



# **ANNUAL FINANCIAL REPORT**

FOR THE YEARS ENDED JUNE 30, 1992 AND JUNE 30, 1991

**LOS ANGELES COUNTY EMPLOYEES  
RETIREMENT ASSOCIATION**

PASADENA, CA

**COMPONENT UNIT  
FINANCIAL REPORT**

**L//CERA**





# **ANNUAL FINANCIAL REPORT**

FOR THE YEARS ENDED JUNE 30, 1992 AND JUNE 30, 1991

ISSUED BY  
CHARLES F. CONRAD  
CHIEF EXECUTIVE OFFICER

MARSHA D. RICHTER  
ASSISTANT EXECUTIVE OFFICER

**LOS ANGELES COUNTY EMPLOYEES  
RETIREMENT ASSOCIATION**

300 NORTH LAKE AVENUE  
PASADENA, CALIFORNIA 91101

**COMPONENT UNIT  
FINANCIAL REPORT**

**L//CERA**



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# **INTRODUCTORY SECTION**

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Los Angeles County Employees Retirement Association 

Gateway Plaza • 300 N. Lake Avenue • Pasadena, CA 91101-4199

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Los Angeles County Employees  
Retirement Association  
Board of Retirement  
Board of Investments  
Gateway Plaza  
300 North Lake Avenue, Suite 820  
Pasadena, California 91101

October 23, 1992

Dear Board Members:

#### LETTER OF TRANSMITTAL

I am pleased to submit the Annual Financial Report of the Los Angeles County Employees Retirement Association (LACERA) for the years ended June 30, 1992 and June 30, 1991.

The annual financial report consists of four sections: introductory, financial, actuarial, and statistical. The introductory section includes this Letter of Transmittal, a listing of the Members of the Boards of Retirement and Investments, an overview of LACERA's administrative organization, and a list of professional organizations utilized by the Association.

The financial section includes our financial statements and related supplementary financial information, as well as the independent auditor's report on the financial statements and schedules. The actuarial section includes the opinion letter of the independent actuary, the results of our actuarial valuation, as well as general LACERA plan provisions. The statistical section includes detailed information on LACERA's operations presented on a multiyear basis.

It is the responsibility of LACERA management to ensure that the presentation is accurate and fair, and that all material disclosures have been made.

#### LACERA AND ITS SERVICES

LACERA began operations on January 1, 1938. The Association is governed by the California Constitution, the County Employees Retirement Law of 1937, and the By-Laws, procedures and policies adopted by the Boards of Retirement and Investments. The Los Angeles County Board of Supervisors may also adopt resolutions, as permitted by the Retirement Law of 1937, which may affect the benefits of LACERA members.

The general management of LACERA is the responsibility of the Board of Retirement. The Board of Investments is responsible for the investment objectives, strategies, and policies of the employees retirement fund. Each board is composed of four elected members, four County appointed members, and the County Treasurer-Tax Collector as an ex-officio member. The Board of Retirement retains a fifth elected

member as an alternate. The day-to-day management of the Association is delegated to a Chief Executive Officer appointed by both boards.

LACERA provides retirement, disability and death benefits to its active general and safety members. Safety membership includes law enforcement (Sheriff, Marshal, and District Attorney Investigators), firefighting, forester, and lifeguard classifications. General membership is applicable to all other occupational classifications.

LACERA collects, deposits, invests, and manages retirement trust funds solely in the interest of, and for the exclusive purposes of providing benefits to participants and their beneficiaries while minimizing employer contributions. The Association acts as a fiduciary agent for the accounting and control of member and employer contributions and investment income. Under the overall policy direction of the Boards of Retirement and Investments, LACERA identifies, develops, and advances legislation, rules, and policies which promote the interests of the Fund.

The annual report focuses on the operations of LACERA and does not include any other entities' financial information.

LACERA administers the retirement plan primarily for the County of Los Angeles (County) and the employees of the County. In addition, the following employers also participate in the retirement plan:

County Superintendent of Schools  
Little Lake Cemetery District  
Local Agency Formation Commission  
South Coast Air Quality Management District

#### ECONOMIC CONDITION AND OUTLOOK

In fiscal year 1991-92, the U.S. economy continued to experience low inflation and broad-based weakness with modest growth in the Gross Domestic Product. Limited employment growth and minimal wage increases resulted in disappointing personal consumption expenditures and a decrease in the Consumer Confidence Index. Industrial production slowed as the manufacturing sector concentrated on reducing excess inventories. Although the U.S. dollar declined against other major currencies, demand for U.S. exports fell as international economic prospects waned.

Despite the current economic environment, leading economists forecast a gradual recovery for the U.S. economy in 1993. Industrial production, disposable personal income and personal consumption are all expected to rise modestly over the next four quarters. A slight decline in the unemployment rate is also anticipated. Inflation is projected to remain under control, with a small increase in the Consumer Price Index.

LACERA's well-diversified portfolio provides a prudent investment structure that should perform well in the upcoming fiscal year. Should the economy rebound and corporate earnings estimates be realized in a low inflationary environment, LACERA's domestic equity investments are positioned to generate positive

returns. Additionally, if interest rates remain at current levels, LACERA's fixed income investments should produce a cash yield that will contribute to the total performance of the fund.

LACERA's international equity exposure in Europe and the Pacific Basin will benefit from the eventual economic recovery of these overseas markets. Superior long-term performance results are expected from this asset class.

Finally, LACERA's ongoing real estate strategy is focused on high income properties. As this plan continues to be implemented in the current fiscal year, higher cash earnings should be realized.

### MAJOR INITIATIVES

#### *For the Year*

The commitment to providing a high quality service to its members using integrated, cost effective procedures and practices is an ongoing goal of LACERA.

The LACERA Outreach Program was restructured and enhanced to improve the communication of complex retirement issues to members. The enhancement includes the production of a video on disability and survivor benefits and an award winning video on new employee orientation.

New on-site seminar facilities were opened and the number of off-site seminars available to members was increased.

Retired members were invited to a LACERA Health Fair sponsored by health care providers and health care organizations.

To answer member questions in the most efficient manner possible, LACERA's telephone unit has undergone intensive retirement information training and received database access.

Work has begun on establishing service level goals for all member services through a new customer satisfaction assessment program and on workload statistical reporting and forecasting.

Medicare risk contracts, Medicare Part B premium reimbursement, Supplement to Medicare plans and new benefit integration features were introduced for all retiree health care participants.

Work continued on the proposed IRS non-discrimination rules, the implementation of the Older Workers Benefit Protection Act, the Pension Simplification Bill and the American with Disabilities Act.

A request for proposal was issued, proposals evaluated, and a Health Care Consultant was selected and hired.

The STAR cost-of-living program was extended for calendar year 1993.

In addition to maximizing member services, LACERA is also committed to minimizing its

administrative costs through efficient use of existing resources and the acquisition of cost effective services and supplies.

The LACERA management team was restructured and certain personnel transfers were made to maximize the talents of team members.

Creation of an IRIS Internal Controls Task Force and the evaluation of our structure, workflow and procedures in the accounting area has laid a foundation for an integrated automated accounting system and a discreet Internal Audit function.

The centralized procurement operations were enhanced and expanded.

The appointment of a Chief Investment Officer, the filling of senior investment positions and the acquisition of significant consulting, database and software resources has positioned the Investment Office to provide effective assistance and advice to the Association.

The LACERA International Equity portfolio was restructured, a large global account was established, an International Consultant and Alternative Asset Consultant format was adopted, and a revised policy for the optimization of the asset allocation structure was developed.

*For the future*

LACERA anticipates that global economic conditions will draw more attention to the pension community and the funds under their management. Management of public and governmental relations will consume an increasingly large proportion of senior staff and board resources.

LACERA is planning for the County's 1993 Early Separation Program which is expected to retire approximately 4,000 County employees. The Early Separation Program will require a significant redirection of staff resources to administer.

LACERA is responding to new federal distribution regulations which will become effective January 1, 1993. These new regulations require that non-retirement distributions to members and spouses be directly rolled-over to another qualified plan or individual retirement account, or be subject to withholding.

**FINANCIAL INFORMATION**

Management of LACERA is responsible for establishing and maintaining an internal control structure designed to ensure that the assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. In addition to the financial statement audit performed by LACERA's contract auditor, the contract auditor also performs an agreed upon procedures audit to monitor and evaluate the internal control environment.

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Boards of Retirement and Investments.



Management has begun the development of an internal audit function through the establishment of an internal controls section. The current duties of the internal controls section are focused on the strengthening of existing controls and assisting other LACERA divisions with policy and procedural development support.

#### REVENUES AND EXPENSES

The following is a comparison of the June 30, 1992 and June 30, 1991 revenues and expenses (amounts in thousands):

	Year Ended June 30		Increase (Decrease)
	1992	1991	
<b>REVENUES</b>			
Member Contributions	\$ 146,422	\$ 127,309	\$ 19,113
Employer Contributions	387,954	350,607	37,347
Total Contributions	534,376	477,916	56,460
Other Additions	136	20	116
Investment Income	1,214,980	748,334	466,646
Less: Investment Expenses	34,474	29,953	4,521
Net Investment Income	1,180,506	718,381	462,125
Other Revenue	18	441	(423)
<b>TOTAL REVENUES</b>	<b>1,715,036</b>	<b>1,196,758</b>	<b>518,278</b>
<b>EXPENSES</b>			
Benefits	566,181	516,236	49,945
Other Expenses	30,665	31,816	(1,151)
<b>TOTAL EXPENSES</b>	<b>596,846</b>	<b>548,052</b>	<b>48,794</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 1,118,190</b>	<b>\$ 648,706</b>	<b>\$ 469,484</b>

The investment portfolio generates LACERA's primary source of revenue. The portfolio's market value as of June 30, 1992 and June 30, 1991 was \$12.5 billion and \$10.9 billion, respectively. The increase in current year investment income is attributable to a higher volume of trading activity in the domestic equity and bond portfolios over the prior year.

The benefit expense increase in the current year is consistent with expense increases experienced in prior years. As the retirement plan matures, a greater number of retirees are added to the payroll each year than were added to the payroll in the previous year.

### FUND BALANCE

The total fund balance as of June 30, 1992, was \$11 billion, representing a net increase from the previous year of \$1.1 billion. Of the \$1.1 billion increase, \$780 million was credited as interest to the various reserves, \$240 million was transferred to the employer reserve for the retirement of the unfunded accrued actuarial liability, and \$172 million was transferred to the retired member reserve for the funding of the Supplemental Targeted Adjustment for Retirees (STAR) program.

Over the past twenty years, LACERA's investments have generated approximately \$2.8 billion in earnings above the amount required to credit interest to member and employer reserves, meet our actuarial assumptions and ensure that one percent of the plan assets are reserved. Of these earnings, \$2.1 billion have been used to reduce the retirement system's unfunded liability and to lower the employer contribution rates. Some \$373 million have been used to fund the STAR program. The remaining funds were used to pay supplemental benefits as approved by the Board of Retirement.

### SUPPLEMENTAL TARGETED ADJUSTMENT FOR RETIREES (STAR)

STAR is a supplemental cost-of-living benefit for retirees or their survivors who have lost 25% or more of the purchasing power of their original retirement benefit. It is authorized by the Retirement Law.

The Board of Retirement unanimously approved the STAR program in December of 1989. Approximately 19,000 retirees began receiving STAR benefits in 1990. Benefit payments were approved at the same level for 1991 and 1992.

### ACTUARIAL FUNDING STATUS

For the purposes of determining contribution rates for members and employers and determining LACERA's funding status, LACERA engages an independent actuarial firm to conduct a triennial valuation and investigation in accordance with the County Employees Retirement Law of 1937. The last such completed triennial valuation was performed as of June 30, 1989 using the entry age normal method. The valuation as of June 30, 1992 is in process at the time of this report. As reported in the June 30, 1989 valuation, the total actuarial accrued liability (UAAL) was \$10.5 billion of which \$1.5 billion was considered unfunded. The UAAL is being funded through employer contributions and available excess earnings generated from the investment portfolio. The original 30 year UAAL funding period, which commenced July 1, 1978, and was to end June 30, 2008, has been amended by the Board of Investments to re-amortize the UAAL using a new 30 year funding assumption over each of the next four years. The new 30 year funding assumption became effective July 1, 1992 and will remain in effect until July 1, 1996. At that time any remaining UAAL will convert to a 16 year funding period. The plan actuary reviewed the amended amortization plan and maintains the funding status of the plan is sound and funding progress will continue within the long range goals set by the Board of Investments.

Additionally, the Board of Investments has authorized annual valuations to monitor the progress of the funding status. These annual valuations will use the projected unit credit method, as required by the

Governmental Accounting Standards Board, thereby providing uniform disclosure in the notes to the financial statements.

#### CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate for Excellence in Financial Reporting to LACERA for its annual financial report for the fiscal year ended June 30, 1991. This is the second consecutive year LACERA received this prestigious national award. In order to be awarded a Certificate of Achievement, LACERA must publish an easily readable and efficiently organized annual financial report, whose content must both conform to program standards, satisfy generally accepted accounting principles and other applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA for consideration.

#### ACKNOWLEDGEMENTS

The preparation of the annual financial report on a timely basis was made possible by the dedicated work of the LACERA staff. Each staff member who contributed to the team has my sincere appreciation. I would like to thank our contract auditors, Coopers & Lybrand, and Simpson & Simpson, for their professionalism and assistance.

On behalf of the LACERA staff, we wish to thank the Board of Retirement and the Board of Investments, without whose leadership and support the preparation of this report would not have been possible.

Respectfully Submitted,

*Charles F. Conrad*

Charles F. Conrad  
Chief Executive Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County Employees  
Retirement Association,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1991

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*[Signature]*  
President

*[Signature]*  
Executive Director

**MEMBERS OF THE BOARD OF RETIREMENT**

At June 30, 1992 were as follows:

**CHAIRMAN**

**Robert J. Hermann**

Sheriff's Department. Elected by safety members. Present term expires December 31, 1992. Elected Chairman of the Board, January 6, 1992.



**VICE-CHAIRMAN**

**Jack M. Thomas**

Appointed by the Board of Supervisors. Present term expires December 31, 1993. Elected Vice-Chairman of the Board, January 6, 1992.



**SECRETARY**

**Robert A. Stotelmeyer**

Retired. Elected by retired members. Present term expires December 31, 1993. Elected Secretary of the Board, January 6, 1992.



**MEMBER**

**Sandra M. Davis**

Treasurer and Tax Collector. Appointed by the Board of Supervisors. Ex-officio member.



**MEMBER**

**Warren S. Pope**

Appointed by the Board of Supervisors. Present term expires December 31, 1993.



**MEMBER**

**Simon S. Russin**

Department of Health Services. Elected by general members. Present term expires December 31, 1994.



**MEMBER**

**Richard Shumsky**

Probation Department. Elected by general members. Present term expires December 31, 1993.



**MEMBER**

**Richard M. Tafoya**

Appointed by the Board of Supervisors. Present term expires December 31, 1994.



**MEMBER**

**Linda J. Wong**

Appointed by the Board of Supervisors. Present term expires December 31, 1992.



**ALTERNATE MEMBER**

**Cody Ferguson**

Forester and Fire Warden's Department. Elected by safety members. Present term expires December 31, 1992.



**MEMBERS OF THE BOARD OF INVESTMENTS**

At June 30, 1992 were as follows:

**CHAIRMAN**

**Norman S. Johnson**

Retired. Elected by retired members. Present term expires December 31, 1993. Elected Chairman of the Board January 8, 1992.



**VICE-CHAIRMAN**

**Leo B. Babich**

Appointed by the Board of Supervisors. Present term expires December 31, 1992. Elected Vice-Chairman of the Board January 8, 1992.



**SECRETARY**

**Alan Lowy**

Appointed by the Board of Supervisors. Present term expires December 31, 1994. Elected Secretary of the Board January 8, 1992.



**MEMBER**

**Sandra J. Anderson**

Department of Health Services. Elected by general members. Present term expires December 31, 1994.



**MEMBER**

**Sandra M. Davis**

Treasurer and Tax Collector. Appointed by the Board of Supervisors. Ex-officio member.



**MEMBER**

**Michael L. Falabrino**

Appointed by the Board of Supervisors. Present term expires December 31, 1993.



**MEMBER**

**Robert J. Hermann**

Sheriff's Department. Elected by safety members. Present term expires December 31, 1992.



**MEMBER**

**Marvyn E. Kaye**

District Attorneys Office. Elected by general members. Present term expires December 31, 1993.

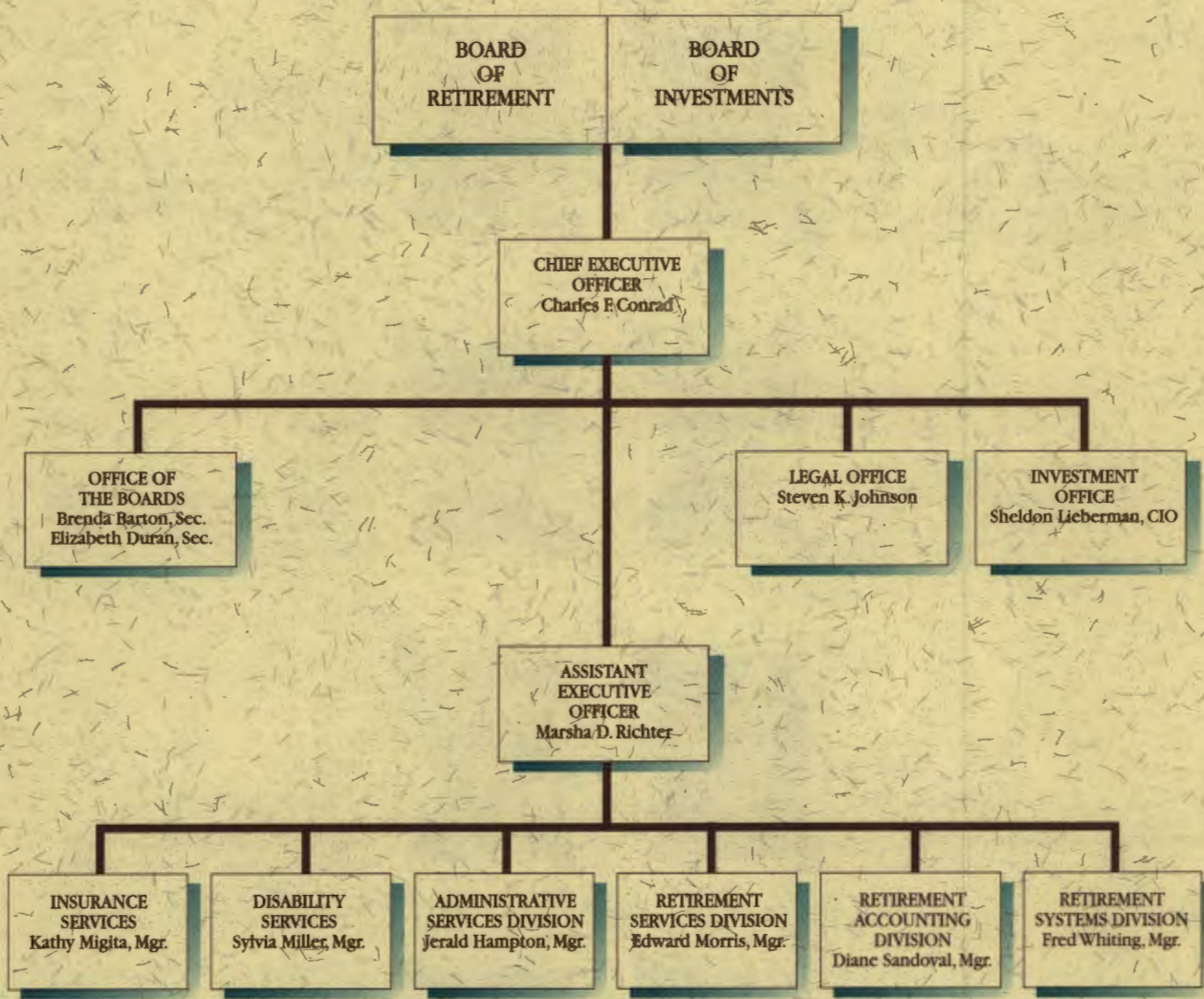


**MEMBER**

**Leo A. Majich**

Appointed by the Board of Supervisors. Present term expires December 31, 1993.





**LIST OF PROFESSIONAL CONSULTANTS**

**CONSULTING SERVICES**

▲ **ACTUARY**

TPF&C, a Towers Perrin Company

▲ **INVESTMENT CONSULTANTS**

Callan Associates, Inc.  
Callan Real Estate Services  
Chancellor Capital Management  
Frank Russell Company

▲ **GOVERNANCE CONSULTANT**

Institutional Shareholder Services, Inc.

▲ **AUDITOR**

Coopers & Lybrand  
Simpson & Simpson

▲ **DATA PROCESSING**

Los Angeles County Department of Data Processing  
Warner Information Center

▲ **CUSTODIAN**

Bank of America, NTSA  
The Chase Manhattan Bank

▲ **MASTER SERVICER - MORTGAGE LOAN PORTFOLIO**

Financial Products and Services

▲ **LEGAL COUNSEL**

Gibson, Dunn & Crutcher  
Gold, Marks, Ring & Pepper  
Hufstedler, Kaus & Ettinger  
Orrick, Herrington & Sutcliffe

▲ **SPECIAL PROJECTS**

DeMarche Associates, Inc.

**INVESTMENT MANAGERS**

▲ **EQUITY - DOMESTIC**

Capital Guardian Trust Company  
Delta Asset Management (Div. of Furman Selz)  
Invesco MIM, Inc.  
Loomis, Sayles & Company  
Morgan Stanley Asset Management, Inc.  
Pilgrim, Baxter, Grieg & Associates  
Putnam Advisory Company, Inc.  
Security Pacific Investment Managers, Inc., (Terminated 9/91)  
Stein Roe & Farnham  
TSA Capital Management  
Weiss, Peck & Greer Investments

▲ **EQUITY - INTERNATIONAL**

Brown Brothers Harriman & Company (Terminated 1/92)  
Capital Guardian Trust Company  
Daiwa International Capital Management Corporation  
(Terminated 1/92)  
Emerging Markets Growth Fund, Inc.  
Morgan Grenfell Capital Management, Inc.  
Prudential Asia Fund Management Ltd.  
Schroder Capital Management Intl. Ltd.  
UBS Asset Management (New York) Inc.  
UBS Phillips & Drew Intl. Investment, Ltd.  
Warburg Investment Management International, Ltd.  
(Terminated 1/92)

▲ **FIXED INCOME - DOMESTIC**

Bradford & Marzec, Inc.  
Brown Brothers Harriman & Company  
Capital Guardian Trust Company  
Criterion Investment Management Co.  
Mackay - Shields Financial Corporation  
MFS Asset Management Group

▲ **FIXED INCOME - INTERNATIONAL**

Capital Guardian Trust Company

▲ **CASH & SHORT-TERM**

Bankers Trust Company

▲ **REAL ESTATE**

Equitable Real Estate Investment Management  
Heitman Advisory Corporation  
JMB Institutional Realty Corporation  
Jones Lang Wootton Realty Advisors  
Lehndorff and Babson Real Estate Counsel  
Public Storage, Inc.  
RREEF America Partners  
Sentinel Real Estate Corporation  
Shurgard, Inc.  
TA Associates Realty  
TCW Realty Advisors  
Trammell Crow Equity Partners

▲ **ALTERNATIVE ASSETS**

Copley Venture Partners  
E. M. Warburg, Pincus Capital Co., Inc.  
GKH Partners  
Kidd Kamm Equity Partners, L.P.  
Kleiner Perkins Caufield & Byers VI, L.P.  
Oak Investment Partners V, L.P.  
Prudential Equity Investors, Inc.  
Syndicated Communications, Inc.  
TA Communications Partners



LACERA



▲

**FINANCIAL  
SECTION**

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Coopers  
& Lybrand

certified public accountants

*Simpson & Simpson*

## REPORT OF INDEPENDENT ACCOUNTANTS

Boards of Investments and Retirement  
Los Angeles County Employees Retirement  
Association

We have audited the accompanying balance sheet of the Los Angeles County Employees Retirement Association (LACERA) as of June 30, 1992 and 1991, and the related statement of revenues, expenses and changes in fund balances for the years then ended. These financial statements are the responsibility of LACERA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LACERA at June 30, 1992 and 1991, and the results of its operations and changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of LACERA. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, based upon our audits, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The information included in the Actuarial and Statistical Sections as listed in the accompanying table of contents, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on these sections.

*Coopers & Lybrand*

October 23, 1992  
Los Angeles, California

*Simpson & Simpson*

▲  
FINANCIAL SECTION  
▼▼

EXHIBIT A

Los Angeles County Employees Retirement Association

**BALANCE SHEETS**

June 30, 1992 and 1991

ASSETS	1992	1991
(Amounts in Thousands)		
<b>ASSETS</b>		
Cash and Cash Equivalents—Notes G and H	\$ 13,230	\$ 18,767
Contributions Receivable	46,071	42,296
Accrued Interest and Dividends	94,863	89,691
Accounts Receivable—Sale of Investments	452,712	18,780
Principal Due on Mortgages	1,817	2,394
Withholding Tax Refundable	3,231	1,885
Reimbursable Costs for Retiree Health		
Insurance and Retired Member Death Benefits	7,832	7,287
Accounts Receivable—Other	300	910
Investments—Notes H and L		
Bonds	4,509,423	4,315,878
Common and Preferred Stocks	4,636,942	3,737,238
Short Term Investments	1,224,821	1,021,442
Real Estate	512,862	429,699
Alternative Assets	227,510	205,389
Mortgages	59,177	75,825
Total Investments	<u>11,170,735</u>	<u>9,785,471</u>
Furniture and Equipment, Structures and Improvements—Net of Depreciation	4,397	986
Total Assets	<u>\$ 11,795,188</u>	<u>\$ 9,968,467</u>
<b>LIABILITIES</b>		
Accounts Payable—Purchase of Investments	\$ 743,309	\$ 38,128
Retiree Payroll and Other		
Warrants Payable	31,159	35,674
Accrued Expenses	10,161	7,409
Leasehold Incentives	3,552	
Accounts Payable—Other	795	639
Total Liabilities	<u>788,976</u>	<u>81,850</u>
<b>FUND BALANCES</b>		
Member Deposit Reserves	1,668,333	1,545,259
Employer Reserves	937,765	987,968
Retired Member Reserves—Note K	8,332,796	7,259,516
Reserve for Earnings' Deficiencies, Investment Losses and Other Contingencies—Note L	67,318	93,874
Total Fund Balances	<u>11,006,212</u>	<u>9,886,617</u>
Total Liabilities and Fund Balances	<u>\$ 11,795,188</u>	<u>\$ 9,968,467</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT B

Los Angeles County Employees Retirement Association  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
For the Years Ended June 30, 1992 and 1991

(Amounts in Thousands)

	Member Deposit Reserves	Employer Reserves	Retired Member Reserves	Reserve for Earnings' Deficiencies, Investment Losses and Other Con- tingencies	Year Ended June 30, 1992	Year Ended June 30, 1991
<b>REVENUES</b>						
Investment Income Net of Related Expenses				\$ 1,180,506	\$ 1,180,506	\$ 718,381
Employer Contributions		\$ 387,954			387,954	350,607
Member Contributions	\$ 146,422				146,422	127,309
Other Revenues				18	18	441
Miscellaneous	33		\$103		136	20
<b>Total Revenues</b>	<b>146,455</b>	<b>387,954</b>	<b>103</b>	<b>1,180,524</b>	<b>1,715,036</b>	<b>1,196,758</b>
<b>EXPENSES</b>						
Pension & Annuity Benefits			564,307		564,307	514,682
Administrative Expenses				16,535	16,535	16,040
Refunds	14,070				14,070	15,587
Death Benefits—Lump Sum		1,599			1,599	1,258
Interest & Payments under Sections 31725.5 & .6—Note E		275			275	296
Miscellaneous	60				60	189
<b>Total Expenses</b>	<b>14,130</b>	<b>1,874</b>	<b>564,307</b>	<b>16,535</b>	<b>596,846</b>	<b>548,052</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>	<b>132,325</b>	<b>386,080</b>	<b>(564,204)</b>	<b>1,163,989</b>	<b>1,118,190</b>	<b>648,706</b>
<b>OTHER CHANGES IN FUND BALANCES</b>						
Interest Credited	121,162	84,315	574,473	(779,950)		
Annuities Awarded	(130,397)	(760,614)	891,011			
Distribution of Excess Earnings		240,000	172,000	(412,000)		
Net Change in Lower of Cost or Market Allowance on Non-current Marketable Equity Securities				1,405	1,405	
Miscellaneous	(16)	16				
<b>Total Other Changes in Fund Balances</b>	<b>(9,251)</b>	<b>(436,283)</b>	<b>1,637,484</b>	<b>(1,190,545)</b>	<b>1,405</b>	<b>(66,883)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>123,074</b>	<b>(50,203)</b>	<b>1,073,280</b>	<b>(26,556)</b>	<b>1,119,595</b>	<b>581,823</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>1,545,259</b>	<b>987,968</b>	<b>7,259,516</b>	<b>93,874</b>	<b>9,886,617</b>	<b>9,304,794</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,668,333</b>	<b>\$ 937,765</b>	<b>\$ 8,332,796</b>	<b>\$ 67,318</b>	<b>\$11,006,212</b>	<b>\$ 9,886,617</b>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1992

**NOTE A**

**PLAN DESCRIPTION**

The County Employees Retirement Law of 1937, Government Code Sections 31450 through 31898, authorizes the formation and operation of the Los Angeles County Employees Retirement Association (LACERA) and requires that it be accounted for as a trust fund. The association's trust (Fund) is designed to provide retirement benefits to County employees and to certain special district employees. Employee and employer contributions received from the special districts are considered part of LACERA's total Fund as a whole.

The fund's revenues are derived from three (3) major sources:

1. Income from investments
2. County and special districts' employer contributions
3. Employee contributions

The fund's expenses consist of:

1. Pension and annuity benefit payments
2. Investment expenses
3. Administrative expenses
4. Refunds of contributions
5. Lump sum death benefits and payments under Sections 31725.5 and 31725.6.

LACERA operates as a cost sharing multi-employer defined benefit plan. The County, other participating agencies, and their employees, the latter on an elective basis beginning in 1982, contribute to LACERA based on rates recommended by an independent actuary and adopted by the Board of Investments and Board of Supervisors. Employer and employee contributions are invested and the earnings and contributions are used for monthly payments to retired members.

Employer contributions are expressed as a percentage of applicable payroll, dependent on plan. Member rates are based upon age at entry to the system and plan enrollment. LACERA has adopted unisex contribution rates for members. As a result of collective bargaining, employee rates for various plans have been reduced through additional employer contributions, known as a surcharge rate.

Vesting occurs when a member accumulates five years of creditable service under contributory plans or accumulates ten years of creditable service under the noncontributory plan. Benefits are based upon twelve or thirty-six months average compensation, depending on plan; age at retirement and length of service as of the retirement date, according to applicable statutory formulae. Service connected disability benefits may be granted regardless of length of service consideration. Five years of service is required for non-service connected disability eligibility according to applicable statutory formulae except for members of the noncontributory plan who are covered under separate long-term disability provisions not administered by LACERA. Components of LACERA membership are detailed in Note D and in the statistical section on page 118.

**NOTE B**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:**

LACERA, with their own governing boards, is an independent governmental entity separate and distinct from the County of Los Angeles. LACERA's annual financial statements are included in the County of Los Angeles' Annual Financial Report as a pension trust fund. The specific elements of the oversight criteria considered in defining a reporting entity are financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Application of the oversight criteria did not identify additional entities to be included in LACERA's annual report.

**Method of Reporting:**

LACERA follows the accounting principles and reporting guidelines as set forth in Statement 1, Governmental Accounting Standards Board, authoritative status of the National Council on Governmental Accounting and AICPA industry audit guide "Audits of Employee Benefit Plans", issued March 1991. The financial statements are prepared using the accrual basis of accounting and reflect the overall operation of the Fund.

**Reclassification:**

The 1991 Financial Statements have been reclassified to conform to the current year presentation.

**Administrative Expenses:**

LACERA's Board of Retirement and Board of Investments annually adopt the operating budget for the administration of LACERA. The administrative expenses are charged against the earnings of the fund and are limited to eighteen hundredths of one percent as set forth under Government Code Section 31580.2. The following budget to actual analysis of administrative expense is based upon the budget, as approved by the governing boards, and reflects actual administrative expenses:

Total Projected Asset Base as of December 31, 1991 at market value	\$ 11,580,526,000
Maximum Allowable for Administrative Expense (.0018 x \$11,580,526,000)	<u>20,844,947</u>
Operating Budget—Fiscal Year 1991-1992	<u>17,761,421</u>
Actual Administrative Expenses for the fiscal year ended June 30, 1992	<u>16,535,093</u>
Underexpended Operating Budget	<u>\$ 1,226,328</u>

The Administrative operating budget includes allocations for fixed assets. Fixed assets are capitalized upon purchase and expensed over their useful lives.

**Fixed Assets:**

Fixed assets are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method with five-year useful life for equipment and ten-years for furniture, structures, and leasehold improvements. The increase of fixed assets over the prior year is due to the recognition of leasehold incentives as discussed in related party transactions footnote N. The cost and accumulated depreciation of fixed assets as of June 30, 1992 and 1991 were as follows (amounts in thousands):

	1992	1991
Furniture and Equipment	\$ 3,131	\$ 1,758
Structures and Improvements	<u>2,828</u>	<u>          </u>
Total Fixed Assets (at cost)	5,959	1,758
Less:		
Accumulated Depreciation Furniture and Equipment	(1,139)	(772)
Accumulated Depreciation Structures and Improvements	<u>(423)</u>	<u>          </u>
Total Fixed Assets—Net of Depreciation	<u>\$ 4,397</u>	<u>\$ 986</u>

**Accrued Vacation and Sick Leave:**

Employees who resign or retire are entitled to full compensation for all unused vacation and a percentage of their unused sick leave. The accrued vacation and sick leave for LACERA employees as of June 30, 1992 and 1991 was \$1,201,000 and \$1,062,000 respectively.

**Investments:**

The cost of stocks and bonds is determined using the average cost method, while the cost for mortgage loans and short term investments is determined using the specific identification method. Bonds and mortgages are reported at cost adjusted for amortized premium or discount. Premium or discount on long-term bonds is amortized using the constant-yield amortization or straight-line method, depending on the nature of the security. Premium or discount on mortgage loans is amortized using the straight-line method over a period of 120 months. Stocks are reported at the lower of cost or market, while short-term investments, real estate equity funds, and alternative assets are reported at cost.

Unsettled investment trades as of year end are reported in the financial statement on an accrual basis. The corresponding funds receivable from a sale and funds payable for a purchase are reported in accounts receivable—sale of investment and accounts payable—purchase of investments, respectively.

Market values for investments are derived by various methods as indicated in the following table:

Asset Description	Market Value Description
Bonds, publicly traded; stocks, common and preferred, issues of the U.S. Government and its agencies	Most recent sales price as of the balance sheet date, international securities reflect currency exchange rates in effect at June 30, 1992 and 1991.
Cash and cash equivalents, Equity in pooled cash funds	Cash value (cost), international currency holdings reflect currency exchange rates in effect at June 30, 1992 and 1991.
Mortgages	Equivalent pricing to comparable GNMA.
Real estate equity funds	Provided by real estate fund manager.
Real estate title holding corporations	Equity value of the investment subject to adjustment for conditions noted in either the property manager's valuation or the audited financial statement.
Alternative assets (Venture Capital Funds)	Provided by the fund's valuation committee. LACERA's alternative asset consultant reviews the market value information provided by funds without a valuation committee.
Private placement bonds	Face value of the security subject to adjustment for conditions noted in the respective audited financial statement.

Please refer to Note H, Deposits and Investments, for book and market values for fiscal year ending June 30, 1992.

**Foreign Currency:**

Included in net investment income are gains and losses from foreign currency transactions. The net gains and losses for fiscal years 1992 and 1991 are \$1,194,000 net loss, and \$187,000 net gain respectively.

**Reserves:**

The Fund has five major classes of reserves as follows:

1. **Member Deposit Reserves** represent the balance of active members' contributions. Additions include members' contributions and related earnings; deductions include refunds of members' contributions and transfers to Retired Member Reserves.
2. **Employer Reserves** represent the balance of employers' contributions for future retirement payments to current active members. Additions include contributions from the employers and related earnings; deductions include transfers to Retired Member Reserves, Lump Sum Death Benefits, and interest and payments under Sections 31725.5 and 31725.6.
3. **Retired Member Reserves** represent the balance of transfers from Member Deposit Reserves and Employer Reserves and related earnings, less payments to retired members.
4. **Cost-of-Living Reserves** relate to each of the above reserves. The purpose of these reserves is to provide for anticipated cost-of-living increases in pension allowances.
5. **Reserve for Earnings' Deficiencies, Investment Losses and Other Contingencies** represents reserves accumulated for such future events. Additions include investment income and other revenues; deductions include administrative expenses, interest allocated to other reserves, funding of the Supplemental Targeted Adjustments for Retirees reserves and distribution of excess assets to employers.

Reserves are established from employee and employer contributions and appropriations of earnings in excess of current earnings assumption. Reserves do not represent the present value of assets needed, as determined by actuarial valuation, to satisfy retirements and other benefits as they become due.



**NOTE C****TRIENNIAL ACTUARIAL VALUATION AND INVESTIGATION**

For purposes of examining noneconomic assumptions and determining LACERA's funding status, LACERA engages an independent actuarial firm to conduct a triennial actuarial valuation and investigation, in accordance with the County Employees Retirement Law of 1937.

The last such valuation was made using the **entry age normal method** as of June 30, 1989 on the basis of an 8% interest assumption specified by the Board of Investments. It assumed a 6% annual increase in salary based on 5% inflation and a 1% merit and productivity increase assumptions. Use of an inflation factor complies with recommendations of the American Academy of Actuaries. Additionally, the Board of Investments adopted a policy of yearly actuarial valuations in order to provide more timely oversight of the funding process. The June 30, 1992 valuation and investigation is in process at the time of this document and is anticipated for disclosure in the June 30, 1993 annual report.

The asset valuation used was changed from the Book Value Method to an Actuarial Asset Value Method, also known as Adjusted Market Value Method, which values the assets through a 5-year phase-in of unrealized gains and losses. The change in the valuation method reduced the unfunded actuarial accrued liability from \$2,276,789 as of June 30, 1986 to \$1,511,388 as of June 30, 1989. The new Unfunded Actuarial Accrued Liability (UAAL) is composed of \$2,307,874 in basic benefits and \$(796,486) in cost-of-living benefits. The Board of Investments authorized transfers from the June 30, 1992 and June 30, 1990 reserves for Earnings' Deficiencies, Investment Losses, and Other Contingencies of \$240 million and \$250 million, respectively, to the employer reserve for the reduction of the UAAL. The remaining UAAL is being funded directly by employer contributions. The original 30 years UAAL funding period which commenced July 1, 1978 and was to end June

30, 2008 has been amended by the Board of Investments to re-amortize the UAAL using a new 30 year funding assumption over each of the next four years. The new 30 year funding assumption became effective July 1, 1992 and will remain in effect until July 1, 1996, at such time, any remaining UAAL will convert to a 16 year funding period. The plan actuary, TPF&C, reviewed the amended amortization plan and maintains that the funding status of the plan will remain within the long range funding goals set by the Board of Investments. The contributions are based on rates recommended by the actuary and adopted by the Board of Investments and the Board of Supervisors.

**NOTE D****ANNUAL ACTUARIAL VALUATION FOR PURPOSES OF UNIFORM DISCLOSURE**

For purposes of examining economic assumptions and to provide pension disclosure information as required by Statement 5 of the Governmental Accounting Standards Board (GASB), LACERA engages an independent actuary to perform an annual actuarial valuation in conformance with GASB methodology. The latest such valuation was performed using the **projected unit credit method** as required by GASB as of June 30, 1992 with an 8% interest earnings assumption and a 6% assumption for annual salary increases based on factors of 5% for inflation and 1% for merit and productivity increases.

**Funding Status and Progress:** The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess LACERA on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other pension funds.

F I N A N C I A L   S E C T I O N

The unfunded pension benefit obligation at June 30, 1992 and 1991 was \$1,493,831 and \$2,201,176 respectively, computed as follows (amounts in thousands):

	1992		1991	
	Member Count	Pension Benefit Obligation	Member Count	Pension Benefit Obligation
Retirees and beneficiaries currently receiving benefits	37,101	\$ 5,239,616	36,202	\$ 6,012,743
Terminated employees entitled to benefits but not yet receiving them	3,242	133,347	3,475	123,470
Current Employees:				
Accumulated employee contributions		1,733,080		1,420,733
Employer-financed vested		2,866,431		2,465,744
Total active vested	44,492	4,599,511	41,851	3,886,477
Active nonvested	34,277	2,213,849	34,606	1,841,731
Total Pension Benefit Obligation		12,186,323		11,864,421
Net assets available for benefits at cost (Actuarial market value is \$11,996,960 for 1992 and \$10,785,858 for 1991)		10,692,492		9,663,245
<b>UNFUNDED PENSION BENEFIT OBLIGATION</b>		<b>\$ 1,493,831</b>		<b>\$ 2,201,176</b>

The total value of applicable assets used by LACERA's consulting actuary for the valuation was determined as follows (amounts in thousands):

	1992		1991	
	Book Value	Market Value	Book Value	Market Value
<b>TOTAL ASSETS</b>				
Total Portfolio (Note H)	\$ 11,183,965	\$ 12,488,433	\$ 9,804,238	\$ 10,926,851
Total Accounts Receivable	606,826	606,826	163,243	163,243
Fixed Assets	4,397	4,397	986	986
Total	11,795,188	13,099,656	9,968,467	11,091,080
<b>TOTAL OMITTED FROM TOTAL ASSETS</b>				
Current Liabilities	788,976	788,976	81,850	81,850
Unclaimed Deposits	742	742	1,418	1,418
Reserve for Earning's Deficiencies, Investment Losses and Other Contingencies	67,318	67,318	93,874	93,874
Reserve for STAR Benefits	245,660	245,660	128,080	128,080
Total	1,102,696	1,102,696	305,222	305,222
<b>NET APPLICABLE ASSETS</b>	<b>\$ 10,692,492</b>	<b>\$ 11,996,960</b>	<b>\$ 9,663,245</b>	<b>\$ 10,785,858</b>

Contributions Required and Contributions Made: LACERA funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due.

The contributions to LACERA for 1992 and 1991 were made in accordance with the actuarially determined requirements as follows (amounts in thousands):

	1992		1991		1990	
	Contributions	Percent of Covered Payroll	Contributions	Percent of Covered Payroll	Contributions	Percent of Covered Payroll
<b>Employer Contributions</b>						
Normal Cost	\$ 289,862	9.00%	\$ 263,007	9.00%	\$ 233,192	10.10%
Amortization of the unfunded actuarial accrued liability	98,092	3.05%	87,600	3.00%	131,408	5.69%
Member Contributions	146,422	4.55%	127,309	4.36%	117,249	5.08%
<b>TOTAL</b>	<b>\$ 534,376</b>		<b>\$ 477,916</b>		<b>\$ 481,849</b>	

For the fiscal years ending June 30, 1992, 1991, and 1990, available assets were sufficient to fund 87.74%, 81.45%, and 87.67% respectively of the total accrued pension benefit obligation. The unfunded pension benefit obligation represented 12.26%, 18.55%, and 12.33% of the value of accrued benefits for the fiscal years ending June 30, 1992, 1991, and 1990.

Ten year historical trend information is presented in Schedule 2, on page 32, Revenues by Source and Expenses by Type. Trend information gives an indication of the progress made in accumulating sufficient assets to pay for benefits when due.

**NOTE E  
INTEREST AND PAYMENTS UNDER  
SECTIONS 31725.5 AND 31725.6**

Government Code Sections 31725.5 and 31725.6 provide that a member, incapacitated and thereby eligible for disability retirement under his former position, may accept a

lower paying position for which he is not disabled. In such cases, LACERA pays the member an amount that equals the difference in salary between the member's current and former positions, not to exceed the amount of the disability allowance to which the member would otherwise be entitled. Such payments and related interest in lieu of a disability retirement allowance are considered a charge against Employer Reserves.

**NOTE F  
SUMMARY OF INVESTMENT POLICIES**

The County Employees Retirement Law of 1937 (Law) authorizes the Board of Investments (Board) with exclusive control over the investment of the retirement fund. The Law allows for the Board to invest, or delegate the authority to invest, the assets of the Fund through the purchase, holding, or sale of any form or type of investment, financial instrument or financial transaction when prudent in the informed opinion of the Board.

Additionally, the Law requires the Board and its officers and employees shall discharge their duties with respect to the system:

- ▲ Solely in the interest of, and for the exclusive purposes for providing benefits to participants and their beneficiaries, minimizing employer contributions, and defraying reasonable expenses of administering the system.
- ▲ With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- ▲ Shall diversify the investments of the system to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

**NOTE G  
CASH AND CASH EQUIVALENTS**

Total cash and cash equivalents at June 30, 1992 and 1991 is composed of the following (amounts in thousands):

	1992	1991
Currency Accounts	\$ 13,176	\$ 14,505
Pension Payroll Direct Deposit Account	4	117
Deposits in the County Treasurer's Pooled Investment Funds		
Retirement Trust Fund	10	3,975
Retirement Administrative Fund	40	170
Total	50	4,145
<b>Total Cash and Cash Equivalents</b>	<b>\$ 13,230</b>	<b>\$ 18,767</b>

Currency accounts include cash and foreign currencies translated to United States Dollars using year end exchange rates. Negotiable certificates of deposit and overnight deposits are classified as short-term investments.

**NOTE H  
DEPOSITS AND INVESTMENTS**

Three categories of risk level have been developed by the Governmental Accounting Standards Board (Statement 3) to disclose the various custodial risks associated with the deposits and investments of the fund:

**Deposits:**

Category 1.

Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2.

Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3.

Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

**Investments:**

Category 1.

Insured or registered, or securities held by the entity or its agent in the entity's name.

Category 2.

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.

Category 3.

Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name. (This includes the portion of the carrying amount of any underlying securities.)

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L A C E R A  
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Based on these criteria, LACERA's deposits and investments as of June 30, 1992, are classified as follows (amounts in thousands):

	Category 1		Category 3		Total	
	Book Value	Bank Balance	Book Value	Bank Balance	Book Value	Bank Balance
<b>DEPOSITS</b>						
Currency Accounts	\$ 600	\$ 600	\$ 12,576	\$ 12,576	\$ 13,176	\$ 13,176
Pension Payroll Direct Deposit	4	4			4	4
Overnight Deposits			2,338	2,338	2,338	2,338
Certificates of Deposit	245,328	245,328			245,328	245,328
Total Categorized Deposits	<u>245,932</u>	<u>245,932</u>	<u>14,914</u>	<u>14,914</u>	<u>260,846</u>	<u>260,846</u>
<b>INVESTMENTS</b>						
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
U.S. Government Securities	2,184,226	2,248,713			2,184,226	2,248,713
U.S. Government Agency Bonds	641,242	665,175			641,242	665,175
Domestic Corporate Bonds	1,333,519	1,384,673			1,333,519	1,384,673
Foreign Bonds	312,241	328,420			312,241	328,420
Private Placement Bonds	38,195	38,716			38,195	38,716
Total Bonds	<u>4,509,423</u>	<u>4,665,697</u>			<u>4,509,423</u>	<u>4,665,697</u>
Common Stocks	4,486,464	5,571,879			4,486,464	5,571,879
Preferred Stocks	81,309	93,009			81,309	93,009
Convertible Debentures	69,169	68,986			69,169	68,986
Total Stocks & Convertibles	<u>4,636,942</u>	<u>5,733,874</u>			<u>4,636,942</u>	<u>5,733,874</u>
Commercial Paper, UST Bills & Notes, US Disc. Notes & Agency Bonds, Corporate Bonds & Notes, Medium Term Notes	872,456	872,501			872,456	872,501
Repurchase Agreements	104,699	104,699			104,699	104,699
Total Short Term Investments	<u>977,155</u>	<u>977,200</u>			<u>977,155</u>	<u>977,200</u>
Total Categorized Investments	<u>10,123,520</u>	<u>11,376,771</u>			<u>10,123,520</u>	<u>11,376,771</u>
Investments not considered securities for purposes of custodial risk classification are as follows:						
Mortgages					59,177	72,157
Real Estate Funds					396,885	397,210
Equity in Title Holdings Corporations					115,977	115,977
Alternative Assets					227,510	265,422
Equity in Treasurer's Pooled Investments					50	50
Total Uncategorized Investments					<u>799,599</u>	<u>850,816</u>
<b>Total Deposits and Investments</b>	<u>\$10,369,452</u>	<u>\$11,622,703</u>	<u>\$ 14,914</u>	<u>\$ 14,914</u>	<u>\$11,183,965</u>	<u>\$12,488,433</u>

Note: LACERA has no such deposits and investments under Category 2

FINANCIAL SECTION

Based on these criteria, LACERA's deposits and investments as of June 30, 1991, are classified as follows (amounts in thousands):

	Category 1		Category 3		Total	
	Book Value	Bank Balance	Book Value	Bank Balance	Book Value	Bank Balance
<b>DEPOSITS</b>						
Currency Accounts	\$ 600	\$ 600	\$ 13,905	\$ 13,905	\$ 14,505	\$ 14,505
Pension Payroll Direct Deposit	100	100	17	17	117	117
Overnight Deposits			6,327	6,327	6,327	6,327
Certificates of Deposit	188,834	188,834			188,834	188,834
<b>Total Categorized Deposits</b>	<b>189,534</b>	<b>189,534</b>	<b>20,249</b>	<b>20,249</b>	<b>209,783</b>	<b>209,783</b>
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
<b>INVESTMENTS</b>						
U.S. Government Securities	2,095,829	2,108,848			2,095,829	2,108,848
U.S. Government Agency Bonds	869,245	879,946			869,245	879,946
Corporate Bonds	1,278,836	1,280,447			1,278,836	1,280,447
Foreign Government Bonds	32,216	32,296			32,216	32,296
Private Placement Bonds	39,752	40,210			39,752	40,210
<b>Total Bonds</b>	<b>4,315,878</b>	<b>4,341,747</b>			<b>4,315,878</b>	<b>4,341,747</b>
Common Stocks	3,576,191	4,660,888			3,576,191	4,660,888
Preferred Stocks	34,790	35,586			34,790	35,586
Convertible Debentures	54,970	52,678			54,970	52,678
<b>Total Stocks &amp; Convertibles</b>	<b>3,665,951</b>	<b>4,749,152</b>			<b>3,665,951</b>	<b>4,749,152</b>
Banker's Acceptances						
Commercial Papers and Discount Notes	726,281	725,058			726,281	725,058
Repurchase Agreements	100,000	100,000			100,000	100,000
<b>Total Short Term Investments</b>	<b>826,281</b>	<b>825,058</b>			<b>826,281</b>	<b>825,058</b>
<b>Total Categorized Investments</b>	<b>8,808,110</b>	<b>9,915,957</b>			<b>8,808,110</b>	<b>9,915,957</b>
Investments not considered securities for purposes of custodial risk classification are as follows:						
Mortgages					75,825	84,998
Real Estate Funds					429,699	422,417
Equity in Title Holding Corporations					71,287	70,709
Alternative Assets					205,389	218,842
Equity in Treasurer's Pooled Investments					4,145	4,145
<b>Total Uncategorized Investments</b>					<b>786,345</b>	<b>801,111</b>
<b>Total Deposits and Investments</b>	<b>\$ 8,997,644</b>	<b>\$10,105,491</b>	<b>\$ 20,249</b>	<b>\$ 20,249</b>	<b>\$9,804,238</b>	<b>\$10,926,851</b>

Note: Lacera has no such deposits and investments under Category 2

**NOTE I  
STOCKS AND BONDS ON LOAN**

Under agreements with Bank of America (B of A) and Chase Manhattan Bank (Chase), LACERA lends specified equities and bonds that are being held in trust to various banks or brokers.

B of A is authorized to handle all of LACERA's domestic loan activity and Chase is authorized to lend LACERA's international equities. B of A and Chase have agreed to "hold (LACERA) harmless" for any losses of securities or income, or from any litigation arising from these loans. Consequently, the securities on loan at June 30, 1992 and 1991 are not shown separately on the balance sheet but are included in their respective accounts on that statement.

According to the agreement with B of A, the loans must be secured by collateral with a market value of at least 102% of the market value of the securities loaned. According to the agreement with Chase, the loans must be secured by collateral with a market value of at least 105% of the market value of the international equities loaned. At June 30, the market value of the stocks and bonds on loan through B of A and Chase were (amounts in thousands):

	1992	1991
	Market Value	Market Value
<b>EQUITIES</b>		
Domestic	\$ 329,754	\$ 476,744
International	59,595	72,299
<b>BONDS</b>		
Domestic	1,665,661	1,920,730
	<u>\$2,055,010</u>	<u>\$2,469,773</u>

**NOTE J  
COMMITMENTS AND CONTINGENCIES**

**Litigation:** LACERA is a defendant in various lawsuits and other claims arising in the ordinary course of its operations. LACERA's management and legal counsel estimate that the ultimate outcome of such litigation will not have a material effect on LACERA's financial statements.

**Operating Leases:** LACERA leases equipment and property under operating leases which expire over the next eight years. The property agreement entered into January 1991

requires that LACERA pay a portion of the building's operating expenses based on square footage occupied as discussed in related party footnote N. The lease incentives, which LACERA used for build-out and other occupancy costs, will be recognized over the life of the lease as a reduction of LACERA's portion of the building's operating expense.

Total rent expense for all operating leases, prior to the recognition of the lease incentive, was \$610,000 and \$405,000 in fiscal years 1992 and 1991, respectively. The lease incentive recognized in 1992, as a reduction in rent expense, was \$627,000.

**Capital Commitments:** As of June 30, 1992, outstanding capital commitments to various investment managers, as approved by the Board of Investments, totaled \$366,000,000. Subsequent to June 30, 1992, LACERA funded \$33,000,000 of these capital commitments.

**NOTE K  
STAR RESERVE**

On December 20, 1989, the Board of Retirement approved the Supplemental Targeted Adjustments for Retirees (STAR) program pursuant to authority granted to them under Section 31874.3(b) of the Government Code. This program provides a supplemental cost of living increase for retirees to restore lost purchasing power to a level equal to 75% of the purchasing power they held when their benefits began.

The Star Program is administered on a calendar year basis. The following represents the Star Program experience from inception through June 30, 1992 (amounts in thousands):

	Program Funding	Program Costs	Available For Future Benefits
Initial Funding	\$ 201,200		\$ 201,200
1990 Program Cost		\$ (47,411)	153,789
1991 Program Cost		(50,994)	102,795
1992 Program Cost		(29,135)	73,660
1992 Funding	172,000		245,660
<b>TOTAL</b>	<u>\$ 373,200</u>	<u>\$ (127,540)</u>	

**NOTE L  
MARKETABLE EQUITY SECURITIES**

The investment portfolios of marketable equity securities are carried at the lower of cost or market at the balance sheet date. The domestic and international marketable equity securities portfolios are combined with convertible debentures for balance sheet presentation. For determination of the carrying value, the domestic and international marketable equity securities portfolios were analyzed separately as follows (amounts in millions):

	1992		1991	
	Cost	Market Value	Cost	Market Value
Domestic	\$ 3,097	\$ 4,195	\$ 2,796	\$ 3,881
International	\$ 1,535	\$ 1,470	\$ 953	\$ 886

At June 30, gross unrealized gains and gross unrealized losses pertaining to the marketable equity securities in the noncurrent portfolios were as follows (amounts in millions):

	1992		1991	
	Gains	Losses	Gains	Losses
Domestic	\$ 1,214	\$ 116	\$ 1,192	\$ 107
International	\$ 161	\$ 226	\$ 77	\$ 144

To reduce the carrying value of the international securities portfolio to market, which was lower than cost at June 30, 1992, the valuation allowance established in the prior year of \$66.9 million was reduced by a \$1.4 million credit to the reserve for Earnings Deficiencies, Investment Losses and Other Contingencies. The current year valuation allowance is \$65.5 million. The domestic marketable equity securities portfolio was carried at cost. The cost of the securities sold was based on the average cost of all the shares of each such security held at time of sale.

**NOTE M  
PARTIAL ANNUITIZATION OF BENEFIT PAYMENTS**

As of January 1, 1987, LACERA purchased two annuity contracts from insurance carriers to provide benefit payments to a portion of its retired members. Under the terms of the annuity contracts, LACERA will continue to administer benefit payments to affected members, to be reimbursed monthly by the carriers for the gross amounts of benefits disbursed. LACERA received \$47.1 million and \$46.5 million in related reimbursements during each of the years ended June 30, 1992 and 1991. Such amounts have reduced the pension and annuity payments in the financial statements. There is no effect on covered members. Covered members retain all benefits accorded other members of the system, including rights to continuance of benefits to survivors, insurance subsidies, and cost-of-living increases.

**NOTE N  
RELATED PARTY TRANSACTIONS**

LACERA formed a title holding corporation in April 1990, to acquire Gateway Plaza. LACERA is the sole shareholder. In January 1991, LACERA entered into a lease agreement with the title holding corporation to occupy approximately 85,000 square feet. Under the terms of the agreement, LACERA's base rent is abated, however, LACERA is required to pay its proportionate share of the building's operating expenses as defined in the lease. The agreement includes a \$4 million lease incentive which LACERA used for build-out and other occupancy costs. These costs were capitalized and will be depreciated over the life of the lease or asset as appropriate. As required by generally accepted accounting principles, a \$4 million lease incentive liability was recorded, and will be recognized over the life of the lease as a reduction to rent expense. Total operating expenses charged to LACERA were \$583,727 and \$229,606 for the years ended June 30, 1992 and 1991.



**NOTE O**  
**TITLE HOLDING CORPORATIONS**

LACERA's real estate portfolio includes five wholly-owned title holding corporations. The corporations invest in commercial properties located throughout the United States. LACERA accounts for these investments using the equity method. The following is a summary of the corporations' financial position as of June 30, 1992 (amounts in thousands):

	June 30, 1992
Assets	\$ 117,422
Liabilities	1,445
Shareholder Equity	115,977
Net Income	1,992

**NOTE P**  
**STATUTORY RESERVE REQUIREMENTS**

The Reserve for Earnings' Deficiencies, Investment Losses, and Other Contingencies and various investment allowance accounts are used to satisfy the Retirement Law of 1937 requirement for LACERA to reserve 1% of the fund assets against deficiencies in interest earnings in other years, losses on investments, and other contingencies. The marketable equity securities allowance of \$65 million combined with the balance of the Reserve for Earnings' Deficiencies, Investments Losses, and Other Contingencies represents 1.1% of the total fund assets as of June 30, 1992.

Los Angeles County Employees Retirement Association  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Analysis of Funding Progress

(Amounts in Thousands)

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1988	\$ 7,386,397	\$ 8,897,693	83.00%	\$ 1,511,296	\$ 2,037,097	74.19%
1989	8,088,146	9,831,538	82.27%	1,743,392	2,290,407	76.12%
1990	9,060,432	10,334,546	87.67%	1,274,114	2,309,674	55.16%
1991	9,663,245	11,864,421	81.45%	2,201,176	2,922,157	75.33%
1992	10,692,492	12,186,323	87.74%	1,493,831	3,218,040	46.42%

This schedule provides the actuarial information on LACERA's funding status and progress. Adopted in 1988, it will be expanded through experience to the ten-year historical trend data required by GASB Statement 5, in conformance with GASB implementation guidelines.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the fund. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the fund.

SCHEDULE 2

Los Angeles County Employees Retirement Association  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Revenues by Source and Expenses by Type

(Amounts in Thousands)

**Revenues by Source**

Fiscal Year	Employee Contributions	Employer Contributions	Employer Contributions As Percent of Covered Payroll	Investment Income	Other Revenues	Total
1983	\$ 73,879	\$ 295,181	18.18%	\$ 400,583	\$ 350	\$ 769,993
1984	74,805	282,024	17.95%	370,740	845	728,414
1985	77,399	321,183	19.29%	501,767	404	900,753
1986	82,356	335,754	18.27%	879,042	310	1,297,462
1987	86,790	336,533	17.92%	892,749	145	1,316,217
1988	93,862	352,076	17.28%	652,731	82	1,098,751
1989	103,879	383,820	16.76%	820,633	84	1,308,416
1990	117,249	364,600	15.79%	821,368	140	1,303,357
1991	127,309	350,607	12.00%	718,381	461	1,196,758
1992	146,422	387,954	12.06%	1,180,506	154	1,715,036

**Expenses by Type**

Fiscal Year	Benefits	Administrative Expenses	Refunds	Other Expenses	Total
1983	\$ 235,309	\$ 4,782	\$ 7,860	\$ 155	\$ 248,106
1984	268,056	5,196	8,175	310	281,737
1985	299,715	6,439	25,436	353	331,943
1986	326,186	6,689	6,700	298	339,873
1987	336,117	6,606	18,152	142	361,017
1988	345,924	8,234	7,918	78	362,154
1989	389,949	12,581	16,147	40	418,717
1990	441,834	15,143	11,029	144	468,150
1991	516,236	16,040	15,587	189	548,052
1992	566,181	16,535	14,070	60	596,846

Los Angeles County Employees Retirement Association  
**INVESTMENT SUMMARY**  
For the Year Ended June 30, 1992

(Amounts in Thousands)

Type of Investment	June 30, 1991		Purchases	Sales and Redemptions	Amort/Accre & Adjustments	June 30, 1992		% of Total Market
	Book Value	Market Value				Book Value	Market Value	
Cash and Short Term	\$ 1,040,209	\$ 1,038,986	\$ 93,135,782	\$(92,936,991)	\$ (949)	\$ 1,238,051	\$ 1,238,096	9.91%
<b>Bonds:</b>								
Government Bonds	2,965,074	2,988,794	12,736,377	(12,838,105)	(37,878)	2,825,468	2,913,888	23.33%
Corporate Bonds	1,278,836	1,280,447	1,817,173	(1,573,630)	(188,860)	1,333,519	1,384,673	11.09%
Miscellaneous	71,968	72,506	83,209	(34,254)	229,513	350,436	367,136	2.94%
<b>Total</b>	<b>4,315,878</b>	<b>4,341,747</b>	<b>14,636,759</b>	<b>(14,445,989)</b>	<b>2,775</b>	<b>4,509,423</b>	<b>4,665,697</b>	<b>37.36%</b>
<b>Stocks and Convertibles:</b>								
Common Stock	3,576,191	4,660,888	3,143,655	(2,191,551)	(41,831)	4,486,464	5,571,879	44.62%
Preferred Stock	34,790	35,586	69,967	(25,303)	1,855	81,309	93,009	0.74%
Convertible Bonds	54,970	52,678	85,243	(66,083)	(4,961)	69,169	68,986	0.55%
<b>Total</b>	<b>3,665,951</b>	<b>4,749,152</b>	<b>3,298,865</b>	<b>(2,282,937)</b>	<b>(44,937)</b>	<b>4,636,942</b>	<b>5,733,874</b>	<b>45.91%</b>
<b>Real Estate:</b>								
Real Estate Funds	429,699	422,417	27,169	(15,087)	(44,896)	396,885	397,210	3.18%
Equity in Title Holding Corp.	71,287	70,709	51,051	(3,018)	(3,343)	115,977	115,977	0.93%
<b>Total</b>	<b>500,986</b>	<b>493,126</b>	<b>78,220</b>	<b>(18,105)</b>	<b>(48,239)</b>	<b>512,862</b>	<b>513,187</b>	<b>4.11%</b>
<b>Alternative Assets</b>	<b>205,389</b>	<b>218,842</b>	<b>69,278</b>	<b>(20,992)</b>	<b>(26,165)</b>	<b>227,510</b>	<b>265,422</b>	<b>2.13%</b>
Mortgages	75,825	84,998		(16,444)	(204)	59,177	72,157	0.58%
<b>Total</b>	<b>\$ 9,804,238</b>	<b>\$ 10,926,851</b>	<b>\$ 111,218,904</b>	<b>\$(109,721,458)</b>	<b>\$(117,719)</b>	<b>\$ 11,183,965</b>	<b>\$ 12,488,433</b>	<b>100.00%</b>

SCHEDULE 4

Los Angeles County Employees Retirement Association

**ADMINISTRATIVE EXPENSES**

For the Years Ended June 30, 1992 and 1991

(Amounts in Thousands)

	1992	1991
<b>Personnel Services</b>		
Salaries and Wages	\$ 7,101	\$ 5,761
Employee Benefits		
Retirement Contributions	840	670
Workers Compensation	69	96
Medical Insurance	323	321
Dental Insurance	27	25
Hospital Insurance Tax	26	12
Long Term Disability	20	11
Unemployment Insurance	17	9
Life Insurance	2	1
Megaflex Benefit Plan	313	84
Flexible Benefit Plan	92	130
Options Plan	37	
Retirees Health Plan	174	157
Savings Plan	89	67
Thrift Plan	24	7
Pension Savings Plan	5	
Department Charge—Pension Bond	61	52
Total Employee Benefits	<u>2,119</u>	<u>1,642</u>
Total Personnel Services	<u>9,220</u>	<u>7,403</u>
<b>Office Expenses</b>		
Postage	281	195
Stationery and Forms	112	145
Supplies	125	266
Other	302	167
Total Office Expenses	<u>820</u>	<u>773</u>

(continued on next page)

Los Angeles County Employees Retirement Association

**ADMINISTRATIVE EXPENSES**

For the Years Ended June 30, 1992 and 1991

(Amounts in Thousands)

	1992	1991
<b>Other Services and Charges</b>		
Communication	\$ 203	\$ 203
Maintenance—Office Equipment, Structures, Improvements and Grounds	190	114
Attorney Fees—Disability Cases	5	124
County Data Processing Charges	26	113
Other Data Processing Charges		361
Hearing Officer Fees	184	224
Medical Fees	841	767
Stenographic Fees	31	41
Other Professional and Specialized Services	3,307	3,974
Rents and Leases—Office Equipment, Buildings and Improvements	(17)	443
Administrative Support	27	180
Computer Services and Support	327	152
Transportation and Travel	81	75
Educational Expenses	101	97
Insurance	76	59
Parking Fees	123	146
Other Charges	27	492
Total Other Services and Charges	5,532	7,565
<b>Depreciation—Fixed Assets</b>	963	299
Total Administrative Expenses	\$ 16,535	\$ 16,040

Included under Other Professional and Specialized Services are the following:

	1992	1991
1. Systems Consulting Software Development and Implementation	\$ 306	\$ 1,479
2. Data Processing Hardware and Systems Support	1,797	1,547
3. Temporary Personnel Services	375	373
4. Actuarial Consulting Fees	24	68
5. Audit Fees	161	88
6. Other County Department Charges	103	30
7. Legislative and Other Legal Services	98	133
8. Moving Services	3	48
9. Other	440	208
<b>TOTAL</b>	\$ 3,307	\$ 3,974

SCHEDULE 5

**Los Angeles County Employees Retirement Association**  
**FEES AND OTHER INVESTMENT EXPENSES**  
For the Years Ended June 30, 1992 and 1991

(Amounts in Thousands)

	1992	1991
<b>FIXED INCOME</b>		
Domestic	\$ 7,352	\$ 4,786
International	139	
<b>EQUITY</b>		
Domestic	7,669	7,511
International	2,480	2,202
<b>INVESTMENT CUSTODIAN</b>		
Domestic	459	435
International	1,418	1,095
<b>INVESTMENT CONSULTANT</b>		
Domestic	345	379
International	184	126
<b>CASH AND SHORT TERM</b>	670	953
<b>REAL ESTATE EQUITY FUNDS</b>	3,957	3,446
<b>ALTERNATIVE ASSETS</b>	6,286	5,894
<b>MORTGAGE LOANS</b>	326	397
<b>LEGAL COUNSEL</b>	90	289
<b>WITHHOLDING TAX ON FOREIGN INCOME</b>	2,861	2,111
<b>ACTUARIAL</b>	85	84
<b>OTHER</b>	153	245
<b>TOTAL</b>	<u>\$ 34,474</u>	<u>\$ 29,953</u>

Note A: Items shown above are the composition of the Fund's investment expenses.

Note B: As broker commission fees are included in the purchased cost and cost of securities sold, they are not recognized as investment expense.

FINANCIAL SECTION

SCHEDULE 6

Los Angeles County Employees Retirement Association  
**CASH RECEIPTS AND DISBURSEMENTS**  
 For the Years Ended June 30, 1992 and 1991

(Amounts in Thousands)

	1992	1991
<b>CASH BALANCE AT BEGINNING OF YEAR</b>	<u>\$ 18,767</u>	<u>\$ 43,887</u>
<b>RECEIPTS:</b>		
Member Contributions	145,150	125,873
Employer Contributions	385,452	347,059
Investments Matured and Sold	109,717,779	128,676,368
Income on Investment	785,348	691,240
County Subsidy-Health Insurance and Death Benefits	85,145	76,510
Pension and Annuity Payments reimbursed by Annuity Carriers	47,129	46,459
Other Warrants and Accounts Payable	-	7,960
Miscellaneous	<u>1,032</u>	<u>2,841</u>
Total Cash Receipts	<u>111,167,035</u>	<u>129,974,310</u>
<b>DISBURSEMENTS:</b>		
Pension and Annuity Payments	612,070	561,006
Death Benefits—Lump Sum	1,599	1,334
Interest and Payments under Sections 31725.5 & 6	275	296
Retired Members Health Insurance and Death Benefits	85,690	83,769
Refunds of Contributions	13,687	16,697
Investments Purchased	110,412,033	129,302,126
Investment Expenses	26,403	18,391
Administrative Expenses	16,187	15,401
Other Warrants and Accounts Payable	4,281	-
Miscellaneous	<u>347</u>	<u>410</u>
Total Cash Disbursements	<u>111,172,572</u>	<u>129,999,430</u>
<b>CASH BALANCE AT END OF YEAR</b>	<u>\$ 13,230</u>	<u>\$ 18,767</u>



## SCHEDULE 7

## Los Angeles County Employees Retirement Association

**FUND BALANCES**

June 30, 1992 and 1991

(Amounts in Thousands)

	1992	1991
<b>MEMBER DEPOSIT RESERVES</b>		
General Members	\$ 814,853	\$ 770,483
Safety Members	427,595	381,695
Cost of Living	425,143	391,663
Unclaimed Deposits of Former Members	742	1,418
<b>Total Member Deposit Reserves</b>	<b>1,668,333</b>	<b>1,545,259</b>
<b>EMPLOYER RESERVES</b>		
General Members	501,142	630,205
Safety Members	275,494	299,847
Cost of Living	161,129	57,916
<b>Total Employer Reserves</b>	<b>937,765</b>	<b>987,968</b>
<b>RETIRED MEMBER RESERVES</b>		
General Members	3,011,835	2,586,703
Safety Members	1,214,740	1,077,274
Cost of Living	3,842,743	3,446,278
Cost of Living Supplemental Adjustments	17,818	21,181
Star Cola	245,660	128,080
<b>Total Retired Member Reserves</b>	<b>8,332,796</b>	<b>7,259,516</b>
<b>RESERVE FOR EARNINGS' DEFICIENCIES, INVESTMENT LOSSES AND OTHER CONTINGENCIES</b>	<b>67,318</b>	<b>93,874</b>
<b>TOTAL FUND BALANCES</b>	<b>\$11,006,212</b>	<b>\$ 9,886,617</b>

▲  
FINANCIAL SECTION  
▼

Los Angeles County Employees Retirement Association

**INVESTMENT PORTFOLIO**

June 30, 1992

<b>DEPOSITS</b>	<b>Par Value</b>	<b>Book Value</b>	<b>Market Value</b>
Cash In Banks	\$ 10,596,668	\$ 10,596,668	\$ 10,596,668
Equity In Treasurer's Pooled Investments	50,205	50,205	50,205
Foreign Currencies	2,583,470	2,583,470	2,583,470
<b>TOTAL CURRENT ACCOUNTS</b>	<b>\$ 13,230,343</b>	<b>\$ 13,230,343</b>	<b>\$ 13,230,343</b>

**INVESTMENTS**

<b>U.S. GOVERNMENT SECURITIES</b>	<b>Rate</b>	<b>Maturity</b>	<b>Par Value</b>	<b>Book Value</b>	<b>Market Value</b>
Government Treasury Certificates	0.000	05/15/1993	\$ 8,210,000	\$ 7,592,667	\$ 7,929,382
United States Treasury Bonds	0.000	02/15/2015	18,000,000	2,778,300	2,778,300
United States Treasury Bonds	0.000	05/15/2017	11,905,000	1,619,245	1,616,937
United States Treasury Bonds	0.000	05/15/2018	34,100,000	4,292,226	4,284,665
United States Treasury Bonds	0.000	02/15/2019	28,536,480	28,536,480	28,952,858
United States Treasury Bonds	0.000	11/15/2021	22,330,000	22,636,518	22,888,250
United States Treasury Bonds	8.125	08/15/2019	34,875,000	35,353,825	36,008,438
United States Treasury Bonds	8.125	08/15/2021	191,684,727	191,684,727	190,207,876
United States Treasury Bonds	8.375	08/15/2008	15,000,000	15,997,077	16,007,850
United States Treasury Bonds	8.750	08/15/2020	64,500,000	7,308,729	6,895,695
United States Treasury Bonds	8.875	08/15/2017	10,000,000	10,671,747	11,131,200
United States Treasury Bonds	8.875	02/15/2019	42,000,000	45,565,223	46,830,000
United States Treasury Bonds	9.375	02/15/2006	7,500,000	8,648,841	8,732,775
United States Treasury Bonds	10.000	05/15/2015	25,000,000	27,091,407	29,945,250
United States Treasury Bonds	10.375	11/15/2009	31,000,000	35,743,630	37,916,720
United States Treasury Bonds	10.375	11/15/2012	8,000,000	9,328,985	9,950,000
United States Treasury Bonds	10.750	02/15/2003	15,000,000	16,726,720	18,820,350
United States Treasury Bonds	11.625	11/15/2002	42,975,000	56,653,319	56,646,207
United States Treasury Bonds	11.625	11/15/2004	136,448,000	171,976,913	182,200,379
United States Treasury Bonds	12.625	05/15/1995	11,000,000	12,370,929	13,114,090
United States Treasury Bonds	12.750	11/15/2015	7,100,000	9,894,530	10,164,076
United States Treasury Bonds	14.000	11/15/2011	15,935,000	23,311,676	24,818,763
United States Treasury Notes	5.375	02/28/1994	34,515,000	34,604,480	34,924,693
United States Treasury Notes	5.875	05/15/1995	25,000,000	25,157,708	25,367,250
United States Treasury Notes	6.250	01/31/1997	74,750,000	74,002,890	74,960,048
United States Treasury Notes	6.375	06/20/1997	35,720,000	35,865,113	35,865,023
United States Treasury Notes	6.750	02/28/1997	12,600,000	12,592,688	12,871,656
United States Treasury Notes	6.750	05/31/1997	45,740,000	46,355,417	46,625,984
United States Treasury Notes	6.875	02/15/1994	40,000,000	41,073,838	41,400,000
United States Treasury Notes	6.875	04/30/1994	171,630,000	171,730,721	173,507,632
United States Treasury Notes	6.875	10/31/1996	40,000,000	39,941,315	41,162,400
United States Treasury Notes	6.875	03/31/1997	9,710,000	9,769,208	9,958,770
United States Treasury Notes	7.250	11/15/1996	23,000,000	22,521,983	23,984,630
United States Treasury Notes	7.500	01/31/1996	27,525,000	28,631,048	29,055,941

U.S. GOVERNMENT SECURITIES	Rate	Maturity	Par Value	Book Value	Market Value
United States Treasury Notes	7.500	11/15/2001	46,470,000	46,736,246	47,486,299
United States Treasury Notes	7.625	04/30/1996	75,825,000	79,776,883	80,256,213
United States Treasury Notes	7.875	02/15/1996	108,780,000	114,743,902	116,020,397
United States Treasury Notes	7.875	07/31/1996	13,600,000	14,291,775	14,509,432
United States Treasury Notes	7.875	01/15/1998	23,500,000	24,968,750	24,968,750
United States Treasury Notes	7.875	08/15/2001	1,988,000	1,995,698	2,082,430
United States Treasury Notes	8.000	08/15/1993	20,000,000	19,984,291	20,812,400
United States Treasury Notes	8.000	10/15/1996	4,500,000	4,723,370	4,817,790
United States Treasury Notes	8.250	07/15/1998	12,400,000	13,061,603	13,399,688
United States Treasury Notes	8.375	04/15/1995	5,500,000	5,502,853	5,927,955
United States Treasury Notes	8.500	04/15/1997	2,600,000	2,717,847	2,838,056
United States Treasury Notes	8.500	05/15/1997	31,000,000	32,199,819	33,847,970
United States Treasury Notes	8.500	02/15/2000	19,000,000	18,999,273	20,739,640
United States Treasury Notes	8.500	11/15/2000	24,500,000	25,580,902	26,712,595
United States Treasury Notes	8.625	01/15/1995	13,000,000	13,010,518	14,040,000
United States Treasury Notes	8.625	08/15/1997	50,000,000	50,070,716	54,922,000
United States Treasury Notes	8.750	10/15/1997	24,000,000	24,515,663	26,490,000
United States Treasury Notes	8.875	02/15/1999	28,000,000	29,054,356	31,141,320
United States Treasury Notes	8.875	05/15/2000	28,400,000	29,079,245	31,621,696
United States Treasury Notes	9.000	05/15/1998	30,000,000	30,436,043	33,496,800
United States Treasury Notes	9.125	05/15/1999	105,265,000	115,806,246	118,376,636
United States Treasury Notes	9.250	01/15/1996	47,000,000	51,577,166	52,184,570
United States Treasury Notes	9.250	08/15/1998	25,000,000	25,381,582	28,234,250
United States Treasury Notes	9.375	04/15/1996	38,750,000	40,588,173	43,278,713
United States Treasury Securities	0.000	08/15/1998	37,390,000	24,860,490	24,738,720
United States Treasury Securities	0.000	05/15/2000	33,900,000	19,080,907	19,234,521
United States Treasury Securities	0.000	05/15/2001	6,250,000	2,978,630	3,246,625
United States Treasury Securities	0.000	05/15/2005	20,000,000	6,090,143	7,277,400
United States Treasury Securities	0.000	05/15/2011	34,700,000	7,425,502	7,518,796
United States Treasury Securities	0.000	05/15/2014	58,590,000	10,040,332	9,934,520
United States Treasury Securities	0.000	02/15/2018	87,130,000	10,916,898	11,032,401
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>			<b>\$ 2,378,327,207</b>	<b>\$ 2,184,225,945</b>	<b>\$ 2,248,712,668</b>

U.S. GOVERNMENT AGENCY BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Federal Home Loan Mortgage Corporation	6.000	12/15/2020	\$ 6,700,000	\$ 4,712,479	\$ 5,686,290
Federal Home Loan Mortgage Corporation	6.500	01/15/2021	1,895,500	1,488,631	1,554,719
Federal Home Loan Mortgage Corporation	6.950	12/25/2020	16,135,000	14,027,586	14,591,042
Federal Home Loan Mortgage Corporation	7.000	05/15/2022	38,540,000	32,918,613	35,571,418
Federal Home Loan Mortgage Corporation	7.150	10/15/2019	17,975,000	15,907,083	17,144,375
Federal Home Loan Mortgage Corporation	7.500	11/01/2016	2,973,824	2,633,230	2,979,385
Federal Home Loan Mortgage Corporation	8.000	08/01/2002	7,588,058	7,761,791	7,839,374
Federal Home Loan Mortgage Corporation	8.000	11/01/2007	545,585	509,943	563,060
Federal Home Loan Mortgage Corporation	8.000	09/01/2016	2,426,938	2,201,789	2,495,936
Federal Home Loan Mortgage Corporation	8.250	06/01/2006	1,113,804	1,040,597	1,136,603
Federal Home Loan Mortgage Corporation	8.250	09/01/2007	445,048	430,882	455,480
Federal Home Loan Mortgage Corporation	8.250	11/01/2007	2,363,018	2,175,502	2,418,407
Federal Home Loan Mortgage Corporation	8.250	12/01/2007	3,244,167	3,152,788	3,320,210
Federal Home Loan Mortgage Corporation	8.500	01/01/2005	2,464	2,364	2,567
Federal Home Loan Mortgage Corporation	8.500	03/01/2008	1,218,280	1,132,475	1,270,812

FINANCIAL SECTION

U.S GOVERNMENT AGENCY BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Federal Home Loan Mortgage Corporation	8.500	08/01/2016	6,396,896	5,962,807	6,639,786
Federal Home Loan Mortgage Corporation	8.500	06/15/2018	13,705,000	13,330,341	14,083,971
Federal Home Loan Mortgage Corporation	8.850	03/15/2008	450,000	343,931	472,775
Federal Home Loan Mortgage Corporation	9.000	07/01/2008	1,266,089	1,198,414	1,348,182
Federal Home Loan Mortgage Corporation	9.000	01/01/2017	2,410,575	2,284,868	2,542,024
Federal Home Loan Mortgage Corporation	9.400	09/15/2008	5,237,400	4,143,359	5,511,107
Federal Home Loan Mortgage Corporation	9.500	01/01/2010	2,741,991	2,708,167	2,910,349
Federal Home Loan Mortgage Corporation	9.500	06/01/2010	1,935,904	1,911,950	2,060,519
Federal Home Loan Mortgage Corporation	10.000	09/15/2009	249,700	242,156	270,862
Federal Home Loan Mortgage Corporation	10.500	10/01/2000	4,384	4,295	4,684
Federal Home Loan Mortgage Corporation	11.750	03/01/2011	596,858	651,260	658,782
Federal Home Loan Mortgage Corporation	11.750	12/01/2013	1,021,978	1,103,690	1,128,009
Federal Home Loan Mortgage Corporation	11.750	08/01/2014	459,802	496,518	507,506
Federal Home Loan Mortgage Corporation	12.000	02/01/2015	2,520,085	2,624,344	2,822,495
Federal Home Loan Mortgage Corporation	12.000	10/01/2009	2,592,957	2,777,638	2,904,112
Federal Home Loan Mortgage Corporation	12.000	04/01/2013	4,416,709	4,668,169	4,946,714
Federal Home Loan Mortgage Corporation	12.000	03/01/2015	654,110	688,260	732,603
Federal Home Loan Mortgage Corporation	12.000	06/01/2015	1,506,014	1,590,820	1,686,735
Federal National Mortgage Association	0.000	06/25/2012	57,000	1,441,186	1,453,731
Federal National Mortgage Association	0.000	08/25/2018	135,600	3,887,270	3,911,636
Federal National Mortgage Association	6.150	10/25/2001	16,700,000	16,284,453	16,381,030
Federal National Mortgage Association	6.500	07/25/2020	12,365,000	10,146,481	10,675,941
Federal National Mortgage Association	7.000	07/25/2022	6,269,179	5,347,549	5,247,062
Federal National Mortgage Association	8.000	TBA	37,095,000	37,095,000	38,391,099
Federal National Mortgage Association	8.500	TBA	15,760,000	16,144,150	16,457,222
Federal National Mortgage Association	8.000	08/01/2004	3,419,463	3,330,005	3,526,321
Federal National Mortgage Association	8.500	03/01/2005	3,328,306	3,188,180	3,483,191
Federal National Mortgage Association	8.500	11/11/2011	17,150,000	17,862,797	17,862,797
Federal National Mortgage Association	8.500	10/25/2017	2,236,030	978,346	837,840
Federal National Mortgage Association	8.500	11/25/2017	7,236,488	3,149,545	2,715,854
Federal National Mortgage Association	8.500	01/01/2018	2,207,180	961,321	830,341
Federal National Mortgage Association	8.500	05/25/2018	4,436,796	1,936,224	1,663,798
Federal National Mortgage Association	8.500	01/25/2020	13,280,000	12,942,886	13,668,068
Federal National Mortgage Association	8.550	08/30/1999	8,175,000	8,295,403	8,844,287
Federal National Mortgage Association	8.900	05/25/2004	880,000	878,894	909,621
Federal National Mortgage Association	9.050	10/12/1993	1,885,718	1,885,718	1,950,530
Federal National Mortgage Association	9.150	11/25/2001	875,000	876,256	926,748
Federal National Mortgage Association	9.450	02/25/2013	1,302,929	1,312,622	1,374,473
Federal National Mortgage Association	9.800	02/25/2005	3,350,000	3,500,200	3,575,174
Federal National Mortgage Association	12.000	12/01/2013	1,350,775	1,493,105	1,514,556
Federal National Mortgage Association	14.000	12/01/2012	299,691	328,167	342,957
Financing Corporation	9.000	06/06/2019	20,250,000	2,172,623	2,172,623
Financing Corporation	9.650	11/02/2018	10,000,000	10,953,988	11,618,700
Government National Mortgage Association	7.250	11/15/2001	154,881	148,323	155,606
Government National Mortgage Association	8.000	TBA	79,125,000	79,456,763	80,015,156
Government National Mortgage Association	8.000	04/15/2005	185,442	171,960	192,597
Government National Mortgage Association	8.000	06/15/2016	250,761	251,388	253,815
Government National Mortgage Association	8.000	09/15/2016	43,264	43,373	43,791
Government National Mortgage Association	8.000	10/15/2016	40,191	40,291	40,680
Government National Mortgage Association	8.000	11/15/2016	42,444	42,550	42,961

U.S. GOVERNMENT AGENCY BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Government National Mortgage Association	8.000	01/15/2017	2,674,004	2,680,690	2,706,574
Government National Mortgage Association	8.000	02/15/2017	4,046,866	4,056,982	4,096,155
Government National Mortgage Association	8.000	03/15/2017	10,187,003	10,172,908	10,311,081
Government National Mortgage Association	8.000	04/15/2017	16,608,006	16,628,818	16,810,291
Government National Mortgage Association	8.000	05/15/2017	18,416,591	18,377,012	18,640,904
Government National Mortgage Association	8.000	06/15/2017	6,906,345	6,923,610	6,990,464
Government National Mortgage Association	8.000	07/15/2017	4,359,887	4,370,786	4,412,990
Government National Mortgage Association	8.000	08/15/2017	1,207,920	1,210,940	1,222,633
Government National Mortgage Association	8.500	02/15/2006	952,458	949,773	1,004,091
Government National Mortgage Association	8.500	01/15/2017	1,272,793	1,262,018	1,323,705
Government National Mortgage Association	9.000	05/15/2016	3,929,609	4,083,015	4,171,516
Government National Mortgage Association	9.000	06/15/2016	5,180,019	5,384,730	5,498,901
Government National Mortgage Association	9.000	07/15/2016	1,552,799	1,547,074	1,648,389
Government National Mortgage Association	9.000	08/15/2016	4,127,214	4,108,767	4,381,285
Government National Mortgage Association	9.000	09/15/2016	2,341,967	2,462,972	2,486,138
Government National Mortgage Association	9.000	10/15/2016	5,050,821	5,003,410	5,361,750
Government National Mortgage Association	9.000	11/15/2016	383,035	397,984	406,615
Government National Mortgage Association	9.000	12/15/2016	688,663	715,538	731,057
Government National Mortgage Association	9.000	02/15/2017	346,782	360,314	368,130
Government National Mortgage Association	9.000	05/15/2017	418,111	434,424	443,850
Government National Mortgage Association	9.000	06/15/2017	482,861	501,938	512,586
Government National Mortgage Association	9.000	07/15/2017	306,299	316,817	325,154
Government National Mortgage Association	9.000	08/15/2017	436,063	451,038	462,907
Government National Mortgage Association	9.000	03/15/2018	56,971	59,192	60,478
Government National Mortgage Association	9.000	04/15/2018	4,074,144	4,233,025	4,324,948
Government National Mortgage Association	9.000	06/15/2018	84,947	87,863	90,177
Government National Mortgage Association	9.000	08/15/2019	186,679	192,603	198,173
Government National Mortgage Association	9.000	09/15/2019	8,962,885	8,761,881	9,514,640
Government National Mortgage Association	9.000	10/15/2019	1,153,788	1,197,108	1,224,815
Government National Mortgage Association	9.000	12/15/2019	35,865	36,923	38,073
Government National Mortgage Association	9.000	01/15/2020	3,659,114	3,614,198	3,884,369
Government National Mortgage Association	9.000	02/15/2020	9,485,187	9,503,311	10,069,095
Government National Mortgage Association	9.000	03/15/2020	5,021,532	5,219,791	5,330,658
Government National Mortgage Association	9.000	05/15/2020	489,267	508,583	519,386
Government National Mortgage Association	9.000	08/15/2020	439,108	452,058	466,139
Government National Mortgage Association	9.000	01/15/2021	708,568	729,683	752,187
Government National Mortgage Association	9.000	06/15/2021	633,767	652,447	672,782
Government National Mortgage Association	9.000	09/15/2021	452,472	470,091	480,327
Government National Mortgage Association	9.000	03/15/2022	632,490	657,113	671,426
Government National Mortgage Association	9.000	04/15/2022	244,663	253,052	259,725
Government National Mortgage Association	9.500	08/15/2016	4,473,281	4,455,380	4,811,551
Government National Mortgage Association	9.500	02/15/2019	3,827,251	3,706,218	4,116,667
Government National Mortgage Association	9.500	08/15/2019	3,587,513	3,617,265	3,858,800
Government National Mortgage Association	9.500	10/15/2019	3,565,118	3,631,240	3,834,712
Government National Mortgage Association	9.500	12/15/2020	2,890,623	2,941,030	3,109,211
Government National Mortgage Association	10.000	05/15/2019	3,655,700	3,691,761	3,982,410
Government National Mortgage Association	10.000	09/15/2019	3,778,024	3,824,473	4,115,666
Government National Mortgage Association	10.500	11/11/2011	16,685,000	18,281,499	18,281,499
Government National Mortgage Association	11.250	12/15/2000	314,086	286,603	336,858
Government National Mortgage Association	11.500	05/15/2013	7,138	5,808	8,164

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U.S GOVERNMENT AGENCY BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Government National Mortgage Association	16.000	10/15/2011	289,304	318,461	347,165
International Bank For Recon. & Devel. Residential Mortgage	8.250	09/01/2016	4,075,000	3,937,542	4,112,531
	7.450	02/25/2002	6,235,000	6,345,412	6,346,058
Resolution Funding Corporation	5.075	06/25/2024	8,875,000	8,875,000	8,875,000
Resolution Funding Corporation	8.125	10/15/2019	5,000,000	4,624,968	5,103,100
Resolution Funding Corporation	8.150	12/25/1996	29,000,000	29,272,067	29,276,399
Resolution Funding Corporation	8.400	04/25/2022	1,000,000	1,011,898	1,011,620
Resolution Funding Corporation	9.000	03/25/2017	10,172,850	10,209,289	10,794,925
Tennessee Valley Authority	8.250	04/15/2042	45,000,000	7,712,288	7,267,500
Tennessee Valley Authority	8.625	11/15/2029	13,000,000	12,089,997	13,369,720
<b>TOTAL U.S. GOVERNMENT AGENCY BONDS</b>			<b>\$ 714,848,725</b>	<b>\$ 641,242,431</b>	<b>\$ 665,175,218</b>

CORPORATE BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Air & Water Tech Corporation	8.000	05/15/2015	\$ 4,500,000	\$ 4,291,121	\$ 3,915,000
Alaska Air Group Incorporated	0.000	04/18/2006	1,869,000	686,208	630,788
Alaska Air Group Incorporated	7.750	06/15/2010	1,911,000	1,982,417	1,777,230
Alleghany Corporation	6.500	06/15/2014	2,015,000	1,475,955	1,783,275
American Brands Incorporated	5.750	04/11/2005	1,425,000	1,696,819	1,767,570
American General Financial Corporation	6.250	04/15/1995	4,920,000	4,863,742	4,947,995
Amoco CDA Petroleum Company	7.375	09/01/2013	1,470,000	1,719,659	1,646,400
AMR Corporation	9.750	03/15/2000	5,000,000	5,012,728	5,395,350
Associates Corporation of North America	6.375	04/15/1995	3,000,000	3,031,050	3,031,050
Associates Corporation of North America	7.500	10/15/1996	305,000	304,642	311,170
Associates Corporation of North America	8.625	06/15/1997	18,200,000	18,194,767	19,381,180
Associates Corporation of North America	8.780	05/15/1998	400,000	400,000	429,128
Associates Corporation of North America	8.800	04/15/1997	2,125,000	2,123,878	2,286,309
Associates Corporation of North America	9.000	06/15/1993	4,700,000	4,761,208	4,867,226
Associates Corporation of North America	9.700	05/01/1997	8,370,000	8,881,559	9,262,912
Atlantic Richfield Company	8.750	03/01/2032	3,800,000	3,800,000	3,883,524
Atlantic Richfield Company	9.000	05/01/2031	1,000,000	1,040,852	1,048,830
Barclays North American Capital Corporation	9.750	05/15/2021	21,600,000	21,933,845	23,193,216
Bear Stearns	0.000	12/01/2018	6,146,000	3,782,610	5,407,988
Bear Stearns	0.000	03/01/2019	9,696,000	5,846,778	4,710,802
Bear Stearns	9.000	01/25/2021	3,353,685	3,250,561	3,457,951
Beneficial Corporation	8.500	08/09/1996	240,000	239,653	256,930
Beneficial Corporation	8.600	08/15/1996	4,400,000	4,406,024	4,725,996
Beneficial Corporation	8.750	06/21/2000	1,600,000	1,597,865	1,726,832
Beneficial Corporation	8.800	06/15/2000	2,900,000	2,888,571	3,127,708
Beneficial Corporation	9.200	09/10/1996	1,475,000	1,503,380	1,616,069
Beneficial Corporation	10.100	11/27/2000	3,500,000	3,496,534	4,018,455
Beneficial Corporation	12.750	08/15/1994	1,750,000	1,937,361	1,997,205
British Petroleum America Incorporated	9.375	11/01/2000	4,565,000	4,718,255	5,011,914
Capstead Securities Corporation	8.500	05/25/2007	9,997,000	9,372,773	9,370,618
Caterpillar Incorporated	9.375	07/15/2001	6,000,000	6,105,073	6,509,820
Caterpillar Incorporated	9.750	06/01/2019	2,800,000	2,852,053	3,011,120
CBS Incorporated	5.000	04/04/2002	4,765,000	4,479,485	4,919,863
CFAC-Chemical Financial Acceptance Corporation	9.250	05/15/1998	9,063,516	9,037,155	9,592,825
Chase Manhattan Corporation	8.000	02/04/1997	11,675,000	11,641,708	11,736,411
Chase Manhattan Corporation	8.000	06/15/1999	12,000,000	12,000,000	12,037,560

CORPORATE BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Chase Manhattan Corporation	9.375	07/01/2001	3,000,000	3,143,186	3,184,830
Chemical Banking Corporation	7.375	06/15/1997	20,100,000	20,053,821	20,289,744
Chesapeake & Potomac Telephone Company	7.250	06/01/2012	2,000,000	1,869,863	1,780,900
Chrysler Financial Corporation (Class A)	0.000	03/31/1996	4,162,192	4,125,457	4,142,629
Citibank New York St N A	9.500	09/25/2011	681,343	740,084	721,972
Coca Cola Company	7.750	02/15/1996	7,685,000	7,651,112	8,078,395
Coca Cola Enterprises Incorporated	8.500	02/01/2012	10,000,000	10,000,000	10,149,200
Collateralized Mortgage Obligation Trust	0.000	10/01/2014	12,966,576	10,438,178	10,123,136
College & University Fac Loan Trust	4.000	06/01/2018	6,365,000	3,398,676	3,541,104
Comcast Corporation	2.750	04/15/2003	265,000	321,492	255,725
Comdisco Receivables	7.700	05/15/1996	4,855,155	4,847,814	4,846,028
Commercial Credit Group Incorporated	7.375	11/15/1996	9,955,000	9,939,051	10,132,697
Commonwealth Edison Company	8.000	05/15/2008	11,230,000	11,130,421	11,245,947
Conagra Incorporated	9.750	03/01/2021	3,500,000	3,521,386	3,847,760
Countrywide Funding Corporation	7.850	03/03/1997	3,200,000	3,196,503	3,264,960
CTS Home Equity Loan Trust (Class A)	7.700	09/15/2006	10,802,437	10,792,534	11,039,011
Dayton Hudson Corporation	9.400	02/15/2001	2,000,000	2,142,516	2,179,980
Delta Air Lines Incorporated	9.250	03/15/2022	7,000,000	6,969,335	6,947,080
Delta Air Lines Incorporated	9.875	01/01/1998	8,000,000	8,253,467	8,663,280
Delta Air Lines Incorporated	9.875	05/15/2000	2,000,000	2,079,657	2,168,580
Discover Credit Corporation	7.970	05/07/1997	3,700,000	3,797,208	3,811,148
Discover Credit Corporation	8.920	03/15/1996	3,800,000	4,006,512	4,010,710
Du Pont (E.I.) De Nemours & Company	6.000	12/01/2001	17,750,000	15,096,431	15,830,160
Exxon Capital Corporation	8.000	12/01/1995	1,750,000	1,823,942	1,853,128
Exxon Shipping Company	0.000	09/01/2012	16,725,000	2,916,261	3,177,750
FCC 1989A Grantor Trust	8.750	10/15/2004	7,817,806	7,768,174	8,120,355
Federal Express Corporation	9.650	06/15/2012	12,000,000	11,946,727	12,028,200
Federal Express Corporation	9.750	05/15/1996	1,000,000	1,024,563	1,041,890
Federal Express Corporation	9.875	04/01/2002	7,500,000	7,447,349	7,926,375
Federal Express Corporation	10.000	09/01/1998	12,500,000	12,872,248	13,128,000
Financing Corporation	9.800	04/06/2018	20,000,000	22,225,666	23,562,400
First Chicago Corporation	8.875	03/15/2002	20,200,000	20,638,905	20,914,878
First Chicago Corporation	9.000	06/15/1999	3,060,000	2,850,216	3,240,173
First Interstate Automobile Trust	9.000	10/15/1996	4,315,909	4,305,533	4,496,271
First Interstate Bancorp	8.625	04/01/1999	5,000,000	4,535,764	5,175,000
First Interstate Bancorp	12.750	05/01/1997	3,000,000	3,137,110	3,606,600
First Usa Credit Card Trust	8.700	05/31/1996	10,000,000	9,888,512	10,585,400
Ford Cap B V	9.000	08/15/1998	8,500,000	8,466,923	9,058,620
Ford Cap B V	10.125	11/15/2000	4,000,000	4,484,498	4,544,880
Ford Cr 1989-B Grantor Trust	8.600	12/15/1994	8,830,007	8,821,055	9,071,508
Ford Cr 1990-A Grantor Trust	8.750	10/16/1995	15,187,640	15,720,427	15,827,648
Ford Cr Auto Ln Master Tr96360	7.375	04/15/1997	34,000,000	33,896,515	34,720,800
Ford Motor Company	8.875	01/15/2022	15,000,000	14,944,058	15,382,950
Ford Motor Credit Company	6.250	04/11/1994	10,530,000	10,517,708	10,707,431
Ford Motor Credit Company	8.000	10/01/1996	4,000,000	4,000,533	4,152,480
Ford Motor Credit Company	8.625	04/15/1996	5,000,000	4,978,802	5,328,500
Ford Motor Credit Company	8.750	01/17/1995	3,340,000	3,310,475	3,567,888
Ford Motor Credit Company	8.875	03/15/1996	3,385,000	3,384,793	3,630,345
Ford Motor Credit Company	8.875	08/01/1996	20,845,000	21,486,617	22,288,516
Ford Motor Credit Company	9.000	04/27/1998	1,130,000	1,119,645	1,219,134

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CORPORATE BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Ford Motor Credit Company	9.050	07/09/2000	7,400,000	7,389,956	8,009,464
Ford Motor Credit Company	9.070	07/05/1996	11,495,000	12,070,862	12,449,890
Ford Motor Credit Company	9.125	12/15/1995	4,000,000	4,024,931	4,294,440
Ford Motor Credit Company	9.250	06/15/1998	5,000,000	5,055,431	5,355,900
Freeport McMoran Incorporated	6.550	01/15/2001	3,384,000	2,851,886	3,079,440
General Dynamics Corporation	5.750	07/15/2011	2,429,000	2,400,923	2,210,390
General Electric Capital Corporation	8.500	07/24/2008	3,575,000	3,596,701	3,859,284
General Electric Capital Corporation	8.625	06/15/2008	6,690,000	6,752,130	7,251,960
General Electric Credit Corporation	5.500	11/01/2001	8,460,000	6,499,917	7,271,962
General Motors Acceptance Corporation	6.250	02/07/1994	11,300,000	11,267,939	11,448,821
General Motors Acceptance Corporation	6.250	02/10/1994	170,000	169,516	172,234
General Motors Acceptance Corporation	6.500	04/11/1994	290,000	289,962	294,744
General Motors Acceptance Corporation	6.625	12/15/1993	8,000,000	7,992,252	8,168,000
General Motors Acceptance Corporation	6.750	11/08/1993	4,000,000	4,002,967	4,072,560
General Motors Acceptance Corporation	6.850	04/07/1994	19,000,000	19,097,914	19,420,850
General Motors Acceptance Corporation	7.600	01/09/1997	20,400,000	20,230,181	20,875,932
General Motors Acceptance Corporation	8.250	08/01/1996	5,000,000	5,085,281	5,237,850
General Motors Acceptance Corporation	8.400	10/15/1999	5,000,000	5,050,409	5,244,850
General Motors Acceptance Corporation	8.600	05/10/1996	4,295,000	4,518,833	4,576,795
General Motors Acceptance Corporation	8.850	07/01/1994	15,000,000	14,855,596	15,877,350
General Motors Acceptance Corporation	9.050	12/14/1995	11,145,000	11,150,750	12,048,860
General Motors Acceptance Corporation	9.625	12/15/2001	2,435,000	2,583,077	2,699,465
General Motors Corporation	8.170	01/02/2000	4,499,487	4,491,191	4,572,379
General Motors Corporation	9.400	07/15/2021	7,000,000	7,288,781	7,536,480
General Motors Corporation	9.625	12/01/2000	13,500,000	14,001,663	14,750,100
Georgia Pacific Corporation	9.875	11/01/2021	7,000,000	7,271,483	7,296,870
GMAC 1992-A Grantor Trust (Class A)	5.050	01/15/1997	10,851,783	10,863,280	10,865,348
Golden West Financial Corporation	8.625	08/30/1998	3,000,000	3,008,647	3,083,100
Golden West Financial Corporation	10.250	12/01/2000	5,000,000	5,150,191	5,675,000
Goldome Credit Corp. Home Equity Trust	10.000	07/15/2005	8,302,734	8,415,839	8,957,488
Great Western Bank	9.875	06/15/2001	4,000,000	4,251,349	4,387,800
Greyhound Financial Corporation	8.250	03/11/1997	22,300,000	22,205,021	22,957,850
GTE Corporation	8.750	11/01/2021	3,725,000	3,744,323	3,782,440
GTE Corporation	10.250	11/01/2020	4,150,000	4,109,044	4,693,650
GTE North Incorporated	9.600	01/01/2021	13,500,000	13,973,202	14,622,525
Home Savings America	10.250	12/05/1996	8,000,000	7,973,964	8,473,600
Integra Financial Corporation	8.500	05/15/2002	3,000,000	2,993,017	2,999,610
Iowa Power & Lighting Company	8.250	09/15/2007	2,000,000	1,770,432	2,073,100
ITT Corporation	9.500	04/15/2021	10,000,000	9,894,376	10,789,400
ITT Corporation	9.750	02/15/2021	4,500,000	4,846,296	4,859,595
Kaiser Permanente	9.550	07/15/2005	10,000,000	9,994,036	11,384,300
Kansas Gas & Electric Company	11.875	03/29/2016	1,000,000	1,125,374	1,101,730
Marriott Corporation	8.875	05/01/1997	3,500,000	2,868,823	3,614,065
MASCO Corporation	5.250	02/15/2012	3,745,000	3,042,240	3,164,525
MBNA Master Credit Card Trust	7.750	10/15/1998	15,000,000	15,474,543	15,646,500
McGraw Hill Incorporated	9.430	09/01/2000	5,000,000	5,022,330	5,488,700
Merrill Lynch Mortgage Investments Inc.	6.850	04/15/2012	12,156,057	12,140,934	12,388,238
Merrill Lynch Mortgage Investments Inc.	8.050	04/15/2012	9,000,000	8,988,777	9,320,400
Merrill Lynch Mortgage Investments Inc. (Class A)	9.000	07/15/2011	3,588,012	3,699,898	3,766,336



CORPORATE BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Merrill Lynch TR XXIX Cmo (Class A)	0.000	05/01/2013	1,616,068	1,298,762	1,260,113
Merrill Lynch & Company Incorporated	6.460	05/15/1995	7,760,000	7,760,000	7,852,732
Merrill Lynch & Company Incorporated	8.300	11/01/2002	7,200,000	7,130,782	7,382,808
Midland American Capital Corporation	12.750	11/15/2003	5,500,000	6,207,525	6,710,440
Morgan Stanley Group Inc.	8.100	06/24/2002	10,600,000	10,600,000	10,600,000
Morgan Stanley Mortgage Trust	8.450	05/01/2017	2,808,742	2,695,325	2,936,683
Morgan Stanley Mortgage Trust	9.667	04/20/2021	20,498	3,756,541	3,906,458
Motorola Incorporated	8.400	08/15/2031	3,345,000	3,457,590	3,466,557
Mountain Sts Telephone & Telegraph Company	7.875	11/15/2016	1,500,000	1,350,621	1,405,365
National Rural Utilities	9.640	05/19/1997	5,720,000	6,207,263	6,348,514
National Westminster Bank Plc	9.450	05/01/2001	6,250,000	6,644,810	6,817,250
NCNB Texas National Bank	9.500	06/01/2004	7,000,000	7,404,061	7,730,240
New Jersey Bell Telephone Company	6.625	04/01/2008	2,000,000	1,832,108	1,808,540
New York Telephone Company	9.375	07/15/2031	7,505,000	7,486,644	8,116,883
Northwestern Bell Telephone Company	8.625	06/15/2012	2,775,000	2,738,973	2,809,604
Old Dominion Elec Coop	7.970	12/01/2002	2,000,000	2,000,000	2,030,520
Omnicom Group Incorporated	6.500	07/27/2004	1,825,000	1,847,901	2,402,613
Pacific Gas & Electric Company	7.500	06/01/2004	2,000,000	1,907,227	1,948,940
Penney (J.C.) Incorporated	10.000	10/15/1997	3,000,000	3,289,370	3,363,750
Philip Morris Companies Incorporated	6.000	07/15/2001	5,000,000	4,385,400	4,385,800
Philip Morris Companies Incorporated	7.375	02/15/1999	2,000,000	1,978,002	1,999,260
Philip Morris Companies Incorporated	8.250	10/15/2003	11,005,000	11,156,474	11,268,460
Philip Morris Companies Incorporated	9.250	02/15/2000	3,000,000	2,943,406	3,312,420
Philip Morris Companies Incorporated	9.600	05/16/1994	10,335,000	10,935,771	11,099,687
Plenum Publishing Corporation	6.500	04/15/2007	2,661,000	2,513,221	2,208,630
Prudential Home Mortgage Company	6.600	04/25/2022	5,000,000	3,878,813	3,876,600
Puget Sound Power & Lighting Company	7.875	10/01/1997	140,000	140,749	144,879
RBSG Capital Corporation	10.125	03/01/2004	6,630,000	7,357,635	7,572,256
RCSB 1990-B Grantor Trust	8.900	05/15/1996	3,183,722	3,245,603	3,183,563
Republic National Bank New York	6.400	04/15/1995	10,000,000	10,000,000	10,170,600
Republic of New York Corporation	8.875	02/15/2001	1,425,000	1,396,595	1,516,357
Republic of New York Corporation	9.750	12/01/2000	5,190,000	5,312,124	5,858,783
Rouse Company	5.750	07/23/2002	1,435,000	981,752	1,108,538
Scott Paper Company	8.800	05/15/2022	6,000,000	5,964,784	6,041,220
Seagram Company Limited	8.350	01/15/2022	5,095,000	5,069,632	4,994,068
Sears Credit Account Trust	8.650	07/15/1996	10,025,000	10,176,552	10,735,773
Sears Roebuck & Company	9.375	11/01/2011	9,000,000	9,235,632	9,593,730
Security Pacific Corporation	7.750	12/01/1996	4,350,000	4,350,000	4,472,235
Security Pacific Corporation	9.450	05/01/1995	6,350,000	6,757,442	6,886,321
Security Pacific Corporation	11.000	03/01/2001	6,500,000	7,246,229	7,632,300
Security Pacific Corporation	11.500	11/15/2000	4,000,000	4,140,944	4,764,080
Security Pacific Home Equity Trust	10.500	03/10/2006	2,000,000	1,965,465	2,156,200
Shearson Lehman Hutton Holdings	8.375	02/15/1999	5,000,000	4,956,449	5,176,700
Shell Oil Company	7.700	02/01/1996	9,770,000	9,706,457	10,251,954
Southern California Edison Company	10.000	01/15/2020	5,000,000	5,505,429	5,452,350
Southern California Gas Company	9.750	12/01/2020	2,795,000	2,945,005	3,041,323
Southern Natural Gas Company	7.850	01/15/2002	4,520,000	4,514,786	4,465,127
Standard Credit Card Trust	8.500	06/07/1996	15,500,000	15,521,021	16,498,200
Standard Credit Card Trust	8.875	03/28/2012	7,703,000	8,072,233	8,293,050
Standard Credit Card Trust	9.375	07/10/1997	15,000,000	15,150,397	16,285,350

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CORPORATE BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Tenneco Incorporated	10.000	08/01/1998	9,500,000	9,983,094	10,336,285
Tenneco Incorporated	10.000	03/15/2008	1,750,000	1,869,041	1,882,948
Terminal Railroad Association of St. Louis	4.000	07/01/2019	403,000	342,889	190,643
Times Mirror Company	8.550	06/01/2000	7,000,000	6,958,281	7,239,890
Times Mirror Company	8.600	11/15/1993	6,000,000	6,002,288	6,270,180
Times Mirror Company	8.700	06/15/1999	2,215,000	2,232,293	2,414,350
Travelers Mortgage Services Incorporated	8.800	11/25/2019	6,600,846	6,392,139	6,767,927
Turner Broadcasting Systems Incorporated	0.000	10/26/2004	12,110,000	4,109,996	4,109,996
United States Auto Receivables Trust	8.000	03/15/1996	7,775,726	7,819,725	8,043,211
United States Auto Receivables Trust	8.750	08/15/1995	6,524,468	6,691,128	6,728,945
United States Home Equity Loan	8.500	04/15/2021	7,251,319	7,300,366	7,550,073
United States Leasing International Inc.	8.750	05/01/1996	11,400,000	11,698,603	12,164,598
United States West Communications Inc.	8.875	06/01/2031	10,000,000	9,718,696	10,314,100
VF Corporation	9.250	05/01/2022	1,500,000	1,496,947	1,558,575
Wal-Mart Stores Incorporated	9.100	07/15/2000	9,140,000	9,753,585	9,960,772
Waste Management Incorporated	7.875	08/15/1996	2,000,000	2,000,000	2,098,080
WCS Intl SBA Pollution Control	12.500	02/15/2003	1,519,000	1,629,437	1,897,869
Wells Fargo & Company	8.350	02/15/1993	8,630,000	8,629,912	8,788,792
Wells Fargo & Company	8.750	05/01/2002	5,655,000	5,632,761	5,734,566
West American Corporation	12.500	02/15/2003	616,000	619,286	646,862
Westinghouse Credit Corporation	7.820	08/06/1993	10,650,000	10,648,794	10,835,523
Westinghouse Credit Corporation	8.020	06/01/1994	7,080,000	7,038,957	7,242,061
Xerox Corporation	9.200	07/15/1999	4,600,000	4,900,572	4,973,842
<b>TOTAL CORPORATE BONDS - DOMESTIC</b>			<b>\$ 1,357,914,730</b>	<b>\$ 1,333,518,773</b>	<b>\$ 1,384,672,389</b>

FOREIGN BONDS	Rate	Maturity	Par Value	Book Value	Market Value
<b>Australia</b>					
National Australia Bank Limited	9.700	10/15/1998	\$ 17,750,000	\$ 18,319,488	\$ 19,568,665
South Australia Govt. Fin.	12.500	05/15/2006	2,610,000	2,820,311	2,992,748
Victorian Pub. Auth. Fin.	12.500	07/15/2000	4,475,000	4,859,354	5,167,490
			<b>\$ 24,835,000</b>	<b>\$ 25,999,153</b>	<b>\$ 27,728,90</b>
<b>Austria</b>					
Republic of Austria	5.625	09/18/1996	\$ 6,740,000	\$ 6,567,854	\$ 6,857,013
<b>Belgium</b>					
Kingdom of Belgium	6.875	07/09/2001	\$ 4,755,000	\$ 4,999,418	\$ 5,134,607
<b>Canada</b>					
Bet Icecarm BV	8.625	10/15/2001	\$ 8,000,000	\$ 7,969,175	\$ 8,199,280
British Columbia Hydro & Power	12.500	09/01/2013	2,000,000	2,508,115	2,566,120
Government of Canada	10.750	03/15/1998	1,250,000	1,363,022	1,410,609
Government of Canada	10.750	12/15/1998	5,000,000	5,726,943	5,762,842
Government of Canada	10.750	10/01/2009	2,500,000	2,710,159	2,762,567
Canadian Pacific Limited	8.850	06/01/2022	5,000,000	4,991,009	4,992,400
Hydro-Quebec	8.400	01/15/2022	24,385,000	23,952,053	24,007,033
Hydro-Quebec	9.375	04/15/2030	12,000,000	12,092,447	13,043,400
Hydro-Quebec	9.400	03/23/2000	7,050,000	7,056,627	7,772,625

FOREIGN BONDS	Rate	Maturity	Par Value	Book Value	Market Value
Hydro-Quebec	13.250	10/15/2010	5,500,000	6,527,645	6,829,350
Manitoba Providence	9.250	04/01/2020	4,000,000	3,983,229	4,301,960
Ontario Providence	15.750	03/15/2012	3,000,000	4,107,704	4,182,360
Province of Quebec	6.250	11/05/2001	5,950,000	5,690,026	5,938,813
Province of Quebec	8.625	12/01/2026	22,530,000	22,653,079	22,687,034
			<u>\$ 108,165,000</u>	<u>\$ 111,331,230</u>	<u>\$ 114,456,394</u>
<b>Denmark</b>					
Kingdom of Denmark	8.000	05/15/2003	\$ 1,020,000	\$ 947,828	\$ 1,006,945
Kingdom of Denmark	9.000	11/15/1998	5,795,000	5,160,004	5,414,926
			<u>\$ 6,815,000</u>	<u>\$ 6,107,832</u>	<u>\$ 6,421,871</u>
<b>Finland</b>					
Republic of Finland	6.000	01/29/2002	\$ 5,950,000	\$ 5,771,544	\$ 5,957,425
Republic of Finland	11.750	03/15/1996	1,685,000	1,591,166	1,645,466
Republic of Finland Housing	12.500	09/15/2000	1,445,000	1,420,612	1,478,393
			<u>\$ 9,080,000</u>	<u>\$ 8,783,322</u>	<u>\$ 9,081,284</u>
<b>France</b>					
Banque Paribas	8.350	06/15/2007	\$ 7,000,000	\$ 7,000,000	\$ 7,076,300
Government of France	8.500	10/25/2019	7,580,000	6,915,533	7,337,666
Government of France	9.500	06/25/1998	3,885,000	3,687,984	3,982,538
			<u>\$ 18,465,000</u>	<u>\$ 17,603,516</u>	<u>\$ 18,396,505</u>
<b>Germany</b>					
Autobahn & Schnell	6.000	03/11/2000	\$ 795,000	\$ 747,272	\$ 804,234
<b>Ivory Coast</b>					
African Development Bank	8.800	09/01/2019	\$ 25,500,000	\$ 25,593,923	\$ 27,878,130
African Development Bank	9.300	07/01/2000	1,500,000	1,590,948	1,666,560
			<u>\$ 27,000,000</u>	<u>\$ 27,184,871</u>	<u>\$ 29,544,690</u>
<b>Japan</b>					
Inter-Amer Development Bank	6.000	10/30/2001	\$ 6,345,000	\$ 6,279,488	\$ 6,453,659
KFW International Finance	6.000	11/29/1999	5,950,000	5,854,730	6,091,215
			<u>\$ 12,295,000</u>	<u>\$ 12,134,217</u>	<u>\$ 12,544,874</u>
<b>Malaysia</b>					
Government of Malaysia	9.875	09/27/2000	\$ 11,500,000	\$ 11,396,798	\$ 12,814,680
<b>Netherlands</b>					
Dart & Kraft Financial NV	7.750	11/30/1998	\$ 575,000	\$ 730,808	\$ 1,105,438
Dutch Government	7.250	07/15/1999	6,975,000	6,079,402	6,554,458
Dutch Government	6.500	07/15/1998	5,810,000	4,927,854	5,306,870
			<u>\$ 13,360,000</u>	<u>\$ 11,738,064</u>	<u>\$ 12,966,765</u>
<b>New Zealand</b>					
Government of New Zealand	8.750	12/15/2006	\$ 2,700,000	\$ 2,613,173	\$ 2,887,542
Government of New Zealand	10.000	03/15/2002	6,520,000	6,806,013	7,191,707
			<u>\$ 9,220,000</u>	<u>\$ 9,419,186</u>	<u>\$ 10,079,249</u>

FINANCIAL SECTION

FOREIGN BONDS	Rate	Maturity	Par Value	Book Value	Market Value
<b>Norway</b>					
Norsk Hydro AS	9.000	04/15/2012	\$4,000,000	\$4,000,000	\$4,181,200
Kingdom of Norway	5.375	02/14/1997	1,980,000	1,860,967	1,994,470
			<u>\$ 5,980,000</u>	<u>\$ 5,860,967</u>	<u>\$ 6,175,670</u>
<b>Sweden</b>					
Svenska	8.350	07/15/2004	\$8,850,000	\$8,870,920	\$8,870,920
Swedish Export Credit Corporation	9.875	03/15/2038	12,500,000	12,793,377	13,698,625
Kingdom of Sweden	10.250	05/05/2003	5,800,000	5,654,625	6,074,058
Kingdom of Sweden	11.000	01/21/1999	3,625,000	3,553,516	3,818,044
			<u>\$ 30,775,000</u>	<u>\$ 30,872,438</u>	<u>\$ 32,461,647</u>
<b>Turkey</b>					
Republic of Turkey	9.000	06/15/1999	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
<b>United Kingdom</b>					
Conversion	9.000	03/03/2000	\$ 1,900,000	\$ 1,771,727	\$ 1,893,374
Conversion	9.000	07/12/2011	2,850,000	2,598,030	2,857,879
Treasury	9.750	08/27/2002	2,375,000	2,258,399	2,463,976
Treasury	13.250	01/22/1997	8,555,000	8,866,641	9,736,229
			<u>\$ 15,680,000</u>	<u>\$ 15,494,797</u>	<u>\$ 16,951,458</u>
<b>TOTAL FOREIGN BONDS</b>			<u>\$ 311,460,000</u>	<u>\$ 312,240,935</u>	<u>\$ 328,419,843</u>
<b>PRIVATE PLACEMENT BONDS</b>					
	Rate	Maturity	Par Value	Book Value	Market Value
Beverly Hills Savings & Loan Association	11.750	07/15/1993	\$5,000,000	\$5,000,000	\$5,000,000
Card Establishment Services	10.500	06/30/2001	2,500,000	2,257,939	2,257,939
Cigna Hospital Los Angeles	9.500	09/30/1999	5,580,810	5,580,810	5,580,810
Norwest Mortgage	7.430	01/01/2020	2,796,041	1,804,257	2,324,069
Olefins Properties	9.150	06/06/1995	1,815,467	1,815,467	1,815,467
Pacific Light Properties	8.250	11/01/2004	19,603,306	19,603,305	19,603,305
Pacific Light Properties	10.000	10/01/2004	2,032,572	2,032,572	2,032,572
Ticor Investment Securities	12.125	07/22/1998	100,194	100,180	102,205
<b>TOTAL PRIVATE PLACEMENT BONDS</b>			<u>\$ 39,428,390</u>	<u>\$ 38,194,530</u>	<u>\$ 38,716,368</u>
<b>TOTAL BONDS</b>			<u>\$4,801,979,052</u>	<u>\$4,509,422,615</u>	<u>\$4,665,696,486</u>

**COMMON STOCKS - DOMESTIC**

	Shares	Book Value	Market Value
A & W Brands Inc.	104,800	\$ 2,376,061	\$ 3,340,500
AAR Corporation	155,000	2,610,631	2,053,750
Abbott Laboratories	894,600	14,991,045	26,614,350
Adaptec Incorporated	160,800	2,139,496	3,678,300
Addington Resources	65,000	931,600	609,375
Adobe Incorporated	163,300	6,506,569	7,430,150
ADT Limited	180,000	2,084,364	1,530,000
ADT Limited (Warrants)	41,666	122,666	72,916

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Advanced Magnetics Incorporated	85,000	1,987,940	1,030,625
Advanced Micro Devices Incorporated	100,000	910,000	875,000
Advanta Corporation (Class A)	71,000	1,428,147	1,153,750
ADVO Incorporated	75,000	854,188	1,368,750
Air Products & Chemicals Incorporated	112,600	3,913,905	4,785,500
Air & Water Technologies Corporation (Class A)	222,000	4,342,653	3,552,000
Alaska Air Group Incorporated	142,000	3,128,206	2,627,000
Albertsons Incorporated	28,600	1,201,954	1,194,050
Alcan Aluminium Limited	275,000	5,885,250	5,878,125
Alliance Capital Management	26,500	890,427	851,313
Alliance Pharmaceutical Corporation	24,500	599,229	459,375
ALLTEL Corporation	7,000	154,539	273,000
Altera Corporation	127,600	2,691,838	1,467,400
Aluminum Company of America	9,200	623,231	698,050
ALZA Corporation (Class A)	63,600	2,316,409	2,901,750
America Online Incorporated	90,000	1,217,618	1,215,000
American Barrick Res Corporation	59,900	1,375,676	1,662,225
American Brands Incorporated	30,000	1,031,551	1,335,000
American Cyanamid Company	94,800	4,888,323	5,273,250
American Electric Power Incorporated	26,000	818,359	828,750
American General Corporation	160,000	5,537,867	7,840,000
American Greetings Corporation (Class A)	36,200	1,300,565	1,552,075
American Home Products Corporation	112,800	5,517,304	8,065,200
American International Group Incorporated	188,900	11,036,683	16,741,263
American Oil & Gas Corporation	79,000	839,375	888,750
American Power Conversion Corporation	78,300	2,604,838	2,094,525
American Telephone & Telegraph Company	1,635,627	61,177,915	70,331,961
Ameritech Corporation	15,000	922,823	943,125
Amgen Incorporated	102,600	3,285,057	6,245,775
Amoco Corporation	150,000	7,042,850	7,162,500
AMP Incorporated	300,000	10,700,616	16,162,500
AMR Corporation	476,200	24,477,147	30,774,425
Amtech Corporation	72,500	1,383,741	1,141,875
Anheuser Busch Companies Incorporated	631,000	26,065,989	35,020,495
Ann Taylor Stores Corporation	81,000	1,943,136	1,609,875
Anthem Electronics Incorporated	90,000	2,495,167	3,127,500
Apple Computer Incorporated	203,800	8,401,402	9,782,400
Applebee's International	27,600	459,968	524,400
Applied Bioscience International Incorporated	300,000	2,275,036	3,975,000
Applied Metals Incorporated	118,200	1,791,839	2,364,000
Aramed Incorporated	15,000	383,852	633,750
Arkla Incorporated	59,850	1,257,368	546,131
Ashland Coal Incorporated	50,000	1,600,000	1,450,000
Ashland Oil Incorporated	26,200	795,072	697,575
Associated Communications Corporation (Class B)	22,300	326,736	345,650
Atlantic Richfield Company	150,000	7,953,889	16,162,500
Atlantic Southeast Airlines Incorporated	47,000	1,174,475	1,363,000
Au Bon Pain Incorporated (Class A)	124,200	1,743,212	1,956,150
Autozone Incorporated	79,100	2,734,810	2,214,800
Avon Products Incorporated	29,100	1,216,955	1,491,375

FINANCIAL SECTION

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Bachman Information Systems Incorporated	90,000	1,167,226	1,035,000
Baker Hughes Incorporated	365,000	7,292,420	7,391,250
Baldor Electric Company	19,550	321,538	478,975
Banc One Corporation	379,600	16,141,768	17,319,250
Bancorp Hawaii Incorporated	68,212	1,565,078	3,205,964
Bank of New York Company Incorporated	310,300	13,348,403	12,528,363
Bankamerica Corporation	141,300	3,710,302	6,270,188
Bankers Trust New York Corporation	46,100	2,559,062	2,708,375
Basin Expl Incorporated	156,000	1,482,000	1,326,000
Bausch & Lomb Incorporated	228,200	11,945,823	10,896,550
Baxter International Incorporated	442,100	15,924,063	16,081,388
Bay View Capital Corporation	91,000	1,543,920	1,615,250
Bearings Incorporated	27,600	498,051	475,875
Bed Bath & Beyond Incorporated	25,000	356,250	425,000
Bell Atlantic Corporation	130,467	2,752,553	5,805,782
Bellsouth Corporation	130,000	6,726,388	6,418,750
Belo (A.H.) Corporation (Class A)	78,000	2,847,049	3,432,000
Berkley W R Corporation	29,650	807,114	989,569
Bertucci Incorporated	38,950	741,860	623,200
Betz Labs Incorporated	53,200	2,623,431	2,899,400
BHA Group Incorporated (Class A)	60,600	795,371	1,105,950
Biomet Incorporated	560,600	4,049,256	9,600,275
Biomira Incorporated	66,500	704,282	681,625
Black & Decker Corporation	415,000	9,726,758	9,285,625
BMC Software Incorporated	158,250	4,558,424	7,121,250
Boeing Company	567,000	4,842,416	22,609,125
Bombay Incorporated	90,925	1,838,589	2,341,319
Borden Incorporated	164,800	4,696,052	5,026,400
Borland International Incorporated	28,500	1,373,916	1,175,625
Boston Scientific Corporation	150,000	2,564,622	2,568,750
Briggs & Stratton Corporation	36,500	1,570,577	1,637,938
Brinker International Incorporated	239,250	4,361,747	7,895,250
Bristol Myers Squibb Company	337,900	15,950,030	22,259,163
Broderbund Software Incorporated	33,400	423,597	801,600
Brooklyn Union Gas Company	48,000	1,419,315	1,470,000
Brooktree Corporation	55,000	761,876	632,500
Buffets Incorporated	105,975	1,236,179	3,338,213
Burlington Resources Incorporated	263,400	10,678,616	10,568,925
Burr Brown Corporation	136,000	1,021,227	578,000
CR Bard Incorporated	80,000	1,968,524	1,980,000
Cabletron Systems Incorporated	36,700	1,564,422	1,798,300
Cablevision System Corporation (Class A)	23,600	617,472	764,050
Cadence Design Systems Incorporated	340,300	8,468,467	6,933,613
Caesars World Incorporated	41,400	1,345,626	1,190,250
Calgon Carbon Corporation	20,000	452,650	387,500
Calmat Company	51,600	1,143,869	1,277,100
Campbell Soup Company	23,700	781,125	856,163
Capital Cities/ABC Incorporated	30,000	12,231,957	13,702,500
Card Establishment Services	1,353,173	1,353,173	1,353,173
Cardinal Distribution Incorporated	100,187	2,126,741	3,005,610

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Cardiovascular Imaging Systems Incorporated	75,000	525,000	656,250
Carnival Cruise Lines Incorporated	72,000	1,149,125	2,034,000
Cash America International Incorporated	300,000	2,090,995	3,150,000
Catalina Marketing Corporation	27,500	764,153	770,000
Caterpillar Incorporated	160,000	9,402,425	8,600,000
CBS Incorporated	63,000	11,345,825	12,159,000
Cellular Communications Incorporated	135,167	3,110,555	3,309,005
Cellular Communications of Puerto Rico	16,700	317,300	250,500
Celtrix Pharmaceuticals Incorporated	98,200	728,671	589,200
Centel Corporation	359,500	11,375,695	10,335,625
Centex Telemanagement Incorporated	250,000	2,433,368	3,437,500
Central Newspapers Incorporated (Class A)	134,600	2,549,869	2,809,775
Central Point Software	588,235	4,999,998	4,999,998
Central & South West Corporation	220,200	3,889,722	6,220,650
Century Communications Corporation	69,101	531,520	734,194
Century Telephone Enterprises Incorporated	220,250	4,190,694	6,387,250
Cephalon Incorporated	156,000	2,639,785	1,287,000
Ceridian Corporation	100,000	1,149,813	1,387,500
Chambers Development Incorporated (Class A)	33,200	500,063	232,400
Charming Shoppes	79,400	2,406,937	2,282,750
Checkers Drive-In Restaurants	59,800	1,433,992	1,607,125
Chemical Banking Corporation	431,100	12,145,035	16,004,588
Chemical Waste Management Incorporated	101,900	1,958,283	1,719,563
Chesapeake Corporation	83,000	1,902,854	2,054,250
Chevron Corporation	76,300	4,189,928	5,112,100
Chipsoft Incorporated	22,000	259,602	220,000
Chiron Corporation	41,100	1,092,461	2,250,225
Chrysler Corporation	458,600	6,215,660	9,687,925
Chubb Corporation	141,900	4,883,800	10,074,900
Church & Dwight Incorporated	40,500	1,015,352	1,078,313
Cifra SA DE CV	872,500	1,175,817	1,413,450
Cincinnati Financial Corporation	165,000	3,826,240	7,218,750
Cincinnati Gas & Electric Company	21,800	636,367	749,375
Cintas Corporation	188,500	2,102,650	4,995,250
Circuit City Stores	283,500	4,063,635	8,753,063
Circus Circus Enterprises Incorporated	245,100	7,752,629	10,232,925
Cisco Systems Incorporated	357,700	13,093,763	16,811,900
City National Bank	195,700	2,633,806	2,250,550
Clean Harbors Incorporated	23,600	306,905	218,300
Clearly Canadian Beverage Corporation	150,700	2,614,896	2,448,875
CMS Energy Corporation	501,000	11,842,426	7,953,375
Coastal Corporation	324,600	9,781,754	8,074,425
Coca Cola Company	139,800	1,460,238	5,592,000
Cognos Incorporated	50,000	375,681	450,000
Coltec Industries Incorporated	519,600	8,159,734	9,742,500
Columbia Hospital Corporation	24,900	393,781	410,850
Comcast Corporation (Class A)	301,700	3,292,590	5,166,613
Comerica Incorporated	76,000	3,866,551	4,493,500
Commonwealth Edison Company	68,800	2,636,824	1,831,800
CompUSA Incorporated	74,800	2,184,445	2,103,750

FINANCIAL SECTION

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Computer Network Technology	400,000	1,781,860	1,500,000
Computer Sciences Corporation	150,000	8,305,574	9,412,500
ConAgra Incorporated	85,400	2,436,025	2,231,075
Conner Peripherals Incorporated	10,000	198,200	185,000
Consolidated Edison Company New York Incorporated	42,900	1,070,886	1,201,200
Consolidated Papers Incorporated	305,000	11,780,335	12,200,000
Consolidated Rail Corporation	106,900	8,229,189	9,661,088
Consolidated Stores Corporation	72,000	275,827	837,000
Contel Cellular Incorporated (Class A)	55,500	789,047	749,250
Continental Medical Systems Incorporated	204,900	3,229,248	3,073,500
Cooper Tire & Rubber Company	76,000	1,841,046	3,638,500
Cor Therapeutic	45,000	729,972	506,250
CoreStates Financial Corporation	82,800	2,718,877	4,077,900
Costco Wholesale Corporation	135,300	1,123,122	3,856,050
Cott Corporation	1,600	28,704	31,200
Countrywide Credit Industries Incorporated	60,000	1,391,803	2,085,000
CPC International Incorporated	282,400	11,094,500	13,025,700
Cracker Barrel Old Country Store	457,337	2,594,665	14,177,447
Critical Care America Incorporated	184,500	4,097,981	7,103,250
CSX Corporation	155,000	8,485,302	9,823,125
CUC International Incorporated	145,400	3,837,520	4,343,825
Cummins Engine Company	53,200	3,032,400	3,644,200
Dames & Moore Incorporated	17,000	345,250	306,000
Daniel Industries Incorporated	22,200	364,012	285,825
Dayton Hudson Corporation	64,900	4,036,659	4,348,300
Delta Air Lines Incorporated	147,000	9,203,468	7,974,750
Destec Energy Incorporated	529,000	12,052,952	7,141,500
Devon Energy	42,500	425,000	446,250
Diagnostek Incorporated	100,900	1,479,900	1,300,000
Diagnostic Products Corporation	53,000	1,130,811	1,682,750
Digital Equipment Corporation	133,900	10,199,337	4,636,288
Dillard Department Stores Incorporated (Class A)	497,600	17,918,466	18,349,000
Disney Walt Company	694,000	20,054,198	25,070,750
Dollar General Corporation	39,800	827,070	796,000
Dow Chemical Company	228,550	12,596,931	13,170,194
Dow Jones & Company Incorporated	150,000	3,694,900	4,818,750
Dravo Corporation	65,000	1,033,578	568,750
Dress Barn Incorporated	218,800	2,909,367	2,023,900
Dresser Industries Incorporated	396,000	8,288,860	8,266,500
Dreyers Grand Ice Cream Incorporated	8,400	173,649	158,550
Dreyfus Corporation	85,800	2,953,920	3,238,950
Du Pont (E.I.) De Nemours & Company	972,100	26,562,009	49,091,050
Dun & Bradstreet Corporation	134,360	6,480,135	7,608,135
Dura Pharmaceuticals	150,000	1,416,500	937,500
Duriron Company Incorporated	81,000	1,603,953	2,126,250
Duty Free International Incorporated	200,000	2,644,880	4,600,000
E G & G Incorporated	60,600	1,432,924	1,393,800
Eastman Kodak Company	189,600	8,400,417	7,607,700
Eaton Corporation	120,900	7,200,274	9,656,888
Echlin Incorporated	125,000	1,992,747	2,343,750



COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Egghead Incorporated	121,036	2,118,130	2,224,037
El Paso Natural Gas Company	75,200	1,428,800	1,823,600
Electronic Arts	88,700	1,609,365	2,106,625
Energen Corporation	131,500	2,275,818	2,087,563
Enhance Financial Services Group Incorporated	126,000	2,349,164	2,142,000
Enquirer/Star Group Incorporated (Class A)	33,100	474,137	537,875
Enron Corporation	400,800	11,201,162	16,783,500
Enterra Corporation	89,400	1,770,907	1,586,850
Envoy Corporation ADR	155,900	2,112,746	2,377,475
Equitable Resources Incorporated	74,500	2,776,614	3,054,500
Ethyl Corporation	53,000	1,553,739	1,404,500
Exabyte Corporation	133,700	3,383,089	4,261,688
Excel Limited	264,900	8,431,511	9,536,400
Expeditors International Wash Incorporated	16,000	417,495	520,000
Exxon Corporation	387,200	19,658,391	23,958,000
F&C International Incorporated	133,333	1,910,909	1,999,995
Fastenal Company	11,600	195,765	188,500
Federal Express Corporation	379,725	18,928,686	17,135,091
Federal Home Loan Mortgage Corporation	167,400	3,981,550	6,654,150
Federal National Mortgage Association	1,104,800	18,935,753	67,669,000
FHP International Corporation	270,000	3,381,404	4,725,000
Filene's Basement Corporation	121,600	2,714,739	1,824,000
FileNet Corporation	146,300	2,459,952	3,474,625
Financial Federal Corporation	22,000	242,340	233,750
First Bank System Incorporated	31,500	833,028	826,875
First Financial Management Corporation	871,500	19,848,901	26,036,063
First Florida Banks Incorporated	25,000	295,808	1,212,500
First Security Corporation	25,050	366,379	607,463
First Union Corporation	111,300	3,915,705	4,215,488
FirstFed Financial Corporation	33,893	507,432	690,570
Fisher-Price Incorporated	69,000	1,209,341	1,354,125
Fleet Financial Group Incorporated	321,200	8,061,874	9,515,550
Fleetwood Enterprises Incorporated	40,100	1,506,922	1,142,850
Flightsafety International Incorporated	177,100	5,703,997	7,770,263
Food Lion Incorporated (Class A)	124,500	1,026,174	1,431,750
Foodmaker Incorporated	161,400	2,391,948	1,735,050
Forest Labs Incorporated	219,100	4,006,369	7,011,200
Foundation Health Corporation	86,600	1,734,131	2,554,700
FPL Group Incorporated	180,000	5,815,675	6,277,500
Franklin Quest Company	63,000	1,019,300	1,165,500
Franklin Resources Incorporated	94,300	2,244,154	2,333,925
Freeport McMoran Incorporated	1,229,476	22,593,838	24,282,151
Freeport McMoran Copper & Gold Incorporated (Class A)	200,400	1,408,266	4,659,300
Fruit of The Loom Incorporated (Class A)	411,000	12,957,746	13,563,000
G & K Services Incorporated (Class A)	100,000	1,192,500	1,325,000
Gallagher (Arthur J.) & Company	173,100	3,887,707	3,786,563
Gannett Incorporated	669,000	27,086,390	29,686,875
Gap Incorporated	18,200	414,703	627,900
Gaylord Entertainment Company	65,500	1,514,748	2,096,000
GEICO Corporation	177,500	3,683,555	10,428,125

FINANCIAL SECTION

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Genentech Incorporated	22,100	576,892	701,675
General Electric Company	1,067,080	38,300,200	82,965,470
General Motors Corporation	712,200	27,233,987	31,336,800
General Public Utilities Corporation	75,000	1,962,000	1,921,875
General Re Corporation	284,300	18,569,741	24,094,425
Gensia Pharmaceuticals Incorporated	48,000	1,714,179	1,752,000
Genuine Parts Company	96,000	2,977,738	3,072,000
Genzyme Corporation	171,500	5,925,683	7,546,000
Gilead Sciences Incorporated	30,000	445,075	367,500
Gillette Company	275,000	13,154,651	13,096,875
Glaxo Holdings Plc	2,992,000	35,786,033	77,343,200
Global Marine Incorporated	487,000	1,794,798	852,250
Glycomed Incorporated	50,000	740,410	475,000
Golden West Financial Corporation	446,000	11,554,968	20,460,250
Goodyear Tire & Rubber Company	203,000	9,644,050	13,930,875
Grainger (W.W.) Incorporated	49,600	1,954,221	2,287,800
Grand Casinos Incorporated	35,000	600,625	472,500
Granite Construction Incorporated	147,000	3,837,562	3,197,250
Great Lakes Chemical Corporation	380,400	18,231,848	23,584,800
Great Western Financial Corporation	547,700	8,912,769	9,242,438
Green Tree Financial Corporation	19,900	692,129	656,700
Greiner Engineering Incorporated	74,000	1,097,203	1,036,000
Grupo Financiero Bancomer	100,000	2,898,500	3,250,000
Grupo Televisa	420,000	10,740,741	9,660,000
GTE Corporation	967,000	23,441,224	30,823,125
H & R Block Incorporated	38,300	904,729	1,306,988
Haemonetics Corporation	93,000	2,694,418	2,976,000
Hannaford Brothers Company	93,100	1,999,614	1,675,800
Harley-Davidson Incorporated	24,000	473,451	627,000
Harleysville Group Incorporated	100,000	1,875,000	1,925,000
Harris Corporation	43,700	1,315,870	1,201,750
HealthCare Compare Corporation	76,100	2,229,448	2,416,175
Healthdyne Incorporated	100,000	2,345,415	2,050,000
HEALTHSOUTH Rehabilitation Corporation	194,250	1,842,339	3,787,875
Heilig-Meyers Company	25,000	302,475	646,875
Hercules Incorporated	110,000	4,570,965	5,802,500
Hewlett-Packard Company	79,200	4,066,617	5,454,900
Home Depot Incorporated	777,762	13,090,906	52,304,495
Honeywell Incorporated	94,600	3,206,730	6,622,000
Hornbeck Offshore Services Incorporated	110,000	734,388	330,000
Houghton Mifflin	56,400	1,763,677	1,663,800
Humana Incorporated	250,000	6,191,317	5,281,250
Hunt (J.B.) Transport Services Incorporated	63,900	1,458,335	1,309,950
IBP Incorporated	452,800	8,199,376	8,490,000
ICN Pharmaceuticals Incorporated	21,600	331,124	221,400
IDEXX Labs Incorporated	50,000	835,953	1,112,500
Illinois Cent Corporation	75,000	1,701,125	1,565,625
Illinois Tool Works Incorporated	285,300	14,570,031	17,367,638
IMC Fertilizer Group Incorporated	152,600	8,780,058	6,542,725
IMCERA Group Incorporated	56,800	1,896,978	1,810,500

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Immunex Corporation	25,000	755,029	718,750
IMRS Incorporated	40,000	688,130	670,000
Infinity Broadcasting Corporation (Class A)	171,800	2,973,116	3,393,050
Information Resources Incorporated	45,000	553,142	1,046,250
Informix Corporation	180,000	2,603,155	5,400,000
Ingersoll-Rand Company	386,200	7,993,420	10,620,500
Integon Corporation	16,500	260,944	292,875
Integrated Health Services Incorporated	97,600	1,866,226	1,952,000
Intel Corporation	297,600	11,910,875	16,918,650
Interface Incorporated	250,000	3,340,030	3,625,000
International Business Machines	302,500	24,432,095	29,607,188
International Flavors & Fragrances Incorporated	60,000	3,513,721	5,812,500
International Game Technology	73,200	1,997,982	1,939,800
International Multifoods Corporation	54,250	1,265,301	1,356,250
International Paper Company	111,100	7,259,194	7,763,113
Interpublic Group Companies Incorporated	722,500	16,320,742	20,410,625
Intersolv Incorporated	205,000	2,524,191	2,818,750
Intertape Polymer Group Incorporated	33,000	300,150	284,625
Ionics Incorporated	12,500	551,740	656,250
ITEL Corporation	87,116	1,502,333	1,437,414
ITT Corporation	126,000	7,789,494	8,158,500
Jacobs Engineering Group Incorporated	65,000	1,535,022	1,519,375
James River Corporation of Virginia	724,000	19,011,935	14,842,000
Johnson & Johnson	747,800	20,373,815	33,464,050
Jones Intercable Incorporated (Class A)	144,000	1,764,000	1,692,000
Jostens Incorporated	220,000	7,442,567	5,445,000
K Mart Corporation	968,800	16,768,940	22,282,400
Kaydon Corporation	89,800	1,566,786	1,953,150
Kellogg Company	211,900	8,887,587	14,064,863
Kelly Services Incorporated (Class A)	35,275	1,226,727	1,067,069
Kemper Corporation	26,000	862,255	630,500
KeyCorp	53,400	1,601,118	1,728,825
Keystone International Incorporated	112,500	1,725,550	3,009,375
Kimberly-Clark Corporation	24,000	1,392,314	1,404,000
Komag Incorporated	70,000	1,049,650	892,500
Kopin Corporation	65,000	650,000	617,500
Lafarge Corporation	25,000	361,125	353,125
Lands End	19,000	345,659	627,000
Laser Precision Corporation	120,000	1,042,850	600,000
Lattice Semiconductor Corporation	84,100	989,235	1,261,500
La-Z Boy Chair Company	197,500	4,391,348	4,715,313
LDDS Communications Incorporated (Class A)	33,100	989,806	959,900
Learning Company	107,300	1,323,340	1,153,475
Lechters Incorporated	220,000	3,880,462	4,455,000
LEGENT Corporation	98,223	1,725,625	3,216,803
Leggett & Platt Incorporated	76,400	1,359,292	1,833,600
Leslie's Poolmart	80,000	899,188	740,000
Liberty Media Corporation (Class A)	273,960	4,368,901	12,670,650
Lifecore Biomedical Incorporated	35,000	524,080	490,000
Lifetime Corporation	60,000	1,176,955	787,500

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COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Limited Incorporated	35,600	964,903	809,900
LIN Broadcasting Corporation	51,728	3,542,811	3,310,592
Lindsay Manufacturing Company	78,450	1,464,445	2,530,013
Linear Technology Corporation	298,300	5,157,500	11,260,825
Liposome Incorporated	100,000	1,189,755	975,000
Liposome Technology Incorporated	40,000	441,250	410,000
Liz Claiborne Incorporated	200,000	8,650,681	7,050,000
Lockheed Corporation	196,400	6,931,935	8,666,150
Loews Corporation	80,000	5,905,651	8,920,000
Lone Star Steakhouse Saloon	15,000	278,229	405,000
Lubrizol Corporation	84,600	4,546,555	5,847,975
Mac Frugal's Bargain Close-Outs	76,000	1,556,820	1,054,500
Magma Copper Company (Class B)	75,000	469,120	1,040,625
Magne Tek Incorporated	34,000	423,011	497,250
Mail Boxes Etc.	21,000	228,560	294,000
Mannesmann Ag ADR	8,500	1,591,299	1,608,625
Manpower Incorporated	251,000	3,422,066	3,451,250
Marsh & McLennan Companies Incorporated	212,000	13,576,353	16,430,000
Marvel Entertainment Group Incorporated	52,200	878,320	1,507,275
Masco Corporation	1,200,000	26,339,915	31,200,000
Mattel Incorporated	145,125	2,382,442	3,664,406
Maxim Integrated Products Incorporated	35,500	311,199	745,500
Maytag Corporation	400,000	5,911,674	6,600,000
MBA Incorporated	49,000	1,409,905	2,652,125
McKesson Corporation	13,300	493,084	422,275
McCaw Cellular Communications (Class A)	235,838	5,948,532	5,778,031
McDonalds Corporation	233,000	6,711,742	10,718,000
McGraw-Hill Incorporated	177,500	10,860,578	10,272,813
MCI Communications Corporation	645,100	14,099,105	20,723,838
McIntyre Newspaper Incorporated (Class A)	64,300	1,171,560	1,446,750
Mead Corporation	252,000	9,266,125	8,883,000
Medaphis Corporation	11,200	155,118	184,800
Medco Containment Services Incorporated	841,600	11,363,420	25,248,000
Medical Care International Incorporated	105,800	3,939,507	5,475,150
Medical Marketing Group Incorporated	25,000	312,500	656,250
MedImmune Incorporated	66,500	2,334,947	1,263,500
Medtronic Incorporated	219,900	9,372,766	17,976,825
Mellon Bank Corporation	42,600	1,800,842	1,751,925
Melville Corporation	396,000	17,429,011	18,018,000
Mentor Graphics Corporation	150,000	2,053,750	1,537,500
Merck & Company Incorporated	2,126,600	23,044,001	103,671,750
Mercury Finance Company	180,600	2,245,247	2,234,925
Merrill Lynch & Company Incorporated	157,400	7,253,663	7,948,700
Merry-Go-Round Enterprises Incorporated	28,600	271,193	396,825
Mexico Equity & Income Fund	23,200	278,400	333,500
Micro Focus Group Plc	18,000	747,612	653,202
Micron Technologies Incorporated	101,200	1,664,009	1,442,100
Microsoft Corporation	96,450	6,910,507	6,751,500
Microtouch Systems	60,000	854,410	854,410
Mid-American Waste Systems Incorporated	29,400	541,197	470,400

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Minnesota Mining & Manufacturing Company	257,500	15,379,948	24,977,500
Mirage Resorts Incorporated	117,300	3,703,566	3,035,138
MNC Financial Incorporated	137,500	1,413,551	1,478,125
Mobil Corporation	100,000	5,792,408	6,150,000
Molex Incorporated (Class A)	470,000	11,422,063	13,630,000
Monsanto Company	112,600	4,734,069	6,207,075
Moorco International Incorporated	147,100	2,446,139	3,383,300
Morgan Stanley Group Incorporated	75,200	3,291,129	3,769,400
Morgan (J.P.) & Company Incorporated	542,668	12,676,233	30,457,242
Morton International Incorporated	40,300	1,492,642	2,191,313
Motorola Incorporated	144,200	7,774,445	11,049,325
Multimedia Incorporated	20,000	498,750	550,000
Murphy Oil Corporation	290,000	11,540,248	9,896,250
Mycogen Corporation	47,000	728,835	681,500
Mylan Labs Incorporated	23,000	560,904	908,500
NAC Re Corporation	177,500	3,986,397	4,592,813
Nahama & Weagant Energy Company	150,000	675,000	637,500
National Health Laboratories Incorporated	781,200	14,406,471	16,112,250
National Medical Enterprises	627,000	10,113,853	9,013,125
Nations Bank Corporation	221,000	8,768,807	10,525,125
Natural Wonders Incorporated	35,000	486,375	481,250
Network Computing Devices Incorporated	80,000	988,960	880,000
Network General Corporation	100,000	1,915,337	1,950,000
Network System	130,000	1,812,636	1,446,250
New Line Cinema Corporation	90,000	1,391,750	1,091,250
New York State Electric & Gas Corporation	97,000	2,577,558	2,849,375
Newell Company	447,700	11,043,608	16,005,275
Niagara Mohawk Power Corporation	100,000	1,825,374	1,900,000
Nichols Institute (Class A)	150,000	1,708,027	1,218,750
NIKE Incorporated (Class B)	132,200	7,984,155	8,212,925
Noble Affiliates Incorporated	115,000	1,678,919	1,710,625
Nordson Corporation	36,000	1,903,990	1,755,000
Nordstrom Incorporated	423,000	14,164,300	11,949,750
Norfolk Southern Corporation	205,470	2,437,844	13,073,029
Northeast Utilities	170,000	3,713,454	4,058,750
NovaCare Incorporated	110,500	1,169,763	1,837,063
Novell Incorporated	409,600	9,730,332	21,811,200
Novellus Systems Incorporated	149,500	2,458,709	1,382,875
NYMAGIC Incorporated	232,800	6,269,870	6,634,800
NYNEX Corporation	118,700	9,423,002	9,362,463
Occidental Pete Corporation	14,400	263,298	282,600
Oceaneering International Incorporated	132,700	1,456,633	1,874,388
Octel Communications Corporation	30,000	508,883	690,000
Office Depot Incorporated	106,600	1,876,250	2,665,000
Offshore Pipelines Incorporated	35,500	469,299	350,563
Oil Drilling Corporation America	54,700	1,083,723	875,200
Omnicom Group	93,500	3,298,413	3,272,500
Orbital Engine Limited	60,000	1,773,120	1,162,500
Outback Steakhouse Incorporated	40,000	654,882	1,350,000
Outboard Marine Corporation	410,000	7,157,313	7,175,000

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COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Oxford Health Plans Incorporated	5,800	109,225	136,300
Pacific Telesis Group	228,076	5,211,101	9,151,550
Paging Network Incorporated	39,000	637,605	741,000
Pall Corporation	214,900	3,263,046	5,587,400
Parametric Technology Corporation	53,600	1,613,349	1,996,600
Parker Drilling Company	134,000	894,088	636,500
Parker & Parsley	310,000	3,385,297	3,952,500
Paychex Incorporated	87,000	1,243,522	2,001,000
Penn Traffic Company	47,500	1,029,549	1,258,750
Pennsylvania Power & Lighting Company	160,000	3,347,051	4,140,000
Pentos Limited Plc	70,500	858,035	710,640
Peoples Heritage Financial Group Incorporated	200,000	1,787,823	1,550,000
Pep Boys-Manny, Moe & Jack	100,000	1,507,850	2,275,000
PepsiCo Incorporated	868,700	13,846,108	30,295,913
Perfumania Incorporated	63,000	1,375,661	496,125
Perkin-Elmer Corporation	22,100	589,993	663,000
Pfizer Incorporated	421,300	30,169,764	30,754,900
Phelps Dodge Corporation	98,600	3,170,140	4,782,100
PHH Corporation	33,000	852,766	1,109,625
Philip Morris Company Incorporated	1,547,200	21,662,280	113,719,200
Phillips Pete Company	34,600	820,540	839,050
PHM Corporation	47,900	1,073,099	826,275
PictureTel Corporation	30,000	1,078,108	810,000
Pinkerton's Incorporated	58,000	1,042,026	899,000
Pinnacle West Capital Corporation	42,500	534,388	770,313
Pitney-Bowes Incorporated	508,000	7,260,978	14,668,500
Platinum Technology Incorporated	45,100	810,406	693,413
Policy Management Systems Corporation	103,100	2,979,303	6,495,300
Pope & Talbot Incorporated	78,400	1,839,724	1,215,200
Potlatch Corporation	11,600	475,414	513,300
PPG Industries Incorporated	196,100	9,009,955	12,844,550
Premier Industrial Corporation	100,000	2,044,890	3,237,500
Price Reits	32,000	795,760	976,000
Procter & Gamble Company	400,000	8,047,391	18,400,000
Production Operators Corporation	5,700	170,925	186,675
Progress Software Corporation	53,000	1,734,965	2,080,250
Promus Companies Incorporated	10,300	281,056	293,550
Public Service Enterprise Group	62,000	1,701,395	1,712,750
Pulitzer Publishing Company	69,000	1,755,498	1,983,750
Puritan Bennett	125,000	2,894,238	4,125,000
Pyramid Technology Corporation	53,000	719,468	569,750
Quality Food Centers Incorporated	42,100	1,394,583	1,552,438
Quantum Corporation	110,000	1,790,496	1,485,000
Quantum Health Resources Incorporated	132,500	2,487,910	2,948,125
Quarterdeck office Systems	87,500	1,475,663	1,082,813
Questar Corporation	81,900	1,750,361	1,863,225
Ralston Purina Company	30,900	1,691,392	1,436,850
RasterOps	69,500	1,552,500	834,000
Raychem Corporation	60,000	2,002,675	1,912,500
Raytheon Company	193,400	6,826,238	8,509,600

COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Readers Digest Association (Class A)	370,000	9,182,200	17,112,500
Read-Rite Corporation	50,000	1,165,341	1,137,500
Reebok International Limited	647,000	17,799,352	15,608,875
Repsol SA	285,700	6,497,898	8,463,863
Republic New York Corporation	33,800	1,387,540	1,347,775
Reuters Holdings Plc ADR	50,000	1,803,234	3,287,500
Reynolds Metals Company	174,000	9,541,623	10,070,250
Rite Aid Corporation	35,400	732,724	703,575
RJR Nabisco Holdings Corporation	1,046,300	10,644,446	9,155,125
Robert Half International Incorporated	17,700	326,524	203,550
Rogers Cantel Mobile Communications Incorporated (Class B)	98,000	2,120,472	1,788,500
Rohm & Haas Company	78,900	3,775,504	4,359,225
Rollins Environmental Services Incorporated	56,600	649,336	700,425
Rollins Incorporated	85,000	1,630,137	2,380,000
Rowan Companies Incorporated	71,500	495,627	429,000
Royal Dutch Pete Company	390,700	24,597,074	34,235,088
Russell Corporation	69,400	1,619,382	2,168,750
Ryans Family Steak House Incorporated	43,200	442,712	367,200
San Juan Basin Realty Trust	102,000	736,698	663,000
Santa Fe Energy Resources Incorporated	45,000	724,329	365,625
Schering-Plough Corporation	181,400	7,032,596	9,954,325
Schlumberger Limited	101,000	5,993,084	6,350,375
Scholastic Corporation	125,000	3,502,285	3,812,500
Schulman (A) Incorporated	81,850	2,232,524	2,312,263
SciMed Life Systems Incorporated	33,600	1,687,879	1,864,800
Scitex Limited	375,000	13,164,830	12,843,750
Scott Paper Company	85,600	3,862,489	3,274,200
Scripps (E.W.) Company (Class A)	120,000	2,714,005	3,300,000
Seagate Technology	215,000	3,337,263	3,198,125
Sealed Air Corporation	35,000	1,820,002	1,575,000
Sensomatic Electronics Corporation	95,600	2,543,647	2,557,300
Sepracor Incorporated	75,000	1,014,125	600,000
Shared Medical Systems Corporation	48,200	952,285	885,675
Shaw Industries Incorporated	74,800	448,767	1,617,550
ShoLodge Incorporated	17,300	303,935	272,475
Shoneys Incorporated	27,800	673,958	566,425
Sierra Tucson Companies	77,000	1,364,064	625,625
Sigma Aldrich Corporation	80,000	1,810,500	4,010,000
Singer Company	26,500	372,777	649,250
Sizzler International Incorporated	320,700	3,878,219	3,407,438
Smith International Incorporated	38,900	591,253	340,375
Smiths Food & Drug Centers Incorporated	300,000	10,980,483	8,962,500
Snap-On Tools Corporation	125,000	3,955,337	3,890,625
Snyder Oil Corporation	92,700	773,103	625,725
Societe Corporation	21,970	853,265	1,279,753
Software Publishing Corporation	150,000	1,838,745	1,312,500
Solectron Corporation	68,700	863,308	1,803,375
Sonic Corporation	72,600	1,406,245	1,733,325
Southern Company	171,000	4,284,550	5,963,625
Southern New England	397,300	13,920,897	12,862,588

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COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Southwest Airlines Company	154,500	4,213,024	6,624,188
Southwestern Bell Corporation	234,300	10,728,247	14,292,300
Spiegel Incorporated (Class A)	87,000	1,217,374	1,109,250
Spring Industries Incorporated	22,700	977,044	828,550
Sprint Corporation	11,100	284,949	241,425
State of The Art Incorporated	11,800	112,882	106,200
State Street Boston Corporation	220,000	3,298,715	7,865,000
Steris Corporation	65,000	473,125	601,250
Stevens Graphics Corporation	186,300	1,108,529	671,125
Stone & Webster Incorporated	64,000	2,174,063	1,792,000
Storage Tech Corporation	169,500	5,486,640	5,381,625
Stratus Computer Incorporated	64,500	2,770,855	2,765,438
Stride Rite Corporation	32,000	733,096	660,000
Structural Dynamics Research Corporation	361,100	3,352,632	5,416,500
Stryker Corporation	181,300	1,516,427	6,028,225
Student Loan Marketing Association	703,750	29,435,532	48,206,875
Sun Electric Corporation	110,000	2,289,945	1,017,500
SunGard Data Systems Incorporated	150,000	3,042,229	3,825,000
SunTrust Banks Incorporated	150,000	2,767,300	6,075,000
Superior Industries International Incorporated	44,170	866,240	2,186,415
SuperMac Technology Incorporated	160,000	1,474,200	1,320,000
Surgical Care Affiliates Incorporated	562,650	12,952,442	17,020,163
Sybase Incorporated	122,300	3,177,718	3,118,650
Symantec Corporation	264,300	5,003,922	10,043,400
Symbol Technologies Incorporated	56,700	1,271,524	1,048,950
Syncor International Corporation	80,000	894,370	1,340,000
Synergen Incorporated	5,700	354,794	282,150
SynOptics Communications Incorporated	95,900	2,361,824	3,092,775
Syntex Corporation	335,700	15,069,302	11,497,725
SyQuest Technology Incorporated	11,100	236,596	233,100
Sysco Corporation	435,800	8,565,658	10,786,050
System Software Association Incorporated	66,400	1,828,938	1,958,800
T2 Medical Incorporated	148,100	2,193,502	3,110,100
Tandem Computers Incorporated	250,000	3,385,875	2,968,750
Tandy Corporation	78,000	1,953,938	1,911,000
Target Therapeutics Incorporated	10,000	187,500	207,500
TCA Cable TV Incorporated	84,800	1,183,470	1,738,400
Telefonos De Mexico SA	702,000	21,327,017	30,712,500
Telephone & Data Systems Incorporated	143,800	4,621,862	4,511,725
Tele-Communications Incorporated (Class A)	1,044,599	16,474,187	20,500,255
Temple Inland Incorporated	115,200	3,068,089	5,587,200
Tenneco Incorporated	235,000	8,560,499	8,695,000
Texaco Incorporated	87,100	4,741,242	5,378,425
Texas Utilities Company	157,500	5,114,212	6,162,188
Textron Incorporated	73,400	2,056,515	2,743,325
Thermo Cardiosystems Incorporated	52,500	893,175	721,875
Thermo Electron Corporation	56,500	2,206,752	2,302,375
Tidewater Incorporated	65,000	860,450	983,125
Tiffany & Company	40,000	1,845,101	1,315,000
Time Warner Incorporated	157,900	6,428,275	17,526,900



COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Times Mirror Company	149,000	4,576,587	4,991,500
Timken Company	30,000	747,801	821,250
TNT Freightways Corporation	117,000	2,281,500	1,784,250
Tokos Medical Corporation	33,100	1,105,800	959,900
Torchmark Corporation	14,400	812,283	977,400
Toys R Us	903,750	15,411,312	31,179,375
Transamerica Corporation	270,000	10,502,677	11,981,250
Transatlantic Holdings Incorporated	94,200	3,051,832	3,085,050
Trenwick Group Incorporated	109,000	1,945,404	3,024,750
TriCare Incorporated	65,000	586,510	390,000
Trimble Navigation Limited	100,000	1,558,125	875,000
TRINOVA Corporation	227,200	5,974,607	5,168,800
TRW Incorporated	150,000	6,258,973	8,062,500
Tuboscope Vetco International Corporation	57,700	443,714	382,263
Tultex Corporation	51,000	384,311	420,750
Turner Broadcasting System Incorporated (Class B)	345,000	2,861,372	6,641,250
Turner Broadcasting System Incorporated (Class A)	69,000	253,589	1,405,875
20th Century Industries California	500,000	7,987,372	11,125,000
Tyco Laboratories Incorporated	160,000	6,928,162	5,440,000
UAL Corporation	35,500	4,349,059	4,118,000
Ultramar Corporation	92,000	1,380,000	1,380,000
Unilever N V New York Shares ADR	17,800	1,793,156	1,929,075
Union Carbide Corporation	32,300	804,000	876,138
United Healthcare Incorporated	58,200	2,387,329	4,830,600
United States Surgical Corporation	102,300	9,737,801	9,744,075
United Technologies Corporation	121,000	4,556,793	6,322,250
Unocal Corporation	753,300	10,523,485	19,209,150
UNUM Corporation	35,000	1,310,851	1,443,750
Upjohn Company	30,000	1,292,764	960,000
UST Incorporated	28,800	699,611	806,400
USX-Marathon Group	173,800	5,153,371	3,780,150
U.S. Bancorp Ore	106,000	1,893,855	2,557,250
U.S. HealthCare Incorporated	37,700	1,926,060	1,922,700
U.S. West Incorporated	291,300	10,408,212	10,632,450
Value Health Incorporated	23,600	410,474	855,500
Varco International Incorporated	231,000	1,552,431	1,010,625
Vencor Incorporated	46,500	1,187,305	1,214,813
Ventritex Incorporated Corporation	85,000	1,736,147	1,891,250
Venture Stores Incorporated	73,200	1,941,657	1,903,200
VeriFone Incorporated	93,400	2,322,883	1,868,000
Viacom Incorporated (Class A)	18,000	231,734	598,500
Viacom Incorporated (Class B)	103,000	2,670,302	3,347,500
Video Telecom Corporation	21,700	241,717	222,425
VISX Incorporated	100,000	1,147,200	1,225,000
Vulcan Materials Company	32,500	1,225,594	1,511,250
Waban Incorporated	105,000	1,294,463	2,100,000
Walker Interactive Systems Incorporated	30,000	553,749	517,500
Walker Power Incorporated	30,000	193,500	75,000
Wal-Mart Stores Incorporated	727,500	8,179,942	39,103,125
Warner-Lambert Company	112,500	7,003,656	6,862,500

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COMMON STOCKS - DOMESTIC	Par Value	Book Value	Market Value
Washington Federal Savings & Loan	208,050	3,933,201	5,669,363
Washington Mutual Savings Bank	192,000	3,375,824	5,016,000
Waste Management Incorporated	957,000	16,817,941	32,179,125
Waste Management International Plc	125,000	2,922,700	2,812,500
Watts Industries Inc. (Class A)	65,000	1,840,140	3,168,750
Waxman Industries Incorporated	139,000	695,000	625,500
Weathford International	191,100	1,001,474	1,003,275
Wellfleet Communications Incorporated	96,500	3,152,286	2,991,500
Wellman Incorporated	400,000	11,830,638	8,550,000
Wells Fargo & Company	579,677	18,451,619	43,258,396
Wendy's International Incorporated	100,000	1,130,000	1,100,000
Western Company North America	137,900	1,461,735	448,175
Western Investment Real Estate	92,998	1,276,986	1,162,481
Western Publishing Group Incorporated	70,000	1,325,669	1,085,000
Western Waste Industries	210,000	3,612,410	2,572,500
Westinghouse Electric Corporation	570,000	8,572,563	10,046,250
Wet Seal Incorporated (Class A)	40,000	534,362	390,000
Whirlpool Corporation	35,800	1,477,665	1,333,550
Willamette Industries Incorporated	55,200	1,588,970	2,083,800
Willcox & Gibbs Incorporated	110,000	1,091,546	1,045,000
Wilmington Trust Corporation	600,000	11,463,557	15,600,000
Woolworth Corporation	320,500	8,226,166	8,693,563
Worthington Industries Incorporated	86,300	1,855,739	1,984,900
Wynns International Incorporated	35,000	559,794	748,125
Xerox Corporation	306,600	20,165,970	21,385,350
Xilinx Incorporated	100,000	2,619,100	1,812,500
Xircom Incorporated	117,400	1,272,663	1,027,250
York International Corporation	54,900	1,758,824	1,818,563
Zilog Incorporated	34,700	539,551	806,775
<b>TOTAL COMMON STOCKS - DOMESTIC</b>		<b>\$3,026,135,206</b>	<b>\$4,111,911,035</b>

COMMON STOCK - INTERNATIONAL	Shares	Book Value	Market Value
<b>Austria</b>			
Austrian Airlines	350	\$ 90,917	\$ 68,178
Constantia Ind Hlg	450	46,558	44,373
Creditanstalt-Bank	4,044	354,163	208,787
Ea-Generali AG	1,230	287,266	366,602
Flughafen Wien AG	8,000	234,896	307,355
Jungbunzlauer	50	50,624	76,280
Leykam-Murztaler P&Z	1,400	77,414	50,010
Oest El Wirtsch	4,700	228,526	212,925
Oesterich Brau	105	6,425	6,388
Omv AG	3,600	288,563	292,694
Ost Brau-Beteiligu	1,150	66,010	69,964
Reininghaus Brauer	200	40,278	30,121
Steyr-Daimler-Puch	1,425	18,613	25,187
Universale-Bau AG	300	31,582	31,535
Veitscher Magnesit	850	44,043	26,094

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Wienerberger Baust-Z-Landerbank	511 10,777	278,673 786,557	215,099 829,479
		<u>\$ 2,931,104</u>	<u>\$ 2,861,072</u>
<b>Australia</b>			
Aberfoyle	10,500	\$ 43,444	\$ 41,205
Adelaide Brighton	21,700	36,692	25,256
Amcor Ltd	159,160	713,574	904,817
Ampol Exploration	126,066	324,344	327,302
Arnotts	18,500	86,416	97,995
Ashton Mining Limited	35,600	40,649	42,495
Aust Gas & Light	430,000	1,018,030	933,541
Aust National Industries	320,000	462,187	470,314
Aust & Nz Bank Group	625,000	1,008,930	913,920
Bond Corp Holding	2,765	77,955	268
Boral	658,608	1,688,729	1,537,954
Brambles Industries	74,544	813,784	987,706
Bridge Oil	35,800	24,262	10,684
Broken Hill Proprietary	363,170	2,581,280	3,901,616
BTR Nyllex Limited	310,000	659,851	638,326
Burns Philp & Company	254,284	657,773	682,957
Caltex Australia	19,700	29,181	34,686
Coal & Allied Industries	8,300	65,125	63,161
Coca Cola Amatil	35,500	177,479	189,103
Coles Myer	169,200	1,278,331	1,494,597
CRA Limited	165,300	1,363,077	1,721,592
CSR Limited	127,300	432,749	446,373
Dominion Mining NL	1,871,100	838,740	642,136
Email Limited	39,880	107,573	116,631
FAI Insurances	30,156	101,376	14,174
Fosters Brewing GP	348,960	599,428	502,464
General Property Trust	84,500	185,024	141,844
Gold Mines Kalgoorli	30,826	36,551	21,158
Hardie(James)Industries	49,651	98,347	106,312
Homestake Gold Aus	1,169,000	716,388	680,270
I.C.I. Australia	54,500	254,995	234,202
Jennings Industries	35,850	53,229	4,279
Lend Lease Corporation	116,963	1,066,026	1,438,063
Mayne Nickless	301,000	1,664,519	1,679,733
M.I.M. Holdings	720,375	1,289,563	1,612,323
National Australia Bank	430,365	2,156,937	2,475,503
Newcrest Mining	165,500	128,591	92,604
News Corporation	497,258	5,448,430	7,820,319
Nine Network Aust	99,200	250,795	266,432
Normandy Poseidon Limited	1,073,000	1,028,486	800,519
N Broken Hill Holdings	93,100	230,877	160,448
Opsm Industries	18,260	37,850	33,376
Orbital Engine Company	950,000	3,022,522	2,239,663
Pacific Dunlop Limited	1,012,228	3,484,929	3,919,384
Pancontinental Mining	1,354,033	325,200	304,267

FINANCIAL SECTION

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Pioneer Intl Limited	591,900	1,384,866	1,377,765
QCT Resources	93,500	85,336	75,337
Renison Gold Construction	32,866	159,158	131,182
Rothmans Holdings	15,360	87,502	84,227
Santos Limited	915,651	2,353,446	1,817,120
Schroders Proprietaries	26,000	54,891	43,450
Smith(Howard)	26,979	80,079	108,691
Sons of Gwalia NL	6,100	29,637	19,387
Stockland Trust GP	46,100	70,714	96,301
S.A.Brewing Holdings	361,562	787,997	795,750
Tubemakers of Australia	39,200	51,800	58,491
Village Roadshow	1,320,000	1,488,730	1,299,930
Western Mining Corporation	1,244,100	4,871,759	4,705,820
Westfield Trust	87,650	124,881	149,747
Westpac Banking Corporation	203,960	786,900	523,450
Woodside Petroleum	1,031,000	3,083,674	2,884,443
		<b>\$ 52,211,587</b>	<b>\$ 54,943,063</b>
<b>Belgium</b>			
A.G.Fin	6,005	331,847	\$ 354,551
Bekaert SA	289	78,399	114,522
C.B.R.Cimenteries	567	110,387	144,210
Colruyt SA	4,800	689,474	724,171
Delhaize Freres	7,740	227,404	401,560
Electrabel	19,062	2,587,978	2,785,782
Generale Banque	2,233	358,086	436,394
Gevaert Photo-Prod	538	106,701	112,333
Glaverbel SA (Br)	1,072	123,466	136,482
Gpe, Bruxelles Lam	3,477	325,931	334,774
Kredietbank	1,774	202,397	271,555
Petrofina SA	12,478	3,876,870	4,209,838
Royalé Belge	1,817	277,317	230,176
Solvay Et Cie	1,261	422,053	504,713
Tractebel	1,455	265,488	359,837
Tractebel Afv I	328	65,215	78,821
Union Miniere	5,837	635,367	436,845
		<b>\$ 10,684,381</b>	<b>\$ 11,636,562</b>
<b>Canada</b>			
Four Season Hotel Incorporated	104,000	\$ 1,681,593	\$ 1,702,323
Imasco Limited	25,000	807,147	721,986
Lasmo CDA Inc Unit	187,500	1,291,969	1,407,482
PWA Corporation	116,700	564,888	498,843
Quebecor Printing	7,100	94,988	99,191
Rogers Communications	300,000	3,399,695	3,346,678
Torstar Corporation	46,000	1,011,979	805,705
		<b>\$ 8,852,259</b>	<b>\$ 8,582,207</b>

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
<b>Denmark</b>			
Baltica Holdings	2,401	\$ 187,589	\$ 214,768
Carlsberg	11,480	378,737	581,663
D/S 1912	37	382,354	579,973
D/S Svendborg	21	120,863	475,871
Danisco	1,682	176,744	217,883
Danske Luftfartsel A	175	76,116	79,610
Den Danske Bank	51,009	2,585,159	2,433,453
FLS Industries	1,263	71,654	143,101
GN Store Nord	1,200	45,653	65,426
Hafnia Invest A	510	58,468	15,511
Hafnia Invest B	890	72,880	16,074
Iss(Intl Ser Sys) B	1,393	161,554	236,983
Korn-Og Foderstof	678	102,202	95,880
Lauritzen(J) Holdings	659	172,424	223,438
Nordisk Kabel & Trust	2,080	130,766	88,598
Ostasiatiske Kompa	95,150	2,265,783	2,123,725
Radiometer A/S B	1,468	47,447	75,786
Royal Copenhagen A	1,117	70,183	73,271
Superfos A/S	625	34,350	39,933
Unidanmark	7,354	282,953	214,258
		<u>\$ 7,423,877</u>	<u>\$ 7,995,202</u>
<b>Finland</b>			
Affarsbkn Unitas	26,620	\$ 190,743	\$ 70,453
Amer Group A Free	3,900	141,142	71,220
Cultor Oy	9,000	118,396	116,932
Huhtamaki Oy I Free	40,000	1,038,448	1,135,634
Instrumentarium B Free	3,050	127,573	86,592
Kone Corp B Free	1,400	111,776	134,736
Kymmene Oy Free	12,810	284,072	231,157
Metra Ab	5,100	92,925	77,305
Nokia Ab Oy Free	6,600	247,617	96,866
Pohjola	1,000	32,886	10,406
Pohjola A	4,750	186,228	116,571
Pohjola B	7,950	131,506	86,075
Repola	12,600	215,686	124,294
Stockmann Ab Oy B	2,000	101,818	64,962
		<u>\$ 3,020,817</u>	<u>\$ 2,423,201</u>
<b>France</b>			
Accor	4,142	\$ 450,375	\$ 600,575
Air Liquide(L)	24,412	2,665,983	3,667,760
Alcatel Alsthom	116,825	10,777,891	14,736,679
AXA	4,697	964,384	845,375
Bongrain SA	300	125,253	173,821
Bouygues	2,410	214,921	264,657
BSN	9,465	938,315	2,021,791
Canal Plus	10,500	1,845,436	2,432,672
Carnaudmetalbox	12,887	388,021	468,394

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COMMON STOCK-INTERNATIONAL	Par Value	Book Value	Market Value
Carrefour	2,132	421,993	1,092,322
Casino Guich-Perr	7,200	173,974	216,911
Cie Fonc Intl	1,000	71,642	46,512
Cie Bancaire SA	3,102	176,724	244,062
Cie De St Gobain	12,374	1,048,325	1,366,081
Cie De Suez	22,706	1,121,863	1,268,368
Cie Fin Paribas	14,394	935,502	973,036
Cie Gen Geophysique	400	37,507	55,200
Club Mediterranee	1,300	95,789	121,284
Comptoirs Modernes	1,100	57,563	124,860
Cie Par Reesco	953	59,760	44,455
Credit Fonc France	10,615	2,111,459	1,755,770
Credit National	668	114,294	118,930
C.S.F.(Thomson-Csf)	19,200	610,831	560,891
Docks De France	1,500	45,533	124,432
Eaux(Cie Generale)	16,582	5,062,612	7,035,168
Ecco STE	1,200	60,713	104,957
Elf Sanofi	3,204	458,689	653,260
Eridania Beghinsay	1,800	136,168	234,054
Essilor	1,250	102,347	105,686
Eurafrance	450	116,486	123,849
Europe No.1 Images	250	63,215	51,021
Eurotunnel/Euro SA	130,000	1,066,119	886,887
Finextel(Soc Fin)	1,300	45,485	28,047
Fonciere Lyonnaise	500	41,073	59,281
Gen Occidentale	1,300	166,680	192,033
Groupe De La Cite	15,000	1,397,793	1,513,131
Gtm Entrepose	1,232	29,208	103,206
Hachette	2,750	92,881	69,165
Havas	46,766	3,833,627	4,435,760
Imetal	1,674	55,230	107,371
Lafarge Coppee SA	87,886	5,402,258	5,840,322
Legrand	400	178,650	361,597
Lvmh Moet Hennessy	4,135	2,215,951	3,129,302
Lyonnaise Des Eaux	8,230	569,082	855,799
L'oreal	16,770	1,561,307	2,966,146
Matra Commns	36,000	1,040,347	1,517,679
Matra SA	3,200	183,757	118,174
Michelin C.G.D.E. B	18,439	545,286	731,115
Michelin Cie Gle Des E	14,439		21,189
Moulinex	89,250	2,783,139	2,758,185
Nord-Est	2,000	38,566	46,648
Pernod-Richard	7,200	215,431	573,066
Peugeot SA	25,450	2,941,235	3,541,757
Pinault	2,890	175,283	208,115
Printemps AU	664	60,034	100,924
Promodes	3,000	170,434	412,831
Radiotechnique LA	350	46,540	38,436
Sagem(Applic Gen)	250	67,591	104,520
Salomon	370	87,097	100,681

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Sefimeg	107	7,350	8,527
Simco-Union-Habit	1,275	111,663	99,077
Skis Rossignol	200	38,306	26,045
Soc. Generale	12,937	858,534	1,248,449
Soc. Natl. Elf Aquit	58,066	2,598,985	4,258,206
Sodexo	750	88,470	148,689
Sommer-Allibert	300	92,642	85,423
Sovac	700	96,004	105,579
S.E.F.I.M.E.G.	2,214	158,786	176,433
Total Co Fran Petr	71,000	2,492,159	3,215,380
Unibail	1,310	150,417	106,940
Union Immob France	1,000	90,262	83,013
		<b>\$ 63,247,234</b>	<b>\$ 82,015,958</b>
<b>Germany</b>			
Allianz AG	3,084	\$ 2,936,145	\$ 4,606,364
Amb Aach & Mun Bet	800	366,552	456,774
Asko Deut. Kaufhaus	475	214,498	231,615
BASF AG	29,800	4,356,472	4,701,018
Bayer AG	48,840	8,589,977	9,000,995
Bayer Hypo/Wech BK	3,653	781,006	932,517
Bayer Vereinsbank	11,963	2,926,373	3,159,692
Beiersdorf AG	780	241,269	390,049
Bilfinger & Berger	3,730	2,091,506	2,371,265
Brau Und Brunnen	500	68,378	126,654
Bremer Vulk Schiff	2,400	129,081	140,149
Colonia Konzern AG	4,490	2,683,836	2,554,263
Commerzbank AG	12,000	1,807,345	1,985,830
Computer 2000	1,800	1,165,444	764,446
Daimler-Benz AG	10,400	4,275,523	5,178,836
Deutsche Bank AG	32,128	12,305,300	14,492,921
Douglas Holding AG	500	205,042	185,475
Dresdner Bk AG	6,162	1,216,796	1,389,248
Dyckerhoff AG	293	41,959	141,141
FAG Kugelfischer	3,650	530,168	619,573
Heidelberg Zement	3,252	1,224,681	2,046,074
Holsten-Brauerei	200	73,429	73,404
Karstadt AG	5,925	2,238,314	2,380,391
Kaufhof AG	1,150	289,959	386,647
KSB KL Schanz Beck	125	35,823	38,095
Leifheit AG	3,500	1,106,669	1,078,116
Linde AG	1,143	467,761	624,009
Linotype Hell AG	300	88,003	81,203
Lufthansa	41,125	4,113,947	3,409,541
Mannesmann AG	57,822	10,276,998	10,944,347
Munchener Ruck	3,209	4,159,236	5,331,473
M.A.N. AG	1,628	219,931	408,865
PWA Papier Waldhof	1,120	170,918	168,828
Rheinmetall Berlin	350	59,202	69,963
RWE AG	11,200	1,840,782	3,053,591

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FINANCIAL SECTION  
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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Salamander AG	281	39,790	56,078
Schering AG	1,137	345,744	535,410
Siemens AG	24,235	8,082,062	10,554,497
Strabag Bau AG	2,350	385,916	974,925
Thyssen AG	5,150	574,042	801,623
Veba AG	24,165	5,084,244	5,933,534
Viag AG	2,925	422,393	749,936
Volkswagenwerk AG	4,350	845,871	1,067,964
		<b>\$ 89,078,385</b>	<b>\$ 104,197,337</b>
<b>Hong Kong</b>			
Bank of East Asia	54,331	\$ 79,930	\$ 263,104
Cathay Pacific Airways	1,247,000	1,558,668	1,948,500
Cheung Kong Holdings	1,663,000	3,752,406	5,626,550
China Light & Power	1,496,040	4,030,207	6,616,868
Citic Pacific Limited	787,000	1,000,618	1,382,173
Dairy Farms International	1,934,000	2,492,214	3,171,822
Hang Lung Development	600,000	703,626	937,530
Harbour Centre Development	40,500	42,499	40,794
Henderson Land Development	310,000	649,997	788,636
Hong Kong Aircraft	20,800	33,544	61,242
Hong Kong Electric	299,800	332,091	743,330
Hong Kong Land Holdings	1,643,000	1,851,570	2,906,744
Hong Kong Telecomm	2,032,000	2,405,647	2,322,286
Hong Kong & China Gas	235,200	218,216	393,887
Hong Kong & Shai Hotels	126,000	72,152	106,576
Hopewell Holdings	559,000	283,867	404,249
HSBC Holdings	1,000,729	4,459,636	6,267,681
Hutchison Whampoa	2,515,000	4,785,848	5,748,571
Hysan Development	128,700	87,226	237,664
IMC Holdings	1,000,000	778,721	671,509
Jardine Matheson	459,092	2,180,887	3,853,557
Johnson Elec. Holdings	1,533,500	1,675,502	2,693,217
Kumagai Gumi Hk	800,000	824,890	1,084,746
Lai-Sun Garment International	154,000	56,763	57,175
Mandarin Oriental	1,194,000	902,276	1,025,356
Miramar Hotel & Investments	72,000	76,773	101,346
New World Development	829,000	1,586,588	2,066,144
Playmates International Holding	109,000	69,460	55,952
Pokphand (Cp) Company	2,500,000	662,645	839,387
Realty Dev Corp A	15,000	36,226	39,322
Regal Hotels International	346,664	65,162	51,883
Shun Tak Enterprises	2,186,000	1,397,644	1,665,524
Stelux Holdings	63,255	20,654	27,645
South China Morning Post	212,000	99,458	119,774
Sun Hung Kai Proprietaries	1,343,600	2,955,875	6,139,414
Sung Foo Kee	3,128,000	1,015,910	969,453
Swire Pacific A	1,130,000	3,172,816	5,362,712
Tai Cheung Proprietaries	54,000	29,713	69,734
Television B'cast.	49,000	49,337	57,582



COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Tian An China Investments	2,667,000	600,374	1,274,305
Wah Kwong Ship GP	580,000	1,309,272	1,153,446
Wharf Holdings	314,300	340,129	722,459
Wing Lung Bank	12,096	24,247	100,751
Winsor Industrial	514,000	746,391	836,339
		<b>\$ 49,517,671</b>	<b>\$ 71,006,938</b>
<b>Italy</b>			
Aedes SPA Lig Lomb	2,500	\$ 50,876	\$ 32,506
Alitalia Linee	252,582	371,566	162,021
Arnoldo Mondadori	4,625	13,253	25,309
Assicuraz Generali	114,100	3,096,922	2,739,698
BCA Comm Italiana RISP	163,500	421,852	383,509
BCA Naz Agricolt	39,033	173,338	147,860
Bco Ambros Veneto RISP	138,060	405,438	327,053
Burgo(Cartiere)SPA	10,625	104,587	52,498
Cementir SPA	14,666	22,724	21,104
Ciga Hotels	20,264	54,807	27,139
Cogefar Impresit	8,500	50,447	18,126
Credito Italiano	178,000	252,416	228,359
Dalmine SPA	173,000	57,505	57,586
Edison	105,050	108,988	343,790
Falck,Acc Fer Lombarde	10,000	50,855	45,942
Fiat SPA	315,800	1,394,764	1,388,974
Fidis	35,500	127,897	116,167
Finanz Agroind SPA	22,800	68,329	130,442
Finanz E Breda	45,000	39,861	11,437
Franco Tosi SPA	2,500	26,110	43,884
Gilardini Industr	33,500	80,210	82,180
Italcable	39,464	62,811	49,665
Italcable (Serv Cab)	17,000	75,803	70,660
Italcementi	28,664	173,627	123,213
Italgas (Soc Ital)	73,700	178,283	177,794
La Previdente	19,100	370,339	200,335
Marzotto & Figli-Svg	6,000	17,627	32,506
Mediobanca Italcem	17,332		3,606
Mediobanca SPA	54,666	598,496	600,864
Montedison SPA	354,100	414,806	422,973
Olivetti & C SPA	67,000	553,096	182,133
Olivetti & C SPA RNC	175,000	815,028	296,566
Pirelli SPA	281,748	375,868	314,812
Pirelli SPA RISP NC	52,000	69,965	36,872
Rinascente La	769,000	4,107,913	3,932,258
Risanamento Napoli	1,500	47,630	73,985
R.A.S.	305,500	3,350,591	2,307,824
Saffa SPA	6,000	31,657	31,986
Saipem AG	39,000	109,896	54,091
Sasib Savings	14,000	61,183	60,800
Sip RISP	3,470,888	3,889,020	3,773,696
Sirti SPA	31,166	168,890	237,442

FINANCIAL SECTION

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Sme(Meridionale Di)	53,125	143,622	154,270
Soc Metal Ital	101,500	112,780	52,702
Snia Bpd	131,100	120,642	57,645
Stet	2,310,000	4,224,566	3,366,022
Stet Non Cnv	1,700,000	2,316,351	2,284,114
Stet Societa	97	164,175	153,031
S.A.(Soc Assic)	25,000	298,903	305,560
Teleco Cavi SPA	165,000	1,387,528	1,285,042
		<b>\$ 31,213,839</b>	<b>\$ 27,028,049</b>
<b>Japan</b>			
77th Bank	49,000	\$ 374,078	\$ 249,021
Aida Engineering	13,000	109,916	76,786
Aisin Seiki	308,000	1,689,425	1,870,515
Ajinomoto Company Incorporated	101,000	2,434,919	920,875
Alps Electric Company	25,000	374,933	195,235
Amada Company	45,000	464,951	371,046
Amada Metrex	228,000	3,307,395	3,344,169
Amano Corporation	13,000	167,934	147,388
Aoki Corporation	65,000	502,443	225,719
Arabian Oil Company	8,000	401,092	298,739
Asahi Breweries	62,000	691,437	481,725
Asahi Chemical Industry	527,000	3,684,386	2,582,145
Asahi Glass Company	186,000	2,775,555	1,504,162
Asahi Optical Company	16,000	91,813	44,399
Ashikaga Bank	93,000	796,331	593,554
Asics Corporation	29,000	153,622	105,534
Bank of Tokyo	311,000	3,666,579	2,453,381
Bank of Yokohama	170,000	1,832,391	1,130,817
Banyu Pharmaceutical	40,000	469,438	332,990
Bridgestone Corporation	401,000	3,676,373	3,592,563
Brother Industries	37,000	217,760	120,273
Cabin Company Limited	17,000	191,806	157,694
Canon Incorporated	741,000	7,849,104	8,107,350
Canon Sales	43,000	830,763	698,882
Chiba Bank	114,000	1,016,364	755,601
Chiyoda Corporation	30,000	219,948	404,345
Chiyoda Fire & Marine	500,000	2,781,445	1,882,978
Chugai Pharmaceutical	37,000	496,262	346,151
Citizen Watch Company	48,000	292,573	321,573
Cosmo Oil	87,000	518,870	479,386
CSK Corporation	35,000	972,602	668,754
Dai Nippon Printng	246,000	3,992,549	2,632,998
Daido Steel Company	69,000	440,743	215,540
Daiei Incorporated	62,000	874,052	422,738
Daifuku	17,000	169,690	268,215
Daiichi	100,000	1,632,776	943,471
Daiichi Pharmaceutical Company	40,000	684,610	497,899
Daiki Aluminium	387,000	1,291,606	1,181,281
Daikin Industries	41,000	345,202	291,255

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Daikyo Incorporated	272,000	2,348,914	1,477,206
Daimaru Incorporated	35,000	297,784	140,688
Dainippon Ink & Chemical	121,000	719,032	420,186
Dainippon Screen	22,000	205,876	135,527
Daishowa Paper Manufacturing	32,000	452,951	494,728
Daito Trust Construction	70,000	2,796,187	2,502,973
Daiwa House Industry Company	72,000	1,129,064	901,927
Daiwa Securities	204,000	3,892,156	1,180,687
Dai-Ichi Kangyo Bank	483,000	9,946,391	4,480,377
Denki Kagaku Kogyo	75,000	392,137	180,766
Ebara	219,000	2,356,395	2,326,647
Eisai Company	35,000	551,157	374,613
Ezaki Glico	16,000	152,449	166,178
Family Mart	46,000	2,453,528	2,523,745
Fanuc Limited	84,000	3,387,209	2,550,702
Fuji Bank	445,000	9,778,780	4,551,257
Fuji Photo Film Company	79,000	1,877,921	1,753,746
Fuji Software	32,000	848,336	657,100
Fujikura Cable Works	16,000	109,872	61,904
Fujita	75,000	474,679	335,963
Fujita Tourist Enterprises	18,000	292,929	229,763
Fujitsu	431,000	4,744,099	2,084,437
Furukawa Electric	101,000	646,363	308,293
Gakken Company	14,000	161,674	82,248
Genki Sushi Company	132,000	2,160,453	2,040,752
Glofy Kogyo	69,000	1,350,234	1,203,520
Gunma Bank	74,000	574,988	500,452
Hankyu Corporation	122,000	773,603	546,500
Hankyu Department Stores	25,000	229,871	178,387
Haseko Corporation	57,000	544,950	245,390
Hazama Gumi	49,000	273,498	168,215
Higo Bank	32,000	231,373	164,909
Hirose Electric	79,000	3,148,663	2,267,343
Hitachi	1,659,000	14,848,307	9,996,353
Hitachi Transportation System	379,000	3,103,069	2,749,425
Hokkaido Bank	450,000	2,221,148	1,444,938
Hokuriku Bank	97,000	939,568	576,786
Hokuriku Electric Power	185,000	3,311,871	3,285,499
Honda Motor Company	391,000	4,907,540	4,308,967
Honshu Paper	52,000	347,163	186,347
House Food Industrial	15,000	274,531	273,527
Hoya Corporation	90,000	1,469,045	1,184,492
Inax	32,000	398,442	209,308
Ind Bank Japan	360,000	9,084,663	4,366,923
Ines Corporation	30,000	220,590	221,200
Ito Ham Foods Incorporated	32,000	387,677	225,799
Ito Yokado	190,000	5,872,587	6,492,508
Itoh (C.) & Company	219,000	1,425,544	642,432
Itoki Kosakusho	100,000	1,213,918	919,686
Iwatani & Company	31,000	175,858	145,009

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FINANCIAL SECTION  
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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Japan Airlines	270,000	2,689,147	1,414,969
Japan Airport Term	78,000	1,607,378	1,113,137
Japan Steel Works	59,000	465,203	199,271
Jeol	8,000	75,826	42,179
Joyo Bank	116,000	974,158	685,166
Jujo Paper Company	75,000	482,343	308,610
Jusco Company	117,000	1,606,108	1,428,526
Kajima Corporation	545,000	6,676,310	3,564,774
Kamigumi Company	35,000	219,448	246,967
Kanebo	68,000	326,637	215,651
Kaneka Corporation	47,000	395,399	184,453
Kansai Electric Power	228,600	5,044,264	4,059,811
Kansai Paint Company	43,000	288,151	138,754
Kao Corporation	110,000	1,325,342	898,280
Katokichi Corporation	47,000	902,167	953,936
Kawasaki K.K.	93,000	306,775	258,067
Kawasaki Steel Cp	511,000	1,878,565	1,106,026
Keihin Electric Express	67,000	625,536	292,159
Kikkoman Shoyu Company	22,000	202,882	139,190
Kinden Corporation	26,000	425,037	430,825
Kinki Nippon Rly	229,000	1,924,188	1,289,067
Kirin Brewery Company	160,000	2,480,185	1,420,756
Kissei Pharmaceutical	54,000	1,419,131	1,781,020
Koa Fire & Marine	288,000	1,768,547	1,358,598
Kobe Steel	445,000	1,562,481	1,030,207
Koike Sanso Kogyo	50,000	268,790	178,387
Kokusai Electric	50,000	1,004,974	638,230
Kokuyo	78,000	1,699,477	1,564,576
Komatsu	160,000	862,925	753,508
Komatsu Forklift	142,000	1,416,458	937,810
Komeri Company	50,000	749,230	832,474
Konika	51,000	672,330	228,050
Koyo Seiko Company	26,000	197,291	112,963
Kubota	221,000	1,253,511	839,285
Kumagai-Gumi Company	104,000	807,233	390,835
Kurabo	38,000	228,572	120,511
Kureha Chemical	31,000	303,913	102,735
Kyocera Corporation	114,000	4,439,281	3,796,083
Kyowa Bank	352,000	3,294,544	1,621,438
Kyowa Hakko Kogyo	432,000	4,096,258	2,873,607
Kyushu Electric	140,000	2,493,383	2,375,327
Lion Corporation	35,600	282,409	149,874
Maeda Road Construction	15,000	273,212	327,044
Makino Milling	351,000	2,709,798	1,705,883
Makita Corporation	25,000	437,086	370,649
Marubeni Corporation	228,000	1,128,578	627,258
Marudai Food Company	17,000	181,133	117,934
Marui Company	379,000	5,311,105	3,515,658
Matsumotokiyoshi	63,000	1,678,237	1,448,506
Matsushita Electric Industry	777,000	11,342,603	8,070,007

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Meiji Milk Products	44,000	322,986	315,008
Meiji Seika Kaisha	56,000	439,699	266,392
Minebea	59,000	458,513	214,707
Misawa Homes	15,000	199,481	104,059
Mitsubishi Corporation	497,000	4,718,992	3,384,786
Mitsubishi Electronics	340,000	2,067,301	1,277,729
Mitsubishi Estate	378,000	5,227,502	2,211,718
Mitsubishi Gas	78,000	428,272	272,100
Mitsubishi Heavy Industry	1,589,000	9,754,631	6,677,000
Mitsubishi Kasei	1,234,000	5,299,513	3,854,721
Mitsubishi Oil	52,000	318,898	316,213
Mitsubishi Paper	49,000	333,230	198,129
Mitsubishi Petrocho	162,000	1,337,381	945,310
Mitsubishi Steel	19,000	416,619	87,521
Mitsubishi Trust & Banking	196,000	4,509,599	1,191,881
Mitsubishi Warehouse	22,000	282,546	155,237
Mitsui Engine & Shipbuilding	122,000	453,485	372,394
Mitsui Fudosan Company	884,000	10,092,223	5,452,723
Mitsui Marine & Fire	449,000	3,038,721	2,078,934
Mitsui Mining & Smelt	79,000	473,977	201,681
Mitsui O.S.K.Lines	402,280	1,529,644	1,135,429
Mitsui Toatsu Chemical	122,000	704,945	328,867
Mitsui Trust & Banking	180,000	2,940,157	856,259
Mitsui & Company	687,000	4,055,640	2,728,827
Mitsukoshi	72,000	978,940	385,317
Mochida Pharmaceutical	15,000	528,392	374,613
Mori Seiki	124,000	2,506,650	2,044,874
Mos Food Services	73,000	2,744,852	2,257,195
Murata Manufacturing	574,000	10,430,553	10,603,504
Nagoya Railroad	114,000	803,020	460,953
Namurra Shipbuilding	60,000	727,333	665,980
Natl House Industrial	280,000	3,400,394	3,818,283
NCR Japan Limited	466,000	3,439,250	3,140,411
NEC Corporation	1,204,000	13,588,310	7,865,662
Nichii	41,000	632,902	399,826
Nichirei	41,000	348,925	190,161
Nihon Cement	44,000	418,818	202,331
Niigata Engine	50,000	200,728	196,623
Nintendo	27,300	3,216,759	2,337,588
Nippon Beet Sugar	21,000	154,306	85,745
Nippon Computer System Company	25,800	889,029	331,372
Nippon Denko	15,000	135,398	43,764
Nippon Express	162,000	1,484,091	899,072
Nippon Fire & Marine	88,000	600,732	397,685
Nippon Konpo Unyu	285,000	1,889,508	1,898,042
Nippon Light Metal	80,000	400,794	403,393
Nippon Meat Pack	31,000	525,175	427,654
Nippon Mining	141,000	655,507	491,873
Nippon Oil	186,000	1,639,749	943,788
Nippon Sharyo Seizo	23,000	240,869	155,911

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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Nippon Sheet Glass	59,000	401,903	189,915
Nippon Shinpan Company	42,000	421,520	164,164
Nippon Shokubai K.K.	30,000	327,399	223,579
Nippon Steel	1,075,000	4,310,330	2,284,151
Nippon Television	10,000	1,513,940	1,292,317
Nippon Yusen K.K.	176,000	928,943	640,482
Nippondenso	314,000	3,591,865	3,435,503
Nissan Motor	397,000	3,043,874	1,800,396
Nisshin Electric Company	330,000	3,335,546	2,328,550
Nisshin Steel	650,000	2,002,620	1,556,331
Nisshinbo Industries	34,000	360,930	219,694
Nissin Food Products	19,000	628,241	320,859
Nitto Denko Corporation	21,000	421,501	211,449
NKK Corporation	555,000	1,980,999	1,104,456
Nomura Securities	523,000	11,506,191	5,183,144
Noritake	23,000	175,393	133,117
NSK	88,000	522,488	362,800
NTN Corporation	74,000	356,938	272,814
N.G.K. Insulators	55,000	499,580	406,842
Obayashi Corporation	112,000	835,120	462,634
Odakyu Electric Railway	102,900	789,835	493,574
Oji Paper	91,000	995,755	565,639
Okinawa Electric Power	26,000	1,254,181	1,119,321
Okuma Machinery	18,000	148,325	102,751
Okumura Corporation	38,000	280,681	229,271
Olympus Optical Company	35,000	289,876	259,732
Omron Corporation	36,000	647,216	371,046
Onoda Cement	65,000	471,549	206,137
Onward Kashiwayama	19,000	267,296	173,234
Orient Corporation	46,000	504,433	225,022
Orix Corporation	188,000	4,343,589	2,802,188
Osaka Gas	387,000	1,765,999	1,257,988
Penta Ocean Construction	43,000	307,037	271,030
Pioneer Electric Corporation	28,000	695,595	768,096
Renown Incorporated	37,000	265,372	140,807
Ricoh Company	101,000	918,559	404,384
Royal Company Limited	217,000	2,361,103	2,184,968
Sagami Railway Company	52,000	367,114	169,856
Sakura Bank Limited	511,000	7,868,124	3,844,755
Sanden	21,000	117,798	87,410
Sangetsu	60,000	1,383,765	1,460,398
Sankyo Company	200,000	3,476,455	3,837,311
Sanrio Company Limited	10,000	369,199	93,554
Santen Pharmaceutical	66,000	1,374,323	1,412,828
Sanwa Bank	115,000	1,386,063	1,057,639
Sanyo Coca-Cola	80,000	1,275,874	1,363,672
Sanyo Electric Company	303,000	1,467,141	982,534
Sapporo Breweries	47,000	663,802	320,090
Sapporo-Lion	84,000	1,266,909	1,265,361
Secom	16,000	656,775	769,999

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Seiko Corporation	14,000	229,747	116,546
Seino Transport	21,000	372,499	236,423
Seiyu	30,800	382,991	275,938
Sekisui Chemical	514,000	4,016,432	2,970,792
Sekisui House Limited	609,000	7,978,308	5,504,321
Settsu	32,000	233,412	106,303
Seven-Eleven Japan	70,000	2,776,294	4,056,925
Sharp Corporation	171,000	1,564,148	1,409,974
Shimachu	50,000	1,260,813	1,129,787
Shimizu Corporation	304,000	2,705,089	2,108,935
Shinetsu Chemical	189,000	2,462,813	1,933,006
Shionogi	50,000	771,800	281,059
Shiseido	68,900	747,062	764,767
Shizuoka Bank	119,000	1,147,387	1,009,514
Shochiku Company Limited	9,000	188,171	70,499
Shokusan Jutaku	19,000	147,094	70,951
Showa Denko	164,000	968,395	354,967
Skylark Company	13,000	243,680	154,602
Snow Brand Milk	38,000	402,251	237,707
Sodick	97,000	829,094	726,750
Sony Corporation	215,400	8,179,942	7,035,979
Sony Music Entertainment	13,000	412,215	494,728
SRL Incorporated	26,000	520,886	577,182
Sumitomo Bank	580,000	12,435,812	6,161,896
Sumitomo Cement	49,000	314,850	149,568
Sumitomo Chemical	251,000	1,826,416	823,864
Sumitomo Corporation	443,000	3,654,881	2,736,042
Sumitomo Electric	254,000	2,916,249	1,834,568
Sumitomo Forestry	271,000	3,389,643	4,189,725
Sumitomo Heavy Industry	92,000	466,113	284,468
Sumitomo Marine & Fire	98,000	875,015	526,790
Sumitomo Metal Industry	477,000	1,683,042	922,762
Sumitomo Metal & Mining	75,000	814,419	387,695
Sumitomo Realty & Development	350,000	2,153,347	1,559,502
Sumitomo Rubber Industry	257,650	1,402,170	1,705,683
Taihei Dengyo Ksh	50,000	631,115	626,338
Taisei Corporation	154,000	1,183,196	787,521
Taisho Pharmaceutical	160,000	2,459,913	2,410,212
Taiyo Fishery	44,000	199,743	128,724
Taiyo Yuden	14,000	141,225	69,928
Takara Shuzo	27,000	199,379	125,228
Takashimaya	30,000	547,271	217,633
Takeda Chemical	135,000	2,843,786	1,145,247
Tanabe Seiyaku	34,000	635,658	247,459
TDK Corporation	58,000	2,425,412	1,908,349
Teijin	147,000	933,963	472,013
Teikoku Oil	38,000	256,310	179,561
Toa Corporation	23,000	183,084	123,087
Tobu Railway	763,000	4,883,372	3,381,567
Toho	16,000	2,210,645	1,725,204

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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Tohoku Electric Power	75,300	1,550,130	1,402,957
Tokai Bank	316,000	4,916,058	2,132,054
Tokio Marine & Fire	611,000	7,527,523	4,795,766
Tokyo Broadcasting	23,000	478,190	189,646
Tokyo Dome	23,000	621,427	258,939
Tokyo Electric Power	255,600	10,491,928	5,147,261
Tokyo Electron	69,000	1,553,097	891,699
Tokyo Gas	427,000	3,566,113	1,381,242
Tokyo Style Company	15,000	212,523	156,981
Tokyo Tatemono	307,000	2,000,443	1,251,074
Tokyotokeiba Company	38,000	363,388	180,465
Tokyu Corporation	166,000	1,865,365	719,908
Toppan Printing	631,350	6,788,083	4,925,461
Toray Industries Incorporated	768,000	4,037,325	3,860,398
Tostem Corporation	33,000	1,040,717	706,414
Toto	95,000	1,325,643	1,227,702
Toyo Information System	276,000	2,872,956	2,538,333
Toyo Kanetsu	18,000	99,881	109,316
Toyo Seikan Kaisha	31,000	623,946	712,757
Toyo Tec Company	54,000	1,102,332	736,383
Toyobo	111,000	509,064	322,976
Toyoda Auto Loom	42,000	588,261	436,217
Toyota Motor Company	920,000	11,660,024	10,503,449
Tsubakimoto Chain	31,000	177,395	131,491
Tsudakoma Industries	90,000	760,450	970,427
Tsugami Corporation	12,000	75,547	46,619
Tsurumi Manufacturing Company	80,000	842,320	691,350
Ube Industries	130,000	546,054	350,432
Unitika	71,000	268,617	192,516
Yamaha Corporation	27,000	486,476	171,038
Yamaichi Securities	182,000	2,750,684	757,552
Yamanashi Chuo Bank	206,000	1,597,055	1,389,883
Yamanouchi Pharmaceuticals	133,000	3,187,814	2,551,812
Yamato Transportation	37,000	430,856	278,681
Yamazaki Baking	31,000	389,952	474,352
Yasuda F & M Insurance	271,000	1,768,315	1,267,660
Yasuda Trust & Banking	166,000	2,403,983	987,077
Yokogawa Electric	578,000	4,445,562	3,395,687
		<u>\$ 608,054,361</u>	<u>\$ 424,827,810</u>
<b>Malaysia</b>			
Commerce Asset Holdings B	337,000	\$ 699,802	\$ 658,379
Consd Plant Berhad	754,000	701,432	628,301
Genting Berhad	545,000	2,716,578	2,672,708
Guinness Anchor Bd	700,000	1,509,958	1,493,144
Leader Universal Holdings	621,000	1,641,738	2,178,834
Malayan Banking	940,000	2,925,134	3,073,206
Malaysian International Ship F	564,500	1,854,306	1,564,223
Nestle Malay Bhd	198,000	692,371	828,904
Pelangi Berhad	80,000	65,421	75,275



COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Public Bank Berhad	848,000	699,289	676,201
Resorts World Berhad	393,000	1,765,828	2,052,645
Rothmans Pall Mall	150,000	836,656	759,530
Sime Darby Berhad	1,400,000	2,335,390	2,132,266
Tan Chong Motor HL	250,000	302,761	249,190
Telecom Malaysia	1,373,000	5,669,063	7,444,909
Umw Hldgs Berhad	300,000	534,514	509,543
		<b>\$ 24,950,240</b>	<b>\$ 26,997,259</b>
<b>Netherlands</b>			
Abn-Amro Holdings	162,547	\$ 3,861,379	\$ 3,913,090
Ahold NV	17,750	636,470	862,432
Ahrend Groep	12,250	862,757	993,186
Akzo NV	6,809	420,552	586,478
Buhrmann Tetterode	4,479	121,172	128,076
Daf NV	363,822	4,823,718	4,884,510
Elsevier NV	48,407	1,863,775	3,052,516
Getronics	2,420	44,631	41,781
Heineken NV	46,513	2,314,118	4,519,920
Hollandsche Beton	6,529	724,225	802,559
Hoogovens & Staalf	2,809	61,584	80,486
Ihc Caland NV	1,043	26,429	43,160
Intl Nederlanden	167,889	4,615,747	4,712,913
Kon Bijenkorf Beh	70,000	2,909,674	3,201,790
K.L.M.	52,000	1,046,327	1,078,926
Nedlloyd Groep NV	100,000	3,194,741	3,248,867
Oce-Van Der Grinten NV	57,000	2,257,790	2,365,338
Pakhoed NV Kon	3,084	35,821	74,205
Philips Electronics	175,998	3,123,376	3,078,891
Royal Dutch Petroleum	114,215	7,480,247	10,050,070
Stad Rotterdam	43,266	685,923	1,081,273
Stork Vmf	3,372	33,292	83,683
Unilever NV	36,844	2,811,635	3,982,904
Volmac Software Group	3,584	59,154	45,826
Wolters Kluwer	68,930	2,057,137	2,896,471
		<b>\$ 46,071,674</b>	<b>\$ 55,809,349</b>
<b>Norway</b>			
Actinor Shipping A	3,548	\$ 70,752	\$ 45,103
Bergesen Dy AS	6,600	144,488	101,565
Bergesen Dy AS	2,500	43,216	38,472
Den Norske Bank	54,600	385,203	21,325
Dyno Industrier	6,666	105,216	128,226
Elkem AS	4,060	78,158	61,755
Hafslund Nycomed B	83,424	1,292,025	2,169,873
Hafslund Nyco A Free	27,450	834,682	734,641
Kvaerner AS	82,536		2,873
Kvaerner Industries B	79,180	2,736,172	2,330,993
Kvaerner Free	3,464	109,664	103,136
Leif Hoegh & Co	4,800	54,695	49,779

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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Nora Industries	228	3,124	6,197
Norsk Data AS A	3,000	30,625	1,054
Norsk Hydro AS	154,320	3,439,771	4,013,890
Norske Skogindust	2,200	40,506	39,743
Orkla-Borregaard Free	6,081	178,178	163,098
Uni Storebrand	6,800	64,285	45,497
Unitor Ship Serv	2,700	35,602	33,872
Vard	5,200	62,340	69,583
Vital Forsikring	132,000	1,297,665	1,501,398
		<u>\$ 11,006,365</u>	<u>\$ 11,662,074</u>
<b>New Zealand</b>			
Bank of New Zealand	344,705	\$ 220,098	\$ 132,966
Brierley Investment	5,359,850	2,918,288	2,882,861
Carter Holt Harvey	2,034,008	2,616,893	2,939,478
Fisher & Paykel	11,700	29,954	20,532
Fletcher Challenge	760,214	1,567,066	1,457,963
Lion Nathan Limited	470,000	984,597	1,131,195
Telecom Corp of NZ	357,100	465,036	399,662
Wilson & Horton	7,560	23,284	32,858
		<u>\$ 8,825,217</u>	<u>\$ 8,997,515</u>
<b>Singapore</b>			
Amalg Stl Mills Berhad	61,000	\$ 58,647	\$ 66,640
Angkasa Marketing Berhad	3,050	2,743	3,196
Bandar Raya Development	33,000	25,113	13,341
City Developments	521,720	1,199,335	1,378,193
Consd Plant Berhad	91,500	76,960	76,240
Cycle & Carriage	284,000	551,410	560,915
Dbs Land Limited	87,000	119,999	121,355
Development Bank of Singapore	500,868	3,080,053	4,303,100
Dmib Berhad	43,000	22,532	22,824
Fraser & Neave	336,000	1,889,079	2,177,496
Genting Berhad	519,000	979,249	2,546,614
Golden Hope Plant	120,000	152,405	97,024
Haw Par Brothers International	21,000	35,378	30,459
Highlands & Lowlands	76,000	43,349	43,624
Hong Leong Industries	18,000	29,352	54,437
Inchcape Berhad	23,000	59,898	86,594
Jurong Shipyard	14,000	91,202	80,792
Keppel Corporation	231,250	843,126	936,221
King S Hotel Limited	11,000	21,728	14,393
Kuala Lumpur Kepong	56,000	90,539	75,348
Malayan Banking	700,200	1,568,639	2,268,873
Malayan United Industry	51,000	28,099	48,790
Malaysian Mining Company	55,000	51,377	46,506
Malaysian Tobacco	25,000	47,902	40,273
Multi Purpose Holding	104,000	31,299	44,612
Natsteel Limited	26,000	51,417	58,412
Neptune Orient Lines	47,000	39,634	44,673

## COMMON STOCK - INTERNATIONAL

	Par Value	Book Value	Market Value
Overseas Union Enterprises	44,000	187,660	211,824
Overseas Chinese Bank	412,720	2,565,643	3,464,361
Perlis Plantation	25,333	47,345	72,237
Prima	8,000	26,012	29,626
Robinson & Company	100,000	301,304	425,871
Rothmans Industries	40,000	153,654	150,598
Selangor Properties	37,000	35,913	18,041
Shangri-La Hotel	21,818	72,908	70,024
Shell Ref.(Malaya)	37,500	40,138	109,708
Sime Darby Berhad	219,000	208,447	332,512
Singapore Airlines	65,000	464,767	501,478
Singapore Intl Air-F	313,000	3,029,882	3,535,282
Singapore Press Holdings	63,000	376,127	441,949
Straits Steam Land	36,000	38,624	55,993
Straits Trading Company	50,000	85,646	98,135
Tan Chong Motor Holdings	250,000	177,925	248,425
Tasek Cement Berhd	18,000	21,785	31,663
Tractors(Malaysia)	21,000	13,767	24,626
United Overseas Bank	81,868	32,732	24,956
United Overseas Land	74,000	62,699	73,534
United Overseas Bank	920,612	2,800,268	4,687,694
United Plantation Berhad	11,000	14,082	18,874
United Industrial Company	141,750	122,051	87,489
Wearne Brothers	10,800	22,980	23,864
		<b>\$ 22,092,825</b>	<b>\$ 29,979,708</b>
<b>Spain</b>			
Acerinox SA	2,727	\$ 186,690	\$ 178,498
Aguila, El	1,965	35,124	31,645
Asland SA	6,431	262,137	100,225
Autopistas Cesa	261,885	2,944,550	3,455,579
Azucarera Espana	186	6,635	8,116
Bco Bilbao Vizcaya	37,544	1,171,179	1,010,292
Bco Central Hispan	33,415	1,264,418	1,105,751
Bco De Santander	17,990	1,017,425	864,469
Bco Esp De Credit	13,930	674,853	350,246
Bco Popular Esp	25,000	2,472,273	2,792,254
Corp Fin Alba	2,423	178,333	122,851
Corporacion Mapfre	137,232	2,987,913	3,035,350
Dragados & Constr SA	6,546	126,603	106,778
Ebro Agricolas Compani	6,883	186,514	108,700
Empresa Nac Electric	67,137	2,064,623	2,469,288
Ercros SA	16,210	233,627	29,810
Esp Carbueros Metal	832	48,150	32,416
Fabrica Automotriz Renault	3,911	167,960	148,316
Finanzauto SA	1,257	36,786	19,068
Fom Const y Contra	2,740	404,063	324,251
Gas Natural Sdg SA	6,942	316,383	478,195
Grup Duro-Felguera	753	12,267	8,215
Iberdrola I SA	438,978	2,913,475	3,420,665

FINANCIAL SECTION

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Inm Met Vasco Cent	2,905	125,299	120,729
Nissan Motor Iberia A	21,911	173,019	73,986
Portland Valderrivas	1,778	137,445	79,248
Repsol SA	45,668	1,017,070	1,354,642
Sarrio Papel Leiza	6,383	50,477	47,749
Tabacalera SA	4,694	203,329	268,721
Telefonica De Espana	343,747	3,256,606	3,696,458
Union Electrica Fenosa	257,779	998,925	1,467,691
Uralita	151,777	1,707,413	1,561,161
Urbis SA	176	1,565	1,145
Urbis SA Ser 2	2,554	48,913	16,610
Vallehermoso SA	30,717	763,017	592,010
Viscofan Envolvura	5,597	131,575	100,312
Zardoya-Otis	582	71,214	54,422
		<u>\$ 28,397,847</u>	<u>\$ 29,635,858</u>
<b>Sweden</b>			
Asea AB B Free	8,100	\$ 307,732	\$ 561,012
Astra, AB B Free	29,749	2,584,355	2,766,981
Astra AB A Free	45,165	4,033,775	4,372,907
Atlas Copco B Free	36,600	1,865,347	2,023,973
Atlas Copco A Free	14,000	458,378	774,197
Electrolux AB B Free	122,450	5,316,884	5,306,161
Ericsson	87,600	1,457,499	2,144,182
Esselte AB B Free	13,300	450,577	337,601
Incentive AB	48,000	1,839,973	1,566,526
Incentive AB B Free	6,600	224,809	215,397
Kinnevik Investment	36,000	990,364	992,133
Korshaes Marma AB	13,300	256,900	253,201
Korsnas AB	6,800	139,001	129,456
Mo Och Domsjo AB	6,200	348,672	275,411
Skandia Forsakring	28,100	931,562	491,652
Skanska AB B Free	5,600	167,735	101,534
Skf AB	7,600	173,603	165,355
Stora Kopparbergs Free	5,300	290,638	284,440
Stora Kopparbergs B Free	7,624	425,126	395,342
Svenska Cellulosa B Free	35,100	653,985	623,673
Svenska Handelsbk	14,500	200,795	138,023
Trelleborg AB B Free	9,800	240,671	199,007
Volvo AB A	5,800	385,856	410,125
Volvo AB B Free	9,350	598,977	647,588
		<u>\$ 24,343,212</u>	<u>\$ 25,175,877</u>
<b>Switzerland</b>			
Adia SA	734	\$ 393,923	\$ 97,441
Alusuis Lonza Holding	8,195	431,524	569,738
Bbc Brown Boveri	3,910	5,632,146	6,654,275
Ciba-Geigy AG	5,920	5,866,484	7,321,217
CS Holding	6,422	4,703,629	4,175,052
Danzas Basel Ptg	30	31,541	16,756

## COMMON STOCK - INTERNATIONAL

	Par Value	Book Value	Market Value
Fischer (George)	660	202,954	221,025
Forbo AG	4,100	3,085,647	3,275,835
Grands Mag Jelmoli	270	230,955	151,678
Holderbank Glarus BR	2,772	759,990	1,149,172
Interdiscount Holdings	216	168,544	129,133
Merkur Holding AG	830	133,347	144,866
Movenpick Holdings	10	32,216	26,839
Nestle SA	2,485	11,981,988	14,760,007
Reiseburo Kuoni BR	48	142,864	127,631
Roche Holdings	3,332	3,610,702	6,904,547
Sandoz AG PTG	2,918	4,689,768	6,363,766
Schindler Hldg AG BR	155	129,448	137,127
SCHW Bankgellsch	1,124	2,540,289	2,910,734
SCHW Bankgesellschaft	719	19,071	16,690
Schweiz Bankverein	24,400	4,712,414	4,215,171
Schweiz-Ruckversich	717	455,815	327,119
SGS Holding	1,640	1,524,454	1,433,504
Sika Finanz AG BR	806	1,138,173	1,224,804
Soc Gen Surveill BR	36	119,616	191,153
Sulzer Gebrüder AG	637	229,587	274,743
Swissair	6,300	2,815,700	2,696,253
S.M.H.	3,550	1,605,904	3,257,519
Wmh Walter Meier H	1,000	937,926	906,730
Zurich Versicherungs	2,172	1,527,431	1,320,883
		<b>\$ 59,854,048</b>	<b>\$ 71,001,405</b>
<b>United Kingdom</b>			
Abbey National	216,800	\$ 617,222	\$ 1,153,680
Aegis Group	375,000	747,999	634,292
Allied Lyons	186,490	2,142,109	2,236,418
Amec	28,667	97,226	71,916
Amstrad	79,350	267,502	54,290
Anglian Water	56,550	329,551	452,463
Aran Energy	700,000	216,458	192,901
Argos	41,445	265,115	196,128
Argyll Group Plc	368,762	1,400,296	2,480,947
Arjo Wiggins Apple	147,993	471,982	644,087
Associated British Ports	265,000	1,673,096	1,707,315
Associated British Foods	64,800	351,884	525,861
Barclays	276,440	1,488,060	1,733,736
Barratt Development	775,550	887,962	869,621
Bass Limited	302,818	2,671,183	3,309,159
Bet (Brit. Elect. Trc.)	122,249	536,445	341,532
Bicc Limited	238,000	1,530,459	1,447,954
Blue Circle Industries	566,369	2,402,595	2,346,519
Boc Group	73,200	547,219	900,085
Boddington Group	300,000	948,107	992,062
Boots Company Limited	172,530	853,896	1,491,915
Bowater Industries	34,775	315,652	518,806
British Aerospace Plc	73,750	406,626	343,397
British Airways	432,200	1,227,847	2,189,022
British Gas	1,069,550	4,073,826	4,980,068

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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
British Land Company	35,516	216,861	138,371
British Petroleum	1,916,330	9,090,113	7,411,444
British Steel	2,689,150	4,023,560	3,091,993
British Telecom	1,173,500	6,074,977	7,493,600
BTR	546,940	3,357,657	4,763,221
B.A.T. Industries	513,779	4,971,269	7,323,282
Cable & Wireless	703,036	5,367,595	7,001,274
Cadbury Schweppes	223,661	1,302,731	1,989,318
Calor Group	23,950	167,616	82,386
Carlton Communications	26,650	365,090	308,955
Commercial Union	71,500	479,177	657,687
Costain Group	28,100	167,360	24,566
Courtaulds Limited	66,450	379,600	683,220
Courtaulds Textile	24,450	206,297	212,355
De La Rue Company Limited	213,800	2,067,292	2,271,369
Dixons Group	415,000	1,730,386	1,869,238
East Midlands Electric	57,850	274,407	336,429
Eastern Electric	57,300	266,220	313,628
Electrocomponents	47,350	182,157	261,867
English China Clay	53,477	371,695	535,606
Enterprise Oil	505,000	4,008,956	3,810,220
Fisons Limited	955,000	5,281,968	3,847,755
Forte	925,250	4,031,304	3,499,293
FR Group	13,850	63,225	53,434
General Accident	74,750	623,407	660,590
General Electric	1,548,468	5,363,277	6,621,447
GKN	275,000	1,660,464	1,855,364
Glaxo Holdings	461,340	2,956,765	5,953,317
Glynwed International Limited	300,000	1,493,655	1,242,928
Grand Metropolitan	318,800	1,566,608	2,805,223
Great Portland Est	27,300	133,634	72,118
Great Univ Stores A	38,450	738,521	1,086,980
Guardian Royal Ex	142,073	486,137	399,615
Guinness Plc	312,300	2,556,873	3,240,655
Hammerson Prop A	22,282	269,833	143,556
Hanson	1,535,487	4,827,815	5,960,413
Harrison Crosfield	161,750	394,948	405,776
Hepworth	36,000	157,275	237,411
IMI	260,000	1,353,926	1,240,267
Imperial Chemical Industries	185,400	3,767,146	4,250,257
Irish Life	1,000,000	3,227,217	3,040,802
Kingfisher	80,150	506,255	755,533
Kleinwort Benson Limited	19,200	134,876	103,995
Ladbroke Group	204,000	802,618	833,560
Laing(John)	16,550	99,092	55,987
Land Securities	80,250	833,991	613,111
Lasmo	740,566	3,662,422	2,533,404
Legal & Gen Group	427,761	2,866,279	3,097,379
Lex Services	13,450	92,583	61,859
Lloyds Bank Limited	842,615	5,165,117	6,861,960

COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
London Electricity	427,300	2,430,358	2,679,878
Lonrho Plc	104,152	355,005	154,394
Manweb	37,200	221,485	259,464
Marks & Spencer	435,800	1,557,376	2,741,469
McAlpine (Alfred)	7,650	59,889	26,461
MEPC Limited	46,200	457,166	255,507
Meyer International	17,083	121,784	101,619
National Power	210,100	792,445	966,295
National Westminster	458,450	2,632,128	2,875,240
Next	60,750	294,961	105,064
North West Water	69,050	402,990	577,410
Northern Electric	38,600	200,529	254,557
Oxford Instrument Group Plc	15,200	62,941	60,375
P & O	101,400	811,000	838,292
Pearson	103,300	683,385	738,170
Pilkington	121,170	478,540	287,855
Province Financial Group	7,900	50,577	79,424
Prudential Corporation	315,650	1,000,419	1,463,739
Racal Electronics	582,162	902,687	685,968
Rank Organisation	385,612	4,603,516	4,829,521
Ranks Hovis Mcdoug	49,750	323,151	195,718
Redland	90,450	774,900	816,527
Reed International	277,050	2,413,748	2,774,833
Reuters Holdings	69,175	1,379,773	1,522,140
RMC Group	31,150	284,513	313,171
Rolls-Royce	133,500	321,851	390,724
Royal Bank Scotland Group	141,098	378,992	509,498
Royal Insurance Holdings	1,557,900	6,539,936	6,750,603
RTZ Corporation	305,697	2,778,765	3,625,357
Rugby Group	55,750	144,608	209,787
Sainsbury J	279,100	1,437,164	2,514,238
Schroders	16,000	176,010	399,105
Scottish Power	966,800	3,046,772	3,344,076
Scot & Newcastle Bws	54,900	306,477	469,519
Sears Holdings Limited	220,000	506,133	351,213
Sedgwick Group Ld	59,800	242,570	200,024
Seeboard	40,000	208,836	256,948
Shell Transport & Trading	775,000	6,128,068	7,438,086
Slough Est	48,250	253,926	151,304
Smith & Nephew Associated	530,000	1,317,424	1,455,499
Smithkline Beecham Bee-Units	21,100	983,400	1,612,167
Smithkline Beecham	106,475	903,142	1,807,038
Smiths Industries	47,700	223,794	260,177
Smith(W.H.)& Son A	200,000	1,429,567	1,702,849
South Wales Electricity	230,000	1,276,597	1,626,069
Southern Electric	55,950	273,927	329,634
Southern Water	35,800	172,954	267,389
St. James's Place	79,350	103,378	126,676
Standard Chartered Bank	105,000	835,123	886,014
Tarmac	108,950	454,802	204,989

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COMMON STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Tate & Lyle Ltd	381,630	2,701,022	2,582,026
Taylor Woodrow Limited	50,800	204,853	86,891
Tesco	326,072	1,135,066	1,704,176
Thames Water	460,500	3,012,393	3,815,788
Thorn Emi Plc	162,775	2,022,187	2,484,113
Trafalgar Hse Ltd	89,413	525,749	146,139
Transport Development Group	21,500	84,896	105,829
TSB Group	850,000	1,972,340	2,277,751
Unigate Limited	34,100	186,397	213,863
Unilever Limited	136,300	1,388,938	2,450,502
United Biscuits	406,420	2,463,726	2,711,130
Vodafone Group	646,043	2,847,962	4,162,261
Warburg Sg Group	33,850	219,891	333,883
Waste Management	44,000	450,450	490,025
Welsh Water	31,500	169,697	272,389
Williams Holdings	95,300	519,634	556,032
Willis Corroon	640,000	3,107,660	2,615,090
Wilson (C.) Holdings	22,850	78,602	69,048
Wimpey(George) Limited	330,000	1,029,831	903,118
		<u>\$ 204,519,335</u>	<u>\$ 234,400,319</u>
<b>United States</b>			
Asea Ab	21,500	\$ 504,272	\$ 1,505,000
Bank Montreal Québec	78,000	2,964,157	3,008,850
British Petroleum Plc	18,000	1,160,010	861,750
Corporacion Mapfre Co	50,000	490,500	443,750
Ericsson L M Tel Co	94,900	1,338,587	2,325,050
Finning Limited	85,000	987,861	1,136,875
Hitachi Limited	7,500	746,060	450,000
Hong Kong Telecommunications	19,000	364,819	657,875
Huntingdon International Holding	40,000	850,086	530,000
Northern Telecom Limited	47,000	1,409,884	1,727,250
Quebecor Printing Incorporated	60,000	795,000	1,005,000
Telecom Corp New Zealand	70,000	1,871,250	1,583,750
Telefonos De Mexico S	110,700	4,693,587	4,843,123
		<u>\$ 18,176,072</u>	<u>\$ 20,078,273</u>
<b>EMERGING MARKETS GROWTH FUND</b>	<b>33,625</b>	<b>\$ 151,335,266</b>	<b>\$ 148,712,707</b>
<b>TOTAL COMMON STOCK-INTERNATIONAL PRIOR TO VALUATION ALLOWANCE</b>		<b>\$ 1,525,807,616</b>	<b>\$ 1,459,967,744</b>
<b>LESS : VALUATION ALLOWANCE</b>		<b>65,478,657</b>	
<b>TOTAL COMMON STOCK-INTERNATIONAL</b>		<b>1,460,328,959</b>	<b>1,459,967,744</b>
<b>TOTAL COMMON STOCK</b>		<b>\$ 4,486,464,165</b>	<b>\$ 5,571,878,778</b>

**PREFERRED STOCK - DOMESTIC**

	Shares	Book Value	Market Value
Advanced Micro Devices Incorporated	139,300	\$ 4,375,925	\$ 4,475,013
Allen Group Incorporated	56,000	990,473	1,386,000
Banc One Corporation	66,500	3,788,272	4,297,563



PREFERRED STOCK - DOMESTIC	Par Value	Book Value	Market Value
Card Establishment Services	1,388,890	1,388,890	1,388,890
Cellular Communications Incorporated	99,600	2,707,562	3,635,400
Chrysler Corporation	120,700	6,788,625	7,287,263
Conagra Incorporated	77,000	2,350,605	2,425,500
Delta Airlines	100,600	5,057,572	5,100,561
Ford Motor Company	276,400	16,926,854	21,904,700
Fourth Financial Corporation	175,000	4,422,339	4,528,125
Great Western Financial Corporation	19,000	1,003,381	1,035,500
Health Management Association Incorporated (Class A)	34,200	708,392	684,000
James River Corporation of Virginia	27,500	1,202,296	1,158,438
Liberty Media Corporation Preferred (Class E)	19,050	270,096	1,009,650
Marriott Corporation	72,500	4,041,306	4,476,875
Quanex Corporation	43,000	1,075,000	1,096,500
Time Warner Incorporated	326,715	14,359,291	16,905,683
<b>TOTAL PREFERRED STOCKS - DOMESTIC</b>		<b>\$ 71,456,879</b>	<b>\$ 82,795,659</b>

PREFERRED STOCK - INTERNATIONAL	Shares	Book Value	Market Value
<b>Austria</b>			
Creditanstalt Bk	3,819	\$ 133,724	\$ 180,473
<b>Australia</b>			
Nine Network Aust	126,800	\$ 326,595	\$ 335,830
<b>Germany</b>			
Asko Deut.Kaufhs	50	\$ 25,073	\$ 21,759
Colonia Versich	493	194,171	172,862
Commerzbank AG	4,200,000	2,792,702	2,855,860
Deutsche Bank AG	57,460	377,637	436,252
Dyckerhoff AG	266	34,282	97,453
Fag Kugelfischer	350	42,460	42,964
Heidelberg Zement	75	25,189	30,771
Kaufhof AG	250	59,384	62,426
Koening & Bauer	5,000	984,351	960,146
Krones AG	795	1,039,557	1,099,383
M.A.N. AG	1,835	246,861	359,589
Porsche	1,000	369,109	380,454
Rwe AG	2,450	292,496	537,911
Signalbau Huber	1,000	424,698	311,310
Wella AG	4,000	1,483,899	1,722,364
		<b>\$ 8,391,869</b>	<b>\$ 9,091,503</b>
<b>Finland</b>			
Nokia Free	5,700	\$ 163,827	\$ 83,657
<b>Italy</b>			
Alitalia-Linee	30,000	\$ 42,031	\$ 17,735
Bca Naz Agricolt	15,333	43,481	17,943
Fiat SPA	80,000	482,659	237,721

FINANCIAL SECTION

PREFERRED STOCK - INTERNATIONAL	Par Value	Book Value	Market Value
Italcementi	6,000	50,172	26,224
Montedison SPA	215,700	167,225	174,823
Rinascente La	5,000	16,223	12,699
		<u>\$ 801,792</u>	<u>\$ 487,146</u>
<b>Switzerland</b>			
Movenpick Holdings	125	\$ 32,043	\$ 34,456
		<u>\$ 9,851,850</u>	<u>\$ 10,213,064</u>
<b>TOTAL PREFERRED-INTERNATIONAL</b>			
<b>TOTAL PREFERRED STOCK</b>		<u>\$ 81,308,729</u>	<u>\$ 93,008,724</u>

CONVERTIBLE DEBENTURES - DOMESTIC	Rate	Maturity	Par Value	Book Value	Market Value
Aimoco CDA Petroleum Company	7.375	09/01/2013	\$ 4,250,000	\$ 4,966,564	\$ 4,760,000
AMR Corporation	0.000	03/15/2006	7,118,000	3,148,106	3,114,125
Browning-Ferris Industries Incorporated	6.250	08/15/2012	1,000,000	1,085,862	870,000
Bruno's Incorporated	6.500	09/01/2009	1,098,000	1,102,301	1,147,410
Cabot Medical Corporation	7.500	03/01/1999	1,100,000	1,100,000	1,100,000
Chiron Corporation	7.250	07/01/2015	1,131,000	1,133,565	1,357,200
Cincinnati Financial Corporation	5.500	05/01/2002	1,651,000	1,686,109	1,799,590
Comcast Corporation	0.000	01/15/1995	4,500,000	4,475,082	4,500,000
Conner Peripherals Incorporated	6.500	03/01/2002	1,630,000	1,750,733	1,605,550
Conner Peripherals Incorporated	6.750	03/01/2001	1,470,000	1,376,750	1,308,300
Dana Corporation	5.875	06/15/2006	2,219,000	2,038,820	2,030,385
EMC Corporation	6.250	04/01/2002	2,100,000	2,127,879	2,331,000
Eastman Kodak Company	0.000	09/20/2006	4,600,000	2,065,311	2,047,000
Enclean Incorporated	7.500	08/01/2001	1,205,000	1,205,000	855,550
Hasbro Incorporated	6.000	11/15/1998	1,250,000	1,250,000	1,456,250
Kerr Mcgee Corporation	7.250	06/15/2012	3,786,000	4,177,971	3,975,300
Magne Tek Incorporated	8.000	09/15/2001	2,800,000	2,903,276	3,178,000
McCaw Cellular Communications	8.000	06/15/2008	2,767,000	2,651,062	2,905,350
News American Holdings Incorporated	0.000	03/31/2002	14,225,000	6,896,386	7,397,000
Pier 1 Imports Incorporated	6.875	04/01/2002	1,810,000	1,810,000	1,601,850
Pope & Talbot Incorporated	6.000	03/01/2012	692,000	676,803	563,980
Quantum Corporation	6.375	04/01/2002	3,212,000	3,227,744	3,179,880
SCI Systems Incorporated	9.000	04/01/2015	1,887,000	1,813,834	1,797,368
Service Corporation International	6.500	09/01/2001	1,500,000	1,589,636	1,623,750
Sun Microsystems Incorporated	6.375	10/15/1999	830,000	1,144,065	925,450
Tele Communications Incorporated	0.000	04/25/2008	4,500,000	1,505,206	1,591,875
Waste Management Incorporated	0.000	04/13/2012	2,400,000	831,341	777,000
Westinghouse Electric Corporation	9.000	08/15/2009	2,177,000	2,919,757	2,677,710
			<u>\$ 78,908,000</u>	<u>\$ 62,659,163</u>	<u>\$ 62,476,873</u>

CONVERTIBLE DEBENTURES - INTERNATIONAL	Rate	Maturity	Par Value	Book Value	Market Value
<b>France</b>					
Lafarge-Coppee SA	6.125	01/02/1997	5,000,000	\$ 1,098,474	\$ 981,543
<b>Japan</b>					
All Nippon Airways	1.700	03/31/1997	\$ 100,000,000	\$ 804,975	\$ 658,844

CONVERTIBLE DEBENTURES - INTERNATIONAL	Rate	Maturity	Par Value	Book Value	Market Value
Chubu Electric Power	1.300	03/31/1999	239,000,000	1,563,783	1,468,525
Makita Corporation	1.500	03/31/2005	70,000,000	497,517	491,160
Mitsui Fudosan Company	1.400	09/30/2003	50,000,000	291,864	249,742
SRL Incorporated	4.000	06/30/1999	45,000,000	448,745	445,968
				<u>\$ 3,606,884</u>	<u>\$ 3,314,239</u>
<b>United Kingdom</b>					
British Airways Corporation	9.750	06/15/2005	500,000	\$ 1,101,385	\$ 1,240,077
English China Clay	6.500	09/30/2003	450,000	702,799	973,888
				<u>\$ 1,804,184</u>	<u>\$ 2,213,965</u>
<b>TOTAL CONVERTIBLE DEBENTURE - INTERNATIONAL</b>				<u>\$ 6,509,541</u>	<u>\$ 6,509,747</u>
<b>TOTAL CONVERTIBLE DEBENTURES</b>				<u>\$ 69,168,704</u>	<u>\$ 68,986,620</u>
<b>TOTAL STOCKS &amp; CONVERTIBLES</b>				<u>\$ 4,636,941,598</u>	<u>\$ 5,733,874,122</u>

MORTGAGES	Book Value	Market Value
MORTGAGES	<u>\$ 59,176,922</u>	<u>\$ 72,156,789</u>

REAL ESTATE	Book Value	Market Value
<b>Real Estate Funds</b>		
Heitman Real Estate II	\$ 36,753,642	\$ 36,753,642
Heitman Real Estate IV	33,858,207	33,858,207
Institutional Property Asset Fund	3,754,298	3,754,298
JMB Group Trust V	34,788,171	34,788,171
Lehndorff And Babson	131,919,650	131,919,650
Prime Property Fund	26,295,609	26,295,609
Public Storage Ins. Fund III	25,153,387	25,478,762
Shurgard Institutional Fund L.P.	10,825,695	10,825,695
SRE Real Estate Fund	19,303,347	19,303,347
SRE Realty Partners I	25,079,575	25,079,575
TCW Fund IV	13,065,520	13,065,520
TCW Realty Fund V	24,365,628	24,365,628
Trammell Crow Equity Partner I	4,163,053	4,163,053
Trammell Crow Equity Partner II	7,559,236	7,559,236
<b>TOTAL REAL ESTATE FUNDS</b>	<u>\$ 396,885,017</u>	<u>\$ 397,210,392</u>

<b>Equity In Title Holding Corporations</b>		
Gateway Buena Park, Incorporated	6,045,724	6,045,724
Gateway Virginia Properties, Incorporated	11,981,000	11,981,000
Gateway West Properties, Incorporated	33,903,235	33,903,235
LACERA Gateway Property, Incorporated	60,500,000	60,500,000
Sante Fe Gateway Pioneer, Incorporated	3,547,128	3,547,128
<b>TOTAL EQUITY IN TITLE HOLDING CORPORATIONS</b>	<u>\$ 115,977,087</u>	<u>\$ 115,977,087</u>
<b>TOTAL REAL ESTATE</b>	<u>\$ 512,862,104</u>	<u>\$ 513,187,479</u>

▲  
FINANCIAL SECTION  
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ALTERNATIVE ASSETS	Book Value	Market Value
Copley Venture I	\$ 9,500,678	\$ 11,412,177
Copley Venture II	13,587,920	18,286,874
Harry Gray, Mel Klein & Partners	90,836,442	90,836,442
Kidd Kamm Equity Partners	80,921	80,921
Kleiner Perkins Caufield & Byers VI	740,719	740,718
Media/Communications	22,996,595	24,080,315
Oak Investment Partners	1,607,959	1,607,959
Prudential Venture	38,012,438	47,081,695
Syndicated Communications	1,203,255	1,187,265
Warburg Pincus Capital	48,943,603	70,107,450
<b>TOTAL ALTERNATIVE ASSETS</b>	<b>\$ 227,510,530</b>	<b>\$ 265,421,816</b>

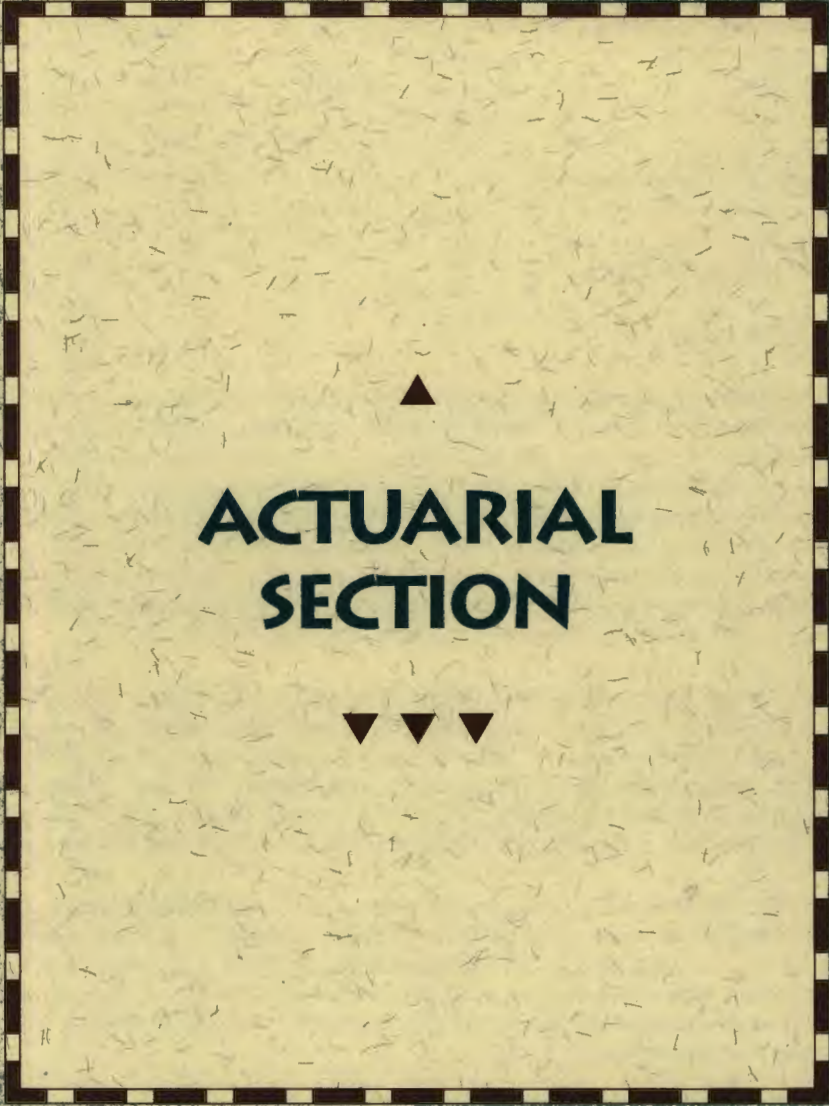
SHORT TERM - DOMESTIC	Rate	Maturity	Par Value	Book Value	Market Value
Abbey National	4.250	06/03/1993	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
American Telephone & Telegraph Company	4.290	04/22/1993	15,000,000	15,000,000	14,980,200
Federal Farm Credit Bank	3.860	01/04/1993	65,000,000	65,000,000	65,000,000
Federal Farm Credit Discount Note	0.000	09/08/1992	35,000,000	34,741,389	34,637,944
Federal Home Loan Bank Cons Disc	0.000	09/29/1992	45,000,000	44,577,987	44,577,987
Federal Home Loan Mortgage Corporation	0.000	07/01/1992	4,000,000	3,997,547	3,997,547
Federal Home Loan Mortgage Corporation	0.000	07/16/1992	5,600,000	5,582,593	5,582,593
General Electric Capital Corporation	3.750	08/17/1992	50,000,000	49,791,284	49,526,042
IBM Credit Corporation	4.400	06/17/1993	25,000,000	25,000,000	25,010,000
IBM Credit Corporation	4.464	04/19/1993	20,000,000	20,000,000	20,025,800
Merck & Company	3.730	07/31/1992	50,000,000	49,844,583	49,844,583
Morgan Stanley Discount Note	3.930	08/31/1992	20,000,000	19,864,633	19,803,500
Schering-Plough Disc	3.850	08/06/1992	25,000,000	24,899,942	24,826,215
United States Treasury Bills	0.000	08/27/1992	3,050,000	2,904,420	3,033,195
United States Treasury Bills	0.000	11/12/1992	25,000,000	24,642,975	24,527,250
United States Treasury Bills	0.000	11/19/1992	50,000,000	49,250,556	49,044,722
United States Treasury Bills	0.000	12/17/1992	1,600,000	1,547,674	1,572,592
United States Treasury Bills	0.000	05/06/1993	25,000,000	24,136,736	24,028,132
United States Treasury Notes	6.875	07/31/1993	50,000,000	51,303,758	51,390,500
United States Treasury Notes	7.000	04/30/1993	50,000,000	51,076,425	51,187,500
United States Treasury Notes	7.000	06/30/1993	250,000,000	256,459,648	256,952,500
<b>TOTAL SHORT TERM - DOMESTIC</b>			<b>\$ 844,250,000</b>	<b>\$ 849,622,151</b>	<b>\$ 849,548,803</b>

SHORT TERM - INTERNATIONAL	Rate	Maturity	Par Value	Book Value	Market Value
Federal Home Loan Mortgage Corporation	3.710	09/29/1992	\$5,000,000	\$4,953,110	\$4,953,625
United States Treasury Bills	3.800	12/10/1992	5,000,000	4,903,944	4,914,500
United States Treasury Bills	3.790	01/14/1993	5,000,000	4,892,571	4,896,301
United States Treasury Bills	4.130	09/10/1992	6,000,000	5,874,720	5,957,550
United States Treasury Notes	5.375	04/30/1994	2,000,000	2,005,515	2,023,316
United States Treasury Notes	8.000	07/31/1992	200,000	203,250	206,892
<b>TOTAL SHORT TERM - INTERNATIONAL</b>			<b>\$ 23,200,000</b>	<b>\$ 22,833,110</b>	<b>\$ 22,952,184</b>
<b>TOTAL SHORT TERM</b>			<b>\$ 867,450,000</b>	<b>\$ 872,455,261</b>	<b>\$ 872,500,987</b>

<b>REPURCHASE AGREEMENTS</b>	Rate	Maturity	Par Value	Book Value	Market Value
First Boston	3.800	07/01/1992	\$100,000,000	\$100,000,000	\$100,000,000
Morgan Stanley	3.900	07/01/1992	3,775,000	4,698,783	4,698,783
<b>TOTAL REPURCHASE AGREEMENTS</b>			<b>\$103,775,000</b>	<b>\$104,698,783</b>	<b>\$104,698,783</b>

<b>EQUITY IN SHORT TERM INVESTMENT FUND</b>	Par Value	Book Value	Market Value
Pacific Horizon	\$ 2,337,892	\$ 2,337,892	\$ 2,337,892

<b>CERTIFICATES OF DEPOSIT</b>	Rate	Maturity	Par Value	Book Value	Market Value
Chase Manhattan Bank	3.625	07/02/1992	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Chase Manhattan Bank	3.875	07/01/1992	4,500,000	4,500,000	4,500,000
Mitsubishi Bank Limited New York	4.187	07/01/1992	50,829,691	50,829,691	50,829,691
National Westminster Yankee	3.870	07/06/1992	50,000,000	49,999,306	49,998,569
Skandinaviska	4.125	07/01/1992	70,000,000	70,000,000	70,000,000
Svenska Handelsbanken	4.000	07/01/1992	60,000,000	60,000,000	60,000,000
<b>TOTAL CERTIFICATES OF DEPOSIT</b>			<b>\$ 245,329,691</b>	<b>\$ 245,328,997</b>	<b>\$ 245,328,260</b>
<b>TOTAL SHORT TERM INVESTMENTS</b>			<b>\$1,218,892,583</b>	<b>\$1,224,820,934</b>	<b>\$1,224,865,922</b>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>				<b>\$11,183,965,045</b>	<b>\$12,488,432,958</b>



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**ACTUARIAL  
SECTION**

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## Towers Perrin

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October 23, 1992

Board of Investments  
Los Angeles County Employees  
Retirement Association  
300 North Lake Avenue  
Pasadena, California 91101-4199

**Members of the Board:**

The financing objective of the plan is to reduce the Unfunded Actuarial Accrued Liability (UAAL) to zero over a 30-year period commencing July 1, 1978 while maintaining contribution rates that remain approximately the same from generation to generation. The progress being made toward the realization of the financing objectives through June 30, 1989 is illustrated in the attached Exhibits I and II. The original 30 years UAAL funding period which was to end June 30, 2008 has been amended by the Board of Investments. In each of the next four years (effective July 1, 1992), the County contribution to amortize the UAAL will be calculated on the basis of a new 30-year amortization period. Effective July 1, 1996, the UAAL will be amortized over a 16-year period ending June 30, 2012. We believe this revised schedule is adequate to meet the Board's long-term funding goals, and will not cause any deterioration in the funded status of the plan.

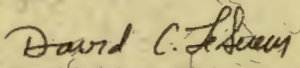
An actuarial investigation is performed every three years, during which an analysis is made of the appropriateness of all economic and noneconomic assumptions. Recommendations for changes are presented to the Board of Investments for consideration. The last triennial investigation was performed as of June 30, 1989, at which time changes to the noneconomic assumptions were adopted by the Board. The next triennial investigation will be performed as of June 30, 1992, and is currently in progress. Regular valuations are performed every year to comply with GASB requirements, and to monitor the plan's funded status.

The asset value used in determining County contribution rates (the actuarial value of assets) recognizes unrealized appreciation or depreciation over a five-year period as described in an attachment (Exhibit V). The data used in the actuarial valuation and investigation were provided by the Board and were used after the data had been checked for reasonableness by our staff. We understand that the data was independently checked for accuracy by the plan's auditor. We have enclosed a summary of the employee data used for actuarial valuations over the past several years (Exhibits III and IV).

The actuarial assumptions used in the June 30, 1989 valuation are summarized in the attachments. All assumptions were determined by the actuary and were adopted by the Board.

On the basis of the June 30, 1989 and subsequent valuations, it is our opinion that LACERA continues to be in sound condition in accordance with the actuarial principles of level cost financing.

Respectfully submitted,

  
David C. LeSueur, F.S.A., M.A.A.A.  
Principal

ACTUARIAL SECTION

EXHIBIT I

**Los Angeles County Employees Retirement Association  
HISTORY OF UNFUNDED ACTUARIAL ACCRUED LIABILITY**

(Amounts in Thousands)

Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Ratio of Assets to Actuarial Accrued Liability	Annual Active Member Compensation	Ratio of Unfunded Actuarial Accrued Liability to Active Compensation
6/30/81	\$ 5,632,139	\$ 2,924,206	\$ 2,707,933	51.92%	\$ 1,600,618	169.18%
6/30/83	6,608,302	3,875,049	2,733,253	58.64%	1,623,137	168.39%
6/30/86	8,104,634	5,827,845	2,276,789	71.91%	1,837,244	123.92%
6/30/89	10,471,851	8,960,463	1,511,388	85.57%	2,309,674	65.44%

NOTES:

▲ The liabilities shown above were determined using the Entry Age Normal funding method as opposed to the Projected Unit Credit method required by GASB No. 5.

▲ The actuarial valuation as of June 30, 1981 reflects the adoption of Plan E, which became effective as of January 4, 1982.

▲ The asset valuation method was changed, effective June 30, 1989, from book value to an adjusted market value method that recognizes unrealized appreciation or depreciation of assets over a five-year period.



EXHIBIT II

**Los Angeles County Employees Retirement Association  
HISTORY OF COUNTY CONTRIBUTION RATES**

Valuation Date	County Contribution Rate by Plan				
	Plan A	Plan B	Plan C	Plan D	Plan E
<b>6/30/81:</b>					
<b>GENERAL MEMBERS:</b>					
W/o surcharge	18.46%	14.55%	14.19%	14.09%	12.97%
Surcharge	.65	.11	—	—	—
Total	19.11	14.66	14.19	14.09	12.97
<b>SAFETY MEMBERS:</b>					
W/o surcharge	27.77	22.01	—	—	—
Surcharge	1.53	.04	—	—	—
Total	29.30	22.05	—	—	—
<b>6/30/83:</b>					
<b>GENERAL MEMBERS:</b>					
W/o surcharge	18.56	15.21	15.11	15.02	13.68
Surcharge	.65	.11	—	—	—
Total	19.21	15.32	15.11	15.02	13.68
<b>SAFETY MEMBERS:</b>					
W/o surcharge	30.56	24.27	—	—	—
Surcharge	1.53	.04	—	—	—
Total	32.09	24.31	—	—	—
<b>6/30/86:</b>					
<b>GENERAL MEMBERS:</b>					
W/o surcharge	17.91	14.89	14.75	14.63	13.28
Surcharge	.73	.16	—	—	—
Total	18.64	15.05	14.75	14.63	13.28
<b>SAFETY MEMBERS:</b>					
W/o surcharge	25.52	19.27	—	—	—
Surcharge	1.52	.04	—	—	—
Total	27.04	19.31	—	—	—
<b>6/30/89:</b>					
<b>GENERAL MEMBERS:</b>					
W/o surcharge	14.45	11.43	11.29	11.17	9.82
Surcharge	.73	.16	—	—	—
Total	15.18	11.59	11.29	11.17	9.82
<b>SAFETY MEMBERS:</b>					
W/o surcharge	19.50	13.25	—	—	—
Surcharge	1.52	.04	—	—	—
Total	21.02	13.29	—	—	—

ACTUARIAL SECTION  
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EXHIBIT III

Los Angeles County Employees Retirement Association  
**SUMMARY OF ACTIVE MEMBERSHIP**

Valuation Date	Number	Annual Salary	Annual Average Salary	% Increase in Average Salary
<b>6/30/81</b>				
General	61,970	\$ 1,347,433,759	\$ 21,743	N/A
Safety	8,371	253,184,348	30,245	N/A
<b>Total</b>	<b>70,341</b>	<b>1,600,618,107</b>	<b>22,755</b>	<b>N/A</b>
<b>6/30/83</b>				
General	57,273	\$ 1,325,988,376	\$ 23,152	6.48%
Safety	9,098	297,148,480	32,661	7.99
<b>Total</b>	<b>66,371</b>	<b>1,623,136,856</b>	<b>24,456</b>	<b>7.47</b>
<b>6/30/86</b>				
General	58,148	\$ 1,485,597,144	\$ 25,549	10.35%
Safety	9,241	351,647,208	38,053	16.51
<b>Total</b>	<b>67,389</b>	<b>1,837,244,352</b>	<b>27,268</b>	<b>11.48</b>
<b>6/30/89</b>				
General	58,734	\$ 1,836,722,813	\$ 31,272	22.40%
Safety	10,112	472,950,806	46,771	22.91
<b>Total</b>	<b>68,846</b>	<b>2,309,673,619</b>	<b>33,548</b>	<b>23.05</b>

EXHIBIT IV

Los Angeles County Employees Retirement Association  
**SUMMARY OF RETIRED MEMBERSHIP**

Year	Number of Members				Annual Allowance (In Thousands)	% Increase in Annual Allowance	Average Monthly Allowance
	At Beginning Of Year	Added During Year	Removed During Year	At End Of Year			
7/81 to 6/82	24,975	2,193	(784)	26,384	\$ 207,924	N/A	\$ 657
7/82 to 6/83	26,384	2,038	(820)	27,602	233,747	12.42%	706
7/83 to 6/84	27,602	2,544	(947)	29,199	266,600	14.05	761
7/84 to 6/85	29,199	2,330	(1,260)	30,269	298,331	11.90	821
7/85 to 6/86	30,269	2,097	(992)	31,374	324,794	8.87	863
7/86 to 6/87	31,374	1,990	(1,110)	32,254	357,115	9.95	923
7/87 to 6/88	32,254	1,880	(1,015)	33,119	389,567	9.09	980
7/88 to 6/89	33,119	2,110	(1,132)	34,097	434,194	11.46	1,061

EXHIBIT V

**Los Angeles County Employees Retirement Association**  
**DEVELOPMENT ACTUARIAL VALUE OF ASSETS**  
As of June 30, 1989

Plan Year Ending	Book Value	Market Value	Unrealized Gains	Change in Unrealized Gains	Phase-In of Unrealized Gains		
6/30/89	\$ 8,088,146,000	\$ 8,984,173,000	\$ 896,027,000	\$ 272,447,000	20% of	\$ 272,447,000	= \$ 54,489,000
6/30/88	7,386,397,000	8,009,977,000	623,580,000	(477,394,000)	40% of	(477,394,000)	= (190,958,000)
6/30/87	6,774,365,000	7,875,339,000	1,100,974,000	(23,066,000)	60% of	(23,066,000)	= (13,840,000)
6/30/86	5,828,814,000	6,952,854,000	1,124,040,000	507,070,000	80% of	507,070,000	= 405,656,000
6/30/85	4,880,910,000	5,497,880,000	616,970,000	616,970,000	100% of	616,970,000	= 616,970,000
(1) Total Phase-In of Unrealized Gains							<u>872,317,000</u>
(2) Book Value as of June 30, 1989							<u>8,088,146,000</u>
(3) Actuarial Value as of June 30, 1989 Sum of (1) and (2)							<u>\$ 8,960,463,000</u>

EXHIBIT VI

**Los Angeles County Employees Retirement Association**  
**SHORT-TERM SOLVENCY TEST**

(Amounts in Thousands)

Valuation Date	(1) Active Member Contributions	(2) Liability for Inactive Participants	(3) Liability for Active Members (Employer Financed Portion)	Valuation Assets	Portion of Accrued Liability Covered by Valuation Assets		
					(1)	(2)	(3)
6/30/81	\$ 610,943	\$ 2,420,747	\$ 2,600,449	\$ 2,924,206	100.00%	95.56%	0.00%
6/30/83	794,893	3,117,241	2,696,168	3,875,049	100.00	98.81	0.00
6/30/86	1,001,382	3,819,047	3,284,205	5,827,845	100.00	100.00	30.67
6/30/89	1,298,232	4,929,645	4,243,974	8,960,463	100.00	100.00	64.39

**ACTUARIAL ASSUMPTIONS**

The Entry Age Normal method was used in conjunction with the following actuarial assumptions:

**Interest:** 8% per annum.

**Salary Scale:** 6% per annum.

**Consumer Price Index:** Increase of 5% per annum; cost-of-living increases subject to plan maximums.

**Taxable Wage Base Increases:** 6% per annum (Plan E only).

**Spouses and Dependents:** 85 % of male employees and 60% of female employees assumed married at retirement, with wives assumed four years younger than husbands.

**Rehire of Former Employees:** Assumed not to be rehired.

**Asset Valuation:** Asset values taken directly from statements furnished by LACERA. See Exhibit V for a description of the development of the actuarial value of assets.

**Rates of Termination of Employment:** As shown in Tables I through VIII, which follow. The termination rates for Plan E are restricted to ordinary withdrawal and ordinary death.

A retirement age assumption of age 65 was used for Plan E.

**Expectation of Life after Retirement:** As shown in Table IX.

**Expectation of Life after Disability:** As shown in Table X (not applicable to Plan E).

TABLE I

PLAN A GENERAL MEMBERS — MALE

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1303	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
21	0.1262	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
22	0.1220	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
23	0.1196	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
24	0.1164	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
25	0.1131	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
26	0.1097	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
27	0.1073	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
28	0.1048	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
29	0.1007	0.0000	0.0013	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
30	0.0957	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0001
31	0.0891	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
32	0.0850	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
33	0.0792	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
34	0.0734	0.0000	0.0016	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
35	0.0684	0.0000	0.0016	0.0001	0.0000	0.0006	0.0000	0.0000	0.0002
36	0.0619	0.0000	0.0016	0.0001	0.0000	0.0010	0.0000	0.0000	0.0002
37	0.0553	0.0000	0.0016	0.0001	0.0000	0.0014	0.0000	0.0000	0.0003
38	0.0512	0.0000	0.0016	0.0001	0.0000	0.0018	0.0000	0.0000	0.0003
39	0.0471	0.0000	0.0016	0.0001	0.0000	0.0021	0.0000	0.0000	0.0004
40	0.0437	0.0000	0.0016	0.0004	0.0000	0.0024	0.0000	0.0000	0.0005
41	0.0404	0.0000	0.0016	0.0007	0.0000	0.0026	0.0000	0.0000	0.0005
42	0.0363	0.0000	0.0016	0.0009	0.0000	0.0028	0.0000	0.0000	0.0006
43	0.0330	0.0000	0.0019	0.0012	0.0000	0.0032	0.0000	0.0000	0.0007
44	0.0306	0.0000	0.0019	0.0015	0.0000	0.0034	0.0000	0.0000	0.0007
45	0.0272	0.0000	0.0022	0.0018	0.0000	0.0035	0.0000	0.0000	0.0008
46	0.0247	0.0000	0.0022	0.0021	0.0000	0.0040	0.0000	0.0000	0.0009
47	0.0231	0.0000	0.0022	0.0023	0.0000	0.0042	0.0000	0.0000	0.0010
48	0.0215	0.0000	0.0022	0.0026	0.0000	0.0044	0.0000	0.0000	0.0011
49	0.0206	0.0000	0.0025	0.0031	0.0000	0.0048	0.0000	0.0000	0.0012
50	0.0189	0.0000	0.0028	0.0034	0.0330	0.0050	0.0000	0.0000	0.0012
51	0.0182	0.0000	0.0031	0.0039	0.0330	0.0053	0.0000	0.0000	0.0013
52	0.0182	0.0000	0.0031	0.0043	0.0330	0.0058	0.0000	0.0000	0.0015
53	0.0165	0.0000	0.0034	0.0047	0.0330	0.0062	0.0000	0.0000	0.0016
54	0.0165	0.0000	0.0034	0.0052	0.0450	0.0065	0.0000	0.0000	0.0017
55	0.0165	0.0000	0.0038	0.0058	0.0510	0.0069	0.0000	0.0000	0.0019
56	0.0165	0.0000	0.0041	0.0064	0.0560	0.0074	0.0000	0.0000	0.0021
57	0.0165	0.0000	0.0044	0.0071	0.0840	0.0078	0.0000	0.0000	0.0023
58	0.0165	0.0000	0.0050	0.0077	0.1010	0.0079	0.0000	0.0000	0.0025
59	0.0165	0.0000	0.0056	0.0084	0.1010	0.0083	0.0000	0.0000	0.0027
60	0.0165	0.0000	0.0063	0.0091	0.1010	0.0088	0.0000	0.0000	0.0031
61	0.0165	0.0000	0.0072	0.0098	0.1180	0.0092	0.0000	0.0000	0.0033
62	0.0165	0.0000	0.0081	0.0105	0.1460	0.0095	0.0000	0.0000	0.0037
63	0.0165	0.0000	0.0097	0.0113	0.1460	0.0099	0.0000	0.0000	0.0040
64	0.0165	0.0000	0.0144	0.0121	0.1800	0.0104	0.0000	0.0000	0.0043
65	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
66	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0000	0.0000	0.3930	0.0000	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000	0.0000	0.4490	0.0000	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0000	0.0000	0.5610	0.0000	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000

ACTUARIAL SECTION

PLAN A GENERAL MEMBERS — FEMALE

TABLE II

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1457	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	0.1420	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
22	0.1384	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23	0.1348	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
24	0.1303	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.1256	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
26	0.1212	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
27	0.1157	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
28	0.1102	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
29	0.1038	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
30	0.0983	0.0000	0.0005	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
31	0.0920	0.0000	0.0006	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
32	0.0866	0.0000	0.0006	0.0002	0.0000	0.0006	0.0000	0.0000	0.0000
33	0.0819	0.0000	0.0006	0.0004	0.0000	0.0009	0.0000	0.0000	0.0000
34	0.0764	0.0000	0.0006	0.0006	0.0000	0.0011	0.0000	0.0000	0.0000
35	0.0720	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
36	0.0683	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
37	0.0638	0.0000	0.0006	0.0010	0.0000	0.0011	0.0000	0.0000	0.0001
38	0.0601	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
39	0.0565	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
40	0.0528	0.0000	0.0008	0.0014	0.0000	0.0013	0.0000	0.0000	0.0002
41	0.0501	0.0000	0.0010	0.0016	0.0000	0.0015	0.0000	0.0000	0.0002
42	0.0474	0.0000	0.0010	0.0016	0.0000	0.0017	0.0000	0.0000	0.0002
43	0.0456	0.0000	0.0010	0.0017	0.0000	0.0017	0.0000	0.0000	0.0002
44	0.0428	0.0000	0.0011	0.0020	0.0000	0.0019	0.0000	0.0000	0.0002
45	0.0410	0.0000	0.0013	0.0021	0.0000	0.0019	0.0000	0.0000	0.0002
46	0.0392	0.0000	0.0013	0.0024	0.0000	0.0021	0.0000	0.0000	0.0002
47	0.0383	0.0000	0.0015	0.0028	0.0000	0.0021	0.0000	0.0000	0.0002
48	0.0364	0.0000	0.0016	0.0031	0.0000	0.0023	0.0000	0.0000	0.0002
49	0.0346	0.0000	0.0016	0.0034	0.0000	0.0026	0.0000	0.0000	0.0002
50	0.0328	0.0000	0.0018	0.0040	0.0280	0.0026	0.0000	0.0000	0.0003
51	0.0310	0.0000	0.0019	0.0045	0.0170	0.0028	0.0000	0.0000	0.0003
52	0.0282	0.0000	0.0023	0.0051	0.0210	0.0030	0.0000	0.0000	0.0003
53	0.0255	0.0000	0.0024	0.0059	0.0210	0.0032	0.0000	0.0000	0.0003
54	0.0228	0.0000	0.0027	0.0065	0.0280	0.0034	0.0000	0.0000	0.0003
55	0.0200	0.0000	0.0029	0.0071	0.0400	0.0036	0.0000	0.0000	0.0004
56	0.0173	0.0000	0.0032	0.0079	0.0400	0.0038	0.0000	0.0000	0.0004
57	0.0137	0.0000	0.0035	0.0087	0.0510	0.0043	0.0000	0.0000	0.0004
58	0.0091	0.0000	0.0039	0.0096	0.0570	0.0046	0.0000	0.0000	0.0004
59	0.0055	0.0000	0.0044	0.0106	0.0630	0.0051	0.0000	0.0000	0.0004
60	0.0000	0.0000	0.0047	0.0119	0.0690	0.0055	0.0000	0.0000	0.0005
61	0.0000	0.0000	0.0052	0.0127	0.1080	0.0062	0.0000	0.0000	0.0005
62	0.0000	0.0000	0.0056	0.0140	0.1700	0.0070	0.0000	0.0000	0.0005
63	0.0000	0.0000	0.0063	0.0154	0.1700	0.0079	0.0000	0.0000	0.0005
64	0.0000	0.0000	0.0068	0.0168	0.2100	0.0089	0.0000	0.0000	0.0005
65	0.0000	0.0000	0.0077	0.0000	0.2840	0.0100	0.0000	0.0000	0.0000
66	0.0000	0.0000	0.0087	0.0000	0.3410	0.0111	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0097	0.0000	0.3410	0.0123	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0113	0.0000	0.3410	0.0138	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0145	0.0000	0.5690	0.0159	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000

TABLE III

PLAN A SAFETY MEMBERS

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0972	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
21	0.0884	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
22	0.0806	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
23	0.0718	0.0000	0.0002	0.0000	0.0000	0.0004	0.0001	0.0000	0.0000
24	0.0641	0.0000	0.0002	0.0000	0.0000	0.0006	0.0001	0.0000	0.0000
25	0.0569	0.0000	0.0002	0.0000	0.0000	0.0010	0.0001	0.0000	0.0000
26	0.0530	0.0000	0.0002	0.0000	0.0000	0.0017	0.0001	0.0000	0.0000
27	0.0442	0.0000	0.0002	0.0000	0.0000	0.0025	0.0001	0.0000	0.0000
28	0.0398	0.0000	0.0002	0.0000	0.0000	0.0036	0.0001	0.0000	0.0000
29	0.0359	0.0000	0.0002	0.0000	0.0000	0.0048	0.0001	0.0000	0.0000
30	0.0342	0.0000	0.0003	0.0001	0.0000	0.0057	0.0001	0.0000	0.0002
31	0.0320	0.0000	0.0003	0.0007	0.0000	0.0068	0.0001	0.0000	0.0002
32	0.0298	0.0000	0.0003	0.0012	0.0000	0.0074	0.0001	0.0000	0.0002
33	0.0276	0.0000	0.0003	0.0015	0.0000	0.0084	0.0001	0.0000	0.0002
34	0.0254	0.0000	0.0004	0.0018	0.0000	0.0104	0.0001	0.0000	0.0002
35	0.0243	0.0000	0.0004	0.0019	0.0000	0.0120	0.0001	0.0000	0.0004
36	0.0221	0.0000	0.0004	0.0020	0.0000	0.0134	0.0001	0.0000	0.0004
37	0.0210	0.0000	0.0005	0.0022	0.0000	0.0146	0.0002	0.0000	0.0004
38	0.0188	0.0000	0.0005	0.0024	0.0000	0.0161	0.0002	0.0000	0.0004
39	0.0171	0.0000	0.0005	0.0024	0.0000	0.0176	0.0002	0.0000	0.0004
40	0.0149	0.0000	0.0006	0.0024	0.0000	0.0192	0.0002	0.0000	0.0005
41	0.0133	0.0000	0.0007	0.0024	0.0000	0.0204	0.0002	0.0000	0.0005
42	0.0110	0.0000	0.0008	0.0025	0.0000	0.0215	0.0002	0.0000	0.0005
43	0.0094	0.0000	0.0010	0.0026	0.0000	0.0232	0.0003	0.0000	0.0005
44	0.0010	0.0000	0.0012	0.0028	0.0000	0.0246	0.0003	0.0000	0.0005
45	0.0009	0.0000	0.0014	0.0029	0.0000	0.0263	0.0004	0.0000	0.0007
46	0.0008	0.0000	0.0016	0.0029	0.0000	0.0276	0.0004	0.0000	0.0007
47	0.0007	0.0000	0.0018	0.0030	0.0000	0.0291	0.0006	0.0000	0.0007
48	0.0006	0.0000	0.0019	0.0033	0.0000	0.0316	0.0007	0.0000	0.0007
49	0.0006	0.0000	0.0020	0.0030	0.0275	0.0350	0.0010	0.0000	0.0007
50	0.0006	0.0000	0.0021	0.0029	0.0730	0.0374	0.0014	0.0000	0.0008
51	0.0006	0.0000	0.0022	0.0028	0.0685	0.0403	0.0019	0.0000	0.0008
52	0.0006	0.0000	0.0023	0.0024	0.0685	0.0428	0.0024	0.0000	0.0008
53	0.0006	0.0000	0.0023	0.0017	0.0865	0.0466	0.0030	0.0000	0.0008
54	0.0006	0.0000	0.0024	0.0007	0.1595	0.0518	0.0037	0.0000	0.0008
55	0.0006	0.0000	0.0024	0.0000	0.2730	0.0614	0.0000	0.0000	0.0000
56	0.0006	0.0000	0.0025	0.0000	0.2095	0.0691	0.0000	0.0000	0.0000
57	0.0006	0.0000	0.0026	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
58	0.0006	0.0000	0.0026	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
59	0.0006	0.0000	0.0027	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
60	0.0006	0.0000	0.0000	0.0000	0.2275	0.0767	0.0000	0.0000	0.0000
61	0.0006	0.0000	0.0000	0.0000	0.2275	0.0767	0.0000	0.0000	0.0000
62	0.0006	0.0000	0.0000	0.0000	0.3640	0.0767	0.0000	0.0000	0.0000
63	0.0006	0.0000	0.0000	0.0000	0.3640	0.0767	0.0000	0.0000	0.0000
64	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000
65	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
66	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

▲  
ACTUARIAL SECTION  
▼▼▼

PLAN B GENERAL MEMBERS — MALE

TABLE IV

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1303	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
21	0.1262	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
22	0.1220	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
23	0.1196	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
24	0.1164	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
25	0.1131	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
26	0.1097	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
27	0.1073	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
28	0.1048	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
29	0.1007	0.0000	0.0013	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
30	0.0957	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0001
31	0.0891	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
32	0.0850	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
33	0.0792	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
34	0.0734	0.0000	0.0016	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
35	0.0684	0.0000	0.0016	0.0001	0.0000	0.0006	0.0000	0.0000	0.0002
36	0.0619	0.0000	0.0016	0.0001	0.0000	0.0010	0.0000	0.0000	0.0002
37	0.0553	0.0000	0.0016	0.0001	0.0000	0.0014	0.0000	0.0000	0.0003
38	0.0512	0.0000	0.0016	0.0001	0.0000	0.0018	0.0000	0.0000	0.0003
39	0.0471	0.0000	0.0016	0.0001	0.0000	0.0021	0.0000	0.0000	0.0004
40	0.0437	0.0000	0.0016	0.0004	0.0000	0.0024	0.0000	0.0000	0.0005
41	0.0404	0.0000	0.0016	0.0007	0.0000	0.0026	0.0000	0.0000	0.0005
42	0.0363	0.0000	0.0016	0.0009	0.0000	0.0028	0.0000	0.0000	0.0006
43	0.0330	0.0000	0.0019	0.0012	0.0000	0.0032	0.0000	0.0000	0.0007
44	0.0306	0.0000	0.0019	0.0015	0.0000	0.0034	0.0000	0.0000	0.0007
45	0.0272	0.0000	0.0022	0.0018	0.0000	0.0035	0.0000	0.0000	0.0008
46	0.0247	0.0000	0.0022	0.0021	0.0000	0.0040	0.0000	0.0000	0.0009
47	0.0231	0.0000	0.0022	0.0023	0.0000	0.0042	0.0000	0.0000	0.0010
48	0.0215	0.0000	0.0022	0.0026	0.0000	0.0044	0.0000	0.0000	0.0011
49	0.0206	0.0000	0.0025	0.0031	0.0000	0.0048	0.0000	0.0000	0.0012
50	0.0189	0.0000	0.0028	0.0034	0.0170	0.0050	0.0000	0.0000	0.0012
51	0.0182	0.0000	0.0031	0.0039	0.0170	0.0053	0.0000	0.0000	0.0013
52	0.0182	0.0000	0.0031	0.0043	0.0170	0.0058	0.0000	0.0000	0.0015
53	0.0165	0.0000	0.0034	0.0047	0.0170	0.0062	0.0000	0.0000	0.0016
54	0.0165	0.0000	0.0034	0.0052	0.0230	0.0065	0.0000	0.0000	0.0017
55	0.0165	0.0000	0.0038	0.0058	0.0450	0.0069	0.0000	0.0000	0.0019
56	0.0165	0.0000	0.0041	0.0064	0.0560	0.0074	0.0000	0.0000	0.0021
57	0.0165	0.0000	0.0044	0.0071	0.0840	0.0078	0.0000	0.0000	0.0023
58	0.0165	0.0000	0.0050	0.0077	0.1010	0.0079	0.0000	0.0000	0.0025
59	0.0165	0.0000	0.0056	0.0084	0.1010	0.0083	0.0000	0.0000	0.0027
60	0.0165	0.0000	0.0063	0.0091	0.1010	0.0088	0.0000	0.0000	0.0031
61	0.0165	0.0000	0.0072	0.0098	0.1180	0.0092	0.0000	0.0000	0.0033
62	0.0165	0.0000	0.0081	0.0105	0.1460	0.0095	0.0000	0.0000	0.0037
63	0.0165	0.0000	0.0097	0.0113	0.1460	0.0099	0.0000	0.0000	0.0040
64	0.0165	0.0000	0.0144	0.0121	0.1800	0.0104	0.0000	0.0000	0.0043
65	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
66	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0000	0.0000	0.3930	0.0000	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000	0.0000	0.4490	0.0000	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0000	0.0000	0.5610	0.0000	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000



TABLE V

PLAN B GENERAL MEMBERS — FEMALE

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1457	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	0.1420	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
22	0.1384	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23	0.1348	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
24	0.1303	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.1256	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
26	0.1212	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
27	0.1157	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
28	0.1102	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
29	0.1038	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
30	0.0983	0.0000	0.0005	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
31	0.0920	0.0000	0.0006	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
32	0.0866	0.0000	0.0006	0.0002	0.0000	0.0006	0.0000	0.0000	0.0000
33	0.0819	0.0000	0.0006	0.0004	0.0000	0.0009	0.0000	0.0000	0.0000
34	0.0764	0.0000	0.0006	0.0006	0.0000	0.0011	0.0000	0.0000	0.0000
35	0.0720	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
36	0.0683	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
37	0.0638	0.0000	0.0006	0.0010	0.0000	0.0011	0.0000	0.0000	0.0001
38	0.0601	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
39	0.0565	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
40	0.0528	0.0000	0.0008	0.0014	0.0000	0.0013	0.0000	0.0000	0.0002
41	0.0501	0.0000	0.0010	0.0016	0.0000	0.0015	0.0000	0.0000	0.0002
42	0.0474	0.0000	0.0010	0.0016	0.0000	0.0017	0.0000	0.0000	0.0002
43	0.0456	0.0000	0.0010	0.0017	0.0000	0.0017	0.0000	0.0000	0.0002
44	0.0428	0.0000	0.0011	0.0020	0.0000	0.0019	0.0000	0.0000	0.0002
45	0.0410	0.0000	0.0013	0.0021	0.0000	0.0019	0.0000	0.0000	0.0002
46	0.0392	0.0000	0.0013	0.0024	0.0000	0.0021	0.0000	0.0000	0.0002
47	0.0383	0.0000	0.0015	0.0028	0.0000	0.0021	0.0000	0.0000	0.0002
48	0.0364	0.0000	0.0016	0.0031	0.0000	0.0023	0.0000	0.0000	0.0002
49	0.0346	0.0000	0.0016	0.0034	0.0000	0.0026	0.0000	0.0000	0.0002
50	0.0328	0.0000	0.0018	0.0040	0.0140	0.0026	0.0000	0.0000	0.0003
51	0.0310	0.0000	0.0019	0.0045	0.0120	0.0028	0.0000	0.0000	0.0003
52	0.0282	0.0000	0.0023	0.0051	0.0120	0.0030	0.0000	0.0000	0.0003
53	0.0255	0.0000	0.0024	0.0059	0.0120	0.0032	0.0000	0.0000	0.0003
54	0.0228	0.0000	0.0027	0.0065	0.0170	0.0034	0.0000	0.0000	0.0003
55	0.0200	0.0000	0.0029	0.0071	0.0230	0.0036	0.0000	0.0000	0.0004
56	0.0173	0.0000	0.0032	0.0079	0.0400	0.0038	0.0000	0.0000	0.0004
57	0.0137	0.0000	0.0035	0.0087	0.0510	0.0043	0.0000	0.0000	0.0004
58	0.0091	0.0000	0.0039	0.0096	0.0570	0.0046	0.0000	0.0000	0.0004
59	0.0055	0.0000	0.0044	0.0106	0.0630	0.0051	0.0000	0.0000	0.0004
60	0.0000	0.0000	0.0047	0.0119	0.0690	0.0055	0.0000	0.0000	0.0005
61	0.0000	0.0000	0.0052	0.0127	0.1080	0.0062	0.0000	0.0000	0.0005
62	0.0000	0.0000	0.0056	0.0140	0.1700	0.0070	0.0000	0.0000	0.0005
63	0.0000	0.0000	0.0063	0.0154	0.1700	0.0079	0.0000	0.0000	0.0005
64	0.0000	0.0000	0.0068	0.0168	0.2100	0.0089	0.0000	0.0000	0.0005
65	0.0000	0.0000	0.0077	0.0000	0.2840	0.0100	0.0000	0.0000	0.0000
66	0.0000	0.0000	0.0087	0.0000	0.3410	0.0111	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0097	0.0000	0.3410	0.0123	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0113	0.0000	0.3410	0.0138	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0145	0.0000	0.5690	0.0159	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000

▲  
ACTUARIAL SECTION  
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PLAN B SAFETY MEMBERS

TABLE VI

**PROBABILITY OF OCCURRENCE (Including Eligibility)**

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0972	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
21	0.0884	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
22	0.0806	0.0000	0.0002	0.0000	0.0000	0.0002	0.0001	0.0000	0.0000
23	0.0718	0.0000	0.0002	0.0000	0.0000	0.0004	0.0001	0.0000	0.0000
24	0.0641	0.0000	0.0002	0.0000	0.0000	0.0006	0.0001	0.0000	0.0000
25	0.0569	0.0000	0.0002	0.0000	0.0000	0.0010	0.0001	0.0000	0.0000
26	0.0530	0.0000	0.0002	0.0000	0.0000	0.0017	0.0001	0.0000	0.0000
27	0.0442	0.0000	0.0002	0.0000	0.0000	0.0025	0.0001	0.0000	0.0000
28	0.0398	0.0000	0.0002	0.0000	0.0000	0.0036	0.0001	0.0000	0.0000
29	0.0359	0.0000	0.0002	0.0000	0.0000	0.0048	0.0001	0.0000	0.0000
30	0.0342	0.0000	0.0003	0.0001	0.0000	0.0057	0.0001	0.0000	0.0002
31	0.0320	0.0000	0.0003	0.0007	0.0000	0.0068	0.0001	0.0000	0.0002
32	0.0298	0.0000	0.0003	0.0012	0.0000	0.0074	0.0001	0.0000	0.0002
33	0.0276	0.0000	0.0003	0.0015	0.0000	0.0084	0.0001	0.0000	0.0002
34	0.0254	0.0000	0.0004	0.0018	0.0000	0.0104	0.0001	0.0000	0.0002
35	0.0243	0.0000	0.0004	0.0019	0.0000	0.0120	0.0001	0.0000	0.0004
36	0.0221	0.0000	0.0004	0.0020	0.0000	0.0134	0.0001	0.0000	0.0004
37	0.0210	0.0000	0.0005	0.0022	0.0000	0.0146	0.0002	0.0000	0.0004
38	0.0188	0.0000	0.0005	0.0024	0.0000	0.0161	0.0002	0.0000	0.0004
39	0.0171	0.0000	0.0005	0.0024	0.0000	0.0176	0.0002	0.0000	0.0004
40	0.0149	0.0000	0.0006	0.0024	0.0000	0.0192	0.0002	0.0000	0.0005
41	0.0133	0.0000	0.0007	0.0024	0.0000	0.0204	0.0002	0.0000	0.0005
42	0.0110	0.0000	0.0008	0.0025	0.0000	0.0215	0.0002	0.0000	0.0005
43	0.0094	0.0000	0.0010	0.0026	0.0000	0.0232	0.0003	0.0000	0.0005
44	0.0010	0.0000	0.0012	0.0028	0.0000	0.0246	0.0003	0.0000	0.0005
45	0.0009	0.0000	0.0014	0.0029	0.0000	0.0263	0.0004	0.0000	0.0007
46	0.0008	0.0000	0.0016	0.0029	0.0000	0.0276	0.0004	0.0000	0.0007
47	0.0007	0.0000	0.0018	0.0030	0.0000	0.0291	0.0006	0.0000	0.0007
48	0.0006	0.0000	0.0019	0.0033	0.0000	0.0316	0.0007	0.0000	0.0007
49	0.0006	0.0000	0.0020	0.0030	0.0275	0.0350	0.0010	0.0000	0.0007
50	0.0006	0.0000	0.0021	0.0029	0.0730	0.0374	0.0014	0.0000	0.0008
51	0.0006	0.0000	0.0022	0.0028	0.0685	0.0403	0.0019	0.0000	0.0008
52	0.0006	0.0000	0.0023	0.0024	0.0685	0.0428	0.0024	0.0000	0.0008
53	0.0006	0.0000	0.0023	0.0017	0.0865	0.0466	0.0030	0.0000	0.0008
54	0.0006	0.0000	0.0024	0.0007	0.1595	0.0518	0.0037	0.0000	0.0008
55	0.0006	0.0000	0.0024	0.0000	0.2730	0.0614	0.0000	0.0000	0.0000
56	0.0006	0.0000	0.0025	0.0000	0.2095	0.0691	0.0000	0.0000	0.0000
57	0.0006	0.0000	0.0026	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
58	0.0006	0.0000	0.0026	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
59	0.0006	0.0000	0.0027	0.0000	0.1820	0.0767	0.0000	0.0000	0.0000
60	0.0006	0.0000	0.0000	0.0000	0.2275	0.0767	0.0000	0.0000	0.0000
61	0.0006	0.0000	0.0000	0.0000	0.2275	0.0767	0.0000	0.0000	0.0000
62	0.0006	0.0000	0.0000	0.0000	0.3640	0.0767	0.0000	0.0000	0.0000
63	0.0006	0.0000	0.0000	0.0000	0.3640	0.0767	0.0000	0.0000	0.0000
64	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000
65	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
66	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

TABLE VII

PLANS C & D GENERAL MEMBERS — MALE

**PROBABILITY OF OCCURRENCE** (Including Eligibility)

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1303	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
21	0.1262	0.0000	0.0006	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
22	0.1220	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
23	0.1196	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
24	0.1164	0.0000	0.0009	0.0000	0.0000	0.0002	0.0000	0.0000	0.0000
25	0.1131	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
26	0.1097	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
27	0.1073	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
28	0.1048	0.0000	0.0009	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
29	0.1007	0.0000	0.0013	0.0001	0.0000	0.0002	0.0000	0.0000	0.0001
30	0.0957	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0001
31	0.0891	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
32	0.0850	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
33	0.0792	0.0000	0.0013	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
34	0.0734	0.0000	0.0016	0.0001	0.0000	0.0004	0.0000	0.0000	0.0002
35	0.0684	0.0000	0.0016	0.0001	0.0000	0.0006	0.0000	0.0000	0.0002
36	0.0619	0.0000	0.0016	0.0001	0.0000	0.0010	0.0000	0.0000	0.0002
37	0.0553	0.0000	0.0016	0.0001	0.0000	0.0014	0.0000	0.0000	0.0003
38	0.0512	0.0000	0.0016	0.0001	0.0000	0.0018	0.0000	0.0000	0.0003
39	0.0471	0.0000	0.0016	0.0001	0.0000	0.0021	0.0000	0.0000	0.0004
40	0.0437	0.0000	0.0016	0.0004	0.0000	0.0024	0.0000	0.0000	0.0005
41	0.0404	0.0000	0.0016	0.0007	0.0000	0.0026	0.0000	0.0000	0.0005
42	0.0363	0.0000	0.0016	0.0009	0.0000	0.0028	0.0000	0.0000	0.0006
43	0.0330	0.0000	0.0019	0.0012	0.0000	0.0032	0.0000	0.0000	0.0007
44	0.0306	0.0000	0.0019	0.0015	0.0000	0.0034	0.0000	0.0000	0.0007
45	0.0272	0.0000	0.0022	0.0018	0.0000	0.0035	0.0000	0.0000	0.0008
46	0.0247	0.0000	0.0022	0.0021	0.0000	0.0040	0.0000	0.0000	0.0009
47	0.0231	0.0000	0.0022	0.0023	0.0000	0.0042	0.0000	0.0000	0.0010
48	0.0215	0.0000	0.0022	0.0026	0.0000	0.0044	0.0000	0.0000	0.0011
49	0.0206	0.0000	0.0025	0.0031	0.0000	0.0048	0.0000	0.0000	0.0012
50	0.0189	0.0000	0.0028	0.0034	0.0000	0.0050	0.0000	0.0000	0.0012
51	0.0182	0.0000	0.0031	0.0039	0.0000	0.0053	0.0000	0.0000	0.0013
52	0.0182	0.0000	0.0031	0.0043	0.0000	0.0058	0.0000	0.0000	0.0015
53	0.0165	0.0000	0.0034	0.0047	0.0000	0.0062	0.0000	0.0000	0.0016
54	0.0165	0.0000	0.0034	0.0052	0.0000	0.0065	0.0000	0.0000	0.0017
55	0.0165	0.0000	0.0038	0.0058	0.0330	0.0069	0.0000	0.0000	0.0019
56	0.0165	0.0000	0.0041	0.0064	0.0450	0.0074	0.0000	0.0000	0.0021
57	0.0165	0.0000	0.0044	0.0071	0.0560	0.0078	0.0000	0.0000	0.0023
58	0.0165	0.0000	0.0050	0.0077	0.0680	0.0079	0.0000	0.0000	0.0025
59	0.0165	0.0000	0.0056	0.0084	0.0780	0.0083	0.0000	0.0000	0.0027
60	0.0165	0.0000	0.0063	0.0091	0.1010	0.0088	0.0000	0.0000	0.0031
61	0.0165	0.0000	0.0072	0.0098	0.1180	0.0092	0.0000	0.0000	0.0033
62	0.0165	0.0000	0.0081	0.0105	0.1460	0.0095	0.0000	0.0000	0.0037
63	0.0165	0.0000	0.0097	0.0113	0.1460	0.0099	0.0000	0.0000	0.0040
64	0.0165	0.0000	0.0144	0.0121	0.1800	0.0104	0.0000	0.0000	0.0043
65	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
66	0.0165	0.0000	0.0000	0.0000	0.2810	0.0000	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0000	0.0000	0.3930	0.0000	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0000	0.0000	0.4490	0.0000	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0000	0.0000	0.5610	0.0000	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000

▲  
ACTUARIAL SECTION  
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PLANS C & D GENERAL MEMBERS — FEMALE

TABLE VIII

**PROBABILITY OF OCCURRENCE** (Including Eligibility)

Age Nearest	Ordinary Withdraw	Vested Withdraw	Ordinary Death	Ordinary Disability	Service Retire	Service Disability	Service Death	DWE Svc Ret	DWE Dis Ret
18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1457	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	0.1420	0.0000	0.0003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
22	0.1384	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23	0.1348	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
24	0.1303	0.0000	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.1256	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
26	0.1212	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
27	0.1157	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
28	0.1102	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
29	0.1038	0.0000	0.0005	0.0002	0.0000	0.0002	0.0000	0.0000	0.0000
30	0.0983	0.0000	0.0005	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
31	0.0920	0.0000	0.0006	0.0002	0.0000	0.0004	0.0000	0.0000	0.0000
32	0.0866	0.0000	0.0006	0.0002	0.0000	0.0006	0.0000	0.0000	0.0000
33	0.0819	0.0000	0.0006	0.0004	0.0000	0.0009	0.0000	0.0000	0.0000
34	0.0764	0.0000	0.0006	0.0006	0.0000	0.0011	0.0000	0.0000	0.0000
35	0.0720	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
36	0.0683	0.0000	0.0006	0.0008	0.0000	0.0011	0.0000	0.0000	0.0001
37	0.0638	0.0000	0.0006	0.0010	0.0000	0.0011	0.0000	0.0000	0.0001
38	0.0601	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
39	0.0565	0.0000	0.0008	0.0012	0.0000	0.0011	0.0000	0.0000	0.0001
40	0.0528	0.0000	0.0008	0.0014	0.0000	0.0013	0.0000	0.0000	0.0002
41	0.0501	0.0000	0.0010	0.0016	0.0000	0.0015	0.0000	0.0000	0.0002
42	0.0474	0.0000	0.0010	0.0016	0.0000	0.0017	0.0000	0.0000	0.0002
43	0.0456	0.0000	0.0010	0.0017	0.0000	0.0017	0.0000	0.0000	0.0002
44	0.0428	0.0000	0.0011	0.0020	0.0000	0.0019	0.0000	0.0000	0.0002
45	0.0410	0.0000	0.0013	0.0021	0.0000	0.0019	0.0000	0.0000	0.0002
46	0.0392	0.0000	0.0013	0.0024	0.0000	0.0021	0.0000	0.0000	0.0002
47	0.0383	0.0000	0.0015	0.0028	0.0000	0.0021	0.0000	0.0000	0.0002
48	0.0364	0.0000	0.0016	0.0031	0.0000	0.0023	0.0000	0.0000	0.0002
49	0.0346	0.0000	0.0016	0.0034	0.0000	0.0026	0.0000	0.0000	0.0002
50	0.0328	0.0000	0.0018	0.0040	0.0000	0.0026	0.0000	0.0000	0.0003
51	0.0310	0.0000	0.0019	0.0045	0.0000	0.0028	0.0000	0.0000	0.0003
52	0.0282	0.0000	0.0023	0.0051	0.0000	0.0030	0.0000	0.0000	0.0003
53	0.0255	0.0000	0.0024	0.0059	0.0000	0.0032	0.0000	0.0000	0.0003
54	0.0228	0.0000	0.0027	0.0065	0.0000	0.0034	0.0000	0.0000	0.0003
55	0.0200	0.0000	0.0029	0.0071	0.0230	0.0036	0.0000	0.0000	0.0004
56	0.0173	0.0000	0.0032	0.0079	0.0280	0.0038	0.0000	0.0000	0.0004
57	0.0137	0.0000	0.0035	0.0087	0.0340	0.0043	0.0000	0.0000	0.0004
58	0.0091	0.0000	0.0039	0.0096	0.0450	0.0046	0.0000	0.0000	0.0004
59	0.0055	0.0000	0.0044	0.0106	0.0570	0.0051	0.0000	0.0000	0.0004
60	0.0000	0.0000	0.0047	0.0119	0.0690	0.0055	0.0000	0.0000	0.0005
61	0.0000	0.0000	0.0052	0.0127	0.1080	0.0062	0.0000	0.0000	0.0005
62	0.0000	0.0000	0.0056	0.0140	0.1700	0.0070	0.0000	0.0000	0.0005
63	0.0000	0.0000	0.0063	0.0154	0.1700	0.0079	0.0000	0.0000	0.0005
64	0.0000	0.0000	0.0068	0.0168	0.2100	0.0089	0.0000	0.0000	0.0005
65	0.0000	0.0000	0.0077	0.0000	0.2840	0.0100	0.0000	0.0000	0.0000
66	0.0000	0.0000	0.0087	0.0000	0.3410	0.0111	0.0000	0.0000	0.0000
67	0.0000	0.0000	0.0097	0.0000	0.3410	0.0123	0.0000	0.0000	0.0000
68	0.0000	0.0000	0.0113	0.0000	0.3410	0.0138	0.0000	0.0000	0.0000
69	0.0000	0.0000	0.0145	0.0000	0.5690	0.0159	0.0000	0.0000	0.0000
70	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000

TABLE IX

AGE AND SERVICE RETIREES

**EXPECTATION OF LIFE**  
1971 Group Annuity (X-2) (X-8)

Age	Male	Female	Age	Male	Female
15	62.07	67.92	65	16.53	21.10
16	61.10	66.94	66	15.81	20.31
17	60.13	65.97	67	15.11	19.53
18	59.15	64.99	68	14.43	18.75
19	58.18	64.02	69	13.77	18.00
20	57.20	63.04	70	13.13	17.25
21	56.23	62.07	71	12.50	16.52
22	55.26	61.10	72	11.91	15.81
23	54.28	60.12	73	11.33	15.11
24	53.31	59.15	74	10.79	14.42
25	52.34	58.17	75	10.26	13.76
26	51.37	57.20	76	9.74	13.12
27	50.40	56.23	77	9.24	12.50
28	49.43	55.25	78	8.75	11.90
29	48.46	54.28	79	8.28	11.33
30	47.50	53.31	80	7.83	10.78
31	46.53	52.34	81	7.41	10.25
32	45.57	51.37	82	7.00	9.74
33	44.60	50.40	83	6.63	9.24
34	43.64	49.43	84	6.27	8.75
35	42.68	48.46	85	5.94	8.27
36	41.72	47.49	86	5.63	7.82
37	40.76	46.53	87	5.34	7.40
38	39.81	45.56	88	5.06	6.99
39	38.86	44.60	89	4.80	6.62
40	37.91	43.64	90	4.55	6.26
41	36.96	42.68	91	4.31	5.93
42	36.01	41.72	92	4.08	5.61
43	35.07	40.76	93	3.87	5.32
44	34.13	39.81	94	3.66	5.04
45	33.20	38.85	95	3.46	4.77
46	32.28	37.90	96	3.26	4.52
47	31.36	36.96	97	3.07	4.28
48	30.45	36.01	98	2.89	4.05
49	29.55	35.07	99	2.71	3.82
50	28.66	34.13	100	2.53	3.60
51	27.78	33.20	101	2.37	3.39
52	26.91	32.27	102	2.20	3.17
53	26.05	31.35	103	2.04	2.95
54	25.20	30.44	104	1.87	2.73
55	24.36	29.54	105	1.71	2.49
56	23.53	28.65	106	1.53	2.24
57	22.71	27.77	107	1.35	1.95
58	21.90	26.90	108	1.14	1.60
59	21.10	26.04	109	0.89	1.15
60	20.31	25.19			
61	19.53	24.35			
62	18.76	23.53			
63	18.00	22.71			
64	17.26	21.90			

DISABILITY RETIREES

TABLE X

**EXPECTATION OF LIFE**  
1971 Disability Mortality (X-0) (X-0)

Age	Male	Female	Age	Male	Female
15	43.73	54.29	65	14.07	14.09
16	42.73	53.29	66	13.60	13.61
17	41.73	52.29	67	13.13	13.13
18	40.73	51.29	68	12.66	12.66
19	39.73	50.29	69	12.18	12.18
20	38.73	49.29	70	11.70	11.70
21	37.98	48.39	71	11.21	11.21
22	37.26	47.48	72	10.72	10.72
23	36.56	46.58	73	10.22	10.22
24	35.87	45.68	74	9.73	9.73
25	35.19	44.79	75	9.24	9.24
26	34.53	43.89	76	8.75	8.75
27	33.87	43.01	77	8.28	8.28
28	33.23	42.12	78	7.83	7.83
29	32.60	41.24	79	7.41	7.41
30	31.98	40.36	80	7.00	7.00
31	31.37	39.48	81	6.63	6.63
32	30.76	38.61	82	6.27	6.27
33	30.17	37.74	83	5.94	5.94
34	29.58	36.88	84	5.63	5.63
35	29.00	36.02	85	5.34	5.34
36	28.43	35.16	86	5.06	5.06
37	27.87	34.31	87	4.80	4.80
38	27.31	33.45	88	4.55	4.55
39	26.76	32.61	89	4.31	4.31
40	26.21	31.77	90	4.09	4.09
41	25.67	30.93	91	3.87	3.87
42	25.14	30.09	92	3.66	3.66
43	24.61	29.26	93	3.46	3.46
44	24.09	28.43	94	3.26	3.26
45	23.57	27.61	95	3.07	3.07
46	23.06	26.80	96	2.89	2.89
47	22.56	25.98	97	2.71	2.71
48	22.06	25.18	98	2.54	2.54
49	21.57	24.38	99	2.37	2.37
50	21.08	23.59	100	2.20	2.20
51	20.59	22.80	101	2.04	2.04
52	20.11	22.03	102	1.88	1.88
53	19.63	21.26	103	1.72	1.72
54	19.16	20.50	104	1.55	1.55
55	18.68	19.77	105	1.38	1.38
56	18.21	19.06	106	1.21	1.21
57	17.75	18.40	107	1.04	1.04
58	17.29	17.78	108	0.88	0.88
59	16.83	17.20	109	0.71	0.71
60	16.37	16.64			
61	15.91	16.11			
62	15.45	15.59			
63	14.99	15.08			
64	14.53	14.58			

## SUMMARY OF PLAN PROVISIONS

Plans A, B, C, and D

### Membership

#### ELIGIBILITY:

Permanent employees who work 3/4 time or more.

- |   |                           |
|---|---------------------------|
| ▲ Employees eligible for safety membership (law enforcement become Safety Members on the first of the month after date of hire).  | (31551, 31552, By-laws)   |
| ▲ All other employees become General Members on the first of the month after date of hire or they make an election of either Plan D or Plan E, depending on the law at that time. | (31552)                   |
| ▲ Elective officers become members on first of month after filing declaration with Board.   | (31493, 31493.5, 31493.6) |
| ▲ General Members in Plan E who transfer to Plan D.   | (31553, 31562)            |
|   | (31494.1, 31494.3)        |

**Government  
Code Sections**

### Service Retirement Allowance

(allowance at retirement not to exceed 100% of final compensation)

#### ▲ PLAN A (member prior to 9/77)

##### ELIGIBILITY:

Age 50 with 10 years of County service, or any age with 30 years of service (20 years for Safety Members).

##### ALLOWANCE:

**General Members:**  $1/60 \times \text{final compensation} \times \text{years of service} \times \text{age factor}$ , where factor is defined in Section 31676.14 of the County Employees Retirement Law (CERL). (For those years of service in which the member is covered by Social Security, substitute 1/90 for 1/60 for compensation up to \$350 per month.) The above formula is also applicable for compensation in excess of \$350 per month.

**Safety Members:**  $1/50 \times \text{final compensation} \times \text{years of service} \times \text{age factor}$ , where factor is defined in Section 31664 of the CERL. (The factors are all functions of attained age only.)

Final compensation is final one-year average monthly compensation if member does not elect a different period.

#### ▲ PLAN B (new General Member after 8/77 through 9/78 and all new Safety Members after 8/77.)

##### ELIGIBILITY:

Same as Plan A.

##### ALLOWANCE:

**General Members:**  $1/60 \times \text{final compensation} \times \text{years of service} \times \text{age factor}$ , where factor is defined in Section 31676.11 of the CERL. (For those years of service in which the member is covered by Social Security, substitute 1/90 for 1/60 for compensation up to \$350 per month.) The above formula is also applicable for compensation in excess of \$350 per month.

Final compensation is final three years' average monthly compensation if member does not elect a different period.

**Safety Members:** same as Plan A, except that final compensation is final three years' average monthly compensation if the member does not elect a different period.

(31672, 31663.25)

(31462.1)

(31462)

- ▲ **PLAN C (new General Member after 9/78 through 5/79)**  
Same eligibility and allowances as for Plan B except age factors are defined in Section 31676.1 of the CERL.
- ▲ **PLAN D (new General Member after 5/79)**  
Same eligibility, age factors, and allowances as for Plan C except \$350 figure replaced by \$1,050.

For Plans A, B, C, and D, service prior to membership is generally credited at the nonintegrated rate, i.e., 1/60 and not 1/90.

For Plans A, B, C, and D, final compensation means three consecutive 12-month periods (as elected by member), average annual earnable compensation, or last three years' average if member does not elect otherwise. (Use total career earnings + (months of service x 12) if less than three years of service.) For Plan A substitute one year for three years.

### Unmodified and Optional Forms of Benefit

The unmodified form is a life allowance to the retired member calculated as shown above with a continuance benefit of 60% of the unmodified allowance payable to spouse or eligible children on member's death. To receive this continuance the spouse must be named as sole beneficiary and have been married to the member at least one year prior to retirement. (31760.1)

The continuance of a service-connected disability benefit to the surviving spouse (or eligible children) of a retired member is 100% of the member's allowance. To receive this allowance the spouse must be named beneficiary and have been married to the member prior to retirement. (31786)

Eligible children are unmarried children below the age of 18 (below 22 if full-time student in an accredited school). (31786)

All allowances are made on a pro rata basis (based on the number of days in that month) if not in effect for the entire month as in the month of death or the month of retirement.

**Optional Forms** (The option must be elected before first payment is made; if any option is elected, the 60% continuance benefit described above is forfeited.) (31760)

Option I Cash Refund Annuity (31761)

Option II 100% Joint and Contingent Annuity (31762)  
(joint annuitant must have an insurable interest)

Option III 50% Joint and Contingent Annuity (31763)  
(joint annuitant must have an insurable interest)

Option IV Other % Joint and Contingent Annuity (31764)  
(joint annuitants must have an insurable interest)

The automatic 60% continuance for spouses of members who elected the Social Security Level Income Option (31810) is based on the unmodified allowance the member would have received instead of the option. (31811)

All options except Social Security Level Income are actuarially equivalent to the unmodified life allowance without continuance.

### Deferred Vested Benefits

- ▲ General and Safety Members.

▲  
ACTUARIAL SECTION  
▼▼▼

- ▲ 0% vested with fewer than five years of service; 100% vested with five or more years of service (years of service for determining eligibility for retirement include reciprocal service with all reciprocal agencies). (31700)
- ▲ Members may elect to retire at any time they could have retired had they remained in County service in a full-time position (but not later than compulsory retirement for certain Safety Members.) (31700)
- ▲ Allowance calculated according to formula under service retirement at time of retirement (factor based on actual retirement age). (31703, 31704, 31705)
- ▲ For member to receive allowance, employee contributions must be left on deposit and the member must apply for deferred retirement benefits within 180 days of termination. (31700)
- ▲ Choice of deferred retirement date subject to eligibility requirements. (31700)
- ▲ If terminated employee dies while deferring retirement, the death benefit is the accumulated contributions. (31702)

**Service-Connected Disability Retirement Allowance**

**ELIGIBILITY:** (31720, 31720.5)

Any age; disability must result from occupational injury or disease.

**DEFINITION OF DISABILITY:** (31720, 31722)

Permanently incapacitated for performance of duty; application for benefit must be made within four months of separation from service or any time thereafter while continuously incapacitated to perform duties.

**ALLOWANCE:**

Allowances begin from the date of application or the day following the last day of regular compensation, if later. (31724)

The monthly allowance would be 50% of final compensation or the service retirement (if eligible) allowance, if greater. (31727.4)

Upon death of member while service-disabled, 100% of allowance continues to spouse or eligible child (see unmodified form description). (31786)

Member may elect optional forms of benefit in lieu of the 100% continuation. (31760)

**Nonservice-connected Disability Retirement Allowance**

**ELIGIBILITY:** (31720)

Any age, with five years of County or reciprocal service.

**DEFINITION OF DISABILITY:** (31720, 31722)

Permanently incapacitated for performance of duty; application must be made within four months of separation from service or any time thereafter while continuously incapacitated to perform duties.

**ALLOWANCE:** (31726, 31726.5)

A General Member, or a Safety Member receives a service retirement allowance, otherwise allowance equals the greater of a) or b) where:

a) is  $.9 \times 1/60 \times$  years of service  $\times$  final compensation if allowance exceeds 1/3 of final compensation (31727(a))

b) is  $.9 \times 1/60 \times$  years of service projected to age 65  $\times$  final compensation if allowance does not (31727(b))



exceed 1/3 of final compensation. (Members are eligible for the amount determined by using b) only if they are eligible to retire without relying upon service in another retirement system.)

For Safety Members 1/60 is replaced by 1/50 and 65 is replaced by 55 in a) and b) above. (31727.2)

Upon death of member while eligible to receive or currently receiving nonservice-connected disability benefits, 60% of benefit continues to eligible spouse or child (see unmodified form description). (31760.1, 31781.1, 31785)

Member may elect optional forms of benefit in lieu of the 60% continuance. (31760)

### **Nonservice-connected Death Benefits**

**ELIGIBILITY:** (31780)

All active members.

**AMOUNT OF DEATH BENEFIT (Lump Sum):** (31781)

The member's accumulated normal contributions plus 1/12 of compensation earned in preceding 12 months multiplied by number of completed years of service (benefit not to exceed 50% of the preceding 12 months' compensation).

**FIRST OPTIONAL DEATH BENEFIT:** (31781.1)

If a member who would have been entitled to nonservice-connected disability retirement benefit dies prior to retirement as a result of such disability, spouse or eligible children may elect to receive 60% of what the disability benefit would have been under normal continuance definition in lieu of nonservice-connected death benefit.

**SECOND OPTIONAL DEATH BENEFIT:** (31781.2)

In lieu of nonservice-connected death benefit and if member has 10 years of service, a surviving spouse may leave money on deposit and elect to receive the 60% continuation of the normal retirement benefit at the earliest date the member would have been eligible to retire had death not occurred. Note: this option would probably never be elected because the first optional death benefit would be elected instead.

**THIRD OPTIONAL DEATH BENEFIT:** (31781.3)

A surviving spouse of a member who dies after five years of service may elect:

- the lump sum salary benefit (1/12 of compensation times service, etc.) described above, and
- the 60% continuation entitled to by nonservice-connected disability retirement (or the 50% salary continuance entitled to by service-connected disability) less the actuarial equivalent of a) above.

**FOURTH OPTIONAL DEATH BENEFIT (Death While Eligible):** (31765.1)

If member dies while eligible for service retirement and if spouse is designated beneficiary, spouse may elect to receive a normal 60% continuance of the service retirement allowance that would have been payable at the member's date of death.

Note: The person to whom any lump sum death benefit is payable may optionally elect to receive monthly installments (not to exceed 10 years) plus interest on the unpaid balance. (31784)

### **Service-Connected Death Benefits**

**ELIGIBILITY:** (31787)

All members who die as a result of injury or disease arising out of and in the course of

employment. Spouse or eligible child does not have to be designated beneficiary. Spouse or guardian of child may elect this service-connected death benefit in lieu of the nonservice-connected death benefit.

**AMOUNT OF SERVICE - DEATH BENEFIT:** (31787, 31727.4)

Annual allowance payable monthly of 50% of member's final compensation or service retirement allowance if greater. Allowance continues as normal continuance to spouse or children below 18, etc.

**ADDITIONAL SERVICE - DEATH BENEFIT:** (31787.5)

If member dies as result of an accident or an injury caused by external violence or physical force, the allowance previously described is increased by 25% (i.e., to 62-1/2% of final compensation) for one child, by 40% for two children, and by 50% for three or more children.

A surviving spouse of a Safety Member would also receive a lump sum death benefit equal to 12 x monthly rate of compensation at time of member's death. (31787.6)

### **Post-retirement Death Benefit**

**ELIGIBILITY:** (31789.1)

All members while receiving a retirement allowance from the System.

**AMOUNT:** (31789.1)

\$750 (one-time lump sum). This is in addition to any other death or survivor benefits. Amount may be paid from surplus earnings of the Retirement Association, if any, but is currently paid by the County based on agreement with the Retirement Association. It is payable to the named beneficiary or if no named beneficiary, to the estate.

### **Employee Contributions**

Employee contributions are based on the nearest entry age of each member and are required of all members in Plans A, B, C, or D. A member is defined as a permanent employee who works 3/4 time or more. A different rate of contributions is applicable above and below the integration level (\$350 for Plans A, B, and C; \$1,050 for D). Contributions cease after they have been made for 30 years of service, if a member on March 7, 1973. (31620, 31625.2, 31639.1)

Service may be purchased if eligible for certain previous military service (if hired before July 1, 1974), U.S. federal government service (if hired before July 1, 1974), prior service (if hired before December 1, 1975), or other public agency service (if hired before October 1, 1974). The contributions for such service would be double those that would have been contributed, including interest (except for public agency service where carpenter's salary is used). The "purchase price" for such service may be amortized over a period up to five years, but must be made before actual retirement. Additional service is purchaseable under By-law regulations. (31641.1, resolutions adopted by the Board of Supervisors and By-laws adopted by the Board of Retirement)

Elective officers whose terms expire may contribute for a full month and receive a full month of service if their term covers at least 20 days in their last month. (31648.6)

Any member may redeposit accumulated normal contributions plus interest from date of withdrawal. Redeposit may be by lump sum or installment payments. Membership would be same as if unbroken except that future contributions would be based on age at reentrance. (31652)

Interest is compounded semiannually at an interest rate set by the Board of Investments. Only amounts that have been on deposit for at least six months earn interest. No interest is credited after termination unless deferred retirement is elected. The contributions are deducted monthly from wage warrants. (31591, 31625)

The County may make contributions for all members. The contributions are not added to the members' accounts in this case. (31581.1)

Effective August 1, 1983, under a local ordinance, and in accordance with Internal Revenue Code Section 414(h)(2), member contributions are considered to be employer contributions for tax purposes only.

For disability beneficiaries who are determined to be no longer incapacitated and immediately return to active service, contributions are based on age at reentry and accumulated contributions are set equal to actuarial value of annuity less amounts already paid. (31733)

A member, upon filing a withdrawal application, receives accumulated normal contributions if termination is by other than death or retirement. If no application filed by member, treasurer sends notice by registered mail within 90 days; if money is not claimed within 10 years (five years if a new member after 1/1/76), the money becomes a part of the current pension reserve fund. (31628, 31629)

### Service and Breaks in Service

"Service" means uninterrupted employment of any person appointed or elected for that period: (31641)

- a) For which deductions are made from earnable compensation from the County or district for such service by a member of the Retirement Association.
- b) In military service for which the County or district or member is authorized by other provisions of the CERL to make, and does make, contributions.
- c) For which credit is received for County service or for public service or for both under the provisions of Article 7 in the CERL.
- d) Allowed for prior service.

The following are not considered as breaking service continuity: (31642)

- a) A temporary layoff because of illness, economy, suspension, or dismissal, followed by reinstatement or reemployment within one year.
- b) A leave of absence followed by reinstatement or reemployment within one year after the termination of the leave of absence.
- c) A resignation to enter, followed by entrance into, the armed forces of the United States, followed by reemployment by the County or district within six months after the termination of such service.
- d) Resignation of a member who has elected in writing to come within the provisions of Article 9 followed by reemployment before withdrawal of any accumulated contributions.

Note: The withdrawal of accumulated normal contributions followed by the redeposit of the contributions upon reentrance into service does not constitute a break in service continuity.

When service for which a member receives credit, either before or during membership, is on a tenure which is temporary, seasonal, intermittent, or part-time only, the member will receive credit for the time such position was held proportionate to the time required to perform the same duties in a full-time position. A "year of service" in such position means the time during which the member has earned one full year of credit, calculated as provided in this section. (31640.5)

### Reciprocity

Final compensation may be based on service with PERS or other county plan, if higher. (31835)

All PERS and other county service counts for benefit eligibility if compensation for such service constitutes compensation earnable. (31836)

ACTUARIAL SECTION

Deferred vested members are eligible for disability benefits from this system if disabled while a member of PERS or other county plan. In no event will the benefits be larger than if all service was spent with one system.

(31837, 31838,  
31838.5)

Deferred vested members are eligible for death benefits from this System if they die while a member of PERS or other county plan. Death benefit would be return of accumulated normal contribution only if the death is service-related; if death is nonservice-related, benefit equals accumulated contributions plus amount necessary to bring total county plus PERS benefit up to 50% of final 12 months' compensation.

(31839, 31840)

Deferred vested members who are members of PERS or other county's plan are eligible for service retirement benefits in accordance with the provisions of the CERL on the date of retirement.

(31705)

### Transfers

For members who have transferred between Safety and General classification, the benefit percentage to which they would be entitled is based on Safety service times Safety formula plus General service times General formula.

(31664.65)

### Cost-of-Living Increases

Members of Plan A are limited to a maximum 3% CPI increase per year with a bank, whereas Plans B, C, and D are limited to a maximum 2% CPI increase with a bank.

(31870, 31870.1)

The CPI increases are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowance. The increases are made effective April 1 each year, based on the increase from the previous January 1 to the current January 1 to the nearest 1/2 of 1%. The CPI is based on the Bureau of Labor Statistics CPI for the area including the County seat.

No CPI decrease will decrease the allowance below the allowance on the effective date of retirement or the date of the CPI amendment to the CERL, whichever is later.

## SUMMARY OF PLAN PROVISIONS

### Plan E

#### Eligibility

- ▲ All persons eligible for general membership, employed after the effective date of Plan E and who elect Plan E. (31487, 31493, 31493.5, 31493.6, By-laws)
- ▲ Existing General Members who transfer to Plan E. (31487)
- ▲ General Member means an employee hired on a monthly permanent basis of at least 3/4 time, except an employee eligible for Safety membership. (31488)
  - Transferring members waive all previously available vested or accrued retirement, survivor, disability, and death benefits. (31494)

#### Service Retirement Allowance

##### ELIGIBILITY - NORMAL RETIREMENT:

(31491, 31488)

Age 65 with 10 years of service.

##### NORMAL RETIREMENT ALLOWANCE:

2% x final compensation x years of service not in excess of 35 years plus 1% x final compensation x years of service in excess of 35, not to exceed 10 additional years, reduced by the estimated Primary Insurance Amount x a fraction, the numerator of which is the number of years of service with the employer subject to coverage under the federal system not to exceed 35 years, and the denominator of which is 35.

Final compensation is average of last or selected three years (whether or not consecutive).

Estimated Primary Insurance Amount is based on the employee's age and salary as of the date of retirement or the date of termination of a vested member, assuming that:

- ▲ Prior career earnings have been subject to the federal system and have increased at a yearly rate equal to the average wages reported by the Social Security Administration, and
- ▲ For those members who have not attained the normal retirement age under the federal system:
  - future earnings continue at the pay rate as of retirement or termination date
  - future wage bases, as defined by the federal system, continue at the level in effect in the year of retirement or termination
  - cost-of-living increases in the year of retirement and delayed retirement credit provided under the federal system are not included.

Adjustments will be made for members receiving a normal retirement allowance upon presentation of the actual Primary Insurance Amount.

##### MAXIMUM NORMAL RETIREMENT ALLOWANCE:

The sum of the normal retirement allowance and the estimated Primary Insurance Amount cannot exceed 70% of final compensation for a member with 35 or less years of service and cannot exceed 80% of final compensation if service exceeds 35 years.

##### ELIGIBILITY - EARLY RETIREMENT:

(31491)

Age 55 with 10 years of service.

**EARLY RETIREMENT ALLOWANCE:**

The actuarial equivalent of the normal retirement allowance.

**Unmodified and Optional Forms of Benefit**

The unmodified form is a life allowance to the retired member; a continuance benefit of 50% of the unmodified allowance is payable to spouse or eligible children on death of member. (31492)

To receive this continuance the spouse must have been married to the member at least one year before retirement date.

Eligible children are unmarried children below the age of 18 (below 22 if full-time student in an accredited school).

**OPTIONAL FORMS:**

(31760, 31760.2,  
31760.3, 31760.4)

In lieu of the normal or early retirement allowance, a retired member may elect to have a lesser amount (actuarial equivalent of the unmodified life allowance) paid during the retired member's life and a survivor allowance continued to a designated joint annuitant having an insurable interest in the life of the retired member.

Options must be elected before first payment is made and are the actuarial equivalent of the unmodified life allowance without continuance.

**Deferred Vested Benefits**

Ten years of service must be completed to become 100% vested under Plan E. There is no vesting prior to completing 10 years of service. (31491)

Vested benefits are payable at normal retirement or in an actuarially equivalent reduced amount at early retirement.

**Service-Connected Disability Allowance**

Not available under Plan E. (31487)

**Ordinary Disability Allowance**

Not available under Plan E. (31487)

**Ordinary Death Benefit**

Not available under Plan E. (31487)

**Optional Death Benefits**

Not available under Plan E. (31487)

**Service-Connected Death**

Not available under Plan E. (31487)

**Post-retirement Death Benefit**

The only death benefits payable are continuance or survivor allowances as described under Unmodified and Optional Forms of Benefit.

(31492)

**Employee Contributions**

There are no member contributions under Plan E.

(31489)

A member who transfers to Plan E will have accumulated contributions with interest refunded.

**Service and Breaks in Service**

Service means uninterrupted employment of a member and the time in which a member or former member is totally disabled and is receiving (or is eligible to receive) disability benefits under a disability plan provided by the County.

(31488)

Except as otherwise provided, a member will not be credited with service for benefit purposes for any period, in excess of 22 consecutive workdays, in which the member is absent without pay.

An unpaid leave of absence not exceeding one year, or a leave of absence for which an employee received any benefit, is not considered an interruption of service for vesting purposes.

Service does not include military or public service other than service with the County.

Transferring members will receive credit for public service before the transfer, including service with the County, military service, and other public service for which the member is otherwise eligible.

**Reciprocity**

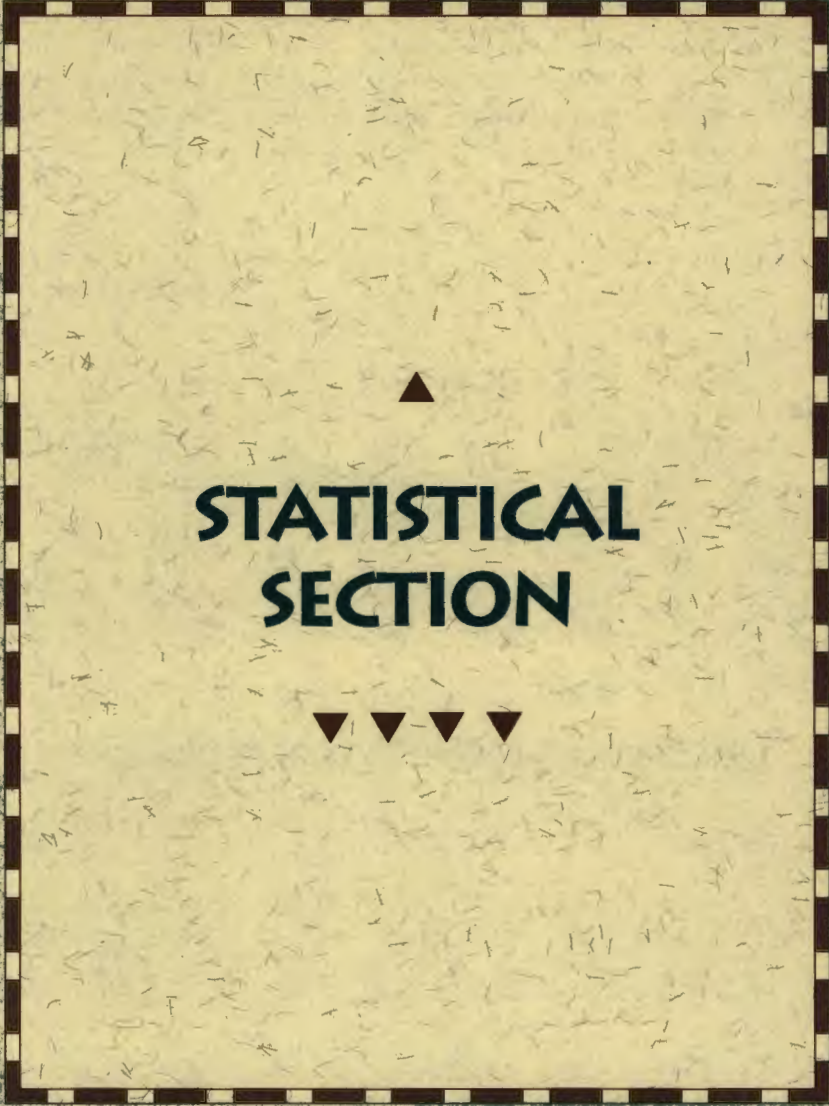
The provisions are the same as for Plans A, B, C, and D except those provisions dealing with disability retirement, death benefits and the requirement relating to the deposit of accumulated member contributions.

(31487)

**Cost-of-Living Increases**

Not available under Plan E.

(31487)



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**STATISTICAL  
SECTION**

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### ACTIVE AND DEFERRED MEMBERS

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>ACTIVE MEMBERS</b>										
General	57,273	57,831	56,440	58,148	59,781	58,361	58,734	60,748	65,640	67,485
Safety	9,098	9,489	9,217	9,241	9,313	9,460	10,112	10,642	10,817	11,284
<b>Total</b>	<b>66,371</b>	<b>67,320</b>	<b>65,657</b>	<b>67,389</b>	<b>69,094</b>	<b>67,821</b>	<b>68,846</b>	<b>71,390</b>	<b>76,457</b>	<b>78,769</b>
<b>ACTIVE VESTED</b>										
General						34,527	34,485	33,735	34,393	36,856
Safety						7,312	7,628	7,542	7,458	7,636
<b>Total</b>						<b>41,839</b>	<b>42,113</b>	<b>41,277</b>	<b>41,851</b>	<b>44,492</b>
<b>DEFERRED MEMBERS</b>										
General	1,655	1,628	1,667	1,813	1,992	2,492	2,639	2,794	3,374	3,164
Safety	121	103	93	92	89	89	86	84	101	78
<b>Total</b>	<b>1,776</b>	<b>1,731</b>	<b>1,760</b>	<b>1,905</b>	<b>2,081</b>	<b>2,581</b>	<b>2,725</b>	<b>2,878</b>	<b>3,475</b>	<b>3,242</b>
<b>UNCLAIMED ACCOUNTS</b>										
General	1,984	2,436	3,092	2,910	2,733	2,008	1,447	1,258	1,137	1,005
Safety	65	74	79	86	94	84	69	61	61	48
<b>Total</b>	<b>2,049</b>	<b>2,510</b>	<b>3,171</b>	<b>2,996</b>	<b>2,827</b>	<b>2,092</b>	<b>1,516</b>	<b>1,319</b>	<b>1,198</b>	<b>1,053</b>

### RETIRED MEMBERS BY TYPE OF RETIREMENT

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>SERVICE</b>										
General	17,428	18,387	19,012	19,569	20,025	20,507	21,115	21,658	22,387	22,685
Safety	1,613	1,690	1,726	1,797	1,858	1,949	2,007	2,039	2,131	2,150
<b>Total</b>	<b>19,041</b>	<b>20,077</b>	<b>20,738</b>	<b>21,366</b>	<b>21,883</b>	<b>22,456</b>	<b>23,122</b>	<b>23,697</b>	<b>24,518</b>	<b>24,835</b>
<b>DISABILITY</b>										
General	3,035	3,247	3,374	3,503	3,597	3,614	3,673	3,815	3,861	4,012
Safety	1,600	1,774	1,914	2,074	2,192	2,301	2,378	2,555	2,724	2,934
<b>Total</b>	<b>4,635</b>	<b>5,021</b>	<b>5,288</b>	<b>5,577</b>	<b>5,789</b>	<b>5,915</b>	<b>6,051</b>	<b>6,370</b>	<b>6,585</b>	<b>6,946</b>
<b>SURVIVORS</b>										
General	3,256	3,400	3,521	3,699	3,823	3,958	4,106	4,227	4,202	4,431
Safety	670	701	722	732	759	790	818	847	897	889
<b>Total</b>	<b>3,926</b>	<b>4,101</b>	<b>4,243</b>	<b>4,431</b>	<b>4,582</b>	<b>4,748</b>	<b>4,924</b>	<b>5,074</b>	<b>5,099</b>	<b>5,320</b>
<b>Grand Total</b>	<b>27,602</b>	<b>29,199</b>	<b>30,269</b>	<b>31,374</b>	<b>32,254</b>	<b>33,119</b>	<b>34,097</b>	<b>35,141</b>	<b>36,202</b>	<b>37,101</b>

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## CONTRIBUTIONS VS. BENEFITS AND REFUNDS

(Amounts in Thousands)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>CONTRIBUTIONS</b>										
Member Contributions	\$ 73,879	\$ 74,805	\$ 77,399	\$ 82,356	\$ 86,790	\$ 93,862	\$103,879	\$117,249	\$127,309	\$146,422
Employer Contributions	295,181	282,024	321,183	335,754	336,533	352,076	383,820	364,600	350,607	387,954
<b>Total Contributions</b>	<b>369,060</b>	<b>356,829</b>	<b>398,582</b>	<b>418,110</b>	<b>423,323</b>	<b>445,938</b>	<b>487,699</b>	<b>481,849</b>	<b>477,916</b>	<b>534,376</b>
<b>BENEFITS</b>										
Death Benefits—										
Lump Sum	1,286	1,222	1,162	1,130	1,148	1,423	1,269	1,400	1,258	1,599
Int/Pmt Sections, 31725.5/6	205	234	222	262	245	297	307	459	296	275
Retired Member—										
Death Benefits	71									
Pension & Annuity Payments	233,747	266,600	298,331	324,794	334,724	344,204	388,373	439,975	514,682	564,307
<b>Total Benefits</b>	<b>235,309</b>	<b>268,056</b>	<b>299,715</b>	<b>326,186</b>	<b>336,117</b>	<b>345,924</b>	<b>389,949</b>	<b>441,834</b>	<b>516,236</b>	<b>566,181</b>
<b>REFUNDS</b>	<b>7,860</b>	<b>8,175</b>	<b>25,436</b>	<b>6,700</b>	<b>18,152</b>	<b>7,918</b>	<b>16,147</b>	<b>11,029</b>	<b>15,587</b>	<b>14,070</b>
<b>Total Benefits &amp; Refunds</b>	<b>243,169</b>	<b>276,231</b>	<b>325,151</b>	<b>332,886</b>	<b>354,269</b>	<b>353,842</b>	<b>406,096</b>	<b>452,863</b>	<b>531,823</b>	<b>580,251</b>
<b>Contributions Over (Under)</b>										
<b>  Benefits &amp; Refunds</b>	<b>\$ 125,891</b>	<b>\$ 80,598</b>	<b>\$ 73,431</b>	<b>\$ 85,224</b>	<b>\$ 69,054</b>	<b>\$ 92,096</b>	<b>\$ 81,603</b>	<b>\$ 28,986</b>	<b>\$(53,907)</b>	<b>\$(45,875)</b>

## SCHEDULE OF BENEFIT EXPENSES BY TYPE

(Amounts in Thousands)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
<b>SERVICE RETIREMENT</b>										
General	\$151,228	\$171,333	\$192,150	\$208,314	\$213,582	\$218,807	\$247,021	\$277,882	\$324,548	\$352,667
Safety	28,794	32,890	35,800	38,477	36,027	33,027	39,037	44,223	53,539	57,949
<b>Total Service</b>	<b>180,022</b>	<b>204,223</b>	<b>227,950</b>	<b>246,791</b>	<b>249,609</b>	<b>251,834</b>	<b>286,058</b>	<b>322,105</b>	<b>378,087</b>	<b>410,616</b>
<b>DISABILITY RETIREMENT</b>										
General	28,854	32,687	35,731	38,762	41,777	44,511	48,663	54,701	62,563	69,340
Safety	24,871	29,690	34,650	39,241	43,338	47,859	53,652	63,169	74,032	84,351
<b>Total Disability</b>	<b>53,725</b>	<b>62,377</b>	<b>70,381</b>	<b>78,003</b>	<b>85,115</b>	<b>92,370</b>	<b>102,315</b>	<b>117,870</b>	<b>136,595</b>	<b>153,691</b>
<b>LUMP SUM DEATH BENEFITS</b>										
General	1,172	1,049	986	995	981	994	990	1,249	1,034	1,433
Safety	114	173	176	135	167	429	279	151	224	166
<b>Total Lump Sum D/B</b>	<b>1,286</b>	<b>1,222</b>	<b>1,162</b>	<b>1,130</b>	<b>1,148</b>	<b>1,423</b>	<b>1,269</b>	<b>1,400</b>	<b>1,258</b>	<b>1,599</b>
<b>INTEREST AND PAYMENTS UNDER SECT. 31725.5/6</b>										
General	205	234	222	262	245	297	306	403	292	275
Safety							1	56	4	
<b>Total</b>	<b>205</b>	<b>234</b>	<b>222</b>	<b>262</b>	<b>245</b>	<b>297</b>	<b>307</b>	<b>459</b>	<b>296</b>	<b>275</b>
<b>RETIRED MEMBER D/B</b>	<b>71</b>									
<b>Total Benefit Expenses</b>	<b>\$ 235,309</b>	<b>\$ 268,056</b>	<b>\$ 299,715</b>	<b>\$ 326,186</b>	<b>\$ 336,117</b>	<b>\$ 345,924</b>	<b>\$ 389,949</b>	<b>\$ 441,834</b>	<b>\$ 516,236</b>	<b>\$ 566,181</b>

**PARTICIPATING EMPLOYERS AND ITS ACTIVE MEMBERS**

<u>Participating Employers</u>	<u>Active Members</u>	
	<u>06/30/92</u>	<u>06/30/91</u>
<b>COUNTY</b>		
County of Los Angeles		
General Members	67,443	65,598
Safety Members	11,284	10,817
<b>Total</b>	<b>78,727</b>	<b>76,415</b>
<b>SPECIAL DISTRICTS</b>		
County Superintendent of Schools		
General Members	15	15
Little Lake Cemetery District		
General Members	4	4
Local Agency Formation Commission		
General Members	3	1
South Coast Air Quality Management District		
General Members	20	22
<b>Total</b>	<b>42</b>	<b>42</b>
<b>Grand Total</b>	<b>78,769</b>	<b>76,457</b>

Los Angeles County Employees Retirement Association  
**EMPLOYER CONTRIBUTION RATES**  
 County of Los Angeles

Effective Date	Plan A		Plan B		Plan C	Plan D	Plan E
	General	Safety	General	Safety	General	General	General
07/01/80 - 06/30/81	20.84%	33.59%	9.73%	17.50%	7.97%	7.44%	0
07/01/81 - 06/30/82	21.76%	35.52%	17.09%	27.56%	16.01%	16.26%	13.84%
07/01/82 - 06/30/83	19.11%	29.30%	14.66%	22.05%	14.19%	14.09%	12.97%
07/01/83 - 08/31/84	19.11%	29.30%	14.66%	22.05%	14.19%	14.09%	12.97%
09/01/84 - 06/30/85	19.21%	32.09%	15.32%	24.31%	15.11%	15.02%	13.68%
07/01/85 - 06/30/86	19.21%	32.09%	15.32%	24.31%	15.11%	15.02%	13.68%
07/01/86 - 12/31/86	19.21%	32.09%	15.32%	24.31%	15.11%	15.02%	13.68%
01/01/87 - 08/31/87	18.01%	29.40%	14.12%	21.62%	13.91%	13.82%	12.48%
09/01/87 - 06/30/88	18.64%	27.04%	15.05%	19.31%	14.75%	14.63%	13.28%
07/01/88 - 06/30/89	18.64%	27.04%	15.05%	19.31%	14.75%	14.63%	13.28%
07/01/89 - 01/31/90	18.64%	27.04%	15.05%	19.31%	14.75%	14.63%	13.28%
02/01/90 - To Present	15.18%	21.02%	11.59%	13.29%	11.29%	11.17%	9.82%

\*Effective September 28, 1981, the state legislature added article 1.5 (Sections 31487-31495) to the County Employees Retirement Law of 1937. This addition provides an optional, non-contributory retirement plan (known as Retirement Plan E) for general members of LACERA as an alternative to previously existing provisions and benefits. On December 8, 1981, the County Board of Supervisors approved a resolution to adopt Plan E.

Effective January 1, 1992, new employees eligible for general membership automatically become members of Retirement Plan E on the first of the month following date of hire, or have 60 days from date of hire to elect Retirement Plan D.



### EMPLOYER CONTRIBUTION RATES

County Superintendent of Schools

Effective Date	Plan A
	General
07/01/80 - 06/30/81	18.79%
07/01/81 - 04/30/82	20.45%
05/01/82 - 06/30/82	16.35%
07/01/82 - 09/30/82	20.45%
10/01/82 - 06/30/83	18.46%
07/01/83 - 06/30/84	18.46%
07/01/84 - 08/31/84	18.46%
09/01/84 - 06/30/85	18.56%
07/01/85 - 06/30/86	18.56%
07/01/86 - 12/31/86	18.56%
01/01/87 - 06/30/87	17.36%
07/01/87 - 08/31/87	17.36%
09/01/87 - 06/30/88	17.91%
07/01/88 - 06/30/89	17.91%
07/01/89 - 01/31/90	17.91%
02/01/90 - To Present	14.45%

### EMPLOYER CONTRIBUTION RATES

Little Lake Cemetery District

Effective Date	Plan A	Plan B	Plan C
	General	General	General
07/01/80 - 06/30/81	18.79%	8.19%	7.44%
07/01/81 - 04/30/82	20.45%	16.37%	16.26%
05/01/82 - 06/30/82	16.35%	12.27%	12.16%
07/01/82 - 09/30/82	20.45%	16.37%	16.26%
10/01/82 - 06/30/83	18.46%	14.55%	14.09%
07/01/83 - 06/30/84	18.46%	14.55%	14.09%
07/01/84 - 08/31/84	18.46%	14.55%	14.09%
09/01/84 - 06/30/85	18.56%	15.21%	15.02%
07/01/85 - 06/30/86	18.56%	15.21%	15.02%
07/01/86 - 12/31/86	18.56%	15.21%	15.02%
01/01/87 - 06/30/87	17.36%	14.01%	13.82%
07/01/87 - 08/31/87	17.36%	14.01%	13.82%
09/01/87 - 06/30/88	17.91%	14.89%	14.63%
07/01/88 - 06/30/89	17.91%	14.89%	14.63%
07/01/89 - 01/31/90		14.89%	14.63%
02/01/90 - To Present		11.43%	11.17%

**EMPLOYER CONTRIBUTION RATES**

Local Agency Formation Commission

Effective Date	Plan A
	General
07/01/80 - 06/30/81	20.84%
07/01/81 - 06/30/82	21.76%
07/01/82 - 06/30/83	19.11%
07/01/83 - 08/31/84	19.11%
09/01/84 - 06/30/85	19.21%
07/01/85 - 06/30/86	19.21%
07/01/86 - 12/31/86	19.21%
01/01/87 - 08/31/87	18.01%
09/01/87 - 06/30/88	18.64%
07/01/88 - 06/30/89	18.64%
07/01/89 - 01/31/90	18.64%
02/01/90 - To Present	15.18%

**EMPLOYER CONTRIBUTION RATES**

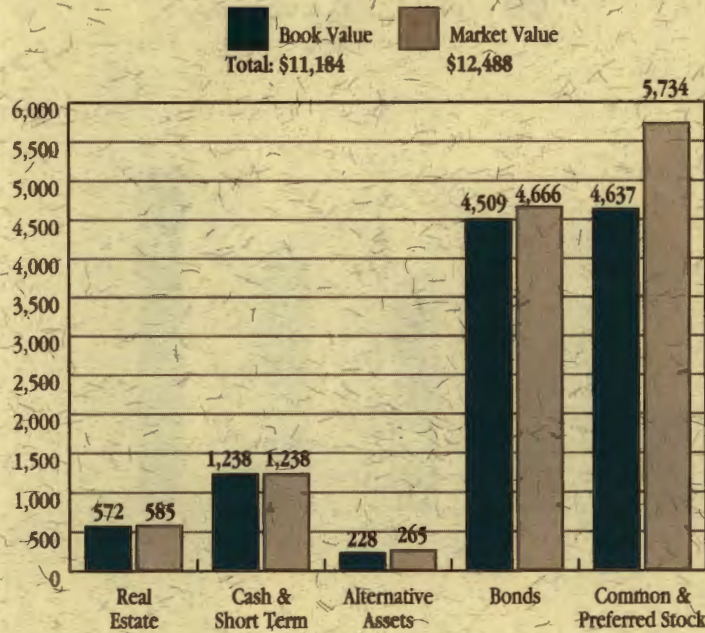
South Coast Air Quality Management District

Effective Date	Plan A	Plan B	Plan C
	General	General	General
11/01/81 - 04/30/82	20.45%	16.37%	16.01%
05/01/82 - 06/30/82	16.35%	12.27%	11.91%
07/01/82 - 10/31/82	20.45%	16.37%	16.01%
11/01/82 - 06/30/83	20.11%	16.56%	16.21%
07/01/83 - 06/30/84	21.61%	18.57%	18.23%
07/01/84 - 08/31/84	21.61%	18.57%	18.23%
09/01/84 - 06/30/85	21.66%	19.24%	19.18%
07/01/85 - 06/30/86	21.66%	19.24%	19.18%
07/01/86 - 12/31/86	21.66%	19.24%	19.18%
01/01/87 - 06/30/87	20.46%	18.04%	17.98%
07/01/87 - 08/31/87	20.46%	18.04%	17.98%
09/01/87 - 06/30/88	20.87%	19.20%	19.08%
07/01/88 - 06/30/89	20.87%	19.20%	19.08%
07/01/89 - 01/31/90	20.87%	19.20%	19.08%
02/01/90 - To Present	17.41%	15.74%	15.62%

### INVESTED ASSETS

For the Fiscal Year Ended June 30, 1992

(Amounts in Millions)

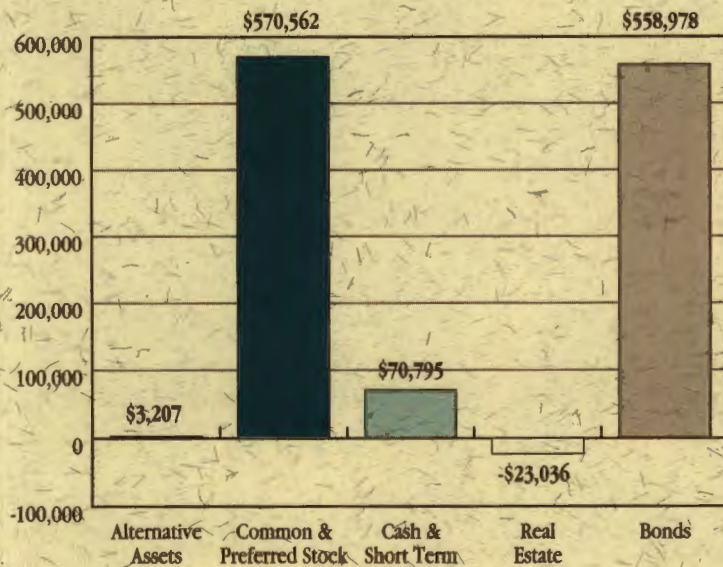


### NET INVESTMENT INCOME

For the Fiscal Year Ended June 30, 1992

(Amounts in Thousands)

\$1,180,506

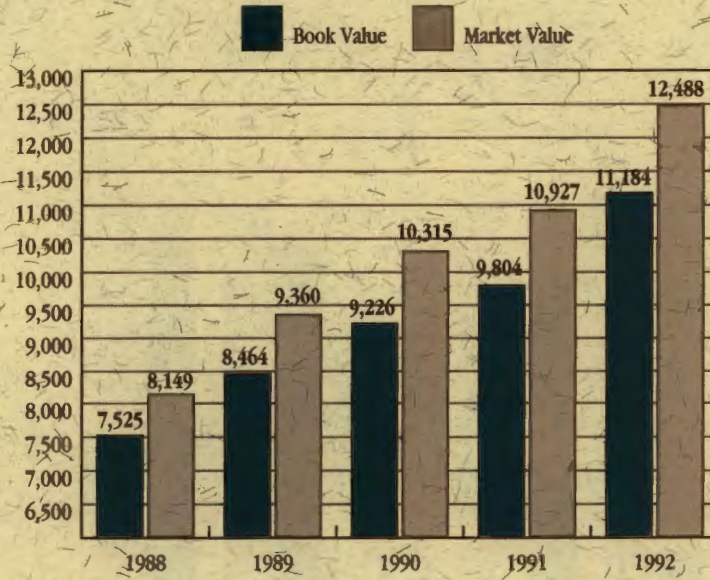




**GROWTH IN INVESTMENT PORTFOLIO**

Five Years Ending June 30, 1992

(Amounts in Millions)



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...the second of these is the fact that the ...

...the third of these is the fact that the ...

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...the fifth of these is the fact that the ...

...the sixth of these is the fact that the ...

...the seventh of these is the fact that the ...

...the eighth of these is the fact that the ...

...the ninth of these is the fact that the ...

...the tenth of these is the fact that the ...



**LOS ANGELES COUNTY EMPLOYEES  
RETIREMENT ASSOCIATION**

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**L//CERA**

