

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

274 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

08/19/77

STATE OF MINNESOTA

STATE BOARD OF INVESTMENT

PAGE 9

COMMON STOCK PURCHASES FROM 07/01/77 THROUGH 08/19/77

COMPANY/ BASIC RETIREMENT FUNDS	NUMBER OF SHARES PURCHASED PER FUND	SUPPL RET	TOTAL #	AVG. COST	TOTAL COST	EST. ANNUAL INCOME	BROKER/ #	EST. COMM
TRAF . PERA . SERA . PEPF . PSCH . MAFB . MVAR . SRGR .								
HPAT . JRET .								

METALS (CONTINUED)

ST. JOE MINERALS CORP. (CONTINUED)

GOLDMAN, SACHS & CO.	6500	1,040.00
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TOTAL METALS 627,225.50

PAPER

UNION CAMP CORPORATION

5000 .	2000 .	1000 .	.12000 .	.1000 .	21300	52.33	1,114,684.00	38,340	GOLDMAN, SACHS & CO.	10300	2,370.00
300 .											

FIRST MANHATTAN CO	5000	1,150.00
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S., BARNEY WASH. SERV.	2000	544.00
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BROWN BROS. HARRIMAN	4000	920.00
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TOTAL PAPER 1,114,684.00

MISCELLANEOUS

INT'L TEL. & TEL.

3000 .	3000 .	2000 .	.15000 .	.500 .	24000	33.75	809,925.00	42,240	BANK OF N.Y. RESEARCH	24000	3,200.00
500 .											

TOTAL MISCELLANEOUS 809,925.00

OIL-DOMESTIC

ATLANTIC RICHFIELD CO.

3000 .	2000 .	3000 .	.5000 .	.500 .	13500	58.22	785,982.50	27,000	BACHE H.S. WASH. SERV.	7000	1,830.00
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SMITH, BARNEY & CO	2000	570.00
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NOVICK (M.H.) & CO.	1000	345.00
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WERTHEIM MEASUREMENT	3500	875.00
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CONTINENTAL OIL

.	.10000 .		10000	32.51	325,150.00	14,000	10000	1,500.00
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MARATHON OIL CO

.			.1000 .		1000	53.55	53,550.00	2,200	1000	125.00
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41.

08/19/77

STATE OF MINNESOTA

STATE BOARD OF INVESTMENT

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COMMON STOCK PURCHASES FROM 07/01/77 THROUGH 08/19/77

COMPANY/ BASIC RETIREMENT FUNDS	NUMBER OF SHARES PURCHASED PER FUND	SUPPL RET	TOTAL #	AVG. COST	TOTAL COST	EST. ANNUAL INCOME	BROKER/ #	EST. COMM
TRAF . PERA . SERA . PEFF . PSCH . MAFB . MVAR . SRGR . HPAT . JRET .			SHARES				SHARES	

OIL-DOMESTIC (CONTINUED)

TOTAL OIL-DOMESTIC 1,164,682.50

OIL-INTERNATIONAL

EXXON CORPORATION

OPPENHEIMER & CO

. 2000 . 1000 . . .15000 . . 18000 52.67 948,060.00 54,000 5000 1,180.00

HORNBLLOWER & WEEKS

5000 1,125.00

HARRIS TRUST & SAVINGS

6000 1,260.00

WERTHEIM MEASUREMENT

2000 520.00

GULF OIL CORP.

WAINWRIGHT SECURITIES

6000 . . 4000 . . .25000 . . 35000 29.10 1,018,405.50 66,500 12000 1,560.00

BANK OF N.Y. RESEARCH

10000 1,400.00

MORGAN OLMSTED KENNEDY

7000 1,050.00

HARDY & COMPANY

6000 1,008.00

MOBIL CORP.

INSTITUTIONAL NETWORKS

. . . 500 . . . 500 68.21 34,107.50 1,900 500 45.00

TOTAL OIL-INTERNATIONAL

2,000,573.00

ENERGY - RELATED

HALLIBURTON CO

WEEDEN & CO

. 1000 . 500 . . . 1500 61.66 92,487.50 1,500 500 62.50

OPPENHEIMER & CO

1000 360.00

TOTAL ENERGY - RELATED

92,487.50

RAILROADS

SOUTHERN RAILWAY

INSTITUTIONAL NETWORKS

4000 . . . 4000 56.71 226,860.00 10,400 4000 360.00

UNION PACIFIC CORP.

BROWN BROS. HARRIMAN

400 10000 . . 10400 54.41 565,902.50 17,680 5000 1,200.00
42.

08/19/77

STATE OF MINNESOTA

STATE BOARD OF INVESTMENT

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COMMON STOCK PURCHASES FROM 07/01/77 THROUGH 08/19/77

COMPANY/ BASIC RETIREMENT FUNDS	NUMBER OF SHARES PURCHASED PER FUND	SUPPL RET	TOTAL #	AVG. COST	TOTAL COST	EST. ANNUAL INCOME	BROKER/ #	EST. COMM
TRAF . PERA . SERA . PEPF . PSCH . MAFB . MVAR . SRGR .			SHARES				SHARES	
HPAT . JRET .		SRIN .						

RAILROADS (CONTINUED)

UNION PACIFIC CORP. (CONTINUED)

SALOMON BROS

5400

1,215.00

TOTAL RAILROADS

792,762.50

TOTAL COMMON STOCK PURCHASES

28,156,982.20

08/19/77

STATE OF MINNESOTA

STATE BOARD OF INVESTMENT

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COMMON STOCK SALES FROM 07/01/77 THROUGH 08/19/77

COMPANY/ BASIC RETIREMENT FUNDS	NUMBER OF SHARES	PER FUND	TOTAL	EST.	BROKER/	EST.
TRAF . PERA . SERA . PEPF . PSCH . MAFB . MVAR . SRGR . HPAT . JRET .		SUPPL RET	#	ANNUAL	#	COMM
			SHARES	PROC.	SHARES	
				TOTAL PROC.		
				INCOME		

CONSUMER-MISCELLANEOUS

HOLIDAY INNS INC.

2000			2000	14.25	28,499.05	930	WEEDEN & CO	2000	250.00
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TOTAL CONSUMER-MISCELLANEOUS

28,499.05

FOODS-BEVERAGES

KRAFT, INC.

9000			9000	49.41	444,677.60	20,880	FIRST BOSTON CORP	9000	1,620.00
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TOTAL FOODS-BEVERAGES

444,677.60

TOTAL COMMON STOCK SALES

473,176.65

SUMMARY ANALYSIS OF COMMON STOCK PURCHASES AND SALES
FROM 07/01/77 THROUGH 08/19/77

FUND SYMBOL	FUND	PURCHASES	INCOME ON PURCHASES	SALES	INCOME ON SALES
TRAF	TEACHERS RETIREMENT FUND	4,017,259.40	148,520.00	0.00	0.00
PERA	PUBLIC EMPLOYEE RET FUND	1,762,723.10	58,580.00	0.00	0.00
SERA	STATE EMPLOYEES RET FUND	2,096,291.52	73,340.00	28,499.05	930.00
PEPF	PUB EMP POLICE-FIRE FUND	339,644.59	10,580.00	0.00	0.00
HPAT	HWY PATROLMENS RET FUND	430,169.76	14,998.00	0.00	0.00
PSCH	PERMANENT SCHOOL FUND	0.00	0.00	0.00	0.00
MAFB	ADJ FIXED BENEFIT FUND	18,668,032.67	743,759.99	444,677.60	20,880.00
MVAR	MINN VARIABLE ANNUITY	37,195.81	400.00	0.00	0.00
SRGR	SUPPLEMENTAL RET-GROWTH	353,276.98	9,990.00	0.00	0.00
SRIN	SUPPLEMENTAL RET-INCOME	420,052.17	16,690.00	0.00	0.00
JRET	JUDGES RETIREMENT FUND	32,336.20	1,180.00	0.00	0.00
TOTALS		28,156,982.20	1,078,037.99	473,176.65	21,810.00

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

SUMMARY OF PERMANENT INVESTMENTS PURCHASED AND SOLD

JULY 1, 1977 - AUGUST 19, 1977

RETIREMENT FUNDS

\$ 28,156,982.20	invested in stocks during period to yield	3.83%
6,650,000.00	invested in medium-and long-term securities during period to yield	8.26%
\$ 34,806,982.20	invested in stock and medium-and long-term securities during period to yield	4.68%
(\$ 332,753,000.00	invested in short-term corporate notes and short-term U.S. Government securities during period to yield	5.37%)
(\$ 473,176.65	common stocks sold during period to yield	4.61%)
\$443,377,765.10 net investment in stocks for the retirement funds for the time period beginning January 1, 1974 through August 19, 1977. \$466,831,162.85 net investment in medium-and long-term securities for the retirement funds for the time period beginning January 1, 1974 through August 19, 1977.		
\$ 314,476,302.05	invested in stock and medium-and long-term securities for the retirement funds during the last six reporting periods (present period included) at an average yield of	6.15%
\$ 1,979,774,613.92	net investment in stock and medium-and long-term securities for the retirement funds since March 14, 1960, at a current yield of	6.13%

PERMANENT SCHOOL FUND

(\$ 56,033,000.00	invested in short-term U.S. Government securities during period to yield	5.36%)
\$2,201,592.58 net investment in stocks for the Permanent School Fund for the time period beginning January 1, 1974 through August 19, 1977. \$43,557,823.26 net investment in medium-and long-term and U.S. government-guaranteed bonds for the Permanent School Fund for the time period beginning January 1, 1974 through August 19, 1977.		
\$ 17,905,283.92	invested in stock and medium-and long-term securities and U.S. government-guaranteed bonds for the Permanent School Fund during the last six reporting periods (present period included) at an average yield of	8.19%
\$ 251,070,341.30	net investment in stock and medium-and long-term and U.S. government-guaranteed bonds for the Permanent School Fund since May 22, 1963, at a current yield of	6.82%

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

SUMMARY OF PERMANENT INVESTMENTS PURCHASED AND SOLD

JULY 1, 1977 - AUGUST 19, 1977

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STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

NAME OF ISSUE: \$50,000,000 MONTGOMERY WARD CREDIT CORPORATION, 8 1/4% SINKING FUND DEBENTURES, DUE JUNE 30, 2002.
(SUBSIDIARY OF MONTGOMERY WARD & CO., INC., A WHOLLY OWNED UNIT OF MOBIL CORPORATION)

Among corporate securities defined by Minnesota Statutes 1976, Section 11.16, Subdivision 12, as legal investments for the State retirement funds are the following: "Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada." For the Permanent School Fund, by similar definition, as found in Minnesota Statutes 1976, Section 11.015, Subdivision 4, investment is authorized in: "Bonds, notes, debentures, equipment obligations, or any other obligation of any corporation organized within any of the states of the United States or in Canada." Such investments are subject, however, to the following restrictions:

		Montgomery Ward Credit Corporation December 29, 1976
1. Such corporation shall have assets of not less than \$10 million.		\$2,310,770,000
2. The book value of the outstanding capital stock of such corporation (or an owning parent corporation which guarantees the payment of the debt securities of the subsidiary*) shall not be less than 50 percent of its total funded debt.		Not applicable
3. The book value of the outstanding capital stock of an independent finance corporation shall be not less than 25 percent of its total funded debt.*		41.46%
4. Net pretax earnings of such corporation (or of one or more corporations guaranteeing the debt*) shall have been not less than 1.5 times (in the case of the Permanent School Fund, 3 times) the annual interest charges on its total funded debt for each of the five fiscal years immediately prior to the date of such investment.		1976 - 1.51x 1975 - 1.51x 1974 - 1.51x 1973 - 1.51x 1972 - 1.51x
5. Gross operating revenues of such corporation shall have averaged not less than \$1 million per year for each of the five fiscal years immediately prior to the date of such investment.		1976 - \$162,363,000 1975 - 212,136,000 1974 - 142,283,000 1973 - 73,778,000 1972 - 74,912,000
6. Such corporate debt obligations shall be rated among the top third of the quality categories, not applicable to defaulted bonds, used by a nationally recognized rating agency.		Moody's - A S&P - A
7. <u>Obligations of Canadian corporations shall be payable in United States Dollars.</u> *Not Applicable to Permanent School Fund.		Not Applicable

CAPITALIZATION 12-29-76

	Book Amount (000)	%	Pro Forma Amount (000)	%
Long-term debt	\$ 984,127	70.69%	\$1,034,127	71.71%
Preferred stock	---	---	---	---
Common stock & surplus	408,011	29.31	408,011	28.29
	\$1,392,138	100.00%	\$1,442,138	100.00%

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

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- | | |
|---|--|
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December 29, 1976

\$2,310,770,000 |
| 2. The book value of the outstanding capital stock of such corporation (or an owning parent corporation which guarantees the payment of the debt securities of the subsidiary*) shall not be less than 50 percent of its total funded debt. | Not applicable |
| 3. The book value of the outstanding capital stock of an independent finance corporation shall be not less than 25 percent of its total funded debt.* | 41.46% |
| 4. Net pretax earnings of such corporation (or of one or more corporations guaranteeing the debt*) shall have been not less than 1.5 times (in the case of the Permanent School Fund, 3 times) the annual interest charges on its total funded debt for each of the five fiscal years immediately prior to the date of such investment. | 1976 - 1.51x
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1974 - 1.51x
1973 - 1.51x
1972 - 1.51x |
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S&P - A |
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CAPITALIZATION 12-29-76

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Preferred stock	---	---	---	---
Common stock & surplus	408,011	29.31	408,011	28.29
	\$1,392,138	100.00%	\$1,442,138	100.00%

EARNINGS AND INCOME (000)

Years ending 1-31	1974	1975	1976	1977 Pro Forma
Gross Income	\$142,283	\$212,136	\$162,363	
Operating expenses:				
Amortization of debentures discount and expense	\$ 275	\$ 274	\$ 380	
Other Expenses	692	885	864	
Total operating expenses	\$ 967	\$ 1,159	\$ 1,244	
Net pretax income	\$141,316	\$210,977	\$161,119	\$161,119
Interest expense	93,540	139,300	106,658	110,783 ^a
Federal income tax	22,932	34,405	26,141	24,078 ^b
Net income	\$ 24,844	\$ 37,272	\$ 28,320	\$ 26,258
Time charges earned:				
Before income tax	1.51x	1.51x	1.51x	(See) ^c
After income tax	1.27x	1.27x	1.27x	(Note)

a. Includes this issue at 8 1/4%.

b. Pro forma tax estimate.

c. Montgomery Ward & Company guarantees at least 1.5 times the fixed charges. Hence, the pro forma charges are meaningless.

BALANCE SHEET 12-29-76 (000)

<u>Assets</u>		<u>Liabilities and Shareholders' Equity</u>	
Cash	\$ 24,934	Current:	
Accounts receivable	2,281,650	Short-term debt	\$775,677
Prepaid interest	1,088	Allowance for bad debt	114,083
Other assets	3,098	Accrued interest	15,813
		Accrued taxes	13,059
		Total current liabilities	\$ 918,632
		Long-term debt	984,127
		Shareholders' Equity	408,011
		Total Liabilities and Shareholders' Equity	<u>\$2,310,770</u>
	<u>\$2,310,770</u>		

GENERAL INFORMATION

Montgomery Ward Credit Corporation is a wholly owned subsidiary of Montgomery Ward & Co., Inc., which is, in turn, a wholly owned subsidiary of Marcor, Inc. The principal business of the company is to finance customer deferred payment accounts of Montgomery Ward & Co., Inc.

The corporation has an agreement with Wards under which the parent will sell and assign to the credit corporation contracts arising out of merchandise sales made by Wards under its various charge and time payment plans in its retail stores. The credit corporation purchases all such sales contracts. At present, the corporation pays Wards an amount equal to the account balance being acquired, less a cash discount which during the 1976 fiscal year ranged from 7 1/4% to 8% a year and was 7 7/8% at March 30, 1977.

The credit company's income is derived primarily from a discount charged to the parent company on receivables financed. Historically, the discount has been designed to produce earnings of 1.5 times fixed charges on its debt. Consequently, the credit company's income should be expected to be directly related to interest costs and a decrease in interest costs would result in a reduction in the discount rate charged the parent and decreased earnings for the company.

MONTGOMERY WARD CREDIT CORPORATION
8 1/4% Sinking Fund Debentures, due June 30, 2002

Amount:	\$50,000,000
Dated:	June 30, 1977
Maturity:	June 30, 2002
Interest Rate:	8 1/4%, payable semi-annually on June 30 and December 31.
Redemption:	Not redeemable prior to June 30, 1987, except under certain conditions of declining receivables; thereafter, at specified prices scaled down from 104.125 to par in 1997.
Sinking Fund:	Annual payment of \$2,620,000 each June 30, beginning in 1988 are calculated to retire 73.36% of the issue prior to maturity.
Security:	The bonds will constitute senior debt ranking with all other senior debt.
Purpose:	The net proceeds from the sale of the debentures will be applied to the repayment of short-term debt of the company.
Sale:	This Secondary offering was purchased from Lehman Bros., Inc., through competitive offering at \$989.80 per \$1,000 bond to yield 8.35%. It is assumed the selling agent received a commission of \$2.50 per \$1,000 of principal; accordingly, the total gross commission received on the portion of this issue purchased by the State of Minnesota was \$1,000.
Commitments:	The State of Minnesota has purchased \$400,000 face amount of this security for the Supplemental Retirement Fund - Fixed Return Account.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
DIVIDEND CHANGES, STOCK DIVIDENDS, STOCK SPLITS

JULY 1, 1977 - AUGUST 19, 1977

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETIREMENT FUNDS	PERMANENT SCHOOL FUND	FORMER ANNUAL DIVIDEND RATE ON PREVIOUS NUMBER OF SHARES	FORMER ANNUAL DIVIDEND RATE APPLICABLE TO NEW NUMBER OF SHARES	EX-DATE OF CHANGE	NEW INDICATED ANNUAL RATE	STOCK DIVIDEND/ STOCK SPLIT RATE DECLARED	NUMBER OF NEW SHARES HELD	ANNUAL TOTAL PREVIOUS DIVIDEND	ANNUAL TOTAL NEW DIVIDEND	PREVIOUS YIELD BASED ON COST	NEW YIELD BASED ON COST
<i>SAFECO Corp.</i>											
BR 40700	-	\$1.25	-	7-02-77	\$1.50	-	-	\$ 50,875.00	\$ 61,050.00	4.06%	4.87%
MA 74400	-	1.25	-	7-02-77	1.50	-	-	93,000.00	111,600.00	3.85	4.62
SG 3400	-	1.25	-	7-02-77	1.50	-	-	4,250.00	5,100.00	2.68	3.21
-	15800	1.25	-	7-02-77	1.50	-	-	19,750.00	23,700.00	5.73	6.87
<i>Medtronic, Inc.</i>											
BR 93000	-	N11	-	7-05-77	0.40	-	-	-	37,200.00	-	1.24
MA 48100	-	N11	-	7-05-77	0.40	-	-	-	19,240.00	-	1.35
VA 6000	-	N11	-	7-05-77	0.40	-	-	-	2,400.00	-	1.04
SG 7000	-	N11	-	7-05-77	0.40	-	-	-	2,800.00	-	1.68
<i>Cincinnati Gas & Electric</i>											
BR 65000	-	1.64	-	7-11-77	1.84	-	-	106,600.00	119,600.00	6.16	6.91
-	24000	1.64	-	7-11-77	1.84	-	-	39,360.00	44,160.00	6.20	6.95
<i>Sears, Roebuck & Co.</i>											
BR 93000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	186000	195,300.00	195,300.00	2.98	2.98
MA 60000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	120000	126,000.00	126,000.00	2.90	2.90
VA 6000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	12000	12,600.00	12,600.00	2.57	2.57
SI 7500	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	15000	15,750.00	15,750.00	2.70	2.70
-	12000	2.10	1.05	7-18-77	1.05	2x1 S.S.	24000	25,200.00	25,200.00	2.58	2.58
<i>Colgate-Palmolive Co.</i>											
BR 232500	-	0.88	-	7-19-77	1.00	-	-	204,600.00	232,500.00	3.22	3.66
VA 15000	-	0.88	-	7-19-77	1.00	-	-	13,200.00	15,000.00	3.35	3.81
SG 6000	-	0.88	-	7-19-77	1.00	-	-	5,280.00	6,000.00	3.29	3.74
SI 9000	-	0.88	-	7-19-77	1.00	-	-	7,920.00	9,000.00	3.31	3.76
<i>Gulf Oil Corp.</i>											
BR 227100	-	1.80	-	8-01-77	1.90	-	-	408,780.00	431,490.00	6.66	7.03
MA 170000	-	1.80	-	8-01-77	1.90	-	-	306,000.00	323,000.00	6.46	6.82
<i>Atlantic Richfield</i>											
BR 126400	-	1.60	-	8-01-77	2.00	-	-	202,240.00	252,800.00	3.98	4.97
MA 114000	-	1.60	-	8-01-77	2.00	-	-	182,400.00	228,000.00	3.52	4.40
VA 10000	-	1.60	-	8-01-77	2.00	-	-	16,000.00	20,000.00	3.15	3.94
SG 5500	-	1.60	-	8-01-77	2.00	-	-	8,800.00	11,000.00	2.97	3.71
-	16000	1.60	-	8-01-77	2.00	-	-	25,600.00	32,000.00	3.74	4.67
<i>Boeing Co.</i>											
BR 99700	-	1.40	-	8-05-77	2.00	-	-	139,580.00	199,400.00	3.35	4.78
MA 60000	-	1.40	-	8-05-77	2.00	-	-	84,000.00	120,000.00	3.41	4.87
VA 14000	-	1.40	-	8-05-77	2.00	-	-	19,600.00	28,000.00	3.14	4.48
SG 7000	-	1.40	-	8-05-77	2.00	-	-	9,800.00	14,000.00	3.14	4.49

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
DIVIDEND CHANGES, STOCK DIVIDENDS, STOCK SPLITS

JULY 1, 1977 - AUGUST 19, 1977

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETIREMENT FUNDS	PERMANENT SCHOOL FUND	FORMER ANNUAL DIVIDEND RATE ON PREVIOUS NUMBER OF SHARES	FORMER ANNUAL DIVIDEND RATE APPLICABLE TO NEW NUMBER OF SHARES	EX-DATE OF CHANGE	NEW INDICATED ANNUAL RATE	STOCK DIVIDEND/ STOCK SPLIT RATE DECLARED	NUMBER OF NEW SHARES HELD	ANNUAL TOTAL PREVIOUS DIVIDEND	ANNUAL TOTAL NEW DIVIDEND	PREVIOUS YIELD BASED ON COST	NEW YIELD BASED ON COST
<i>SAFECO Corp.</i>											
BR 40700	-	\$1.25	-	7-02-77	\$1.50	-	-	\$ 50,875.00	\$ 61,050.00	4.06%	4.87%
MA 74400	-	1.25	-	7-02-77	1.50	-	-	93,000.00	111,600.00	3.85	4.62
SG 3400	-	1.25	-	7-02-77	1.50	-	-	4,250.00	5,100.00	2.68	3.21
-	15800	1.25	-	7-02-77	1.50	-	-	19,750.00	23,700.00	5.73	6.87
<i>Medtronic, Inc.</i>											
BR 93000	-	Nil	-	7-05-77	0.40	-	-	-	37,200.00	-	1.24
MA 48100	-	Nil	-	7-05-77	0.40	-	-	-	19,240.00	-	1.35
VA 6000	-	Nil	-	7-05-77	0.40	-	-	-	2,400.00	-	1.04
SG 7000	-	Nil	-	7-05-77	0.40	-	-	-	2,800.00	-	1.68
<i>Cincinnati Gas & Electric</i>											
BR 65000	-	1.64	-	7-11-77	1.84	-	-	106,600.00	119,600.00	6.16	6.91
-	24000	1.64	-	7-11-77	1.84	-	-	39,360.00	44,160.00	6.20	6.95
<i>Sears, Roebuck & Co.</i>											
BR 93000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	186000	195,300.00	195,300.00	2.98	2.98
MA 60000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	120000	126,000.00	126,000.00	2.90	2.90
VA 6000	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	12000	12,600.00	12,600.00	2.57	2.57
SI 7500	-	2.10	1.05	7-18-77	1.05	2x1 S.S.	15000	15,750.00	15,750.00	2.70	2.70
-	12000	2.10	1.05	7-18-77	1.05	2x1 S.S.	24000	25,200.00	25,200.00	2.58	2.58
<i>Colgate-Palmolive Co.</i>											
BR 232500	-	0.88	-	7-19-77	1.00	-	-	204,600.00	232,500.00	3.22	3.66
VA 15000	-	0.88	-	7-19-77	1.00	-	-	13,200.00	15,000.00	3.35	3.81
SG 6000	-	0.88	-	7-19-77	1.00	-	-	5,280.00	6,000.00	3.29	3.74
SI 9000	-	0.88	-	7-19-77	1.00	-	-	7,920.00	9,000.00	3.31	3.76
<i>Gulf Oil Corp.</i>											
BR 227100	-	1.80	-	8-01-77	1.90	-	-	408,780.00	431,490.00	6.66	7.03
MA 170000	-	1.80	-	8-01-77	1.90	-	-	306,000.00	323,000.00	6.46	6.82
<i>Atlantic Richfield</i>											
BR 126400	-	1.60	-	8-01-77	2.00	-	-	202,240.00	252,800.00	3.98	4.97
MA 114000	-	1.60	-	8-01-77	2.00	-	-	182,400.00	228,000.00	3.52	4.40
VA 10000	-	1.60	-	8-01-77	2.00	-	-	16,000.00	20,000.00	3.15	3.94
SG 5500	-	1.60	-	8-01-77	2.00	-	-	8,800.00	11,000.00	2.97	3.71
-	16000	1.60	-	8-01-77	2.00	-	-	25,600.00	32,000.00	3.74	4.67
<i>Boeing Co.</i>											
BR 99700	-	1.40	-	8-05-77	2.00	-	-	139,580.00	199,400.00	3.35	4.78
MA 60000	-	1.40	-	8-05-77	2.00	-	-	84,000.00	120,000.00	3.41	4.87
VA 14000	-	1.40	-	8-05-77	2.00	-	-	19,600.00	28,000.00	3.14	4.48
SG 7000	-	1.40	-	8-05-77	2.00	-	-	9,800.00	14,000.00	3.14	4.49

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
DIVIDEND CHANGES, STOCK DIVIDENDS, STOCK SPLITS

JULY 1, 1977 - AUGUST 19, 1977

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETIREMENT FUNDS	PERMANENT SCHOOL FUND	FORMER ANNUAL DIVIDEND RATE ON PREVIOUS NUMBER OF SHARES	FORMER ANNUAL DIVIDEND RATE APPLICABLE TO NEW NUMBER OF SHARES	EX-DATE OF CHANGE	NEW INDICATED ANNUAL RATE	STOCK DIVIDEND/ STOCK SPLIT		ANNUAL TOTAL PREVIOUS DIVIDEND	ANNUAL TOTAL NEW DIVIDEND	PREVIOUS YIELD BASED ON COST	NEW YIELD BASED ON COST
NUMBER OF SHARES PRESENTLY HELD	NUMBER OF SHARES PRESENTLY HELD					RATE DECLARED	NUMBER OF NEW SHARES HELD				
<i>BankAmerica Corp.</i>											
BR 7000	-	\$0.80	-	8-05-77	\$0.94	-	-	\$ 5,600.00	\$ 6,580.00	3.40%	3.99%
MA 167000	-	0.80	-	8-05-77	0.94	-	-	133,600.00	156,980.00	4.14	4.87
SG 5000	-	0.80	-	8-05-77	0.94	-	-	4,000.00	4,700.00	4.01	4.71
-	33000	0.80	-	3-05-77	0.94	-	-	26,400.00	31,020.00	3.57	4.19
<i>Trans Union Corp.</i>											
BR 110000	-	1.76	-	8-08-77	1.92	-	-	193,600.00	211,200.00	5.51	6.01
MA 75100	-	1.76	-	8-08-77	1.92	-	-	132,176.00	144,192.00	5.81	6.34
VA 8000	-	1.76	-	8-08-77	1.92	-	-	14,080.00	15,360.00	5.57	6.08
SG 3500	-	1.76	-	8-08-77	1.92	-	-	6,160.00	6,720.00	5.44	5.93
SI 8000	-	1.76	-	8-08-77	1.92	-	-	14,080.00	15,360.00	5.58	6.08
-	10400	1.76	-	8-08-77	1.92	-	-	18,304.00	19,968.00	6.17	6.73
<i>Houston Industries</i>											
BR 94100	-	1.76	-	8-08-77	1.96	-	-	165,616.00	184,436.00	4.17	4.64
MA 97600	-	1.76	-	8-08-77	1.96	-	-	171,776.00	191,296.00	4.54	5.06
-	16500	1.76	-	8-08-77	1.96	-	-	29,040.00	32,340.00	3.72	4.14
<i>American Home Products</i>											
BR 125300	-	1.10	-	8-08-77	1.20	-	-	137,830.00	150,360.00	4.20	4.59
MA 89800	-	1.10	-	8-08-77	1.20	-	-	98,780.00	107,760.00	4.55	4.97
SG 7000	-	1.10	-	8-08-77	1.20	-	-	7,700.00	8,400.00	2.97	3.24
SI 5000	-	1.10	-	8-08-77	1.20	-	-	5,500.00	6,000.00	3.51	3.83
-	22800	1.10	-	8-08-77	1.20	-	-	25,080.00	27,360.00	4.96	5.41
<i>Sears, Roebuck & Co.</i>											
BR 186000	-	1.05	-	8-08-77	1.11	-	-	195,300.00	206,460.00	2.98	3.15
MA 120000	-	1.05	-	8-08-77	1.11	-	-	126,000.00	133,200.00	2.90	3.07
VA 12000	-	1.05	-	8-08-77	1.11	-	-	12,600.00	13,320.00	2.57	2.71
SI 15000	-	1.05	-	8-08-77	1.11	-	-	15,750.00	16,650.00	2.70	2.85
-	24000	1.05	-	8-08-77	1.11	-	-	25,200.00	26,640.00	2.58	2.72
<i>Goodyear Tire & Rubber</i>											
BR 213500	-	1.10	-	8-09-77	1.30	-	-	234,850.00	277,550.00	4.29	5.07
MA 147500	-	1.10	-	8-09-77	1.30	-	-	162,250.00	191,750.00	4.01	4.74
SI 11500	-	1.10	-	8-09-77	1.30	-	-	12,650.00	14,950.00	3.83	4.53
-	33000	1.10	-	8-09-77	1.30	-	-	36,300.00	42,900.00	4.26	5.03
<i>Donnelley (R.R.) & Sons</i>											
BR 93102	-	0.68	-	8-09-77	0.76	-	-	63,309.36	70,757.52	3.22	3.60

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
DIVIDEND CHANGES, STOCK DIVIDENDS, STOCK SPLITS

JULY 1, 1977 - AUGUST 19, 1977

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETIREMENT FUNDS	PERMANENT SCHOOL FUND	FORMER ANNUAL DIVIDEND RATE ON PREVIOUS NUMBER OF SHARES	FORMER ANNUAL DIVIDEND RATE APPLICABLE TO NEW NUMBER OF SHARES	EX-DATE OF CHANGE	NEW INDICATED ANNUAL RATE	STOCK DIVIDEND/ STOCK SPLIT RATE DECLARED	NUMBER OF NEW SHARES HELD	ANNUAL TOTAL PREVIOUS DIVIDEND	ANNUAL TOTAL NEW DIVIDEND	PREVIOUS YIELD BASED ON COST	NEW YIELD BASED ON COST
<i>General Telephone & Electronics</i>											
BR 270300	-	\$2.00	-	8-16-77	\$2.24	-	-	\$540,600.00	\$605,472.00	6.87%	7.69%
MA 220000	-	2.00	-	8-16-77	2.24	-	-	440,000.00	492,800.00	7.70	8.62
VA 14500	-	2.00	-	8-16-77	2.24	-	-	29,000.00	32,480.00	9.24	10.35
SI 22000	-	2.00	-	8-16-77	2.24	-	-	44,000.00	49,280.00	7.33	8.21
-	40800	2.00	-	8-16-77	2.24	-	-	81,600.00	91,392.00	7.12	7.97
<i>Clark Equipment</i>											
BR 82700	-	1.60	-	8-16-77	1.80	-	-	132,320.00	148,860.00	3.75	4.22
MA 50000	-	1.60	-	8-16-77	1.80	-	-	80,000.00	90,000.00	3.78	4.25
SG 4000	-	1.60	-	8-16-77	1.80	-	-	6,400.00	7,200.00	3.94	4.43
SI 5000	-	1.60	-	8-16-77	1.80	-	-	8,000.00	9,000.00	3.68	4.14

BR - Basic Retirement Funds - Teachers', Public Employees, State Employees, Police & Fire, Highway Patrolmen's and Judges.
SG - Supplemental Growth Share Account.
SI - Supplemental Income Share Account.
MA - Minnesota Adjustable Fixed Benefit Fund.
VA - Minnesota Variable Annuity Fund.

SUMMARY

RETIREMENT FUNDS	
<i>Basic Retirement:</i>	
Net dividend increase during period:	\$ 414,015.16
Net dividend increase since January 1, 1977:	\$2,177,347.06
<i>Supplemental Growth Share Account:</i>	
Net dividend increase during period:	\$ 15,830.00
Net dividend increase since January 1, 1977:	\$ 57,623.88
<i>Supplemental Income Share Account:</i>	
Net dividend increase during period:	\$ 10,040.00
Net dividend increase since January 1, 1977:	\$ 94,568.40

RETIREMENT FUNDS, Con't.	
<i>Minnesota Adjustable Fixed Benefit Fund:</i>	
Net dividend increase during period:	\$ 299,836.00
Net dividend increase since January 1, 1977:	\$1,523,232.34
<i>Minnesota Variable Annuity Fund:</i>	
Net dividend increase during period:	\$ 22,080.00
Net dividend increase since January 1, 1977:	\$ 100,977.20

PERMANENT SCHOOL FUND	
Net dividend increase during period:	\$ 44,846.00
Net dividend increase since January 1, 1977:	\$ 215,091.60

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
ADVISORY COUNCIL ON STATE TRUST FUNDS
MATERIALS FOR MEETING OF NOVEMBER 4, 1977

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STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
THE INVESTMENT ADVISORY COUNCIL ON STATE TRUST FUNDS
PERTINENT STATISTICS FOR PORTFOLIO REVIEW

DISTRIBUTION OF COMMON STOCK HOLDINGS
PERMANENT SCHOOL FUND, BASIC RETIREMENT FUNDS AND MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
(Percentage of Market Value)
October 14, 1977

	<u>PERMANENT SCHOOL FUND</u>	<u>BASIC RETIREMENT FUNDS</u>	<u>MINNESOTA ADJUSTABLE FIXED BENEFIT FUND</u>
I. Utilities	22.85%	15.24%	15.76%
II. Financial Services	16.46	12.18	10.92
III. Consumer-Oriented	24.11	27.99	25.70
IV. Technology	8.92	8.70	9.75
V. Basic Industry	10.72	18.57	19.56
VI. Energy	13.74	14.67	15.62
VII. Transportation	3.20	2.65	2.69
Total Market Value	\$53,452,780.14	\$566,500,400.13	\$362,135,085.54

TWELVE LARGEST HOLDINGS-PERMANENT SCHOOL FUND,
BASIC RETIREMENT FUNDS AND MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
(Listed in order of cost and market value)
(INCLUDES BASIC RETIREMENT FUNDS, PERMANENT SCHOOL FUND, SUPPLEMENTAL
AND VARIABLE FUNDS AND ADJUSTABLE FIXED BENEFIT FUND)

	<u>COST</u>		<u>MARKET 10-14-77</u>
1. International Business Machines	\$52,899,742.13	1. International Business Machines	\$54,798,179.63
2. American Telephone & Telegraph	32,049,910.16	2. American Telephone & Telegraph	36,467,534.00
3. Exxon Corporation	24,023,123.54	3. Exxon Corporation	28,184,870.00
4. General Motors	16,654,359.01	4. General Telephone & Telegraph	18,099,900.00
5. General Telephone & Electronics	15,863,875.37	5. General Motors	17,566,575.00
6. General Electric Co.	14,693,253.13	6. General Electric Company	14,783,550.00
7. Burroughs Corporation	14,280,682.65	7. Panhandle Eastern Pipe Line	14,538,595.00
8. du Pont (E.I.) de Nemours	13,251,321.04	8. Atlantic Richfield Company	14,442,000.00
9. Eastman Kodak Company	13,205,897.87	9. Standard Oil (Indiana)	12,971,275.00
10. Sears, Roebuck & Company	12,951,124.64	10. Standard Oil of Calif.	12,959,375.00
11. Xerox Corporation	12,940,332.35	11. Minnesota Mining & Manufacturing	12,539,050.00
12. Penney (J.C.) Company	12,931,936.57	12. Burroughs Corporation	12,388,950.00

DOW JONES AVERAGES

(Selected dates approximating those of recent review materials)

	<u>2-7-75</u>	<u>5-7-75</u>	<u>6-30-75</u>	<u>9-30-75</u>	<u>1-30-76</u>	<u>4-23-76</u>	<u>8-13-76</u>	<u>11-19-76</u>	<u>2-11-77</u>	<u>4-29-77</u>	<u>8-12-77</u>	<u>10-14-77</u>
Industrials	711.91	836.44	878.99	793.88	975.28	1000.71	990.19	948.80	931.52	926.90	871.10	821.64
Transportation	157.90	170.85	171.13	155.97	199.35	212.14	222.28	221.90	224.24	234.51	218.88	210.61
Utilities	81.64	75.47	85.99	76.97	90.87	87.87	92.98	100.24	106.08	108.67	114.68	112.17

STATE OF MINNESOTA - STATE BOARD OF INVESTMENT - ADVISORY COUNCIL ON STATE TRUST FUNDS

October 14, 1977

STOCKS AND FIXED-INCOME SECURITIES PURCHASED FOR THE BASIC RETIREMENT FUNDS,
THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND AND THE PERMANENT SCHOOL FUND
(EXCLUDING SHORT-TERM OBLIGATIONS)

ESTIMATED MARKET VALUES OF PORTFOLIOS AS OF OCTOBER 14, 1977

	Cost	Yield at Purchase Price	Market
I. BASIC RETIREMENT FUNDS - April 1, 1960 - October 14, 1977 (Assuming bonds would sell at a price to yield 8.42%)			
Corporate Bonds	\$ 462,138,403.00	7.93%	
U.S. Government-Guaranteed Merchant Marine Bonds	\$ 34,814,698.59	7.86%	
Canadian Provincial Obligations	\$ 78,725,000.00	8.32%	
Total Bonds	\$ 575,678,101.59	7.98%	\$ 556,795,859.86 (3.28% discount from cost)
Total Stocks	\$ 575,066,725.73	4.47%	\$ 566,532,400.13
Total Stocks & Bonds	\$1,150,744,827.32	6.23%	\$1,123,328,259.99
Net decrease in market value from cost price			(\$ 27,416,567.33)
II. MINNESOTA ADJUSTABLE FIXED BENEFIT FUND - June 30, 1969 - October 14, 1977 (Assuming bonds would sell at a price to yield 8.42%)			
Corporate Bonds	\$ 265,469,368.67	8.05%	
U.S. Government-Guaranteed Obligations	\$ 70,580,341.91	8.27%	
Canadian Provincial Obligations	\$ 27,760,000.00	8.70%	
Total Bonds	\$ 363,809,710.58	8.14%	\$ 354,678,086.84 (2.51% discount from cost)
Total Stocks	\$ 367,969,973.18	4.38%	\$ 362,135,085.54
Total Stocks & Bonds	\$ 731,779,683.76	6.25%	\$ 716,813,172.38
Net decrease in market value from cost price			(\$ 14,966,511.38)
III. PERMANENT SCHOOL FUND - May 22, 1963 - October 14, 1977 (Assuming bonds would sell at a price to yield 8.32%)			
Corporate Bonds	\$ 75,445,490.82	6.12%	
U.S. Government-Guaranteed Obligations	\$ 130,063,982.76	7.99%	
Total Bonds	\$ 205,509,473.58	7.30%	\$ 189,787,998.85 (7.65% discount from cost)
Total Stocks	\$ 51,696,345.60	5.21%	\$ 53,452,780.14
Total Stocks & Bonds	\$ 257,205,819.18	6.88%	\$ 243,240,778.99
Net decrease in market value from cost price			(\$ 13,965,040.19)

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

COMPOSITION OF RETIREMENT FUNDS AND PERMANENT SCHOOL FUND BY TYPES OF INVESTMENT
October 31, 1977

	Cash and U.S. Government Short-Term	Corporate Short-Term	Municipals	U.S. Gov't. & Agency Guarantees (1)	Canadian Governmental Obligations (1)	Corporate Bonds (1)	Common Stocks (2)	Total
Basic Retirement Funds								
Teachers' Retirement Fund	\$ 3,515,071.46 0.75%	\$14,750,000.00 3.15%	\$2,439,000.00 0.52%	\$ 10,743,710.32 2.29%	\$ 29,972,368.60 6.40%	\$181,461,239.72 38.76%	\$ 225,280,728.38 48.13%	\$ 468,162,118.68 100.00%
Public Employees Ret. Fund	\$ 3,909,362.35 0.92%	\$ 6,000,000.00 1.41%	\$1,567,000.00 0.37%	\$ 15,438,518.87 3.64%	\$ 28,581,237.52 6.74%	\$163,134,791.63 38.45%	\$ 205,673,015.36 48.47%	\$ 424,303,925.73 100.00%
State Employees Ret. Fund	\$ (145,383.66) (0.07%)	\$ 9,612,000.00 4.45%	\$2,067,000.00 0.96%	\$ 5,287,682.67 2.45%	\$ 14,854,302.28 6.88%	\$ 79,842,096.08 39.96%	\$ 104,510,713.33 43.37%	\$ 216,028,410.70 100.00%
Public Employees Police & Fire Fund	\$ 683.03 0.01%	\$ 1,134,000.00 1.69%	-0-	\$ 2,042,358.71 3.04%	\$ 3,948,764.14 5.87%	\$ 27,426,612.60 40.80%	\$ 32,677,018.85 48.59%	\$ 67,229,437.33 100.00%
Hwy. Patrol. Ret. Fund	\$ 274,916.95 1.23%	\$ 725,000.00 3.25%	\$ 194,000.00 0.87%	\$ 508,335.87 2.28%	\$ 1,218,303.30 5.47%	\$ 8,624,984.80 38.71%	\$ 10,733,684.43 48.19%	\$ 22,279,225.36 100.00%
Judges Retirement Fund	\$ 288,958.47 14.05%	-0-	-0-	\$ 448,000.91 21.79%	-0-	\$ 1,000,028.93 48.64%	\$ 319,197.86 15.52%	\$ 2,056,186.17 100.00%

Minnesota Adjustable Fixed Benefit Fund	\$ 6,250,890.35 0.82%	\$22,199,000.00 2.92%	-0-	\$ 69,111,315.26 9.08%	\$ 27,706,958.92 3.64%	\$267,274,869.03 35.10%	\$ 368,960,441.70 48.44%	\$ 761,503,476.06 100.00%
Minnesota Suppl. Ret. Fund Income Share Account	\$ 521,135.03 0.96%	\$ 1,622,000.00 2.99%	-0-	\$ 1,656,930.74 3.06%	\$ 4,498,208.22 8.29%	\$ 19,718,064.23 36.36%	\$ 26,217,186.16 48.34%	\$ 54,233,524.38 100.00%
Growth Share Account	\$ 424.65 0.01%	\$ 670,000.00 3.54%	-0-	-0-	-0-	-0-	\$ 18,266,454.44 96.45%	\$ 18,936,879.09 100.00%
Fixed Return Account	\$ 532,177.99 5.21%	-0-	-0-	\$ 648,287.38 6.35%	\$ 598,241.82 5.86%	\$ 8,430,594.87 82.58%	-0-	\$ 10,209,302.06 100.00%
Minnesota Variable Annuity	\$ 876,639.90 1.82%	\$ 941,000.00 1.96%	-0-	-0-	\$ 2,798,880.52 5.82%	\$ 8,705,494.41 18.10%	\$ 34,771,665.51 72.30%	\$ 48,093,680.34 100.00%

Permanent School Fund	\$ 9,311,294.69 3.55%	-0-	\$ 307,000.00 0.12%	\$126,854,747.79 48.30%	-0-	\$ 74,444,790.57 28.35%	\$ 51,696,330.20 19.68%	\$ 262,614,163.25 100.00%
Totals	\$25,336,171.22 1.08%	\$57,653,000.00 2.45%	\$6,574,000.00 0.28%	\$232,739,888.52 9.88%	\$114,177,265.52 4.85%	\$840,063,567.67 35.66%	\$1,079,106,436.22 45.80%	\$2,355,650,329.15 100.00%

(1) All bonds are shown at amortized cost.

(2) All stocks are shown at net original cost.

(3) Includes \$5,202,075.00 of convertible debentures, 0.68% of the account.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
ADVISORY COUNCIL ON STATE TRUST FUNDS

Purchases and Commitments of Fixed-Income Securities for the
Retirement Funds and the Permanent School Fund
August 13, 1977 - October 14, 1977

PURCHASES

Settlement Date	Amount	Issue	Average Yield
08-24-77	\$10,026,336.23	GNMA, 8.00% Mortgage-backed Certificates, due 2007	8.13%*
08-25-77	173,424.60	Small Business Administration, 9% Guaranteed Loan Certificates, due 5-27-94	9.11
08-25-77	55,217.56	Small Business Administration, 9% Guaranteed Loan Certificates, due 7-01-1984	9.55
08-26-77	10,146,043.25	GNMA, 8.00% Mortgage-backed Certificates, due 2007	8.16 *
08-31-77	100,000.00	Federal Home Loan Bank, 7.85% Bonds, due 8-27-1984	7.31
08-31-77	453,774.83	GNMA, 8.00% Mortgage-backed Certificates, due 2007	8.23 *
10-06-77	5,800,000.00	Seaboard Coast Line Railroad, 8.25% Conditional Sale Agreement, due 10-01-92	8.25
10-14-77	10,000,000.00	Montgomery Ward Credit Corporation, 8.375% Debentures, due 10-01-2002	8.38
	<u>\$36,754,796.47</u>	Total	Weighted Average Yield 8.23%

COMMITMENTS FOR FUTURE PAYMENTS

Approximate Payment Date	Amount	Issue	Average Yield
10-21-77	\$ 6,400,000.00	Montgomery Ward Credit Corporation, 8.375% Debentures, due 10-01-2002	8.53%
11-22-77	5,500,000.00	United Illuminating Company, 8.50% Serial Bonds, due 9-01-97	8.50
11-22-77	5,000,000.00	GNMA, 8.00% Mortgage-backed Certificates, due 2007	8.24 *
11-23-77	5,000,000.00	GNMA, 8.00% Mortgage-backed Certificates, due 2007	8.28 *
11-23-77	10,000,000.00	GNMA, 8.25% Mortgage-backed Certificates, due 2006	8.38
12-07-77	5,000,000.00	Burlington Northern Inc., 8.125% Conditional Sale Agreement, due 1-05-93	8.13
to 1978	3,835,000.00	Our Lady of Victory Hospital, 8.75% GNMA Guaranteed Mortgage-backed Certificates, due 2001	8.86
to 1978	4,000,000.00	Melrose-Wakefield Hospital 8.75% Hill-Burton Government Guaranteed Loan, due 2001	8.91
	<u>\$44,735,000.00</u>	Total	Weighted Average Yield 8.45%

* Bond equivalent yield assuming average life of 12.0 years based on FHA prepayment experience.

STATE OF MINNESOTA - STATE BOARD OF INVESTMENT

COMMON STOCKS

ANALYSIS OF PURCHASES (OF MORE THAN A TOTAL COST OF \$50,000) AND ALL SALES
TRANSACTIONED FOR THE PERIOD BEGINNING AUGUST 13, 1977 THROUGH OCTOBER 14, 1977

OCTOBER 14, 1977

STOCKS PURCHASED	SHARES	TOTAL COST
<u>ELECTRIC</u>		
Commonwealth Edison	2,500	\$ 76,017.50
Northern States Power	17,000	503,325.00
Pacific Gas & Electric	17,000	410,277.50
<u>NATURAL GAS</u>		
Houston Natural Gas	7,500	215,850.00
Peoples Gas Co.	34,666	1,345,455.00
<u>COMMUNICATIONS</u>		
American Telephone & Telegraph	20,000	1,249,370.00
General Telephone & Electronics	7,000	217,362.50
<u>INSURANCE</u>		
NLT Corp.	2,800	71,300.00
<u>AUTO-AUTO PARTS</u>		
General Motors	8,700	605,014.50
<u>CONSUMER-NONDURABLES</u>		
Minnesota Mining & Manufacturing.	2,500	128,137.50
<u>DRUGS</u>		
American Home Products	2,000	56,880.00
Johnson & Johnson	7,500	550,247.50
Merck & Co.	5,600	318,689.50
Pfizer, Inc.	8,000	213,432.50
<u>FOODS-BEVERAGES</u>		
General Mills	9,000	256,897.50
Norton Simon	10,000	204,850.00
PepsiCo, Inc.	6,000	156,060.00
Pillsbury Company	15,000	614,461.50
<u>RETAIL SALES</u>		
K mart Corporation	5,000	155,800.00
Southland Corporation	5,000	124,450.00
<u>ELECTRONICS</u>		
Texas Instruments Inc.	27,500	2,389,559.50
<u>OFFICE EQUIPMENT</u>		
International Business Machines	4,100	1,095,401.50
Xerox Corporation	3,000	161,155.00
Boeing Co.	3,000	80,717.50
United Technologies	3,000	107,220.00
<u>BUILDING & FOREST PRODUCTS</u>		
Georgia Pacific Corp.	5,100	143,409.00

STOCKS PURCHASED	SHARES	TOTAL COST
<u>CHEMICALS</u>		
Air Products & Chemicals	8,000	\$ 191,542.00
<u>ELECTRICAL EQUIPMENT</u>		
General Electric Co.	32,500	1,712,105.00
<u>MACHINERY</u>		
Caterpillar Tractor	7,600	402,096.50
Clark Equipment Co.	5,000	181,525.00
<u>METALS</u>		
Aluminum Company of America	4,200	188,900.00
Hanna Mining Company	4,000	170,388.00
<u>MISCELLANEOUS</u>		
International Telephone & Telegraph	23,000	723,977.50
<u>OIL-DOMESTIC</u>		
Atlantic Richfield Co.	6,500	344,575.00
Continental Oil	37,000	1,115,627.50
<u>OIL-INTERNATIONAL</u>		
Exxon Corporation	21,800	1,039,144.00
Standard Oil of Calif.	16,500	673,285.00
Texaco, Inc.	18,000	503,915.00
<u>ENERGY-RELATED</u>		
Halliburton Co.	4,000	235,367.00
Williams Companies	18,500	375,665.00
<u>RAILROADS</u>		
Southern Railway	7,500	387,855.00
Union Pacific Corp.	8,500	424,515.00

Total Purchases for the Period from August 13, 1977
through October 14, 1977 (above listing represents
98% of total).

\$20,612,789.00

STOCKS SOLD	SHARES	TOTAL PROCEEDS
Clorox Company	6,500	\$ 87,909.54
General Foods Corp.	76,600	2,490,811.65
Dayton Hudson Corp.	49,000	1,901,736.55

Total Sales for the Period from August 13, 1977
through October 14, 1977

\$ 4,480,457.74

PERMANENT SCH(X)L FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
UTILITIES												
ELECTRIC												
CENTRAL & SOUTH WEST	23,000	22.73	522,901.25	1.00	15.50	356,500.00	0.68	1.260	8.1	1.90	8.2	13
CINCINNATI GAS & ELEC.	24,000	26.46	635,082.50	1.21	22.75	546,000.00	1.04	1.840	8.1	3.00	7.6	11
COMMONWEALTH EDISON	21,499	42.44	912,449.56	1.74	28.50	612,721.50	1.17	2.400	8.4	3.10	9.2	11
FLORIDA POWER & LIGHT	25,400	35.09	891,168.69	1.70	25.25	641,350.00	1.22	1.760	7.0	3.30	7.7	12
HOUSTON INDUSTRIES INC	16,500	47.30	780,473.46	1.49	30.63	505,312.50	0.96	1.960	6.4	4.40	7.0	14
MIDDLE SOUTH UTILITIES	34,000	22.59	768,002.50	1.46	16.63	565,250.00	1.08	1.380	8.3	2.10	7.9	11
MINNESOTA POWER & L.	32,000	21.85	699,064.00	1.33	21.75	696,000.00	1.33	1.760	8.1	2.75	7.9	9
NORTHERN STATES POWER	21,500	32.46	697,811.56	1.33	27.63	593,937.50	1.13	2.060	7.5	3.00	9.2	10
PACIFIC GAS & ELECTRIC	21,500	31.96	687,017.68	1.31	23.50	505,250.00	0.96	2.000	8.5	3.35	7.0	9
PUBLIC SERV. INDIANA	28,150	29.74	837,172.13	1.59	28.00	788,200.00	1.50	2.040	7.3	3.15	8.9	10
SOUTHERN CALIF. EDISON	20,000	33.81	676,276.67	1.29	24.75	495,000.00	0.94	2.000	8.1	3.90	6.3	7
SOUTHERN COMPANY	24,000	25.52	612,552.50	1.17	17.50	420,000.00	0.80	1.540	8.8	2.15	8.1	11
TEXAS UTILITIES CO.	28,000	29.17	816,768.50	1.55	20.00	560,000.00	1.07	1.400	7.0	2.55	7.8	12
VIRGINIA ELEC. & POWER	18,000	30.28	545,099.22	1.04	14.38	258,750.00	0.40	1.240	8.6	2.00	7.2	12

ELECTRIC	10,081,870.22	19.19%	7,544,271.50	14.40%	7.8
% CHANGE COST-TO-MARKET-25.17%		TARGET WEIGHTING (BY MARKET)	13.50%		

NATURAL GAS

PANHANDLE E. PIPE LINE	20,000	33.58	671,612.58	1.28	43.00	860,000.00	1.64	2.500	5.8	6.15	7.0	10
PEOPLES GAS CO.	8,666	38.04	329,653.52	0.63	37.25	322,808.50	0.62	2.760	7.4	4.75	7.8	10

NATURAL GAS	1,001,266.10	1.91%	1,182,808.50	2.26%	6.2
% CHANGE COST-TO-MARKET 18.13%		TARGET WEIGHTING (BY MARKET)	2.30%		

COMMUNICATIONS

AMERICAN TEL. & TEL.	32,000	56.76	1,816,198.63	3.46	59.38	1,900,000.00	3.63	4.200	7.1	6.85	8.7	10
GENERAL TEL. & ELEC.	40,800	28.09	1,146,247.01	2.18	30.50	1,244,400.00	2.38	2.240	7.3	3.55	8.6	10

COMMUNICATIONS	2,962,445.64	5.64%	3,144,400.00	6.00%	7.2
% CHANGE COST-TO-MARKET 6.14%		TARGET WEIGHTING (BY MARKET)	6.10%		

UTILITIES	14,045,581.96	26.73%	11,871,480.00	22.66%	7.5
% CHANGE COST-TO-MARKET-15.48%		TARGET WEIGHTING (BY MARKET)	21.90%		

PERMANENT SCH(X)L FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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FINANCIAL SERVICES

BANKS

BANKAMERICA CORP	33,000	22.41	739,649.62	1.41	22.50	742,500.00	1.42	0.940	4.2	2.70	8.3	12
CITICORP	29,112	16.80	489,144.81	0.93	22.38	651,381.00	1.24	1.060	4.7	3.30	6.8	14
FIRST BANK SYSTEM	21,500	25.93	557,429.37	1.06	35.63	765,937.50	1.46	1.600	4.5	4.55	7.8	13
MORGAN (J.P.) & CO.	16,920	33.58	568,190.23	1.08	43.88	742,365.00	1.42	2.000	4.6	5.20	8.4	13
NORTHWEST BANCORP.	54,000	15.18	819,597.07	1.56	22.25	1,201,500.00	2.29	0.960	4.3	2.80	7.9	11

BANKS 3,174,011.10 6.04% 4,103,683.50 7.83%
% CHANGE COST-TO-MARKET 29.29% TARGET WEIGHTING (BY MARKET) 7.50%

FINANCE

BENEFICIAL CORP.	17,925	37.30	668,647.65	1.27	21.00	376,425.00	0.72	1.600	7.6	4.10	5.1	9
HOUSEHOLD FINANCE	26,000	27.11	704,741.42	1.34	18.75	487,500.00	0.93	1.300	6.9	3.00	6.3	11

FINANCE 1,373,389.07 2.61% 863,925.00 1.65%
% CHANGE COST-TO-MARKET-37.10% TARGET WEIGHTING (BY MARKET) 1.00%

INSURANCE

INA CORP.	15,300	48.86	747,593.96	1.42	40.50	619,650.00	1.18	2.300	5.7	7.00	5.8	10
NORTHWESTERN NATL LIFE	25,300	21.16	535,395.00	1.02	22.13	559,762.50	1.07	0.750	3.4	3.75	5.9	6
SAFECO CORP.	15,800	21.83	344,868.20	0.66	39.50	624,100.00	1.19	1.500	3.8	6.75	5.9	13
ST. PAUL COMPANIES	32,000	21.08	674,400.00	1.28	29.88	956,000.00	1.82	1.000	3.3	6.00	5.0	12
U.S. FIDELITY & GUAR.	25,500	27.56	702,734.10	1.34	30.75	784,125.00	1.50	1.840	6.0	6.00	5.1	11

INSURANCE 3,004,991.26 5.72% 3,543,637.50 6.76%
% CHANGE COST-TO-MARKET 17.93% TARGET WEIGHTING (BY MARKET) 6.00%

FINANCIAL SERVICES 7,552,391.43 14.37% 8,511,246.00 16.25%
% CHANGE COST-TO-MARKET 12.70% TARGET WEIGHTING (BY MARKET) 14.50%

CONSUMER-ORIENTED

AUTOS - AUTO PARTS

FORD MOTOR CO.	23,250	45.22	1,051,295.14	2.00	42.88	996,843.75	1.90	3.200	7.5	12.75	3.4	9
GENERAL MOTORS	21,200	76.59	1,623,748.99	3.09	67.25	1,425,700.00	2.72	3.400	5.1	11.75	5.7	10
GOODYEAR TIRE & RUBBER	33,000	25.85	853,102.14	1.62	17.75	585,750.00	1.12	1.300	7.3	2.75	6.5	10

AUTOS - AUTO PARTS 3,528,146.27 6.71% 3,008,293.75 5.74%
% CHANGE COST-TO-MARKET-14.73% TARGET WEIGHTING (BY MARKET) 5.40%

PERMANENT SCHOOL FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN HIST. PER MULT	
CONSUMER-ORIENTED (CONTINUED)												
CONSUMER-DURABLES												
SUNBEAM CORP.	14,000	20.42	285,860.00	0.54	20.63	288,750.00	0.55	1.200	5.8	3.00	6.9 11	
WHIRLPOOL CORPORATION	22,200	14.12	313,458.46	0.60	22.63	502,275.00	0.96	1.200	5.3	2.95	7.7 14	
CONSUMER-DURABLES			599,318.46	1.14%	791,025.00			1.51%	5.5			
% CHANGE COST-TO-MARKET			31.99%	TARGET WEIGHTING (BY MARKET)			1.20%					
CONSUMER-NONDURABLES												
EASTMAN KODAK CO.	7,350	75.76	556,805.37	1.06	52.75	387,712.50	0.74	2.100	4.0	4.05	13.0 27	
MINNESOTA MINING & MFG	18,000	41.30	743,384.72	1.41	48.00	864,000.00	1.65	1.700	3.5	3.50	13.7 26	
PROCTER & GAMBLE CO.	7,700	59.19	455,752.64	0.87	82.88	638,137.50	1.22	2.600	3.1	6.25	13.3 24	
REVLON, INCORPORATED	16,000	31.19	499,085.84	0.95	40.50	648,000.00	1.24	1.000	2.5	3.10	13.1 17	
CONSUMER-NONDURABLES			2,255,028.57	4.29%	2,537,850.00			4.84%	3.2			
% CHANGE COST-TO-MARKET			12.54%	TARGET WEIGHTING (BY MARKET)			4.80%					
DRUGS												
AMERICAN HOME PRODUCTS	22,800	22.20	506,146.70	0.96	27.38	624,150.00	1.19	1.200	4.4	1.95	14.0 26	
MERCK & COMPANY	10,000	37.60	375,954.51	0.72	54.00	540,000.00	1.03	1.500	2.8	3.75	14.4 28	
PFIZER, INC.	30,000	26.99	809,621.40	1.54	24.88	746,250.00	1.42	0.960	3.9	2.50	10.0 19	
DRUGS			1,691,722.61	3.22%	1,910,400.00			3.65%	3.7			
% CHANGE COST-TO-MARKET			12.93%	TARGET WEIGHTING (BY MARKET)			3.50%					
FOODS-BEVERAGES												
CPC INTERNATIONAL	8,000	45.67	365,395.85	0.70	46.25	370,000.00	0.71	2.500	5.4	5.60	8.3 9	
COCA-COLA CO.	16,000	29.54	472,619.93	0.90	37.38	598,000.00	1.14	1.540	4.1	2.65	14.1 27	
GENERAL FOODS CORP.	25,000	28.68	717,037.07	1.36	30.88	771,875.00	1.47	1.640	5.3	3.65	8.5 10	
GENERAL MILLS, INC.	30,000	19.95	598,399.55	1.14	28.00	840,000.00	1.60	1.000	3.6	2.70	10.4 15	
FOODS-BEVERAGES			2,153,452.40	4.10%	2,579,875.00			4.92%	4.5			
% CHANGE COST-TO-MARKET			19.80%	TARGET WEIGHTING (BY MARKET)			5.40%					
RETAIL SALES												
FEDERATED DEPT. STORES	18,000	46.20	831,610.77	1.58	38.00	684,000.00	1.31	1.460	3.8	3.75	10.1 15	
PENNEY (J.C.) CO.	10,800	34.51	372,674.85	0.71	33.75	364,500.00	0.70	1.480	4.4	3.70	9.1 22	
SEARS, ROEBUCK & CO.	24,000	40.75	977,895.11	1.86	29.00	696,000.00	1.33	1.110	3.8	2.80	10.4 21	
RETAIL SALES			2,182,180.73	4.15%	1,744,500.00			3.33%	3.9			
% CHANGE COST-TO-MARKET			20.06%	TARGET WEIGHTING (BY MARKET)			3.30%					
CONSUMER-ORIENTED			12,409,849.04	23.62%	12,571,943.75			24.00%	4.5			
% CHANGE COST-TO-MARKET			1.31%	TARGET WEIGHTING (BY MARKET)			23.60%					

PERMANENT SCHOOL FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLP	EST ANN EARN	EST ANN PER	HIST MULT
TECHNOLOGY												
OFFICE EQUIPMENT												
BURROUGHS CORP.	11,600	74.59	865,257.68	1.65	65.13	755,450.00	1.44	1.000	1.5	5.35	12.2	28
HONEYWELL, INC.	10,000	100.30	1,002,953.18	1.91	44.63	446,250.00	0.85	1.900	4.3	6.25	7.1	17
INT'L BUS. MACHINES	12,535	188.78	2,366,406.26	4.50	257.25	3,224,628.75	6.15	10.000	3.9	18.00	14.3	22
XEROX CORPORATION	6,440	81.71	526,185.71	1.00	49.50	318,780.00	0.61	1.600	3.2	5.00	9.9	28
OFFICE EQUIPMENT			4,760,802.83	9.06%	4,745,108.75			9.06%	3.5			
% CHANGE COST-TO-MARKET			-0.33%	TARGET WEIGHTING (BY MARKET)			8.50%					
TECHNOLOGY			4,760,802.83	9.06%	4,745,108.75			9.06%	3.5			
% CHANGE COST-TO-MARKET			-0.33%	TARGET WEIGHTING (BY MARKET)			8.50%					
BASIC INDUSTRY												
BUILDING & FOREST PROD												
WEYERHAEUSER CO.	17,800	19.03	338,764.38	0.64	26.00	462,800.00	0.88	0.800	3.1	2.45	10.6	17
BUILDING & FOREST PROD			338,764.38	0.64%	462,800.00			0.88%	3.1			
% CHANGE COST-TO-MARKET			36.61%	TARGET WEIGHTING (BY MARKET)			1.40%					
CHEMICALS												
DOW CHEMICAL	12,000	19.89	238,697.27	0.45	28.88	346,500.00	0.66	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	7,000	177.07	1,239,480.05	2.36	112.50	787,500.00	1.50	5.000	4.4	11.15	10.1	17
MONSANTO CO.	4,000	56.80	227,218.82	0.43	55.00	220,000.00	0.42	3.100	5.6	10.10	5.4	9
UNION CARBIDE CORP.	11,700	45.12	527,947.00	1.00	41.75	488,475.00	0.93	2.800	6.7	6.50	6.4	9
CHEMICALS			2,233,343.14	4.25%	1,842,475.00			3.52%	5.1			
% CHANGE COST-TO-MARKET			-17.50%	TARGET WEIGHTING (BY MARKET)			4.00%					
ELECTRICAL EQUIPMENT												
GENERAL ELECTRIC CO.	16,200	44.78	725,481.47	1.38	50.13	812,025.00	1.55	2.200	4.4	4.80	10.4	17
ELECTRICAL EQUIPMENT			725,481.47	1.38%	812,025.00			1.55%	4.4			
% CHANGE COST-TO-MARKET			11.93%	TARGET WEIGHTING (BY MARKET)			2.00%					
MACHINERY												
CATERPILLAR TRACTOR	15,150	26.48	401,194.03	0.76	51.50	780,225.00	1.49	1.800	3.5	5.00	10.3	13
TRANS UNION CORP.	10,400	28.54	296,813.50	0.56	35.38	367,900.00	0.70	1.920	5.4	4.40	8.0	12
MACHINERY			698,007.53	1.33%	1,148,125.00			2.19%	4.1			
% CHANGE COST-TO-MARKET			64.49%	TARGET WEIGHTING (BY MARKET)			2.40%					

PERMANENT SCHOOL FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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BASIC INDUSTRY (CONTINUED)

METALS

ALUMINUM CO OF AMER	12,000	48.15	577,840.87	1.10	44.75	537,000.00	1.02	1.800	4.0	6.00	7.5	14
ST. JOE MINERALS CORP.	10,000	40.38	403,813.42	0.77	29.63	296,250.00	0.57	1.300	4.4	2.90	10.2	7

METALS	981,654.29	1.87%	833,250.00	1.59%	4.2
% CHANGE COST-TO-MARKET-15.12%		TARGET WEIGHTING (BY MARKET)	2.00%		

PAPER

INTERNATIONAL PAPER	8,000	48.30	386,383.25	0.74	40.88	327,000.00	0.62	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	5,000	64.91	324,570.00	0.62	46.88	234,375.00	0.45	1.800	3.8	5.00	9.4	11

PAPER	710,953.25	1.35%	561,375.00	1.07%	4.5
% CHANGE COST-TO-MARKET-21.04%		TARGET WEIGHTING (BY MARKET)	1.20%		

BASIC INDUSTRY	5,688,204.06	10.83%	5,660,050.00	10.80%	4.4
% CHANGE COST-TO-MARKET -0.49%		TARGET WEIGHTING (BY MARKET)	13.50%		

ENERGY

OIL-DOMESTIC

ATLANTIC RICHFIELD CO.	16,000	42.79	684,697.13	1.30	51.38	822,000.00	1.57	2.000	3.9	5.50	9.3	18
CONTINENTAL OIL	20,000	32.77	655,387.50	1.25	28.38	567,500.00	1.08	1.400	4.9	4.00	7.1	11
MARATHON OIL CO	7,000	59.25	414,772.38	0.79	46.75	327,250.00	0.62	2.200	4.7	7.00	6.7	10
STANDARD OIL (INDIANA)	24,000	23.29	558,903.82	1.06	47.75	1,146,000.00	2.19	2.600	5.4	7.00	6.8	13

OIL-DOMESTIC	2,313,760.83	4.40%	2,862,750.00	5.46%	4.8
% CHANGE COST-TO-MARKET 23.73%		TARGET WEIGHTING (BY MARKET)	6.00%		

OIL-INTERNATIONAL

EXXON CORPORATION	47,816	39.83	1,904,488.38	3.62	47.13	2,253,329.00	4.30	3.000	6.4	6.00	7.9	11
MOBIL CORP.	21,300	44.06	938,520.48	1.79	61.86	1,317,937.50	2.52	3.800	6.1	9.50	6.5	10
TEXACO, INC.	34,000	35.95	1,222,340.99	2.33	27.38	930,750.00	1.78	2.000	7.3	3.60	7.6	10

OIL-INTERNATIONAL	4,065,349.85	7.74%	4,502,016.50	8.59%	6.5
% CHANGE COST-TO-MARKET 10.74%		TARGET WEIGHTING (BY MARKET)	10.00%		

ENERGY	6,379,110.68	12.14%	7,364,766.50	14.06%	5.8
% CHANGE COST-TO-MARKET 15.45%		TARGET WEIGHTING (BY MARKET)	16.00%		

PERMANENT SCH(X)L FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	AVG. COST	TOTAL COST	% OF FUND	10/31/77 PRICE	MARKET VALUE	% OF FUND	CURR DIVDND	CURR YLD	EST EARN	EST ANN HIST PER MULT
TRANSPORTATION											
AIRLINES											
NORTHWEST AIRLINES	16,884	33.86	571,763.19	1.09	20.75	350,343.00	0.67	0.500	2.4	4.00	5.2 10
AIRLINES			571,763.19	1.09%		350,343.00	0.67%		2.4		
% CHANGE COST-TO-MARKET-38.73%											
RAILROADS											
BURLINGTON NORTHERN	13,600	49.96	679,504.46	1.29	39.25	533,800.00	1.02	1.600	4.1	5.25	7.5 9
UNION PACIFIC CORP.	16,800	27.36	459,602.60	0.87	46.63	783,300.00	1.50	1.700	3.6	4.70	9.9 12
RAILROADS			1,139,107.06	2.17%		1,317,100.00	2.51%		3.8		
% CHANGE COST-TO-MARKET 15.63% TARGET WEIGHTING (BY MARKET) 2.00%											
TRANSPORTATION			1,710,870.25	3.26%		1,667,443.00	3.18%		3.5		
% CHANGE COST-TO-MARKET -2.54% TARGET WEIGHTING (BY MARKET) 2.00%											
TOTAL FUND 52,546,810.25 52,392,038.00 5.3											
% CHANGE COST-TO-MARKET -0.29%											
*LESS PROFIT ON STOCKS SOLD 850,480.05											
*NET ORIGINAL COST OF EQUITIES 51,696,330.20 52,392,038.00											
*PERCENT CHANGE -- NET ORIGINAL COST-TO-MARKET 1.35%											

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BASIC RETIREMENT: TEACHERS' RETIREMENT FUND, PUBLIC EMPLOYEES' RETIREMENT FUND, STATE EMPLOYEES' RETIREMENT FUND,
FUNDS : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
UTILITIES												
ELECTRIC												
CENTRAL & SOUTH WEST	148,000	20.29	3,003,364.64	0.51	15.50	2,294,000.00	0.41	1.260	8.1	1.90	8.2	13
CINCINNATI GAS & ELEC.	67,000	26.55	1,778,800.63	0.30	22.75	1,524,250.00	0.27	1.840	8.1	3.00	7.6	11
COMMONWEALTH EDISON	131,272	33.23	4,362,160.61	0.74	28.50	3,741,252.00	0.67	2.400	8.4	3.10	9.2	11
FLORIDA POWER & LIGHT	161,400	28.24	4,557,726.17	0.78	25.25	4,075,350.00	0.73	1.760	7.0	3.30	7.7	12
HOUSTON INDUSTRIES INC	94,100	42.22	3,972,517.76	0.68	30.63	2,881,812.50	0.52	1.960	6.4	4.40	7.0	14
MIDDLE SOUTH UTILITIES	200,600	21.03	4,217,868.26	0.72	16.63	3,334,975.00	0.60	1.380	8.3	2.10	7.9	11
MINNESOTA POWER & L.	125,000	21.59	2,699,034.71	0.46	21.75	2,718,750.00	0.49	1.760	8.1	2.75	7.9	9
NORTHERN STATES POWER	124,900	28.64	3,577,587.11	0.61	27.63	3,450,362.50	0.62	2.060	7.5	3.00	9.2	10
PACIFIC GAS & ELECTRIC	81,100	31.39	2,545,818.65	0.43	23.50	1,905,850.00	0.34	2.000	8.5	3.35	7.0	9
PUBLIC SERV. INDIANA	163,050	27.64	4,507,365.14	0.77	28.00	4,565,400.00	0.82	2.040	7.3	3.15	8.9	10
SOUTHERN CALIF. EDISON	79,000	31.50	2,488,117.92	0.42	24.75	1,955,250.00	0.35	2.000	8.1	3.90	6.3	7
SOUTHERN COMPANY	111,800	23.84	2,665,807.77	0.45	17.50	1,956,500.00	0.35	1.540	8.8	2.15	8.1	11
TEXAS UTILITIES CO.	169,500	24.71	4,188,235.62	0.71	20.00	3,390,000.00	0.61	1.400	7.0	2.55	7.8	12
VIRGINIA ELEC. & POWER	103,898	24.81	2,577,822.87	0.44	14.38	1,493,533.75	0.27	1.240	8.6	2.00	7.2	12

ELECTRIC	47,142,227.86	8.03%	39,287,285.75	7.03%	7.7
% CHANGE COST-TO-MARKET	-16.66%		TARGET WEIGHTING (BY MARKET)	7.00%	

NATURAL GAS

HOUSTON NATURAL GAS	115,900	31.26	3,622,653.77	0.62	26.00	3,013,400.00	0.54	0.800	3.1	4.00	6.5	14
PANHANDLE E. PIPE LINE	168,348	32.43	5,460,087.69	0.93	43.00	7,238,964.00	1.30	2.500	5.8	6.15	7.0	10
PEOPLES GAS CO.	91,666	36.88	3,381,045.38	0.58	37.25	3,414,558.50	0.61	2.760	7.4	4.75	7.8	10

NATURAL GAS	12,463,786.84	2.12%	13,666,922.50	2.45%	5.6
% CHANGE COST-TO-MARKET	9.65%		TARGET WEIGHTING (BY MARKET)	2.50%	

COMMUNICATIONS

AMERICAN TEL. & TEL.	307,956	53.51	16,477,654.12	2.81	59.38	18,284,887.50	3.27	4.200	7.1	6.85	8.7	10
GENERAL TEL. & ELEC.	275,300	29.15	8,024,245.44	1.37	30.50	8,396,650.00	1.50	2.240	7.3	3.55	8.6	10
UNITED TELECOM.	225,200	19.78	4,454,083.12	0.76	19.75	4,447,700.00	0.80	1.280	6.5	2.20	9.0	10

COMMUNICATIONS	28,955,982.68	4.93%	31,129,237.50	5.57%	7.1
% CHANGE COST-TO-MARKET	7.51%		TARGET WEIGHTING (BY MARKET)	5.50%	

UTILITIES	88,561,997.38	15.08%	84,083,445.75	15.05%	7.1
% CHANGE COST-TO-MARKET	-5.06%		TARGET WEIGHTING (BY MARKET)	15.00%	

BASIC RETIREMENT: TEACHERS' RETIREMENT FUND, PUBLIC EMPLOYEES' RETIREMENT FUND, STATE EMPLOYEES' RETIREMENT FUND,
FUND : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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FINANCIAL SERVICES

BANKS

BANKAMERICA CORP	7,000	23.53	164,740.62	0.03	22.50	157,500.00	0.03	0.940	4.2	2.70	8.3	12
CITICORP	166,332	26.72	4,443,602.57	0.76	22.38	3,721,678.50	0.67	1.060	4.7	3.30	6.8	14
CONTINENTAL ILL. CORP.	187,272	19.00	3,557,482.44	0.61	24.63	4,611,573.00	0.83	1.320	5.4	3.90	6.3	8
FIRST BANK SYSTEM	125,000	34.22	4,277,830.27	0.73	35.63	4,453,125.00	0.80	1.600	4.5	4.55	7.8	13
FIRST INT'L BANCSHARES	68,300	43.32	2,958,872.36	0.50	39.13	2,672,237.50	0.48	1.400	3.6	4.20	9.3	14
MANUFACTURERS HANOVER	73,000	36.56	2,668,884.87	0.45	32.25	2,354,250.00	0.42	1.920	6.0	5.30	6.1	9
MORGAN (J.P.) & CO.	63,016	36.85	2,322,098.57	0.40	43.88	2,764,827.00	0.49	2.000	4.6	5.20	8.4	13
NORTHWEST BANCORP.	187,200	18.03	3,375,885.23	0.57	22.25	4,165,200.00	0.75	0.960	4.3	2.80	7.9	11
SECURITY PACIFIC CORP.	83,609	30.85	2,579,141.59	0.44	30.56	2,555,341.87	0.46	1.540	5.0	4.40	6.9	8
VALLEY NATL (ARIZONA)	97,200	22.42	2,178,882.49	0.37	19.25	1,871,100.00	0.33	0.920	4.8	2.40	8.0	12

BANKS 28,527,421.01 4.86% 29,326,832.87 5.25% 4.7
% CHANGE COST-TO-MARKET 2.80% TARGET WEIGHTING (BY MARKET) 5.00%

FINANCE

BENEFICIAL CORP.	120,225	35.74	4,296,597.28	0.73	21.00	2,524,725.00	0.45	1.600	7.6	4.10	5.1	9
HOUSEHOLD FINANCE	174,700	25.97	4,536,619.80	0.77	18.75	3,275,625.00	0.59	1.300	6.9	3.00	6.3	11
MGIC INVESTMENT CORP.	99,000	53.05	5,251,570.38	0.89	12.75	1,262,250.00	0.23	0.300	2.4	1.80	7.1	42

FINANCE 14,084,787.46 2.40% 7,062,600.00 1.26% 6.4
% CHANGE COST-TO-MARKET-49.86% TARGET WEIGHTING (BY MARKET) 1.00%

INSURANCE

AETNA LIFE & CASUALTY	144,200	31.22	4,501,687.07	0.77	34.00	4,902,800.00	0.88	1.600	4.7	7.00	4.9	10
CHUBB CORPORATION	70,500	44.67	3,149,250.00	0.54	33.25	2,344,125.00	0.42	1.600	4.8	5.75	5.8	15
CONNECTICUT GENERAL	49,000	39.50	1,935,599.30	0.33	47.25	2,315,250.00	0.41	1.200	2.5	7.25	6.5	9
INA CORP.	120,100	38.02	4,566,659.79	0.78	40.50	4,864,050.00	0.87	2.300	5.7	7.00	5.8	10
NLT CORP.	235,900	20.39	4,810,136.71	0.82	22.38	5,278,262.50	0.94	0.760	3.4	3.40	6.6	8
NORTHWESTERN NATL LIFE	65,000	22.43	1,457,827.50	0.25	22.13	1,438,125.00	0.26	0.750	3.4	3.75	5.9	6
SAFECO CORP.	40,700	30.78	1,252,682.59	0.21	39.50	1,607,650.00	0.29	1.500	3.8	6.75	5.9	13
ST. PAUL COMPANIES	119,900	23.61	2,831,191.13	0.48	29.88	3,582,012.50	0.64	1.000	3.3	6.00	5.0	12
TRAVELERS CORP.	72,400	37.97	2,749,206.63	0.47	29.25	2,117,700.00	0.38	1.280	4.4	5.50	5.3	9
U.S. FIDELITY & GUAR.	72,000	24.43	1,759,197.44	0.30	30.75	2,214,000.00	0.40	1.840	6.0	6.00	5.1	11

INSURANCE 29,013,438.16 4.94% 30,663,975.00 5.49% 4.3
% CHANGE COST-TO-MARKET 5.69% TARGET WEIGHTING (BY MARKET) 5.00%

FINANCIAL SERVICES 71,625,646.63 12.20% 67,053,407.87 12.00% 4.7
% CHANGE COST-TO-MARKET -6.38% TARGET WEIGHTING (BY MARKET) 11.00%

BASIC RETIREMENT: TEACHERS' RETIREMENT FUND, PUBLIC EMPLOYEES' RETIREMENT FUND, STATE EMPLOYEES' RETIREMENT FUND,
FUNDS : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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CONSUMER-ORIENTED

AUTOS - AUTO PARTS

FORD MOTOR CO.	125,375	42.76	5,360,690.36	0.91	42.88	5,375,453.13	0.96	3.200	7.5	12.75	3.4	9
GENERAL MOTORS	136,900	64.16	8,783,821.83	1.50	67.25	9,206,525.00	1.65	3.400	5.1	11.75	5.7	10
GENUINE PARTS COMPANY	88,300	35.54	3,138,303.57	0.53	32.38	2,858,712.50	0.51	0.900	2.8	2.50	13.0	24
GOODYEAR TIRE & RUBBER	213,500	25.65	5,476,731.78	0.93	17.75	3,789,625.00	0.68	1.300	7.3	2.75	6.5	10
AUTOS - AUTO PARTS			22,759,547.54	3.88%		21,230,315.63	3.80%		5.8			
% CHANGE COST-TO-MARKET			-6.72%		TARGET WEIGHTING (BY MARKET)		3.50%					

CONSUMER-DURABLES

SUNBEAM CORP.	165,349	24.61	4,068,623.29	0.69	20.63	3,410,323.13	0.61	1.200	5.8	3.00	6.9	11
WHIRLPOOL CORPORATION	145,400	18.53	2,693,899.55	0.46	22.63	3,289,675.00	0.59	1.200	5.3	2.95	7.7	14
CONSUMER-DURABLES			6,762,522.84	1.15%		6,699,998.13	1.20%		5.6			
% CHANGE COST-TO-MARKET			-0.92%		TARGET WEIGHTING (BY MARKET)		1.00%					

CONSUMER-NONDURABLES

AVON PRODUCTS, INC.	135,000	49.73	6,713,493.41	1.14	44.88	6,058,125.00	1.08	2.200	4.9	3.30	13.6	29
COLGATE-PALMOLIVE	232,500	27.33	6,355,339.22	1.08	21.75	5,056,875.00	0.91	1.000	4.6	2.15	10.1	17
EASTMAN KODAK CO.	82,580	78.14	6,453,158.67	1.10	52.75	4,356,095.00	0.78	2.100	4.0	4.05	13.0	27
MINNESOTA MINING & MFG	121,100	49.48	5,991,436.55	1.02	48.00	5,812,800.00	1.04	1.700	3.5	3.50	13.7	26
PROCTER & GAMBLE CO.	58,500	75.97	4,444,461.68	0.76	82.88	4,848,187.50	0.87	2.600	3.1	6.25	13.3	24
REVLON, INCORPORATED	133,400	36.05	4,809,220.81	0.82	40.50	5,402,700.00	0.97	1.000	2.5	3.10	13.1	17
CONSUMER-NONDURABLES			34,767,110.34	5.92%		31,534,782.50	5.64%		3.8			
% CHANGE COST-TO-MARKET			-9.30%		TARGET WEIGHTING (BY MARKET)		5.70%					

CONSUMER-MISCELLANEOUS

DISNEY (WALT) PROD.	105,278	50.10	5,274,174.10	0.90	36.25	3,816,327.50	0.68	0.160	0.4	2.60	13.9	32
HOLIDAY INNS INC.	74,400	34.49	2,566,080.99	0.44	12.63	939,300.00	0.17	0.465	3.7	1.60	7.9	17
MCDONALD'S CORP.	91,500	39.19	3,585,599.01	0.61	47.25	4,323,375.00	0.77	0.200	0.4	3.40	13.9	30
WARNER COMMUNICATIONS	63,600	42.21	2,684,628.69	0.46	27.00	1,717,200.00	0.31	0.800	3.0	4.50	6.0	9
CONSUMER-MISCELLANEOUS			14,110,482.79	2.40%		10,796,202.50	1.93%		1.1			
% CHANGE COST-TO-MARKET			-23.49%		TARGET WEIGHTING (BY MARKET)		1.70%					

DRUGS

AMERICAN HOME PRODUCTS	127,300	26.20	3,334,886.17	0.57	27.38	3,484,837.50	0.62	1.200	4.4	1.95	14.0	26
JOHNSON & JOHNSON	55,700	85.28	4,750,043.81	0.81	73.38	4,086,987.50	0.73	1.500	2.0	4.20	17.5	35
MEDTRONIC, INC.	93,000	32.38	3,011,300.00	0.51	18.13	1,685,625.00	0.30	0.400	2.2	1.90	9.5	28
MERCK & COMPANY	94,000	53.58	5,036,948.90	0.86	54.00	5,076,000.00	0.91	1.500	2.8	3.75	14.4	28
PFIZER, INC.	177,700	29.91	5,315,048.90	0.91	24.88	4,420,287.50	0.79	0.960	3.9	2.50	10.0	19

BASIC RETIREMENT: TEACHERS' RETIREMENT FUND, PUBLIC EMPLOYEES' RETIREMENT FUND, STATE EMPLOYEES' RETIREMENT FUND,
FUND : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
CONSUMER-ORIENTED (CONTINUED)												
DRUGS (CONTINUED)												
SCHERING-PLOUGH CORP.	75,900	38.89	2,951,907.26	0.50	28.75	2,182,125.00	0.39	1.120	3.9	3.15	9.1	27
WARNER-LAMBERT	147,500	38.99	5,751,404.85	0.98	25.75	3,798,125.00	0.68	1.100	4.3	2.35	11.0	20
DRUGS			30,151,539.89	5.13%		24,733,987.50	4.43%		3.4			
% CHANGE COST-TO-MARKET			-17.97%		TARGET WEIGHTING (BY MARKET)		4.70%					
FOODS-BEVERAGES												
CPC INTERNATIONAL	119,200	44.80	5,340,281.22	0.91	46.25	5,513,000.00	0.99	2.500	5.4	5.60	8.3	9
COCA-COLA CO.	115,400	38.44	4,436,133.88	0.76	37.38	4,313,075.00	0.77	1.540	4.1	2.65	14.1	27
CONSOLIDATED FOODS	135,500	27.61	3,740,836.91	0.64	23.63	3,201,187.50	0.57	1.400	5.9	3.15	7.5	12
GENERAL FOODS CORP.	64,600	28.37	1,832,964.24	0.31	30.88	1,994,525.00	0.36	1.640	5.3	3.65	8.5	10
GENERAL MILLS, INC.	158,700	21.67	3,439,780.83	0.59	28.00	4,443,600.00	0.80	1.000	3.6	2.70	10.4	15
NORTON SIMON, INC.	154,216	29.49	4,548,434.39	0.77	19.38	2,987,935.00	0.53	0.760	3.9	2.20	8.8	13
PEPSICO, INC.	196,286	16.57	3,251,858.35	0.55	25.13	4,931,685.75	0.88	0.800	3.2	2.15	11.7	17
PILLSBURY COMPANY	106,000	26.81	2,841,599.26	0.48	38.25	4,054,500.00	0.73	1.280	3.3	4.10	9.3	10
FOODS-BEVERAGES			29,431,889.08	5.01%		31,439,508.25	5.63%		4.3			
% CHANGE COST-TO-MARKET			6.82%		TARGET WEIGHTING (BY MARKET)		5.50%					
PRINTING-PUBLISHING												
DONNELLEY (RR) & SONS	93,102	21.09	1,963,572.33	0.33	23.38	2,176,259.25	0.39	0.760	3.3	2.60	9.0	13
DUN & BRADSTREET, INC.	82,100	24.11	1,979,227.56	0.34	28.75	2,360,375.00	0.42	1.240	4.3	2.05	14.0	20
HARCOURT BRACE JOVAN.	36,000	56.01	2,016,395.37	0.34	31.25	1,125,000.00	0.20	1.440	4.6	5.00	6.3	9
PRINTING-PUBLISHING			5,959,195.26	1.01%		5,661,634.25	1.01%		4.0			
% CHANGE COST-TO-MARKET			-4.99%		TARGET WEIGHTING (BY MARKET)		0.90%					
RETAIL SALES												
DAYTON HUDSON CORP.	120,700	22.69	2,738,310.34	0.47	40.38	4,873,262.50	0.87	1.400	3.5	4.60	8.8	9
FEDERATED DEPT. STORES	122,300	38.45	4,702,483.13	0.80	38.00	4,647,400.00	0.83	1.460	3.8	3.75	10.1	15
PENNEY (J.C.) CO.	128,100	55.10	7,057,789.96	1.20	33.75	4,323,375.00	0.77	1.480	4.4	3.70	9.1	22
SEARS, ROEBUCK & CO.	186,000	35.25	6,557,278.13	1.12	29.00	5,394,000.00	0.97	1.110	3.8	2.80	10.4	21
SOUTHLAND CORPORATION	160,864	24.82	3,992,561.05	0.68	25.63	4,122,140.00	0.74	0.600	2.3	2.40	10.7	14
RETAIL SALES			25,048,422.61	4.27%		23,360,177.50	4.18%		3.6			
% CHANGE COST-TO-MARKET			-6.74%		TARGET WEIGHTING (BY MARKET)		4.00%					
CONSUMER-ORIENTED			168,990,710.35	28.78%		155,456,606.26	27.32%		4.0			
% CHANGE COST-TO-MARKET			-8.01%		TARGET WEIGHTING (BY MARKET)		27.00%					

BASIC RETIREMENT: TEACHERS' RETIREMENT FUND, PUBLIC EMPLOYEES' RETIREMENT FUND, STATE EMPLOYEES' RETIREMENT FUND,
FUNDS : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
TECHNOLOGY												
ELECTRONICS												
HEWLETT-PACKARD CO.	23,300	85.40	1,989,898.14	0.34	70.50	1,642,650.00	0.29	0.400	0.6	4.40	16.0	35
TEXAS INSTRUMENTS INC.	19,600	87.01	1,705,408.64	0.29	75.13	1,472,450.00	0.26	1.320	1.8	5.20	14.4	29
ELECTRONICS			3,695,306.78	0.63%		3,115,100.00	0.56%		1.1			
% CHANGE COST-TO-MARKET-15.70%					TARGET WEIGHTING (BY MARKET)		0.80%					
OFFICE EQUIPMENT												
BURROUGHS CORP.	104,800	76.65	8,033,376.17	1.37	65.13	6,825,100.00	1.22	1.000	1.5	5.35	12.2	28
CONTROL DATA CORP.	47,000	53.49	2,513,807.71	0.43	21.38	1,004,625.00	0.18	0.150	0.7	3.25	6.6	14
DIGITAL EQUIPMENT CORP	44,400	32.09	1,424,740.55	0.24	44.88	1,992,450.00	0.36	0.000	0.0	3.75	12.0	35
HONEYWELL, INC.	72,000	85.56	6,167,415.02	1.05	44.63	3,213,000.00	0.58	1.900	4.3	6.25	7.1	17
INT'L BUS. MACHINES	113,653	246.43	28,007,917.59	4.77	257.25	29,237,234.25	5.23	10.000	3.9	18.00	14.3	22
XEROX CORPORATION	74,620	88.56	6,608,391.28	1.13	49.50	3,693,690.00	0.66	1.600	3.2	5.00	9.9	28
OFFICE EQUIPMENT			52,755,648.32	8.98%		45,966,099.25	8.23%		3.3			
% CHANGE COST-TO-MARKET-12.87%					TARGET WEIGHTING (BY MARKET)		8.40%					
TECHNOLOGY			56,450,955.10	9.61%		49,081,199.25	8.78%		3.1			
% CHANGE COST-TO-MARKET-13.06%					TARGET WEIGHTING (BY MARKET)		9.20%					
BASIC INDUSTRY												
AEROSPACE												
BOEING CO.	201,900	20.99	4,238,888.85	0.72	26.25	5,299,875.00	0.95	1.000	3.8	4.25	6.2	9
UNITED TECHNOLOGIES	147,000	29.58	4,348,279.22	0.74	34.75	5,108,250.00	0.91	1.800	5.2	4.25	8.2	7
AEROSPACE			8,587,168.07	1.46%		10,408,125.00	1.86%		4.5			
% CHANGE COST-TO-MARKET 21.21%					TARGET WEIGHTING (BY MARKET)		2.00%					
BUILDING & FOREST PROD												
GEORGIA-PACIFIC CORP.	142,169	26.93	3,828,640.59	0.65	26.38	3,749,707.38	0.67	0.800	3.0	2.40	11.0	15
MASONITE CORP.	160,400	25.92	4,158,280.17	0.71	16.50	2,646,600.00	0.47	0.680	4.1	2.30	7.2	18
OWENS-CORNING FIBER.	83,000	39.53	3,280,607.38	0.56	67.25	5,581,750.00	1.00	1.200	1.8	3.90	9.7	15
WEYERHAEUSER CO.	87,200	24.66	2,150,452.53	0.37	26.00	2,267,200.00	0.41	0.800	3.1	2.45	10.6	17
BUILDING & FOREST PROD			13,417,980.67	2.29%		14,245,257.38	2.55%		2.8			
% CHANGE COST-TO-MARKET 6.17%					TARGET WEIGHTING (BY MARKET)		2.60%					

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OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY (CONTINUED)												
CHEMICALS												
AIR PRODUCTS &CHEM.	126,438	19.58	2,475,747.35	0.42	25.00	3,160,950.00	0.57	0.400	1.6	2.40	10.4	18
DOW CHEMICAL	87,928	19.91	1,750,655.53	0.30	28.88	2,538,921.00	0.45	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	50,160	143.56	7,200,896.59	1.23	112.50	5,643,000.00	1.01	5.000	4.4	11.15	10.1	17
HERCULES, INC.	204,500	27.61	5,646,157.53	0.96	15.88	3,246,437.50	0.58	1.000	6.3	1.85	8.6	20
MONSANTO CO.	51,736	58.87	3,045,486.74	0.52	55.00	2,845,480.00	0.51	3.100	5.6	10.10	5.4	9
UNION CARBIDE CORP.	94,600	51.28	4,851,167.47	0.83	41.75	3,949,550.00	0.71	2.800	6.7	6.50	6.4	9
CHEMICALS			24,970,111.21	4.25%		21,384,338.50	3.83%		4.8			
% CHANGE COST-TO-MARKET			-14.36%			TARGET WEIGHTING (BY MARKET)	4.00%					
ELECTRICAL EQUIPMENT												
EMERSON ELECTRIC CO.	150,000	35.70	5,355,092.73	0.91	33.63	5,043,750.00	0.90	1.000	3.0	2.75	12.2	23
GENERAL ELECTRIC CO.	145,000	49.02	7,108,454.42	1.21	50.13	7,268,125.00	1.30	2.200	4.4	4.80	10.4	17
GOULD, INC.	155,300	25.69	3,989,158.02	0.68	29.38	4,561,937.50	0.82	1.360	4.6	3.50	8.4	9
WESTINGHOUSE ELECTRIC	66,200	31.55	2,088,795.74	0.36	17.50	1,158,500.00	0.21	0.972	5.6	2.90	6.0	14
ELECTRICAL EQUIPMENT			18,541,500.91	3.16%		18,032,312.50	3.23%		4.1			
% CHANGE COST-TO-MARKET			-2.75%			TARGET WEIGHTING (BY MARKET)	3.40%					
MACHINERY												
CATERPILLAR TRACTOR	87,550	33.09	2,896,779.97	0.49	51.50	4,508,825.00	0.81	1.800	3.5	5.00	10.3	13
CLARK EQUIPMENT CO.	89,600	41.79	3,744,028.08	0.64	32.00	2,867,200.00	0.51	1.800	5.6	4.35	7.4	11
COMBUSTION ENGINEERING	144,000	29.53	4,252,523.77	0.72	36.25	5,220,000.00	0.93	1.600	4.4	4.00	9.1	14
TRANS UNION CORP.	112,000	32.00	3,584,293.78	0.61	35.38	3,962,000.00	0.71	1.920	5.4	4.40	8.0	12
MACHINERY			14,477,625.60	2.47%		16,558,025.00	2.96%		4.6			
% CHANGE COST-TO-MARKET			14.37%			TARGET WEIGHTING (BY MARKET)	3.20%					
METALS												
ALUMINUM CO OF AMER	74,100	45.23	3,351,353.33	0.57	44.75	3,315,975.00	0.59	1.800	4.0	6.00	7.5	14
PITTSBON COMPANY	138,458	27.96	3,871,848.71	0.66	23.88	3,305,684.75	0.59	1.450	6.1	1.75	13.6	19
ST. JOE MINERALS CORP.	126,500	40.12	5,075,707.31	0.86	29.63	3,747,562.50	0.67	1.300	4.4	2.90	10.2	7
METALS			12,298,909.35	2.09%		10,369,222.25	1.86%		4.8			
% CHANGE COST-TO-MARKET			-15.69%			TARGET WEIGHTING (BY MARKET)	2.00%					
PAPER												
INTERNATIONAL PAPER	90,000	45.39	4,084,944.68	0.70	40.88	3,678,750.00	0.66	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	67,400	61.43	4,140,425.07	0.71	46.88	3,159,375.00	0.57	1.800	3.8	5.00	9.4	11
PAPER			8,225,369.75	1.40%		6,838,125.00	1.22%		4.4			
% CHANGE COST-TO-MARKET			-16.87%			TARGET WEIGHTING (BY MARKET)	1.30%					

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OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT.
BASIC INDUSTRY (CONTINUED)												
TEXTILES												
BURLINGTON INDUSTRIES	31,200	34.59	1,079,309.48	0.18	20.63	643,500.00	0.12	1.400	6.8	3.30	6.3	10
TEXTILES			1,079,309.48	0.18%		643,500.00	0.12%		6.8			
% CHANGE COST-TO-MARKET-40.38%												
MISCELLANEOUS												
CORNING GLASS WORKS	42,700	46.01	1,964,416.65	0.33	55.63	2,375,187.50	0.43	1.520	2.7	5.50	10.1	22
INT'L TEL. & TEL.	166,517	45.25	7,535,347.34	1.28	29.88	4,974,695.38	0.89	1.760	5.9	4.60	6.5	9
MISCELLANEOUS			9,499,763.99	1.62%		7,349,882.88	1.32%		4.9			
% CHANGE COST-TO-MARKET-22.63%					TARGET WEIGHTING (BY MARKET)		1.50%					
BASIC INDUSTRY			111,097,739.03	18.92%		105,828,788.51	18.94%		-4.4			
% CHANGE COST-TO-MARKET -4.74%					TARGET WEIGHTING (BY MARKET)		20.00%					
ENERGY												
OIL-DOMESTIC												
ATLANTIC RICHFIELD CO.	132,400	40.81	5,402,684.55	0.92	51.38	6,802,050.00	1.22	2.000	3.9	5.50	9.3	18
CONTINENTAL OIL	237,900	20.62	4,905,096.22	0.84	28.38	6,750,412.50	1.21	1.400	4.9	4.00	7.1	11
MARATHON OIL CO	106,800	57.84	6,177,241.46	1.05	46.75	4,992,900.00	0.89	2.200	4.7	7.00	6.7	10
PHILLIPS PETROLEUM CO.	266,000	25.86	6,879,052.22	1.17	28.38	7,547,750.00	1.35	1.000	3.5	3.25	8.7	17
STANDARD OIL (INDIANA)	125,100	35.56	4,449,123.55	0.76	47.75	5,973,525.00	1.07	2.600	5.4	7.00	6.8	13
OIL-DOMESTIC			27,813,198.00	4.74%		32,066,637.50	5.74%		4.4			
% CHANGE COST-TO-MARKET 15.29%					TARGET WEIGHTING (BY MARKET)		6.40%					
OIL-INTERNATIONAL												
EXXON CORPORATION	275,844	39.59	10,920,891.65	1.86	47.13	12,999,148.50	2.33	3.000	6.4	6.00	7.9	11
GULF OIL CORP.	230,100	27.05	6,224,670.86	1.06	27.13	6,241,462.50	1.12	1.900	7.0	4.30	6.3	9
MOBIL CORP.	108,500	47.34	5,136,723.45	0.87	61.88	6,713,437.50	1.20	3.800	6.1	9.50	6.5	10
STANDARD OIL OF CALIF.	194,000	31.60	6,130,006.47	1.04	38.75	7,517,500.00	1.35	2.400	6.2	6.00	6.5	9
TEXACO, INC.	196,990	33.13	6,525,925.69	1.11	27.38	5,392,601.25	0.97	2.000	7.3	3.60	7.6	10
OIL-INTERNATIONAL			34,938,218.12	5.95%		38,864,149.75	6.96%		6.5			
% CHANGE COST-TO-MARKET 11.24%					TARGET WEIGHTING (BY MARKET)		7.20%					

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FUNDS : PUBLIC EMPLOYEES POLICE & FIRE FUND, HIGHWAY PATROLMEN'S RETIREMENT FUND AND JUDGES RETIREMENT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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ENERGY (CONTINUED)

ENERGY - RELATED

DRESSER INDUSTRIES	136,800	32.50	4,446,081.28	0.76	39.75	5,437,800.00	0.97	0.880	2.2	4.80	8.3	14
HALLIBURTON CO	51,500	62.26	3,206,230.89	0.55	59.38	3,057,812.50	0.55	1.000	1.7	5.80	10.2	22
WILLIAMS COMPANIES	166,500	27.52	4,581,471.08	0.78	18.50	3,080,250.00	0.55	1.000	5.4	2.90	6.4	8

ENERGY - RELATED	12,233,783.25	2.08%	11,575,862.50	2.07%	2.9
% CHANGE COST-TO-MARKET	-5.38%	TARGET WEIGHTING (BY MARKET)	2.20%		

ENERGY	74,985,199.37	12.77%	82,506,649.75	14.77%	5.2
% CHANGE COST-TO-MARKET	10.03%	TARGET WEIGHTING (BY MARKET)	15.80%		

TRANSPORTATION

AIRLINES

DELTA AIR LINES, INC.	58,000	38.23	2,217,533.55	0.38	33.63	1,950,250.00	0.35	0.700	2.1	5.40	6.2	17
NORTHWEST AIRLINES	100,526	28.94	2,908,992.30	0.50	20.75	2,085,914.50	0.37	0.500	2.4	4.00	5.2	10
UAL, INC.	25,800	53.00	1,367,481.12	0.23	17.50	451,500.00	0.08	0.600	3.4	4.00	4.4	15

AIRLINES	6,494,006.97	1.11%	4,487,664.50	0.80%	2.4
% CHANGE COST-TO-MARKET	-30.90%				

RAILROADS

BURLINGTON NORTHERN	83,100	42.45	3,527,653.94	0.60	39.25	3,261,675.00	0.58	1.600	4.1	5.25	7.5	9
SOUTHERN RAILWAY	48,900	58.18	2,845,105.50	0.48	51.50	2,518,350.00	0.45	2.600	5.0	7.25	7.1	10
UNION PACIFIC CORP.	95,600	27.57	2,635,552.11	0.45	46.63	4,457,350.00	0.80	1.700	3.6	4.70	9.9	12

RAILROADS	9,008,311.55	1.53%	10,237,375.00	1.83%	4.1
% CHANGE COST-TO-MARKET	13.64%	TARGET WEIGHTING (BY MARKET)	2.00%		

TRANSPORTATION	15,502,318.52	2.64%	14,725,039.50	2.64%	3.6
% CHANGE COST-TO-MARKET	-5.01%	TARGET WEIGHTING (BY MARKET)	2.00%		

TOTAL FUND	587,214,566.38		558,735,136.89		4.7
% CHANGE COST-TO-MARKET	-4.85%				

*LESS PROFIT ON STOCKS SOLD 8,020,208.17

*NET ORIGINAL COST OF EQUITIES 579,194,358.21

*PERCENT CHANGE -- NET ORIGINAL COST-TO-MARKET -3.53%

ADJ FIXED BENEFIT FUND

OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG.	COST TOTAL	***** % OF	***** 10/31/77	***** MARKET 10/31/77	***** % OF	CURR ANN	CURR %	EST ANN	EST ANN	EST HIST
		COST	COST	FUND	PRICE	VALUE	FUND	DIVDND	YLD	EARN	PER	MULT
UTILITIES												
ELECTRIC												
COMMONWEALTH EDISON	113,000	33.52	3,788,235.44	1.01	28.50	3,220,500.00	0.90	2.400	8.4	3.10	9.2	11
FLORIDA POWER & LIGHT	133,300	29.44	3,923,761.61	1.05	25.25	3,365,825.00	0.94	1.760	7.0	3.30	7.7	12
HOUSTON INDUSTRIES INC	97,600	38.77	3,784,209.49	1.01	30.63	2,989,000.00	0.84	1.960	6.4	4.40	7.0	14
MIDDLE SOUTH UTILITIES	183,800	21.72	3,992,199.85	1.07	16.63	3,055,675.00	0.86	1.390	8.3	2.10	7.9	11
MINNESOTA POWER & L.	30,000	21.80	654,000.00	0.17	21.75	652,500.00	0.18	1.760	8.1	2.75	7.9	9
NORTHERN STATES POWER	144,500	25.17	3,637,004.41	0.97	27.63	3,991,812.50	1.12	2.060	7.5	3.00	9.2	10
PACIFIC GAS & ELECTRIC	130,300	27.61	3,597,613.82	0.96	23.50	3,062,050.00	0.86	2.000	8.5	3.35	7.0	9
TEXAS UTILITIES CO.	170,000	24.48	4,161,182.73	1.11	20.00	3,400,000.00	0.95	1.400	7.0	2.55	7.8	12
VIRGINIA ELEC. & POWER	144,200	21.36	3,080,091.29	0.82	14.38	2,072,875.00	0.58	1.240	8.6	2.00	7.2	12

ELECTRIC 30,618,293.64 8.19% 25,810,237.50 7.24%
 % CHANGE COST-TO-MARKET -15.70% TARGET WEIGHTING (BY MARKET) 7.30%

NATURAL GAS

HOUSTON NATURAL GAS	95,000	31.33	2,976,132.60	0.80	26.00	2,470,000.00	0.69	0.800	3.1	4.00	6.5	14
PANHANDLE E. PIPE LINE	100,000	29.53	2,952,626.34	0.79	43.00	4,300,000.00	1.21	2.500	5.8	6.15	7.0	10
PEOPLES GAS CO.	80,000	37.40	2,992,107.65	0.80	37.25	2,980,000.00	0.84	2.760	7.4	4.75	7.8	10

NATURAL GAS 8,920,866.59 2.39% 9,750,000.00 2.73%
 % CHANGE COST-TO-MARKET 9.29% TARGET WEIGHTING (BY MARKET) 2.70%

COMMUNICATIONS

AMERICAN TEL. & TEL.	220,000	53.18	11,700,186.91	3.13	59.38	13,062,500.00	3.66	4.200	7.1	6.85	8.7	10
GENERAL TEL. & ELEC.	222,000	26.03	5,779,692.50	1.55	30.50	6,771,000.00	1.90	2.240	7.3	3.55	8.6	10

COMMUNICATIONS 17,479,879.41 4.68% 19,833,500.00 5.56%
 % CHANGE COST-TO-MARKET 13.46% TARGET WEIGHTING (BY MARKET) 5.50%

UTILITIES 57,019,044.64 15.25% 55,393,737.50 15.54%
 % CHANGE COST-TO-MARKET -2.85% TARGET WEIGHTING (BY MARKET) 15.50%

FINANCIAL SERVICES

BANKS

BANKAMERICA CORP	167,000	19.32	3,225,994.20	0.86	22.50	3,757,500.00	1.05	0.940	4.2	2.70	8.3	12
CITICORP	144,400	21.62	3,121,345.63	0.84	22.38	3,230,950.00	0.91	1.060	4.7	3.30	6.8	14
FIRST BANK SYSTEM	97,400	31.78	3,094,957.50	0.83	35.63	3,469,875.00	0.97	1.600	4.5	4.55	7.8	13
FIRST INT'L BANCSHARES	49,500	45.91	2,272,576.21	0.61	39.13	1,936,687.50	0.54	1.400	3.6	4.20	9.3	14
NORTHWEST BANCORP.	178,000	17.67	3,145,052.61	0.84	22.25	3,960,500.00	1.11	0.960	4.3	2.80	7.9	11
SECURITY PACIFIC CORP.	94,679	31.74	3,005,530.81	0.80	30.56	2,893,674.28	0.81	1.540	5.0	4.40	6.9	8

BANKS 17,865,466.96 4.78% 19,249,186.78 5.40%
 % CHANGE COST-TO-MARKET 7.75% TARGET WEIGHTING (BY MARKET) 5.00%

ADJ FIXED BENEFIT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN HIST PER MULT
FINANCIAL SERVICES (CONTINUED)											
FINANCE											
HOUSEHOLD FINANCE	118,300	23.07	2,729,453.97	0.73	18.75	2,218,125.00	0.62	1.300	6.9	3.00	6.3 11
MGIC INVESTMENT CORP.	45,000	40.75	1,833,751.77	0.49	12.75	573,750.00	0.16	0.300	2.4	1.80	7.1 42
FINANCE			4,563,205.74	1.22%		2,791,875.00	0.78%		6.0		
% CHANGE COST-TO-MARKET			-38.82%		TARGET WEIGHTING (BY MARKET)		0.80%				
INSURANCE											
AETNA LIFE & CASUALTY	62,000	24.27	1,504,936.38	0.40	34.00	2,108,000.00	0.59	1.600	4.7	7.00	4.9 10
CONNECTICUT GENERAL	64,700	42.20	2,730,164.53	0.73	47.25	3,057,075.00	0.86	1.200	2.5	7.25	6.5 9
JEFFERSON-PILOT CORP.	55,500	27.98	1,552,683.10	0.42	28.00	1,554,000.00	0.44	0.920	3.3	3.15	8.9 13
NORTHWESTERN NATL LIFE	110,600	24.26	2,683,270.00	0.72	22.13	2,447,025.00	0.69	0.750	3.4	3.75	5.9 6
SAFECO CORP.	74,400	32.45	2,413,921.40	0.65	39.50	2,938,800.00	0.82	1.500	3.8	6.75	5.9 13
ST. PAUL COMPANIES	134,200	24.91	3,342,333.62	0.89	29.88	4,009,225.00	1.12	1.000	3.3	6.00	5.0 12
INSURANCE			14,227,309.03	3.81%		16,114,125.00	4.52%		3.5		
% CHANGE COST-TO-MARKET			13.26%		TARGET WEIGHTING (BY MARKET)		4.20%				
FINANCIAL SERVICES			36,655,981.73	9.81%		38,155,186.78	10.70%		4.1		
% CHANGE COST-TO-MARKET			4.09%		TARGET WEIGHTING (BY MARKET)		10.00%				
CONSUMER-ORIENTED											
AUTOS - AUTO PARTS											
FORD MOTOR CO.	85,000	39.26	3,337,207.85	0.89	42.88	3,644,375.00	1.02	3.200	7.5	12.75	3.4 9
GENERAL MOTORS	83,600	67.51	5,643,849.30	1.51	67.25	5,622,100.00	1.58	3.400	5.1	11.75	5.7 10
GENUINE PARTS COMPANY	90,800	35.54	3,226,986.69	0.86	32.38	2,939,650.00	0.82	0.900	2.8	2.50	13.0 24
GOODYEAR TIRE & RUBBER	147,500	27.40	4,042,068.99	1.08	17.75	2,618,125.00	0.73	1.300	7.3	2.75	6.5 10
AUTOS - AUTO PARTS			16,250,112.83	4.35%		14,824,250.00	4.16%		5.6		
% CHANGE COST-TO-MARKET			-8.77%		TARGET WEIGHTING (BY MARKET)		4.00%				
CONSUMER-DURABLES											
SUNBEAM CORP.	90,000	25.64	2,307,744.50	0.62	20.63	1,856,250.00	0.52	1.200	5.8	3.00	6.9 11
WHIRLPOOL CORPORATION	80,100	25.54	2,045,432.66	0.55	22.63	1,812,262.50	0.51	1.200	5.3	2.95	7.7 14
CONSUMER-DURABLES			4,353,177.16	1.16%		3,668,512.50	1.03%		5.6		
% CHANGE COST-TO-MARKET			-15.73%		TARGET WEIGHTING (BY MARKET)		1.00%				

ADJ FIXED BENEFIT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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CONSUMER-ORIENTED (CONTINUED)

CONSUMER-NONDURABLES

AVON PRODUCTS, INC.	92,900	54.37	5,050,742.35	1.35	44.88	4,168,887.50	1.17	2.200	4.9	3.30	13.6	29
EASTMAN KODAK CO.	62,300	82.18	5,119,953.64	1.37	52.75	3,286,325.00	0.92	2.100	4.0	4.05	13.0	27
MINNESOTA MINING & MFG	87,000	50.89	4,427,383.50	1.18	48.00	4,176,000.00	1.17	1.700	3.5	3.50	13.7	26
PROCTER & GAMBLE CO.	42,000	92.70	3,893,271.06	1.04	82.88	3,480,750.00	0.98	2.600	3.1	6.25	13.3	24
REVLON, INCORPORATED	95,000	36.06	3,425,285.62	0.92	40.50	3,847,500.00	1.08	1.000	2.5	3.10	13.1	17

CONSUMER-NONDURABLES	21,916,636.17	5.86%	18,959,462.50	5.32%	3.6
% CHANGE COST-TO-MARKET-13.49%		TARGET WEIGHTING (BY MARKET)	5.50%		

CONSUMER-MISCELLANEOUS

DISNEY (WALT) PROD.	45,955	46.19	2,122,621.82	0.57	36.25	1,665,868.75	0.47	0.160	0.4	2.60	13.9	32
HOLIDAY INNS INC.	34,800	37.41	1,301,880.25	0.35	12.63	439,350.00	0.12	0.465	3.7	1.60	7.9	17
MCDONALD'S CORP.	55,000	53.45	2,939,517.29	0.79	47.25	2,598,750.00	0.73	0.200	0.4	3.40	13.9	30

CONSUMER-MISCELLANEOUS	6,364,019.36	1.70%	4,703,968.75	1.32%	0.7
% CHANGE COST-TO-MARKET-26.08%		TARGET WEIGHTING (BY MARKET)	1.20%		

DRUGS

AMERICAN HOME PRODUCTS	89,800	24.16	2,169,876.60	0.58	27.38	2,458,275.00	0.69	1.200	4.4	1.95	14.0	26
JOHNSON & JOHNSON	40,000	86.36	3,454,307.46	0.92	73.38	2,935,000.00	0.82	1.500	2.0	4.20	17.5	35
MEDTRONIC, INC.	48,100	29.62	1,424,637.50	0.38	18.13	871,812.50	0.24	0.400	2.2	1.90	9.5	28
MERCK & COMPANY	61,900	50.87	3,148,855.67	0.84	54.00	3,342,600.00	0.94	1.500	2.8	3.75	14.4	28
PFIZER, INC.	116,200	31.13	3,617,824.77	0.97	24.88	2,890,475.00	0.81	0.960	3.9	2.50	10.0	19
SCHERING-PLOUGH CORP.	56,000	35.94	2,012,696.93	0.54	28.75	1,610,000.00	0.45	1.120	3.9	3.15	9.1	27
WARNER-LAMBERT	76,000	38.35	2,914,571.88	0.78	25.75	1,957,000.00	0.55	1.100	4.3	2.35	11.0	20

DRUGS	18,742,770.81	5.01%	16,065,162.50	4.51%	3.3
% CHANGE COST-TO-MARKET-14.29%		TARGET WEIGHTING (BY MARKET)	4.50%		

FOODS-BEVERAGES

CPC INTERNATIONAL	62,000	44.89	2,783,012.21	0.74	46.25	2,867,500.00	0.80	2.500	5.4	5.60	8.3	9
COCA-COLA CO.	100,000	38.18	3,817,680.82	1.02	37.38	3,737,500.00	1.05	1.540	4.1	2.65	14.1	27
GENERAL FOODS CORP.	82,100	31.84	2,614,146.68	0.70	30.88	2,534,837.50	0.71	1.640	5.3	3.65	8.5	10
GENERAL MILLS, INC.	105,000	18.73	1,966,410.96	0.53	23.00	2,940,000.00	0.82	1.000	3.6	2.70	10.4	15
KRAFT, INC.	22,600	35.67	806,221.93	0.22	45.88	1,036,775.00	0.29	2.320	5.1	5.65	8.1	10
NORTON SIMON, INC.	118,943	25.08	2,983,487.62	0.80	19.38	2,304,520.63	0.65	0.760	3.9	2.20	8.8	13
PEPSICO, INC.	70,000	24.92	1,744,350.00	0.47	25.13	1,758,750.00	0.49	0.800	3.2	2.15	11.7	17
PILLSBURY COMPANY	45,000	39.58	1,780,994.30	0.48	38.25	1,721,250.00	0.48	1.280	3.3	4.10	9.3	10

FOODS-BEVERAGES	18,496,304.52	4.95%	18,901,133.13	5.30%	4.3
% CHANGE COST-TO-MARKET 2.19%		TARGET WEIGHTING (BY MARKET)	5.40%		

ADJ FIXED BENEFIT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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CONSUMER-ORIENTED (CONTINUED)

RETAIL SALES

FEDERATED DEPT. STORES	85,000	46.52	3,954,122.50	1.06	38.00	3,230,000.00	0.91	1.460	3.8	3.75	10.1	15
K-MART CORPORATION	57,127	20.74	1,184,776.45	0.32	29.75	1,699,528.25	0.48	0.560	1.9	2.50	11.9	26
PENNEY (J.C.) CO.	89,400	56.19	5,023,194.65	1.34	33.75	3,017,250.00	0.85	1.480	4.4	3.70	9.1	22
SEARS, ROEBUCK & CO.	120,000	36.18	4,341,577.94	1.16	29.00	3,480,000.00	0.98	1.110	3.8	2.80	10.4	21
SOUTHLAND CORPORATION	109,800	24.37	2,675,605.58	0.72	25.63	2,813,625.00	0.79	0.600	2.3	2.40	10.7	14

RETAIL SALES	17,179,277.12	4.60%	14,240,403.25	3.99%	3.4
% CHANGE COST-TO-MARKET-17.11%			TARGET WEIGHTING (BY MARKET)	3.80%	

CONSUMER-ORIENTED	103,302,297.97	27.64%	91,362,892.63	25.62%	3.9
% CHANGE COST-TO-MARKET-11.56%			TARGET WEIGHTING (BY MARKET)	25.40%	

TECHNOLOGY

ELECTRONICS

HEWLETT-PACKARD CO.	40,000	90.84	3,633,525.32	0.97	70.50	2,820,000.00	0.79	0.400	0.6	4.40	16.0	35
TEXAS INSTRUMENTS INC.	6,000	86.74	520,435.29	0.14	75.13	450,750.00	0.13	1.320	1.8	5.20	14.4	29

ELECTRONICS	4,153,960.61	1.11%	3,270,750.00	0.92%	0.7
% CHANGE COST-TO-MARKET-21.26%			TARGET WEIGHTING (BY MARKET)	1.00%	

OFFICE EQUIPMENT

BURROUGHS CORP.	60,400	75.74	4,574,686.39	1.22	65.13	3,933,550.00	1.10	1.000	1.5	5.35	12.2	28
CONTROL DATA CORP.	34,000	83.15	2,826,969.30	0.76	21.38	726,750.00	0.20	0.150	0.7	3.25	6.6	14
DIGITAL EQUIPMENT CORP	72,300	30.36	2,194,997.07	0.59	44.88	3,244,462.50	0.91	0.000	0.0	3.75	12.0	35
HONEYWELL, INC.	57,777	86.61	5,003,946.80	1.24	44.63	2,578,298.63	0.72	1.900	4.3	6.25	7.1	17
INT'L BUS. MACHINES	70,006	259.67	18,178,391.76	4.86	257.25	18,009,043.50	5.05	10.000	3.9	18.00	14.3	22
XEROX CORPORATION	67,950	79.76	5,411,784.43	1.45	49.50	3,358,575.00	0.94	1.600	3.2	5.00	9.9	28

OFFICE EQUIPMENT	38,190,775.75	10.22%	31,850,679.63	8.93%	3.1
% CHANGE COST-TO-MARKET-16.60%			TARGET WEIGHTING (BY MARKET)	8.90%	

TECHNOLOGY	42,344,736.36	11.33%	35,121,429.63	9.85%	2.9
% CHANGE COST-TO-MARKET-17.06%			TARGET WEIGHTING (BY MARKET)	9.90%	

ADJ FIXED BENEFIT FUND

OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	***** COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY												
AEROSPACE												
BOEING CO.	120,000	20.54	2,465,093.71	0.66	26.25	3,150,000.00	0.88	1.000	3.8	4.25	6.2	9
UNITED TECHNOLOGIES	125,000	29.11	3,638,699.01	0.97	34.75	4,343,750.00	1.22	1.800	5.2	4.25	8.2	7
AEROSPACE			6,103,792.72	1.63%	7,493,750.00			4.6				
% CHANGE COST-TO-MARKET			22.77%	TARGET WEIGHTING (BY MARKET)			2.00%					
BUILDING & FOREST PROD												
GEORGIA-PACIFIC CORP.	84,210	29.28	2,465,610.10	0.66	26.38	2,221,038.75	0.62	0.800	3.0	2.40	11.0	15
MASONITE CORP.	109,000	27.13	2,957,404.42	0.79	16.50	1,798,500.00	0.50	0.680	4.1	2.30	7.2	18
OWENS-CORNING FIBER.	41,000	38.22	1,566,854.89	0.42	67.25	2,757,250.00	0.77	1.200	1.8	6.90	9.7	15
WEYERHAEUSER CO.	78,300	22.86	1,789,614.02	0.48	26.00	2,035,800.00	0.57	0.800	3.1	2.45	10.6	17
BUILDING & FOREST PROD			8,779,483.43	2.35%	8,812,588.75			2.9				
% CHANGE COST-TO-MARKET			0.38%	TARGET WEIGHTING (BY MARKET)			2.60%					
CHEMICALS												
AIR PRODUCTS &CHEM.	110,802	18.91	2,095,638.97	0.56	25.00	2,770,050.00	0.78	0.400	1.6	2.40	10.4	18
DOW CHEMICAL	50,000	24.64	1,232,025.17	0.33	28.88	1,443,750.00	0.40	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	25,000	130.46	3,261,533.69	0.87	112.50	2,812,500.00	0.79	5.000	4.4	11.15	10.1	17
HERCULES, INC.	120,000	28.76	3,451,495.83	0.92	15.88	1,905,000.00	0.53	1.000	6.3	1.85	8.6	20
MONSANTO CO.	30,000	58.53	1,756,049.11	0.47	55.00	1,650,000.00	0.46	3.100	5.6	10.10	5.4	9
UNION CARBIDE CORP.	74,000	50.22	3,716,470.70	0.99	41.75	3,089,500.00	0.87	2.800	6.7	6.50	6.4	9
CHEMICALS			15,513,213.47	4.15%	13,670,800.00			4.8				
% CHANGE COST-TO-MARKET			-11.88%	TARGET WEIGHTING (BY MARKET)			4.20%					
ELECTRICAL EQUIPMENT												
EMERSON ELECTRIC CO.	92,200	30.57	2,813,459.73	0.75	33.63	3,100,225.00	0.87	1.000	3.0	2.75	12.2	23
GENERAL ELECTRIC CO.	118,000	51.49	6,075,550.16	1.63	50.13	5,914,750.00	1.66	2.200	4.4	4.80	10.4	17
GOULD, INC.	117,500	25.66	3,015,334.18	0.81	29.38	3,451,562.50	0.97	1.360	4.6	3.50	8.4	9
ELECTRICAL EQUIPMENT			11,909,344.07	3.19%	12,466,537.50			4.1				
% CHANGE COST-TO-MARKET			4.68%	TARGET WEIGHTING (BY MARKET)			3.50%					
MACHINERY												
CATERPILLAR TRACTOR	72,500	31.70	2,329,878.57	0.62	51.50	3,785,250.00	1.06	1.800	3.5	5.00	10.3	13
CLARK EQUIPMENT CO.	55,000	41.83	2,300,625.42	0.62	32.00	1,760,000.00	0.49	1.800	5.6	4.35	7.4	11
COMBUSTION ENGINEERING	90,000	33.44	3,009,296.01	0.81	36.25	3,262,500.00	0.91	1.600	4.4	4.00	9.1	14
TRANS UNION CORP.	75,100	30.28	2,274,243.50	0.61	35.38	2,656,662.50	0.75	1.920	5.4	4.40	8.0	12
MACHINERY			9,914,043.50	2.65%	11,464,412.50			4.5				
% CHANGE COST-TO-MARKET			15.64%	TARGET WEIGHTING (BY MARKET)			3.50%					

ADJ FIXED BENEFIT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY (CONTINUED)												
METALS												
ALUMINUM CO OF AMER	52,000	45.97	2,390,296.16	0.64	44.75	2,327,000.00	0.65	1.800	4.0	6.00	7.5	14
PITTSBON COMPANY	100,169	24.24	2,427,945.31	0.65	23.88	2,391,534.88	0.67	1.450	6.1	1.75	13.6	19
ST. JOE MINERALS CORP.	98,000	38.89	3,810,803.13	1.02	29.63	2,903,250.00	0.81	1.300	4.4	2.90	10.2	7
METALS			8,629,044.60	2.31%		7,621,784.88	2.14%		4.8			
% CHANGE COST-TO-MARKET-11.67%						TARGET WEIGHTING (BY MARKET)	2.00%					
PAPER												
INTERNATIONAL PAPER	50,000	47.47	2,373,717.66	0.64	40.88	2,043,750.00	0.57	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	47,000	60.14	2,826,746.85	0.76	46.88	2,203,125.00	0.62	1.800	3.8	5.00	9.4	11
PAPER			5,200,464.51	1.39%		4,246,875.00	1.19%		4.3			
% CHANGE COST-TO-MARKET-18.34%						TARGET WEIGHTING (BY MARKET)	1.30%					
MISCELLANEOUS												
CORNING GLASS WORKS	35,400	47.25	1,672,648.57	0.45	55.63	1,969,125.00	0.55	1.520	2.7	5.50	10.1	22
INT'L TEL. & TEL.	95,400	43.97	4,194,362.58	1.12	29.88	2,850,075.00	0.80	1.760	5.9	4.60	6.5	9
MISCELLANEOUS			5,867,011.15	1.57%		4,819,200.00	1.35%		4.6			
% CHANGE COST-TO-MARKET-17.86%						TARGET WEIGHTING (BY MARKET)	1.50%					
BASIC INDUSTRY			71,916,397.45	19.24%		70,595,948.63	19.80%		4.3			
% CHANGE COST-TO-MARKET -1.84%						TARGET WEIGHTING (BY MARKET)	20.60%					
ENERGY												
OIL-DOMESTIC												
ATLANTIC RICHFIELD CO.	114,000	45.42	5,178,172.83	1.39	51.38	5,856,750.00	1.64	2.000	3.9	5.50	9.3	18
CONTINENTAL OIL	110,000	32.76	3,603,894.92	0.96	28.38	3,121,250.00	0.88	1.400	4.9	4.00	7.1	11
MARATHON OIL CO	64,000	57.96	3,709,376.99	0.99	46.75	2,992,000.00	0.84	2.200	4.7	7.00	6.7	10
PHILLIPS PETROLEUM CO.	148,000	26.83	3,970,787.54	1.06	28.38	4,199,500.00	1.18	1.000	3.5	3.25	8.7	17
STANDARD OIL (INDIANA)	112,700	32.08	3,615,741.59	0.97	47.75	5,381,425.00	1.51	2.600	5.4	7.00	6.8	13
STANDARD OIL CO OHIO	20,000	60.79	1,215,779.88	0.33	73.63	1,472,500.00	0.41	1.360	1.8	4.50	16.4	25
OIL-DOMESTIC			21,293,753.75	5.70%		23,023,425.00	6.46%		4.3			
% CHANGE COST-TO-MARKET 8.12%						TARGET WEIGHTING (BY MARKET)	7.00%					

ADJ FIXED BENEFIT FUND
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR DIVDND	CURR % YLD	EST EARN	EST ANN HIST PER MULT
ENERGY (CONTINUED)											
OIL-INTERNATIONAL											
EXXON CORPORATION	230,000	38.53	8,862,099.66	2.37	47.13	10,838,750.00	3.04	3.000	6.4	6.00	7.9 11
GULF OIL CORP.	170,000	27.85	4,733,814.87	1.27	27.13	4,611,250.00	1.29	1.900	7.0	4.30	6.3 9
STANDARD OIL OF CALIF.	130,000	33.83	4,397,711.53	1.18	38.75	5,037,500.00	1.41	2.400	6.2	6.00	6.5 9
TEXACO, INC.	148,300	31.82	4,719,428.80	1.26	27.38	4,059,712.50	1.14	2.000	7.3	3.60	7.6 10
OIL-INTERNATIONAL			22,713,054.86	6.08%		24,547,212.50	6.88%		6.6		
% CHANGE COST-TO-MARKET			8.08%		TARGET WEIGHTING (BY MARKET)		7.00%				
ENERGY - RELATED											
DRESSER INDUSTRIES	70,000	31.90	2,233,241.58	0.60	39.75	2,782,500.00	0.78	0.880	2.2	4.80	8.3 14
HALLIBURTON CO	71,000	51.36	3,646,316.75	0.98	59.38	4,215,625.00	1.18	1.000	1.7	5.80	10.2 22
WILLIAMS COMPANIES	91,000	31.23	2,842,087.20	0.76	18.50	1,683,500.00	0.47	1.000	5.4	2.90	6.4 8
ENERGY - RELATED			8,721,645.53	2.33%		8,681,625.00	2.43%		2.6		
% CHANGE COST-TO-MARKET			-0.46%		TARGET WEIGHTING (BY MARKET)		2.50%				
ENERGY			5,728,454.14	14.11%		56,252,262.50	15.78%		5.0		
% CHANGE COST-TO-MARKET			6.68%		TARGET WEIGHTING (BY MARKET)		16.50%				
TRANSPORTATION											
AIRLINES											
NORTHWEST AIRLINES	133,368	24.09	3,213,298.50	0.86	20.75	2,767,386.00	0.78	0.500	2.4	4.00	5.2 10
AIRLINES			3,213,298.50	0.86%		2,767,386.00	0.78%		2.4		
% CHANGE COST-TO-MARKET			-13.88%								
RAILROADS											
SOUTHERN RAILWAY	68,000	52.98	3,602,364.36	0.96	51.50	3,502,000.00	0.98	2.600	5.0	7.25	7.1 10
UNION PACIFIC CORP.	73,400	40.90	3,001,948.00	0.80	46.63	3,422,275.00	0.96	1.700	3.6	4.70	9.9 12
RAILROADS			6,604,312.36	1.77%		6,924,275.00	1.94%		4.4		
% CHANGE COST-TO-MARKET			4.84%		TARGET WEIGHTING (BY MARKET)		2.10%				
TRANSPORTATION			9,817,610.86	2.63%		9,691,661.00	2.72%		3.8		
% CHANGE COST-TO-MARKET			-1.28%		TARGET WEIGHTING (BY MARKET)		2.10%				
TOTAL FUND			373,784,523.15			356,573,118.67			4.6		
% CHANGE COST-TO-MARKET			-4.60%								
*LESS PROFIT ON STOCKS SOLD			4,824,081.45								
*NET ORIGINAL COST OF EQUITIES			368,960,441.70			356,573,118.67					
*PERCENT CHANGE -- NET ORIGINAL COST-TO-MARKET						-3.36%					

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
UTILITIES												
ELECTRIC												
COMMONWEALTH EDISON	17,000	29.56	502,498.76	1.91	28.50	484,500.00	1.85	2.400	8.4	3.10	9.2	11
MINNESOTA POWER & L.	20,200	21.05	425,210.00	1.61	21.75	439,350.00	1.68	1.760	8.1	2.75	7.9	9
NORTHERN STATES POWER	18,000	26.57	478,197.49	1.81	27.63	497,250.00	1.90	2.060	7.5	3.00	9.2	10
PUBLIC SERV. INDIANA	10,000	28.21	282,132.50	1.07	28.00	280,000.00	1.07	2.040	7.3	3.15	8.9	10
TEXAS UTILITIES CO.	23,800	24.09	573,456.61	2.18	20.00	476,000.00	1.82	1.400	7.0	2.55	7.8	12
ELECTRIC		2,261,495.36		8.58%		2,177,100.00		8.31%		7.7		
% CHANGE COST-TO-MARKET		-3.73%		TARGET WEIGHTING (BY MARKET)		8.30%						

NATURAL GAS

HOUSTON NATURAL GAS	6,000	30.99	185,955.00	0.71	26.00	156,000.00	0.60	0.800	3.1	4.00	6.5	14
PANHANDLE E. PIPE LINE	14,000	33.26	465,649.24	1.77	43.00	602,000.00	2.30	2.500	5.8	6.15	7.0	10
PEOPLES GAS CO.	13,000	36.36	472,675.50	1.79	37.25	484,250.00	1.85	2.760	7.4	4.75	7.8	10
NATURAL GAS			1,124,279.74	4.26%	1,242,250.00			4.74%	6.1			
% CHANGE COST-TO-MARKET			10.49%	TARGET WEIGHTING (BY MARKET)			4.70%					

COMMUNICATIONS

AMERICAN TEL. & TEL.	20,000	51.51	1,030,277.14	3.91	59.38	1,187,500.00	4.53	4.200	7.1	6.85	8.7	10
GENERAL TEL. & ELEC.	22,000	27.27	599,981.77	2.28	30.50	671,000.00	2.56	2.240	7.3	3.55	8.6	10
COMMUNICATIONS			1,630,258.91	6.18%	1,858,500.00			7.10%	7.2			
% CHANGE COST-TO-MARKET			14.00%	TARGET WEIGHTING (BY MARKET)			7.00%					
UTILITIES			5,016,034.01	19.03%	5,277,850.00			20.16%	7.1			
% CHANGE COST-TO-MARKET			5.22%	TARGET WEIGHTING (BY MARKET)			20.00%					

FINANCIAL SERVICES

BANKS

CONTINENTAL ILL. CORP.	18,000	20.69	372,368.92	1.41	24.63	443,250.00	1.69	1.320	5.4	3.90	6.3	8
MANUFACTURERS HANOVER	11,000	36.39	400,248.02	1.52	32.25	354,750.00	1.35	1.920	6.0	5.30	6.1	9
NORTHWEST BANCORP.	20,000	20.56	411,152.81	1.56	22.25	445,000.00	1.70	0.960	4.3	2.80	7.9	11
BANKS			1,183,769.75	4.49%	1,243,000.00			4.75%	5.2			
% CHANGE COST-TO-MARKET			5.00%	TARGET WEIGHTING (BY MARKET)			5.00%					

FINANCE

HOUSEHOLD FINANCE	22,000	22.85	502,605.65	1.91	18.75	412,500.00	1.58	1.300	6.9	3.00	6.3	11
FINANCE			502,605.65	1.91%		412,500.00	1.58%		6.9			
% CHANGE COST-TO-MARKET-17.93%				TARGET WEIGHTING (BY MARKET)				1.00%				

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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FINANCIAL SERVICES (CONTINUED)

INSURANCE

INA CORP.	10,000	43.05	430,495.80	1.63	40.50	405,000.00	1.55	2.300	5.7	7.00	5.8	10
NLT CORP.	11,000	12.96	142,570.64	0.54	22.38	246,125.00	0.94	0.760	3.4	3.40	6.6	8
U.S. FIDELITY & GUAR.	13,200	27.82	367,259.07	1.39	30.75	405,900.00	1.55	1.840	6.0	6.00	5.1	11

INSURANCE	940,325.51	3.57%	1,057,025.00	4.04%		5.3
% CHANGE COST-TO-MARKET	12.41%	TARGET WEIGHTING (BY MARKET)	4.00%			

FINANCIAL SERVICES	2,626,700.91	9.96%	2,712,525.00	10.36%		5.5
% CHANGE COST-TO-MARKET	3.27%	TARGET WEIGHTING (BY MARKET)	10.00%			

CONSUMER-ORIENTED

AUTOS - AUTO PARTS

FORD MOTOR CO.	9,500	43.83	416,424.48	1.58	42.88	407,312.50	1.56	3.200	7.5	12.75	3.4	9
GENERAL MOTORS	8,000	71.19	569,522.05	2.16	67.25	538,000.00	2.05	3.400	5.1	11.75	5.7	10
GOODYEAR TIRE & RUBBER	11,500	28.72	330,325.93	1.25	17.75	204,125.00	0.78	1.300	7.3	2.75	6.5	10

AUTOS - AUTO PARTS	1,316,272.46	4.99%	1,149,437.50	4.39%		6.3
% CHANGE COST-TO-MARKET	-12.67%	TARGET WEIGHTING (BY MARKET)	4.50%			

CONSUMER-DURABLES

SUNBEAM CORP.	14,000	20.59	288,321.50	1.09	20.63	288,750.00	1.10	1.200	5.8	3.00	6.9	11
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CONSUMER-DURABLES	288,321.50	1.09%	288,750.00	1.10%		5.8
% CHANGE COST-TO-MARKET	0.15%	TARGET WEIGHTING (BY MARKET)	1.10%			

CONSUMER-NONDURABLES

AVON PRODUCTS, INC.	10,000	39.38	393,787.78	1.49	44.88	448,750.00	1.71	2.200	4.9	3.30	13.6	29
COLGATE-PALMOLIVE	9,000	26.58	239,196.44	0.91	21.75	195,750.00	0.75	1.000	4.6	2.15	10.1	17
MINNESOTA MINING & MFG	10,500	58.23	611,391.53	2.32	48.00	504,000.00	1.92	1.700	3.5	3.50	13.7	26

CONSUMER-NONDURABLES	1,244,375.75	4.72%	1,148,500.00	4.39%		4.3
% CHANGE COST-TO-MARKET	-7.70%	TARGET WEIGHTING (BY MARKET)	4.50%			

CONSUMER-MISCELLANEOUS

MCDONALD'S CORP.	2,000	54.15	108,300.71	0.41	47.25	94,500.00	0.36	0.200	0.4	3.40	13.9	30
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CONSUMER-MISCELLANEOUS	108,300.71	0.41%	94,500.00	0.36%		0.4
% CHANGE COST-TO-MARKET	-12.74%	TARGET WEIGHTING (BY MARKET)	0.30%			

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
CONSUMER-ORIENTED (CONTINUED)												
DRUGS												
AMERICAN HOME PRODUCTS	6,000	30.80	184,805.00	0.70	27.38	164,250.00	0.63	1.200	4.4	1.95	14.0	26
PFIZER, INC.	16,000	32.49	519,865.89	1.97	24.88	398,000.00	1.52	0.960	3.9	2.50	10.0	19
WARNER-LAMBERT	15,000	39.72	595,765.72	2.26	25.75	386,250.00	1.48	1.100	4.3	2.35	11.0	20
DRUGS			1,300,436.61	4.93%		948,500.00	3.62%		4.1			
% CHANGE COST-TO-MARKET			-27.06%			TARGET WEIGHTING (BY MARKET)	3.70%					
FOODS-BEVERAGES												
CPC INTERNATIONAL	10,000	44.14	441,386.28	1.67	46.25	462,500.00	1.77	2.500	5.4	5.60	8.3	9
CONSOLIDATED FOODS	12,000	30.78	369,336.67	1.40	23.63	283,500.00	1.08	1.400	5.9	3.15	7.5	12
GENERAL FOODS CORP.	11,000	25.19	277,072.95	1.05	30.88	339,625.00	1.30	1.640	5.3	3.65	8.5	10
PEPSICO, INC.	19,800	17.74	351,321.32	1.33	25.13	497,475.00	1.90	0.800	3.2	2.15	11.7	17
FOODS-BEVERAGES			1,439,117.22	5.46%		1,583,100.00	6.05%		4.8			
% CHANGE COST-TO-MARKET			-10.00%			TARGET WEIGHTING (BY MARKET)	6.40%					
RETAIL SALES												
FEDERATED DEPT. STORES	11,000	43.33	476,652.50	1.81	38.00	418,000.00	1.60	1.460	3.8	3.75	10.1	15
PENNEY (J.C.) CO.	5,000	34.79	173,975.00	0.66	33.75	168,750.00	0.64	1.480	4.4	3.70	9.1	22
SEARS, ROEBUCK & CO.	15,000	38.90	583,574.43	2.21	29.00	435,000.00	1.66	1.110	3.8	2.80	10.4	21
RETAIL SALES			1,234,201.93	4.68%		1,021,750.00	3.90%		3.9			
% CHANGE COST-TO-MARKET			-17.21%			TARGET WEIGHTING (BY MARKET)	3.60%					
CONSUMER-ORIENTED			6,931,026.18	26.29%		6,234,537.50	23.81%		4.7			
% CHANGE COST-TO-MARKET			-10.05%			TARGET WEIGHTING (BY MARKET)	24.10%					
TECHNOLOGY												
OFFICE EQUIPMENT												
INT'L BUS. MACHINES	4,900	261.41	1,280,919.92	4.86	257.25	1,260,525.00	4.81	10.000	3.9	18.00	14.3	22
OFFICE EQUIPMENT			1,280,919.92	4.86%		1,260,525.00	4.81%		3.9			
% CHANGE COST-TO-MARKET			-1.59%			TARGET WEIGHTING (BY MARKET)	4.80%					
TECHNOLOGY			1,280,919.92	4.86%		1,260,525.00	4.81%		3.9			
% CHANGE COST-TO-MARKET			-1.59%			TARGET WEIGHTING (BY MARKET)	4.80%					

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY												
AEROSPACE												
UNITED TECHNOLOGIES	13,000	29.88	388,479.69	1.47	34.75	451,750.00	1.73	1.800	5.2	4.25	8.2	7
AEROSPACE			388,479.69	1.47%		451,750.00	1.73%		5.2			
% CHANGE COST-TO-MARKET		16.29%				TARGET WEIGHTING (BY MARKET)	1.70%					
BUILDING & FOREST PROD												
GEORGIA-PACIFIC CORP.	17,292	28.84	498,784.48	1.89	26.38	456,076.50	1.74	0.800	3.0	2.40	11.0	15
MASONITE CORP.	4,000	20.72	82,938.00	0.31	16.50	66,000.00	0.25	0.680	4.1	2.30	7.2	18
BUILDING & FOREST PROD			581,672.48	2.21%		522,076.50	1.99%		3.2			
% CHANGE COST-TO-MARKET		10.25%				TARGET WEIGHTING (BY MARKET)	2.00%					
CHEMICALS												
DOW CHEMICAL	4,000	35.90	143,615.83	0.54	28.88	115,500.00	0.44	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	3,500	130.61	457,134.53	1.73	112.50	393,750.00	1.50	5.000	4.4	11.15	10.1	17
MONSANTO CO.	3,000	56.87	170,620.07	0.65	55.00	165,000.00	0.63	3.100	5.6	10.10	5.4	9
UNION CARBIDE CORP.	9,500	47.07	447,140.76	1.70	41.75	396,625.00	1.51	2.800	6.7	6.50	6.4	9
CHEMICALS			1,218,511.19	4.62%		1,070,875.00	4.09%		5.4			
% CHANGE COST-TO-MARKET		12.12%				TARGET WEIGHTING (BY MARKET)	4.50%					
ELECTRICAL EQUIPMENT												
GENERAL ELECTRIC CO.	5,000	49.13	245,626.79	0.93	50.13	250,625.00	0.96	2.200	4.4	4.80	10.4	17
GOULD, INC.	30,000	16.66	499,716.49	1.90	29.38	881,250.00	3.37	1.360	4.6	3.50	8.4	9
ELECTRICAL EQUIPMENT			745,343.28	2.83%		1,131,875.00	4.32%		4.6			
% CHANGE COST-TO-MARKET		51.86%				TARGET WEIGHTING (BY MARKET)	3.50%					
MACHINERY												
CLARK EQUIPMENT CO.	5,000	43.53	217,640.00	0.83	32.00	160,000.00	0.61	1.800	5.6	4.35	7.4	11
COMBUSTION ENGINEERING	12,000	43.81	525,708.70	1.99	36.25	435,000.00	1.66	1.600	4.4	4.00	9.1	14
TRANS UNION CORP.	8,000	31.56	252,508.00	0.96	35.38	283,000.00	1.08	1.920	5.4	4.40	8.0	12
MACHINERY			995,856.70	3.78%		878,000.00	3.35%		5.0			
% CHANGE COST-TO-MARKET		11.83%				TARGET WEIGHTING (BY MARKET)	3.50%					
METALS												
HANNA MINING COMPANY	4,000	42.60	170,388.00	0.65	38.25	153,000.00	0.58	1.800	4.7	6.25	6.1	17
ST. JOE MINERALS CORP.	13,000	40.18	522,298.64	1.98	29.63	385,125.00	1.47	1.300	4.4	2.90	10.2	7
METALS			692,686.64	2.63%		538,125.00	2.06%		4.5			
% CHANGE COST-TO-MARKET		22.31%				TARGET WEIGHTING (BY MARKET)	2.00%					

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY (CONTINUED)												
PAPER												
INTERNATIONAL PAPER	9,000	39.99	359,876.74	1.37	40.88	367,875.00	1.40	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	3,000	60.56	181,673.00	0.69	46.88	140,625.00	0.54	1.800	3.8	5.00	9.4	11
PAPER			541,546.74	2.05%		508,500.00	1.94%		4.6			
% CHANGE COST-TO-MARKET			-6.10%			TARGET WEIGHTING (BY MARKET)	2.00%					
MISCELLANEOUS												
INT'L TEL. & TEL.	12,500	38.62	482,771.21	1.83	29.88	373,437.50	1.43	1.760	5.9	4.60	6.5	9
MISCELLANEOUS			482,771.21	1.83%		373,437.50	1.43%		5.9			
% CHANGE COST-TO-MARKET			-22.65%			TARGET WEIGHTING (BY MARKET)	1.50%					
BASIC INDUSTRY			5,646,867.93	21.42%		5,474,639.00	20.91%		4.8			
% CHANGE COST-TO-MARKET			-3.05%			TARGET WEIGHTING (BY MARKET)	20.70%					
ENERGY												
OIL-DOMESTIC												
CONTINENTAL OIL	23,500	23.94	562,631.64	2.13	28.38	666,812.50	2.55	1.400	4.9	4.00	7.1	11
MARATHON OIL CO	12,000	56.84	682,084.89	2.59	46.75	561,000.00	2.14	2.200	4.7	7.00	6.7	10
STANDARD OIL (INDIANA)	12,000	42.00	503,953.76	1.91	47.75	573,000.00	2.19	2.600	5.4	7.00	6.8	13
OIL-DOMESTIC			1,748,670.29	6.63%		1,800,812.50	6.88%		5.0			
% CHANGE COST-TO-MARKET			2.98%			TARGET WEIGHTING (BY MARKET)	7.10%					
OIL-INTERNATIONAL												
EXXON CORPORATION	25,000	40.75	1,018,834.04	3.86	47.13	1,178,125.00	4.50	3.000	6.4	6.00	7.9	11
MOBIL CORP.	12,500	51.71	646,323.24	2.45	61.88	773,437.50	2.95	3.800	6.1	9.50	6.5	10
TEXACO, INC.	18,000	29.95	539,119.75	2.05	27.38	492,750.00	1.88	2.000	7.3	3.60	7.6	10
OIL-INTERNATIONAL			2,204,277.03	8.36%		2,444,312.50	9.33%		6.5			
% CHANGE COST-TO-MARKET			10.89%			TARGET WEIGHTING (BY MARKET)	9.30%					
ENERGY - RELATED												
DRESSER INDUSTRIES	9,000	33.97	305,762.50	1.16	39.75	357,750.00	1.37	0.880	2.2	4.80	8.3	14
WILLIAMS COMPANIES	6,500	22.75	147,850.50	0.56	18.50	120,250.00	0.46	1.000	5.4	2.90	6.4	8
ENERGY - RELATED			453,613.00	1.72%		478,000.00	1.83%		3.0			
% CHANGE COST-TO-MARKET			5.38%			TARGET WEIGHTING (BY MARKET)	2.00%					
ENERGY			4,406,560.32	16.72%		4,723,125.00	18.04%		5.6			
% CHANGE COST-TO-MARKET			7.18%			TARGET WEIGHTING (BY MARKET)	18.40%					

SUPPLEMENTAL RET-INCOME
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
TRANSPORTATION												
RAILROADS												
SOUTHERN RAILWAY	5,500	54.54	299,984.89	1.14	51.50	283,250.00	1.08	2.600	5.0	7.25	7.1	10
UNION PACIFIC CORP.	4,700	32.46	152,559.99	0.58	46.63	219,137.50	0.84	1.700	3.6	4.70	9.9	12
RAILROADS			452,544.88	1.72%		502,387.50	1.92%		4.4			
% CHANGE COST-TO-MARKET		11.01%			TARGET WEIGHTING (BY MARKET)	2.00%						
TRANSPORTATION			452,544.88	1.72%		502,387.50	1.92%		4.4			
% CHANGE COST-TO-MARKET		11.01%			TARGET WEIGHTING (BY MARKET)	2.00%						
TOTAL FUND			26,360,654.15			26,185,589.00			5.4			
% CHANGE COST-TO-MARKET		-0.66%										
*LESS PROFIT ON STOCKS SOLD			143,467.09									
*NET ORIGINAL COST OF EQUITIES			26,217,186.16			26,185,589.00						
*PERCENT CHANGE — NET ORIGINAL COST-TO-MARKET				-0.12%								

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
UTILITIES												
ELECTRIC												
FLORIDA POWER & LIGHT	17,000	27.27	463,552.47	2.51	25.25	429,250.00	2.72	1.760	7.0	3.30	7.7	12
TEXAS UTILITIES CO.	20,000	19.86	397,209.77	2.15	20.00	400,000.00	2.53	1.400	7.0	2.55	7.8	12
ELECTRIC			860,762.24	4.66%		829,250.00	5.25%		7.0			
% CHANGE COST-TO-MARKET		-3.66%		TARGET WEIGHTING (BY MARKET)		5.20%						
NATURAL GAS												
HOUSTON NATURAL GAS	9,000	32.16	289,475.13	1.57	26.00	234,000.00	1.48	0.800	3.1	4.00	6.5	14
NATURAL GAS			289,475.13	1.57%		234,000.00	1.48%		3.1			
% CHANGE COST-TO-MARKET		-19.16%		TARGET WEIGHTING (BY MARKET)		1.70%						
COMMUNICATIONS												
AMERICAN TEL. & TEL.	4,800	60.38	289,812.80	1.57	59.38	285,000.00	1.80	4.200	7.1	6.85	8.7	10
UNITED TELECOM.	17,800	18.00	320,478.12	1.73	19.75	351,550.00	2.22	1.280	6.5	2.20	9.0	10
COMMUNICATIONS			610,290.92	3.30%		636,550.00	4.03%		6.7			
% CHANGE COST-TO-MARKET		4.30%		TARGET WEIGHTING (BY MARKET)		4.00%						
UTILITIES			1,760,528.29	9.52%		1,699,800.00	10.75%		6.4			
% CHANGE COST-TO-MARKET		-3.45%		TARGET WEIGHTING (BY MARKET)		10.90%						
FINANCIAL SERVICES												
BANKS												
BANKAMERICA CORP	5,000	19.97	99,843.75	0.54	22.50	112,500.00	0.71	0.940	4.2	2.70	8.3	12
FIRST BANK SYSTEM	6,000	43.27	259,605.00	1.40	35.63	213,750.00	1.35	1.600	4.5	4.55	7.8	13
VALLEY NATL (ARIZONA)	7,500	25.74	193,065.00	1.04	19.25	144,375.00	0.91	0.920	4.8	2.40	8.0	12
BANKS			552,513.75	2.99%		470,625.00	2.98%		4.5			
% CHANGE COST-TO-MARKET		-14.82%		TARGET WEIGHTING (BY MARKET)		2.70%						
FINANCE												
HOUSEHOLD FINANCE	10,000	23.79	237,858.27	1.29	18.75	187,500.00	1.19	1.300	6.9	3.00	6.3	11
MGIC INVESTMENT CORP.	6,000	42.31	253,881.03	1.37	12.75	76,500.00	0.48	0.300	2.4	1.80	7.1	42
FINANCE			491,739.30	2.66%		264,000.00	1.67%		5.6			
% CHANGE COST-TO-MARKET		-46.31%		TARGET WEIGHTING (BY MARKET)		1.50%						

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
FINANCIAL SERVICES (CONTINUED)												
INSURANCE												
INA CORP.	6,000	44.89	269,343.97	1.46	40.50	243,000.00	1.54	2.300	5.7	7.00	5.8	10.
NLT CORP.	11,000	24.17	265,845.43	1.44	22.38	246,125.00	1.56	0.760	3.4	3.40	6.6	8.
SAFECO CORP.	3,400	46.69	158,760.00	0.86	39.50	134,300.00	0.85	1.500	3.8	6.75	5.9	13.
INSURANCE			693,949.40	3.75%	623,425.00			3.94%	4.4			
% CHANGE COST-TO-MARKET-10.16%			TARGET WEIGHTING (BY MARKET)			4.10%						
FINANCIAL SERVICES			1,738,202.45	9.40%	1,358,050.00			8.59%	4.7			
% CHANGE COST-TO-MARKET-21.87%			TARGET WEIGHTING (BY MARKET)			8.30%						
CONSUMER-ORIENTED												
AUTOS - AUTO PARTS												
GENUINE PARTS COMPANY	19,500	35.23	687,071.32	3.72	32.38	631,312.50	3.99	0.900	2.8	2.50	13.0	24.
AUTOS - AUTO PARTS			687,071.32	3.72%	631,312.50			3.99%	2.8			
% CHANGE COST-TO-MARKET -8.12%			TARGET WEIGHTING (BY MARKET)			3.50%						
CONSUMER-DURABLES												
SUNBEAM CORP.	9,000	25.95	233,525.00	1.26	20.63	185,625.00	1.17	1.200	5.8	3.00	6.9	11.
CONSUMER-DURABLES			233,525.00	1.26%	185,625.00			1.17%	5.8			
% CHANGE COST-TO-MARKET-20.51%			TARGET WEIGHTING (BY MARKET)			1.20%						
CONSUMER-NONDURABLES												
AVON PRODUCTS, INC.	5,000	54.74	273,724.14	1.48	44.88	224,375.00	1.42	2.200	4.9	3.30	13.6	29.
COLGATE-PALMOLIVE	6,000	26.71	160,256.94	0.87	21.75	130,500.00	0.83	1.000	4.6	2.15	10.1	17.
EASTMAN KODAK CO.	4,400	84.40	371,380.44	2.01	52.75	232,100.00	1.47	2.100	4.0	4.05	13.0	27.
MINNESOTA MINING & MFG	6,000	53.24	319,453.97	1.73	48.00	288,000.00	1.82	1.700	3.5	3.50	13.7	26.
REVLON, INCORPORATED	8,000	32.47	259,730.43	1.40	40.50	324,000.00	2.05	1.000	2.5	3.10	13.1	17.
CONSUMER-NONDURABLES			1,384,545.92	7.49%	1,198,975.00			7.58%	3.7			
% CHANGE COST-TO-MARKET-13.40%			TARGET WEIGHTING (BY MARKET)			7.90%						
CONSUMER-MISCELLANEOUS												
ARA SERVICES, INC.	1,800	75.04	135,064.56	0.73	37.88	68,175.00	0.43	1.450	3.8	4.05	9.4	19.
DISNEY (WALT) PROD.	5,197	55.07	286,182.59	1.55	36.25	188,391.25	1.19	0.160	0.4	2.60	13.9	32.
HOLIDAY INNS INC.	4,200	33.37	140,159.33	0.76	12.63	53,025.00	0.34	0.465	3.7	1.60	7.9	17.
MCDONALD'S CORP.	5,000	43.32	216,614.53	1.17	47.25	236,250.00	1.49	0.200	0.4	3.40	13.9	30.
CONSUMER-MISCELLANEOUS			778,021.01	4.21%	545,841.25			3.45%	1.2			
% CHANGE COST-TO-MARKET-29.84%			TARGET WEIGHTING (BY MARKET)			3.00%						

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	***** COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT

CONSUMER-ORIENTED (CONTINUED)

DRUGS

AMERICAN HOME PRODUCTS	7,000	37.01	259,076.98	1.40	27.38	191,625.00	1.21	1.200	4.4	1.95	14.0	26
JOHNSON & JOHNSON	4,000	91.55	366,184.26	1.98	73.38	293,500.00	1.86	1.500	2.0	4.20	17.5	35
MEDTRONIC, INC.	7,000	23.83	166,796.32	0.90	18.13	126,875.00	0.80	0.400	2.2	1.90	9.5	28
SCHERING-PLOUGH CORP.	5,000	53.91	269,532.34	1.46	28.75	143,750.00	0.91	1.120	3.9	3.15	9.1	27
DRUGS			1,061,589.90	5.74%		755,750.00	4.78%		3.0			
% CHANGE COST-TO-MARKET-28.81%						TARGET WEIGHTING (BY MARKET)	5.00%					

FOODS-BEVERAGES

GENERAL MILLS, INC.	7,000	28.12	196,875.00	1.06	28.00	196,000.00	1.24	1.000	3.6	2.70	10.4	15
PEPSICO, INC.	16,500	22.67	374,041.53	2.02	25.13	414,562.50	2.62	0.800	3.2	2.15	11.7	17
PILLSBURY COMPANY	5,000	39.69	198,450.00	1.07	38.25	191,250.00	1.21	1.280	3.3	4.10	9.3	10
FOODS-BEVERAGES			769,366.53	4.16%		801,812.50	5.07%		3.3			
% CHANGE COST-TO-MARKET 4.22%						TARGET WEIGHTING (BY MARKET)	4.80%					

RETAIL SALES

AMERICAN GREETINGS	13,000	16.24	211,070.00	1.14	12.31	160,069.00	1.01	0.340	2.8	1.40	8.8	25
K-MART CORPORATION	6,500	35.98	233,852.50	1.26	29.75	193,375.00	1.22	0.560	1.9	2.50	11.9	26
PENNEY (J.C.) CO.	6,000	50.72	304,302.11	1.65	33.75	202,500.00	1.28	1.480	4.4	3.70	9.1	22
SOUTHLAND CORPORATION	6,150	24.34	149,679.50	0.81	25.63	157,593.75	1.00	0.600	2.3	2.40	10.7	14
RETAIL SALES			898,904.11	4.86%		713,537.75	4.51%		2.9			
% CHANGE COST-TO-MARKET-20.62%						TARGET WEIGHTING (BY MARKET)	4.20%					
CONSUMER-ORIENTED			5,813,023.79	31.44%		4,832,854.00	30.57%		3.1			
% CHANGE COST-TO-MARKET-16.86%						TARGET WEIGHTING (BY MARKET)	29.60%					

TECHNOLOGY

ELECTRONICS

HEWLETT-PACKARD CO.	4,000	91.97	367,883.21	1.99	70.50	282,000.00	1.78	0.400	0.6	4.40	16.0	35
TEXAS INSTRUMENTS INC.	400	87.52	35,008.60	0.19	75.13	30,050.00	0.19	1.320	1.8	5.20	14.4	29
ELECTRONICS			402,891.81	2.18%		312,050.00	1.97%		0.7			
% CHANGE COST-TO-MARKET-22.55%						TARGET WEIGHTING (BY MARKET)	2.20%					

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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TECHNOLOGY (CONTINUED)

OFFICE EQUIPMENT

BURROUGHS CORP.	2,000	66.59	133,187.47	0.72	65.13	130,250.00	0.62	1.000	1.5	5.35	12.2	28
DIGITAL EQUIPMENT CORP	6,000	36.40	218,427.71	1.18	44.88	269,250.00	1.70	0.000	0.0	3.75	12.0	35
HONEYWELL, INC.	4,000	89.44	357,775.16	1.93	44.63	178,500.00	1.13	1.900	4.3	6.25	7.1	17
INT'L BUS. MACHINES	3,612	257.93	931,638.77	5.04	257.25	929,187.00	5.88	10.000	3.9	18.00	14.3	22
XEROX CORPORATION	4,200	93.80	393,970.93	2.13	49.50	207,900.00	1.32	1.600	3.2	5.00	9.9	28

OFFICE EQUIPMENT 2,035,000.04 11.01% 1,715,087.00 10.85% 3.1
% CHANGE COST-TO-MARKET-15.72% TARGET WEIGHTING (BY MARKET) 11.00%

TECHNOLOGY 2,437,891.85 13.18% 2,027,137.00 12.82% 2.7
% CHANGE COST-TO-MARKET-16.85% TARGET WEIGHTING (BY MARKET) 13.20%

BASIC INDUSTRY

AEROSPACE

BOEING CO.	14,500	22.44	325,337.92	1.76	26.25	380,625.00	2.41	1.000	3.8	4.25	6.2	9
AEROSPACE			325,337.92	1.76%		380,625.00	2.41%		3.8			
% CHANGE COST-TO-MARKET			16.99%			TARGET WEIGHTING (BY MARKET)	2.50%					

BUILDING & FOREST PROD

GEORGIA-PACIFIC CORP.	8,670	31.17	270,275.00	1.46	26.38	228,671.25	1.45	0.800	3.0	2.40	11.0	15
MASONITE CORP.	11,000	27.72	304,888.13	1.65	16.50	181,500.00	1.15	0.680	4.1	2.30	7.2	18
BUILDING & FOREST PROD			575,163.13	3.11%		410,171.25	2.59%		3.5			
% CHANGE COST-TO-MARKET			28.69%			TARGET WEIGHTING (BY MARKET)	2.70%					

CHEMICALS

AIR PRODUCTS & CHEM.	9,670	31.06	300,317.61	1.62	25.00	241,750.00	1.53	0.400	1.6	2.40	10.4	18
DOW CHEMICAL	5,000	43.91	219,530.00	1.19	28.88	144,375.00	0.91	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	2,100	146.88	308,449.15	1.67	112.50	236,250.00	1.49	5.000	4.4	11.15	10.1	17
CHEMICALS			828,296.76	4.48%		622,375.00	3.94%		3.3			
% CHANGE COST-TO-MARKET			24.86%			TARGET WEIGHTING (BY MARKET)	3.80%					

ELECTRICAL EQUIPMENT

EMERSON ELECTRIC CO.	11,000	35.17	386,912.84	2.09	33.63	369,875.00	2.34	1.000	3.0	2.75	12.2	23
GOULD, INC.	6,500	26.42	171,758.80	0.93	29.38	190,937.50	1.21	1.360	4.6	3.50	8.4	9
ELECTRICAL EQUIPMENT			558,671.64	3.02%		560,812.50	3.55%		3.5			
% CHANGE COST-TO-MARKET			0.38%			TARGET WEIGHTING (BY MARKET)	3.50%					

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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BASIC INDUSTRY (CONTINUED)

MACHINERY

CATERPILLAR TRACTOR	2,000	53.22	106,440.00	0.58	51.50	103,000.00	0.65	1.800	3.5	5.00	10.3	13
CLARK EQUIPMENT CO.	4,000	40.60	162,410.00	0.88	32.00	128,000.00	0.81	1.800	5.6	4.35	7.4	11
TRANS UNION CORP.	3,500	32.36	113,244.50	0.61	35.38	123,812.50	0.78	1.920	5.4	4.40	8.0	12

MACHINERY 382,094.50 2.07% 354,812.50 2.24% 4.9
 % CHANGE COST-TO-MARKET -7.14% TARGET WEIGHTING (BY MARKET) 2.20%

METALS

HANNA MINING COMPANY	6,500	47.62	309,502.35	1.67	38.25	248,625.00	1.57	1.800	4.7	6.25	6.1	17
ST. JOE MINERALS CORP.	6,500	40.18	261,170.00	1.41	29.63	192,562.50	1.22	1.300	4.4	2.90	10.2	7

METALS 570,672.35 3.09% 441,187.50 2.79% 4.6
 % CHANGE COST-TO-MARKET-22.69% TARGET WEIGHTING (BY MARKET) 2.80%

PAPER

INTERNATIONAL PAPER	4,300	61.48	264,362.50	1.43	40.88	175,762.50	1.11	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	1,300	51.78	67,316.50	0.36	46.88	60,937.50	0.39	1.800	3.8	5.00	9.4	11

PAPER 331,679.00 1.79% 236,700.00 1.50% 4.6
 % CHANGE COST-TO-MARKET-28.64% TARGET WEIGHTING (BY MARKET) 1.60%

MISCELLANEOUS

INT'L TEL. & TEL.	7,000	44.91	314,394.85	1.70	29.88	209,125.00	1.32	1.760	5.9	4.60	6.5	9
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MISCELLANEOUS 314,394.85 1.70% 209,125.00 1.32% 5.9
 % CHANGE COST-TO-MARKET-33.48% TARGET WEIGHTING (BY MARKET) 1.30%

BASIC INDUSTRY 3,886,310.15 21.02% 3,215,808.75 20.34% 4.0
 % CHANGE COST-TO-MARKET-17.25% TARGET WEIGHTING (BY MARKET) 20.40%

ENERGY

OIL-DOMESTIC

ATLANTIC RICHFIELD CO.	6,000	53.76	322,540.00	1.74	51.38	308,250.00	1.95	2.000	3.9	5.50	9.3	18
LOUISIANA LAND & EXPL.	11,000	26.27	288,976.00	1.56	23.50	258,500.00	1.64	1.200	5.1	2.70	8.7	20
MARATHON OIL CO	8,000	57.31	458,480.00	2.48	46.75	374,000.00	2.37	2.200	4.7	7.00	6.7	10

OIL-DOMESTIC 1,069,996.00 5.79% 940,750.00 5.95% 4.5
 % CHANGE COST-TO-MARKET-12.08% TARGET WEIGHTING (BY MARKET) 6.30%

SUPPLEMENTAL RET-GROWTH
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
ENERGY (CONTINUED)												
OIL-INTERNATIONAL												
EXXON CORPORATION	15,500	45.49	705,157.21	3.81	47.13	730,437.50	4.62	3.000	6.4	6.00	7.9	11
STANDARD OIL OF CALIF.	1,000	40.46	40,460.00	0.22	38.75	38,750.00	0.25	2.400	6.2	6.00	6.5	9
OIL-INTERNATIONAL			745,617.21	4.03%	769,187.50			4.87%	6.4			
% CHANGE COST-TO-MARKET			3.16%	TARGET WEIGHTING (BY MARKET)			5.10%					
ENERGY - RELATED												
BAKER INTERNATIONAL	8,000	48.39	387,086.43	2.09	44.88	359,000.00	2.27	0.640	1.4	4.25	10.6	20
HALLIBURTON CO	6,000	50.81	304,872.00	1.65	59.38	356,250.00	2.25	1.000	1.7	5.80	10.2	22
WILLIAMS COMPANIES	6,800	28.97	196,995.35	1.07	18.50	125,800.00	0.80	1.000	5.4	2.90	6.4	8
ENERGY - RELATED			888,953.78	4.81%	841,050.00			5.32%	2.1			
% CHANGE COST-TO-MARKET			-5.39%	TARGET WEIGHTING (BY MARKET)			4.90%					
ENERGY			2,704,566.99	14.63%	2,550,987.50			16.14%	4.3			
% CHANGE COST-TO-MARKET			-5.68%	TARGET WEIGHTING (BY MARKET)			16.30%					
TRANSPORTATION												
AIRLINES												
NORTHWEST AIRLINES	6,000	24.93	149,591.38	0.81	20.75	124,500.00	0.79	0.500	2.4	4.00	5.2	10
AIRLINES			149,591.38	0.81%	124,500.00			0.79%	2.4			
% CHANGE COST-TO-MARKET			-16.77%	TARGET WEIGHTING (BY MARKET)			0.50%					
TRANSPORTATION			149,591.38	0.81%	124,500.00			0.79%	2.4			
% CHANGE COST-TO-MARKET			-16.77%	TARGET WEIGHTING (BY MARKET)			1.30%					
TOTAL FUND			18,490,114.90	15,809,137.25			3.9					
% CHANGE COST-TO-MARKET			-14.50%									
*LESS PROFIT ON STOCKS SOLD			223,660.46									
*NET ORIGINAL COST OF EQUITIES			18,266,454.44	15,809,137.25								
*PERCENT CHANGE -- NET ORIGINAL COST-TO-MARKET				-13.45%								

MINN VARIABLE ANNUITY
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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UTILITIES

ELECTRIC

COMMONWEALTH EDISON	18,000	29.89	537,941.50	1.57	28.50	513,000.00	1.66	2.400	8.4	3.10	9.2	11
FLORIDA POWER & LIGHT	19,000	25.18	478,363.80	1.40	25.25	479,750.00	1.56	1.760	7.0	3.30	7.7	12
TEXAS UTILITIES CO.	30,000	21.62	648,490.19	1.90	20.00	600,000.00	1.95	1.400	7.0	2.55	7.8	12

ELECTRIC	1,664,795.49	4.87%	1,592,750.00	5.17%	7.4
% CHANGE COST-TO-MARKET	-4.33%	TARGET WEIGHTING (BY MARKET)	5.20%		

NATURAL GAS

PANHANDLE E. PIPE LINE	12,000	34.07	408,871.12	1.19	40.00	516,000.00	1.67	2.500	5.8	6.15	7.0	10
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NATURAL GAS	408,871.12	1.19%	516,000.00	1.67%	5.8
% CHANGE COST-TO-MARKET	25.20%	TARGET WEIGHTING (BY MARKET)	1.70%		

COMMUNICATIONS

AMERICAN TEL. & TEL.	14,300	51.45	735,780.56	2.15	59.38	849,062.50	2.75	4.200	7.1	6.85	8.7	10
GENERAL TEL. & ELEC.	14,500	21.64	313,708.65	0.92	30.50	442,250.00	1.43	2.240	7.3	3.55	8.6	10

COMMUNICATIONS	1,049,489.21	3.07%	1,291,312.50	4.19%	7.2
% CHANGE COST-TO-MARKET	23.04%	TARGET WEIGHTING (BY MARKET)	4.10%		

UTILITIES	3,123,155.82	9.13%	3,400,062.50	11.03%	7.1
% CHANGE COST-TO-MARKET	8.87%	TARGET WEIGHTING (BY MARKET)	11.00%		

FINANCIAL SERVICES

BANKS

CITICORP	9,000	34.52	310,675.83	0.91	22.38	201,375.00	0.65	1.060	4.7	3.30	6.8	14
FIRST BANK SYSTEM	3,000	38.06	114,175.00	0.33	35.63	106,875.00	0.35	1.600	4.5	4.55	7.8	13
FIRST INT'L BANCSHARES	6,600	41.78	275,734.28	0.81	39.13	258,225.00	0.84	1.400	3.6	4.20	9.3	14
NORTHWEST BANCORP.	11,000	24.84	273,292.44	0.80	22.25	244,750.00	0.79	0.960	4.3	2.80	7.9	11

BANKS	973,877.55	2.85%	811,225.00	2.63%	4.2
% CHANGE COST-TO-MARKET	-16.70%	TARGET WEIGHTING (BY MARKET)	2.70%		

FINANCE

HOUSEHOLD FINANCE	16,000	24.65	394,338.16	1.15	18.75	300,000.00	0.97	1.300	6.9	3.00	6.3	11
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FINANCE	394,338.16	1.15%	300,000.00	0.97%	6.9
% CHANGE COST-TO-MARKET	-23.92%	TARGET WEIGHTING (BY MARKET)	0.70%		

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OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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FINANCIAL SERVICES (CONTINUED)

INSURANCE

INA CORP.	5,000	42.89	214,425.00	0.63	40.50	202,500.00	0.66	2.300	5.7	7.00	5.8	10
JEFFERSON-PILOT CORP.	9,000	29.24	263,199.60	0.77	28.00	252,000.00	0.82	0.920	3.3	3.15	8.9	13
NLT CORP.	15,700	23.26	365,105.36	1.07	22.38	351,287.50	1.14	0.760	3.4	3.40	6.6	8
ST. PAUL COMPANIES	4,000	30.86	123,428.00	0.36	29.88	119,500.00	0.39	1.000	3.3	6.00	5.0	12

INSURANCE	966,157.96	2.82%	925,287.50	3.00%	3.9
% CHANGE COST-TO-MARKET -4.23%		TARGET WEIGHTING (BY MARKET)	3.20%		

FINANCIAL SERVICES	2,334,373.67	6.82%	2,036,512.50	6.60%	4.5
% CHANGE COST-TO-MARKET-12.76%		TARGET WEIGHTING (BY MARKET)	6.60%		

CONSUMER-ORIENTED

AUTOS - AUTO PARTS

FORD MOTOR CO.	5,625	41.33	232,503.67	0.68	42.88	241,171.88	0.78	3.200	7.5	12.75	3.4	9
GENERAL MOTORS	6,700	56.29	377,156.84	1.10	67.25	450,575.00	1.46	3.400	5.1	11.75	5.7	10
GENUINE PARTS COMPANY	16,000	34.72	555,587.91	1.62	32.38	518,000.00	1.68	0.900	2.8	2.50	13.0	24

AUTOS - AUTO PARTS	1,165,248.42	3.41%	1,209,746.88	3.92%	4.6
% CHANGE COST-TO-MARKET 3.82%		TARGET WEIGHTING (BY MARKET)	3.50%		

CONSUMER-DURABLES

WHIRLPOOL CORPORATION	15,000	28.08	421,192.12	1.23	22.63	339,375.00	1.10	1.200	5.3	2.95	7.7	14
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CONSUMER-DURABLES	421,192.12	1.23%	339,375.00	1.10%	5.3
% CHANGE COST-TO-MARKET-19.43%		TARGET WEIGHTING (BY MARKET)	1.00%		

CONSUMER-NONDURABLES

AVON PRODUCTS, INC.	7,000	47.59	333,105.36	0.97	44.88	314,125.00	1.02	2.200	4.9	3.30	13.6	29
COLGATE-PALMOLIVE	15,000	26.25	393,682.68	1.15	21.75	326,250.00	1.06	1.000	4.6	2.15	10.1	17
EASTMAN KODAK CO.	8,000	88.07	704,599.75	2.06	52.75	422,000.00	1.37	2.100	4.0	4.05	13.0	27
MINNESOTA MINING & MFG	12,000	61.58	738,932.36	2.16	48.00	576,000.00	1.87	1.700	3.5	3.50	13.7	26
REVLON, INCORPORATED	16,000	38.55	616,729.54	1.80	40.50	648,000.00	2.10	1.000	2.5	3.10	13.1	17

CONSUMER-NONDURABLES	2,787,049.69	8.14%	2,286,375.00	7.41%	3.7
% CHANGE COST-TO-MARKET-17.96%		TARGET WEIGHTING (BY MARKET)	7.50%		

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COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
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CONSUMER-ORIENTED (CONTINUED)

CONSUMER-MISCELLANEOUS

DISNEY (WALT) PROD.	8,000	37.61	300,870.00	0.88	36.25	290,000.00	0.94	0.160	0.4	2.60	13.9	32
MCDONALD'S CORP.	15,000	50.03	750,384.54	2.19	47.25	708,750.00	2.30	0.200	0.4	3.40	13.9	30

CONSUMER-MISCELLANEOUS	1,051,254.54	3.07%	998,750.00	3.24%	0.4
% CHANGE COST-TO-MARKET	-4.99%	TARGET WEIGHTING (BY MARKET)		3.00%	

DRUGS

JOHNSON & JOHNSON	4,500	87.57	394,046.38	1.15	73.38	330,187.50	1.07	1.500	2.0	4.20	17.5	35
MEDTRONIC, INC.	6,000	38.53	231,200.00	0.68	18.13	108,750.00	0.35	0.400	2.2	1.90	9.5	28
MERCK & COMPANY	5,500	69.68	383,243.46	1.12	54.00	297,000.00	0.96	1.500	2.8	3.75	14.4	28
PFIZER, INC.	11,000	34.20	376,149.58	1.10	24.88	273,625.00	0.89	0.960	3.9	2.50	10.0	19
SCHERING-PLOUGH CORP.	7,000	56.08	392,576.25	1.15	28.75	201,250.00	0.65	1.120	3.9	3.15	9.1	27
WARREN-LAMBERT	11,000	39.87	438,620.80	1.28	25.75	283,250.00	0.92	1.100	4.3	2.35	11.0	20

DRUGS	2,215,836.47	6.48%	1,494,062.50	4.85%	3.2
% CHANGE COST-TO-MARKET	-32.57%	TARGET WEIGHTING (BY MARKET)		5.10%	

FOODS-BEVERAGES

CPC INTERNATIONAL	6,000	44.44	266,652.00	0.78	46.25	277,500.00	0.90	2.500	5.4	5.60	8.3	9
COCA-COLA CO.	19,000	38.93	739,750.98	2.16	37.38	710,125.00	2.30	1.540	4.1	2.65	14.1	27
GENERAL FOODS CORP.	5,000	23.62	118,107.41	0.35	30.88	154,375.00	0.50	1.640	5.3	3.65	8.5	10
NORTON SIMON, INC.	23,953	21.03	503,778.70	1.47	19.38	464,089.38	1.50	0.760	3.9	2.20	8.8	13

FOODS-BEVERAGES	1,628,282.09	4.76%	1,606,089.38	5.21%	4.4
% CHANGE COST-TO-MARKET	-1.36%	TARGET WEIGHTING (BY MARKET)		5.10%	

RETAIL SALES

FEDERATED DEPT. STORES	8,000	42.40	339,210.00	0.99	38.00	304,000.00	0.99	1.460	3.8	3.75	10.1	15
K-MART CORPORATION	13,000	36.20	470,641.32	1.38	29.75	386,750.00	1.25	0.560	1.9	2.50	11.9	26
SEARS, ROEBUCK & CO.	12,000	40.90	490,799.03	1.43	29.00	348,000.00	1.13	1.110	3.8	2.80	10.4	21
SOUTHLAND CORPORATION	14,710	24.66	362,778.37	1.06	25.63	376,943.75	1.22	0.600	2.3	2.40	10.7	14

RETAIL SALES	1,663,428.72	4.86%	1,415,693.75	4.59%	2.9
% CHANGE COST-TO-MARKET	-14.89%	TARGET WEIGHTING (BY MARKET)		4.20%	

CONSUMER-ORIENTED	10,932,299.05	31.95%	9,350,092.51	30.32%	3.4
% CHANGE COST-TO-MARKET-14.47%		TARGET WEIGHTING (BY MARKET)	29.40%		

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COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN HIST PER MULT	
TECHNOLOGY												
ELECTRONICS												
HEWLETT-PACKARD CO.	8,000	89.17	713,326.64	2.08	70.50	564,000.00	1.83	0.400	0.6	4.40	16.0	35
TEXAS INSTRUMENTS INC.	1,500	85.80	128,706.97	0.38	75.13	112,687.50	0.37	1.320	1.8	5.20	14.4	29
ELECTRONICS			842,033.61	2.46%	676,687.50			2.19%	0.8			
% CHANGE COST-TO-MARKET-19.64%			TARGET WEIGHTING (BY MARKET)			2.30%						
OFFICE EQUIPMENT												
BURROUGHS CORP.	7,500	89.89	674,174.94	1.97	65.13	488,437.50	1.58	1.000	1.5	5.35	12.2	28
DIGITAL EQUIPMENT CORP	19,000	47.10	894,992.14	2.62	44.88	852,625.00	2.76	0.000	0.0	3.75	12.0	35
INT'L BUS. MACHINES	7,793	273.90	2,134,467.83	6.24	257.25	2,004,749.25	6.50	10.000	3.9	18.00	14.3	22
OFFICE EQUIPMENT			3,703,634.91	10.82%	3,345,811.75			10.85%	2.6			
% CHANGE COST-TO-MARKET -9.66%			TARGET WEIGHTING (BY MARKET)			11.00%						
TECHNOLOGY			4,545,668.52	13.28%	4,022,499.25			13.04%	2.3			
% CHANGE COST-TO-MARKET-11.51%			TARGET WEIGHTING (BY MARKET)			13.30%						
BASIC INDUSTRY												
AEROSPACE												
BOEING CO.	28,000	22.32	624,905.00	1.83	26.25	735,000.00	2.38	1.000	3.8	4.25	6.2	9
AEROSPACE			624,905.00	1.83%	735,000.00			2.38%	3.8			
% CHANGE COST-TO-MARKET 17.62%			TARGET WEIGHTING (BY MARKET)			2.50%						
BUILDING & FOREST PROD												
MASONITE CORP.	24,000	19.73	473,636.88	1.38	16.50	396,000.00	1.28	0.680	4.1	2.30	7.2	18
WEYERHAEUSER CO.	14,000	41.94	587,216.43	1.72	26.00	364,000.00	1.18	0.800	3.1	2.45	10.6	17
BUILDING & FOREST PROD			1,060,853.31	3.10%	760,000.00			2.46%	3.6			
% CHANGE COST-TO-MARKET-28.36%			TARGET WEIGHTING (BY MARKET)			2.70%						
CHEMICALS												
AIR PRODUCTS &CHEM.	12,201	27.78	338,925.01	0.99	25.00	305,025.00	0.99	0.400	1.6	2.40	10.4	18
DOW CHEMICAL	12,000	41.30	495,572.18	1.45	28.88	346,500.00	1.12	1.200	4.2	3.30	8.8	16
DU PONT (EI) DENEMOURS	5,000	156.77	783,827.03	2.29	112.50	562,500.00	1.82	5.000	4.4	11.15	10.1	17
HERCULES, INC.	3,000	16.08	48,225.00	0.14	15.88	47,625.00	0.15	1.000	6.3	1.85	8.6	20
CHEMICALS			1,666,549.22	4.87%	1,261,650.00			4.09%	3.7			
% CHANGE COST-TO-MARKET-24.30%			TARGET WEIGHTING (BY MARKET)			4.00%						

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COMPANY NAME	NUMB OF SHARES	***** AVG. COST	COST ***** TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	MARKET ***** 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
BASIC INDUSTRY (CONTINUED)												
ELECTRICAL EQUIPMENT												
EMERSON ELECTRIC CO.	9,000	33.31	299,829.93	0.88	33.63	302,625.00	0.98	1.000	3.0	2.75	12.2	23
GENERAL ELECTRIC CO.	10,000	53.81	538,140.29	1.57	50.13	501,250.00	1.63	2.200	4.4	4.80	10.4	17
GOULD, INC.	7,000	26.48	185,341.00	0.54	29.38	205,625.00	0.67	1.360	4.6	3.50	8.4	9
ELECTRICAL EQUIPMENT			1,023,311.22	2.99%	1,009,500.00			3.27%		4.0		
% CHANGE COST-TO-MARKET			-1.35%	TARGET WEIGHTING (BY MARKET)			3.20%					
MACHINERY												
CATERPILLAR TRACTOR	5,100	43.68	222,781.41	0.65	51.50	262,650.00	0.85	1.800	3.5	5.00	10.3	13
COMBUSTION ENGINEERING	10,500	36.17	379,737.62	1.11	36.25	380,625.00	1.23	1.600	4.4	4.00	9.1	14
TRANS UNION CORP.	8,000	31.57	252,578.22	0.74	35.38	283,000.00	0.92	1.920	5.4	4.40	8.0	12
MACHINERY			855,097.25	2.50%	926,275.00			3.00%		4.5		
% CHANGE COST-TO-MARKET			8.32%	TARGET WEIGHTING (BY MARKET)			3.00%					
METALS												
ALUMINUM CO OF AMER	5,000	44.45	222,226.13	0.65	44.75	223,750.00	0.73	1.800	4.0	6.00	7.5	14
HANNA MINING COMPANY	10,000	51.88	518,776.31	1.52	38.25	382,500.00	1.24	1.800	4.7	6.25	6.1	17
ST. JOE MINERALS CORP.	8,000	41.35	330,825.00	0.97	29.63	237,000.00	0.77	1.300	4.4	2.90	10.2	7
METALS			1,071,827.44	3.13%	843,250.00			2.73%		4.4		
% CHANGE COST-TO-MARKET			-21.33%	TARGET WEIGHTING (BY MARKET)			2.80%					
PAPER												
INTERNATIONAL PAPER	4,500	62.57	281,549.34	0.82	40.88	183,937.50	0.60	2.000	4.9	5.00	8.2	11
UNION CAMP CORPORATION	5,500	58.94	324,167.08	0.95	46.88	257,812.50	0.84	1.800	3.8	5.00	9.4	11
PAPER			605,715.42	1.77%	441,750.00			1.43%		4.3		
% CHANGE COST-TO-MARKET			-27.07%	TARGET WEIGHTING (BY MARKET)			1.60%					
MISCELLANEOUS												
CORNING GLASS WORKS	2,200	45.95	101,100.51	0.30	55.63	122,375.00	0.40	1.520	2.7	5.50	10.1	22
INT'L TEL. & TEL.	8,500	44.02	374,173.01	1.09	29.88	253,937.50	0.82	1.760	5.9	4.60	6.5	9
MISCELLANEOUS			475,273.52	1.39%	376,312.50			1.22%		4.9		
% CHANGE COST-TO-MARKET			-20.82%	TARGET WEIGHTING (BY MARKET)			1.30%					
BASIC INDUSTRY			7,383,532.38	21.58%	6,353,737.50			20.60%		4.1		
% CHANGE COST-TO-MARKET			-13.95%	TARGET WEIGHTING (BY MARKET)			21.10%					

MINN VARIABLE ANNUITY
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	AVG. COST	COST TOTAL COST	***** % OF FUND	***** 10/31/77 PRICE	***** MARKET 10/31/77 VALUE	***** % OF FUND	CURR ANN DIVDND	CURR % YLD	EST ANN EARN	EST ANN PER	HIST MULT
ENERGY												
OIL-DOMESTIC												
ATLANTIC RICHFIELD CO.	10,000	50.76	507,592.80	1.48	51.38	513,750.00	1.67	2.000	3.9	5.50	9.3	18
CONTINENTAL OIL	13,000	33.66	437,605.75	1.28	28.38	368,875.00	1.20	1.400	4.9	4.00	7.1	11
LOUISIANA LAND & EXPL.	16,000	26.83	429,290.00	1.25	23.50	376,000.00	1.22	1.200	5.1	2.70	8.7	20
MARATHON OIL CO	8,000	55.98	447,832.78	1.31	46.75	374,000.00	1.21	2.200	4.7	7.00	6.7	10
STANDARD OIL (INDIANA)	8,000	45.46	363,703.00	1.06	47.75	382,000.00	1.24	2.600	5.4	7.00	6.8	13
OIL-DOMESTIC			2,186,024.33	6.39%		2,014,625.00	6.53%		4.8			
% CHANGE COST-TO-MARKET			-7.84%			TARGET WEIGHTING (BY MARKET)	6.60%					
OIL-INTERNATIONAL												
EXXON CORPORATION	22,000	45.57	1,002,554.60	2.93	47.13	1,036,750.00	3.36	3.000	6.4	6.00	7.9	11
MOBIL CORP.	7,000	55.93	391,530.18	1.14	61.88	433,125.00	1.40	3.800	6.1	9.50	6.5	10
OIL-INTERNATIONAL			1,394,084.78	4.07%		1,469,875.00	4.77%		6.3			
% CHANGE COST-TO-MARKET			5.44%			TARGET WEIGHTING (BY MARKET)	5.00%					
ENERGY - RELATED												
BAKER INTERNATIONAL	11,000	48.97	538,708.57	1.57	44.88	493,625.00	1.60	0.640	1.4	4.25	10.6	20
HALLIBURTON CO	13,000	55.58	722,545.36	2.11	59.38	771,875.00	2.50	1.000	1.7	5.80	10.2	22
WILLIAMS COMPANIES	18,000	26.79	482,154.34	1.41	18.50	333,000.00	1.08	1.000	5.4	2.90	6.4	8
ENERGY - RELATED			1,743,408.27	5.09%		1,598,500.00	5.18%		2.4			
% CHANGE COST-TO-MARKET			-8.31%			TARGET WEIGHTING (BY MARKET)	5.00%					
ENERGY			5,323,517.38	15.56%		5,083,000.00	16.48%		4.5			
% CHANGE COST-TO-MARKET			-4.52%			TARGET WEIGHTING (BY MARKET)	16.60%					
TRANSPORTATION												
AIRLINES												
NORTHWEST AIRLINES	6,000	25.79	154,758.58	0.45	20.75	124,500.00	0.40	0.500	2.4	4.00	5.2	10
AIRLINES			154,758.58	0.45%		124,500.00	0.40%		2.4			
% CHANGE COST-TO-MARKET			-19.55%			TARGET WEIGHTING (BY MARKET)	0.50%					
RAILROADS												
UNION PACIFIC CORP.	10,000	42.16	421,564.05	1.23	46.63	466,250.00	1.51	1.700	3.6	4.70	9.9	12
RAILROADS			421,564.05	1.23%		466,250.00	1.51%		3.6			
% CHANGE COST-TO-MARKET			10.60%			TARGET WEIGHTING (BY MARKET)	1.50%					
TRANSPORTATION			576,322.63	1.68%		590,750.00	1.92%		3.4			
% CHANGE COST-TO-MARKET			2.50%			TARGET WEIGHTING (BY MARKET)	2.00%					

MINN VARIABLE ANNUITY
OCTOBER 31, 1977

COMPANY NAME	NUMB OF SHARES	AVG. COST	***** COST *****		***** MARKET *****			CURR	CURR	EST	EST
			TOTAL COST	% OF FUND	10/31/77 PRICE	10/31/77 VALUE	% OF FUND	ANN DIVDND	% YLD	ANN EARN	ANN HIST PER MULT

TOTAL FUND	34,218,869.45										
% CHANGE COST-TO-MARKET	-9.88%										

30,836,654.26

4.0

*LESS PROFIT ON STOCKS SOLD -552,796.06

*NET ORIGINAL COST OF EQUITIES 34,771,665.51

30,836,654.26

*PERCENT CHANGE -- NET ORIGINAL COST-TO-MARKET -11.32%

STATE OF MINNESOTA - STATE BOARD OF INVESTMENT

ANALYSIS OF COMMON STOCK HOLDINGS

ART KAESE

OCTOBER 7, 1977

SYMBOL	COMPANY NAME	MAJOR PRODUCT LINE	MOST RECENT YEAR-TO-DATE EARNINGS			EARNINGS PER SHARE 1976 ACTUAL	EARNINGS PER SHARE 1977 ESTIMATED	EARNINGS PER SHARE 1978 PROJECTED	PRICE/ EARNINGS 1978	HISTORICAL PRICE/ EARNINGS	INDICATED ANNUAL DIVIDEND	YIELD	MARKET PRICE 10-7-77	POSITIVES	NEGATIVES	OPINION AS OF 10-7-77	SINCE LAST ADVISORY MEETING			SYMBOL
			1977	1976	% CHANGE												8-5-77	SINCE 12-31-76		
BANKS																				
BAM	BankAmerica Corporation	World's largest commercial bank	\$ 1.21	\$ 1.08	+ 12.0%	\$ 2.40	\$ 2.65	\$ 2.90	8.6x	12x	\$ 0.94	3.8%	\$ 25	Nation's largest savings institution, BankAmericard	Large international business	Neutral	- 2	- 16.7%	BAM	
FNC	Citicorp	Owms First National City Bank	1.52	1.49	+ 2.0	3.08	3.25	3.50	6.9	15	1.06	4.4	24	Aggressive, capable management	Concern over multi-national companies	Neutral	- 14.3	- 27.3	FNC	
CIL	Continental Illinois Corporation	Largest bank in Chicago	1.97	1.91	+ 3.1	3.72	4.15	4.65	5.8	9	1.32	4.9	27	Large money center bank	Largest foreign banking operations of any inland bank	Neutral	- 3.6	- 6.9	CIL	
FBKS	First Bank System, Incorporated	Regional bank holding company	2.24	2.01	+ 11.4	4.06	4.55	4.95	7.3	13	1.60	4.4	36	High ratio of equity capital	The outlook for lower farm income may slow gains	Favorable	0.0	- 18.6	FBKS	
FIB	First International Bancshares, Inc.	Holding company for First National Dallas	2.09	1.81	+ 15.5	3.80	4.20	4.65	8.8	15	1.40	3.4	41	Dallas area is benefitting from increased oil prices	Possibility acquisitions could be slowed by legislation	Neutral	- 2.4	- 4.7	FIB	
MHC	Manufacturers Hanover Corporation	Owms New York City's third largest bank	2.68	2.28	+ 17.5	4.82	5.30	5.55	6.3	10	1.92	5.5	35	Bank has improved its asset/liability structure	Below average earnings growth 1968-73	Neutral	- 5.4	- 10.8	MHC	
JPM	J. P. Morgan & Co.	Owms New York City's fourth largest bank	2.45	2.26	+ 8.4	4.88	5.30	5.90	7.8	13	2.00	4.3	46	Loan losses a small percent of loan loss reserve	About 60% of earnings from international	Neutral	- 8.0	- 18.2	JPM	
NOB	Northwest Bancorporation	Regional bank holding company	1.40	1.30	+ 7.7	2.63	2.95	3.30	7.3	11	0.96	4.0	24	High ratio of equity capital	Reduced farm income could slow earnings gains	Neutral	- 4.0	- 16.2	NOB	
SPAC	Security Pacific Corporation	Second largest California bank	2.28	1.62	+ 40.7	3.58	4.65	5.10	6.1	9	1.54	5.0	31	Management is serious about achieving better profitability	Poor record of earnings growth 1969-74	Favorable	0.0	+ 16.4	SPAC	
VNBK	Valley National Bank of Arizona	Largest Arizona bank	1.16	0.98	+ 18.4	2.08	2.35	2.50	7.6	13	0.92	4.8	19	Bank is located in above average population growth area	Earnings have not reflected growth of area	Neutral	0.0	- 9.0	VNBK	
Total Unweighted																	- 3.8%	- 11.2%		

DJIA	12-31-76	850.86	S&P 500	12-31-76	87.35
DJIA	12-31-74	616.34	S&P 500	12-31-74	69.66
DJIA	12-31-75	862.47	S&P 500	12-31-75	90.19
DJIA	12-31-76	1004.65	S&P 500	12-31-76	107.46
DJIA	8-06-77	888.69	S&P 500	8-06-77	98.76
DJIA	10-07-77	840.35	S&P 500	10-07-77	95.97

STATE OF MINNESOTA - STATE BOARD OF INVESTMENT

ANALYSIS OF COMMON STOCK HOLDINGS

ROGER DERKSEN

OCTOBER 7, 1977

SYMBOL	COMPANY NAME	MAJOR PRODUCT LINE	MOST RECENT YEAR-TO-DATE EARNINGS			EARNINGS PER SHARE 1976 ACTUAL	EARNINGS PER SHARE 1977 ESTIMATED	EARNINGS PER SHARE 1978 PROJECTED	PRICE/ EARNINGS 1978	HISTORICAL PRICE/ EARNINGS	INDICATED ANNUAL DIVIDEND	YIELD	MARKET PRICE 10-7-77	POSITIVES	NEGATIVES	OPINION AS OF 10-7-77	SINCE LAST ADVISORY MEETING	SINCE	SYMBOL
			1977	1976	% CHANGE												8-5-77	12-31-76	
CHEMICALS																			
APD	Air Products and Chemicals, Incorporated (A) (B)	Industrial gases-chemicals	\$ 1.79	\$ 1.79	- %	\$ 2.25	\$ 2.40	\$ 2.60	9.3x	18x	\$ 0.40	1.7%	\$ 24 1/8	Management, innovative marketing, strong R&D	Shortfall in chemical-variable cost/price squeeze-low yield	Favorable	+ 3.2%	- 30.9%	APD
DOW	Dow Chemical Company (The)	Large diversified chemical company	1.66	1.60	+ 3.8	3.30	3.30	3.40	9.2	16	1.20	3.9	31 1/8	Excellent management, long range planning and technology	Weak foreign economy-42% of earnings from non-U.S. business	Neutral	- 1.6	- 28.2	DOW
DD	du Pont (E.I.) de Nemours and Company	Largest chemical company	5.73	5.40	+ 6.1	9.30	11.15	11.80	9.4	17	5.00	4.5	111 1/2	Chemicals-plastics-specialty products sales improving	Outlook for 1978 will make improvement difficult	Neutral	- 5.7	- 17.5	DD
HPC	Hercules, Incorporated	Produces a diversified line of chemicals	0.76	1.08	- 29.6	2.44	1.85	2.10	8.2	20	1.00	5.8	17 1/8	Over 5% yield and little risk of dividend cut	Lack of backward integration-large exposure to fibers	Neutral	- 4.2	- 38.8	HPC
MTC	Monsanto Company	Leading producer of fibers, plastics	6.22	7.09	- 12.3	10.05	10.10	10.50	5.5	9	3.10	5.4	57 1/4	Profitable agricultural chemicals, strong finances	Disappointing past earnings record, expiring patents	Neutral	- 11.2	- 35.0	MTC
UK	Union Carbide Corporation	Number two in chemical industry	2.94	3.56	- 17.4	7.15	6.50	6.90	6.3	9	2.80	6.4	43 1/2	Improving management, better marketing outlook, R&D emphasis	Depressed steel industry-slow international performance	Neutral	- 8.7	- 29.7	UK
(A)	Fiscal year ends in September.															Total Unweighted	- 6.1%	- 27.3%	
(B)	Adjusted for 2% stock dividend.															DJIA	- 5.4%	- 16.4%	
																S&P 500	- 2.8	- 10.7	

(A) Fiscal year ends in September.
(B) Adjusted for 2% stock dividend.

STATE OF MINNESOTA - STATE BOARD OF INVESTMENT

ANALYSIS OF COMMON STOCK HOLDINGS

MILES J. COHEN

OCTOBER 7, 1977

DJIA 12-31-73 890.86 S&P 500 12-31-73 97.35
 DJIA 12-31-74 616.24 S&P 500 12-31-74 68.56
 DJIA 12-31-75 852.41 S&P 500 12-31-75 90.19
 DJIA 12-31-76 1004.65 S&P 500 12-31-76 107.46
 DJIA 8-05-77 888.69 S&P 500 8-05-77 98.76
 DJIA 10-07-77 840.35 S&P 500 10-07-77 95.97

SYMBOL	COMPANY NAME	MAJOR PRODUCT LINE	MOST RECENT YEAR-TO-DATE EARNINGS			EARNINGS PER SHARE 1976 ACTUAL	EARNINGS PER SHARE 1977 ESTIMATED	EARNINGS PER SHARE 1978 PROJECTED	PRICE/EARNINGS 1978	HISTORICAL PRICE/EARNINGS	INDICATED ANNUAL DIVIDEND	YIELD	MARKET PRICE 10-7-77	POSITIVES	NEGATIVES	OPINION AS OF 10-7-77	% PRICE CHANGE			SYMBOL
			1977	1976	% CHANGE												SINCE LAST ADVISORY MEETING 8-5-77	SINCE 12-31-76		
<u>NATURAL GAS</u>																				
HNG	Houston Natural Gas Corporation (C)	Gas transmission and production	\$ 3.33	\$ 2.94	+ 13.3%	\$ 2.74	\$ 3.33	\$ 3.80	7.9x	14x	\$ 0.80	2.7%	\$ 30	Prices, record, coal, industrial gas, intrastate producer	Leverage, productivity, price regulation, flat sales	Favorable	- 6.3%	- 11.6%	HNG	
PEL	Panhandle Eastern Pipe Line Company	Gas transmission and production	3.30	3.10	+ 6.5	5.58	6.15	6.80	6.8	8	2.50	5.4	46	Aggressively seeking reserves, exploration potential, coal	System curtailments, average life index	Favorable	- 4.2	- 4.2	PEL	
PGL	Peoples Gas Company (B)	Gas transmission and production	4.92	4.05	+ 21.5	4.66	4.70	5.15	7.6	8	2.76	7.1	39	Excellent record, good payout history, management	Less than 5% gas sufficiency, distributor	Favorable	+ 2.6	+ 18.2	PGL	
																	Unweighted Avg.	- 2.5	0.0	
<u>OILS (DOMESTIC)</u>																				
ARC	Atlantic Richfield Company	Oil, gas, chemical	2.77	2.37	+ 16.9	5.04	5.50	8.00	5.6	15	2.00	3.8	53	North Slope, management, exploration	Relative price, Alaskan taxes and dependence	Favorable	- 7.0	- 8.6	ARC	
CLL	Continental Oil Company (Del.)	Oil, gas, coal	2.04	2.48	- 17.7	4.38	4.00	5.00	6.0	9	1.40	4.7	30	North Sea, second largest coal play	Domestic oil position, Libya, divestiture	Favorable	- 6.3	- 18.9	CLL	
LLX	Louisiana Land and Exploration Company (The)	Oil production	1.42	1.34	+ 6.0	2.67	2.70	3.00	8.0	18	1.20	5.0	24	Benefit from rising gas prices, exploration exposure	Declining oil reserves, depletion removal	Favorable	- 14.3	- 17.2	LLX	
MRO	Marathon Oil Company	Oil, gas, chemical	3.00	2.42	+ 24.0	6.52	7.00	8.00	6.2	10	2.20	4.4	50	Yates, North Sea, gas, new refinery	Libya, low self-sufficiency, German refinery	Favorable	- 7.4	- 10.7	MRO	
P	Phillips Petroleum Company	Oil, gas, chemical	1.61	1.23	+ 30.9	2.70	3.25	4.25	7.3	14	1.00	3.2	31	North Sea, good gas, Nigeria	Past reputation, domestic marketing	Favorable	- 3.1	- 6.1	P	
SN	Standard Oil Company (Indiana)*	Oil, gas, chemical	3.56	3.21	+ 10.9	6.09	7.00	7.50	6.4	10	2.60	5.4	48	Secondary recovery, gas, North Sea	Foreign exposure, no big crude	Neutral	- 7.7	- 20.0	SN	
SOH	Standard Oil Company (The) (Ohio)	Oil, gas, coal	1.92	1.58	+ 21.5	3.55	4.50	11.50	6.8	23	1.36	1.7	78	North Slope, plastics, coal	Debt, British Petroleum control, Alaskan taxes	Neutral	- 1.3	+ 1.3	SOH	
																	Unweighted Avg.	- 6.0	- 10.3	
<u>OILS (INTERNATIONAL)</u>																				
XON	Exxon Corporation	Oil, gas, chemical	2.72	2.96	- 8.1	5.90	6.00	6.50	7.4	9	3.00	6.3	48	Large reserves, management, R&D	Foreign exposure, political power, size	Favorable	- 7.7	- 11.1	XON	
GO	Gulf Oil Corporation	Oil, gas, chemical	1.96	2.08	- 5.8	4.19	4.30	4.65	6.0	8	1.90	6.8	28	North Sea, coal, re-trenching, turnaround	Foreign marketing, Kuwait, political contributions	Favorable	0.0	- 3.4	GO	
MOB	Mobil Oil Corporation	Oil, gas, retail	4.37	4.19	+ 4.3	9.07	9.50	10.25	6.1	8	3.80	6.0	63	Aggressive management, diversified	Retailing, tankers, political power	Neutral	- 7.4	- 3.1	MOB	
SD	Standard Oil Company of California	Oil, gas, chemical	2.96	2.28	+ 29.8	5.18	6.00	6.60	6.2	8	2.40	5.9	41	Elk Hills, coal, marketing, refining	Foreign taxes, pump prices, Europe	Favorable	- 6.8	0.0	SD	
TX	Texaco Incorporated	Oil, gas, chemical	1.77	1.57	+ 12.7	3.20	3.60	3.90	7.2	8	2.00	7.1	28	Largest domestic marketer, good diversification	Foreign taxes, management, lack of big plays	Neutral	- 3.4	0.0	TX	
																	Unweighted Avg.	- 5.9	- 4.2	
<u>ENERGY-RELATED</u>																				
BKO	Baker International Corporation (B)	Oil service	3.01	2.57	+ 17.1	3.52	4.25	5.00	9.2	20	0.64	1.4	46	Secondary drilling, Reed Tool, diversified	Rely on oil capital spending, small	Neutral	- 2.1	+ 2.2	BKO	
DI	Dresser Industries, Inc. (A)	Oil service, pumps	3.17	2.80	+ 13.2	4.19	4.80	5.75	7.3	12	0.88	2.1	42	Largest pump and compressor maker, coal equipment	Cyclical industry, complex, diversified	Neutral	0.0	0.0	DI	
HAL	Halliburton Company	Marine construction	2.64	2.29	+ 15.3	5.22	5.80	6.75	9.2	21	1.24	2.0	62	Fixed platform, Brown & Root, undersea pipeline	Cyclical construction, North Sea overcapacity	Favorable	+ 3.3	- 4.6	HAL	
																	Unweighted Avg.	+ 0.7	- 1.3	
<u>METALS-MINING</u>																				
AA	Aluminum Company of America*	Aluminum fabricator	2.94	1.79	+ 64.2	3.96	6.00	7.00	6.4	14	1.80	4.0	45	Large fabricator, finances, diversified	Foreign bauxite, fuel cost dependence	Neutral	- 10.0	- 23.4	AA	
HNM	Hanna Mining Company (The)	Iron ore mining	2.33	2.06	+ 13.1	6.08	6.00	7.50	5.2	15	1.80	4.6	39	Largest U.S. iron and nickel company, coal, Brazil	Iron Ore Company of Canada, cyclical, strikes	Neutral	- 17.0	- 27.8	HNM	
PCO	Pittston Company (The)	Coal mining	1.22	2.04	- 40.2	3.91	1.75	3.50	6.9	14	1.20	5.0	24	Best quality metallurgical coal, Brink's balance sheet	Productivity/union problem, reliance on Japan	Neutral	- 11.1	- 33.3	PCO	
SJO	St. Joe Minerals Corporation	Coal, lead, zinc, oil	1.13	1.67	- 32.3	3.25	2.90	3.75	8.5	9	1.30	4.1	32	Good record, coal, oil, gas expansion, low debt	Cyclical exposure, coal productivity	Neutral	+ 3.2	- 23.8	SJO	

SYMBOL	COMPANY NAME	MAJOR PRODUCT LINE (% Electric)	MOST RECENT YEAR-TO-DATE EARNINGS			EARNINGS PER SHARE 1976 ACTUAL	EARNINGS PER SHARE 1977 ESTIMATED	EARNINGS PER SHARE 1978 PROJECTED	PRICE/ EARNINGS 1978	HISTORICAL PRICE/ EARNINGS	INDICATED ANNUAL DIVIDEND	YIELD	MARKET PRICE 10-7-77	PAYOUT RATIO BASED ON LATEST 12-MONTH EARNINGS	6-30-77 BOOK VALUE	MARKET/BOOK RELATIONSHIP	6-30-77 RETURN ON AVERAGE EQUITY	% NON-OIL/CAS	REGULATION	INVESTMENT CONSTRUCTION FINANCING	CONSIDERATIONS EARNINGS OUTLOOK	FARNINGS QUALITY	OPINION AS OF 10-7-77	% PRICE CHANGE			SYMBOL	
			1977	1976	% CHANGE																			SINCE LAST ADVISORY MEETING 8-5-77	SINCE 12-31-76			
CSR	ELECTRIC UTILITIES																											
CIN	Central & Southwest Corporation	100%	\$ 0.63	\$ 0.59	+ 6.8%	\$ 1.75	\$ 1.90	\$ 2.00	8.0x	11x	\$ 1.26	7.9%	\$ 16	68%	\$ 14	114%	13.5%	6%	Above average	Below average	Average	Excellent	Neutral	- 5.9%	- 5.9%		CSR	
CIN	Cincinnati Gas & Electric Company (The)	66	2.04	0.97	+110.3	1.84	3.00	3.10	7.7	10	1.84	7.7	24	60	19	126	16.7	97	Average	Below average	Average	Average	Neutral	0.0	+ 4.3		CIN	
CWE	Commonwealth Edison Company	100	1.19	1.14	+ 4.4	3.20	3.10	3.40	9.1	11	2.40	7.7	31	77	28	111	11.3	91	Above average	Average	Average	Average	Neutral	0.0	- 3.1		CWE	
FPL	Florida Power & Light Company	100	1.14	1.11	+ 2.7	2.39	3.30	3.50	7.4	10	1.76	6.8	26	70	28	93	9.1	36	Above average	Average	Average	Excellent	Neutral	- 3.7	- 7.1		FPL	
HOU	Houston Industries	100	1.70	1.49	+ 14.1	4.01	4.40	4.75	6.9	11	1.96	5.9	33	46	29	114	15.1	0	Above average	Below average	Average	Average	Neutral	- 2.9	+ 3.1		HOU	
MSU	Middle South Utilities, Incorporated	94	0.99	1.03	- 3.9	1.82	2.10	2.25	7.6	10	1.38	8.1	17	70	17	100	11.6	51	Below average	Below average	Below average	Below average	Unfavorable	0.0	0.0		MSU	
MPL	Minnesota Power & Light Company	96	1.30	1.71	- 24.0	2.71	2.75	3.00	7.3	8	1.76	8.0	22	75	21	105	11.3	94	Average	Above average	Average	Average	Favorable	0.0	+ 4.8		MPL	
NSP	Northern States Power Company (Minn.)	94	1.41	1.34	+ 4.4	2.93	3.00	3.30	9.1	9	2.06	6.9	30	69	24	125	12.6	99	Average	Average	Average	Excellent	Favorable	+ 3.4	0.0		NSP	
PCG	Pacific Gas & Electric Company	64	1.54	1.27	+ 21.3	2.90	3.25	3.50	6.9	9	2.00	8.3	24	63	29	83	11.2	35	Average	Average	Below average	Below average	Neutral	- 4.0	+ 4.3		PCG	
PIN	Public Service of Indiana, Inc.	100	2.71	2.45	+ 10.6	3.01	3.15	3.40	8.0	11	2.04	7.0	29	64	22	132	15.5	100	Above average	Average	Average	Average	Neutral	- 6.4	- 9.4		PIN	
SCE	Southern California Edison Company	100	1.93	1.60	+ 20.6	3.70	3.90	4.05	6.4	8	2.00	7.7	26	50	33	79	12.5	20	Average	Average	Average	Average	Neutral	0.0	+ 13.0		SCE	
SO	Southern Company (The)	100	0.95	0.66	+ 43.9	1.65	2.1	2.30	7.8	9	1.54	8.6	18	76	17	106	11.4	94	Below average	Average	Below average	Below average	Unfavorable	+ 5.9	+ 12.5		SO	
TXU	Texas Utilities Company	100	0.79	0.69	+ 14.5	2.29	2.55	2.75	8.4	12	1.40	6.1	23	60	18	128	13.3	40	Above average	Average	Average	Average	Favorable	+ 4.6	+ 4.6		TXU	
VEL	Virginia Electric & Power Company	96	0.81	0.75	+ 8.0	1.80	2.00	2.10	7.1	8	1.24	8.3	15	67	18	83	10.2	69	Average	Average	Average	Below average	Neutral	- 6.2	0.0		VEL	
																						Unweighted Avg.	- 1.2	+ 2.1				

* Earnings fully diluted.

(A) Fiscal year ends in October, no interim are nine-month results for fiscal 1977 and diluted EPS.

(B) Fiscal year ends in September, no interim are first nine month results for fiscal 1977 and diluted EPS where applicable. Peoples,

Baker, fourth quarter results not reported yet. Adjusted for PGL 4-3 stock split September 2, 1977.

(C) Fiscal year ends in July, no interim are full year fiscal results (ending 7/31/77).

DJIA 12-31-73 890.86 S&P 500 12-31-73 97.35
 DJIA 12-31-74 616.24 S&P 500 12-31-74 68.56
 DJIA 12-31-75 852.41 S&P 500 12-31-75 90.19
 DJIA 12-31-76 1004.65 S&P 500 12-31-76 107.46
 DJIA 8-05-77 888.69 S&P 500 8-05-77 98.76
 DJIA 10-07-77 840.35 S&P 500 10-07-77 95.97