



**Component Unit
Financial Report**
Year Ended June 30, 1992

Highlights

	June 30, 1992	June 30, 1991
Membership		
Active	124,057*	122,793
Inactive	18,446*	17,751
Annuitants	48,667	46,650
Total	191,170*	187,194
Contributions		
Member	350,909,000	310,969,000
State of Illinois	238,175,000	262,504,000
Unfunded pension benefit cost	(6,847,391,000)	(6,394,212,000)
Net Assets (Book Value)	9,811,962,000	8,747,122,000
Investment Return	10.8%	5.9%
Benefits paid	641,600,000	573,019,000

*Estimated



Teachers' Retirement System
of the State of Illinois



**Component Unit Annual
Financial Report**
For The Year Ended June 30, 1992

Board of Trustees



Robert Leininger
President, *Springfield*



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Teachers' Retirement System
of the State of Illinois

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

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

217/753-0311

4200 Commerce Court, Suite 100
Lisle, Illinois 60532-3611

708/505-0071

Table of Contents

Introduction

Letter of Transmittal	4
GFOA Certificate of Achievement	6

Financial Statements

Independent Auditor's Report	9
Basic Financial Statements	10
• <i>Statements of Financial Position</i>	
• <i>Statements of Revenue and Expense and Changes in Net Assets</i>	
• <i>Notes to Financial Statements</i>	12
Required Supplemental Schedules	16
Supplemental Schedules	17

The Report on Compliance Audit and Supplementary Financial Information of the Teachers' Retirement System for the years ended June 30, 1992, and 1991, is published in a separate document and is incorporated herein by reference.

Actuarial Information

Actuary's Certification	21
Actuarial Information	22
• <i>Actuarial Assumptions</i>	
• <i>Actuarial Valuation</i>	
• <i>GASB Statement Number 5</i>	
• <i>Actuarial Funding: Current Funding Policy</i>	
• <i>Advantages of Actuarial Funding</i>	
• <i>Tests of Financial Soundness</i>	
TRS Funding Summary	26

Membership and Benefits Information

Membership Information	29
• <i>Membership Profile</i>	
• <i>Contributions</i>	
• <i>Member Refunds</i>	
• <i>Counseling Services</i>	
Benefits Information	30
• <i>Plan Design</i>	
• <i>Retirement Benefits</i>	
• <i>Use of Early Retirement Option</i>	
• <i>Disability Benefits</i>	
• <i>Survivor Benefits</i>	
Health Insurance	31
• <i>Coverage Options</i>	
• <i>Premiums</i>	
• <i>Reserve Account</i>	
Legislative Issues	32
• <i>Minimum Retirement Benefits</i>	
• <i>Retirement Formula</i>	
• <i>1993 Legislative Session</i>	
Plan Summary	34

Statistical Section

Exhibits	
• <i>Active Members by Years of Age and Years of Service</i>	38
• <i>Contributing Members by Age</i>	39
• <i>Average Annual Salary for Active Members by Years of Service</i>	40
• <i>Active Members by Age</i>	40
• <i>Average Monthly Annuity for New Retirees by Age</i>	41
• <i>New Retirees by Years of Service</i>	41
• <i>Retired Members by Years of Service and Years in Retirement</i>	42
• <i>Increases in Monthly Annuity for Retirees</i>	44
• <i>Annuity by Benefit Range</i>	46
• <i>Average Monthly Annuity</i>	48
• <i>Disability Benefits</i>	48
• <i>Monthly Survivor Benefits</i>	49
• <i>Membership Profile</i>	50

Investment Summary

Asset Class/Manager Composition	52
Investment Results	54
• <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	57
Composition of Investments	58
Summary Statistics	59
• <i>Book/Market Value Reconciliation</i>	
• <i>Performance Summary</i>	
Investment Listing	60

Letter of Transmittal



Teachers' Retirement System of the State of Illinois

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

TRUSTEES

Robert Leininger
Springfield

Judith Fitch Tucker
Darien

Gary K. Anderson
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Robert L. Barrow
Carbondale

Hugh R. Brown
Evanston

Bob Daniels
Springfield

Anne Davis
Harvey

Gary Kline
Winfield

Marjorie Cashin Shea
Springfield

Tom Zimmerman
Executive Director

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

The Management of the Illinois Teachers' Retirement System presents the Component Unit Financial Report for the year ended June 30, 1992. This report consists of six major sections: the Introduction, the Financial Statements, the Actuarial Summary, Membership and Benefits Information, Exhibits and the Investment Summary. This report is a Component Unit Financial Report and is incorporated into the State of Illinois' Consolidated 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 Component Unit Financial Report is accurate and fairly presents the financial position of the Illinois Teachers' Retirement System as of June 30, 1992, and the results of operations for the year ended June 30, 1992.

Major Initiatives

During the fiscal year, four significant benefit changes were enacted and implemented. The most far-reaching improvement is the single-sum retirement benefit. A member with fewer than five years of creditable service 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 percent of final average salary for each year of creditable service. To be eligible, the member must terminate TRS-covered employment.

A benefit improvement for military service veterans was also passed. The new law allows optional service credit for up to two years of active military service that did not immediately follow employment as a teacher. This benefit is available for active members, inactive members and annuitants. Between its enactment in November of 1991 and the end of the fiscal year, 4,861 members took advantage of this option.

The other two changes affected far fewer

members but are of significant value to those directly impacted by them. The early retirement incentive plan was available for TRS members employed by State agencies. This allowed establishment of up to five years of additional creditable service by making contributions and it allowed an age enhancement of an equivalent period. Ninety-five members took advantage of this option. Finally, an opportunity is provided for the purchase of up to three years of service credit for periods of involuntary lay-off if a member returns to teaching following the layoff.

Financial Information

A system of internal controls is in place to safeguard the System's assets and promote the efficient operation of the System. TRS is audited annually in addition to its own internal audit program with an Internal Auditor who reports directly to the Executive Director. The System operates according to an administrative budget approved annually by the Board of Trustees.

The financial statements of the Illinois Teachers' Retirement System are prepared in conformity with generally accepted accounting principles (GAAP) within the guidelines established by the Governmental Accounting Standards Board (GASB).

Revenues and Funding

The major sources of revenue for TRS are member contributions, employer contributions from the State of Illinois and investment income. Revenue is accounted for on an accrual basis.

Active member contributions to the trust fund for FY92 were \$351 million, or 8 percent of their salaries, compared with \$311 million for the year ended June 30, 1991, an increase of \$40 million. This increase is attributable to salary increases and increased membership in the System.

Contributions from employers for fiscal 1992 were \$272 million, a decrease of \$22 million. State appropriations were cut by \$24 million while early retirement option payments were \$1.5 million higher and federal program contributions were up \$1.5 million.

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 not yet funded the System on this basis. For a number of years prior to 1982, the State funded the System by reimbursement of benefit payments. Subsequent to 1982, State appropriations have ranged from 37 percent to 66 percent of benefit payments. As a result, the State's debt to the System, the unfunded pension benefit obligation has grown dramatically in the last decade.

Revenues in Millions

Source of Revenue	1992	1991	Increase/Decrease	
			Amount	Percent
Member Contributions	\$ 351	\$ 311	\$ 40	12.9%
Employer Contributions	272	294	(22)	(7.5%)
Investment Income plus Realized Gain on Investments	1,114	662	452	68.3%
Total	\$1,737	\$1,267	\$470	37.1%

TRS is an AA, EEO, ADA employer.

The Illinois General Assembly passed a bill in FY89 requiring funding of the System on an actuarially sound basis beginning in FY90. The appropriation to provide that funding has not been in the State's budget in any of the last three years. Instead, the unfunded pension benefit obligation grew to over \$6.8 billion during FY92, an increase of \$453.2 million from FY91, as a result of the State's continued underfunding of the System.

Investment income increased \$452 million from FY91 to \$1,114 million. For a detailed discussion of investment performance, see the Investment Summary section of this report.

The results of an actuarial valuation conducted by the System's actuaries as of June 30, 1992, are included in the Actuarial Summary section of this report. The System's audited financial statements with related footnotes for the fiscal year ending June 30, 1992, are shown in the Financial Statements section.

The assets available for benefits continued to grow in FY92 to \$9.8 billion.

Expenses

Expenditures of the Teachers' Retirement System are attributable to benefit payments, refunds, health insurance premium subsidies and administrative expenses. During the year ended June 30, 1992, the System paid \$56 million more in benefit payments to recipients. This is attributable to more members in retirement and the 3 percent compounded annual increase in benefits. The 86.7 percent or \$13 million increase in the expenditure for health insurance premiums was due to an increase in premiums of approximately 69 percent and an

increase of 4,000 members in the plan's enrollment. Administrative expense in FY92 included a \$1.5 million reclassification of accumulated depreciation. When the effects of this reclassification are removed, the rest of the change in administrative expense was an increase of \$3 million, which is primarily attributable to an increase of \$2.5 million in the transfer of prior service credit to other retirement systems.

Investments

Investment income and realized gain on investments of \$1,114 million during FY92 were positive contributors to the fund's financial status. Investments totaled \$10.5 billion at market value at June 30, 1992. As trustee for members' funds, the System is responsible for investment of the fund under the prudent person standard. This standard has permitted 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 10.8 percent. Annualized three-year and five-year total returns of 9.0 percent and 8.4 percent, respectively, continue to outperform the rate of inflation for these periods, 4.1 percent and 4.3 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.

A summary of the System's investment activities during FY92 and historic performance results is presented in the Investment Summary section which includes the Investment Listing.

Independent Audit

The Teachers' Retirement System is audited annually by independent external auditors hired by the Illinois Auditor General's office. Each year the financial statements, records and internal controls of TRS are examined by these external auditors and, every other year, a compliance audit for the previous two years is performed to ensure compliance with all applicable statutes and codes. The Independent Auditor's Report is contained on page 9 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 each of the last three years. This report has been prepared in accordance with the requirements established by the GFOA for preparation of a Component Unit Financial Report and will be submitted to the GFOA for review this year.

Acknowledgments

This report reflects the combined effort of the TRS staff under the leadership of the Board of Trustees and the Executive Director. The Accounting Department, under the management of Curt Moore, 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 mailed to members of the General Assembly and Illinois school districts outside of Chicago as well as being made available upon request to all members and retired members of the System. We hope that you find this report informative and helpful.



Tom Zimmerman
Executive Director

December 1, 1992

Expenses in Millions

Expenses	1992	1991	Increase/Decrease	
			Amount	Percent
Benefit Payments	614	\$ 558	\$ 56	10.0%
Health Insurance	28	15	13	86.7%
Refunds	19	19	0	0.0%
Administrative	12	8	4	50.0%
Total	\$673	\$ 600	\$73	12.2%

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, 1991

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.




President


Executive Director



Financial Statements

Independent Auditor's Report

ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO. SC

33 West Monroe Street
Chicago IL 60603-5382

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ARTHUR ANDERSEN & CO.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

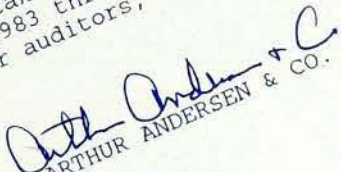
William G. Holland
Trustees
Retirement System
State of Illinois

We audited, as Special Assistant Auditors for the Auditor General, the
any statements of financial position of the TEACHERS' RETIREMENT SYSTEM
STATE OF ILLINOIS (the "System") as of June 30, 1992 and 1991, and the
statements of revenue and expense and changes in net assets for the years
ended. These financial statements and the supplemental schedules referred
below are the responsibility of the System's management. Our responsibility
to express an opinion on these financial statements and supplemental schedules
is based on our audits.

We conducted our audits in accordance with generally accepted auditing standards
and Government Auditing Standards (1988 Revision), issued by the Comptroller
General of the United States. 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, 1992 and 1991, 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 1983 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 16, 1992

Statements of Financial Position

Teachers' Retirement System of the State of Illinois

	June 30	
	1992	1991
Assets		
Cash - Note C	\$ 930,000	\$ 2,610,000
Receivables:		
Contributions from school districts:		
Salary deductions	19,824,000	16,893,000
Federal and trust funds	3,373,000	2,676,000
Members accounts	265,000	113,000
Total receivables	23,462,000	19,682,000
Investments - Note C	9,865,840,000	8,752,449,000
(Market value 1992 \$10,493,714,000; 1991 \$9,458,467,000)		
Property and equipment (Net of accumulated depreciation) - Note A	4,741,000	980,000
Total assets	9,894,973,000	8,775,721,000
Liabilities		
Payables:		
Benefits	4,059,000	849,000
Refunds	639,000	350,000
Other	9,053,000	7,236,000
Pending trades	69,260,000	20,164,000
Total liabilities	83,011,000	28,599,000
Net Assets Available for Benefits	\$ 9,811,962,000	\$ 8,747,122,000
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$ 6,338,458,000	\$ 5,742,766,000
Terminated members not yet receiving benefits	282,786,000	278,842,000
Current employees:		
Accumulated employee contributions	2,503,393,000	2,311,850,000
Employer-financed vested	2,511,488,000	2,227,297,000
Employer-financed nonvested	5,023,228,000	4,580,579,000
Total pension benefit obligation	\$16,659,353,000	\$15,141,334,000
Unfunded Pension Benefit Obligation	(6,847,391,000)	(6,394,212,000)
Net Assets Available for Benefits - Note G	\$ 9,811,962,000	\$ 8,747,122,000

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	
	1992	1991
Revenue		
Contributions - Note E		
Members	\$ 350,909,000	\$ 310,969,000
State of Illinois	238,175,000	262,504,000
School districts:		
Early retirement option	19,503,000	17,995,000
Federal and trust funds	14,698,000	13,086,000
Total contributions	623,285,000	604,554,000
Investment income - Note A		
Interest	329,592,000	302,000,000
Dividends	94,396,000	100,319,000
Other	67,982,000	61,222,000
Total investment income	491,970,000	463,541,000
Gain on sale of investments	622,119,000	199,079,000
Total revenue	1,737,374,000	1,267,174,000
Expense		
Benefits:		
Age retirement	456,746,000	414,337,000
Post-retirement	117,304,000	106,089,000
Survivor	30,699,000	28,793,000
Disability	9,134,000	8,658,000
Health insurance	27,717,000	15,142,000
Total benefits	641,600,000	573,019,000
Refunds	19,303,000	19,416,000
Administrative expenses	8,247,000	6,655,000
Transfers	3,384,000	860,000
Total expense	672,534,000	599,950,000
Revenue in Excess of Expense	1,064,840,000	667,224,000
Net assets available for benefits at beginning of year	8,747,122,000	8,079,898,000
Net Assets Available for Benefits at End of Year	\$ 9,811,962,000	\$8,747,122,000

See notes to financial statements.

Notes to Financial Statements

June 30, 1992

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) 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.

Investments authorized: Through the Board of Trustees, as authorized in Article 16 of the Illinois Pension Code, 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.

Property and 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 from three to ten years while vehicles are assigned a five year life. In fiscal year 1992 (FY92), property and equipment reflects the reclassification of the TRS Springfield Office Building, land and land improvements from the investments portfolio to fixed assets. Depreciation expense incurred on the building is included in FY92 administrative expenses.

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

Administrative expenses: This category includes \$131,118 for accrued compensated absences for FY92.

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 Article 16 of the Illinois Pension Code. 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 1,104 school districts and special districts. Member contributions are remitted by each employer district to the System. These employers are only responsible for employer contributions for teachers paid from federal and trust funds and for the employer's portion of the early retirement option. 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 40 year period with a seven year phase-in as prescribed in Public Act 86-0273.

At June 30, 1992:**The number of employers was:**

Local school districts	942
Special districts	126
State agencies	36
	1,104

System membership consisted of:

Retirees and beneficiaries	
currently receiving benefits	48,667
Terminated members entitled to benefits but not yet receiving them	20,388
Current members	126,500
	195,555

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

The pension plan 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, or 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.

The 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, 1992, the bank balance and carrying amount of the System's deposits were \$52,567,000 and \$930,000, respectively. Of the bank balance, \$51,805,000 was on deposit with the State Treasurer. These bank balances are fully collateralized. 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. There are no category 2 or 3 investments at June 30, 1992, or June 30, 1991.

Investments at June 30, 1992, and 1991, are summarized below:

Category 1:	Cost		Market Value	
	1992	1991	1992	1991
Bonds	\$ 1,587,788,000	\$1,500,206,000	\$ 1,667,554,000	\$1,501,028,000
Corporate notes	2,298,215,000	1,299,274,000	2,339,729,000	1,303,622,000
Preferred stock	36,530,000	15,248,000	40,343,000	16,567,000
Short-term investments	212,250,000	318,808,000	213,754,000	319,043,000
Common stock	3,241,210,000	3,295,255,000	3,851,993,000	3,969,839,000
Alternative investments	122,355,000	92,547,000	116,503,000	92,746,000
Currency investments	72,699,000	58,654,000	56,701,000	57,496,000
Accrued interest and dividends	93,125,000	87,702,000	93,125,000	87,702,000
	<u>\$7,664,172,000</u>	<u>\$6,667,694,000</u>	<u>\$8,379,702,000</u>	<u>\$7,348,043,000</u>
Investments not categorized:				
Real estate equity	1,411,753,000	1,088,202,000	1,164,099,000	1,000,598,000
Mutual funds	789,915,000	996,553,000	949,913,000	1,109,826,000
Total Investments	\$9,865,840,000	\$8,752,449,000	\$10,493,714,000	\$9,458,467,000

The System has nonrecourse mortgages totaling \$155,529,000 and \$140,681,000 on real estate equities at June 30, 1992, and 1991, respectively. The amount reported for real estate equity is net of these mortgages, which mature on various dates through the year 2011.

The real estate category includes \$170,087,000 of mortgages receivable

which are fully secured by the properties. For purposes of evaluating the carrying value of individual real estate properties stated at cost, the System has compared the total of estimated gross cash flows plus the estimated residual values to be recovered from each property and has concluded that no reserve for impairments that are other than temporary is necessary.

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, 1992, and 1991. 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 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 experi-

ence. The most recent experience analysis was performed using data for the three-year period ending June 30, 1988. Based on this analysis there were no changes in actuarial assumptions. During the period between experience analyses, the actuary develops annual actuarial estimates, based upon the most recent experience analysis performed.

A reconciliation of the unfunded pension benefit obligation for the years ended June 30, 1992, and 1991, is summarized below:

	1992	1991
Unfunded benefit obligation at beginning of year	\$6,394,212,000	\$5,582,611,000
Additions (deductions):		
Addition to health care reserve	21,600,000	21,600,000
Employer cost in excess of contributions	523,518,000	397,823,000
Amendments		
For FY92: Military service purchases \$2,500,000		
State Employees' early retirement incentive program \$5,000,000	7,500,000	--
Actuarial losses (gains) compared to assumptions:		
Salary increases	110,583,000	73,722,000
Investment income	(407,712,000)	(9,123,000)
Other	197,690,000	113,406,000
Change in post-retirement mortality assumptions	0	214,173,000
Net additions	<u>453,179,000</u>	<u>811,601,000</u>
Unfunded benefit obligation at end of year	<u>\$6,847,391,000</u>	<u>\$6,394,212,000</u>

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 (1992 - \$225,850,000; 1991 - \$232,835,000). The Common School Fund appropriation was decreased by 3 percent in FY92.

Another source of State contributions is the State Pensions Fund (1992 - \$6,641,000; 1991 - \$23,958,000) 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 \$14,698,000 in 1992 and \$13,086,000 in 1991.

Total contributions from these three sources (the Common School Fund, the State Pensions Fund and federal/trust funds) were \$247,189,000 in 1992 and \$269,879,000 in 1991. These amounts represented 6.2 percent and 7.1 percent of 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 sup-

plemental benefits were \$5,684,000 in 1992 and \$5,711,000 in 1991. School district contributions for the employer's cost under the early retirement option were \$19,503,000 in 1992 and \$17,995,000 in 1991.

Total contributions from employers from all sources, including the State's General Revenue Fund appropriations and school district contributions for the early retirement option, were \$272,376,000 in 1992 and \$293,585,000 in 1991. These amounts represented 6.9 percent of annual covered payroll in 1992 and 7.8 percent in 1991.

In 1989, the Illinois General Assembly passed Public Act 86-0273 which required a level of funding of the Teachers' Retirement 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 APB #8. 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 H of this report that are computed in accordance with APB #8.

In Thousands of Dollars

Fiscal Year	Normal Cost	Amortization	Total Req.	Actual Cont. (CS,SPF,Fed)	Shortfall
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	279,701*	215,312*

*Estimated

The underfunding in fiscal years 1990 through 1993 make it difficult to get back on schedule with the phase-in to a 40-year amortization. Total employer contributions will have to be significantly higher in fiscal years 1994 through 1996. State contribution requirements would be reduced by any amounts received from federal and trust funds.

In Thousands of Dollars

Fiscal Year	Estimated Covered Payroll	Normal Cost	Amortization	Total Cont. Requirement
1994	\$4,299,000	\$297,491	\$275,136	\$572,627
1995	4,471,000	309,393	332,642	642,035
1996	4,650,000	321,780	393,855	715,635

NOTE F: Pension Disclosure

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 FY92 and FY91 and the related GASB Statement 5 employer disclosures are included in the State's Comprehensive Annual Financial Report for years ended June 30, 1992, and 1991, 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, 1992, and June 30, 1991, for the SERS as a whole, determined through an actuarial valuation at that date was \$5,600.8 million and \$4,949.9 million, respectively. The SERS net assets available for benefits on these respective dates (valued at cost) were \$3,278.2 million and \$2,981.4 million, leaving unfunded pension benefit obligations of \$2,322.6 million and \$1,968.5 million. The System's FY92 and FY91 contribution requirements represented .0012 percent and .006 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 CUFs for the years ended June 30, 1992, and June 30, 1991, respectively.

Pertinent financial information relating to the System's participation in SERS is summarized at right:

The System's covered payrolls for FY92 and FY91 were \$3.1 million and \$2.8 million and the payrolls for all System employees were \$3.5 million and \$3.2 million, respectively.

The System's (i.e., the employers') actuarially determined contribution requirements for FY92 and FY91 were \$146.9 thousand and \$132.2 thousand, respectively, or 4.74 percent and 4.72 percent of the System's covered payrolls.

For FY92, the System's and employees' contributions actually made were \$148.1 thousand and \$125.2 thousand, respectively, which represents 4.8 percent and 4.0 percent, respectively, of the current-year covered payroll. For FY91, the System's and employees' contributions actually made were \$135.6 thousand and \$114 thousand, respectively, which represents 4.8 percent and 4.1 percent, respectively, of the covered payroll.

NOTE G: Reserve Balances

The balances in the reserve accounts at June 30, 1992, and June 30, 1991, were as follows:

	Year Ended June 30	
	1992	1991
Members' accumulated contributions	\$ 3,624,340,256	\$ 3,319,041,477
Post-retirement increases:		
Minimum retirement allowance	1,571,212	1,467,908
Supplementary payments	422,660	385,566
Health insurance	74,534,435	75,703,635
Employer's contributions	6,111,093,437	5,350,523,414
Total reserves	\$ 9,811,962,000	\$ 8,747,122,000
Unfunded pension benefit obligation	6,847,391,000	6,394,212,000
Pension Benefit Obligation	\$ 16,659,353,000	\$15,141,334,000

These statutory reserve accounts are maintained in accordance with provisions of Illinois Revised Statutes, 1989, Chapter 108 1/2, Article 16. Final reserve allocations cannot be made until annual update processing is completed in early Fiscal 1993.

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 for 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: Effective February 28, 1987, Chapter 108 1/2, Paragraph 16-153.4 of the Illinois Revised Statutes established 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.

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 which 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.

Required Supplemental Schedules

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	Required Amount*	Percentage of Annual Covered Payroll		
1983	\$ 189	\$ 161	7.0%	\$ 373	16.3 %	\$ 132	\$ 482
1984	195	207	8.8	413	17.6	234	636
1985	207	238	9.6	446	18.0	445	890
1986	220	260	9.9	448	17.0	813	1,293
1987	238	280	9.9	448	15.8	835	1,353
1988	253	242	8.1	514	17.1	560	1,055
1989	268	260	8.2	566	17.8	560	1,088
1990	284	293	8.6	624	18.3	814	1,391
1991	311	294	7.8	691	18.3	662	1,267
1992	351	272	6.9	796	20.0	1,114	1,737

* Changes in actuarial assumptions and actuarial method resulted in a \$80.7 million increase in the actuarially required amount for the year ended June 30, 1983. Changes in actuarial assumptions resulted in a \$53.2 million increase in the actuarially required amount for the year ended June 30, 1988.

Supplemental Schedule of Expense by Type

(In Millions of Dollars)

Year Ended June 30	Benefits	Refunds	Administrative/Other Expenses	Total
1983	\$ 262	\$ 23	\$ 3	\$ 288
1984	291	24	3	318
1985	325	24	3	352
1986	360	26	4	390
1987	398	26	5	429
1988	436	21	5	462
1989	477	20	6	503
1990	520	22	41	583
1991	573	19	7	599
1992	642	19	12	673

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 Schedule of Funding Progress

(In Millions of Dollars)

Year Ended 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)
1983	\$ 3,410	\$ 6,690	51.0 %	\$ 3,280	\$ 2,287	143.4 %
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

* Includes increases of \$55 million due to plan amendments and \$393 million due to changes in actuarial assumptions.

** Includes effect of COLA of 3% compounded of \$642 million dollars.

Supplemental Schedules

Administrative expenses for the years ended June 30, 1992, and 1991, are summarized below:

	1992	1991
Personal services	\$ 4,273,000	\$ 4,214,000
Professional services	671,000	497,000
Postage	253,000	310,000
Machine repair and rental	259,000	202,000
Other contractual services	488,000	286,000
Commodities	231,000	189,000
Occupancy expense	0	388,000
Provision for depreciation of equipment	2,063,000	569,000
(Gain) Loss on disposition of equipment	9,000	0
	<u>\$ 8,247,000</u>	<u>\$ 6,655,000</u>

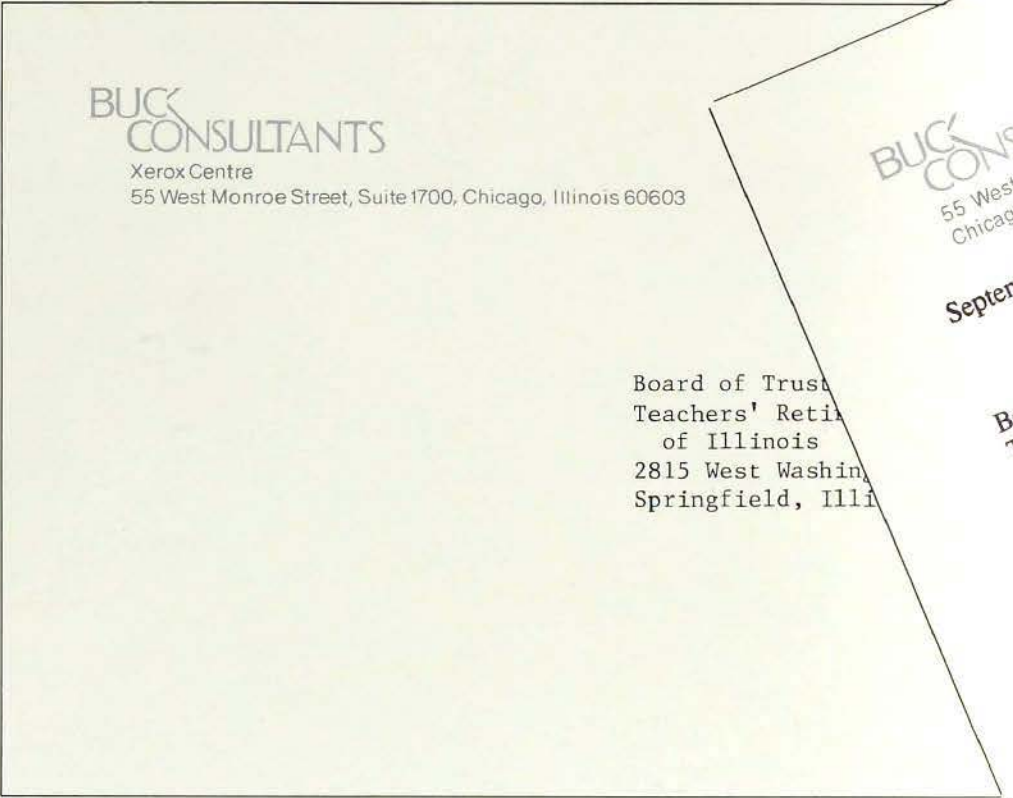
Cash receipts and disbursements for the years ended June 30, 1992, and 1991, are summarized below:

	1992	1991
Cash balance at beginning of year	\$ 2,610,000	\$ 4,058,000
Cash receipts:		
Member contributions	349,699,000	308,075,000
Employer contributions	266,353,000	287,732,000
Investment income	628,522,000	502,721,000
Annuities returned	563,000	520,000
Investments sold	13,518,577,000	11,028,293,000
Total cash receipts	<u>\$14,763,714,000</u>	<u>\$12,127,341,000</u>
Cash disbursements:		
Benefits	639,075,000	574,002,000
Refunds	19,122,000	19,221,000
Administrative	6,778,000	5,774,000
Real estate and investment manager expenses	137,937,000	106,651,000
Investments purchased	13,962,482,000	11,423,141,000
Total cash disbursements	<u>\$14,765,394,000</u>	<u>\$12,128,789,000</u>
Cash balance at end of year	<u>\$ 930,000</u>	<u>\$ 2,610,000</u>



Actuarial Information

Actuary's Certification



ANTS Suite 1700
e Street
s 60603

5, 1992

Trustees
ers' Retirement System
ne State of Illinois
West Washington Street
ingfield, Illinois 62794

Subject: Pension Benefit Obligation as of June 30, 1992
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 \$16,659,353,000 as of June 30, 1992. The valuation was performed in accordance with generally accepted actuarial principles and procedures, using the projected unit-credit actuarial cost method.

The June 30, 1992 valuation reflects for the first time the inclusion of substitute teachers and other part-time or hourly-paid teachers who are on a flexible or limited work schedule. The inclusion of these members increased the active membership of TRS by approximately 19,000 for purposes of the June 30, 1992 valuation, based on the census information for active members as of June 30, 1991. The effect on the unfunded pension benefit obligation due to the inclusion of these members is minimal.

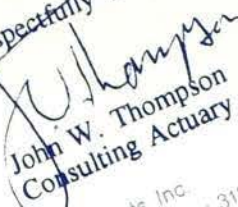
Included in the pension benefit obligation of \$16,659,353,000 as of June 30, 1992 is an amount of \$7,500,000 due to the amendments to the System which were reflected during the fiscal year 1991/92. The amount of \$7,500,000 includes \$2,500,000 on account of military service purchases and \$5,000,000 on account of State employees who are TRS members and who utilized the State employees' early retirement incentive program.

The actuarial valuation was based on a census of retired members as of June 30, 1992, and a census of active and inactive members as of June 30, 1991, 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 provisions of TRS in effect on June 30, 1992. 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 \$16,659,353,000 is a fair representation of the pension benefit obligation of the System as of June 30, 1992.

Respectfully submitted,


John W. Thompson
Consulting Actuary

Buck Consultants Inc.
312/332-2285 Fax 312/332-5245

Retirement benefits are a form of deferred compensation earned by employees during their careers. Retirement plans generally provide for retirement benefits as well as post-retirement increases, disability benefits and survivor benefits. Some plans also provide a subsidy under a group health insurance plan. This section describes the common ways of measuring the financial health of a retirement system and the system's ability to cover the cost of the benefits earned to date.

Since 1939, the Teachers' Retirement System of the State of Illinois has provided pension and ancillary benefits to all public elementary and secondary teachers in Illinois except for those employed by the City of Chicago. Funding of these benefits comes from employee contributions, employer contributions and investment income. Employee contributions are established by the Illinois Pension Code, currently fixed at 8 percent of salary. Investment income depends on asset allocation and market conditions and varies from year to year. Employer contributions, consisting mainly of state appropriations, are currently subject to the appropriations process and are not based on a recognized actuarial funding method.

For public employees in Illinois, pension benefits represent more than a promise made by an employer to provide benefits in exchange for services rendered by employees—they are an enforceable, contractual right under the state constitution. Benefits earned by TRS members are an obligation of the State of Illinois and should be funded accordingly.

To assess the funding status of a retirement system, an estimate of the pension benefit obligation is obtained each year through the actuarial valuation. To estimate the pension benefit obligation, actuaries must make demographic assumptions based on employee data (such as age, salary and service credit); economic assumptions (for salary increases and interest rates); and decrement assumptions (for mortality and disability rates). These actuarial assumptions will be used to make projections that will be reflected in the actuarial valuation.

Actuarial Assumptions

The actuary constructs a set of assumptions based on the past experience of plan participants and the experiences of other groups with similar attributes. 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 (even longer than 50 years) 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 after completing this annual review. At least every four years, the actuary conducts an experience analysis to determine whether variance from the actuarial assumptions warrants changing the assumptions. The most recent experience analysis was conducted in 1989, when the System changed consulting actuaries, using demographic and economic data for the three-year period ended June 30, 1988. The review resulted in a change to the projected unit credit method from the attained age method.

Actuarial Valuation

An important step in an actuarial valuation is 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 development of normal cost and the pension benefit obligation. Normal cost is the annual cost of benefits earned by System members during the fiscal year. The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases which are estimated to be payable in the future as a result of employee services to date.

There are several accepted actuarial cost methods. The actuarial cost method used by the System is the projected unit credit actuarial method. The normal cost for the year ending June 30, 1992, was 14.5 percent of payroll. Eight percent of normal cost was paid by the members'

contributions. The remaining 6.5 percent was the employer's portion of the normal cost.

Actuarial Assumptions & Methods

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

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 - UP 1984 Table, set back two years; nondisabled pensioners - UP 1984 Table, set back six years.

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

Age	Male	Female
20	.35	.70
30	.42	.84
40	.58	1.15
50	1.20	2.40

Separation: Graduated rates based on age and sex variations.

Earnings progression: Merit and longevity increases, adjusted for inflation. Approximates 7 percent per year to earliest date of retirement eligibility. Sample annual percentage increases follow.

Age	Unisex
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.

GASB Statement Number 5

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 retirement systems including a standardized measure of the pension benefit obligation. The System uses this standardized measure for funding purposes as well as for financial reporting. The actuarial terminology used by Statement 5 is used consistently for all financial and funding exhibits.

Actuarial Valuation (In Millions of Dollars)

	Year Ended June 30	
	1992	1991
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits	\$ 6,338	\$ 5,743
Terminated employees not yet receiving benefits	283	279
Current employees:		
Accumulated employee contributions	2,503	2,312
Employer-financed vested	2,512	2,227
Employer-financed nonvested	5,023	4,580
Total pension benefit obligation	16,659	15,141
Net assets available for benefits, at cost	9,812	8,747
Unfunded pension benefit obligation	\$ 6,847	\$ 6,394

Reconciliation of Unfunded Pension Benefit Obligation (In Millions of Dollars)

	Year Ended June 30	
	1992	1991
Unfunded pension benefit obligation at beginning of year	\$ 6,394	\$ 5,583
Additions (deductions):		
Employer cost in excess of contributions*	524	398
Plan amendments**	8	--
Addition to health care reserves	22	22
Actuarial losses (gains) compared to assumptions:		
Salary increases	111	74
Investment income	(408)	(9)
Other	196	112
Changes in post-retirement mortality assumptions	--	214
Net additions (deductions)	453	811
Unfunded pension benefit obligation at end of year	\$ 6,847	\$ 6,394

* See note below the following table.

** FY92 amendments=\$5 million for early retirement incentive for TRS state employees and \$2.5 million for military service.

Employer Cost in Excess of Contributions (In Millions of Dollars)

	Year Ended June 30	
	1992	1991
Employer normal cost	\$ 259	\$ 239
Interest on unfunded pension benefit obligation at beginning of year	512	447
	771	686
Minimum retirement benefit funded annually from the State General Revenue Fund and not included in the actuarial valuation of pension benefit obligation*	6	6
Early retirement option contributions	19	--
Total employer cost	796	692
Deduct employer contributions:		
State of Illinois	238	263
Early retirement option	19	18
Federal and trust funds	15	13
Total employer contributions	272	294
Employer cost in excess of contributions	\$ 524	\$ 398

*Early retirement option contributions were not added as costs in the FY91 report. If they had been, the shortfall in the employer contribution would have been \$416 million.

Fiscal year 1992 actuarial gains and losses resulted from the following: average salaries increased by 7.9 percent, compared to the composite 7 percent assumption, and the actuarial investment return (including interest, dividends, and realized gains) was 12.7 percent, compared to the 8 percent assumption.

Actuarial Information

Actuarial Funding Current Funding Policy

On August 23, 1989 Public Act 86-0273 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 rational and systematic basis. This legislation was not implemented in any of the first three phase-in years because State appropriations were insufficient to meet the funding requirements of the act. It should be noted that the FY93 contribution will also fall short of the statutory funding requirement. (See Notes to Financial Statements, page 14, for a discussion of the funding requirements and actual contributions under PA 86-0273.)

Advantages of Actuarial Funding

Retirement benefits earned during employment are part of the payroll expense for each employee. Sound financing of a retirement system requires that benefits accruing to each employee be paid for during the employee's career by regular contributions to the retirement system based on a percentage of payroll. When an employee retires, the accumulated funds should be sufficient to provide for the benefits payable to that employee. The cost of benefits for current employees should be borne by current taxpayers and should not become a liability for future taxpayers.

Sound actuarial funding practices also protect the employer. Current assessment of costs for both the employer and contributing employees protects the employer from the future impact of increasing contributions to pay for benefits that were underfunded.

Sound actuarial funding practices bolster membership confidence in retirement security. An individual's retirement security should not depend on future taxpayers or be subject to short-term employer distress caused by economic cycles or poor budgeting practices.

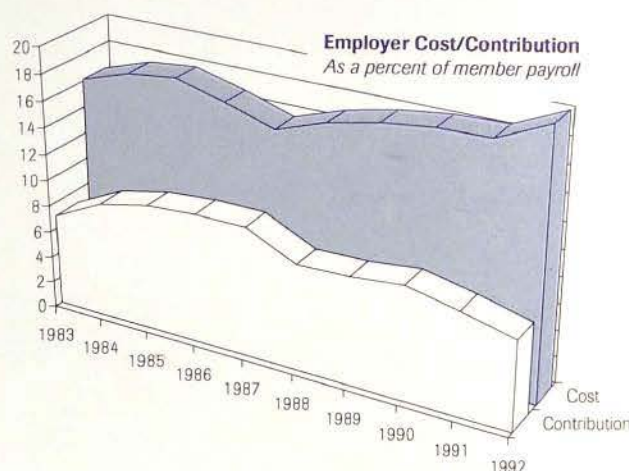
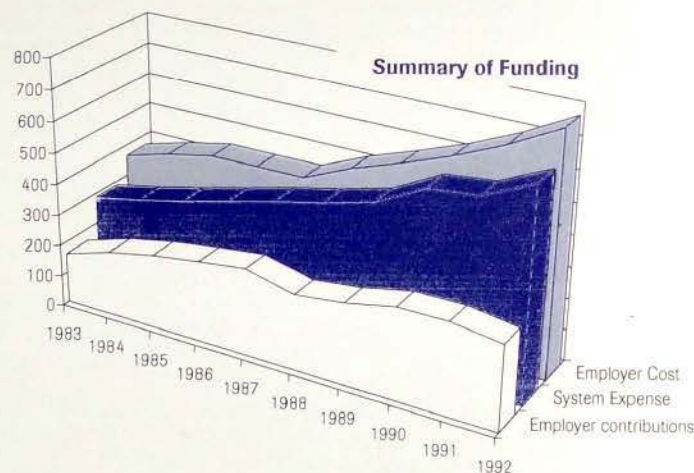
As a public pension plan, the Teachers' Retirement System is not covered by the Employee Retirement Income Security Act of 1974 (ERISA). However, that federal legislation did provide funding standards for private pension plans and many ERISA standards

are incorporated in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has devoted considerable attention to disclosure by public pension plans and employers over the past several years.

The **Percentage of Benefits Covered by Net Assets** 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. This exhibit is essentially a short-term solvency test.

A test of financial soundness of a pension system is its ability to pay all promised benefits when due. 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 of priority; that is, members' contributions would be covered first, then current benefit recipients, and finally the employer portion of the active member benefits.

For a System receiving actuarially determined contribution amounts, the total of actuarial values in Columns 1 and 2 should generally be fully covered by assets and the portion of the actuarial value of Column 3 covered by assets should increase over time.



The **Payroll Percentages** test compares member payroll to unfunded pension benefit obligation, normal cost and normal cost plus interest. These percentages should decrease over the years if the System is growing stronger and give an indication of the relative size of the unfunded pension benefit obligation.

The TRS Funding Summary found on page 26 shows employer contributions in relation to various statutory funding requirements (other than PA 86-0273) under the Illinois Pension Code. Also shown are member contributions and System expenses. For the first time in history, the System had to use investment earnings to fund benefits in FY92 because expenses exceeded member and employer contributions.

Tests of Financial Soundness

The following three charts show ten-year trends representing differing perspectives on the System's actuarial status.

Funding Ratios*

(In Millions of Dollars)

As of June 30	Net Assets at Cost	Net Assets at Market	Pension Benefit Obligation	Funding Ratio	
				At Cost	At Market
1983	\$ 3,410	\$ 3,605	\$ 6,690	51.0 %	53.9 %
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	7,271	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	10,494	16,659	58.9	63.0

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

Percentage of Benefits Covered by Net Assets

(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)
1983	\$ 1,264	\$ 2,565	\$ 2,861	\$ 3,410	100 %	84 %	0 %
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

Payroll Percentages

(In Millions of Dollars)

UNFUNDED PENSION BENEFIT OBLIGATION				ACTUARIALLY REQUIRED EMPLOYER'S COST					EMPLOYER CONTRIBUTIONS	
Year Ended June 30	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)
1983	\$ 2,287	\$ 3,280	143.4%	\$ 164	7.2 %	\$ 203	\$367	16.1%	\$ 161	7.0%
1984	2,345	3,621	154.4	176	7.5	230	406	17.3	207	8.8
1985	2,472	3,716	150.3	184	7.4	253	437	17.7	238	9.6
1986	2,633	3,519	133.6	179	6.8	260	439	16.7	260	9.9
1987	2,834	3,838	135.4	194	6.9	246	440	15.5	280	9.9
1988	3,007	4,238	140.9	197	6.6	309	506	16.8	242	8.1
1989	3,172	4,642	146.3	220	6.9	339	559	17.6	260	8.2
1990	3,402	5,583	164.1	194	5.7	423	617	18.1	293	8.6
1991	3,777	6,394	169.3	239	6.3	447	686	18.2	294	7.8
1992	3,976	6,847	172.2	259	6.5	512	771	19.4	272	6.9

TRS Funding Summary

(In Millions of Dollars)

FUNDING REQUIREMENTS							COVERAGE PERCENTAGE				
Normal Costs		General Revenue	Statutory Requirements				System Expense	Employer Contributions	Statutory Requirements		System Expense
Fiscal Year Ended	Plus Interest On Unfunded Pension Benefit Obligation		Reimbursement Post-Retirement Increases	Actuarial (Columns 1 and 2)					Minimum	Actuarial	
June 30	(1)	(2)	(3)	(4)[A]					(5)	(6)	
1983	\$ 367	\$ 6	\$ 373	\$ 213	\$ 288	\$ 161	43.2%	75.6%	55.9%		
1984	406	7	413	218	318	207	50.1	95.0	65.1		
1985	437	9	446	237	352	237	53.1	100.0	67.3		
1986	439	9	448	253	390	260	58.0	102.8	66.7		
1987	440	8	448	272	429	280	62.5	102.9	65.3		
1988	506	8	514	289	462	242	47.1	83.7	52.4		
1989	559	7	566	305	503	261	45.9	85.2	51.7		
1990	617	7	624	327	583	293	47.0	89.6	50.3		
1991	686	6	692	363	600	294	42.5	81.0	49.1		
1992	771	6	777	382	673	272	35.0	71.2	40.4		

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

NOTE B - Employer contributions divided by actuarial requirement. (Col. 6/Col. 3)

NOTE C - Employer contributions divided by minimum requirement. (Col. 6/Col. 4)

NOTE D - Employer contributions divided by System expense. (Col. 6/Col. 5)

NOTE E - System expense in FY90 includes \$35.5 million in non-cash expense.

Breakdown of Employer Contributions (In Millions of Dollars)

Year	State Contributions	Federal and School District (ERD) Contributions	Total Employer Contributions
1983	\$ 144	\$ 17	\$ 161
1984	189	18	207
1985	214	23	237
1986	238	22	260
1987	257	23	280
1988	217	25	242
1989	232	29	261
1990	264	30	293
1991	263	31	294
1992	238	34	272

Member and Employer Contributions Minus Expenses (In Millions of Dollars)

Year	Member Contributions	Total Employer Contributions	Total Member and Employer Contributions	Total Contributions minus System Expense
1983	\$ 189	\$ 161	\$ 350	\$ 62
1984	195	207	402	84
1985	207	237	444	92
1986	220	260	480	90
1987	238	280	518	89
1988	253	242	495	33
1989	268	261	529	26
1990 (E)	284	293	577	(6)
1991	311	294	605	5
1992	351	272	623	(50)



Membership and Benefits Information

Membership and Benefits Information

Membership Information

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 34.

Members are employed by 1,104 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, 1991, the most current fiscal year statistics available, there were 122,793 TRS members (includes full-time, part-time, substitute, hourly and extra duty teachers), a significant increase from the 101,987 members on June 30, 1990. The addition of substitute teachers as active contributing members of TRS is credited for this 20.4 percent increase.

The average TRS member on June 30, 1991, 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-six percent of the active member population was in the 35-49 age group during FY91, compared to 42 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 FY82, 4 percent of the total membership were age 20 to 24. In FY92, this age group composed only 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 9.5 percent during FY82 to 11.8 percent in FY91.

Contributions

During FY92, active members contributed \$351 million as their required 8 percent of salary to the System, up 13 percent from FY91.

The average annual salary for active members rose 5.6 percent from FY90 to FY91, from \$33,024 to \$35,321. Since FY82, this figure has increased by 66 percent from \$21,281. Generally, the more years of service the member accrues, the higher salary he or she earns. Peak salaries averaging \$53,994 during FY91 were earned by the 43 members in the 41-45 years of service category, while those with under six years of service averaged \$24,752 annually.

Member Refunds

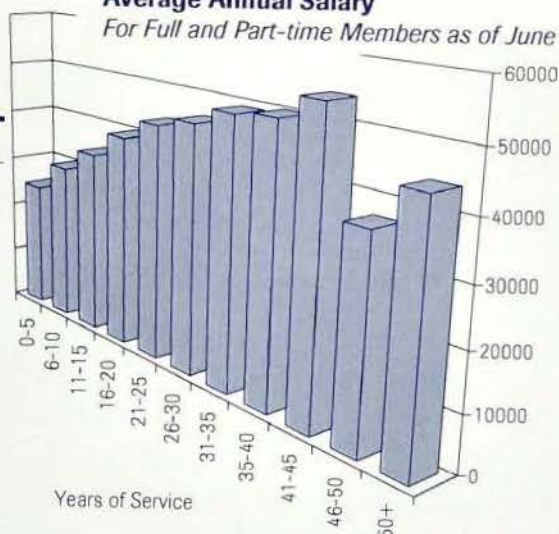
Members who withdraw from active service with the System may apply for a refund four months from the last day of teaching. The refund includes accumulated retirement contributions exclusive of the 1 percent survivor benefit contribution and accumulated interest.

The System paid 2,353 former members \$9.4 million in refunds of retirement contributions during FY92. This is a decrease from the \$9.8 million paid in refunds in FY91. The total number of refunds increased 10 percent from 2,144 in FY91.

A refund of the 1 percent survivor benefit contribution was paid to 437 retired members in FY92, up from 416 members who received this refund in FY91. A total of \$2.1 million was paid for this refund, which is granted to retired members who request the refund and who do not have a beneficiary deemed a dependent under the Illinois Pension Code. Acceptance of this refund terminates the retired member's eligibility for survivor benefit coverage from the System.

Average Annual Salary

For Full and Part-time Members as of June 30, 1991



Counseling Services

The System maintains two offices, in Springfield and Lisle, to serve members throughout the state. During FY92, the TRS offices received over 41,800 phone calls. In addition, staff members sent out over 201,000 letters and conducted office consultations with an average of 296 members monthly.

Individual retirement conferences are held around the state each year by the System's benefits counselors. During FY92, 7,978 members attended these conferences. An additional 9,227 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. During FY92, all active and inactive members as well as all retired members received current versions of the guides. 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, the Teachers' Retirement System 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 Article 16, Chapter 108 1/2 of the Illinois Revised Statutes.

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 increased or reduced without a change in the TRS plan design.

Retirement Benefits

During FY92, the TRS plan provided retirement benefits for 42,147 annuitants. The average benefit of \$1,174 was up 1.9 percent from \$1,077 on June 30, 1991.

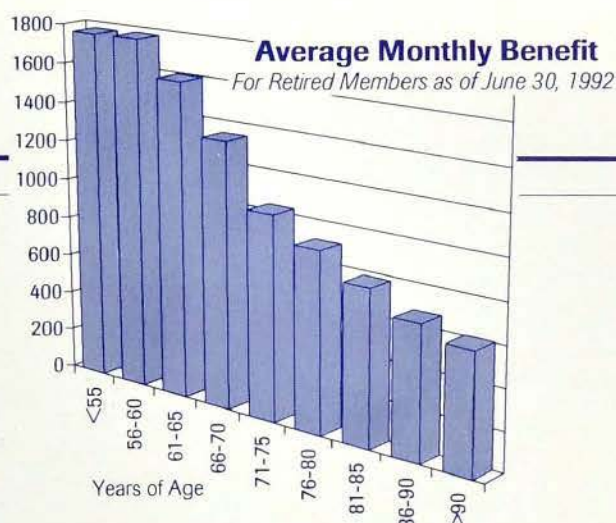
TRS Annuitant Profile

June 30, 1992

Average Age:	72
Average Service:	26.8
Average Annuity:	\$1,174
Average Original Annuity:	\$937
Average Years in Retirement:	12

Overall, the System paid \$574.1 million in retirement annuities in FY92, up 10.3 percent from FY91. The number of annuitants receiving benefits rose during FY92, up 1,576 from June 30, 1991. The System offers anyone receiving a monthly benefit, including retired members and survivor benefit recipients, electronic direct deposit of TRS annuity payments with participating financial institutions. At the end of FY92, 31,691 of the total 48,667 benefit recipients were participating in the direct deposit program. This represents 65.1 percent of all benefit participants.

Although the annuity for those members in retirement less than five years is higher than average at \$1,677, this amount drops to below the overall



average between six and ten years in retirement—members retired between 11 and 15 years receive an average benefit of only \$1,005, below the \$1,174 average.

Average annuity also decreases as the retired member's age increases. Retirees aged 56 through 60 receive an average annuity of \$1,771 monthly, while those age 90 and over receive an average of only \$604.

Of the 2,547 TRS members who retired during FY92, the average age was 60, average service, 26.9, and average monthly benefit, \$1,791. These members retired with an average salary of \$38,802.

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 early retirement option

Year	Total Retirement	ERO Retirement	ERO Percent of Total	Average Payment	Average Salary
1982	1,725	384	22.3	5,532	23,073
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

Disability Benefits

Disability payments of \$9.1 million were made by the System during FY92, up 5.5 percent from FY91. A total of 1,142 disability benefits were paid to members whose average age was 58 and average years of service was 17.3.

There were 273 new disability benefits paid during FY92 and the average benefit for these new recipients was \$1,172. Of these new claims, 21 percent were for pregnancy-related disabilities, 10 percent for cancer and tumors, 8 percent for mental illness, another 8 percent for heart and circulatory problems with other disabilities accounting for the remainder of the claims.

Survivor Benefits

Average monthly survivor benefits of \$452 were paid to 5,378 survivors of TRS members and annuitants in FY92. The average age of the deceased was 72. There were 533 new claims during the year for monthly benefits and the average monthly benefit for FY92 claims was \$583.

Total payments rose from \$28.8 million in FY91 to \$30.7 million in FY92.

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 eligible dependents. On June 30, 1992, enrollment in the plan totaled 21,409 annuitants and 4,984 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 reasonable and customary claims that are not covered by Medicare. As of June 30, 1992, 15,123 members and 3,399 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 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, 1992, 1,204 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, 1992, 5,094 annuitants and 1,573 dependents were enrolled in this plan.

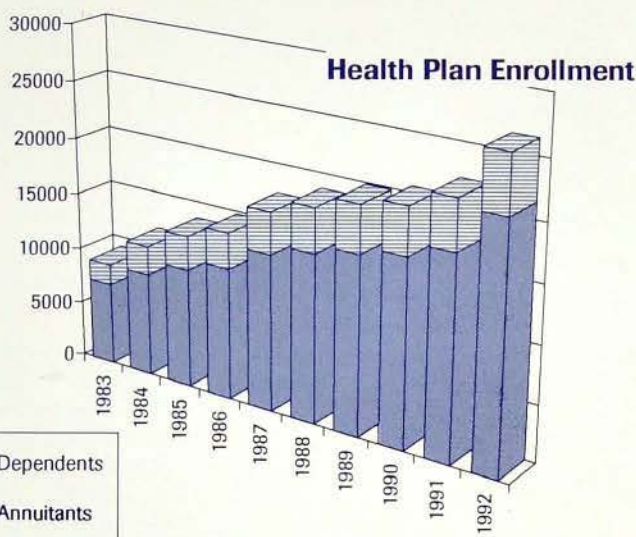
Premiums

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

The amounts which the System paid in premiums have been:

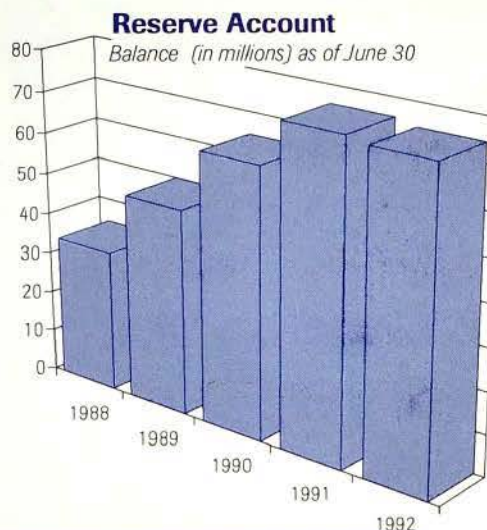
TRS Subsidy Payments

FY83	1,503,000	FY88	6,823,000
FY84	2,412,000	FY89	8,346,000
FY85	3,094,000	FY90	10,331,000
FY86	4,800,000	FY91	15,142,000
FY87	5,409,000	FY92	27,717,000



Reserve Account

The System maintains a Health Insurance Reserve Account. On June 30, 1991, the reserve fund balance was \$75.7 million. During FY92, the account was credited with the \$20 million plus \$6.5 million interest earned. Premium payments of \$27.7 million were charged to the account leaving a June 30, 1992, reserve fund balance of \$74.5 million.



Claims Experience

Year June 30	Premiums Paid	Retention* Fees	Claims Paid
1981	\$ 291,001	21,068	100,572
1982	1,597,841	115,684	1,207,864
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

* 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.

Legislative Issues

The Teachers' Retirement System plays an important role in providing economic security for its members in retirement. The System is a defined benefit plan which replaces a percentage of a teachers' income based on the years of service as a teacher and is not coordinated with Social Security. The Teachers' Retirement System works in support of equitable benefits to improve the retirement security of its members.

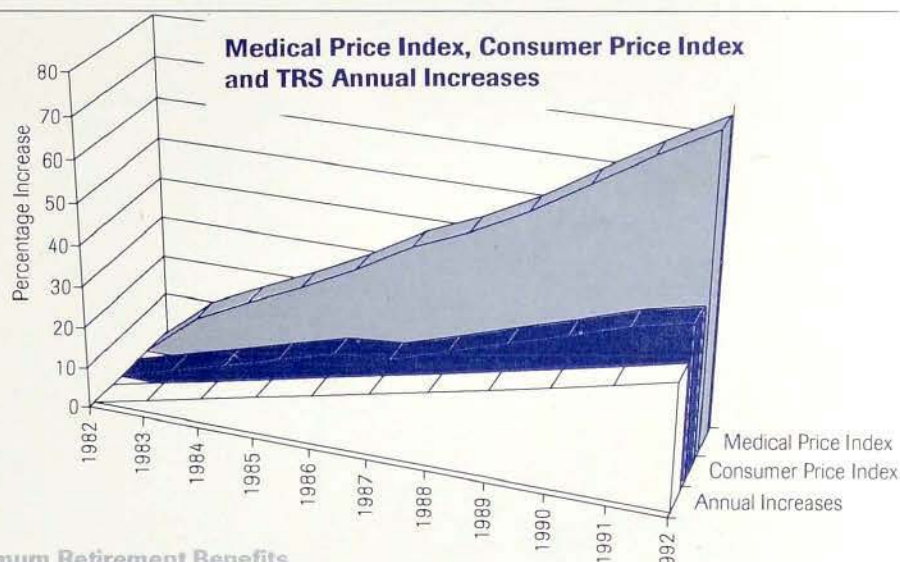
A 1990 survey of TRS members indicates that one-half of all active and retired teachers have never been employed outside the teaching profession. Those who have worked outside teaching average less than 10 years in other fields (see Table 1). Teachers' salaries and retirement benefits are the principal sources from which they must draw their lifetime income. Because teachers, most of whom are not highly compensated, are not able to set aside large sums during years of active employment, retirement benefits for teachers are, in part, designed to compensate for these lower salaries.

Table 1.
TRS member employment outside teaching

	Never Employed Outside Teaching	Employed Outside Teaching	Average Number of Years
Retired members	46%	54%	9.3 yrs
Active members			
Less than age 45	56%	44%	5 yrs
Age 45 or over	50%	50%	6.8 yrs

TRS bases annual increases for retirees and survivors on current benefits. These increases provide an important shield against the decline in purchasing power caused by increasing health care costs and other economic trends (see below).

Unfortunately, TRS annuitants in retirement for many years and those with small pensions are not sufficiently protected by these increases. Annual increases have not offset the effects of inflation. Many of these retirees rely on the TRS minimum retirement benefit as their bottom-line protection. The minimum retirement benefit provides protection for the lowest-paid and those in retirement the longest.



Minimum Retirement Benefits

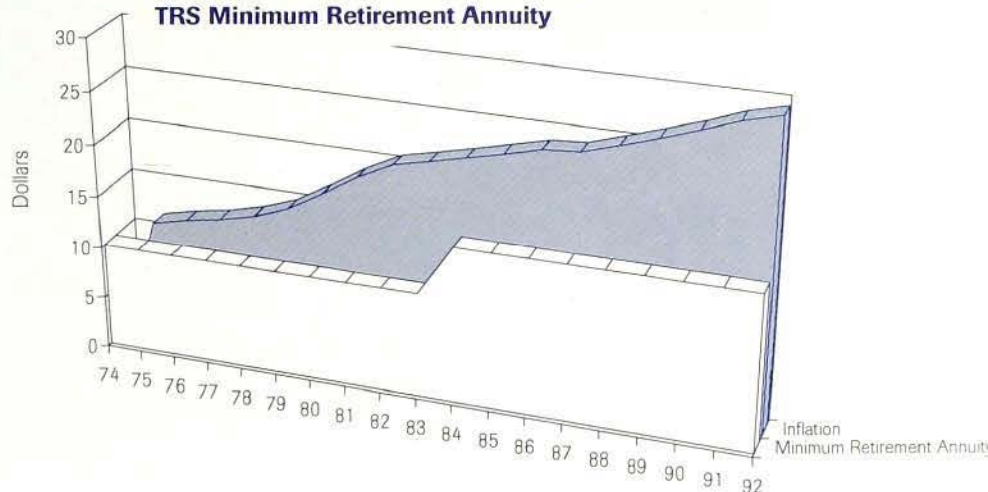
The TRS minimum retirement annuity was instituted in 1974 at \$10 per month for each year of creditable service in order to protect against the shrinking buying power of TRS annuities. Currently, annuitants who make a qualifying contribution are guaranteed a minimum retirement benefit of \$15 per month for each year of creditable service up to a maximum of \$450 per month. Over 4,800 TRS annuitants rely on the minimum retirement benefit to protect their

annuities. However, for many, the standard of living that this minimum supports does not approach that of their original annuity at the time they retired.

In order to maintain the same buying power that the minimum benefit supported in 1974, the original benefit of \$10 per month for each year of creditable service would need to be increased to \$25 per month. However, this level has only been increased to \$15 per month.

If the TRS minimum retirement level were increased to \$25 per month for each year of creditable service up to a maximum of \$750 per month, 8,744 TRS members would see an increase in monthly benefits averaging \$89 per month. This new floor would aid retirees experiencing reduced purchasing power due to inflation. Annual increases would help protect retirees from experiencing any further loss in purchasing power.

Purchasing Power Reductions in the TRS Minimum Retirement Annuity



Retirement Formula

In addition to a floor below which benefits will not fall, retirement security also flows from adequate benefits at retirement. The Teachers' Retirement System continues to support legislation to improve the retirement benefit formula for Illinois teachers by replacing the current graduated formula with one that will provide 2.2 percent of final average salary for each year of service credit (see Table 2). This improvement is necessary to provide TRS members with retirement benefits which compare favorably with not only teacher retirement benefits across the country, but also with other public employee retirement benefits in the State of Illinois.

Nationally, the average retirement formula for public employee retirement systems not coordinated with Social Security is 2.2 percent per year of service credit.

cent of their final average salary for each year of service.

When the TRS plan is compared with other Illinois public employee plans, again the TRS retirement formula falls behind most others. Because the required employee contribution rates of the various systems differ greatly, the best method for comparison is to examine what members of the systems receive for each dollar they contribute. When the value of retirement benefits is expressed as a percentage of the accumulated value of a member's contributions, TRS, by comparison, finishes far behind most public employee plans in Illinois.

In fact, when compared this way, retirement benefits for educators in Illinois are among the lowest of those provided to public employees in Illinois. For example, under the Teachers' Retirement

Table 2.
Percent of final average salary at normal retirement age

Creditable Service	Current Formula	Proposed Formula
5	8.35%	11.00%
10	16.7%	22.00%
15	26.2%	33.00%
20	35.7%	44.00%
25	46.2%	55.00%
30	56.7%	66.00%
35	68.2%	75.00%
38 or more	75.00%	75.00%

System, the value of a benefit at retirement for an employee who retires at age 60 with 20 years of service is 184.5 percent of the value of the employee's accumulated contributions. In other words, the employer (for TRS, the State of

Illinois) contributes 84.5 cents for every dollar contributed by a teacher retiring at age 60 with 20 years of service. At the same time, the employer of a member retiring under these conditions under the Illinois Municipal Retirement Fund (I.M.R.F.), contributes \$2.14 for each dollar contributed by an I.M.R.F. member.

Additionally, the retirement value of a member's early years of employment should be no less than that of his or her final years. A graduated formula particularly jeopardizes the retirement security of teachers unable to teach under a single retirement system throughout their careers.

Comparisons of TRS benefits with those of other teacher retirement plans show that the benefits Illinois teachers receive still fall behind those provided to teachers outside of Illinois. All twelve other states that, like Illinois, have teachers' retirement plans which are not coordinated with Social Security provide teachers with better retirement formulas than TRS. Eight of these states provide a formula of 2 percent or greater per year of service. In 1992, the average newly retired TRS member received 1.87 per-

1993 Legislative Session

In 1993, the Teachers' Retirement System will again support legislation to improve the minimum retirement benefit and the TRS retirement formula. TRS will also continue its legal efforts to force compliance with the funding mandate of Public Act 86-0273. While TRS works closely with the Illinois General Assembly and the Governor in support of adequate funding and benefit improvements which increase retirement security for TRS members, the success of the System's efforts is directly related to the involvement of TRS members and retirees.

In recent years, TRS members and retirees have increased their role in the legislative process by subscribing to the TRS *Legislative Update* and by contacting their elected officials regarding issues of interest to them. This active participation will help advance legislative efforts aimed at improving the retirement security of teachers throughout the State of Illinois.

Plan Summary

Administration

The Teachers' Retirement System was created and is governed by Chapter 108 1/2, Article 16 of the Illinois Revised Statutes. 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 general 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 current salary. The member continues to earn service credit while receiving disability benefits.

A disability retirement annuity is available for members who have received a disability benefit for the maximum period. This benefit pays 35 percent of the last salary 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 current salary 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 final average salary 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.

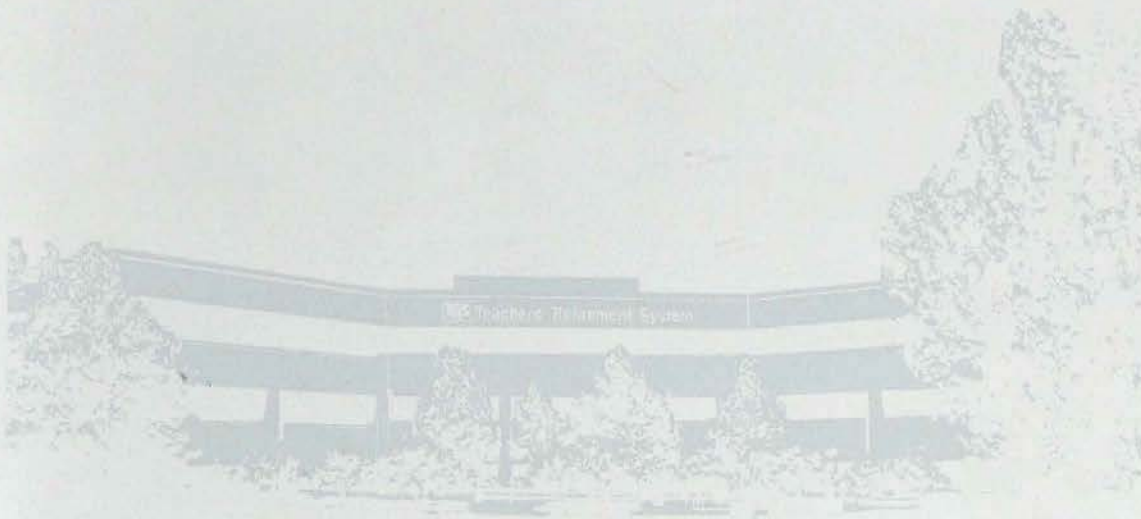
Special Conditions

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.



Exhibits

Active Members by Years of Age and Years of Service

As of June 30, 1991 (The latest data available for active members)

		Full and Part-time Members:				
Years of Service	Substitutes	0-5	6-10	11-15	16-20	21-25
Years of Age						
20-24 Total #	1,565	1,411				
Average \$	2,446	20,305				
25-29 Total #	2,616	8,196	637			
Average \$	2,587	23,303	26,753			
30-34 Total #	1,823	4,053	4,457	626		
Average \$	2,450	24,784	28,583	31,297		
35-39 Total #	2,691	3,593	2,845	6,298	1,042	
Average \$	2,563	24,789	30,386	33,709	37,460	
40-44 Total #	4,276	4,921	3,076	4,249	9,585	1,627
Average \$	2,999	25,529	31,423	35,580	39,547	42,615
45-49 Total #	2,821	3,040	2,313	2,561	3,932	8,407
Average \$	3,387	27,200	32,532	36,775	41,557	44,390
50-54 Total #	1,501	1,075	1,000	1,600	2,006	2,915
Average \$	3,949	29,080	33,225	36,950	40,763	44,194
55-59 Total #	877	358	343	756	1,184	1,678
Average \$	4,994	28,983	33,538	36,716	40,210	43,160
60-64 Total #	564	99	114	274	529	869
Average \$	5,854	28,852	32,902	35,893	40,068	43,241
65-69 Total #	260	21	21	66	106	190
Average \$	4,408	27,414	33,252	36,351	41,568	42,983
70-74 Total #	72	2	3	6	19	33
Average \$	4,081	31,333	21,007	30,641	39,802	44,334
>74 Total #	24	1	2	2		
Average \$	2,444	1,576	32,087	33,372		
Total Total #	19,090	26,770	14,811	16,438	18,403	15,719
Average \$	\$3,114	\$24,752	\$30,524	\$35,078	\$40,060	\$43,958

The 1990-91 school year was the first in which substitute teachers contributed to TRS as active members. This participation is attributed with the 20.4 percent membership increase.

Active members of TRS contributed 8 percent of their earnings toward retirement benefits. FY 91 was the first year during which substitute teachers contributed as members of the System.

26-30	31-35	36-40	41-45	46-50	51-55	Totals	Ave. Service
						1,411	1.1
						\$20,305	
						8,833	2.9
						\$23,551	
						9,136	6.0
						\$27,083	
						13,778	9.7
						\$30,980	
						23,458	13.0
						\$35,035	
956						21,209	16.6
44,953						\$39,213	
4,060	565					13,221	20.3
46,443	46,705					\$41,536	
1,740	2,110	100				8,269	23.8
46,008	49,675	49,171				\$43,470	
647	677	252	7			3,468	24.6
43,894	49,891	51,107	41,192			\$43,413	
176	102	59	25	2		768	25.0
43,854	45,285	48,918	60,310	38,298		\$43,039	
25	24	11	11	8	1	143	28.4
46,178	41,193	35,159	47,788	36,277	44,120	\$41,389	
1	1	2				9	20.7
36,198	42,400	44,110				\$33,257	
7,605	3,479	424	43	10	1	103,703	14.0
\$45,877	\$49,046	\$49,899	\$53,994	\$36,681	\$44,120	\$35,321	

Contributing Members by Age

Years of Age	Substitute Teachers		Full/Part-Time Members		Total	Cumulative Total
	Count	Ave. \$	Count	Ave. \$		
20-24	1,565	2,446	1,411	20,305	2,976	2,976
25-29	2,616	2,587	8,833	23,551	11,449	14,425
30-34	1,823	2,450	9,137	27,086	10,960	25,385
35-39	2,691	2,563	13,778	30,980	16,469	41,854
40-44	4,276	2,999	23,457	35,035	27,733	69,587
45-49	2,821	3,387	21,209	39,213	24,030	93,617
50-54	1,501	3,949	13,221	41,536	14,722	108,339
55-59	877	4,994	8,269	43,470	9,146	117,485
60-64	564	5,854	3,468	43,413	4,032	121,517
65-69	260	4,408	768	43,039	1,028	122,545
70-74	72	4,081	143	41,389	215	122,760
>74	24	2,444	9	33,257	33	122,793*

*Includes substitute, full- and part-time members.

Average Annual Salary for Active Members by Years of Service

As of June 30		1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Years of Service											
0-5	Total #	27,784	23,482	19,764	19,030	22,160	23,384	24,792	25,296	22,949	26,770
	Average \$	15,618	16,618	17,166	17,818	18,555	19,726	20,845	22,121	23,284	24,752
6-10	Total #	24,732	23,433	22,047	21,157	19,698	18,819	17,129	15,314	15,359	14,811
	Average \$	19,446	20,338	20,915	21,841	23,005	24,320	25,780	27,124	28,158	30,524
11-15	Total #	22,560	23,201	23,462	22,833	20,700	19,460	18,417	17,671	18,066	16,438
	Average \$	23,277	24,467	25,341	26,378	27,607	29,001	30,312	31,581	32,791	35,078
16-20	Total #	12,666	13,920	15,481	17,419	18,528	19,163	19,689	19,867	20,027	18,403
	Average \$	25,580	22,165	28,309	29,976	31,056	33,144	34,771	36,315	37,984	40,060
21-25	Total #	8,355	8,588	8,747	9,089	9,391	10,257	11,474	12,830	14,755	15,719
	Average \$	27,415	28,976	30,199	31,657	33,309	35,246	37,153	39,141	41,523	43,958
26-30	Total #	4,199	4,494	5,053	5,479	5,864	6,245	6,456	6,659	7,152	7,605
	Average \$	28,473	30,396	31,960	34,026	35,740	37,666	39,474	41,429	43,316	45,877
31-35	Total #	2,228	2,279	2,251	2,009	2,002	2,089	2,394	2,758	3,222	3,479
	Average \$	29,914	31,887	33,651	35,782	37,533	39,310	41,730	43,749	46,363	49,046
Over 35	Total #	455	436	421	430	483	517	426	462	457	478
	Average \$	26,889	30,042	31,494	33,930	37,533	40,492	43,465	45,979	48,146	49,979
Total #		102,979	99,833	97,226	97,446	98,826	99,934	100,777	100,857	101,987	103,703
Average \$		21,281	22,877	24,141	25,454	26,522	28,085	29,638	31,318	33,024	35,321

* Statistical information on the System's active membership is not yet available for FY92.

Annual salaries for full- and part-time teaching only; Substitute, hourly and extra duty employees were omitted.

Active Members by Age

As of June 30	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991*
20-24	4,263	3,106	2,509	2,703	1,405	1,371	1,318	1,240	1,366	2,976
25-29	15,106	12,886	10,924	9,883	8,588	8,464	8,562	8,351	8,413	11,449
30-34	21,180	19,456	17,500	15,964	12,877	11,762	10,879	9,918	9,363	10,960
35-39	19,416	19,775	20,301	21,208	20,844	19,981	18,642	17,013	15,305	16,469
40-44	13,252	14,536	15,395	16,583	19,802	20,942	22,194	23,210	24,216	27,733
45-49	10,539	10,787	11,202	11,614	13,269	14,929	16,188	17,417	18,617	24,030
50-54	9,464	9,464	9,372	9,494	10,177	10,502	11,066	11,553	12,205	14,722
55-59	6,438	6,563	6,673	6,714	7,618	7,763	7,730	7,834	8,101	9,146
60-64	2,741	2,698	2,715	2,610	3,286	3,268	3,273	3,405	3,478	4,032
65-69	516	502	554	551	867	848	806	787	782	1,028
>69	64	60	81	122	93	104	119	129	141	248
	102,979	99,833	97,226	97,446	98,826	99,934	100,777	100,857	101,987	122,793*

*Statistical information on the System's active membership is not yet available for FY92. FY91 totals include substitute teachers.

Average Monthly Annuity for New Retirees by Age

As of June 30		1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Age											
55	Total #	148	164	176	169	173	167	171	178	191	237
	Average \$	879	934	1,160	1,082	1,258	1,351	1,373	1,525	1,624	1,767
56	Total #	149	159	216	183	204	206	209	216	259	271
	Average \$	1,068	1,220	1,252	1,407	1,537	1,533	1,797	1,754	1,886	1,998
57	Total #	98	128	174	143	134	134	141	140	127	192
	Average \$	1,164	1,285	1,431	1,467	1,563	1,565	1,534	1,723	1,963	2,105
58	Total #	110	117	159	141	136	137	141	131	168	167
	Average \$	1,204	1,353	1,457	1,438	1,465	1,630	1,730	1,725	1,967	1,972
59	Total #	126	133	187	174	168	136	143	163	160	225
	Average \$	1,075	1,241	1,415	1,498	1,566	1,621	1,786	1,893	2,043	2,099
60	Total #	340	382	372	334	333	343	337	366	319	344
	Average \$	820	858	1,030	1,036	1,080	1,165	1,303	1,385	1,451	1,683
61	Total #	183	164	207	155	175	186	180	192	186	240
	Average \$	956	1,108	1,326	1,264	1,337	1,367	1,475	1,667	1,975	1,753
62	Total #	183	162	175	151	169	154	162	159	153	204
	Average \$	799	955	977	950	1,161	1,337	1,376	1,300	1,519	1,614
63	Total #	114	121	151	121	120	129	118	111	125	136
	Average \$	995	971	1,053	1,100	1,233	1,304	1,522	1,558	1,520	1,750
64	Total #	115	115	122	103	130	117	88	98	94	131
	Average \$	915	979	1,032	1,098	1,150	1,401	1,383	1,489	1,621	1,706
65	Total #	129	104	114	121	126	125	109	100	95	121
	Average \$	870	882	1,015	1,061	1,274	1,239	1,302	1,471	1,642	1,429
66	Total #	97	79	84	74	79	95	92	81	75	86
	Average \$	871	820	1,065	1,186	1,295	1,150	1,318	1,452	1,637	1,669
67	Total #	43	29	56	52	37	42	41	35	44	60
	Average \$	789	1,020	1,062	861	1,114	1,406	1,483	1,495	1,733	1,493
68	Total #	37	28	32	36	33	40	24	30	28	34
	Average \$	820	1,109	865	740	1,116	1,481	1,372	1,538	1,385	1,633
69	Total #	33	21	28	24	17	34	17	16	24	29
	Average \$	862	946	949	696	1,273	1,262	1,099	1,470	1,725	1,341
70	Total #	21	19	36	38	30	20	25	19	18	30
	Average \$	862	1,217	938	903	1,107	1,234	1,170	1,432	1,493	1,498
>70	Total #	20	17	47	141	29	50	45	32	31	40
	Average \$	337	1,077	581	236	758	606	671	1,631	1,722	1,466
Total #		1,946	1,842	2,336	2,160	2,093	2,116	2,044	2,067	2,097	2,547
Average \$		927	1,043	1,162	1,119	1,294	1,355	1,463	1,570	1,728	1,791
Average Age		61	61	61	61	61	61	61	60	60	60

New Retirees by Years of Service

As of June 30		1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Years of Service											
1-5	69	83	84	113	97	92	92	89	76	125	
6-10	86	77	106	198	106	112	117	112	85	120	
11-15	160	143	150	173	114	150	120	103	109	165	
16-20	284	257	275	242	265	242	212	190	178	200	
21-25	354	312	397	343	351	347	334	358	386	387	
26-30	376	326	465	413	441	399	410	414	381	431	
31-35	431	449	578	436	437	465	509	515	584	652	
36-40	142	152	241	213	252	265	221	286	252	427	
>40	44	43	40	29	30	44	29	35	46	40	
Total:	1,946	1,842	2,336	2,160	2,093	2,116	2,044	2,067	2,097	2,547	
Ave. Service	25.4	25.5	26.3	24.4	25.8	25.9	25.7	26.3	27.0	26.9	

Retired Members by Years of Service and Years in Retirement

As of June 30, 1992

Years of Service		1-5	6-10	11-15	16-20	21-25	26-30
Years Retired							
1-5	Total Number	428	499	604	925	1,671	1,727
	Average Benefit	152	370	571	920	1,276	1,662
	Ave. Original Benefit	144	351	543	880	1,231	1,613
6-10	Total Number	413	526	708	1,265	1,662	1,845
	Average Benefit	124	274	514	828	1,073	1,469
	Ave. Original Benefit	98	207	413	684	895	1,234
11-15	Total Number	250	305	639	1,121	1,396	1,349
	Average Benefit	112	246	402	644	834	1,148
	Ave. Original Benefit	74	158	277	463	605	838
16-20	Total Number	212	321	555	975	1,236	1,174
	Average Benefit	55	199	345	522	685	899
	Ave. Original Benefit	27	105	196	315	422	560
21-25	Total Number	69	115	287	585	752	751
	Average Benefit	44	190	288	413	538	685
	Ave. Original Benefit	7	80	114	191	272	359
26-30	Total Number	21	28	75	228	355	300
	Average Benefit	48	143	260	376	475	580
	Ave. Original Benefit	2	30	60	116	179	232
31-35	Total Number	4	2	13	80	189	146
	Average Benefit	73	197	284	387	461	558
	Ave. Original Benefit	7	12	41	97	117	153
36-40	Total Number		1	1	13	35	60
	Average Benefit		194	294	369	482	560
	Ave. Original Benefit		38	44	55	92	106
41-45	Total Number				6	21	19
	Average Benefit				405	466	550
	Ave. Original Benefit				41	36	54
46-50	Total Number				4	10	5
	Average Benefit				354	498	563
	Ave. Original Benefit				16	61	83
Totals	Total Number	1,397	1,797	2,882	5,202	7,327	7,376
	Average Benefit	115	275	438	672	903	1,220
	Ave. Original Benefit	91	209	328	510	710	979

Retirement annuities are designed to provide security in retirement. In FY 92, TRS paid over \$450 million in retirement annuities with an additional \$117 million paid for post-retirement benefits.

31-35	36-40	41-45	46-50	>50	Total	Ave. Age
2,486	1,538	117	31	4	10,030	
2,277	2,798	2,838	2,427	1,592	1,677	62
2,226	2,687	2,718	2,286	1,494	1,623	
2,163	1,181	110	31	5	9,909	
2,014	2,506	2,161	2,257	1,777	1,386	67
1,687	2,088	1,775	1,827	1,454	1,155	
1,338	623	151	20	1	7,193	
1,549	1,702	1,748	1,732	1,258	1,005	73
1,137	1,235	1,269	1,271	961	729	
1,172	1,089	406	77	6	7,223	
1,192	1,469	1,442	1,347	1,161	882	79
751	922	896	830	692	547	
687	814	618	127	4	4,809	
880	1,061	1,093	1,061	1,125	738	84
485	594	602	573	631	393	
328	369	218	36		1,958	
672	797	886	861		608	88
293	371	422	401		258	
142	113	56	9		754	
622	702	761	824		559	90
211	284	319	351		180	
40	28	5	2		185	
615	632	662	677		555	94
161	187	208	245		128	
9	7	2			64	
613	636	657			531	95
107	128	154			65	
3					22	
620					503	97
83					61	
8,368	5,762	1,683	333	20	42,147	
1,725	1,941	1,387	1,376	1,399	1,174	72
1440	1567	922	924	1044	937	

Increases in Monthly Annuity for Retirees

Exhibits

Years of Service ➞		1-5	6-10	11-15	16-20	21-25	26-30
Years Retired							
1-5	Total Number	428	499	604	925	1,671	1,727
	Average Auto Inc	6	15	27	41	45	49
	Average Ad Hoc	2	4	2			
6-10	Total Number	413	526	708	1,265	1,662	1,845
	Average Auto Inc	21	45	90	141	178	235
	Average Ad Hoc	6	22	10	3	1	
11-15	Total Number	250	305	639	1,121	1,396	1,349
	Average Auto Inc	29	62	106	173	225	309
	Average Ad Hoc	8	26	19	8	5	1
16-20	Total Number	212	321	555	975	1,236	1,174
	Average Auto Inc	15	56	103	163	217	288
	Average Ad Hoc	12	38	45	45	46	50
21-25	Total Number	69	115	287	585	752	751
	Average Auto Inc	7	52	74	121	168	222
	Average Ad Hoc	31	58	100	101	97	104
26-30	Total Number	21	28	75	228	355	300
	Average Auto Inc	5	25	50	91	132	171
	Average Ad Hoc	41	88	150	169	163	178
31-35	Total Number	4	2	13	80	189	146
	Average Auto Inc	11	24	49	92	111	142
	Average Ad Hoc	55	161	195	198	233	263
36-40	Total Number		1	1	13	35	60
	Average Auto Inc		42	54	69	104	122
	Average Ad Hoc		114	196	245	285	332
41-45	Total Number				6	21	19
	Average Auto Inc				65	67	88
	Average Ad Hoc				300	363	408
46-50	Total Number				4	10	5
	Average Auto Inc				39	93	118
	Average Ad Hoc				300	345	362
Totals	Total Number	1,397	1,797	2,882	5,202	7,327	7,376
	Average Auto Inc	16	42	80	129	157	206
	Average Ad Hoc	8	24	31	34	36	35

Annuitants with at least one year of service after August 1969 and those who have made contributions equivalent to one year of creditable service after that date will receive an annual increase of 3 percent of the gross retirement annuity. Increases are applied annually on January 1.

31-35	36-40	41-45	46-50	>50	Total
2,486	1,538	117	31	4	10,030
51	111	120	141	98	54
2,163	1,181	110	31	5	9,909
328	419	386	429	323	228
					3
1,338	623	151	20	1	7,193
413	467	479	461	296	270
					6
1,172	1,089	406	77	6	7,223
386	481	471	434	367	283
55	66	76	83	102	52
687	814	618	127	4	4,809
295	361	371	356	379	242
100	106	120	132	114	103
328	369	218	36		1,958
212	268	302	287		188
167	157	161	173		163
142	113	56	9		754
182	232	258	280		157
229	185	183	193		221
40	28	5	2		185
164	182	197	222		135
289	264	257	211		292
9	7	2			64
132	150	171			95
374	358	332			371
3					22
122					93
415					350
8,368	5,762	1,683	333	20	42,147
256	331	375	357	301	201
28	43	91	95	53	36

Annuitants by Benefit Range

As of June 30, 1992

Benefit Range	Retirement Benefits		Disability Benefits		Survivor Benefits		Total	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$
1-100	974	54	2	77	230	50	1,206	54
101-200	1,135	148	6	165	311	154	1,452	149
201-300	1,581	258	50	266	1,531	247	3,162	253
301-400	1,856	355	80	359	884	344	2,820	352
401-500	2,671	451	109	451	701	444	3,481	449
501-600	3,048	555	129	552	431	549	3,608	554
601-700	2,810	647	111	654	389	647	3,310	647
701-800	2,428	751	111	752	280	747	2,819	750
801-900	2,395	852	89	852	201	846	2,685	851
901-1000	2,416	951	95	950	121	950	2,632	951
1001-1100	2,215	1,050	66	1,052	78	1,046	2,359	1,050
1101-1200	1,898	1,150	70	1,148	61	1,148	2,029	1,150
1201-1300	1,910	1,250	50	1,251	44	1,247	2,004	1,250
1301-1400	1,680	1,349	53	1,352	34	1,355	1,767	1,350
1401-1500	1,533	1,451	32	1,455	21	1,450	1,586	1,451
1501-1600	1,356	1,550	25	1,541	11	1,563	1,392	1,549
1601-1700	1,213	1,650	20	1,645	15	1,653	1,248	1,650
1701-1800	1,068	1,750	10	1,752	14	1,743	1,092	1,750
1801-1900	927	1,849	13	1,866	5	1,832	945	1,849
1901-2000	815	1,948	8	1,944	3	1,952	826	1,948
2001-2100	745	2,050	5	2,071	1	2,006	751	2,050
2101-2200	700	2,151	3	2,172	4	2,158	707	2,151
2200+	4,773	2,852	5	2,810	8	2,465	4,786	2,852
	42,147	\$1,174	1,142	\$855	5,378	\$452	48,667	\$1,086

An annuitant is anyone receiving a monthly benefit from TRS. This group of individuals includes retirees and survivor and disability benefit recipients. The chart at left categorizes the amount of benefits by benefit type.

Cumulative Total	% of Total	Cumulative % of Total
1,206	2.48	2.48
2,658	2.98	5.46
5,820	6.50	11.96
8,640	5.79	17.75
12,121	7.15	24.91
15,729	7.41	32.32
19,039	6.80	39.12
21,858	5.79	44.91
24,543	5.52	50.43
27,175	5.41	55.84
29,534	4.85	60.69
31,563	4.17	64.86
33,567	4.12	68.97
35,334	3.63	72.60
36,920	3.26	75.86
38,312	2.86	78.72
39,560	2.56	81.29
40,652	2.24	83.53
41,597	1.94	85.47
42,423	1.70	87.17
43,174	1.54	88.71
43,881	1.45	90.17
48,667	9.83	100.00
48,667	100	100

Average Monthly Annuity

Years of Age	Retirement Benefits		Disability Benefits		Survivor Benefits		Total	
	Count	Ave. \$	Count	Ave. \$	Count	Ave. \$	Count	Ave\$
0-5					6	339	6	339
6-10					24	311	24	311
11-15					65	332	65	332
16-20					30	359	30	359
21-25					1	600	1	600
26-30			9	810			9	180
31-35			19	832	4	598	23	791
36-40			46	821	19	657	65	773
41-45			102	909	46	681	148	838
46-50			121	970	68	585	189	831
51-55	237	1,767	197	1,059	179	708	613	1,230
56-60	3,794	1,770	184	1,039	277	637	4,255	1,665
61-65	7,755	1,593	166	823	530	651	8,451	1,519
66-70	7,866	1,337	125	697	618	560	8,609	1,272
71-75	6,939	1,028	86	549	812	447	7,837	963
76-80	6,052	904	36	416	977	410	7,065	833
81-85	5,295	779	27	376	992	339	6,314	708
86-90	3,045	668	16	383	534	294	3,595	611
>90	1,164	604	8	361	196	261	1,368	553
Totals/Ave.	42,147	\$1,174	1,142	\$855	5,378	\$452	48,667	\$1,087

Average Age: 72

Disability Benefits

New Fiscal Year Recipients

Year	Number of New Recipients	Average Age	Average Monthly Benefit	Average Service	Average Years in Receipt of Benefit
1983	382	42	690	12	0.11
1984	366	43	747	13	0.04
1985	337	43	759	13	0.12
1986	356	42	829	13	0.26
1987	343	43	884	14	0.08
1988	339	44	904	14	0.11
1989	340	45	972	14	0.11
1990	292	44	1,016	14	0.09
1991	293	44	1,103	14	0.11
1992	273	46	1,172	16	0.12

Members who encounter a disabling illness or accident are provided a monthly benefit based on a percentage of current salary. Members continue to accrue service credit with the System while receiving a temporary or occupational disability benefit.

<i>Cumulative Total</i>	<i>Percent of Total</i>	<i>Cumulative Percent of Total</i>
6	0.01%	0.01%
30	0.05%	0.06%
95	0.13%	0.20%
125	0.06%	0.26%
126	0.00%	0.26%
135	0.02%	0.28%
158	0.05%	0.32%
223	0.13%	0.46%
371	0.30%	0.76%
560	0.39%	1.15%
1,173	1.26%	2.41%
5,428	8.74%	11.15%
13,879	17.36%	28.52%
22,488	17.69%	46.21%
30,325	16.10%	62.31%
37,390	14.52%	76.83%
43,704	12.97%	89.80%
47,299	7.39%	97.19%
48,667	2.81%	100.00%
48,667	100.00%	100.00%

The chart at left illustrates the average benefit amount by the age of the benefit recipient.

Monthly Survivor Benefits

New Fiscal Year Recipients

<i>Year</i>	<i>Number</i>	<i>Average Age</i>	<i>Average Monthly Benefit</i>
1983	454	65	351
1984	384	75	361
1985	426	66	359
1986	410	66	387
1987	413	67	496
1988	485	68	442
1989	428	69	443
1990	471	68	477
1991	431	70	543
1992	533	69	583

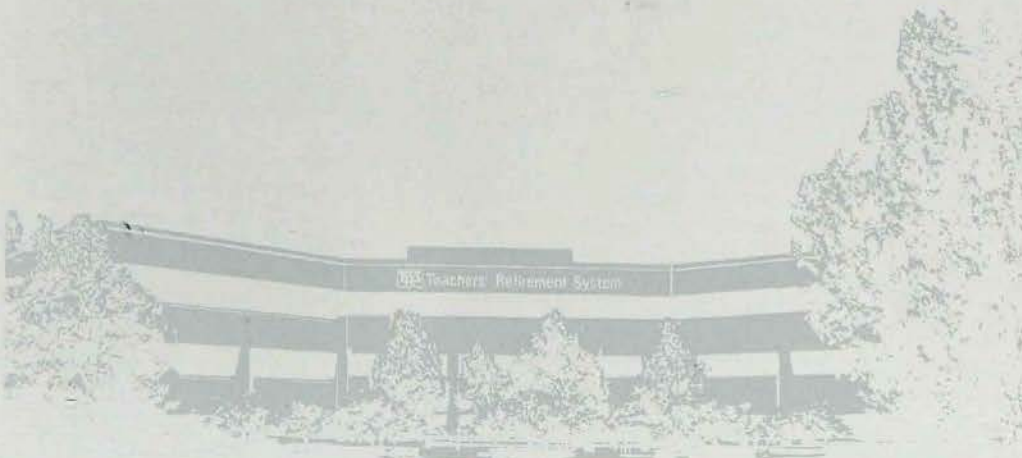
Members who made contributions toward the survivor benefit program provide monthly benefits to their survivors after their death.

Membership Profile

Exhibits

As of June 30	Benefit Recipients	Inactive Members	Active Members	Total Members	Active Members per Benefit Recipient
1983	37,505	32,385	99,833	169,723	2.66
1984	38,533	32,542	97,226	168,301	2.52
1985	40,113	29,991	97,446	167,550	2.43
1986	41,417	30,600	98,826	170,843	2.39
1987	42,659	28,400	99,934	170,993	2.34
1988	43,396	25,996	100,777	170,169	2.32
1989	45,718	20,834	100,857	167,409	2.21
1990	46,097	19,989	101,987	168,073	2.21
1991	46,680	20,674	122,793	143,467	2.63
1992	48,667	18,446*	125,000*	191,170*	2.52

*Estimated



Investment Summary

Investment Summary

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 \$10.5 billion at market value on June 30, 1992. 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 trade-off.

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 percent 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, 1992, the System's asset class allocations and diversification by investment approach were as follows:

During FY92, the System's U.S. common stock holdings decreased to 34.2 percent of the total fund from 40.1

percent a year earlier. International common stock allocations remained virtually unchanged at 7.4 percent of the total fund, leaving fiscal year-end total common stock holdings at 41.6 percent of the total fund.

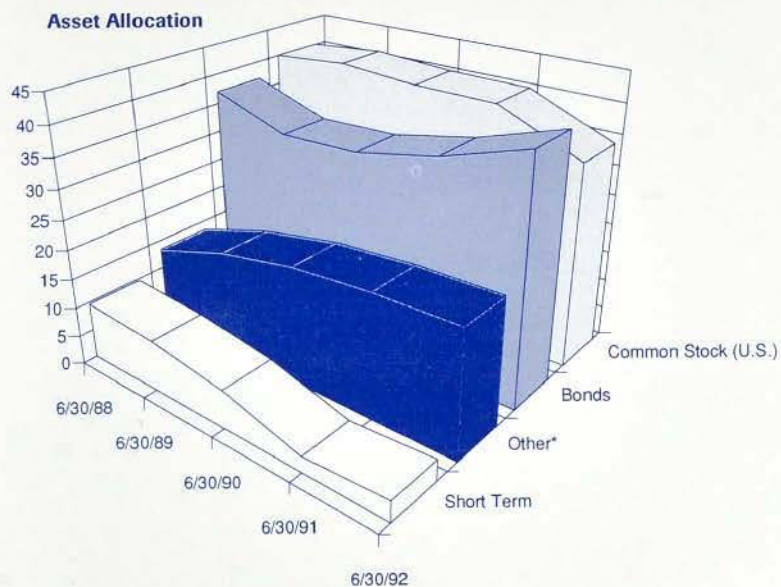
Bonds increased to 40.7 percent of the total fund from 36.1 percent a year earlier. This was largely attributable to the positive returns of the bond managers in a falling interest rate environment and the reallocation from equity to bonds.

Real estate equities represented 12.0 percent of the total fund at fiscal year's end. This compares to 11.6 percent from the previous fiscal year's end.

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

Percent of Total Fund			
Asset Class	Active	Index	Total
Common Stock - U.S.	30.0	4.2	34.2
Bonds	36.3	4.4	40.7
Short-Term Investments	3.2	0.4	3.6
Currency Investments	0.6	0.0	0.6
Common Stock - International	5.4	2.0	7.4
Real Estate	12.0	0.0	12.0
Alternative Investments	1.5	0.0	1.5
Total	89.0	11.0	100.0

Asset Allocation



* Includes Common Stock (Int'l), Real Estate Equity, Alternative Investments and Currency

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 FY92 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, 1992, the following external firms were employed by the System:

Fixed Income (Bonds) - U.S.

Amalgamated 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.
Putnam Advisory Company

Equity (Common Stock) - U.S.

American National Bank of Chicago
Ariel Capital Management, Inc.
Brandywine Asset Management, Inc.
Brinson Partners, Inc.
Cedar Hill Associates, Inc.
Cozad Asset Management
Eagle Asset Management, Inc.
Hotchkis and Wiley
Keystone Investment Management Corp.
Lazard Freres Asset Management
Lehman Ark Management Company, Inc.
Lincoln Capital Management Company
Morgan Stanley Asset Management (The Chicago Group)

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.
Denis Wong & Associates

Equity (Common Stock) - International

American National Bank of Chicago
Brinson Partners, Inc.
Clay Finlay, Inc.
Daiwa International Capital Management Corp.
HD International, Limited
Murray Johnstone International, Inc.
PCM International
Scudder, Stevens & Clark, Inc.

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
Kensington Realty Advisors, Inc.
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.

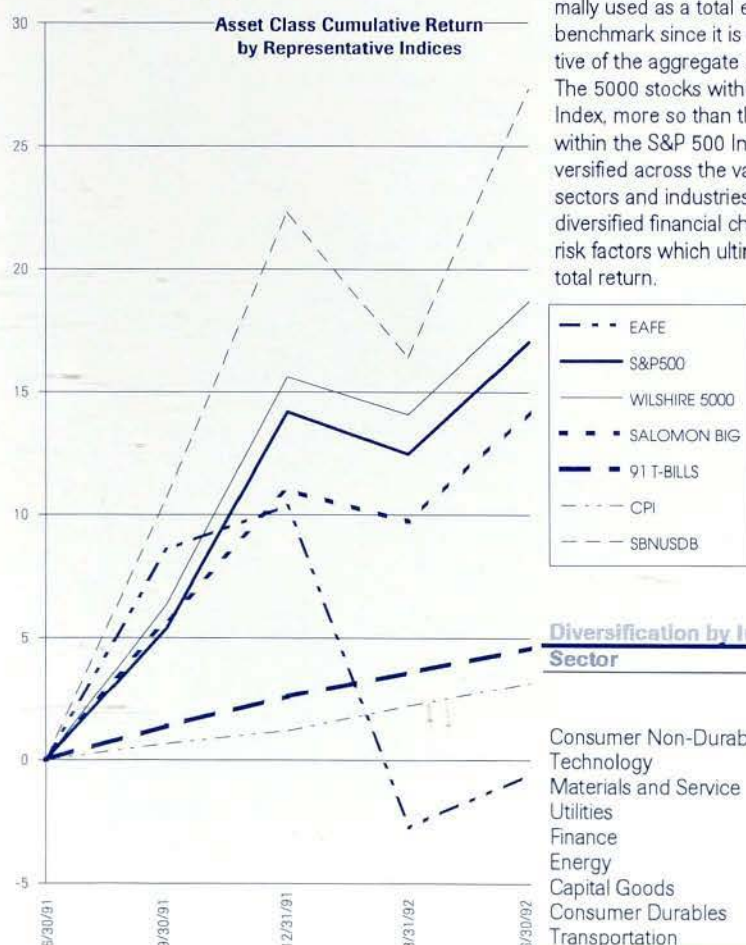
Foreign Exchange Exposure Management

N. M. Rothschild International Asset Management Limited
RXR Capital Management, Inc.

Investment Summary

Asset Class/Market Indices Returns

During FY92, non-U.S. dollar bonds was the best performing asset class as represented by the Salomon Non-U.S. dollar Bond Index which returned 27.3 percent. Domestic bonds was the next best performing asset class as represented by the Salomon Broad Investment Grade (BIG) Bond Index which returned 14.2 percent. U.S. common stock, represented by the Standard & Poor's (S&P) 500 Index and the Wilshire 5000 Index, returned 13.5 percent and 13.9 percent respectively. Short-term investments, represented by 91-day Treasury Bills, returned 4.6 percent. International common stock, represented by the Europe, Australia and Far East (EAFE) Index, returned -0.3 percent. All major asset classes and market indices except real estate and the EAFE Index outperformed the 3.1 percent annual rate of inflation as represented by the Consumer Price Index (CPI).



Total Fund Results

The System's total fund time-weighted rate of return for FY92 of 10.8 percent 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 9.0 percent and 8.4 percent, respectively, continue to outperform the rate of inflation for these periods, 4.1 percent and 4.3 percent, respectively. The System's long-term objective, to exceed the rate of inflation by 3 percent, has been achieved for the three- and five-year periods. The System's income rate of return during FY92 was 6.8 percent.

U.S. Equity Results and Profile

U.S. equity manager objectives are to achieve a total investment return 6 percent in excess of the rate of inflation and in excess of the 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 FY92, the System's portfolio of U.S. common stocks returned 13.5 percent compared to the S&P 500 return of 13.5 percent and the Wilshire 5000 return of 13.9 percent. For three- and five-years, U.S. common stocks generated annualized returns of 11.6 percent and 9.0 percent, respectively, below S&P 500 returns of 12.4 percent and 9.8 percent for the three- and five-year periods, respectively. The portfolio's U.S. common stocks performed more favorably when compared with the three- and five-year Wilshire 5000 returns of 11.2 percent and 9.1 percent, respectively.

At fiscal year end, 40.7 percent of the System's investment portfolio was assigned to U.S. equity managers, including short-term investments, compared to 42.8 percent the prior fiscal year end. Within the U.S. common stock asset class, 11.8 percent of the asset class was allocated to an S&P 500 Index Fund. The remaining 89.2 percent of the U.S. common stock asset class was allocated to active and enhanced index fund investment manager relationships. During FY92, the market value of assets assigned to U.S. equity managers increased from \$4.109 billion to \$4.258 billion due to \$553 million of dividend income/appreciation and \$404 million of reallocations from the U.S. equity asset class to other asset classes.

Major sector diversification changes took place during FY92 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, 1992			June 30, 1991		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Consumer Non-Durables	37.5	37.6	33.8	35.4	36.4	33.3
Technology	10.0	9.6	9.6	12.6	10.0	10.3
Materials and Service	13.4	10.0	12.0	11.6	9.8	11.8
Utilities	9.7	12.7	13.3	9.8	13.2	14.0
Finance	13.2	9.2	12.9	11.4	8.4	11.2
Energy	6.5	11.1	8.5	8.2	13.0	10.0
Capital Goods	6.0	5.1	4.8	6.0	5.2	5.1
Consumer Durables	3.5	2.8	3.1	2.5	2.3	2.5
Transportation	2.2	2.0	2.0	2.5	1.7	1.9

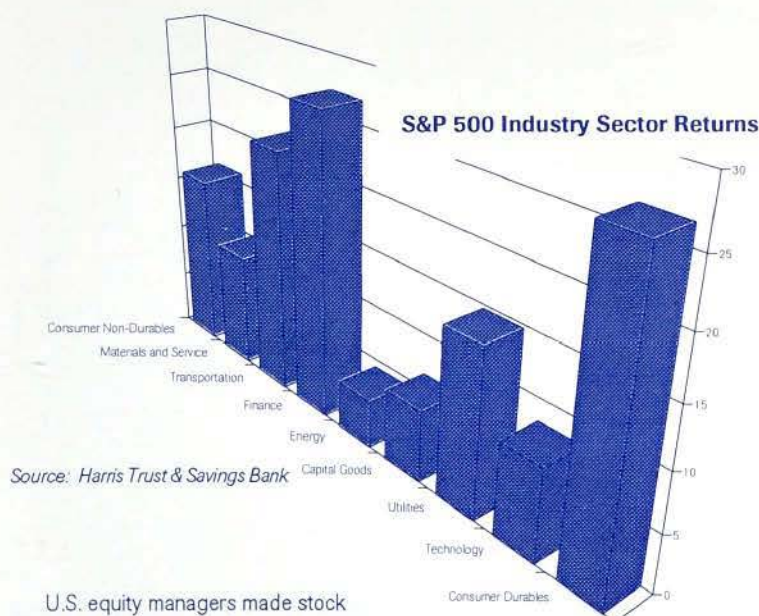
All S&P 500 industry sectors provided positive rates of return during FY92, with Finance (27.0 percent), Consumer Durables (26.6 percent), and Transportation (22.0 percent) the leading industry sector performers.

International Equity Results

International equity manager objectives are to achieve a total annual investment return 6 percent in excess of the rate of inflation and in excess of the EAFE Index over longer time periods. During FY92, the portfolio's international common stocks returned 3.2 percent, as compared to a return of -0.3 percent for the eighteen country foreign equity market EAFE Index.

The System's wide margin of outperformance over 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 9.0 percent of its foreign equities in Japan as compared to 38.9 percent Japan weighting in the EAFE Index.

The basket of EAFE currencies appreciated by 12.5 percent over the 12 months ended June 1992, which increased a -11.4 percent EAFE return in local (foreign) currency terms to -0.3 percent 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, 11.3 percent of the asset class was allocated to an EAFE Index Fund and 11.6 percent of the asset class was allocated to an EAFE ex-Japan Fund. The remaining 77.1 percent of the asset class was allocated to active managers. During FY92, the market value of assets assigned to international equity increased from \$790 million to \$904 million due to \$55 million of market value appreciation and \$59 million of reallocations from other asset classes.



U.S. equity managers made stock selection adjustments to their accounts during FY92, 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, 1992			June 30, 1991		
	TRS	S&P 500	WIL 5000	TRS	S&P 500	WIL 5000
Capitalization (\$Bil)	15.38	20.80	14.44	14.91	18.27	14.15
Price/Earnings Ratio	17.29	20.67	24.38	14.77	14.27	18.05
Dividend Yield (%)	2.61	3.04	2.77	2.73	3.49	3.00
Beta	0.98	1.00	1.03	1.01	1.00	1.02
Diversification (R-Squared)	0.99	1.00	1.00	0.99	1.00	1.00
Five-Year Earnings Growth Rate (%)	7.11	8.79	6.95	12.54	10.99	11.32
Market/Book Ratio	3.15	3.49	3.60	3.13	3.01	3.47

Alternative Investments Results

Alternative investments returned 8.8 percent during FY92. A representative alternative investments index is not available for relative performance comparison. Over the long term and as a result of its higher risk orientation, alternative investments is expected to provide annualized returns over 10 percent in excess of returns provided by the S&P 500 and Wilshire 5000 Indices. On June 30, 1992, the System had a market value of \$183 million invested in four venture capital limited partnerships and one farmland partnership.

Investment Summary

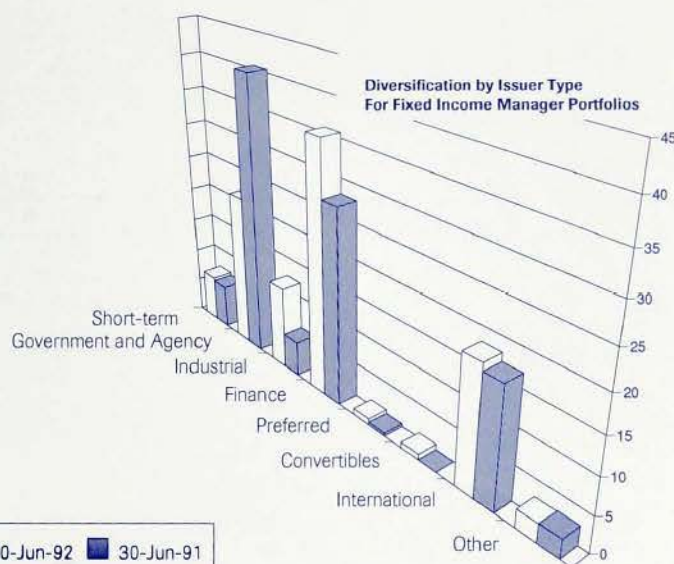
Fixed Income Results and Profile

Fixed income manager objectives are to achieve a total investment return 2 percent 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 FY92, the System's bond portfolio, including all fixed income instruments with maturities greater than one year, generated a 16.8 percent total return, compared to the 14.2 percent return of the Salomon BIG Index.

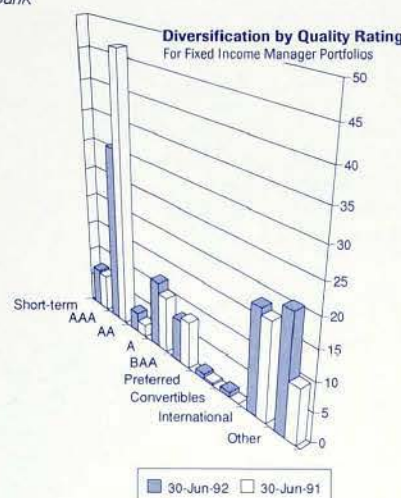
The total funds under management by fixed income managers, including short-term investments, generated a 16.2 percent total return during FY92. For a three- and five-year period, bonds generated 11.6 percent and 11.0 percent annualized returns, respectively, as compared to 10.9 percent and 10.6 percent, respectively for the BIG Index. During FY92, the market value of total assets assigned to fixed income managers, including short-term investments, increased from \$3.153 billion to \$3.709 billion due to \$521 million in interest income/appreciation and reallocation of \$35 million from other asset classes to the bond asset class.

Fixed income assets invested in the international marketplace comprised \$915 million of the \$3.709 billion market value of total assets assigned to fixed income managers at fiscal year end. The System's international fixed income managers returned 19.1 percent in fiscal 1992, versus the benchmark Salomon Brothers Non-U.S. Dollar Bond Index, which returned 27.3 percent.

The exhibits at right reflect changes made within fixed income manager portfolios during FY92 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.



Source: Harris Trust & Savings Bank



Source: Harris Trust & Savings Bank

Bond Portfolio Profile

Characteristic	6/30/92		6/30/91	
	TRS	Salomon BIG	TRS	Salomon BIG
Maturity (years)	10.93	14.13	12.43	13.78
Duration (years)	6.03	4.16	5.36	4.38
Coupon (%)	8.06	8.65	9.26	9.05
Yield to Maturity (%)	6.60	6.79	8.27	8.25
Current Yield (%)	7.74	8.03	8.72	8.77

Real Estate Equity Investment Results

Real estate equity investments made by the System's four closed-end fund managers and six separate account managers returned -7.3 percent during FY92. The income component of the total return was 5.4 percent, while capital depreciation accounted for -12.0 percent.

The closed-end funds' total return of -7.4 percent outperformed the -8.0 percent total return of the separate accounts. Over the long term, the real estate equity investment objective is to achieve a total investment return 6 per-

cent in excess of the rate of inflation. During FY92, the market value of assets assigned to the System's real estate investment managers increased from \$1.175 billion to \$1.293 billion. This increase resulted from \$61 million in income/reinvested income, \$231 million of reallocations from other asset classes to the real estate asset class, and a reduction of \$174 million for market value depreciation. The System will continue to progress toward a 15 percent 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 3.8 percent, during FY92. For the five years, short-term investments returned 7.0 percent, underperforming the 9.0 percent return of U.S. common stocks and the 11.0 percent return of bonds.

Investment Portfolio Summary

June 30, 1992

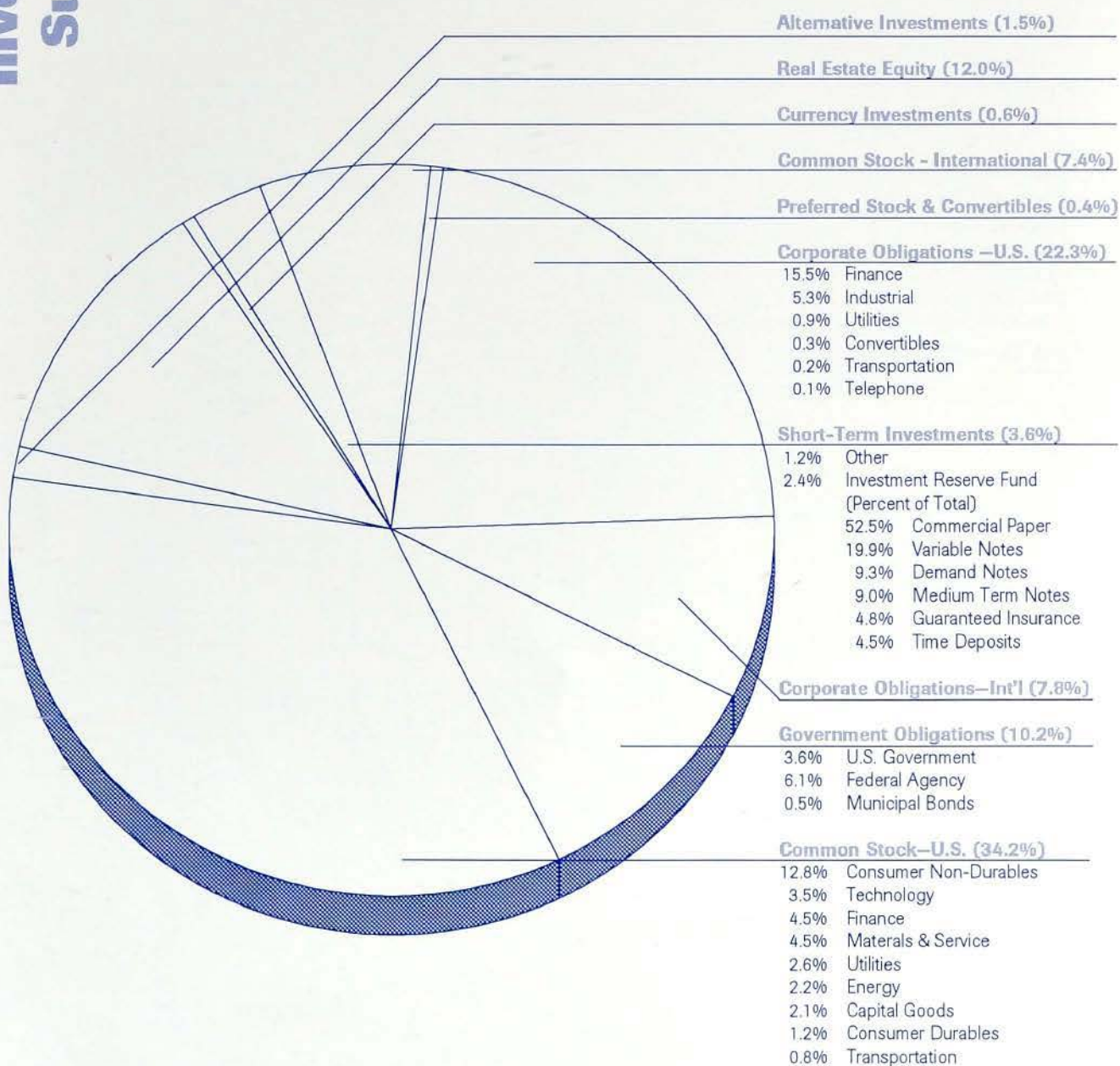
	<i>Book Value</i>	<i>Percent of Total Book Value</i>	<i>Market Value</i>	<i>Percent of Total Market Value</i>
BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS				
U.S. Government	\$ 369,653,545	3.7%	\$ 378,180,045	3.6%
Federal Agency	606,292,499	6.1	643,549,121	6.1
Municipal Bonds	48,986,917	0.5	49,413,560	0.5
Total Government Obligations	1,024,932,961	10.3	1,071,142,726	10.2
Corporate Obligations				
Finance	1,598,515,826	16.2	1,630,277,101	15.5
Industrial and Miscellaneous	548,701,875	5.6	554,047,400	5.3
Public Utilities	89,905,223	0.9	92,708,111	0.9
Transportation	19,146,760	0.2	19,615,990	0.2
Telephone	7,478,680	0.1	7,857,275	0.1
Convertible Issues	34,466,828	0.4	35,222,896	0.3
Total Corporate Obligation	2,298,215,192	23.4	2,339,728,773	22.3
International	746,005,214	7.6	820,809,110	7.8
Preferred Stock-U.S.	27,242,839	0.3	30,256,614	0.3
Preferred Stock-International	9,287,396	0.1	10,086,397	0.1
TOTAL BONDS, CORPORATE NOTES, PREFERRED STOCK AND GOVERNMENT OBLIGATIONS	4,105,683,602	41.7	4,272,023,620	40.7
COMMON STOCK - U.S.	2,864,314,628	29.0	3,591,720,104	34.2
COMMON STOCK - INTERNATIONAL	760,386,723	7.7	775,948,182	7.4
SHORT TERM INVESTMENTS*	377,973,945	3.8	379,866,026	3.6
REAL ESTATE EQUITY	1,516,409,808	15.4	1,257,007,574	12.0
ALTERNATIVE INVESTMENTS	168,371,678	1.7	160,447,963	1.5
CURRENCY INVESTMENT	72,699,372	0.7	56,700,855	0.6
TOTAL PORTFOLIO	\$ 9,865,839,756	100.0%	\$10,493,714,324	100.0%

* Includes accrued income and dividends totaling \$93,125,350

Investment Summary

Composition of Investments at Market Value

June 30, 1992



Summary Statistics

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

Book/Market Value Reconciliation

Fiscal Years Ending June 30 (Millions)						
	1988	1989	1990	1991	1992	Five Years 1988-1992
Beginning Book Value	6,092	6,684	7,272	8,080	8,747	6,092
Net Contributions Added	32	26	(6)	5	(49)	8
Investment Income	394	428	466	463	492	2,243
Net Realized Gain (Loss)	166	134	348	199	622	1,469
Ending Book Value	6,684	7,272	8,080	8,747	9,812	9,812
Unrealized Gain (Loss) - Beginning of Period	866	371	817	844	706	866
Unrealized Gain (Loss) - During Period	(495)	446	27	(138)	(79)	(239)
Ending Market Value	7,055	8,089	8,924	9,453	10,439*	10,439*

*Includes miscellaneous liabilities of \$54 million.

Performance Summary

Annualized Percent for Periods Ending June 30, 1992

	1988	1989	1990	1991	1992	Annualized	
						3 Years	5 Years
Total Time-Weighted return							
- TRS	0.9	14.4	10.4	5.9	10.8	9.0	8.4
- CPI	4.0	5.1	4.7	4.6	3.1	4.1	4.3
Common Stock - U.S.							
TRS	(6.3)	18.3	13.9	7.4	13.5	11.6	9.0
S&P 500	(6.8)	20.5	16.4	7.4	13.5	12.4	9.8
Wilshire 5000	(5.9)	19.5	13.3	7.0	13.9	11.2	9.1
Bonds - U.S.							
TRS	6.7	13.8	7.3	11.5	16.2	11.6	11.0
Salomon BIG	8.4	12.5	8.0	10.9	14.2	10.9	10.6
Common Stock-International							
TRS	(7.7)	12.9	20.9	(8.5)	3.2	5.0	3.9
EAFE Index	3.9	9.4	3.2	(11.5)	(0.3)	(3.1)	0.7
Real Estate	7.7	8.7	3.7	(2.0)	(7.3)	(2.0)	2.0
Alternative Investments	2.0	6.9	(0.3)	1.2	8.8	3.1	3.7
Short-Term							
TRS	7.3	9.3	8.5	6.2	3.8	6.1	7.0
91-day Treasury Bills	6.4	8.8	8.4	6.8	4.6	6.6	7.0
Income Rate of Return	5.9	6.5	6.5	6.2	6.8	6.5	6.4
Cash Return	9.5	9.4	12.4	10.3	14.3	12.3	11.2
Asset Allocation (Annual Average)							
Bonds	38.8	32.9	32.0	27.8	25.5	28.4	31.3
Common Stock - U.S.	40.6	40.8	41.8	39.7	41.8	41.1	40.9
Short Term	9.1	9.0	5.9	5.6	4.7	5.4	6.8
Other	11.5	17.3	20.3	26.9	28.0	25.0	20.6

BONDS, CORPORATE NOTES, AND PREFERRED STOCK

GOVERNMENT OBLIGATIONS

U.S. Government

U.S. Treasury Bonds
U.S. Treasury Notes

	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
	AAA	0.96	08-15-2015	\$ 6,860,000	\$ 1,041,211	\$ 1,053,216
	AAA	8.375	06-30-1992	12,825,000	13,118,102	12,825,000
	AAA	8.125	08-31-1992	4,255,000	4,345,479	4,284,232
	AAA	8.750	09-30-1992	2,170,000	2,210,978	2,195,758
	AAA	8.125	09-30-1992	6,100,000	6,205,918	6,162,891
	AAA	9.750	10-15-1992	14,490,000	14,993,430	14,729,954
	AAA	7.000	01-31-1993	4,970,000	5,060,191	5,056,975
	AAA	8.000	08-15-1993	2,350,000	2,453,887	2,445,457
	AAA	6.000	10-31-1993	12,320,000	12,502,332	12,570,219
	AAA	8.875	02-15-1994	11,045,000	11,778,457	11,773,308
	AAA	9.500	05-15-1994	15,600,000	16,720,989	16,896,672
	AAA	8.625	01-15-1995	1,000,000	1,050,938	1,079,690
	AAA	8.500	05-15-1995	8,300,000	8,745,750	8,976,948
	AAA	7.500	02-29-1996	6,000,000	6,178,125	6,326,220
	AAA	7.750	03-31-1996	10,000,000	10,321,953	10,625,000
	AAA	9.375	04-15-1996	26,660,000	29,364,083	29,767,490
	AAA	8.000	10-15-1996	2,000,000	2,004,375	2,140,620
	AAA	7.250	11-15-1996	12,000,000	11,500,391	12,510,000
	AAA	8.000	01-15-1997	2,000,000	1,997,500	2,141,880
	AAA	6.250	01-31-1997	5,000,000	4,921,875	5,012,500
	AAA	6.875	03-31-1997	10,000,000	9,971,875	10,253,100
	AAA	6.750	05-31-1997	2,000,000	2,011,250	2,038,120
	AAA	8.500	07-15-1997	3,000,000	3,101,250	3,277,500
	AAA	8.875	11-15-1997	5,600,000	5,651,625	6,214,264
	AAA	8.125	02-15-1998	7,600,000	7,618,463	8,172,356
	AAA	8.250	07-15-1998	3,000,000	3,054,375	3,241,860
	AAA	6.375	01-15-1999	2,000,000	1,919,375	1,965,620
	AAA	8.875	02-15-1999	95,000	101,873	105,598
	AAA	9.125	05-15-1999	1,205,000	1,257,681	1,355,625
	AAA	8.875	05-15-2000	2,200,000	2,287,796	2,448,864
	AAA	8.750	08-15-2000	6,600,000	6,988,761	7,299,204
	AAA	8.500	11-15-2000	2,000,000	2,040,000	2,180,000
	AAA	7.750	02-15-2001	1,000,000	985,156	1,041,560
	AAA	11.625	11-15-2004	6,240,000	8,082,469	8,322,600
	AAA	12.000	05-15-2005	760,000	1,012,700	1,041,671
	AAA	10.750	08-15-2005	7,470,000	9,126,341	9,489,216
	AAA	10.375	11-15-2009	2,000,000	2,389,801	2,443,120
	AAA	10.375	11-15-2012	3,250,000	3,623,871	4,040,140
	AAA	12.000	08-15-2013	15,574,000	21,445,975	21,720,902
	AAA	11.250	02-15-2015	2,870,000	3,756,342	3,906,788
	AAA	9.250	02-15-2016	7,990,000	9,083,400	9,190,977
	AAA	7.250	05-15-2016	6,500,000	5,886,633	6,087,640
	AAA	7.500	11-15-2016	6,500,000	6,008,477	6,256,250
	AAA	8.750	05-15-2017	14,190,000	15,417,252	15,586,864
	AAA	8.875	08-15-2017	7,160,000	7,632,620	7,960,989
	AAA	8.125	08-15-2019	3,400,000	3,497,219	3,505,196
	AAA	8.750	08-15-2020	1,350,000	1,488,797	1,489,644
	AAA	8.125	05-15-2021	4,000,000	3,955,000	4,135,000
	AAA	8.125	08-15-2021	14,900,000	15,039,203	15,412,113
	AAA	8.000	11-15-2021	13,000,000	13,062,746	13,304,720
	AAA	7.875	08-15-2001	4,000,000	4,087,708	4,190,000
	AAA	7.500	11-15-2001	6,000,000	6,093,750	6,129,360
	AAA	0	05-15-1995	5,500,000	4,583,590	4,712,895
	AAA	0	02-15-1998	2,980,000	1,960,155	2,052,654
	AAA	0	08-15-1999	2,040,000	1,189,432	1,234,220
	AAA	0	11-15-1999	1,850,000	1,002,090	1,097,457
	AAA	0	05-15-2015	10,970,000	1,738,670	1,711,320
	AAA	0	08-15-2017	6,750,000	872,910	885,533
	AAA	0	02-15-2018	32,500,000	4,110,950	4,105,075

Total U.S. Government

\$ 401,989,000 \$ 369,653,545 \$ 378,180,045

Federal Agency

Federal Home Loan Mortgage

AAA	8.000 %	07-01-2000	\$ 834,337	\$ 795,097	\$ 860,669
AAA	11.000	12-01-2000	441,527	447,046	473,397
AAA	8.250	06-01-2001	790,862	759,969	817,007
AAA	8.000	08-01-2001	834,063	794,837	860,386
AAA	8.000	03-01-2002	1,287,137	1,226,601	1,327,759
AAA	8.000	04-01-2002	625,653	596,227	645,398
AAA	8.000	06-01-2002	1,042,191	994,328	1,075,082
AAA	8.000	11-01-2002	991,934	948,679	1,049,277
AAA	8.500	07-01-2003	15,350	14,664	16,040
AAA	8.000	04-01-2004	1,979,067	2,058,230	2,043,387
AAA	6.750	09-01-2004	491,737	449,709	492,195
AAA	8.500	10-01-2004	227,516	217,349	236,440
AAA	8.500	10-01-2004	9,199,808	9,549,113	9,576,356
AAA	8.000	02-01-2005	219,197	208,948	226,114
AAA	8.000	02-01-2005	1,061,888	1,012,181	1,095,401
AAA	8.500	08-01-2005	11,403	10,894	11,918
AAA	8.500	12-01-2005	436,767	417,249	453,897
AAA	8.500	07-01-2006	72,508	75,409	75,907
AAA	8.500	08-01-2006	351,589	365,653	368,068
AAA	8.500	11-01-2006	248,001	257,921	259,624
AAA	8.500	12-01-2006	347,689	361,597	363,985
AAA	8.500	01-01-2007	81,063	84,305	84,381
AAA	8.500	01-01-2007	316,168	328,815	330,987
AAA	6.250	02-01-2007	596,190	532,379	599,356
AAA	8.500	02-01-2007	472,727	491,636	494,884
AAA	8.500	10-01-2007	704,214	672,744	733,925
AAA	8.250	10-01-2007	309,664	296,019	317,737
AAA	8.500	12-01-2007	30,338	28,982	31,618

GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Federal Home Loan Mortgage (continued)						
	AAA	8.500 %	12-01-2007	\$ 107,574	\$ 102,767	\$ 111,793
	AAA	8.500	01-01-2008	23,999	22,927	25,012
	AAA	8.500	02-01-2008	101,618	97,077	105,603
	AAA	8.500	02-01-2008	318,508	304,275	331,000
	AAA	8.500	03-01-2008	38,491	36,771	40,115
	AAA	8.500	04-01-2008	34,458	32,918	36,013
	AAA	8.500	05-01-2008	1,546,896	1,477,578	1,611,952
	AAA	7.250	05-01-2008	750,177	692,038	761,189
	AAA	6.250	06-01-2008	588,634	520,758	591,760
	AAA	8.500	08-01-2008	18,674	17,839	19,462
	AAA	8.500	08-01-2008	240,947	245,465	250,491
	AAA	8.500	09-01-2008	15,032	14,360	15,710
	AAA	8.500	09-01-2008	49,926	47,695	52,033
	AAA	8.500	09-01-2008	332,723	317,854	346,760
	AAA	8.500	09-01-2008	558,084	533,145	583,198
	AAA	8.500	11-01-2008	523,494	500,100	545,580
	AAA	6.750	11-01-2008	696,406	619,366	688,348
	AAA	8.500	12-01-2008	667,257	637,439	695,408
	AAA	8.500	12-01-2008	259,974	248,357	271,592
	AAA	6.750	12-01-2008	745,261	663,515	736,638
	AAA	8.500	01-01-2009	44,500	42,511	46,245
	AAA	6.750	01-01-2009	872,818	772,307	847,445
	AAA	8.500	04-01-2009	176,085	168,217	183,515
	AAA	8.500	04-01-2009	2,326,688	2,222,715	2,424,851
	AAA	8.500	05-01-2009	1,704,063	1,627,913	1,775,957
	AAA	8.000	06-01-2009	3,183,734	2,944,954	3,329,485
	AAA	10.000	07-01-2009	468,986	499,031	502,106
	AAA	8.500	07-01-2009	256,093	244,649	266,898
	AAA	10.000	09-01-2009	24,154	21,920	25,860
	AAA	8.500	10-01-2009	74,729	71,390	77,660
	AAA	8.500	12-01-2009	21,510	20,549	22,353
	AAA	8.500	12-01-2009	363,496	347,252	378,831
	AAA	10.000	12-01-2009	44,895	47,771	48,126
	AAA	8.500	12-01-2009	45,464	43,432	47,247
	AAA	8.500	01-01-2010	232,870	222,463	242,003
	AAA	10.000	02-01-2010	563,443	599,539	603,994
	AAA	8.500	04-01-2010	41,820	39,952	43,585
	AAA	10.000	04-01-2010	626,785	666,939	671,895
	AAA	8.500	08-01-2010	532,932	509,117	553,834
	AAA	8.500	08-01-2010	365,012	348,701	381,485
	AAA	8.500	09-01-2010	247,646	236,580	258,094
	AAA	10.000	10-01-2010	289,246	307,776	309,672
	AAA	8.500	10-01-2010	724,407	692,035	754,970
	AAA	10.000	01-01-2011	51,209	54,489	54,825
	AAA	8.500	02-01-2011	81,377	77,740	85,014
	AAA	10.500	04-01-2011	263,426	235,108	284,993
	AAA	10.000	07-01-2011	260,804	277,512	279,222
	AAA	9.500	04-01-2012	2,618,494	2,618,494	2,786,235
	AAA	8.500	01-01-2013	170,608	162,984	177,806
	AAA	8.500	06-01-2015	230,546	220,244	240,849
	AAA	10.000	01-01-2016	2,566,017	2,574,036	2,747,229
	AAA	9.500	05-01-2016	611,409	640,642	654,299
	AAA	10.000	05-01-2016	1,025,867	1,040,293	1,098,314
	AAA	8.500	08-01-2016	339,658	346,026	350,378
	AAA	9.500	09-01-2016	66,865	70,062	71,556
	AAA	9.500	10-01-2016	628,191	658,227	672,259
	AAA	9.500	11-01-2016	953,201	998,775	1,010,088
	AAA	8.500	01-01-2017	183,062	186,495	188,840
	AAA	8.500	01-01-2017	364,064	370,891	375,554
	AAA	8.500	01-01-2017	348,357	354,888	359,351
	AAA	8.000	03-01-2017	109,803	97,519	112,960
	AAA	8.000	03-01-2017	181,826	162,450	187,053
	AAA	7.000	04-01-2017	2,358,813	2,133,251	2,377,235
	AAA	8.500	05-01-2017	2,992,842	2,860,184	3,103,667
	AAA	8.500	05-01-2017	670,849	683,428	696,107
	AAA	8.500	05-01-2017	817,267	832,591	847,531
	AAA	8.500	05-01-2017	657,838	670,172	678,599
	AAA	8.500	05-01-2017	653,223	665,471	673,839
	AAA	8.000	05-01-2017	445,480	398,009	458,007
	AAA	8.500	05-01-2017	268,835	273,875	277,319
	AAA	8.500	05-01-2017	247,104	251,737	254,902
	AAA	8.500	06-01-2017	1,715,174	1,638,527	1,782,443
	AAA	8.000	07-01-2017	6,503,543	5,930,418	6,690,520
	AAA	8.500	07-01-2017	573,290	584,039	591,383
	AAA	8.500	07-01-2017	433,836	441,970	447,528
	AAA	8.000	08-01-2017	514,070	456,559	528,850
	AAA	8.500	09-01-2017	1,393,956	1,420,093	1,437,949
	AAA	8.000	07-01-2018	872,073	774,510	897,145
	AAA	9.500	09-01-2019	208,761	218,742	221,220
	AAA	9.000	06-01-2021	3,844,018	3,836,811	4,072,237
	AAA	8.850	03-15-2008	3,000,000	2,987,051	3,168,750
	AAA	9.000	09-15-2008	3,045,000	3,039,943	3,233,425
	AAA	7.500	04-01-1997	1,657,505	1,702,050	1,738,308
	AAA	7.500	06-01-1999	1,268,001	1,288,606	1,329,816
	AAA	8.000	01-01-2002	492,874	470,258	508,429
	AAA	8.500	10-01-2002	301,719	313,788	315,861
	AAA	8.500	06-01-2003	1,748,855	1,784,379	1,830,824
	AAA	9.500	05-01-2006	1,623,813	1,674,558	1,721,746
	AAA	8.500	08-01-2006	1,928,831	1,946,010	2,019,236
	AAA	8.000	11-01-2006	1,677,502	1,686,413	1,732,021
	AAA	8.500	12-01-2006	114,367	118,941	119,727
	AAA	8.500	01-01-2007	980,536	1,019,757	1,026,493
	AAA	8.500	01-01-2007	75,858	78,892	79,413
	AAA	8.500	02-01-2007	2,203,670	2,291,817	2,293,867
	AAA	8.000	03-01-2007	683,419	698,795	704,987
	AAA	7.500	06-01-2007	490,000	490,459	495,052
	AAA	8.500	11-15-2018	933,781	940,493	967,332
	AAA	9.500	03-01-2021	1,246,102	1,304,123	1,328,257
	AAA	8.000	05-01-2021	1,866,478	1,802,318	1,927,138

Federal Home Loan Mortgage Gold

GOVERNMENT OBLIGATIONS (continued)		MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)							
Federal Home Loan Mortgage Gold (continued)		AAA	8.500 %	06-01-2021	\$ 741,117	\$ 746,444	\$ 767,745
		AAA	8.500	09-01-2021	999,222	990,479	1,046,056
		AAA	8.500	09-01-2021	988,415	979,766	1,034,742
		AAA	9.000	04-01-2022	1,915,712	1,973,782	2,029,448
Federal Home Loan Mortgage Multiclass		AAA	4.600	12-15-2021	5,038,839	5,026,242	5,046,700
		AAA	19.840	09-15-1996	2,427,705	2,778,895	2,782,757
		AAA	7.500	09-15-2005	20,710,000	19,956,027	20,706,065
		AAA	10.750	11-30-2005	4,455,348	4,820,130	4,845,191
		AAA	12.520	03-15-2007	7,131,250	5,902,607	6,774,688
		AAA	7.250	01-15-2020	14,526,000	13,540,956	14,058,408
		AAA	9.500	01-15-2020	13,926,254	14,301,900	15,040,354
		AAA	9.500	01-15-2021	10,641,873	11,029,304	11,386,804
		AAA	4.440	06-15-2022	17,205,653	17,194,899	17,205,653
		AAA	4.450	04-15-2023	13,093,431	13,093,431	13,109,798
Federal Housing Authority		AAA	8.400	06-01-2007	1,287,163	1,177,684	1,319,342
		AAA	7.430	06-01-2019	7,722,870	7,593,754	7,655,295
Federal National Mortgage Association		AAA	8.500	07-16-2007	3,714,000	3,868,363	3,846,311
		AAA	7.500	05-01-1992	883,337	888,306	905,421
		AAA	8.500	10-01-1997	17,832	18,350	18,651
		AAA	8.500	04-01-1998	288,884	297,280	308,202
		AAA	8.500	06-01-1998	23,376	24,055	24,450
		AAA	8.500	08-01-1998	607,099	624,743	634,983
		AAA	8.500	08-01-1998	439,698	452,477	459,894
		AAA	8.500	12-01-1998	478,460	492,365	500,435
		AAA	8.500	01-01-1999	96,216	99,012	100,635
		AAA	7.500	05-01-1999	506,318	509,166	518,976
		AAA	7.500	05-01-1999	477,882	480,570	489,829
		AAA	7.500	05-01-1999	540,144	543,183	553,648
		AAA	7.500	05-01-1999	438,202	440,667	449,157
		AAA	7.500	05-01-1999	523,809	526,755	536,904
		AAA	7.500	05-01-1999	496,362	499,154	508,771
		AAA	7.500	05-01-1999	536,178	539,194	549,583
		AAA	7.500	05-01-1999	468,024	470,657	458,954
		AAA	4.369	05-25-2001	7,438,463	7,424,516	7,417,487
		AAA	7.500	09-01-2002	1,759,021	1,662,275	1,772,759
		AAA	8.000	01-01-2005	3,982,449	3,758,436	4,103,157
		AAA	8.000	02-01-2005	818,349	772,317	843,153
		AAA	8.000	02-01-2005	932,537	880,082	960,802
		AAA	8.000	02-01-2005	1,018,351	961,069	1,049,217
		AAA	8.000	03-01-2005	1,459,087	1,377,014	1,511,060
		AAA	8.000	04-01-2005	3,448,537	3,254,557	3,553,062
		AAA	8.000	04-01-2005	1,143,712	1,079,378	1,178,378
		AAA	8.250	06-01-2005	1,213,657	1,162,835	1,252,336
		AAA	8.000	06-01-2005	163,952	154,729	168,921
		AAA	8.000	09-01-2006	1,900,227	1,875,287	1,957,823
		AAA	8.000	12-01-2006	824,811	829,966	849,811
		AAA	8.750	04-01-2007	871,636	851,208	912,900
		AAA	7.500	05-25-2007	3,521,875	3,054,297	2,890,121
		AAA	7.500	06-01-2007	975,001	973,935	999,376
		AAA	8.250	07-01-2008	1,202,898	1,147,640	1,229,951
		AAA	8.500	08-01-2008	360,382	360,084	378,005
		AAA	8.250	10-01-2008	496,208	476,515	512,023
		AAA	9.500	12-01-2008	229,135	231,162	244,670
		AAA	8.500	01-01-2009	436,866	424,443	463,760
		AAA	7.000	05-01-2009	3,054,451	2,817,731	3,100,268
		AAA	8.500	06-01-2009	542,884	527,446	569,431
		AAA	8.250	09-01-2009	655,403	625,910	662,363
		AAA	8.500	09-01-2009	35,395	34,388	37,126
		AAA	8.500	01-01-2010	130,249	128,078	136,313
		AAA	10.000	08-01-2010	133,017	134,089	143,284
		AAA	8.500	03-01-2011	120,236	117,498	126,115
		AAA	11.500	03-01-2011	79,101	84,391	87,579
		AAA	11.500	08-01-2011	356,183	380,002	394,358
		AAA	13.250	09-01-2011	220,062	234,299	248,875
		AAA	12.750	10-01-2011	2,630,024	2,836,317	2,954,648
		AAA	15.750	12-01-2011	756,643	795,421	873,204
		AAA	8.500	03-01-2012	11,256	11,078	11,780
		AAA	14.750	08-01-2012	2,147,380	2,366,910	2,456,731
		AAA	15.750	08-01-2012	1,069,140	1,134,124	1,233,841
		AAA	16.000	09-01-2012	451,536	480,321	516,584
		AAA	16.000	09-01-2012	41,574	43,790	47,564
		AAA	16.000	09-01-2012	468,730	496,854	536,255
		AAA	11.500	07-01-2014	41,692	44,480	46,160
		AAA	11.500	01-01-2015	864,181	921,974	956,804
		AAA	11.500	02-01-2015	228,336	243,606	252,809
		AAA	8.500	04-01-2015	413,522	401,762	438,978
		AAA	11.500	10-01-2015	130,371	139,090	144,344
		AAA	11.500	10-01-2015	873,576	931,996	967,206
		AAA	9.500	11-01-2015	457,893	461,041	490,083
		AAA	11.500	11-01-2015	175,560	187,301	194,377
		AAA	11.000	12-01-2015	4,306,485	4,749,245	4,780,198
		AAA	11.500	01-01-2016	376,441	401,615	416,788
		AAA	11.500	01-01-2016	179,719	191,737	198,981
		AAA	10.000	04-01-2016	910,035	965,206	980,272
		AAA	9.500	09-01-2016	452,116	476,841	482,349
		AAA	9.500	12-01-2016	372,778	393,164	397,705
		AAA	7.500	04-01-2017	318,882	278,972	324,112
		AAA	8.000	05-01-2017	1,802,219	1,738,015	1,816,853
		AAA	7.500	05-01-2017	4,605,106	4,028,748	4,680,630
		AAA	9.000	06-01-2017	491,078	511,642	517,930
		AAA	10.000	11-01-2017	280,138	282,064	301,759
		AAA	10.000	12-01-2017	131,531	132,435	141,683
		AAA	9.500	05-01-2018	164,998	174,021	176,031
		AAA	8.750	08-01-2018	905,578	882,656	954,108
		AAA	0	12-25-2018	2,091,174	1,931,722	1,965,703
		AAA	9.500	01-01-2019	309,777	326,718	330,492
		AAA	11.500	04-01-2019	377,234	402,462	417,666
		AAA	11.500	05-01-2019	588,213	627,550	651,258
		AAA	11.500	06-01-2019	316,998	338,197	350,974

GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Federal National Mortgage Association Guaranteed (continued)	AAA	11.500 %	06-01-2019	\$ 44,426	\$ 47,397	\$ 49,187
	AAA	11.000	06-01-2019	410,239	420,366	450,618
	AAA	11.500	06-01-2019	58,178	62,069	64,414
	AAA	9.500	08-01-2019	289,392	305,218	308,743
	AAA	9.500	08-01-2019	810,086	848,059	864,257
	AAA	11.500	09-01-2019	48,584	51,833	53,791
	AAA	11.500	10-01-2019	58,328	62,229	64,580
	AAA	9.500	12-01-2019	178,299	188,050	190,222
	AAA	11.500	01-01-2020	81,076	86,498	89,766
	AAA	9.000	04-01-2020	601,464	626,651	634,353
	AAA	10.000	06-01-2020	698,729	741,089	752,657
	AAA	9.000	06-01-2020	403,526	420,424	425,591
	AAA	9.500	02-01-2021	1,700,649	1,780,367	1,814,371
	AAA	10.000	08-01-2021	2,688,383	2,851,366	2,895,873
	AAA	9.500	09-01-2021	903,021	935,755	963,406
	AAA	9.000	10-01-2021	2,857,556	2,926,316	3,013,807
	AAA	9.000	11-01-2021	1,875,776	1,933,221	1,978,343
	AAA	8.500	11-01-2021	1,816,485	1,830,109	1,879,481
	AAA	7.500	02-01-2022	447,588	435,000	438,914
	AAA	7.500	03-01-2022	102,211	99,336	100,230
	AAA	7.500	03-01-2022	425,201	413,242	416,961
	AAA	0	03-25-2022	7,918,098	5,837,123	5,995,504
	AAA	8.000	04-01-2022	999,185	985,446	1,007,299
	AAA	8.000	04-01-2022	1,657,887	1,635,091	1,671,349
	AAA	8.000	05-01-2022	998,985	985,249	1,007,096
	AAA	8.000	05-01-2022	998,395	984,667	1,006,502
	AAA	8.000	05-01-2022	999,051	985,314	1,007,164
	AAA	8.000	05-01-2022	1,033,764	1,019,550	1,042,158
	AAA	8.000	05-01-2022	999,279	985,539	1,007,393
	AAA	8.000	05-01-2022	999,186	985,448	1,007,300
	AAA	8.000	05-01-2022	999,100	985,362	1,007,212
	AAA	8.000	05-01-2022	999,400	985,658	1,007,515
	AAA	8.000	05-01-2022	999,175	985,436	1,007,288
	AAA	8.000	05-01-2022	999,349	985,608	1,007,464
	AAA	8.000	05-01-2022	964,900	951,633	972,735
	AAA	8.000	05-01-2022	999,529	985,786	1,007,646
	AAA	8.000	05-01-2022	999,763	986,017	1,007,882
	AAA	8.000	06-01-2022	975,001	974,696	982,918
Federal National Mortgage Association Debenture Strips	AAA	0	03-09-2002	24,000,000	16,419,840	16,762,560
Federal National Mortgage Association Guaranteed Variable	AAA	7.755	10-01-2019	14,122,523	13,275,172	14,043,014
Federal National Mortgage Association Stripped	AAA	10.000	03-25-2018	6,473,923	1,662,989	1,893,622
	AAA	10.000	11-25-2018	9,745,229	2,503,306	2,856,521
	AAA	10.000	12-25-2018	43,552,069	11,432,418	12,765,982
	AAA	10.500	03-25-2021	6,837,426	1,914,479	1,965,760
FHLMC Multi Class Mortgage Partnership Certificate	AAA	10.000	Various	39,221,001	37,080,752	41,202,343
	AAA	9.450		4,000,000	4,021,875	4,292,480
	AAA	0		2,782,381	1,950,275	1,949,141
	AAA	10.000		10,000,000	9,868,750	10,800,000
	AAA	7.500		12,000,000	11,838,751	12,140,600
	AAA	9.500		3,424,653	3,279,965	3,503,831
FNMA Guaranteed REMIC Pass Thru Certificate	AAA	6.861		537,237	535,559	540,423
	AAA	0		15,000,000	9,516,300	10,848,300
	AAA	8.500		35,685,329	33,495,697	37,238,355
GMAC Mortgage KGKOG Mortgage Pool	NR	5.018	04-25-1993	394,571	248,728	395,313
Government Backed Trust	AAA	0	05-15-1996	5,000,000	3,560,550	3,948,950
	AAA	9.625	05-15-2002	6,000,000	6,308,700	6,758,820
Government National Mortgage Association	AAA	10.500	12-15-1997	279,024	287,656	299,513
	AAA	10.500	05-15-1998	118,570	122,238	127,277
	AAA	10.500	07-15-1998	82,070	84,609	88,096
	AAA	8.750	07-15-2001	845,183	798,698	862,087
	AAA	9.250	10-15-2002	1,011,101	969,393	1,061,656
	AAA	9.250	10-15-2002	1,290,098	1,236,881	1,354,603
	AAA	8.750	06-15-2003	2,132,120	2,038,840	2,174,762
	AAA	8.500	02-15-2006	184,368	176,648	184,191
	AAA	8.000	08-15-2006	381,007	365,915	391,972
	AAA	8.000	09-15-2006	52,167	50,100	53,668
	AAA	8.000	10-15-2006	82,555	79,285	84,931
	AAA	8.000	11-15-2006	281,812	270,649	289,922
	AAA	8.000	05-15-2007	797,591	808,059	826,001
	AAA	8.500	07-15-2008	431,694	413,616	455,773
	AAA	8.500	08-15-2008	584,324	559,855	616,917
	AAA	9.000	09-15-2008	104,124	102,285	111,949
	AAA	9.000	09-15-2008	124,266	122,122	133,604
	AAA	9.000	01-15-2009	30,196	29,662	32,465
	AAA	9.000	02-15-2009	526,822	517,520	566,413
	AAA	9.000	03-15-2009	11,529	11,325	12,395
	AAA	9.000	06-15-2009	676,185	664,246	727,000
	AAA	9.500	07-15-2009	238,299	241,874	259,484
	AAA	8.500	08-15-2009	1,955,203	1,873,329	2,064,264
	AAA	9.500	08-15-2009	429,239	435,678	467,399
	AAA	9.500	08-15-2009	422,007	428,337	459,524
	AAA	9.500	10-15-2009	319,395	324,186	347,789
	AAA	10.000	11-15-2009	1,032,986	1,098,516	1,124,664
	AAA	13.500	05-15-2010	26,900	27,546	31,339
	AAA	13.500	05-15-2010	18,800	18,846	21,902
	AAA	13.500	05-15-2010	11,348	12,277	13,220
	AAA	13.500	05-15-2010	2,504	2,709	2,917
	AAA	13.500	06-15-2010	1,654	1,798	1,969
	AAA	13.500	06-15-2010	38,034	41,077	44,310
	AAA	13.500	06-15-2010	26,913	29,116	31,354
	AAA	10.000	11-15-2010	705,110	749,841	767,689
	AAA	13.000	12-15-2010	146,469	156,813	168,439
	AAA	13.000	12-15-2010	24,707	26,452	28,413
	AAA	13.500	02-15-2011	61,511	66,547	71,660
	AAA	13.500	02-15-2011	22,977	24,858	26,768
	AAA	13.500	02-15-2011	52,354	56,543	60,993
	AAA	13.500	03-15-2011	50,865	55,030	59,258
	AAA	13.500	03-15-2011	43,939	47,536	51,188
	AAA	13.500	03-15-2011	46,752	50,492	54,466

GOVERNMENT OBLIGATIONS (continued)

Federal Agency (continued)

Government National Mortgage Association (continued)

MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
AAA	13.500 %	03-15-2011	\$ 41,000	\$ 44,357	\$ 47,765
AAA	13.500	03-15-2011	101,670	109,994	118,445
AAA	13.500	03-15-2011	19,600	21,205	22,834
AAA	13.500	03-15-2011	127,543	137,746	148,587
AAA	13.500	03-15-2011	57,842	62,579	67,387
AAA	13.500	04-15-2011	12,160	13,155	14,166
AAA	13.500	04-15-2011	8,896	9,321	10,363
AAA	13.500	04-15-2011	35,525	38,434	41,387
AAA	13.500	04-15-2011	13,074	13,074	15,232
AAA	13.500	04-15-2011	3,626	3,923	4,224
AAA	13.500	04-15-2011	140,818	152,347	164,052
AAA	13.500	05-15-2011	1,862	2,027	2,215
AAA	13.500	05-15-2011	34,060	36,785	39,680
AAA	13.000	07-15-2011	79,985	85,634	91,982
AAA	13.500	11-15-2011	14,932	14,932	17,396
AAA	13.500	03-15-2012	1,442	1,560	1,717
AAA	13.000	10-15-2012	18,208	19,491	20,940
AAA	13.000	11-15-2012	103,169	110,412	118,645
AAA	13.000	11-15-2012	22,273	23,832	25,614
AAA	11.500	02-15-2013	165,285	176,131	188,991
AAA	10.000	03-15-2013	381,885	349,717	413,390
AAA	10.000	03-15-2013	320,158	293,229	346,571
AAA	11.250	07-15-2013	186,384	193,898	205,081
AAA	11.250	07-15-2013	247,338	257,309	272,149
AAA	11.250	07-15-2013	160,978	167,467	177,126
AAA	11.250	07-15-2013	276,004	287,131	303,690
AAA	11.250	10-15-2013	215,064	223,734	236,637
AAA	11.500	10-15-2013	20,522	21,868	23,465
AAA	12.750	11-15-2013	124,031	130,930	142,791
AAA	12.750	11-15-2013	119,142	125,769	137,162
AAA	12.750	11-15-2013	145,236	153,315	167,203
AAA	12.750	12-15-2013	230,176	242,980	264,990
AAA	12.000	01-15-2014	25,643	26,420	29,682
AAA	12.000	04-15-2014	10,762	10,641	12,456
AAA	13.500	07-15-2014	4,183	4,545	4,977
AAA	11.250	08-15-2015	37,380	38,886	41,130
AAA	11.250	08-15-2015	97,552	101,470	107,338
AAA	11.250	08-15-2015	80,891	84,152	89,006
AAA	11.250	08-15-2015	47,721	49,644	52,508
AAA	11.250	08-15-2015	229,916	239,184	252,979
AAA	11.250	08-15-2015	217,739	226,512	239,581
AAA	11.250	08-15-2015	95,946	99,813	105,570
AAA	11.500	09-15-2015	986,241	1,025,074	1,127,698
AAA	11.250	09-15-2015	46,866	48,754	51,567
AAA	11.250	09-15-2015	104,210	108,406	114,664
AAA	11.250	09-15-2015	76,169	79,239	83,809
AAA	11.250	09-15-2015	462,005	480,628	508,349
AAA	11.250	09-15-2015	246,561	256,493	271,293
AAA	11.250	09-15-2015	83,308	86,867	91,665
AAA	11.250	09-15-2015	43,063	44,799	47,383
AAA	11.250	09-15-2015	245,994	255,909	270,669
AAA	11.250	09-15-2015	117,847	122,593	129,668
AAA	11.250	10-15-2015	102,591	106,723	112,882
AAA	11.250	10-15-2015	134,756	140,186	148,274
AAA	11.250	10-15-2015	280,676	291,983	308,830
AAA	11.250	10-15-2015	201,482	209,602	221,693
AAA	11.250	10-15-2015	172,997	179,967	190,351
AAA	11.000	11-15-2015	378,325	396,147	421,711
AAA	11.500	11-15-2015	348,648	371,528	398,655
AAA	11.250	11-15-2015	121,258	126,143	133,421
AAA	11.250	11-15-2015	100,417	104,462	110,490
AAA	11.250	11-15-2015	166,063	172,743	182,720
AAA	11.250	12-15-2015	197,343	205,291	217,138
AAA	11.000	01-15-2016	34,318	36,013	38,254
AAA	11.000	01-15-2016	322,861	338,803	359,887
AAA	11.250	01-15-2016	127,275	132,404	140,042
AAA	9.000	05-15-2016	1,402,443	1,334,950	1,487,894
AAA	9.000	06-15-2016	493,924	486,978	524,018
AAA	9.500	08-15-2016	843,164	848,697	906,131
AAA	9.000	09-15-2016	1,518,596	1,474,936	1,611,124
AAA	9.500	10-15-2016	122,979	123,364	132,163
AAA	9.500	11-15-2016	1,664,404	1,669,605	1,788,701
AAA	9.500	11-15-2016	2,160,975	2,167,727	2,322,357
AAA	9.500	01-15-2017	693,959	696,128	745,784
AAA	8.500	02-15-2017	816,970	777,908	848,881
AAA	8.500	02-15-2017	854,501	824,326	887,878
AAA	8.500	02-15-2017	2,314,723	2,192,477	2,405,137
AAA	8.000	03-15-2017	970,027	940,320	980,940
AAA	8.000	03-15-2017	932,994	904,422	943,491
AAA	9.000	06-15-2017	1,455,380	1,335,766	1,544,056
AAA	9.500	06-15-2017	148,763	149,228	159,872
AAA	9.500	07-15-2017	675,944	671,086	726,423
AAA	8.000	07-15-2017	942,069	913,219	952,667
AAA	9.500	08-15-2017	102,876	103,198	110,559
AAA	9.500	08-15-2017	92,269	92,557	99,159
AAA	9.000	08-15-2017	844,368	781,304	895,815
AAA	9.500	08-15-2017	2,785,863	2,893,379	2,993,911
AAA	9.000	10-15-2017	913,403	838,333	969,057
AAA	9.500	11-15-2017	123,417	123,802	132,633
AAA	9.500	01-15-2018	59,546	59,732	63,993
AAA	9.000	03-15-2018	834,792	772,443	885,855
AAA	9.000	05-15-2018	831,813	807,899	882,496
AAA	9.500	01-15-2019	64,905	65,108	69,752
AAA	11.500	05-15-2019	230,238	239,303	263,261
AAA	11.000	06-15-2019	345,721	362,791	385,369
AAA	10.500	06-15-2019	391,265	405,562	430,024
AAA	11.000	07-15-2019	215,053	225,671	239,715
AAA	11.000	07-15-2019	537,605	564,149	599,257
AAA	11.000	07-15-2019	325,625	341,703	362,968

GOVERNMENT OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Federal Agency (continued)						
Government National Mortgage Association (continued)	AAA	11.000 %	08-15-2019	\$ 154,089	\$ 161,697	\$ 171,760
	AAA	11.000	08-15-2019	47,804	50,165	53,287
	AAA	11.000	08-15-2019	115,531	121,235	128,780
	AAA	11.000	09-15-2019	157,939	165,732	176,051
	AAA	11.000	09-15-2019	341,542	358,405	380,710
	AAA	9.500	10-15-2019	460,477	461,916	494,866
	AAA	9.500	07-15-2021	989,802	1,028,003	1,063,721
	AAA	10.000	09-15-2021	1,869,490	2,001,523	2,035,407
	AAA	10.000	09-15-2021	732,530	784,265	797,542
	AAA	8.000	06-15-2022	490,000	490,919	495,513
	AAA	7.500	06-15-2022	490,000	476,831	482,038
	AAA	9.625	05-15-2029	7,630,668	7,647,360	8,119,489
Government National Mortgage Association II	AAA	13.250	10-20-2014	68,526	74,051	78,634
	AAA	13.250	05-20-2015	21,125	22,107	24,241
	AAA	11.000	07-20-2019	1,068,469	1,099,188	1,178,981
	AAA	8.000	04-20-2022	229,718	225,339	230,579
	AAA	8.000	05-20-2022	979,268	960,601	982,940
	AAA	5.000	05-20-2022	973,759	923,245	855,214
Government Trust Certificates	AAA	8.550	11-15-1993	3,037,538	3,044,752	3,142,607
	AAA	9.450	05-15-1994	2,418,808	2,461,234	2,550,343
	AAA	0	11-15-1994	7,000,000	4,937,100	6,182,330
	AAA	8.875	05-15-1995	6,000,000	5,927,468	6,337,800
	AAA	8.550	11-15-1997	2,100,000	2,079,441	2,248,386
	AAA	0	11-15-2005	5,000,000	1,037,550	1,701,000
Inter American Development Bank	AAA	13.250	08-15-1994	1,000,000	1,148,930	1,155,370
Student Loan Marketing Association	AAA	3.970	12-30-1994	1,000,000	1,000,000	1,007,170
	AAA	4.168	11-27-1996	2,000,000	2,000,000	2,030,720
Tennessee Valley Authority	AAA	8.250	11-15-1996	1,500,000	1,500,234	1,605,930
Total Federal Agency				\$ 688,533,596	\$ 606,292,499	\$ 643,548,121
Municipal						
Security Pacific Corporation	NR	4.537	11-17-1993	\$ 49,000,000	\$ 48,986,917	\$ 49,413,560
Total Municipal				\$ 49,000,000	\$ 48,986,917	\$ 49,413,560
TOTAL GOVERNMENT OBLIGATIONS				\$1,139,522,596	\$ 1,024,932,861	\$ 1,071,142,726
CORPORATE OBLIGATIONS						
Finance						
Alaska Housing Finance Corporation	NR	9.620 %	10-15-1994	\$ 5,000,000	\$ 5,018,200	\$ 5,434,000
	AAA	8.700	11-01-2021	5,612,630	4,838,270	5,407,433
Associates Corporation Of North America	NR	8.650	11-09-1992	2,000,000	2,044,060	2,029,800
	A-1	8.850	10-01-1993	1,500,000	1,568,775	1,564,785
AFC Home Equity Loan Trust REMIC	AAA	8.400	09-15-2006	3,650,624	3,771,551	3,802,344
AFC Home Equity Loan Trust	AAA	7.750	02-15-2006	9,930,901	9,901,418	10,169,838
AMR Corporation Delaware	BAA1	8.625	08-15-1992	4,250,000	4,327,775	4,266,150
	BAA1	9.140	02-21-2012	3,600,000	2,983,740	3,140,250
Banc One Corporation	A2	8.740	09-15-2003	3,000,000	3,118,210	3,176,940
Bank New York Company Incorporated	NR	5.250	12-05-1997	6,800,000	6,508,000	6,664,000
Bank Of New York Master Credit Corporation	NR	7.950	04-15-1996	900,000	942,750	941,625
Bank Of New York Overseas Finance Nv	NR	5.250	01-24-1996	3,000,000	2,917,500	2,898,420
Bankamerica Corporation	A3	5.250	07-02-1996	3,000,000	2,859,000	2,910,000
Bankers Trust New York Corporation	NR	8.125	05-15-2002	3,000,000	3,022,950	3,059,040
	A2	9.000	08-01-2001	2,100,000	2,141,239	2,256,849
	A2	7.500	01-15-2002	3,500,000	3,296,090	3,419,745
Bear Stearns Mortgage Capital	NR	9.000	01-25-2021	558,943	541,476	577,807
Beneficial Corporation	A2	9.300	10-18-1993	1,500,000	1,566,705	1,578,510
British Gas Finance Incorporated	AAA	9.500	03-15-2018	1,000,000	998,750	1,076,580
Capitol Home Equity Trust Variable Rate	NR	4.450	12-15-1996	23,209,777	23,209,777	23,187,860
Capstead Securities Corporation III	AAA	8.500	05-25-2011	11,076,294	11,335,895	11,377,459
Caterpillar Financial Services Corporation	A3	8.950	07-03-1992	3,300,000	3,386,988	3,300,000
	NR	4.800	12-06-1993	30,000,000	30,000,000	30,000,000
	NR	5.007	01-19-1994	9,500,000	9,500,000	9,500,000
	NR	8.750	05-12-2000	8,000,000	8,079,440	8,600,000
Chase Manhattan Corporation	BAA3	15.500	11-01-1992	707,000	738,886	727,192
	BAA3	8.500	05-28-1996	1,900,000	1,888,600	1,881,000
Chase Manhattan Credit Card Master	AAA	8.750	08-15-1999	6,000,000	6,055,750	6,451,860
Chase Manhattan Credit Card Trust	NR	7.400	05-15-2000	4,000,000	4,091,875	4,093,720
Chase Manhattan Grantor Trust	AAA	6.900	09-15-1997	1,720,819	1,747,707	1,748,782
Chase Mortgage Finance Corporation	AA2	9.500	10-01-2024	1,972,842	1,959,895	2,071,484
	NR	8.250	10-25-2003	50,616,000	51,649,595	51,739,169
Chase Mortgage Finance Corporation REMIC	AA2	9.500	01-25-2004	10,465,953	10,649,107	10,652,351
Chemical New York Corporation	BA2	5.250	10-09-1997	3,000,000	2,880,000	2,867,550
Chrysler Financial Corporation	BA3	9.500	06-01-2008	7,000,000	7,005,320	7,031,920
Citicorp	NR	8.770	08-15-1992	5,000,000	4,969,000	5,019,650
	NR	4.875	02-14-1994	3,000,000	3,012,960	2,969,070
	NR	7.750	03-13-1995	5,000,000	4,989,000	5,170,150
	BAA2	6.400	09-01-1998	1,000,000	957,500	940,000
	NR	6.300	11-26-1997	1,000,000	853,500	855,110
Citicorp Banking Corporation	NR	5.250	07-10-1997	7,000,000	6,205,000	6,495,510
Citicorp Homeowners Incorporated	A-1	8.500	12-01-2016	2,338,488	2,201,833	2,338,488
	NR	9.500	09-01-2016	1,645,083	1,694,097	1,720,658
Citicorp Mortgage Securities Incorporated	A3	10.500	06-01-2019	3,799,362	3,831,419	4,039,215
	AA3	9.500	05-25-2004	13,500,000	13,820,625	13,879,755
	AA3	9.500	11-01-2004	30,413,503	29,852,754	32,057,657
Citicorp Person To Person Incorporated	BAA3	12.500	01-15-1996	6,000,000	6,118,200	6,120,000
	BAA3	4.920	05-10-1996	4,250,000	3,948,775	4,080,000
Collateralized Mortgage Obligation Trust	AAA	10.200	02-01-2016	18,766,860	18,938,763	20,268,209
Collateralized Mortgage Security Corporation	AAA	11.450	09-01-2015	13,948,093	14,884,720	15,063,941
	AAA	0	06-26-2018	5,000,000	2,328,050	2,818,550
	AAA	10.000	09-20-2021	248,449	8,571,497	8,851,003
Colonial Credit Card Trust	AAA	7.450	01-15-1998	1,500,000	1,510,313	1,568,895

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
Comcast Corporation	BAA1	2.750 %	04-15-2003	\$ 1,400,000	\$ 1,899,333	\$ 1,954,260
Commercial Credit Group Incorporated	A2	9.875	12-01-1995	1,525,000	1,674,130	1,679,132
Continental Corporation	A-1	8.250	04-15-1999	1,000,000	998,690	1,021,540
Cooperative Utility Trust	AAA	10.700	09-15-2017	3,500,000	3,500,000	4,232,585
CIT Group Holdings Incorporated	A-1	5.500	02-01-1994	2,000,000	1,991,840	2,001,880
	A-1	4.050	12-01-1992	30,000,000	29,970,000	30,000,000
	A-1	8.875	06-15-1996	2,000,000	2,099,440	2,155,540
CNA Financial Corporation	AA2	8.875	03-01-1998	2,000,000	2,102,520	2,148,320
Discover Card Trust	AAA	8.850	05-16-1996	1,425,000	1,484,793	1,491,790
	AAA	8.850	07-16-1998	5,000,000	5,139,063	5,321,850
Discover Credit Corporation	NR	5.000	02-07-1994	3,300,000	3,300,000	3,297,162
Dover Credit Card Trust	NR	8.250	10-15-1997	1,900,000	1,948,032	1,991,428
Drexel Burnham Lambert CMO Trust	AAA	8.950	04-20-2018	3,492,727	3,431,605	3,731,735
DBL Mortgage Funding Corporation	AA2	9.500	08-01-2019	2,961,126	2,869,979	3,111,966
DLJ Mortgage Acceptance Corporation Mortgage Pass Thru	AAA	8.304	09-01-2021	3,828,352	3,938,417	3,997,029
DLJ Mortgage Acceptance Corporation Mortgage Variable Rate	AAA	5.471	06-25-2022	6,980,066	7,032,416	7,049,867
European Investment Bank	AAA	12.625	10-15-1999	6,861,000	7,473,001	7,547,100
Financing Corporation	NR	10.700	10-06-2017	1,000,000	1,097,061	1,267,500
	NR	9.650	11-02-2018	1,300,000	1,420,913	1,510,431
First Bank System	NR	5.250	05-29-1997	1,500,000	1,416,750	1,445,355
	NR	5.250	11-13-1996	3,200,000	3,029,250	3,102,432
First Boston Mortgage Securities Corporation	AAA	8.250	07-25-2015	14,052,664	14,461,069	14,531,297
	BAA2	7.450	01-25-2019	9,376,853	9,614,199	9,658,159
First Chicago Corporation	BAA2	5.250	07-24-1996	2,000,000	1,902,500	1,920,000
	BAA1	5.250	02-07-1997	2,000,000	1,877,500	1,917,640
	A3	8.625	07-15-1992	6,000,000	6,098,620	6,002,940
	BAA1	9.875	08-15-2000	6,500,000	6,378,125	7,193,940
First Chicago Master Trust II	AAA	9.250	12-15-1996	500,000	535,234	539,375
	AAA	8.875	06-15-1995	2,500,000	2,807,813	2,598,425
	AAA	8.400	06-15-1998	5,000,000	4,979,688	5,312,500
First Interstate Bancorp	NR	8.700	07-18-1995	3,000,000	3,091,620	3,108,480
	BAA3	12.750	05-01-1997	4,750,000	5,530,473	5,710,450
	BAA2	10.875	04-15-2001	7,000,000	7,675,850	8,043,070
	NR	10.500	05-01-1994	20,000,000	20,549,600	21,231,800
First PV Funding Corporation	BA2	10.300	01-15-2014	2,000,000	2,005,000	2,035,900
Fleet Finance Home Equity Trust	AAA	8.450	04-17-2006	3,915,256	4,095,725	4,082,868
Fleet Financial Group Incorporated	BAA2	8.625	07-15-1992	4,000,000	4,060,000	4,002,440
Fleet/Norstar Financial Group Incorporated	BAA2	9.950	05-15-1993	20,000,000	20,113,800	20,805,200
	BAA2	7.850	12-15-1992	29,000,000	28,943,900	29,360,470
	BAA	9.900	06-03-1993	6,000,000	5,995,620	6,222,540
Ford Credit Auto Loan Master Trust	A2	6.875	01-15-1999	5,500,000	5,460,469	5,527,500
Ford Credit 1991-A Grantor Trust	A2	7.800	02-15-1996	10,112,997	10,406,892	10,416,387
Ford Motor Credit Company	A2	9.230	10-31-1995	3,000,000	3,142,170	3,238,500
	A2	10.750	12-03-1992	1,000,000	1,044,900	1,022,690
	A2	9.260	10-19-1992	1,200,000	1,216,248	1,201,884
	A2	8.300	02-01-1993	9,000,000	9,150,570	9,194,580
	A2	9.000	06-15-1993	1,000,000	998,400	1,032,340
	A2	8.800	09-17-1993	1,000,000	1,037,470	1,046,790
	A2	9.200	09-30-1993	4,450,000	4,647,847	4,683,937
	A2	9.450	05-20-1994	2,500,000	2,549,950	2,680,300
FBC Mortgage Securities Trust II	AAA	8.000	09-01-2016	5,516,365	5,028,329	5,626,692
Franklin Savings Association Capital Incorporated	NR	8.200	09-20-2001	1,147,657	1,159,134	1,146,223
General Electric Capital Corporation	AAA	8.300	09-20-2009	350,000	371,851	369,278
General Motors Acceptance Corporation	A-1	8.700	07-20-1992	3,000,000	3,045,600	3,004,590
	A-1	8.350	01-25-1993	1,500,000	1,534,500	1,530,075
	A-1	5.500	04-08-1993	10,000,000	10,062,500	10,057,400
	A-1	6.500	05-05-1993	18,000,000	17,996,760	18,257,400
	A-1	9.100	06-08-1993	1,000,000	1,032,140	1,038,770
	A-1	8.950	06-08-1993	6,400,000	6,519,168	6,639,616
	A-1	9.050	06-15-1993	7,000,000	7,170,170	7,273,840
	A-1	8.450	08-03-1993	500,000	512,745	517,440
	A-1	9.000	10-21-1993	5,000,000	5,202,500	5,227,900
	A-1	5.700	10-29-1993	2,000,000	2,006,500	2,010,060
	A-1	6.900	11-01-1993	7,000,000	7,002,240	7,139,580
	A-1	8.950	11-03-1993	3,000,000	3,131,250	3,137,250
	A-1	6.750	11-08-1993	1,000,000	1,018,530	1,018,140
	A-1	8.900	11-29-1993	18,500,000	19,316,405	19,441,280
	A-1	8.750	12-14-1993	14,000,000	14,495,880	14,699,860
	A-1	6.150	01-14-1994	8,600,000	8,551,410	8,703,200
	A-1	6.375	01-18-1994	3,500,000	3,496,570	3,553,270
	A-1	6.250	02-25-1994	8,000,000	7,930,160	8,103,520
	A-1	8.550	03-15-1994	2,900,000	3,018,929	3,042,825
	A-1	6.900	04-01-1994	8,750,000	8,749,825	8,950,813
	A2	8.000	04-15-1994	1,000,000	997,590	1,039,190
	A2	9.450	05-15-1994	1,800,000	1,899,486	1,917,396
	A-1	7.900	06-06-1994	6,000,000	6,152,280	6,260,940
	A-1	8.200	07-25-1994	7,500,000	7,743,525	7,875,375
	A-1	8.200	08-08-1994	3,500,000	3,377,290	3,666,565
	A-1	8.650	12-07-1994	15,000,000	15,654,750	15,953,250
	A2	8.750	01-01-1995	600,000	634,140	634,530
	A-1	8.700	05-01-1996	2,375,000	2,433,758	2,538,590
	A-1	8.800	07-03-1996	3,000,000	3,084,690	3,215,880
	A-1	8.800	07-08-1996	1,500,000	1,542,405	1,607,835
	A-1	7.750	02-20-1997	4,000,000	3,984,480	4,108,400
	A-1	7.900	05-01-1997	2,500,000	2,512,500	2,575,050
	A-1	7.900	05-05-1997	5,000,000	4,984,700	5,147,900
	A-1	5.550	05-15-1997	13,278,462	13,269,167	13,340,605
	A2	8.625	06-15-1999	3,061,000	3,180,379	3,258,312
	A2	8.400	10-15-1999	11,500,000	11,997,340	12,063,155
	AAA	8.250	11-15-1995	683,820	705,403	707,822
	A3	9.800	12-01-1993	7,000,000	7,226,100	7,369,600
Great Western Federal Savings Bank	NR	7.860	01-25-2022	5,767,838	5,930,058	6,011,183
Greenwich Capital Acceptance Incorporated	AAA	11.000	12-01-2015	6,997,471	7,109,022	7,597,015
Guaranteed Mortgage Corporation II	AA2	6.986	05-25-2020	2,254,442	2,262,896	2,272,771
Guardian Savings & Loan Association	AA2	9.810	07-25-2018	8,019,723	8,104,932	8,114,997
	AA2	8.209	01-25-2019	4,806,049	4,878,139	4,863,144
	AA2	6.919	02-25-2020	652,609	655,872	657,915
	AA2	6.875	03-25-2020	2,535,612	2,554,629	2,550,673
	AA2	7.222	01-25-2021	1,627,828	1,652,245	1,635,463

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
GCC Home Equity Trust	AA2	10.000 %	07-15-2005	\$ 6,695,845	\$ 7,125,843	\$ 7,198,033
GMAC Grantor Trust	AAA	6.750	06-15-1996	3,447,358	3,468,753	3,513,065
GMAC 1992-C Grantor Trust	AAA	5.950	02-15-1997	22,855,425	22,848,283	23,083,980
Heller Financial Incorporated	NR	4.120	08-28-1992	8,400,000	8,400,000	8,400,000
Heller (Walter E.) & Company	BAA1	12.375	10-15-1992	2,000,000	2,052,700	2,032,480
Home Owners Federal Savings & Loan Association	AA2	6.379	09-01-2017	4,711,755	4,739,731	4,805,990
Home Savings America	BAA1	10.250	12-05-1996	5,375,000	5,363,766	5,693,200
Household Finance Corporation Home Equity	AAA	4.260	10-08-2003	1,814,876	1,808,637	1,812,027
Household Finance Corporation	A3	8.550	10-01-1992	6,000,000	5,971,200	6,025,860
	A3	9.625	11-01-1992	2,500,000	2,576,600	2,532,625
	A3	7.500	08-01-1995	2,600,000	2,527,460	2,601,144
	A3	7.800	11-01-1996	4,000,000	4,082,120	4,103,360
Imperial Savings & Loan Association	AA2	8.800	01-25-2017	8,171,813	7,945,172	8,539,544
International Lease Finance Corporation	A2	7.400	06-01-1993	3,300,000	3,325,410	3,365,076
	A2	6.625	06-01-1996	22,255,000	22,109,007	22,309,525
	A2	8.350	10-01-1998	4,000,000	3,991,600	4,159,960
Ireland Republic	AA3	6.625	04-15-2001	1,000,000	989,650	1,062,430
Irving Bank Corporation	A3	6.125	07-01-1992	4,100,000	2,270,986	4,100,000
ITT Financial Corporation	A-1	8.625	02-15-2005	5,000,000	5,104,550	5,090,500
	A-1	9.250	11-01-1992	2,000,000	1,997,500	2,022,720
	A-1	8.500	01-15-1998	1,425,000	1,452,417	1,487,999
Manne Midland Banks Incorporated	NR	7.625	03-01-2003	8,000,000	8,000,000	7,490,000
Maritrans Capital Corporation	NR	9.250	04-01-2007	4,000,000	4,000,000	3,784,760
Mellon Bank Corporation	BAA2	5.250	11-29-1996	7,000,000	6,667,500	6,776,140
Merrill Lynch & Company Incorporated	A-1	9.000	11-23-1992	6,500,000	6,500,000	6,589,765
	A-1	7.125	11-01-1994	30,000,000	29,962,500	30,950,400
Morgan Guaranty Trust Company New York, NY	AA-1	7.375	02-01-2002	1,000,000	948,010	982,690
Mortgage Bankers Financial Corporation	NR	9.900	03-01-2018	7,576,605	7,208,739	8,182,733
	NR	9.500	07-01-2018	8,988,589	8,806,614	9,707,676
	NR	9.000	04-01-2018	6,103,082	5,700,371	6,331,947
Mortgage Securities III Trust Fund	AAA	13.750	12-01-2005	388,000	418,555	474,062
Municipal Finance Authority Canada	NR	9.250	08-17-1993	225,000	235,828	234,209
MWCC Receivables Trust One	AAA	9.450	12-31-1997	2,500,000	2,569,725	2,733,575
National Credit Card Trust	AA	7.550	05-24-1993	2,350,000	2,359,424	2,405,296
National Rural Utilities Cooperative Finance	NR	5.300	06-15-1997	2,008,592	2,005,767	2,011,725
Nissan Auto Receivables Grantor	AAA	9.050	10-15-1995	2,500,000	2,635,156	2,614,050
Norwest Bank Master Trust Credit	AA3	8.250	02-01-1994	1,000,000	998,400	1,041,620
Norwest Financial Incorporated	AA3	8.500	08-15-1998	2,000,000	1,987,060	2,113,240
	NR	8.100	03-01-2002	500,000	499,555	508,930
NBD Bancorp Incorporated	BAA1	10.500	03-15-1999	10,750,000	11,612,750	11,769,208
NCNB Corporation	NR	5.427	09-01-2018	2,015,747	2,069,605	2,035,904
P-B CMO Trust Four REMIC	A2	8.250	12-15-1992	1,400,000	1,421,700	1,422,876
Philip Morris Companies Incorporated	NR	5.900	11-17-1997	17,800,000	17,769,242	17,927,804
Premier Auto Trust Odd	AAA	9.500	03-31-1999	3,000,000	3,096,900	3,382,680
Private Export Funding Corporation	NR	8.900	01-27-1993	1,000,000	965,230	1,025,510
Provident National Bank Philadelphia	AAA	8.500	08-25-2021	8,842,061	9,038,244	9,074,165
Prudential Home Mortgage Securities Company REMIC	AAA	7.500	04-25-2007	4,806,036	4,852,594	4,893,169
Prudential Home Mortgage Securities Mortgage	NR	4.000	08-27-1992	8,400,000	8,400,000	8,400,000
PHH Corporation	NR	9.000	10-26-1992	1,000,000	1,009,400	1,014,430
Rabobank Nederland	NR	7.250	05-25-1995	2,000,000	2,012,860	2,066,820
	AA-1	6.400	04-15-1995	400,000	400,000	406,824
Republic National Bank	AA-1	9.500	10-25-2020	2,875,345	2,953,069	3,002,953
Residential Funding Mortgage Securities I	AA-1	9.500	07-25-2021	1,500,000	1,558,125	1,566,570
	A-1	7.824	05-25-2019	4,347,136	4,347,136	4,412,343
Resolution Trust Corporation Mortgage Multifamily	AAA	8.027	02-25-2020	3,496,807	3,530,136	3,543,804
Resolution Trust Corporation Mortgage Pass Thru	AAA	4.427	11-25-2020	3,289,581	3,289,581	3,292,673
	AAA	4.490	03-25-2021	3,910,640	3,915,528	3,910,640
	AAA	7.666	01-25-2021	2,341,844	2,350,626	2,350,626
Resolution Trust Corporation REMIC Variable Rate	AAA	4.487	04-25-2021	3,263,583	3,267,153	3,312,537
Resolution Trust Corporation Securities Incorporated	NR	4.387	07-25-2022	22,400,000	22,400,000	22,400,000
	NR	7.516	01-25-2022	10,000,000	10,276,563	10,000,000
	NR	5.070	06-25-2024	10,000,000	10,000,000	10,000,000
	NR	8.350	06-25-2029	1,477,576	1,508,974	1,508,516
Rural Electrical Cooperative Grantor Trust Certificate	AAA	9.580	12-15-2019	8,000,000	8,252,240	8,546,800
Ryland Acceptance Corporation Four	AAA	9.450	04-01-2010	6,299,426	6,449,037	6,614,397
	AAA	9.550	04-25-1999	2,747,828	2,767,578	2,810,506
	AAA	9.700	11-01-2006	4,355,524	4,433,106	4,518,856
	AAA	8.000	06-01-2007	1,302,903	1,248,350	1,312,258
	AAA	10.750	01-01-2016	4,570,886	4,771,368	4,719,440
Ryland Mortgage Securities Corporation	AAA	5.820	12-25-2021	6,821,338	6,885,288	6,932,185
	AAA	5.479	03-25-2022	3,465,176	3,507,408	3,579,978
RCSB 1991-F Grantor Trust	AAA	6.870	03-15-2000	25,633,266	25,633,266	25,633,266
Salomon Brothers Mortgage Securities II Incorporated	AAA	11.500	09-01-2015	2,915,160	3,132,322	3,135,108
Salomon Brothers Mortgage Securities IV Incorporated	NR	7.000	02-01-2017	2,370,651	2,063,948	2,311,385
Salomon Brothers Mortgage Securities VII Incorporated	AA2	7.891	01-25-2018	4,486,535	4,492,143	4,621,131
Salomon Incorporated	NR	8.950	08-03-1992	275,000	279,972	275,872
	NR	9.500	06-01-1993	3,000,000	3,105,120	3,127,080
	NR	5.175	06-11-1993	35,000,000	35,000,000	34,980,400
	NR	6.600	07-18-1993	12,000,000	12,000,000	12,227,400
	NR	6.710	07-30-1993	3,900,000	3,900,000	3,977,571
Sears Credit Account Trust 1990-D	AAA	7.750	09-16-1998	12,000,000	12,328,125	12,491,160
Sears Credit Account Trust 1991-A	AAA	8.850	03-15-1996	6,000,000	6,277,500	6,421,860
Sears Credit Account Trust 1989	AAA	9.000	09-15-1993	1,025,000	1,076,250	1,067,281
Sears Mortgage Securities Corporation	NR	6.103	06-25-2022	10,000,000	10,300,000	10,000,000
	AAA	9.625	02-25-2012	2,838,159	2,771,349	2,985,403
Security Pacific Corporation	A3	7.875	01-20-1997	2,500,000	2,309,725	2,501,400
Security Pacific National Bank of Los Angeles	NR	10.500	01-01-2018	2,645,903	2,670,114	2,837,731
	NR	9.000	10-25-2017	3,116,770	3,183,095	3,241,441
Shearson Lehman Hutton Holdings	NR	4.953	02-01-1994	10,000,000	10,000,000	9,956,300
Shearson Lehman Securities Incorporated Asset Trust	NR	7.717	01-01-2019	5,722,013	5,845,394	5,877,595
Southwest Savings Association	NR	8.515	12-31-2018	1,971,946	1,982,231	1,994,741
Standard Credit Card Master Trust	AAA	7.875	07-07-1994	3,450,000	3,521,625	3,610,632
	AAA	8.000	08-07-1996	3,500,000	3,487,200	3,673,880
	AAA	9.000	03-10-1995	10,000,000	10,407,813	10,709,300
Security Pacific National Bank Home Equity Loan Asset Backed Certificate	AAA	8.100	06-15-2020	789,043	796,255	811,973
Transamerica Finance Corporation	NR	5.555	11-19-1993	35,000,000	35,000,000	35,000,000
Travelers Mortgage Services	AA2	9.672	04-25-2019	8,908,497	8,510,398	9,559,975
US Auto Receivables	AAA	8.150	01-16-1996	473,443	486,388	484,834

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Finance (continued)						
US Bancorp	BAA2	8.875 %	09-01-1998	\$ 5,250,000	\$ 5,341,875	\$ 5,296,725
US Business Equity Loan Trust	NR	8.125	05-15-2002	5,000,000	4,964,750	5,037,100
US West Financial Services Incorporated	AAA	5.387	08-15-2017	27,459,452	27,459,452	27,493,776
Westinghouse Credit Corporation	NR	4.082	09-03-1992	25,000,000	24,944,750	25,000,000
	NR	4.015	09-15-1992	25,000,000	24,787,500	24,827,500
Western Federal Savings & Loan	BAA2	8.875	06-14-2014	2,000,000	2,091,518	2,088,480
	AA2	7.971	05-01-2018	513,517	525,072	527,480
Xerox Credit Corporation	AA2	7.599	03-01-2019	7,757,958	7,658,859	8,007,687
	A2	9.250	03-15-1993	2,000,000	2,064,780	2,042,520
Total Finance				\$ 1,582,010,228	\$ 1,588,515,826	\$ 1,630,277,101
Industrial and Miscellaneous						
Ahmanson (H.F.) & Company	BAA3	9.875 %	11-15-1999	\$ 10,000,000	\$ 9,894,000	\$ 10,834,800
Aktiebolaget	NR	0	07-26-2002	3,000,000	1,619,400	1,341,090
Albertsons Incorporated	NR	6.375	05-01-1995	400,000	399,720	402,008
Anistar Incorporated	BAA1	9.875	09-22-1993	3,000,000	3,137,940	3,121,920
Associates Corporation Of North America	A-1	9.000	06-15-1993	1,000,000	1,002,320	1,035,580
AMR Corporation Delaware	BAA1	9.800	10-01-2021	2,500,000	2,527,100	2,631,325
	BAA1	8.850	12-14-1992	7,500,000	7,572,690	7,635,975
	BAA1	9.700	11-07-2011	4,000,000	4,168,120	4,290,520
Boise Cascade Corporation	BAA2	8.375	08-15-1994	1,000,000	999,750	1,001,090
BP America Incorporated	AA3	8.500	04-15-2001	2,000,000	2,062,680	2,093,500
C & S Sovran Corporation	NR	8.640	07-15-1994	5,000,000	5,268,550	5,317,200
Caterpillar Incorporated	NR	7.280	06-05-1997	5,000,000	5,035,850	4,983,200
Chemical New York Corporation	BAA3	6.500	05-01-2004	3,000,000	2,907,900	2,880,000
Citicorp	NR	8.500	01-01-2002	10,743,993	9,706,983	10,594,329
Cleveland Electric Illuminating	NR	9.375	02-15-1993	14,750,000	15,252,828	15,150,315
	NR	9.450	03-01-1993	4,000,000	4,137,040	4,118,760
Coastal Corporation	BAA3	11.250	06-15-1996	14,400,000	15,129,000	15,036,336
Collateralized Mortgage Secuity Corporation	NR	8.000	08-25-2017	3,900,000	3,500,250	3,982,875
Commercial Credit Group Incorporated	A2	9.150	11-01-1993	1,000,000	1,056,360	1,041,850
Dayton Hudson Corporation	A3	9.700	06-15-2021	1,000,000	1,080,140	1,102,260
	NR	9.500	06-10-2015	5,000,000	5,058,600	5,465,250
Disney Euro Convertibles	A-1	0	06-27-2005	4,600,000	2,133,500	2,150,500
Dow Chemical Company	A-1	9.000	04-01-2021	1,000,000	1,044,080	1,042,890
Du Pont E I De Nemours & Company	AA2	8.125	03-15-2004	1,000,000	997,010	1,033,570
Eastman Kodak Company	A2	9.125	03-01-1998	1,000,000	1,062,400	1,062,690
Emerson Capital Corporation	NR	10.500	07-01-2008	709,184	709,184	856,588
	NR	10.500	07-01-2008	60,816	60,816	73,456
Enron Corporation	BAA2	10.625	02-15-1999	5,750,000	5,980,000	6,008,750
Federal Express Corporation	NR	10.000	09-01-1998	500,000	536,605	525,120
First Private Funding Corporation	BA2	10.150	01-15-2016	6,000,000	5,025,000	6,030,000
Fleet Norstar Financial Group Incorporated	NR	9.340	03-30-1994	3,000,000	3,168,270	3,188,430
	NR	9.800	10-30-1995	5,400,000	5,813,370	5,889,402
Ford Capital BV	A2	9.000	08-15-1998	8,000,000	8,454,300	8,525,760
Ford Motor Credit Company	A2	9.000	01-15-1993	500,000	512,540	510,240
G F Mortgage Corporation	NR	10.300	08-01-1997	2,257,265	2,334,153	2,298,167
General Cinema Corporation	BAA2	8.250	06-01-2002	1,000,000	994,280	1,007,730
General Electric Credit Corporation 2nd	NR	8.000	03-01-2002	6,622,221	6,563,497	6,738,110
General Motors Acceptance Corporation	A2	9.250	03-15-1993	2,500,000	2,584,000	2,576,400
	NR	9.900	04-15-1994	2,000,000	2,117,420	2,145,680
General Motors Corporation	NR	4.520	06-28-1993	4,200,000	4,144,350	4,200,000
	A2	8.800	03-01-2021	3,000,000	2,997,990	3,186,780
Greater Northern Nekoosa Corporation	NR	9.300	01-07-1993	10,000,000	10,270,000	10,219,600
GPA Delaware Incorporated	BAA1	8.750	12-15-1998	15,000,000	14,945,250	15,235,950
GPA Group Delaware	NR	5.090	06-15-1994	16,500,000	16,500,000	16,500,000
	NR	5.750	12-06-1993	35,000,000	35,000,000	35,000,000
Illinois Power Fuel Company	NR	11.300	12-01-1994	6,000,000	6,671,250	6,826,860
Interco Incorporated	CA	14.500	12-15-2003	128	128	4
Internorth Incorporated	BAA2	11.000	03-01-1995	4,500,000	4,736,250	4,634,685
IBM Corporation	AA2	9.000	05-01-1998	1,000,000	1,071,250	1,071,930
ISP Chemicals Incorporated	NR	9.000	03-01-1999	350,000	351,138	347,508
JC Penney Incorporated	A2	9.750	12-15-1995	3,000,000	3,089,250	3,048,960
K Mart Corporation	A-1	12.500	03-01-2005	1,000,000	1,332,070	1,350,530
Kansallis-Osake-Pankki	NR	10.000	03-15-1994	1,000,000	999,270	1,038,520
	A	10.150	03-15-1993	2,000,000	2,010,720	2,053,940
Leewards Creative Crafts Incorporated	NR	13.500	05-15-2000	5,000,000	5,000,000	5,000,000
Long Island Lighting Company	BAA3	11.375	04-01-1993	6,400,000	6,806,580	6,897,536
	BAA3	10.250	06-15-1994	13,250,000	13,404,063	14,377,443
Loral Corporation	BAA1	9.125	02-01-2022	5,000,000	4,992,300	5,109,300
Louisiana Power & Light	NR	10.320	01-31-1999	1,250,000	1,250,000	1,436,725
Lyondell Petrochemical Company	BAA3	9.950	06-01-1996	350,000	380,713	379,117
Martin Marietta Corporation	A2	9.000	03-01-2003	1,000,000	1,072,170	1,083,120
Michigan Bell Telephone Company	NR	9.250	11-15-1998	2,600,000	2,832,856	2,868,086
Mobil Corporation- Variable	NR	4.650	09-18-1995	20,000,000	20,000,000	19,800,000
Nerco Incorporated	BAA	9.650	06-01-1999	5,000,000	5,097,000	5,510,500
NCNB Corporation	BAA1	10.200	07-15-2015	4,150,000	4,135,722	4,632,687
Occidental Petroleum Corporation	BAA2	10.500	03-15-1993	5,000,000	5,267,970	5,146,250
	BAA2	10.875	03-15-1996	24,115,000	25,220,597	25,109,744
	BAA2	11.750	03-15-2011	2,000,000	2,041,944	2,337,500
Olympia & York	NR	7.000	03-20-1999	9,645,470	9,568,446	5,305,008
Paramount Communications Incorporated	NR	7.500	01-15-2002	1,000,000	951,300	972,620
Penn Central Corporation	BAA1	10.875	05-01-2011	5,000,000	5,236,500	5,238,300
Pfizer Incorporated	AAA	7.125	10-01-1996	5,000,000	4,988,500	5,087,450
Philip Morris Companies Incorporated	A2	9.400	10-01-1995	1,000,000	1,088,850	1,084,410
	A2	8.750	06-15-1997	13,000,000	13,802,490	13,966,290
	NR	8.000	01-11-1993	6,500,000	6,586,190	6,614,075
Philip Morris Credit Corporation Series C	NR	10.500	07-01-2008	2,785,110	2,785,110	3,363,995
	NR	10.500	07-01-2008	294,890	294,890	356,183
Provident National Bank	AA	8.900	01-27-1993	1,000,000	1,019,280	997,260
Rabobank Nederland	NR	9.050	02-25-1993	1,000,000	1,003,740	1,028,950
Resorts International Incorporated	CAA	15.000	04-15-1994	800	792	520
River Bend Fuel Services Incorporated	NR	11.390	01-31-1993	18,000,000	18,619,200	18,686,340
Rural Housing Trust 1987-1 Senior	NR	6.330	08-01-2000	1,821,008	1,807,351	1,824,432
RJR Nabisco Incorporated	BAA3	8.300	04-15-1999	13,000,000	13,000,000	13,292,500
Safer Company	NR	9.630	05-31-2000	4,000,000	3,995,760	4,400,520

CORPORATE OBLIGATIONS (continued)	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Industrial and Miscellaneous (continued)						
Safeco Products	NR	9.460 %	05-31-1999	7,000,000	\$ 6,992,160	\$ 7,644,210
Sears Roebuck & Company	A2	9.350	05-15-1993	10,000,000	10,021,700	10,340,300
Security Pacific Corporation	A3	8.350	08-15-1994	3,000,000	3,111,570	3,159,180
Shell Oil Company	AAA	6.950	12-15-1998	1,000,000	998,310	1,001,100
Sonwil Corporation	NR	12.500	12-01-2008	11,044,703	13,035,680	14,368,495
Standard Oil Company	AA3	6.300	07-01-2001	1,250,000	1,127,225	1,139,350
Texas Eastern Corporation	BA-1	9.875	12-15-1992	14,000,000	14,202,580	14,130,060
Texas Instrument Incorporated	A3	9.250	06-15-2003	3,000,000	3,216,570	3,227,820
Toledo Edison Company	NR	15.000	01-15-1993	2,500,000	2,639,150	2,845,325
Union Texas Petroleum Holdings Incorporated	BA3	6.500	11-01-1992	1,000,000	990,313	980,000
United Telecommunications Incorporated	BAA3	8.250	08-15-1992	3,100,000	3,105,166	3,108,215
Universal Corporation	NR	8.600	06-30-1993	4,000,000	4,047,240	4,127,920
US Steel Corporation	A	9.100	07-15-1993	4,000,000	4,149,680	4,190,000
USG Corporation	CA	16.000	07-15-2008	100	0	16
USX Corporation	NR	9.100	07-15-1993	32,000,000	33,019,200	33,520,000
Walter (Jim) Corporation	CA	13.750	02-01-2003	800,000	907,000	376,000
Waste Management Incorporated	A-1	7.750	02-01-1995	1,200,000	1,234,032	1,254,852
Wilmington Trust Alamaito Company	NR	10.500	01-01-2015	7,927,423	7,927,423	6,688,763
Total Industrial and Miscellaneous				\$ 541,628,111	\$ 548,701,875	\$ 554,047,400
Public Utilities						
Central Maine Power Company	BAA1	9.350 %	02-01-1998	\$ 10,350,000	\$ 10,846,697	\$ 10,779,836
Central Power & Light Company	A2	9.750	11-01-1994	1,000,000	992,500	1,019,900
Colorado Interstate Gas Company	BAA1	10.000	06-15-2005	2,000,000	2,014,740	2,210,100
Columbus Southern Power Company	NR	8.650	10-15-1992	1,500,000	1,524,150	1,515,690
Commonwealth Edison Company	A3	10.375	10-15-1992	2,200,000	2,197,800	2,231,504
	NR	7.900	04-15-1994	2,500,000	2,500,000	2,607,300
	A3	9.125	10-15-2008	500,000	474,835	523,230
Connecticut Light & Power Company	BAA1	10.000	10-01-1995	17,187,000	17,572,732	17,530,740
	BAA1	9.500	06-01-2019	2,000,000	1,977,500	2,115,940
Consolidated Edison Company Incorporated	AA2	7.625	03-01-2004	3,000,000	2,976,750	3,009,360
Detroit Edison Company	A3	9.375	08-15-1992	13,250,000	13,449,825	13,297,038
Houston Light & Power Company	A3	7.625	03-01-1997	1,000,000	999,510	1,028,670
Idaho Power Company	A2	8.750	03-15-2027	1,000,000	996,250	1,014,400
Long Island Lighting Company	BAA3	11.700	11-15-1993	3,000,000	3,281,540	3,244,980
Pacific Gas & Electric Company	A-1	10.000	05-01-2020	2,625,000	2,826,797	2,808,514
Pennsylvania Power & Light Company	A2	10.875	01-01-2016	2,600,000	2,805,322	2,793,960
Resolution Funding Corporation Federal Coupon	NR	0	04-15-2006	23,500,000	6,506,915	7,769,100
Rothschild Lf Mortgage Trust	AAA	0	01-01-2019	8,350,000	4,467,751	5,297,324
Rural Electrical Cooperative Grantor Trust Certificate	NR	9.730	12-15-2017	4,000,000	4,214,770	4,280,560
Southern California Edison Company	AA2	7.500	04-15-1999	1,000,000	988,440	1,011,420
Tennessee Valley Authority	AAA	8.250	04-15-2042	1,000,000	969,350	973,750
Texas Utilities Electric Company	BAA2	8.125	02-01-2002	1,000,000	982,960	1,016,160
United Illuminating Company	NR	7.375	01-15-1998	350,000	348,289	352,275
Wisconsin Gas Company	A-1	9.125	12-01-1997	4,000,000	3,990,000	4,276,360
Total Public Utilities				\$ 108,912,000	\$ 89,805,223	\$ 92,708,111
Telephone						
Bell Atlantic Capital Funding Corporation	A-1	8.625 %	09-15-1993	\$ 1,000,000	\$ 999,270	\$ 1,043,900
General Telephone Company California	AA3	9.375	06-15-2026	2,000,000	1,850,020	2,148,240
South Central Bell Telephone Company	AAA	9.625	03-01-2019	2,500,000	2,657,500	2,646,175
Southern Bell Telephone & Telegraph Company	AAA	8.125	05-01-2017	1,000,000	956,640	987,550
US West Communications	AA3	8.875	06-01-2031	1,000,000	1,015,250	1,031,410
Total Telephone				\$ 7,500,000	\$ 7,478,680	\$ 7,857,275
Transportation						
AMR Corporation Delaware	NR	8.900 %	11-23-1992	\$ 7,000,000	\$ 6,987,750	\$ 7,111,580
Boeing Company	AA3	8.750	08-15-2021	6,000,000	6,153,120	6,197,580
Delta Air Lines Incorporated	BAA1	9.750	05-15-2021	2,000,000	1,988,400	2,082,460
Union Pacific Railroad Company	AA-1	9.500	02-15-1999	3,000,000	2,998,200	3,188,160
United Air Lines Incorporated	BAA2	9.750	08-15-2021	1,000,000	1,019,290	1,036,210
Total Transportation				\$ 19,000,000	\$ 19,146,760	\$ 19,615,990
Convertible Issues						
Eastman Kodak Company	BAA1	0 %	10-15-2011	\$ 100,000,000	\$ 27,875,000	\$ 28,375,000
First Interstate Bancorp	NR	4.118	08-25-1992	3,600,000	3,591,828	3,600,396
Service Corporation International	BAA1	6.500	09-01-2001	3,000,000	3,000,000	3,247,500
Total Convertible Issues				\$ 106,600,000	\$ 34,466,828	\$ 35,222,896
TOTAL CORPORATE OBLIGATIONS				\$ 2,365,650,334	\$ 2,298,215,182	\$ 2,339,728,773
TOTAL U.S. BONDS AND CORPORATE NOTES				\$ 3,505,172,932	\$ 3,323,148,153	\$ 3,410,871,489

INTERNATIONAL OBLIGATIONS

	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Bankamerica Corporation	A3	5.000 %	03-07-1997		\$ 1,880,000	\$ 1,920,200
Brinson Partners International	NR	0			54,958,441	65,756,637
Brinson Partners International Non-Dollar	NR	0			128,192,334	158,641,394
Bundesobligationen	NR	0			7,640,728	7,856,529
Canada (Government Of)	AAA	9.750	12-01-2001		6,109,609	6,364,183
	AAA	9.500	10-01-1998		12,323,660	12,977,929
	AAA	10.750	10-01-2009		1,877,102	2,065,002
	AAA	9.250	06-01-2022		8,554,290	8,856,641
	NR	0			4,742,834	4,650,108
	NR	10.500	03-01-2001		4,310,984	4,693,898
	AAA	8.250	03-01-1997		3,305,090	3,429,819
	AAA	8.500	04-01-2002		18,553,801	18,905,877
Credit Foncier De France	AAA	9.375	12-27-1999		9,022,824	9,522,310
Daewoo Telecom Convertible Bond	NR	3.500	12-31-2006		808,444	784,080
Denmark (Kingdom Of)	NR	8.000	05-15-2003		1,802,804	1,865,514
	NR	9.000	11-15-1995		2,693,269	2,780,589
	AA-1	9.000	11-15-1998		6,571,330	6,771,087
	AA-1	9.000	11-15-2000		1,805,938	1,866,951
Deutsche Bank Genuss Schern	NR	8.750	06-30-2004		28,775	33,035
Deutschland Bundes Republik	NR	8.250	09-20-2001		10,183,266	10,673,964
	NR	8.000	01-21-2002		8,144,009	8,516,297
	NR	8.875	01-22-1996		8,979,015	9,245,657
	AAA	6.000	03-20-1997		2,713,950	2,987,904
	AAA	7.000	09-20-1999		6,302,854	7,357,709
	AAA	7.125	12-20-1999		5,655,519	6,176,730
	AAA	8.875	12-20-2000		5,174,932	6,129,914
	AAA	7.000	09-20-1994		1,788,212	1,895,370
	AAA	8.500	08-21-2000		6,194,049	6,680,350
	AAA	6.500	01-02-1999		4,623,526	4,916,381
Enserch Finance Nv	BAA1	11.625	05-01-1993		1,063,800	1,025,890
First Bank System Incorporated	BAA1	5.250	11-26-2010		915,000	945,250
France (B.T.A.N.)	NR	9.000	11-12-1995		13,770,158	14,872,764
	NR	9.000	02-12-1996		8,918,132	9,724,665
France (Government Of)	NR	8.125	05-25-1999		1,610,271	1,749,064
	NR	8.500	03-28-2000		1,613,599	1,692,818
	NR	8.250	02-27-2004		13,975,253	16,132,169
	NR	8.500	12-26-2012		9,903,971	11,015,691
	NR	9.500	04-25-2000		1,348,811	1,371,764
	NR	8.500	03-12-1997		24,725,709	26,800,020
	NR	9.500	01-25-2001		22,159,749	23,954,453
	NR	8.500	04-25-2023		13,114,577	14,332,022
	NR	10.000	02-26-2001		4,029,312	4,247,652
	NR	9.000	11-12-1992		5,896,488	6,016,585
	NR	8.500	10-25-2019		4,288,246	4,912,693
General Motors Acceptance Corporation	A-1	7.000	10-08-1993		5,353,530	5,359,095
GMAC (Canada)	NR	0			12,645,750	12,784,251
Holland Niederlande	NR	8.250	06-15-2002		11,020,471	11,602,434
	NR	6.750	02-15-1999		4,926,094	5,337,539
	NR	8.500	03-15-2001		1,176,752	1,408,230
	NR	7.750	01-15-2000		9,611,145	10,102,471
	NR	6.000	04-15-1995		5,043,763	5,434,818
	NR	9.000	07-01-2000		1,524,589	1,624,679
Hydro Quebec	AA3	11.250	10-10-2000		6,522,579	6,565,618
	AA3	9.375	04-15-2030		1,471,380	1,630,425
	AA3	9.500	11-15-2030		2,190,360	2,202,280
	AA3	9.400	02-01-2021		25,784,980	28,243,280
Industrial Bank Of Japan Ltd	AA2	8.500	11-30-1994		2,997,450	3,196,620
International Bank Of Reconstruction	AA2	5.250	03-20-2002		6,897,643	7,240,166
Israel (State Of)	AAA	8.500	12-01-1994		4,000,000	4,000,000
	AAA	8.500	12-01-1995		2,000,000	2,000,000
	AAA	8.500	03-01-1993		1,000,000	1,000,000
Japan (Government Of)	NR	4.700	12-21-1998		7,329,639	7,674,044
	NR	4.700	06-21-1999		2,922,477	3,054,978
	NR	5.100	06-20-1996		3,840,847	4,007,291
	NR	6.400	03-20-2000		22,548,282	23,762,581
	NR	4.900	09-22-1997		8,790,503	9,064,777
	NR	4.800	06-22-1998		7,403,066	7,768,727
Manitoba (Province Of)	A-1	8.875	09-15-2021		996,240	1,036,350
Montreal (City Of)	NR	11.500	09-20-2000		4,313,258	4,700,571
New Brunswick (Province Of)	A-1	9.750	05-15-2000		494,250	562,995
New South Wales Treasury Corporation Inscribed Stock	NR	11.500	07-01-1999		5,007,501	5,047,057
Newfoundland (Province Of)	BAA1	13.875	10-01-1992		2,085,800	2,040,200
	BAA1	9.875	06-01-2020		5,575,020	6,132,280
Ontario-Hydro	NR	10.750	11-19-1995		1,720,243	1,823,343
	NR	8.625	02-06-2002		4,322,768	4,128,795
	NR	9.000	06-24-2002		7,380,700	7,273,905
PT Inti Indorayon Utama	NR	7.000	05-02-2006		1,480,250	1,429,061
PT Pabrik Kertas	NR	7.250	04-12-2001		378,975	381,514
Quebec (Province of)	AA3	4.125	10-16-2001		3,368,750	3,341,660
Queensland Treasury Exchange	NR	10.500	05-15-2003		5,588,927	5,583,989
Queensland Treasury Corporation	AAA	12.000	08-15-2001		4,225,878	4,554,233
Saskatchewan (Province Of)	A2	9.125	02-15-2021		991,350	1,042,850
Security Pacific Corporation	NR	5.000	02-21-1997		951,500	962,680
Spain (Kingdom Of)	AA2	9.125	08-01-2000		1,020,160	1,104,730
	AAA	13.450	04-15-1996		4,383,360	4,565,710
	NR	5.750	03-23-2002		3,762,806	3,894,160
	NR	5.750	03-23-2002		4,220,047	4,345,453
	NR	11.000	06-15-1997		2,881,584	2,966,911
Texas Commercial Bancshares Incorporated	BAA3	5.250	11-26-1997		10,655,000	10,610,160
Texas Instruments Incorporated	BAA1	2.750	09-29-2002		2,650,200	2,744,130
United Kingdom (Government Of)	NR	10.500	02-21-1997		3,140,440	3,385,972
	NR	10.000	11-15-1996		2,699,248	2,931,370
	NR	12.000	11-20-1998		9,661,931	10,068,977
	NR	10.000	06-09-1994		1,501,453	1,541,968
	NR	9.750	08-27-2002		8,541,388	9,058,410
	NR	10.000	02-26-2001		5,608,910	7,185,295
	NR	10.000	09-08-2003		4,769,563	5,001,634
United Kingdom Treasury Loan	NR	8.750	09-01-1997		10,451,218	11,221,889
United Kingdom Conversion Stock	NR	9.500	10-25-2004		1,900,533	1,960,795
TOTAL INTERNATIONAL OBLIGATIONS					\$ 746,005,214	\$ 820,809,110

PREFERRED STOCKS

Domestic

	SHARES	BOOK VALUE	MARKET VALUE
Cellular Communication	182,267	\$ 5,344,015	\$ 6,105,945
Delta Airlines	34,400	1,720,000	1,788,800
Ford Motor Company Series A	6,000	309,546	475,500
General Motors Corporation	16,000	818,552	808,000
Leewards Creative Crafts Incorporated	1,407,032	5,089,536	5,089,536
RJR Nabisco Holdings Corporation	392,500	3,974,063	3,875,938
Texaco Incorporated	314	11,571	16,485
Texas Instruments Incorporated	55,900	1,627,297	1,725,913
Time Warner Incorporated 11%	113,566	3,940,036	6,004,803
Time Warner Incorporated 8.75%	16	711	794
Toledo Edison Company	80,000	2,017,280	2,040,000
US Air Group Incorporated	52,400	2,410,232	2,344,900

TOTAL PREFERRED STOCKS - Domestic

\$ 27,242,839 \$ 30,256,614

International

Coles Myer Limited Non Redeemable Non-Cumulative Preferred	2,600	\$ 49,177	\$ 54,283
Credito Italiano (Di Risp) Non Convertible	396,610	562,976	402,781
Henkel KgaA Preferred Shares	5,604	2,107,613	2,288,737
Hombach Preferred	2,300	1,315,665	1,563,060
KSB AG	2,288	563,207	587,925
Rheinisch Westfaelisches	9,200	1,937,252	2,023,672
Smithkline Beecham	32,000	2,064,088	2,450,577
Tate & Lyle	230,000	687,418	705,362

TOTAL PREFERRED STOCKS - International

\$ 9,287,396 \$ 10,086,397

TOTAL BONDS, CORPORATE NOTES AND PREFERRED STOCKS

\$4,105,683,602 \$ 4,272,023,620

SHORT-TERM INVESTMENTS

	MOODY'S QUALITY RATING	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
Accrued Interest and Dividends	NR	0%		\$ 0	\$ 93,125,350	\$ 93,125,350
American Express Credit Corporation	NR	0	07-20-1992	10,000,000	9,927,472	9,927,472
Brinson Partners International Cash	NR	0		0	170,177	170,177
Federal National Mortgage Association	NR	0	02-04-1993	25,000,000	24,218,333	24,218,333
Ford Motor Credit	NR	0	07-02-1992	10,000,000	9,984,042	9,984,042
Harris Bank Due To Broker	NR	0		0	-69,259,473	-69,259,473
Harris Bank Collective Investment Funds	NR	0		33,595,000	33,595,000	33,595,000
Illinois Teachers' Custom Cash	NR	0		0	9,053,651	9,053,651
U.S. Treasury Bills	AAA	0	07-02-1992	4,570,000	4,543,638	4,569,232
	AAA	0	09-24-1992	11,855,000	11,677,627	11,754,745
	AAA	0	07-09-1992	5,000,000	4,952,000	4,996,100
	AAA	0	07-16-1992	1,810,000	1,775,009	1,807,376
	AAA	0	08-20-1992	72,000,000	70,975,020	71,652,960
	AAA	0	09-17-1992	100,000,000	98,260,000	99,237,000
	AAA	0	11-19-1992	4,860,000	4,735,203	4,790,307
	AAA	0	12-03-1992	1,000,000	981,422	984,280

TOTAL SHORT-TERM INVESTMENTS

\$ 279,690,006 \$ 377,973,945 \$ 379,866,026

CURRENCY INVESTMENTS

	BOOK VALUE	MARKET VALUE
Australian Dollar Currency Fund	\$ 89,300	\$ 87,853
Banca Commercial Italiana Time Deposits	3,721,740	3,809,680
	10,000,000	10,000,000
Bankers Trust & Company Time/Deposits	4,377,670	4,376,075
Belgian Franc Currency Fund	315	325
British Pound Call Option	-1,008,125	-2,120,000
British Pound Currency Fund	-1,908,601	-1,854,796
British Pound Put Option	1,010,033	773,914
Canadian Dollar Currency Fund	1,233,569	1,230,183
Collateral held at Refco	333,643	333,643
Danish Krone Currency Fund	61,789	62,928
Deutsche Mark Call Option	-1,334,875	-2,983,750
Deutsche Mark Currency Fund	4,949,852	5,142,556
Deutsche Mark Put Option	1,050,500	1,001,000
Eurodollar Call Option	-56,300	-66,616
European Currency Unit Fund	2,298	2,371
French Franc Call Option	4,258,916	5,074,169
French Franc Currency Fund	4,428,291	4,734,936
French Franc Put Option	395,090	584,150
Hong Kong Dollar Currency Fund	4,569,766	4,571,437
Indonesian Rupiah Currency Fund	710,629	702,615

CURRENCY INVESTMENTS

	BOOK VALUE	MARKET VALUE
Italian Lira Currency Fund	\$ 129,214	\$ 133,668
Japanese Yen Call Option	-2,174,438	-2,858,750
Japanese Yen Currency Fund	15,360,052	15,699,497
Japanese Yen Put Option	870,512	813,719
Malaysian Ringit Currency Fund	4,312,048	4,347,417
Netherland Gilders Currency Fund	3,730,031	4,036,886
New Zealand Dollar Currency Fund	32	32
Singapore Dollar Currency Fund	39,065	39,554
Spanish Peseta Currency Fund	270,272	351,407
Swiss Franc Call Option	-209,450	-479,250
Swiss Franc Currency Fund	3,692,343	3,869,873
Swiss Market Index Put Option	102,714	124,708
Thailand Baht Currency Fund	1,310,018	1,318,980
US Dollar Cash Collateral at Harris Futures	5,174,000	5,174,000
US Treasury Bond Call Option	303,516	507,900
US Treasury Note Call Option	1,689,098	2,494,186
	776,563	1,060,500
US Treasury Notes Euro Call Option	438,282	624,000
Various Forward Foreign Exchange Contracts	0	-16,020,145
TOTAL CURRENCY INVESTMENTS	\$ 72,689,372	\$ 56,700,855

COMMON STOCK - DOMESTIC			SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - DOMESTIC			SHARES	BOOK VALUE	MARKET VALUE
AIR TRANSPORT						BANKING AND FINANCE (continued)					
AAR Corporation	142,400	\$ 1,938,535		\$ 1,886,800		Hibernia Corporation	60,000	\$ 379,795		\$ 330,000	
Boeing Company	227,875	7,344,073		9,086,516		Homeowners Group Incorporated	74,000	594,501		407,000	
E Systems Incorporated	58,800	2,247,990		1,940,400		Household International Incorporated	70,800	2,581,450		3,557,700	
Electromagnetic Sciences Incorporated	135,000	874,818		928,125		Integra Financial Corporation	39,376	1,296,056		1,476,600	
General Dynamics Corporation	55,900	3,219,352		3,989,883		Key Corporation	206,197	6,228,954		6,675,628	
Grumman Corporation	99,210	1,893,479		2,244,627		Latin America Equity Fund Incorporated	10,000	150,000		162,500	
Keene Corporation	1,500	11,871		938		Magic Investment Corporation	113,200	3,856,833		3,862,950	
Litton Industries Incorporated	11,882	475,456		555,484		Margaretten Financial Corporation	55,000	946,741		701,250	
Lockheed Corporation	73,600	3,202,075		3,247,601		Marsh & McLennan Companies Incorporated	19,800	1,283,119		1,534,500	
Loral Corporation	57,200	2,240,442		1,844,700		Marshall & Ilsley Corporation	37,131	1,559,208		2,135,033	
Martin Marietta Corporation	18,750	738,866		982,032		Mellon Bank Corporation	71,750	2,867,182		2,950,720	
McDonnell Douglas Corporation	10,600	765,442		413,400		Merrill Lynch & Company Incorporated	27,900	999,553		1,408,950	
Northrop Corporation	10,400	408,859		273,000		Morgan (J.P.) & Company Incorporated	102,887	4,227,952		5,774,533	
Raytheon Company	166,693	6,124,232		7,334,492		MBNA Corporation	108,800	3,841,914		4,328,775	
Rockwell International Corporation	314,900	7,610,840		7,282,063		MNC Financial Incorporated	95,000	654,098		1,021,250	
Textron Incorporated	66,800	1,859,258		2,496,651		National City Corporation	48,200	1,585,378		2,193,100	
Thiokol Corporation	126,047	1,630,790		2,016,752		National Re Corporation	5,000	115,000		93,125	
United Technologies Corporation	84,000	4,124,516		4,389,000		Nationsbank Corporation	77,827	2,378,495		3,706,495	
AUTOMOBILES AND AUTO PARTS						Northeast Bancorporation Incorporated	40,000	507,500		490,000	
Apogee Enterprises Incorporated	26,100	335,985		234,900		Northern Trust Corporation	25,000	1,275,000		1,475,000	
Arvin Industries Incorporated	176,100	3,694,079		4,446,525		Norwest Corporation	35,638	559,266		1,354,244	
Chrysler Corporation	345,739	6,923,315		7,303,736		NBD Bancorp Incorporated	53,604	1,151,466		1,534,414	
Coachmen Industries Incorporated	132,400	868,341		844,050		Old Kent Financial Corporation	19,040	592,620		780,640	
Dana Corporation	110,300	3,974,946		4,811,839		PNC Financial Corporation	55,317	2,390,567		2,987,118	
Eaton Corporation	9,514	423,230		759,931		Price (T. Rowe) & Associates Incorporated	43,350	688,842		1,620,206	
Echlin Incorporated	238,200	3,322,622		4,466,250		Phmerica Corporation	218,843	6,735,895		8,398,101	
Exel Industries Incorporated	1,430	13,579		18,411		Raymond James Financial Incorporated	50,684	947,953		1,051,693	
Federal-Mogul Corporation	40,000	741,662		735,000		Republic New York Corporation	30,000	1,386,890		1,196,250	
Ford Motor Company	278,600	9,739,798		12,780,776		Riggs National Corporation	40,000	322,188		305,000	
General Motors Corporation	420,500	16,612,087		18,502,000		Rouse Company	124,200	2,226,031		1,894,050	
Genuine Parts Company	217,075	6,350,734		6,946,400		Salomon Incorporated	35,500	1,103,125		1,198,125	
Harley Davidson Incorporated	73,200	1,740,787		1,912,350		Shawmut National Corporation	82,500	1,143,036		1,495,313	
Modine Manufacturing Company	39,972	1,352,671		1,129,209		Signet Banking Corporation	35,000	560,660		1,382,500	
Sun Electric Corporation	86,000	778,852		795,500		Silicon Valley Bancshares	33,915	361,138		373,065	
SPX Corporation	32,800	740,597		705,200		Society Corporation	40,000	1,790,855		2,330,000	
TBC Corporation	121,500	1,006,625		1,837,688		Society For Savings Bancorp Incorporated	70,000	843,896		840,000	
Urcarco Incorporated	321,000	1,298,088		882,750		Southtrust Corporation	42,005	851,049		1,081,629	
BANKING AND FINANCE						Standard Federal Bank Troy	104,399	952,394		2,166,279	
Ahmanson (H.F.) & Company	147,100	2,473,691		2,463,925		State Street Boston Corporation	40,000	945,424		1,430,000	
Alexander & Alexander Services Incorporated	11,100	293,040		238,650		Student Loan Marketing Association	505,000	25,586,657		34,483,629	
Ambac Corporation	257,000	6,717,930		9,123,500		Summit Bancorporation	48,000	657,745		744,000	
American Express Company	578,896	15,157,814		13,459,332		Suntrust Banks Incorporated	69,400	1,807,086		2,810,700	
Amsouth Bancorporation	25,000	522,644		718,750		TW Holdings Incorporated	260,000	827,814		975,000	
B B & T Financial Corporation	46,040	954,630		1,300,630		Union Planters Corporation	71,316	916,955		1,310,432	
Banc One Corporation	171,560	4,832,378		7,827,426		UJB Financial Corporation	66,400	1,064,720		1,303,100	
Bancorp Hawaii Incorporated	22,000	959,000		1,034,000		US Bancorporation	80,550	1,582,664		1,943,269	
Bank Of Boston Corporation	72,880	1,051,092		1,794,671		Wachovia Corporation	25,000	1,402,285		1,540,625	
Bank Of New York Company Incorporated	95,900	2,720,140		3,871,963		Wells Fargo & Company	14,200	797,360		1,059,675	
Bank South Corporation	40,000	422,133		435,000		West One Bancorporation	27,800	863,394		1,146,750	
BankAmerica Corporation	424,063	14,313,836		18,817,796		BEVERAGES					
Bankers Trust New York Corporation	135,046	7,078,532		7,933,953		Anheuser Busch Companies Incorporated	274,483	8,431,145		15,233,807	
Bankworcester Corporation	40,000	512,500		500,000		Brown Forman Corporation	13,000	550,652		1,017,250	
Barnett Banks Incorporated	18,425	539,921		684,029		Coca Cola Company	509,600	5,669,126		20,384,000	
Barnett Banks Warrants	1,273	0		21,593		Coors (Adolph) Company	10,200	207,317		200,176	
BayBanks Incorporated	34,000	648,470		1,156,000		General Cinema Corporation	20,884	378,654		498,606	
Bear Stearns Companies Incorporated	1	8		12		Midlantic Corporation	60,000	443,622		877,500	
Beneficial Corporation	6,800	330,830		396,950		Mr. Coffee Incorporated	147,200	1,085,196		938,400	
Boatmans Bancshares Incorporated	15,590	685,031		781,449		Pepsico Incorporated	1,160,800	22,096,933		40,482,901	
Brazil Fund Incorporated	50,000	524,782		856,250		CHEMICALS AND SYNTHETIC FIBERS					
Brinson Partners Ex-Dex Fund	1,275,183	101,166,684		205,007,399		Air Products & Chemicals Incorporated	76,700	1,981,396		3,259,750	
Brinson Partners Non U S Equity	346,666	52,448,973		52,233,991		American Cyanamid Company	187,600	9,171,272		10,435,252	
Brinson Small Cap TAA Fund	754,765	60,397,011		59,362,810		Avery Dennison Corporation	15,700	377,618		419,975	
Chase Manhattan Corporation	61,182	1,860,164		1,690,157		Bandag Incorporated Warrants	5,000	0		322,500	
Chemical Banking Corporation	228,019	6,847,037		8,465,206		Bandag Incorporated	5,000	645,250		350,000	
Citicorp	92,900	2,328,676		1,974,125		Betz Laboratories Incorporated	6,000	347,669		327,000	
Colonial Bancgroup Incorporated	50,000	747,500		800,000		Burlington Resources Incorporated	90,000	3,820,993		3,611,250	
Colonial Group Incorporated	75,700	798,044		1,438,300		Cabot Corporation	92,000	3,853,001		4,140,000	
Comerica Incorporated	142,568	6,330,499		8,447,155		Carlisle Companies Incorporated	14,949	524,061		639,070	
Continental Bank Corporation	193,700	2,477,097		3,535,025		Chemed Corporation	20,900	606,035		566,913	
Corestates Financial Corporation	11,508	368,001		566,769		Cooper Tire & Rubber Company	45,300	1,704,851		2,168,738	
Countrywide Credit Industries Incorporated	14,200	482,736		493,450		Crompton & Knowles Corporation	44,000	365,712		792,000	
Dominion Bankshares Corporation	76,000	871,050		1,083,000		Dow Chemical Company	190,200	9,676,038		10,960,275	
Dreyfus Corporation	72,100	2,272,984		2,721,775		Du Pont De Nemours & Company (E.I.)	259,100	8,633,726		13,084,550	
Duff & Phelps Corporation	38,200	687,600		759,225		Ecolab Incorporated	80,850	2,057,150		2,637,732	
Enhance Financial Services Group Incorporated	67,400	1,204,718		1,145,800		Ethyl Corporation	32,600	796,863		863,900	
Equimark Corporation	175,000	555,625		1,006,250		First Brands Corporation	166,925	3,837,228		4,548,706	
Fair Isaac & Company	43,000	303,619		559,000		First Mississippi Corporation	5,300	59,040		60,288	
Federal Home Loan Mortgage Corporation	769,100	20,333,072		30,571,725		Fuller (H.B.) Company	44,762	739,209		2,182,123	
Federal National Mortgage Association	427,200	18,292,738		26,059,200		Gencorp Incorporated	30,000	452,125		416,250	
First American Corporation	33,000	386,397		759,000		Georgia Gulf Corporation	38,400	829,454		811,200	
First Chicago Corporation	148,713	3,753,938		5,260,723		Goodrich (B. F.) Company	61,900	2,400,893		2,932,513	
First Colonial Bankshares Corporation	32,000	468,200		488,000		Goodyear Tire And Rubber Company	49,083	2,305,734		3,368,322	
First Empire State Corporation	6,400	576,384		809,600		Grace (W.R.) & Company	63,900	2,058,103		2,172,600	
First Fidelity Bancorporation	18,500	590,818		700,689		Great Lakes Chemical Corporation	91,000	4,605,789		5,642,000	
First Hawaiian Incorporated	25,000	693,440		625,000		Hercules Incorporated	109,200	4,130,460		5,760,300	
First Interstate Bancorp	16,683	753,515		686,105		Imcoera Group Incorporated	291,000	9,403,628		9,275,627	
First Of America Bank Corporation	87,200	2,109,676		2,899,400		Lubrizol Corporation	180,100	10,160,827		12,449,413	
First Security Corporation	40,700	951,825		986,975		Lyondell Petrochemical Company	253,600	5,935,333		5,452,400	
First Union Corporation	225,900	6,851,630		8,555,963		Monsanto Company	110,200	5,904,077		6,074,776	
Firststar Corporation	9,300	254,681		510,338		Morton International Incorporated	105,600	5,253,309		5,742,001	
Firstst Michigan Corporation	25,000	565,922		521,875		Myers Industries Incorporated	7,000	116,690		162,750	
Fleet Financial Group Incorporated	81,382	2,228,765		2,410,943		Nalco Chemical Company	62,600	1,768,368		2,245,776	
Foothill Group Incorporated	125,000	630,000		1,000,000		NCH Corporation	19,800	1,049,624		1,247,400	
Franklin Resources Incorporated	90,000	1,675,914		2,227,500		Olin Corporation	44,600	1,936,340		2,051,600	
Golden West Financial Corporation	15,000	301,061		686,125		Pall Corporation	20,600	254,746		535,600	
Great Western Financial Corporation	392,700	6,889,749		6,626,813		Quantum Chemical Corporation	33,251	757,467		602,674	
Green Tree Financial Corporation	3,500	57,660		115,500		Rohm & Haas Company	46,200	2,076,694		2,552,550	

COMMON STOCK - DOMESTIC	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - DOMESTIC	SHARES	BOOK VALUE	MARKET VALUE
CHEMICALS AND SYNTHETICS (continued)				ELECTRICAL AND ELECTRONIC (continued)			
Sherwin Williams Company	89,500	\$ 2,121,830	\$ 2,461,250	Apple Computer Incorporated	54,700	\$ 2,072,296	\$ 2,625,600
Union Carbide Corporation	153,604	3,091,460	4,166,510	Applied Materials Incorporated	279,300	5,389,011	5,586,000
Versa Technologies Incorporated	80,000	993,048	1,000,000	Archive Corporation	254,200	1,709,658	1,842,950
Wellman Incorporated	191,725	5,094,988	4,098,122	Arrow Electronics Incorporated	65,000	837,019	1,226,875
Witco Corporation	92,000	3,966,419	3,933,000	ASK Computer System Incorporated	96,000	964,083	1,080,000
WD 40 Company	9,800	313,201	387,100	AST Research Incorporated	4,000	90,200	55,000
CONGLOMERATES AND MISCELLANEOUS				Augat Incorporated	7,500	103,627	81,563
Aicorp Incorporated	35,000	356,836	140,000	Autodesk Incorporated	52,800	1,682,163	2,026,201
Amphenol Corporation	93,000	833,832	674,250	Automatic Data Processing Incorporated	546,600	14,712,048	23,367,150
Armstrong World Industries Incorporated	111,200	3,433,275	3,322,101	Avnet Incorporated	68,500	1,747,552	1,892,313
Bairco Corporation	1,500	47,484	10,688	ADC Telecommunications Incorporated	25,900	697,200	900,025
Bassett Furniture Industries Incorporated	3,150	80,744	112,613	BancTec Incorporated	85,000	1,235,848	1,933,750
Berlitz International Incorporated	74,600	1,303,049	1,342,800	Bei Electronics Incorporated	146,000	1,060,268	1,295,750
Boston Scientific Corporation	113,600	1,953,861	1,945,400	Cabletron System Incorporated	25,676	1,424,504	1,258,124
Burlington Industries Incorporated	17,400	206,173	204,450	Chips & Technologies Incorporated	60,000	798,255	420,000
Central Sprinkler Corporation	71,000	835,537	674,500	Compaq Computer Corporation	157,600	3,635,860	3,920,301
Chart House Enterprises Incorporated	15,300	145,983	131,963	Computer Associates	55,100	827,609	633,650
Chemdesign Corporation	10,900	64,038	59,950	Computer Products Incorporated	377,200	1,035,867	1,037,300
Constar International Incorporated	63,054	1,039,826	1,158,617	Computer Sciences Corporation	40,900	2,436,446	2,566,475
Corning Incorporated	96,800	2,208,702	3,642,100	Computer Task Group Incorporated	93,200	844,018	745,600
Coventry Corporation	69,800	912,764	855,050	Cray Research Incorporated	7,500	449,790	214,688
Critical Care Incorporated	49,600	2,418,349	1,909,600	Dallas Semiconductor Corporation	180,200	1,307,885	1,531,700
CRSS Incorporated	74,000	793,736	786,250	Daniel Industries Incorporated	23,000	313,396	296,125
Dames & Moore Incorporated	24,800	531,550	446,400	Data Translation Incorporated	46,600	283,904	215,525
Dial Corporation	160,700	5,891,336	5,724,938	Dell Computer Corporation	11,300	189,003	204,813
First Data Corporation	50,000	1,104,660	1,243,750	Digital Equipment Corporation	110,800	7,532,883	3,836,452
FMC Corporation	10,600	308,896	527,350	Dionex Corporation	15,700	467,365	431,750
Gentyle Group Incorporated	110,000	983,125	495,000	Dover Corporation	18,100	478,139	730,788
Giddings & Lewis Contingent Rights	3,100	0	2,170	DH Technology Incorporated	92,100	955,527	1,082,175
Hanson Plc	122,700	2,258,806	2,407,988	EG & G Incorporated	92,200	1,864,423	2,120,600
Hon Industries Incorporated	26,000	504,094	494,000	Ekco Group Incorporated	79,800	794,069	598,500
ITT Corporation	166,100	8,966,048	10,754,975	Emerson Electric Company	239,142	8,084,671	11,658,173
Johnson Worldwide Association	63,350	1,525,192	1,282,838	Emulex Corporation	252,000	1,368,243	1,701,000
Ladd Furniture Incorporated	101,500	932,375	799,313	Esco Electronics Corporation	1,910	8,595	13,131
Leggett & Platt Incorporated	120,500	1,787,179	2,892,000	Evans & Sutherland Computer Corporation	80,500	1,458,027	1,227,625
Loews Corporation	22,900	2,241,950	2,553,350	Everex Systems Incorporated	100,000	661,535	362,500
Manetta Corporation	61,500	377,988	438,188	Exabyte Corporation	50,500	1,265,157	1,609,688
Minnesota Mining & Manufacturing Company	292,900	20,578,763	28,411,300	Federal Signal Corporation	68,700	1,193,240	1,296,713
Mueller Industries Incorporated	56,600	657,938	799,475	Fluke (John) Manufacturing Incorporated	31,400	531,495	887,050
Nelcor Incorporated	75,882	1,481,534	1,897,050	Galileo Electro Optics Corporation	130,000	779,738	763,750
Newbridge Networks Corporation	102,000	941,168	1,648,390	General Electric Company	997,200	51,229,816	77,532,300
Newell Companies Incorporated	85,000	2,636,320	3,038,750	General Instrument Corporation	58,500	877,246	840,938
Ogden Corporation	161,066	3,167,520	3,160,920	General Motors Corporation	253,000	4,650,828	7,084,000
Omnicom Group	127,700	3,728,841	4,469,500	Genus Incorporated	127,200	434,765	318,000
Owens Corning Fiberglas Corporation	11,200	191,301	338,800	Giga Tronics Incorporated	81,000	563,419	597,375
Owens Illinois Incorporated	200,000	2,200,000	2,375,000	Granger (W.W.) Incorporated	41,000	1,287,413	1,891,126
Pictoret Corporation	51,900	1,850,570	1,401,300	Hadco Corporation	120,000	612,899	1,080,000
S&P 500 Index Call Option	-60,000	-843,222	-427,500	Hewlett Packard Company	207,600	10,215,445	14,298,451
Scotts Company	46,000	932,460	667,000	Hubbell Incorporated	25,194	909,919	1,256,551
Sealy Holdings Incorporated	70,515	140,890	2,115	IMO Industries Incorporated	100,000	1,053,736	1,187,500
Service Corporation International	13,500	333,661	345,938	Instrument System Corporation	4,800	10,440	25,200
Shaw Industries Incorporated	18,000	363,042	389,250	Intel Corporation	198,900	8,177,713	11,337,300
Shelby Williams Industries Incorporated	109,600	1,006,057	945,300	Intergraph Corporation	14,600	384,409	191,626
Staples Incorporated	88,600	2,467,512	2,768,750	Intertan Incorporated	42,800	961,833	639,000
Takecare Incorporated	29,900	537,277	934,375	Iomega Corporation	160,400	897,907	922,300
Terra Industries Incorporated	361,995	2,038,552	1,900,474	Johnson Controls Incorporated	41,476	1,558,080	1,627,933
Tokos Medical Corporation	5,800	212,891	168,200	Jostyn Manufacturing Company	4,100	130,175	139,400
Trinova Corporation	41,500	985,320	944,125	JWP Incorporated	83,600	1,273,820	1,024,100
Tyco Laboratories Incorporated	9,900	443,800	336,600	Kent Electronics Corporation	73,400	632,565	1,348,725
TCBY Enterprises Incorporated	52,300	285,225	228,813	Knowledgeware Incorporated	28,000	313,438	353,500
TRW Incorporated	16,700	741,177	897,625	Kulicke & Soffa Industries Incorporated	80,000	540,000	350,000
Ultramar Corporation	240,400	3,606,000	3,636,050	Lam Research Corporation	43,000	241,318	510,625
Vanity Corporation	55,350	1,043,386	975,545	Logicon Incorporated	69,400	578,674	1,075,700
Waste Management Incorporated	852,800	22,639,884	28,675,401	Lotus Development Corporation	13,400	290,184	249,575
Whitman Corporation	29,100	241,345	389,213	M/A-Com Incorporated	9,400	135,263	48,176
York International Corporation	135,000	4,296,690	4,471,875	MacNeal Schwendler Corporation	248,600	2,523,150	2,734,600
CONSTRUCTION				Magnetek Incorporated	100,000	1,136,981	1,462,500
Amre Incorporated	175,300	1,155,108	1,051,800	Mark IV Homes Incorporated	311,200	4,303,776	4,162,300
Business Records Corporation Holding Company	44,000	545,473	847,000	Measurix Corporation	38,000	986,104	722,000
Centex Corporation	5,900	160,480	257,388	Mensel Incorporated	210,000	962,841	2,257,500
Crane Company	9,675	133,771	222,525	Methode Electronics Incorporated	196,100	1,090,902	2,843,450
Fleetwood Enterprises Incorporated	6,300	150,000	179,550	Micropolis Corporation	175,000	1,490,709	1,509,376
Florida Rock Industries Incorporated	46,600	1,486,738	1,205,775	Microsemi Corporation	200,000	423,000	350,000
Granite Construction Incorporated	66,300	1,692,053	1,442,025	Microsoft Corporation	95,550	5,127,210	6,688,500
Interface Incorporated	158,350	2,060,714	2,296,075	Motorola Incorporated	82,900	4,963,126	6,352,214
Kaufman & Broad Home Corporation	21,228	346,028	302,499	National Semiconductor Corporation	170,200	1,485,398	1,680,726
Lawson Products Incorporated	26,200	786,528	681,200	Newport Corporation	135,000	1,260,294	776,250
Masco Corporation	72,400	1,700,145	1,882,400	Nichols Research Corporation	92,800	1,051,507	1,160,000
Medusa Corporation	126,000	1,906,533	2,252,250	Novell Incorporated	181,900	7,872,443	9,686,175
Morrison Knudsen Corporation	5,600	155,219	114,800	Perkin-Elmer Corporation	9,400	256,607	282,000
P.P.G. Industries Incorporated	123,500	5,123,827	8,089,250	Quantum Corporation	110,400	1,131,522	1,490,400
PHM Corporation	13,200	269,152	227,700	Radiation Systems Incorporated	53,700	390,046	590,700
Schuler Homes Incorporated	22,500	348,750	292,500	Raychem Corporation	10,300	426,600	328,313
Skyline Corporation	2,600	39,499	37,376	Reliance Electric Company	70,000	1,322,960	1,207,500
Stanley Works	34,550	951,655	1,373,363	Reynolds & Reynolds Company	71,800	2,097,590	2,665,575
Starrett (L.S.) Company	6,200	161,876	151,900	Samsung Electronics (Gds)	1,236	19,974	17,304
Toil Brothers Incorporated	21,800	225,278	198,925	Samsung Electronics	27,000	707,670	479,250
Vulcan Materials Company	8,100	330,355	376,650	Seagate Technology	262,000	3,138,582	3,897,250
Waxman Industries Incorporated	96,000	480,000	432,000	Silicon Valley Group Incorporated	249,402	1,820,716	1,184,660
ELECTRICAL AND ELECTRONIC				Software Publishing Corporation	169,600	2,970,917	1,484,000
Adaptec Incorporated	161,812	1,784,976	3,701,450	Sprague Technologies Incorporated	134,500	858,575	807,000
Adobe Systems Incorporated	30,000	612,401	1,365,000	Stanford Telecommunications Incorporated	100,000	712,956	525,000
Advanced Micro Devices Incorporated	18,200	326,558	159,250	Sterling Software Incorporated	105,000	1,029,804	1,680,000
Aldus Corporation	67,700	1,952,468	803,938	Stratus Computer Incorporated	49,500	2,271,733	2,122,313
Alpha Microsystems	70,000	286,350	109,340	Summagraphics Corporation	90,000	1,000,123	720,000
Amdahl Corporation	29,900	438,018	526,988	Symantec Corporation	101,500	4,153,500	3,857,000
AMP Incorporated	87,700	4,408,400	4,724,839	Systems Center Incorporated	79,000	763,150	711,000
				Tandem Computers Incorporated	28,700	573,466	340,813
				Team Incorporated	86,000	821,241	451,500
				Tektronix Incorporated	10,500	313,218	183,750

COMMON STOCK - DOMESTIC	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - DOMESTIC	SHARES	BOOK VALUE	MARKET VALUE
ELECTRICAL AND ELECTRONIC (continued)				HEALTH CARE AND COSMETICS (continued)			
Teledyne Incorporated	16,100	\$ 450,885	\$ 303,888	Dianon Systems Incorporated	60,000	\$ 781,750	\$ 810,000
Telematics International Incorporated	136,400	416,149	375,100	Durr-Fillauer Medical Incorporated	24,300	489,388	528,525
Texas Instruments Incorporated	31,300	1,239,717	1,099,413	Forest Laboratories Incorporated	66,000	2,364,116	2,112,000
Thomas & Betts Corporation	4,700	224,620	279,650	General Parametnics Corporation	110,000	342,825	371,250
Unisys Corporation	43,900	1,084,746	395,100	Gensia Pharmaceuticals Incorporated	28,300	1,048,857	1,032,950
US Bioscience Incorporated	18,000	343,656	186,750	Glaxo Holdings Plc	177,200	3,562,936	4,496,450
Verifone Incorporated	15,500	315,936	310,000	Haemonetics Corporation	22,096	658,356	707,072
Vishay Intertechnology Incorporated	67,810	1,384,559	1,678,298	Helene Curtis Industries Incorporated	78,125	2,587,940	2,578,125
Vodafone Group Plc	75,000	4,173,255	4,818,750	Hillenbrand Industries Incorporated	4,900	70,609	181,300
VLSI Technology Incorporated	90,000	691,281	686,250	Hologic Incorporated	60,000	582,500	457,500
Wang Laboratories Incorporated	45,869	629,859	166,276	Hospital Staffing Services Incorporated	94,200	795,409	647,625
Westinghouse Electric Corporation	247,300	6,305,129	4,358,663	Humana Incorporated	139,050	3,710,798	2,937,432
Xerox Corporation	221,932	12,931,090	15,479,757	HBO & Company	53,500	440,047	789,125
Zenith Electronics Corporation	7,800	208,937	55,576	HCA Hosp Corporation	50,000	1,061,400	1,043,750
FOOD SOAP AND TOBACCO				International Murex Tech Corporation	19,500	309,215	243,750
Alberto Culver Company	7,900	97,962	171,825	Johnson & Johnson	383,400	10,833,420	17,157,150
Alexander & Baldwin Incorporated	46,000	1,240,044	1,150,000	Lifetime Corporation	17,500	481,291	229,688
American Brands Incorporated	221,200	7,267,860	9,843,400	Lilly (Eli) & Company	240,200	12,221,629	15,643,026
American Fructose Corporation	124,301	2,863,300	2,625,859	Manor Care Incorporated	15,750	224,576	289,407
American Fructose Corporation Class B	20,900	465,455	418,000	Manor Merrell Dow	110,100	3,531,603	3,605,775
American Maze Products Company	2,500	53,243	51,250	McKesson Corporation	72,200	2,419,222	2,292,350
Archer Daniels Midland Company	186,398	2,609,618	4,403,654	MDT Corporation	157,300	1,031,278	609,538
Armor All Products Corporation	87,300	1,315,245	1,374,975	Medco Containment Services Incorporated	231,950	3,994,474	6,958,500
Bob Evans Farms Incorporated	103,086	1,675,141	1,765,354	Medtronic Incorporated	42,700	2,122,209	3,490,725
Borden Incorporated	113,400	3,363,022	3,458,700	Merck & Company Incorporated	938,600	18,577,282	45,756,750
C P C International Incorporated	306,300	8,644,413	14,128,088	Millipore Corporation	74,700	2,696,854	2,474,438
Campbell Soup Company	69,200	1,077,673	2,499,851	Mylan Laboratories Incorporated	18,100	624,937	714,950
Clorox Company	94,690	3,050,671	4,296,559	National Health Labs Incorporated	214,600	4,905,311	4,426,125
Colgate-Palmolive Company	157,856	5,927,834	8,169,048	National Medical Enterprises Incorporated	368,800	5,672,900	5,301,501
Conagra Incorporated	106,475	1,342,273	2,781,659	Nichols Institute	28,500	370,408	231,563
Dean Foods Company	42,200	1,005,275	1,123,575	Optical Radiation Corporation	12,400	300,625	182,900
Dole Food Company	150,000	6,024,188	4,350,000	Pfizer Incorporated	494,600	24,871,931	36,105,800
Fleming Companies Incorporated	127,805	4,337,746	4,393,328	Qual-Med Incorporated	39,900	538,650	578,550
Flowers Industries Incorporated	17,000	258,055	299,625	Ramsay Health Care Incorporated	167,900	1,998,709	1,028,388
General Mills Incorporated	61,300	1,864,017	4,114,763	Receptech Corporation	40,000	500,000	870,000
Gerber Products Company	10,400	301,256	691,600	Regency Health Services Incorporated	42,000	273,000	273,000
Gibson Greetings Incorporated	43,800	1,112,497	1,078,575	Safeguard Health Enterprises Incorporated	80,300	470,929	803,000
Gillette Company	152,572	3,844,553	7,266,243	Schering Plough Corporation	272,000	9,518,737	14,926,001
Heinz (H.J.) Company	70,200	1,453,892	2,693,925	Shared Medical Systems Corporation	5,400	147,386	99,226
Helen Of Troy Corporation	88,100	1,023,782	1,795,038	Sierra Health Services	50,200	1,276,146	909,875
Hershey Foods Corporation	43,200	1,084,995	1,814,400	Smithkline Beecham Plc	75,000	3,975,232	5,746,875
Hormel (Geo. A.) & Company	50,000	955,196	1,000,000	St. Jude Medical Incorporated	9,900	236,372	373,725
International Flavors & Fragrances	35,100	2,469,636	3,400,313	Syntex Corporation	138,600	3,349,873	4,747,050
International Multifoods Corporation	23,500	689,853	587,500	United Healthcare Corporations	58,300	3,763,146	4,838,900
IBP Incorporated	281,400	4,919,180	5,276,250	Universal Health Services Incorporated	147,384	2,410,334	1,658,070
IHOP Corporation	53,500	602,500	682,125	Upjohn Company	312,700	11,007,988	10,006,400
Jan Bell Marketing Incorporated	174,500	2,369,878	2,639,313	U.S. Healthcare Incorporated	145,148	7,145,486	7,402,548
Jostens Incorporated	37,086	944,514	917,879	U.S. Surgical Corporation	15,500	1,711,478	1,476,375
Kellogg Company	203,900	6,520,180	13,533,863	Wamer Lambert Company	375,200	23,792,929	22,887,200
Lancaster Colony Corporation	99,150	3,010,316	2,912,531	Xoma Corporation	16,000	303,416	216,000
Lance Incorporated	7,700	173,419	180,950	INSURANCE			
McDonalds Corporation	789,284	23,902,904	36,307,064	Aetna Life & Casualty Company	83,821	4,527,425	3,468,095
Michaels Foods Incorporated	37,600	558,482	474,700	AFLAC Incorporated	162,200	3,171,625	4,906,550
Nash Finch Company	49,275	990,385	862,313	American General Corporation	112,700	3,912,186	5,522,300
New Pet Incorporated	29,300	441,529	457,813	American International Group Incorporated	427,125	30,541,437	37,853,954
Philip Morris Companies Incorporated	1,031,600	33,382,524	75,822,600	American Travelers Corporation	129,000	1,609,366	1,080,375
Pioneer Hi Bred International	126,309	8,355,000	10,104,720	AON Corporation	86,800	3,112,915	3,981,950
Premark International Incorporated	12,800	498,756	449,601	Argonaut Group Incorporated	4,488	120,054	118,932
Procter & Gamble Company	803,328	24,291,283	36,953,088	Berkley (W.R.) Corporation	50,000	1,389,375	1,668,750
Quaker Oats Company	36,800	1,603,261	2,088,400	Broad Incorporated	305,400	3,874,732	4,733,700
Ralston Purina Company	183,000	8,633,347	8,509,500	C N A Financial Corporation	16,900	1,007,216	1,428,050
Rubbermaid Incorporated	45,900	650,707	1,348,313	Capital Holding Corporation	42,900	1,864,609	2,563,275
Russ Berne & Company Incorporated	147,527	2,580,736	4,352,047	Chandler Insurance Limited	171,000	1,247,002	961,875
Sara Lee Corporation	122,100	3,124,071	6,288,150	Chubb Corporation	114,300	5,782,327	8,115,300
Super Food Services Incorporated	20,900	292,899	240,350	Cigna Corporation	66,400	4,062,492	3,701,800
Super Valu Stores Incorporated	104,100	2,633,383	2,498,400	Continental Corporation	16,900	675,963	475,313
Sysco Corporation	58,500	566,439	1,447,875	Exel Limited	125,000	3,980,800	4,500,000
Tambrands Incorporated	60,000	3,524,640	3,825,000	General Re Corporation	125,400	9,051,762	10,627,650
Universal Corporation Virginia	88,136	1,374,163	2,302,553	Jefferson-Pilot Corporation	50,662	1,474,118	2,121,472
UST Incorporated	280,900	2,426,867	7,865,200	Kemper Corporation	55,700	2,095,106	1,350,725
Wetterau Incorporated	41,500	975,573	1,079,000	Lincoln National Corporation	11,500	571,589	707,250
Wingley (Wm. Jr.) Company	10,800	161,066	815,400	MBIA Incorporated	24,475	1,133,626	1,324,709
HEALTH CARE AND COSMETICS				Nac Re Corporation	60,000	1,542,950	1,552,500
A L Laboratories Incorporated	16,000	368,960	298,000	National Insurance Group	72,300	850,538	939,900
Abbott Laboratories	586,400	12,451,623	17,445,400	Old Republic International Corporation	195,000	4,073,579	4,338,750
Acuson	25,300	520,546	512,325	Progressive Corporation	90,000	3,692,287	5,085,000
Allergan Incorporated	14,000	366,324	308,000	Safeco Corporation	17,500	478,356	905,625
Alza Corporation	293,900	11,415,619	13,409,189	St. Paul Companies	68,910	4,060,463	5,521,414
American Home Products Corporation	167,300	8,528,978	11,961,950	Torchmark Corporation	42,300	2,072,874	2,871,113
Amgen Incorporated	64,800	3,760,284	3,944,701	Transamerica Corporation	334,600	13,075,782	14,847,876
Applied Biosystems Incorporated	168,268	2,643,413	2,187,484	Transatlantic Holdings Incorporated	50,000	1,355,813	1,637,500
Avon Products Incorporated	414,000	17,534,387	21,217,500	Travelers Corporation	154,634	3,767,510	3,189,327
Bausch & Lomb Incorporated	55,200	1,556,159	2,635,800	Trenwick Group Incorporated	24,800	584,822	688,200
Baxter International Incorporated	445,486	13,046,991	16,204,554	USLICO Corporation	143,200	3,152,237	2,506,000
Beckman Instruments Incorporated	102,200	1,796,391	1,903,475	USLIFE Corporation	4,500	177,097	228,375
Becton Dickinson & Company	79,500	5,034,827	5,922,750	USF&G Corporation	23,220	785,546	330,885
Bergen Brunswig Corporation	88,630	1,810,025	1,695,049	LEISURE AND ENTERTAINMENT			
Beverly Enterprises Incorporated	100,700	966,881	793,013	Arcto Incorporated	56,400	426,458	740,250
Bindley Western Industries Incorporated	32,000	328,000	464,000	Associated Communications Corporation	76,500	1,230,963	1,185,750
Biomet Incorporated	21,800	149,824	373,325	Bally Manufacturing Corporation	11,300	179,109	59,325
Biorad Laboratories Incorporated	11,600	212,934	213,150	BHC Communications Incorporated	30,000	1,419,121	1,725,000
Block Drug Company Incorporated	18,346	570,280	853,089	Blockbuster Entertainment Corporation	43,800	556,772	574,876
Bristol-Myers Squibb Company	544,220	29,591,298	35,850,494	Brunswick Corporation	149,800	3,153,262	2,190,826
C R Bard Incorporated	14,700	213,578	363,825	Caesars World Incorporated	44,280	995,387	1,273,050
Chiron Corporation	1,000	65,079	54,750	Capital Cities ABC Incorporated	26,800	10,057,075	12,240,900
Collagen Corporation	65,000	1,360,496	1,202,500	Carnival Cruise Lines Incorporated	60,000	1,738,740	1,695,000
Community Psychiatric Centers	237,450	3,169,977	2,730,675	Circus Circus Enterprises Incorporated	68,020	2,071,552	2,839,835
Diagnostic Products Corporation	6,000	169,297	190,500	Comcast Corporation	32,525	414,206	569,188

COMMON STOCK - DOMESTIC				COMMON STOCK - DOMESTIC			
	SHARES	BOOK VALUE	MARKET VALUE		SHARES	BOOK VALUE	MARKET VALUE
LEISURE AND ENTERTAINMENT (continued)				MINING AND METALS (continued)			
Comcast Corporation Class A	2,150	\$ 54,402	\$ 36,819	CBI Industries Incorporated	100,000	\$ 3,237,585	\$ 3,350,000
CBS Incorporated	6,073	1,038,351	1,172,089	Echo Bay Mines Ltd	21,900	345,493	131,400
Electronic Arts Incorporated	40,100	915,120	952,375	Engelhard Corporation	12,250	251,197	496,125
Hasbro Incorporated	416,898	7,596,168	11,777,370	Freeport-McMoran Incorporated	250,000	4,754,595	4,937,500
Hilton Hotels Corporation	20,000	865,746	917,501	Giddings And Lewis Incorporated	169,442	4,426,061	3,812,445
Huffy Corporation	180,750	2,148,602	2,598,281	Harsco Corporation	117,449	3,222,870	4,301,570
International Dairy Queen Incorporated	28,900	628,902	578,000	Homestake Mining Company	26,800	371,342	351,751
Karcher Carl Enterprises Incorporated	501,100	4,163,870	3,632,975	Imco Recycling Incorporated	20,300	133,212	263,900
King World Productions Incorporated	69,750	1,738,859	1,612,970	Inco Limited	28,822	519,712	882,674
Lin Broadcasting Corporation	24,787	2,069,658	1,586,368	Inland Steel Industries Incorporated	39,000	1,019,661	1,014,000
Lubys Cafeterias Incorporated	59,050	842,898	996,469	Interlake Corporation	184,910	808,153	785,868
Marriott Corporation	27,000	619,122	435,376	Lukens Incorporated	84,600	3,106,451	4,642,425
Mattel Incorporated	135,401	1,516,109	3,418,851	Material Sciences Corporation	16,800	201,272	254,100
Medalist Industries Incorporated	38,500	348,058	317,625	Nacco Industries Incorporated	30,100	1,098,850	1,271,725
Mirage Resorts Incorporated	29,300	773,035	758,138	National Intergroup Incorporated	5,900	119,642	81,863
Outboard Marine Corporation	86,500	1,597,658	1,513,750	Newmont Mining Corporation	17,300	642,254	839,050
Paramount Communications Incorporated	32,200	1,012,844	1,461,076	Nucor Corporation	12,600	245,058	652,050
Piccadilly Cafeterias Incorporated	90,000	786,538	933,750	Phelps Dodge Corporation	106,600	3,802,535	5,170,100
Promus Cos Incorporated	69,700	1,473,348	1,986,450	Pittston Company	11,900	171,048	185,938
Ryans Family Steak Houses Incorporated	117,400	951,080	997,900	Precision Castparts Corporation	5,100	162,332	115,388
Safecard Services Incorporated	162,500	1,116,954	1,645,313	Reynolds Metals Company	172,900	9,886,656	10,006,589
Sbarro Incorporated	24,000	553,273	570,000	Standex International Corporation	73,268	1,896,324	2,381,210
Shoneys Incorporated	10,775	155,580	219,541	USX US Steel Group Incorporated	12,173	239,613	346,931
Sizzler International Incorporated	56,700	706,321	602,438	Westmoreland Coal Company	1,900	35,753	22,325
Tele Communications Incorporated	785,692	12,113,469	15,419,206	Worthington Industries Incorporated	16,250	252,020	373,750
Tyco Toys Incorporated	43,600	781,966	763,000				
TCA Cable TV Incorporated	113,623	1,994,277	2,329,272	OFFICE EQUIPMENT			
Viacom Incorporated	25,400	677,101	825,500	Agency Rent A Car	49,000	620,047	477,750
Walt Disney Company	183,800	2,957,657	6,639,775	Air & Water Technologies Corporation	99,100	1,910,713	1,585,600
Wendys International Incorporated	148,891	1,066,982	1,637,801	Alco Standard Corporation	11,883	305,071	444,127
				Allwaste Incorporated	88,600	614,370	542,676
MACHINERY AND EQUIPMENT				Alpine Group Incorporated	70,000	819,368	420,000
Acme Cleveland Corporation New	1,100	14,664	6,738	American Building Maintenance	7,900	298,485	288,350
Andrew Corporation	7,700	225,512	219,450	Bowne & Company	33,000	501,399	490,875
Black & Decker Corporation	17,400	344,215	389,326	Browning Ferris Industries Incorporated	328,700	6,988,627	7,231,400
Briggs And Stratton Corporation	93,103	3,883,851	4,177,999	Ceridian Corporation	216,600	3,047,960	3,005,326
Brown & Sharpe Manufacturing Company	1,000	8,065	5,250	Cisco Systems Incorporated	115,700	4,982,199	5,437,900
Caterpillar Incorporated	27,800	1,409,632	1,494,250	Comdisco Incorporated	163,000	2,385,318	2,628,375
Cellular Communications Pr Incorporated	26,800	389,650	402,000	Communications Satellite Corporation	76,800	3,119,791	3,235,200
Cincinnati Milacron Incorporated	7,300	166,188	105,850	Corporate Software Incorporated	94,900	1,217,312	1,020,175
Clark Equipment Company	6,100	177,979	149,450	Cross A T Company	4,700	124,913	112,213
Cooper Industries Incorporated	233,900	8,719,960	10,788,638	Cybertek Corporation	80,000	488,368	610,000
Cummins Engine Company Incorporated	3,900	226,553	267,150	Data General Corporation	118,600	1,550,441	963,625
Deere & Company	60,700	2,663,317	2,587,338	Deb Shops Incorporated	16,700	169,027	129,425
Digital Communications	129,600	2,178,467	2,284,200	Duplex Products Incorporated	131,000	1,708,283	1,670,250
Digital Microwave Corporation	23,100	213,313	144,375	ECC International Corporation	1,000	10,456	2,500
DSC Communications Corporation	11,300	159,390	53,675	Federal Express Corporation	14,500	665,915	654,314
Dynascan Corporation	139,500	960,613	540,563	Figgie International Incorporated	111,650	2,192,864	2,037,613
Dynatech Corporation	18,100	366,525	325,800	Flightsafety International Incorporated	15,400	370,234	677,869
Fedders Corporation	3,900	38,460	19,013	General Binding Corporation	90,000	1,561,450	1,485,000
Fluor Corporation	40,100	1,143,238	1,604,000	Greiner Engineering Incorporated	92,000	1,184,557	1,288,000
Foster Wheeler Corporation	9,700	169,320	246,139	Groundwater Technology Incorporated	15,200	334,300	368,600
Fuqua Industries Incorporated	65,000	974,102	755,625	H & R Block Incorporated	63,500	958,371	2,166,938
General Signal Corporation	119,358	7,267,518	6,892,924	Harper Group Incorporated	69,550	1,225,476	1,182,350
Graco Incorporated	14,500	417,024	344,375	Honeywell Incorporated	112,000	5,752,411	7,840,000
Harnischfeger Industries Incorporated	6,300	132,542	124,425	Horsehead Resource Development Incorporated	105,000	879,875	918,750
Harsco Corporation	9,200	294,166	253,000	Hunt Manufacturing Company	112,800	1,405,554	1,466,400
Idex Corporation	46,900	822,674	938,000	Information Resources Incorporated	16,000	383,071	372,000
Illinois Tool Works Incorporated	46,400	1,909,279	2,824,602	International Business Machines	222,400	24,897,534	21,767,401
Ingersoll-Rand Company	28,500	411,546	783,750	Interpublic Group Of Cos Incorporated	70,000	1,609,880	1,977,500
Kaydon Corporation	33,400	830,218	726,450	Kinder-Care Learning Centers Incorporated	109,103	761,454	34,040
Kennametal Incorporated	37,100	1,265,822	1,270,675	M A R C Incorporated	72,000	658,720	630,000
Lamson & Sessions Company	100,000	654,075	562,500	McCaw Cellular Communications	50,956	1,376,783	1,254,792
Manitowoc Company Incorporated	15,900	363,225	353,775	Miller Herman Incorporated	118,680	2,379,612	2,106,570
Maytag Company	214,031	4,388,868	3,531,512	National Education Corporation	202,262	1,601,142	1,820,358
Monarch Machine Tool Company	1,000	17,343	10,125	National Service Industries Incorporated	14,200	350,035	340,800
Navistar International Corporation	68,300	457,631	179,288	Oracle Systems Corporation	78,900	997,587	1,203,225
Newmark & Lewis Incorporated	2,000	17,640	62	Pitney-Bowes Incorporated	101,300	2,472,363	2,925,038
Paccar Incorporated	36,500	1,782,147	2,126,125	Platinum Technology Incorporated	55,034	880,544	846,148
Parker-Hannifin Corporation	13,150	378,465	382,995	Premier Industrial Corporation	20,000	654,750	647,500
Porta System Corporation	13,100	324,459	214,513	PDA Engineering	58,500	266,344	628,875
Regal Beloit Corporation	90,000	1,317,204	1,552,500	Quartermack Office Systems	75,000	991,076	928,125
Schwitzer Incorporated	123,000	778,257	1,014,750	Rollins Environmental Services	16,674	191,381	206,341
Scientific Atlanta Incorporated	7,000	110,113	166,250	Ryder System Incorporated	167,600	3,225,537	4,315,700
Scotsman Industries Incorporated	76,000	606,505	674,500	Safety-Kleen Corporation	80,100	1,887,534	2,222,775
Smith Corona Corporation	201,000	1,403,617	1,557,750	Seitel Incorporated	10,605	111,105	53,025
Snap On Tools Corporation	67,500	2,253,232	2,100,939	Sensormatic Electronics Corporation	85,000	1,200,880	2,273,750
Sprint Corporation	245,194	6,510,974	5,332,970	Sequent Computer Systems Incorporated	25,200	362,250	381,150
Tecumseh Products Company Class A	10,523	619,206	610,334	Sothebys Holdings Incorporated	98,900	1,132,463	1,248,613
Tecumseh Products Company Class B	17,734	1,068,367	1,108,375	Standard Register Company	13,900	215,125	208,500
Tekelec	66,800	686,736	901,800	Sun Microsystems Incorporated	80,800	1,667,306	2,110,900
Tennant Company	11,600	441,803	504,600	Ultimate Corporation	3,800	106,913	6,175
Terex Corporation New	80,000	1,257,180	900,000	Unifirst Corporation	7,900	196,788	185,650
Timken Company	43,000	1,196,828	1,177,126	United Stationers Incorporated	165,400	3,137,174	2,067,500
Tokheim Corporation	15,300	181,646	114,750	Varitronic Systems Incorporated	69,700	483,838	392,063
Toro Company	73,100	1,165,145	1,005,125	Wackenhut Corporation	7,500	216,155	201,563
Watts Industries Incorporated	28,400	1,302,780	1,384,500	3COM Corporation	220,000	1,885,167	2,392,500
Whirlpool Corporation	28,200	894,002	1,050,450				
Zum Industries Incorporated	28,900	923,953	809,200	OIL AND GAS			
				Allied Signal Incorporated	38,418	1,367,368	2,064,968
MINING - METALS				Amerada Hess Corporation	28,800	1,089,994	1,303,200
Acme Steel Company	70,000	1,014,968	1,225,000	Amoco Corporation	136,800	5,288,215	6,532,200
Alcan Aluminum Limited	206,950	4,108,601	4,423,557	Ashland Oil Incorporated	120,500	3,747,216	3,208,313
Allegheny Ludlum Corporation	23,800	710,162	847,875	Atlantic Richfield Company	277,800	28,610,659	29,932,950
Aluminum Company Of America	58,500	3,474,211	4,438,688	Cabot Oil & Gas Corporation	99,700	1,354,470	1,159,013
Amax Incorporated	213,300	4,673,874	4,585,950	Chevron Corporation	82,500	4,101,969	5,527,500
Armco Incorporated	588,100	4,074,620	4,116,700	Coastal Corporation	27,875	554,040	693,391
Asarco Incorporated	135,700	3,205,472	4,104,925	Devon Energy Corporation	95,300	953,000	1,000,650
Bethlehem Steel Corporation	18,000	303,520	272,250	Exxon Corporation	412,500	16,678,935	25,523,439
Cyprus Minerals Company	8,092	220,085	230,622	Global Marine Incorporated	410,000	863,034	717,500

COMMON STOCK - DOMESTIC

OIL AND GAS (continued)

ONE AND GAS (continued)			
Kerr McGee Corporation	18,400	\$ 705,689	\$ 736,000
Louisiana Land & Exploration Company	56,839	2,125,642	1,932,526
Mapco Incorporated	92,700	4,356,202	5,017,388
Maxus Energy Corporation	23,355	287,464	140,130
Mobil Corporation	190,800	8,821,743	11,734,200
Noble Affiliates Incorporated	68,700	954,491	1,021,913
Occidental Petroleum Corporation	79,810	2,403,504	1,566,272
Oryx Energy Company	23,400	695,618	409,500
Pennzoil Company	10,800	669,293	483,300
Phillips Petroleum Company	189,100	4,221,139	4,585,675
Pride Petroleum Services Incorporated	144,100	614,703	540,375
Royal Dutch Petroleum Company	233,800	13,917,353	20,486,725
Santa Fe Energy Resources Incorporated	17,784	226,943	144,496
Sun Company Incorporated	29,000	902,068	743,125
Swift Energy Company	1,300	19,854	8,125
Tenneco Incorporated	33,746	1,607,816	1,248,602
Texaco Incorporated	169,700	9,219,735	10,478,975
Unocal Corporation	67,334	1,297,887	1,717,017
USX Marathon Group Incorporated	74,769	1,965,264	1,626,226
Valero Energy Corporation	144,200	3,190,556	3,370,675
Williams Companies Incorporated	11,100	299,981	321,900

OIL SUPPORT SERVICES

Baker Hughes Incorporated	36,560	784,457	740,340
Dresser Industries Incorporated	107,500	2,080,577	2,244,063
Enterra Corporation	151,500	2,797,074	2,689,125
Halliburton Company	29,200	921,425	777,450
Helmerich & Payne Incorporated	239,500	5,379,734	5,538,438
McDermott International Incorporated	13,000	337,920	260,000
Nabors Industries Incorporated	120,500	828,438	858,563
NL Industries Incorporated	76,450	1,731,071	640,269
Pool Energy Services Company	128,114	942,873	880,784
Production Operators Corporation	107,900	3,323,924	3,533,725
Rowan Companies Incorporated	144,800	1,087,515	868,800
Schlumberger Limited	164,400	9,020,737	10,336,651

PAPER AND FOREST PRODUCTS

Ball Corporation	4,700	136,129	165,088
Bemis Company Incorporated	17,400	137,294	424,125
Boise Cascade Corporation	12,536	401,250	228,782
Bowater Incorporated	149,200	3,859,451	3,095,900
Champion International Corporation	160,500	4,439,156	4,413,750
Chesapeake Corporation	49,400	1,215,228	1,222,650
Crown Cork And Seal Company Incorporated	63,000	1,996,222	1,953,000
Federal Paper Board Company Incorporated	130,600	3,821,562	3,852,700
Fibreboard Corporation	65,000	512,782	503,750
Georgia Pacific Corporation	84,700	3,436,709	5,187,875
International Paper Company	162,300	9,742,802	11,340,713
James River Corporation Of Virginia	150,044	3,481,154	3,075,902
Kimberly Clark Corporation	122,900	4,444,643	7,189,650
Louisiana Pacific Corporation	33,737	1,111,083	1,560,338
Manville Corporation	65,000	652,483	609,375
Mead Corporation	156,700	4,798,017	5,523,675
Potlatch Corporation	8,300	225,406	367,275
Scott Paper Company	20,900	637,231	799,425
Sealight Incorporated	97,405	1,674,572	2,410,774
Shorewood Packaging Corporation	198,670	1,698,377	1,639,028
Stone Container Corporation	18,300	369,411	459,788
Temple Inland Incorporated	141,850	5,973,150	6,879,725
Union Camp Corporation	19,650	624,004	913,725
Wausau Paper Mills Company	50,062	2,219,527	2,052,542
Westvaco Corporation	17,900	415,299	686,913
Weyerhaeuser Company	64,400	1,711,704	2,205,701
Zero Corporation	30,300	347,128	310,575

PHOTOGRAPHIC AND RELATED

CPI Corporation	29,300	731,013	637,275
Eastman Kodak Company	262,950	10,731,817	10,550,870
Polaroid Corporation	65,986	1,722,152	1,806,368

PRINTING AND PUBLISHING

Affiliated Publications Incorporated	192,600	1,818,112	2,094,525
American Greetings Corporation	276,300	10,536,057	11,846,363
Baldwin Technology Incorporated	32,500	171,079	130,000
Banta Corporation	56,000	1,434,641	2,009,000
Central Newspapers Incorporated	44,720	699,173	933,530
Commerce Clearing House Incorporated	83,790	1,447,991	1,340,640
Deluxe Corporation	47,400	1,317,653	2,014,500
Donnelley (R.R.) & Sons	21,300	752,535	1,152,863
Dow Jones & Company Incorporated	44,950	1,919,806	1,444,019
Dun & Bradstreet Corporation	223,848	10,171,049	12,675,394
Enquirer/Star Group Incorporated	60,500	926,248	983,125
Gannett Company Incorporated	315,900	12,674,793	14,018,064
Graphic Industries Incorporated	12,600	73,410	59,850
Harland (John H.) Company	24,600	576,052	507,376
Houghton Mifflin Company	101,574	2,907,693	2,996,433
Knight Ridder Incorporated	132,200	6,685,019	7,717,177
Lee Enterprises Incorporated	4,800	114,614	130,800
Lillian Vernon Corporation	73,000	738,088	857,750
McGraw-Hill Incorporated	88,500	5,365,479	5,121,939
Meredith Corporation	3,200	116,334	87,600
New England Business Service Incorporated	31,600	593,225	505,600
New York Times Company	76,300	2,229,301	2,136,400
Readers Digest Association Incorporated	80,000	3,840,000	3,630,000
Reuters Holdings Plc	157,700	7,843,355	10,368,775
Scripps (E.W.) Company	80,000	1,822,400	2,200,000
Time Warner Incorporated	142,020	12,985,378	15,764,220
Times Mirror Company	59,772	2,067,879	2,002,362
Tribune Company	33,300	1,337,682	1,365,300
Valassis Communications Incorporated	225,800	4,006,872	4,431,325
Washington Post Company	15,000	3,670,025	3,255,000

COMMON STOCK - DOMESTIC

RETAIL TRADE

RETAIL TRADE			
Albertsons Incorporated	58,300	\$ 1,333,607	\$ 2,434,025
American Stores Company	28,200	817,783	958,800
Ann Taylor Stores Corporation	88,000	1,343,356	1,749,000
Brunos Incorporated	17,100	338,627	230,850
Burlington Coat Factory	205,350	4,291,101	3,747,638
Caldor Corporation	45,000	646,165	720,000
Charming Shoppes Incorporated	13,700	336,892	393,875
Circuit City Stores Incorporated	107,500	2,553,795	3,319,064
Clares Stores Incorporated	231,750	2,015,804	1,593,282
Costco Wholesale Corporation	19,500	631,535	555,750
Dart Group Corporation	2,900	207,629	211,700
Dayton-Hudson Corporation	22,031	1,046,289	1,476,077
Dillard Department Stores Incorporated	59,400	1,682,753	2,190,376
Dress Barn Incorporated	140,100	1,442,021	1,295,925
Fays Incorporated	12,500	140,879	100,000
Fingerhut Companies Incorporated	76,100	2,175,389	2,187,875
Food Lion Incorporated	138,750	1,442,593	1,595,625
Gantors Incorporated	120,000	866,186	1,200,000
Gap Incorporated	90,600	2,361,632	3,125,700
Giant Food Incorporated	16,500	398,393	340,314
Great Atlantic And Pacific Tea	180,800	5,457,274	4,881,600
Grossman Incorporated	342,000	1,746,142	1,239,750
Handleman Company	123,275	1,667,610	1,633,394
Home Depot Incorporated	64,349	1,117,244	4,327,471
Home Shopping Network Incorporated	170,000	1,256,775	977,500
House Of Fabrics Incorporated	85,800	1,532,750	1,254,825
K Mart Corporation	528,800	9,562,052	12,162,400
Kroger Company	27,300	124,014	406,088
Limited Incorporated	613,300	12,926,016	13,952,575
Longs Drug Stores Incorporated	119,750	4,760,276	3,996,657
Lowe's Companies Incorporated	20,000	261,832	392,500
May Department Stores Company	146,677	6,836,030	8,122,239
Melville Corporation	30,200	985,422	1,374,100
Mercantile Stores Incorporated	66,900	2,261,225	2,266,238
Merry Go Round Enterprises Incorporated	107,800	1,104,141	1,495,725
Michaels Stores Incorporated	6,200	47,509	123,225
Nordstrom Incorporated	24,200	749,733	683,650
Penney (J.C.) Company	112,300	5,621,664	7,931,188
Pep Boys Manny Moe & Jack	197,600	4,203,134	4,495,400
Pier 1 Imports Incorporated	160,949	1,048,769	1,166,881
Price Company	13,400	481,476	442,200
Rite Aid Corporation	156,462	3,027,789	3,109,683
Ross Stores Incorporated	228,000	1,775,572	3,163,500
Sears Roebuck & Company	265,800	10,735,414	10,565,550
Service Merchandise Incorporated	682,725	3,106,241	7,168,613
Shopko Stores Incorporated	118,600	1,678,202	1,630,750
Spiegel Incorporated	77,000	1,083,656	981,750
Stanhome Incorporated	70,925	2,254,981	2,331,659
Stop & Shop Companies Incorporated	20,000	250,000	272,500
Tandy Corporation	102,791	3,361,816	2,518,380
Topps Incorporated	80,300	1,227,825	1,385,175
Toys R Us	206,837	4,168,693	7,135,877
TJX Companies Incorporated	17,700	272,776	331,875
Venture Stores Incorporated	31,100	240,087	808,600
Waban Incorporated	157,629	2,942,569	3,152,580
Wal-Mart Stores Incorporated	703,100	11,549,088	37,791,625
Walgreen Company	279,800	7,107,825	9,478,226
Winn Dixie Stores Incorporated	23,300	538,944	1,042,675
Woolworth Corporation	115,700	3,161,243	3,138,363

TEXTILES AND APPAREL

Angelica Corporation	101,600	3,236,525	3,022,600
Brown Group Incorporated	115,500	2,906,910	2,627,625
Claiborne (Lz) Incorporated	408,300	14,559,368	14,392,575
Feldcrest Mills Incorporated	91,700	1,795,109	1,684,988
Genesco Incorporated	327,600	1,691,976	1,638,000
Hartmarx Corporation	81,100	651,433	456,188
Kellwood Company	85,000	934,542	2,337,500
Leslie Fay Companies Incorporated	60,300	983,735	927,113
Lida Incorporated	62,200	715,300	847,475
Nike Incorporated	75,600	3,136,172	4,696,651
Nortek Incorporated	100,000	638,848	550,000
Oshkosh B Gosh Incorporated	105,350	3,305,277	2,396,713
Reebok International Limited	26,300	436,715	634,488
Russell Corporation	85,900	1,404,171	2,684,375
Springs Industries Incorporated	4,100	104,913	149,650
Stride Rite Corporation	77,700	1,536,090	1,602,563
United States Shoe Corporation	489,000	5,607,843	6,112,500
V F Corporation	132,589	4,821,295	5,833,916
Warnaco Group Incorporated	140,000	4,660,055	4,252,500

TRANSPORTATION - AIR

Atlantic Southeast Airlines Incorporated	35,900	1,240,830	1,041,100
AMR Corporation	161,900	10,244,163	10,462,789
Comair Holdings Incorporated	139,500	1,349,303	1,953,000
Delta Air Lines Incorporated	18,600	1,078,789	1,009,050
Southwest Airlines Company	202,182	6,506,505	8,668,553
UAL Corporation	5,322	489,446	617,352
US Air Group Incorporated	12,400	460,434	158,100

TRANSPORTATION EXCLUDING AIR

Anangel & American Shipholdings Limited	147,495	2,335,514	1,935,872
Arkansas Best Corporation	3,800	37,050	44,175
Burlington Northern Incorporated	85,600	2,490,157	3,199,301
Consolidated Freightways Incorporated	78,750	1,185,306	1,013,907
Consolidated Rail Corporation	72,000	5,646,025	6,507,001
CSX Corporation	61,903	2,206,114	3,923,103
Illinois Central Corporation	44,601	1,039,051	931,046
KLLM Transport Services Incorporated	78,666	579,048	1,297,989
M S Carriers Incorporated	50,000	841,602	1,350,000

COMMON STOCK - DOMESTIC	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - INTERNATIONAL	SHARES	BOOK VALUE	MARKET VALUE
TRANSPORTATION EXCLUDING AIR (continued)				Aacor	6,060	\$ 757,188	\$ 882,434
Norfolk Southern Corporation	42,600	\$ 1,224,324	\$ 2,710,426	Acerinox	39,900	2,481,160	2,611,634
Roadway Services Incorporated	30,900	1,404,834	1,969,875	AGA	41,000	2,030,776	2,086,754
Santa Fe Pacific Corporation	132,362	1,276,020	1,604,889	Agua Barcelona	20,223	608,796	702,522
Union Pacific Corporation	219,200	8,421,192	10,987,401	Ahold Cpn 14 Rts Ex 6/12/92	10,775	0	7,912
Yellow Freight System Incorporated	7,700	170,965	209,825	Ahold Nv Zaandam	10,775	425,417	524,719
UTILITIES				Air Liquide	15,194	1,972,675	2,292,570
American Electric Power Company Incorporated	123,900	3,438,113	3,949,313	Akzo N V Amhem	102,132	3,716,592	4,417,210
Ameritech Corporation New	78,500	3,371,309	4,935,688	Alcatel Alstom Compagnie Generale	19,785	2,162,144	2,506,407
Arkla Incorporated	30,900	628,783	281,963	Algemene Bk Nederland Nv	6,700	134,036	91,326
Atmos Energy Corporation	95,000	1,638,443	1,852,500	Allianz Aktiengesellschaft Holding	531	722,039	793,703
AT&T Company	592,394	15,763,658	25,472,942	Allied Lyons Plc	100,000	955,863	1,201,954
Baltimore Gas & Electric Company	118,150	2,424,626	2,628,838	Alps Electric Company Ltd	220	156,750	6,188
Bell Atlantic Corporation	213,000	8,461,233	9,478,500	Amcol Holding Ltd	750,000	994,551	1,192,022
Bellsouth Corporation	117,405	4,534,611	5,796,872	Amcor Ltd	374,527	1,695,998	2,134,106
Boston Edison Company	10,900	259,965	282,038	American Standard Sanitaryware	69,600	1,039,406	1,022,354
Carolina Power And Light Company	16,722	724,819	844,461	Ampolex Ltd	560,000	1,289,106	1,457,287
Centel Corporation	285,000	9,429,058	8,193,750	Aoyama Trading Company Ltd	26,500	1,615,735	1,520,209
Central & South West Corporation	71,700	1,336,743	2,025,525	Argyll Group Plc	270,000	1,382,127	1,820,646
Central Hudson Gas & Electric	77,758	2,166,703	2,245,262	Ashikaga Bank Ltd	59,000	499,040	377,894
Columbia Gas System Incorporated	107,000	2,049,092	1,819,000	Assicurazioni Generali	29,500	732,124	709,286
Commonwealth Edison Company	57,866	1,907,422	1,540,683	Astra Ab Senes A	25,381	2,553,167	2,463,652
Connecticut Energy Corporation	17,500	354,941	391,563	Australian Provincial Newspaper	500,000	568,122	542,146
Consolidated Edison Co Of New York Incorporated	70,500	1,568,522	1,974,000	Autobacs Seven Company Ltd	4,000	273,471	300,756
Consolidated Natural Gas Company	21,100	718,568	894,113	Autopistas Concesionaria Espanol	78,000	996,701	1,029,194
CMS Energy Corporation	65,100	1,008,556	1,033,463	ANB Eafe/Eafe-Ex Combined Fund	1	814,914	58,508
Detroit Edison Company	46,700	861,808	1,459,375	ANB Multiple Interap Eafe Index Fund	1	109,143,056	103,850,110
Dominion Resources Incorporated	72,550	2,016,614	2,775,038	ANB Multiple International Eafe-EX Fund	1	100,504,371	105,963,677
Duke Power Company	55,800	1,203,378	1,911,150	Banca Commercial Italiana	90,662	282,789	193,038
DPL Incorporated	105,000	1,851,376	2,716,875	Banco Bilbao Viscaya	89,300	2,660,695	2,402,979
Eastern Enterprises	7,252	194,224	199,430	Banco Commercial Portugues	26,000	606,635	405,019
Enron Corporation	40,300	937,397	1,687,563	Banco De Santander	6,858	359,384	329,540
Enron Oil & Gas Company	80,111	2,050,056	2,042,831	Bangkok Bank	780,000	1,411,830	2,570,797
Enserch Corporation	178,900	2,710,148	2,683,500	Bangkok Insurance	36,666	568,566	543,944
Entergy Corporation	44,100	661,281	1,245,825	Bank Of Ayudhya	246,670	494,401	425,987
FPL Group Incorporated	73,900	2,240,032	2,577,263	Bank Of Commerce Berhad	600,000	1,069,222	1,174,121
General Physics Corporation	103,900	1,380,860	662,363	Bankgesellschaft Schweiz	2,000	2,535,158	2,612,909
General Public Utilities Corporation	164,113	3,724,309	4,205,396	Bankinter (Banco Intercom)	7,700	620,545	483,200
GTE Corporation	535,300	11,699,013	17,062,688	Bankverein Sbv Schweizenscher	11,000	2,452,935	2,035,541
Houston Industries Incorporated	34,600	1,069,917	1,518,075	Barclays Plc	140,000	982,002	880,036
Ipalco Enterprises Incorporated	10,000	251,590	350,000	Bayer AG	9,800	1,581,565	1,805,650
K.N. Energy Incorporated	86,860	2,304,291	2,106,355	Bayenische Muenchen Motorenwerke AG	7,800	2,274,565	3,006,355
Ku Energy Corporation	15,500	303,335	410,750	Bayenische Vereinsbank AG	9,410	2,204,364	2,490,016
M.C.I. Communications Corporation	321,400	8,029,701	10,324,976	BCE Incorporated	33,000	1,122,601	1,230,381
MCN Corporation	114,900	2,455,484	2,858,138	Benetton Group	28,000	220,857	293,641
New England Electric System	69,105	2,028,909	2,263,189	Bilfinger & Berger Bau Mannheim	1,730	1,052,016	1,101,858
New York State Electric And Gas	65,000	1,803,035	1,909,375	Biogen Incorporated	3,000	110,897	76,500
Niagara Mohawk Power Corporation	37,100	614,992	704,900	Boral Ltd	200,000	577,840	468,115
Nicor Incorporated	5,025	199,413	225,497	Boskalis Westminster	92,800	1,143,620	1,203,000
Northern States Power Company	17,900	528,510	742,850	BPB Industries Plc	604,600	1,665,557	1,796,599
Nynex Corporation	127,100	8,767,192	10,025,014	Bridgestone Corporation	195,000	1,746,068	1,753,215
Ohio Edison Company	188,200	3,507,757	3,928,676	Brierley Investments Ltd	942,400	593,139	507,679
Oneok Incorporated	7,500	119,036	127,500	British Aerospace Plc	414,000	2,401,952	1,932,079
Pacific Enterprises	19,189	879,636	364,591	British Gas Plc	415,000	2,650,508	2,770,909
Pacific Gas & Electric Company	129,600	2,833,468	4,179,600	British Land Company Plc	130,000	656,194	507,640
Pacific Telesis Group	135,800	3,867,893	5,448,975	British Petroleum Company Plc	592,100	6,072,820	5,067,101
Pacificorp	83,500	1,774,224	1,857,875	British Steel Plc	70,000	1,608,960	822,500
Panhandle Eastern Corporation	29,320	656,661	458,125	British Telecom	56,490	98,366	122,669
Pennsylvania Enterprises Incorporated	25,400	644,884	628,650	British Telecommunications Plc	121,200	2,933,057	3,168,651
Pennsylvania Power And Light Company	14,400	307,404	372,600	Broken Hill Proprietary Ltd	131,778	1,082,034	1,419,003
Peoples Energy Corporation	9,900	196,526	259,875	BSN	3,968	650,422	851,217
Philadelphia Electric Company	58,800	1,066,701	1,550,851	BTR Nylux Ltd	1,341,298	2,845,290	2,768,294
Public Service Company Of Colorado	95,969	2,265,262	2,579,167	Buhrmann Tetterode	66,000	1,902,583	1,891,526
Public Service Enterprise Group	245,575	6,591,310	6,784,010	BPI	16,000	490,598	577,811
PSI Resources Incorporated	16,700	226,526	281,813	Cabin Company Ltd	55,000	620,885	512,001
Qwest Corporation	54,600	1,051,988	1,242,150	Cable & Wireless Plc	331,048	3,216,867	3,304,309
SCE Corporation	89,700	2,981,657	3,969,225	Cadbury Schweppes Plc	245,700	1,551,815	2,190,330
Sonat Incorporated	32,000	1,198,152	1,200,000	Canon Incorporated	474,000	5,426,723	5,204,506
Southern Company	86,047	1,873,866	3,000,890	Cap Gemini Sogeti	32,944	2,160,440	1,774,185
Southern New England Telecom	50,000	1,755,744	1,618,750	Cap Gemini Sogeti Warrants	2,338	87,689	18,027
Southwestern Bell Corporation	132,000	5,799,017	8,052,000	Carrefour	4,063	1,640,685	2,090,563
Teeco Energy Incorporated	11,000	358,513	430,375	Carter Holt Harvey Ltd	1,288,000	1,457,872	1,860,153
Telefonos De Mexico	165,000	5,162,246	7,218,750	Casino Guichard Perrachon	82,550	1,956,116	1,892,474
Telephone & Data System Incorporated	130,000	4,032,700	4,078,750	Casio Computer Company Ltd	248,182	2,621,289	2,396,989
Texas Utilities Company	221,365	7,610,326	8,660,908	Castorama Dubois Invest	4,200	369,565	405,812
Transco Energy Company	5,250	166,791	73,500	Cemex Sa "B" (Mxp)	112,200	881,892	1,715,677
U.G.I. Corporation	90,000	1,607,170	1,586,250	Cheung Kong Holdings Ltd	1,730,000	3,573,957	5,864,406
Union Electric Company	21,400	734,047	767,726	China Light & Power Company Ltd	250,000	1,073,073	1,107,840
Utilicorp United Incorporated	65,700	1,780,073	1,552,163	Chyoda Shoe	35,000	1,717,805	698,979
US West Incorporated	292,000	9,474,275	10,658,000	Chubu Engineering Corporation	19,000	386,846	281,183
TOTAL COMMON STOCK-DOMESTIC				Chugai Pharmaceutical Company Ltd	71,000	587,801	666,596
		2,864,314,628	3,581,720,104	Ciba Geigy	1,990	0	10,873
				Ciba-Geigy AG Basel Bearer	110	246,285	266,063
				Ciba-Geigy AG Basel	1,915	4,280,604	4,673,766
				Citic Pacific Ltd	500,000	570,865	879,803
				City Developments Ltd	1,475,000	3,520,490	3,904,144
				Coats Vyella Plc	587,500	2,362,113	2,226,996
				Colas	2,840	300,741	455,127
				Coles Myer Ltd	130,000	1,111,744	1,150,994
				Commerzbank AG	4,649	758,227	770,776
				Compagnie Bancaire	27,282	2,438,539	2,155,696
				Compagnie Financiere De Paribas	12,300	812,154	835,037
				Comptoirs Modernes Bonus Rts Exp 7/30/92	1,806	0	37,509
				Comptoirs Modernes	1,806	391,640	375,086
				Cookson Group Plc	270,000	604,792	743,173
				Credit National	5,612	1,226,715	10,033,423
				Cubiertas Y Mzov	5,180	674,340	418,705
				Cycle & Carriage Ltd	300,000	876,332	1,187,384
				CMB Packaging	35,819	1,218,477	1,307,453
				CMK Corporation	30,000	486,189	465,455
				CS Holdings Bearer Certificates	743	958,978	949,991

COMMON STOCK - INTERNATIONAL (continued)	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - INTERNATIONAL (continued)	SHARES	BOOK VALUE	MARKET VALUE
CS Holdings Warrants Exp 12/21/92	743	\$ 0	\$ 20.434	Korean Investment Fund Incorporated	25,000	\$ 300,000	\$ 265,625
Dai Nippon Printing Company Ltd	80,000	897,894	859,302	Kyocera Corporation	60,000	2,274,202	2,005,038
Daiichi Chemical Industries Ltd	147,000	893,895	626,909	Kyushu Denki Kogyo Company Fukuoka	80,000	1,386,214	1,381,249
Daifuku Company Ltd	31,000	563,168	490,836	Kyushu Electric Power Company Inc.	25,900	574,226	440,997
Daimler-Benz AG	3,900	1,687,672	1,945,680	KAD Corporation	101,200	878,199	829,354
Daito Trust Construction	25,000	985,542	897,095	L'Oreal	4,670	514,658	829,524
Daiwa House Industries Company Ltd	135,400	2,269,153	1,712,121	Ladbroke Group	120,000	574,627	491,449
Daiwa Koshu Lease Company Ltd	90,000	1,022,470	859,302	Landis & Gyr Ag Zug	2,600	2,710,552	1,818,436
Deutsche Bank AG	11,520	4,723,098	5,223,044	Lend Lease Corporation Ltd	83,999	948,963	1,035,184
Deutsche Bank Warrants 6/30/95	1,340	195,668	176,851	Lion Kah Ngam	800,000	770,417	752,010
Development Bank Of Singapore Fgn (Sgd)	375,000	3,063,828	3,293,135	Lion Nathan Ltd	272,200	582,463	656,161
Disneyland Euro	23,250	620,331	490,591	Lion Nathan 10% Convertible Stock	14,285	26,850	36,767
Douglas Holding Ag	2,925	1,229,740	1,086,197	Lisnave Estado Navais De Lisboa	242	2,637	1,809
Draconsa Dragados Y Construccione	47,318	1,018,228	771,836	Liu Chong Hing Investment Ltd	1,000,000	911,111	892,741
Eaux (Compagnie Generale Des)	2,000	827,834	862,766	Lucas Industries	780,000	1,772,570	1,812,646
ECC Group	161,200	1,234,543	1,618,207	LVMH Moet Hennessy Louis Vuitton	984	792,430	747,932
Elan Plc	44,590	1,834,292	1,800,321	Maeda Construction Company Ltd	15,000	137,942	107,413
Electrabel NPV	3,000	431,812	440,346	Maeda Road Construction Company)	67,000	1,531,487	1,465,985
Elsevier Nv	21,565	1,233,999	1,362,959	Magna International Incorporated	32,000	595,653	840,000
Empresas Sociedad Controladora Ads (Usm)	123,268	2,351,196	2,141,782	Makita Corporation	113,000	1,726,494	1,681,288
Endesa	90,000	2,051,114	3,310,127	Malaysian International Shipping Fgn Myl (Sgd)	330,000	1,013,273	914,286
Eurotunnel Sa Units (1epic&1esa) Scovam	185,000	1,482,010	1,267,505	Malaysian Pacific Industries	550,000	842,363	882,987
Family Mart Company Ltd	400	0	22,024	Malaysian Resources Corporation	1,500,000	715,690	712,859
Family Mart Warrants Exp 2/14/95	265	410,750	230,219	Mannesmann Ag	18,220	3,690,383	3,455,040
Fanuc Ltd	62,600	2,073,792	1,907,635	Matsumoto Yushi-Seiyaku	5,500	233,582	126,906
Finanzaria Agriodist Spa	166,050	848,591	735,070	Matsushita Elect Ind Company	398,000	4,542,532	4,148,360
Fletcher Challenge Ltd	310,000	599,331	595,463	Mayne Nickless Ltd	230,400	1,422,355	1,288,730
Fochi Spa Filippo	96,000	799,704	849,529	Mikuni Coca-Cola Bottling Company	64,000	1,303,665	1,369,791
Foster Brewing Ltd	650,000	749,200	938,099	Mim Holdings Ltd	646,100	1,309,645	1,449,436
Fuji Fire & Marine Insurance	89,000	724,432	439,040	Mitsubishi Heavy Industries	525,000	2,411,641	2,213,896
Fuji Machine Manufacturing Company Ltd	38,000	657,835	650,046	Mitsubishi Motor Company	680	545,159	208,250
Fuji Oil Company	95,000	846,146	589,577	Mitsui Fudosan	165,000	1,712,696	1,021,376
Fuji Photo Film Company Ltd	44,000	996,033	980,241	Mitsui Marine & Fire Insurance Company	181,000	1,158,512	841,034
Fuji Soft Ware Incorporated	15,000	631,640	309,110	Miura Company Ltd	40,000	520,205	442,381
Fujitsu Ltd	20,000	170,133	97,069	Moore Corporation Ltd	28,600	712,499	493,350
GB-INNO-BM	15,800	611,957	725,996	Mon Seiko Company Ltd	33,000	738,609	546,134
Generale De Banque Npv	4,200	784,099	822,872	Murata Manufacturing Company Ltd	115,000	2,041,731	2,131,944
Getronics Nv	55,000	981,478	951,530	Naigai Company Ltd	88,000	989,491	576,242
Gist-Brocades Nv	42,848	784,900	960,936	National Foods Ltd	1,145,233	1,237,210	1,250,330
GKN Plc	81,000	474,697	547,737	National Westminster Bank Plc	431,700	2,271,876	2,713,654
Glaxo Holdings Plc	84,000	755,460	1,086,445	Natsteel Ltd	1,300,000	3,277,305	2,926,407
Godo Steel	85,000	1,031,000	865,667	Nestle Sa Cham Et Vevey Reg	610	3,501,656	4,324,103
Granada Group Plc	60,000	239,700	278,869	New World Development Company Ltd	700,000	764,293	1,747,962
Grand Metropolitan Plc	254,604	1,889,022	2,245,457	Nichdo Fire & Marine Insurance Company	238,000	1,615,176	1,164,593
Grontmy	55,296	1,720,468	1,694,271	Nikkei Index Put Option	22,200	267,408	1,341,257
Groupe Assurances (Gan)	1,660	692,417	566,720	Nine Network	350,000	1,024,462	942,212
Grupo Anaya	5,203	398,474	189,200	Nintendo Company Ltd	50,200	4,730,309	4,313,696
Guoco Group Ltd	4,000,000	1,417,097	1,656,100	Nippon Denso	72,000	911,380	790,558
Haden Maclellan	180,000	430,978	233,152	Nippon Koei Company Ltd	67,000	710,898	618,379
Hai Sun Hup Group Ltd	300,000	520,994	478,664	Nippon Light Metal Company Ltd	55,000	287,304	278,318
Hanson Plc	337,600	1,371,592	1,313,479	Nippon Meat Packers Incorporated	207,000	2,971,511	2,865,772
Havas	9,850	828,743	938,268	Nippon Seiko	440,000	1,975,769	1,820,447
Hellenic Bottling Company	10,610	244,737	323,687	Nlg Eoe Index Put Option	28,418	158,960	193,679
Hidroel Cantabrico	36,080	619,638	695,359	Nortz Corporation	33,000	497,793	420,103
Hillsdown Holdings Plc	156,800	2,059,025	18,60,835	Northern Telecom Ltd	66,631	1,333,783	2,448,690
Hitachi Ltd	603,000	5,234,835	3,646,304	Novo Nordisk As	25,346	2,081,414	2,271,635
Hitachi Zosen Corporation	137,000	589,662	529,760	NEC Corporation	326,000	3,445,694	2,137,307
Hochtief Ag Vorm Gebr Hellmann	1,831	1,425,821	1,430,681	NRJ	27,000	1,028,502	1,133,113
Hokukoku Electric Power Company	47,000	936,686	837,660	Obras Y Construcciones	6,452	622,895	227,915
Holzmann Ag Philipp	680	485,714	501,414	Oce Van Grinten Nv	14,563	388,797	605,693
Hon Kwok Land Investment	3,000,000	857,439	941,260	Oest El Wirtsch Class A	12,000	490,460	545,099
Hong Kong & China Gas Company Ltd	960,000	1,229,777	1,664,380	Oester Mineralverw (Omw)	9,430	731,710	768,756
Hong Kong Electric Holdings Ltd	211,000	436,285	524,156	Ohbayashi Road Construction Company	161,000	2,292,416	2,728,523
Hong Kong Land Holding Usd	1,000,000	1,391,714	1,772,544	Oliver Corporation	11,000	188,956	175,918
Hong Leong Industries	1,014,000	2,416,642	3,057,388	Onward Kashiya Company Ltd	73,000	901,006	667,948
Hoogovens En Staalfabrieken	71,730	2,001,711	2,059,924	Overseas-Chinese Banking Corporation	650,000	4,156,066	5,466,914
Hopewell Holdings Ltd	1,250,000	810,417	905,680	Pacific Dunlop Ltd	599,281	2,425,561	2,325,819
HSBC Holding	556,000	2,809,509	3,488,937	Pechiney Cert D'Invest	4,025	251,325	267,126
Huarte Y Cia	60,000	986,166	872,726	Pegasus Gold Incorporated	143,656	1,711,666	2,029,141
Hunter Douglas Nv	1,035	0	36,536	Peregine Investments Holdings Ltd	2,600,000	288,682	714,840
Hysan Development Company Ltd	900,000	1,130,412	1,665,157	Peugeot	18,600	2,369,140	2,599,542
I.G.B. Corporation	1,000,000	749,460	650,958	Philips Electronics	127,700	2,304,660	2,239,034
I.O. Data Device Incorporated W/	200	0	5,299	Pioneer International Ltd	629,610	1,268,189	1,468,940
I.O. Data Device Incorporated	2,000	49,533	52,980	Pirelli Spa	2,016,000	2,055,077	2,255,606
Iberdrola	217,000	1,550,883	1,690,908	Placer Dome Ltd	64,322	966,068	651,261
International Unp Holdings	240,000	151,401	160,147	Preussag AG	1,520	299,848	409,799
International Nederlanden Group Nv	9,948	297,743	279,889	Procordia	20,000	629,636	632,570
Ito-Yokado Company Ltd	51,000	1,771,195	1,748,919	Progressive Enterprises	1,300,000	1,378,967	1,167,202
ICI Australia Ltd	91,000	409,533	391,960	PT Indocement Tunggai Prakasa	100,000	582,891	594,000
Japan Radio Company Ltd	108,900	1,959,318	1,550,969	PT International Nickel Indonesia (Foreign)	63,000	154,924	196,466
Jardine Matheson Holdings	743,600	3,473,052	6,253,588	PT Kalbe Farma (Foreign)	120,000	645,298	831,600
Jardine Strategic Holdings Ltd	400,000	1,405,326	1,392,159	PT Supreme Cable Manufacturing Corporation Fgn	115,200	391,138	376,358
Jeronimo Martins	21,500	910,618	1,006,488	QBE Insurance Group	204,567	1,103,126	994,322
Joyce Boutique Holdings	5,000,000	789,492	963,902	Queens Moat Houses	1,620,300	2,586,301	2,361,105
Joyo Bank Ltd	70,000	478,631	414,931	Ranger Oil Ltd	143,547	1,076,611	1,058,659
JGC Corporation	400	0	6,683	Reliance Industries Ltd	180,000	2,943,000	2,189,172
Kajima Corporation	64,000	780,712	420,103	Rentokil Group Plc	525,000	951,281	1,680,069
Karstadt AG	3,942	1,419,579	1,586,663	Repsol	202,400	5,508,078	6,003,651
Kato Works Company Ltd	95,000	771,112	449,741	Reuters Holdings Plc	125,000	2,824,018	2,756,809
Kawasaki Kisen Kaisha Ltd	320,000	1,262,457	891,128	Rheinisch-Westfaelisches Elek AG	4,000	967,660	1,085,508
Keppel Corporation Ltd	487,500	1,025,152	1,587,817	Rhone-Poulenc	53,940	5,603,300	6,454,199
Kinki Shanyo Company	240	0	1,010	Rinascente Per L'Esercizioli	70,000	379,365	358,423
Kinseki Ltd	10,000	89,200	109,800	Rothmans Holdings Ltd	265,400	3,029,508	1,458,701
Kinn Brewery Company Ltd	89,000	1,003,241	793,104	Royal Bank Of Scotland	220,000	658,940	786,223
Koa Fire & Marine Insurance	222,000	1,565,587	1,050,974	Royal Dutch Petroleum Company	3,892	316,344	343,243
Kokuyo Company Ltd	36,000	903,299	724,678	Royal Orchid (Sheraton) Hotel Forgn Reg	400,000	519,351	349,360
Komatsu Forklift Company Tochigi	50,000	592,995	331,388	Ritz (Rio Tinto Zinc)	250,000	2,550,743	2,976,313
Komori Corporation	20,000	452,177	303,938	Saint Gobain	23,450	2,195,780	2,599,532
Korea Asia Fund Bearer	294	1,663,950	1,220,668	Salemon	4,000	1,051,483	1,093,098
Korea Fund Inc (Usd)	73,589	1,186,288	837,075	Samsung Electronics	23,948	639,327	422,981
Korea Growth Trust Idr (Usm)	5	173,000	109,000	Sandoz	1,837	2,883,037	4,041,751

COMMON STOCK - INTERNATIONAL (continued)	SHARES	BOOK VALUE	MARKET VALUE	COMMON STOCK - INTERNATIONAL (continued)	SHARES	BOOK VALUE	MARKET VALUE
Sandoz AG Basel	1,328	\$ 2,159,891	\$ 2,873,478	Wing Tai Holdings	1,600,000	\$ 1,846,370	\$ 1,771,181
Sandoz AG	1,050	1,785,946	2,310,200	Winsor Industrial Corporation Ltd	1,000,000	1,278,524	1,630,223
Sandoz Ltd	125,000	4,207,250	5,515,000	Wo Kee Hong Holdings Ltd	2,000,000	427,292	834,519
Sankyo Company Ltd	128,000	2,405,732	2,464,605	Wolters Kluwer Cva Ntflr Nv	46,766	1,782,951	1,969,572
Sanwa Bank Ltd	50,000	826,425	461,477	Woodside Petroleum Ltd	500,000	1,073,613	1,402,101
Schering AG	6,807	3,287,111	3,211,368	Xebio Company Ltd	11,000	227,785	213,552
Schindler Holding AG	1,500	816,200	773,709	Yodogawa Steel Works Ltd	83,000	426,051	362,554
Seagram Company Ltd	105,000	1,589,606	2,926,875	Yokogawa Elect (Hokushin) Corporation	102,000	912,985	601,368
Seapower Resources International Ltd	5,000,000	822,277	1,048,001				
SEB	1,135	389,114	454,172	TOTAL COMMON STOCK-INTERNATIONAL		\$760,386,723	\$775,948,182
Secom	81,000	3,755,699	3,911,973				
Sekisui House Ltd	100,000	993,470	907,041				
Sembawang Shipyard	488,000	2,328,186	2,338,900	REAL ESTATE			
Semen Cibinong	89,000	344,443	396,495				
Semit-Tech (Global) Company Ltd	375,000	858,179	1,048,001	Closed-End Funds			
Seoul Trust	20	680,000	420,000	Alex Brown-Profile Fund I		\$ 24,875,000	\$ 24,498,051
Seven-Eleven Japan Company Ltd	42,000	2,385,924	2,442,805	Bear Stearns Realty Partners		77,536,944	78,259,666
Sevillana De Electricidad	312,900	1,673,771	1,722,980	Brinson Partners First Apartment Fund		16,864,028	14,666,415
Sharp Corporation	125,000	1,216,861	1,034,345	JMB Group Trust III		25,832,490	20,778,395
Shell Transport & Trading Ltd	75,000	577,095	721,458	TCW Realty Fund II		25,000,000	21,278,945
Shimachu Company Ltd	59,000	1,564,574	1,337,885				
Shimano Incorporated	183,000	2,326,104	2,067,576	Total Closed-End Funds		\$170,108,462	\$159,481,472
Shimano Industries	206	190,004	142,012				
Shin-Etsu Chemical Company Ltd	122,000	1,478,241	1,252,193	Properties			
Shinko Kogyo Company	20,000	294,743	151,174	Adams Woods		\$ 7,532,826	\$ 4,000,000
Shiseido Company Ltd	90,145	1,080,976	1,004,134	Arapahoe Village		5,967,458	5,250,000
Siam Cement Company Ltd	25,000	571,815	555,800	Autumn Chase (PBIII)		10,045,102	10,000,000
Siam Commercial Bank Foreign	13,000	330,297	357,141	Basset Creek/S.J. Groves		6,908,383	4,000,000
Siebel Plc	70,000	829,677	960,039	Bayport Center		14,227,732	4,000,000
Siemens AG	11,980	4,584,208	5,227,082	Breckenridge		33,125,947	31,600,000
Simon Engineering	140,000	719,506	624,026	Canterwood (PBIV)		7,850,045	6,685,831
Singapore Land Ltd	450,000	1,386,462	1,419,295	Clackamas Town Center		64,891,527	64,891,527
Sip	514,000	603,847	576,428	Cobblestone Court		3,181,264	3,181,264
SKF Ab	49,800	1,046,954	1,027,125	Corporate Campus East		23,795,099	17,500,000
SKF Frueher Ab	46,000	829,153	944,856	Corporate West II		3,099,634	1,339,453
Smith Group Plc	280,000	2,297,277	2,389,431	Costa Mesa Courtyards		39,123,836	32,000,000
Smithkline Beechman "A"	79,000	1,109,385	1,343,807	Crosswoods (Formerly TOLD)		16,945,821	14,900,000
Snow Brand Milk Products Company	90,000	592,871	564,991	Crystal Court		8,099,185	8,099,185
Soares Da Costa	30,000	635,631	819,038	Cypress Trace S.C.		26,747,284	15,136,000
Societe Nationale Elf Aquitaine	94,000	2,982,175	3,325,250	Data General Building		7,471,294	5,200,000
Sony Corporation	95,900	3,880,180	3,143,677	Fairfax Court		8,135,030	8,135,030
South China Morning	2,000,000	737,688	1,132,100	Forest Park Land		2,508,754	2,750,000
Sphinx Koninklijke Nv	8,000	178,928	246,984	Forest Park Mall		30,149,461	21,300,001
Star Micronics Company Ltd	25,000	246,790	278,478	Franklin/Lake Self Park		34,352,485	27,359,982
Stet Savings	1,300,000	2,887,481	1,879,784	Gateway Plaza		19,094,678	19,094,678
Stolt Tankers & Terminals	91,300	2,001,476	1,609,163	Gateway Oaks Plaza		3,295,414	3,000,000
Strabag	3,569	1,477,437	1,483,398	GMO Land		10,503,096	8,583,511
Sumitomo Bank Ltd	40,000	675,093	426,468	Hartford Industrials		21,805,854	13,050,000
Sumitomo Electric Industries	80,000	874,889	579,870	Interstate Crossings		9,773,946	6,250,001
Sumitomo Forestry Company Ltd	189,000	2,536,750	2,932,368	Inver Grove		6,041,909	6,100,000
Sumitomo Marine & Fire Insurance	194,000	1,054,754	1,046,534	Kensington Center		7,816,685	5,820,000
Sumitomo Realty & Development Company Ltd	35,000	216,335	156,504	Laguna Hills Plaza		7,509,771	8,112,529
Sun Hung Kai Properties Ltd	400,000	755,274	1,876,051	Lakes of Bellevue		24,050,761	20,199,999
Swire Pacific Ltd	500,000	1,009,153	2,377,409	Lead Commerce Center		3,001,085	3,140,000
Tabacalera	20,500	953,588	1,173,557	Mayhew Tech Center		13,697,147	15,070,701
Taisei Rotec Corporation	130,000	1,114,275	1,251,557	Mendota Heights		16,709,079	11,360,000
Takasago Thermal Engineering Company	30,000	641,917	405,782	Midwest Apartments		18,291,000	18,200,000
Takeda Chemical Industries	160,000	2,110,608	1,362,152	Miscellaneous Real Estate Assets		9,202,823	9,239,597
Tanjong Plc	300,000	686,287	1,605,431	Montbello Industrial Park		11,196,419	6,399,999
Tasaki Shinju	48,000	758,658	331,882	Naperville Industrials		8,450,109	8,400,000
Tate & Lyle	110,000	715,835	745,935	Newmarket South		13,818,750	9,400,000
Tatsuta Electric Wire	130,000	1,054,163	466,490	Norfolk Office		44,469,575	31,100,000
Telecom Corporation Of New Zealand	2,350,000	2,896,719	2,634,230	North Lake Business Park		12,367,657	1,199,153
Telefonica De Espana Cia	282,000	2,344,426	3,032,412	North-Tech (Formerly DPUS)		28,515,217	22,127,012
Telefonos De Espana	100,000	2,923,646	3,237,500	Oaks of Oakbrook (Land Venture)		12,721,429	12,877,638
Telekom Malaysia	683,000	1,553,595	3,709,585	Orlando Marmots		67,763,793	62,800,000
Ternaba Mula	74,000	452,096	223,443	Plaza at Buckland Hills		9,435,051	9,435,051
Thorn Emi Plc	130,500	1,811,970	1,996,110	Quail Lakes Executive		8,705,239	4,999,160
Tiphook Plc	345,000	2,365,356	2,510,389	Ridge Plaza		6,420,851	4,201,898
Toda Construction Company Ltd	36,300	388,079	196,687	Ridgewood Court		6,821,854	6,821,854
Tokai Sanko Kk Nagoya	57,000	691,051	304,312	River Road Business Center		11,055,854	6,432,989
Tokatsu Foods Company Ltd	12,000	382,427	224,373	Royal Eagle Plaza		20,316,765	20,316,765
Tokio Marine & Fire Insurance Company	206,000	2,054,099	1,622,649	San Juan Corporate Center		6,675,666	3,999,999
Tokyo Broadcasting System Incorporated	44,000	696,272	364,089	Second & Harrison Apartments		3,517,500	2,750,000
Tokyo Electron Ltd	30,000	583,086	389,073	Somerset Park Apartments		7,264,000	3,837,999
Tokyo Ohka Kogyo Company Ltd	54,000	1,519,523	1,353,401	Southpark (PBII)		4,797,532	4,749,670
Tokyo Tekko Company Ltd	189,000	3,414,514	2,466,197	St. Charles #12		4,173,765	4,070,000
Tomei Industrial Holdings	1,434,000	343,093	505,583	St. Charles #3, #4, #5		5,848,944	5,120,001
Toray Industries Incorporated	355,000	1,730,814	1,790,769	St. Charles Land		14,443,667	12,780,631
Toshiba Corporation	50,000	235,800	257,393	Stone Mountain Festival		27,111,615	20,400,000
Toshiba Engineering & Construction	74,000	790,680	552,277	Stonecreek (PBI)		1,733,939	-1,358,906
Total B	27,000	1,045,723	1,227,978	Sunforest Apartments		25,926,500	26,631,000
Toto Ltd	145,000	1,834,198	1,880,519	Super 8 Motels		16,385,719	16,820,001
Toyo Corporation	73,000	903,276	405,416	The Yards Plaza		21,531,364	21,531,364
Toyo Sash Company Ltd	80,000	1,677,491	1,718,604	Time-Life Building		57,573,713	37,175,104
Toyo Seikan Kaisha Ltd	23,000	608,249	530,699	Towne North S.C.		9,329,399	6,050,000
Toyota Motor Corporation	217,000	2,307,362	2,486,247	Troy Industrial		8,040,000	8,100,000
TDK Corporation	71,000	2,583,777	2,344,383	TRB-MIP Corporation		2,461,947	2,960,000
TNT (Thomas Nationwide)	1,105,000	1,281,322	1,346,877	TRM-Meredith Park		1,262,660	1,164,169
Unilever Nv	146,100	12,126,111	15,833,588	TRS-Oakbrook Center		75,611,379	76,000,000
Unilever Nv	4,780	394,429	517,898	Various Real Estate Operating Accounts		21,992,465	21,992,465
Vallehermoso	93,685	2,018,386	1,805,564	Village Park Plaza		17,490,190	17,490,190
Vard As	72,000	1,475,608	966,046	West Town Corners		25,119,326	25,119,326
Viscofan Sa Envoltura	21,000	515,921	376,363	Westland Park		11,710,608	11,710,608
Vitro Sociedad Anonima	67,200	1,705,200	1,310,400	Williams Plaza I		27,035,592	13,000,000
VNU (Ver Ned Uitgevers)	46,435	2,050,961	2,231,530	Williams Plaza II		24,415,298	13,000,001
Waste Management International Plc	188,500	3,957,184	4,241,250	Willow Knolls Court		16,775,397	16,775,397
Waterford Glass Group Plc	1,257,274	792,131	622,676	Wooddale Industrials		14,561,933	12,320,000
Westfield Trust	568,579	906,483	973,653				
Westpac Banking Corporation	1,514,595	5,019,683	3,896,125				
Wienerberger Baustoffindustrie AG	2,112	871,553	891,411				

REAL ESTATE	BOOK VALUE	MARKET VALUE
Properties (continued)		
1015 Locust Building	\$ 14,103,416	\$ 1,700,001
1500 Locust St.	57,148,031	41,300,000
330 South Executive Drive	7,894,285	5,480,000
345 Fullerton Parkway	18,144,621	14,685,367
345 Fullerton Parkway Conversion	9,110,897	9,110,897
Total Properties	\$1,346,301,346	\$1,097,526,102
TOTAL REAL ESTATE	\$1,516,409,808	\$1,257,007,574

ALTERNATIVE INVESTMENTS	BOOK VALUE	MARKET VALUE
Arizona Farm Land	\$ 1,015,050	\$ 1,027,913
Arkansas Farm Land	619,675	630,000
Bicycle Acquisition Corporation	973,000	3,014,541
	5,050,000	5,050,000
	8,500,000	10,620,357
California Farm Land	6,628,163	7,020,200
Chalk Line Holdings Incorporated	787,315	354,292
	745,710	289,005
	7,212,685	6,400,000
	1,000,000	243,244
County Seat Holdings Incorporated	398,439	398,439
	601,820	601,820
	5,137,881	5,137,881
County Seat Stores Incorporated	380,175	380,175
	5,000,000	5,000,000
DeVry Incorporated	1,301,061	4,077,698
Florida Farm Land	8,331,559	8,331,559
Frontenac Venture IV	6,877,012	2,206,326
Frontenac Venture V	16,914,461	20,981,930
Home Fashions Incorporated	15,860	3,965
	2,779,792	1,389,896
	13,781,564	6,890,783
	362,852	181,426
Illinois Farm Land	11,750,940	11,932,968
Indiana Farm Land	2,261,542	2,268,751
Keller Graduate School Of Management	12,169,276	12,169,276
	953,008	953,007
Levy Restaurant Limited Partnership	1,436,800	1,804,511
	3,000,000	3,000,000
Marks Brothers Jewelers Incorporated	10,000,000	8,000,000
	1,000,000	350,000
	600,000	210,000
Newtrend Group Limited Partnership	0	133,906
	1,558,688	1,558,688
	1,558,688	1,558,688
Ohio Farm Land	3,656,595	3,733,941
TWB/F/B Limited Partnership	1,786,250	1,786,250
W.P.G. Enterprise Fund Limited Partnership	22,225,817	20,756,527
TOTAL ALTERNATIVE INVESTMENTS	\$168,371,678	\$160,447,963



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