

Pennsylvania Public School Employes' Retirement System  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
year ended JUNE 30, 1984

65th  
ANNIVERSARY  
YEAR  
1919 - 1984

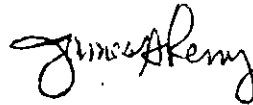
To the reader:

The Public School Employees' Retirement System observed its 65th birthday in 1984.

Because the age 65 is normally associated with retirement, we are taking this opportunity to share with you some of the highlights and sidelights of the growth of the Retirement System. Throughout this report you will find bits of history dating back to the beginning of the System in 1919.

The 185 employees of the Retirement System take pride in presenting another year of accomplishments and plans for continued steady growth and service to the members and retirees of the System.

If you would like more copies of this report, please write PSERS, P. O. Box 125, Harrisburg, PA 17108.



James A. Perry  
Executive Director

# **Comprehensive Annual Financial Report**

**Fiscal Year Ended**

**June 30, 1984**

## **Commonwealth of Pennsylvania Public School Employes' Retirement System**

**301 Chestnut Street  
Harrisburg, PA 17101**

**James A. Perry  
Executive Director**

**Samuel A. McCullough  
Chairman  
Board of Trustees**

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# Certificate of Conformance in Financial Reporting

Presented to  
**Pennsylvania Public School  
Employes' Retirement System**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1983

A Certificate of Conformance in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.



*Arthur W. Mansfield*  
President

*Jeffrey A. Escoe*  
Executive Director

In the early 1920s the Institute for Government Research called PSERS one of the nation's "safe and sound retirement systems". The author of the report, Paul Studensky, found 90 of 100 of the nation's pension systems to be financially unsound. He said PSERS "will maintain its high rank among the leading teacher retirement systems in America if contributions are paid by school employes, local school districts and the state". Contributions to the System in 1983-84 continue to be shared by the school employes, local school districts and the Commonwealth. Contributions from this trio of funding sources totaled \$805.7 million during 1983-84.

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65th  
ANNIVERSARY  
YEAR

# Letter of Transmittal



COMMONWEALTH OF PENNSYLVANIA  
PUBLIC SCHOOL EMPLOYES' RETIREMENT SYSTEM  
BOX 125  
HARRISBURG, PENNSYLVANIA 17108  
Area Code 717-787-8546

December 15, 1984

The Board of Trustees  
Public School Employes' Retirement System  
Harrisburg, PA 17101

The Comprehensive Annual Financial Report of the Public School Employes' Retirement System (the System) for the fiscal year ended June 30, 1984, is herewith submitted. The legal requirement for publication of this report is contained in an amendment to Title 24, Part IV, Retirement for School Employes of the Pennsylvania Consolidated Statutes, Act 96 of October 2, 1975, Section 8502 — Administrative duties of the Board, paragraph (n): "The Board shall prepare and have published . . . a financial statement . . . showing the condition of the fund and the various accounts and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning annuities and other benefits. . . . The Board shall submit said financial statement to the Governor and shall make copies available to the employers for the use of the school employes and the public."

Additionally, the requirement for an annual audit by a certified public accounting firm was created by the passage of Act 183 of 1982, an addendum to Act 96. The System has contracted with Peat, Marwick, Mitchell & Co. for an audit of its financial operations and has received a favorable opinion as is evident in the Auditor's Opinion Letter in the Financial Section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Conformance in Financial Reporting to the Pennsylvania Public School Employes' Retirement System, Harrisburg, Pennsylvania, for its comprehensive annual financial report for the fiscal year ended June 30, 1983. A reproduction of this award appears in this Introductory Section.

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Pending the issuance of a Governmental Accounting Standards Board pronouncement relating to the financial reporting of public employe retirement systems, the System is reporting its financial position in accordance with NCGA Statement 1 of 1979 for the years ended June 30, 1984 and 1983.

The report consists of five sections: an Introductory Section which contains this letter of transmittal, the chairperson's report and identification of the administrative organization; the Financial Section which contains the opinion of the independent certified public accountant and the financial statements of the System; the Actuarial Section which contains the opinion of the independent actuarial firm and the results of their latest annual valuation; the Statistical Section which contains significant statistical data pertaining to the System; and the Investment Section which details the System's investments.

### Accounting System and Reports

The accrual basis is the method of accounting used to record the assets, liabilities, revenues, and expenses of the System. Revenues are taken into account when earned without regard to date of collection, and expenses are recorded when the corresponding liabilities are incurred regardless of when payment is made. Fixed assets are recorded at cost; depreciation is taken on a straight-line basis over an estimated useful life of the assets of seven years. Bond premiums are amortized and discounts are accreted over the life of the individual security using the effective-interest method. Sales gains and losses on bond exchanges are developed using the completed transaction method. The unfunded portion of the actuarial liability is disclosed in the footnotes to the financial statements.

The bond investments of the System are stated at book value, net of amortization of premiums or accretion of discounts. Equities are stated at cost. Residential mortgages are reflected at book value after giving effect to the accretion of discounts or the amortization of premiums on a 12-year straight-line basis. Discounts are accreted or premiums are amortized on project mortgages and equity real estate holdings on a straight-line basis over the life of the individual investments.

### Revenues

Public employe retirement systems are established by law to pay retirement benefits and to accumulate the resources with which to pay such benefits. The System accumulates its resources through collection of members' and employers' contributions and from income earned on invested contributions. Contributions and investment income for 1984 totaled \$1,399.8 million. This represents an increase of 8.9 percent over 1983 revenues of \$1,285.1 million, shown as follows:

Revenue Source	1984 (Millions)	1983 (Millions)	Increase (Millions)	%
Member Contributions . . . . .	\$ 197.1	\$ 184.6	\$ 12.5	6.8
Employer Contributions . . . . .	608.6	541.1	67.5	12.5
Investment Income . . . . .	594.1	559.4	34.7	6.2
<b>Total . . . . .</b>	<b>\$1,399.8</b>	<b>\$1,285.1</b>	<b>\$114.7</b>	<b>8.9</b>

The increase in contributions resulted from the increase in salaries paid to the participating members upon which the members' and employers' contributions to the System are based. Further, the employer rate of contribution was raised by 1 percent to 17.06 percent. This rate is shared equally by the school districts and the Commonwealth of Pennsylvania and is based on the total salaries paid. The increased investment income was attributable primarily to the increase in the total investments available for earnings.

### Expenses

The largest single factor of expense relates to the purpose for which the Retirement System was created: payment of benefits. These payments, coupled with the expense to administer the plan, constitute the total expenses of the System. Expenses by type for 1984 and 1983 are shown for comparative purposes.

Expenses	1984 (Millions)	1983 (Millions)	Increase/(Decrease) (Millions)	%
Benefits . . . . .	\$503.0	\$480.2	\$22.8	4.7
Refunds . . . . .	14.7	15.0	(.3)	(2.0)
Disabilities . . . . .	17.5	17.6	(.1)	(.6)
Lump Sum Payment . . . . .	70.8	85.5	(14.7)	(17.2)
Administrative . . . . .	7.0	8.2	(1.2)	(14.6)
Other . . . . .	6.6	6.6	—	—
<b>Total . . . . .</b>	<b>\$619.6</b>	<b>\$613.1</b>	<b>\$ 6.5</b>	<b>1.1</b>



The increase in benefit payments resulted from an increase in the number of annuitants receiving payments. The ten-year trend in expense by type is presented in the Statistical Section of this report.

The lump-sum payouts at the time of retirement decreased by \$14.7 million between 1983 and 1984. In June 1984 a large number of retiring members received partial lump-sum payouts under the estimated retirement procedure, causing less money to be paid out in the 1983-84 year than in the 1982-83 year. Final lump-sum settlements for these accounts will be made in the 1984-85 fiscal year.

Administrative expenses amounted to \$7.0 million for the 1983-84 fiscal year, decreasing by \$1.2 million from the 1982-83 year. This decrease occurred mainly as a result of the 1983 accumulated charge to record depreciation expense of \$1.0 million for prior years and from the 1983 initial accrual for compensated absences. Also 1983 expense was charged for prior year Treasury costs, reflecting a higher than normal expense for 1983 when compared with 1984.

### **Funding**

Funding is the process of specifically setting aside money for current and future use. Proper funding entails an actuarial examination of the fund balances to ensure money will be available for future and current benefit payments. With such a systematic approach, reliability can be placed on the balances of these accounts. Continuous improvement in the funding by increased earnings and contributions is sought along with control over expenses. As of June 30, 1984, the funds of this System increased \$780.2 million over the prior year — from \$6,017.5 million to \$6,797.7 million after meeting the retirement obligations of the System.

The actuarial valuation, as of June 30, 1983, indicates an unfunded accrued liability of \$6,250.0 million. This represents the difference between accumulated fund balances and the actuarially calculated liability of the System. The 1982-83 liability increased \$779 million over the 1981-82 liability and is being addressed by including a factor in the employer rate of contribution to fund the unfunded liability in approximately 23 years. The continuous increase in the unfunded accrued liability over the last 10 years is a contributing factor for the increase in the employer rate of contribution.

### **Investments**

Income from investments has increasingly become a greater share of the total revenue of the System. Income increased \$34.7 million in the 1983-84 fiscal year over the 1982-83 year and represents 42.4 percent of the total revenue of the System. Signs indicate a continuing increase in investment income for the 1984-85 fiscal year. After reducing the \$594.1 million of investment income by \$7.0 million for administrative expenses, \$587.1 million or \$36 million more than one year ago was distributed to the various accounts comprising the fund balance. The value of proper funding and improved investment earnings tends to be self-evident with this increase.

The investment policy of the Board stipulates that earnings are to be optimized while maximizing the quality of the portfolio. To this end, capital losses and excessive volatility were minimized by reducing corporate bond holdings and increasing holdings of U.S. Treasury notes and bonds. This action also improved the liquidity of the portfolio for future transactions.

### **Statistics**

Additional statistics are supplied to assist in judging the overall performance of the System's activities. They go beyond the collection of revenue and payment of benefits to provide different insights. Charts and graphs that show the most significant of these statistics are included in the Statistical Section.

### **Professional Services**

Professional consultants are appointed by the Board of Trustees to perform services essential in the operation of the System. Statements of certification are provided by the certified public

accountant and the actuary. Investment guidelines and managers' performance evaluations are supplied by a professional investment consultant. A complete listing of these consultants is supplied in this Introductory Section.

### **Future Developments**

Plans are being formulated to relocate the headquarters of the System. The Board of Trustees formed a Building Committee for this purpose and is studying the feasibility of several locations.

Applications of mini-computer systems are under way in an effort to automate the administrative procedures in many areas of the System, tying the entire operation together with an emphasis on less paper reporting. A committee of staff members has been formed to research and study long-range office automation.

As a result of a U.S. Supreme Court case (Arizona Governing Committee vs Norris) involving equalization of benefits, the System is currently revising the benefit calculation programs to recalculate retirement benefits using unisex factors where applicable. This will result in adjustments to all annuities currently being paid to those annuitants who had contributions, interest and service in the System after June 30, 1983.

In the investment area, a Pennsylvania residential mortgage investment program of mortgage-backed securities is planned; the Board of Trustees is also investigating venture capital investments. Option writing and security lending will be put into place during the 1984-85 fiscal year. These developments are discussed in detail in the Investment Section of this report.

### **Budgetary and Accounting Control**

The System is an independent agency reporting directly to the Governor of the Commonwealth of Pennsylvania; however, the System must cooperate directly with other state agencies and departments, some of which are empowered to audit various payments and prepare the checks of the System. Other agencies perform an after-the-fact audit for compliance with the pension code and other funding restrictions. Administrative budgets and the Commonwealth's employer appropriation requests are developed by the staff and reviewed by the Audit/Budget Committee of the Board of Trustees after which they are routed through the Governor's Budget Office and are ultimately approved by the Legislature. The Audit/Budget Committee also reviews the independent auditor's report and the results of audits performed by other Commonwealth agencies.

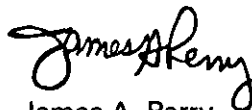
### **Data**

Newsletters have been sent to the active and retired members of the System, legislators and school districts on a periodic basis throughout the fiscal year to give them information about the System. A plan summary has been mailed to each member's home address.

### **Conclusion**

The preparation of this report reflects the combined efforts of the System's staff under the leadership of the Board of Trustees and the Executive Director. The report provides financial and actuarial data for the information of the membership and general public.

Respectively submitted,



James A. Perry  
Executive Director

# Administrative Organization

## *PSERS Board of Trustees*

**Secretary of Education of the Commonwealth of Pennsylvania (ex officio)**

Honorable Robert C. Wilburn

**Treasurer of the Commonwealth of Pennsylvania (ex officio)**

Honorable R. Budd Dwyer

**Executive Secretary of the Pennsylvania School Boards Association, Inc. (ex officio)**

Mr. Joseph V. Oravitz

**Two Members Appointed by the Governor of the Commonwealth of Pennsylvania**

Mr. Albert Fondy (term expires Jan. 1, 1985)

Mr. Samuel A. McCullough Chairman (term expires Feb. 14, 1986)

**Three Members Elected from Among the Contributors of the System for a Term of Three Years**

Mr. Jacques D. Angle (term expires Jan. 1, 1986)

Mr. Bernard Freitag (term expires Jan. 1, 1987)

Mr. John Yarnovic (term expires Jan. 1, 1985)

**One Member of the Annuitant Group of the System Elected from Among their Number for a Term of Three Years**

Mr. Alfred R. Webb (term expires Jan. 1, 1987)

**One Member Elected from Among Nonprofessional Contributors of the System for a Term of Three Years**

Mr. James H. McCann (term expires Jan. 1, 1986)

**One Member Elected by Members of Pennsylvania Public School Boards from Among their Number for a Term of Three Years**

Mr. Richard C. Harris, Vice Chairman (term expires Jan. 1, 1985)

**Two Members (nonvoting) Appointed by the Speaker of the House from the Pennsylvania House of Representatives, One Representing the Majority Party and One Representing the Minority Party**

Honorable Nicholas B. Moehlmann

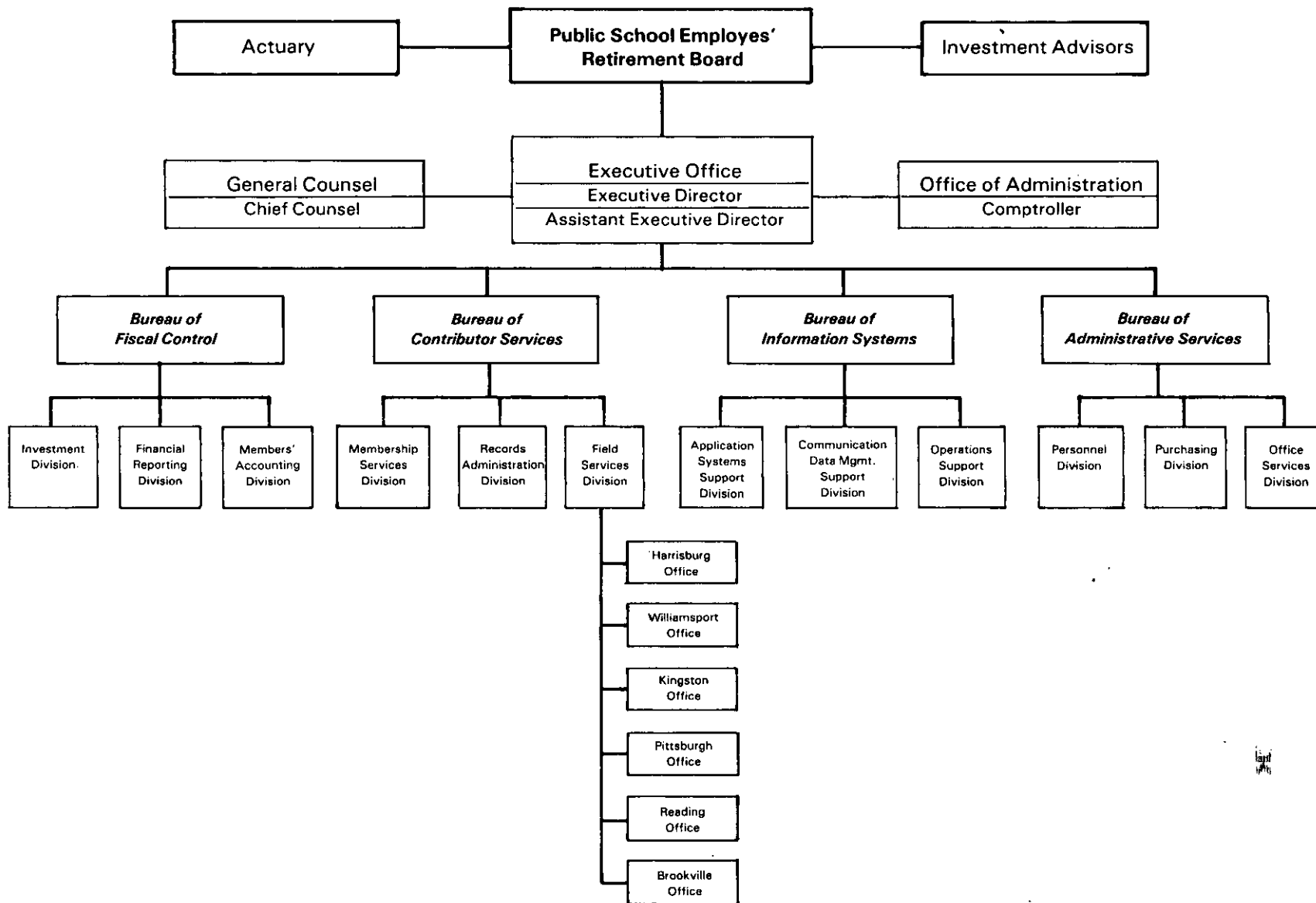
Honorable Max Pievsky

**Two Members (nonvoting) Appointed by the President Pro Tempore of the Pennsylvania Senate, One Representing the Majority Party and One Representing the Minority Party**

Honorable M. Joseph Rocks

Honorable Edward L. Howard

# Organizational Chart



# Administrative Staff

**James A. Perry**  
*Executive Director*

**Vacant**  
*Assistant Executive Director*

**Herbert C. Goldstein**  
*Chief Counsel*

**Bureau Directors**  
**Richard J. McElroy**  
*Fiscal Control*

**Dale W. Houck**  
*Information Systems*

**Linda L. Weidner**  
*Contributor Services*

**Thomas E. Yagel**  
*Administrative Services*

# Professional Consultants

## *Investment Advisors*

### **Fixed and Equity Manager**

Mellon Bank, N.A.  
Pittsburgh, PA

### **Mortgage Manager**

The Fidelity Bank  
Philadelphia, PA

### **Equity Managers**

State Street Research & Management Co.  
Boston, MA

Oppenheimer Capital Corp.  
New York, NY

Provident Capital Management, Inc.  
Philadelphia, PA

MacKay-Shields Financial Corp.  
New York, NY

### **Fixed Income Managers**

Loomis Sayles & Company, Inc.  
Boston, MA

Pittsburgh National Bank  
Pittsburgh, PA

### **Real Estate Manager**

Jones Lang Wootton Realty Advisors  
New York, NY

### **Mortgage Backed Securities Manager**

Miller, Anderson & Sherrerd  
Bala Cynwyd, PA

## *Investment Evaluator*

Evaluation Associates, Inc.  
Westport, CT

## *Actuary*

George B. Buck Consulting Actuaries, Inc.  
New York, NY

## *Auditor*

Peat, Marwick, Mitchell and Co.  
Harrisburg, PA

# Chairperson's Report

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
BOX 125  
HARRISBURG, PENNSYLVANIA 17108  
Area Code 717-787-8546

December 15, 1984

Honorable Dick Thornburgh  
Governor of Pennsylvania

Members of the Legislature  
and  
Members of the Retirement System

Dear Governor Thornburgh, Legislators and Members:

The responsibility and the obligation of the Board of Trustees of the Public School Employees' Retirement System (PSERS) to the membership and the general public has always been fully recognized by the Board, and has found full expression in the Board's management policies.

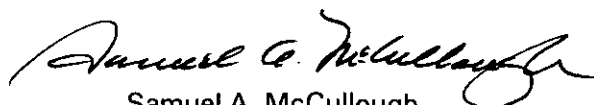
One of the responsibilities of the Board of Trustees is to prepare annually this financial report which is assembled by the PSERS staff, enabling the participants of PSERS and the general public to obtain a better understanding of the financial and actuarial conditions of the System and the various factors affecting its operation. Each participating member of PSERS is furnished a summary of this report, and additional copies of this entire report may be furnished to any member or interested person upon request.

Other important responsibilities of the Board of Trustees include the investment of assets of this System, the review of disability benefit requests, and the selection of advisors and consultants to discharge these and other responsibilities of the Board.

The Board of Trustees is formulating long-range plans for the PSERS fund. These plans include systems to develop investment goals, asset allocation strategies, and administrative procedures in order to meet future obligations of this System to its members, active and retired. Plans must be put in place now for the future well-being of this fund. The vast size of the fund and the changes that will possibly be made, dictate that plans be currently put in place to reach predetermined investment returns.

I am cognizant of my responsibilities as chairman of the Board of Trustees to the membership and general public in assisting the staff and the Board in their continued effort to strengthen and improve PSERS. I take this opportunity to thank the staff, advisors, and participants who consistently strive to maintain PSERS in the forefront among public employe retirement systems in the nation. Serious challenges lie ahead, and with everyone's assistance, these challenges will be met.

We seek your continued support in maintaining a financially secure retirement future for the active and retired members of PSERS.



Samuel A. McCullough  
Chairman

In 1929 the PSERS Board of Trustees had adopted the policy of investing exclusively in Pennsylvania state, county, city, borough and township bonds with preference for school district bonds. "This wise investment policy insures the Retirement System against loss from bad investments," the Board said, "and also assures many Pennsylvania school districts of a purchaser for their bonds." The increasing complexity of investments and the need to optimize earnings while reducing risk has resulted in a broadening of PSERS investment holdings over the years. Diversification of investments is reflected by a shift toward more equity holdings and federal government securities.

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**65th  
ANNIVERSARY  
YEAR**

# Auditor's Opinion Letter



Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
100 Pine Street  
Harrisburg, Pennsylvania 17101

The Board of Trustees  
Commonwealth of Pennsylvania  
Public School Employees' Retirement System

We have examined the balance sheets of the Commonwealth of Pennsylvania Public School Employees' Retirement System as of June 30, 1984 and 1983 and the related statements of revenues, expenses and changes in fund balance and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Commonwealth of Pennsylvania Public School Employees' Retirement System at June 30, 1984 and 1983, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the period subsequent to the change, with which we concur, in the method of accounting for exchanges of fixed-income securities as described in note 5 to the financial statements.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements.

*Peat, Marwick, Mitchell & Co.*

September 7, 1984



# Balance Sheets

## June 30, 1984 and 1983

Assets	1984	1983
<b>Investments, at cost (note 6):</b>		
Corporate and government debentures (market value \$2,318,238,769 in 1984 and \$1,947,743,858 in 1983) . . . . .	\$2,513,610,637	\$2,000,636,237
First mortgage loans (market value \$1,003,642,331 in 1984 and \$924,562,682 in 1983) . . . . .	1,163,089,754	1,002,842,160
Common and preferred stocks (market value \$1,601,964,506 in 1984 and \$1,681,322,967 in 1983). . . . .	1,608,436,039	1,375,250,749
U. S. Treasury bills (market value \$420,657,267 in 1984 and \$401,227,270 in 1983) . . . . .	420,657,267	401,431,645
Other short-term investments (market value \$796,684,151 in 1984 and \$969,233,274 in 1983) . . . . .	<u>796,684,151</u>	<u>969,411,340</u>
<b>Total investments</b>	<u><u>6,502,477,848</u></u>	<u><u>5,749,572,131</u></u>
<b>Receivables:</b>		
<b>Contributions:</b>		
Members . . . . .	34,050,115	28,772,540
Employers . . . . .	105,536,872	100,689,920
<b>Commonwealth of Pennsylvania:</b>		
Current receivable . . . . .	69,103,000	134,276,500
Deficit receivable (note 4) . . . . .	39,233,000	24,388,000
<b>Investments:</b>		
Income receivable . . . . .	117,127,003	73,554,522
Proceeds receivable . . . . .	115,984,608	149,024,844
Other . . . . .	<u>670,299</u>	<u>451,428</u>
<b>Total receivables</b>	<u><u>481,709,897</u></u>	<u><u>511,157,754</u></u>
<b>Cash</b> . . . . .	2,202	20,996
<b>Fixed assets</b> (net of accumulated depreciation of \$453,273 and \$300,435 in 1984 and 1983 respectively) . . . . .	<u>1,899,990</u>	<u>1,600,922</u>
<b>Total assets</b>	<u><u>\$6,986,089,937</u></u>	<u><u>\$6,262,351,803</u></u>
<b>Liabilities and Fund Balance</b>		
Accounts payable and accrued expenses . . . . .	\$ 13,776,901	\$ 12,413,556
Accrued refund of employe contributions (note 8) . . . . .	34,275,222	—
Investment purchases payable . . . . .	<u>140,293,969</u>	<u>232,438,487</u>
<b>Total liabilities</b>	<u><u>188,346,092</u></u>	<u><u>244,852,043</u></u>
<b>Fund balance (note 3):</b>		
State accumulation account . . . . .	1,254,861,950	856,634,487
Members' savings account . . . . .	2,035,293,733	1,919,861,238
Reserve for retirement . . . . .	3,335,991,826	3,129,674,719
Reserve for disabilities . . . . .	<u>121,596,336</u>	<u>111,329,316</u>
<b>Total fund balance</b>	<u><u>6,797,743,845</u></u>	<u><u>6,017,499,760</u></u>
<b>Total liabilities and fund balance</b>	<u><u>\$6,986,089,937</u></u>	<u><u>\$6,262,351,803</u></u>

See accompanying notes to financial statements.

# Statement of Revenues, Expenses and Changes in Fund Balance

*Years ended June 30, 1984 and 1983*

Year ended June 30, 1984

	Total	State Accumulation Account	Members' Savings Account	Reserve for Retirement	Reserve for Disabilities
<b>Revenue:</b>					
<b>Contributions:</b>					
School districts .....	\$ 306,090,046	\$ 306,090,046	\$ --	\$ --	\$ --
Employees .....	231,371,333	--	231,371,338	--	--
Refund due to changes in employe contribution rate (note 8) .....	<del>(34,275,222)</del>	--	(34,275,222)	--	--
Commonwealth of Pennsylvania (note 4) .....	<u>302,527,000</u>	<u>302,527,000</u>	--	--	--
<b>Total Contributions .....</b>	<b><u>805,713,162</u></b>	<b><u>608,617,046</u></b>	<b><u>197,096,116</u></b>	--	--
Investment revenue, net of related expenses (note 6) .....	<u>594,135,272</u>	<u>335,521,821</u>	<u>77,626,957</u>	<u>174,781,430</u>	<u>6,205,064</u>
<b>Total revenue .....</b>	<b><u>1,399,848,434</u></b>	<b><u>944,138,867</u></b>	<b><u>274,723,073</u></b>	<b><u>174,781,430</u></b>	<b><u>6,205,064</u></b>
<b>Expenses:</b>					
Benefits .....	591,288,028	--	--	572,218,811	19,069,217
Refunds .....	14,683,747	--	14,683,747	--	--
Net Transfers to State Employees' Retirement System .....	6,677,125	6,056,573	620,552	--	--
Administrative expenses .....	<u>6,955,449</u>	<u>6,955,449</u>	--	--	--
<b>Total expenses .....</b>	<b><u>619,604,349</u></b>	<b><u>13,012,022</u></b>	<b><u>15,304,299</u></b>	<b><u>572,218,811</u></b>	<b><u>19,069,217</u></b>
Excess (deficiency) of revenues over expenses before cumulative effect of a change in accounting principle .....	<u>780,244,085</u>	<u>931,126,845</u>	<u>259,418,774</u>	<u>(397,437,381)</u>	<u>(12,864,153)</u>
Cumulative effect on prior years (to June 30, 1982) of a change in accounting principle (note 5) .....	--	--	--	--	--
<b>Excess (deficiency) of revenues over expenses .....</b>	<b><u>780,244,085</u></b>	<b><u>931,126,845</u></b>	<b><u>259,418,774</u></b>	<b><u>(397,437,381)</u></b>	<b><u>(12,864,153)</u></b>
<b>Transfers between reserves for: (note 3)</b>					
Retirements by members .....	--	(472,079,320)	(93,666,061)	540,528,602	25,216,779
Annuitants who returned to service .....	--	2,478,337	156,383	(1,631,003)	(1,003,717)
Actuarial requirements .....	--	(63,775,000)	--	64,856,889	(1,081,889)
Other reclassification .....	--	476,601	(476,601)	--	--
<b>Fund balance at beginning of year</b>	<b><u>6,017,499,760</u></b>	<b><u>856,634,487</u></b>	<b><u>1,919,861,238</u></b>	<b><u>3,129,674,719</u></b>	<b><u>111,329,316</u></b>
<b>Fund balance at end of year</b>	<b><u>\$6,797,743,845</u></b>	<b><u>\$1,254,861,950</u></b>	<b><u>\$2,085,293,733</u></b>	<b><u>\$3,335,991,826</u></b>	<b><u>\$121,596,336</u></b>

See accompanying notes to financial statements.

Year ended June 30, 1983

Total	State Accumulation Account	Members' Savings Account	Reserve for Retirement	Reserve for Disabilities
\$ 271,258,093	\$ 271,258,093	\$ ---	\$ ---	\$ ---
184,639,026	---	184,639,026	---	---
---	---	---	---	---
<u>269,850,390</u>	<u>269,850,39</u>	<u>---</u>	<u>---</u>	<u>---</u>
725,747,509	541,108,483	184,639,026	---	---
559,355,281	323,947,861	70,377,284	159,353,501	5,676,635
<u>1,285,102,790</u>	<u>865,056,344</u>	<u>255,016,310</u>	<u>159,353,501</u>	<u>5,676,635</u>
583,294,834	---	---	565,730,848	17,563,986
14,983,718	---	14,983,718	---	---
6,578,715	5,916,100	662,615	---	---
8,218,853	8,218,853	---	---	---
<u>613,076,120</u>	<u>14,134,953</u>	<u>15,646,333</u>	<u>565,730,848</u>	<u>17,563,986</u>
672,026,670	850,921,391	239,369,977	(406,377,347)	(11,887,351)
(548,186,492)	548,186,492)	---	---	---
<u>123,840,178</u>	<u>302,734,899</u>	<u>239,369,977</u>	<u>(406,377,347)</u>	<u>(11,887,351)</u>
---	(622,064,096)	(113,554,912)	712,605,232	23,013,776
---	1,331,999	140,277	(904,713)	(567,563)
---	(314,923,439)	---	357,812,494	(42,889,055)
---	74,105,932	(74,105,932)	---	---
<u>5,893,659,582</u>	<u>1,415,449,192</u>	<u>1,868,011,828</u>	<u>2,466,539,053</u>	<u>143,659,509</u>
<u>\$6,017,499,760</u>	<u>\$ 856,634,487</u>	<u>\$1,919,861,238</u>	<u>\$3,129,674,719</u>	<u>\$111,329,316</u>

# Statements of Changes in Financial Position

## Years ended June 30, 1984 and 1983

	1984	1983
<b>Resources provided by:</b>		
Excess of revenues over expenses before cumulative effect of a change in accounting principle . . . . .	\$ 780,244,085	\$ 672,026,670
Cumulative effect on prior years (to June 30, 1982) of a change in accounting principle . . . . .	--	(548,186,492)
<b>Excess of revenues over expenses</b>	<b>780,244,085</b>	<b>123,840,178</b>
Sales and maturities of long-term investments . . . . .	2,498,986,478	3,382,607,788
Items not requiring (providing) resources currently:		
Net (gain) loss from sales of long-term investments . . . . .	(45,008,980)	(59,122,845)
Net amortized premium (discount) . . . . .	(2,434,631)	(29,764,487)
Depreciation . . . . .	293,567	1,016,171
Net loss from disposal of equipment . . . . .	96,260	--
Cumulative effect on prior years (to June 30, 1982) of a change in accounting principle . . . . .	--	548,186,492
<b>Total resources provided</b>	<b>\$3,232,176,779</b>	<b>\$3,966,763,297</b>
 <b>Resources used by:</b>		
Purchases of long-term investments . . . . .	\$3,357,950,151	\$3,598,798,675
Net increase (decrease) in working capital . . . . .	(126,462,267)	366,589,165
Acquisition of equipment . . . . .	688,895	1,375,457
<b>Total resources used</b>	<b>\$3,232,176,779</b>	<b>\$3,966,763,297</b>

## Elements of Net Increase (Decrease) in Working Capital

### Years ended June 30, 1984 and 1983

	1984	1983
<b>Current assets:</b>		
Cash . . . . .	\$ (18,794)	\$ (49,477)
U. S. Treasury bills . . . . .	19,225,622	310,489,135
Other short-term investments . . . . .	(172,727,189)	99,068,748
Contributions receivable . . . . .	(40,193,973)	69,059,953
Income receivable . . . . .	43,572,481	(958,982)
Investment proceeds and other receivables . . . . .	(32,821,365)	124,396,281
<b>Net increase (decrease) in current assets</b>	<b>\$(182,963,218)</b>	<b>\$602,005,658</b>
 <b>Current liabilities:</b>		
Accounts payable and accrued expenses . . . . .	\$ 1,363,345	\$ 4,940,664
Accrued refund of employe contributions . . . . .	34,275,222	--
Investment purchases payable . . . . .	(92,144,518)	230,475,829
<b>Net increase (decrease) in current liabilities</b>	<b>(56,505,951)</b>	<b>235,416,493</b>
<b>Increase (decrease) in working capital</b>	<b>\$(126,462,267)</b>	<b>\$366,589,165</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

## June 30, 1984

### (1) Organization and Description of the System

#### (a) Organization

The Commonwealth of Pennsylvania Public School Employees' Retirement System (the "System") was established as of July 18, 1917, under the provision of P.L. 1043, No. 343. The System's designated purpose is to provide retirement allowances and other benefits to members. Membership in the System is mandatory for substantially all full-time public school employees in the Commonwealth. Responsibility for the organization and administration of the System is vested in the Board of Trustees.

#### (b) Benefits

Significant amendments to the System were made in 1975 as a result of legislative approval of Act 96. Under the provisions of Act 96, members are eligible for monthly retirement benefits upon reaching (a) age 62; (b) age 60 and 30 or more years of service; or (c) 35 or more years of service. Another recent amendment was made in accordance with Act 152 (effective June 1, 1982) which permitted members age 55 with 25 years of service to retire with full benefits provided they would retire before September 1, 1982. Such benefits are generally equal to 2 percent of the member's final average salary (as defined) multiplied by the number of years of credited service. Early retirement resulting in reduced benefits may be elected after completion of 10 years of service. Under certain features of the System, participants may purchase credit for previous types of educational or military service on a lump-sum or installment purchase basis.

In addition to regular retirement benefits, the System also provides for disability retirement benefits and death benefits. Participants are eligible for disability retirement benefits after completion of 5 years of eligible service. Death benefits are payable upon the death of an active member who has reached 62 or has at least 10 years of eligible service.

Members with credited service in the State Employees' Retirement System may elect to transfer such service to the Public School Employees' Retirement System upon commencement of employment in the public school system. Similarly, a member with credited service in the System may

transfer such service to the State Employees' Retirement System upon becoming a member of that system.

Upon termination of a member's employment in the public school sector, the member's accumulated contributions plus interest are refundable from the Members' Savings Account.

#### (c) Contributions

The contribution policy is set by Act 96 and requires contributions by active members, employers and the Commonwealth. The rate of contribution for most active members was set by law at 5-1/4 percent of the member's compensation. As is more fully discussed in Note 8 concerning litigation, the rate of contribution has been changed to 6-1/4 percent effective July 22, 1983. The contributions required of employers and the Commonwealth are based upon an actuarial valuation computed as a percentage of the total compensation of all active members during the period for which the amount is determined. For the years ended June 30, 1984 and 1983, the combined amounts required from the employers and Commonwealth were 17.06 percent and 16 percent, respectively, of active member payroll. The employer and the Commonwealth share such cost equally. Effective July 1, 1984, the combined contribution rate was increased to 19.31 percent.

#### (d) Actuarial Valuation

The contribution policy requires employers and the Commonwealth to make a normal contribution and a past-service contribution as determined by a qualified actuary. The System's actuary uses the "entry age normal" method to determine normal costs. As of June 20, 1983, the date of the most recent actuarial report, the actuary computed that, utilizing the present method of funding, the unfunded actuarial liability of the employers and Commonwealth for prior service of \$6,250,000,000 (\$5,471,000,000 as of June 30, 1982) should be funded in approximately 22 years. Such liability includes \$92,093,000 (\$83,459,000 as of June 30, 1982) related to unaccrued interest receivable on Commonwealth contributions which were not paid on a timely basis (Note 4).

Significant assumptions underlying the actuarial computations include: (a) assumed rate of return on investments of 5-1/2 percent; (b) assumed rate of

salary increases ranging from 6.99 percent at age 25 to 1.89 percent at age 69; (c) assets valued at cost or amortized cost; and (d) mortality, vesting, retirement age and withdrawal estimates based on tables furnished by the actuary.

## **(2) Summary of Significant Accounting Policies**

The financial statements of the System are prepared on the accrual basis of accounting and conform to generally accepted accounting principles. In order to assist the reader in understanding the accompanying financial statements, a summary of the more significant accounting policies is presented below:

### *(a) Investments*

Corporate and government debentures with fixed maturities are reported at cost as of the trade date of the transaction adjusted for amortization of premiums and accretion of discounts, both computed on an effective interest basis to the maturity date of the investment.

Investments in first mortgage loans are carried at the amount of the unpaid principal balance of the loan, adjusted for accretion of discounts. Such discounts are accreted on a straight-line basis to the maturity date of the loan for large project loans, or over the average twelve-year life of the portfolio for single family mortgages. Income on mortgages is recognized as earned.

Investments in common and preferred stocks are carried at cost. Gains and losses on stock sales are recognized on the basis of the average cost of the stocks sold. Dividend income is recognized as dividends are declared.

Investments in short-term obligations, principally certificates of deposit, commercial paper, U. S. Treasury bills and bank repurchase agreements are carried at cost, which approximates market value. Income on these investments is recognized when earned.

### *(b) Fixed Assets*

Fixed assets, consisting primarily of data processing equipment, are carried at cost. The System depreciates fixed assets by the straightline method over an estimated useful life of seven years.

### *(c) Federal Income Tax Status*

During the years ended June 30, 1984 and 1983, the System qualified under the provisions of the Internal Revenue Code and was exempt from federal income taxes.

### *(d) Compensated Absences*

The System records a liability for employees' vacation and sick pay as earned.

## **(3) Description of Funds**

Act 96 defines the following funds to be maintained by the System:

### *(a) Members' Savings Account*

The Members' Savings Account is credited with all contributions made by active members of the System. Interest is added to the member's individual account at an annual rate of 4 percent.

Upon death or retirement of a member the accumulated contributions plus interest are transferred to the Reserve for Retirement or Reserve for Disabilities for subsequent payment of benefits.

### *(b) State Accumulation Account*

The State Accumulation Account is credited with the contributions of the Commonwealth and the school districts ("employers"). Additionally, interest earnings of the System (after crediting the Members' Savings Account with the aforementioned 4 percent interest credit and the Reserves for Retirement and Disabilities with a 5-1/2 percent interest credit) are credited to this account. Each year, the amounts necessary as determined by the actuary for the payment of retirement and death benefits are transferred from the State Accumulation Account to the Reserve for Retirement and Reserve for Disabilities. All administrative expenditures necessary for the operation of the System are paid from the State Accumulation Account.

### *(c) Reserve for Retirement*

The Reserve for Retirement represents the amounts transferred from the Members' Savings and State Accumulation accounts, plus additional contributions made by the Commonwealth and employers for the payment of supplemental annuities and cost-of-living increases. All death and retirement benefits are paid from this account. Annual interest of 5-1/2 percent is credited to the Reserve for Retirement.

### *(d) Reserve for Disabilities*

The Reserve for Disabilities represents the amounts transferred from the Members' Savings and State Accumulation accounts, plus additional contributions made by the Commonwealth and employers for the payment of supplemental annuities and cost-of-living increases. All disability

benefits are paid from this account. Annual interest of 5-1/2 percent is credited to the Reserve for Disabilities.

#### **(4) Deficit Commonwealth Contributions Receivable**

Deficit Commonwealth contributions receivable represent amounts determined by the System's actuary to be necessary to fund current and prospective annuities as defined by Act 96, but which have not been appropriated by the legislature. Such deficits originally represented an underfunding of Commonwealth contributions for fiscal years ended June 30, 1970 to 1973. The Commonwealth has agreed to make annual payments of \$9 million in order to satisfy this obligation. As of June 30, 1984, an amount of \$7.4 million, of which \$2.25 million was appropriated but not paid in 1984, remained as a receivable related to the original underfunding. As of June 30, 1984 and 1983, no interest was recorded on this receivable. Additionally, amounts of \$28.4 million and \$3.4 million are recorded as deficit contributions receivable relating to the years ending June 30, 1984 and 1983, respectively.

According to unaudited projections by the System, the Commonwealth's contribution for 1984-85 should include \$347.4 million and an additional amount of \$14.9 million for the cost-of-living increase effective July 1, 1984. The 1984-85 budget includes \$347.4 million appropriation and an amount of \$11.5 million for the cost-of-living increase. The budget also includes appropriations for the \$8.6 million of deficit receivables relating to prior fiscal years. An additional appropriation of \$28.4 million has been added to the 1983-84 budget for the current fiscal year.

#### **(5) Accounting Changes**

As of July 1, 1982, the System changed its method of accounting for gains and losses from exchanges of fixed-income securities from the deferral and amortization method to the completed transaction method. The System believes the completed transaction method is preferable to the method previously used because the resulting asset values are more fairly presented on the balance sheet by not including a "deferred loss" which is not a saleable asset. Additionally, the decision to take a

loss on an investment to obtain a better future yield is more clearly reflected under the completed transaction method. This change decreased the excess of revenues over expenses for the year ended June 30, 1983 by \$548,186,492 because of the cumulative effect of this change on prior years (including an effect of \$166,232,667 on the year ended June 30, 1982). Pro forma amounts, assuming the completed transaction method is applied retroactively are as follows:

**Investment revenue, net of related expenses**  
**1983**  
**\$559,355,281**

**Excess (deficiency) of revenues over expenses**  
**1983**  
**\$672,026,670**

During the prior fiscal year, the System made two other accounting changes. One was the change in the method of accretion of discounts and amortization of premiums from the straight-line method to the effective-interest method for corporate and government debentures. The other change was to begin depreciation on its fixed assets. The effect of these changes is not material.

#### **(6) Investments**

The Board of Trustees has the responsibility to invest and reinvest available funds of the System, in accordance with the guidelines and limitations outlined by Act 96. Under these guidelines, the Board may make investments in common and preferred stocks, first mortgage loans and corporate and government obligations in such a manner as to maximize return while maintaining a sound portfolio with minimum risk. By law, investments in common stock are limited to 50 percent of the total assets of the System. Additionally, the amount invested in common stock of any one entity may not exceed 2 percent of the book value of the assets of the System or 5 percent of the total issued and outstanding common stock of that entity at the date of purchase.

A summary of investment securities as of June 30, 1984 and 1983, and the approximate market values follows:

# Summary of Investment Securities

## Years ended June 30, 1984 and 1983

	1984		1983	
	Book Value	Market Value	Book Value	Market Value
<b>Corporate and government debentures:</b>				
Long-term U. S. Treasury obligations . . . . .	\$2,049,841,533	\$1,926,502,819	\$1,282,052,326	\$1,279,797,691
Corporate and municipal bonds . . . . .	449,701,247	376,150,547	701,593,027	649,143,723
Corporate loans and leaseholds . . . . .	3,472,289	3,103,875	3,963,444	3,527,444
Convertible bonds . . . . .	10,595,568	12,481,528	13,027,440	15,275,000
	<u>2,513,610,637</u>	<u>2,318,238,769</u>	<u>2,000,636,237</u>	<u>1,947,743,858</u>
<b>First mortgage loans:</b>				
FHA/VA residential mortgages . . . . .	291,441,213	208,903,247	309,953,444	248,780,664
FHA project mortgages . . . . .	256,663,496	210,716,219	278,032,007	280,605,336
Pooled mortgages . . . . .	70,302,816	63,223,164	240,892,039	221,583,488
Mortgage backed securities . . . . .	19,830,064	17,575,366	--	--
Equity real estate . . . . .	70,001,527	67,519,000	--	--
Conventional mortgages . . . . .	454,836,190	435,690,887	173,863,320	173,491,844
FHA debentures . . . . .	14,448	14,448	101,350	101,350
	<u>1,163,089,754</u>	<u>1,003,642,331</u>	<u>1,002,842,160</u>	<u>924,562,682</u>
<b>Common and preferred stocks</b>				
Financial/international . . . . .	144,695,342	128,981,062	158,739,907	196,167,906
Utilities/transportation . . . . .	262,579,302	246,855,143	180,235,908	197,007,906
Consumer goods/services . . . . .	609,773,334	629,696,950	586,192,908	734,322,905
Capital goods . . . . .	307,144,083	314,032,517	224,241,909	280,927,906
Basic materials . . . . .	279,231,327	276,660,309	220,425,909	266,167,906
Preferred stock . . . . .	5,012,401	45,738,525	5,414,208	6,728,438
	<u>1,608,436,039</u>	<u>1,601,964,506</u>	<u>1,375,250,749</u>	<u>1,681,322,967</u>
<b>U. S. Treasury bills . . . . .</b>	<b>420,657,267</b>	<b>420,657,267</b>	<b>401,431,645</b>	<b>401,227,270</b>
<b>Other short-term investments:</b>				
Repurchase agreements . . . . .	219,825,000	219,825,000	269,000,000	269,000,000
Commercial paper . . . . .	422,902,603	422,902,603	625,111,630	624,983,742
Certificates of deposit . . . . .	20,000,000	20,000,000	30,927,499	30,917,493
Federal farm credit bank . . . . .	60,000,000	60,000,000	16,000,000	15,963,125
Federal home loan bank . . . . .	49,410,819	49,410,819	--	--
Federal home loan mortgage . . . . .	14,739,479	14,739,479	--	--
Bankers acceptances . . . . .	9,806,250	9,806,250	28,372,211	28,368,914
	<u>796,684,151</u>	<u>796,684,151</u>	<u>969,411,340</u>	<u>969,233,274</u>
	<u>\$6,502,477,848</u>	<u>\$6,141,187,024</u>	<u>\$5,749,572,131</u>	<u>\$5,924,090,051</u>



The major components of investment revenue for the years ended June 30, 1984 and 1983, are as follows:

	1984	1983
Corporate and government debentures . . . . .	\$269,186,117	\$237,260,678
First mortgage loans . . . . .	116,409,865	88,157,723
Common and preferred stocks . . . . .	72,303,307	61,866,833
Short-term investments . . . . .	94,736,817	85,928,738
	<u>552,636,106</u>	<u>473,213,972</u>
Net amortized discount . . . . .	2,434,631	29,764,487
Net gain on investment transactions . . . . .	44,988,479	59,258,518
<b>Total investment revenue before investment expenses</b>	<u>600,059,216</u>	<u>562,236,977</u>
Investment expenses . . . . .	(5,923,944)	(2,881,696)
<b>Net investment revenue</b>	<u>\$594,135,272</u>	<u>\$559,355,281</u>

**(7) Relationships With Other Commonwealth Agencies**

The Treasurer of the Commonwealth of Pennsylvania is designated under Act 96 as the custodian of all cash and investment securities of the System. The Treasurer of the Commonwealth or his designate also serves as a member of the Board of Trustees.

**(8) Litigation and Contingencies**

The System is a defendant in lawsuits brought by the Pennsylvania State Education Association and the Pennsylvania Federation of Teachers challenging the increased contribution rate referred to in Note 1(c). On September 20, 1983, a preliminary injunction was granted which prevents the System from continuing to collect the higher contribution rate. The ruling also requires the System to reimburse an estimated \$34,275,222 to the

members for the additional 1 percent of salary which had been contributed to the System beginning July 22, 1983. The Governor's Office of General Counsel is appealing this injunction, which has been stayed pending resolution of the appeal.

The System is subject to various threatened and pending lawsuits which deal with the question of benefit eligibility. Management does not anticipate that the ultimate liability arising from such litigation and threats of litigation will have a material effect on the financial statements of the System.

**(9) Commitments**

The System has commitments to fund conventional mortgage loans and other investments which amounted to \$44 million as of June 30, 1984. This amount represents the total amount of loan commitments approved by the Board, but for which funding has not yet been required.

# Schedule 1

## Investment Summary

Year ended June 30, 1984

Type of Investment	Book Value 06/30/83 (000)	Market Value 06/30/83 (000)	Purchases 83/84 (000)	Sales 83/84 (000)	Amortization (Accretion) (000)
<b>Corporate and government debentures:</b>					
Long-term U. S. Treasury obligations .....	\$1,282,052	\$1,279,798	\$ 1,561,165	\$ 762,167	\$(1,643)
Corporate & municipal bonds .....	701,594	649,144	186,750	405,785	660
Corporate loans & leaseholds .....	3,963	3,527	0	491	0
Convertible bonds .....	13,027	15,275	795	3,307	(3)
<b>Total bonds</b>	<b>2,000,636</b>	<b>1,947,744</b>	<b>1,748,710</b>	<b>1,171,750</b>	<b>(986)</b>
<b>Mortgages:</b>					
FHA/VA residential mortgages .....	309,954	248,781	(284)	18,909	381
FHA project mortgages .....	278,032	280,605	0	23,020	2,408
Pooled mortgages .....	240,892	221,585	117,019	261,437	749
Mortgage backed securities .....	0	0	20,151	447	49
Equity real estate .....	0	0	70,161	0	(159)
Conventional mortgages .....	173,863	173,491	295,809	14,829	(7)
FHA debentures .....	101	101	284	371	0
<b>Total mortgages</b>	<b>1,002,842</b>	<b>924,563</b>	<b>503,140</b>	<b>319,013</b>	<b>3,421</b>
<b>Common Stock:</b>					
Financial/international .....	158,740	196,168			--
Utilities/transportation .....	180,236	197,008			--
Consumer goods/services .....	586,193	734,323			--
Capital goods .....	224,242	280,928			--
Basic materials .....	220,426	266,168			--
<b>Total common stock</b>	<b>1,369,837</b>	<b>1,674,595</b>	<b>1,102,277*</b>	<b>1,005,608*</b>	<b>N/A</b>
<b>Preferred Stock:</b>					
Convertibles .....	5,414	6,728	3,581	2,297	--
Non-convertible .....	0	0	242	319	--
<b>Total preferred stock</b>	<b>5,414</b>	<b>6,728</b>	<b>3,823</b>	<b>2,616</b>	<b>N/A</b>
<b>U.S. Treasury Bills</b> .....	<b>401,432</b>	<b>401,227</b>	<b>974,876</b>	<b>955,629</b>	<b>N/A</b>
<b>Other Short-Term Investments:</b>					
Repurchase agreements .....	269,000	269,000	7,437,259	7,486,434	--
Commercial paper .....	625,112	624,984	2,503,536	2,705,745	--
Certificates of deposit .....	30,927	30,917	72,452	83,379	--
Federal farm credit bank .....	16,000	15,963	90,000	46,000	--
Federal home loan bank .....	0	0	49,411	0	--
Federal home loan mortgage .....	0	0	14,739	0	--
Bankers acceptances .....	28,372	28,369	33,406	51,972	--
<b>Total other short-term investments</b>	<b>969,411</b>	<b>969,233</b>	<b>10,200,803</b>	<b>10,373,530</b>	<b>N/A</b>
<b>Grand total</b>	<b>\$5,749,572</b>	<b>\$5,924,090</b>	<b>\$14,533,629</b>	<b>\$13,828,146</b>	<b>\$2,435</b>

\* Individual break-downs unavailable.

Gain (Loss) (000)	Book Value 6/30/84 (000)	Market Value 6/30/84 (000)	% Market Value
\$ (29,565)	\$2,049,842	\$1,926,502	31.4
(33,518)	449,701	376,151	6.1
0	3,472	3,104	0.1
84	10,596	12,482	0.2
<u>(62,999)</u>	<u>2,513,611</u>	<u>2,318,239</u>	<u>37.8</u>
300	291,442	208,904	3.4
(757)	256,663	210,716	3.4
(26,920)	70,303	63,223	1.0
77	19,830	17,575	0.3
0	70,002	67,519	1.1
0	454,836	435,691	7.1
0	14	14	0.0
<u>(27,300)</u>	<u>1,163,090</u>	<u>1,003,642</u>	<u>16.3</u>
	\$ 144,697	\$ 128,981	2.1
	262,579	246,855	4.0
	609,773	629,697	10.3
	307,144	314,033	5.1
	279,231	276,660	4.5
<u>136,918</u>	<u>1,603,424</u>	<u>1,596,226</u>	<u>26.0</u>
(1,686)	5,012	5,739	0.1
77	0	0	0.0
<u>(1,609)</u>	<u>5,012</u>	<u>5,739</u>	<u>0.1</u>
(22)	420,657	420,657	6.8
0	219,825	219,825	3.6
0	422,903	422,903	6.9
0	20,000	20,000	0.3
0	60,000	60,000	1.0
0	49,411	49,411	0.8
0	14,739	14,739	0.2
0	9,806	9,806	0.2
0	796,684	796,684	13.0
<u>\$ 44,988</u>	<u>\$6,502,478</u>	<u>\$6,141,187</u>	<u>100.0</u>

## Schedule 2

# Comparative Two Year Schedule of Administrative Expenses

*Years Ended June 30, 1984 and 1983*

	1984	1983
<b>Personnel costs:</b>		
Salaries and wages . . . . .	\$3,087,839	\$3,081,489
Social security contributions . . . . .	219,489	212,264
Retirement contributions . . . . .	498,130	570,350
Employes' insurance contributions . . . . .	480,210	436,571
Other employe benefits . . . . .	43,849	267,771 <sup>1</sup>
<b>Total personnel costs</b>	<u>4,329,517</u>	<u>4,568,445</u>
<b>Operating costs:</b>		
Auditor General services . . . . .	54,018	62,277
Treasury services . . . . .	422,810	604,727 <sup>2</sup>
Civil Service Commission services . . . . .	16,194	14,270
Classification and pay services . . . . .	2,149	2,764
Purchasing services . . . . .	1,228	1,945
Data processing services . . . . .	(8,099)	14,314 <sup>3</sup>
Consultant fees . . . . .	88,492	46,006
Legal Fees . . . . .	5,613	6,382
Specialized services . . . . .	336,377	295,007
Contracted personnel services . . . . .	4,160	53,737
Printing . . . . .	67,469	57,662
Postage . . . . .	474,688	349,702
Telephone and Telegraph . . . . .	130,548	167,899
Dues and subscriptions . . . . .	7,420	6,429
Insurance . . . . .	351	385
Electricity . . . . .	56,559	70,456
Motorized equipment supplies and repairs . . . . .	6,528	6,277
Travel . . . . .	68,578	60,295
Contracted maintenance services . . . . .	149,893	219,389
Rental of real estate . . . . .	286,022	227,243
Rental of equipment . . . . .	29,523	161,227 <sup>4</sup>
Office supplies . . . . .	66,368	70,920
Miscellaneous expenses and supplies . . . . .	42,726	28,162
<b>Total operating expenses</b>	<u>2,309,615</u>	<u>2,527,475</u>
<b>Fixed charges:</b>		
Furniture and equipment . . . . .	22,750	106,762
Depreciation . . . . .	293,567	1,016,171 <sup>5</sup>
<b>Total fixed charges</b>	<u>316,317</u>	<u>1,122,933</u>
<b>Total administrative expenses</b>	<u>\$6,955,449</u>	<u>\$8,218,853</u>

<sup>1</sup> 1983 expense includes the initial accrual for compensated absences.

<sup>2</sup> 1983 expense includes expenses relating to the prior fiscal year.

<sup>3</sup> 1984 includes an accrued receivable amount of \$16,588 for services PSERS provided to the Pennsylvania Securities Commission.

<sup>4</sup> 1984 expense for computer equipment decreased by \$129,900 due to the purchase of a new Burroughs 5900 computer system.

<sup>5</sup> 1983 includes the accumulated charge to record depreciation expense on existing assets of \$1,016,171 for the years ending June 30, 1979 through June 30, 1983.

# Schedule 3

## Summary Schedule of Cash Receipts and Disbursements

*Years Ended June 30, 1984 and 1983*

	<b>1984</b>	<b>1983</b>
<b>Cash balance at beginning of year</b> . . . . .	\$ 20,996	\$ 70,473
<b>Add cash receipts:</b>		
Investment sales and maturities . . . . .	13,861,265,911	11,263,603,672
<b>Contributions:</b>		
School districts . . . . .	301,663,710	268,101,813
Employees . . . . .	226,058,286	185,908,293
Commonwealth of Pennsylvania . . . . .	352,850,500	202,678,213
Interest and dividends . . . . .	507,486,954	477,170,288
Transfers from State Employees' Retirement System . . . . .	1,762,240	2,874,195
Refund of expenditures . . . . .	3,167,492	2,650,972
Other receipts . . . . .	870,054	2,091,984
<b>Total cash receipts</b>	<u>15,255,125,147</u>	<u>12,405,079,430</u>
<b>Less cash disbursements:</b>		
Investment purchases . . . . .	14,625,490,723	11,787,611,126
Benefit payments . . . . .	590,956,907	585,689,449
Refunds . . . . .	15,157,571	13,154,342
Transfers to State Employees' Retirement System . . . . .	9,506,953	8,397,990
Administrative expenses . . . . .	7,328,516	7,011,714
Other disbursements . . . . .	6,703,271	3,264,286
<b>Total cash disbursements</b>	<u>15,255,143,941</u>	<u>12,405,128,907</u>
<b>Cash balance at end of year</b>	\$ 2,202	\$ 20,996

# Schedule 4

## Summary Schedule of Commissions Paid to Brokers

Broker Name	Commission Paid	Broker Name	Commission Paid
Able Nossner	\$ 2,341.00	Lewco Securities Corp	2,000.00
Adams Harkness & Hill Inc.	4,200.00	Lynch Jones & Ryan	303,283.30
Amdec Sec	1,500.00	Mabon Nugent & Co	3,348.00
Arnhold & S Bleichroeder Inc	2,160.00	Merrill Lynch Pierce Fenner & Smith	201,062.00
Autranet Inc.	23,009.24	Mesirow & Co	10,150.00
Bateman Eichler Hill Richards Inc	500.00	Montgomery Securities	15,846.00
Bear Stearns & Co	197,904.00	Morgan Olmstead Kennedy & Gardner Inc.	2,237.50
Becker A G Inc	53,948.00	Morgan Stanley & Co Inc.	86,700.00
Bernstein & Co	385.00	Moseley Hallgarten Estabrook Weeden	35,976.16
Bernstein Sanford C & Co Inc.	25,788.00	Neuberger & Berman	1,800.00
Blair William & Company	900.00	Newbold	3,000.00
Brandt Robert & Co.	8,460.00	Oppenheimer & Co Inc	342,443.62
Brean Murray Foster Securities Inc.	1,700.00	Paine Webber Jackson & Curtis Inc	3,983.00
Brown Alex & Sons	18,991.00	Paine Webber Mitchell Hutchins Inc	27,152.00
Brown Brothers Harriman & Co	576.00	Penn Group	1,177.00
Burgess & Leith Inc	266.00	Pennsylvania Group Inc The	9,100.00
Butcher & Singer Inc	17,154.00	Pershing & Co	34,940.00
Cantor Fitzgerald Securities Corp	33,032.28	Piper Jaffray & Hopwood Inc	6,600.00
Conning & Co.	3,967.00	Prescott Ball & Turben	19,838.00
Cowen & Co	46,279.00	Prudential-Bache	28,456.00
Davis Mendel & Regenstein Inc	5,856.00	Reaves W H & Co Inc	720.00
Dillon Read & Co Inc	9,450.00	Robinson-Humphrey Co Inc The	1,650.00
Dean Witter	20,390.00	Rotan Mosle	600.00
Dean Witter Reynolds Inc	67,129.00	Rothschild L F Unterberg Towbin	32,102.00
Donaldson Lufkin & Jenrette Inc	36,451.50	Roulston Research Corp	6,456.00
Drexel Burnham Lambert Inc	32,543.00	Salomon Brothers Inc	3,070,845.86
Eberstadt F & Co Inc	20,406.00	Securities Settlement Corp	3,500.00
First Boston Corp	136,547.00	Seligman Securities Inc	3,800.00
First Manhattan Co.	7,612.00	Shearson/American Express	97,403.00
Furman Selz Mager Dietz & Birney Inc.	10,846.00	Smith Barney Harris Upham & Co Inc	116,864.84
Gintel & Co	1,863.00	Standard & Poor Securities Inc.	2,500.00
Goldman Sachs & Co	95,627.00	Stifel Nicolaus & Co Inc.	168.00
Hambrecht & Quist	630.00	Stuart Frankel	114.00
Hoenig & Stroock Inc	1,983.00	Thomson & McKinnon Securities Inc	917.00
Hutton E F & Co Inc	76,846.00	Tsai G & Co Inc	56.00
Jeffries & Co Inc.	32,516.60	Tucker Anthony & R L Day	28,946.50
Jesup & Lamont Securities Co	3,800.00	Weeden Equity Trading	5,210.00
Johnson Lane Space Smith & Co Inc	16,497.00	Willshire Assoc	16,246.00
Jones & Associates	2,809.00	Wertheim & Co.	40,517.00
Josephthal & Co.	1,700.00	Miscellaneous Broker Code	6,058.73
Keefe Bruyette & Woods Inc	3,832.00		
Kidder Peabody & Co Inc.	94,547.50		
Lawrence Cyrus J Inc	38,819.00		
Legg Mason Wood Walker Inc	19,863.50		
Lehman Brothers Kuhn Loeb Inc.	35,250.00		
		<b>Grand Total</b>	<b><u>\$5,790,642.13</u></b>

## Summary Schedule of Investment Managers/Consultants Fees

Manager/Consultant	Fees Paid	Manager/Consultant	Fees Paid
Curtis, Mallet-Prevost	\$ 109,395.78	Miller, Anderson and Sherrerd	133,863.97
Evaluation Associates	59,055.00	Oppenheimer Capital Corp.	637,496.50
Fidelity Bank	944,178.62	Pittsburgh National Bank	97,899.40
Frederick Ballard Esq.	20,000.00	Provident Capital Management	416,624.92
Jones Lang Wootton	312,500.00	State Street Research	818,119.00
Loomis Sayles	503,653.00	Treasury Department-Commonwealth of PA	5,307.07
Mackay Shields	391,956.00		
Manufacturers Hanover Trust	80,000.00		
Mellon Bank	1,216,000.00		
		<b>Grand Total</b>	<b><u>\$5,746,049.26</u></b>

The PSERS annual financial report of 1935 was the first to mention the Great Depression. "We have heard much in the last five years of depression and unemployment, about the importance of providing work relief for the unemployed. Almost all of the money invested by the Board has been invested in bonds, the proceeds of which are used to build new school buildings, roads, and other improvements in Pennsylvania. Scores of new school buildings and many miles of good roads have been constructed as a result of the investments of the Board. Many men have thus been given employment. The Retirement System was not established, of course, to provide funds for work relief, but when as a byproduct it does provide \$75 million that was used largely for work relief during five years of sever business depression and unemployment, it is rendering a public service of no mean proportions." Many hundreds of jobs have been created in the 1980s by the real estate investments of PSERS, both residential and large project mortgages. Among them are One Oxford Centre (Pittsburgh), a combination 47-story retail-office center; Commerce Court-Station Square (Pittsburgh), a converted warehouse now housing first class office, retail, restaurant and hotel uses; and the 450-room Hershey Hotel (Philadelphia), the first major hotel construction in the downtown area in 35 years.

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# 65th ANNIVERSARY YEAR

# Actuary's Certification Letter

George B. Buck Consulting Actuaries, Inc.  
Xerox Centre  
55 West Monroe Street  
Chicago, Illinois 60603  
Telephone 312 | 332-2285

BUCK  
CONSULTANTS

July 31, 1984

To the Retirement Board  
Public School Employees'  
Retirement System of Pennsylvania  
P.O. Box 125  
Harrisburg, PA 17108

Ladies and Gentlemen:

We have now completed the June 30, 1983, valuation of the Public School Employees' Retirement System of Pennsylvania. The valuation was prepared on the basis of the data supplied by the Retirement System office and the actuarial assumptions adopted by the Retirement Board, and reflects the benefits in effect on the valuation date.

### *Employers' Contribution Rate*

On the basis of the valuation the total contribution rate payable by the employers is equal to 19.50 percent of payroll. Based on continuation of the phase-in, the total contribution rate payable by employers for the year commencing July 1, 1984, would be set equal to 18.52 percent of payroll. This phase-in rate of 18.52 percent includes an additional rate of .46 percent on account of the adoption of unisex factors.

### *Changes Reflected in Valuation*

The current valuation reflects both the adoption of unisex factors by the System and the operation of Act 31 which provides for increased member contributions.

The adoption of unisex option factors results in an increase in the total contribution rate payable by employers of .46 percent of payroll, which when added to the ultimate rate of 19.04 percent in the previous year's valuation produces the current ultimate rate of 19.50 percent.

Act 31 provides for a 1 percent increase in the member contribution rate from 5-1/4 percent to 6-1/4 percent of compensation. The valuation reflects the full impact of the Act, although its constitutionality with respect to members already under the System is currently being litigated.

Inasmuch as .19 percent of payroll is required to cover the additional cost of member refunds on death or withdrawal, only .81 percent of the additional member contribution rate of 1 percent is available to apply as additional funding under Act 31. In accordance with our interpretation of the Act, this additional funding may not be used to reduce employers' contributions, but must instead be applied as an additional payment toward the unfunded accrued liability. We have applied this amount to the pre-Act 96 debt service payment.

Consequently, the ultimate total employer rate of 19.50 percent of payroll is unchanged. The result has been to reduce the funding period. If Act 31 should be invalidated, the funding period of this portion of the unfunded accrued liability would increase from 23 years to 26-1/2 years.



### *Assets and Participant Data*

The valuation assets again include an item representing the interest on the State's deficiency. It is our understanding that the Funding Review Committee is looking into the problem of loss of interest not only on the deficiency but also on current contributions. It is hoped that this issue will be resolved before the next valuation.

The individual data for members of the System as of the valuation date were reported to the actuary by the Retirement System's staff. While the actuary did not verify the data at their source, he did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. The outside auditor of the System has also made an examination of the data.

### *Actuarial Assumptions and Methods*

The rates of separation, salary increase and mortality after retirement used in the valuation were those adopted by the Retirement Board upon the recommendation of the actuary. An interest rate of 5-1/2 percent was used in the valuation, as specified by the statutes of the Commonwealth pertaining to the System. In our opinion, the actuarial assumptions used in the valuation are, in the aggregate, reasonable.

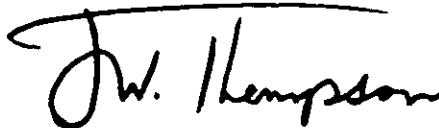
The actuarial cost method utilized is the entry age normal method with open-end accrued liability, as specified in the statutes. The application of the method produces a rate of employer contributions which should remain a level percentage of membership payroll. The rate of contribution determined under the method covers both the normal costs of the System on account of currently accruing benefits and the amortization of the total accrued liability of the System over specified liquidation periods. The current assets applicable to the System were supplied by the Retirement System office and were taken at book value.

In determining the rate of amortization of the accrued liability of the System, it was assumed that each annual payment is 4 percent greater than the previous payment, as specified by the statutes of the Commonwealth.

### *Funding Adequacy*

The results of the valuation indicate that the rates of contribution payable by members and employers together with scheduled increases and the assets currently available are adequate to fund the actuarial liabilities on account of all benefits under the System. The liquidation period for the six portions of the accrued liability range from 9-1/2 to 30 years.

Respectfully submitted,



John W. Thompson  
Consulting Actuary

# Actuarial Valuation of Assets and Liabilities

June 30, 1983

## Section I — Financial Results

Section I of this report summarizes the major financial results that developed in the valuation as well as the actuarial methods and assumptions used.

### Schedule I Summary of Principal Results (Dollar Amounts in Thousands)

Valuation Date	6/30/83	6/30/82
<b>Assets (book value)</b> .....	<b>\$6,109,592</b>	<b>\$5,997,119</b>
<b>Accounts receivable included in assets</b>		
From State:		
Principal amount .....	\$ 158,664	\$ 91,492
Interest .....	92,093	83,459
From School Districts .....	100,690	98,141
From Members .....	28,773	29,434
<b>Total</b>	<b>\$ 380,220</b>	<b>\$ 302,526</b>
<b>Total Employer contribution rate</b>		
Normal .....	8.35%	8.75%
Accrued liability .....	7.91%	7.05%
Supplemental annuity (excluding 7/1/79 Increase) .....	1.55%	1.55%
Supplemental annuity (7/1/79 Increase) .....	1.69%	1.69%
<b>Total</b>	<b>19.50%</b>	<b>19.04%</b>
<b>Unfunded accrued liability:</b>		
Before consideration of Act 96 .....	\$4,398,552	\$3,621,277
Increase on account of Act 96 .....	613,799	613,620
Increase on account of "Early Retirement Window" .....	47,077	46,612
Increase on account of Unisex Factors .....	42,668	--
<b>Total</b>	<b>\$5,102,096</b>	<b>\$4,281,509</b>
<b>Unfunded supplemental annuity liability:</b>		
Excluding July 1, 1979, increases .....	\$ 449,352	\$ 477,302
July 1, 1979, increases .....	606,901	628,752
<b>Total</b>	<b>\$1,056,253</b>	<b>\$1,106,054</b>
<b>Total unfunded accrued liability and supplemental annuity liability</b> ..	<b>\$6,158,349</b>	<b>\$5,387,563</b>
<b>Accrued liability funding period:</b>		
Established prior to Act 96 .....	23 years	22 years
Established on account of Act 96 .....	22-1/2 years	24 years
Established on account of "Early Retirement Window" .....	29 years	30 years
Established on account of Unisex Factors .....	30 years	--
<b>Supplemental annuity liability funding period:</b>		
Established prior to July 1, 1979 .....	9-1/2 years	10-1/2 years
July 1, 1979 increases .....	16 years	18 years

**Schedule II**  
**Valuation Balance Sheet**  
**Showing Financial Condition of the**  
**Public School Employees' Retirement System of Pennsylvania**  
**As of June 30, 1983**  
*(Amounts in Thousands)*

	<b>Assets</b>			<b>Liabilities</b>	
<b>Present assets:</b>				<b>Present value of benefits on account of past and future contributions by members to the Members' Savings Account</b>	<b>\$ 4,582,991</b>
Member's Savings Account		\$1,919,861			
Annuity Reserve Account (including Supplemental Retirement Allowance Account):				<b>Present value of annuities now payable to annuitants and survivor annuitants from the Annuity Reserve Account</b>	<b>4,361,033</b>
Credited to account	\$3,241,004				
Add amounts transferable from State Accumulation Account	63,775	3,304,779		<b>Present value of prospective annuities payable to members or their beneficiaries from reserves created in the State Accumulation Account as the results of contributions payable by the State and School Districts</b>	<b>9,604,585</b>
State Accumulation Account:					
Credited to account	\$ 948,727				
Subtract amount transferrable to Annuity Reserve Account	(63,775)	884,952			
<b>Total Present Assets</b>			<b>\$6,109,592</b>		
<b>Present value of future contributions by members</b>			<b>2,663,130</b>		
<b>Present value of prospective contributions payable to State Accumulation Account:</b>					
Normal contributions		3,617,537			
Accrued liability contributions		5,102,096			
<b>Total prospective contributions payable to State Accumulation Account</b>			<b>8,719,633</b>		
<b>Present value of prospective accrued liability contributions payable to the Annuity Reserve Account on account of supplemental annuities</b>			<b>1,056,254</b>		
<b>Total Assets</b>			<b>\$18,548,609</b>	<b>Total Liabilities</b>	<b>\$18,548,609</b>

### Schedule III Approximate Reconciliation of Unfunded Accrued Liability

**State Accumulation Account**

(1)	Unfunded accrued liability 6/30/82 . . . . .		\$4,281.5
(2)	Interest at 5-1/2 percent for 1 year . . . . .		235.5
(3)	Accrued liability contributions with 1/2 year interest . . . . .		153.2
(4)	Expected unfunded accrued liability — 6/30/83 = (1) + (2) — (3) . . . . .		4,363.8
(5)	Actual unfunded accrued liability — 6/30/83 . . . . .		5,102.1
<b>(6)</b>	<b>Increase above expected . . . . .</b>		<b>738.3</b>
(7)	Explanation of increase:		
(a)	Adoption of unisex factors . . . . .		42.7
(b)	Pensioners' mortality experience . . . . .		14.2
(c)	Interest surplus . . . . .		(223.9)
(d)	Experience among active members		
	(i) Salary increases above expected . . . . .	\$302.5	
	(ii) Retirements and other separations . . . . .	<u>25.9</u>	328.4
(e)	Accounting change . . . . .		578.3
(f)	Amortization procedure . . . . .		48.4
(g)	Decrease in post-retirement increase liability . . . . .		<u>(49.8)</u>
	<b>Total</b>		<b>\$ 738.3</b>

### Schedule IV Relationship Between Accrued Liabilities and Assets of System over Last 10 Years *(Amounts in Thousands)*

Valuation As of 6/30	Aggregate Accrued Liabilities For:			Reported Assets**	Portion of Accrued Liabilities Covered By Reported Assets		
	(1) Active Member Contributions	(2) Annuity and Beneficiaries	(3) Active Members (Employer Financed Portions)*		(1)	(2)	(3)
1974	\$ 880,540	\$2,154,562	\$2,199,850	\$2,903,291	100%	93.9%	0.0
1975	959,540	2,341,041	2,157,248	3,177,812	100%	94.8%	0.0
1976	1,075,760	2,416,089	2,313,126	3,410,511	100%	96.6%	0.0
1977	1,190,833	2,590,411	2,539,736	3,764,902	100%	99.4%	0.0
1978	1,314,217	2,726,305	2,869,494	4,123,035	100%	100.0%	2.9
1979	1,433,024	3,500,991	3,099,333	4,514,353	100%	88.0%	0.0
1980	1,578,884	3,569,221	3,515,904	4,901,476	100%	93.1%	0.0
1981	1,717,739	3,876,225	5,042,226	5,399,010	100%	95.0%	0.0
1982	1,868,012	4,031,176	5,465,494	5,977,119	100%	100.0%	1.4
1983	1,919,861	4,361,033	5,987,048	6,109,592	100%	96.1%	0.0

\* Equal to active members' liabilities (employer financed portion) less present value of future normal contributions based on new entrant normal rate.

\*\* Includes accounts and interest receivable.

**Schedule V**  
**Analysis of Accrued Liability of**  
**System as of Current Valuation Date**  
**of June 30, 1983**  
*(Amounts in Millions)*

(1) Estimated value of accumulated benefits of System:	
Vested benefits	
Members currently receiving payments . . . . .	\$4,361.0
— Other members . . . . .	<u>4,595.8</u>
	<b>Total \$8,956.8</b>
Nonvested benefits . . . . .	<u>527.2</u>
	<b>Total value of accumulated benefits \$ 9,484.0</b>
(2) Value of additional accrued liabilities reflecting effect of anticipated future increases in pay	<u>2,783.9</u>
(3) Total accrued liability of System (1) + (2) . . . . .	<b>\$12,267.9</b>
(4) Book value of assets . . . . .	<u>6,109.6</u>
(5) Unfunded accrued liability of System (As shown in Schedule I of report) . . . . .	<b>\$ 6,158.3</b>

Notes:

- (i) Accumulated benefits shown under item (1) above are made up of (a) benefits currently being paid to annuitants and beneficiaries plus (b) accrued benefits of active membership based on service and pay history up to the current valuation date of June 30, 1983. Thus, accumulated benefits do NOT reflect the effect of future pay increases on the benefit ultimately payable upon retirement or separation from employment.
- (ii) Item (3) shows the total accrued liability of the System as determined under the funding method, i.e., the entry-age normal cost method. Item (3) reflects the effect of anticipated future pay increases on the benefit ultimately payable.
- (iii) The value of accumulated benefits was determined taking into account the probability of future payments which was determined using the same decrements as to death, disability, withdrawal and retirement as for the regular valuation of the System as set forth in Schedule VI. The interest rate used is the same as for the regular valuation, namely 5-1/2 percent. The value does NOT include any allowance for future pay increases.

## Schedule VI Outline of Actuarial Assumptions and Methods

**Interest Rate:** 5-1/2 percent per annum, compounded annually, by statute. (4 percent used in determining actuarial equivalent benefits.)

**Separation from service and salary increase:** Representative values of the assumed annual rates of separation and annual rates of salary increases are as follows:

Age	Withdrawal	Death	Disability	Annual Rate of: Vesting & Early Retirement		Super- Annuation Retirement	Salary Increase
				Less than 25 Years of Service	25 or More Years of Service		
<b>Men</b>							
25	7.70%	.05%	.01%	1.52%			6.99%
30	5.40%	.06%	.01%	1.52%			6.32%
35	4.52%	.06%	.02%	1.47%			5.23%
40	4.03%	.10%	.08%	1.10%	.12%		4.14%
45	3.73%	.19%	.15%	1.00%	.14%		3.27%
50	3.52%	.33%	.34%	1.30%	.27%	21.00%	2.60%
55	3.40%	.52%	.65%	2.30%	3.00%	15.90%	2.13%
60	3.36%	.72%	1.34%	3.26%	3.60%	16.30%	1.91%
65		.92%				35.80%	1.90%
69		1.08%				15.00%	1.89%
<b>Women</b>							
25	8.30%	.03%	.01%	7.20%			6.99%
30	7.52%	.03%	.02%	4.40%			6.32%
35	6.60%	.04%	.05%	2.10%			5.23%
40	5.52%	.06%	.07%	1.40%	1.20%		4.14%
45	4.75%	.11%	.10%	1.50%	1.20%		3.27%
50	4.28%	.16%	.23%	2.05%	.78%	20.80%	2.60%
55	4.00%	.20%	.45%	3.00%	4.25%	14.30%	2.13%
60	3.95%	.25%	.79%	5.15%	7.00%	19.35%	1.91%
65		.34%				32.65%	1.90%
69		.42%				22.00%	1.89%

**Death after retirement:** 1979 George B. Buck Mortality Tables for service retirements and dependent beneficiaries. A special mortality table was used for disability retirements. (1963 George B. Buck Mortality Tables used in determining actuarial equivalent benefits.)

**Valuation method:** Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the period remaining to liquidate the unfunded accrued liability.

**Asset valuation method:** Amortized cost on bonds, initial cost on stocks and amortized value of mortgages.

**Miscellaneous:** The valuation was based on members of the System as of June 30, 1983, and does not take into account future new members. In determining the rate of amortization of the accrued liability of the System, it was assumed that each annual payment is 4 percent greater than the previous payment, as specified by the statutes of the Commonwealth.

## Section II – Membership Data

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System's office. Tables A and B summarize the membership of the System as of June 30, 1983, upon which the valuation was based. Detailed tabulations of the data are given in Section IV. Tables C and D show historical membership data for the last 10 years.

**Table A**

Group	Number	Annual Salaries
Included in Valuation:		
Men .....	73,274	\$1,509,614,687
Women .....	<u>123,994</u>	<u>1,761,445,344</u>
Total	<b>197,268</b>	<b>\$3,271,060,031</b>
Total to Which Adjusted	<b>203,138</b>	<b>\$3,403,263,000</b>

In addition to the above, 23,601 inactive members and vestees were included in the valuation.

**Table B**  
**Annuitants and Survivor Annuitants of the System**  
**on June 30, 1983**

Class	Number	Annual Annuities
Retired on account of superannuation and those in receipt of withdrawal annuities:		
Men .....	21,031	\$ 136,687,255
Women .....	<u>49,103</u>	<u>309,298,355</u>
Total	<b><u>70,134</u></b>	<b><u>\$ 445,985,610</u></b>
Retired on account of disability:		
Men .....	1,146	\$ 5,922,681
Women .....	<u>2,030</u>	<u>9,080,889</u>
Total	<b><u>3,176</u></b>	<b><u>\$ 15,003,570</u></b>
Survivor annuitants in receipt of benefits:		
Men .....	526	\$ 1,498,991
Women .....	<u>2,498</u>	<u>7,940,206</u>
Total	<b><u>3,024</u></b>	<b><u>\$ 9,439,197</u></b>
Annuities in lieu of return of accumulated deductions:		
Men .....	4	\$ 507
Women .....	<u>4</u>	<u>507</u>
Total	<b><u>4</u></b>	<b><u>\$ 507</u></b>
Grand Total	<b>76,338</b>	<b>\$ 470,428,884</b>

**Table C  
History of Active Membership Data  
for Last 10 Years**

<b>Valuation as of 6/30</b>	<b>Number of Active Members</b>	<b>Total Annual Payroll</b>
1974	192,951	\$1,885,000,000
1975	199,287	2,031,000,000
1976	202,154	2,272,000,000
1977	222,814	2,466,000,000
1978	220,972	2,621,600,000
1979	218,400	2,754,638,000
1980	218,487	2,967,712,000
1981	214,438	3,152,967,000
1982	209,210	3,249,799,000
1983	203,138	3,403,263,000

**Table D  
History of Annuitants and Survivor Annuitants  
for Last 10 Years**

<b>Year Ended 6/30</b>	<b>Additions</b>	<b>Deletions</b>	<b>Number on Roll</b>	<b>Annual Annuities (Millions)</b>
1974	4,883	1,502	45,398	\$198.7
1975	4,346	1,627	48,117	217.9
1976	4,191	1,625	50,683	268.1
1977	5,265	1,629	54,319	288.3
1978	5,099	1,753	57,665	304.7
1979	5,380	2,046	60,999	321.5
1980	5,070	1,947	64,122	408.1
1981	5,565	2,237	67,450	421.0
1982	6,098	2,303	71,245	438.8
1983	7,345	2,252	76,338	470.4



## Section III – Summary of Benefit and Contribution Provisions

### Membership

For valuation purposes, all employees are considered to be members of Class T-C. All employees who become members on and after January 1, 1966, are members of the dual coverage group. Joint coverage members are those who became members prior to that date but subsequent to May 28, 1957. Joint coverage members may elect to become members of the dual coverage group but must make up the difference in accumulated deductions.

"Final average salary" means the highest average annual salary for any 3 years of service.

### Benefits

#### *Superannuation Annuity Eligibility*

Age 62, or age 60 with 30 years of service, or 35 years of service regardless of age.

#### *Amount*

2 percent of final average salary times years of service. Minimum of \$100 per year of service.

Benefit of a joint coverage member is reduced by 40 percent of primary insurance amount (subject to certain limitations) after age at which Social Security benefits become payable.

#### **Withdrawal Annuity Eligibility**

10 years of service.

#### *Amount*

Actuarial equivalent of benefit deferred to superannuation retirement age. If member separates after age 55 with 25 or more years of service, reduction is 1/4 percent for each month by which commencement of payments precedes superannuation retirement age. Benefit of a joint coverage member is reduced after age at which Social Security benefits become payable.

#### **Disability Annuity Eligibility**

5 years of service.

#### *Amount*

2 percent of final average salary per year of service, but not less than 33-1/3 percent of such salary, except cannot exceed benefit member would have had at superannuation retirement age. Minimum of \$100 per year of service.

### Vesting Annuity Eligibility

10 years of service.

#### *Amount*

Accrued benefit deferred to superannuation retirement age.

### Optional Benefits

**Option 1.** Reduced benefit with refund of balance of present value of annuity at retirement over payments received. If balance less than \$5,000 paid in lump sum; otherwise, beneficiary may elect annuity and/or lump sum.

**Option 2.** Joint and 100 percent survivorship annuity.

**Option 3.** Joint and 50 percent survivorship annuity.

**Option 4.** Benefit of equivalent actuarial value.

### Death Benefit Eligibility

Death of an active member or vestee who was eligible to receive an annuity.

#### *Amount*

Annuity which would have been effective if retired on the date before death. Option 1 assumed if no other option elected.

### Return of Contributions Eligibility

Death or separation from service where no other benefit payable.

#### *Amount*

Refund of accumulated deductions (less annuity payments received in the case of a retired member.)

## Contributions

### By Members

6-1/4 percent of compensation. Reduction for a joint coverage member of 40 percent of Social Security tax, exclusive of disability and medical coverage portion.

### By State

Balance of required contribution determined as normal contribution, accrued liability contribution and supplemental annuity contribution. State is reimbursed by School Districts for one-half of contributions.

Original school districts making up the Public School Employees' Retirement System on July 1, 1919, were Altoona, Chester, Erie, Harrisburg, Lancaster, Lower Merion Township, Meadville, Norristown, Philadelphia, Reading, Scranton, Wilkes-Barre and Williamsport. Membership grew from 9,000 to 37,503 in one month. By 1920, retirees numbered 254 with an annual payroll of \$31,455. In 1983, retirees numbered 76,338 with an annual payroll of \$470.4 million. At the same time there were 201,507 active contributing members from 631 reporting units.

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**65th  
ANNIVERSARY  
YEAR**

### Schedule I Revenues by Source Ten Years

Fiscal Year	Members Contributions (000)	Employers Contributions (000)	Investment Income (000)	Other Income (000)	Total Revenue (000)
1984	\$197,096	\$608,617	\$594,135	\$ —	\$1,399,848
1983	184,639	541,109	559,355	—	1,285,103
1982	180,562	501,025	435,888	—	1,117,475
1981	175,306	478,859	351,220	—	1,005,385
1980	161,330	396,839	307,216	—	865,385
1979	148,644	379,056	255,636	—	783,336
1978	143,089	345,205	224,246	4,588	717,128
1977	147,760	328,984	216,265	1,519	694,528
1976	130,962	257,671	192,509	1,299	582,441
1975	109,876	285,355	179,738	1,417	576,386

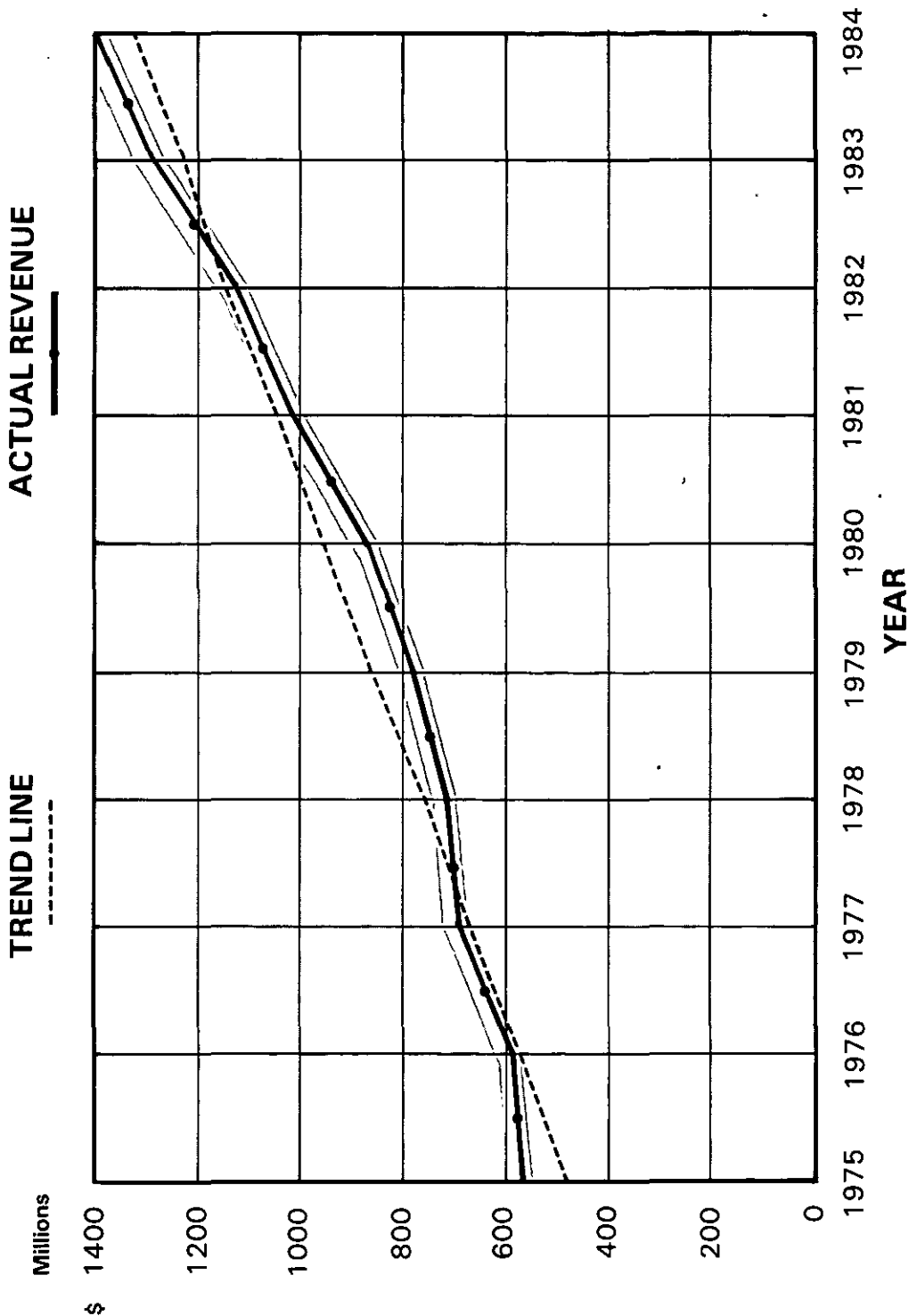
### Schedule II Expenses by Type Ten Years

Fiscal Year	Benefits Paid (000)	Refunds Paid (000)	Disabilities Paid (000)	Lump-Sum Payments (000)	Administrative Expense (000)	Other Payments (000)	Total Expenses (000)
1984	\$501,434	\$14,684	\$19,069	\$70,785	\$6,955	\$ 6,677	\$619,604
1983	476,714	18,539	17,564	85,461	8,219	6,579	613,076
1982	450,863	19,206	18,795	53,199	5,892	5,052	553,007
1981	435,498	18,216	13,817	43,021	5,130	7,000	522,682
1980	417,782	18,503	13,891	27,865	3,504	5,886	487,431
1979	333,989	18,957	9,663	28,026	3,441	5,920	399,996
1978	309,474	17,845	8,770	15,934	3,259	11,370	366,652
1977	299,499	15,322	7,832	10,713	2,850	9,059	345,275
1976	316,462	12,212	6,395	190	2,708	18,385	356,352
1975	229,333	13,990	5,253	—	1,942	1,118	251,636
1974	210,635	14,450	5,988	—	1,642	2,245	234,960

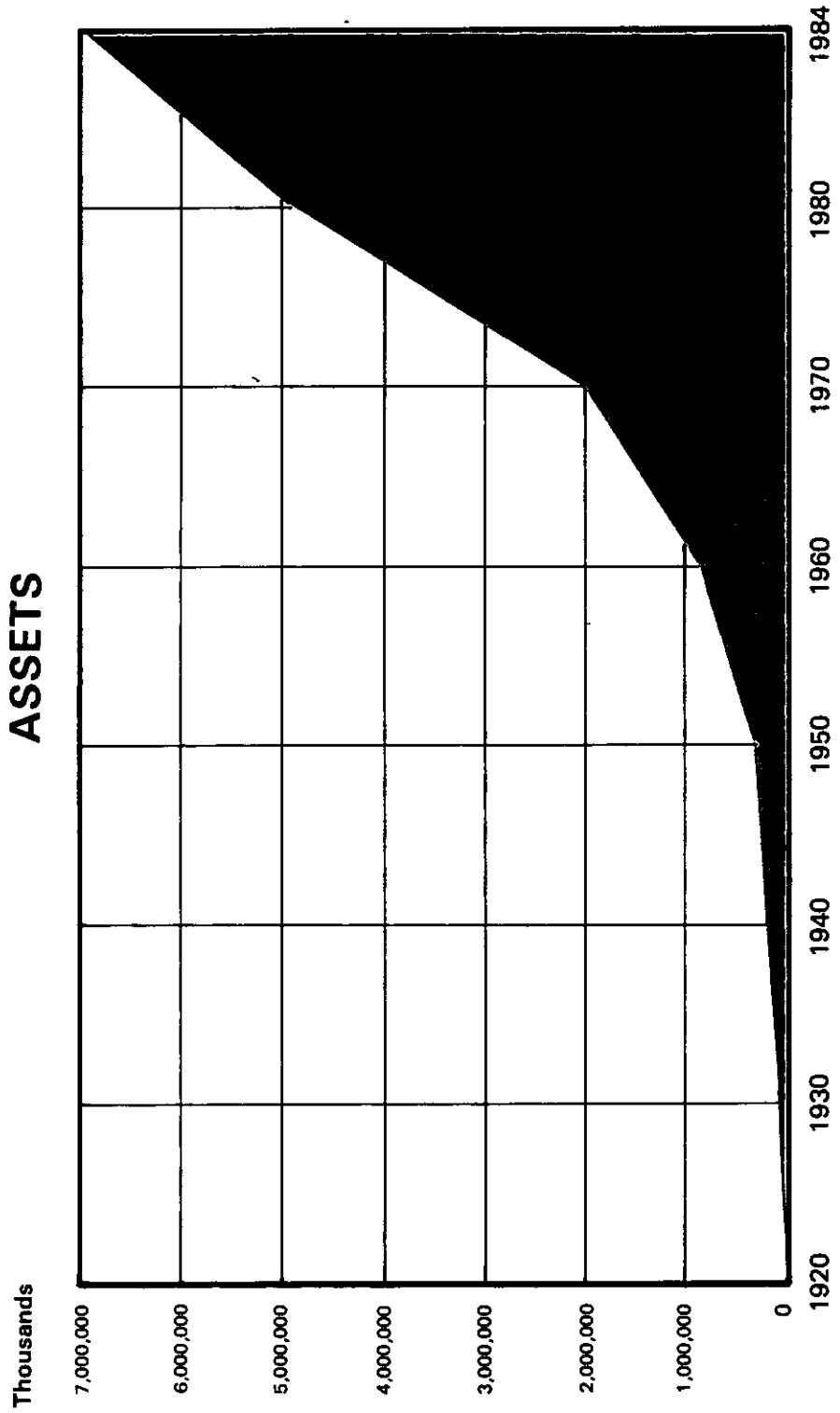
### Schedule III Average Benefit Payments by Type Last Five Years

Fiscal Year Ending	Superannuations		Disability		Withdrawals	
	Members	Average Payment	Members	Average Payment	Members	Average Payment
1984	61,800	\$6,550.75	3,432	\$4,579.34	14,470	\$4,414.82
1983	60,261	6,528.56	3,289	4,560.11	12,785	4,021.79
1982	58,383	6,706.58	3,061	4,629.62	9,801	3,376.32
1981	56,523	6,631.58	2,893	4,572.63	8,034	4,100.88
1980	54,908	6,730.73	2,688	4,532.88	6,526	4,030.19
1979	53,373	5,474.72	2,452	3,692.83	5,174	3,910.32

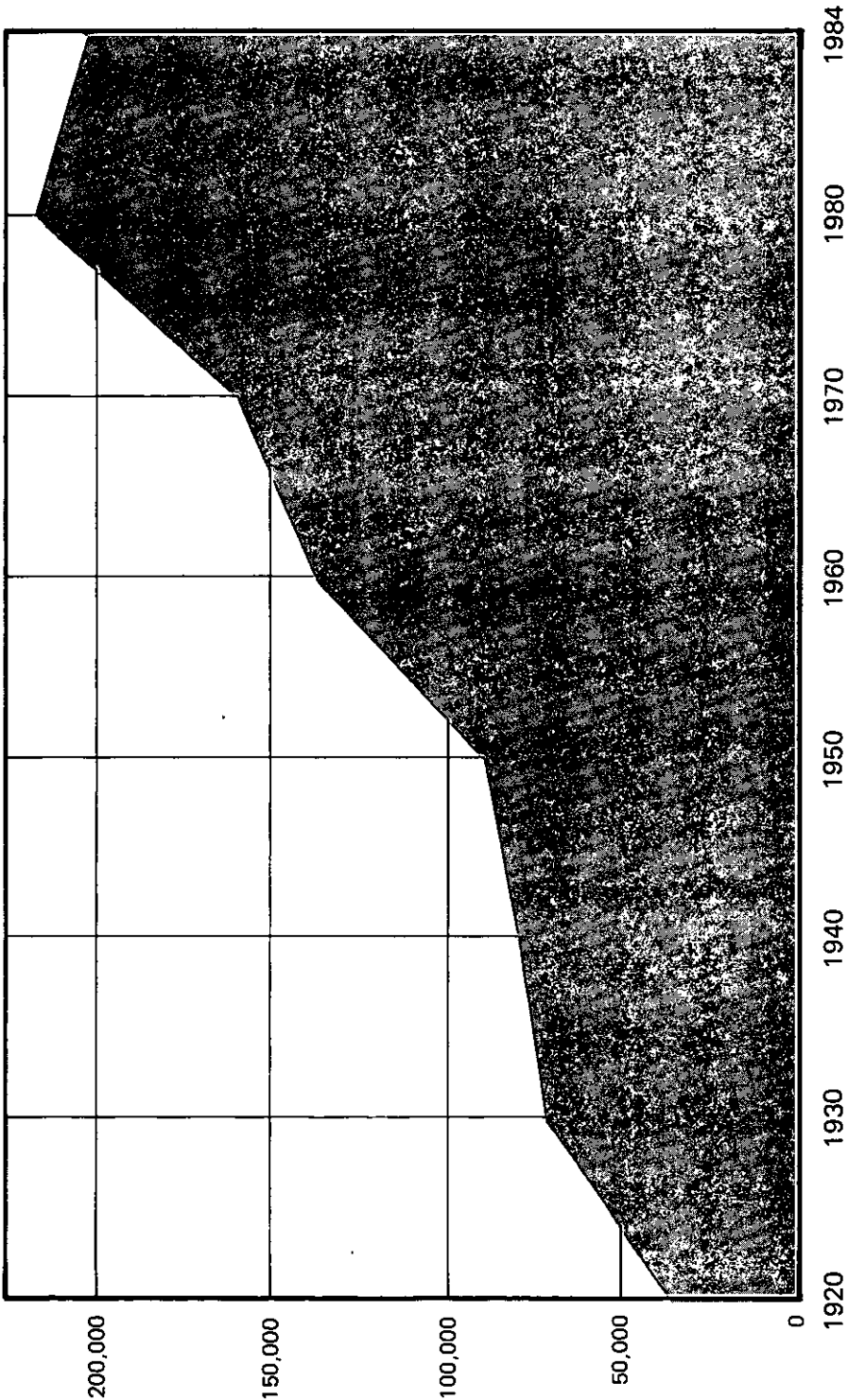
# REVENUE



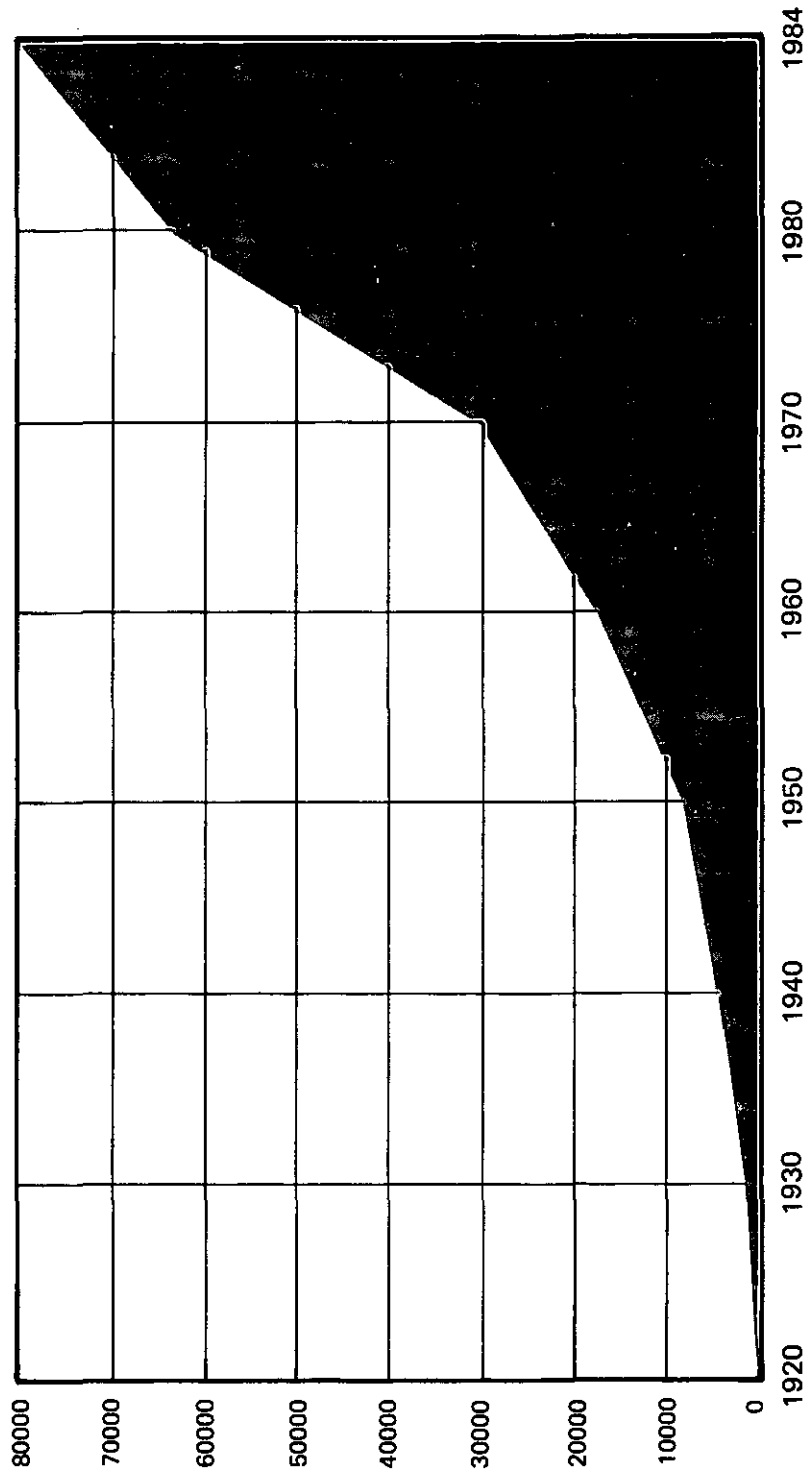
# TOTAL ASSET HISTORY



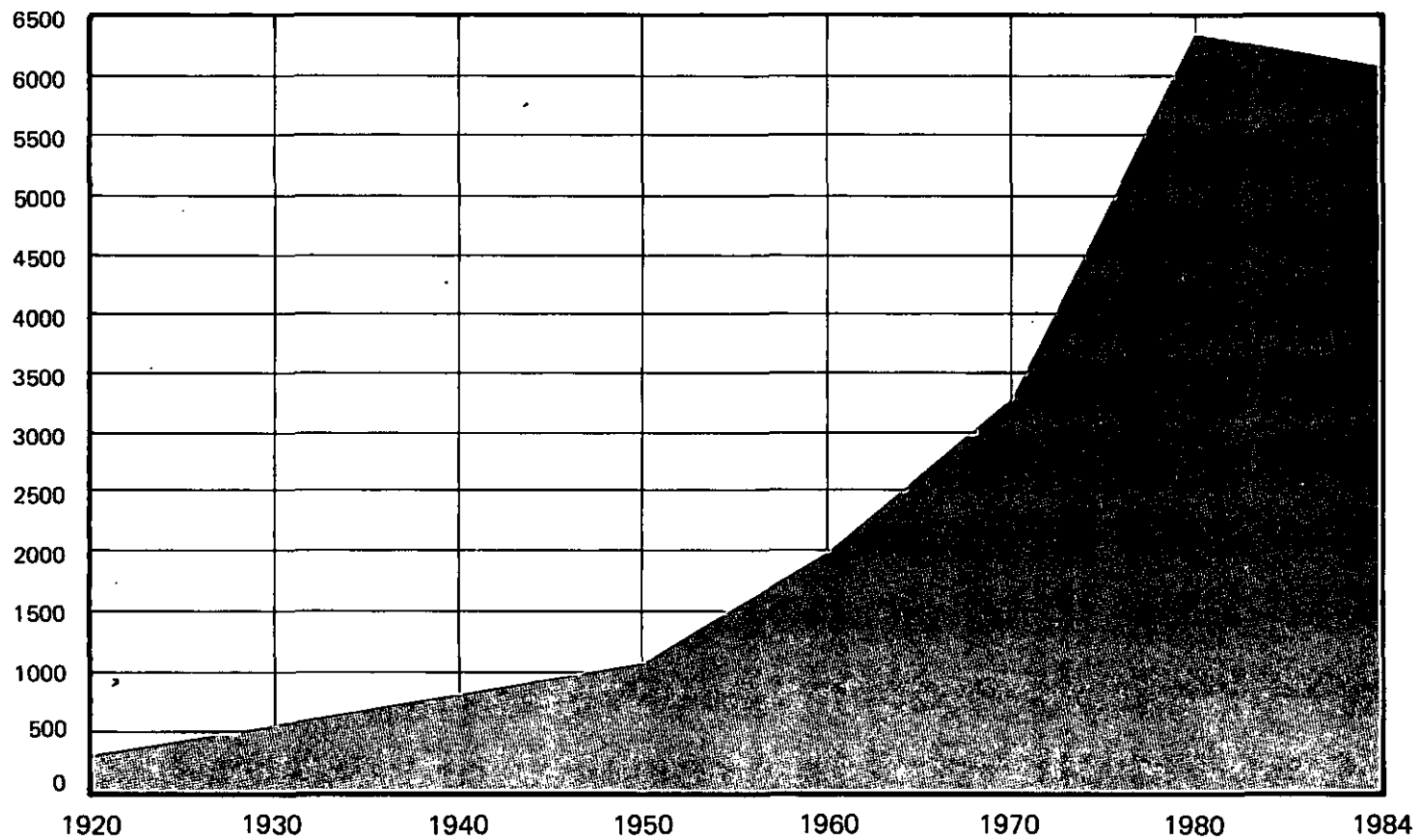
# GROWTH IN ACTIVE MEMBERS



# GROWTH IN NUMBER OF RETIREES



# TREND IN AVERAGE BENEFIT PAID





# Schedule of Employers

## School Districts

Abington	Carlynton	East Lebanon County
Abington Heights	Carmichaels Area	East Lycoming
Albert Gallatin	Catasauqua	East Penn
Aliquippa	Centennial	East Pennsboro Area
Allegheny Valley	Center Area	East Stroudsburg
Allentown City	Central Bucks	Eastern York
Altoona Area	Central Cambria	Easton Area
Ambridge Area	Central Columbia	Elizabeth Forward
Annville Cleona	Central Dauphin	Elizabethtown Area
Antietam	Central Fulton	Elk Lake
Apollo Ridge	Central Greene	Ellwood City Area
Armstrong	Central York	Ephrata Area
Athens Area	Chambersburg Area	Erie City
Austin Area	Charleroi Area	Everett Area
Avella Area	Chartiers Houston	Exeter Township
Avon Grove	Chartiers Valley	Fairfield Area
Avonworth	Cheltenham Township	Fairview
Bald Eagle Area	Chester Upland	Fannett Metal
Baldwin Whitehall	Chestnut Ridge	Farrell Area
Bangor Area	Chichester	Ferndale Area
Beaver Area	Clairton	Fleetwood Area
Bedford Area	Clarion Area	Forbes Road
Belle Vernon Area	Clarion-Limestone Area	Forest Area
Bellefonte Area	Claysburg Kimmel	Forest City Regional
Bellwood Antis	Clearfield Area	Forest Hills
Bensalem Township	Coatesville Area	Fort Cherry
Benton Area	Cocalico	Fox Chapel Area
Bentworth	Colonial	Franklin Area
Berlin Brothers Valley	Columbia Boro	Franklin Regional
Bermudian Springs	Commodore Perry	Frazier
Berwick Area	Conemaugh Township Area	Freedom Area
Bethel Park	Conemaugh Valley	Freeport Area
Bethlehem Area	Conestoga Valley	Ft. Leboeuf
Bethlehem Center	Conewago Valley	Galeton Area
Big Beaver Falls Area	Conneaut	Garnet Valley
Big Spring	Connellsville Area	Gateway
Blackhawk	Conrad Weiser Area	General McLane
Blacklick Valley	Cornell	Gettysburg Area
Blairsville Saltsburg	Cornwall Lebanon	Girard
Bloomsburg Area	Corry Area	Glendale
Blue Mountain	Coudersport Area	Governor Mifflin
Blue Ridge	Council Rock	Great Valley
Boyertown Area	Cranberry Area	Greater Johnstown
Bradford Area	Crawford Central	Greater Latrobe
Brandywine Heights Area	Crestwood	Greater Nanticoke Area
Brentwood Boro	Cumberland Valley	Greencastle Antrim
Bristol Boro	Curwensville Area	Greensburg Salem
Bristol Township	Dallas	Greenville Area
Brockway Area	Dallastown Area	Greenwood
Brookville Area	Daniel Boone Area	Grove City Area
Brownsville Area	Danville Area	Halifax Area
Burgettstown Area	Deer Lakes	Hamburg Area
Burrell	Delaware Valley	Hampton Township
Butler Area	Derry Area	Hanover Area
California Area	Derry Township	Hanover Public
Cambria Heights	Donegal	Harbor Creek
Cameron County	Dover Area	Harmony
Camp Hill	Downingtown Area	Harrisburg City
Canon McMillan	Dubois Area	Hatboro Horsham
Canton Area	Dunmore	Haverford Township
Carbondale Area	Duquesne City	Hazleton Area
Carlisle Area	East Allegheny	Hempfield
	East Lancaster County	

Hempfield Area	Milton Area	Penn Cambria
Hermitage	Minersville Area	Penn Crest
Highlands	Mohawk Area	Penn Delco
Hollidaysburg Area	Monaca	Penn Hills Township
Homer Center	Monessen	Penn Manor
Hopewell Area	Moniteau	Penn Trafford
Huntingdon Area	Montgomery Area	Penndel
Indiana Area	Montour	Pennridge
Interboro	Montoursville Area	Penns Manor
Iroquois	Montrose Area	Penns Valley Area
Jamestown Area	Moon Area	Pennsbury
Jeannette City	Morrisville Borough	Pequea Valley
Jefferson Morgan	Moshannon Valley	Perkiomen Valley
Jenkintown	Mount Carmel Area	Peters Township
Jersey Shore Area	Mount Lebanon	Philadelphia
Jim Thorpe Area	Mount Union Area	Phillipsburg Osceola
Johnsonburg Area	Mountain View	Phoenixville Area
Juniata County	Mt. Pleasant Area	Pine Grove Area
Juniata Valley	Muhlenberg Township	Pine-Richland
Kane Area	Muncy	Pittsburgh
Karns City Area	Nazareth Area	Pittston Area
Kennett Consolidated	Neshaminy	Pleasant Valley
Keystone	Neshannock Township	Plum Boro
Keystone Central	New Brighton Area	Pocono Mountain
Keystone Oaks	New Castle Area	Port Allegany
Kiski Area	New Hope Solebury	Portage Area
Kutztown Area	New Kensington Arnold	Pottsgrove
Lackawana Trail	Newport	Pottstown
Lake Lehman	Norristown Area	Pottsville Area
Lakeland	North Allegheny	Punxsutawney Area
Lakeview	North Clarion County	Purchase Line
Lampeter Strasburg	North East	Quaker Valley
Lancaster City	North Hills	Quakertown Community
Laurel	North Penn	Radnor Township
Laurel Highlands	North Pocono	Reading
Lebanon	North Schuylkill	Red Lion Area
Leechburg Area	North Star	Redbank Valley
Lehigh Area	Northampton Area	Reynolds
Lewisburg Area	Northeast Bradford	Richland
Ligonier Valley	Northeastern School District of York County	Ridgway Area
Line Mountain	Northern Bedford County	Ridley
Littlestown	Northern Cambria	Ringgold
Lower Dauphin	Northern Lebanon	Riverside
Lower Merion	Northern Lehigh	Riverside Beaver Co.
Lower Moreland	Northern Potter	Riverview
Loyalsock Township	Northern Tioga	Rochester Area
Mahanoy Area	Northern York County	Rockwood Area
Manheim Central	Northgate	Rose Tree Media
Manheim Township	Northwest Area	Saint Clair Area
Marion Center Area	Northwestern	Salisbury Elk Lick
Marple Newtown	Northwestern Lehigh	Salisbury Township
Mars Area	Norwin	Saucon Valley
McGuffey	Octorara Area	Sayre Area
McKeesport Area	Oil City Area	Schuylkill Haven Area
Mechanicsburg Area	Old Forge	Schuylkill Valley
Mercer Area	Oley Valley	Scranton City
Methacton	Oswayo Valley	Selinsgrove Area
Meyersdale Area	Otto Eldred	Shade Central City
Mid Valley	Owen J. Roberts	Shaler Area
Midd West	Oxford Area	Shamokin Area
Middletown Area	Palisades	Shanksville Stonycreek
Midland Boro	Palmerton Area	Sharon City
Mifflin County	Palmyra Area	Sharpsville Area
Mifflinburg Area	Panther Valley	Shenandoah Valley
Millcreek Township	Parkland	Shenango Area
Millersburg Area	Pen Argyl Area	Shikellamy
Millville Area		Shippensburg Area
		Slippery Rock Area

Smethport Area	Tamaqua Area	Waynesboro Area
Solanco	Titusville Area	Weatherly Area
Somerset Area	Towanda Area	Wellsboro Area
Souderton Area	Tredyffrin Easttown	West Allegheny
South Allegheny	Tri Valley	West Branch Area
South Butler County	Trinity Area	West Chester Area
South Eastern	Troy Area	West Greene
South Fayette Township	Tulpehocken Area	West Jefferson Hills
South Middleton	Tunkhannock Area	West Middlesex Area
South Moreland	Turkeyfoot Valley	West Mifflin Area
South Park	Tuscarora	West Perry
South Side Area	Tussey Mountain	West Shore
South Western	Twin Valley	West York Area
South Williamsport Area	Tyrone Area	Western Beaver County
Southeast Delco	Union	Western Wayne
Southeastern Greene	Union Area	Westmont Hilltop
Southern Columbia Area	Union City Area	Whitehall Coplay
Southern Fulton	Uniontown Area	Wilkes-Barre Area
Southern Huntingdon	Unionville-Chadds Ford	Wilkesburg
Southern Lehigh	United	William Penn
Southern Tioga	Upper Adams	Williams Valley
Southern York County	Upper Darby	Williamsburg Community
Southwest Butler County	Upper Dauphin Area	Williamsport Area
Spring Cove	Upper Dublin	Wilmington Area
Spring Ford Area	Upper Merion Area	Wilson
Spring Grove Area	Upper Moreland Township	Wilson Area
Springfield	Upper Perkiomen	Windber Area
Springfield Township	Upper St. Clair Twp.	Wissahickon
St. Marys Area	Valley Grove	Woodland Hills
State College Area	Valley View	Wyalusing Area
Steel Valley	Wallenpaupack Area	Wyoming Area
Steelton Highspire	Wallingford-Swarthmore	Wyoming Valley West
Sto Rox	Warren County	Wyomissing Area
Stroudsburg Area	Warrior Run	York
Sullivan County	Warwick	York Suburban
Susquehanna Community	Washington	Yough
Susquehanna Township	Wattsburg Area	
Susquenita	Wayne Highland	

## Area Vocational Technical Schools

Admiral Peary	Delaware Valley	Mon Valley
Allegheny Clarion	Eastern Montgomery County	Monroe County
Altoona	Eastern Northampton	North Chester County
Armstrong County	Eastern Westmoreland	North Fayette County
Beaver County	Erie County	North Montco
Bedford-Everett	Fayette County	North Westmoreland
Berks	Forbes Road East	Northumberland County
Bethlehem	Franklin County	Parkway West
Bucks County	Greater Johnstown	Reading Muhlenberg
Butler County	Greene County	Schuylkill County
Carbon County	Harrisburg Steel High	Somerset County
Central Chester County	Huntingdon County	Sun
Central Montgomery County	Indiana County	Susquehanna County
Central Westmoreland	Jefferson	Upper Bucks County
Centre County	Juniata-Mifflin Counties	Venango County
Clarion County	Lackawanna County	West Side
Clearfield County	Lancaster County	Western
Columbia Montour	Lawrence County	Western Montgomery
Crawford County	Lebanon	Wilkes-Barre
Cumberland Perry	Lehigh County	York County
Dauphin County	Mercer County	
Delaware County	Middle Bucks	

## Intermediate Units

Allegheny #3  
Appalachia #8  
Arlin #28  
Beaver Valley #27  
Berks County #14  
Blast #17  
Bucks County #22  
Capital Area #15  
Carbon Lehigh #21  
Central Susquehanna #16

Central #10  
Chester County #24  
Clarion Manor #6  
Colonial Northampton #20  
Delaware County #25  
Intermediate Unit #1  
Lancaster Lebanon #13  
Lincoln #12  
Luzerne #18

Midwestern #4  
Montgomery County #23  
Northeastern Education #19  
Northwest Tri County #5  
Pittsburgh Mt. Oliver #2  
Schuylkill #29  
Seneca Highlands #9  
Tuscarora #11  
Westmoreland #7

## Colleges/Universities

Bucks County Community College  
Butler County Community College  
Community College of Allegheny County  
Community College of Beaver County  
Community College of Delaware County  
Community College of Philadelphia  
Harrisburg Area Community College  
Lehigh County Community College  
Luzerne County Community College  
Montgomery County Community College

Northampton County Area Community College  
Reading Area Community College  
Westmoreland County Community College  
Williamsport Area Community College  
Bloomsburg University  
California University  
Cheyney University  
Clarion University of Pennsylvania  
East Stroudsburg University  
Edinboro University

Indiana University  
Kutztown University  
Lock Haven University  
Mansfield University  
Millersville University  
Pennsylvania State University  
Shippensburg University  
Slippery Rock University  
Temple University  
University of Pittsburgh  
West Chester University

## Other

Berks County Earned Income Tax Bureau  
Chancellor's Office  
Department of Education —  
Commonwealth of Pennsylvania  
Northern Area Special Purpose School

Overbrook School for the Blind  
Pennsylvania School Boards Association  
Pennsylvania School for the Deaf  
Scotland School for Veterans Children

Scranton State School for the Deaf  
Thaddeus Stevens Trade School  
Western Pa. School for the Blind  
Western Pa. School for the Deaf

At the end of World War II, assets of the Retirement System had climbed to \$243 million. In 1944 PSERS lost its first executive director, Henry H. Baish who was replaced by J. Y. Shambach.

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**65th  
ANNIVERSARY  
YEAR**

# Investment Overview

As interest rates rose during the 1983-84 fiscal year and the uncertainty of a well-planned approach to reduce the federal deficit was evident, the stock and bond markets responded with downturns in prices, causing national indicators to reveal greatly reduced rates of return.

This System then experienced the same general downturn of its investment rates of return. For the fiscal year ended June 30, 1984, the total rate of return for the System's investments was 1 percent, placing this System above 75 percent of the funds compared in a balanced fund universe of a nationally recognized valuation study. This compares to a 37.3 percent return for 1983. Also the total income rate of return, 8.59 percent, placed this System in a position of earning better than 89 percent of other funds in this same balanced fund universe.

Based on market value, equities showed a return of minus 5.8 percent for the fiscal year ended June 30, 1984, while the Standard and Poor's 500 Index returned a minus 4.7 percent. This compares to a 55.8 percent return for the System for the fiscal year ended June 30, 1983.

The bond portfolio of the System fared better against the Salomon Bros. Bond Index. A positive 1.6 percent was earned compared to a minus 6.3 percent for the Salomon Index. A more defensive posture in the bond portfolio of shorter maturities and a large investment in U.S. Government notes and bonds assisted in this positive performance against a generally negative market.

Mortgages practically mirrored the Shearson-Lehman GNMA Index of minus 0.3 percent at a level of minus 0.5 percent.

Short-term investments trended slightly upward at 9.7 percent against a 9.2 percent return for 90-day Treasury bills.

Net investment income increased by 6.2 percent from \$559.4 million in the 1982-83 fiscal year to \$594.1 million in the 1983-84 fiscal year before deducting the administrative expenses of \$8.2 million and \$7.0 million respectively.

Transmittals of revenue and vouchers are now being electronically prepared which enables the System's staff to process an unlimited volume of investment transactions initiated by the System's ten money managers. Automated transmittal plus automated settlement means that securities transactions will be handled well within the five-day settlement period established by the SEC.

Manufacturers Hanover Trust, New York, a fixed income manager, who was managing a portfolio of \$104,650,000 for the Retirement System, was dropped by the System as a manager on April 30, 1984. The portfolio was distributed to three

managers, presently under contract, for investment in equities: Oppenheimer Capital Corp., New York; Provident Capital Management, Inc., Philadelphia; and MacKay-Shields Financial Corp., New York.

Miller, Anderson & Sherrerd was contracted to handle the GNMA portfolio amounting to \$211,900,000. Heretofore, the GNMA's were passively managed in-house.

The distribution of the invested assets at book value for the year-end was: corporate and Treasury bonds, \$2.5 billion or 38.7 percent; common and preferred stock, \$1.6 billion or 24.7 percent; all mortgage investments, FHA/VA and government insured residential and project mortgages, GNMA and equity real estate mortgages, \$1.0 billion or 17.9 percent; and short-term investments, \$1.2 billion or 18.7 percent.

The Board of Trustees currently has a total of ten money managers under contract. Mellon Bank, Pittsburgh, is the only multiple money manager, handling equities and fixed income investments. The Treasurer of the Commonwealth of Pennsylvania manages short-term investments.

Following is a breakdown of the managers' portfolios at market value on a settlement date basis including accrued income as of June 30, 1984:

	Market Values (000)
<b>Equity Managers</b>	
Mellon Bank, N.A., Pittsburgh, PA . . . . .	\$1,345,179
State Street Research, Boston, MA . . . . .	284,485
Oppenheimer Capital Corp., NY . . . . .	331,427
Provident Capital Management, Inc. Philadelphia, PA . . . . .	156,715
MacKay-Shields Financial Corp., New York, NY . . . . .	136,659
	2,254,465
<b>Fixed Income Managers</b>	
Mellon Bank, N.A., Pittsburgh, PA . . . . .	1,596,140
Loomis Sayles and Co., Boston, MA . . . . .	523,020
Pittsburgh National Bank, Pittsburgh, PA . . . . .	212,121
	2,331,281
<b>Real Estate Manager</b>	
Fidelity Bank, Philadelphia, PA . . . . .	957,127
<b>Mortgage Backed Securities Manager</b>	
Miller, Anderson & Sherrerd, Philadelphia, PA . . . . .	211,907
<b>Equity Real Estate Manager</b>	
Jones Lang Wootton, New York, NY . . . . .	163,440
<b>Short-term Manager</b>	
Treasury, Commonwealth of PA . . . . .	201,890
<b>Total Investments</b>	<b>\$6,120,110</b>

The equity managers hold \$33,059,000 of U.S. Government Bonds and \$14,631,000 of convertible bonds. All managers hold cash or cash equivalents of \$1,015,188,000 which are included in their market values presented in addition to the Treasury short-term amounts.

After June 30, 1984, two new strategies of investing were instituted by the Board of Trustees, namely, a call-option program and securities lending. Oppenheimer Options Management, New York, and Bankers Trust Company, New York, were chosen to manage the option program and First Pennsylvania Bank, Philadelphia, will be responsible for the security lending feature. Option writing and security lending will add incremental investment income to the System.

The Board of Trustees is also involved in the preliminary investigation of limited partnerships and venture capital investments as methods of increasing the return on investments.

A \$50 million Pennsylvania residential mortgage investment program is also being initiated. Under this arrangement, the Board would invest in mortgage-backed securities for housing in Pennsylvania.

### The Bond Portfolio

The cash flow directed to the purchase of bonds, \$1,561,165,147, was placed in long-term U.S. Treasury obligations increasing these holdings at book value from \$1,282,052,326 at June 30, 1983, to \$2,049,841,532 at June 30, 1984, thereby reducing the volatility and gaining a greater liquidity in the bond portfolio. The degree of risk was lessened by this maneuver. The total time-weighted rate of return for bonds was minus 1.0 percent, including unrealized losses due to the decrease in market values between June 30, 1983, and June 30, 1984. The time-weighted return for the Salomon Bros. Index of bonds was a minus 6.3 percent. The income rate of return for PSERS bonds was 10.48 percent.

### The Mortgage Portfolio

A category for equity real estate was created, and, purchases in Los Angeles, California, and Texas have been made. Investments reported in prior

periods as equity holdings were reclassified as conventional mortgages since they did not meet the revised definition of equity real estate, although they do contain safeguards against inflation. Overall, the mortgage portfolio time-weighted rate of return was a minus .47 percent. Activity in pooled mortgages and mortgage-backed securities was increased to align them more efficiently in order to take advantage of future market opportunities. The income rate of return was 11.16 percent, the highest rate of any category of investment, placing the System in the upper 26 percentile of income in a nationally recognized valuation service.

### The Stock Portfolio

Stock market prices have retreated from their historical highs and have resulted in negative weighted returns. The Standard and Poor's 500 stood at minus 4.7 percent, June 30, 1984, which is indicative of the other national indicators. All the returns are calculated on a market value basis for the stocks held in the portfolio. Therefore, unrealized losses due to market price changes affect the rates of returns. Only if the entire stock portfolio had been sold would PSERS have experienced the negative 5.8 percent time-weighted return as calculated. PSERS did not sell its entire portfolio of stocks. By selectively managing its sells, the System realized approximately \$137 million of sales gains as it increased its purchases at bargain prices for future profit taking.

### The Short Term Portfolio

The cash balance created by the money managers and the contributions received from the members and their employers decreased by \$172,727,188, indicating that the managers were purchasing long-term investments for the year ended June 30, 1984. Yields on the System's short-term investments amounted to a total return on the short-term portfolio of 9.7 percent, up from the previous year's return of 9.2 percent. The 9.7 percent was a gain when compared to the 90-day Treasury Bills indicator of 9.2 percent.

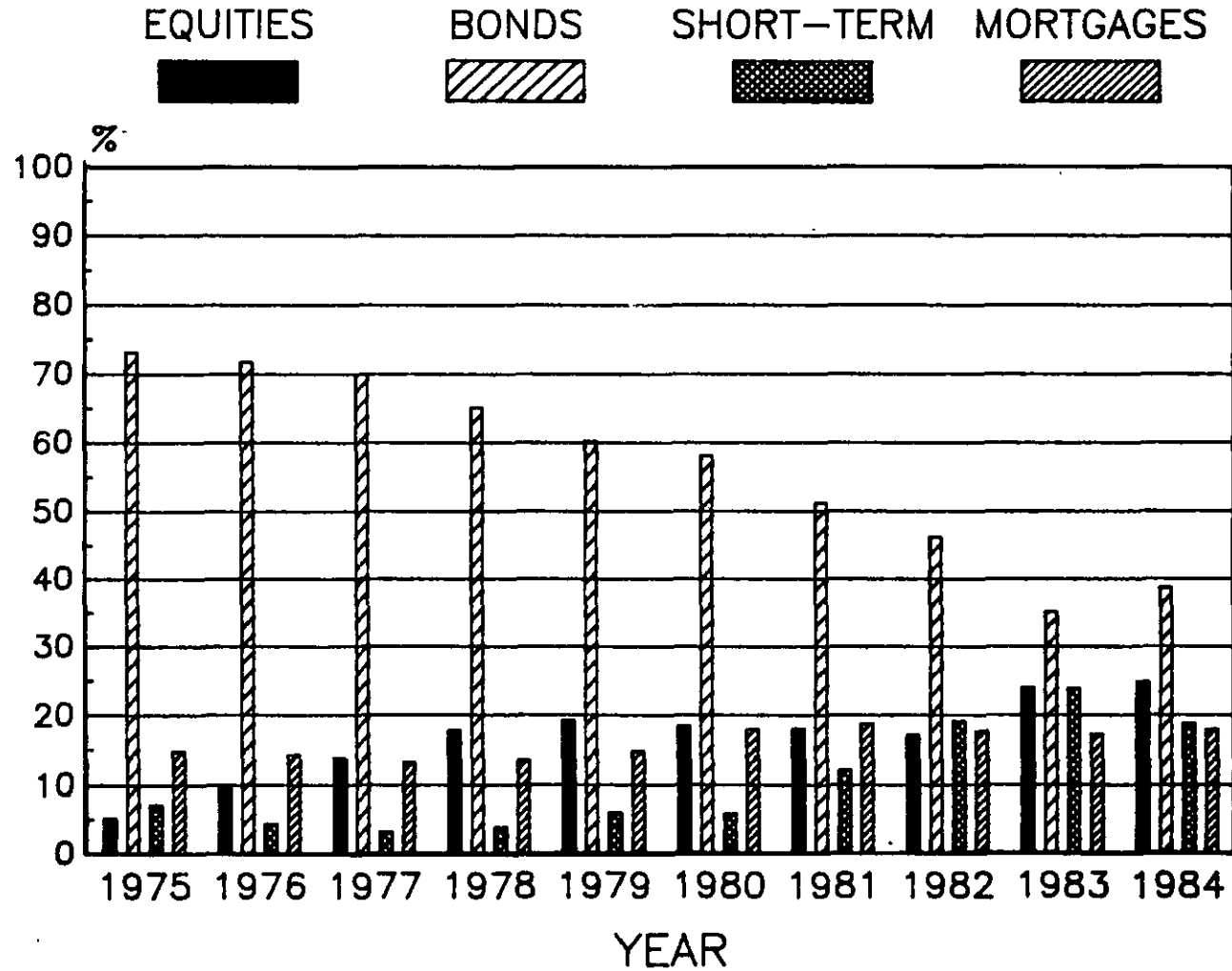
In general, short-term rates reflect the Federal Reserve influence on the money supply available for investments.

### Schedule of Investment Results

	1980	1981	1982	1983	1984
<b>Time-Weighted Return — Total Fund</b> . . . . .	1.3%	- 0.4%	7.4%	37.3%	1.0%
<b>Stocks</b> . . . . .	15.9%	21.3%	12.8%	55.8%	-5.8%
Standard & Poor's 500 . . . . .	17.1%	20.5%	- 11.5%	61.1%	- 4.7%
<b>Bonds</b> . . . . .	- 3.2%	- 9.7%	8.6%	33.1%	- 1.0%
Salomon Bros. Bond Index . . . . .	- 2.4%	- 12.9%	8.7%	42.4%	- 6.3%
<b>Mortgages</b> . . . . .	7.5%	- 4.2%	16.8%	42.2%	- 1.5%
Shearson-Lehman GNMA Index . . . . .	3.1%	- 12.4%	14.4%	35.8%	- .3%
<b>Short-Term</b> . . . . .	- 15.5%	13.9%	17.4%	9.2%	9.7%
90-Day Treasury Bills . . . . .	11.4%	12.5%	13.4%	8.8%	9.2%

# PORTFOLIO DISTRIBUTION BY PERCENTAGE

(MARKET VALUE)





# PORTFOLIO DISTRIBUTION

(MARKET VALUE)

EQUITIES



BONDS



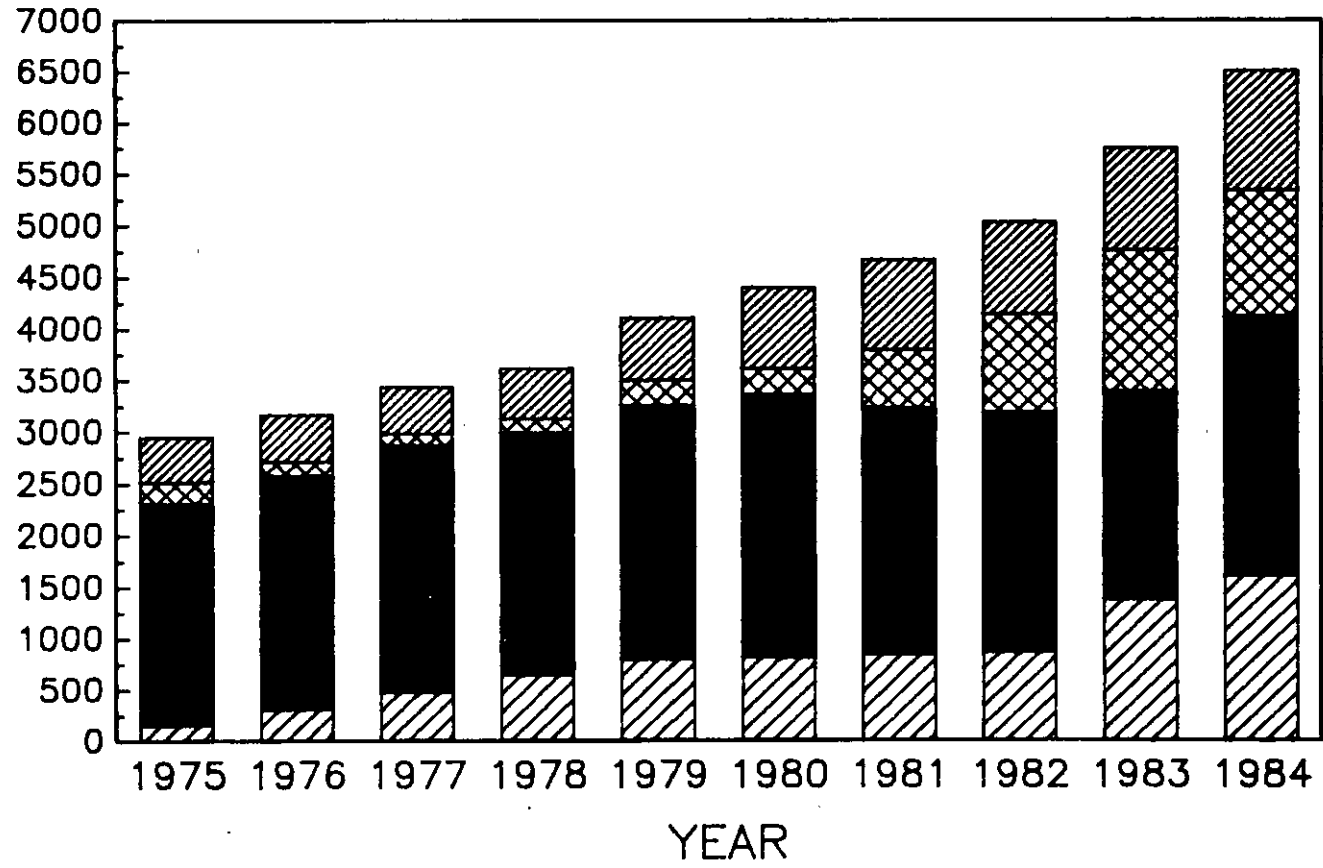
SHORT-TERM



MORTGAGES



Millions



59

## *Top Ten Equity Holdings Ranked by Book Value June 30, 1984*

<u>EQUITY</u>	<u>SHARES</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
International Business Machines Corp Cap . . . . .	597,200	48,779,330	63,153,900
General Motors Corp Com . . . . .	339,500	20,448,440	22,206,852
Schlumberger Ltd Com. . . . .	382,800	18,905,241	17,321,700
General Electric Co Com . . . . .	605,200	18,138,507	31,773,000
Mobil Corp Com. . . . .	625,800	17,260,494	16,583,700
Atlantic Richfield Co Com . . . . .	476,000	16,721,085	21,658,000
Exxon Corp Com . . . . .	422,400	16,359,714	17,212,800
Standard Oil Co California Cap . . . . .	528,500	15,638,169	18,497,500
N C R Corp Com. . . . .	610,800	13,860,220	14,964,600
Union Carbide Corp Com . . . . .	200,700	13,524,047	10,235,700

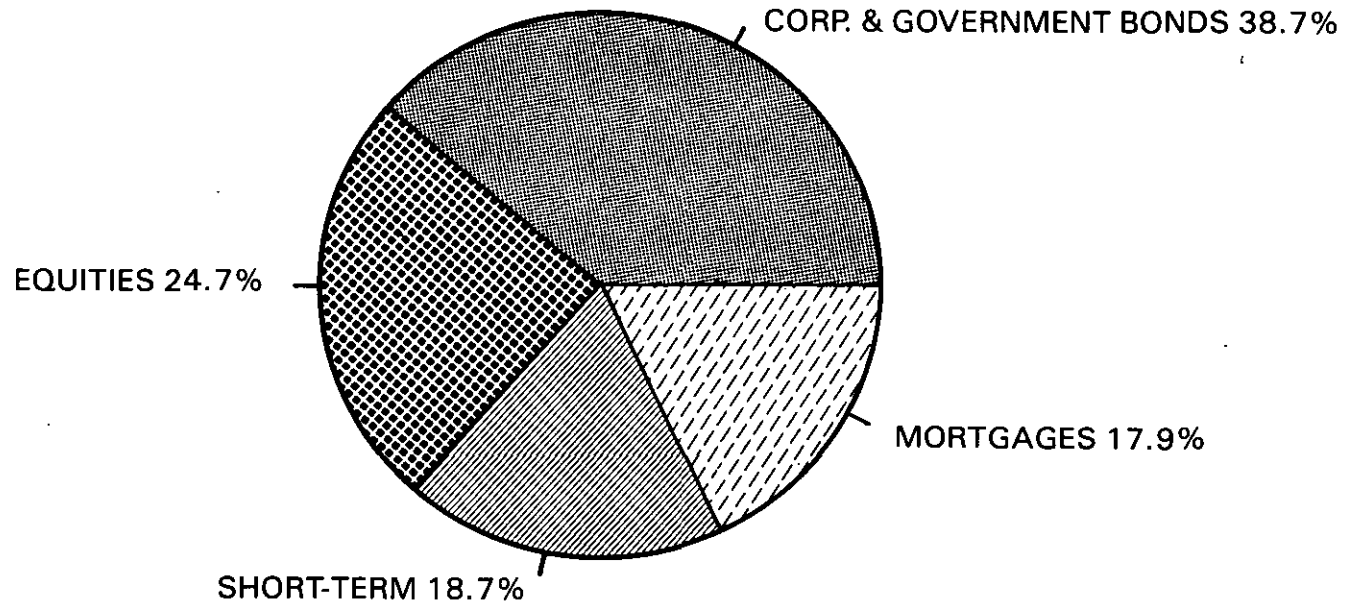
## *Top Ten Equity Holdings Ranked by Market Value June 30, 1984*

<u>EQUITY</u>	<u>SHARES</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
International Business Machines Corp Cap . . . . .	597,200	48,779,330	63,153,900
General Electric Co Com . . . . .	605,200	18,138,507	31,773,000
General Motors Corp Com . . . . .	339,500	20,448,440	22,206,852
Atlantic Richfield Co Com . . . . .	476,000	16,721,085	21,658,000
Standard Oil Co California Cap . . . . .	528,500	15,638,169	18,497,500
Schlumberger Ltd Com. . . . .	382,800	18,905,241	17,321,700
Exxon Corp Com . . . . .	422,400	16,359,714	17,212,800
Mobil Corp Com. . . . .	625,800	17,260,494	16,583,700
N C R Corp Com. . . . .	610,800	13,860,220	14,964,600
Philip Morris Inc Com . . . . .	210,400	11,354,672	14,570,200

# PORTFOLIO DISTRIBUTION

(Book Value)

June 30, 1984



## Portfolio Summary Statistics as of 6/30/84 Trade Date Basis

TYPE OF INVESTMENT	PAR/SHARES VALUE	BOOK VALUE	MARKET VALUE
<b>Corporate and Government Debentures:</b>			
U.S. Govt. & Agency Obligations	2,095,412,866	2,049,841,533	1,926,502,819
Municipal Bonds	38,000	38,000	27,707
Corporate-Finance	183,815,000	172,025,264	146,159,550
Corporate-Industrial	203,918,954	191,059,457	176,276,286
Corporate-Utility	91,053,000	87,680,947	57,501,649
Corporate-Transportation	16,900,000	12,698,770	11,505,500
Corporate-Equipment Trust	266,666	266,666	265,258
Subtotal	<u>2,591,404,486</u>	<u>2,513,610,637</u>	<u>2,318,238,769</u>

<b>First Mortgage Loans:</b>			
Conventional Mortgages	454,496,764	454,836,190	435,690,887
Equity Real Estate	69,976,973	70,001,527	67,519,000
FHA Debentures	14,650	14,448	14,448
FHA Project Mortgages	331,836,567	256,663,496	210,716,219
FHA/VA Residential	295,707,992	291,441,213	208,903,247
Mortgage Backed Sec	23,958,611	19,830,064	17,575,366
Pooled Mortgages	89,328,420	70,302,816	63,223,164
Subtotal	<u>1,265,319,977</u>	<u>1,163,089,754</u>	<u>1,003,642,331</u>

<b>Short Term Securities:</b>			
U.S. Treasury Bills	440,275,000	420,657,267	420,657,267
Federal Home Loan Banks	50,000,000	49,410,819	49,410,819
Federal Farm Credit Banks	60,000,000	60,000,000	60,000,000
Federal Home Loan Mortgage	15,000,000	14,739,479	14,739,479
Bankers Acceptance	10,000,000	9,806,250	9,806,250
Repurchase Agreement	219,825,000	219,825,000	219,825,000
Commercial Paper	425,404,000	422,902,603	422,902,603
Certificate of Deposit	20,000,000	20,000,000	20,000,000
Subtotal	<u>1,240,504,000</u>	<u>1,217,341,418</u>	<u>1,217,341,418</u>

<b>Stock:</b>			
Preferred Stock	108,450	5,012,401	5,738,525
Common Stock	49,828,799	1,603,423,638	1,596,225,981
Subtotal	<u>49,937,249</u>	<u>1,608,436,039</u>	<u>1,601,964,506</u>

GRAND TOTAL	<u>\$6,502,477,848</u>	<u>\$6,141,187,024</u>
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## Portfolio Detail Statistics as of 6/30/84<sup>1</sup> Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>U.S. GOVT. &amp; AGENCY OBLIGATIONS</b>					
Certificate of Accrual Treas Ser J	0.000	05/15/98	17,000,000	3,387,654	2,667,810
Certificate of Accrual Treas Ser J	0.000	11/15/98	15,000,000	2,819,914	2,202,000
Certificate of Accrual Treas Ser K	0.000	05/15/98	5,000,000	1,077,057	784,650
Certificate of Accrual Treas Ser K	0.000	11/15/98	25,000,000	4,699,856	4,031,250
Certificate of Accrual Treasury	0.000	05/15/89	10,000,000	5,476,570	5,215,600
Federal Farm Credit Banks	9.200	06/03/85	19,900,000	19,617,906	19,377,625
Federal Farm Credit Banks	15.800	01/20/86	5,900,000	6,296,109	6,112,046
Federal Farm Credit Banks	13.350	09/02/86	7,200,000	7,538,165	7,184,232
Federal Farm Credit Banks	14.500	09/02/86	6,800,000	7,260,624	6,929,608
Federal Farm Credit Banks	10.000	12/01/86	6,000,000	5,908,347	5,589,360
Federal Farm Credit Banks	11.500	10/20/88	45,000,000	44,998,234	41,625,000
Federal Farm Credit Banks	11.650	01/23/89	5,000,000	5,000,000	4,628,100
Federal Farm Credit Banks	15.650	10/23/89	4,800,000	5,514,141	5,090,976
Federal Farm Credit Banks	10.850	02/01/90	6,000,000	6,062,454	5,291,220
Federal Farm Credit Banks	12.500	09/04/90	27,300,000	27,782,119	25,644,801
Federal Farm Credit Banks	14.100	04/22/91	11,400,000	12,634,225	11,428,500
Federal Farm Credit Banks	14.700	07/22/91	19,000,000	21,633,986	19,546,250
Federal Farm Credit Banks	15.200	01/20/92	18,900,000	22,143,766	19,856,718
Federal Home Loan Banks	16.400	09/25/86	5,800,000	6,160,584	6,120,798
Federal Home Loan Banks	11.250	03/25/87	10,000,000	10,000,000	9,484,400
Federal Home Loan Banks	15.100	02/27/89	9,200,000	10,323,988	9,565,148
Federal Home Loan Banks	14.250	04/25/89	12,000,000	13,120,479	12,135,000
Federal Home Loan Banks	14.125	07/25/89	18,600,000	20,005,758	18,739,500
Federal Home Loan Banks	14.550	09/25/89	10,000,000	11,119,057	10,225,000
Federal Home Loan Banks	12.500	09/25/90	9,400,000	10,036,612	8,830,078
Federal Home Loan Banks	10.900	12/26/90	10,895,000	11,089,624	9,485,404
Federal Home Loan Banks	11.100	08/26/91	9,900,000	10,115,651	8,606,763
Federal Home Loan Banks	10.700	01/25/93	25,000,000	23,772,929	20,812,500
Federal Home Loan Banks	10.800	03/25/93	9,250,000	9,221,231	7,744,007
Federal Home Loan Mortgage	10.900	03/30/90	5,000,000	4,632,714	4,366,665
Federal Home Loan Mortgage	11.850	08/30/91	15,470,000	15,363,439	17,619,401
Federal National Mortgage Assn.	7.550	12/10/84	5,300,000	5,242,499	5,210,536
Federal National Mortgage Assn.	8.600	06/10/85	11,900,000	11,667,672	11,520,628
Federal National Mortgage Assn.	7.900	09/10/86	2,700,000	2,553,003	2,430,000
Federal National Mortgage Assn.	7.300	12/10/86	3,300,000	3,064,958	2,889,546
Federal National Mortgage Assn.	15.250	07/10/87	2,400,000	2,611,741	2,484,000
Federal National Mortgage Assn.	9.850	09/10/87	4,600,000	4,391,075	4,141,426
Federal National Mortgage Assn.	11.550	01/11/88	15,940,000	15,125,553	14,968,616
Federal National Mortgage Assn.	16.375	08/10/88	9,000,000	10,321,724	9,669,330
Federal National Mortgage Assn.	10.950	03/10/93	1,600,000	1,347,096	1,344,000
U.S. Treasury Bond (Stripped)	0.000	11/15/88	866,250	555,046	473,838
U.S. Treasury Bond (Stripped)	0.000	05/15/89	4,340,000	2,634,887	2,208,452
U.S. Treasury Bond (Stripped)	0.000	05/15/89	4,402,991	2,673,130	2,240,506
U.S. Treasury Bond (Stripped)	0.000	02/15/92	4,146,250	1,839,208	1,434,934
U.S. Treasury Bond (Stripped)	0.000	08/15/92	4,146,250	1,743,733	1,339,487
U.S. Treasury Bonds	7.875	02/15/00	5,000,000	3,996,655	3,118,750
U.S. Treasury Bonds	11.750	02/15/01	4,700,000	5,057,255	4,068,414
U.S. Treasury Bonds	11.125	08/15/03	10,000,000	9,323,820	8,193,700
U.S. Treasury Bonds	12.750	11/15/10	10,000,000	11,646,093	9,296,900
U.S. Treasury Bonds	10.375	11/15/12	7,600,000	5,975,234	5,766,500
U.S. Treasury Bonds	7.875	02/15/93	26,800,000	23,015,898	18,969,308
U.S. Treasury Growth Receipts	0.000	11/15/86	3,731,000	2,935,892	2,731,726
U.S. Treasury Note	8.375	08/15/00	2,700,000	2,282,233	1,765,125
U.S. Treasury Note	13.250	08/15/84	24,750,000	24,746,052	24,827,220
U.S. Treasury Note	16.000	11/15/84	13,000,000	13,265,366	13,215,280
U.S. Treasury Note	14.375	11/15/84	10,200,000	10,348,213	10,308,324

(Continued)

## Portfolio Detail Statistics as of 6/30/84 Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>U.S. GOVT. &amp; AGENCY OBLIGATIONS (Continued)</b>					
U.S. Treasury Note	8.000	02/15/85	22,600,000	22,312,893	22,133,762
U.S. Treasury Note	14.625	02/18/85	44,700,000	45,631,735	45,384,357
U.S. Treasury Note	13.375	03/31/85	30,000,000	29,980,320	30,271,800
U.S. Treasury Note	14.375	05/15/85	200,000	200,000	203,250
U.S. Treasury Note	14.125	05/15/85	14,700,000	15,019,654	14,911,239
U.S. Treasury Note	9.625	08/15/85	8,200,000	8,143,029	7,956,542
U.S. Treasury Note	13.125	08/15/85	50,000,000	50,833,629	50,250,000
U.S. Treasury Note	11.750	11/15/85	10,000,000	10,119,382	9,900,000
U.S. Treasury Note	9.750	11/15/85	10,000,000	9,787,070	9,628,100
U.S. Treasury Note	10.500	11/30/85	19,800,000	19,320,371	19,230,750
U.S. Treasury Note	14.125	12/31/85	15,000,000	15,171,932	15,243,750
U.S. Treasury Note	10.625	01/31/86	11,200,000	11,186,063	10,846,528
U.S. Treasury Note	13.500	02/15/86	1,300,000	1,317,386	1,308,528
U.S. Treasury Note	9.875	02/15/86	39,000,000	38,313,761	37,245,000
U.S. Treasury Note	11.500	03/31/86	75,000,000	74,412,356	73,148,250
U.S. Treasury Note	11.750	04/30/86	29,000,000	28,931,612	28,347,500
U.S. Treasury Note	13.750	05/15/86	25,551,000	26,564,853	25,798,589
U.S. Treasury Note	14.875	06/30/86	700,000	720,125	720,342
U.S. Treasury Note	11.375	08/15/86	5,000,000	5,044,924	4,837,500
U.S. Treasury Note	13.875	11/15/86	9,940,000	9,683,921	10,061,168
U.S. Treasury Note	16.125	11/15/86	6,400,000	7,095,322	6,761,984
U.S. Treasury Note	9.000	02/15/87	27,600,000	26,294,431	25,029,612
U.S. Treasury Note	12.750	02/15/87	22,600,000	23,488,234	22,324,506
U.S. Treasury Note	12.500	05/15/87	6,800,000	6,664,067	6,655,500
U.S. Treasury Note	10.500	06/30/87	6,400,000	5,929,806	5,939,968
U.S. Treasury Note	12.625	11/15/87	63,300,000	63,659,164	61,856,127
U.S. Treasury Note	12.375	01/15/88	22,300,000	23,098,359	21,589,076
U.S. Treasury Note	10.125	02/15/88	98,100,000	94,524,369	88,565,661
U.S. Treasury Note	8.250	05/15/88	10,000,000	9,556,558	8,462,500
U.S. Treasury Note	9.875	05/15/88	15,000,000	14,952,758	13,335,900
U.S. Treasury Note	14.000	07/15/88	11,208,000	12,303,274	11,337,564
U.S. Treasury Note	10.500	08/15/88	1,500,000	1,472,114	1,352,805
U.S. Treasury Note	15.375	10/15/88	9,513,000	10,820,205	10,048,106
U.S. Treasury Note	8.750	11/15/88	35,000,000	33,487,657	29,607,900
U.S. Treasury Note	14.625	01/15/89	28,300,000	29,210,906	29,166,546
U.S. Treasury Note	11.375	02/15/89	28,100,000	27,088,843	25,895,836
U.S. Treasury Note	14.375	04/15/89	22,400,000	24,751,008	22,904,000
U.S. Treasury Note	9.250	05/15/89	15,000,000	14,761,826	12,745,350
U.S. Treasury Note	14.500	07/15/89	34,505,000	38,912,514	35,432,149
U.S. Treasury Note	13.875	08/15/89	17,000,000	17,260,606	17,074,290
U.S. Treasury Note	11.875	10/15/89	94,280,000	96,551,454	87,827,476
U.S. Treasury Note	10.500	01/15/90	16,800,000	16,686,678	14,700,000
U.S. Treasury Note	10.500	04/15/90	30,000,000	29,302,108	26,137,500
U.S. Treasury Note	10.750	07/15/90	34,000,000	33,698,964	29,803,040
U.S. Treasury Note	11.500	10/15/90	2,000,000	1,946,747	1,808,740
U.S. Treasury Note	13.000	11/15/90	69,300,000	73,856,558	67,090,716
U.S. Treasury Note	12.375	04/15/91	3,600,000	3,491,369	3,377,232
U.S. Treasury Note	14.875	08/15/91	47,800,000	55,024,223	50,025,568
U.S. Treasury Note	14.250	11/15/91	30,000,000	35,171,144	30,562,500
U.S. Treasury Note	14.625	02/15/92	20,950,000	24,749,907	21,689,744
U.S. Treasury Note	13.750	05/15/92	38,000,000	42,509,383	37,786,060
U.S. Treasury Note	10.500	11/15/92	25,000,000	25,380,860	20,906,250
U.S. Treasury Note	10.875	02/15/93	15,000,000	14,452,148	12,768,750
U.S. Treasury Note	11.875	08/15/93	50,000,000	50,719,031	44,859,500
U.S. Treasury Note	11.750	11/15/93	61,000,000	61,402,053	54,251,570
U.S. Treasury Note (Stripped)	0.000	05/15/85	575,000	550,509	584,700

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>U.S. GOVT. &amp; AGENCY OBLIGATIONS (Continued)</b>					
U.S. Treasury Note (Stripped) . . . . .	0.000	05/15/85	14,000,000	12,853,201	14,236,180
U.S. Treasury Note (Stripped) . . . . .	0.000	11/15/87	1,478,125	1,026,940	935,283
U.S. Treasury Note (Stripped) . . . . .	0.000	10/15/88	2,000,000	1,285,035	1,121,000
U.S. Treasury Note (Stripped) . . . . .	0.000	11/15/88	2,131,250	1,365,040	1,165,793
U.S. Treasury Note (Stripped) . . . . .	0.000	15/15/89	3,231,250	1,952,773	1,644,253
U.S. Treasury Note (Stripped) . . . . .	0.000	05/15/91	7,012,500	3,412,258	2,699,602
U.S. Treasury Note (Stripped) . . . . .	0.000	05/15/92	25,500,000	11,249,484	25,452,071
<b>TOTAL</b> . . . . .			<u>2,095,412,866</u>	<u>2,049,841,533</u>	<u>1,926,502,819</u>

**MUNICIPAL BONDS**

Cass Twp Schuylkill Co . . . . .	2.000	02/01/85	5,000	5,000	4,662
Cass Twp Schuylkill Co . . . . .	2.000	02/01/86	5,000	5,000	4,306
Cass Twp Schuylkill Co . . . . .	2.000	02/01/87	5,000	5,000	3,968
Cass Twp Schuylkill Co . . . . .	2.000	02/01/88	5,000	5,000	3,725
Cass Twp Schuylkill Co . . . . .	2.000	02/01/89	5,000	5,000	3,368
Cass Twp Schuylkill Co . . . . .	2.000	02/01/90	5,000	5,000	3,168
Cass Twp Schuylkill Co . . . . .	2.000	02/01/91	8,000	8,000	4,510
<b>TOTAL</b> . . . . .			<u>38,000</u>	<u>38,000</u>	<u>27,707</u>

**CORPORATE-FINANCE**

American Express Credit Corp . . . . .	11.625	10/15/92	1,800,000	1,791,692	1,577,250
AVCO Financial Services . . . . .	7.875	05/01/92	1,200,000	1,106,268	928,500
Beneficial Corp Deb. . . . .	12.450	01/15/94	4,000,000	4,000,000	3,440,000
Beneficial Finance Co . . . . .	5.000	11/01/90	9,589,000	8,722,712	6,196,891
Beneficial Finance Co . . . . .	4.750	05/15/93	9,405,000	7,937,228	5,231,531
Chemical Bank New York Trust Co. . . . .	5.875	01/01/92	3,000,000	2,994,866	2,044,800
CIT Financial Corp. . . . .	15.500	10/15/87	4,430,000	4,613,845	4,562,900
First Interstate Bancorp . . . . .	12.000	01/15/91	2,650,000	2,556,721	2,358,500
Ford Motor Credit Qi Variable Rate . . . . .	11.1875	04/07/93	2,000,000	2,000,000	2,000,000
Ford Motor Credit Variable Rate . . . . .	11.5625	01/14/87	8,000,000	8,000,000	8,000,000
General Electric Credit Corp . . . . .	11.750	06/01/05	7,000,000	5,790,320	5,923,750
General Electric Credit Corp . . . . .	9.750	08/01/87	3,800,000	3,516,413	3,458,000
General Electric Credit Corp . . . . .	7.625	02/01/88	800,000	698,106	663,000
General Motors Accept Corp . . . . .	9.400	07/15/04	13,000,000	10,644,984	8,970,000
General Motors Accept Corp . . . . .	7.125	09/01/92	12,000,000	8,920,627	8,055,000
General Motors Accept Med Term. . . . .	13.500	10/15/84	5,500,000	5,508,175	5,530,635
Household Finance Corp . . . . .	9.000	10/15/85	4,400,000	4,191,484	4,059,000
Household Finance Corp . . . . .	4.500	07/01/91	7,612,000	6,708,551	4,519,625
Household Finance Corp . . . . .	4.875	09/15/93	9,409,000	7,575,504	5,116,143
Intl American Dev Bank . . . . .	10.750	08/01/87	2,300,000	2,201,678	2,141,875
Intl American Dev Bank . . . . .	14.625	08/01/92	2,000,000	2,244,351	2,040,000
Intl Bank Reconstr & Dev . . . . .	14.625	08/01/87	6,000,000	6,438,351	6,180,000
Intl Bank Reconstr & Dev . . . . .	16.625	11/01/91	8,700,000	10,806,314	9,657,000
Intl Bank Reconstr & Dev . . . . .	5.375	04/01/92	11,400,000	10,145,460	7,110,750
Intl Bank Reconstr & Dev . . . . .	14.750	06/01/92	10,034,000	11,070,327	10,360,105
Intl Bank Reconstr & Dev . . . . .	5.875	09/01/93	1,700,000	1,588,867	1,037,000
Intl Bank Reconstr & Dev-Wash DC. . . . .	13.450	09/01/87	4,800,000	5,023,743	4,800,000
Intl Bank Reconstr & Dev-Wash DC. . . . .	15.000	12/15/88	4,900,000	5,422,228	5,071,500
Irving Bank Corp. . . . .	5.750	08/01/91	2,783,000	2,474,079	1,902,876
Marine Midland Corp. . . . .	5.000	07/15/89	12,500,000	11,040,119	8,843,750

(Continued)

## Portfolio Detail Statistics as of 6/30/84 Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>CORPORATE-FINANCE (Continued)</b>					
Penney J C Financial Corp . . . . .	7.875	09/15/91	1,103,000	797,526	794,160
Phila National Bank Cap . . . . .	5.500	03/01/92	4,000,000	3,517,636	2,290,000
Tenn Valley Bancorp Inc . . . . .	8.500	01/01/99	1,000,000	995,911	625,000
United Calif Bank Cap . . . . .	4.500	01/15/90	1,000,000	981,178	670,009
<b>TOTAL . . . . .</b>			<b>183,815,000</b>	<b>172,025,264</b>	<b>146,159,550</b>

**CORPORATE-INDUSTRIAL**

Allied Corp . . . . .	6.000	12/15/90	5,000,000	3,817,037	3,262,500
Aluminum Co America . . . . .	13.875	01/15/11	3,400,000	3,045,270	3,213,000
Aluminum Co America . . . . .	12.250	12/01/12	7,000,000	6,960,513	5,941,250
American General Corp Cv . . . . .	11.000	02/08/07	3,540,000	4,319,189	4,371,900
American General Corp Cv . . . . .	11.000	11/04/08	4,500,000	4,862,025	5,580,000
American Medical Intl Inc . . . . .	14.375	08/15/92	5,000,000	5,000,000	5,037,500
American Medical Intl Inc . . . . .	12.250	01/15/94	5,000,000	4,981,192	4,562,500
Anadarko Production Co . . . . .	14.700	08/01/94	5,000,000	5,000,000	4,912,500
Anheuser Busch Cos Inc . . . . .	11.875	10/01/12	5,000,000	4,980,180	4,337,500
Associates Corp North American . . . . .	11.750	08/15/88	5,000,000	4,744,666	4,712,500
Atlantic Richfield Co . . . . .	7.000	12/01/91	13,500,000	10,062,529	9,213,750
Avon Capital Corp . . . . .	11.750	10/15/90	8,800,000	8,800,000	7,843,000
Baker International Corp . . . . .	10.200	06/15/90	3,300,000	3,152,259	2,776,125
Consolidated Foods . . . . .	11.000	01/01/89	957,254	957,254	908,782
Corning Glass Works . . . . .	8.250	12/01/07	2,500,000	2,539,535	2,150,000
Deere & Co . . . . .	11.500	11/01/89	3,900,000	3,893,808	3,544,125
Diamond Shamrock Corp . . . . .	9.000	04/01/99	3,500,000	2,682,488	2,266,250
Du Pont E I Nemours & Co . . . . .	12.875	09/01/92	4,000,000	3,975,336	3,810,000
Eaton Corp . . . . .	7.875	12/01/03	1,200,000	1,143,540	738,000
Exxon Pipeline Co . . . . .	8.875	10/15/00	3,000,000	2,006,521	2,066,250
Georgia Pacific Corp . . . . .	12.250	03/01/13	5,000,000	4,960,686	4,175,000
Internorth Inc . . . . .	12.250	10/15/02	7,500,000	7,410,475	6,150,000
Lear Petroleum Corp Cv . . . . .	9.000	12/15/03	200	178	165
Mobil Corp . . . . .	8.500	06/15/01	10,000,000	7,459,791	6,375,000
National Cash Register . . . . .	5.600	06/15/91	900,000	858,246	565,875
Norwest Corp . . . . .	5.125	10/15/90	1,800,000	1,738,390	1,120,500
Penney J C Inc . . . . .	12.000	07/15/10	8,500,000	7,518,173	7,140,000
Phillips Petroleum Co . . . . .	12.875	09/01/92	8,000,000	7,966,787	7,600,000
Reynolds R J Inds Inc . . . . .	13.350	10/01/12	4,000,000	4,000,000	3,665,000
Sears Roebuck & Co . . . . .	10.250	01/15/88	5,000,000	4,835,343	4,543,750
St. Regis Paper Co . . . . .	10.000	06/15/90	3,400,000	3,140,535	2,779,500
Standard Oil Co Indiana . . . . .	7.875	08/01/07	5,343,000	3,200,612	3,172,406
Standard Oil Co Indiana . . . . .	6.000	01/15/98	2,000,000	1,201,967	1,130,000
Standard Oil Co Ohio . . . . .	13.375	09/15/92	12,400,000	12,514,907	11,997,000
Tenneco Inc . . . . .	13.625	10/01/07	6,000,000	6,098,324	5,580,000
Tenneco Inc . . . . .	13.375	01/15/91	2,542,000	2,480,858	2,465,740
Tenneco Inc . . . . .	13.700	09/01/92	9,500,000	9,500,000	9,226,875
Texas Eastern Transmission . . . . .	14.750	06/01/91	7,000,000	7,588,783	6,798,750
University of Pittsburgh . . . . .	4.000	06/01/86	220,000	220,000	222,400
Volkswagen Mfg Corp Amer . . . . .	8.500	09/15/91	2,296,500	2,296,500	1,972,693
Walter Jim Corp Cv . . . . .	9.000	12/15/07	2,420,000	2,428,828	2,323,200
Westvaco Corp . . . . .	12.650	01/15/14	4,000,000	4,000,000	3,595,000
Wheelabrator-Frye Inc . . . . .	11.750	07/15/05	3,000,000	2,716,732	2,430,000
<b>TOTAL . . . . .</b>			<b>203,918,954</b>	<b>191,059,457</b>	<b>176,276,286</b>



## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

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DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>CORPORATE-UTILITY</b>					
Baltimore Gas & Electric .....	4.625	08/01/90	700,000	701,036	458,500
Brooklyn Union Gas. ....	4.625	04/01/90	1,500,000	1,505,723	986,250
Columbia Gas System Inc .....	12.750	08/01/00	2,500,000	2,490,924	2,400,000
Columbia Gas System Inc .....	4.625	05/01/89	7,638,000	7,105,890	5,394,337
Columbia Gas System Inc .....	4.625	10/01/89	180,000	171,729	123,975
Columbia Gas System Inc .....	4.625	05/01/90	4,979,000	4,646,846	3,311,035
Columbia Gas System Inc .....	4.875	10/01/90	1,000,000	950,111	657,500
Consolidated Edison Co New York .....	4.375	10/01/92	1,310,000	1,312,441	736,875
Consolidated Edison Co New York .....	4.400	06/01/93	7,000,000	7,000,000	3,987,900
Duke Power Co 1st Ref B. ....	4.250	08/01/92	1,100,000	1,098,279	625,625
Equitable Gas Co .....	6.250	09/01/92	1,936,000	1,936,000	1,335,840
General Telephone Co Kentucky .....	5.250	10/01/89	1,600,000	1,600,000	1,091,072
General Telephone Co Michigan .....	5.375	12/01/89	1,500,000	1,500,000	1,037,310
General Telephone Co Michigan .....	4.875	11/01/95	2,000,000	2,000,000	934,120
General Telephone Co Michigan .....	5.500	03/01/97	2,000,000	1,989,696	949,080
General Telephone Co Northwest Inc .....	6.250	09/01/98	3,000,000	2,984,563	1,490,790
General Telephone Co Ohio .....	5.250	10/01/89	1,550,000	1,550,000	1,086,379
General Telephone Co Ohio .....	4.750	10/01/93	2,000,000	1,985,723	1,104,720
General Telephone Co Pennsylvania .....	5.625	07/01/96	1,100,000	1,100,000	532,235
M.C.I. Communications Corp Cv .....	7.750	03/15/03	765,000	765,000	453,262
Massachusetts Electric Co. ....	4.375	09/01/92	1,200,000	1,204,075	673,500
Missouri Public Service Co. ....	6.000	03/15/97	3,000,000	3,000,000	1,501,560
Pacific Gas & Electric Corp. ....	13.375	08/01/05	3,200,000	2,834,560	2,832,000
Pacific Telephone & Telegraph Co .....	11.350	07/15/90	5,000,000	4,883,256	4,425,000
Pacific Telephone & Telegraph Co .....	4.625	11/01/90	1,576,000	1,247,633	892,410
Pacific Telephone & Telegraph Co .....	3.625	08/15/91	1,000,000	1,008,853	620,000
Pennsylvania Power & Light Co .....	4.625	03/01/94	4,000,000	4,020,906	1,972,840
Phila Suburban Water Co. ....	5.000	09/01/89	1,700,000	1,700,000	1,235,560
Public Service Electric & Gas .....	4.375	06/01/93	1,250,000	1,046,610	710,937
Public Service Electric & Gas .....	7.750	08/15/96	1,500,000	1,479,944	948,750
Southwestern Bell Telephone Co .....	4.500	08/01/97	3,750,000	3,766,862	1,490,625
Tucson Gas and Electric Co .....	4.550	02/01/95	2,000,000	2,000,000	929,720
United Telephone Co Florida. ....	9.250	11/01/99	3,440,000	3,440,000	2,264,758
United Telephone Co Indiana .....	5.000	09/01/90	770,000	770,000	520,058
United Telephone Co Pennsylvania .....	3.600	12/01/85	504,000	504,000	450,409
United Telephone Co Pennsylvania .....	5.000	06/01/89	750,000	750,000	543,150
United Telephone Co Pennsylvania .....	6.625	11/01/98	2,975,000	2,975,000	1,515,167
Virginia Electric & Power Co. ....	10.250	04/01/09	5,000,000	3,589,940	3,525,000
Western Pennsylvania Water Co. ....	4.375	05/01/93	3,000,000	2,985,310	1,683,900
Worcester County Electric Co. ....	3.375	10/01/85	80,000	80,037	69,500
<b>TOTAL</b> .....			<u>91,053,000</u>	<u>87,680,947</u>	<u>57,501,649</u>

**CORPORATE-TRANSPORATION**

Union Pacific Corp .....	11.875	09/01/10	1,900,000	1,579,147	1,605,500
Union Pacific Corp .....	6.000	03/01/92	15,000,000	11,119,623	9,900,000
<b>TOTAL</b> .....			<u>16,900,000</u>	<u>12,698,770</u>	<u>11,505,500</u>

**CORPORATE-EQUIPMENT TRUST**

Penn Central Co .....	9.000	08/01/84	266,666	266,666	265,258
<b>TOTAL</b> .....			<u>266,666</u>	<u>266,666</u>	<u>265,258</u>

## Portfolio Detail Statistics as of 6/30/84 Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>MORTGAGES</b>					
Conventional Mortgages . . . . .			454,496,764	454,836,190	435,690,887
Equity Real Estate . . . . .			69,976,973	70,001,527	67,519,000
FHA Debentures . . . . .			14,650	14,448	14,448
FHA Project Mortgages . . . . .			331,836,567	256,663,496	210,716,219
FHA/VA Residential . . . . .			295,707,992	291,441,213	208,903,247
Mortgage Backed Sec . . . . .			23,958,611	19,830,064	17,575,366
Pooled Mortgages . . . . .			89,328,420	70,302,816	63,223,164
<b>TOTAL . . . . .</b>			<b>1,265,319,977</b>	<b>1,163,089,754</b>	<b>1,003,642,331</b>

**U.S. TREASURY BILLS**

U.S. Treasury Bills . . . . .	9.120	07/05/84	10,000,000	9,538,933	9,538,933
U.S. Treasury Bills . . . . .	9.785	07/05/84	10,000,000	9,752,656	9,752,656
U.S. Treasury Bills . . . . .	9.635	07/12/84	15,000,000	14,634,672	14,634,672
U.S. Treasury Bills . . . . .	9.550	07/12/84	10,000,000	9,907,152	9,907,152
U.S. Treasury Bills . . . . .	9.600	07/12/84	50,000,000	45,918,333	45,918,333
U.S. Treasury Bills . . . . .	9.630	07/19/84	10,000,000	9,767,275	9,767,275
U.S. Treasury Bills . . . . .	9.640	08/02/84	19,950,000	19,463,862	19,463,862
U.S. Treasury Bills . . . . .	9.800	08/02/84	10,000,000	9,866,611	9,866,611
U.S. Treasury Bills . . . . .	9.075	08/09/84	5,000,000	4,770,604	4,770,604
U.S. Treasury Bills . . . . .	9.350	08/09/84	15,000,000	14,824,687	14,824,687
U.S. Treasury Bills . . . . .	9.310	08/16/84	20,000,000	19,084,516	19,084,516
U.S. Treasury Bills . . . . .	9.270	08/23/84	20,000,000	19,062,700	19,062,700
U.S. Treasury Bills . . . . .	9.970	08/30/84	20,000,000	19,495,961	19,495,961
U.S. Treasury Bills . . . . .	10.170	08/30/84	10,000,000	9,742,925	9,742,925
U.S. Treasury Bills . . . . .	9.410	09/06/84	10,000,000	9,524,272	9,524,272
U.S. Treasury Bills . . . . .	9.650	09/06/84	10,000,000	9,809,680	9,809,680
U.S. Treasury Bills . . . . .	9.600	09/13/84	10,000,000	9,514,666	9,514,666
U.S. Treasury Bills . . . . .	9.935	09/27/84	20,000,000	19,028,577	19,028,577
U.S. Treasury Bills . . . . .	9.805	10/18/84	20,000,000	19,008,605	19,008,605
U.S. Treasury Bills . . . . .	10.000	10/25/84	10,000,000	9,513,888	9,513,888
U.S. Treasury Bills . . . . .	10.140	10/25/84	21,700,000	20,636,483	20,636,483
U.S. Treasury Bills . . . . .	10.080	11/01/84	10,000,000	9,647,200	9,647,200
U.S. Treasury Bills . . . . .	10.520	11/23/84	20,000,000	18,930,466	18,930,466
U.S. Treasury Bills . . . . .	10.490	12/06/84	10,000,000	9,469,672	9,469,672
U.S. Treasury Bills . . . . .	10.600	12/06/84	20,000,000	18,957,666	18,957,666
U.S. Treasury Bills . . . . .	10.440	12/13/84	21,125,000	20,010,022	20,010,022
U.S. Treasury Bills . . . . .	10.540	12/20/84	20,000,000	18,934,288	18,934,288
U.S. Treasury Bills . . . . .	10.430	12/27/84	12,500,000	11,840,895	11,840,895
<b>TOTAL . . . . .</b>			<b>440,275,000</b>	<b>420,657,267</b>	<b>420,657,267</b>

**FEDERAL HOME LOAN BANKS**

Federal Home Loan Bank . . . . .	10.430	08/14/84	5,000,000	4,869,625	4,869,625
Federal Home Loan Bank . . . . .	9.950	10/02/84	10,000,000	9,541,194	9,541,194
Federal Home Loan Bank . . . . .	12.100	04/25/85	20,000,000	20,000,000	20,000,000
Federal Home Loan Bank . . . . .	12.100	04/25/85	5,000,000	5,000,000	5,000,000
Federal Home Loan Bank . . . . .	12.000	05/28/85	10,000,000	10,000,000	10,000,000
<b>TOTAL . . . . .</b>			<b>50,000,000</b>	<b>49,410,819</b>	<b>49,410,819</b>

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

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DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>FEDERAL FARM CREDIT BANKS</b>					
Federal Farm Credit Bank . . . . .	9.750	07/02/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	9.550	08/01/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	9.625	09/04/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	9.950	09/04/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	9.900	10/01/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	10.600	10/01/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	10.500	11/01/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	10.100	12/03/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	11.450	12/03/84	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	10.750	01/02/85	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	10.700	02/01/85	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank . . . . .	11.950	03/04/85	5,000,000	5,000,000	5,000,000
<b>TOTAL</b> . . . . .			<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>

<b>FEDERAL HOME LOAN MORTGAGE</b>					
Federal Home Loan Mortgage . . . . .	10.250	07/18/84	5,000,000	4,913,159	4,913,159
Federal Home Loan Mortgage . . . . .	10.250	07/18/84	10,000,000	9,826,320	9,826,320
<b>TOTAL</b> . . . . .			<u>15,000,000</u>	<u>14,739,479</u>	<u>14,739,479</u>

<b>BANKERS ACCEPTANCE</b>					
Bankers Acceptance-Mellon Bank . . . . .	11.250	08/28/84	10,000,000	9,806,250	9,806,250
<b>TOTAL</b> . . . . .			<u>10,000,000</u>	<u>9,806,250</u>	<u>9,806,250</u>

<b>REPURCHASE AGREEMENT</b>					
Repurchase Agreement . . . . .	10.510	07/02/84	10,000,000	10,000,000	10,000,000
Repurchase Agreement . . . . .	10.320	07/03/84	23,350,000	23,350,000	23,350,000
Repurchase Agreement . . . . .	10.500	07/10/84	16,550,000	16,550,000	16,550,000
Repurchase Agreement . . . . .	10.500	07/18/84	10,000,000	10,000,000	10,000,000
Repurchase Agreement . . . . .	10.500	07/20/84	13,225,000	13,225,000	13,225,000
Repurchase Agreement . . . . .	9.510	07/23/84	5,125,000	5,125,000	5,125,000
Repurchase Agreement . . . . .	10.700	07/23/84	15,225,000	15,225,000	15,225,000
Repurchase Agreement . . . . .	10.720	07/24/84	20,950,000	20,950,000	20,950,000
Repurchase Agreement . . . . .	10.810	07/25/84	11,525,000	11,525,000	11,525,000
Repurchase Agreement . . . . .	10.600	07/26/84	16,075,000	16,075,000	16,075,000
Repurchase Agreement . . . . .	10.600	07/26/84	13,450,000	13,450,000	13,450,000
Repurchase Agreement . . . . .	10.700	07/31/84	10,000,000	10,000,000	10,000,000
Repurchase Agreement . . . . .	10.850	07/31/84	17,050,000	17,050,000	17,050,000
Repurchase Agreement . . . . .	10.700	08/07/84	10,000,000	10,000,000	10,000,000
Repurchase Agreement . . . . .	11.000	08/07/84	9,925,000	9,925,000	9,925,000
Repurchase Agreement . . . . .	11.000	08/22/84	17,375,000	17,375,000	17,375,000
<b>TOTAL</b> . . . . .			<u>219,825,000</u>	<u>219,825,000</u>	<u>219,825,000</u>

<b>COMMERCIAL PAPER</b>					
Commercial Paper-A.I. Credit . . . . .	11.7522	12/12/84	5,000,000	5,000,000	5,000,000
Commercial Paper-ABC . . . . .	11.1250	08/24/84	10,000,000	9,817,673	9,817,673
Commercial Paper-Allied Bancshares . . . . .	11.2500	08/06/84	15,290,000	15,074,984	15,074,984
Commercial Paper-Allied Stores . . . . .	10.6942	07/02/84	10,000,000	10,000,000	10,000,000

(Continued)

## Portfolio Detail Statistics as of 6/30/84 Trade Date Basis

DESCRIPTION	INTEREST RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>COMMERCIAL PAPER (Continued)</b>					
Commercial Paper-Arco . . . . .	11.0000	07/30/84	10,000,000	9,883,888	9,883,888
Commercial Paper-ATT . . . . .	10.1000	07/13/84	21,091,000	20,824,726	20,824,726
Commercial Paper-AVCO . . . . .	11.1389	07/16/84	6,125,000	6,125,000	6,125,000
Commercial Paper-Borg Warner . . . . .	10.4918	07/16/84	14,000,000	14,000,000	14,000,000
Commercial Paper-Chase Manhattan . . . . .	11.1735	07/25/84	11,925,000	11,925,000	11,925,000
Commercial Paper-CIGNA . . . . .	10.8196	07/06/84	18,825,000	18,825,000	18,825,000
Commercial Paper-CIT . . . . .	11.0500	08/13/84	10,168,000	9,999,465	9,999,465
Commercial Paper-Core States . . . . .	11.2721	08/31/84	6,375,000	6,375,000	6,375,000
Commercial Paper-Deere . . . . .	11.0000	08/10/84	20,285,000	19,999,883	19,999,883
Commercial Paper-Dover . . . . .	10.8500	07/30/84	10,125,000	9,996,834	9,996,834
Commercial Paper-Dow . . . . .	11.0000	07/19/84	11,950,000	11,866,018	11,866,018
Commercial Paper-Equitable of Iowa . . . . .	11.2000	08/01/84	11,425,000	11,293,485	11,293,485
Commercial Paper-FBC . . . . .	10.4000	07/17/84	19,800,000	19,491,120	19,491,120
Commercial Paper-Gannett . . . . .	10.7905	07/27/84	10,000,000	10,000,000	10,000,000
Commercial Paper-Getty Cap . . . . .	10.9981	09/05/84	10,525,000	10,525,000	10,525,000
Commercial Paper-Gillette Co. . . . .	11.0500	07/30/84	14,040,000	13,871,929	13,871,929
Commercial Paper-GMAC . . . . .	11.1527	07/26/84	175,000	175,000	175,000
Commercial Paper-Gulf Oil Fin. . . . .	10.9778	07/20/84	10,000,000	10,000,000	10,000,000
Commercial Paper-Household Finance . . . . .	10.6649	07/09/84	20,000,000	20,000,000	20,000,000
Commercial Paper-K-Mart . . . . .	11.1361	08/06/84	16,650,000	16,650,000	16,650,000
Commercial Paper-Metro Life . . . . .	11.1839	08/03/84	20,000,000	20,000,000	20,000,000
Commercial Paper-Mobil Cr . . . . .	10.7500	07/16/84	9,090,000	9,003,140	9,003,140
Commercial Paper-O.S. Hume Mtg . . . . .	10.4000	07/02/84	10,600,000	10,474,448	10,474,448
Commercial Paper-Phillip Morris . . . . .	10.8068	07/11/84	20,000,000	20,000,000	20,000,000
Commercial Paper-Profunding . . . . .	10.8537	07/16/84	2,025,000	2,025,000	2,025,000
Commercial Paper-Sec Pac Bus Cr . . . . .	10.9992	07/27/84	15,825,000	15,825,000	15,825,000
Commercial Paper-Sec Pac Corp. . . . .	10.9016	08/08/84	12,950,000	12,950,000	12,950,000
Commercial Paper-Stand Oil of Calif . . . . .	10.1250	07/10/84	10,140,000	9,997,406	9,997,406
Commercial Paper-Sterling Drug . . . . .	10.8000	07/17/84	11,000,000	10,907,600	10,907,600
Commercial Paper-Transamerica . . . . .	11.2361	07/31/84	20,000,000	20,000,004	20,000,004
<b>TOTAL . . . . .</b>			<b>425,404,000</b>	<b>422,902,603</b>	<b>422,902,603</b>

**CERTIFICATE OF DEPOSIT**

Certificate of Deposit-Norwest Var . . . . .	11.270	09/17/84	10,000,000	10,000,000	10,000,000
Certificate of Deposit-Texas Comm. . . . .	11.650	07/25/84	10,000,000	10,000,000	10,000,000
<b>TOTAL . . . . .</b>			<b>20,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>

**PREFERRED STOCK**

American General Corp Cv . . . . .	2.640		65,000	2,426,498	2,721,875
Associated Dry Goods Corp . . . . .	4.750		16,900	1,237,316	1,463,962
Calfed Inc Cv . . . . .	5.380		15,000	750,000	498,750
Union Pacific Corp . . . . .	7.250		11,550	598,587	1,053,938
<b>TOTAL . . . . .</b>			<b>108,450</b>	<b>5,012,401</b>	<b>5,738,525</b>

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK</b>			
A M F Inc Com . . . . .	10,200	164,411	167,025
A M P Inc Com Endorsed . . . . .	258,200	6,660,904	8,262,900
A R A Services Inc Com . . . . .	4,700	241,183	215,612
Abbott Laboratories Co Com . . . . .	114,300	3,243,843	4,986,337
Acco World Corp Com . . . . .	4,300	111,009	120,937
ACF Industries Inc Com . . . . .	3,400	174,281	183,175
Activision Inc Com . . . . .	65,500	207,470	90,062
Adac Laboratories Com . . . . .	7,000	93,416	31,500
Adams Russel Inc Com . . . . .	3,700	95,802	69,375
Adobe Oil & Gas Corp Com . . . . .	8,600	208,344	163,400
Advanced Micro Devices Inc Com . . . . .	74,800	1,710,083	2,300,100
Advanced Semiconductor Matls Intl Nv Com . . . . .	3,300	96,839	71,775
Aetna Life & Casualty Co Cap . . . . .	124,400	4,822,040	3,654,250
Affiliated Bankshred Colo Inc Com . . . . .	6,000	94,380	88,500
Affiliated Publications Inc Com . . . . .	3,800	157,411	167,200
Agency Rent A Car Inc Com . . . . .	5,565	92,750	100,170
Agnico Eagle Mines Ltd Com . . . . .	6,800	101,728	86,700
AGS Computers Inc Com . . . . .	3,600	96,642	60,300
Ahmanson H F & Co Com . . . . .	80,900	2,375,906	1,506,762
Air Products & Chemicals Inc Com . . . . .	15,200	746,247	627,000
Air Wis Services Inc Com . . . . .	7,010	108,846	68,347
Airborne Freight Corp Com . . . . .	4,700	117,347	84,600
Alaska Airlines Inc Com . . . . .	15,000	240,531	170,625
Alberto Culver Co Com . . . . .	9,700	164,675	169,750
Albertsons Inc Com . . . . .	195,200	5,059,022	4,928,800
Alcan Aluminum Ltd Com . . . . .	45,700	1,767,974	1,245,325
Alco Standard Corp Com . . . . .	9,100	337,566	278,687
Alexander & Alexander Services Inc Com . . . . .	11,700	261,439	222,300
Alexander Baldwin Inc Com . . . . .	28,600	757,884	718,575
Allegheny Corp Com . . . . .	3,900	257,296	286,162
Allegheny International Inc Com . . . . .	7,300	230,282	151,475
Allegheny Power System Inc Com . . . . .	122,900	3,243,355	3,041,775
Allied Bancshares Inc Com . . . . .	17,375	446,123	414,828
Allied Corp Com . . . . .	255,750	7,681,011	8,088,093
Allied Stores Corp Com . . . . .	8,000	399,250	336,000
Alltel Corp Com . . . . .	10,600	265,750	226,575
Alpha Industries Inc Com . . . . .	4,900	101,954	69,825
Altos Computer Systems Com . . . . .	7,600	95,723	81,700
Aluminum Co of America Com . . . . .	257,700	8,579,047	8,761,800
Amax Inc Com . . . . .	41,300	1,153,369	831,162
Amdahl Corp Com . . . . .	17,800	353,245	200,250
Amedco Inc Com . . . . .	4,700	93,647	65,212
Amerada Hess Corp Com . . . . .	39,300	1,290,817	1,105,312
American Brands Inc Com . . . . .	23,700	1,193,016	1,312,387
American Broadcasting Co Com . . . . .	70,900	4,204,844	4,448,975
American Business Products Inc Com . . . . .	4,200	92,666	87,150
American Can Co Com . . . . .	8,000	347,487	373,000
American Cyanamid Co Com . . . . .	24,700	1,193,517	1,188,687
American District Telegraph Co Com . . . . .	5,900	150,574	160,037
American Ecology Corp Com . . . . .	1,370	35,788	4,795
American Electric Power Co Com . . . . .	82,300	1,494,062	1,399,100
American Express Co Com . . . . .	242,978	7,573,574	6,985,617
American Family Corp Com . . . . .	7,680	140,909	134,400
American Financial Enterprises Inc Com . . . . .	7,000	96,266	115,500
American Fletcher Corp Com . . . . .	3,100	97,669	87,575

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
American General Corp Com	275,100	5,524,024	5,708,325
American Greetings Corp Com A	74,600	1,912,815	2,135,425
American Home Products Corp Cap	67,800	2,064,509	3,593,400
American Hospital Supply Corp Com	190,100	6,611,284	5,916,862
American Income Life Inc Co Com	6,600	93,853	78,375
American Information Tech Corp Com	128,040	8,355,691	8,322,600
American International Group Inc Com	33,800	1,970,141	1,977,300
American Medical International Inc Com	71,700	1,789,603	1,649,100
American Motor Inns Inc Com	6,000	93,535	88,500
American National Insurance Co Com	48,500	1,093,623	1,200,375
American Natural Resources Co Com	18,150	471,035	517,275
American Petrofina Inc Com A	5,500	331,211	331,375
American Quaser Petroleum Co Com	15,400	102,179	53,900
American Security Corp Com New	5,250	104,458	81,375
American Solor King Corp Com	18,400	178,481	80,500
American Standard Inc Com	22,925	664,045	570,259
American Sterilizer Co Com	4,800	98,257	76,800
American Stores Co Com New	71,300	2,147,702	2,308,337
American Surgery Centers Corp Com	40,700	181,239	101,750
American Telephone & Telegraph Co Cap	541,000	9,045,022	9,332,250
American Water Works Inc Com	3,900	124,371	119,925
Amerifin Corp Com	5,800	174,580	195,025
Ameritrust Corp Com	4,300	214,334	179,525
Ames Department Stores Inc Com	3,000	132,848	152,250
Ametek Inc Cap	10,300	235,305	272,950
Amfac Inc Com No Par	7,200	197,085	158,400
Amfesco Industries	4,100	95,765	55,862
AMR Corp Com	18,500	534,072	564,250
Amsouth Bancorporation Com	5,100	115,198	107,100
Amsted Industries Inc Com	4,800	157,520	139,200
Analogic Devices Inc Com	11,600	365,141	284,200
Analogic Corp Com	8,500	217,559	108,375
Anchor Hocking Corp Com	4,600	149,037	135,125
Anderson Clayton & Co Com	5,800	160,114	160,950
Andrew Corp Com	4,700	182,572	156,275
Angelica Corp Com	4,300	112,209	84,925
Anheuser-Busch cos Inc Com	79,400	5,053,985	5,101,450
Anixter Bros Inc Com	8,400	213,199	139,650
Anthem Electronics Inc Com	25,000	319,150	275,000
Apache Corp Com	12,100	174,314	133,100
Apollo Computer Inc Com	14,100	365,145	341,925
Apple Computer Inc Com	22,000	1,084,450	583,000
Applied Data Research Inc Com B	3,255	93,532	63,879
Applied Magnetics Corp Com	3,150	97,585	37,406
Archer Daniels Midland Com	123,850	2,827,921	2,182,856
Argo Systems Inc Com	4,900	96,016	79,625
Arizona Bancwest Corp Com	5,460	99,945	98,280
Arizona Public Service Co Com	168,200	3,986,714	2,901,450
Arkia Inc Com	24,000	674,285	474,000
Armco Inc Com	24,900	497,232	382,837
Armstrong Rubber Co Com	5,400	95,444	89,100
Armstrong World Inds Inc Com	24,300	631,731	622,687
Arvin Industries Inc Com	26,800	684,500	596,300
ASA Ltd Com	3,600	234,427	207,000
Asamera Inc Com	20,700	229,384	219,937

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Asarco Inc Com . . . . .	10,600	422,244	253,075
Ashland Oil Inc Com . . . . .	13,600	413,701	314,500
Ask Computer Systems Inc Com . . . . .	5,200	100,595	85,800
Associated Dry Goods Corp Com . . . . .	7,100	388,883	381,625
Astrotech International Corp Com . . . . .	28,118	103,718	77,324
Atlantic Bancorporation Com . . . . .	14,900	356,816	392,987
Atlantic City Electric Co Com . . . . .	8,500	191,784	176,375
Atlantic Gas Light Co Com . . . . .	5,700	111,692	121,125
Atlantic Research Corp Com . . . . .	2,900	93,076	86,275
Atlantic Richfield Co Com . . . . .	476,000	16,721,085	21,658,000
Augat Inc Com . . . . .	7,700	336,708	231,000
Automatic Data Processing Inc Com . . . . .	13,000	495,544	461,500
Automatic Switch Co Com . . . . .	3,900	154,396	131,137
Avantek Inc Com . . . . .	8,700	248,778	194,662
Avatar Holdings Inc Com . . . . .	6,800	99,247	102,000
AVCO Corp Com . . . . .	10,700	367,494	318,325
Avery International Corp Com . . . . .	9,200	218,363	234,600
Avnet Inc Com . . . . .	16,200	766,992	534,600
Avon Products Inc Com . . . . .	40,366	1,026,596	888,052
AVX Corp Com . . . . .	4,100	117,880	83,025
Axia Inc Com . . . . .	3,300	73,571	80,437
Aydin Corp Com . . . . .	2,200	104,584	59,125
Bairnco Corp Com . . . . .	2,800	91,581	93,450
Baker International Corp Com . . . . .	26,300	885,494	473,400
Baldor Elec Co Com . . . . .	3,700	97,927	83,250
Ball Corp Com . . . . .	5,200	181,695	163,150
Bally Manufacturing Corp Com . . . . .	12,300	323,151	265,987
Ballys Park Place Inc Com . . . . .	11,500	199,370	153,812
Baltimore Gas & Electric Co Com . . . . .	104,300	3,284,835	3,324,562
Banc One Corp Com . . . . .	15,510	396,142	339,281
Bancal Tri State Corp Com . . . . .	2,300	105,742	114,425
Banco Central S A Adr . . . . .	28,900	309,975	281,775
Bancohio Corp Com . . . . .	4,500	100,553	143,437
BancoKlahoma Corp Com . . . . .	25,000	541,000	537,500
Bancorp Hawaii Inc Com . . . . .	4,000	108,380	75,000
Banctexas Group Inc Com . . . . .	13,400	96,725	58,625
Bandag Inc Com . . . . .	4,700	258,360	213,850
Bank Boston Corp Com . . . . .	7,300	287,392	224,475
Bank New England Corp Com . . . . .	2,100	103,887	92,400
Bank of New York Co Inc Com . . . . .	6,800	204,223	183,600
Bank of Virginia Com . . . . .	3,300	94,339	119,625
Bankamerica Corp Com . . . . .	209,300	4,321,031	3,322,637
Bankers Trust New York Corp Com . . . . .	169,300	6,616,422	6,518,050
Bankers Trust South Carolina Columbia Com . . . . .	1,120	49,106	65,520
Banta George Inc Com . . . . .	4,400	97,219	79,750
Bard C R Inc Cap . . . . .	5,700	236,514	142,500
Barnes Group Inc Com . . . . .	4,400	98,081	86,900
Barnett Banks of Florida Inc Com . . . . .	7,300	281,745	254,587
Barry Wright Corp Com . . . . .	4,000	122,405	108,000
Bassett Furniture Inds Inc Com . . . . .	3,600	163,327	115,200
Bassett Walker Inc Com . . . . .	4,800	125,104	93,600
Bausch & Lomb Inc Com . . . . .	15,425	420,261	310,428
Baxter Travenol Laboratories Inc Com . . . . .	163,600	3,690,362	2,515,350
Baybanks Inc Com . . . . .	3,000	102,660	105,000
BBDO International Inc Com . . . . .	2,700	110,282	110,700

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
BDM International Inc Com A	2,310	97,112	57,461
Bearings Inc Com	2,600	98,522	81,250
Beatrice Companies Inc Com	99,592	2,555,721	2,639,188
Becton Dickinson & Co Com	107,800	4,150,398	3,584,350
Beker Industries Corp Com	15,500	162,750	81,375
Bell & Howell Co Com	28,900	665,452	751,400
Bell Atlantic Corp Com	175,040	11,934,312	11,880,840
Bell Canada Enterprises Inc Com	96,200	2,257,836	2,236,650
Bell Industries Inc Com	2,900	95,850	66,700
Bellsouth Corp Com	164,520	4,381,628	4,565,430
Belo A H Corp Com	4,400	183,019	206,800
Beneficial Corp Com	8,900	269,782	224,725
Beneficial Standard Corp Com A	3,800	95,361	174,800
Bergen Brunswig Corp Com A	28,900	760,543	643,025
Berkshire Hathaway Inc Del Com	500	595,047	630,000
Best Products Com	127,600	1,959,259	1,882,100
Bethlehem Steel Corp Com	22,700	571,997	434,137
Betz Laboratories Inc Com	7,500	289,464	221,250
Big Three Industries Cap	19,900	526,757	462,675
Binney & Smith Inc Com	2,300	94,818	125,637
Bio Response Inc Com	6,100	91,318	53,375
Biogen N V Com	8,600	103,286	73,100
Black & Decker Manufacturing Co Com	17,700	371,589	400,462
Blair John & Co Domestic Share Ctf	3,700	167,414	133,200
Block Drug Inc Com A	3,605	111,458	93,730
Block H & R Inc Com	5,700	261,317	223,725
Blount Inc Cv Com B	6,100	92,080	86,162
Blue Bell Inc Com	4,800	178,119	210,000
Bob Evans Farms Inc Com	6,200	146,290	100,750
Boeing Co Com	41,000	1,864,140	1,793,750
Boise Cascade Cap	10,100	382,774	344,662
Bolar Pharmaceutical Inc Com	3,200	95,454	89,600
Bolt Beranek Newman Com	3,400	98,411	62,900
Borden Inc Cap	110,800	6,166,757	6,398,700
Borg-Warner Corp Com	181,800	4,355,113	3,408,750
Boston Edison Co Com	7,400	210,229	197,025
Bow Valley Industries Ltd Com	19,400	448,047	337,075
Bowne & Co Inc Com	5,300	91,679	80,162
Bralorne Resources Ltd Com	18,000	76,680	85,500
Branch Corp Com	3,900	99,821	100,425
Brascan Ltd Conv Ord A	12,800	414,018	292,800
Briggs & Stratton Corp Cap	5,900	163,300	159,300
Bristol-Myers Co Com	141,200	5,337,828	6,636,400
Brock Hotel Corp Com	11,800	95,523	59,000
Brockway Inc New York Com	155,800	2,785,982	2,551,225
Brooklyn Union Gas Co Com	5,200	166,367	154,700
Brooks Fashion Stores Inc Com	5,400	157,114	137,025
Brown Forman Distillers Corp Com A	3,700	118,327	90,187
Brown Forman Distillers Corp Com B	79,500	2,649,651	2,086,875
Brown Group Inc Com	7,900	251,488	209,350
Brown Tom Inc Com	21,400	194,637	112,350
Browning-Ferris Industries Inc Com	12,900	510,882	378,937
Brunos Inc Com	8,300	139,815	120,350
Brunswick Corp Com	8,800	166,497	257,400
Brush Wellman Inc Com	10,400	301,445	348,400

(Continued)



## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Bucyrus Erie Co Com . . . . .	10,300	158,298	130,037
Burlington Coat Factory Warehouse Corp Com . . . . .	5,400	192,214	97,200
Burlington Industries Inc Com . . . . .	17,600	744,439	464,200
Burlington Northern Inc Com . . . . .	213,000	9,481,662	8,573,250
Burndy Corp Com . . . . .	5,600	134,820	88,900
Burroughs Corp Com . . . . .	42,600	2,240,547	2,268,450
Business Mens Assurance Co America Com . . . . .	2,500	95,238	98,125
Butler International Inc Com . . . . .	10,500	208,089	135,187
Butler Manufacturing Co Del Com . . . . .	3,300	96,014	64,350
C B S Inc Com . . . . .	106,200	5,997,854	8,310,150
C P C International Inc Com . . . . .	18,300	645,672	674,812
C P Rehabilitation Corp Com . . . . .	6,000	92,071	61,500
C P T Corp Com . . . . .	7,700	113,345	84,700
Cabot Corp Com . . . . .	15,200	442,247	372,400
Caesars N J Inc . . . . .	7,600	134,386	134,900
Caesars World Inc Com . . . . .	10,200	142,470	117,300
Calfed Inc Com . . . . .	9,200	143,750	118,450
California First Bank San Francisco Com . . . . .	5,600	95,733	93,100
California Microwave Inc Com . . . . .	4,700	100,322	55,812
California Portland Cement Co Com . . . . .	4,000	100,043	100,000
Callahan Mining Corp Com . . . . .	5,871	152,267	108,613
Camco Inc Com . . . . .	25,500	367,600	270,937
Cameron Iron Works Inc Com . . . . .	14,200	311,977	232,525
Campbell Red Lake Mines Ltd Cap . . . . .	18,100	510,036	450,237
Campbell Soup Co Cap . . . . .	12,200	661,224	762,500
Canadian Marconi Co Com . . . . .	11,100	214,457	198,412
Canadian Occidental Petroleum Ltd Com . . . . .	13,400	324,551	269,675
Canadian Pac Enterprises Ltd Com . . . . .	71,900	1,417,884	1,150,400
Canadian Pacific Ltd Ord New . . . . .	33,600	1,338,799	1,029,000
Capital Cities Communications Com . . . . .	86,100	8,511,290	13,883,625
Capital Holding Corp Com . . . . .	9,900	351,262	326,700
Care Enterprises Com . . . . .	5,700	100,292	38,475
Carling Okeefe Ltd Com . . . . .	10,200	203,333	126,225
Carlisle Corp Com . . . . .	17,300	514,784	493,050
Carnation Co Com . . . . .	49,500	2,776,684	2,914,457
Carolina Freight Corp Com . . . . .	3,600	116,617	62,100
Carolina Power & Light Co Com . . . . .	80,900	1,783,110	1,618,000
Carpenter Technology Corp Com . . . . .	5,400	258,364	228,825
Carter Hawley Hale Stores Inc Com . . . . .	15,600	339,649	308,100
Carter Wallace Inc Com . . . . .	4,500	93,290	98,437
Castle & Cooke Inc Com . . . . .	13,100	206,571	163,750
Catepillar Tractor Co Com . . . . .	44,800	2,114,958	1,680,000
CBI Industries Inc Com . . . . .	8,100	282,246	252,112
CBT Corp Conn Com . . . . .	4,000	118,380	108,000
Ceco Corp Com . . . . .	20,000	447,899	320,000
Celanese Corp Com . . . . .	5,900	452,027	382,025
Centel Corp Com . . . . .	12,800	475,037	446,400
Centerre Bancorporation Com . . . . .	3,600	100,242	69,300
Centex Corp Com . . . . .	7,500	205,140	181,875
Centocor Inc Com . . . . .	6,900	97,257	62,962
Central & South West Corp Com . . . . .	212,000	3,789,428	3,763,000
Central Bancorporation Inc Del Com . . . . .	3,200	94,704	107,200
Central Bancshares South Inc Com . . . . .	3,900	94,946	78,975
Central Fidelity Banks Inc Com . . . . .	4,500	95,910	93,937
Central Hudson Gas & Electric Corp Com . . . . .	4,700	115,510	89,300

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Central Illinois Light Co Com . . . . .	6,800	138,884	142,800
Central Illinois Public Service Co Com . . . . .	16,300	258,277	250,612
Central Louisiana Electric Inc Com New . . . . .	6,600	110,353	121,275
Central Maine Power Co Com . . . . .	9,200	146,537	98,900
Central Soya Inc Com . . . . .	6,800	101,635	107,950
Centronics Data Computer Corp Com . . . . .	5,200	134,319	60,450
Cenvill Invs Inc Com . . . . .	3,800	92,986	74,100
Certain-Teed Corp Com . . . . .	8,700	201,790	153,337
Cessna Aircraft Co Com . . . . .	9,000	247,232	175,500
Cetus Corp Com . . . . .	10,400	151,790	118,300
CFS Continental Inc Com . . . . .	4,200	93,716	111,825
Champion International Corp Com . . . . .	20,700	491,496	401,062
Champion Spark Plug Co Com . . . . .	18,400	187,010	161,000
Charming Shoppes Inc Com . . . . .	6,600	177,178	132,825
Charter Co Com . . . . .	12,100	142,989	24,200
Charter Corp Com . . . . .	4,600	96,244	77,050
Charter Medical Corp Com A . . . . .	25,900	562,381	650,737
Charter Medical Corp Com B . . . . .	9,300	247,085	237,150
Chase Manhattan Corp Cap . . . . .	13,200	696,581	519,750
Chem Lawn Corp Com . . . . .	4,500	131,535	122,625
Chemed Corp Com . . . . .	3,700	122,702	108,687
Chemical New York Corp Cap . . . . .	237,900	6,685,756	5,709,600
Chesapeake Corp Com . . . . .	3,000	99,035	96,750
Chesebrough-Ponds Inc Com . . . . .	13,600	338,554	503,200
Chi-chi Inc Com . . . . .	10,950	275,357	197,100
Chicago & North Western Transn Co Com A . . . . .	8,200	366,506	196,800
Chieftan Development Co Ltd Com . . . . .	11,250	180,013	140,625
Chris Craft Industries Inc Com . . . . .	4,182	95,090	121,278
Chromalloy American Corp Com . . . . .	7,300	94,982	83,950
Chrysler Corp Com . . . . .	61,300	1,806,099	1,532,500
Chubb Corp Com . . . . .	7,050	286,083	324,300
Church & Dwight Inc Com . . . . .	6,200	102,890	110,050
Churchs Fried Chicken Inc Com . . . . .	7,900	179,675	217,250
Cigna Corp Com . . . . .	33,200	1,365,491	1,041,650
Cincinnati Bell Inc Com . . . . .	4,800	179,544	174,000
Cincinnati Financial Corp Com . . . . .	3,255	224,270	199,368
Cincinnati Gas & Electric Co Com . . . . .	19,900	360,095	218,900
Cincinnati Milacron Inc Com . . . . .	11,400	389,855	294,975
Cipher Data Products Inc Com . . . . .	6,000	150,571	130,500
Circus Circus Enterprises Inc Com . . . . .	8,500	126,362	147,687
Citicorp Com . . . . .	54,200	2,050,843	1,659,875
Citizens & Southern Corp Com . . . . .	4,300	100,384	104,275
Citizens & Southern Georgia Corp Com . . . . .	44,100	645,217	600,862
Citizens Fidelity Corp Com . . . . .	5,700	125,761	123,975
Citizens Utilities Co Com A . . . . .	9,487	292,319	263,283
City Federal Savings & Loan Association Com . . . . .	7,600	98,573	64,600
City Investing Co Com . . . . .	17,000	630,618	724,625
City National Corp Com . . . . .	3,500	99,208	83,125
Clabir Corp Com . . . . .	8,000	86,600	74,000
Clark Equipment Co Com . . . . .	5,500	186,965	154,687
Clark J L Manufacturing Co Com . . . . .	4,100	95,715	98,400
Cleveland Electric Illuminating Co Com . . . . .	29,900	619,534	470,925
Cleveland-Cliffs Iron Co Com . . . . .	8,500	211,521	165,750
Clorox Co Com . . . . .	109,100	3,043,146	2,918,425
Cluett Peabody & Co Com . . . . .	6,500	163,200	169,000

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
CNA Financial Corp Com . . . . .	23,800	562,460	553,350
Coachmen Industries Inc Com. . . . .	44,000	1,017,838	610,500
Coastal Corp Com . . . . .	30,500	1,017,407	966,532
Coca Cola Co Com. . . . .	184,100	8,439,255	10,608,762
Colgate Palmolive Co Com . . . . .	180,900	3,583,719	4,160,700
Collaborative Research Inc Com . . . . .	7,700	108,533	45,237
Collagen Corp Com . . . . .	4,400	98,319	37,400
Collins & Aikman Corp Com . . . . .	4,300	176,360	150,500
Collins Foods International Del Com. . . . .	5,100	94,722	94,987
Colonial Penn Group Inc Com . . . . .	7,500	179,351	212,812
Color Tile Inc Com . . . . .	6,000	95,071	95,250
Colorado National Bankshares Inc Com . . . . .	6,000	97,057	98,250
Colt Industries Inc Com . . . . .	11,200	530,266	511,000
Columbia Gas System Inc Com . . . . .	14,400	451,412	478,800
Combined International Corp Com. . . . .	12,700	483,809	382,587
Combustion Engineering Inc Com . . . . .	12,500	479,272	389,062
Comcast Corp Com A. . . . .	4,300	95,009	97,825
Comdata Network Inc Com. . . . .	7,700	252,908	116,462
Comdial Corp Com. . . . .	20,800	232,394	119,600
Comdisco Inc Com. . . . .	13,400	535,625	170,850
Comerica Inc Com. . . . .	4,830	127,513	128,598
Comingo Ltd Com . . . . .	32,700	551,488	376,050
Commerce Bancshares Inc Com . . . . .	2,500	103,988	106,250
Commerce Clearing House Inc . . . . .	4,200	233,499	231,000
Commercial Alliance Corp Com. . . . .	6,000	97,510	103,500
Commercial Metal Co Com . . . . .	20,000	362,906	350,000
Commercial Shearing Inc Com . . . . .	6,901	97,788	94,888
Commodore International Ltd Adr . . . . .	14,200	675,852	385,175
Commonwealth Edison Co Com . . . . .	174,000	4,713,292	3,958,500
Commonwealth Energy Systems Com SHS B/I . . . . .	5,200	109,869	102,050
Communications Industries Com. . . . .	4,300	108,984	88,150
Communications Satellite Corp Com Ser 1 . . . . .	8,800	350,638	205,700
Community Psychiatric Centers Com. . . . .	9,300	313,598	325,500
Comprehensive Care Corp Com . . . . .	105,300	2,370,229	2,145,487
Compugraphic Corp Com . . . . .	3,800	102,724	119,700
Computer & Communications Tech Corp Com . . . . .	4,500	95,491	65,250
Computer Assoc International Com . . . . .	5,100	164,960	94,350
Computer Consoles Inc Com. . . . .	25,100	432,875	464,350
Computer Language Research Inc Com . . . . .	6,300	180,149	37,800
Computer Memories Inc Com . . . . .	23,700	185,003	154,050
Computer Products Inc Com. . . . .	4,900	97,854	74,725
Computer Sciences Corp Com . . . . .	11,000	163,962	143,000
Computervision Corp Com . . . . .	13,200	687,657	511,500
Conagra Inc Com. . . . .	6,900	205,232	262,200
Conair Corp Com . . . . .	4,600	92,438	85,100
Conquest Exploration Co Com . . . . .	13,000	127,637	121,875
Conrock Co Com . . . . .	3,700	94,577	169,275
Consolidated Edison Co NY Com. . . . .	562,500	11,145,324	14,203,125
Consolidated Foods Corp Com. . . . .	212,600	4,612,671	6,124,650
Consolidated Freightways Inc Com . . . . .	5,300	307,617	244,462
Consolidated Natural Gas Co Cap . . . . .	15,200	359,983	528,200
Consolidated Papers Inc Com . . . . .	7,100	359,835	411,800
Consumers Power Co Com . . . . .	39,000	769,089	234,000
Continental Bancorp Inc Pa Com . . . . .	3,885	114,127	104,895
Continental Corp Com . . . . .	164,200	5,467,423	4,494,975

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Continental Group Inc Com . . . . .	23,025	534,154	1,191,543
Continental Telecom Inc Com . . . . .	32,000	750,170	612,000
Control Data Corp Del Com . . . . .	44,200	1,941,124	1,364,675
Convergent Technologies Inc Com . . . . .	16,500	409,946	222,750
Converse Inc Com . . . . .	4,400	98,319	89,100
Conwood Corp Com . . . . .	5,200	125,244	137,800
Cooper Industries Inc Com . . . . .	25,600	866,702	720,000
Cooper Laboratories Inc Com . . . . .	7,300	128,479	175,200
Coopervision Inc Com . . . . .	8,360	177,343	192,280
Coors Adolph Co Com B . . . . .	13,200	348,067	181,500
Core Industries Inc Com . . . . .	6,400	97,309	75,200
Corestates Financial Corp Com . . . . .	7,200	249,642	243,000
Corning Glass Works Com . . . . .	8,000	632,937	510,000
Corroon & Black Corp Com . . . . .	3,900	94,221	100,425
Corvus Systems Inc Com . . . . .	5,900	98,649	22,862
Cosmo Communications Corp Com . . . . .	13,600	179,846	85,000
Cox Communications Inc Com . . . . .	10,700	512,367	565,762
CPI Corp Com . . . . .	3,800	102,011	70,300
Crane Co Com . . . . .	4,692	163,496	165,393
Crawford & Co Com . . . . .	5,500	99,523	83,875
Cray Research Inc Com . . . . .	6,800	287,947	306,000
Crocker National Corp Com . . . . .	9,000	304,607	147,375
Cross & Trecker Corp Com . . . . .	6,400	190,949	124,800
Cross A T Co Com A . . . . .	3,900	128,146	96,525
Crown Cork & Seal Co Com . . . . .	5,300	182,817	210,012
Crown Zellerbach Corp Com . . . . .	10,200	289,361	313,650
CSX Corp Com . . . . .	108,998	2,498,955	2,261,708
CTS Corp Com . . . . .	2,100	90,137	55,125
Cubic Corp Com . . . . .	3,700	104,364	70,300
Cullen Frost Bankers Inc Com . . . . .	3,300	112,514	102,300
Cullinet Software Inc Com . . . . .	6,900	312,019	266,512
Cullum Companies Inc Com . . . . .	5,700	104,567	82,650
Cummins Engine Co Com . . . . .	23,800	1,779,626	1,710,625
Curtiss Wright Corp Com . . . . .	2,300	104,869	79,925
Cyclops Corp Com . . . . .	2,500	80,438	85,000
C3 Inc Com . . . . .	5,000	97,226	51,875
D S T Systems Inc Com . . . . .	5,800	86,275	69,600
Daisy System Corp Com . . . . .	6,700	131,288	160,800
Damon Corp Com . . . . .	3,700	96,764	52,725
Dana Corp Com . . . . .	21,450	556,410	496,031
Daniel Industries Inc Com . . . . .	6,800	90,575	73,950
Dart & Kraft Inc Com . . . . .	43,900	2,889,783	3,462,612
Dart Drug Corp A . . . . .	1,300	108,023	137,150
Data General Corp Com . . . . .	8,400	283,998	394,800
Data Switch Corp Com . . . . .	4,000	132,380	60,000
Datapoint Corp Com New . . . . .	11,900	278,910	226,100
Dataproducts Corp Com . . . . .	9,600	263,639	162,000
Dauphin Deposit Corp Com . . . . .	3,000	95,535	75,750
Dayton Hudson Corp Com . . . . .	43,300	1,543,717	1,358,537
Dayton Power & Light Co . . . . .	18,100	289,057	214,937
Dean Foods Co Com . . . . .	6,450	163,284	166,087
Deb Shops Inc . . . . .	3,500	95,708	60,375
Deere & Co Com . . . . .	31,300	1,229,058	856,837
DeKalb Agresearch Inc Non-Vot Com B . . . . .	6,100	168,330	138,775
Delmarva Power & Light Co Com . . . . .	14,600	247,765	270,100

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis



DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Delmed Inc Com . . . . .	7,500	94,151	52,500
Delta Airlines Del Com . . . . .	15,300	512,066	470,475
Deluxe Check Printers Inc Com . . . . .	10,700	394,244	444,050
Denison Mines Ltd CV Com A . . . . .	9,600	192,173	122,400
Denison Mines Ltd CV Com B . . . . .	9,600	171,522	108,000
Dennison Manufacturing Co Com . . . . .	4,600	153,437	133,975
Dennys Inc Com . . . . .	6,200	184,686	244,900
Deposit Guaranty Corp Com . . . . .	2,400	95,628	91,800
Desoto Inc Com . . . . .	3,300	96,464	89,512
Detroit Edison Co Com . . . . .	59,400	858,438	749,925
Dexter Corp Com . . . . .	7,333	182,835	145,743
Diamond Shamrock Corp Com . . . . .	108,900	2,273,986	2,040,150
Diasonics Inc Com . . . . .	21,500	286,922	56,437
Diebold Inc Com . . . . .	4,100	371,562	343,375
Digital Communication Association Inc Com . . . . .	2,700	96,782	51,300
Digital Equipment Corp Com . . . . .	24,900	2,566,278	2,091,600
Digital Switch Corp Com . . . . .	9,200	292,976	210,450
Dillard Dept Stores Inc Com A . . . . .	5,900	309,121	304,587
Disney Walt Productions Com . . . . .	17,300	1,018,429	819,587
Diversified Energies Inc Minn Com . . . . .	3,200	109,866	124,000
Diversifoods, Inc. Com . . . . .	13,024	272,820	180,708
Dollar Gen Corp Com . . . . .	7,300	133,920	101,287
Dome Mines Ltd Com . . . . .	29,300	473,379	336,950
Dominion Bankshares Corp Com . . . . .	5,000	96,101	94,375
Dominion Resources Inc VA Com . . . . .	37,600	816,900	874,200
Domtar Inc Com . . . . .	8,500	188,609	202,937
Donaldson Inc Com . . . . .	4,000	95,915	75,500
Donaldson Lufkin & Jenrette Inc Com . . . . .	5,800	100,602	113,100
Donnelley R R & Sons Co Com . . . . .	17,800	801,706	703,100
Dover Corp Com . . . . .	16,600	524,480	568,550
Dow Chemical Co Com . . . . .	237,100	8,356,970	6,638,800
Dow Jones & Co Inc Com . . . . .	34,100	1,790,352	1,504,662
Doyle Dane Bernbach International Inc Com . . . . .	4,400	98,319	86,900
Dravo Corp Com . . . . .	6,500	96,431	77,187
Dresser Industries, Inc. Com . . . . .	209,900	4,304,358	4,198,000
Dreyers Grand Ice Cream Inc Com . . . . .	3,700	99,327	54,575
Dreyfus Corp . . . . .	4,800	127,403	129,000
Ducommun Inc Del Com . . . . .	16,400	546,863	541,200
Duke Power Co Com . . . . .	43,700	1,008,107	1,070,650
Dun & Bradstreet Corp Com . . . . .	128,600	5,528,116	7,619,550
Dunkin Donuts Inc Com . . . . .	4,000	95,880	81,500
Duquesne Light Co Com . . . . .	27,400	451,284	328,800
Durr Fillauer Medical Inc Com . . . . .	5,900	106,761	67,112
Dyco Petroleum Corp Com . . . . .	8,400	125,049	100,800
Dynascan Corp Com . . . . .	15,651	172,507	86,080
Dynatech Corp Com . . . . .	4,500	94,035	65,250
Dysan Corp Com . . . . .	7,900	219,977	69,125
E G & G Inc Com . . . . .	89,000	2,608,728	2,469,750
E. I. Du Pont De Nemours & Co. Com . . . . .	153,200	6,286,593	6,989,750
E-System Inc Com New . . . . .	73,500	1,945,698	2,039,625
Eagle Picher Industries Inc Com . . . . .	9,500	215,853	222,188
Easco Corp Com . . . . .	4,200	93,491	70,875
Eastern Gas & Fuel Associates Com . . . . .	8,600	209,746	189,200
Eastern Utilities Associates Com . . . . .	6,800	112,284	89,250
Eastman Kodak Co Com . . . . .	120,900	8,599,585	8,372,325

(Continued)

## Portfolio Detail Statistics as of 6/30/84 Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Eaton Corp Com	21,600	893,865	885,600
Echlin Inc Com	8,900	189,494	196,912
Echo Bay Mines Ltd Com	15,100	117,102	124,575
Eckerd Jack Corp Com	14,400	358,609	334,800
Economics Laboratory Inc Com	6,300	161,249	142,537
Edison Brothers Stores Inc Com	5,100	217,235	173,400
EDO Corp Com	5,250	94,745	79,406
Edwards A G Inc Com	6,200	170,165	139,500
Electro Biology Inc Com	10,900	181,173	68,125
Electro Rent Corp Com	4,500	78,642	67,500
Electronic Data Systems Corp Com	21,800	809,189	912,875
Electrospace Systems Inc Com	3,900	109,571	94,575
Elscint Ltd Ord Com	7,400	140,674	79,550
Elsinore Corp Com	9,100	97,491	76,212
Emerson Electric Co Com	32,500	1,868,304	2,067,812
Emery Air Freight Corp Com	7,400	179,139	104,525
Emhart Corp VA Com	11,600	307,952	337,850
Employers Casualty Co Com	2,900	96,701	85,550
Emulex Corp Com	5,600	133,266	102,200
Energy Conversion Devices Inc Com	2,400	92,028	68,400
Energy Reserves Group Inc Com	24,500	96,599	98,000
Engelhard Corp Com	10,100	414,524	255,025
Enserch Corp Com	19,000	429,381	365,750
Ensource Inc Com	40,100	124,118	110,275
ENSTAR Corp Del Com	7,700	109,787	107,800
Enterprise Technologies Inc Com	245,100	122,550	15,196
Enterra Corp Com	6,100	112,942	100,650
Entex Inc Com	35,800	724,315	711,525
Enzo Biochem Inc Com	4,100	125,440	61,500
Equifax Inc Com	3,300	113,663	92,400
Equitable Bancorporation Com	2,835	48,857	48,195
Equitable Gas Co Com	6,150	174,877	204,487
Equitable Iowa Cos Com A	3,700	96,552	66,600
Equitable Iowa Cos Com B	3,700	95,627	66,600
Equity Oil Com	23,100	227,711	176,137
Erbamont N V Com	19,800	197,550	222,750
Esterline Corp Com	3,900	130,808	109,200
Ethyl Corp Com	19,100	365,877	417,812
Evans & Sutherland Computer Corp Com	4,100	188,990	71,750
Excello Corp Com	5,000	197,006	153,125
Exxon Corp Com	422,400	16,359,714	17,212,800
F M C Corp Com	101,300	3,603,091	4,925,712
Faberge Inc Com	5,400	164,575	161,325
Fairchild Industries Inc Com	41,200	857,151	705,550
Falconbridge Ltd	3,300	199,683	145,200
Family Dollar Stores Inc Com	8,900	198,885	191,350
Farm Fresh Inc Com	4,800	95,257	76,200
Farmers Group Inc Com	185,900	7,160,978	7,157,150
Federal Co Com	3,900	105,321	127,237
Federal Express Corp Com	26,100	1,002,231	910,237
Federal National Mortgage Assn Com	30,600	832,712	386,325
Federal Paper Board Co Inc Com	4,500	170,409	169,875
Federal Signal Corp Com	5,400	95,364	92,475
Federal-Mogul Corp Com	6,100	199,593	207,400
Federated Department Stores Com	94,900	5,006,093	4,555,200

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Felmont Oil Corp Com . . . . .	6,000	152,446	171,000
Ferro Corp Cap . . . . .	18,200	522,841	459,550
Fidelcor Inc Com . . . . .	2,500	94,300	95,937
Fieldcrest Mills Inc Cap. . . . .	2,400	81,387	86,400
Fifth Third Bancorp Com. . . . .	2,200	117,909	112,200
Financial Corp America Com. . . . .	16,050	466,956	168,525
Firestone Tire & Rubber Co Com . . . . .	18,300	328,343	313,387
First Alabama Bancshares Inc Com . . . . .	7,200	132,642	129,600
First American Corp Tenn Com . . . . .	4,900	96,629	110,250
First Atlanta Corp Com. . . . .	7,650	158,685	149,175
First Bank System Inc Com. . . . .	14,000	425,916	323,750
First Boston Inc Cap. . . . .	5,200	218,069	210,600
First Chicago Corp Com . . . . .	16,000	403,996	332,000
First City Bancorporation Tex Inc Com . . . . .	15,100	318,538	241,600
First Commerce Corp Com . . . . .	3,866	94,509	84,085
First Data Resources Inc Com . . . . .	11,300	134,893	158,200
First Executive Corp Del Com . . . . .	18,533	308,855	199,229
First Florida Banks Inc Com. . . . .	7,300	134,832	132,312
First Hawaiian Inc Com. . . . .	2,400	98,628	100,800
First Interstate Bancorp Com . . . . .	137,700	4,116,769	4,320,337
First Kentucky National Corp Com . . . . .	4,200	127,666	117,600
First Maryland Bancorp Com. . . . .	1,695	49,104	39,196
First Mississippi Corp Com . . . . .	14,200	160,550	115,375
First National Cincinnati Corp Com . . . . .	2,100	94,699	81,900
First National State Bancorp Com . . . . .	5,690	194,026	203,417
First Nationwide Financial Corp Com . . . . .	6,700	134,000	93,800
First Okla Bancorporation Inc Com. . . . .	5,800	95,527	74,675
First Pennsylvania Corp Com . . . . .	23,200	176,732	116,000
First Railroad & Banking Co Georgia Com . . . . .	3,800	96,311	96,900
First Security Corp Delaware Com. . . . .	5,600	145,433	104,300
First Tennessee National Corp Com . . . . .	24,300	574,122	586,237
First Union Corp Com. . . . .	7,950	200,579	206,700
First Virginia Bank Inc Com . . . . .	5,800	101,214	89,900
First Wisconsin Corp Com. . . . .	4,000	97,005	72,000
Fischbach Corp Com . . . . .	36,800	1,914,003	1,844,600
Fleet Financial Group Inc Com. . . . .	3,400	163,345	138,550
Fleetwood Enterprises Inc Com. . . . .	48,900	1,299,265	837,412
Fleming Companies Inc Com. . . . .	8,300	235,602	219,950
Flightsafety International Inc Com. . . . .	7,600	205,473	184,300
Floating Point Systems Inc Com . . . . .	4,200	140,274	69,300
Florida East Coast Industries Inc Com . . . . .	4,400	140,622	151,250
Florida National Banks Florida Inc Com. . . . .	3,700	124,302	154,475
Florida Power & Light Co Com. . . . .	174,700	5,893,493	6,332,875
Florida Progress Corp Com . . . . .	19,000	362,809	365,750
Florida Rock Industries Inc Com . . . . .	3,000	82,787	82,500
Florida Steel Corp Com. . . . .	6,200	160,265	90,675
Flowers Industries Inc Com. . . . .	7,100	126,900	138,450
Fluke John Manufacturing Co Com . . . . .	3,675	119,233	91,875
Fluor Corp Com . . . . .	29,600	607,477	506,900
Fonar Corp Com . . . . .	11,200	100,466	43,400
Food Lion Inc Com A . . . . .	12,200	151,549	100,650
Food Lion Inc Com B . . . . .	24,200	300,382	217,800
Foote Cone-Belding Communications Inc Com . . . . .	14,000	649,912	728,000
Ford Motor Co Del Com . . . . .	159,350	5,929,393	5,756,518
Foremost Corp America Com . . . . .	5,300	171,429	131,175

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Forest Laboratories Inc Com A	2,900	101,138	45,675
Fort Howard Paper Co Com	14,500	798,085	792,062
Forum Group Inc Com	10,100	103,224	54,287
Foster Wheeler Corp Com	12,800	217,313	147,200
Fourth Financial Corp Com	4,100	100,840	88,150
Foxboro Co Com	5,800	199,139	174,725
Freeport McMoran Inc Com	34,800	914,238	591,600
Freeport McMoran Oil & Gas Rty Tr Com	18,360	115,999	179,010
Fremont General Corp Com	5,400	93,664	84,375
Fruehauf Corp Com	5,100	230,693	155,550
Fuller H B Co Com	5,800	99,963	86,275
G A F Corp Com	6,700	104,937	118,925
Gannett Co Inc Com	34,450	1,461,862	1,438,287
Gap Stores Inc Com	3,900	126,221	84,337
Gates Learjet Corp Com	5,985	99,667	86,782
Gatx Corp Com	5,600	192,320	159,600
GCA Corp Com	6,000	214,196	159,000
Gearhart Industries Inc Com	8,600	198,619	173,075
Geico Corp Com	20,000	1,175,102	1,120,000
Gelco Corp Com	6,500	121,743	98,312
GenCorp Inc Com	86,010	3,127,607	3,214,623
Genentech Inc Com	6,700	273,663	231,150
General Cinema Corp Com	45,700	1,798,465	2,193,600
General Defense Corp Com	5,145	94,766	75,245
General Dynamics Corp Com	143,100	6,855,756	7,512,750
General Electric Co Com	605,200	18,138,507	31,773,000
General Foods Corp Com	19,600	834,875	1,070,650
General Host Corp Com	86,800	1,353,778	1,302,000
General Instrument Corp Com	261,800	6,182,248	5,563,250
General Mills Inc Com	114,800	5,225,697	6,055,700
General Motors Corp Com	339,500	20,448,440	22,206,852
General Nutrition Inc Com	15,500	294,038	94,937
General Public Utilities Corp Com	30,300	279,373	272,700
General Re Corp Com	103,600	5,569,350	5,944,050
General Signal Corp Com	10,600	472,610	463,750
Genetic System Corp Com	7,900	105,427	45,425
Genex Corp Com	6,000	117,571	54,000
Genrad Inc Com	7,100	318,401	163,300
Genstar Corp Com	14,400	361,371	241,200
Genuine Parts Co Com	21,900	623,628	602,250
Geo International Corp Com	7,900	93,514	54,312
Georgia-Pacific Corp Com	139,700	3,568,223	2,654,300
Gerber Products Co Com	5,200	156,347	205,400
Gerber Scientific Inc Com	4,400	117,493	95,150
Giant Food Inc Com A	36,900	810,595	867,150
Gibraltar Financial Corp Calif Com	7,700	95,058	51,975
Gibraltar Savings Association Houston Texas Com	3,400	93,398	108,800
Gibson Greetings Inc Com	4,800	106,057	117,600
Gifford Hill & Co Inc Com	5,100	99,910	94,987
Gillette Co Com	11,500	539,306	537,625
Glatfelter P H Co Com	6,000	93,315	116,250
Global Marine Inc Com	17,900	160,912	136,487
Global Natural Resources Inc Com	15,700	104,833	82,425
Golden Enterprises Inc Com	5,200	101,895	91,000
Golden Nugget Com	15,900	251,939	178,875

(Continued)



## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Golden West Financial Corp Del Com . . . . .	9,600	220,413	111,600
Goodrich B F Co Com . . . . .	9,200	371,379	248,400
Goodyear Tire & Rubber Co com . . . . .	408,100	12,380,805	10,508,575
Gordon Jewelry Corp Com . . . . .	7,033	139,133	114,286
Gotaas Larsen Shipping Corp Com . . . . .	8,300	91,300	92,337
Gould Inc Com . . . . .	16,700	600,158	438,375
Gouids Pumps Inc Com . . . . .	8,100	146,571	143,775
Grace W R & Co Com . . . . .	18,300	894,483	791,475
Grainger W W Inc Com . . . . .	5,400	291,491	278,775
Granger Associates Com . . . . .	5,700	107,542	132,525
Graphic Scanning Corp Com . . . . .	15,800	132,089	65,175
Great Lakes Chemical Corp Com . . . . .	7,000	249,708	229,250
Great Lakes International Com . . . . .	2,500	96,563	78,125
Great Northern Nekoosa Corp Com . . . . .	71,700	2,363,170	2,437,800
Great Western Financial Corp Com . . . . .	13,900	331,775	246,725
Grete Bay Casino Com . . . . .	3,800	96,311	74,100
Green Tree Acceptance Inc Com . . . . .	5,000	104,226	71,250
Greyhound Corp Com . . . . .	22,400	520,133	501,200
Gruman Corp Com . . . . .	9,800	299,275	254,800
GTE Corp Com . . . . .	234,700	9,497,175	8,771,912
Guardian Ind Corp Com Del . . . . .	10,600	224,984	168,275
Guilford Mills Com . . . . .	3,800	93,461	80,750
Gulf & Western Industries Inc Com . . . . .	29,200	770,367	854,100
Gulf Broadcast Co Com . . . . .	152,800	957,470	1,222,400
Gulf Canada Ltd Com . . . . .	108,000	1,792,285	1,377,000
Gulf Resources & Chemical Corp Com . . . . .	20,000	427,765	437,500
Gulf States Utilities Co Com . . . . .	213,900	3,067,517	2,326,162
Gulfstream Aerospace Corp Com . . . . .	15,700	266,432	255,125
Hall Frank B & Co Inc Com . . . . .	5,600	157,770	124,600
Halliburton Co Com . . . . .	83,800	2,537,235	2,817,775
Hamilton Oil Corp Com . . . . .	22,900	423,164	372,125
Hammermill Paper Co Com . . . . .	4,000	172,580	176,000
Handleman Co Com . . . . .	7,500	131,111	240,937
Handy & Harman Co Com . . . . .	6,400	134,034	114,400
Hanna Mining Co Com . . . . .	7,500	175,813	148,125
Hanover Insurance Co Com . . . . .	4,800	147,228	114,000
Harcourt Brace Jovanovich Inc Com . . . . .	6,200	159,650	182,900
Harland John H Co Com . . . . .	63,900	2,446,598	2,556,000
Harper Group Com . . . . .	4,200	115,899	100,800
Harris Bankcorp Inc Com . . . . .	3,100	189,395	241,412
Harris Corp Del Com . . . . .	15,575	563,704	391,321
Harsco Corp Com . . . . .	8,900	212,272	173,550
Harte Hanks Communications Inc . . . . .	10,200	266,171	306,000
Hartford National Corp Com . . . . .	4,650	110,732	102,300
Hartford Steam Boiler Inspec-Ins Co Com . . . . .	1,800	95,571	91,800
Hartmarx Corp Com . . . . .	24,800	836,453	694,400
Hasbro Ind Inc Com . . . . .	3,800	95,361	170,050
Hawaiian Electric Inds Inc Com . . . . .	8,000	122,380	127,000
Hazeltine Corp Com . . . . .	3,900	98,796	101,887
HBO & Co Com . . . . .	7,650	205,760	160,650
Healthdyne Inc Com . . . . .	6,500	169,619	41,437
Hechinger Co Com A . . . . .	8,375	184,050	150,750
Hecks Inc Com . . . . .	5,500	95,585	66,687
Hecla Mining Co Com . . . . .	11,100	249,419	187,312
Heilig Meyers Co Com . . . . .	4,800	94,979	84,000

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Heilman G. Brewing Inc Com . . . . .	30,000	754,832	542,420
Heinz H J Co Com . . . . .	27,000	793,204	1,012,500
Heizer Corp Com . . . . .	7,500	104,076	129,375
Helene Curtis Industries Inc Com . . . . .	15,000	318,914	332,212
Helmerich & Payne Inc Com . . . . .	11,800	287,273	237,475
Henredon Furniture Inds Inc Com . . . . .	2,400	99,228	73,200
Hercules Inc Com . . . . .	20,500	803,614	612,437
Hershey Foods Corp Com . . . . .	17,100	473,485	536,512
Hewlett-Packard Co Cap . . . . .	278,200	10,242,099	10,154,300
Hillenbrand Industries Inc Com . . . . .	9,400	211,497	183,300
Hilton Hotels Corp Com . . . . .	10,400	579,284	520,000
Hogan Systems Inc Com . . . . .	10,500	205,172	160,125
Holidays Inns Inc Com . . . . .	18,300	954,798	786,900
Hollywood Pk Realty Enterprises Com Unit . . . . .	3,250	95,147	77,187
Home Beneficial Corp B . . . . .	5,800	117,726	113,100
Home Depot Inc Com . . . . .	11,600	363,604	262,450
Home Federal S/L Association San Diego Calif Com . . . . .	8,500	112,625	104,125
Home Health Care America Inc CA Com . . . . .	6,500	146,056	46,312
Homestake Mining Co Com . . . . .	13,700	467,367	359,625
Hon Industries Inc Com . . . . .	5,200	110,995	101,400
Honeywell Inc Com . . . . .	173,000	6,870,665	9,147,375
Hook Drugs Inc Com . . . . .	3,700	97,477	75,850
Hoover Co Com . . . . .	25,700	656,092	629,650
Hoover Universal Inc Com . . . . .	6,300	147,449	143,325
Hormel Geo A & Co Com . . . . .	4,500	120,628	120,375
Hospital Corp America Com . . . . .	40,796	903,578	1,626,740
Houghton Mifflin Co Com . . . . .	3,800	95,961	95,000
House of Fabrics Inc Com . . . . .	6,300	93,524	91,350
Household International Inc Com . . . . .	18,600	586,684	467,325
Houston Industries Inc Com . . . . .	241,200	4,831,684	4,462,200
Houston Natural Gas Corp Com . . . . .	19,400	900,797	933,625
Hubbard Real Estate Investments Com . . . . .	4,200	94,899	91,350
Hubbell Harvey Inc Com B . . . . .	30,300	930,665	912,787
Hughes Tool Co Com . . . . .	65,800	1,600,278	1,044,575
Humana Inc Com . . . . .	178,120	4,397,788	4,742,445
Hunt J B Transport Services Inc Com . . . . .	5,400	95,850	91,800
Huntington Bancshares Inc Com . . . . .	3,500	108,833	101,500
Husky Oil Ltd Com . . . . .	39,800	381,890	333,325
Hutton E F Group Inc Com . . . . .	49,000	1,860,766	1,463,875
Hybritech Inc Com . . . . .	4,900	114,391	68,600
I C H Corp Com . . . . .	3,900	98,571	129,675
I C Industries Inc Com . . . . .	6,200	276,173	282,875
I M S International Inc Com . . . . .	4,400	117,569	135,300
Idaho Power Co Com . . . . .	8,000	263,761	263,000
Ideal Basic Industries Inc Com . . . . .	7,100	138,598	133,125
Illinois Power Co Com . . . . .	22,900	526,018	423,650
Illinois Tool Works Inc Com . . . . .	11,600	297,077	278,400
Imperial Chemical Industries Plc Adr New . . . . .	150,000	5,469,625	4,668,750
Imperial Corp America Com . . . . .	8,700	94,353	58,725
Imperial Oil Compagnie Petroliere CV A . . . . .	74,900	2,478,832	1,956,762
Inco Ltd Com . . . . .	36,600	647,320	356,850
Inexo Oil Co Com . . . . .	13,500	174,459	138,375
Informatics General Inc Com . . . . .	3,500	92,470	78,750
Informational Resources Inc Com . . . . .	4,200	101,850	101,850
Infotron Systems Corp Com . . . . .	2,800	106,666	79,800

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Ingersol Rand Co Com . . . . .	7,500	385,953	300,000
Inland Steel Co Com . . . . .	9,300	307,979	203,437
Insilco Corp Com . . . . .	7,875	167,289	125,015
Inspiration Resources Corp Com . . . . .	14,100	157,850	112,800
Institution Networks Corp Com New . . . . .	3,100	108,795	58,900
Intecom Inc Com . . . . .	14,200	284,676	154,425
Integrated Resources Inc Com . . . . .	17,000	553,543	361,250
Intel Corp Cap . . . . .	47,900	1,443,313	1,448,975
Intelligent System Corp Com . . . . .	5,200	97,345	71,500
Interco Inc Com . . . . .	55,500	3,348,245	3,357,750
Interfirst Corp Com . . . . .	190,600	4,491,513	1,882,175
Intergraph Corp Com . . . . .	11,900	517,295	517,650
Intergrated ISCCO Com . . . . .	3,800	96,311	58,900
Interlake Inc Com . . . . .	13,700	616,226	637,050
Intermedics Inc Com . . . . .	5,300	97,317	70,225
International Bank Washington DC Com . . . . .	8,100	95,946	72,900
International Bank Washington DC Com A . . . . .	9,100	96,416	58,012
International Business Machines Corp Cap . . . . .	597,200	48,779,330	63,153,900
International Clinical Labs Inc Com . . . . .	3,600	95,742	58,500
International Flavors & Fragrances Com . . . . .	13,800	409,389	357,075
International Harvester Co Com . . . . .	14,000	184,616	92,750
International Lease Finance Corp Com . . . . .	6,800	94,673	89,250
International Minerals & Chemical Com . . . . .	10,000	339,458	360,000
International Multifoods Corp Com . . . . .	3,800	116,136	89,300
International Paper Co Com . . . . .	82,400	3,843,087	4,006,700
Internorth Inc Com . . . . .	16,700	437,160	607,462
Interpublic Group Cos Inc Com . . . . .	4,600	132,469	150,650
Interstate Power Co Com . . . . .	6,800	109,447	109,650
Intrawest Financial Corp Com . . . . .	2,700	35,777	39,825
Iowa Electric Light & Power Co Com . . . . .	7,200	112,035	108,000
Iowa Resources Inc Com . . . . .	5,300	143,329	136,475
Iowa-Illinois Gas & Electric Co Com . . . . .	6,200	156,490	141,050
IPALCO Enterprises Inc Com . . . . .	8,000	221,473	218,000
Irving Bank Corp Com . . . . .	4,100	206,490	205,000
ISC Systems Corp Com . . . . .	6,900	106,744	105,225
ITT Corp Com . . . . .	207,800	8,433,285	6,519,725
IU International Corp Domestic Com . . . . .	15,100	329,996	268,025
Jackson National Life Insurance Co Com . . . . .	2,900	95,976	84,100
Jamesway Corp Com . . . . .	34,100	668,077	554,125
Jefferson Pilot Corp Cap . . . . .	12,150	292,140	367,537
Jeffrey Martin Inc Com . . . . .	7,300	102,895	46,537
Jerrico Inc Com . . . . .	7,300	145,782	104,025
Jewel Companies Inc Com . . . . .	4,500	216,221	324,000
Johnson & Johnson Com . . . . .	241,400	10,527,995	7,242,000
Johnson Controls Inc Com . . . . .	6,200	287,340	272,025
Joslyn Manufacturing & Supply Co Com . . . . .	3,100	95,620	72,850
Jostens Inc Com . . . . .	6,000	173,608	150,750
Joy Manufacturing Co com . . . . .	7,400	198,278	169,275
JWT Group Inc Com . . . . .	2,700	90,175	99,900
K Mart Corp Com . . . . .	54,300	1,906,437	1,683,300
K N Energy Inc Com . . . . .	4,300	134,926	129,537
Kaiser Aluminum & Chemical Corp Com . . . . .	16,300	352,798	236,350
Kaiser Cement Corp Com . . . . .	11,200	256,524	210,000
Kaneb Services Inc Com . . . . .	13,900	267,161	194,600
Kansas City Life Insurance Co Com . . . . .	1,600	92,952	93,200

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Kansas City Power & Light Co Com . . . . .	12,300	253,955	182,962
Kansas City Southern Inds Inc Com . . . . .	4,800	313,511	220,800
Kansas Power & Light Co Com . . . . .	8,100	223,521	245,025
Karcher Carl Enterprises Inc Com . . . . .	3,300	110,864	80,850
Kaydon Corp Com . . . . .	2,800	11,935	18,200
Kaypro Corp Com . . . . .	16,300	100,856	73,350
Kellogg Co Com . . . . .	28,800	756,784	903,600
Kellwood Co Com . . . . .	2,800	97,091	74,200
Kelly Johnston Enterprises Inc Com . . . . .	5,500	94,023	26,125
Kelly Services Inc Com . . . . .	3,100	142,895	120,900
Kemper Corp Com . . . . .	6,716	267,008	233,381
Kennametal Inc Com . . . . .	5,700	157,630	135,375
Kentucky Utilities Co Com . . . . .	9,000	192,044	189,000
Kerr-McGee Corp Com . . . . .	175,500	5,689,203	5,484,375
Key Banks Inc Com . . . . .	5,250	102,133	98,437
Key Pharmaceuticals Inc Com . . . . .	16,350	363,463	202,331
Keystone International Inc Com . . . . .	5,985	120,667	95,760
Kidde Inc Com . . . . .	9,100	271,591	260,487
Kimball International Com B . . . . .	5,000	97,113	102,500
Kimberly Clark Corp Com . . . . .	18,400	405,422	740,600
Kinder Care Learning Centers Inc Com . . . . .	8,300	190,652	153,550
KLA Instruments Corp Com . . . . .	4,600	108,319	103,500
Knight-Ridder Newspaper Inc Com . . . . .	24,600	663,077	667,275
Koger Co Com . . . . .	3,900	100,271	83,850
Koger Properties Inc Com . . . . .	3,500	93,958	66,500
Kollmorgen Corp Com . . . . .	4,400	129,131	114,950
Koppers Co Inc Com . . . . .	13,300	252,304	249,375
Kroger Co Com . . . . .	272,000	10,230,783	9,009,975
Kroy Inc Com . . . . .	4,100	95,715	42,025
Kulicke & Soffa Inds Inc . . . . .	3,400	97,223	69,275
La Quinta Motor Inns Inc Com . . . . .	6,700	128,629	100,500
La-Z-Boy Chair Co Com . . . . .	2,400	101,028	73,200
Lafarge Corp Com . . . . .	15,400	185,700	159,775
Laidlaw Industries Inc Com . . . . .	8,000	104,761	84,000
Lake Shores Mines Ltd Cap . . . . .	2,400	95,603	75,900
Lancaster Colony Corp Com . . . . .	4,700	97,972	79,900
Lance Inc Com . . . . .	5,900	158,386	157,825
Landmark Banking Corp Florida Com . . . . .	13,185	194,984	194,478
Lane Co Inc Com . . . . .	2,700	93,321	90,450
Lawson Products Inc Com . . . . .	4,500	94,785	90,000
Lawter International Inc Com . . . . .	8,400	102,033	109,200
Lear Petroleum Corp Com . . . . .	25,000	604,324	478,125
Lear Siegler Inc Com . . . . .	7,800	330,167	337,350
Learonal Inc Com . . . . .	4,700	97,344	76,375
Leaseway Transportation Corp Com . . . . .	4,800	203,020	127,800
Lee Data Corp Com . . . . .	6,000	122,071	62,250
Lee Enterprises Inc Com . . . . .	46,300	725,116	1,088,050
Legg Mason Com . . . . .	53,000	678,400	530,000
Leggett & Platt Co Com . . . . .	4,200	99,099	67,725
Lennar Corp Com . . . . .	4,800	95,257	50,400
Levi Straus & Co Com . . . . .	75,274	3,095,252	2,154,718
Levitz Furniture Corp Com . . . . .	128,800	5,308,724	3,864,000
Libbey-Owens-Ford Co Com . . . . .	5,700	198,766	256,500
Liberty Corp S C Com . . . . .	4,600	102,550	113,850
Liberty National Corp Com . . . . .	5,100	94,835	58,650

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Liebert Corp Com . . . . .	6,700	124,588	132,325
Life Investors Inc Com . . . . .	4,600	147,638	171,350
Lilly Eli & Co Com . . . . .	32,200	2,111,164	1,952,125
Limited Inc Com . . . . .	167,500	3,804,796	3,266,250
Lin Broadcasting Corp Cap . . . . .	34,700	750,573	750,387
Lincoln First Banks Inc Com . . . . .	2,100	94,174	150,150
Lincoln National Corp Com . . . . .	76,000	2,529,815	2,558,937
Lincoln Telecommunications Co Com . . . . .	4,200	111,699	110,250
Liquid Air Corp North America Com . . . . .	6,100	154,605	135,725
Litton Industries Inc Com . . . . .	125,808	7,736,560	9,246,888
Liz Claiborne Inc Com . . . . .	4,900	158,491	196,000
Lockheed Corp Com . . . . .	185,500	6,911,336	7,280,875
Loctite Corp Com . . . . .	4,800	211,657	170,400
Loews Corp Com . . . . .	13,250	859,104	1,066,625
Logicon Inc Com . . . . .	3,400	97,273	77,350
Lomas & Nettleton Financial Corp Com . . . . .	31,800	702,527	747,300
Lone Star Industries Inc Com . . . . .	7,100	221,256	140,225
Long Drug Stores Inc Com . . . . .	5,000	212,101	186,875
Long Island Lighting Co Com New . . . . .	48,400	779,009	248,050
Longview Fibre Co Com . . . . .	23,500	636,773	522,875
Loral Corp Com . . . . .	10,500	310,749	258,562
Lorimar Inc Com . . . . .	4,400	99,419	117,700
Lotus Development Corp Com . . . . .	6,900	170,775	139,725
Louisiana Land & Exploration Co Cap . . . . .	11,800	330,962	346,625
Louisiana Pacific Corp Com . . . . .	12,772	340,922	233,089
Louisville Gas & Electric Co Com . . . . .	8,800	204,562	201,300
Lowe's Companies Inc Com . . . . .	16,900	447,346	359,125
LSI Logic Corp Com . . . . .	10,500	239,874	147,000
LTV Corp Com . . . . .	25,300	429,737	300,437
LTX Corp Com . . . . .	5,200	99,295	84,500
Lubrizol Corp Com . . . . .	123,500	3,225,503	2,686,125
Lubys Cafeterias Inc Com . . . . .	4,300	142,847	147,812
Lucky Stores Inc Com . . . . .	19,400	443,066	312,825
M C I Communications Corp Com . . . . .	104,400	1,948,026	783,000
M/A Com, Inc, Com . . . . .	16,200	443,374	295,650
Mack Trucks Inc Com . . . . .	13,700	262,868	210,637
MacMillan Bloedel Ltd Com . . . . .	12,415	286,285	237,445
MacMillan Inc Com . . . . .	4,900	162,881	152,512
Macy R H & Co Com . . . . .	142,950	5,339,899	6,968,812
Magic Chef Inc Com . . . . .	24,500	903,289	615,562
Malone & Hyde Inc Com . . . . .	7,200	206,610	250,200
Management Science American Inc Com . . . . .	7,900	233,802	156,025
Manitowoc Co Inc Com . . . . .	5,100	121,610	90,525
Manufacturers Hanover Corp Cap . . . . .	18,200	733,403	450,450
Manufacturers National Corp Com . . . . .	2,400	93,228	75,600
Mapco Inc Com . . . . .	14,400	379,371	379,800
Marine Midland Banks Inc Com . . . . .	109,000	3,144,448	2,152,750
Marion Laboratories Inc Com . . . . .	8,600	336,219	331,100
Marriott Corp Com . . . . .	15,400	1,134,251	1,049,125
Marsh & McLennan Companies Com . . . . .	16,600	700,855	722,100
Marshall & Ilsley Corp Com . . . . .	2,300	112,344	98,325
Martin-Marietta Corp Com . . . . .	175,450	6,135,627	5,724,056
Mary Kay Cosmetics Inc Com . . . . .	13,700	340,379	140,425
Maryland National Corp Com . . . . .	3,600	113,742	113,400
Masco Corp Com . . . . .	22,800	774,503	595,650

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Massey Ferguson Ltd Com . . . . .	34,900	181,263	100,337
Masstor Systems Corp Com . . . . .	23,300	176,830	99,025
Materials Research Corp Com . . . . .	3,000	96,960	45,750
Matrix Corp New Jersey Com . . . . .	3,600	105,290	86,400
Mattel Inc Com . . . . .	10,700	121,537	85,600
Maxicare Health Plans Inc Com . . . . .	7,300	110,412	142,350
Maxxam Group Inc Com . . . . .	9,200	94,725	106,950
May Department Stores Co Com . . . . .	186,000	9,176,197	10,532,250
Maytag Co Com . . . . .	5,200	231,967	198,250
MCA Inc Com . . . . .	18,200	701,962	791,700
McCormick & Co Non-Vtg Com . . . . .	5,900	162,811	193,962
McCormick Oil & Gas Partnership Deposit . . . . .	10,400	119,290	94,900
McDermott International Inc Com . . . . .	64,900	1,600,024	1,663,062
McDonalds Corp Com . . . . .	126,600	7,934,585	8,687,925
McDonnell Douglas Corp Com . . . . .	14,700	739,413	823,200
McGraw Edison Co Com . . . . .	6,200	231,523	209,250
McGraw-Hill Inc Com . . . . .	170,900	5,576,100	7,263,250
McIntyre Mines Ltd Com . . . . .	2,600	94,897	58,825
McKesson Corp Com . . . . .	7,800	343,942	272,025
MCO Holding International Com . . . . .	8,400	126,699	102,900
MCO Resources Inc Com . . . . .	53,100	219,280	152,662
MDC Corp Colo Com . . . . .	7,300	96,507	64,787
Mead Corp Com . . . . .	14,000	492,277	448,000
Measorex Corp Com . . . . .	5,600	97,179	88,900
Media General Inc Com . . . . .	3,200	184,604	172,800
Mediq Inc Com . . . . .	5,200	98,232	75,400
Medtronic Inc Com . . . . .	7,600	342,723	192,850
MEI Corp Com . . . . .	7,900	253,552	299,212
Melville Corp Com . . . . .	56,000	2,032,990	2,009,000
Mercantile Bancorporation Inc Com . . . . .	4,200	112,266	99,225
Mercantile Bankshares Corp Com . . . . .	2,700	93,407	87,750
Mercantile Stores Inc Com . . . . .	5,700	307,076	294,262
Mercantile Texas Corp Com . . . . .	141,700	3,996,679	2,869,425
Merck & Co Inc Com . . . . .	66,700	5,274,334	6,169,750
Meredith Corp Com . . . . .	14,200	412,361	614,150
Meridan Bancorp Inc Com . . . . .	3,100	95,620	93,775
Merrill Lynch & Co Inc Com . . . . .	132,800	3,190,107	3,569,000
Mesa Petroleum Co Com . . . . .	25,200	387,293	422,100
Metromedia Inc Com . . . . .	10,500	412,747	357,000
MGM UA Entertainment Co Com . . . . .	39,400	705,484	546,675
Michigan National Corp Com . . . . .	5,200	100,595	68,900
Micom Systems Inc Com . . . . .	7,100	321,951	275,125
MidCon Corp Com . . . . .	83,300	2,477,154	2,873,850
Middle South Utilities Inc Com . . . . .	88,100	1,330,570	936,062
Midland-Ross Corp Com . . . . .	5,700	104,342	113,287
Midlands Energy Co Com . . . . .	4,300	78,982	100,512
Midlantic Banks Inc Com . . . . .	8,400	181,128	186,900
Midway Airlines Inc Com . . . . .	7,600	112,823	64,600
Midwest Energy Co Com . . . . .	5,300	128,216	124,550
Miller Herman Inc Com . . . . .	7,600	183,123	188,100
Miller Wohl Inc Com . . . . .	6,100	115,293	122,000
Millicom Inc Com . . . . .	6,700	101,138	38,525
Millipore Corp Com . . . . .	6,400	190,209	172,800
Mine Safety Appliances Co Com . . . . .	2,000	104,190	84,000
Minnesota Mining & Manufacturing Co Com . . . . .	126,500	9,213,488	9,756,312

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Minnesota Power & Light Co Com . . . . .	6,400	162,183	164,000
Mission Insurance Group Inc Com . . . . .	2,396	69,102	34,442
Mitchell Energy & Development Corp Com . . . . .	23,400	645,728	450,450
Mitel Corp Com . . . . .	17,900	256,779	120,825
Mobil Corp Com . . . . .	625,800	17,260,494	16,583,700
Mohasco Corp Com . . . . .	8,700	167,350	145,725
Mohawk Data Sciences Corp Com . . . . .	7,400	95,991	98,050
Molecular Genetics Inc Com . . . . .	5,600	97,133	57,400
Molex Inc Com . . . . .	9,400	352,947	368,950
Monarch Capital Corp Com . . . . .	4,100	121,852	138,887
Monolithic Memories Inc Com . . . . .	8,200	232,430	150,675
Monsanto Co Com . . . . .	109,600	4,908,187	4,740,200
Montana Power Co Montana Com . . . . .	9,100	260,216	230,912
Moore Corp Ltd Com . . . . .	13,300	634,616	507,062
Moore Financial Group Inc Idaho Com . . . . .	3,600	96,642	74,700
Moore Mc Cormack Resources Inc Com New . . . . .	4,100	109,415	85,075
Morgan J P & Co Inc Com . . . . .	94,700	6,258,907	5,883,237
Morrison Inc Com . . . . .	6,300	125,812	109,462
Morrison Knudsen Inc Com . . . . .	19,600	580,500	551,250
Morse Shoe Inc Com . . . . .	2,800	94,641	64,400
Morton Thiokol Inc Com . . . . .	7,900	470,260	600,400
Motorola Inc Com . . . . .	267,900	8,449,113	8,941,162
Mountain Fuel Supply Co Cap . . . . .	8,700	294,453	239,250
Multimedia Inc Com . . . . .	77,800	3,047,150	3,014,750
Murphy G C Co Com . . . . .	2,600	96,897	87,425
Murphy Oil Corp . . . . .	17,900	625,967	586,225
Murray Ohio Manufacturing Co Com . . . . .	3,400	97,335	79,050
N C N B Corp Com . . . . .	10,200	270,236	244,800
N C R Corp Com . . . . .	610,800	13,860,220	14,964,600
N L Industries Inc Com . . . . .	23,300	415,089	311,637
Nabisco Brands Inc Com . . . . .	32,400	1,263,184	1,490,400
Nalco Chemical Co Com . . . . .	18,700	656,280	444,125
Nashua Corp Com . . . . .	32,600	856,768	929,100
National Bancshares Corp Texas Com . . . . .	3,500	96,583	74,375
National Can Corp Com . . . . .	4,600	168,889	156,400
National City Corp Com . . . . .	5,250	161,333	149,625
National Data Corp Com . . . . .	5,300	94,579	76,187
National Distillers & Chemical Corp Com . . . . .	12,300	333,060	339,787
National Education Corp Com . . . . .	4,800	98,466	80,400
National Fuel Gas Co Com . . . . .	6,380	108,625	125,207
National Gypsum Co Com . . . . .	6,300	194,035	188,212
National Intergroup Inc Com . . . . .	7,000	223,254	190,712
National Medical Care Inc Com . . . . .	8,600	136,743	117,175
National Medical Enterprises Inc Com . . . . .	24,500	592,257	511,437
National Presto Industries Inc Com . . . . .	3,400	95,523	79,475
National Semiconductor Corp Com . . . . .	31,500	464,214	385,875
National Service Industries Inc Com . . . . .	120,250	2,747,565	2,855,937
NBD Bancorp Inc Com . . . . .	5,700	251,342	230,850
NBI Inc Com . . . . .	4,700	142,872	99,875
NCH Corp Com . . . . .	5,300	95,704	100,037
Nelson Research & Development Co Com . . . . .	4,300	97,159	45,150
Network Systems Corp Com . . . . .	10,100	264,824	234,825
Nevada Power Co Com . . . . .	5,900	161,998	146,025
New England Business Services Inc Com . . . . .	3,800	97,080	104,500
New England Electric System Com . . . . .	11,500	442,993	372,312

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
New Process Co Com . . . . .	4,400	114,519	72,050
New York Airlines Inc Com . . . . .	14,000	116,333	50,750
New York State Electric & Gas Corp Com . . . . .	20,800	434,493	369,200
New York Times Co Com A . . . . .	118,000	3,449,341	3,702,250
Newell Companies Inc Com . . . . .	5,400	95,513	81,000
Newhall Land Farming Co Com . . . . .	4,200	124,212	141,750
Newmont Mining Corp Com . . . . .	14,200	785,655	525,400
Newport Corp Com . . . . .	4,200	96,866	92,400
Niagara Mohawk Power Corp Com . . . . .	37,400	634,479	523,600
Nicolet Instrument Corp Com . . . . .	25,500	330,456	350,625
NICOR Inc Com . . . . .	12,300	390,158	321,337
Nielson A C Co Com A Non-Voting . . . . .	10,500	342,249	526,312
Nielson A C Co Com B . . . . .	4,000	132,380	201,000
Nike Inc Com B . . . . .	17,400	306,157	174,000
Noble Affiliates Inc Com . . . . .	20,800	430,980	327,600
Nordson Corp Com . . . . .	4,500	95,535	73,125
Nordstrom Inc Com . . . . .	8,600	336,219	281,650
Norfolk Southern Co Com . . . . .	175,415	9,952,733	8,946,165
Norstar Bancorp Inc Com . . . . .	5,145	184,453	156,922
North American Coal Corp Com . . . . .	15,000	693,623	716,250
North American Philips Corp Com . . . . .	13,000	465,369	417,625
North European Oil Royalty Trust B/I . . . . .	4,600	96,475	86,250
Northeast Utilities Com . . . . .	44,700	579,769	508,462
Northeastern Bancorp Inc Pa Com . . . . .	4,200	96,799	109,200
Northern Ind Public Service Co com . . . . .	30,600	442,789	420,750
Northern States Power Co Minn Com . . . . .	11,500	343,160	426,937
Northern Telecom Ltd Com . . . . .	49,600	2,181,644	1,667,800
Northern Trust Corp Com . . . . .	2,300	139,944	138,000
Northrop Corp Com . . . . .	41,100	3,500,380	3,822,300
Northwest Airlines Inc Com . . . . .	8,500	339,947	313,437
Northwest Industries Inc Com . . . . .	7,600	318,202	368,600
Northwest Natural Gas Co Com . . . . .	8,700	115,016	113,100
Northwestern Financial Corp Com . . . . .	3,600	97,542	108,900
Norton Co Com . . . . .	9,000	383,507	292,500
Norwest Corp Com . . . . .	10,800	400,845	271,350
Noxell Corp Com B . . . . .	4,700	183,747	164,500
Nucor Corp Com . . . . .	8,200	332,490	243,950
Numac Oil & Gas Ltd Com . . . . .	12,200	128,805	146,400
Nutri Systems Inc Com . . . . .	18,600	171,496	111,600
NYNEX Corp Com . . . . .	169,540	10,585,830	10,257,170
Oak Industries Inc Com . . . . .	12,500	93,377	45,312
Occidental Petroleum Corp Com . . . . .	41,300	1,045,974	1,182,212
Ocean Drilling & Exploration Co Com . . . . .	25,000	749,255	668,750
Ogden Corp Com . . . . .	8,900	255,301	249,200
Ogilvy & Mather International Com . . . . .	4,000	97,190	114,000
Ohio Casualty Corp Com . . . . .	5,400	267,814	215,325
Ohio Edison Co Com . . . . .	52,800	731,284	528,000
Ohio Mattress Co Com . . . . .	6,875	94,635	103,984
Oklahoma Gas & Electric Co Com . . . . .	19,000	377,334	382,375
Old Kent Financial Corp Com . . . . .	4,600	99,338	103,500
Old Republic International Corp Com . . . . .	5,040	151,657	164,430
Olin Corp Com New . . . . .	11,200	367,866	305,200
Omark Industries Com . . . . .	4,000	94,430	92,000
OMI Corp Com . . . . .	8,900	48,146	18,912
Omnicare Inc Com . . . . .	4,900	190,854	77,175

(Continued)



## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Oneok Inc Com . . . . .	20,900	614,812	593,037
Onieda Ltd Com . . . . .	4,300	100,484	82,775
Onyx IMI Inc Com . . . . .	20,600	180,060	79,825
Optical Radiation Corp Com . . . . .	3,200	97,104	123,200
Orange & Rockland Utilities Inc Com . . . . .	6,300	124,237	129,937
Oregon Metallurgical Corp Com . . . . .	11,300	167,751	110,175
Orion Pictures Corp Com . . . . .	4,900	94,429	56,350
Oshmans Sporting Goods Inc Com . . . . .	4,200	94,899	73,500
Otter Tail Power Co Com . . . . .	4,600	110,838	112,700
Outboard Marine Corp Com . . . . .	28,800	686,696	594,000
Overhead Door Corp Com . . . . .	5,000	95,288	78,125
Overnight Transportation Co Com . . . . .	14,600	334,975	288,350
Overseas Shipholding Group Inc Com . . . . .	87,200	1,725,829	1,340,700
Owens Illinois Inc Com . . . . .	10,300	349,510	381,100
Owens-Corning Fiberglass Corp . . . . .	11,000	452,941	288,750
Oxford Industries Inc Com . . . . .	25,400	578,444	349,250
Pabst Brewing Co Com New . . . . .	24,900	166,518	199,200
Paccar Inc Com . . . . .	7,600	378,044	309,700
Pacific Gas & Electric Co Com . . . . .	126,800	2,053,993	1,743,500
Pacific Gas Transmission Co Com . . . . .	6,100	113,343	101,412
Pacific Lighting Corp Com . . . . .	11,300	374,893	375,725
Pacific Lumber Co Com . . . . .	11,700	292,151	254,475
Pacific Scientific Co Com . . . . .	2,900	97,150	36,975
Pacific Telecom Inc Com . . . . .	17,900	349,229	259,550
Pacific Telesis Group Com . . . . .	58,040	2,828,250	3,155,925
Pacificorp Com . . . . .	26,900	617,899	605,250
Paco Pharmaceutical Services Inc Com . . . . .	3,800	95,361	50,350
Paine Webber Group Inc . . . . .	7,300	323,720	222,650
Pall Corp Com . . . . .	8,400	314,749	282,450
Palm Beach Inc Com . . . . .	3,100	96,145	86,025
Pandick Inc Com . . . . .	4,350	102,138	70,687
Panhandle Eastern Corp Com . . . . .	104,700	3,682,433	3,612,150
Pansophic Systems Inc Com . . . . .	4,000	102,380	55,500
Papercraft Corp Com . . . . .	5,300	94,579	72,212
Par Technology Corp Com . . . . .	4,100	98,790	69,700
Paradyne Corp Com . . . . .	10,300	219,804	132,612
Park Communications Inc Com . . . . .	4,200	95,025	100,800
Parker Drilling Co Com . . . . .	15,900	184,125	145,087
Parker Pen Co Com . . . . .	7,900	149,726	115,537
Parker-Hannifin Corp Com . . . . .	11,800	362,498	355,475
Parsons Corp & RMP International Corp Com Unit . . . . .	11,500	254,095	278,875
Pay Less Drug Stores NW Inc Com . . . . .	38,300	657,764	675,037
Pay N Pak Stores Com . . . . .	5,000	94,938	76,875
Pay N Save Corp Com . . . . .	5,800	149,177	100,050
Payless Cashways Inc Com . . . . .	12,600	322,499	206,325
Peabody International Corp Com . . . . .	12,800	183,256	110,400
Pearle Health Services Inc Com . . . . .	5,900	96,288	123,162
Penn Central Corp Com . . . . .	14,300	546,549	661,375
Penn Virginia Corp Com . . . . .	2,300	99,119	94,300
Penna Power & Light Co Com . . . . .	32,600	732,529	696,825
Penney J C Co Com . . . . .	132,400	6,364,146	6,719,300
Pennwalt Corp Com . . . . .	5,600	224,533	191,100
Pennzoil Co Com . . . . .	143,600	5,423,418	4,663,300
Pension Insurance Group American Inc Com . . . . .	3,440	7,740	3,870
Pentair Inc Com . . . . .	3,500	95,812	87,500

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Penwest Ltd Com . . . . .	1,850	10,579	15,493
Peoples Enery Corp Com . . . . .	17,400	165,475	167,475
Peoples Express Airlines Inc Com . . . . .	9,300	211,298	103,462
Pep Boys Manny Moe & Jack Com . . . . .	3,600	116,442	97,200
Pepsico Inc Cap . . . . .	170,000	6,418,867	7,097,500
Peregrine Entertainment Inc Com . . . . .	39,500	87,699	86,386
Perini Corp Com . . . . .	2,500	68,111	60,000
Perini Investment Properties Inc Com . . . . .	2,500	26,238	27,812
Perkin-Elmer Corp Com . . . . .	16,300	523,487	338,225
Petrie Stores Corp Com . . . . .	9,500	329,842	306,375
Petrolane Inc Com . . . . .	26,100	410,298	505,687
Petrolite Corp Com . . . . .	5,700	180,092	152,475
Pfizer Inc Com . . . . .	110,100	4,209,550	3,605,775
Phelps Dodge Corp Cap . . . . .	9,200	278,712	158,700
PHH Group Inc Com . . . . .	14,400	369,999	277,720
Phibro Salomon Corp Com . . . . .	212,900	4,497,110	5,695,075
Phila Electric Co Com . . . . .	62,000	1,044,347	775,000
Philip Morris Inc Com . . . . .	210,400	11,354,672	14,570,200
Philips Industries Inc Com . . . . .	40,800	617,562	489,600
Phillips Petroleum Co Com . . . . .	172,200	5,916,674	6,113,100
Phillips Van Heusen Corp Com . . . . .	4,300	86,287	82,775
Pic N Save Corp Com . . . . .	14,200	275,630	280,450
Piedmont Aviation Inc Com . . . . .	120,000	3,693,848	3,510,000
Pier 1 Imports Inc Com . . . . .	4,700	99,459	80,487
Pillsbury Co Com . . . . .	216,400	5,115,021	8,061,056
Pioneer Corp Com . . . . .	17,900	498,064	485,537
Pioneer Hi-Bred International Inc Com . . . . .	15,000	485,178	390,000
Pitney-Bowes Inc Com . . . . .	82,600	2,415,022	2,849,700
Pittston Co Com . . . . .	14,300	240,448	168,025
Pittway Corp Com . . . . .	2,200	136,096	136,950
Placer Development Ltd Com . . . . .	22,600	496,527	336,175
Plantronics Inc Com . . . . .	4,500	97,178	73,687
PNC Financial Corp Com . . . . .	9,600	418,296	360,000
Pneumo Corp Com . . . . .	26,800	661,805	737,000
Pogo Producing Co Com . . . . .	8,600	227,055	169,850
Polaroid Corp Com . . . . .	11,900	343,538	324,275
Policy Management System Corp Com . . . . .	7,600	234,061	224,200
Pope & Talbot Inc Com . . . . .	23,500	577,073	376,000
Porex Technologies Corp Com . . . . .	4,600	106,375	97,750
Potlatch Corp Com . . . . .	5,800	197,313	160,950
Potomac Electric Power Co Com . . . . .	22,600	414,602	463,300
PPG Industries Inc Cap . . . . .	207,700	6,465,833	5,789,637
Prairie Producing Co Com . . . . .	9,200	96,044	97,750
Premier Industrial Corp Com . . . . .	9,700	330,723	299,487
Prentice Hall Inc Com . . . . .	4,600	253,438	198,950
Presidential Life Corp Com . . . . .	8,900	169,100	226,950
Preston Corp Com A . . . . .	4,900	120,516	68,600
Price Co Com . . . . .	10,400	351,495	405,600
Primark Corp Com . . . . .	4,650	115,520	122,643
Prime Computer Inc Com . . . . .	22,100	363,992	295,587
Prime Motor Inns Inc Com . . . . .	16,700	351,575	342,350
Proctor & Gamble Co Com . . . . .	173,200	7,064,383	9,071,350
Products Research & Chemical Corp Com . . . . .	6,800	98,822	60,350
Progressive Corp Ohio Com . . . . .	3,400	129,523	106,250
Provident Life & Accident Ins Co Com . . . . .	4,400	295,219	301,400

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Public Service Co Colorado Com . . . . .	23,000	410,440	402,500
Public Service Co Indiana Com . . . . .	19,400	501,732	160,050
Public Service Co New Hampshire Com . . . . .	18,000	310,962	85,500
Public Service Electric & Gas Com . . . . .	49,800	1,136,281	1,070,700
Pulte Home Corp Com . . . . .	11,000	289,797	136,125
Puritan Bennett Corp Com . . . . .	2,200	109,109	40,700
Purolator Inc Com . . . . .	3,300	179,038	106,425
Pyro Energy Corp Com . . . . .	35,000	290,450	253,750
Quaker Oats Co Com . . . . .	7,500	353,015	478,125
Quaker State Oil Refining Corp Cap . . . . .	11,800	209,660	191,750
Quantum Corp Com . . . . .	4,400	98,319	82,500
Quotron Systems Inc Com . . . . .	15,800	293,804	169,850
R C A Corp Com . . . . .	36,600	1,066,397	1,157,475
R T E Corp Com . . . . .	5,800	95,451	78,300
Räiner Bancorporation Com . . . . .	4,500	160,178	164,812
Ralston Purina Co Com . . . . .	44,100	1,105,308	1,339,537
Ranchers Exploration & Development Com . . . . .	2,700	93,837	68,850
Ranger Oil Ltd Com . . . . .	38,700	443,599	261,225
Ransburg Corp Com . . . . .	5,000	87,975	76,250
Raychem Corp Com . . . . .	4,500	349,178	243,000
Raytheon Co Com . . . . .	265,300	12,055,050	10,081,900
Reading & Bates Corp Com . . . . .	12,700	158,925	141,287
Recognition Equipment Com . . . . .	40,000	440,826	447,500
Reeves Communications Corp Com . . . . .	6,900	95,532	48,300
Regency Electronics Inc Com . . . . .	6,200	97,945	42,625
Reichhold Chemicals Inc Com . . . . .	23,400	750,291	585,000
Republic Bank Corp Com . . . . .	12,600	403,351	333,900
Republic New York Corp Com . . . . .	6,300	291,187	203,175
Republic Steel Corp Com . . . . .	6,700	168,095	151,587
Revco D S Inc Com . . . . .	12,300	409,160	344,400
Revlon Inc Com . . . . .	13,400	431,404	520,925
Rexnord Inc Cap . . . . .	11,200	173,693	170,800
Reynolds & Reynolds Co Com A . . . . .	4,200	201,999	120,750
Reynolds Metals Co Com . . . . .	27,300	851,638	767,734
Reynolds R J Industries Inc Com . . . . .	204,400	9,498,848	11,650,800
Richardson Vicks Inc Com . . . . .	11,200	300,666	298,200
Riegel Textile Corp Com . . . . .	2,700	80,312	67,500
Riggs National Corp Washington DC Com . . . . .	2,800	110,866	76,300
Rio Algom Ltd . . . . .	23,400	387,817	263,250
Rio Grande Industries Inc Com . . . . .	4,700	248,960	196,812
Rite Aid Corp Com . . . . .	36,200	692,386	746,625
Roadway Services Inc Com . . . . .	15,600	509,876	401,700
Robertshaw Controls Co Com . . . . .	18,600	514,428	569,625
Robertson H H Co Com . . . . .	2,500	97,513	105,937
Robins A H Co Com . . . . .	11,300	303,351	161,025
Robinson Nugent Inc Com . . . . .	4,800	101,104	76,800
Rochester Gas & Electric Corp Com . . . . .	12,000	222,617	166,500
Rochester Telephone Corp Com . . . . .	5,200	166,119	147,550
Rockwell International Corp Com . . . . .	167,000	3,800,295	4,529,875
Rogers Cablesystems Inc Com B . . . . .	10,500	103,374	68,250
Rohm & Haas Co Com . . . . .	9,700	680,276	518,950
Rohr Industries Inc Com . . . . .	23,400	729,167	801,450
Rollins Environmental Services Inc Com . . . . .	5,600	96,495	79,100
Rollins Inc Com . . . . .	12,100	211,714	231,412
Rolm Corp Com . . . . .	562	35,613	22,339

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Roper Corp Com . . . . .	9,600	163,200	133,200
Rorer Group Com . . . . .	9,500	257,916	299,250
Roses Stores Inc Com . . . . .	4,500	105,892	81,000
Rouse Co Com . . . . .	7,000	254,416	227,500
Rowan Cos Inc Com . . . . .	25,200	345,749	274,050
Royal Crown Companies Inc . . . . .	4,400	167,200	174,900
Royal Dutch Petro Co NY Reg Shs 10 Gldr . . . . .	116,400	5,419,983	5,572,650
Rubbermaid Inc Com . . . . .	7,300	347,445	275,575
Russ Togs Inc Com . . . . .	3,900	96,558	75,075
Russell Corp Com . . . . .	9,200	152,050	115,000
Ryan Homes Inc Com . . . . .	3,200	119,679	60,800
Ryder System Inc Com . . . . .	8,796	408,996	384,833
Ryland Group Inc Com . . . . .	3,600	93,430	48,600
S C M Corp Com . . . . .	4,500	160,053	178,312
Sabine Corp Com . . . . .	8,000	185,786	157,000
Safecard Services Inc Com . . . . .	6,000	96,571	46,500
Safeco Corp Com . . . . .	14,200	369,956	443,750
Safeguard Business Sys Inc Com . . . . .	4,950	106,638	74,250
Safety Kleen Corp Com . . . . .	4,400	155,268	148,500
Safeway Stores Inc Com . . . . .	22,000	490,996	506,000
Saga Corp Com . . . . .	5,600	190,983	165,200
Sage Energy Co Com . . . . .	42,300	550,041	423,000
San Diego Gas & Electric Co Com . . . . .	113,600	2,053,288	2,044,800
Sanders Associates Inc Com . . . . .	48,600	2,558,655	2,077,650
Santa Fe Southern Pacific Corp Com . . . . .	381,115	8,980,260	8,622,726
Savannah Foods & Inds Inc Com . . . . .	2,800	101,066	125,300
SCA Services Inc Com . . . . .	9,600	164,963	199,200
Scherer R P Corp Com . . . . .	5,100	110,135	49,725
Schering-Plough Corp Com . . . . .	20,100	945,026	778,875
Schlumberger Ltd Com . . . . .	382,800	18,905,241	17,321,700
SCI Sys Inc Com . . . . .	5,500	147,648	76,312
Scientific Atlanta Inc Com . . . . .	9,200	165,542	80,500
Scitex Ltd Com . . . . .	4,300	106,834	82,775
SCOA Industries Inc Com . . . . .	8,800	275,838	229,900
Scott & Fetzer Co Com . . . . .	3,100	146,770	161,975
Scott Paper Co Com . . . . .	138,000	3,043,593	3,795,000
Scottys Inc Com . . . . .	5,700	94,905	76,950
Scovill Inc Com . . . . .	20,300	507,979	487,200
Scripps-Howard Broadcasting Co Com . . . . .	4,800	137,257	123,600
Scurry Rainbow Oil Ltd Com . . . . .	8,000	132,424	103,000
Sea Containers Ltd Com . . . . .	4,600	103,945	102,350
Sea Land Corp Com . . . . .	40,880	547,527	725,620
Seaco Inc Com . . . . .	4,600	16,417	16,675
Seagate Technology Com . . . . .	20,200	383,198	207,050
Seagram Ltd Com . . . . .	40,600	1,400,189	1,360,100
Seagull Energy Corp Com . . . . .	6,300	113,237	110,250
Sealed Air Corp Com . . . . .	4,600	103,513	101,200
Sealed Power Corp Com . . . . .	11,700	308,989	284,564
Searle GD & Co Com . . . . .	18,600	850,921	850,950
Sears Roebuck & Co Cap . . . . .	307,900	11,251,371	9,698,850
Security Pacific Corp Com . . . . .	17,100	939,990	722,475
Sedco Inc Com . . . . .	138,300	5,094,522	4,684,912
SEI Corp Com . . . . .	3,100	101,045	46,500
Seibels Bruce Group Inc Som . . . . .	3,700	97,477	75,850
Sensormatic Electronics Corp Com . . . . .	11,200	421,066	85,400

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Service Corp International Com . . . . .	4,900	197,354	193,550
Service Merchandise Inc Com . . . . .	13,900	315,811	192,862
Servicemaster Industries Inc Com . . . . .	10,200	401,321	285,600
SFN Cos Inc Com . . . . .	4,300	164,985	109,650
Shaklee Corp Com . . . . .	6,000	163,971	94,500
Shared Medical Systems Corp Com . . . . .	51,400	1,418,535	1,484,175
Shaw Industries Inc Com . . . . .	5,333	95,062	64,662
Shawmut Corp Com . . . . .	2,900	109,026	123,250
Sheller Globe Corp Com New . . . . .	7,700	226,409	137,637
Sherwin Williams Co Com . . . . .	68,500	1,789,841	1,935,125
Shoneys Inc Com . . . . .	9,400	214,745	245,575
Sierra Pacific Resources Com . . . . .	8,500	119,608	117,937
Sigma Aldrich Corp Com . . . . .	4,100	201,290	178,350
Signal Companies Inc Com . . . . .	254,600	7,370,811	6,715,075
Silicon General Inc Com . . . . .	7,200	96,085	99,000
Silicon Systems Inc Com . . . . .	4,700	95,622	95,175
Smith A O Corp Com A . . . . .	8,000	158,624	89,000
Smith A O Corp Com B . . . . .	6,950	119,844	75,581
Smith International Inc Com . . . . .	135,600	3,482,718	2,169,600
Smithkline Beckman Corp Com . . . . .	197,200	11,438,942	11,166,450
Smucker J.M.Co.Com . . . . .	2,600	98,547	100,100
Snap-On-Tools Corp Com . . . . .	8,400	248,097	259,350
Society Corp Com . . . . .	3,200	95,504	93,600
Sonat Inc Com . . . . .	15,300	390,599	495,337
Sonoco Products Co Com . . . . .	20,100	867,879	844,200
Soo Line Railroad Co Com . . . . .	3,600	103,792	95,400
South Carolina Electric & Gas Co Com . . . . .	18,100	338,836	325,800
South Carolina National Corp Com . . . . .	2,300	96,244	90,850
Southdown Inc Com . . . . .	3,502	137,023	155,401
Southeast Banking Corp Com . . . . .	8,000	204,661	177,000
Southeastern Public Service Co Com . . . . .	8,277	111,625	74,493
Southern California Edison Co Com . . . . .	48,300	1,701,058	1,781,062
Southern Co Com . . . . .	304,800	4,756,177	4,533,900
Southern Indiana Gas & Electric Co Com . . . . .	4,200	110,124	110,775
Southern New England Telephone Co Com . . . . .	14,000	523,916	425,250
Southern Union Co Com . . . . .	5,400	120,164	136,350
Southland Corp Com . . . . .	82,200	2,778,917	2,219,400
Southland Financial Corp Com . . . . .	7,700	190,345	157,850
Southland Royalty Co Com . . . . .	21,800	427,176	299,750
Southtrust Corp Com . . . . .	6,150	98,277	98,400
Southwest Airlines Co Com . . . . .	14,500	412,904	308,125
Southwest Bancshares Inc Com . . . . .	7,400	217,829	143,375
Southwestern Bell Corp Com . . . . .	120,540	7,310,704	6,735,172
Southwestern Energy Co Com . . . . .	5,400	111,438	112,050
Southwestern Public Service Co Com . . . . .	18,600	314,991	346,425
Sovran Financial Corp Com . . . . .	7,325	208,885	217,918
Sparton Corp Com . . . . .	5,000	94,087	73,750
Spectra Physics Inc Com . . . . .	2,900	99,126	68,150
Sperry Corp Com . . . . .	22,800	825,474	846,450
Springs Industries Inc Com . . . . .	4,400	162,272	157,850
Square D Co Com . . . . .	10,400	353,460	345,800
Squibb Corp Com . . . . .	124,000	4,661,887	5,719,500
SRI Corp Com . . . . .	19,900	333,491	278,600
St. Jude Med Inc Com . . . . .	4,900	97,241	74,725
St. Paul Companies Inc Cap . . . . .	8,100	491,394	423,225

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
St. Regis Corp Com . . . . .	77,900	2,774,083	2,950,462
Staley A E Manufacturing Co Com . . . . .	12,900	318,891	269,287
Stanadyne Inc Com . . . . .	2,300	97,394	109,825
Standard Brands Paint Co Com . . . . .	5,200	115,607	102,050
Standard Microsystems Corp Com . . . . .	5,000	142,351	115,000
Standard Motor Products Com A . . . . .	36,000	709,653	630,000
Standard Oil Co California Cap . . . . .	528,500	15,638,169	18,497,500
Standard Oil Co Indiana Cap . . . . .	228,800	10,402,407	13,070,200
Standard Oil Co Ohio Com . . . . .	216,200	9,993,100	9,431,725
Standard Pacific Corp Com . . . . .	25,000	303,236	275,000
Standard Products Co Com . . . . .	4,400	96,656	72,600
Standard Register Co Com . . . . .	23,100	754,257	779,625
Standex International Corp Com . . . . .	6,600	94,351	79,200
Stanley Works Inc Com . . . . .	10,500	253,272	227,062
State Street Boston Corp Com . . . . .	4,000	142,380	136,000
Stauffer Chemical Co Com . . . . .	16,600	495,821	292,575
Stepan Chemical Com . . . . .	10,000	155,530	148,750
Sterling Drug Inc Com . . . . .	63,000	1,615,981	1,685,250
Stevens J P & Co Inc Com . . . . .	7,800	167,863	160,875
Stewart-Warner Corp Com . . . . .	3,300	96,026	108,075
Stone & Webster Inc Cap . . . . .	3,300	136,351	109,725
Stone Container Corp Com . . . . .	5,000	174,543	157,500
Stop & Shop Companies Inc Com . . . . .	24,800	1,004,943	1,094,300
Storage Technology Corp Com . . . . .	12,900	248,115	125,775
Storer Communications Inc Com . . . . .	7,700	238,908	308,962
Stratus Computer Inc Com . . . . .	8,200	90,200	79,950
Strawbridge & Clothier Com . . . . .	2,996	97,783	110,103
Stride Rite Corp Com . . . . .	3,500	121,833	54,250
Stryker Corp Com . . . . .	2,900	95,251	61,625
Subaro America Inc Com . . . . .	2,800	235,466	257,600
Suburban Bancorp Com . . . . .	3,100	93,295	104,625
Sun Banks Inc Com . . . . .	36,862	936,067	884,688
Sun Chemical Corp Com . . . . .	3,700	111,352	93,887
Sun Co Inc Com . . . . .	47,300	2,026,839	2,376,825
Sundstrand Corp Com . . . . .	108,600	4,685,376	4,398,300
Super Valu Stores Inc Com . . . . .	17,200	616,538	490,200
Superior Oil Co Com . . . . .	53,400	1,901,005	2,262,825
Supermarkets General Corp Com . . . . .	8,300	203,990	201,275
Swank Inc Com . . . . .	15,000	263,462	240,000
Swift Independent Corp Com . . . . .	3,300	96,301	86,212
Sybron Corp Com . . . . .	4,600	121,612	82,800
Syntex Corp Com . . . . .	16,300	861,377	700,900
Sysco Corp Com . . . . .	9,800	363,208	297,675
Systematics Inc Com . . . . .	5,000	110,238	66,250
Systems & Computer Technology Corp Com . . . . .	6,100	207,980	152,500
T R E Corp Com . . . . .	3,100	114,995	59,675
T R W Inc Com . . . . .	15,000	1,056,022	963,750
Taft Broadcasting Co Com . . . . .	114,400	4,215,060	7,436,000
Tambrands Inc Com . . . . .	5,300	294,654	274,275
Tandem Computers Inc Com . . . . .	18,300	591,917	430,050
Tandon Corp Com . . . . .	23,700	725,107	168,862
Tandy Corp Com . . . . .	65,603	1,849,187	1,705,678
Tech Sym Corp Com . . . . .	4,600	97,400	74,175
Technicom International Inc Com . . . . .	8,700	161,703	35,887
Teco Energy Inc Com . . . . .	11,600	280,954	290,000

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Tecumseh Products Co Com . . . . .	2,600	235,547	206,700
Tejon Ranch Co Com . . . . .	1,100	94,412	95,700
Tektronix Inc Com . . . . .	7,200	571,455	408,600
Tele Communications Inc Com A . . . . .	20,300	360,965	390,775
Telecom Plus International Com . . . . .	9,100	110,066	91,000
Teledyne Inc Com . . . . .	9,600	1,450,736	2,310,000
Teleflex Inc Com . . . . .	18,200	558,822	432,250
Telerate Inc Com . . . . .	20,100	354,600	298,987
Telesphere International Inc Com . . . . .	12,200	109,036	50,325
Telex Corp Com . . . . .	31,700	785,606	847,975
Tellabs Inc Com . . . . .	6,900	202,482	163,875
Temple Inland Inc Com . . . . .	63,656	1,933,467	1,678,927
Tennant Co Com . . . . .	4,500	96,053	77,625
Tenneco Inc Com . . . . .	255,700	10,466,655	9,556,787
Tera Corporation Com . . . . .	4,300	121,884	21,500
Teradyne Inc Com . . . . .	10,800	346,852	295,650
Tesoro Petroleum Corp Com . . . . .	43,100	734,758	716,537
Texaco Inc Com . . . . .	100,200	2,869,858	3,381,750
Texas American Bancshares Inc Com . . . . .	4,300	170,259	155,337
Texas Commerce Bancshares Inc Com . . . . .	14,900	622,224	609,037
Texas Eastern Corp Com . . . . .	19,600	452,913	551,250
Texas Industries Inc Com . . . . .	3,640	134,120	106,015
Texas Instruments Inc Com . . . . .	49,100	5,091,742	6,321,625
Texas Oil & Gas Corp Com . . . . .	190,720	3,409,434	4,243,520
Texas Utilities Co Com . . . . .	56,300	1,408,657	1,203,412
Texscan Corp Com . . . . .	4,600	97,462	52,900
Textron Inc Com . . . . .	12,900	433,682	367,650
Third National Corp Com . . . . .	4,050	94,757	97,200
Thomas & Betts Corp Com . . . . .	2,900	193,919	196,475
Thomas Inds Inc Com . . . . .	32,500	524,136	503,750
Thompson Medical Inc Com . . . . .	19,700	445,772	497,425
Thousand Trails Inc Com . . . . .	5,700	98,211	120,412
Thrifty Corp Com . . . . .	9,400	167,982	145,700
Tidewater Inc Com . . . . .	7,800	209,005	180,375
Tie Communications Inc Com . . . . .	14,300	530,461	214,500
Time Inc Com . . . . .	152,200	6,805,841	6,088,000
Timeplex Inc Com . . . . .	4,375	88,947	62,343
Times Fiber Communications Inc Com . . . . .	4,600	95,888	40,250
Times Mirror Co Com . . . . .	30,600	1,153,260	1,139,850
Timken Co Com . . . . .	4,300	257,373	227,900
Todd Shipyards Corp Com . . . . .	62,200	2,040,570	1,982,625
Toledo Edison Co Com . . . . .	14,300	310,599	216,287
Toledo Trustcorp Inc Com . . . . .	2,600	97,747	91,650
Torchmark Corp Com . . . . .	17,600	300,038	393,800
Tosco Corp Com . . . . .	29,300	209,406	69,587
Towle Manufacturing Co Com . . . . .	3,800	94,399	65,550
Toys R Us Inc Com . . . . .	78,900	3,482,649	3,491,325
Tracor Inc Com . . . . .	6,800	180,697	161,500
Trans World Airlines Inc Com New . . . . .	29,144	311,357	258,653
Transamerica Corp Com . . . . .	23,900	651,013	537,750
Transco Energy Co Com . . . . .	11,500	434,832	497,375
Transway International Corp Com . . . . .	10,800	333,797	367,200
Transworld Corp Del Com . . . . .	138,700	3,447,866	3,762,237
Travelers Corp Com . . . . .	41,800	1,097,392	1,191,300
Triad Systems Corp Com . . . . .	4,700	93,272	47,000

(Continued)

## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Triangle Pacific Corp Com . . . . .	3,100	93,295	71,300
Tribune Co Com New . . . . .	18,300	492,520	457,500
Trinity Industries Inc Com . . . . .	7,300	130,895	131,400
Trus Joist Corp Com . . . . .	2,900	97,426	69,600
Trust Co Georgia Atlantic Com . . . . .	10,500	278,916	291,375
Tucson Electric Power Co Com . . . . .	11,100	356,257	420,412
Tultex Corp Com . . . . .	4,500	93,216	60,187
Tyco Laboratories Inc Com . . . . .	4,200	102,774	137,550
Tyler Corp Com . . . . .	4,500	136,178	109,125
Tyson Foods Inc Com . . . . .	4,800	88,200	87,600
U G I Corp Com . . . . .	5,400	109,551	93,150
U.S. Gypsum Co Com . . . . .	6,300	299,210	305,550
U.S. Home Corp Com . . . . .	13,000	192,931	74,750
UAL Inc Com . . . . .	12,700	369,808	447,675
Ultimate Corp Com . . . . .	34,600	645,097	679,025
Ultrasystems Inc Com . . . . .	5,100	96,110	100,725
Ungermann-Bass Inc Com . . . . .	7,800	84,825	103,350
Unifi Inc Com . . . . .	4,300	95,009	36,550
Unilever NV Ord Shs . . . . .	12,100	913,112	974,050
Union Camp Corp Com . . . . .	22,800	831,655	783,750
Union Carbide Corp Com . . . . .	200,700	13,524,047	10,235,700
Union Electric Co Com . . . . .	41,000	608,654	522,750
Union Pacific Corp Com . . . . .	48,800	2,898,615	1,891,000
Uniroyal Inc Com . . . . .	11,600	187,727	140,650
United Artists Commun Inc Com . . . . .	5,300	97,229	117,925
United Banks Colo Inc Com . . . . .	5,000	94,226	87,500
United Cable Television Corp Com . . . . .	5,100	125,023	123,037
United Energy Resources Inc Com . . . . .	13,500	402,910	320,625
United Industrial Corp Com . . . . .	24,800	558,392	434,000
United Inns Inc Com . . . . .	2,500	97,813	96,875
United Jersey Banks Com . . . . .	3,200	93,404	88,400
United Missouri Bancshares Inc Com . . . . .	3,740	95,523	115,940
United National Bank Plainfield N J Com . . . . .	4,876	166,038	190,164
United States Air Group Inc Co Com . . . . .	76,200	2,293,219	2,076,450
United States Bancorp Cap . . . . .	8,300	220,740	150,437
United States Corp Com . . . . .	2,500	95,238	98,750
United States Health Care System Inc Com . . . . .	6,400	144,609	212,000
United States Leasing International Inc Cap . . . . .	3,300	136,001	102,300
United States Shoe Corp Com . . . . .	173,000	6,283,783	4,692,625
United States Steel Corp Com . . . . .	52,900	1,403,635	1,289,437
United States Surgical Corp Com . . . . .	5,100	168,785	61,200
United States Telephone Inc Com . . . . .	14,900	111,306	59,600
United States Tobacco Co Com . . . . .	13,000	435,113	443,625
United States West Inc Com . . . . .	140,540	8,128,745	8,116,185
United Stationers Inc Com . . . . .	6,400	96,304	134,400
United Technologies Corp Com . . . . .	155,200	5,389,838	5,044,000
United Telecommunications Inc Com . . . . .	139,300	2,585,977	2,559,637
United Television Inc Com . . . . .	7,800	96,292	134,550
United Virginia Bankshares Inc Com . . . . .	5,500	172,398	143,000
Unirode Corp Com . . . . .	5,500	198,910	146,437
Univar Corp Com . . . . .	3,700	89,223	62,900
Universal Foods Corp Com . . . . .	3,800	97,224	83,600
Universal Health Services Inc Cl B Com . . . . .	6,500	117,619	76,375
Universal Leaf Tobacco Co Inc Com . . . . .	8,200	172,552	138,375
Unocal Corp Com . . . . .	77,700	2,441,734	2,602,950

(Continued)



## Portfolio Detail Statistics as of 6/30/84

### Trade Date Basis

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DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Upjohn Co Com . . . . .	51,400	3,032,958	3,405,250
USF & G Corp Com . . . . .	23,912	673,494	475,251
USlife Corp Com . . . . .	7,000	173,206	176,750
Utah Power & Light Co Com . . . . .	24,400	551,323	503,250
V F Corp Com . . . . .	17,000	338,759	412,250
Valero Energy Corp Com . . . . .	10,400	311,690	100,100
Valley National Corp Arizona Com . . . . .	7,900	178,502	185,650
Value Line Inc Com . . . . .	4,700	159,072	156,275
Van Dorn Co Com . . . . .	15,000	269,218	322,500
Varian Associates Com . . . . .	9,900	609,792	386,100
Veeco Instrs Inc Com . . . . .	4,500	99,991	94,500
Verbatim Corp Com . . . . .	10,600	297,809	107,325
Vermont American Corp Com A . . . . .	35,170	673,190	593,493
Viacom International Inc Com . . . . .	5,400	187,063	157,275
Vicorp Restaurants Inc Com . . . . .	5,100	94,835	89,250
VLSI Technology Inc Com . . . . .	7,400	128,354	109,150
Volt Information Sciences Inc Com . . . . .	3,700	91,927	74,000
Vulcan Materials Co Com . . . . .	5,400	372,164	332,100
Wachovia Corp Com . . . . .	57,300	2,447,745	2,628,637
Wackenhut Corp Com . . . . .	8,000	152,749	177,000
Wal Mart Stores Inc Com . . . . .	173,200	6,983,282	7,144,500
Waldbaum Inc Com . . . . .	4,600	97,038	74,750
Walgreen Co Com . . . . .	11,800	411,976	408,575
Walker Hiram Resources Ltd Com . . . . .	26,300	539,436	437,237
Wallace Computer Service Inc Com . . . . .	4,500	130,615	116,437
Walter Jim Corp Com . . . . .	7,875	217,310	193,921
Wang Laboratories Inc Com B . . . . .	102,200	3,362,821	2,887,150
Wang Laboratories Inc Conv Class C . . . . .	3,200	113,929	88,800
Warnaco Inc Com . . . . .	24,500	609,330	594,125
Warner Communications Inc Com . . . . .	24,300	735,800	568,012
Warner Lambert Co Com . . . . .	220,200	5,038,883	6,908,775
Washington Gas Light Co Com . . . . .	4,000	112,268	126,500
Washington National Corp Com . . . . .	5,100	149,098	91,162
Washington Post Co Com B . . . . .	6,600	425,503	513,150
Waste Management Inc Com . . . . .	18,700	931,169	610,087
Watkins Johnson Co Com . . . . .	4,500	129,667	111,375
Webb Del E Corp Com . . . . .	30,100	513,672	511,700
Weis Markets Inc Com . . . . .	9,600	348,201	297,600
Wells Fargo & Co Cap . . . . .	11,000	438,297	353,375
Wells Fargo Manufacturing & Equity Trust Com . . . . .	3,500	92,845	84,000
Wendys International Inc Com . . . . .	20,533	242,450	351,627
Wesco Financial Corp Com . . . . .	5,000	98,876	86,875
West Co Inc Com . . . . .	3,700	111,227	86,025
West Point-Pepperell Inc Com . . . . .	3,900	182,563	155,025
Westavco Corp Com . . . . .	10,200	331,436	346,800
Westburne International Industries Ltd Com . . . . .	6,700	94,149	81,237
Westcoast Transmission Ltd Com . . . . .	20,300	248,070	220,762
Western Casualty & Surety Co Cap . . . . .	1,900	99,930	85,025
Western Co North America Com . . . . .	17,900	202,300	156,625
Western Digital Corp Com . . . . .	8,300	97,277	64,325
Western Pacific Inds Inc Del Com . . . . .	1,300	100,223	126,750
Western Tele Communications Inc Com A . . . . .	1,015	3,830	13,702
Westinghouse Electric Corp Com . . . . .	76,600	1,962,521	1,685,200
Wetterau Inc Com . . . . .	5,100	101,848	100,725
Weyerhaeuser Co Cap . . . . .	60,300	2,446,152	1,613,025

(Continued)

*Portfolio Detail Statistics as of 6/30/84*  
*Trade Date Basis*

DESCRIPTION	NO. OF SHARES	BOOK VALUE	MARKET VALUE
<b>COMMON STOCK (Continued)</b>			
Whirlpool Corp Com . . . . .	181,500	8,002,403	7,101,187
White Consolidated Industries Inc Com . . . . .	155,800	6,113,602	4,303,975
Whitehall Corp Com . . . . .	13,900	603,885	316,225
Whittaker Corp Com . . . . .	6,800	213,147	125,800
Wicor Inc Com . . . . .	4,900	110,841	116,375
Wiley John & Sons Inc CL B Com . . . . .	2,600	95,147	84,500
Willamette Industries Inc Com . . . . .	7,100	250,951	168,625
Williams Companies Com . . . . .	101,200	2,742,057	2,656,500
Wilson H J Inc Com . . . . .	4,400	96,669	55,550
Windmere Corp Com . . . . .	7,900	92,589	50,362
Winn-Dixie Stores Inc Com . . . . .	16,000	431,468	458,000
Winnebago Inds Inc Com . . . . .	11,800	251,873	120,950
Wisconsin Electric Power Co Com . . . . .	16,200	386,674	451,575
Wisconsin Power & Light Co Com . . . . .	6,300	170,437	172,462
Wisconsin Public Service Corp Com . . . . .	6,000	163,521	166,500
Wiser Oil Co Com Del . . . . .	5,300	130,354	112,625
Witco Chemical Corp Com . . . . .	31,500	1,056,463	996,187
Wolverine World Wide Inc Com . . . . .	4,900	93,566	66,762
Woods Petroleum Corp Com . . . . .	6,500	174,969	149,500
Woodward & Lothrop Inc Com . . . . .	2,500	94,925	145,000
Woolworth F W Co Cap . . . . .	11,800	420,676	414,475
Worthington Industries Inc Com . . . . .	11,200	302,066	231,000
Wrigley Wm Jr Co Com . . . . .	3,200	166,330	172,000
Wyle Laboratories Com . . . . .	4,600	94,550	63,825
Wyman Gordon Co Com . . . . .	9,100	312,541	238,875
Xerox Corp Com . . . . .	102,300	4,131,987	3,925,762
Xicor Inc Com . . . . .	5,500	96,773	71,500
Xidex Corp Com . . . . .	8,800	227,438	136,400
Xtra Corp Com . . . . .	13,500	374,420	308,812
Yellow Freight System Inc Del Com . . . . .	57,100	1,449,446	1,348,987
Zale Corp Com . . . . .	15,300	455,597	378,675
Zapata Corp Cap . . . . .	28,900	519,953	520,200
Zayre Corp Com . . . . .	28,380	986,653	1,064,250
Zenith Electronics Corp Com . . . . .	7,200	224,055	171,000
Zenith National Insurance Corp Com . . . . .	5,800	97,702	71,050
Zero Corp Com . . . . .	4,050	95,131	81,506
Zions Utah Bancorporation Com . . . . .	2,900	97,426	84,100
<b>TOTAL . . . . .</b>	<b><u>49,828,799</u></b>	<b><u>1,603,423,638</u></b>	<b><u>1,596,225,981</u></b>

**Public School Employes' Retirement System**  
**301 Chestnut Street**  
**Harrisburg, PA 17101**