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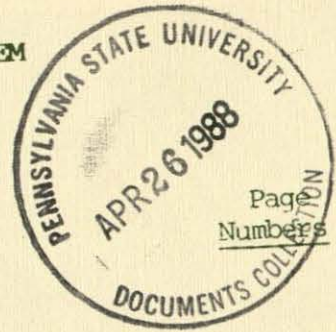
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COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

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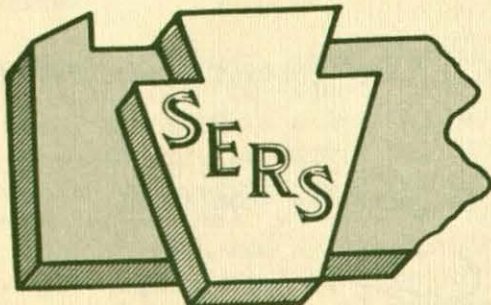
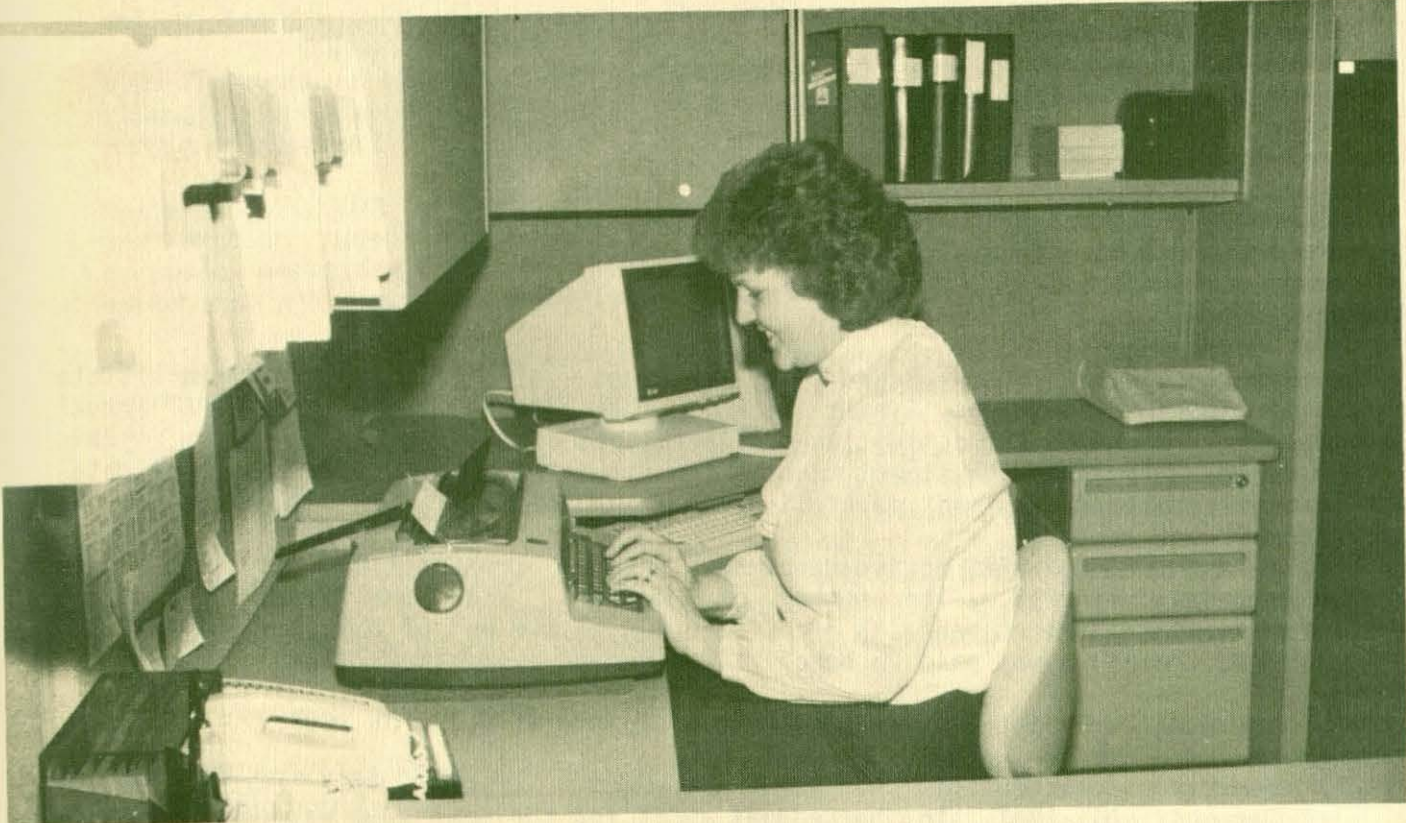
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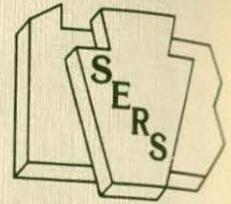
INTRODUCTORY SECTION:





COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

BOAS SCHOOL BUILDING
909 GREEN STREET
HARRISBURG, PENNSYLVANIA 17102-2999
TELEPHONE: 717-787-6293



To Governor Robert P. Casey and
Members of the Pennsylvania General Assembly

On behalf of the Board of Trustees of the Pennsylvania State Employees' Retirement System (SERS), I am pleased to submit the 1987 Annual Report covering the activities and operations of the Retirement System. This report includes investment highlights, financial information, actuarial data, the complete investment portfolio, and other information of interest.

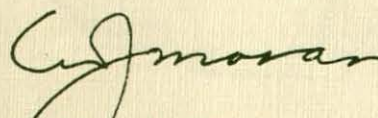
During 1987 the SERS active membership changed from 111,855 to 111,743, a decrease of 112. The number of members and beneficiaries receiving monthly retirement benefits grew to 69,404 at the end of the year. A total of \$485.2 million was paid in benefits and refund payments in 1987.

The Fund had a total investment rate of return of 3.3% for 1987.

Employer contributions to the Retirement System were current as of December 31, 1987. An independent audit for the year 1986 was completed, the results of which are included. The financial records for the year 1987 are currently under examination.

If you require any further information, please contact Executive Director John R. Brosius at (717) 787-6780.

Respectfully submitted,


William J. Moran
Acting Chairman

The State Employees' Retirement System

The Pennsylvania State Employees' Retirement System (SERS), established in 1923, is one of the nation's oldest statewide retirement plans for public employees. With over 181,000 members and approximately \$7.2 billion in assets, SERS also ranks 20th among public plans in pension assets. A brief overview of the major elements of the plan follows.

The SERS is administered by an independent Board of Trustees. Investments of the Fund are governed by provisions of the Retirement Code, Fiscal Code, and the Board's Investment Policy. The assets and liabilities of the plan are subject to annual actuarial valuations, and the plan is funded in accordance with a recognized actuarial cost method specified in the Retirement Code. The financial records of the SERS are audited annually by an independent certified public accountant.

Membership in SERS is mandatory for most state employees. Elected officials and certain appointed officials may join at their option. For retirement purposes, employees of many independent agencies are defined as "state employees." All member employers are listed at the end of this report.

The SERS contribution rates are based on gross pay. The basic contribution rate is 5% of gross pay for those in continuous employment since July 21, 1983. For those members employed or re-employed on or after July 22, 1983 the contribution rate is 6.25% of gross pay. These contributions are deposited into an individually identified account and are credited with interest each quarter. A member's own contributions and credited interest vest immediately and are returned upon termination of service if the member is not eligible for other benefits. After each annual actuarial valuation of the liabilities and reserve requirements of the Fund, the employer's contribution rate is set. Currently employers contribute at a composite rate of 13.09% of employee payroll quarterly. This is the same rate used for fiscal year 1986-87.

The SERS provides annuity benefits at any age in the event of retirement, disability, and death after a member fulfills minimum service requirements of ten years for retirement and death benefits, and five years for disability benefits.

For members who have attained Normal Retirement Age the minimum service requirement for retirement and death benefits is reduced to three years of service. The SERS is a defined benefit plan with benefits based on a member's age, length of service, and final average salary. The basic retirement benefit is two percent of a member's final average salary for each year of service at Normal Retirement Age (age 60 for most employees; age 50 for certain high risk and elected positions). Retirement benefits paid prior to attainment of Normal Retirement Age are actuarially reduced. Members may elect a variety of optional payment plans, but the normal form of benefits is a single-life annuity which is received monthly for life.

A complete description of the provisions of the plan may be found in the Pennsylvania State Employees' Retirement System Member's Handbook. Copies are available upon request.

The State Employees' Retirement Board

The State Employees' Retirement Board (Board) is an eleven member independent Board of Trustees charged with the administration of the Retirement Code. Six of the eleven members are appointed by the Governor and confirmed by the State Senate to four year terms. Two members are appointed by the President Pro Tempore of the Senate and two by the Speaker of the House, and serve on the Board for the duration of the terms for which they were elected. The State Treasurer serves as a member of the Board, ex-officio. The Retirement Code provides that five members of the Board must be active members of the SERS, and that two of the five must have at least ten years of service. At least one member of the Board must be a retiree. No member may serve more than two consecutive full terms. The Chairman of the Board is appointed by the Governor from the members of the Board.

Board Members as of December 31, 1987:

Mr. William J. Moran, Acting Chairman
Hon. Anthony B. Andrezeski, State Senator
Mr. Robert A. Bittenbender, Executive Director Senate Appropriations Committee
Ms. Christine M. Crist, Former Director of Penna. Commission for Women
Hon. G. Davis Greene, Jr., State Treasurer
Mr. Charles J. Lieberth, Retired Member and
Former Secretary for Department of Labor and Industry
Hon. Nicholas Maiale, State Representative
Hon. William J. Moore, State Senator
Hon. Harold F. Mowery, Jr., State Representative
Mr. K. Paul Muench, House Appropriations Committee (R)
Mr. James I. Scheiner, Former Secretary for Department of Revenue

Members of the Board, employees of the SERS, and agents of the Board stand in a fiduciary relationship to the members of the System regarding the investments and disbursements of the Fund. Subject to restrictions on investments contained in the Retirement Code and the Fiscal Code, the Board has exclusive control and management of the Fund and full power to invest the assets of the Fund. The State Treasurer is the custodian of the Fund.

Board members may be contacted in writing at the following address:

**Pa. State Employees' Retirement Board
Boas School Building, 909 Green Street
Harrisburg, Pennsylvania 17102-2999**

SERS Administrative Staff

Executive Director: John R. Brosius
Assistant Executive Director: Dale H. Everhart
Director of Financial Management: Francis J. Donlevy
Chief Investment Officer: Kenneth G. Mertz, II

Investment Managers

Aetna Life Insurance Co., Reading, PA
APA/Fostin Pennsylvania Venture Capital Fund, New York, NY and Pittsburgh, PA
Barrow, Hanley, Mewhinney & Strauss, Inc., Dallas, TX
Butcher & Singer/Keystone Venture II, L.P., Philadelphia, PA
CEO Venture Fund-S, Pittsburgh, PA
Corporate Property Investors, New York, NY
Delaware Investment Advisers, Philadelphia, PA
F.I.A. Associates, Inc., Sacramento, CA
Fidelity Bank, N.A. & Latimer & Buck Financial Services, Inc., Phila., PA
First Pennsylvania Bank N.A., Philadelphia, PA
Fostin Capital Associates, Pittsburgh, PA
Geewax, Terker & Company, Phoenixville, PA
Genesis Seed Fund, Ltd., Philadelphia, PA
Glickenhau & Co., New York, NY
Heitman Advisory Corporation, Chicago, IL
JMB Institutional Realty Corp., Chicago, IL
John Hancock, Boston, MA
Maverick Pennsylvania Fund, Pittsburgh, PA
McGlinn Capital Management, Inc., Wyomissing, PA
Mellon Bank, N.A., Pittsburgh, PA
Miller, Anderson & Sherrerd, Bala Cynwyd, PA
NEPA Venture Fund, L.P., Easton, PA
Payden & Rygel, Los Angeles, CA
Pilgrim, Baxter, Greig and Associates, Wayne, PA
Pittsburgh Seed Fund, Pittsburgh, PA
PNC Venture Group I, Pittsburgh, PA
Provident Investment Counsel, Pasadena, CA
Prudential Asset Management Co., Inc., Newark, NJ
Security Capital Real Estate Corp., New York, NY
Sun Bank, N.A., Orlando, FL
TDH II Limited, Radnor, PA
Trinity Investment Management Corp., Bellefonte, PA
Wells Fargo Investment Advisors, San Francisco, CA
W. R. Huff Asset Management, New York, NY
Zero Stage Capital II - Central Pennsylvania L.P., State College, PA

Fund Custodian

The State Treasurer

Agent Bank and Trust Accounting Services

First Pennsylvania Bank, N.A., Philadelphia, PA

Consultants

Wilshire Associates, Santa Monica, CA (Investments)
Ronald A. Karp Associates, Inc., Summit, NJ (Real Estate)
Hay/Huggins Company, Inc., Philadelphia, PA (Consulting Actuary)

Independent Auditor

Ernst & Whinney, Harrisburg, PA (1985 through 1987)

1987 Investment Highlights

The market value of SERS investments totalled \$7,199.8 million as of December 31, 1987. This represents an increase of \$252 million from the previous year-end. Based on the market value of its assets, SERS is the 20th largest public pension fund in the nation and the 42nd largest among public and corporate pension funds.

For the year ended December 31, 1987, SERS realized a 3.3% total investment rate of return. This return exceeded the 3.0% for the 1987 GNP Implicit Price Deflator. The fund achieved in equity securities a 1.5% total return compared to the 5.2% total return of the S&P 500 Composite Index. The fund achieved in bond securities a 3.7% total return compared to the 2.3% total return of the Shearson Lehman Bond Index.

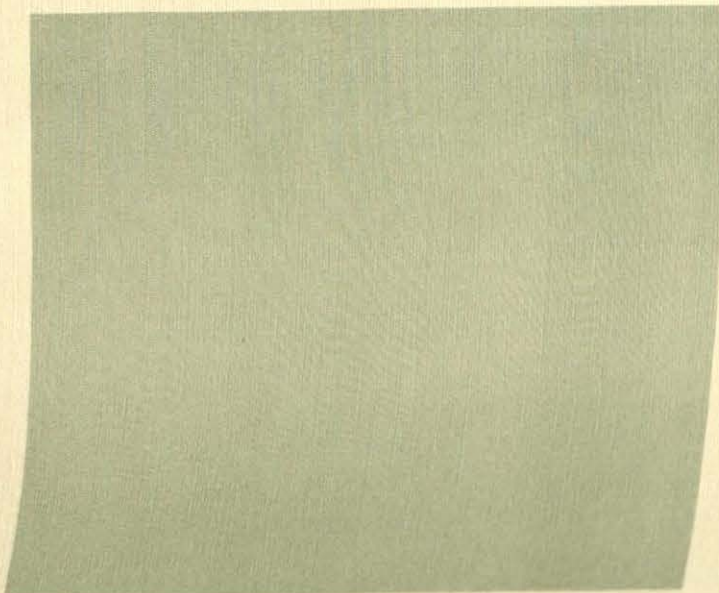
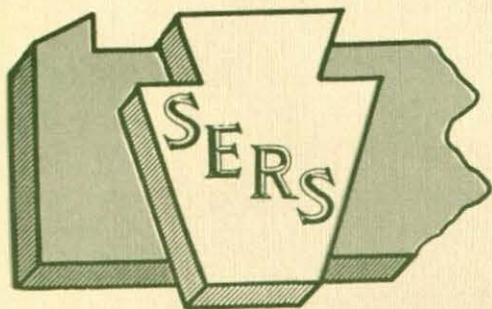
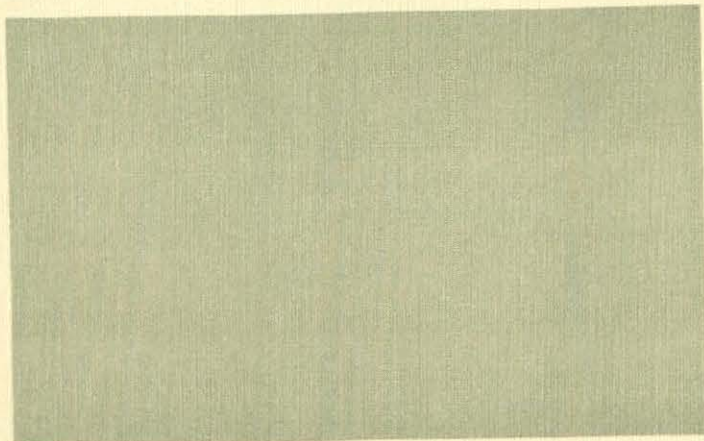
SERS invests in different types of assets and uses multiple external managers with various investment styles as a method to ensure overall fund diversification. As of December 31, 1987, the asset distribution was: 42% equities; 35% bonds; 10% mortgages; 6% real estate; 6% short-term securities; and 1% venture capital. SERS has retained the services of forty investment managers and has forty-eight investment portfolios.

As of December 31, 1987, SERS had placed over \$460 million in Pennsylvania investments, with a planned targeting level exceeding \$806 million. This represents over 10% of the total fund. As part of this total, SERS has committed to invest \$81 million of capital as a limited partner in twelve Pennsylvania venture capital limited partnerships. These funds are diversified by geographic region, financing stage focus (includes the four seed funds designated by the Ben Franklin Partnership) and by venture capital manager. SERS in conjunction with the Pennsylvania School Employees' Retirement System (PSERS) created the Pennsylvania Venture Capital Fund with a \$20 million commitment from each system.

Listed below are some of the highlights of SERS investment activity during 1987.

- Selected and funded three large capitalization growth stock managers.
- Additional funding was made to two passively managed equity index portfolios. They track the performance of the S&P 500 Stock Index and the Wilshire 4500 Stock Index, which are representative of the U.S. stock market, at a low cost.
- Additional funding was made to the two high yield, corporate bond portfolios.
- Funded the first two investments in Pennsylvania properties which were closed by the two SERS separate account real estate managers.
- Initial funding was made to five Pennsylvania venture capital limited partnerships and additional funding was made to three others. A twelfth Pennsylvania venture capital limited partnership was selected for investment.
- Implemented the use of performance based management fees for five investment managers.

FINANCIAL SECTION:



The market
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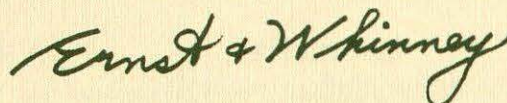
300 Locust Court
212 Locust Street
Harrisburg, Pennsylvania 17101

717/232-7575

Board of Directors
Commonwealth of Pennsylvania
State Employees' Retirement System

We have examined the statements of net assets available for benefits of the Commonwealth of Pennsylvania State Employees' Retirement System as of December 31, 1986 and 1985, and the related statements of changes in net assets available for benefits 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 financial statements referred to above present fairly the financial status of the Commonwealth of Pennsylvania State Employees' Retirement System at December 31, 1986 and 1985, and the changes in its financial status for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.



Harrisburg, Pennsylvania
May 8, 1987

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

	December 31	
	1986	1985
	(000s omitted)	
ASSETS		
Investments at fair value--Notes B and E:		
United States government securities	\$ 1,968,252	\$ 1,737,557
Corporate and foreign bonds and notes	754,379	558,104
Common and preferred stocks including collective trust funds	3,014,003	2,287,496
Temporary investments	361,307	627,882
Mortgages	427,832	386,973
Real estate	389,865	353,007
Venture capital	31,932	14,139
Total Investments	<u>6,947,570</u>	<u>5,965,158</u>
Contributions receivable:		
Employers	98,760	124,933
Employes	5,559	4,016
Accrued investment income receivable	72,134	62,615
Other receivables	3,812	4,735
Cash	4	12
Total Assets	<u>7,127,839</u>	<u>6,161,469</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>(7,623)</u>	<u>(4,427)</u>
NET ASSETS AVAILABLE FOR BENEFITS--Note C	<u>\$ 7,120,216</u>	<u>\$ 6,157,042</u>

See notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

	Year Ended December 31	
	1986	1985
	(000s omitted)	
ADDITIONS		
Contributions--Notes A and D:		
Employers	\$ 407,276	\$ 460,435
Employes	139,454	132,695
Investment income, net of direct investment expenses of \$6,692 in 1986 and \$5,213 in 1985	<u>404,839</u>	<u>412,457</u>
	951,569	1,005,587
DEDUCTIONS:		
Benefits paid to participants	494,941	458,236
Administrative expenses	<u>4,938</u>	<u>5,472</u>
	<u>499,879</u>	<u>463,708</u>
	451,690	541,879
Net realized and unrealized appreciation in fair value of investments--Note E	<u>511,484</u>	<u>693,321</u>
NET ADDITIONS	963,174	1,235,200
Net assets available for benefits at beginning of year	<u>6,157,042</u>	<u>4,921,842</u>
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u>\$ 7,120,216</u>	<u>\$ 6,157,042</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

December 31, 1986

NOTE A--DESCRIPTION OF THE SYSTEM

The State Employees' Retirement System (System) is the administrator of a cost-sharing multiple-employer retirement system established by the Commonwealth of Pennsylvania (Commonwealth) to provide pension benefits for employes of state government and certain independent agencies. At December 31, 1986, there were 109 participating state and independent agencies. The System is considered part of the Commonwealth of Pennsylvania financial reporting entity and is included in the Commonwealth's financial reports as a pension trust fund.

Membership in the System is mandatory for most state employes; members and employes of the legislature, certain elected persons in the executive branch, and certain other employes are not required but are given the option to participate. At December 31, 1986, System membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employes entitled to benefits but not yet receiving them	70,666
Current employes:	
Vested	62,750
Nonvested	<u>46,704</u>
Total members	<u>180,120</u>

The System provides retirement, death, and disability benefits. Retirement benefits vest after 10 years of credited service. Employes who retire at age 60, or with 35 years of service if under age 60, are entitled to an unreduced annual retirement benefit. Members of the legislature and certain law enforcement officers can retire on full benefits at age 50.

The general annual benefit is 2% of the member's high-three year average salary times years of service. Members of the legislature who were members of the System before March 1, 1974 are entitled to a benefit of 7.5% of average salary for each year of legislative service. Judges who were members of the System before March 1, 1974 are entitled to a benefit of 3% to 4% of average salary for each year of judicial service.

Covered employes are required by statute to contribute to the System at a rate of 5% of their gross pay except for employes hired on or after July 22, 1983 who contribute at a rate of 6.25% of their gross pay. Increased contributions are required of previously noted legislators and judges (18.75% and 7.5 to 10.0% of gross pay, respectively) who are entitled to increased benefits. The contributions are recorded in an individually

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYES' RETIREMENT SYSTEM

NOTE A--DESCRIPTION OF THE SYSTEM--Continued

identified account which is also credited with interest, calculated quarterly to yield 4% per annum, as mandated by statute. Accumulated employe contributions and credited interest, which amounted to \$1,388,102,000 and \$1,319,780,000 as of December 31, 1986 and 1985, respectively, vest immediately and are returned upon termination of service if the employe is not eligible for other benefits.

Participating agency contributions are also mandated by statute and are based upon an actuarially determined percentage of gross pay that is necessary to provide the System with assets sufficient to meet the benefits to be paid to System members.

According to the retirement code, all obligations of the System will be assumed by the Commonwealth should the System terminate.

NOTE B--SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. In 1986, the System initially adopted Statements No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," and No. 5, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers," of the Governmental Accounting Standards Board (GASB) for reporting and disclosure purposes.

Valuation of Investments: Marketable securities are stated at fair value. Temporary investments are valued at cost which closely approximates market value. Securities traded on a national securities exchange are valued at the last reported sales price on the last day of business of each plan year. Securities which were not traded on the last day of the plan year or which were not traded on a national securities exchange are valued by the plan advisor based on similar securities sales.

The fair value of the participation units owned by the System in the collective trust funds were based on quoted redemption value on the last business day of the plan year.

Mortgages are valued by the mortgage advisors using a discounted cash flow method. Real estate and venture capital are stated at appraised value.

Purchases and sales of investments are reflected on a settlement date basis. Realized gains or losses on sales of investments are determined on a specific identification or average cost basis, depending upon the type of investment, and included in the statements of changes in net assets available for benefits.

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYES' RETIREMENT SYSTEM

NOTE B--SIGNIFICANT ACCOUNTING POLICIES--Continued

The fair value of individual investments that represent 5% or more of the System's net assets are as follows:

	December 31	
	1986	1985
	(000s omitted)	
Wells Fargo Bank Equity Index Fund-- 26,091,255 units	\$1,112,726	\$ 939,052

Reclassification: Certain 1985 amounts have been reclassified to reflect changes in the 1986 financial statement presentation.

NOTE C--FUNDING STATUS AND PROGRESS

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employe service to date. The measure is the actuarial present value of credited projected benefits and is intended, on an ongoing basis, to facilitate the assessment of System funding status and progress made in accumulating sufficient assets to pay benefits when due and to allow for appropriate comparisons of this data among public employe retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the System as discussed in Note D.

The pension benefit obligation was determined as part of an actuarial valuation at December 31, 1986. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.75% per year compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 1.5% per year, attributable to merit/promotion, and (d) no postretirement benefit increases.

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

NOTE C--FUNDING STATUS AND PROGRESS--Continued

Assets in excess of the pension benefit obligation totalled \$136,241,000.

	December 31 1986
	<u>(000s omitted)</u>
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employes entitled to benefits but not yet receiving them	\$2,848,786
Current employes:	
Accumulated employe contributions including allocated investment income	1,388,102
Employer-financed vested	2,553,354
Employer-financed nonvested	193,733
Total pension benefit obligation	<u>6,983,975</u>
Net assets available for benefits, at market per Note B	<u>7,120,216</u>
Assets in excess of pension benefit obligation	<u>\$ 136,241</u>

A comparative ten-year summary of the pension benefit obligation, which has been calculated in conformance with the requirements of GASB Statement No. 5 is presented as supplementary financial information following the footnotes. This information is presented for purposes of additional analysis of System progress in accumulating sufficient assets to pay benefits when due. The calculation of actuarial liabilities under GASB Statement No. 5 (the Pension Benefit Obligation presented above) differs principally by the consideration of future salary increases from the calculation required under Statement No. 35 of the Financial Accounting Standards Board of the actuarial present value of accumulated plan benefits presented below.

The accumulated plan benefit information as of the end of each plan year is as follows:

	December 31	
	1986	1985
	<u>(000s omitted)</u>	
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	\$3,117,029	\$2,577,430
Other participants	3,326,952	2,696,005
	<u>6,443,981</u>	<u>5,273,435</u>
Nonvested benefits	170,184	124,737
Total	<u>\$6,614,165</u>	<u>\$5,398,172</u>

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYES' RETIREMENT SYSTEM

NOTE C--FUNDING STATUS AND PROGRESS--Continued

The actuarial present value of accumulated plan benefits was \$4,644,625,000 as of December 31, 1984.

The significant actuarial assumptions used in the valuations of the actuarial present value of accumulated plan benefits as of December 31, 1986 and 1985 are as follows:

Superannuation (normal retirement) and early retirement	The 1971 Group Annuity Mortality Table
Disability	Modifications of the 1965 Railroad Retirement Board Mortality among Totally Disabled Annuitants
Assumed rate of return on investments	7% in 1986 and 8.5% in 1985

The effects of the change in the assumed rate of return on investments resulted in an increase in the actuarial present value of accumulated plan benefits of approximately \$617,425,000.

NOTE D--CONTRIBUTIONS

The System funding policy provides for periodic member contributions at statutory rates and employer contributions at actuarially determined rates (expressed as a percentage of annual gross pay) that are sufficient to accumulate assets to pay benefits when due. All required contributions were made.

Employer contribution rates are determined using the entry age normal actuarial cost method, with amortization of the unfunded actuarial liability and of supplemental annuities arising from cost of living and other adjustments over varying periods ending June 30, 2004. These rates are computed on a Commonwealth of Pennsylvania fiscal year basis such that employer contribution rates in effect for the System for 1986 reflect a blended average of those in effect through June 30, 1986 and subsequent to that date, as calculated based upon actuarial valuations prepared as of December 31, 1984 and December 31, 1985, respectively. The following contribution rates were actuarially determined for 1986:

Employer normal cost	5.01%
Amortization of unfunded actuarial accrued liability	8.83%
Amortization of supplemental annuities	<u>1.72%</u>
Total employer cost	<u><u>15.56%</u></u>

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYES' RETIREMENT SYSTEM

NOTE D--CONTRIBUTIONS--Continued

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation, except for an assumed rate of return on investments of 5.5% per annum and certain revisions to salary increase assumptions.

NOTE E--INVESTMENTS

As provided by statute, the State Employees' Retirement Board of Trustees (Board) has exclusive control and management responsibility of System funds and full power to invest the same. In exercising its fiduciary responsibility to System membership, the Board is governed by the "prudent man" rule which requires the exercise of due care in establishing investment policy and, to this end, has adopted its Statement of Investment Policy to formally document investment objectives and responsibilities. This policy as well as applicable state law defines permissible investments of the System including all investment types held in the portfolio at December 31, 1986 and at all times during the fiscal year then ended.

Applicable System investments, basically those evidenced by securities existing in physical or book entry form, are categorized below to give an indication of the level of risk assumed by the System at year end. In accordance with a contractual relationship between the Commonwealth's Treasury Department and a custodial agent, substantially all securities subject to categorization are held in book entry via a unique account so as to be identified at all times as the possession of the Commonwealth; as such, all such investments as well as certain securities held in physical form at the Commonwealth's Treasury Department, the statutory custodian of the Fund, are reflected in Category 1, which is defined as securities insured or registered, or held by the System or its agent in the System's name. GASB Statement No. 3 provides for Category 2 and 3 investments which reflect a higher risk categorization. The System has no holdings of these types.

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

NOTE E--INVESTMENTS--Continued

	<u>Market and Carrying Value</u>
<u>Category No. 1 Investments</u>	
United States government securities	\$ 847,673
Corporate and foreign bonds and notes	732,701
Common and preferred stocks	1,663,306
Mortgages	4,252
	<u>3,247,932</u>
<u>Other--Not Categorized</u>	
Investments held by broker/ dealers under reverse repurchase agreements:	
United States government securities	1,120,579
Corporate and foreign bonds and notes	21,678
Common and preferred stocks	28,400
Investment in equity collective trust funds	1,322,297
Investment in State Treasury investment pool	361,307
Investment in mortgage loans	423,580
Investment in real estate funds	389,865
Investment in venture capital funds	<u>31,932</u>
Total Investments	<u>\$6,947,570</u>

By means of a supplemental contract between the Commonwealth's Treasury Department and the custodial agent, the System participates in a security lending program, whereby ownership of System securities is transferred to an independent broker/dealer in exchange for collateral equal to 102% of the market value of securities on loan (reverse repurchase agreements). As the System represents only one of several Commonwealth agencies participating in the security lending program and as collateral received by the custodial agent in exchange for System securities is not specifically identifiable by agency, the System does not record the receipt of such collateral or the corresponding liability to return collateral via repurchase of securities under loan. Securities under loan, however, are maintained on the System's financial records and have been classified accordingly in the above summary of investment risk.

NOTES TO FINANCIAL STATEMENTS--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

NOTE E--INVESTMENTS--Continued

The System has minimized its exposure to credit risk due to broker/dealer default by having the custodial agent determine daily that required collateral meets 102% of the market value of securities on loan. The System has not experienced any losses due to credit risk on security lending activity since implementation of the program in September 1984.

Security lending income, which represents the investment return on collateral less certain fees paid to the custodial agent and broker/dealer, totalled \$2,108,000 and \$2,228,000 for 1986 and 1985, respectively, and is included in investment income.

The System's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value by \$511,484,000 in 1986 and \$693,321,000 in 1985 as follows:

	<u>1986</u>	<u>1985</u>
	(000s omitted)	
Fair value as determined by quoted market price or the system advisor:		
United States government securities	\$ 84,911	\$(13,210)
Corporate and foreign bonds and notes	20,188	194,186
Common and preferred stocks including collective trust funds	<u>336,032</u>	<u>448,718</u>
	441,131	629,694
Fair value estimated by using discounted cash flow or appraised value:		
Mortgages	44,118	40,451
Real estate	26,759	23,203
Venture capital	<u>(524)</u>	<u>(27)</u>
Total	<u>\$511,484</u>	<u>\$693,321</u>

NOTE F--INCOME TAXES

The System has not requested a determination letter from the IRS relating to the status of the Plan under the Internal Revenue Code.

NOTE G--CONTINGENCIES

The System is involved in several lawsuits which, if settled adversely, would not have a material impact on the financial statements. However, the individual cases involve legal issues that if extended to the entire membership may result in significant additional costs to the System.

Ernst & Whinney

300 Locust Court
212 Locust Street
Harrisburg, Pennsylvania 17101

717/232-7575

Board of Directors
Commonwealth of Pennsylvania
State Employees' Retirement System

The audited financial statements of the System and our report thereon are presented in the preceding section of this report. The financial information hereinafter is presented in accordance with Statement No. 5 of the Governmental Accounting Standards Board for purposes of additional analysis and is not required for a fair presentation of the financial status or changes in the financial status of the System. Such information for the years 1978 through 1981 and 1985 and 1986 has been subjected to the auditing procedures applied in our examinations of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. Such information for the years 1982 through 1984 has been derived from financial statements examined by other auditors whose reports thereon expressed unqualified opinions. Such information for 1977 is unaudited and we express no opinion thereon.

Ernst & Whinney

Harrisburg, Pennsylvania
May 8, 1987

TEN-YEAR HISTORICAL TREND INFORMATION--Continued

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

Revenues by Source and Expenses by Type
(in thousands of dollars)

Fiscal Year	Revenues by Source			Total	Employer Contributions as a Percentage of Covered Payroll
	Employee Contributions	Employer Contributions*	Investment Income**		
1977	\$ 98,594	\$197,635	\$ 135,586	\$ 431,815	11.3%
1978	104,425	254,135	266,176	624,736	13.5
1979	105,480	268,143	340,639	714,262	13.5
1980	110,531	305,547	300,700	716,778	14.3
1981	116,283	325,688	14,070	456,041	14.9
1982	121,589	383,519	758,038	1,263,146	16.4
1983	135,841	413,809	488,266	1,037,916	17.3
1984	121,929	439,835	363,365	925,129	17.9
1985	132,695	460,435	1,105,778	1,698,908	19.0
1986	139,454	407,276	916,323	1,463,053	16.2

* Contributions were made in accordance with actuarially determined contribution requirements.

** Includes net realized and unrealized appreciation or depreciation in fair value of investments.

Fiscal Year	Expenses by Type			Total
	Benefit Payments	Refunds of Employee Contributions	Administrative Expenses	
1977	\$147,682	\$40,089	\$1,619	\$189,390
1978	165,334	49,615	1,679	216,628
1979	232,332	28,473	2,323	263,128
1980	281,343	13,922	2,466	297,731
1981	311,838	13,862	3,001	328,701
1982	335,342	11,785	2,938	350,065
1983	360,434	8,528	2,856	371,818
1984	384,406	11,247	4,044	399,697
1985	447,556	10,680	5,472	463,708
1986	483,603	11,338	4,938	499,879

TEN-YEAR HISTORICAL TREND INFORMATION

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

December 31, 1986

Analysis of Funding Progress
(in millions of dollars)

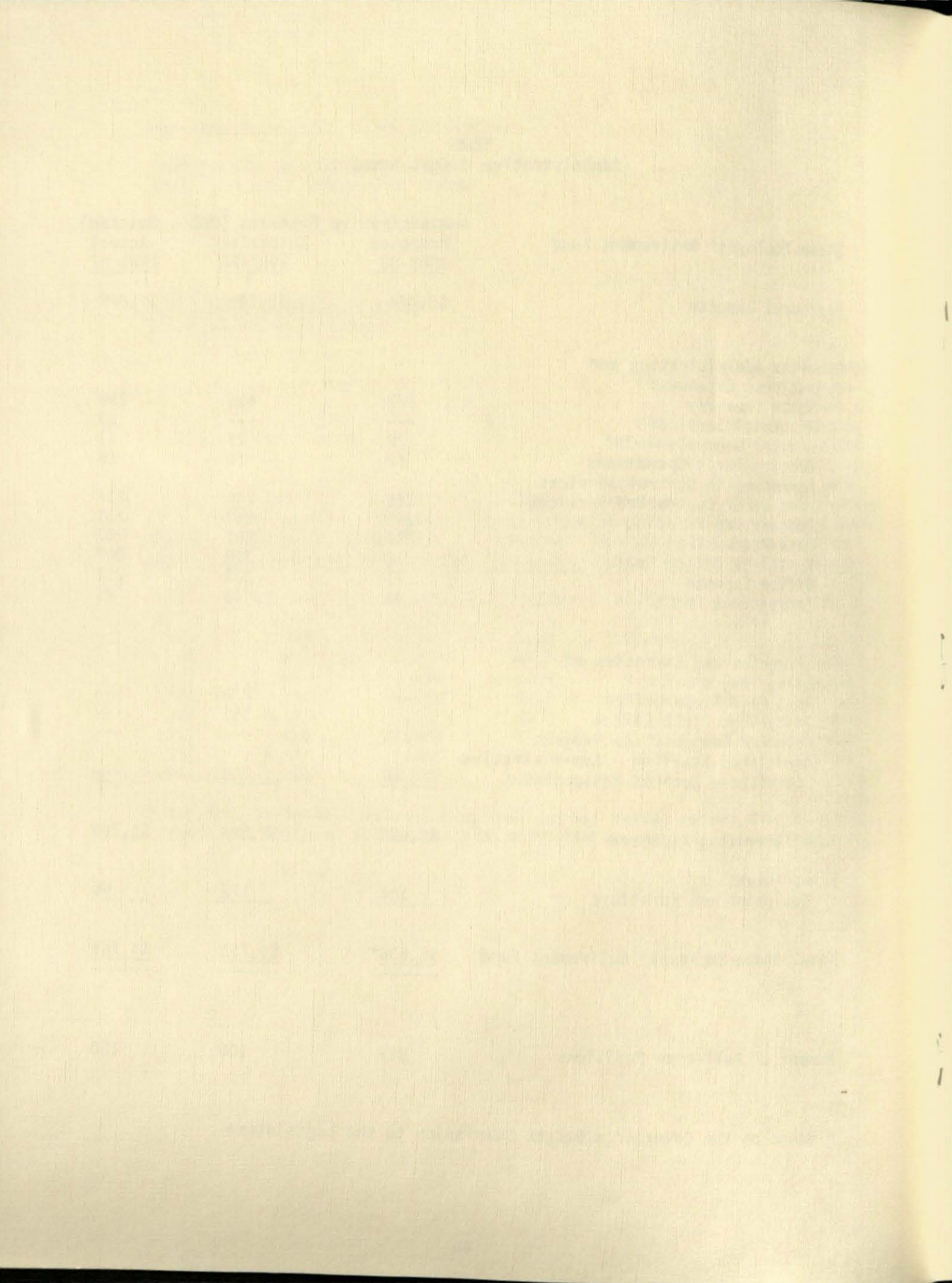
Fiscal Year	(1)* Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)÷(2)	(4)	(5)	(6)
				Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll (2)-(1)	Annual Covered Payroll	Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll (4)÷(5)
1977	\$2,266	\$3,876	58.5%	\$1,610	\$1,746	92.2%
1978	2,275	4,204	54.1	1,929	1,889	102.1
1979	2,424	4,869	49.8	2,445	1,985	123.2
1980	2,689	6,120	43.9	3,431	2,130	161.1
1981	2,817	6,456	43.6	3,639	2,187	166.4
1982	3,730	5,931	62.9	2,201	2,334	94.3
1983	4,396	6,367	69.0	1,971	2,386	82.6
1984	4,922	6,896	71.4	1,974	2,464	80.1
1985	6,157	6,565	93.8	408	2,427	16.8
1986	7,120	6,984	101.9	(136)	2,518	(5.4)

* Reflects investment valuation at fair market value, as per Note B, for all years but 1977, at which time the portfolio is carried at amortized cost.

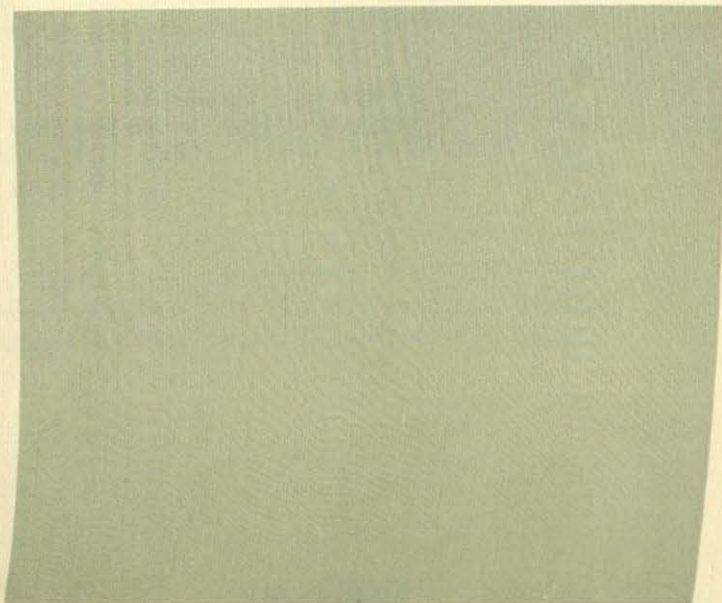
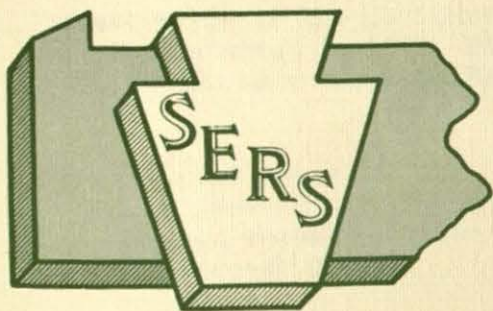
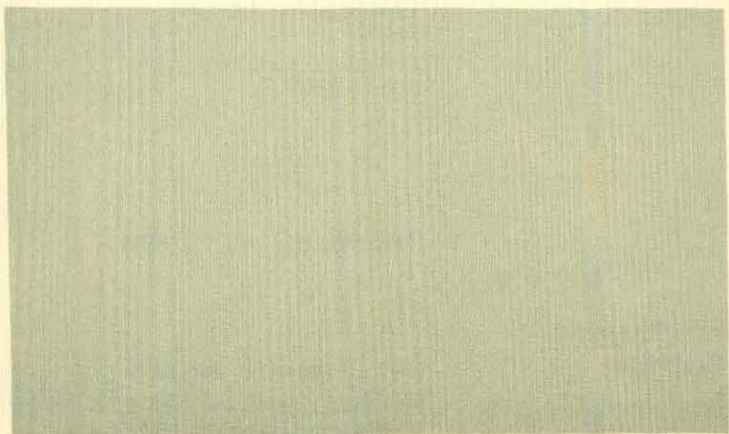
**SERS
Administrative Budget Summary**

State Employees' Retirement Fund	Administrative Expenses (000's Omitted)		
	Proposed <u>1988-89</u>	Authorized <u>1987-88</u>	Actual <u>1986-87</u>
Personnel Expense	\$3,474	\$3,243	\$2,879
Benefits Administration and Operational Expenses:			
State Treasury	379	415	298
Actuarial Services	---	---	83
Auditor General	22	21	11
Comptroller's Operations	62	60	58
Commonwealth Central Services and Other Contracted Services	256	246	217
Postage and Printing	297	262	251
Data Processing	281	201	267
Rental of Office Space	310	310	302
Office Expense	271	303	258
Independent Audit	46	45	45
New Programs and Expansion of Existing Programs:			
Northeast Field Office	---	239	---
Pittsburgh Field Office	---	156	---
Deferred Compensation Program	114	---	---
Additional Staffing - Administrative Services - Records Management	<u>20</u>	<u>50</u>	<u>---</u>
Total Operating Expenses	\$2,058	\$2,308	\$1,790
Fixed Assets Equipment and Furniture	<u>104</u>	<u>172</u>	<u>96</u>
Total State Employees' Retirement Fund	<u>\$5,636*</u>	<u>\$5,723</u>	<u>\$4,765</u>
Number of Full-time Positions	112	106	105

* Based on the Governor's Budget Submission to the Legislature



ACTUARIAL SECTION:



Hay/Huggins Company, Inc.
Actuarial and Benefits Consultants
1110 Vermont Avenue, NW
Suite 710
Washington, D.C. 20005
(202) 833-9250

February 4, 1988

Hay/Huggins
Company

Retirement Board
Pennsylvania State Employees'
Retirement System
909 Green Street
Harrisburg, PA 17102-2999

Dear Board Members:

An actuarial valuation was last performed as of December 31, 1986 to determine actuarial liabilities under the State Employees' Retirement System. The valuation was carried out in accordance with sound actuarial principles in a manner which, in my opinion, reflects the applicable provisions of the State Employees' Retirement Code. The valuation also served as the basis for determining the contributions required to be made by the Commonwealth to fund the liabilities of the System.

Valuations are made annually based on data supplied by the staff of the Retirement Board. The experience under the Retirement System is reviewed every five years. The last such review was for the period 1981 to 1985. The results of the review were used to develop the assumptions underlying the actuarial valuations. Thus, required contributions are determined on a sound actuarial basis reflecting actual experience under the System.

Sincerely,



Edwin C. Husted
Senior Vice President

**Actuarial Balance Sheet
As of December 31, 1986
(Amount in Thousands)**

ASSETS

Actuarial Value of Assets in the Fund* \$ 6,009,365

Present Value of Future Projected Contributions:

Member contributions(1)	\$1,192,552	
Employer normal contributions(2).	1,059,161	
Accrued liability contributions(3).	2,062,622	
Supplemental annuity contributions(4)	393,952	4,708,287
Total Assets		<u><u>\$10,717,652</u></u>

LIABILITIES

Present Value of benefits payable
to annuitants and beneficiaries \$ 3,486,532

Present Value of projected benefits payable
to active and inactive members. 7,231,120

Total Liabilities \$10,717,652

- (1) Present value of contributions that current active members will make.
- (2) Present value of the normal contributions employers will make on behalf of current active members.
- (3) Present value of the contributions necessary to pay off the accrued liabilities of the pension plan. The liability is comprised of two parts. A \$1.4 billion segment is being funded over 30 years from July 1, 1969; the remainder is being funded over 30 years from July 1, 1974.
- (4) Present value of the contributions necessary to fund the cost-of-living increases granted in 1969, 1974, 1979, and 1984. These liabilities are being funded over separate 20 year periods.

* The actuarial value of the fund assets is determined by using the Five-Year Moving Average Method which recognizes the difference between the expected actuarial value of assets and the market value of assets over a five-year period.

**COMPARATIVE STATISTICS
SERS MEMBERSHIP**

Active Membership

<u>As of December 31</u>	<u>Number</u>	<u>Rate of Increase (Decrease)</u>
1987	111,743	(0.1%)
1986	111,855	(1.8%)
1985	113,940	(1.7%)
1984	115,923	(1.3%)
1983	117,488	(1.7%)
1982	119,548	(0.1%)
1981	119,724	(1.8%)
1980	121,973	(2.2%)
1979	124,812	(2.0%)
1978	127,417	0.2%
1977	127,183	(1.1%)

Retirees and Beneficiaries

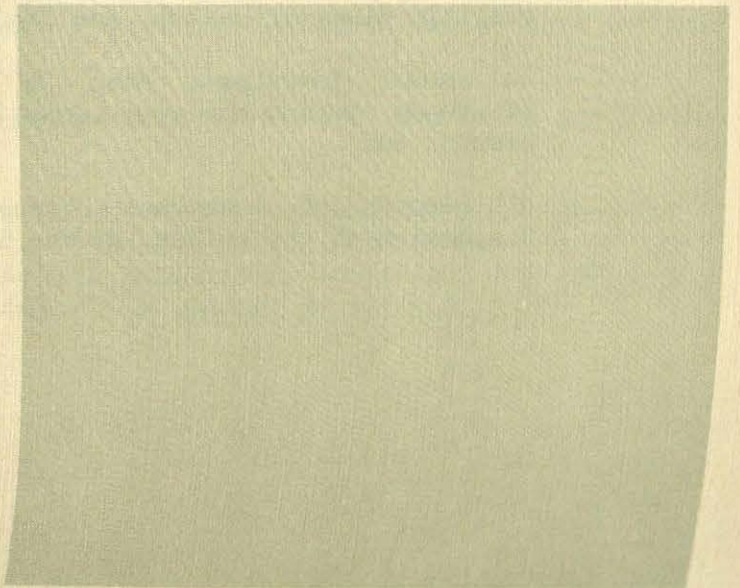
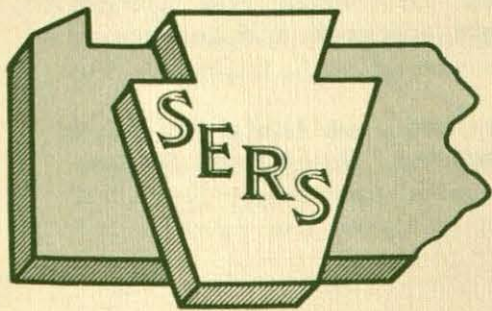
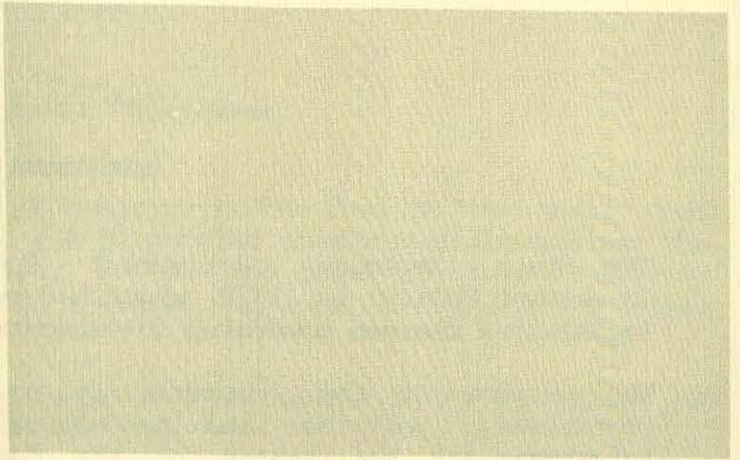
<u>As of December 31</u>	<u>Number</u>	<u>Rate of Increase (Decrease)</u>
1987	69,404	2.7%
1986	67,593	5.6%
1985	64,013	5.1%
1984	60,863	4.1%
1983	58,427	5.1%
1982	55,591	5.8%
1981	52,526	7.6%
1980	48,783	5.7%
1979	46,137	9.8%
1978	41,997	11.0%
1977	37,811	8.7%

Total Membership

<u>December 31</u>	<u>Number</u>
1987	181,147
1986	179,448
1985	177,953
1984	176,786
1983	175,915
1982	175,139
1981	172,250
1980	170,756
1979	170,949
1978	169,414
1977	164,994

Note: Statistics are based on the unaudited SERS Financial Statements.

INVESTMENT SECTION:



Investment Policy

The State Employees' Retirement Board adopted a formal Statement of Investment Policy in 1979 which has been revised to reflect and incorporate legislative changes governing investments.

The purpose of the Statement is to formalize the Board's investment objectives, policies, and procedures, to establish guidelines for the investment of the assets of the Fund, and to define the duties and responsibilities of the various entities involved in the investment process.

The major elements of the Statement are:

- As fiduciaries, the Board will exercise that degree of judgment, skill, and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs in investment matters;
- Where investment characteristics, including yield, risk, and liquidity, are equivalent, the Board's policy favors investments which have a positive impact on the economy of Pennsylvania;
- The Fund's overall investment objective is to provide a Total Rate of Return, over full economic cycles, which exceeds the return of a fully diversified market portfolio within each asset class. The Board seeks to meet this objective within acceptable risk parameters through adherence to a policy of diversification of investments by type, industry, quality, and geographic location;
- The Board contracts with highly qualified investment advisors and counselors to provide expert, professional judgment in all investment decisions;
- Guidelines are established for each category of assets used by the Fund's investment advisors to provide a framework for monitoring quality, diversification, and liquidity;
- An annual Investment Plan is prepared to control the allocation of funds during the year among investment advisors and categories of assets; and
- All records of investment transactions are available for public inspection at the offices of the State Employees' Retirement System.

Investment Objectives

To assure an adequate accumulation of reserves in the Fund at the least cost to the citizens of the Commonwealth and to provide some protection against the erosion of principal by inflation, the minimum total return objectives of the Fund, including income and both realized and unrealized gains and losses over full economic cycles, are:

- A. Achieve and maintain State Employees' Retirement Fund in excess of Accrued Benefit Liability;
- B. Achieve a Real Total Rate of Return (as measured by the GNP Implicit Price Deflator). Achieve an Absolute Total Rate of Return not less than the actuarial investment return assumption (currently 5 1/2%);
- C. Achieve in Equity Securities (Common Stock, Convertible Preferred Stock, and Convertible Bonds) a total return that exceeds the total return of the Standard and Poor's 500 Stock Composite Index;
- D. Achieve in Fixed Income Securities, exclusive of residential and commercial mortgages, but including mortgage-backed securities, a total return that exceeds the total return of the Shearson/Lehman Bond Index;
- E. Achieve in residential mortgage investments a total return superior to the total return of the Salomon Brothers Mortgage Pass-Through Security Total Rate of Return Index. Commercial mortgage investment return should be competitive with the total return on similar institutional portfolios and on other fixed income investments;
- F. Achieve in Equity Real Estate Investments a total return that is competitive with market returns for similar types of real estate investments;
- G. Achieve in Short-Term Securities relative performance better than U.S. Treasury Bills (90 days); and
- H. Achieve returns greater than are available from publicly traded stocks and bonds through investment in qualified venture capital firms.

Total return includes income and both realized and unrealized gains and losses and is computed on market value.

The Board seeks to meet these objectives within acceptable risk parameters through adherence to a policy of diversification of investments by type, industry, investment manager style, and geographic location. In addition, investments are selected in accordance with quality guidelines.

Investment Performance

During 1987, the State Employees' Retirement Fund investments increased in value from \$6.9 billion to \$7.2 billion. The growth resulted from investment income, changes in asset market values, net realized and unrealized gains and losses, and also from net contributions (employer and employee contributions minus benefit and administrative payments). The Fund realized a 3.3% Total Rate of Return after fees in 1987 which exceeded the rate of inflation.

Exhibit A compares the Rates of Return of Investment for the most recent five-year period. Exhibit B provides a Summary of Assets by Investment Manager at December 31, 1987, together with the distribution of the Fund's assets. Exhibit C is a three-year asset mix comparison.

State Employees' Retirement Fund Exhibit A
Rates of Return by Type of Investment as of December 31, 1987

<u>Type of Investment</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
SERS - Equities	1.5	17.0	30.5	4.1	20.5
S&P 500 Index	5.2	18.6	32.0	6.1	22.6
SERS - Fixed Income	3.7	16.2	21.6	14.6	9.1
Shearson/Lehman Bond Index	2.3	15.6	21.3	15.0	8.0
SERS - Real Estate*	9.0	7.8	10.0	15.1	—
NCREIF/EAI (70/30)**	6.0	7.3	9.8	12.4	—
SERS - Short-Term Securities	8.0	6.5	9.4	10.2	8.9
U.S Treasury Bills	5.4	6.1	7.7	9.8	8.6
SERS - Total Fund**	3.3	15.2	23.1	9.4	13.0
Inflation - GNP Implicit Price Deflator	3.0	2.0	3.5	3.8	4.2
Inflation - Consumer Price Index	4.4	1.1	3.8	3.9	3.9
Actuarial Investment Return	5.5	5.5	5.5	5.5	5.5

* The 1987 Real Estate return for Security Capital which is included with the Total Fund rate of return is estimated.

** The Venture Capital rate of return which is included in the Total Fund rate of return is estimated.

STATE EMPLOYEES' RETIREMENT FUND
 Summary of Assets by Investment Manager
 December 31, 1987
 Dollar Values in Millions

Exhibit B

<u>% of Fund</u>	<u>Investment Managers</u>	<u>Total Assets Market Value</u>	<u>Equities</u>	<u>Bonds</u>	<u>Mortgages & Mtge-Backed Securities</u>	<u>Equity Real Estate</u>	<u>Venture Capital</u>	<u>Cash & Short-Term</u>
4.5%	Barrow Hanley	\$ 324.2	\$ 314.7	\$ ---	\$ ---	\$ ---	\$ ---	\$ 9.5
0.3%	Centre Square Investment Group	19.6	19.6	---	---	---	---	---
0.7%	Geewax, Terker & Co.	51.5	47.1	---	---	---	---	4.4
3.2%	Glickenhau and Co.	228.5	208.1	---	---	---	---	20.4
0.9%	McGlinn	61.9	44.0	---	---	---	---	17.9
1.3%	Mellon-PA Index Fund	98.0	95.5	---	---	---	---	2.5
2.4%	Mellon-Special Equity	169.5	160.0	---	---	---	---	9.5
1.5%	Miller, Anderson & Sherrerd	106.1	106.1	---	---	---	---	---
1.5%	Pilgrim, Baxter, Greig & Associates	107.6	101.8	---	---	---	---	5.8
1.5%	Provident Investment	105.3	92.9	---	---	---	---	12.4
2.9%	Sun Bank, N.A.	209.8	179.3	---	---	---	---	30.5
3.1%	Trinity	222.5	217.0	---	---	---	---	5.5
16.4%	Wells Fargo S&P Equity	1,180.8	1,180.8	---	---	---	---	---
3.9%	Wells Fargo Ext. Equity	279.1	279.1	---	---	---	---	---
1.1%	Delaware	78.7	---	77.8	---	---	---	0.9
1.1%	W. R. Huff	81.5	---	79.8	---	---	---	1.7
9.3%	Mellon - Bond Index Fund	672.8	---	658.3	---	---	---	14.5
13.4%	Miller, Anderson & Sherrerd	967.1	---	602.6	242.6	---	---	121.9
9.2%	Payden & Rygel	661.4	---	661.4	---	---	---	---
5.5%	SERS Treasury Bonds	397.2	---	397.2	---	---	---	---
7.3%	Fidelity	522.9	---	---	490.8	---	---	32.1
0.1%	Heitman	9.9	---	---	---	9.9	---	---
---	JMB PA Advisors	2.2	---	---	---	2.2	---	---
1.7%	Aetna	120.6	---	---	---	120.6	---	---
1.2%	Corporate Property Investors	84.0	---	---	---	84.0	---	---
0.5%	F.I.A. Associates, Inc.	32.5	---	---	---	32.5	---	---
0.8%	John Hancock	55.8	---	---	---	55.8	---	---
0.5%	JMB Institutional Advisors III	38.7	---	---	---	38.7	---	---
0.6%	Prudential	45.5	---	---	---	45.5	---	---
0.4%	Security Capital	32.1**	---	---	---	32.1	---	---
0.1%	APA/Postin Venture Capital	10.0**	---	---	---	---	10.0	---
0.7%	PA Venture Capital LPs(10)	51.3**	---	---	---	---	51.3	---
1.9%	Treasury STIF	137.2	---	---	---	---	---	137.2
0.5%	Investment Manager Cash in Transit	34.0	---	---	---	---	---	34.0
100%	TOTAL	\$7,199.8	\$3,046.0	\$2,477.1	\$ 733.4	\$ 421.3	\$ 61.3	\$ 460.7
	PERCENT	100%	42.3%	34.4%	10.2%	5.8%	0.9%	6.4%

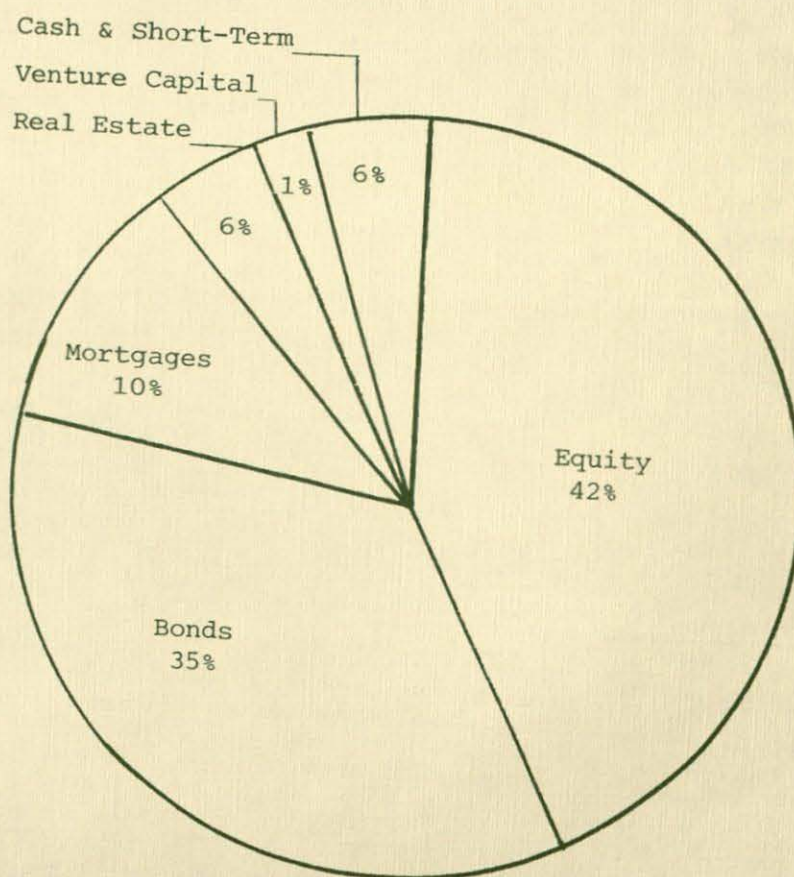
* Cash & Short-term managed by the State Treasurer. Values are at cost.

** Market values for Security Capital and the venture capital managers are estimates.

Three-Year Asset Mix Comparison (\$ Millions)

Year	Total Assets Market Value	Equity	Bonds	Mortgages & Mortgage-Backed Securities	Real Estate	Venture Capital	Cash & Short-Term
1987	\$7,200 100%	\$3,046 42%	\$2,477 35%	\$733 10%	\$421 6%	\$61 1%	\$461 6%
1986	\$6,948 100%	\$3,025 43%	\$2,294 33%	\$846 12%	\$387 6%	\$32 1%	\$364 5%
1985	\$5,954 100%	\$2,287 38%	\$2,042 34%	\$627 11%	\$350 6%	\$14 0%	\$634 11%

1987 Asset Mix



BROKERAGE COMMISSION SUMMARY FOR ALL MANAGERS
FOR YEAR ENDED 12/31/87

<u>BROKER</u>	<u>PAID</u>	<u>BROKER</u>	<u>PAID</u>
Adler Coleman & Co	5,748.00	Jones & Associated Inc	6,009.00
Advest Inc.	9,000.00	Josephthal & Co	53,250.00
Alpha Management Inc.	11,544.00	Kapadia London	9,500.00
Autranet	4,347.00	Keefe Bruyette & Woods	6,464.00
Baird Robert W & Co	3,450.00	Kidder Peabody & Co	155,688.00
Bear Stearns & Co	112,814.70	L F Rothschild	29,560.00
Black & Company	16,310.00	Landenburg Thalmann	6,700.00
Blair William & Co	6,205.00	Lawrence Cyrus J	141,749.70
Boston Institutional Service	6,482.00	Legg Mason	7,870.00
Brandt Robert & Co	6,191.00	Lynch Jones & Ryan	99,671.83
Brean Murray Foster	19,205.00	Mabon Nugent & Co	19,042.25
Brick Securities	9,918.00	Merrill Lynch	316,031.96
Bridge Trading Co	83,858.48	Montgomery Securities	87,537.00
Broad Court	53,202.00	Morgan Stanley	225,008.55
Brown Alex & Sons	8,139.00	Moseley Hallgarten	14,700.00
Burns Fry & Timmons	9,036.00	Neuberger & Berman	73,189.00
Butcher & Singer	15,030.00	ONeill William & Co	4,774.00
Cantor Fitzgerald	45,715.00	Oppenheimer & Co	164,732.34
Capital Institutional	33,837.00	Paine Webber Jackson	5,620.00
Chicago Corp	4,900.00	Paine Webber Mitchell	132,103.50
County Securities Corp	15,713.00	Pennsylvania Group Inc	12,062.00
Cowen & Co	27,291.00	Prescott Ball & Turben	18,613.00
Dean Witter Reynolds	121,559.00	Prudential Bache	79,029.00
Dillon Read & Co	14,594.00	Raphael Zorn London	3,204.00
Donaldson Lufkin	127,619.40	Robinson Humphrey Co Inc	7,332.00
Drexel Burnham	93,282.48	Safian	3,960.00
Eberstadt Fleming	35,672.00	Salomon Brothers	209,980.50
Factset Data System	27,253.00	Sanford C Bernstein	47,100.00
First Boston Corp	161,901.50	Seligman Securities	3,154.00
First Manhattan Co	26,044.00	Shearson Lehman	93,500.00
Fox Pitt Kelton	3,466.00	Shields Capital Corp	3,664.00
Fred Alger	1,202,042.00	Smith Barney Harris	231,549.00
Gilford Securities	3,246.00	Standard & Poor	12,635.00
Goldman Sachs & Co	689,820.50	Sterling Grace & Co	17,323.00
Gordon Haskett & Co	7,934.00	Stifel Nicolaus	30,359.00
Hambrecht & Quist	11,152.00	Sutro & Co	6,353.00
Hoening & Co Inc.	6,244.00	W H Reaves & Co	5,950.00
Hoening & Struck	5,040.00	Wagner Stott & Co	4,832.00
Hutton E.F.	33,926.00	Wall Street Discount	7,142.00
Instinet Corp	10,616.50	Warburg S G Rowe	4,220.00
Interstate Securities Corp	7,525.00	Weeden & Co	28,999.00
Janney Montgomery Scott	4,494.00	Wertheim & Co	84,449.00
Jeffries & Co	134,973.36	Wilshire Associates	295,350.60
Jesup & Lamont	5,720.00	Wood Gundy Inc.	4,178.00
Johnson Lane Space	30,136.00	Other Brokers	60,418.80

Total Commissions Paid 6,106,754.95

BONDS

ISSUE	MATURITY DATE	MARKET VALUE	ISSUE	MATURITY DATE	MARKET VALUE
ARA HLDG CO	9/ 1/95	4725000.00	FEDERAL FARM CR BANK	9/ 1/94	2957024.50
AMAX INC	12/ 1/94	1418750.00	FEDERAL FARM CR BANK	1/20/92	1836409.75
AMERICAN FRUCTOSE C	6/15/ 0	249000.00	FEDERAL HOME LN BKS	9/25/89	1103439.75
AMER TEL & TEL	12/ 1/ 3	398125.00	FEDERAL HOME LN BKS	3/25/93	4313759.00
AMOCO CO	8/ 1/ 7	1258250.00	FEDERAL HOME LN BKS	5/25/93	2691399.50
AMOCO CO	2/ 1/18	1975000.00	FEDERAL HOME LN BKS	10/25/88	514844.94
ARIZONA PUB SVC CO	1/15/13	1460825.00	FEDERAL HOME LN BKS	8/25/90	4927487.00
ARKLA INC	12/15/ 8	358000.00	FEDERAL HOME LN BKS	9/25/90	2091879.75
ARROW ELEC INC	3/15/ 4	743750.00	FEDERAL HOME LN BKS	5/25/93	967500.00
ASSOCIATED DRY GOOD	3/ 1/ 8	1356825.00	FEDERAL HOME LN BKS	8/28/89	3187007.50
ATLANTIC RICHFIELD	6/ 1/15	1561875.00	FEDERAL HOME LN MTG	3/30/90	1052500.00
ATLANTIC RICHFIELD	10/15/95	1567500.00	FEDERAL NATL MTG ASS	6/10/88	508719.94
ATLANTIC RICHFIELD	3/ 1/18	498250.00	FEDERAL NATL MTG ASS	3/10/93	542344.88
AVCO FINL SVCS INC	3/15/98	1402500.00	FEDERAL NATL MTG ASS	12/10/13	3392819.50
BALLY MFG CORP	1/ 2/ 1	1548082.50	FEDERAL NATL MTG ASS	3/10/89	3149578.00
BENEFICIAL CORP	6/ 1/ 3	3841875.00	FEDERAL NATL MTG ASS	9/12/88	7788874.00
BEST PRODS INC	12/ 1/98	1137500.00	FEDERAL NATL MTG ASS	11/10/89	3190319.50
BLOUNT INC	8/ 1/98	1477250.00	FEDERAL NATL MTG AS	9/11/95	1064059.75
BORG-WARNER HLDGS C	7/15/97	492000.00	FEDERAL NATL MTG AS	2/12/98	2999089.50
BURLINGTON NORTH	8/15/92	1783125.00	FERRO CORP	10/15/ 0	526875.00
BURLINGTON NORTHN R	10/ 1/ 8	10542000.00	FIRST SECURITY	11/15/91	1625825.00
CIT FIN	3/15/93	1544000.00	FIRST TENN NATL COR	6/ 1/99	5402312.00
CIT FIN	12/ 1/91	1573125.00	FLORIDA PWR & LT	5/ 1/10	1575000.00
CONNOR GROUP INC	11/ 1/94	464000.00	FLORIDA PWR & LT CO	4/ 1/17	2371875.00
CANNON GROUP INC	4/15/ 1	1113800.00	FLORIDA PWR	10/ 1/ 1	421875.00
CAROLINA P&L	4/ 1/94	1805000.00	FORD MOTOR CRED	1/15/90	1589375.00
CAROLINA T&T	5/ 1/ 8	1385825.00	FORD MTR CR CO	5/15/98	1815000.00
CAT TRACTOR	11/ 1/ 1	10546718.00	FREEPORT MCMORAN IN	5/15/ 1	960000.00
CAT TRACTOR	10/ 1/90	515000.00	GENCORP INC	9/15/93	980000.00
CHES POT TEL VA	4/15/19	2103750.00	GENERAL ELEC CR COR	3/ 1/90	1464375.00
CHICAGO PAC CORP	7/15/98	972000.00	GMAC	5/ 1/93	470825.00
CHRYSLER FIN	10/15/99	18343000.00	GMAC	7/15/ 0	1561875.00
CHRYSLER FIN	11/ 1/99	14477000.00	GENERAL MTRS ACCEP	4/ 1/89	2871000.00
CHRYSLER FINL CORP	3/ 1/92	1402500.00	GENL MOTORS	4/ 1/ 5	1805000.00
CITICORP	11/ 1/98	1192187.50	GEORGIA PWR	2/ 1/13	1578875.00
CITIZEN & SOUTHN	2/ 1/95	1085000.00	GREAT WESTN BK BEV	7/ 1/97	1892500.00
COASTAL CORP	6/15/98	2459375.00	GROLIER INC	11/ 1/ 3	1100000.00
COASTAL CORP	6/15/ 8	2233875.00	GULF & WESTN INC	7/ 1/98	1490000.00
COLECO INDS INC	4/ 1/ 1	588000.00	GULF STS UTILS CO	7/ 1/18	912500.00
COLT INDS INC DEL	10/15/ 1	1035000.00	HANNA M A CO	10/15/94	1111000.00
COLUMBIA GAS SYS IN	6/ 1/12	981250.00	HARNISCHFEGER	4/15/ 4	1238787.25
COMDISCO INC	11/ 1/ 2	897125.00	HARTE HANKS COMMUN	11/15/ 0	806250.00
COMFED SVGS BK LOWE	11/15/92	10187250.00	HERITAGE COMMUNICAT	8/15/95	309000.00
CONTAINER CORP AMER	9/30/98	783750.00	HOLIDAY INNS INC	4/ 1/94	1014950.00
CONTAINER CORP AMER	9/30/ 8	784750.00	HOUSEHOLD FIN CORP	3/ 1/98	1350000.00
CONTINENTAL CABLEVI	12/ 1/ 5	1837500.00	HUNTINGTON BANCSHAR	8/15/98	910000.00
CONTROL DATA CORP D	6/15/91	1538812.50	ICN PHARMACEUTICALS	7/15/98	810000.00
CORESTATES CAP CORP	11/ 1/98	2718750.00	INT TEL & TEL	6/ 1/ 0	342998.75
CORNING GLASS W'S	11/ 1/98	1400825.00	INTERNORTH INC	12/ 1/94	430000.00
CREDITHIFT FIN	12/ 1/90	1797750.00	K MART CORP	1/15/17	1258125.00
DELMARVA PWR & LT C	6/ 1/15	1209000.00	KERR-MGEE CORP	10/15/12	792900.00
DUKE POWER	3/ 1/ 1	673000.00	LEVI STRAUSS ASSOC	11/15/ 0	1065000.00
EATON CORP	8/15/ 8	5310000.00	LIONEL CORP	8/ 1/98	1081250.00
ENSERCH CORP	6/15/ 5	1243552.50	LOCKHEED CORP	4/ 1/98	1395000.00
EQUITABLE GAS	4/ 1/ 8	1627500.00	LOCKHEED CORP DEL	8/15/93	1213875.00
F M C CORP	6/ 1/ 1	3715825.00	LONG ISLAND LTG CO	6/15/95	2000000.00
F M C CORP	6/ 1/98	911550.00	MCI COMM CORP	8/ 1/93	1417500.00
FEDERAL FARM CR BANK	7/22/91	4081239.50	MCORP	5/ 1/93	1200000.00
FEDERAL FARM CR BANK	4/22/91	1731089.75	MANOR CARE INC	5/15/ 3	1144050.00
FEDERAL FARM CR BANK	1/20/93	4268239.00	MANUFACTURERS HANOV	2/15/99	1470300.00
FEDERAL FARM CR BANK	7/20/89	1620464.75	MARK IV INDS INC	12/15/ 1	1000000.00
			MARRIOTT CORP	6/15/ 7	12483750.00
			MATTEL INC	4/15/ 3	1004500.00
			MAY DEPT STORES CO	12/ 1/18	1363125.00
			MICH BELL TEL	6/ 1/11	1237500.00
			MIDDLE SOUTH ENERGY	5/ 1/ 0	710868.25
			MITCHELL ENERGY & D	1/15/97	1095100.00

MOBIL CORP	6/15/4	538126.00
MOBIL CORP	9/15/4	2693750.00
MONSANTO CO	11/15/15	1825375.00
MONT WARD CR	10/1/2	1771000.00
MONT WARD CR	3/15/3	868750.00
NABISCO	11/1/3	414375.00
NATIONAL INTERGROUP	5/15/96	1311200.00
NAVISTAR FINL CORP	12/1/95	1356750.00
NY TELEPHONE	8/15/12	1278750.00
NIAG MHWK PWR	3/1/13	548750.00
NOBLE AFFILIATE	1/1/90	1583853.25
NORTHN STS PR-MN	5/1/13	1540887.50
OCCIDENTAL PETE COR	3/15/96	1509375.00
OCCIDENTAL PETE COR	3/15/11	3943875.00
OKLA GAS & EL	1/1/4	529500.00
PNC FUNDING CORP	3/15/96	1640250.00
PACIFIC BELL	3/1/28	1378250.00
PACIFIC GAS & ELEC	2/1/19	1513125.00
PACIFIC GAS & ELEC	1/1/97	1712375.00
PACIFIC GAS & ELEC	1/1/20	853750.00
PAC TEL & TEL	4/1/5	1335000.00
PAC TEL & TEL	7/15/18	1902500.00
PAC TEL & TEL	11/1/14	1434375.00
PAC TEL & TEL	7/1/19	2887500.00
PENN PWR & LT	11/1/13	2185000.00
PHILLIPS PETE CO	3/15/97	1790250.00
PHILLIPS PETE CO	3/15/0	7408125.00
PRICE COMMUNICATION	7/15/96	3620000.00
PEFCO	11/1/90	138240.00
PUB SVC COLO	10/1/8	1366875.00
RAMADA INC	4/15/99	756875.00
REP HEALTH CORP	7/1/3	67410.00
REP HEALTH CORP	4/1/4	160000.00
REP HEALTH CORP	1/1/5	237500.00
REVCO D S INC	8/15/15	1859000.00
SAFEWAY STORES INC	11/24/8	61324.78
SCOVILL INC NEW	8/15/95	1710537.50
SEARS ROEBUCK	9/1/92	1178750.00
SERVICE MERCHANDISE	12/15/96	855500.00
SO CAROLINA E&G	6/1/9	1402875.00
SO CENT BELL TEL	9/15/18	1481250.00
SO CENT BELL TEL	4/1/23	1689375.00
SOUTHDOWN INC	5/1/97	1440000.00
SOUTHMARK CORP	11/1/91	640000.00
SOUTHTRUST CORP	6/1/99	4818750.00
SOUTHWEST FOREST IN	9/15/1	955000.00
STONE CONTAINER COR	6/1/95	1759600.00
STORAGE TECHNOLOGY	12/31/96	740000.00
STUDENT LOAN MARKETI	9/1/89	4291239.00
TRW INC	3/1/96	957500.00
TENAX CO	11/15/91	1070000.00
TEXAS AIR CORP	2/1/92	1365000.00
TEXAS AIR CORP	2/15/93	663850.00
TEXAS EASTN TRANSMI	9/15/10	1272000.00
TEXAS UTLS ELEC	4/1/14	1327500.00
TEXAS UTLS ELEC CO	2/1/17	1293750.00
TOSCO CORP	12/15/91	668250.00
TRANSCONTINTL GAS P	11/15/96	2293750.00
TURNER BROADCAST SY	4/15/93	3356250.00
TURNER BROADCAST SY	3/15/93	1266837.50
TWELVE FED LAND BKS	1/20/97	2610000.00
UNC RES INC	5/1/96	925000.00
UNION CARBIDE CORP	4/15/94	960000.00
UNITED STATES TREAS	5/15/99	4832799.00
UNITED STATES TREAS	2/15/0	7804019.00
UNITED STATES TREAS	8/15/0	4787199.00
UNITED STATES TREAS	2/15/7	9979812.00
UNITED STATES TREAS	11/15/7	4619887.00

UNITED STATES TREAS	11/15/94	7494339.00
UNITED STATES TREAS	2/15/96	6540000.00
UNITED STATES TREAS	5/15/10	1600784.75
UNITED STATES TREAS	5/15/95	7153045.00
UNITED STATES TREAS	11/15/10	915032.88
UNITED STATES TREAS	11/15/12	7719669.00
UNITED STATE TREAS N	5/15/3	6552201.00
UNITED STATES TREAS	8/15/3	8130919.00
UNITED STATES TREAS	8/15/13	10686114.00
UNITED STATES TREAS	11/15/3	6123449.00
UNITED STATES TREAS	5/15/4	6348449.00
UNITED STATES TR BD	6/15/6	11818568.00
UNITED STATES TR BD	2/15/16	19569540.00
UNITED STATES TR BD	5/15/16	15094888.00
UNITED STATES TR BD	5/15/17	3886239.50
UNITED STATES TREAS	2/15/92	9752478.00
UNITED STATES TREAS	4/15/89	9748078.00
UNITED STATES TREAS	5/15/92	87451984.00
UNITED STATES TREAS	4/15/90	7207501.00
UNITED STATES TREAS	7/15/90	2122500.00
UNITED STATES TREAS	2/15/89	4161239.50
UNITED STATES TREAS	1/15/91	4382479.00
UNITED STATES TREAS	5/15/89	4203759.00
UNITED STATES TREAS	8/15/89	12031250.00
UNITED STATES TREAS	8/15/94	17887500.00
UNITED STATES TREAS	10/15/91	1888429.75
UNITED STATES TREAS	12/31/88	6181859.00
UNITED STATES TREAS	1/15/92	7774339.00
UNITED STATES TREAS	2/15/95	3383429.50
UNITED STATES TREAS	5/15/90	8580000.00
UNITED STATES TR NT	3/31/89	10425000.00
UNITED STATES TR NT	4/15/92	131525968.00
UNITED STATES TR NT	5/15/95	17529568.00
UNITED STATES TR NT	8/15/90	7295329.00
UNITED STATES TR NT	7/15/92	8048399.00
UNITED STATES TR NT	8/15/95	7649624.00
UNITED STATES TR NT	11/15/90	7266839.00
UNITED STATES TR NT	9/30/89	3178480.50
UNITED STATES TR NT	10/15/92	4725000.00
UNITED STATES TR NT	2/15/91	6978500.00
UNITED STATES TR NT	12/31/89	6565000.00
UNITED STATES TR NT	2/15/89	48254872.00
UNITED STATES TR NT	2/15/96	6000000.00
UNITED STATES TR NT	4/15/93	7607519.00
UNITED STATES TR NT	5/15/96	7550426.00
UNITED STATES TR NT	5/31/88	50077992.00
UNITED STATES TR NT	8/15/91	3910000.00
UNITED STATES TR NT	7/15/93	2826569.50
UNITED STATES TR NT	8/15/89	3928759.50
UNITED STATES TR NT	9/30/90	13553678.00
UNITED STATES TR NT	11/30/88	5448704.00
UNITED STATES TR NT	12/31/88	7910000.00
UNITED STATES TR NT	2/15/90	5083500.00
UNITED STATES TR NT	3/31/89	8870578.00
UNITED STATES TR NT	4/30/89	8455279.00
UNITED STATES TR NT	5/15/90	11985000.00
UNITED STATES TR NT	5/31/89	7030589.00
UNITED STATES TR NT	6/30/91	3980000.00
UNITED STATES TR NT	7/15/94	8701828.00
U S TREAS SEC STRIP	2/15/92	710000.00
U S TREAS SEC STRIP	2/15/94	9009000.00
UP JOHN	6/1/91	1530000.00
WELLS FARGO	9/15/91	1548750.00
WESTVACO	1/15/15	1111250.00
WHIRLPOOL CORP	6/15/18	1852500.00
WICKES COS INC NEW	6/1/1	1485000.00
WISCONSIN BELL	1/1/14	1246875.00
WISC PWR & LT	5/1/8	1381875.00

ANACOMP	3/15/95	376111.94
BALITMORE FED FINL	10/11/ 2	4183678.00
BANCO MORTGAGE	8/ 1/11	390897.44
BANCO MORTGATE	11/ 1/ 6	513680.44
BARCLAYSAMERICANCORO	12/ 1/97	8802726.00
BCI HLDGS CORP	4/15/98	778124.88
BCI HLDGS CORP	4/15/ 1	6624000.00
BANKAMERICA CORP	5/17/99	1323000.00
BANKERS TR DEP NT	8/ 3/90	9654498.00
BT ACQUISITION CORP	12/22/96	2947500.00
BT ACQUISITION CORP	12/15/ 1	487694.88
CABLEVISION INDS	2/15/ 2	2795000.00
CAESARS WORLD	10/ 1/97	844000.00
CAIN CHEM INC	6/30/ 2	1356750.00
CAIN CHEM PFD. 13%		4635000.00
CAIN CHEM WARRANTS	6/30/ 3	297500.00
CAIN CHEM PFD	6/30/ 3	238862.00
CALIF FED SVGS & LN	1/ 1/14	6602997.00
CENTRUST SAV/FKA	3/ 1/98	5289692.00
CENTRUST SAV/FKA	11/ 1/ 7	7907795.00
CENTRUST SAV/FKA	7/ 1/ 6	4456567.00
CHRYSLER CORP	11/15/15	1043699.88
CITICORP MBS/PC	6/ 1/ 2	8547598.00
CITY FED SLA PISCATA	6/ 1/12	16600324.00
CITYPLACE CTR EAST C	2/15/95	16788744.00
COMERICA INC	5/ 1/99	5752499.00
CONWOOD CAP CORP	1/15/98	1026250.00
EMMIS BROADCASTING	12/15/95	1470000.00
ENRON SR	2/15/99	723487.25
FEDERAL HOME LN MTG	10/ 6/89	1601249.75
FID FED SVGS & LN	4/15/97	11009998.00
FIRST CAROLINA COMMJ	12/ 1/96	372000.00
FLETCHER CHALLENGE F	5/15/97	4789049.00
FEDL NATL MTG #07978	6/ 1/ 9	3303947.00
FED NATL MTG #15347	3/ 1/ 5	2593494.00
FED NATL MTG #016282	7/ 1/ 8	3370142.00
FEDERAL NATL MTG ASS	11/12/91	1650991.75
FORD MTR CRED	9/18/90	20326196.00
FORD MOTOR CREDIT	12/ 1/97	1998999.75
FORD CRED	9/15/90	2013639.75
GAF CORP	11/ 1/94	535499.88
GAF CORP	6/15/95	855000.00
GEM SAVINGS	8/ 1/ 8	15708968.00
GEN ELEC MTG	3/25/10	7254505.00
GEN ELEC MTG	11/25/10	4967544.00
GIBRALTAR SVGS	6/ 1/ 6	15304354.00
GMAC	5/ 1/ 3	1930419.75
GMAC	4/15/91	4741681.00
GMAC	6/17/91	8245639.00
GOLDOME/PC 1984-1	7/26/ 7	5737760.00
GOLDOME/PC 1984-6	1/ 1/ 6	11601018.00
GS TRST 2 CMO	8/ 1/ 2	3780000.00
HOUSEHOLD FIN CORP	9/15/94	2014279.75
HFC FIN CORP	12/15/93	9552000.00
HOME OWNERS FED S/L	10/27/97	9773122.00
HOME OWNERS FED S&L	9/ 8/92	9762500.00
HOME FED SAV BK	2/ 1/ 3	5771036.00
HOME SAV AMERICA	8/ 1/ 6	1743253.25
IMO DELAVAL	8/15/97	1226999.75
IMPERIAL SVGS & LN	8/15/11	19306372.00
IMPERIAL SVGS & LN	8/ 1/96	5604186.00
INGERSOLL NEWSPAPERS	9/ 1/99	1732500.00
INGERSOLL NEWSPAPERS	9/ 1/ 0	518250.00
ITEI CORP	4/15/94	1000124.75
LORIMAR TELEPICTURES	2/15/99	1048050.00
MACY R H	10/15/98	788100.00
MARY KAY COSMETICS	9/30/96	1137476.00

MCCAW CELLUAR INC	1/ 1/94	3266429.50
MERITOR SVGS BK	4/14/92	9287498.00
MESA CAP CORP	8/ 1/96	1367700.00
METROPOLITAN BROADCA	9/30/ 6	1642500.00
MIDWEST FEDL SLA	3/ 1/13	6712260.00
MNC FINL	5/ 1/97	4314374.00
MONONGAHELA PWR	7/ 1/17	1306479.75
MULTIMEDIA INC	6/30/ 5	7239000.00
NEW CITY COMMUNICATI	6/30/96	2579349.50
NORTH JERSEY SLA	9/ 1/ 4	4339687.00
OWENS ILL	6/ 1/99	4029999.00
PRIVATE EXP FUNDING	6/30/94	1947059.75
PHILLIPS PETE	8/15/96	5214999.00
PITTSBURGH NATL	1/28/91	28125000.00
PMI MORTGAGE	3/ 1/ 3	586089.25
ROOSEVELT FED S&L	3/ 1/92	3729999.00
SALOMON BROS MTG	8/ 1/15	10930446.00
SANTA BARBARA SVGS &	12/31/96	4418750.00
SCI HLDGS	12/ 5/92	1315625.00
SEAMENS MTG FIN	9/ 1/92	9135000.00
SEARS MTG	4/ 1/17	11036582.00
SEARS MTG	11/ 1/12	6451222.00
SECURITY PACIFIC	5/15/90	9945898.00
SECURITY PACIFIC	3/28/90	15000000.00
SPERRY LEASE FIN	4/15/91	3589680.00
STAR CABLEVISION	8/15/ 2	1610000.00
STERLING CHEMS	7/15/96	4700000.00
STATE FED TULSA	1/ 1/ 9	3659901.50
TALMAN HOME FED	11/ 1/ 2	15306238.00
TENN GAS PIPELINE	9/ 1/92	1935429.25
TENN GAS PIPELINE	1/15/97	2157191.50
TENN GAS PIPELINE	5/15/96	1604417.25
TEXAS EASTRN TRANS	12/15/92	1666877.75
TRI CITY PPTY	8/ 1/ 6	4404652.00
TRI CITY PPTY	3/ 1/ 1	7387388.00
TRI CITY PPTY	3/ 1/ 3	4498901.00
TRI CITY PPTY	3/ 1/ 4	5454239.00
TRIANGLE INDS	7/15/97	935000.00
TYLER CORP	7/15/97	1219218.75
UNITED SAV TEXAS	3/ 1/ 6	29444180.00
UNITED SAV TEXAS	5/ 1/ 8	10187028.00
UNION TEX PETE	7/ 1/95	681575.00
US TREAS BOND	2/15/00	45906000.00
US TREAS BOND	8/15/00	47671500.00
US TREAS BOND	2/15/95	28340000.00
US TREAS NOTE	7/15/90	106125000.00
US TREAS NOTE	2/15/95	169171500.00
US TREAS NTS	6/30/89	49796488.00
U S TREAS NT	8/15/90	127639008.00
US TREAS NTS	12/31/89	100092976.00
US TREAS NTS	11/15/90	74906224.00
US TREAS NTS	9/30/89	12568630.00
MONTGOMERY WARD	11/ 1/ 0	1382159.75
MORTGAGES POOLED FUND		490810878.00
ARIZONA PUB SVC CO	11/15/17	1498125.00
UNION PACIFIC CORP	9/ 1/10	1581090.00
UNION PACIFIC CORP	3/ 1/12	679688.00
FORD MOTOR CRED CORP	3/ 1/90	1440000.00
GE CREDIT	1/ 7/88	9586233.00
UNITED STATES TREAS	10/27/88	145136101.00

3,209,861,544.00

STOCKS

ISSUE	SHARES	MARKET VALUE		
A & W BRANDS INC	150,000	1,575,000		
AAR CORP	42,400	795,000		
AEL INDS INC	3,600	30,625		
A G S COMPUTERS INC	16,000	270,000		
AMR CORP	107,600	3,792,900		
ASK COMPUTER SYS INC	97,400	787,025		
ABBOTT LABS	14,700	709,275		
ACTION INDS INC	5,200	24,700		
ACUSON CORP	32,500	601,250		
ADELPHIA COMMUNICATI	6,300	78,750		
ADOBE SYS INC	57,800	1,706,100		
ADVANCED MICRO DEVIC	30,625	302,422		
AETNA LIFE & CAS CO	11,000	497,750		
AGENCY RENT A CAR	21,420	401,625		
AHMANSON H F & CO	60,100	991,650		
AIR PRODS & CHEMS IN	30,400	1,238,800		
ALASKA AIRGROUP	107,100	1,445,850		
ALBERTO CULVER CO	40,300	836,225		
ALBERTSONS INC	27,400	695,275		
ALCAN ALUM LTD	100,000	2,687,500		
ALCO HEALTH SVCS COR	11,100	184,538		
ALCO STD CORP	108,400	2,208,650		
ALDUS CORP	52,000	910,000		
ALEXANDER & BALDWIN	47,500	2,054,375		
ALLEGHENY LUDLUM COR	15,900	391,538		
ALLEGHENY INTL INC	8,600	23,650		
ALLEGHENY PWR SYS IN	42,700	1,585,238		
ALLEN ORGAN CO	1,260	32,760		
ALLIED SEC INC	7,000	199,500		
ALLIED SIGNAL INC	10,000	282,500		
ALLTEL CORP	140,550	4,058,381		
ALOETTE COSMETICS IN	2,800	9,100		
ALUMINUM CO AMER	73,600	3,440,800		
ALZA CORP	90,000	2,418,750		
AMAX INC	4,000	80,000		
AMERADA HESS CORP	117,700	2,927,788		
AMERICAN BANKRS INS	1,000	9,375		
AMERICAN BRANDS INC	233,400	10,386,300		
AMERICAN CYANAMID CO	90,000	3,712,500		
AMERICAN ELEC PWR IN	10,000	262,500		
AMERICAN EXPRESS CO	614,650	14,060,119		
AMERICAN FAMILY CORP	159,800	2,257,175		
AMERICAN HOME PRODS	181,500	11,749,125		
AMERICAN INTEGRITY	5,700	16,388		
AMERICAN INTL GROUP	50,000	3,000,000		
AMERICAN MED INTL IN	214,200	2,704,275		
AMERICAN STD INC	101,000	3,686,500		
AMERICAN STORES CO	69,800	3,524,900		
AMERICAN TEL&TELEG	255,900	6,909,300		
AMERICAN WTR WKS INC	147,000	2,370,375		
AMERITRUST CORP	4,500	74,250		
AMETEK INC	37,000	522,625		
AMGEN	60,100	1,883,100		
AMP INC	70,200	3,281,850		
AMOCO CORP	60,400	4,167,600		
AMPCO-PITTSBURG CORP	8,100	110,363		
AMSOUTH BANCORPORATI	30,600	707,625		
ANHEUSER BUSCH COS	21,000	700,875		
ANTHEM ELECTRS INC	53,333	533,330		
AON CORP	158,200	3,618,825		
APOGEE ENTERPRISES			52,200	522,000
APPLE BK FOR SVGS N			4,600	113,625
APPLE COMPUTER INC			280,600	11,785,200
APOLLO COMPUTER INC			40,000	500,000
APPLIED BIOSYSTEMS			5,000	116,250
APPLIED MATLS INC			83,500	1,628,250
ARISTECH CHEM CP			21,900	594,038
ARMCO INC			107,200	1,206,000
ARMSTRONG WORLD			141,600	4,666,600
ARNOLD INDS INC			3,500	87,500
ASHLAND OIL INC			2,000	115,500
ASHTON TATE			5,000	121,250
ASSOCIATED COMMUN CP			4,100	104,650
ATHLONE INDS INC			2,000	23,000
ATLANTIC FINL FED			3,200	24,800
ATLANTIC SOUTHEAST AI			1,000	7,500
ATLANTIC ENERGY INC			1,000	30,625
AUDIO VIDEO AFFILLIA			575,000	2,228,125
AUTOCLAVE ENGINEERS			5,000	31,875
AUODESK INC			105,300	2,184,975
AVANTEK INC			66,200	668,050
AVERY INC			8,400	14,700
AVON PRODS INC			238,700	6,146,525
AYDIN CORP			4,200	79,275
BCE INC			14,100	401,850
BDM INTL INC			32,900	662,113
BT FINL CORP			2,200	29,425
BAKER MICHAEL CORP			3,800	25,200
BAKER HUGHES INC			10,000	136,250
BALL CORP			20,400	721,650
BALTIMORE GAS&ELEC			13,000	383,500
BANC ONE CORP			14,000	336,000
BANCORP HAWAII INC			23,800	1,112,650
BANK BOSTON CORP			126,900	2,855,250
BANK NEW ENGLAND COR			16,000	400,000
BANK NEW YORK INC			5,950	153,213
BANKERS TRUST N Y CO			388,900	12,347,575
BARD C R INC			19,400	669,300
BARNETT BANKS FLA IN			23,300	661,138
BAXTER TRAVENOL LABS			132,731	3,019,630
BAY ST GAS CO			1,500	30,938
BAYBANKS INC			31,000	1,170,250
BEAR STEARNS COS INC			2,000	20,750
BEARINGS INC			1,000	37,750
BEEBA'S CREATIONS IN			30,000	243,750
BELL ATLANTIC CORP			72,600	4,719,000
BELL SVGS BK PASA PA			2,200	20,900
BENEFICIAL CORP			75,700	2,630,575
BERKLEY W R CORP			28,800	686,400
BETHLEHEM STL CORP			47,600	797,300
BETZ LABS INC			13,500	567,000
BIG B INC			59,800	680,225
BIOMET INC			30,000	645,000
BLOCK DRUG INC			29,900	792,350
BLOCK H & R INC			69,900	2,166,900
BOHEMIA INC			1,000	14,500
BOISE CASCADE CORP			5,000	340,000
BOSTON EDISON CO			54,300	1,018,125
BOW VALLEY INDS LTD			137,500	1,564,063
BOWNE & CO INC			60,200	639,625
BRISTOL MYERS CO			128,800	5,278,050
BRITISH PETE PLC			20,960	178,160
BRITISH PETROLEUM LT			191,400	10,694,475
BROWNING FERRIS INDS			157,400	4,407,200
BRUNSWICK CORP			188,300	2,777,425
BRYN MAWR BK CORP			2,100	60,900
BURLINGTON NORTHN IN			55,500	3,482,625

BURR BROWN CORP	43,000	354,750
BUSINESSLAND INC	35,000	358,750
CBS INC	15,000	2,355,000
CCNB CORP	2,400	42,000
CFS FINL CORP	10,000	125,000
C COR ELECTRS INC	4,300	24,725
C D I CORP	5,100	80,325
CIGNA CORP	67,600	2,965,950
CMS ENERGY CORP	1,000	13,500
CNW CORP	12,000	253,500
CPC INTL INC	451,900	18,301,950
CSC INDS INC	7,300	18,425
CSX CORP	25,000	728,125
C TEC CORP	4,800	120,000
CABOT CORP	66,800	2,179,350
CABOT MED CORP	11,000	22,000
CADNETIX CORP	50,000	343,750
CAESARS WORLD INC	101,200	2,201,100
CALGON CARBON CORP	3,800	131,100
CAMPBELL SOUP CO	24,400	680,150
CANADIAN PAC LTD	15,500	248,063
CAPITAL CITIES ABC I	12,300	4,243,500
CAPITAL HLDG CORP DE	140,500	3,793,500
CAREERCOM CORP	6,300	69,300
CARLISLE CORP	7,800	226,200
CAROLINA PWR & LT CO	142,700	4,780,450
CARPENTER TECHNOLOGY	27,600	1,197,150
CARTER WALLACE INC	58,100	1,924,563
CASTLE & COOKE INC	113,800	2,105,300
CATERPILLAR TRACTOR	60,000	3,720,000
CENTEL CABLE TELEVIS	98,900	1,656,575
CENTEL CORP	82,950	2,944,725
CENTERIOR ENERGY COR	35,150	568,794
CENTOCOR INC	83,200	2,121,600
CENTRAL & SO WEST CO	132,700	3,914,650
CENTRAL FID BKS INC	10,000	265,000
CENTRAL PA FINL CORP	1,800	17,325
CENTRAL SPRINKLER CO	2,500	21,875
CERTAIN TEED CORP	35,400	885,000
CETUS CORP	10,000	137,500
CHAMBERS DEV INC	7,500	208,250
CHAMPION INTL CORP	15,000	517,500
CHAMPION PARTS REBLD	3,600	19,800
CHARMING SHOPPES INC	214,500	2,574,000
CHARTER MED CORP	25,300	838,825
CHARTER PWR SYS INC	3,800	18,000
CHASE MANHATTAN CORP	126,800	2,805,450
CHEMED CORP	5,000	166,250
CHEMICAL LEAMAN TANK	1,800	41,400
CHEMICAL NEW YORK CO	191,500	4,093,313
CHEMICAL WASTE MGMT	122,900	3,072,500
CHEROKEE GROUP	38,000	299,250
CHEVRON CORP	126,000	4,992,750
CHIRON CORP	30,000	480,000
CHRYSLER CORP	692,000	15,310,500
CHUBB CORP	159,400	8,908,475
CILCORP INC	84,800	2,501,600
CINCINNATI BELL INC	162,600	4,024,350
CINCINNATI GAS & ELE	149,100	3,871,588
CIRCUIT CITY STORES	82,400	1,514,100
CIRCUS CIRCUS ENTERP	157,700	3,886,238
CITICORP	774,500	14,425,063
CITIZENS & SOUTHN GA	22,200	516,150
CITIZENS UTILS CO DE	4,500	123,750
CITY NAIL CORP	21,100	437,825
CLABIR CORP	8,300	17,638
CLOTHETIME INC	42,500	223,125

COLT INDS INC	19,000	185,250
COMCAST CABLEVISION	3,000	72,000
COMCAST CORP	21,600	531,900
COMCAST CORP	10,800	236,250
COMDISCO INC	22,800	420,925
COMERICA INC	1,000	58,250
COMMERCIAL CR CO	65,000	1,454,375
COMMODORE INTL LTD	26,500	198,750
COMMONWEALTH BNCSSHS	2,100	36,225
COMMONWEALTH EDISON	101,800	2,799,500
COMMUNICATIONS SATEL	33,700	943,600
COMMUNITY PSYCHIATRI	40,300	1,032,688
COMPAQ COMPUTER CORP	117,800	6,523,175
COMPONENT TECHNOL CO	5,200	36,400
COMPUDYNE CORP	1,300	18,688
COMPUTER FACTORY INC	60,500	907,500
COMPUTER ASSOC INTL	426,000	13,632,000
COMPUTER SCIENCES CO	83,700	4,226,850
COMPUTER TASK GROUP	45,000	472,500
CONNELLY CONTAINERS	2,500	34,375
CONSOLIDATED NAT GAS	70,200	2,562,300
CONSOLIDATED PAPERS	10,000	562,500
CONSOLIDATED RAIL CO	64,000	1,788,000
CONSTAR INTL INC	200,000	3,275,000
CONSTON CORP	6,400	23,200
CONSUMERS FINL CORP	4,700	24,088
CONSUMERS WTR CO	4,300	72,025
CONTEL CORP	156,700	4,544,300
CONTINENTAL CORP	334,900	12,977,375
CONTINENTAL INFORM	2,200	13,475
CONTINENTAL MED SYS	2,600	27,625
COPPERWELD CORP	7,300	58,400
CORDIS CORP	45,000	483,750
CORESTATES FINL CORP	23,800	800,275
CRAFTMATIC CONTOUR I	3,600	5,400
CRAWFORD & CO	43,500	739,500
CRAY RESH INC	65,300	4,815,975
CROSS A T CO	23,000	612,375
CROWN CORK & SEAL IN	8,600	907,300
CULLUM COS INC	50,100	864,225
CUMMINS ENGINE INC	45,600	2,154,600
CYPRUS MINERALS CO	1,000	24,250
DNA PLT TECHNOLOGY	28,500	106,875
DPL INC	15,600	366,600
DAISY SYS CORP	50,000	337,500
DATA GEN CORP	143,100	3,380,738
DAUPHIN DEP CORP	6,400	196,800
DAYTON HUDSON CORP	162,600	4,491,825
DEAN FOODS CO	27,800	684,575
DEBS SHOP INC	42,800	369,150
DECISION INDS INC	8,100	87,075
DEKALB AGRESEARCH IN	38,400	892,800
DELTA AIR LINES DEL	92,400	3,430,350
DE LUXE CHECK PRINTE	110,500	2,893,438
DENNISON MFG CO	10,000	262,500
DETROIT EDISON CO	18,000	240,750
DEXTER CORP	31,200	729,300
DIGILOG INC	5,375	25,531
DIGITAL EQUIP CORP	118,700	16,024,500
DIGITAL COMMUN ASSOC	51,700	1,525,150
DILLARD DEPT STORES	24,600	605,775
DISNEY WALT PRODTNS	134,000	7,939,500
DOMINION BANKSHARES	1,000	17,750
DOMINION RES INC VA	190,300	7,873,663
DOMTAR LIMITED	30,000	341,250
DONEGAL GROUP INC	4,000	29,000
DONNELLEY R R & SONS	18,900	616,613

DOW CHEM CO	55,000	4,950,000
DRAYO CORP	11,900	136,850
DRESS BARN INC	73,100	822,375
DREYFUS CORP	38,900	913,275
DUN & BRADSTREET COS	69,400	3,799,850
DIQUESNE SYS INC	7,800	161,850
DUQUESNE LT CO	62,000	728,500
DYNAMICS CORP OF AME	3,500	67,375
DYNASCAN CORP	8,000	50,000
E SYS INC	126,400	3,349,800
EAGLE PICHER INDS IN	11,000	268,750
EASTERN GAS&FUEL ASN	65,900	1,499,225
EASTERN UTILS ASSOC	4,600	128,800
EASTMAN KODAK CO	72,700	3,562,300
ECHLIN MFG CO	51,600	722,400
ELDON INDS INC	39,900	898,250
ELECTRO SCIENTIFIC	25,000	168,750
ELECTROMAGNETIC SCIEN	45,000	596,250
ELECTRONICS MISSILES	12,000	3,000
EMERSON ELEC CO	77,900	2,697,288
EMERSON RADIO CORP	10,000	28,250
EMHART CORP VA	50,000	1,050,000
EMPIRE DIST ELEC CO	7,000	209,125
ENNIS BUSINESS FORMS	29,900	754,975
ENRON CORP	28,000	1,095,500
ENTERRA CORP	8,400	39,900
ENVIROSAFE SVCS INC	2,000	25,500
ENVIRONMENTAL TECTON	6,800	19,550
EQUIFAX INC	31,700	879,875
EQUIMARK CORP	25,900	71,225
EQUITABLE RES INC	17,100	540,788
ERBAMONT N V	118,900	2,140,200
EXXON CORP	6,000	228,750
F M C CORP	96,000	3,240,000
FNB CORP	1,890	34,493
FPL GROUP INC	102,700	2,939,788
FAMILY DLR STORES IN	84,900	838,388
FARMERS GROUP INC	53,000	2,133,250
FEDERAL EXPRESS CORP	100,000	3,987,500
FEDERAL NATL MTG ASS	206,000	6,283,000
FEDERAL PAPER BRD IN	35,100	1,395,225
FEDERAL SIGNAL CORP	46,800	900,900
FEDERATED DEPT STORE	339,900	11,174,213
FERRO CORP	16,000	382,000
FIDELCOR	10,200	349,350
FIDELITY FED S & L	2,000	13,500
FIGGIE INTL HLDGS IN	22,400	1,198,400
FIGGIE INTL HLDGS IN	2,300	172,500
FINANCIAL TR CORP	800	28,700
FIRESTONE TIRE&RUBBE	29,400	926,100
FIRST ALA BANCSHARES	48,300	664,125
FIRST AMERN SVGS FA	2,400	27,900
FIRST BK SYS INC	8,200	171,175
FIRST BOSTON CORP	2,000	49,750
FIRST CHICAGO CORP	123,800	2,338,725
FIRST EASTERN CORP	3,600	93,600
FIRST FED WESTN PA	2,700	18,900
FIRST FLA BKS INC	30,200	671,950
FIRST HAWAIIAN INC	28,300	700,425
FIRST NATL PA CORP	1,500	45,000
FIRST PA CORP	19,700	169,913
FIRST TENN NATL CORP	7,000	155,750
FIRST UN CORP	35,000	682,500
FIRST VALLEY CORP	2,700	85,060
FISCHER & PORTER CO	3,485	35,083
FLEET NORSTAR FINL G	58,300	1,326,325
FLIGHTSAFETY INTL IN	24,600	913,275

FLORIDA PROGRESS COR		
FLOWERS INDS INC	38,600	19,850
FOOTHILL GROUP INC	1,000	742,950
FORD MTR CO DEL	217,960	5,000
FOREST LABS INC	40,500	16,427,981
FOREST OIL CORP	6,047	789,750
FRANKFORD CORP PA	2,500	69,541
FULLER H B CO	64,100	51,250
FULTON FINL CORP PA	4,510	2,323,625
FUQUA INDS INC	88,100	96,985
GATX CORP	10,600	2,521,863
GTE CORP	408,500	408,100
GEARHART OWEN INDS	10,000	14,450,688
GENENTECH INC	41,700	8,750
GENERAL DYNAMICS COR	103,000	1,751,400
GENERAL ELEC CO	197,300	5,021,250
GENERAL INSTR CORP	72,800	8,705,863
GENERAL MLS INC	15,500	2,223,375
GENERAL MTRS CORP	52,300	789,188
GENERAL NUTRITION IN	26,600	3,209,913
GENERAL PUB UTILS CP	59,000	83,125
GENERAL REFRACTORIES	3,500	1,674,125
GENTEX CORP	7,500	55,583
GENUINE PARTS CO	68,900	26,250
GENZYME CORP	5,000	2,420,113
GEORGIA GULF CORP	3,500	41,250
GEORGIA PAC CORP	90,500	192,500
GERIATRIC & MED CTRS	7,300	3,122,250
GIANT GROUP INC	5,500	18,425
GILBERT ASSOC INC	154,800	90,063
GILLETTE COMPANY	145,000	2,705,500
GLATFELTER P H CO	21,300	4,114,375
GLAXO HLDGS PLC	32,000	654,975
GLENFED INC	79,200	584,000
GOODY PRODS INC	43,800	1,742,400
GOODYEAR TIRE & RUBR	50,000	895,325
GRAPHIC PACKAGING CO	2,600	3,000,000
GREAT AMERN 1ST SVGS	12,500	13,650
GREAT LAKES CHEM COR	88,600	157,813
GREYHOUND CORP	2,000	4,784,400
GUARANTY BANCSHARES	7,100	51,000
GULF & WESTN INDS IN	68,700	47,925
GULF CDA RES LTD	90,000	4,888,288
HALLIBURTON CO	73,600	1,091,250
HAMPTON INDS INC	440	1,821,600
HANNAFORD BROS CO	19,100	2,915
HANOVER INS CO	22,000	670,888
HARLAND JOHN H CO	33,900	511,500
HARLEY DAVIDSON INC	4,800	711,900
HARLEYSVILLE GROUP I	5,400	62,400
HARLEYSVILLE NATL PA	735	70,875
HARSCO CORP	25,300	28,665
HARTFORD NATL CORP	22,700	698,913
HARTFORD STEAM BOILE	19,000	473,863
HARTMARX CORP	10,000	437,000
HEALTHCARE SVCS AMER	6,800	235,000
HECKINGER CO 'A'	149,600	10,200
HEINZ H J CO	127,000	2,842,400
HERCULES INC	10,000	5,127,625
HERLEY INDS INC	2,400	470,000
HERSHEY FOODS CORP	83,900	7,200
HIBERNIA CORP	1,100	2,055,550
HILLENBRAND INDS INC	145,800	22,000
HOLIDAY CORP	34,600	3,608,550
HOLLY FARMS CORP	8,700	865,000
HOME DEPOT INC	50,000	180,900
HOME OFFICE REFERE L	65,000	937,500
		1,202,500

HOME UNITY S&L ASSN	3,850	13,475
HOMESTEAD SVGS ASSN	2,500	21,250
HONEYWELL INC	29,500	1,589,313
HORMEL GEO A & CO	31,900	681,883
HOSPITAL CORP AMER	207,800	6,461,550
HOUSEHOLD INTL CORP	81,600	3,253,800
HOUSTON INOS	18,800	584,000
HUBBELL HARVEY INC	22,700	729,238
HUFFY CORP	25,800	477,300
HUMANA INC	138,000	2,556,500
HUNT MFG CO	9,000	187,875
HYDRAULIC CO	25,200	852,050
IC INDS INC	349,900	11,502,963
IDB COMMUNICATIONS G	67,400	556,050
ITT CORP	13,000	578,500
IU INTL CORP	50,900	648,975
ILLINOIS POWER CO	21,200	500,850
ILLINOIS TOOL WKS IN	135,200	4,461,800
IMPERIAL OIL LTD	18,700	813,450
INDEPENDENCE BANCORP	6,800	155,100
INGERSOLL RAND CO	64,000	2,272,000
INFORMATION RES INC	73,000	730,000
INSILCO CORP	2,500	38,750
INSPEECH INC	7,400	96,200
INTEGRATED DEVICE TE	222,750	2,645,158
INTEL CORP	183,750	4,869,375
INTELLICORP INC	192,500	745,938
INTELLIGENT ELECTRS	2,700	20,925
INTERCO INC	1,000	32,250
INTERLAKE INC	1,000	42,500
INTERMEDICS INC	1,500	19,313
INTERNATIONAL ALUM	1,000	18,250
INTERNATIONAL BUS MA	172,000	19,866,000
INTERNATIONAL MINACH	20,300	984,250
INTERNATIONAL MOBILE	8,800	72,025
INTERNATIONAL MULTIF	800	21,400
INTERNATIONAL PAPER	10,000	422,500
INTERNATIONAL TECH	350,000	1,793,750
INTERPUBLIC GROUP CO	81,900	2,600,325
IOWA ILL GAS & ELEC	6,400	245,800
IPALCO ENTERPRISES I	5,500	116,875
IRVING BK CORP	13,550	591,119
JLG INDS INC	8,000	54,000
JWP INC	50,800	714,725
JAMES RIV CORP VA	114,200	2,712,250
JAMESWAY CORP	11,800	91,350
JEFFERSON BK PHIL PA	2,800	25,200
JEFFERSON SMURFIT CO	15,000	757,500
JETRONIC INDS INC	4,000	10,000
JEWELCOR INC	2,700	38,475
JOHNSON & JOHNSON	87,100	6,521,613
JOHNSON CTLS INC	242,800	6,216,825
JOHNSTOWN SVGS BK FS	2,900	18,125
JONES INTERCABLE INC	82,200	791,175
JOSTENS INC	39,300	702,488
KLM ROYAL DUTCH AIRL	17,000	267,750
K MART	386,000	10,888,500
KAMAN CORP	44,400	577,200
KARCHER CARL ENTERPR	30,000	442,500
KELLOGG CO	21,800	1,131,300
KELLWOOD CO	15,500	325,500
KELLY SVCS INC	22,500	877,500
KENNAMETAL INC	8,500	280,500
KERR MCGEE CORP	168,500	6,108,125
KEYCORP	37,000	786,250
KEYSTONE FINANCIAL I	1,800	29,250
KEYSTONE HERITAGE IN	1,385	33,443

KEYSTONE MED CORP	4,000	11,000
KIMBALL INTL INC	39,800	746,250
KLEINERTS INC	3,500	42,000
KNIGHT RIDDER NEWSPP	16,500	662,063
KOPPERS INC	17,400	548,100
KRAFT INC NEW	62,800	2,959,450
KRUEGER W A CO	164,200	1,087,825
KULICKE & SOFFA INDS	46,300	364,613
LSI LOGIC CORP	179,000	1,767,825
LTX CORP	10,000	113,750
LA PETITE ACADEMY IN	50,333	888,238
LAC MINERALS LTD NEW	175,400	1,775,925
LACLEDE GAS CO	562	15,806
LADD FURNITURE INC	110,200	1,542,800
LAFARGE CORP	1,000	12,000
LAIDLAW TRANSN LTD	120,000	1,805,000
LANCE INC	68,700	1,202,250
LANDMARK SVGS ASSN	2,700	14,850
LEAR PETE CORP	20,000	30,000
LEE ENTERPRISES INC	28,800	686,400
LEGGETT & PLATT INC	32,300	710,600
LENNAR CORP	10,700	177,888
LESLIE FAY COS INC	9,600	52,800
LIBERTY FUND GROUP	800	38,400
LILLY ELI & CO	14,600	1,138,800
LIMITED INC	38,700	667,575
LIN BROADCASTING COR	36,500	1,601,438
LINCOLN NATL CORP IN	2,300	92,288
LINCOLN SVGS BK CARN	1,100	15,675
LINEAR TECHNOLOGY CO	45,000	517,500
LIPOSOME TECHNOLOGY	142,800	677,350
LIZ CLAIBORNE	81,900	1,021,350
LOCKHEED CORP	72,700	2,499,063
LOEWS CORP	221,700	14,770,763
LONGS DRUG STORES IN	58,300	1,770,863
LONGVIEW FIBRE CO	10,500	493,500
LORAL CORP	81,300	2,560,950
LOTUS DEV CORP	65,000	1,998,750
LOUISIANA PAC CORP	9,000	240,750
LOUISVILLE GAS & ELE	1,000	30,125
LOWES COS INC	140,000	2,257,500
LUBYS CAFETERIAS INC	28,400	692,250
LUCKY STORES INC	161,800	4,262,200
LUKENS STL CO	4,200	203,175
LYPHOMED INC	137,600	1,702,800
MCA INC	100,000	3,450,000
MNC FINANCIAL INC	21,100	762,238
MACK TRUCKS INC	321,000	3,811,875
MACMILLAN BLOEDEL LT	17,000	299,625
MACMILLAN INC	43,700	2,447,200
MAGIC YRS CHILDCARE&	5,000	13,750
MANOR CARE INC	60,500	718,438
MANUFACTURERS HANOVE	76,400	1,642,600
MARCUS CORP	58,500	877,500
MARINE CORP	57,400	3,042,200
MARION LABS INC	122,000	2,989,000
MARRIOTT CORP	124,100	3,723,000
MARTIN MARIETTA CORP	129,800	5,451,800
MASCO CORP	147,800	3,196,175
MAXTOR CORP	35,000	315,000
MAY DEPT STORES CO	310,500	9,043,313
MCDONALDS CORP	15,700	690,800
MCDONNELL DOUGLAS CO	48,300	2,873,850
MCGRAW HILL INC	13,700	661,025
MEASUREX CORP	164,300	4,887,925
MEDIQ INC	175,400	745,450
MEDTRONIC INC	52,000	4,855,500

MELLON BK CORP	23,100	623,700
MELVILLE CORP	243,800	12,921,400
MENTOR CORP MINN	90,700	938,975
MENTOR GRAPHICS CORP	50,000	1,112,500
MERCANTILE STORES IN	74,200	2,745,400
MERCK & CO INC	32,500	5,151,250
MERIDIAN BANCORP INC	22,200	380,175
MERITOR SVCS BK PA	29,700	144,788
MERRILL LYNCH & CO	9,000	201,375
MET PRO CORP	2,000	28,750
MICHIGAN NATL CORP	74,400	3,089,000
MICROPOLIS CORP	98,600	2,245,950
MICROCOM INC	64,000	720,000
MIDDLE SOUTH UTILS	157,800	1,300,200
MILLIPORE CORP	76,100	2,853,750
MINE SAFETY APPLIANC	3,800	98,900
MINNESOTA MNG & MFG	46,000	2,899,875
MINNESOTA PWR & LT	12,000	252,000
MOBIL CORP	75,000	2,934,375
MONSANTO CO	161,700	13,421,100
MOORE PRODS CO	1,800	51,300
MORGAN J P & CO INC	75,500	2,738,875
MORRISON KNUDSEN INC	70,000	2,327,500
MORTON THIKOL INC	52,000	2,067,000
MOTOROLA INC	126,500	6,293,375
MYLAN LABS INC	30,800	254,100
NCH CORP	21,000	824,250
N C N B CORP	179,000	3,087,750
NBD BANCORP INC	9,850	321,358
NWA INC	61,600	2,240,700
NASHUA CORP	11,400	304,950
NATIONAL CITY CORP	5,000	145,825
NATIONAL ED CORP	161,750	3,194,583
NATIONAL INTERGROUP	2,400	28,800
NATIONAL MED ENTERPR	125,700	2,372,588
NATL PENN BANCSHARES	1,575	48,825
NATIONAL PRESTO INDS	145,000	3,808,250
NATIONAL SVC INDS IN	33,900	720,375
NERCO INC	11,500	158,125
NETWORK SYS CORP	50,000	425,000
NEW BRUNSWICK SCIENT	27,500	178,750
NEW ENG BUSINESS SVC	37,100	808,925
NEW PLAN RLTY TR	49,800	700,800
NEW PROCESS CO	8,000	192,000
NEW YORK TIMES CO	22,800	708,800
NEWELL COS INC	53,500	1,504,888
NIAGARA MOHAWK PWR	189,100	2,289,200
NICHOLS S E INC	4,000	18,000
NICOR INC	1,500	34,875
NORDSTROM INC	36,500	720,875
NORFOLK SOUTHERN COR	9,800	257,250
NORSTAR BANCORP INC	4,000	108,500
NORTEK INC	44,900	314,300
NORTHEAST UTILS	54,800	1,109,700
NORTHN STS PWR MINN	100,600	2,980,275
NORTHERN TR CORP	69,900	2,518,400
NORTHROP CORP	76,500	1,950,750
NORTHWESTERN NATL LI	148,100	3,387,788
NOVELL INC	44,200	1,060,800
NUCLEAR SUPPORT SVCS	1,800	15,750
NYNEX CORP	6,000	385,500
O'BRIEN ENERGY SYSTEMS	5,300	27,182
OCCIDENTAL PETE CORP	150,000	3,658,250
OGDEN CORP	15,500	430,125
OHIO CAS CORP	82,200	2,254,750
OHIO EDISON CO	292,100	5,878,513
OIL DRI CORP AMER	43,800	722,700

OLD REP INTL CORP			
OLIN CORP	900	16,000	16,000
OLSTEN CORP	15,000	21,000	630,000
OMNICARE INC	330,000	461,700	461,700
OPTICAL RADIATION CO	27,600	2,103,750	2,103,750
ORACLE SYSTEMS CORP	45,400	426,250	426,250
O SULLIVAN CORP	187,600	2,720,200	2,720,200
OWENS CORNING FIBERG	45,400	788,825	788,825
OXFORD 1ST CORP	157,400	2,577,425	2,577,425
PNC FINANCIAL CORP	3,150	40,183	40,183
PPG INDS INC	16,100	599,725	599,725
PACCAR INC	100,400	3,325,750	3,325,750
PACIFIC GAS & ELEC	22,400	1,276,800	1,276,800
PACIFIC RES INC HAWA	10,400	169,000	169,000
PACIFIC TELESIS GR	7,000	70,000	70,000
PALL CORP	673,600	15,272,100	15,272,100
PANHANDLE EASTN CORP	31,300	813,800	813,800
PANSOPHC SY INC	30,000	622,500	622,500
PAR PHARMACUTICAL IN	68,300	973,275	973,275
PAYLESS CASHWAYS INC	37,500	745,313	745,313
PENN VA CORP	61,900	711,850	711,850
PENNBANCORP	3,300	138,800	138,800
PENNEY J C INC	11,100	222,000	222,000
PENNSYLVANIA ENTERPR	114,100	4,949,088	4,949,088
PENNSYLVANIA PWR & L	2,300	98,900	98,900
PENNWALT CORP	64,500	2,128,500	2,128,500
PEOPLES ENERGY CORP	8,600	384,850	384,850
PEP BOYS MANNY MOE&J	5,500	83,875	83,875
PEPSICO INC	102,900	1,414,875	1,414,875
PERKINS FAMILY RESTA	151,700	5,062,988	5,062,988
PFIZER INC	1,000	9,000	9,000
PHELPS DODGE CORP	116,800	5,438,475	5,438,475
PHIL ELEC CO	82,800	2,951,800	2,951,800
PHILADELPHIA SUBN CO	158,300	2,891,550	2,891,550
PHILIP MORRIS COS IN	5,800	81,200	81,200
PHILIPS INDS INC	299,900	25,803,963	25,803,963
PIC N SAVE CORP	46,500	837,000	837,000
PICCADILLY CAFETERIA	45,400	886,875	886,875
PIEDMONT NAT GAS INC	145,000	1,885,000	1,885,000
PIER I IMPORTS INC	300	5,813	5,813
PILLSBURY CO	64,200	377,175	377,175
PINNACLE WEST CAP CO	25,000	878,125	878,125
PIONEER AMERN HLDG C	40,000	1,110,000	1,110,000
PITT DESMOINES INC	816	28,112	28,112
PITTSTON CO	2,100	41,738	41,738
PLACER DOME INC	250,000	2,500,000	2,500,000
POPE & TALBOT INC	102,290	1,559,923	1,559,923
PORTEC INC	5,000	90,000	90,000
PORTLAND GENERAL COR	1,000	8,000	8,000
POTLATCH CORP	20,000	425,000	425,000
POTOMAC ELEC PWR CO	52,200	1,474,850	1,474,850
PRECISION CASTPARTS	30,700	671,583	671,583
PRIME COMPUTER INC	54,900	1,894,050	1,894,050
PRIME MTR INNS INC	178,400	2,734,200	2,734,200
PRIMERICA CORP	106,490	3,287,879	3,287,879
PRIMARK CORP	38,000	918,750	918,750
PRODUCTS RESH & CHEM	11,200	207,200	207,200
PROGRESS FINL CORP	47,000	658,000	658,000
PROGRESSIVE CORP OHI	1,785	20,974	20,974
PUBLIC SERVICE CO CO	31,900	972,950	972,950
PUBLIC SVC CO N MEX	110,900	2,259,588	2,259,588
PUBLIC SVC ENTERPRIS	5,000	93,750	93,750
PUGET SOUND PWR & LT	393,300	9,390,038	9,390,038
PULLMAN CO DEL NEW	30,000	586,250	586,250
QMS INC	40,000	185,000	185,000
QUAKER CHEM CORP	50,800	895,750	895,750
QUAKER OATS CO	5,900	123,900	123,900
	85,200	3,546,450	3,546,450

QUAKER ST CORP	20,300	309,575
QUANTAM CHEM	5,000	361,250
Q MED	32,500	117,813
QUEBECOR INC	25,500	248,625
RJR NABISCO INC	432,900	19,480,500
RPM INC OHIO	46,500	697,500
RALSTON PURINA CO	45,000	2,874,375
RANGER OIL CDA LTD	66,600	274,725
RAYCHEM CORP	66,000	2,937,000
RAYTECH CORP	21,900	156,038
RAYTHEON CO	33,300	2,218,613
READING CO	4,350	51,113
RECOGNITION EQUIP IN	1,200	13,200
REDMAN INDS INC	252,300	1,482,263
REEBOK INTL LTD	6,000	63,750
REGIS CORP	61,200	734,400
REUTERS HOLDING PLC	45,000	2,491,875
RITE AID CORP	12,100	435,600
ROBERTSON H H CO	4,800	73,200
ROCHESTER GAS & ELEC	128,800	1,899,800
ROCKWELL INTL CORP	338,400	6,429,600
ROHM & HAAS CO	159,700	5,050,513
ROLLINS ENVIROMTL SVC	160,000	2,800,000
ROPER CORP	13,000	201,500
RORER GROUP INC	18,500	666,000
ROWAN COS INC	83,200	436,800
RYL BK PA KING PRUSS	8,900	62,300
ROYAL DUTCH PETE CO	2,400	268,500
RUSS TOGS INC	55,550	673,544
RYDER SYS INC	136,400	3,614,800
RYLAND GROUP INC	45,000	630,000
SCI SYS INC	54,200	718,150
SEI CORP	10,000	170,000
SPS TECHNOLOGIES INC	4,100	99,425
STV INC	2,000	11,000
SAFECO CORP	11,000	305,250
SAFEGUARD SCIENTIFIC	3,800	56,050
ST JOSEPH LT & PWR	1,500	28,875
ST JUDE MED INC	48,600	1,293,975
ST PAUL COS INC	3,000	138,000
SALOMON INC	92,300	1,811,388
SAN DIEGO GAS & ELEC	17,800	529,550
SARA LEE CORP	19,800	690,900
SCANA CORP	1,000	28,500
SCHLUMBERGER LTD	130,200	3,743,250
SCOTT PAPER CO	35,800	2,523,900
SEAGATE TECHNOLOGY	38,000	585,250
SEAGRAM LTD	48,500	2,643,250
SEALED PWR CORP	14,600	434,350
SEARS ROEBUCK & CO	357,000	11,959,500
SECURITY PAC CORP	450,500	11,431,438
SEIBELS BRUCE GROUP	1,000	11,250
SELECTIVE INS GROUP	10,000	190,000
SEQUA CORP	5,748	285,145
SERVICE CORP INTL	32,583	712,753
SERVICEMASTER LTD PA	32,100	782,375
SHARED MED SYS CORP	112,300	2,414,450
SHAW INDS INC	42,100	684,125
SHAWMUT CORP	5,000	177,500
SHONEYS INC	31,000	670,375
SIGNET BKG CORP	7,300	173,375
SILICON GRAPHICS INC	26,000	406,250
SIZZLER RESTAURANTS	68,800	1,221,200
SKYLINE CORP	269,600	3,504,800
SMITHKLINE CORP	383,100	18,580,350
SOCIETY CORP	9,500	308,750
SONAT INC	30,000	686,250

SONOCO PRODS CO	31,700	673,625
SOUTHEAST BKG CORP	77,150	1,465,850
SOUTHERN CALIF EDISO	166,000	5,083,000
SOUTHERN CO	601,900	13,467,513
SOUTHMARK CORP	136,700	632,238
SOUTHWEST GAS CORP	3,500	71,313
SOUTHWEST NATL CORP	2,200	39,600
SOUTHWESTERN BELL CO	385,600	13,255,000
SOUTHWESTERN ENERGY	32,200	571,550
SOUTHWESTERN PUB SVC	5,000	118,125
SOVEREIGN BANCORP IN	1,900	18,525
SPECTRUM CTL INC	4,500	18,000
SQUARE D CO	15,000	783,750
STALEY CNTRL INC	71,700	1,523,625
STANDARD MTR PRODS	24,200	335,775
STANDARD PAC CORP	326,400	2,611,200
STANDARD REGISTER CO	31,300	626,000
STAR SAVINGS & LOAN	30,912	21,000
STATE STR BOSTON FIN	70,300	1,406,000
STERLING DRUG INC	17,500	964,688
STONE & WEBSTER INC	1,000	67,500
STONE CONTAINER CORP	26,300	966,525
STRATUS COMPUTER INC	95,000	1,971,250
STRAWBRIDGE & CLOTHI	35,899	847,851
STRIDE RITE CORP	22,000	357,500
STRYKER CORP	46,200	808,500
STUDENT LOAN MKTG AS	153,000	10,786,500
SUN INC	82,000	4,212,750
SUN MICROSYSTEMS INC	71,600	2,398,600
SUNWEST FIN'L SRYS.	23,100	646,800
SUPER FOOD SVCS INC	40,500	896,063
SUNTRUST BKS INC	34,200	624,150
SUPER RITE FOODS INC	4,300	32,250
SUPER VALU STORES IN	176,600	3,156,725
SUSQUEHANNA BKSHS PA	5,000	86,875
SYNTEX CORP	21,800	697,600
SYSTEMS & COMPTR TEC	11,700	29,250
SYSTEMATICS INC	22,100	546,975
TECO ENERGY INC	88,600	1,971,350
TNP ENTERPRISES INC	2,100	38,850
TRW INC	6,000	285,750
TSO FINL CORP	7,200	22,500
TAMBRANDS INC	13,600	737,800
TANDEM COMPUTERS INC	248,900	6,844,750
TANDY CORP	140,200	4,626,600
TASTY BAKING CO	63,450	983,475
TECH SYM CORP	30,000	416,250
TECHNITROL INC	1,700	34,000
TECUMSEH PRODS CO	2,000	258,000
TELE COMMUNICATIONS	282,350	6,670,519
TELEFLEX INC	50,900	1,145,250
TELERATE INC	319,700	5,275,050
TELXON CORP	32,500	430,625
TEXAS INSTRS INC	10,000	557,500
TEXAS UTILS CO	458,100	12,368,700
TEXTRON INC	161,100	3,644,888
THERMAL INDS INC	5,100	26,775
TORTEC INTL INC	1,102	12,535
3COM CORP	128,800	2,576,000
TIDEWATER INC.	20,000	100,000
TIGER INTL INC	7,000	77,000
TIME INC	5,000	411,250
TIMEPLEX INC	6,600	216,975
TIMKEN CO	40,900	2,464,225
TOLL BROTHERS INC	25,500	133,875
TORCHMARK CORP	2,000	49,000
TORO CO	83,100	1,256,888

TOSCO CORP	10,000	17,500
TOYS R US	187,700	5,282,550
TRANSAMERICA CORP	114,000	3,406,750
TRANSCAPITAL FINL CO	897	8,055
TRANSCO COS INC	69,500	1,589,813
TRANSDUCER SYS INC	5,000	28,750
TRAVELERS CORP	272,500	9,571,553
TRIANGLE INDS INC	6,000	160,500
TWO O TWO DATA SYS	9,000	27,000
TYCO LABS INC	101,900	2,318,225
TYSON FOODS INC	47,400	810,275
UGI CORP	7,800	198,900
USX CORP	335,100	9,989,225
UST INC	38,900	1,050,300
UNUM CORP	225,000	4,182,500
USF&G CORP	30,000	851,250
USG CORP	8,000	174,750
UNI MARTS INC	3,000	15,750
UNION CARBIDE CORP	2,000	43,500
UNION CORP	8,100	30,800
UNION ELEC CO	55,300	1,237,338
UNION NATL CORP PA	8,400	210,000
UNION PAC CORP	98,200	5,302,800
UNISYS CORP	199,700	6,714,913
UNITED ILLUM CO	166,100	4,483,938
UNITED JERSEY BKS	152,500	3,393,125
U S AIR GROUP INC	113,100	3,817,125
U.S. BIOSCIENCE	3,500	525
U S HEALTH CARE SYS	75,000	421,875
UNITED STATES SHOE	25,000	348,875
UNITED STATES SURGIC	27,500	869,888
U S TR CORP	18,800	639,100
U S WEST INC	25,800	1,308,800
UNITED TECHNOLOGIES	101,500	3,438,313
UNITED TELECOMMUNICA	238,600	5,826,275
UNIVERSAL CORP	7,400	228,475
UNIVERSAL HEALTH SVC	15,100	68,083
UNOCAL CORP	292,100	8,251,825
UP JOHN CO	23,800	708,000
USBANCORP INC	1,900	19,238
UTILICORP UTD INC	204,000	3,060,000
V F CORP	185,800	4,082,100
VWR CORP	1,000	17,500
VISHAY INTERTECHNOLO	43,778	875,520
VULCAN MATLS CO	5,100	688,100
WAL MART STORES INC	301,200	7,831,200
WALGREEN CO	35,800	1,094,700
WALLACE COMPUTER SVC	19,300	745,483
WARNER COMMUNICATION	181,000	4,447,825
WASHINGTON POST CO	15,800	2,954,600
WASTE MGMT INC	212,500	7,995,313
WEIS MKTS INC	80,000	2,152,500
WELLS FARGO & CO	11,000	473,000
WELLS FARGO EXT FUND	14,059,198	279,143,717
WELLS FARGO S&P500 FUND	28,311,421	1,180,840,261
WEST INC	13,800	231,150
WEST POINT PEPPERELL	18,000	418,000
WESTERN INVT RL EST	41,100	657,600
WESTINGHOUSE ELEC CO	144,800	7,203,800
WESTMORELAND COAL CO	7,000	129,500
WESTON ROY F INC	3,800	54,000
WESTVACO CORP	110,000	3,052,500
WETTERAU INC	39,000	858,125
WEYERHAEUSER CO	80,000	2,325,000
WHIRLPOOL CORP	97,400	2,374,125
WILLAMETTE INDS INC	17,588	784,121

WILLIAMS A L CORP	2,000	23,000
WISCONSIN ENERGY COR	29,900	650,250
WITCO CHEM CORP	204,450	8,823,519
WOODSTREAM CORP	1,800	14,400
WOOLWORTH F W CO	21,800	782,100
WORTHINGTON INDS INC	33,500	565,313
WYMAN GORDON CO	190,500	2,517,500
WYSE TECHNOLOGY	190,000	448,438
XEROX CORP	20,500	10,413,338
YELLOW FREIGHT SYS	183,900	2,717,813
YORK FINL CORP	97,500	32,813
YORK INTL CORP	2,100	158,400
ZAYRE CORP	8,600	1,811,600
ZERO CORP	129,400	697,500
ZURN INDS INC	46,500	2,872,575
	150,200	

3,039,038,142

SHORT TERM INVESTMENTS

Cash	3,761
Cash In Transit	34,030,357
SERS Fund	<u>426,563,000</u>
TOTAL	460,597,118

REAL ESTATE INVESTMENTS

Aetna - CERESA I	45,424,956
Aetna - RESA	25,558,525
Aetna - PMSA	33,332,027
Aetna - Apt. Fund	16,290,039
CPI	83,988,915
FIA Associates	32,487,030
John Hancock - ERA	40,118,722
John Hancock - Apt. Fund	15,652,053
JMB Group Trust III	38,689,609
Prudential PRACE I	16,200,613
Prudential PRACE II	11,649,711
Prudential MORISA	17,660,956
Security Capital Real Estate Fund	32,107,874
Foster Plaza I - IV	2,246,013
Kilgore Properties - Direct Real Estate	<u>9,886,000</u>
TOTAL	421,293,043

CONVERTIBLE BONDS

Air Wisconsin	438,000
Fieldcrest Canon	267,500
Healthdyne	721
Hercules	466,000
McCall Cellular	661,875
Prime Computer	380,000
Southmark Corporation	1,740,000
Texas Eastern	1,050,000
UNC, Incorporated	293,250
Waste Management	<u>2,423,500</u>
TOTAL	7,720,846

VENTURE CAPITAL

APA Fostin Pennsylvania Fund	10,000,000
Butcher & Singer/Keystone Venture Capital	11,227,302
CEO Venture Fund	983,820
Fostin Capital Associates	9,838,937
Genesis Seed Fund	2,017,921
Maverick Penn Fund	8,011,827
NEPA Management Corporation	998,876
PNC Venture Capital	4,983,186
Pittsburgh Seed Fund	1,934,675
TDH II	9,295,074
Zero Stage	<u>1,979,934</u>
TOTAL	61,271,552

SUMMARY OF INVESTMENTS BY ASSET GROUP

Bonds	3,209,861,544
Convertible Bonds	7,720,846
Common Stock	3,039,038,142
Short Term Investments	460,597,118
Real Estate	421,293,043
Venture Capital	<u>61,271,552</u>
TOTAL	7,199,782,245

Member Employers

Administrative Office of the Pennsylvania Courts
Aging, Department of
Agriculture, Department of
Appalachian Regional Commission
Attorney General, Office of the
Auditor General, Department of the

Banking, Department of
Berks County Intermediate Unit #14
Bloomsburg University - Kehr Union
Bloomsburg University - Community Activities
Bloomsburg University Store
Bucks County Community College
* Bucks County Department of Health
Bucks County Intermediate Unit #22

California University - Student Association, Inc.
Central Susquehanna Intermediate Unit #16
* Chester County Health Department
Civil Service Commission
Clarion University - Students Association
Commerce, Department of
Community Affairs, Department of
Community College of Allegheny County
Community College of Philadelphia
Corrections, Department of

Delaware River Joint Toll Bridge Commission
Delaware River Port Authority
Delaware Valley Regional Planning Commission

East Stroudsburg University Student Activity Association, Inc.
Edinboro University Services, Inc.
Edinboro University Student Government Association
Education, Department of
Environmental Resources, Department of
* Erie County Department of Health
Executive Offices

Fish Commission

Game Commission
General Services, Department of
Governor's Office

Harrisburg Area Community College
Health Care Cost Containment Council
Health, Department of
Historical & Museum Commission
House Appropriations Committee (D)
House Appropriations Committee (R)

* No new entrants in these agencies after 11/27/82, per Act 1982-204.

Member Employers

House of Representatives
House Special Leadership (D)
House Special Leadership (R)

Independent Regulatory Review Commission
Indiana University - Student Cooperative Association, Inc.
Insurance, Department of

Joint Legislative Conservation Committee
Joint State Government Commission

Kutztown University Student Government Association

Labor & Industry, Department of
Lancaster-Lebanon Intermediate Unit #13
Legislative Budget & Finance Committee
Legislative Data Processing Center
Legislative Reference Bureau
Lehigh County Community College
Lieutenant Governor's Office
Liquor Control Board
Local Government Commission
Lock Haven University - Student Cooperative Council
Luzerne County Community College
Luzerne Intermediate Unit #18

Mansfield University Community Services, Inc.
Military Affairs, Department of
Milk Marketing Board
Millersville University Student Services, Inc.
Montgomery County Community College

National Guard Technicians
Northampton County Area Community College

Office of Research and Liaison

Pennsylvania Convention Center Authority
Pennsylvania Crime Commission
Pennsylvania Emergency Management Agency
Pennsylvania Higher Education Assistance Agency
Pennsylvania Housing Finance Agency
Pennsylvania Municipal Retirement Board
Pennsylvania Public Television Network Commission
Pennsylvania State Police
Pennsylvania State University
Pennsylvania Turnpike Commission
Port Authority Transit Corporation
Probation & Parole, Board of
Public School Employees' Retirement System
Public Utility Commission
Public Welfare, Department of

Member Employers

Reading Area Community College
Revenue, Department of
Riverview Intermediate Unit

Securities Commission
Senate
Shippensburg University Student Association/University Store
Slippery Rock University Student Government Association, Inc.
State, Department of
State Employes' Retirement System
State Ethics Commission
State Public School Building Authority
State System of Higher Education
State Tax Equalization Board
Susquehanna River Basin Commission

Transportation, Department of
Treasury Department

University of Pittsburgh

West Chester University Student Services, Inc.
Westmoreland County Community College
Williamsport Area Community College

