



Component Unit Annual Financial Report

For Year Ended June 30, 1993

	<i>June 30, 1993</i>	<i>June 30, 1992</i>
Membership		
Active	125,770*	126,220
Inactive	25,000*	22,000*
Annuitants	49,854	48,667
Total:	200,624	196,887
Contributions		
Member	363,334,000	350,909,000
State of Illinois	269,896,000	238,175,000
Unfunded pension benefit cost		
	(7,606,300,000)	(6,847,391,000)
Net Assets (Book value)	10,879,590,000	9,811,962,000
Investment Income	1,142,636,000	1,114,089,000
Investment Return	11.6%	10.8%
Benefits and other expenses	715,368,000	641,600,000

**Estimated*



The Teachers' Retirement System of the State of Illinois is the Component Unit Annual Financial Report for the Year Ended June 30, 1993. Each year, this report highlights the trends of the System's membership and explores the impact of ongoing events on the fund's progress.

This report is produced by the Accounting and Information Systems Departments and is compiled for presentation by the Public Information Department in accordance with the laws and rules governing the Teachers' Retirement System of the State of Illinois.



Teachers' Retirement System
of the State of Illinois

2815 West Washington, P.O. Box 19253
Springfield, Illinois 62794-9253



Members of the TRS cabinet, seated left to right, are Wilma VanScyoc, General Counsel; Jon Bauman, Chief Operating Officer; Bob Daniels, Executive Director; Tom Zimmerman, Chief Investment Officer; and Paul Craig, Director of Personnel. Standing, left to right, are John Sigle, Director of Member Services; Todd Kennedy, Controller; Judy Davis, Assistant to the Director; John Day, Government Liaison; Ed Mabie, Chief Information Officer; Bill Brewer, Deputy Director of Benefits; Alice Kern, Manager of Administrative Services; Sally Sherman, Deputy Director of Counseling; and Sandy Andrighetti, Internal Auditor.



Mission Statement

As a fiduciary for our members, the Teachers' Retirement System of the State of Illinois strives to promote maximum possible financial security for members in a manner that reflects our commitment to excellent service and instills confidence in our integrity.

Board of Trustees

Executive Director

Member Services

Benefits

Counseling

Executive Staff

General Counsel

Internal Audit

Personnel

**Government Affairs
Liaison**

Operations

**Administrative
Services**

Controller

Information Systems

Investments

Equities

Fixed Income

Real Estate

**Alternative
Investments**

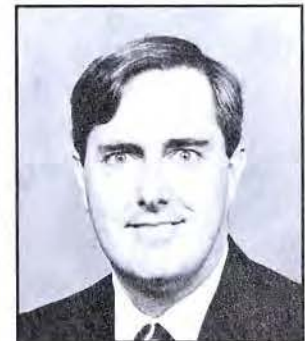
Board of Trustees



*Right: Board President
Robert Leininger*



*Right: Ray J. Althoff
Hugh R. Brown*



*Right: James Bruner
Anne Davis
James Kane*



*Left: Gary Kline
Roman Miller
Marilyn Oglesby*



*Left: Judith Tucker, Vice President
Robert Daniels, Executive Director*



Dedication

Gary Anderson

July 1941 - March 1993

This Annual Financial Report is dedicated to the late Gary Anderson who served on the Board of Trustees since 1981. His death was a great loss to a great many. His presence and dedicated service will be sadly missed.

Table of Contents

Introduction 1

Certificate of Achievement	5
Letter of Transmittal	6
ERI Project Narrative	8

Financial Statements 11

Report of Independent Public Accountants	13
Financial Statements	14
• <i>Statements of Financial Position</i>	
• <i>Statements of Revenue and Expense and Changes in Net Assets</i>	
• <i>Notes to Financial Statements</i>	
Supplemental Schedules	25

Actuarial Information 27

Actuary's Certification	28
Actuarial Annual Valuation	29
Sources of Contributions	29
Shortfalls in State Contributions	30
Senate Bill 95	30
Employer's Normal Cost Plus Interest	30
Reconciliation of the Unfunded Pension Benefit Obligation	31
Historical Tests of Financial Condition	32
• <i>Solvency Test</i>	
• <i>Payroll Percentages Test</i>	
• <i>Funded Ratios</i>	
Actuarial Assumptions and Methods	34
Actuarial Background Information	34
Experience Analysis	34
Actuarial Cost Method and Valuation	34
TRS Funding Summary	35
Cash Flow Analysis	35

Membership and Benefits Information 37

Membership Information	38
• <i>Membership Profile</i>	
• <i>Contributions</i>	
• <i>Member Refunds</i>	
• <i>Counseling Services</i>	
Benefits Information	39
• <i>Plan Design</i>	
• <i>Retirement Benefits</i>	
• <i>Early Retirement Option</i>	
• <i>Early Retirement Incentive</i>	
• <i>Disability Benefits</i>	
• <i>Survivor Benefits</i>	
Health Insurance	40
• <i>Coverage Options</i>	
• <i>Premiums</i>	
• <i>Reserve Account</i>	
Plan Summary	42

Statistical Section 45

Exhibits	
• <i>Average Annual Salary for Active Members by Years of Service</i>	
• <i>Schedule of Average Monthly Payment Amounts</i>	
• <i>Active Members by Years of Age and Years of Service</i>	
• <i>Retired Members by Years of Service and Years in Retirement</i>	

Investment Summary 55

Asset Class/Manager	
Composition	56
Investment Results	59
• <i>Asset Class/Market Indices Return</i>	
• <i>Total Fund Results</i>	
• <i>U.S. Equity Results and Profile</i>	
• <i>International Equity Results</i>	
• <i>Alternative Investments Results</i>	
• <i>Fixed Income Results and Profile</i>	
• <i>Real Estate Equity Investment Results</i>	
• <i>Short-Term Investment Results</i>	
Investment Portfolio Summary	64
Composition of Investments	65
Summary Statistics	66
• <i>Book/Market Value Reconciliation</i>	
• <i>Performance Summary</i>	
Investment Listing	67



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Teachers' Retirement System of the State of Illinois

For its Component Unit
Financial Report
for the Fiscal Year Ended
June 30, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose component unit financial reports (CUFRs) achieve the highest standards in government accounting and financial reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System of the State of Illinois for its Component Unit Annual Financial Report for the fiscal year ended June 30, 1992. The Certificate of Achievement is a prestigious award for recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized component unit financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. TRS has received the certificate for the last four consecutive fiscal years. We believe this annual financial report continues to conform to the Certificate of Achievement program requirements and will be submitted to the GFOA for review.



President

Executive Director



Teachers' Retirement System of the State of Illinois

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

Robert Daniels
Executive Director

The management of the Teachers' Retirement System of the State of Illinois presents the Component Unit Financial Report for the Year Ended June 30, 1993. This report consists of six major sections: an introduction, the financial statements and notes, a summary of actuarial valuations, a membership and benefits section, an investments summary with an investment listing. This report is added to the State of Illinois Comprehensive Annual Financial Report. It is the responsibility of TRS management to ensure the accuracy and completeness of this report and that all material disclosures have been made. To the best of our knowledge, the information presented in this report is accurate and presents fairly the financial position and operations of TRS as of June 30, 1993.

Major Initiatives

The enactment and implementation of the 5&5 Early Retirement Incentive was the most prominent of the many accomplishments of FY 93. This incentive, the largest of its kind within U.S. public pension systems, allowed eligible TRS members to purchase up to five years of service credit. With this purchase, the same number of years is added to the member's age. The combined service and age enhancement allowed thousands of members to retire early with increased benefits. The incentive presented an early retirement opportunity to nearly 28,000 members.

Spurred by the need to prepare for this massive retirement incentive, TRS implemented automated calculation programs which generate benefit estimates and retirement benefit amounts—thus removing the rigorous hours of manual calculation, verification and checking. A detailed project narrative provided on page 8 outlines this and the other related accomplishments and challenges brought by this legislation and TRS's response.

The Illinois Pension Code was amended to provide parity for certain death and disability benefit recipients who engaged in part-time or substitute teaching after the onset of a disability. The change benefitted a total of 73 recipients who received retroactive adjustments based on the new law. The average benefit increase was \$2,800 annually. Other code amendments have allowed members to purchase optional service credit for leaves of absence occurring before 1963 and allowed dependent beneficiaries to become eligible for benefits without the expense of a judicial determination. Changes in federal tax laws required

TRS to apply mandatory 20 percent withholding of certain lump-sum distributions.

The management structure of TRS underwent a reorganization to more closely align related functions and streamline the operations of the System.

Although the year brought many rewarding challenges, it also made ever more evident the seriousness of the System's economic outlook. The state's unfunded liability to the five public pension funds continued to grow dramatically in FY 93 to an unprecedented \$14.4 billion. The state's unfunded liability to TRS alone constitutes \$7.6 billion of that total. The System remained in a negative cash flow situation, forced for the second consecutive year, to apply investment income toward the payment of member benefits. With continued

Investments

As trustee for members' funds, the System is responsible for investment of the fund under the prudent person standard. This standard permits the System to allocate trust funds across a broad group of asset classes, including stocks, bonds and real estate.

The System's total fund, time-weighted rate of return was 11.56 percent. Annualized three-year and five-year total returns of 9.42 percent and 10.61 percent, respectively, continue to outperform the rate of inflation for these periods, 3.57 percent and 4.09 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for both the three-year and five-year periods.

"ERI represents the largest early out program ever offered in U.S. public pension systems. It opened the retirement window to an unprecedented 28,000 teachers."

inadequate state funding levels, the anticipated insolvency date of the fund is estimated at the year 2014.

The escalating cost of health care and increasing enrollments of eligible annuitants continues to challenge the TRS health plan. TRS currently pays 75 percent of the premium cost for annuitants, but the subsidy cost far exceeds the revenues set aside by the Illinois Pension Code for this purpose. TRS is examining legislation and other initiatives to provide health insurance coverage to TRS health plan participants.

Financial Information

The System uses a series of internal controls to monitor and safeguard the System's assets and promote the efficient operation of the System. TRS undergoes an annual external audit conducted by special assistant auditors for the Illinois Office of the Auditor General in addition to the reviews conducted regularly by the System's Internal Auditor. The System's annual operating budget is evaluated and approved by the TRS Board of Trustees.

The financial statements of TRS, presented on pages 14 and 15, are prepared in accordance with the generally accepted accounting principles (GAAP) within the guidelines established by the Government Accounting Standards Board (GASB).

Investment income and realized gain of \$1,142.6 million were positive contributors to the fund's financial status during FY 93. Investments totaled \$11.7 billion at market value on June 30, 1993.

Economic Condition and Outlook

State funding of the employer cost as required by law would maintain the unfunded pension benefit obligation at a fixed dollar amount; however, the state has continually failed to fund the System on this basis. Prior to 1982, the state funded the System through reimbursement of benefit payments. Since 1982, funding levels have ranged from 37 to 66 percent of benefit payments. Despite the 1989 passage of Senate Bill 95 requiring the state to pay off its unfunded pension benefit obligation to TRS by the year 2036, the state's appropriation has consistently fallen short of the required funding levels each year. The result is a \$7.6 billion unfunded liability to TRS, a \$759 million increase from FY 92.

The System continues to urge the Governor and the General Assembly to increase state appropriations in recognition of its actuarial funding needs. The System must currently rely heavily on the performance of investments to ensure benefits are fully paid. The continuation of this negative cash flow situation will seriously jeopardize pension benefits guaranteed by the Illinois Constitution.

TRS is an AA, EEO, ADA employer.

Revenues and Funding

Three major sources fund the System: member contributions, investment income and employer contributions in the form of appropriations from the State of Illinois and a smaller portion from federal sources. Total assets available to pay benefits grew to \$10.9 billion in FY 93.

Member contributions are the major source of funding and come from approximately 126,000 members who contribute 8 percent of their earnings each year. In FY 93, member contributions to the TRS trust fund totalled \$363 million, a \$12 million increase from the \$351 million contributed in FY 92. The System invests these assets to create the second source of income: investment income.

Investment income in FY 93 was up \$27 million from FY 92 to \$520.1 million. As of June 30, 1993, the total fund, time-weighted rate of return was 11.56 percent. In FY 93, \$75 million of investment returns were used to provide benefits—a compensatory measure resulting from continued underfunding of TRS by the State of Illinois. This represents the second consecutive year of the use of investment earnings to pay benefits; in FY 92, \$50 million of investment earnings was used for benefits payments. A detailed discussion of investment performance and holdings is included in the Investment Summary portion of this report.

Appropriations from the state and contributions paid from federal funds make up the third funding source. Contributions from employers via state appropriations to the System for FY 93 were \$269.9 million. State appropriations remained constant from FY 92 to FY 93 while federal program contributions were \$2.5 million higher.

Revenues (in millions)

Source of revenue			Increase/(Decrease)	
	1993	1992	Amount	Percent
Member Contributions	\$ 363	\$ 351	\$ 12	3.4%
Employer Contributions	305	272	33	12.1%
Investment Income plus realized gain on investments	1,143	1,114	29	2.5%
TOTAL	\$ 1,811	\$ 1,737	\$ 74	18.0%

Expenses

Expenditures of TRS consist of payments of retirement benefits, refunds, health insurance subsidies and administrative expenses. During FY 93, benefit payments rose \$64 million from FY 92 to \$678 million. The increase is attributable to an increase in the number of retirees and the 3 percent annual increase in benefits. A 32.1 percent increase of \$9 million in health insurance premium payments was due to increased membership and premium increases. Administrative expenses in FY 93 constituted only 1 percent of the System's total expenses.

Expenses (in millions)

Expenses			Increase/(Decrease)	
	1993	1992	Amount	Percent
Benefit Payments	\$ 678	\$ 614	\$ 64	10.6
Health Insurance	37	28	9	32.1
Refunds	19	19	0	0.0
Administrative	10	12	(2)	(20.0)
TOTAL	\$ 744	\$ 673	\$ 71	22.7

Independent Audit

TRS is audited annually by special assistant auditors hired by the Illinois Auditor General. Each year, the financial statements, records and internal controls of TRS are examined by these external auditors. Every other year, a compliance audit for the previous two years is performed to ensure compliance with applicable statutes and codes. The Report of Independent Public Accountants is contained on page 13 of this report.

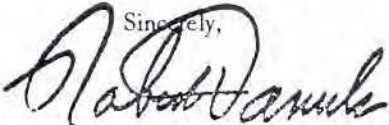
Awards

TRS participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program and has received the award in each of the last four years. This report has been prepared in accordance with the requirements established by the GFOA for preparation of a Component Unit Annual Financial Report and will again be submitted to GFOA for certification this year.

Acknowledgments

This report reflects the efforts of TRS staff under the leadership of the Board of Trustees and the Executive Director. The Accounting Department, with the assistance of the Public Information Administrator, compiled the report. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

This report is being provided to members of the General Assembly and all Illinois school districts outside of the City of Chicago as well as being made available to members and retired members upon request. We hope that you find this report informative and helpful. In closing, I am pleased to present the Component Unit Annual Financial Report for Year Ended June 30, 1993, for the Teachers' Retirement System of the State of Illinois.

Sincerely,


Robert Daniels
 Executive Director



Project Narrative:

Early Retirement Incentive

The commitment of the Teachers' Retirement System is—and always has been—to provide the optimum in personalized service to its members. The Early Retirement Incentive (made available by Public Act 87-0273) presented the single-most comprehensive challenge to maintain this level of service ever experienced by TRS.

With the first draft of the Early Retirement Incentive (ERI), TRS sprang into action, outlining impact expectations, problem statements and action plans. Staff size was increased through temporary employment contracts and the addition of permanent staff. Existing resources were evaluated and upgraded where needed to accommodate the anticipated workload.

In preparation for this incentive, TRS began implementing automated processes to replace the previous manual procedures. Given the anticipated magnitude of ERI, manual processing was an impossibility. TRS staff produced—in a matter of months—the System's first automated retirement benefit estimate calculation program allowing members calling from a touch-tone phone to enter salary and service credit information and generate a benefit estimate. A copy of the estimate was mailed to the member the following day. Previously the estimate process required calculation, verification and checking by TRS staff prior to being mailed to the member, a process taking up to four days.

The automation of the retirement benefit calculation allowed the System to expedite the processing of retirement and transfer applicants to payroll more quickly and efficiently than ever before. The complex series of calculations including checks and verifications now takes only 5 minutes, compared to the 20 minutes taken when processed manually. Other automated processes which streamlined the services offered during ERI included the automation of a number of letters and logging and tracking systems for member's records and retirement applications.

The automation efforts of TRS staff have been recognized by Cincom Communications, Inc. who featured TRS in an client success story circulated inter-

nationally. Cincom Communications manufactures the software used by TRS in formulating all of these automated processes.

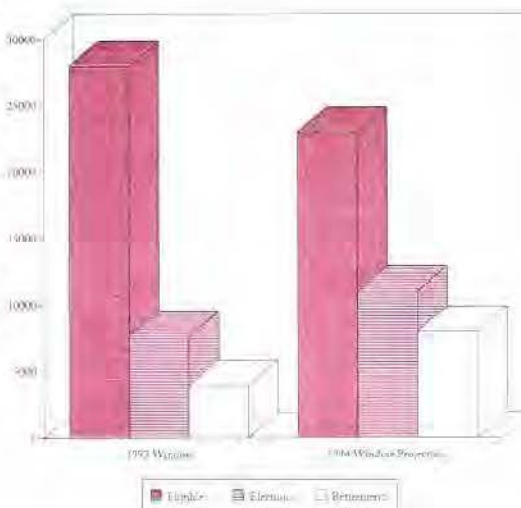
An extensive informational campaign was prepared prior to the bill's passage and was ready for implementation as the bill was signed by Governor Edgar in January. A toll-free information/election line managed the phenomenal levels of telephone traffic, responding to nearly 30,000 phone calls during the first window period.

Within days of the Governor's signature, a packet of materials including a benefit estimate was sent to each to eligible member. The packet outlined the incentive in detail and provided step-by-step instructions for the election and retirement processes.

An interactive video teleconference was another key component in this campaign. Members of TRS staff, working in conjunction with Western Illinois University's Satellite Education Network, conducted the 90-minute live and interactive presentation which was broadcast to satellite locations statewide. In some areas, the program was carried by cable companies directly into the homes of members. Following the broadcast, videotapes of the presentation were available for purchase.

These months of preparation proved to be very successful. Under the incentive's first two-month window, nearly 8,000 members elected to retire under ERI. Over 3,900 members retired at the close of the 1992-93 school year, compared to an average of 2,500 in previous years. Nearly all of these members received their first annuity payment by November 1, 1993.

ERI Participation



A record of 4,699 TRS members began their retirement benefits during the summer of 1993. "We met a great challenge, handling roughly three times our normal summer workload," said Bob Daniels, Executive Director of TRS.

"Using a new, automated benefit calculation system designed by our own information systems staff, we processed record volumes efficiently and effectively," Daniels said.

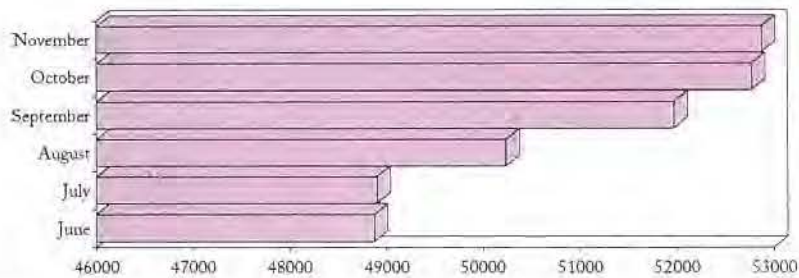
About 1,400 to 1,600 members retire in a typical summer, but the number soared in 1993 because of the first year of the 5&5 early retirement incentive. Here are the details:

- 3,927 persons retired under 5&5
- 742 persons took regular retirements
- 30 persons retired using the early retirement option.

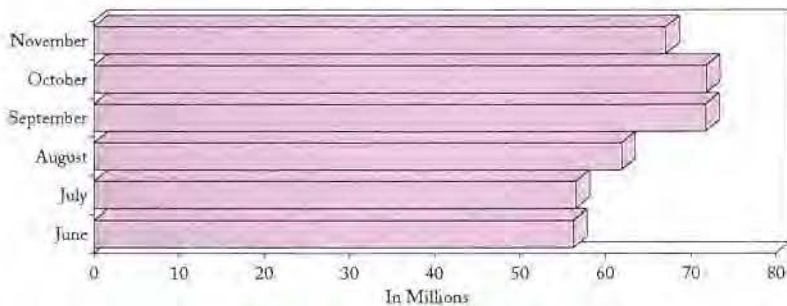
Some 7,655 persons filed 5&5 elections in 1993. TRS officials expect as many as 11,000 of the 23,000 eligible teachers will make an election during the final 1994 5&5 window. Up to 8,000 additional members may actually retire using the 5&5 incentive in the 1994 window.

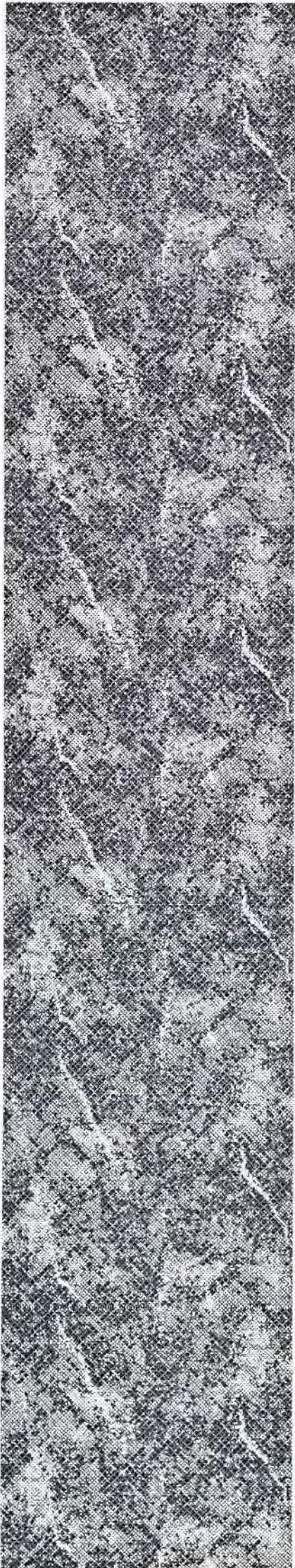
Total Monthly Payroll (1993)

(In Millions)

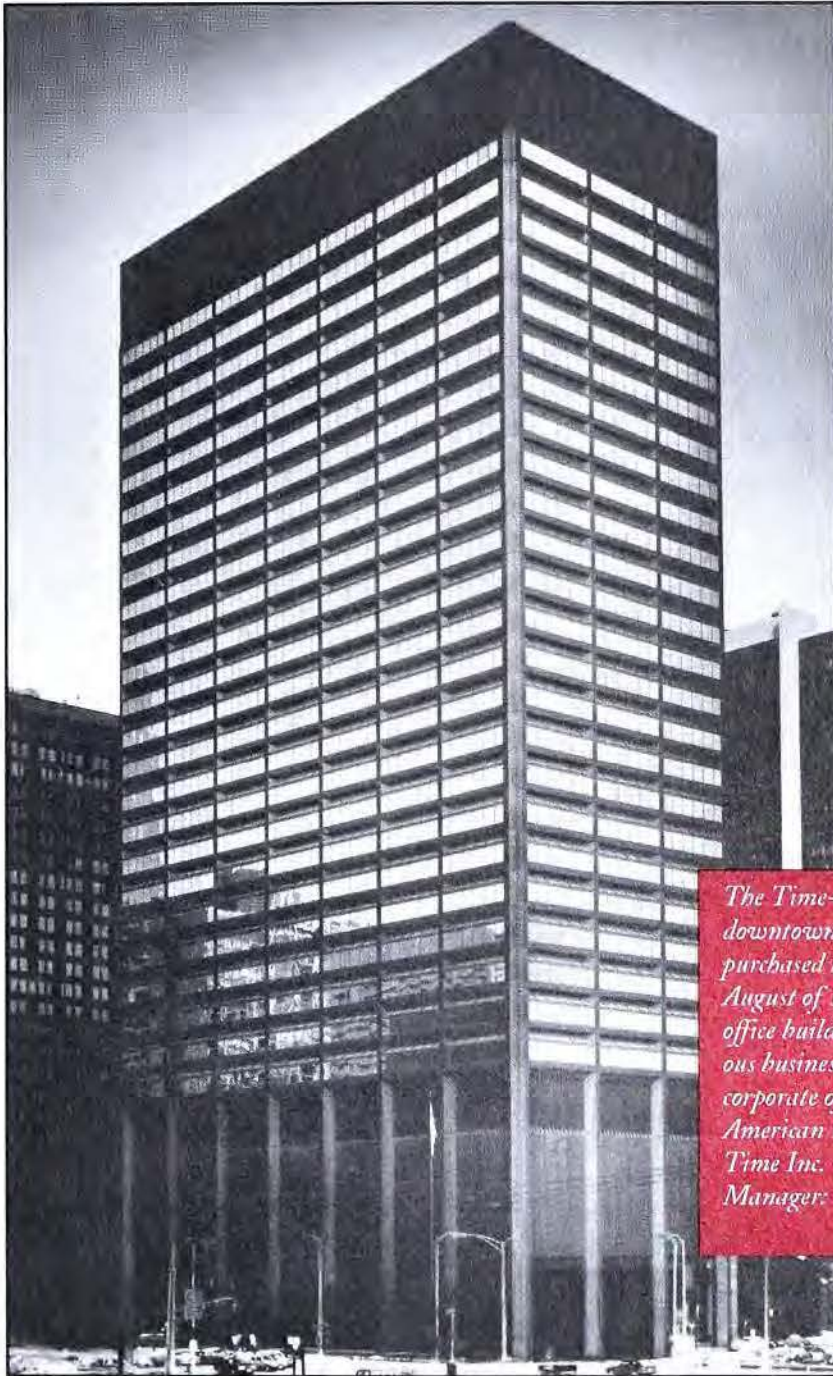


Annuitant Population (1993)

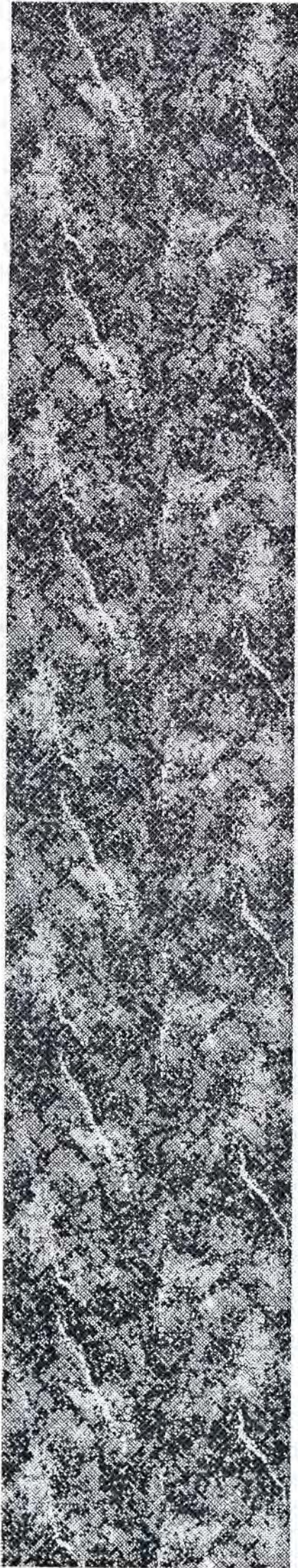




Financial Statements and Notes



The Time-Life Building in downtown Chicago was purchased by the System in August of 1988. The 29-story office building houses numerous businesses including corporate offices of the American Bar Association and Time Inc. (Investment Manager: Capital Associates)



Report of Independent Public Accountants

ARTHUR ANDERSEN & CO.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Honorable William G. Holland
Auditor General
State of Illinois

Board of Trustees
Teachers' Retirement System of
the State of Illinois

We have audited, as Special Assistant Auditors for the Auditor General, the accompanying statements of financial position of the TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (the "System") as of June 30, 1993 and 1992, and the related statements of revenue and expense and changes in net assets for the years then ended. These financial statements and the supplemental schedules referred to below are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Teachers' Retirement System of the State of Illinois as of June 30, 1993 and 1992, and the results of its operations and the changes in its net assets for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of supplementary financial information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Teachers' Retirement System of the State of Illinois. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole. The supplementary financial information for the years 1984 through 1990 has been derived from financial statements audited by other auditors, whose reports thereon expressed an unqualified opinion.


ARTHUR ANDERSEN & CO.

Chicago, Illinois,
October 8, 1993

Financial Statements

Statements of Financial Position

Teachers' Retirement System of the State of Illinois

	June 30	
	1993	1992
Assets		
Cash - Note C	\$ 2,246,000	\$ 930,000
Receivables:		
Contributions from school districts:		
Salary deductions	24,195,000	19,824,000
Federal and trust funds	4,803,000	3,373,000
Members' accounts	117,000	265,000
Total receivables	29,115,000	23,462,000
Investments - Note C	11,049,325,000	9,865,840,000
(Market value 1993—\$11,714,339,000; 1992—\$10,493,714,000)		
Property and equipment (Net of accumulated depreciation)	4,262,000	4,741,000
Total assets	11,084,948,000	9,894,973,000
Liabilities		
Payables:		
Benefits	4,639,000	4,059,000
Refunds	766,000	639,000
Notes	156,895,000	0
Other	13,418,000	9,053,000
Pending trades	29,640,000	69,260,000
Total liabilities	205,358,000	83,011,000
Net Assets Available for Benefits	10,879,590,000	9,811,962,000
Pension benefit obligation — Note D		
Retirees and beneficiaries		
currently receiving benefits	7,510,618,000	6,338,458,000
Terminated members not yet receiving benefits	308,398,000	282,786,000
Current employees:		
Accumulated employee contributions	2,709,573,000	2,503,393,000
Employer-financed vested	2,690,062,000	2,511,488,000
Employer-financed nonvested	5,267,239,000	5,023,228,000
Total pension benefit obligation	\$ 18,485,890,000	\$ 16,659,353,000
Unfunded Pension Benefit Obligation	(7,606,300,000)	(6,847,391,000)
Net Assets Available for Benefits—Note G	\$ 10,879,590,000	\$ 9,811,962,000

See notes to financial statements.

Statements of Revenue and Expense and Changes in Net Assets
 Teachers' Retirement System of the State of Illinois

	Year Ended June 30	
	1993	1992
Revenue		
Contributions - Note E		
Members	\$ 363,334,000	\$ 350,909,000
State of Illinois	269,896,000	238,175,000
School districts:		
Early retirement option	18,269,000	19,503,000
Early retirement incentive	607,000	-
Federal and trust funds	17,202,000	14,698,000
Total contributions	669,308,000	623,285,000
Investment income		
Interest	359,767,000	326,524,000
Real Estate	76,750,000	68,713,000
Dividends	79,744,000	94,737,000
Other	3,887,000	3,046,000
Total investment income	520,148,000	493,020,000
Gain on sale of investments	622,488,000	621,069,000
Total revenue	1,811,944,000	1,737,374,000
Expense		
Benefits:		
Age retirement	504,311,000	456,746,000
Post-retirement	129,358,000	117,304,000
Survivor	34,364,000	30,699,000
Disability	9,837,000	9,134,000
Health insurance	37,498,000	27,717,000
	715,368,000	641,600,000
Refunds	19,286,000	19,303,000
Administrative expenses	9,221,000	8,247,000
Transfers	441,000	3,384,000
Total expense	744,316,000	672,534,000
Revenue in Excess of Expense	1,067,628,000	1,064,840,000
Net assets available for benefits at beginning of year	9,811,962,000	8,747,122,000
Net Assets Available for Benefits at End of Year	\$ 10,879,590,000	\$ 9,811,962,000

See notes to financial statements.



Notes to Financial Statements

June 30, 1993

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting: The financial statements of the Teachers' Retirement System of the State of Illinois (the System or TRS) are prepared using the accrual basis of accounting.

Investments accounting: Investments are valued on the basis of cost. Gain or loss on the sale of investments is determined based on average cost for stocks and identified cost for debt securities. Investment income is shown as net of investment expenses. Gain or loss on real estate is recognized upon sale and for market declines judged to be other than temporary. Real estate investments are valued at historical cost, subject to adjustment for market declines judged to be other than temporary. No provision for depreciation has been made because real estate is treated as an investment asset.

Investments authorized: Through the Board of Trustees, as authorized in the Illinois Pension Code (40 ILCS 5/16-101 *et seq.*), the System serves as fiduciary for the members' trust funds and is responsible for investment of such funds under authority of the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries by specifying fiduciary responsibility with regard to the members' trust funds.

Equipment: Equipment is stated on the basis of historical cost. Provisions for depreciation are computed by the straight-line method, based upon the estimated useful lives of the assets. Equipment is assigned a useful life of three to ten years while vehicles are assigned a five-year life.

Transfers: The transfers category reflects transfers of members' accumulated contributions to other pension systems.

Administrative expenses: This category includes \$71,309 for accrued compensated absences for FY93.

Prior Period Reclassification: Prior year amounts have been reclassified on a basis consistent with the current year presentation.

NOTE B

PLAN DESCRIPTION

The System is the administrator of a cost-sharing multiple-employer public employee retirement plan. Members of the System consist of all teachers employed in the public common schools of Illinois outside of Chicago. The System was established by the State of Illinois and is governed by the Illinois Pension Code (40 ILCS 5/16-101, *et seq.*). The System is a component unit of the State of Illinois and is included in the state's financial statements as a pension trust fund.

The System has developed criteria to determine whether other entities should be included within its financial reporting entity. The criteria include, but are not limited to, whether the System exercises oversight responsibility on financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing arrangements.

Based on these criteria, the System has no other entities included in these financial statements.

Members are employed by 1,088 school districts and special districts. Member contributions are remitted by each employer district to the System. These employers are responsible only for employer contributions for teachers paid from federal and trust funds and for the employer's portions of the early retirement option and the early retirement incentive contributions. The State of Illinois provides employer contributions to fund the System. State contributions are appropriated annually and have not met statutory funding of

normal cost and amortization of the unfunded pension benefit obligation over a forty-year period with a seven-year phase-in as prescribed in Public Act 86-0273.

At June 30, 1993, the TRS-covered employers consisted of:

Local school districts	929
Special districts	127
State agencies	<u>32</u>
	1,088

At June 30, 1993, the System membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	49,854
Inactive members	25,000
Current members	<u>125,770</u>
	200,624

Terminated and current members are estimated based on the latest available data.

The System provides retirement benefits, health insurance, death benefits and disability benefits. A member qualifies for an age retirement annuity after attaining one of the following: age 62 with five years of service credit; age 60 with ten years; age 55 with 20 years. If retirement occurs between age 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years of service credit may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, and within six months of the last day of service requiring contributions and if the member and employer both make a one-time contribution to the System. A member with less than 5 years of creditable service is entitled to a single-sum benefit payable upon attainment of age 65.

Public Act 87-1265 provides an early retirement incentive known as 5&5. The retirement windows are June 1 through September 1 in 1993 and 1994. Retirements may be delayed by the employer until 1995 if more than 30 percent of those eligible retire in 1994. Employees may purchase up to five years of additional service and receive an equal number of years of age. Employees contribute 4 percent of the highest salary used in the calculation of final average salary for each year purchased, and employers contribute 20 percent for each year purchased. Employer contributions can be made in either a lump sum, over five years in quarterly installments, or under a different schedule approved by the TRS Board of Trustees.

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

Member contributions, established by statute, are 8 percent of earnings allocated as follows: 6 1/2 percent for retirement, 1/2 percent for post-retirement increases and 1 percent for death benefits. If a member leaves covered employment, the System will refund a member's contributions upon request. The refund consists of actual contributions excluding the 1 percent death benefit contribution.

NOTE C

CASH AND INVESTMENTS

At June 30, 1993, the bank balance and carrying amount of the System's deposits were \$58,545,000 and \$2,246,000, respectively. Of the bank balance, \$56,625,000 was on deposit with the State Treasurer. The System's investments are categorized to give an indication of the level of risk at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party but not in the System's name.

Investments at June 30, 1993 and 1992 are summarized below:

	Cost		Market Value	
	1993	1992	1993	1992
Category 1:				
Bonds	\$ 2,245,291,000	\$ 1,587,788,000	\$ 2,319,473,000	\$ 1,667,554,000
Corporate notes	1,934,796,000	2,298,215,000	1,967,602,000	2,339,729,000
Preferred stock	32,615,000	36,530,000	38,403,000	40,343,000
Short-term investments:				
Commercial paper	85,473,000	19,912,000	85,473,000	19,911,000
U.S. Treasury bills	15,308,000	125,301,000	27,887,000	126,806,000
Other	173,107,000	67,037,000	175,878,000	67,037,000
Common stock	3,577,101,000	3,241,210,000	4,281,321,000	3,851,993,000
Currency investments	52,761,000	72,699,000	68,566,000	56,701,000
Accrued interest and dividends	102,572,000	93,125,000	102,572,000	93,125,000
	8,219,024,000	7,541,817,000	9,067,175,000	8,263,199,000
Not Categorized:				
Real estate equity	1,854,629,000	1,411,753,000	1,530,340,000	1,164,099,000
Mutual funds	827,768,000	789,915,000	977,217,000	949,913,000
Alternative investments:				
Limited partnerships	57,836,000	88,091,000	46,038,000	81,558,000
Farm land	90,068,000	34,264,000	93,569,000	34,945,000
Total Investments	\$11,049,325,000	\$9,865,840,000	\$11,714,339,000	\$10,493,714,000

The System has nonrecourse mortgages totaling \$213,754,000 and \$164,485,000 on real estate equities at June 30, 1993 and 1992, respectively. The amount reported for real estate equity is net of these mortgages, which mature on various dates through the year 2017.

The real estate equity category includes \$344,519,000 and \$170,087,000 of mortgages receivable which are fully secured by the properties at June 30, 1993 and 1992, respectively.

The System participates in a securities lending program whereby securities are loaned to brokers and, in return, receives collateral of amounts slightly in excess of the market value of securities loaned. Collateral consists solely of cash, letters of credit and government securities which are held by or reinvested at the discretion of the master trustee. As of June 30, 1993 and 1992, TRS had outstanding loaned investment securities having a market value of approximately \$859,089,000 and \$551,924,000, respectively, against which it had received collateral of approximately \$913,552,000 and \$621,346,000 respectively. The System has instructed the master trustee to direct \$156,895,000 of the collateral received from securities lending to be invested in floating rate debt securities collateralized by real estate investments which results in a note payable from TRS. Income from securities lending was \$3,419,000 in FY 93 and \$3,241,000 in FY 92 and is included in Investment Income-Other.

In general, there has been a decline nationally in the value of real estate properties. Losses in market value judged to be other than temporary have been recognized in TRS' financial statements through the creation of a Reserve for Real Estate account which has a balance of \$23,607,000 which is netted against the Investments category as of June 30, 1993. Management believes that other declines in appraised values are temporary in relation to the expected holding periods of the investments.

NOTE D

FUNDING STATUS AND PROGRESS

The pension benefit obligation is a standardized disclosure 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 employee services to date. The measure is the actuarial present value of credited projected benefits and is intended to help users to assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other public employee retirement systems.

The pension benefit obligation is determined as of June 30, 1993 and 1992. Significant actuarial assumptions are summarized as follows:

- The present value of future pension payments is computed using a discount rate of 8 percent. The discount rate represents the estimated long-term rate of return on current and future investments.
- Future pension payments reflect an assumption of a 4 percent salary increase due to inflation and a 3.4 percent salary increase for merit adjustments.
- Future pension payments include post-retirement increases based on 3 percent of the pension payment of the previous year.

An experience analysis is required by statute to determine the adequacy of actuarial assumptions regarding mortality, service and compensation experience. The most recent experience analysis was performed for the four-year period ending June 30, 1992. Based on this analysis, there were minor changes in actuarial assumptions. During the period between experience analyses, the actuary develops annual actuarial estimates based upon the annual valuations.

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1993 and 1992 is summarized below:

	1993	1992
Unfunded pension benefit obligation at beginning of year	\$6,847,391,000	\$6,394,212,000
Additions (deductions):		
Employer cost in excess of contributions	551,158,000	523,518,000
Amendments:		
For FY 93: 624 retirements under the TRS early retirement incentive program	38,589,000	-
For FY 92: Military service purchases	-	2,500,000
State employees' early retirement incentive program	-	5,000,000
Addition to health care reserves	21,600,000	21,600,000
Change in actuarial assumptions:		
Revised assumptions for active and disabled mortality and for incidence of disability	12,544,000	-
Actuarial losses (gains) compared to assumptions:		
Salary increases	237,332,000	110,583,000
Investment income	(351,089,000)	(407,712,000)
New entrant loss	23,543,000	**
Mortality loss	20,987,000	**
Prior service credits	26,025,000	**
Other*	178,220,000	197,690,000
Net additions	758,909,000	453,179,000
Unfunded pension benefit obligation at year's end	\$7,606,300,000	\$6,847,391,000

* These items include timing differences in reporting of retirements, retroactive benefits for late retirees, retroactive law change regarding disability retirement annuities, fewer terminations of vested employees, change in rate of benefit accruals, retirements with reciprocal service credits, unused sick leave, retirements under the early retirement option and fewer disablements.

** These items were included in the Other category in FY 92 and cannot be individually identified.

Assuming 30 percent utilization of the early retirement incentive by eligible employees over the next two years, it is anticipated that the unfunded pension benefit obligation will increase by an additional \$172.8 million in 1993 dollars.

NOTE E

CONTRIBUTION REQUIREMENTS

Employer contributions made by the State of Illinois are based on annual appropriations and are not actuarially determined. The largest source of state appropriations is made from the Common School Fund (1993 - \$225,850,000; 1992 - \$225,850,000).

Another source of state contributions is the State Pensions Fund (1993 - \$38,851,000; 1992 - \$6,641,000) which represents a distribution to the System of money escheated to the state.

The third source of employer contributions are federal and trust contributions. School districts and special districts make these contributions for teachers paid from federal and trust funds. Amounts received from these sources were \$17,202,000 in 1993 and \$14,698,000 in 1992.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$281,903,000 in 1993 and \$247,189,000 in 1992. These amounts represented 6.7 and 6.2 percent of annual covered payroll, respectively.

There are two other sources of employer contributions which are not counted towards the employer's funding obligation because the costs of the benefits to which they apply are not included in the calculation of the annual funding requirement. The state's General Revenue Fund appropriations to reimburse the System for certain minimum and supplemental benefits were \$5,194,000 in 1993 and \$5,684,000 in 1992. School district contributions for the employer's cost under the early retirement option were \$18,269,000 in 1993 and \$19,503,000 in 1992.

Total contributions from employers from all sources, including the state's General Revenue Fund appropriations and school district contributions from the early retirement option, were \$305,974,000 in 1993 and \$272,376,000 in 1992. Included in total contributions for 1993 are early retirement incentive contributions totalling \$607,000. These amounts represented 7.3 percent of annual covered payroll in 1993 and 6.8 percent in 1992.

In 1989, the Illinois General Assembly passed Public Act 86-0273 which required a level of funding of the System that would pay normal costs as determined by the actuaries plus amortization of the unfunded pension benefit obligation over 40 years after a seven-year phase-in. However, the General Assembly did not appropriate money to provide the required level of funding in any of the phase-in years.

It should be noted that Public Act 86-0273 establishes a funding plan that, even if adhered to, would not conform with official accounting pronouncements, particularly Accounting Board Principles Opinion #8 (APB #8) "Accounting for the Cost of Pension Plans." The following schedules illustrate requirements and contributions computed in accordance with Public Act 86-0273 and are significantly different than the funding requirements and contributions presented in the actuarial section and Note I of this report that are computed in accordance with APB #8.

Fiscal Year	Normal Cost	(In Thousands of Dollars)			Shortfall
		Amortization	Total Requirement	Actual Contribution (CS, SPF, Fed)	
1990	\$208,398	\$ 74,571	\$282,969	\$269,028	\$ 13,941
1991	216,783	112,548	329,331	269,879	59,452
1992	244,108	156,874	400,982	247,189	153,793
1993	279,754	215,259	495,013	281,903	213,110
1994	297,491	275,136	572,627	280,355*	292,272*

*Estimated

The underfunding in fiscal years 1990 through 1994 makes it difficult to comply with the phase-in schedule to a 40-year amortization. Total employer contributions will have to be significantly higher in fiscal years 1995 and 1996. State contribution requirements would be reduced by any amounts received from federal and trust funds.

Fiscal Year	(In Thousands of Dollars)			
	Estimated Covered Payroll	Normal Cost	Amortization	Total Contribution Requirement
1995	\$ 4,531,000	\$317,623	\$346,169	\$663,792
1996	4,712,000	330,311	421,724	752,035

NOTE F

PENSION DISCLOSURE FOR TRS AS AN EMPLOYER

All of the System's full-time employees who are not eligible for another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a component unit of the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state agencies, including the System, participate on a cost-sharing basis. The financial position and result of operations of the SERS for FY 93 and FY 92 and the related GASB Statement 5: "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers" disclosures are included in the State's Comprehensive Annual Financial Report for years ended June 30, 1993, and 1992, respectively. The SERS also issues a separate component unit financial report (CUFR).

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting and the authority under which benefit provisions are established, is included as an integral part of the SERS CUFR. Also included is a discussion of employer and employee obligations to contribute, the authority under which those obligations are established, as well as an explanation of the pension benefit obligation. The amount shown below 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 employee service to date. The measure is the actuarial present value of credited projected benefits.

The pension benefit obligation at June 30, 1993, and June 30, 1992, for the SERS as a whole, determined through an actuarial valuation at that date was \$6,044.5 million and \$5,600.8 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$3,496.5 million and \$3,278.2 million, leaving unfunded pension benefit obligations of \$2,548.0 million and \$2,322.6 million. The System's FY 93 and FY 92 contribution requirements represented .15 percent and .12 percent, respectively, of total contributions required of all state agency/department employers participating in SERS.

Ten-year historical trend information designed to provide information about SERS progress made in accumulating sufficient assets to pay benefits when due is presented in its separately issued CUFRs for the years ended June 30, 1993, and June 30, 1992, respectively.

Pertinent financial information relating to the System's participation in SERS is summarized as follows:

The System's covered payrolls under SERS for FY 93 and FY 92 were \$3.6 million and \$3.1 million and the payrolls for all System employees were \$4.3 million and \$3.5 million, respectively.

The System's (i.e., the employer's) actuarially determined contribution requirements for FY 93 and FY 92 were \$175.3 thousand and \$146.9 thousand, respectively, or 4.87% and 4.74% of the System's covered payrolls. For FY 93, the System's and employees' contributions actually made were \$183.2 thousand and \$144.1 thousand, respectively, which represents 5.1% and 4.0%, respectively, of the current year covered payroll. For FY 92, the System's and employees' contributions actually made were \$148.1 thousand and \$125.2 thousand, respectively, which represents 4.8% and 4.0%, respectively, of the covered payroll.

NOTE G**RESERVE BALANCES**

The balances in the reserve accounts at June 30, 1993, and June 30, 1992, were as follows:

	Year Ended June 30	
	1993	1992
Members' accumulated contributions	\$ 3,958,054,256	\$ 3,624,340,256
Post-retirement increases:		
Minimum retirement allowance	1,681,886	1,571,212
Supplementary payments	451,011	422,660
Health insurance	63,098,877	74,534,435
Employers' contributions	6,856,303,970	6,111,093,437
Total reserves	\$10,879,590,000	\$ 9,811,962,000
Unfunded pension benefit obligation	7,606,300,000	6,847,391,000
Pension Benefit Obligation	\$18,485,890,000	\$16,659,353,000

Members' Accumulated Contributions: This reserve accumulates, with 6 percent interest, the contributions by members prior to retirement. Contributions are made by salary deduction (6 1/2 percent of salary) and are fully refundable upon withdrawal from the System, excluding interest credited thereon. The interest accrued is refundable only in the event of death. Interest is credited as of the date of retirement or death of those retiring or dying during the year, and as of the end of the fiscal year for all other members. Interest is computed annually based upon the individual member balance in the reserve at the beginning of the fiscal year.

Minimum Retirement Allowance: In 1974, a minimum retirement allowance equal to \$15 per month for each year of creditable service at retirement, up to a maximum of \$450 per month for 30 or more years of credited service was established. To qualify, annuitants are required to make a one-time contribution which is credited to the

reserve. Interest at 6 percent is credited to the reserve annually, based upon the average reserve balance. The State of Illinois also appropriates funds necessary to pay the minimum benefits provided in the legislation. All benefits paid under this program are charged to the reserve.

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

Health Insurance: 40 ILCS 5/16-153.4 (1993) authorizes the Health Insurance Reserve. The Board of Trustees is authorized to transfer up to \$20 million annually from its investment earnings in excess of 4 percent per annum. Interest is

credited to this account at a rate of 8 percent annually based on the System's actuarial rate of return assumption. Health insurance benefits paid to the System's members are charged to the reserve.

Total reserves should equal the actuarial value of assets (cost value).

Employer's Contribution: This reserve serves as a clearing account for income and expenses of the System. The reserve is credited with contributions from the State of Illinois not specifically allocated to other reserves, member and employer contributions, income from invested assets of the System, the interest portion of the accumulated contributions of members granted refunds and contributions from annuitants who qualify for automatic annual increases in annuity. The reserve is charged with amounts necessary to be transferred to the Members' Accumulated Contribution Reserve, all amounts necessary to be refunded to withdrawing members, all benefits paid to temporarily or accidentally disabled members, all death benefits paid, all health insurance costs and survivor benefit contributions refunded to annuitants.

NOTE H**POST-RETIREMENT HEALTH CARE BENEFITS**

In addition to the pension benefits described in Note B, TRS provides post-retirement health care benefits, in accordance with state statutes, to all members receiving a monthly benefit from the System. Currently, there are 49,854 members receiving monthly annuity benefits, of which 22,947 are enrolled in the TRS health plan. TRS subsidizes 75 percent of the premium for these enrolled members. During the year, TRS paid \$37.5 million in premiums for enrolled members.

NOTE I

HISTORICAL TREND INFORMATION

Supplemental schedules of historical trend information are presented below. These are designed to provide information on the System's progress in accumulating assets to pay benefits when due.

Supplemental Schedule of Revenues by Source (In millions of dollars)

Year Ended June 30	Employee Contributions	Employer Contributions				Investment Income	Total
		Employer* Contributions	Percentage of Annual Covered Payroll	Actuarially Required Amount <i>(Normal Cost plus Interest)</i>	Percentage of Annual Covered Payroll		
1984	\$ 195	\$ 191	8.1 %	\$ 406	17.3 %	\$ 234	\$ 620
1985	207	215	8.7	437	17.7	445	867
1986	220	239	9.1	439	16.7	813	1,272
1987	238	258	9.1	440	15.5	835	1,331
1988	253	220	7.3	506	16.8	560	1,033
1989	268	237	7.5	559	17.6	560	1,065
1990	284	269	7.9	617	18.1	814	1,367
1991	311	270	7.1	686	18.2	662	1,243
1992	351	247	6.2	771	19.4	1,114	1,712
1993	363	282	6.7	833	19.9	1,143	1,788

* Minimum Retirement, ERO and Supplemental Contributions are not included in Employer Contributions.

Supplemental Schedule of Expense by Type (In millions of dollars)

Year Ended June 30	Age Retirement	Post Retirement	Survivor Benefits	Disability Benefits	Health Insurance	Refunds	Admin/Other Expenses	Total
1984	\$ 214	\$ 55	\$ 15	\$ 5	\$ 2	\$ 24	\$ 3	\$ 318
1985	238	61	17	6	3	24	3	352
1986	264	65	19	7	5	26	4	390
1987	290	75	21	7	5	26	5	429
1988	316	83	23	7	7	21	5	462
1989	348	88	25	8	8	20	6	503
1990	379	96	26	8	11	22	41	583
1991	414	106	29	9	15	19	7	599
1992	457	117	31	9	28	19	12	673
1993	504	129	34	10	38	19	10	744

Supplemental Schedule of Funding Progress

(In millions of dollars)

June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5)
1984	\$ 3,728	\$ 7,349	50.7 %	\$ 3,621	\$ 2,345	154.4 %
1985	4,265	7,982	53.4	3,717	2,472	150.3
1986	5,168	8,687	59.5	3,519	2,633	133.6
1987	6,092	9,950	61.2	3,858	2,834	136.1
1988	6,684	10,922	61.2	4,238	3,007	140.9
1989	7,272	11,914	61.0	4,642	3,172	146.3
1990	8,080	13,663	59.1	5,583	3,402	164.1
1991	8,747	15,141	57.8	6,394	3,777	169.3
1992	9,812	16,659	58.9	6,847	3,976	172.2
1993	10,880	18,486	58.9	7,606	4,189	181.6

Analysis of the dollar amounts of net assets available for benefits, pension obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

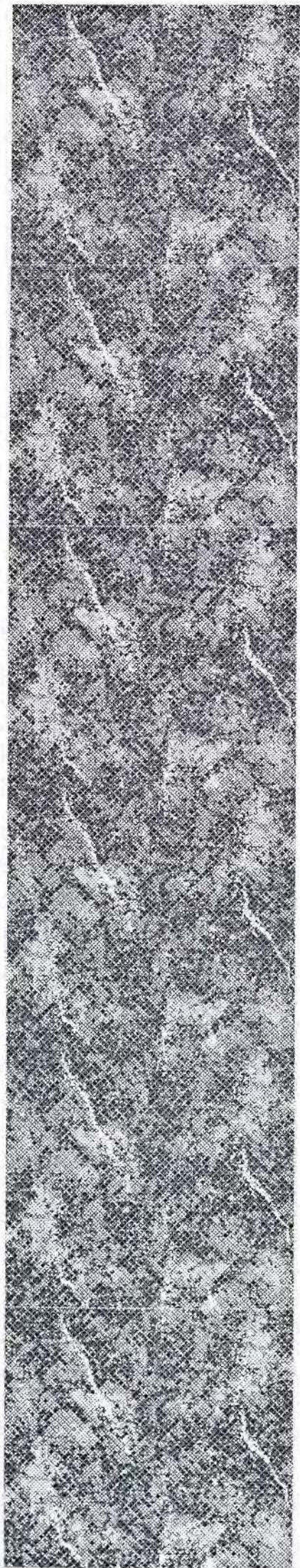
SUPPLEMENTAL SCHEDULES

Administrative expenses for the years ended June 30, 1993 and 1992, are summarized below:

	1993	1992
Personal services	\$5,455,000	\$4,273,000
Professional services	1,274,000	671,000
Postage	312,000	253,000
Machine repair and rental	273,000	259,000
Other contractual services	444,000	488,000
Commodities	300,000	231,000
Occupancy expense	399,000	-
Provision for depreciation of equipment	742,000	2,063,000
Loss on disposition of equipment	22,000	9,000
	\$9,221,000	\$8,247,000

Cash receipts and disbursements for the years ended June 30, 1993 and 1992, are summarized below:

	1993	1992
Cash balance at beginning of year	\$ 930,000	\$ 2,610,000
Cash receipts:		
Member contributions	362,202,000	349,699,000
Employer contributions	304,280,000	266,353,000
Investment income	691,453,000	628,522,000
Annuities returned	480,000	563,000
Investments sold	14,068,925,000	13,518,577,000
Total:	\$ 15,427,340,000	\$14,763,714,000
Cash disbursements:		
Benefits	715,860,000	639,075,000
Refunds	19,212,000	19,122,000
Administrative	8,304,000	6,778,000
Real Estate and Investment Manager expenses	163,399,000	137,937,000
Investments purchased	14,519,249,000	13,962,482,000
Total:	\$15,426,024,000	\$14,765,394,000
Cash balance at end of year	\$ 2,246,000	\$ 930,000



Actuarial Information



St. John's Plantation is a 400-unit garden-style apartment complex located on 23 acres near Jacksonville, Florida. The property was purchased by the System in May of 1991. (Investment Manager: Capital Associates/Bear Stearns)

Actuary's Certification

BUCK CONSULTANTS

55 West Monroe Street Suite 1701
Chicago, Illinois 60603

October 13, 1993

Board of Trustees
Teachers' Retirement System
of the State of Illinois
2815 West Washington Street
Springfield, Illinois 62794

Subject: Pension Benefit Obligation as of June 30, 1993

Ladies & Gentlemen:

Based upon our annual actuarial valuation of the Teachers' Retirement System of the State of Illinois, we have determined the pension benefit obligation of the System to be \$18,485,890,000 as of June 30, 1993. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

The June 30, 1993 valuation reflects revised actuarial assumptions for rates of mortality amongst active and disabled employees, and rates of disability amongst active employees. The effect of these assumption changes was to increase the pension benefit obligation by \$12,544,000.

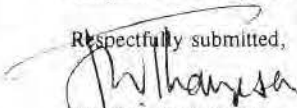
Included in the pension benefit obligation of \$18,485,890,000 as of June 30, 1993 is an amount of \$41,331,000 due to amendments to the Pension Code which were enacted during the fiscal year 1992/93. The amount of \$41,331,000 is on account of 624 retirements under the Early Retirement Incentive (ERI) program.

The actuarial valuation was based on a census of retired members as of June 30, 1993, and a census of active and inactive members as of June 30, 1992, which were submitted to us by the System. While we did not verify the data at their source, we did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. We also understand that the outside auditor of the System has made an examination of the membership data.

The valuation is based on the benefit provisions of TRS in effect on June 30, 1993. The actuarial assumptions used in the valuation are those specified by the Board of Trustees of the System based on recommendations made by the actuary.

In our opinion, the amount of \$18,485,890,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1993.

Respectfully submitted,



John W. Thompson
Consulting Actuary

JWT:rh
72817718X.A02

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Actuarial information provides insights to the kinds of obligations that have been incurred under the System. Various measures of financial condition are used to gauge the state's progress in covering the cost of those benefits and the System's ability to meet its obligations.

This section explains various types of actuarial information and measures of financial condition. It contains some discussion of the effects of the early retirement incentive (ERI) due to the initial retirements under that provision during the first month of the first window period. Additional effects will be measured in future valuations. Most of the discussion centers on employer contribution levels.

The System complies with the reporting requirements issued by the Governmental Accounting Standards Board in November 1986 under Statement Number 5: Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers. This statement prescribes financial disclosure requirements for public employee retiree systems and includes a standardized measure of the pension benefit obligation. The System uses this standardized measure for determining funding requirements and for financial reporting. The actuarial terminology used in GASB Statement Number 5 is used consistently for all financial and funding exhibits.

Annual Actuarial Valuation

The purpose of the annual valuation is to measure the System's total liability for all benefits earned to date. The types of obligations are categorized in the table shown below. Net assets are subtracted from the pension benefit obligation to obtain the System's unfunded benefit obligation. Net assets divided by the pension benefit obligation yields the funded ratio.

An increasing funded ratio is one indicator of an improvement in financial condition. The TRS funded ratio (at book value) for FY 93 is unchanged from the FY 92 valuation.

Actuarial Valuation (In Millions of Dollars)	Year Ended June 30	
	1993	1992
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$ 7,511	\$ 6,338
Terminated employees not yet receiving benefits	308	283
Current employees:		
Accumulated employee contributions	2,710	2,503
Employer-financed vested	2,690	2,512
Employer-financed nonvested	5,267	5,023
Total pension benefit obligation	18,486	16,659
Net assets available for benefits	10,880	9,812
Unfunded pension benefit obligation	\$ 7,606	\$ 6,847
Funded Ratio	58.9%	58.9%

Sources of Contributions

There are three sources of contributions to the System's trust fund: investment income, member contributions and employer contributions. Collectively, the three sources affect the funded ratio and the solvency test (page 32). Individually, however, employer contributions are the most important indication of the employer's commitment to the long-term stability of the fund. (See Employer's Normal Cost plus Interest, page 30, and Reconciliation of the Unfunded Pension Benefit Obligation, page 31.)

Investment income depends on asset allocation and market conditions. For TRS, this source has been the most significant source of income for several years.

Member contributions (8% of salary) are specified under the Illinois Pension Code (40 ILCS 5/16-152) and are the most stable source of System income.

Employer contributions are also specified under the statute. The State of Illinois is the "employer" in most cases, although contributions may also come from federal sources. The state, which should be the most significant source of TRS income, has never complied with statutory funding requirements and uses the amounts due the five state retirement systems to support other state programs. Members, however, must comply with statutory requirements.

Shortfalls in State Contributions

Pension Funding Task Force.

TRS will be an active participant in a special task force on state pension funding and benefits. The task force, created by Senate Joint Resolution 44 in 1993, is charged with recommending to the Governor and the General Assembly methods of resolving the unfunded liability of the state pension systems. The proposals of this task force are likely to attract considerable attention over the next year.

Retirement benefits earned during employment are part of the payroll expense for each employee. Sound budgeting practices should be followed so that when an employee retires, the accumulated fund is sufficient to cover the cost of the benefits payable to that employee. The obligation for that employee's benefits should not be passed on to future administrations or taxpayers. If state contributions remain level, the System's actuaries estimate the System would be insolvent by 2014. The state constitution would require current state revenues to be used to pay benefits (approximately \$3 billion annually by the time of insolvency).

Senate Bill 95

On August 23, 1989, Public Act 86-0273 (SB 95) was enacted and provides for amortization of the System's unfunded pension benefit obligation over 40 years after a seven-year phase in. Implementation of this legislation would provide financial stability for the System by funding benefits on a more rational and systematic basis than current practice; however, the state has never complied with these funding requirements, nor will it in FY 94. Note E in the Notes to the Financial Statements (page 21) shows the shortfall each year since FY 90. The difference between state funding levels and actuarial funding (even a phase-in to actuarial funding like SB 95) becomes larger the longer compliance is delayed. A lawsuit which would require the state to comply with the SB 95 funding requirements will be heard by the Illinois Court of Appeals.

Employer's Normal Cost plus Interest

The employer's normal cost is the amount needed to cover the employer's share of the cost of benefits earned by active members during the year. The interest payment is the amount needed to stabilize the unfunded pension benefit obligation. If the employer contributes normal cost plus interest and all of the System's actuarial assumptions (page 34) exactly match its experience, the unfunded liability would not change. However, the funding shortfalls under this measure in FY 93 and FY 92 have added over a half billion dollars to the unfunded pension benefit obligation each year. This is the single most important factor explaining the change in the System's unfunded benefit obligation. (See Reconciliation of the Unfunded Pension Benefit Obligation, page 31.)

Employer's Normal Cost plus Interest (In Millions of Dollars)	Year Ended June 30	
	1993	1992
Employer's normal cost	\$ 285	\$ 259
Interest on unfunded pension benefit obligation at beginning of year	548	512
Total employer's cost	833	771
Deduct employer contributions:		
State of Illinois*	265	232
Federal and trust funds	17	15
Total employer contributions	282	237
Employer's cost in excess of contributions	\$ 551	\$ 524

* State contributions exclude minimum and supplemental benefits not included in actuarial costs.

Reconciliation of Unfunded Pension Benefit Obligation

The table below details the reasons the System's unfunded pension benefit obligation changed during FY 93 and FY 92. The amounts shown represent the differences between actuarial assumptions and experience. Although very large actuarial gains in investment earnings were experienced both years, even larger funding shortfalls occurred. (See Employer's Normal Cost plus Interest, page 30.) The other factors listed contributed to the net additions to the unfunded pension benefit obligation shown in the table.

Reconciliation of Unfunded Pension Benefit Obligation	<i>(In Millions)</i>	
	Year Ended June 30	
	1993	1992
Unfunded pension benefit obligation at beginning of year	\$6,847	\$6,394
Additions (deductions)		
Employer cost in excess of contributions	551	524
Plan amendments		
624 ERI retirements (PA 87-1265)	39	-
Military service purchases (PA 87-0794)	-	2
100 ERI retirements (PA 87-0014)	-	5
Addition to health care reserves	22	22
Changes in demographic experience due to FY 1989 - 1992 experience analysis	13	-
Actuarial losses (gains) compared to experience		
Salary increases	237	111
Investment income	(351)	(408)
New entrant loss	23	*
Lower than expected mortality	21	*
Purchases of prior service credits	26	*
Other **	178	197
Net additions	759	453
Unfunded pension benefit obligation at end of year	\$ 7,606	\$ 6,847

* These items were included in the Other category in FY 92 and cannot be individually identified.

** For FY 93, "Other" includes:

- a. 1,411 retirements occurred in May and June of 1992 but were not reported to the actuary until June 30, 1993.
- b. Retroactive benefits for late retirees (50-100 late retirements annually).
- c. Retroactive law change allowing change in disability retirement annuity to service retirement.
- d. Fewer terminations of vested employees than expected.
- e. Change in rate of benefit accruals from certified normal cost rate.
- f. Retirement with reciprocal service credits.
- g. Retirements with unused sick leave.
- h. Retirements under the early retirement option.
- i. Fewer disablements than expected.

FY 93 actuarial gains and losses resulted from the following: average salaries increased by 9.1 percent, compared to the composite 7.4 percent assumption, and the actuarial investment return (including interest, dividends and realized gains) was 11.6 percent, compared to the 8 percent assumption.

Historical Tests of Financial Condition

The Solvency Test exhibit compares the plan's net assets with the member's contributions, the amount necessary to cover the present value of benefits currently being paid, and the employer's portion of future benefits for active members. It measures the System's ability to cover different types of obligations if the plan were terminated.

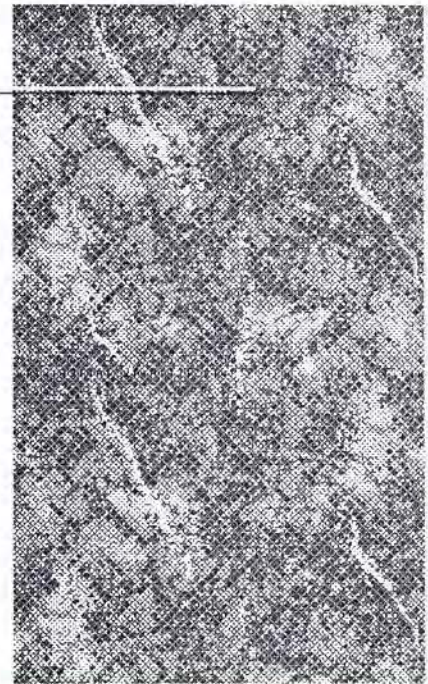
Column 1 represents the value of members' accumulated contributions. Column 2 represents the amount necessary to pay participants currently receiving benefits. Column 3 represents the employer's portion of future benefits for active members. The columns are arranged in order that the assets would be used to cover certain types of obligations. In other words, employee contributions would be refunded first, amounts due for current beneficiaries would be covered second and the employer's obligation for active members would be covered last. Columns 1 and 2 should be fully covered by assets. The portion of Column 3 which is covered by assets should increase over time but has decreased since FY 89.

Solvency Test

(In Millions of Dollars)

Year- Ended June 30	Members' Accumulated Contributions (1)	Participants Currently Receiving Benefits (2)	Active Members, Employer Portion (3)	Net Assets	Percentage of Benefits Covered by Net Assets		
					(1)	(2)	(3)
1984	\$ 1,372	\$ 2,803	\$ 3,174	\$ 3,728	100 %	84 %	0 %
1985	1,472	3,130	3,380	4,265	100	89	0
1986	1,596	3,402	3,689	5,168	100	100	5
1987	1,718	3,777	4,455	6,092	100	100	13
1988	1,860	4,165	4,898	6,684	100	100	13
1989	2,004	4,528	5,382	7,272	100	100	14
1990	2,167	5,121	6,375	8,080	100	100	12
1991	2,312	5,743	7,086	8,747	100	100	10
1992	2,503	6,338	7,818	9,812	100	100	12
1993	2,710	7,511	8,265	10,880	100	100	8

The Payroll Percentages table facilitates various types of comparisons. Showing the System's unfunded pension benefit obligation as a percent of payroll (Column 3) is a standard measure of the relative size of the unfunded pension benefit obligation. Generally, a system that is growing stronger will show this percentage decreasing. For TRS, however, this percentage is increasing. The actuarially required employer's cost under normal cost plus interest (Column 8) shows the amount the employer would need to contribute each year to cover its portion of the benefits earned by active members during the year and stabilize the System's unfunded liability. The largest portion of the increase in this percentage is due to the interest payment that would be needed on the unfunded liability. Employer contributions as a percent of payroll (Column 10) show that the System's contributions relative to payroll and actuarial funding requirements have dropped steadily over time.



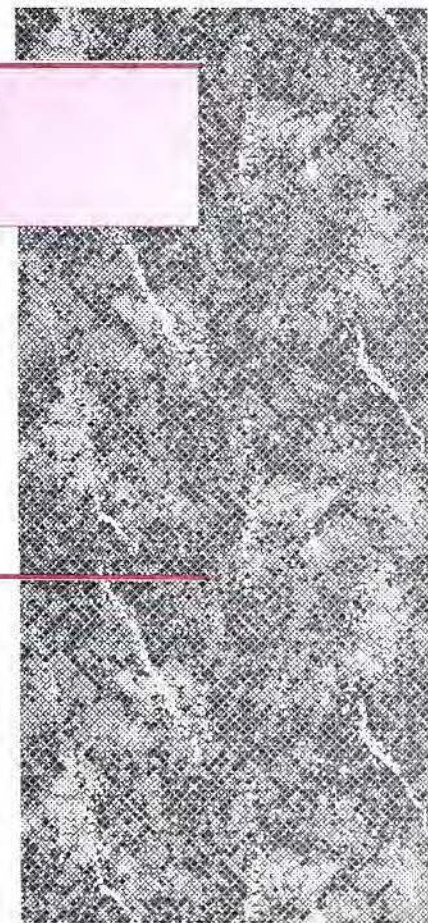
Year Ended June 30	Unfunded Pension Benefit Obligation			Actuarially Required Employer's Cost				Employer Contributions		
	Member Payroll (1)	Amount (2)	Percent of Payroll (3)	Employer's Normal Cost (4)	Percent of Payroll (5)	Interest on Unfunded Pension Benefit Obligation (6)	Total (7)	Percent of Payroll (8)	Employer Contribution (9)*	Percent of Payroll (10)
1984	\$ 2,345	\$ 3,621	154.4%	\$ 176	7.5%	\$ 230	\$ 406	17.3%	\$ 191	8.1%
1985	2,472	3,716	150.3	184	7.4	253	437	17.7	215	8.7
1986	2,633	3,519	133.6	179	6.8	260	439	16.7	239	9.1
1987	2,834	3,838	136.4	194	6.9	246	440	15.5	258	9.1
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	220	7.3
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	237	7.5
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	269	7.9
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	270	7.1
1992	3,976	6,847	172.2	259	6.5	512	771	19.4	247	6.2
1993	4,189	7,606	181.6	285	6.8	548	833	19.9	282	6.7

*For actuarial comparisons, school district early retirement option and state minimum and supplemental contributions are not included in employer contributions.

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation	Funding Ratio*	
				At Cost	At Market
1984	\$ 3,728	\$ 3,630	\$ 7,349	50.7 %	49.4 %
1985	4,265	4,598	7,982	53.4	57.6
1986	5,168	5,952	8,687	59.5	68.5
1987	6,092	6,958	9,950	61.2	69.9
1988	6,684	7,055	10,923	61.2	64.6
1989	7,272	8,088	11,914	61.0	67.9
1990	8,080	8,924	13,663	59.1	65.3
1991	8,747	9,458	15,141	57.8	62.5
1992	9,812	10,440	16,659	58.9	62.7
1993	10,880	11,545	18,486	58.9	62.5

* Funded ratio: Net assets divided by pension benefit obligation.

** The System's actuaries conducted analyses for the four-year periods ended June 30, 1981, June 30, 1985, and June 30, 1992; and for the three-year period ended June 30, 1988. The effects of these analyses were reflected in the pension benefit obligation for the years ended June 30, 1982, June 30, 1987, and June 30, 1993, respectively; there was no effect on the pension benefit obligation resulting from the three-year period ended June 30, 1988.



Actuarial Assumptions & Methods

Inflation assumption: 4 percent per annum (included in investment return and earnings progression assumptions).

Investment return: 8 percent per annum, compounded annually.

Retirement age: Graduated rates for active members. Inactive members are assumed to retire at age 62. Sample annual rates of retirement per 1,000 participants for active members follow.

Age	Male	Female
55	97	97
60	270	180
65	365	330
70	1,000	1,000

Mortality: Active participants and nondisabled pensioners - UP 1984 Table, set back six years.

Disability: Sample annual rates per 1,000 participants follow.

Age	Male	Female
20	0.4	0.7
30	0.4	0.8
40	0.6	1.2
50	1.2	2.4
60	4.0	8.0
75	6.0	12.0

Separation: Graduated rates based on age and sex variations.

Earnings progression: Merit and longevity increases, adjusted for inflation. Approximates 7.4 percent per year to earliest date of retirement eligibility. Sample annual percentage increases follow.

Age	Male and Female
20	9.7 %
30	8.6
40	7.5
50	6.9
60	6.7

Actuarial Cost Method: Projected unit credit. Gains and losses are reflected in the unfunded pension benefit obligation.

Asset valuation method: Cost value.

Actuarial Background Information

Actuarial Assumptions

An estimate of the pension benefit obligation is obtained each year through the actuarial valuation. Actuaries make demographic assumptions (for salary and service credit), economic assumptions (for salary increases and interest rates) and decrement assumptions (for mortality and disability rates). These actuarial assumptions are used to make projections that will be used in the actuarial valuation.

The actuary constructs a set of assumptions based on the past experience of plan participants and the experiences of other groups with similar characteristics. After taking this historical view, the actuary looks forward to judge how costs incurred under the plan are likely to be affected by future events. A lengthy timeframe is involved because the projections include estimates for factors that will affect even young active members and their survivors.

Experience never coincides exactly with these projections. Differences that occur between assumptions and experience are called actuarial gains and losses. Each year, the actuary reconciles the differences between major actuarial factors and experience in the process of explaining the change in the system's unfunded pension benefit obligation. The actuary may also recommend changes in actuarial assumptions before the next experience analysis.

Experience Analysis

At least once every four years, the actuary conducts an experience analysis to determine how closely the assumptions reflect what actually transpired. A review for the period July 1, 1988, through June 30, 1992, was recently completed. As a result of this analysis, minor changes in assumptions were adopted by the Board of Trustees and used in the FY 93 valuation. The net effect of these changes was a \$12.5 million increase in the pension benefit obligation (an increase of less than 0.1 percent).

The changes in assumptions and their effects on the System's unfunded pension obligation are shown below:

	Millions
Revision in rates of mortality among active members	\$ 22.0
Revision in rates of mortality among disability retirements	(9.6)
Extension of rates of disability retirement to age 60-69 (instead of normal retirement)	0.2
Net Increase in the Unfunded Pension Benefit Obligation	\$ 12.5

Actuarial Cost Method and Valuation

An important step in an actuarial valuation is the application of a cost method assigning portions of the total value of benefits to past, present and future periods of employee service. This allocation is accomplished by the development of normal cost and the pension benefit obligation. Normal cost is the annual cost of benefits earned by members during the year. The pension benefit obligation is a standardized disclosure of the present value of pension benefits and includes the effects of projected benefit increases.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is projected unit credit. The normal cost for the year ending June 30, 1993, was 14.8 percent of payroll. Eight percent of normal cost was paid by the members' contributions. The remaining 6.8 percent was the employer's portion of the normal cost. The actual employer contribution was only 6.7 percent of payroll. Therefore, no payment was made on the unfunded pension benefit obligation.

The TRS Funding Summary below shows employer contributions in relation to statutory funding requirements (other than PA 86-0273) under the Illinois Pension Code.

TRS Funding Summary

(In Millions)

Fiscal Year Ended June 30	Normal Cost Plus Interest On Unfunded Pension Obligation (1)	General Revenue Reimbursement Post-Retirement Increases (2)	Statutory Amounts Requirement		Employer Contributions Plus GRF Reimbursement (5)	Shortfall Amounts	
			(Columns 1 and 2) (3)	Minimum (4)*		(6) From Statutory Requirement (3) - (5)	(7) From Minimum (4) - (5)
1984	\$ 406	\$ 7	\$ 413	\$ 218	\$ 198	\$ 215	\$ 20
1985	437	9	446	237	224	222	13
1986	439	9	448	253	248	200	5
1987	440	8	448	272	266	182	6
1988	506	8	514	289	228	286	61
1989	559	7	566	305	244	322	61
1990	617	7	624	327	276	348	51
1991	686	6	692	363	276	416	87
1992	771	6	777	382	253	524	129
1993	833	5	838	402	287	551	115

* 9.6 percent of member payroll - the amount required by Section 16-158 of the Illinois Pension Code.

The TRS Cash Flow Summary shows the difference between the sum of member contributions and employer contributions and benefit payments, refunds and current expenses. (For this purpose, other sources of employer contributions which do not count towards meeting the System's actuarial requirements are included.)

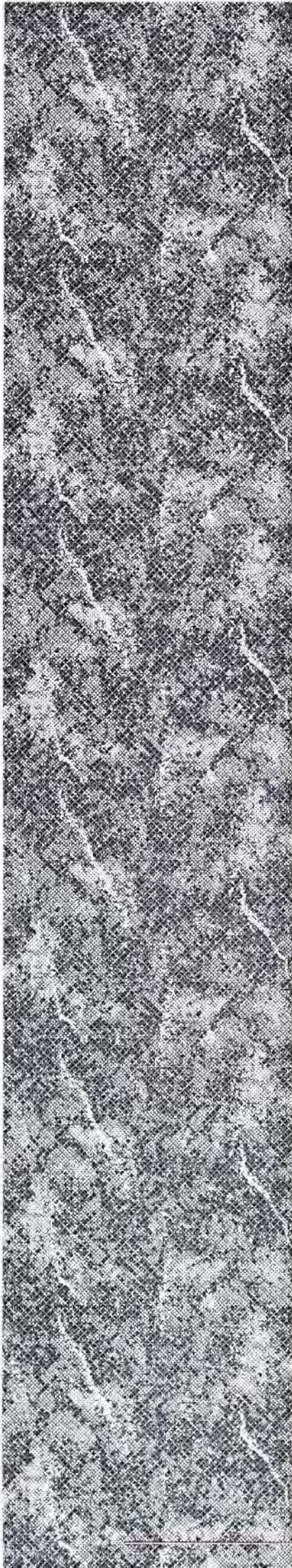
FY 92 was the first year that System expenses exceeded member and employer contributions—\$50 million of investment income had to be used to pay benefits and other expenses. In FY 93, the state's continued underfunding required the System to use \$75 million in investment income for this purpose. (A \$36 million non-cash expense resulted in a negative value for FY 90.) The use of investment income for expenses is particularly serious for a system like TRS because the state's failure to appropriate statutorily required amounts has made it very dependent on investment earnings. Earnings used to pay benefits cannot be reinvested to build a secure retirement trust fund.

Cash Flow: Member and Employer Contributions Minus Expenses (Benefits, refunds and current expenses)

(In Millions)

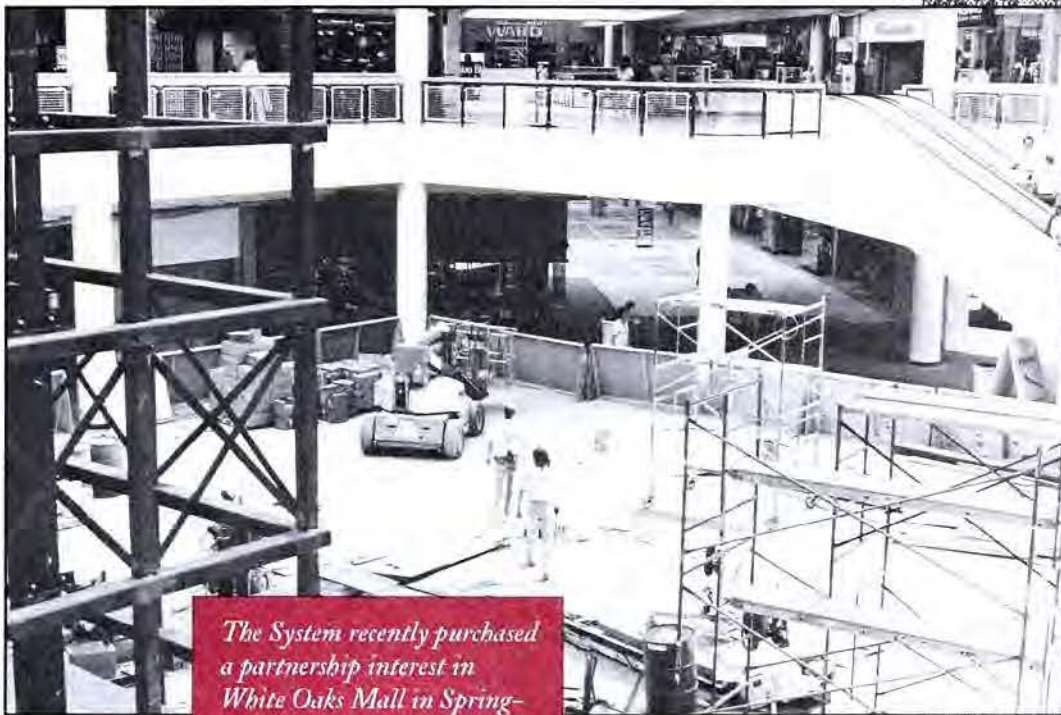
Year	Member Contributions (8)	Employer Contributions (9)	Minimum, Supplemental and ERO Contributions (10)	Employer Contributions (All Sources) [(11)=(9)+(10)]	Member and All Sources of Employer Contributions [(12)=(8)+(11)]	Benefits, Refunds and Expense (13)	Cash Flow [(14)=(12)-(13)]
1984	\$ 195	\$ 191	\$ 16	\$ 207	\$ 402	\$ 318	\$ 84
1985	207	215	22	237	444	352	92
1986	220	239	21	260	480	390	90
1987	238	258	22	280	518	429	89
1988	253	220	22	242	495	462	33
1989	268	237	24	261	529	503	26
1990*	284	269	24	293	577	583	(6)
1991	311	270	24	294	605	600	5
1992	351	247	25	272	623	673	(50)
1993	363	282	24	306	669	744	(75)

* System expense in FY 90 includes \$35.5 million in non-cash expense.





Membership & Benefits Information



The System recently purchased a partnership interest in White Oaks Mall in Springfield, Illinois. As part of this investment, the mall underwent extensive renovation. White Oaks is a bi-level regional mall with over 900,000 square feet of retail space. (Investment Manager: Jones Lang Wootton)

Membership profile

All certificated Illinois public school employees outside the city of Chicago are members of TRS. These members include full and part-time employees, subject to certain limitations as outlined in the "Plan Summary" on page 42.

TRS members are employed by 1,088 employers including public school districts.

System members do not contribute to Social Security; however, many earned coverage by that system through non-TRS employment. All TRS members hired after March 31, 1986, are required to contribute to Medicare.

As of June 30, 1992, the most current fiscal year statistics available, there were 126,220 TRS members, a 3 percent increase from the 122,793 members on June 30, 1991.

The average TRS member on June 30, 1992, was 43 years old. The average age of the member population has remained relatively stable for the past five years, although active member age had shown a steady increase since the early 1970s.

Fifty-four percent of the active member population was in the 35-49 age group during FY 92 compared to 45 percent of total membership in this same age group ten years ago. Despite this large percentage of educators moving toward retirement, there is a marked decrease in the number of teachers entering the field in the last ten years. During FY 83, 3.1 percent of the total membership were age 20 to 24. In FY 92, this age group composed only 2.2 percent of the total member population.

The number of active members who choose to work after age 55 has risen steadily in the past decade, from 10 percent during FY 83 to 12 percent in FY 92.

Contributions

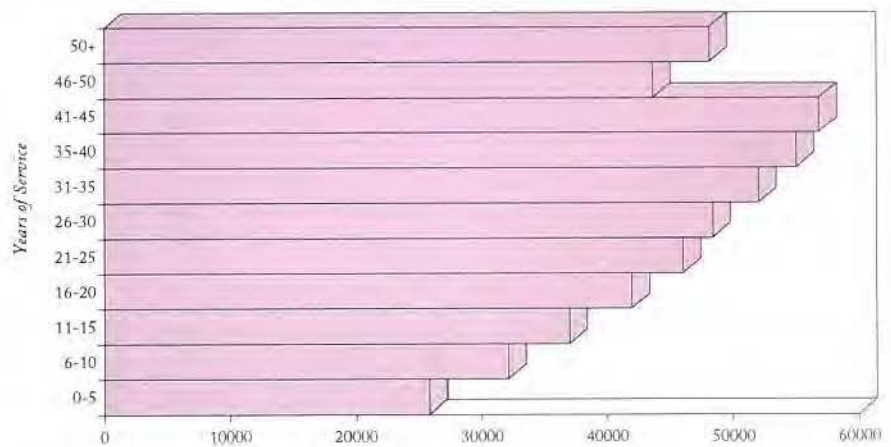
Active members contributed \$363 million as their required 8 percent of salary to the System, up 3 percent from FY 92.

The average annual salary for active members rose 5.3 percent from FY 91 to FY 92, from \$35,321 to \$37,193. Since FY 83, this figure has increased by

62.6 percent from \$22,877. Generally, the more years of service the member accrues, the higher salary he or she earns. Peak salaries averaging \$56,869 during FY 92 were earned by 47 members in the 41-45 years of service category, while those with under six years of service averaged \$25,882 annually.

Average Annual Salary

Full and Part-time members as of June 30, 1992



Member refunds

Members who withdraw from active service with the System may apply for a refund four months after the last day of teaching. The refund includes accumulated retirement contributions, exclusive of the 1 percent survivor benefit contribution, and accumulated interest.

The System paid 2,037 former members \$8.2 million in refunds of retirement contributions during FY 93. This is a decrease from the \$9.4 million paid in refunds in the previous year. The total number of refunds decreased 13 percent, from 2,353 in FY 92.

A refund of the 1 percent survivor benefit contribution was paid to 377 retired members in FY 93, down from 437 members who received this refund in FY 92. A total of \$1.7 million was paid for this refund, which is granted to retired members who do not have a beneficiary deemed a dependent under the Illinois Pension Code and who request the refund. Acceptance of this refund terminates the retired member's eligibility for survivor benefit coverage from the System.

Counseling services

The System maintains two offices, in Springfield and Lisle, to serve members throughout the state. During FY 93, the TRS offices received over 52,000 phone calls. In addition, staff members sent out nearly 175,000 letters and conducted office consultations with an average of 300 members monthly.

Individual retirement conferences are held around the state each year by the System's benefits counselors. During FY 93, 106 members attended these conferences. An additional 6,901 members attended group meetings held by TRS around the state.

A series of guides designed for members, retired members and employers is published annually by the System. In addition, bulletins and newsletters are mailed to these audiences with current information concerning benefits, legislation and System administration.

Individual member statements of account are mailed annually to all members. These present up-to-date information on each member's TRS contributions and service.

Benefits Information

As a trust fund for its members and annuitants, TRS provides retirement annuities and disability and survivor benefits. The System also administers the TRS Health and Prescription Drug Insurance Plan. These benefits are in the System's plan as outlined in the Illinois Pension Code (40 ILCS 5/16-101 *et seq.*)

Plan design

The TRS plan is designed to pay specific benefits in amounts that are set forth by Illinois law. This design may only be changed by action of the Illinois General Assembly and the Governor. Benefits cannot be modified without a change in the TRS plan design.

Retirement benefits

During FY 93, the TRS plan provided retirement benefits for 43,195 annuitants. The average benefit of \$1,256 was up 7 percent from \$1,174 on June 30, 1992.

TRS Annuitant Profile

Average Age:	72
Average Years of Service:	26.77
Average Annuity:	\$ 1,256
Average Original Annuity:	\$ 1,001
Average Years in Retirement:	12.3

Overall, the System paid \$633.7 million in retirement annuities in FY 93, up 11 percent from FY 92. The number of annuitants receiving benefits rose during FY 93, up 1,048 from June 30, 1992. The System offers anyone receiving a monthly benefit, including retired members and survivor benefits recipients, electronic funds transfer of TRS annuity payments with participating financial institutions. At the end of FY 93, 34,007 of the total 48,922 benefit recipients were participating in the direct deposit program. This represents 69.5 percent of all benefit participants.

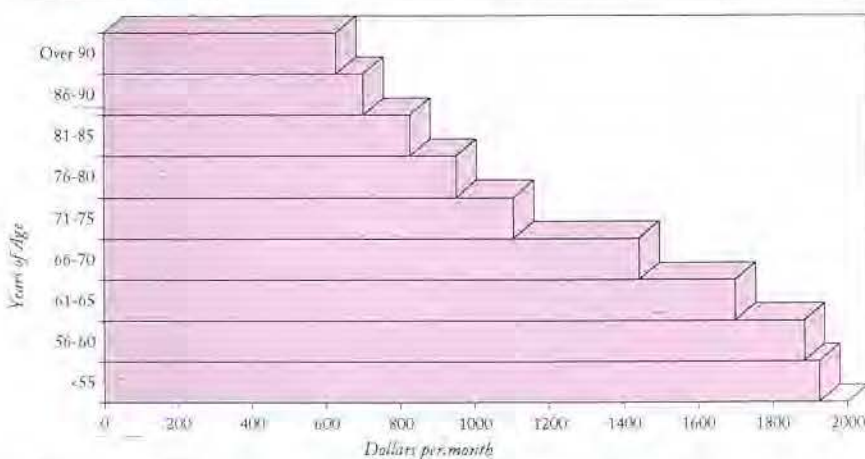
Although the annuity for those members in retirement less than five years is higher than average at \$1,781, this amount drops to below the overall average after ten years in retirement—members retired between 11 and 15 years receive an average benefit of only \$1,111, below the \$ 1,256 average.

Average annuity also decreases as the retired member's age increases. Retirees aged 55 through 59 receive an average annuity of \$1,884 monthly, while those age 80 and over receive an average of only \$759.

Of the 2,450 TRS members who retired during FY 93, the average age was 60, average service, 27.8 and the average monthly benefit, \$1,848. These members retired with an average salary of \$38,493.27, a slight decrease from FY 92 retiree salaries.

Average Monthly Benefit

For retired members as of June 30, 1993



Early Retirement Option

Members who are 55 or older and have 20 or more years of service may choose the early retirement option to avoid a reduction in their annuity if they retire before earning 35 years of service. Enacted in 1980, this option allows the member and employer to make a one-time contribution to TRS and avoid a reduced annuity. Current law calls for an end to the early retirement option after June 30, 1995. A nondiscounted annuity is granted to members with 35 or more years of service with no contributions required from either the member or the employer.

Use of this early retirement option decreased in FY 93 due to the introduction of the early retirement incentive.

Early Retirement Incentive

The early retirement incentive, made available through Public Act 87-1265, allows members who are at least 50 but less than 55 years of age with at least 15 years of service or age 55 or older with at least five years of service to purchase up to five years of additional service and acquire an age enhancement of an equal number of years. The law specifies two window periods for election and retirement under the incentive, the first during FY 93 and the second during FY 94 although a smaller percentage of retirements may occur in FY 95 through the employer's right to delay some retirements.

As of June 30, 1993, 7,638 members had elected to retire under ERI. Of these elections, 2,824 had submitted retirement applications.

Disability benefits

Disability payments of \$9.8 million were made by the System during FY 93, up 7.7 percent from FY 92. A total of 1,017 disability benefits were paid to members whose average age was 55 and average years of service was 16.8.

There were 348 new disability benefits paid during FY 93 with an average benefit of \$ 1,198. Of these new claims, 32 percent were for pregnancy-related disabilities, 14 percent for cancer and tumors, 5 percent for mental illness, another 5 percent for heart and circulatory problems, 5 percent for dislocated and ruptured disks and 1 percent for AIDS. Other disabilities accounted for the remainder of the claims.

Survivor benefits

Average monthly survivor benefits of \$484 were paid to 5,642 survivors of TRS members and annuitants in FY 93. The average age of the deceased was 73. There were 552 new claims during the year for monthly benefits and the average monthly benefit for FY 93 claims was \$595. Total payments rose from \$30.7 million in FY 92 to \$34.4 million in FY 93.

Use of the Early Retirement Option

As of June 30

Year	Retirements		ERO % of Total	Average Payment	Average Salary
	Total	ERO			
1983	1,946	468	24.0	5,801	24,889
1984	1,842	454	24.7	6,451	28,340
1985	2,336	645	27.6	5,924	28,331
1986	2,160	534	24.7	6,757	30,985
1987	2,093	552	26.4	7,191	32,202
1988	2,116	555	26.5	7,646	34,935
1989	2,044	630	30.8	7,798	37,141
1990	2,067	573	27.7	8,032	38,911
1991	2,097	627	29.9	8,339	40,746
1992	2,547	631	24.8	8,456	42,291
1993	2,450	487	19.9	9,604	46,447

Health insurance

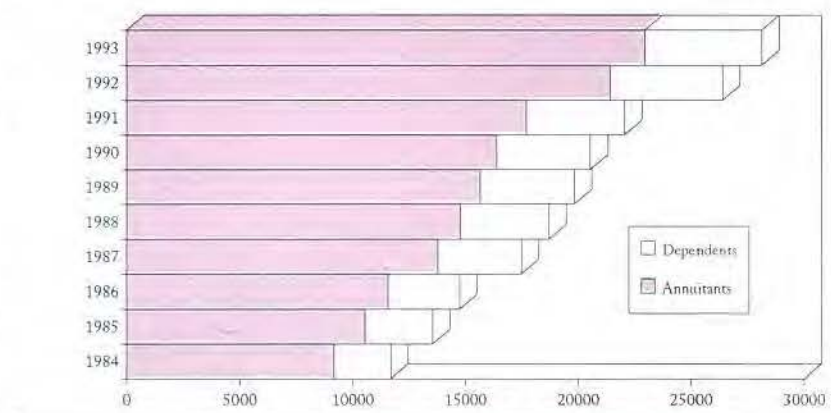
Since 1981, the System has provided health and prescription drug insurance. The plan, administered by Blue Cross/Blue Shield, is available to annuitants electing coverage. Annuitants may also enroll their dependents.

Coverage options

For annuitants and their dependents who qualify for Medicare, TRS provides Medicare supplement coverage. After the \$300 yearly deductible, the plan pays the balance of all claims that are reasonable and customary that Medicare does not pay. As of June 30, 1993, 16,167 members and 3,627 dependents were enrolled in this option.

Annuitants who do not qualify for free Medicare Part A coverage at age 65 may elect the Special Coverage Option. This option provides coverage for both hospital and physician services. It pays

Health Plan Enrollment



all claims that are reasonable and customary after a \$300 deductible and 80%-20% coinsurance of the next \$10,000 of covered expenses and 100 percent coverage thereafter. As of June 30, 1993, 1,291 annuitants and dependents were enrolled in this option.

Annuitants and their dependents under 65 are offered a major medical plan which provides coverage for both hospital and physician services. On June 30, 1993, 5,502 annuitants and 1,558 dependents were enrolled in this plan.

Premiums

The System pays 75 percent of the cost of the premium for participating annuitants; however, dependent premiums are the responsibility of the annuitants.

Reserve Account

The System maintains a Health Insurance Reserve Account for the purpose of paying the System's 75 percent share for enrolled annuitants. On June 30, 1992, the reserve fund balance was \$74.5 million. During FY 93, the account was credited with the maximum allowable transfer of \$20 million plus \$6 million interest earned. Premium payments of \$37.5 million were charged to the account leaving a June 30, 1993, reserve fund balance of \$63 million.

For the second consecutive year, the reserve fund balance failed to increase—a result of the \$20 million transfer limit, the recent increase to a 75 percent premium subsidy and increased premiums and enrollment.

TRS Subsidy Payments

Fiscal Year			
1981	109,689	1987	5,409,000
1982	627,000	1988	6,823,000
1983	1,503,000	1989	8,346,000
1984	2,412,000	1990	10,331,000
1985	3,094,000	1991	15,142,000
1986	4,800,000	1992	27,717,000
		1993	37,498,000

Under the Illinois Pension Code, the System can transfer up to \$20 million dollars from investment earnings into the Reserve Account annually. Interest accrues on the balance and the resulting balance is used to meet the System's 75 percent premium subsidy payments.

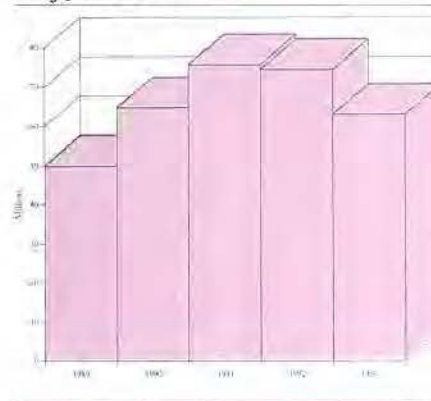
Continuation of this downward trend may result in insufficient funds as early as February 1995. The Teachers' Retirement System is actively encouraging the General Assembly to readdress this issue and to explore options to ensure continuing coverage to TRS annuitants.

Claims Experience

June 30	Premiums Paid	Retention Fees*	Claims Paid
1983	\$ 3,826,362	\$ 277,021	\$ 3,467,117
1984	6,242,236	368,008	5,962,159
1985	8,931,731	427,746	8,195,968
1986	11,640,732	539,458	9,859,427
1987	13,932,201	617,300	13,163,179
1988	17,066,035	735,546	17,714,923
1989	20,859,736	899,055	22,015,321
1990	26,048,490	1,122,690	24,921,796
1991	31,411,797	1,353,848	30,348,628
1992	45,562,267	1,963,734	40,927,520
1993	61,229,774	2,639,003	53,282,267

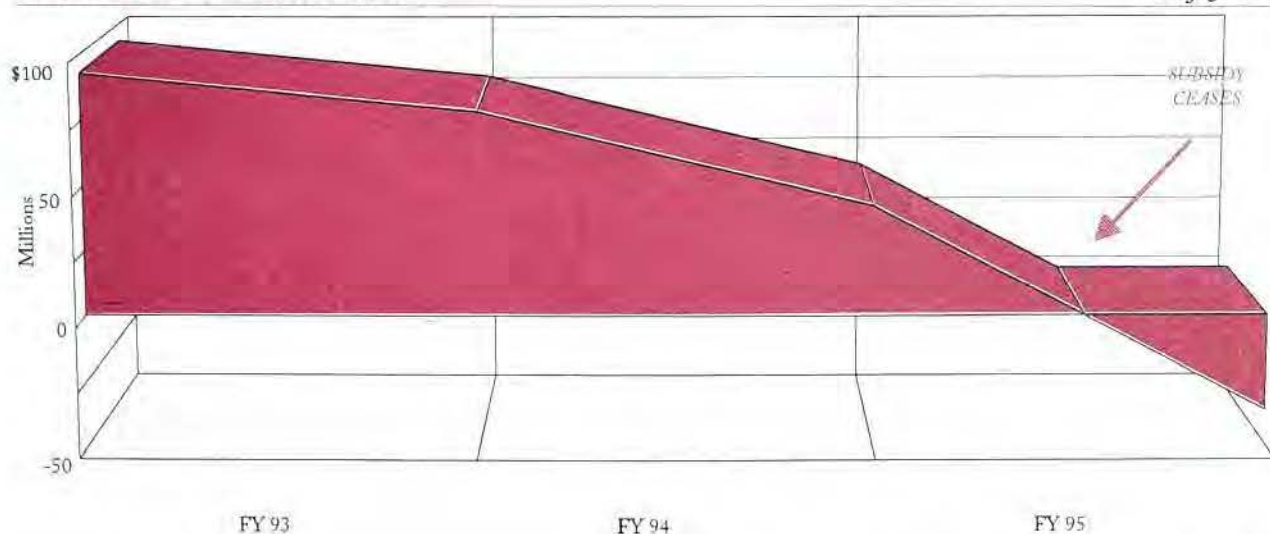
* Retention is the percentage of premiums paid to the insurance carrier to cover the administrative costs for processing claims and the risk involved in underwriting the contract.

Reserve Account As of June 30



Health Insurance Reserve Account

As of June 30





Plan Summary

Administration

The Teachers' Retirement System was created and is governed by 40 Illinois Compiled Statutes beginning with Chap. 5, Section 16-101. A Board of Trustees, comprised of the State Superintendent of Education, four persons appointed by the Governor, four elected members of the System and one elected annuitant, is authorized to carry out provisions of the Article. This Board appoints an Executive Director responsible for the detailed administration of the System.

Revenue

Three primary sources of revenue for the System are contributions from active members, appropriations from the State of Illinois and investment income. The required member contribution rate is 8 percent of gross earnings, designated as follows: 6 1/2 percent for retirement annuity, 1/2 percent for post-retirement increases and 1 percent for death benefits.

Membership

Membership in the System is mandatory for all individuals certified under the provisions of The School Code of Illinois and employed in positions requiring certification in the public schools of Illinois (outside Chicago). Beginning July 1, 1990, TRS-covered employment includes all substitute and part-time teaching positions.

Service Credit

A member is granted one year of credit for 170 paid days but not more than one year during a fiscal year ending June 30. Subject to limitations, optional credit is granted for substitute or part-time teaching prior to July 1, 1990, out-of-system service, an official leave of absence, reduction in force, and military service and related educational training. Such service requires additional contributions. Up to one year of credit is also added at retirement for unused, uncompensated sick leave days established with former employers.

Disability Benefits

A member with at least three years of creditable service disabled while employed as a teacher or within 90 days of such employment may be eligible for benefits if two licensed physicians verify the disability. However, no benefit will be paid while the member is entitled to receive salary (regular or sick leave) from the employer. In the case of disability due to pregnancy, only one physician must verify the disability. Part-time and substitute teachers must work as teachers for at least 340 hours in either the school year in which the disability occurs or the preceding school year to be eligible for disability benefits.

Disability benefits are 40 percent of the greater of the contract salary rate in effect at the time the benefit becomes payable or the annual contract rate on the date the disability commenced. The member continues to earn service credit while receiving disability benefits.

A disability retirement annuity is available for members who are receiving a disability benefit. This benefit pays 35 percent of the salary used in calculating disability benefits or the amount computed by the retirement annuity formula, whichever is greater.

Occupational disability benefits are available to members disabled due to a duty-related accident or illness. This benefit pays 60 percent of the greater of the contract salary rate in effect at the time the benefit becomes payable or the annual contract rate on the date the disability commenced reduced by any amounts payable under a workers' compensation program. Service credit is earned during periods of occupational disability.

On January 1 following the fourth anniversary of the granting of disability, occupational disability or disability retirement benefits, the benefit increases 7 percent. Thereafter, the benefit increases 3 percent of the current benefit annually.

Death Benefits

Death benefits consist of a return of the member's accumulated contributions and the payment of survivor benefits.

Accumulated contributions are the member's contributions to the System plus the interest required by statute. Survivors of members receive a return of accumulated contributions. Survivors of annuitants receive accumulated contributions minus the amount received as retirement annuity.

Survivors of members are eligible for survivor benefits if death occurs while the member is employed as a teacher, during the first year following termination of employment, while on a creditable leave of absence, or while in receipt of disability or occupational disability benefits. Survivors of inactive members not meeting these requirements but with 20 years of service are eligible for survivor benefits calculated as though the member had been in retirement. Beneficiaries of annuitants who contributed to the survivor benefit program and did not withdraw those contributions are also eligible for survivor benefits.

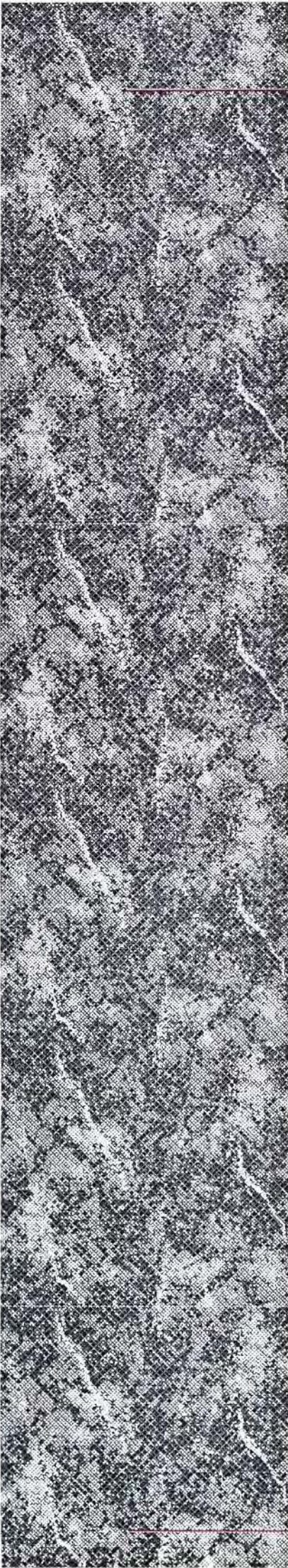
Survivor benefits are payable in one of two forms. A lump-sum settlement is available to dependent and nondependent beneficiaries. For active members, it consists of a cash settlement based on the final salary rate as a teacher. For retired members, the benefit is based on the greater of the higher annual salary rate within the last four years of service reduced by 1/6 for each year or partial year in retirement, survivor benefit contributions or \$3,000.

Monthly benefits are payable to dependent beneficiaries of annuitants and members with 1 1/2 years of credit and at least 60 days of creditable service during the 18 months preceding death. The System provides a 3 percent increase in the currently payable monthly survivor benefit on January 1 following the granting of the benefit for survivors of an annuitant and on January 1 following the first anniversary of the granting of the benefit for survivors of a member.

If a member retired or is retiring and has no spouse or eligible child, he or she may take a refund of actual survivor benefit contributions, waiving all rights to have survivor benefits paid to beneficiaries; however, designated beneficiaries remain eligible for a return of the member's excess accumulated contributions (if any) upon the annuitant's death. To restore eligibility for survivor benefits, the annuitant must return to contributing service for at least one year and repay the refund with interest.

Retirement Benefits

A member qualifies for a retirement annuity after attaining one of the following: age 62 with 5 years of service credit; age 60 with 10 years; or age 55 with 20 years. If retirement occurs between ages 55 and 60 with less than 35 years of service, the annuity will be reduced at the rate of 1/2 percent for each month the member is under age 60. A member age 55 with less than 35 years may use the early retirement option to avoid a discount for early retirement if retirement occurs before July 1, 1995, application for retirement occurs within six months of the last day of service requiring contributions, and the member and the employer both make a one-time contribution to the System. Substitute teachers must teach 85 or more days in a school term with one employer to be eligible for the early retirement option.



The annuity is determined by the average of the four highest consecutive salary rates within the last ten years of creditable service and the percentage of average salary to which the member is entitled. This percentage is determined by the following formula: 1.67 percent for each of the first ten years, plus 1.9 percent for each of the next ten years, plus 2.1 percent for each of the next ten years, plus 2.3 percent for each year over 30. The maximum annuity, 75 percent of average salary, is achieved with 38 years of service.

An actuarial calculation is used if a member has no service after July 1, 1947, or if it provides a greater benefit. This calculation is based on interest and mortality rate factors which are subject to change.

A member with fewer than five years of creditable service who taught after July 1, 1947, is eligible to receive a single-sum retirement benefit at age 65. The benefit is the actuarial equivalent of a life annuity consisting of 1.67 of final average salary for each year of creditable service. To be eligible, the member must terminate TRS-covered employment.

Post-Retirement Increase

The System provides 3 percent compounded annual increases in the age or disability retirement annuity for qualifying annuitants beginning the later of: January 1 following the attainment of age 61 or January 1 following the first anniversary in retirement.

Refunds

The System will refund a member's contributions provided the member has officially resigned from a position requiring System membership, has not been reemployed in such a position, and submits the refund application not earlier than four months after termination of employment. The refund consists of all retirement contributions made by the member excluding interest and the 1 percent death benefit contribution. When the member accepts a refund, he or she forfeits all credit with the System. The credit may be reestablished if the member returns to teaching in a position requiring contributions to the System for one year and repays the refund with interest.

TRS Health and Prescription Drug Insurance Plan

Annuitants and beneficiaries of the System and their eligible dependents may enroll in the TRS Health and Prescription Drug Insurance Plan. This partially subsidized plan covers hospital and physicians' medical expenses and prescription drugs.

Special Conditions

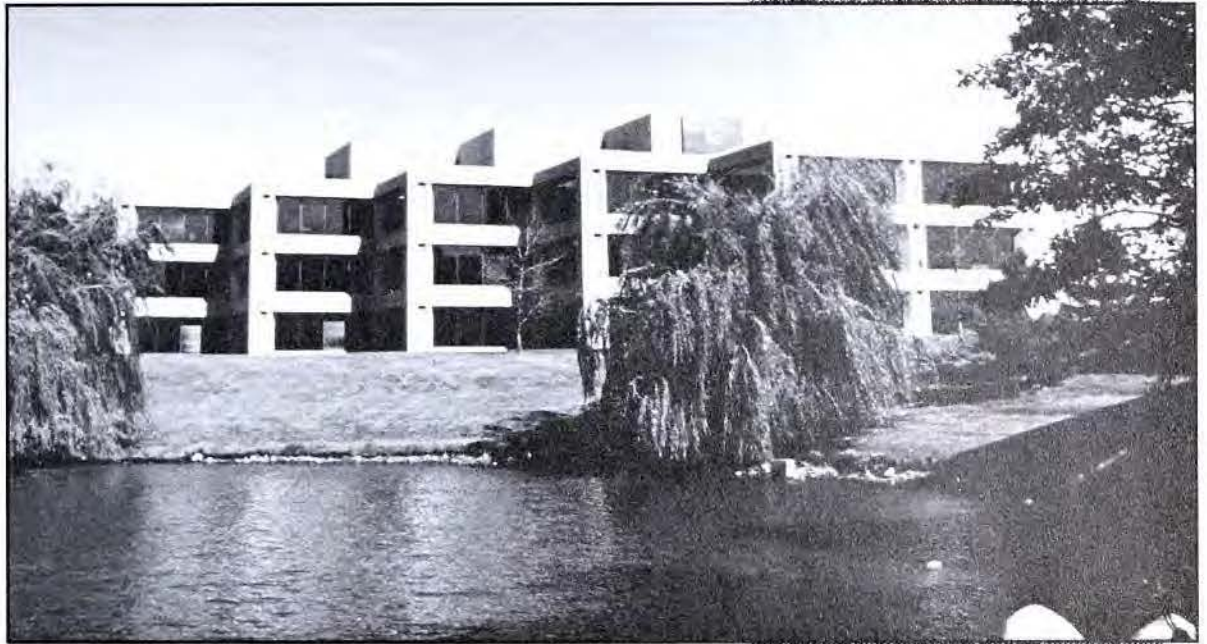
Any member convicted of a felony related to or in connection with teaching is not eligible for TRS benefits; however, that member may receive a refund of contributions.

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

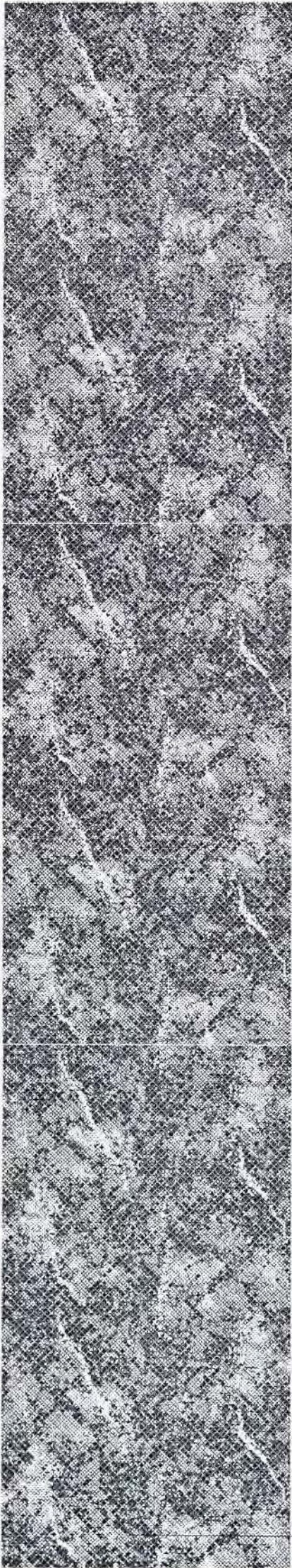
Continuity of Credit within Illinois

TRS is one of 13 systems included in the provisions of the Retirement Systems Reciprocal Act which assures continuous pension credit for public employment in Illinois.

Statistical Section



The Teachers' Retirement System has offices in both Springfield (bottom) and Lisle (top). Both office complexes also house tenant businesses as well as offices for the System. (Investment Manager: In Springfield, TRS; in Lisle, Capital Associates)



Average Annual Salary for Active Members by Years of Service*

<i>As of June 30</i> <i>Years of Service</i>		1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
0-5	Total #	23,482	19,764	19,030	22,160	23,384	24,792	25,296	22,949	26,770	26,962
	Average \$	16,618	17,166	17,818	18,555	19,726	20,845	22,121	23,284	24,752	25,881
6-10	Total #	23,433	22,047	21,157	19,698	18,819	17,129	15,314	15,359	14,811	15,820
	Average \$	20,338	20,915	21,841	23,005	24,320	25,780	27,124	28,158	30,524	32,141
11-15	Total #	23,201	23,462	22,833	20,700	19,460	18,417	17,671	18,066	16,438	15,914
	Average \$	24,467	25,341	26,378	27,607	29,001	30,312	31,581	32,791	35,078	37,016
16-20	Total #	13,920	15,481	17,419	18,528	19,163	19,689	19,867	20,027	18,403	17,454
	Average \$	22,165	28,309	29,976	31,056	33,144	34,771	36,315	37,984	40,060	41,984
21-25	Total #	8,588	8,747	9,089	9,391	10,257	11,474	12,830	14,755	15,719	16,422
	Average \$	28,976	30,199	31,657	33,309	35,246	37,153	39,141	41,523	43,958	46,051
26-30	Total #	4,494	5,053	5,479	5,864	6,245	6,456	6,659	7,152	7,605	8,307
	Average \$	30,396	31,960	34,026	35,740	37,666	39,474	41,429	43,316	45,877	48,438
31-35	Total #	2,279	2,251	2,009	2,002	2,089	2,394	2,758	3,222	3,479	3,742
	Average \$	31,887	33,651	35,782	37,533	39,310	41,730	43,749	46,363	49,046	52,047
Over 35	Total #	436	421	430	483	517	426	462	457	478	539
	Average \$	30,042	31,494	33,930	37,533	40,492	43,465	45,979	48,146	49,979	55,044
	Total #	99,833	97,226	97,446	98,826	99,934	100,777	100,857	101,987	103,703	105,160
	Average \$	22,877	24,141	25,454	26,522	28,085	29,638	31,318	33,024	35,321	37,193

* Statistical information on the System's active membership is not yet available for FY93.

Annual salaries are computed using full- and part-time teaching earnings only; substitute and hourly employees and extra duty earnings were omitted.

Schedule of Average Monthly Payment Amounts

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$
< 5					6	305
06 - 10					18	335
11 - 15					68	335
16 - 20					34	356
21 - 25			1	790	0	000
26 - 30			11	900	1	618
31 - 35			21	974	4	611
36 - 40			48	905	18	663
41 - 45			112	929	45	684
46 - 50			127	1,091	77	647
51 - 55	449	1,924	188	1,080	198	745
56 - 60	3,936	1,884	183	1,189	282	698
61 - 65	7,775	1,701	135	911	525	671
66 - 70	8,076	1,442	92	779	670	615
71 - 75	7,167	1,106	55	578	830	489
76 - 80	6,067	952	21	458	980	447
81 - 85	5,194	827	9	347	1,067	362
86 - 90	3,241	702	6	371	589	324
Over 90	1,290	628	8	383	230	281
Totals	43,195	\$ 1,256	1,017	\$ 966	5,642	\$ 484

Active Members by Years of Age and Years of Service

AGE		Substitutes ①	Full and Part-time Members					
			0-5	6-10	11-15	16-20	21-25	
20-24	Total Number	1,901	1,468					
	Average Salary	2,340	21,204					
	Average Years of Service							
25-29	Total Number	3,283	8,476	636				
	Average Salary	2,618	24,402	28,407				
	Average Years of Service							
30-34	Total Number	1,996	4,056	4,601	478	1		
	Average Salary	2,638	26,178	30,090	33,631	29,827		
	Average Years of Service							
35-39	Total Number	2,694	3,328	2,775	5,717	786		
	Average Salary	2,555	25,838	31,743	35,393	38,878		
	Average Years of Service							
40-44	Total Number	4,399	4,820	3,315	4,176	9,032	1,388	
	Average Salary	3,034	26,430	32,858	36,951	41,352	43,819	
	Average Years of Service							
45-49	Total Number	3,125	3,160	2,687	2,694	3,866	9,045	
	Average Salary	3,349	28,511	34,212	38,826	43,694	46,367	
	Average Years of Service							
50-54	Total Number	1,757	1,158	1,268	1,783	2,013	3,300	
	Average Salary	3,976	30,499	34,934	39,191	42,768	46,548	
	Average Years of Service							
55-59	Total Number	930	357	389	749	1,162	1,637	
	Average Salary	5,142	30,519	35,106	39,385	41,978	45,263	
	Average Years of Service							
60-64	Total Number	594	117	123	258	478	834	
	Average Salary	5,670	28,795	34,464	39,270	41,222	45,818	
	Average Years of Service							
65-69	Total Number	269	19	23	52	105	186	
	Average Salary	4,621	26,426	33,292	38,788	45,221	46,571	
	Average Years of Service							
70-74	Total Number	87	3	3	6	10	30	
	Average Salary	4,052	39,172	21,199	30,023	42,812	47,905	
	Average Years of Service							
> 74	Total Number	25	1	1	2	2	3	
	Average Salary	2,807	38,107	39,904	37,075	41,214	37,979	
	Average Years of Service							
Total Number		21,060	26,962	15,820	15,914	17,454	16,422	
Average Salary		3,125	25,881	32,141	37,016	41,984	46,051	

26-30	31-35	36-40	41-45	46-50	51-55	Totals	Average Service
						1,468 21,204	1.18
						9,112 24,682	2.944
						9,136 28,538	5.915
						12,606 32,284	9.596
						22,731 36,291	12.83
943 47,788						22,395 41,080	16.615
4,779 48,899	596 50,261					14,897 43,823	20.409
1,738 48,452	2347 52,657	109 55,975				8,488 46,039	24.061
645 46,320	666 52,136	297 55,906	12 50,228			3,430 45,907	24.813
178 46,908	110 48,877	67 52,692	27 61,188	2 40,042		769 46,403	25.632
22 50,043	20 50,266	9 36,163	8 52,248	6 44,832	1 48,169	118 45,707	28.213
1 37,781						10 38,631	28.597
8,307 48,438	3,742 52,047	483 55,070	47 56,868	8 43,635	1 48,169	105,160 \$ 37,193	14.112

Retired Members by Years of Service and Years in Retirement

O YEARS RETIRED		☉ YEARS OF SERVICE					
		1-5	6-10	11-15	16-20	21-25	26-30
1-5	Total Number	446	518	606	849	1,606	1,732
	Average Benefit	162	409	597	939	1,307	1,736
	Average Original Benefit	154	390	563	888	1,252	1,678
6-10	Total Number	412	555	687	1,211	1,700	1,841
	Average Benefit	130	288	537	876	1,157	1,569
	Average Original Benefit	101	219	434	722	965	1,313
11-15	Total Number	256	315	652	1,163	1,431	1,417
	Average Benefit	115	262	440	701	916	1,248
	Average Original Benefit	77	170	304	503	663	907
16-20	Total Number	208	307	571	948	1,225	1,144
	Average Benefit	75	223	368	563	725	972
	Average Original Benefit	41	122	213	343	449	610
21-25	Total Number	94	146	314	679	852	861
	Average Benefit	42	183	308	445	585	743
	Average Original Benefit	9	76	134	216	304	397
26-30	Total Number	21	29	92	232	355	306
	Average Benefit	44	162	274	386	489	610
	Average Original Benefit	3	34	63	121	189	250
31-35	Total Number	8	4	13	85	204	154
	Average Benefit	67	157	297	399	477	577
	Average Original Benefit	5	14	43	105	128	178
36-40	Total Number		1	3	21	45	67
	Average Benefit		200	282	388	490	571
	Average Original Benefit		38	38	65	95	109
41-45	Total Number				6	20	21
	Average Benefit				419	486	575
	Average Original Benefit				42	45	67
46-50	Total Number				4	7	6
	Average Benefit				365	512	579
	Average Original Benefit				16	64	75
Total Number		1,445	1,875	2,938	5,198	7,445	7,549
Average Benefit		122	296	461	701	950	1,291
Average Original Benefit		97	228	343	524	740	1,028

31-35	36-40	41-45	46-50	>50	Totals	Average Age
2,548	1,815	112	24	4	10,260	
2,385	2,878	3,155	2,550	1,966	1,781	62
2,331	2,776	3,003	2,406	1,858	1,721	
2,256	1,291	108	31	5	10,097	
2,152	2,663	2,279	2,473	1,793	1,498	67
1,803	2,206	1,875	2,021	1,449	1,246	
1,470	647	144	27	2	7,524	
1,709	1,906	1,864	1,837	1,369	1,111	72
1,250	1,388	1,344	1,339	1,030	805	
1,096	897	295	56	2	6,749	
1,283	1,568	1,546	1,461	1,569	916	78
810	983	952	890	946	570	
807	962	602	116	6	5,439	
987	1,204	1,199	1,130	997	806	84
550	676	659	605	538	432	
310	360	225	42		1,972	
712	838	929	931		634	88
314	388	439	433		270	
174	132	64	9		847	
649	744	798	835		584	90
228	305	334	346		198	
38	32	8	2		217	
635	655	699	698		560	94
179	203	232	245		132	
13	8	2			70	
637	653	677			559	96
130	135	154			81	
3					20	
639					522	98
83					60	
8,715	6,144	1,560	307	19	43,195	
2,097	1,838	1,483	1,461	1,510	\$ 1,256	72
1,709	1,528	983	972	1,150	\$ 1,001	

Schedule of Participating Employers

As of June 30, 1993

5 CTY REG VOC SYS
 ABINGDON CUS
 ADAMS-PIKE ESR
 ADDISON SCH DIST 4
 ADLAI E STEVENSON HS
 ADOLPH MEYER ZONE CTR
 AERO
 AKIN COMM CONS
 ALBERS SCH
 ALDEN HEBRON SCH
 ALEDO CUSD 201
 ALEXIS SCH
 ALLEN TWP SCH
 ALLENDALE SCH
 ALTAMONT SCH
 ALTERNATIVE SCH
 ALTON MH CTR
 ALTON SCH
 ALWOOD CUS
 AMBOY SCH
 ANN M KILEY DEV CTR
 ANNA C C SCH
 ANNA JONESBORO COMM
 ANNAPAN SCH
 ANTIOCH C C SCH DIST 34
 ANTIOCH COMM HS
 APTAKISIC TRIPP SCH
 ARBOR PARK SCH
 ARCOLA SCH
 AREA SERVICE PROJECT
 ARGENTA SCH
 ARGO COMM HS
 ARGO SUMMIT SCH
 ARLINGTON HTS SCHS
 ARMSTRONG SCH
 ARMSTRONG TWP HS
 ARTHUR SCH
 ARTMP
 ASHLAND-CHANDLERVILLE
 ASHLEY SCH
 ASHTON C UNIT SCH
 ASSISTANT CTY SUP
 ASSISTANT SUP ESR
 ASSISTANT SUP ESR
 ASTORIA SCH
 ATHENS SCH
 ATWOOD HAMMOND SCH
 ATWOOD HEIGHTS SCH
 AUBURN SCH
 AUDIO VISUAL INST
 AURORA SCH
 AURORA WEST SCH
 AVISTON SCH
 AVOCA SCH
 AVON SCH
 BALL CHATHAM SCH
 BANNOCKBURN SCH
 BARRINGTON SCH
 BARRY SCH
 BARTELSON SCH
 BARTONVILLE PUB SCH
 BASED
 BATAVIA SCH
 BEACH PARK SCH
 BEARDSTOWN SCH
 BEASON SCH
 BECK AREA VOC CTR
 BEECHER CITY SCH
 BEECHER SCH
 BELLE VALLEY SCH
 BELLEVILLE SCH
 BELLEVILLE SCH
 BELLEVILLE TWP HS J
 BELVIDERE SCH
 BEMENT SCH
 BENJAMIN SCH
 BENSenville SCH
 BENTON CONS HS
 BENTON SCH
 BERKELEY SCH
 BERWYN N SCH
 BETHALTO SCH
 BETHANY SCH
 BETHEL SCH
 BI CTY SP ED COOP
 BIG HOLLOW SCH
 BISMARCK SCH
 BLACKHAWK AREA SP ED
 BLOOM TWP HS
 BLOOMINGDALE SCH
 BLOOMINGTON SCH
 BLUE ISLAND SCH
 BLUE MOUND CUS
 BLUE RIDGE SCH
 BLUFFS COMM SCH
 BLUFORD GRADE SCH
 BOND CTY CUS
 BOURBONNAIS SCH
 BRACEVILLE SCH

BRADFORD CUS
 BRADLEY BOURBONNAIS
 BRADLEY SCH
 BRESEE SCH
 BREMEN COMM HS
 BRIMFIELD SCH
 BROOKWOOD SCH
 BROWN C C UNIT SCH
 BROWNSTOWN SCH
 BRUSSELS CUS
 BRYCE ASH SCH
 BUNCOMBE SCH
 BUNKER HILL CUS
 BURBANK SCH DIST 111
 BUREAU CTY EDUC SERV REGION
 BUREAU OF AGENCY SUPPORT SERV
 BURNHAM SCH
 BUSHNELL PRAIRIE SCH
 BUTLER SCH
 BYRON CUSD 226
 CAHOKIA UNIT SCH
 CAIRO SCH
 CALHOUN GREENE JERSEY ESR
 CALHOUN SCH
 CALUMET SCH
 CAMBRIDGE SCH
 CANTON UNION SCH
 CAPITAL AREA VOC CTR
 CARBONDALE COMM HS
 CARBONDALE ELEM SCH
 CAREER DEV SYS
 CAREER PREPARATION NETWORK
 CARLINVILLE SCH
 CARM WHITE CTY
 CARRIER MILLS SCH
 CARROLLTON SCH
 CARTERVILLE C UNIT SCH
 CARTHAGE CUD 338
 CARY SCH
 CASEY WESTFIELD CUS
 CASS SCH
 CATLIN CUS
 CENTER CASS SCH DIST 66
 CENTRAL A&M CUSD 21
 CENTRAL CITY SCH
 CENTRAL COMM HS
 CENTRAL CU 4
 CENTRAL CUS
 CENTRAL IL ED SER CTR 14
 CENTRAL IL VOC ED COOP
 CENTRAL SCH
 CENTRAL SCH
 CENTRALIA SCH
 CENTRALIA TWP HS
 CENTURY UNIT SCH
 CERRO GORDO SCH
 CHAMPAIGN SCH
 CHAMPAIGN/FORD VOC SYS
 CHANEY MONGE SCH SYS
 CHANNAHON SCH
 CHARLESTON SCH
 CHENOA SCH
 CHERRY SCH
 CHESTER CUS
 CHESTER EAST LINCOLN
 CHESTER MH CTR
 CHICAGO HTS SCH
 CHICAGO READ MH CTR
 CHICAGO RIDGE SCH
 CHOATE MH CENTER
 CHRISTIAN-MONT ED FOR EMPL
 CHRISTOPHER COMM HS
 CHRISTOPHER SCH
 CICERO SCH
 CISSNA PARK SCH
 CLAY CITY CU DIST 10
 CLIFF BARSTOW SCH
 CLINTON SCH
 COAL CITY SCH
 COBDEN SCH
 COLCHESTER SCH
 COLLINSVILLE SCH
 COLONA SCH
 COLUMBIA UNIT SCH
 COMM CONS SCH
 COMM UNIT DIST 5
 COMM UNIT SCH
 COMM CONS SCH DIST 180
 COMM CONS SCH DIST 93
 COMM HS DIST 218
 COMM UNIT DIST
 COMM UNIT DIST 399
 COMM UNIT SCH 3
 COMM UNIT SCH DIST 200
 COMM UNIT SCH DIST 100
 COMM UNIT SCH DIST 11
 COMM UNIT SCH DIST 4
 COMM CONS SCH
 COMM CONS SCH DIST 15

COMM CONS SCH DIST 54
 COMM UNIT SCH
 COMM UNIT SCH DIST 6
 COMM UNIT SCH
 COMM UNIT SD 201
 CONGERVIL EUREKA SCH
 CONS HS DIST 230
 COOP FOR EMPL ED
 CORNELL SCH
 CORRECTIONS SCH DIST 428
 COULTERVILLE SCH
 COUNTRY CLUB HILLS SCH
 COUNTY SUP ESR
 COWDEN HERRICK HS
 COWDEN HERRICK SCHS
 CRAB ORCHARD SCH
 CRESCENT CITY SCH
 CRESCENT IROQUOIS CO
 CRESTON SCH
 CRETE MONEE SCH
 CREVE COEUR PUB SCHS
 CRYSTAL LAKE COMM HS
 CRYSTAL LAKE SCH
 CYPRESS SCH
 DAKOTA SCH
 DALLAS CITY CU
 DALZELL SCH
 DAMIANSVILLE SCH
 DANVILLE C C SCH
 DARIEN PUB SCHS
 DAVEA
 DECATUR SCH
 DEER CREEK - MACKINAW
 DEER PARK SCH
 DEERFIELD SCH
 DEKALB CTY SPE ED
 DEKALB SCH
 DELABAR VOC ED REG
 DELAND WELDON SCH
 DELAVAN SCH
 DEPT OF REHAB - 41 201
 DEPT OF REHAB - 41 202
 DEPT OF REHAB-CHILD HOSP
 DEPT OF REHAB-VISUALLY
 IMPAIRED
 DEPT OF REHAB-SCH FOR DEAF
 DEPT OF REHAB
 DEPUE SCH
 DESOTO GRADE SCH
 DESPLAINES SCH
 DIAMOND LAKE SCH
 DIETERICH SCH
 DIMMICK CONS SCH
 DIST 50 SCHS
 DIVERNON SCH
 DIXON PUB SCHS
 DODDS SCH
 DOLTON SCH
 DOLTON SCH
 DONGOLA SCH
 DONOVAN SCH
 DOWNERS GROVE COMM HS
 DOWNERS GROVE SCH
 DRUG-FREE SCH & TRUANCY
 PROGRAM
 DUNFERMLINE SCH
 DUNLAP CUS
 DUPAGE HS
 DUPAGE WEST COOK REG ED
 DUPO SCH
 DUQUOIN CU
 DURAND SCH
 DWIGHT COMM SCH MULT
 HANDICAP
 DWIGHT GRADE SCH
 DWIGHT TWP HS
 E ALTON WOOD RIVER HS
 E CENTRAL IL ESC
 E ST LOUIS SCH
 EARLVILLE SCH
 EAST ALTON SCH
 EAST CHICAGO HTS SCH
 EAST COLOMA SCH
 EAST DUBUQUE SCH
 EAST MAINE SCH
 EAST MOLINE SCH
 EAST PEORIA COMM HS
 EAST PEORIA SCH
 EAST PRAIRIE SCH
 EAST RICHLAND CUS
 EASTLAND CU DIST
 EDGAR CTY CU DIST 6
 EDINBURG CU 4
 EDMUND F LINDOP SCH
 ED FOR EMPL
 ED FOR EMPL
 ED GRANTS
 EDU DEV CTR
 ESC 12

ESC 11
 ESC 17
 ESC 4
 EDL SERVICE REGION
 EDL THERAPY CTR
 EDWARDS CTY CUS
 EDWARDSVILLE SCH
 EFFINGHAM SCH
 EGYPTIAN CU SC
 EGYPTIAN ESC 18
 EISENHOWER COOP
 EL PASO SCH
 ELDORADO CU
 ELEM SCH DIST 159
 ELGIN MH CTR
 ELGIN SCH
 ELISABETH LUDEMAN CTR
 ELK GROVE SCH
 ELMHURST CUSD
 ELMWOOD CUS
 ELMWOOD PARK COMM SCHS
 ELVERADO CUS
 ELWOOD SCH
 EMMONS SCH
 ERIE COMM SCH UNIT
 ESL REG VOC SYS
 ESWOOD COMM CONS
 EVANSTON TWP HS
 EVANSTON/SKOKIE SCH DIST
 EVERGREEN PARK COMM
 EVERGREEN PARK SCH
 EWING NORTHERN SCH
 FAIRFIELD COMM HS
 FAIRFIELD SCH
 FAIRMONT SCH
 FAIRVIEW SCH
 FARMINGTON CENTRAL UNIT SCH
 FARRINGTON SCH
 FED ADULT ED PROJECT
 FENTON HS
 FIELD SCH
 FIELDCREST CUSD 6
 FINDLAY SCH
 FISHER CUSD 1
 PLANAGAN SCH
 FLORA CUS
 FLOSSMOOR SCH
 FORD IROQUOIS CTY SP ED
 FOREST PARK SCH
 FOREST RIDGE SCH
 FOUR RIVERS SP ED
 FOX DEV CTR
 FOX LAKE SCH
 FOX RIVER GROVE SCH
 FRANKFORT COMM UNIT
 FRANKFORT SCH
 FRANKLIN JEFFERSON CTY SP ED
 FRANKLIN PARK SCH
 FRANKLIN SCH
 FREEBURG COMM HS
 FREEBURG SCH
 FREEPORT SCH
 FREMONT SCH
 FULTON CTY CUBA SCH
 GALATIA CUS
 GALENA UNIT DIST
 GALESBURG CUS
 GALLATIN CTY USD
 GALVA SCH
 GARDNER S WILMINGTON
 GARDNER SCH
 GAVIN SCH
 GEFF SCH
 GENERAL OFFICE
 GENESEO SCH
 GENEVA SCH
 GENOA KINGSTON SCH
 GEO ZELLER ZONE CTR
 GEORGETOWN-RIDGE FARM CU 4
 GERMANTOWN HILLS SCH
 GERMANTOWN SCH
 GIANT CITY SCH
 GIFFORD SCH
 GIFTED PROGRAM
 GILLESPIE SCH
 GIRARD SCH
 GLEN ELLYN SCH
 GLENBARD TWP HS
 GLENCOE SCH
 GLENVIEW SCH
 GOREVILLE CU 1
 GOV PURCHASED CARE REVIEW
 GOWER SCH
 GRAND PRAIRIE SCH
 GRAND RIDGE SCH
 GRANITE CITY SCH
 GRANT COMM HS
 GRANT PARK SCH
 GRANTS

GRASS LAKE SCH
 GRAYMONT C CONS SCH
 GRAYSLAKE COMM HS
 GRAYSLAKE SCH
 GRAYVILLE SCH
 GREENFIELD SCH
 GREENVIEW SCH
 GRIDLEY SCH
 GRIGGSVILLE SCH
 GRUNDY AREA VOC CTR
 GURNEE SCHS
 HALL TWP HS
 HAMILTON CTY C U
 HAMILTON JEFFERSON COOP
 HAMILTON SCH
 HAMPTON SCH
 HARDIN CTY CU
 HARLEM SCH
 HARMONY EMGE SCH
 HARRISBURG CU
 HARRISON SCH
 HARTSBURG EMDEN SCH
 HARVARD SCH
 HARVEY PUB SCH
 HAVANA SCH
 HAWTHORN SCH DIST 73
 HAZEL CREST SCH
 HENRY-SENACHWINE CUD 5
 HERITAGE DIST 8
 HERRIN CUS
 HERSCHER SCH
 HEYWORTH SCH
 HIAWATHA SCH
 HIGH MOUNT SCH
 HIGHLAND PARK TWP HS
 HIGHLAND SCH
 HIGHLANDS SCH
 HILLSBORO SCH
 HILLSIDE SCH
 HINCKLEY BIG ROCK
 HINSDALE SCH
 HINSDALE TWP HS
 HOLLIS CONS SCH
 HOMER COMM CONS SCH
 HOMEWOOD FLOSSMOOR C
 HOMEWOOD SCH
 HONONEGAH COMM HS
 HOOVER SCH RUM SCH
 HOYLETON CONS SD 29
 HUNTLEY SCH
 HUTSONVILLE SCH
 IL ED ASS
 IL FED OF TEACHERS
 IL STATE PSYCH INST
 IL STATE BOARD OF ED
 IL STATEWIDE FACILITATOR CTR
 IL VALLEY CENTRAL UNIT SCH
 IL VALLEY ESC 9
 ILLINI BLUFFS UNIT
 ILLINI CENTRAL CUSD 189
 IL ASS OF SCH BOARDS
 ILLIOPOLIS SCH
 INA SCH
 INDIAN PRAIRIE C M SCH
 INDIAN VALLEY VOC CTR
 INDUSTRY SCH
 IROQUOIS CTY CUS
 IROQUOIS CTY GIFTED PROG
 IROQUOIS WEST SCH
 IRVINGTON CONS SCH
 ITASCA SCH
 IUKA COMM CONS SCH 7
 JACKSON PERRY EDL SERV
 JACKSONVILLE MH DEV CTR
 JACKSONVILLE SCH
 JAMAICA COMM U
 JAMP SPECIAL EDL SERV
 JASPER CU
 JASPER SCH
 JERSEYVILLE SCH
 JODAVIESS CARROLL AVC
 JOHN WILSON, REG SUP
 JOHNSBURG SCH
 JOHNSTON CITY CUSD 1
 JOLIET SCH
 JOLIET TWP HS
 JONESBORO SCH
 JOPPA MAPLE GROVE UNIT
 KANELAND CUSD 302
 KANKAKEE AREA CAREER CTR
 KANKAKEE AREA SPEC COOP 850
 KANKAKEE SCH
 KANSAS SCH
 KASBEER SCH
 KASKASKIA SP ED 801
 KEENEYVILLE SCH
 KELL SCH
 KENDALL CTY SP ED COOP
 KENILWORTH SCH

KEWANEE SCH
 KILDEER COUNTRYSIDE CCSD 96
 KINGS CONS SCH
 KINNICKINNICK SCH
 KIRBY SCH
 KNOXVILLE SCH
 KOMAREK SCH
 L E A S E
 LADD SCH
 LAGRANGE AREA DEPT SP ED
 LAGRANGE SCH
 LAGRANGE SOUTH SCH
 LAHARPE CUS
 LAKE BLUFF SCH DIST 65
 LAKE CTY AREA VOC CTR
 LAKE CTY EDL SERVICE REGION
 LAKE FOREST COM HS
 LAKE FOREST SCH
 LAKE PARK COMM HS
 LAKE VILLA C C SCH
 LAKE ZURICH SCH
 LAMOILLE C UNIT S
 LANSING SCH
 LARAWAY SCH
 LASALLE PERU TWP HS
 LASALLE SCH
 LAWRENCEVILLE CU
 LEBANON CUS
 LEE CTR C UNIT SCH
 LEPERTOWN ELEM SCH
 LELAND SCH
 LEMONT SCH
 LEMONT TWP HS
 LENA WINSLOW SCH
 LEROY CU SCHS
 LEWISTOWN COMM HS
 LEWISTOWN SCH
 LEXINGTON SCH
 LEYDEN COMM HS
 LIBERTY SCH
 LIBERTYVILLE PUB SCHS
 LIBERTYVLE HS
 LICK CREEK SCH
 LIMESTONE COMM HS
 LIMESTONE WALTERS SCH
 LINCOLN COMM HS
 LINCOLN DEV CTR
 LINCOLN ELEM SCH
 LINCOLN SCH
 LINCOLN WAY COMM HS
 LINCOLN-WAY AREA SP ED
 LINCOLNSHIRE PRAIRIE VIEW SCH
 LINCOLNWOOD SCH
 LISBON GRADE SCH
 LISLE PUB SCHS
 LITCHFIELD SCH
 LIVINGSTON SCH
 LOCKPORT AREA SP EDL COOP
 LOCKPORT SCH DIST 91
 LOCKPORT TWP HS
 LOGAN CONS SCH
 LOGAN-MASON-MENARD PUB SCH
 LOMBARD SCH
 LOSTANT CUSD 425
 LOVEJOY SCH
 LOVINGTON SCH
 LOW POINT WASHBURN 21
 LUDLOW SCH
 LYONS HS
 LYONS SCH
 MABLEY DEV CTR
 MACOMB SCH
 MACON SCH
 MADDEN MH CTR
 MADISON SCH
 MAERCKER SCH
 MAHOMET SCH
 MALDEN SCH
 MALTA CU
 MANHATTAN SCH DIST 114
 MANLIUS SCH
 MANNHEIM SCH
 MANTENO CU DIST 5
 MARENGO COMM HS
 MARENGO-UNION ELEM CONS
 MARION SCH
 MARISSA C U
 MAROA FORSYTH COMM HS
 MARQUARDT SCH
 MARSEILLES SCH
 MARSHALL SCH
 MARTINSVILLE SCH
 MASCOUTAH CU
 MASSAC CTY UNIT SCH
 MATTESON SCH
 MAYWOOD SCH
 MAZON-VERONA-KINSMAN CU
 MCCLELLAN SCH
 MCFARLAND ZONE CTR

MCHENRY ELEM SCH DIST 15
 MCHENRY HS
 MCKINLEY SCH
 MCLEAN CTY UNIT DIST
 MEDINAH ELEM SCH
 MENDOTA GRADE SCH
 MENDOTA TWP HS
 MEREDOSIA SCH
 MERIDAN CU
 MERIDIAN C UNIT SCH
 MERRIAM COMM CONS
 METAMORA SCH
 METAMORA TWP HS
 MID CTY SCH
 MIDIL ESC 15
 MIDLOTHIAN SCH
 MIDWEST CENTRAL DIST 191
 MILFORD SCH
 MILFORD TWP HS
 MILLBURN SCH
 MILLER SCH
 MILLSTADT SCH
 MINOOKA COMM HS
 MINOOKA SCH
 MOKENA SCH
 MOLINE SCH
 MOMENCE SCH
 MONMOUTH PUB SCHS
 MONROE SCH
 MONTICELLO CUS
 MONTMORENCY SCH
 MORRIS COMM HS
 MORRIS SCH
 MORRISONVILLE SCH
 MORTON GROVE SCH
 MORTON GROVE SCH
 MORTON TWP SCH
 MORTON UNIT SCH
 MT CARROLL CUSD
 MT MORRIS CUS
 MT OLIVE SCH
 MT PROSPECT SCH
 MT PULASKI CU
 MT VERNON SCH
 MT VERNON TWP HS
 MT ZION SCH
 MULBERRY GROVE SCH
 MUNDELEIN CONS HS
 MUNDELEIN SCH DIST 75
 MURPHYSBORO SCH
 N BOONE CUS
 N CLAY CU
 N WAYNE CUS
 NAPERVILLE COMM SCH
 NASHVILLE COMM HS
 NASHVILLE SCH DIST 49
 NAUVOO SCH
 NELSON SCH
 NEOGA CU 3 SCH
 NEPONSET CUS
 NETTLE CREEK SCH
 NEW ATHENS SCH
 NEW BERLIN SCH
 NEW HOLLAND-MIDDLETOWN 88
 NEW HOPE CCSD
 NEW LENOX SCH
 NEW SIMPSON HILL SCH
 NEW TRJER TWP HS
 NEWARK C C GRADE SCH
 NEWARK COMM HS
 NEWMAN SCH
 NIANTIC-HARRISTOWN SCHS
 NILES SCH
 NILES TWP HS
 NOKOMIS SCH
 NORRIDGE SCH
 NORRIS CITY-OMAHA-ENFIELD
 NORTH CENTRAL REG ED LAB
 NORTH CHICAGO SCH
 NORTH GREENE DIST 3
 NORTH PALOS SCH
 NORTH PEKIN-MARQUETTE HTS
 NORTH SHORE SCH DIST 112
 NORTH WAMAC SCH
 NORTHBROOK SCH
 NORTHBROOK SCH
 NORTHFIELD TWP HS
 NORTHWEST SCH
 NORTHWEST SP ED DIST
 NORTHWESTERN IL ASS
 NORTHWESTERN SCH
 NORWOOD SCH
 NSSEO
 O FALLON TWP HS
 OAK GROVE SCH
 OAK GROVE SCH
 OAK LAWN COMM HS DIST 229
 OAK LAWN HOMETOWN SCH
 OAK PARK ELEM SCH

Schedule of Participating Employers

Continued from page 17

OAK PARK RIVER FOREST HS
 OAKDALE SCH
 OAKLAND SCH
 OAKWOOD CUS
 OBLONG CUS
 ODELL SCH
 ODIN COMM HS
 ODIN SCH
 OFALLON SCH
 OGDEN COMM CONS SCH
 OGLESBY SCH
 OHIO COMM CONS
 OHIO COMM HS
 OLYMPIA SCH
 OPDYKE BELLE RIVE GR SCH
 OPHIR SCH
 ORANGEVILLE SCH
 OREGON SCH
 ORION SCH
 ORLAND PARK SCH
 OSWEGO SCH
 OTTAWA SCH
 OTTAWA TWP HS
 OTTER CREEK SCH
 OWEGO SCH
 PALATINE TWP HS
 PALESTINE SCH
 PALOS HEIGHTS SCH
 PALOS SCH
 PANA SCH
 PANHANDLE CUS
 PARIS SCH
 PARIS UNION SCH
 PARK FOREST SCH
 PARK RIDGE SCH
 PASS/ADULT ED
 PATOKA CUS
 PATTON SCH DIST 133
 PAWNEE CUSD 11
 PAXTON-BUCKLEY-LODA CU
 PAYSON SCH
 PEARL CITY SCH
 PECATONICA SCH
 PEKIN COMM HS
 PEKIN SCH
 PEMBROKE SCH
 PENNOYER SCH
 PEORIA CTY ESR
 PEORIA HEIGHTS CUS
 PEORIA SCH
 PEOTONE SCH
 PERRY COMM HS
 PERRY SCHS
 PERU SCH
 PHILIP J ROCK SCH & SERV CTR
 PIKELAND SCH
 PINCKNEYVILLE SCH
 PINCKNEYVILLE COMM HS
 PLAINFIELD SCH
 PLANO CUS
 PLEASANT HILL SCH
 PLEASANT HILL SCH
 PLEASANT PLAINS SCH
 PLEASANT VALLEY SCH
 PLEASANT VIEW SCH
 PLEASANTDALE SCH
 POLO CUS
 PONTIAC ESMEN SCH
 PONTIAC SCH DIST
 PONTIAC SCH
 PONTIAC TWP HS
 POPE CTY-CUS
 PORTA CU
 POSEN ROBBINS SCH
 POTOMAC CU
 PRAIRIE CENTRAL SCH
 PRAIRIE DU ROCHER
 PRAIRIE GROVE SCH
 PRAIRIE HILL SCH
 PRAIRIE HILLS ELEM SCH
 PRAIRIEVIEW CC GR SCH
 PRICHARD CLARK SCH
 PRINCETON HS
 PRINCETON SCH
 PRINCEVILLE CU
 PROPHETSTOWN-LYNDON
 PROSPECT HTS SCH
 PROVISO TWP HS
 PUFFER SCH
 PUTNAM CTY CUS
 QUEEN BEE SCH
 QUINCY SCH
 R O W V A SCH
 RACCOON SCH
 RAMSEY CUS
 RANDOLPH CTY SP ED
 RANKIN SCH
 RANTOUL CITY SCH
 RANTOUL TWP HS
 REAVIS TWP HS

RED BUD SCH
 RED HILL CU
 REED CUSTER CUS
 REG DEL SYS VOC ED & GIFTED
 REG SUP OF SCHS
 REGIONAL FILM LIBRARY
 REGIONAL SERVICE VARIED
 PROGRAM
 REGIONAL SUP
 REGIONAL SUP OF SCHS
 REGIONAL SUP SCHS
 RHODES SCH
 RICH TWP HS
 RICHLAND GRADE SCH
 RICHMOND BURTON HS
 RICHMOND SCH
 RIDGELAND SCH
 RIDGEVIEW CU SCHS
 RIDGEWOOD COMM HS
 RILEY SCH
 RIVER BEND CUS
 RIVER FOREST SCH
 RIVER GROVE SCH
 RIVER RIDGE CUS
 RIVER TRAILS SCH
 RIVERDALE SCH
 RIVERDALE SCH
 RIVERSIDE BROOKFIELD SCH
 RIVERSIDE SCH
 RIVERTON CU
 RIVERVIEW SCH
 ROANOKE BENSON SCH
 ROBEIN SCH
 ROCHELLE SCH
 ROCHELLE TWP HS
 ROCHESTER SCH
 ROCK FALLS HS
 ROCK FALLS SCHS
 ROCK ISLAND SCH
 ROCKDALE SCH
 ROCKFORD PUB SCHS
 ROCKRIDGE CUS
 ROCKTON SCH
 ROME SCH
 RONDOUT SCH
 ROSELLE SCH
 ROSEMONT SCH
 ROSEVILLE SCH
 ROSSVILLE CU
 ROUND LAKE CU
 ROXANA SCH
 RUTLAND SCH
 SALEM COMM HS
 SALEM SCH
 SALT CREEK SCH
 SANDOVAL CUD 501
 SANDRIDGE SCH
 SANDWICH SCH
 SANGAMON AREA SP ED
 SARATOGA SCH
 SASED
 SAUK VILLAGE SCH
 SAUNEMIN ELEM
 SAVANNA CUSD
 SAVER
 SCALES MOUND SCH
 SCHILLER PK SCH
 SCHOOL DIST 89
 SCHOOL DIST 0880
 SCHOOL DIST 100
 SCHOOL DIST 109
 SCHOOL DIST 126
 SCHOOL DIST NO 30
 SCHOOL DIST 95
 SCHOOL DIST 151
 SCHUYLER CTY CUS
 SEDCS 7 100 0020 61 MARION
 SEJA 803 PAEC
 SEJA 804 NSSD
 SELMAVILLE COMM SCH
 SENECA GRADE SCH
 SENECA TWP HS
 SESSER VALIER CU
 SHABONA SCH
 SHAPIRO DEV CTR
 SHAWNEE CUS
 SHELBYVILLE SCH
 SHELDON COMM DIST 5
 SHERRARD SCH
 SHILOH SCH DIST 2
 SHILOH VILLAGE SCH
 SHIRLAND SCH
 SIGNAL HILL
 SILVIS SCH
 SINGER MENTAL HEALTH
 SKOKIE SCH
 SKOKIE SCH DIST 69
 SKOKIE SCH DIST 73.5
 SMITHTON SCH
 SO WILL CTY COOP FOR SP ED

SOMONAUK CUS
 SOUTH BELOIT PUB SCH
 SOUTH CENTRAL CU
 SOUTH COOK ESC 7
 SOUTH EASTERN SP ED
 SOUTH FORK SCH
 SOUTH METROPOLITAN ASS 801
 SOUTH PEKIN GRADE SCH
 SOUTH WILMINGTON SCH
 SOUTHEASTERN CU
 SOUTHERN CU
 SOUTHWEST COOK COOP
 SOUTHWESTERN SCH
 SPARLAND SCH
 SPARTA C U
 SPEC ED COOP
 SPEC ED SEJA 801
 SPEC ED TCHR
 SPEC ED DIST OF LAKE CO
 SPECIAL ED TEACHER
 SPECIAL ED DIST - REGION 3
 SPECIAL PROJECTS
 SPEED ED COOP
 SPOON RIVER VALLEY SCH
 SPRING GRV ELEM SCH
 SPRING LAKE C C SCH
 SPRING VALLEY SCH
 SPRINGFIELD SCHS
 ST ANNE COMM H S
 ST ANNE SCH
 ST DAVID SCH
 ST ELMO SCH
 ST GEORGE C C SCH
 ST JOSEPH OGDEN SCH
 ST JOSEPH SCH
 ST LIBORY SCH
 ST CHARLES SCH
 ST ROSE SCH
 STARK CITY CUSD 1000
 STAUNTON SCH
 STEELEVILLE SCH
 STEGER SCH DIST 194
 STEPHENSON ARE VOC TECH ED
 SYS
 STEWARD SCH
 STEWARDSON STRASBURG
 STICKNEY CENTRAL SCH
 STOCKTON SCH
 STREATOR ELEM SCHS
 STREATOR TWP HS
 SULLIVAN SCH
 SUMMERSVILLE SCH
 SUMMIT HILL ADM OFF
 SUNNYBROOK S D 171
 SUNSET RIDGE SCH
 SUPT ED SERV REG
 SUPT ESR
 SYCAMORE CUS
 TAFT SCH
 TAMAROA SCH
 TAMPICO CU
 TAOEP
 TAYLORVILLE SCH
 TEACHERS RETIREMENT SYS
 TEUTOPOLIS SCH
 THOMASBORO SCH
 THOMPSONVILLE COMM HS
 THOMPSONVILLE GRADE SCH
 THOMSON SCH
 THORNTON FRACTIONAL
 THORNTON SCH
 THORNTON TWP HS
 TINLEY PARK MH CTR
 TINLEY PARK SCH
 TISKILWA SCH
 TMCSEA
 TOLEDO SCH
 TOLONO SCH
 TONICA SCH
 TOWER HILL COMM HS
 TOWER HILL SCH
 TOWNSHIP HS DIST 214
 TOWNSHIP HS
 TREES
 TREMONT SCH
 TRI CITY SCH
 TRI CTY ED SERVICE CTR
 TRI CTY SP ED ASS
 TRI POINT COMM SCH
 TRI VALLEY SCH
 TRI-COUNTY SP ED CO-OP
 TRIAD COMM SCH
 TRICO CU
 TRIOPIA C UNIT SCH
 TROY SCH DIST 30-C
 TRUANCY ALT PROG RES OFF
 TRUANT ALT PROGRAM
 TRUANTS ALT & OPT ED PROGRAM
 TUSCOLA SCH
 TWIN RIVERS REG VOC DEL SYS

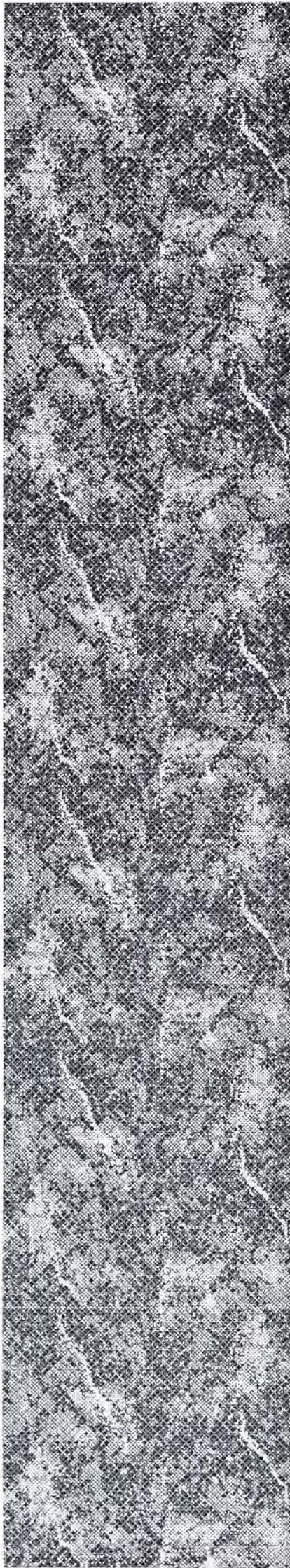
TWO RIVERS VOC EDUC SYS
 UNION CUS 115
 UNION RIDGE SCH
 UNION SCH
 UNIT SCH DIST 221
 UNITED TWP HS
 UNITY POINT SCH
 URBANA SCH DIST 116
 UTICA ELEM SCH
 V I T SCH
 VALLEY VIEW SCH
 VALMEYER SCH
 VANDALIA COMM SCHS
 VENICE SCH
 VERMILION ASSOC SP ED
 VIENNA SCH
 VIENNA TWP HS
 VILLA GROVE SCH
 VILLA PARK SCH
 VIRDEN SCH
 VIRGINIA SCH
 VOC ED PROJECT
 VOC ED SYS
 WEST CHICAGO COMM HS
 WEST NORTHFIELD SCH
 WEST WASHINGTON CUS
 WEST LINCOLN-BROADWELL
 WABASH & OHIO VALLEY SE DIST
 WABASH CUS
 WALLACE
 WALNUT COMM HS
 WALNUT GRADE SCH
 WALTHAM SCH
 WALTONVILLE SCH
 WAPELLA SCH
 WARREN G MURRAY DEV CTR
 WARREN SCH
 WARREN SCH
 WARREN TWP HS
 WARRENSBURG LATHAM
 WARSAW SCH
 WASHINGTON COMM HS
 WASHINGTON GR SCH
 WATERLOO SCH
 WATERMAN SCH
 WAUCONDA CUS
 WAUKEGAN PUB SCHS
 WAVERLY CUS
 WAYNE CITY CU
 WCICC/TAP/ESC 8
 WEBBER TWP HS
 WENTWORTH WILSON SCH
 WESCLIN SCH
 WEST CENTRAL IL SP ED COOP
 WEST CHICAGO SCH
 WEST HARVEY-DIXMOOR SCHS
 WEST PIKE SCH
 WEST RICHLAND CUS
 WESTCHESTER SCH
 WESTERN CUS
 WESTERN SPRGS SCH
 WESTMER CU
 WESTVILLE CUS
 WETHERSFIELD SCH
 WHEELING SCH
 WHITESIDE SCH
 WILCO AREA CAREER CTR
 WILL CTY SCH DIST
 WILLIAMSFIELD SCH
 WILLIAMSON CTY SUP OF SCHS
 WILLIAMSVILLE SCH
 WILLOW GROVE SCH
 WILLOW SPRINGS SCH
 WILMETTE SCH
 WILMINGTON CU
 WINCHESTER CUS
 WINDSOR SCH
 WINFIELD SCH
 WINNEBAGO SCH
 WINNETKA SCH
 WINTHROP HARBOR SCH
 WITT SCH
 WM HOWE DEV CTR
 WOOD DALE SCH
 WOOD RIVER SCH
 WOODFORD CTY SP ED
 WOODLAND SCH
 WOODLAND STREATOR
 WOODLAWN COMM HS
 WOODLAWN SCH
 WOODRIDGE SCH
 WOODSTOCK CU
 WORTH SCH
 WYANET GRADE SCH
 WYANET HS
 YORKVILLE CUSD 115
 YORKWOOD SCH
 ZEIGLER ROYALTON C U
 ZION BENTON TWP HS
 ZION SCH



Investment Summary



The Gatehouse, purchased by the System in August of 1991, is a 348-unit garden-style apartment complex located on over 16 acres of ground in Miami Lakes, Florida. (Investment Manager: Capital Associates/Bear Stearns)



Introduction

The mission of the Teachers' Retirement System, to provide retirement security for members, is facilitated by management of the trust fund's investment portfolio, which totaled \$11.7 billion at market value on June 30, 1993. The System serves as fiduciary for the members' trust fund and is responsible for investment of the fund under authority of the prudent person rule which establishes a standard that fiduciaries shall prudently discharge their duties solely in the interests of fund participants and beneficiaries. By permitting optimal diversification of assets within the fund, the prudent person standard has enabled the System to enhance control over fund risk and return parameters. The prudent person standard also permits the System to establish an investment policy based solely upon member characteristics, plan characteristics, financial requirements of the trust fund and a particular risk/reward tradeoff.

The System has established a long-range Statement of Investment Objectives and Policies for managing and monitoring the fund. The investment policy establishes the fund's investment objective, to provide the greatest possible long-term benefits to members of the System by maximizing the total rate of return on investments within prudent parameters of risk. The investment policy also defines the responsibilities of the fiduciaries with respect to the fund, the statutory investment authority under the prudent person rule, the level of acceptable risk, asset restrictions, investment performance objectives and the guidelines within which outside investment managers operate.

The System's investment performance objective is to achieve an annualized 3% total rate of return in excess of the rate of inflation over a long-term period of time. In addition, each asset class is expected to outperform various representative market indices.

The fund is managed by professional investment management firms based on statutory investment authority under the prudent person rule and investment policy guidelines adopted by the Board of Trustees. The System's staff coordinates and monitors the investments of the trust fund's assets and assists the Board of Trustees in the formulation and implementation of investment policy and long-term investment strategy.

Asset Class/Manager Composition

Asset allocation is a risk management process designed to construct the optimal long-term asset mix which achieves a specific set of investment objectives. Of all the components of investment policy formulation, asset allocation on a secular basis will have the most impact on long-term total rate of return. Consequently, the establishment of allocations across the major asset classes is the most important decision in the pension investment management process.

Diversification is the key to effective risk management. Large institutional portfolios, such as the System's, tend to be well diversified within the asset classes utilized. Therefore, although most investment managers of specific asset classes focus on security selection, specific securities held will not have nearly as much impact on total performance as will the overall level of particular asset class commitments.

Management of asset class allocations and diversification of investment approaches (active core, active specialty, index funds) has enabled the System to more effectively control the fund's risk/reward parameters.

Diversification by asset class, investment approach, and investment manager style provides the System with a greater expected rate of return while minimizing the risk of negative returns from adverse short-term changes in the capital markets.

At June 30, 1993, the System's asset class allocations and diversification by investment approach were:

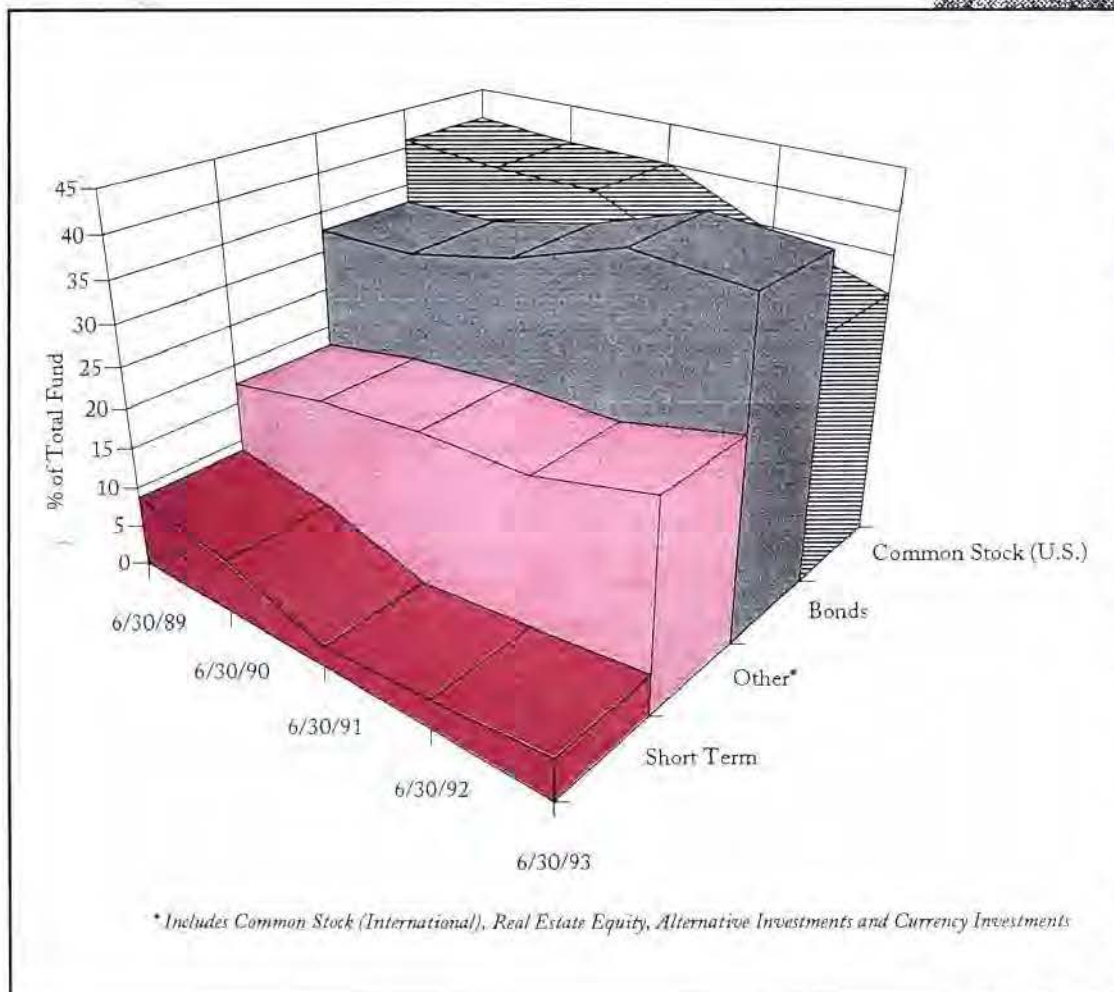
Percent of Total Fund			
Asset Class	Active	Index	Total
Common Stock—U.S.	25.9	4.5	30.4
Bonds	36.1	3.7	39.8
Short-Term Investments	4.0	1.0	5.0
Currency Investments	0.6	0.0	0.6
Common Stock			
—International	8.1	1.0	9.1
Real Estate	13.6	0.0	13.6
Alternative Investments	1.5	0.0	1.5
Total	89.8	10.2	100.0

During FY93, the System's U.S. common stock holdings decreased to 30.4% of the total fund, from 34.2% a year earlier. International common stock allocations increased to 9.1% from 7.4% of the total fund, leaving fiscal year-end total common stock holdings at 39.5% of the total fund.

Bonds decreased to 39.8% of the total fund from 40.7% a year earlier. This was largely attributable to the positive returns of the bond managers in a falling interest rate environment, and the reallocation from bonds to real estate.

Real estate equities represented 13.6% of the total fund at fiscal year's end. This compares to 12.0% from the previous fiscal year's end.

The fund's five-year asset class allocation history is represented below.



The System has established relationships with investment management firms which utilize a diversity of management approaches. This policy tends to complement the diversification of asset classes. The managers have discretionary authority in the selection and retention of investments, subject to the provisions of the statutory investment authority and the Statement of Investment Objectives and Policies.

The System achieved a higher level of risk management capability during FY93 by continuing implementation of a long-term strategic plan designed to achieve a specific set of investment objectives. A globally diversified, multiple asset class, balanced-fund portfolio was designed in order to construct the optimal long-term asset mix. On June 30, 1993, the following external firms were employed by the System:

Fixed Income (Bonds)—U.S.

Abacus Financial Group, Inc.
Amalgamated Trust Bank of Chicago
American National Bank of Chicago
Bear Stearns Asset Management
Pacific Investment Management Company
Weiss, Peck & Greer Investments

Fixed Income (Bonds)

—International

Brinson Partners, Inc.
J. P. Morgan Investment Management, Inc.
Julius Baer
Putnam Advisory Company
Smith Barney

Equity (Common Stock) - U.S.

American National Bank of Chicago
Ariel Capital Management, Inc.
Ark Asset Management
Brandywine Asset Management, Inc.
Brinson Partners, Inc.
Cedar Hill Associates, Inc.
Cozad Asset Management
Eagle Asset Management, Inc.
Holland Capital Management
Hotchkis and Wiley
Keystone Investment Management Corp.
Lazard Freres Asset Management
Lincoln Capital Management Company
Morgan Stanley Asset Management (The Chicago Group)
MPI Investment Management
Munder Capital Management, Inc.
NCM Capital Management Group, Inc.
Oppenheimer Capital
Pacific Investment Management Company
RCM Capital Management
RXR Capital Management, Inc.
UBS Asset Management (New York), Inc.

Equity (Common Stock)

—International

American National Bank of Chicago
Brandywine International
Brinson Partners, Inc.
Clay Finlay, Inc.
Daiwa International Capital Management Corp.
Delaware International Advisors, Ltd.
Hotchkis & Wiley International
IDS International Corporation
Murray Johnstone International, Inc.
PCM International
Scudder, Stevens & Clark, Inc.
UBS Phillips & Drew International Investment

Real Estate Equity

Alex Brown Kleinwort Benson Realty Advisors Corp.
Bear Stearns/Capital Associates Development Corp.
Brinson Partners, Inc.
Capital Associates Realty Advisors
Commonwealth Realty Advisors Inc.
JMB Institutional Realty Corp.
Jones Lang Wootton Realty Advisors
K/B Realty Advisor
Lincoln Property Company
TCW Realty Advisors

Alternative Investments

Cozad Asset Management
DLJ Merchant Banking, Inc.
Frontenac Company
Weiss, Peck & Greer

Tactical Asset Allocation

Brinson Partners, Inc.

Foreign Exchange Exposure Management

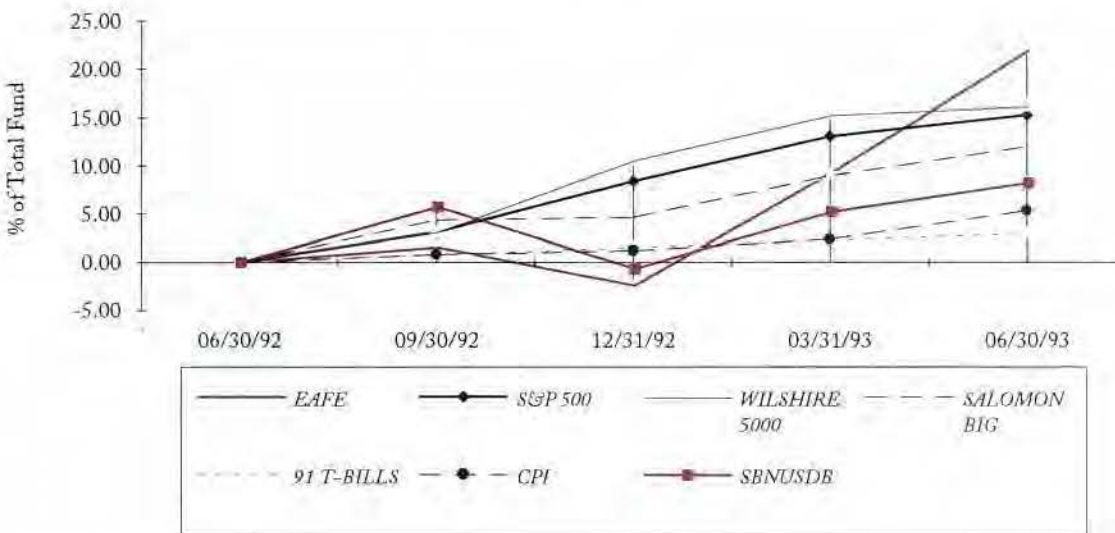
RXR Capital Management, Inc.

INVESTMENT RESULTS

Asset Class/Market Indices Returns

During FY93, international common stock, was the best performing asset class as represented by the Europe, Australia and Far East (EAFE) Index which returned 20.5%. U.S. common stock was the next best performing asset class as represented by the the S&P 500 Index and the Wilshire 5000 Index which returned 13.6% and 16.2% respectively. Domestic Bonds returned 12.0% as represented by the Salomon Broad Investment Grade (BIG) Index. Non-U.S. dollar bonds as represented by the Salomon Non-U.S. dollar bond Index, returned 8.0%. Short-term investments, represented by 91-day Treasury Bills, returned 3.2%. All major asset classes and market indices except real estate outperformed the 3.0% annual rate of inflation as represented by the Consumer Price Index (CPI).

Asset Class Cumulative Return by Representative Indices



Source: Harris Trust and Savings Bank

Total Fund Results

The System's total fund time-weighted rate of return for FY93 of 11.6% was primarily attributable to the strength of the bond and stock markets. The System's total fund annualized three-year and five-year returns of 9.4% and 10.6%, respectively, continue to outperform the rate of inflation for these periods, 3.6% and 4.1%, respectively. The System's long-term objective, to exceed the rate of inflation by .3%, has been achieved for the three and five-year periods.

U.S. Equity Results and Profile

U.S. equity manager objectives are to achieve a total investment return 6% in excess of the rate of inflation and in excess of the Standard & Poor's (S&P) 500 Stock Index on an annualized basis over a three to five-year period or market cycle. In addition, the Wilshire 5000 Index is informally used as a total equity portfolio benchmark since it is more representative of the aggregate U.S. equity market. The 5000 stocks within the Wilshire 5000 Index, more so than the 500 stocks within the S&P 500 Index, are highly diversified across the various equity market sectors and industries, and have highly diversified financial characteristics and risk factors which ultimately influence the total return.

During FY93, the System's portfolio of U.S. common stocks returned 14.7% compared to the S&P 500 return of 13.6% and the Wilshire 5000 return of 16.2%. For three- and five-years, U.S. common stocks generated annualized returns of 11.8% and 13.5%, respectively, comparable to the S&P 500 returns of 11.5% and 14.2% for the three-year and five-year periods, respectively. The portfolio's U.S. common stocks performed slightly less favorably when compared with the three- and five-year Wilshire 5000 returns of 12.3% and 13.9%, respectively.

At fiscal year end, 39.7% of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 40.7% the prior fiscal year end. Within the U.S. common stock asset class, 5.3% of the asset class was allocated to an S&P 500 Index Fund. The remaining 94.7% of the U.S. common stock asset class was allocated to active and enhanced index fund investment manager relationships. During FY93, the market value of assets assigned to U.S. equity managers increased from \$4.258 billion to \$4.641 billion due to \$609 million of dividend income/appreciation and \$226 million of reallocations from the U.S. equity asset class to other asset classes.

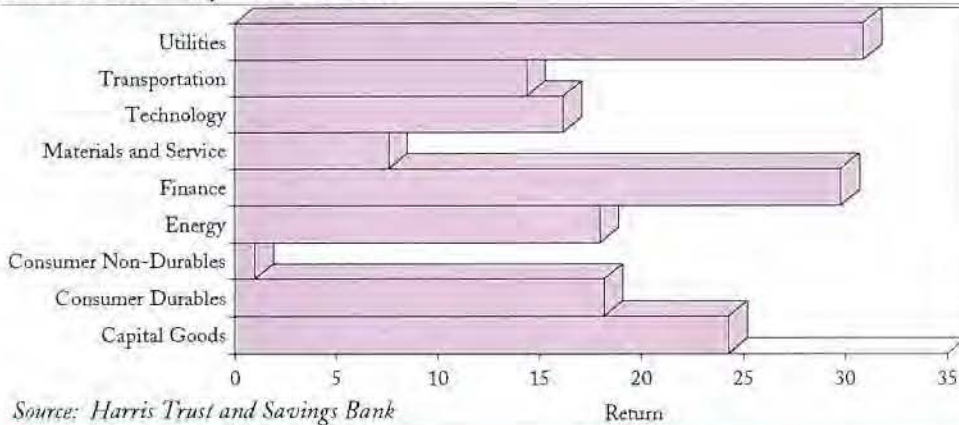
Major sector diversification changes took place during FY93 in the portfolio's U.S. common stocks. The following listing summarizes these changes and also provides a comparison with the S&P 500 and the Wilshire 5000 Indices:

Diversification by Industry Sector (%)

Sector	June 30, 1993			June 30, 1992		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	30.2	33.5	29.7	37.5	37.6	33.8
Technology	12.7	9.4	10.2	10.0	9.6	9.6
Materials and Service	17.0	9.3	11.3	13.4	10.0	12.0
Utilities	6.5	14.8	14.5	9.7	12.7	13.3
Finance	13.2	11.1	15.7	13.2	9.2	12.9
Energy	9.8	11.4	8.0	6.5	11.1	8.5
Capital Goods	4.2	5.2	5.0	6.0	5.1	4.8
Consumer Durables	4.5	3.3	3.6	3.5	2.8	3.1
Transportation	1.9	2.0	2.0	2.2	2.0	2.0

All S&P 500 industry sectors provided positive rates of return during FY93, with Finance (29.8%), Capital Goods (24.3%), and Utilities (30.9%) the leading industry sector performers.

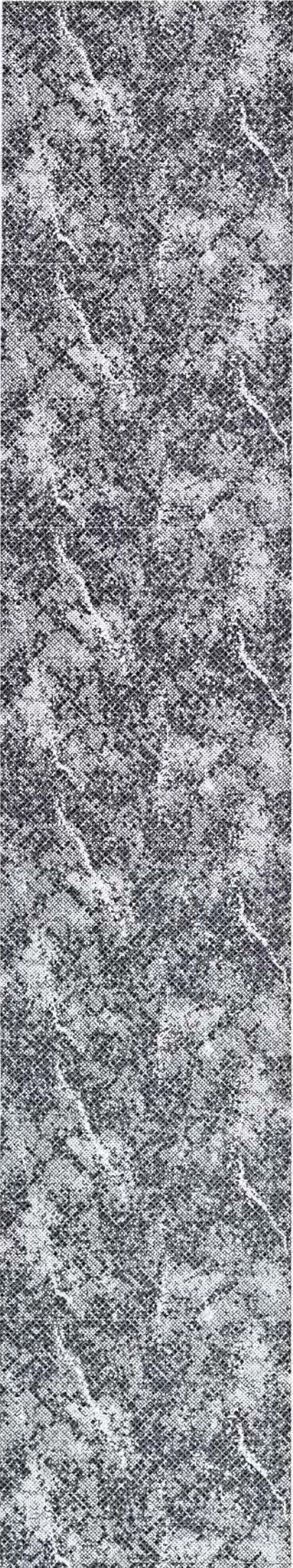
S&P 500 Industry Sector Returns



U.S. equity managers made stock selection adjustments to their accounts during FY93, as evidenced by the following comparison of equity portfolio characteristics with the S&P 500 and the Wilshire 5000 Indices:

U.S. Equity Portfolio Profile

Sector	June 30, 1993			June 30, 1992		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	12.4	21.6	15.6	15.4	20.8	14.4
Price/Earnings Ratio	16.7	17.8	17.6	17.3	20.7	24.4
Dividend Yield (%)	2.3	2.8	2.5	2.6	3.0	2.8
Beta	1.0	1.0	1.1	1.0	1.0	1.0
Diversification (R-Squared)	1.0	1.0	1.0	1.0	1.0	1.0
Five-Year Earnings Growth Rate (%)	6.1	3.3	5.7	7.1	8.8	7.0
Market/Book Ratio	3.3	3.2	3.4	3.2	3.5	3.6



International Equity Results

International equity manager objectives are to achieve a total annual investment return 6% in excess of the rate of inflation and in excess of the EAFE Index over longer time periods. During FY93, the portfolio's international common stocks returned 7.5%, as compared to a return of 20.5% for the 18 country foreign equity market EAFE Index.

The System's wide margin of underperformance against the benchmark EAFE Index is attributable primarily to the systematic underweighting of the Japan component of the international equity portfolio. The Japanese market substantially underperformed EAFE both in local currency and in U.S. dollar terms over the one-year period, while the TRS fund, maintaining its cautious view on Japanese equities, held only 32.6% of its foreign equities in Japan as compared to 48.4% Japan weighting in the EAFE Index.

The basket of EAFE currencies appreciated by 2.4% over the 12 months ended June 1993, which increased a 18.1% EAFE return in local (foreign) currency terms to 20.5% in U.S. dollar terms. The System's currency exposure managers also contributed to the excess return above the EAFE Index. At fiscal year end, 10.5% of the asset class was allocated to an EAFE Index Fund. The remaining 89.5% of the asset class was allocated to active managers. During FY93, the market value of assets assigned to international equity increased from \$904 million to \$1.202 billion due to \$102 million of market value appreciation and \$196 million of reallocations from other asset classes.

Alternative Investments Results

Alternative investments returned 5.7% during FY93. A representative alternative investments index is not available for relative performance comparison. Over the long term, however, and as a result of its higher risk orientation, alternative investments is expected to provide annualized returns over 10% in excess of returns provided by the S&P 500 and Wilshire 5000 Indices. On June 30, 1993, the System had a market value of \$250 million invested in six venture capital limited partnerships and one farmland partnership.

Fixed Income Results and Profile

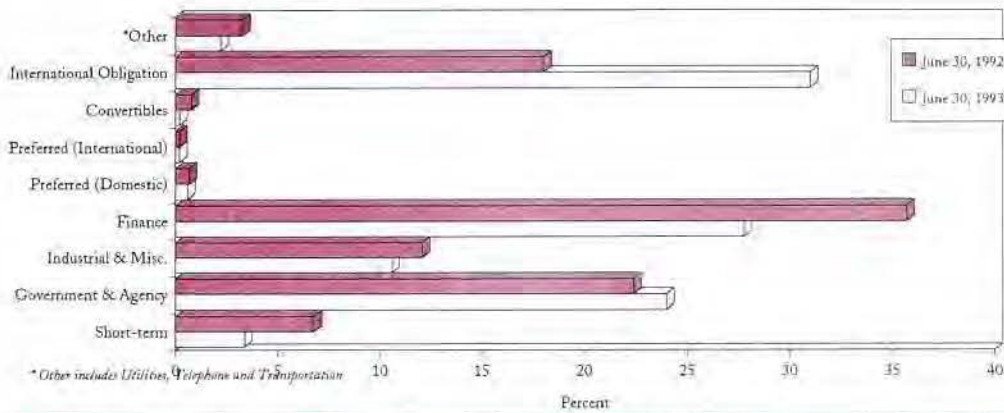
Fixed income manager objectives are to achieve a total investment return 2% in excess of the rate of inflation and in excess of the bond market, as measured by the Salomon Broad Investment Grade (Salomon BIG) Index, on an annualized basis over a three to five-year period, or a market cycle. During FY93, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 13.7% total return, compared to the 12.0% return of the Salomon BIG Index.

The total funds under management by fixed income managers, including short-term investments, generated a 13.5% total return during FY93. For a three- and five-year period, bonds generated 13.8% and 12.5% annualized returns, respectively, as compared to 12.3% and 11.5%, respectively for the BIG Index. During FY93, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$3.709 billion to \$4.083 billion due to \$493 million in interest income/appreciation and reallocation of \$119 million from the bond asset class to other asset classes.

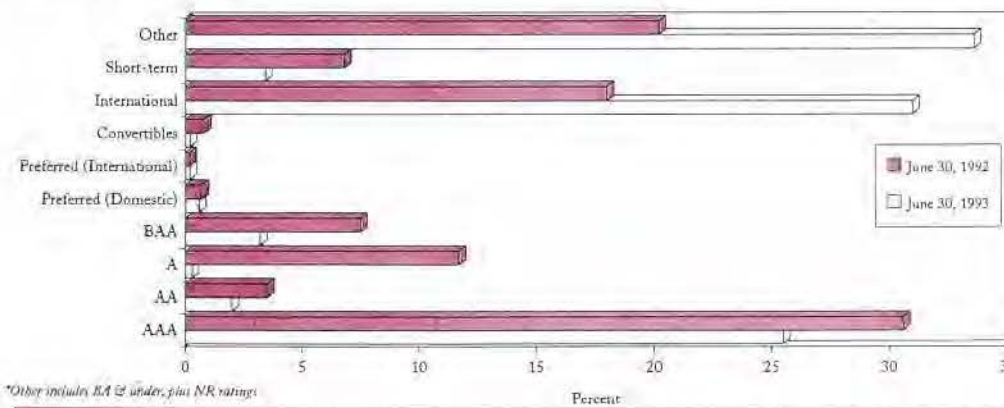
Fixed income assets invested in the international marketplace comprised \$1.231 billion of the \$4.083 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 14.1% in fiscal 1993, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 8.0%.

The exhibits on the following page reflect changes made within fixed income manager portfolios during FY93 with regard to diversification by issuer type and quality ratings, as well as the underlying bond portfolio characteristics (excluding short-term investments) primarily affecting total return.

Diversification by Issuer Type for Fixed Income Managers



Diversification by Quality Rating for Fixed Income Manager Portfolios



Bond Portfolio Profile

Characteristic	June 30, 1993		June 30, 1992	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	14.07	14.18	10.93	14.13
Duration (years)	6.88	4.27	6.03	4.16
Coupon (%)	8.54	8.11	8.06	8.65
Yield to Maturity (%)	6.18	7.29	6.60	6.79
Current Yield (%)	7.38	5.72	7.74	8.03

Real Estate Equity Investment Results

Real estate equity investments made by the System's four closed-end fund managers and five separate account managers returned -0.5% during FY93. The income component of the total return was 5.2%, while capital depreciation accounted for -5.7%.

The closed-end funds' total return of -2.5% underperformed the -0.3% total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 6% in excess of the rate of inflation. During FY93, the market value of assets assigned to the System's real estate investment managers increased from \$1.293 billion to \$1.599 billion. This increase resulted from \$86 million in income/reinvested income, \$324 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$104 million for market value depreciation. The System will continue to progress toward a 15% asset allocation target for the real estate equity asset class over the next one to two years.

Short-Term Investment Results

The investment management firms use discretion in allocating funds to short-term investments as part of their asset allocation strategies within the respective asset classes. Managers confine portfolio investment to typical short-term investments, such as U.S. Treasury Bills, certificates of deposit, bankers acceptances and commercial paper, and commingled short-term investment funds.

As an asset class, the System's short-term investments generated a total return of 4.3%, during FY93. For the five years ended June 30, 1993, short-term investments returned 5.5%, underperforming the 13.5% return of U.S. common stocks and the 12.5% return of bonds.

Investment Portfolio Summary

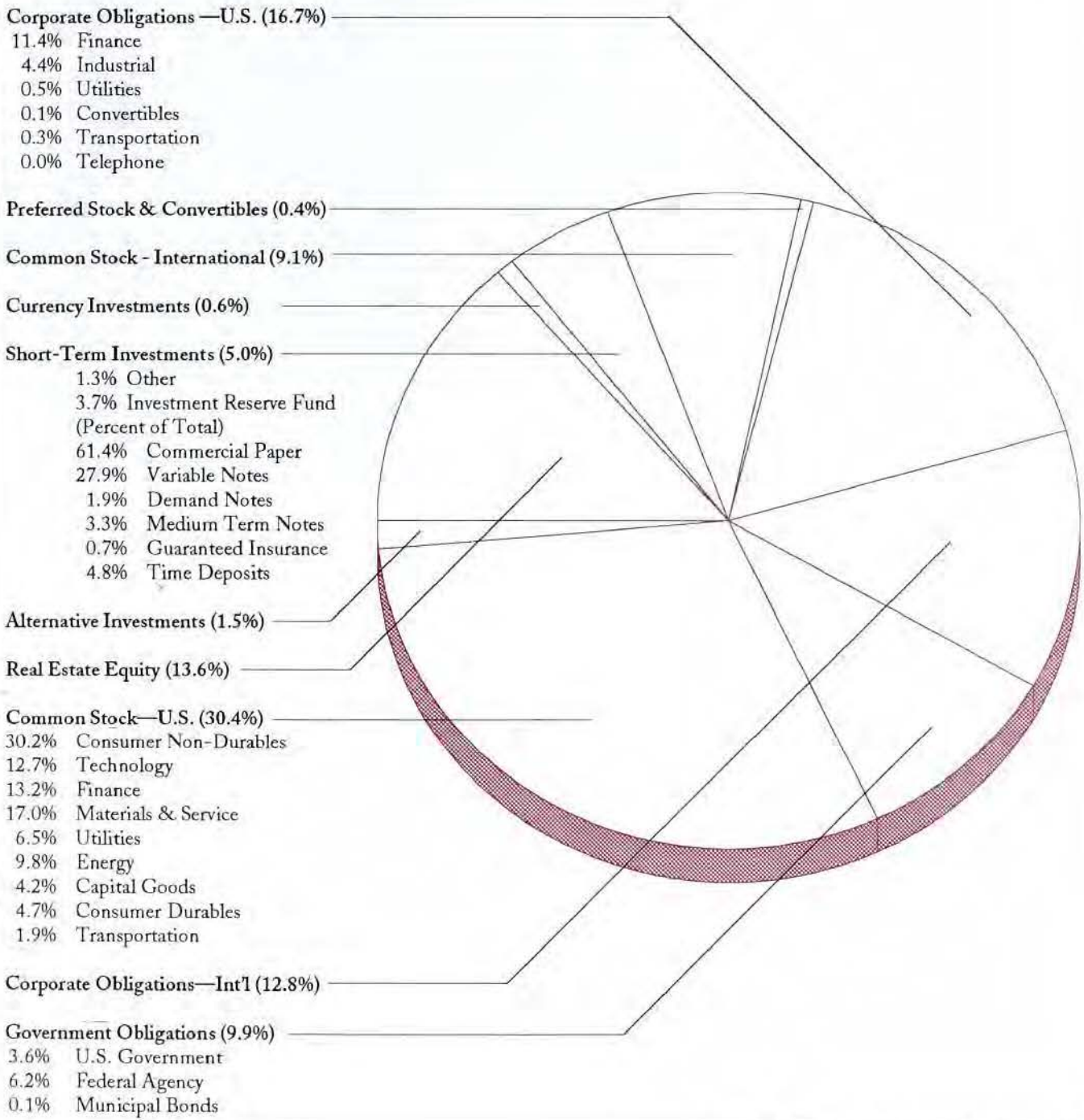
June 30, 1993

	Book Value	Percent of Total Book Value	Market Value	Percent of Total Market Value
BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS				
U.S. Government	\$ 403,642,013	3.7%	\$ 422,109,360	3.6%
Federal Agency	690,292,354	6.2	722,250,486	6.2
Municipal Bonds	11,898,102	0.1	12,023,908	0.1
Total Government Obligations	1,105,832,469	10.0	1,156,383,754	9.9
Corporate Obligations				
Finance	1,318,302,067	11.9	1,340,591,725	11.4
Industrial and Misc	508,069,116	4.6	513,933,566	4.4
Public Utilities	61,546,846	0.6	62,976,922	0.5
Transportation	33,964,916	0.3	35,037,994	0.3
Telephone	4,937,786	0.0	5,334,989	0.0
Convertible Issues	7,975,387	0.1	9,726,825	0.1
Total Corporate Obligation	1,934,796,118	17.5	1,967,602,021	16.8
International	1,419,986,838	12.9	1,498,117,487	12.8
Preferred Stock-U.S.	23,798,542	0.2	29,558,732	0.3
Preferred Stock-International	8,816,440	0.1	8,844,104	0.1
TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK, AND GOVERNMENT OBLIGATIONS	4,493,230,407	40.7	4,660,506,098	39.8
COMMON STOCK - U.S.	2,820,077,357	25.5	3,555,959,573	30.4
COMMON STOCK—International	967,320,192	8.8	1,061,183,352	9.1
SHORT-TERM INVESTMENTS*	568,174,167	5.1	583,525,381	5.0
REAL ESTATE EQUITY	1,944,597,601	17.6	1,594,610,233	13.6
ALTERNATIVE INVESTMENTS	203,164,193	1.8	189,987,734	1.5
CURRENCY INVESTMENT	52,761,112	0.5	68,566,365	0.6
TOTAL PORTFOLIO	\$11,049,325,029	100.0%	\$11,714,338,736	100.0%

*Includes accrued interest and dividends totalling \$102,572,092.

Composition of Investments at Market Value

June 30, 1993



Summary Statistics

The following tables summarize the development and performance of the total investment portfolio, including accrued income and miscellaneous assets, during the last five years:

Book/Market Value Reconciliation						(In Millions)
	Fiscal Years Ending June 30					Five Years 1989-1993
	1989	1990	1991	1992	1993	
Beginning Book Value	\$ 6,684	\$ 7,272	\$ 8,080	\$ 8,747	\$ 9,812	\$ 6,684
Net Contributions Added	26	(6)	5	(49)	(75)	(99)
Investment Income	428	466	463	493	520	2,370
Net Realized Gain (Loss)	134	348	199	621	623	1,925
Ending Book Value	7,272	8,080	8,747	9,812	10,880	10,880
Unrealized Gain (Loss) - Beginning of Period	371	817	844	706	627	371
Unrealized Gain (Loss) - During Period	446	27	(138)	(79)	38	294
Ending Market Value*	\$ 8,089	\$ 8,924	\$ 9,453	\$ 10,439	\$ 11,545*	\$ 11,545*

* Includes miscellaneous liabilities of \$169.7 million.

Performance Summary	Annualized Percent for Periods Ending June 30, 1993*						
	1989	1990	1991	1992	1993	Annualized 3 Years	Annualized 5 Years
Total Time-Weighted Return							
TRS Managers Combined	14.4	10.4	5.9	10.8	11.6	9.4	10.6
CPI	5.1	4.7	4.6	3.1	3.0	3.6	4.1
Common Stock - US							
TRS	18.3	13.9	7.4	13.5	14.7	11.8	13.5
S&P 500	20.5	16.4	7.4	13.5	13.6	11.5	14.2
Wilshire 5000	19.5	13.3	7.0	13.9	16.2	12.3	13.9
Bonds—US							
TRS-Equity Managers	13.8	7.3	11.5	16.2	13.7	13.8	12.5
SLG/C	12.5	8.0	10.9	14.2	12.0	12.3	11.5
Common Stock-International							
TRS-Equity Managers	12.9	20.9	-8.5	3.2	7.5	0.5	6.7
EAFE Index	9.4	3.2	-11.5	-0.3	20.5	2.1	3.7
Real Estate	8.7	3.7	-2.0	-7.3	-0.5	-3.3	0.4
Alternative Investments	6.9	-0.3	1.2	8.8	5.7	5.2	4.4
Short-Term							
TRS-Managers	9.3	8.5	6.2	3.8	4.3	4.8	6.4
91-Day Treasury Bills	8.8	8.4	6.8	4.6	3.19	4.9	6.3
Asset Allocation (Annual Average)**							
Bonds	32.9	32.0	27.8	25.5	25.1	26.1	28.6
Common Stock—US	40.8	41.8	39.7	41.8	40.4	40.6	40.9
Short-Term	9.0	5.9	5.6	4.7	6.1	5.6	6.4
Other***	17.3	20.3	26.9	28.0	28.3	27.7	24.1

* Performance calculations provided by Harris Trust and Savings Bank

** Based on total annual average assets held by TRS managers within asset classes.

*** Includes Real Estate, Common Stock—International, Bonds—International, Alternative Investments and Currency Investments.

BONDS, CORPORATE NOTES, AND PREFERRED STOCK

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
U.S. Government						
United States Of America Treasury Bonds						
	AAA	11.750%	02-15-2001	\$ 1,000,000	\$ 1,355,000	\$ 1,384,530
	AAA	10.750	05-15-2003	3,175,000	4,195,094	4,342,321
	AAA	8.750	05-15-2017	1,000,000	1,570,074	1,245,000
	AAA	10.750	08-15-2005	1,135,000	1,384,814	1,595,742
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,695,620
	AAA	10.375	11-15-2012	3,250,000	3,623,871	4,495,140
	AAA	12.000	08-15-2013	2,000,000	2,802,500	3,099,060
	AAA	11.250	02-15-2015	2,870,000	3,756,342	4,396,926
	AAA	9.250	02-15-2016	2,200,000	2,506,281	2,864,466
	AAA	7.250	05-15-2016	6,500,000	5,886,633	6,932,640
	AAA	7.500	11-15-2016	6,500,000	6,008,477	7,121,530
	AAA	8.125	08-15-2019	3,400,000	3,497,219	3,983,848
	AAA	8.125	08-15-2021	11,490,000	12,173,075	13,513,274
	AAA	8.000	11-15-2021	5,000,000	5,620,313	5,810,950
	AAA	7.125	02-15-2023	14,000,000	14,580,417	14,809,340
United States Of America Treasury Notes						
	AAA	6.000	10-31-1993	12,320,000	12,502,332	12,427,800
	AAA	8.875	02-15-1994	11,045,000	11,778,457	11,414,345
	AAA	4.250	07-31-1994	5,000,000	5,027,734	5,032,800
	AAA	4.250	08-31-1994	1,000,000	997,344	1,006,410
	AAA	4.250	10-31-1994	30,000,000	30,206,250	30,192,300
	AAA	6.000	11-15-1994	500,000	514,844	514,765
	AAA	8.250	11-15-1994	17,950,000	19,170,705	19,012,999
	AAA	4.625	12-31-1994	3,400,000	3,446,094	3,440,358
	AAA	8.625	01-15-1995	1,000,000	1,050,938	1,070,310
	AAA	4.250	01-31-1995	800,000	808,125	804,624
	AAA	5.500	02-15-1995	1,275,000	1,311,367	1,306,671
	AAA	3.875	02-28-1995	13,500,000	13,484,488	13,497,840
	AAA	3.875	03-31-1995	12,000,000	12,009,937	11,990,640
	AAA	3.875	04-30-1995	7,490,000	7,469,799	7,478,316
	AAA	5.875	05-15-1995	500,000	521,016	516,720
	AAA	8.500	05-15-1995	8,300,000	8,745,750	8,967,901
	AAA	4.125	05-31-1995	14,000,000	13,983,594	14,032,760
	AAA	4.125	06-30-1995	22,600,000	22,574,160	22,645,878
	AAA	8.625	10-15-1995	1,250,000	1,366,406	1,372,075
	AAA	5.125	11-15-1995	4,100,000	4,171,109	4,185,854
	AAA	7.750	03-31-1996	4,000,000	4,333,125	4,347,480
	AAA	9.375	04-15-1996	8,600,000	9,468,175	9,715,334
	AAA	7.250	08-31-1996	8,750,000	9,404,610	9,450,000
	AAA	7.250	11-15-1996	12,000,000	11,500,391	12,978,720
	AAA	6.500	11-30-1996	1,000,000	1,052,500	1,059,530
	AAA	8.000	01-15-1997	1,935,000	2,091,971	2,143,612
	AAA	6.250	01-31-1997	5,000,000	4,921,875	5,256,250
	AAA	6.875	03-31-1997	3,200,000	3,330,609	3,435,008
	AAA	6.375	06-30-1997	2,200,000	2,236,969	2,328,898
	AAA	8.625	08-15-1997	3,000,000	3,334,219	3,423,750
	AAA	8.875	11-15-1997	2,600,000	2,713,500	3,002,584
	AAA	8.125	02-15-1998	12,500,000	12,968,650	14,115,250
	AAA	8.250	07-15-1998	22,900,000	25,948,563	26,098,901
	AAA	8.875	11-15-1998	12,650,000	8,816,038	9,575,924
	AAA	6.375	01-15-1999	6,000,000	6,260,625	6,340,320
	AAA	9.125	05-15-1999	3,705,000	4,239,712	4,424,585
	AAA	6.375	07-15-1999	375,000	390,715	395,978
	AAA	8.875	05-15-2000	3,600,000	3,982,907	4,304,232
	AAA	8.750	08-15-2000	3,000,000	3,176,710	3,574,230
	AAA	7.875	08-15-2001	1,560,000	1,759,597	1,788,883
	AAA	7.500	11-15-2001	6,400,000	6,773,969	7,184,000
	AAA	7.500	05-15-2002	1,700,000	1,845,094	1,909,304
	AAA	6.375	08-15-2002	250,000	252,852	260,780
	AAA	6.250	02-15-2003	250,000	256,641	258,593
US Treasury Securities						
	AAA	0.000	02-15-2002	1,760,000	1,000,171	1,063,251
	AAA	0.000	05-15-2003	1,520,000	804,703	837,474
	AAA	0.000	08-15-2003	3,130,000	1,622,936	1,693,487
	AAA	0.000	05-15-2006	13,810,000	5,749,655	6,031,656
	AAA	0.000	05-15-2008	100,000	35,401	37,097
	AAA	0.000	02-15-2012	46,500,000	10,186,349	12,657,765
US Treasury Securities Generic Tint Bond						
	AAA	0.000	08-15-2017	6,750,000	995,791	1,202,648
US Treasury Securities Stripped Interest Payment						
	AAA	0.000	05-15-1995	5,500,000	4,583,590	5,112,525
	AAA	0.000	11-15-1999	1,850,000	1,002,090	1,312,483
	AAA	0.000	02-15-2018	32,500,000	4,110,950	5,587,075
TOTAL U.S. Government				474,145,000	403,642,013	422,109,360

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Home Loan Mortgage Gold Series 1	AAA	9.500	11-01-2021	8,125,484	1,604,783	1,594,626
Federal Home Loan Banks	AAA	0.000	03-23-1994	10,000,000	10,000,000	10,150,000
	AAA	6.990	04-25-1997	400,000	414,875	428,876
Federal Home Loan Mortgage	AAA	6.000	05-01-1998	195,822	200,044	201,941
	AAA	11.000	12-01-2000	316,322	320,276	340,540
	AAA	8.250	06-01-2001	675,018	648,650	707,878
	AAA	8.500	07-01-2003	11,446	10,934	12,061
	AAA	6.750	09-01-2004	413,456	378,118	425,988
	AAA	8.500	10-01-2004	180,049	172,003	189,727
	AAA	8.500	08-01-2005	10,164	9,710	10,710
	AAA	8.500	12-01-2005	284,340	271,633	299,623
	AAA	8.500	08-01-2006	1,306	1,358	1,378
	AAA	6.250	02-01-2007	501,458	447,786	515,248
	AAA	8.500	10-01-2007	597,810	571,095	626,953
	AAA	8.250	10-01-2007	243,013	232,305	255,467
	AAA	8.500	12-01-2007	24,589	23,490	25,788
	AAA	8.500	12-01-2007	92,571	88,435	97,084
	AAA	8.500	01-01-2008	19,084	18,231	20,014
	AAA	8.500	02-01-2008	64,110	61,245	67,556
	AAA	8.500	02-01-2008	263,433	251,660	276,275
	AAA	8.500	03-01-2008	37,184	35,522	38,997
	AAA	8.500	04-01-2008	28,403	27,133	29,929
	AAA	8.500	05-01-2008	1,221,760	1,167,163	1,281,321
	AAA	7.250	05-01-2008	622,271	574,045	652,215
	AAA	6.250	06-01-2008	477,633	422,556	492,559
	AAA	8.500	08-01-2008	13,637	13,028	14,302
	AAA	8.500	09-01-2008	11,628	11,109	12,253
	AAA	8.500	09-01-2008	38,953	37,212	40,852
	AAA	8.500	09-01-2008	232,603	222,209	243,943
	AAA	8.500	09-01-2008	395,714	378,031	416,984
	AAA	8.500	11-01-2008	412,300	393,876	432,400
	AAA	6.750	11-01-2008	569,669	506,650	574,118
	AAA	8.500	12-01-2008	436,713	417,197	458,002
	AAA	8.500	12-01-2008	238,051	227,413	249,656
	AAA	6.750	12-01-2008	556,986	495,892	566,906
	AAA	8.500	01-01-2009	35,701	34,106	37,620
	AAA	6.750	01-01-2009	735,702	650,981	741,448
	AAA	8.500	04-01-2009	139,537	133,301	146,339
	AAA	8.500	04-01-2009	2,018,160	1,927,973	2,116,545
	AAA	8.500	05-01-2009	1,397,432	1,334,985	1,465,557
	AAA	8.000	06-01-2009	2,684,540	2,483,200	2,828,834
	AAA	10.000	07-01-2009	313,415	333,493	342,697
	AAA	8.500	07-01-2009	226,363	216,248	237,398
	AAA	10.000	09-01-2009	17,327	15,724	18,945
	AAA	8.500	10-01-2009	55,909	53,410	58,914
	AAA	8.500	12-01-2009	17,379	16,602	18,226
	AAA	8.500	12-01-2009	284,733	272,009	298,613
	AAA	10.000	12-01-2009	36,855	39,216	40,299
	AAA	8.500	12-01-2009	34,295	32,762	35,966
	AAA	8.500	01-01-2010	183,758	175,546	193,635
	AAA	10.000	02-01-2010	273,489	291,010	299,041
	AAA	8.500	04-01-2010	33,122	31,642	34,737
	AAA	8.500	08-01-2010	445,959	426,030	469,929
	AAA	8.500	08-01-2010	306,674	292,969	323,157
	AAA	8.500	09-01-2010	204,755	195,605	214,737
	AAA	10.000	10-01-2010	210,165	223,629	229,801
	AAA	8.500	10-01-2010	589,259	562,927	617,986
	AAA	10.000	01-01-2011	42,687	45,421	46,675
	AAA	8.500	02-01-2011	63,531	60,692	66,628
	AAA	10.500	04-01-2011	194,421	173,520	215,381
	AAA	8.500	01-01-2013	145,537	139,033	152,631
	AAA	8.500	06-01-2015	214,632	205,041	225,096
	AAA	10.000	01-01-2016	1,515,110	1,519,845	1,656,667
	AAA	9.500	05-01-2016	327,060	342,698	351,691
	AAA	9.500	09-01-2016	37,401	39,189	40,217
	AAA	9.500	10-01-2016	346,727	363,304	372,839
	AAA	9.500	11-01-2016	510,402	534,805	548,840
	AAA	8.000	01-01-2017	54,795	55,386	57,193
	AAA	7.000	04-01-2017	1,854,519	1,677,181	1,899,714
	AAA	8.500	05-01-2017	1,913,248	1,828,443	2,011,302
	AAA	8.000	05-01-2017	488,261	493,526	509,623
	AAA	8.500	06-01-2017	1,357,248	1,296,596	1,423,413
	AAA	9.500	09-01-2019	122,198	128,040	131,400
	AAA	9.000	06-01-2021	2,282,745	2,278,465	2,433,977
Federal Home Loan Mortgage Corporation	AAA	8.850	03-15-2008	2,750,000	2,738,130	2,902,955
	AAA	9.000	09-15-2008	2,730,000	2,725,466	2,900,625
Federal Home Loan Mortgage Gold	AAA	7.500	04-01-1997	1,267,616	1,301,683	1,324,253
	AAA	7.000	01-01-1998	12	12	12
	AAA	7.000	02-01-1998	390,774	403,963	407,015
	AAA	6.000	05-01-1998	392,000	399,228	404,250
	AAA	7.500	06-01-1999	1,052,529	1,069,632	1,099,230
	AAA	8.500	06-01-2003	1,121,984	1,144,775	1,184,041
	AAA	9.500	05-01-2006	964,788	994,937	1,034,735
	AAA	8.500	08-01-2006	1,420,741	1,433,395	1,499,323
	AAA	8.000	11-01-2006	1,160,805	1,166,972	1,222,827
	AAA	7.500	01-01-2007	371,679	385,849	388,285
	AAA	8.000	03-01-2007	518,600	530,269	546,309
	AAA	7.500	04-01-2007	598,803	622,381	625,558
	AAA	7.500	06-01-2007	441,510	441,924	461,236
	AAA	7.500	02-01-2008	632,879	653,844	661,156

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Federal Home Loan Mortgage Gold (continued)	AAA	7.500	02-01-2008	280,156	289,436	292,674
	AAA	8.000	04-01-2017	176,763	179,083	185,710
	AAA	8.500	02-01-2018	643,334	673,290	682,134
	AAA	8.500	11-15-2018	644,008	648,637	682,849
	AAA	9.000	10-01-2020	503,196	534,960	537,162
	AAA	9.000	11-01-2020	1,050,974	1,082,832	1,120,601
	AAA	9.000	02-01-2021	320,172	340,383	341,383
	AAA	8.500	02-01-2021	27,765	29,058	29,405
	AAA	9.500	03-01-2021	769,246	805,064	831,024
	AAA	8.000	05-01-2021	1,771,428	1,710,535	1,861,097
	AAA	8.500	06-01-2021	444,164	447,357	470,397
	AAA	9.500	07-01-2021	248,406	266,494	268,356
	AAA	8.500	09-01-2021	369,685	366,450	391,056
	AAA	8.500	09-01-2021	772,744	765,982	817,416
	AAA	8.000	10-01-2021	742,751	751,803	780,350
	AAA	8.500	11-01-2021	245,882	257,331	260,711
	AAA	8.000	06-01-2022	845,977	857,081	888,801
	AAA	9.500	12-01-2022	5,050,000	5,446,109	5,455,566
	AAA	7.500	12-01-2022	878,458	878,458	911,945
	AAA	8.000	01-01-2023	497,643	517,549	522,834
	AAA	7.500	01-01-2023	488,525	496,006	507,148
	AAA	7.000	02-01-2023	738,529	731,144	752,377
	AAA	7.500	02-01-2023	498,679	507,250	517,688
	AAA	7.000	03-01-2023	239,333	236,939	243,820
	AAA	7.500	03-01-2023	235,395	238,926	244,368
	AAA	7.500	03-01-2023	737,637	748,702	765,756
	AAA	7.000	06-01-2023	686,000	688,358	692,428
Federal Home Loan Mortgage Multi Class	AAA	7.500	07-15-2023	11,600,000	11,904,151	12,049,500
	AAA	19.840	09-15-1996	1,037,049	1,187,068	1,191,311
	AAA	6.500	12-15-2002	1,370,717	174,373	174,369
	AAA	0.000	02-15-2004	48,558	530,590	530,013
	AAA	10.750	11-30-2005	3,017,701	3,264,775	3,270,433
	AAA	6.500	10-15-2006	1,119,860	200,000	143,824
	AAA	5.329	10-15-2007	29,057,920	4,131,917	3,051,082
	AAA	9.667	11-15-2007	1,250,000	1,187,500	1,187,500
	AAA	3.688	05-15-2008	4,001,517	3,995,265	3,995,235
	AAA	7.000	02-15-2013	1,850,000	272,297	272,283
	AAA	6.750	05-15-2013	5,500,000	5,676,172	5,652,955
	AAA	5.250	09-15-2013	5,000,000	4,912,500	4,878,100
	AAA	0.000	04-15-2015	61,993	968,144	833,812
	AAA	6.500	12-15-2015	5,250,000	5,251,641	5,315,625
	AAA	0.000	01-15-2016	1,165,041	205,791	205,560
	AAA	6.500	02-15-2018	2,568,461	425,000	424,978
	AAA	9.000	02-15-2019	1,270,000	1,330,947	1,329,919
	AAA	9.500	01-15-2020	15,308,401	15,684,047	16,499,548
	AAA	9.500	01-15-2021	11,698,053	12,085,484	12,604,653
	AAA	6.250	10-15-2021	1,250,000	1,184,180	1,242,963
	AAA	8.000	01-15-2022	8,635,000	8,931,828	8,667,381
	AAA	3.813	05-15-2022	10,140,896	10,135,117	10,159,911
	AAA	8.000	06-15-2022	4,900,000	4,976,563	5,003,537
	AAA	3.812	07-15-2022	10,827,120	10,827,120	10,827,120
	AAA	3.675	10-15-2022	5,071,232	5,068,855	5,068,088
	AAA	5.279	11-15-2022	18,745,356	2,920,714	2,794,933
	AAA	3.812	03-15-2023	7,315,373	7,315,373	7,315,373
	AAA	3.762	04-15-2023	7,911,612	7,911,612	8,032,739
	AAA	7.000	05-15-2023	3,017,500	2,696,050	2,658,176
	AAA	7.750		10,000,000	9,682,813	10,668,700
Federal Home Loan Mortgage Stripped	AAA	9.500	11-01-2021	18,999,677	3,776,186	3,995,822
Federal House Loan Multi Class Partnership Cert	AAA	9.300		36,056,269	33,688,749	39,468,271
Federal Housing Authority	AAA	8.400	06-01-2007	1,229,338	1,124,777	1,286,195
	AAA	7.430	06-01-2019	7,621,834	7,494,406	7,974,344
	AAA	7.430	12-01-2021	1,578,956	1,621,509	1,655,930
	AAA	7.440	08-01-2022	28,776,574	29,181,245	30,179,432
	AAA	7.430	09-01-2022	930,598	956,282	975,964
	AAA	7.430	06-01-2024	36,178,726	36,269,168	37,851,992
Federal National Mortgage Association	AAA	6.450	06-10-2003	1,600,000	1,597,000	1,612,992
	AAA	6.625	04-10-2003	5,000,000	4,997,656	5,065,600
	AAA	8.800	07-25-1997	235,000	257,480	267,752
	AAA	9.150	07-10-2000	2,750,000	2,990,625	2,908,125
	AAA	9.350	02-12-1996	1,500,000	1,701,094	1,683,285
	AAA	6.020	01-20-1998	1,700,000	1,759,367	1,692,554
	AAA	7.000	07-14-2023	5,360,000	5,346,600	5,455,462
Federal National Mortgage Association Guaranteed	AAA	8.500	10-01-1997	9,988	10,279	10,469
	AAA	8.500	04-01-1998	138,503	142,528	145,168
	AAA	8.500	06-01-1998	11,077	11,399	11,610
	AAA	24.990	07-25-1998	70,357	86,890	83,021
	AAA	8.500	08-01-1998	294,700	303,264	308,881
	AAA	8.500	08-01-1998	211,006	217,138	221,159
	AAA	8.500	12-01-1998	262,154	269,773	274,769
	AAA	8.500	01-01-1999	66,837	68,779	70,053
	AAA	7.000	06-25-1999	221,617	228,197	219,401
	AAA	6.000	06-01-2000	490,000	493,063	503,166
	AAA	3.650	05-25-2001	6,095,474	6,084,045	6,114,492
	AAA	7.000	10-25-2001	1,382,671	164,624	164,621
	AAA	0.000	04-25-2002	6,328,274	754,820	754,394
	AAA	8.000	06-01-2002	338,326	347,842	356,616
	AAA	7.500	09-01-2002	1,374,505	1,298,907	1,435,065
	AAA	8.500	05-01-2003	60,199	63,416	63,623
	AAA	9.000	11-01-2004	786,087	835,463	839,148
	AAA	8.250	06-01-2005	1,060,696	1,016,279	1,121,686
	AAA	7.000	06-25-2005	2,508,065	301,751	301,745

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Federal National Mortgage Association Guaranteed (continued)	AAA	9.000	10-01-2005	66,353	70,521	70,832
	AAA	8.000	09-01-2006	1,495,099	1,475,475	1,575,924
	AAA	8.500	09-01-2006	46,038	48,498	48,657
	AAA	8.000	12-01-2006	637,854	641,841	672,336
	AAA	8.500	03-01-2007	571,728	602,280	604,242
	AAA	8.750	04-01-2007	797,975	779,273	847,346
	AAA	7.500	06-01-2007	864,342	863,397	902,425
	AAA	7.500	06-01-2007	156,018	157,432	162,892
	AAA	8.000	07-01-2007	263,470	271,786	277,713
	AAA	7.500	11-01-2007	287,162	290,033	299,814
	AAA	7.000	12-01-2007	672,973	671,080	694,421
	AAA	7.000	02-01-2008	483,670	491,832	499,085
	AAA	7.000	02-01-2008	482,157	490,294	497,524
	AAA	8.250	07-01-2008	988,737	943,317	1,045,589
	AAA	8.500	08-01-2008	287,190	286,953	305,677
	AAA	8.250	10-01-2008	376,500	361,558	398,149
	AAA	9.500	12-01-2008	166,879	168,355	180,698
	AAA	8.500	01-01-2009	355,963	345,840	378,876
	AAA	7.000	05-01-2009	2,576,955	2,377,241	2,659,881
	AAA	8.500	06-01-2009	403,497	392,023	429,470
	AAA	8.250	09-01-2009	514,620	491,462	542,358
	AAA	8.500	09-01-2009	31,596	30,697	33,629
	AAA	8.500	01-01-2010	107,909	106,111	114,855
	AAA	10.000	08-01-2010	88,102	88,812	96,939
	AAA	8.500	03-01-2011	87,458	85,467	93,088
	AAA	11.500	03-01-2011	61,254	65,351	69,294
	AAA	11.500	08-01-2011	272,666	290,900	308,453
	AAA	13.250	09-01-2011	168,995	179,928	191,703
	AAA	12.750	10-01-2011	1,739,312	1,875,739	1,969,771
	AAA	15.750	12-01-2011	631,258	663,610	730,681
	AAA	8.500	03-01-2012	9,777	9,622	10,406
	AAA	10.500	05-01-2012	849,348	932,424	947,022
	AAA	10.500	05-01-2012	933,728	1,025,059	1,041,107
	AAA	10.500	05-01-2012	7,202,029	7,949,239	8,030,262
	AAA	10.500	06-01-2012	959,819	1,053,701	1,070,198
	AAA	14.750	08-01-2012	1,705,985	1,880,390	1,957,618
	AAA	15.750	08-01-2012	866,956	919,650	1,003,501
	AAA	16.000	09-01-2012	325,782	346,550	377,092
	AAA	16.000	09-01-2012	32,744	34,489	37,901
	AAA	16.000	09-01-2012	385,077	408,182	445,727
	AAA	10.500	11-01-2013	176,553	193,822	196,857
	AAA	10.500	03-01-2014	95,750	105,116	106,762
	AAA	11.500	07-01-2014	34,854	37,184	39,428
	AAA	11.500	01-01-2015	553,011	589,994	625,594
	AAA	11.500	02-01-2015	111,626	119,091	126,276
	AAA	8.500	04-01-2015	341,288	331,582	363,256
	AAA	10.500	08-01-2015	1,063,726	1,167,772	1,186,055
	AAA	11.500	10-01-2015	67,994	72,541	76,918
	AAA	11.500	10-01-2015	675,444	720,615	764,096
	AAA	9.500	11-01-2015	316,819	318,997	343,054
	AAA	11.500	11-01-2015	123,045	131,274	139,195
	AAA	11.000	12-01-2015	3,176,367	3,502,937	3,568,426
	AAA	10.500	01-01-2016	481,421	528,510	536,784
	AAA	11.500	01-01-2016	217,795	232,360	246,381
	AAA	11.500	01-01-2016	134,262	143,241	151,884
	AAA	3.700	03-25-2016	11,806,436	11,806,436	11,854,370
	AAA	10.000	04-01-2016	545,182	578,233	599,869
	AAA	9.500	09-01-2016	137,758	145,292	149,166
	AAA	8.000	05-01-2017	1,385,585	1,336,224	1,456,597
	AAA	9.000	06-01-2017	203,690	212,219	217,565
	AAA	10.000	11-01-2017	250,696	252,420	275,843
	AAA	0.000	11-25-2017	7,000,000	6,398,438	6,435,800
	AAA	10.000	12-01-2017	110,893	111,655	122,016
	AAA	9.500	05-01-2018	98,031	103,392	106,149
	AAA	8.750	08-01-2018	757,156	737,991	804,002
	AAA	0.000	10-25-2018	1,016,549	402,710	402,706
	AAA	0.000	12-25-2018	106,000	2,913,228	2,913,228
	AAA	9.500	01-01-2019	174,655	184,206	189,118
	AAA	11.500	04-01-2019	375,132	400,219	424,368
	AAA	11.500	05-01-2019	470,399	501,857	532,139
	AAA	11.500	06-01-2019	315,043	336,112	356,393
	AAA	11.500	06-01-2019	44,156	47,109	49,951
	AAA	11.000	06-01-2019	323,114	331,091	362,996
	AAA	11.500	06-01-2019	25,959	27,695	29,366
	AAA	9.500	08-01-2019	161,066	169,875	174,404
	AAA	8.000	08-01-2019	2,802,477	2,916,327	2,956,613
	AAA	9.500	08-01-2019	458,731	480,234	496,719
	AAA	11.500	09-01-2019	17,952	19,152	20,308
	AAA	7.375	09-25-2019	1,250,000	1,286,719	1,296,475
	AAA	11.500	10-01-2019	43,125	46,010	48,786
	AAA	7.500	10-25-2019	250,000	257,891	256,015
	AAA	9.500	12-01-2019	124,073	130,858	134,347
	AAA	11.500	01-01-2020	69,166	73,791	78,244
	AAA	8.850	01-25-2020	2,500,000	2,675,780	2,589,825
	AAA	9.000	04-01-2020	481,666	501,836	514,477
	AAA	10.000	06-01-2020	442,959	469,813	487,392
	AAA	9.000	06-01-2020	195,736	203,933	209,070
	AAA	11.000	08-01-2020	1,033,792	1,151,386	1,161,393
	AAA	0.000	08-25-2020	84,468	1,732,976	1,559,129
	AAA	8.000	12-25-2020	900,000	937,467	972,279
	AAA	3.850	01-25-2021	20,801,568	20,840,741	20,801,568
	AAA	9.500	02-01-2021	857,650	897,852	928,672

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Federal National Mortgage Association Guaranteed (continued)	AAA	8.000	03-25-2021	792,782	552,967	515,546
	AAA	16.139	04-25-2021	775,000	306,670	306,668
	AAA	6.500	05-25-2021	6,750,000	6,522,188	6,547,500
	AAA	7.500	06-25-2021	1,100,000	1,131,944	1,165,307
	AAA	5.750	08-25-2021	2,750,000	2,508,825	2,511,080
	AAA	9.500	09-01-2021	551,700	571,699	597,386
	AAA	9.000	10-01-2021	1,864,547	1,909,413	1,991,560
	AAA	7.750	10-25-2021	3,300,000	3,413,438	3,411,375
	AAA	9.000	11-01-2021	1,274,200	1,313,223	1,360,999
	AAA	8.500	11-01-2021	1,575,988	1,587,808	1,669,554
	AAA	7.500	02-01-2022	422,950	411,054	438,544
	AAA	7.500	03-01-2022	101,075	98,232	104,801
	AAA	7.500	03-01-2022	420,441	408,616	435,942
	AAA	0.000	03-25-2022	33,309	26,720	26,720
	AAA	0.000	04-25-2022	1,453,393	1,381,632	1,427,959
	AAA	0.000	05-25-2022	7,635,329	728,410	728,410
	AAA	8.000	06-01-2022	956,753	956,454	1,004,591
	AAA	8.500	06-01-2022	496,319	513,691	525,786
	AAA	8.000	07-01-2022	533,824	538,328	560,515
	AAA	8.000	07-25-2022	3,000,000	3,067,500	3,095,610
	AAA	3.870	11-25-2022	4,602,541	4,602,541	4,617,637
	AAA	8.000	12-01-2022	466,161	470,677	489,469
	AAA	8.000	12-01-2022	160,927	164,925	168,973
	AAA	4.145	12-25-2022	26,686,775	3,799,119	3,792,191
	AAA	8.000	01-01-2023	390,613	399,524	410,144
	AAA	8.000	01-01-2023	651,126	667,302	683,662
	AAA	7.500	01-01-2023	292,313	291,628	303,091
	AAA	7.500	02-01-2023	997,429	1,010,365	1,034,204
	AAA	8.500	02-01-2023	374,241	394,357	396,460
	AAA	8.000	03-01-2023	929,018	970,533	975,468
	AAA	7.500	04-01-2023	968,022	997,970	1,003,713
	AAA	7.000	05-01-2023	195,759	196,494	199,123
	AAA	7.500	06-01-2023	392,000	402,290	406,453
	AAA	7.500	06-01-2023	400,000	412,625	414,748
	AAA	0.000	06-25-2023	3,500,000	3,167,500	3,202,500
Federal National Mortgage Association Deb Strips	AAA	0.000	03-09-2022	29,000,000	20,005,790	24,097,260
Federal National Mortgage Association Otd Variable	AAA	6.652	10-01-2019	12,008,469	11,287,961	12,239,272
Federal National Mortgage Association REMIC	AAA	8.500		27,587,144	26,053,762	30,381,108
Federal National Mortgage Association Stripped	AAA	9.000	01-25-2017	3,239,676	639,836	634,750
	AAA	10.000	03-25-2018	4,207,246	1,080,736	975,534
	AAA	8.500	05-25-2018	96,134	22,616	18,115
	AAA	10.000	08-25-2018	3,806,605	818,420	882,637
	AAA	10.000	11-25-2018	5,550,056	1,425,671	1,288,612
	AAA	8.000	04-25-2019	1,839,379	395,467	374,185
	AAA	10.500	03-25-2021	4,533,095	1,269,267	1,014,280
	AAA	10.000	02-25-2022	14,216,456	3,731,820	3,571,885
	AAA	9.500	09-25-2022	11,343,692	2,847,530	2,410,534
Financing Corporation	AAA	10.700	10-06-2017	1,000,000	1,097,061	1,411,870
	AAA	9.650	11-02-2018	1,300,000	1,420,913	1,687,972
Government National Mortgage Association	AAA	10.500	12-15-1997	159,645	164,584	174,212
	AAA	10.500	05-15-1998	78,602	81,033	85,774
	AAA	10.500	07-15-1998	33,969	35,020	37,069
	AAA	8.500	02-15-2006	164,590	157,698	177,910
	AAA	8.000	08-15-2006	365,106	350,644	390,433
	AAA	8.000	09-15-2006	42,994	41,291	45,977
	AAA	8.000	10-15-2006	66,148	63,527	70,736
	AAA	8.000	11-15-2006	240,884	231,342	257,594
	AAA	8.000	05-15-2007	724,785	734,297	771,664
	AAA	7.000	12-15-2007	200,833	206,921	208,049
	AAA	8.500	07-15-2008	373,443	357,805	401,799
	AAA	8.500	08-15-2008	439,066	420,680	472,404
	AAA	9.000	09-15-2008	99,981	98,216	108,666
	AAA	9.000	09-15-2008	110,598	108,690	120,206
	AAA	9.000	01-15-2009	23,646	23,229	25,700
	AAA	9.000	02-15-2009	403,479	396,355	438,530
	AAA	9.000	03-15-2009	8,466	8,316	9,201
	AAA	9.000	06-15-2009	475,365	466,972	516,660
	AAA	9.500	07-15-2009	120,128	121,930	131,691
	AAA	9.500	08-15-2009	377,529	383,192	413,867
	AAA	9.500	08-15-2009	364,975	370,450	400,104
	AAA	9.500	10-15-2009	200,827	203,839	220,156
	AAA	10.000	11-15-2009	686,261	729,796	759,389
	AAA	13.500	05-15-2010	26,455	27,091	30,952
	AAA	13.500	05-15-2010	18,533	18,577	21,683
	AAA	13.500	05-15-2010	11,172	12,086	13,071
	AAA	13.500	05-15-2010	2,470	2,673	2,890
	AAA	13.500	06-15-2010	1,627	1,768	1,944
	AAA	13.500	06-15-2010	15,593	16,869	18,243
	AAA	10.000	11-15-2010	566,206	602,125	626,541
	AAA	13.000	12-15-2010	132,110	141,441	152,587
	AAA	13.000	12-15-2010	24,380	26,102	28,159
	AAA	13.500	02-15-2011	47,843	51,760	55,976
	AAA	13.500	02-15-2011	18,784	20,321	21,977
	AAA	13.500	02-15-2011	51,721	55,858	60,513
	AAA	13.500	03-15-2011	20,616	22,304	24,121
	AAA	13.500	03-15-2011	17,392	18,816	20,348
	AAA	13.500	03-15-2011	40,506	43,823	47,392
	AAA	13.500	03-15-2011	100,435	108,658	117,509
	AAA	13.500	03-15-2011	5,398	5,840	6,316
	AAA	13.500	03-15-2011	126,000	136,081	147,420
	AAA	13.500	04-15-2011	12,014	12,997	14,056
	AAA	13.500	04-15-2011	12,915	12,915	15,110

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Government National Mortgage Association	AAA	13.500	04-15-2011	3,582	3,876	4,191
	AAA	13.500	04-15-2011	139,134	150,526	162,787
	AAA	13.500	05-15-2011	1,275	1,388	1,524
	AAA	10.000	05-15-2011	11,989	13,235	13,267
	AAA	13.000	07-15-2011	79,017	84,597	91,264
	AAA	13.500	11-15-2011	14,763	14,763	17,273
	AAA	13.500	03-15-2012	1,428	1,544	1,706
	AAA	13.000	10-15-2012	18,025	19,294	20,819
	AAA	13.000	11-15-2012	102,147	109,318	117,980
	AAA	13.000	11-15-2012	22,049	23,592	25,467
	AAA	11.500	02-15-2013	117,424	125,130	135,038
	AAA	10.000	03-15-2013	101,781	112,357	112,627
	AAA	10.000	03-15-2013	376,340	344,639	411,502
	AAA	10.000	03-15-2013	280,465	256,875	306,669
	AAA	11.250	07-15-2013	79,690	82,903	89,128
	AAA	11.250	07-15-2013	177,545	184,702	198,571
	AAA	11.250	07-15-2013	50,831	52,880	56,850
	AAA	11.250	07-15-2013	167,423	174,173	187,251
	AAA	11.250	10-15-2013	105,291	109,536	117,761
	AAA	12.750	11-15-2013	81,278	85,800	93,064
	AAA	12.750	11-15-2013	75,256	79,442	86,168
	AAA	12.750	11-15-2013	143,927	151,933	164,796
	AAA	12.750	12-15-2013	228,123	240,812	261,201
	AAA	12.000	01-15-2014	13,643	14,057	15,826
	AAA	12.000	04-15-2014	7,857	7,769	9,114
	AAA	13.500	07-15-2014	4,148	4,507	4,957
	AAA	11.250	08-15-2015	20,753	21,589	23,210
	AAA	11.250	08-15-2015	96,679	100,563	108,129
	AAA	11.250	08-15-2015	80,167	83,399	89,662
	AAA	11.250	08-15-2015	165,761	171,231	185,392
	AAA	11.250	08-15-2015	70,515	72,682	78,866
	AAA	11.250	08-15-2015	95,096	98,929	106,358
	AAA	11.500	09-15-2015	694,699	722,053	798,904
	AAA	11.250	09-15-2015	43,166	44,907	48,279
	AAA	11.250	09-15-2015	325,895	339,031	364,490
	AAA	11.250	09-15-2015	122,501	127,436	137,009
	AAA	11.250	09-15-2015	47,421	49,332	53,037
	AAA	11.250	09-15-2015	6,581	6,846	7,360
	AAA	11.250	09-15-2015	173,508	180,501	194,056
	AAA	11.250	09-15-2015	48,019	49,952	53,705
	AAA	11.250	10-15-2015	46,909	48,799	52,465
	AAA	11.250	10-15-2015	57,032	59,330	63,787
	AAA	11.250	10-15-2015	77,487	80,609	86,664
	AAA	11.250	10-15-2015	133,758	139,149	149,599
	AAA	11.250	10-15-2015	100,747	104,806	112,679
	AAA	11.000	11-15-2015	209,285	219,144	237,800
	AAA	11.500	11-15-2015	317,454	338,287	365,073
	AAA	11.250	11-15-2015	120,200	125,043	134,435
	AAA	11.250	11-15-2015	55,357	57,586	61,912
	AAA	11.250	11-15-2015	32,624	33,937	36,488
	AAA	11.250	12-15-2015	145,955	151,833	163,240
	AAA	11.000	01-15-2016	14,576	15,295	16,562
	AAA	11.000	01-15-2016	236,341	248,010	268,542
	AAA	11.250	01-15-2016	49,625	51,624	55,502
	AAA	10.000	03-15-2016	2,481	2,738	2,745
	AAA	9.000	05-15-2016	1,201,466	1,143,645	1,298,328
	AAA	10.000	06-15-2016	10,189	11,247	11,274
	AAA	9.000	06-15-2016	334,354	330,366	361,309
	AAA	9.500	08-15-2016	518,783	522,188	566,770
	AAA	9.000	09-15-2016	1,303,979	1,266,490	1,409,106
	AAA	8.500	02-15-2017	713,287	679,183	763,880
	AAA	8.500	02-15-2017	772,335	745,062	827,117
	AAA	8.500	02-15-2017	1,796,144	1,701,285	1,923,545
	AAA	8.000	03-15-2017	877,026	850,167	929,095
	AAA	8.000	03-15-2017	767,304	743,806	812,859
	AAA	9.000	06-15-2017	1,087,794	998,391	1,175,492
	AAA	9.500	07-15-2017	435,116	431,988	475,364
	AAA	10.000	07-15-2017	265,258	292,820	293,524
	AAA	8.000	07-15-2017	788,197	764,059	834,992
	AAA	9.000	08-15-2017	556,495	514,932	601,360
	AAA	9.500	08-15-2017	2,108,356	2,189,725	2,303,379
	AAA	9.000	10-15-2017	774,048	710,431	836,452
	AAA	9.000	03-15-2018	618,000	571,844	667,824
	AAA	9.000	05-15-2018	604,353	586,978	653,076
	AAA	10.000	01-15-2019	1,255,110	1,385,524	1,388,854
	AAA	10.000	02-15-2019	59,335	65,501	65,658
	AAA	11.500	05-15-2019	125,701	130,651	144,556
	AAA	11.000	06-15-2019	206,297	216,483	234,405
	AAA	10.500	06-15-2019	196,807	203,998	220,670
	AAA	11.000	07-15-2019	133,592	151,460	151,794
	AAA	11.000	07-15-2019	91,151	95,651	103,570
	AAA	11.000	07-15-2019	430,156	451,395	488,764
	AAA	10.000	07-15-2019	73,323	80,942	81,137
	AAA	11.000	07-15-2019	265,845	278,971	302,066
	AAA	10.000	08-15-2019	4,037,335	4,456,840	4,467,554
	AAA	11.000	08-15-2019	120,049	125,976	136,405
	AAA	11.000	08-15-2019	40,321	42,312	45,815
	AAA	11.000	08-15-2019	81,066	85,068	92,111
	AAA	11.000	09-15-2019	119,721	125,629	136,033
	AAA	11.000	09-15-2019	249,501	261,820	283,496
	AAA	10.000	09-15-2019	53,061	58,574	58,715
	AAA	10.000	11-15-2019	25,146	27,759	27,825

GOVERNMENT OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Government National Mortgage Association	AAA	10.000	08-15-2020	3,974,974	4,387,998	4,398,547
	AAA	10.000	03-15-2021	39,111	43,175	43,279
	AAA	9.500	07-15-2021	859,852	893,037	939,388
	AAA	10.000	09-15-2021	1,615,003	1,729,062	1,787,097
	AAA	10.000	09-15-2021	635,163	680,021	702,846
	AAA	8.000	06-15-2022	477,201	478,096	505,533
	AAA	7.500	06-15-2022	485,317	472,274	505,181
	AAA	7.500	05-15-2023	500,000	517,344	520,465
	AAA	7.500	05-15-2023	195,827	201,212	203,842
	AAA	7.500	06-01-2023	210,188	216,034	218,791
	AAA	7.500	06-15-2023	769,812	791,222	801,320
	AAA	9.500	07-01-2023	15,380,000	16,795,966	16,812,186
	AAA	8.000	07-01-2023	6,540,000	6,862,218	6,934,427
	AAA	7.500	08-01-2023	5,000,000	5,175,000	5,195,300
	AAA	7.000	08-17-2023	13,000,000	12,957,344	13,235,560
Government National Mortgage Association II	AAA	13.250	10-20-2014	49,303	53,278	56,822
	AAA	13.250	05-20-2015	20,986	21,962	24,187
	AAA	11.000	07-20-2019	668,718	686,963	743,112
	AAA	8.000	04-20-2022	217,241	213,100	228,509
	AAA	8.000	05-20-2022	940,121	922,200	988,885
	AAA	5.000	05-20-2022	946,803	897,688	964,111
Government Trust Certificates	AAA	8.550	11-15-1997	2,100,000	2,079,441	2,240,406
	AAA	0.000	11-15-2005	5,000,000	1,037,550	2,223,200
Inter American Development Bank	AAA	13.250	08-15-1994	1,000,000	1,148,930	1,099,110
International Bank For Reconstruction	AAA	8.625	10-01-1995	1,000,000	1,092,750	1,088,280
Private Export Funding Corporation	AAA	5.750	04-30-1998	250,000	249,760	254,690
Student Loan Marketing Association	AAA	8.550	02-01-1995	1,000,000	1,071,250	1,070,000
	AAA	3.420	12-30-1994	1,000,000	1,000,000	1,001,900
	AAA	3.530	11-27-1996	2,000,000	2,000,000	2,005,000
Tennessee Valley Authority	AAA	8.250	11-15-1996	1,500,000	1,500,234	1,658,610
	AAA	8.250	04-15-2042	1,000,000	969,350	1,120,000
TOTAL Federal Agency				841,514,883	690,292,354	722,250,486
Municipal						
Alaska State Housing Finance Corporation	NR	9.050	05-01-2014	11,333,366	11,898,102	12,023,908
TOTAL Municipal				11,333,366	11,898,102	12,023,908
TOTAL GOVERNMENT OBLIGATIONS				1,326,993,249	1,105,832,469	1,156,383,754

CORPORATE OBLIGATIONS

Finance

AFC Home Equity Loan Trust	NR	7.750	02-15-2006	7,391,294	7,369,351	7,714,663
AFC Home Equity Loan Trust Remic	AAA	8.400	09-15-2006	548,129	575,536	583,829
Alaska Housing Finance Corporation	NR	6.850	11-05-1993	3,250,000	3,281,330	3,274,278
	NR	8.700	11-01-2021	4,325,962	3,758,550	4,477,370
American Express Trust	NR	6.600	05-15-2000	400,000	398,480	411,624
American General Finance Corporation	NR	5.000	09-01-1995	350,000	341,093	353,063
AMR Corporation Delaware	NR	7.480	01-29-1997	3,000,000	3,079,140	3,095,340
	NR	7.600	01-27-1997	9,500,000	9,788,895	9,837,440
	NR	9.140	02-21-2012	3,000,000	2,983,740	3,205,470
Associates Corporation Of North America	NR	5.875	08-15-1997	500,000	497,935	505,815
Bank One Corporation	NR	7.250	08-01-2002	360,000	357,152	378,904
Bankamerica Corporation	A3	5.250	07-02-1996	3,000,000	2,859,000	3,000,000
	A3	9.700	08-01-2000	500,000	574,190	591,660
Bear Stearns Mortgage Capital	NR	9.000	01-25-2021	217,256	210,466	227,914
Beneficial Corporation	NR	4.405	01-15-1997	4,100,000	4,100,031	4,100,000
	NR	7.180	12-20-1999	2,050,000	2,048,914	2,186,694
British Gas Finance Inc	AAA	9.500	03-15-2018	500,000	499,375	535,000
Capital Auto Receivable Asset Trust	NR	3.350	06-15-1994	7,173,016	7,171,283	7,173,016
	NR	4.200	11-15-1995	21,450,000	21,446,648	21,922,544
	NR	4.700	05-15-1997	200,000	199,875	199,874
Capitol Home Equity Trust Variable Rate	NR	3.700	12-25-2011	11,973,803	11,973,803	12,026,128
Caterpillar Financial Services Corporation	NR	5.600	06-15-1994	16,000,000	16,281,760	16,175,680
	NR	8.750	05-12-2000	3,000,000	3,029,790	3,351,270
CFAC Remic Trust	NR	9.250	05-15-1998	972,391	1,040,245	1,033,166
Chase Manhattan Credit Card Master	NR	8.750	08-15-1999	6,000,000	6,055,750	6,613,080
Chase Manhattan Grantor Trust	NR	6.900	09-15-1997	847,033	860,268	860,527
Chase Mortgage Finance Corporation Remic	NR	7.000	06-25-2024	2,450,000	2,509,719	2,517,375
	NR	7.000	07-25-2024	13,212,019	13,393,684	13,393,684
	NR	9.500	01-25-2004	166,441	169,354	167,273
	NR	8.000	05-25-2024	9,527,888	9,685,694	9,706,536
Chase Mortgage Finance Corporation	NR	9.500	10-01-2004	736,164	731,333	767,907
	NR	8.000	03-25-2023	3,687,348	3,803,153	3,803,130
Chemical Mortgage Securities I Remic	NR	6.250	02-25-2023	10,000,000	10,009,375	10,050,000
Cigna Corporation	NR	8.750	10-01-2001	360,000	387,868	405,313
Citibank New York	NR	9.500	11-01-2016	20,072,677	21,383,673	21,377,401
	NR	9.000	01-01-2017	18,339,325	18,683,188	18,941,039
	NR	4.187	02-14-1994	3,000,000	3,012,960	3,002,850
	NR	8.625	11-15-1994	400,000	417,636	418,948

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
	BAA2	6.500	09-01-1998	833,000	797,598	799,680
	NR	6.300	11-26-1997	1,000,000	853,500	977,180
Citicorp Banking Corporation	NR	5.250	07-10-1997	7,000,000	6,205,000	7,000,000
Citicorp Homeowners Inc	A-1	8.500	12-01-2016	1,163,528	1,095,534	1,188,986
	NR	8.500	03-01-2017	4,966,880	5,098,036	5,075,555
	NR	9.500	09-01-2016	965,112	993,867	1,027,844
Citicorp Mortgage Securities Inc	NR	10.500	06-01-2019	2,373,895	2,393,925	2,567,510
	NR	9.500	05-25-2004	13,149,503	13,461,803	13,494,677
Citicorp Mortgage Securities Inc Remic	NR	7.000	11-01-2012	10,000,000	10,087,500	10,100,000
	NR	8.000	03-25-2021	8,339,318	8,586,890	8,511,275
	NR	9.500	11-01-2004	19,394,198	19,036,618	20,563,862
Citicorp Person To Person Inc	BAA3	4.370	05-10-1996	7,300,000	6,918,713	7,008,000
CMC Securities Corporation I	NR	5.545	04-25-2023	2,354,869	2,335,736	2,357,931
Collateralized Mortgage Obligation Trust	NR	7.250	04-23-2017	588,894	604,720	609,505
	NR	9.400	08-01-2016	9,361,423	10,054,000	10,022,527
	NR	9.400	09-20-2017	14,791,048	15,860,195	15,900,377
	NR	10.200	02-01-2016	16,560,454	16,704,696	18,278,601
Collateralized Mortgage Securities Corporation	NR	11.450	09-01-2015	9,276,199	9,899,104	10,139,999
	NR	8.550	08-20-2014	1,355,036	1,372,821	1,356,730
Commercial Credit Group Inc	A2	9.875	12-01-1995	1,525,000	1,674,130	1,698,652
Continental Corporation	NR	8.250	04-15-1999	1,000,000	998,690	1,076,790
Cooperative Utility Trust	AAA	10.700	09-15-2017	3,500,000	3,500,000	4,318,790
CLT Group Holdings Inc	A-1	8.875	06-15-1996	1,000,000	1,049,720	1,101,480
CNA Financial Corporation	NR	8.875	03-01-1998	2,000,000	2,102,520	2,246,860
Daiwa Mortgage Acceptance Corporation Remic	NR	4.875	09-25-2006	7,363,916	7,474,374	7,488,144
DBL Mortgage Funding Corporation	NR	9.500	08-01-2019	920,286	891,958	980,104
Dean Witter Discover & Co	NR	6.875	03-01-2003	200,000	201,060	203,168
Deere, John Owner Trust	NR	3.500	04-29-2000	10,000,000	10,000,000	10,000,000
Discover Card Trust	NR	8.100	08-16-1996	4,850,000	5,022,781	4,962,132
Discover Credit Corporation	NR	4.000	02-07-1994	3,300,000	3,300,000	3,306,930
	NR	3.449	07-08-1994	1,000,000	993,700	990,570
	NR	3.499	07-25-1994	7,200,000	7,079,400	7,125,480
	NR	3.649	07-21-1995	3,900,000	3,761,063	3,782,493
DLJ Mortgage Acceptance Pass Thru	NR	7.827	09-01-2021	2,956,525	3,041,525	3,089,568
DLJ Mortgage Acceptance Corporation Variable Rate	NR	5.520	06-25-2022	6,545,583	6,594,674	6,711,251
DLJ Mortgage Acceptance Corporation Remic	NR	4.656	03-19-2000	1,995,198	2,002,680	2,002,680
Dover Credit Card Trust	NR	8.250	10-15-1997	1,000,000	1,002,188	1,030,930
Drexel Burnham Lambert CMO Trust	NR	8.950	04-20-2018	303,743	298,427	313,137
European Investment Bank	AAA	12.625	10-15-1999	4,573,000	4,980,912	5,005,057
FBC Mortgage Securities	NR	8.350	10-20-2018	1,530,894	1,538,549	1,526,577
FBS Mortgage Corporation Remic	NR	6.828	06-25-2023	4,401,000	4,442,259	4,467,015
First Bank System	NR	5.250	05-29-1997	1,500,000	1,416,750	1,490,625
First Boston Mortgage Securities Corporation	NR	5.983	01-25-2019	6,096,586	6,250,902	6,275,643
	NR	4.980	06-25-2000	1,500,000	1,500,000	1,500,000
First Chicago Corporation	BAA2	5.250	07-24-1996	2,000,000	1,902,500	2,000,000
	NR	6.875	06-15-2003	2,400,000	2,385,456	2,443,848
	BAA1	9.875	07-01-1999	4,000,000	4,399,200	4,676,640
	BAA1	9.875	08-15-2000	2,750,000	3,269,530	3,283,060
First Chicago Master Trust II	NR	9.250	06-15-1995	500,000	535,234	543,280
	NR	8.875	06-15-1995	1,666,667	1,738,542	1,690,100
First Interstate Bancorp	NR	8.700	07-18-1995	3,000,000	3,091,620	3,229,230
	NR	10.500	05-01-1994	2,233,000	2,294,363	2,346,392
First PV Funding Corporation	BA2	10.300	01-15-2014	2,000,000	2,005,000	2,000,000
First Union Corporation	NR	5.950	07-01-1995	710,000	730,512	726,678
Fleet Finance Home Equity Trust	AAA	8.450	04-17-2006	2,678,450	2,801,910	2,841,327
	NR	5.450	03-20-2023	9,167,129	9,161,400	9,161,445
Fleet Financial Group Inc	NR	8.125	07-01-2004	335,000	341,221	369,539
Ford Credit Auto Loan	NR	6.875	01-15-1999	5,500,000	5,460,469	5,773,240
	AAA	8.600	12-15-1994	3,237,667	3,280,161	3,242,717
	NR	7.800	02-15-1996	5,372,535	5,528,675	5,511,845
Ford Holdings Inc	A2	9.250	03-01-2000	189,000	213,060	218,554
Ford Motor Credit Company	NR	7.950	08-15-1994	4,000,000	4,166,680	4,168,120
	AA3	9.125	12-15-1995	250,000	271,385	273,785
	A2	8.875	08-01-1996	800,000	883,000	884,312
	NR	6.250	02-26-1998	21,090,000	21,054,147	21,532,890
	A2	8.875	06-15-1999	1,000,000	1,075,860	1,134,870
Ford Motor Credit Corporation	NR	6.150	01-14-1994	5,000,000	5,072,900	5,060,700
FBC Mortgage Securities Trust II	AAA	8.000	09-01-2016	3,393,736	3,093,491	3,496,600
GCC Home Equity Trust	AA2	10.000	07-15-2005	5,030,141	5,353,171	5,448,297
General Electric Capital Corporation	AAA	8.300	09-20-2009	1,325,000	1,485,837	1,542,473
General Homes Mortgage Securities Inc	NR	11.500	06-01-2015	546,505	587,547	587,148
General Motors Acceptance Corporation	NR	7.850	07-16-1993	2,000,000	2,044,400	2,001,920
	NR	6.750	11-08-1993	1,000,000	1,018,530	1,007,330
	NR	8.950	11-22-1993	3,000,000	3,095,100	3,048,480
	NR	8.900	11-29-1993	18,500,000	19,316,405	18,810,615
	NR	8.900	11-30-1993	3,800,000	4,022,034	3,864,220
	NR	8.650	12-07-1993	4,000,000	4,231,080	4,066,720
	NR	8.750	12-14-1993	14,000,000	14,495,880	14,249,200
	NR	6.150	01-14-1994	8,600,000	8,551,410	8,664,070
	NR	6.375	01-18-1994	3,500,000	3,496,570	3,530,590
	NR	6.250	02-07-1994	350,000	359,142	353,000
	NR	6.200	02-14-1994	2,000,000	2,047,440	2,017,100
	NR	6.250	02-25-1994	8,000,000	7,930,160	8,074,240
	NR	8.500	03-07-1994	5,450,000	5,756,835	5,583,689
	NR	8.500	03-08-1994	5,000,000	5,294,000	5,123,150
	NR	8.550	03-15-1994	2,900,000	3,018,929	2,974,385
	NR	6.900	04-01-1994	8,750,000	8,749,825	8,884,838
	NR	8.200	04-11-1994	850,000	896,801	871,709
	NR	7.900	06-06-1994	6,000,000	6,152,280	6,164,940
	NR	9.150	06-09-1994	1,150,000	1,210,145	1,194,655
	NR	8.200	07-25-1994	7,500,000	7,743,525	7,767,900

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
	NR	8.200	08-08-1994	6,500,000	6,561,870	6,747,780
	NR	8.150	09-15-1994	2,150,000	2,287,901	2,236,667
	NR	4.600	09-21-1994	9,000,000	8,988,930	8,997,300
	NR	7.300	10-04-1994	2,500,000	2,574,900	2,578,800
	NR	8.600	12-08-1994	8,275,000	8,696,115	8,706,955
	NR	5.450	02-21-1995	3,987,000	4,003,626	4,021,328
	NR	5.350	02-27-1995	5,000,000	5,023,650	5,035,050
	NR	5.250	04-03-1995	4,285,000	4,283,243	4,304,283
	NR	5.200	04-13-1995	3,000,000	3,004,458	3,010,260
	NR	8.700	05-01-1996	2,375,000	2,433,758	2,568,919
	NR	8.800	07-03-1996	3,000,000	3,084,690	3,260,250
	NR	8.800	07-08-1996	1,500,000	1,542,405	1,630,425
	NR	7.750	02-20-1997	4,000,000	4,187,320	4,247,400
	NR	7.750	04-15-1997	9,000,000	8,883,225	9,528,750
	NR	7.900	05-01-1997	2,500,000	2,512,500	2,646,575
	A2	8.625	06-15-1999	5,000,000	5,312,600	5,493,400
	A2	5.500	12-15-2001	750,000	666,105	684,533
Great Western Bank	NR	9.660	11-29-1993	3,400,000	3,546,880	3,478,030
	A3	9.800	12-01-1993	7,000,000	7,226,100	7,149,660
Greenwich Capital Acceptance Inc	NR	7.656	01-25-2022	4,488,974	4,615,226	4,690,978
	NR	6.026	10-25-2022	35,680,676	36,416,827	36,438,891
Greenwich Capital Acceptance Inc Variable	NR	5.658	04-25-2023	2,936,624	2,994,438	2,999,027
Greenwich Capital Acceptance Remic	NR	5.764	01-25-2023	9,579,004	9,722,689	9,782,558
Guaranteed Mortgage Corporation II	NR	11.000	12-01-2015	4,449,885	4,520,823	4,871,200
Guardian S & L Association	NR	6.828	02-25-2020	546,552	549,284	550,651
	NR	6.136	07-25-2018	5,889,869	5,952,449	5,913,782
	NR	6.442	01-25-2019	3,452,339	3,504,124	3,486,862
	NR	6.835	02-25-2020	541,244	536,508	545,304
	NR	8.842	03-25-2020	2,066,412	2,081,910	2,081,910
	NR	6.966	05-25-2020	1,864,263	1,871,254	1,878,245
	NR	7.219	01-25-2021	1,331,187	1,351,154	1,349,490
Home Equity Loan Trust Close-End	NR	6.650	11-20-2012	149,360	153,001	151,926
Home Loan Investments Associates	NR	5.957	04-15-2012	5,244,704	5,244,704	5,241,400
Home Owners Federal Savings & Loan Association	NR	6.122	09-01-2017	3,229,038	3,248,210	3,294,620
Home Savings America Irwindale Ca	BAA1	10.250	12-05-1996	5,375,000	5,363,766	5,949,050
Household Finance Corporation Home Equity	NR	4.470	10-08-2003	970,718	967,381	973,445
Household Finance Corporation	NR	9.260	07-26-1995	2,600,000	2,858,622	2,833,896
	A3	9.375	02-15-1996	500,000	549,600	553,545
	NR	7.800	11-01-1996	4,000,000	4,082,120	4,305,040
Housing Securities Inc	NR	8.000	06-25-2019	2,989,589	3,038,169	3,052,161
Housing Securities Inc Mortgage Pass	NR	5.935	05-25-2016	8,342,835	8,629,620	8,342,835
	NR	7.250	08-25-2016	7,750,868	7,702,695	7,821,091
Imperial Savings & Loan Association	NR	8.800	01-25-2017	3,624,789	3,524,258	3,819,621
International Lease Finance Corporation	NR	5.750	03-15-1998	700,000	692,552	699,944
JCP Master Credit Card Trust	NR	8.700	09-15-1995	642,079	671,173	652,910
Kidder Peabody Acceptance Corporation 1	NR	7.150	04-25-2025	2,499,814	2,487,400	2,524,812
LB Mortgage Trust Multiclass Remic	NR	14.000	11-25-2001	756,548	794,375	794,375
Margaretten Financial Corporation	NR	6.750	06-15-2000	2,600,000	2,597,374	2,628,626
Maritrans Capital Corporation	NR	9.250	04-01-2007	4,000,000	4,000,000	3,601,240
Mellon Bank Corporation	NR	5.250	11-29-1996	7,000,000	6,667,500	7,006,510
Mellon Financial Company	NR	5.375	08-01-1995	3,000,000	3,041,370	3,041,370
Merrill Lynch & Company Inc	NR	8.000	06-01-2007	400,000	392,548	437,820
Morgan Guaranteed Trust Company	AA-1	7.375	02-01-2002	1,250,000	1,207,878	1,339,500
Mortgage Bankers Financial Corporation I	NR	9.900	03-01-2018	8,354,998	7,987,132	9,177,381
	NR	9.500	07-01-2018	9,880,685	9,697,281	10,862,529
Mortgage Investments	NR	4.500	07-01-2019	2,297,553	2,240,114	2,240,114
Mortgage Obligation Trust	NR	6.350	10-25-2018	5,917,970	5,977,149	5,991,944
Mortgage Securities III Trust	NR	9.000	04-01-2018	6,671,177	6,268,466	7,229,888
Municipal Finance Authority	AAA	13.750	12-01-2005	366,000	394,823	448,167
MWCC Receivables Trust One	NR	9.250	08-17-1993	225,000	235,828	225,491
Norwest Financial Inc	AA3	8.500	08-15-1998	1,000,000	993,530	1,126,390
	NR	6.875	12-15-1999	6,000,000	5,959,020	6,285,240
NBD Bancorp Inc	A-1	8.100	03-01-2002	500,000	499,555	554,655
NCNB Corporation	BAA1	9.125	10-15-2001	2,000,000	2,082,700	2,317,840
	BAA1	9.375	09-15-2009	360,000	405,644	434,840
P-B Cmo Trust Four Remic	NR	5.421	09-01-2018	1,314,258	1,349,373	1,334,787
Pacific Gas & Electric Company	NR	7.350	11-30-2000	7,000,000	7,000,000	7,452,830
Premier Auto Trust	NR	3.466	10-15-1998	9,999,967	9,999,967	9,999,967
Private Export Funding Corporation	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,580,890
Prudential Home Mortgage Securities Co	NR	7.200	10-25-2016	1,500,000	1,483,828	1,552,500
	NR	7.500	04-25-2007	289,495	292,300	289,313
Prudential Home Mortgage Securities Remic	NR	6.500	04-25-2023	2,411,116	2,411,116	2,455,553
Prudential Home Mortgage Securities	NR	7.500	08-25-2007	1,460,954	1,508,435	1,501,130
Residential Funding Mortgage Securities I	NR	6.750	11-25-2022	5,500,000	5,462,188	5,611,705
	NR	8.114	02-25-2007	12,204,868	12,559,572	12,632,038
	NR	7.750	10-25-2017	1,253,902	1,285,446	1,290,140
	NR	6.062	02-25-2019	6,510,000	659,751	660,179
	NR	8.500	08-25-2020	18,100,000	18,914,500	19,355,597
	NR	5.880	07-25-2022	6,751,675	6,935,236	6,935,253
	NR	7.000	06-25-2023	9,378,000	9,533,323	9,565,560
Residential Funding Mortgage Securities I Remic	NR	9.000	06-25-2021	7,068	7,103	7,068
	NR	6.500	02-25-2023	4,660,729	4,700,782	4,717,590
Resolution Trust Corporation	NR	7.500	08-25-2023	1,127,228	1,157,699	1,147,304
	NR	6.600	05-25-2024	939,425	942,535	957,087
	NR	7.516	02-25-2022	10,000,000	10,276,563	10,276,600
	NR	4.387	06-25-2024	9,370,893	9,370,893	9,370,893
	NR	8.350	06-25-2029	4,839,876	4,883,146	4,873,127
Resolution Trust Corporation Multifamily	NR	7.743	05-25-2019	3,796,915	3,796,915	3,841,984
	NR	8.000	09-25-2021	2,112,000	2,187,570	2,195,846
	NR	7.899	02-25-2020	3,305,350	3,336,854	3,344,585
	NR	3.740	11-25-2020	1,771,870	1,771,870	1,777,948
	NR	8.150	01-25-2021	3,158,218	3,324,517	3,310,128

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
	NR	3.740	03-25-2021	3,360,773	3,363,179	3,360,773
	NR	5.850	07-25-2024	1,773,309	1,770,355	1,782,459
	NR	7.750	04-25-2028	5,165,266	5,210,514	5,178,180
	NR	5.771	01-25-2021	1,680,241	1,686,542	1,676,040
Resolution Trust Corporation Remic	NR	4.280	12-25-2020	11,153,113	11,121,896	11,306,469
	NR	5.871	12-25-2020	9,415,135	9,506,509	9,650,513
	NR	3.800	04-25-2021	2,069,179	2,071,442	2,079,525
	NR	10.000	05-25-2022	1,000,000	1,069,690	1,069,690
	NR	4.950	03-25-2025	989,800	989,459	989,463
Resolution Trust Corporation Securities Inc	NR	3.637	07-25-2023	22,317,394	22,315,204	22,317,394
Resolution Trust Corporation Inc Remic	NR	4.350	05-25-2024	28,883,844	28,883,844	28,847,739
Resolution Trust Corporation Mortgage Pass	NR	4.287	05-25-2022	4,571,892	4,614,754	4,614,776
Resolution Trust Corporation Mortgage Remic	NR	4.337	03-25-2020	1,200,949	1,207,329	1,207,698
Revolving Home Equity Loan Trust	NR	3.720	06-09-2022	11,255,760	11,255,760	11,276,921
Residential Funding Mortgage Securities I Inc	NR	9.500	10-25-2020	1,339,264	1,375,466	1,391,161
Rural Electrical Cooperative Grantor Trust Cert	AAA	9.580	12-15-2019	8,000,000	8,252,240	9,405,120
Ryland Mortgage Securities Corporation	NR	4.933	03-25-2022	3,106,341	3,144,200	3,148,060
Ryland Mortgage Securities Corporation Libor	NR	5.620	07-25-2022	8,000,000	8,201,562	8,160,000
Ryland Mortgage Securities Corporation Partnership	NR	4.908	12-25-2021	5,850,174	5,905,019	5,928,742
Ryland Mortgage Securities Corporation Remic	NR	8.250	07-25-2027	2,467,428	2,469,715	2,465,857
Ryland Mortgage Securities Corporation Three Remic	NR	4.953	05-29-2021	9,000,000	8,758,800	8,758,800
	NR	8.337	03-29-2030	961,172	996,315	996,254
Ryland Mortgage Securities Corporation Two	NR	8.500	12-26-2021	851,010	866,434	865,366
RCSB Grantor Trust	NR	4.170	03-15-2000	11,451,752	11,451,752	11,451,752
RTC Mortgage Trust	NR	4.937	03-15-2003	9,052,556	9,052,556	9,049,659
	NR	6.250	05-15-2003	6,750,000	6,572,813	6,615,000
	NR	6.250	12-15-2002	9,250,000	8,646,865	8,764,375
Salomon Bros Mortgage Securities IV Inc	NR	7.000	02-01-2017	1,105,536	962,507	1,130,410
Salomon Bros Mortgage Securities VII Inc	NR	6.255	01-25-2018	2,661,760	2,665,087	2,718,322
Salomon Brothers Mortgage Securities II	NR	11.500	09-01-2015	3,081,435	3,379,064	3,422,303
Salomon Inc	NR	6.600	07-18-1993	12,000,000	12,000,000	12,011,880
	NR	6.710	07-30-1993	3,900,000	3,900,000	3,907,683
	NR	4.118	04-05-1995	4,000,000	4,004,800	4,005,000
	NR	8.950	08-01-1995	1,000,000	1,093,740	1,079,690
Santa Barbara Funding I Inc	NR	9.450	09-01-2010	1,479,581	1,505,474	1,523,495
Sears Credit Account Trust	NR	7.750	09-15-1996	8,000,000	8,218,750	8,597,440
	NR	8.800	12-15-1994	13,200,000	14,100,938	13,975,500
Sears Mortgage Securities Corporation	NR	7.625	12-25-2016	1,719,347	1,748,361	1,747,287
	NR	6.449	06-25-2022	4,120,123	4,176,775	4,176,775
	NR	9.178	04-25-2022	1,843,428	1,902,763	1,935,599
Sears Mortgage Securities Corporation Remic	NR	8.150	03-25-2022	5,763,159	5,897,332	6,015,297
Securities Pacific Home Equity Trust Home	NR	8.250	05-10-2003	6,035,360	6,197,560	6,174,897
Security Pacific Corporation	NR	6.240	02-03-1994	5,000,000	5,081,400	5,070,650
Security Pacific National Bank of L.A.	NR	10.500	01-01-2018	1,471,932	1,485,401	1,611,766
Shearson Lehman Brothers Holdings Inc	NR	0.000	09-05-1994	2,300,000	2,300,000	2,300,000
	NR	8.375	04-01-1997	600,000	641,184	650,412
Shearson Lehman Hutton Holdings	NR	4.140	02-01-1994	10,000,000	10,000,000	10,001,400
Shearson Lehman Securities Inc	NR	6.199	01-01-2019	3,828,217	3,910,763	3,904,781
Southwest Savings Associations	NR	9.086	12-31-2018	1,216,556	1,222,902	1,256,849
Standard Credit Card Master Trust I	NR	7.875	07-07-1994	3,450,000	3,521,625	3,579,375
	NR	8.000	08-07-1996	1,500,000	1,492,200	1,627,500
Standard Credit Trust	NR	9.375	06-10-1995	200,000	219,750	217,500
Suntrust Banks Inc	NR	7.375	07-01-2002	360,000	361,339	382,975
SPNB Home Equity Loan Asset Backed Certificate	AAA	8.100	06-15-2020	7,877,107	8,131,991	8,135,555
Texaco Capital Inc	A-1	9.000	11-15-1996	400,000	441,738	448,196
Toledo Edison Company	NR	9.300	04-01-1998	3,500,000	3,807,405	3,819,815
UBS Mortgage Trust	NR	0.000	06-01-2020	89,961	1,281,951	1,132,952
US Auto Receivables Trust	NR	8.150	01-16-1996	2,913,976	2,982,728	2,992,653
Western Federal Savings & Loan Association	NR	6.099	05-01-2018	302,135	308,933	306,667
	NR	5.333	01-01-2021	5,760,162	5,720,560	5,731,361
	NR	6.397	03-01-2019	4,920,430	4,857,577	5,024,990
GMAC Mortgage	NR	0.000		183,922	116,236	183,922
TOTAL FINANCE				1,305,722,704	1,318,302,067	1,340,591,725
INDUSTRIAL AND MISCELLANEOUS						
Ahmanson H F & Company	BAA3	9.875	11-15-1999	10,000,000	9,894,000	11,631,200
American Brands Inc	A3	5.250	07-15-1995	500,000	503,280	500,545
AMR Corporation Delaware	NR	9.250	01-18-1994	1,000,000	1,035,100	1,022,310
	NR	9.700	11-07-2011	4,000,000	4,168,120	4,484,120
	BAA1	9.880	06-15-2020	200,000	220,800	223,796
Atlantic Richfield Company	A-1	9.125	03-01-2011	500,000	560,045	594,945
BP North America Inc	AA3	9.875	03-15-2004	400,000	463,784	503,468
C & S Sovran Corporation	NR	0.000		5,000,000	5,268,550	5,240,050
Caterpillar Inc	NR	7.280	06-05-1997	5,000,000	5,035,850	5,295,250
	A2	9.375	07-15-2001	500,000	574,625	587,695
Citicorp	NR	0.00		9,961,986	9,000,455	11,089,882
Cleveland Electric Illuminating	NR	9.250	07-29-1999	9,000,000	9,946,530	10,207,530
Coca Cola Enterprises Inc	NR	7.000	11-15-1999	500,000	510,725	524,070
	A3	7.875	02-01-2002	200,000	217,122	217,416
Collateralized Mortgage Securities Corporation	NR	8.000	08-25-2017	2,948,867	2,646,608	3,110,111
Continental Illinois Corporation	BA2	9.125	10-15-1993	2,500,000	2,591,500	2,527,050
County Seat Stores Inc	NR	12.500	06-15-1997	5,000,000	5,000,000	5,000,000
CIT Group Holdings Inc	NR	5.020	04-06-1998	15,000,000	15,000,000	15,000,000
Dayton Hudson Corporation	A3	9.700	06-15-2021	1,000,000	1,080,140	1,242,500
	NR	9.500	06-10-2015	5,000,000	5,058,600	6,027,100
Diamond Shamrock Inc	NR	8.000	04-01-2023	500,000	490,045	499,050
Digital Equipment Corporation	NR	7.125	10-15-2002	250,000	249,878	259,340
Dow Chemical Company	A-1	9.000	04-01-2021	1,000,000	1,044,080	1,183,810
Du Pont E I De Nemours & Co	NR	8.125	03-15-2004	1,000,000	997,010	1,133,710

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Industrial and Miscellaneous (continued)						
Eastman Kodak Company	A2	9.125	03-01-1998	1,000,000	1,062,400	1,068,130
Emerson Capital Corporation	NR	0.000		709,184	709,184	933,286
	NR	0.000		60,816	60,816	80,034
Exxon Capital Corporation	AAA	7.875	08-15-1997	165,000	179,302	181,284
Federal Express Corporation	NR	10.000	09-01-1998	500,000	536,605	578,850
First Private Funding Corporation	BA2	10.150	01-15-2016	6,000,000	5,025,000	5,940,000
Fleet Norstar Financial Group Inc	NR	0.000		3,000,000	3,168,270	3,224,040
	NR	0.000		5,400,000	5,813,370	5,995,674
Ford Capital BV	A2	9.000	08-15-1998	8,000,000	8,454,300	9,049,600
	AA3	10.125	11-15-2000	200,000	236,108	243,400
Ford Holdings Inc	A2	9.250	07-15-1997	241,000	268,961	272,957
Ford Motor Company	A2	9.000	09-15-2001	250,000	269,718	287,778
	NR	7.500	11-15-1999	3,225,000	3,240,964	3,437,979
Ford Motor Credit Company	NR	8.200	05-23-1994	2,700,000	2,814,210	2,799,954
Fruit Of The Loom Inc	BA3	7.000	03-15-2011	2,000,000	1,820,000	1,843,060
Gannett Company Inc	AA3	5.250	03-01-1998	250,000	248,498	249,035
General American Trans Corporation	NR	4.950	12-21-1993	7,000,000	7,147,770	7,027,440
General Electric Company	AAA	7.875	05-01-1996	450,000	490,208	485,901
General Electric Credit Corporation	0.000	0.000		5,001,514	4,957,466	5,176,567
General Motors Acceptance Corporation	NR	6.375	01-24-1994	10,000,000	10,140,100	10,089,600
	NR	9.900	04-15-1994	2,000,000	2,117,420	2,077,160
	A2	8.875	06-01-2010	8,500,000	9,151,250	9,849,800
General Motors Corporation	A2	8.000	07-01-1994	2,850,000	2,956,590	2,939,633
	A2	8.800	03-01-2021	7,400,000	7,857,560	8,227,468
Georgia Pacific Corporation	NR	9.625	03-15-2022	400,000	400,880	458,900
GMAC Grantor Trust	NR	6.750	06-15-1996	864,011	862,526	883,987
GPA Delaware Inc	CAA	8.750	12-15-1998	4,470,000	4,453,685	2,905,500
GPA Group Delaware	NR	5.090	06-15-1994	16,500,000	16,500,000	14,025,000
GTE Corporation	NR	7.830	05-01-2023	1,750,000	1,750,000	1,806,893
Harcourt General Inc	NR	8.250	06-01-2002	1,000,000	994,280	1,090,060
Hertz Corporation	BAA2	9.500	05-15-1998	4,000,000	4,495,080	4,545,400
Home Fashions Inc	NR	15.500	05-01-2002	13,781,564	11,313,371	5,656,685
IBM Corporation	A-1	9.000	05-01-1998	400,000	428,500	428,800
ICI North America Inc	NR	8.875	11-15-2006	300,000	343,578	346,023
Illinois Power Fuel Company	NR	0.000		6,000,000	6,671,250	6,386,160
Interco Inc	CA	14.500	12-15-2003	128	128	128
ISP Chemicals Inc/ISP Tech Inc	NR	9.000	03-01-1999	350,000	351,138	368,407
K Mart Corporation	A-1	12.500	03-01-2005	400,000	532,828	578,120
Keller, Graduate School Of	NR	13.000	12-01-1999	9,126,419	9,126,419	9,126,419
Kellogg Company	NR	5.900	07-15-1997	360,000	359,100	370,667
Keycorp	NR	6.300	04-20-2000	2,750,000	2,712,518	2,777,225
Leewards Creative Crafts Inc	NR	13.500	05-15-2000	5,000,000	5,000,000	5,000,000
Long Island Lighting Company	BAA3	10.250	06-15-1994	14,050,000	14,267,023	14,807,717
Louisiana Power & Light	NR	0.000		1,250,000	1,250,000	1,512,100
Lyondell Petrochemical Company	BAA3	9.950	06-01-1996	350,000	380,713	388,626
Martin Marietta Corporation	A2	9.000	03-01-2003	1,000,000	1,072,170	1,170,660
National Medical Enterprises Inc	NR	7.375	09-01-1997	5,000,000	4,980,000	4,752,100
Nerco Inc	BAA	9.650	06-01-1999	5,000,000	5,097,000	5,817,500
Newtrend Group Limited Partnership	NR	12.000	01-01-1997	1,558,688	1,558,688	1,558,688
Occidental Petroleum Corporation	BAA2	11.750	03-15-2011	2,000,000	2,041,944	2,365,880
Olympia & York	NR	0.000		9,561,542	9,485,189	4,780,771
Paramount Communications Inc	NR	8.500	07-01-1996	2,500,000	2,578,925	2,494,075
	NR	7.500	01-15-2002	1,000,000	951,300	1,058,040
Penn Central Corporation	BAA1	10.875	05-01-2011	5,000,000	5,236,500	5,642,100
Penney, J C Company	A2	6.000	05-01-2006	222,000	198,794	210,900
Pepsico Inc	A-1	7.000	11-15-1996	650,000	664,937	688,688
Philip Morris Companies Inc	A2	9.400	10-01-1995	800,000	871,080	877,616
	NR	7.750	05-01-1999	1,400,000	1,488,508	1,502,746
	NR	7.125	08-15-2002	2,000,000	2,012,580	2,073,820
Philip Morris Credit Corporation Series C	NR	0.000		2,785,110	2,785,110	3,665,205
	NR	0.000		294,890	294,890	388,075
Ralston Purina Company	BAA1	9.300	05-01-2021	340,000	395,539	399,500
Resorts International Inc	CA	15.000	04-15-1994	800	792	576
RJR Nabisco Inc	BAA3	10.500	04-15-1998	8,500,000	9,730,035	9,605,000
	BAA3	8.300	04-15-1999	4,000,000	4,000,000	4,130,000
Safer Company	NR	9.630	05-31-2000	4,000,000	3,995,760	4,729,280
Safeco Products	NR	9.460	05-31-1999	7,000,000	6,992,160	8,144,570
Sears Roebuck & Company	A2	7.000	11-01-1994	2,500,000	2,579,925	2,578,175
	A2	9.250	08-01-1997	4,050,000	4,504,694	4,571,964
	A2	9.250	04-15-1998	26,860,000	29,988,384	30,512,691
	A2	9.375	11-01-2011	250,000	257,413	291,380
Security Pacific Corporation	A3	8.350	08-15-1994	3,000,000	3,111,570	3,131,610
Shell Oil Company	AAA	6.950	12-15-1998	1,000,000	998,310	1,062,970
Sonwil Corporation Deferred	NR	0.000		12,468,434	14,459,412	17,582,362
Southeast Real Estate	NR	6.000	04-29-1999	7,884,616	7,861,208	7,884,616
Teachers Insurance & Annuity	NR	0.000		21,825,681	21,945,722	22,289,476
Tele Communications Inc	NR	7.375	02-15-2000	2,000,000	1,995,100	2,078,860
	NR	9.250	01-15-2023	8,000,000	8,160,660	8,770,640
	BAA3	9.875	04-01-1998	200,000	219,376	228,228
Tenneco Inc	BAA2	7.875	10-01-2002	4,000,000	4,060,685	4,226,000
Time Warner Inc	BA2	11.000	08-15-2002	43,600,000	37,123,938	38,477,000
Union Oil Company Of California	BAA1	9.750	03-01-1994	5,365,000	5,643,819	5,547,517
United States Leasing International Inc	A2	8.750	05-01-1996	1,800,000	1,966,896	1,962,162
USG Corporation	CA	16.000	07-15-2008	100	0	16
USX Corporation	NR	8.500	03-01-2023	7,500,000	7,445,250	7,643,175
	NR	0.000		36,000,000	37,168,880	36,021,960
Wal Mart Stores Inc	NR	5.500	03-01-1998	250,000	250,000	251,758
Waste Management Inc	A-1	7.750	02-01-1995	1,200,000	1,234,032	1,263,180
	NR	6.375	07-01-1997	250,000	258,585	260,400
Wilmington Trust Company Chrysler Capital	NR	0.000		984,697	984,697	945,919
Wilmington Trust Company Cllcorp Lease	NR	0.000		639,497	639,497	614,314
	NR	0.000		329,297	329,297	316,330

CORPORATE OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Industrial and Miscellaneous (continued)						
Wilmington Trust Company Capital Inc	NR	0.000		633,428	633,428	608,484
Wilmington Trust Company Northern Leasing Company	NR	0.000		950,142	950,142	912,725
Wilmington Trust Company Philip Morris	NR	0.000		3,156,212	3,156,212	3,031,921
Wilmington Trust Company U S West	NR	0.000		1,234,149	1,234,149	1,185,548
TOTAL INDUSTRIAL AND MISCELLANEOUS				503,509,772	508,069,116	513,933,566
PUBLIC UTILITIES						
Boston Edison Company	NR	9.375	08-15-2021	270,000	307,584	304,039
Colorado Interstate Gas Company	BAA2	10.000	06-15-2005	2,000,000	2,014,740	2,415,900
Commonwealth Edison Company	NR	8.160	06-01-1994	1,500,000	1,561,035	1,553,430
	A3	9.375	02-15-2000	5,085,000	5,697,081	5,860,818
Connecticut Light & Power Company	BAA1	9.500	06-01-2019	1,000,000	988,750	1,084,710
Consolidated Edison Company New York Inc	NR	6.250	04-01-1998	250,000	253,585	258,943
	AA2	7.625	03-01-2004	500,000	541,650	550,130
Consumers Power Company	BAA3	8.750	02-15-1998	1,000,000	1,101,750	1,091,580
CTC Mansfield Funding Corporation	NR	10.250	03-30-2003	6,250,000	6,693,313	6,515,625
Duke Power Company	NR	6.250	05-01-2004	600,000	584,250	596,760
Houston Light & Power Company	NR	7.625	03-01-1997	1,000,000	999,510	1,077,720
Idaho Power Company	NR	8.750	03-15-2027	1,000,000	996,250	1,116,090
Jersey Central Power & Light Company	NR	6.375	05-01-2003	100,000	99,160	100,253
Long Island Lighting Company	BAA3	11.700	11-15-1993	3,000,000	3,281,540	3,078,240
	BAA3	11.750	11-15-1994	13,515,000	15,006,515	14,746,217
Northern Illinois Gas	NR	5.875	05-01-2000	500,000	496,890	501,025
Pacific Gas & Electric Company	NR	7.875	03-01-2002	500,000	531,715	549,080
Rural Electric Coop Grantor Trust Certificate	NR	9.730	12-15-2017	4,000,000	4,214,770	4,443,440
Southern California Edison Company	NR	7.500	04-15-1999	500,000	494,220	542,060
Southern California Gas Company	A2	8.750	10-01-2021	350,000	359,709	380,461
Texas Utilities Electric Company	NR	8.125	02-01-2002	1,000,000	982,960	1,094,600
	NR	7.375	08-01-2001	4,000,000	3,971,160	4,146,840
United Illuminating Company	NR	7.375	01-15-1998	350,000	348,289	373,881
Western Resources Inc	NR	7.250	07-01-1999	5,000,000	4,993,600	5,317,000
Wisconsin Electric Power Company	NR	7.750	01-15-2023	1,000,000	1,036,820	1,054,640
Wisconsin Gas Company	A-1	9.125	12-01-1997	4,000,000	3,990,000	4,223,440
TOTAL PUBLIC UTILITIES				58,270,000	61,546,846	62,976,922
TELEPHONE						
General Telephone Company	AA3	9.375	06-15-2026	1,000,000	925,010	1,057,180
GTE Corporation	A3	8.850	03-01-1998	900,000	965,628	1,010,601
Northern Telecom Limited	NR	6.875	10-01-2002	150,000	150,000	157,035
Southern Bell Telephone & Telegraph Company	AAA	8.125	05-01-2017	1,000,000	956,640	1,041,780
Southwestern Bell Telephone Company	NR	6.625	04-01-2005	500,000	503,870	507,215
United Telephone Company Florida	NR	7.250	12-15-2004	400,000	421,388	426,308
US West Communications	AA3	8.875	06-01-2031	1,000,000	1,015,250	1,134,870
TOTAL TELEPHONE				4,950,000	4,937,786	5,334,989
TRANSPORTATION						
AMR Corporation Delaware	BAA1	10.000	04-15-2021	1,000,000	1,095,830	1,132,220
	NR	6.250	07-01-1995	5,000,000	5,054,090	5,040,100
	BAA1	9.800	10-01-2021	2,500,000	2,527,100	2,779,700
	NR	9.160	12-20-1993	4,000,000	4,129,000	4,076,080
	NR	7.750	12-01-1997	14,000,000	13,913,770	14,470,120
Burlington Northern Inc	NR	8.750	02-25-2022	500,000	551,565	571,490
Consolidated Rail Corporation	NR	5.770	12-01-1995	1,775,000	1,821,239	1,823,209
Delta Air Lines Inc	NR	9.375	09-11-2007	4,872,322	4,872,322	5,145,075
TOTAL TRANSPORTATION				33,647,322	33,964,916	35,037,994
CONVERTIBLE ISSUES						
Avnet Inc	A2	6.000	04-15-2012	500,000	511,200	515,000
Coeur D'Alene Mines Corporation Idaho	NR	7.000	11-30-2002	2,460,000	2,459,351	3,591,600
Service Corporation International	BAA1	6.500	09-01-2001	3,000,000	3,000,000	3,615,000
Sterling Software Inc	B-1	5.750	02-01-2003	750,000	750,000	729,375
Time Warner Inc	BA3	8.750	01-01-2015	1,200,800	1,254,836	1,275,850
TOTAL CONVERTIBLE ISSUES				7,910,800	7,975,387	9,726,825
TOTAL CORPORATE OBLIGATIONS				1,786,580,097	1,934,796,118	1,967,602,021

PREFERRED STOCKS	SHARES	BOOK VALUE	MARKET VALUE
Domestic			
Armco Inc	10,000	500,000	605,000
Cellular Communication	167,267	4,866,318	6,523,413
Conagra Inc	25,000	791,750	765,625
Ford Motor Company Series A	39,500	3,225,415	3,564,875
General Motors Corporation	22,000	1,136,644	1,221,000
Leewards Creative Crafts Inc	263,818	5,069,525	8,157,832
	67,020	2,072,406	2,072,406
Lynx Therapeutics	77,081	77,081	77,081
RJR Nabisco Holdings Corporation	28,000	1,019,299	819,000
Texaco Inc	314	11,571	16,250
Toledo Edison Company	80,000	2,017,280	2,080,000
US Air Group Incorporated	65,000	3,011,253	3,656,250
TOTAL PREFERRED STOCKS - Domestic		23,798,542	29,558,732

PREFERRED STOCKS	SHARES	BOOK VALUE	MARKET VALUE
International			
Henkel Kga Preferred Shares	6,421	2,449,679	2,000,938
Hornbach Holdings	1,800	1,029,651	1,255,405
International Nederlanden Group Limited Company Preferred	18,480	0	77,744
Rheinisch Westfaelisches Preferred	1,619	229,994	362,472
	12,953	2,756,116	2,415,655
Roche Holding Basel Genussscheine Preferred	110	360,894	362,890
Volkswagen AG Preferred	3,800	497,901	661,461
Wella Ag Preferred	400	89,981	170,318
Zuerich Versicherungsgesellschaft Ptg Cr	1,900	1,402,224	1,537,221
TOTAL PREFERRED STOCKS - International		8,816,440	8,844,104

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
Australia (Commonwealth Of)	NR	9.500	02-28-1994	4,027,848	3,485,079
	NR	7.000	08-15-1998	17,047,252	16,251,626
Australia (Government Of)	NR	10.000	10-15-2002	3,109,329	3,269,817
Australia Government Bond	NR	9.000	09-15-2004	1,801,560	1,836,066
Austria Government Bond (Osterreich)	NR	6.250	10-16-2003	5,461,106	6,471,149
ANB Multiple Intercap Eafe Index Fund	NR	0.000		112,437,889	126,631,909
Bank New York Company Inc	NR	5.250	12-05-1997	6,508,000	6,812,716
Bank Of New York Overseas Fin Nv	NR	5.250	01-24-1996	2,917,500	3,000,000
Banque Europeenne D'Investissement	NR	6.625	03-15-2000	15,771,138	18,467,961
Belgium (Government Of)	NR	8.750	06-25-2002	6,714,781	6,313,899
	NR	9.000	06-27-2001	3,726,322	3,558,540
Belgium (Kingdom Of)	NR	9.000	07-30-1998	5,950,988	5,522,775
	NR	6.000	12-16-1998	2,902,709	3,480,563
Brinson Partners International	NR	0.000		59,944,421	74,158,741
	NR	0.000		210,564	210,564
Brinson Partners International Non-Dollar	NR	0.000		220,583,860	260,870,000
British Columbia Bonds (Variable)	NR	8.500	08-23-2013	2,705,732	2,709,490
Bundesobligationen	NR	0.000		25,829	25,197
Bundesrepublik Deut Bond	NR	7.250	01-20-2000	2,921,627	2,818,143
Bundesrepublik Deut(Germany Federal Republic Of)	NR	6.375	05-20-1997	7,231,268	6,949,577
Caisse Nationale Des Telecom	NR	0.000		10,019,579	10,019,579
Canada (Government Bonds)	NR	9.500	06-01-2010	3,689,029	3,708,384
	NR	0.000		9,192,824	9,157,083
Canada (Government of)	NR	0.000	10-01-1996	4,341,782	4,293,798
	NR	9.500	10-01-1998	3,588,070	3,557,729
	NR	9.250	12-01-1999	2,965,405	2,941,030
	NR	7.500	12-01-2003	1,654,924	1,677,203
	NR	6.000	02-01-1996	1,550,680	1,551,244
Canadian National Railroad	NR	7.625	05-15-2023	489,335	505,975
Chemical New York Corporation	NR	5.250	10-09-1997	4,881,000	5,006,250
Chevron Canada Financial Ltd	NR	5.600	04-01-1998	598,800	603,648
Citicorp O/S Finance	NR	5.000	01-30-1998	2,850,600	3,000,000
	NR	3.437	05-29-1998	4,800,100	4,800,000
	NR	0.000	08-23-1996	6,459,750	6,510,140
Denmark (Government Of)	NR	9.750	02-10-1995	6,157,345	5,606,580
	NR	8.000	05-15-2003	8,543,044	8,757,250
Denmark (Kingdom Of)	NR	9.250	08-10-1995	2,443,154	2,332,881
	NR	9.000	11-15-1995	5,482,740	5,326,5
	NR	9.000	11-15-1998	10,998,131	10,917,046
	NR	9.000	11-15-2000	24,553,563	24,643,199
Deutsche Bank Genuss Schem	NR	8.750	06-30-2004	28,775	33,296
Deutschland Bundesrepublik	NR	8.000	01-21-2002	1,497,290	1,424,726
	NR	6.000	03-20-1997	4,695,367	4,648,397
	NR	7.000	09-20-1999	14,272,230	14,794,289
	NR	7.125	12-20-1999	5,655,519	6,074,823
	NR	9.000	10-20-2000	24,580,251	23,261,912
	NR	8.875	12-20-2000	21,002,154	21,174,260
	NR	7.250	10-21-2002	2,558,095	2,432,977
	NR	8.500	08-21-2000	6,194,049	6,487,430
	NR	8.000	07-22-2002	2,650,257	2,544,803
Deutschland Bundesrepublik Trustee Bond	NR	7.000	09-20-1994	1,788,212	1,768,995
E I B (Registered Bulldog Ex.Dividend)	NR	9.000	07-16-2001	1,582,340	1,551,056

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
First Bank System	NR	5.250	11-13-1996	3,029,250	3,184,000
First Bank System Inc	NR	5.250	11-26-2010	915,000	992,500
First Chicago Corp	NR	5.250	02-07-1997	1,877,500	2,005,000
Ford Credit Canada	NR	8.450	02-10-1995	24,462,100	24,443,249
Ford Motor Credit Company Euro	NR	9.230	10-31-1995	3,142,170	3,277,500
France (B.T.A.N.)	NR	9.000	02-12-1995	5,929,165	5,459,261
France (Government of)	NR	8.500	03-12-1997	3,002,407	3,188,509
	NR	9.500	01-25-2001	2,316,226	2,239,005
	NR	8.500	04-25-2023	2,407,104	2,378,674
	NR	8.125	05-25-1999	3,491,572	3,666,228
	NR	8.500	03-28-2000	2,850,645	2,905,239
	NR	8.250	02-27-2004	17,803,079	20,541,420
	NR	8.500	12-26-2012	13,243,644	14,794,958
	NR	0.000	04-25-1999	279,016	156,265
	NR	0.000	04-25-2000	258,786	247,773
	NR	9.500	06-25-1998	12,278,152	12,504,479
France	NR	0.000	10-25-2008	761,902	872,831
France Btan	NR	8.500	11-12-1997	16,866,928	16,103,716
France Oat Coupon Strip	NR	0.000		2,969,244	3,151,802
France Government Bond	NR	6.750	10-25-2003	12,069,708	11,876,324
G.E.F.C.O.	NR	0.000	09-29-2000	662,841	678,587
General Motors Acceptance Corporation Euro	NR	7.000	10-08-1993	5,353,530	5,304,128
Greek T-Bills	NR	22.250	05-31-1995	5,230,273	4,900,000
GMAC Canada	NR	0.000		12,645,750	11,917,467
Holland Nederland	NR	8.500	03-15-2001	9,171,748	9,327,234
Holland Neiderland (Nederland) Government Notes	NR	8.500	06-01-2006	7,809,643	7,772,107
Holland Nederland (Nederland)	NR	6.750	02-15-1999	985,219	1,069,762
	NR	6.000	04-15-1995	5,043,763	5,226,000
	NR	9.000	07-01-2000	6,731,386	6,700,066
Hydro Quebec	NR	8.000	02-01-2013	1,392,417	1,418,458
	AA3	9.375	04-15-2030	5,370,976	5,986,722
	AA3	9.500	11-15-2030	11,200,283	12,150,642
International Bank Reconstruction Dev	NR	6.000	10-18-1996	1,157,718	1,340,925
	NR	5.250	03-20-2002	11,331,477	13,407,245
Ireland Republic of	AA3	8.625	04-15-2001	494,825	576,110
	NR	8.750	07-27-1997	1,179,672	1,218,087
Irish (Government of)	NR	9.000	07-15-2001	1,292,866	1,266,605
Israel State	AAA	8.000	12-01-1994	4,000,000	4,000,000
	AAA	8.000	12-01-1995	2,000,000	2,000,000
	NR	8.000	03-01-1998	1,000,000	1,000,000
Israel State Dollar Bonds	NR	8.000	06-30-2004	5,000,000	5,247,800
Italy (Republic Of)	NR	12.000	01-01-1996	4,262,981	4,138,548
	NR	12.500	03-01-1996	4,300,860	4,187,023
	NR	12.000	01-01-1998	9,725,268	10,068,484
	NR	12.000	05-01-1997	4,877,811	5,112,905
	NR	12.000	09-01-2002	5,998,748	6,132,673
	NR	12.000	10-01-1995	11,929,970	11,502,341
	NR	12.000	05-18-1999	9,238,359	8,908,020
	NR	9.250	03-07-2011	2,440,026	2,409,414
	NR	11.500	03-01-2003	10,826,643	10,732,965
	NR	12.000	01-01-2003	6,491,742	6,209,335
Italy	NR	12.000	09-01-1997	21,953,211	21,053,591
Japan (Government of)	NR	5.000	09-21-1998	26,795,857	28,054,749
	NR	5.600	09-20-2012	3,756,634	3,916,914
	NR	4.800	12-20-2002	7,655,425	7,564,806
	NR	6.600	06-20-2001	10,752,029	10,527,346
	NR	6.400	03-20-2000	6,149,242	6,420,307
	NR	4.900	03-20-1998	1,490,803	1,578,519
	NR	5.000	09-21-2009	3,436,853	3,465,444
	NR	4.700	12-21-1998	17,489,352	19,198,080
	NR	4.900	09-22-2008	3,588,452	3,603,439
	NR	5.000	09-20-1999	1,471,555	1,542,278
	NR	4.900	09-20-1999	1,479,505	1,562,768
	NR	4.500	06-20-2003	1,801,518	1,844,272
	NR	4.500	06-20-2003	35,279,477	33,433,526
	NR	6.000	12-20-2001	3,969,061	4,154,912
John Deere Capital Corporation	NR	11.625	03-20-1995	4,844,000	4,834,813
Kansallis Osake Pankki New York Branch	NR	4.650	05-10-1995	1,991,640	2,000,000
Manitoba Province Canada	A-1	8.875	09-15-2021	498,120	585,705
Manufacturers Hanover Trust	NR	5.250	04-30-1997	2,959,500	2,990,610
Montreal (City Of)	NR	11.500	09-20-2000	4,313,258	4,607,011
Netherlands (Government of)	NR	0.000		6,570,178	6,582,931
	NR	6.500	07-15-1998	2,980,127	2,765,077
	NR	6.750	10-01-1998	4,533,502	4,297,862
New Brunswick Province Of Canada	A-1	9.750	05-15-2020	494,250	632,260
Newfoundland Province Of Canada	BAA1	9.875	06-01-2020	5,575,020	6,793,710
New Zealand (Government of)	NR	9.000	11-15-1996	4,998,642	4,944,900
	NR	10.000	03-15-2002	7,005,723	7,439,575
Norsk Hydro A S	NR	7.750	06-15-2023	995,350	1,012,470
Nova Scotia Province Canada	NR	9.375	07-15-2002	579,890	593,910
Oesterische Kontrollbank	NR	6.500	09-19-1998	2,848,942	3,350,970
Offshore Mexican Bond Limited	NR	7.000	07-20-1994	49,000,000	48,861,820
Ontario Province Canada	NR	5.700	10-01-1997	1,687,335	1,708,792
	NR	7.375	01-27-2003	394,080	398,659
Petro Canada	NR	8.600	10-15-2001	428,172	447,312
PT Inti Indorayon Utama	NR	7.000	05-02-2006	598,399	638,400
PT Pabrik Kertas	NR	7.250	04-12-2001	126,325	135,575
Quebec Province Canada	NR	3.187	10-16-2001	3,368,750	3,368,750
Republic Of Finland	NR	11.000	01-15-1999	7,949,578	8,255,591
Saskatchewan Province Canada	A2	9.125	02-15-2021	495,675	580,715
Schweden (Government of)	NR	10.750	01-23-1997	1,869,788	1,752,235
	NR	11.000	01-21-1999	1,453,751	1,491,107
	NR	10.250	05-05-2003	3,219,452	3,154,061
	NR	11.500	09-01-1995	1,219,519	1,169,283

INTERNATIONAL OBLIGATIONS	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	BOOK VALUE	MARKET VALUE
Seagram Company Limited	NR	6.500	04-01-2003	246,575	251,215
Security Pacific Corporation	NR	5.000	02-21-1997	2,951,600	3,000,000
Skandinaviska Enskilda Banken	NR	8.450	05-15-2002	2,978,195	3,023,103
Spain (Government of)	NR	11.600	01-15-1997	3,702,810	3,520,324
	NR	10.900	08-30-2003	18,299,062	18,057,788
	NR	10.300	06-15-2002	5,149,549	5,004,539
Spain,(Kingdom of)	AA2	9.125	08-01-2000	510,080	589,530
	NR	10.550	11-30-1996	1,254,530	1,226,544
	NR	11.450	08-30-1998	1,440,640	1,418,237
Spanien (Government of)	AAA	13.450	04-15-1996	7,171,881	5,965,662
	NR	11.300	01-15-2002	6,173,081	5,981,382
Spanien (Kingdom of)	NR	11.800	01-15-1995	2,348,948	1,761,275
	NR	12.250	03-25-2000	13,263,669	12,586,113
	NR	5.750	03-23-2002	3,762,806	4,872,906
Spanish (Government of)	NR	11.000	06-15-1997	11,287,822	10,114,266
Statens Bostadef	NR	13.000	09-20-1995	6,627,910	6,775,004
Sweden (Kingdom of)	NR	0.000		24,799,042	24,799,042
Swiss Bank Notes Euro	AAA	0.000	02-28-2001	1,218,717	1,252,776
Telekom Malaysia	NR	0.000		358,513	357,075
Texas Commerce Bancshares Inc	NR	0.000	11-26-1997	10,655,000	11,020,570
Texas Instruments Inc Euro	NR	2.750	09-29-2002	2,650,200	3,052,500
Toronto Variable	NR	9.625	05-14-2002	837,357	840,439
United Kingdom (Fully Paid) Government Bond	NR	8.750	09-01-1997	3,591,587	3,627,178
United Kingdom Conversion	NR	9.000	03-03-2000	2,657,630	2,797,018
United Kingdom Conversion Stock	NR	9.000	03-03-2000	4,323,032	4,233,152
UK Conversion Stock	NR	9.500	10-25-2004	837,598	834,252
United Kingdom Treasury Bonds	NR	0.000		1,919,565	1,905,189
	NR	9.750	08-27-2002	852,787	842,641
	NR	8.500	07-16-2007	1,690,364	1,711,288
United Kingdom Treasury Stock	NR	8.000	06-10-2003	19,523,249	19,413,404
World Bank	NR	4.500	03-20-2003	3,970,589	4,113,282
TOTAL INTERNATIONAL OBLIGATIONS				1,419,986,838	1,498,117,487
TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCKS AND GOVERNMENT OBLIGATIONS				4,493,230,407	4,660,506,098

SHORT-TERM INVESTMENTS	PAR VALUE	BOOK VALUE	MARKET VALUE
Accrued Interest and Dividends		102,572,092	102,572,092
Collateral held at REFCO		-216,780	-216,780
Harris Bank Collective Investment Funds	191,715,100	191,715,100	191,715,100
Illinois Teachers Custom Cash		-5,659,807	-5,659,807
Florida Power Corporation	12,500,000	12,469,278	12,469,278
General Electric Capital Corporation	67,000,000	66,824,125	66,824,125
Norfolk Southern Corporation	6,200,000	6,179,254	6,179,254
Rodman & Renshaw		19,999,829	23,696,655
RXR REFCO		22,882,335	30,472,399
United States Of America T-Bills	400,000	397,169	399,340
	5,850,000	5,794,257	5,830,024
	30,065,000	29,833,442	30,051,870
	4,400,000	4,365,167	4,400,000
	2,000,000	1,967,695	1,973,220
	11,205,000	10,901,090	11,204,407
	500,000	496,620	499,745
	4,250,000	4,217,703	4,222,545
	93,100,000	92,313,722	92,436,648
	14,460,000	13,853,944	14,415,456
Various Options Contracts		-12,732,068	-9,960,190
TOTAL SHORT-TERM INVESTMENTS	443,645,105	568,174,167	583,525,381

CURRENCY INVESTMENTS		
Australian Dollar	1,137,903	1,117,539
Austrian Schilling	1,823,025	1,706,696
Belgian Franc	1,123,378	1,111,579
British Pound	1,778,208	1,744,797
Canadian Dollar	581,880	577,733
Danish Krone	477,005	447,504
Deutsche Mark	1,058,389	1,037,457
European Currency Unit	969	862
Foreign Cash Equivalents	26,137,071	26,105,286
Foreign Currency Payables	-30,261,093	30,247,761
Foreign Forward Contracts	0	14,820,615
French Franc	9,292,059	8,883,772
Hong Kong Dollar	7,696,712	7,700,744
Indonesian Rupiah	3,381	3,343
Irish Punt	525	486
Italian Lira	-425,511	-446,840
Japanese Yen	17,061,478	17,477,505
Korean Won	55,457	55,263
Malaysian Ringit	1,077,940	1,077,718
Netherland Guilders	2,035,902	1,914,228
New Zealand Dollar	222,668	224,016
Singapore Dollar	1,913,066	1,925,097
Spanish Peseta	1,060,334	1,017,831
Swedish Krona	25,519	24,339
Swiss Franc	286,489	272,324
Thailand Baht	27,683	27,672
Various Options Contracts	8,570,675	9,986,560
TOTAL CURRENCY INVESTMENTS	52,761,112	68,566,365

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
AIR TRANSPORT				COMMON STOCK-Domestic			
AIR TRANSPORT				First Commerce Corporation	1,687	60,310	62,419
Boeing Company	61,175	1,634,581	2,263,475	First Empire State Corporation	6,400	576,384	876,800
E Systems Inc	81,800	3,209,974	3,456,050	First Fidelity Bancorporation	33,278	1,164,871	1,634,783
Electromagnetic Sciences Inc	161,000	1,051,534	1,026,375	First Interstate Bancorp	4,373	215,058	274,413
General Dynamics Corporation	1,890	119,638	167,029	First Of America Bank Corporation	30,819	669,188	1,240,465
Grumman Corporation	3,700	96,273	147,075	First Security Corporation	40,700	951,825	1,170,125
Keene Corporation	1,500	11,871	375	First Tennessee National Corporation	1,500	60,750	60,750
Litton Industries Inc	27,683	1,242,663	1,771,712	First Union Corporation	159,561	5,661,935	7,738,709
Lockheed Corporation	119,000	7,410,782	7,854,000	First Virginia Banks Inc	35,521	1,351,925	1,296,517
Loral Corporation	76,478	3,404,485	4,569,561	Firststar Corporation	39,000	1,080,467	1,267,500
Martin Marietta Corporation	64,100	4,474,832	5,055,888	Fleet Final Group Inc	98,400	2,943,098	3,321,000
McDonnell Douglas Corporation	26,011	1,487,369	1,928,066	Fleet Mortgage Group Inc	35,000	821,188	700,000
Northrop Corporation	199,100	7,625,495	8,312,425	Foothill Group Inc	187,500	1,081,563	2,039,063
Raytheon Company	109,747	4,556,302	6,735,722	Franklin Resources Inc	70,000	1,303,489	2,747,500
Rockwell International Corporation	260,700	6,579,334	8,668,275	GATX Corporation	39,000	1,371,139	1,457,625
Textron Inc	48,300	1,377,803	2,710,838	Golden West Financial Corporation	12,500	491,133	529,688
Thiokol Corporation	75,808	1,023,674	1,658,300	Great Western Financial Corporation	372,300	6,613,236	6,236,025
United Technologies Corporation	129,738	6,607,007	7,005,852	Green Tree Financial Corporation	10,000	172,293	420,000
AUTOMOBILES AND AUTO PARTS				Gtech Holdings Corporation	91,300	3,477,863	3,172,675
AUTOMOBILES AND AUTO PARTS				Hibernia Corporation	100,000	805,000	675,000
Apogee Enterprises Inc	28,800	364,592	345,600	Homeowners Group Inc	74,000	594,501	425,500
Armor All Products Corporation	88,800	1,333,245	1,554,000	Household International Inc	50,200	1,840,398	3,470,076
Arvin Industries Inc	215,500	5,145,403	7,219,250	Integra Financial Corporation	41,388	1,841,570	1,940,063
Borg Warner Security Corporation	65,276	1,422,702	1,346,318	Inter-Regional Financial Group Inc	2,927	58,657	62,931
Chrysler Corporation	218,000	8,225,113	10,300,500	J P Morgan & Company Inc	70,137	3,071,291	4,760,550
Coachmen Industries Inc	50,100	369,400	657,563	Key Corporation	156,000	5,293,149	6,513,000
Dana Corporation	44,400	2,001,751	2,408,700	Margaretten Financial Corporation	38,900	669,604	680,750
Douglas & Lomason Company	2,250	60,872	57,938	Mark Centers Trust	55,000	1,073,742	1,106,875
Durakon Industries Inc	3,197	61,265	51,951	Marsh & McLennan Companies Inc	4,900	308,182	428,138
Eaton Corporation	4,600	115,536	206,425	Mellon Bank Corporation	158,838	9,884,864	8,954,493
Echlin Incorporation	280,200	6,419,007	7,845,600	Mercantile Bancorporation Inc	27,549	1,175,256	1,356,789
Excel Industries Inc	1,430	13,579	25,919	Merrill Lynch & Company Inc	7,604	288,559	615,924
Federal-Mogul Corporation	55,000	865,711	1,182,500	Michigan National Corporation	63,000	3,358,341	3,559,500
Ford Motor Company	210,209	8,486,601	10,983,420	MBNA Corporation	89,200	1,607,763	2,609,100
General Motors Corporation	399,300	15,291,126	17,768,850	Nationsbank Corporation	66,408	2,836,009	3,295,462
Genuine Parts Company	195,000	5,915,032	6,751,875	North Fork Bancorporation Inc NY	123,200	1,131,590	1,386,000
Modine Manufacturing Company	49,800	724,358	1,070,700	Northern Trust Corporation	37,500	1,275,000	1,575,000
Standard Motor Products Inc	3,375	60,749	64,547	Norwest Corporation	91,038	1,473,663	2,492,165
Standard Products Company	7,250	160,669	251,031	NBD Bancorp Inc	7,575	132,026	245,241
Superior Industries International Inc	35,000	1,679,750	1,964,375	Old Kent Financial Corporation	41,000	1,432,934	1,373,500
SPX Corporation	900	25,416	14,175	Paine Webber Group Inc	47,400	1,016,297	1,380,525
TBC Corporation	44,750	247,169	564,969	Pec Israel Economic Corporation	65,009	1,473,963	1,714,612
Wabash National Corporation	43,000	1,065,706	1,139,500	Pioneer Group Inc	1,631	60,468	62,386
Wynn International Inc	2,113	61,457	62,598	Premier Bancorporation Inc	4,083	56,846	61,755
BANKING AND FINANCE				Price T Rowe & Associates Inc	43,350	688,842	1,994,100
BANKING AND FINANCE				Primerica Corporation	167,200	3,694,279	8,798,900
Ahmanson (H F) & Company	122,500	2,089,142	2,128,438	Property Trust Of America	60,000	1,057,005	1,110,000
Alex Brown Inc	59,886	1,304,716	1,422,293	PNC Financial Corporation	14,574	309,990	477,299
Alexander & Alexander Services Inc	2,800	74,115	77,350	Republic New York Corporation	15,000	697,768	763,125
Ambac Corporation	230,200	6,623,457	9,639,626	Riggs National Corporation	37,000	331,878	282,125
American Express Company	223,700	6,275,576	7,214,325	Rouse Company	217,000	3,479,796	3,526,250
Americredit Corporation	130,000	658,804	650,000	Salomon Inc	10,200	342,498	390,150
Ampal American Israel Corporation	7,253	60,865	67,090	Shawmut National Corporation	134,100	2,743,278	3,201,638
Amsouth Bancorporation	26,862	579,315	879,731	Silicon Valley Bancshares	85,000	806,585	754,375
Banc One Corporation	233,460	8,996,417	13,132,125	Southern National Corporation	59,991	1,325,347	1,312,303
Bancorp Hawaii Inc	10,000	377,862	448,750	Southtrust Corporation	69,344	986,813	1,343,530
Bank of Boston Corporation	5,891	145,820	145,796	Standard Federal Bank of Troy	57,376	617,823	1,341,164
Bank of New York Company Inc	84,600	2,905,011	5,023,125	State Street Boston Corporation	40,000	945,424	1,325,000
Bankamerica Corporation	371,863	14,003,575	16,826,780	Student Loan Marketing Association	223,700	11,459,423	9,675,025
Bankers Trust New York Corporation	163,557	9,279,257	12,123,662	Summit Bancorporation	48,000	657,745	996,000
Bankworcester Corporation	40,000	524,167	940,000	Sunamerica Inc	119,500	2,047,297	3,883,750
Barnett Banks Inc	5,300	155,420	253,075	Suntrust Banks Inc	62,500	1,910,975	2,945,313
Baybanks Inc	35,000	1,279,170	1,505,000	Trustmark Corporation	1,365	50,595	58,013
Bear Stearns Companies Inc	73,443	1,325,433	1,725,911	Union Bank of San Francisco	1,898	61,211	50,772
Beneficial Corporation	1,800	92,103	132,300	Union Planters Corporation	49,718	708,136	1,280,239
Boatmans Bancshares Inc	33,700	1,916,132	2,034,638	UJB Financial Corporation	18,800	337,366	460,600
Brinson Partners Ex-Dex Fund	1,154,319	97,858,225	209,190,391	US Bancorp	117,650	2,812,341	2,941,250
Brinson Partners Non U S Equity	346,665	53,938,650	58,747,475	Vermont Financial Services Corporation	50,000	766,250	887,500
Central Bancshares of the South	2,517	56,773	61,667	Wachovia Corporation	113,200	3,398,250	3,891,250
Chase Manhattan Corporation	147,727	4,467,456	4,764,182	Wells Fargo & Company	3,600	207,984	396,900
Chemical Banking Corporation	376,919	12,642,328	15,406,564	West One Bancorp	44,014	1,687,930	2,173,191
Citicorp	38,400	1,065,511	1,156,801	Westamerica Bancorporation	2,322	48,207	61,823
Citizens First Banking Inc	230,000	761,245	1,495,000	BEVERAGES			
CMAC Investment Corporation	39,000	708,362	1,101,750	Anheuser Busch Companies Inc	310,583	12,694,084	15,063,276
Colonial Bancgroup Inc	40,000	598,000	805,000	Brown Forman Corporation	6,500	290,233	566,313
Colonial Group Inc	78,130	858,794	2,011,848	Coca Cola Company	165,400	2,963,855	7,112,200
Comerica Incorporated	206,928	5,489,356	6,130,242	Coors Adolph Company	4,200	59,302	78,226
Commerce Bancshares Inc	2,025	60,750	56,700	Dr Pepper/Seven-Up Companies Inc	235,200	3,710,442	4,292,400
Constellation Bancorp	125,000	859,375	1,062,500	Mr. Coffee Inc	185,000	1,380,354	1,572,500
Continental Bank Corporation	266,896	3,968,403	6,372,143	Pepsico Inc	984,000	20,549,272	36,408,000
Corestates Financial Corporation	4,408	149,146	254,562	CHEMICALS AND SYNTHETIC FIBERS			
Countrywide Credit Industries Incorporated	95,300	2,309,543	2,918,563	Air Products & Chemicals Inc	80,700	2,766,626	3,167,475
Crestar Financial Corporation	38,400	1,217,097	1,603,200	American Cyanamid Company	202,700	11,107,778	10,844,450
Dean Witter Discover & Company	132,900	4,371,674	4,983,750	Avery Dennison Corporation	22,600	577,003	663,876
Deposit Guaranty Corporation	2,136	50,730	62,478	Burlington Resources Inc	55,000	2,065,549	2,667,500
Dime Savings Bank New York	210,000	1,332,080	1,496,250	Cabot Corporation	136,291	5,740,530	6,644,186
Downey Savings And Loan	19,537	347,406	317,476	Chemdesign Corporation	11,600	67,545	55,100
Dreyfus Corporation	25,000	765,895	1,018,750	Chemed Corporation	23,236	666,892	714,507
Duff & Phelps Corporation	78,422	1,037,423	1,333,174	Cooper Tire & Rubber Company	66,800	1,822,029	1,686,700
Eaton Vance Corporation	1,800	43,286	59,850	Crompton & Knowles Corporation	101,100	1,587,391	2,211,563
Enhance Financial Services Group Inc	25,100	460,222	489,450	Dow Chemical Company	155,000	8,351,562	8,776,876
Federal Home Loan Mortgage Corporation	728,400	21,198,004	40,699,350	Du Pont De Nemours & Company (E.I.)	145,000	5,453,054	6,833,126
Federal National Mortgage Association	519,900	29,035,544	43,086,714	Ecolab Inc	63,750	1,621,693	2,733,382
First Alabama Bancshares Inc	40,000	1,255,630	1,350,000	Ethyl Corporation	17,482	317,364	524,463
First American Corporation of Tennessee	36,000	1,014,360	1,057,500	Ferro Corporation	10,000	309,740	313,750
First Chicago Corporation	137,200	3,388,128	5,642,351				
First Citizens Bancshares Inc NC	1,190	51,205	57,120				

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
First Mississippi Corporation	1,300	14,626	12,513	Shelby Williams Industries Incorporated	110,600	1,014,732	1,354,850
Fuller (H.B.) Company	20,000	820,529	710,000	Sithe Energies Incorporated	90,000	1,170,000	1,080,000
Georgia Gulf Corporation	48,000	1,025,654	876,000	Terra Industries Incorporated	286,037	1,599,071	1,072,639
Goodrich (B.F.) Company	1,700	69,152	72,250	The Money Store Incorporated	3,462	50,299	64,047
Goodyear Tire And Rubber Company	57,266	1,478,652	2,433,805	Trinova Corporation	35,300	860,212	1,107,538
Grace (W.R.) & Company	76,000	2,721,042	3,078,000	TRW Incorporated	4,100	196,004	258,813
Great Lakes Chemical Corporation	84,100	4,487,270	5,792,388	Whitman Corporation	7,100	65,401	96,738
Grow Group Incorporated	3,682	60,278	62,134	Whittaker Corporation	4,189	63,609	56,028
Hercules Incorporated	98,100	3,658,591	7,615,013	WMX Technologies Incorporated	713,200	19,944,390	23,089,851
IMC Fertilizer Group Incorporated	148,300	5,592,648	4,356,313	York International Corporation	182,400	6,115,091	7,478,400
Inceera Group Incorporated	143,300	4,705,475	4,299,000				
Lawter International Incorporated	24,400	325,489	344,650	CONSTRUCTION			
Lilly Industrial Coatings Incorporated	4,000	64,128	69,000	AMRE Incorporated	330,700	1,988,824	1,942,863
Lubrizol Corporation	532,100	15,050,094	16,561,613	Black & Decker Corporation	10,700	217,153	231,388
Monsanto Company	217,800	11,748,768	12,850,200	Business Records Corp. Holding Company	29,900	370,673	695,175
Morton International Incorporated	105,400	5,427,693	8,155,325	Centex Corporation	3,000	41,481	102,375
Myers Industries Incorporated	9,450	134,022	216,169	Crane Company	39,150	926,443	1,135,350
Nalco Chemical Company	87,300	2,914,894	3,022,763	Fleetwood Enterprises Incorporated	3,200	40,279	63,600
NCH Corporation	19,800	1,049,624	1,269,675	Interface Incorporated	149,450	1,942,139	1,606,588
Oil Dri Corporation Of America	2,641	59,423	63,714	Justin Industries Incorporated	2,982	60,758	52,185
Olin Corporation	141,419	6,270,775	6,275,468	Kaufman & Broad Home Corporation	3,028	30,407	56,396
Pall Corporation	18,214	226,134	323,299	Lawson Products Incorporated	31,3040	912,805	805,975
Quantum Chemical Corporation	53,451	898,769	1,015,569	Medusa Corporation	106,000	1,641,652	2,769,250
Rohm & Haas Company	32,500	1,700,509	1,742,813	Morrison Knudsen Corporation	1,000	26,721	25,375
Sherwin Williams Company	180,900	5,179,692	5,856,638	MDC Holdings Incorporated	10,340	59,574	62,040
Synergen Incorporated	30,000	1,048,675	348,750	Ply Gem Industries Incorporated	5,592	57,299	57,318
Union Carbide Corporation	20,604	249,706	396,627	Puerto Rican Cement Incorporated	2,479	60,546	62,905
Versa Technologies Incorporated	101,000	1,273,795	1,363,500	PHM Corporation	9,800	221,355	309,926
Vigoro Corporation	52,732	1,270,323	1,100,781	PPG Industries Incorporated	67,800	2,545,007	4,440,900
Wellman Incorporated	135,081	2,946,831	2,954,897	Resource Mortgage Capital Incorporated	54,896	1,173,901	1,543,950
WD 40 Company	12,500	432,502	578,125	Ryland Group Incorporated	3,056	59,711	58,446
				Schuler Homes Incorporated	10,000	155,000	207,500
CONGLOMERATES AND MISCELLANEOUS				Skyline Corporation	800	12,558	13,500
Advanced Technology Labs Incorporated	105,500	2,033,613	1,819,875	Stanley Works	27,350	764,384	1,097,419
Agency Rent A Car	54,300	663,133	454,763	Starrett (L.S.) Company	6,800	176,571	164,050
Air & Water Technologies Corporation	45,000	536,966	630,000	Toll Brothers Incorporated	26,700	308,914	340,425
Allied Signal Incorporated	15,718	584,021	1,049,177	Valspar Corporation	3,900	128,409	138,450
Alltrista Corporation	525	6,780	7,481	Vulcan Materials Company	7,700	314,041	356,125
Amoskeag Company	2,077	60,874	79,965	Waxman Industries Incorporated	96,000	480,000	324,000
Amphenol Corporation	123,000	1,046,337	1,276,125				
Armstrong World Industries Incorporated	92,500	2,865,690	2,983,125	ELECTRICAL AND ELECTRONIC			
Bairco Corporation	1,500	47,484	7,875	Adapteq Incorporated	11,400	244,462	260,775
Banknorth Group Incorporated	50,000	718,750	868,750	ADT Limited	4,700	37,532	41,713
Bassett Furniture Industries Incorporated	1,437	29,596	47,062	Advanced Micro Devices Incorporated	3,600	67,918	86,851
Boston Scientific Corporation	113,600	1,953,861	1,590,400	Alpha Microsystems	83,000	323,855	217,875
Brinson Small Cap TAA Fund	754,765	61,211,704	72,427,209	Amdahl Corporation	7,500	117,966	41,250
Burlington Industries Incorporated	81,800	949,825	1,196,325	American Management Systems Inc.	3,076	65,273	57,675
Caldor Corporation	84,356	1,962,442	2,108,900	American Software Incorporated	160,000	1,339,565	1,240,000
Carenark International Incorporated	77,000	1,050,048	1,232,000	Analogue Corporation	4,418	48,598	70,688
Central Sprinkler Corporation	71,000	835,537	798,750	Analysts International Corporation	2,292	61,311	67,614
Chalk Line Holdings	2	787,315	0	Anthem Electronics Incorporated	25,000	937,464	821,875
Columbia Hospital Corporation	21,000	517,214	561,750	Apple Computer Incorporated	47,400	2,128,271	1,872,300
Cooper Industries Incorporated	132,700	5,509,937	6,701,350	Applied Magnetics Corporation	5,875	71,877	57,281
Corning Incorporated	12,900	198,323	428,925	Ask Computer System Incorporated	92,000	1,039,286	989,000
County Seat Holdings Incorporated	60,182	601,820	601,820	Autodesk Incorporated	1,900	75,916	107,113
Coventry Corporation	104,500	1,505,399	3,474,625	Automatic Data Processing Incorporated	430,100	12,046,701	20,644,800
CRSS Incorporated	174,500	1,662,945	1,505,063	Avnet Incorporated	83,200	2,232,758	2,828,800
Devry Incorporated Delaware	114,972	774,339	2,888,672	ADC Telecommunications Incorporated	56,800	817,688	1,775,000
Dial Corporation	67,900	2,497,421	2,707,513	AMP Incorporated	75,200	4,168,714	4,606,000
Digicon Incorporated	130,000	551,349	308,750	AST Research Incorporated	84,900	1,312,361	1,262,888
Dovatron International Incorporated	630	7,074	10,710	Banctec Incorporated	79,265	873,315	1,446,587
First Data Corporation	204,300	6,042,260	7,559,100	Boole & Babbage Incorporated	2,670	69,303	67,418
FMC Corporation	28,782	1,469,922	1,302,386	BEI Electronics Incorporated	163,600	1,179,669	1,227,000
Gentlert Group Incorporated	110,000	983,125	350,570	BMC Software Incorporated	69,100	4,308,983	3,645,025
Grey Advertising Incorporated	373	60,173	61,545	Cabletron System Incorporated	37,000	3,370,060	3,903,500
Hilb Rogal & Hamilton Company	25,000	384,215	337,500	Cherry Corporation	2,553	62,586	53,613
Hon Industries Incorporated	28,800	577,326	820,800	Cirrus Logic Incorporated	44,000	827,152	764,500
ITT Corporation	53,000	2,921,254	4,518,250	Cobra Electronics Corporation	150,900	994,927	1,441,975
Kendall International Incorporated	25,000	628,125	962,500	Compaq Computer Corporation	189,387	5,901,977	9,279,963
Kinder-Care Learning Centers Incorporated	7,921	67,329	40,595	Computer Associates	385,960	7,469,758	11,482,311
		5,630	73,190	Computer Products Incorporated	491,900	1,332,589	1,045,288
Ladd Furniture Incorporated	78,000	716,505	702,000	Computer Sciences Corporation	27,800	1,716,510	2,317,825
Lawyers Title Corporation	82,500	806,400	1,608,750	Computer Task Group Incorporated	142,400	1,227,805	1,068,000
Leggett & Platt Incorporated	90,500	1,349,597	3,348,500	Computervision Corporation	185,000	1,037,949	670,625
Loews Corporation	20,000	1,930,300	1,892,500	Connor Peripherals Incorporated	10,500	216,959	102,375
Marietta Corporation	98,000	690,198	992,250	Convex Computer Corporation	111,000	796,186	541,125
Masco Corporation	16,900	403,103	504,888	Cray Research Incorporated	33,000	1,064,210	915,750
Minerals Technologies Incorporated	55,953	1,651,582	1,650,614	Dallas Semiconductor Corporation	29,329	239,155	432,603
Minnesota Mining & Manufacturing Co.	199,300	14,226,926	21,524,400	Daniel Industries Incorporated	25,600	348,488	345,600
Moore International Incorporated	11,000	187,660	187,000	Data General Corporation	95,800	1,101,660	922,076
Mueller Industries Incorporated	2,382	59,744	78,606	Data Translation Incorporated	50,400	313,392	428,400
Newell Companies Incorporated	5,300	108,439	176,225	Dell Computer Corporation	32,934	1,210,089	617,513
Newtrend Group Limited Partnership	1	0	434,140	Devon Group Incorporated	3,600	65,381	52,200
Ogden Corporation	238,866	4,677,739	6,270,233	Digital Equipment Corporation	23,300	1,732,374	972,775
Omnicom Group	212,114	7,544,337	8,723,189	Dionex Corporation	18,800	577,908	667,400
Owens Corning Fiberglas Corporation	2,800	53,268	116,900	Dover Corporation	3,800	103,562	178,126
Owens Illinois Incorporated	250,000	2,681,000	2,875,000	DH Technology Incorporated	107,142	1,141,013	1,392,846
Parker & Parsley Pete Company	58,570	854,336	1,639,960	Ekco Group Incorporated	96,000	775,165	1,032,000
Philips Holding	20,000	260,175	315,000	Electrocom Automation Incorporated	95,500	1,732,051	1,384,750
Pinkertons Incorporated	3,115	60,743	66,973	Emerson Electric Company	131,442	5,409,833	7,656,497
Praxair Incorporated	36,504	548,860	565,812	Emulex Corporation	281,800	1,564,181	1,902,150
Primadonna Resorts Incorporated	55,000	1,059,390	1,237,500	Esco Electronics Corporation	2,010	9,471	19,598
Robert Half International Incorporated	3,240	60,754	71,685	Evans & Sutherland Computer Corp.	99,600	1,662,613	1,494,000
Rollins Environmental Services	132,874	1,037,527	979,946	Exar Corporation	2,540	63,014	71,755
Scotts Company	74,000	1,461,620	1,276,500	EG & G Incorporated	86,738	1,782,613	1,669,707
Sealy Holdings Incorporated	70,515	140,890	7,052	Federal Signal Corporation	116,300	2,245,530	2,762,125
Service Corporation International	23,450	466,333	483,657	First Financial Management Corporation	210,900	7,918,854	8,884,163

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Galileo Electro Optics Corporation	111,000	664,986	610,500	Chiquita Brands International	164,900	2,513,890	1,731,450
General Electric Company	742,900	39,917,200	71,132,675	Clorox Company	73,090	2,403,340	3,809,817
General Instrument Corporation	140,800	4,613,251	5,473,600	Colgate-Palmolive Company	102,056	4,029,544	5,944,762
General Motors Corporation	246,700	5,660,466	7,215,975	Conagra Incorporated	32,825	502,661	828,832
Genus Incorporated	127,200	434,765	333,900	Curtice Burns Foods Incorporated	4,542	61,444	58,478
Giga Tronics Incorporated	81,000	563,419	486,000	Dean Foods Company	57,000	1,393,664	1,524,750
Grainger W W Incorporated	74,300	3,759,496	4,606,600	Dole Food Company	175,000	6,674,035	6,256,250
Hadco Corporation	122,600	695,239	996,125	Duracell International Incorporated	194,100	5,777,488	6,017,100
Harman International Industries	78,676	807,425	1,652,196	Farmer Brothers Company	408	47,940	61,608
Hewlett Packard Company	197,500	11,534,785	15,997,500	First Brands Corporation	171,225	4,002,557	5,029,735
Honeywell Incorporated	245,500	6,993,197	9,114,189	Fleming Companies Incorporated	99,710	3,281,544	3,302,900
Hubbell Incorporated	25,194	909,919	1,439,207	General Mills Incorporated	131,600	8,171,874	8,948,800
Hutchinson Technology Incorporated	2,279	70,446	49,568	Gerber Products Company	30,000	891,788	836,251
Instrument System Corporation	13,969	70,158	101,275	Gibson Greetings Incorporated	300,900	5,821,628	5,529,038
Intel Corporation	243,100	10,094,945	13,370,500	Gillette Company	311,672	15,842,973	17,180,920
Intergraph Corporation	5,400	139,410	48,600	Heinz (H.J.) Company	30,300	693,059	1,117,313
International Business Machines	164,800	14,719,823	8,137,001	Helen Of Troy Corporation	142,879	1,303,256	2,750,421
Omega Corporation	206,600	1,123,150	878,050	Hershey Foods Corporation	63,600	2,534,825	2,997,150
Irel Corporation	45,700	1,175,417	1,348,150	Hormel (Geo A.) & Company	63,000	1,223,971	1,330,875
IMO Industries Incorporated	120,000	722,717	825,000	International Flavors & Fragrances Inc	21,376	1,628,049	2,431,520
Johnson Controls Incorporated	2,700	90,140	131,288	International Multifoods Corporation	2,359	60,570	57,796
Joslyn Manufacturing Company	6,750	146,980	190,688	Interstate Bakeries Corporation	119,051	1,993,762	1,904,816
JWP Incorporated	85,689	1,154,462	107,111	IBP Incorporated	196,900	3,619,157	4,184,125
Keane Incorporated	2,219	54,805	68,234	IHOP Corporation	43,000	484,252	1,096,500
Kent Electronics Corporation	73,400	632,565	1,688,200	Jan Bell Marketing Incorporated	68,500	995,201	924,750
Knowledgeware Incorporated	33,500	377,919	309,875	Jostens Incorporated	59,086	1,490,594	1,144,793
Komag Incorporated	3,063	61,489	52,071	Kellogg Company	16,100	448,212	883,488
Legent Corporation	29,000	945,995	1,036,750	Lance Incorporated	15,100	342,380	320,875
Linear Technology Corporation	30,000	725,325	866,250	Lone Star Steakhouse Saloon	45,700	1,121,625	1,028,250
Logicon Incorporated	86,500	879,973	2,108,438	Mc Donalds Corporation	758,984	24,241,512	37,285,091
Lotus Development Corporation	4,800	102,292	166,201	McCormick & Company Incorporated	12,000	335,449	279,000
LSI Logic Corporation	135,000	1,516,488	2,126,250	Michaels Foods Incorporated	61,900	812,304	557,100
MacNeal Schwendler Corporation	248,900	2,579,381	3,546,825	Nash Finch Company	71,659	1,450,002	1,531,711
Magnetek Incorporated	50,000	610,525	950,000	Pet Incorporated	7,300	121,174	115,888
Mark IV Homes Incorporated	469,576	6,207,885	10,506,752	Philip Morris Companies Incorporated	444,439	16,300,227	21,555,292
Menisk Incorporated	247,200	1,322,147	2,935,500	Pioneer Hi Bred International	167,000	3,701,157	4,613,375
Methode Electronics Incorporated	188,000	522,921	2,162,000	Premark International Incorporated	63,600	2,752,323	3,672,900
Micron Technology Incorporated	2,359	59,388	87,578	Procter & Gamble Company	463,260	17,980,603	24,089,520
Micropolis Corporation	180,000	1,585,153	1,170,000	Quaker Oats Company	4,900	201,965	371,175
Microsemi Corporation	200,000	423,000	637,400	Ralston Purina Company	252,100	11,970,846	11,659,625
Microsoft Corporation	69,000	4,278,705	6,072,000	Rubbermaid Incorporated	82,500	2,268,625	2,340,938
Motorola Incorporated	182,600	8,580,800	15,954,676	Russ Berrie & Company Incorporated	198,182	2,405,634	2,848,867
MDT Corporation	126,400	828,694	1,185,000	Sara Lee Corporation	125,200	1,690,576	3,098,700
MTS Systems Corporation	2,189	60,745	62,934	Seacorp Corporation	247	42,470	47,146
National Data Corporation	3,738	60,743	60,743	Stanhome Incorporated	114,525	3,722,969	3,321,225
National Semiconductor Corporation	7,100	88,460	114,488	Stokely USA Incorporated	71,800	598,575	592,350
Newbridge Networks Corporation	202,700	5,967,411	9,628,250	Super Food Services Incorporated	23,200	315,448	220,400
Newport Corporation	135,000	1,260,294	801,495	Sysco Corporation	21,000	215,745	527,626
Nichols Research Corporation	92,800	1,051,507	1,287,600	Tasty Baking Company	3,306	58,955	65,707
Novell Incorporated	92,700	2,439,343	2,410,200	Tyson Foods Incorporated	100,000	2,353,686	2,200,000
Oak Industries Incorporated	3,351	58,767	90,477	TCBY Enterprises Incorporated	65,853	395,042	460,971
Perkin-Elmer Corporation	8,637	326,027	285,021	Universal Corporation Virginia	48,500	1,309,500	1,194,313
Pioneer Standard Electronics Incorporated	3,775	49,466	67,006	UST Incorporated	249,500	2,276,969	7,391,438
Quantum Corporation	80,000	890,761	900,000	Windmere Corporation	8,526	58,733	63,945
Radiation Systems Incorporated	84,000	779,999	966,000	Wingley (Wm. Jr.) Company	13,000	80,200	432,250
Radius Incorporated	120,000	696,175	465,000				
Raychem Corporation	2,700	104,267	106,650	HEALTH CARE AND COSMETICS			
Read-Rite Corporation	94,900	2,075,679	949,000	A. L. Laboratories Incorporated	2,467	62,107	66,917
Reliance Elec Company	75,000	1,417,210	1,406,250	Abbot Laboratories	420,400	10,097,860	10,772,751
Samsung Electronics	86	1,384	2,817	Acuson	74,800	1,151,580	869,550
	1,891	48,189	62,403	Adac Laboratories	5,581	59,361	76,041
Seagate Technology	14,600	265,274	231,775	Allergan Incorporated	2,200	57,321	53,900
Silicon Valley Group Incorporated	272,202	1,985,869	2,653,970	Alza Corporation	19,300	523,464	530,750
Software Publishing Corporation	182,000	2,255,383	1,228,500	American Home Products Corporation	69,237	3,518,542	4,465,787
Standard Microsystems Corporation	3,841	49,822	63,377	American Medical Holdings Incorporated	5,522	62,938	66,954
Stanford Telecommunications Inc	108,000	788,036	1,512,000	Amgen Incorporated	16,400	759,800	598,600
Sterling Software Incorporated	176,587	2,782,384	3,377,227	Anika Research Incorporated	1,584	0	4,752
Storage Technology Corporation	80,000	2,460,460	3,130,000	Arbor Drugs Incorporated	23,000	493,846	494,500
Stratus Computer Incorporated	4,500	145,312	147,375	Bausch & Lomb Incorporated	56,800	2,072,029	2,804,500
Summagraphics Corporation	85,500	950,117	245,813	Baxter International Incorporated	419,555	11,632,013	12,009,763
Sun Microsystems Incorporated	43,100	1,067,555	1,276,838	Beckman Instruments Incorporated	123,301	2,503,969	2,589,321
SCI Systems Incorporated	3,118	48,132	53,786	Becton Dickinson & Company	167,700	5,607,984	6,708,000
Tandem Computers Incorporated	107,400	1,555,745	1,342,500	Bergen Brunswig Corporation	106,630	2,131,127	1,919,340
Team Incorporated	93,000	851,936	465,000	Beverly Enterprises Incorporated	224,900	2,800,366	2,783,138
Tektronix Incorporated	4,314	122,559	113,243	Biomet Incorporated	19,500	180,784	204,750
Teledyne Incorporated	3,800	110,159	80,276	Biorad Laboratories Incorporated	12,900	230,930	190,275
Telematics International Incorporated	148,400	437,494	1,131,550	Bristol-Myers Squibb Company	281,827	17,476,532	16,275,509
Texas Instruments Incorporated	47,800	2,776,066	3,340,026	C. R. Bard Incorporated	40,106	1,330,249	1,112,942
Thomas & Berts Corporation	1,200	59,281	76,500	Chattam Incorporated	2,385	72,477	25,043
TYCO Laboratories Incorporated	1,600	71,029	66,200	Collagen Corporation	127,500	2,781,451	2,900,625
Unisys Corporation	18,000	461,389	218,251	Community Psychiatric Centers	243,650	3,119,521	2,801,975
Vislay Intertechnology Incorporated	35,658	659,487	1,288,145	Cordis Corporation	33,342	1,295,666	1,066,944
Westinghouse Electric Corporation	245,000	5,690,334	3,889,376	Damon Corporation	103,000	1,069,350	2,330,375
Wyle Laboratories	3,496	59,989	52,003	Diagnostic Products Corporation	14,500	364,890	306,313
Xerox Corporation	183,555	11,523,581	14,661,456	Forest Laboratories Incorporated	97,962	3,748,275	3,416,425
Zenith Electronics Corporation	1,900	52,270	14,013	FHP International Corporation	40,000	794,456	1,090,000
				Galen Health Care Incorporated	37,450	476,973	702,188
FOOD SOAP AND TOBACCO				General Paramedics Corporation	37,590	115,236	103,373
Alberto Culver Company	1,900	26,117	49,163	Genesis Health Ventures Incorporated	3,422	60,534	61,596
Alexander & Baldwin Incorporated	59,800	1,554,276	1,539,850	Genzyme Corporation	48,000	1,624,296	1,872,000
American Brands Incorporated	177,300	6,390,871	5,895,225	Haemonetics Corporation Massachusetts	46,862	735,303	1,165,692
Archer Daniels Midland Company	74,920	1,347,552	1,769,985	Health Care & Retirement	22,000	392,651	442,750
Avon Products Incorporated	385,400	16,702,151	22,208,675	Helene Curtis Industries Incorporated	27,964	911,074	824,938
Bob Evans Farms Incorporated	45,241	478,200	803,028	Hillbrand Industries Incorporated	29,900	1,171,859	1,274,488
Borden Incorporated	141,700	4,270,673	2,692,300	Humans Incorporated	31,600	245,687	355,500
C P C International Incorporated	240,200	6,496,144	9,878,226	Hycor Biomedical Incorporated	80,000	363,381	344,960
Campbell Soup Company	28,000	460,015	1,099,000	Invacare Corporation	52,576	1,355,095	1,209,248

COMMON STOCK-Domestic				COMMON STOCK-Domestic			
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
Johnson & Johnson	246,383	8,344,495	10,224,895	Bicycle Acquisition Corporation	973	973,000	3,330,561
Kinetic Concepts Incorporated	161,803	1,471,907	728,114	Blockbuster Entertainment Corporation	48,600	696,861	1,057,050
Life Technologies Incorporated	51,552	1,289,359	921,492	Brunswick Corporation	132,000	2,924,138	1,666,501
Lifetime Corporation	17,500	481,291	553,438	BHC Communications Incorporated	19,772	1,295,431	1,433,470
Lilly (Eli) & Company	169,944	8,020,919	8,369,742	Caesars World Incorporated	11,707	302,391	525,352
Lynx Therapeutics	52,993	10,599	10,599	Capital Cities ABC Incorporated	22,200	8,318,622	11,388,600
Manor Care Incorporated	218,850	4,198,292	4,322,288	Carmike Cinemas Incorporated	3,951	61,500	62,228
Marquette Electronics	70,327	1,323,668	1,054,905	Carnival Cruise Lines Incorporated	182,000	5,768,124	7,120,750
McKesson Corporation	74,100	2,577,690	3,260,400	Chart House Enterprises Incorporated	49,000	416,160	367,500
Med-Chem Products Incorporated	5,282	65,689	42,256	Chris-Craft Industries Incorporated	1,891	61,107	66,185
Medco Containment Services Incorporated	53,700	1,754,288	1,718,400	Circus Circus Enterprises Incorporated	249,700	12,201,928	15,106,850
Medical Care America Incorporated	58,000	983,366	1,058,500	Comcast Corporation	8,800	89,283	193,600
Medtronic Incorporated	34,500	2,451,408	2,328,750	Comcast Corporation Class A	100,000	1,237,329	2,050,000
Merck & Company Incorporated	372,017	7,097,899	13,206,604	CUC International Incorporated	45,700	1,204,800	1,268,175
Millipore Corporation	58,700	1,863,543	1,893,075	CBS Incorporated	828	136,407	193,752
Mylan Laboratories Incorporated	65,000	1,612,799	1,771,250	Discovery Zone Incorporated	47,300	1,668,183	1,773,750
National Health Labs Incorporated	203,100	4,786,587	3,731,963	Electronic Arts Incorporated	45,700	1,097,820	1,382,425
National Medical Enterprises Incorporated	698,500	9,181,182	7,334,250	Foodmaker Incorporated	70,000	863,410	726,250
Nichols Institute	31,400	385,599	219,800	Gaylord Entertainment Company	40,000	1,260,300	1,845,000
Novacare Incorporated	13,200	214,412	178,200	Harcourt General Incorporated	8,484	158,919	319,210
Optical Radiation Corporation	13,700	320,941	214,063	Hasbro Incorporated	148,900	3,047,241	5,620,976
Pacificare Health System Incorporated	36,000	1,032,222	1,345,500	Hilton Hotels Corporation	5,270	233,802	242,420
Pfizer Incorporated	368,632	20,012,715	24,698,344	Hollywood Park Incorporated	45,700	1,221,671	1,325,300
Ramsay Health Care Incorporated	189,000	2,133,532	1,181,250	Huffy Corporation	187,850	2,256,619	3,005,600
Regency Health Services Incorporated	112,000	845,981	1,190,000	International Dairy Queen Incorporated	98,672	2,015,189	1,702,092
Safeguard Health Enterprises Incorporated	108,000	693,869	904,500	Johnson Worldwide Association	55,950	1,341,210	1,132,988
Salick Health Care Incorporated	5,400	70,182	65,475	Karcher Carl Enterprises Incorporated	466,400	3,878,970	3,323,100
Schering Plough Corporation	172,700	6,461,299	12,045,825	King World Productions Incorporated	100,410	2,911,730	3,351,185
Shared Medical Systems Corporation	2,500	68,219	58,438	Lin Broadcasting Corporation	20,000	1,422,952	1,985,000
Sierra Health Services	104,383	1,338,732	2,113,756	Lubys Cafeterias Incorporated	125,636	2,346,566	2,685,471
Smithkline Beecham Plc	135,000	4,079,322	3,898,125	Marcus Corporation	2,613	38,324	60,099
St Jude Medical Incorporated	29,100	1,010,599	1,091,250	Mariott Corporation	6,700	170,313	170,850
Therapeutic Discovery Corporation	3,110	18,816	16,328	Mattel Incorporated	18,374	177,197	473,131
United Healthcare Corporation	25,200	856,091	1,619,100	Medalist Industries Incorporated	46,000	437,195	529,000
Upjohn Company	301,400	9,972,444	9,004,326	Mirage Resorts Incorporated	61,000	1,628,537	2,684,000
Utah Medical Products Incorporated	5,983	69,441	59,830	National Pizza Company	8,099	56,693	54,668
US Healthcare Incorporated	162,200	7,002,105	7,704,500	Outboard Marine Corporation	62,400	1,140,078	1,053,001
US Surgical Corporation	1,800	169,690	49,500	Paramount Communications Incorporated	7,900	277,701	426,600
Warner Lambert Company	436,500	28,981,562	30,936,939	Piccadilly Cafeterias Incorporated	121,000	1,100,509	1,149,500
				Promus Cos Incorporated	126,700	5,159,288	6,065,764
INSURANCE				Ryans Family Steak Houses Incorporated	4,100	32,928	30,750
Ace Limited	67,000	1,842,500	1,993,250	Safecard Services Incorporated	130,512	966,171	1,680,343
Aetna Life & Casualty Company	52,400	3,043,778	2,901,650	Sbarro Incorporated	1,857	65,520	71,030
AFALC Incorporated	187,500	2,928,462	5,320,313	Shoneys Incorporated	4,675	71,168	86,488
Allmerica Property & Casualty Inc	20,500	974,018	1,140,313	Sizzler International Incorporated	162,800	1,633,868	1,241,350
American Bankers Insurance Group	60,271	1,448,286	1,627,317	Tele Communications Incorporated	248,600	3,675,798	5,655,650
American General Corporation	180,900	3,448,077	5,720,963	Thor Industries Incorporated	3,064	75,180	50,173
American International Group Inc	304,125	23,418,588	39,232,125	Turner Broadcasting Systems	50,000	977,750	1,025,000
American National Insurance Co	1,168	60,857	62,488	Turner Broadcasting Systems Incorporated	8,000	159,008	162,000
American Travelers Corporation	231,900	2,402,333	2,347,988	Tycos Toys Incorporated	119,195	1,514,724	1,385,642
AGN Corporation	81,800	2,933,600	4,345,625	TCA Cable TV Incorporated	107,204	2,121,975	2,170,881
Argonaut Group Incorporated	43,858	1,199,035	1,381,527	United Television Incorporated	1,813	60,736	61,869
Berkley (W.R.) Corporation	45,000	1,250,438	1,749,375	Vicorp Restaurants Incorporated	2,479	61,355	56,707
C N A Financial Corporation	4,100	238,737	387,450	Walt Disney Company	220,664	7,055,812	8,992,058
Capital Holding Corporation	66,200	1,564,527	2,590,075	Wendys International Incorporated	136,625	1,149,247	1,998,141
Chandler Insurance Limited	133,600	944,962	534,400				
Chubb Corporation	40,900	1,875,415	3,553,188	MACHINERY AND EQUIPMENT			
Cigna Corporation	85,000	5,072,062	5,174,375	Acme Cleveland Corporation	35,000	374,945	393,750
Conseco Incorporated	1,078	60,699	67,375	Andrew Corporation	284,529	7,282,012	7,895,680
Continental Corporation	6,600	232,354	205,426	Applied Power Incorporated	104,000	1,778,106	1,768,000
Delphi Financial Group	3,000	60,750	60,000	Aspect Telecommunications Corporation	3,076	60,751	69,210
Exel Limited	150,000	5,048,815	7,200,000	Atlantic Tele-Network Incorporated	45,000	691,875	618,750
First Bancorporation Ohio Incorporated	1,405	60,766	66,738	Blount Incorporated	4,226	60,224	57,579
General Re Corporation	80,800	6,121,368	9,221,301	Briggs And Stratton Corporation	73,676	3,155,077	4,871,826
Horace Mann Educators Corporation	40,000	976,566	1,000,000	Cascade Corporation	3,147	68,949	62,153
Jefferson-Pilot Corporation	3,500	76,777	174,563	Caterpillar Incorporated	117,100	6,530,314	8,767,863
Kansas City Life Insurance Company	1,085	60,760	58,048	Cellular Communications Pr Incorporated	71,075	819,453	1,172,738
Kemper Corporation	107,400	3,811,731	3,812,700	Cincinnati Milacron Incorporated	252,800	5,981,626	6,162,001
Liberty Corporation	51,000	1,454,932	1,549,125	Clark Equipment Company	1,200	34,236	41,550
Lincoln National Corporation	5,800	145,808	225,475	Comsat Corporation	336,400	7,108,058	10,176,100
Markel Corporation	1,711	60,741	62,024	Cummins Engine Company Incorporated	1,882	142,789	159,970
MBIA Incorporated	70,375	3,816,555	4,635,953	Curtiss-Wright Corporation	1,640	48,924	59,860
NAC Re Corporation	80,000	2,316,900	2,840,000	Dere & Company	60,100	2,574,816	3,989,138
National Insurance Group	86,000	1,052,750	1,247,000	Digital Communications	179,900	2,873,487	2,316,213
Navigators Group Incorporated	15,000	474,525	517,500	Digital Microwave Corporation	25,500	241,042	229,500
NWNL Companies Incorporated	45,332	1,296,235	1,405,292	Dynatech Corporation	22,272	467,938	579,072
Old Republic International Corporation	281,658	6,142,541	6,618,963	DSC Communications Corporation	160,800	5,895,392	8,160,600
Orion Capital Corporation	33,575	1,299,649	1,275,850	Fedders Corporation	700	6,286	3,413
Progressive Corporation Ohio	153,500	2,622,567	5,027,125	Fluor Corporation	12,800	444,910	537,600
Safeco Corporation	27,444	1,236,117	1,602,045	Foster Wheeler Corporation	2,400	44,246	70,800
St Paul Companies	53,500	3,804,419	4,246,563	Fuqua Industries Incorporated	85,000	1,212,300	818,125
Tig Holdings Incorporated	64,800	4,002,962	4,202,400	General Datacomm Industries Incorporated	4,812	38,573	69,774
Torchmark Corporation	60,200	2,388,555	3,198,126	General Signal Corporation	1,283	60,629	84,037
Transamerica Corporation	240,300	9,371,932	12,705,863	Graco Incorporated	18,413	532,039	584,613
Transatlantic Holdings Incorporated	51,000	1,546,841	2,811,375	Hamischfeger Industries Incorporated	1,100	22,985	22,963
Travelers Corporation	129,400	2,701,662	4,140,800	Harris Corporation	116,173	3,959,361	4,501,704
Trenwick Group Incorporated	24,800	584,622	1,050,900	Idex Corporation	46,900	822,674	1,301,475
UNUM Corporation	22,900	1,197,133	1,236,600	Illinois Tool Works Incorporated	59,000	1,308,428	2,205,125
USLICO Corporation	149,800	3,270,942	2,733,850	Ingensoll-Rand Company	10,206	203,802	345,729
US Life Corporation	133,450	4,517,187	5,521,494	Jacobs Engineering Group Incorporated	17,000	480,145	374,000
USF&G Corporation	5,685	200,407	103,041	Kennametal Incorporated	30,000	1,019,935	1,005,000
				LCI International Incorporated	14,300	260,975	325,325
				M A Com Incorporated	1,600	22,652	13,200
LEISURE AND ENTERTAINMENT				Manitowoc Company Incorporated	64,149	1,628,369	2,060,787
Aleo Standard Corporation	3,134	78,236	152,783	Maytag Company	93,400	1,990,347	1,401,000
Associated Communications Corporation	76,500	1,230,963	1,530,000	Manufacturing Communications Co. Inc.	148,400	3,737,271	4,452,000
Azstar Corporation	167,222	1,176,176	1,504,998	Navistar International Corporation	27,900	186,750	69,750
Bally Manufacturing Corporation	2,400	41,502	23,100				

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Newhall Land & Farming Company	33,000	535,334	495,000	National Education Corporation	236,062	1,760,155	1,770,465
Newmark & Lewis Incorporated	2,000	17,640	0	National Service Industries Incorporated	3,300	80,911	84,150
Oetel Communications Corporation	62,357	1,634,128	1,387,443	Oracle Systems Corporation	90,600	3,437,322	4,462,050
Paccar Incorporated	50,800	2,821,113	3,098,800	Pitney-Bowes Incorporated	131,300	4,264,597	5,448,950
Parker-Hannifin Corporation	5,350	156,210	177,219	QVC Network Incorporated	45,700	2,753,369	2,901,950
Penn Central Corporation	21,368	480,531	683,776	Ryder System Incorporated	139,200	2,599,507	4,350,000
Porta System Corporation	14,500	334,145	88,813	Safety-Kleen Corporation	44,400	921,696	810,300
Qualcomm Incorporated	102,000	5,060,533	5,916,000	Sani-fill Incorporated	35,000	475,113	621,250
Regal Beloit Corporation	68,750	1,006,198	1,340,625	Seitel Incorporated	11,511	117,513	119,427
Schwitzer Incorporated	123,000	778,257	753,375	Sensomatic Electronics Corporation	60,000	938,778	2,340,000
Scientific Atlanta Incorporated	4,000	42,618	129,500	Smith Corona Corporation	141,000	984,627	722,625
Scotsman Industries Incorporated	100,000	859,887	1,212,500	Sothebys Holdings Incorporated	110,000	1,281,252	1,416,250
Snap On Tools Corporation	59,200	2,036,330	2,308,800	Standard Register Company	16,300	258,354	301,550
Soletron Corporation	7,000	277,647	329,000	Staples Incorporated	45,700	1,536,276	1,468,113
Synoptics Communications Incorporated	70,700	1,907,250	2,545,200	Sungard Data System Incorporated	56,354	1,762,214	1,732,886
Tecumseh Products Company Class B	844	61,312	62,456	Sybase Incorporated	15,200	1,003,571	1,128,600
Tekelec	73,100	743,001	402,050	Tetra Technologies Incorporated Delaware	60,000	511,285	487,500
Tellabs Incorporated	43,233	1,056,341	1,664,471	Ultimate Corporation	3,800	106,913	13,300
Tennant Company	13,600	521,823	571,200	Unifirst Corporation	8,700	219,700	256,650
Thermo Electron Corporation	17,000	1,019,830	1,009,375	United Stationers Incorporated	174,774	3,304,594	2,315,756
Tirken Company	2,000	58,229	66,500	Varitronic Systems Incorporated	39,700	275,586	367,225
Tokheim Corporation	17,600	203,231	171,600	Waban Incorporated	120,000	1,878,140	1,635,000
Toro Company	149,600	2,590,236	2,786,300	Wackenhut Corporation	8,300	226,967	111,013
Varity Corporation	46,950	875,524	1,408,500		8,300	9,912	109,975
Whirlpool Corporation	13,200	476,984	750,751	Wallace Computer Services Incorporated	56,400	1,504,414	1,466,400
Zurn Industries Incorporated	29,800	989,927	953,600	Weston Roy F Incorporated	4,783	55,714	52,813
				Wheelabrator Technologies Incorporated	444,600	8,808,395	8,002,800
MINING - METALS							
Acme Metals Incorporated	88,700	1,300,198	1,485,725	OIL AND GAS			
Allegheny Ludlum Corporation	26,000	789,882	1,160,250	Amerada Hess Corporation	6,300	222,117	308,700
Aluminum Company Of America	40,000	2,634,102	2,800,000	Amoco Corporation	70,400	2,975,330	3,863,201
Amax Incorporated	193,100	4,221,088	4,489,575	Anadarko Petroleum Corporation	21,000	862,180	845,250
Arco Incorporated	441,800	3,029,216	3,203,050	Apache Corporation	182,636	4,503,216	5,068,149
Asarco Incorporated	137,700	3,195,543	2,650,725	Ashland Oil Incorporated	183,900	5,153,737	4,689,450
Bethlehem Steel Corporation	5,900	96,178	110,625	Atlantic Richfield Company	224,800	23,240,137	26,133,000
Chaparral Steel Co	170,353	1,625,010	1,639,648	Cabot Oil & Gas Corporation	67,000	915,145	1,624,750
Cominco Metals Company	25,000	685,300	846,875	Chevron Corporation	34,100	2,039,975	2,992,275
Cyprus Minerals Company	61,800	1,684,342	1,521,826	Clayton Williams Energy Incorporated	37,000	629,000	638,250
CBI Industries Incorporated	6,000	193,191	150,000	Coastal Corporation	10,646	241,724	278,127
Destec Energy Incorporated	3,919	61,848	70,542	Cross Timbers Oil Co	40,000	542,660	650,000
Engelhard Corporation	4,550	67,459	170,625	Devon Energy Corporation	222,700	5,214,587	5,985,063
Freeport-McMoran Incorporated	340,000	6,450,765	6,290,000	Exxon Corporation	162,233	6,567,305	10,727,658
Giddings and Lewis Incorporated	2,342	56,181	50,061	Kerr-McGee Corporation	10,000	434,086	500,000
Handy & Harman	3,521	59,914	56,776	Louisiana Land & Exploration Company	96,239	3,688,102	4,090,158
Harsco Corporation	60,000	1,470,292	2,272,500	Mapco Incorporated	70,900	3,411,189	3,970,400
Homestake Mining Company	15,300	215,138	292,614	Maxus Energy Corporation	726,455	6,820,134	6,538,095
Inland Steel Industries Incorporated	36,400	982,588	1,046,500	Mesa Incorporated	255,307	1,657,311	1,595,669
Interlake Corporation	183,300	765,149	801,938	Mitchell Energy & Dev Corporation	33,000	804,450	825,400
IMCO Recycling Incorporated	22,600	166,886	310,750	Mobil Corporation	150,500	7,887,094	11,249,875
Lone Star Technologies Incorporated	7,838	44,089	66,623	Noble Affiliates Incorporated	31,238	686,522	753,617
Lukens Incorporated	214,500	8,194,283	10,108,313	Nuevo Energy Company	2,761	62,261	63,503
Material Sciences Corporation	18,000	222,884	351,000	Occidental Petroleum Corporation	260,510	5,133,997	5,470,710
Michael Anthony Jewelers Incorporated	18,600	125,247	116,250	Offshore Pipelines Incorporated	16,797	261,165	251,955
Nacco Industries Incorporated	20,600	1,145,375	1,037,726	Oryx Energy Company	213,000	4,588,979	4,866,500
National Intergroup Incorporated	1,400	26,763	18,200	Peunzoll Company	2,800	190,061	175,350
National Steel Corporation	68,000	968,742	1,385,500	Phillips Petroleum Company	336,300	8,227,245	9,416,400
Newmont Mining Corporation	120,300	6,129,331	6,315,750	Pride Petroleum Services Incorporated	201,000	851,164	954,750
Nucor Corporation	3,000	61,579	256,126	Reading & Bates Corporation	175,000	1,024,675	1,378,125
Phelps Dodge Corporation	86,229	3,780,607	3,847,970	Santa Fe Energy Resources Incorporated	9,884	118,763	103,783
Pittston Company	2,400	34,901	43,800	Snyder Oil Corporation	3,329	28,135	65,332
Reynolds Metals Company	107,300	6,140,015	5,150,400	Sun Company Incorporated	7,100	226,793	170,400
Standex International Corporation	34,400	540,273	713,800	Swift Energy Company	1,300	19,854	14,950
Trinity Industries Incorporated	140,600	7,056,963	7,082,725	Teinco Incorporated	94,246	3,682,501	4,806,546
USX US Steel Group Incorporated	126,173	4,147,172	5,141,550	Texaco Incorporated	160,605	9,452,021	10,158,266
Westmoreland Coal Company	409	7,075	2,500	Ultramar Corporation	328,587	5,384,003	7,434,281
Worthington Industries Incorporated	6,650	103,705	207,813	Unocal Corporation	30,600	629,297	895,051
				USX Marathon Group Incorporated	327,809	6,165,261	5,531,778
				Valero Energy Corporation	109,900	2,586,100	2,417,800
OFFICE EQUIPMENT							
Allwaste Incorporated	108,700	722,129	529,913	BIJ SUPPORT SERVICES			
Alpine Group Incorporated	77,000	900,652	779,625	B J Services Company	55,000	964,929	1,567,500
American Building Maintenance	20,960	390,299	361,560	Baker Hughes Incorporated	20,128	440,089	528,360
Bowne & Company	39,500	630,639	706,063	Dresser Industries Incorporated	32,100	518,356	754,350
Browning-Ferri Industries Incorporated	145,400	3,686,832	3,943,976	Energy Service Incorporated	647,900	1,185,503	1,821,895
Ceridian Corporation	77,900	1,009,734	1,168,500	Entera Corporation	128,600	2,639,071	3,359,675
Checkpoint System Incorporated	5,062	60,744	49,987	Gemity Oil & Gas Corporation	93,427	1,274,441	1,424,762
Cisco Systems Incorporated	140,800	6,918,272	7,708,800	Global Marine Incorporated	1,518,300	6,603,661	6,642,563
Comdisco Incorporated	147,500	2,158,494	2,157,188	Halliburton Company	48,300	1,568,859	1,841,439
Corporate Software Incorporated	118,700	1,464,477	1,276,025	Helmenich & Payne Incorporated	64,206	1,398,576	2,239,185
Cross A T Company	26,500	549,921	443,875	McDermott International Incorporated	56,781	1,414,037	1,632,454
Cybertek Corporation	71,300	445,736	1,069,500	Nabors Industries Incorporated	205,500	1,692,249	2,080,688
Deb Shops Incorporated	18,500	201,890	113,313	Noble Drilling Corporation	195,000	1,088,678	1,535,625
Duplex Products Incorporated	153,000	1,951,287	1,702,125	NL Industries Incorporated	4,650	60,041	17,438
ECC International Corporation	1,000	10,456	2,375	Parker Drilling Company	185,000	1,083,121	1,202,500
Federal Express Corporation	3,700	172,447	172,513	Phoenix Resource Companies Incorporated	1,862	60,869	67,032
Flightsafety International Incorporated	119,250	4,815,523	4,993,594	Pool Energy Services Company	324,400	2,506,487	2,960,150
General Binding Corporation	104,400	1,804,059	1,631,251	Rowan Companies Incorporated	830,200	6,988,019	8,302,000
Greiner Engineering Incorporated	96,300	1,250,312	1,468,575	Smith International Incorporated	120,000	1,068,372	1,125,000
Groundwater Technology Incorporated	17,900	378,722	237,175	Tidewater Incorporated	368,100	7,486,634	8,006,175
H & R Block Incorporated	85,300	2,106,293	3,049,475	Weatherford International Incorporated	549,400	4,869,983	6,249,425
Harland John H Co	91,200	2,363,556	2,496,600	Western Company Of North America	54,585	659,914	866,537
Harper Group Incorporated	31,050	530,668	465,750				
Hunt Manufacturing Company	116,200	1,453,846	1,612,276	PAPER AND FOREST PRODUCTS			
Interpublic Group of COS Incorporated	83,400	2,044,809	2,293,500	Ball Corporation	1,100	28,055	31,075
M A R C Incorporated	72,000	658,720	567,000	Bemis Company Incorporated	65,060	1,735,570	1,463,850
McCaw Cellular Communications	116,700	3,114,891	5,368,200	Boise Cascade Corporation	86,967	1,737,639	2,043,725
Mid-American Waste Systems Inc	49,800	585,212	610,050	Bowater Incorporated	149,200	3,859,451	2,928,050
Miller Herman Incorporated	123,980	2,503,303	3,161,490	Champion International Corporation	140,400	3,899,822	4,738,500
Nashua Corporation	2,282	61,451	62,470				

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Chesapeake Corporation	49,400	1,215,228	895,375
Consolidated Papers Incorporated	20,000	805,000	1,070,000
Crown Cork And Seal Company Inc	80,800	2,470,700	3,030,000
Federal Paper Board Company Incorporated	1,800	29,297	40,950
Fibreboard Corporation	65,000	512,782	796,250
Georgia Pacific Corporation	60,900	2,462,711	3,555,038
International Paper Company	165,100	9,901,570	10,566,400
James River Corporation Of Virginia	9,144	252,926	180,594
Kimberly Clark Corporation	23,700	749,198	1,173,150
Longview Fibre Company Washington	50,000	857,303	887,500
Louisiana Pacific Corporation	73,787	1,529,300	2,361,184
Mead Corporation	154,000	4,829,861	6,891,500
Podlatch Corporation	1,900	54,669	79,325
Scott Paper Company	4,900	155,711	162,313
Sealright Incorporated	89,705	1,548,138	1,457,706
Shorewood Packaging Corporation	194,170	1,661,553	1,577,632
Stone Container Corporation	213,620	3,926,962	1,922,580
Temple Inland Incorporated	53,800	2,602,801	2,447,900
Union Camp Corporation	7,750	253,726	329,375
Westvaco Corporation	4,500	114,164	153,000
Weyerhaeuser Company	31,900	909,716	1,359,739
Zero Corporation	36,100	430,540	532,475
PHOTOGRAPHIC AND RELATED			
CPI Corporation	35,000	819,999	546,875
Eastman Kodak Company	227,650	9,759,516	11,382,500
Polaroid Corporation	3,106	103,578	118,805
PRINTING AND PUBLISHING			
American Greetings Corporation	268,100	10,270,621	15,348,725
Baldwin Technology Incorporated	35,700	185,364	129,413
Banta Corporation	88,300	1,558,174	2,847,675
Central Newspapers Incorporated	72,320	1,315,458	1,853,200
Commerce Clearing House Incorporated	64,490	1,114,464	1,047,963
Deluxe Corporation	32,700	858,315	1,250,775
Donnelley (R.R.) & Sons	17,400	315,368	491,550
Dow Jones & Company Incorporated	25,900	1,216,227	718,725
Dun & Bradstreet Corporation	195,348	9,036,697	11,501,115
Enquirer/Star Group Incorporated	162,735	2,618,292	2,644,444
Gannett Company Incorporated	293,300	11,989,950	14,591,675
Graphic Industries Incorporated	14,000	85,144	120,750
Knight Ridder Incorporated	112,400	5,959,253	5,872,900
Lee Enterprises Incorporated	5,100	123,542	138,975
Mc Graw-Hill Incorporated	78,800	4,850,585	4,649,200
McClatchy Newspapers Incorporated	2,613	60,219	53,567
Meredith Corporation	900	31,687	32,288
New England Business Service Inc	35,200	654,516	563,200
New York Times Company	35,300	951,142	860,438
Plenum Publishing Corporation	2,113	62,334	54,938
Scholastic Corporation	11,500	403,938	457,125
Scripps E.W. Company	100,000	2,318,200	2,575,000
Time Warner Incorporated	414,980	10,232,218	16,028,603
Times Mirror Company	42,267	1,567,442	1,225,743
Tribune Company	61,800	2,706,833	3,321,750
Valassis Communications Incorporated	282,300	5,084,910	3,599,325
Value Line Incorporated	1,939	60,730	59,624
Washington Post Company	32,300	7,797,861	7,380,550
RETAIL TRADE			
Albertsons Incorporated	101,300	4,391,256	5,470,200
American Stores Company	45,280	1,763,787	2,099,861
Ann Taylor Stores Corporation	46,000	821,117	1,029,250
Big B Incorporated	3,156	60,359	60,753
Brunos Incorporated	6,300	123,863	59,063
Burlington Coat Factory	52,171	831,667	1,219,497
Charming Shoppes Incorporated	6,900	93,129	94,875
Circuit City Stores Incorporated	24,600	377,585	793,350
Claire's Stores Incorporated	177,150	1,540,982	2,590,819
Consolidated Stores Corporation	70,000	1,215,804	1,242,500
Costco Wholesale Corporation	133,300	3,222,523	2,199,450
Dart Group Corporation	3,300	240,543	273,075
Dayton-Hudson Corporation	44,831	2,972,703	2,981,262
Delchamps Incorporated	2,641	60,743	53,480
Dillard Department Stores Incorporated	40,600	1,547,760	1,471,750
Dress Barn Incorporated	160,200	1,756,653	2,002,500
Fingerhut Companies Incorporated	168,200	6,558,002	7,232,600
Flagster Companies Incorporated	52,000	827,814	585,000
Gantos Incorporated	120,000	866,186	570,000
Gap Incorporated	44,100	1,144,133	1,334,025
Giant Food Incorporated	4,000	104,647	99,000
Great Atlantic And Pacific Tea	2,600	86,043	82,550
Grossman Incorporated	132,400	654,468	380,650
Handelman Company	84,159	1,076,764	1,104,587
Haverty Furniture Cos Incorporated	8,893	189,662	173,414
Heilig Meyers Company	70,000	1,733,488	2,651,250
Home Depot Incorporated	147,996	4,265,487	6,474,826
Inacom Corporation	3,356	48,690	72,154
Ingles Markets	10,456	70,578	74,499
Intertan Incorporated	115,800	1,696,046	998,775
K Mart Corporation	443,200	8,808,045	9,307,200
Kroger Company	280,600	5,207,250	4,840,350
Leslies Poolmart	80,000	531,313	840,000
Lillian Vernon Corporation	93,064	1,030,366	1,256,364
Limited Incorporated	375,600	6,757,189	8,028,450
Longs Drug Stores Incorporated	119,550	4,747,240	4,064,700
Lowe's Companies Incorporated	109,800	3,512,919	4,295,926
Mae Frigals Bargains Close Outs	84,500	1,120,644	1,288,625

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE
Marks Brothers Jewelers Incorporated	3,793	1,000,000	350,000
Marks Brothers Jewelers Incorporated	2,362	600,000	210,000
Marsh Supermarkets Incorporated	4,263	60,748	53,288
May Department Stores Company	222,954	5,461,312	8,527,991
Medicine Shoppe International Inc	25,400	521,275	571,500
Melville Corporation	7,000	236,854	326,375
Mercantile Stores Incorporated	101,400	3,375,725	3,434,927
Merry Go Round Enterprises Inc	121,500	1,281,976	1,321,313
Meyer Fred Incorporated Delaware	55,500	1,523,353	1,956,375
Michaels Stores Incorporated	6,200	47,509	189,875
Nordstrom Incorporated	9,200	287,601	257,600
Payless Cashways Incorporated	195,300	2,707,517	2,563,313
Penny J C Company	90,000	2,291,081	4,061,250
Pep Boys Manny Moe & Jack	37,000	913,102	832,500
Pier 1 Imports Incorporated	237,549	1,786,687	2,167,635
Price Company	5,300	194,286	180,200
Revco D S Incorporated	126,300	1,367,598	1,531,388
Rite Aid Corporation	116,900	2,552,509	2,104,200
Ross Stores Incorporated	169,593	2,328,790	2,586,293
Sears Roebuck & Company	248,400	10,607,294	13,662,000
Service Merchandise Incorporated	568,125	2,749,878	6,462,422
Shopko Stores Incorporated	84,121	1,290,289	998,937
Spiegel Incorporated	54,206	782,634	1,151,878
Strawbridge & Clothier	2,558	60,753	58,195
Supervalu Incorporated	103,600	2,773,804	3,483,551
Tandy Corporation	7,091	264,235	212,730
Tiffany & Company	54,500	1,545,791	1,757,625
Toys R Us	485,037	15,867,748	17,825,110
Trans World Music Corporation	43,521	725,831	739,857
TJX Companies Incorporated	269,500	7,627,474	9,129,313
Wal-Mart Stores Incorporated	1,027,500	9,927,073	26,971,875
Walgreen Company	208,600	5,490,328	8,422,226
Winn Dixie Stores Incorporated	5,100	121,401	285,600
Woolworth Corporation	127,600	3,850,614	3,461,151
Younkers Incorporated	35,000	1,050,000	984,375
SPECIAL INVESTMENT FUNDS			
General Growth Properties Incorporated	68,000	1,573,900	1,666,000
TEXTILES AND APPAREL			
Angelica Corporation	87,900	2,637,391	2,098,613
Brown Group Incorporated	112,000	2,801,458	3,500,000
Fieldcrest Mills Incorporated	2,615	43,889	71,259
Garan Incorporated	1,944	61,297	67,068
Genesco Incorporated	304,075	1,733,535	2,356,581
Hartmarx Corporation	168,300	1,082,975	1,051,875
K-Swiss Incorporated	2,454	51,534	55,829
Kellwood Company	65,500	761,054	1,989,563
Liz Claiborne Incorporated	178,900	6,365,346	5,545,900
Nike Incorporated	45,250	2,255,497	2,494,407
Nortek Incorporated	150,000	941,350	731,250
Oshkosh B Gosh Incorporated	108,650	3,335,422	1,629,750
Phillips-Van Heusen Corporation	32,500	969,325	999,375
Quicksilver Incorporated	125,000	695,836	1,500,000
Reebok International Limited	6,100	109,098	170,038
Russell Corporation	93,900	1,792,443	2,793,525
Springs Industries Incorporated	1,200	33,533	41,850
Stride Rite Corporation	2,700	31,402	42,188
Superior Surgical Manufacturing	3,797	61,645	66,922
Unifi Incorporated	118,650	3,019,314	3,989,607
United States Shoe Corporation	358,500	3,952,555	3,495,375
V F Corporation	31,289	1,133,030	1,443,206
Warnaco Group Incorporated	166,800	5,411,450	5,587,800
Wolverine World Wide Incorporated	3,018	60,076	53,570
TRANSPORTATION - AIR			
AMR Corporation Delaware	102,100	6,405,730	6,457,825
Comair Holdings Incorporated	50,150	341,815	1,328,975
Delta Air Lines Incorporated	3,300	180,836	159,638
Mesa Airlines Incorporated	2,927	50,956	64,394
Southwest Airlines Company	141,400	1,840,257	6,168,575
UAL Corporation	2,722	251,549	335,487
US Air Group Incorporated	3,200	128,761	52,800
TRANSPORTATION EXCLUDING AIR			
American Freightways Corporation	30,000	415,125	555,000
American President Companies Limited	29,000	1,128,553	1,649,375
Arkansas Best Corporation	113,000	1,319,456	988,750
Arnold Industries Incorporated	2,049	70,038	64,031
Burlington Northern Incorporated	119,000	3,952,813	6,381,376
Chalk Line Holdings Incorporated	3,500	3,500,000	1,750,000
Consolidated Freightways Incorporated	66,300	950,038	1,060,800
Consolidated Rail Corporation	14,400	478,873	772,201
CSX Corporation	6,916	217,988	494,494
Greyhound Lines Incorporated	203,430	3,492,718	4,221,173
Illinois Central Corporation	53,287	1,289,474	1,445,410
KLLM Transport Services Incorporated	82,000	649,062	1,619,500
M S Carriers Incorporated	32,000	269,313	784,000
Norfolk Southern Corporation	9,600	291,880	625,200
Roadway Services Incorporated	4,400	156,120	255,200
Santa Fe Pacific Corporation	51,462	606,805	945,614
TNT Freightways Corporation	2,271	60,749	63,588
Union Pacific Corporation	217,100	9,187,119	13,243,173
Varlen Corporation	1,960	55,860	63,945
Werner Enterprises Incorporated	5,000	296,250	326,250
Yellow Corporation	3,200	74,991	61,600

COMMON STOCK-Domestic	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
UTILITIES				INTERNATIONAL			
AES Corporation	19,487	506,185	589,482	Abbey National	1,149,300	6,471,028	7,019,100
Alltel Corporation	25,000	1,282,708	1,337,500	Accennox	53,730	3,248,608	3,525,056
American Electric Power Company Inc	12,400	330,381	468,100	Aegon	39,500	1,840,462	1,703,023
American Water Works Company Inc	46,182	1,223,179	1,258,460	Aga	41,000	2,030,776	1,883,132
Ameritech Corporation	23,800	1,136,165	1,912,925	Agua Barcelona	2,756	12,436	69,340
Arka Incorporated	8,200	167,752	80,975	Ahold Nv Zaandam	65,033	3,293,630	3,310,260
Atmos Energy Corporation	95,000	1,638,443	2,671,875	Air Liquide	7,501	1,003,065	960,365
AT&T Company	556,629	19,178,809	35,067,627	Air New Zealand	500,000	715,962	737,825
Baltimore Gas & Electric Company	10,150	191,019	260,094	Akzo Nv Arnhem	4,000	308,157	316,905
Bell Atlantic Corporation	34,100	1,143,983	2,024,688	Alcan Aluminium Limited	211,150	4,316,814	4,117,425
Bellsouth Corporation	33,000	1,307,202	1,831,500	Alcatel Alsthom Compagnie Generale	30,930	3,610,366	3,502,678
Carolina Power And Light Company	12,344	270,900	402,723	Algemene Bk Nederland NV	6,700	134,036	133,054
Centenor Energy Corporation	92,375	1,719,045	1,697,391	Allianz Aktiengesellschaft Holding	724	925,754	912,732
Central & South West Corporation	12,600	196,973	409,500	Allied Lyons Plc	159,400	1,609,197	1,276,606
Central Hudson Gas & Electric	1,862	60,636	64,006	Alusuisse -LonzaHldg	9,141	2,776,796	2,891,850
Century Telephone Enterprises	35,000	1,016,750	1,080,625	Alusuisse-Lonza Holding	1,900	571,029	618,653
Columbia Gas System Incorporated	83,615	1,443,976	2,069,471	Amano Corporation	171,000	2,017,203	2,222,045
Commonwealth Edison Company	166,500	4,356,595	4,662,000	Ancor Limited	980,937	4,993,408	5,224,603
Commonwealth Energy Systems	1,361	61,027	64,307	American Barrick Resources Corporation	53,000	1,142,650	1,338,250
Connecticut Energy Corporation	49,000	1,079,477	1,231,125		11,000	247,482	277,774
Consolidated Edison Company	26,100	593,113	920,025	American Standard Sanitaryware	69,600	1,039,406	1,157,893
Consolidated Natural Gas Company	14,100	617,746	745,538	Ampolex Limited	650,000	1,564,664	1,876,146
D W G Corporation	85,915	1,616,154	1,793,476	Anghian Water	140,000	1,000,895	1,006,397
Detroit Edison Company	62,300	1,995,117	2,164,925	Aokam Perdana	300,000	569,782	1,575,262
Dominion Resources Incorporated	10,750	292,142	478,375	Aoyama Trading Company Limited	39,750	1,615,735	2,467,443
Duke Power Company	31,900	899,584	1,272,013	Aracruz Celulose	149,636	1,297,157	1,384,133
DQE Incorporated	38,582	1,177,322	1,335,902	Argyll Group Plc	471,400	2,582,440	2,398,960
Eastern Enterprises	1,600	42,794	45,400	Arjo Wiggins Apple	170,100	508,643	464,247
Energen Corporation	2,571	48,294	66,846	Asahi Bank Limited	225,000	2,300,242	2,587,197
Enron Corporation	140,400	6,296,523	9,248,851	Asahi Chemical Industry Company	52,000	247,142	332,021
Enron Oil & Gas Company	138,900	4,624,866	5,660,175	Asatsu Incorporated	10	0	436
Enserch Corporation	81,400	1,352,157	1,475,375	Asda Group Plc	2,300,000	2,419,497	2,538,363
Energy Corporation	19,600	301,027	710,500	Associated British Foods	407,500	3,017,333	2,941,488
FPL Group Incorporated	20,100	604,197	766,313	Astra A Free	1,900	64,004	65,512
General Physics Corporation	139,000	737,319	590,750	Astra AB Series A	204,000	3,908,612	3,774,285
General Public Utilities Corporation	341,500	9,540,130	10,928,000	Atlas Copco AB Series A	3,300	173,144	128,941
Gulf States Utilities Company	78,765	1,322,031	1,457,153	Attwoods Ltd	50,000	535,560	443,750
GTE Corporation	312,200	7,007,525	11,278,226	Aumar (Autopistas Del Mar)	20,000	221,899	229,701
Houston Industries Incorporated	14,400	455,826	630,000	Australia & New Zealand Banking Group	930,000	2,010,041	2,293,771
Idaho Power Company	54,355	1,629,990	1,685,005	Australia Gas Light	812,044	1,848,939	1,921,645
Illinois Power Company	56,612	1,330,128	1,436,530	Autobacs Seven Company Limited	33,720	2,642,413	3,467,546
Iowa Illinois Gas & Electric Company	2,613	60,546	61,732	Avir Finanziar Spa	100,000	366,014	286,513
Ku Energy Corporation	14,500	283,765	442,250	Axa Ff	3,971	926,075	949,822
Long Island Lighting Company	115,400	3,237,653	3,144,650	ABN-Amro Bank Holding	1,818	0	52,730
M C I Communications Corporation	174,700	4,923,996	10,045,250		263,640	7,612,035	7,646,694
MCN Corporation	154,300	4,231,842	5,381,213	Banco Bilbao Viscaya	111,800	2,754,266	2,666,826
MDU Resources Group Incorporated	46,438	1,231,358	1,387,335	Banco De Santander	38,764	1,611,409	1,727,221
New England Electric System	44,771	1,469,733	1,869,189	Banco Popular Espanol	24,000	2,704,612	2,573,878
New York State Electric And Gas	91,000	2,709,525	3,207,750	Bank Of Ireland	813,200	2,878,655	3,017,135
Niagara Mohawk Power Corporation	9,200	151,856	221,951	Bank Of Montreal	156,000	3,028,604	3,194,059
Nicor Incorporated	4,450	89,439	121,263	Bankgesellschaft Schweiz	9,000	4,872,764	6,538,554
Northeast Utilities	111,000	3,101,784	2,983,125	Bankverein Stv Schweizerischer	5,700	1,187,995	1,547,260
Northern States Power Company	4,100	124,857	188,088	Banque Nationale De Paris	31,700	2,901,822	2,955,721
Nynex Corporation	41,700	3,129,643	3,773,850	Banyu Pharmaceutical Company Limited	20,000	157,462	179,678
Ohio Edison Company	81,416	1,826,070	2,004,870	Bardays Dezoete Wedd	1,600	81,077	99,862
Oklahoma Gas and Electric Company	39,382	1,349,708	1,447,289	Bardays	426,950	2,703,151	3,075,517
Oneok Incorporated	72,300	1,695,209	1,888,839	Bass	138,100	1,209,840	1,003,037
Pacific Enterprises	8,489	383,130	206,920	Bassetti Spa	85,000	289,233	279,683
Pacific Gas & Electric Company	47,000	980,932	1,568,626	Bat Industries	570,234	3,952,192	3,563,374
Pacific Telesis Group	27,100	728,701	1,317,738	Bayer	26,500	4,579,994	4,246,281
Pacificor Corporation	18,100	377,148	343,900	Bayerische Hypotheken-Und Wechselbk	1,760	473,322	414,155
Panhandle Eastern Corporation	76,083	1,474,375	1,864,034	Bayerische Muenchen Motorenwerke (BMW)	1,000	296,063	298,496
Pennsylvania Enterprises Incorporated	31,960	842,017	934,830	Bayerische Vereinsbank	9,410	2,204,364	2,343,920
Pennsylvania Power & Light Company	15,000	325,663	440,625	Bbc Brown Boveri	11,660	6,495,237	6,230,080
Peoples Energy Corporation	2,300	45,742	74,463	Bekert Sa	660	270,287	298,323
Philadelphia Electric Company	24,600	462,341	753,376	Bell Canada Enterprise (B.C.E.)Inc.	355,900	12,514,404	12,100,687
Public Service Enterprise Group	170,700	4,698,005	5,846,475	Best Denki (Electric)	110,000	1,562,310	1,511,652
PSI Resources Incorporated	3,700	53,554	88,338	Biogen Incorporated	34,066	1,359,662	1,102,887
Sonat Incorporated	2,900	106,080	193,575	Blue Circle Industries	895,000	2,994,840	3,363,704
South Jersey Industries Incorporated	2,531	60,865	62,642	Bombardier Incorporated	196,056	1,761,660	1,891,940
Southern Company	29,900	806,974	1,259,538	Boral Limited	262,000	704,432	525,694
Southern New England Telecom	58,000	2,051,756	2,001,000	Boskalis Westminster	204,600	3,248,408	3,624,722
Southwest Gas Corporation	3,375	60,771	57,797	Brazil Fund	50,000	524,782	875,000
Southwestern Bell Corporation	348,000	12,146,288	13,485,000	Bridgestone Corporation	581,000	5,856,208	6,572,090
Sprint Corporation	507,000	13,923,380	17,808,376	British Airport Authorities	126,000	1,501,486	1,369,911
SCE Corporation	49,600	788,810	1,202,800	British Airways	91,750	388,381	422,823
Teco Energy Incorporated	6,000	195,553	283,500	British Columbia Telephone Company	133,000	2,057,884	2,139,610
Telephone & Data System Incorporated	150,000	4,815,596	6,637,500	British Gas Plc	791,000	3,559,379	3,515,498
Texas Utilities Company	258,524	10,130,705	11,827,475	British Land Company	70,776	0	340,944
Transco Energy Company	1,100	31,289	18,425	British Land Company	300,800	959,608	1,480,423
UGI Corporation	40,000	714,298	1,010,000	British Petroleum Company	1,334,700	5,629,310	6,140,913
Union Electric Company	3,400	116,921	140,675	British Petroleum	83,600	4,301,863	4,702,500
US West Incorporated	92,700	3,116,043	4,252,613	British Steel	484,200	5,924,343	6,718,275
Western Resources Incorporated	48,403	1,591,855	1,688,055	British Steel	576,300	564,374	812,222
Williams Companies Incorporated	14,000	456,701	766,500	British Telecommunications	621,900	3,777,026	3,974,344
				Broken Hill Proprietary Limited	147,578	1,235,285	1,389,062
TOTAL COMMON STOCK-Domestic		2,820,077,357	3,555,959,573	BSN Ord	10,466	1,846,790	1,660,409
				Bundesobligationen	141,367	190,007	195,149
				Burns Philp & Co Limited	358,151	935,377	945,424
				BASF	2,900	405,776	402,140
				BTR Nylax Limited	495,444	964,065	980,881
				BTR Plc	474,666	2,334,950	2,668,847
				Cable & Wireless	476,048	4,730,187	5,502,330
				Cadbury Schweppes	250,818	1,551,815	1,735,685
				Canadian Imperial Bank	164,000	3,131,397	4,128,148

COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
Canal Plus	8,000	1,709,884	1,699,202	Galleries Lafayette	1,200	337,437	350,278
Canon Incorporated	526,000	6,202,146	6,441,677	Gehe	10,491	1,982,151	2,053,656
Carlton Communications	173,600	2,014,733	2,014,297	General Electric Company	146,500	630,899	741,774
Carrefour	4,600	2,090,372	2,314,171	Gestener Holdings	145,000	333,833	250,853
Carter Holt Harvey Limited	2,330,121	3,205,656	3,663,506	Getronics	56,170	981,478	1,112,533
Cartiere Burgo	109,000	421,712	520,499	Gio Australia Holdings	360,000	653,379	623,938
Cathay Pacific Airways Limited	151,000	205,150	195,053	Glaxo Holdings	150,000	2,520,780	2,531,250
Cemex Sa "B"	18,000	279,180	287,763	Glaxo Holdings	336,800	3,670,942	2,827,969
Chargeurs Sa	1,800	327,491	309,990	Gods Steed	241,000	2,449,051	2,183,146
Cheung Kong Holdings Limited	1,330,000	3,243,042	4,569,914	Golden Hope Plants	23,100	18,249	18,239
China Light & Power Company Limited	455,000	1,997,648	2,350,965	Goldwin Incorporated Common Stock	161,700	1,434,679	1,995,381
China Travel International Limited	1,004,000	324,120	285,319	Grand Metropolitan	668,800	4,607,370	4,269,078
Chiyoda Shoe	14,000	295,823	514,354	Great Universal Stores	72,800	1,729,907	1,930,580
Chugai Pharmaceutical Company Limited	96,000	833,991	1,283,362	Grontmy	55,296	1,720,468	1,404,428
Ciba-Geigy Ag Basel Bearer	2,250	1,098,074	1,071,431	Groupe De La Cite	3,000	249,558	315,730
Ciba-Geigy Ag Basel	5,950	2,596,454	2,621,134	Groupsense International	3,000,000	785,664	709,165
Cifra	1,720,000	3,061,600	3,629,200	Grupo Carso	149,000	1,809,210	1,676,250
City Developments Limited	395,000	0	1,031,281	Grupo Embotellador De Mexico	65,000	1,215,500	1,271,985
City Developments Limited	1,975,000	4,687,865	5,156,404	Guangzhou Investment Company	5,000,000	1,301,275	1,149,648
Club Mediterranee	2,500	175,485	156,343	Guilbert	1,000	215,203	261,282
Coats Vioyella	768,221	2,875,640	2,784,111	Guinness	540,700	3,736,856	3,798,144
Commerzbank	7,856	1,269,679	1,376,693	Gunze	290,000	1,581,178	1,838,102
Commerzbank Profit Part Cert	71,100	44,591	48,755	Guoco Group Limited	750,000	1,626,609	1,898,856
Commerzbank Profit Part Cert	600,000	230,763	451,875	GKN	616,400	4,245,840	4,136,845
Commonwealth Bank Of Australia	110,700	651,192	641,258	GTM Entrepouse	40,000	3,115,290	2,921,765
Compagnie Financiere De Paribas	40,700	2,763,911	3,037,324	Hagemeyer	9,000	356,953	363,102
Compagnie Financiere De Suez	15,767	908,016	839,286	Hallenstein Glasson	200,000	292,502	309,082
Compania De Telefonos	36,000	2,064,720	2,389,500	Hang Seng Bank	57,500	429,261	434,509
Continental	3,000	376,446	380,314	Handl Bank	55,610	832,807	734,180
Corporation Mapfre Company	8,000	255,183	307,292	Hanson	265,000	4,901,162	4,505,000
Courts Common Stock	1,109,000	510,392	1,188,214	Harrisons and Crosfield	712,700	2,614,948	2,407,516
Credit Commercial De France	9,000	361,363	366,351	Havas	70	0	187
Credit Commerciales De France	165	6,295	6,716	Hellas	3,410	297,405	249,733
Credit Local De France	50,000	2,527,370	3,605,238	Hellenic Bottling Company	15,915	244,737	369,641
Credit National	6,313	1,226,715	1,367,239	Henderson Land Developments Co	130,000	243,745	362,720
Credit National	166	33,053	35,951	Hennes & Mauritz	120,000	3,061,893	2,887,771
Cubiertas Y Mzov Sa	4,000	242,756	206,193	Hidroel Cantabrico	88,123	1,539,589	1,496,142
CBR Cimenteries Npv	13,000	3,484,597	3,633,142	Hilldown Holdings	270,000	574,430	551,669
CMB Packaging Sa	72,100	2,789,419	2,552,343	Hino Motors	38,000	178,101	250,802
CRA Limited	275,000	2,564,172	2,401,427	Hirose Electric Company Limited	48,000	1,563,389	2,198,767
CRH Plc	117,000	391,714	484,181	Hitachi Limited	55,100	6,631,018	4,139,388
CS Holdings Bearer Certificates	600	764,680	1,052,113	Hitachi Limited	396,000	3,088,678	2,961,605
CS Holdings Bearer Wts Exp 12-21-93	600	0	233,803	Hitachi Maxell Limited	10,000	152,338	167,338
Dai Nippon Printing Company Limited	198,000	2,196,042	3,035,645	Hochtief Ag Vorm Gebr Helfmann	1,665	1,202,186	1,029,511
Daiichi Chemical Industries Limited	160,000	951,363	822,668	Hokuriku Electric Power Company	47,000	936,686	1,247,838
Daiichi Pharmaceutical Company Limited	127,000	1,663,094	1,899,615	Holderbank Financiere Glarus	800	296,690	349,780
Daikin Industries (Kogyo) Limited	45,000	244,664	384,924	Hong Kong Electric Holdings Limited	151,000	332,147	347,194
Daimler-Benz	750	247,000	270,554	Hong Kong Land	1,104,000	1,606,541	2,267,467
Dainippon Screen Manufacture	23,000	127,332	158,036	Hong Kong Telecommunications Limited	85,000	3,078,962	3,559,375
Daiwa House Industries Limited	165,000	2,176,068	2,267,479	Hong Leong Credit	800,000	1,544,889	3,640,607
Daiwa Kosho Lease Company Limited	147,000	1,521,636	1,580,364	Honshu Paper Company	45,000	155,462	246,520
Daiwa Securities Company Limited	55,000	567,109	642,709	Hroogovens En Staalabrieken	123,800	2,290,988	2,251,486
Dalgety	280,000	1,922,276	1,958,506	Hopewell Holdings Limited	201,000	127,855	122,031
Danieli & C Officine	100,000	296,564	367,176	Hoya Corporation	107,000	1,314,112	1,800,521
Den Danske Bank	4,000	164,893	206,581	Hebe Holding	459,967	2,420,017	4,367,056
Deutsche Bank	8,556	3,615,307	3,455,050	Hsb Holding	33,000	254,193	328,272
	4,500	88,199	84,924	Huarte Y Cia	24,000	231,703	206,500
Development Bank Of Singapore	412,000	3,473,852	3,678,571	Hume Industries	600,000	1,596,225	1,971,995
Dickson Concepts International Limited	350,000	261,551	275,786	Hunter Douglas	10,000	251,472	279,591
Docks De France	1,824	154,015	155,475	Hurdison Whampoa Limited	1,090,000	2,275,270	2,928,631
Douglas Holding	983	344,530	269,627	Hysan Development Company Limited	973,000	1,629,144	2,010,979
DSM	6,100	250,907	284,995	I.O. Data Device Incorporated	20	0	1,040
Eaux (Compagnie Generale Des)	2,040	844,152	777,876	I.O. Data Device Incorporated	200	4,503	10,396
Echo Bay Mines Limited	3,500	54,287	42,875	Iberdrola	199,800	1,292,864	1,227,939
Eisai Company Limited	40,000	465,252	635,698	Imetal	38,100	2,268,795	2,975,185
Electrabel	19,650	3,675,157	3,463,092	Imperial Oil Limited	53,000	2,054,991	1,967,675
Electrolux	5,000	151,254	137,143	Inchcape	127,100	1,088,803	1,103,221
Elf Aquitaine	96,855	6,649,648	6,788,264	Inco Limited	11,822	215,644	265,995
Elsint Limited	165,528	883,732	910,404	Independent Newspaper	40,000	163,470	166,346
Elsevier Nv	72,977	4,967,863	5,274,455	Industrie Natuzzi	43,600	654,000	752,100
Empresas Sociedad Controladora	205,000	3,853,316	3,818,125	International Unip Holdings	296,000	172,584	115,443
Endesa	70,000	1,595,311	2,419,925	International Nederlanden Group	190,196	6,204,793	6,411,070
Ericson L M Telephone Company	230,800	8,143,418	10,184,050	Italcementi	28,000	201,756	171,794
Eridania Beghin	17,910	2,089,775	2,427,015	Ito Yokado Company Limited	102,000	3,242,214	4,138,394
Eurotunnel	185,000	1,482,010	1,131,192	ICI Australia Limited	161,000	661,511	761,990
ECC Group	178,400	1,332,211	1,138,761	Japan Digital Lab	56,910	1,091,590	2,000,407
Fairwood Holdings Limited	120,000	52,192	49,215	Japan Radio Company Tokyo	108,000	1,943,125	1,575,035
Family Mart Company Limited	3,000	177,469	177,808	Japan Securities Finance Limited	100,000	1,390,204	1,551,851
Family Mart Warrants	265	410,750	120,906	Jardine Matheson Holdings	450,479	2,117,386	3,433,218
Faulding (Fh) and Company	27,200	104,202	99,723	Jardine Strategic Holdings Limited	500,000	1,663,131	1,608,215
Finanziana Agroidostriale	15,000	45,756	41,041	Jeronimo Martins	39,500	1,844,107	1,901,887
Fischer Ag Schaff/George	5,250	0	4,681	Joyo Bank	460,000	2,963,961	4,063,793
Fischer Ag Schaffhausen George	1,050	509,770	540,916		24,250	0	214,232
Fisher Group	400,000	402,763	393,730	Jungheinrich	3,100	386,870	355,200
Fletcher Challenge Limited	400,000	494,208	598,846	Juroku Bank	60,000	336,097	355,056
Forbo Ag Zuerich	400	471,590	515,159	Jusco Company Limited	33,000	389,464	617,001
Formosa Fund	160	1,064,000	1,025,440	Kamigumi Company	83,000	794,496	853,518
Forte	400,000	1,214,259	1,354,191	Kandenko Company	7,000	0	168,834
Foster Brewing Limited	275,000	262,808	212,645	Kanstad	6,903	2,359,013	2,105,828
Fraser & Neave Limited (Singapore)	344,400	2,077,520	2,650,862	Katokichi Company	95,000	1,955,555	2,344,604
Fraser & Neave	50,000	45,087	128,695	Kaufhof Holding	1,000	250,011	282,378
Fuji Heavy Industries Limited	133,000	374,775	442,633	Kedah Cement Holding	300,000	366,762	392,065
Fuji Machine Manufacturing Company	96,000	1,975,708	2,405,182	Keppel Corporation	325,000	1,025,152	1,560,960
Fuji Photo Film Company Limited	120,000	2,637,883	2,804,550	Kingfisher	62,557	501,792	563,517
Fuji Soft Ware Incorporated	26,000	770,743	454,524	Koa Fire & Marine Insurance	126,000	860,582	850,452
Fujisawa Pharmaceutical Company	38,000	253,872	358,795	Komatsu Forklift Company	50,000	592,995	345,895
Furukawa Company	181,000	1,131,927	1,033,860	Komon Corporation	20,000	452,177	360,852

COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
Kon Knp	38,000	605,163	655,341	Okamura Corporation	44,000	308,729	333,592
Koninklijke Bols Wessanen	34,597	765,263	766,609	Olympus Optical Company Limited	137,000	1,448,026	1,511,279
Koninklijke Pakhoed Holding	21,000	401,365	408,255	Onward Kasuyama Company Limited	86,000	957,381	957,726
Korea Asia Fund Bearer	100	660,000	658,318	OTC Jpy Topix	958,396	280,827	235,637
Kunert	1,700	243,354	239,125		894,274	342,684	289,260
Kureha Chemical Industry Company	48,000	159,517	251,288	Overseas Union Limited	77,000	253,527	284,483
Kvaerner Industrier	60,000	3,193,857	1,797,177	Overseas-Chinese Bkg Corporation	900,000	5,394,770	6,594,827
Kyocera Corporation	142,000	6,345,249	7,102,056	P&O Pen & Oriental	171,200	1,227,597	1,588,138
Kyushu Denki Kogyo Company	68,000	1,258,939	1,150,613	Pacific BBA Limited	400,000	702,003	741,259
Kyushu Electric Power Company Inc	30,900	669,811	852,163	Pacific Dunlop Limited	2,210,000	7,962,318	7,159,684
KAO Corporation	385,000	3,469,479	4,283,015	Paterson Zochonis	300,000	1,727,447	1,780,732
L'Oreal	1,350	252,076	257,150	Pedhiney Cert D'Invest	4,700	256,905	257,542
Ladbroke Group	315,700	1,091,333	871,045	Pedhiney International	65,200	2,910,015	2,271,789
LaFarge Coppee	14,373	881,299	970,854	Pernod-Ricard	916	69,275	62,989
Land Securities	315,000	2,529,182	2,804,652	Petrofina Sa Bruxelles	1,300	387,244	334,027
Lindt And Sprungli	53	702,138	679,085	Peugeot Sa	11,200	1,171,125	1,126,121
Lippo Land	75,000	217,746	215,190	Philips Electronics	53,000	649,353	833,704
London & Scott Marine Oil	112,000	254,538	267,259	Pilecon Engineering	800,000	1,350,417	1,418,903
Lyonnais Des Eaux	10,562	873,913	844,801	Pilkington	355,000	572,166	675,045
LVMH Moet Hennessy Louis Vuitton	1,979	1,509,859	1,332,971	Pioneer Electronic Corporation	12,000	254,226	251,288
M & G Group	28,200	305,589	329,731	Pioneer International Limited	212,000	367,551	327,861
M.A.N.	2,150	360,306	359,127	Placer Dome Limited	26,422	395,028	548,257
M.C. Packaging (Hong Kong)	2,500,000	1,296,095	1,049,538	Pohang Iron & Steel	49,300	1,733,935	1,553,500
Mabuchi Motors	30,900	1,412,521	1,753,433	Potash Corporation Sask Incorporated	88,382	1,856,680	1,756,592
Magazine Globus	600	187,109	319,002	Powergen	525,100	2,407,905	3,030,729
Magna International Incorporated	130,900	4,141,638	5,170,550	Progressive Enterprises	1,550,000	1,629,813	1,571,970
Magnum Corporation	400,000	1,398,293	1,789,187	Prosequ Cia De Seguridad New W/I	1,538	16,652	23,631
Malayan Banking Berhad (Malaysia)	54,900	232,070	251,972	Prosequ Cia De Seguridad	10,000	161,407	153,646
Malayan Banking (Singapore)	750,000	2,951,688	3,348,214	Proton	500,000	1,346,438	2,236,484
Malaysian International Shipping	330,000	1,013,273	971,305	PT Mayora Indah	300,000	822,110	975,528
Malaysian International Shipping	130,000	413,589	386,814	PT Modern Photo Film Company	120,000	651,160	903,798
Malaysian Resources Corporation	300,000	450,730	565,271	PWA(Papierwerke Waldhof)	4,000	376,509	344,621
	500,000	312,928	925,710	QAF	1,500,000	1,145,893	1,265,394
	112,500	70,479	211,977	QBE Insurance Group	207,932	1,117,644	949,461
	2,000,000	1,164,271	3,765,072	Racal Group Consolidated	94,000	252,547	308,422
Malaysian Resources	300,000	38,068	424,737	Rank Organisation	52,000	542,574	610,341
	67,500	8,574	101,621	Redland	201,600	1,370,755	1,431,171
Mandarin Oriental	1,500,000	1,248,880	1,482,271	Reliance Industries Limited	180,000	2,943,000	2,385,000
Mannesmann	21,381	4,165,304	3,354,600	Repsol	10,000	243,100	248,750
Maruetsu Incorporated	19,000	151,048	182,950	Repsol Sa	135,200	3,302,459	3,344,443
Marui Company Limited	249,000	3,050,296	3,491,665	Resort World Bhd (Malaysia)	133,000	409,107	506,962
Matsumoto Yushi-Seiyaku	7,000	259,712	180,613	Reuters Holdings	149,000	7,594,251	9,387,000
Matsushita Elect Ind Company	317,000	3,384,924	3,733,978		125,000	2,824,018	2,577,908
Mayne Nickless Limited	220,000	1,290,326	1,082,292	Rheinisch-Westfaelisches	8,200	2,001,395	1,867,107
Mediobanca Spa	157,000	1,478,164	1,565,272	Rhone Poulenc S.A.	30,000	3,082,263	3,005,960
Michelin Cie Generale B Regd	58,619	1,779,140	1,588,713	Robinson Company	250,000	1,124,681	1,231,527
Mim Holdings Limited	319,000	544,326	397,647	Rohm Company Limited	59,000	938,866	1,373,388
Minebea Company Limited	76,000	254,603	390,767	Rothmans Holdings	30,000	108,005	142,986
Mitsubishi Heavy Industries	795,000	3,461,363	4,838,269	Royal Bank Of Canada	120,700	2,679,516	2,567,233
Mitsubishi Motor Company	680	545,159	340,000	Royal Dutch Petroleum Company	61,459	5,537,043	5,681,758
Mitsubishi Trust & Bkg Corporation	165,000	1,856,058	1,958,978		155,022	9,858,606	14,378,291
Mitsui Fudosan	519,000	4,217,432	5,967,803	Rugby Group	670,000	2,569,970	2,697,943
Mitsui Marine & Fire Insurance Company	21,000	150,348	172,760	RTZ (Rio Tinto Zinc)	734,536	7,536,276	7,383,582
Miura Company Limited	161,000	1,934,897	2,633,940	Saga Petroleum	160,000	1,766,594	1,774,990
Molson Companies Limited	97,000	2,026,588	1,722,375	Saint Gobain Cie Dr	73,063	6,839,503	6,456,552
Montedison Di Risip	12,500	8,383	3,235	Sandoz	1,091	2,504,328	2,284,181
Montedison	570,000	443,914	278,441	Sangetsu Company Limited	72,000	1,707,896	2,221,204
Moore Corporation	145,100	2,511,836	2,412,288	Sanki Engineering Company Limited	95,000	1,044,282	1,287,756
Moulinex French Common Stock	25,000	360,604	408,797	Sankyo Company Limited	100,000	2,063,489	2,252,989
Murata Manufacturing Company Limited	92,000	1,633,385	2,442,576	Santos Limited	1,240,000	3,055,621	3,017,032
Naigai Company Limited	35,000	251,521	291,206	Sanwa Bank Limited Osaka	80,000	1,214,660	1,667,772
Nanyang Press	400,000	1,173,119	1,353,559	Sanyo Electric Company Limited	125,000	373,379	512,999
National Australia Bank Limited	681,900	4,324,797	4,522,817	Schering	470	223,709	217,836
National Bank Of Canada Montreal	196,300	1,590,628	1,589,677	Schlumberger Limited	33,700	1,573,671	2,135,738
National Foods Limited	1,460,000	1,537,370	1,527,981	Schmalbach-Lubeca	3,000	589,868	522,207
National Westminster Bank	40,000	260,069	292,911	Schweiz Bankverein	4,900	555,135	645,633
Nestle Malysa	29,000	157,306	155,659	Schweiz Ruedversicherung	8,042	3,056,213	3,553,339
Nestle Cham Et Vevey	8,353	6,066,715	6,294,695	Satec Limited	11,000	463,845	422,125
Nestle Regd Rts	3,850	0	34,683	Scottish & Newcastle Breweries	50,000	370,807	345,259
New Straits Times Press	60,000	156,528	150,525	Seagram Company Limited	45,597	759,388	1,191,222
New World Development Company	66,000	141,239	167,099	Sears	1,320,000	2,001,282	1,948,962
News Corporation	170,807	870,789	856,226	Secom	66,000	3,086,342	3,899,447
Next Plc	145,000	327,261	375,199	Sega Enterprises	71,560	5,021,626	6,689,786
Nichido Fire & Marine	300,000	1,784,135	2,201,572	Sekisui Chemical Company Limited	585,000	4,100,416	5,031,362
Nichiei Company Limited	8,400	402,215	612,514	Sekisui House Limited	612,000	6,597,277	6,865,539
Nichimen	85,000	275,643	351,223	Sembawang Shipyard (Singapore)	484,000	2,979,440	3,904,187
Nifco Incorporated	140,000	1,214,038	1,989,361	Senko Company	244,000	1,512,751	1,792,893
Nintendo Company Limited Kyoto	29,000	2,512,843	2,602,622	Seoul Trust	20	680,000	560,000
Nippon Comsys Corporation	225,000	1,836,149	2,313,754	Seven-Eleven Japan Company Limited	53,500	2,783,511	3,506,015
Nippon Denetsu Kogyo	69,300	1,111,080	1,230,917	Sharp Corporation Osaka	242,000	2,954,291	2,805,298
Nippon Koei Company Limited	210,000	1,778,851	2,198,767	Shell Transport & Trading Limited	65,000	567,026	611,698
Nippon Shokubai Company	197,000	1,184,825	1,639,073	Shimadzu Company Limited	59,000	1,564,574	2,211,762
Nippon Steel Corporation	877,000	3,194,661	3,000,700	Shimano Incorporated	134,000	1,703,268	3,231,963
Nippon Telegraph & Tele	448	3,350,524	3,610,166	Shin-Etsu Chemical Company Limited	100,000	1,201,973	1,579,897
Nisshinbo	36,000	252,371	324,767	Shindler	200	496,225	578,563
Nitto Denko	28,000	249,830	342,903	Shinhan Bank	73,300	1,450,963	1,232,485
Noemura Securities Company Limited	307,000	4,345,050	5,596,479	Shiseido Company Limited	30,000	329,752	398,246
Noranda Incorporated	30,000	405,265	512,203	Shun Tak Holdings Limited	400,000	289,174	387,522
Noritz Corporation	105,000	1,334,680	1,806,130	Siam Cement Company Limited (Local)	25,000	571,815	489,540
Norsk Hydro	12,500	314,042	305,943	Siam Cement (Foreign)	10,000	258,146	231,636
North West Water	35,400	298,488	249,723	Siam Commercial Bank Public Company	25,000	148,603	148,255
Northern Telecom Limited	52,431	1,609,668	1,395,976	Siebe	64,000	444,947	467,703
Nutricia	27,000	1,996,625	1,883,712	Siemens	16,448	6,658,006	5,976,806
NRJ	14,839	565,257	929,280	Sime Darby Berhad	1,264,000	2,218,123	2,251,700
Oec Van Grinten	20,000	508,548	535,142	Sing Tao Holdings	2,000,000	1,292,694	2,299,295
Oita Bank Limited	50,000	383,977	388,430	Singapore International Airlines	40,000	233,049	246,305
OJI Paper Company Limited	36,000	249,430	343,277	Sip	270,500	267,121	447,905

COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK-International	SHARES	BOOK VALUE	MARKET VALUE
Sirti	44,600	263,956	258,880	Whitbread & Company	431,000	3,013,125	3,252,535
Skandia Group	10,000	144,036	151,375	Wing Tai Holdings	1,250,000	1,243,445	1,885,776
Smh Schweizer Gesellschaft	10,025	999,789	1,589,067	Wintethur Schweiz'	3,338	1,438,903	1,351,429
	2,005	999,789	1,536,098	Wolters Kluwer	65,856	2,666,387	3,224,811
Snow Brand Milk Products Company	265,250	1,484,833	1,996,150	WMX Technology	123,000	1,165,567	1,218,056
Soares Da Costa	64,400	1,664,252	1,072,666	Xebio Company Limited	81,000	1,394,318	2,256,541
Soc. Gen. De Surveillance Holding	2,610	2,773,126	2,983,899	Yamaguchi Bank	154,000	1,727,226	2,375,454
Societe Generale	33,090	3,676,358	3,436,454	Yamaha Corporation	35,000	250,772	363,189
Societe Nationale Elf Aquitaine	16,000	483,960	538,000	Yamaha Motors Company Limited	50,000	309,293	383,289
Solvay & Cie Sa	1,750	647,227	580,155	Yamaichi Securities Company	49,000	283,509	375,623
Sommer - Allibert	1,200	258,104	315,208	Yamanouchi Pharmaceutical Company	19,000	383,585	396,096
Sony Corporation	115,300	4,616,367	4,624,114	Yamato Kogyo Company Limited	28,000	295,819	314,110
Ssangyong Investment And Securites	74,500	2,192,304	2,152,722	Yamazaki Bakong Company Limited	170,000	2,624,802	2,860,641
Sta Finanziaria Telefonica	1,150,000	2,682,033	2,664,121	YangtzeKiang Behrd	400,000	1,865,944	1,913,652
Stolt Tankers & Terminals	130,900	2,618,033	2,454,375	Yodogawa Steed Works Limited	86,000	441,092	627,097
Storehouse	1,300,000	3,912,726	4,110,298	Yokogawa Elect (Hokushin) Corporation	102,000	912,985	886,799
Stork	14,700	253,720	251,209	Yokohama Reito Company	172,000	1,714,595	2,170,722
Strabag Bau	3,271	1,242,884	1,140,675	Yurteet Corporation	76,000	1,477,667	2,031,990
Sulzer	1,450	0	3,352	YPF Sociedad Anonima	70,000	1,330,000	1,522,500
	1,450	609,917	650,256	TOTAL COMMON STOCK-International		967,320,192	1,061,183,352
Sumitomo Bank Limited	208,000	3,550,913	4,394,543	REAL ESTATE	UNITS	BOOK VALUE	MARKET VALUE
Sumitomo Corporation	42,000	255,743	316,858	CLOSED-END FUNDS			
Sumitomo Electric Industries	116,000	1,276,820	1,192,869	Alex Brown-Profile Fund I		24,875,000	17,664,164
Sumitomo Forestry Company Limited	247,000	3,874,799	4,317,978	Bear Stearns Realty Partners		98,749,998	99,264,240
Sumitomo Marine & Fire	556,000	3,210,947	4,932,680	Brinson Partners First Apartment Fund	1,219	14,261,164	11,874,597
Sumitomo Precision Products	127,000	656,935	1,116,024	JMB Group Trust III		25,832,490	17,325,629
Sun Alliance Group	82,000	424,642	436,592	TCW Realty Fund II		25,000,000	17,405,772
Sun Hung Kai	1,200,000	608,945	565,782	TOTAL CLOSED-END FUNDS		188,718,652	163,534,402
Sun Hung Kai Properties Limited	659,000	2,934,546	3,277,336	PROPERTIES			
Suzuki Motor Company	335,000	2,091,195	2,787,255	Adams Woods		7,595,107	3,850,000
Swire Pacific Limited	1,489,000	6,645,193	7,645,512	Arapahoe Village		6,393,185	5,550,000
Syntex Corporation	25,100	414,271	458,075	Ashland Junction Shopping Center		2,245,468	2,245,468
SKF	104,000	1,637,459	1,261,000	Ashland Outparcels		101,020	101,020
SKF Frucher Ab Svenska	375,600	4,115,905	4,567,955	Autumn Chase		9,712,145	9,800,000
Tabacalera	4,000	127,722	114,927	Basset Creek Office Center / S.J. Groves		7,648,713	2,100,000
Taisai Rotec Corporation	114,000	977,133	1,204,274	Birdneck Lake I Apartments		1,450,000	1,450,000
Taisio Pharmaceutical Company Limited	80,300	1,441,902	1,553,917	Birdneck Lake II Apartments		1,217,793	1,217,793
Takeda Chemical Industries	140,000	1,584,341	1,675,251	Breckinridge Office Park		33,382,373	22,081,327
Tasaki Shinju	119,000	1,464,898	1,479,587	Buckmar Land		1,153,904	1,153,904
Tate & Lyle	111,000	690,704	622,451	Camino del Rio		1,416,828	1,416,828
Taylor Woodrow	1,450,000	1,976,319	2,205,781	Canterwood		7,784,716	7,750,000
Telecom Corporation Of New Zealand	2,423,050	3,013,718	4,043,650	Clackamas Town Center		65,524,083	65,770,861
Telefonica De Espana Cia	444,000	4,377,797	4,741,209	Cobblestone Court		5,184,363	5,184,363
Telefonos De Mexico	265,400	11,390,425	12,407,450	Cornerstone Industrial Centre		2,530,049	2,530,049
Telegraaf Holdings	4,000	203,498	247,294	Corona Industrial Building		3,946,877	3,946,877
Telekom Malaysia	383,000	880,790	2,294,127	Corporate Campus East		25,148,888	14,400,000
Tenaga Nasional	750,000	2,935,893	2,764,299	Corporate West II		3,346,442	0
	67,000	254,355	243,660	Costa Mesa Courtyards		39,421,416	21,800,000
Tesco	165,000	614,160	527,844	Crystal Court		8,783,550	8,783,550
Teva Pharmaceutical	53,716	1,279,087	1,107,893	Cypress Trace Shopping Center		29,969,813	15,300,000
Thomson	7,000	205,965	211,878	Data General Building		7,486,601	5,150,000
Thorn	280,400	3,817,372	3,792,970	Dulles South Business Park		1,928,807	1,928,807
Thyssen	3,700	381,864	417,876	Fairfax Court		17,768,358	17,768,358
Tiphook	217,900	2,561,136	3,268,500	Forest Park Land		2,509,624	2,750,870
	108,000	606,147	518,649	Forest Park Mall		30,203,206	21,353,746
Tokai Bank Limited	30,000	252,395	415,073	Franklin-Lake Self Park		34,942,908	17,900,000
Tokai Senko Kk Nagoya	119,000	1,000,272	1,023,474	Gateway Plaza		19,087,991	19,087,991
Tokatsu Foods Company Limited	18,000	382,427	286,064	Gateway Oaks Plaza		3,295,414	3,700,000
Tokio Marine & Fire Insurance Company	567,000	5,585,371	6,625,749	GMO Land		24,263,302	16,057,000
Tokyo Broadcasting System Incorporated	89,000	1,069,571	1,164,823	Hartford Industrials		21,499,873	13,169,971
Tokyo Ohka Kogyo Company Limited	130,000	3,445,651	4,399,404	Imperial Business Park		1,416,828	1,416,828
Tokyo Steel Manufacturing	86,000	1,871,940	2,114,444	Interstate Crossings Business Center		9,828,008	4,900,000
Tokyo Style Company Limited	80,000	1,350,541	1,323,748	Inver Grove Industrial		6,041,909	5,700,000
Tokyo Tekko Company Limited	193,000	3,472,153	2,453,794	IBM / Hotel Circle		3,744,474	3,744,474
Toshiba Corporation	531,000	2,715,767	3,325,917	IBM Complex / Land		4,250,482	4,250,482
Total B FEO	29,678	1,352,787	1,420,765	Jersey Industrial Building		1,467,429	1,467,429
Toyo Corporation	73,000	903,276	648,318	K/B Unallocated Portfolio Reserves		1,700,000	1,700,000
Toyo Seikan Kaisha Limited	13,000	312,903	376,745	Kaiser Property / Phase III		759,015	759,015
Transportation Maritima Mexicana	184,518	1,975,309	1,775,986	KL San Jose		2,327,645	3,327,645
TDK Corporation	89,000	2,590,696	3,111,742	Laguna Hills Plaza		7,440,064	8,800,000
Unilever N V	62,600	5,364,676	6,619,950	Lakes of Bellevue		24,708,397	19,160,000
	32,834	3,713,364	3,481,571	Leed Commerce Center		3,004,313	2,050,002
Union Des Assurances De Paris	3,500	313,997	361,655	Master Venture Properties		17,000,000	17,000,000
Unipapel Esp Sppt 500	13,000	281,866	297,612	Mayflower Apartments		5,700,000	5,700,000
United Overseas Bank Foreign	250,000	1,524,820	1,600,985	Mayhew Tech Center		14,017,351	14,800,000
Uny Company Limited	84,000	804,572	1,170,059	McKeller - Anaheim Hills		3,213,163	3,213,163
Uralita Rights	30,000	0	8,643	McKeller Corporate Center		1,214,424	1,214,424
	30,000	167,311	188,985	McKeller Debt - 2nd TD		1,113,221	1,113,221
UCB (Union Chemie Belegizue)	500	369,966	317,971	McKeller Tech Center		6,269,463	6,269,463
Vallchermoso	14,000	207,920	182,839	Mendota Heights Business Center		3,440,868	3,440,868
Veba	2,300	588,847	508,199	Meredith Park		16,902,731	8,300,000
Vitro Sociedad Anonima	141,800	3,007,660	2,410,600	Midwest Apartments		1,264,229	1,720,000
Vodafone Group	146,300	9,116,357	9,984,975	Miscellaneous Real Estate Assts		205,307	200,000
	280,300	1,619,155	1,885,358	Monterello Industrial Park		11,339,014	9,600,000
Voksel Electric	110,000	361,667	394,515	Newmarket South Shopping Center		13,885,846	10,330,000
Volkswagen	14,300	2,431,112	3,042,335	Norfolk Office Properties		44,469,575	28,162,693
Volvo	2,000	104,159	108,162	North Lake Business Park		13,640,092	1,400,000
Waccol Corporation	40,000	448,833	418,813	Oaks of Oldbrook		12,722,229	12,449,947
Waste Management International	36,000	755,749	715,500	Orlando Marriotts		69,553,708	66,331,000
Waterford Glass Group	1,257,274	792,131	637,533				
Wearne Brothers Limited	500,000	1,256,236	1,169,951				
Wellcome	268,500	4,094,625	2,651,438				
Welsh Water	85,000	689,870	722,583				
Wembley Industries Holdings	1,700,000	1,957,484	1,983,664				
Western Mining Corporation Holdings	979,600	3,484,332	3,787,407				
Westpac Banking Corporation	245,600	509,243	607,390				
Wharf Holdings	105,000	203,045	272,622				

REAL ESTATE-Properties	UNITS	BOOK VALUE	MARKET VALUE	ALTERNATIVE INVESTMENTS	UNITS	BOOK VALUE	MARKET VALUE
Pacific Shores Center		16,820,734	4,800,000	Arizona, Woodruff 1	1	502,276	517,851
Parham Land		140,000	140,000	Arizona, Yuma 1	1	1,015,050	1,127,951
Parham Office Building		310,000	310,000	Arizona, Yuma 2	1	2,698,993	2,869,897
Potomac Equity Loan Portfolio	147,189,224	147,189,224	147,189,224	Arizona, Yuma 3	1	2,328,851	2,378,780
Poway Industrial Property		4,705,892	4,705,892	Arkansas, Lonoke	1	690,106	710,063
Prado Industrial Center		870,337	870,337	Bicycle Acquisition Corporation	8,500,000	8,500,000	10,872,077
Quail Lakes Executive		8,882,253	2,825,000	Bicycle Acquisition Corporation	5,000,000	5,050,000	5,050,000
Quidel Building		5,970,917	5,970,917	California, Fresno 1	1	8,118,976	8,200,054
Quidel Land		607,212	607,212	California, Kern 1	1	4,036,578	4,064,204
Ridge Plaza		7,276,005	2,999,163	California, Kern 2	1	739,753	760,349
Ridgewood Court		11,582,397	11,582,397	California, Kern 3	1	622,407	647,893
Riva Road Land		1,791,640	1,791,640	California, Kern 4	1	7,429,886	8,875,800
Riva 400 Office		1,599,000	1,599,000	California, Kern 5	1	140,798	140,800
River Road Business Center		11,372,644	6,300,000	California, Kern 6	1	1,372,609	1,423,865
Royal Eagle Plaza		20,270,432	20,270,432	California, Kern 7	1	3,879,851	3,866,037
San Juan Corporate Center		6,919,918	3,800,000	California, Merced 2	1	1,267,810	1,496,946
Second & Harrison Apartments		3,817,500	3,800,000	Chalk Line Holdings Inc	1,000	1,000,000	0
Seminole Towne Center		19,160,547	19,160,547		177,226	2,800,000	0
Somerset Park Apartments		8,719,822	4,636,175	Chalk Line Inc	8,610	7,212,685	0
Southpark Square		4,761,535	5,750,000	Chalk Line Manufacturing Incorporated	6,000,000	6,000,000	6,000,000
St. Charles #12 Associates		6,067,933	5,750,000	County Seat Holdings Inc	38,305	398,439	398,439
St. Charles #3, #4, #5		5,848,944	4,500,001	County Seat Stores Inc	15,207	380,175	380,175
Sr. Charles Land Venture		13,714,580	8,700,001		5,137,881	5,137,881	5,137,881
Stone Creek		4,282,134	2,275,480	DLJ Merchanting Banking	1	8,153,995	8,503,233
Stone Mountain Festival Shopping Center		27,250,057	21,900,000	Florida, Collier 1	1	1,740,956	1,794,193
Sunforest Apartments		25,926,500	27,100,000	Florida, Collier 2	1	4,654,112	4,969,967
Super 8 Motels		16,385,719	16,090,001	Florida, Collier 3	1	2,663,247	2,663,247
The Avenues		63,884,161	63,884,161	Florida, Highlands 1	1	3,118,568	3,118,568
The Plaza at Buckland Hills		11,777,126	11,777,126	Florida, Indian River	1	5,476,472	5,476,472
The Yards Plaza		22,868,261	22,868,261	Florida, Polk 1	1	890,296	816,028
Time-Life Building		59,065,476	29,700,000	Frontenac Venture IV	10,000,000	6,500,624	2,105,235
Towne North Shopping Center		9,366,254	6,300,000	Frontenac Venture V	1	14,749,976	14,852,611
Troy Industrial		8,072,820	6,900,000	Frontenac Venture VI	1	900,000	879,972
TRB-MIP Corporation		2,517,805	2,950,000	Home Fashions Inc	4,754,138	3,750,000	1,875,000
TRS - Oakbrook Center Land		75,623,005	76,011,626	Illinois, Henderson 2	1	187,574	189,394
Various Real Estate Operating Accounts		32,081,001	32,081,001	Illinois, Bureau 1	1	748,127	771,986
Village Park Plaza		20,475,377	20,475,377	Illinois, Bureau 2	1	323,970	324,530
Virginia Beach Townhomes		399,000	399,000	Illinois, Champaign 1	1	470,465	474,797
Virginia Meadows Land		1,182,314	1,182,314	Illinois, Champaign 2	1	179,745	184,000
Voss Corona		5,060,099	5,060,099	Illinois, Champaign 3	1	194,821	403,815
West Town Corners		26,541,490	26,541,490	Illinois, Champaign 4	1	148,051	153,040
Westland Park Plaza		11,682,354	11,682,354	Illinois, Champaign 5	1	222,107	225,973
White Oaks Mall		38,665,214	38,665,214	Illinois, Champaign 6	1	136,320	136,694
Williams Plaza Phase I		27,472,007	12,040,000	Illinois, Champaign 7	1	373,742	392,000
Williams Plaza Phase II		27,356,337	13,600,000	Illinois, Champaign 8	1	154,168	158,311
Willow Knolls Court		17,864,169	17,864,169	Illinois, Christian 1	1	1,621,699	1,692,850
1015 Locust Building		14,398,221	1,430,000	Illinois, Coles 1	1	1,259,101	1,259,101
1500 Locust Street Apartments		58,085,043	45,322,480	Illinois, DeKalb	1	366,965	372,638
330 South Executive Drive		8,161,151	5,200,000	Illinois, DeWitt 1	1	269,156	269,210
345 Fullerton Parkway		19,321,003	12,336,921	Illinois, DeWitt 2	1	163,567	164,073
345 Fullerton Parkway - Conversion		2,663,079	2,663,079	Illinois, Douglas 1	1	170,403	172,422
4 & 6 Venture Street		5,161,301	5,161,301	Illinois, Douglas 2	1	228,766	229,837
85 East Colorado Boulevard		1,973,438	1,973,438	Illinois, Douglas 4	1	182,440	182,598
1301 Frontenac (Naperville Industrials)		2,661,163	1,530,000	Illinois, Douglas 5	1	156,143	156,000
1670 Frontenac (Naperville Industrials)		3,087,776	3,050,000	Illinois, Edgar 1	1	294,769	302,270
1674 Frontenac (Naperville Industrials)		2,701,625	3,300,000	Illinois, Edgar 3	1	450,371	450,972
1600 Downs Drive (Wood Dale Industrials)		2,630,188	2,025,000	Illinois, Henderson 1	1	1,262,156	1,364,428
1700 Downs Drive (Wood Dale Industrials)		5,161,477	4,550,000	Illinois, Henderson 3	1	351,926	352,750
230 Gerry Drive (Wood Dale Industrials)		3,059,764	2,825,000	Illinois, Henry 1	1	148,732	149,060
800 West Thorndale (Wood Dale Industrials)		4,057,790	2,550,000	Illinois, LaSalle 1	1	263,546	270,498
411 Kingston Court (Kingston Court Portfolio)		2,579,201	1,509,999	Illinois, LaSalle 2	1	490,977	516,810
451 Kingston Court (Kingston Court Portfolio)		2,298,753	1,240,000	Illinois, LaSalle 3	1	598,940	605,212
Kingston Court Land (Kingston Court Portfolio)		2,938,730	2,640,000	Illinois, Livingston 1	1	324,898	328,944
Crossroads 1 (Crosswoods Portfolio)		7,140,400	6,000,000	Illinois, Macon 1	1	174,224	175,501
Wedgewood 1 (Crosswoods Portfolio)		10,416,275	7,500,000	Illinois, Macon 2	1	2,008,666	2,018,383
1090 Gemini Road (North Tech Portfolio)		1,883,868	1,550,000	Illinois, Marshall	1	972,691	1,046,803
2301 Windsor Court (North Tech Portfolio)		8,293,640	6,600,000	Illinois, McDonough 1	1	183,012	185,648
Tech West 1 & 11 (North Tech Portfolio)		9,370,857	6,300,000	Illinois, McDonough 2	1	431,025	438,660
3900 Northwoods (North Tech Portfolio)		9,369,174	5,400,000	Illinois, McDonough 3	1	164,987	166,109
Real Estate Reserves		-23,606,716	0	Illinois, McDonough 4	1	355,037	356,000
				Illinois, McDonough 5	1	186,740	184,000
				Illinois, McDonough 6	1	612,382	616,980
				Illinois, McLean 1	1	548,804	578,243
				Illinois, McLean 2	1	788,771	803,161
				Illinois, McLean 3	1	1,958,080	1,967,573
				Illinois, Moultrie 1	1	283,949	296,460
				Illinois, Moultrie 2	1	314,783	320,000
				Illinois, Moultrie 3	1	171,272	176,000
				Illinois, Piatt 1	1	294,370	297,000
				Illinois, Piatt 2	1	2,382,869	2,417,468
				Illinois, Shelby	1	84,326	89,194
				Illinois, Warren 1	1	169,343	175,438
				Illinois, Warren 2	1	220,522	223,100
				Illinois, Wood	1	1,072,617	1,143,064
				Illinois, Vermillion 1	1	285,825	295,231
				Indiana, Allen 1	1	220,800	221,280
				Indiana, Allen 2	1	266,135	287,966
				Indiana, Allen 4	1	200,568	202,604
				Indiana, Boone 1	1	426,880	437,798
				Indiana, Boone 2	1	131,311	134,034
				Indiana, Boone 3	1	393,374	400,259
				Indiana, Boone 4	1	91,220	93,329
				Indiana, Boone 5	2	599,082	603,967
				Indiana, Clinton 1	1	167,528	168,756
				Indiana, Clinton 2	1	541,894	547,549
				Indiana, Clinton 3	1	216,740	218,042
				Indiana, Grant 2	1	378,708	384,000
TOTAL PROPERTIES		1,755,878,949	1,431,075,831				
TOTAL REAL ESTATE		1,944,597,601	1,594,610,233				

ALTERNATIVE INVESTMENTS	UNITS VALUE	BOOK VALUE	MARKET
Indiana, Hendricks 1	1	345,218	346,239
Indiana, Hendricks 2	1	461,952	462,850
Indiana, Hendricks 3	1	19,004	19,004
Indiana, Kosciusko 1	1	163,827	165,000
Indiana, Tipton 1	1	403,237	409,499
Indiana, Wabash 1	1	252,557	252,557
Indiana, Warren 3	1	266,384	268,800
Indiana, White 1	1	217,988	218,011
Levy Restaurant	596	1,436,800	1,804,511
Marks Brothers Jewelers Incorporated	350,000	350,000	350,000
Marks Brothers Jewelers Inc	10,000,000	10,000,000	8,000,000
Newstrend Ltd Partnership	15,587	1,304,314	1,304,314
Ohio, Darke	1	235,927	269,510
Ohio, Fayette 1	1	211,195	222,687
Ohio, Fayette 2	1	296,167	335,249
Ohio, Fayette 3	1	262,971	268,576
Ohio, Hancock 1	1	102,493	110,324
Ohio, Hancock 2	1	188,332	198,264
Ohio, Madison	1	804,935	844,718
Ohio, Van Wert 1	1	248,571	266,589
Ohio, Van Wert 2	1	939,745	962,274
Ohio, Wood 1	1	139,337	132,461
Ohio, Wood 2	1	236,161	251,004
Ohio, Wood 3	1	1,642,320	1,722,521
TWB/F/B Limited Partnership	4,600,000	1,500,000	1,500,000
W P G Enterprise Fund	1	27,971,208	27,405,371
TOTAL ALTERNATIVE INVESTMENTS		\$ 203,164,193	\$ 189,987,734



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