCE CORP.	14.500%	09/15/2009	20,156,054	20,156,054	21,881,412
PULTE ACCEPTANCE CORP.	14.850%	08/15/2009	19,847,366	19,847,366	21,996,835
PULTE ACCEPTANCE CORP.	14.850%	07/15/2009	25,050,182	25,050,182	27,763,117
PULTE ACCEPTANCE CORP.	17.375%	05/15/2010	21,115,773	21,115,773	25,541,639
PULTE ACCEPTANCE CORP.	15.500%	09/15/2012	15,097,887	15,097,887	17,217,329
RELIANCE ELECTRIC COMPANY	9.625%	12/15/1994	5,250,000	4,442,760	4,603,567
ROCHESTER GAS & ELECTRIC COMPANY	8.000%	08/15/1999	3,250,000	2,783,782	2,278,705
ROCHESTER GAS & ELECTRIC COMPANY	9.125%	09/01/2000	1,500,000	1,189,930	1,151,130
ROCHESTER GAS & ELECTRIC COMPANY	8.375%	09/15/2007	5,100,000	4,997,276	3,586,779
ROCHESTER TELEPHONE CORPORATION	7.625%	03/01/2001	4,700,000	4,515,419	3,231,250
ROCHESTER TELEPHONE CORPORATION	9.500%	03/01/2005	3,000,000	2,494,124	2,431,890
ST. LOUIS SOUTHWESTERN RAILWAY	9.750%	10/01/1990	1,600,000	1,600,000	1,441,360
SEABOARD COAST LINE RAILWAY	9.250%	05/15/1983	1,523,000	1,523,499	1,514,882
SEARS ROEBUCK & COMPANY	7.875%	02/01/2007	4,000,000	2,887,783	2,812,440
SECOND SWANSEA PROPERTIES, INC.	6.250%	02/01/1992	1,160,096	1,049,655	792,160
SHELL FUNDING CORPORATION	4.500%	06/01/1983	171,000	170,115	167,285
SOCIETY ACCEPTANCE CORPORATION	14.500%	03/15/1996	17,758,918	17,758,918	18,636,208
SOCIETY BANK	9.750%	10/01/1996	6,344,039	6,344,039	5,283,633
SOHIO/BP TRANS ALASKA PIPELINE CAPITAL	9.750%	12/01/1999	13,000,000	10,332,769	10,983,570
SOHIO/BP TRANS ALASKA PIPELINE CAPITAL	10.625%	01/01/1998	35,650,000	35,650,000	34,049,315
SOHIO/BP TRANS ALASKA PIPELINE CAPITAL	9.750%	01/01/1998	3,010,000	2,466,199	2,748,340
SOHIO PIPELINE	8.750%	05/01/2001	20,000,000	14,534,632	15,523,200
SOUTH CAROLINA ELECTRIC & GAS	9.125%	12/01/1999	2,500,000	1,756,487	1,954,875
SOUTH CAROLINA ELECTRIC & GAS	8.000%	03/01/2001	2,000,000	1,427,128	1,397,020
SOUTH CAROLINA ELECTRIC & GAS	7.250%	01/01/2002	2,591,000	1,615,101	1,650,518
SOUTH CAROLINA ELECTRIC & GAS	9.125%	02/01/2006	1,590,000	1,589,098	1,215,284
SOUTH CAROLINA ELECTRIC & GAS	8.400%	12/01/2006	2,000,000	1,605,137	1,419,480
SOUTH CAROLINA ELECTRIC & GAS	10.125%	04/01/2009	3,100,000	2,830,737	2,505,947
SOUTH CAROLINA ELECTRIC & GAS	9.875%	06/01/2009	9,000,000	6,503,963	7,215,120
SOUTH CAROLINA ELECTRIC & GAS	12.150%	06/01/2010	1,650,000	1,650,000	1,528,345

NOTE: Cents omitted. Columns will not add.



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
			\$	\$	\$
SOUTH CENTRAL BELL TELEPHONE COMPANY	7.375%	11/01/2007	10,250,000	5,722,636	6,802,207
SOUTH CENTRAL BELL TELEPHONE COMPANY	9.200%	04/01/2010	3,000,000	1,955,749	2,375,940
SOUTH CENTRAL BELL TELEPHONE COMPANY	8.250%	03/01/2017	6,100,000	4,587,294	4,413,899
SOUTH CENTRAL BELL TELEPHONE COMPANY	8.250%	11/01/2015	13,350,000	8,081,184	9,673,143
SOUTH CENTRAL BELL TELEPHONE COMPANY	9.625%	03/01/2019	13,000,000	10,577,275	10,723,050
SOUTH CENTRAL BELL TELEPHONE COMPANY	9.875%	09/15/2018	21,650,000	14,854,491	18,070,605
SOUTH CENTRAL BELL TELEPHONE COMPANY	7.600%	09/01/2008	2,500,000	1,447,950	1,692,925
SOUTHERN BELL TELEPHONE & TELEGRAPH	7.375%	07/15/2010	13,000,000	7,115,653	8,551,400
SOUTHERN BELL TELEPHONE & TELEGRAPH	8.000%	02/15/2014	5,800,000	3,552,589	4,053,852
SOUTHERN BELL TELEPHONE & TELEGRAPH	8.250%	04/15/2016	33,350,000	22,817,701	23,944,299
SOUTHERN BELL TELEPHONE & TELEGRAPH	8.125%	05/01/2017	7,000,000	4,373,438	4,946,690
SOUTHERN BELL TELEPHONE & TELEGRAPH	8.625%	09/01/2018	23,750,000	14,331,005	17,691,850
SOUTHERN BELL TELEPHONE & TELEGRAPH	10.900%	12/01/2019	42,800,000	33,995,485	38,833,724
SOUTHERN BELL TELEPHONE & TELEGRAPH	12.875%	10/05/2020	1,500,000	1,568,623	1,538,460
SOUTHERN BELL TELEPHONE & TELEGRAPH	16.000%	11/01/2021	2,700,000	2,884,432	3,148,362
SOUTHERN BELL TELEPHONE & TELEGRAPH	7.375%	08/15/1997	2,050,000	1,447,961	1,446,910
SOUTHERN CALIFORNIA EDISON	8.875%	03/01/2000	1,000,000	793,113	789,780
SOUTHERN CALIFORNIA EDISON	8.250%	07/01/2002	1,000,000	746,866	755,390
SOUTHERN CALIFORNIA EDISON	13.500%	11/15/2010	4,000,000	4,140,829	4,164,760
SOUTHERN CALIFORNIA EDISON	16.000%	04/15/2012	11,500,000	12,821,699	13,175,780
SOUTHERN CALIFORNIA EDISON	8.350%	01/15/2007	2,800,000	1,787,082	2,016,588
SOUTHERN INDIANA GAS & ELECTRIC COMPANY	9.625%	12/01/2010	12,500,000	8,842,913	10,205,125
SOUTHERN NEW ENGLAND TELEPHONE CO.	14.125%	03/15/2020	17,750,000	15,915,959	18,983,092
SOUTHERN NEW ENGLAND TELEPHONE CO.	13.250%	04/15/1990	1,625,000	1,543,571	1,779,570
SOUTHERN RAILWAY	13.250%	04/15/1995	1,595,000	1,491,130	1,765,122
SOUTHERN RAILWAY	9.250%	08/01/1991	1,540,000	1,520,277	1,357,895
SOUTHERN RAILWAY	9.250%	08/01/1992	525,000	517,774	458,829
SOUTHERN RAILWAY	9.250%	08/01/1993	535,000	527,168	463,845
SOUTHERN RAILWAY	13.250%	04/15/1992	650,000	612,756	715,858
SOUTHERN RAILWAY	7.500%	10/01/2001	2,100,000	1,300,569	1,441,440
SOUTHWESTERN ELECTRIC POWER COMPANY	10.375%	11/01/1999	2,975,000	2,975,000	2,707,904
SQUARE D COMPANY	8.750%	07/01/2005	18,750,000	13,909,467	15,129,562
STANDARD OIL COMPANY OF CALIFORNIA	7.875%	08/01/2007	9,500,000	6,066,170	6,995,230
STANDARD OIL COMPANY OF INDIANA	8.375%	03/15/2007	14,000,000	11,502,857	10,275,160
STANDARD OIL COMPANY OF OHIO	8.850%	01/15/2001	19,200,000	15,297,630	14,948,544
STAUFFER CHEMICAL	10.500%	06/29/1996	2,700,023	2,700,023	2,375,939
SWIFT CREEK MINING & EQUIPMENT	7.375%	01/01/2002	8,900,000	7,968,882	6,013,997
TAMPA ELECTRIC COMPANY	12.700%	02/01/2005	16,000,000	16,467,192	16,238,400
TEXAS INSTRUMENTS	9.375%	04/15/2009	4,000,000	2,808,921	3,272,360
TIME, INC.	7.650%	05/01/2003	4,800,000	4,293,861	3,196,656
TUCSON ELECTRIC POWER COMPANY	8.500%	10/01/2009	2,425,000	2,337,557	1,699,658
TUCSON ELECTRIC POWER COMPANY	10.875%	07/01/2010	4,750,000	4,162,755	4,485,045
UNION CAMP CORP.	12.750%	10/01/2012	12,000,000	12,066,461	12,387,360
UNION CAMP CORP.	8.500%	01/15/2005	2,000,000	1,475,119	1,491,480
UNION CARBIDE COMPANY	7.500%	12/15/2006	20,725,000	13,104,430	13,773,420
UNION CARBIDE COMPANY	8.625%	01/15/1999	1,720,588	1,720,588	1,372,513
UNION CARBIDE COMPANY	8.625%	03/01/2006	16,000,000	12,622,030	12,403,840
UNION OIL COMPANY OF CALIFORNIA	13.000%	08/01/1990	640,000	613,464	694,451
UNION PACIFIC RAILROAD	13.000%	08/01/1992	600,000	571,663	653,280
UNION PACIFIC RAILROAD	14.000%	01/15/2001	15,000,000	14,641,074	15,980,250
UNION TANK CAR COMPANY	15.375%	07/15/2001	16,400,000	16,003,320	18,849,668
UNION TANK CAR COMPANY	15.875%	12/15/1996	6,750,000	6,750,000	8,134,830
UNION TANK CAR COMPANY	16.750%	08/15/2010	16,199,783	16,199,783	17,481,186
U S CAPITAL FINANCE CORP.	10.000%	11/15/2004	1,000,000	739,160	794,550
UNITED TELEPHONE COMPANY OF FLORIDA	9.000%	09/15/2008	3,500,000	3,427,024	2,636,340
UNITED TELEPHONE COMPANY OF OHIO	7.500%	05/01/2002	5,000,000	2,745,146	3,268,950
UTAH POWER & LIGHT COMPANY	8.500%	03/01/2007	2,500,000	2,291,886	1,777,950
UTAH POWER & LIGHT COMPANY	7.125%	01/01/1999	7,900,000	5,880,680	5,068,482
VIRGINIA ELECTRIC & POWER COMPANY	7.375%	06/01/2002	5,000,000	2,743,742	3,195,150
VIRGINIA ELECTRIC & POWER COMPANY	9.250%	03/01/2006	1,725,000	1,711,264	1,308,636



Bond Name	Coupon	Maturity	Par Value	Book Value	Market Value
VIRGINIA ELECTRIC & POWER COMPANY	8.625%	03/01/2007	\$ 1,000,000	\$ 659,187	\$ 732,580
WARREN PROPERTY CORPORATION	16.500%	10/01/2007	35,080,721	30,729,721	8,068,566
WESTVACO CORPORATION	9.750%	04/01/2000	8,250,000	6,672,158	6,858,885
WESTVACO CORPORATION	8.125%	08/15/2007	11,350,000	8,038,748	7,958,506
WESTVACO CORPORATION	12.125%	11/01/2012	6,500,000	6,500,000	6,369,805
WEYERHAEUSER COMPANY	7.950%	08/15/2006	30,000,000	17,833,107	21,039,900
WISCONSIN TELEPHONE COMPANY	7.250%	02/01/2007	2,000,000	1,343,448	1,322,340
WITCO CHEMICAL CORPORATION	9.500%	08/15/2009	11,750,000	10,724,342	9,260,762
WITCO CHEMICAL CORPORATION	12.000%	07/15/1995	8,000,000	8,000,000	7,949,040
WORTHINGTON INDUSTRIES	9.250%	12/01/1998	15,000,000	15,000,000	12,281,100
TOTAL CORPORATE			\$3,649,088,600	\$2,822,093,101	\$2,849,052,907

**CAPEHART MORTGAGES**

FORT BRAGG	4.000%	04/01/1983	\$ 80,667	\$ 77,339	\$ 79,829
FORT BRAGG	4.000%	07/01/1983	117,549	112,700	114,081
FORT HUACHUCA	4.000%	10/01/1983	134,045	128,515	119,344
FORT LEWIS	4.250%	07/01/1985	527,965	513,446	458,125
FORT LEWIS	4.500%	06/01/1988	316,146	316,146	242,519
FORT LEWIS	4.500%	09/01/1988	600,771	600,771	456,021
FORT LEWIS	4.500%	12/01/1988	466,376	466,376	350,383
FORT ORD	4.000%	08/01/1984	314,508	301,141	286,624
FORT RILEY	4.500%	01/01/1988	348,134	337,690	272,846
FORT RILEY	4.500%	03/01/1988	737,979	715,840	572,141
FORT RILEY	4.500%	05/01/1988	648,610	629,152	499,287
FORT RILEY	4.500%	06/01/1988	670,881	650,754	514,639
FORT RILEY	4.500%	07/01/1988	668,264	648,216	510,887
FORT RILEY	4.500%	09/01/1988	797,098	773,185	605,045
FORT RILEY	4.500%	10/01/1988	782,487	759,013	591,889
FORT SILL	4.500%	09/01/1985	254,906	252,675	221,679
FORT SILL	4.500%	10/01/1985	276,393	273,974	239,384
RUSSWOOD	4.000%	09/01/1984	439,971	425,122	399,058
YUMA HOUSING	4.000%	01/01/1985	429,893	411,623	382,747
2ND CUMBERLAND HOUSING	4.500%	11/01/1986	386,081	355,677	317,624
3RD CUMBERLAND HOUSING	4.500%	01/01/1987	604,493	556,889	493,592
4TH CUMBERLAND HOUSING	4.500%	08/01/1986	416,079	383,313	346,319
CUTLER NRS	4.500%	11/01/1986	130,171	131,148	107,091
MAYPORT QUARTERS	4.500%	01/01/1988	870,191	886,507	679,610
MAYPORT QUARTERS	4.500%	03/01/1988	898,323	920,781	696,452
MAYPORT QUARTERS	4.500%	04/01/1988	703,435	721,021	543,404
5TH NEWPORT	4.500%	08/01/1987	395,813	395,813	314,786
6TH NEWPORT	4.500%	06/01/1987	382,896	382,896	306,783
ALTUS AFB	4.000%	08/01/1984	1,094,308	1,047,800	997,011
BEALE AFB	4.250%	01/01/1987	583,407	584,136	471,678
BEALE AFB	4.250%	02/01/1987	525,045	526,358	422,756
BEALE AFB	4.250%	04/01/1987	534,341	535,677	426,794
BLYTHVILLE AFB	4.000%	06/01/1983	157,733	151,030	153,803
CHARLESTON AFB	4.000%	10/01/1984	277,598	265,800	250,601
KINCHELOE AFB	4.500%	11/01/1986	345,412	345,412	284,167
KINCHELOE AFB	4.500%	01/01/1987	419,900	416,226	342,865
LAUGHLIN AFB	4.000%	10/01/1984	580,557	560,961	524,097
LAUGHLIN AFB	4.000%	12/01/1984	331,391	317,307	296,396
LUKE AFB	4.000%	03/01/1985	957,764	917,059	844,767
LUKE AFB	4.000%	08/01/1985	652,343	624,618	562,430
MALMSTROM AFB	4.500%	05/01/1988	687,998	687,998	529,607
MINOT AFB	4.500%	02/01/1987	442,504	442,504	355,848
MINOT AFB	4.500%	05/01/1987	447,202	447,202	359,627
TURNER AFB	4.500%	06/01/1987	576,286	583,490	461,732
VANCE AFB	4.250%	11/01/1984	251,029	244,753	226,583
TOTAL CAPEHART MORTGAGES			\$22,264,962	\$21,826,073	\$18,232,974

# DETAILED LISTING OF STOCK PORTFOLIO

December 31, 1982

## COMMON

Name	Shares	Cost	Market Value
ABBOTT LABS	800,000	\$ 14,196,313	\$ 31,000,000
AMERICAN BRANDS	243,574	7,620,042	11,173,957
AMERICAN BROADCASTING CO.	10,000	471,550	576,250
AMERICAN CYANAMID CO.	230,100	7,460,916	7,995,975
AMERICAN DISTRICT TELEGRAPH	51,100	2,291,635	2,567,775
AMERICAN GREETINGS	100,000	3,949,142	3,775,000
AMERICAN HOME PRODUCTS CORP.	412,300	12,083,199	18,450,425
AMERICAN HOSPITAL SUPPLIES	613,800	16,256,708	24,705,450
AMERICAN MEDICAL INTERNATIONAL	150,000	4,870,238	5,493,750
AMERICAN STERILIZER	159,700	1,864,950	2,355,575
AMP, INC.	293,000	8,087,923	19,960,625
ANGELICA CORP.	100,000	2,162,186	3,450,000
ANHEUSER BUSCH CO., INC.	350,000	12,305,249	22,575,000
ATLANTIC RICHFIELD CO.	694,200	15,852,342	29,156,400
AUTOMATIC DATA PROCESSING	206,300	5,857,100	7,633,100
BALLY MANUFACTURING	400,000	11,673,061	9,350,000
BANDAG, INC.	130,000	3,522,145	5,492,500
BARD, C.R.	675,000	13,130,696	20,418,750
BAXTER TRAVENOL LABORATORIES	692,000	14,349,403	33,475,500
BLAIR, JOHN	34,800	1,378,326	1,535,550
BORG WARNER	7,500	191,584	284,062
BRISTOL-MYERS CO.	318,200	9,962,429	21,398,950
BROWNING-FERRIS INDUSTRIES	400,000	8,839,665	21,350,000
BURLINGTON NORTHERN	290,000	10,357,636	15,406,250
CARDINAL DEVELOPMENT FUND	1,250,000	1,250,000	1,250,000
CENTRAL & SOUTHWEST CORP.	400,000	6,159,505	6,950,000
CHEMICAL NEW YORK	159,500	6,075,013	6,459,750
CHESEBROUGH-PONDS, INC.	460,000	13,215,819	20,700,000
COMMUNICATIONS SATELLITE	125,000	9,687,500	9,750,000
CONSOLIDATED FOODS	160,500	5,376,255	7,242,562
CPC INTERNATIONAL INC.	312,000	10,025,337	12,987,000
DELTA AIRLINES	400,000	10,202,368	17,700,000
DENNY'S INC.	375,000	7,432,925	11,953,125
DILLON COMPANIES	300,000	9,730,500	9,975,000
DISNEY, (WALT) PRODUCTIONS	220,000	11,152,105	13,915,000
DONNELLEY, R.R. & SONS	100,000	3,959,860	5,950,000
DUN & BRADSTREET COS.	322,800	11,827,372	31,795,800
EASTMAN KODAK CO.	192,500	22,037,914	16,555,000
ECKERD, JACK CORP.	146,500	1,941,223	3,607,562
EMERSON ELECTRIC	268,400	9,659,234	16,238,200
EXXON CORPORATION	1,287,520	28,439,479	38,303,720
FLORIDA POWER AND LIGHT CO.	138,400	4,491,368	5,017,000
FOREMOST McKESSON	180,000	6,390,538	7,245,000
FORT HOWARD PAPER	17,200	678,235	817,000
GANNETT CO.	250,000	9,578,459	15,843,750
GENERAL ELECTRIC CO.	240,000	12,029,676	22,770,000
GENERAL MILLS, INC.	30,300	1,486,857	1,477,125
GENERAL RE CORP.	480,000	11,028,125	30,600,000
GENUINE PARTS	200,000	6,314,161	9,050,000
GETTY OIL	380,300	17,005,271	18,444,550
GILLETTE CO.	14,100	632,682	634,500
GRACE, W.R.	440,000	17,546,597	16,885,000
GREAT NORTHERN NEKOOSA	207,500	7,359,853	7,444,062
GTE CORP.	350,000	11,460,024	14,525,000



Name	Shares	Cost	Market Value
HART, SCHAFFNER & MARX	175,000	4,046,027	6,475,000
HEINZ, H. J.	110,000	3,926,454	4,441,250
HOLIDAY INNS, INC.	307,800	15,340,366	11,273,175
INTERNATIONAL BUSINESS MACHINE	31,300	2,646,458	3,012,625
JOHNSON & JOHNSON	605,100	14,465,243	30,028,087
LEASEWAY TRANSPORTATION CORP.	263,217	5,074,809	10,265,463
MACY, R. H. & CO.	300,000	6,889,138	18,300,000
MASCO CORP.	800,000	8,609,387	22,700,000
McGRAW EDISON	250,000	10,525,994	9,812,500
McDONALDS CORP.	255,000	8,342,950	15,395,625
McGRAW HILL, INC.	430,000	9,849,222	32,357,500
MELVILLE CORP.	230,700	9,105,967	16,322,025
MERCANTILE TEXAS CORP.	90,000	3,011,294	2,362,500
MINNESOTA MINING & MANUFACTURING	347,400	20,631,735	26,055,000
MORGAN, J. P. & CO.	179,900	9,379,685	12,143,250
NEILSEN, A. C.	5,000	219,375	346,250
NORFOLK SOUTHERN CORPORATION	225,000	12,047,788	12,318,750
OVERNITE TRANSPORTATION	75,000	2,036,861	2,550,000
PERKIN-ELMER	623,400	5,978,413	17,688,975
PFIZER, INC.	418,600	13,937,654	28,831,075
PHILIP MORRIS	330,000	12,876,190	19,800,000
PHILLIPS PETROLEUM	288,500	8,807,197	9,412,312
PITTSBURGH NATIONAL CORP.	40,000	1,325,000	1,280,000
QUAKER OATS CO.	300,000	9,661,925	12,862,500
RAYTHEON CO.	342,800	12,096,687	15,340,300
REVCO D. S., INC.	450,000	7,889,183	18,225,000
RITZY'S, G. D., INC.	1,000,000	2,000,000	15,750,000
RUBBERMAID	150,000	2,897,600	4,500,000
RYDER SYSTEM, INC.	238,809	6,535,180	12,000,152
SANDERS ASSOCIATES	56,000	3,021,851	3,458,000
SEARLE, G. D. & CO.	700,000	14,925,886	28,962,500
SEARS ROEBUCK & CO.	70,000	2,131,840	2,108,750
SOUTHLAND CORP.	350,000	11,174,989	13,562,500
STANDARD OIL OF CALIFORNIA	587,400	9,736,178	18,796,800
STANDARD OIL OF INDIANA	400,000	8,933,107	15,900,000
SUPER VALU STORES	88,900	2,222,723	2,300,287
SYSCO, INC.	300,000	5,956,209	11,775,000
TEXACO, INC.	300,000	10,421,708	9,337,500
TIME, INC.	293,181	10,155,654	15,282,059
TRAVELERS CORP.	354,000	6,839,239	8,540,250
U. S. SHOE	150,000	5,270,465	8,231,250
VF CORP.	193,400	4,025,183	7,663,475
WARNER COMMUNICATIONS	213,667	4,359,839	7,157,844
WENDY'S INTERNATIONAL	675,000	7,401,719	9,871,875
WEYERHAEUSER	4,700	108,738	169,200
WEYERHAEUSER-PREFERRED	185,500	8,376,436	8,811,250
WOOLWORTH, F. W.	341,900	10,132,191	8,846,662
TOTAL STOCK PORTFOLIO	30,895,268	\$818,256,462	\$1,274,291,072

# *PLAN STATEMENT: THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO*

## **Purpose**

The Public Employees Retirement System of Ohio (PERS) was created by the Ohio General Assembly. Its purpose is to provide a retirement, disability retirement and survivor benefit program for its members, the public employees of Ohio.

## **Administration**

The general administration and management of PERS are vested in the nine member Public Employees Retirement Board. Six members are elected by the groups they represent, namely, state employees, county employees, municipal employees, state college and university non-teaching employees, retirants, and miscellaneous employees, including townships and public libraries. Three are statutory members, namely, the State Auditor, the Attorney General and the Director of the Department of Administrative Services. Members of the Board receive no compensation but are reimbursed for expenses.

The Board appoints the executive director, an actuary and other employees as necessary for the transaction of business. The State Treasurer is, by law, the custodian of the funds of the System.

All public employees in Ohio are required to become contributing members of PERS upon beginning public employment except those covered by one of the other state or local retirement systems in Ohio. Excluded from membership are new employees retired from another state or municipal system in Ohio, active contributors to the State Police and Fire Pension Fund or State Highway Patrol Pension Fund, or Law Enforcement Officers who have earnings other than

their compensation as Law Enforcement Officers.

The law provides for optional membership as follows:

- Elected public officials;
- Temporary or emergency employees whose employment will not exceed three calendar months;
- Students whose employment will not exceed 1,500 hours in any calendar year;
- Any new employee, not a member at the time of his employment, whose employment will not exceed 20 hours per week.

## **Employer Contributions**

Employer units contribute to PERS at rates set by the Retirement Board upon recommendation by the Actuary. Currently, the employer rates are:

State employer units — 13.71% of gross payrolls;

City, County and miscellaneous employer units — 13.95% of gross payrolls;

Law Enforcement employer units — 18.10% of gross payrolls.

## **Member Contributions**

The majority of contributing members of PERS pay, through payroll deductions, a percentage of their gross salaries set by the Retirement Board upon recommendation by the Actuary. The current rate is 8.5%. Law enforcement officers pay 9.5%.

Individual accounts for each member of the Retirement System are maintained by PERS and funds contributed are



fully refundable at service termination or death. Each year PERS mails to members a statement of the balance in their individual accounts and a report setting forth the financial status of PERS and major developments of the year.

### Regular Retirement

Members are eligible to retire at age 60 or thereafter if they have at least five years or 60 contributing months of membership in PERS. They also may retire at age 55 if they have 25 years of service credit, or at any age with 30 or more years of service credit.

Service credit allowed under Chapter 145. of the Revised Code includes:

1. Service rendered to the State or a political subdivision on which contributions have been paid,
2. Certain military service which interrupted contributing public service,
3. Prior service before 1935,
4. Any out-of-service period of three years or less during which the member was receiving an award from Worker's Compensation.
5. Previously unreported service in Ohio,
6. Service purchased by the member for:
  - a. Military service that is not being used for other retirement programs, except Social Security,
  - b. An authorized leave of absence not to exceed one year,
  - c. Comparable public service outside Ohio or with the federal government that is not being used for other retirement programs, except Social Security,
  - d. Service restored by redeposit which had been cancelled by an earlier refund,
  - e. Service in an Ohio police or fire department or the State Highway Patrol that is not being used for other retirement purposes,
  - f. Up to 30% additional credit on completed terms of full-time contributing elective service.

### Benefit Calculations

Benefits are figured on the basis of age, final average salary and service credit. Final average salary is the average of the three highest years of earnings.

A full benefit at age 65 or with 30 or more years of service credit is based on 2% of final average salary multiplied by years of service. If the final average salary is \$4,300 or less, a minimum formula of \$86 times number of years of service

is used. The maximum annual benefit cannot exceed 90% of final average salary.

Persons with less than 30 years of service credit who retire before age 65 receive a percentage reduction in the benefit amount as specified in the law. Benefits are paid monthly.

### Optional Payment Plans

Members have the option of taking their monthly pensions on a straight life plan of payment, which pays the highest amount, or they may take any one of several optional payment plans at reduced amounts that assure monthly benefits to a designated beneficiary if the member predeceases the designated beneficiary.

### Law Enforcement Officers' Benefits

A special retirement option is provided for full-time sheriffs and deputy sheriffs, and for full-time township constables or police officers. The option, which is available at age 52 or later, requires certification of satisfactory completion of the Peace Officers Training School and 25 years or more of total service credit (including military service) as a law enforcement officer.

The annual benefit is calculated by multiplying 2.5% of final average salary by the first 20 years of service, 2% of final average salary by the next 5 years, and 1.5% of final average salary by each additional year of service. The total benefit amount cannot exceed 72% of final average salary.

A member with at least 15 years of total service as a law enforcement officer who is discharged for a reason other than retirement, death, dishonesty, cowardice, intemperate habits, or conviction of a felony, may apply for retirement benefits, calculated on the total years of service credit multiplied by 1½% of the final average salary. The benefit shall start on or after the attainment of age 55 by the applicant.

A peace officer with 25 years of service credit may elect a reduced pension as early as age 48 or may choose to leave the contributions on deposit until age 52 in order to receive full benefits. By choosing to take retirement benefits early, the peace officer agrees to accept 75% of the full benefit at age 48, 80% at age 49, 86% at age 50, or 93% at age 51. Once a member elects to receive a reduced benefit under these provisions, this election may not be changed.

Law enforcement officers may elect at time of retirement to take benefits under the regular provisions of the law in lieu of those special benefits provided for them.