



**1980 REPORT**  
**of the**  
**MINNESOTA STATE**  
**BOARD OF INVESTMENT**



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Howard J. Bicker

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Assistant Executive Director

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Financial Analyst Jr.

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Accounting Officer  
Accounting Officer  
Accounting Officer  
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Clerk Typist  
Clerk Typist

MEMBERS OF THE BOARD:  
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STATE AUDITOR ARNE H. CARLSON  
STATE TREASURER JIM LORD  
SECRETARY OF STATE JOAN ANDERSON GROWE  
ATTORNEY GENERAL WARREN SPANNAUS



EXECUTIVE DIRECTOR  
JONATHAN P. WHITE

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STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

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October 1980

The State Board of Investment is pleased to submit its Annual Report for the fiscal year ending June 30, 1980. Total assets under management exceeded \$ 4.3 billion, up 7% from a year ago. Of this amount, over \$ 3.1 billion are the retirement funds for Minnesota state employees, teachers, and other public employees. The remaining \$ 1.2 billion are state trust funds and accounts of numerous state agencies, including the Treasurer's Office, the Department of Finance, and the Department of Transportation.

Recent years have been marked by high rates of inflation which have upset many traditional investment benchmarks. Within this difficult economic and investment environment, the Board has endeavored to prudently manage the State's funds. Investment policy and strategy have attempted to improve the total rate of return while protecting the funds against periodic market declines which characterize periods of economic uncertainty.

The total rate of return for the major Minnesota retirement funds during the year was 8.3%. The total return measures income received plus changes in the market value of the securities. Though the yield to maturity of new bond investments was 11.9%, the total return from bonds declined due to the impact of high interest rates on the market value of lower yielding bonds contained in the portfolio. Largely because of the Board's above average commitment to common stocks, the total rate of return exceeded the median attained by funds in the Merrill Lynch Public Pension Fund Index. As the pension funds have long term investment goals, cumulative performance results are more significant than performance in any one year. Additional data can be found on Page 9 of this report. The income return for state cash accounts during FY 80 was 11.1%.

We are particularly pleased that eligible retirees will receive a 3% lifetime benefit increase in January 1981. This increase is possible because our earnings exceeded the statutory requirements of the Post-Retirement Investment Fund. This important recognition of retirees' needs during an inflationary period resulted from a cooperative effort by retirement fund officers, legislators and the Board in revising the former Adjustable Fixed Benefit Fund. We are hopeful that future annual lifetime benefit increases will be possible. Our investment program recognizes this need.

The Board, Advisory Council, and investment staff are acutely aware of their responsibility to the citizens of this state and the future and current retirees whose financial security depends in large part on the prudent investment of these funds.

Respectfully submitted,

*Jonathan P. White*  
Jonathan P. White

FUNDS MANAGED BY THE STATE BOARD OF INVESTMENT

**BASIC RETIREMENT FUNDS**

**\$1.8 billion**

The Basic Retirement Funds are the pension assets of currently employed participants in six major state retirement funds:

Teachers Retirement Fund	\$696 million
Public Employees Retirement Fund	\$608 million
State Employees Retirement Fund	\$346 million
Public Employees Police and Fire Fund	\$107 million
Highway Patrol Retirement Fund	\$ 33 million
Judges Retirement Fund	\$ 4 million

**POST RETIREMENT INVESTMENT FUND**

**\$1.1 billion**

Formerly called The Minnesota Adjustable Fixed Benefit, the Post Retirement Investment Fund is composed of the reserves for retirement annuities and benefits paid to currently retired employees by seven retirement funds. A list of the participating funds can be found on Page 58. Permanent post retirement benefit increases are based on dividends, interest and net realized capital gains from the sale of equities.

**MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND**

**\$118 million**

The Minnesota Supplemental Retirement Investment Fund includes the assets of the state deferred compensation plan, supplemental benefit arrangements, various retirement programs for local police and firefighters and the unclassified employees of the state. Complete lists of participants can be found on Pages 50-54. Participants have a choice among three separate accounts with different investment emphases as authorized by law:

- Income Share Account - a balanced portfolio of stocks and bonds
- Growth Share Account - a portfolio of common stocks
- Fixed Return Account - a portfolio of bond and other debt investments

**MINNESOTA VARIABLE ANNUITY FUND**

**\$ 63 million**

The Variable Annuity Program is an investment option formerly offered to members of the Teachers' Retirement Association. The fund is designed to provide growth in earning power and income in conjunction with long-term capital appreciation through an emphasis on common stocks. Since there are no new participants, the fund will be slowly liquidated as members retire.

**INVESTED TREASURERS CASH FUND**

**\$466 million**

The Treasurers Cash Fund is composed of tax receipts used to pay state obligations. The fund is composed of short-term investments maturing within three years.

**TRANSPORTATION FUNDS**

**\$210 million**

These are funds set aside for highway and airport construction projects.

**MISCELLANEOUS CASH ACCOUNTS**

**\$313 million**

These accounts include proceeds from bond sales, debt service funds, state agency accounts, and endowment funds and trust accounts held for various educational institutions.

**PERMANENT SCHOOL FUND**

**\$275 million**

The Permanent School Fund is a trust established for the benefit of Minnesota schools. Criteria governing investments are contained in the Minnesota Constitution.

## INVESTMENT PHILOSOPHY AND OBJECTIVES

### PRUDENT PERSON RULE

The Board's investments are governed by the standard of care established in common law and codified in Minnesota Statutes. This standard requires the Board to act in good faith and "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom."

### INVESTMENT PHILOSOPHY

The Board seeks to maximize the total rate of return consistent with an appropriate level of risk. Many investments that potentially offer high returns also expose the funds to unacceptable risk. The Board minimizes risk by maintaining a high quality, diversified portfolio of readily marketable securities. The portfolio includes several types of investments (stocks, bonds, and short term securities) representing various sectors of the economy, maturity dates, and geographic areas. Broad-based diversification limits the fund's exposure to unanticipated business risks and localized economic recessions.

Because the retirement funds are established to benefit employees over a long period of time, the funds' investment objectives are also long-term in nature. Investments are designed not only to produce current income, but also to increase the value of the capital over time and to generate a rising level of retirement benefits. Therefore, the Board sets its objectives and measures performance in terms of total rate of return -- which includes market appreciation or depreciation of the assets as well as income. As market cycles normally encompass a three to five year period, investment performance is usually analyzed over a similar time frame.

### PERFORMANCE OBJECTIVES

The staff's primary performance objective has been to outperform the major barometers of stock and bond market performance: the S & P 500 and the Salomon Brothers Bond Index. The Investment Advisory Council has recently conducted a thorough review of performance objectives and recommends that the minimum objective for the major retirement funds should be the preservation of principal and the realization of the required actuarial return or the return on a risk free investment if it is superior over a 3-5 year market cycle. The primary focus proposed by the Council for the basic retirement funds is the realization of a superior real total rate of return that reflects capital market assumptions, exceeds standard stock and bond indexes and ranks in the top third of public fund manager performance over a 3-5 year market cycle.

In contrast with the objectives of the retirement funds, the state cash accounts are invested to generate income over short periods of time. The staff seeks to generate a yield in excess of the average rate for 90 day U. S. Treasury Bills.

The objectives outlined above must always be considered in conjunction with the fulfillment of the Board's standard of care outlined at the outset of this section. In the long run, the interests of the state can best be served by stressing high quality investments and limiting risk even though this policy may result in a lower return over short periods of time.

## INVESTMENT REVIEW 1980

### General Investment Strategy

In order to achieve the long term investment goals for the retirement funds, the Board maintains a balanced portfolio of common stocks and fixed income securities. Fixed income securities, such as bonds and U.S. government guaranteed mortgages, offer a predictable, steady long term cash flow.

While the stable income provided by fixed income investments is an important component in achieving fund objectives, the Board also seeks appreciation in the value of assets and increased income over the long term. Although common stocks may appear volatile in a short term analysis, over the long term a highly diversified portfolio of common stock investments has provided a total rate of return in excess of most other widely utilized types of investments. Growth in the nation's economy will continue to generate significant appreciation in the dividend income and value of common stocks. A well-managed common stock portfolio is essential for the achievement of the funds' long term investment goals.

Cash reserves of the retirement funds and the assets of short term state funds are invested in short term securities such as U.S. Treasury and agency issues, Repurchase Agreements, Commercial Paper, Bankers Acceptances and Certificates of Deposit. The short term portfolio for the retirement funds represents cash flow and monies designated for future opportunities in common stocks or fixed income securities.

Though the investment strategy for the retirement funds is designed to achieve long term objectives, investment prospects are continually reviewed and assessed in relation to the present and anticipated economic environment.

### Fixed Income Investment Review - FY 1980

Fiscal year 1980 was marked by a significant downturn in the economy and a substantial increase in interest rates. In order to take advantage of the anticipated high yields from fixed income investments during the year, large cash reserves were maintained until the high yield opportunities became available. The Board purchased \$ 261 million in fixed income securities with an average weighted yield to maturity of 11.9%. Of these purchases, 61.8% were U. S. Government and Agency securities. The remaining purchases were high quality corporate obligations.

Mortgages guaranteed or sponsored by the Government National Mortgage Association (GNMA) and the Federal Home Loan Mortgage Corporation comprised a large portion of the fixed income purchases. Of \$42 million invested in GNMA mortgage pools, over \$32 million financed FHA and VA single family housing in Minnesota.

Although increasing interest rates allowed the Board to make new high yield investments, the market value of bonds previously purchased at a lower yield declined in response to the higher interest rate environment. As a result, the total rate of return figures, which include changes in the market value of assets, plus realized gains and losses, reflect the negative impact of high rates on lower yielding bonds.

The Board did meet the performance objective of outperforming the Salomon Bond Index for both the one and five year periods.

	<u>Time Weighted Rate of Return*</u>	
	<u>Fixed Income Investments</u>	
	<u>FY 1980</u>	<u>1976-1980</u> (Annualized)
Basic Retirement Funds	-0.6%	6.6%
Post Retirement Fund	-0.1	6.7
Income Account	-1.8	6.6
Fixed Return Account	-0.1	6.4
Variable Annuity Fund	1.3	7.1
Permanent School Fund	1.7	6.6
Salomon Bond Index	-2.4	5.7
Merrill Lynch Master Bond Index	4.1	7.0

It is probable that no actual loss will result from the market value change in these lower yielding securities as they will be redeemed at full face value at maturity. Though the market value of the portfolio decreased during the year, the yield to maturity of the portfolios increased significantly.

<u>Fund</u>	<u>Yield to</u> <u>Maturity</u> <u>06/30/80</u>	<u>Yield to</u> <u>Maturity</u> <u>06/30/79</u>
Basic Funds	9.03%	8.45%
Post Retirement Fund	9.14	8.61
Permanent School Fund	8.53	8.22

\*see Page 13 for further explanation

## Common Stock Investment Review - 1980

In view of the economic climate and technical condition of the market, the Board's commitment to common stocks did not change appreciably from the level of a year earlier. Given the volatile nature of all capital markets and the high current return available from short term investments, cash reserves were accumulated. As of June 30, 1980, approximately \$350 million in cash reserves were available for investment.

The common stock portfolio is composed of investments in a diversified list of strong companies which have demonstrated technological, marketing and financial strength and proven management records.

In addition to the common stock portfolios, a list of the Board's 15 largest stock holdings and the purchases and sales during the last fiscal year can be found in the statistical supplement. By law, the Board can own no more than 5% of the outstanding shares of a corporation, and a maximum of 3% of any fund can be invested in a single corporation.

During fiscal year 1980, the total rate of return on common stock holdings was 14.6%. Common stock returns for each of the funds managed by the Board are shown below:

	<u>Time Weighted Rates of Return</u>	
	<u>Common Stock Investments</u>	
	<u>FY 1980</u>	<u>FY 1976-1980</u> (annualized)
Basic Retirement Funds	14.8%	7.9%
Post-Retirement Fund	14.4	7.3
Income Account	14.5	9.2
Growth Account	14.8	7.0
Variable Annuity Fund	14.9	7.4
Permanent School Fund	13.4	7.6
S & P 500	17.2	8.7
Dow Jones	9.5	5.0

The return on the Board's stock portfolios did not attain the goal of exceeding the Standard and Poors 500 Index but did substantially outperform the Dow Jones Industrial Average (large mature companies). The S & P 500 generated a stronger performance because energy and smaller companies continued to lead the market this past year. The Board's stock investments are in predominantly larger, higher yielding and more recession resistant companies which did not rise as fast as the S & P 500 index. The Board also owned a smaller proportion of stocks in energy-related companies.

Major internal changes were made in the common stock department during the past year which will add to its effectiveness. Portfolio management and research analysis functions were divided so that staff can devote more attention to the unique characteristics and goals of each fund. The addition of several capable research analysts also improved the Board's ability to examine more companies for profitable investment opportunities.

## Cash Management Investment Review FY 1980

During FY 1980 short term investments generated record high rates as the result of Federal Reserve policies and industrial and consumer demand for credit. The prime rate ranged from 11.5% to a record 20% while yields for six month Treasury Bills ranged from 6.6% to 15.7% on a discounted basis. Due to the strategic sales of stocks and normal cash flow, on June 30, 1980 fifteen percent of the retirement funds were invested in short term securities. A considerable portion will be reinvested in stocks and bonds as investment opportunities become available. The state cash accounts are invested entirely in short term securities.

Last year's record high rates enabled the Board to obtain an overall yield of 12.6% for the retirement funds and 11% in the various state cash accounts. Our objective of exceeding the return on 90 day U. S. Treasury bills was attained in the retirement funds.

### Rates of Return Cash Management Investments FY 1980

Basic Retirement Funds	12.6%
Post-Retirement Fund	12.6
Income Account	13.1
Growth Account	13.2
Fixed Return Account	14.1
Variable Annuity Fund	12.6
Permanent School Fund	12.4
Invested Treasurers Fund	11.1
Trunk Highway Fund	10.0
County State Aid Highway Fund	11.4
Municipal State Aid Street Fund	11.0
U. S. Treasury Bills (90 days)	12.3

Legislation passed during the 1980 session has enabled the Board to improve the short term rate of return through the purchase of new investment vehicles, such as Bankers Acceptances and Certificates of Deposit. The Certificate of Deposit program enables the Board to achieve a competitive return while making funds available to Minnesota financial institutions. When the program commenced on July 2, 1980, the Board purchased over \$92 million dollars in Certificates of Deposit from 328 Minnesota financial institutions. Over \$78 million was loaned to institutions located outside the Twin Cities Metropolitan Area.

The short term department also manages a Securities Lending Program. U. S. Treasury and Agency Securities are lent to brokers on a fully collateralized basis. The Securities Lending Program generated slightly over \$ 550,000 in profits during the recent fiscal year, an amount in excess of half the Board's total operating budget.

SUMMARY OF INVESTMENT RESULTS\*

The time weighted total rate of return is the best method for comparing investment performance among managers of long term funds. It measures total cash income and market appreciation or depreciation. The Board utilizes the formula recommended by the Bank Administration Institute (see Page 14). Pursuant to the state law, all public pension funds in Minnesota are required to use this formula.

	<u>TOTAL FUND</u>					
	<u>Annualized Time Weighted Total Rate of Return</u>					
	<u>Fiscal Year Ending June 30,</u>					
	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>5 Years</u>
Merrill Lynch Public Fund Index-Median Performance	7.9%	8.9%	1.1%	7.5%	10.5%	7.0%
Retirement Funds						
Teachers	8.4	9.9	0.7	7.8	10.6	7.4
Public Employees	8.3	9.9	0.7	8.0	10.6	7.4
State Employees	8.5	10.4	0.9	7.9	10.9	7.7
Police and Fire	8.4	9.9	1.3	7.7	10.3	7.5
Highway Patrol	8.0	9.9	0.8	6.7	10.2	7.1
Judges	5.6	9.6	1.3	11.9	12.5	8.1
Post Retirement	7.9	10.1	0.4	6.5	10.7	7.1
Income Account	8.0	10.4	-0.9	10.6	13.3	8.2
Growth Account	14.5	14.2	2.5	- 2.4	6.3	6.8
Fixed Return Account	0.6	6.9	-0.5	12.5	10.9	6.0
Variable Annuity	11.8	12.2	0.6	2.9	9.4	7.3
Trust Fund						
Permanent School	5.3	9.5	0.1	10.8	10.3	7.1

	<u>COMMON STOCKS</u>					
	<u>Annualized Time Weighted Total Rate of Return</u>					
	<u>Fiscal Year Ending June 30,</u>					
	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>5 Years</u>
Merrill Lynch Public Fund Index-Median Performance	14.7%	11.6%	1.0%	0.2%	9.6%	7.2%
S & P 500	17.2	13.5	0.0	0.3	13.9	8.7
Dow Jones Industrial	9.5	8.9	-5.4	-4.5	18.9	5.0
Retirement Funds						
Teachers	15.1	12.2	0.4	1.5	11.3	7.9
Public Employees	14.8	12.2	0.4	1.7	11.2	7.9
State Employees	14.8	12.4	0.2	1.7	12.0	8.0
Police and Fire	14.9	12.4	0.8	0.9	10.6	7.8
Highway Patrol	14.6	12.6	-0.5	-0.4	10.5	7.2
Judges	12.5	12.2	-3.5	2.0	15.2	7.4
Post Retirement	14.4	12.6	-0.6	0.7	10.5	7.3
Income Account	14.5	13.4	-3.4	7.3	15.3	9.2
Growth Account	14.8	14.5	2.4	-2.9	7.2	7.0
Variable Annuity	14.9	14.2	0.5	-0.1	8.8	7.4
Trust Fund						
Permanent School	13.4	13.7	-2.2	3.4	10.7	7.6

\*See Page 13 for further explanation

FIXED RETURN  
Annualized Time Weighted Total Rate of Return  
Fiscal Year Ending June 30,

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>5 Years</u>
Merrill Lynch Public Fund Index-Median Performance	1.5%	7.1%	0.9%	13.9%	11.5%	7.0%
Salomon Bond Index	-2.4	7.2	-0.8	15.1	10.4	5.7
Merrill Lynch Index	4.1	7.7	1.2	11.7	10.5	7.0
<b>Retirement Funds</b>						
Teachers	-0.4	7.5	0.6	15.7	NA	6.6
Public Employees	-0.6	7.4	0.7	15.7	NA	6.6
State Employees	-0.4	7.9	1.0	15.7	NA	6.8
Police and Fire	-0.9	7.3	1.4	15.5	NA	6.6
Highway Patrol	-1.6	7.2	1.5	15.4	NA	6.4
Judges	-1.1	7.9	1.4	14.3	NA	6.4
Post Retirement	-0.1	7.7	1.2	14.0	11.5	6.7
Income Account	-1.8	8.0	0.9	14.9	12.2	6.6
Fixed Return Account	-0.1	6.7	-0.3	16.0	NA	6.4
Variable Annuity	1.3	7.7	0.7	14.3	12.3	7.1
<b>Trust Fund</b>						
Permanent School	0.6	6.9	-0.5	12.5	10.9	6.6

NATIONAL COMPARISON

The Board retains the services of two nationally known firms, Merrill Lynch and Computer Direction Advisors, to evaluate performance. The Merrill Lynch reports enable the Board to compare its performance against other public funds and the CDA data verifies our own investment performance accounting. The following table compares the Board's retirement fund performance with the public pension funds contained in the Merrill Lynch Universe:

Merrill Lynch Public Pension Funds Universe  
Fiscal Year 1980

	<u>Equity</u>	<u>Bonds</u>	<u>Total</u>
High	35.2%	8.1%	19.1%
1st Quartile	20.3	4.0	10.5
Median	14.7	1.5	7.9
3rd Quartile	12.6	-0.3	5.5
Low	6.1	-2.7	2.8
SBI Pension Funds	14.7	-0.4	8.3

Five Years Annualized

High	13.1%	8.4%	10.8%
1st Quartile	10.5	7.7	8.4
Median	7.2	7.0	7.0
3rd Quartile	5.6	6.6	6.7
Low	3.6	5.8	6.0
SBI Pension Funds	7.7	6.6	7.3

### State Cash Accounts

Because the State Cash Accounts are invested to generate current income, yield is the best measure of investment performance.

	Yield				
	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
State Cash Accounts	11.1%	8.5%	6.6%	6.3%	6.6%

### INVESTMENT TRANSACTIONS

Total commissions to investment firms and banks which handled the Board's purchases during FY 1980 equalled \$1.4 million. Because the Board is acutely aware of the cost of investment transactions and the need to derive maximum research advantage, the staff carefully evaluates all brokers to determine those which offer the best value. Key criteria are: the general trading capability and commission rates; quality, timeliness, breadth, and depth of company and industry research reports; underwriting position; economic and portfolio strategy services; computer generated analytical reports; selected other investment-related services; and the firm's financial strengths and overall responsiveness. A list of the firms and banks which handled Board transactions during FY 1980 can be found on Pages 18 and 19.

### LEGISLATIVE REVIEW 1980

During the year the Legislature passed the Board's proposal to broaden its flexibility by:

- 1) authorizing new types of investments
- 2) deleting restrictive criteria
- 3) expanding the range of investment techniques
- 4) restructuring the fund for currently retired employees to permit benefit increases

The Board has implemented several provisions of the legislation, including the purchase of high yielding bankers acceptances for the retirement funds and state cash accounts and the development of the certificate of deposit program utilized by over 300 Minnesota financial institutions. The Board is seeking to implement other newly authorized programs such as the purchase of pools of conventional mortgages, the development of an options program, and investment in common stocks of international corporations listed on the New York and American Exchanges. Due to changes in the structure of the Post Retirement Investment Fund (formerly the Minnesota Adjustable Fixed Benefit Fund), eligible retirees will receive approximately a 3% benefit increase on January 1, 1981 from excess investment returns.

The Board is pleased with the new statutory authority, and thanks the Legislature, Retirement Fund Administrators, and Investment Advisory Council for their support. The Board is confident that the legislation will improve its operations and performance.

## INVESTMENT RESPONSIBILITY

During the year the Board adopted a revised statement on investment responsibility which provides guidance on voting proxies and other related issues. A copy of the Board's resolution can be found on Page 15.

The Board voted proxies in some 140 companies during FY 1980. The vast majority of the 550 resolutions considered at shareholder's meetings dealt with internal business operations. The Board subscribes to the Investor Responsibility Research Center which provides analyses on those resolutions dealing with issues of corporate social responsibility. The Board cast proxies in favor of 29 such resolutions in opposition to the recommendations of corporate management.

## INVESTMENT ADVISORY COUNCIL

The Investment Advisory Council is composed of eleven of Minnesota's leading financial experts and the executive directors of four public pension funds. The Council meets at least bimonthly to review and comment on the Board's investment strategy and current economic conditions. The Council also reviews proposed statutory changes and internal operating guidelines. The Council does not advise on individual investment transactions.

During the year Council subcommittees have studied a number of major issues: staff compensation, the investment structure of the Post Retirement Investment Fund, performance objectives, asset mix, and communications.

The Subcommittee on Staff Compensation recommended a major staff compensation plan after surveying the organization and compensation of private money managers and other state investment organizations. The Council's recommendations focused on the building of an investment team and the need to offer competitive salaries to minimize turnover. An amended plan was adopted by the Board in June, 1980.

The Subcommittee on the Post Retirement Investment Fund was formed to examine the objectives and portfolio composition of this unique fund which provides benefits to retirees. The subcommittee recommended broadening asset ranges to provide greater investment flexibility and reaffirmed the important role of common stocks in the portfolio. The Council is concerned about the effects of inflation on retirement income, and recognizes the need for a rising flow of income if benefits are to be increased without further burdening the taxpayer.

At the Board's request, the Advisory Council has compiled a detailed report on performance objectives, asset mix, and communications which will be presented to the Board in November, 1980.

Footnotes on Rate of Return Data

1. In June, 1980 the Board began to price its bonds through Merrill Lynch. Previously bonds had been priced by the Board staff. Due to limitations of the pricing mechanism in volatile markets, the internal system had misvalued the bonds. The Merrill Lynch system should prove to be more consistent and accurate. The switch, however, had the one time only effect of boosting bond values and artificially raising reported time-weight bond returns. For Post Retirement Investment Fund the effect was as follows:

Time Weighted Returns

	<u>2nd Quarter</u>	<u>FY 1980</u>	<u>5 Years</u>
Old pricing	19.0	-3.2	6.1
As reported	22.8	-0.1	6.7

Other bond funds were impacted in a similar manner.

2. Data necessary to calculate time-weighted basic retirement and fixed income bond returns were unavailable for fiscal year 1976. A proxy composed of the Salomon Bond Index and Merrill Lynch Master Bond Index was used to represent bond returns in that year. On the basis of the performance of the other funds' bond segments in that year, this proxy probably understates the actual returns by at least 100 basis points.
3. Due to expenses in compiling data in a form required by external performance measurement services, the performance of several Board accounts has been measured internally. These include:
  - 1) State cash accounts.
  - 2) Total, equity and bond portfolios of the individual basic retirement funds.
  - 3) Total, equity and bond portfolios of the commingled basic retirement funds prior to fiscal year 1980.
  - 4) Bond portfolio of the fixed return account.

Board internal performance measurements have shown very little deviation from externally measured performance figures and are thus considered to be highly reliable.

4. Unless noted otherwise, all figures were computed by Computer Directions Advisors.

## Time Weighted Rate of Return Formula

The time-weighted rate of return measures total return to a fund which includes cash yield as well as realized and unrealized market value changes in assets. In addition, it nets out the influence of contributions and distributions, variables over which the investment manager has no control. Thus it is the best measure of investment management performance. The calculation of a fund's true time-weighted return requires that the fund be valued every time there is a capital flow in or out. Since most funds do not value that frequently, it is necessary to estimate the time-weighted rates by approximating the required valuations.

In 1968, the Bank Administration Institute (BAI) commissioned a study conducted by the University of Chicago, which considered desirable methods of estimating time-weighted returns. The BAI report is considered to be the definitive work in the field of performance measurement because of the academic reputations and thorough scientific efforts of its authors.

When monthly data are available, the BAI study recommends employing a technique called the linked internal rate of return (LIRR). Merrill Lynch, one of our performance measurement consultants, calculates the LIRR by solving the following equation for R:

$$V_B (1+R) + C (1+R)^{\frac{1}{2}} = V_E$$

Where

$V_B$  = Value of the fund at the beginning of the month.

$V_E$  = Value of the fund at the end of the month.

$C$  = Assumed single mid-month net cash flow.

$R$  = Internal rate of return.

The internal rate of return,  $R$ , is a proxy for the true-weighted return over the month. It approximates the interim valuations by assuming a uniform growth throughout the period.

The IRR's calculated for each month can be linked together to estimate the time-weighted return for a longer period. For example, given three consecutive monthly IRR's -  $R_1$ ,  $R_2$  and  $R_3$ , the quarterly time-weighted return is:

$$TWR_Q = (1+R_1) (1+R_2) (1+R_3) - 1$$

$TWR_Q$  = Quarterly time-weighted rate of return.

Computer Directions Advisors (CDA), our second performance measurement consultant, also employs the LIRR, however, CDA calculates IRR's over a period of a quarter rather than a month. That is, they solve the following equation for R:

$$V_B (1+R)^1 + C_1(1+R)^{t_1} + C_2(1+R)^{t_2} + C_3(1+R)^{t_3} = V_E$$

Where

$C_i$  =  $i$ th net cash flow in the quarter.

$t_i$  = time left in the quarter at the time of the  $i$ th net cash flow (e.g., 1/3)

Again, the quarter IRR's can be linked together to determine time-weighted returns over longer periods.

RESOLUTION  
REGARDING ADDITIONAL INVESTMENT  
CRITERIA AND THE VOTING OF PROXIES

WHEREAS, the Investment Board recognizes that when performing their duty of investing the trust funds (pension and other funds) for which they are custodian, their primary responsibility is the prudent and responsible investment of the assets of the funds for the economic benefit of the beneficiaries of the funds; and

WHEREAS, it has become increasingly apparent that the standards of prudence and responsibility may, in limited circumstances, be considered in light of the social and environmental policies of the corporation in which the State owns or contemplates owning an investment; and

WHEREAS, investing in an enterprise which is flagrantly violating the law or stubbornly ignoring public policy may constitute implicit endorsement of those policies, and the Investment Board is of the opinion that government may abrogate its duties to its citizens by offering such implicit endorsement; and

WHEREAS, it is the Investment Board's opinion that corporations which do not take the welfare of society and its members into consideration may jeopardize their own financial stability and, in today's world, risk depreciation of their investment value.

NOW, THEREFORE, BE IT RESOLVED that the following guideline be adopted: Consistent with prudent and responsible investment policy, the Investment Board shall not knowingly invest or maintain holdings in those corporations which are in flagrant violation of the law or in stubborn disregard of the social welfare of the society, or do not recognize environmental responsibilities in their corporate actions, and are not taking reasonable steps to overcome the situation; and

BE IT FURTHER RESOLVED that, consistent with prudent and responsible investment policy, all or some of the following measures may be instituted when a corporation is found by the Board to be in violation of the aforementioned guideline:

1. The Investment Board will discuss the problem with a representative of the corporation in question for the purpose of:
  - a. expressing the view that, as a shareholder, the State of Minnesota is opposed to such policies.
  - b. being informed as to the progress underway in ameliorating the problem.
2. If voting stock in such corporation is held by trust funds administered by the Investment Board, it may be voted in a manner calculated to ameliorate the existing problem.
  - a. While it is recognized that it is the Investment Board's responsibility to vote all stocks, the Investment Board may solicit recommendations from its staff concerning the manner of voting stock of a corporation in violation of the guidelines set forth above.
  - b. When deemed necessary to protect the State's interest in the fund and in grave cases, the Investment Board may institute procedures for a shareholder's proposal for the purpose of committing the corporation toward correcting the policy in question.
3. In the instance that no recourse mentioned above is available and/or it is shown that the corporation is not taking steps reasonably calculated to ameliorate the problem in question within a reasonable period of time, the Investment Board may sell the State's investment in the corporation, if sale is consistent with sound investment policy for the affected funds.

FIFTEEN LARGEST COMMON STOCK HOLDINGS  
TOTAL OF ALL FUNDS  
June 30, 1980

	<u>Book Value</u> <u>(Millions)</u>
International Business Machines	\$ 67.9
American Telephone and Telegraph	62.7
Exxon Corporation	37.6
General Motors	26.0
General Electric Corporation	23.7
Eastman Kodak Company	23.7
Avon Products, Inc.	22.7
Xerox Corporation	22.5
International Telephone and Telegraph	19.8
Burroughs Corporation	19.3
Warner-Lambert	17.3
Penny (JC) Co.	16.9
Honeywell, Inc.	16.3
McDonald's Corporation	16.1
Texaco, Inc.	16.1

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED  
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR

	EQUITY DOLLAR VOLUME TRANSACTED	COMMISSIONS	SHORT TERM DOLLAR VOLUME TRANSACTED	BOND DOLLAR VOLUME TRANSACTED
ABD Securities Corp.	\$ -0-	\$ -0-	\$ -0-	\$ 200,000
Abel/Noser Corp.	9,135,803	26,972	-0-	-0-
*American Securities Corp.	3,054,639	-0-	-0-	-0-
American National Bank	-0-	-0-	426,752,000	1,000,000
Associates Corp. of North America	-0-	-0-	386,304,000	-0-
Bache, Halsey, Stuart, Shields, Inc.	6,820,548	22,275	6,837,000	1,300,000
Bacon Whipple	-0-	-0-	-0-	500,000
Bank of America	-0-	-0-	257,259,000	-0-
Bankers Trust, N.Y. Corp.	-0-	-0-	1,057,257,000	-0-
Basie Securities	-0-	-0-	-0-	200,000
Bear Stearns & Co.	9,157,196	34,884	-0-	3,150,000
Becker, A.G., Inc.	8,698,235	25,597	148,988,000	5,050,000
Beneficial Corp.	-0-	-0-	205,251,000	-0-
Berstein, Sanford & Co., Inc.	340,987	1,550	-0-	-0-
Blair, William & Co.	1,705,951	7,246	-0-	650,000
Blyth Eastman Dillon & Co., Inc.	3,788,384	11,795	17,085,000	16,800,000
Boston Institutional Services	11,896,259	38,778	-0-	-0-
*Brandt, Robert & Co., Inc.	2,012,687	-0-	-0-	-0-
Briggs & Schaedle	-0-	-0-	62,676,000	-0-
Brown Brothers Harriman	4,267,186	12,908	-0-	-0-
Bruan, Gordon & Co.	5,679,114	21,311	-0-	-0-
Carroll McEntee & McGinley, Inc.	-0-	-0-	50,945,000	-0-
Chase Manhattan Bank	-0-	-0-	9,000,000	-0-
Chemical Bank, N.Y.	-0-	-0-	413,221,000	-0-
CIT Financial Corp.	-0-	-0-	77,771,000	-0-
Citibank N.A. New York	-0-	-0-	1,821,907,000	-0-
Conning & Co.	2,090,490	7,600	-0-	-0-
Continental Bank - Chicago	-0-	-0-	108,900,000	-0-
Cowen & Co.	1,598,808	5,883	-0-	-0-
Dain Bosworth, Inc.	990,085	3,612	-0-	-0-
Daiwa Securities America, Inc.	-0-	-0-	-0-	300,000
Dean Witter Reynolds	4,792,761	13,705	-0-	-0-
Dillon Read & Co., Inc.	-0-	-0-	-0-	20,617,509
Discount Corp., N.Y.	-0-	-0-	160,161,000	-0-
Dominion Securities	-0-	-0-	-0-	650,000
Donaldson, Lufkin, Jenrette Securities	5,236,704	18,920	92,509,000	1,650,000
Drexel Burnham Lambert, Inc.	28,508,998	79,277	-0-	4,050,000
First Boston Inc.	13,512,279	39,948	66,022,000	13,538,968
First Manhattan Co.	978,015	3,690	-0-	-0-
First National Bank - Chicago	-0-	-0-	13,000,000	-0-
First National Bank - Minneapolis	-0-	-0-	228,686,000	-0-
First National Bank - St. Paul	-0-	-0-	770,452,000	10,500,000
First of Michigan Corp.	-0-	-0-	-0-	400,000
Fleming, Robert	-0-	-0-	-0-	200,000
Ford Motor Credit Corp.	-0-	-0-	185,282,000	-0-
Fourteen Research	2,150,039	7,935	-0-	-0-
General Electric Credit Corp.	-0-	-0-	192,645,000	-0-
General Motors Acceptance Corp.	-0-	-0-	353,453,000	-0-
Goldman Sachs & Co.	55,917,052	155,485	192,885,000	18,251,500
Harris Trust & Savings	-0-	-0-	1,049,632,000	-0-
Hawthorne Securities	5,312,028	14,252	-0-	-0-
Heller, Walter & Co.	-0-	-0-	294,467,000	-0-
Herzfeld & Stern	289,827	1,140	-0-	-0-
Household Finance Corp.	-0-	-0-	204,701,000	-0-

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED  
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR  
CONTINUED

	EQUITY DOLLAR VOLUME TRANSACTED	COMMISSIONS	SHORT TERM DOLLAR VOLUME TRANSACTED	BOND DOLLAR VOLUME TRANSACTED
Hutton, E.F. & Co.	\$ 7,880,841	\$ 25,353	\$ 62,340,000	\$ 2,500,000
Institutional Networks	18,696,049	38,378	-	-
International Harvester Credit	-	-	182,970,000	-
*Jeffries & Co.	9,062,487	-	-	-
*Jones & Associates	1,236,660	-	-	-
Keefe Bruyette & Woods, Inc.	3,230,918	10,345	-	2,100,000
Kidder Peabody & Co., Inc.	12,928,017	40,141	10,500,000	41,630,485
Lanston Co.	-	-	9,564,000	-
Lawrence, Cyrus J.	1,994,288	7,951	-	-
Lazard Freres & Co.	-	-	-	10,710,000
Legg Mason Wood Walker, Inc.	3,747,100	15,428	-	500,000
Lehman Brothers Kuhn Loeb, Inc.	2,701,934	6,520	54,680,000	2,406,444
Lynch Jones & Ryan	1,896,247	6,135	-	-
Marquette National Bank	-	-	219,535,000	1,000,000
Merrill Lynch, Pierce, Fenner & Smith	92,184,348	238,256	42,983,000	17,111,818
Montgomery Ward Credit	-	-	74,822,000	-
Morgan Guaranty	-	-	2,240,603,000	1,500,000
Morgan Stanley & Co.	33,334,045	68,939	-	11,400,000
Muir, John & Co.	1,087,241	4,588	-	-
Nikko Securities Co.	-	-	-	200,000
N.W. National Bank - Minneapolis	-	-	1,430,631,000	1,500,000
Novick, M.H. & Co.	3,899,720	14,428	-	-
Nuveen, John & Co.	-	-	37,612,000	100,000
Ohio Company (The)	-	-	-	400,000
Oppenheimer & Co., Inc.	25,442,489	61,692	-	1,500,000
Paine Webber Mitchell Hutchins, Inc.	20,060,872	58,121	1,000,000	-
Penney, J.C. Financial Corp.	-	-	224,601,000	-
Piper Jaffray & Hopwood	1,515,665	6,159	-	4,440,000
Quincy, Charles E.	-	-	1,000,000	-
Reynolds Securities	-	-	-	1,000,000
Rothschild, L.F., Unterberg, Towbin	1,796,729	7,182	-	100,000
Roulston & Co.	310,739	1,275	-	-
Salomon Brothers	24,967,875	68,953	33,637,000	38,480,000
Sears Roebuck Acceptance Corp.	-	-	278,891,000	-
Security Pacific Bank	-	-	14,109,000	-
Shearson Loeb Rhoades	2,770,815	8,616	-	22,850,000
Smilen & Safian, Inc.	4,145,024	15,280	-	-
Smith Barney Harris Upham & Co.	25,830,299	79,695	10,000,000	2,675,000
Sowarby, John & Associates	-	-	172,457,000	-
Stuart Brothers	-	-	-	250,000
Summit State Bank - Minneapolis	-	-	-	4,470,140
Transamerica Financial Corp.	-	-	87,396,000	-
Tucker, Anthony & R.L. Day, Inc.	3,040,114	9,404	-	-
United California Bank	-	-	539,816,000	-
Wetheim & Co.	8,880,572	30,224	-	2,925,000
Wheat First Securities, Inc.	-	-	-	200,000
Wilshire Associates	19,321,483	66,596	-	-
Wood Gundy Limited	-	-	-	1,375,000
Yamaichi International American, Inc.	-	-	-	200,000
	\$519,896,646	\$1,444,422	\$14,583,195,000	\$272,531,864

\* No commission applicable--transactions done on "net" basis

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1980

	TOTAL # OF SHARES		TOTAL # OF SHARES
<b>PURCHASES</b>		<b>PURCHASES</b>	
<b>UTILITIES</b>		<b>TECHNOLOGY</b>	
<b>ELECTRIC</b>		<b>ELECTRONICS</b>	
Commonwealth Edison Company	36,500	Hewlett-Packard Company	28,900
Houston Industries, Incorporated	20,000	Perkin-Elmer	136,200
Northern States Power Company (Minn.)	78,824	Texas Instruments	2,500
Public Service Company of Indiana, Inc.	26,448	<b>OFFICE EQUIPMENT</b>	
Texas Utilities Company	88,300	Burroughs Corporation	55,800
Virginia Electric & Power Company	50,000	Control Data Corporation	20,000
<b>NATURAL GAS</b>		Digital Equipment Corporation	11,100
Houston Natural Gas Corporation	9,000	Honeywell, Inc.	11,000
Panhandle Eastern Pipe Line Company	34,000	International Business Machines Corporation	59,000
Peoples Energy Corporation	76,000	Xerox Corporation	84,200
<b>COMMUNICATIONS</b>		<b>BASIC INDUSTRY</b>	
American Telephone & Telegraph Company	148,838	<b>AEROSPACE</b>	
Central Telephone & Utilities Corp.	127,000	Boeing Company (The)	37,650
General Telephone & Electronics Corporation	27,000	General Dynamics Corporation	50,000
United Telecommunications, Inc.	225,800	Raytheon Company	92,600
<b>FINANCIAL SERVICES</b>		United Technologies Corporation	50,200
<b>BANKS</b>		<b>BUILDING &amp; FOREST PRODUCTS</b>	
BankAmerica Corporation	500	American Standard, Incorporated	76,000
Citicorp	1,000	Georgia-Pacific Corporation	35,000
Continental Illinois Corporation	1,000	Lone Star Industries, Incorporated	85,000
First Bank System, Incorporated	7,100	Owens-Corning Fiberglas Corporation	52,300
First International Bancshares, Inc.	1,000	Weyerhaeuser Company	49,900
Manufacturers Hanover Corporation	1,000	<b>CHEMICALS</b>	
J.P. Morgan & Co., Incorporated	2,000	Air Products & Chemicals, Incorporated	17,200
Northwest Bancorporation	11,100	Dow Chemical Company (The)	144,600
Security Pacific Corporation	32,000	DuPont (E.I.) de Nemours & Company	100,500
Valley National Bank of Arizona	500	Hercules Incorporated	197,500
<b>FINANCE</b>		Monsanto Company	78,300
Beneficial Corporation	104,000	Union Carbide Corporation	125,300
First Charter Financial Corp.	58,700	<b>ELECTRICAL EQUIPMENT</b>	
Golden West Financial Corporation	5,000	Emerson Electric Co.	32,000
Household Financial Corporation	151,700	General Electric Company	22,500
MGIC Investment Corporation	19,700	Gould, Inc.	20,000
<b>INSURANCE</b>		<b>MACHINERY</b>	
Jefferson-Pilot Corporation	2,000	Caterpillar Tractor Company	13,700
NLT Corporation	3,500	Trans Union Corporation	2,000
Northwestern National Life Insurance Company	59,900	<b>METALS</b>	
St. Paul Companies, Inc. (The)	2,000	Aluminum Company of America	70,400
U.S. Fidelity & Guaranty Company	41,100	<b>PAPER</b>	
<b>CONSUMER-ORIENTED</b>		Union Camp Corporation	100
<b>AUTOS-AUTO PARTS</b>		<b>TEXTILES</b>	
Ford Motor Company	68,000	Burlington Industries, Incorporated	500
General Motors Corporation	94,900	Strauss (Levi) & Company	98,600
Genuine Parts Company	15,000	<b>MISCELLANEOUS</b>	
Goodyear Tire & Rubber Company (The)	121,000	Continental Group, Incorporated	40,000
<b>CONSUMER-DURABLES</b>		Corning Glass Works	35,000
Sunbeam Corporation	20,500	International Telephone & Telegraph Corp.	185,000
Whirlpool Corporation	35,000	Minnesota Mining & Manufacturing Co.	19,500
<b>CONSUMER-NONDURABLES</b>		<b>ENERGY</b>	
Avon Products, Inc.	113,300	<b>OIL-DOMESTIC</b>	
Colgate-Palmolive Company	245,500	Conoco Incorporated	36,500
Dart Industries, Inc.	231,000	Getty Oil Company	160,000
Eastman Kodak Company	84,600	Marathon Oil Company	4,000
Gillette Company	145,000	Phillips Petroleum Company	18,000
Procter & Gamble Company (The)	20,100	Shell Oil Company	40,000
Revlon, Incorporated	43,600	Standard Oil Company (Indiana)	6,300
<b>CONSUMER-MISCELLANEOUS</b>		Standard Oil Company (Ohio)	165,200
Disney (Walt) Productions	8,000	<b>OIL-INTERNATIONAL</b>	
McDonald's Corporation	87,800	Exxon Corporation	108,000
<b>DRUGS</b>		Gulf Oil Corporation	89,000
Baxter Travenol Labs, Inc.	204,900	Mobil Corporation	38,000
Johnson & Johnson	25,000	Standard Oil Company of California	1,000
Medtronic, Inc.	1,000	Texaco, Inc.	108,500
Merck & Co., Inc.	46,700	<b>ENERGY-RELATED</b>	
National Medical Enterprises, Inc.	8,000	Baker International Corporation	8,000
Pfizer, Incorporated	26,200	Dresser Industries, Inc.	100
Schering-Plough Corporation	107,200	Halliburton Company	6,000
Warner-Lambert Company	213,500	NL Industries, Inc.	90,000
<b>FOODS-BEVERAGES</b>		Williams Companies (The)	63,000
Coca-Cola Company (The)	30,100	<b>TRANSPORTATION</b>	
Consolidated Foods Corporation	24,000	<b>AIRLINES</b>	
General Foods Corporation	18,000	Delta Air Lines, Incorporated	200
General Mills, Incorporated	24,100	Northwest Airlines, Incorporated	101,700
Norton Simon, Incorporated	137,000	UAL, Inc.	13,500
PepsiCo, Inc.	18,500	<b>RAILROADS</b>	
Pillsbury Company (The)	9,100	Santa Fe Industries, Inc.	70,000
<b>MEDIA</b>		Southern Railway Company	5,000
Donnelléy (R.R.) & Sons Company	13,000		
Dun & Bradstreet Corporation	17,100		
Gannett Co., Inc.	30,000		
<b>RETAIL SALES</b>			
Dayton Hudson Corporation	1,000		
K Mart Corporation	37,900		
Penney (J.C.) Company, Incorporated	18,300		
Revco, D.S., Inc.	120,000		
Sears, Roebuck and Company	69,200		
Southland Corporation	116,000		

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1980

SALES	TOTAL # OF SHARES	SALES	TOTAL # OF SHARES
<b>UTILITIES</b>			
<b>ELECTRIC</b>			
Central & South West Corporation	70,000		
Commonwealth Edison Company	46,500	RETAIL SALES	
Florida Power & Light Company	12,000	Dayton Hudson Corporation	45,000
Houston Industries, Incorporated	224,600	Southland Corporation (The)	58,990
Middle South Utilities, Incorporated	272,400		
Northern States Power Company (Minn.)	20,000	<b>TECHNOLOGY</b>	
Pacific Gas & Electric Company	115,400	<b>ELECTRONICS</b>	
Public Service Company of Indiana, Inc.	227,668	Hewlett-Packard Company	4,400
Southern California Edison Company	50,000	Texas Instruments	47,000
Texas Utilities Company	18,000		
Virginia Electric & Power Company	70,000	<b>BASIC INDUSTRY</b>	
		<b>AEROSPACE</b>	
<b>NATURAL GAS</b>		Boeing Company (The)	198,450
Houston Natural Gas Corporation	53,100	Raytheon Company	8,800
Panhandle Eastern Pipe Line Company	35,600	United Technologies Corporation	219,700
		<b>BUILDING &amp; FOREST PRODUCTS</b>	
<b>COMMUNICATIONS</b>		Masonite Corporation	186,700
American Telephone & Telegraph Company	65,000		
General Telephone & Electronics Corporation	170,000	<b>CHEMICALS</b>	
		Air Products & Chemicals	70,670
<b>FINANCIAL SERVICES</b>		Hercules, Incorporated	13,500
<b>BANKS</b>		Union Carbide Corporation	27,000
BankAmerica Corporation	28,500		
Citicorp	184,900	<b>ELECTRICAL EQUIPMENT</b>	
Continental Illinois Corporation	17,000	Emerson Electric	20,000
First Bank System, Incorporated	12,500	Gould, Inc.	158,500
First International Bancshares, Inc.	13,000	Westinghouse Electric Corporation	66,200
Manufacturers Hanover Corporation	11,000		
J.P. Morgan & Co., Incorporated	2,000	<b>MACHINERY</b>	
Northwest Bancorporation	67,500	Caterpillar Tractor Company	65,200
		Clark Equipment Company	215,100
<b>FINANCE</b>		Combustion Engineering, Incorporated	56,500
Beneficial Corporation	26,000	Trans Union Corporation	1,000
Household Finance Corporation	38,500		
MGIC Investment Corporation	26,300	<b>METALS</b>	
		Aluminum Company of America	45,000
<b>INSURANCE</b>		Hanna Mining Company (The)	1,200
Aetna Life & Casualty Company	70,000	Pittston Company (The)	109,764
The Chubb Corporation	12,500	St. Joe Minerals Corporation	79,500
INA Corporation	17,100		
NLT Corporation	183,000	<b>PAPER</b>	
Northwestern National Life Insurance Company	220,800	International Paper Company	147,300
SAFECO Corporation	24,000	Union Camp Corporation	32,100
St. Paul Companies, Inc. (The)	125,000		
Travelers Corporation (The)	40,000	<b>TEXTILES</b>	
U.S. Fidelity & Guaranty Company	36,000	Burlington Industries, Incorporated	191,800
<b>CONSUMER-ORIENTED</b>			
<b>AUTO-AUTO PARTS</b>			
Genuine Parts Company	8,300	<b>ENERGY</b>	
Goodyear Tire & Rubber Company (The)	142,100	<b>OIL-DOMESTIC</b>	
		Atlantic Richfield Company	13,000
<b>CONSUMER-DURABLES</b>		Conoco Inc.	124,000
Sunbeam Corporation	65,500	Louisiana Land & Exploration Company (The)	26,000
		Marathon Oil Company	16,000
<b>CONSUMER-NONDURABLES</b>		Phillips Petroleum Company	319,000
Colgate-Palmolive Company	151,800	Standard Oil Company (Indiana)	104,600
		Standard Oil Company (Ohio)	24,000
<b>CONSUMER-MISCELLANEOUS</b>		<b>OIL-INTERNATIONAL</b>	
Holiday Inns, Incorporated	152,000	Exxon Corporation	24,500
McDonald's Corporation	15,000	Gulf Oil Corporation	210,000
Warner Communications, Inc.	245,364	Mobil Corporation	309,500
		Standard Oil Company of California	180,500
<b>DRUGS</b>		Texaco, Inc.	103,500
Shering-Plough Corporation	100,000	<b>ENERGY-RELATED</b>	
		Baker International Corporation	16,000
<b>FOODS-BEVERAGES</b>		Dresser Industries, Inc.	15,500
CPC International, Inc.	58,500	Halliburton Company	81,500
General Foods Corporation	108,000	Williams Companies (The)	134,500
General Mills, Incorporated	15,000		
PepsiCo, Inc.	12,500	<b>TRANSPORTATION</b>	
Pillsbury Company (The)	15,000	<b>AIRLINES</b>	
		Delta Air Lines, Incorporated	4,700
<b>MEDIA</b>		Northwest Airlines, Incorporated	23,600
Dun & Bradstreet	10,000		
		<b>RAILROADS</b>	
		Burlington Northern Incorporated	40,200
		Penn Central Corporation	183
		Penn Central Corporation (B)	405
		Union Pacific Corporation	217,800

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMPOSITION OF STATE INVESTMENT PORTFOLIO BY TYPE OF INVESTMENT  
June 30, 1980

	Cash and U.S. Gov't. Short-Term	Corporate Short-Term	Municipal Obligation	U.S. Gov't. and Agency Guarantees(1)	Canadian Governmental Obligation(1)	Corporate Bonds(1)	Common Stock (2)	Total
<b>Basic Retirement Funds</b>								
Teachers Retirement Fund	\$ 50,717,329 7.28%	\$ 54,696,445 7.86%	\$ 1,126,000 0.16%	\$ 82,934,579 11.91%	\$ 44,505,734 6.39%	\$ 198,980,943 28.57%	\$ 263,402,601 37.83%	\$ 696,363,631 100%
Public Employees Ret. Fund	\$ 52,400,607 8.61%	\$ 39,979,943 6.57%	\$ 871,000 0.14%	\$ 54,838,957 9.01%	\$ 39,688,825 6.52%	\$ 193,188,856 31.74%	\$ 227,655,900 37.41%	\$ 608,624,088 100%
State Employees Ret. Fund	\$ 32,420,640 9.36%	\$ 16,701,728 4.82%	\$ 812,000 0.23%	\$ 37,271,390 10.76%	\$ 23,884,391 6.89%	\$ 103,793,149 <sup>(4)</sup> 29.95%	\$ 131,660,717 37.99%	\$ 346,544,015 100%
Public Employees Police & Fire	\$ 12,658,934 11.81%	\$ 3,968,978 3.70%	\$ - -	\$ 8,002,353 7.47%	\$ 7,415,343 6.92%	\$ 35,817,919 33.41%	\$ 39,332,967 36.69%	\$ 107,196,494 100%
Highway Patrol Ret. Fund	\$ 3,277,873 9.88%	\$ 1,469,942 4.43%	\$ 54,000 0.16%	\$ 1,735,562 5.23%	\$ 1,899,775 5.72%	\$ 12,326,115 37.14%	\$ 12,423,851 37.44%	\$ 33,187,118 100%
Judges Retirement Fund	\$ 232,469 6.21%	\$ - -	\$ - -	\$ 361,537 9.65%	\$ 296,231 7.91%	\$ 1,788,349 47.75%	\$ 1,066,904 28.48%	\$ 3,745,490 100%
Post Retirement Fund	\$ 73,367,749 6.71%	\$ 88,851,848 8.12%	\$ - -	\$ 138,700,825 12.68%	\$ 55,802,364 5.10%	\$ 327,523,645 <sup>(3)</sup> 29.94%	\$ 409,720,398 37.45%	\$ 1,093,966,829 100%
<b>Minnesota Supplemental Funds</b>								
Income Share Account	\$ 8,734,994 12.58%	\$ 1,975,265 2.85%	\$ - -	\$ 7,899,773 11.37%	\$ 4,280,516 6.16%	\$ 21,618,607 31.12%	\$ 24,951,480 35.92%	\$ 69,460,635 100%
Growth Share Account	\$ 2,066,748 7.49%	\$ 3,710,265 13.44%	\$ - -	\$ - -	\$ - -	\$ - -	\$ 21,823,116 79.07%	\$ 27,600,129 100%
Fixed Return Account	\$ 1,884,001 8.79%	\$ 1,596,000 7.44%	\$ - -	\$ 4,062,671 18.95%	\$ 3,615,742 16.86%	\$ 10,283,726 47.96%	\$ - -	\$ 21,442,140 100%
Minnesota Variable Annuity	\$ 4,703,790 7.42%	\$ 4,072,570 6.42%	\$ - -	\$ 1,718,280 2.71%	\$ 2,771,025 4.37%	\$ 9,007,966 14.21%	\$ 41,134,397 64.87%	\$ 63,408,028 100%
<b>Total Retirement Funds</b>	<b>\$242,465,134 7.89%</b>	<b>\$217,022,984 7.07%</b>	<b>\$2,863,000 0.09%</b>	<b>\$337,525,927 10.99%</b>	<b>\$184,159,946 6.00%</b>	<b>\$914,329,275 29.77%</b>	<b>\$1,173,172,331 38.19%</b>	<b>\$3,071,538,597 100%</b>
Permanent School Fund	\$ 9,373,329 3.41%	\$ - -	\$ 172,900 0.06%	\$ 156,396,625 56.85%	\$ - -	\$ 59,807,441 21.74%	\$ 49,369,504 17.94%	\$ 275,119,799 100%
Treasurers Cash	\$311,604,342 66.85%	\$154,539,753 33.15%	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 466,144,095 100%
Transportation Funds	\$174,657,347 82.84%	\$ 21,685,895 10.29%	\$ - -	\$ 14,482,910 6.87%	\$ - -	\$ - -	\$ - -	\$ 210,826,152 100%
State Building Fund	\$ 18,968,942 70.90%	\$ 7,785,330 29.10%	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 26,754,272 100%
Housing Finance Agency	\$ 54,354,706 67.78%	\$ 25,835,785 32.22%	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 80,190,491 100%
Minnesota Debt Service Fund	\$ 46,808,434 41.66%	\$ 65,562,683 58.34%	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 112,371,117 100%
Miscellaneous Accounts	\$ 70,680,582 93.98%	\$ 3,105,793 4.13%	\$ - -	\$ 1,417,713 1.89%	\$ - -	\$ - -	\$ - -	\$ 75,204,088 100%
Taconite Area Env. Protection	\$ 15,092,362 79.68%	\$ 3,849,333 20.32%	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 18,941,695 100%
	<u>\$944,005,178</u> 21.77%	<u>\$499,387,556</u> 11.51%	<u>\$3,035,900</u> 0.07%	<u>\$509,823,175</u> 11.75%	<u>\$184,159,946</u> 4.25%	<u>\$974,136,716</u> 22.46%	<u>\$1,222,541,835</u> 28.19%	<u>\$4,337,090,306</u> 100%

- (1) All bonds are shown at amortized cost.  
(2) All stocks are shown at net original cost.  
(3) Includes \$1,149,410 of convertible debentures 0.35% of the account.  
(4) Includes \$114,375 of convertible debentures 0.11% of the account.

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND  
June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY, CANADIAN  
GOVERNMENTAL, CORPORATE, AND MUNICIPAL BOND HOLDINGS

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000) (b)
UNITED STATES GOVERNMENT GUARANTEED								
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION								
Amfac Mortgage Corp.	Mtg. Backed Cert.	07-15-2004	8.250	8.378	\$ -	\$ -	\$ 1,310	\$ 1,310
Advance Mortgage Corp.	Mtg. Backed Cert.	07-15-2004	8.250	8.378	778	-	-	778
Advance Mortgage Corp.	Mtg. Backed Cert.	09-15-2006	8.000	8.799	-	764	-	764
Allstate Mortgage	Mtg. Backed Cert.	12-15-2007	8.000	8.450	-	-	1,754	1,754
Allstate Mortgage	Mtg. Backed Cert.	08-15-2007	8.000	8.604	836	-	-	836
American Mortgage Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.799	884	-	-	884
Amortibanc Investment	Mtg. Backed Cert.	09-15-2005	8.000	8.193	578	-	-	578
Banco Mortgage Co.	Mtg. Backed Cert.	12-15-2006	8.000	8.275	-	-	1,558	1,558
Bowest Corp.	Mtg. Backed Cert.	03-15-2008	8.000	8.748	-	-	1,001	1,001
Builders Federal Save	Mtg. Backed Cert.	10-15-2006	8.000	8.614	-	869	-	869
Cameron-Brown South	Mtg. Backed Cert.	01-15-2008	8.000	8.553	-	-	960	960
Collateral Investment	Mtg. Backed Cert.	01-15-2007	8.000	8.260	-	-	926	926
Collateral Investment	Mtg. Backed Cert.	11-15-2008	9.000	9.509	-	-	4,886	4,886
Colonial Mortgage D.C.	Mtg. Backed Cert.	11-15-2007	8.000	8.357	1,873	-	-	1,873
Colonial Mtg. Service	Mtg. Backed Cert.	12-15-2007	8.000	8.553	908	-	-	908
Colwell Co.	Mtg. Backed Cert.	01-15-2004	8.000	8.748	1,386	-	-	1,386
Colwell Co.	Mtg. Backed Cert.	09-15-2006	8.000	8.799	731	-	-	731
Conservative Mortgage	Mtg. Backed Cert.	12-15-2007	8.000	8.892	-	909	-	909
FBS Homes, Inc.	Mtg. Backed Cert.	09-15-2007	8.000	8.604	-	908	-	908
Farm & Home Savings	Mtg. Backed Cert.	09-15-2007	8.000	8.779	91	-	-	91
Fickling & Walker, Inc.	Mtg. Backed Cert.	07-15-2005	8.000	8.820	-	74	-	74
Fidelity Board Mtg.	Mtg. Backed Cert.	11-15-2007	8.000	8.892	-	-	1,908	1,908
First Fed Savings/Loan	Mtg. Backed Cert.	12-15-2006	8.000	8.260	-	-	1,738	1,738
First Fidelity Mtg.	Mtg. Backed Cert.	11-15-2006	8.000	8.193	-	724	-	724
First Financial S & L	Mtg. Backed Cert.	12-15-2007	8.000	8.882	-	1,888	-	1,888
First Mortgage Corp.	Mtg. Backed Cert.	09-15-2004	8.250	8.378	873	-	-	873
First Mortgage Corp.	Mtg. Backed Cert.	06-15-2006	8.250	8.378	-	-	243	243
First Mortgage Corp.	Mtg. Backed Cert.	11-15-2006	8.000	8.614	-	-	868	868
First Natl Bk (Mpls)	Mtg. Backed Cert.	07-15-2009	9.000	9.931	-	-	1,000	1,000
Fort Worth Mortgage	Mtg. Backed Cert.	07-15-2006	8.000	8.260	437	-	422	860
Gill, (R.) Co.	Mtg. Backed Cert.	11-15-2007	8.000	8.234	917	-	-	917
Guild Mortgage Co.	Mtg. Backed Cert.	06-15-2005	8.000	8.193	580	-	-	580
Guild Mortgage Co.	Mtg. Backed Cert.	10-15-2007	8.000	8.758	-	-	857	857
Hancock Mortgage Co.	Mtg. Backed Cert.	06-15-2006	8.000	8.296	-	-	687	687
Hartzler Mortgage Co.	Mtg. Backed Cert.	08-15-2006	8.000	8.193	-	711	-	711
Home Federal Savings	Mtg. Backed Cert.	01-15-2007	8.000	8.183	-	-	1,425	1,425
Inland Mortgage Co.	Mtg. Backed Cert.	11-15-2007	8.000	8.234	957	-	-	957
Investor's Mtg Service	Mtg. Backed Cert.	04-15-2006	8.250	8.378	-	590	-	590
Kentucky Mortgage Co.	Mtg. Backed Cert.	12-15-2007	8.000	8.450	-	951	-	951
Keystone Financial	Mtg. Backed Cert.	11-15-2006	8.000	8.296	585	-	-	585
Kisliak (J.I.) Mtg Ser.	Mtg. Backed Cert.	10-15-2006	8.000	8.696	-	-	2,689	2,689
Kisliak (J.I.) Mtg Ser.	Mtg. Backed Cert.	02-15-2004	8.000	8.655	659	-	-	659
Lomas & Nettlet	Mtg. Backed Cert.	10-15-2008	9.000	9.149	-	-	4,754	4,754
Mason-McDuffie Invest.	Mtg. Backed Cert.	12-15-2007	8.000	8.676	-	1,789	-	1,789
Mellon Natl. Mtg. Co.	Mtg. Backed Cert.	04-15-2006	8.250	8.378	-	567	-	567
Mid-Island Equities	Mtg. Backed Cert.	12-15-2006	8.000	8.296	-	964	-	964
Midstate Mortgage	Mtg. Backed Cert.	11-15-2006	8.000	8.244	-	778	-	778
Midstate Mortgage	Mtg. Backed Cert.	10-15-2007	8.000	8.758	-	945	-	945
Modern America Mtg.	Mtg. Backed Cert.	09-15-2007	8.000	8.234	-	-	1,827	1,827
Moore Mortgage	Mtg. Backed Cert.	10-15-2007	8.000	8.758	-	-	829	829
Mortgage & Trust, Inc.	Mtg. Backed Cert.	09-15-2007	8.000	8.275	-	-	1,889	1,889
Murry Investment	Mtg. Backed Cert.	10-15-2007	8.000	8.275	-	926	-	926
Northland Mortgage Co.	Mtg. Backed Cert.	10-15-2009	9.500	10.550	-	-	3,995	3,995
Ohio Savings Assoc.	Mtg. Backed Cert.	10-15-2006	8.000	8.193	-	-	670	670
Percy & Wilson Mtg.	Mtg. Backed Cert.	06-15-2004	8.000	8.851	-	-	48	48
Plaza Mortgage	Mtg. Backed Cert.	01-15-2008	8.000	8.553	-	939	-	939
Pulaski Bank & Trust	Mtg. Backed Cert.	03-15-2008	8.000	8.768	22	-	-	22
Reliance Funding Corp.	Mtg. Backed Cert.	11-15-2007	8.000	8.450	950	-	-	950
Reliance Funding Corp.	Mtg. Backed Cert.	10-15-2006	8.000	8.614	-	-	610	610
San Diego Federal	Mtg. Backed Cert.	02-15-2008	8.000	8.882	-	-	1,806	1,806
Schumacker Mortgage	Mtg. Backed Cert.	11-15-2006	8.000	8.193	944	-	-	944
Southern Trust & Mtg.	Mtg. Backed Cert.	12-15-2007	8.000	8.450	-	-	897	897
Southern Trust & Mtg.	Mtg. Backed Cert.	08-15-2007	8.000	8.902	1,828	-	-	1,828
Steed (W.S.)	Mtg. Backed Cert.	11-15-2007	8.000	8.450	-	923	-	923
Stockton, Whatley	Mtg. Backed Cert.	12-15-2007	8.000	8.553	-	-	1,893	1,893
Tucker Brothers, Inc.	Mtg. Backed Cert.	12-15-2007	8.000	8.594	-	-	935	935
Uni-Cal Mtg. Corp.	Mtg. Backed Cert.	08-15-2006	8.000	8.799	-	-	601	601
United California Bank	Mtg. Backed Cert.	11-15-2006	8.000	8.275	-	593	-	593
United First Mortgage	Mtg. Backed Cert.	01-15-2010	11.000	11.956	-	-	5,003	5,003
United Mortgage Co.	Mtg. Backed Cert.	10-15-2007	8.000	8.357	-	-	810	810
United Mortgage Corp.	Mtg. Backed Cert.	08-15-2009	9.500	10.035	-	3,005	-	3,005
United Mortgage Corp.	Mtg. Backed Cert.	08-15-2009	9.500	9.942	-	-	2,996	2,996
United Mortgage Corp.	Mtg. Backed Cert.	09-15-2009	9.500	10.891	-	-	3,009	3,009
U.S. Home Mortgage	Mtg. Backed Cert.	10-15-2007	8.000	8.357	-	-	933	933

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000)(b)	
Utah Mtg. Loan Corp.	Mtg. Backed Cert.	10-15-2006	8.000	8.260	\$ 1,454	\$ -	\$ -	\$ 1,454	
Utah Mtg. Loan Corp.	Mtg. Backed Cert.	06-15-2006	8.000	8.296	-	-	712	712	
Utah Mtg. Loan Corp.	Mtg. Backed Cert.	10-15-2006	8.000	8.799	-	-	741	741	
VNB Mortgage Corp.	Mtg. Backed Cert.	05-15-2004	8.000	8.851	-	-	162	162	
Vanquard Holding Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.260	900	-	-	900	
Wachovia Mortgage Co.	Mtg. Backed Cert.	11-15-2006	8.000	8.296	-	854	-	854	
Wachovia Mortgage Co.	Mtg. Backed Cert.	11-15-2006	8.000	8.450	1,904	-	-	1,904	
Wachovia Mortgage Co.	Mtg. Backed Cert.	12-15-2007	8.000	8.553	924	-	-	924	
Waterfield Mortgage	Mtg. Backed Cert.	02-15-2007	8.000	8.296	815	-	-	815	
Weyerhaeuser Mortgage	Mtg. Backed Cert.	12-15-2006	8.000	8.275	1,495	-	-	1,495	
Weyerhaeuser Mortgage	Mtg. Backed Cert.	09-15-2007	8.000	8.882	1,739	-	-	1,739	
Wilshire Mortgage	Mtg. Backed Cert.	08-15-2007	8.000	8.758	802	-	-	802	
Winters Natl. Mortgage	Mtg. Backed Cert.	01-15-2007	8.000	8.368	-	820	-	820	
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					8.975%	\$ 26,863	\$ 21,500	\$ 59,370	\$107,733
GOVERNMENT GUARANTEED MERCHANT MARINE									
Delta Steamship Lines	Government Guar. Bond	03-01-1986	5.500	5.500	\$ 313	\$ -	\$ -	\$ 313	
Grace Line, Inc.	Government Guar. Bond	02-01-1992	5.100	5.100	734	-	-	734	
Lachmar (Hull 54)	Government Guar. Bond	12-31-1989	14.000	14.000	2,000	1,000	2,000	5,000	
Moore-McCormack Leasing	Government Guar. Bond	04-01-1987	5.750	5.750	439	356	439	1,234	
TOTAL GOVERNMENT GUARANTEED MERCHANT MARINE					11.339%	\$ 3,486	\$ 1,356	\$ 2,439	\$ 7,281
UNITED STATES TREASURY NOTE									
U.S. Treasury Notes	Note	02-15-1987	9.000	9.054	\$ 3,000	\$ 1,000	\$ 3,000	\$ 7,000	
U.S. Treasury Notes	Note	11-15-1989	10.750	9.893	2,000	2,000	2,000	6,000	
TOTAL UNITED STATES TREASURY NOTE					9.441%	\$ 5,000	\$ 3,000	\$ 5,000	\$ 13,000
TOTAL UNITED STATES GOVERNMENT GUARANTEED					9.157%	\$ 35,349	\$ 25,856	\$ 66,809	\$128,014
UNITED STATES GOVERNMENT AGENCY									
Fed Natl Mortgage Asn	Debenture	05-10-1984	14.250	14.250	\$ 4,000	\$ 3,000	\$ 4,000	\$ 11,000	
Fed Natl Mortgage Asn	Debenture	06-10-1988	10.500	10.500	2,000	1,000	2,000	5,000	
TOTAL UNITED STATES GOVERNMENT AGENCY					13.078%	\$ 6,000	\$ 4,000	\$ 6,000	\$ 16,000
MISCELLANEOUS GOVERNMENT AGENCY									
Federal Farm Credit Bk	Bond	10-20-1987	10.750	10.750	\$ 2,000	\$ 1,000	\$ 2,000	\$ 5,000	
Federal Farm Credit Bk	Bond	04-22-1985	13.250	13.250	4,000	3,000	4,000	11,000	
Federal Home Loan Bank	Bond	08-27-1984	7.850	7.898	3,185	-	-	3,185	
TOTAL MISCELLANEOUS GOVERNMENT AGENCY					11.710%	\$ 9,185	\$ 4,000	\$ 6,000	\$ 19,185
TOTAL UNITED STATES GOVERNMENT AGENCY					11.710%	\$ 9,185	\$ 4,000	\$ 6,000	\$ 19,185
UNITED STATES GOVERNMENT SPONSORED									
FEDERAL HOME LOAN MORTGAGE CORP									
Federal Home Loan Mtg.	Mtg. Backed Cert.	01-01-2010	12.500	13.077	\$ 1,983	\$ 1,983	\$ 2,975	\$ 6,943	
Federal Home Loan Mtg.	Mtg. Backed Cert.	10-01-2009	12.500	12.759	2,961	1,974	2,961	7,897	
TOTAL FEDERAL HOME LOAN MORTGAGE CORP					12.908%	\$ 4,945	\$ 3,958	\$ 5,937	\$ 14,840
TOTAL UNITED STATES GOVERNMENT SPONSORED					12.908%	\$ 4,945	\$ 3,958	\$ 5,937	\$ 14,840
TOTAL UNITED STATES GOVERNMENT					10.097%	\$ 55,479	\$ 37,814	\$ 84,746	\$178,040
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATION									
British Columbia Hydro	Bond	07-15-1996	9.625	9.650	\$ 2,700	\$ 2,500	\$ 4,350	\$ 9,550	
Manitoba Hydro Elec Bd	Debenture	10-15-1997	7.650	7.724	3,500	1,875	3,500	8,875	
Manitoba, Province of	Debenture	11-01-1993	6.875	6.900	800	-	1,200	2,000	
N. Brunswick Elec Pwr	S/F Debenture	04-01-1998	7.875	7.875	3,252	1,860	3,254	8,366	
N. Brunswick Elec Pwr	S/F Debenture	11-15-1991	6.000	6.160	500	400	500	1,400	
N. Brunswick H Educ	S/F Debenture	04-15-1993	7.000	7.260	-	300	550	850	
Nova Scotia Power Comm	S/F Debenture	03-15-1997	7.750	7.800	1,500	-	1,500	3,000	
Nova Scotia Power Corp	S/F Debenture	07-15-1998	8.125	8.150	1,500	1,500	1,650	4,650	
Nova Scotia Power Corp	Debenture	06-01-2008	9.625	9.727	1,000	1,000	1,000	3,000	
Nova Scotia, Province	S/F Debenture	08-01-1993	7.250	7.200	800	700	1,000	2,500	
Ontario Hydro	Note	03-15-1996	9.500	9.500	4,500	3,000	4,600	12,100	
Ontario, Province of	Debenture	04-15-1997	5.625	5.625	-	400	600	1,000	
Ontario, Province of	Debenture	12-01-1997	6.875	7.160	700	250	400	1,350	
Ontario, Province of	Debenture	05-15-2001	7.850	7.850	1,500	-	2,000	3,500	
Ontario, Province of	Debenture	12-15-2002	7.300	7.300	3,500	-	3,500	7,000	
Ontario, Province of	Debenture	06-01-2008	9.375	9.375	1,000	1,000	1,000	3,000	
Ontario, Province of	Debenture	11-30-2008	9.375	9.475	4,000	3,000	5,000	12,000	
Saskatch., Province of	Debenture	04-15-2008	9.250	9.250	5,000	3,500	5,000	13,500	
TOTAL PROVINCIAL OBLIGATION					8.594%	\$ 35,752	\$ 21,285	\$ 40,604	\$ 97,641
CANADIAN AGENCY									
Export Development	Note	07-15-1981	8.500	8.500	\$ 4,000	\$ 2,500	\$ 4,000	\$ 10,500	
TOTAL CANADIAN AGENCY					8.500%	\$ 4,000	\$ 2,500	\$ 4,000	\$ 10,500
TOTAL CANADIAN GOVERNMENTAL					8.585%	\$ 39,752	\$ 23,785	\$ 44,604	\$108,141
EUROPEAN ECONOMIC COMMISSION									
European Economic Cmty	Note	10-01-1981	7.750	8.641	\$ -	\$ 200	\$ -	\$ 200	
TOTAL EUROPEAN ECONOMIC COMMISSION					8.641%	\$ -	\$ 200	\$ -	\$ 200

PUBLIC EMPLOYEES RETIREMENT FUND  
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TEACHERS' RETIREMENT FUND

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000) (b)
<b>CORPORATE OBLIGATION</b>								
<b>PUBLIC UTILITIES</b>								
<b>ELECTRIC</b>								
Appalachian El Power	First Mtg. Bond	03-01-1987	4.625	9.714	-	40	-	40
Arizona Publc Serv	First Mtg. Bond	09-01-1997	6.250	6.331	-	500	750	1,250
Calif Electric Power	First Mtg. Bond	05-01-1990	5.125	5.104	400	300	500	1,200
Commonwealth Edison	First Mtg. Bond	11-01-1996	5.750	5.834	750	500	650	1,900
Consolidated Edison	Equipment Trust Cert.	01-01-1996	9.250	9.250	1,466	-	1,711	3,177
Consolidated Edison	First & Ref. Mtg. Bond	10-15-1994	4.600	6.450	-	-	1,100	1,100
Dayton Power & Light	First Mtg. Bond	06-01-1993	4.450	4.450	500	400	600	1,500
Detroit Edison Co.	Note	06-30-1985	12.875	11.096	-	35	-	35
Detroit Edison Co.	Note	12-30-1985	12.875	11.171	-	32	-	32
Indiana & Mich. Etec	First Mtg. Bond	02-01-1988	3.875	9.109	-	50	-	50
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	3,000	-	-	3,000
Ohio Power Company	First Mtg. Bond	06-01-1982	10.125	9.806	-	100	-	100
Philadelphia Electric	First & Ref. Mtg. Bond	10-15-1980	11.000	11.000	-	-	1,200	1,200
Public Serv. Indiana	First Mtg. Bond	01-01-2007	7.625	7.725	4,000	1,600	3,490	9,090
Public Serv. Elec. Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.334	5,000	3,050	5,000	13,050
Rochester Gas & Elec.	First Mtg. Bond	07-01-1998	6.700	6.700	800	-	1,000	1,800
<b>TOTAL ELECTRIC</b>				<b>7.777%</b>	<b>\$ 15,916</b>	<b>\$ 6,607</b>	<b>\$ 16,001</b>	<b>\$ 38,525</b>
<b>GAS</b>								
Gas Service Co.	First Mtg. Bond	05-01-1983	4.400	5.056	\$ 495	\$ 264	\$ 297	\$ 1,056
Northwest Natural Gas	First Mtg. Bond	01-01-1989	4.750	4.720	600	400	600	1,600
Springfield Gas Light	Note	01-15-1987	4.875	4.875	355	213	-	568
<b>TOTAL GAS</b>				<b>4.857%</b>	<b>\$ 1,450</b>	<b>\$ 877</b>	<b>\$ 897</b>	<b>\$ 3,224</b>
<b>TELEPHONE</b>								
Bell Tele. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	\$ 4,000	\$ 2,000	\$ 4,000	\$ 10,000
Bell Tele. Co. Canada	First Mtg. Bond	09-17-1998	6.900	6.900	800	700	500	2,000
General Tel. Co. NW	First Mtg. Bond	06-01-1999	7.125	7.324	900	700	1,000	2,600
N.Y. Telephone Co.	Refunding Mtg. Bond	07-15-2008	8.000	8.842	3,500	1,500	4,000	9,000
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.152	4,500	2,000	4,500	11,000
United Tel. Co. Ohio	First Mtg. Bond	07-01-1998	6.875	6.875	712	623	890	2,225
United Tel. Co. PA	First Mtg. Bond	11-01-1998	6.625	6.625	-	-	1,112	1,112
<b>TOTAL TELEPHONE</b>				<b>8.429%</b>	<b>\$ 14,412</b>	<b>\$ 7,523</b>	<b>\$ 16,002</b>	<b>\$ 37,937</b>
<b>WATER</b>								
Indianapolis Water	First Mtg. Bond	08-01-1997	5.875	5.875	\$ -	\$ -	\$ 600	\$ 600
<b>TOTAL WATER</b>				<b>5.875%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ 600</b>
<b>TOTAL PUBLIC UTILITIES</b>								
				<b>7.953%</b>	<b>\$ 31,778</b>	<b>\$ 15,007</b>	<b>\$ 33,500</b>	<b>\$ 80,287</b>
<b>FINANCE OBLIGATION</b>								
Allstate Financial	Note	04-15-1987	8.125	9.482	\$ -	\$ 250	\$ -	\$ 250
Amer. Express Credit	Senior Note	07-01-1990	10.100	10.100	3,000	-	4,000	7,000
American Investment	Note	01-01-1991	5.250	5.250	-	387	523	910
American Investment	Senior Note	11-01-1986	6.750	6.750	350	280	350	980
American Svgs. & Loan	Mtg. Backed Cert.	04-15-1984	8.500	9.059	-	250	-	250
Beneficial Corp.	Senior Note	12-15-1984	11.500	11.500	3,000	2,000	3,000	8,000
CIT Financial Corp.	Debenture	10-01-1986	6.375	6.593	-	750	1,000	1,750
Carter Hawley Hale Cr.	Note	02-01-1982	7.950	9.455	-	100	-	100
Chase Manhattan	Note	05-15-1986	8.750	8.971	-	150	-	150
Commercial Credit Co.	Senior Note	03-01-1986	8.875	9.124	-	200	-	200
Deere (John) Credit	Debenture	04-30-1998	7.500	7.666	3,750	2,250	4,000	10,000
First Bank System	Note	06-30-1983	8.750	8.861	1,842	-	1,843	3,685
Ford Motor Credit Co.	Subordinated Note	11-01-1984	8.100	8.936	-	250	-	250
GRC Realty Corporation	Note	12-31-1998	7.700	7.700	2,933	-	2,933	5,866
Gambles Credit Corp.	Senior Note	07-15-1986	9.375	9.194	-	250	-	250
General Motors Accept.	Debenture	09-01-1982	4.625	8.659	-	100	-	100
Honeywell Finance Inc.	S/F Debenture	12-15-1998	8.200	8.396	4,000	-	4,000	8,000
Household Finance	Debenture	01-01-1990	7.250	7.417	900	400	500	1,800
Internatl Harv Credit	Note	12-15-1986	8.350	9.212	-	250	-	250
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	1,804	1,804	1,804	5,414
Median Mortgage Inv.	Debenture	09-15-1981	7.000	31.921	-	200	-	200
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.414	4,000	2,500	4,000	10,500
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	4,000	2,500	4,000	10,500
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	4,000	2,500	4,000	10,500
San Diego Federal	Mtg. Backed Cert.	01-15-1982	8.000	8.922	-	250	-	250
Seafirst Corp.	Note	06-01-1990	10.500	10.580	2,000	1,000	2,000	5,000
Sperry Rand Financial	Note	02-01-1985	7.875	8.892	-	250	-	250
Talman Federal S & L	Collateral Trust Bond	04-15-1983	8.375	8.401	-	200	-	200
Trailmobile Finance	Note	11-15-1987	8.200	8.998	-	200	-	200
UT Credit Corp.	Note	06-01-1986	8.625	8.823	-	250	-	250
Wells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	2,500	1,500	2,500	6,500
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	3,000	3,000	3,000	9,000
<b>TOTAL FINANCE OBLIGATION</b>				<b>8.891%</b>	<b>\$ 41,080</b>	<b>\$ 24,021</b>	<b>\$ 43,454</b>	<b>\$ 108,555</b>

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000) (b)	
<b>INDUSTRIAL OBLIGATION</b>									
Akzona, Inc.	Debenture	02-15-1997	7.500	7.500	\$ 2,000	\$ -	\$ 2,500	\$ 4,500	
Aluminum Co. of Canada	S/F Debenture	03-01-1995	9.500	9.634	3,860	1,744	4,000	9,604	
Armco Steel Corp.	Note	12-15-1996	7.875	7.959	1,980	-	2,517	4,498	
Armour-Dial, Inc.	Note	01-15-2003	7.900	7.900	3,401	-	3,401	6,802	
Atlantic Richfield Co.	First Pref Ship Mtg Bd	12-01-2001	8.750	8.750	2,000	1,200	2,000	5,200	
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	4,000	2,500	4,000	10,500	
Beatrice Foods Co.	Debenture	08-15-2008	8.500	8.840	2,000	2,000	2,000	6,000	
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	4,000	2,600	4,000	10,600	
Castle & Cooke, Inc.	Note 05-15-1985	05-15-1985	8.125	9.065	-	250	-	250	
Cities Service Gas Co.	Debenture	06-01-1991	8.250	8.250	1,450	1,000	2,000	4,450	
Conoco	Note	12-01-2000	9.000	9.015	973	811	1,339	3,123	
Crown Zellbach. (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	3,481	1,698	3,481	8,660	
Dresser Industries	Note	05-15-1985	8.650	8.578	1,057	-	1,057	2,114	
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	3,800	2,400	3,800	10,000	
Firestone Tire & Rubber	Debenture	12-01-2004	9.250	9.268	4,000	2,100	4,100	10,200	
Ford Leasing Developmt	Guaranteed Note	03-15-2004	9.500	9.500	2,000	1,500	-	3,500	
Ford Leasing Developmt	Guaranteed Note	12-01-1996	8.625	8.625	4,000	2,500	4,000	10,500	
B. F. Goodrich Co.	Note	11-15-1992	6.500	6.500	435	435	870	1,740	
Gulf Oil Corp.	First Mtg. Bond	06-15-1993	6.625	6.625	800	690	1,000	2,490	
Hertz Corporation	Senior Note	02-15-1999	9.500	9.500	2,300	2,000	2,300	6,600	
Int'l Bus. Machines	Note	10-01-1986	9.500	12.004	2,000	1,000	2,000	5,000	
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	3,901	2,350	3,901	10,152	
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.671	4,000	1,000	-	5,000	
Moore Business Forms	Senior Note	10-01-1996	7.900	7.900	2,000	-	2,000	4,000	
Norton Simon, Inc.	Promissory Note	06-01-2004	9.875	9.875	2,500	2,500	2,000	7,000	
Owens-Illinois, Inc.	Note	06-01-1990	10.375	10.455	3,000	1,000	4,000	8,000	
Pembroke Capital Co.	Note	03-31-1985	13.250	13.250	3,000	2,000	3,000	8,000	
Pfizer, Inc.	S/F Debenture	08-15-2000	9.250	9.316	1,000	-	1,000	2,000	
Phelps Dodge Corp.	Note	06-01-1985	8.500	8.575	4,000	2,500	4,000	10,500	
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	7.973	3,000	1,250	3,500	7,750	
Ryder Systems, Inc.	Debenture	05-15-1982	9.750	9.468	-	100	-	100	
Shell Canada, Ltd.	Debenture	01-01-1994	7.500	7.500	-	-	1,140	1,140	
Sohio/Bp Trans Alaska	Note	02-01-1983	8.625	9.096	-	250	-	250	
Sorague Electric Co.	S/F Debenture	09-01-1988	4.375	4.400	-	-	550	550	
Standard Oil of Calif.	Promissory Note	12-01-1992	6.000	6.120	-	130	650	780	
Standard Oil of Calif.	First Pref Ship Mtg Bd	07-02-1999	8.500	8.500	2,000	2,000	2,000	6,000	
Standard Oil of Calif.	First Pref Ship Mtg Bd	02-10-1997	7.700	7.700	649	-	556	1,206	
Standard Oil of Calif.	First Pref Ship Mtg Bd	03-30-1997	7.700	7.700	556	-	649	1,206	
Standard Oil of Calif.	First Pref Ship Mtg Bd	09-07-1997	7.700	7.700	470	1,317	470	2,258	
Standard Oil of Calif.	First Pref Ship Mtg Bd	09-08-1997	7.700	7.700	470	517	470	1,458	
Standard Oil of Calif.	First Pref Ship Mtg Bd	11-06-1997	7.700	7.700	470	517	470	1,458	
Standard Oil of Calif.	First Pref Ship Mtg Bd	03-02-1997	7.700	7.700	649	-	649	1,299	
Standard Oil (Indiana)	Note	10-01-2000	7.300	7.300	1,500	1,500	2,000	5,000	
Standard Oil (Indiana)	Note	10-01-2000	9.000	9.000	1,500	1,000	1,500	4,000	
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.500	1,500	500	1,500	3,500	
Stauffer Chemical Co.	Note	03-15-1997	7.500	7.500	2,000	-	2,000	4,000	
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	5,000	3,000	5,000	13,000	
Sun Oil Co	Note	07-01-1991	5.750	5.750	-	256	-	256	
Swift & Co.	S/F Debenture	08-01-1992	6.300	6.624	-	373	-	373	
Texaco, Inc.	Note	12-01-2001	7.750	7.750	1,793	1,344	2,241	5,378	
Uarco, Inc.	Note	05-01-1988	6.500	6.500	387	-	646	1,034	
Union Oil Co of Calif	Note	12-01-1988	6.500	6.500	358	-	447	806	
Youngstown Sheet Tube	First Mtg S/F Bond	07-01-1995	4.600	5.502	488	351	1,194	2,033	
<b>TOTAL INDUSTRIAL OBLIGATION</b>					<b>8.867%</b>	<b>\$ 95,734</b>	<b>\$ 52,185</b>	<b>\$ 98,276</b>	<b>\$246,195</b>
<b>TRANSPORTATION DEBT OBLIGATION</b>									
Dela, Lackawanna & Wst	Refunding Mtg. Bond	05-01-1985	4.500	4.500	\$ -	\$ 6	\$ -	\$ 6	
Louisville & Nashville	Collateral Trust Bond	12-01-1987	4.875	4.950	500	400	450	1,350	
Western Maryland RR	First Mtg. Bond	10-01-1989	4.850	4.850	480	384	480	1,344	
<b>TOTAL TRANSPORTATION DEBT OBLIGATION</b>					<b>4.899%</b>	<b>\$ 980</b>	<b>\$ 790</b>	<b>\$ 930</b>	<b>\$ 2,700</b>
<b>RAIL EQUIPMENT OBLIGATION</b>									
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 3,000	\$ 1,000	\$ 3,000	\$ 7,000	
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	-	-	3,201	3,201	
ACF Industries, Inc.	Equipment Trust Cert.	04-15-1981	5.625	5.625	21	20	-	41	
ACF Industries, Inc.	Equipment Trust Cert.	05-15-1984	7.625	7.625	120	80	400	600	
ACF Industries, Inc.	Equipment Trust Cert.	04-01-1985	9.500	9.500	450	300	500	1,250	
Burlington Northern	Conditional Sale Agree	05-01-1986	8.600	8.600	-	-	835	835	
Burlington Northern	Conditional Sale Agree	10-01-1987	9.625	9.625	800	-	800	1,600	
Burlington Northern	Conditional Sale Agree	09-01-1993	8.750	8.750	2,813	2,344	2,813	7,972	
Chesapeake & Ohio Ry	Conditional Sale Agree	02-15-1983	6.875	6.926	197	179	251	628	
Chicago, Milw StP Pac	Conditional Sale Agree	06-01-1981	5.375	5.375	14	12	14	40	
Chicago, Milw StP Pac	Conditional Sale Agree	01-15-1982	6.375	6.375	19	19	19	58	
Del. & Hudson (Guar Ge)	Conditional Sale Agree	09-01-1985	10.500	10.500	650	-	-	650	
Fruit Growers Express	Equipment Trust Cert.	11-15-1981	6.000	6.000	60	50	60	170	
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	-	400	400	800	
Illinois Central RR	Conditional Sale Agree	02-15-1983	6.875	6.875	116	100	166	383	
Louisville & Nashville	Conditional Sale Agree	10-20-1991	9.000	9.000	1,310	-	-	1,310	
Louisville & Nashville	Conditional Sale Agree	01-15-1986	6.875	7.027	360	264	480	1,104	
Louisville & Nashville	Conditional Sale Agree	04-20-1992	8.375	8.375	2,383	1,121	2,383	5,887	
Missouri Pacific RR	Conditional Sale Agree	06-01-1995	12.750	12.750	2,000	1,500	2,000	5,500	
Missouri Pacific RR	Conditional Sale Agree	06-01-1994	9.750	9.750	3,733	2,800	-	6,533	

PUBLIC EMPLOYEES RETIREMENT FUND  
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TEACHERS' RETIREMENT FUND

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000) (b)	
N.Y. Central Railroad	Bond	10-01-2013	4.500	4.510	-	4	-	4	
Norfolk & Western Ry.	Conditional Sale Agree	08-01-1983	7.250	7.250	240	200	360	800	
St. Louis-SF Railway	Conditional Sale Agree	01-01-1983	6.750	6.750	-	120	180	300	
St. Louis-SF Railway	Conditional Sale Agree	12-15-1983	7.250	7.250	213	-	186	400	
Southern Pacific Co.	Conditional Sale Agree	03-01-1984	7.625	7.625	200	160	280	640	
Southern Pacific Trans.	Conditional Sale Agree	10-01-1992	8.250	8.250	3,033	1,733	3,033	7,800	
Union Tank Car	Equipment Trust Cert.	12-15-1995	9.500	9.500	3,000	-	3,000	6,000	
TOTAL RAIL EQUIPMENT OBLIGATION					9.113%	\$ 24,737	\$ 12,408	\$ 24,365	\$ 61,511
TOTAL CORPORATE OBLIGATION					8.734%	\$194,310	\$104,413	\$200,526	\$499,250
CONVERTIBLE									
Citicorp	Subordinated Deb.	06-30-2000	5.750	8.075	\$ -	\$ 150	\$ -	\$ 150	
TOTAL CONVERTIBLE					8.075%	\$ -	\$ 150	\$ -	\$ 150
MUNICIPAL BOND									
Aitken Cty. ISD 4	Municipal Bond	02-01-1983	4.400	4.400	\$ 30	\$ -	\$ -	\$ 30	
Anoka Cty. SD 48	Municipal Bond	02-01-1985	3.200	3.200	-	-	38	38	
Anoka/Circle Pines	Municipal Bond	01-01-1983	4.200	4.200	27	-	-	27	
Anoka/Circle Pines	Municipal Bond	01-01-1987	4.500	4.500	38	22	72	132	
Blue Earth ISD 112	Municipal Bond	04-01-1983	3.000	3.000	-	5	25	30	
Brown/City Springfield	Municipal Bond	01-01-1982	3.600	3.600	-	-	20	20	
Brown/City Springfield	Municipal Bond	01-01-1982	4.000	4.000	20	-	-	20	
Cass Cty/Pine River	Municipal Bond	09-01-1989	4.700	4.700	65	70	-	135	
Chisago 140 Taylor Fls	Municipal Bond	02-01-1988	3.700	3.700	-	48	-	48	
Chisago/Rush City Hosp	Municipal Bond	03-01-1982	3.800	3.800	-	-	20	20	
Clay Cty ICSD 75	Municipal Bond	04-01-1982	3.000	3.000	-	-	20	20	
Clay Cty ISD 122	Municipal Bond	02-01-1984	4.000	4.000	5	-	-	5	
Clearwater/Polk Ctys	Municipal Bond	02-01-1983	3.000	3.000	-	-	33	33	
Crow Wing/Baxter SD 36	Municipal Bond	05-01-1982	3.100	3.100	6	-	-	6	
Crow Wing 46 Minn Bldg	Municipal Bond	01-01-1983	3.100	3.100	12	-	-	12	
Crow Wing ISD 189 Pine	Municipal Bond	09-01-1980	4.250	4.250	-	-	10	10	
Dakota Cty SD 2	Municipal Bond	02-01-1985	3.900	3.900	-	-	17	17	
Dakota/Goodhue SD 4	Municipal Bond	03-01-1984	2.900	2.900	-	-	20	20	
Dakota 198 Inver Grove	Municipal Bond	04-01-1983	3.900	3.900	15	-	-	15	
Dakota/Scott SD 15	Municipal Bond	02-01-1981	3.900	3.900	-	-	10	10	
Dodge/Vill Hayfield	Municipal Bond	08-01-1981	5.000	5.000	-	-	10	10	
Douglas ISD 214 Carlos	Municipal Bond	02-01-1986	3.900	3.900	5	-	-	5	
Douglas ISD 213 Osasis	Municipal Bond	03-01-1989	3.900	3.900	-	-	55	55	
Faribault/Freeborn	Municipal Bond	02-01-1985	2.750	2.750	25	-	-	25	
Fargo N.D. Water Util	Municipal Bond	07-01-1983	2.500	2.500	8	-	-	8	
Fillmor/Canton Sew	Municipal Bond	02-01-1982	3.750	3.750	10	-	-	10	
Goodhue Cty CSD 6	Municipal Bond	02-01-1983	3.000	3.000	-	-	25	25	
Goodhue/Pine Island	Municipal Bond	12-01-1980	3.700	3.700	-	15	-	15	
Grant/Ottertail CUSD 8	Municipal Bond	04-01-1983	3.250	3.250	15	-	-	15	
Henn Cty ISD 17 Edina	Municipal Bond	02-01-1987	4.000	4.000	-	-	15	15	
Isanti/Pine/Kanabec	Municipal Bond	02-01-1986	4.000	4.000	-	20	-	20	
Kanabec/Vill of Mora	Municipal Bond	11-01-1982	4.500	4.500	45	-	-	45	
Kooching/Int Falls Go	Municipal Bond	06-01-1981	3.300	3.300	-	-	35	35	
Kooching/Int Falls Go	Municipal Bond	06-01-1982	3.300	3.300	-	30	-	30	
Lac Qui Parle SD 33	Municipal Bond	02-01-1982	3.900	3.900	10	-	-	10	
Lake Cty/Beaver Bay	Municipal Bond	01-01-1987	5.000	5.000	-	30	-	30	
Lake of Woods SD 111	Municipal Bond	01-01-1984	4.500	4.500	-	10	-	10	
Le Sueur Cty	Municipal Bond	08-01-1980	4.900	4.900	-	5	-	5	
Le Sueur/Sibley/Miclet	Municipal Bond	07-01-1982	2.600	2.600	10	-	-	10	
Lincoln/Lyon 409 Tyler	Municipal Bond	02-01-1986	4.300	4.300	-	13	-	13	
Lincoln/Pipestone 404	Municipal Bond	01-01-1983	4.000	4.000	-	45	-	45	
Lyon/City Marshall Go	Municipal Bond	05-01-1982	3.250	3.250	-	-	12	12	
Marshall/Roseau/Kittson	Municipal Bond	02-01-1981	3.100	3.100	-	10	-	10	
Marshall/Vill Alvarado	Municipal Bond	06-01-1981	4.000	4.000	-	5	-	5	
Martin Cty ISD 458	Municipal Bond	02-01-1984	3.600	3.600	-	-	10	10	
McLeod Cty SD 38	Municipal Bond	02-01-1987	3.900	3.900	-	-	65	65	
McLeod/Les Prairie Sew	Municipal Bond	07-01-1981	3.500	3.500	-	20	-	20	
Meeker Cty ICDS 47	Municipal Bond	07-01-1981	3.300	3.300	-	30	-	30	
Meeker/Watkins Waterwk	Municipal Bond	12-01-1983	3.400	3.400	-	-	20	20	
Metro Wtr Dist So Cal	Municipal Bond	04-01-1983	3.000	3.000	-	-	4	4	
Metro Wtr Dist So Cal	Municipal Bond	02-01-1984	3.500	3.500	58	205	28	291	
Metro Wtr Dist So Cal	Municipal Bond	08-01-1985	4.000	4.000	150	22	40	212	
Mille Lacs SD 471 Bock	Municipal Bond	03-01-1989	3.900	3.900	42	-	-	42	
Mille Lacs/Morrison 34	Municipal Bond	03-01-1984	3.200	3.200	-	-	30	30	
Morrison/Cass/Todd 27	Municipal Bond	02-01-1984	3.200	3.200	-	19	-	19	
Morrison/Todd ISD 486	Municipal Bond	02-01-1988	3.800	3.800	60	-	-	60	
Mower/Olmstead/Fillmore	Municipal Bond	02-01-1981	2.750	2.750	-	25	-	25	
Mower/Freeman JISD 27	Municipal Bond	01-01-1986	3.000	3.000	-	-	22	22	
Nobles Cty ICSD 119	Municipal Bond	09-01-1984	3.300	3.300	-	-	45	45	
Ottertail SD 69	Municipal Bond	07-01-1981	3.250	3.250	-	6	-	6	
Ottertail Cty SD 38	Municipal Bond	01-01-1982	3.500	3.500	-	-	20	20	
Ottertail Cty ISD 21	Municipal Bond	11-01-1983	3.800	3.800	-	-	96	96	
Ottertail Cty ISD 5	Municipal Bond	01-01-1981	3.100	3.100	-	5	-	5	
Penn/Marshall JICSD	Municipal Bond	02-01-1981	3.250	3.250	25	-	-	25	
Pine Cty ICSD 5	Municipal Bond	07-01-1981	3.500	3.500	-	25	-	25	
Polk Cty ICSD 192 Bond	Municipal Bond	02-01-1981	3.100	3.100	-	-	5	5	
Polk Cty ICSD 245	Municipal Bond	02-01-1981	3.000	3.000	-	-	15	15	
Polk/City Crookston	Municipal Bond	02-01-1981	3.000	3.000	25	-	-	25	

PUBLIC EMPLOYEES RETIREMENT FUND  
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TEACHERS' RETIREMENT FUND

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000) (b)
Red Lake/Penn SD 16	Municipal Bond	04-01-1982	4.000	4.000	-	-	10	10
Redwood Cty ICSD 74	Municipal Bond	10-01-1982	2.700	2.700	-	-	40	40
Redwood 56/Brown 135	Municipal Bond	01-01-1981	3.000	3.000	-	-	10	10
Renville Cty CSD 63	Municipal Bond	04-01-1981	2.900	2.900	-	-	65	65
Renville/Kandiyoohi 64	Municipal Bond	01-01-1981	3.200	3.200	-	-	10	10
Rice ISD 656 Faribault	Municipal Bond	01-01-1987	3.400	3.400	15	-	50	65
Rock SD 78	Municipal Bond	02-01-1981	3.100	3.100	-	3	5	8
Roseau/Badger Ind Cons	Municipal Bond	10-01-1981	3.500	3.500	-	-	20	20
Sherburne/Vil Big Lake	Municipal Bond	07-01-1986	4.500	4.500	45	-	-	45
Stearns Cty ISD 93	Municipal Bond	07-01-1987	4.750	4.750	-	45	-	45
Stearns Comm SD 2022	Municipal Bond	02-01-1982	4.000	4.000	-	6	-	6
Steele/Freeborn 30	Municipal Bond	01-01-1985	2.700	2.700	55	-	-	55
Steele/Rice JICSD 5	Municipal Bond	01-01-1985	3.000	3.000	-	-	15	15
Todd Cty ICSD 11	Municipal Bond	01-01-1981	3.900	3.900	-	16	-	16
Todd/Vill Browerville	Municipal Bond	01-01-1984	2.900	2.900	-	-	25	25
Wabasha/Olmstead 806	Municipal Bond	06-01-1987	4.100	4.100	50	-	-	50
Wab/Good/Olmstead 50 141	Municipal Bond	02-01-1986	3.800	3.800	-	45	-	45
Wabasha Cty CSD 2374	Municipal Bond	02-01-1985	3.750	3.750	-	-	14	14
Winona Cty/Goodview	Municipal Bond	01-01-1985	4.500	4.500	-	-	10	10
Wright/Stearns JSD 216	Municipal Bond	01-01-1981	2.900	2.900	-	12	-	12
Wright Cty SD 79	Municipal Bond	04-01-1982	3.000	3.000	-	-	10	10
Wright Cty ISD 879	Municipal Bond	05-01-1984	3.600	3.600	-	-	5	5
TOTAL MUNICIPAL BOND				3.701%	\$ 871	\$ 812	\$ 1,126	\$ 2,809
TOTAL UNITED STATES GOVERNMENT GUARANTEED, CANADIAN GOVERNMENTAL AND CORPORATE, AND MUNICIPAL OBLIGATIONS			9.003%		\$290,412	\$167,174	\$331,003	\$788,590

PUBLIC EMPLOYEES RETIREMENT FUND  
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TEACHERS' RETIREMENT FUND  
June 30, 1980

COMMON STOCK HOLDINGS

Common Stock	Total Shares	Market Price 6-30-80	Public Employees Retirement Fund		State Employees Retirement Fund		Teachers' Retirement Fund		Total Market Value
			Shares	Market Value	Shares	Market Value	Shares	Market Value	
<b>UTILITIES</b>									
<b>ELECTRIC</b>									
Central & South West	73,500	\$ 14.50	29,200	\$ 423,400.00	13,700	\$ 198,650.00	30,600	\$ 443,700.00	\$ 1,065,750.00
Cincinnati Gas & Elec.	100,000	18.88	41,000	773,875.00	20,000	377,500.00	39,000	736,125.00	1,887,500.00
Commonwealth Edison	139,272	22.50	50,862	1,144,395.00	36,321	817,222.50	52,089	1,172,002.50	3,133,620.00
Florida Power & Light	163,700	27.25	60,600	1,651,350.00	33,000	899,250.00	70,100	1,910,225.00	4,460,825.00
Minnesota Power & L.	125,000	19.00	40,000	760,000.00	25,000	475,000.00	60,000	1,140,000.00	2,375,000.00
Northern States Power	172,494	24.88	67,592	1,681,351.00	34,606	860,824.25	70,296	1,748,613.00	4,290,788.25
Southern Calif. Edison	55,900	25.63	21,200	543,250.00	12,300	315,187.50	22,400	574,000.00	1,432,437.50
Texas Utilities Co.	225,000	18.25	80,000	1,460,000.00	45,000	821,250.00	100,000	1,825,000.00	4,106,250.00
Virginia Elec. & Power	164,898	11.88	58,333	692,704.38	34,266	406,908.75	72,299	858,550.63	1,958,163.76
TOTAL ELECTRIC		3.39%		\$ 9,130,325.38		\$ 5,171,793.00		\$ 10,408,216.13	\$ 24,710,334.51
<b>NATURAL GAS</b>									
Houston Natural Gas	129,000	\$ 42.63	46,500	\$ 1,982,062.50	25,500	\$ 1,086,937.50	57,000	\$ 2,429,625.00	\$ 5,498,625.00
Panhandle E. Pipe Line	234,296	33.38	98,020	3,271,417.50	50,428	1,683,034.50	85,848	2,865,177.00	7,819,629.00
Peoples Energy Corp.	147,666	48.13	50,333	2,422,275.63	30,000	1,443,750.00	67,333	3,240,400.63	7,106,426.26
TOTAL NATURAL GAS		2.80%		\$ 7,675,755.63		\$ 4,213,722.00		\$ 8,535,202.63	\$ 20,424,680.26
<b>COMMUNICATIONS</b>									
American Tel. & Tel.	473,521	\$ 52.50	181,943	\$ 9,552,007.50	96,904	\$ 5,087,460.00	194,674	\$ 10,220,385.00	\$ 24,859,852.50
Central Tel. & Util.	113,000	25.00	40,000	1,000,000.00	25,000	625,000.00	48,000	1,200,000.00	2,825,000.00
General Tel. & Elec.	98,900	28.00	37,500	1,050,000.00	20,900	585,200.00	40,500	1,134,000.00	2,769,200.00
United Telecom.	302,000	17.25	113,000	1,949,250.00	64,000	1,104,000.00	125,000	2,156,250.00	5,209,500.00
TOTAL COMMUNICATIONS		4.90%		\$ 13,551,257.50		\$ 7,401,660.00		\$ 14,710,635.00	\$ 35,663,552.50
TOTAL UTILITIES		11.09%		\$ 30,357,338.51		\$ 16,787,175.00		\$ 33,654,053.76	\$ 80,798,567.27
<b>FINANCIAL SERVICES</b>									
<b>BANKS</b>									
Citicorp	116,432	\$ 22.13	46,600	\$ 1,031,025.00	25,932	\$ 573,745.50	43,900	\$ 971,287.50	\$ 2,576,058.00
Continental Ill. Corp.	109,272	29.25	45,272	1,324,206.00	27,000	789,750.00	37,000	1,082,250.00	3,196,206.00
First Bank System	108,500	36.50	40,700	1,485,550.00	23,200	846,800.00	44,600	1,627,900.00	3,960,250.00
First Int'l Bancshares	89,375	44.25	37,875	1,675,968.75	10,750	475,687.50	40,750	1,803,187.50	3,954,843.75
Manufacturers Hanover	44,000	33.13	21,500	712,187.50	-	-	22,500	745,312.50	1,457,500.00
Morgan (J.P.) & Co.	48,016	48.50	18,540	899,190.00	11,176	542,036.00	18,300	887,550.00	2,328,776.00
Northwest Bancorp.	158,400	24.50	60,000	1,470,000.00	30,400	744,800.00	68,000	1,666,000.00	3,880,800.00
Security Pacific Corp.	121,330	30.13	31,063	935,772.88	37,265	1,122,608.13	53,002	1,596,685.25	3,655,066.26
Valley Natl (Arizona)	100,582	33.63	32,702	1,099,604.75	25,896	870,753.00	41,984	1,411,712.00	3,382,069.75
TOTAL BANKS		3.90%		\$ 10,633,504.88		\$ 5,966,180.13		\$ 11,791,884.75	\$ 28,391,569.76

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND

Continued

Common Stock	Total Shares	Market Price 6-30-80	Public Employees Retirement Fund		State Employees Retirement Fund		Teachers' Retirement Fund		Total Market Value
			Shares	Market Value	Shares	Market Value	Shares	Market Value	
<b>FINANCE</b>									
Beneficial Corp.	151,845	\$ 23.63	54,875	\$ 1,296,421.88	33,245	\$ 785,413.13	63,725	\$ 1,505,503.13	\$ 3,587,338.14
Household Finance	203,500	18.00	70,300	1,265,400.00	43,900	790,200.00	89,300	1,607,400.00	3,663,000.00
MGIC Investment Corp.	69,800	26.25	29,800	782,250.00	12,000	315,000.00	28,000	735,000.00	1,832,250.00
<b>TOTAL FINANCE</b>		1.25%		\$ 3,344,071.88		\$ 1,890,613.13		\$ 3,847,903.13	\$ 9,082,588.14
<b>INSURANCE</b>									
Aetna Life & Casualty	99,600	\$ 37.75	35,150	\$ 1,326,912.50	22,150	\$ 836,162.50	42,300	\$ 1,596,825.00	\$ 3,759,900.00
Chubb Corporation	48,000	40.00	20,700	828,000.00	10,400	416,000.00	16,900	676,000.00	1,920,000.00
Connecticut General	73,500	38.50	27,000	1,039,500.00	12,750	490,875.00	33,750	1,299,375.00	2,829,750.00
INA Corp.	79,050	35.25	28,500	1,004,625.00	17,550	618,637.50	33,000	1,163,250.00	2,786,512.50
Safeco Corp.	40,950	37.50	18,000	675,000.00	9,850	369,375.00	13,100	491,250.00	1,535,625.00
St. Paul Companies	35,900	36.25	14,400	522,000.00	7,100	257,375.00	14,400	522,000.00	1,301,375.00
Travelers Corp.	19,400	41.13	6,700	275,537.50	5,700	234,412.50	7,000	287,875.00	797,825.00
U.S. Fidelity & Guar.	79,200	42.88	26,400	1,131,900.00	18,150	778,181.25	34,650	1,485,618.75	3,395,700.00
<b>TOTAL INSURANCE</b>		2.52%		\$ 6,803,475.00		\$ 4,001,018.75		\$ 7,522,193.75	\$ 18,326,687.50
<b>TOTAL FINANCIAL SERVICES</b>		7.66%		\$ 20,781,051.76		\$ 11,857,812.01		\$ 23,161,981.63	\$ 55,800,845.40
<b>CONSUMER-ORIENTED AUTOS - AUTO PARTS</b>									
Ford Motor Co.	145,500	\$ 24.63	54,000	\$ 1,329,750.00	31,000	\$ 763,375.00	60,500	\$ 1,489,812.50	\$ 3,582,937.50
General Motors	192,000	46.50	71,500	3,324,750.00	40,500	1,883,250.00	80,000	3,720,000.00	8,928,000.00
Genuine Parts Company	152,500	23.63	57,000	1,346,625.00	29,350	693,393.75	66,150	1,562,793.75	3,602,812.50
Goodyear Tire & Rubber	252,500	13.00	94,500	1,228,500.00	53,000	689,000.00	105,000	1,365,000.00	3,282,500.00
<b>TOTAL AUTOS - AUTO PARTS</b>		2.66%		\$ 7,229,625.00		\$ 4,029,018.75		\$ 8,137,606.25	\$ 19,396,250.00
<b>CONSUMER DURABLES</b>									
Sunbeam Corp.	158,149	\$ 17.00	63,150	\$ 1,073,550.00	29,999	\$ 509,983.00	65,000	\$ 1,105,000.00	\$ 2,688,533.00
Whirlpool Corporation	196,400	19.38	73,900	1,431,812.50	44,800	868,000.00	77,700	1,505,437.50	3,805,250.00
<b>TOTAL CONSUMER-DURABLES</b>		0.89%		\$ 2,505,362.50		\$ 1,377,983.00		\$ 2,610,437.50	\$ 6,493,783.00
<b>CONSUMER-NON-DURABLES</b>									
Avon Products, Inc.	230,000	\$ 35.75	86,000	\$ 3,074,500.00	48,000	\$ 1,716,000.00	96,000	\$ 3,432,000.00	\$ 8,222,500.00
Colgate-Palmolive	278,500	14.00	103,500	1,449,000.00	59,500	833,000.00	115,500	1,617,000.00	3,899,000.00
Dart Industries Inc.	134,500	42.38	50,000	2,118,750.00	27,500	1,165,312.50	57,000	2,415,375.00	5,699,435.50
Eastman Kodak Co.	176,180	56.00	64,000	3,584,000.00	38,180	2,138,080.00	74,000	4,144,000.00	9,866,080.00
Gillette Company	78,100	24.50	28,900	708,050.00	16,100	394,450.00	33,100	810,950.00	1,913,450.00
Procter & Gamble Co.	78,000	73.75	28,000	2,065,000.00	17,000	1,253,750.00	33,000	2,433,750.00	5,752,500.00
Revlon, Incorporated	166,000	44.63	62,000	2,766,750.00	34,000	1,517,250.00	70,000	3,123,750.00	7,407,750.00
<b>TOTAL CONSUMER-NON-DURABLES</b>		5.87%		\$ 15,766,050.00		\$ 9,017,842.50		\$ 17,976,825.00	\$ 42,760,717.50
<b>CONSUMER-MISCELLANEOUS</b>									
Disney (Walt) Prod.	133,113	\$ 48.00	50,435	\$ 2,420,880.00	28,606	\$ 1,373,088.00	54,072	\$ 2,595,456.00	\$ 6,389,424.00
McDonald's Corp.	229,300	48.25	84,000	4,053,000.00	47,300	2,282,225.00	98,000	4,728,500.00	11,063,725.00
Warner Communications	94,996	42.50	36,644	1,557,370.00	20,698	879,665.00	37,654	1,600,295.00	4,037,330.00
<b>TOTAL CONSUMER-MISCELLANEOUS</b>		2.95%		\$ 8,031,250.00		\$ 4,534,978.00		\$ 8,924,251.00	\$ 21,490,479.00
<b>DRUGS</b>									
American Home Products	162,800	\$ 28.50	60,000	\$ 1,710,000.00	35,400	\$ 1,008,900.00	67,400	\$ 1,920,900.00	\$ 4,639,800.00
Baxter Travenol Labs.	133,500	44.50	48,500	2,158,250.00	28,000	1,246,000.00	57,000	2,536,500.00	5,904,750.00
Johnson & Johnson	104,000	78.50	37,000	2,904,500.00	22,000	1,727,000.00	45,000	3,532,500.00	8,164,000.00
Medtronic, Inc.	83,000	68.00	32,000	2,176,000.00	16,000	1,088,000.00	35,000	2,380,000.00	5,644,000.00
Merck & Company	141,600	70.75	52,100	3,686,075.00	28,700	2,030,525.00	60,800	4,301,600.00	10,018,200.00
Pfizer, Inc.	243,600	41.25	90,100	3,716,825.00	50,500	2,083,125.00	103,000	4,248,750.00	10,048,500.00
Revco D.S., Inc.	82,000	27.25	32,000	872,000.00	14,000	381,500.00	36,000	981,000.00	2,234,500.00
Schering-Plough Corp.	69,400	37.63	25,800	970,725.00	14,600	549,325.00	29,000	1,091,125.00	2,611,175.00
Warner-Lambert	377,500	18.50	138,900	2,569,650.00	80,000	1,480,000.00	158,600	2,934,100.00	6,983,750.00
<b>TOTAL DRUGS</b>		7.73%		\$ 20,763,825.00		\$ 11,594,375.00		\$ 23,926,475.00	\$ 56,284,675.00
<b>FOODS-BEVERAGES</b>									
CPC International	83,500	\$ 68.63	34,000	\$ 2,333,250.00	15,500	\$ 1,063,687.50	34,000	\$ 2,333,250.00	\$ 5,730,187.50
Coca-Cola Co.	120,200	33.00	46,200	1,524,600.00	24,000	792,000.00	50,000	1,650,000.00	3,966,600.00
Consolidated Foods	180,500	24.50	71,200	1,744,400.00	38,800	950,600.00	70,500	1,727,250.00	4,422,250.00
General Foods Corp.	83,000	30.63	30,000	918,750.00	18,100	554,312.50	34,900	1,068,812.50	2,541,875.00
General Mills, Inc.	198,200	27.50	75,200	2,068,000.00	43,000	1,182,500.00	80,000	2,200,000.00	5,450,500.00
Norton Simon, Inc.	222,435	13.88	77,523	1,075,631.63	49,069	680,832.38	95,843	1,329,821.63	3,086,285.64
PepsiCo, Inc.	194,786	24.13	69,000	1,664,625.00	40,300	972,237.50	85,486	2,062,349.75	4,699,212.25
Pillsbury Company	135,100	35.50	45,400	1,611,700.00	30,700	1,089,850.00	59,000	2,094,500.00	4,796,050.00
<b>TOTAL FOODS-BEVERAGES</b>		4.76%		\$ 12,940,956.63		\$ 7,286,019.88		\$ 14,465,983.88	\$ 34,692,960.39
<b>MEDIA</b>									
Donnelley (RR) & Sons	93,243	\$ 29.50	31,876	\$ 940,342.00	21,246	\$ 626,757.00	40,121	\$ 1,183,569.50	\$ 2,750,668.50
Dun & Bradstreet Corp.	81,100	46.88	32,300	1,514,062.50	16,000	750,000.00	32,800	1,537,500.00	3,801,562.50
Harcourt Brace Jovan.	45,000	31.00	16,050	497,550.00	11,100	344,100.00	17,850	553,350.00	1,395,000.00
<b>TOTAL MEDIA</b>		1.09%		\$ 2,951,954.50		\$ 1,720,857.00		\$ 3,274,419.50	\$ 7,947,231.00
<b>RETAIL SALES</b>									
Dayton Hudson Corp.	72,100	\$ 44.25	27,100	\$ 1,199,175.00	15,300	\$ 677,025.00	29,700	\$ 1,314,225.00	\$ 3,190,425.00
Federated Dept. Stores	125,500	29.00	54,000	1,566,000.00	22,000	638,000.00	49,500	1,435,500.00	3,639,500.00
K mart Corporation	233,000	22.63	85,000	1,923,125.00	51,000	1,153,875.00	97,000	2,194,625.00	5,271,625.00
Penney (J.C.) Co.	173,100	25.25	61,700	1,557,925.00	37,300	941,825.00	74,100	1,871,025.00	4,370,775.00
Sears, Roebuck & Co.	219,000	17.00	77,000	1,309,000.00	47,000	799,000.00	95,000	1,615,000.00	3,723,000.00
Southland Corporation	257,835	20.50	92,152	1,889,116.00	56,926	1,166,983.00	108,757	2,229,518.50	5,285,617.50
<b>TOTAL RETAIL SALES</b>		3.50%		\$ 9,444,341.00		\$ 5,376,708.00		\$ 10,659,893.50	\$ 25,480,942.50
<b>TOTAL CONSUMER-ORIENTED</b>		29.45%		\$ 79,633,364.63		\$ 44,937,782.13		\$ 89,975,891.63	\$ 214,547,038.39

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND

Continued

	Total Shares	Total Price 6-30-80	Public Employees Retirement Fund		State Employees Retirement Fund		Teachers' Retirement Fund		Total Market Value
			Shares	Market Value	Shares	Market Value	Shares	Market Value	
<b>TECHNOLOGY</b>									
<b>ELECTRONICS</b>									
Hewlett-Packard Co.	86,000	\$ 62.38	32,000	\$ 1,996,000.00	18,000	\$ 1,122,750.00	36,000	\$ 2,245,500.00	\$ 5,364,250.00
Perkin-Elmer	120,700	47.50	42,400	2,014,000.00	24,900	1,182,750.00	53,400	2,536,500.00	5,733,250.00
<b>TOTAL ELECTRONICS</b>		1.52%		\$ 4,010,000.00		\$ 2,305,500.00		\$ 4,782,000.00	\$ 11,097,500.00
<b>OFFICE EQUIPMENT</b>									
Burroughs Corp.	149,800	\$ 64.25	54,400	\$ 3,495,200.00	32,200	\$ 2,068,850.00	63,200	\$ 4,060,600.00	\$ 9,624,650.00
Control Data Corp.	43,000	53.88	14,000	754,250.00	8,000	431,000.00	21,000	1,131,375.00	2,316,625.00
Digital Equipment Corp	57,400	66.88	22,500	1,504,687.50	11,400	762,375.00	23,500	1,571,562.50	3,838,625.00
Honeywell, Inc.	114,700	78.38	41,800	3,276,075.00	23,500	1,841,812.50	49,400	3,871,725.00	8,989,612.50
Int'l Bus. Machines	545,412	58.75	200,000	11,750,000.00	115,800	6,803,250.00	229,612	13,489,705.00	32,042,955.00
Xerox Corporation	169,520	53.75	62,000	3,332,500.00	37,260	2,002,725.00	70,260	3,776,475.00	9,111,700.00
<b>TOTAL OFFICE EQUIPMENT</b>		9.05%		\$ 24,112,712.50		\$ 13,910,012.50		\$ 27,901,442.50	\$ 65,924,167.50
<b>TOTAL TECHNOLOGY</b>		10.57%		\$ 28,122,712.50		\$ 16,215,512.50		\$ 32,683,442.50	\$ 77,021,667.50
<b>BASIC INDUSTRY</b>									
<b>AEROSPACE</b>									
Boeing Co.	159,975	\$ 35.00	60,900	\$ 2,131,500.00	33,225	\$ 1,162,875.00	65,850	\$ 2,304,750.00	\$ 5,599,125.00
General Dynamics Corp	46,500	66.13	18,000	1,190,250.00	9,500	628,187.50	19,000	1,256,375.00	3,074,812.50
Raytheon Co.	62,000	74.25	23,000	1,707,750.00	13,500	1,002,375.00	25,500	1,893,375.00	4,603,500.00
<b>TOTAL AEROSPACE</b>		1.82%		\$ 5,029,500.00		\$ 2,793,437.50		\$ 5,454,500.00	\$ 13,277,437.50
<b>BUILDING &amp; FOREST PRODUCTS</b>									
American Standard, Inc.	46,500	\$ 57.75	16,500	\$ 952,875.00	10,000	\$ 577,500.00	20,000	\$ 1,155,000.00	\$ 2,685,375.00
Georgia-Pacific Corp.	205,556	27.50	74,490	2,048,475.00	43,591	1,198,752.50	87,475	2,405,562.50	5,652,790.00
Lone Star Industries	69,000	28.50	24,000	684,000.00	15,000	427,500.00	30,000	855,000.00	1,966,500.00
Masonite Corp.	135,400	26.75	52,400	1,401,700.00	28,000	749,000.00	55,000	1,471,250.00	3,621,950.00
Owens-Corning Fiber.	185,200	26.63	71,200	1,895,700.00	37,000	985,125.00	77,000	2,050,125.00	4,930,950.00
Wyerhaeuser Co.	165,500	32.63	62,000	2,022,750.00	34,400	1,122,300.00	69,100	2,254,387.50	5,399,437.50
<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>		3.33%		\$ 9,005,500.00		\$ 5,060,177.50		\$ 10,191,325.00	\$ 24,257,002.50
<b>CHEMICALS</b>									
Air Products & Chem.	116,075	\$ 38.75	42,693	\$ 1,654,353.75	24,686	\$ 956,582.50	48,696	\$ 1,886,970.00	\$ 4,497,906.25
Dow Chemical	221,028	33.63	78,192	2,629,206.00	47,980	1,613,327.50	94,856	3,189,533.00	7,432,066.50
du Pont (EI) de Nemours	180,000	41.88	66,000	2,763,750.00	38,000	1,591,250.00	76,000	3,182,500.00	7,537,500.00
Hercules, Inc.	294,500	18.75	107,900	2,023,125.00	62,600	1,173,750.00	124,000	2,325,000.00	5,521,875.00
Monsanto Co.	105,736	52.00	37,836	1,967,472.00	23,000	1,196,000.00	44,900	2,334,800.00	5,498,272.00
Union Carbide Corp.	162,900	43.63	61,100	2,665,487.50	33,800	1,474,525.00	68,000	2,966,500.00	7,106,512.50
<b>TOTAL CHEMICALS</b>		5.16%		\$ 13,703,394.25		\$ 8,005,435.00		\$ 15,885,303.00	\$ 37,594,132.25
<b>ELECTRICAL EQUIPMENT</b>									
Emerson Electric Co.	131,000	\$ 36.50	50,000	\$ 1,825,000.00	26,000	\$ 949,000.00	55,000	\$ 2,007,500.00	\$ 4,781,500.00
General Electric Co.	241,000	51.50	89,000	4,583,500.00	52,000	2,678,000.00	100,000	5,150,000.00	12,411,500.00
Gould, Inc.	68,500	22.38	25,500	570,562.50	14,700	328,912.50	28,300	633,212.50	1,532,687.50
<b>TOTAL ELECTRICAL EQUIPMENT</b>		2.57%		\$ 6,979,062.50		\$ 3,955,912.50		\$ 7,790,712.50	\$ 18,725,687.50
<b>MACHINERY</b>									
Caterpillar Tractor	84,800	\$ 52.75	30,700	\$ 1,619,425.00	17,100	\$ 902,025.00	37,000	\$ 1,951,750.00	\$ 4,473,200.00
Combustion Engineering	99,500	60.25	38,000	2,289,500.00	23,500	1,415,875.00	38,000	2,289,500.00	5,994,875.00
Trans Union Corp.	101,000	33.75	38,000	1,282,500.00	18,000	607,500.00	45,000	1,518,750.00	3,408,750.00
<b>TOTAL MACHINERY</b>		1.91%		\$ 5,191,425.00		\$ 2,925,400.00		\$ 5,760,000.00	\$ 13,876,825.00
<b>METALS</b>									
Aluminum Co. of Amer.	63,600	\$ 58.75	20,600	\$ 1,210,250.00	13,500	\$ 793,125.00	29,500	\$ 1,733,125.00	\$ 3,736,500.00
Pittston Company	56,640	24.00	22,511	540,264.00	12,570	301,680.00	21,559	517,416.00	1,359,360.00
St. Joe Minerals Corp.	74,500	50.25	28,600	1,437,150.00	15,000	753,750.00	30,900	1,552,725.00	3,743,625.00
<b>TOTAL METALS</b>		1.21%		\$ 3,187,664.00		\$ 1,848,555.00		\$ 3,803,266.00	\$ 8,839,485.00
<b>PAPER</b>									
Union Camp Corporation	71,000	\$ 41.50	26,000	\$ 1,079,000.00	15,000	\$ 622,500.00	30,000	\$ 1,245,000.00	\$ 2,946,500.00
<b>TOTAL PAPER</b>		0.40%		\$ 1,079,000.00		\$ 622,500.00		\$ 1,245,000.00	\$ 2,946,500.00
<b>TEXTILES</b>									
Levi Strauss & Co.	59,000	\$ 32.25	21,700	\$ 699,825.00	13,000	\$ 419,250.00	24,300	\$ 783,675.00	\$ 1,902,750.00
<b>TOTAL TEXTILES</b>		0.26%		\$ 699,825.00		\$ 419,250.00		\$ 783,675.00	\$ 1,902,750.00
<b>MISCELLANEOUS</b>									
Corning Glass Works	57,100	\$ 52.13	23,500	\$ 1,224,937.50	11,000	\$ 573,375.00	22,600	\$ 1,178,025.00	\$ 2,976,337.50
Int'l Tel. & Tel.	260,300	27.75	86,743	2,407,118.25	53,743	1,491,368.25	119,814	3,324,838.50	7,223,325.00
Minnesota Mining & Mfg	135,800	53.13	51,000	2,709,375.00	30,000	1,593,750.00	54,800	2,911,250.00	7,214,375.00
<b>TOTAL MISCELLANEOUS</b>		2.39%		\$ 6,341,430.75		\$ 3,658,493.25		\$ 7,414,113.50	\$ 17,414,037.50
<b>TOTAL BASIC INDUSTRY</b>		19.06%		\$ 51,216,801.50		\$ 29,289,160.75		\$ 58,327,895.00	\$ 138,833,857.25
<b>ENERGY</b>									
<b>OIL-DOMESTIC</b>									
Atlantic Richfield Co.	150,000	\$ 93.50	57,000	\$ 5,329,500.00	35,000	\$ 3,272,500.00	58,000	\$ 5,423,000.00	\$ 14,025,000.00
Conoco Inc.	242,500	52.63	90,500	4,762,562.50	50,400	2,652,300.00	101,600	5,346,700.00	12,761,562.50
Getty Oil Company	112,000	78.75	45,300	3,567,375.00	24,000	1,890,000.00	42,700	3,362,625.00	8,820,000.00
Marathon Oil Co.	173,000	57.25	68,000	3,893,000.00	39,000	2,232,750.00	66,000	3,778,500.00	9,904,250.00
Standard Oil (Indiana)	311,000	57.25	112,000	6,412,000.00	68,800	3,938,800.00	130,200	7,453,950.00	17,804,750.00
Standard Oil Co. Ohio	171,800	49.88	39,400	1,965,075.00	28,200	1,406,475.00	104,200	5,196,975.00	8,568,525.00
<b>TOTAL OIL-DOMESTIC</b>		9.87%		\$ 25,929,512.50		\$ 15,392,825.00		\$ 30,561,750.00	\$ 71,884,087.50

PUBLIC EMPLOYEES RETIREMENT FUND  
STATE EMPLOYEES RETIREMENT FUND  
TEACHERS' RETIREMENT FUND

Continued

Common Stock	Total Shares	Total Price 6-30-80	Public Employees Retirement Fund		State Employees Retirement Fund		Teachers' Retirement Fund		Total Market Value
			Shares	Market Value	Shares	Market Value	Shares	Market Value	
<b>OIL-INTERNATIONAL</b>									
Exxon Corporation	359,544	\$ 66.25	134,016	\$ 8,878,560.00	73,916	\$ 4,896,935.00	151,612	\$ 10,044,295.00	\$ 23,819,790.00
Gulf Oil Corp.	176,200	40.38	61,500	2,483,062.50	37,900	1,530,212.50	76,800	3,100,800.00	7,114,075.00
Mobil Corp.	74,500	71.25	25,400	1,809,750.00	16,100	1,147,125.00	33,000	2,351,250.00	5,308,125.00
Standard Oil of Calif.	88,100	76.50	37,300	2,853,450.00	18,400	1,407,600.00	32,400	2,478,600.00	6,739,650.00
Texaco, Inc.	192,890	36.75	69,100	2,539,425.00	43,040	1,581,720.00	80,750	2,967,562.50	7,088,707.50
<b>TOTAL OIL-INTERNATIONAL</b>		<b>6.87%</b>		<b>\$ 18,564,247.50</b>		<b>\$ 10,563,592.50</b>		<b>\$ 20,942,507.50</b>	<b>\$ 50,070,347.50</b>
<b>ENERGY-RELATED</b>									
Dresser Industries	147,000	\$ 62.13	61,000	\$ 3,789,625.00	27,000	\$ 1,677,375.00	59,000	\$ 3,665,375.00	\$ 9,132,375.00
Halliburton Co.	68,700	109.50	23,200	2,540,400.00	15,700	1,719,150.00	29,800	3,263,100.00	7,522,650.00
NL Industries, Inc.	83,000	47.63	32,000	1,524,000.00	17,000	809,625.00	34,000	1,619,250.00	3,952,875.00
Williams Companies	169,000	30.63	63,000	1,929,375.00	37,000	1,133,125.00	69,000	2,113,125.00	5,175,625.00
<b>TOTAL ENERGY-RELATED</b>		<b>3.54%</b>		<b>\$ 9,783,400.00</b>		<b>\$ 5,339,275.00</b>		<b>\$ 10,660,850.00</b>	<b>\$ 25,783,525.00</b>
<b>TOTAL ENERGY</b>		<b>20.28%</b>		<b>\$ 54,277,160.00</b>		<b>\$ 31,295,692.50</b>		<b>\$ 62,165,107.50</b>	<b>\$ 147,737,960.00</b>
<b>TRANSPORTATION</b>									
<b>AIRLINES</b>									
Delta Air Lines, Inc.	51,000	\$ 39.25	18,300	\$ 718,275.00	8,800	\$ 345,400.00	23,900	\$ 938,075.00	\$ 2,001,750.00
Northwest Airlines	96,426	24.88	35,614	885,898.25	20,470	509,191.25	40,342	1,003,507.25	2,398,596.75
UAL, Inc.	27,300	16.50	11,000	181,500.00	7,000	115,500.00	9,300	153,450.00	450,450.00
<b>TOTAL AIRLINES</b>		<b>0.67%</b>		<b>\$ 1,785,673.25</b>		<b>\$ 970,091.25</b>		<b>\$ 2,095,032.25</b>	<b>\$ 4,850,796.75</b>
<b>RAILROADS</b>									
Santa Fe Industries	46,500	\$ 56.63	16,500	\$ 934,312.50	10,000	\$ 566,250.00	20,000	\$ 1,132,500.00	\$ 2,633,062.50
Southern Railway	64,000	63.75	24,000	1,530,000.00	13,000	828,750.00	27,000	1,721,250.00	4,080,000.00
Union Pacific Corp.	50,000	42.75	20,000	855,000.00	10,000	427,500.00	20,000	855,000.00	2,137,500.00
<b>TOTAL RAILROADS</b>		<b>1.22%</b>		<b>\$ 3,319,312.50</b>		<b>\$ 1,822,500.00</b>		<b>\$ 3,708,750.00</b>	<b>\$ 8,850,562.50</b>
<b>TOTAL TRANSPORTATION</b>		<b>1.88%</b>		<b>\$ 5,104,985.75</b>		<b>\$ 2,792,591.25</b>		<b>\$ 5,803,782.25</b>	<b>\$ 13,701,359.25</b>
<b>TOTAL COMMON STOCKS</b>		<b>100.00%</b>		<b>\$269,493,414.65 (c)</b>		<b>\$153,175,726.14(d)</b>		<b>\$305,772,154.27(e)</b>	<b>\$728,441,295.06(f)</b>

- (a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity amount.  
(b) Column may not add, due to rounding.  
(c) Net original cost of equities on June 30, 1980 was \$227,655,900.32  
(d) Net original cost of equities on June 30, 1980 was \$131,660,717.27  
(e) Net original cost of equities on June 30, 1980 was \$263,402,600.89  
(f) Net original cost of equities on June 30, 1980 was \$622,719,218.48

HIGHWAY PATROLMEN'S RETIREMENT FUND  
 June 30, 1980  
 UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN  
 GOVERNMENTAL, CORPORATE, AND MUNICIPAL BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
U.S. GOVERNMENT GUARANTEED					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Freedom Mortgage Co.	Mtg. Backed Cert.	03-15-2006	8.250	8.378	\$ 82
Kimbrough Investments	Mtg. Backed Cert.	11-15-2007	8.000	8.450	421
Kissell Company	Mtg. Backed Cert.	09-15-2006	8.250	8.378	294
Weaver Bros. Inc.	Mtg. Backed Cert.	09-15-2006	8.000	8.260	361
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION				8.367%	\$ 1,159
GOVERNMENT GUARANTEED MERCHANT MARINE					
Moore-McCormack Leasing	Government Guar. Bond	04-01-1987	5.750	5.750	\$ 89
TOTAL GOVERNMENT GUARANTEED MERCHANT MARINE				5.750%	\$ 89
TOTAL U.S. GOVERNMENT GUARANTEED				8.181%	\$ 1,248
U.S. GOVERNMENT AGENCY					
MISCELLANEOUS GOVERNMENT AGENCY					
Federal Farm Credit Bank	Bond	04-22-1985	13.250	13.250	\$ 500
TOTAL MISCELLANEOUS GOVERNMENT AGENCY				13.250%	\$ 500
TOTAL U.S. GOVERNMENT				9.630%	\$ 1,748
CANADIAN GOVERNMENTAL					
PROVINCIAL OBLIGATION					
British Columbia Hydro	Bond	07-15-1996	9.625	9.625	\$ 400
N. Brunswick Elec. Pwr.	S/F Debenture	04-01-1998	7.875	7.875	278
Nova Scotia, Province	S/F Debenture	08-01-1993	7.250	7.200	150
Ontario Hydro	Note	03-15-1996	9.500	9.500	500
Ontario, Province Of	Debenture	11-30-2008	9.375	9.475	200
Saskatch., Province Of	Debenture	04-15-2008	9.250	9.250	400
TOTAL PROVINCIAL OBLIGATION				9.058%	\$ 1,928
TOTAL CANADIAN GOVERNMENTAL				9.058%	\$ 1,928
CORPORATE OBLIGATION					
PUBLIC UTILITIES					
ELECTRIC					
Calif. Electric Power	First Mtg. Bond	05-01-1990	5.125	5.060	\$ 40
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	400
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	400
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	400
Public Serv. Indiana	First Mtg. Bond	01-01-2007	7.625	7.734	320
Rochester Gas & Elec.	First Mtg. Bond	07-01-1998	6.700	6.700	50
TOTAL ELECTRIC				8.551%	\$ 1,610
TELEPHONE					
Bell Tele. Co., Canada	First Mtg. Bond	06-01-2004	9.500	9.500	\$ 400
N.Y. Telephone Co.	Refund Mtg. Bond	07-15-2008	8.000	8.416	400
TOTAL TELEPHONE				8.958%	\$ 800
TOTAL PUBLIC UTILITIES				8.686%	\$ 2,410
FINANCE OBLIGATION					
Beneficial Corp.	Senior Note	12-15-1984	11.500	11.500	\$ 500
CIT Financial Corp.	Debenture	10-01-1986	6.375	6.420	150
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	451
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	300
Wells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	250
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	500
TOTAL FINANCE OBLIGATION				9.739%	\$ 2,151

HIGHWAY PATROLMEN'S RETIREMENT FUND

UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN  
GOVERNMENTAL, CORPORATE, AND MUNICIPAL BOND HOLDINGS

CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
<b>INDUSTRIAL OBLIGATION</b>					
Aluminum Co. of Canada	S/F Debenture	03-01-1995	9.500	9.370	\$ 150
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	400
Crown Zellbach, (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	254
EMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	400
Firestone Tire & Rubber	Debenture	12-01-2004	9.250	9.250	400
Gulf Oil Corp.	First Mtg. Bond	06-15-1993	6.625	6.625	150
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	282
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.570	400
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	148
Owens-Illinois, Inc.	Note	06-01-1990	10.375	10.455	500
Pembroke Capital Co.	Note	03-31-1985	13.250	13.250	500
Pheips Dodge Corp.	Note	06-01-1985	8.500	8.638	300
Plantation Pine Line	Guaranteed Note	10-01-2001	7.875	7.875	300
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	09-07-1997	7.700	7.700	188
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	09-08-1997	7.700	7.700	94
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	11-06-1997	7.700	7.700	94
Standard Oil (Indiana)	Note	10-01-2000	9.000	9.000	150
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	500
Union Oil Co. of Calif.	Note	12-01-1988	6.500	6.500	44
<b>TOTAL INDUSTRIAL OBLIGATION</b>				<b>9.311%</b>	<b>\$ 5,256</b>
<b>TRANS DEBT OBLIGATION</b>					
Louisville & Nashville	Collateral Trust Bond	12-01-1987	4.875	4.950	\$ 100
Western Maryland R.R.	First Mtg. Bond	10-01-1989	4.850	4.850	72
<b>TOTAL TRANS DEBT OBLIGATION</b>				<b>4.908%</b>	<b>\$ 172</b>
<b>RAIL EQUIP. OBLIGATION</b>					
Burlington Northern	Conditional Sale Agreement	05-01-1986	8.600	8.600	\$ 167
Chesapeake & Ohio Ry.	Conditional Sale Agreement	03-15-1989	8.750	8.750	162
Chicago, Milw. Stp. Pac.	Conditional Sale Agreement	01-15-1982	6.375	6.375	3
Fruit Growers Express	Equipment Trust Cert.	11-15-1981	6.000	6.000	10
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	50
Illinois Central R.R.	Conditional Sale Agreement	02-15-1983	6.875	6.875	25
Missouri Pacific R.R.	Conditional Sale Agreement	06-01-1995	12.750	12.750	500
Missouri Pacific R.R.	Conditional Sale Agreement	06-01-1994	9.750	9.750	420
Seaboard Coast Line R.R.	Conditional Sale Agreement	04-01-1992	9.000	9.000	393
Seaboard Coast Line R.R.	Conditional Sale Agreement	10-01-1992	8.250	8.250	386
Southern Pacific Trans.	Conditional Sale Agreement	10-01-1992	8.250	8.250	260
<b>TOTAL RAIL EQUIP. OBLIGATION</b>				<b>9.648%</b>	<b>\$ 2,378</b>
<b>TOTAL CORPORATE OBLIGATION</b>				<b>9.267%</b>	<b>\$ 12,367</b>
<b>MUNICIPAL BOND</b>					
Anoka/Circle Pines	Municipal Bond	01-01-1987	4.500	4.500	\$ 17
Clay/Becker Jicsd. 43	Municipal Bond	08-01-1981	3.100	3.100	20
Olmstead	Municipal Bond	02-01-1983	2.750	2.750	1
Pine/Kanabec Jicsd. 2	Municipal Bond	02-01-1982	3.250	3.250	8
St. Louis Cty. ISD 700	Municipal Bond	07-01-1983	4.100	4.100	3
Stearns Cty. ISD 93	Municipal Bond	07-01-1981	4.600	4.600	5
<b>TOTAL MUNICIPAL BOND</b>				<b>3.751%</b>	<b>\$ 54</b>
<b>TOTAL UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN GOVERNMENTAL AND CORPORATE OBLIGATIONS</b>				<b>9.263%</b>	<b>\$ 16,098</b>

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

PUBLIC EMPLOYEES POLICE AND FIRE FUND  
June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN  
GOVERNMENTAL, AND CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT GUARANTEED					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Amfac Mortgage Corp.	Mtg. Backed Cert.	03-15-2006	8.250	8.378	\$ 27
Advance Mortgage Corp.	Mtg. Backed Cert.	05-15-2006	8.250	8.378	61
Homestead Savings	Mtg. Backed Cert.	01-15-2008	8.000	8.676	920
Home Federal Savings	Mtg. Backed Cert.	11-15-2006	8.000	8.193	584
Tharpe & Brooks, Inc.	Mtg. Backed Cert.	08-15-2004	8.250	8.378	521
Weaver Bors., Inc.	Mtg. Backed Cert.	09-15-2006	8.000	8.260	677
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION				8.409%	\$ 2,791
GOVERNMENT GUARANTEED MERCHANT MARINE					
Grace Line, Inc.	Government Guar. Bond	02-01-1992	5.100	5.100	\$ 99
Moore-McCormack Leasing	Government Guar. Bond	04-01-1987	5.750	5.750	89
TOTAL GOVERNMENT GUARANTEED MERCHANT MARINE				5.408%	\$ 188
UNITED STATES TREASURY NOTE					
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009	\$ 500
TOTAL UNITED STATES TREASURY NOTE				9.009%	\$ 500
TOTAL UNITED STATES GOVERNMENT GUARANTEED				8.333%	\$ 3,479
UNITED STATES GOVERNMENT AGENCY					
Federal Nat'l. Mortg. Assoc.	Debenture	05-10-1984	14.250	14.250	\$ 1,000
Federal Nat'l. Mortg. Assoc.	Debenture	06-10-1988	10.500	10.500	500
TOTAL UNITED STATES GOVERNMENT AGENCY				13.000%	\$ 1,500
UNITED STATES GOVERNMENT AGENCY					
MISC. GOVERNMENT AGENCY					
Federal Farm Credit Bank	Bond	04-22-1985	13.250	13.250	\$ 1,000
Federal Home Loan Bank	Bond	08-27-1984	7.850	7.850	105
Federal Home Loan Bank	Bond	08-25-1983	12.250	12.250	1,000
TOTAL MISC. GOVERNMENT AGENCY				12.506%	\$ 2,105
TOTAL UNITED STATES GOVERNMENT AGENCY				12.506%	\$ 2,105
UNITED STATES GOVERNMENT SPONSORED					
FEDERAL HOME LOAN MTG. CORP.					
Federal Home Loan Mtg.	Mtg. Backed Cert.	01-01-2010	12.500	13.077%	\$ 991
TOTAL FEDERAL HOME LOAN MTG. CORP.				13.077%	\$ 991
TOTAL UNITED STATES GOVERNMENT SPONSORED				13.077%	\$ 991
TOTAL UNITED STATES GOVERNMENT				10.870%	\$ 8,076
CANADIAN GOVERNMENTAL					
PROVINCIAL OBLIGATION					
British Columbia Hydro	Bond	07-15-1996	9.625	9.645	\$ 1,000
Manitoba Hydro Elec. Bond	Debenture	10-15-1997	7.650	7.650	500
N. Brunswick Elec. Power	S/F Debenture	04-01-1998	7.875	7.875	464
N. Brunswick H. Education	S/F Debenture	04-15-1993	7.000	7.260	200
Nova Scotia, Province	S/F Debenture	08-01-1993	7.250	7.200	250
Ontario Hydro	Note	03-15-1996	9.500	9.500	1,000
Ontario, Province Of	Debenture	04-15-1997	5.625	5.625	100
Ontario, Province Of	Debenture	05-15-2001	7.850	7.850	300
Ontario, Province Of	Debenture	12-15-2002	7.300	7.300	500
Ontario, Province Of	Debenture	06-15-2005	9.125	9.000	1,000
Ontario, Province Of	Debenture	06-01-2008	9.375	9.375	500
Ontario, Province Of	Debenture	11-30-2008	9.375	9.475	800
Saskatch., Province Of	Debenture	04-15-2008	9.250	9.250	800
TOTAL PROVINCIAL OBLIGATION				8.782%	\$ 7,414
TOTAL CANADIAN GOVERNMENTAL				8.782%	\$ 7,414
CORPORATE OBLIGATION					
PUBLIC UTILITIES					
ELECTRIC					
Commonwealth Edison	First Mtg. Bond	11-01-1996	5.750	5.750	\$ 100
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	700
Consolidated Edison	Equipment Trust Cert.	01-01-1996	9.250	9.250	244
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	750
Minnesota Power & Light	First Mtg. Bond	09-01-2006	8.700	8.700	800
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	800
Philadelphia Electric	First & Ref. Mtg. Bond	10-15-1980	11.000	11.000	800
Public Serv. Indiana	First Mtg. Bond	01-01-2007	7.625	7.704	540
Public Serv. Elec. Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.913	800
Rochester Gas & Electric	First Mtg. Bond	07-01-1998	6.700	6.700	150
TOTAL ELECTRIC				8.971%	\$ 5,684
TELEPHONE					
Bell Tele. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	\$ 800
N.Y. Telephone Co.	Refunding Mtg. Bond	07-15-2008	8.000	8.510	800
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.838	800
TOTAL TELEPHONE				8.949%	\$ 2,400
TOTAL PUBLIC UTILITIES				8.964%	\$ 8,084

PUBLIC EMPLOYEES POLICE AND FIRE FUND

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN  
GOVERNMENTAL, AND CORPORATE BOND HOLDINGS

CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
<b>FINANCE OBLIGATION</b>					
American Investment	Note	01-01-1991	5.250	5.250	\$ 86
American Investment	Senior Note	11-01-1986	6.750	6.750	70
Beneficial Corp.	Senior Note	12-15-1984	11.500	11.500	600
Deere (John) Credit	Debenture	04-30-1998	7.500	7.540	500
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	902
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.405	850
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	500
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	800
Seafirst Corp.	Note	06-01-1990	10.500	10.580	500
Wells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	800
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	1,000
				<u>9.152%</u>	<u>\$ 6,808</u>
<b>TOTAL FINANCE OBLIGATION</b>					
<b>INDUSTRIAL OBLIGATION</b>					
Akzona, Inc.	Debenture	02-15-1997	7.500	7.500	\$ 500
Aluminum Co. of Canada	S/F Debenture	03-01-1995	9.500	10.016	800
Armco Steel Corp.	Note	12-15-1996	7.875	7.875	451
Atlantic Richfield Co.	First Pref. Ship Mtg. Bond	12-01-2001	8.750	8.750	700
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	800
Cities Service Gas Co.	Debenture	06-01-1991	8.250	8.250	300
Conoco	Note	12-01-2000	9.000	9.000	203
Crown Zellbach. (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	679
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	800
Firestone Tire & Rubber	Debenture	12-01-2004	9.250	9.250	800
Ford Leasing Development	Guaranteed Note	12-01-1996	8.625	8.625	800
Gulf Oil Corp.	First Mtg. Bond	06-15-1993	6.625	6.625	200
Hertz Corporation	Senior Note	02-15-1999	9.500	9.500	400
Macmillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	752
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.563	800
Moore Business Forms	Senior Note	10-01-1996	7.900	7.900	500
Owens-Illinois, Inc.	Note	06-01-1990	10.375	10.455	500
Penbrooke Capital Co.	Note	03-31-1985	13.250	13.250	800
Phelps Dodge Corp.	Note	06-01-1985	8.500	8.623	800
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	7.875	300
Standard Oil Of Calif.	Promissory Note	12-01-1992	6.000	6.120	98
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	02-10-1997	7.700	7.700	185
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	03-30-1997	7.700	7.700	139
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	09-07-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	09-08-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	11-06-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	03-02-1997	7.700	7.700	139
Standard Oil (Indiana)	Note	10-01-2000	7.300	7.300	300
Standard Oil (Indiana)	Note	10-01-2000	9.000	9.000	250
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.500	250
Stauffer Chemical Co.	Note	03-15-1997	7.500	7.500	500
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	1,000
Union Oil Co. Of Calif.	Note	12-01-1988	6.500	6.500	67
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	7.300	152
				<u>8.889%</u>	<u>\$ 15,249</u>
<b>TOTAL INDUSTRIAL OBLIGATION</b>					
<b>TRANS DEBT OBLIGATION</b>					
Louisville & Nashville	Collateral Trust Bond	12-01-1987	4.875	4.950	\$ 50
Western Maryland R.R.	First Mtg. Bond	10-01-1989	4.850	4.850	72
				<u>4.891%</u>	<u>\$ 122</u>
<b>TOTAL TRANS DEBT OBLIGATION</b>					
<b>RAIL EQUIP. OBLIGATION</b>					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 800
ACF Industries, Inc.	Equipment Trust Cert.	04-15-1981	5.625	5.625	12
ACF Industries, Inc.	Equipment Trust Cert.	04-01-1985	9.500	9.500	75
Burlington Northern	Conditional Sale Agreement	05-01-1986	8.600	8.600	167
Burlington Northern	Conditional Sale Agreement	09-01-1993	8.750	8.750	616
Chesapeake & Ohio Ry.	Conditional Sale Agreement	03-15-1989	8.750	8.750	243
Chicago, Milw. Stp. Pac.	Conditional Sale Agreement	06-01-1981	5.375	5.375	7
Chicago, Milw. Stp. Pac.	Conditional Sale Agreement	01-15-1982	6.375	6.375	5
Del & Hudson (Guar. Ge.)	Conditional Sale Agreement	09-01-1985	10.500	10.500	20
Fruit Growers Express	Equipment Trust Cert.	11-15-1981	6.000	6.000	20
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	75
Louisville & Nashville	Conditional Sale Agreement	10-20-1991	9.000	9.000	479
Missouri Pacific R.R.	Conditional Sale Agreement	06-01-1995	12.750	12.750	1,000
Missouri Pacific R.R.	Conditional Sale Agreement	06-01-1994	9.750	9.750	933
St. Louis-Sf. Railway	Conditional Sale Agreement	01-01-1983	6.750	6.750	30
Seaboard Cost Line R.R.	Conditional Sale Agreement	04-01-1992	9.000	9.000	787
Southern Pacific Co.	Conditional Sale Agreement	03-01-1984	7.625	7.625	40
Southern Pacific Trans.	Conditional Sale Agreement	10-01-1992	8.250	8.250	606
				<u>9.620%</u>	<u>\$ 6,029</u>
				<u>9.062%</u>	<u>\$36,094</u>
<b>TOTAL RAIL EQUIP. OBLIGATION</b>					
<b>TOTAL CORPORATE OBLIGATION</b>					
<b>TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENTAL AND CORPORATE OBLIGATIONS</b>				<b>9.305%</b>	<b>\$51,584</b>

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

HIGHWAY PATROLMEN'S RETIREMENT FUND  
PUBLIC EMPLOYEES POLICE AND FIRE FUND  
June 30, 1980  
COMMON STOCK HOLDINGS

Common Stock	Total Shares	Market Price 6-30-80	Highway Patrolmen's Retirement Fund		Public Employees Police And Fire Fund		Total Market Value	Total % Market
			Shares	Market Value	Shares	Market Value		
<b>UTILITIES</b>								
<b>ELECTRIC</b>								
Central & South West	4,500	\$ 14.50	4,500	\$ 65,250.00	--	\$ --	\$ 65,250.00	
Commonwealth Edison	23,800	22.50	6,600	148,500.00	17,200	387,000.00	535,500.00	
Florida Power & Light	17,000	27.25	--	--	17,000	463,250.00	463,250.00	
Southern Calif. Edison	7,600	25.63	2,800	71,750.00	4,800	123,000.00	194,750.00	
Texas Utilities Co.	28,000	18.25	6,000	109,500.00	22,000	401,500.00	511,000.00	
Virginia Elec. & Power	10,400	11.88	--	--	10,400	123,500.00	123,500.00	
<b>TOTAL ELECTRIC</b>				<b>\$ 395,000.00</b>		<b>\$ 1,498,250.00</b>	<b>\$ 1,893,250.00</b>	<b>3.18%</b>
<b>NATURAL GAS</b>								
Houston Natural Gas	19,000	42.63	4,000	\$ 170,500.00	15,000	\$ 639,375.00	\$ 809,875.00	
Panhandle E. Pipe Line	26,200	33.38	7,000	233,625.00	19,200	640,800.00	874,425.00	
<b>TOTAL NATURAL GAS</b>				<b>\$ 404,125.00</b>		<b>\$ 1,280,175.00</b>	<b>\$ 1,684,300.00</b>	<b>2.83%</b>
<b>COMMUNICATIONS</b>								
American Tel. & Tel.	41,270	52.50	9,182	\$ 482,055.00	32,088	\$ 1,684,620.00	\$ 2,166,675.00	
Central Tel. & Util.	14,000	25.00	3,000	75,000.00	11,000	275,000.00	350,000.00	
General Tel. & Elec.	11,400	28.00	3,500	98,000.00	7,900	221,200.00	319,200.00	
<b>TOTAL COMMUNICATIONS</b>				<b>\$ 655,055.00</b>		<b>\$ 2,180,820.00</b>	<b>\$ 2,835,875.00</b>	<b>4.76%</b>
<b>TOTAL UTILITIES</b>				<b>\$ 1,454,180.00</b>		<b>\$ 4,959,245.00</b>	<b>\$ 6,413,425.00</b>	<b>10.77%</b>
<b>FINANCIAL SERVICES</b>								
<b>BANKS</b>								
Bankamerica Corp.	4,500	26.13	4,500	\$ 117,562.50	--	\$ --	\$ 117,562.50	
Citicorp	16,400	22.13	4,500	99,562.50	11,900	263,287.50	362,850.00	
First Bank System	10,300	36.50	--	--	10,300	375,950.00	375,950.00	
Manufacturers Hanover	6,000	33.13	--	--	6,000	198,750.00	198,750.00	
Northwest Bancorp.	21,300	24.50	5,500	134,750.00	15,800	387,100.00	521,850.00	
Security Pacific Corp.	14,000	30.13	--	--	14,000	421,750.00	421,750.00	
Valley Nat'l. (Arizona)	6,618	33.63	6,618	222,530.25	--	--	222,530.25	
<b>TOTAL BANKS</b>				<b>\$ 574,405.25</b>		<b>\$ 1,646,837.50</b>	<b>\$ 2,221,242.75</b>	<b>3.73%</b>
<b>FINANCE</b>								
Beneficial Corp.	14,880	23.63	5,000	\$ 118,125.00	9,880	\$ 233,415.00	\$ 351,540.00	
Household Finance	9,000	18.00	--	--	9,000	162,000.00	162,000.00	
MGIC Investment Corp.	9,900	26.25	2,300	60,375.00	7,600	199,500.00	259,875.00	
<b>TOTAL FINANCE</b>				<b>\$ 178,500.00</b>		<b>\$ 594,915.00</b>	<b>\$ 773,415.00</b>	<b>1.30%</b>
<b>INSURANCE</b>								
Aetna Life & Casualty	14,800	37.75	3,900	\$ 147,225.00	10,900	\$ 411,475.00	\$ 558,700.00	
INA Corp.	7,500	35.25	--	--	7,500	264,375.00	264,375.00	
St. Paul Companies	5,000	36.25	1,700	61,625.00	3,300	119,625.00	181,250.00	
<b>TOTAL INSURANCE</b>				<b>\$ 208,850.00</b>		<b>\$ 795,475.00</b>	<b>\$ 1,004,325.00</b>	<b>1.69%</b>
<b>TOTAL FINANCIAL SERVICES</b>				<b>\$ 961,755.25</b>		<b>\$ 3,037,227.50</b>	<b>\$ 3,998,982.75</b>	<b>6.71%</b>
<b>CONSUMER-ORIENTED</b>								
<b>AUTOS-AUTO PARTS</b>								
Ford Motor Company	12,275	24.63	3,025	\$ 74,490.63	9,250	\$ 227,781.25	\$ 302,271.88	
General Motors	16,000	46.50	3,800	176,700.00	12,200	567,300.00	744,000.00	
Genuine Parts Company	9,450	23.63	2,650	62,606.25	6,800	160,650.00	223,256.25	
Goodyear Tire & Rubber	21,000	13.00	5,000	65,000.00	16,000	208,000.00	273,000.00	
<b>TOTAL AUTOS-AUTO PARTS</b>				<b>\$ 378,796.88</b>		<b>\$ 1,163,731.25</b>	<b>\$ 1,542,528.13</b>	<b>2.59%</b>
<b>CONSUMER-DURABLES</b>								
Whirlpool Corporation	32,500	19.38	8,300	\$ 160,812.50	24,200	\$ 468,875.00	\$ 629,687.50	
<b>TOTAL CONSUMER-DURABLES</b>				<b>\$ 160,812.50</b>		<b>\$ 468,875.00</b>	<b>\$ 629,687.50</b>	<b>1.06%</b>
<b>CONSUMER-NONDURABLES</b>								
Avon Products, Inc.	20,600	35.75	5,600	\$ 200,200.00	15,000	\$ 536,250.00	\$ 736,450.00	
Colgate-Palmolive	24,300	14.00	6,300	88,200.00	18,000	252,000.00	340,200.00	
Dart Industries Inc.	10,900	42.38	2,200	93,225.00	8,700	368,662.50	461,887.50	
Eastman Kodak Co.	14,500	56.00	4,000	224,000.00	10,500	588,000.00	812,000.00	
Gillette Company	6,800	24.50	1,700	41,650.00	5,100	124,950.00	166,600.00	
Procter & Gamble Co.	7,700	73.75	1,700	125,375.00	6,000	442,500.00	567,875.00	
Revlon, Incorporated	12,000	44.63	2,000	89,250.00	10,000	446,250.00	535,500.00	
<b>TOTAL CONSUMER-NONDURABLES</b>				<b>\$ 861,900.00</b>		<b>\$ 2,758,612.50</b>	<b>\$ 3,620,512.50</b>	<b>6.08%</b>
<b>CONSUMER-MISCELLANEOUS</b>								
Disney (Walt) Prod.	13,442	48.00	3,077	\$ 147,696.00	10,365	\$ 497,520.00	\$ 645,216.00	
McDonald's Corp.	16,900	48.25	4,100	197,825.00	12,800	617,600.00	815,425.00	
Warner Communications	7,853	42.50	1,921	81,642.50	5,932	252,110.00	333,752.50	
<b>TOTAL CONSUMER-MISCELLANEOUS</b>				<b>\$ 427,163.50</b>		<b>\$ 1,367,230.00</b>	<b>\$ 1,794,393.50</b>	<b>3.01%</b>
<b>DRUGS</b>								
American Home Products	12,000	28.50	--	\$ --	12,000	\$ 342,000.00	\$ 342,000.00	
Baxter Travenol Labs.	13,700	44.50	2,700	120,150.00	11,000	489,500.00	609,650.00	
Johnson & Johnson	10,500	78.50	1,900	149,150.00	8,600	675,100.00	824,250.00	
Medtronic, Inc.	8,000	68.00	3,000	204,000.00	5,000	340,000.00	544,000.00	
Marck & Company	17,000	70.75	4,700	332,525.00	12,300	870,225.00	1,202,750.00	
Pfizer, Inc.	28,100	41.25	8,000	330,000.00	20,100	829,125.00	1,159,125.00	
Revco D.S., Inc.	7,800	27.25	1,800	49,050.00	6,000	163,500.00	212,550.00	
Schering-Plough Corp.	1,400	37.63	1,400	52,675.00	--	--	52,675.00	
<b>TOTAL DRUGS</b>				<b>\$ 1,237,550.00</b>		<b>\$ 3,709,450.00</b>	<b>\$ 4,947,000.00</b>	<b>8.31%</b>

HIGHWAY PATROLMEN'S RETIREMENT FUND  
PUBLIC EMPLOYEES POLICE AND FIRE FUND

CONTINUED

	Total Shares	Market Price 6-30-80	Highway Patrolmen's Retirement Fund		Public Employees Police And Fire Fund		Total Market Value	Total % Market
			Shares	Market Value	Shares	Market Value		
<b>Common Stock</b>								
<b>FOODS-BEVERAGES</b>								
CPC International	10,000	\$ 68.63	2,500	\$ 171,562.50	7,500	\$ 514,687.50	\$ 686,250.00	
Consolidated Foods	21,000	24.50	--	--	21,000	514,500.00	514,500.00	
General Mills, Inc.	23,300	27.50	5,800	159,500.00	17,500	481,250.00	640,750.00	
Norton Simon, Inc.	23,660	13.88	4,000	55,500.00	19,660	272,782.50	328,282.50	
Pepsico, Inc.	28,000	24.13	7,500	180,937.50	20,500	494,562.50	675,500.00	
Pillsbury Company	5,000	35.50	5,000	177,500.00	--	--	177,500.00	
<b>TOTAL FOODS-BEVERAGES</b>				<b>\$ 745,000.00</b>		<b>\$ 2,277,782.50</b>	<b>\$ 3,022,782.50</b>	<b>5.07%</b>
<b>MEDIA</b>								
Donnelley (R.R.) & Sons	12,859	29.50	--	\$ --	12,859	\$ 379,340.50	\$ 379,340.50	
Dun & Bradstreet Corp.	5,000	46.88	2,000	93,750.00	3,000	140,625.00	234,375.00	
<b>TOTAL MEDIA</b>				<b>\$ 93,750.00</b>		<b>\$ 519,965.50</b>	<b>\$ 613,715.50</b>	<b>1.03%</b>
<b>RETAIL SALES</b>								
Dayton Hudson Corp.	2,500	44.25	2,500	\$ 110,625.00	--	\$ --	\$ 110,625.00	
Federated Dept. Stores	11,200	29.00	--	--	11,200	324,800.00	324,800.00	
K-Mart Corporation	16,000	22.63	--	--	16,000	362,000.00	362,000.00	
Penney (J.C.) Co.	18,800	25.25	4,800	121,200.00	14,000	353,500.00	474,700.00	
Sears, Roebuck & Co.	25,700	17.00	7,200	122,400.00	18,500	314,500.00	436,900.00	
Southland Corporation	25,140	20.50	6,095	124,947.50	19,045	390,422.50	515,370.00	
<b>TOTAL RETAIL SALES</b>				<b>\$ 479,172.50</b>		<b>\$ 1,745,222.50</b>	<b>\$ 2,224,395.00</b>	<b>3.73%</b>
<b>TOTAL CONSUMER-ORIENTED</b>				<b>\$ 4,384,145.38</b>		<b>\$ 14,010,869.25</b>	<b>\$ 18,395,014.63</b>	<b>30.88%</b>
<b>TECHNOLOGY</b>								
<b>ELECTRONICS</b>								
Hewlett-Packard Co.	9,700	62.38	3,200	\$ 199,600.00	6,500	\$ 405,437.50	\$ 605,037.50	
Perkin-Elmer	10,500	47.50	2,600	123,500.00	7,900	375,250.00	498,750.00	
<b>TOTAL ELECTRONICS</b>				<b>\$ 323,100.00</b>		<b>\$ 780,687.50</b>	<b>\$ 1,103,787.50</b>	<b>1.85%</b>
<b>OFFICE EQUIPMENT</b>								
Burroughs Corp.	15,200	64.25	5,200	\$ 334,100.00	10,000	\$ 642,500.00	\$ 976,600.00	
Control Data Corp.	4,000	53.88	--	--	4,000	215,500.00	215,500.00	
Honeywell, Inc.	8,000	78.38	--	--	8,000	627,000.00	627,000.00	
Int'l. Business Machines	45,500	58.75	10,800	634,500.00	34,700	2,038,625.00	2,673,125.00	
Xerox Corporation	17,600	53.75	5,700	306,375.00	11,900	639,625.00	946,000.00	
<b>TOTAL OFFICE EQUIPMENT</b>				<b>\$ 1,274,975.00</b>		<b>\$ 4,163,250.00</b>	<b>\$ 5,438,225.00</b>	<b>9.13%</b>
<b>TOTAL TECHNOLOGY</b>				<b>\$ 1,598,075.00</b>		<b>\$ 4,943,937.50</b>	<b>\$ 6,542,012.50</b>	<b>10.98%</b>
<b>BASIC INDUSTRY</b>								
<b>AEROSPACE</b>								
Boeing Co.	9,975	35.00	--	\$ --	9,975	\$ 349,125.00	\$ 349,125.00	
General Dynamics Corp.	3,400	66.13	900	59,512.50	2,500	165,312.50	224,825.00	
Raytheon Co.	4,500	74.25	1,000	74,250.00	3,500	259,875.00	334,125.00	
<b>TOTAL AEROSPACE</b>				<b>\$ 133,762.50</b>		<b>\$ 774,312.50</b>	<b>\$ 908,075.00</b>	<b>1.52%</b>
<b>BUILDING &amp; FOREST PRODUCTS</b>								
American Standard, Inc.	3,300	57.75	800	\$ 46,200.00	2,500	\$ 144,375.00	\$ 190,575.00	
Georgia-Pacific Corp.	15,065	27.50	3,855	106,012.50	11,210	308,275.00	414,287.50	
Lone Star Industries	5,800	28.50	1,300	37,050.00	4,500	128,250.00	165,300.00	
Masonite Corp.	8,500	26.75	--	--	8,500	227,375.00	227,375.00	
Owens-Corning Fiber.	19,300	26.63	5,500	146,437.50	13,800	367,425.00	513,862.50	
Meyerhaeuser Co.	14,500	32.63	4,000	130,500.00	10,500	342,562.50	473,062.50	
<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>				<b>\$ 466,200.00</b>		<b>\$ 1,518,262.50</b>	<b>\$ 1,984,462.50</b>	<b>3.33%</b>
<b>CHEMICALS</b>								
Air Products & Chemicals	12,363	38.75	--	\$ --	12,363	\$ 479,066.25	\$ 479,066.25	
Dow Chemical	19,500	33.63	6,000	201,750.00	13,500	453,937.50	655,687.50	
DuPont (E.I.) Denemours	13,500	41.88	3,400	142,375.00	10,100	426,287.50	568,662.50	
Hercules, Inc.	26,000	18.75	8,000	150,000.00	18,000	337,500.00	487,500.00	
Monsanto Co.	8,800	52.00	2,400	124,800.00	6,400	332,800.00	457,600.00	
Union Carbide Corp.	13,400	43.63	4,000	174,500.00	9,400	410,075.00	584,575.00	
<b>TOTAL CHEMICALS</b>				<b>\$ 793,425.00</b>		<b>\$ 2,439,666.25</b>	<b>\$ 3,233,091.25</b>	<b>5.44%</b>
<b>ELECTRICAL EQUIPMENT</b>								
Emerson Electric Co.	16,000	36.50	7,000	\$ 255,500.00	9,000	\$ 328,500.00	\$ 584,000.00	
General Electric Co.	14,500	51.50	--	--	14,500	746,750.00	746,750.00	
Gould, Inc.	9,600	22.38	4,000	89,500.00	5,600	125,300.00	214,800.00	
<b>TOTAL ELECTRICAL EQUIPMENT</b>				<b>\$ 345,000.00</b>		<b>\$ 1,200,550.00</b>	<b>\$ 1,545,550.00</b>	<b>2.59%</b>
<b>MACHINERY</b>								
Caterpillar Tractor	6,550	52.75	1,800	\$ 94,950.00	4,750	\$ 250,562.50	\$ 345,512.50	
Combustion Engineering	7,000	60.25	--	--	7,000	421,750.00	421,750.00	
Trans Union Corp.	10,000	33.75	4,000	135,000.00	6,000	202,500.00	337,500.00	
<b>TOTAL MACHINERY</b>				<b>\$ 229,950.00</b>		<b>\$ 874,812.50</b>	<b>\$ 1,104,762.50</b>	<b>1.85%</b>
<b>METALS</b>								
Aluminum Co. of America	8,000	58.75	1,900	\$ 111,625.00	6,100	\$ 358,375.00	\$ 470,000.00	
Pittston Company	5,723	24.00	1,339	32,136.00	4,384	105,216.00	137,352.00	
<b>TOTAL METALS</b>				<b>\$ 143,761.00</b>		<b>\$ 463,591.00</b>	<b>\$ 607,352.00</b>	<b>1.02%</b>
<b>PAPER</b>								
Union Camp Corporation	5,900	41.50	1,500	\$ 62,250.00	4,400	\$ 182,600.00	\$ 244,850.00	
<b>TOTAL PAPER</b>				<b>\$ 62,250.00</b>		<b>\$ 182,600.00</b>	<b>\$ 244,850.00</b>	<b>0.41%</b>

HIGHWAY PATROLMEN'S RETIREMENT FUND  
PUBLIC EMPLOYEES POLICE AND FIRE FUND

CONTINUED

Common Stock	Total Shares	Market Price 6-30-80	Highway Patrolmen's Retirement Fund		Public Employees Police And Fire Fund		Total Market Value	Total % Market
			Shares	Market Value	Shares	Market Value		
<b>TEXTILES</b>								
Levi Strauss & Co.	5,600	\$ 32.25	1,300	\$ 41,925.00	4,300	\$ 138,675.00	\$ 180,600.00	
TOTAL TEXTILES				\$ 41,925.00		\$ 138,675.00	\$ 180,600.00	0.30%
<b>MISCELLANEOUS</b>								
Corning Glass Works	5,600	52.13	1,500	\$ 78,187.50	4,100	\$ 213,712.50	\$ 291,900.00	
Int'l. Tel. & Tel.	24,317	27.75	6,500	180,375.00	17,817	494,421.75	674,796.75	
Minnesota Mining & Mfg.	13,100	53.13	3,100	164,687.50	10,000	531,250.00	695,937.50	
TOTAL MISCELLANEOUS				\$ 423,250.00		\$ 1,239,384.25	\$ 1,662,634.25	2.79%
TOTAL BASIC INDUSTRY				\$ 2,639,523.50		\$ 8,831,854.00	\$11,471,377.50	19.26%
<b>ENERGY</b>								
<b>OIL-DOMESTIC</b>								
Conoco Inc.	23,600	52.63	6,300	\$ 331,537.50	17,300	\$ 910,412.50	\$ 1,241,950.00	
Getty Oil Company	7,800	78.75	1,800	141,750.00	6,000	472,500.00	614,250.00	
Marathon Oil Co.	18,200	57.25	3,200	183,200.00	15,000	858,750.00	1,041,950.00	
Standard Oil (Indiana)	37,800	57.25	9,400	538,150.00	28,400	1,625,900.00	2,164,050.00	
TOTAL OIL-DOMESTIC				\$ 1,194,637.50		\$ 3,867,562.50	\$ 5,062,200.00	8.50%
<b>OIL-INTERNATIONAL</b>								
Exxon Corporation	35,000	66.25	12,000	\$ 795,000.00	23,000	\$ 1,523,750.00	\$ 2,318,750.00	
Gulf Oil Corp.	8,400	40.38	--	--	8,400	339,150.00	339,150.00	
Mobil Corp.	8,000	71.25	3,400	242,250.00	4,600	327,750.00	570,000.00	
Standard Oil of Calif.	7,400	76.50	--	--	7,400	566,100.00	566,100.00	
Texaco, Inc.	15,700	36.75	3,500	128,625.00	12,200	448,350.00	576,975.00	
TOTAL OIL-INTERNATIONAL				\$ 1,165,875.00		\$ 3,205,100.00	\$ 4,370,975.00	7.34%
<b>ENERGY - RELATED</b>								
Dresser Industries	13,000	62.13	5,000	\$ 310,625.00	8,000	\$ 497,000.00	\$ 807,625.00	
Halliburton Industries	4,800	109.50	--	--	4,800	525,600.00	525,600.00	
NL Industries, Inc.	6,900	47.63	1,900	90,487.50	5,000	238,125.00	328,612.50	
Williams Companies	16,000	30.63	5,000	153,125.00	11,000	336,875.00	490,000.00	
TOTAL ENERGY - RELATED				\$ 554,237.50		\$ 1,597,600.00	\$ 2,151,837.50	3.61%
TOTAL ENERGY				\$ 2,914,750.00		\$ 8,670,262.50	\$11,585,012.50	19.45%
<b>TRANSPORTATION</b>								
<b>AIRLINES</b>								
Delta Air Lines, Inc.	2,300	39.25	800	\$ 31,400.00	1,500	\$ 58,875.00	\$ 90,275.00	
Northwest Airlines	13,000	24.88	4,700	116,912.50	8,300	206,462.50	323,375.00	
UAL, Inc.	2,000	16.50	--	--	2,000	33,000.00	33,000.00	
TOTAL AIRLINES				\$ 148,312.50		\$ 298,337.50	\$ 446,650.00	0.75%
<b>RAILROADS</b>								
Santa Fe Industries	3,300	56.63	800	\$ 45,300.00	2,500	\$ 141,562.50	\$ 186,862.50	
Southern Railway	4,200	63.75	--	--	4,200	267,750.00	267,750.00	
Union Pacific Corp.	6,000	42.75	2,000	85,500.00	4,000	171,000.00	256,500.00	
TOTAL RAILROADS				\$ 130,800.00		\$ 580,312.50	\$ 711,112.50	1.19%
TOTAL TRANSPORTATION				\$ 279,112.50		\$ 878,650.00	\$ 1,157,762.50	1.94%
TOTAL COMMON STOCKS				\$14,231,541.63 (a)		\$45,332,045.75(b)	\$59,563,587.38(c)	100.00%

- (a) Net original cost of equities on June 30, 1980, was \$12,423,851.06.  
(b) Net original cost of equities on June 30, 1980, was \$39,332,966.68.  
(c) Net original cost of equities on June 30, 1980, was \$51,756,817.74.

JUDGES RETIREMENT FUND

June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY  
CANADIAN GOVERNMENTAL, AND  
CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
UNITED STATES GOVERNMENT GUARANTEED					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Advance Mortgage Corp.	Mtg. Backed Cert.	05-15-2006	8.250%	8.378%	\$ 122
Weaver Bros. Inc.	Mtg. Backed Cert.	09-15-2006	8.000	8.260	135
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION				8.316%	\$ 257
GOVERNMENT GUARANTEED MERCH MARINE					
Puget Sound Tug & Barg	Gov't. Guar. Bond	02-15-2001	9.125	9.125%	\$ 105
TOTAL GOVERNMENT GUARANTEED MERCH MARINE				9.125%	\$ 105
TOTAL UNITED STATES GOVERNMENT GUARANTEED				8.550%	\$ 362
TOTAL UNITED STATES GOVERNMENT				8.550%	\$ 362
CANADIAN GOVERNMENT PROVINCIAL OBLIGATION					
Nova Scotia Power Corp.	Debenture	06-01-2008	9.625	9.727%	\$ 100
Ontario, Province Of	Debenture	06-15-2005	9.125	9.277	100
Ontario, Province Of	Debenture	11-30-2008	9.375	9.527	100
TOTAL PROVINCIAL OBLIGATION				9.510%	\$ 300
TOTAL CANADIAN GOVERNMENTAL				9.510%	\$ 300
CORPORATE OBLIGATION					
PUBLIC UTILITIES					
ELECTRIC					
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000%	\$ 100
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	100
Pacific Gas & Electric	First Mtg. Ref. Bd	06-01-1985	9.500	9.577	100
United Illuminating Co.	Debenture	11-15-1997	8.500	8.500	100
TOTAL ELECTRIC				9.199%	\$ 400
TELEPHONE					
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	9.699%	\$ 100
TOTAL PUBLIC UTILITIES				9.299%	\$ 500
FINANCE OBLIGATION					
Beneficial Corp.	Senior Note	12-15-1984	11.500	11.500%	\$ 100
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	90
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.409	125
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	100
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	100
TOTAL FINANCE OBLIGATION				9.639%	\$ 515
INDUSTRIAL OBLIGATION					
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250%	\$ 100
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	100
Du Pont (Ei) Denemours	Debenture	11-15-2004	8.450	8.895	100
Exxon Pipeline Company	S/F Bond	10-15-2000	8.875	8.899	100
Ford Motor Co.	Debenture	07-15-1994	9.250	9.294	100
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	99
Pembroke Capital Co.	Note	03-31-1985	13.250	13.250	100
TOTAL INDUSTRIAL OBLIGATION				9.671%	\$ 699
RAIL EQUIPMENT OBLIGATION					
Canadian Pacific, Ltd.	Equip. Trust Cert.	01-15-1992	8.625	8.625%	\$ 100
TOTAL RAIL EQUIPMENT OBLIGATION				8.625%	\$ 100
TOTAL CORPORATE OBLIGATION				9.502%	\$1,814
TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENT AND CORPORATE OBLIGATIONS				9.363%	\$2,477

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

JUDGES RETIREMENT FUND  
June 30, 1980

COMMON STOCK HOLDINGS

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market	Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>UTILITIES</b>					<b>CONSUMER-NONDURABLES</b>				
<b>ELECTRIC</b>					<b>Avon Products, Inc.</b>				
Commonwealth Edison	500	\$ 22.50	\$ 11,250.00		300	\$ 35.75	\$ 10,725.00		
Northern States Power	800	24.88	19,900.00		300	42.38	12,712.50		
Texas Utilities Co.	1,000	18.25	18,250.00		400	56.00	22,400.00		
<b>TOTAL ELECTRIC</b>			<b>\$ 49,400.00</b>	<b>4.21%</b>	100	24.50	2,450.00		
<b>NATURAL GAS</b>					<b>Procter &amp; Gamble Co.</b>				
Houston Natural Gas	200	42.63	\$ 8,525.00		200	73.75	14,750.00		
Panhandle E. Pipe Line	600	33.38	20,025.00		<b>TOTAL CONSUMER-NONDURABLES</b>				
<b>TOTAL NATURAL GAS</b>			<b>\$ 28,550.00</b>	<b>2.43%</b>			<b>\$ 63,037.50</b>		<b>5.38%</b>
<b>COMMUNICATIONS</b>					<b>CONSUMER-MISCELLANEOUS</b>				
American Tel. & Tel.	800	52.50	\$ 42,000.00		<b>McDonald's Corp.</b>				
United Telecom.	800	17.25	13,800.00		500	48.25	\$ 24,125.00		
<b>TOTAL COMMUNICATIONS</b>			<b>\$ 55,800.00</b>	<b>4.76%</b>	254	42.50	10,795.00		
<b>TOTAL UTILITIES</b>			<b>\$ 133,750.00</b>	<b>11.41%</b>	<b>TOTAL CONSUMER-MISCELLANEOUS</b>				
<b>FINANCIAL SERVICES</b>					<b>DRUGS</b>				
<b>BANKS</b>					<b>Baxter Travenol Labs.</b>				
First Bank System	500	36.50	\$ 18,250.00		300	44.50	\$ 13,350.00		
Northwest Bancorp.	700	24.50	17,150.00		500	70.75	35,375.00		
<b>TOTAL BANKS</b>			<b>\$ 35,400.00</b>	<b>3.02%</b>	400	41.25	16,500.00		
<b>FINANCE</b>					<b>Revco D.S., Inc.</b>				
Household Finance	700	18.00	\$ 12,600.00		200	27.25	5,450.00		
<b>TOTAL FINANCE</b>			<b>\$ 12,600.00</b>	<b>1.08%</b>	300	37.63	11,287.50		
<b>INSURANCE</b>					<b>Schering-Plough Corp.</b>				
Aetna Life & Casualty	200	37.75	\$ 7,550.00		<b>TOTAL DRUGS</b>				
U.S. Fidelity & Guar.	210	42.88	9,003.75				<b>\$ 81,962.50</b>		<b>6.99%</b>
<b>TOTAL INSURANCE</b>			<b>\$ 16,553.75</b>	<b>1.41%</b>	<b>FOODS-BEVERAGES</b>				
<b>TOTAL FINANCIAL SERVICES</b>			<b>\$ 64,553.75</b>	<b>5.51%</b>	<b>CPC International</b>				
<b>CONSUMER-ORIENTED</b>					<b>200</b>				
<b>AUTOS-AUTO PARTS</b>					<b>68.63</b>				
<b>General Motors</b>					<b>\$ 13,725.00</b>				
300	46.50	\$ 13,950.00		<b>300</b>					
General Motors	300	46.50	\$ 13,950.00		<b>33.00</b>				
Genuine Parts Company	600	23.63	14,175.00		<b>\$ 9,900.00</b>				
<b>TOTAL AUTOS-AUTO PARTS</b>			<b>\$ 28,125.00</b>	<b>2.40%</b>	<b>700</b>				
<b>CONSUMER-DURABLES</b>					<b>24.50</b>				
<b>Sunbeam Corp.</b>					<b>17,150.00</b>				
400	17.00	\$ 6,800.00		<b>400</b>					
<b>TOTAL CONSUMER-DURABLES</b>			<b>\$ 6,800.00</b>	<b>0.58%</b>	<b>27.50</b>				
					<b>\$ 11,000.00</b>				
					<b>\$ 51,775.00</b>				
					<b>4.42%</b>				
					<b>MEDIA</b>				
					<b>Donnelley (R.R.) &amp; Sons</b>				
					<b>300</b>				
					<b>29.50</b>				
					<b>\$ 8,850.00</b>				
					<b>100</b>				
					<b>46.88</b>				
					<b>\$ 4,687.50</b>				
					<b>\$ 13,537.50</b>				
					<b>1.15%</b>				
					<b>RETAIL SALES</b>				
					<b>Dayton Hudson Corp.</b>				
					<b>200</b>				
					<b>44.25</b>				
					<b>\$ 8,850.00</b>				
					<b>100</b>				
					<b>29.00</b>				
					<b>2,900.00</b>				
					<b>400</b>				
					<b>22.63</b>				
					<b>9,050.00</b>				
					<b>300</b>				
					<b>25.25</b>				
					<b>7,575.00</b>				
					<b>312</b>				
					<b>20.50</b>				
					<b>6,396.00</b>				
					<b>\$ 34,771.00</b>				
					<b>\$ 314,928.50</b>				
					<b>2.97%</b>				

JUDGES RETIREMENT FUND

COMMON STOCK HOLDINGS

CONTINUED

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>TECHNOLOGY</b>				
<b>ELECTRONICS</b>				
Hewlett-Packard Co.	300	\$ 62.38	\$ 18,712.50	
TOTAL ELECTRONICS			\$ 18,712.50	1.60%
<b>OFFICE EQUIPMENT</b>				
Burroughs Corp.	300	64.25	\$ 19,275.00	
Int'l. Bus. Machines	960	58.75	56,400.00	
Xerox Corporation	400	53.75	21,500.00	
TOTAL OFFICE EQUIPMENT			\$ 97,175.00	8.29%
TOTAL TECHNOLOGY			\$ 115,887.50	9.88%
<b>BASIC INDUSTRY</b>				
<b>AEROSPACE</b>				
Boeing Co.	450	35.00	\$ 15,750.00	
General Dynamics Corp.	100	66.13	6,612.50	
Raytheon Co.	100	74.25	7,425.00	
TOTAL AEROSPACE			\$ 29,787.50	2.54%
<b>BUILDING &amp; FOREST PRODUCTS</b>				
American Standard, Inc.	200	57.75	\$ 11,550.00	
Georgia-Pacific Corp.	606	27.50	16,665.00	
Lone Star Industries	200	28.50	5,700.00	
Owens-Corning Fiber.	300	26.63	7,987.50	
Weyerhaeuser Co.	200	32.63	6,525.00	
TOTAL BUILDING & FOREST PRODUCTS			\$ 48,427.50	4.13%
<b>CHEMICALS</b>				
Air Products & Chem.	200	38.75	\$ 7,750.00	
Dow Chemical	1,000	33.63	33,625.00	
TOTAL CHEMICALS			\$ 41,375.00	3.53%
<b>ELECTRICAL EQUIPMENT</b>				
General Electric Co.	400	51.50	\$ 20,600.00	
Gould, Inc.	200	22.38	4,475.00	
TOTAL ELECTRICAL EQUIPMENT			\$ 25,075.00	2.14%
<b>MACHINERY</b>				
Caterpillar Tractor	500	52.75	\$ 26,375.00	
TOTAL MACHINERY			\$ 26,375.00	2.25%
<b>METALS</b>				
Aluminum Co. of America	200	58.75	\$ 11,750.00	
TOTAL METALS			\$ 11,750.00	1.00%
<b>PAPER</b>				
Union Camp Corporation	200	41.50	\$ 8,300.00	
TOTAL PAPER			\$ 8,300.00	0.71%

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>TEXTILES</b>				
Levi Strauss & Co.	400	\$ 32.25	\$ 12,900.00	
TOTAL TEXTILES			\$ 12,900.00	1.10%
<b>MISCELLANEOUS</b>				
Int'l. Tel. & Tel.	500	27.75	\$ 13,875.00	
Minnesota Mining & Mfg.	300	53.13	15,937.50	
TOTAL MISCELLANEOUS			\$ 29,812.50	2.54%
<b>TOTAL BASIC INDUSTRY</b>				
			\$ 233,802.50	19.94%
<b>ENERGY</b>				
<b>OIL-DOMESTIC</b>				
Atlantic Richfield Co.	500	93.50	\$ 46,750.00	
Conoco Inc.	600	52.63	31,575.00	
Getty Oil Company	200	78.75	15,750.00	
Standard Oil (Indiana)	400	57.25	22,900.00	
Standard Oil Co. Ohio	400	49.88	19,950.00	
TOTAL OIL-DOMESTIC			\$ 136,925.00	11.68%
<b>OIL-INTERNATIONAL</b>				
Exxon Corporation	1,000	66.25	\$ 66,250.00	
Texaco, Inc.	800	36.75	29,400.00	
TOTAL OIL-INTERNATIONAL			\$ 95,650.00	8.16%
<b>ENERGY - RELATED</b>				
Dresser Industries	400	62.13	\$ 24,850.00	
NL Industries	100	47.63	4,762.50	
Williams Companies	300	30.63	9,187.50	
TOTAL ENERGY - RELATED			\$ 38,800.00	3.31%
TOTAL ENERGY			\$ 271,375.00	23.14%
<b>TRANSPORTATION</b>				
<b>AIRLINES</b>				
Delta Air Lines, Inc.	200	39.25	\$ 7,850.00	
TOTAL AIRLINES			\$ 7,850.00	0.67%
<b>RAILROADS</b>				
Santa Fe Industries	200	56.63	\$ 11,325.00	
Southern Railway	300	63.75	19,125.00	
TOTAL RAILROADS			\$ 30,450.00	2.60%
TOTAL TRANSPORTATION			\$ 38,300.00	3.27%
<b>TOTAL COMMON STOCKS</b>				
			\$1,172,597.25*	100.00%

\* Net original cost of equities on June 30, 1980, was \$1,066,903.75.

PERMANENT SCHOOL FUND  
June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, CORPORATE, AGENCY  
AND MUNICIPAL BOND HOLDINGS

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (\$000) (b)
<b>UNITED STATES GOVERNMENT GUARANTEED</b>					
FARMERS HOME ADMINISTRATION					
U.S. Dept of Agriculture	Insured Note	07-31-1985	8.625	8.625%	\$ 2,994
TOTAL FARMERS HOME ADMINISTRATION				8.625%	\$ 2,994
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
Amfac Mortgage Corp.	Mtg. Backed Cert.	12-15-2007	8.000	8.676	\$ 858
Affiliated Mtg. Inv.	Mtg. Backed Cert.	07-15-2005	8.000	8.368	41
Allstate Enterprises M	Mtg. Backed Cert.	08-15-2006	8.000	8.799	772
Allstate Enterprises M	Mtg. Backed Cert.	06-15-2004	8.000	8.851	32
Arden Mortgage	Mtg. Backed Cert.	07-15-2007	8.000	8.131	867
Boyle Mortgage	Mtg. Backed Cert.	08-15-2007	8.000	8.162	956
Bridges Mortgage	Mtg. Backed Cert.	07-15-2007	8.000	8.758	869
Calif. Mtg. Service	Mtg. Backed Cert.	07-15-2004	8.250	9.612	444
Calif. Mtg. Service	Mtg. Backed Cert.	10-15-2007	8.000	8.275	818
Churchill Mortgage	Mtg. Backed Cert.	11-15-2007	8.000	8.604	948
Citizens Mortgage	Mtg. Backed Cert.	12-15-2000	8.000	8.730	961
Colwell Co.	Mtg. Backed Cert.	02-15-2008	8.000	8.882	922
Commercial Mortgage	Mtg. Backed Cert.	08-15-2004	8.250	8.378	604
Countrywide Funding	Mtg. Backed Cert.	07-15-2007	8.000	8.162	783
First Fed. Savings Asso.	Mtg. Backed Cert.	03-15-2007	8.000	8.789	59
First Fidelity Mtg.	Mtg. Backed Cert.	01-15-2008	8.000	8.553	934
First Mortgage Corp.	Mtg. Backed Cert.	11-15-2007	8.000	9.046	905
First Natl. Bk. (Mpls)	Mtg. Backed Cert.	12-15-2000	8.000	8.650	702
First Natl. Bk. (Mpls)	Mtg. Backed Cert.	02-15-2001	8.000	8.500	609
Fulton & Goss, Inc.	Mtg. Backed Cert.	08-15-2004	8.250	8.378	525
Graham Mortgage Corp.	Mtg. Backed Cert.	11-15-2007	8.000	8.892	912
Guild Mortgage Cor.	Mtg. Backed Cert.	02-15-2004	8.000	8.522	1,078
Guild Mortgage Co.	Mtg. Backed Cert.	08-15-2007	8.000	8.131	819
Guild Mortgage Co.	Mtg. Backed Cert.	08-15-2004	8.250	8.378	497
Heritage Mortgage	Mtg. Backed Cert.	07-15-2004	8.250	9.478	1,334
Inland Mortgage Co.	Mtg. Backed Cert.	08-15-2007	8.000	8.162	874
International Mortgage	Mtg. Backed Cert.	04-15-2004	8.000	8.522	1,128
IDS Mortgage Corp.	Mtg. Back Serial Note	12-15-2001	6.500	7.125	2,503
IDS Mortgage Corp.	Mtg. Back Serial Note	11-15-2001	6.500	7.125	2,502
IDS Mortgage Corp.	Mtg. Backed Cert.	02-15-2000	7.000	8.920	1,300
IDS Mortgage Corp.	Mtg. Backed Cert.	06-15-2000	8.000	8.940	831
IDS Mortgage Corp.	Mtg. Backed Cert.	07-15-2000	8.000	8.730	936
IDS Mortgage Corp.	Mtg. Backed Cert.	10-15-2000	8.000	8.730	894
IDS Mortgage Corp.	Mtg. Backed Cert.	11-15-2000	8.000	8.650	885
IDS Mortgage Corp.	Mtg. Backed Cert.	01-15-2001	8.000	8.570	886
IDS Mortgage Corp.	Mtg. Backed Cert.	02-15-2001	8.000	8.500	415
IDS Mortgage Corp.	Mtg. Backed Cert.	03-15-2001	7.500	7.400	468
IDS Mortgage Corp.	Mtg. Back Serial Note	03-15-2003	6.500	7.340	2,979
IDS Mortgage Corp.	Mtg. Backed Cert.	04-15-2003	6.500	7.340	3,007
IDS Mortgage Corp.	Mtg. Back Serial Note	04-15-2003	6.500	7.540	3,003
IDS Mortgage Corp.	Mtg. Backed Cert.	06-15-2003	6.500	7.600	1,680
IDS Mortgage Corp.	Mtg. Backed Cert.	07-15-2003	6.500	7.890	3,249
IDS Mortgage Corp.	Mtg. Backed Cert.	11-15-2003	8.000	8.553	1,194
IDS Mortgage Corp.	Mtg. Backed Cert.	11-15-2003	8.000	8.550	1,755
IDS Mortgage Corp.	Mtg. Backed Cert.	04-15-2004	8.000	8.470	1,725
Iowa Securities Co.	Mtg. Backed Cert.	12-15-2000	8.000	8.940	733
Iowa Securities Co.	Mtg. Backed Cert.	02-15-2001	8.000	8.100	792
Kislak (J.I.) Mtg. Ser.	Mtg. Backed Cert.	08-15-2007	8.000	9.056	894
Kislak (J.I.) Mtg. Ser.	Mtg. Backed Cert.	09-15-2007	8.000	9.170	4,717
Lomas & Nettlet	Mtg. Backed Cert.	12-15-2005	8.000	8.296	641
Lumbermans Investment	Mtg. Backed Cert.	07-15-2004	8.250	9.612	1,303
Mellon Natl. Mtg. Co.	Mtg. Backed Cert.	11-15-2007	8.000	8.882	888
Melrose-Wakefield Hosp.	Mtg. Backed Cert.	07-30-2001	8.750	8.840	3,918
Midland Mortgage Co.	Mtg. Backed Cert.	03-15-2008	8.000	9.046	872
Modern America Mtg.	Mtg. Backed Cert.	06-15-2006	8.250	8.470	540
Molton, Allen & Wms.	Mtg. Backed Cert.	02-15-2004	8.000	8.522	712
Mortgage Associates	Mtg. Backed Cert.	07-15-2006	8.250	8.470	755
Mortgage Associates	Mtg. Backed Cert.	01-15-2008	8.000	8.553	910
Mortgage Associates	Mtg. Backed Cert.	01-15-2008	8.000	8.553	868
Mortgage Insurance	Mtg. Backed Cert.	12-15-2007	8.000	8.553	884
Natl. Homes Acceptance	Mtg. Back Serial Note	05-15-2000	7.000	8.920	971
Natl. Homes Acceptance	Mtg. Back Serial Note	09-15-2000	8.000	8.800	993
Natl. Homes Acceptance	Mtg. Back Serial Note	07-15-2000	8.000	8.800	949
Our Lady of Victory	Construction Loan	01-01-2002	8.750	8.859	3,690
Peoples Mortgage Co.	Mtg. Backed Cert.	11-15-2004	9.000	9.921	925
Peoples Mortgage Co.	Mtg. Backed Cert.	10-15-2005	8.000	8.357	30
Regional Investment Co.	Mtg. Backed Cert.	09-15-2006	8.000	8.799	821
Reliance Funding Corp.	Mtg. Backed Cert.	03-15-2008	8.000	9.046	933
Security National Bank	Mtg. Backed Cert.	08-15-2006	8.000	8.357	632
Security Pacific Mtg.	Mtg. Backed Cert.	10-15-2008	9.000	9.509	4,736
Sherwood & Roberts	Mtg. Backed Cert.	10-15-2007	8.000	8.892	834
Wm. Stanwell Co.	Mtg. Backed Cert.	10-15-2007	8.000	8.758	833
Steed (W.S.)	Mtg. Backed Cert.	07-15-2004	8.000	8.861	1,407
Steed (W.S.)	Mtg. Backed Cert.	07-15-2007	8.000	8.162	956

PERMANENT SCHOOL FUND

UNITED STATES GOVERNMENT-GUARANTEED, CORPORATE, AGENCY  
AND MUNICIPAL BOND HOLDINGS

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)	
United Financial Mtg.	Mtg. Backed Cert.	11-15-2007	8.000	8.357%	\$ 452	
United First Mortgage	Mtg. Backed Cert.	11-15-2007	8.000	8.357	424	
United First Mortgage	Mtg. Backed Cert.	02-15-2010	11.000	12.651	4,976	
Virginia Mtg. & Inv. Co.	Mtg. Backed Cert.	09-15-2004	9.000	9.890	535	
Virginia Mtg. & Inv. Co.	Mtg. Backed Cert.	12-15-2006	8.000	8.460	828	
Wachovia Mortgage Co.	Mtg. Backed Cert.	04-15-2008	8.000	9.036	963	
Wells Fargo Mortgage	Mtg. Backed Cert.	10-15-2006	8.000	8.296	607	
Western Pacific Fin.	Mtg. Backed Cert.	08-15-2007	8.000	8.131	1,717	
Weyerhaeuser Mortgage	Mtg. Backed Cert.	11-15-2007	8.000	8.357	912	
Percy Wilson M & F	Mtg. Back Serial Note	08-01-2000	8.000	8.940	1,083	
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					8,713%	\$101,133
GOVERNMENT GUARANTEED MERCHANT MARINE						
American Mail Line	Government Guar. Bond	03-01-1993	6.000	6.000	\$ 1,470	
American Pres. Lines	Government Guar. Bond	11-01-1991	4.800	4.800	1,201	
American Pres. Lines	Government Guar. Bond	11-01-1992	5.600	5.600	1,000	
Construction Aggregate	Government Guar. Bond	06-01-1991	7.500	7.500	1,375	
Delta Steamship Lines	Government Guar. Bond	03-01-1986	5.500	5.500	626	
Eagle Terminal Tankers	Government Guar. Bond	06-01-1989	6.000	6.000	2,232	
El Paso Columbia Tank	Government Guar. Bond	03-31-2003	9.250	9.250	2,867	
Farrell Lines, Inc.	Government Guar. Deb.	06-29-1997	9.000	9.000	175	
Farrell Lines, Inc.	Government Guar. Bond	09-20-1998	9.000	9.000	185	
Farrell Lines, Inc.	Government Guar. Bond	02-28-1998	9.000	9.000	180	
Farrell Lines, Inc.	Government Guar. Bond	11-27-1997	9.000	9.000	178	
Farrell Lines, Inc.	Government Guar. Bond	04-01-1988	8.050	8.050	1,197	
Farrell Lines, Inc.	Government Guar. Bond	02-01-1992	5.100	5.100	1,467	
Grace Line, Inc.	Government Guar. Bond	02-01-1989	8.750	8.750	924	
Ingram Ocean Systems	Insured Note	09-01-1990	7.800	7.800	1,108	
Intercontl. Bulktank	Government Guar. Bond	01-01-1991	8.900	8.900	2,535	
Marlin Drilling Co.	Government Guar. Bond	11-10-1994	7.500	7.500	984	
Matson Navigation Co.	Government Guar. Bond	04-01-1987	5.750	5.868	1,241	
Moore-McCormack Leasing	Government Guar. Bond	07-15-2001	8.875	8.875	2,607	
Moore-McCormack Leasing	Government Guar. Bond	12-01-1990	7.800	7.800	1,151	
Overseas Bulk Tank	Government Guar. Bond	02-01-1997	8.750	8.750	1,754	
Pacific Far East Line	Government Guar. Bond	10-01-1989	6.000	6.000	914	
Penn Tanker Co.	Government Guar. Bond	11-01-1995	6.000	6.000	2,168	
Prudential Lines, Inc.	Government Guar. Bond	02-15-2001	9.125	9.125	2,088	
Puget Sound Tug & Barge	Government Guar. Bond	03-31-1993	5.100	5.100	1,393	
States Steamship Co.	Government Guar. Bond	06-11-1990	9.250	9.250	3,000	
Western Co. of North Amer.	Government Guar. Bond	06-15-1996	8.625	8.625	3,000	
Zapata Off-Shore Co.	Government Guar. Bond			7.615%	\$ 39,021	
TOTAL GOVERNMENT GUARANTEED MERCHANT MARINE						
SMALL BUSINESS ADMINISTRATION						
SBA Guaranteed	Government Guar. Bond	04-13-1987	11.000	11.098	\$ 63	
SBA Guaranteed Loan	Government Guar. Bond	11-101-984	11.000	11.015	54	
SBA Guaranteed Loan	Government Guar. Bond	12-07-1989	11.000	11.108	183	
SBA Guaranteed Loan	Government Guar. Bond	11-15-1987	11.000	11.111	214	
SBA Guaranteed Loan	Government Guar. Bond	11-20-1999	11.000	11.182	315	
SBA Guaranteed Loan	Government Guar. Bond	01-28-1985	14.750	14.902	117	
SBA Guaranteed Loan	Government Guar. Bond	01-01-1987	11.000	11.091	116	
SBA Guaranteed Loan	Government Guar. Bond	01-23-1990	14.000	14.250	48	
SBA Guaranteed Loan	Government Guar. Bond	09-05-1986	11.000	11.084	50	
SBA Guaranteed Loan	Government Guar. Bond	02-01-1987	14.750	14.983	26	
SBA Guaranteed Loan	Government Guar. Bond	01-16-1987	14.250	14.456	136	
SBA Guaranteed Loan	Government Guar. Bond	08-22-1985	8.250	9.324	84	
SBA Guaranteed Loan	Government Guar. Bond	04-27-1984	8.250	9.314	172	
SBA Guaranteed Loan	Government Guar. Bond	02-22-1997	8.500	8.500	468	
SBA Guaranteed Loan	Government Guar. Bond	02-23-1984	9.000	9.000	42	
SBA Guaranteed Loan	Government Guar. Bond	02-23-1984	8.250	8.285	205	
SBA Guaranteed Loan	Government Guar. Bond	05-25-1984	9.000	9.108	112	
SBA Guaranteed Loan	Government Guar. Bond	05-27-1994	9.000	9.550	25	
SBA Guaranteed Loan	Government Guar. Bond	07-01-1984	9.500	8.840	108	
SBA Guaranteed Loan	Government Guar. Bond	12-22-1992	9.000	8.840	72	
SBA Guaranteed Loan	Government Guar. Bond	02-28-1985	10.250	10.282	65	
SBA Guaranteed Loan	Government Guar. Bond	05-23-1986	11.000	11.066	130	
SBA Guaranteed Loan	Government Guar. Bond	06-25-1995	11.000	11.139	407	
SBA Guaranteed Loan	Government Guar. Bond	09-04-1986	11.000	11.066	91	
SBA Guaranteed Loan	Government Guar. Bond	06-27-1986	11.000	11.149	314	
SBA Guaranteed Loan	Government Guar. Bond	09-19-1998	11.000	11.056	255	
SBA Guaranteed Loan	Government Guar. Bond	05-03-1986	11.000	11.056	65	
SBA Guaranteed Loan	Government Guar. Bond	09-26-1984	11.000	11.015	144	
SBA Guaranteed Loan	Government Guar. Bond	05-31-1986	11.000	11.056	374	
SBA Guaranteed Loan	Government Guar. Bond	11-17-1986	11.000	11.066	56	
SBA Guaranteed Loan	Government Guar. Bond	10-11-1995	11.000	11.149	150	
SBA Guaranteed Loan	Government Guar. Bond	08-24-1986	11.000	11.066	486	
SBA Guaranteed Loan	Government Guar. Bond	11-23-1986	13.000	13.106	111	
SBA Guaranteed Loan	Government Guar. Bond	10-19-1999	11.000	11.159	152	
SBA Guaranteed Loan	Government Guar. Bond	02-26-1990	14.750	15.033	17	
SBA Guaranteed Loan	Government Guar. Bond	03-17-1985	14.500	14.644	27	
SBA Guaranteed Loan	Government Guar. Bond	02-28-1990	14.500	14.775	28	
TOTAL SMALL BUSINESS ADMINISTRATION					11.097%	\$ 5,468

PERMANENT SCHOOL FUND

UNITED STATES GOVERNMENT-GUARANTEED, CORPORATE, AGENCY  
AND MUNICIPAL BOND HOLDINGS

Continued

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
<b>UNITED STATES TREASURY BOND</b>					
U.S. Treasury Bond	Government Guar. Bond	11-15-1993	8.625	8.642%	\$ 2,000
TOTAL UNITED STATES TREASURY BOND				8.642%	\$ 2,000
<b>UNITED STATES TREASURY NOTE</b>					
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009	\$ 2,000
U.S. Treasury Notes	Note	11-15-1989	10.750	9.893	2,000
TOTAL UNITED STATES TREASURY NOTE				9.451%	\$ 4,000
TOTAL UNITED STATES GOVERNMENT GUARANTEED				8.537%	\$154,617
<b>UNITED STATES GOVERNMENT AGENCY</b>					
Fed. Natl. Mortgage Assn.	Debenture	05-10-1984	14.250	14.250	\$ 2,500
TOTAL UNITED STATES GOVERNMENT AGENCY				14.250%	\$ 2,500
<b>UNITED STATES GOVERNMENT AGENCY MISCELLANEOUS GOVERNMENT AGENCY</b>					
Federal Home Loan Bank	Bond	08-25-1983	12.250	12.250	\$ 3,000
TOTAL MISCELLANEOUS GOVERNMENT AGENCY				12.250%	\$ 3,000
TOTAL UNITED STATES GOVERNMENT AGENCY				12.250%	\$ 3,000
TOTAL UNITED STATES GOVERNMENT				8.695%	\$160,117
<b>CORPORATE OBLIGATION</b>					
<b>PUBLIC UTILITIES</b>					
<b>ELECTRIC</b>					
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	\$ 4,000
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	2,500
TOTAL ELECTRIC				8.380%	\$ 6,500
<b>GAS</b>					
Consolidated Nat. Gas	Debenture	06-01-1997	8.125	8.149	\$ 4,000
TOTAL GAS				8.149%	\$ 4,000
<b>TELEPHONE</b>					
Bell Tele. Co. Canada	First Mtg. Bond	09-01-1995	4.850	5.530	\$ 2,500
Bell Tele. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	3,000
Michigan Bell Tele. Co.	Debenture	06-01-2015	8.125	8.149	2,500
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.418	4,000
TOTAL TELEPHONE				8.031%	\$ 12,000
TOTAL PUBLIC UTILITIES				8.153%	\$ 22,500
<b>FINANCE OBLIGATION</b>					
Gulf Life Insurance	Capital Note	06-01-1989	4.750	4.750	\$ 540
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	3,609
Northwest Bancorp.	Debenture	10-15-1990	5.125	4.780	1,500
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	1,500
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	3,550
TOTAL FINANCE OBLIGATION				7.685%	\$ 10,699
<b>INDUSTRIAL OBLIGATION</b>					
Aluminum Co. of Canada	S/F Debenture	03-01-1995	9.500	9.370	\$ 1,000
Armour-Dial, Inc.	Note	01-15-2003	7.900	7.900	3,709
Atlantic Richfield Co.	First Pref. Ship Mtg. Bd.	12-01-2001	8.750	8.750	2,000
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	3,000
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	3,000
Norton Simon, Inc.	Promissory Note	06-01-2004	9.875	9.875	2,000
Owens-Illinois, Inc.	Note	06-01-1990	10.375	10.455	1,000
Sprague Electric Co.	S/F Debenture	09-01-1988	4.375	4.400	1,000
Standard Oil of Calif.	First Pref. Ship Mtg. Bd.	09-07-1997	7.700	7.700	941
Standard Oil of Calif.	First Pref. Ship Mtg. Bd.	09-08-1997	7.700	7.700	941
Standard Oil of Calif.	First Pref. Ship Mtg. Bd.	11-06-1997	7.700	7.700	941
Standard Oil (Indiana)	Note	10-01-2000	7.300	7.300	4,000
Swift & Co.	S/F Debenture	08-01-1992	6.300	6.300	932
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	4.600	1,060
TOTAL INDUSTRIAL OBLIGATION				8.189%	\$ 25,525
<b>RAIL EQUIPMENT OBLIGATION</b>					
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	\$ 1,500
Illinois Central RR	Conditional Sale Agree.	02-15-1983	6.875	6.875	250
TOTAL RAIL EQUIPMENT OBLIGATION				8.375%	\$ 1,750
TOTAL CORPORATE OBLIGATION				8.092%	\$ 60,474
<b>MUNICIPAL BOND</b>					
Mower/Freeborn SD 90	Note	07-01-1986	3.000	3.000	\$ 100
Renville/Vill Danube	Note	07-01-1981	2.500	2.500	2
Roseau Cty ISD 12	Note	07-01-1981	3.000	3.000	5
Wad/Otterl JICSD 291	Note	07-01-1981	3.000	3.000	45
Washington Cty CSD 102	Note	07-01-1981	2.500	2.500	18
Washington Cty SD 41	Note	07-01-1982	3.250	3.250	2
TOTAL MUNICIPAL BOND				2.942%	\$ 172
TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENTAL AND CORPORATE, AND MUNICIPAL BOND OBLIGATIONS				8.526%	\$220,765

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

PERMANENT SCHOOL FUND  
June 30, 1980

COMMON STOCK HOLDINGS

Common Stock	Shares	Market Price 6-30-80	Market Value	Total Market
<b>UTILITIES</b>				
<b>ELECTRIC</b>				
Central & South West	23,000	\$ 14.50	\$ 333,500.00	
Cincinnati Gas & Elec.	24,000	18.88	453,000.00	
Commonwealth Edison	24,499	22.50	551,227.50	
Florida Power & Light	28,000	27.25	763,000.00	
Houston Industries Inc.	16,500	28.63	472,312.50	
Minnesota Power & L.	32,000	19.00	608,000.00	
Northern States Power	29,500	24.88	733,812.50	
Pacific Gas & Electric	17,000	24.13	410,125.00	
Public Serv. Indiana	28,150	23.50	661,525.00	
Southern Calif. Edison	20,000	25.63	512,500.00	
Texas Utilities Co.	28,000	18.25	511,000.00	
Virginia Elec. & Power	21,600	11.88	256,500.00	
<b>TOTAL ELECTRIC</b>			<b>\$ 6,266,592.50</b>	<b>10.85</b>
<b>NATURAL GAS</b>				
Panhandle E. Pipe Line	28,000	\$ 33.38	\$ 934,500.00	
Peoples Energy Corp.	14,666	48.13	705,801.25	
<b>TOTAL NATURAL GAS</b>			<b>\$ 1,640,301.25</b>	<b>2.84</b>
<b>COMMUNICATIONS</b>				
American Tel. & Tel.	49,000	\$ 52.50	\$ 2,572,500.00	
General Tel. & Elec.	45,800	28.00	1,282,400.00	
<b>TOTAL COMMUNICATIONS</b>			<b>\$ 3,854,900.00</b>	<b>6.68</b>
<b>TOTAL UTILITIES</b>				
			<b>\$ 11,761,703.75</b>	<b>20.37</b>
<b>FINANCIAL SERVICES</b>				
<b>BANKS</b>				
Bankamerica Corp.	28,000	\$ 26.13	\$ 731,500.00	
Citicorp	7,112	22.13	157,353.00	
First Bank System	19,500	36.50	711,750.00	
Morgan (J.P.) & Co.	10,920	48.50	529,620.00	
Northwest Bancorp.	33,000	24.50	808,500.00	
<b>TOTAL BANKS</b>			<b>\$ 2,938,723.00</b>	<b>5.09</b>
<b>FINANCE</b>				
Beneficial Corp.	15,925	\$ 23.63	\$ 376,228.13	
Household Finance	31,000	18.00	558,000.00	
<b>TOTAL FINANCE</b>			<b>\$ 934,228.13</b>	<b>1.62</b>
<b>INSURANCE</b>				
INA Corp.	22,950	\$ 35.25	\$ 808,987.50	
Safeco Corp.	13,700	37.50	513,750.00	
St. Paul Companies	15,000	36.25	543,750.00	
U.S. Fidelity & Guar.	26,050	42.88	1,116,893.75	
<b>TOTAL INSURANCE</b>			<b>\$ 2,983,381.25</b>	<b>5.17</b>
<b>TOTAL FINANCIAL SERVICES</b>				
			<b>\$ 6,856,332.38</b>	<b>11.87</b>
<b>CONSUMER-ORIENTED</b>				
<b>AUTOS - AUTO PARTS</b>				
Ford Motor Co.	26,750	\$ 24.63	\$ 658,718.75	
General Motors	27,200	46.50	1,264,800.00	
Goodyear Tire & Rubber	33,000	13.00	429,000.00	
<b>TOTAL AUTOS - AUTO PARTS</b>			<b>\$ 2,352,518.75</b>	<b>4.07</b>
<b>CONSUMER-DURABLES</b>				
Sunbeam Corp.	12,000	\$ 17.00	\$ 204,000.00	
Whirlpool Corporation	22,200	19.38	430,125.00	
<b>TOTAL CONSUMER-DURABLES</b>			<b>\$ 634,125.00</b>	<b>1.10</b>
<b>CONSUMER-NON-DURABLES</b>				
Avon Products, Inc.	17,000	\$ 35.75	\$ 607,750.00	
Colgate-Palmolive	20,000	14.00	280,000.00	
Eastman Kodak Co.	10,350	56.00	579,600.00	
Procter & Gamble Co.	8,700	73.75	641,625.00	
<b>TOTAL CONSUMER-NON-DURABLES</b>			<b>\$ 2,108,975.00</b>	<b>3.65</b>
<b>DRUGS</b>				
American Home Products	22,800	\$ 28.50	\$ 649,800.00	
Merck & Company	10,000	70.75	707,500.00	
Pfizer, Inc.	30,000	41.25	1,237,500.00	
<b>TOTAL DRUGS</b>			<b>\$ 2,594,800.00</b>	<b>4.49</b>
<b>FOODS-BEVERAGES</b>				
CPC International	8,000	\$ 68.63	\$ 549,000.00	
Coca-Cola Co.	16,000	33.00	528,000.00	
Consolidated Foods	29,000	24.50	710,500.00	
General Foods Corp.	23,000	30.63	704,375.00	
General Mills, Inc.	25,000	27.50	687,500.00	
<b>TOTAL FOODS-BEVERAGES</b>			<b>\$ 3,179,375.00</b>	<b>5.51</b>

Common Stock	Shares	Market Price 6-30-80	Market Value	Total % Market
<b>RETAIL SALES</b>				
Federated Dept. Stores	18,000	\$ 29.00	\$ 522,000.00	
Penney (J.C.) Co.	19,800	25.25	499,950.00	
Sears, Roebuck & Co.	32,000	17.00	544,000.00	
<b>TOTAL RETAIL SALES</b>			<b>\$ 1,565,950.00</b>	<b>2.71%</b>
<b>TOTAL CONSUMER-ORIENTED</b>				
			<b>\$ 12,435,743.75</b>	<b>21.53%</b>
<b>TECHNOLOGY</b>				
<b>OFFICE EQUIPMENT</b>				
Burroughs Corp.	11,600	\$ 64.25	\$ 745,300.00	
Honeywell, Inc.	10,000	78.38	783,750.00	
Int'l. Bus. Machines	50,140	58.75	2,945,725.00	
Xerox Corporation	10,440	53.75	561,150.00	
<b>TOTAL OFFICE EQUIPMENT</b>			<b>\$ 5,035,925.00</b>	<b>8.72%</b>
<b>TOTAL TECHNOLOGY</b>				
			<b>\$ 5,035,925.00</b>	<b>8.72%</b>
<b>BASIC INDUSTRY</b>				
<b>BUILDING &amp; FOREST PRODUCTS</b>				
Owens-Corning Fiber.	6,000	\$ 26.63	\$ 159,750.00	
Meyerhaeuser Co.	17,800	32.63	580,725.00	
<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>			<b>\$ 740,475.00</b>	<b>1.28%</b>
<b>CHEMICALS</b>				
Dow Chemical	16,000	\$ 33.63	\$ 538,000.00	
Du Pont (E.I.) Denemurs	15,000	41.88	628,125.00	
Monsanto Co.	6,000	52.00	312,000.00	
Union Carbide Corp.	14,700	43.63	641,287.50	
<b>TOTAL CHEMICALS</b>			<b>\$ 2,119,412.50</b>	<b>3.67%</b>
<b>ELECTRICAL EQUIPMENT</b>				
General Electric Co.	22,200	\$ 51.50	\$ 1,143,300.00	
<b>TOTAL ELECTRICAL EQUIPMENT</b>			<b>\$ 1,143,300.00</b>	<b>1.98%</b>
<b>MACHINERY</b>				
Caterpillar Tractor	15,150	\$ 52.75	\$ 799,162.50	
Trans Union Corp.	11,400	33.75	384,750.00	
<b>TOTAL MACHINERY</b>			<b>\$ 1,183,912.50</b>	<b>2.05%</b>
<b>METALS</b>				
Aluminum Co. of Amer.	10,000	\$ 58.75	\$ 587,500.00	
St. Joe Minerals Corp.	8,000	50.25	402,000.00	
<b>TOTAL METALS</b>			<b>\$ 989,500.00</b>	<b>1.71%</b>
<b>PAPER</b>				
International Paper	8,000	\$ 36.50	\$ 292,000.00	
Union Camp Corporation	5,000	41.50	207,500.00	
<b>TOTAL PAPER</b>			<b>\$ 499,500.00</b>	<b>0.86%</b>
<b>MISCELLANEOUS</b>				
Int'l. Tel. & Tel.	14,000	\$ 27.75	\$ 388,500.00	
Minnesota Mining & Mfg.	18,000	53.13	956,250.00	
<b>TOTAL MISCELLANEOUS</b>			<b>\$ 1,344,750.00</b>	<b>2.33%</b>
<b>TOTAL BASIC INDUSTRY</b>				
			<b>\$ 8,020,850.00</b>	<b>13.89%</b>
<b>ENERGY</b>				
<b>OIL-DOMESTIC</b>				
Atlantic Richfield Co.	16,000	\$ 93.50	\$ 1,496,000.00	
Conoco Inc.	20,000	52.63	1,052,500.00	
Marathon Oil Co.	8,000	57.25	458,000.00	
Standard Oil (Indiana)	46,000	57.25	2,633,500.00	
<b>TOTAL OIL-DOMESTIC</b>			<b>\$ 5,640,000.00</b>	<b>9.77%</b>
<b>OIL-INTERNATIONAL</b>				
Exxon Corporation	58,816	\$ 66.25	\$ 3,896,560.00	
Mobil Corp.	24,600	71.25	1,752,750.00	
Texaco, Inc.	50,000	36.75	1,837,500.00	
<b>TOTAL OIL-INTERNATIONAL</b>			<b>\$ 7,486,810.00</b>	<b>12.96%</b>
<b>TOTAL ENERGY</b>				
			<b>\$ 13,126,810.00</b>	<b>22.73%</b>
<b>TRANSPORTATION</b>				
<b>RAILROADS</b>				
Union Pacific Corp.	12,000	\$ 42.75	\$ 513,000.00	
<b>TOTAL RAILROADS</b>			<b>\$ 513,000.00</b>	<b>0.89%</b>
<b>TOTAL TRANSPORTATION</b>				
			<b>\$ 513,000.00</b>	<b>0.89%</b>
<b>TOTAL COMMON STOCKS</b>				
			<b>\$ 57,750,364.88*</b>	<b>100.00%</b>

\* Net original cost of equities on June 30, 1980, was \$49,369,503.48.



STATE OF MINNESOTA  
OFFICE OF THE LEGISLATIVE AUDITOR  
Veterans Service Building, 1st Floor West Wing  
St. Paul, Minnesota 55155

ELDON STOEHR  
Legislative Auditor

(612) 296-4708

The State Board of Investment

and

Jonathan P. White, Executive Director

We have examined the statements of assets and liabilities, including the portfolio of investments shown on pages 60 to 75, and the supplementary schedules of participation of the *Minnesota Post-Retirement Investment Fund*, *Minnesota Supplemental Retirement Investment Fund*, which includes the *Income, Growth, and Fixed Return Accounts*, and the *Minnesota Variable Annuity Fund* of the Minnesota State Board of Investment as of June 30, 1979 and 1980, and the related statements of operations and of changes in net assets for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Securities owned at June 30, 1979 and 1980 were counted by us when held by the State Treasurer or were confirmed to us when held by other custodians.

As discussed in Note 4 of the financial statements of the *Minnesota Post-Retirement Investment Fund*, mortality gains and losses are calculated after year end by each participating retirement fund's actuary. The associated transfers of required reserves, if any, are not reasonably estimable. Accordingly, no provision for any asset or liability that may result has been made in the financial statements.

In our opinion, *subject to* the effects of the matter discussed in the preceding paragraph, the aforementioned financial statements present fairly the net assets and participation of the *Minnesota Post-Retirement Investment Fund* at June 30, 1979 and 1980, and the results of its operations and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, to the preferred accounting practices discussed in Note 2.



STATE OF MINNESOTA  
OFFICE OF THE LEGISLATIVE AUDITOR  
Veterans Service Building, 1st Floor West Wing  
St. Paul, Minnesota 55155

ELDON STOEHR  
Legislative Auditor

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The State Board of Investment  
and  
Jonathan P. White, Executive Director  
Page Two

In our opinion, the aforementioned financial statements *present fairly* the net assets and participation of the *Minnesota Supplemental Retirement Investment Fund Income Shares Account, Growth Shares Account, and Fixed Return Account*, and the *Minnesota Variable Annuity Fund* at June 30, 1979 and 1980, and the results of their operations and changes in their net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after re-statement for changes, with which we concur, to the preferred accounting practices described in the general note on significant accounting policies, and discussed more specifically in Note 2 of the *Minnesota Supplemental Retirement Fund Fixed Return Account* and Note 4 of the *Minnesota Variable Annuity Fund*.

The additional information presented on pages 1-45 of this report is not necessary for a fair presentation of the financial statements in conformity with generally accepted accounting principles. This information, prepared by the State Board of Investment, has not been subjected to the audit procedures applied in the examination of the basic financial statements, and therefore, we do not express an opinion on this information.

Sincerely,

A handwritten signature in cursive script that reads "Eldon Stoehr".

Eldon Stoehr  
Legislative Auditor

October 29, 1980

ES/ap

## SIGNIFICANT ACCOUNTING POLICIES

The following general notes apply to all financial statements presented herein for the five funds under management of the State Board. Specific notes can be found immediately after the financial statements of the fund they relate to.

The Minnesota Post Retirement Investment Fund, Minnesota Variable Annuity Investment Fund and the Minnesota Supplemental Retirement Investment Fund are managed by the State Board of Investment under authority of Minnesota Statutes 11A. The Supplemental Fund prepares separate financial statements for three investment vehicles which it is comprised of; Income Share, Growth Share and Fixed Return Accounts.

The Financial Statements presented for these funds are based on the preferred accounting practices described in the A.I.C.P.A. industry audit guide "Audit of Investment Companies." The fiscal year 1979 financial statements were changed to be consistent with the adoption of these preferred practices. These practices and the significant accounting policies which follow are in conformity with generally accepted accounting principles.

**Security Valuation:** All securities are valued at market except for U.S. Government Short-term Securities and Commercial Paper which are valued at market less accrued interest. Accrued short-term interest is recognized as income as part of "Short-term Gain". For Long-term fixed income securities the State Board uses the Merrill Lynch valuation system. This pricing service is capable of providing prices for both actively traded and privately placed bonds.

**Recognition of Security Transactions:** Security transactions are accounted for on the date the securities are purchased or sold.

**Income Recognition:** Dividend income is recorded on the ex-dividend date. Interest and dividend income is accrued monthly. Short-term interest is accrued at year end only and is presented as "Accrued Short-term Gain".

**Expenses:** The cost of security transactions is part of the transaction price. Only miscellaneous investment expense is recorded for our reporting period. In the future miscellaneous expenses will not be recorded, rather will be paid by maintaining compensating balances. Investment research, audit, legal, payroll and other administrative expenses are paid by the State General Fund.

**Loaning Securities:** Certain U.S. Government and Government Agency securities are loaned out to banks and brokers for additional income of .5%. Collateral in the amount of 105% of the market value of the security loaned is required.

**Portfolio Listing:** A listing of all securities held by these funds can be found on page 60 of this report. Bonds are shown at face value and stocks at market value. Securities held as cash equivalents are not listed.

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
INCOME SHARE ACCOUNT  
STATEMENT OF ASSETS & LIABILITIES  
June 30, 1979 AND 1980

	June 30	
	1979	1980
<b>Assets:</b>		
Investments (at market value) <sup>1</sup>		
Common Stock	\$27,882,406	\$29,160,371
Fixed Income Securities	26,638,322	30,185,202
U.S. Gov't Securities <sup>2</sup>	1,256,099	8,816,566
Commercial Paper	2,034,000	1,975,265
Total Investments	\$57,810,827	\$70,137,404
Cash with State Treasurer	\$ 80,462	\$ 78,136
Accrued Interest	613,141	791,062
Accrued Dividends	163,162	206,198
Accrued Short-term Gain	12,534	205,979
Total Assets	\$58,680,126	\$71,418,779
<b>Liabilities:</b>		
Participant Contribution Paid in Advance	\$ 80,066	\$ 68,064
Security Purchases Payable	-0-	67,860
Total Liabilities	\$ 80,066	\$ 135,924
 Net Assets June 30	 <u>\$58,600,060</u>	 <u>\$71,282,855</u>

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1979 AND 1980

	Year-Ended June 30	
	1979	1980
<b>From Investment Activity:</b>		
Net Investment Income	\$ 4,190,102	\$ 5,500,011
Realized Gains (Losses)	(364,888)	2,561,200
Unrealized Gains (Losses)	1,856,834	(2,626,426)
Total Income	\$ 5,682,048	\$ 5,434,785
Less Distribution to Participant Accounts	(5,682,048)	(5,434,785)
Net Change in Undistributed Income	-0-	-0-
<b>From Participation Transactions:</b>		
Additions to Participation Accounts:		
Participant Contributions	\$ 6,175,992	\$ 7,654,259
Income Distribution	5,682,048	5,434,785
Total Additions	\$11,858,040	\$13,089,044
Deductions from Participation Accounts:		
Withdrawals	\$14,487,342	\$ 406,249
Total Deductions	\$14,487,342	\$ 406,249
Net Change in Participation Accounts	\$(2,629,302)	\$12,682,795
Total Change in Net Assets	\$(2,629,302)	\$12,682,795
 Net Assets:		
Beginning of Period	\$61,229,362	\$58,600,060
End of Period	<u>\$58,600,060</u>	<u>\$71,282,855</u>

Income Share Account  
Notes to Financial Statements

1) The cost of Investments at June 30 was:

	1979	1980
Common Stock	\$26,351,734	\$28,005,125
Fixed Income Securities	27,977,232	33,798,896
U.S. Government Short-Term Securities	1,256,099	8,792,781
Commercial Paper	2,034,000	1,975,265
Total	\$57,619,065	\$72,572,067

2) Loaned securities outstanding at June 30, 1980 was \$1,500,000.00

State Board of Investment  
Minnesota Supplemental Retirement Investment Fund  
Income Share Account  
STATEMENT OF OPERATIONS

YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
Investment Income:		
Income		
Interest	\$ 2,337,095	\$ 2,624,660
Dividends	1,612,362	1,905,486
Short-Term Gain	241,322	970,218
Total Income	\$ 4,190,779	\$ 5,500,364
Expenses		
Investment Expense	\$ 677	\$ 353
Total Expense	\$ 677	\$ 353
Net Investment Income	\$ 4,190,102	\$ 5,500,011
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 11,993,577	\$ 7,889,751
Cost Securities Sold	12,358,465	5,328,551
Net Realized Gain (Loss)	\$ (364,888)	\$ 2,561,200
Unrealized:		
Beginning of Period	\$ (1,665,072)	\$ 191,762
End of Period	191,762	(2,434,664)
Increase (decrease in Unrealized Appreciation)	\$ 1,856,834	\$ (2,626,426)
Net Realized and Unrealized Gain (Loss) on Investments	\$ 1,491,946	\$ ( 65,226)

Schedule of Participation

June 30, 1979 and 1980

Participant	June 30, 1979		June 30, 1980	
	Number of Shares	Market Value	Number of Shares	Market Value
Albert Lea Firemen's Relief	122,096	\$ 1,183,690	122,096	\$ 1,281,955
Apple Valley Firemen's Relief	534	5,177	747	7,843
Bloomington Fire Dept. Relief	208,378	2,020,172	208,378	2,187,879
Bloomington Police Relief	39,368	381,663	39,368	413,347
Duluth Police Pension	37,786	366,326		
Fairmont Police Benefit	8,022	77,771	8,022	84,228
Faribault Police Benefit	16,728	162,174	16,728	175,637
Hennepin County Supplemental Retirement	262,321	2,543,136	316,961	3,327,954
New Ulm Police Relief	1,446	14,019		
Rochester Fire Dept. Relief	291,996	2,830,828	317,711	3,335,829
Rochester Police Pension Fund	214,224	2,076,848	329,011	3,454,474
St. Cloud Fire Dept. Relief	32,217	312,336	32,217	338,265
St. Louis Park Fire Dept. Relief	48,831	473,404	48,831	512,704
St. Louis Park Police Relief	3,116	30,209	3,116	32,717
St. Paul Fire Dept. - General	10,751	104,228	10,752	112,891
St. Paul Fire Dept. - Special	912,358	8,845,081	978,474	10,273,555
St. Paul Police Relief	1,141,934	11,070,762	1,319,240	13,851,451
MSRS Deferred Compensation	630,608	6,113,586	713,561	7,492,083
MSRS Unclassified Employees Escrow	512,085	4,964,535	627,932	6,593,015
So. St. Paul Policemen's Relief	4,982	48,299	4,982	52,309
Teachers' Supplemental Retirement	1,531,628	14,848,747	1,677,888	17,617,101
Winona Fire Dept. Relief	13,107	127,069	13,107	137,618
	6,044,516		6,789,122	
Total Shares				
Total Participation Value		\$58,600,060		\$71,282,855

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
GROWTH SHARE ACCOUNT  
STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1979 AND 1980

	June 30	
	1979	1980
<b>Assets:</b>		
Investments (at market) <sup>1</sup>		
Common Stock	\$ 22,532,144	\$ 24,719,922
Commercial Paper	1,276,000	3,710,265
U.S. Gov't. Short-term Securities	853,930	2,109,966
Total Investments	\$ 24,662,074	\$ 30,540,153
Cash with State Treasurer	\$ 20,461	\$ 24,690
Accrued Dividends	81,331	90,382
Accrued Short-term Gain	9,872	86,502
Total Assets	\$ 24,773,738	\$ 30,741,727
<b>Liabilities:</b>		
Participant Contributions Paid in Advance	\$ 20,012	\$ 17,013
Securities Purchases Payable	-0-	50,895
Total Liabilities	\$ 20,012	\$ 67,908
<b>Net Assets June 30</b>	<b>\$ 24,753,726</b>	<b>\$ 30,673,819</b>

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
<b>From Investment Activity:</b>		
Net Investment Income	\$ 1,062,916	\$ 1,469,761
Realized Gains (Losses)	(19,428)	986,710
Unrealized Gains (Losses)	1,962,192	1,268,112
Total Income	\$ 3,005,680	\$ 3,724,583
Less Distribution to Participant Accounts	(3,005,680)	(3,724,583)
Net Change in Undistributed Income	-0-	-0-
<b>From Participation Transactions:</b>		
<b>Additions to Participation Accounts:</b>		
Participant Contributions	\$ 2,431,949	\$ 2,254,227
Income Distribution	3,005,680	3,724,583
Total Additions	\$ 5,437,629	\$ 5,978,810
<b>Deductions from Participation Accounts:</b>		
Withdrawals	\$ 739,233	\$ 58,717
Total Deductions	\$ 739,233	\$ 58,717
Net Change in Participation Accounts	\$ 4,698,396	\$ 5,920,093
Total Change in Net Assets	\$ 4,698,396	\$ 5,920,093
<b>Net Assets:</b>		
Beginning of Period	\$20,055,330	\$24,753,726
End of Period	\$24,753,726	\$30,673,819

Notes to Financial Statements

1) The cost of investments at June 30 was:

	1979	1980
Common Stock	\$22,194,905	\$23,114,571
U.S. Government Short-Term Securities	853,930	2,109,966
Commercial Paper	1,276,000	3,710,265
Total	\$24,324,835	\$28,934,802

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
GROWTH SHARE ACCOUNT  
STATEMENT OF OPERATIONS

YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
Investment Income:		
Income		
Dividends	\$ 930,005	\$ 1,096,678
Short-term Gain	133,343	373,366
Total Income	\$ 1,063,348	\$ 1,470,044
Expenses		
Investment Expense	\$ 432	\$ 283
Total Expenses	\$ 432	\$ 283
Net Investment Income	\$ 1,062,916	\$ 1,469,761
Realized and Unrealized Gains (Loss) on Investments		
Realized:		
Proceeds from Sales	\$ 1,430,323	\$ 5,439,219
Cost Securities Sold	1,449,751	4,452,509
Net Realized Gain (Loss)	\$ (19,428)	\$ 986,710
Unrealized:		
Beginning of period	\$ (1,624,953)	\$ 337,239
End of Period	337,239	1,605,351
Increase (decrease) in Unrealized Appreciation	\$ 1,962,192	\$ 1,268,112
Net Realized and Unrealized Gain (Loss) on Investment	\$ 1,942,764	\$ 2,254,822

SCHEDULE OF PARTICIPATION

June 30, 1979 and 1980

	June 30, 1979		June 30, 1980	
	Number of Shares	Market Value	Number of Shares	Market Value
Apple Valley Firemen's Relief	819	\$ 5,138	819	\$ 5,878
Bloomington Fire Dept. Relief	21,908	137,442	21,908	157,237
MSRS Deferred Compensation	697,708	4,377,149	820,218	5,886,839
Hennepin County Supplemental Ret.	583,655	3,661,625	627,440	4,503,240
St. Louis Park Fire	-0-	-0-	17,037	122,277
St. Paul Fire Dept. - General	2,807	17,610	2,807	20,146
St. Paul Fire Dept. - Special	291,667	1,829,805	315,777	2,266,383
St. Paul Police Relief	238,899	1,498,760	241,858	1,735,855
MSRS Unclassified Employees	338,447	2,123,285	384,528	2,759,820
Teachers' Supplemental Retirement	1,769,780	11,102,912	1,841,416	13,216,144
Total Shares	3,945,690		4,273,808	
Total Participation		\$24,753,726		\$30,673,819

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT  
STATEMENT OF ASSETS AND LIABILITIES

	June 30	
	1979	1980
Assets		
Investments (at market) <sup>1</sup>		
Fixed Income Securities	\$ 15,149,621	\$ 15,812,746
U.S. Gov't. Short Term Securities	476,000	1,882,612
Commercial Paper	704,000	1,596,000
Total Investments	\$ 16,329,621	\$ 19,291,358
Cash with State Treasurer	\$ 100,510	\$ 752
Accrued Interest	363,397	534,145
Net Assets June 30	\$ 16,793,528	\$ 19,826,255

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
From Investment Activity:		
Net Investment Income	\$ 1,285,875	\$ 1,811,098
Realized Gains (Losses)	(106,131)	2,365
Unrealized Gains (Losses)	(144,205)	(1,396,342)
Total Income	\$ 1,035,539	\$ 417,121
Less Distribution to Participant Accounts	(1,179,286)	(1,754,537)
Net Change in Undistributed Income	\$ (143,747)	\$(1,337,416)
From Participation Transactions:		
Additions to Participation Accounts:		
Participant Contributions	\$ 5,124,965	\$ 4,928,594
Income Distribution	1,179,286	1,754,537
Total Additions	\$ 6,304,251	\$ 6,683,131
Deductions from Participation Accounts:		
Withdrawals	3,026,127	2,312,988
Total Deductions	\$ 3,026,127	\$ 2,312,988
Net Change in Participation Accounts	\$ 3,278,124	\$ 4,370,143
Total Change in Net Assets	\$ 3,134,377	\$ 3,032,727
Net Assets:		
Beginning of Period	\$14,268,635	\$16,793,528
Effect of Accounting Change <sup>2</sup>	(609,484)	
Adjusted Beginning Net Assets	\$13,659,151	
End of Period	\$16,793,528	\$19,826,255

Fixed Return Account

Notes to Financial Statements

1) The cost of investments at June 30 was:

	1979	1980
Fixed Income Securities	\$ 15,903,310	\$ 17,962,139
U.S. Government Short Term Securities	476,000	1,883,250
Commercial Paper	704,000	1,596,000
Total	\$ 17,083,310	\$ 21,441,389

2) Due to the adoption of the preferred practices in the A.I.C.P.A. industry audit guide "Audit of Investment Company's" we have restated the net assets at June 30, 1978 in the amount of (\$609,484). This was caused by the change in the value of investments from a cost to a market basis.

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT  
STATEMENT OF OPERATIONS

YEARS ENDED June 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
Investment Income:		
Income		
Interest	\$ 1,211,599	\$ 1,527,468
Short-term Gain	74,659	265,275
Total Income	<u>\$ 1,286,258</u>	<u>\$ 1,811,143</u>
Expenses		
Investment Expenses	\$ 383	\$ 45
Total Expenses	<u>383</u>	<u>45</u>
Net Investment Income	<u>\$ 1,285,875</u>	<u>\$ 1,811,098</u>
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 2,014,194	\$ 152,046
Cost of Securities Sold	2,120,325	149,681
Net Realized Gain (Loss)	<u>\$ (106,131)</u>	<u>\$ 2,365</u>
Unrealized:		
Beginning of period	\$ (609,484)	\$ (753,689)
End of period	<u>(753,689)</u>	<u>(2,150,031)</u>
Increase (decrease) in Unrealized Appreciation	<u>\$ (144,205)</u>	<u>\$ (1,396,342)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>\$ (250,336)</u>	<u>\$ (1,393,977)</u>

SCHEDULE OF PARTICIPATION

JUNE 30, 1979 AND 1980

	June 30	
	1979	1980
Albert Lea Firemen's Relief	\$ 56,500	\$ 61,303
Apple Valley Firemen's Relief	17,872	19,404
Bloomington Police Relief	604,238	-0-
Chanhassen Fire Relief	11,055	12,004
Crookston Police Relief	88,070	95,598
MSRS Deferred Compensation	8,919,726	13,242,514
Faribault Police Benefit	294,911	-0-
Hennepin County Supplemental Retirement	303,747	510,611
Rochester Police Pension Fund	913,094	-0-
St. Paul Fire Dept. - Special	4,778,290	6,028,017
South St. Paul Police Relief	51,839	56,503
Thief River Falls Police Relief	13,934	-0-
MSRS Unclassified Employees ESCROW	<u>1,487,979</u>	<u>1,945,296</u>
Total Participation <sup>3</sup>	<u>\$ 17,541,255</u>	<u>\$ 21,971,250</u>
Undistributed Earnings	5,962	5,036
Unrealized Depreciation of Investments	<u>(753,689)</u>	<u>(2,150,031)</u>
Total Participation & Undistributed Earnings	<u>\$ 16,793,528</u>	<u>\$ 19,826,255</u>

3) Withdrawals from the fixed return account are paid out pursuant to Minnesota Statutes 11A.17 Subdivision 9, which states in part that: "The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board."

STATE BOARD OF INVESTMENT  
MINNESOTA VARIABLE ANNUITY FUND  
STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1979 AND 1980

	June 30	
Assets:	1979	1980
Investments (at market) <sup>1</sup>		
Common Stock	\$ 42,186,531	\$ 46,658,625
Fixed Income Securities	13,281,877	11,300,359
U.S. Gov't. Short-Term Securities	1,996,711	4,856,450
Commercial Paper	3,000,000	4,072,570
Total Investments	\$ 60,385,119	\$ 66,888,004
Cash with State Treasurer	\$ 947	\$ 25
Accrued Interest	301,321	275,053
Accrued Dividends	181,611	207,366
Accrued Short-term Gain	14,160	88,858
Total Assets	\$ 60,883,158	\$ 67,459,306
Liabilities:		
Security Purchases Payable	\$ -0-	\$ 152,685
Total Liabilities	\$ -0-	\$ 152,685
Net Assets June 30	\$ 60,883,158	\$ 67,306,621

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
From Investment Activity:		
Net Investment Income	\$ 3,366,795	\$ 3,844,393
Realized Gains (Losses)	362,895	2,383,859
Unrealized Gains (Losses)	2,858,369	827,722
Total Income	\$ 6,588,059	\$ 7,055,974
Less Distribution to Participant Accounts	(208,066)	(4,375,294)
Net Change in Undistributed Income	\$ 6,379,993	\$ 2,680,680
From Participation Transactions:		
Additions to Participation Accounts:		
Participant Contributions <sup>3</sup>	\$ 812,743	\$ -0-
Income Distribution	208,066	4,375,294
Total Additions	\$ 1,020,809	\$ 4,375,294
Deductions from Participation Accounts:		
Withdrawals	215,022	632,511
Total Deductions	\$ 215,022	\$ 632,511
Net Change in Participation Accounts	\$ 805,787	\$ 3,742,783
Total Change in Net Assets	\$ 7,185,780	\$ 6,423,463
Net Assets:		
Beginning of Period	\$59,209,802	\$60,883,158
Effect of Accounting Change <sup>4</sup>	(5,512,424)	
Adjusted Beginning Net Assets	\$53,697,378	
End of Period	\$60,883,158	\$67,306,621

Minnesota Variable Annuity Fund  
Notes to Financial Statements

1) The cost of Investments at June 30 was:

	1979	1980
Common Stock	\$41,006,459	\$43,566,626
Fixed Income Securities	14,314,584	13,497,271
U.S. Government Short-Term Securities	1,996,711	4,856,450
Commercial Paper	3,000,000	4,072,570
Total	\$60,317,754	\$65,992,917

STATE BOARD OF INVESTMENT  
MINNESOTA VARIABLE ANNUITY FUND  
STATEMENT OF OPERATIONS

YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
Investment Income:		
Income		
Interest	\$ 1,220,969	\$ 1,168,182
Dividends	1,817,687	2,130,884
Short-term gain	328,691	545,742
Total Income	\$ 3,367,347	\$ 3,844,808
Expense		
Investment Expense	552	415
Total Expenses	552	415
Net Investment Income	\$ 3,366,795	\$ 3,844,393
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 2,318,863	\$10,004,752
Cost of Securities Sold	1,955,968	7,620,893
Net Realized Gain (Loss)	\$ 362,895	\$ 2,383,859
Unrealized:		
Beginning of Period	(2,791,004)	67,365
End of Period	67,365	895,087
Increase (decrease) in Unrealized Appreciation	\$ 2,858,369	\$ 827,722
Net Realized Unrealized Gain (Loss) on Investments	\$ 3,221,264	\$ 3,211,581

- 2) The Admitted Value Increment at June 30, 1979 and 1980 was (\$786,043) and (\$2,564,303) respectively. This valuation is required by Minnesota Statutes 11A.19 subdivision 5 and is the amount by which the recognized value of investments is above or below the book value of investments. The admitted value is based on an average ratio of book value to market value of the securities calculated over a two year period. This calculation is used to determine the rate of return and the increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.
- 3) Laws of Minnesota for 1978, Chapter 781, stated in part "Effective July 1, 1978 no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation. . .". Very few members of the Teachers' Retirement Fund elected to continue in the variable annuity division, which accounts for the significant decrease in the level of contributions for participation in the Variable Annuity Fund. Previous contributions for all former and current participants in the variable annuity fund will remain in that fund until the participant retires or withdraws in accordance with the Teachers' Retirement Act (M.S. 354).

Participation at June 30

	1979	1980
Net Assets at June 30	\$60,883,158	\$67,306,621
Admitted Value Increment	( 786,043)	( 2,564,303)
	\$60,097,115	\$64,742,318
Less: Unrealized Market Appreciation	67,365	895,087
Accrued Short-Term Gain	14,160	88,858
Total Participation	\$60,015,590	\$63,758,373

- 4) Due to the adoption of the preferred practices in the AICPA industry audit guide "Audit of Investment Company's" we have restated the net assets at June 30, 1978 in the amount of (\$5,512,424). This was caused by the change in the value of investments from cost to market (\$2,791,004) and the elimination from financial statement presentation of the statutorily required Admitted Value Increment (\$2,721,420).

STATE BOARD OF INVESTMENT  
MINNESOTA POST RETIREMENT INVESTMENT FUND  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1979 AND 1980

	June 30	
	1979	1980
<b>Assets:</b>		
Investments (at market) <sup>1</sup>		
Common Stock	\$435,593,229	\$ 470,395,401
Fixed Income Securities	418,605,803	454,552,694
Convertible Debentures	840,000	937,500
* U.S. Government Short term Securities	37,726,051	78,278,952
Commercial Paper	60,923,000	88,851,848
Total Investments	\$953,688,083	\$1,093,016,395
Cash with State Treasurer	\$ 710	\$ 1,735
Accounts Receivable	385,437	
Accrued Interest	8,804,756	9,867,679
Accrued Dividends	2,216,901	2,751,595
Accrued Short Term Gain	270,927	2,470,357
Total Assets	\$965,366,814	\$1,108,107,761
<b>Liabilities:</b>		
Security Purchases Payable	\$ 2,195,024	\$ 4,912,939
Total Liabilities	\$ 2,195,024	\$ 4,912,939
Net Assets	\$963,171,790	\$1,103,194,822

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
<b>From Investment Activity:</b>		
Net Investment Income	\$ 61,628,523	\$ 82,772,778
Realized Gains (Losses)	5,318,452	10,989,617
Unrealized Gains (Losses)	16,305,163	(14,491,434)
Total Income	\$ 83,252,138	\$ 79,270,961
Less: Distribution to Participant Accounts	(52,991,313)	(51,585,964)
Undistributed Dedicated Income	-0-	(31,213,028)
Net Change in Undistributed Income	\$ 30,260,825	\$ (3,528,031)
<b>From Participation Transactions:</b>		
Additions to Participation Accounts:		
Participant Contributions	\$159,555,481	\$149,591,115
Income Distribution	52,991,313	51,585,964
Income to be Distributed January 1, 1981	-0-	31,213,028
Total Additions	\$212,546,794	\$232,390,107
Deductions from Participation Accounts:		
Withdrawals	83,522,031	88,838,762
Total Deductions	\$ 83,522,031	\$ 88,838,762
Net Change in Net Assets	\$129,024,763	\$143,551,345
Total Change in Net Assets	\$159,285,588	\$140,023,314
<b>Net Assets:</b>		
Beginning of Period	\$845,853,800	\$963,171,790
Effect of Accounting Change <sup>2</sup>	(41,967,598)	(282)
Adjusted Beginning Net Assets	\$803,886,202	
End of Period	\$963,171,790	\$1,103,194,822

Post Retirement

Notes to Financial Statements

1) The cost of investments at June 30 was:

	1979	1980
Common Stock	\$420,415,404	\$ 432,531,788
Fixed Income Securities	447,586,253	520,807,867
Convertible Securities	1,149,410	1,149,410
U.S. Government Short Term Securities	37,726,052	78,278,952
Commercial Paper	60,923,000	88,851,848
Total	\$967,800,119	\$1,121,619,865

\* Loaned securities outstanding at June 30, 1980 was \$13,000,000.00.

STATE BOARD OF INVESTMENT  
MINNESOTA POST RETIREMENT INVESTMENT FUND  
STATEMENT OF OPERATIONS

YEARS ENDED JUNE 30, 1979 AND 1980

	Year Ended June 30	
	1979	1980
Investment Income:		
Income		
Interest	\$ 36,229,464	\$ 41,611,097
Dividends	22,252,429	27,679,399
Short-Term Gain	3,152,933	13,486,204
Total Income	<u>\$ 61,634,826</u>	<u>\$ 82,776,700</u>
Expenses		
Investment Expense	\$ 6,303	\$ 3,922
Net Investment Income	<u>\$ 61,628,523</u>	<u>\$ 82,772,778</u>
Realized and Unrealized Gain (Loss) on Investments		
Realized:		
Proceeds from Sales	\$ 58,476,490	\$ 83,700,500
Cost Securities Sold	53,158,038	72,710,883
Net Realized Gain (Loss)	<u>\$ 5,318,452</u>	<u>\$ 10,989,617</u>
Unrealized:		
Beginning of Period	\$(30,417,199)	\$(14,112,036)
End of Period	(14,112,036)	(28,603,470)
Increase (decrease) in Unrealized Appreciation	\$ 16,305,163	\$(14,491,434)
Net Realized Unrealized Gain (Loss) on Investments	<u>\$ 21,623,615</u>	<u>\$ (3,501,817)</u>

SCHEDULE OF PARTICIPATION  
June 30, 1979 and 1980

	June 30	
	1979	1980
Required Reserves <sup>3</sup>		
Teachers Retirement Fund	\$ 375,703,602	\$ 419,241,386
Public Employees Retirement Fund	255,789,015	291,160,232
State Employees Retirement Fund	178,737,065	194,288,613
Minneapolis Municipal Employees Retirement	169,084,125	181,241,143
Public Employees Police & Fire Fund	25,849,323	29,876,883
Highway Patrolmen's Retirement Fund	12,948,305	14,216,754
Legislators & Survivors Retirement Fund	2,075,576	2,154,750
Judges Retirement Fund	3,278,778	3,624,345
Total Participation <sup>5</sup>	<u>\$1,023,465,789</u>	<u>\$1,135,804,106</u>
Less Annuity Stabilization Reserve <sup>6,7</sup>	<u>46,181,963</u>	<u>35,218,842</u>
Unrealized Market (depreciation) <sup>8</sup>	\$ 977,283,826	\$1,100,585,264
Undistributed Dedicated Income <sup>9</sup>	(14,112,036)	(28,603,470)
Net Assets at June 30	<u>\$ 963,171,790</u>	<u>\$1,103,194,822</u>

2) Effect of Accounting and Reporting Changes

Due to the adoption of the preferred practices in the A.I.C.P.A. industry audit guide "Audit of Investment Company's" we have restated the net assets at July 1, 1978 in the amount of (\$41,967,598).

The restatement is made up of the following components:

--The difference between the cost and market value of investments July 1, 1978	(\$30,417,199)
--Unrealized Market Appreciation (Admitted Value Increment)	( 4,838,178)
--Deferred Yield Adjustment	( 6,670,721)
--Interest Paid on Refunded Contributions	( 41,500)
	<u>(\$41,967,598)</u>

Prior to this reporting period investments had been reported on a cash basis. The unrealized market appreciation (depreciation) is the amount by which the admitted value of equity securities exceeds the book value of such securities. The admitted value is determined by the average ratio of book value to market value of the securities, valued bimonthly over a two year period. This method is more fully described in Minnesota Statutes, 1978, Section 11.25, Subdivisions 4 to 8 inclusive. This method of valuation is no longer applicable. Minnesota Statutes 11A supercedes the citation above.

The Deferred Yield Adjustment account is a statutory account more fully described in footnote #7. This account is no longer included as a separate account for financial statement presentation. The adjustment of \$282 in fiscal year 1980 is a prior period adjustment.

- 3) The required reserves presented for June 30, 1980 includes the 5% actuarially assumed income distribution made pursuant to Minnesota Statutes 11A.18.
- 4) Mortality gains and losses are calculated after year end by each participants actuary. Transfers to or from the Post Retirement Investment Fund for June 30, 1980 mortality will be made late in the calendar year 1980. The amount of mortality gain or loss applicable to June 30, 1980 is not reasonably estimatable and therefore no amount is included in these statements. It is not anticipated that the sum calculated for June 30, 1980 would have a material effect on these statements.
- 5) Total participation is equal to the actuarially determined required reserves. The remaining footnotes define the difference between participation and the net assets of the fund.
- 6) The annuity stabilization reserve is the difference between the actuarially determined reserves required to support benefits in force and the book value of the assets of the fund. Pursuant to Minnesota Statutes 11A.18 Subdivision 9 Clause 2C "The book value of assets on any given date shall be the cost of equity investments and the amortized cost of fixed income investments."
- 7) The Deferred Yield Adjustment account at June 30, 1979 and 1980 was \$6,087,114 and \$5,528,056 respectively. This account is required by Minnesota Statutes 11A.18 Subdivision 5 and is the unamortized loss on the sale or disposition of debt securities. The account is increased by the loss on the sale of debt securities and decreased by the gain on the sale of such securities. At the end of each year a portion of the balance is offset against investment income for the year.

Deferred Yield Adjustment:	1979	1980
Beginning Balance	\$6,670,721	\$6,087,114
Net Realized (Gain) Loss	184,527	238,945
Amortization	( 768,134)	( 798,003)
Balance at June 30.	<u>\$6,087,114</u>	<u>\$5,528,056</u>

- 8) The unrealized market appreciation or (depreciation) is the difference between the cost and market value of investments.
- 9) Pursuant to Minnesota Statutes 11A.18 Subdivision 9 this is the portion of fiscal year 1980 income available for distribution as a benefit increase in January 1981. This amount shall be increased by 2.5% from Fiscal Year 1981 income and shall be stated as a percentage of total required reserves. The amount available shall be certified to each participating pension fund and shall be carried to five decimal places. Individuals receiving benefits at June 30, 1979 are eligible to receive this adjustment.

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
INCOME SHARE ACCOUNT

June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY  
CANADIAN GOVERNMENTAL, AND  
CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
<b>UNITED STATES GOVERNMENT GUARANTEED</b>					
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
Anfac Mortgage Corp.	Mtg. Backed Cert.	12-15-2007	8.000%	8.676%	\$ 858
Banco Mortgage Co.	Mtg. Backed Cert.	11-15-2007	8.000	8.275	904
First National Mtg.	Mtg. Backed Cert.	10-15-2006	8.000	8.614	800
Nebraska Federal	Mtg. Backed Cert.	12-15-2006	8.000	8.183	783
Weaver Bros. Inc.	Mtg. Backed Cert.	09-15-2006	8.000	8.260	632
<b>TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>				8.409%	3,978
<b>UNITED STATES TREASURY NOTE</b>					
U.S. Treasury Notes	Note	02-15-1987	9.000%	9.009%	\$ 1,000
<b>TOTAL UNITED STATES TREASURY NOTE</b>				9.009%	\$ 1,000
<b>TOTAL UNITED STATES GOVERNMENT GUARANTEED</b>				8.530%	\$ 4,978
<b>UNITED STATES GOVERNMENT AGENCY</b>					
Fed. Nat'l. Mortgage Association	Debenture	05-10-1984	14.250%	14.250%	\$ 500
Fed. Nat'l. Mortgage Association	Debenture	06-10-1988	10.500	10.500	500
<b>TOTAL UNITED STATES GOVERNMENT AGENCY</b>				12.375%	\$ 1,000
<b>UNITED STATES GOVERNMENT AGENCY MISC. GOVERNMENT AGENCY</b>					
Federal Farm Credit Bank	Bond	04-22-1985	13.250%	13.250%	\$ 1,000
Federal Home Loan Bank	Bond	08-25-1983	12.250	12.250	1,000
<b>TOTAL MISCELLANEOUS GOVERNMENT AGENCY</b>				12.750%	\$ 2,000
<b>TOTAL UNITED STATES GOVERNMENT AGENCY</b>				12.750%	\$ 2,000
<b>TOTAL UNITED STATES GOVERNMENT</b>				10.070%	\$ 7,978
<b>CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATION</b>					
British Columbia Hydro	Bond	07-15-1996	9.625%	9.625%	\$ 800
Manitoba Hydro Elec. Bond	Debenture	10-15-1997	7.650	7.650	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	800
Ontario, Province Of	Debenture	06-15-2005	9.125	9.343	1,000
Ontario, Province Of	Debenture	06-01-2008	9.375	9.375	500
Saskatch, Province Of	Debenture	04-15-2008	9.250	9.250	700
<b>TOTAL PROVINCIAL OBLIGATION</b>				9.216%	\$ 4,300
<b>TOTAL CANADIAN GOVERNMENTAL</b>				9.216%	\$ 4,300
<b>CORPORATE OBLIGATION PUBLIC UTILITIES</b>					
<b>ELECTRIC</b>					
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000%	\$ 800
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	625
<b>TOTAL ELECTRIC</b>				9.438%	\$ 1,425
<b>GAS</b>					
Minnesota Gas Company	Debenture	11-15-1981	9.250	9.362%	\$ 800
<b>TOTAL GAS</b>				9.362%	\$ 800
<b>TELEPHONE</b>					
Bell Tele. Co. Canada	First Mtg. Bond	06-01-2004	9.500%	9.500%	\$ 800
<b>TOTAL TELEPHONE</b>				9.500%	\$ 800
<b>TOTAL PUBLIC UTILITIES</b>				9.435%	\$ 3,025
<b>FINANCE OBLIGATION</b>					
Beneficial Corp.	Senior Note	12-15-1984	11.500%	11.500%	\$ 800
Ford Motor Credit Co.	Debenture	04-01-1999	8.700	8.917	800
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.385	850
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	800
Seafirst Corp.	Note	06-01-1990	10.500	10.580	500
Wells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	800
Wells Fargo & Co.	Note	01-15-1983	11.550%	11.550%	\$ 1,000
<b>TOTAL FINANCE OBLIGATION</b>				9.570%	\$ 5,550

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND CONTINUED  
INCOME SHARE ACCOUNT

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
<b>INDUSTRIAL OBLIGATION</b>					
Aluminum Co. Of Canada	S/F Debenture	03-01-1995	9.500%	9.694%	\$ 800
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	800
Cities Service Gas Co.	Debenture	06-01-1991	8.250	8.250	400
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	800
Ford Leasing Development	Guaranteed Note	03-15-2004	9.500	9.500	1,000
Ford Leasing Development	Guaranteed Note	12-01-1996	8.625	8.625	700
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.580	300
Moore Business Forms	Senior Note	10-01-1996	7.900	7.900	500
Pembroke Capital Co.	Note	03-31-1985	13.250	13.250	800
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	7.875	400
Rohm & Haas Company	Note	04-15-1985	9.000	9.000	500
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	02-10-1997	7.700	7.700	185
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	03-30-1997	7.700	7.700	139
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	09-07-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	09-08-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	11-06-1997	7.700	7.700	94
Standard Oil Of Calif.	First Pref. Ship Mtg. Bd	03-02-1997	7.700	7.700	139
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.766	800
<b>TOTAL INDUSTRIAL OBLIGATION</b>				<b>9.142%</b>	<b>\$ 9,046</b>
<b>RAIL EQUIPMENT OBLIGATION</b>					
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000%	8.000%	\$ 401
ACF Industries, Inc.	Equipment Trust Cert.	04-01-1985	9.500	9.500	75
Burlington Northern	Conditional Sale Agree	05-01-1986	8.600	8.600	139
Burlington Northern	Conditional Sale Agree	10-01-1987	9.625	9.625	133
Burlington Northern	Conditional Sale Agree	09-01-1993	8.750	8.750	750
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	500
Chesapeake & Ohio RY	Conditional Sale Agree	03-15-1989	8.750	8.750	405
Del. & Hudson (Guar Ge)	Conditional Sale Agree	09-01-1985	10.500	10.500	114
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	75
Louisville & Nashville	Conditional Sale Agree	10-20-1991	9.000	9.000	479
Missouri Pacific RR	Conditional Sale Agree	06-01-1995	12.750	12.750	1,000
<b>TOTAL RAIL EQUIPMENT OBLIGATION</b>				<b>9.777%</b>	<b>\$ 4,074</b>
<b>TOTAL CORPORATE OBLIGATION</b>				<b>9.411%</b>	<b>21,695</b>
<b>TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENTAL AND CORPORATE OBLIGATIONS</b>				<b>9.541%</b>	<b>\$33,974</b>

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
INCOME SHARE ACCOUNT  
June 30, 1980

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND CONTINUED

COMMON STOCK HOLDINGS

Common Stock	Shares	Market Price 5-30-80	Market Value	Total % Market	Common Stock	Shares	Market Price 5-30-80	Market Value	Total % Market
<b>UTILITIES</b>									
<b>ELECTRIC</b>									
Commonwealth Edison	19,500	\$22.50	\$ 438,750.00						
Minnesota Power & L.	21,200	19.00	402,800.00						
Northern States Power	30,173	24.88	750,553.38						
Texas Utilities Co.	36,300	18.25	662,475.00						
<b>TOTAL ELECTRIC</b>			<b>\$ 2,254,578.38</b>	<b>7.73%</b>					
<b>NATURAL GAS</b>									
Houston Natural Gas	4,000	\$42.63	\$ 170,500.00						
Panhandle E. Pipe Line	6,400	33.38	213,600.00						
Peoples Energy Corp.	10,000	48.13	481,250.00						
<b>TOTAL NATURAL GAS</b>			<b>\$ 865,350.00</b>	<b>2.97%</b>					
<b>COMMUNICATIONS</b>									
American Tel. & Tel.	34,114	\$52.50	\$ 1,790,985.00						
General Tel. & Elec.	19,000	28.00	532,000.00						
<b>TOTAL COMMUNICATIONS</b>			<b>\$ 2,322,985.00</b>	<b>7.97%</b>					
<b>TOTAL UTILITIES</b>			<b>\$ 5,442,913.38</b>	<b>18.67%</b>					
<b>FINANCIAL SERVICES</b>									
<b>BANKS</b>									
Continental Ill. Corp.	9,000	\$29.25	\$ 263,250.00						
Manufacturers Hanover	8,000	33.13	265,000.00						
Northwest Bancorp.	14,800	24.50	362,600.00						
Security Pacific Corp.	9,000	30.13	271,125.00						
<b>TOTAL BANKS</b>			<b>\$ 1,161,975.00</b>	<b>3.98%</b>					
<b>FINANCE</b>									
Beneficial Corp.	5,000	\$23.63	\$ 118,125.00						
First Charter Financial	9,000	16.88	151,875.00						
Golden West Fin'l. Corp.	1,000	17.50	17,500.00						
Household Finance	21,000	18.00	378,000.00						
<b>TOTAL FINANCE</b>			<b>\$ 665,500.00</b>	<b>2.28%</b>					
<b>INSURANCE</b>									
INA Corp.	10,500	\$35.25	\$ 370,125.00						
U.S. Fidelity & Guar.	9,620	42.88	412,457.50						
<b>TOTAL INSURANCE</b>			<b>\$ 782,582.50</b>	<b>2.68%</b>					
<b>TOTAL FINANCIAL SERVICES</b>			<b>\$ 2,610,057.50</b>	<b>8.95%</b>					
<b>CONSUMER-ORIENTED</b>									
<b>AUTOS-AUTO PARTS</b>									
Ford Motor Co.	11,000	\$24.63	\$ 270,875.00						
General Motors	15,200	46.50	706,800.00						
Goodyear Tire & Rubber	7,500	13.00	97,500.00						
<b>TOTAL AUTOS-AUTO PARTS</b>			<b>\$ 1,075,175.00</b>	<b>3.69%</b>					
<b>CONSUMER-DURABLES</b>									
Sunbeam Corp.	13,500	\$17.00	\$ 229,500.00						
<b>TOTAL CONSUMER-DURABLES</b>			<b>\$ 229,500.00</b>	<b>0.79%</b>					
<b>CONSUMER-NON-DURABLES</b>									
Avon Products, Inc.	15,400	\$35.75	\$ 550,550.00						
Colgate-Palmolive	14,500	14.00	203,000.00						
Dart Industries Inc.	6,000	42.38	254,250.00						
Eastman Kodak Co.	8,000	56.00	448,000.00						
<b>TOTAL CONSUMER-NON-DURABLES</b>			<b>\$ 1,455,800.00</b>	<b>4.99%</b>					
<b>CONSUMER-MISCELLANEOUS</b>									
McDonald's Corp.	8,500	\$48.25	\$ 410,125.00						
<b>TOTAL CONSUMER-MISCELLANEOUS</b>			<b>\$ 410,125.00</b>	<b>1.41%</b>					
<b>DRUGS</b>									
American Home Products	10,500	\$28.50	\$ 299,250.00						
Baxter Travenol Labs.	2,000	44.50	89,000.00						
Pfizer, Inc.	16,500	41.25	680,625.00						
Warner-Lambert	21,500	18.50	397,750.00						
<b>TOTAL DRUGS</b>			<b>\$ 1,466,625.00</b>	<b>5.03%</b>					
<b>FOODS-BEVERAGES</b>									
CPC International	6,500	\$68.63	\$ 446,062.50						
Consolidated Foods	20,000	24.50	490,000.00						
General Foods Corp.	6,000	30.63	183,750.00						
Pepsico, Inc.	16,800	24.13	405,300.00						
Pillsbury Company	8,000	35.50	284,000.00						
<b>TOTAL FOODS-BEVERAGES</b>			<b>\$ 1,809,112.50</b>	<b>6.20%</b>					
<b>RETAIL SALES</b>									
Federated Dept. Stores	10,000	\$29.00	\$ 290,000.00						
Penney (J.C.) Co.	14,000	25.25	353,500.00						
Sears, Roebuck & Co.	18,000	17.00	306,000.00						
<b>TOTAL RETAIL SALES</b>			<b>\$ 949,500.00</b>	<b>3.22%</b>					
<b>TOTAL CONSUMER-ORIENTED</b>			<b>\$ 7,395,837.50</b>	<b>25.36%</b>					
<b>TECHNOLOGY</b>									
<b>OFFICE EQUIPMENT</b>									
Int'l. Bus. Machines	27,500	\$58.75	\$ 1,615,625.00						
Xerox Corporation	6,000	53.75	322,500.00						
<b>TOTAL OFFICE EQUIPMENT</b>			<b>\$ 1,938,125.00</b>	<b>6.65%</b>					
<b>TOTAL TECHNOLOGY</b>			<b>\$ 1,938,125.00</b>	<b>6.65%</b>					
<b>BASIC INDUSTRY</b>									
<b>AEROSPACE</b>									
United Technologies	12,000	\$41.88	\$ 502,500.00						
<b>TOTAL AEROSPACE</b>			<b>\$ 502,500.00</b>	<b>1.72%</b>					
<b>BUILDING &amp; FOREST PRODUCTS</b>									
American Standard, Inc.	2,000	\$57.75	\$ 115,500.00						
Georgia-Pacific Corp.	12,760	27.50	350,900.00						
Masonite Corp.	4,000	26.75	107,000.00						
<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>			<b>\$ 573,400.00</b>	<b>1.97%</b>					
<b>CHEMICALS</b>									
Air Products & Chem.	3,000	\$38.75	\$ 116,250.00						
Dow Chemical	12,500	33.63	420,312.50						
Du Pont (Ei) Denemours	8,000	41.88	335,000.00						
Hercules, Inc.	7,000	18.75	131,250.00						
Monsanto Co.	5,000	52.00	260,000.00						
Union Carbide Corp.	7,000	43.63	305,375.00						
<b>TOTAL CHEMICALS</b>			<b>\$ 1,568,187.50</b>	<b>5.38%</b>					
<b>ELECTRICAL EQUIPMENT</b>									
General Electric Co.	11,000	\$51.50	\$ 566,500.00						
Gould, Inc.	7,500	22.38	167,812.50						
<b>TOTAL ELECTRICAL EQUIPMENT</b>			<b>\$ 734,312.50</b>	<b>2.52%</b>					
<b>MACHINERY</b>									
Combustion Engineering	5,000	\$60.25	\$ 301,250.00						
Trans Union Corp.	6,500	33.75	219,375.00						
<b>TOTAL MACHINERY</b>			<b>\$ 520,625.00</b>	<b>1.79%</b>					
<b>METALS</b>									
Aluminum Co. Of America	9,000	\$58.75	\$ 528,750.00						
Hanna Mining Company	5,400	30.88	166,725.00						
St. Joe Minerals Corp.	8,000	50.25	402,000.00						
<b>TOTAL METALS</b>			<b>\$ 1,097,475.00</b>	<b>3.76%</b>					
<b>PAPER</b>									
Union Camp Corporation	3,000	\$41.50	\$ 124,500.00						
<b>TOTAL PAPER</b>			<b>\$ 124,500.00</b>	<b>0.43%</b>					
<b>MISCELLANEOUS</b>									
Int'l. Tel. & Tel.	18,000	\$27.75	\$ 499,500.00						
Minnesota Mining & Mfg.	10,500	53.13	557,812.50						
<b>TOTAL MISCELLANEOUS</b>			<b>\$ 1,057,312.50</b>	<b>3.63%</b>					
<b>TOTAL BASIC INDUSTRY</b>			<b>\$ 6,178,312.50</b>	<b>21.19%</b>					

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND CONTINUED  
INCOME SHARE ACCOUNT

<u>Common Stock</u>	<u>Shares</u>	<u>Market Price 6-30-80</u>	<u>Market Value</u>	<u>Total % Market</u>
<b>ENERGY</b>				
<b>OIL-DOMESTIC</b>				
Conoco, Inc.	21,000	\$52.63	\$ 1,105,125.00	
Marathon Oil Co.	10,000	57.25	572,500.00	
Standard Oil (Indiana)	14,000	57.25	801,500.00	
Standard Oil Co. Ohio	6,000	49.88	299,250.00	
<b>TOTAL OIL-DOMESTIC</b>			<b>\$ 2,778,375.00</b>	<b>9.53%</b>
<b>OIL-INTERNATIONAL</b>				
Exxon Corporation	20,000	\$66.25	\$ 1,325,000.00	
Texaco, Inc.	13,000	36.75	477,750.00	
<b>TOTAL OIL-INTERNATIONAL</b>			<b>\$ 1,802,750.00</b>	<b>6.18%</b>
<b>ENERGY-RELATED</b>				
Dresser Industries	8,500	\$62.13	\$ 528,062.50	
Williams Companies	6,500	30.63	199,062.50	
<b>TOTAL ENERGY-RELATED</b>			<b>\$ 727,125.00</b>	<b>2.49%</b>
<b>TOTAL ENERGY</b>			<b>\$ 5,308,250.00</b>	
<b>TRANSPORTATION</b>				
<b>RAILROADS</b>				
Southern Railway	4,500	\$63.75	\$ 286,875.00	
<b>TOTAL RAILROADS</b>			<b>\$ 286,875.00</b>	<b>0.98%</b>
<b>TOTAL TRANSPORTATION</b>			<b>\$ 286,875.00</b>	<b>0.98%</b>
<b>TOTAL COMMON STOCKS</b>			<b>\$29,160,370.88*</b>	<b>100.00%</b>

\* Net original cost of equities on June 30, 1980, was \$28,005,125.00

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
GROWTH SHARE ACCOUNT  
June 30, 1980  
COMMON STOCK HOLDINGS

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market	Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>UTILITIES</b>					<b>TECHNOLOGY</b>				
<b>ELECTRIC</b>					<b>ELECTRONICS</b>				
Florida Power & Light	10,500	\$ 27.25	\$ 286,125.00		Hewlett-Packard Co.	8,500	\$ 62.38	\$ 530,187.50	
Texas Utilities Co.	16,500	18.25	301,125.00		Perkin-Elmer	2,000	47.50	95,000.00	
<b>TOTAL ELECTRIC</b>			<b>\$ 587,250.00</b>	<b>2.38%</b>	<b>TOTAL ELECTRONICS</b>			<b>\$ 625,187.50</b>	<b>2.53%</b>
<b>NATURAL GAS</b>					<b>OFFICE EQUIPMENT</b>				
Houston Natural Gas	7,500	42.63	\$ 319,687.50		Burroughs Corp.	6,300	64.25	\$ 404,775.00	
Panhandle E. Pipe Line	2,800	33.38	93,450.00		Digital Equipment Co.	7,100	66.88	474,812.50	
			<b>\$ 413,137.50</b>	<b>1.67%</b>	Honeywell, Inc.	4,500	78.38	352,687.50	
<b>COMMUNICATIONS</b>					<b>Int'l. Bus. Machines</b>				
American Tel. & Tel.	8,446	52.50	\$ 443,415.00		Xerox Corporation	18,048	58.75	1,060,320.00	
United Telecom.	21,300	17.25	367,425.00		<b>TOTAL OFFICE EQUIPMENT</b>			<b>510,625.00</b>	
<b>TOTAL COMMUNICATIONS</b>			<b>\$ 810,840.00</b>	<b>3.28%</b>	<b>TOTAL TECHNOLOGY</b>			<b>\$ 2,803,220.00</b>	<b>11.34%</b>
<b>TOTAL UTILITIES</b>			<b>\$ 1,811,227.50</b>	<b>7.33%</b>	<b>BASIC INDUSTRY</b>				
<b>FINANCIAL SERVICES</b>					<b>AEROSPACE</b>				
<b>BANKS</b>					Boeing Co.				
Bankamerica Corp.	5,500	26.13	\$ 143,687.50		Raytheon Co.	11,925	35.00	\$ 417,375.00	
First Bank System	5,500	36.50	200,750.00		<b>TOTAL AEROSPACE</b>			<b>445,500.00</b>	<b>3.49%</b>
Valley Nat'l. (Arizona)	10,000	33.63	336,250.00		<b>BUILDING &amp; FOREST PRODUCTS</b>				
<b>TOTAL BANKS</b>			<b>\$ 680,687.50</b>	<b>2.75%</b>	American Standard, Inc.	2,000	57.75	\$ 115,500.00	
<b>FINANCE</b>					Georgia-Pacific Corp.				
First Charter Financial	8,000	16.88	\$ 135,000.00		Masonite Corp.	9,638	27.50	265,045.00	
Golden West Fin'l. Corp.	1,000	17.50	17,500.00		Owens-Corning Fiber.	4,500	26.75	120,375.00	
Household Finance	7,500	18.00	135,000.00		Weyerhaeuser Co.	8,000	26.63	213,000.00	
MGIC Investment Corp.	7,000	26.25	183,750.00		<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>			<b>65,250.00</b>	
<b>TOTAL FINANCE</b>			<b>\$ 471,250.00</b>	<b>1.91%</b>	<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>			<b>\$ 779,170.00</b>	<b>3.15%</b>
<b>INSURANCE</b>					<b>CHEMICALS</b>				
INA Corp.	6,000	35.25	\$ 211,500.00		Air Products & Chemicals	12,000	38.75	\$ 465,000.00	
Safeco Corp.	5,500	37.50	208,125.00		Dow Chemical	9,000	33.63	302,625.00	
St. Paul Companies	2,000	36.25	72,500.00		DuPont (E.I.) Denemours	6,800	41.88	284,750.00	
<b>TOTAL INSURANCE</b>			<b>\$ 492,125.00</b>	<b>1.99%</b>	<b>TOTAL CHEMICALS</b>			<b>\$ 1,052,375.00</b>	<b>4.26%</b>
<b>TOTAL FINANCIAL SERVICES</b>			<b>\$ 1,644,062.50</b>	<b>6.65%</b>	<b>ELECTRICAL EQUIPMENT</b>				
<b>CONSUMER-ORIENTED</b>					Emerson Electric Co.				
<b>AUTOS-AUTO PARTS</b>					Gould, Inc.				
General Motors	4,000	46.50	\$ 186,000.00		<b>TOTAL ELECTRICAL EQUIPMENT</b>			<b>\$ 629,937.50</b>	<b>2.55%</b>
Genuine Parts Company	37,000	23.63	874,125.00		<b>MACHINERY</b>				
<b>TOTAL AUTOS-AUTO PARTS</b>			<b>\$ 1,060,125.00</b>	<b>4.29%</b>	Caterpillar Tractor	3,000	52.75	\$ 158,250.00	
<b>CONSUMER-DURABLES</b>					Trans Union Corp.				
Sunbeam Corp.	8,000	17.00	\$ 136,000.00		<b>TOTAL MACHINERY</b>			<b>\$ 118,125.00</b>	<b>1.12%</b>
<b>TOTAL CONSUMER-DURABLES</b>			<b>\$ 136,000.00</b>	<b>0.55%</b>	<b>METALS</b>				
<b>CONSUMER-NONDURABLES</b>					Aluminum Co. of America				
Avon Products, Inc.	9,500	35.75	\$ 339,625.00		Hanna Mining Company	2,000	58.75	\$ 117,500.00	
Dart Industries Inc.	7,500	42.38	317,812.50		St. Joe Minerals Corp.	7,000	30.88	216,125.00	
Eastman Kodak Co.	10,000	56.00	560,000.00		<b>TOTAL METALS</b>			<b>251,250.00</b>	<b>2.37%</b>
Procter & Gamble Co.	3,000	73.75	221,250.00		<b>PAPER</b>				
Revlon, Incorporated	10,000	44.63	446,250.00		Union Camp Corporation	2,700	41.50	\$ 112,050.00	
<b>TOTAL CONSUMER-NONDURABLES</b>			<b>\$ 1,884,937.50</b>	<b>7.63%</b>	<b>TOTAL PAPER</b>			<b>\$ 112,050.00</b>	<b>0.45%</b>
<b>CONSUMER-MISCELLANEOUS</b>					<b>MISCELLANEOUS</b>				
Disney (Walt) Products	6,774	48.00	\$ 325,152.00		Int'l. Tel. & Tel.	11,000	27.75	\$ 305,250.00	
McDonald's Corp.	14,000	48.25	675,500.00		Minnesota Mining & Mfg.	7,500	53.13	398,437.50	
Warner Communications	2,333	42.50	99,152.50		<b>TOTAL MISCELLANEOUS</b>			<b>\$ 703,687.50</b>	<b>2.85%</b>
<b>TOTAL CONSUMER-MISCELLANEOUS</b>			<b>\$ 1,099,804.50</b>	<b>4.45%</b>	<b>TOTAL BASIC INDUSTRY</b>			<b>\$ 5,001,345.00</b>	<b>20.24%</b>
<b>DRUGS</b>					<b>ENERGY</b>				
American Home Products	12,000	28.50	\$ 342,000.00		<b>OIL-DOMESTIC</b>				
Baxter Travenol Labs.	6,000	44.50	267,000.00		Atlantic Richfield Co.	8,500	93.50	\$ 794,750.00	
Johnson & Johnson	6,800	78.50	533,800.00		Conoco Inc.	5,000	52.63	263,125.00	
Medtronic, Inc.	7,000	68.00	476,000.00		Getty Oil Company	3,500	78.75	275,625.00	
National Medical Entrp.	3,000	32.50	97,500.00		Marathon Oil Co.	9,000	57.25	515,250.00	
Schering-Plough Corp.	8,000	37.63	301,000.00		<b>TOTAL OIL-DOMESTIC</b>			<b>\$ 1,848,750.00</b>	<b>7.48%</b>
<b>TOTAL DRUGS</b>			<b>\$ 2,017,300.00</b>	<b>8.16%</b>	<b>OIL-INTERNATIONAL</b>				
<b>FOODS-BEVERAGES</b>					Exxon Corporation				
General Mills, Inc.	13,500	27.50	\$ 371,250.00		Standard Oil of Calif.	13,000	66.25	\$ 861,250.00	
Pepsico, Inc.	14,500	24.13	349,812.50		<b>TOTAL OIL-INTERNATIONAL</b>			<b>420,750.00</b>	<b>5.19%</b>
Pillsbury Company	8,000	35.50	284,000.00		<b>ENERGY - RELATED</b>				
<b>TOTAL FOODS-BEVERAGES</b>			<b>\$ 1,005,062.50</b>	<b>4.07%</b>	Baker International	20,000	31.25	\$ 625,000.00	
<b>RETAIL SALES</b>					Halliburton Co.				
Dayton Hudson Corp.	4,500	44.25	\$ 199,125.00		Williams Companies	5,500	109.50	602,250.00	
K-Mart Corporation	19,000	22.63	429,875.00		<b>TOTAL ENERGY - RELATED</b>			<b>153,125.00</b>	
Penney (J.C.) Co.	8,000	25.25	202,000.00		<b>TOTAL ENERGY</b>			<b>\$ 1,380,375.00</b>	<b>5.58%</b>
Southland Corporation	6,050	20.50	124,025.00		<b>TRANSPORTATION</b>				
<b>TOTAL RETAIL SALES</b>			<b>\$ 955,025.00</b>	<b>3.86%</b>	<b>AIRLINES</b>				
<b>TOTAL CONSUMER-ORIENTED</b>			<b>\$ 8,158,254.50</b>	<b>33.00%</b>	Northwest Airlines	4,000	24.88	\$ 99,500.00	
					UAL, Inc.	4,000	16.50	66,000.00	
					<b>TOTAL AIRLINES</b>			<b>\$ 165,500.00</b>	<b>0.67%</b>
					<b>TOTAL TRANSPORTATION</b>			<b>\$ 165,500.00</b>	<b>0.67%</b>
					<b>TOTAL COMMON STOCKS</b>				
								<b>\$24,719,922.00*</b>	<b>100.00%</b>

\* Net original cost of equities on June 30, 1980 was \$23,114,571.00

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT  
June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY,  
CANADIAN GOVERNMENTAL, AND CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
<b>UNITED STATES GOVERNMENT GUARANTEED</b>					
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
Kimbrough Investments	Mtg. Backed Cert.	11-15-2007	8.000	8.450	\$ 421
Medallion Mortgage Co.	Mtg. Backed Cert.	05-15-2006	8.000	8.625	14
Mortgage Associates	Mtg. Backed Cert.	05-15-2006	8.250	8.388	421
United California Bank	Mtg. Backed Cert.	08-15-2007	8.000	8.604	206
Western Securities Co.	Mtg. Backed Cert.	07-15-2007	8.000	8.234	400
<b>TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>				<u>8.397%</u>	<u>\$ 1,464</u>
<b>UNITED STATES TREASURY BOND</b>					
U.S. Treasury Bond	Government Guar. Bond	11-15-1993	8.625	8.642	\$ 500
<b>TOTAL UNITED STATES TREASURY BOND</b>				<u>8.642%</u>	<u>\$ 500</u>
<b>UNITED STATES TREASURY NOTE</b>					
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009	\$ 500
<b>TOTAL UNITED STATES TREASURY NOTE</b>				<u>9.009%</u>	<u>\$ 500</u>
<b>TOTAL UNITED STATES GOVERNMENT GUARANTEED</b>				<u>8.571%</u>	<u>\$ 2,464</u>
<b>UNITED STATES GOVERNMENT AGENCY</b>					
<b>MISC. GOVERNMENT AGENCY</b>					
Federal Farm Credit Bank	Bond	01-22-1990	10.950	10.950	\$ 500
Federal Home Loan Bank	Bond	08-25-1981	12.300	12.300	500
Federal Home Loan Bank	Bond	11-25-1986	11.300	11.300	500
<b>TOTAL MISC. GOVERNMENT AGENCY</b>				<u>11.517%</u>	<u>\$ 1,500</u>
<b>TOTAL UNITED STATES GOVERNMENT AGENCY</b>				<u>11.517%</u>	<u>\$ 1,500</u>
<b>UNITED STATES GOVERNMENT SPONSORED</b>					
<b>FEDERAL HOME LOAN MORTGAGE CORP.</b>					
Federal Home Loan Mtg.	Mtg. Backed Cert.	03-15-2007	8.050	8.093	\$ 121
<b>TOTAL FEDERAL HOME LOAN MORTGAGE CORP.</b>				<u>8.093%</u>	<u>\$ 121</u>
<b>TOTAL UNITED STATES GOVERNMENT SPONSORED</b>				<u>8.093%</u>	<u>\$ 121</u>
<b>TOTAL UNITED STATES GOVERNMENT</b>				<u>9.638%</u>	<u>\$ 4,085</u>
<b>CANADIAN GOVERNMENTAL</b>					
<b>PROVINCIAL OBLIGATION</b>					
British Columbia Hydro	Bond	07-15-1996	9.625	9.700	\$ 600
Nova Scotia Power Corp.	Debenture	06-01-2008	9.625	9.727	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	600
Ontario, Province Of	Debenture	06-15-2005	9.125	9.271	700
Ontario, Province Of	Debenture	11-30-2008	9.375	9.736	500
Saskatch., Province Of	Debenture	04-15-2008	9.250	9.250	600
<b>TOTAL PROVINCIAL OBLIGATION</b>				<u>9.512%</u>	<u>\$ 3,500</u>
<b>CANADIAN AGENCY</b>					
Export Development	Note	07-15-1981	8.500	8.500	\$ 150
<b>TOTAL CANADIAN AGENCY</b>				<u>8.500%</u>	<u>\$ 150</u>
<b>TOTAL CANADIAN GOVERNMENTAL</b>				<u>9.470%</u>	<u>\$ 3,650</u>
<b>CORPORATE OBLIGATION</b>					
<b>PUBLIC UTILITIES</b>					
<b>ELECTRIC</b>					
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	\$ 500
Houston Lighting & Power	First Mtg. Bond	10-01-2006	8.375	8.420	250
Iowa-Illinois Gas & Elec.	First Mtg. Bond	01-15-2007	8.250	8.316	250
Minnesota Power & Light	First Mtg. Bond	08-01-2005	10.500	10.500	150
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	400
Ohio Edison Company	First Mtg. Bond	04-15-2010	15.500	15.500	500
Pacific Gas & Electric	First & Ref. Mtg. Bond	12-01-2005	7.750	7.999	250
Public Service Indiana	First Mtg. Bond	01-01-2007	7.625	7.853	250
Public Service Elec. Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.432	500
Texas Power & Light Co.	First Mtg. Bond	02-01-2007	8.250	8.261	250
<b>TOTAL ELECTRIC</b>				<u>9.770%</u>	<u>\$ 3,300</u>

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY  
CANADIAN GOVERNMENTAL, AND CORPORATE BOND HOLDINGS

CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)(
TELEPHONE					
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.524	\$ 250
TOTAL TELEPHONE				8.524%	\$ 250
TOTAL PUBLIC UTILITIES				9.682%	\$ 3,550
FINANCE OBLIGATION					
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	\$ 541
Montgomery Ward Credit	Debenture	06-30-2002	8.250	8.346	400
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.544	400
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	500
TOTAL FINANCE OBLIGATION				9.481%	\$ 1,841
INDUSTRIAL OBLIGATION					
Amax	S/F Debenture	03-01-2001	8.625	8.699	\$ 150
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	150
Burlington Northern	Mtg. Backer Cert.	06-15-1998	9.250	9.250	300
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	150
Ford Leasing Development	Guaranteed Note	03-15-2004	9.500	9.500	500
Ford Motor Co.	Debenture	07-15-1994	9.250	9.283	150
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	248
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	8.152	250
Ralston Purina	Note	12-31-1982	8.000	8.000	139
Standard Oil Of Calif.	First Pref. Ship Mtg. Bond	07-02-1999	8.500	8.500	150
Standard Oil (Indiana)	S/F Debenture	07-15-2004	9.200	9.059	150
Union Oil Of Calif.	S/F Debenture	03-01-2006	8.625	8.615	250
TOTAL INDUSTRIAL OBLIGATION				8.961%	\$ 2,587
RAIL EQUIP. OBLIGATION					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 150
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	79
Burlington Industries, Inc.	Conditional Sale Agreement	09-01-1993	8.750	8.750	562
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	250
Louisville & Nashville	Conditional Sale Agreement	10-20-1991	9.000	9.000	143
Louisville & Nashville	Conditional Sale Agreement	04-20-1992	8.375	8.375	95
Missouri Pacific R.R.	Conditional Sale Agreement	06-01-1994	9.750	9.750	466
Seaboard Coast Line R.R.	Conditional Sale Agreement	04-01-1992	9.000	9.000	246
Seaboard Coast Line R.R.	Conditional Sale Agreement	10-01-1992	8.250	8.250	386
TOTAL RAIL EQUIP. OBLIGATION				8.869%	\$ 2,379
TOTAL CORPORATE OBLIGATION				9.279%	\$ 10,359
TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENTAL AND CORPORATE OBLIGATIONS				9.399%	\$ 18,095

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

MINNESOTA VARIABLE ANNUITY FUND  
June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN,  
AND CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
<b>UNITED STATES GOVERNMENT GUARANTEED</b>					
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
Spring Co.	Mtg. Backed Cert.	07-15-2004	8.250	8.378	\$ 130
Tower Mortgage	Mtg. Backed Cert.	02-15-2008	8.000	8.696	821
Transamerica Mortgage	Mtg. Backed Cert.	07-15-2007	8.000	8.604	824
				<u>8.630%</u>	<u>\$ 1,777</u>
<b>TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>					
				<u>8.630</u>	<u>\$ 1,777</u>
				<u>8.630%</u>	<u>\$ 1,777</u>
<b>TOTAL UNITED STATES GOVERNMENT GUARANTEED</b>					
<b>TOTAL UNITED STATES GOVERNMENT</b>					
<b>CANADIAN GOVERNMENTAL</b>					
<b>PROVINCIAL OBLIGATION</b>					
British Columbia Hydro	Bond	07-15-1996	9.625	9.625	\$ 500
Manitoba Hydro Elec. Bd.	Debenture	10-15-1997	7.650	7.650	400
N. Brunswick Elec. Pwr.	S/F Debenture	04-01-1998	7.875	7.875	372
Nova Scotia Power. Corp.	S/F Debenture	07-15-1998	8.125	8.150	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	500
				<u>8.639%</u>	<u>\$ 2,272</u>
<b>TOTAL PROVINCIAL OBLIGATION</b>					
<b>CANADIAN AGENCY</b>					
Export Development	Note	07-15-1981	8.500	8.500	\$ 500
				<u>8.500%</u>	<u>\$ 500</u>
				<u>8.614%</u>	<u>\$ 2,772</u>
<b>TOTAL CANADIAN AGENCY</b>					
<b>TOTAL CANADIAN GOVERNMENTAL</b>					
<b>CORPORATE OBLIGATION</b>					
<b>PUBLIC UTILITIES</b>					
<b>ELECTRIC</b>					
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	\$ 500
Montana Power Company	First Mtg. Bond	12-01-1981	8.750	8.750	500
Public Serv. Elec. Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.225	500
United Illuminating Co.	Debenture	11-15-1997	8.500	8.500	500
				<u>8.411%</u>	<u>\$ 2,000</u>
<b>TOTAL ELECTRIC</b>					
<b>GAS</b>					
Minnesota Gas Company	Debenture	11-15-1981	9.250	9.250	\$ 500
				<u>9.250%</u>	<u>\$ 500</u>
<b>TOTAL GAS</b>					
<b>TELEPHONE</b>					
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.240	\$ 500
				<u>8.240%</u>	<u>\$ 500</u>
				<u>8.522%</u>	<u>\$ 3,000</u>
<b>TOTAL TELEPHONE</b>					
<b>TOTAL PUBLIC UTILITIES</b>					
<b>FINANCE OBLIGATION</b>					
First Bank System	Note	06-30-1983	8.750	8.829	\$ 500
Honeywell Finance Inc.	S/F Debenture	12-15-1998	8.200	8.200	500
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.390	550
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	500
				<u>8.295%</u>	<u>\$ 2,050</u>
<b>TOTAL FINANCE OBLIGATION</b>					
<b>INDUSTRIAL OBLIGATION</b>					
Crown Zellbach, (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	\$ 424
Firestone Tire & Rubber	Debenture	12-01-2004	9.250	9.426	500
Macmillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	470
Phelps Dodge Corp.	Note	06-01-1985	8.500	8.618	250
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	09-07-1997	7.700	7.700	188
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	09-08-1997	7.700	7.700	141
Standard Oil of Calif.	First Pref. Ship Mtg. Bond	11-06-1997	7.700	7.700	141
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	500
				<u>8.691%</u>	<u>\$ 2,615</u>
<b>TOTAL INDUSTRIAL OBLIGATION</b>					
<b>RAIL EQUIP. OBLIGATION</b>					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 500
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	321
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	480
Del & Hudson (Guar Ge)	Conditional Sale Agree.	09-01-1985	10.500	10.500	82
				<u>8.727%</u>	<u>\$ 1,383</u>
				<u>8.551%</u>	<u>\$ 9,048</u>
<b>TOTAL RAIL EQUIP. OBLIGATION</b>					
<b>TOTAL CORPORATE OBLIGATION</b>					
				<u>8.574%</u>	<u>\$ 13,597</u>
<b>TOTAL UNITED STATES GOVERNMENT-GUARANTEED</b>					
<b>CANADIAN GOVERNMENTAL AND CORPORATE OBLIGATIONS</b>					

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

MINNESOTA VARIABLE ANNUITY FUND  
June 30, 1980

COMMON STOCK HOLDINGS

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market	Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>UTILITIES</b>					<b>FOODS-BEVERAGES</b>				
<b>ELECTRIC</b>					<b>Coca-Cola Co.</b>				
Florida Power & Light	15,000	\$ 27.25	\$ 408,750.00		19,000	\$ 33.00	\$ 627,000.00		
Texas Utilities Co.	25,000	18.25	456,250.00		General Mills, Inc.	13,000	27.50	357,500.00	
<b>TOTAL ELECTRIC</b>			<b>\$ 865,000.00</b>	<b>1.85%</b>	Norton Simon, Inc.	32,164	13.88	446,275.50	
<b>NATURAL GAS</b>					<b>Pepsico, Inc.</b>				
Houston Natural Gas	13,000	42.63	\$ 554,125.00		17,000	24.13	410,125.00		
Pannhandle E. Pipe Line	5,600	33.38	186,900.00		<b>TOTAL FOODS-BEVERAGES</b>		<b>\$ 1,840,900.50</b>	<b>3.95%</b>	
<b>TOTAL NATURAL GAS</b>			<b>\$ 741,025.00</b>	<b>1.59%</b>	<b>MEDIA</b>				
<b>COMMUNICATIONS</b>					<b>Donneiley (R.R.) &amp; Sons</b>				
American Tel. & Tel.	21,742	52.50	\$ 1,141,455.00		4,000	29.50	\$ 118,000.00		
General Tel. & Elec.	15,500	28.00	434,000.00		Dun & Bradstreet Corp.	3,000	46.88	140,625.00	
<b>TOTAL COMMUNICATIONS</b>			<b>\$ 1,575,455.00</b>	<b>3.38%</b>	<b>TOTAL MEDIA</b>		<b>\$ 258,625.00</b>	<b>0.55%</b>	
<b>TOTAL UTILITIES</b>			<b>\$ 3,181,480.00</b>	<b>6.82%</b>	<b>RETAIL SALES</b>				
<b>FINANCIAL SERVICES</b>					<b>Dayton Hudson Corp.</b>				
<b>BANKS</b>					<b>Federated Dept. Stores</b>				
Citicorp.	7,000	22.13	\$ 154,875.00		9,500	44.25	\$ 420,375.00		
First Bank System	9,000	36.50	328,500.00		K-Mart Corporation	31,000	22.63	701,375.00	
First Int'l. Bancshares	10,250	44.25	453,562.50		Sears, Roebuck & Co.	14,000	17.00	238,000.00	
Northwest Bancorp.	12,000	24.50	294,000.00		Southland Corporation	11,891	20.50	243,765.50	
<b>TOTAL BANKS</b>			<b>\$ 1,230,937.50</b>	<b>2.64%</b>	<b>TOTAL RETAIL SALES</b>		<b>\$ 1,835,515.50</b>	<b>3.93%</b>	
<b>FINANCE</b>					<b>TOTAL CONSUMER-ORIENTED</b>				
First Charter Financial	15,000	16.88	\$ 253,125.00		<b>TECHNOLOGY</b>				
Golden West Fin'l. Corp.	3,000	17.50	52,500.00		<b>ELECTRONICS</b>				
Household Finance	24,000	18.00	432,000.00		<b>Hewlett-Packard Co.</b>				
MGIC Investment Corp.	7,000	26.25	183,750.00		16,000	62.38	\$ 998,000.00		
<b>TOTAL FINANCE</b>			<b>\$ 921,375.00</b>	<b>1.97%</b>	Perkin-Elmer	3,000	47.50	142,500.00	
<b>INSURANCE</b>					<b>TOTAL ELECTRONICS</b>				
INA Corp.	7,500	35.25	\$ 264,375.00		<b>OFFICE EQUIPMENT</b>				
Jefferson-Pilot Corp.	15,000	28.75	431,250.00		<b>Burroughs Corp.</b>				
St. Paul Companies	5,500	36.25	199,375.00		14,500	64.25	\$ 931,625.00		
<b>TOTAL INSURANCE</b>			<b>\$ 895,000.00</b>	<b>1.92%</b>	Digital Equip. Corp.	20,000	66.88	1,337,500.00	
<b>TOTAL FINANCIAL SERVICES</b>			<b>\$ 3,047,312.50</b>	<b>6.53%</b>	Int'l. Bus. Machines	35,772	58.75	2,101,605.00	
<b>CONSUMER-ORIENTED</b>					<b>Xerox Corporation</b>				
<b>AUTOS-AUTO PARTS</b>					<b>TOTAL OFFICE EQUIPMENT</b>				
Ford Motor Co.	5,125	24.63	\$ 126,203.13		<b>TOTAL TECHNOLOGY</b>				
General Motors	9,700	46.50	451,050.00		<b>BASIC INDUSTRY</b>				
Genuine Parts Company	45,500	23.63	1,074,937.50		<b>AEROSPACE</b>				
<b>TOTAL AUTOS-AUTO PARTS</b>			<b>\$ 1,652,190.63</b>	<b>3.54%</b>	<b>Boeing Co.</b>				
<b>CONSUMER-DURABLES</b>					<b>22,875</b>				
Whirlpool Corporation	19,500	19.38	\$ 377,812.50		<b>35.00</b>				
<b>TOTAL CONSUMER-DURABLES</b>			<b>\$ 377,812.50</b>	<b>0.81%</b>	<b>831,600.00</b>				
<b>CONSUMER-NONDURABLES</b>					<b>TOTAL AEROSPACE</b>				
Avon Products, Inc.	20,000	35.75	\$ 715,000.00		<b>Raytheon Co.</b>				
Dart Industries Inc.	11,000	42.38	466,125.00		<b>11,200</b>				
Eastman Kodak Co.	19,000	56.00	1,064,000.00		<b>74.25</b>				
Procter & Gamble Co.	5,500	73.75	405,625.00		<b>\$ 1,632,225.00</b>				
Revlon, Incorporated	19,000	44.63	847,875.00		<b>3.50%</b>				
<b>TOTAL CONSUMER-NONDURABLES</b>			<b>\$ 3,498,625.00</b>	<b>7.50%</b>	<b>BUILDING &amp; FOREST PRODUCTS</b>				
<b>CONSUMER-MISCELLANEOUS</b>					<b>American Standard, Inc.</b>				
Disney (Walt) Prod.	11,120	48.00	\$ 533,760.00		2,000	57.75	\$ 115,500.00		
McDonald's Corp.	23,100	48.25	1,114,575.00		Georgia-Pacific Corp.	11,419	27.50	314,022.50	
Warner Communications	6,300	42.50	267,750.00		Masonite Corp.	7,000	26.75	187,250.00	
<b>TOTAL CONSUMER-MISCELLANEOUS</b>			<b>\$ 1,916,085.00</b>	<b>4.11%</b>	Owens-Corning Fiber.	8,000	26.63	213,000.00	
<b>DRUGS</b>					<b>Weyerhaeuser Co.</b>				
Baxter Travenol Labs.	9,400	44.50	\$ 418,300.00		14,000	32.63	456,750.00		
Johnson & Johnson	9,000	78.50	706,500.00		<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>		<b>\$ 1,286,522.50</b>	<b>2.76%</b>	
Medtronic, Inc.	9,000	68.00	612,000.00		<b>CHEMICALS</b>				
Merck & Company	7,800	70.75	551,850.00		<b>Air Products &amp; Chem.</b>				
National Medical Entrp.	5,000	32.50	162,500.00		19,201	38.75	\$ 744,038.75		
Pfizer, Inc.	15,000	41.25	618,750.00		Dow Chemical	17,000	33.63	571,625.00	
Schering-Plough Corp.	7,000	37.63	263,375.00		DuPont (E.I.) Denemours	12,000	41.88	502,500.00	
Warner Lambert	16,000	18.50	296,000.00		<b>TOTAL CHEMICALS</b>		<b>\$ 1,818,163.75</b>	<b>3.90%</b>	
<b>TOTAL DRUGS</b>			<b>\$ 3,629,275.00</b>	<b>7.78%</b>	<b>ELECTRICAL EQUIPMENT</b>				
					<b>Emerson Electric Co.</b>				
					<b>14,000</b>				
					<b>36.50</b>				
					<b>General Electric Co.</b>				
					<b>14,500</b>				
					<b>51.50</b>				
					<b>Gould, Inc.</b>				
					<b>9,500</b>				
					<b>22.38</b>				
					<b>TOTAL ELECTRICAL EQUIPMENT</b>				
					<b>\$ 1,470,312.50</b>				
					<b>3.15%</b>				
					<b>MACHINERY</b>				
					<b>Caterpillar Tractor</b>				
					<b>6,000</b>				
					<b>52.75</b>				
					<b>Combusition Engineering</b>				
					<b>8,000</b>				
					<b>60.25</b>				
					<b>Trans Union Corp.</b>				
					<b>8,000</b>				
					<b>33.75</b>				
					<b>TOTAL MACHINERY</b>				
					<b>\$ 1,068,500.00</b>				
					<b>2.29%</b>				
					<b>METALS</b>				
					<b>Aluminum Co. of America</b>				
					<b>6,500</b>				
					<b>58.75</b>				
					<b>Hanna Mining Company</b>				
					<b>11,500</b>				
					<b>30.88</b>				
					<b>St. Joe Minerals Corp.</b>				
					<b>7,000</b>				
					<b>50.25</b>				
					<b>TOTAL METALS</b>				
					<b>\$ 1,088,687.50</b>				
					<b>2.33%</b>				
					<b>PAPER</b>				
					<b>Union Camp Corporation</b>				
					<b>6,500</b>				
					<b>41.50</b>				
					<b>\$ 269,750.00</b>				
					<b>TOTAL PAPER</b>				
					<b>\$ 269,750.00</b>				
					<b>0.58%</b>				

MINNESOTA VARIABLE ANNUITY FUND

COMMON STOCK HOLDINGS

CONTINUED

Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market	Common Stock	Total Shares	Market Price 6-30-80	Total Market Value	Total % Market
<b>MISCELLANEOUS</b>					<b>ENERGY - RELATED</b>				
Corning Glass Works	3,200	\$ 52.13	\$ 166,800.00		Baker International	38,000	\$ 31.25	\$ 1,187,500.00	
Int'l. Tel. & Tel.	13,000	27.75	360,750.00		Halliburton Co.	11,500	109.50	1,259,250.00	
Minnesota Mining & Mfg.	14,000	53.13	743,750.00		Williams Companies	12,500	30.63	382,812.50	
TOTAL MISCELLANEOUS			\$ 1,271,300.00	2.72%	TOTAL ENERGY - RELATED			\$ 2,829,562.50	6.06%
TOTAL BASIC INDUSTRY			\$ 9,905,461.25	21.23%	TOTAL ENERGY			\$ 8,880,937.50	19.03%
<b>ENERGY</b>					<b>TRANSPORTATION</b>				
<b>OIL-DOMESTIC</b>					<b>AIRLINES</b>				
Atlantic Richfield Co.	12,000	93.50	\$ 1,122,000.00		Northwest Airlines	6,600	24.88	\$ 164,175.00	
Conoco Inc.	15,000	52.63	789,375.00		UAL, Inc.	6,000	16.50	99,000.00	
Getty Oil Company	6,500	78.75	511,875.00		TOTAL AIRLINES			\$ 263,175.00	0.56%
Marathon Oil Co.	10,000	57.25	572,500.00		TOTAL TRANSPORTATION			\$ 263,175.00	0.56
Standard Oil (Indiana)	10,000	57.25	572,500.00		TOTAL COMMON STOCKS			\$46,658,625.38*	100.00%
TOTAL OIL-DOMESTIC			\$ 3,568,250.00	7.65%					
<b>OIL-INTERNATIONAL</b>					* Net original cost of equities on June 30, 1980 was \$43,566,626.00				
Exxon Corporation	23,500	66.25	\$ 1,556,875.00						
Mobil Corp.	13,000	71.25	926,250.00						
TOTAL OIL-INTERNATIONAL			\$ 2,483,125.00	5.32%					

## MINNESOTA POST RETIREMENT INVESTMENT FUND

June 30, 1980

UNITED STATES GOVERNMENT-GUARANTEED, AGENCY  
CANADIAN GOVERNMENTAL, AND  
CORPORATE BOND HOLDINGS

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (\$000) (b)
UNITED STATE GOVERNMENT GUARANTEED					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION					
Advance Mortgage Corp.	Mtg. Backed Cert.	02-15-2006	8.500%	8.666%	\$ 1,354
Allstate Enterprises M.	Mtg. Backed Cert.	05-15-2006	8.000	9.437	211
American Mortgage Co.	Mtg. Backed Cert.	07-15-2006	8.000	8.173	772
Atlantic Mortgage Corp.	Mtg. Backed Cert.	09-15-2004	8.500	9.695	757
Baker Mortgage Co.	Mtg. Backed Cert.	08-15-2006	8.000	8.173	847
Banco Mortgage Co.	Mtg. Backed Cert.	05-15-2006	8.250	8.491	2,698
Barnes, James T.	Mtg. Backed Cert.	05-15-2004	8.000	9.684	678
Bowest Corp.	Mtg. Backed Cert.	08-15-2006	8.000	8.758	1,362
Calif. Federal Mortgage	Mtg. Backed Cert.	04-15-2006	8.250	8.491	1,433
Calif. Federal Mortgage	Mtg. Backed Cert.	10-15-2006	8.000	8.162	328
Cameron-Brown South	Mtg. Backed Cert.	05-15-2006	8.250	8.511	749
Citizens Mortgage	Mtg. Backed Cert.	03-15-2006	8.250	8.501	1,318
Colonial Mtg. Alabama	Mtg. Backed Cert.	09-15-2004	9.000	10.138	573
Colonial Mtg. Alabama	Mtg. Backed Cert.	10-15-2006	8.000	8.162	1,478
Colwell Co.	Mtg. Backed Cert.	11-15-2006	8.000	8.173	715
Colwell Co.	Mtg. Backed Cert.	01-15-2008	8.000	8.696	840
Commerce Mortgage	Mtg. Backed Cert.	10-15-2004	8.250	8.522	503
Curry, Charles F. Co.	Mtg. Backed Cert.	07-15-2006	8.000	8.173	726
Dovermuehle, Inc.	Mtg. Backed Cert.	10-15-2004	8.500	9.437	85
FBS Homes, Inc.	Mtg. Backed Cert.	04-15-2008	8.000	8.882	1,924
First Continental Mtg.	Mtg. Backed Cert.	07-15-2007	8.000	8.162	911
First Financial S&L	Mtg. Backed Cert.	07-15-2007	8.000	8.131	812
First Mtg. Co. of Texas	Mtg. Backed Cert.	08-15-2006	8.000	8.799	846
First Mortgage Corp.	Mtg. Backed Cert.	11-15-2004	9.000	10.148	610
Fort Wayne Mortgage	Mtg. Backed Cert.	04-15-2004	8.000	9.684	1,140
Foundation Mortgage	Mtg. Backed Cert.	09-15-2006	8.000	8.173	656
Galbreath Mortgage	Mtg. Backed Cert.	09-15-2004	8.500	9.437	42
Glenn Justice	Mtg. Backed Cert.	10-15-2004	9.000	10.138	591
Graham Mortgage Corp.	Mtg. Backed Cert.	02-15-2008	8.000	8.696	947
Guild Mortgage Co.	Mtg. Backed Cert.	10-15-2004	9.000	9.798	1,932
Homestead Savings	Mtg. Backed Cert.	01-15-2007	8.000	8.173	594
Home Mortgage, Inc.	Mtg. Backed Cert.	02-15-2007	8.000	8.131	709
Inland Mortgage Co.	Mtg. Backed Cert.	07-15-2007	8.000	8.162	947
International Mortgage	Mtg. Backed Cert.	02-15-2006	8.500	8.645	427
Kimbrough Investments	Mtg. Backed Cert.	07-15-2007	8.000	8.131	899
Kislak (J.I.) Mtg. Ser.	Mtg. Backed Cert.	10-15-2007	8.000	8.357	886
Kissell Company	Mtg. Backed Cert.	10-15-2004	9.000	9.695	1,524
Knutson Mtg. & Financial	Mtg. Backed Cert.	08-15-2009	9.500	10.035	2,984
Lomas & Nettlet	Mtg. Backed Cert.	10-15-2006	8.000	9.427	385
Lumbermans Investment	Mtg. Backed Cert.	05-15-2006	8.000	8.173	779
Mason-McDuffie Inve.	Mtg. Backed Cert.	07-15-2007	8.000	8.131	848
Mercantile Corp.	Mtg. Backed Cert.	08-15-2007	8.000	8.162	847
Mid-South Mortgage	Mtg. Backed Cert.	01-15-2008	8.000	8.748	929
Mortgage Associates	Mtg. Backed Cert.	07-15-2005	8.000	8.173	815
Mortgage Associates	Mtg. Backed Cert.	01-15-2008	8.000	8.696	868
Mortgage Associates	Mtg. Backed Cert.	04-15-2008	8.000	8.655	897
Mortgage Investment Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.162	791
NCNB Mortgage South	Mtg. Backed Cert.	10-15-2006	8.000	8.717	928
Nat'l. Homes Acceptance	Mtg. Backed Cert.	07-15-2006	8.000	8.799	125
Nat'l. Homes Acceptance	Mtg. Backed Cert.	07-15-2006	8.000	8.799	62
Northland Mortgage Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.260	1,395
Northland Mortgage Co.	Mtg. Backed Cert.	09-15-2009	9.500	10.055	4,007
Oklahoma Mortgage Co.	Mtg. Backed Cert.	12-15-2007	8.000	8.696	915
Pfefferkorn Co.	Mtg. Backed Cert.	08-15-2006	8.000	8.173	869
Progress Mortgage Co.	Mtg. Backed Cert.	06-15-2006	8.000	8.173	589
Rainier Mortgage	Mtg. Backed Cert.	07-15-2007	8.000	8.131	798
Regional Investment Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.162	722
Reliance Funding Corp.	Mtg. Backed Cert.	07-15-2007	8.000	8.162	663
Rouse, James W. & Co.	Mtg. Backed Cert.	01-15-2006	8.500	9.406	262
Rubiola, Jacob	Mtg. Backed Cert.	01-15-2007	8.000	8.162	773
Seattle Mortgage Co.	Mtg. Backed Cert.	10-15-2006	8.000	8.162	343
Security Pacific Mtg.	Mtg. Backed Cert.	01-15-2006	8.500	8.645	623
Security Pacific Mtg.	Mtg. Backed Cert.	12-15-2007	8.000	8.882	896
Security Pacific Nat'l.	Mtg. Backed Cert.	05-15-2008	8.000	9.303	4,744
Southeast Mortgage Co.	Mtg. Backed Cert.	01-15-2008	8.000	8.696	928
Spring Co.	Mtg. Backed Cert.	08-15-2007	8.000	8.131	895
Stockton, Whatley	Mtg. Backed Cert.	02-15-2008	8.000	8.696	1,849
Suburban Coastal Co.	Mtg. Backed Cert.	02-15-2006	8.500	8.645	557
Suburban Coastal Co.	Mtg. Backed Cert.	01-15-2008	8.000	8.882	986
Timber Investment Co.	Mtg. Backed Cert.	09-15-2006	8.000	8.260	604
Tower Mortgage	Mtg. Backed Cert.	04-15-2008	8.000	8.748	925
Trans Mortgage Co.	Mtg. Backed Cert.	09-15-2007	8.000	9.386	238
United First Mortgage	Mtg. Backed Cert.	08-15-2007	8.000	8.357	786
United Mortgage Corp.	Mtg. Backed Cert.	07-15-2009	9.500	10.076	4,934
United Mortgage Corp.	Mtg. Backed Cert.	07-15-2009	9.500	9.973	3,005
United Mortgage Corp.	Mtg. Backed Cert.	10-15-2009	9.500	10.891	3,011
Valley Mortgage Co.	Mtg. Backed Cert.	07-15-2006	8.000	8.260	607
Valley Mortgage Co.	Mtg. Backed Cert.	08-15-2006	8.000	8.260	752
Valley Mortgage Co.	Mtg. Backed Cert.	07-15-2007	8.000	8.162	877
Van Schaack & Company	Mtg. Backed Cert.	03-15-2008	8.000	8.871	924

MINNESOTA POST RETIREMENT INVESTMENT FUND CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000) (b)
Western Pacific Fin.	Mtg. Backed Cert.	09-15-2006	8.000%	8.162%	1,362
Western Pacific Fin.	Mtg. Backed Cert.	12-15-2006	8.000	8.162	1,572
Western Savings Assoc.	Mtg. Backed Cert.	02-15-2008	8.000	8.696	906
Weyerhaeuser Mortgage	Mtg. Backed Cert.	10-15-2008	9.000	9.149	4,738
Zenith Mortgage Co.	Mtg. Backed Cert.	07-15-2007	8.000	8.162	657
TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION				8.970%	\$ 94,035
GOVERNMENT GUARANTEED MERCH MARINE					
American Pres Lines	Gov't. Guar Bond	11-01-1991	4.800%	5.565%	\$ 1,147
Farrell Lines, Inc.	Gov't. Guar Bond	06-29-1997	3.350	8.900	250
Harbor Tug & Barge	Gov't. Guar Bond	03-15-2001	3.150	8.447	200
Lachmar (Hull 54)	Gov't. Guar Bond	12-31-1989	14.000	14.000	3,000
States Steamship Co.	Gov't. Guar Bond	03-31-1993	5.100	5.100	2,230
TOTAL GOVERNMENT GUARANTEED MERCH MARINE				9.326%	\$ 6,827
UNITED STATES TREASURY BOND					
U.S. Treasury Bond	Bond	06-15-1983	3.250%	7.755%	\$ 75
TOTAL UNITED STATES TREASURY BOND				7.755%	\$ 75
UNITED STATES TREASURY NOTE					
U.S. Treasury Notes	Note	02-15-1983	8.000%	8.461%	\$ 150
U.S. Treasury Notes	Note	05-15-1983	7.875	8.508	400
U.S. Treasury Notes	Note	11-15-1989	10.750	9.893	2,000
TOTAL UNITED STATES TREASURY NOTE				9.592%	\$ 2,550
TOTAL UNITED STATES GOVERNMENT GUARANTEED				9.007	\$103,487
UNITED STATES GOVERNMENT AGENCY					
Federal National Mortgage Association	Debenture	06-10-1988	10.500%	10.500%	\$ 4,000
TOTAL UNITED STATES GOVERNMENT AGENCY				10.500%	4,000
UNITED STATES GOVERNMENT AGENCY MISCELLANEOUS GOVERNMENT AGENCY					
Federal Farm Credit Bank	Bond	10-20-1986	10.750%	10.750%	\$ 5,000
Federal Farm Credit Bank	Bond	04-22-1985	13.250	13.250	6,500
Federal Home Loan Bank	Bond	05-25-1984	11.000	11.000	5,000
Federal National Mortgage Association	Debenture	10-11-1982	8.600	8.600	3,000
Federal National Mortgage Association	Debenture	03-10-1987	7.750	8.987	250
Federal Land Bank	Bond	07-20-1981	9.100	9.441	200
TOTAL MISCELLANEOUS GOVERNMENT AGENCY				11.269%	19,950
TOTAL UNITED STATES GOVERNMENT AGENCY				11.269%	\$ 19,950
UNITED STATES GOVERNMENT SPONSORED					
FEDERAL HOME LOAN MORTGAGE CORPORATION					
Federal Home Loan Mortgage	Mtg. Backed Cert.	03-01-2010	14.750%	14.991%	9,970
Federal Home Loan Mortgage	Mtg. Backed Cert.	01-01-2010	12.500	12.918	3,967
TOTAL FEDERAL HOME LOAN MORTGAGE CORPORATION				14.401%	\$ 13,937
TOTAL UNITED STATES GOVERNMENT SPONSORED				14.401%	\$ 13,937
TOTAL UNITED STATES GOVERNMENT				9.901%	141,375
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATION					
Alberta Gov't. Tel. Com.	Debenture	06-15-1994	8.000%	8.171%	\$ 3,000
British Columbia Hydro	Bond	07-15-1996	9.625	9.625	5,150
Manitoba Hydro Elec. Bd	Debenture	10-15-1997	7.650	7.650	4,940
Manitoba, Province of	Debenture	04-01-1994	7.875	7.900	1,020
Nova Scotia Power Comm.	S/F Debenture	03-15-1997	7.750	7.800	3,500
Nova Scotia Power Corp.	Debenture	06-01-2008	9.625	9.727	6,400
Ontario Hydro	Note	03-15-1996	9.500	9.500	6,000
Ontario, Province Of	Debenture	06-01-2008	9.375	9.375	7,000
Ontario, Province Of	Debenture	11-30-2008	9.375	9.475	6,920
Quebec Hydro Elec. Comm.	Debenture	12-01-1981	4.250	9.250	45
Saskatch, Province Of	Debenture	04-15-2008	9.250	9.250	7,000
TOTAL PROVINCIAL OBLIGATION				9.080%	\$ 50,975
CANADIAN AGENCY					
Export Development	Note	07-15-1981	8.500%	8.500%	\$ 5,000
TOTAL CANADIAN AGENCY				8.500%	\$ 5,000
TOTAL CANADIAN GOVERNMENTAL				9.028%	\$ 55,975

MINNESOTA POST RETIREMENT INVESTMENT FUND CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (\$00) (b)
<b>CORPORATE UTILITIES</b>					
<b>PUBLIC UTILITIES</b>					
<b>ELECTRIC</b>					
Arizona Public Serv.	First Mtg. Bond	02-15-1982	9.500%	9.080%	\$ 100
Central Power & Light	First Mtg. Bond	06-01-2004	9.375	9.811	5,000
Citizens Utilities	First Mtg. Coll Trust	12-31-1991	4.800	4.800	1,000
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	6,000
Dayton Power & Light	First Mtg. Bond	02-01-1982	3.250	8.799	25
Duke Power Co.	First & Ref. Mtg. Bond	05-01-1086	3.625	9.052	50
Long Island Lighting	First Mtg. Bond	04-01-1993	4.400	4.400	1,000
Minnesota Power & L.	First Mtg. Bond	08-01-2005	10.500	10.500	5,000
Minnesota Power & L.	First Mtg. Bond	09-01-2006	8.700	8.700	5,000
National Rural Utility	Collateral Trust Bond	02-01-1985	8.950	9.152	150
Northern States Power	First Mtg. Bond	06-01-1982	3.250	7.271	50
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	2,500
Pacific Gas & Electric	First & Ref. Mtg. Bond	06-01-1984	3.125	9.098	50
Philadelphia Electric	First & Ref. Mtg. Bond	01-01-1982	3.250	8.927	45
Philadelphia Electric	First & Ref. Mtg. Bond	10-15-1980	11.000	11.000	1,000
Public Serv. Indiana	First Mtg. Bond	01-01-2007	7.625	7.710	5,000
Public Serv. Elec. Gas	First & Ref. Mtg. Bond	09-01-1994	4.625	6.004	2,415
Public Serv. Elec. Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.422	7,000
Southern Calif. Edison	First & Ref. Mtg. Bond	09-01-1983	4.625	8.649	100
United Illuminating Co.	Debenture	11-15-1997	8.500	8.500	4,900
Virginia Elec. & Power	First & Ref. Mtg. Bond	12-01-1981	3.375	8.431	25
Virginia Elec. & Power	First & Ref. Mtg. Bond	12-01-1987	4.500	8.964	60
<b>TOTAL ELECTRIC</b>				<b>8.747%</b>	<b>\$ 46,470</b>
<b>GAS</b>					
Brooklyn Union Gas	First Mtg. Bond	04-01-1990	4.625%	4.560%	\$ 1,175
Columbia Gas System	Debenture	04-01-1981	3.875	7.179	35
Columbia Gas System	Debenture	10-01-1981	4.750	8.320	32
Columbia Gas System	Debenture	11-01-1983	4.875	8.098	43
Mountain Fuel Supply	Debenture	09-01-1986	4.875	4.800	1,228
Santa Fe Pipeline	Debenture	12-01-1980	8.750	8.627	78
Texas Eastern Trans	First Mtg. Bond	07-01-1985	10.000	9.021	150
Washington Gas Light	First Mtg. Bond	03-01-1991	5.200	6.400	1,000
<b>TOTAL GAS</b>				<b>5.492%</b>	<b>\$ 3,741</b>
<b>TELEPHONE</b>					
American Tel. & Tel.	Note	02-01-1982	7.750%	8.697%	\$ 100
Bell Tele. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	5,000
General Tel. Co. (Fla)	First Mtg. Bond	05-01-1993	4.500	6.400	1,000
General Tel. Co. Midw	First Mtg. Bond	05-01-1999	7.750	7.750	2,500
N.Y. Telephone Co.	Refunding Mtg. Bond	07-15-2008	8.000	8.494	5,000
Pacific Tele. & Tele.	Debenture	11-01-1990	4.625	9.029	30
Rochester Telephone	First Mtg. Bond	09-01-1993	4.750	6.074	1,110
Southern Bell T & T Co.	Debenture	03-15-2013	7.625	8.185	5,000
<b>TOTAL TELEPHONE</b>				<b>8.336%</b>	<b>\$ 19,740</b>
<b>TOTAL PUBLIC UTILITIES</b>				<b>8.457%</b>	<b>\$ 69,951</b>
<b>FINANCE OBLIGATION</b>					
Amer. Express Credit	Senior Note	07-01-1990	10.100%	10.100%	\$ 5,025
American Investment	Note	01-01-1991	5.250	5.250	563
Beneficial Corp.	Senior Note	12-15-1984	11.500	11.500	5,000
Beneficial Finance	Note	03-01-1989	4.600	7.286	2,725
Deere (John) Credit	Debenture	10-31-1990	5.000	6.877	1,650
Family Finance Corp.	Senior Note	05-15-1990	4.750	4.840	1,300
First Bank System	Note	06-30-1983	8.750	8.750	5,000
Ford Motor Credit Co.	Debentures	04-01-1999	8.700	8.956	5,000
Honeywell Finance Inc.	S/F Debenture	12-15-1998	8.200	8.200	5,000
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	7,038
Montgomery Ward Credit	Debenture	09-15-1986	8.625	9.238	250
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.533	3,125
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	4,000
Northwest Bancorp.	Note	09-15-1986	7.875	7.953	5,200
Penney (J.C.) Credit	Debenture	10-15-1981	9.450	9.260	150
Seafirst Corp.	Note	06-01-1990	10.500	10.580	4,000
Sears Roebuck Accept	Debenture	07-15-1982	5.000	8.819	100
Southwest, Investment	Senior Note	10-15-1986	8.500	9.676	200
Wells Fargo & Co.	Note	01-15-1983	11.550	11.550	4,875
<b>TOTAL FINANCE OBLIGATION</b>				<b>9.077%</b>	<b>\$ 60,201</b>
<b>INDUSTRIAL OBLIGATION</b>					
Allied Chemical Corp.	Note	04-01-1983	8.375%	8.861%	\$ 100
Amex	Senior Note	08-01-1988	4.500	7.564	1,575
Amex	Note	03-15-1997	8.750	8.750	5,000
American Brands, Inc.	Note	03-01-1985	8.125	8.775	100
Archer Daniels Midland	Promissory Note	03-01-1988	4.875	7.884	1,296
Arco Pipeline	Guaranteed Note	07-15-1983	8.375	8.779	150
Armco Steel Corp.	Note	12-15-1996	7.875	7.875	3,600
Atlantic Richfield Co.	First Pref. Shop Mtg. Bd	12-01-2001	8.750	8.750	3,000
Atlantic Richfield	Guaranteed Note	07-15-1996	9.250	9.250	5,000
Beatrice Foods Co.	Debenture	08-15-2008	8.500	8.840	2,250
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	7,000
Ciba Geigy	Note	06-01-2000	9.500	9.500	5,000
Crown Zellbach, (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	4,415
Dresser Industries	Note	05-15-1985	8.650	9.245	150
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	4,850

MINNESOTA POST RETIREMENT INVESTMENT FUND CONTINUED

Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (\$'000) (b)
Firestone Tire & Rubber	Debenture	12-01-2004	9.250%	9.333%	\$ 5,000
Ford Leasing Development	Guaranteed	03-15-2004	9.500	9.500	5,000
Ford Leasing Development	Guaranteed Note	12-01-1996	8.625	8.625	5,000
Ford Motor Co.	Debenture	07-15-1994	9.250	9.277	1,850
Goodyear Tire & Rubber	Equipment Trust Cert.	03-01-1982	9.250	8.675	99
Gould, Inc.	S/F Bond	02-15-1995	9.250	9.488	2,387
Hercules, Inc.	Equipment Trust Cert.	01-01-1983	10.250	9.145	44
Hertz Corporation	Senior Note	02-15-1999	9.500	9.500	3,000
Ingersoll-Rand Co.	Note	05-01-1985	8.750	8.844	150
Louisiana Land & Expl.	Note	12-01-1994	8.250	8.250	2,100
MacMillan Bloedel, Ltd.	Debenture	10-01-1990	5.450	4.950	275
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	4,888
MacMillan Bloedel, Ltd.	Debenture	07-15-1992	6.500	8.895	50
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.563	3,000
Norton Simon, Inc.	Promissory Note	06-01-2004	9.875	9.875	6,000
Occidental Petroleum	Note	05-15-1982	11.000	9.766	150
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	4,960
Owens-Illinois, Inc.	Note	02-01-1991	5.000	8.312	3,160
Owens-Illinois, Inc.	Note	06-01-1990	10.375	10.455	5,300
Pembroke Capital Co.	Note	03-31-1985	13.250	13.250	4,800
Penwalt Corporation	Note	04-15-1985	9.000	9.000	100
Phelps Dodge Corp.	Note	06-01-1985	8.500	9.066	250
Ralston Purina	Guaranteed Note	11-01-1989	8.750	8.750	2,000
Ralston Purina	Note	12-31-1982	8.000	8.000	1,927
Raytheon Co.	S/F Debenture	07-01-1996	8.250	8.406	5,000
Scovill Mfg. Co.	Note	09-15-1990	4.800	6.272	1,302
Shell Canada, Ltd.	Debenture	01-01-1994	7.500	7.533	1,805
Shell Oil Co.	Debenture	03-15-1991	5.000	5.000	1,000
Sprague Electric Co.	S/F Debenture	09-01-1088	4.375	4.378	450
Standard Oil of Calif.	First Pref. Ship Mtg. Bd	07-02-1999	8.500	8.500	5,150
Standard Oil of Calif.	First Pref. Ship Mtg. Bd	02-10-1997	7.700	7.700	1,206
Standard Oil of Calif.	First Pref. Ship Mtg. Bd	03-30-1997	7.700	7.700	1,299
Standard Oil of Calif.	First Pref. Ship Mtg. Bd	03-02-1997	7.700	7.700	1,206
Standard Oil (Indiana)	Note	11-01-1999	8.250	8.250	2,969
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.500	1,750
Standard Oil Co. Ohio	Debenture	01-01-2000	8.500	8.703	4,400
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	5,000
Sun Oil Co.	Note	07-01-1991	5.750	5.750	864
Texaco, Inc.	Note	12-01-2001	7.750	7.750	3,585
U.S. Steel	S/F Debenture	04-15-1986	4.500	7.997	125
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	4.600	72
<b>TOTAL INDUSTRIAL OBLIGATION</b>				<b>8.915%</b>	<b>\$142,162</b>
<b>TRANS DEBT OBLIGATION</b>					
Greyhound Corp.	Senior Note	05-15-1984	6.000%	6.826%	\$ 1,067
Seaboard Air	First Mtg. Bond	12-01-1988	4.625	5.772	2,725
<b>TOTAL TRANS DEBT OBLIGATION</b>				<b>6.068%</b>	<b>\$ 3,792</b>
<b>RAIL EQUIPMENT OBLIGATION</b>					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000%	9.000%	\$ 3,000
ACF Industries, Inc.	Equipment Trust Cert.	04-15-1982	5.500	8.148	33
Burlington Northern	Conditional Sale Agree	01-05-1993	8.125	8.125	4,436
Burlington Northern	Conditional Sale Agree	07-03-1993	8.500	8.834	233
Burlington Northern	Conditional Sale Agree	09-01-1993	8.750	8.750	3,001
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	5,000
Canadian Pacific, Ltd.	Equipment Trust Cert.	02-01-1989	8.500	8.500	3,696
Chesapeake & Ohio RY	Conditional Sale Agree	01-01-1985	8.500	8.508	1,810
Louisville & Nashville	Conditional Sale Agree	10-20-1991	9.000	9.000	4,795
Louisville & Nashville	Conditional Sale Agree	04-20-1988	8.125	8.698	214
Missouri Pacific RR	Conditional Sale Agree	06-01-1995	12.750	12.750	2,000
Missouri Pacific RR	Conditional Sale Agree	06-01-1994	9.750	9.750	3,266
Norfolk & Western RY	Conditional Sale Agree	10-01-1984	8.875	8.875	1,000
St. Louis-SF Railway	Conditional Sale Agree	01-15-1985	9.375	9.375	858
Seaboard Coast Line RR	Conditional Sale Agree	09-01-1993	9.625	9.625	6,680
Seaboard Coast Line RR	Conditional Sale Agree	04-01-1992	9.000	9.000	2,214
Seaboard Coast Line RR	Conditional Sale Agree	10-01-1992	8.250	8.250	4,826
Southern Pacific Trans	Conditional Sale Agree	03-01-1991	9.500	9.500	2,767
Union Tank Car	Equipment Trust Cert.	12-15-1995	9.500	9.500	4,000
<b>TOTAL RAIL EQUIPMENT OBLIGATION</b>				<b>9.087%</b>	<b>\$ 53,835</b>
<b>TOTAL CORPORATE OBLIGATION</b>				<b>8.843%</b>	<b>\$329,942</b>
<b>CONVERTIBLE</b>					
Sherwin-Williams Co.	Convertible Subord Deb.	03-01-1995	6.250%	6.625%	\$ 1,200
<b>TOTAL CONVERTIBLE</b>				<b>6.625%</b>	<b>\$ 1,200</b>
<b>TOTAL UNITED STATES GOVERNMENT-GUARANTEED, AGENCY CANADIAN GOVERNMENT AND CORPORATE OBLIGATIONS</b>				<b>9.140%</b>	<b>\$528,493</b>

(a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.

(b) Column may not add, due to rounding.

MINNESOTA POST RETIREMENT INVESTMENT FUND  
June 30, 1980

MINNESOTA POST RETIREMENT INVESTMENT FUND CONTINUED

COMMON STOCK HOLDINGS

Common Stock	Shares	Market Price 6-30-80	Market Value	Total % Market	Common Stock	Shares	Market Prices 6-30-80	Market Value	Total % Market
<b>UTILITIES</b>					<b>DRUGS</b>				
<b>ELECTRIC</b>					<b>American Home Products</b> 106,800 \$ 28.50 \$ 3,043,800.00				
Commonwealth Edison	129,500	\$ 22.50	\$ 2,913,750.00		Baxter Travenol Labs.	40,000	44.50	1,780,000.00	
Florida Power & Light	170,300	27.25	4,640,675.00		Johnson & Johnson	40,000	78.50	3,140,000.00	
Houston Industries Inc.	72,600	28.63	2,078,175.00		Merck & Company	66,900	70.75	4,733,175.00	
Minnesota Power & Light	60,000	19.00	1,140,000.00		Pfizer, Inc.	141,200	41.25	5,824,500.00	
Northern States Power	226,057	24.88	5,623,167.88		Revco D.S., Inc.	30,000	27.25	817,500.00	
Pacific Gas & Electric	55,300	24.13	1,334,112.50		Schering-Plough Corp.	71,000	37.63	2,671,375.00	
Public Serv. Indiana	111,830	23.50	2,628,005.00		Warner-Lambert	171,000	18.50	3,163,500.00	
Texas Utilities Co.	285,000	18.25	5,201,250.00		<b>TOTAL DRUGS</b>			\$ 25,173,850.00	5.35%
Virginia Elec. & Power	207,200	11.88	2,460,500.00		<b>FOODS-BEVERAGES</b>				
<b>TOTAL ELECTRIC</b>			\$ 28,019,635.38	5.96%	CPC International	47,000	\$ 68.63	\$ 3,225,375.00	
<b>NATURAL GAS</b>					Coca-Cola Co.	130,000	33.00	4,290,000.00	
Panhandle E. Pipe Line	200,000	\$ 33.38	\$ 6,675,000.00		Consolidated Foods	105,000	24.50	2,572,500.00	
Peoples Energy Corp.	193,999	48.13	9,336,201.88		General Foods Corp.	81,100	30.63	2,483,687.50	
<b>TOTAL NATURAL GAS</b>			\$ 16,011,201.88	3.40%	General Mills, Inc.	123,000	27.50	3,382,500.00	
<b>COMMUNICATIONS</b>					Kraft, Inc.	32,600	46.13	1,503,675.00	
American Tel. & Tel.	488,548	\$ 52.50	\$ 25,648,770.00		Norton Simon, Inc.	246,963	13.88	3,426,611.63	
General Tel. & Elec.	330,000	28.00	9,240,000.00		Pepsico, Inc.	105,000	24.13	2,533,125.00	
United Telecom.	200,000	17.25	3,450,000.00		Pillsbury Company	50,000	35.50	1,775,000.00	
<b>TOTAL COMMUNICATIONS</b>			\$ 38,338,770.00	8.15%	<b>TOTAL FOODS-BEVERAGES</b>			\$ 25,192,474.13	5.36%
<b>TOTAL UTILITIES</b>					<b>MEDIA</b>				
			\$ 82,369,607.26	17.51%	Gannett Co., Inc.	30,000	\$ 45.50	\$ 1,365,000.00	
<b>FINANCIAL SERVICES</b>					<b>TOTAL MEDIA</b>				
<b>BANKS</b>								\$ 1,365,000.00	0.29%
Bankamerica Corp.	127,000	\$ 26.13	\$ 3,317,875.00		<b>RETAIL SALES</b>				
First Bank System	107,400	36.50	3,920,100.00		Federated Dept. Stores	85,000	\$ 29.00	\$ 2,465,000.00	
Northwest Bancorp.	148,000	24.50	3,626,000.00		K-Mart Corporation	117,127	22.63	2,649,998.38	
Security Pacific Corp.	143,614	30.13	4,326,371.75		Penney (J.C.) Co.	132,400	25.25	3,343,100.00	
<b>TOTAL BANKS</b>			\$ 15,190,346.75	3.23%	Sears, Roebuck & Co.	180,000	17.00	\$ 3,060,000.00	
<b>FINANCE</b>					Southland Corporation	71,949	20.50	1,474,954.50	
Beneficial Corp.	30,000	\$ 23.63	\$ 708,750.00		<b>TOTAL RETAIL SALES</b>			\$ 12,993,052.88	2.76%
First Charter Financial	26,700	16.88	450,562.50		<b>TOTAL CONSUMER-ORIENTED</b>				
Household Finance	288,300	18.00	5,189,400.00					\$ 106,993,464.51	22.75%
MGIC Investment Corp.	25,000	26.25	656,250.00		<b>TECHNOLOGY</b>				
<b>TOTAL FINANCE</b>			\$ 7,004,962.50	1.49%	<b>OFFICE EQUIPMENT</b>				
<b>INSURANCE</b>					Burroughs Corp.	60,400	\$ 64.25	\$ 3,880,700.00	
Aetna Life & Casualty	83,000	\$ 37.75	\$ 3,133,250.00		Control Data Corp.	20,000	53.88	1,077,500.00	
Connecticut General	87,050	38.50	3,351,425.00		Honeywell, Inc.	67,277	78.38	5,272,834.88	
Safeco Corp.	91,600	37.50	3,435,000.00		Int'l. Bus. Machines	349,024	58.75	20,505,160.00	
St. Paul Companies	54,200	36.25	1,964,750.00		Xerox Corporation	91,150	53.75	4,899,312.50	
U.S. Fidelity & Guar.	41,400	42.88	1,775,025.00		<b>TOTAL OFFICE EQUIPMENT</b>			\$ 35,635,507.38	7.58%
<b>TOTAL INSURANCE</b>			\$ 13,659,450.00	2.90%	<b>TOTAL TECHNOLOGY</b>				
			\$ 35,854,759.25	7.62%				\$ 35,635,507.38	7.58%
<b>TOTAL FINANCIAL SERVICES</b>					<b>BASIC INDUSTRY</b>				
<b>CONSUMER-ORIENTED</b>					<b>AEROSPACE</b>				
<b>AUTOS-AUTO PARTS</b>					Boeing Co.	84,000	\$ 35.00	\$ 2,940,000.00	
Ford Motor Co.	115,000	\$ 24.63	\$ 2,831,875.00		United Technologies	115,000	41.88	4,815,625.00	
General Motors	160,600	46.50	7,467,900.00		<b>TOTAL AEROSPACE</b>			\$ 7,755,625.00	1.65%
Genuine Parts Company	136,200	23.63	3,217,725.00		<b>BUILDING &amp; FOREST PRODUCTS</b>				
Goodyear Tire & Rubber	65,400	13.00	850,200.00		American Standard, Inc.	20,000	\$ 57.75	\$ 1,155,000.00	
<b>TOTAL AUTOS-AUTO PARTS</b>			\$ 14,367,700.00	3.05%	Georgia-Pacific Corp.	107,404	27.50	2,953,610.00	
<b>CONSUMER-DURABLES</b>					Lone Star Industries	10,000	28.50	285,000.00	
Sunbeam Corp.	50,000	\$ 17.00	\$ 850,000.00		Owens-Corning Fiber	112,000	26.63	2,982,000.00	
Whirlpool Corporation	105,100	19.38	2,036,312.50		Weyerhaeuser Co.	103,300	32.63	3,370,162.50	
<b>TOTAL CONSUMER-DURABLES</b>			\$ 2,886,312.50	0.61%	<b>TOTAL BUILDING &amp; FOREST PRODUCTS</b>			\$ 10,745,772.50	2.28%
<b>CONSUMER-NONDURABLES</b>					<b>CHEMICALS</b>				
Avon Products, Inc.	159,900	\$ 35.75	\$ 5,716,425.00		Air Products & Chem.	65,802	\$ 38.75	\$ 2,549,827.50	
Colgate-Palmolive	183,200	14.00	2,564,800.00		Dow Chemical	127,000	33.63	4,270,375.00	
Dart Industries Inc.	60,800	42.38	2,576,400.00		Du Pont (Ei) Denemours	102,000	41.88	4,271,250.00	
Eastman Kodak Co.	111,700	56.00	6,255,200.00		Hercules, Inc.	145,000	18.75	2,718,750.00	
Gillette Company	60,000	24.50	1,470,000.00		Monsanto Co.	55,000	52.00	2,860,000.00	
Procter & Gamble Co.	46,000	73.75	3,392,500.00		Union Carbide Corp.	76,000	43.63	3,315,500.00	
<b>TOTAL CONSUMER-NONDURABLES</b>			\$ 21,975,325.00	4.67%	<b>TOTAL CHEMICALS</b>			\$ 19,985,702.50	4.25%
<b>CONSUMER-MISCELLANEOUS</b>					<b>ELECTRICAL EQUIPMENT</b>				
McDonald's Corp.	63,000	\$ 48.25	\$ 3,039,750.00	0.65%	Emerson Electric Co.	87,200	\$ 36.50	\$ 3,182,800.00	
<b>TOTAL CONSUMER-MISCELLANEOUS</b>			\$ 3,039,750.00		General Electric Co.	175,000	51.50	9,012,500.00	
			\$ 3,039,750.00		Gould, Inc.	67,000	22.38	1,510,312.50	
					<b>TOTAL ELECTRICAL EQUIPMENT</b>			\$ 13,705,612.50	2.91%

MINNESOTA POST RETIREMENT INVESTMENT FUND CONTINUED

Common Stock	Shares	Market Price 6-30-80	Market Value	Total % Market
<b>MACHINERY</b>				
Caterpillar Tractor	30,000	\$ 52.75	\$ 1,582,500.00	
Combustion Engineering	65,000	60.25	3,916,250.00	
Trans Union Corp.	75,100	33.75	2,534,625.00	
TOTAL MACHINERY			\$ 8,033,375.00	1.71%
<b>METALS</b>				
Aluminum Co. Of America	65,000	\$ 58.75	\$ 3,818,750.00	
St. Joe Minerals Corp.	80,000	50.25	4,020,000.00	
TOTAL METALS			\$ 7,838,750.00	1.67%
<b>PAPER</b>				
International Paper	20,400	\$ 36.50	\$ 730,000.00	
Union Camp Corporation	42,000	41.50	1,743,000.00	
TOTAL PAPER			\$ 2,473,000.00	0.53%
<b>TEXTILES</b>				
Levi Strauss & Co.	33,600	\$ 32.25	\$ 1,083,600.00	
TOTAL TEXTILES			\$ 1,083,600.00	0.23%
<b>MISCELLANEOUS</b>				
Continental Group, Inc.	40,000	\$ 30.75	\$ 1,230,000.00	
Corning Glass Works	15,000	52.13	781,875.00	
Int'l. Tel. & Tel.	200,400	27.75	5,561,100.00	
Minnesota Mining & Mfg.	117,000	53.13	6,215,625.00	
TOTAL MISCELLANEOUS			\$ 13,788,600.00	2.93%
<b>TOTAL BASIC INDUSTRY</b>				
			\$ 85,410,037.50	18.16%
<b>ENERGY</b>				
<b>OIL-DOMESTIC</b>				
Atlantic Richfield Co.	114,000	\$ 93.50	\$ 10,659,000.00	
Conoco Inc.	90,000	52.63	4,736,250.00	
Getty Oil Company	30,000	78.75	2,362,500.00	
Marathon Oil Co.	106,000	57.25	6,068,500.00	
Phillips Petroleum Co.	128,000	45.50	5,824,000.00	
Shell Oil Co.	40,000	38.25	1,530,000.00	
Standard Oil (Indiana)	197,400	57.25	11,301,150.00	
Standard Oil Co. Ohio	80,000	49.88	3,990,000.00	
TOTAL OIL-DOMESTIC			\$ 46,471,400.00	9.88%
<b>OIL-INTERNATIONAL</b>				
Exxon Corporation	341,000	\$ 66.25	\$ 22,591,250.00	
Gulf Oil Corp.	275,000	40.38	11,103,125.00	
Mobil Corp.	95,000	71.25	6,768,750.00	
Standard Oil Of Calif.	112,000	76.50	8,568,000.00	
Texaco, Inc.	251,300	36.75	9,235,275.00	
TOTAL OIL-INTERNATIONAL			\$ 58,266,400.00	12.39%
<b>ENERGY-RELATED</b>				
Dresser Industries	58,000	\$ 62.13	\$ 3,603,250.00	
Halliburton Co.	50,700	109.50	5,551,650.00	
Williams Companies	75,000	30.63	2,296,875.00	
TOTAL ENERGY-RELATED			\$ 11,451,775.00	2.43%
<b>TOTAL ENERGY</b>				
			\$116,189,575.00	24.70%
<b>TRANSPORTATION</b>				
<b>AIRLINES</b>				
Northwest Airlines	20,000	\$ 24.88	\$ 497,500.00	
TOTAL AIRLINES			\$ 497,500.00	0.11%
<b>RAILROADS</b>				
Santa Fe Industries	20,000	\$ 56.63	\$ 1,132,500.00	
Southern Railway	73,000	63.75	4,653,750.00	
Union Pacific Corp.	38,600	42.75	1,658,700.00	
TOTAL RAILROADS			\$ 7,444,950.00	1.58%
<b>TOTAL TRANSPORTATION</b>				
			\$ 7,942,450.00	1.69%
<b>TOTAL COMMON STOCKS</b>				
			\$470,395,400.90	100.00%

\* Net original cost of equities on June 30, 1980 was \$432,531,788.00.