

# 1979 ANNUAL REPORT OF THE MINNESOTA STATE BOARD OF INVESTMENT TABLE OF CONTENTS

Overview	•
Investment Policy	:
Historical Perspective	:
Performance	
Summary of Investment Returns	!
Investment Guidelines	•
Board and Council Activities	
Legislative Matters	
Staff Developments	1
Members of Investment Board, Advisory Council and Staff	9
STATISTICAL SECTION	
Investment Holdings	10
Explanation of Transactions	28
Review of Transactions	30
Composition of Portfolio by Investment Type	3!
Auditor's Opinion	36
Financial Statements for Funds Administered by the Board	37



OFFICE OF THE EXECUTIVE SECRETARY
Telephone 296-3328

# STATE OF MINNESOTA STATE BOARD OF INVESTMENT

Room 105, MEA Building 55 Sherburne Avenue Saint Paul 55155

September 4, 1979

To the Members of the Legislature of the State of Minnesota:

#### **OVERVIEW**

Total funds under management on June 30, 1979, exceeded \$4.0 billion at cost, up 12% from the year earlier level. Retirement plan assets were \$2.6 billion, while funds managed for various State departments and the Permanent School Fund totaled \$1.4 billion.

Securities markets during the past year were influenced by domestic political uncertainty, international monetary pressures and excessive rates of inflation. These factors depressed debt obligations by driving up interest rates and kept the equity market in a narrow trading range in spite of excellent progress in corporate profits and dividends. As the year ended, the general economy had entered a contraction and the near term prospects for the financial markets warranted a cautious investment policy.

While full details on our portfolios are found in the statistical section, the following table provides a brief summary of our asset allocations as of June 30, 1979.

#### SUMMARY COMPOSITION OF STATE INVESTMENT PORTFOLIO

	Percen		Total	
	Cash and Short Term Debt	Long Term Debt	Common Stock	Dollars (Millions)
Basic Retirement Funds	7%	48%	45%	\$1,521
Adjustable Fixed Benefit Fund	10	47	43	995
Supplemental Retirement Fund:				
Income Share Account	6	49	45	57
Growth Share Account	9 .	0	91	24
Fixed Return Account	7 .	93	0	17
Variable Annuity Fund	8	24	68	60
Permanent School Fund	3	78	19	267
State Cash Accounts	99	1	0	1,129
Total Dollars in Category (Million	ns) \$1,339	\$1,460	\$1,231	\$4,030
Category as a % of Total Assets	33%	36%	31%	100%

#### INVESTMENT POLICY

Throughout the year the Board sought to generate the highest possible return while fully complying with our statutory mandate to follow a prudent investment policy.

Under our balanced investment thesis, the basic retirement funds continued to be invested almost equally in the debt and equity sectors. However, in view of the economic and political climate and the availability of excellent short term yields, reserves were bolstered as some of our cash flow was committed to high yielding securities with maturities of less than one year.

While interest rates are at unusually high levels, the attraction of debt investments is diluted by the even higher rate of inflation and by government policies that indicate no early return to traditional inflation rates.

At the same time, equity price and earnings relationships are at unusually attractive historic levels, as earnings and dividends have made excellent gains while the market averages have made no progress during the past decade. Unfortunately, the uncertainties inherent in the present economic contraction, the impacts of inflation and high interest rates on valuation levels, and the unresolved energy situation dictate a cautious equity policy. We believe that over the longer term the common stock sector will continue to generate the most satisfactory real returns, and as opportunities develop, we will be restoring this sector to a fully invested position.

#### HISTORICAL PERSPECTIVE

The table that follows demonstrates the experience of the past 53 years when equities clearly outperformed all other market sectors. We believe that this relationship will be reconfirmed in future years, but the near term timing remains uncertain.

#### **INVESTMENT RETURNS, 1926-1978**

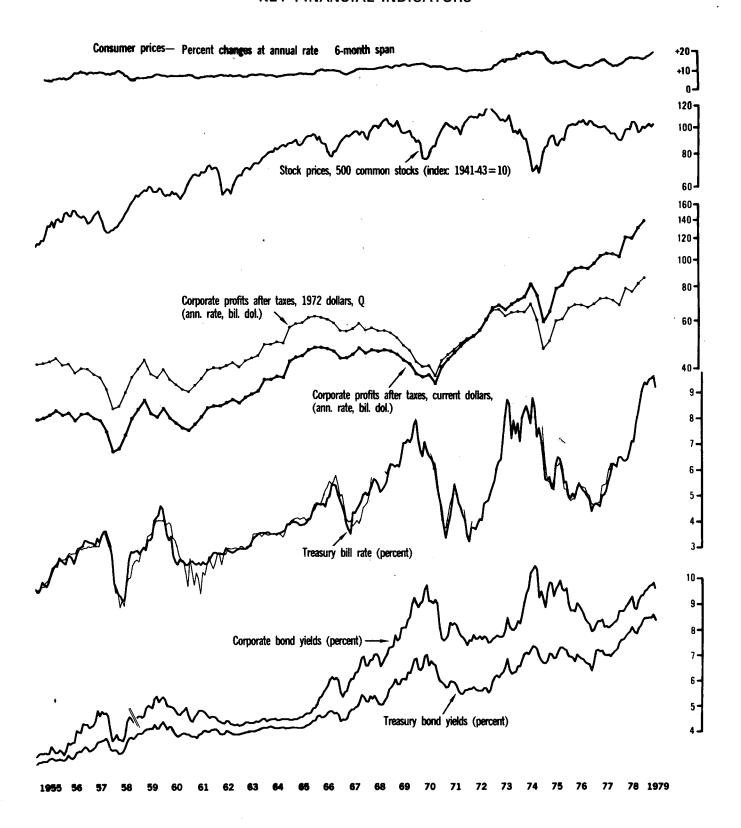
	Annual Compounded Return	1978 Cumulative Wealth Index*
Common Stocks	8.9%	\$89.59
Long Term Corporate Bonds	4.0	7.81
Long Term Government Bonds	3.2	5.34
U.S. Treasury Bills	2.5	3.73
Inflation	2.5 *	3.78

<sup>\*</sup>Assumed initial investment of \$1.00 at year-end 1925.

Source: Ibbotson & Singuefield.

An additional perspective can be gained from the 25 year charts shown on the following page. You will note the acceleration in the consumer price index, the ten year plateau in common stock prices in spite of the excellent growth in corporate profits, and the new highs in interest rates. During this period, common stocks have demonstrated their ability to offset inflation by paying dividends that exceeded the growth of inflation by 1.4% per year on average.

### **KEY FINANCIAL INDICATORS**



Source: Business Cycle Developments, U.S. Department of Commerce.

#### **PERFORMANCE**

For fiscal 1979, the performance of the securities markets was mixed. Market prices of long term bonds declined as yields on AAA corporates rose from 8.8% to a high of 9.5%. Based on the Salomon Index, the total rate of return was a disappointing 7.2%. Short term yields increased substantially, as three month Treasury bills ranged from 7.0% to a peak of 9.7% in April for a yearly average of 8.6%. Common stocks, based on the Standard and Poor's 500 index, generated the most favorable results with a 13.3% total return.

We are pleased that our bond investments yielded a total return of 7.7% and outperformed the Salomon Index. This was possible because we continued to emphasize intermediate term maturities, equipment trusts and Government guaranteed mortgage pools with bond equivalent yields ranging as high as 10%.

Our short-term activities generated a superior overall yield of 9.6% for the pension funds and 8.5% for the State cash accounts, where maturities range up to three years. Investments were focused on United States Government Agency issues in the six month to three year area, with repurchase agreements and commercial paper utilized for shorter maturities.

In the equity area, our Growth Fund outperformed the S & P index, while the larger equity funds approximated a 12% total return.

During the last several months of the fiscal year, the Adjustable Fixed Benefit Fund was restructured to improve its current yield. Many low yielding equities were eliminated and the proceeds were temporarily invested in high yielding short term issues. At year end the portfolio yield was 7.6%.

We would also like to acknowledge the \$277,000 profit generated from our short term security lending program under Jerry Feldman's direction. When this fiscal 1979 result is related to our \$900,000 total operating budget, it obviously had a very positive impact on our net expense. We are currently investigating how similar programs can be implemented for other types of securities.

We are well aware that the fixed income markets did not generate adequate returns when compared to the 11% increase in consumer prices. During periods of high inflation, financial assets are usually penalized and it is important to keep in mind the historical experience reviewed on pages 3 and 4.

The summary on the next page provides a brief picture of some key investment results during the past five years, when inflation advanced 47%. During that time our pension fund accumulated returns were 44% on short-term securities, 57% on long-term debt, and 52% on equities.

## **SUMMARY OF INVESTMENT RETURNS**

	Fiscal Year Ended June 30,					
	1975	1976	1977	1978	1979	
Book Value at Year End	1					
Pension Funds (billions)	\$1.5	\$1.8	\$2.1	\$2.3	\$2.6	
All Funds (billions)	2.6	3.0	3.3	3.6	4.0	
Yield*						
Teachers' Retirement Fund	5.5%	6 5.7%	5.9%	6.3%	7.1%	
Public Employees Retirement Fund	5.3	5.9	6.2	6.6	6.9	
State Employees Retirement Fund	5.3	5.6	5.9	6.2	7.1	
Public Employees Police & Fire Fund	5.9	5.9	6.4	6.8	7.1	
Highway Patrol Retirement Fund	6.0	5.7	6.4	6.6	7.0	
Judges Retirement Fund	6.8	8.2	8.7	7.9	8.7	
Adjustable Fixed Benefit Fund	5.4	5.5	6.1	6.2	6.8	
Income Share Account	6.3	6.6	6.8	7.1	7.0	
Growth Share Account	2,4	2.7	3.1	3.6	4.6	
Fixed Return Account	<del></del>	7.5	8.2	8.2	8.3	
Variable Annuity Fund	4.1	4.4	4.8	5.1	5.8	
Permanent School Fund	6.4	6.7	6.9	7.3	7.9	
State Cash Accounts	8.5	6.6	6.3	6.6	8.5	
Total Rate of Return**						
All Funds Under Supervision††						
Long Term Debt	15.0%	6† · 10.4%†	16.0%	0.0%	7.6%	
Short Term Debt	8.5	6.6	6.3	7.2	9.6	
Common Stocks	17.4	10.7	_3.7	0.0	12.4	
Total	16.0%	6t 10.5%t	7.5%	0.0%	10.0%	
Commonly Used Indexes				•		
Salomon Bond Index	15.0%	6 10.4%	15.1%	(0.8)%	7.2%	
Treasury Bills $-$ 90 Days	6.7	5.5	4.8	6.1	8.6	
Standard & Poor's 500	16.0	14.4	0.4	0.2	13.3	
F100 A1 407	0. TOTAL F	ATE OF BETUE				
FISCAL 1979	9 IUIAL F	RATE OF RETUR	<b>⊀IV</b> **			
Teachers Retirement Fund	9.8%	Adjustable Fixe	d Benefit Fu	nd	10.4%	
Public Employees Retirement Fund	9.8	Income Share A	ccount		10.5	
State Employees Retirement Fund	10.3	Growth Share A	Account		14.1	
Public Employees Police & Fire Fund	9.9	Fixed Return A	ccount		7.1	
Highway Patrol Retirement Fund	9.9	Variable Annuit	y Fund		12.5	

Judges Retirement Fund

9.6

State Cash Accounts

Permanent School Fund

8.5%

9.2

<sup>\*</sup>Interest and dividends ÷ average assets at cost.

<sup>\*\*</sup>Interest, dividends and change in market value  $\div$  average market value.

<sup>†</sup>Estimated.

<sup>††</sup>Excludes State Cash Accounts.

#### INVESTMENT GUIDELINES

In a period of economic uncertainty, we feel that stringent quality criteria are especially important for all our investments. The statutes establish definitive guidelines in the **debt** area, where all bonds must be at least A rated and all short-term securities must be of the highest quality.

Common stock investments focus on well established companies with above average prospects for dividend and earnings progress where valuation levels are attractive. Among the quality characteristics we emphasize are financial strength, above average returns on sales and capital, and dominant technological and marketing positions. Where more immediate income requirements dictate, equity positions include high-yielding securities where the discounted rate of return and financial strength are above-average.

The Board fully recognizes its fiduciary responsibility to conduct investment policy in a prudent manner. It is also sensitive to the social, environmental, and economic impact of its investment decisions. Minnesota investing and proxy policy are two areas that have received concentrated attention in recent months.

While investments in Minnesota must meet the same risk and return criteria as all other investments, we have \$304 million invested in the State's industries and residential properties due to their economic attraction. In addition, Robert Barman, our Senior Bond Manager, has developed a Government insured mortgage program that will channel over \$20 million into the Minnesota mortgage markets in the first four months of the 1980 fiscal year. We anticipate that at least \$4 million will flow into Minnesota mortgages each month for the foreseeable future.

The Board is also extremely conscious of its duty to carefully review all proxy material and has expressed its opposition to certain management policies through its shareholder votes. The following revision of a 1977 resolution is currently being considered by the Board as a guide for investment policy and proxy matters:

# DRAFT RESOLUTION REGARDING ADDITIONAL INVESTMENT CRITERIA AND THE VOTING OF PROXIES

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

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

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

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

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

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

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

#### **BOARD AND COUNCIL ACTIVITIES**

The **State Board of Investment** is composed of the five constitutional officers. During the past year the Board met at least bimonthly to review the activities of the staff and provide investment direction. Special meetings were also held to interview candidates for the position of Executive Secretary and to exchange views with the Advisory Council.

In addition to reviewing its guidelines for investment policy and proxy voting, the Board also made substantial progress in revising the Deferred Compensation Plan. The Board intends to broaden participation in this Plan by adding fixed annuity and variable annuity options and expanding the program's visibility. With the final administrative review now in process, the new options should be available in fiscal 1980.

The Investment Advisory Council is appointed by the Board and is composed of eleven members who are exceptionally experienced in financial matters. Meetings were held with the investment staff on at least a bimonthly basis. The Board is indebted for the counsel rendered by these advisors who so willingly give of their time and experience.

#### LEGISLATIVE MATTERS

Substantial statutory changes will be forwarded to the Legislature for their consideration at the next session. Chapter 11 of the Minnesota Statutes, which governs our investment practices, has served the State well in past years. However, revisions are being prepared in the following areas in order to insure a continuation of adequate investment returns:

1) A codification of Chapter 11 based in part on work already underway at the Legislative Commission on Pensions and Retirement.

- 2) A revision of the Adjustable Fixed Benefit Fund to simplify its structure and permit an early increase in benefits.
- 3) The granting of voting privileges to pension fund members on the Advisory Council.
- 4) A broadening of permissible short-term securities to allow the use of instruments such as Bankers Acceptances and large Certificates of Deposit.
- 5) A modification of the investment criteria for debt securities to permit more participation in the private placement area.

#### STAFF DEVELOPMENTS

Dr. Francis Boddy ably served as the interim Executive Secretary during much of the year while a search committee chaired by Robert Davis screened potential candidates to fill the position on a permanent basis. In addition to encouraging a spirit of teamwork among the staff, Dr. Boddy made a strong contribution in the area of modern portfolio theory.

In April, Jonathan White was appointed Executive Secretary. His background includes 20 years of supervisory, portfolio and analytical experience with a billion dollar investment company and a large money center bank. Arthur Kaese continues as Assistant Executive Secretary and now chairs the important Fixed Income and Equity Portfolio Committees. Recently Jerry Feldman and Roger Derksen were designated Investment Managers for the Fixed Income and Equity areas, respectively. Director of Research Mick Hudson and Senior Short-Term Manager Howard Bicker are also carrying out new responsibilities while Robert Barman, our experienced Senior Bond Manager, rounds out our key investment team. These seven senior officers comprise the Executive Committee, where investment policy is developed and performance is evaluated. Finally, Jack Kinne was recently placed in charge of the Operations area.

A full review of our portfolios and the year's transactions is found in the following statistical section. We trust that this Annual Report provides the Legislature and other interested persons with a helpful understanding of the Board's activities.

Respectfully submitted.

Jonathan P. White, Executive Secretary

#### THE STATE BOARD OF INVESTMENT

GOVERNOR ALBERT H. QUIE
STATE AUDITOR ARNE H. CARLSON
STATE TREASURER JIM LORD
SECRETARY OF STATE JOAN ANDERSON GROWE
ATTORNEY GENERAL WARREN SPANNAUS

#### THE INVESTMENT ADVISORY COUNCIL

Robert S. Davis, C.F.A., Chairman, Executive Vice President of Finance, The St. Paul Companies, Inc. Wayne S. Burggraaff, Commissioner of Finance, State of Minnesota Gaylord W. Glarner, Senior Vice President, First Trust Company, St. Paul Peter A. Heegaard, C.F.A., Senior Vice President, Northwestern National Bank of Minneapolis John H. Herrell, Vice Chairman of Investment Committee, Mayo Foundation, Rochester Donald E. Jondahl, Executive Vice President, Finance, Northwestern National Life Insurance Company Donald R. Koessel, Executive Vice President, First National Bank of Minneapolis Dr. Anne O. Krueger, Professor of Economics, University of Minnesota Mitzi J. Malevich, C.F.A., Investment Officer, The St. Paul Companies, Inc. Victor P. Reim, Jr., President, Commercial State Bank of St. Paul Joan T. Smith, C.F.A., Assistant Vice President, Northwestern National Bank of Minneapolis

#### **Non-Voting Members**

Paul L. Groschen, Executive Director, Minnesota State Retirement System
Harvey W. Schmidt, Executive Director, Teachers' Retirement Association
Gordon J. Williams, Acting Executive Director, Public Employees Retirement Association

#### INVESTMENT DEPARTMENT STAFF

Jonathan P. White, C.F.A. Executive Secretary

A. Arthur Kaese, C.F.A. Assistant Executive Secretary

Grant A. Feldman, Jr.
Investment Manager, Fixed Income

Roger Derksen, C.F.A.
Investment Manager, Equity

Howard J. Bicker Senior Portfolio Manager N. Robert Barman Senior Portfolio Manager Michael L. Hudson, C.F.A. Senior Portfolio Manager & Director of Equity Research

Meg J. Arneberg Computer Supervisor & Portfolio Analyst Arthur M. Blauzda Portfolio Manager

Portfolio Manager

Peter G. Robb

C. Robert Parsons

Roger W. Henry Financial Analyst

Harold Syverson Financial Analyst

Peter G. Robb Financial Analyst

Mark C. Edwards Financial Analyst

Jacob Shemer Financial Analyst Alice P. Chermak Securities Trader

John T. Kinne, C.P.A. Accounting-Operations Supervisor

Thomas L. Delmont Accounting Officer

Mable E. Patrick
Accounting Officer

Audrey I. Moore
Accounting Officer

Nancy Prange
Accounting Technician

Harriet Balian Secretarial Coordinator

Kathy Leisz Clerk Stenographer Elizabeth Gruber Clerk Typist

### SCHEDULE I

# STATE OF MINNESOTA STATE BOARD OF INVESTMENT

# SHORT-TERM CORPORATE NOTES AND U.S. GOVERNMENT OBLIGATIONS HELD BY VARIOUS FUNDS June 30, 1979

	Invested	HIGHWAY FUNDS			Miscellaneous
	Treasurer's		County	Municipal	Departmental
SHORT-TERM CORPORATE NOTES	Cash Fund	Trunk	State Aid	State Aid	Funds
Maturity less than 30 days Maturity 30-270 days	\$101,500,000 62,000,000	\$ 9,400,000 7,000,000	\$ 8,849,000 -	\$ 2,641,000	<u> </u>
Total Short-Term Corporate Notes	\$163,500,000	\$ 16,400,000	\$ 8,849,000	\$ 2,641,000	-
U.S. TREASURY SECURITIES AND GOVERNMENT AGENCY SECURITIE	s				
Bills					
Maturity less than 30 days Maturity 30-90 days	\$ 5,000,000	_	\$ 1,500,000	\$ 2,225,000	\$ 3,225,000 14,830,000
Maturity 3-6 months Maturity 6-12 months	20,000,000	-	_/~		8,805,000 2,435,000
Total Bills	\$ 25,000,000		\$ 1,500,000	\$ 2,225,000	\$ 29,295,000
Repurchase Agreements	₹				
Maturity less than 30 days Maturity 30-45 days	\$133,500,000	\$ 12,800,000	\$ 8,175,000	\$ 283,000	\$ 6,015,000
Total Repurchase Agreements	\$133,500,000	\$ 12,800,000	\$ 8,175,000	\$ 283,000	\$ 6,015,000
Government Agency Securities					
Maturity less than 30 days Maturity 30-90 days	\$ 29,000,000	\$ 17,000,000	\$ 6,000,000	\$ 6,000,000	\$ 5,000,000
Maturity 91-180 days	31,700,000 93,000,000	14,390,000 18,000,000	8,000,000 10,000,000	3,000,000 6,000,000	3,500,000 46,220,000
Maturity 6 months - 1 year	48,000,000	11,000,000	22,000,000	13,500,000	44,980,000
Maturity over 1 year	62,500,000	27,000,000	27,000,000	20,000,000	27,500,000
Total Government Agency Securities	\$264,200,000	\$ 87,390,000	\$73,000,000	\$48,500,000	\$127,200,000
Federal Housing Administration Certificates					
8.00% Windsor Apartments					
due 8-31-79 8.00% Centennial House Apartments	\$ 9,497,221	-	-	-	-
due 8-31-79	_	\$ 1,991,115	\$ 3,185,784	\$ 2,787,561	_
8.375% Centennial Estates due 8-31-79 9.00% Golden Meadow Apartments	3,210,171	· - ·	-		• -
due 8-31-79	1,529,198				
Total Federal Housing Administration Certificates	\$ 14,236,590	\$ 1,991,115	\$ 3,185,784	\$ 2,787,561	-
Government National Mortgage					
Association, Guaranteed Mortgage Backed Securities					
6.50% IDS Mortgage Corp. due 5-15-90 #2290	_	\$ 225,000	_	_	
6.50% IDS Mortgage Corp. due	_	\$ 223,000	_	_	_
6-15-90 ±2291	-	500,000	-	-	- ,
6.50% IDS Mortgage Corp. due 7-15-90 #2424	<del>-</del>	_	\$ 525,000	_	_ ′
Total Government National Mortgage		-			
Association, Guaranteed Mortgage Backed Securities	-	\$ 725,000	\$ 525,000	_	_
U.S. Treasury Notes and Bonds					
6.875% Notes due 8-15-79	\$ 8,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	_
6.25% Notes due 8-15-79 7.06% Notes due 11-15-79	_	-	_	_	\$ 196,000 13,000
6.50% Notes due 2-15-80	5,000,000	_	_	_	40,000
4.00% Notes due 2-15-80 6.875% Notes due 5-15-80	_	-	_	_	28,500 2,000
Total Maturities less than 1 year	\$ 13,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 279,500
9.00% Notes due 8-15-80	_				
8.625% Notes due 9-30-80	\$ 5,000,000	_	_	_	\$ 49,000
7.125% Notes due 11-15-80	5,000,000	-	-	-	-
3.50% Bonds due 11-15-80 9.25% Notes due 11-30-80	_	-	_	-	5,000 80,000
7.375% Notes due 2-15-81	8,000,000	-	<del>-</del>	_	-
9.75% Notes due 2-28-81 9.75% Notes due 4-30-81	5,000,000 15,000,000	-	-	-	- 0 500 000
7.75% Notes due 11-15-81		_	_	_	9,500,000 7,000
6.375% Bonds due 2-15-82			-		9,000
Total Maturities 1-3 years	\$ 38,000,000	-	-	-	\$ 9,650,000
7.875% Notes due 11-15-82 8.00% Notes due 2-15-83	-	-	-	-	\$ 34,000
3.25% Bonds due 6-15-83	-	-	_	_	2,000 50,500
Total Maturities 3-5 years					\$ 86,500

	Invested	H	GHWAY FUN	DS	Miscellaneous
Security	Treasurer's Cash Fund	Trunk	County State Aid	Municipal State Aid	Departmental Funds
7.25% Notes due 8-15-84	_	_			\$ . 45,000
6.375% Bonds due 8-15-84	-	_	_	-	74,000
8.00% Notes due 2-15-85	_	_		_	166,000
4.25% Bonds due 5-15-85	-	-	_	_	19,000
7.875% Notes due 5-15-86	_	-	_	-	374,000
8.00% Notes due 8-15-86	_	_	_	_	90,000
7.625% Notes due 11-15-87	_	-	-	~	130,000
Total Maturities 5-10 years					\$ 898,000
3.50% Bonds due 11-15-98	-	-	_	-	\$ 50,000
Total Maturities more than 10 years					\$ 50,000
Total U.S. Treasury Notes and Bonds	\$ 51,000,000	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 10,964,000
Total U.S. Treasury, Government Agency, and Government Guaranteed Securities	\$487,936,590	\$104,906,115	\$88,385,784	\$56,795,561	\$173,474,000
Total Short-Term Corporate Notes and U.S. Government Obligations Held By Various Funds	\$651,436,590	\$121,306,115	<u>\$97,234,784</u>	\$59,436,561	\$173,474,000

Note: "The above mentioned short-term corporate notes and U.S. Government obligations total \$1,102,888,050. If the short-term corporate notes and U.S. Treasury and agency security investments owned by the retirement funds and Permanent School Fund are included, a total of \$1,360,079,050 face value of investment securities were managed by the Money Market Securities Division of the Investment Department on June 30, 1979."

#### SCHEDULE II

MINNESOTA ADJUSTABLE FIXED BENEFIT FUND June 30, 1979

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

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Α	Total mount 100)(b)
UNITED STATES GOVERNMENT-					_	
GUARANTEED OBLIGATIONS						
U.S. Treasury Bonds	Bond	06-15-1983	3.250	7.755	\$	75
U.S. Treasury Notes	Note	02-15-1983	8.000	8.461		150
U.S. Treasury Notes	Note	05-15-1983	7.875	8.508		400
TOTAL UNITED STATES GOVERN	MENT-GUARANTEED OB	LIGATIONS		8.406%	\$	625
GOVERNMENT NATIONAL						
MORTGAGE ASSOCIATION	Mtg. Backed Cert.	04-15-2004/	8.000/			
	·	10-15-2008	9.000	8.680%	\$	82,088
GOVERNMENT-GUARANTEED MERCHANT MARINE						
American Pres. Lines	Government Guar, Bond	11-01-1991	4.800	5.608	Ś	1.247
Farrell Lines, Inc.	Government Guar, Bond	06-29-1997	8.350	8.900		250
Harbor Tug & Barge	Government Guar, Bond	03-15-2001	8.150	8.447		200
States Steamship Co.	Government Guar. Bond	03-31-1993	5.100	5.100		2,315
TOTAL GOVERNMENT-GUARANT	EED MERCHANT MARIN	E		5.662%	\$	4,012
TOTAL UNITED STATES GOVERN	MENT-GUARANTEED OB	LIGATIONS		8.539%	\$	86,100
UNITED STATES GOVERNMENT AGENCY						
Federal Land Bank	Bond	07-20-1981	9.100	8.858	\$	100
Federal Nat'l, Mortgage Assn.	Debenture	10-11-1982	8.600	8.600		3,000
Federal Nat'l. Mortgage Assn.	Debenture	03-10-1987	7.750	8.987		250
TOTAL UNITED STATES GOVERN	MENT AGENCY			8.637%	s	3,350

	Type of	Maturity	Coupon Rate	Average Yield	Total Amount
Company	Security	Date(a)	<u> </u>		(000)(b)
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATIONS	4				
Alberta Gov't, Tel. Com. British Columbia Hydro	Debenture Bond	06-15-1994 07-15-1996	8.000 9.625	8.171 9.625	\$ 3,000 5,150
Manitoba Hydro Elec. Brd.	Debenture	10-15-1997	7.650 7.875	7.650 7.900	4,940
Manitoba, Province of Nova Scotia Power Comm.	Debenture S/F Debenture	04·01·1994 03·15·1997	7.750	7.800	1,020 3,500
Nova Scotia Power Corp. Ontario Hydro	Debenture Note	06-01-2008 03-15-1996	9.625 9.500	9.727 9.500	6,400 6,000
Ontario, Province of	Debenture	06-01-2008	9.375	9.375	7,000
Ontario, Province of Quebec Hydro Electric	Debenture Debenture	11-30-2008 12-01-1981	9.375 4.250	9.475 9.250	6,920 45
Saskatchewan, Province of	Debenture	04-15-2008	9.250	9.250	7,000
TOTAL CANADIAN PROVINCIAL (	BLIGATIONS			9.080%	\$ 50,975
CANADIAN MUNICIPAL					
OBLIGATIONS Montreal, City of	Debenture	11-01-1979	5.625	8.341%	\$ 29
CANADIAN AGENCY OBLIGATIONS					
Export Development	Note	07-15-1981	8.500	8.500%	\$ 5,000
TOTAL CANADIAN GOVERNMENT	TAL OBLIGATIONS			9.028%	\$ 56,004
CORPORATE OBLIGATIONS					
PUBLIC UTILITY OBLIGATIONS					
ELECTRIC	First Mtg. Bond	02-15-1982	9.500	9.080	\$ 100
Arizona Public Service Central Power & Light	First Mtg. Bond	06-01-2004	9.375	9.811	5,000
Citizens Utilities Commonwealth Edison	First Mtg. Coll. Trust Debenture	12-31-1991 04-01-1999	4.800 10.000	4.800 10.000	1,000 6,000
Dayton Power & Light	First Mtg. Bond	02-01-1982 05-01-1986	3.250 3.625	8.799 9.052	25 50
Duke Power Co. Long Island Lighting	First & Ref. Mtg. Bond First Mtg. Bond	04-01-1993	4.400	4.400	1,000
Minnesota Power & Light Minnesota Power & Light	First Mtg. Bond First Mtg. Bond	08-01-2005 09-01-2006	10.500 8.700	10.500 8.700	5,000 5,000
National Rural Utility	Collateral Trust Bond	02-01-1985	8.950	9.152	150
Northern States Power Northern States Power	First Mtg. Bond First Mtg. Bond	06-01-1982 01-01-2004	3.250 8.375	7.271 8.719	50 2,500
Pacific Gas & Electric Philadelphia Electric	First & Ref. Mtg. Bond First & Ref. Mtg. Bond	06-01-1984 10-15-1980	3.125 11.000	9.098 11.000	50 1,000
Philadelphia Electric	First & Ref. Mtg. Bond	01-01-1982	3.250	8.927	45
Public Service Indiana Public Service Oklahoma	First Mtg. Bond Bond	01-01-2007 12-20-1979	7.625 8.250	7.710 8.523	5,000 250
Public Service Electric & Gas	First & Ref. Mtg. Bond	09-01-1994	4.625	6.004	2,415
Public Service Electric & Gas Southern Calif. Edison	First & Ref. Mtg. Bond First & Ref. Mtg. Bond	06-01-2007 09-01-1983	8.250 4.625	8.422 8.649	7,000 100
Southern Calif. Edison	First & Ref. Mtg. Bond	09-01-1985 03-01-1989	4.375 4.375	5.772 7.164	1,260 1,600
Southern Calif, Edison United Illuminating Co.	First & Ref. Mtg. Bond Debenture	11-15-1997	8.500	8.500	4,900
Virginia Elec, & Power	First & Ref. Mtg. Bond First & Ref. Mtg. Bond	12-01-1981 12-01-1987	3.375 4.500	8.431 8.964	25 60
Virginia Elec. & Power Total Electric	riist & Rei. Wilg. Dullu	12-01-1507	4.500	8.620%	\$ 49,580
GAS Brooklyn Union Gas	First Mtg. Bond	04-01-1990	4.625	4.560	\$ 1,175
Columbia Gas System Columbia Gas System	Debenture Debenture	04-01-1981 10-01-1981	3.875 4.750	7.179 8.320	35 32
Columbia Gas System	Debenture	11-01-1983	4.875	8.098	43
Mountain Fuel Supply Panhandle E, Pipe Line	Debenture Debenture	09-01-1986 10-01-1982	4.875 4.375	4.800 7.401	1,228 100
Peoples Gas Light Coke Santa Fe Pipeline	First & Ref. Mtg. Bond Debenture	07-01-1979 12-01-1980	3.250 8.750	7.203 8.627	50 78
Texas Eastern Trans.	First Mtg. Band	07-01-1985	10.000	9.021	150
Washington Gas Light	First Mtg. Bond	03-01-1991	5.200	6.400	1,000 \$ 3,891
Total Gas				5.563%	\$ 3,031
TELEPHONE American Tel. & Tel.	Note	02-01-1982	7.750	8.697	\$ 100
Bell Tel. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	5,000 1,000
General Tel. Co. (Fla.) General Tel. Co. Midwest	First Mtg. Bond First Mtg. Bond	05-01-1993 05-01-1999	4.500 7.750	6.400 7.750	2,500
N.Y. Telephone Co. Pacific Tel. & Tel.	Refunding Mtg. Bond Debenture	07-15-2008 11-01-1990	8.000 4.625	8.494 9.029	5,000 30
Rochester Telephone	First Mtg. Bond	09-01-1993	4.750	6.074	1,110
Southern Bell Tel. & Tel.  Total Telephone	Debenture	03-15-2013	7.625	8.185 8.336%	\$ 19,740
TOTAL PUBLIC UTILITY OBLIGAT	FIONS			8.381%	\$ 73,211
FINANCE OBLIGATIONS					
American Investment	Note	01-01-1991	5.250	5.250	\$ 585
Beneficial Corp. Deere (John) Credit	Note Debenture	03-01-1989 10-31-1990	4.600 5.000	7.286 6.877	2,725 1,650
Family Finance Corp.	Senior Note	05-15-1990 06-30-1983	4.750 8.750	4.840 8.750	1,300 5,000
First Bank System Ford Motor Credit Co	Note Debenture	04-01-1999	8.700	8.956	5,000
Honeywell Finance Inc. LNM Acceptance Corp.	S/F Debenture Promissory Note	12-15-1998 12-01-1986	8.200 9.100	8.200 9.100	5,000 7,566
Montgomery Ward Credit	Debenture	09-15-1986	8.625	9.238	250
Montgomery Ward Credit Northwest Bancorp.	Debenture S/F Debenture	10-01-2002 03-15-2003	8.375 7.750	8.533 7.750	3,125 4,000
Northwest Bancorp. J.C. Penney Financial	Note Debenture	09-15-1986 10-15-1981	7.875 9.450	7.953 9.260	5,200 150
Sears Roebuck Accept.	Debenture	07-15-1982	5.000	8.819	100
Southwest Investment Talcott (James), Inc.	Senior Note Senior Note	10-15-1986 10-01-1985	8.500 5.000	9.676 5.000	200 223
TOTAL FINANCE OBLIGATIONS				8.214%	\$ 42,074
INDUSTRIAL OBLIGATIONS					
Allied Chemical Corp.	Note	04-01-1983	8.375	8.861	\$ 100
Aluminum Co. of America AMAX	S/F Debenture Senior Note	01-01-1982 08-01-1988	4.250 4.500	7.820 7.564	25 1,750
AMAX	Note Note	03-15-1997 03-01-1985	8.750 8.125	8.750	5,000
American Brands, Inc. Archer Daniels Midland	Promissory Note	03-01-1988	4.875	8.775 7.884	100 1,458
Arco Pipeline Armco Steel Corp.	Guaranteed Note Note	07-15-1983 12-15-1996	8.375 7.875	8.779 7.875	150 3,800
Atlantic Richfield Co. Atlantic Richfield Co.	Guaranteed Note First Pref. Ship Mtg. Bd.	07-15-1996 12-01-2001	9.250 8.750	9.250 8.750	5,000 3,000
, mentic mention ou,	. national, unity mity, Du,		0.730	5.730	3,000

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
Beatrice Foods Co.	Debenture	08-15-2008	8.500	8.840	2,250
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	7,000
CIBA Geigy Corp.	Note	06-01-2000	9.500	9.500	5,000
Crown Zellerbach	General Mtg. Bond	05-01-1994	8.125	8.125	4,579
Dresser Industries	Note	05-15-1985	8.650	9.245	150
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	4,850
Firestone Tire & Rubber	Debenture Guaranteed Note	12-01-2004 12-01-1996	9.250 8.625	9.333 8.625	5,000 5,000
Ford Leasing Development Ford Leasing Development	Guaranteed Note	03-15-2004	9.500	9.500	5,000
Ford Motor Co.	Debenture	07-15-1994	9.250	9.277	1,850
Goodyear Tire & Rubber	Equipment Trust Cert.	03-01-1982	9.250	8.675	150
Gould, Inc.	S/F Bond	02-15-1995	9.250	9.488	2,387
Hercules, Inc.	Equipment Trust Cert.	01-01-1983	10.250	9.145	57
Hertz Corporation	Senior Note	02-15-1999	9.500	9.500	3,000
Ingersoll-Rand Co.	Note	05-01-1985	8.750	8.844	150 2,250
Louisiana Land & Expl. MacMillan Bloedel, Ltd.	Note Debenture	12-01-1994 10-01-1990	8.250 5.450	8.250 4.950	300
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	5,200
MacMillan Bloedel, Ltd.	Debenture	07-15-1992	6.500	8.895	50
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.563	3,000
McDonald's Corp.	Note	05-01-1980	8.500	8.413	150
Norton Simon, Inc.	Promissory Note	06-01-2004	9.875	9.875	6,000
Occidental Petroleum	Note	05-15-1982	11.000	9.766	150
Olympic Pipeline Co.	Note Note	09-01-2001 02-01-1991	8.850 5.000	8.850	5,000
Owens-Illinois, Inc. Pennwalt Corporation	Note	04-15-1985	9.000	8.312 9.000	3,383 100
Phelps Dodge Corp.	Note	06-01-1985	8.500	9.066	· 250
Ralston Purina	Guaranteed Note	11-01-1989	8.750	8,750	2,200
Raiston Purina	Note	12-31-1982	8.000	8.000	2,475
Raytheon Co.	S/F Debenture	07-01-1996	8.250	8.406	5,000
Scovill Mfg. Co.	Note	09-15-1990	4.800	6.313	1,386
Shell Canada, Ltd.	Debenture Debenture	01-01-1994 03-15-1991	7.500 5.000	7.532 5.000	1,900 1,050
Shell Oil Co. Sprague Electric Co.	S/F Debenture	09-01-1988	4.375	4.378	450
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	03-30-1997	7.700	7,700	1,335
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.		7.700	7.700	1,240
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	02-10-1997	7.700	7.700	1,240
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.		8.500	8.500	5,150
Standard Oil (Indiana)	Note	11-01-1999	8.250	8.250	3,000
Standard Oil (Indiana) Standard Oil Co. Ohio	Note Debenture	10-01-2000 01-01-2000	7.500 8.500	7.500 8.703	1,750 4,400
Studebaker-Worthington	S/F Debenture	11.15.2003	9.350	9.350	5,000
Sun Oil Co.	Note	07-01-1991	5,750	5,750	918
Texaco, Inc.	Note	12-01-2001	7,750	7.750	3,649
U.S. Steel	S/F Debenture	04-15-1986	4.500	7.997	125
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	4.600	76
TOTAL INDUSTRIAL OBLIG	ATIONS			8.681%	\$134,983
TRANSPORTATION DEBT OBL			_		_
Greyhound Corp.	Senior Note	05-15-1984	6.000	6.826	\$ 1,265
Seaboard Coast Line RR	First Mtg. Bond	12-01-1988	4.625	5.772	2,725
TOTAL TRANSPORTATION	DEBT OBLIGATIONS			6.106%	\$ 3,990
RAILROAD EQUIPMENT OBLI			A		
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 3,000
ACF Industries, Inc. Burlington Northern	Equipment Trust Cert.	04-15-1982 01-05-1983	5.500 8.125	8.148 8.125	50 4,593
Burlington Northern Burlington Northern	Conditional Sale Agree. Conditional Sale Agree.	09-01-1993	8.125 8.750	8.125 8.750	4,593 3,215
Burlington Northern	Conditional Sale Agree.	07-03-1993	8.500	8.834	244
Canadian Pacific, Ltd.	Equipment Trust Cert.	02-01-1989	8.500	8.500	3,961
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	5,000
Chesapeake & Ohio RR	Conditional Sale Agree.	01-01-1985	8.500	8.508	2,103
Louisville & Nashville	Conditional Sale Agree.	10-20-1991	9.000	9.000	4,824
Louisville & Nashville Missouri Pacific RR	Conditional Sale Agree.	04-20-1988	8.125	8.698	233 3,500
Missouri Pacific HH Norfolk & Western RR	Conditional Sale Agree. Conditional Sale Agree.	06-01-1994 10-01-1984	9.750 8.875	9.750 8.875	1,200
St. Louis-San Fran. RR	Conditional Sale Agree.	01-15-1985	9.375	9.375	1,030
Seaboard Coast Line RR	Conditional Sale Agree.	04-01-1992	9.000	9.000	2,214
Seaborad Coast Line RR	Conditional Sale Agree.	10-01-1992	8.250	8.250	4,826
Seaboard Coast Line RR	Conditional Sale Agree.	09-01-1993	9.625	9.625	7,175
Southern Pacific Trans.	Conditional Sale Agree.	03-01-1991	9.500	9.500	2,784
Union Tank Car	Equipment Trust Cert.	12-15-1995	9.500	9.500	4,000
TOTAL RAILROAD EQUIPM	ENT OBLIGATIONS			8.949%	\$ 53,956
TOTAL CORPORATE OBLIG				8.559%	\$308,216
	VERNMENT-GUARANTÉED, A AL, AND CORPORATE OBLIGA			8.614%	\$454,295

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add, due to rounding.

### CONVERTIBLE DEBENTURE HOLDINGS

Issue	Face Amount Held	Total Cost	Market Price	Total Market Value
Sherwin-Williams Co., 6 1/4% Convertible Subordinated Debentures,				
due 03-01-1995	\$1,200,000.00	\$1,149,410.00	70	\$840,000.00

		Market		Total
Common Stock	Shares	Price 6-30-79	Market Value	% Market
Common Stock UTILITIES	Shares	0.30.75	IMBIREL VAIGE	· Market
ELECTRIC Commonwealth Edison	123,000	\$ 23.63	\$ 2,905,875.00	
Florida Power & Light	170,300	27.88	4,747,112.50	
Houston Industries Inc. Middle South Utilities	142,600 112,800	31.13 14.63	4,438,425.00 1,649,700.00	
Minnesota Power & Light Northern States Power	60,000 189,500	20.63 24.13	1,237,500.00 4,571,687.50	1
Pacific Gas & Electric	115,300	23.00	2,651,900.00	
Public Serv. Indiana Texas Utilities Co.	140,000 235,000	25.75 19.25	3,605,000.00 4,523,750.00	
Virginia Elec. & Power	227,200	12.88	2,925,200.00	3.63%
Total Electric	•		\$ 33,256,150.00	7.63%
NATURAL GAS. Panhandle E. Pipe Line	90,000	\$ 49.88	\$ 4,488,750.00	•
Peoples Gas Co.	128,999	35.88	4,627,839.13	
Total Natural Gas			\$ 9,116,589.13	2.09%
COMMUNICATIONS American Tel. & Tel.	442,941	\$ 57.88	\$ 25,635,210.38	
General Tel. & Elec.	310,000	27.00	8,370,000.00	
Total Communications			\$ 34,005,210.38	7.81%
TOTAL UTILITIES	*		\$ 76,377,949.51	17.53%
FINANCIAL SERVICES BANKS				
Bank America Corp.	147,000	\$ 26.88	\$ 3,950,625.00	
Citicorp First Bank System	144,400 102,400	25.13 38.25	3,628,050.00 3,916,800.00	
Northwest Bancorp. Security Pacific Corp.	178,000 123,614	25.63 31.50	4,561,250.00 3,893,841.00	
Total Banks		000	\$ 19,950,566.00	4.58%
FINANCE				
Household Finance MGIC Investment Corp.	208,300 40,000	\$ 20.25 27.00	\$ 4,218,075.00	
Total Finance	40,000	27.00	1,080,000.00 \$ 5,298,075.00	1.22%
INSURANCE	5		,,	
Aetna Life & Casualty	93,000	\$ 32.38	\$ 3,010,875.00	
Connecticut General Northwestern Nat'l, Life	87,050 85,600	39.00 32.50	3,394,950.00 2,782,000.00	
SAFECO Corp.	101,600	32.25	3,276,600.00	
St. Paul Companies U.S. Fidelity & Guar.	114,200 31,400	38.50 35.88	4,396,700.00 1,126,475.00	
Total Insurance			\$ 17,987,600.00	4.13%
TOTAL FINANCIAL SERVICES			\$ 43,236,241.00	9.93%
CONSUMER-ORIENTED AUTOS – AUTO PARTS				
· Ford Mator Co.	90,000	\$ 42.63	\$ 3,836,250.00	
General Motors Genuine Parts Company	135,600 136,200	59.38 23.13	8,051,250.00 3,149,625.00	
Goodyear Tire & Rubber	147,500	15.88	2,341,562.50	
Total Autos — Auto Parts	•		\$ 17,378,687.50	3.99%
CONSUMER-DURABLES Sunbeam Corp.	95,000	\$ 21.63	\$ 2,054,375.00	
Whirlpool Corporation	105,100	21.13	2,220,237.50	
Total Consumer-Durables			\$ 4,274,612.50	0.98%
CONSUMER-NONDURABLES Avon Products, Inc.	110.000	0.47.25	0 500503500	
Colgate-Palmolive	119,900 150,000	\$ 47.25 15.88	\$ 5,665,275.00 2,381,250.00	
Eastman Kodak Co. Minnesota Mining & Mfg.	91,700 102,000	. 57.13 56.38	5,238,362.50 5,750,250.00	
Procter & Gamble Co.	44,000	76.88	3,382,500.00	
Total Consumer-Nondurables			\$ 22,417,637.50	5.15%
CONSUMER-MISCELLANEOUS McDonald's Corp.	CC 000		é 2.000.000.00	
Warner Communications	66,000 46,666	\$ 45.50 33.63	\$ 3,003,000.00 1,569,144.25	
Total Consumer-Miscellaneous			\$ 4,572,144.25	1.05%
DRUGS				
American Home Products Johnson & Johnson	106,800 40,000	\$ 27.13 71.75	\$ 2,896,950.00 2,870,000.00	
Merck & Company Pfizer, Inc.	66,900 136,200	67.50 30.63	4,515,750.00 4,171,125.00	
Schering-Plough Corp. Warner-Lambert	56,000	30.75	1,722,000.00	
Total Drugs	131,000	24.88	3,258,625.00 \$ 19,434,450.00	4.46%
FOODS-BEVERAGES			0 10,101,100	
CPC International	73,000	\$ 52.50	\$ 3,832,500.00	
Coca-Cola Co. Consolidated Foods	100,000 90,000	38.25 23.13	3,825,000.00 2,081,250.00	
General Foods Corp. General Mills, Inc.	121,100 133,000	31.75 25.00	3,844,925.00 3,325,000.00	
Kraft, Inc.	32,600	46.75	1,524,050.00	
Norton Simon, Inc. PepsiCo, Inc.	159,963 100,000	15.00 25.38	2,399,445.00 2,537,500.00	
Pillsbury Company	65,000	36.25	2,356,250.00	
Total Foods-Beverages			\$ 25,725,920.00	5.91%
RETAIL SALES Federated Dept. Stores	85,000	\$ 29.63	\$ 2,518,125.00	
K mart Corporation	107,127	26.50	2,838,865.50	
Penney (J.C.) Co. Sears, Roebuck & Co.	132,400 145,000	29.88 19.25	3,955,450.00 2,791,250.00	
Southland Corporation	104,126	28.25	2,941,559.50	
Total Retail Sales TOTAL CONSUMER-ORIENTED			\$ 15,045,250.00 \$108,848,701.75	3.45% 24.99%
····- somemonicity ED		٠	\$140,040,701.73	17.55/9

		Market		Total
Common Steck	Shares	Price 6 20 70	Market Value	%
	Strates	6-30-79	Market Value	Market
TECHNOLOGY OFFICE EQUIPMENT				
Burroughs Carp. Haneywell, Inc.	60,400 61,277	\$ 70.25 68.75	\$ 4,243,100.00 4,212,793.75	
Int'l. Bus. Machines	312,024	73.38	22,894,761.00	
Xerox Corporation	69,150	60.63	4,192,218.75	
Total Office Equipment			\$ 35,542,873.50	8.16%
TOTAL TECHNOLOGY			\$ 35,542,873.50	8.16%
BASIC INDUSTRY				
AEROSPACE Boeing Co.	97,500	\$ 40.50	\$ 3,948,750.00	
United Technologies	122,000	37.13	4,529,250.00	
Total Aerospace			\$ 8,478,000.00	1.95%
BUILDING & FOREST PRODUCTS				
Georgia-Pacific Corp. Masonite Corp.	97,404 100,000	\$ 27.13 25.50	\$ 2,642,083.50 2,550,000.00	
Owens-Corning Fiber.	82,000	25.13	2,060,250.00	
Weyerhaeuser Co.	93,300	29.75	2,775,675.00	
Total Building & Forest Products			\$ 19,028,008.50	2.30%
CHEMICALS				
Air Products & Chem. Dow Chemical	110,802 85,000	\$ 30.88 25.88	\$ 3,421,011.75 2,199,375.00	
du Pont (E.I.) de Nemours	60,000	41.25	2,475,000.00	
Hercules, Inc. Monsanto Co.	120,000 30,000	19.13 50.13	2,295,000.00 1,503,750.00	
Union Carbide Corp.	74,000	37.00	2,738,000.00	
Total Chemicals			\$ 14,632,136.75	3.36%
ELECTRICAL EQUIPMENT				
Emerson Electric Co.	92,200	\$ 36.00	\$ 3,319,200.00	
General Electric Co. Gould, Inc.	165,000 117,500	50.00 25.00	8,250,000.00 2,937.500.00	
Total Electrical Equipment	,	20.00	\$ 14,506,700.00	3.33%
• •			•	
MACHINERY Caterpillar Tractor	68,500	\$ 55.13	\$ 3,776,062.50	
Clark Equipment Co.	80,000	38.63	3,090,000.00	
Combustion Engineering Trans Union Corp.	92,000 75,100	44.88 33.88	4,128,500.00 2,544,012.50	
Total Machinery			\$ 13,538,575.00	3.11%
METALS				
Aluminum Co. of America	50,000	\$ 51.38	\$ 2,568,750.00	
Pittston Company	50,169	25.63	1,285,580.63	
St. Joe Minerals Corp.  Total Metals	98,000	31.50	3,087,000.00 \$ 6.941,330.63	1.59%
			\$ 6,941,330.63	1.33%
PAPER International Paper	55,000	\$ 44.63	\$ 2,454,375.00	
Union Camp Corporation	56,000	46.88	2,625,000.00	
Total Paper			\$ 5,079,375.00	1.17%
TEXTILES				
Burlington Industries	70,000	\$ 16.75	\$ 1,172,500.00	0.27%
MISCELLANEOUS				
Int'l. Tel. & Tel.	130,400	\$ 29.13	\$ 3,797,900.00	0.87%
TOTAL BASIC INDUSTRY			\$ 78,174,525.88	17.95%
ENERGY				
OIL-DOMESTIC Atlantic Richfield Co.	124 000			
Conoco Inc.	124,000 130,000	\$ 67.50 37.88	\$ 8,370,000.00 4,923,750.00	
Marathon Oil Co. Phillips Petroleum Co.	106,000	38.00	4,028,000.00	
Standard Oil (Indiana)	148,000 133,700	38.25 65.75	5,661,000.00 8,790,775.00	
Total Oil-Domestic			\$ 31,773,525.00	7.29%
OIL-INTERNATIONAL				
Exxon Corporation	285,000	\$ 53.88	\$ 15,354,375.00	
Gulf Oil Corp. Mobil Corp.	285,000 180,000	27.38 39.25	7,801,875.00 7,065,000.00	
Standard Oil of Calif.	162,000	48.50	7,857,000.00	
Texaco, Inc.	221,300	27.63	6,113,412.50	
Total Oil-International			\$ 44,191,662.50	10.15%
ENERGY - RELATED	70.000	A		
Oresser Industries Halliburton Co.	73,000 70,700	\$ 45.38 67.00	\$ 3,312,375.00 4,736,900.00	
Williams Companies	105,000	20.25	2,126,250.00	
Total Energy — Related			\$ 10,175,525.00	2.34%
TOTAL ENERGY			\$ 86,140,712.50	19.78%
TRANSPORTATION				
RAILROADS Southern Railway	60 000	ê E0.05	¢ 2,631,600,60	
Union Pacific Corp.	68,000 53,400	\$ 53.25 68.38	\$ 3,621,000.00 3,651,225.00	
Total Railroads	- '		\$ 7,272,225.00	1.67%
TOTAL TRANSPORTATION			\$ 7,272,225.00	1.67%
TOTAL COMMON STOCKS			\$435,593,229.14*	100.00%
			<del></del>	

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$408,832,576.21.

### SCHEDULE III

#### PUBLIC EMPLOYEES RETIREMENT FUND STATE EMPLOYEES RETIREMENT FUND TEACHERS' RETIREMENT FUND June 30, 1979

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

Company .	, Type of Security	Maturity Dete(a)	Coupon Rete %	Average Yield %	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Total Amount (000)(b)
UNITED STATES GOVERNMENT GUARANTEED OBLIGATIONS U.S. Treasury Notes		02-15-1987	9.000	9.054%	\$ 3,000	\$ 1,000	\$ 3,000	\$ 7,000
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	Mtg. Backed Cert.	01-15-2004/ 11-15-2008	8.000/ 9.000	8.588%	\$ 28,732	\$19,644	\$ 45,727	\$ 94,104
GOVERNMENT-GUARANTEED MERCHANT MARINE BONDS Oelta Steamship Lines Grace Line, Inc. Moore-McCormack Lines TOTAL GOVERNMENT-GUA	Government Guar, Bond Government Guar, Bond Government Guar, Bond RANTEED MERCHANT N			5.500 5.100 5.750 5.523%	S 376 734 501 S 1,611	\$ - 404 \$ 404	\$ - 	\$ 376 734 1,406 \$ 2,516
TOTAL UNITED STATES GO UNITED STATES GOVERNMEN AGENCY OBLIGATIONS Federal Home Loan Bank		08-27-1984	7.850	8.508% 7.898%	\$ 30,343 \$ 3,185	\$20,048	\$ 46,228 - S -	\$ 96,620 \$ 3,185
CANADIAN GOVERNMENTAL								
PROVINCIAL DBLIGATIONS Ritish Columbia Hydro Manitoba Hydro Etec. Brd. Manitoba Province of N. Brunswick Electric Powr. N. Brunswick Electric Powr. N. Brunswick Electric Powr. N. Brunswick Higher Education Nova Scotia Power Comm. Nova Scotia Powe	Bond Debenture Obbenture SIF Debenture SIF Debenture SIF Debenture SIF Debenture SIF Debenture SIF Debenture Obbenture Debenture	07-15-1996 10-15-1997 11-01-1993 04-01-1998 11-15-1991 04-15-1993 07-15-1998 03-15-1997 06-01-2008 08-01-2008 08-01-2008 12-01-1997 05-15-2001 12-15-2002 06-01-2008 04-15-1997 04-15-2008	9.625 7.650 6.875 7.875 6.000 8.125 7.750 9.625 7.250 7.300 7.300 9.375 9.375 9.375	9.650 7.724 6.900 7.875 6.160 7.260 8.150 9.727 7.200 7.800 7.160 7.850 7.350 9.375 9.475 5.655 9.250	\$ 2,700 3,500 800 3,376 500 1,500 1,500 1,000 800 700 1,500 1,500 1,500 1,000 4,000 4,000 5,000 \$ 35,876	\$ 2,500 1,875 	\$ 4,350 1,200 1,200 3,377 550 1,550 1,550 1,500 1,000 4,000 4,600 4,000 5,000 6,000 5,000 \$ 40,727	\$ 9,550 8,875 2,000 8,683 1,400 850 4,650 3,000 12,100 1,350 7,000 12,000 1,000 1,350 1,000 1,350 1,000 1,350 1,500 5,795 8
CANADIAN AGENCY OBLIGATIONS Export Development TOTAL CANADIAN GOVER	Note	07-15-1981	8.500	8.500% 8.583%	\$ 4,000 \$ 39,876	\$ 2,500 \$23,855	\$ 4,000 \$ 44,727	\$ 10,500 \$108,458
EUROPEAN ECONOMIC COMMUNITY European Economic Community CORPORATE BOND OBLIGATI		10:01-1981	7.750	8.641%	<b>s</b> -	\$ 200	\$ -	\$ 200
PUBLIC UTILITY OBLIGATION ELECTRIC Appalachian Electric Power Arizona Public Service Golf. Electric Power Commonwealth Edison Consolidated Edison Consolidated Edison Dayton Power & Light Dartoni Edison Co. Georgia Power Co. Indiana & Mich. Electric Kansas Power & Light Ohio Power Company Philadelphia Electric Public Service Indiana Public Service Indiana Public Service Indiana Public Gervice Telectric Gas Rocesser Gas & Electric Tratal Electric  GAS	First Mtg. Bond Equipment Trust Cert. First Mtg. Bond Note Note First Mtg. Bond	03-01-1987 09-01-1990 05-01-1990 11-01-1996 10-15-1994 01-01-1996 06-01-1996 06-30-1985 12-30-1985 08-01-1998 08-01-1998 01-10-1982 10-15-1980 06-01-1998	4.625 6.250 5.125 5.755 4.600 9.250 4.450 12.875 12.875 11.000 7.625 6.700	9.714 6.331 5.104 6.450 9.250 11.096 11.171 9.492 9.109 8.168 11.000 7.725 8.334 6.700 7.782%	\$ 400 750 1.466 500  - 3.000  4.000 5.000 \$ 15,916	\$ 40 500 300 500  - 400 36 98 50 - 100 2,500 1,500 3,050 - - 1,500 3,050	\$ -750 500 650 1,100 1,711 600  - 1,200 3,490 5,000 \$ 16,001	\$ 40 1,259 1,200 1,900 1,900 1,100 3,177 1,500 40 36 50 3,000 1,200 9,090 1,305 1,30
Gas Service Co. Midwestern Gas Trans. Northwest Natural Gas Springfield Gas Light Total Gas	First Mtg. Bond First Mtg. Bond First Mtg. Bond Note	05-01-1983 06-01-1980 01-01-1989 01-15-1987	4.400 5.750 4.750 4.875	5.056 7.309 4.720 4.875 4.893%	\$ 510 600 372 \$ 1,482	\$ 272 45 400 223 \$ 940	\$ 306 	\$ 1,088 45 1,600 595 \$ 3,328
TELEPHONE Bell Tel. Co. Canada Bell Tel. Co. Canada General Tel. Co. NW N.Y. Telephone Co. Southern Bell Tel. & Tel. United Tel. Co. Ohio United Tel. Co. Pho. Total Telephone	First Mtg. Bond First Mtg. Bond First Mtg. Bond Refunding Mtg. Bond Debenture First Mtg. Bond First Mtg. Bond	09-17-1998 06-01-2004 06-01-1999 07-15-2008 03-15-2013 07-01-1998 11-01-1998	6.900 9.500 7.125 8.000 7.625 6.875 6.625	6.900 9.500 7.324 8.842 8.152 6.875 6.625 8.427%	\$ 800 4,000 900 3,500 4,500 720  \$ 14,420	\$ 700 2,000 700 1,500 2,000 630  \$ 7,530	\$ 500 4,000 1,000 4,000 4,500 900 1,125 \$ 16,025	\$ 2,000 10,000 2,600 9,000 11,000 2,250 1,125 \$ 37,975
WATER Indianapolis Water TOTAL PUBLIC UTILITY OF	First Mtg. Band BLIGATIONS	08-01-1997	5.875	5.875% 7.952%	<u>\$ -</u> \$ 31,818	<u>s -</u> \$15,184	\$ 600 \$ 33,532	\$ 600 \$ 80,535
FINANCE OBLIGATIONS Alistate Financial American Investment American Investment American Swings & Loan Associates Investment CIT Financial Gro. Certer Hawley Hale Cr. Chase Manhattan Corp. Commercial Credit Co. Deere John Credit First Bank System Ford Motor Credit Co. Ford Motor Credit Co.	Note Seniar Note Note Note Note Note Note Note Debenture Debenture Note Seniar Note Seniar Note Note Seniar Note Note Sobordinated Note Subordinated Note	04-15-1987 11-01-1986 01-01-1991 04-15-1984 08-01-1979 10-01-1986 02-01-1982 05-15-1986 03-01-1986 04-30-1998 06-30-1983 07-15-2000 11-01-1984	8.125 6.750 5.250 8.500 5.125 6.375 7.950 8.750 8.750 8.750 9.700 8.100	9.482 6.750 5.250 9.059 9.588 6.593 9.455 8.971 9.124 7.666 8.861 9.724 8.936	\$ 400       3,750 1,842 4,000	\$ 250 320 405 250 100 750 100 150 200 2,250 2,500 250	\$ - 400 540 - 1,000 - - 4,000 1,843 4,100	\$ 250 1,120 945 250 100 1,750 100 150 200 10,000 3,685 10,600 250

					Public Employees	State Emplayees	Teachers'	
Company	Type of Security	Maturity Date(a)	Coupon Rete %	Average Yield %	Retirement Fund (000)	Retirement Fund (000)	Retirement Fund (000)	Total Amount
Gambles Credit Corp.	Senior Note	07-15-1986	9.375	9.194	- (0007	250	-	(000)(b) 250
General Motors Accept. GRC Realty Corporation	Debenture Note	09-01-1982 12-31-1998	4.625 7.700	8.659 7.700	3,000	. :	3,000	100 6,000
Honeywell Finance Inc. Household Finance	S/F Debenture Debenture	12-15-1998 01-01-1990	8.200 7.250	8.396 7.417	4,000 900	400	4,000 500	8,000 1,800
Intérnat'l, Harvester Credit LNM Acceptance Corp.	Note Promissory Note	12-15-1986 12-01-1986	8.350 9.100	9.212 9.100	1,940	250 1,940	1,940	250 5,820
MGIC Investment Corp. Median Mortgage Inv.	Note Debenture	11-01-1979 09-15-1981	8.625 7.000	9.422 31.921 <sup>(c)</sup>	_	100 200	-	100 200
Montgomery Ward Credit Northwest Bancorp.	Debenture S/F Debenture	10-01-2002 03-15-2003	8.375 7.750	8.414 7.750	4,000 4,000	2,500 2,500	4,000 4,000	10,500 10,500
Northwest Bancorp. San Diego Federal	Note Mtg. Backed Cert.	09-15-1986 10-15-1982	7.875 8.000	7.892 8.922	4,000	2,500 250	4,000	10,500
Sperry Rand Financial Talman Federal S&L	Note Collateral Trust Bond	02-01-1985 04-15-1983	7.875 8.375	8.892 8.401	Ξ.	250 200	=	250 200
Trailmobile Finance	Note	11-15-1987	8.200	8.998	-	200	-	200
UT Credit Corp. Wells Fargo & Co.	Note Promissory Note	06-01-1986 11-01-1998	8.625 8.125	8.823 8.125	2,500	250 1,500	2,500	250 6,500
TOTAL FINANCE OBLIGAT	IONS			8.306%	\$ 34,332	\$20,915	\$ 35,823	S 91,070
INDUSTRIAL OBLIGATIONS Akzona, Inc.	Debenture S/F Debenture	02-15-1997 03-01-1995	7.500 9.500	7.500 9.634	\$ 2,000 3,860	S - 1,744	\$ 2,500 4,000	\$ 4,500
Aluminum Co. of Canada Armco Steel Corp.	Note	12-15-1996	7.875	7.959	2,090	-	2,660	9,604 4,750
Armour-Dial, Inc. Atlantic Richfield Co.	Note Guaranteed Note	01-15-2003 07-15-1996	7.900 9.250	7.900 9.250	3,452 4,000	2,500	3,452 4,000	6,905 10,500
Atlantic Richfield Co. Beatrice Foods Co.	First Pref. Ship. Mtg. Bd. Debenture	12-01-2001 08-15-2008	8.750 8.500	8.750 8.840	2,000 2,000	1,200 2,000	2,000 2,000	5,200 6,000
Burlington Northern Castle & Cooke, Inc.	Mtg. Backed Cert. Note	06-15-1998 05-15-1985	9.250 8.125	9.250 9.065	4,000	2,600 250	4,000	10,600 250
Cities Service Gas Co. Conoco Inc.	Debenture Note	06-01-1991 12-01-2000	8.250 9.000	8.250 9.015	1,450 998	1,000 832	2,000 1,373	4,450 3,203
Crown Zellerbach (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	3,610	1,761	3,610	8,982
Dresser Industries FMC Corp.	Note S/F Debenture	05-15-1985 01-15-2000	8.650 9.500	8.578 9.603	1,057 3,800	2,400	1,057 3,800	2,114 10,000
Firestone Tire & Rubber Ford Leasing Development	Debenture Guaranteed Note	12-01-2004 12-01-1996	9.250 8.625	9.268 8.625	4,000 4,000	2,100 2,500	4,100 4,000	10,200 10,500
Ford Leasing Development B.F. Goodrich Co.	Guaranteed Note	03-15-2004	9.500	9.500	2,000	1,500	_	3,500
Gulf Oil Corp.	Note First Mtg. Band	11-15-1992 06-15-1993	6.500 6.625	6.500 6.625	465 800	465 690	935 1,000	1,865 2,490
Hertz Corporation MacMillan Bloedel, Ltd.	Senior Note Debenture	02-15-1999 07-01-1994	9.500 8.750	9.500 8.750	2,300 4,150	2,000 2,500	2,300 4,150	6,600 10,800
Marathon Oil Co. Moore Business Forms	S/F Debenture Senior Note	02-01-2000 10-01-1996	8.500 7.900	7.900	4,000 2,000	1,000	2,000	5,000 4,000
Norton Simon, Inc. Pfizer, Inc.	Promissory Note S/F Debenture	06-01-2004 08-15-2000	9.875 9.250	9.875 9.316	2,500 1,000	2,500	2,000 1,000	7,000 2,000
Phelps Dodge Corp.	Note	06-01-1985 10-01-2001	8.500 7.875	8.575	4,000	2,500	4,000	10,500
Plantation Pipe Line Ryder Systems, Inc.	Guaranteed Note Debenture	05-15-1982	9.750	7.973 9.468	3,000	1,250 100	3,500	7,750 100
Shell Canada, Ltd. Sohio/BP Trans, Alaska	Debenture Note	01-01-1994 02-01-1983	7.500 8.625	7.500 9.096	_	250	1,200	1,200 250
Sprague Electric Co. Standard Oil of Calif.	S/F Debenture First Pref. Ship. Mtg. Bd.	09-01-1988 03-30-1997	4.375 7.700	4.400 7.700	572	_	550 667	550 1,240
Standard Oil of Calif.	Promissory Note	12-01-1992	6.000	6.120	-	140	700	840
Standard Oil of Calif. Standard Oil of Calif.	First Pref. Ship, Mtg. Bd. First Pref, Ship, Mtg. Bd.	03-02-1997 02-10-1997	7.700 7.700	7.700 7.700	667 667	-	667 572	1,335 1,240
Standard Oil of Calif, Standard Oil of Calif,	First Pref. Ship. Mtg. Bd. First Pref. Ship. Mtg. Bd.	09-07-1997 09-08-1997	7.700 7.700	7.700 7.700	483 483	1,352 531	483 483	2,318 1,497
Standard Oil of Calif. Standard Oil of Calif.	First Prel. Ship. Mtg. Bd. First Prel, Ship. Mtg. Bd.	11-06-1997 07-02-1999	7.700 8.500	7.700 8.500	483 2,000	531 2,000	483 2,000	1,497 6,000
Stnadard Oil (Indiana) Standard Oil (Indiana)	Note Note	10-01-2000 10-01-2000	7.300 9.000	7.300 9.000	1,500 1,500	1,500 1,000	2,000 1,500	5,000 4,000
Standard Dif (Indiana)	Note	10-01-2000	7.500	7.500 7.500	1,500 2,000	500	1,500 2,000	3,500 4,000
Stauffer Chemical Co. Studebaker-Worthington	Note S/F Debenture	03-15-1997 11-15-2003	7.500 9.350	9.350	5,000	3,000	5,000	13,000
Sun Oil Ca. Swift & Co.	Note S/F Debenture	07-01-1991 08-01-1992	5.750 6.300	5.750 6.625	-	272 413	412	272 825
Texaco, Inc Uarco, Inc.	Note Note	12-01-2001 05-01-1988	7.750 6.500	7.750 6.500	1,825 424	1,369	2,281 707	5,475 1,132
Union Oil Co. of Calif. Youngstown Sheet Tube	Note First Mtg. S/F Band	12-01-1988 07-01-1995	6.500 4.600	6.500 5.536	400 522	369	500 1,261	901 2,152
TOTAL INDUSTRIAL OBLI				8.577%	\$ 88,561	\$48,620	\$ 90,406	\$227,588
TRANSPORTATION DEST OS	LIGATIONS							
Delaware Lackawanna Louisville & Nashville	Retunding Mtg. Bond Collateral Trust Bond	05-01-1985 12-01-1987	4.500 4.875	4.500 4.950	\$ ~ 500	S 6 400	\$ - 450	S 6 1,350
N.Y. Central Railroad	Refunding Mtg. Bond	10-01-2013 10-01-1989	4.500 4.850	4.500 4.850	480	20 384	480	20 1,344
Western Maryland RR TOTAL TRANSPORTATION	First Mtg. Bond DEBT OBLIGATIONS	10-01-1363	4.030	4.899%	\$ 980	\$ 810	\$ 930	\$ 2,720
RAILROAD EQUIPMENT OBL	IGATIONS							
ACF Industries, Inc. ACF Industries, Inc.	Equipment Trust Cert. Equipment Trust Cert.	04-15-1981	5.625 7.625	5.625 7.625	\$ 43 150	\$ 40 100	\$ - 500	\$ 83 750
ACF Industries, Inc. ACF Industries, Inc.	Equipment Trust Cert.	04-01-1985 03-01-1991	9.500	9.500 9.000	540 3,000	360 1,000	600 3,000	1,500 7,000
ACF Industries, Inc.	Equipment Trust Cert. Conditional Sale Agree.	02-01-1992	8.000 8.600	8.000 8.600	-	-	3,468 938	3,468 938
Burlington Northern Burlington Northern	Conditional Sale Agree.	05-01-1986 10-01-1987	9.625	9.625	900	-	900	1,800
Burlington Northern Chesapeake & Ohio RR	Conditional Sale Agree. Conditional Sale Agree.	09-01-1993 02-15-1983	8.750 6.875	8.750 6.926	3,014 256	2,512 233	3,014 327	8,542 817
Chicago, Milw., St. Paul Pac. Chicago, Milw., St. Paul Pac.	Conditional Sale Agree. Conditional Sale Agree.	01-15-1982 06-01-1981	6.375 5.375	6.375 5.375	41 39	41 32	41 38	124 110
Del. & Hudson Fruit Growers Express	Conditional Sale Agree. Equipment Trust Cert.	09-01-1985 11-15-1981	10.500	10.500 6.000	733 90	75	- 90	733 255
Fruit Growers Express Illinois Central AR	Equipment Trust Cert. Conditional Sale Agree.	06-15-1985 02-15-1983	9.750 6.875	9.750 6.875	155	480 133	480 222	960 511
Louisville & Nashville	Conditional Sale Agree.	01-15-1986	6.875	7.027	420	308	560	1,288 1,318
Louisville & Nashville Louisville & Nashville	Conditional Sale Agree. Conditional Sale Agree.	10-20-1991 04-20-1992	9.000 8.375	9.000 8.375	1,318 2,383	1,121	2,383	5,887
Missouri Pacific RR Norfolk & Western RR	Conditional Sale Agree. Conditional Sale Agree.	06-01-1994 08-01-1983	9.750 7.250	9.750 7.250	4,000 300	3,000 250	450	7,000 1,000
St. Louis-San Fran. RR St. Louis-San Fran. RR	Conditional Sale Agree. Conditional Sale Agree.	01-01-1983 12-15-1983	6.750 7.250	6.750 7,250	266	160	240 233	400 500
Southern Pacific Co. Southern Pacific Trans.	Conditional Sale Agree. Conditional Sale Agree.	03-01-1984 10-01-1992	7.625 8.250	7.625 8.250	250 3,266	200 1,866	350 3.266	800 8,400
Union Tank Car	Equipment Trust Cert.	12-15-1995	9.500	9.500	3,000		3,000	6,000
TOTAL RAILROAD EQUIPA		8,720%	\$ 24,170 \$179,862	\$11,914 \$97,443	\$ 24,103 \$184,795	\$ 60,187 \$462,101		
TOTAL CORPORATE OBLIC MUNICIPAL BOND OBLIGATI		3.620%	\$ 988	S 1,216	\$ 1,463	\$ 3,667		
TOTAL UNITED STATES GOV	ERNMENT-GUARANTEE	D, AGENCY,				<del></del>		
CANADIAN GOVERNMENTAL MUNICIPAL OBLIGATIONS	., vonrunnte, Anu			8.431%	\$257,255	\$143,763	\$280,213	\$681,232
	- betrafit 111 1 1	4	. (			4		
(a) Most corporate issues have (b) Column may not add, due	substantial sinking funds an to rounding.	o an average lif	e jar shorte	r than the s	tated maturity	pare.		•

 <sup>(</sup>a) Most corporate states have substantial sinking funds and an average life far indirect than the stated maturity date.
 (b) Column may not add, due to counciling.
 (c) Yield reflects market value at time of merger, by legislation, of Metropolitan Transit Commission, Transit Operating Division Retirement, into the State Employees Retirement Fund.

# CONVERTIBLE DEBENTURE HOLDINGS STATE EMPLOYEES RETIREMENT FUND

Issue	Issue Amount Held	Total Cost	Market Price	Total Market Value
Citicorp, 5%% Convertible Subordinated Debentures,				
Due 06-30-2000	\$150,000.00	\$114,375.00	\$76	\$114,000.00

### COMMON STOCK HOLDINGS

a Constitution

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				COMMON 2	HUCK H	OLDINGS		. 17	£.	
e ,s		Market		ic Employees **		te Employees		Teachers' irement Fund		Total
Common Stock	Total Shares	Price 6-30-79	Shares	rement Fund Market Value	Shares	irement Fund Market Value	-	Market Value	Total Market Value	. % Market
Common Stock UTILITIES	Silates	0-30-75	Shares	Market value	Sitares	market value	Shares	Walket Value	·	MIGIREL
ELECTRIC				•						
Central & South West Cincinnati Gas & Elec.	139,400 100,000	\$ 15.88 20.25	55,400 41,000	\$ 879,475.00 830,250.00	26,000 20,000	\$ 412,750.00 405,000.00	58,000 39,000	\$ 920,750.00 789,750.00	\$ 2,212,975.00 2,025,000.00	
Commonwealth Edison	139,272	23.63	50,862	1,201,614.75	36,321	858,083.63	52,089,	1,230,602.63	3,290,301.01	
Florida Power & Light	163,700	27.88	60,600	1,689,225.00	33,000	919,875.00	70,100	1,954,037.50	4,563,137.50	
Houston Industries Inc. Middle South Utilities	122,100 115,500	31,13 14.63	46,000 56,400	1,431,750.00 824,850.00	25,000 26,800	778,125.00 391,950.00	51,100 32,300	1,590,487.50 472,387.50	3,800,362.50 1,689,187.50	
Minnesota Power & Light	125,000	20.63	40,000	825,000.00	25,000	515,625.00	60,000	1,237,500.00	2,578,125.00	
Northern States Power Pacific Gas & Electric	159,500 47,000	24.13 23.00	62,500 25,000	1,507,812.50 575,000.00	32,000 22,000	772,000.00 506,000.00	65,000	1,568,125.00	3,847,937.50 1,081,000.00	
Public Service Indiana	167,000	25.75	65,500	1,686,625.00	31,500	811,125.00	70,000	1,802,500.00	4,300,250.00	
Southern Calif. Edison Texas Utilities Co.	100,000 195,000	25.63 19.25	38,000 70,000	973,750.00 1,347,500.00	22,000 40,000	563,750.00 770.000.00	40,000 85,000	1,025,000.00 1,636,250.00	2,562,500.00 3,753,750.00	
Virginia Electric & Power	164,898	12.88	58,333	751,037.38	34,266	441,174.75	72,299	930,849.63	2,123,061.76	
Total Electric				\$ 14,523,889.63		\$ 8,145,458.38		\$ 15,158,239.76	\$ 37,827,587.77	5.60%
NATURAL GAS										
Houston Natural Gas	161,000	\$ 29.75	61,500	\$ 1,829,625.00	32,500	\$ 966,875.00	67,000	\$ 1,993,250.00	\$ 4,789,750.00	
Panhandle E. Pipe Line	117,148	49.88	49,010	2,444,373.75	25,214	1,257,548.25	42,924	2,140,834.50	5,842,756.50	
Peoples Gas Co.	137,666	35.88	45,333	1,626,321.38 \$ 5,900.320.13	30,000	1,076,250.00 \$ 3,300,673.25	62,333	\$ 6,370,280.88	4,938,767.76 \$ 15,571,274.26	2.31%
Total Natural Gas				\$ 5,900,320.13		\$ 3,300,073.29		\$ 0,370,200.00	\$ 15,571,274.20	2.31/0
COMMUNICATIONS						A 504004000	400 470	A 40 003 304 05	A 20 420 440 00	
American Tel. & Tel. General Tel. & Elec.	456,560 251,300	\$ 57.88 27.00	176,202 95,300	\$ 10,197,690.75 2,573,100.00	91,888 53,000	\$ 5,318,018.00 1,431,000.00	188,470 103,000	\$ 10,907,701.25 2,781,000.00	\$ 26,423,410.00 6,785,100.00	
United Telecom.	277,000	18.88	103,000	1,944,125.00	59,000	1,113,625.00	115,000	2,170,625.00	5,228,375.00	
<b>Total Communications</b>				\$ 14,714,915.75		\$ 7,862,643.00		\$ 15,859,326.25	\$ 38,436,885.00	5.69%
TOTAL UTILITIES				\$ 35,139,125.51		\$ 19,308,774.63		\$ 37,387,846.89	\$ 91,835,747.03	13.59%
FINANCIAL SERVICES										
BANKS										
Citicorp	129,432	\$ 25.13	51,600	\$ 1,296,450.00 1,675,206.00	28,932 30,000	\$ 726,916.50 877,500.00	48,900 37,000	\$ 1,228,612.50 1.082,250.00	\$ 3,251,979.00 3,634,956.00	
Continental III. Corp. First Bank System	124,272 117,500	29.25 38.25	57,272 49,700	1,901,025.00	23,200	887,400.00	44,600	1,705,950.00	4,494,375.00	
First Int'l Bancshares	102,375	35.50	47,875	1,699,562.50	13,750	488,125.00	40,750	1,446,625.00	3,634,312.50	
Manufacturers Hanover Morgan (J.P.) & Co.	52,000 46,016	35.50 48.25	21,500 18,540	763,250.00 894,555.00	8,000 11,176	284,000.00 539,242.00	22,500 16,300	798,750.00 786,475.00	1,846,000.00 2,220,272.00	
Northwest Bancorp.	170,400	25.63	60,000	1,537,500.00	37,400	958,375.00	73,000	1,870,625.00	4,366,500.00	
Security Pacific Corp. Valley Natl. (Arizona)	112,330 100,582	31.50 25.75	31,063 32,702	978,484.50 842,076.50	33,265 25,896	1,047,847.50 666,822.00	48,002 41,984	1,512,063.00 1,081,088.00	3,538,395.00 2,589,986.50	
Total Banks	100,002	20,70	02,702	\$ 11,588,109.50	20,000	\$ 6,476,228.00	,	\$ 11,512,438.50	\$ 29,576,776.00	4.38%
				•,,		• •, •,		* ** <b>,*</b> *******	•,,	
FINANCE Beneficial Corp.	104,845	\$ 27.75	37,875	\$ 1,051,031.25	26,245	\$ 728,298.75	40,725	\$ 1,130,118.75	\$ 2,909,448.75	
Household Finance	187,500	20.25	75,300	1,524,825.00	37,900	767,475.00	74,300	1,504,575.00	3,796,875.00	
MGIC Investment Corp.	68,300	27.00	30,800	831,600.00	13,500	364,500.00	24,000	648,000.00	1,844,100.00	
Total Finance				\$ 3,407,456.25		\$ 1,860,273.75		\$ 3,282,693.75	\$ 8,550.423.75	1.27%
INSURANCE										
Aetna Life & Casualty	151,800	\$ 32.38	53,550	\$ 1,733,681.25	33,750	\$ 1,092,656.25	64,500	\$ 2,088,187.50	\$ 4,914,525.00 2,480,500.00	
Chubb Corporation Connecticut General	60,500 73,500	41.00 39.00	26,700 27,000	1,094,700.00 1,053,000.00	12,900 12,750	528,900.00 497,250.00	20,900 33,750	856,900.00 1,316,250.00	2,866,500.00	
INA Corp.	61,700	46.75	22,000	1,028,500.00	14,700	687,225.00	25,000	1,168,750.00	2,884,475.00	
NLT Corp. Northwestern Nat'l, Life	126,600 56,800	35.88 32.50	51,700 22,100	1,854,737.50 718,250.00	27,200 5,600	975,800.00 182,000.00	47,700 29,100	1,711,237.50 945,750.00	4,541,775.00 1,846,000.00	
SAFECO Corp.	46,950	32.25	20,700	667,575.00	11,250	362,812.50	15,000	483,750.00	1,514,137.50	
St. Paul Companies Travelers Corp.	85,900 59,400	38.50 38.25	34,400 20,700	1,324,400.00 791,775.00	17,000 15,500	654,500.00 592,875.00	34,500 23,200	1,328,250.00 887,400.00	3,307,150.00 2,272,050.00	
U.S. Fidelity & Guar.	79,200	35.88	26,400	947,100.00	18,150	651,131.25	34,650	1,243,068.75	2,841,300.00	
Total Insurance				\$ 11,213,718.75		\$ 6,225,150.00		\$ 12,029,543.75	\$ 29,468,412.50	4.37%
TOTAL FINANCIAL SERVI	CES .			\$ 26,209,284.50		\$ 14,561,651.75		\$ 26,824,676.00	\$ 67,595,612.25	10.01%
CONSUMER-ORIENTED										
AUTOS – AUTO PARTS							•			
Ford Motor Co. General Motors	112,000 143,000	\$ 42.63 59.38	42,000 54,000	\$ 1,790,250.00 3,206,250.00	26,500 33,000	\$ 1,129,562.50 1,959,375.00	43,500 56,000	\$ 1,854,187.50 3,325,000.00	\$ 4,774,000.00 8,490,625.00	
Genuine Parts Company	155,400	23.13	57,000	1,318,125.00	32,250	745,781.25	66,150	1,529,718.75	3,593,625.00	
Goodyear Tire & Rubber	203,500	15.88	74,500	1,182,687.50	34,000	539,750.00	95,000	1,508,125.00	3,230,562.50	
Total Autos — Auto Parts				\$ 7,497,312.50	•	\$ 4,374,468.75		\$ 8,217,031.25	\$ 20,088,812.50	2.97%
CONSUMER-DURABLES										
Sunbeam Corp. Whirlpool Corporation	158,149	\$ 21.63 21.13	63,150	\$ 1,365,618.75	29,999 38,000	\$ 648,728.38 802,750.00	65,000 65,800	\$ 1,405,625.00 1,390,025.00	\$ 3,419,972.13 3,515,200.00	
Total Consumer-Durables	166,400	21.13	62,600	1,322,425.00 \$ 2,688,043.75	30,000	\$ 1,451,478.38	00,000	\$ 2,795,650.00	\$ 6,935,172.13	1.03%
Total Consumer Durables				Q 2,000,040.70		<b>4</b> 1,101,170.00		0 2,755,050.00	0,000,	
CONSUMER-NONDURABLES	17 à 500	¢ 47.2E	<b>ይ</b> ያ ይበብ	\$ 3,000,375.00	39,000	\$ 1.842,750.00	72,000	\$ 3,402,000,00	\$ 8,245,125.00	
Avon Products, Inc. Colgate-Palmolive	174,500 246,500	\$ 47.25 15.88	63,500 103,500	1,643,062.50	39,000 42,500	\$ 1,842,750.00 674,687.50	100,500	\$ 3,402,000.00 1,595,437.50	\$ 8,245,125.00 3,913,187.50	
Eastman Kodak Co.	130,680	57.13	47,000	2,684,875.00	29,680	1,695,470.00	54,000	3,084,750.00	7,465,095.00	
Minnesota Mining & Mfg. Procter & Gamble Co.	131,400 69,000	56.38 76.88	51,000 25,000	2,875,125.00 1,921,875.00	27,600 14,000	1,555,950.00 1,076,250.00	52,800 30,000	2,976,600.00 2,306,250.00	7,407,675.00 5,304,375.00	
Revion, incorporated	139,400	46.38	56,000	2,597,000.00	27,000	1,252,125.00	56,400	2,615,550.00	6,464,675.00	
Total Consumer-Nondurables				\$ 14,722,312.50		\$ 8,097,232.50		\$ 15,980,587.50	\$ 38,800,132.50	5.74%
CONSUMER-MISCELLANEOU	s									
Disney (Walt) Prod.	128,113	\$ 33.75	50,435	\$ 1,702,181.25	26,606	\$ 897,952.50	51,072	\$ 1,723,680.00	\$ 4,323,813.75	
Holiday Inns Inc. McDonald's Corp.	123,000 172,700	18.63 45.50	45,700 67,200	851,162.50 3,057,600.00	26,200 36,500	487,975.00 1,660,750.00	51,100 69,000	951,737.50 3,139,500.00	2,290,875.00 7,857,850.00	
Warner Communications	182,799	33.63	68,533	2,304,422.13	39,600	1,331,550.00	74,666	2,510,644.25	6,146,616.38	
Total Consumer-Miscellaneou	is			\$ 7,915,365.88		\$ 4,378,227.50		\$ 8,325,561.75	\$ 20,619,155.13	3.05%
					14					

14

	Tand	Market		ic Employees rement Fund		te Employees tirement Fund	√ Re	Teachers'	Tand	Total
Common Stock	Total Shares	Price 6-30-79	Shares	Market Value	Shares	Market Value	Shares	Market Value	Total Market Value	% Market
DRUGS American Home Products Johnson & Johnson Medtronic, Inc. Merck & Company Pfizer, Inc. Schering-Plough Corp. Warner-Lambert Total Drugs	162,800 83,000 83,000 100,000 224,600 75,600 213,500	\$ 27.13 71.75 43.63 67.50 30.63 30.75 24.88	60,000 31,000 32,000 39,000 86,100 25,000 80,500	\$ 1,627,500.00 2,224,250.00 1,396,000.00 2,632,500.00 2,636,812.50 768,750.00 2,002,437.50 \$ 13,288,250.00	35,400 18,000 16,000 19,500 48,500 17,000 47,000	\$ 960,225.00 1,291,500.00 698,000.00 1,316,250.00 1,485,312.50 522,750.00 1,169,125.00 \$ 7,443,162.50	67,400 34,000 35,000 41,500 90,000 33,600 86,000	\$ 1,828,225.00 2,439,500.00 1,526,875.00 2,801,250.00 2,756,250.00 1,033,200.00 2,139,250.00 \$ 14,524,550.00	\$ 4,415,950.00 5,955,250.00 3,620,875.00 6,750,000.00 6,878,375.00 2,324,700.00 5,310,812.50 \$ 35,255,962,50	5.22%
FOODS BEVERAGES	4.					0 7,410,102.02		V 14,024,000.00	<b>4</b> 00,200,002.00	VIII.
CPC International Coca-Cola Co. Consolidated Foods General Foods Corp. General Mills, Inc. Norton Simon, Inc. PepsiCo, Inc. Pillsbury Company Total Foods-Beverages	110,000 120,200 180,500 115,000 188,200 187,435 194,786 134,500	\$ 52.50 38.25 23.13 31.75 25.00 15.00 25.38 36.25	45,000 46,200 71,200 42,000 75,200 67,523 69,000 45,400	\$ 2,362,500.00 1,767,150.00 - 1,646,500.00 1,333,500.00 1,880,000.00 1,012,845.00 1,750,875.00 1,645,750.00 \$ 13,399,120.00	20,000 24,000 38,800 27,000 43,000 39,069 40,300 30,700	\$ 1,050,000.00 918,000.00 897,250.00 857,250.00 1,075,000.00 586,035.00 1,022,612.50 1,112,875.00 \$ 7,519,022.50	45,000 50,000 70,500 46,000 70,000 80,843 85,486 58,400	\$ 2,362,500.00 1,912,500.00 1,630,312.50 1,660,500.00 1,750,000.00 1,212,645.00 2,169,207.25 2,117,000.00 \$ 14,614,664.75	\$ 5,775,000.00 4,597,650.00 4,174,062.50 3,651,250.00 4,705,000.00 2,811,525.00 4,942,694.75 4,875,625.00 \$ 35,532,807.25	5.26%
MEDIA Donnelley (R.R.) & Sons Dun & Bradstreet Corp. Harcourt Brace Jovanovich Total Media	84,243 82,100 45,000	\$ 27.75 34.25 37.75	28,876 34,300 16,050	\$ 801,309.00 1,174,775.00 605,887.50 \$ 2,581,971.50	19,246 15,000 11,100	\$ 534,076.50 513,750.00 419,025.00 \$ 1,466,851.50	36,121 32,800 - 17,850	\$ 1,002,357.75 1,123,400.00 673,837.50 \$ 2,799,595.25	\$ 2,337,743.25 2,811,925.00 1,698,750.00 \$ 6,848,418,25	1.01%
RETAIL SALES Dayton Hudson Corp. Federated Dept. Stores K mart Corporation Penney (J.C.) Co. Sears, Roebuck & Co. Southland Corporation Total Retail Sales	115,700 125,500 221,000 163,100 203,000 165,176	\$ 39.75 29.63 26.50 29.88 19.25 28.25	44,600 54,000 85,000 59,700 74,000 59,158	\$ 1,772,850.00 1,599,750.00 2,252,500.00 1,783,537.50 1,424,500.00 1,671,213.50 \$ 10,504,351.00	25,500 22,000 47,000 34,300 44,000 36,341	\$ 1,013,625 00 651,750.00 1,245,500.00 1,024,712.50 847,000.00 1,026,633.25 \$ 5,809,220.75	45,600 49,500 89,000 69,100 85,000 69,677	\$ 1,812,600.00 1,466,437.50 2,358,500.00 2,064,362.50 1,636,250.00 1,968,375.25 \$ 11,300,525.25	\$ 4,599,075.00 3,717,937.50 5,856,500.00 4,872,612.50 3,907,750.00 4,666,222.00 \$ 27,620,097.00	4.09% 28.38%
TOTAL CONSUMER-ORIE TECHNOLOGY	MIED			\$ 72,596,727.13		\$ 40,539,664.38		\$ 78,564,165.75	\$191,700,557.26	20.30%
ELECTRONICS Hewlett-Packard Co. Texas Instruments Inc. Total Electronics	31,500 36,500	\$ 97.25 90.13	10,000 14,000	\$ 972,500.00 1,261,750.00 \$ 2,234,250.00	7,500 7,500	\$ 729,375.00 675,937.50 \$ 1,405,312.50	14,000 15,000	\$ 1,361,500.00 1,351,875.00 \$ 2,713,375.00	\$ 3,063,375.00 3,289,562.50 \$ 6,352,937.50	0.94%
OFFICE EQUIPMENT Burroughs Corp. Control Data Corp. Digital Equipment Corp. Honeywell, Inc. Int'l. Bus. Machines Xerox Corporation Total Office Equipment TOTAL TECHNOLOGY	106,800 43,000 47,400 110,700 533,412 132,520	\$ 70.25 39.25 55.75 68.75 73.38 60.63	40,400 14,000 22,500 41,800 200,000 48,000	\$ 2,838,100.00 549,500.00 1,254,375.00 2,873,750.00 14,675,000.00 2,910,000.00 \$ 25,100,725.00 \$ 27,334,975.00	23,200 8,000 8,400 23,500 111,800 27,260	\$ 1,629,800.00 314,000.00 468,300.00 1,615,625.00 8,203,325.00 1,652,637.50 \$ 13,883,687.50 \$ 15,289,000.00	43,200 21,000 16,500 45,400 221,612 57,260	\$ 3,034,800.00 824,250.00 919,875.00 3,121,250.00 16,260,780.50 3,471,387.50 \$ 27,632,343.00 \$ 30,345,718.00	\$ 7,502,700.00 1,887,750.00 2,642,550.00 7,610,625.00 39,139,105.50 8,034,025.00 \$ 66,616,755.50 \$ 72,969,693.00	9.86% 10.80%
BASIC INDUSTRY AEROSPACE										•
Boeing Co. United Technologies Total Aerospace	156,750 144,500	* 40.50 37.13	60,000 50,000	\$ 2,430,000.00 1,856,250.00 \$ 4,286,250.00	33,750 31,500	\$ 1,366,875.00 1,169,437.50 \$ 2,536,312.50	63,000 63,000	\$ 2,551,500.00 2,338,875.00 \$ 4,890,375.00	\$ 6,348,375.00 5,364,562.50 \$ 11,712,937.50	1.73%
BUILDING & FOREST PROD Georgia-Pacific Corp. Masonite Corp. Owens-Corning Fiber. Weyerhaeuser Co. Total Building & Forest Prod	185,556 196,400 176,200 130,500	\$ 27.13 25.50 25.13 29.75	69,490 81,400 65,200 47,000	\$ 1,884,916.25 2,075,700.00 1,638,150.00 1,398,250.00 \$ 6,997,016.25	38,591 45,000 37,000 26,400	\$ 1,046,780.88 1,147,500.00 929,625.00 785,400.00 \$ 3,909,305.88	77,475 70,000 74,000 57,100	\$ 2,101,509.38 1,785,000.00 1,859,250.00 1,698,725.00 \$ 7,444,484.38	\$ 5,033,206.51 5,008,200.00 4,427,025.00 3,882,375.00 \$ 18,350,806.51	2.72%
CHEMICALS Air Products & Chem. Dow Chemical du Pont (E.I.) de Nemours Hercules, Inc. Monsanto Co. Union Carbide Corp. Total Chemicals	129,075 134,028 127,500 148,000 59,236 83,100	\$ 30.88 25.88 41.25 19.13 50.13 37.00	50,693 50,192 48,000 63,000 21,236 31,000	\$ 1,565,146.38 1,298,718.00 1,980,000.00 1,204,875.00 1,064,454.50 1,147,000.00 \$ 8,260,193.88	27,686 27,980 25,500 35,000 13,000 17,100	\$ 854,805.25 723,982.50 1,051,875.00 669,375.00 632,700.00 \$ 4,584,362.75	50,696 55,856 54,000 50,000 25,000 35,000	\$ 1,565,239.00 1,445,274.00 2,227,500.00 956,250.00 1,253,125.00 1,295,000.00 \$ 8,742,388.00	\$ 3,985,190.63 3,467,974.50 5,259,375.00 2,830,500.00 2,969,204.50 3,074,700.00 \$ 21,586,944.63	3.20%
ELECTRICAL EQUIPMENT Emerson Electric Co. General Electric Co. Gould, Inc. Westinghouse Electric Total Electrical Equipment	118,000 238,000 133,000 63,000	\$ 36.00 50.00 25.00 19.75	42,000 89,000 55,000 23,100	\$ 1,512,000.00 4,450,000.00 1,375,000.00 456,225.00 \$ 7,793,225.00	31,000 51,000 28,000 12,200	\$ 1,116,000.00 2,550,000.00 700,000.00 240,950.00 \$ 4,606,950.00	45,000 98,000 50,000 27,700	\$ 1,620,000.00 4,900,000.00 1,250,000.00 547,075.00 \$ 8,317,075.00	\$ 4,248,000.00 11,900,000.00 3,325,000.00 1,244,250.00 \$ 20,717,250.00	3.07%
MACHINERY Caterpillar Tractor Clark Equipment Co. Combustion Engineering Trans Union Corp. Total Machinery	94,100 112,100 123,500 101,000	\$ 55.13 38.63 44.88 33.88	36,100 40,100 50,000 38,000	\$ 1,990,012.50 1,548,862.50 2,243,750.00 1,287,250.00 \$ 7,069,875.00	20,000 24,000 28,500 18,000	\$ 1,102,500.00 927,000.00 1,278,937.50 609,750.00 \$ 3,918,187.50	38,000 48,000 45,000 45,000	\$ 2,094,750.00 1,854,000.00 2,019,375.00 1,524,375.00 \$ 7,492,500.00	\$ 5,187,262.50 4,329,862.50 5,542,062.50 3,421,375.00 \$ 18,480,562.50	2.74%

	Total	Market Price		ic Employees rement Fund		e Employees irement Fund	Re	Teachers' tirement Fund	Total	Total %
Common Stock	Shares	6-30-79	Shares	Market Value	Shares	Market Value	Shares	Market Value	Market Value	Market
METALS Aluminum Co. of America Pittston Company St. Joe Minerals Corp.	63,000 109,640 126,500	\$ 51.38 25.63 31.50	25,000 34,511 49,000	\$ 1,284,375.00 884,344.38 1,543,500.00	15,000 21,570 25,000	\$ 770,625.00 552,731.25 787,500.00	23,000 53,559 52,500	\$ 1,181,625.00 1,372,449.38 1,653,750.00	\$ 3,236,625.00 2,809,525.01 3,984,750.00	
Total Metals				\$ 3,712,219.38		\$ 2,110,856.25	•	\$ 4,207,824.38	\$ 10,030,900.01	1.48%
PAPER International Paper Union Camp Corporation Total Paper	89,000 86,500	\$ 44.63 46.88	35,000 33,000	\$ 1,561,875.00 1,546,875.00 \$ 3,108,750.00	20,000 17,500	\$ 892,500.00 820,312.50 \$ 1,712,812.50	34,000 36,000	\$ 1,517,250.00 1,687,500.00 \$ 3,204,750.00	\$ 3,971,625.00 4,054,687.50 \$ 8,026,312.50	1.19%
TEXTILES Burlington Industries	109,200	16.75	42,200	\$ 706,850.00	22,000	\$ 368,500.00	45,000	\$ 753,750.00	\$ 1,829,100.00	0.27%
MISCELLANEOUS Corning Glass Works Int'l. Tel. & Tel. Total Miscellaneous TOTAL BASIC INDUSTRY	38,900 184,300	\$ 57.75 29.13	16,000 67,743	\$ 924,000.00 1,973,014.88 \$ 2,897,014.88 \$ 44,831,394.39	7,500 39,743	\$ 433,125.00 1,157,514.88 \$ 1,590,639.88 \$ 25,337,927.26	15,400 76,814	\$ 889,350.00 2,237,207.75 \$ 3,126,557.75 \$ 48,179,704.51	\$ 2,246,475.00 5,367,737.51 \$ 7,614,212.51 \$118,349,026.16	1.13% 17.52%
ENERGY OIL—DOMESTIC Atlantic Richfield Co. Conoco Inc. Marathon Oil Co. Phillips Petroleum Co. Standard Oil (Indiana) Standard Oil Co. Ohio	150,000 281,700 170,000 248,000 157,500 58,500	\$ 67.50 37.88 38.00 38.25 65.75 56.00	57,000 112,000 68,000 105,000 58,000 16,000	\$ 3,847,500.00 4,242,000.00 2,584,000.00 4,016,250.00 3,813,500.00 896,000.00	35,000 55,700 38,000 47,000 34,400 12,500	\$ 2,362,500.00 2,109,637.50 1,444,000.00 1,797,750.00 2,261,800.00 700,000.00	58,000 114,000 64,000 96,000 65,100 30,000	\$ 3,915,000.00 4,317,750.00 2,432,000.00 3,672,000.00 4,280,325.00 1,680,000.00	\$ 10,125,000.00 10,669,387.50 6,460,000.00 9,486,000.00 10,355,625.00 3,276,000.00	3.450
Total Oil-Domestic				\$ 19,399,250.00		\$ 10,675,687.50		\$ 20,297,075.00	\$ 50,372,012.50	7.46%
OIL-INTERNATIONAL Exxon Corporation Gulf Oil Corp. Mobil Corp. Standard Oil of Calif. Texaco, Inc. Total Dil-International	325,544 279,100 200,800 208,000 226,490	\$ 53.88 27.38 39.25 48.50 27.63	122,016 103,100 67,600 88,000 88,100	\$ 6,573,612.00 2,822,362.50 2,653,300.00 4,268,000.00 2,433,762.50 \$ 18,751,037.00	68,916 61,000 35,600 43,500 48,040	\$ 3,712,849.50 1,669,875.00 1,397,300.00 2,109,750.00 1,327,105.00 \$ 10,216,879.50	134,612 115,000 97,600 76,500 90,350	\$ 7,252,221.50 3,148,125.00 3,830,800.00 3,710,250.00 2,495,918.75 \$ 20,437,315.25	\$ 17,538,683.00 7,640,362.50 7,881,400.00 10,088,000.00 6,256,786.25 \$ 49,405,231.75	7.31%
ENERGY — RELATED Dresser Industries Halliburton Co. Williams Companies Total Energy — Related TOTAL ENERGY	147,000 114,500 198,000	\$ 45.38 67.00 20.25	61,000 35,000 65,000	\$ 2,767,875.00 2,345,000.00 1,316,250.00 \$ 6,429,125.00 \$ 44,579,412.00	27,000 26,500 45,000	\$ 1,225,125.00 1,775,500.00 911,250.00 \$ 3,911,875.00 \$ 24,804,442.00	59,000 53,000 88,000	\$ 2,677,125.00 3,551,000.00 1,782,000.00 \$ 8,010,125.00 \$ 48,744,515.25	\$ 6,670,125.00 7,671,500.00 4,009,500.00 \$ 18,351,125.00 \$118,128,369.25	2.72% 17.49%
TRANSPORTATION AIRLINES Delta Air Lines, Inc. Northwest Airlines UAL, Inc. Total Airlines	55,400 47,726 24,300	\$ 40.13 27.25 24.88	18,500 18,814 9,000	\$ 742,312.50 512,681.50 223,875.00 \$ 1,478,869.00	8,800 8,370 7,000	\$ 353,100.00 228,082.50 174,125.00 \$ 755,307.50	28,100 20,542 8,300	\$ 1,127,512.50 559,769.50 206,462.50 \$ 1,893,744.50	\$ 2,222,925.00 1,300,533.50 604,462.50 \$ 4,127,921.00	0.61%
RAILROADS Burlington Northern Southern Railway Union Pacific Corp. Total Railroads TOTAL TRANSPORTATION TOTAL COMMON STOCKS	36,800 64,000 77,800	\$ 56.75 53.25 68.38	14,000 24,000 30,800	\$ 794,500.00 1,278,000.00 2,105,950.00 \$ 4,178,450.00 \$ 5,657,319.00 \$256,348,237.53 <sup>a</sup>	8,100 13,000 17,000	\$ 459,675.00 692,250.00 1,162,375.00 \$ 2,314,300.00 \$ 3,069,607.50 \$142,911,067.52	14,700 27,000 30,000	\$ 834,225.00 1,437,750.00 2,051,250.00 \$ 4,323,225.00 \$ 6,216,969.50 \$276,263,595.90°	\$ 2,088,400.00 3,408,000.00 5,319,575.00 \$ 10,815,975.00 \$ 14,943,896.00 \$675,522,900.95d	1.60% 2.21% 100.00%

Net original cost of equities on June 30, 1979, was \$236,643,658.62.

Net original cost of equities on June 30, 1979, was \$133,972,442.58.

Net original cost of equities on June 30, 1979, was \$259,465,410.12.

Net original cost of equities on June 30, 1979, was \$630,081,511.32.

### **SCHEDULE IV**

# PUBLIC EMPLOYEES POLICE AND FIRE FUND June 30, 1979

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

Coupon Average

Total

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT- GUARANTEED OBLIGATIONS U.S. Treasury Notes	Note	02-15-1987	9.000	9.009%	\$ 500
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	Mtg. Backed Cert.	08-15-2004/ 01-15-2008	8.000/ 8.250	8.407%	\$ 3,033
GOVERNMENT-GUARANTEED MERCHANT MARINE BONDS					
Grace Line, Inc. Moore-McCormack Lines TOTAL GOVERNMENT-GUARAN	Government Guar, Bond Government Guar, Bond ITEED	02-01-1992 04-01-1987	5.100 5.750	5.100 5.750	\$ 99 101
MERCHANT MARINE BONDS TOTAL UNITED STATES GOVER	NMENT-			5.428%	\$ 200
GUARANTEÉD ÖBLIGATIONS UNITED STATES GOVERNMENT				8.223%	\$ 3,233
AGENCY OBLIGATIONS Federal Home Loan Bank	Bond	08-27-1984	7.850	7.850%	\$ 105
CÁNADIAN GOVERNMENTAL PROVINCIAL OBLIGATIONS British Columbia Hydro	Bond	07-15-1996	9.625	9.645	\$ 1,000
Manitoba Hydro Electric	Debenture	10-15-1997	7.650	7.650	500
N. Brunswick Electric Pwr.	S/F Dehenture	04-01-1998	7.875	7.875	482
N. Brunswick Higher Education	S/F Debenture	04-15-1993	7.000	7.260	200
Nova Scotia, Province	S/F Debenture	08-01-1993	7.250	7.200	250
Ontario Hydro	Note	03-15-1996	9.500	9.500	1,000
Ontario, Province of	Debenture Debenture	05-15-2001 12-15-2002	7.850 7.300	7.850 7.300	300 500
Ontario, Province of Ontario, Province of	Debenture Debenture	06-15-2005	9.125	9.000	1,000
Ontario, Province of	Debenture	06-01-2008	9.375	9.375	500
Ontario, Province of	Debenture	11-30-2008	9.375	9.475	800
Ontario, Province of	Debenture	04-15-1997	5.625	5.625	100
Saskatchewan, Province of	Debesture	04-15-2008	9.250	9.250	800
TOTAL CANADIAN GOVERNME		GATIONS		8.780%	\$ 7,432
CORPORATE BOND OBLIGATIONS PUBLIC UTILITY OBLIGATIONS	i				
ELECTRIC					
Commonwealth Edison	First Mtg. Bond	11 01 1996	5.750	5.750	\$ 100
Commonwealth Edison	Debenture	04 01 1999 01 01 1996	10.000 9.250	10.000 9.250	700 244
Consolidated Edison Kansas Power & Light	Equipment Trast Cert. First Mtg. Bond	06-01-2007	8.125	8.168	750
Minnesota Power & Light	First Mtg. Bond	09-01 2006	8.700	8.700	800
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	800
Philadelphia Electric	First & Ref. Mtg. Band	10 15-1980	11.000	11.000	800
Public Serv. Indiana	First Mtg. Bond First & Ref. Mtg. Bond	01-01-2007 06-01-2007	7.625 8.250	7.704 8.913	540 800
Public Serv. Electric & Gas Rochester Gas & Electric	First Mtg. Bond	07-01-1998	6.700	6.700	150
Total Electric				8.971%	\$ 5,684
TELEPHONE					
Bell Tel. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	\$ 800
N.Y. Telephone Co. Southern Bell Tel. & Tel.	Refunding Mtg. Bond Debenture	07 15 2008 03 15 2013	8.000 7.625	8.510 8.838	800 800
-	Denemine	03-13-2013	7.023		
Total Telephone TOTAL PUBLIC UTILITY OBLIG	ATIONS			8.949% 8.964%	\$ 2,400 \$ 8,084
FINANCE OBLIGATIONS		** ** ***	0.750	A 250	
American Investment American Investment	Senior Note Note	11-01-1986 01-01-1991	6.750 5.250	6.750 5.250	\$ 80 90
Deere (John) Credit	Debenture	04-30-1998	7.500	7.540	500
Ford Motor Credit Co.	S/F Debenture	07-15-2000	9.700	9.724	800
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	970
Montgomery Ward Credit	Debenture	10.01.2002	8.375	8.405	850
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	500
Northwest Bancorp. Wells Fargu & Co.	Note Promissory Note	09-15-1986 11-01-1998	7.875 8.125	7.892 8.125	800 800
TOTAL FINANCE OBLIGATIONS				8.390%	\$ 5,390
INDUSTRIAL OBLIGATIONS Akzona, Inc.	Debenture	02-15-1997	7.500	7.500	\$ 500
Aluminum Co. of Canada	S/F Debenture	03-01-1995	9.500	10.016	800
Armco Steel Corp.	Note Guaranteed Note	12-15-1996 07-15-1996	7.875 9.250	7.875 9.250	475 800
Atlantic Richfield Co. Atlantic Richfield Co.	First Pref. Ship. Mtg. Bd.	12-01-2001	8.750	8.750	700
Cities Service Gas Co.	Debenture	06-01-1991	8.250	8.250	300
Conaca Inc.	Note	12-01-2000	9.000	9.000	208
Crown Zellerbach	General Mtg. Bond	05-01-1994	8.125	8.125	704
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	800
Firestone Tire & Rubber	Débenture Guaranteed Note	12-01-2004 12-01-1996	9.250 8.625	9.250 8.625	800 800
Ford Leasing Development Gulf Oil Corp.	First Mtg. Bond	06-15-1993	6.625	6.625	200
Hertz Corporation	Senior Note	02-15-1999	9.500	9.500	400
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	800
Marathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.563	800
Moore Business Forms	Senior Note	10-01-1996	7.900	7.900	500
Phelps Dodge Corp.	Note Guaranteed Note	06-01-1985 10-01-2001	8.500 7.875	8.623 7.875	800 300
Plantation Pipe Line Standard Oil of Calif.	Guaranteed Note First Pref, Ship. Mtg. Bd.	03-30-1997	7.700	7.700	143
Standard Oil of Calif.	Promissory Note	12-01-1992	6.000	6.120	106
<del></del>	•				

Company	Type of Security Date		Coupon Rate <u>%</u>	Average Yield %	Total Amount (000)(b)
Standard Oil of Calif.	First Pref Shin Mtn Rd	03-02-1997	7.700	7.700	143
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	02-10-1997	7.700	7.700	190
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-07-1997	7.700	7.700	96
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-08-1997	7.700	7.700	96
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	11-06-1997	7.700	7.700	96
Standard Oil (Indiana)	Note -	10-01-2000	7.300	7.300	300
Standard Oil (Indiana)	Note	10-01-2000	9.000	9.000	250
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.500	250
Stauffer Chemical Co.	Note	03-15-1997	7.500	7.500	500
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	1,000
Union Oil Co. of Calif.	Note	12-01-1988	6.500	6.500	75
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	7.300	160
TOTAL INDUSTRIAL OBLIGA	ATIONS			8.577%	\$14,095
TRANSPORTATION DEBT OBL	IGATIONS				
Louisville & Nashvile RR	Collateral Trust Bond	12-01-1987	4.875	4.950	\$ 50
Western Maryland RR	First Mtg. Bond	10-01-1989	4.850	4.850	72
TOTAL TRANSPORTATION (	DEBT OBLIGATIONS			4.891%	S 122
RAILROAD EQUIPMENT OBLIC	GATIONS				
ACF Industries, Inc.	Equipment Trust Cert.	04-15-1981	5.625	5.625	\$ 24
ACF Industries, Inc.	Equipment Tris Cert.	04-01-1985	9.500	9,500	90
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	800
Burlington Northern	Conditional Sale Agree.	05-01-1986	8.600	8.600	187
Burlington Northern	Conditional Sale Agree.	09-01-1993	8.750	8.750	660
Chesapeake & Ohio RR	Conditional Sale Agree.	03-15-1989	8.750	8.750	261
Chicago, Milw., St. Paul	Conditional Sale Agree.	01-15-1982	6.375	6.375	12
Chicago, Milw., St. Paul	Conditional Sale Agree.	06-01-1981	5.375	5.375	19
Del. & Hudson	Conditional Sale Agree.	09-01-1985	10.500	10.500	148
Fruit Growers Express	Equipment Trust Cert.	11-15-1981	6.000	6.000	30
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	90
Louisville & Nashville RR	Conditional Sale Agree.	10-20-1991	9.000	9.000	482
Missouri Pacific RR	Conditional Sale Agree.	06-01-1994	9.750	9.750	1,000
St. Louis-San Fran. RR	Conditional Sale Agree.	01-01-1983	6.750	6.750	40
Seahoard Coast Line RR	Conditional Sale Agree.	04-01-1992	9.000 7.625	9.000 7.625	787 50
Southern Pacific Co.	Conditional Sale Agree. Conditional Sale Agree.	03-01-1984	8.250	7.625 8.250	653
Southern Pacific Trans.	•	10-01-1992	0.230		
TOTAL RAILROAD EQUIPMI				8.973%	\$ 5,336
TOTAL CORPORATE OBLIGA				8.691%	\$33,028
TOTAL UNITED STATES GO' CANADIAN GOVERNMENTA	VERNMENT-GUARANTEED, A			8.674%	\$44,298

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add, due to rounding.

#### SCHEDULE V

# HIGHWAY PATROLMEN'S RETIREMENT FUND June 30, 1979

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

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT- GUARANTEED OBLIGATIONS					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	Mtg. Backed Cert.	03-15-2006/ 11-15-2007	8,000/ 8,250	8.369%	\$ 1,235
GOVERNMENT-GUARANTEED MERCHANT MARINE BONDS Moore-McCormack Lines	Government Guar. Bond	04-01-1987	5.750	5.750%	\$ 101
TOTAL UNITED STATES GOVER	NMENT-GUARANTEED OF	BLIGATIONS		8.171%	\$ 1,336
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATIONS	1				
British Columbia Hydro N. Brunswick Electric Pwr.	Bond S/F Debenture	07-15-1996 04-01-1998	9.625 7.875	9.625 7.875	\$ 400 289
Nova Scotia, Province of Ontario Hydro Ontario, Province of	S/F Debenture Note Debenture	08-01-1993 03-15-1996 11-30-2008	7.250 9.500 9.375	7.200 9.500 9.475	150 500 200
Saskatchewan, Province of	Debenture	04-15-2008	9.250	9.250	400 \$ 1,939
TOTAL PROVINCIAL OBLIGATION TOTAL CANADIAN GOVERNMEN				9.052%	\$ 1,939
TOTAL CANADIAN GOVERNMEN	TIAL OBLIGATIONS			3.032/0	3 1,333
CORPORATE BOND OBLIGATIONS					
PUBLIC UTILITY ELECTRIC					
Calif. Electric Power Commonwealth Edison Kansas Power & Light Northern States Power Public Service Indiana Rochester Gas & Electric	First Mtg. Bond Debenture First Mtg. Bond First Mtg. Bond First Mtg. Bond First Mtg. Bond	05-01-1990 04-01-1999 06-01-2007 01-01-2004 01-01-2007 07-01-1998	5.125 10.000 8.125 8.375 7.625 6.700	5.060 10.000 8.168 8.719 7.734 6.700	\$ 40 400 400 400 320 50
Total Electric				8.551%	\$ 1,610
TELEPHONE Bell Tel. Co. Canada N.Y. Telephone Co.	First Mtg. Bond Refunding Mtg. Bond	06-01-2004 07-15-2008	9.500 8.000	9.500 8.416	\$ 400 400
Total Telephone	neranang Mily, Bana	07-13-2000	6,000	8.958%	\$ 800
TOTAL PUBLIC UTILITY OBLIGA	ATIONS			8.686%	\$ 2,410

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)	Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Am (00)
INANCE OBLIGATIONS						TRANSPORTATION DEBT OBLIGA	ZIONS				
IT Financial Corp.	Debenture	10-01-1986	6.375	6.420	\$ 150	Louisville & Nashville	Collateral Trust Rood	12-01-1987	4.875	4.950	¢
ord Motor Credit Co.	S/F Debenture	07-15-2000	9.700	9.724	400	Western Maryland RR	First Mtg. Bond	10-01-1989	4.850	4.850	•
NM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	485	TOTAL TRANSPORTATION DEB	•	10011000			_
orthwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	300	IUIAL IKANSPURTATION DEB	I DREIGATIONS			4.908%	\$
ells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	250	RAILROAD EQUIPMENT OBLIGAT	1040				
TOTAL FINANCE OBLIGATION	s			8.595%	\$ 1,585	Burlington Northern	Conditional Sale Agree.	05-01-1986	0.000		
	•			0.33370	Ψ 1,303	Chesageake & Ohio RR	Conditional Sale Agree.	03-01-1986	8.600	8.600	\$
DUSTRIAL OBLIGATIONS						Chicago, Milw., St. Paul	Conditional Sale Agree.	01-15-1989	8.750	8.750	
ıminum Co. of Canada	S/F Debenture	03-01-1995	9,500	9.370	\$ 150	Fruit Growers Express	Equipment Trust Cert.	11-15-1981	6.375 6.000	6.375 6.000	
antic Richfield Co.	Guaranteed Note	07-15-1996	9.250	9.250	400	Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	
wn Zellerbach (S.T.)	General Mtg. Bond	05-01-1994	8.125	8.125	264	Illinois Central RR	Conditional Sale Agree.	02-15-1983	6.875	6.875	
C Corp.	S/F Debenture	01-15-2000	9.500	9.603	400	Missouri Pacific RB	Conditional Sale Agree.	06-01-1994	9.750	9.750	
estone Tire & Rubber	Debenture	12-01-2004	9.250	9.250	400	Seaboard Coast Line RR	Conditional Sale Agree.	04-01-1992	9,000	9.000	
of Oil Corp.	First Mtg. Bond	06-15-1993	6.625	6.625	150	Seaboard Coast Line RR	Conditional Sale Agree.	10-01-1992	8.250	8.250	
cMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	300	Southern Pacific Trans.	Conditional Sale Agree.	10-01-1992	8.250	8.250	
rathon Oil Co.	S/F Debenture	02-01-2000	8.500	8.570	400		•	10-01-1332	0.230		-
mpic Pipeline Co.	Note	09-01-2001	8.850	8.850	150	TOTAL RAILROAD EQUIPMENT				8.812%	5
elps Dodge Corp.	Note	06-01-1985	8.500	8.638	300	TOTAL CORPORATE OBLIGATION	NS			8.643%	S
ntation Pipe Line	Guaranteed Note	10-01-2001	7.875	7.875	300						
endard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-07-1997	7.700	7.700	193	MUNICIPAL BOND OBLIGATIONS	Bond	11-01-1979/	2.750/		
andard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-08-1997	7.700	7.700	96			01-01-1987	4.600	3.716%	\$
andard Oil of Calif.	First Pref. Ship. Mtg. Bd.	11-06-1997	7.700	7.700	96	TOTAL UNITED STATES GOVERN	MENT.CHARANTEED				-
endard Oil (Indiana)	Note	10-01-2000	9.000	9.000	150	CANADIAN GOVERNMENTAL, COI					
ıdebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	500	MUNICIPAL OBLIGATIONS				8.622%	\$
ion Oil Co. of Calif.	Note	12-01-1988	6.500	6.500	50					<u></u>	÷
TOTAL INDUSTRIAL OBLIGAT	IONS			8.707%	\$ 4,300						

## **SCHEDULE VI**

#### HIGHWAY PATROLMEN'S RETIREMENT FUND PUBLIC EMPLOYEES POLICE AND FIRE FUND COMMON STOCK HOLDINGS June 30, 1979

	Total	Market Price		way Patrolmen's tirement Fund		Employees Police Id Fire Fund	Total	Total %
Common Stock	Shares	6-30-79	Shares	Market Value	Shares	Market Value	Market Value	Market
UTILITIES						<del></del>		
ELECTRIC								
Central & South West	8,600	\$ 15.88	8,600	\$ 136,525.00	-	<b>\$</b> —	\$ 136,525.00	
Commonwealth Edison	23,800	23.63	6,600	155,925.00	17,200	406,350.00	562,275.00	
Florida Power & Light	17,000	27.88	-	_	17,000	473,875.00	473,875.00	
Houston Industries Inc.	12,500	31.13	-	_	12,500	389,062.50	389,062.50	
Middle South Utilities	20,100	14.63	6,100	89,212.50	14,000	204,750.00	293,962.50	
Pacific Gas & Electric	8,400	23.00	_	_	8,400	193,200.00	193,200.00	
Public Serv. Indiana	6,050	25.75	6,050	155,787.50	· <del>-</del>	_	155,787.50	
Southern Calif, Edison	13,500	25.63	5,000	128,125.00	8,500	217,812.50	345,937.50	
Texas Utilities Co.	22,000	19.25	5,000	96,250.00	17,000	327,250.00	423,500.00	
Virginia Elec. & Power	10,400	12.88	· <del>-</del>	·	10,400	133,900.00	133,900.00	
Total Electric				\$ 761,825.00		\$ 2,346,200.00	\$ 3,108,025.00	5.57%
NATURAL GAS								
Houston Natural Gas	23,000	\$ 29.75	5,000	\$ 148,750.00	18,000	\$ 535,500.00	\$ 684,250.00	
Panhandle E. Pipe Line	13,100	49.88	3,500	174,562.50	9,600	\$ 535,500.00 478,800.00	653,362.50	
•	13,100	45.00	3,500		9,000		<del></del>	
Total Natural Gas				\$ 323,312.50		\$ 1,014,300.00	\$ 1,337,612.50	2.40%
COMMUNICATIONS								•
American Tel. & Tel.	39,960	\$ 57.88	8,871	\$ 513,409.13	31,089	\$ 1,799,275.88	\$ 2,312,685.01	
General Tel. & Elec.	29,000	27.00	9,000	243,000.00	20,000	540,000.00	783,000.00	
Total Communications				\$ 756,409.13		\$ 2,339,275.88	\$ 3,095,685.01	5.54%
				<del></del>				
TOTAL UTILITIES				\$ 1,841,546.63		\$ 5,699,775.88	\$ 7,541,322.51	13.50%
FINANCIAL SERVICES BANKS								
Bankamerica Corp.	7,000	\$ 26.88	7,000	\$ 188,125.00	_	\$ -	\$ 188,125.00	
Citicorp	17,900	25.13	6,000	150,750.00	11.900	298,987.50	449,737.50	
First Bank System	11,300	38.25	-		11,300	432,225.00	432,225.00	
Manufacturers Hanover	9,000	35.50		_	9,000	319,500.00	319,500.00	
Northwest Bancorp.	21.800	25.63	6,000	153,750.00	15,800	404,875.00	558,625.00	
Security Pacific Corp.	13,000	31.50	-	-	13,000	409,500.00	409,500.00	
Valley Nat'l. (Arizona)	6,618	25.75	6,618	170,413.50	-	403,300.00	170,413.50	
Total Banks	0,0.0	25.75	0,010	\$ 663,038,50		\$ 1,865,087.50	\$ 2,528,126.00	4.53%
FINANCE				,		0 1,000,001.00	• 2,525,125.55	1,007,0
Beneficial Corp.	10 000	6 27 75	4.000		40.000			
	16,880	\$ 27.75	4,000	\$ 111,000.00	12,880	\$ 357,420.00	\$ 468,420.00	
MGIC Investment Corp.	11,000	27.00	2,400	64,800.00	8,600	232,200.00	297,000.00	
Total Finance				\$ 175,800.00		\$ 589,620.00	\$ 765,420.00	1.37%
INSURANCE								
Aetna Life & Casualty	22,500	\$ 32.38	6,000	\$ 194,250.00	16,500	\$ 534,187.50	\$ 728,437.50	
INA Corp.	6,400	46.75	_	· <del>-</del>	6,400	299,200.00	299,200.00	
NLT Corp.	20,900	35.88	5,500	197,312.50	15,400	552,475.00	749,787.50	
Northwestern Nat'l. Life	8,200	32.50	2,000	65,000.00	6,200	201,500.00	266,500.00	
St. Paul Companies	12,000	38.50	4,000	154,000.00	8,000	308,000.00	462,000.00	
Total Insurance				\$ 610,562.50	•	\$ 1,895,362.50	\$ 2,505,925.00	4.50%
TOTAL FINANCIAL SERVICES							<del></del>	
IOTAL FINANCIAL SERVICES				\$ 1,449,401.00		\$ 4,350,070.00	\$ 5,799,471.00	10.39%

		Market		way Patrolmen's tirement Fund		Employees Police d Fire Fund		Total
Common Stock	Total Shares	Price 6-30-79	Shares	Market Value	Shares	Market Value	Total Market Value	% Market
CONSUMER-ORIENTED	0110103	0.00-1.5		- Indiana value	<del>Ollulos</del>	market Value		
AUTOS – AUTO PARTS								· i
Ford Motor Co. General Motors	9,275 12,600	\$ 42.63 59.38	2,525 3,200	\$ 107,628.13 190,000.00	6,750 9,400	\$ 287,718.75 558,125.00	\$ 395,346.88 748,125.00	
Genuine Parts Company	14,550	23.13	4,050	93,656.25	10,500	242,812.50	336,468.75	
Goodyear Tire & Rubber Total Autos — Auto Parts	10,000	15,88	-	\$ 391,284.38	10,000	158,750.00 \$ 1,247,406.25	\$ 1,638,690.63	2.93%
				4 351,204.30		\$ 1,247,400.23	<b>4</b> 1,000,000.00	2.00%
CONSUMER-DURABLES Whirlpool Corporation	27,500	\$ 21.13	7,000	\$ 147,875.00	20,500	\$ 433,062.50	\$ 580,937.50	1.04%
CONSUMER NONDURABLES						4 007 075 00		
Avon Products, Inc. Colgate-Palmolive	18,400 21,300	\$ 47.25 15.88	4,900 6,300	\$ 231,525.00 100.012.50	13,500 15,000	\$ 637,875.00 238,125.00	\$ 869,400.00 338,137.50	
Eastman Kodak Co.	13,090	57.13	3,000	171,375.00	10,000	571,250.00	742,625.00	
Minnesota Mining & Mfg. Procter & Gamble Co.	13,100 6,200	56.38 76.88	3,100 1,200	174,762.50 92,250.00	10,000 5,000	563,750.00 384,375.00	738,512.50 476,625.00	
Total Consumer-Nondurables	•			\$ 769,925.00		\$ 2,395,375.00	\$ 3,165,300.00	5.67%
CONSUMER-MISCELLANEOUS				•				
Disney (Walt) Prod.	13,442	\$ 33.75	3,077	\$ 103,848.75	10,365	\$ 349,818.75	\$ 453,667.50	
Holiday Inns Inc. McDonald's Corp.	10,600 13,400	18.63 45.50	2,900 3,400	54,012.50 154,700.00	7,700 10,000	143,412.50 455,000.00	197,425.00 609,700.00	
Warner Communications	13,066	33.63	3,066	103,094.25	10,000	336,250.00	439,344.25	
Total Consumer-Miscellaneous				\$ 415,655.50		\$ 1,284,481.25	\$ 1,700,136.75	3.04%
DRUGS				•				
American Home Products	12,000	\$ 27.13	-	\$ -	12,000	\$ 325,500.00	\$ 325,500.00	
Johnson & Johnson Medtronic, Inc.	8,000 8,000	71.75 43.63	1,000 3,000	71,750.00 130,875.00	7,000 5,000	502,250.00 218,125.00	574,000.00 349,000.00	
Merck & Company	12,000	67.50	3,500	236,250.00	8,500 🕳	573,750.00	810,000.00	
Pfizer, Inc. Schering-Plough Corp.	27,100 3,000	30.63 30.75	8,000 3,000	245,000.00 92,250.00	19,100 —	584,937.50 —	829,937.50 92,250.00	
Total Drugs	-,		-,	\$ 776,125.00		\$ 2,204,562.50	\$ 2,980,687.50	5.34%
FOODS-BEVERAGES								
CPC International	15,000	\$ 52.50	4,000	\$ 210,000.00	11,000	\$ 577,500.00	\$ 787,500.00	
Consolidated Foods General Mills, Inc.	21,000 22,300	23.13 25.00	_ 5,800		21,000 16,500	485,625.00 412,500.00	485,625.00 557,500.00	
Norton Simon, Inc.	15,660	15.00	_	-	15,660	234,900.00	234,900.00	
PepsiCo, Inc. Pillsbury Company	27,000 5,000	25.38 36.25	7,500 5,000	190,312.50 181,250.00	19,500 —	494,812.50 —	685,125.00 181,250.00	
Total Foods-Beverages	-,		.,	\$ 726,562.50		\$ 2,205,337.50	\$ 2,931,900.00	5.25%
MEDIA								
Donnelley (R.R.) & Sans	12,859	\$ 27.75	-	<b>\$</b> -	12,859	\$ 356,837.25	\$ 356,837.25	0.64%
RETAIL SALES								
Dayton Hudson Corp.	3,800	\$ 39.75	3,800	\$ 151,050.00	-	\$	\$ 151,050.00	
Federated Dept. Stores K mart Corporation	11,200 15,000	29.63 26.50	_	-	11,200 15,000	331,800.00 397,500.00	331,800.00 397,500.00	
Penney (J.C.) Co.	15,500	29.88	4,500	134,437.50	11,000	328,625.00	463,062.50	
Sears, Roebuck & Co. Southland Corporation	20,500 17,106	19.25 28.25	6,500 4,091	125,125.00 115,570.75	14,000 13,015	269,500.00 367,673.75	394,625.00 483,244.50	
Total Retail Sales	,	23.23	1,00	\$ 526,183.25	,	\$ 1,695,098.75	\$ 2,221,282.00	3.98%
TOTAL CONSUMER-ORIENTED				\$ 3,753,610.63		\$11,822,161.00	\$15,575,771.63	27.89%
TECHNOLOGY								
ELECTRONICS Hewlett-Packard Co.	4,200	\$ 97.25	1,200	\$ 116,700.00	3,000	\$ 291,750.00	\$ 408,450.00	
Texas Instruments Inc.	2,000	90.13	_		2,000	180,250.00	180,250.00	
Total Electronics				\$ 116,700.00		\$ 472,000.00	\$ 588,700.00	1.05%
OFFICE EQUIPMENT								
Burroughs Corp. Control Data Corp.	11,200 4,000	\$ 70.25 39.25	3,700	\$ 259,925.00	7,500 4,000	\$ 526,875.00 157,000.00	\$ 786,800.00 157,000.00	
Honeywell, Inc.	7,000	68.75	Ξ		7,000	481,250.00	481,250.00	
Int'l, Bus, Machines Xerox Corporation	44,000 13,300	73.38 60.63	10,800 4,400	792,450.00 266,750.00	33,200 8,900	2,436,050.00 539,562,50	3,228,500.00 806,312.50	
Total Office Equipment	13,300	00.03	4,400	\$ 1,319,125.00	0,500	\$ 4,140,737.50	\$ 5,459,862.50	9.78%
TOTAL TECHNOLOGY				\$ 1,435,825.00		\$ 4,612,737.50	\$ 6,048,562.50	10.83%
BASIC INDUSTRY							•	
AEROSPACE								
Boeing Co. United Technologies	9,150 16,500	\$ 40.50 37.13	- 7,000	\$ — 259,875.00	9,150 9,500	\$ 370,575.00 352,687.50	\$ 370,575.00 612,562.50	
Total Aerospace	10,300	37.73	7,000	\$ 259,875.00	3,300	\$ 723,262.50	\$ 983,137.50	1.76%
·				<b>4</b> 200,010.00		* *************************************	<b>V</b> 505,101.00	
BUILDING & FOREST PRODUCTS Georgia-Pacific Corp.	13,065	\$ 27.13	3,855	\$ 104,566.88	9,210	\$ 249,821.25	\$ 354,388.13	
Masonite Corp.	12,000	25.50		· -	12,000	306,000.00	306,000.00	
Owens-Corning Fiber. Weyerhaeuser Co.	19,300 11,800	25.13 29.75	5,500 3,800	138,187.50 113,050.00	13,800 8,000	346,725.00 238,000.00	484,912.50 351.050.00	
Total Building & Forest Products	4			\$ 355,804.38		\$ 1,140,546.25	\$ 1,496,350.63	2.68%
CHEMICALS								
Air Products & Chem.	12,363	\$ 30.88	_	\$	12,363	\$ 381,707.63	\$ 381,707.63	
Dow Chemical du Pont (E.I.) de Nemours	14,000 11,580	25.88 41.25	6,000 2,400	155,250.00 99,000.00	8,000 9,180	207,000.00 378, <del>6</del> 75.00	362,250.00 477,675.00	
Hercules, Inc.	20,500	19.13	5,500	105,187.50	15,000	286,875.00	392,062.50	
Monsanto Co. Union Carbide Corp.	3,000 1,900	50.13 37.00	1,900	70,300.00	3,000	150,375.00 —	150,375.00 70,300.00	
Total Chemicals	.,	230	.,	\$ 429,737.50		\$ 1,404,632.63	\$ 1,834,370.13	3.28%
				19				

	Total	Market Price		ray Patrolmen's rement Fund		mployees Police I Fire Fund	Total	Total %
Common Stock	Shares	6-30-79	Shares	Market Value	Shares	Market Value	Market Value	Market
ELECTRICAL EQUIPMENT Emerson Electric Co. General Electric Co. Gould, Inc. Westinghouse Electric Total Electrical Equipment	15,000 13,500 16,000 3,200	\$ 36.00 50.00 25.00 19.75	7,000 6,000	\$ 252,000.00 150,000.00 - \$ 402,000.00	8,000 13,500 10,000 3,200	\$ 288,000.00 675,000.00 250,000.00 63,200.00 \$ 1,276,200.00	\$ 540,000.00 675,000.00 400,000.00 63,200.00 \$ 1,678,200.00	3.01%
MACHINERY Caterpillar Tractor Clark Equipment Co. Combustion Engineering Trans Union Corp. Total Machinery	7,750 9,500 8,500 11,000	\$ 55.13 38.63 44.88 33.88	2,000 3,000 - 5,000	\$ 110,250.00 115,875.00 	5,750 6,500 8,500 6,000	\$ 316,968.75 251,062.50 381,437.50 203,250.00 \$ 1,152,718.75	\$ 427,218.75 366,937.50 381,437.50 372,625.00 \$ 1,548,218.75	2.77%
METALS Aluminum Co. of America Hanna Mining Company Pittston Company Total Metals	9,100 1,200 12,318	\$ 51.38 33.25 25.63	1,600 1,200 2,934	\$ 82,200.00 39,900.00 75,183.75 \$ 197,283.75	7,500  9,384	\$ 385,312.50 240,465.00 \$ 625,777.50	\$ 467,512.50 39,900.00 315,648.75 \$ 823,061.25	1.47%
PAPER International Paper Union Camp Corporation Total Paper	7,500 6,600	\$ 44.63 46.88	1,700 1,700	\$ 75,862.50 79,687.50 \$ 155,550.00	5,800 4,900	\$ 258,825.00 229,687.50 \$ 488,512.50	\$ 334,687.50 309,375.00 \$ 644,062.50	1.16%
TEXTILES Burlington Industries	7,000	\$ 16.75	_	\$ -	7,000	\$ 117,250.00	\$ 117,250.00	0.21%
MISCELLANEOUS Corning Glass Works Int'l. Tel. & Tel. Total Miscellaneous TOTAL BASIC INDUSTRY	3,800 13,017	\$ 57.75 29.13	1,000 3,500	\$ 57,750.00 101,937.50 \$ 159,687.50 \$ 2,355,438.13	2,800 9,517	\$ 161,700.00 277,182.63 \$ 438,882.63 \$ 7,367,782.76	\$ 219,450.00 379,120.13 \$ 598,570.13 \$ 9,723,220.89	1.07% 17.41%
ENERGY OIL-DOMESTIC Conoco Inc. Marathon Oil Co. Phillips Petroleum Co. Standard Oil (Indiana) Total Oil-Domestic	26,000 17,200 33,000 19,900	\$ 37.88 38.00 38.25 65.75	7,000 3,200 8,000 4,700	\$ 265,125.00 121,600.00 306,000.00 309,025.00 \$ 1,001,750.00	19,000 14,000 25,000 15,200	\$ 719,625.00 532,000.00 956,250.00 999,400.00 \$ 3,207,275.00	\$ 984,750.00 653,600.00 1,262,250.00 1,308,425.00 \$ 4,209,025.00	7.54%
OIL-INTERNATIONAL Exxon Corporation Gulf Oil Corp. Mobil Corp. Standard Oil of Calif. Texaco, Inc. Total Oil-International	31,000 16,500 21,200 17,500 15,400	\$ 53.88 27.38 39.25 48.50 27.63	10,000  10,200  2,400	\$ 538,750.00 400,350.00 66,300.00 \$ 1,005,400.00	21,000 16,500 11,000 17,500 13,000	\$ 1,131,375.00 451,687.50 431,750.00 848,750.00 359,125.00 \$ 3,222,687.50	\$ 1,670,125.00 451,687.50 832,100.00 848.750.00 425,425.00 \$ 4,228,087.50	7.57%
ENERGY — RELATED  Dresser Industries Halliburton Co. Williams Companies  Total Energy — Related  TOTAL ENERGY	13,000 8,500 21,000	\$ 45.38 67.00 20.25	5,000 _ 8,000	\$ 226,875.00 162,000.00 \$ 388,875.00 \$ 2,396,025.00	8,000 8,500 13,000	\$ 363,000.00 559,500.00 263,250.00 \$ 1,195,750.00 \$ 7,625,712.50	\$ 589,875.00 569,500.00 425,250.00 \$ 1,584,625.00 \$10,021,737.50	2.84% 17.95%
TRANSPORTATION AIRLINES Delta Air Lines, Inc. Northwest Airlines UAL, Inc. Total Airlines	2,600 4,000 1,500	\$ 40.13 27.25 24.88	1,100 1,300 —	\$ 44,137.50 35,425.00 - \$ 79,562.50	1,500 2,700 1,500	\$ 60,187.50 73,575.00 37,312.50 \$ 171,075.00	\$ 104,325.00 109,000.00 37,312.50 \$ 250,637.50	0.45%
RAILROADS Burlington Northern Southern Railway Union Pacific Corp. Total Railroads TOTAL TRANSPORTATION TOTAL COMMON STOCKS	3,400 4,200 6,800	\$ 56.75 53.25 68.38	1,400 _ 2,000	\$ 79,450.00 136,750.00 \$ 216,200.00 \$ 295,762.50 \$13,527,608.89 <sup>a</sup>	2,000 4,200 4,800	\$ 113,500.00 223,650.00 328,200.00 \$ 665,350.00 \$ 836,425.00 \$42,314,664.64	\$ 192,950.00 223,650.00 464,950.00 \$ 881,550.00 \$ 1,132,187.50 \$55,842,273.53	1.58% 2.03% 100.00%

Net original cost of equities on June 30, 1979, was \$12,861,258.34. Net original cost of equities on June 30, 1979, was \$40,095,476.44. Net original cost of equities on June 30, 1979, was \$52,956,734.78.

## **SCHEDULE VII**

#### JUDGES RETIREMENT FUND June 30, 1979

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

Cempany	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT- GUARANTEED OBLIGATIONS					
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	Mtg. Backed Cert.	05-15-2006/ 09-15-2006	8.000/ 8.250	8.319%	\$ 282
GOVERNMENT-GUARANTEED MERCHANT MARINE Puget Sound Tug & Barge	Government Guar, Bond	02-15-2001	9.125	9.125	\$ 111.
TOTAL UNITED STATES GOVER	NMENT-GUARANTEED O	BLIGATIONS		8.547%	\$ 393
UNITED STATES GOVERNMENT					
Federal Home Loan Bank	Bond	11-26-1979	8.150	8.150%	\$ 75
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATIONS Nova Scotia Power Corp.	Debenture	06-01-2008	9.625	9.727	\$ 100
Ontario, Province of	Debenture	06-15-2005	9.125	9.277	100
Ontario, Province of	Debenture '	11-30-2008	9.375	9.527	100
TOTAL PROVINCIAL OBLIGATION TOTAL CANADIAN GOVERNMEN				9.510%	\$ 300
CORPORATE OBLIGATIONS	ITAL OBLIGATIONS			9.510%	\$ 300
PUBLIC UTILITY ELECTRIC					
Commonwealth Edison Northern States Power Pacific Gas & Electric United Illuminating Co.	Debenture First Mtg. Bond First & Ref. Mtg. Bond Debenture	04-01-1999 01-01-2004 06-01-1985 11-15-1997	10.000 8.375 9.500 8.500	10.000 8,719 9,577 8,500	\$ 100; 100 100 100
Total Electric	Debenture	11.10.1001	0.500	9.199%	\$ 400
	•			0.10075	
TELEPHONE Southern Bell Tel. & Tel.	Debenture	03-15-2013	7.625	9.699%	\$ 100
TOTAL PUBLIC UTILITY				9.299%	\$ 500
FINANCE OBLIGATIONS LNM Acceptance Corp.	Promissory Note	13 01 1000	0.100	0.100	0 07
Montgomery Ward Credit	Debenture	12-01-1986 10-01-2002	9.100 8.375	9.100 8.409	\$ 97 125
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	100
TOTAL FINANCE OBLIGATIONS				8.457%	\$ 322
INDUSTRIAL OBLIGATIONS Atlantic Richfield Co.	Guaranteed Note	07-15-1996	9.250	9.250	\$ 100
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	100
du Pont (E.I.) de Nemours Exxon Pipeline Company	Debenture S/F Bond	11-15-2004 10-15-2000	8.450 8.875	8.895 8.899	100 100
Ford Motor Co.	Debenture	07-15-1994	9.250	9.294	100
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	100
TOTAL INDUSTRIAL OBLIGATIO	NS			9.073%	\$ 600
RAILROAD EQUIPMENT OBLIGATIONS					
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625%	\$ 100
TOTAL CORPORATE OBLIGATIO				8.987%	\$1,522
TOTAL UNITED STATES GOVERS CANADIAN GOVERNMENTAL, AS				8.953%	\$2,290

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add, due to rounding.

Common Stock	Shares	Market Price 6-30-79	Market Value	Totel % Market
UTILITIES		<del></del>		
ELECTRIC				
Commonwealth Edison	500	\$ 23.63	\$ 11.812.50	
Northern States Power	700	24.13	16.887.50	
Texas Utilities Co.	700	19.25	13,475.00	
Total Electric			\$ 42,175.00	5.38%
NATURAL GAS				:
Houston Natural Gas	300	\$ 29.75	\$ 8,925.00	
Panhandle E. Pipe Line	300	49.88	14,962.50	
Total Natural Gas			\$ 23,887.50	3.05%
COMMUNICATIONS				
American Tel. & Tel.	700	\$ 57.88	\$ 40,512.50	5.17%
TOTAL UTILITIES			\$106,575.00	13.60%

		Market Price		Total
Common Stock	Shares	6-30-79	Market Value	% Market
FINANCIAL SERVICES BANKS				
First Bank System	400	\$ 38.25	\$ 15,300.00	
Northwest Bancorp.  Total Banks	600	25.63	15,375.00 \$ 30,675,00	3.91%
FINANCE			0 00,073.00	3.3176
Household Finance	500	\$ 20.25	\$ 10,125.00	1.29%
INSURANCE				
Aetna Life & Casualty NLT Corp.	300 500	\$ 32.38 35.88	\$ 9,712.50 17,937.50	
U.S. Fidelity & Guar.	110	35.88	3,946.25	
Total Insurance TOTAL FINANCIAL SERVICES			\$ 31,596.25 \$ 72,396.25	4.03% 9.24%
CONSUMER-ORIENTED			¥ 72,330.23	3.24/6
AUTOS – AUTO PARTS Genuine Parts Company	000			
	900	\$ 23.13	\$ 20,812.50	2.66%
CONSUMER-DURABLES Sunbeam Corp.	400	\$ 21.63	\$ 8,650.00	1.10%
CONSUMER-NONDURABLES				
Avon Products, Inc. Eastman Kodak Co.	200 300	\$ 47.25 57.13	\$ 9,450.00 17,137,50	
Minnesota Mining & Mfg. Procter & Gamble Co.	200	56.38	11,275.00	
Total Consumer-Nondurables	100	76.88	7,687.50 \$ 45,550.00	5.81%
CONSUMER-MISCELLANEOUS				0.0170
McDonald's Corp. Warner Communications	400 266	\$ 45.50 33.63	\$ 18,200.00	
Total Consumer-Miscellaneous	200	33.63	8,944.25 \$ 27,144.25	3,46%
			, •, · · · · ·	0.4075
DRUGS Merck & Company	400	\$ 67.50	\$ 27,000.00	
Pfizer, Inc. Schering-Plough Corp.	200 300	30.63 30.75	6,125.00 9,225.00	
Total Drugs			\$ 42,350.00	5.40%
FOODS-BEVERAGES				
CPC International Coca-Cola Co.	200 200	\$ 52.50 38.25	\$ 10,500.00 7,650.00	
Consolidated Foods General Mills, Inc.	700 300	23.13 25.00	16,187.50	
Total Foods-Beverages	300	25.00	7,500.00 \$ 41,837.50	5.34%
MEDIA				
Donnelley (R.R.) & Sons	300	\$ 27.75	\$ 8,325.00	1.06%
RETAIL SALES	200	0.00.75	0.44.005.00	
Dayton Hudson Corp. Federated Dept. Stores	300 100	\$ 39.75 29.63	\$ 11,925.00 2,962.50	
Penney (J.C.) Co. Southland Corporation	300 206	29.88 28.25	8,962.50 5,819.50	
Total Retail Sales			\$ 29,669.50	3.79%
TOTAL CONSUMER-ORIENTED			\$224,338.75	28.63%
TECHNOLOGY Electronics				
Hewlett-Packard Co.	100	\$ 97.25	\$ 9,725.00	1.24%
OFFICE EQUIPMENT	960	\$ 73.38	£ 70.440.00	0.000
Int'l. Bus. Machines TOTAL TECHNOLOGY	. 560	\$ 73.38	\$ 70,440.00 \$ 80,165.00	8.99% 10.23%
BASIC INDUSTRY				
AEROSPACE Boeing Co.	200	£ 40 50	6 12 150 00	4 5500
· ·	300	\$ 40.50	\$ 12,150.00	1.55%
BUILDING & FOREST PRODUCTS Georgia-Pacific Corp.	606	\$ 27.13	\$ 16,437.75	
Masonite Corp.  Total Building & Forest Products	200	25.50	\$ 21,537.75	2 759/
•			\$ 21,537.75	2.75%
CHEMICALS Dow Chemical	900	\$ 25.88	\$ 23,287.50	2.97%
ELECTRICAL EQUIPMENT				
General Electric Co. Gould, Inc.	400 300	\$ 50.00 25.00	\$ 20,000.00 7,500.00	
Total Electrical Equipment	***	25.55	\$ 27,500.00	3.51%
MACHINERY .				
Caterpillar Tractor	500	\$ 55.13	\$ 27,562.50	3.52%
WETALS Aluminum Co. of America	300	\$ 51.38	\$ 15,412.50	1.97%
PAPER		<b>V</b> 5.1.55	¥ 10,112.00	
Union Camp Corporation	200	\$ 46.88	\$ 9,375.00	1.20%
TEXTILES	***		A	
Burlington Industries	100	\$ 16.75	\$ 1,675.00	0.21%
MISCELLANEOUS			ė 0.727.E0	4 4 70/
nt'l. Tel. & Tel.	300	\$ 29.13	\$ 8,737.50	1.12%
nt'i, Tel. & Tel. Total Basic Industry	300	\$ 29.13	\$147,237.75	18.79%
TOTAL BASIC INDUSTRY ENERGY	300	\$ 29.13		
TOTAL BASIC INDUSTRY ENERGY DIL-DOMESTIC Atlantic Richfield Co.	500	\$ 67.50	\$147,237.75 \$ 33,750.00	
TOTAL BASIC INDUSTRY ENERGY DIL-DOMESTIC			\$147,237.75	

Common Stock	Shares	Market Price 6-30-79	Market Value	Total % Market
OIL-INTERNATIONAL	<del></del>			
Exxon Corporation	1,000	\$ 53.88	\$ 53,875.00	6.88%
ENERGY - RELATED				
Dresser Industries	300	\$ 45.38	\$ 13,612,50	
Williams Companies	500	20.25	10,125.00	
Total Energy - Related			\$ 23,737.50	3.03%
TOTAL ENERGY			\$136,875.00	17.47%
TRANSPORTATION				
RAILROADS				
Southern Railway	300	\$ 53.25	\$ 15,975.00	2.04%
TOTAL TRANSPORTATION			\$ 15,975.00	2.04%
TOTAL COMMON STOCKS			\$783,562.75*	100.00%

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$745,198.14.

### **SCHEDULE VIII**

#### SUPPLEMENTAL RETIREMENT FUND -INCOME SHARE ACCOUNT June 30, 1979

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

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT- GUARANTEED OBLIGATIONS					
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009%	\$ 1,000
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	Mtg. Backed Cert.	10-15-2006/			
	intg. Duckey durt.	11-15-2007	8.000	8.410%	\$ 4,251
CANADIAN GOVERNMENTAL PROVINCIAL OBLIGATIONS					
British Columbia Hydro	Bond	07-15-1996	9.625	9.625	\$ 800
Manitoba Hydro Electric	Debenture	10-15-1997	7.650	7.650	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	800
Ontario, Province of	Debenture	06-15-2005	9.125	9.343	1,000
Ontario, Province of Saskatchewan, Province of	Debenture Debenture	06-01-2008 04-15-2008	9.375 9.250	9.375 9.250	500 700
		04-13-2000	3.230		
TOTAL PROVINCIAL OBLIGATIO				9.216%	\$ 4,300
TOTAL CANADIAN GOVERNMEN	ITAL OBLIGATIONS			9.216%	\$ 4,300
CORPORATE OBLIGATIONS					
PUBLIC UTILITY ELECTRIC					
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	\$ 800
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	625
Total Electric				9.438%	\$ 1,425
GAS Minnesota Gas Company	Debenture	11-15-1981	9.250	9.362%	\$ 800
TELEPHONE					-
Bell Tel. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500%	\$ 800
TOTAL PUBLIC UTILITY				9.435%	\$ 3,025
FINANCE OBLIGATIONS Ford Motor Credit Co.	Debesses	04.04.4000	0.700		• •••
Ford Motor Credit Co.	Oebenture S/F Oebenture	04-01-1999 07-15-2000	8.700 9.700	8.917 9.724	\$ 800 800
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.385	850
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	800
Wells Fargo & Co.	Promissory Note	11-01-1998	8.125	8.125	800
TOTAL FINANCE OBLIGATIONS				8.606%	\$ 4,050
INDUSTRIAL OBLIGATIONS Aluminum Co. of Canada	S/F Debenture	02.01.1005	0.500	0.004	¢ 000
Atlantic Richfield Co.	Guaranteed Note	03-01-1995 07-15-1996	9.500 9.250	9.694 9.250	\$ 800 800
Cities Service Gas Co.	Debenture	06-01-1991	8.250	8.250	400
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	800
Ford Leasing Development	Guaranteed Note	12-01-1996	8.625	8.625	700
Ford Leasing Development Marathon Oil Co.	Guaranteed Note	03-15-2004	9.500	9.500	1,000
Moore Business Forms	S/F Debenture Senior Note	02-01-2000 10-01-1996	8.500 7.900	8.580 7.900	800 500
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	7.875	400
Rohm & Haas Company	Note	04-15-1985	9.000	9.000	500
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	03-30-1997	7.700	7.700	143
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	03-02-1997	7.700	7.700	143
Standard Oil of Calif. Standard Oil of Calif.	First Pref. Ship. Mtg. 8d. First Pref. Ship. Mtg. 8d.	02-10-1997 09-07-1997	7.700 7.700	7.700 7.700	190 96
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-08-1997	7.700	7.700	96
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	11-06-1997	7.700	7.700	96
Standard Oil (Indiana)	Note	10-01-2000	7.500	7.766	800
TOTAL INDUSTRIAL OBLIGATION	INS			8.740%	\$ 8,266

Compeny	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
RAILROAD EQUIPMENT OBLIGATIONS					
ACF Industries, Inc.	Equipment Trust Cert.	04-01-1985	9.500	9.500	\$ 90
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	434
Burlington Northern	Conditional Sale Agree	05-01-1986	8.600	8.600	156
Burlington Northern	Conditional Sale Agree.	10-01-1987	9,625	9.625	150
Burlington Northern	Conditional Sale Agree.	09-01-1993	8.750	8.750	804
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	500
Chesapeake & Ohio RR	Conditional Sale Agree.	03-15-1989	8.750	8.750	436
Del. & Hudson	Conditional Sale Agree.	09-01-1985	10.500	10.500	129
Fruit Growers Express	Equipment Trust Cert.	06-15-1985	9.750	9.750	90
Louisville & Nashville	Conditional Sale Agree.	10-20-1991	9.000	9.000	482
TOTAL RAILROAD EQUIP	MENT OBLIGATIONS			8.819%	\$ 3,272
TOTAL CORPORATE OBLI	GATIONS			8.838%	\$18,614
	OVERNMENT GUARANTEED, TAL, AND CORPORATE OBLIGA	TIONS		8.837%	\$28,165

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date. (b) Column may not add, due to rounding.

		Market		Totel
		Price	AA-doo Maloo	%
Common Stock UTILITIES	Shares	6-30-79	Market Value	Market
ELECTRIC				
Commonwealth Edison	19,500	\$ 23.63	\$ 460,687.50	
Minnesota Power & Light Northern States Power	21,200 26,000	20.63 24.13	437,250.00 627,250.00	
Texas Utilities Co.	34,300	19.25	660,275.00	
Total Electric			\$ 2,185,462.50	7.84%
NATURAL GAS				
Houston Natural Gas	7,000	\$ 29.75	\$ 208,250.00	
Panhandle E. Pipe Line Peoples Gas Co.	9,800 10,000	49.88 35.88	488,775.00 358,750.00	
Total Natural Gas	10,000	33.00	\$ 1,055,775.00	3,79%
			4 1,055,775.00	0.7070
COMMUNICATIONS American Tel. & Tel.	29,068	\$ 57.88	\$ 1,682,310.50	
General Tel. & Elec.	17,000	27.00	459,000.00	
Total Communications			\$ 2,141,310.50	7.68%
TOTAL UTILITIES			\$ 5,382,548.00	19,30%
FINANCIAL CEDVICES				
FINANCIAL SERVICES BANKS				
Continental III. Corp.	10,000	\$ 29.25	\$ 292,500.00	
Manufacturers Hanover Northwest Bancorp,	7,000 18,800	35.50 25.63	248,500.00 481,750.00	
Security Pacific Corp.	7,000	31.50	220,500.00	
Total Banks			\$ 1,243,250.00	4.46%
FINANCE				
Household Finance	19,500	\$ 20.25	\$ 394,875.00	1.42%
INSURANCE				
INA Corp.	8,000	\$ 46.75	\$ 374,000.00	
NLT Corp. U.S. Fidelity & Guar.	7,500 12,620	35.88 35.88	269,062.50 452,742.50	
Total Insurance	,520	55.55	\$ 1,095,805.00	3.93%
TOTAL FINANCIAL SERVICES			\$ 2,733,930.00	9.81%
CONSUMER-ORIENTED AUTOS — AUTO PARTS				
Ford Motor Co.	8,500	\$ 42.63	\$ 362,312.50	
General Motors Goodyear Tire & Rubber	10,000 6,500	59.38 15.88	593,750.00 103,187.50	
Total Autos - Auto Parts	0,300	13.00	\$ 1,059,250.00	3.80%
			3 1,055,250.00	3.0070
CONSUMER-DURABLES Sunbeam Corp.	12,000	\$ 21.63	\$ 259,500.00	0.93%
Surream Corp.	12,000	\$ 21.03	\$ 255,500.00	0.5376
CONSUMER-NONDURABLES	10,400	\$ 47.25	\$ 491,400.00	
Avon Products, Inc. Colgate-Palmolive	9,000	15.88	142,875.00	
Minnesota Mining & Mfg,	10,500	56.38	591,937.50	
Total Consumer-Nondurables			\$ 1,226,212.50	4.40%
CONSUMER-MISCELLANEOUS				
McDonald's Corp.	5,500	\$ 45.50	\$ 250,250.00	0.90%
DRUGS				
American Home Products Pfizer, Inc.	10,500 15,500	\$ 27.13 30.63	\$ 284,812.50 474,687.50	
Warner-Lambert	14,000	24.88	348,250.00	
Total Drugs			\$ 1,107,750.00	3.97%
FOODS-BEVERAGES				
CPC International	7,500	\$ 52.50	\$ 393,750.00	
Consolidated Foods General Foods Corp.	20,000 15,000	23.13	462,500.00 476,250.00	
PepsiCo, Inc.	16,800	31.75 25.38	426,300.00	
Total Foods-Beveriges	•		\$ 1,758,800.00	6.31%
•			•	

		Market		Total
Common Compt	•	Price		%
Common Stock	Shares	6-30-79	Market Value	Market
RETAIL SALES	10.000	A 00.00		
Federated Dept. Stores Penney (J.C.) Co.	10,000 10,000	\$ 29.63 29.88	\$ 296,250.00 298,750.00	* *
Sears, Roebuck & Co.	13,000	19.25	250,250.00	
Total Retail Sales			\$ 845,250.00	3.03%
TOTAL CONSUMER-ORIENTED			\$ 6,507,012.50	23.34%
TECHNOLOGY				
OFFICE EQUIPMENT				
Int'l, Bus, Machines	24,000	\$ 73.38	\$ 1,761,000.00	6.32%
TOTAL TECHNOLOGY			\$ 1,761,000.00	6.32%
BASIC INDUSTRY				
AEROSPACE United Technologies	13,500	\$ 37.13	\$ 501,187.50	1 000/
	13,300	φ d1.13	3 301,187.30	1.80%
BUILDING & FOREST PRODUCTS	11 700	e 27.12	\$ 318,990.00	
Georgia-Pacific Corp. Masonite Corp.	11,760 8,000	\$ 27.13 25.50	\$ 318,990.00 204,000.00	
Total Building & Forest Products			\$ 522,990.00	1.88%
			•	
CHEMICALS Air Products & Chem.	5,000	\$ 30.88	\$ 154,375.00	
Dow Chemical	8,500	25.88	219,937.50	
du Pont (E.I.) de Nemours Monsanto Co.	6,000 4,000	41.25	247,500.00	
Union Carbide Corp.	5,000	50.13 37.00	200,500.00 185,000.00	
Total Chemicals			\$ 1,007,312.50	3.61%
F. F				
ELECTRICAL EQUIPMENT General Electric Co.	8,500	\$ 50.00	\$ 425,000.00	
Gould, Inc.	18,500	25.00	462,500.00	
Total Electrical Equipment			\$ 887,500.00	3.18%
MACHINERY				
Clark Equipment Co.	8,500	\$ 38.63	\$ 328,312.50	•
Combustion Engineering	8,000	44.88	359,000.00	
Trans Union Corp.	5,500	33.88	186,312.50	2 4 500
Total Machinery			\$ 873,625.00	3.13%
METALS	* ***			
Hanna Mining Company St. Joe Minerals Corp.	5,400 13,000	\$ 33.25 31.50	\$ 179,550.00 409,500.00	
Total Metals	70,000	01.00	\$ 589,050.00	2.11%
			0 303,030.00	2.1170
PAPER International Paper	5,500	\$ 44.63	\$ 245,437.50	
Union Camp Corporation	3,500	46.88	164,062.50	
Total Paper			\$ 409,500.00	1.47%
TEXTILES				
Burlington Industries	5,000	\$ 16.75	\$ 83,750.00	0.30%
MISCELLANEOUS				~
int'i, Tei, & Tei.	11,000	\$ 29.13	\$ 320,375.00	1.15%
TOTAL BASIC INDUSTRY	·		\$ 5,195,290,00	18.63%
ENEDON.			,,	
ENERGY OIL-DOMESTIC				
Conoco Inc.	29,000	\$ 37.88	\$ 1,098,375.00	
Marathon Oil Co. Standard Oil (Indiana)	14,000 12,000	38.00 65.75	532,000.00 789,000.00	
Total Oil-Domestic	12,000	. 03.73	\$ 2,419,375.00	8.68%
Total On-Donlestic			3 2,419,379.00	6.06%
OIL-INTERNATIONAL	20.000			
Exxon Corporation Mobil Corp.	30,000 25,000	\$ 53.88 39.25	\$ 1,616,250.00 981,250.00	
Texaco, Inc.	12,500	27.63	345,312.50	
Total Oil-International		•	\$ 2,942,812.50	10.55%
ENERGY - RELATED				
Dresser Industries	9,000	\$ 45.38	\$ 408,375.00	•
Williams Companies	6,000	20.25	121,500.00	
Total Energy - Related			\$ 529,875.00	1.90%
TOTAL ENERGY			\$ 5,892,062.50	21.13%
TRANSPORTATION				
RAILROADS Southern Railway	4,500	\$ 53.25	\$ 239,625.00	
Union Pacific Corp.	2,500	68.38	170,937.50	
Total Railroads			\$ 410,562.50	1.47%
TOTAL TRANSPORTATION			\$ 410,562.50	1.47%
TOTAL COMMON STOCKS			\$27,882,405.50*	100.00%
			- 1	

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$25,853,649.15.

## SCHEDULE IX

#### SUPPLEMENTAL RETIREMENT FUND GROWTH SHARE ACCOUNT June 30, 1979

		Market		Total
Common Stock	Shares	Price 6-30-79	Market Value	% Market
UTILITIES	<del></del>			
ELECTRIC Florida Power & Light	15,500	\$ 27.88	\$ 432,062.50	
Texas Utilities Co.	24,500	19.25	471,625.00	
Total Electric			\$ 903,687.50	4.01%
NATURAL GAS Houston Natural Gas	14,000	\$ 29.75	\$ 416,500.00	1.85%
COMMUNICATIONS				
American Tel. & Tel. United Telecom.	7,660 21,300	\$ 57.88 18.88	\$ 443,322.50 402,037.50	
Total Communications	21,300	10.00	\$ 845,360.00	3.75%
TOTAL UTILITIES			\$ 2,165,547.50	9.61%
FINANCIAL SERVICES				
BANKS BankAmerica Corp.	6,000	\$ 26.88	\$ 161,250.00	
First Bank System	6,000	38.25	229,500.00	
Valley Nat'l. (Arizona) Total Banks	9,500	25.75	244,625.00 \$ 635,375.00	2.82%
FINANCE			·	
Household Finance MGIC Investment Corp.	7,000 6,000	\$ 20.25 27.00	\$ 141,750.00	
Total Finance	0,000	27.00	\$ 303,750.00	1.35%
INSURANCE			3 303,730.00	1.33%
INA Corp.	4,000	\$ 46.75	\$ 187,000.00	
NLT Carp. SAFECO Carp.	9,000 5,550	35.88 32.25	322,875.00 178,987,50	
St. Paul Companies	4,000	38.50	154,000.00	
Total Insurance			\$ 842,862.50	3.74%
TOTAL FINANCIAL SERVICES			\$ 1,781,987.50	7.91%
CONSUMER-ORIENTED				
AUTOS – AUTO PARTS Genuine Parts Company	33,000	\$ 23.13	\$ 763,125.00	3.39%
CONSUMER-DURABLES			·	
Sunbeam Corp.	11,500	\$ 21.63	\$ 248,687.50	1.10%
CONSUMER-NONDURABLES				
Avon Products, Inc. Eastman Kodak Co.	8,000	\$ 47.25	\$ 378,000.00	
Minnesota Mining & Mfg.	7,500 7,500	57.13 56.38	428,437.50 422,812.50	
Procter & Gamble Co. Revion, Incorporated	2,000 8,000	76.88 46.38	153,750.00 371,000.00	
Total Consumer-Nondurables	0,000	40.50	\$ 1,754,000.00	7.79%
CONSUMER-MISCELLANEOUS				
Disney (Walt) Prod.	5,774	\$ 33.75	\$ 194,872.50	
Holiday Inns Inc. McDonald's Corp.	6,400 8,500	18.63 45.50	119,200.00 386,750.00	
Warner Communications	8,400	33.63	282,450.00	
Total Consumer-Miscellaneous			\$ 983,272.50	4.37%
DRUGS American Home Products	12,000	\$ 27.13	\$ 325,500.00	
Johnson & Johnson	6,300	71.75	452,025.00	
Medtronic, Inc. Schering-Plough Corp.	7,000 8,000	43.63 30.75	305,375.00 246,000.00	
Total Drugs	-,,	555	\$ 1,328,900.00	5.90%
FOODS-BEVERAGES				
General Mills, Inc.	11,500	\$ 25.00	\$ 287,500.00	
Pepsi Co, Inc. Pillsbury Company	16,500 7,500	25.38 36.25	418,687,50 271,875.00	
Total Foods-Beverages			\$ 978,062.50	4.34%
RETAIL SALES				
Dayton Hudson Corp. K mart Corporation	4,500 14,000	\$ 39.75 26.50	\$ 178,875.00 371,000.00	
Penney (J.C.) Co. Southland Corporation	7,000	29.88	209,125.00	
Total Retail Sales	5,803	28.25	163,934.75 \$ 922,934.75	4.10%
TOTAL CONSUMER ORIENTED			\$ 6,978,982.25	30.98%
TECHNOLOGY				
ELECTRONICS Hewlett-Packard Co.	4,400	\$ 97.25		
Texas Instruments Inc.	2000	90.13	\$ 427,900.00 180,250.00	
Total Electronics			\$ 608,150.00	2.70%
OFFICE EQUIPMENT				
Burroughs Corp. Digital Equipment Corp.	4,300 6,000	\$ 70.25 55.75	\$ 302,075.00 334,500.00	
Honeywell, Inc.	4,500	68.75	309,375.00	
Int'I, Bus, Machines Xerox Corporation	18,048 5,000	73.38 60.63	1,324,272.00 303,125.00	
Total Office Equipment		-	\$ 2,573,347.00	11.42%
TOTAL TECHNOLOGY			\$ 3,181,497.00	14.12%

		Market Price		Total
Common Stock	Shares	6-30-79	Market Value	Market
BASIC INDUSTRY AEROSPACE				
Boeing Co.	12,450	\$ 40.50	\$ 504,225.00	2.24%
BUILDING & FOREST PRODUCTS	9,638	\$ 27.13	\$ 261,430.75	
Georgia-Pacific Corp. Masonite Corp.	9,500	25,50	242,250.00	
Owens-Corning Fiber.	4.000	25.13	100,500.00	
Total Building & Forest Products			\$ 604,180.75	2.68%
CHEMICALS Air Products & Chem.	10,670	\$ 30.88	\$ 329,436.25	
Dow Chemical	7,000	25.88	181,125.00	
du Pont (E.I.) de Nemours	4,800	41.25	198,000.00	
Total Chemicals			\$ 708,561.25	3.15%
ELECTRICAL EQUIPMENT	13,500	\$ 36.00	\$ 486,000.00	
Emerson Electric Co. Gould, Inc.	10,500	25.00	262,500.00	
Total Electrical Equipment			\$ 748,500.00	3.32%
MACHINERY				
Caterpillar Tractor Clark Equipment Co.	3,500 5,000	\$ 55.13 38.63	\$ 192,937.50 193,125.00	
Trans Union Corp.	3,500	33.88	118,562.50	
Total Machinery			\$ 504,625.00	2.24%
METALS	2 000		e 222.750.00	
Hanna Mining Company St. Joe Minerals Corp.	7,000 6,500	\$ 33.25 31.50	\$ 232,750.00 204,750.00	
Total Metals	0,000	• • • • • • • • • • • • • • • • • • • •	\$ 437,500.00	1.94%
PAPER				
International Paper	4,300	\$ 44.63	\$ 191,887.50	
Union Camp Corporation	3,000	46.88	140,625.00	4 4004
Total Paper			\$ 332,512.50	1.48%
MISCELLANEOUS Int'I, Tel. & Tel.	8,500	\$ 29.13	\$ 247,562.50	1.10%
TOTAL BASIC INDUSTRY	0,000	0 20110	\$ 4,087,667.00	18.15%
ENERGY				
OIL-DOMESTIC				
Atlantic Richfield Co. Louisiana Land & Expl.	11,500 10,000	\$ 67.50 36.38	\$ 776,250.00 363,750.00	
Marathon Oil Co.	15,000	38.00	570,000.00	
Total Oil-Domestic			\$ 1,710,000.00	7.59%
OIL-INTERNATIONAL	47.000		0 045 075 00	
Exxon Corporation Standard Oil of Calif.	17,000 5,000	\$ 53.88 48.50	\$ 915,875.00 242,500.00	
Total Oil-International	-,		\$ 1,158,375.00	5.14%
ENERGY - RELATED				
Baker International	14,000 7,000	\$ 42.75 67.00	\$ 598,500.00 469,000.00	
Halliburton Co. Williams Companies	7,300	20.25	147,825.00	
Total Energy - Related			\$ 1,215,325.00	5.40%
TOTAL ENERGY			\$ 4,083,700.00	18.13%
TRANSPORTATION				
AIRLINES Northwest Airlines	4,000	\$ 27.25	\$ 109,000.00	0.48%
RAILROADS				
Union Pacific Corp.	2,000	68.38	136,750.00	0.61%
TOTAL TRANSPORTATION			\$ 245,750.00	1.09%
TOTAL COMMON STOCKS			\$22,525,131.25*	100.00%

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$21,890,158.94.

### **SCHEDULE X**

SUPPLEMENTAL RETIREMENT FUND -FIXED RETURN ACCOUNT June 30, 1979

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

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)	
UNITED STATES GOVERNMENT-						
U.S. Treasury Bond	Government Guar, Bond	11-15-1993	8.625	8.642	\$ 500	
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009	500	
TOTAL UNITED STATES GOVER	NMENT-GUARANTEED O	BLIGATIONS		8.826%	\$ 1,000	
GOVERNMENT NATIONAL						
MORTGAGE ASSOCIATION	Mtg. Backed Cert.	05-15-2006/	8.000/			
	•	08-15-2007	8.250	8.401%	\$ 1,584	
UNITED STATES GOVERNMENT						
AGENCY OBLIGATIONS						
Federal Home Loan Mtg.	Mtg. Backed Cert.	03-15-2007	8.050	8.093%	\$ 137	

Company	Type of Security	* Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
CANADIAN GOVERNMENTAL OBLIGATIONS PROVINCIAL OBLIGATIONS					
British Columbia Hydro	Bond	07-15-1996	9.625	9.700	\$ 600
Nova Scotia Power Corp.	Debenture	06-01-2008	9.625	9.727	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	600
Ontario, Province of	Debenture	06-15-2005	9.125	9.271	700
Ontario, Province of	Debenture	11-30-2008	9.375	9,736	500
Saskatchewan, Province of	Debenture	04-15-2008	9.250	9.250	600
TOTAL PROVINCIAL OBLIGATIO	NS			9.512%	\$ 3,500
CANADIAN AGENCY OBLIGATIONS					
Export Development	Note	07-15-1981	8.500	8.500%	S 150
TOTAL CANADIAN GOVERNMEN		07-10-1001	0.500	9.470%	\$ 3,650
CORPORATE OBLIGATIONS					
PUBLIC UTILITY					
ELECTRIC					
Commonwealth Edison	Debenture	04-01-1999	10.000	10.000	\$ 500
Houston Lighting & Pwr,	First Mtg. Bond	10-01-2006	8.375	8.420	250
Iowa-III. Gas & Electric	First Mtg. Bond	01-15-2007	8.250	8.316	250
Minnesota Power & Light	First Mtg. Bond	08-01-2005	10.500	10.500	150 400
Northern States Power	First Mtg. Bond	01-01-2004 12-01-2005	8.375 7.750	8.719 7.999	250
Pacific Gas & Electric Public Service Indiana	First & Ref. Mtg. Bond First Mtg. Bond	01-01-2005	7.625	7.853	250 250
Public Service Electric & Gas	First & Ref. Mtg. Bond	06-01-2007	8.250	8.432	500
Texas Power & Light Co.	First Mtg. Bond	02-01-2007	8.250	8.261	250
Total Electric	, was mag. Dome			8.747%	\$ 2,800
				0.74776	C 2,000
TELEPHONE Southern Bell Tel. & Tel.	Debenture	03-15-2013	7.625%	8.524	\$ 250
	Decement	03-13-2013	7.02370	8.729%	\$ 3,050
TOTAL PUBLIC UTILITY				8.729%	\$ 3,050
FINANCE OBLIGATIONS					
Ford Motor Credit Co.	S/F Debenture	07-15-2000	9.700	9.724	\$ 150
LNM Acceptance Corp.	Promissory Note	12-01-1986	9.100	9.100	582
Montgomery Ward Credit	Debenture Debenture	06-30-2002 10-01-2002	8.250 8.375	8.346 8.544	400 400
Montgomery Ward Credit	Depenture	10-01-2002	0.373		
TOTAL FINANCE OBLIGATIONS				8.819%	\$ 1,532
INDUSTRIAL OBLIGATIONS AMAX	S/F Debenture	03-01-2001	8.625	8.699	\$ 150
AMAX Atlantic Richfield Co.	Guaranteed Note	07-15-1996	9.250	9.250	150
Burlington Northern	Mtg. Backed Cert.	06-15-1998	9.250	9.250	300
FMC Corp.	S/F Debenture	01-15-2000	9.500	9.603	150
Ford Leasing Development	Guaranteed Note	03-15-2004	9.500	9.500	500
Ford Matar Co.	Debenture	07-15-1994	9.250	9.283	150
Olympic Pipeline Co.	Note	09-01-2001	8.850	8.850	250
Plantation Pipe Line	Guaranteed Note	10-01-2001	7.875	8.152	250
Ralston Purina	Note	12-31-1982 07-02-1999	8.000 8.500	8.000 8.500	179 150
Standard Oil of Calif. Standard Oil (Indiana)	First Pref. Ship. Mtg. Bd. S/F Debenture	07-15-2004	9.200	9.059	150
Union Oil Co. of Calif.	S/F Debenture	03-01-2006	8.625	8.615	250
TOTAL INDUSTRIAL OBLIGATION				8.946%	\$ 2,629
RAILROAD EQUIPMENT OBLIGAT					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 150
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	86
Burlington Northern	Conditional Sale Agree.	09-01-1993	8.750 8.625	8.750 8.625	603 250
Canadian Pacific, Ltd. Louisville & Nashville	Equipment Trust Cert. Conditional Sale Agree.	01-15-1992 10-20-1991	9.000	9,000	144
Louisville & Nashville	Conditional Sale Agree.	04-20-1992	8.375	8.375	95
Missouri Pacific RR	Conditional Sale Agree.	06-01-1994	9.750	9.750	500
Seaboard Coast Line RR	Conditional Sale Agree.	04-01-1992	9.000	9.000	246
Seaboard Coast Line RR	Conditional Sale Agree.	10-01-1992	8.250	8.250	386
TOTAL RAILROAD EQUIPMENT	OBLIGATIONS			8.876%	\$ 2,461
TOTAL CORPORATE OBLIGATION				8.840%	\$ 9,672
TOTAL UNITED STATES GOVER	NMENT-GUARANTEED. A	GENCY,			
CANADIAN GOVERNMENTAL, A	ND CORPORATE OBLIGA	TIONS		8.933%	\$16,044

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add, due to rounding.

#### SCHEDULE XI

MINNESOTA VARIABLE ANNUITY FUND June 30, 1979

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

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)
UNITED STATES GOVERNMENT- GUARANTEED OBLIGATIONS					
GOVERNMENT NATIONAL					
MORTGAGE ASSOCIATION	Mtg. Backed Cert.	07-15-2004/	8.000/		
	-	02-15-2008	8.250	8.628%	\$ 1,996
CANADIAN GOVERNMENTAL					
PROVINCIAL OBLIGATIONS					
British Columbia Hydro	Bond	07-15-1996	9.625	9.625	\$ 500
Manitoba Hydro Electric	Debenture	10-15-1997	7.650	7.650	400
N. Brunswick Electric	S/F Debenture	04-01-1998	7.875	7.875	386
Nova Scotia Power Comm.	S/F Debenture	07-15-1998	8.125	8.150	500
Ontario Hydro	Note	03-15-1996	9.500	9.500	500
TOTAL PROVINCIAL OBLIGATI	ONS			8.634%	\$ 2,286

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (800)(b)
CANADIAN AGENCY					
OBLIGATIONS					
Export Development	Note	07-15-1981	8.500	8.500%	\$ 500
TOTAL CANADIAN GOVERN	MENTAL OBLIGATIONS			8.610%	\$ 2,786
CORPORATE OBLIGATIONS					
PUBLIC UTILITY OBLIGATION	s				
ELECTRIC	First Mar. Band	00 01 2007	0 +05	0.400	A
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	\$ 500 500
Montana Power Company Public Service Electric & Gas	First Mtg. Bond	12-01-1981	8.750	8.750	500 500
	First & Ref. Mtg. Bond Debenture	06-01-2007 11-15-1997	8.250 8.500	8.225 8.500	500
United Illuminating Co. Total Electric	Depenture	11-15-1997	8.500	8.411%	\$ 2,000
				0.41174	3 2,000
GAS Minnésota Gas Company	Debenture	11-15-1981	9.250	9.250%	\$ 500
, .					
TELEPHONE Southern Bell Tel. & Tel.	Debenture	03-15-2013	7.625	8.240%	\$ 500
TOTAL PUBLIC UTILITY OBI		00 10 2010	7.020	8.522%	\$ 3,000
FINANCE OBLIGATIONS					
First Bank System	Note	06-30-1983	8.750	8.829	\$ 500
Ford Matar Credit Co.	S/F Debenture	07-15-2000	9.700	9.724	500
Honeywell Finance Inc.	S/F Debenture	12-15-1998	8.200	8.200	500
Montgomery Ward Credit	Debenture	10-01-2002	8.375	8.390	550
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	500
TOTAL FINANCE OBLIGATION	DNS			8.575%	\$ 2,550
INDUSTRIAL OBLIGATIONS			•		
Crown Zellerbach	General Mtg. Bond	05-01-1994	8.125	8.125	\$ 440
Firestone Tire & Rubber	Debenture	12-01-2004	9.250	9.246	500
MacMillan Bloedel, Ltd.	Debenture	07-01-1994	8.750	8.750	500
Phelps Dodge Corp.	Note	06-01-1985	8.500	8.618	250
Standard Oil of Calif. Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-07-1997	7.700	7.700	193
Standard Oil of Calif.	First Pref, Ship, Mtg, Bd, First Pref, Ship, Mtg, Bd,	09-08-1997 11-06-1997	7.700 7.700	7.700 7.700	144
Studebaker-Worthington	S/F Debenture	11-15-2003	9.350	9.350	144
TOTAL INDUSTRIAL OBLIG		11-13-2003	3.300	8.684%	\$ 2,673
RAILROAD EQUIPMENT				0.00476	4 2,070
DBLIGATIONS					
ACF Industries, Inc.	Equipment Trust Cert.	03-01-1991	9.000	9.000	\$ 500
ACF Industries, Inc.	Equipment Trust Cert.	02-01-1992	8.000	8.000	348
Canadian Pacific, Ltd. Del. & Hudson	Equipment Trust Cert. Conditional Sale Agree.	01-15-1992 09-01-1985	8.625 10.500	8.625 10.500	480 92
TOTAL RAILROAD EQUIPME	•	00 07 1000	10.000	8.726%	\$ 1,420
TOTAL CORPORATE OBLIGA	TIONS .			8.611%	\$ 9,643
TOTAL UNITED STATES GOV	/ERNMENT-GUARANTEED,				
	L, AND CORPORATE OBLIGA			8.613%	

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add, due to rounding.

		Market Price		Total
Common Stock	Shares	6-30-79	Market Value	76 Market
UTILITIES				
ELECTRIC	16,500	\$ 23.63	\$ 389,812.50	
Florida Power & Light	22,000	\$ 23.63 27.88	613,250.00	
Texas Utilities Co.	35,000	19.25	673,750.00	
Total Electric			\$ 1,676,812.50	3.98%
NATURAL GAS				
Houston Natural Gas	11,500	\$ 29.75	\$ 342,125.00	
Panhandle E. Pipe Line	8,400	49.88	418,950.00	
Total Natural Gas			\$ 761,075.00	1.81%
COMMUNICATIONS				
American Tel. & Tel.	19,714	\$ 57.88	\$ 1,140,947.75	,
General Tel. & Elec.	15,500	27.00	418,500.00	
Total Communications			\$ 1,559,447.75	3.70%
TOTAL UTILITIES			\$ 3,997,335.25	9.49%
FINANCIAL SERVICES BANKS				
Citicorp-	10,000	\$ 25.13	\$ 251,250.00	
First Bank System	7,000	38.25	267,750.00	
First Int'l. Bancshares	9,250	35.50	328,375.00	
Northwest Bancorp.	11,000	25.63	281,875.00	•
Total Banks			\$ 1,129,250.00	2.68%
FINANCE				
Household Finance	23,000	\$ 20.25	\$ 465,750.00	1.11%
INSURANCE				
INA Corp.	5,000	\$ 46.75	\$ 233,750.00	
Jefferson-Pilat Corp. NLT Corp.	13,000 15,000	36.50 35.88	474,500.00	
St. Paul Companies	5,500	38.50	538,125.00 211,750.00	
Total Insurance	0,000	30.30	\$ 1,458,125.00	3.46%
TOTAL FINANCIAL SERVICES			\$ 3,053,125.00	7.25%
CONSUMER-ORIENTED				
AUTOS – AUTO PARTS				
Ford Mater Co.	4,625	\$ 42.63	\$ 197,140.63	
General Motors	7,700	59.38	457,187.50	
Genuine Parts Company	34,500	23.13	797,812.50	
Total Autos — Auto Parts			\$ 1,452,140.63	3.45%

Common Stock	Shares	Market Price 6-30-79	Market Value	Total % Market
CONSUME R-DURABLES				
Whirlpool Corporation CONSUMER-NONDURABLES	19,500	\$ 21.13	\$ 411,937.50	0.98%
Avon Products, Inc.	14,000	\$ 47.25	\$ 661,500.00	
Eastman Kodak Co. Minnesota Mining & Mfg.	15,000 14,000	57.13 56.38	856,875.00 789,2 <b>50</b> .00	
Revion, Incorporated Total Consumer-Nondurables	16,000	46.38	742,000.00 \$ 3,049,625,00	7.24%
CONSUMER-MISCELLANEOUS			3 3,045,025.00	7,24/6
Disney (Walt) Prod.	9,120	\$ 33.75	\$ 307,800.00	
Holiday Inns Inc. McDonald's Corp.	12,000 16,000	18.63 45.50	223,500.00 728,000.00	
Warner Communications Total Consumer-Miscellaneous	16,666	33.63	\$ 1,819,694.25	4.32%
DRUGS			3 1,013,034.23	4.32/6
Jahnson & Johnson	8,000	\$ 71.75	\$ 574,000.00	
Medtronic, Inc. Merck & Company	8,000 7,800	43.63 67.50	349,000.00 526,500.00	
Pfizer, Inc. Schering-Plough Corp.	15,000 7,000	30.63 30.75	459,375.00 215,250.00	
Warner-Lambert	14,000	24.88	348,250.00	c 070/
Total Drugs			\$ 2,472,375.00	5.87%
FOODS-BEVERAGES Coca-Cola Co.	19,000	\$ 38.25	\$ 726,750.00	
General Foods Corp. General Mills, Inc.	7,000 2,000	31.75 25.00	222,250.00 50,000.00	
Norton Simon, Inc. PepsiCo, Inc.	25,164 15,000	15.00 25.38	377,460.00 380,625.00	
Total Foods-Beverages	.,		\$ 1,757,085.00	4.18%
RETAIL SALES				
Dayton Hudson Corp	8,500 8,000	\$ 39.75 29.63	\$ 337,875.00 237,000.00	
K mart Corporation Sears, Roebuck & Co.	21,500 14,000	26.50, 19.25	569,750.00 269,500.00	
Southland Corporation	14,545	28.25	410,896.25	<b>∢</b> .
Total Retail Sales TOTAL CONSUMER-ORIENTED			\$ 1,825,021.25	4.33%
	,		\$12,787,878.63	30.37%
TECHNOLOGY Electronics				
Hewlett-Packard Co. Texas Instruments Inc.	7,800 4,000	\$ 97.25 90.13	\$ 758,550.00 360,500.00	
Total Electronics			\$ 1,119,050.00	2.66%
OFFICE EQUIPMENT	0.000	A 70.05	0 500 000 00	
Burroughs Corp. Digital Equipment Corp.	8,000 20,000	\$ 70.25 55.75	\$ 562,000.00 1,115,000.00	
Int'I, Bus, Machines Xerox Corporation	34,772 10,000	73.38 60.63	2,551,395.50 606,250.00	
Total Office Equipment			\$ 4,834,645.50	11.48%
TOTAL TECHNOLOGY			\$ 5,953,695.50	14.14%
BASIC INDUSTRY AEROSPACE				
Boeing Ca.	23,850	\$ 40.50	\$ 965,925.00	2.29%
BUILDING & FOREST PRODUCTS Georgia-Pacific Corp.	9,419	\$ 27.13	\$ 255,490.38	
Masonitè Corp.	20,000	25.50	510,000.00	
Weyerhaeuser Co. Total Building & Forest Products	14,000	29.75	416,500.00 \$ 1,181,990.38	2.81%
CHEMICALS			.,,	2.5
Air Products & Chem. Dow Chemical	14,201	\$ 30.88	\$ 438,455.88	
du Pont (E.I.) de Nemours	13,000 12,000	25.88 41.25	336,375.00 495,000.00	
Total Chemicals			\$ 1,269,830.88	3.02%
ELECTRICAL EQUIPMENT Emerson Electric Co.	12,000	\$ 36.00	\$ 432,000.00	
General Electric Co. Gould, Inc.	14,500 10,000	50.00 25.00	725,000.00 250,000.00	
Total Electrical Equipment	10,000	23.00	\$ 1,407,000.00	3.34%
MACHINERY				
Caterpillar Tractor Combustion Engineering	000,8 000,9	\$ 55.13 44.88	\$ 441,000.00 403,875.00	
Trans Union Corp.	8,000	33.88	271,000.00	
Total Machinery			\$ 1,115,875.00	2.65%
METALS Aluminum Co. of América	6,500	\$ 51.38	\$ 333,937.50	
Hanna Mining Company St. Joe Minerals Corp.	11,500 8,000	33.25 31.50	382,375.00 252,000.00	
Total Metals	·		\$ 968,312.50	2.30%
PAPER			·	
International Paper Union Camp Corporation	6,000 7,500	\$ 44.63 46.88	\$ 267,750.00 351,562.50	
Total Paper			\$ 619,312.50	1.47%
MISCELLANEOUS	<b>,</b> i			
Corning Glass Works Int'l. Tel. & Tel.	3,200 9,000	\$ 57.75 29.13	\$ 184,800.00 262,125.00	
Total Miscellaneous			\$ 446,925.00	1.06%
TOTAL BASIC INDUSTRY Energy		•	\$ 7,975,171.26	18.94%
OIL-DOMESTIC	12 000	6 03 50	6 010.000.00	
Atlantic Richfield Co. Conoco Inc.	12,000 18,000	\$ 67.50 37.88	\$ 810,000.00 681,750.00	

One of the second	Characa .	Market Price 6-30-79	Market Value	Total % Market
Common Stock	Shares	6-30-78	MALKET ARIDE	Hisraet
Louisiana Land & Expl.	16.000	36.38	582,000.00	*
Marathon Oil Co.	14,000	38.00	532,000.00	
Standard Oil (Indiana)	10,000	65.75	657,500.00	
Total Oil-Domestic			\$ 3,263,250.00	7.75%
OIL-INTERNATIONAL				
Exxon Corp.	28,000	\$ 53.88	\$ 1,508,500.00	
Mobil Corp.	17,000	39.25	667,250.00	
Total Oil-International			\$ 2,175,750.00	5.17%
ENERGY - RELATED				
Baker International	19,000	\$ 42.75	\$ 812,250.00	
Halliburton Co.	16,000	67.00	1,072,000.00	
Williams Companies	18,000	20.25	364,500.00	
Total Energy — Related			\$ 2,248,750.00	5.34%
TOTAL ENERGY			\$ 7,687,750.00	18.26%
TRANSPORTATION				
AIRLINES	7			
Northwest Airlines	6,200	\$ 27.25	\$ 168,950.00	0.40%
RAILROADS				
Union Pacific Corp.	7,000	\$ 68.38	\$ 478,625.00	1.14%
TOTAL TRANSPORTATION			\$ 647,575.00	1.54%
TOTAL COMMON STOCKS			\$42,102,530.64*	100.00%

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$40,951,243.55.

## SCHEDULE XII

PERMANENT SCHOOL FUND June 30, 1979

# UNITED STATES GOVERNMENT GUARANTEED, CORPORATE, AND MUNICIPAL BOND HOLDINGS

Company	Type of Security	Maturity Date(a)	Coupon Rate %	Average Yield %	Total Amount (000)(b)	
UNITED STATES GOVERNMENT						
GUARANTEED OBLIGATIONS						
U.S. Treasury Bond	Government Guar. Bond	11-15-1993	8.625	8.642	\$ 2,000	
U.S. Treasury Notes	Note	02-15-1987	9.000	9.009	2,000	
TOTAL UNITED STATES GOVER	RNMENT-GUARANTEED OI	BLIGATIONS		8.826%	\$ 4,000	
UNITED STATES GOVERNMENT-					,	
GUARANTEED						
FARMERS HOME ADMINISTRATIO						
U.S. Dept. of Agriculture	Insured Note	01-31-1980	8.900	8.900	\$ 2,995	
U.S. Dept. of Agriculture	Insured Note	07-31-1985	8.625	8.625	2,994	
TOTAL FARMERS HOME ADMIN	IISTRATION			8.763%	\$ 5,989	
GOVERNMENT NATIONAL						
MORTGAGE ASSOCIATION	Mtg. Backed Cert,	01-15-2001/	6.000/*		1	
	•	10-15-2008	9.000	8.517%	\$101,040	
CONTRACTOR CHARACTER						
GOVERNMENT GUARANTEED MERCHANT MARINE BONDS						
American Mail Line	Government Guar, Bond	03-01-1993	6.000	6.000	\$ 1,470	
American Pres. Lines	Government Guar, Bond	11-01-1992	5.600	5.600	1,000	
American Pres. Lines	Government Guar, Bond	11-01-1991	4.800	4.800	1,305	
Construction Aggregate	Government Guar, Bond	06-01-1991	7.500	7.500	1,500	
Delta Steamship Lines	Government Guar. Bond	03-01-1986	5.500	5.500	705	
Eagle Terminal Tankers	Government Guar, Bond	06-01-1989	6.000	6.000	2,498	
El Paso Columbia Tanker Farrell Lines, Inc.	Government Guar, Bond Government Guar, Bond	03-31-2003 09-20-1998	9.250 9.000	9.250	2,930	
Farrell Lines, Inc.	Government Guar, Bond	06-29-1997	9.000	9.000 9.000	195 187	
Farrell Lines, Inc.	Government Guar, Bond	11-27-1997	9.000	9.000	188	
Farrell Lines, Inc.	Government Guar, Bond	02-28-1998	9.000	9.000	190	
Farrell Lines, Inc.	Government Guar, Bond	04-01-1988	8,050	8,050	1,346	
Grace Line, Inc.	Government Guar. Bond	02-01-1992	5.100	5.100	1,467	
Ingram Ocean Systems	Insured Note	02-01-1989	8.750	8.750	972	
Intercont'l, Bulktank .	Government Guar, Bond	09-01-1990	7.800	7.800	1,108	
Marlin Drilling Co. Matson Navigation Co.	Government Guar, Bond Government Guar, Bond	01-01-1991 11-10-1994	8.900 7.500	8.900 7.500	2,667 984	
Moore-McCormack Leasing	Government Guar, Bond	07-15-2001	8.875	8.875	2.607	
Moore-McCormack Lines	Government Guar, Bond	04-01-1987	5.750	5.868	1,241	
Overseas Bulk Tank	Government Guar, Bond	12-01-1990	7.800	7.800	1,151	
Pacific Far East Line	Government Guar. Bond	02-01-1997	8.750	8.750	1,804	
Penn Tanker Co.	Government Guar, Bond	10-01-1989	6.000	6.000	1,013	
Prudential Lines, Inc.	Government Guar, Bond Government Guar, Bond	11-01-1995 02-15-2001	6.000 9.125	6.000	2,168	
Puget Sound Tug & Barge States Steamship Co.	Government Guar, Bond Government Guar, Bond	03-31-1993	5.100	9.125 5.100	2,208 1,446	
Western Co. of North America	Government Guar, Bond	06-11-1990	9.250	9.250	3,000	
Zapata Off-Shore Co.	Government Guar, Bond	06-15-1996	8.625	8.625	3,000	
TOTAL GOVERNMENT-GUARA	NTEED MERCHANT MARIN	IE BONDS		7.602%	\$ 40,350	
SMALL BUSINESS						
ADMINISTRATION LOANS SBA Guaranteed Loan	Government Guar, Bond	08-22-1985	9.250	0.004		
SBA Guaranteed Loan	Government Guar, Bond	04-27-1984	8.250 8.250	9.324 9.314	\$ 110 347	
SBA Guaranteed Loan	Government Guar, Bond	02-22-1997	8,500	8.500	478	
SBA Guaranteed Loan	Government Guar, Bond	02-23-1984	9.000	9.000	51	
SBA Guaranteed Loan	Government Guar, Bond	05-25-1984	8.250	8.285	. 245	
SBA Guaranteed Loan	Government Guar, Bond	05-27-1994	9.000	9.108	117	
SBA Guaranteed Loan	Government Guar, Bond	07-01-1984	9.500	9.550	34	
SBA Guaranteed Loan SBA Guaranteed Loan	Government Guar, Bond Government Guar, Bond	12-22-1992 02-28-1985	9.000 10.250	8.840 10.282	112	
**		02.20.1303	10.230		83	
TOTAL SMALL BUSINESS ADMI				8.905%	\$ 1,580	
TOTAL UNITED STATES GOVE	KNMENT-GUARANTEED			8.283%	\$148,960	

Company	Type of Security	Maturity Date(a)	Coupon Rate	Average Yield %	Total Amount (000)(b)
CORPORATE OBLIGATIONS				1 y K	
PUBLIC UTILITY	4				
ELECTRIC					
Kansas Power & Light	First Mtg. Bond	06-01-2007	8.125	8.168	\$ 4,000
Northern States Power	First Mtg. Bond	01-01-2004	8.375	8.719	2,500
Total Electric				8.380%	\$ 6,500
GAS					•
Consolidated Natural Gas	Debenture	06-01-1997	8.125	8.149%	\$ -4,000
TELEPHONE	-				
Bell Tel. Co. Canada	First Mtg. Bond	09-01-1995	4.850	5.530	\$ 2,500
Bell Tel. Co. Canada	First Mtg. Bond	06-01-2004	9.500	9.500	3,000
Michigan Bell Tel. Co.	Debenture	06-01-2015	8.125	8.149	2,500
Southern Bell Tel. & Tel.	Debenture	03-15-2013	7.625	8.418	4,000
Total Telephone				8.031%	\$ 12,000
TOTAL PUBLIC UTILITY				8.153%	\$ 22,500
FINANCE OBLIGATIONS					•
Gulf Life Insurance	Capital Note	06-01-1989	4.750	4.750	\$ 60Ò
LNM Acceptance Corp.	· Promissory Note	12-01-1986	9.100	9,100	3,880
Northwest Bancorp.	Debenture	10-15-1990	4.750	4.780	1,500
Northwest Bancorp.	S/F Debenture	03-15-2003	7.750	7.750	1,500
Northwest Bancorp.	Note	09-15-1986	7.875	7.892	3,550
TOTAL FINANCE OBLIGATION	S			7.703%	\$-11,030
INDUSTRIAL OBLIGATIONS		;		•	
Aluminum Co. of Canada 💎 🦠	S/F Debenture	03-01-1995	9.500	9.370 ,	
Armour-Dial, Inc.	Note	01-15-2003	7.900	7.900	3,765
Atlantic Richfield Co.	Guaranteed Note	07-15-1996	9.250	9.250	3,000
Atlantic Richfield Co.	First Pref. Ship. Mtg. Bd.	12-01-2001	8.750	8.750	2,000
FMC Corp.	S/F Debenture Promissory Note	01-15-2000	9.500 9.875	9.603 9.875	3,000 2,000
Norton Simon, Inc. Sprague Electric Co.	S/F Debenture	06-01-2004 09-01-1988	4.375	4.400	1,000
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-07-1997	7.700	7.700	966
Standard Oil of Calif.	First Pref. Ship. Mtg. Bd.	09-08-1997	7.700	7.700	966
Standard Oil of Calif.	First Pref, Ship. Mtg. 8d.	11-06-1997	7.700	7.700	966
Standard Oil (Indiana)	Note	10-01-2000	7.300	7.300	4,000
Swift & Co.	S/F Debenture	08-01-1992	6.300	6.300	1,032
Youngstown Sheet Tube	First Mtg. S/F Bond	07-01-1995	4.600	4.600	1,119
TOTAL INDUSTRIAL OBLIGAT	IONS			8.080%	\$ 24,814
RAILROAD EQUIPMENT OBLIGATIONS					
Canadian Pacific, Ltd.	Equipment Trust Cert.	01-15-1992	8.625	8.625	\$ 1,500
Illinois Central RR	Conditional Sale Agree.	02-15-1983	6.875	6.875	333
TOTAL RAILROAD EQUIPMENT	T OBLIGATIONS			8.307%	\$ 1,833
TOTAL CORPORATE OBLIGATI	ONS			8.045%	\$ 60,178
MUNICIPAL BOND OBLIGATIONS	Bond	07-01-1980/ 07-01-1986	2.500/ 3.250	2.905%	\$ 198
TOTAL UNITED STATES GOVE					
GUARANTEED, CORPORATE, A MUNICIPAL OBLIGATIONS	M D			8 221%	\$213,337

<sup>(</sup>a) Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
(b) Column may not add due to rounding.

		Market Price		Total %
Common Stock	Shares	6-30-79	Market Value	Market
UTILITIES				
ELECTRIC				
Central & South West	23,000	\$ 15.88	\$ 365,125.00	
Cincinnati Gas & Elec.	24,000	20.25	486,000.00	
Commonwealth Edison	24,499	23.63	578,788.88	
Florida Power & Light	28,000	27.88	780,500.00	
Houston Industries Inc.	16,500	31.13	513,562.50	
Middle South Utilities	24,000	14.63	351,000.00	
Minnesota Power & Light	32,000	20.63	660,000.00	
Northern States Power	24,500	24.13	591,062.50	
Pacific Gas & Electric	17,000	23.00	391,000.00	
Public Serv. Indiana	28,150	25.75	724,862.50	
Southern Calif, Edison	20,000	25.63	512,500.00	
Texas Utilities Co.	28,000	19.25	539,000.00	
Virginia Elec. & Power	21,600	12.88	278,100.00	
Total Electric			\$ 6,771,501.38	12.48%
NATURAL GAS				
Panhandle E. Pipe Line	14.000	\$ 49.88	\$ 698,250.00	
Peoples Gas Co.	13.666	35.88	490,267.75	
	15,000	33.00		
Total Natural Gas			\$ 1,188,517.75	2.19%
COMMUNICATIONS				
American Tel. & Tel.	37,000	\$ 57.88	\$ 2,141,375.00	-
General Tel. & Elec.	40,800	27.00	1,101,600.00	
<b>Total Communications</b>			\$ 3,242,975.00	5.97%
TOTAL UTILITIES			\$11,202,994.13	20.64%
FINANCIAL SERVICES BANKS				*
Bank America Corp.	33,000	\$ 26.88	\$ 886,875.00	
Citicorp	29,112	25.13	731,439.00	
First Bank System	21,500	38.25	822,375.00	
Morgan (J.P.) & Co.	12,920	48.25	623,390.00	
Northwest Bancorp.	44,000	25.63	1,127,500.00	
Total Banks			\$ 4,191,579.00	7,72%

		Market		Total
Common Stock	Shares	Price 6-30-79	Market Value	% Market
Common Stock	Shares	0-30-73	Market Value	Market
FINANCE				
Beneficial Corp.	17,925	\$ 27.75 20.25	\$ 497,418.75	
Household Finance	26,000	20.23	526,500.00	
Total Finance			\$ 1,023,918.75	1.89%
NSURANCE	45.000	A 40.35	\$ 715.275.00	
NA Corp.	15,300 10,300	\$ 46.75 32.50	\$ 715,275.00 334,750.00	-
Vorthwestern Nát'l. Life SAFECO Corp.	21,700	32.25	699,825.00	
St. Paul Companies	19,000	38.50	731,500.00	
J.S. Fidelity & Guar.	28,050	.35.88	1,006,293.75	
Total Insurance			\$ 3,487,643.75	6.43%
TOTAL FINANCIAL SERVICES	;		\$ 8,703,141.50	16.03%
ONSUMER-DRIENTED			1	
UTOS – AUTO PARTS				
ord Motor Co.	23,250	\$ 42.63	\$ 991,031.25	
Seneral Motors	21,200	59.38 15.88	1,258,750.00	
Goodyear Tire & Rubber	33,000	13.55	523,875.00	F 4
Total Autos - Auto Parts			\$ 2,773,656.25	5.12%
ONSUMER-DURABLES	10.000		A 210 250 00	
unbeam Corp.	10,000	\$ 21.63 21.13	\$ 216,250.00 468,975.00	
Vhirlpool Corporation	22,200	21.13		4 000/
Total Consumer-Durables			\$ 685,225.00	1.26%
ONSUMER NONDURABLES			001 500 00	
Ivon Products, Inc.	14,000	\$ 47.25 57.13	\$ 661,500.00 419,868.75	
astman Kodak Co. Iinnesota Mining & Mfg.	7,350 18,000	56.38	1,014,750.00	
Procter & Gamble Co.	7,700	76.88	591,937.50	
Total Consumer-Nondurables	.,. ++		\$ 2,688,056.25	4.95%
RUGS				
merican Home Products	22,800	\$ 27,13	\$ 618,450.00	
lerck & Company	10,000	67.50	675,000.00	
fizer, Inc.	30,000	30.63	918,750.00	
Total Drugs			\$ 2,212,200.00	4.08%
OODS-BEVERAGES				
PC International	8,000	\$ 52.50	\$ 420,000.00	
oca-Cola Co.	16,000	38.25	612,000.00	
ionsolidated Foods	20,000	23.13	462,500.00	
ieneral Foods Corp. ieneral Mills, Inc.	25,000 30,000	31.75 25.00	793,750.00 750,000.00	
Total Foods-Beverages	30,000	25.50	\$ 3,038,250.00	5.60%
ETAIL SALES				
ederated Dept. Stores	18,000	\$ 29.63	\$ 533,250.00	
enney (J.C.) Ca.	19,800	29.88	591,525.00	
ears, Roebuck & Co.	24,000	19.25	462,000.00	
Total Retail Sales			\$ 1,586,775.00	2.92%
TOTAL CONSUMER-ORIENTED	)		\$12,984,162.50	23.92%
ECHNOLOGY FFICE EQUIPMENT				
urroughs Corp.	11,600	\$ 70.25	\$ 814,900.00	
oneywell, Inc.	10,000	68.75	687,500.00	
nt'i, Bus, Machines	46,140	73.38	3,385,522.50	
erox Corporation	6,440	60.63	390,425.00	
Total Office Equipment			\$ 5,278,347.50	9.72%
TOTAL TECHNOLOGY			\$ 5,278,347.50	9.72%

Common Stock	Shares	Market Price 6-30-79	Market Value	Total % Market
BASIC INDUSTRY				
BUILDING & FOREST PRODUCT:				
Owens-Corning Fiber	5,000	\$ 25.13	\$ 125,625.00	
Weyerhaeuser Co.	17,800	29.75	529,550.00	
Total Building & Forest Products			\$ 655,175.00	1.21%
CHEMICALS	,			
Dow Chemical	16,000	\$ 25.88	\$ 414,000.00	
du Pont (E.I.) de Nemours	15,000	41.25	618,750.00	
Monsanto Co.	6,000	50.13	300,750.00	
Union Carbide Corp.	11,700	37.00	432,900.00	
Total Chemicals			\$ 1,766,400.00	3.25%
ELECTRICAL EQUIPMENT				
General Electric Co.	16,200	\$ 50.00	\$ 810,000.00	1.49%
MACHINERY				
Caterpillar Tractor	15,150	\$ 55.13	\$ 835,143.75	
Trans Union Corp.	10,400	33.88	352,300.00	
Total Machinery			\$ 1,187,443.75	2.19%
METALS				
Aluminum Co. of America	10,000	\$ 51.38	\$ 513,750.00	
St. Joe Minerals Corp.	10,000	31.50	315,000.00	
Total Metals			\$ 828,750.00	1.53%
PAPER				
International Paper	8,000	\$ 44.63	\$ 357,000.00	
Union Camp Corporation	5,000	46.88	234,375.00	
Total Paper			\$ 591,375.00	1.09%
TOTAL BASIC INDUSTRY			\$ 5,839,143.75	10.76%
ENERGY				
OIL-DOMESTIC				
Atlantic Richfield Co.	16,000	\$ 67.50	\$ 1,080,000.00	
Conoco Inc.	20,000	37.88	757,500.00	
Marathon Oil Co.	10,000	38.00	380,000.00	
Standard Oil (Indiana)	24,000	65.75	1,578,000.00	
Total Oil-Domestic			\$ 3,795,500.00	6.99%
OIL-INTERNATIONAL				
Exxon Corporation	50,816	\$ 53.88	\$ 2,737,712.00	
Mobil Corp.	42,600	39.25	1,672,050.00	
Texaco, Inc.	43,000	27.63	1,187,875.00	
Total Dil-International			\$ 5,597,637.00	10.31%
TOTAL ENERGY			\$ 9,393,137.00	17.31%
TRANSPORTATION				
RAILROADS				
Union Pacific Corp.	12,800	\$ 68.38	\$ 875,200.00	1.61%
TOTAL COMMON STOCKS			\$54,276,126.38*	100.00%
			307,210,120.00	100.00/9

<sup>\*</sup>Net original cost of equities on June 30, 1979, was \$49,277,780.19.

#### **EXPLANATION OF INVESTMENT TRANSACTIONS**

It is our policy to list the recipients of all security orders and to explain the reasons for the distribution of business. We believe this is mandatory for a public fund holding over \$4 billion of securities and placing orders for over \$12 billion of securities each year. The following resumes outline the policies of the State in distributing commissions, and the corresponding listings on the following pages show the firms with which the State completed specific transactions. Total equity and debt commissions paid during fiscal year 1979 approximated \$1.7 million, up from \$1.4 million in fiscal 1978. By utilizing a wide array of markets, we are able to most efficiently purchase and sell securities as we endeavor to produce the highest practical return for each portfolio.

#### Section 1. U.S. Treasury and Agency Transactions

All purchases and sales of Treasury and Agency obligations are made on a competitive basis. On all transactions, offerings or bids have been sought from several Minnesota banks and from various prime market dealers. If a Minnesota bank is able to equal the best price quoted by any other dealer, the purchase or sale is completed through that particular bank. Repurchase agreements are on a competitive basis through those banks and investment firms making a market in these securities. These transactions consist simply of the purchase of U.S. Government or agency securities, with a simultaneous sale of such securities to the same dealer at some later date. In this way, the amount of net income is set at the time of the initial purchase.

#### Section 2. Short Term Corporate Note Purchases and Sales

The investment department uses highly marketable notes of only well-known corporations. These notes are purchased at competitive rates and have the advantage of complete flexibility as to maturity.

#### Section 3. U.S. Government Guaranteed and Agency Purchases

The Government National Mortgage Association (GNMA) issues mortgage-backed securities which represent pools of FHA and VA mortgages. The timely payment of principal and interest on these securities is guaranteed by GNMA and this guaranty, in turn, is backed by the full faith and credit of the United States Government. These securities offered an above average yield throughout the fiscal year. All GNMA public purchases were made on a competitive basis from dealers in the open market to obtain the lowest offering price.

Small Business Administration (SBA) loan securities were also purchased this fiscal year. The State purchased only the Government guaranteed portion of these loans.

#### Section 4. Fixed Income Private Placement Purchases

The private placement purchase is transacted either by negotiating directly with the issuing company or through negotiation with an underwriter acting as agent for the issuing company. These placements offer a somewhat better yield at the time of issuance than comparable public issues due to lower underwriting expenses.

#### Section 5. Corporate Bond New Issue Purchases

These bond issues are purchased at the time of public offering from members of the underwriting syndicate. Bond purchase designations are determined by the degree of participation of syndicate members and by the amount of research service provided to the Investment Board. Prices on such issues are determined by the underwriting syndicate based on market conditions.

#### Section 6. Corporate Bond Secondary Offering Purchases

These corporate bond purchases were made in the secondary market on a competitive basis with various dealers to obtain the lowest offering price available.

#### Section 7. Fixed Income Sales

Sales during the fiscal year were completed to restructure and upgrade portfolio quality and to improve yields. These sale transactions were executed based on the best competitive bids.

#### Section 8. Common Stock Purchases on Stock Exchanges

Total purchases of common stocks during the 1979 fiscal year approximated \$188 million. This section will discuss what we define as research and soft dollar trades using major stock exchanges. The next section will cover over-the-counter and block execution business.

The investment department continued to distribute equity orders on the basis of research service. The bulk of this business was done at a 40% discount from the commission rates in effect prior to May 1, 1975. In order to equitably distribute the available commissions for research, we utilize a commission matrix. This allows our equity staff to properly rank those individuals and firms who are the most knowledgeable and helpful.

We have continued to reduce the number of soft dollar commitments going to third parties. These commitments are paid through commission payments to brokerage conduits at negotiated rates for investment services such as performance measurement, portfolio evaluation, and bank research reports.

### Section 9. Common Stock Purchases Over-The-Counter and in the Third or Fourth Markets

Our O-T-C business is handled on a competitive basis but is quite limited, as most of our eligible common stocks trade on one of the major stock exchanges.

The third market involves the off-board trading of larger blocks of listed stocks with other major institutions, utilizing specialized brokerage firms. The third market offers a competitive price and is often able to handle blocks of securities at prices more favorable than are possible on a major stock exchange.

Through the use of Institutional Networks Corporation and in dealings with specialized fourth market firms, we continue to do some business directly with other major institutions. The commission savings in this area can also be substantial.

#### Section 10. Common Stock Sales on Stock Exchanges

Total sales of common stocks during the 1979 fiscal year approximated \$102 million. Sales were generated to reduce less attractive areas and to profit from overpriced situations. This process of investment upgrading will continue in order to ensure that the equity portfolios are closely aligned with the objectives of the various funds. Commission business generated by sales activity during this past fiscal year was allocated for research services as described in Section 8.

#### **SECTION 1**

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT

### PURCHASES AND SALES OF U.S. TREASURY OBLIGATIONS AND GOVERNMENT AGENCY SECURITIES

July 1, 1978 - June 30, 1979 (000 Omitted)

	Purchases	Repurchase	Total Volume
Dealer	and Sales	Agreements	
American National Bank, St. Paul	\$ 22,285	\$ 301,744	\$ 324,029
Banco Mortgage Company	12,772	-	12,772
Bank of America	37,815	58,998	96,813
Bankers Trust Company	46,260	364,000	410,260
A.G. Becker & Company	107,625	278,368	385,993
Blyth Eastman Dillion, Inc.	43,095	411,370	454,465
Briggs Schaedle & Company, Inc.	6,500	14,000	20,500
Carroll McEntee & McGinley, Inc.	15,875	85,345	101,220
Chemical Bank, New York	67,755	756,477	824,232
Citibank, New York	62,000	623,400	685,400
Continental Illinois National Bank	6,000	78,000	84,000
Discount Corporation	15,335	=	15,335
First Boston Corporation	17,300	_	17,300
First National Bank, Chicago	13,000	332,704	345,704
First National Bank, Minneapolis	17,050	71,389	88,439
First National Bank, St. Paul	52,535	76,776	129,311
Goldman Sachs & Company	92,795	<u>-</u>	92,795
Harris Trust & Savings Bank	21,100	401,902	423,002
Hutton, (E.F.) & Co., Inc.	59,995	65,000	124,995
Aubrey G. Lanston & Company, Inc.	20,250	· -	20,250
Lehman Government Securities, Inc.	108,400	13,000	121,400
Lombard Wall, Inc.	575	_	575
Marquette National Bank, Minneapolis	26,550	158,953	185,503
Merrill Lynch, Pierce, Fenner & Smith	44,300	_	44,300
Morgan Guaranty Trust Co.	97,760	180,323	278,083
Morgan Stanley & Co., Inc.	3,000	22,372	25,372
New York Hanseatic	_	23,000	23,000
Northwestern National Bank, Minneapolis	73,645	2,329,280	2,402,925
John Nuveen & Company	11,800		11,800
Paine, Webber, Jackson & Curtis, Inc.	-	27,680	27,680
Chas. E. Quincey & Co.	6,000	86,400	92,400
Salomon Brothers	90,700	_	90,700
Security Pacific National Bank	5,665	_	5,665
Smith Barney, Harris Upham & Co., Inc.	1,500	68,060	69,560
United California Bank	51,900	1,157,126	1,209,026
TOTALS	\$1,259,137	\$7,985,667	\$9,244,804

#### **SECTION 2**

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT

#### **PURCHASES AND SALES OF SHORT TERM CORPORATE NOTES** July 1, 1978 - June 30, 1979 (000 Omitted)

issuer/Dealer	Purchases 1-90 days	Purchases 91-270 days	Sales Principal to Maturity	Total Volume
Associates Corp. of North America	\$ 213,066	\$ 12,835		\$ 225,901
Beneficial Corp.	16,890	-	_	16,890
Borg Warner Acceptance Corp./Goldman Sachs	39,001	9,895	_	48,896
CIT Financial	103,833	19,440	_	123,273
First Bank System/First Boston Corp.	11,200	-	-	11,200
Ford Mator Credit Corp.	175,193	10,772	_	185,965
General Electric Credit Corp.	150,897	1,038	-	151,935
General Motors Acceptance Corp.	212,672	-	-	212,672
Walter E. Heller & Co.	219,490	9,302	_	228,792
Honeywell Finance Inc./John Sowarby Associates Inc.	146,113	8,439	-	154,552
Household Finance Corp.	89,118	285	_	89,403
International Harvester Credit Corp.	326,917	1,305	-	328,222
Montgomery Ward Credit Corp.	118,943	3,895	_	122,838
Northwest Bancorporation	141,431	13,157	-	154,588
J.C. Penney Financial Corp.	137,422	780	-	138,202
Sears Roebuck Acceptance Corp.	114,402	1,500	_	115,902
Transamerica Financial Corp.	101,607	16,836	_	118,443
TOTALS	\$2,318,195	\$109,479		\$2,427,674

#### **SECTION 3**

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT

#### PURCHASES OF U.S. GOVERNMENT GUARANTEED OBLIGATIONS AND GOVERNMENT AGENCY SECURITIES July 1, 1978 - June 30, 1979

#### A. GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Face Amount (000)	Dealer or Issuer
\$ 4,000	Blyth Eastman Dillon & Co., Inc.
5,009	Dean Witter Reynolds Inc.
4.997	Merrill Lynch, Pierce, Fenner & Smith, Inc.
11,664	Salomon Brothers
5.000	Thomson McKinnon Securities Inc.

#### **B. SMALL BUSINESS ADMINISTRATION GUARANTEED**

Face	
Amount	
(000)	Dealer or Issuer
\$ 85	Summit Bank of Richfield, Minnesota

#### C. GOVERNMENT AGENCY SECURITIES

ace	
nount 300)	Dealer or Issuer
\$ 110	First National City Bank, New York
120	Merrill Lynch, Pierce, Fenner & Smith, Inc.

#### **SECTION 4**

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT

#### **PURCHASES OF PRIVATE PLACEMENT FIXED-INCOME SECURITIES** July 1, 1978 - June 30, 1979

Face Amount (000)	Dealer
\$ 3,654	Bache Halsey Stuart Shields Inc.
15,000	Goldman, Sachs & Co.
10.000	Lazard Freres & Co.
5,000	Lehmen Brothers Kuhn Loeb Inc.
20,089	Leperco, de Neuflize & Co., Inc.
1,000	Merrill Lynch, Pierce, Fenner & Smith, Inc.
4.250	Morgan Stanley & Co., Inc.
34,450	Salomon Brothers

#### **SECTION 5**

# STATE OF MINNESOTA STATE BOARD OF INVESTMENT

# DEBT OBLIGATIONS PURCHASED AT TIME OF OFFERING ON A DESIGNATED BASIS

July 1, 1978 - June 30, 1979

Face Amount (000)	Dealer
\$ 525	Allison-Williams Company
1,450	A.E. Ames & Co., Inc.
2,050	Bache Halsey Stuart Shields Inc.
300	Bear, Stearns & Co.
100	Blair, William & Co.
1,450	Blyth Eastman Dillon & Company Inc.
2,350	Dean Witter Reynolds Inc.
1,450	Dominion Securities Inc.
800	Donaldson, Lufkin & Jenrette Securities Corp.
2,000	Drexel Burnham Lambert Inc.
2,650	First Boston Corporation
3,950	Goldman, Sachs & Co.
100	Greenshields & Co., Inc.
500	Hambecht & Quist
800	Howe, Barnes, Johnson & Co.
1,950	E.F. Hutton & Co. Inc.
1,500	Keefe, Bruyette, Woods, Inc.
2,750	Kidder, Peabody & Co. Inc.
2,150	Lazard Freres & Co.
2,450	Lehman Brothers Kuhn Loeb Inc.
1,000	Lepercq, de Neuflize & Co., Inc.
1,950	Loeb Rhoades, Hornblower & Co.
2,450	Merrill Lynch, Pierce, Fenenr & Smith, Inc.
200	Midland Doherty Inc.
1,000	Morgan Stanley & Co., Inc.
1,300	Paine, Webber, Jackson & Curtis Inc.
1,650	Piper, Jaffray & Hopwood Inc.
100	Pitfield Mackay & Co., Inc.
4,500	Salomon Brothers
2,100	Shearson, Hayden Stone Inc.
450	Smith Barney, Harris Upham & Co. Inc.
100	Thomson McKinnon Securities Inc.
375	Warburg Paribas Becker Inc.
100	Wertheim & Co., Inc.
1,450	Wood Gundy Inc.

#### **SECTION 6**

## STATE OF MINNESOTA STATE BOARD OF INVESTMENT

#### CORPORATE BONDS PURCHASED THROUGH SECONDARY OFFERINGS July 1, 1978 – June 30, 1979

Face Amount (000)	Dealer
\$ 8,250	Bache Halsey Stuart Shields Inc.
1,500	Dominion Securities Inc.
500	E.F. Hutton & Co. Inc.
1,170	Salomon Brothers

#### **SECTION 7**

# STATE OF MINNESOTA STATE BOARD OF INVESTMENT

# SALE OF FIXED INCOME SECURITIES July 1, 1978 - June 29, 1979

#### A. MERCHANT MARINE

Face	
Amount	
(000)	Dealer
\$ 855	Janney, Montgomery Scott, Inc.

#### **B. CANADIAN GOVERNMENTAL OBLIGATIONS**

Fac Amo (00	unt	Dealer
	300 300 300	First Boston Corporation Merrill Lynch, Pierce, Fenner & Smith Inc. Salomon Brothers

#### C. CORPORATE OBLIGATIONS

Face Amount (000)	Denler
\$ 2,400	Allison-Williams Company
2,150	First Boston Corporation
4,850	Goldman, Sachs & Co.
5,027	Merrill Lynch, Pierce, Fenner & Smith, Inc.
4,450	Morgan Stanley & Co., Inc.
8,931	Salomon Brothers

#### **SECTION 8**

# STATE OF MINNESOTA STATE BOARD OF INVESTMENT

# COMMON STOCK PURCHASES ALLOCATED BY INVESTMENT DEPARTMENT

July 1, 1978 - June 30, 1979

Total Shares	Issue and Vendor	Total Shares	Issue and Vendor
UTILITIES Electric		Natural Gas	
7500	Allegheny Power System 7500 First Boston	26000	Houston Natural Gas Corporation 2000 Bache Halsey
5200	Commonwealth Edison 100 Bache Halsey		18500 Cyrus Lawrence 5500 Morgan Stanley
34900	5100 Merrill Lynch Florida Power & Light 5000 Boston Institutional Services . 4400 Drexel Burnham 5000 Keefe Bruyette 15500 Merrill Lynch 5000 Smith Barney	30100	Panhandle Eastern Pipe Line Company 10000 Donaldson Lufkin 1000 Loeb Rhoades Hornblower 5000 Kidder Peabody 4300 Morgan Stanley 100 Smith Barney
22000	Houston Industries, Inc. 5000 Merrill Lynch 17000 Smith Barney	47000	Peoples Gas Company 10000 First Boston 27000 Merrill Lynch
20000	Minnesota Power & Light Company 10000 Kidder Peabody 10000 Merrill Lynch		5000 John Muir 5000 Smith Barney
47500	Northern States Power Company (Minn.)	Communication	ans
	5500 Brown Bros. 10000 Boston Institutional Services 20000 Merrill Lynch 2000 Morgan Stanley 10000 John Muir	277000	American Telephone & Telegraph Company 25000 Drexel Burnham 42500 Becker-Warburg 7000 Brown Bros. 15000 First Boston
5000	Pacific Gas and Electric Company 5000 Drexel Burnham		10000 E.F. Hutton 3000 Cyrus Lawrence
120000	Public Service Company of Indiana, Inc. 60000 Bear Stearns 20000 Drexel Burnham 20000 Goldman Sachs		16000 Merrill Lynch 8500 Morgan Stanley 7200 John Muir
	10000 Merrill Lynch 10000 Oppenheimer & Co.		49700 M.H. Novick 2000 Oppenheimer & Co.
8000	Southern California Edison Company 8000 Merrill Lynch		5000 Paine Webber 3000 Shearson Hayden
68000	Texas Utilities Company 2000 E.F. Hutton 20000 Merrill Lynch 2000 Paine Webber 25000 Smith Barney 19000 Wertheim & Co.	94000	54600 Smith Barney 13500 Wertheim & Co. 15000 Wishire Associates General Telephone & Electronics Corporation 10000 Bache Halsey 10000 Boston Institutional Services
121000	Virginia Electric and Power Company 23000 Drexel Burnham 5000 First Boston 77000 Merrill Lynch 5000 Morgan Stanley 11000 Paine Webber		10000 First Boston 25000 Kidder Peabody 8000 Merrill Lynch 30000 Morgan Stanley 1000 Smith Barney

Total Shares	Issue and Vendor	Total Shares	Issue and Vendor	Total Shares	Issue and Vendor	Total Shares	Issue and Vendor
43500	United Telecommunications, Inc.	71600	Eastman Kodak Company 4000 Boston Institutional Services	69500	Warner-Lambert Company 4000 Robert W. Baird & Co.	91100	J.C. Penney Company, Incorporated 5100 Bache Halsey
	3000 Drexel Burnham - 3000 First Boston		1000 Brown Bros.		25500 Drexel Burnham		6000 Brown Bros.
	16000 Merrill Lynch 1000 John Muir		5000 Donaldson Lufkin 3000 First Boston		13000 Merrill Lynch 3000 Morgan Stanley		10000 Drexel Burnham 6500 First Boston
	500 Paine Webber		12000 Merrill Lynch		14000 Paine Webber 10000 Wertheim & Co.		3000 Kidder Peabody 6000 Merrill Lynch
	9000 Shearson Hayden 8000 Wilshire Associates		10000 Morgan Stanley 2000 M.H. Novick		10000 Weithem & Co.		3000 John Muir
	3000 Dean Witter		4300 Oppenheimer & Co. 8000 Paine Webber	Food-Beverage	CRC International Inc		7000 Oppenheimer & Co. 11500 Paine Webber
FINANCIAL	. SERVICES		2000 Shearson Hayden	17000	CPC International, Inc. 3000 Legg-Mason		10000 L.F. Rothschild
Banks			12800 Smith Barney 7500 Wilshire Associates		7000 Salomon Bros. 7000 Wilshire Associates		18000 Shearson Hayden 5000 Smith Barney
1000	Bank America Corporation 1000 Keefe Bruyette	25000	Minnesota Mining and Manufacturing Company	165700	Consolidated Foods Corporation	60500	Sears, Roebuck and Company 6000 Boston Institutional Services
600	Citicorp 600 Legg-Mason		10000 M.H. Novick 9000 Piper Jaffray		10000 Wm. Blair & Co. 5000 Blyth Eastman		5000 Merrill Lynch
2000	Continental Illinois Corporation		4000 Shearson Hayden 2000 Smith Barney		67000 Drexel Burnham 2000 Kidder Peabody		10000 M.H. Novick 25500 Paine Webber
3000	2000 First Boston First International Bancshares, Inc.	18800	Procter & Gamble Company		1000 Legg-Mason	15200	14000 Wertheim & Co.
	3000 Keefe Bruyette		5600 Boston Institutional Services 4000 Paine Webber		1000 Merrill Lynch 12200 Mesirow & Co.	13200	Southland Corporation 3000 Cyrus Lawrence
1000	Manufacturers Hanover Corporation 1000 Merrill Lynch		2000 Shearson Hayden 5200 Smith Barney		6000 Neuberger & Berman		2000 Oppenheimer & Co. 7200 Paine Webber
2200	Northwest Bancorporation 2200 Kidder Peabody		2000 Wilshire Associates		19600 Paine Webber 100 Piper Jaffray		3000 Smith Barney
		Consumer-Misc	ellaneous		3800 Salomon Bros.	TECHNOLOG	Y
Finance	Beneficial Corporation	15500	Disney (Walt) Productions		8000 Wertheim & Co. 30000 Wilshire Associates	Electronics	<del></del>
11500	1000 Cowen & Co.		3000 Brown Bros. 1500 Cyrus Lawrence	39000	General Foods Corporation	7400	Hewlett-Packard Company 4700 Boston Institutional Services
	5000 Drexel Burnham 1000 Keefe Bruyette		7000 McLaughlin Ochenhaut		9000 Bache Halsey 3000 Robert W. Baird & Co.		200 Paine Webber
	3500 Lehman Bros.	79000	4000 Roulston & Co. Holiday Inns, Incorporated		5000 Cowen & Company	10700	2500 Salomon Bros. Texas Instruments
92300	1000 Piper Jaffray Household Finance Corporation	70000	19000 Merrill Lynch		6000 Merrill Lynch 6000 Piper Jaffray		500 Cowen & Co.
02300	8000 Dain Kalman		10000 M.H. Novick 8000 Paine Webber		1000 Smith Barney 9000 Wertheim & Co.		1200 Paine Webber 9000 Wertheim & Co.
	13000 Keefe Bruyette 20000 Kidder Peabody		11000 Roulston & Co.	82600	General Mills, Inc.	Office Equipme	ent
	23100 Legg-Mason		23000 Smith Berney 8000 Wertheim & Co.		11500 Blyth Eastman 7000 Cowen & Co.	14500	Burroughs Corporation
	5000 Merrill Lynch 7100 Oppenheimer & Co.	76500	McDonald's Corporation		10000 Goldman Sachs		10000 Kidder Peabody
	5000 Piper Jaffray 6100 Roulston & Co.		1000 Bache Halsey 9300 Brown Bros.		1000 Kidder Peabody 23100 Loeb Rhoades Hornblower		500 Oppenheimer & Co. 1000 Paine Webber
	5000 Salomon Bros.		500 Cowen & Co. 3500 Donaldson Lufkin	1	1300 Merrill Lynch		2000 Piper Jaffray 1000 Wilshire Associates
Insurance			9000 Lipper Analytical		9700 Mesirow & Co. 500 John Muir	23500	Honeywell, Inc.
1000	Jefferson-Pilot Corporation		6000 Loeb Rhoades Hornblower 12000 Merrill Lynch		3500 Paine Webber 16000 Piper Jaffray		5000 Donaldson Lufkin 1000 First Manhattan
	1000 Legg-Mason		5600 Morgan Stanley		5000 L.F. Rothschild		3500 Goldman Sachs
6700	NLT Corporation 2000 Legg-Mason		2600 John Muir 3000 Oppenheimer & Co.	10000	Kraft, Inc. 10000 First Boston		2000 Kidder Peabody 3000 Cyrus Lawrence
	1600 Merrill Lynch 2000 Mesirow & Co.		2500 Paine Webber	75050	Norton Simon, Inc.		3000 W.H. Newhold & Co.
	100 Oppenheimer & Co.		500 Piper Jaffray 4500 Smith Barney		7000 Donaldson Lufkin 40000 Merrill Lynch	95640	6000 Wilshire Associates International Business Machines Corporation
20000	1000 Smith Barney United States Fidelity & Guaranty Compan	v	14500 Wertheim & Co. 2000 Wilshire Associates		2050 Mesirow & Co.		2000 Brown Bros.
20000	10000 Goldman Sachs		2000 Wilsinie Associates		20000 Smith Barney 5000 Wertheim & Co.		6800 Cowen & Co. 7200 Donaldson Lufkin
	10000 Legg-Mason	148897	Warner Communications, Inc.	53000	1000 Dean Witter PensiCo, Inc.		2400 Keefe Bruyette 6400 Cyrus Lawrence
	R-ORIENTED es & Automotive Parts		14667 Boston Institutional Services 2000 Brown Bros.	33000	6000 Cowen & Co.		6800 Legg-Mason
19000	Ford Motor Company		6000 Cowen & Co.		17000 Kidder Peabody 2000 Mesirow & Co.		10400 Merrill Lynch 7280 Mesirow & Co.
	10000 Drexel Burnham		7733 Goldman Sachs 10800 Legg-Mason		8000 John Muir 5000 Smith Barney		3000 Morgan Stanley 2000 John Muir
73700	General Motors Corporation		2000 Lehman Bros.		15000 Wertheim & Co.		1200 Oppenheimer & Co.
	5000 Cowen & Co. 10300 Drexel Burnham		8000 Mesirow	49000	Pillsbury Company 27000 Donaldson Lufkin		15200 Paine Webber 880 Salomon Bros.
	10500 Kidder Peabody		6000 Morgan Stanley 26630 Paine Webber		16000 Merrill Lynch		12880 Shearson Hayden
	41700 Merrill Lynch 3700 Paine Webber		12000 Piper Jaffray		1000 Paine Webber 5000 Wilshire Associates	43500	11200 Smith Barney Xerox Corporation
32100	2500 Smith Barney Genuine Parts Company		10667 Smith Barney 24000 Wertheim & Co.	Madia			1000 Brown Bros. 5500 Cowen & Co.
32100	3000 Brown Bros.	63500	American Home Products Corporation	Media 1700	R.R. Donnelley and Sons Company		3500 First Boston
	7650 Donaldson Lufkin 1650 Loeb Rhoades Hornblower		4000 Bache Halsey 4000 Boston Institutional Services		500 First Manhattan		1000 Kidder Peabody 2000 Cyrus Lawrence
	15300 Merrill Lynch		9000 Donaldson Lufkin 5000 First Boston		1100 Cyrus Lawrence 100 Merrill Lynch		1000 Legg-Mason
	1500 Paine Webber 3000 Dean Witter		10000 Kidder Peabody	9000	Harcourt Brace Jovanovich, Inc.		12000 Paine Webber 4500 Piper Jaffray
_			1000 Merrill Lynch 3000 Paine Webber	ļ	1000 First Manhattan 6000 Legg-Mason		10000 Shearson Hayden 3000 Smith Barney
Consumer 27000	Sunbeam Corporation		10000 Shearson Hayden 9500 Smith Barney		2000 Piper Jaffray		·
2,000	9400 Brown Bros.		7000 Wilshire Associates	Retail Sales		BASIC INDU Aerospace	ISTHY
	2100 Merrill Lynch 1800 Mesirow & Co.	36900	1000 Dean Witter Johnson & Johnson	44300	Dayton Hudson Corporation 2000 First Boston	5250	Boeing Company
	500 Oppenheimer & Co. 2000 Paine Webber	20000	1800 Bache Halsey		15100 Merrill Lynch		1500 Brown Bros. 3750 Paine Webber
	12000 Wertheim & Co.		16000 Boston Institutional Services 3000 Donaldson Lufkin		1000 John Muir 15600 Paine Webber	38500	United Technologies Corporation
73500	Whirlpool Corporation 10000 Becker-Warburg		3000 Goldman Sachs 3500 Merrill Lynch		10600 Smith Barney		5500 Kidder Peabody 6000 Cyrus Lawrence
	1000 Cowen & Co.		1000 Loeb Rhoades Hornblower	11000	Federated Department Stores, Incorpora 3500 M.H. Novick	9160	18500 Merrill Lynch
	4000 Donaldson Lufkin 7000 Loeb Rhoades Hornblower		800 M.H. Novick 300 Paine Webber		500 Oppenheimer & Co. 7000 Wertheim & Co.		1000 John Muir 7500 Wertheim & Co.
	1000 Mesiraw & Co. 28500 Merrill Lynch		1500 Smith Barney	199500	K mart Corporation	Ruildina & E	orest Products
	2000 Oppenheimer & Co.	5000	6000 Wertheim & Co. Medtronic, Inc.		5000 Brown Bros. 12000 Donaldson Lufkin	36600	Georgia-Pacific Corporation
	5000 Paine Webber 8000 Piper Jaffray		1000 Merrill Lynch 1000 M.H. Novick		11500 Drexel Burnham	55500	2100 Bache Halsey
	7000 Smith Barney		3000 Paine Webber		12000 Goldman Sachs 3500 Legg-Mason		7000 Dain Kalman 2000 First Manhattan
Consumer	-Nondurables	6000	Merck & Co., Inc. 6000 Merrill Lynch		9500 Lehman Bros. 6000 Loeb Rhoades Hornblower		1000 Kidder Peabody 11000 Merrill Lynch
38500	Avan Products, Inc.	71000	Pfizer Incorporated	1	12000 Merrill Lynch		2000 Mesirow & Co.
	2000 Merrill Lynch 19500 M.H. Novick		8000 Bache Halsey 1000 Drexel Burnham		2000 Mesirow & Co. 19000 Morgan Olmstead		2108 Oppenheimer & Co. 3900 Paine Webber
	5500 Oppenheimer & Co.		1100 Kidder Peabody		11000 Morgan Stanley		1000 Piper Jaffray
	500 Paine Webber 1000 Piper Jaffray		600 Legg-Mason 9000 Lehman Bros.	1	12000 W.H. Newbold Son & Co. 5000 M.H. Novick		4500 Smith Barney
100000	10000 Wertheim & Co.		22800 Merrill Lynch 14000 Morgan Olmstead		13500 Paine Webber		
108800	Cotgate-Palmotive Company 5000 Brown Bros.		12500 M.H. Novick		35500 Smith Barney 16000 Wertheim & Co.		
	1000 Cowen & Co. 70800 Drexel Burnham	2000	2000 Paine Webber Schering-Plough Corporation		14000 Wilshire Associates		
	2000 Merrill Lynch	2000	1000 Merrill Lynch				
	30000 Shearson Hayden		1000 John Muir	•			

Total Shares	Issue and Vendor	Total Shares	Issue and Vendor
50200	Masonite Corporation	Miscellaneous	•
	4000 Bache Halsey	68100	International Telephone & Telegraph Corp
	1100 Cowen & Co. 11000 First Manhattan		9300 Boston Institutional Services 26300 Kidder Peabody
	7000 M.H. Novick		1000 John Muir
	100 Merrill Lynch 11000 Mesirow & Co.		6500 Paine Webber 25000 Smith Barney
	9000 John Muir 4000 Paine Webber	ENERGY	·
	3000 Piper Jaffray	Oil – Domesti	:
37500	Owens-Corning Fiberglas Corporation 13500 First Boston	12600	Atlantic Richfield Company
	1000 Oppenheimer & Co.		5000 Cowen & Co. 500 Legg-Mason
	8000 Paine Webber 5000 L.F. Rothschild		7100 Merrill Lynch
	10000 Smith Barney	9300	Conaco, Inc. 4000 Merrill Lynch
38800	Weyerhaeuser Company 12000 Donaldson Lufkin		5200 M.H. Novick
	7000 Loeb Rhoades Hornblower	6000	100 Smith Barney Marathon Oil Company
	2300 Mesirow & Co. 5000 Neuberger & Berman	0000	3000 Bache Halsey
•	12500 Paine Webber	45600	3000 Smith Barney Standard Oil Company (Indiana)
Chemicals			14600 Dain Kalman
5000	Air Products and Chemicals, Incorporated		2000 Cyrus Lawrence 16500 Salomon Bros.
00000	5000 Drexel Burnham		3500 Shearson Hayden
66600	Dow Chemical Company 5000 Boston Institutional Services		3000 Smith Barney 6000 Wertheim & Co.
	16500 First Boston	114500	Standard Oil Company (Ohio)
	44100 Goldman Sachs 1000 Piper Jaffray		10000 Goldman Sachs 2000 Kidder Peabody
10000	Monsanto Company		35000 Loeb Rhoades Hornblower
	10000 Salomon Bros.		5000 Merrill Lynch 10500 Morgan Stanley
Electrical Eq	uipment		10000 M.H. Novick
7000	Emerson Electric Co. 1000 Bache Halsey		36000 Smith Barney 6000 Wilshire Associates
	1000 Bache Halsey 2000 Cyrus Lawrence	03. 1-1	1
	2000 Merrill Lynch 2000 John Muir	Oil-Internati 50600	Exxon Corporation
81100	General Electric Company	30000	14000 Blyth Eastman
	9000 Drexel Burnham 4000 Goldman Sachs		16600 Boston Institutional Services 8000 Brown Bros.
	8000 Kidder Peabody		2000 Smith Barney
	2000 Cyrus Lawrence 13600 Merrill Lynch	142500	10000 Wertheim & Co. Gulf Oil Corporation
	2500 Mesirow & Co.	142300	14000 Drexel Burnham
	14000 M.H. Novick 8000 Shearson Hayden		10000 First Boston 15500 Kidder Peabody
	6000 Smith Barney		27000 Merrill Lynch
9300	14000 Dean Witter Gould, Inc.		6000 Mesirow & Co. 50000 Paine Webber
0000	4800 Merrill Lynch		5000 Shearson Hayden
	1000 John Muir 2000 Paine Webber	180000	15000 Smith Barney Mobil Oil Corporation
	1500 Smith Barney	100000	10000 Becker-Warburg
Machinery			20000 Boston Institutional Services 30000 Orexel Burnham
8500	Caterpillar Tractor Co. 8500 Boston Institutional Services		20000 First Manhattan
19500	Clark Equipment Company		20000 Paine Webber 20000 Salomon Bros.
	500 Boston Institutional Services 4000 Merrill Lynch		20000 Shearson Hayden
	9000 John Muir		20000 Smith Barney 20000 Wilshire Associates
	2000 Oppenheimer & Co. 2000 Piper Jaffray	28000	Standard Oil Company of California
	2000 Smith Barney		8000 Merrill Lynch 11000 Shearson Hayden
13000	Combustion Engineering, Incorporated 6000 Kidder Peabody		9000 Wertheim & Co.
	3000 Paine Webber	81000	Texaco, Inc. 27000 Boston Institutional Services
500	4000 Smith Barney Trans Union Corporation		20000 Drexel Burnham
	500 Mesirow & Co.		34000 Paine Webber
Metals		Energy Relate	<u>d</u>
23000	Aluminum Company of America	1000	Baker International Corporation
	6000 Lehman Bros. 7000 John Muir	15800	1000 Oppenheimer & Co. Dresser Industries, Inc.
	10000 Smith Barney		1300 Cyrus Lawrence 500 Legg-Mason
44000	Pittston Company 4000 Boston Institutional Services		500 Legg-Mason 6000 Morgan Stanley
	3000 Loeb Rhoades Hornblower		3000 Oppenheimer & Co. 3500 Paine Webber
	5000 Paine Webber 12000 Smith Barney		1000 Shearson Hayden
	20000 Wertheim & Co.	78000	500 Smith Barney Halliburton Company
Paper		78000	8500 Boston Institutional Services
2000	International Paper Company		2500 Drexel Burnham 5000 Merrill Lynch
	2000 Smith Barney		16500 Morgan Olmstead
6000	Union Camp Corporation 2000 Donaldson Lufkin		2000 Morgan Stanley 7000 John Muir
	3000 Goldman Sachs		6000 M.H. Novick
	1000 Kidder Peabody		6500 Paine Webber 3000 Piper Jaffray
Textiles			21000 Wertheim & Co.
108100	Burlington Industries	61100	Williams Companies 16400 Kidder Peabody
	2000 Bache Halsey 15000 Boston Institutional Services		26600 Merrill Lynch
	24000 Donaldson Lufkin		7000 Roulston & Co.
	25100 Kidder Peabody 5000 Cyrus Lawrence		4000 Wertheim & Co. 7100 Wilshire Associates
	3000 Loeb Rhoades Hornblower	TDANCTOR	
	10000 Morgan Stanley 6000 John Muir	TRANSPORT Airlines	ATIUN
	5000 Neuberger Berman	3800	Northwest Airlines, Incorporated
	7000 Paine Webber 6000 Piper Jaffray		800 Merrill Lynch 3000 Paine Webber
	• • •		2000 I dive MCDDCL
		Railroads	Malan Bartin Barran II
		1000	Union Pacific Corporation 1000 Brown Bros.

## **SECTION 9**

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT

COMMON STOCK PURCHASES PLACED ON THE BASIS OF LOWEST AVAILABLE PRICE - IN INSTANCES OF OVER-THE-COUNTER SECURITIES, ON THE "THIRD MARKET," OR THROUGH DIRECT DEALINGS WITH OTHER INSTITUTIONS

	July 1, 1978 —		13/3
Total Shares	Issue and Vendor	Total Shares	Issue and Vendor
UTILITIES . Electric		Consumer-Misce	<u>ll</u> aneous
23000	Florida Power & Light	2000	Disney (Walt) Productions
10600	23000 American Securities Northern States Power Company (Minn.)	2000	2000 Institutional Networks McDonald's Corporation
	100 American Securities 500 Jefferies & Co. 10000 Jones & Associates	1500	2000 Jefferies & Co. American Home Products Corporation 500 Institutional Networks
30000	Public Service Company of Indiana, Inc. 30000 American Securities	3500	500 Institutional Networks 1000 Jefferies & Co. Johnson & Johnson
4600	Texas Utilities Company 3500 American Securities	100	3500 Jefferies & Co. Merck & Co., Inc.
	1000 Institutional Networks 100 Jefferies & Co.	10000	100 Jefferies & Co. Pfizer Incorporated
27000	Virginia Electric and Power Company 27000 American Securities	9000	10000 Jefferies & Co. Warner-Lambert Company
Natural Gas			9000 Jefferies & Co.
20500	Houston Natural Gas Corporation	Food-Beverage	
20300	17000 American Securities 3500 Jefferies & Co.	16600	Consolidated Foods Corporation
5100	Panhandle Eastern Pipe Line Company 5000 American Securities	1000	12000 Robert Brandt & Co. 4600 Institutional Networks General Mills, Inc.
37000	100 Institutional Networks Peoples Gas Company	2500	1000 Institutional Networks PepsiCo, Inc.
	37000 American Securities		2000 Institutional Networks 500 Jefferies & Co.
Communicatio	<del>-</del>	6500	Pillsbury Company
37000	American Telephone & Telegraph Company 13000 Jefferies & Co.	84-4:-	6500 Jefferies & Co.
2000	24000 Weeden & Co. General Telephone & Electronics Corporation	Media 1600	R.R. Donnelley and Sons Company
1000	2000 Institutional Networks United Telecommunications, Inc. 1000 Institutional Networks		500 Institutional Networks 1100 Jefferies & Co.
	mymanona nemona	Retail Sales	
FINANCIAL S Banks	SERVICES	7000	Dayton Hudson Corporation
8700	First Bank Systems		7000 Institutional Networks
6700	5000 First Boston 2500 Keefe Bruyette	1500	Federated Department Stores, Incorporat 1500 Institutional Networks
	1200 Merrill Lynch	8000	K mart Corporation 8000 Jones & Associates
29400	Security Pacific Corporation 600 First Boston	13700	8000 Jones & Associates J.C. Penney Company, Incorporated 1000 Institutional Networks
	18200 Keefe Bruyette 3600 Kidder Peabody		12700 Jefferies & Co.
5000	7000 Merrill Lynch	TECHNOLOGY	,
3000	Valley National Bank of Arizona 3500 Keefe Bruyette 1500 Merrill Lynch	Electronics 4700	 Hewlett-Packard Company
	1000 merrin Lynen	4700	4700 Jefferies & Co.
20000	Hamabald Firebox Conserving	300	Texas Instruments 300 Institutional Networks
20000	Household Finance Corporation 20000 Jefferies & Co.	Office Equipme	
nsurance			
1650	Aetna Life & Casualty Company	1500	Burroughs Corporation 1500 Institutional Networks
1000	1650 Institutional Networks St. Paul Companies, Inc.	1000	Digital Equipment Corporation 1000 Institutional Networks
5000	1000 Merrill Lynch United States Fidelity & Guaranty Company	2500	Xerox Corporation 500 Institutional Networks
CONSUMER	5000 Institutional Networks		2000 Jefferies & Co.
Automobiles	& Automotive Parts	BASIC INDUST Aerospace	_
17550	Genuine Parts Company 900 Institutional Networks	1500	Boeing Company 1500 Institutional Networks
_	16650 Jefferies & Co.	4500	United Technologies Corporation 500 Institutional Networks
Consumer-Du			4000 Jefferies & Co.
500	Whirlpool Corporation	Building & Fore	et Products
	500 Jefferies & Co.		
Consumer-No	ndurables	3500	Georgia-Pacific Corporation 3500 Institutional Networks
5000	Avon Products, Inc.	5000	Owens-Corning Fiberglas Corporation 5000 Jefferies & Co.
62000	5000 Institutional Networks Colgate-Palmolive Company 2000 Institutional Networks 60000 Jefferies & Co.	2000	Weyerhaeuser Company 2000 Institutional Networks
13500	Eastman Kodak Company 12500 Institutional Networks	Chemicals 700	Dow Chemical Company
500	1000 Jefferies & Co. Procter & Gamble Company	. 30	700 Institutional Networks
	500 Institutional Networks	Electrical Equip	Emerson Electric Co.
		12000	4500 Institutional Networks General Electric Company
			1000 Institutional Networks 11000 Jefferies & Co.

	Issue and Vendor	Total Shares	Issue and Vendor	Total Shares	Issue and Vendor	Total Shares	Issue and Vendor
	Caterpillar Tractor Co. 100 Institutional Networks	Miscellaneous 1000	International Telephone & Telegraph Corp. 1000 Institutional Networks	40700	Hewlett-Packard Company 10700 Goldman Sachs 20000 Morgan Stanley	80500	Pacific Gas and Electric Company 39500 American Securities 10000 Institutional Networks
	1100 Jefferies & Co.	ENERGY	1000 Institutional Networks	40400	10000 Salomon Bros. Holiday Inns, Incorporated		11000 Kidder Peabody 20000 Salomon Bros.
	Clark Equipment Company 1000 Institutional Networks	Oil-Domestic	_	40400	7900 Merrill Lynch	8000	Pacific Power & Light Company
	7500 Jefferies & Co. Combustion Engineering, Incorporated	1000	Marathon Oil Company 1000 Institutional Networks	7500	32500 Smith Barney Household Finance Corporation	5000	8000 Morgan Stanley Panhandle Eastern Pipe Line Company
-	500 Jefferies & Co.	22500	Gulf Oil Corporation		1000 Legg-Mason 4500 Morgan Stanley	2000	5000 Merrill Lynch Penney (J.C.) Company, Incorporated
			10000 Institutional Networks 12500 Jones & Associates		2000 Smith Barney		2000 First Boston
	Aluminum Company of America 5000 Institutional Networks	Energy-Relate	d	120000	Houston Natural Gas Corporation 3000 First Boston	5000	Peoples Gas Company 5000 American Securities
1	Pittston Company	200	Dresser Industries, Inc.		1000 Jefferies & Co. 110000 Merrill Lynch	4000	PepsiCo, Inc. 4000 Morgan Stanley
-	2000 Institutional Networks	7000	200 Jefferies & Co. Halliburton Company		6000 Smith Barney	2000	Pfizer, Incorporated 2000 First Boston
			2000 Institutional Networks 5000 Jefferies & Co.	56000	INA Corporation	20000	Pittston Company
- 1	nternational Paper Company 6000 Jefferies & Co.	TRANSPORT			15000 Conning & Co. 4200 First Boston		15000 Oppenheimer & Co. 5000 Shearson Hayden
		Railroads	ATION		5000 E.F. Hutton 10800 Jones & Associates	10000	Public Service Company of Indiana, Inc. 10000 American Securities
	Burlington Industries	1000	Union Pacific Corporation		1000 Cyrus Lawrence 3000 Legg-Mason	111000	Revion, Incorporated 68000 Goldman Sachs
	15000 Jefferies & Co.		1000 Institutional Networks		5000 Loeb Rhoades Hornblower	20400	43000 Oppenheimer & Co.
	SECTI	ON 10		4000	12000 Wilshire Associates International Business Machines Corporation	26100	SAFECO Corporation 3000 First Boston
				12000	4000 Oppenheimer & Co. International Paper Company		16100 Jefferies & Co. 5000 Jones & Associates
	STATE OF	MINNESOT	A	12000	2000 Goldman Sachs	5000	2000 Merrill Lynch Safeway Stores, Inc.
	STATE BOARD	OF INVEST	MENT		2000 Institutional Networks 8000 Loeb Rhoades Hornblower	5000	5000 Oppenheimer & Co.
				2500	International Telephone & Telegraph Corp. 2500 Goldman Sachs	42000	St. Paul Companies, Inc. 6000 First Boston
	COMMON ST	OCK SAL	ES	55500	Jefferson-Pilot Corporation		5000 Jefferies & Co.
	July 1, 1978 –	June 30, 1	1979		38500 Jefferies & Co. 17000 Legg-Mason		13000 Legg-Mason 18000 Salomon Bros.
	-	Total		2000	Louisiana Land and Exploration Company 2000 Cyrus Lawrence	2000	Sears, Roebuck and Company 2000 First Boston
_	issue and Vendor	Shares	Issue and Vendor	24700	MGIC Investment Corporation	93800	Southern Company
	Aetna Life & Casualty Company 12000 Robert Brandt & Co.	4000	Conoco, Inc.		10000 Bear Stearns 14700 Wm. Blair		45700 Drexel Burnham 19500 Oppenheimer & Co.
	Allegheny Power System	34000	4000 Goldman Sachs Control Data Corporation	17000	Manufacturers Hanover Corporation 10000 Goldman Sachs	11000	28600 Paine Webber Standard Oil Company (Indiana)
,	7500 First Boston Aluminum Company of America		14000 Oppenheimer & Co. 20000 Satomon Bros.		4000 Keefe Bruyette		7000 Becker-Warburg 1000 Goldman Sachs
	7400 Jefferies & Co. 6000 Kidder Peabody	35400	Corning Glass Works		2000 Legg-Mason 1000 Smith Barney		3000 Smith Barney
	7000 Loeb Rhoades Hornblower	55466	20000 Oppenheimer & Co.	79400	Marathon Oil Company 17000 Brown Bros.	96000	Standard Oil Company (Ohio) 25000 Blyth Eastman
	5000 Smith Barney 68500 Dean Witter	27200	15400 Paine Webber Dayton Hudson Corporation		4000 Cowen & Co. 5000 First Boston		2000 Morgan Stanley 38000 Paine Webber
	American Greetings Corporation 13000 Merrill Lynch		7000 Robert Brandt & Co. 20200 First Boston	ļ	8000 Goldman Sachs	1500	31000 Shearson Hayden
	American Home Products Corporation	72300	Digital Equipment Corporation 15000 Bear Stearns	67500	45400 Merrill Lynch Masonite Corporation	1500	Southern Railway Company 1500 Smith Barney
ļ	1000 First Boston ARA Services, Incorporated		9100 Morgan Olmstead		2000 Jefferies & Co. 5000 Merrill Lynch	39300	Sunbeam Corporation 6000 Cowen & Co.
,	1800 Merrill Lynch Atlantic Richfield Company		26000 Oppenheimer & Co. 22200 Salomon Bros.		10000 Morgan Stanley		2400 First Boston
•	2000 Goldman Sachs	60644	Disney (Walt) Productions 10000 Goldman Sachs		14000 John Muir 26500 Smith Barney		8000 Paine Webber 4000 Smith Barney
1	6000 Merrill Lynch Avon Products, Inc.		5000 Morgan Stanley	53100	10000 Dean Witter Medtronic, Inc.	18000	18900 Wertheim & Co. Texaco, Inc.
	2600 First Boston Baker International Corporation	2000	45644 Wertheim & Co. Dresser Industries, Inc.	30,00	9100 Loeb Rhoades Hornblower		8000 Orexel Burnham
	6000 E.F. Hutton BankAmerica Corporation	66000	2000 Goldman Sachs du Pont (E.I.) de Nemours and Company		5000 Merrill Lynch 39000 Salomon Bros.	9000	10000 Oppenheimer & Co. Texas Instruments, Inc.
	20000 Keefe Bruyette		3000 First Boston 900 Oppenheimer & Co.	85000	Middle South Utilities, Incorporated 10000 First Boston	3000	9000 Blyth Eastman Trans Union Corporation
	Beneficial Corporation 10000 Legg-Mason		62100 Salomon Bros.		51000 Goldman Sachs 2000 E.F. Hutton	13000	3000 Goldman Sachs Travelers Corporation
	Boeing Company 65850 Goldman Sachs	11000	El Paso Company 11000 Smith Barney		22000 Smith Barney	13000	4000 Canning & Co.
	33750 Merrill Lynch Bristol Meyers Co.	26500	Emerson Electric Co. 5000 Goldman Sachs	4500	Monsanto Company 1500 First Boston		4000 Jefferies & Co. 5000 Smith Barney
	5000 Morgan Stanley		11500 Oppenheimer & Co. 10000 Smith Barney	11000	3000 Oppenheimer & Co. Morgan, J.P. & Co., Incorporated	1500	Union Camp Corporation 1500 Goldman Sachs
	Burlington Northern Incorporated 10000 E.F. Hutton	4000	Exxon Corporation	11000	3000 Piper Jaffray	24100	Union Carbide Corporation
	8000 Kidder Peabody 17900 Morgan Stanley	1000	4000 Goldman Sachs Federated Department Stores, Incorporated	101000	8000 Smith Barney NLT Corporation		3000 First Boston 18100 Merrill Lynch
	3000 Oppenheimer & Co.	61875	1000 First Boston First International Bancshares, Inc.		11500 Blyth Eastman 14400 Conning & Co.	40200	3000 Oppenheimer & Co. Union Pacific Corporation
	17600 Wertheim & Co. CPC International, Inc.	01073	53375 Keefe Bruyette		5000 Dain Kalman	10200	21500 First Boston 10000 Goldman Sachs
	2500 First Boston Caterpillar Tractor Co.	2000	8500 Merrill Lynch Florida Power & Light Company		28000 Donaldson Lufkin 18100 International Networks		3000 Cyrus Lawrence
	5000 Bache Halsey	20100	2000 Blyth Eastman Ford Motor Company		2000 Legg-Mason 22000 Merrill Lynch		500 Salomon Bros. 4000 Shearson Hayden
	6000 Bear Stearns 14000 Institutional Networks	20100	10000 Drexel Burnham	152852	Northwest Airlines, Incorporated 61000 Goldman Sachs		1200 Smith Barney
	5000 Kidder Peabody Chubb Corporation		7000 Jefferies & Co. 1600 Lehman Bros.	Ì	8384 Merrill Lynch	3000	United States Fidelity & Guaranty Compan
	5000 Oppenheimer Co.	1000	1500 Morgan Stanley General Foods Corporation		69368 Morgan Stanley 14100 Salomon Bros.	35500	3000 Legg-Mason United Technologies Corporation
	5000 Salomon Bros. Citicorp	1000	1000 Shearson Hayden General Motors Corporation	11200	Northwest Bancorporation 10000 Donaldson Lufkin		2000 First Boston 33500 Morgan Stanley
	10000 Merrill Lynch 10000 Paine Webber		1000 Morgan Stanley		1200 Keefe Bruyette	2000	Warner-Lambert Company
	Colgate-Palmolive Company 22500 Blyth Eastman	7000	General Telephone & Electronics Corporation 7000` First Boston	15000	Northwestern National Life Insurance Compa 10000 Merrill Lynch	3000	2000 First Boston Williams Companies
	4000 First Boston	5000	Georgia-Pacific Corporation 2000 Cowen & Co.		5000 Oppenheimer & Co.	7700	3000 Goldman Sachs Wisconsin Power & Light Company
	4000 Cyrus Lawrence Combustion Engineering, Incorporated		3000 Morgan Stanley				7700 Paine Webber
	5000 Dain Kalman 3000 Goldman Sachs	5000	Goodyear Tire & Rubber Company 5000 Jefferies & Co.	1			
	21000 Institutional Networks	21000	Gould, Inc. 8000 Wm. Blair				
	Commonwealth Edison Company 3000 First Boston	05000	13000 Goldman Sachs				
	Connecticut General Insurance Corporation 5000 Conning & Co.		Halliburton Company 35300 Wertheim & Co.				
	5000 Jefferies & Co.	3600	Hanna Mining Company 1600 Goldman Sachs				
	Consolidated Foods Corporation 5000 Jefferies & Co.	F0000	2000 Kidder Peabody	}			
	Continental Illinois Corporation 10000 Boston Institutional Services	53000	Hercules Incorporated 15000 Drexel Burnham				
	20000 Institutional Networks		10000 Institutional Networks 15000 Oppenheimer & Co.				
	10000 Jefferies & Có. 23000 Keefe Bruyette		13000 L.F. Rothschild	I			
			13000 L.F. Rothschild	1			

#### STATE OF MINNESOTA STATE BOARD OF INVESTMENT COMPOSITION OF STATE INVESTMENT PORTFOLIO BY TYPES OF INVESTMENT June 30, 1979

	Cash and U.S. Government Short-Term	Corporate Short-Term	Municipal Obligations	U.S. Government and Agency Guarantees(1)	Canadian Governmental Obligations(1)	Corporate Bonds(1)	Common Stock(2)	Total
Basic Retirement Funds Teachers' Retirement Fund	\$ 34,750,977 6.02%	\$ 4,936,000 0.86%	\$1,463,000 0.25%	\$ 48,170,283 8.35%	\$ 44,623,944 7,74%	\$183,408,122 31.80%	\$ 259,465,410 44,98%	\$ 576,817,736 100%
Public Employees Ret. Fund	\$ 19,015,374 3.61%	\$ 14,726,000 2.80%	\$ 988,000 0.19%	\$ 35,802,866 6.81%	\$ 39,810,115 7.57%	\$178,926,527 34.02%	\$ 236,643,658 45,00%	\$ 525,912,540 100%
State Employees Ret. Fund	\$ 13,772,270 4.64%	\$ 6,710,000 2.26%	\$1,216,000 0.41%	\$ 20,519,579 6.91%	\$ 23,947,869 8.06%	\$ 96,857,822 <sup>(3)</sup> 32.61%	\$ 133,972,443 45.11%	\$ 296,995,983 100%
Public Employees Police & Fire Fund	\$ 2,546,323 2.85%	\$ 2,781,000 3.11%	-0-	\$ 3,787,548 4.24%	\$ 7,433,360 8.31%	\$ 32,742,511 36.63%	\$ 40,095,476 44.86%	\$ 89,386,218 100%
Highway Patrol Ret. Fund	\$ 1,212,206 4.25%	\$ 742,000 2.60%	\$ 92,000 0.32%	\$ 1,321,303 4.63%	\$ 1,908,696 6.68%	\$ 10,414,384 36.48%	\$ 12,861,258 45.04%	\$ 28,551,847 100%
Judges Retirement Fund	\$ 381,232 11.12%	\$ 43,000 1.26%	-0	\$ 466,636 13.62%	\$ 296,091 8.64%	\$ 1,495,042 43.62%	\$ 745,198 21,74%	\$ 3,427,199 100%
Minnesota Adjustable Fixed Benefit Fund	\$ 35,917,175 3.76%	\$ 60,923,000 6.38%	-0-	\$ 87,865,618 9.21%	\$ 55,821,714 5.85%	\$305,141,074 <sup>(4)</sup> 31.97%		\$ 954,501,157 100%
Minnesota Supplemental Ret. Fund								100%
Income Share Account	\$ 1,256,494 2.20%	\$ 2,034,000 3.56%	-0-	\$ 5,163,495 9.04%	\$ 4,279,734 7.49%	\$ 18,534,003 32.45%	\$ 25,853,649 45,26%	\$ 57,121,375 100%
Growth Share Account	\$ 854,379 3.56%	\$ 1,276,000 5.31%	-0-	-0-	<b>-</b> 0-	-0	\$ 21,890,159 91,13%	\$ 24,020,538 100%
Fixed Return Account	\$ 561,334 3.27%	\$ 704,000 4.10%	-0-	\$ 2,694,992 15.70%	\$ 3,614,391 21.05%	\$ 9,593,927 55.88%	-0-	\$ 17,168,644 100%
Minnesota Variable Annuity	\$ 1,997,657 3.32%	\$ 3,000,000 4.98%	-0-	\$ 1,928,724 3.20%	\$ 2,784,971 4.62%	\$ 9,600,889 15.93%	\$ 40,951,244 67.95%	\$ 60,263,485 100%
Total Retirement Funds	\$ 112,265,421 4.26%	\$ 97,875,000 3.72%	\$3,759,000 0.14%	\$207,721,044 7.89%	\$184,520,885 7.00%	\$846,714,301 32,14%	\$1,181,311,071 44.85%	\$2,634,166,722 100%
Permanent School Fund	\$ 8,420,911 3.16%	-0-	\$ 198,900 0.08%	\$149,213,368 55.97%	-0-	\$ 59,485,613 22.31%	\$ 49,277,780 18.48%	\$ 266,596,572 100%
Treasurers Cash Fund	\$ 482,202,442 74.68%	\$163,500,000 25.32%	-0-	<b>-</b> 0-	· -0-	-0-	-0-	\$ 645,702,442 100%
Transportation Funds	\$ 251,822,436 87.76%	\$ 27,890,000 9.72%	-0-	\$ 7,233,384 2.52%	-0-	-0-	-0-	\$ 286,945,820 100%
State Building Fund	\$ 68,346,478 100%	-0-	<b>-0</b> -	-0-	-0-	-0-	-0-	\$ 68,346,478 100%
Housing Finance Agency	\$ 36,055,000 100%	-0-	<b>-</b> 0-	-0-	-0	-0	-0-	\$ 36,055,000 100%
Miscellaneous Accounts	\$ 81,329,787 98.36%	-0-	-0-	\$ 1,354,523 1.64%	<b>-0</b> -	-0	-0-	\$ 82,684,310 100%
Taconite Area Env. Protection	\$ 9,512,466 100%	-0-	-0-	-0-	-0	-0-	-0-	\$ 9,512,466 100%
	\$1,049,954,941	\$289,265,000	\$3,957,900	\$365,522,319	\$184,520,885	\$906,199,914	\$1,230,588,851	\$4,030,009,810
	26.05%	7.18%	0.10%	9.07%	4.58%	22.49%	30.53%	100%

<sup>(1)</sup> All bonds are shown at amortized cost.
(2) All stocks are shown at net original cost.
(4) Includes \$1,149,410.00 of convertible debentures 0.38% of the account.
(3) Includes \$114,375.00 of convertible debentures 0.12% of the account.



State of Minnesota

# Office of the Legislative Auditor

Eldon Stochr, Legislative Auditor

Willard C. Olson, Deputy Legislative Auditor Financial Audits Division

State Board of Investment

and

Jonathan P. White, Executive Secretary

We have examined the Statements of Net Assets and the Statements of Participation and Undistributed Earnings of the Minnesota Adjustable Fixed Benefit Fund, Minnesota Supplemental Retirement Fund, and the Minnesota Variable Annuity Fund of the Minnesota State Board of Investment as of June 30, 1978 and 1979, and the related Statements of Changes in Net Assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the assets, liabilities, and participation of the several funds referred to above and administered wholly and solely by the Minnesota State Board of Investment as of June 30, 1978 and 1979, and the changes in net assets including results of investments for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The information presented on pages 1 to 35 of this report is not necessary for a fair presentation of the financial statements in conformity with generally accepted accounting principles. Therefore, this information, prepared by the State Board of Investment, has not been subjected to the audit procedures applied in the examination of the basic financial statements and we assume no responsibility for it.

Eldon Stoehr

Legislative Auditor

October 15, 1979

#### STATE BOARD OF INVESTMENT MINNESOTA SUPPLEMENTAL RETIREMENT FUND INCOME SHARE ACCOUNT

#### STATEMENT OF NET ASSETS June 30, 1978 and 1979

	Jun	e 30
	1978	1979
Assets:		
Investments (at market value) <sup>2</sup>	400 500 000	627 992 400
Cammon Stock	\$29,523,088	\$27,882,406
Fixed Income Securities	29,368,380	26,638,322
U.S. Government Short-Term Securities	576,893	1,264,574
Commercial Paper	1,030,215	2,038,059
Total Investments	\$60,498,576	\$57,823,361
Cash with State Treasurer Accounts Receivable	\$ 129	\$ 80,462
Accrued Interest	653,468	613,141
Accrued Dividends	157,259	163,162
Total Assets	\$61,309,432	\$58,680,126
Liabilities:		
Participant Contribution Paid in Advance Security Purchases Payable	\$ 80,070	\$ 80,066
Total Liabilities	\$ 80,070	\$ 80,066
Net Assets June 30	\$61,229,362	\$58,600,060

#### STATEMENT OF CHANGES IN NET ASSETS Years Ended June 30, 1978 and 1979

Year Ende	ed June 30
1978	1979
\$54,755,821	\$61,229,362
\$ 2,354,107	\$ 2,337,095
1,538,259	1,612,362
128,860	228,788
79,229	322,232
936	6,797
\$ 4,101,391	\$ 4,507,274
	\$ 17,917
	676,000
438	677
\$ 438	\$ 694,594
\$ 4.100.953	\$ 3.812.680
	(8,311,350)
• •	
(4,432,686)	1,869,368
\$61,229,362	\$58,600,060
	1978 \$54,755,821 \$ 2,354,107 1,538,259 128,860 79,229 936 \$ 4,101,391 438 \$ 438 \$ 4,100,953 6,805,274 (4,432,686)

#### STATEMENT OF PARTICIPATION June 30, 1978 and 1979

June 30 1978 June 30, 1979 Number of Market Number of Market Participant Shares Value Shares Value Albert Lea Firemen's Relief 114,709 \$ 1,007,231 122,096 \$ 1,183,690 Apple Valley Firemen's Relief Bloomington Fire Department Relief 534 208,378 5,177 2,020,172 Bloomington Police Relief Duluth Police Pension Fairmont Police Benefit 131,292 37,786 8,022 16,728 381,663 366,326 77,771 1.152.842 39,368 37,786 331,789 70,439 146,884 1,901,515 2,629,571 9,583,414 8,022 Faribault Police Benefit Hennepin County Supplemental Retirement Minneapolis Fire Department 216,555 299,470 1,091,412 262,321 2,543,136 Minneapolis Police Relief New Ulm Police Relief Red Wing Police Benefit Rochester Fire Department Relief 12,697 37,327 2,338,041 1,446 4,251 1,446 14,019 291,996 214,224 32,217 2,830,828 2,076,848 312,336 266 269 Rochester Police Pension Fund St. Cloud Fire Department Relief 185,278 32,217 1,626,880 St. Louis Park Fire Department Relief
St. Louis Park Fire Department Relief
St. Paul Fire Department — General
St. Paul Fire Department — Special
St. Paul Police Relief
MSRS Deferred Compensation 48,831 3,116 10,751 473,404 30,209 104,228 48,831 428.773 428,773 27,361 94,402 7,327,148 9,300,771 4,630,185 3,116 10,751 912,358 1,141,934 8,845,081 11,070,762 834 456 1,059,223 6,113,586 4,964,535 48,299 630 608 461,086 4,982 1,397,908 4,048,680 43,746 12,274,679 MSRS Unclassified Employees Escrow So. St. Paul Policemen's Relief 4.982 1,531,628 13,107 14,848,747 127,069 Teachers' Supplemental Retirement Winona Fire Department Relief Winona Police Department 13,107 9,341 115,089 82.021 6,973,137 Total Shares 6,044,516 Total Participation Value \$61,229,362 \$58,600,060

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Practices:

The accompanying financial statements include the transactions of the Income Share account recorded on an accrual basis except that contributions, short-term gains, and investment expenses are recorded on a cash basis.

#### 2. The cost of Investments at June 30 was:

	1978	1979
Common Stock	\$29,591,711	\$26,351,734
Fixed Income Securities	30,978,866	27,977,232
U.S. Government Short-term Securities	563,070	1,256,099
Commercial Paper	1,030,000	2,034,000
Total	\$62,163,647	\$57,619,065

# STATE BOARD OF INVESTMENT MINNESOTA SUPPLEMENTAL RETIREMENT FUND GROWTH SHARE ACCOUNT

#### STATEMENT OF NET ASSETS June 30, 1978 and 1979

	Jun	e 30 _
Assets:	1978	1979
Investments (at market value) <sup>2</sup>	<del></del>	
Common Stock	\$18,867,363	\$22,532,144
Commercial Paper	624,130	1,276,667
U.S. Government Short-Term Securities	516,893	863,135
Total Investments	\$20,008,386	\$24,671,946
Cash with State Treasurer	\$ 308	\$ 20.461
Accrued Dividends	66,636	81,331
Total Assets	\$20,075,330	\$24,773,738
Liabilities:		
Participant Contributions Paid in Advance Securities Purchases Payable	\$ 20,000	\$ 20,012
Total Liabilities	\$ 20,000	\$ 20,012
Net Assets June 30	\$20,055,330	\$24,753,726

#### STATEMENT OF CHANGES IN NET ASSETS Years Ended June 30, 1978 and 1979

•	Year Ended June 30,		
	1978	1979	
Net Assets July 1	\$17,002,340	\$20,055,330	
Income: Dividends Short-Term Gain Profit on Sale of Stock	\$ 688,687 43,710	\$ 930,005 123,471	
Total Income	\$ 732,397	\$ 1,053,476	
Deductions from Income: Loss on Sale of Stock Investment Expense	\$ 61,189 116	\$ 19,428 432	
Total Deductions from Income	\$ 61,305	\$ 19,860	
Net Income Net Increase in Participation Net Increase in Unrealized Appreciation of Investments	\$ 671,092 2,468,417	\$ 1,033,616 1,692,716	
Net Assets June 30	(86,519) \$20,055,330	1,972,064 \$24,753,726	

#### STATEMENT OF PARTICIPATION June 30, 1978 and 1979

	June	30, 1978	June 30, 1979		
Participant	Number of Shares	Market Value	Number of Shares	Market Value	
Apple Valley Firemen's Relief		\$	819	\$ 5.138	
Bloomington Fire Department Relief	21,908	120,444	21,908	137,442	
MSRS Deferred Compensation	566,449	3,114,174	697.708	4.377.149	
Hennepin County Supplemental Retirement	527,802	2,901,704	583.655	3,661,625	
St. Paul Fire Department - General	2,807	15,432	2.807	17,610	
St. Paul Fire Department - Special	261,128	1,435,607	291,667	1,829,805	
St. Paul Police Relief	308,054	1,693,592	238,899	1,498,760	
MSRS Unclassified Employee Escrow	311,272	1,711,284	338,447	2,123,285	
Teachers' Supplemental Retirement	1,648,521	9,063,093	1,769,780	11,102,912	
Total Shares	3,647,941		3,945,690		
Total Participation		\$20,055,330		\$24,753,726	

## NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of significant accounting practices:

The accompanying financial statements include the transactions of the Growth Share Account recorded on an accrual basis except that contributions, short-term gains and investment expenses are recorded on a cash basis,

#### 2. The book value of Investments at June 30 was:

1978	1979
\$20,506,269	\$22,194,905
624,000	1,276,000
503,070	853,930
\$21,633,339	\$24,324,835
	624,000 503,070

# STATE BOARD OF INVESTMENT MINNESOTA SUPPLEMENTAL RETIREMENT FUND FIXED RETURN ACCOUNT

#### STATEMENT OF NET ASSETS June 30, 1978 and 1979

	June 30		
	1978	1979	
Assets: Investments (at amortized cost) <sup>2</sup>			
Fixed Income Securities U.S. Government Short-Term Securities	\$13,228,570	\$15,903,310 476,000	
Commercial Paper	732,000	704,000	
Total Investments	\$13,960,570	\$17,083,310	
Cash with State Treasurer	\$ 574	\$ 100,510	
Accrued Interest	307,491	362,837	
Net Assets June 30	\$14,268,635	\$17,546,657	

#### STATEMENT OF CHANGES IN NET ASSETS Years Ended June 30, 1978 and 1979

	Year Ended June 30	
	1978	1979
Net Assets July 1	\$ 8,798,734	\$14,268,635
Income:		
Interest	\$ 898,296	\$ 1,211,599
Short-Term Gain	29,349	74,099
Profit on Sale of Bonds	13,480	24,116
Total Income	\$ 941,125	\$ 1,309,814
Deductions from Income		
Investment Expense	\$ 173	\$ 383
Loss on Sale of Bonds		130,247
Total Deductions from Income	\$ 173	\$ 130,630
Net Income	\$ 940,952	\$ 1,179,184
Net Increase in Participation <sup>3</sup>	5,432,286	3,278,124
Distribution of Interest	(903,337)	(1,179,286)
Net Assets June 30	\$14,268,635	\$17,546,657

# STATEMENT OF PARTICIPATION AND UNDISTRIBUTED EARNINGS June 30, 1978 and 1979

	June 30	
Participant	1978	1979
Albert Lea Firemen's Relief	\$	\$ 56,500
Apple Valley Firemen's Relief		17,872
Bloomington Police Relief	558,776	604,238
Chanhassen Fire Relief	10,208	11,055
Crookston Police Relief	43,258	88,070
MSRS Deferred Compensation	5,017,699	8,919,726
Faribault Police Senefit	247,171	294,911
Hennepin County Supplemental Retirement	155,937	303,747
Minneapolis Police Relief	1,927,453	
Moorhead Police Relief	262,918	
Rochester Police Pension Fund <sup>4</sup>	801,371	913,094
St. Cloud Police Relief	367,373	
St. Paul Fire Department - Special	3,558,162	4,778,290
South St. Paul Police Relief	47,675	51,839
Thief River Falls Police Relief <sup>4</sup>	13,934	15,175
MSRS Unclassified Employees Escrow	1,107,061	1,487,979
West St. Paul Police Relief	102,408	
Total Participation	\$14,221,404	\$17,542,496
Undistributed Earnings	47,231	4,161
Total Participation and Undistributed Earnings	\$14,268,635	\$17,546,657

#### NOTES TO FINANCIAL STATEMENTS

June 30, 1978 and 1979

Summary of significant accounting practices:
 The accompanying financial statements include the transactions of the Fixed Return Account recorded on an accrural hasis exxeent that contributions short-term gains and investment expenses are recorded on a cash basis.

2. The approximate market value of investments at June 30 was:

	1978	1979
Fixed Income Securities	\$12,619,086	\$15,149,621
U.S. Government Short-Term Securities		476,175
Commercial Paper	732,000	704,385
Total	\$13,351,086	\$16,330,181

- Withdrawals from the Fixed Return Account are paid out at original contribution plus reinvested earnings and accrued interest to the date of withdrawal.
- 4. As of October 15, 1979, these participants had withdrawn from the account.

#### STATE BOARD OF INVESTMENT MINNESOTA VARIABLE ANNUITY FUND

#### STATEMENT OF NET ASSETS June 30, 1978 and 1979

	June 30	
	1978	1979
Assets:		
Investments (at cost) <sup>2</sup>		
Common Stock	\$38,259,294	\$41,006,459
Fixed Income Securities	14,055,499	14,314,584
U.S. Government Short-Term Securities	• •	1,996,711
Commercial Paper	3,725,000	3,000,000
Total Investments	\$56,039,793	\$60,317,754
Cash with State Treasurer	\$ 587	\$ 947
Accrued Interest .	298,494	301.321
Accrued Dividends	149,508	181,611
Admitted Value Increment <sup>3</sup>	2,721,420	(786,043)
Net Assets June 30	\$59,209,802	\$60,015,590

#### STATEMENT OF CHANGES IN NET ASSETS Years Ended June 30, 1978 and 1979

	Year Ended June 30	
	1978	1979
Net Assets July 1	\$43,822,579	\$59,209,802
Income:		
Interest	\$ 1,072,087	\$ 1,220,969
Dividends	1,374,193	1,817,687
Short-term Gain	115,172	314,531
Profit on Sale of Stock	269,340	377,889
Profit on Sale of Bonds	1,598	5,643
Total Income	\$ 2,832,390	\$ 3,736,719
Deductions from Income:		¥
Loss on Sale of Stock		\$ 20,637
Investment Expense	\$ 370	552
Total Deductions from Income	\$ 370	\$ 21,189
Net Income	\$ 2.832,020	\$ 3,715,530
Net Increase in Participation <sup>4</sup>	8,904,488	597,721
Net Change in Admitted Value	3,650,715	(3,507,463)
Net Assets June 30	\$59,209,802	\$60,015,590

#### NOTES TO FINANCIAL STATEMENTS June 30, 1978 and 1979

1. Summary of significant accounting practices:

The accompanying financial statements include the transactions of the Minnesota Variable Annuity Fund recorded on an accrual basis except that contributions, short-term gains and investment expenses are recorded on a cash basis. Also, unrealized security appreciation is recognized by the method more fully explained in note 3.

2. The approximate market value of Investments on June 30 was:

	1978	1979
Common Stock	\$36,240,483	\$42,106,531
Fixed Income Securities	13,270,041	13,281,877
U.S. Government Short-Term Securities		2,009,426
Commercial Paper	3,738,265	3,001,445
Total	\$53,248,789	\$60,399,279

- 3. The admitted value increment is the amount by which the recognized value of investments is above or below the book value of investments. The admitted value is based on an average ratio of book value to market value of the securities calculated over a two year period. This method of valuation is prescribed by Minnesota
- 4. Laws of Minnesota for 1978, Chepter 781, stated in part "Effective July 1, 1978 no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation . . .". Very few members of the Teachers' Retirement Fund elected to continue in the variable annuity division, which accounts for the significant decrease in the level of contributions for participation in the variable annuity fund. Previous contributions for all former and current participants in the variable annuity fund will remain in that fund until the participant retires or withdraws in accordance with the Teachers' Retirement Act (M.S. 354).

## STATE BOARD OF INVESTMENT MINNESOTA ADJUSTABLE FIXED BENEFIT FUND

#### STATEMENT OF NET ASSETS June 30, 1978 and 1979

	Jui	ne 30
	1978	1979
Assets:	<del></del>	
Investments (at cost) <sup>2</sup>		
Common Stock –	\$384,477,346	\$ 420,415,404
Fixed Income Securities	393,454,539	447,586,253
Convertible Debentures	4,309,365	1,149,410
U.S. Government Short-term Securities	4,862,000	37,726,052
Commercial Paper	44,742,000	60,923,000
Total Investments	\$831,845,250	\$ 967,800,119
Cash with State Treasurer	1,839	710
Accounts Receivable	38,900	385.437
Accrued Interest	7,872,260	8,804,756
Accrued Dividends	1,704,734	2,216,901
Accrued Short-term Gain	74,667	270,927
Unrealized Market Appreciation (Depreciation) <sup>3</sup>	4,838,178	(8,492,377)
Deferred Yield Adjustment <sup>4</sup>	6,670,721	6.087.114
Due From/(To) Other Funds —		
(Mortality (gain) or loss) <sup>5</sup>	467,182	
Annuity Stabilization Reserve <sup>6</sup>	48,600,793	51,372,922
Total Assets	\$902,114,524	\$1,028,446,509
Liabilities:		
Security Purchases Payable	\$ 3,359,931	\$ 2,195,024
Participant Contributions Paid in Advance	4,300,000	Ø 2,133,024
Actuarial Deficiency7	48,600,793	51,372,922
Total Liabilities	\$ 56,260,724	\$ 53,567,946
Net Assets	\$845,853,800	\$ 974,878,563
	=======================================	3 5/4,8/8,303

#### STATEMENT OF CHANGES IN NET ASSETS Years Ended June 30, 1978 and 1979

	Year Ended June 30	
	1978	1979
Net Assets July 1	\$748,046,005	\$845,853,800
Income:		
Interest	\$ 29,402,406	\$ 35,742,342
Dividends	17,306,475	22,252,429
Short-term gains	1,738,348	3,152,933
Discount accumulation	536,381	495,160
Total Income	\$ 48,983,610	\$ 61,642,864
Deductions from Income:		
Investment expense	\$ 4,414	\$ 6,303
Premium Amortization	4.422	8.038
Amortization of deferred yield adjustment	753,940	768,135
Appropriation for lump sum benefit <sup>8</sup>	(1,868,525)	,
Total Deductions from Income	\$ (1,105,749)	\$ 782,476
Net Income	\$ 50,089,359	\$ 60,860,388
Net increase in participation	57,437,612	76,033,450
Changes in unrealized market appreciation	(4,186,358)	(7,827,574)
Appropriated retained earnings8	(6,000,000)	
Mortality gain or loss	467.182	
Interest Paid on Refunded Contributions		(41,501)
Net Assets June 30	\$845,853,800	\$974,878,563

#### STATEMENT OF PARTICIPATION AND UNDISTRIBUTED EARNINGS June 30, 1978 and 1979

	June 30	
Participant	1978	1979
Teachers Retirement Fund <sup>9</sup>	\$314,776,001	\$358,195,201
Public Employees Retirement Fund	213,335,311	243,931,953
State Employees Retirement Fund 10	141,687,419	169.860.621
Minneapolis Municipal Employees Retirement	141,846,913	160,413,791
Public Employees Police and Fire Fund	19,091,442	25,217,193
Highway Patrolmen's Retirement Fund	10,883,802	12,066,969
Legislators and Survivors Retirement Fund	1,996,930	1,966,190
Judges Retirement Fund	2,235,982	3,226,645
Total Participation and Undistributed Earnings	\$845,853,800	\$974,878,563

#### NOTES TO FINANCIAL STATEMENTS June 30, 1978 and 1979

- 1. Summary of Significant Accounting Practices: The accompanying financial statements include the transactions of the Minnesota Adjustable Fixed Benefit Fund recorded on an accrual basis with the following exceptions: a) Contributions, withdrawals, short-term gains and investment expenses are recorded on a cash basis. b) A limited amount of unrealized gain or loss on equity investments is used to determine income by a method more fully described in Note 3. c) Losses from the sale of fixed income investments are amortized over the average remaining life of the securities sold by a method more fully described in Note 4.
- 2. The approximate market value of investments as of June 30 was:

	1978	19/9
Common Stock	\$377,872,553	\$435,593,229
Fixed Income Securities	369,995,831	418,605,803
Convertible-debentures	3,881,000	840.000
U.S. Government Short-term Securities	4,862,000	37,878,718
Commercial Paper	44,816,667	61,078,265
	\$801 428 051	\$953 996 015

- 3. The unrealized market appreciation (depreciation) is the amount by which the admitted value of equity securities exceeds the book value of such securities. The admitted value is determined by the average ratio of book value to market value of the securities, valued bimonthly over a two year period. This method is more fully described in Minnesota Statutes, 1978, Section 11.25, Subdivisions 4 to 8 inclusive.
- 4. The deferred yield adjustment account, established pursuant to Minnesota Statutes, 1978, section 11.25, subdivision 5, is the unamortized loss on the sale or disposition of debt securities. The account is increased by the loss on the sale of debt securities and decreases by the gain on sale of such securities. At the end of each year, a portion of the balance is offset against investment income for the year.
- 5. Mortality gains and losses are calculated after year end by each participants actuary. Transfers to or from the MAFB fund for June 30, 1979 mortality will be made late in calendar year 1979. The amount of mortality gain or loss applicable to June 30, 1979 is not reasonably estimatable and therefore no amount is included in these statements. It is not anticipated that the sum calculated for June 30, 1979 would have a material effect on these statements.
- The annuity stabilization reserve is the difference between the actuarilly determined reserves required to support benefits in force and the assets of the fund. This calculation is prescribed by Minnesota Statutes, 1978, section 11.25, subdivision 13.
- The annuity stabilization reserve and the actuarial deficiency have been estimated for June 30, 1979 in accordance with Minnesota Statutes 1978, section 11.25, subdivision 12 (a)(5).
- 8. Appropriated retained earnings was the estimated amount needed for additional payments to persons receiving annuities on benefits from the Minnesota Adjustable Fixed Benefit Fund. The payments were appropriated from the Minnesota Adjustable Fixed Benefit Fund pursuant to Laws 1977, Chapter 388, Section 4. Actual payments were \$4,131,475.00. The balance, \$1,868,525.00, was distributed to participants in the fund based on participation ratios in fiscal year 1978.
- Participation for June 30, 1979 includes \$16,000,000 transferred on June 30, 1979 in anticipation of a change
  in life expectancy estimates by the actuary for Teachers' Retirement Association.
- Participation of the State Employees Retirement Fund was increased by \$14,239,691 on July 1, 1978 through
  the merger and transfer of assets, of the Metropolitan Transit Commission transit operating division retirement fund into the State Employees' Fund.