

**HB**

**216**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER MB 216

SPONSOR Koponen

BILL TITLE University retirement program

DATE REFERRED 4-21-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED Lisa

INTERESTED PARTIES CONTACTED

Hot  
Telecom Bill Kaufman Brian Rogers, Univ  
Sally Smith, Div. Retirement  
Bob Stalnaker  
Wes Coyner

OTHER

SENATE COMMITTEE REPORT

FURTHER

HESS

4/21/89

DATE TURNED INTO OFFICE

5-1-89

Mr. President:

STATE AFFAIRS

Committee considered

CSHB 216 (FIN)

establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; efd and recommended

- [ ] replace with CS [ ] same title
[ ] or adopt CS [ ] new title
[ ] attached amendment(s) and [ ] technical title change (HB only)
[ ] letter of intent adopted

[ ] do pass

[ ] do not pass

[ ] no recommendation

[X] individual recommendations

[ ] further referral to

FISCAL NOTE(S) [ ] zero [ ] fiscal impact [ ] appropriation no FN
[ ] new [ ] updated [X] previous
[ ] same as previous fiscal note(s) published

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Horizontal lines for member signatures under 'MEMBERS SIGNING DO PASS'

Handwritten signatures: 'Rep Adams - No Rec.', 'Jan Fair No Rec.'

Large handwritten signature and the text 'Chairman signature and recommendation' below it.

[ ] Committee Backup attached

HB 216      OPTIONAL UNIVERSITY RETIREMENT PROGRAM

TO TESTIFY

REP. KOPONEN, SPONSOR (LISA McLAREN)

BILL KAUFMAN, UNIVERSITY (TELECONFERENCE FROM FAIRBANKS)

SALLY SMITH/BOB STALNAKER, DIV. RETIREMENT

F.Y.I.

BILL IS INTENDED TO ATTRACT PROFESSORS BY PROVIDING A MORE PORTABLE RETIREMENT SYSTEM. YOU WOULD BE IMMEDIATELY VESTED, RATHER THAN HAVING TO PARTICIPATE THE 5 OR 8 YEARS THAT P.E.R.S. AND T.R.S. REQUIRE.

ZERO FISCAL NOTE. PROGRAM COSTS WILL BE COVERED BY RATES PAID BY PARTICIPANTS. I ASSUME THE UNIVERSITY WILL BE PAYING THE EMPLOYER SHARE -- WILL IT BE MORE OR LESS THAN THAT CURRENTLY PAID INTO P.E.R.S./T.R.S.? *Sally Smith says same*

ACCORDING TO BILL SPONSOR, 36 STATES AND 1000 PRIVATE COLLEGES AND UNIVERSITIES OFFER THIS TYPE OF RETIREMENT OPTION.

*It's called a  
"defined contribution  
retirement plan"*

from Koponen

Notes on HB 216

- \* It will provide the University with a PORTABLE retirement system to offer prospective faculty.
- \* It will provide the University management with greater flexibility in attracting faculty from other universities.
- \* It will not adversely impact either the Teachers' or Public Employees' Retirement Systems.
- \* The election to participate in the alternative system will be irrevocable for current members of the Teachers' or Public Employees' Retirement Systems and new employees of the University.
- \* The administration supports this bill.
- \* The new system cost to the university will be more easily controlled by the University.
- \* This bill will help the University to attract better qualified teachers.

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members  
FROM: Senator Pat Pourchot, Chairman  
RE: May 1 Committee Hearing  
DATE: April 28, 1989

On Monday, May 1 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

#### SB 192, An Act relating to legislators' eligibility for long-term per diem

A draft committee substitute prepared at the sponsor's request is attached. In addition to allowing long-term per diem to be paid for days spent attending a meeting of a legislative committee, the CS would make eligible attendance at a public meeting called by a governmental entity and days during which at least four hours are spent on legislative or constituent business.

#### SB 301, An Act relating to the power cost equalization program

SB 301 would restructure the Power Cost Equalization (PCE) program to establish residential customers as the first priority for funding, community facilities as the second priority, and commercial users as the third. In addition, eligible consumption levels would be reduced.

Included in the packet are proposed amendments that would adjust the percentage of costs eligible for subsidy, the minimum level to which rates may be subsidized, and eligibility requirements for participation in the program.

The PCE program became effective in October 1985. It is intended to lower power rates statewide to levels somewhat comparable to rates in Anchorage, Fairbanks, and Juneau. PCE funds are distributed to eligible utilities, and passed on to consumers through a credit on the consumer's electric bill. The Governor requested \$17,872,600 to fully fund the program in FY 90; the House budget proposes a 10% reduction, the Senate budget a 5% reduction. A fiscal note for SB 301 is being prepared.

It is not my intent to move SB 301 out of committee today.

HB 50, An Act establishing the Commission on the Future of the Permanent Fund and providing for public testimony on the use that should be made of the income of the permanent fund

HB 50 would establish a nine member commission in the Department of Revenue. The commission would conduct public hearings in each judicial district on inflation proofing, the dividend program, and other uses that could be made of the income of the Permanent Fund, and would submit a report to the Governor and Legislature by February 1, 1990.

Costs of the commission (\$155,600) would be paid from Permanent Fund earnings.

CSHB 66(Fin)am, An Act establishing the Alaska Commission on Children and Youth; abolishing the Office of Child Advocacy; relating to the Alaska children's trust fund

HB 66 would establish a commission to continue the work of the Governor's Interim Commission on Children and Youth created by Administrative Order in June 1987. The commission would be established in the Office of the Governor and would consist of four executive branch members and seven public members. It would be charged with developing a plan to address the needs of and problems facing children, and would be required to submit an annual report to the Legislature and the Governor.

HB 66 was amended in the House to give the commission responsibility for administration of the Alaska Children's Trust Fund, to authorize a \$10 check-off on the permanent fund dividend form (this would be the funding source for the commission and the Trust Fund), and to require that the commission's office be located in Anchorage or a location determined to be appropriate by a majority of the commission.

The commission would expire in 1994. The interim commission will cease to exist on May 15, 1989.

CSHB 216(Fin), An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges

HB 216 would authorize the University Board of Regents to establish an optional retirement program for faculty members and certain administrative staff. In a defined contribution retirement plan, benefits would be immediately vested in individual participants. Participants become vested in PERS after 5 years and in TRS after 8 years.

HB 216 is intended to enhance the University's efforts to attract qualified professionals.

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

SPONSOR STATEMENT FOR HB 216

House Bill 216 provides for an effective means for the University of Alaska to compete in the national academic market to attract and retain qualified professionals, with no additional cost to the State.

House Bill 216 would allow the Board of Regents to adopt an optional defined contribution retirement plan for its faculty and a small number of administrative officers. A choice of retirement plans is currently available to faculty and administrative officers in publicly supported institutions in thirty-six states and the District of Columbia, and in over 1,000 private colleges and universities.

In a defined contribution retirement plan the retirement benefits provided by the plan are fully and immediately vested in individual participants. Faculty and administrative officers would not then be constrained by pension considerations from moving within institutions of higher education within the country. Because an optional defined contribution plan eliminates the concern for future funding liability the University's pension obligation is discharged concurrently with the termination of employment.

**FISCAL NOTE**

**REQUEST:**

Revision Date: 3/28/89 Agency Affected: University of Alaska  
 Title: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date." BRU: All  
 Components: \_\_\_\_\_  
 REQUESTOR: HESS Committee  
 SPONSOR: Koponen, Boyer, Ulmer, Ellis, Collir, Gruenberg, and Hudson

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						
		-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) The cost of the alternative optional university retirement program is projected at zero. It is the university's intent to establish rates for the optional retirement program at levels which will result in no additional cost. The optional retirement program will, however, increase the university's competitiveness in recruiting faculty and top administrators.

Prepared by: Jim Lynch Phone: 474-6573  
 Division: Controller and Associate Vice President Date: 3/28/89  
 Approved by Commissioner: Brian Rogers Date: 3/28/89  
 Agency: Vice President for Finance

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: "An act establishing an optional university retirement program." BRU: Retirement and Benefits  
 Sponsor: Koponen Components: Retirement and Benefits  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached financial implication statement.

Prepared By: Sally Smith *Sally Smith* Phone: 465-4470  
 Division: Retirement and Benefits Date: 3/29/89

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/29/89  
 Agency: Department of Administration

Distribution (by preparer):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

House Bill 216  
Analysis of Fiscal Implications to the Retirement Funds  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 23, 1989

Analysis: This bill would allow the University of Alaska to establish an additional retirement system for its faculty and administrator positions. Participation in this system would be optional and provide an alternative to participating in the appropriate Public Employees' (PERS) or Teachers' (TRS) Retirement System. The election will be irrevocable.

There would not be an adverse impact on the actuarial soundness of either the PERS or the TRS funds. The increase in the unfunded liability and the decrease in the funding ratio in each would be negligible.



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

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## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

March 27, 1989

To: Representative Johnny Ellis, Chair  
Members, House HESS Committee

Re: House Bill No. 216: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date."

NEA-Alaska supports the basic concepts and purposes of HB 216 and encourages favorable consideration by the Committee.

This legislation would be valuable to the University as it seeks to recruit and attract faculty in that it gives faculty the option to have greater mobility within higher education vis a vis their retirement programs and planning.

Presently a person is not vested in the Teachers' Retirement System until after eight years of membership service. In the event a faculty person does not receive tenure within the University system they have no vested retirement benefit.

The relatively modest and low pay scales of the University of Alaska combined with the fact of no raises in recent years makes recruitment and retention of faculty more difficult each year.

The implementation of HB 216 would provide faculty with the option to utilize other retirement systems such as the TIAA/CREFF which is generally available to them in other institutions of higher education through-out the country. Therefore, service at the University of Alaska would not be a deterrent to their retirement planning.

Thank you for your consideration of our position.

Respectfully submitted,

*B Manners*

Bob Manners  
Executive Secretary

*Judy Salo*

Judy Salo  
President

cc: Representative Niilo Koponen

# THE PARTICIPANT

February 1989



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## **CREF STOCK ACCOUNT: LONG-TERM GROWTH CONTINUES**

The CREF Stock Account once again outperformed the S&P 500 in 1988, as it has in most of the last ten years. CREF Stock's net total return for the year was 17.46%, versus 16.72% for the S&P 500. These results mark a rebound from 1987, when the October stock market crash limited the year's returns to a 5.12% increase for CREF and 5.11% for the S&P 500.

As the common stock component of a nationwide pension system, CREF's Stock Account takes a long-term approach to investing the funds that participants allocate to it. CREF Stock's cumulative results over the last 10 years show how favorable long-term rates of return outweigh the effects of temporary downturns:

1 Year (1/1/88 thru 12/31/88)	17.46%
3 Years (1/1/86 thru 12/31/88)	50.42%
5 Years (1/1/84 thru 12/31/88)	108.94%
10 Years (1/1/79 thru 12/31/88)	360.19%

In dollar terms, \$100 invested at the beginning of 1988 in the CREF Stock Account grew to \$117.46 by the end of the year. Similarly, \$100 invested ten years ago grew to \$460.19 by the end of 1988 (reflecting an increase of 360.19%). These results show how effective long-term participation in the CREF Stock Account has been in accumulating retirement benefits. CREF Stock's investment philosophy seeks total returns (market value changes plus dividends) that are expected to be somewhat better than those of the market over the long run, without varying significantly from overall market returns year by year. Past performance is not necessarily indicative of future results. For a more complete look at the performance of the CREF Stock Account see the chart on the next page.

Teachers Insurance and Annuity Association  
College Retirement Equities Fund  
730 Third Avenue, New York, New York 10017  
© Teachers Insurance and Annuity Association, 1989

This publication must be accompanied or preceded by a current prospectus. Additional copies of the current prospectus may be obtained by writing CREF or calling toll free 1 800 842-2733, extension 5509.

## CREF Stock Account vs. S&P 500

Average annual compound rates of total return:	S&P 500 Index	Retirement Annuities	Supplemental Retirement Annuities
1 Year (Jan. 1, 1988, to Dec. 31, 1988)	16.72%	17.46%	16.88%
3 Years (Jan. 1, 1986, to Dec. 31, 1988)	13.23%	14.58%	14.39%
5 Years (Jan. 1, 1984, to Dec. 31, 1988)	15.23%	15.88%	15.76%
10 Years (Jan. 1, 1979, to Dec. 31, 1988)	16.22%	16.49%	16.43%

The CREF investment results shown here are net of all investment, administrative, and distribution expenses. The results for CREF Supplemental Retirement Annuities (SRAs) also reflect a 0.5% deduction from premiums to cover the extra costs associated with these annuities. The Standard & Poor's 500 Index (S&P 500), an unmanaged index, is a widely used measure of the performance of the U.S. stock market.

The past performance shown here is not indicative of future rates of return from the CREF Stock Account. These returns—and the value of the principal you've invested in the Stock Account—will fluctuate, so the units you own in the Stock Account may be worth more or less than their original price.

As of April 1, 1988, a registration statement for CREF variable annuities became effective under the rules and regulations of the Securities and Exchange Commission, but CREF Stock's management and its investment objectives did not change.

## CREF MONEY MARKET MILESTONE

On January 31, 1989 the CREF Money Market Account reached \$1 billion in assets. Reaching this milestone only ten months after its introduction indicates how readily the Money Market Account has been adopted by CREF participants as part of their

overall pension planning. Virtually each week since its inception, the Money Market Account has outperformed Donoghue's Money Fund Averages for 7-day yields.

## CREF Money Market Account vs. Donoghue's Money Fund Averages

For the seven days ending January 31, 1989:	Donoghue's Money Fund Averages™	CREF Money Market Account
Net annualized current yield	8.40%	8.93%
Net annualized effective yield	8.76%	9.33%
Average maturity	32 Days	22 Days

The CREF yields shown above are net of all investment, administrative, and distribution expenses, but do not reflect the 0.5% deduction from SRA premiums.

The Donoghue's Money Fund averages shown above are compiled from money market mutual funds investing in taxable securities. Yields are net of management fees and expenses.

The past performance shown here is not indicative of future yields from the CREF Money Market Account. These yields will fluctuate.

*For a recorded message quoting the latest CREF accumulation unit values and Money Market yields, call 1 800 223-1290.*

## **IPRO NOW AVAILABLE IN MOST STATES**

TIAA's new Interest Payment Retirement Option (IPRO) was introduced in January to provide TIAA participants with an additional payment option and greater flexibility in their retirement planning. As of February 10, approval has been granted to offer IPRO in 43 states and the District of Columbia. You may call our Participant Information Center toll-free at 1 800 842-2776 for updated information on additional states where approval has been granted since this issue went to press. The 7 states in which IPRO was not yet available as of February 10 are:

Alabama	Montana
Connecticut	North Carolina
Massachusetts	South Carolina
West Virginia	

Policyholders who choose to begin receiving income from their TIAA annuities can select from among several lifetime annuity options and two payment methods. These elections are irrevocable. IPRO, however, pays you "interest-only" income from your TIAA annuity, while leaving the principal amount intact and allowing you to postpone final retirement decisions. IPRO is available to TIAA participants generally between the ages of 55 and 69½. The selection of a payment method and annuity option can be deferred (to as late as April 1 of the year following the year in which you turn 70½, while interest payments are received in the interim).

A detailed article on IPRO appeared in the November issue of *The Participant*. A full explanation of IPRO's features and restrictions is contained in TIAA's new brochure, *Introducing . . . TIAA's Interest Payment Retirement Option*. Copies may be ordered by calling toll-free 1 800 842-2733, extension 5509. You may also call the Participant Information Center toll-free for further information, or to request illustrations showing TIAA benefits under IPRO and under the Level and Graded methods.

### **Just a reminder . . .**

TIAA's new dividend scale for accumulating annuities becomes effective March 1, 1989. Look for details in your next Annuity Benefits Report, which will be mailed to all policyholders shortly.

## **EXPANDED AUTOMATED TELEPHONE SERVICE**

You can now use your telephone 24 hours a day, 7 days a week to keep in touch with your TIAA-CREF retirement funds. By calling toll-free 1 800 842-2252, you can use your telephone at any time to:

- change your allocation of future premiums among TIAA, CREF Stock, and CREF Money Market, or
- transfer part or all of your accumulation in CREF Stock to CREF Money Market, or vice versa, or from either or both to TIAA, and
- if you have a touch-tone phone, find out your TIAA, CREF Stock, or CREF Money Market accumulation, as of the latest daily valuation.

If you have a rotary phone, or prefer not to use your Personal Identification Number (PIN), you may give your instructions to a TIAA-CREF representative. From 8 am to 8 pm ET on "business days," TIAA-CREF representatives are standing by. Just call our toll-free number and one will be happy to assist you. From 8 pm to 8 am ET on "business days" and all other days, a voice-activated message recorder will record your instructions for a response the next business day. If you want to make a transfer and/or future premium allocation change and if your instructions are complete, we'll make the change and mail you a written confirmation. If your transaction instructions are incomplete, we'll call you back.

CREF transfer and allocation-change transactions completed by phone are effective as of the close of business on the day the instructions are received if your phone call is received prior to the close of the New York Stock Exchange, normally 4:00 pm ET. Instructions received after the close of the New York Stock Exchange are effective at the close of the next business day.

If you have any questions, or if you need help using the service, stay on the line. A TIAA-CREF representative will assist you or the message recorder will record your question and a representative will return your call on the next business day. Keep in mind also that you can obtain the latest CREF accumulation unit values and Money Market yields, as well as TIAA Interest Rate information, 24 hours a day, 7 days a week by calling toll-free 1 800 223-1290.

## **ANOTHER STEP TOWARD NEW FLEXIBILITIES, NEW ACCOUNTS**

With each issue of *The Participant* we have reported on progress toward the day when CREF can offer

policyholders and institutions new investment options and a new CREF transferability option. We can now report another significant step toward that goal.

On December 21, 1988, a formal agreement between TIAA-CREF and several higher education institutions, associations and others was presented to the Securities and Exchange Commission. This agreement follows up the "agreement in principle" reached in late October with most of the parties that intervened in TIAA-CREF's proceeding before the SEC. The proceeding arose from CREF's request for certain exemptive relief under U.S. securities law. The SEC granted temporary relief last January, allowing CREF to offer the Money Market Account.

This agreement also reaffirms TIAA-CREF's earlier plans to introduce some of the retirement savings flexibilities called for by our Boards of Trustees in "TIAA-CREF: The Future Agenda" and approved in their April 1988 meeting. We plan to introduce a CREF transfer option allowing policyholders, if they wish to do so and if permitted by their institution's retirement plan, to move accumulated funds to alternative funding vehicles approved by their employers. In addition, we plan to simultaneously introduce two new investment options to complement CREF's Stock and Money Market Accounts.

We expect to introduce these new options within six months of the SEC's final order, assuming other regulatory approvals are also obtained. That order now is anticipated to be issued in the Spring. Well prior to the introduction date, we will provide policyholders and participating institutions with information on the new options and the procedures to be followed.

### **MEDICARE CHANGES BRING EXPANDED CATASTROPHIC COVERAGE**

The Catastrophic Coverage Act of 1988 contains some of the most extensive changes in Medicare in its 23-year history. Some provisions became effective on January 1, 1989, while others will be phased in over the next few years. Since the need for adequate health insurance protection becomes more pronounced during retirement, the changes in Medicare will have important implications for your retirement planning. The following provisions are some of the Act's key highlights.

In 1989, the Act greatly expands Medicare's Part A coverage for stays in the hospital. Inpatient hospital stays are now covered for the entire year. You pay one yearly deductible amount of \$560, regardless of the number of days you are hospitalized. Previously, only the first 60 days of each hospital stay were covered in full, and a \$540 deductible applied to each stay.

Coverage for care in a skilled nursing facility has been expanded to 150 days per calendar year without prior hospitalization. Costs for this coverage in the form of copayments have also been substantially reduced. Beneficiaries will now be required to pay daily coinsurance amounts of \$25.50 for the first eight days of care. However, Medicare still does not pay for long-term or custodial nursing-home care.

In 1989, the premiums beneficiaries are required to pay for Medicare Part B coverage rise to \$31.90 a month, up from \$24.80 a month in 1988. Beginning in 1990, the Act puts a cap of \$1,370 per calendar year on your out-of-pocket expenses (deductibles and copayments) under Part B. The new dollar cap will increase in subsequent years. Currently, after paying a \$75 deductible, the individual pays 20% of all "approved" charges without a dollar cap. Beginning in 1991, Medicare will provide partial coverage of out-patient prescription drug expenses, which are generally not covered at the present time.

With increased benefits will come increased costs. The new catastrophic coverage will be financed through a combination of an income tax surcharge for persons eligible for Medicare, and an increase in the Part B premium. A full explanation of all the changes brought about by the Act is included in TIAA's revised booklet, *Planning For Health Coverage in Retirement -- Medicare and Health Insurance -- 1989*. You can obtain a copy of the booklet by calling toll-free 1 800 842-2733, extension 5509.

### **RESEARCH NOTEBOOK**

TIAA-CREF frequently conducts research to better understand the needs of policyholders and the environment in which they live and work. In addition, TIAA-CREF sponsors research that explores personnel and career-related issues in higher education. Some of our recent efforts, described below, concern employee benefit programs that assist troubled employees, early retirement programs, and the extent of group health care coverage for retired policyholders. Some of the surveys noted below were reported in *Research Dialogues*, a TIAA-CREF publication primarily for administrators of participating institutions. Copies are available to policyholders by calling 1 800 842-2733, extension 5509.

- How are working TIAA-CREF policyholders preparing for retirement? A recent survey was conducted by our Policyholder and Institutional Research group to find out. More than 1,300 premium-paying policyholders between the ages of 55 and 70 participated in the survey, which asked about their plans for retirement and how the 1986 Tax Reform Act and federal legislation prohibiting

age-based mandatory retirement have affected their plans for retirement.

The respondents reported that the age at which they retire will be determined primarily by their expected retirement income. The survey indicates that after years of high inflation and skyrocketing medical costs, policyholders are no longer relying on Social Security to provide the bulk of their income in retirement. Instead, they expect TIAA-CREF annuities to be their major source of income, followed by Social Security and other tax-deferred annuities. Nine out of ten said they have personal savings or investments for use in retirement in addition to their employer's pension plans.

Most respondents reported that the elimination of age-based mandatory retirement had not affected their career or retirement plans. One-third said that the Tax Reform Act did have some impact on the ways in which they save and invest. IRAs, for example, are now less attractive as a source of retirement income. Generally, the survey showed that policyholders are taking an active part in planning their retirement income, and believe employers should play a role in helping them plan ahead for retirement. TIAA-CREF will shortly release a full report of the results of this survey.

- What is the current economic status of TIAA-CREF annuitants in comparison to the elderly in America? TIAA-CREF recently completed a study which draws on recent Social Security Administration statistics as well as findings from a survey of TIAA-CREF retirees. The study found that in households headed by TIAA-CREF annuitants age 65 and over, occupational pensions such as their TIAA-CREF annuities provide 30% of their income. This is twice the national average as reported by the Social Security Administration. In addition, most TIAA-CREF annuitant households (90%) receive income from their personal assets, which is considerably above the national average (67%). Most TIAA-CREF retiree households (98%) receive Social Security, and in contrast to the expectations of premium-paying policyholders as reported in the above study, 36% report that social security provides the largest single source of income. A full report of this study appears in the January 1989 issue of *Research Dialogues*.
- Should an employer help an employee who's having marital or personal financial problems? Beyond compassion, employers recognize that these employees may represent substantial indirect costs -- in sliding productivity, high absenteeism, and excessive use of medical benefits. As a result, according to a TIAA-CREF survey, employers in

higher education have followed the lead of those in private industry by offering a relatively new kind of employee benefit: Employee Assistance Programs (EAPs). These programs use counselors that confidentially assess the nature and extent of an employee's problem and refer the employee to services that may help. Employees can go to the EAP on their own, or a supervisor may refer them.

Some of the surveyed institutions offer an EAP to their employees. While these programs were originally created to assist with alcohol abuse problems, the vast majority (87%) of the institutions that offer EAPs (and that sent us descriptive literature) have programs that deal with all types of problems. For example, the University of Missouri at Columbia, one of the first educational institutions to set up an EAP, found that 25% of their referrals dealt with family or marital problems, 21% were alcohol-related, 19% involved personal finances, and 18% concerned emotional stress. The survey was reported in the February 1988 issue of *Research Dialogues*, which also provides an overview of how EAPs work and the use of these programs in higher education.

- Currently, institutions of higher education may impose a mandatory retirement age of 70 on tenured faculty. For all other employees (with some exceptions) and for tenured faculty beginning in 1994, no mandatory retirement age is permitted. With the imminent demise of mandatory retirement, there has been a surge of interest among campus administrators in early retirement programs. The July 1988 issue of *Research Dialogues* pulled together some of the information available about these programs. It explores the question of how to define early retirement, what factors are important in an individual's decision to retire, and the types of incentives available for institutions of higher education to use in early retirement programs.
- TIAA has conducted a survey among its participating institutions to find out what kinds of group health insurance coverage their retired employees have. Of the institutions that responded to our survey, we found that about three-quarters of the colleges and universities and 54% of the secondary schools provide coverage for retired employees. The vast majority of the surveyed institutions provide identical coverage for spouses or dependents, and most also provide for continuation of the spouse's coverage after the death of the retiree. The most commonly reported cost arrangement was for retirees to pay the full premium for continued group health coverage. This survey's results were discussed in the October 1988 issue of *Research Dialogues*.

## UPDATE ON TAX LAW CHANGES

The interpretations set forth in the articles below reflect TIAA-CREF's understanding of the Tax Reform Act of 1986, the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), and relevant IRS regulations. TIAA-CREF is not permitted to provide legal or tax advice. We suggest that you seek the advice of your own counsel to determine the applicability of these laws to your own situation.

### Withdrawal Restrictions for SRAs Clarified

In the November issue of *The Participant*, we reported on the Technical and Miscellaneous Revenue Act (TAMRA) which made "technical corrections" to the Tax Reform Act of 1986. The Tax Reform Act prohibited the withdrawal of all pre-tax contributions from 403(b) annuities like TIAA-CREF SRAs before age 59½, except under certain circumstances. These exceptions are (1) withdrawals following a policyholder's disability or death, (2) withdrawals following a policyholder's termination of employment, or (3) when the policyholder has a "financial hardship". TAMRA changed this provision of the Tax Reform Act by modifying these withdrawal restrictions to apply only to contributions made and earnings accruing on and after January 1, 1989 and not to those before then.

In addition to this recent action by Congress, the IRS has issued regulations for determining "financial hardship" which will likely apply to 403(b) annuities. TIAA-CREF will distribute funds from your SRA contracts for reasons of financial hardship, if your institution authorizes payment. In order to qualify for a hardship distribution, you must have an immediate and heavy financial need when other resources are not reasonably available to meet this need. The IRS has published the following list of specific situations which are deemed to constitute "immediate and heavy financial need" for employers to use in determining whether they can authorize payment for hardship requests:

- Medical expenses for an employee, spouse, or dependent;
- the purchase of a primary residence;
- post-secondary education tuition for the next semester or quarter for the employee, spouse or dependents; and
- prevention of eviction of the employee from a principal residence or foreclosure on the mortgage of a principal residence.

Before a hardship request is submitted to your employer you must try to satisfy the need from other sources. The IRS regulations specify guidelines for employers to follow in determining whether a distribution is necessary to satisfy the financial need. The

amount of a hardship withdrawal cannot exceed your financial need. In addition, withdrawals can only be made from contributions to your SRAs, and not the earnings on your contributions. Even if you meet the criteria for a hardship withdrawal from your SRA, a withdrawal before age 59½ may be subject to a 10% additional tax.

NOTE: The same withdrawal restrictions may also apply to income you receive before age 59½ from most salary reduction contributions to 403(b) annuities like your TIAA-CREF Retirement Annuities if you haven't terminated employment.

### Non-U.S. Citizens Lose Estate Tax Deduction

Alien spouses have lost an estate tax deduction as a result of the Technical and Miscellaneous Revenue Act of 1988 (TAMRA). Under previous tax law, U.S. citizens were entitled to a marital deduction whereby they could leave unlimited amounts tax-free to a surviving spouse who is not a U.S. citizen. Under TAMRA, property passing to a spouse who is not a U.S. citizen is no longer eligible for the marital deduction provided under estate tax laws. This change in estate tax law is effective for estates of U.S. citizens who die after November 10, 1988.

There is still a way, however, for a U.S. citizen to defer estate taxes on property transferred to a non-citizen spouse. This can happen if the property passes under a Qualified Domestic Trust (QDT) in which the surviving spouse has a qualifying life income interest. Even in this case, estate taxes apply to the principal amount (i) when it is withdrawn by the spouse, (ii) when the trust no longer qualifies as a QDT, or (iii) upon the spouse's death.

In addition, TAMRA provides a new rule for aliens with a surviving spouse who is a U.S. citizen. Effective for the estates of nonresident aliens dying after November 10, 1988 the marital deduction will be allowed for property passing to a surviving spouse who is a U.S. citizen but only with respect to certain property located in the U.S. on the date of the nonresident's death.

TAMRA also affects federal gift taxes. Gifts made after July 13, 1988 from a U.S. citizen to his or her non-citizen spouse no longer qualify for the marital deduction. TAMRA does not change current law under which the marital deduction is not allowed in computing taxable gifts from aliens to spouses who are U.S. citizens. TAMRA does, however, raise the gift tax exclusion of \$10,000 to \$100,000 both for gifts from U.S. citizens to alien spouses and for gifts from alien spouses to U.S. citizens.

**CREF**

**ANNUAL REPORT**

**COLLEGE RETIREMENT EQUITIES FUND**  
**AUDITED FINANCIAL STATEMENTS**  
**INCLUDING**  
**STATEMENTS OF INVESTMENTS**  
**DECEMBER 31, 1988**

As required by the Investment Company Act of 1940, CREF provides its policyholders with this report of the financial condition and portfolio holdings of its two Accounts -- the Stock Account and the Money Market Account. A similar report, as of mid-year 1989, will be distributed toward the end of August 1989, and semi-annually thereafter.

**COLLEGE RETIREMENT EQUITIES FUND**  
**INDEX TO FINANCIAL STATEMENTS**

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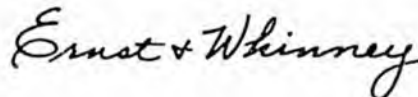
**REPORT OF INDEPENDENT AUDITORS**

To the Board of Trustees of  
College Retirement Equities Fund  
New York, New York

We have audited the accompanying statement of assets and liabilities, including the statements of investments, of College Retirement Equities Fund (comprising the Stock Account and the Money Market Account) as of December 31, 1988, and the related statement of operations for the year ended December 31, 1988 (Stock Account) and for the nine month period ended December 31, 1988 (Money Market Account), the statement of changes in net assets for each of the two years in the period ended December 31, 1988 (Stock Account) and for the nine month period ended December 31, 1988 (Money Market Account), and the selected accumulation unit data and ratios for each of the five years in the period ended December 31, 1988 (Stock Account) and for the nine month period ended December 31, 1988 (Money Market Account). These financial statements and accumulation unit data and ratios are the responsibility of management. Our responsibility is to express an opinion on these financial statements and accumulation unit data and ratios based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and accumulation unit data and ratios are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 1988, by correspondence with the custodians and others. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and selected accumulation unit data and ratios referred to above present fairly, in all material respects, the financial position of each of the respective accounts constituting the College Retirement Equities Fund at December 31, 1988, and the results of their operations, the changes in their net assets, and the selected accumulation unit data and ratios for each of the respective periods referred to in the first paragraph above, in conformity with generally accepted accounting principles.



New York, New York  
February 15, 1989

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**December 31, 1988**

	Stock Account	Money Market Account
<b>ASSETS</b>		
Investments, at value (cost: Stock Account—\$24,523,425,435; Money Market Account—\$906,442,240) .....	\$30,586,405.129	\$906,432.117
Cash .....	1,933.593	103,000
Dividends and interest receivable .....	94,619,996	1,559,464
Receivable from securities transactions .....	79,561,047	635,835
Amounts due from TIAA .....	5,631,270	292,524
<b>TOTAL ASSETS</b>	<b>30,768,151,035</b>	<b>909,022,940</b>
<b>LIABILITIES</b>		
Deposits for securities loaned—Note 4 .....	1,176,435,237	
Due to banks—Note 4 .....	233,625,521	
Payable for securities transactions .....	69,974,838	
<b>TOTAL LIABILITIES</b>	<b>1,480,035,596</b>	
<b>NET ASSETS</b>		
Accumulation Fund .....	24,997,796,014	902,568,319
Annuity Fund .....	4,290,319,425	6,454,621
<b>TOTAL NET ASSETS</b>	<b>\$29,288,115,439</b>	<b>\$909,022,940</b>
<b>NET ASSET VALUE, PER ACCUMULATION UNIT—Notes 5 and 6</b>		
(Stock Account—\$24,997,796,014 ÷ 680,441,728 units; Money Market Account—\$902,568,319 ÷ 85,354,900 units) .....	<u>\$36.74</u>	<u>\$10.57</u>

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENT OF OPERATIONS**

	<u>Stock Account</u>	<u>Money Market Account</u>
	Year Ended December 31, 1988	From April 1, 1988 (date of inception) to December 31, 1988
<b>INVESTMENT INCOME</b>		
Income:		
Dividends—Note 4 .....	\$ 917,712,668	
Interest .....	55,482,489	\$28,777,535
Miscellaneous, net—Note 2 .....	5,247,490	339,304
<b>TOTAL INCOME</b>	978,442,647	29,116,839
Expenses—Note 3:		
Investment .....	30,206,996	311,080
Operating .....	63,353,299	777,608
<b>TOTAL EXPENSES</b>	93,560,295	1,088,688
<b>INVESTMENT INCOME—NET</b>	884,882,352	28,028,151
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS—Note 4</b>		
Net realized gain on investments . . . . .	1,382,761,536	25,451
Net change in unrealized appreciation (depreciation) on investments . . . . .	2,200,162,608	(10,123)
<b>NET GAIN ON INVESTMENTS</b>	3,582,924,144	15,328
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	\$4,467,806,496	\$28,043,479

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	Stock Account		Money Market Account
	Year Ended December 31, 1988	Year Ended December 31, 1987	From April 1, 1988 (date of inception) to December 31, 1988
<b>FROM OPERATIONS</b>			
Investment income—net .....	\$ 884,882,352	\$ 787,966,387	\$ 28,028,151
Net realized gain on investments .....	1,382,761,536	5,546,803,650	25,451
Net change in unrealized appreciation (depreciation) on investments .....	<u>2,200,162,608</u>	<u>(4,965,088,051)</u>	<u>(10,123)</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	4,467,806,496	1,369,681,986	28,043,479
<b>FROM PARTICIPANT TRANSACTIONS</b>			
Premiums .....	1,232,351,869	1,163,510,969	97,047,257
Disbursements and transfers:			
Transfers to TIAA .....	1,063,418,859	1,272,410,594	23,757,034
Net transfers between accounts .....	861,636,408		(861,636,408)
Annuity payments .....	352,170,065	329,705,232	161,026
Withdrawals and repurchases—Note 1 .....	72,355,263	82,518,625	52,865,426
Death benefits .....	<u>59,460,582</u>	<u>51,234,679</u>	<u>920,718</u>
TOTAL DISBURSEMENTS AND TRANSFERS	<u>2,409,041,177</u>	<u>1,735,869,130</u>	<u>(783,932,204)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM PARTICIPANT TRANSACTIONS	<u>(1,176,689,308)</u>	<u>(572,358,161)</u>	<u>880,979,461</u>
TOTAL NET INCREASE IN NET ASSETS	<u>3,291,117,188</u>	<u>797,323,825</u>	<u>909,022,940</u>
<b>NET ASSETS</b>			
At beginning of period .....	<u>25,996,998,251</u>	<u>25,199,674,426</u>	
AT END OF PERIOD	<u><u>\$29,288,115,439</u></u>	<u><u>\$25,996,998,251</u></u>	<u><u>\$ 909,022,940</u></u>

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1—ORGANIZATION**

College Retirement Equities Fund ("CREF") was established by a special act of the New York State Legislature in March 1952 and commenced operations in July 1952. CREF was formed for the express purpose of aiding and strengthening nonprofit educational and research organizations by providing variable retirement benefits for the faculties and other employees of these organizations.

As originally established, CREF invested primarily in equity securities. CREF is registered under the Investment Company Act of 1940 as an open-end, diversified management investment company and has filed registration statements with the Securities and Exchange Commission ("Commission") for certain of its variable annuity certificates. These registration statements were declared effective on March 31, 1988 and, in conjunction therewith, CREF was restructured to consist of two investment portfolios: a Stock Account, which represents the continuation of CREF's equity portfolio, and a Money Market Account, a new portfolio investing primarily in money market instruments.

The Money Market Account commenced operations on April 1, 1988 with a \$50,000,000 investment by Teachers Insurance and Annuity Association ("TIAA"), a companion organization, which purchased 5,000,000 Accumulation Units valued at the \$10 initial Accumulation Unit value established for the Money Market Account. Such Accumulation Units shared in the pro rata investment experience and were subject to the same valuation procedures and expense deductions as were all other Accumulation Units in the Money Market Account. Prior to December 31, 1988, all such Accumulation Units held by TIAA had been withdrawn and are included in the Statements of Changes in Net Assets (Money Market Account) caption "Withdrawals and repurchases".

CREF is registered with the Commission as an investment adviser for its own portfolio of securities under the Investment Advisers Act of 1940, and is registered as a broker-dealer under the Securities Exchange Act of 1934 in connection with the distribution of CREF's certificates. CREF was granted membership in the National Association of Securities Dealers Inc. effective January 22, 1988.

As a registered broker-dealer, CREF is subject to the minimum net capital requirements under Rule 15c3-1 ("Rule") of the Securities Exchange Act of 1934. Under that Rule, CREF is required to maintain a minimum net capital (net assets after prescribed exclusions) and a ratio of aggregate indebtedness to net capital, both as defined in the aforementioned Rule, of not more than 8 to 1 during the first year of operation and 15 to 1 thereafter. At December 31, 1988, CREF met these requirements with net capital of \$21,106,737,088, which was \$21,076,629,198 in excess of its required net capital of \$30,107,890. CREF's ratio of aggregate indebtedness to net capital was approximately .01 to 1.

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements include the accounts of CREF and its wholly-owned subsidiary, College Retirement Equities Fund B.V., a foreign investment company whose net assets are not material to CREF. All significant intercompany transactions and accounts have been eliminated in consolidation. CREF's financial statements have been prepared on the basis of accounting practices prescribed or permitted by the New York State Insurance Department, which, as to CREF, is also in conformity with generally accepted accounting principles, and are summarized as follows:

**Valuation of Investments:** Securities traded on one or more United States securities exchanges are valued at final sales prices as determined on a consolidated composite trading basis. Securities traded in the United States over-the-counter market are valued at final sales prices for NASDAQ National Market System Securities and at closing bid prices for all other over-the-counter securities.

**COLLEGE RETIREMENT EQUITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES—Continued**

Securities traded on a foreign exchange or in foreign markets are valued at the closing values of such securities in the country where traded. Short-term money market securities are stated, depending on maturity, at market value or at amortized cost, which approximates market value. All investments traded in foreign currencies are translated to United States dollars at the prevailing rates of exchange. Portfolio securities for which market quotations are not readily available, or where available but not considered reliable, are valued at fair value as determined in good faith under the direction of the Finance Committee of the Board of Trustees and in accordance with the responsibilities of the Board as a whole.

**Accounting for Investments:** Security transactions are accounted for as of the date the securities are purchased or sold (trade date). Interest income is recorded as earned and, for short-term money market securities, includes amortization of discount and premium. Dividend income is recorded on the ex-dividend date or, for certain dividends from foreign securities if the ex-dividend date has passed, as soon as CREF is informed of the ex-dividend date. Realized gains and losses on security transactions are determined and accounted for on the average cost basis. Foreign exchange gains and losses are not separately reported, since it is not practicable to isolate that portion of the results of CREF's operations arising from changes in foreign exchange rates from the portion arising from changes in the market prices of foreign securities.

**Income and Dividend Taxes:** CREF is a nonprofit educational organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, CREF is not a "Regulated Investment Company" under Subchapter M of the Code and its net investment income and net realized capital gains are not taxable under Subchapter M. However, effective January 1, 1987, any nonpension related income is subject to federal income taxation as unrelated business income. For the years ended December 31, 1988 and 1987, there was no such nonpension related income.

Refunds of foreign taxes withheld on certain dividend income are accounted for when received and reported as miscellaneous income in the Statement of Operations. Such refunds account for the principal portion of the Stock Account caption "Miscellaneous, net".

**NOTE 3—EXPENSE REIMBURSEMENT AGREEMENT WITH TIAA AND AGGREGATE REMUNERATION OF TRUSTEES AND OFFICERS**

TIAA provides all necessary services for CREF at cost, in accordance with an Expense Reimbursement Agreement between the two entities. To defray such costs, TIAA receives expense reimbursements from each CREF account according to a formula established each year with the objective of keeping the reimbursements as close as possible to each account's actual expenses. Any differences between actual expenses and the expense reimbursements are adjusted quarterly.

There are no persons who serve solely as officers of CREF, as all persons designated as CREF officers also serve as officers of TIAA. None of those persons are compensated directly by CREF. Instead, their salaries are allocated between CREF and TIAA, just as other expenses incurred on behalf of both entities are allocated. The aggregate amount allocated to CREF's accounts for services performed by officers in 1988 was \$15,185,891, of which \$13,723,754 represented compensation and \$1,462,137 the pension contributions under the defined contribution retirement plan (funded through CREF certificates and TIAA contracts) in which CREF officers participate. The aggregate fees paid by CREF in 1988 to its trustees who are not active officers of CREF or TIAA was \$393,800. Trustees who are active officers of CREF or TIAA do not receive any additional compensation for their services as trustees.

**COLLEGE RETIREMENT EQUITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**NOTE 4—INVESTMENTS**

At December 31, 1988, the total value of all outstanding Stock Account securities loaned was \$1,231,515,165, and collateral received in connection therewith was comprised of cash of \$1,176,435,237 and United States government securities of \$133,976,952.

At December 31, 1988, due to banks of the Stock Account of \$233,625,521 represented principally amounts payable to banks for their return of cash collateral to certain brokers on behalf of CREF. On January 3, 1989, the date these amounts became payable, CREF reimbursed the banks for such amounts.

At December 31, 1988, the net unrealized appreciation on investments of the Stock Account of \$6,062,979,694 consisted of gross unrealized appreciation of \$7,236,180,026 and gross unrealized depreciation of \$1,173,200,332; the net unrealized depreciation on investments of the Money Market Account of \$10,123 consisted of gross unrealized appreciation of \$65,303 and gross unrealized depreciation of \$75,426.

Companies in which CREF held 5% or more of the outstanding voting shares are defined as "affiliated" in the Investment Company Act of 1940. The total value of Stock Account investments in affiliated companies was \$89,667,021 at December 31, 1988. For the year ended December 31, 1988, and with respect to each company's period of affiliation, total dividend income and the net realized loss were \$981,285 and \$784,092, respectively.

Purchases and sales of securities for the Stock Account, other than short-term money market securities, for the year ended December 31, 1988, were as follows:

Purchases:	
Unaffiliated issuers .....	\$8,627,608,660
Affiliated issuers .....	48,935,100
	<u>TOTAL PURCHASES</u> <u>\$8,676,543,760</u>
Sales:	
Unaffiliated issuers .....	\$8,838,960,323
Affiliated issuers .....	8,356,860
	<u>TOTAL SALES</u> <u>\$8,847,317,183</u>

**NOTE 5—CONDENSED FINANCIAL INFORMATION**

Prior to January 1, 1987, the monthly changes in the Accumulation Unit Value for the Stock Account reflected net realized and unrealized gains and losses on investments ("Former Basis"). Under this Former Basis, net investment income was applied to purchase additional Accumulation Units credited to each Participant's account. On January 1, 1987, the Accumulation Unit Value for the Stock Account was restated to reflect the historical experience of \$1 accumulated in CREF as of July 31, 1952 (at which date the Accumulation Unit Value was \$10.43), with net investment income credited as an increase in the value of the Accumulation Unit ("New Basis") rather than applied to purchase additional Accumulation Units under the Former Basis. The number of Accumulation Units in each Participant's account on January 1, 1987 was adjusted so that the dollar value of each Participant's account as of January 1, 1987 was unaffected. The information presented on the following page illustrates the Accumulation Unit Value of the Stock Account and the total number of Accumulation Units outstanding at the end of each year under the Former and New Bases for the three year period ended December 31, 1986. Where applicable, the following condensed financial information has been retroactively adjusted to give effect to this restatement.

**COLLEGE RETIREMENT EQUITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**NOTE 5—CONDENSED FINANCIAL INFORMATION—Continued**

	<u>For the Years Ended December 31</u>		
	<u>1986</u>	<u>1985</u>	<u>1984</u>
<u>Stock Account</u>			
Accumulation Unit Value at end of year under Former Basis .....	\$101,490	\$ 85,780	\$ 67,040
Adjustment .....	(71,739)	(61,357)	(48,632)
Accumulation Unit Value at end of year, as restated under New Basis .....	<u>\$ 29,751</u>	<u>\$ 24,423</u>	<u>\$ 18,408</u>
Thousands of Accumulation Units at end of year under Former Basis .....	216,676	214,732	208,007
Adjustment .....	522,465	539,462	549,538
Thousands of Accumulation Units at end of year, as restated under New Basis .....	<u>739,141</u>	<u>754,194</u>	<u>757,545</u>

Selected condensed financial data for an Accumulation Unit of the Stock Account (under the New Basis) throughout each year of the five year period ended December 31, 1988, and for the Money Market Account for the period from April 1, 1988 (date of inception) to December 31, 1988, is presented below. The Money Market Account was established with an initial Accumulation Unit Value of \$10 on April 1, 1988.

	<u>Stock Account</u>					<u>Money Market Account*</u>
	<u>For the Years Ended December 31</u>					<u>From April 1, 1988 (date of inception) to December 31, 1988</u>
	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	
Per Accumulation Unit Data:						
Investment income .....	\$ 1.195	\$ 1.040	\$ .912	\$ .832	\$ .790	\$ .595
Expenses** .....	.113	.084	.073	.060	.047	.021
Investment income—net .....	1.082	.956	.839	.772	.743	.574
Net gain on investments .....	4.380	.569	4.489	5.243	.082	—0—
Net increase in Accumulation Unit Value .....	5.462	1.525	5.328	6.015	.825	.574
Accumulation Unit Value:						
At beginning of period .....	31,276	29,751	24,423	18,408	17,583	10,000
AT END OF PERIOD	<u>\$36,738</u>	<u>\$31,276</u>	<u>\$29,751</u>	<u>\$24,423</u>	<u>\$18,408</u>	<u>\$10,574</u>
Ratios to Average Net Assets:						
Expenses .....	0.33%	0.24%	0.27%	0.30%	0.28%	0.25%
Investment income—net .....	3.15%	2.65%	2.97%	3.72%	4.28%	5.94%
Portfolio turnover rate .....	24.68%	20.59%	16.18%	15.20%	19.29%	n/a
Thousands of Accumulation Units outstanding at end of period .....	680,442	717,885	739,141	754,194	757,545	85,355

\* For the Money Market Account, the net annualized yield for the seven day period ending December 31, 1988 was 8.83%, with a net compound effective yield of 9.23%.

\*\* Includes all expenses charged as a deduction from investment income, excluding that portion of expenses charged as a 0.5% (1.5% prior to January 1, 1988) deduction from premiums for supplemental retirement unit-annuity certificates.

**COLLEGE RETIREMENT EQUITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS—(Continued)**

**NOTE 6—ACCUMULATION UNITS**

Changes in the number of Accumulation Units outstanding were as follows:

	<u>Stock Account</u>		<u>Money Market Account</u>
	<u>Year Ended December 31, 1988</u>	<u>Year Ended December 31, 1987</u>	<u>From April 1, 1988 (date of inception) to December 31, 1988</u>
Accumulation Units credited under the certificates with respect to premiums received .....	35,603,971	33,107,062	9,550,182
Accumulation Units credited (cancelled) for transfers, disbursements and amounts applied to the Annuity Fund .....	(73,047,152)	(54,362,725)	75,804,718
Accumulation Units outstanding:			
At beginning of period .....	<u>717,884,909</u>	<u>739,140,572</u>	<u>                    </u>
<b>AT END OF PERIOD</b>	<u><u>680,441,728</u></u>	<u><u>717,884,909</u></u>	<u><u>85,354,900</u></u>

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENT OF INVESTMENTS--STOCK ACCOUNT**  
**DECEMBER 31, 1988**

SUMMARY

	COST	MARKET VALUE	%
CORPORATE BONDS			
DOMESTIC	\$ 14,316,150	\$ 19,580,139	0.07
FOREIGN	14,311,615	15,903,549	0.05
	<hr/>	<hr/>	
TOTAL CORPORATE BONDS	28,627,765	35,483,688	0.12
GOVERNMENT BONDS			
DOMESTIC	320,542	325,812	0.00
FOREIGN	212,675	194,027	0.00
	<hr/>	<hr/>	
TOTAL GOVERNMENT BONDS	533,217	519,839	0.00
	<hr/>	<hr/>	
TOTAL BONDS	\$ 29,160,982	\$ 36,003,527	0.12
	<hr/>	<hr/>	
PREFERRED STOCK			
DOMESTIC	\$ 43,891,207	\$ 52,851,471	0.18
FOREIGN	4,752,419	6,262,508	0.02
	<hr/>	<hr/>	
TOTAL PREFERRED STOCK	\$ 48,643,626	\$ 59,113,979	0.20
	<hr/>	<hr/>	
COMMON STOCK			
DOMESTIC			
AEROSPACE	\$ 229,219,875	\$ 329,438,574	1.12
AIR TRANSPORTATION	296,909,591	376,614,935	1.29
ALUMINUM	123,587,649	194,256,163	0.66
AUTOMOTIVE & RELATED	744,199,756	851,058,183	2.91
BANKS	944,781,577	1,038,315,748	3.55
BEVERAGES	415,932,220	504,300,695	1.72
BROADCASTERS	132,505,094	239,837,304	0.82
BUSINESS SERVICES	173,849,797	181,096,838	0.62
CHEMICALS - MAJOR	696,918,426	765,159,357	2.61
CHEMICALS - SPECIALTY	230,474,254	258,453,070	0.88
COMMUNICATION EQUIPMENT & SERVICES	187,160,123	177,593,176	0.61
COMPUTER SERVICES	183,296,340	202,213,809	0.69
CONGLOMERATES	395,039,665	477,622,119	1.63
CONSTRUCTION - MATERIALS & BUILDERS	175,992,594	219,466,516	0.75
CONTAINERS	19,796,791	30,335,454	0.10
COSMETICS	82,343,222	105,961,468	0.36
ELECTRIC EQUIPMENT - CONNECTORS	46,315,799	80,300,658	0.27
ELECTRIC EQUIPMENT - OTHER	885,231,225	997,644,392	3.41
ELECTRONICS - COMPONENTS & DIVERSIFIED	230,207,634	235,947,514	0.81

See notes to financial statements.

## SUMMARY--CONTINUED

	COST	MARKET VALUE	%
ELECTRONICS - INSTRUMENTATION	\$ 268,615,349	\$ 221,748,332	0.76
ENVIRONMENTAL CONTROL	108,975,789	180,496,837	0.62
FINANCIAL - MISCELLANEOUS	311,734,740	303,335,454	1.04
FOODS	381,049,273	743,798,569	2.54
FOREST PRODUCTS	152,138,899	185,439,572	0.63
HEALTH CARE - DRUGS	1,071,670,659	1,353,272,231	4.61
HEALTH CARE - HOSPITAL SUPPLY	322,949,449	396,506,009	1.35
HEALTH CARE - OTHER	285,270,418	254,996,587	0.87
HOUSEHOLD - CONSUMER ELECTRONICS	9,382,138	9,567,123	0.03
HOUSEHOLD - DURABLE GOODS	70,941,838	84,992,152	0.29
HOUSEHOLD - PRODUCTS	277,209,721	362,330,836	1.24
INSURANCE - BROKERS & OTHER	32,688,817	40,593,387	0.14
INSURANCE - LIFE	104,653,619	130,280,053	0.44
INSURANCE - MULTI-LINE, PROPERTY & CASUALTY	477,275,153	580,075,990	1.98
LEISURE TIME	220,657,610	339,815,222	1.16
MACHINERY - AGRICULTURAL	214,405	215,050	0.00
MACHINERY - INDUSTRIAL & OTHER	349,998,713	417,365,324	1.43
MINING & NON-FERROUS METALS	197,977,363	248,011,341	0.85
OFFICE EQUIPMENT - LARGE MAINFRAME CO	1,112,294,701	1,073,528,461	3.67
OFFICE EQUIPMENT - OTHER	126,546,723	126,933,323	0.43
OFFICE EQUIPMENT - SMALLER EDP CO	319,038,784	395,983,963	1.35
PAPER	324,949,495	451,411,287	1.54
PETROLEUM - DOMESTIC	769,626,088	802,105,826	2.74
PETROLEUM - INTERNATIONAL	988,944,610	1,507,446,262	5.15
PETROLEUM SERVICES	232,253,436	235,802,515	0.81
PHOTOGRAPHY	187,735,146	191,588,900	0.65
PUBLISHING - NEWSPAPER	204,998,905	287,762,779	0.98
PUBLISHING - OTHER	160,904,380	279,149,620	0.95
RAILROADS	289,342,146	379,339,951	1.30
RESTAURANTS & HOTELS	196,548,263	299,285,043	1.02
RETAIL - GENERAL MERCHANDISE	580,839,292	789,793,688	2.70
RETAIL - SPECIALTY	408,705,079	515,162,846	1.76
RETAIL - FOOD	139,104,800	191,201,917	0.65
SAVINGS & LOAN	115,163,764	120,131,645	0.41
STEEL	161,370,143	198,934,540	0.68
TEXTILE & APPAREL	117,908,079	134,807,061	0.46
TIRES & RUBBER	95,425,742	116,013,546	0.40
TOBACCO	451,063,737	664,327,639	2.27
TRUCKERS	55,568,696	76,300,902	0.26
UTILITIES - ELECTRIC	1,061,165,016	1,275,168,469	4.35
UTILITIES - GAS & PIPELINE	311,078,384	375,386,262	1.28
UTILITIES - TELEPHONE	1,277,873,251	1,745,389,571	5.96
TOTAL DOMESTIC COMMON STOCK	20,525,614,245	25,351,472,058	86.56

See notes to financial statements.

SUMMARY--CONTINUED

	COST	MARKET VALUE	%
FOREIGN			
AUSTRALIA	\$ 78,484,222	\$ 114,705,117	0.39
AUSTRIA	1,668,978	799,808	0.00
BELGIUM	25,125,642	51,097,993	0.17
CANADA	135,854,211	173,968,022	0.59
DENMARK	8,640,236	12,405,879	0.04
FRANCE	219,803,078	301,366,092	1.04
GERMANY	240,634,284	322,801,288	1.10
HONG KONG	146,228,571	171,198,179	0.58
ITALY	90,753,509	103,898,523	0.35
JAPAN	550,346,009	1,306,556,635	4.48
MALAYSIA	17,025,057	15,232,853	0.05
MISCELLANEOUS	12,095,831	13,245,313	0.05
NETHERLANDS	61,296,328	86,262,021	0.29
NORWAY	698,696	760,992	0.00
SINGAPORE	22,365,307	24,047,318	0.08
SPAIN	58,100,721	72,471,451	0.25
SWEDEN	23,861,729	42,613,872	0.15
SWITZERLAND	92,492,723	101,608,689	0.35
THAILAND	14,442,200	12,716,968	0.04
UNITED KINGDOM	335,324,764	427,633,307	1.46
TOTAL FOREIGN COMMON STOCK	<u>2,135,242,096</u>	<u>3,355,390,320</u>	11.46
TOTAL COMMON STOCK	<u>\$ 22,660,856,341</u>	<u>\$ 28,706,862,378</u>	98.02
SHORT-TERM INVESTMENTS			
BANKERS ACCEPTANCES	\$ 149,547,332	\$ 149,503,311	0.51
MEDIUM TERM BONDS	7,994,567	7,960,429	0.03
CERTIFICATES OF DEPOSIT	167,001,685	166,862,014	0.57
COMMERCIAL PAPER	1,199,415,723	1,199,339,827	4.10
EURO CERTIFICATES OF DEPOSIT	94,998,550	94,958,074	0.32
COMMERCIAL PAPER (BACKED BY LETTERS OF CREDIT)	41,805,552	41,800,809	0.14
OVERNIGHT REPURCHASE AGREEMENTS	<u>124,000,000</u>	<u>124,000,000</u>	0.42
TOTAL SHORT-TERM INVESTMENTS	<u>\$ 1,784,763,409</u>	<u>\$ 1,784,424,464</u>	6.09
ROUNDING	<u>1,077</u>	<u>781</u>	-
TOTAL PORTFOLIO	<u>\$ 24,523,425,435</u>	<u>30,586,405,129</u>	104.43
NET OTHER ASSETS & LIABILITIES		<u>(1,298,289,690)</u>	<u>(4.43)</u>
NET ASSETS		<u>\$ 29,288,115,439</u>	<u>100.00%</u>

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND  
STATEMENT OF INVESTMENTS--STOCK ACCOUNT  
DECEMBER 31, 1988**

PAR VALUE					COST		MARKET VALUE	%	
		CORPORATE BONDS							
		DOMESTIC							
\$	9,964,000	o	AUTOMOTIVE & RELATED YORK HOLDING SUB DEB	17.50 12/15/04	\$	3,985,600	\$	3,786,320	
			SUB-TOTAL		\$	3,985,600	\$	3,786,320	0.01
\$	735,000		HEALTH CARE - OTHER CHARTER MEDICAL JR SUB DEB	15.85 8/15/08	\$	723,975	\$	784,612	
			SUB-TOTAL		\$	723,975	\$	784,612	0.00
\$	718,000		LEISURE TIME MINSTAR, INC SUB DEB	8.00 7/18/00	\$	507,985	\$	531,320	
			SUB-TOTAL		\$	507,985	\$	531,320	0.00
\$	523,000	o	RETAIL - SPECIALTY RHODES, INC JR SUB DEB	17.00 9/20/00	\$	142,622	\$	130,750	
			SUB-TOTAL		\$	142,622	\$	130,750	0.00
\$	607,000		RETAIL - FOOD FF HOLDINGS CORP SUB DEB	16.50 9/15/04	\$	509,880	\$	441,592	
	14,147,400	o	KROGER JR DISC DEB	15.50 10/15/08	\$	8,236,830	\$	7,002,963	
			SUB-TOTAL		\$	8,746,710	\$	7,444,555	0.03
\$	2,010,000		TEXTILE & APPAREL INTERCO, INC JR SUB DEB	14.50 12/15/03	\$	54,336	\$	1,748,700	
	3,948,000		INTERCO, INC SUB DEB	13.75 12/15/00		115,033		3,819,690	
	2,351,000	o	INTERCO, INC SUB DISC DEB	14.00 12/15/03		39,889		1,334,192	
			SUB-TOTAL		\$	209,258	\$	6,902,582	0.02
			TOTAL DOMESTIC CORPORATE BONDS		\$	14,316,150	\$	19,580,139	0.07
		CORPORATE BONDS							
		FOREIGN							
		BELGIUM							
\$ BEL	362,500	o	CONGLOMERATES GROUPE BRUXELLES LAMBERT S A	6.00 5/30/93	\$	356,156	\$	417,557	
			SUB-TOTAL		\$	356,156	\$	417,557	0.00
			TOTAL BELGIUM		\$	356,156	\$	417,557	0.00

See notes to financial statements.

	PAR VALUE				COST	MARKET VALUE	%
		FRANCE					
		FOODS					
\$ FRF	1,000,000	o BSN-GERVAIS DAIGNE	8.00	11/24/96	\$ 143,150	\$ 155,223	
		SUB-TOTAL			\$ 143,150	\$ 155,223	0.00
		TOTAL FRANCE			\$ 143,150	\$ 155,223	0.00
		ITALY					
		BANKS					
\$ ITL	7,500,000	MEDIOBANCA	6.00	1/01/95	\$ 5,319	\$ 4,618	
		SUB-TOTAL			\$ 5,319	\$ 4,618	0.00
		TOTAL ITALY			\$ 5,319	\$ 4,618	0.00
		MISCELLANEOUS					
		ELECTRONICS - COMPONENTS & DIVERSIFIED					
\$	2,040,000	GOLDSTAR CV	1.75	12/31/02	\$ 2,393,625	\$ 2,448,000	
		SUB-TOTAL			\$ 2,393,625	\$ 2,448,000	0.01
		ELECTRONICS - INSTRUMENTATION					
\$	800,000	SAEHAN CV	1.75	12/31/03	\$ 802,000	\$ 816,000	
	1,325,000	SAMSUNG ELECTRON CV	5.00	12/31/00	\$ 4,486,135	\$ 5,101,250	
		SUB-TOTAL			\$ 5,288,135	\$ 5,917,250	0.02
		MACHINERY - INDUSTRIAL & OTHER					
\$	1,095,000	DAEWOO HEAVY INDUSTRY LTD	3.00	12/31/01	\$ 2,829,701	\$ 3,230,250	
		SUB-TOTAL			\$ 2,829,701	\$ 3,230,250	0.01
		PETROLEUM SERVICES					
\$	1,880,000	YUKONG CV	3.00	12/31/01	\$ 3,007,017	\$ 3,440,400	
		SUB-TOTAL			\$ 3,007,017	\$ 3,440,400	0.01
		TOTAL MISCELLANEOUS			\$ 13,518,478	\$ 15,035,900	0.05
		SPAIN					
		BANKS					
\$ ESP	3,240,000	BANCO INTERCONTINENTAL CV	8.00	12/10/91	\$ 288,512	\$ 290,251	
		SUB-TOTAL			\$ 288,512	\$ 290,251	0.00
		TOTAL SPAIN			\$ 288,512	\$ 290,251	0.00
		TOTAL FOREIGN CORPORATE BONDS			\$ 14,311,615	\$ 15,903,549	0.05
		TOTAL CORPORATE BONDS			\$ 28,627,765	\$ 35,483,688	0.12

See notes to financial statements.

COLLEGE RETIREMENT EQUITIES FUND  
STATEMENT OF INVESTMENTS--STOCK ACCOUNT  
DECEMBER 31, 1988

	PAR VALUE				COST	MARKET VALUE	%
		GOVERNMENT BONDS					
		DOMESTIC					
\$	325,000	U.S. TREASURY NOTE	14.625 1/15/89	\$	320,542	\$ 325,812	
		TOTAL DOMESTIC GOVERNMENT BONDS		\$	320,542	\$ 325,812	0.00
		FOREIGN					
\$CAD	235,000	CANADIAN GOVERNMENT BOND	10.00 12/31/97	\$	212,675	\$ 194,027	
		TOTAL FOREIGN GOVERNMENT BONDS		\$	212,675	\$ 194,027	0.00
		TOTAL GOVERNMENT BONDS		\$	533,217	\$ 519,839	0.00
		TOTAL BONDS		\$	29,160,982	\$ 36,003,527	0.12

See notes to financial statements.

COLLEGE RETIREMENT EQUITIES FUND  
STATEMENT OF INVESTMENTS--STOCK ACCOUNT  
DECEMBER 31, 1988

SHARES		COST	MARKET VALUE	%
	PREFERRED STOCK			
	DOMESTIC			
	BEVERAGES			
210,200	GENERAL CINEMA CORP \$.64 CUM CV SERIES A	\$ 5,129,453	\$ 5,333,825	
	SUB-TOTAL	\$ 5,129,453	\$ 5,333,825	0.02
	FINANCIAL - MISCELLANEOUS			
38,000	FIRST CAPITAL HOLDINGS CORP \$2.0625 CUM CV	\$ 927,443	\$ 897,750	
	SUB-TOTAL	\$ 927,443	\$ 897,750	0.00
	FOODS			
30	o INTERSTATE BAKERIES CORP \$3.50 CUM EX	\$	\$ 243	
	SUB-TOTAL	\$	\$ 243	0.00
	HEALTH CARE - OTHER			
113,500	MEDIO, INC SERIES A	\$ 481,889	\$ 383,062	
	SUB-TOTAL	\$ 481,889	\$ 383,062	0.00
	OFFICE EQUIPMENT - SMALLER FOP CO			
8,873	o MEMOREX TELEX SERIES A CUM REG EXCH	\$	\$ 39,928	
	SUB-TOTAL	\$	\$ 39,928	0.00
	PUBLISHING - OTHER			
246	o HARCOURT BRACE JOVANOVIICH, INC \$13.50 CUM	\$	\$ 2,337	
	SUB-TOTAL	\$	\$ 2,337	0.00
	STEEL			
4,544	o FLS HOLDINGS, INC SERIES A	\$ 209,024	\$ 186,304	
	SUB-TOTAL	\$ 209,024	\$ 186,304	0.00
	TEXTILE & APPAREL			
32,300	o INTERCO, INC SERIES E 17.50 (W/W)	\$ 58,217	\$ 1,970,300	
	SUB-TOTAL	\$ 58,217	\$ 1,970,300	0.01
	UTILITIES - ELECTRIC			
67,100	o LONG ISLAND LIGHTING CO \$2.43 CUM (CLASS P)	\$ 1,492,631	\$ 1,727,825	
1,000	o LONG ISLAND LIGHTING CO \$2.47 CUM (CLASS O)	22,435	26,500	
188,800	c LONG ISLAND LIGHTING CO \$3.31 CUM (CLASS T)	5,166,724	6,112,400	
287,600	o LONG ISLAND LIGHTING CO \$3.50 CUM (CLASS V)	8,186,294	9,562,700	
327,200	o LONG ISLAND LIGHTING CO \$3.50 CUM (CLASS X)	9,296,086	10,797,600	
204,700	o LONG ISLAND LIGHTING CO \$3.52 CUM (CLASS W)	5,818,652	7,292,437	
205,400	o LONG ISLAND LIGHTING CO \$4.25 CUM (CLASS U)	6,469,762	7,856,550	
3,910	o LONG ISLAND LIGHTING CO \$8.12 CUM (CLASS J)	276,984	316,710	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
		UTILITIES - ELECTRIC			
30,000	xo	PUBLIC SERVICE NEW HAMPSHIRE \$13.00 (CLASS F)	\$ 355,613	\$ 345,000	
		SUB-TOTAL	\$ 37,085,181	\$ 44,037,722	0.15
		TOTAL DOMESTIC PREFERRED STOCK	\$ 43,891,207	\$ 52,851,471	0.18
		PREFERRED STOCK			
		FOREIGN			
		GERMANY			
		AUTOMOTIVE & RELATED			
3,000		VOLKSWAGENWERKE AG. (VORZUG)	\$ 421,686	\$ 512,546	
		SUB-TOTAL	\$ 421,686	\$ 512,546	0.00
		CHEMICALS - MAJOR			
12,655		HENKEL KGAA	\$ 3,065,464	\$ 3,689,110	
755	o	HENKEL KGAA NEW	160,183	210,727	
		SUB-TOTAL	\$ 3,225,647	\$ 3,899,837	0.01
		HEALTH CARE - OTHER			
1,225		WELLA GROUP AG.	\$ 376,307	\$ 407,527	
		SUB-TOTAL	\$ 376,307	\$ 407,527	0.00
		TOTAL GERMANY	\$ 4,023,640	\$ 4,819,910	0.02
		ITALY			
		INSURANCE - MULTI-LINE, PROPERTY & CASUALTY			
95,000		I.F.I.L. (ISTITUTO FINANZIARI)	\$ 728,779	\$ 1,442,598	
		SUB-TOTAL	\$ 728,779	\$ 1,442,598	0.00
		TOTAL ITALY	\$ 728,779	\$ 1,442,598	0.00
		TOTAL FOREIGN PREFERRED STOCK	\$ 4,752,419	\$ 6,262,508	0.02
		TOTAL PREFERRED STOCK	\$ 48,643,626	\$ 59,113,979	0.20

See notes to financial statements.

COLLEGE RETIREMENT EQUITIES FUND  
STATEMENT OF INVESTMENTS--STOCK ACCOUNT  
DECEMBER 31, 1988

SHARES		COST	MARKET VALUE	%
	COMMON STOCK			
	DOMESTIC			
	AEROSPACE			
	AAR CORP	\$ 1,403,250	\$ 4,176,562	
1,848,753	BOEING CO (THE)	58,099,690	112,080,650	
192,000	FAIRCHILD INDUSTRIES, INC	2,766,119	3,024,000	
136,600	FLIGHTSAFETY INTERNATIONAL, INC	1,333,905	3,380,850	
500,900	GENERAL DYNAMICS CORP	20,223,158	25,420,675	
361,200	GRUMMAN CORP	8,911,525	7,133,700	
299,114	HEXCEL CORP	8,713,495	9,721,205	
93,800	KAMAN CORP (CLASS A)	947,062	1,284,400	
773,300	LOCKHEED CORP	33,825,169	31,898,625	
513,500	MARTIN MARIETTA CORP	15,414,768	20,796,750	
421,300	MCDONNELL DOUGLAS CORP	24,154,640	31,702,825	
775,700	NORTHROP CORP	31,333,806	21,525,675	
25,000	PACIFIC SCIENTIFIC CO	339,250	243,750	
187,500	PRECISION CASTPARTS CORP	1,136,250	5,203,125	
707,510	RAYTHEON CO	15,236,267	47,403,170	
64,700	o ROHR INDUSTRIES, INC	1,543,406	1,803,512	
103,400	o TECH SYM CORP	1,768,990	1,189,100	
100,000	WYMAN-GORDON CO	2,069,125	1,450,000	
	SUB-TOTAL	\$ 229,219,875	\$ 329,438,574	1.12
	AIR TRANSPORTATION			
9,000	o AIR EXPRESS INTERNATIONAL CORP	\$ 55,075	\$ 157,500	
176,975	o AIR WISCONSIN, INC	2,581,187	2,521,893	
432,300	+ AIRBORNE FREIGHT CORP	8,641,221	9,402,525	
284,700	ALASKA AIRLINES GROUP	5,511,531	5,694,000	
2,327,000	o AMR CORP	88,439,872	124,785,375	
553,333	o ATLANTIC SOUTHEAST AIRLINES, INC	6,756,750	4,841,663	
542,943	DELTA AIR LINES, INC	23,128,539	27,215,017	
219,800	o EMERY AIR FREIGHT CORP	3,649,154	1,099,000	
549,900	o FEDERAL EXPRESS CORP	25,028,556	27,838,687	
517,500	+ HARPER GROUP (THE)	7,231,820	8,021,250	
324,600	N W A, INC	14,951,036	16,798,050	
1,259,600	o PAN AM CORP	7,377,711	2,834,100	
346,200	SOUTHWEST AIRLINES CO	7,074,928	7,010,550	
1,087,568	o TEXAS AIR CORP	16,998,766	12,914,870	
302,100	o TIGER INTERNATIONAL, INC	2,010,524	5,966,475	
407,250	TW SERVICES, INC	5,962,207	10,690,312	
451,900	U S AIR GROUP, INC	15,755,374	15,590,550	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	AIR TRANSPORTATION			
851,444	o UAL CORP	\$ 55,755,340	\$ 93,233,118	
	SUB-TOTAL	\$ 296,909,591	\$ 376,614,975	1.29
	ALUMINUM			
1,723,310	ALCAN ALUMINIUM LTD	\$ 35,696,228	\$ 56,222,988	
1,339,000	ALUMINUM CO OF AMERICA	48,147,334	74,984,000	
62,800	INTERNATIONAL ALUMINUM CORP	870,346	1,672,050	
1,141,900	REYNOLDS METALS CO	38,873,741	61,377,125	
	SUB-TOTAL	\$ 123,587,649	\$ 194,256,163	0.66
	AUTOMOTIVE & RELATED			
1,983,200	AMERICUS TRUST FOR FORD MOTOR CO (UNITS)	\$ 192,476,047	\$ 200,303,200	
2,122,100	AMERICUS TRUST FOR GENERAL MOTORS CORP (UNITS)	182,182,223	177,195,350	
80,000	o ALLEN GROUP, INC	1,491,360	1,070,000	
105,000	APOGEE ENTERPRISES	1,156,875	1,273,125	
116,000	ARVIN INDUSTRIES, INC	1,751,950	2,247,500	
354,100	CHAMPION SPARK PLUG CO	3,800,482	4,736,087	
2,632,510	CHRYSLER CORP	43,829,929	67,787,132	
405,700	CUMMINS ENGINE CO, INC	22,537,818	26,066,225	
503,100	DANA CORP	14,075,904	19,558,012	
82,000	DONALDSON CO, INC	1,121,905	1,701,500	
424,527	EATON CORP	16,209,875	23,667,380	
516,300	ECHLIN, INC	7,039,724	8,518,950	
63,100	FEDERAL-MOGUL CORP	2,191,664	2,997,250	
1,960,624	FORD MOTOR CO	77,574,153	99,011,512	
1,147,235	GENERAL MOTORS CORP	79,463,903	95,794,122	
183,336	GENERAL MOTORS CORP (CLASS E)	5,582,455	8,227,203	
256,640	GENERAL MOTORS CORP (CLASS H)	4,166,229	6,512,240	
739,800	GENUINE PARTS CO	18,157,095	26,262,900	
137,700	GRACO, INC	2,624,462	2,633,512	
181,500	INTERMET CORP	1,820,375	1,588,125	
204,000	o MACK TRUCKS, INC	2,464,375	2,524,500	
15,000	o MR. GASKET CO	212,500	56,250	
4,965,800	o NAVISTAR INTERNATIONAL CORP	29,251,029	26,691,175	
400,900	PACCAR, INC	11,607,871	16,436,900	
185,125	SAFETY-KLEEN CORP	1,397,983	4,489,281	
396,300	SNAP-ON TOOLS CORP	9,971,547	13,870,500	
116,100	SPX CORP	3,804,392	4,484,362	
171,000	STANDARD MOTOR PRODUCTS, INC (CLASS A)	2,487,238	2,394,000	
54,175	STANDARD PRODUCTS CO (THE)	1,394,393	1,591,390	
238,000	o SUBARU OF AMERICA, INC	2,354,000	1,368,500	
	SUB-TOTAL	\$ 744,199,756	\$ 851,058,183	2.91
	BANKS			
410,500	AMERITRUST CORP	\$ 5,531,312	\$ 8,569,187	
201,350	AMSOUTH BANCCORP	4,968,296	4,580,712	
752,262	BANC ONE CORP	16,689,771	16,737,829	
883,721	BANK OF BOSTON CORP	20,110,606	20,877,908	
374,000	BANK OF NEW ENGLAND CORP	10,179,485	8,228,000	
526,859	BANK OF NEW YORK CO, INC (THE)	15,652,595	19,493,783	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>BANKS</b>			
170,266	o BANK OF NEW YORK CO, INC (THE) WTS 11/29/98	\$ 851,330	\$ 638,497	
2,012,100	o BANKAMERICA CORP	35,673,249	35,463,262	
1,389,132	BANKERS TRUST NEW YORK CORP	50,345,863	48,619,620	
648,579	BARNETT BANKS OF FLORIDA, LLC	18,052,412	22,051,686	
202,500	BAYBANKS, INC	8,066,000	8,758,125	
1,889,025	CHASE MANHATTAN CORP (THE)	51,243,986	54,073,340	
966,197	CHEMICAL BANKING CORP	31,725,801	29,952,107	
4,826,600	CITICORP N.A.	93,515,313	124,888,275	
385,440	CITIZENS & SOUTHERN CORP	5,635,435	9,539,640	
187,250	COMERICA, INC	5,925,250	8,566,687	
215,000	CORESTATES FINANCIAL CORP	6,956,875	8,707,500	
348,117	CRESTAR FINANCIAL CORP	7,120,201	8,354,808	
575,661	DOMINION BANKSHARES CORP	8,781,789	9,354,491	
286,000	FIRST ALABAMA BANCSHARES, LLC	4,394,375	4,397,250	
135,000	FIRST AMERICAN BANK CORP	5,356,250	5,906,250	
464,092	FIRST BANK SYSTEM, INC	8,533,408	9,803,943	
970,548	FIRST CHICAGO CORP	26,809,653	28,752,484	
140,200	FIRST FIDELITY BANCORP	5,462,786	3,767,875	
170,000	FIRST FLORIDA BANKS, INC	4,980,625	4,590,000	
558,475	FIRST INTERSTATE BANCORP	23,616,973	24,223,853	
114,000	FIRST SECURITY CORP	2,694,625	2,821,500	
280,000	FIRST TENNESSEE NATIONAL CORP	7,584,687	6,860,000	
596,493	FIRST UNION CORP	12,164,883	13,197,407	
228,100	FIRST VIRGINIA BANKS, INC	6,187,400	5,645,475	
254,200	FIRST WACHOVIA CORP	8,769,900	9,627,825	
443,300	FLEET NORSTAR FINANCIAL GROUP, INC	9,068,848	11,304,150	
340,284	o GRANT STREET NATIONAL BANK	340,797	191,579	
343,170	HUNTINGTON BANCSHARES, INC	4,526,854	5,919,682	
444,500	KEYCORP	9,362,202	8,834,437	
579,500	MANUFACTURERS HANOVER CORP	19,442,077	16,443,312	
350,284	MELLON NATIONAL CORP	11,785,822	8,757,100	
226,250	MERCANTILE BANCORP, INC	5,620,312	5,769,375	
270,500	MERIDIAN BANCORP, INC	5,193,375	5,240,937	
192,200	MICHIGAN NATIONAL CORP	6,558,500	8,624,975	
209,953	MIDLANTIC CORP	8,992,916	8,004,458	
205,505	MNC FINANCIAL CORP	8,523,979	9,067,908	
2,646,452	MORGAN (J.P) & CO, INC	76,628,169	92,295,013	
278,000	NATIONAL CITY CORP	7,231,187	9,139,250	
463,800	NBD BANCORP, INC	12,342,163	17,392,500	
939,894	NCNB CORP	19,740,055	25,612,111	
470,799	NORWEST CORP	10,275,639	15,124,417	
520,410	PNC FINANCIAL CORP	21,441,319	20,686,297	
202,550	REPUBLIC NEW YORK CORP	7,306,642	8,684,331	
1,190,022	SECURITY PACIFIC CORP	42,128,141	42,989,544	
519,202	SHAWMUT NATIONAL CORP	12,532,289	12,201,247	
276,100	SIGNET BANKING CO	7,974,281	8,213,975	
95,000	SOCIETY CORP	2,008,125	3,158,750	
845,896	SOUTHEAST BANKING CORP	18,459,284	19,032,660	
287,000	SOUTHTRUST CORP	5,307,250	5,919,375	
286,499	SOVRAN FINANCIAL CORP	9,033,765	9,812,590	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>BANKS</b>			
370,900	STATE STREET BOSTON CORP	\$ 8,405,590	\$ 9,828,850	
1,239,440	SUNTRUST BANKS, INC	25,758,107	24,633,870	
414,500	o TEXAS AMERICAN BANCSHARES, INC	7,963,384	103,625	
379,290	U.S. BANCORP	6,416,550	8,723,670	
398,500	o UNITED BANKS OF COLORADO, INC	8,277,937	4,981,250	
328,000	VALLEY NATIONAL CORP	6,662,500	8,036,000	
605,204	WELLS FARGO & CO	25,812,384	36,539,191	
	<b>SUB-TOTAL</b>	\$ 944,781,577	\$ 1,038,315,748	3.55
	<b>BEVERAGES</b>			
1,902,600	AMERICUS TRUST FOR COCA-COLA CO (THE) (UNITS)	\$ 88,084,746	\$ 84,903,525	
2,781,222	ANHEUSER BUSCH CO, INC	97,210,230	87,608,493	
327,000	ANHEUSER BUSCH CO, INC TRUSTEED SHARES	11,370,533	9,483,000	
291,700	BROWN-FORMAN CORP (CLASS B)	8,907,645	16,809,212	
91,000	COCA-COLA BOTTLING CO CONSOLIDATED	3,016,750	2,343,250	
2,117,600	COCA-COLA CO (THE)	74,684,577	94,497,900	
612,300	COCA-COLA ENTERPRISES, INC	9,212,326	9,184,500	
426,000	COORS ADOLPH CO (CLASS B)	8,591,108	8,520,000	
436,600	GENERAL CINEMA CORP	7,333,415	11,133,300	
2,836,639	PEPSICO, INC	58,449,971	112,047,240	
1,104,200	SEAGRAMS CO LTD	49,070,919	67,770,275	
	<b>SUB-TOTAL</b>	\$ 415,932,220	\$ 504,300,695	1.72
	<b>BROADCASTERS</b>			
10,200	o ASSOCIATED COMMUNICATIONS CORP (CLASS A)	\$ 289,500	\$ 367,200	
65,500	o ASSOCIATED COMMUNICATIONS CORP (CLASS B)	1,698,812	2,258,000	
89,000	o BARRIS INDUSTRIES, INC	1,409,000	634,125	
183,602	CAPITAL CITIES/ABC, INC	34,963,001	66,509,824	
275,926	CBS, INC	25,061,407	47,045,383	
195,300	COMCAST CORP (CLASS A)	2,591,627	3,271,275	
134,275	COMCAST CORP (CLASS A) SPI	1,260,972	2,198,753	
220,000	o FINANCIAL NEWS NETWORK, INC	3,051,875	1,787,500	
177,300	o KING WORLD PRODUCTIONS, INC	3,296,917	4,210,875	
516,000	o LIN BROADCASTING CORP	14,910,206	36,894,000	
60,039	o MULTIMEDIA, INC NEW	1,203,910	4,592,983	
98,400	o PARK COMMUNICATIONS, INC	2,873,275	2,656,800	
36,600	SCRIPPS HOWARD BROADCASTING CO	3,024,150	2,488,800	
30,100	o STANDARD SHARES, INC	2,817,940	2,968,612	
1,501,200	o TELE-COMMUNICATIONS, INC (CLASS A)	18,193,215	39,218,850	
144,500	o TURNER BROADCASTING SYSTEMS, INC (CLASS A)	1,132,209	2,438,437	
144,500	o TURNER BROADCASTING SYSTEMS, INC (CLASS B)	1,132,209	2,113,312	
329,600	UNITED CABLE TELEVISION CORP	5,366,369	11,371,200	
127,500	o UNITED TELEVISION, INC	3,204,750	3,474,375	
332,000	o WESTWOOD ONE, INC	5,023,750	3,237,000	
	<b>SUB-TOTAL</b>	\$ 132,505,094	\$ 239,837,304	0.82
	<b>BUSINESS SERVICES</b>			
25,000	o ACTION INDUSTRIES, INC	\$ 344,500	\$ 100,000	
169,000	o ACTMEDIA, INC	2,361,000	1,309,750	
115,500	ADIA SERVICES, INC	3,069,250	2,598,750	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BUSINESS SERVICES				
115,484	o ADVO SYSTEMS, INC	\$	739,159	\$	548,549
24,600	AMERICAN BUSINESS PRODUCTS, INC		665,226		645,750
103,500	o AUTODESK, INC		2,089,375		3,001,500
124,000	BANIA, GEORGE CO, INC		1,224,625		2,945,000
491,300	BLOCK (H&R), INC		7,533,818		13,940,637
203,000	o BURR-BROWN CORP		2,821,000		2,486,750
77,000	CINTAS CORP		2,403,750		2,579,500
121,000	CROSS (A.T.) CO (CLASS A)		1,707,355		4,265,250
1,111,000	DELUXE CORP		28,133,965		27,775,000
71,500	DIEROLD, INC		2,952,932		2,779,562
79,900	DUPLEX PRODUCTS, INC		1,000,898		1,478,150
98,000	o DUQUESNE SYSTEMS, INC		1,801,875		2,131,500
94,700	ENNIS BUSINESS FORMS, INC		2,395,259		2,556,900
89,300	ESSELTE BUSINESS SYSTEMS, INC		3,471,652		2,690,162
70,000	o FIRST FINANCIAL MANAGEMENT CORP		2,050,750		1,907,500
105,400	FOOTE CONE & BELDING COMMUNICATIONS, INC		2,673,393		2,411,025
59,500	o GTECH CORP		1,388,250		580,125
314,300	HARLAND (JOHN H.) CO		4,702,313		6,993,175
62,000	HUNT MANUFACTURING CO		1,373,400		1,767,000
256,000	o INFORMATION RESOURCES, INC		4,532,860		2,560,000
95,600	INTERPUBLIC GROUP OF COS, INC		1,283,908		3,513,300
85,875	KELLY SERVICES, INC (CLASS A)		2,323,500		3,177,375
322,000	KINDER-CARE LEARNING CENTERS, INC		3,360,375		2,415,000
272,666	o LA PETITE ACADEMY, INC		3,182,375		2,590,327
152,500	MACNEAL-SCHWENGLER CORP (THE)		2,595,156		1,563,125
949,000	o MAXIOR CORP		13,779,687		8,303,750
70,000	NASHUA CORP		1,204,550		2,563,750
153,300	NATIONAL EDUCATION CORP		2,016,845		3,564,225
564,549	o NATIONAL SERVICE INDUSTRIES, INC		11,578,250		12,137,803
89,000	NEW ENGLAND BUSINESS, INC		1,777,000		2,091,500
130,500	OGILVY GROUP, INC (THE)		3,021,625		3,490,875
107,600	OLSTEN CORP		2,669,647		2,421,000
135,000	OMNICOM GROUP, INC		2,821,875		2,649,375
240,000	o PACE MEMBERSHIP WAREHOUSE, INC		2,433,125		2,520,000
110,500	PAYCHEX, INC		1,852,000		1,933,750
86,500	PHH CORP		2,653,580		3,016,687
143,200	ROLLINS, INC		1,268,832		2,541,800
419,750	o SAFEGARD SERVICES, INC		2,608,062		2,518,500
31,900	SCIENCE MANAGEMENT CORP		324,181		219,312
170,000	SENSORMATIC ELECTRONICS CORP		2,670,625		1,636,250
515,100	SERVICE CORP INTERNATIONAL		9,567,573		9,014,250
12,500	SEVEN OAKS INTERNATIONAL, INC		158,750		112,500
164,000	STANDARD REGISTER, INC		3,309,625		2,644,500
17,000	o TOTAL SYSTEM SERVICES, INC		336,375		369,750
20,000	UNIFIRST CORP		496,550		515,000
144,000	UNITED STATIONERS, INC		3,152,140		3,276,000
93,000	VALSPAR CORP		2,422,650		2,232,000
60,000	o VOLT INFORMATION SCIENCES, INC		1,067,500		750,000
9,300	WACKENHUT CORP		173,003		158,100
153,500	WALLACE COMPUTER SERVICE, INC		4,890,244		6,696,437

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	BUSINESS SERVICES			
130,900	WILFRED AMERICAN EDUCATIONAL CORP	\$ 1,413,584	\$ 409,062	
	SUB-TOTAL	\$ 173,849,797	\$ 181,096,838	0.62
	CHEMICALS - MAJOR			
7,000	o AMERICUS TRUST FOR DOW CHEMICAL CO (THE) (SCORE)	\$ 99,978	\$ 98,000	
842,000	AMERICUS TRUST FOR DOW CHEMICAL CO (THE) (UNITS)	74,043,417	73,885,500	
4,900	o AMERICUS TRUST FOR DU PONT (E. I.) DE NEMOURS & CO (SCORE)	148,053	45,927	
1,381,700	AMERICUS TRUST FOR DU PONT (E. I.) DE NEMOURS & CO (UNITS)	171,330,800	121,935,025	
543,800	AIR PRODUCTS AND CHEMICALS, INC	15,137,036	23,431,750	
1,324,700	DOW CHEMICAL CO (THE)	110,681,744	116,242,425	
1,192,287	DUPONT (E. I.) DE NEMOURS & CO	97,525,214	105,219,327	
417,300	GOODRICH (B.F.) CO (THE)	18,293,716	21,595,275	
31,992	o GROW VENTURES CORP	27,768	13,011	
521,300	HERCULES, INC	21,243,799	23,197,850	
221,500	LILLY INDUSTRIAL COATINGS LTD (CLASS A)	3,559,562	3,931,625	
1,376,600	MONSANTO CO	71,597,549	112,537,050	
94,000	OLIN CORP	2,021,285	4,794,000	
29,202	PENNWALT CORP	878,515	3,011,456	
1,114,700	PPG INDUSTRIES, INC	24,089,871	45,006,012	
475,700	QUANTUM CHEMICAL CORP	36,490,336	50,126,887	
632,400	ROHM & HAAS CO	18,402,989	21,738,750	
1,533,880	UNION CARBIDE CORP	31,246,793	39,305,675	
194,010	o UNION CARBIDE CORP RTS	1	38,802	
	SUB-TOTAL	\$ 696,918,426	\$ 765,159,357	2.61
	CHEMICALS - SPECIALTY			
400,000	AVERY INTERNATIONAL CORP	\$ 8,273,341	\$ 9,100,000	
60,000	BETZ LABORATORIES, INC	1,930,000	2,850,000	
19,800	o CAMBREX CORP	415,800	292,050	
76,200	CHEMED CORP	2,190,229	2,476,500	
132,266	COMMERCIAL METALS CO	1,409,596	2,794,119	
30,100	CROMPTON AND KNOWLES CORP	744,418	921,812	
5,100	DESCIO, INC	199,308	175,950	
130,200	DEXIER CORP	1,978,283	2,896,950	
135,000	ECOLAB, INC	2,483,344	3,577,500	
537,550	ENGELHARD CORP	10,186,229	9,272,737	
1,305,100	ETHYL CORP	27,282,076	28,222,787	
145,200	FERRO CORP	2,200,647	4,864,200	
827,400	FIRST MISSISSIPPI CORP	12,321,319	14,686,350	
585,600	FOSTER WHEELER CORP	8,205,762	8,491,200	
123,000	FULLER (H.B.) CO	2,868,126	3,321,000	
121,400	GAF CORP	2,984,717	5,645,100	
1,426,100	GRACE (W.R.) & CO	34,080,401	37,078,600	
86,100	GREAT LAKES CHEMICAL CORP	4,118,260	5,015,325	
159,961	GROW GROUP, INC	1,785,111	1,879,541	
53,400	o HEALTH-CHEM CORP	383,534	160,200	
298,050	INTERNATIONAL MINERALS & CHEMICAL CORP	10,618,833	11,400,412	
264,933	LAWTER INTERNATIONAL, INC	2,403,897	3,112,962	
75,437	LEARONAL, INC	1,037,067	1,244,710	
136,000	LOCTITE CORP	2,540,400	4,454,000	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	CHEMICALS - SPECIALTY				
151,700	LUBRIZOL CORP	\$	2,876,687	\$ 5,385,350	
200,000	o MELAMINE CHEMICALS, INC		2,158,500	2,600,000	
121,000	MILLIPORE CORP		2,044,299	4,204,750	
687,600	MORTON THIOKOL, INC		26,782,119	25,355,250	
190,000	NALCO CHEMICAL CORP		5,841,805	6,697,500	
69,000	NCH CORP		2,414,255	2,854,875	
102,000	PETROLITE CORP		2,699,500	2,295,000	
234,350	PRODUCTS RESEARCH & CHEMICAL CORP		3,406,201	3,603,131	
257,200	RAYCHEM CORP		9,246,845	9,002,000	
149,000	RPM, INC		2,361,875	2,328,125	
100,500	SCHULMAN A, INC		3,506,750	4,246,125	
66,600	SEALED AIR CORP		2,651,869	3,030,300	
78,052	SEQUA CORP (CLASS A)		5,073,390	4,429,451	
19,300	SEQUA CORP (CLASS B)		1,341,350	1,177,300	
130,000	SIGMA ALDRICH CORP		5,733,527	6,142,500	
90,500	WD-40 CO		3,066,750	2,873,375	
127,150	WITCO CHEMICAL CORP		3,323,859	4,450,250	
218,087	ZERO CORP		3,303,985	3,843,783	
	SUB-TOTAL	\$	230,474,254	\$ 258,453,070	0.88
	COMMUNICATION EQUIPMENT & SERVICES				
88,300	o ANDREW CORP	\$	2,354,052	\$ 1,766,000	
63,750	o AYD N CORP		1,331,350	980,156	
5,000	o CALIFORNIA MICROWAVE, INC		45,000	41,250	
69,300	CHRYON CORP		680,000	277,200	
258,700	COMMUNICATIONS SATELLITE CORP		7,930,677	6,984,900	
82,887	o COMPUTER CONSOLES, INC		1,295,817	1,046,448	
494,900	CORNING GLASS WORKS		22,460,360	34,333,687	
404,744	o D S C COMMUNICATIONS CORP		8,107,128	3,136,766	
491,100	o DIGITAL COMMUNICATIONS ASSOCIATION, INC		15,982,929	9,085,350	
54,000	o DYNATECH CORP		1,222,125	972,000	
15,000	o GANDALF TECHNOLOGIES, INC		105,000	80,625	
101,000	o GENERAL DATACOMM INDUSTRIES, INC		1,442,115	467,125	
212,400	o GRAPHIC SCANNING CORP		1,473,050	1,380,600	
544,375	HARRIS CORP		17,454,621	14,598,125	
104,000	o INTERNATIONAL MOBILE MACHINES CORP		1,480,875	910,000	
403,100	M/A-COM, INC		7,037,135	3,426,350	
354,200	o MITEL CORP		3,889,476	885,500	
466,000	o NETWORK EQUIPMENT TECHNOLOGIES		9,738,475	8,388,000	
2,556,925	NORTHERN TELECOM LTD		35,343,922	42,508,878	
408,000	o NOVELL, INC		8,844,093	12,240,000	
183,990	o PARADYNE CORP		2,890,524	1,862,898	
11,877	o PLANTRONICS, INC		146,429	267,232	
250,300	SCIENTIFIC-ATLANTA, INC		3,452,146	3,285,187	
70,000	o TELCO SYSTEMS, INC		964,375	323,750	
394,000	TELERATE, INC		4,152,192	6,156,250	
109,900	o TELESPIHERE INTERNATIONAL, INC		485,870	178,587	
161,500	o TELLABS, INC		2,533,375	2,038,937	
645,400	o THREE COM CORP		14,044,475	14,118,125	
70,000	o TIE/COMMUNICATIONS, INC		1,231,350	113,750	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	COMMUNICATION EQUIPMENT & SERVICES			
1,226,000	+o TPI ENTERPRISES, INC	\$ 8,456,187	\$ 5,517,000	
79,000	o VMX, INC	585,000	122,500	
	SUB-TOTAL	\$ 187,160,123	\$ 177,593,176	0.61
	COMPUTER SERVICES			
145,500	o ADC TELECOMMUNICATIONS, INC	\$ 1,879,250	\$ 1,764,187	
695,100	o ASHTON-TATE CORP	14,667,103	14,597,100	
235,000	o ASK COMPUTER SYSTEMS, INC	3,486,250	3,436,875	
963,000	AUTOMATIC DATA PROCESSING, INC	19,804,899	37,316,250	
85,300	BOLT BERANEK AND NEWMAN, INC	1,642,474	895,650	
110,000	o BRITTON LEE, INC	1,022,500	275,000	
1,294,400	o COMPUTER ASSOCIATES INTERNATIONAL, INC	31,744,222	38,390,250	
168,900	o COMPUTER SCIENCES CORP	3,919,266	8,022,750	
142,500	o CONNER PERIPHERALS, INC	1,120,312	1,122,187	
122,000	o CUC INTERNATIONAL, INC	2,172,187	2,135,000	
307,700	c CULLINET SOFTWARE, INC	2,652,218	2,115,437	
50,000	DST SYSTEMS, INC	287,500	587,500	
174,000	HBO & CO	3,016,043	1,935,750	
125,000	o HOGAN SYSTEMS, INC	1,413,125	593,750	
76,728	o INTELOGIC TRACE, INC	1,427,808	326,094	
125,000	o ISC SYSTEMS CORP	1,667,314	1,109,375	
912,300	o LOTUS DEVELOPMENT CORP	15,086,283	16,649,475	
206,000	o MANAGEMENT SCIENCE AMERICA, INC	3,624,125	1,673,750	
117,100	o MICROAMERICA, INC	412,950	775,787	
274,000	o MICRON TECHNOLOGY, INC	2,486,250	4,315,500	
131,500	o MICRCPOLIS CORP	3,266,207	969,812	
180,000	o MICROSOFT CORP	9,852,500	9,585,000	
140,750	NATIONAL COMPUTER SYSTEMS, INC	1,808,500	1,917,718	
88,000	NATIONAL DATA CORP	1,578,125	2,211,000	
150,000	o ON LINE SOFTWARE INTERNATIONAL, INC	1,945,097	750,000	
999,600	+ PANSOPHIC SYSTEMS, INC	13,951,589	13,994,400	
116,000	o POLICY MANAGEMENT SYSTEMS CORP	2,978,250	2,813,000	
7,600	o RECOGNITION EQUIPMENT, INC	110,644	91,200	
120,000	REYNOLDS & REYNOLDS CO (THE) (CLASS A)	1,992,125	2,865,000	
130,000	SEI CORP	2,210,000	2,275,000	
406,300	SHARED MEDICAL SYSTEMS CORP	11,446,800	6,754,737	
585,000	o SUN MICROSYSTEMS, INC	10,509,750	9,725,625	
60,000	SYSTEM INTEGRATORS, INC	808,750	592,500	
83,500	SYSTEMATICS, INC	1,775,437	2,630,250	
50,000	o SYSTEMS & COMPUTER TECHNOLOGY CORP	1,070,000	153,150	
132,000	TELECREDIT, INC	1,440,332	4,488,000	
53,000	o TEXLON CORP	1,114,000	980,500	
83,000	o TRIAD SYSTEMS CORP	1,407,405	1,120,500	
15,000	o VM SOFTWARE, INC	498,750	258,750	
	SUB-TOTAL	\$ 183,296,340	\$ 202,213,809	0.69
	CONGLOMERATES			
304,900	ALCO STANDARD CORP	\$ 5,891,778	\$ 8,499,087	
212,000	ALEXANDER & BALDWIN, INC	2,916,500	6,678,000	
1,825,752	ALLIED - SIGNAL CORP	72,385,043	59,336,940	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>CONGLOMERATES</b>			
19,857	o AMERICAN ECOLOGY, INC	\$ 60,500	\$ 193,605	
110,703	AMERICAN PRESIDENT COS LTD	1,788,230	3,763,902	
208,300	BAIRNCO CORP	4,130,437	5,155,425	
208,700	BRANDY W H CO (CLASS A)	5,480,650	4,382,700	
99,895	CHICAGO PACIFIC CORP	2,294,271	5,194,540	
201,841	CRANE CO	2,121,700	4,692,803	
48,900	CURTISS-WRIGHT CORP	2,640,168	2,628,375	
8,983	DI GIORGIO CORP	135,225	223,452	
141,436	o DRAVO CORP	1,816,965	2,280,655	
93,400	FUOQA INDUSTRIES, INC	2,320,314	2,813,675	
308,600	GALLAGHER (ARTHUR J) & CO	6,958,316	5,169,050	
176,000	GREYHOUND CORP (THE)	2,976,237	5,280,000	
98,100	o HANSON TRUST PLC WTS 2/30/91	284,490	269,775	
32,774	o HENLEY MANUFACTURING CORP	562,238	2,929,176	
620,000	o IMMUNOMEDICS, INC	6,218,750	3,022,500	
347,900	o J.P. INDUSTRIES, INC	5,854,489	4,740,137	
609,000	o JPM INDUSTRIES (CLASS A)	2,368,625	76,125	
278,994	o LITTON INDUSTRIES, INC	22,396,905	20,052,693	
335,800	LOEWS CORP	16,547,800	26,486,225	
46,700	MORRISON-KNUDSEN CORP	1,432,725	1,838,812	
620,000	o OMI, INC	3,482,597	4,572,500	
917,900	OVERSEAS SHIPHOLDING GROUP, INC	18,380,904	24,668,562	
297,408	PENN CENTRAL CORP (THE)	5,309,922	7,212,144	
2,904,000	ROCKWELL INTERNATIONAL CORP	34,267,657	63,162,000	
107,900	STANDEX INTERNATIONAL CORP	2,182,695	2,238,925	
203,400	SUNDSTRAND CORP	8,940,537	10,170,000	
169,950	TELEDYNE, INC	40,577,454	56,465,887	
942,100	TEXTRON, INC	18,417,114	22,374,875	
591,100	TRW, INC	21,422,726	24,604,537	
167,000	TYCO LABORATORIES, INC	2,965,505	5,970,250	
1,519,200	UNITED TECHNOLOGIES CORP	57,150,703	62,477,100	
418,263	o WHEELABRATOR GROUP	7,676,089	9,044,937	
173,000	WHITTAKER CORP	4,683,406	8,952,750	
	SUB-TOTAL	\$ 395,039,665	\$ 477,622,119	1.63
	<b>CONSTRUCTION - MATERIALS &amp; BUILDERS</b>			
501,700	ARMSTRONG WORLD INDUSTRIES, INC	\$ 14,629,423	\$ 17,559,500	
132,000	ATKINSON (GUY F) CO OF CALIFORNIA	2,096,375	1,947,000	
15,000	o AVATAR HOLDINGS, INC	253,750	361,875	
50,800	BUTLER MANUFACTURING CO	1,606,150	1,663,700	
116,000	CALMAT CO	2,366,855	3,262,500	
50,000	CARLISLE CORP	1,259,250	1,750,000	
70,800	o CDI CORP	1,709,677	2,124,000	
152,400	CENTEX CORP	3,612,448	4,457,700	
54,200	o CHAMPION ENTERPRISES, INC	406,500	203,250	
258,515	o CLAYTON HOMES, INC	2,280,726	2,197,377	
146,200	DALLAS CORP	2,845,988	2,211,275	
27,600	o FISCHBACH CORP	1,206,138	431,250	
390,900	FLEETWOOD ENTERPRISES, INC	9,101,415	9,821,362	
35,100	o FLORIDA ROCK & TANK LINES, INC	196,941	438,750	

See notes to financial statements.

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6702 SENATE STATE AFFAIRS

SHARES		COST	MARKET VALUE	%
	CONSTRUCTION - MATERIALS & BUILDERS			
70,200	FLORIDA ROCK INDUSTRIES, INC	\$ 868,732	\$ 2,123,550	
208,300	o GENLYTE GROUP, INC	1,744,408	1,822,625	
15,000	HUGHES SUPPLY, INC	185,900	264,375	
1,227,814	JOHNSON CONTROLS, INC	38,128,179	41,968,687	
350,725	KAUFMAN & BROAD, INC	3,528,896	4,734,787	
34,000	L.S. STARRETT (THE) (CLASS A)	798,235	867,000	
34,000	L.S. STARRETT (THE) (CLASS B)	798,235	857,000	
104,200	LENNAR CORP	1,831,030	1,836,525	
178,800	LONE STAR INDUSTRIES, INC	4,741,815	4,917,000	
183,100	M.D.C. CORP	1,952,042	503,525	
1,475,100	MASCO CORP	29,088,119	37,430,662	
659,000	o MASCO INDUSTRIES, INC	2,680,369	7,001,875	
90,695	o MEDUSA CORP	421,931	1,179,035	
257,600	NEWELL CO, INC	2,041,517	7,277,200	
441,400	o OVENS-CORNING FIBERGLAS CORP NEW	7,603,083	9,821,150	
300,100	PHILIPS INDUSTRIES, INC	3,234,309	5,776,925	
239,100	PHM CORP	1,803,096	2,659,987	
28,000	PLY-GEM INDUSTRIES, INC	381,300	332,500	
86,000	REPUBLIC GYPSUM CO	863,001	408,500	
28,600	o ROBERTSON (H.H.) CO	1,037,756	253,825	
197,000	ROUSE CO (THE)	2,506,125	4,826,500	
286,200	RYLAND GROUP, INC (THE)	3,205,732	5,902,875	
443,300	SHERWIN-WILLIAMS CO (THE)	8,357,757	11,248,737	
108,500	SKYLINE CORP	2,093,811	1,681,750	
327,500	o SOUTHLAND FINANCIAL CORP	4,009,670	245,625	
35,000	STONE & WEBSTER, INC	1,613,850	2,445,625	
31,630	TEXAS INDUSTRIES, INC	938,600	1,059,605	
70,200	TYLER CORP	42,035	447,525	
560,356	o USG CORP NEW	4,132,625	3,152,002	
30,000	VULCAN MATERIALS CO	1,788,900	4,980,000	
	SUB-TOTAL	\$ 175,092,594	\$ 219,466,516	0.75
	CONTAINERS			
473,993	BALL CORP	\$ 13,283,355	\$ 13,212,554	
20,000	CLACOR, INC	598,750	635,000	
48,000	CONSTAR INTERNATIONAL, INC	1,234,375	960,000	
288,300	o CROWN CORK & SFAL CO, INC	2,621,531	13,333,875	
66,200	VAN DORN CO	1,198,265	1,084,025	
74,000	WEST CO, INC (THE)	860,515	1,110,000	
	SUB-TOTAL	\$ 19,796,791	\$ 30,335,454	0.10
	COSMETICS			
9,750	ALBERTO - CULVER CO (CLASS A)	\$ 109,712	\$ 255,937	
115,550	ALBERTO - CULVER CO (CLASS B)	2,312,580	4,246,462	
519,316	AVON PRODUCTS, INC	23,895,856	10,126,662	
42,000	CARTER - WALLACE, INC	1,556,012	1,648,500	
27,500	CARTER - WALLACE, INC (CLASS B)	1,075,932	1,079,375	
1,073,886	GILLETTE CO	17,095,489	35,706,709	
432,400	INTERNATIONAL FLAVORS & FRAGRANCES, INC	15,152,562	21,349,750	
97,000	o MINNETONKA CORP	1,612,875	1,600,500	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>COSMETICS</b>			
160,312	NEUTROGENA CORP	\$ 1,176,250	\$ 4,649,048	
689,100	NOXELL CORP NON VOTING (CLASS B)	11,945,389	13,265,175	
90,000	o OPTICAL COATING LABORATORIES, INC	527,500	472,500	
149,600	TAMBRAND, INC	5,155,065	8,845,100	
153,000	o WINDMERE CORP	728,000	2,715,750	
	SUB-TOTAL	\$ 82,343,222	\$ 105,961,468	0.36
	<b>ELECTRIC EQUIPMENT - CONDUCTORS</b>			
1,392,115	AMP, INC	\$ 33,450,625	\$ 61,949,117	
82,950	AUGAI, INC	1,448,614	985,031	
119,000	BURNDY CORP	1,474,932	3,079,125	
111,500	MOLEX, INC	2,082,250	4,220,625	
15,000	ROGERS CORP	427,125	352,500	
135,352	SPRAGUE TECHNOLOGIES, INC	1,455,848	1,556,548	
161,900	THOMAS & BETTS CORP	4,802,155	7,649,775	
53,500	V BAND CORP	1,174,250	407,937	
	SUB-TOTAL	\$ 46,315,799	\$ 80,300,658	0.27
	<b>ELECTRIC EQUIPMENT - OTHER</b>			
2,199,181	AMERICA'S TRUST FOR GENERAL ELECTRIC CO (UNITS)	\$ 260,053,153	\$ 196,826,699	
47,000	o ADAMS-RUSSELL ELECTRONICS CO, INC	402,013	387,750	
60,500	BALDOR ELECTRIC CO	1,244,063	1,406,625	
90,000	o COMPUTER PRODUCTS, INC	755,000	213,750	
86,200	CUBIC CORP	1,605,510	1,379,200	
59,000	o DICEON ELECTRONICS, INC	1,760,750	737,500	
186,340	o DYNASCAN CORP	1,445,000	1,840,107	
25,000	o ELECTRO SCIENTIFIC INDUSTRIES, INC	568,750	237,500	
10,000	o ELECTROMAGNETIC SCIENCES, INC	192,500	80,000	
3,229,585	EMERSON ELECTRIC CO	73,419,033	98,098,644	
92,100	FOXBORO CO (THE)	2,459,472	2,855,100	
6,984,600	GENERAL ELECTRIC CO	284,994,731	312,560,850	
269,400	GRAINGER (W.W.), INC	9,224,258	14,513,925	
496,900	HONEYWELL, INC	24,133,796	29,689,775	
82,500	HUBBELL, INC (CLASS B)	2,514,065	2,949,375	
1,586,236	INTERNATIONAL TELEPHONE & TELEGRAPH CO	62,049,280	79,906,638	
41,000	JOSLYN MANUFACTURING CO	1,386,500	1,137,750	
15,000	JUNO LIGHTING, INC	242,812	281,250	
2,436,700	MINNESOTA MINING & MANUFACTURING CO	91,182,279	151,075,400	
32,797	o MLX CORP	107,087	77,892	
76,000	RICHARDSON ELECTRONICS LTD	1,266,250	1,520,000	
288,300	SQUARE D CO	9,427,016	13,838,400	
158,100	o SYMBOL TECHNOLOGIES, INC	3,199,446	2,865,562	
5,500	o TITAN CORP (THE)	41,580	12,375	
1,576,600	WESTINGHOUSE ELECTRIC CORP	51,286,881	82,968,575	
15,000	WOODHEAD DANIEL, INC	270,000	183,750	
	SUB-TOTAL	\$ 885,231,225	\$ 997,644,392	3.41

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	<b>ELECTRONICS - COMPONENTS &amp; DIVERSIFIED</b>				
643,050	o	ADVANCED MICRO DEVICES, INC	\$ 12,909,808	\$ 5,546,306	
44,600	o	ALPHA INDUSTRIES, INC	929,460	172,825	
100,000	o	ALTERA CORP	550,000	537,500	
1,097,500	o	ANALOG DEVICES, INC	17,243,963	13,444,375	
114,466	o	ANTHEM ELECTRONICS, INC	1,151,375	1,187,584	
30,000	o	ARROW ELECTRONICS, INC	692,100	198,750	
158,000	o	AVANTEK, INC	1,803,250	770,250	
150,500		AVNET, INC	4,373,559	3,348,625	
72,750		AVX CORP	1,409,161	1,236,750	
30,000		BELL INDUSTRIES, INC	744,350	438,750	
82,005	o	CINCINNATI MICROWAVE, INC	952,796	235,764	
85,000		CORE INDUSTRIES, INC	1,013,800	1,062,500	
37,496		CTS CORP	1,076,974	834,286	
259,700		EG & G, INC	8,799,034	7,466,375	
35,841	o	ELECTROSOURCE, INC		201,605	
120,000	o	EXAR CORP	1,382,500	660,000	
362,563		GENERAL INSTRUMENT CORP	12,494,804	9,562,599	
195,700	o	INTEGRATED DEVICE TECHNOLOGY, INC	1,606,875	2,315,625	
1,880,000	o	INTEL CORP	33,059,321	44,669,000	
7,500	o	INTERNATIONAL RECTIFIER CORP	75,450	34,687	
90,900		KOLLMORGEN CORP	1,601,384	1,977,075	
43,000		LOGICON, INC	1,153,970	913,750	
195,000	o	LSI LOGIC CORP	2,143,750	2,096,250	
1,473,700		MOTOROLA, INC	47,093,527	61,895,400	
33,000	o	NATIONAL MICRONETICS, INC	286,250	68,079	
959,550	o	NATIONAL SEMICONDUCTOR CORP	8,004,791	9,355,612	
111,000	o	REGENCY ELECTRONICS, INC	1,059,556	561,993	
85,000	o	SILICON GENERAL, INC	835,000	276,250	
50,000	o	STANDARD MICROSYSTEMS CORP	988,750	262,500	
1,390,500		TEXAS INSTRUMENTS, INC	55,318,271	57,010,500	
126,900	o	UNITRODE CORP	2,009,330	935,887	
30,600	o	VISHAY INTERTECHNOLOGY, INC	630,924	573,750	
223,000	o	VLSI TECHNOLOGY, INC	2,747,500	1,895,500	
148,500	o	WESTERN DIGITAL CORP	1,307,497	2,190,375	
110,875		WYLE LABORATORIES	1,530,304	1,108,750	
114,500	o	XICOR, INC	1,228,250	901,687	
		SUB-TOTAL	\$ 230,207,634	\$ 235,947,514	0.81
	<b>ELECTRONICS - INSTRUMENTATION</b>				
1,683,300		AMERICUS TRUST FOR HEWLETT PACKARD CO (UNITS)	\$ 114,885,193	\$ 89,635,725	
30,000	o	ADVANCED SEMICONDUCTOR MATERIALS INTERNATIONAL	605,625	221,250	
184,400		AMETEK, INC	1,934,898	2,397,200	
205,000	o	ANALOGIC CORP	2,729,375	1,742,500	
45,000	o	APPLIED MATERIALS, INC	883,237	1,001,250	
45,000	o	COHERENT, INC	772,500	466,875	
116,919		DANIEL INDUSTRIES, INC	1,149,225	1,008,426	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	ELECTRONICS - INSTRUMENTATION				
58,000	o	DIONEX CORP	\$ 953,500	\$ 1,464,500	
314,300		E-SYSTEMS, INC	8,694,222	9,193,275	
65,000		EDO CORP	1,096,500	739,375	
159,500	o	ESTERLINE CORP	2,466,080	2,013,687	
76,304		FLUKE (JOHN) MANUFACTURING CO, INC	1,410,615	1,363,934	
960,500	to	GENRAD, INC	9,676,819	7,083,687	
1,013,800		HEWLETT-PACKARD CO	56,764,989	53,984,850	
18,440	o	KETEMA, INC	201,708	239,720	
18,440	o	KETEMA, INC RTS	908	2,305	
112,500	o	KLA INSTRUMENT CORP	2,115,000	1,321,875	
60,000	o	KULICHE & SOFFA INDUSTRIES, INC	916,700	532,500	
347,300		LORAL CORP	11,354,866	11,200,425	
104,000	o	LTX CORP	1,680,000	806,000	
78,900	o	MATERIALS RESEARCH CORP	1,955,729	404,362	
48,000	o	NICOLET INSTRUMENT CORP	915,650	426,000	
435,200		PERKIN-ELMER CORP	10,607,195	10,716,800	
160,000	o	SILICON VALLEY GROUP, INC	1,419,375	1,140,000	
85,200		SPARTON CORP	1,481,416	905,250	
336,400		TEKTRONIX, INC	9,462,580	6,854,150	
789,719	o	TERADYNE, INC	16,811,467	9,279,198	
90,315		UNITED INDUSTRIAL CORP	1,262,418	1,207,963	
88,000		VARIAN ASSOCIATES, INC	2,538,309	2,464,000	
70,000		WATKINS-JOHNSON CO	1,784,250	1,872,500	
10,000	o	WAVETEK CORP	85,000	58,750	
		SUB-TOTAL	\$ 268,615,349	\$ 221,748,332	0.76
	ENVIRONMENTAL CONTROL				
1,597,375		BROWNING-FERRIS INDUSTRIES, INC	\$ 18,761,295	\$ 43,728,140	
10,000	o	CHEM CLEAR, INC	90,000	46,250	
91,000	o	COMPUCHEM CORP	763,250	966,875	
137,000	o	ENVIRONMENTAL SYSTEMS CO	2,581,820	2,782,625	
191,500	o	ENVIRONMENTAL TREATMENT & TECHNOLOGY	2,805,518	2,537,375	
1,339,800	o	INTERNATIONAL TECHNOLOGY CORP	15,317,267	7,033,950	
430,000		OGDEN CORP	12,676,795	12,631,250	
1,618,500	to	ORFA CORP OF AMERICA	4,966,250	3,237,000	
545,449		ROLLINS ENVIRONMENTAL SERVICES, INC	6,286,903	5,931,757	
2,425,175		WASTE MANAGEMENT, INC	43,259,191	100,341,615	
80,000	o	WESTON, (ROY F.), INC (CLASS A)	1,427,500	1,260,000	
		SUB-TOTAL	\$ 108,975,789	\$ 180,496,837	0.62
	FINANCIAL - MISCELLANEOUS				
2,277,600		AMERICUS TRUST FOR AMERICAN EXPRESS CO (UNITS)	\$ 75,502,440	\$ 60,641,100	
2,147,426		AMERICAN EXPRESS CO	53,519,187	57,175,217	
255,000		BENEFICIAL CORP	8,442,527	11,060,625	
202,500		COMDISCO, INC	2,674,150	4,252,500	
125,000		CRITERION GROUP, INC (CLASS A)	2,249,381	1,281,250	
132,600		DREYFUS CORP	3,239,869	3,315,000	
502,900	o	FIRST CAPITAL HOLDINGS CORP	4,816,767	3,268,850	
11,000	o	FIRST FINANCIAL CARIBBEAN CORP	105,586	145,750	
398,300		FOOTHILL GROUP (CLASS A)	4,279,324	2,837,887	
144,300	o	GRUBB & ELLIS CO	1,503,868	577,200	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	FINANCIAL - MISCELLANEOUS			
414,300	HOUSEHOLD INTERNATIONAL, INC	\$ 14,796,941	\$ 23,563,312	
390,555	LOMAS FINANCIAL CORP	7,043,294	4,930,756	
1,251,400	MERRILL LYNCH & CO, INC	37,226,954	30,033,600	
982,700	PRIMERICA CORP NEW	21,598,034	21,373,725	
1,491,200	SALOMON, INC	36,160,573	35,975,200	
87,900	STEWART INFORMATION SERVICES CORP	1,975,904	1,571,212	
102,000	STUDENT LOAN MARKETING ASSOCIATION	8,347,392	8,631,750	
906,746	TRANSAMERICA CORP	25,794,299	30,716,020	
94,500	VALUE LINE, INC	2,458,250	1,984,500	
	SUB-TOTAL	\$ 311,734,740	\$ 303,335,454	1.04
	FOODS			
2,154,248	ARCHER DANIELS MIDLAND CO	\$ 29,924,555	\$ 44,969,927	
819,250	BORDEN, INC	24,990,464	48,540,562	
1,465,100	CAMPBELL SOUP CO	28,693,126	46,150,650	
206,384	CASTLE & COOKE, INC	2,672,973	5,830,348	
758,100	CONAGRA, INC	15,823,340	21,984,900	
865,200	CPC INTERNATIONAL, INC	22,129,500	44,882,250	
115,800	DEAN FOODS CO	2,370,661	3,459,525	
148,000	DEKALB ENERGY CO (CLASS B)	1,378,770	2,867,500	
74,000	DEKALB GENETICS CORP (CLASS B)	717,145	1,887,000	
117,000	DREYERS GRAND ICE CREAM, INC	2,356,750	2,749,500	
180,600	FLOWERS INDUSTRIES, INC	1,910,668	3,476,550	
905,300	GENERAL MILLS, INC	24,980,198	46,962,437	
189,500	GERBER PRODUCTS CO	5,075,355	11,109,437	
45,000	GOLDEN ENTERPRISES, INC	623,750	433,125	
42,300	HANNAFORD BROTHERS, INC	1,657,240	1,892,925	
1,379,700	HEINZ (H.J.) CO	31,922,973	64,500,975	
957,800	HERSHEY FOODS CORP	15,847,012	24,902,800	
98,000	HOLLY FARMS CORP	1,438,220	5,451,250	
186,800	HORMEL (GEORGE A.) & CO	1,281,139	4,109,600	
2,820	IMPERIAL HOLLY CORP	46,530	49,350	
120,000	INTERNATIONAL MULTIFOODS CORP	2,210,200	3,330,000	
1,292,300	KELLOGG CO	36,085,303	83,030,275	
225,332	LANCE, INC	2,792,766	4,422,140	
159,000	MCCORMICK & CO, INC	2,300,075	4,452,000	
278,200	MEI DIVERSIFIED, INC	2,131,137	1,599,650	
22,500	NATIONAL PIZZA CO	259,375	219,375	
925,400	PILLSBURY CO (THE)	24,774,175	60,960,725	
153,000	PIONEER-HI-BRED INTERNATIONAL, INC	4,269,785	5,163,750	
507,150	PREMARK INTERNATIONAL, INC	8,414,787	15,975,225	
826,566	QUAKER OATS CO (THE)	21,093,908	43,911,318	
712,382	RALSTON PURINA CO	24,521,687	58,326,276	
1,243,500	SARA LEE CORP	20,965,107	52,227,000	
6,600	SAVANNAH FOODS & INDUSTRIES, INC	176,000	242,550	
123,400	SHAKLEE CORP	1,820,147	2,961,600	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>FOODS</b>			
8,600	SMUCKER J.M. CO	\$ 428,918	\$ 513,850	
78,000	TCBY ENTERPRISES	1,097,125	877,500	
13,500	TOOTSIE ROLL INDUSTRIES, INC	416,735	405,000	
169,000	TYSON FOODS, INC (CLASS A)	2,685,000	2,760,000	
156,700	UNITED BRANDS CO	2,757,100	2,565,962	
67,000	o UNITED FOODS, INC (CLASS B)	205,087	100,500	
250,200	WRIGLEY WM JR CO	3,794,473	9,038,475	
124,700	WRIGLEY WM JR CO (CLASS B)	2,009,214	4,504,787	
	<b>SUB-TOTAL</b>	<b>\$ 381,049,273</b>	<b>\$ 743,798,569</b>	<b>2.54</b>
	<b>FOREST PRODUCTS</b>			
567,399	BOISE CASCADE CORP	\$ 17,638,960	\$ 23,405,208	
1,166,790	CHAMPION INTERNATIONAL CORP	29,092,561	37,483,128	
347,200	DOMTAR, INC	5,090,817	4,253,200	
34,587	o FIBREBOARD CORP	198,751	665,799	
1,041,000	GEORGIA-PACIFIC CORP	29,534,162	38,386,875	
364,579	LOUISIANA PACIFIC CORP	9,333,551	10,299,356	
142,500	POPE & TALBOT, INC	1,727,410	2,565,000	
252,500	POTLATCH CORP	5,237,981	7,827,500	
10,000	TJ INTERNATIONAL, INC	243,750	248,750	
2,076,750	WEYERHAEUSER CO	50,133,364	52,178,343	
184,168	WILLAMETTE INDUSTRIES, INC	3,905,942	8,126,413	
	<b>SUB-TOTAL</b>	<b>\$ 152,138,899</b>	<b>\$ 185,439,572</b>	<b>0.63</b>
	<b>HEALTH CARE - DRUGS</b>			
956,100	AMERICUS TRUST FOR AMERICAN HOME PRODUCTS CORP (UNITS)	\$ 85,809,975	\$ 79,595,325	
1,028,150	AMERICUS TRUST FOR BRISTOL-MYERS CO (UNITS)	104,100,187	93,047,575	
829,300	AMERICUS TRUST FOR MERCK & CO, INC (UNITS)	156,530,375	143,676,225	
105,000	o ADAC LABORATORIES, INC	1,313,750	498,750	
1,057,400	AMERICAN CYANAMID CO	26,482,540	433,450	
1,171,700	AMERICAN HOME PRODUCTS CORP	88,482,204	97,244,025	
75,300	o BIO-RAD LABORATORIES (CLASS A)	1,594,793	1,280,100	
115,500	o BIOMET, INC	1,424,000	2,800,875	
72,920	BLOCK DRUG CO, INC (CLASS A)	2,053,875	2,515,740	
180,200	BOLAR PHARMACEUTICAL CO, INC	1,586,449	3,874,300	
1,029,700	BRISTOL-MYERS CO	41,496,058	46,593,925	
97,500	o CALIFORNIA BIOTECHNOLOGY, INC	1,594,687	548,437	
40,000	DIAGNOSTIC PRODUCTS CORP	1,540,625	1,560,000	
137,000	o FOREST LABORATORIES, INC (CLASS A)	1,936,400	3,390,750	
254,100	o ICN PHARMACEUTICALS, INC	2,295,295	1,778,700	
1,816,332	LILLY (ELI) & CO	95,134,131	155,296,386	
204,750	o LYPHOMED, INC	1,970,750	2,380,218	
771,800	MARION LABORATORIES, INC	10,195,011	15,532,475	
422,417	MEDCO CONTAINMENT SERVICE, INC	6,539,030	5,649,827	
1,768,900	MERCK & CO, INC	92,071,560	102,153,975	
236,250	MYLAN LABORATORIES, INC	2,625,937	2,096,718	
240,500	o NOVA PHARMACEUTICAL CORP	2,572,687	1,292,687	
133,350	PAR PHARMACEUTICAL	2,128,352	1,216,818	
2,262,800	PFIZER, INC	87,853,746	131,242,400	
140,000	o PHARMACIA AB ADR	2,951,499	3,220,000	

See notes to financial statements.

## SHARES

			COST	MARKET VALUE	%
	HEALTH CARE - DRUGS				
106,000	xo ROBINS (A.H.) CO, INC	\$	1,913,182	\$ 2,729,500	
136,622	RORER GROUP, INC		2,557,307	5,823,512	
1,182,564	SCHERING-PLOUGH CORP		39,611,463	67,110,507	
1,322,300	SMITHKLINE BECKMAN CORP		51,355,147	63,635,687	
1,033,800	SQUIBB CORP		32,025,916	68,489,250	
68,000	o ST. JUDE MEDICAL, INC		1,403,625	2,728,500	
1,242,000	SYNTEX CORP		29,742,285	50,456,250	
169,500	o THERMEDICS, INC		1,557,321	2,097,562	
2,561,000	UPJOHN CO (THE)		49,105,364	73,628,750	
65,000	o VIRATEK, INC		2,187,500	828,750	
747,100	WARNER-LAMBERT CO		32,332,092	58,553,962	
283,160	o WESTMARK INTERNATIONAL, INC		4,344,641	7,645,320	
100,000	o XOMA CORP		1,250,000	1,325,000	
	SUB-TOTAL	\$	1,071,670,659	\$ 1,353,272,231	4.61
	HEALTH CARE - HOSPITAL SUPPLY				
1,000,400	AMERICUS TRUST FOR JOHNSON & JOHNSON (UNITS)	\$	72,253,853	\$ 85,159,050	
2,509,000	ABBOTT LABORATORIES		83,517,745	120,745,625	
700,072	BARD (C.R.), INC		9,717,935	16,101,656	
2,703,766	BAXTER INTERNATIONAL, INC		52,254,364	47,653,875	
434,900	BECTON DICKINSON & CO		16,283,019	22,614,800	
62,500	DURR-FILLAUER MEDICAL, INC		853,750	1,148,437	
279,426	o FISHER SCIENTIFIC GROUP, INC		4,486,606	4,610,529	
45,000	IPCO CORP		499,050	382,500	
1,152,300	JOHNSON & JOHNSON	\$	83,083,127	\$ 98,089,537	
	SUB-TOTAL	\$	322,949,449	\$ 396,506,009	1.35
	HEALTH CARE - OTHER				
99,000	o ALCO HEALTH SERVICES CORP	\$	1,919,500	\$ 2,598,750	
136,400	o ALZA CORP (CLASS A)		1,889,661	3,051,950	
888,008	AMERICAN MEDICAL INTERNATIONAL, INC		16,253,709	13,875,125	
173,000	o AMGEN		4,953,562	5,830,750	
73,000	o APPLIED BIOSYSTEMS, INC		1,668,250	1,879,750	
490,200	BAUSCH & LOMB, INC		19,452,637	21,262,425	
660,061	o BEVERLY ENTERPRISES		10,657,882	4,125,381	
457,500	o BIOCRAFT LABORATORIES, INC		6,551,413	4,346,250	
363,000	o BIOGEN, INC		3,461,125	2,586,375	
213,500	o CENTOCOR, INC		4,840,125	3,202,500	
164,000	o CETUS CORP		2,312,125	1,906,500	
219,000	o CHIRON CORP		4,284,000	3,011,250	
90,000	o COLLAGEN CORP		844,229	1,192,500	
544,062	COMMUNITY PSYCHIATRIC CENTERS		11,449,037	12,785,457	
122,001	COMPREHENSIVE CARE CORP		1,697,548	1,037,008	
93,650	o COOPER COS, INC		1,848,836	503,368	
12,457	o COOPER DEVELOPMENT CO NEW		310,276	138,584	
5,395	o COOPER LIFE SCIENCES, INC		296,725	40,462	
119,500	o CORDIS CORP		1,786,937	1,658,062	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	HEALTH CARE - OTHER				
160,000	o DAMON BIOTECH, INC	\$	1,132,500	\$ 210,080	
150,000	DAMON CORP		2,580,650	3,825,000	
265,000	o DIASONICS, INC		1,293,393	596,250	
18,000	o ENZO BIOCHEM, INC		228,125	58,500	
52,300	o FHP INTERNATIONAL CORP		587,683	634,137	
60,000	o FLOW GENERAL, INC		656,100	315,000	
31,250	o FONAR CORP		245,312	37,125	
314,000	FORUM GROUP, INC		1,993,875	765,532	
845,700	o GENENTECH, INC		30,806,018	13,531,200	
190,000	o GENETICS INSTITUTE, INC		3,866,250	3,192,500	
30,000	o GENEX CORP		181,250	11,250	
119,375	o HEALTHCO INTERNATIONAL, INC		2,411,607	2,447,187	
85,000	o HEALTHDYNE, INC		1,495,000	414,375	
163,000	HILLENBRAND INDUSTRIAL, INC		1,414,440	4,991,875	
771,410	HOSPITAL CORP OF AMERICA		26,923,543	33,942,040	
1,446,359	HUMANA, INC		33,649,105	36,701,359	
95,000	o IMMUNEX CORP		2,173,375	1,140,000	
135,000	o LIFETIME CORP		653,546	405,000	
570,600	MANOR CARE		9,490,111	7,132,500	
492,700	o MAXICARE HEALTH PLANS, INC		7,773,486	369,525	
113,500	MEDIO, INC		1,006,933	397,250	
158,300	MEDTRONIC, INC		11,197,057	12,288,037	
825,375	NATIONAL MEDICAL ENTERPRISES, INC		16,822,014	17,745,562	
131,700	NATIONAL PATENT DEVELOPMENT CORP		2,060,702	856,050	
45,000	o OMNICARE, INC		1,167,525	365,625	
147,000	o OPTICAL RADIATION CORP		3,273,690	1,947,750	
418,065	PALL CORP		11,293,861	11,653,561	
15,000	o PRIME MEDICAL SERVICES, INC		146,250	13,125	
150,000	PURITAN-BENNETT CORP		1,144,375	2,362,500	
200,000	o SAFEGUARD HEALTH ENTERPRISES, INC		2,447,500	1,100,000	
93,000	SCHERER R.P. CORP		1,917,125	2,673,750	
105,000	o STRYKER CORP		915,000	2,126,250	
59,302	o U.S. BIOSCIENCE, INC		13,067	8,895	
25,000	o UNITED HEALTHCARE CORP		209,375	112,500	
461,225	UNITED STATES HEALTH CARE SYSTEMS, INC		4,895,490	2,681,100	
90,000	UNITED STATES SURGICAL CORP		1,627,500	2,913,750	
	SUB-TOTAL	\$	285,270,418	\$ 254,996,587	0.87
	HOUSEHOLD - CONSUMER ELECTRONICS				
443,664	o EMERSON RADIO CORP	\$	1,274,850	\$ 1,719,198	
35,000	PITTMAY CORP		1,531,750	3,325,000	
5,000	WELLS-GARDNER ELECTRONICS CORP		86,687	25,625	
236,700	o ZENITH ELECTRONICS CORP		6,488,851	4,497,300	
	SUB-TOTAL	\$	9,382,138	\$ 9,567,123	0.03
	HOUSEHOLD - DURABLE GOODS				
68,000	BASSETT FURNITURE INDUSTRIES, INC	\$	2,417,750	\$ 2,652,000	
658,600	BLACK & DECKER CORP		12,533,596	15,230,125	
38,104	o CASA BLANCA INDUSTRIES, INC		243,403	328,647	
15,000	DYNAMICS CORP OF AMERICA		280,150	343,125	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	HOUSEHOLD - DURABLE GOODS			
119,200	FEDDERS CORP	\$ 911,279	\$ 1,504,900	
58,200	HEILIG MEYERS CO	1,379,120	1,040,325	
30,000	LEGETT & PLATT, INC	872,100	712,500	
822,370	MAYTAG CO (THE)	15,598,772	15,933,418	
113,400	o NYCOR, INC	304,434	304,819	
41,100	SHAW INDUSTRIES, INC	808,505	965,850	
204,450	o SSMC, INC	4,527,881	4,497,900	
469,300	STANLEY WORKS (THE)	9,253,976	13,375,050	
333,000	UNIVERSAL FURNITURE LTD	3,219,476	6,327,000	
41,250	VERMONT AMERICAN CORP (CLASS A)	562,950	902,343	
843,400	WHIRLPOOL CORP	18,020,446	20,874,150	
	SUB-TOTAL	\$ 70,941,838	\$ 84,992,152	0.29
	HOUSEHOLD - PRODUCTS			
1,001,400	AMERICUS TRUST FOR PROCTOR & GAMBLE CO (THE) (UNITS)	\$ 94,482,049	\$ 87,121,800	
66,400	BIC CORP	812,627	1,784,500	
90,000	CHURCH & DWIGHT CO, INC	986,250	1,057,500	
537,233	CLOROX CO (THE)	11,736,913	16,654,223	
1,017,291	COLGATE-PALMOLIVE CO	34,230,067	47,812,677	
11,000	GENERAL HOUSEWARES CORP	187,990	75,625	
45,000	GIBSON GREETINGS, INC	861,250	961,875	
94,875	LANCASTER COLONY CORP	1,184,000	1,778,906	
879,900	PROCTER & GAMBLE CO (THE)	65,748,149	76,551,300	
924,800	RUBBERMAID, INC	21,073,546	23,235,600	
55,000	TALLEY INDUSTRIES, INC	564,458	763,125	
141,280	THOMAS INDUSTRIES, INC	1,698,738	2,613,680	
1,749,700	UNILEVER NV	43,643,684	101,920,025	
	SUB-TOTAL	\$ 277,209,721	\$ 362,330,836	1.24
	INSURANCE - BROKERS & OTHER			
220,500	ALEXANDER & ALEXANDER SERVICES, INC	\$ 5,382,764	\$ 5,181,750	
75,600	CORROON & BLACK CORP	1,654,787	2,353,050	
45,000	CRAWFORD & CO	868,125	1,001,250	
100,600	EQUIFAX, INC	2,440,587	2,728,775	
100,500	o HALL (FRANK B.) & CO, INC	2,248,071	288,937	
516,260	MARSH & MCLENNAN CO	20,094,463	29,039,625	
	SUB-TOTAL	\$ 32,688,817	\$ 40,593,387	0.14
	INSURANCE - LIFE			
129,500	o ACADEMY INSURANCE GROUP, INC	\$ 960,000	\$ 218,596	
1,305,566	AMERICAN FAMILY CORP	15,515,083	17,951,532	
116,500	AMERICAN NATIONAL INSURANCE CO	4,246,687	3,465,875	
591,300	AON CORP	14,080,637	16,556,400	
123,000	o ARGONAUT GROUP, INC	2,177,829	5,381,250	
165,000	BMA CORP	4,391,937	5,321,250	
478,500	CAPITAL HOLDINGS CORP	10,215,077	15,670,875	
386,332	o FIRST EXECUTIVE CORP	3,958,364	5,312,065	
403,900	JEFFERSON-PILOT CORP	6,821,782	12,117,000	
308,000	KENTUCKY CENTRAL LIFE INSURANCE CO (CLASS A)	4,283,500	3,619,000	
91,600	o MONARCH CAPITAL CORP	3,615,617	3,984,600	
156,000	NWNL CO	4,454,875	4,855,500	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	INSURANCE - LIFE			
49,875	PROVIDENT LIFE & ACCIDENT INSURANCE CO (CLASS A)	\$ 595,831	\$ 866,578	
199,500	PROVIDENT LIFE & ACCIDENT INSURANCE CO (CLASS B)	2,446,043	3,840,375	
233,900	TORCHMARK CORP	4,261,114	7,133,950	
478,488	o UNITED INVESTORS MANAGEMENT CO	5,206,859	5,203,557	
203,800	UNUM CORP	4,861,202	5,502,600	
264,400	USLIFE CORP	7,985,528	9,220,950	
150,300	WASHINGTON NATIONAL CORP	4,575,654	4,058,100	
	SUB-TOTAL	\$ 104,653,619	\$ 130,280,053	0.44
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY			
1,299,250	AETNA LIFE & CASUALTY CO	\$ 49,643,467	\$ 61,342,312	
308,500	AMERICAN BANKERS INSURANCE GROUP, INC	3,867,750	3,856,250	
1,494,971	AMERICAN GENERAL CORP	55,583,341	44,288,515	
300,500	AMERICAN INCOME LIFE INSURANCE CO	3,998,500	5,296,312	
1,699,846	AMERICAN INTERNATIONAL GROUP, INC	52,854,974	115,164,566	
484,500	CHUBB CORP (THE)	22,904,527	28,101,000	
918,978	CIGNA CORP	48,402,482	43,306,838	
69,300	CINCINNATI FINANCIAL CORP	2,825,000	3,655,575	
587,900	o CNA FINANCIAL CORP	22,566,780	35,567,950	
644,500	CONTINENTAL CORP	24,265,122	20,865,687	
19,000	FIRST AMERICAN FINANCIAL CORP (THE)	262,500	560,500	
114,000	FOREMOST CORP OF AMERICA	3,163,625	4,189,500	
273,400	FREMONT GENERAL CORP	5,670,950	3,656,725	
65,000	GEICO CORP	3,829,300	8,060,000	
718,300	GENERAL REINSURANCE CORP	32,027,893	39,865,650	
251,372	KEMPER CORP	6,318,846	6,032,928	
466,000	LINCOLN NATIONAL CORP	14,294,420	20,271,000	
44,000	o NAC RE CORP	1,196,375	1,397,000	
115,000	OHIO CASUALTY CORP	2,578,500	4,111,250	
186,792	OLD REPUBLIC INTERNATIONAL CORP	4,734,312	4,483,008	
419,100	+ ORION CAPITAL CORP	11,188,551	6,443,662	
136,250	PROGRESSIVE CORP (OHIO) (THE)	3,241,250	3,133,750	
835,400	SAFECO CORP	18,932,193	19,736,325	
413,000	SELECTIVE INSURANCE GROUP, INC	8,849,250	9,499,000	
554,020	ST. PAUL COS, INC (THE)	18,767,840	24,099,870	
1,134,304	TRAVELERS CORP	34,107,594	39,417,064	
830,658	USF & G CORP	21,204,811	23,673,753	
	SUB-TOTAL	\$ 477,275,153	\$ 580,075,990	1.98
	LEISURE TIME			
123,750	AMC ENTERTAINMENT, INC	\$ 1,409,498	\$ 510,468	
27,904	ANTHONY INDUSTRIES, INC	169,695	324,384	
302,300	BALLY MANUFACTURING CORP	6,035,092	6,688,387	
1,020,300	BRUNSWICK CORP	15,781,118	17,217,562	
267,500	CLUB MED, INC	5,019,478	3,510,937	
120,000	COACHMEN INDUSTRIES, INC	1,384,200	1,065,000	
69,400	COLEMAN CO, INC	2,637,025	2,828,050	
457,299	o COLUMBIA PICTURES ENTERTAINMENT, INC	4,219,304	5,601,912	
1,616,500	DISNEY (WALT) CO (THE)	43,696,453	106,284,875	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	LEISURE TIME			
10,000	o GALOOB LEWIS TOYS, INC	\$ 135,000	\$ 65,000	
70,000	o GREENMAN BROS, INC	1,679,142	306,250	
1,738,100	GULF & WESTERN INDUSTRIES, INC	41,893,532	70,610,312	
616,984	HASBRO, INC	10,476,151	9,640,375	
135,950	HUFFY CORP	1,876,917	1,903,300	
207,600	o INTERNATIONAL THOROUGHBRED BREEDERS, INC	1,390,364	116,870	
175,093	o INTERNATIONAL GAME TECHNOLOGY	3,607,692	3,961,479	
206,100	JOSTENS, INC	1,855,460	3,812,850	
146,000	KIMBALL INTERNATIONAL, INC (CLASS B)	2,198,625	2,372,500	
446,150	o LORIMAR-TELEPICTURES CORP	9,614,605	5,799,950	
387,352	o MATTEL, INC	4,029,584	3,679,844	
739,600	MCA, INC	23,024,648	33,559,350	
193,100	OUTBOARD MARINE CORP	3,582,015	5,986,100	
6,000	o STURM, ROGER & CO	238,500	234,000	
192,500	o THOUSAND TRAILS, INC	3,768,125	240,625	
83,150	o TONKA CORP	1,343,980	727,562	
1,355,531	WARNER COMMUNICATIONS, INC	24,796,789	49,646,322	
337,400	WINNEBAGO INDUSTRIES, INC	3,994,618	3,120,950	
	SUB-TOTAL	\$ 220,657,610	\$ 339,815,222	1.16
	MACHINERY - AGRICULTURAL			
74,800	o VARIETY CORP	\$ 214,405	\$ 215,050	
	SUB-TOTAL	\$ 214,405	\$ 215,050	0.00
	MACHINERY - INDUSTRIAL & OTHER			
79,000	ACME-CLEVELAND CORP	\$ 1,107,260	\$ 750,500	
61,833	o ALLEGHENY CORP	3,559,565	4,391,563	
72,900	BEARINGS, INC	1,642,840	2,761,087	
143,136	BRIGGS & STRATTON CORP	4,061,869	4,115,160	
36,600	BROWN & SHARPE MANUFACTURING CO (CLASS A)	472,740	613,050	
7,700	BROWN & SHARPE MANUFACTURING CO (CLASS B)	90,726	128,973	
1,127,000	CATERPILLAR TRACTOR CO	61,134,346	71,705,375	
234,300	CINCINNATI MILACRON, INC	5,642,555	5,154,600	
202,755	o CLARK EQUIPMENT CO	6,211,981	6,235,023	
139,000	COMMERICAL INTERTECH CORP	2,108,000	2,415,125	
554,700	COOPER INDUSTRIES, INC	24,166,740	29,953,800	
118,000	o CROSS & TRECKER CORP	1,951,222	1,829,000	
211,398	o CYCLOPS INDUSTRIES, INC	6,387,730	4,941,428	
848,491	DEERE & CO	28,493,127	40,727,568	
613,900	DOVER CORP	12,399,266	17,726,362	
122,200	EAGLE-PICHER INDUSTRIES, INC	3,142,414	1,909,375	
723,180	EMHART CORP	13,741,141	16,542,742	
95,040	FEDERAL SIGNAL CORP	1,526,198	2,031,480	
32,000	FIGGIE INTERNATIONAL, INC (CLASS A)	1,713,129	2,368,000	
17,000	FIGGIE INTERNATIONAL, INC (CLASS B)	793,120	1,547,000	
387,267	o FMC CORP NEW	9,081,606	12,392,544	
272,900	GENERAL SIGNAL CORP	12,355,093	12,962,750	
141,000	GOULDS PUMPS, INC	2,582,437	2,661,375	
261,300	HARNISCHFEGER CORP	4,707,667	4,540,087	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	MACHINERY - INDUSTRIAL & OTHER			
49,200	HI - SHEAR INDUSTRIES, INC	\$ 872,922	\$ 799,500	
474,800	ILLINOIS TOOL WORKS, INC	12,496,419	16,499,300	
587,800	INGERSOLL-RAND CO	16,033,942	20,132,150	
101,351	INTERLAKE, INC	2,799,650	4,282,079	
90,914	KENNAMETAL, INC	2,328,161	2,772,877	
140,574	KEYSTONE INTERNATIONAL, INC	2,570,903	2,670,906	
184,500	LAWSON PRODUCTS, INC	1,963,250	4,612,500	
144,500	MANITOWOC CO, INC (THE)	2,716,187	2,528,750	
81,100	MEASUREX CORP	1,197,025	2,382,312	
7,500	MINE SAFETY APPLIANCE CO	300,000	318,750	
96,000	MODINE MANUFACTURING CO	1,454,125	1,488,000	
124,000	MONARCH MACHINE TOOL CO (THE)	2,252,682	2,356,000	
349,500	NEWPORT CORP	6,911,750	4,062,937	
29,500	NORDSON CORP	646,875	1,401,250	
349,268	NORTON CO	16,502,162	16,764,864	
553,500	PARKER-HANNIFIN CORP	13,987,403	15,567,157	
163,845	PREMIER INDUSTRIAL CORP NEW	4,382,853	4,587,650	
80,400	o RANSBURG CORP	1,241,220	1,366,800	
74,200	SPS TECHNOLOGIES, INC	2,367,634	3,190,600	
150,000	STEWART & STEVENSON SERVICES, INC	1,956,500	4,237,500	
21,700	TECUMSEH PRODUCTS CO	2,701,250	3,092,250	
70,700	TELEFLEX, INC	1,368,846	2,085,650	
94,500	TENNANT CO	2,687,250	2,480,625	
260,850	o THERMO ELECTRON CORP	3,723,632	5,282,212	
505,942	TIMKEN CO (THE)	15,989,123	17,960,941	
248,700	TCKHEIM CORP	5,725,918	4,880,737	
74,550	TORO CO (THE)	910,970	1,425,768	
113,500	TRINITY INDUSTRIES, INC	2,124,995	3,859,000	
389,500	TRINOVA CORP	8,479,488	10,711,250	
116,000	ZURN INDUSTRIES, INC	2,232,806	3,161,000	
	SUB-TOTAL	\$ 349,998,713	\$ 417,365,324	1.43
	MINING & NON-FERROUS METALS			
1,402,004	o AMAX, INC	\$ 26,821,512	\$ 31,720,340	
452,900	ASARCO, INC	11,338,142	12,398,137	
611,550	BATTLE MOUNTAIN GOLD CO	2,837,221	8,561,700	
144,700	BRUSH WELLMAN, INC	4,259,203	3,834,550	
274,760	CYPRUS MINERALS CO	2,484,348	8,929,700	
409,600	ECHO BAY MINES LTD	7,695,259	5,734,400	
5,122	FREEMONT-MCMORAN ENERGY PARTNERS (UNITS)	38,965	65,945	
146,698	o FREEMONT-MCMORAN GOLD CO	1,220,350	2,108,783	
2,561	FREEMONT-MCMORAN RESOURCES PARTNERS LP	38,419	72,988	
307,358	FREEMONT-MCMORAN, INC	4,825,171	8,413,925	
76,900	HANDY & HARMAN CO	1,373,633	1,326,525	
120,000	HECLA MINING CO	2,455,050	1,515,000	
995,250	HOMESTAKE MINING CO	13,525,770	12,565,031	
1,581,656	INCO LTD	17,410,461	40,925,349	
607,600	o MAGMA COPPER CO (CLASS B) NEW	1,964,234	4,253,200	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	MINING & NON-FERROUS METALS			
91,140	o MAGMA COPPER CO WTS 11/30/95	\$ 87,873	\$ 216,457	
154,992	MAPCO, INC	3,942,763	8,466,438	
47,900	NACCO INDUSTRIES, INC (CLASS A)	1,194,062	1,508,850	
9,600	NACCO INDUSTRIES, INC (CLASS B)	411,589	302,400	
754,500	NEWMONT MINING CORP	23,000,527	24,992,812	
375,750	o NORD RESOURCES CORP	4,274,131	3,522,656	
20,000	o NUCLEAR METALS, INC	611,250	210,000	
80,000	o OREGON METALLURGICAL CORP	995,000	910,000	
22,400	PENN VIRGINIA CORP	1,092,000	1,019,200	
531,400	PHELPS DODGE CORP	20,980,997	28,164,200	
402,200	o PITTSTON CO (THE)	5,963,405	7,038,500	
2,065,048	PLACER DOME, INC	34,294,876	27,103,755	
130,000	o PYRO ENERGY CORP	989,000	845,000	
85,700	WESTMORELAND COAL CO	1,852,152	1,285,500	
	SUB-TOTAL	\$ 197,977,363	\$ 248,011,341	0.85
	OFFICE EQUIPMENT - LARGE MAINFRAME CO			
3,390,400	AMERICUS TRUST FOR INTERNATIONAL BUSINESS MACHINES (UNITS)	\$ 565,043,989	\$ 413,205,000	
1,174,700	AMDAHL CORP	19,125,046	23,787,675	
428,300	o CONTROL DATA CORP	10,845,121	8,405,387	
4,295,400	INTERNATIONAL BUSINESS MACHINES CORP	437,509,770	523,501,875	
994,100	NCR CORP	30,251,442	53,060,087	
1,829,500	UNISYS CORP	49,033,708	51,454,687	
35,000	o ZYCAD CORP	445,625	113,750	
	SUB-TOTAL	\$ 1,112,294,701	\$ 1,073,528,461	3.67
	OFFICE EQUIPMENT - OTHER			
512,500	AMERICUS TRUST FOR XEROX CORP (UNITS)	\$ 26,393,724	\$ 29,917,187	
20,000	o ARCHIVE CORP	225,000	100,000	
55,900	BARRY WRIGHT CORP	687,792	272,512	
110,000	o CPT CORP	1,154,697	106,590	
120,000	o GRADCO SYSTEMS, INC	1,490,731	1,590,000	
25,000	HON INDUSTRIES, INC	347,500	456,250	
128,000	MILLER (HERMAN), INC	2,111,000	2,544,000	
169,000	o NBI, INC	3,029,504	401,375	
855,848	PITNEY BOWES, INC	23,913,838	36,587,502	
20,000	SHELBY WILLIAMS INDUSTRIES, INC	251,250	192,500	
1,911,355	WANG LABORATORIES, INC (CLASS B)	27,383,541	16,724,356	
137,000	o WYSE TECHNOLOGY	1,824,343	993,250	
633,624	XEROX CORP	37,733,803	36,987,801	
	SUB-TOTAL	\$ 126,546,723	\$ 126,933,323	0.43
	OFFICE EQUIPMENT - SMALLER FDP CO			
189,000	o ALTOS COMPUTER SYSTEM	\$ 2,154,625	\$ 1,582,875	
157,500	o APOLLO COMPUTER, INC	2,122,076	1,378,125	
1,685,800	APPLE COMPUTER, INC	34,953,587	67,853,450	
450,556	o APPLIED MAGNETICS CORP	6,133,610	6,645,701	
74,000	o AST RESEARCH, INC	1,207,750	582,750	
752,900	+o CIPHER DATA PRODUCTS, INC	10,774,545	7,058,437	
169,000	o COMMODORE INTERNATIONAL LTD	3,144,222	2,366,000	

See notes to financial statements.

## SHARES

		COST	MARKET VALUE	%
	OFFICE EQUIPMENT - SMALLER EDP CO			
302,200	o COMPAQ COMPUTER CORP	\$ 14,024,510	\$ 18,018,675	
95,000	o COMPUTER & COMMUNICATIONS TECHNOLOGY CORP	1,521,180	237,500	
5,000	o COMPUTER LANGUAGE RESEARCH, INC	35,000	28,750	
438,500	o CONCURRENT COMPUTERS CORP	4,403,687	1,973,250	
484,700	o CRAY RESEARCH, INC	29,474,485	29,445,525	
180,000	o C3, INC	2,131,150	2,272,500	
127,000	o DAISY SYSTEMS CORP	1,685,375	825,500	
233,500	o DATA GENERAL CORP	7,572,785	4,319,750	
35,000	o DATA I/O CORP	421,250	306,250	
98,977	o DATAPOINT CORP	953,855	445,396	
137,000	o DATAPRODUCTS CORP	1,334,340	1,849,500	
1,774,800	o DIGITAL EQUIPMENT CORP	99,608,324	174,595,950	
22,500	o DREXLER TECHNOLOGY CORP	165,000	78,750	
15,000	o EKCO GROUP, INC	135,900	43,125	
232,000	o EMULEX CORP	2,773,500	2,552,000	
71,000	o EVANS & SUTHERLAND COMPUTER CORP	1,436,625	1,171,500	
54,000	o FLOATING POINT SYSTEMS, INC	1,071,210	155,250	
99,875	o GERBER SCIENTIFIC, INC	1,011,080	1,922,593	
60,000	o INFOTRON SYSTEMS CORP	1,061,250	630,000	
592,465	o INTERGRAPH CORP	14,913,715	12,441,765	
145,000	o IOMEGA CORP	1,511,000	516,635	
441,500	o KOMAG, INC	5,306,937	3,973,500	
22,500	o LEE DATA CORP	270,000	70,312	
91,000	o MENTOR GRAPHICS CORP	1,645,125	2,604,875	
139,000	o MINISCRIBE CORP	942,250	1,077,250	
149,750	o NETWORK SYSTEMS, INC	2,193,125	1,665,968	
5,000	o PAR TECHNOLOGY CORP	63,125	34,375	
377,000	o PRIAM CORP	2,412,500	447,876	
513,700	o PRIME COMPUTER, INC	8,961,700	8,989,750	
55,100	o QMS, INC	740,457	406,362	
67,000	o QUANTUM CORP	1,558,515	887,750	
199,500	o SCI SYSTEMS, INC	3,199,348	2,992,500	
703,350	o SEAGATE TECHNOLOGY	9,261,823	6,066,393	
275,600	o STRATUS COMPUTER, INC	6,634,650	7,510,100	
367,000	o SYMBOLICS, INC	4,523,375	344,246	
888,900	o TANDEM COMPUTERS, INC	14,620,179	15,000,187	
260,000	o TANDON CORP	2,545,747	276,380	
175,000	o TELEVIDEO STSTEMS, INC	1,399,375	82,075	
120,700	o ULTIMATE CORP (IHE)	3,020,542	1,131,562	
225,000	o VALID LOGIC SYSTEMS, INC	2,004,375	1,125,000	
	SUB-TOTAL	\$ 319,038,784	\$ 395,983,963	1.35
	PAPER			
395,800	BEMIS CO, INC	\$ 5,082,846	\$ 9,202,350	
157,066	BOWATER, INC	4,626,293	4,299,681	
68,400	CHESAPEAKE CORP	1,125,097	1,368,000	
166,000	CONSOLIDATED PAPERS, INC	2,926,250	5,727,000	

See notes to financial statements.

## SHARES

		COST	MARKET VALUE	%
	PAPER			
102,850	DENNISON MANUFACTURING CO	\$ 2,349,319	\$ 2,558,393	
474,200	FEDERAL PAPER BOARD CO, INC	7,441,640	9,602,550	
63,200	GLATFELTER (P.H.) CO	1,699,167	2,409,500	
809,900	GREAT NORTHERN NEKOOSA CORP	24,556,683	31,788,575	
2,161,032	INTERNATIONAL PAPER CO	82,565,594	100,217,859	
908,650	JAMES RIVER CORP OF VIRGINIA	25,313,317	26,010,106	
47,000	JEFFERSON SMURFIT CORP	1,117,750	1,339,500	
858,300	KIMBERLY-CLARK CORP	28,608,845	49,995,975	
110,000	LONGVIEW FIBRE CO	2,088,750	7,810,000	
994,054	MEAD CORP (THE)	26,757,901	38,768,106	
430,211	MOORE CORP LTD	10,906,187	10,862,827	
30,000	MOSINEE PAPER MILLS CORP	517,500	483,750	
88,000	PENTAIR, INC	2,380,000	2,750,000	
677,470	SCOTT PAPER CO	18,774,515	34,440,697	
140,000	SONOCO PRODUCTS CO	748,750	4,795,000	
1,157,250	STONE CONTAINER CORP	31,496,850	37,032,000	
483,407	TEMPLE-INLAND, INC	14,156,434	23,022,258	
804,800	UNION CAMP CORP	17,892,370	27,665,000	
6,050	WAUSAU PAPER MILLS CO	158,750	189,062	
659,762	WESTVACO CORP	11,658,687	19,133,098	
	SUB-TOTAL	\$ 324,949,495	\$ 451,471,287	1.54
	PETROLEUM - DOMESTIC			
1,683,800	AMERICUS TRUST FOR AMOCO CORP (UNITS)	\$ 143,240,826	\$ 126,285,000	
1,236,600	AMERICUS TRUST FOR ARCO CO (UNITS)	118,490,968	99,700,875	
629,570	o ADOBE RESOURCES CORP	5,001,991	4,249,597	
845,100	AMERADA HESS CORP	23,243,777	26,620,650	
1,142,700	AMOCO CORP	76,062,333	85,702,500	
441,564	ANADARKO PETROLEUM CORP	4,340,026	11,315,077	
99,900	AOI COAL CO	387,112	274,725	
510,200	APACHE CORP	5,116,548	4,017,825	
254,200	ASHLAND OIL, INC	4,387,927	8,515,700	
785,815	ATLANTIC RICHFIELD CO	55,643,690	63,356,334	
81,480	o EQUITY OIL CO	613,218	346,290	
292,961	GETTY PETROLEUM CORP	5,634,825	4,907,096	
738,000	o HADSON CORP	5,244,937	2,675,250	
290,683	HAMILTON OIL CORP	3,962,306	7,703,099	
627,600	KERR-MCGEE CORP	20,744,565	23,770,350	
287,400	LOUISIANA LAND & EXPLORATION CO (THE)	6,909,902	9,196,800	
313,300	MITCHELL ENERGY & DEVELOPMENT CORP	4,784,911	3,563,787	
160,900	MURPHY OIL CORP	4,176,872	4,766,662	
191,600	NOBLE AFFILIATES, INC	2,075,022	2,371,050	
2,996,747	OCCIDENTAL PETROLEUM CORP	86,285,920	76,042,455	
385,904	PACIFIC RESOURCES, INC	5,733,987	5,209,704	
393,300	PENNZOIL CO	20,944,852	28,219,275	
2,785,917	PHILLIPS PETROLEUM CO	36,408,124	54,325,381	
245,700	QUAKER STATE OIL REFINING CORP	5,590,449	4,146,187	
435,041	QUESTAR CORP	9,971,914	14,030,072	
110,774	SOUTHDOWN, INC	1,425,605	2,257,020	
1,196,700	SUN CO, INC	29,624,083	38,443,987	
1,013,100	SUN EXPLORATION & PRODUCTION CO	21,692,783	26,213,962	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	RETAIL - GENERAL MERCHANDISE			
301,100	DILLARD DEPARTMENT STORES (CLASS A)	\$ 9,561,773	\$ 12,759,112	
147,000	DOLLAR GENERAL CORP	2,894,375	1,323,000	
98,550	FAMILY DOLLAR STORES, INC	1,323,305	1,355,062	
689,600	JAMESWAY CORP	7,339,800	5,947,800	
2,249,500	K MART CORP	53,072,082	79,013,687	
1,807,985	MAY DEPARTMENT STORES CO (III F)	48,933,929	65,539,456	
373,500	MERCANTILE STORES CO, INC	10,759,986	15,967,125	
286,749	NEIMAN-MARCUS GROUP, INC	3,384,687	4,803,045	
754,800	NORDSTROM, INC	16,934,184	22,832,700	
1,471,300	PENNEY, (J.C.) CO, INC	43,951,802	74,484,562	
1,718,300	SEARS, ROEBUCK & CO	64,593,499	70,235,512	
6,124	STRAWBRIDGE & CLOTHIER	180,000	199,030	
5,997,300	WAL-MART STORES, INC	86,013,694	188,165,287	
715,700	WOOLWORTH (F.W.) CO	19,001,514	37,037,475	
1,234,100	ZAYRE CORP	28,728,690	31,469,550	
	SUB-TOTAL	\$ 580,839,292	\$ 789,793,188	2.70
	RETAIL - SPECIALTY			
118,975	o AUDIO VIDEO AFFILIATES, INC	\$ 1,091,560	\$ 684,106	
9,000	BALFOUR MACLAINE CORP	65,023	79,875	
116,877	BERGEN BRUNSWIG CORP (CLASS A)	1,528,000	2,673,561	
328,300	o BEST BUY CO	6,271,746	2,749,512	
20,000	BIG B, INC	305,000	252,500	
283,900	BROWN GROUP, INC	9,472,788	8,907,362	
1,589,800	+o BUSINESSLAND, INC	17,794,728	23,648,275	
1,129,700	CHARMING SHOPPES, INC	16,703,024	16,380,650	
426,200	CIRCUIT CITY STORES, INC	10,845,237	15,076,825	
193,100	CLAIRES STORES, INC	1,644,937	941,362	
48,275	o CLAIRES STORES, INC (CLASS A)	411,234	235,340	
60,000	o CLOTHETIME, INC (THE)	1,130,000	360,000	
302,984	o COMPUTER FACTORY, INC (THE)	2,399,099	3,560,062	
6,000	o DART GROUP CORP (CLASS A)	946,500	516,000	
144,000	DEB SHOPS, INC	1,754,500	1,620,000	
306,000	o DRESS BARN, INC (THE)	3,784,000	4,666,500	
83,400	EDISON BROTHERS STORES, INC	2,341,358	2,689,650	
101,020	FAY'S DRUG CO, INC	943,289	1,149,102	
440,400	FUR VAULT, INC (THE)	4,411,029	1,101,000	
235,000	+o GANTOS, INC	2,499,187	2,996,250	
321,700	GAP, INC (THE)	8,367,690	13,430,975	
124,900	GENERAL HOST CORP	1,621,924	1,139,712	
278,190	GENERAL NUTRITION, INC*	2,793,002	1,916,750	
40,550	GORDON JEWELRY CORP (CLASS A)	364,169	648,800	
121,789	HANCOCK FABRICS, INC	1,313,377	2,253,096	
233,250	HANDLEMAN CO	3,177,700	4,927,406	
10,000	o HANDYMAN LIQUIDATION TRUST	21,100	53,100	
85,515	HECHINGER CO (CLASS A)	1,362,579	1,528,580	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	RAILROADS			
34,000	KANSAS CITY SOUTHERN INDUSTRIES, INC	\$ 1,898,796	\$ 1,151,750	
2,598,712	NORFOLK SOUTHERN CORP	56,198,933	81,534,589	
1,312,300	o SANTA FE SOUTHERN PACIFIC CORP	20,915,469	22,637,175	
86,900	o SOO LINE CORP	2,071,320	1,803,175	
627,133	UNION PACIFIC CORP	36,026,799	40,293,295	
1,222,546	WHITMAN CORP	27,622,389	43,706,019	
	SUB-TOTAL	\$ 289,342,146	\$ 379,339,951	1.30
	RESTAURANTS & HOTELS			
388,125	BOB EVANS FARMS, INC	\$ 5,631,292	\$ 5,821,875	
45,000	o CHILI'S, INC	1,427,500	1,417,500	
365,830	CHURCH'S FRIED CHICKEN, INC	3,381,550	2,835,182	
149,828	o CIRCUS CIRCUS ENTERPRISES, INC	3,435,281	4,363,740	
291,262	COLLINS FOOD INTERNATIONAL, INC	1,609,286	4,842,230	
64,000	DUNKIN DONUTS, INC	1,663,750	1,720,000	
59,800	FRISCH'S RESTAURANTS, INC	1,764,906	1,502,475	
484,700	HILTON HOTELS CORP	15,442,825	25,870,862	
242,900	o HOLIDAY CORP	7,504,236	6,558,300	
99,675	o HORN AND HARDART CO (THE)	1,409,990	784,940	
234,566	JERRICO, INC	3,659,560	3,518,490	
67,386	KARCHER (CARL) ENTERPRISES, INC	1,049,802	1,524,608	
353,100	o LA QUINTA MOTOR INNS, INC	4,633,135	4,722,712	
302,200	LJBY'S CAFETERIA, INC	6,467,768	7,177,250	
1,298,200	MARRIOTT CORP	26,818,865	41,055,575	
2,701,750	MCDONALD'S CORP	63,598,572	130,021,718	
101,499	MORRISON, INC	1,231,562	2,359,851	
76,562	PICCADILLY CAFETERIAS, INC	1,088,000	1,024,016	
331,602	PRIME MOTOR INNS, INC	7,453,826	10,611,264	
352,400	o RAMADA, INC	2,887,819	3,171,600	
303,750	o RYAN'S FAMILY STEAK HOUSES, INC	995,000	1,632,656	
17,500	o SBARRO, INC	392,087	387,187	
432,350	o SHONEY'S, INC	1,938,613	3,512,843	
86,750	o SIZZLER RESTAURANTS INTERNATIONAL, INC	1,113,500	1,474,750	
541,200	SYSCO CORP	16,001,056	20,836,200	
30,000	o TGI FRIDAYS, INC	323,277	386,250	
35,000	VIE DE FRANCE CORP	441,875	96,250	
211,800	o WEBB DEL CORP	4,443,812	3,256,425	
1,182,312	WENDY'S INTERNATIONAL, INC	8,739,518	6,798,294	
	SUB-TOTAL	\$ 196,548,263	\$ 299,285,043	1.02
	RETAIL - GENERAL MERCHANDISE			
2,442,000	AMERICUS TRUST FOR SEARS, ROEBUCK & CO (UNITS)	\$ 125,970,543	\$ 99,816,750	
25,000	o ALEXANDERS, INC	590,525	1,687,500	
616,600	AMES DEPARTMENT STORES, INC	9,139,492	8,632,400	
512,600	CARSON PIRIE SCOTT & CO NEW	6,376,975	6,151,200	
272,449	o CARTER HAWLEY HALE STORES, INC	180,048	2,281,760	
15,000	o CASEY'S GENERAL STORES, INC	193,225	202,500	
15,000	o CVN COS, INC	355,000	245,625	
1,505,200	DAYTON HUDSON CORP	41,360,264	59,643,550	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	PETROLEUM - DOMESTIC			
479,915	o TESORO PETROLEUM CORP	\$ 6,272,520	\$ 5,698,990	
283,100	TOTAL PETROLEUM (NORTH AMERICA) LTD	3,888,597	5,768,162	
517,060	TRITON ENERGY CORP	11,288,560	6,657,147	
1,158,147	UNOCAL CORP	38,497,876	43,864,817	
135,000	WISER OIL CO (THE)	1,939,062	1,890,000	
	SUB-TOTAL	\$ 769,626,088	\$ 802,105,826	2.74
	PETROLEUM - INTERNATIONAL			
1,559,400	AMERICUS TRUST FOR CHEVRON CORP (UNITS)	\$ 90,772,655	\$ 71,342,550	
247,050	AMERICUS TRUST FOR EXXON CORP (UNITS)	23,160,937	21,740,400	
2,078,400	AMERICUS TRUST FOR MOBIL CORP (UNITS)	108,492,480	94,567,200	
29,600	BRITISH PETROLEUM CO LTD (THE) ADR	793,551	1,591,000	
429,927	o BRITISH PETROLEUM CO LTD (THE) WTS 1/31/93	3,654,379	3,224,452	
2,182,500	CHEVRON CORP	92,045,268	99,849,375	
297,078	DIAMOND SHAMROCK R & M, INC	5,525,784	4,530,439	
14,369,278	EXXON CORP	303,495,250	632,248,232	
898,013	o MAXUS ENERGY CORP	10,545,466	6,173,839	
2,425,000	MOBIL CORP	96,185,266	110,337,500	
2,902,900	ROYAL DUTCH PETROLEUM CO	170,893,129	330,930,600	
2,560,600	TEXACO, INC	83,380,445	130,910,675	
	SUB-TOTAL	\$ 988,944,610	\$ 1,507,446,262	5.15
	PETROLEUM SERVICES			
1,271,480	BAKER HUGHES, INC	\$ 21,859,691	\$ 17,800,720	
652,000	o BAROID CORP	2,795,655	2,934,000	
145,400	CAMERON IRON WORKS, INC	3,032,062	2,253,700	
36,995	o CLIFFS DRILLING CO	403,316	323,706	
396,900	COMBUSTION ENGINEERING, INC	12,428,890	11,063,587	
754,567	o CONQUEST EXPLORATION CO	4,331,343	1,509,134	
742,900	DRESSER INDUSTRIES, INC	21,100,378	21,822,687	
58,000	o ENTERRA CORP	1,019,746	348,000	
1,538,800	FLUOR CORP	31,929,620	35,969,450	
1,162,317	HALLIBURTON CO	36,827,740	32,544,876	
172,400	HELMERICH & PAYNE, INC	3,321,582	3,512,650	
401,200	MCDERMOTT INTERNATIONAL, INC	7,701,878	5,917,700	
65,200	NL INDUSTRIES, INC	1,086,311	1,230,650	
51,979	o NOBLE DRILLING CORP	169,324	253,397	
225,400	OCEAN DRILLING & EXPLORATION CO	4,946,909	3,409,175	
207,000	o OCEANEERING INTERNATIONAL, INC	2,401,000	556,416	
388,000	o PARKER DRILLING CO	2,901,634	1,746,450	
148,000	o PRIDE PETROLEUM SERVICES, INC	222,083	444,000	
418,000	+ PRODUCTION OPERATORS CORP	2,634,875	2,246,750	
400	o READING & BATES CORP	762	325	
32,500	o REGAL INTERNATIONAL, INC	64,271	7,117	
715,600	o ROWAN COS, INC	5,458,891	4,114,700	
70,000	o RPC ENERGY SERVICES, INC	204,901	437,500	
2,555,030	SCHLUMBERGER LTD	57,876,156	83,357,853	
268,500	o TIDEWATER, INC	2,931,443	1,980,187	
355,700	+o TIME ENERGY SYSTEMS, INC	4,602,975	17,785	
	SUB-TOTAL	\$ 232,253,436	\$ 235,802,515	0.81

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>PHOTOGRAPHY</b>			
1,047,564	AMERICUS TRUST FOR EASTMAN KODAK CO (UNITS)	\$ 93,547,416	\$ 70,906,988	
140,000	CPI CORP	1,370,000	2,782,500	
2,090,800	EASTMAN KODAK CO	77,649,477	94,347,350	
638,700	POLAROID CORP .	15,168,253	23,552,062	
	<b>SUB-TOTAL</b>	\$ 187,735,146	\$ 191,588,900	0.65
	<b>PUBLISHING - NEWSPAPER</b>			
133,200	A.H. BELO CORP SERIES A	\$ 3,034,540	\$ 3,080,250	
90,200	A.H. BELO CORP SERIES B	1,949,210	2,085,875	
140,600	AFFILIATED PUBLICATIONS, INC SERIES A	1,892,245	5,290,075	
140,600	AFFILIATED PUBLICATIONS, INC SERIES B	1,892,245	5,290,075	
770,100	DOW JONES & CO. INC	16,851,723	22,717,950	
419,700	DOW JONES & CO, INC (CLASS B)	12,467,037	12,381,150	
2,284,800	GANNETT CO, INC	54,661,741	81,396,000	
881,400	KNIGHT-RIDDER, INC	28,420,481	39,993,525	
100,000	MEDIA GENERAL, INC (CLASS A)	1,645,400	3,437,500	
893,000	NEW YORK TIMES CO (THE) (CLASS A)	23,721,964	23,990,375	
583,759	TIMES MIRROR CO (CLASS A)	15,391,653	19,191,077	
762,159	TIMES MIRROR CO (CLASS C)	15,591,589	25,055,977	
867,600	TRIBUNE CO NEW	25,112,477	33,727,950	
48,000	WASHINGTON POST CO (THE) (CLASS B)	2,366,600	10,116,000	
	<b>SUB-TOTAL</b>	\$ 204,998,905	\$ 287,762,779	0.98
	<b>PUBLISHING - OTHER</b>			
105,000	AMERICAN GREETINGS CORP (CLASS A)	\$ 2,248,125	\$ 2,178,750	
236,400	BOWNE & CO, INC	1,685,369	2,895,900	
73,000	COMMERCE CLEARING HOUSE, INC	2,346,250	3,467,500	
1,034,900	DONNELLEY (R.R.) & SONS CO	29,739,093	35,833,412	
2,144,839	DUN & BRADSTREET CORP (THE)	65,361,317	115,016,991	
342,300	HARCOURT BRACE JOVANOVIICH, INC	420,647	3,209,062	
108,000	HOUGHTON MIFFLIN CO	2,276,050	3,712,500	
445,500	KRUEGER (W.A.) CO	2,941,937	2,561,625	
107,000	LEE ENTERPRISES, INC	2,471,148	2,889,000	
7,200	LEE ENTERPRISES, INC (CLASS B)	60,767	194,400	
533,400	MCGRAW-HILL, INC	12,627,462	33,204,150	
80,200	MEREDITH CORP	1,983,907	2,436,075	
82,300	MEREDITH CORP (CLASS B)	1,942,125	2,499,862	
61,250	PLENUM PUBLISHING CORP	1,648,250	1,393,437	
632,308	TIME, INC	33,091,933	67,656,956	
	<b>SUB-TOTAL</b>	\$ 160,904,380	\$ 279,149,620	0.95
	<b>RAILROADS</b>			
522,900	AMERICUS TRUST FOR UNION PACIFIC CORP (UNITS)	\$ 39,308,977	\$ 33,596,325	
752,700	BURLINGTON NORTHERN, INC	32,301,629	59,463,300	
2,000	CHICAGO MILWAUKEE CORP	299,160	263,500	
199,400	CNW CORP	4,869,791	5,059,775	
774,900	CONSOLIDATED RAIL CORP	22,958,928	26,152,875	
1,920,561	CSX CORP	44,012,580	60,977,811	
47,900	FLORIDA EAST COAST INDUSTRIES, INC	857,375	2,700,362	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	RETAIL - SPECIALTY			
128,125	HECHINGER CO (CLASS B)	\$ 1,754,546	\$ 2,274,218	
80,000	o HIGHLAND SUPERSTORES, INC	1,305,000	570,000	
350,500	HOME DEPOT, INC (THE)	7,377,911	11,084,562	
55,000	HOUSE OF FABRICS, INC	851,200	1,182,500	
76,500	o INACOMP COMPUTER CENTERS, INC	635,615	564,187	
219,310	o INTERTAN, INC	3,291,935	7,730,677	
11,250	JACOBSON STORES, INC	296,250	210,937	
27,595	KAY JEWELERS, INC	359,596	424,273	
3,339,575	LIMITED, INC (THE)	59,996,999	91,003,418	
225,300	LONGS DRUG STORES, INC	4,586,480	7,998,150	
460,000	LOWE'S COS, INC	9,045,829	9,660,000	
33,790	o LURIA (L.) & SON, INC	471,468	375,913	
397,000	MCKESSON CORP	11,823,308	12,356,625	
15,000	o MEDICINE SHOPPE INTERNATIONAL, INC	354,375	333,750	
670,000	MELVILLE CORP	29,759,478	50,277,500	
200,000	o MERRY-GO-ROUND ENTERPRISES, INC	2,033,906	2,500,000	
125,000	o MICROAGE, INC	1,328,125	828,125	
171,200	o NEECO, INC	3,125,893	2,054,400	
37,600	NEW PROCESS CO	1,190,841	1,536,900	
236,000	PEP BOYS, MANNY, MOE & JACK (THE)	3,129,320	2,861,500	
27,100	o PERRY DRUG STORES, INC	372,347	162,925	
205,000	PETRIE STORES CORP	4,131,685	3,382,500	
135,000	o PIC 'N' SAVE CORP	1,884,375	1,653,750	
163,999	PIER 1 IMPORTS, INC	1,321,176	1,906,488	
529,350	o PRICE CO (THE)	15,879,924	19,850,625	
473,300	RITE AID CORP	13,426,476	15,441,412	
269,500	o ROSS STORES, INC	1,543,375	2,829,750	
188,600	RUSS BERRIE & CO, INC	3,570,993	3,654,125	
85,500	SCOTTY'S, INC	1,129,928	993,937	
507,000	SERVICE MERCHANDISE CO, INC	5,261,554	9,062,625	
27,830	o STANDARD BRANDS PAINT CO	600,720	413,971	
98,000	STRIDE RITE CORP (THE)	1,457,950	2,621,500	
161,900	o SYMS CORP	1,825,257	1,679,712	
1,115,501	TANDY CORP	43,573,245	45,735,541	
1,458,525	o TOYS R US, INC	38,915,389	54,147,740	
194,000	UNITED STATES SHOE CORP (THE)	3,045,719	4,801,500	
290,200	o VESTRON, INC	1,637,121	1,051,975	
781,800	WALGREEN CO	20,477,749	23,649,450	
12,322	o WICKES, INC NEW	268,241	89,334	
	SUB-TOTAL	\$ 408,705,079	\$ 515,162,846	1.76
	RETAIL - FOOD			
760,000	ALBERTSON'S, INC	\$ 15,901,623	\$ 28,785,000	
326,954	AMERICAN STORES CO	14,761,641	18,922,462	
33,750	o BIG BEAR, INC	658,750	1,282,500	
334,000	BRUNOS, INC	2,725,437	3,423,500	
264,900	o CIRCLE K CORP (THE)	2,890,731	3,013,237	
25,000	DELCHAMPS, INC	521,875	518,750	
130,955	FLEMING COS, INC	3,889,243	4,583,425	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	RETAIL - FOOD			
648,000	FOOD LION, INC (CLASS A)	\$ 4,295,665	\$ 6,075,000	
651,000	FOOD LION, INC (CLASS B)	2,017,959	6,510,000	
436,700	GIANT FOOD, INC (CLASS A)	4,489,036	10,589,975	
804,500	GREAT ATLANTIC & PACIFIC IFA CO, INC	24,186,217	35,900,812	
756,704	KROGER CO (THE)	8,201,815	6,715,748	
5,000	NASH-FINCH CO	116,250	123,750	
547,150	NATIONAL CONVENIENCE STORES, INC	8,501,329	4,308,806	
26,000	RUDDICK CORP	498,099	569,500	
125,000	RYKOFF - SEXTON, INC	2,488,025	3,953,125	
55,000	SUPER FOOD SERVICES, INC	979,375	1,464,375	
920,100	SUPER VALUE STORES, INC	18,778,723	22,542,450	
186,000	WEIS MARKETS, INC	3,416,701	5,254,500	
16,700	WETTERAU PROPERTIES, INC	32,842	158,650	
334,000	WETTERAU, INC	4,339,907	7,932,500	
422,133	WINN DIXIE STORES, INC	15,413,557	18,573,852	
	SUB-TOTAL	\$ 139,104,800	\$ 191,201,917	0.65
	SAVINGS & LOAN			
1,183,200	AHMANSON (H.F.) & CO	\$ 15,135,815	\$ 19,374,900	
414,100	CALFED, INC	11,443,554	9,110,200	
671,600	DIME SAVINGS BANK NEW YORK	13,716,150	9,402,400	
452,100	FEDERAL NATIONAL MORTGAGE ASSOCIATION	14,670,192	22,944,075	
478,000	GLENFED, INC	12,772,151	9,380,750	
389,150	GOLDEN WEST FINANCIAL CORP	6,308,589	12,209,581	
1,495,901	GREAT WESTERN FINANCIAL CORP	22,659,192	22,438,515	
502,100	GREEN TREE ACCEPTANCE, INC	6,178,692	5,209,287	
404,500	HOMEFED CORP	12,279,429	10,061,937	
	SUB-TOTAL	\$ 115,163,764	\$ 120,131,645	0.41
	STEEL			
29,432	A.P. GREEN INDUSTRIES, INC	\$ 216,931	\$ 772,590	
43,831	ACME STEEL CO	241,932	1,019,070	
49,900	AMPCO-PITTSBURGH CORP	675,777	673,650	
610,500	o ARMCO, INC	6,265,047	6,105,000	
787,900	o BETHLEHEM STEEL CORP	13,415,443	18,318,675	
60,000	o CARPENTER TECHNOLOGY CORP	1,919,177	2,782,500	
63,300	o CBI INDUSTRIES, INC	1,927,395	1,606,237	
87,981	o CLEVELAND CLIFFS IRON CO	1,408,236	2,342,494	
109,500	o COPPERWELD CORP	895,250	1,272,937	
100,000	o CSC INDUSTRIES, INC	317,046	206,300	
85,000	o ENVIRODYNE INDUSTRIES, INC	962,125	2,625,000	
87,500	o FANSTEEL, INC	1,415,047	907,812	
364,650	o HANNA (M.A.) CO	5,157,353	7,019,512	
52,500	o HARSCO CORP	828,375	1,463,437	
602,600	o INLAND STEEL CO	19,566,124	25,007,900	
118,920	o MATERIAL SCIENCES CORP	2,093,159	1,783,800	
212,000	o NATIONAL INTERGROUP, INC	4,460,747	3,683,500	
701,300	o NUCOR CORP	25,728,443	33,487,075	
2,790,721	o USX CORP	71,945,152	81,628,589	
273,339	o WORTHINGTON INDUSTRIES, INC	1,931,384	6,218,462	
	SUB-TOTAL	\$ 161,370,143	\$ 198,934,540	0.68

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	TEXTILE & APPAREL				
117,300	ANGELICA CORP	\$	2,349,427	\$ 2,609,925	
120,500	o BURLINGTON COAT FACTORY WAREHOUSE CORP		2,003,727	2,063,562	
130,818	o CHEROKEE GROUP (THE)		1,725,557	1,700,634	
49,600	o CML GROUP, INC		1,174,476	874,200	
96,000	CRYSTAL BRANDS, INC		2,078,406	2,136,000	
20,900	FAB INDUSTRIES		816,891	579,975	
67,000	FIELDCREST MILLS, INC		1,158,320	1,331,625	
168,100	o GENESCO, INC		642,698	840,500	
77,437	GUILFORD MILLS, INC		760,329	2,071,439	
477,800	HARTMARX CORP		12,185,640	11,586,650	
358,950	INTERCO, INC		35,038	1,301,193	
325,900	KELLYWOOD CO		6,710,204	8,677,087	
832,800	LIZ CLAIBORNE, INC		10,854,139	14,365,890	
5,119	MOHASCO CORP		54,423	162,528	
183,300	NIKE, INC (CLASS B)		4,761,587	4,857,450	
118,050	OHIO MATTRESS CO (THE)		1,193,434	2,095,387	
140,800	OSHKOSH B GOSH, INC (CLASS A)		4,268,185	3,132,800	
135,800	OXFORD INDUSTRIES, INC		2,033,224	1,425,900	
140,794	PHILLIPS-VAN HEUSEN CORP		1,605,885	1,988,715	
1,204,300	REEBOK INTERNATIONAL LTD		16,839,752	14,752,675	
53,700	RUSS TOGS, INC		855,702	698,100	
563,900	RUSSELL CORP		6,281,435	9,092,887	
209,100	SPRING INDUSTRIES, INC		5,070,568	6,586,650	
131,000	TULTEX CORP		1,651,152	1,080,750	
91,000	o UNIFI, INC		1,423,625	1,899,625	
65,700	o UNITED MERCHANTS & MANUFACTURERS, INC		971,155	213,525	
780,100	VF CORP		18,151,872	22,427,875	
311,236	WEST POINT PEPPERELL, INC		9,216,303	13,655,479	
55,000	WOLVERINE WORLD WIDE, INC		1,034,925	598,125	
	SUB-TOTAL	\$	117,908,075	\$ 134,807,061	0.46
	TIRES & RUBBER				
188,000	BANDAG, INC	\$	6,724,021	\$ 12,243,500	
140,000	COOPER TIRE & RUBBER CO		1,268,225	3,360,000	
142,035	GENCORP, INC		853,252	2,379,086	
1,917,476	GOODYEAR TIRE & RUBBER CO (THE)		86,580,244	90,030,960	
	SUB-TOTAL	\$	95,425,742	\$ 116,013,546	0.40
	TOBACCO				
623,100	AMERICUS TRUST FOR PHILIP MORRIS, INC (UNITS)	\$	56,297,063	\$ 63,478,312	
1,189,400	AMERICAN BRANDS, INC		39,335,493	77,905,700	
22,000	CULBRO CORP		570,573	781,000	
2,691,900	PHILIP MORRIS, INC		242,736,429	274,237,312	
2,436,225	RJR NABISCO, INC		96,944,178	222,001,003	
81,100	STANDARD COMMERCIAL CORP		1,489,921	1,409,112	
109,000	UNIVERSAL LEAF TOBACCO, INC		1,814,600	3,597,000	
510,200	UST, INC		11,875,480	20,918,200	
	SUB-TOTAL	\$	451,063,737	\$ 664,327,639	2.27

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	<b>TRUCKERS</b>			
99,250	ARNOLD INDUSTRY, INC	\$ 2,317,500	\$ 2,878,250	
139,100	CAROLINA FREIGHT CORP	2,602,282	3,425,337	
437,000	CONSOLIDATED FREIGHTWAYS, INC	8,490,636	14,421,000	
264,500	HUNT (J.B.) TRANSPORT SERVICES, INC	4,979,625	6,017,375	
80,000	PRESTON CORP	1,822,500	1,400,000	
302,600	RLC CORP	2,214,256	3,290,775	
375,400	ROADWAY SERVICES, INC	11,355,527	11,543,550	
950,140	RYDER SYSTEM, INC	16,541,921	24,703,640	
272,600	YELLOW FREIGHT SYSTEM, INC	5,244,449	8,620,975	
	<b>SUB-TOTAL</b>	<b>\$ 55,568,696</b>	<b>\$ 76,300,902</b>	<b>0.26</b>
	<b>UTILITIES - ELECTRIC</b>			
165,000	ALLEGHENY POWER SYSTEM, INC	\$ 3,120,725	\$ 6,166,875	
2,092,997	AMERICAN ELECTRIC POWER CO, INC	49,766,008	57,034,168	
124,800	ATLANTIC ENERGY OF NEW JERSEY, INC	3,026,284	4,087,200	
787,416	BALTIMORE GAS & ELECTRIC CO	19,834,343	24,508,323	
59,500	BLACK HILLS CORP	990,681	1,502,375	
221,686	BOSTON EDISON CO	3,896,659	3,657,819	
304,982	CAROLINA POWER & LIGHT CO	8,122,210	11,398,702	
434,859	CENTERIOR ENERGY CORP	10,736,351	5,870,596	
942,300	CENTRAL AND SOUTH WEST CORP	19,459,711	30,153,600	
105,809	CENTRAL ILLINOIS PUBLIC SERVICE CO	1,658,283	2,354,250	
179,082	CENTRAL LOUISIANA ELECTRIC CO, INC NEW	4,372,538	5,708,238	
130,000	CINCINNATI GAS & ELECTRIC CO (THE)	2,746,101	3,412,500	
2,277,670	COMMONWEALTH EDISON CO	62,677,975	75,163,110	
1,205,600	CONSOLIDATED EDISON CO OF NEW YORK, INC	42,207,429	56,060,400	
220,000	DELMARVA POWER & LIGHT CO	3,550,975	3,905,000	
1,647,618	DETROIT EDISON CO (THE)	24,012,980	28,627,362	
1,065,100	DOMINION RESOURCES, INC	39,322,746	44,867,337	
110,000	DPL, INC	1,798,300	2,777,500	
1,040,900	DUKE POWER CO	37,348,422	48,141,625	
268,529	DUQUESNE LIGHT CO	4,007,461	5,034,918	
255,000	EL PASO ELECTRIC CO	3,468,400	3,729,375	
153,426	FLORIDA PROGRESS CORP	3,134,040	5,369,910	
1,345,448	FPL GROUP, INC	30,749,232	41,877,069	
541,200	GENERAL PUBLIC UTILITIES CORP	6,725,422	20,565,600	
339,000	o GULF STATES UTILITIES CO	3,804,719	2,669,625	
214,990	HAWAIIAN ELECTRIC INDUSTRIES, INC	4,809,106	6,369,078	
1,259,000	HOUSTON INDUSTRIES, INC	35,702,965	35,252,000	
227,800	IDAHO POWER CO	4,587,588	5,296,350	
242,945	ILLINOIS POWER CO	4,969,502	4,828,531	
527,600	IPALCO ENTERPRISES, INC	9,119,680	12,002,900	
204,867	KANSAS CITY POWER & LIGHT CO	4,550,320	6,427,702	
162,340	KANSAS GAS AND ELECTRIC CO	2,699,180	3,368,555	
410,576	KANSAS POWER & LIGHT CO	7,470,152	9,391,926	
2,040,900	o LONG ISLAND LIGHTING CO	23,469,987	26,021,475	
239,700	LOUISVILLE GAS & ELECTRIC CO	6,828,025	8,149,800	
398,826	o MAGMA POWER CO	6,168,756	6,281,509	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	UTILITIES - ELECTRIC			
2,378,100	MIDDLE SOUTH UTILITIES, INC	\$ 31,112,421	\$ 38,049,600	
200,402	MINNESOTA POWER & LIGHT CO	3,148,222	4,734,497	
128,553	MONTANA POWER CO	3,216,402	4,595,769	
313,243	NEW ENGLAND ELECTRIC SYSTEM CO	4,967,733	7,517,832	
182,686	NEW YORK STATE ELECTRIC & GAS CORP	3,740,910	4,156,106	
1,607,400	NIAGARA MOHAWK POWER CORP	24,620,087	20,896,200	
359,279	NIPSCO INDUSTRIES, INC	4,421,846	4,984,996	
508,000	NORTHEAST UTILITIES CO	9,482,168	10,096,500	
617,200	NORTHERN STATES POWER CO	16,006,982	20,213,300	
1,568,192	OHIO EDISON CO	26,441,159	29,599,624	
147,429	OKLAHOMA GAS & ELECTRIC CO	2,706,275	4,828,299	
4,262,540	PACIFIC GAS & ELECTRIC CO	69,661,834	74,594,450	
290,000	PACIFICORP	7,018,300	10,150,000	
308,836	PENNSYLVANIA POWER & LIGHT CO	9,409,893	11,156,700	
2,074,300	PHILADELPHIA ELECTRIC CO	35,404,738	41,486,000	
326,000	PINNACLE WEST CAPITAL CORP	7,600,864	5,134,500	
111,000	PORTLAND GENERAL ELECTRIC CO	1,863,365	2,331,000	
330,000	POTOMAC ELECTRIC POWER CO	2,719,825	6,682,500	
880,341	c PSI HOLDINGS, INC	9,875,312	12,214,731	
173,956	PUBLIC SERVICE CO OF COLORADO	2,791,097	3,740,054	
139,362	PUBLIC SERVICE CO OF NEW MEXICO	4,297,535	1,742,025	
2,139,646	PUBLIC SERVICE ENTERPRISE GROUP, INC	44,211,981	52,421,327	
244,903	PUGET SOUND POWER & LIGHT CO	3,630,781	4,530,705	
237,545	SAN DIEGO GAS & ELECTRIC CO	4,038,300	9,086,096	
155,000	SCANA CORP	3,571,200	5,321,250	
2,329,130	SCE CORP	75,324,868	75,405,583	
3,367,781	SOUTHERN CO (THE)	59,227,045	75,354,099	
231,583	SOUTHWESTERN PUBLIC SERVICE CO	4,326,668	6,194,845	
953,026	TECO ENERGY, INC	14,027,004	22,634,367	
1,968,633	TEXAS UTILITIES CO	52,384,123	55,367,803	
105,000	TUCSON ELECTRIC POWER CO	3,490,375	5,197,500	
351,000	UNION ELECTRIC CO	4,934,207	8,467,875	
200,000	UTAH POWER & LIGHT CO	3,898,000	6,350,000	
275,554	WISCONSIN ENERGY CORP	3,281,715	7,439,958	
206,200	WISCONSIN PUBLIC SERVICE CORP	3,398,435	4,459,075	
	SUB-TOTAL	\$ 1,061,165,016	\$ 1,275,168,469	4.35
	UTILITIES - GAS & PIPELINE			
742,840	ARKLA, INC	\$ 13,845,769	\$ 14,949,655	
15,166	ATMOS ENERGY CORP	59,560	246,447	
295,600	BROOKLYN UNION GAS CO	7,010,794	6,983,550	
1,564,825	COASTAL CORP (THE)	44,101,860	53,595,256	
538,000	COLUMBIA GAS SYSTEMS, INC (THE)	20,023,076	18,561,000	
916,800	CONSOLIDATED NATURAL GAS CO	18,759,351	37,015,800	
269,638	EASTERN GAS & FUEL ASSOCIATES	5,849,266	6,235,378	
474,200	ENRON CORP	18,094,974	17,367,575	
609,200	ENSERCH CORP	12,757,614	11,498,650	
208,250	EQUITABLE RESOURCES, INC	5,125,485	7,054,468	
5,000	INTERHOME ENERGY, INC	151,250	176,250	
184,019	MCN CORP	2,513,671	6,831,705	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	UTILITIES - GAS & PIPELINE			
228,870	NICOR, INC	\$ 6,235,578	\$ 7,152,187	
646,740	PACIFIC ENTERPRISES, INC	27,554,821	24,252,750	
647,517	PANHANDLE EASTERN CORP	12,650,878	16,592,623	
397,915	PEOPLES ENERGY CORP	6,250,113	7,659,863	
718,256	PRIMARK CORP	2,856,637	4,758,446	
446,800	SONAT, INC	12,641,788	12,957,200	
1,577,725	TENNECO, INC	55,977,995	77,111,309	
596,700	TEXAS EASTERN CORP	17,550,479	16,707,600	
240,400	TRANSCO ENERGY CO	6,634,314	8,444,050	
291,000	WASHINGTON GAS LIGHT CO	5,085,817	7,202,250	
394,500	WILLIAMS CO, INC	9,347,294	12,032,250	
	SUB-TOTAL	\$ 311,078,384	\$ 375,386,262	1.28
	UTILITIES - TELEPHONE			
67,000	o AMERICUS TRUST FOR AMERICAN TELEPHONE & TELEGRAPH (SCORE) \$	354,400	\$ 410,375	
4,058,900	AMERICUS TRUST FOR AMERICAN TELEPHONE & TELEGRAPH (UNITS)	135,480,512	116,693,375	
2,152,600	AMERICUS TRUST FOR GTE CORP (UNITS)	83,736,120	95,790,700	
8,850,319	AMERICAN TELEPHONE & TELEGRAPH CO	213,267,958	254,446,671	
1,504,337	AMERITECH CORP	91,391,546	144,040,267	
431,721	BCE, INC	8,151,072	13,491,281	
2,153,472	BELL ATLANTIC CORP	102,845,217	153,165,696	
5,128,603	BELLSOUTH CORP	142,407,856	204,503,044	
248,251	CENTEL CORP	5,814,664	12,474,612	
301,979	CONTEL CORP	5,299,562	12,192,402	
1,324,850	GTE CORP	44,541,721	58,955,825	
2,555,100	o MCI COMMUNICATIONS CORP	31,735,052	57,809,137	
2,206,872	NYNEX CORP	96,458,895	145,653,552	
321,600	PACIFIC TELECOM, INC	4,433,750	4,582,800	
4,630,894	PACIFIC TELESIS GROUP	92,650,979	142,978,852	
152,900	ROCHESTER TELEPHONE CORP	4,984,422	7,836,125	
208,100	SOUTHERN NEW ENGLAND TELEPHONE CO	8,678,754	11,289,425	
3,247,944	SOUTHWESTERN BELL CORP	86,746,327	131,135,739	
1,320,138	UNITED TELECOMMUNICATIONS, INC	38,543,204	61,221,399	
2,021,096	US WEST, INC	79,351,240	116,718,294	
	SUB-TOTAL	\$ 1,277,873,251	\$ 1,745,389,571	5.96
	TOTAL DOMESTIC COMMON STOCK	\$ 20,525,614,245	\$ 25,351,472,058	86.56
	COMMON STOCK			
	FOREIGN			
	AUSTRALIA			
	BANKS			
17,400	o ADVANCE BANK	\$ 68,713	\$ 67,168	
1,200,388	NATIONAL AUSTRALIA BANK LTD	4,871,000	6,356,141	
1,307,451	WESTPAC BANKING CORP	4,726,191	5,895,757	
	SUB-TOTAL	\$ 9,665,904	\$ 12,319,066	0.04

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BEVERAGES				
248,870	AMATIL LTD	\$	726,385	\$ 1,900,160	
300,000	o S.A. BREWING HOLDINGS LTD		633,531	635,408	
	SUB-TOTAL	\$	1,359,916	\$ 2,535,568	0.01
	CHEMICALS - MAJOR				
396,566	ICI AUSTRALIA LTD	\$	906,142	\$ 2,323,377	
	SUB-TOTAL	\$	906,142	\$ 2,323,377	0.01
	CONGLOMERATES				
294,000	ADELAIDE STEAMSHIP CO LTD (THE)	\$	1,339,222	\$ 1,416,141	
1,338,214	CSR LTD		3,731,648	5,028,732	
1,176,884	PACIFIC DUNLOP LTD		2,305,175	4,603,407	
	SUB-TOTAL	\$	7,376,045	\$ 11,048,280	0.04
	CONSTRUCTION - MATERIALS & BUILDERS				
916,139	BORAL LTD	\$	1,365,641	\$ 2,816,722	
349,906	JAMES HARDIE INDUSTRIES LTD		914,563	776,971	
983,149	PIONEER INTERNATIONAL LTD		1,651,964	2,073,941	
	SUB-TOTAL	\$	3,932,168	\$ 5,667,634	0.02
	ELECTRIC EQUIPMENT - OTHER				
520,000	AWA LTD	\$	1,355,065	\$ 1,110,257	
	SUB-TOTAL	\$	1,355,065	\$ 1,110,257	0.00
	FOODS				
363,032	GOODMAN FIELDER LTD	\$	592,381	\$ 626,291	
	SUB-TOTAL	\$	592,381	\$ 626,291	0.00
	FOREST PRODUCTS				
780,400	AMCOR LTD	\$	2,192,502	\$ 3,159,190	
	SUB-TOTAL	\$	2,192,502	\$ 3,159,190	0.01
	HOUSEHOLD - DURABLE GOODS				
310,100	EMAIL LTD	\$	979,106	\$ 1,170,588	
	SUB-TOTAL	\$	979,106	\$ 1,170,588	0.00
	MACHINERY - INDUSTRIAL & OTHER				
428,250	BTR NYLEX LTD	\$	2,649,676	\$ 3,203,920	
	SUB-TOTAL	\$	2,649,676	\$ 3,203,920	0.01
	MINING & NON-FERROUS METALS				
131,165	ABERFOYLE LTD	\$	453,729	\$ 560,103	
480,000	o BROKEN HILL PROPRIETARY GOLD MINE		336,919	225,467	
995,415	CRA LTD		4,785,144	6,665,005	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	MINING & NON-FERROUS METALS				
697,333	M. I. M. HOLDINGS LTD	\$	1,173,761	\$ 1,042,217	
391,853	o M. I. M. HOLDINGS LTD NEW		573,949	575,585	
964,450	NORTH BROKEN HILL HOLDINGS LTD		1,684,416	2,281,601	
180,000	o PLACER DEVELOPMENT		528,386	338,201	
620,000	OCT RESOURCES LTD		602,473	608,933	
254,773	RENISON GOLDFIELDS CONSOLIDATED LTD		607,701	1,370,800	
1,514,937	WESTERN MINING CORP HOLDINGS LTD		4,396,481	6,391,484	
	SUB-TOTAL	\$	14,942,959	\$ 20,059,396	0.07
	MISCELLANEOUS MATERIALS & COMMODITIES				
130,000	BUNDABERG SUGAR CO	\$	350,642	\$ 310,872	
140,000	COAL & ALLIED INDUSTRIES LTD		595,310	573,917	
	SUB-TOTAL	\$	945,952	\$ 884,789	0.00
	PETROLEUM - INTERNATIONAL				
1,794,394	BROKEN HILL PROPRIETARY CO LTD (THE)	\$	6,031,075	\$ 11,033,938	
573,300	CALTEX AUSTRALIA LTD		1,102,804	1,126,133	
182,600	o CRUSADER OIL N.L.		180,707	179,340	
273,437	SANTOS LTD		1,951,270	786,986	
	SUB-TOTAL	\$	8,365,856	\$ 13,126,397	0.04
	PUBLISHING - NEWSPAPER				
650,000	MOJO GROUP LTD	\$	1,129,287	\$ 1,154,667	
619,150	NEWS CORP LTD (.90)		3,011,977	5,182,057	
	SUB-TOTAL	\$	4,141,264	\$ 6,336,724	0.02
	RAILROADS				
445,265	BRAMBLES INDUSTRIES LTD	\$	2,420,997	\$ 4,335,145	
215,607	MAYNE NICKLESS LTD		502,920	1,067,999	
943,815	TNT LTD		1,244,337	2,917,935	
	SUB-TOTAL	\$	4,168,254	\$ 8,321,079	0.03
	REAL ESTATE				
326,064	HOOKER CORP LTD	\$	630,552	\$ 584,793	
242,771	LEND LEASE CORP LTD		918,509	2,197,773	
	SUB-TOTAL	\$	1,549,061	\$ 2,782,566	0.01
	RETAIL - GENERAL MERCHANDISE				
920,092	COLES MYER LTD	\$	2,744,348	\$ 6,773,587	
673,500	COUNTRY ROAD LTD		1,337,987	1,639,316	
131,250	o COUNTRY ROAD LTD (P/P)		138,554	151,325	
	SUB-TOTAL	\$	4,220,889	\$ 8,564,228	0.03
	TOBACCO				
189,000	ROTHMANS OF PALL MALL (AUSTRALIA) LTD	\$	925,031	\$ 1,581,860	
	SUB-TOTAL	\$	925,031	\$ 1,581,860	0.01
	WHOLESALE INTERNATIONAL TRADE				
906,976	BURNS PHILIPS & CO LTD	\$	1,774,360	\$ 2,207,602	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
3,233,160	WHOLESALE INTERNATIONAL TRADE ELDERS IXL LTD SUB-TOTAL	\$	6,441,691	\$ 7,676,305	
		\$	8,216,051	\$ 9,883,907	0.03
	TOTAL AUSTRALIA	\$	78,484,222	\$ 114,705,117	0.39
	AUSTRIA				
1,200	CHEMICALS - MAJOR JUNGBUNZLAUER AG. SUB-TOTAL	\$	1,668,978	\$ 799,808	
		\$	1,668,978	\$ 799,808	0.00
	TOTAL AUSTRIA	\$	1,668,978	\$ 799,808	0.00
	BELGIUM				
8,744	BANKS SOCIETE GENERALE DE BANQUE SUB-TOTAL	\$	468,674	\$ 1,475,675	
		\$	468,674	\$ 1,475,675	0.01
18,045	CHEMICALS - MAJOR SOLVAY ET CIE S.A.	\$	1,185,344	\$ 6,380,740	
7,320	TESSENDERLO CHEMIE NV		395,989	1,178,489	
1,475	U.C.B. (UNION CHIMIQUE BELGE) SUB-TOTAL	\$	126,745	358,771	
		\$	1,708,078	\$ 7,918,000	0.03
	CONGLOMERATES				
11,440	ARTEMIS S.A.	\$	326,113	\$ 850,411	
29,000	GROUPE BRUXELLES LAMBERT S.A.		1,503,028	3,002,532	
3,625	o GROUPE BRUXELLES LAMBERT S.A. WTS 5/20/93		13,267	79,627	
2,240	SOFINA SUB-TOTAL	\$	241,278	712,560	
		\$	2,083,686	\$ 4,645,130	0.02
	CONSTRUCTION - MATERIALS & BUILDERS				
10,000	CBR CIMENTERIES SUB-TOTAL	\$	887,570	\$ 1,741,220	
		\$	887,570	\$ 1,741,220	0.01
	ELECTRONICS - INSTRUMENTATION				
4,000	o BARCO ELECTRONICS NV SUB-TOTAL	\$	247,246	\$ 246,985	
		\$	247,246	\$ 246,985	0.00
	FINANCIAL - MISCELLANEOUS				
21,720	AG FINANCIERE PORT SUB-TOTAL	\$	2,181,976	\$ 4,654,682	
		\$	2,181,976	\$ 4,654,682	0.02
	FOODS				
10,000	RAFFINERIE TIRLEMONTAISE S.A. SUB-TOTAL	\$	410,054	\$ 446,020	
		\$	410,054	\$ 446,020	0.00
	MACHINERY - INDUSTRIAL & OTHER				
7,310	BEKAERT SUB-TOTAL	\$	534,947	\$ 2,731,692	
		\$	534,947	\$ 2,731,692	0.01

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	MISCELLANEOUS MATERIALS & COMMODITIES				
7,400	GLAVERBEL S.A.	\$	769,215	\$ 921,775	
	SUB-TOTAL	\$	769,215	\$ 921,775	0.00
	PAPER				
9,270	o PAPERIES DE BELGIQUE WIS 12/31/90	\$	107,161	\$ 330,271	
	SUB-TOTAL	\$	107,161	\$ 330,271	0.00
	PETROLEUM - INTERNATIONAL				
20,548	PETROFINA	\$	5,831,821	\$ 7,430,937	
	SUB-TOTAL	\$	5,831,821	\$ 7,430,937	0.03
	REAL ESTATE				
15,660	COMPAGNIE IMMOBILIERE DE BELGIQUE	\$	1,081,242	\$ 1,510,200	
6,444	o COMPAGNIE IMMOBILIERE DE BELGIQUE NEW	\$	429,844	617,986	
	SUB-TOTAL	\$	1,511,086	\$ 2,128,186	0.01
	RETAIL - GENERAL MERCHANDISE				
1,091	o COLRUYT NV	\$	276,591	\$ 298,102	
12,250	DELHAIZE FRERES ET CIE		515,889	1,571,852	
96,500	GB-INNO-BM		1,077,587	3,463,956	
	SUB-TOTAL	\$	1,870,067	\$ 5,333,910	0.02
	SHIPPING				
300	o C.M.B. NEW	\$	121,091	\$ 120,537	
1,500	CMB MARITIME BELGE		445,697	619,807	
	SUB-TOTAL	\$	566,788	\$ 740,344	0.00
	UTILITIES - ELECTRIC				
20,855	EBES	\$	1,473,599	\$ 2,569,853	
55,245	INTERCOM (SOC. INT. BEIGE DE GAZ)		2,482,472	5,320,251	
10,000	TRACTEBEL		1,896,919	2,341,271	
533	o TRACTEBEL NEW		94,283	121,791	
	SUB-TOTAL	\$	5,947,273	\$ 10,353,166	0.04
	TOTAL BELGIUM	\$	25,125,642	\$ 51,097,993	0.17
	CANADA				
	ALUMINUM				
215,000	ALCAN ALUMINIUM CO LTD	\$	4,067,872	\$ 7,028,499	
65,176	ALCAN ALUMINIUM CO LTD (U.S.)		1,294,976	2,126,367	
	SUB-TOTAL	\$	5,362,848	\$ 9,154,866	0.03
	BANKS				
297	BANK OF MONTREAL	\$	6,319	\$ 6,970	
110,000	BANK OF NOVA SCOTIA (THE)		1,163,666	1,348,491	
425,916	CANADIAN IMPERIAL BANK OF COMMERCE		6,033,440	8,836,061	
28,000	IVACO, INC (CLASS A)		310,961	258,172	
393,382	ROYAL BANK OF CANADA (THE)		9,821,110	12,447,754	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BANKS				
215,500	TORONTO-DOMINION BANK (THE)	\$	5,021,724	\$ 6,435,195	
	SUB-TOTAL	\$	22,357,220	\$ 29,332,643	0.10
	BEVERAGES				
323,600	IMASCO LTD	\$	6,947,675	\$ 7,594,970	
78,300	LABATT (JOHN) LTD		688,536	1,411,106	
67,000	MOLSON CO LTD (THE) (CLASS A)		1,100,472	1,544,425	
2,000	MOLSON CO LTD (THE) (CLASS B)		37,334	46,940	
26,700	SEAGRAMS CO LTD		1,061,639	1,639,375	
109,500	SEAGRAMS CO LTD (U.S.)		3,738,818	6,720,562	
	SUB-TOTAL	\$	13,574,474	\$ 18,957,378	0.06
	BROADCASTERS				
157,292	MACLEAN - HUNTER LTD (CLASS X)	\$	993,478	\$ 1,746,956	
131,672	MACLEAN - HUNTER LTD (CLASS Y)		481,173	1,269,260	
100,800	SOUTHAM, INC		1,162,050	2,629,840	
230,400	THOMPSON NEWSPAPERS LTD (CLASS A)		2,453,002	5,286,840	
	SUB-TOTAL	\$	5,089,703	\$ 10,932,896	0.04
	BUSINESS SERVICES				
107,165	MOORE CORP LTD	\$	2,271,895	\$ 2,750,987	
	SUB-TOTAL	\$	2,271,895	\$ 2,750,987	0.01
	CHEMICALS - MAJOR				
60,000	CCL INDUSTRIES, INC (CLASS B)	\$	891,988	\$ 540,653	
134,700	CELANESE CANADA, INC		2,351,003	3,217,896	
27,300	DU PONT CANADA, INC (CLASS A)		352,903	549,203	
	SUB-TOTAL	\$	3,595,894	\$ 4,307,752	0.01
	CONGLOMERATES				
112,600	BRASCAN LTD (CLASS A)	\$	1,904,249	\$ 2,548,365	
12,800	BRASCAN LTD (CLASS A) (U.S.)		146,176	288,000	
425,817	CANADIAN PACIFIC LTD		5,479,873	7,852,451	
	SUB-TOTAL	\$	7,530,298	\$ 10,688,816	0.04
	ELECTRONICS - COMPONENTS & DIVERSIFIED				
200,726	NORTHERN TELECOMMUNICATION LTD	\$	4,171,824	\$ 3,344,031	
180,972	NORTHERN TELECOMMUNICATION LTD (U.S.)		3,177,003	3,008,659	
	SUB-TOTAL	\$	7,348,827	\$ 6,352,690	0.02
	FINANCIAL - MISCELLANEOUS				
188,000	HEES INTERNATIONAL CORP	\$	3,753,441	\$ 3,939,648	
50,000	NATIONAL VICTORIA & GRAY		883,563	974,434	
56,250	TRILON FINANCIAL CORP (CLASS A)		581,760	836,913	
	SUB-TOTAL	\$	5,218,764	\$ 5,750,995	0.02
	FOODS				
47,900	OSHAWA GROUP LTD (THE) (CLASS A)	\$	354,829	\$ 893,357	
182,800	PROVIGO, INC		1,488,957	1,685,498	
58,400	WESTON (GEORGE) LTD		563,770	1,713,327	
	SUB-TOTAL	\$	2,407,556	\$ 4,292,182	0.01

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	FOREST PRODUCTS				
128,400	DOMTAR, INC	\$	848,792	\$ 1,574,057	
48,279	MACMILLAN BLOEDEL LTD		435,335	728,434	
2,640	MACMILLAN BLOEDEL LTD (U.S.)		18,273	39,930	
	SUB-TOTAL	\$	1,302,400	\$ 2,342,421	0.01
	LEISURE TIME				
45,000	o NOMA INDUSTRIES LTD (CLASS A)	\$	639,901	\$ 612,950	
	SUB-TOTAL	\$	639,901	\$ 612,950	0.00
	MACHINERY - INDUSTRIAL & OTHER				
112,948	o AMCA INTERNATIONAL LTD	\$	429,554	\$ 369,234	
111,000	BOMBARIER, INC (CLASS B)		1,035,656	1,197,925	
	SUB-TOTAL	\$	1,465,210	\$ 1,567,159	0.01
	MINING & NON-FERROUS METALS				
51,000	COMINCO LTD	\$	895,169	\$ 1,068,734	
727,500	CORONA CORP (CLASS A)		5,732,844	4,573,554	
150,400	INCO LTD		3,715,173	3,908,130	
18,800	o INCO LTD (U.S.)		397,554	486,450	
84,475	LAC MINERAL LTD		571,666	867,408	
143,574	LAC MINERAL LTD NEW		979,669	1,435,740	
131,700	NORANDA MINES LTD		1,659,457	2,663,254	
183,800	TECK CORP LTD (CLASS B)		1,197,771	2,734,660	
	SUB-TOTAL	\$	15,149,303	\$ 17,737,930	0.06
	PETROLEUM - INTERNATIONAL				
31,465	BOW VALLEY INDUSTRIES LTD	\$	506,373	\$ 336,277	
9,058	BOW VALLEY INDUSTRIES LTD (U.S.)		141,703	97,373	
33,400	CANADIAN OCCIDENTAL PETROLEUM (U.S.)		353,600	459,250	
150,000	NORCEN ENERGY RESOURCES LTD		1,763,176	2,373,218	
86,000	PAN CANADIAN PETROLEUM LTD		2,245,227	1,892,288	
77,000	SHELL CANADA LTD (CLASS A)		2,716,299	2,743,084	
	SUB-TOTAL	\$	7,726,378	\$ 7,901,490	0.03
	PETROLEUM SERVICES				
690,000	NOVA AN ALBERTA CORP (CLASS A)	\$	5,276,028	\$ 6,940,486	
205,000	TRANS CANADA PIPELINES LTD		2,764,987	2,577,535	
	SUB-TOTAL	\$	8,041,015	\$ 9,518,021	0.03
	RAILROADS				
327,000	LAIDLAW TRANSPORTATION LTD (CLASS B)	\$	4,341,727	\$ 4,762,468	
	SUB-TOTAL	\$	4,341,727	\$ 4,762,468	0.02
	REAL ESTATE				
80,000	o CAMPEAU CORP	\$	1,274,984	\$ 1,056,160	
77,000	TRIZEC CORP LTD (CLASS A)		1,552,837	2,049,245	
60,600	TRIZEC CORP LTD (CLASS B)		803,525	1,663,579	
	SUB-TOTAL	\$	3,631,346	\$ 4,768,984	0.02
	RETAIL - SPECIALTY				
286,100	CANADIAN TIRE, INC (CLASS A)	\$	2,191,745	\$ 4,046,888	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
28,400	RETAIL - SPECIALTY				
	HUDSONS BAY CO	\$	512,804	\$ 598,114	
	SUB-TOTAL	\$	2,704,549	\$ 4,645,002	0.02
119,900	STEEL				
124,000	DOFASCO, INC	\$	2,517,465	\$ 2,638,202	
	STELCO, INC (CLASS A)		2,513,073	2,286,672	
	SUB-TOTAL	\$	5,030,538	\$ 4,924,874	0.02
166,962	UTILITIES - GAS & PIPELINE				
	TRANSALTA UTILITIES CORP	\$	1,382,597	\$ 1,941,825	
	SUB-TOTAL	\$	1,382,597	\$ 1,941,825	0.01
281,300	UTILITIES - TELEPHONE				
62,094	BCE, INC	\$	8,377,735	\$ 8,783,256	
	BCE, INC (U.S.)		1,304,033	1,940,437	
	SUB-TOTAL	\$	9,681,768	\$ 10,723,693	0.04
	TOTAL CANADA	\$	135,854,211	\$ 173,968,022	0.59
	DENMARK				
700	AIR TRANSPORTATION				
	DANSKE LUFTFARTSELSKAB A	\$	182,214	\$ 398,104	
	SUB-TOTAL	\$	182,214	\$ 398,104	0.00
11,900	BANKS				
2,380	ANDELSBANKEN	\$	512,783	\$ 657,689	
28,687	o ANDELSBANKEN NEW		114,628	126,331	
1,450	DEN DANSKE BANK		1,059,470	1,815,556	
	NORDISK GENTOFTE		180,785	177,616	
	SUB-TOTAL	\$	1,867,666	\$ 2,777,192	0.01
9,924	BEVERAGES				
	CARLSBERG BREWERIES	\$	1,161,677	\$ 1,609,984	
	SUB-TOTAL	\$	1,161,677	\$ 1,609,984	0.01
670	BUSINESS SERVICES				
3,350	o ISS (INTL SERVICE SYSTEMS) (CLASS B) NEW	\$	62,339	\$ 66,926	
	ISS (INTL SERVICE SYSTEMS) (CLASS B)		280,228	339,519	
	SUB-TOTAL	\$	342,567	\$ 406,445	0.00
635	FOODS				
2,000	DANISCO LTD	\$	158,774	\$ 221,312	
	o DANSKE SUKKERFABRIKKER		179,016	183,449	
	SUB-TOTAL	\$	337,790	\$ 404,761	0.00
25,430	HEALTH CARE - OTHER				
	NOVO INDUSTRIA (CLASS B)	\$	865,233	\$ 991,985	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
3,625	HEALTH CARE - OTHER				
	RADIOMETER (CLASS B)	\$	116,028	\$ 97,794	
	SUB-TOTAL	\$	981,261	\$ 1,089,779	0.00
5,820	HOUSEHOLD - PRODUCTS				
	o BANG & OLUFSEN	\$	285,332	\$ 298,066	
	SUB-TOTAL	\$	285,332	\$ 298,066	0.00
9,900	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
	BALTICA HOLDINGS	\$	722,422	\$ 768,036	
15,900	HAFINA INVEST B REG		603,200	802,247	
	SUB-TOTAL	\$	1,325,622	\$ 1,570,283	0.01
16,850	MACHINERY - INDUSTRIAL & OTHER				
	EST ASIATIQUE	\$	451,125	\$ 656,063	
160	FL SMIDTH		31,970	53,663	
816	KORN-OG FODERSTOF KOMPAGNIFI AS		131,396	182,060	
2,844	SOPHUS BERENDSEN AS B		290,747	373,256	
	SUB-TOTAL	\$	905,238	\$ 1,265,042	0.00
114	SHIPPING				
	D/S SVENBORG B	\$	557,840	\$ 1,246,812	
167	D/S 1912 B		693,029	1,339,411	
	SUB-TOTAL	\$	1,250,869	\$ 2,586,223	0.01
	TOTAL DENMARK	\$	8,640,236	\$ 12,405,879	0.04
	FRANCE				
304,165	AEROSPACE				
	THOMSON-CSF	\$	8,335,641	\$ 11,541,119	
	SUB-TOTAL	\$	8,335,641	\$ 11,541,119	0.04
270,908	AUTOMOTIVE & RELATED				
	MICHELIN ET CIE (CLASS B)	\$	5,983,328	\$ 8,843,982	
3,140	o MICHELIN ET CIE (CLASS B) WTS 12/31/89		40,324	518,756	
94,542	PEUGEOT S.A.		15,640,064	21,829,422	
1,624	o PEUGEOT S.A. WTS 12/31/90		52,245	88,450	
	SUB-TOTAL	\$	21,715,961	\$ 31,280,610	0.11
115,787	BANKS				
	BANQUE PARIBAS	\$	8,463,002	\$ 8,981,676	
79,287	o BANQUE PARIBAS WTS 7/31/89		732,067	443,610	
178,268	CREDIT COMMERCIAL DE FRANCE (CCF)		3,584,285	5,590,192	
55,000	o CREDIT NATIONAL LYONNAIS S.A.		4,504,916	4,404,364	
	SUB-TOTAL	\$	17,284,270	\$ 19,419,842	0.07
12,848	BEVERAGES				
	LOUIS VUITTON - MOET HENNESSY/LVMH	\$	2,625,239	\$ 7,001,842	
33,500	o PERNOD-RICARD		6,063,910	6,673,471	
19,000	SOURCE PERRIER S.A.		2,029,949	4,637,901	
	SUB-TOTAL	\$	10,719,098	\$ 18,313,214	0.06

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
31,000		BROADCASTERS			
90,000		CANAL PLUS	\$ 2,580,968	\$ 2,993,072	
	o	TELEVISION FRANCAISE TF1	3,586,711	6,090,123	
		SUB-TOTAL	\$ 6,167,679	\$ 9,083,195	0.03
		BUSINESS SERVICES			
15,000		ECCO	\$ 4,294,071	\$ 4,307,648	
20,000		GENERALE DES EAUX	5,069,232	5,350,726	
		SUB-TOTAL	\$ 9,363,303	\$ 9,658,374	0.03
		CHEMICALS - MAJOR			
62,120		L'AIR LIQUIDE	\$ 3,312,043	\$ 6,141,267	
30,879		ORSAN	2,161,569	2,497,232	
46,200		RHONE-POULENC CERTIFICATES D'INVEST	2,709,401	3,965,017	
		SUB-TOTAL	\$ 8,183,013	\$ 12,603,516	0.04
		CONGLOMERATES			
35,000		DYNACTION	\$ 3,762,915	\$ 4,216,874	
5,000		DYNACTION WTS 9/30/90	80,880	113,880	
		SUB-TOTAL	\$ 3,843,795	\$ 4,330,754	0.01
		CONSTRUCTION - MATERIALS & BUILDERS			
52,000		COLAS S.A.	\$ 5,012,877	\$ 6,350,893	
8,743		ETERNIT	552,576	3,881,615	
40,413		LAFARGE COPPEE	9,001,103	9,451,281	
30,244		POLIET S.A.	741,542	3,049,861	
9,999		SAINT GOBAIN WTS 12/31/93	119,437	288,798	
99,999		SAINT-GOBAIN	7,088,888	10,150,104	
		SUB-TOTAL	\$ 22,516,423	\$ 33,172,552	0.11
		ELECTRIC EQUIPMENT - CONNECTORS			
15,600		C.I.T. ALCATEL	\$ 4,716,881	\$ 7,157,628	
		SUB-TOTAL	\$ 4,716,881	\$ 7,157,628	0.02
		ELECTRIC EQUIPMENT - OTHER			
230,150		COMPAGNIE GENERALE D'ELECTRICITE	\$ 11,777,421	\$ 15,300,308	
5,000		LEGRAND S.A.	2,141,723	2,930,356	
9,500		MERLIN GERBIN	4,552,975	5,707,221	
		SUB-TOTAL	\$ 18,472,119	\$ 23,937,885	0.08
		ELECTRONICS - COMPONENTS & DIVERSIFIED			
14,600		SLIGOS	\$ 1,717,344	\$ 2,000,003	
		SUB-TOTAL	\$ 1,717,344	\$ 2,000,003	0.01
		ELECTRONICS - INSTRUMENTATION			
21,332		SEDRI	\$ 2,397,818	\$ 3,626,340	
		SUB-TOTAL	\$ 2,397,818	\$ 3,626,340	0.01
		FINANCIAL - MISCELLANEOUS			
59,682		BANCAIRE (COMPAGNIE)	\$ 4,133,233	\$ 5,309,234	
29,830		CETELEM	3,333,430	3,027,806	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	FINANCIAL - MISCELLANEOUS				
16,398	DUMENIL-LEBLE	\$	3,190,857	\$ 2,974,324	
19,950	UNION DE CREDIT POUR LE BATIMENT (UCB)		272,845	615,062	
	SUB-TOTAL	\$	10,930,365	\$ 11,926,426	0.04
	FOODS				
5,003	BSN-GERVAIS DANONE	\$	1,671,570	\$ 5,350,634	
2,000	o BSN-GERVAIS DANONE WTS 11/24/96		73,743	115,530	
13,000	o EXOR S.A.		2,700,984	2,819,281	
	SUB-TOTAL	\$	4,446,297	\$ 8,285,445	0.03
	HEALTH CARE - OTHER				
6,200	ESSILOR INTERNATIONAL	\$	2,698,106	\$ 3,578,384	
17,738	L'OREAL		8,563,062	12,878,294	
38,840	SANOFI		2,949,612	4,929,527	
	SUB-TOTAL	\$	14,210,780	\$ 21,386,205	0.07
	INSURANCE - MULTI-LINE. PROPERTY & CASUALTY				
22,400	CARDIF S.A.	\$	3,293,371	\$ 3,142,437	
58,000	GROUPE VICTOIRE		5,471,296	7,571,888	
15,604	NAVIGATION MIXIE		1,698,197	2,935,895	
	SUB-TOTAL	\$	10,462,864	\$ 13,650,220	0.05
	PAPER				
67,156	CARNAUD S.A.	\$	1,041,568	\$ 6,561,547	
	SUB-TOTAL	\$	1,041,568	\$ 6,561,547	0.02
	PETROLEUM - INTERNATIONAL				
150,000	SOCIETE NATIONALE ELF AQUITAINE	\$	7,506,566	\$ 9,630,317	
155,000	TOTAL PETROLEUM LTD		8,887,043	9,209,455	
	SUB-TOTAL	\$	16,393,609	\$ 18,839,772	0.06
	PUBLISHING - OTHER				
8,322	GENERALE OCCIDENTALE	\$	1,716,070	\$ 1,127,640	
	SUB-TOTAL	\$	1,716,070	\$ 1,127,640	0.00
	REAL ESTATE				
8,665	LOCOBAIL	\$	479,257	\$ 1,029,676	
682	MIDI (COMPAGNIE DU)		77,709	179,983	
5,025	PRETABAIL-SICOMI		473,756	949,601	
37,000	SIMCO		3,266,806	3,315,899	
	SUB-TOTAL	\$	4,297,528	\$ 5,475,159	0.02
	RESTAURANTS & HOTELS				
12,837	ACCOR	\$	383,192	\$ 1,258,489	
12,664	o ACCOR WTS 11/30/90		13,873	21,946	
20,000	o CHARQUEURS S.A.		4,358,589	4,027,073	
6,800	o SODEXHO		3,029,808	3,355,674	
	SUB-TOTAL	\$	7,785,462	\$ 8,663,182	0.03

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	RETAIL - GENERAL MERCHANDISE				
16,757	CARREFOUR (SOCIETE)	\$	5,957,929	\$ 9,013,228	
36,000	o NOUVELLES GALLERIES		2,427,767	3,582,775	
15,875	o PRINTEMPS		1,274,791	1,493,441	
7,400	PROMODES S.A.		1,506,989	3,132,700	
	SUB-TOTAL	\$	11,167,476	\$ 17,222,144	0.06
	TEXTILE & APPAREL				
27,000	DOLLFUS-MIEG & CIE (DMC)	\$	1,917,714	\$ 2,103,320	
	SUB-TOTAL	\$	1,917,714	\$ 2,103,320	0.01
	TOTAL FRANCE	\$	219,803,078	\$ 301,366,092	1.04
	GERMANY				
	AEROSPACE				
3,240	RHEINMETALL BERLIN AG (VORZUG)	\$	304,571	\$ 535,280	
	SUB-TOTAL	\$	304,571	\$ 535,280	0.00
	AIR TRANSPORTATION				
9,469	LUFTHANSA (DEUTSCHE) AG.	\$	711,014	\$ 790,195	
6,770	LUFTHANSA (DEUTSCHE) AG (VORZUG)		473,945	458,077	
	SUB-TOTAL	\$	1,184,959	\$ 1,248,272	0.00
	AUTOMOTIVE & RELATED				
10,100	BAYERISCHE MOTOREN WERKE AG. (BMW)	\$	2,754,087	\$ 2,984,156	
32,389	DAIMLER BENZ AG.		9,934,189	13,514,445	
45,720	MERCEDES-AUTOMOBIL-HOLDING AG.		13,096,789	15,622,402	
11,385	VARTA AG.		1,606,065	2,092,760	
44,500	VOLKSWAGENWERKE AG.		6,453,421	8,769,526	
	SUB-TOTAL	\$	33,844,551	\$ 42,983,289	0.15
	BANKS				
35,014	BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK	\$	5,289,398	\$ 7,265,383	
26,418	BAYERISCHE VEREINSBANK		4,140,573	5,459,374	
83,429	o DEUTSCHE BANK AG.		19,190,132	26,508,181	
58,816	o DRESDNER BANK AG.		7,982,910	10,413,437	
	SUB-TOTAL	\$	36,603,013	\$ 49,646,375	0.17
	CHEMICALS - MAJOR				
134,915	o BASF AG.	\$	17,400,051	\$ 21,338,411	
160,935	o BAYER AG.		22,544,202	27,858,508	
45,640	o HOECHST AG.		7,005,225	7,854,149	
	SUB-TOTAL	\$	46,949,478	\$ 57,051,068	0.19
	CONGLOMERATES				
2,450	SPRINGER, AXEL, VERLAG AG.	\$	567,235	\$ 711,446	
	SUB-TOTAL	\$	567,235	\$ 711,446	0.00
	CONSTRUCTION - MATERIALS & BUILDERS				
7,202	BILFINGER & BERGER BAU AG.	\$	920,818	\$ 1,358,370	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
8,915		CONSTRUCTION - MATERIALS & BUILDERS			
2,538		DLW AG.	\$ 1,567,991	\$ 2,246,972	
4,695		HEIDELBERGER ZEMENT	631,100	915,884	
		HOCHTIEF AG.	879,022	1,641,331	
		SUB-TOTAL	\$ 3,998,931	\$ 6,162,557	0.02
		ELECTRIC EQUIPMENT - OTHER			
105,247	o	SIEMANS AG.	\$ 24,686,631	\$ 32,134,915	
		SUB-TOTAL	\$ 24,686,631	\$ 32,134,915	0.11
		ELECTRONICS - COMPONENTS & DIVERSIFIED			
2,000	o	LINOTYPE	\$ 570,671	\$ 700,310	
		SUB-TOTAL	\$ 570,671	\$ 700,310	0.00
		FOREST PRODUCTS			
1,000		PAPIERWERKE WALDHOF-ASCHAFFENBURG	\$ 133,244	\$ 130,250	
6,312	o	PAPIERWERKE WALDHOF-ASCHAFFENBURG NEW	824,316	786,553	
		SUB-TOTAL	\$ 957,560	\$ 916,803	0.00
		HEALTH CARE - OTHER			
5,904		BEIERSDORF AG.	\$ 1,246,030	\$ 1,757,718	
15,070		SCHERING AG.	3,830,685	4,807,786	
		SUB-TOTAL	\$ 5,076,715	\$ 6,565,504	0.02
		INSURANCE - MULTI-LINE, PROPERTY & CASUALTY			
14,150		AACHENER & MUNCHENER BEIHEL, OLD REG	\$ 5,859,653	\$ 6,398,818	
43,671		ALLIANZ AG.	26,279,299	46,121,124	
7,183		MUCHENER RUCKVERSICHERUNGS (P/P)	3,486,736	6,480,205	
		SUB-TOTAL	\$ 35,625,688	\$ 59,000,237	0.20
		MACHINERY - INDUSTRIAL & OTHER			
20,050		CONTINENTAL AG.	\$ 2,240,383	\$ 3,061,484	
2,428		INDUSTRIE-WERKE KARLSRUHE AUGSBURG AG.	340,292	358,005	
3,649	o	KLOCKNER-HUMBOLDT-DEUTZ AG. (K.H.D.)	317,074	275,295	
10,678		LINDE AG.	2,560,575	4,636,066	
20,150		MAN AG. (STAMM)	1,877,661	2,829,067	
9,339		MAN AG. (VORZUG)	734,616	1,105,830	
49,146		MANNESMANN AG.	3,528,851	5,874,799	
63,946		THYSSEN AG.	3,799,755	6,868,744	
		SUB-TOTAL	\$ 15,399,207	\$ 25,009,290	0.09
		MISCELLANEOUS MATERIALS & COMMODITIES			
12,000	o	FELDMUEHLE NOBLE AG.	\$ 1,735,237	\$ 1,857,344	
		SUB-TOTAL	\$ 1,735,237	\$ 1,857,344	0.01
		RETAIL - GENERAL MERCHANDISE			
1,500	o	ASKO KAUFHAUS (STAMM)	\$ 831,743	\$ 609,811	
1,400	o	AVA AG.	692,778	663,095	
6,500		HUSSEL HOLDING AG.	1,649,984	1,594,305	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	RETAIL - GENERAL MERCHANDISE				
15,045	KARSTADT AG.	\$	3,822,890	\$ 3,281,312	
11,255	KAUFHOF AG.		1,630,541	2,378,559	
	SUB-TOTAL	\$	8,627,936	\$ 8,527,082	0.03
	UTILITIES - ELECTRIC				
35,922	RWE AG.	\$	3,083,791	\$ 4,628,238	
40,362	RWE AG. (VORZUG)		4,072,801	4,699,608	
96,203	o VEBA AG.		11,891,197	14,580,984	
44,000	VIAG		5,454,112	5,842,686	
	SUB-TOTAL	\$	24,501,901	\$ 29,751,516	0.10
	TOTAL GERMANY	\$	240,634,284	\$ 322,801,288	1.10
	HONG KONG				
	AIR TRANSPORTATION				
3,701,000	CATHAY PACIFIC AIRWAYS LTD	\$	3,519,615	\$ 4,407,632	
1,356,000	HONG KONG AIRCRAFT ENGINEERING CO LTD		1,859,539	2,708,866	
	SUB-TOTAL	\$	5,379,154	\$ 7,116,498	0.02
	AUTOMOTIVE & RELATED				
4,769,000	ZUNG FU CO LTD	\$	1,810,151	\$ 1,862,646	
	SUB-TOTAL	\$	1,810,151	\$ 1,862,646	0.01
	BANKS				
1,350,614	BANK OF EAST ASIA LTD (THE)	\$	3,008,207	\$ 3,424,520	
325,000	HANG SENG BANK LTD		1,088,651	1,198,613	
13,795,367	HONG KONG & SHANGHAI BANKING CORP (THE)		11,004,514	11,306,197	
3,009,050	JARDINE MATHESON & CO LTD		5,369,469	5,625,816	
1,500,000	MANDARIN ORIENTAL INTERNATIONAL LTD		828,670	859,582	
515,680	WING LUNG BANK LTD		1,867,873	1,941,471	
	SUB-TOTAL	\$	23,167,384	\$ 24,356,199	0.08
	BEVERAGES				
800,000	SAN MIGUEL BREWERY LTD	\$	772,825	\$ 855,420	
	SUB-TOTAL	\$	772,825	\$ 855,420	0.00
	BROADCASTERS				
3,470,000	HONG KONG-TVB LTD	\$	515,640	\$ 573,221	
1,650,000	o TELEVISION BROADCASTS LTD		2,372,625	2,683,434	
	SUB-TOTAL	\$	2,888,265	\$ 3,256,655	0.01
	BUSINESS SERVICES				
21,246,666	o HENDERSON INVESTMENTS LTD	\$	5,136,760	\$ 4,570,917	
7,777	o HENDERSON INVESTMENTS LTD WIS 8/31/91		500	308	
5,510,000	o HSIN CHONG HOLDINGS		2,461,520	2,698,897	
3,929,950	WHARF HOLDINGS LTD (THE)		3,475,453	4,453,829	
6,874,000	WORLD INTERNATIONAL HOLDINGS LTD		2,540,147	3,851,154	
	SUB-TOTAL	\$	13,614,380	\$ 15,575,105	0.05

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
2,550,000	COMMUNICATION EQUIPMENT & SERVICES				
	HONG KONG TELECOMMUNICATIONS LTD	\$	1,584,252	\$ 1,559,254	
	SUB-TOTAL	\$	1,584,252	\$ 1,559,254	0.01
	CONGLOMERATES				
1,200,000	JOHNSON ELECTRIC HOLDINGS LTD	\$	959,269	\$ 1,052,628	
7,195,000	SIME DARBY BERHAD		1,965,928	2,165,219	
	SUB-TOTAL	\$	2,925,197	\$ 3,217,847	0.01
	HEALTH CARE - OTHER				
1,666	o HONG KONG OPTICAL LTD	\$	234	\$ 253	
	SUB-TOTAL	\$	234	\$ 253	0.00
	REAL ESTATE				
12,020,000	CHEUNG KONG HOLDINGS LTD	\$	10,108,344	\$ 12,390,923	
3,000,000	o GREAT EAGLE CO LTD (THE)		1,062,423	1,171,721	
7,136,000	o GREAT EAGLE CO LTD (THE) WTS 9/30/94		732,878	740,189	
2,233,000	HANG LUNG DEVELOPMENT CO LTD		1,384,635	1,529,839	
3,454,800	HENDERSON LAND DEVELOPMENT CO LTD		2,218,701	2,411,141	
5,600,000	o HKR PROPERTIES LTD		1,519,998	1,505,950	
9,809,212	HONG KONG LAND CO LTD		9,958,761	11,556,472	
1,087,000	o HONG KONG LAND CO LTD WTS 12/30/91		966,365	1,308,460	
2,509,000	HOPEWELL HOLDINGS LTD		1,087,173	1,052,241	
16,945,000	HYSAN DEVELOPEMENT CO LTD		2,138,753	2,690,708	
12,750,000	LAI-SUN DEVELOPMENT CO LTD		1,923,039	2,024,581	
10	o NEW TOWN (N.T.) PROPERIY LID WTS 12/31/90				
10	o NEW TOWN (N.T.) PROPERTY LTD WTS 12/31/92				
4,928,450	NEW WORLD DEVELOPMENT CO LID		5,755,071	8,646,378	
500,000	o NEW WORLD DEVELOPMENT CO LTD WTS 12/31/91		327,342	364,962	
15,870,000	SINO REALTY & ENTERPRISE LTD		1,303,347	1,056,777	
140,000	o SINO REALTY & ENTERPRISE LID WTS 12/31/90		3,406	1,326	
10,900,000	SINOLAND CO LID		726,825	795,618	
200,000	o SINOLAND CO LTD WTS 12/31/90		2,064	2,048	
5,843,385	SUN HUNG KAI PROPERTIES LTD		7,264,609	9,503,236	
300,000	o SUN HUNG KAI PROPERTIES LTD WTS 12/31/90		393,206	457,163	
600,000	o SUN HUNG KAI PROPERTIES LTD WTS 12/31/92		803,749	968,110	
3,387,000	TAI CHEUNG PROPERTIES LTD		1,618,486	1,767,445	
	SUB-TOTAL	\$	51,299,175	\$ 61,945,288	0.21
	RESTAURANTS & HOTELS				
830,000	HARBOUR CENTRE DEVELOPMENT LID	\$	761,117	\$ 956,585	
2,784,000	NEW WORLD HOTEL LTD		2,389,824	2,602,528	
3,283,000	REGAL HOTELS HOLDING LTD		773,799	966,945	
	SUB-TOTAL	\$	3,924,740	\$ 4,526,058	0.02
	RETAIL - GENERAL MERCHANDISE				
4,640,000	DICKSON CONCEPTS LTD	\$	3,372,960	\$ 3,832,489	
491,000	LANE CRAWFORD HOLDINGS LID (CLASS A)		681,327	955,715	
18,407,000	o TSE SUI LUEN HOLDINGS LTD WTS 12/31/92		673,740	304,071	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
6,527,000	o	RETAIL - GENERAL MERCHANDISE			
1,490,000		TSE SUI LUEN HOLDINGS LTD WIS 12/31/94	\$ 271,365	\$ 71,045	
		WING ON CO LTD	572,330	882,472	
		SUB-TOTAL	\$ 5,571,722	\$ 6,045,792	0.02
4,824,000		RETAIL - FOOD			
		DAIRY FARM INTERNATIONAL LTD	\$ 2,951,236	\$ 3,706,481	
		SUB-TOTAL	\$ 2,951,236	\$ 3,706,481	0.01
588,000		TEXTILE & APPAREL			
		WINSOR INDUSTRIES CORP LTD	\$ 683,597	\$ 621,204	
		SUB-TOTAL	\$ 683,597	\$ 621,204	0.00
1,691,126		UTILITIES - ELECTRIC			
1,305,577		CHINA LIGHT & POWER CO LTD	\$ 1,832,364	\$ 2,945,223	
		HONK KONG ELECTRIC CO LTD	960,187	1,179,513	
		SUB-TOTAL	\$ 2,792,551	\$ 4,124,736	0.01
11,733,500		WHOLESALE INTERNATIONAL TRADE			
6,036,000		HUTCHINSON WHAMPOA LTD	\$ 10,675,347	\$ 12,921,988	
518,000		STELUX HOLDINGS LTD	2,610,647	2,086,970	
7,147,557	o	STELUX HOLDINGS LTD WTS 12/31/91	85,353	29,186	
		SWIRE PACIFIC LTD (CLASS A)	13,492,361	17,390,599	
		SUB-TOTAL	\$ 26,863,708	\$ 32,428,743	0.11
		TOTAL HONG KONG	\$ 146,228,571	\$ 171,198,179	0.58
		ITALY			
72,600		AEROSPACE			
		FABBRICA ITALIANA APPARECCHIATURE	\$ 430,102	\$ 1,094,118	
		SUB-TOTAL	\$ 430,102	\$ 1,094,118	0.00
2,580,000		AUTOMOTIVE & RELATED			
		FIAT S.P.A.	\$ 14,916,637	\$ 19,367,918	
		SUB-TOTAL	\$ 14,916,637	\$ 19,367,918	0.07
1,100,000		BANKS			
120,000	o	BANCA COMMERCIALE ITALIANA S.P.A.	\$ 2,074,831	\$ 2,888,028	
300,000		BANCA NAZIONALE DEL LAVORO	2,052,433	1,064,880	
		MEDIOBANCA	4,775,945	4,591,147	
		SUB-TOTAL	\$ 8,903,209	\$ 8,544,055	0.03
135,000		BROADCASTERS			
		MONDADORI EDITORE, ARNOLDO, S.P.A. ORD	\$ 2,305,098	\$ 2,354,670	
		SUB-TOTAL	\$ 2,305,098	\$ 2,354,670	0.01
2,408,000		BUSINESS SERVICES			
		SOC ITALIANA PER L'ESERIZIO DELLE COM	\$ 4,186,653	\$ 5,264,778	
		SUB-TOTAL	\$ 4,186,653	\$ 5,264,778	0.02

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
850,000	CHEMICALS - MAJOR				
	CAFFARO S.P.A.	\$	652,210	\$ 729,580	
4,780,000	MONTEDISON S.P.A.		5,961,112	7,653,473	
206,250	SNIA BDP S.P.A.		243,928	441,787	
5,000	SNIA FIBRE S.P.A.		10,638	5,182	
34,375	SNIA VISCOSA (S/S)		62,978	71,790	
	SUB-TOTAL	\$	6,930,866	\$ 8,901,812	0.03
	CONSTRUCTION - MATERIALS & BUILDERS				
37,400	ITALCEMENTI ORD	\$	3,149,178	\$ 3,647,902	
	SUB-TOTAL	\$	3,149,178	\$ 3,647,902	0.01
	ELECTRIC EQUIPMENT - CONNECTORS				
225,000	o SIRT I	\$	1,408,658	\$ 1,703,865	
1,450,000	o STET-SOCIETA FINANZIARIA TELEFONICA		4,111,618	4,242,881	
	SUB-TOTAL	\$	5,520,276	\$ 5,946,746	0.02
	ELECTRIC EQUIPMENT - OTHER				
650,000	OLIVETTI ORD	\$	5,076,276	\$ 4,475,250	
	SUB-TOTAL	\$	5,076,276	\$ 4,475,250	0.02
	FOODS				
800,000	ERIDANIA	\$	2,199,952	\$ 3,580,200	
660,000	FERRUZZI AGRICOLA FINANZIARIA		1,089,506	914,878	
	SUB-TOTAL	\$	3,289,458	\$ 4,495,078	0.02
	FOREST PRODUCTS				
100,000	o CARTIERE BURGO ORD	\$	1,013,649	\$ 1,071,000	
	SUB-TOTAL	\$	1,013,649	\$ 1,071,000	0.00
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
532,500	ASSICURAZIONI GENERALE	\$	16,143,540	\$ 17,907,655	
162,000	I.F.I.L. (ISTITUTO FINAN INDUST)		350,623	520,506	
27,000	I.F.I.L. (ISTITUTO FINAN INDUST) (S/S)		72,900	43,272	
150,000	MILANO ASSICURAZIANI		2,340,998	3,000,712	
140,000	RAS ORD		4,951,645	4,824,855	
75,000	o TORO ASSICURAZIONI S.P.A. ORD		1,005,712	1,253,643	
	SUB-TOTAL	\$	24,865,418	\$ 27,550,643	0.09
	MACHINERY - INDUSTRIAL & OTHER				
450,000	DANIELI ORD	\$	2,248,267	\$ 2,633,512	
	SUB-TOTAL	\$	2,248,267	\$ 2,633,512	0.01
	RESTAURANTS & HOTELS				
300,000	o CIGA HOTELS S.P.A.	\$	1,088,920	\$ 994,882	
300,000	o CIGA HOTELS S.P.A. RTS		9,780	1,836	
	SUB-TOTAL	\$	1,098,700	\$ 996,718	0.00
	RETAIL - GENERAL MERCHANDISE				
575,000	o RINASCENTE ORD	\$	2,261,479	\$ 2,161,985	
	SUB-TOTAL	\$	2,261,479	\$ 2,161,985	0.01

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
77,750	RETAIL - SPECIALTY STEFANEL S.P.A.	\$	506,611	\$ 421,942	
	SUB-TOTAL	\$	506,611	\$ 421,942	0.00
370,000	STEEL FALCK ORD	\$	1,791,560	\$ 2,701,712	
	SUB-TOTAL	\$	1,791,560	\$ 2,701,712	0.01
440,000	TEXTILE & APPAREL o MARZOTTO & FIGLI S.P.A.	\$	2,260,072	\$ 2,268,684	
	SUB-TOTAL	\$	2,260,072	\$ 2,268,684	0.01
	TOTAL ITALY	\$	90,753,509	\$ 103,898,523	0.35
	JAPAN				
98,714	AIR TRANSPORTATION JAPAN AIR LINES CO LTD	\$	7,479,795	\$ 12,479,009	
	SUB-TOTAL	\$	7,479,795	\$ 12,479,009	0.04
614,100	AUTOMOTIVE & RELATED BRIDGESTONE CORP	\$	2,819,582	\$ 6,682,243	
680,000	HONDA MOTOR CO LTD		3,638,484	11,044,580	
494,761	NIPPON DENSO CO LTD		1,738,041	8,115,094	
1,484,000	NISSAN MOTOR CORP LTD		7,477,436	14,248,180	
1,850,754	TOYOTA MOTOR CORP		11,370,592	37,612,022	
87,908	o YAMAHA CORP		525,795	1,308,234	
	SUB-TOTAL	\$	27,569,930	\$ 79,010,353	0.27
	BANKS				
482,129	BANK OF TOKYO LTD (THE)	\$	3,709,368	\$ 6,557,774	
213,000	o BANK OF YOKOHAMA LTD (THE)		2,746,957	2,931,246	
153,000	o CHIBA BANK LTD (THE)		1,656,248	1,738,297	
669,680	DAI-ICHI KANGYO BANK LTD (THE)		6,619,682	18,110,410	
639,659	FUJI BANK LTD (THE)		5,934,532	18,885,094	
142,000	o HOKURIKU BANK		1,414,411	1,454,261	
605,250	INDUSTRIAL BANK OF JAPAN LTD (THE)		11,821,061	21,065,332	
172,000	o JOYO BANK		1,531,322	1,610,121	
313,800	KYOWA BANK LTD		1,640,604	3,289,035	
27,078	LONG-TERM CREDIT BANK OF JAPAN (THE)		1,862,495	4,636,333	
291,550	MITSUBISHI BANK LTD (THE)		2,905,207	8,187,747	
443,000	MITSUI BANK LTD (THE)		5,760,797	8,719,329	
172,000	o SHIZUOKA BANK LTD		1,801,177	1,926,640	
636,552	SUMITOMO BANK LTD		7,398,816	20,168,804	
399,560	TOKAI BANK LTD (THE)		3,553,902	7,576,604	
231,000	o YASUDA TRUST & BANKING CO LTD		3,922,589	4,066,108	
	SUB-TOTAL	\$	64,279,168	\$ 130,923,135	0.45

See notes to financial statements.

SHARES			COST		MARKET VALUE	%
	BEVERAGES					
120,000	ASAHI BREWERIES LTD	\$	799,162	\$	1,862,632	
421,600	KIRIN BREWERY CO LTD		978,498		6,544,049	
151,500	SAPPORO BREWERIES LTD		872,246		2,097,022	
	SUB-TOTAL	\$	2,649,906	\$	10,503,703	0.04
	BROADCASTERS					
84,000	JAPAN RADIO CO LTD	\$	992,780	\$	1,021,567	
105,350	TOKYO BROADCASTING SYSTEMS, INC		954,432		2,402,280	
	SUB-TOTAL	\$	1,947,212	\$	3,423,847	0.01
	BUSINESS SERVICES					
525,966	DAI NIPPON PRINTING CO LTD	\$	2,814,134	\$	11,404,368	
68,000	GAKKEN CO LTD		652,851		1,050,051	
122,000	KOKUYO CO LTD		973,748		3,104,067	
56,000	KORAKUEN CO LTD		943,801		1,859,432	
104,900	MITSUBISHI WAREHOUSE & TRANSPORT CO		731,669		1,493,962	
94,175	o SECOM CO LTD		3,585,236		4,483,290	
116,000	TOKYO TOKEIBA CO LTD		1,285,772		1,150,863	
30,000	TOKYU TOURIST CORP		434,676		408,051	
268,191	TOPPAN PRINTING CO		1,604,389		4,398,882	
	SUB-TOTAL	\$	13,026,276	\$	29,352,966	0.10
	CHEMICALS - MAJOR					
435,380	DAINIPPON INK & CHEMICAL, INC	\$	816,278	\$	3,166,479	
261,000	KANEGAFUCHI CHEMICAL INDUSTRY CO LTD		1,092,013		1,931,641	
254,300	KUREHA CHEMICAL INDUSTRY CO LTD		1,694,597		2,095,693	
270,500	MITSUBISHI GAS CHEMICAL CO, INC		719,708		1,612,381	
856,700	MITSUBISHI KASEI KOGYO		2,180,369		7,060,090	
385,000	MITSUBISHI PETROCHEMICAL CO LTD		2,145,152		4,343,342	
95,000	MITSUI PETROCHEMICAL INDUSTRY LTD		1,103,983		1,064,133	
304,000	MITSUI TOATSU CHEMICALS, INC		815,347		2,018,812	
1,150,301	NIPPON ELECTRIC CORP (N.E.C.)		4,881,461		18,038,974	
121,600	NIPPON SHOKUBAI KAGAK KOGYO CO LTD		554,916		1,255,068	
299,920	SEKISUI CHEMICAL CO LTD		1,328,589		2,999,574	
139,342	SHIN-ETSU CHEMICAL CO LTD		602,572		1,861,841	
403,000	SHOWA DENKO K.K.		1,212,499		2,876,167	
288,000	o SUMITOMO CEMENT CO LTD		1,359,662		1,626,827	
722,580	SUMITOMO CHEMICAL CO LTD		1,096,175		5,469,169	
	SUB-TOTAL	\$	21,603,321	\$	57,420,191	0.20
	CHEMICALS - SPECIALTY					
92,000	NGK SPARK PLUG CO LTD	\$	950,749	\$	898,032	
	SUB-TOTAL	\$	950,749	\$	898,032	0.00
	COMPUTER SERVICES					
48,000	COMPUTER SERVICES CORP	\$	2,024,734	\$	1,993,209	
	SUB-TOTAL	\$	2,024,734	\$	1,993,209	0.01
	CONGLOMERATES					
777,000	C. ITOH & CO LTD	\$	2,789,302	\$	6,148,392	
360,000	o HITACHI ZOSEN CORP		1,828,750		1,731,096	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	CONGLOMERATES			
179,000	o ITOMAN & CO LTD	\$ 1,332,267	\$ 1,632,684	
769,950	MARUBENI CORP	1,640,296	5,150,069	
1,078,000	MITSUBISHI CORP	2,868,316	11,471,353	
902,614	MITSUI & CO LTD	1,624,330	7,070,156	
787,100	SUMITOMO CORP	3,216,345	7,871,983	
45,720	TOKYO ELECTRON CO LTD	322,260	987,675	
628,990	TOKYU CORP	2,590,211	8,756,635	
	SUB-TOTAL	\$ 18,212,077	\$ 50,820,043	0.17
	CONSTRUCTION - MATERIALS & BUILDERS			
138,550	AOKI CONSTRUCTION CO LTD	\$ 798,756	\$ 1,241,563	
289,000	DAIWA HOUSE INDUSTRY CO LTD	1,228,755	4,578,332	
288,000	DENKI KAGAKU KOGYO K.K.	1,021,985	1,624,523	
230,000	FUJITA CORP	644,497	1,713,254	
157,000	HASEGAWA KOMUTEN CO LTD	607,879	1,444,580	
175,000	HAZAMA-GUMI LTD	936,881	1,313,364	
119,860	INAX CORP	286,681	1,409,729	
190,000	o JGC CORP	1,576,741	1,611,401	
552,500	KAJIMA CORP	1,616,604	8,178,022	
71,760	KINKI ELECTRICAL CONSTRUCTION CO, INC	384,717	1,607,624	
390,119	KUMAGAI GUMI CO LTD	730,069	3,745,610	
114,000	MAEDA CONSTRUCTION CO LTD	279,720	1,295,201	
260,000	o NIHON CEMENT CO LTD	1,711,518	2,038,654	
93,000	NIPPON HODO CO LTD	1,177,502	2,381,097	
175,000	o NISHIMATSU CONSTRUCTION CO LTD	1,126,932	1,211,151	
466,320	OHYAYASHI-GUMI LTD	806,673	4,327,990	
287,000	OKUMURA CORP	1,879,872	2,847,395	
304,000	ONODA CEMENT CO LTD	655,770	2,383,657	
149,000	PENTA OCEAN CONSTRUCTION CO LTD	59,023	1,215,991	
316,000	SEKISUI HOUSE LTD	1,512,437	4,803,800	
477,000	SHIMIZU CONSTRUCTION CO LTD	611,045	5,648,385	
67,000	SHOKUSAN JUTAKA SOGO CO LTD	89,170	475,491	
607,000	TAISEI CORP	1,247,176	6,119,324	
81,000	TOA HARBOR WORKS CO LTD	413,316	586,965	
204,800	TOTO LTD	459,252	3,391,911	
	SUB-TOTAL	\$ 22,702,971	\$ 67,295,014	0.23
	ELECTRIC EQUIPMENT - CONNECTORS			
22,000	ANRITSU CORP	\$ 372,849	\$ 352,044	
40,000	IKEGAMI TSUSHINKI CO LTD	649,725	521,665	
11,000	o KOKUSAI ELECTRIC CO LTD	220,732	242,030	
45	MATSUSHITA COMMUNICATION INDUSTRIAL CO		1,087	
	SUB-TOTAL	\$ 1,243,306	\$ 1,116,826	0.00
	ELECTRIC EQUIPMENT - OTHER			
146,000	ALPS ELECTRONIC CO LTD	\$ 1,742,593	\$ 1,833,989	
96,744	AMADA CO LTD	372,699	959,820	
55,000	ASAHI OPTICAL CO LTD	151,480	294,836	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	ELECTRIC EQUIPMENT - OTHER			
540,124	CANON, INC	\$ 3,244,569	\$ 6,439,082	
127,800	CITIZEN WATCH CO LTD	323,826	894,711	
98,000	DAI NIPPON SCREEN MANUFACTURING CO LTD	515,349	772,336	
1,330,424	FUJITSU LTD	6,403,702	16,073,530	
82,703	HIROSE ELECTRONICS CO LTD	2,855,585	2,779,168	
2,138,230	HITACHI LTD	14,290,483	26,859,525	
126,938	HOYA CORP	1,178,714	2,214,075	
41,000	JEOL LTD	248,494	360,845	
1,631,000	MITSUBISHI ELECTRIC CORP	5,011,340	13,049,631	
14,000	MURATA MANUFACTURING CO LTD	280,386	286,755	
253,500	NGK INSULATORS LTD	1,170,322	2,149,949	
159,000	OLYMPUS OPTICAL CO LTD	1,068,060	1,399,374	
194,280	OMRON TATEISI ELECTRONICS CO	1,923,990	3,668,464	
553,489	RICOH CO LTD	3,327,572	5,402,727	
423,500	SUMITOMO ELECTRIC INDUSTRIES CO LTD	1,657,980	4,873,329	
	SUB-TOTAL	\$ 45,767,152	\$ 90,318,145	0.31
	ELECTRONICS - INSTRUMENTATION			
25,000	SUMITOMO BAKELITE CO LTD	\$ 159,544	\$ 168,621	
	SUB-TOTAL	\$ 159,544	\$ 168,621	0.00
	FINANCIAL - MISCELLANEOUS			
854,940	DAIWA SECURITIES CO LTD	\$ 4,839,693	\$ 16,690,514	
243,000	HITACHI CREDIT CORP	2,953,987	2,780,267	
650,030	MITSUBISHI TRUST & BANKING CORP	17,292,095	17,683,026	
737,697	MITSUI TRUST & BANKING CO LTD	6,000,644	13,044,113	
20,000	NIKKO SECURITIES CO LTD (THE)	280,387	299,237	
269,000	NIPPON SHINPAN CO LTD	2,007,593	2,690,336	
1,317,044	NOMURA SECURITIES CO LTD	10,904,518	39,305,505	
121,750	ORIENT LEASING CO LTD	2,869,059	3,331,496	
35	SUMITOMO TRUST & BANKING CO LTD	161	882	
571,600	YAMAICHI SECURITIES CO LTD	3,782,059	8,506,471	
	SUB-TOTAL	\$ 50,930,196	\$ 104,331,847	0.36
	FOODS			
282,610	AJINOMOTO CO LTD	\$ 2,542,701	\$ 6,783,487	
55,000	EZAKI GLICO CO LTD	242,468	519,264	
64,000	HOUSE FOOD INTERNATIONAL CO LTD	822,220	988,283	
138,000	ITO-NAM FOODS, INC	774,353	1,457,462	
76,000	KIKKOMAN CORP	432,487	717,529	
97,000	MARUDAI FOOD CO LTD	855,824	908,033	
127,680	MEIJI MILK PRODUCTS CO LTD	793,137	909,195	
179,000	MEIJI SEIKA KAISHA LTD	799,950	1,374,891	
185,000	NICHIREI CORP	1,142,909	1,643,005	
128,000	NIPPON MEAT PACKERS, INC	859,641	1,997,049	
125,000	NIPPON SUISAM KAISHA LTD	699,005	810,101	
20,000	NISSHIN OIL MILLS LTD (THE)	144,389	155,219	
84,000	NISSIN FOOD PRODUCTS CO LTD	566,812	1,949,043	
8,000	SANRAKU INC	75,751	80,650	
138,000	SKYLARK CO LTD	3,124,607	3,135,751	
122,000	SNOW BRAND MILK	583,624	1,142,062	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	FOODS				
137,000	o TAIYO FISHERY CO LTD	\$	213,137	\$ 734,411	
284,000	TAKARA SHUZO CO LTD		2,115,806	1,954,164	
103,000	TOYOJOZO CO LTD		937,316	1,063,092	
108,300	YAMAZAKI BAKING CO LTD		469,811	1,239,106	
	SUB-TOTAL	\$	18,195,948	\$ 29,561,797	0.10
	FOREST PRODUCTS				
91,000	DAISHOWA PAPER MANUFACTURING CO LTD	\$	701,127	\$ 1,725,575	
274,000	JUJU PAPER CO LTD		389,938	2,718,419	
119,900	MITSUBISHI PAPER MILLS LTD		344,623	1,189,556	
369,000	OJI PAPER CO LTD		1,193,077	5,284,740	
235,000	SETTSU CORP		1,689,273	1,880,235	
	SUB-TOTAL	\$	4,318,038	\$ 12,798,525	0.04
	HEALTH CARE - OTHER				
136,000	BANYU PHARMACEUTICAL CO LTD	\$	1,351,925	\$ 1,577,797	
275,180	CHUGAI PHARMACEUTICAL CO LTD		2,614,242	3,292,477	
180,883	DAIICHI SEIYAKI CO LTD		855,250	4,254,899	
115,685	EISAI CO LTD		419,396	1,934,494	
320,202	KAO CORP		1,478,288	4,509,007	
269,500	KYOWA HAKKO KOGYO		1,025,165	3,320,655	
183,700	LION CORP		1,498,069	1,499,179	
41,000	MOCHIDA PHARMACEUTICAL CO LTD		1,653,215	1,262,957	
78,418	ONO PHARMACEUTICAL CO LTD		3,256,029	3,155,934	
186,160	SANKYO CO LTD		557,262	3,366,193	
232,950	SHIONOGI & CO LTD		1,457,704	3,168,516	
172,700	SHISEIDO & CO LTD		1,067,171	2,266,107	
218,000	TAISHO PHARMACEUTICAL CO LTD		1,893,061	3,418,667	
596,100	TAKEDA CHEMICAL INDUSTRY LTD		4,090,713	12,638,899	
207,702	TANABE SEIYAKU CO LTD		2,049,003	3,174,083	
179,850	YAMANOUCHI PHARMACEUTICAL CO		1,395,510	5,712,750	
	SUB-TOTAL	\$	26,662,003	\$ 58,552,614	0.20
	HOUSEHOLD - CONSUMER ELECTRONICS				
27,000	AMANO CORP	\$	178,764	\$ 319,719	
118,000	BROTHERS INDUSTRIES LTD		397,573	743,964	
4,000	o HITACHI MAXELL LTD		63,031	72,009	
1,438,195	MATSUSHITA ELECTRIC INDUSTRIAL CO LTD		9,368,735	29,227,775	
170,802	PIONEER ELECTRONIC CORP		3,190,606	4,701,058	
49,000	SANRIO CO LTD		1,635,074	1,623,082	
1,190,400	SANYO ELECTRIC CO LTD		4,537,723	7,143,292	
418,120	SHARP CORP		2,133,124	3,746,823	
239,400	SONY CORP		5,802,557	13,733,700	
161,460	VICTOR CO OF JAPAN LTD		2,176,633	2,712,867	
	SUB-TOTAL	\$	29,483,820	\$ 64,024,289	0.22
	HOUSEHOLD - DURABLE GOODS				
76,000	RINNAI CORP	\$	1,491,381	\$ 1,179,667	
	SUB-TOTAL	\$	1,491,381	\$ 1,179,667	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	HOUSEHOLD - PRODUCTS				
59,040	NORITAKE CO LTD	\$	300,150	\$ 618,816	
36,000	o TAKARA STANDARD CO LTD		260,521	267,585	
	SUB-TOTAL	\$	560,671	\$ 886,401	0.00
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
208,000	NIPPON FIRE & MARINE INSURANCE CO LTD	\$	1,241,885	\$ 1,830,628	
398,300	SUMITOMO MARINE & FIRE INSURANCE CO		1,094,961	4,397,781	
461,000	TAISHO MARINE & FIRE INSURANCE CO LTD		1,213,064	5,163,845	
58,630	TOKIO MARINE & FIRE INSURANCE CO LTD ADR		339,796	5,357,316	
729,450	TOKIO MARINE & FIRE INSURANCE CO LTD		3,800,450	13,190,104	
	SUB-TOTAL	\$	7,690,156	\$ 29,939,674	0.10
	LEISURE TIME				
367,500	FUJI PHOTO FILM CO LTD	\$	4,427,670	\$ 10,497,111	
149,000	KONICA CORP		536,756	1,120,620	
27,000	o SHOCHIKU CO LTD		634,067	699,927	
	SUB-TOTAL	\$	5,598,493	\$ 12,317,658	0.04
	MACHINERY - INDUSTRIAL & OTHER				
37,600	AIDA ENGINEERING LTD	\$	173,786	\$ 283,389	
85,000	o CHIYODA CHEMICAL ENGINEERING & CONSTRUCTION		389,187	625,678	
27,500	DAIFUKU CO LTD		235,434	220,027	
319,000	DAIKIN INDUSTRIES LTD		1,663,232	2,488,511	
114,560	EBARA CORP		598,756	1,026,585	
202,084	FANUC LTD		3,536,833	9,620,400	
17,000	FUJITEC CO LTD		84,395	119,694	
163,000	o JAPAN STEEL WORKS LTD (IHE)		752,410	859,443	
574,000	KOMATSU LTD		1,848,567	4,243,538	
65,000	KOYO SEIKO CO LTD		286,849	613,676	
952,000	KUBOTA LTD		3,776,420	6,603,897	
162,720	KYOCERA CORP		3,820,388	6,704,902	
40,130	MAKINO MILLING MACHINE CO LTD		135,245	292,504	
148,000	MINEBEA CO LTD		686,052	1,314,404	
2,392,000	MITSUBISHI HEAVY INDUSTRIES LTD		7,075,262	19,138,392	
35,000	MORI SEIKI CO LTD		341,542	649,681	
240,000	o NIIGATA ENGINEERING CO		581,345	1,336,487	
200,600	NIPPON SEIKO K.K.		575,808	1,303,260	
171,000	o NIPPON SHARYO SEIZO KAISHA LTD		1,193,511	1,532,351	
156,000	NTN TOYO BEARING CO LTD		489,752	992,284	
58,900	OKUMA MACHINERY WORKS LTD		204,315	523,097	
244,000	o SUMITOMO HEAVY INDUSTRIES LTD		627,972	1,842,918	
175,000	o TADANO LTD		1,879,563	1,904,238	
106,000	TAIYO YUDEN CO LTD		900,974	915,954	
26,000	TOYO KANETSU K.K.		68,619	167,460	
120,250	TOYOTA AUTOMATIC LOOM WORKS LTD		1,125,510	1,539,392	
33,000	TSUGAMI CORP		161,265	194,064	
	SUB-TOTAL	\$	33,212,992	\$ 67,056,226	0.23

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	<b>MINING &amp; NON-FERROUS METALS</b>				
261,000			\$ 413,013	\$ 1,827,228	
209,197			896,177	1,757,474	
10,000	o	MITSUBISHI METAL CORP	77,915	71,608	
217,000	o	MITSUI MINING & SMELTING CO LTD	976,714	1,262,229	
190,000	o	NIPPON LIGHT METAL CO LTD	388,405	1,210,071	
367,000		NIPPON MINING CO LTD	1,170,218	2,319,729	
227,000	o	SUMITOMO METAL MINING CO LTD	2,445,460	2,560,880	
		SUB-TOTAL	\$ 6,367,902	\$ 11,009,219	0.04
	<b>MISCELLANEOUS MATERIALS &amp; COMMODITIES</b>				
780,050		ASAHI GLASS CO LTD	\$ 2,850,114	\$ 12,732,007	
505,000	o	MITSUI ENGINEERING & SHIP BUILDING CO LTD	1,682,892	3,244,525	
459,000	o	MITSUI OSK LINES LTD	1,973,775	2,699,257	
42,000		NIPPON DENKO CO LTD	243,392	307,478	
370,000		NIPPON SHEET GLASS CO LTD	1,733,259	2,634,729	
230,000		NISSHO IWAI CORP	1,136,172	1,472,184	
128,000		NITTO ELECTRIC INDUSTRIES CO LTD	1,614,815	1,976,567	
49,000		TOA NENRYO KOGYO K.K.	704,308	701,767	
78,700		TOYO SEIKAN KAISHA LTD	328,821	1,574,196	
552,000	o	UBE INDUSTRIES LTD	1,142,051	3,016,505	
		SUB-TOTAL	\$ 13,409,599	\$ 30,359,215	0.10
	<b>OFFICE EQUIPMENT - OTHER</b>				
121,000	o	ASICS CORP	\$ 520,418	\$ 703,823	
10,000		NCR JAPAN LTD (NIPPON NCR)	138,267	160,020	
8,000	o	SHIMADZU CORP	69,107	74,249	
		SUB-TOTAL	\$ 727,792	\$ 938,092	0.00
	<b>PAPER</b>				
131,000		HONSHU PAPER CO LTD	\$ 772,845	\$ 1,173,906	
		SUB-TOTAL	\$ 772,845	\$ 1,173,906	0.00
	<b>PETROLEUM - INTERNATIONAL</b>				
22,000		ARABIAN OIL CO LTD	\$ 1,093,904	\$ 1,142,382	
250,000		COSMO OIL CO LTD	935,251	1,944,243	
139,000		MITSUBISHI OIL CO LTD	606,169	1,468,023	
32,000	o	NIPPON OIL & FATS CO LTD	233,861	243,230	
898,300		NIPPON OIL CO LTD	7,219,306	10,493,455	
59,000	o	SHOWA SHELL SEKIYU K.K.	719,779	774,176	
120,000		TEIKOKU OIL CO LTD	677,364	840,105	
		SUB-TOTAL	\$ 11,485,634	\$ 16,905,614	0.06
	<b>RAILROAD</b>				
481,270		HANKYU CORP	\$ 643,687	\$ 3,542,589	
294,000		KEIHIN ELECTRIC EXPRESS RAILWAY CO LTD	2,006,534	4,351,743	
927,678		KINKI NIPPON RAILWAY CO LTD	4,137,154	10,020,174	
432,850		NAGOYA RAILROAD CO LTD	853,061	3,671,026	
654,000		NIPPON EXPRESS CO LTD	2,298,742	7,848,981	
396,600		ODAKYU ELECTRIC RAILWAY CO LTD	1,196,988	4,379,011	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	RAILROAD				
207,000	SAGAMI RAILWAY CO	\$	1,080,367	\$ 1,954,324	
86,000	o SEINO TRANSPORTATION CO LTD		1,045,364	1,431,218	
503,320	TOBU RAILWAY CO LTD		1,758,599	5,919,783	
161,756	YAMATO TRANSPORT CO LTD		983,617	1,928,372	
	SUB-TOTAL	\$	16,004,113	\$ 45,047,221	0.15
	REAL ESTATE				
16,240	DAIKYO KANKO CO LTD	\$	346,808	\$ 350,827	
48,400	MISAWA HOMES CO LTD		575,904	708,664	
817,750	MITSUBISHI ESTATE CO LTD		3,811,756	17,338,467	
437,212	mitsui REAL ESTATE DEVELOPMENT CO LTD		2,091,672	10,144,586	
	SUB-TOTAL	\$	6,826,140	\$ 28,542,544	0.10
	RESTAURANTS & HOTELS				
15,000	DENNY'S JAPAN CO LTD	\$	412,178	\$ 384,048	
50,930	FUJITA TOURIST ENTERPRISES CO LTD		454,233	896,480	
4,955	TOHO CO LTD		209,524	1,094,200	
	SUB-TOTAL	\$	1,075,935	\$ 2,374,728	0.01
	RETAIL - GENERAL MERCHANDISE				
302,550	DAIEI, INC (THE)	\$	2,715,976	\$ 5,277,131	
169,000	DAIMARU, INC (THE)		925,085	1,487,385	
158,000	HANKYU DEPARTMENT STORES, INC		1,169,126	1,428,498	
304,771	ITO-YOKADO CO LTD		3,612,058	10,924,358	
18,000	JOSHIN DENKI CO LTD		318,705	337,002	
187,000	JUSCO CO LTD		1,954,706	2,827,793	
38,000	o MARUETSU, INC (THE)		337,737	349,643	
294,740	MARUI CO LTD		2,379,271	7,192,554	
299,900	MITSUKOSHI LTD		2,292,342	5,134,929	
168,400	NICHII CO LTD		1,158,064	3,476,210	
33,000	OAK & CO LTD		278,811	374,926	
20,000	RESTAURANT SEIBU LTD		343,449	372,846	
37,400	RYOSAN CO LTD		1,048,768	867,788	
100,000	SEIYU LTD (THE)		909,616	1,672,209	
131,164	SEVEN-ELEVEN JAPAN CO LTD		2,716,825	7,555,990	
36,000	SHIMACHU CO		1,080,588	910,193	
153,000	TAKASHIMAYA CO LTD		1,152,680	3,488,836	
	SUB-TOTAL	\$	24,393,807	\$ 53,678,291	0.18
	SHIPPING				
101,000	KAMIGUMI CO LTD	\$	372,497	\$ 688,502	
260,000	o KAWASAKI KISEN KAISHA LTD		788,163	1,071,333	
471,840	NIPPON YUSEN K.K.		936,972	3,276,866	
	SUB-TOTAL	\$	2,097,632	\$ 5,036,701	0.02
	STEEL				
163,000	DAIDO STEEL CO LTD	\$	831,075	\$ 1,004,205	
1,309,000	KAWASKI STEEL CORP		1,823,350	10,064,849	
1,054,000	KOBE STEEL LTD		907,009	5,818,807	
64,000	o MITSUBISHI STEEL MANUFACTURING CO LTD		1,431,615	1,459,382	
2,961,000	NIPPON STEEL CORP		3,748,496	20,611,136	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
1,423,000	STEEL		\$ 2,297,847	\$ 10,702,297	
1,246,000	NKK CORP		1,574,588	7,137,980	
	SUMITOMO METAL INDUSTRIES LTD				0.19
	SUB-TOTAL		\$ 12,613,980	\$ 56,798,656	
	TEXTILE & APPAREL				
902,620	ASAHI CHEMICAL INDUSTRY CO LTD		\$ 4,644,852	\$ 7,655,174	
114,000	ATSUGI NYLON CO		1,007,649	1,003,325	
213,000	KANEBO LTD		575,931	1,163,977	
94,000	NISSHINBO INDUSTRY, INC		778,936	1,000,285	
90,000	ONWARD KASHIYMA		789,353	1,288,961	
172,400	RENQUN, INC		567,470	1,289,713	
676,000	TEIJEN LTD		2,328,996	4,316,123	
39,600	TOKYO STYLE CO LTD		313,423	551,300	
781,000	TORAY INDUSTRIES, INC		2,204,697	5,423,941	
443,000	TOYOBO CO LTD		910,623	2,491,743	
219,000	o UNITAKA LTD		598,513	1,025,048	
	SUB-TOTAL		\$ 14,720,443	\$ 27,209,590	0.09
	UTILITIES - ELECTRIC				
25,000	o BEST DENKI CO LTD		\$ 356,454	\$ 384,048	
544,882	KANSAI ELECTRIC POWER CO, INC		7,671,472	20,926,084	
337,000	TOHOKU ELECTRIC POWER CO, INC		6,777,282	11,162,835	
840,362	TOKYO ELECTRIC POWER CO, INC		8,548,496	47,402,341	
	SUB-TOTAL		\$ 23,353,704	\$ 79,875,308	0.27
	UTILITIES - GAS & PIPELINE				
97,000	IWATANI & CO LTD		\$ 370,073	\$ 644,160	
1,505,500	OSAKA GAS CO LTD		4,722,303	9,732,768	
1,880,200	TOKYO GAS CO LTD		3,234,705	20,158,263	
	SUB-TOTAL		\$ 8,327,081	\$ 30,535,191	0.10
	WHOLESALE INTERNATIONAL TRADE				
44,000	HATTORI SEIKO CO LTD		\$ 409,563	\$ 700,567	
	SUB-TOTAL		\$ 409,563	\$ 700,567	0.00
	TOTAL JAPAN		\$ 550,346,009	\$ 1,306,556,635	4.48
	MALAYSIA				
	AIR TRANSPORTATION				
360,000	MALAYSIAN AIRLINE SYSTEM BERHAD		\$ 847,112	\$ 883,395	
	SUB-TOTAL		\$ 847,112	\$ 883,395	0.00
	AUTOMOTIVE & RELATED				
196,000	ORIENTAL HOLDINGS		\$ 270,638	\$ 242,734	
	SUB-TOTAL		\$ 270,638	\$ 242,734	0.00
	BANKS				
200,000	DEVELOPMENT & COMMERCIAL BANK		\$ 133,709	\$ 78,966	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BANKS				
265,000	MALAYAN BANKING BERHAD	\$	827,603	\$ 615,519	
590,000	PUBLIC BANK BERHAD		433,719	345,632	
	SUB-TOTAL	\$	1,395,031	\$ 1,040,117	0.00
	BEVERAGES				
66,000	GUINNESS MALAYSIA BERHAD	\$	97,061	\$ 113,956	
87,000	o MALAYAN BREWERIES LTD		439,308	505,190	
104,000	MALAYSIAN TOBACCO CO BERHAD		200,123	166,742	
	SUB-TOTAL	\$	736,492	\$ 785,888	0.00
	CONGLOMERATES				
346,000	DUNLOP MALAYSIAN INDUSTRIES BERHAD	\$	199,977	\$ 184,912	
250,000	MALAYAN UNITED INDUSTRIES BERHAD		284,059	215,867	
1,165,000	SIME DARBY BERHAD		1,895,262	1,855,859	
	SUB-TOTAL	\$	2,379,298	\$ 2,256,638	0.01
	CONSTRUCTION - MATERIALS & BUILDERS				
685,000	HONG LEONG INDUSTRIES	\$	444,943	\$ 580,807	
150,000	HUME INDUSTRIES (MALAYSIA) BERHAD		209,252	121,217	
150,000	IJM ENGINEERING & CONSTRUCTION		183,441	102,398	
230,000	MALAYAN CEMENT BERHAD		141,412	128,828	
175,000	o UNITED ENGINEERING MALAYSIA BERHAD		255,027	251,845	
	SUB-TOTAL	\$	1,234,075	\$ 1,185,095	0.00
	FINANCIAL - MISCELLANEOUS				
140,000	o HONG LEONG FINANCE	\$	199,365	\$ 196,403	
	SUB-TOTAL	\$	199,365	\$ 196,403	0.00
	MACHINERY - INDUSTRIAL & OTHER				
260,000	TRACTORS MALAYSIA HOLDINGS BERHAD	\$	617,047	\$ 566,495	
230,000	o UMW CORP BERHAD		105,376	98,098	
	SUB-TOTAL	\$	722,423	\$ 664,593	0.00
	MINING & NON-FERROUS METALS				
750,000	MALAYSIA MINING CORP BERHAD	\$	767,093	\$ 728,417	
	SUB-TOTAL	\$	767,093	\$ 728,417	0.00
	MISCELLANEOUS MATERIALS & COMMODITIES				
310,000	BOUSTEAD HOLDINGS BERHAD	\$	255,607	\$ 205,498	
550,000	CONSOLIDATED PLANTATIONS BERHAD		858,843	712,230	
114,000	GUTHRIE ROPEL BERHAD		149,258	138,819	
87,000	HARRISON PLANTATIONS BERHAD		195,253	216,382	
250,000	HIGHLANDS & LOWLANDS BERHAD		329,460	263,360	
400,000	KUALA LUMPUR KEPONG BERHAD		725,069	744,091	
	SUB-TOTAL	\$	2,513,490	\$ 2,280,380	0.01
	PETROLEUM - INTERNATIONAL				
363,000	ESSO MALAYSIA BERHAD	\$	691,382	\$ 645,416	
182,000	SHELL REFINING		466,686	439,568	
	SUB-TOTAL	\$	1,158,068	\$ 1,084,984	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
100,000	PUBLISHING - NEWSPAPER				
	NEW STRAITS TIMES PRESS BERHAD (THE)	\$	279,131	\$ 150,051	
	SUB-TOTAL	\$	279,131	\$ 150,051	0.00
270,000	REAL ESTATE				
400,000	DUNLOP ESTATES BERHAD	\$	202,419	\$ 185,919	
385,000	IPOCH GARDEN BERHAD		413,309	279,548	
	UNITED ESTATE PROJECTS BERHAD		261,081	269,926	
	SUB-TOTAL	\$	876,809	\$ 735,393	0.00
270,000	RESTAURANTS & HOTELS				
	GENTING BERHAD	\$	794,509	\$ 763,104	
	SUB-TOTAL	\$	794,509	\$ 763,104	0.00
567,000	SHIPPING				
	MALAYSIAN INTERNATIONAL SHIPPING CO	\$	1,990,820	\$ 1,454,115	
	SUB-TOTAL	\$	1,990,820	\$ 1,454,115	0.00
447,000	STEEL				
	AMALGAMATED STEEL	\$	456,661	\$ 429,542	
	SUB-TOTAL	\$	456,661	\$ 429,542	0.00
100,000	TOBACCO				
	ROTHMANS OF PAL MALL (MALAYSIA) BERHAD	\$	404,042	\$ 352,004	
	SUB-TOTAL	\$	404,042	\$ 352,004	0.00
	TOTAL MALAYSIA	\$	17,025,057	\$ 15,232,853	0.05
	MISCELLANEOUS				
157,000	FINANCIAL - MISCELLANEOUS				
166,800	o BRAZIL FUND, INC (THE)	\$	1,962,500	\$ 1,236,375	
38,800	INDIA GROWTH FUND		1,486,854	1,542,900	
157,483	o KOREA EMERGING CO TRUST FUND		776,314	853,600	
38	KOREA FUND, INC (THE)		3,406,074	4,133,928	
10	o KOREA GROWTH TRUST IDR		1,820,965	2,242,760	
45,000	o KOREA TRUST IDR		777,060	989,250	
20	o KOREAN SMALLER CO TRUST		960,350	1,035,000	
	o SEOUL INTERNATIONAL TRUST IDR		905,714	1,211,500	
	SUB-TOTAL	\$	12,095,831	\$ 13,245,313	0.05
	TOTAL MISCELLANEOUS	\$	12,095,831	\$ 13,245,313	0.05
	NETHERLANDS				
48,150	AIR TRANSPORTATION				
	KLM (ROYAL DUTCH AIR LINES)	\$	583,567	\$ 1,031,357	
	SUB-TOTAL	\$	583,567	\$ 1,031,357	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	<b>BANKS</b>				
106,846	ALGEMENE BANK NEDERLAND NV	\$	1,531,864	\$ 2,331,185	
18,450	AMSTERDAM-ROTTERDAM BANK NV		662,770	742,595	
10,482	NEDERLAND MIDDENSTANDS		898,022	979,016	
	SUB-TOTAL	\$	3,092,656	\$ 4,052,796	0.01
	<b>BUSINESS SERVICES</b>				
35,000	o GETRONICS NV	\$	442,792	\$ 432,378	
10,000	o VOLMAC SOFTWARE GROUP NV		403,111	395,018	
	SUB-TOTAL	\$	845,903	\$ 827,396	0.00
	<b>ELECTRIC EQUIPMENT - OTHER</b>				
3,705	OCÉ VAN DER GRINTEN NV	\$	632,990	\$ 506,611	
190,890	PHILIPS GLOEIILAMPENFABRIEK II NV		3,588,198	3,242,515	
	SUB-TOTAL	\$	4,221,188	\$ 3,749,126	0.01
	<b>FOODS</b>				
6,240	HEINEKEN HOLDING A	\$	182,755	\$ 400,976	
24,540	HEINEKEN NV		1,096,458	1,741,942	
210,500	UNILEVER NV		6,029,455	12,373,100	
306,500	o UNILEVER NV PLC		1,363,547	2,577,539	
	SUB-TOTAL	\$	8,672,215	\$ 17,093,557	0.06
	<b>HEALTH CARE - DRUGS</b>				
53,730	AKZO NV	\$	2,114,937	\$ 4,121,753	
	SUB-TOTAL	\$	2,114,937	\$ 4,121,753	0.01
	<b>HOUSEHOLD - PRODUCTS</b>				
16,722	AHOLD NV	\$	632,002	\$ 747,179	
	SUB-TOTAL	\$	632,002	\$ 747,179	0.00
	<b>INSURANCE - MULTI-LINE, PROPERTY &amp; CASUALTY</b>				
192,360	NATIONALE-NEDERLANDEN NV	\$	4,069,227	\$ 6,467,853	
	SUB-TOTAL	\$	4,069,227	\$ 6,467,895	0.02
	<b>PAPER</b>				
66,000	o BUHRMANN TETTERODE	\$	1,744,651	\$ 1,883,835	
20,980	KONINKIJKE NEDERLAND PAPIER NV		164,492	496,413	
	SUB-TOTAL	\$	1,909,143	\$ 2,380,248	0.01
	<b>PETROLEUM - INTERNATIONAL</b>				
744	MOEARA ENIM PETROLEUM 1/4 PFI SAG CERT	\$	1,701,212	\$ 5,123,686	
307,600	ROYAL DUTCH PETROLEUM CO		29,558,350	35,073,294	
	SUB-TOTAL	\$	31,259,562	\$ 40,196,980	0.14
	<b>PUBLISHING - NEWSPAPER</b>				
86,950	ELSEVIER UITGEVERSMIJ NV	\$	1,787,157	\$ 2,724,361	
10,000	VERENIGDE NEDERLANDSE UITGEVERSBED		428,665	472,229	
27,543	WOLTERS KLUWER NV		1,332,890	1,992,151	
	SUB-TOTAL	\$	3,548,712	\$ 5,188,741	0.02

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
10,850	SHIPPING VAN OMMERON NV	\$	187,758	\$ 189,165	
	SUB-TOTAL	\$	187,758	\$ 189,165	0.00
5,777	STEEL o HOOGOVENS NEN STAALINDUSTRIE NV	\$	159,458	\$ 215,828	
	SUB-TOTAL	\$	159,458	\$ 215,828	0.00
	TOTAL NETHERLANDS	\$	61,296,328	\$ 86,262,021	0.29
	NORWAY				
1,500	BANKS o BERGEN BANK AS	\$	38,248	\$ 28,399	
	SUB-TOTAL	\$	38,248	\$ 28,399	0.00
24,000	CHEMICALS - MAJOR NORSK HYDRO AS	\$	407,146	\$ 432,398	
2,000	o NORSK HYDRO AS ADR	\$	28,875	\$ 36,000	
	SUB-TOTAL	\$	436,021	\$ 468,398	0.00
2,788	CONSTRUCTION - MATERIALS & BUILDERS o AKER NORCEM	\$	19,317	\$ 22,561	
	SUB-TOTAL	\$	19,317	\$ 22,561	0.00
1,000	HEALTH CARE - OTHER o HAFSLUND NYCOMED AS (CLASS A) FREE	\$	23,243	\$ 26,261	
	SUB-TOTAL	\$	23,243	\$ 26,261	0.00
2,700	MACHINERY - INDUSTRIAL & OTHER KVAENER BURG AS	\$	91,662	\$ 104,297	
	SUB-TOTAL	\$	91,662	\$ 104,297	0.00
1,500	SHIPPING o BERGESEN B	\$	72,898	\$ 94,129	
600	o VARD AS	\$	17,307	\$ 16,947	
	SUB-TOTAL	\$	90,205	\$ 111,076	0.00
	TOTAL NORWAY	\$	698,696	\$ 760,992	0.00
	SINGAPORE				
300,000	AIR TRANSPORTATION SINGAPORE INTERNATIONAL AIRLINE LTD	\$	1,203,011	\$ 2,266,188	
	SUB-TOTAL	\$	1,203,011	\$ 2,266,188	0.01
390,000	AUTOMOTIVE & RELATED WEARNE BROTHERS LTD	\$	863,130	\$ 1,022,097	
	SUB-TOTAL	\$	863,130	\$ 1,022,097	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BANKS				
276,360	DEVELOPMENT BANK OF SINGAPORE LTD	\$	649,914	\$ 1,079,310	
150,600	OVERSEA-CHINESE BANKING CORP LTD		688,642	622,986	
127,000	OVERSEAS UNION BANK LTD		244,334	216,670	
320,000	UNITED OVERSEAS BANK LTD		804,072	802,467	
	SUB-TOTAL	\$	2,386,422	\$ 2,721,433	0.01
	BEVERAGES				
310,000	FRASER & NEAVE LTD	\$	1,074,450	\$ 1,107,143	
124,000	o FRASER & NEAVE LTD NEW		439,034	439,034	
80,000	YEO HIAP SENG LTD		152,568	114,696	
	SUB-TOTAL	\$	1,666,052	\$ 1,660,873	0.01
	CONGLOMERATES				
516,500	HAW PAR BROTHERS INTERNATIONAL LTD	\$	654,536	\$ 806,865	
835,000	UNITED INDUSTRIAL CORP		821,278	785,226	
	SUB-TOTAL	\$	1,475,814	\$ 1,592,091	0.01
	CONSTRUCTION - MATERIALS & BUILDERS				
718,230	FAR EAST LIVINGSTON - SHIPBUILDING LTD	\$	721,685	\$ 823,049	
	SUB-TOTAL	\$	721,685	\$ 823,049	0.00
	ELECTRIC EQUIPMENT - OTHER				
247,500	o AMCOL ELECTRICAL INDUSTRIES LTD	\$	172,403	\$ 171,698	
	SUB-TOTAL	\$	172,403	\$ 171,698	0.00
	ENVIRONMENTAL CONTROL				
200,000	o BONVESTS HOLDINGS LTD	\$	84,519	\$ 73,998	
	SUB-TOTAL	\$	84,519	\$ 73,998	0.00
	FOODS				
173,500	o CENTREPOINT PROPERTIES LTD	\$	142,380	\$ 142,651	
200,000	CEREROS PACIFIC LTD		580,916	570,401	
347,000	o COLD STORAGE HOLDINGS LTD		711,903	713,258	
	SUB-TOTAL	\$	1,435,199	\$ 1,426,310	0.00
	MACHINERY - INDUSTRIAL & OTHER				
160,000	o JURONG SHIPYARD LTD	\$	243,384	\$ 271,326	
796,000	KEPPEL SHIPYARD LTD		1,145,055	1,120,781	
	SUB-TOTAL	\$	1,388,439	\$ 1,392,107	0.00
	MINING & NON-FERROUS METALS				
759,000	STRAITS TRADING CO	\$	1,417,059	\$ 1,232,498	
	SUB-TOTAL	\$	1,417,059	\$ 1,232,498	0.00
	PAPER				
400,000	o UNITED PULP & PAPER LTD	\$	111,651	\$ 84,275	
	SUB-TOTAL	\$	111,651	\$ 84,275	0.00
	PETROLEUM - INTERNATIONAL				
500,000	o CHUAN HAP HOLDINGS WTS 12/31/91	\$	227,545	\$ 37,255	
	SUB-TOTAL	\$	227,545	\$ 37,255	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
285,000	PUBLISHING - NEWSPAPER				
	SINGAPORE PRESS HOLDINGS	\$	1,100,302	\$ 1,113,053	
	SUB-TOTAL	\$	1,100,302	\$ 1,113,053	0.00
1,373,500	REAL ESTATE				
162,000	CITY DEVELOPMENT LTD	\$	2,056,650	\$ 1,997,434	
475,000	PARKWAY HOLDINGS LTD		290,881	227,266	
125,000	UNITED OVERSEAS LAND LID		358,184	334,404	
	o UNITED OVERSEAS LAND LID WTS 12/26/91		25,329	27,620	
	SUB-TOTAL	\$	2,731,044	\$ 2,586,724	0.01
360,000	RESTAURANTS & HOTELS				
411,000	OVERSEAS UNION ENTERPRISES LTD	\$	843,528	\$ 971,223	
	SHANGRI-LA HOTEL LTD	\$	1,146,498	1,436,177	
	SUB-TOTAL	\$	1,990,026	\$ 2,407,400	0.01
183,000	RETAIL - SPECIALTY				
251,000	METRO HOLDINGS LTD	\$	539,344	\$ 545,426	
	ROBINSON & CO LTD		376,907	319,876	
	SUB-TOTAL	\$	916,251	\$ 865,302	0.00
1,136,129	SHIPPING				
	o NEPTUNE ORIENT LINES	\$	916,654	\$ 776,491	
	SUB-TOTAL	\$	916,654	\$ 776,491	0.00
127,500	STEEL				
	NATIONAL IRON & STEEL MILLS LTD	\$	197,912	\$ 302,698	
	SUB-TOTAL	\$	197,912	\$ 302,698	0.00
310,000	WHOLESALE INTERNATIONAL TRADE				
360,000	INCHCAPE BERHAD	\$	589,001	\$ 777,390	
110,000	o INTIACO LTD		492,578	493,936	
	o TRANSMARCO LTD		278,610	220,452	
	SUB-TOTAL	\$	1,360,189	\$ 1,491,778	0.01
	TOTAL SINGAPORE	\$	22,365,307	\$ 24,047,318	0.08
	SPAIN				
43,500	AUTOMOTIVE & RELATED				
34,331	FASA RENAULT	\$	2,524,824	\$ 1,766,082	
3,433	FINANZAUTO S.A.		961,910	1,052,943	
	o FINANZAUTO S.A. NEW		105,899	105,291	
	SUB-TOTAL	\$	3,592,633	\$ 2,924,316	0.01
102,329	BANKS				
50,531	o BANCO BILBAO VIZCAYA S.A.	\$	6,344,438	\$ 7,302,014	
467	BANCO DE SANTANDER		619,913	3,097,376	
86,000	o BANCO DE SANTANDER NEW		25,831	28,378	
	BANCO ESPANOL DE CREDITO		3,819,727	3,776,204	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	BANKS				
29,493	o BANCO ESPANOL DE CREDITO NEW	\$	1,324,245	\$ 1,278,358	
24,300	o BANCO INTERCONTINENTAL ESPANOL		2,229,783	2,022,469	
69,588	BANCO POPULAR ESPANOLA		886,899	5,466,234	
	SUB-TOTAL	\$	15,250,826	\$ 22,971,033	0.08
	CHEMICALS - MAJOR				
46,371	o UNION EXPLOSIVOS Y RIO TINIO S.A.	\$	86,605	\$ 629,253	
	SUB-TOTAL	\$	86,605	\$ 629,253	0.00
	CONGLOMERATES				
17,400	AZKOYEN S.A.	\$	1,108,808	\$ 1,313,044	
30,122	HISALBA S.A.		946,257	917,205	
45,000	o TORRAS HOSTENCH S.A.		983,438	824,922	
	SUB-TOTAL	\$	3,038,503	\$ 3,055,171	0.01
	CONSTRUCTION - MATERIALS & BUILDERS				
26,000	ASLAND	\$	965,782	\$ 998,220	
83,063	DRAGADOS CONSTRUCCIONES S.A.		1,194,752	1,656,837	
2,806	o DRAGADOS CONSTRUCCIONES S.A. NEW		50,453	54,979	
41,031	o FOMENTO DE OBRAS Y CONTRUCCIONES S.A. RTS		133,562	217,645	
41,031	FOMENTO DE OBRAS Y CONTRUCCIONES S.A.		2,030,749	2,688,886	
	SUB-TOTAL	\$	4,375,293	\$ 5,616,567	0.02
	FOREST PRODUCTS				
80,000	SARRIO CIA PAPELERA DE LEIZA S.A.	\$	1,428,132	\$ 1,387,447	
	SUB-TOTAL	\$	1,428,132	\$ 1,387,447	0.00
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
15,000	MAPFRE INDUSTRIAL S.A.	\$	849,785	\$ 867,154	
38,280	UNION Y EL FENIX ESPANOLA IA		3,082,275	3,969,846	
	SUB-TOTAL	\$	3,932,060	\$ 4,837,000	0.02
	MACHINERY - INDUSTRIAL & OTHER				
6,820	o CRISTALERIA ESPANOLA S.A. RIS	\$	99,083	\$ 105,940	
6,820	o CRISTILERIA ESPANOLA S.A.		519,017	601,933	
26,000	ZARDOYA OTIS S.A.		1,898,365	2,019,388	
5,200	o ZARDOYA OTIS S.A. NEW		395,623	399,288	
	SUB-TOTAL	\$	2,912,089	\$ 3,126,549	0.01
	PETROLEUM - INTERNATIONAL				
2,396	PETROLEOS DEL MEDITERRANEO S.A.	\$	147,250	\$ 158,603	
239	o PETROLEOS DEL MEDITERRANEO S.A. NEW		13,883	15,504	
	SUB-TOTAL	\$	161,133	\$ 174,107	0.00
	REAL ESTATE				
30,000	ENCINAR DE LOS REYES	\$	1,042,045	\$ 1,023,374	
8,125	o PRIMA INMOBILIARIA, S.A.		339,800	334,891	
75,080	URBIS S.A.		1,526,519	1,573,808	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	REAL ESTATE				
15,016	o URBIS S.A. NEW	\$	321,546	\$ 309,460	
52,550	VALLEHERMOSA S.A.		1,300,754	1,345,038	
	SUB-TOTAL	\$	4,530,664	\$ 4,586,571	0.02
	RETAIL - FOOD				
114,495	o EL AGIULA S.A.	\$	1,653,336	\$ 1,773,485	
49,068	o EL AQUILA S.A. NEW		779,276	760,045	
76,400	TABACALERA S.A.		3,153,532	2,360,072	
7,640	o TABACALERA S.A. NEW		274,276	233,647	
	SUB-TOTAL	\$	5,860,420	\$ 5,127,249	0.02
	STEEL				
35,700	ACERINOX	\$	3,060,425	\$ 3,355,689	
	SUB-TOTAL	\$	3,060,425	\$ 3,355,689	0.01
	UTILITIES - GAS & PIPELINE				
1,937	o CATALANA DE GAS Y ELECTRICIDAD S.A. NEW	\$	47,754	\$ 57,715	
15,500	CATALANA DE GAS Y ELECTRICIDAD S.A.		281,260	465,130	
286,900	ENDESSA		3,563,596	4,031,229	
765,983	IBERDUERO S.A. (HIDRO IBERICA)		2,902,083	3,988,733	
	SUB-TOTAL	\$	6,794,693	\$ 8,542,807	0.03
	UTILITIES - TELEPHONE				
782,459	TELEFONICA NACIONAL DE ESPANA S.A.	\$	3,077,230	\$ 6,137,692	
	SUB-TOTAL	\$	3,077,230	\$ 6,137,692	0.02
	TOTAL SPAIN	\$	58,100,721	\$ 72,471,451	0.25
	SWEDEN				
	AUTOMOTIVE & RELATED				
14,404	VOLVO AB SERIES A	\$	341,687	\$ 988,832	
72,476	VOLVO AB SERIES B		2,413,034	4,560,843	
	SUB-TOTAL	\$	2,754,721	\$ 5,549,675	0.02
	BANKS				
85,000	o SKANDIA (FORSAKRING)	\$	2,412,011	\$ 2,500,815	
	SUB-TOTAL	\$	2,412,011	\$ 2,500,815	0.01
	BUSINESS SERVICES				
33,200	ESSELTE AB SERIES B FREE	\$	723,780	\$ 1,166,720	
	SUB-TOTAL	\$	723,780	\$ 1,166,720	0.00
	CHEMICALS - MAJOR				
6,100	AGA AB SERIES A FREE	\$	160,446	\$ 220,349	
5,000	o AGA AB SERIES B FREE		146,933	178,979	
	SUB-TOTAL	\$	307,379	\$ 399,328	0.00
	CONGLOMERATES				
10,000	o INVESTOR AB SERIES A FREE	\$	425,233	\$ 474,010	
	SUB-TOTAL	\$	425,233	\$ 474,010	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	CONSTRUCTION - MATERIALS & BUILDERS				
12,300	EUROC INDUSTRIA A	\$	685,486	\$ 814,236	
67,300	o SKANSKA AB SERIES B FREE		3,155,697	4,675,135	
	SUB-TOTAL	\$	3,841,183	\$ 5,489,371	0.02
	ELECTRIC EQUIPMENT - OTHER				
63,723	ALLMANNA SVENSKA ELEKTRISKA AB (ASEA)	\$	477,300	\$ 4,062,104	
50,075	ERICSSON TELFON (L.M.) AB SERIES B		1,701,682	3,012,028	
	SUB-TOTAL	\$	2,178,982	\$ 7,074,132	0.02
	FOREST PRODUCTS				
58,280	SCA AB SERIES B	\$	1,635,801	\$ 3,505,561	
60,590	STORA KOPPARBERG BERGSLAGS AB FREE		2,554,070	3,268,173	
	SUB-TOTAL	\$	4,189,871	\$ 6,773,734	0.02
	HEALTH CARE - OTHER				
87,448	ASTRA AB SERIES A FREE	\$	1,060,427	\$ 3,287,516	
93,674	PHARMACIA SERIES B FREE		2,519,094	2,832,572	
	SUB-TOTAL	\$	3,579,521	\$ 6,120,088	0.02
	HOUSEHOLD - DURABLE GOODS				
69,874	ELECTROLUX AB SERIES B	\$	1,103,142	\$ 3,346,366	
	SUB-TOTAL	\$	1,103,142	\$ 3,346,366	0.01
	MACHINERY - INDUSTRIAL & OTHER				
13,601	ALFA-LAVAL AB SERIES P	\$	366,715	\$ 1,044,862	
11,302	ATLAS COPCO AB SERIES A		159,497	509,864	
3,942	SVENSKA KULLAGERFABRIKEN AB SERIES B		91,338	256,442	
42,000	TRELLEBORG AB SERIES B FREE		1,728,356	1,908,465	
	SUB-TOTAL	\$	2,345,906	\$ 3,719,633	0.01
	TOTAL SWEDEN	\$	23,861,729	\$ 42,613,872	0.15
	SWITZERLAND				
	AIR TRANSPORTATION				
1,170	SWISSAIR SCHWEIZ LUFTVERKEHR (BR)	\$	649,308	\$ 841,558	
	SUB-TOTAL	\$	649,308	\$ 841,558	0.00
	AUTOMOTIVE & RELATED				
1,350	COMPAGNIE FINANCIERE MICHELIN BAS (BR)	\$	689,488	\$ 597,902	
	SUB-TOTAL	\$	689,488	\$ 597,902	0.00
	BANKS				
4,722	CREDIT SUISSE LTD (RR)	\$	6,317,197	\$ 8,491,113	
21,031	SWISS BANK CORP (BR)		4,146,205	4,748,260	
22,900	o SWISS BANK CORP (PT CERT)		4,558,656	4,453,415	
4,470	UNION BANK OF SWITZERLAND (RR)		8,388,924	9,526,478	
	SUB-TOTAL	\$	23,410,982	\$ 27,219,266	0.09

See notes to financial statements.

SHARES			COST		MARKET VALUE	%	
		BUSINESS SERVICES					
290		ADIA S.A. (PORTER)	\$	1,667,483	\$	1,688,046	
403		GENERAL DE SURVEILLANCE		1,125,276		1,281,602	
		SUB-TOTAL	\$	2,792,759	\$	2,969,648	0.01
		CONSTRUCTION - MATERIALS & BUILDERS					
1,000	o	FORBO S.A. REG	\$	737,473	\$	865,801	
1,000	o	HILTI AG. (PT CERT)		414,957		412,920	
633		HOLDERBANK FINANCIERE GLARIUS (BR)		2,048,319		2,160,590	
200	o	SIKA FINAZ (BR)		444,628		412,920	
		SUB-TOTAL	\$	3,645,377	\$	3,852,231	0.01
		FOODS					
1,588		NESTLE S.A. (BR)	\$	5,247,469	\$	7,657,093	
2,800	o	NESTLE S.A. REG		11,562,149		12,475,530	
		SUB-TOTAL	\$	16,809,618	\$	20,132,623	0.07
		HEALTH CARE - DRUGS					
150		ARES-SERONO HOLDING	\$	185,496	\$	251,248	
4,559		CIRA-GEIGY AG. (BR)		8,931,469		8,031,009	
2,135		CIBA-GEIGY AG. (PT CERT)		2,958,698		2,986,015	
839		HOFFMAN-LA ROCHE (BABY SHS)		4,462,001		7,110,409	
5		HOFFMAN-LA ROCHE (BIG SHS)		555,933		755,911	
1,256	o	SANDOZ AG. (BR)		8,096,474		8,009,461	
1,627		SANDOZ AG. (PT CERT)		1,143,752		1,717,480	
		SUB-TOTAL	\$	26,333,823	\$	28,861,533	0.10
		INSURANCE - MULTI-LINE, PROPERTY & CASUALTY					
336		SCHWEIZERISCHE RUCK GESELLSCHAFT (BR)	\$	3,085,393	\$	2,041,959	
927		SCHWEIZERISCHE RUCK GESELLSCHAFT (PT CERT)		1,494,911		938,422	
448		WINTERTHUR SWISS INSURANCE CO (BR)		1,326,776		1,256,131	
651		WINTERTHUR SWISS INSURANCE CO (PT CERT)		398,378		290,489	
1,849		ZURICH INSURANCE CO (BR)		5,130,449		5,307,488	
1,089		ZURICH INSURANCE CO (PT CERT)		1,174,616		1,232,967	
		SUB-TOTAL	\$	12,910,523	\$	11,067,456	0.04
		MACHINERY - INDUSTRIAL & OTHER					
840		BBC BROWN, BOVERI & CIE AG	\$	1,006,027	\$	1,538,462	
705		BBC BROWN, BOVERI & CIE AG (PT CERT)		70,055		207,532	
70		RIETER HOLDINGS AG. (BR)		240,067		167,832	
		SUB-TOTAL	\$	1,316,149	\$	1,913,826	0.01
		MINING & NON-FERROUS METALS					
2,707	o	ALUSUISSE (SWISS ALUMINUM) NV (BR)	\$	1,101,264	\$	1,505,392	
		SUB-TOTAL	\$	1,101,264	\$	1,505,392	0.01
		RETAIL - GENERAL MERCHANDISE					
1,089	o	INTERDISCOUNT HOLDING AG (BR)	\$	2,833,432	\$	2,647,254	
		SUB-TOTAL	\$	2,833,432	\$	2,647,254	0.01
		TOTAL SWITZERLAND	\$	92,492,723	\$	101,608,689	0.35

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	THAILAND				
	BANKS				
39,250	BANGKOK BANK	\$	566,694	\$ 425,373	
45,000	o BANK OF ASIA LTD (THE)		365,862	285,825	
28,500	BANK OF AIYDHYA		422,318	366,571	
18,700	SIAM COMMERCIAL BANK LTD (THE)		496,728	437,988	
65,300	THAI FARMERS BANK LTD (THE)		1,113,259	917,666	
	SUB-TOTAL	\$	2,964,861	\$ 2,433,423	0.01
	CHEMICALS - MAJOR				
72,500	THAI PLASTIC & CHEMICAL CO LTD	\$	495,916	\$ 299,322	
	SUB-TOTAL	\$	495,916	\$ 299,322	0.00
	CONGLOMERATES				
26,975	SIAM CEMENT CORP	\$	3,808,401	\$ 3,801,530	
	SUB-TOTAL	\$	3,808,401	\$ 3,801,530	0.01
	CONSTRUCTION - MATERIALS & BUILDERS				
26,800	o CARPETS INTERNATIONAL THAILAND LTD	\$	206,815	\$ 154,266	
24,400	o JALAPRATHAN CEMENT CO LTD		487,099	432,978	
7,900	o THAI GYPSUM PRODUCTS CO LTD		249,636	222,666	
	SUB-TOTAL	\$	943,550	\$ 809,910	0.00
	COSMETICS				
51,400	INTERNATIONAL COSMETIC CO LTD	\$	423,253	\$ 385,650	
	SUB-TOTAL	\$	423,253	\$ 385,650	0.00
	FINANCIAL - MISCELLANEOUS				
100,000	o GENERAL FINANCE & SECURITIES CO LTD	\$	237,515	\$ 186,580	
9,500	o NATIONAL FINANCE & SECURITIES CO LTD		221,289	139,538	
34,000	o PHATRA THANAKIT CO LTD		680,610	488,602	
166,600	o SINPINYO FUND 3		282,641	257,933	
	SUB-TOTAL	\$	1,422,055	\$ 1,072,653	0.00
	FOODS				
112,000	o THAI PRESIDENT FOODS CO LTD	\$	537,470	\$ 426,832	
	SUB-TOTAL	\$	537,470	\$ 426,832	0.00
	FOREST PRODUCTS				
10,000	o SIAM PULP AND PAPER	\$	316,012	\$ 326,317	
	SUB-TOTAL	\$	316,012	\$ 326,317	0.00
	HOUSEHOLD - PRODUCTS				
4,000	AMERICAN STANDARD SANITARYWARE	\$	150,864	\$ 141,324	
	SUB-TOTAL	\$	150,864	\$ 141,324	0.00
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
2,000	BANGKOK INSURANCE CO LTD	\$	246,525	\$ 271,534	
	SUB-TOTAL	\$	246,525	\$ 271,534	0.00

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
14,000	MINING & NON-FERROUS METALS				
	PADAENG INDUSTRY CO LTD	\$	446,327	\$ 377,924	
	SUB-TOTAL	\$	446,327	\$ 377,924	0.00
	MISCELLANEOUS MATERIALS & COMMODITIES				
85,000	o C P POKPHAND NORTHEAST	\$	200,631	\$ 188,962	
82,000	o CHAROEN POKPHAND FEEDMILL	\$	251,967	\$ 162,761	
	SUB-TOTAL	\$	452,598	\$ 351,723	0.00
	REAL ESTATE				
43,000	o LAND & HOUSE CO LTD	\$	131,159	\$ 136,740	
	SUB-TOTAL	\$	131,159	\$ 136,740	0.00
	RESTAURANTS & HOTELS				
3,500	o DUSIT RESORT CHA-UM CO LTD	\$	2,081	\$ 2,084	
4,500	o DUSIT THANI CORP LTD	\$	142,557	\$ 187,573	
65,000	o ORIENTAL HOTEL (THAILAND) LTD (THE)	\$	347,945	\$ 268,450	
	SUB-TOTAL	\$	492,583	\$ 458,107	0.00
	RETAIL - GENERAL MERCHANDISE				
61,000	o AMARIN PLAZA	\$	138,765	\$ 145,294	
193,400	o BOUTIQUE NEW CITY CO LTD	\$	297,732	\$ 257,199	
	SUB-TOTAL	\$	436,497	\$ 402,493	0.00
	TEXTILE & APPAREL				
59,000	o THAI WACOL CO LTD	\$	265,156	\$ 269,350	
20,000	o UNION TEXTILES INDUSTRIES CORP LTD	\$	373,381	\$ 250,891	
	SUB-TOTAL	\$	638,537	\$ 520,241	0.00
	TIRES & RUBBER				
19,700	o SIAM TYRE CO LTD	\$	313,506	\$ 308,909	
3,000	o UNION FOOTWEAR LTD	\$	74,005	\$ 73,242	
	SUB-TOTAL	\$	387,511	\$ 382,151	0.00
	WHOLESALE INTERNATIONAL TRADE				
60,000	o SAHA PATHANA CO LTD	\$	148,081	\$ 119,094	
	SUB-TOTAL	\$	148,081	\$ 119,094	0.00
	TOTAL THAILAND	\$	14,442,200	\$ 12,716,968	0.04
	UNITED KINGDOM				
	AEROSPACE				
985,300	o BRITISH AEROSPACE PUBLIC CO LTD	\$	6,315,536	\$ 7,608,836	
419,000	o ROLLS ROYCE LTD	\$	989,445	\$ 1,000,328	
	SUB-TOTAL	\$	7,304,981	\$ 8,609,164	0.03

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	AIR TRANSPORTATION				
375,000	BRITISH AIRWAYS PLC	\$	1,178,645	\$ 1,085,108	
10,000	BRITISH AIRWAYS PLC (CAN)		317,800	297,569	
51,700	BRITISH AIRWAYS PLC ADR		1,602,700	1,518,687	
	SUB-TOTAL	\$	3,099,145	\$ 2,901,364	0.01
	BANKS				
572,500	BARCLAYS BANK LTD	\$	3,478,686	\$ 4,203,619	
1,940,712	LLOYD'S BANK PIC		5,953,901	11,371,767	
262,000	NATIONAL WESTMINSTER BANK PLC		1,499,275	2,430,751	
45,100	NATIONAL WESTMINSTER BANK ADR		975,287	1,274,075	
149,580	ROYAL BANK OF SCOTLAND (THE) PLC		929,297	946,811	
	SUB-TOTAL	\$	12,836,446	\$ 20,227,023	0.07
	BEVERAGES				
285,000	ALLIED-LYONS PLC	\$	2,188,110	\$ 2,257,568	
1,485,000	ARTHUR GUINNESS & SONS PLC		7,745,230	8,970,048	
223,800	BASS LTD		2,651,421	3,225,821	
441,000	GRAND METROPOLITAN PLC		1,790,439	3,429,485	
191,000	SCOTTISH & NEWCASTLE BREWERIES LTD		744,302	1,343,707	
	SUB-TOTAL	\$	15,119,502	\$ 19,226,629	0.07
	BROADCASTERS				
437,500	ANGLIA TELEVISION GROUP PLC	\$	1,481,185	\$ 1,566,625	
69,400	ASSOCIATED NEWSPAPERS HOLDINGS PLC		577,890	953,882	
300,000	LOWE HOWARD - SPINK & BELL PLC		1,547,010	1,757,875	
282,000	REED INTERNATIONAL		2,233,215	1,887,003	
300,000	SAATCHI & SAATCHI CO		2,859,967	1,790,428	
271,250	SCOTTISH T.V. (FULLY PD)		730,902	1,815,069	
400,000	UNITED NEWSPAPERS PLC		2,354,827	2,698,302	
	SUB-TOTAL	\$	11,784,996	\$ 12,469,184	0.04
	BUSINESS SERVICES				
73,000	CARLTON COMMUNICATIONS PLC	\$	792,118	\$ 875,302	
	SUB-TOTAL	\$	792,118	\$ 875,302	0.00
	CHEMICALS - MAJOR				
236,780	BOC GROUP PLC	\$	1,049,982	\$ 1,828,499	
28,730	IMPERIAL CHEMICAL INDUSTRY (ICI) ADR NEW		1,619,600	2,093,698	
537,311	IMPERIAL CHEMICAL INDUSTRY (ICI) PLC		7,413,013	9,838,811	
	SUB-TOTAL	\$	10,082,595	\$ 13,761,008	0.05
	COMMUNICATION EQUIPMENT & SERVICES				
1,576,800	BRITISH TELECOMMUNICATIONS PLC	\$	4,796,978	\$ 7,300,547	
1,722,185	CABLE & WIRELESS PLC		7,533,140	11,742,025	
	SUB-TOTAL	\$	12,330,118	\$ 19,042,572	0.07
	CONGLOMERATES				
365,000	BET PLC	\$	1,071,965	\$ 1,498,444	
1,067,394	BTR LTD		4,180,785	5,694,671	

See notes to financial statements.

SHARES		COST	MARKET VALUE	%
	CONGLOMERATES			
6,064	o BTR LTD WTS 10/17/93	\$ 5,949	\$ 7,347	
72,000	DE LA RUE CO PLC	526,392	546,894	
2,454,166	HANSON TRUST LTD PLC	5,359,918	6,836,457	
69,211	o HARRISON & CROSSFIELD PLC	683,542	808,592	
41,000	LAIRD GROUP (THE) PLC	181,742	149,039	
236,165	LONHIRO PLC	800,834	1,464,979	
125,000	PEARSON PLC	1,157,155	1,460,375	
266,391	o TRAFALGAR HOUSE PLC	1,438,989	1,426,044	
	SUB-TOTAL	\$ 15,407,271	\$ 19,892,842	0.07
	CONSTRUCTION - MATERIALS & BUILDERS			
36,000	AMEC PLC	\$ 237,915	\$ 216,804	
585,600	BARRATT DEVELOPMENTS LTD	1,602,519	1,853,365	
194,600	BEAZER PLC	682,747	637,005	
136,747	BLUE CIRCLE INDUSTRIES PLC	793,856	1,046,116	
791,400	BPB INDUSTRIES PLC	4,455,932	3,177,392	
92,000	COSTAIN GROUP PLC	465,398	509,132	
110,000	ENGLISH CHINA CLAYS PLC	710,043	907,150	
350,000	o EUROTUNNEL PLC (UNITS)	2,201,654	3,107,931	
550,000	o EUROTUNNEL PLC WTS 11/15/92	19,695	368,032	
100,000	HEPWORTH PLC	375,733	406,915	
41,000	LAING (JOHN) A PLC	183,674	208,358	
1,000,000	MAGNET & SOUTHERN PLC	2,587,670	3,327,665	
1,153,429	MARLEY PLC	2,194,761	3,087,268	
82,100	MCALPINE (ALFRED) PLC	507,931	448,406	
26,000	MCCARTHY & STONE	196,119	157,051	
1,309,428	PILKINGTON PLC	6,391,839	4,854,643	
286,400	REDLAND PLC	1,846,960	2,190,964	
98,100	RMC GROUP PLC	263,687	910,140	
149,000	RUGBY GROUP PLC	297,427	361,087	
81,000	TAYLOR WOODROW PLC	449,441	864,288	
158,000	o WILLIAMS HOLDINGS PLC	656,780	642,926	
92,000	WILSON (CONNOLLY) HOLDINGS PLC	253,629	267,877	
151,000	WIMPEY GEORGE CO	588,174	701,830	
	SUB-TOTAL	\$ 27,963,584	\$ 30,252,345	0.10
	ELECTRIC EQUIPMENT - OTHER			
118,825	BICC LTD	\$ 499,133	\$ 833,799	
214,300	ELECTROCOMPONENTS PLC	776,212	736,372	
48,000	LEX SERVICE GROUP LTD	262,529	269,974	
2,407,086	NORTHERN ENGINEERING INDUSTRY PLC	4,264,969	5,093,301	
82,800	OXFORD INSTRUMENTS GROUP PLC (THE)	365,437	302,484	
181,800	SMITHS INDUSTRIES PLC	836,495	877,863	
29,000	UNITED SCIENTIFIC HOLDINGS PLC	94,394	91,782	
	SUB-TOTAL	\$ 7,099,169	\$ 8,205,575	0.03
	ELECTRONICS - COMPONENTS & DIVERSIFIED			
342,200	AMSTRAD CONSUMER ELECTRONICS PLC	\$ 847,002	\$ 1,107,783	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	ELECTRONICS - COMPONENTS & DIVERSIFIED				
489,600	BOWTHORPE HOLDINGS PLC	\$	1,488,591	\$ 1,363,590	
88,000	o BSR PLC		148,156	89,123	
232,000	o FKI BABCOCK PLC		537,667	520,273	
1,711,600	GENERAL ELECTRIC CO LTD		4,652,299	5,850,405	
386,400	PLESSEY CO PLC		972,816	1,537,381	
1,005,700	RACAL ELECTRONICS PLC		2,712,924	5,092,703	
37,000	o U. E. I. PLC		259,998	260,968	
	SUB-TOTAL	\$	11,619,453	\$ 15,822,226	0.05
	FINANCIAL - MISCELLANEOUS				
1,048,000	BRITISH & COMMONWEALTH SHIPPING CO PLC	\$	5,196,550	\$ 3,885,411	
158,692	J. ROTHSCHILD HOLDINGS		263,529	447,714	
241,922	KLEINWORT, BENSON, LONSDALE PLC		1,533,424	1,303,807	
26,500	PROVIDENT FINANCIAL GROUP PLC		155,144	152,403	
96,200	S.G. WARBURG GROUP PLC		249,755	483,661	
24,860	SCHROEDERS LTD		310,943	397,892	
	SUB-TOTAL	\$	7,709,345	\$ 6,670,888	0.02
	FOODS				
233,000	ASSOCIATED BRITISH FOODS PLC	\$	1,162,608	\$ 1,293,648	
306,697	CADBURY SCHWEPPES LTD		1,025,703	1,874,770	
1,175,000	GEEST PLC		5,022,477	5,185,009	
1,499,999	HILLSDOWN HOLDINGS PLC		5,124,417	6,483,518	
178,000	RANKS HOVIS MCDUGALL PLC		1,115,568	1,120,265	
35,700	TATE & LYLE PLC		275,379	526,841	
118,000	UNIGATE PLC		535,148	746,916	
1,287,950	UNILEVER LTD (ORD)		3,175,943	10,831,131	
216,000	UNITED BISCUITS HOLDINGS PLC		1,171,538	1,117,266	
	SUB-TOTAL	\$	18,608,781	\$ 29,179,364	0.10
	HEALTH CARE - OTHER				
388,264	BEECHAM GROUP LTD	\$	2,170,550	\$ 3,265,141	
408,333	FISONS PLC		1,905,089	1,705,879	
1,477,900	GLAXO HOLDINGS LTD		12,395,626	28,565,580	
1,538,814	LONDON INTERNATIONAL GROUP PLC		6,429,444	5,621,592	
	SUB-TOTAL	\$	22,900,709	\$ 39,158,192	0.13
	INSURANCE - BROKERS & OTHER				
356,000	SEDGWICK GROUP LTD	\$	1,336,584	\$ 1,474,372	
368,900	WILLIS FARBER LTD		1,787,153	1,494,440	
	SUB-TOTAL	\$	3,123,737	\$ 2,968,812	0.01
	INSURANCE - LIFE				
245,444	LEGAL & GENERAL GROUP PLC	\$	1,108,867	\$ 1,291,716	
1,125,300	PRUDENTIAL CORP PLC		2,364,183	3,093,587	
	SUB-TOTAL	\$	3,473,050	\$ 4,385,303	0.01
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
218,000	COMMERCIAL UNION ASSURANCE CO LTD	\$	822,393	\$ 1,324,700	

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
	INSURANCE - MULTI-LINE, PROPERTY & CASUALTY				
100,000	GENERAL ACCIDENT FIRE & LIFE ASSURANCE	\$	1,369,688	\$ 1,560,747	
1,372,140	GUARDIAN ROYAL EXCHANGE ASSURANCE PLC		3,284,560	4,739,730	
959,000	ROYAL INSURANCE PLC		4,264,461	6,642,617	
263,600	SUN ALLIANCE & LONDON INSURANCE LTD		1,921,654	4,714,803	
	SUB-TOTAL	\$	11,662,756	\$ 18,982,597	0.06
	LEISURE TIME				
1,258,242	GRANADA GROUP LTD (CLASS A)	\$	5,882,873	\$ 7,372,776	
220,000	LADBROKE GROUP PLC		1,305,004	1,726,769	
844,200	THORN EMI LTD		5,864,861	9,542,172	
409,000	TRUSTHOUSE FORTE PLC		1,414,933	1,856,602	
	SUB-TOTAL	\$	14,468,671	\$ 20,498,319	0.07
	MACHINERY - INDUSTRIAL & OTHER				
805,000	BBA GROUP PLC	\$	1,510,435	\$ 2,300,248	
52,030	DAVY CORP PLC		124,370	164,669	
77,000	DELTA PLC		361,503	374,597	
271,900	DOWTY GROUP PLC		937,557	1,091,651	
333,600	FR GROUP PLC		1,454,143	1,242,839	
513,929	GUEST KEEN NETTLEFOLDS LTD		2,246,169	2,760,459	
103,000	HAWKER SIDDELEY GROUP LTD		790,319	1,007,758	
964,000	IMI PLC		2,913,669	3,207,869	
293,000	LUCAS INDUSTRIES PLC		2,828,725	2,744,854	
136,350	T & N PLC		440,904	399,477	
76,500	TI GROUP PLC		442,427	511,899	
131,000	VICKERS PLC		387,815	379,064	
	SUB-TOTAL	\$	14,498,036	\$ 16,185,384	0.06
	MINING & NON-FERROUS METALS				
89,200	JOHNSON MATTHEY PLC	\$	300,223	\$ 546,872	
270,609	RIO TINTO ZINC (RIZ) CORP LTD PLC		858,555	2,035,904	
150,000	RIZ CORP PLC (RR)		1,117,438	1,131,225	
	SUB-TOTAL	\$	2,276,216	\$ 3,714,001	0.01
	OFFICE EQUIPMENT - OTHER				
112,000	RANK ORGANIZATION PLC	\$	1,052,368	\$ 1,492,819	
46,000	TELEPHONE RENTALS PLC		168,688	288,675	
	SUB-TOTAL	\$	1,221,056	\$ 1,781,494	0.01
	OFFICE EQUIPMENT - SMALLER FID CO				
1,500,000	APRICOT COMPUTERS PLC	\$	2,996,737	\$ 2,550,004	
	SUB-TOTAL	\$	2,996,737	\$ 2,550,004	0.01
	PAPER				
62,034	BOWATER CORP PLC	\$	310,614	\$ 458,854	
56,345	DRG PLC		225,793	446,325	
171,000	MB GROUP PLC		669,321	797,880	
50,000	MEYER INTERNATIONAL PLC		302,210	311,968	
	SUB-TOTAL	\$	1,507,938	\$ 2,015,027	0.01

See notes to financial statements

SHARES		COST	MARKET VALUE	%
	PETROLEUM - INTERNATIONAL			
3,467,000	BRITISH GAS PLC	\$ 11,824,774	\$ 9,906,786	
5,509,396	BRITISH PETROLEUM PLC	13,343,708	24,809,911	
91,000	BURMAH OIL PLC (THE)	699,810	789,958	
87,000	CALOR GROUP PLC	625,876	608,908	
335,250	LONDON & SCOTTISH MARINE OIL PLC	2,706,645	2,934,512	
1,500,000	SHELL TRANSPORT & TRADING CO	9,670,839	8,952,144	
177,868	ULTRAMAR PLC	766,234	939,296	
	SUB-TOTAL	\$ 39,637,886	\$ 48,941,515	0.17
	REAL ESTATE			
116,000	BRITISH LAND PLC	\$ 726,687	\$ 692,299	
84,200	GREAT PORTLAND ESTATES PLC	288,326	545,151	
59,067	HAMMERSCHN PROPERTY INVESTMENT & DEVELOPMENT	425,957	991,322	
30,000	LAING PROPERTIES PLC	197,618	238,181	
259,100	LAND SECURITIES PLC	1,047,105	2,544,421	
163,400	MEPC PLC ORD	688,480	1,548,478	
145,000	SLOUGH ESTATES PLC	681,812	781,458	
	SUB-TOTAL	\$ 4,055,985	\$ 7,341,310	0.03
	RETAIL - GENERAL MERCHANDISE			
900,000	ASHLEY (LAURA) HOLDINGS	\$ 2,514,727	\$ 1,660,215	
758,000	BOOTS CO LTD	2,482,086	3,166,671	
1,200,000	BURTON GROUP	3,146,088	3,667,666	
860,000	DIXONS GROUP PLC	3,265,213	2,084,131	
158,000	GREAT UNIVERSAL STORES PLC (CLASS A)	2,117,710	2,757,441	
1,683,000	MARKS & SPENCER PLC	2,769,339	4,687,342	
809,500	NEXT PLC	3,475,263	2,064,228	
894,800	SEARS PLC	2,195,479	1,812,449	
223,000	WOOLWORTH HOLDINGS PLC	641,800	963,883	
	SUB-TOTAL	\$ 24,607,705	\$ 22,864,026	0.08
	RETAIL - FOOD			
468,900	ARGYLL GROUP PLC	\$ 1,445,525	\$ 1,475,541	
1,015,300	SAINBURY J PLC	3,278,455	3,654,006	
2,005,541	TESCO PLC	4,627,033	4,824,337	
	SUB-TOTAL	\$ 9,351,013	\$ 9,953,884	0.03
	SHIPPING			
60,020	OCEAN TRANSPORT & TRADING PLC	\$ 161,484	\$ 287,649	
530,000	PENNINSULAR & ORIENTAL STEAM NAVIGATION CO	5,419,148	5,080,115	
75,000	TRANSPORT DEVELOPMENT GROUP PLC	321,156	322,819	
	SUB-TOTAL	\$ 5,901,788	\$ 5,690,583	0.02
	STEEL			
160,000	o BRITISH STEEL PLC ADR (P/P)	\$ 1,822,128	\$ 1,780,000	
1,025,000	o BRITISH STEEL PLC 60 (P/P)	1,156,333	1,119,659	
	SUB-TOTAL	\$ 2,978,461	\$ 2,899,659	0.01

See notes to financial statements.

SHARES			COST	MARKET VALUE	%
397,800	TEXTILE & APPAREL				
	COATS VIYELLA PLC	\$	1,514,919	\$	1,050,363
650,000	COLOROLL GROUP PLC		2,063,140		1,634,109
254,600	COURTAULDS PLC		1,191,496		1,210,977
80,000	DAWSON INTERNATIONAL LTD		351,575		298,043
	SUB-TOTAL	\$	5,121,130	\$	4,193,492
					0.01
	TOBACCO				
778,049	B.A.T. INDUSTRIES LTD	\$	3,784,386	\$	6,374,219
	SUB-TOTAL	\$	3,784,386	\$	6,374,219
					0.02
	TOTAL UNITED KINGDOM	\$	335,324,764	\$	427,633,307
					1.46
	TOTAL FOREIGN COMMON STOCK	\$	2,135,242,096	\$	3,355,390,320
					11.46
	TOTAL COMMON STOCK	\$	22,660,856,341	\$	28,706,862,378
					98.02

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENT OF INVESTMENTS--STOCK ACCOUNT**  
**DECEMBER 31, 1988**

PAR VALUE					COST	MARKET VALUE	%
	SHORT-TERM INVESTMENTS						
	BANKERS ACCEPTANCES						
\$ 7,000,000	BANK OF TOKYO TRUST CO OF JAPAN	8 690	2/06/89	\$	6,939,169	\$ 6,935,238	
15,000,000	CENTRAL TRUST CO N.A.	8 300	1/03/89		14,993,083	14,993,083	
5,000,000	DAI ICHI KANGYO BANK	8 120	3/17/89		4,915,416	4,904,877	
8,650,000	DAI ICHI KANGYO BANK	8 750	2/27/89		8,537,009	8,523,847	
5,000,000	FIRST UNION NATIONAL BANK CHARLOTTE NC	8 100	1/17/89		4,982,000	4,980,231	
5,000,000	FUJI BANK	8 350	1/03/89		4,997,680	4,997,661	
5,800,000	INDUSTRIAL BANK OF JAPAN	8 250	2/27/89		5,724,237	5,715,412	
1,700,000	INDUSTRIAL BANK OF JAPAN	8 220	1/05/89		1,698,447	1,698,416	
8,000,000	MARYLAND NATIONAL BANK	8 130	1/12/89		7,980,126	7,979,229	
25,000,000	MITSUBISHI BANK	9 160	1/03/89		24,987,277	24,987,277	
5,000,000	NATIONAL WESTMINSTER BANK U.S.A.	8 680	2/14/89		4,946,955	4,942,840	
5,000,000	PITTSBURGH NATIONAL BANK	5 000	2/01/89		4,961,250	4,960,823	
10,000,000	PITTSBURGH NATIONAL BANK	9 210	1/25/89		9,938,599	9,938,599	
15,000,000	REPUBLIC NATIONAL BANK OF NEW YORK	8 200	1/03/89		14,993,166	14,992,985	
14,000,000	SECURITY PACIFIC NATIONAL BANK	8 350	1/06/89		13,983,762	13,983,762	
5,000,000	STATE STREET BANK & TRUST CO	8 200	1/03/89		4,997,722	4,997,661	
5,000,000	TRUST CO OF GEORGIA	8 190	1/03/89		4,997,725	4,997,661	
5,000,000	WELLS FARGO NATIONAL BANK	8 750	1/23/89		4,973,709	4,973,709	
	SUB-TOTAL			\$	149,547,332	\$ 149,503,311	0.51
	MEDIUM TERM BONDS						
\$ 3,000,000	NORTHERN INDIANA PUBLIC SERVICE CO	8 700	7/27/89	\$	2,997,823	\$ 2,979,640	
5,000,000	RYDER SYSTEMS, INC	6 650	1/27/89		4,996,744	4,980,789	
	SUB-TOTAL			\$	7,994,567	\$ 7,960,429	0.03
	CERTIFICATES OF DEPOSIT						
\$ 20,000,000	AMERICAN SECURITY BANK	9 200	2/21/89	\$	20,000,000	\$ 20,000,000	
20,000,000	BANK OF NEW ENGLAND	8 400	1/30/89		20,000,000	19,983,457	
10,000,000	BOSTON SAFE DEPOSIT & TRUST CO	8 000	3/27/89		10,000,000	9,961,512	
5,000,000	BOSTON SAFE DEPOSIT & TRUST CO	8 800	2/21/89		5,000,000	4,997,304	
20,000,000	BOSTON SAFE DEPOSIT & TRUST CO	9 300	2/13/89		20,000,000	20,000,000	
12,000,000	MIDLANTIC NATIONAL BANK	8 910	2/15/89		12,000,114	11,991,631	
10,000,000	NORWEST BANK	8 300	1/23/89		10,000,000	9,995,238	
20,000,000	PROVIDENT NATIONAL BANK	8 400	2/06/89		20,000,000	19,980,174	
10,000,000	PROVIDENT NATIONAL BANK	9 300	3/06/89		10,000,000	10,000,255	
5,000,000	SOVRAN BANK, N.A.	8 350	1/23/89		5,000,000	4,997,801	
10,000,000	SOVRAN BANK, N.A.	8 420	1/30/89		10,000,000	9,991,817	
5,000,000	STATE STREET BANK & TRUST CO	8 450	3/21/89		5,000,315	4,988,810	
10,000,000	STATE STREET BANK & TRUST CO	8 550	4/14/89		10,000,713	9,975,932	
5,000,000	STATE STREET BANK & TRUST CO	9 250	3/22/89		5,000,543	4,999,781	
5,000,000	THIRD NATIONAL BANK	8 450	1/23/89		5,000,000	4,998,302	
	SUB-TOTAL			\$	167,001,685	\$ 166,862,014	0.57

See notes to financial statements.

PAR VALUE				COST	MARKET VALUE
\$ 8,000,000	COMMERCIAL PAPER	9.300	2/06/89	\$ 7,925,600	\$ 7,925,600
20,000,000	BENEFICIAL CORP	8.470	1/04/89	19,985,883	19,985,883
10,000,000	CHEVRON OIL FINANCE CO	8.200	1/23/89	9,949,888	9,945,326
35,000,000	CHRYSLER FINANCIAL CORP	10.000	1/03/89	34,980,555	34,980,555
5,000,000	ABBOTT LABORATORIES	10.000	1/04/89	4,995,833	4,995,833
62,000,000	ASHLAND OIL, INC	10.000	1/03/89	61,965,555	61,965,555
20,000,000	CARGILL, INC	9.200	2/02/89	19,836,444	19,836,444
12,000,000	CATERPILLAR, INC	9.400	1/17/89	11,949,866	11,949,866
4,000,000	CHRYSLER FINANCIAL CORP	9.550	1/25/89	3,974,533	3,974,533
10,000,000	COLUMBIA GAS SYSTEM	8.250	3/06/89	9,853,333	9,838,208
10,925,000	COLUMBIA GAS SYSTEM	8.330	2/23/89	10,791,019	10,777,870
14,000,000	COLUMBIA GAS SYSTEM	8.400	2/22/89	13,830,133	13,814,966
13,000,000	COLUMBIA GAS SYSTEM	9.400	2/24/89	12,816,699	12,821,669
30,000,000	COLUMBIA GAS SYSTEM	9.400	1/09/89	29,937,333	29,937,333
40,000,000	CONAGRA, INC	10.500	1/03/89	39,976,666	39,976,666
50,000,000	CHRYSLER FINANCIAL CORP	10.000	1/03/89	49,972,222	49,972,222
20,000,000	CORP ASSET FUNDING CORP	9.250	3/15/89	19,624,861	19,632,222
50,000,000	CSX CORP	10.000	1/03/89	49,972,222	49,972,222
20,000,000	DILLARD INVESTMENT CO. INC	10.000	1/03/89	19,988,888	19,988,888
14,000,000	E G & G, INC	8.150	1/10/89	13,971,474	13,970,287
20,000,000	EASTMAN KODAK CO	8.200	1/23/89	19,899,777	19,890,651
10,000,000	EASTMAN KODAK CO	8.250	1/23/89	9,949,583	9,945,326
15,000,000	EASTMAN KODAK CO	8.650	2/06/89	14,870,250	14,860,462
15,000,000	EASTMAN KODAK CO	8.850	1/31/89	14,889,375	14,884,353
21,540,000	EMHART CORP	9.370	1/23/89	21,416,659	21,416,659
17,000,000	FLEMING COS, INC	9.650	1/06/89	16,977,215	16,977,215
30,000,000	FORD MOTOR CREDIT CO	9.170	2/03/89	29,747,825	29,747,825
28,000,000	GENERAL ELECTRIC CAPITAL CORP	10.000	1/03/89	27,984,444	27,984,444
50,000,000	GENERAL TELEPHONE CO OF CALIFORNIA	10.000	1/03/89	49,972,222	49,972,222
7,000,000	GTE CORP	9.350	2/21/89	6,907,279	6,909,262
15,255,000	HUMANA, INC	9.250	3/13/89	14,976,702	14,982,062
20,000,000	HOUSTON INDUSTRIAL FINANCE, INC	9.150	2/06/89	19,816,999	19,816,999
13,000,000	HOUSTON LIGHTING & POWER CO	8.800	2/09/89	12,876,066	12,869,025
20,000,000	JAMES RIVER CORP	9.200	2/17/89	19,759,777	19,761,257
42,000,000	MARRIOTT CORP	10.500	1/03/89	41,975,500	41,975,500
13,300,000	MARRIOTT CORP	9.700	1/03/89	13,292,832	13,292,832
25,000,000	MAY DEPARTMENT STORES	10.250	1/03/89	24,985,763	24,985,763
12,000,000	MCDONNELL DOUGLAS FINANCE CORP	10.000	1/04/89	11,989,999	11,989,999
62,000,000	OLIN CORP	10.000	1/03/89	61,965,555	61,965,555
50,000,000	PEPSICO, INC	10.000	1/03/89	49,972,222	49,972,222
53,250,000	PREFERRED RECEIVABLES FUNDING CORP	10.000	1/03/89	53,220,416	53,220,416
20,000,000	QUAKER OATS CO	9.125	2/01/89	19,842,847	19,842,847
20,000,000	SEARS ROEBUCK ACCEPTANCE CORP	9.125	2/01/89	19,842,847	19,842,847
20,000,000	SEARS ROEBUCK ACCEPTANCE CORP	9.125	2/03/89	19,832,708	19,832,708
10,000,000	SEARS ROEBUCK ACCEPTANCE CORP	8.350	1/03/89	9,995,361	9,995,310
16,000,000	SOCIETE GENERALE NORTH AMERICA, INC	10.000	1/03/89	15,991,111	15,991,111
25,000,000	UNION EXPLORATION PARTNERS LTD	9.150	2/06/89	24,771,250	24,771,250
10,000,000	UNISYS CORP	9.150	2/15/89	9,885,625	9,885,625
14,650,000	HOUSTON LIGHTING & POWER CO	9.250	2/13/89	14,488,137	14,488,137

See notes to financial statements.

PAR VALUE					COST	MARKET VALUE	%
\$ 17,500,000	COMMERCIAL PAPER						
4,420,000	HOUSTON LIGHTING & POWER CO	9.325	1/27/89	\$	17,382,142	\$	17,382,142
21,000,000	NEW YORK STATE ELECTRIC & GAS CO	8.70	1/03/89		4,417,937		4,417,337
8,000,000	PUBLIC SERVICE CO OF INDIANA	8.800	2/13/89		20,779,266		20,766,661
9,500,000	PUBLIC SERVICE CO OF INDIANA	8.870	1/06/89		7,990,144		7,990,144
21,000,000	PUBLIC SERVICE CO OF INDIANA	8.870	1/17/89		9,462,548		9,462,548
	UNION OIL CO OF CALIFORNIA	10.000	1/03/89		20,988,333		20,988,333
	SUB-TOTAL			\$	1,199,415,723	\$	1,199,339,827 4.10
\$ 10,000,000	EURO CERTIFICATES OF DEPOSIT						
10,000,000	FLEET NATIONAL BANK	8.460	1/23/89	\$	10,000,000	\$	9,995,293
5,000,000	INDUSTRIAL BANK OF JAPAN	8.850	1/17/89		9,999,552		9,999,552
5,000,000	SANWA BANK	8.480	1/23/89		4,999,970		4,997,825
5,000,000	SANWA BANK	8.480	1/23/89		4,999,940		4,997,825
5,000,000	SANWA BANK	8.550	1/26/89		4,999,932		4,997,933
10,000,000	SANWA BANK	8.850	2/17/89		9,999,489		9,991,017
5,000,000	SUMITOMO BANK	8.470	1/23/89		4,999,802		4,997,794
10,000,000	SUMITOMO BANK	8.470	1/23/89		9,999,760		9,995,589
5,000,000	SUMITOMO BANK	8.470	1/23/89		4,999,880		4,997,794
5,000,000	SUMITOMO BANK	8.520	1/03/89		4,999,984		4,999,984
10,000,000	SUMITOMO BANK	8.540	1/26/89		10,000,108		9,995,797
5,000,000	SUMITOMO BANK	8.590	1/06/89		5,000,006		5,000,006
10,000,000	SUMITOMO BANK	8.900	2/17/89		10,000,127		9,991,665
	SUB-TOTAL			\$	94,998,550	\$	94,958,074 0.32
\$ 20,000,000	COMMERCIAL PAPER						
12,000,000	(BACKED BY LETTERS OF CREDIT)						
10,000,000	(1) INTERFINANCIAL COMMERCIAL FUNDING CORP	8.375	1/12/89	\$	19,948,819	\$	19,948,446
	(2) YAMAHA MOTOR FINANCE CORP U.S.A.	8.300	1/23/89		11,939,133		11,934,763
	(2) YAMAHA MOTOR FINANCE CORP U.S.A.	9.270	2/02/89		9,917,600		9,917,600
	SUB-TOTAL			\$	41,805,552	\$	41,800,809 0.14
\$ 35,820,000	OVERNIGHT REPURCHASE AGREEMENTS						
13,200,000	(3) U.S.A. TREASURY	9.700	1/03/89	\$	38,630,000	\$	38,630,000
9,750,000	(3) U.S.A. TREASURY	9.700	1/03/89		13,930,000		13,930,000
25,000,000	(3) U.S.A. TREASURY	9.700	1/03/89		9,440,000		9,440,000
39,440,000	(4) U.S.A. TREASURY	9.750	1/03/89		23,696,000		23,696,000
	(4) U.S.A. TREASURY	9.750	1/03/89		38,304,000		38,304,000
	SUB-TOTAL			\$	124,000,000	\$	124,000,000 0.42
	TOTAL SHORT-TERM INVESTMENTS			\$	1,784,763,409	\$	1,784,424,464 6.09

- (1) CITIBANK, N.A.
- (2) FUJI BANK
- (3) DREXEL BURNHAM LAMBERT, INC
- (4) BEAR, STEARNS & CO, INC

- o NON-INCOME PRODUCING
- + AFFILIATE HOLDING
- x IN BANKRUPTCY

See notes to financial statements.

COLLEGE RETIREMENT EQUITIES FUND

Transactions with Affiliated Companies  
1/1/88 -12/31/88

Issue	Value at January 1, 1988	Purchases		Sales		Realized Gain (Loss)	Dividend Income
		Shares	Cost	Shares	Proceeds		
Airborne Freight Corp	\$ 6,430,463	-	\$ -	-	\$ -	\$ -	\$259,380
Businessland, Inc	**	1,007,600	11,677,067	-	-	-	-
Cipher Data Products, Inc	**	263,000	2,465,875	-	-	-	-
Gantos, Inc	**	235,000	2,499,187	-	-	-	-
Genrad, Inc	**	857,000	8,090,277	-	-	-	-
Harper Group (The)	5,951,250	150,000	2,256,250	150,000	2,152,500	56,321	98,286
*Jamesway Corp	**	505,600	5,477,030	-	-	-	13,792
*OnLine Software International	**	301,300	3,907,052	17,500	90,409	(136,519)	-
Orfa Corp of America	**	1,200,000	2,927,625	-	-	-	-
Orion Capital Corp	5,657,850	-	-	-	-	-	318,516
Pansophic Systems, Inc	**	300,000	5,432,925	-	-	-	159,936
Production Operations Corp	1,672,000	-	-	-	-	-	66,880
*Products Research & Chemical Corp	**	170,000	2,970,875	176,250	2,943,276	381,540	64,495
*Safeguard Health Enterprises, Inc	1,900,000	-	-	200,000	878,125	(1,569,375)	-
*Sigmaform Corp	780,741	-	-	244,900	2,292,550	483,941	-
Time Energy Systems, Inc	3,557	-	-	-	-	-	-
TPI Enterprises, Inc	**	230,000	1,230,937	-	-	-	-
	<u>\$22,395,861</u>		<u>\$48,935,100</u>		<u>\$8,356,860</u>	<u>\$ ( 784,092)</u>	<u>\$981,285</u>

\*\*Not an Affiliate as of 1/1/88

\*Not an Affiliate as of 12/31/88

See notes to financial statements.

COLLEGE RETIREMENT EQUITIES FUND  
STATEMENT OF INVESTMENTS--MONEY MARKET ACCOUNT  
DECEMBER 31, 1988

SUMMARY

	COST	MARKET VALUE	%
SHORT-TERM INVESTMENTS			
BANKERS ACCEPTANCES	\$ 170,619.724	\$ 170,614.065	18.77
CERTIFICATES OF DEPOSIT	154,325.703	154,524.894	17.00
COMMERCIAL PAPER	445,562.069	445,558.116	49.02
EURO CERTIFICATES OF DEPOSIT	21,998.519	21,998.813	2.42
GOVERNMENT AGENCIES	84,661.093	84,661.093	9.30
COMMERCIAL PAPER (BACKED BY LETTERS OF CREDIT)	4,979.104	4,979.104	0.55
OVERNIGHT REPURCHASE AGREEMENTS	5,096.000	5,096.000	0.56
TOTAL SHORT-TERM INVESTMENTS	<u>\$ 887,442.212</u>	<u>\$ 887,432.085</u>	<u>97.62</u>
LONDON TIME DEPOSITS	\$ 19,000,000	\$ 19,000,000	2.09
ROUNDING AMOUNT	<u>28</u>	<u>32</u>	<u>-</u>
TOTAL PORTFOLIO	<u>\$ 906,442,240</u>	906,432,117	99.71
NET OTHER ASSETS & LIABILITIES		<u>2,590,823</u>	<u>0.29</u>
NET ASSETS		<u>\$ 909,022,940</u>	<u>100.00%</u>

See notes to financial statements.

**COLLEGE RETIREMENT EQUITIES FUND**  
**STATEMENT OF INVESTMENTS—MONEY MARKET ACCOUNT**  
**DECEMBER 31, 1988**

PAR VALUE				COST	MARKET VALUE	%
<b>SHORT-TERM INVESTMENTS</b>						
	<b>BANKERS ACCEPTANCES</b>					
\$ 2,000,000	AMERITRUST CO OF CLEVELAND	9.150	1/06/89	\$ 1,997,458	\$ 1,997,458	
6,000,000	BANK OF TOKYO TRUST CO OF N.Y.	9.320	1/09/89	5,987,573	5,987,573	
3,000,000	BANK OF TOKYO TRUST CO OF N.Y.	9.360	1/20/89	2,985,180	2,985,180	
6,000,000	BANK OF TOKYO TRUST CO OF N.Y.	9.500	1/13/89	5,980,999	5,980,999	
25,000,000	BANKERS TRUST CO	9.170	1/06/89	24,968,159	24,968,159	
5,000,000	CITIBANK, N.A.	9.150	1/03/89	4,997,458	4,997,458	
5,000,000	CITIBANK, N.A.	9.180	1/23/89	4,971,950	4,971,950	
10,000,000	CITIZENS & SOUTHERN NATIONAL BANK	9.000	2/02/89	9,920,000	9,920,000	
8,000,000	DAI ICHI KANGYO BANK	8.260	1/23/89	7,959,617	7,955,796	
4,000,000	DAI ICHI KANGYO BANK	10.000	1/05/89	3,995,555	3,995,555	
6,000,000	MARYLAND NATIONAL BANK	9.120	2/16/89	5,930,080	5,930,080	
7,000,000	MORGAN GUARANTY TRUST CO	9.150	1/30/89	6,948,404	6,948,404	
15,000,000	MORGAN GUARANTY TRUST CO	9.230	1/04/89	14,988,462	14,988,462	
4,000,000	MORGAN GUARANTY TRUST CO	9.330	1/23/89	3,977,193	3,977,193	
11,500,000	NATIONAL WESTMINSTER BANK U.S.A.	9.050	2/09/89	11,387,252	11,387,252	
10,000,000	NATIONAL WESTMINSTER BANK U.S.A.	9.300	1/23/89	9,943,166	9,943,166	
0,000,000	PHILADELPHIA NATIONAL BANK	9.030	2/13/89	9,892,141	9,890,344	
12,000,000	REPUBLIC NATIONAL BANK OF NEW YORK	9.030	2/08/89	11,885,620	11,885,620	
7,000,000	REPUBLIC NATIONAL BANK OF NEW YORK	9.170	1/09/89	6,985,735	6,985,735	
5,000,000	STATE STREET BANK & TRUST CO	8.200	1/03/89	4,997,722	4,997,681	
10,000,000	THE NORTHERN TRUST CO	9.000	2/02/89	9,920,000	9,920,000	
	<b>SUB-TOTAL</b>			\$ 170,619,724	\$ 170,614,065	18.77
	<b>CERTIFICATES OF DEPOSIT</b>					
\$ 5,000,000	AMERICAN SECURITY BANK	9.250	1/23/89	\$ 5,000,000	\$ 5,000,000	
10,000,000	AMERICAN SECURITY BANK	9.250	1/31/89	10,000,000	10,000,000	
10,000,000	AMERICAN SECURITY BANK	9.270	1/23/89	10,000,000	10,000,000	
5,000,000	BANK ONE INDIANAPOLIS, N.A.	9.200	3/13/89	5,000,000	4,999,102	
20,000,000	BAYBANKS, INC	9.000	1/17/89	20,000,000	20,000,000	
6,000,000	BOSTON SAFE DEPOSIT & TRUST CO	8.350	1/19/89	5,999,742	5,998,162	
9,000,000	BOSTON SAFE DEPOSIT & TRUST CO	8.650	1/03/89	8,999,569	8,999,569	
5,000,000	BOSTON SAFE DEPOSIT & TRUST CO	9.300	1/09/89	5,000,000	5,000,000	
8,000,000	CENTRAL TRUST CO, N.A.	8.600	1/17/89	8,000,000	7,998,552	
5,000,000	CRESTAR	9.250	2/27/89	5,000,000	4,999,610	
9,000,000	NCNB NATIONAL BANK OF NORTH CAROLINA	8.700	1/04/89	8,999,392	8,999,392	
5,000,000	PROVIDENT NATIONAL BANK	9.300	3/06/89	5,000,000	5,000,127	
12,527,000	PROVIDENT NATIONAL BANK	9.300	3/13/89	12,527,000	12,527,353	
10,000,000	SANWA BANK CALIFORNIA	8.650	1/09/89	10,000,000	10,000,000	
10,000,000	SANWA BANK CALIFORNIA	9.330	2/21/89	10,000,000	10,003,027	
5,000,000	SANWA BANK CALIFORNIA	9.400	1/04/89	5,000,000	5,000,000	
10,000,000	THIRD NATIONAL BANK	9.375	1/11/89	10,000,000	10,000,000	

See notes to financial statements.

PAR VALUE					COST	MARKET VALUE	
\$	10,000,000	CERTIFICATES OF DEPOSIT					
		UNITED JERSEY BANKS	9.350	1/13/89	\$ 10,000,000	\$ 10,000,000	
		SUB-TOTAL			\$ 154,525,703	\$ 154,524,894	17.00
\$	20,000,000	COMMERCIAL PAPER					
	10,000,000	ARKLA, INC	9.700	1/06/89	\$ 19,973,055	\$ 19,973,055	
	12,000,000	BENEFICIAL CORP	9.200	2/06/89	9,908,000	9,908,000	
	6,600,000	CHRYSLER FINANCIAL CORP	9.460	1/10/89	11,971,619	11,971,619	
	11,000,000	CHRYSLER FINANCIAL CORP	9.550	1/13/89	6,578,989	6,578,989	
	20,000,000	COMMERCIAL CREDIT CO	9.250	1/19/89	10,949,125	10,949,125	
	5,000,000	CONAGRA, INC	9.400	1/13/89	19,937,333	19,937,333	
	5,000,000	COX ENTERPRISES	9.250	1/19/89	4,976,874	4,976,874	
	5,000,000	DILLARD INVESTMENT CO, INC	9.270	1/27/89	4,966,525	4,966,525	
	5,000,000	EASIMAN KODAK CO	9.200	1/27/89	4,966,777	4,967,204	
	10,000,000	EMHART CORP	8.850	1/31/89	9,926,249	9,922,902	
	19,000,000	FLEMING COS, INC	8.575	1/10/89	18,959,268	18,959,676	
	15,000,000	FLORIDA POWER & LIGHT CO	9.800	1/05/89	14,983,666	14,983,666	
	10,000,000	GENERAL ELECTRIC CAPITAL CORP	8.300	1/05/89	9,990,777	9,990,654	
	15,000,000	HOUSEHOLD FINANCE CORP	9.200	1/11/89	14,961,666	14,961,666	
	10,000,000	HOUSTON INDUSTRIAL FINANCE, INC	9.300	1/20/89	9,950,916	9,950,916	
	15,000,000	HOUSTON INDUSTRIAL FINANCE, INC	9.450	1/18/89	14,933,062	14,933,062	
	10,839,000	HOUSTON INDUSTRIES, INC	9.400	1/13/89	10,805,037	10,805,037	
	6,000,000	HOUSTON LIGHTING & POWER CO	9.175	2/10/89	5,938,833	5,938,833	
	20,000,000	HUMANA, INC	9.500	1/13/89	19,936,666	19,936,666	
	10,000,000	INTERNATIONAL PAPER CO	9.450	1/20/89	9,950,125	9,950,125	
	10,000,000	JAMES RIVER CORP	9.150	2/07/89	9,905,958	9,904,390	
	5,000,000	JAMES RIVER CORP	9.150	3/13/89	4,909,770	4,910,527	
	5,000,000	MARRIOTT CORP	8.400	1/05/89	4,995,333	4,995,327	
	5,000,000	MARRIOTT CORP	9.250	1/30/89	4,962,743	4,962,743	
	20,000,000	NEW YORK STATE ELECTRIC & GAS CO	9.450	1/13/89	19,937,000	19,937,000	
	8,000,000	NORTHERN INDIANA PUBLIC SERVICE CO	9.450	1/13/89	7,974,800	7,974,800	
	5,109,000	OLIN CORP	9.450	1/09/89	5,098,271	5,098,271	
	15,000,000	OLIN CORP	9.625	1/13/89	14,951,875	14,951,875	
	10,000,000	PACIFIC GAS & ELECTRIC CO	9.150	2/07/89	9,905,958	9,905,958	
	10,000,000	PACIFICORP	8.750	1/24/89	9,944,097	9,942,594	
	15,000,000	PEPSICO, INC	10.000	1/03/89	14,991,666	14,991,666	
	9,800,000	RETAILER FUNDING CORP	9.450	1/31/89	9,722,825	9,722,825	
	15,000,000	SEARS ROEBUCK ACCEPTANCE CORP	9.375	2/01/89	14,878,906	14,878,906	
	10,000,000	U.S. AIR	8.550	1/04/89	9,992,875	9,992,875	
	10,000,000	U.S. AIR	8.550	1/23/89	9,947,750	9,944,429	
	5,000,000	U.S. AIR	8.550	1/23/89	5,968,650	5,966,657	
	10,000,000	UNISYS CORP	9.150	2/17/89	9,880,541	9,881,634	
	17,000,000	UNISYS FINANCE CORP	9.350	2/24/89	16,761,575	16,766,798	
	1,350,000	WESTINGHOUSE CREDIT CORP	9.500	1/12/89	1,346,081	1,346,081	
	25,000,000	WESTINGHOUSE CREDIT CORP	9.500	1/13/89	24,920,833	24,920,833	
		SUB-TOTAL			\$ 445,562,069	\$ 445,558,116	49.02

See notes to financial statements.

PAR VALUE					COST	MARKET VALUE	%
\$ 12,000,000		EURO CERTIFICATES OF DEPOSIT					
10,000,000		DAI ICHI KANGYO BANK	9.190	2/09/89	\$ 11,997,925	\$ 11,997,925	
		SUMITOMO BANK	9.420	2/21/89	10,000,594	10,000,888	
		SUB-TOTAL			\$ 21,998,519	\$ 21,998,813	2.42
\$ 15,000,000		GOVERNMENT AGENCIES					
5,000,000		FEDERAL FARM CREDIT BANKS	9.000	1/12/89	\$ 14,958,750	\$ 14,958,750	
20,000,000		FEDERAL FARM CREDIT BANKS	9.050	1/11/89	4,987,430	4,987,430	
35,000,000		FEDERAL HOME LOAN MORTGAGE CORP	8.950	1/20/89	19,905,527	19,905,527	
10,000,000		FEDERAL HOME LOAN MORTGAGE CORP	8.970	1/18/89	34,851,745	34,851,745	
		FEDERAL HOME LOAN MORTGAGE CORP	8.970	1/18/89	9,957,641	9,957,641	
		SUB-TOTAL			\$ 84,661,093	\$ 84,661,093	5.30
\$ 5,000,000		COMMERCIAL PAPER (BACKED BY LETTERS OF CREDIT)					
		(1)GENERAL GROWTH CAPITAL CORP	8.850	1/18/89	\$ 4,979,104	\$ 4,979,104	
		SUB-TOTAL			\$ 4,979,104	\$ 4,979,104	0.55
\$ 5,230,000		OVERNIGHT REPURCHASE AGREEMENTS					
		(2)U.S.A. TREASURY	9.000	1/03/89	\$ 5,096,000	\$ 5,096,000	
		SUB-TOTAL			\$ 5,096,000	\$ 5,096,000	0.56
		TOTAL SHORT-TERM INVESTMENTS			\$ 887,442,212	\$ 887,432,085	97.62
\$ 19,000,000		LONDON TIME DEPOSITS					
		SANWA BANK	10.000	1/03/89	\$ 19,000,000	\$ 19,000,000	2.09
		SUB-TOTAL			\$ 19,000,000	\$ 19,000,000	2.09
		TOTAL LONDON TIME DEPOSITS			\$ 19,000,000	\$ 19,000,000	2.09

- (1) CITIBANK, N.A.  
(2) GOLDMAN, SACHS & CO

See notes to financial statements.

Nonprofit Organization  
US POSTAGE  
PAID  
Lancaster, PA  
Permit No. 1400

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NILO E KUPONEN  
710 CHENA RIDGE ROAD  
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