

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

1970
REPORT
of
THE EXECUTIVE SECRETARY



Office of the Executive Secretary
State Board of Investment
Room 105, MEA Building
55 Sherburne Avenue
Saint Paul, Minnesota 55103

November 16, 1970

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STATE BOARD OF INVESTMENT

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HON. WILLIAM J. O'BRIEN, STATE AUDITOR
HON. VAL BJÖRNSON, STATE TREASURER
HON. JOSEPH L. DONOVAN, SECRETARY OF STATE
HON. DOUGLAS M. HEAD, ATTORNEY GENERAL

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ROBERT E. BLIXT
EXECUTIVE SECRETARY

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Room 105, MEA Building
55 Sherburne Avenue
Saint Paul 55103

November 16, 1970

Members of the Legislature of the State of Minnesota

Gentlemen:

The State Board of Investment has made significant changes in the various portfolios during 1970, due primarily to the new statutes passed by the 1969 Legislature. The establishment of the Minnesota Adjustable Fixed Benefit Fund and the Minnesota Variable Annuity Fund have introduced new concepts to the State's retirement plans. As a whole, these provisions appear to be very workable and should provide substantial benefit to the members of the various Minnesota retirement systems in future years. The Legislative Retirement Study Commission has reviewed these new concepts during the past 18 months and will suggest refinements which should further improve Minnesota's retirement laws.

The financial markets suffered severe declines - in both stock and bond prices - during 1969 and 1970; this resulted in attractive buying opportunities for all fund managers with a sizable inflow of new money. The Minnesota State Board of Investment was able to increase the average yield on investments substantially through its purchases of recent months. During the past two years, new types of securities have been introduced which have enabled the State to participate in some new forms of investment. For example, the new mortgage-backed securities offered by the Government National Mortgage Association, fully-guaranteed by the U.S. Government, have provided a yield of between 8% and 9% and meet all the constitutional requirements of the State's Permanent School Fund. New concepts in corporate financing may necessitate certain statutory changes before these securities can be utilized by Minnesota's State accounts. Nevertheless, the laws have proved most adequate and have enabled the State to avoid the types of speculative investments which have resulted in substantial losses for other endowment and public accounts during the past two years.

This report includes a resumé of policies in effect as of late 1970, supplemented with securities listings and statistical data on various dates from December 31, 1969 through September 30, 1970. The 1971 Legislature will be asked to approve the use of computers so as to enable the investment department to provide and utilize more current statistical material. At present, this report must be compiled by the departmental staff, without the benefit of data processing equipment.

Since June 30, 1969, the Minnesota Adjustable Fixed Benefit Fund has been formed, primarily through the transfer of securities from other accounts. This new retirement fund, which includes assets representing reserves of retired members of all participating State retirement systems, will provide retirement benefits based on interest income and the success of the State's investment program. Although the State has guaranteed basic retirement benefits to each individual, upward adjustments may be made as investment results so warrant.

The State Board of Investment, established by the Constitution, is responsible for investing all of the State's funds. The Board consists of the Governor, State Auditor, State Treasurer, Secretary of State, and Attorney General. The Executive Secretary advises the Board, recommends policies, and handles the securities transactions. He has a staff of ten members to aid in securities and portfolio analysis, accounting, and clerical tasks.

The Advisory Committee on Common Stocks, appointed by the Board in May 1961, has now been functioning for over nine years. Each of the original appointees is still a member of the Committee and has contributed greatly to the success of the State's investment program. The group meets for one afternoon every two months, reviews the stock portfolios in detail, and makes general recommendations regarding portfolio policies and procedures. The proposals are then submitted to the State Board of Investment.

The members of the Advisory Committee on Common Stocks include:

Hermon J. Arnott, Chairman of the Board, Farmers & Mechanics Savings Bank of Minneapolis
Franklin Briese, Chairman of the Board, Minnesota Mutual Life Insurance Company, St. Paul
Robert S. Davis, C.F.A., Vice President & Investment Officer, The St. Paul Companies, Inc.
Gaylord W. Glarner, Vice President, First Trust Company, St. Paul
James C. Harris, Executive Vice President, Northwestern National Bank of Minneapolis
John M. Harris, Vice President & Trust Investment Officer, Northern City National
Bank, Duluth
Francis Hassing, Investment Counsel to the Board of Regents of the University of
Minnesota, Minneapolis
Maxwell B. Hight, Section of Administration, Mayo Foundation, Rochester
Donald E. Jondahl, Senior Vice President, Finance, Northwestern National Life Insurance
Company, Minneapolis
Norman Terwilliger, Investment Counsel to the Minneapolis Teachers Retirement Association

The contribution of these financial experts to the State's investment program is very much appreciated by the Investment Board and the staff of the Department. Although these men are not compensated for either time or expense, they have shown particular concern for the State's investment problems and the achievements possible through the prudent use of public funds.

The accounts supervised for the State Board of Investment are divided into several groups, each governed by individual statutes and managed under different policies. The fund groupings, together with their book value as of October 31, 1970, are as follows:

Trust funds, \$251 million. The Permanent School Fund, invested for the benefit of the school children of Minnesota, includes U.S. Treasury securities, corporate bonds of long and short maturity, and common stocks. The Internal Improvement Land Fund includes only U.S. Treasury obligations.

Basic retirement funds, \$493 million. Five State-managed retirement funds, invested separately for employee groups, include U.S. Treasury, municipal, and other governmental securities, U.S. Government-guaranteed obligations, corporate bonds, short-term corporate notes, and common stocks.

Minnesota Adjustable Fixed Benefit Fund, \$257 million. This account, administered by the State Board of Investment, is to be comprised of up to 50% in equities with the remainder in debt securities. Retirement benefits will be paid to all former employees from the earnings of this fund. Earnings in excess of the 3 1/2% actuarial assumption or average stock market gains computed over a period of several dates will also augment pension benefits. This fund was accumulated during the 1969 - 1970 fiscal year. The first increase in pensions resulting from its operation may be possible in January 1972.

Supplemental Retirement Fund, \$6 million. This fund, established in 1967 for employees of the State College Board and State Junior College Board, is administered by the State Board of Investment and invested according to the preferences of the individual members. The fund consists of two accounts, one of which may be invested up to 100% in equities; the other includes long-term bonds and those stocks which tend to emphasize current income. The 1969 Legislature made this fund available for use by police and firemen's relief associations throughout the State and for certain supplemental retirement benefits for county employees.

Minnesota Variable Annuity Fund, \$496 thousand. This fund was established by the 1969 Legislature and was made effective in early summer 1970. The account, administered by the State Board of Investment, now includes a diversified list of common stocks together with reserves in the form of short-term fixed income securities. Investments in bonds will be used to supplement the income, particularly during this period of high interest rates. Participants include those teachers who choose this type of program, which provides retirement benefits based on investment performance.

Highway funds, \$154 million. These accounts include U.S. Treasury obligations maturing within the next ten years, debt instruments issued by U.S. Government agencies and short-term corporate notes due within 270 days of the time of purchase. The moneys are used for the building and maintenance of highways, roads and streets throughout the State.

Invested Treasurer's Cash Fund, \$218 million. This fund includes incoming tax receipts, as well as the proceeds from certain State bond sales. Since 1969, prime quality corporate notes have been eligible for use in this account, in addition to U.S. Treasury and agency obligations maturing within three years.

Miscellaneous welfare, departmental and temporary funds, \$30 million. These funds are invested according to the terms of particular statutes or applicable policies, primarily in U.S. Treasury securities.

This report is being sent to firms conducting securities business with the State and to legislators and public officials associated with the program. It is designed to answer the many questions concerning the securities transactions, the investment policies and procedures followed by the State, and the distribution of securities business.

The office of the Executive Secretary was established under the terms of a 1959 statute. In 1961, the Legislature passed basic investment laws applicable to the retirement funds; these were reviewed and amended during each session through 1969. A constitutional amendment pertaining to the Permanent School Fund was initiated by the 1961 Legislature. The provisions of these statutes as they pertain to the specific funds will be reviewed later in this report. Previous reports for the years 1960 through 1968 provided resumes of the transactions and policies during those periods. This 1970 report includes the securities and statistical information for year-end 1969 and selected later dates.

The following schedule reviews the composition of the trust funds and the retirement funds managed by the State Board of Investment on December 31, 1969:

COMPOSITION OF TRUST FUNDS AND RETIREMENT FUNDS
December 31, 1969
(000)

Type of Security	Permanent School Fund		Internal Improvement Land Fund		Combined Retirement Funds	
	Book Value	%	Book Value	%	Book Value	%*
U.S. Treasury and guaranteed obligations	\$108,337	40.9%	\$439	99.3%	\$23,657	3.7%
State and municipal obligations	2,531	1.0	-	-	53,781	8.5
Short-term corporate obligations	-	-	-	-	31,408	5.0
Canadian Provincial obligations	-	-	-	-	17,924	2.8
Convertible obligations	-	-	-	-	2,774	0.4
Corporate debt obligations	104,736	39.6	-	-	298,450	47.1
Common stocks	48,921	18.5	-	-	205,439	32.5
Cash	66	-	3	0.7	-*	-
Totals	\$264,591	100.0%	\$442	100.0%	\$633,433	100.0%

*Percentages regarding retirement funds refer only to investments; cash balances and contributions in collection process are not included.

THE PERMANENT TRUST FUNDS

The State's permanent trust funds showed their greatest rate of growth during the 1940's and 1950's. Until a constitutional amendment was passed in 1956, half of the receipts from the iron ore occupation tax accrued to the principal of the permanent trust funds, which were invested for the benefit of the schools, the University of Minnesota, and other State institutions. In recent years, the entire receipts from this tax have been applied directly toward meeting the State's current educational needs.

The 1963 Legislature provided for the return of the investment management of the Permanent University Fund to the Regents of the University of Minnesota. The assets of this fund, approximating \$47 million in book value, were transferred to the University in July 1963.

Under the terms of a 1962 constitutional amendment, the State Board of Investment was given wider latitude as to the media to be used in managing assets in the Permanent School Fund. The Internal Improvement Land Fund, a comparatively small fund restricted to the use of Government obligations, also remains under the jurisdiction of the Board.

During the years immediately following the adoption of the constitutional amendment, long-term low-coupon U.S. Treasury bonds were sold from the Permanent School Fund, with the proceeds being invested in higher yielding corporate securities. In accordance with this amendment, corporate bonds have been maintained at the maximum 40% level during the past four years. Common stocks, as of November 1970, approximated 19% of the book value of the fund, very near to the 20% constitutional limit.

Yield from the Permanent School Fund has shown a significant increase during recent years, but is still below the return earned on many long-term trust funds. This is due largely to the sizable holdings of low-coupon U.S. Treasury securities. Constitutional provisions require that at least 40% of this fund continue to be invested in government credits.

It is anticipated that several new types of U.S. Government guaranteed obligations will be available to institutional investors during the next few years. During 1970, for example, the Government National Mortgage Association made possible the issuance of mortgage-backed securities under a full guarantee of the United States Government both as to principal and interest. The State's commitment in U.S. Government guaranteed securities such as Merchant Marine bonds, Farmer's Home Administration credits, Government National Mortgage Association securities and other debt instruments issued by the Department of Housing and Urban Development, have resulted in investment opportunities making possible a rearrangement of the Permanent School Fund. Although this has necessitated the sale of long-term U.S. Treasury obligations at a price considerably less than cost, the high yield on the new securities allows for the full amortization of such losses and provides a substantial increase in net income to the Permanent School Fund.

THE HIGHWAY FUNDS

The funds held for street, road and highway construction in Minnesota may be invested in bonds eligible for purchase by the Permanent School Fund and commercial paper used in the retirement accounts. At present, these funds own short-term U.S. Treasury and agency securities, repurchase contracts backed by U.S. Treasury obligations, and short-term corporate notes. The Commissioner of Highways certifies the amounts not needed in the immediate future, and these sums are invested in maturities approximating the expected disbursement schedule of the highway department. This may extend over a considerable period because of the time necessary for planning, purchase of right-of-way, and construction of highways. The amount of highway funds investments fluctuates throughout the year; they totaled \$95 million in face value on December 31, 1969 and \$155 million on June 30, 1970. These accounts increased in size late in 1970 because of the successful sale of State highway bonds. Until these funds are needed to pay highway construction costs, the bond proceeds are invested so as to provide additional income for the State's highway needs.

The earnings from these accounts increased from \$1.7 million in fiscal 1958 to \$5.5 million in fiscal 1968, \$6.6 million in fiscal 1969, and \$7.7 million in fiscal 1970. This income benefits the counties and municipalities in Minnesota directly through the County State Aid Highway Fund and the Municipal State Aid Street Fund. Earnings from the Trunk Highway Fund are used for the overall State highway program.

INVESTED TREASURER'S CASH FUND

The interest earned in the Treasurer's cash account showed marked increases during the early 1960's due to a surplus in the General Revenue Fund and the Income Tax School Fund and because of the increasing interest rates in effect. The income from this fund reached a high in fiscal 1969 of \$14.8 million - a sizable increase above the \$11.8 million in 1968, \$9.6 million in 1967, \$6.0 million in 1966, and lesser amounts in previous years. A lesser amount of current investments, due to an increase in expenditures for school aids and other State needs, caused a reduction in income to \$10.3 million in fiscal 1970, despite the very high short-term interest rates in effect

during this most recent fiscal year. Lower interest rates in recent months, accompanied by substantial payments from the State treasury, indicate that income for fiscal 1971 will show a further decline. It has been emphasized that the income from the Invested Treasurer's Cash Fund is subject to marked fluctuations and should not be regarded as a predictable source of income for the State's budgeted needs.

Total investments held in the Invested Treasurer's Cash Fund showed an increase at the end of each calendar year from \$51.6 million in 1964 to \$203.5 million in 1967. At calendar year-end, these investments declined to \$157.7 million in 1968 and \$81.1 million in 1969. The June 30 fiscal year-end figures evidence the approximate high point in Treasurer's cash investments, in that the Spring tax receipts are included and the annual school aids have not yet been paid. These total investments showed a comparable increase from \$132.7 million on June 30, 1965, to \$321.0 million at fiscal year-end 1969. A decline to \$296.8 million on June 30, 1970, reflects the increasing level of State expenditures. The invested total declined to \$149 million by mid-November, at a time when additional disbursements of \$105 million were planned for the next few weeks. It appears logical that a more gradual disbursement of school aids will be necessary to maintain expenditures at a level consistent with tax receipts during the months late in the calendar year.

The 1969 Legislature increased the income potential for those funds available for investment by authorizing the use of the obligations of U.S. Government agencies and short-term corporate notes issued by certain firms with assets exceeding \$500 million. Specific statutory language provides for the use of repurchase agreements involving U.S. Treasury and Government agency securities of various maturities.

The investment department buys and sells according to oral certifications of cash available made by the staff of the Treasurer. In recent years, there has been an increase in the use of repurchase agreements and of short-term bills so that funds may earn money even during short periods. Statutes require that securities in the Invested Treasurer's Cash account extend no longer than three years.

STATE COLLEGES, WELFARE, AND DEPARTMENT OF CORRECTIONS

The State Board of Investment is responsible for the investment of individual endowment accounts applicable to scholarships and the support of State institutions, certain funds designated for welfare purposes, and patient and inmate accounts in both welfare and correctional institutions. A pooled fund, established for various welfare needs, has made possible an increase in the percentage of these funds which may be invested. Purchases are limited to U.S. Treasury obligations.

THE RETIREMENT FUNDS

The Minnesota Legislature, during recent sessions, has provided for a wide range of retirement accounts so as to meet the needs of various employee groups and individuals. In addition to the basic retirement funds - representing teachers, public employees, State employees, and highway patrolmen - new funds have been established which provide particular investment benefits. In 1965, a supplemental fund was established for the benefit of teachers in the State colleges. The 1967 Legislature gave these teachers a choice of the Growth Share Account or the Income Share Account, each providing for different investment objectives and retirement needs. The Growth Share Account may be invested up to 100% in equities whereas the Income Share Account stresses debt securities and may include up to 45% in stocks. The 1969 Legislature established the Minnesota Variable Annuity Fund, which has been made applicable to those members of the Teachers Retirement Fund who choose this investment medium. This fund may be entirely invested in equities.

The 1969 Legislature also established the Minnesota Adjustable Fixed Benefit Fund. This account includes assets representing the reserves of all retired individuals who are members of various Minnesota retirement systems. On October 31, 1970, this investment portfolio had a value of \$257 million; it is now the fund from which all pensions are paid. Common stocks comprise over 42% of the portfolio, with the remainder in various types of debt securities. This fund may be invested up to 50% in equities; the basic retirement funds are limited to a 45% stock position.

As of October 30, 1970, Minnesota's retirement funds totaled \$755.8 million, of which 38.6% was invested in equities and 45.2% in corporate bonds. The remaining investments consisted of Canadian government obligations, municipals, securities guaranteed by the U.S. Government and short-term corporate notes.

State, municipal, and school district bonds comprised over 70% of total investments in the retirement funds as recently as the late 1950's; these holdings declined to 6.8% by October 31, 1970. This abrupt decline was due both to the sale of bonds and the placement of all new money in other types of securities. Because most of the remaining "municipals" consist of odd lots that carry either no rating or a low rating by the services, it is presumed that a large portion of these bonds must be held to maturity. In recent years, the municipal bond dealers and fiscal agents of the upper Midwest area have been most helpful in completing the sale of these securities.

A review of the statutory provisions and investment policies applicable to the Minnesota Supplemental Retirement Fund is found in a separate prospectus available from the investment department.

REVIEW OF ACCOMPANYING SCHEDULES

Schedule I summarizes the composition of the Permanent School Fund and the basic retirement funds as of December 31, 1969. Because the Permanent School Fund has nearly reached its maximum authorized commitment in corporate bonds and common stocks, there was little change in overall portfolio make-up through year-end 1969. During 1970, substantial investments have been completed in securities guaranteed by the U.S. Government.

The basic retirement funds now consist primarily of corporate bonds and stocks. Insofar as the flow of incoming cash permits, an attempt is made to maintain an equal diversification among the five retirement funds. There is a difference in the rate of cash flow, however, and the transfers to the principal of the Minnesota Adjustable Fixed Benefit Fund during the 1969 - 1970 fiscal year caused further variances in portfolio composition.

Schedule II shows the yield received on the three largest retirement funds during the past decade; it emphasizes the increased income earned because of higher interest rates and the use of corporate securities. Since 1958, retirement fund yields have increased from approximately 2.9% to over 4.5%. The marked increase in interest rates during the 1966 - 1970 period has resulted in the newer fixed income securities providing a yield far above this average return. Common stock commitments have tended to offset this high return, however, in that we have considered long-term growth potential to a great degree in making equity purchases. It is expected that the use of stocks offering a low current yield will continue, in the belief that the funds will achieve a higher income potential over a period of years due to such investments. Dividend increases from these stocks have already indicated their future value to the retirement funds and a favorable impact on yield figures.

Income computations now being completed for the 1970 fiscal and calendar year indicate a substantial increase in yield to the retirement funds - in certain instances, to above the 5% level. This sizable increase was caused by the use of short-term securities during the past fiscal year, at a time when cash was accumulated to effect the transfers necessary to establish the Minnesota Adjustable Fixed Benefit Fund. Because the statute provides that the newly-established fund receives earnings equivalent to 4 1/4% during fiscal 1970, there is additional income available which accrues to the benefit of the basic State retirement funds. It is to be emphasized that the sizable gain in yield experienced by these basic funds during this most recent year is not indicative of anticipated future performance.

Schedule III reviews the Permanent School Fund for the period from June 30, 1957 through June 30, 1970. The schedule indicates that, due to a prevalence of low-coupon U.S. Treasury securities in the portfolio during the 1950's, the yield was only 2.68%. A portion of the income accruing to this fund since the 1965 fiscal year has been used to reimburse the principal of the account for losses taken through the sale of long-term U.S. Treasury obligations. Despite these sizable accounting entries, the net yield has shown a marked improvement since the securities rearrangement began in 1963. The substantial investments in U.S. Government guaranteed obligations during 1970 will result in a temporary decline in the book value of this fund but in significantly higher earnings. Net income should increase by over \$1 million due to the reinvestment of the proceeds from the sale of U.S. governments into these government guaranteed obligations. This net increase in funds available for school aids will be above that amount necessary to amortize any losses taken through the sale of low coupon bonds and will result in the replenishment of the full amount of the corpus of this fund.

Schedule IV summarizes the short-term corporate notes owned in the various State funds and lists U.S. Treasury obligations held in all accounts on December 31, 1969. Of the portfolios indicated, the Invested Treasurer's Cash Fund is the most liquid; the securities in it must be available for conversion into cash at any time so as to meet State needs. A portion of the high-way accounts must be comparatively liquid; the remainder is held for construction projects in progress, but which may take a period of years for completion. Most of the U.S. Treasury obligations in the Permanent School Fund have been sold during 1970.

Schedule V lists the bond holdings in the Minnesota Adjustable Fixed Benefit Fund at the end of its first fiscal year of operation on June 30, 1970. The lengthy list and over-diversification of names was caused by the transfer procedure under which the bond portfolio was established. Because a large portion of all the bond holdings of the Municipal Employees Retirement Board (Minneapolis) was transferred into this account, many issues now being held by the investment board were not included in the previously managed accounts. We have instituted a program of consolidation of these bond names and expect to make substantial portfolio rearrangements during the next few years.

Schedule VI lists the holdings of U.S. Government guaranteed and corporate bonds in the Permanent School Fund on December 31, 1969. Corporate bond investments have now reached the maximum authorized by the Minnesota Constitution.

Schedule VII lists the corporate bond holdings of the basic retirement funds on December 31, 1969. Except for the nominal amount of railroad bonds previously owned, these securities were purchased since March 1960. A substantial number of debt issues purchased in recent years have been in the form of private placements, which are debt securities bought directly from the borrowing corporations by a group of institutional buyers, including insurance companies, public pension funds and bank trust departments. The Board uses only those private placements of sufficient size to be used by several buyers, so that the investment department is not in the position of setting the interest rate on any individual issue.

Schedule VIII details the types of corporate debt obligations owned by the Permanent School Fund and the basic retirement funds on December 31, 1969, as well as the redemption features of the securities acquired during that year. Since the inception of our corporate investment program, we have stressed call protection and the use of securities offering at least a five-year non-refundable feature. During 1966 through 1970, when interest rates were considerably higher than prevalent early in the decade, purchases were concentrated in those fixed-income issues offering call or refunding protection of ten or more years. Because of these features, the present yield appears to be adequately protected against anticipated fluctuations in interest rates.

Schedule IX lists the common stock holdings in the Permanent School Fund and in the basic retirement funds on December 31, 1969. Although the State's stock purchase program continues to be based on long-term performance, it is recognized that the stock portfolio would better serve the beneficiaries of the funds if the investments were concentrated into fewer names and if there were somewhat more frequent sales so as to emphasize the more desirable issues. During 1970, we have initiated a program of consolidation which, over a period of time, should eliminate a substantial number of individual stock holdings.

Schedule X lists the common stock holdings in the Minnesota Adjustable Fixed Benefit Fund as of September 30, 1970. These stocks were accumulated both through transfer from other retirement accounts during the 1969 - 1970 fiscal year and through purchase.

Schedule XI lists the common stock holdings in the Minnesota Variable Annuity Fund as of September 30, 1970. This account was established early this year and offers an equity-based investment program to those teachers who choose the variable annuity concept. It is anticipated that future legislatures will authorize other public employees to participate in this fund.

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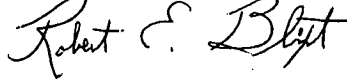
A review of policies concerning the placement of business, together with a summary of transactions completed during 1969, follows the schedules described above.

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During each of the past few legislative sessions, laws were passed which resulted in more realistic investment management, yet assured the necessary restrictions as to investment media. The 1969 Legislature, in particular, completely revised the investment statutes so as to provide the fund beneficiaries with an opportunity to own, through these accounts, those securities suited to their needs. During 1969 and 1970, the Legislative Retirement Study Commission has reviewed the 1969 laws in order to further update these concepts and provide for the reserves necessary to minimize the pension fluctuations inherent in any program based on investment performance.

The State Board of Investment and the staff of the investment department appreciate the cooperation that has been received from members of the Legislature and the retirement fund administrations as well as from investment dealers and brokers throughout the nation. The Advisory Committee on Common Stocks has been particularly helpful in implementing the many changes authorized in recent years. The higher current yield, the better portfolio balance, and the lesser dependence on fixed dollar investments will be of long-term benefit to the retirement fund members, our educational institutions, and the taxpayers of the State.

Respectfully submitted,



Robert E. Blixt, C.F.A.
Executive Secretary

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STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMPOSITION OF THE PERMANENT SCHOOL FUND AND RETIREMENT FUNDS*
December 31, 1969

Schedule I

PERMANENT SCHOOL FUND

PERMANENT SCHOOL FUND		RETIREMENT FUNDS												
Book Value	%	Type of Security	Total Retirement Funds Book Value	%	Public Employees Retirement Fund Book Value	%	State Employees Retirement Fund Book Value	%	Distribution Within Various Funds				Highway Patrolmen's Retirement Fund Book Value	%
									Teachers' Retirement Fund Book Value	%	Public Employees Police & Fire Fund Book Value	%		
FIXED-INCOME OBLIGATIONS														
\$ 81,578,500.00	30.8%	U.S. Treasury	\$ 13,845,000.00	3.0%	\$ 7,210,000.00	4.9%	\$ 630,000.00	0.6%	\$ 4,355,000.00	2.2%	\$ 1,490,000.00	9.2%	\$ 160,000.00	3.2%
26,758,000.00	10.1	U.S. Guaranteed Merchant Marine Bonds	6,792,000.00	1.5	4,629,000.00	3.2	555,000.00	0.5	693,000.00	0.4	777,000.00	4.8	138,000.00	2.7
\$108,336,500.00	40.9%	Total Federal Obligations	\$ 20,637,000.00	4.5%	\$ 11,839,000.00	8.1%	\$ 1,185,000.00	1.1%	\$ 5,048,000.00	2.6%	\$ 2,267,000.00	14.0%	\$ 298,000.00	5.9%
-	-	Minnesota State	\$ 8,570,000.00**	1.8%	\$ 2,725,000.00	1.9%	\$ 2,220,000.00	2.2%	\$ 3,625,000.00	1.8%	-	-	-	-
\$ 2,531,400.00	1.0%	Minnesota Subdivisions	44,378,500.00	9.6	12,700,000.00	8.7	14,386,000.00	14.2	16,402,500.00	8.4	-	-	\$ 890,000.00	17.6%
-	-	Other States & Subdivisions	832,000.00	0.2	326,000.00	0.2	409,000.00	0.4	97,000.00	0.1	-	-	-	-
\$ 2,531,400.00	1.0%	Total State & Municipal Obligations	\$ 53,780,500.00	11.6%	\$ 15,751,000.00	10.8%	\$ 17,015,000.00	16.8%	\$ 20,124,500.00	10.3%	-	-	\$ 890,000.00	17.6%
-	-	Short-term Corporate Obligations	\$ 25,218,000.00	5.4%	\$ 11,758,000.00	8.0%	\$ 3,962,000.00	4.0%	\$ 8,300,000.00	4.3%	\$ 1,025,000.00	6.4%	\$ 173,000.00	3.4%
-	-	Canadian Provincial Obligations	\$ 9,700,000.00	2.1%	\$ 2,800,000.00	2.0%	\$ 2,000,000.00	2.0%	\$ 4,200,000.00	2.2%	\$ 550,000.00	3.4%	\$ 150,000.00	3.0%
Long-term Corporate Obligations:														
Public Utility														
\$ 20,662,000.00	7.8%	Electric	\$ 31,104,000.00	6.7%	\$ 8,451,000.00	5.8%	\$ 7,074,000.00	7.0%	\$ 14,427,000.00	7.4%	\$ 883,000.00	5.5%	\$ 269,000.00	5.3%
8,777,000.00	3.3	Gas	23,286,000.00	5.0	7,626,000.00	5.2	6,617,000.00	6.5	8,242,000.00	4.2	484,000.00	3.0	317,000.00	6.3
10,400,000.00	3.9	Telephone	16,062,500.00	3.5	4,342,000.00	3.0	3,793,000.00	3.8	7,527,500.00	3.8	300,000.00	1.8	100,000.00	2.0
-	-	Water	1,600,000.00	0.3	400,000.00	0.3	300,000.00	0.3	900,000.00	0.5	-	-	-	-
\$ 39,839,000.00	15.0%	Total Public Utility	\$ 72,052,500.00	15.5%	\$ 20,819,000.00	14.3%	\$ 17,784,000.00	17.6%	\$ 31,096,500.00	15.9%	\$ 1,667,000.00	10.3%	\$ 686,000.00	13.6%
\$ 3,700,000.00	1.4%	Finance	\$ 9,700,000.00	2.1%	\$ 1,900,000.00	1.3%	\$ 3,005,000.00	3.0%	\$ 4,200,000.00	2.2%	\$ 445,000.00	2.8%	\$ 150,000.00	3.0%
39,604,356.15	15.0	Industrial	76,807,607.15	16.6	20,195,000.00	13.8	14,181,857.15	14.0	38,963,750.00	20.0	2,733,000.00	17.0	734,000.00	14.5
4,684,000.00	1.8	Transportation (excluding equipment)	6,529,000.00	1.4	2,048,000.00	1.4	1,606,000.00	1.6	2,483,000.00	1.3	171,000.00	1.1	221,000.00	4.4
16,908,442.64	6.4	Railroad Equipment	34,201,544.82	7.4	10,212,475.09	7.0	8,402,734.80	8.3	13,836,680.16	7.0	1,408,234.16	8.7	341,420.61	6.6
\$104,735,798.79	39.6%	Total Long-term Corporate Obligations	\$199,290,651.97	43.0%	\$ 55,174,475.09	37.8%	\$ 44,979,591.95	44.5%	\$ 90,579,930.16	46.4%	\$ 6,424,234.16	39.9%	\$ 2,132,420.61	42.1%
-	-	Preferred Stock (gift)	700.00	-	-	-	-	700.00	-	-	-	-	-	
\$215,603,698.79	81.5%	TOTAL FIXED-INCOME OBLIGATIONS	\$308,626,851.97	66.6%	\$ 97,322,475.09	66.7%	\$ 69,141,591.95	68.4%	\$128,253,130.16	65.7%	\$ 10,266,234.16	63.7%	\$ 3,643,420.61	72.0%
COMMON STOCKS														
CONSUMER-ORIENTED STOCKS:														
Utilities														
\$ 10,449,402.52	3.9%	Electric	\$ 29,171,136.81	6.3%	\$ 9,226,733.57	6.3%	\$ 5,726,703.91	5.7%	\$ 13,005,297.65	6.7%	\$ 962,292.32	6.0%	\$ 250,109.36	4.9%
1,013,797.75	0.4	Gas	3,914,841.01	0.8	1,381,853.63	0.9	810,373.16	0.8	1,608,247.38	0.8	87,859.40	0.5	26,507.44	0.5
1,509,741.57	0.6	Telephone	4,461,571.22	1.0	1,541,715.65	1.1	680,835.79	0.7	2,044,349.35	1.0	175,738.11	1.1	18,932.32	0.4
\$ 12,972,941.84	4.9%	Total Utilities	\$ 37,547,549.04	8.1%	\$ 12,150,302.85	8.3%	\$ 7,217,912.86	7.2%	\$ 16,657,894.38	8.5%	\$ 1,225,889.83	7.6%	\$ 295,549.12	5.8%
Financial Services														
\$ 4,718,476.48	1.8%	Banks	\$ 11,269,003.01	2.4%	\$ 3,615,749.00	2.5%	\$ 2,333,710.22	2.3%	\$ 4,861,699.28	2.5%	\$ 373,007.55	2.3%	\$ 84,836.96	1.8%
1,033,039.19	0.4	Finance	4,205,519.42	0.9	1,595,689.92	1.1	899,034.58	0.9	1,512,374.11	0.8	160,218.57	1.0	38,202.24	0.7
2,439,810.56	0.9	Insurance	5,469,628.29	1.2	1,663,750.11	1.1	1,118,449.89	1.1	2,511,229.97	1.3	163,784.77	1.0	12,413.55	0.2
\$ 8,191,326.23	3.1%	Total Financial Services	\$ 20,944,150.72	4.5%	\$ 6,875,189.03	4.7%	\$ 4,351,194.69	4.3%	\$ 8,885,303.36	4.6%	\$ 697,010.89	4.3%	\$ 135,452.75	2.7%
Consumers Goods														
\$ 1,548,164.60	0.6%	Food-Beverage	\$ 5,617,234.54	1.2%	\$ 1,849,205.25	1.3%	\$ 1,198,096.80	1.2%	\$ 2,305,073.45	1.2%	\$ 219,996.48	1.4%	\$ 44,862.56	0.9%
527,331.09	0.2	Printing & Publishing	2,965,544.57	0.6	940,590.87	0.7	705,051.17	0.7	1,203,634.94	0.6	78,981.92	0.5	37,285.67	0.7
1,109,441.27	0.4	Retail Trade	5,638,803.42	1.2	1,617,987.98	1.1	1,052,581.85	1.0	2,717,767.37	1.3	250,466.22	1.5	-	-
510,340.47	0.2	Textiles	2,084,318.21	0.4	779,323.71	0.5	512,053.49	0.5	712,272.85	0.4	66,593.35	0.4	14,074.81	0.3
991,879.44	0.4	Miscellaneous	4,196,583.19	1.0	1,462,874.71	1.0	808,268.65	0.8	1,727,483.62	0.9	158,411.59	1.0	39,544.62	0.8
\$ 4,687,156.87	1.8%	Total Consumers Goods	\$ 20,502,483.93	4.4%	\$ 6,649,982.52	4.6%	\$ 4,276,051.96	4.2%	\$ 8,666,232.23	4.4%	\$ 774,449.56	4.8%	\$ 135,767.66	2.7%
\$ 25,851,424.94	9.8%	Total Consumer-Oriented Stocks	\$ 78,994,183.69	17.0%	\$ 25,875,474.40	17.6%	\$ 15,845,159.51	15.7%	\$ 34,209,429.97	17.5%	\$ 2,697,350.28	16.7%	\$ 566,769.53	11.2%
RESEARCH STOCKS:														
\$ 2,492,481.69	0.9%	Chemical	\$ 6,863,704.11	1.4%	\$ 2,368,473.35	1.6%	\$ 1,523,348.61	1.5%	\$ 2,638,340.46	1.3%	\$ 244,415.97	1.5%	\$ 89,125.72	1.8%
1,121,115.19	0.4	Drug	3,531,479.45	0.7	1,096,041.06	0.8	755,756.01	0.7	1,511,968.37	0.8	135,843.05	0.8	31,870.96	0.6
2,046,964.73	0.8	Office Equipment	7,324,668.29	1.6	1,904,268.85	1.3	1,508,809.52	1.5	3,397,755.42	1.7	424,881.36	2.6	88,953.14	1.7
477,098.60	0.2	Photography	2,803,551.42	0.6	791,296.23	0.5	635,575.75	0.6	1,192,893.89	0.6	139,570.05	0.9	44,215.50	0.9
1,086,748.50	0.4	Miscellaneous	3,594,396.74	0.8	1,113,441.52	0.7	797,743.66	0.8	1,489,190.86	0.8	173,838.26	1.1	20,182.44	0.4
\$ 7,224,408.71	2.7%	Total Research Stocks	\$ 24,117,800.01	5.1%	\$ 7,273,521.01	4.9%	\$ 5,221,233.55	5.1%	\$ 10,230,149.00	5.2%	\$ 1,118,548.69	6.9%	\$ 274,347.76	5.4%
NATURAL-RESOURCES STOCKS:														
\$ 3,915,183.03	1.5%	Petroleum	\$ 13,910,158.58	3.0%	\$ 4,231,961.39	2.9%	\$ 2,486,169.59	2.5%	\$ 6,502,688.69	3.2%	\$ 583,219.44	3.6%	\$ 106,119.47	2.1%
\$ 3,915,183.03	1.5%	Total Natural-Resources Stocks	\$ 13,910,158.58	3.0%	\$ 4,231,961.39	2.9%	\$ 2,486,169.59	2.5%	\$ 6,502,688.69	3.2%	\$ 583,219.44	3.6%	\$ 106,119.47	2.1%
DURABLES STOCKS:														
\$ 2,869,343.90	1.0%	Automobile & Automobile Parts	\$ 7,086,810.10	1.5%	\$ 1,489,148.64	1.1%	\$ 1,835,088.60	1.8%	\$ 3,405,303.87	1.7%	\$ 303,494.77	1.9%	\$ 53,774.22	1.0%
1,786,583.06	0.7	Building & Construction	7,291,499.06	1.6	2,348,850.33	1.6	1,150,503.78	1.1	3,373,511.41	1.7	330,424.14	2.0	88,209.40	1.7
2,568,340.53	1.0	Electrical & Electronic Equipment	8,873,193.58	1.9	3,079,738.02	2.1	1,876,769.05	1.9	3,451,458.19	1.8	320,077.97	2.0	145,150.35	2.9
695,891.32	0.2	Steel	1,247,650.88	0.3	441,362.00	0.3	319,968.93	0.3	444,455.10	0.2	28,886.46	0.2	12,978.39	0.3
Transportation & Transportation Equipment														
\$ 529,407.42	0.2%	Aircraft & Aerospace	\$ 1,994,683.64	0.4%	\$ 485,427.74	0.3%	\$ 518,673.18	0.5%	\$ 898,764.48	0.5%	\$ 62,349.00	0.4%	\$ 29,469.24	0.6%
1,207,017.88	0.5	Airlines	4,731,545.83	1.1	1,524,968.29	1.0	1,080,606.09	1.0	1,902,464.90	1.0	154,712.70	1.0	68,793.85	1.4
1,872,397.36	0.7	Railroads	5,105,174.77	1.1	1,460,286.15	1.0	1,194,638.27	1.2	2,212,094.70	1.1	172,315.29	1.1	65,840.36	1.3
400,913.10	0.2	Railroad Equipment	1,925,057.24	0.4	681,896.09	0.5	461,301.37	0.5	692,643.14	0.4	81,766.76	0.5	7,449.88	0.1
\$ 4,009,735.76	1.6%	Total Transportation & Trans. Equip.	\$ 13,756,461.48	3.0%	\$ 4,152,578.27	2.8%	\$ 3,255,218.91	3.2%	\$ 5,705,967.22	3.0%	\$ 471,143.75	3.0%	\$ 171,553.33	3.4%
\$ 11,929,894.57	4.5%	Total Durables Stocks	\$ 38,255,615.10	8.3%	\$ 11,511,677.26	7.9%	\$ 8,437,549.27	8.3%	\$ 16,380,695.79	8.4%	\$ 1,454,027.09	9.1%	\$ 471,665.69	9.3%
\$ 48,920,911.25	18.5%	TOTAL COMMON STOCKS	\$155,277,757.38	33.4%	\$ 48,692,634.06	33.3%	\$ 31,990,111.92	31.6%	\$ 67,322,963.45	34.3%	\$ 5,853,145.50	36.3%	\$ 1,418,902.45	28.0%
\$264,524,610.04	100.0%	TOTAL	\$463,904,609.35	100.0%	\$146,015,109.15	100.0%	\$101,131,703.87	100.0%	\$195,576,093.61	100.0%	\$ 16,119,379.66	100.0%	\$ 5,062,323.06	100.0%

*This schedule includes only investments. Total assets of each fund are greater than indicated because of cash balances not yet certified for investment.
**Minnesota State College Board obligations.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule II

RATE OF RETURN ON AVERAGE AMOUNT INVESTED DURING FISCAL PERIODS
IN THE THREE LARGEST RETIREMENT FUNDS
December 31, 1969

	PUBLIC EMPLOYEES RETIREMENT FUND				STATE EMPLOYEES RETIREMENT FUND				TEACHERS' RETIREMENT FUND			
	Book Value (1,5)	Average Book Value for Year Ending (2)	Income for Year Ending (3)	Yield (4)	Book Value (1)	Average Book Value for Year Ending (2)	Income for Year Ending (3,6)	Yield (4)	Book Value (1)	Average Book Value for Year Ending (2)	Income for Year Ending (3)	Yield (4)
June 30, 1957	\$ 19,301,750	-	-	-	\$ 36,797,000	\$34,859,833	\$1,016,556.48	2.92%	\$ 31,853,900	-	-	-
December 31, 1957	\$ 20,588,750	-	-	-	\$ 39,577,500	-	-	-	\$ 34,149,700	-	-	-
June 30, 1958	\$ 23,625,000	\$ 21,171,833	\$ 614,096.77	2.90%	\$ 39,715,500	-	-	-	\$ 37,242,200	\$ 34,415,267	\$1,018,014.26	2.90%
December 31, 1958	\$ 27,515,000	-	-	-	\$ 41,985,500	\$40,426,167	\$1,225,833.46	3.03%	\$ 42,777,200	-	-	-
June 30, 1959	\$ 31,563,000	\$ 27,567,667	\$ 880,223.48	3.19%	\$ 44,659,000	-	-	-	\$ 48,523,300	\$ 42,847,567	\$1,409,995.45	3.29%
December 31, 1959	\$ 35,414,500	-	-	-	\$ 46,911,500	\$44,518,667	\$1,378,022.98	3.10%	\$ 54,313,000	-	-	-
June 30, 1960	\$ 41,548,500	\$ 36,175,333	\$1,211,061.33	3.35%	\$ 49,816,500	-	-	-	\$ 55,243,300	\$ 52,693,300	\$1,823,482.03	3.46%
December 31, 1960	\$ 46,935,500	-	-	-	\$ 51,967,000	\$49,565,000	\$1,631,458.61	3.29%	\$ 59,160,300	-	-	-
June 30, 1961	\$ 54,183,680	\$ 47,555,893	\$1,753,679.00	3.69%	\$ 54,499,050	-	-	-	\$ 63,098,540	\$ 59,167,380	\$2,140,761.22	3.62%
December 31, 1961	\$ 61,433,745	-	-	-	\$ 56,830,438	\$54,432,163	\$1,885,692.64	3.46%	\$ 67,775,429	-	-	-
June 30, 1962	\$ 68,132,958	\$ 61,250,128	\$2,340,665.00	3.82%	\$ 59,843,686	-	-	-	\$ 73,187,108	\$ 68,020,359	\$2,587,612.53	3.80%
December 31, 1962	\$ 75,195,593	-	-	-	\$ 62,517,119	\$59,730,414	\$2,168,821.46	3.63%	\$ 77,813,737	-	-	-
June 30, 1963	\$ 81,436,890	\$ 74,921,814	\$2,990,070.00	3.99%	\$ 65,432,932	-	-	-	\$ 82,990,550	\$ 77,997,132	\$3,011,190.37	3.86%
December 31, 1963	\$ 92,347,700	-	-	-	\$ 68,922,451	\$65,624,167	\$2,466,206.57	3.76%	\$ 88,480,685	-	-	-
June 30, 1964	\$ 96,311,091	\$ 90,031,894	\$3,613,002.65	4.01%	\$ 72,100,574	-	-	-	\$ 96,529,180	\$ 89,333,472	\$3,546,799.82	3.97%
December 31, 1964	\$103,667,519	-	-	-	\$ 75,485,635	\$72,169,553	\$2,771,915.82	3.84%	\$100,413,219	-	-	-
June 30, 1965	\$110,234,510	\$103,404,373	\$4,193,536.65	4.06%	\$ 79,128,448	-	-	-	\$109,221,619	\$102,054,673	\$4,124,491.25	4.04%
December 31, 1965	\$120,809,744	-	-	-	\$ 83,578,973	\$79,397,685	\$3,104,510.00	3.91%	\$113,680,813	-	-	-
June 30, 1966	\$126,016,044	\$119,034,099	\$4,961,041.08	4.17%	\$ 87,477,671	-	-	-	\$122,392,368	\$115,098,267	\$4,677,205.58	4.06%
December 31, 1966	\$136,773,265	-	-	-	\$ 92,210,804	\$87,755,816	\$3,599,529.00	4.10%	\$129,037,233	-	-	-
June 30, 1967	\$143,519,881	\$135,436,396	\$5,766,018.44	4.26%	\$ 97,375,985	-	-	-	\$141,805,453	\$131,078,351	\$5,553,970.00	4.24%
December 31, 1967	\$155,763,172	-	-	-	\$103,557,821	\$97,714,870	\$4,103,671.00	4.20%	\$156,865,901	-	-	-
June 30, 1968	\$158,378,261	\$152,553,771	\$6,670,944.32	4.37%	\$110,073,169	-	-	-	\$182,931,287	\$160,534,214	\$7,057,974.94	4.40%
December 31, 1968	\$177,587,167	-	-	-	\$117,517,899	\$110,382,963	\$4,792,334.00	4.34%	\$192,423,593	-	-	-
June 30, 1969 (7)	\$198,774,684	\$178,246,704	\$8,062,078.73	4.52%	\$123,331,969	-	-	-	\$213,781,373	\$196,378,751	\$9,032,190.00	4.60%
December 31, 1969 (7)	\$165,049,959	-	-	-	\$102,604,272	\$114,484,713	\$5,001,736.00	4.37%	\$195,989,623	-	-	-

- (1) Book value figures based on those shown on Treasurer's General Report on State Finances on date listed, with adjustments for calls, maturities and investments committed for but not yet received.
(2) Computed by averaging book value of fund on last three report dates, ending with the date listed.
(3) Income figures obtained from the secretaries of the respective retirement funds.
(4) Computed by dividing income of fund for fiscal period by average book value of fund during period.

- (5) Includes the Public Employees Police & Fire Fund for periods after July 1, 1960, when it was established.
(6) In 1957, State Employees Retirement Fund changed from a fiscal-year to a calendar-year basis.
(7) Book value figures for June 30, 1969, are listed before the transfer of bonds on that date from these basic retirement accounts to the Minnesota Adjustable Fixed Benefit Fund. The decline in book value figures for December 31, 1969 indicates this transfer of bonds and the transfers of stocks on July 1, September 1 and November 1, 1969. These basic retirement accounts own assets representing the major portion of the Minnesota Adjustable Fixed Benefit Fund; the extent of this ownership is not calculated for purposes of this table because of the varying contributions of the funds on June 30 and December 31, 1969.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule III

PERMANENT SCHOOL FUND

RATE OF RETURN ON AVERAGE AMOUNT INVESTED DURING FISCAL PERIODS
June 30, 1970

	Book Value (1)	Average Book Value for Year Ending (2)	Total Investment Income for Year Ending (3,4)	Yield (5)			
June 30, 1957	\$244,700,475.47	\$242,386,448.84	\$ 6,486,999.20	2.68%			
December 31, 1957	\$248,558,062.99	-	-	-			
June 30, 1958	\$249,513,238.84	\$247,590,592.43	\$ 6,512,261.41	2.63%			
December 31, 1958	\$252,324,357.47	-	-	-			
June 30, 1959	\$253,243,896.53	\$251,693,830.95	\$ 7,005,142.92	2.78%			
December 31, 1959	\$255,520,490.05	-	-	-			
June 30, 1960	\$256,276,151.72	\$255,013,512.77	\$ 7,116,641.31	2.79%			
December 31, 1960	\$259,324,537.57	-	-	-			
June 30, 1961	\$260,019,901.33	\$258,540,196.87	\$ 7,978,635.92	3.09%			
December 31, 1961	\$261,981,702.84	-	-	-			
June 30, 1962	\$262,388,564.04	\$261,463,389.40	\$ 8,610,672.52*	3.29%*			
December 31, 1962	\$264,203,940.11	-	-	-			
June 30, 1963	\$264,631,949.36	\$263,741,484.50	\$ 8,048,170.78*	3.05%*			
December 31, 1963	\$263,710,744.23	-	-	-			
June 30, 1964	\$263,552,120.96	\$263,964,938.18	\$ 8,579,156.81	3.25%	Less	Net Investment	Net
December 31, 1964	\$264,704,185.42	-	-	-	Transfer to	Income for	Yield
June 30, 1965	\$262,170,084.20	\$263,475,463.53	\$ 9,186,790.66	3.49%	Principal (6)	Year Ending (3)	(7)
December 31, 1965	\$262,324,844.32	-	-	-	\$ 76,936.86	\$9,109,853.80	3.46%
June 30, 1966	\$261,686,901.05	\$262,060,609.86	\$ 9,647,417.30	3.68%	\$329,472.90	\$9,317,944.40	3.56%
December 31, 1966	\$263,433,844.16	-	-	-	-	-	-
June 30, 1967	\$263,816,276.40	\$262,979,007.20	\$10,215,172.70	3.88%	\$856,275.93	\$9,358,896.77	3.56%
December 31, 1967	\$264,303,404.43	-	-	-	-	-	-
June 30, 1968	\$264,578,182.47	\$264,232,621.10	\$10,511,771.10	3.98%	\$1,016,014.48	\$9,495,756.62	3.59%
December 31, 1968	\$266,225,867.42	-	-	-	-	-	-
June 30, 1969	\$264,122,329.06	\$264,975,459.65	\$10,512,970.80	3.97%	\$1,100,277.41	\$9,412,693.39	3.55%
December 31, 1969	\$264,797,800.95	-	-	-	-	-	-
June 30, 1970	\$259,550,484.67	\$262,823,538.23	\$11,324,161.11	4.31%	\$1,034,987.16	\$10,289,173.95	3.91%

(1) Book value figures based on those shown on Treasurer's General Report on State Finances on date listed, with adjustments for calls, maturities and investments committed for but not yet received.

(2) Computed by averaging book value of fund on last three report dates, ending with date listed.

(3) Income figures obtained from the State Auditor's office.

(4) Includes investment income from the Swamp Land Fund which was combined into the Permanent School Fund after passage of a Constitutional Amendment in 1962.

(5) Computed by dividing total investment income of fund for fiscal period by average book value of fund.

(6) The transfer of a portion of the income to the principal of the account is called for under the Minnesota Constitution, Article VIII, Section 4, as amended in 1962, and implemented by Minnesota Statutes 1969, Section 11.015, Subdivision 7, in order that the difference between the sales price and original cost of securities be returned to the principal of the account. Sales of low coupon U.S. Treasury securities at less than cost resulted in the transfers during recent years.

(7) Computed by dividing net investment income of fund for fiscal period by average book value of fund.

(*) The income received during fiscal 1962 and 1963 was subjected to accounting adjustments which tended to overstate the 1962 figures, due to the accumulation of discounts on bonds purchased (Minnesota Statutes 1969, Section 11.05, Subdivision 2) and understate the 1963 results, due to the combining of the Swamp Land Fund into the Permanent School Fund during that fiscal year.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule IV

U.S. GOVERNMENT OBLIGATIONS HELD BY VARIOUS FUNDS
(ALSO INCLUDING SHORT-TERM CORPORATE NOTES)

December 31, 1969

HIGHWAY FUNDS

	Invested Treasurer's Cash Fund	HIGHWAY FUNDS			Permanent School Fund	Internal Improvement Land Fund	Combined Retirement Funds	Miscellaneous Departmental Funds
		Trunk	County State Aid	Municipal State Aid				
SHORT-TERM CORPORATE NOTES								
Maturity less than 30 days	\$ 3,000,000	\$ 6,900,000	\$ 6,280,000	\$ 2,535,000	*	*	\$ 11,311,000	*
Maturity 30-90 days	11,200,000	4,700,000	1,730,000	345,000	*	*	12,927,000	*
Maturity 91-180 days	-	-	1,935,000	1,785,000	*	*	270,000	*
Maturity 181-270 days	-	600,000	1,100,000	1,400,000	*	*	6,900,000	*
TOTAL SHORT-TERM CORPORATE NOTES	\$ 14,200,000	\$ 12,200,000	\$ 11,045,000	\$ 6,065,000	*	*	\$ 31,408,000(a)	*

U.S. TREASURY SECURITIES AND GOVERNMENT AGENCY SECURITIES

BILLS

Maturity less than 30 days	-	-	-	-	-	-	\$ 280,000	\$ 9,625,000
Maturity 30-90 days	\$ 18,000,000	\$ 3,585,000	\$ 2,940,000	\$ 1,385,000	\$ 1,766,000	-	5,500,000	15,298,000
Maturity 3-6 months	-	-	3,595,000	390,000	-	-	85,000	5,203,000
Maturity 6-12 months	-	-	-	-	-	-	-	-
TOTAL BILLS	\$ 18,000,000	\$ 3,585,000	\$ 7,535,000	\$ 1,775,000	\$ 1,766,000	-	\$ 5,865,000	\$ 30,126,000

REPURCHASE AGREEMENTS

Maturity less than 30 days	\$ 400,000	-	-	-	-	-	\$ 100,000	-
Maturity 31-45 days	200,000	-	-	-	-	-	-	\$ 100,000
	\$ 600,000	-	-	-	-	-	\$ 100,000	\$ 100,000

GOVERNMENT AGENCY SECURITIES

7.50% FNMA Note 1-8-70	-	-	-	-	-	-	\$ 100,000	-
7.85% FNMA Note 1-13-70	-	-	-	-	-	-	100,000	-
6.90% FICB 2-2-70	\$ 10,000,000	-	-	-	-	-	-	-
7.65% FNMA Note 2-10-70	-	-	\$ 1,495,000	\$ 490,000	-	-	-	-
7.00% FHLB 2-25-70	4,090,000	-	4,650,000	1,260,000	-	-	-	-
7.75% FNMA Note 3-12-70	-	-	-	815,000	-	-	-	-
7.80% FNMA Note 3-31-70	-	-	-	-	-	-	630,000	-
8.00% FHLB 5-25-70	-	-	-	-	-	-	-	\$ 5,900,000
8.00% FNMA Deb. 6-11-70	-	-	-	590,000	-	-	-	-
8.20% FICB 7-1-70	-	-	-	-	-	-	-	7,000,000
8.30% FNMA Deb. 11-10-70	10,000,000	-	-	-	-	-	-	-
7.00% FHLB 5-25-71	3,000,000	-	-	-	-	-	-	-
TOTAL GOVERNMENT AGENCY SECURITIES	\$ 27,090,000	-	\$ 6,145,000	\$ 3,155,000	-	-	\$ 830,000	\$ 12,900,000

NOTES AND BONDS

2 1/2% Bonds due 3-15-70/65	-	-	-	-	-	\$ 30,000	-	-
5 5/8% Notes due 5-15-70	\$ 2,000,000	\$ 3,500,000	\$ 2,350,000	\$ 1,700,000	-	-	\$ 10,000	\$ 850,000
6 3/8% Notes due 5-15-70	-	-	-	800,000	-	-	900,000	500,000
4% Bonds due 8-15-70	-	3,500,000	500,000	-	-	-	1,900,000	-
5% Notes due 11-15-70	6,000,000	5,000,000	-	-	-	-	-	-
Total maturities less than 1 year	\$ 8,000,000	\$ 12,000,000	\$ 2,850,000	\$ 2,500,000	-	\$ 30,000	\$ 2,810,000	\$ 1,350,000
5 3/8% Notes due 2-15-71	\$ 2,000,000	-	-	-	-	-	-	-
7 3/4% Notes due 2-15-71	11,200,000	-	-	-	-	-	-	\$ 10,000
2 1/2% Bonds due 3-15-71/66	-	-	-	-	-	-	\$ 55,000	-
5 1/4% Notes due 5-15-71	-	-	-	-	-	-	-	50,000
8% Notes due 5-15-71	-	\$ 2,000,000	\$ 3,000,000	\$ 1,000,000	-	-	-	775,000
4% Bonds due 8-15-71	-	-	-	-	-	-	-	2,000
3 7/8% Bonds due 11-15-71	-	-	-	-	-	\$ 43,000	-	105,000
4% Bonds due 2-15-72	-	-	-	-	-	-	-	55,000
4% Bonds due 8-15-72	-	-	-	-	-	-	385,000	-
2 1/2% Bonds 9-15-72/67	-	-	-	-	-	1,500	-	-
Total maturities 1-3 years	\$ 13,200,000	\$ 2,000,000	\$ 3,000,000	\$ 1,000,000	-	\$ 44,500	\$ 440,000	\$ 997,000

U.S. GOVERNMENT OBLIGATIONS HELD BY VARIOUS FUNDS (ALSO INCLUDING SHORT-TERM CORPORATE NOTES)
December 31, 1969

	Invested Treasurer's Cash Fund	HIGHWAY FUNDS				Internal Improvement Land Fund	Combined Retirement Funds	Miscellaneous Departmental Funds
		Trunk	County State Aid	Municipal State Aid	Permanent School Fund			
U.S. TREASURY SECURITIES AND GOVERNMENT AGENCY SECURITIES								
NOTES AND BONDS (continued)								
7 3/4% Notes due 5-15-73	*	-	-	-	-	\$ 67,000	\$ 2,695,000	\$ 1,000
4% Bonds due 8-15-73	*	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	-	-	-	300,500
4 1/8% Bonds due 11-15-73	*	2,000,000	2,000,000	1,000,000	-	-	330,000	238,500
4 1/8% Bonds due 2-15-74	*	1,000,000	1,200,000	500,000	-	-	120,000	302,000
4 1/4% Bonds due 5-15-74	*	4,500,000	-	1,000,000	-	-	40,000	402,000
5 5/8% Notes due 8-15-74	*	-	-	-	-	-	-	50,000
3 7/8% Bonds due 11-15-74	*	-	-	-	-	126,500	1,400,000	120,000
5 3/4% Notes due 11-15-74	*	-	-	-	-	5,000	-	5,000
Total maturities 3-5 years	*	\$ 11,500,000	\$ 5,200,000	\$ 4,500,000	-	\$ 198,500	\$ 4,585,000	\$ 1,418,000
5 3/4% Notes due 2-15-75	*	-	-	-	-	-	-	\$ 80,000
6% Notes due 5-15-75	*	-	-	-	-	-	-	50,000
6 1/2% Notes due 5-15-75	*	-	-	-	-	\$ 50,000	-	169,000
7 1/2% Notes due 8-15-76	*	-	-	-	-	-	-	10,000
Total maturities 5-10 years	*	-	-	-	-	\$ 50,000	-	\$ 309,000
4% Bonds due 2-15-80	*	-	-	-	\$ 1,917,500	\$ 16,000	\$ 1,135,000	\$ 1,000
3 1/2% Bonds due 11-15-80	*	-	-	-	1,500,000	-	-	4,000
3 1/4% Bonds due 6-15-83/78	*	-	-	-	21,600,000	50,000	300,000	500
3 1/4% Bonds due 5-15-85	*	-	-	-	26,345,000	-	-	-
4 1/4% Bonds due 5-15-85/75	*	-	-	-	-	-	-	79,000
3 1/2% Bonds due 2-15-90	*	-	-	-	28,450,000	-	500,000	-
3 1/2% Bonds due 11-15-98	*	-	-	-	-	50,000	-	-
Total maturities more than 10 years	*	-	-	-	\$ 79,812,500	\$ 116,000	\$ 1,935,000	\$ 84,500
TOTAL U.S. TREASURY NOTES & BONDS		\$ 21,200,000	\$ 25,500,000	\$ 11,050,000	\$ 8,000,000	\$ 439,000	\$ 9,770,000	\$ 4,158,500
TOTAL U.S. TREASURY AND GOVERNMENT AGENCY SECURITIES		\$ 66,890,000	\$ 29,085,000	\$ 24,730,000	\$ 12,930,000	\$ 81,578,500	\$ 16,565,000(a)	\$ 34,384,500
OBLIGATIONS GUARANTEED BY THE U.S. GOVERNMENT								
Average maturity about 10 years.	*	-	-	-	\$ 26,848,000	-	\$ 6,792,000	-
TOTAL U.S. GOVERNMENT OBLIGATIONS		\$ 66,890,000	\$ 29,085,000	\$ 24,730,000	\$ 12,930,000	\$ 108,426,500	\$ 23,357,000	\$ 34,384,500

*These securities are not eligible for purchase in these funds.

(a) Includes securities held by Supplemental Retirement Funds and Minnesota Adjustable Fixed Benefit Fund which do not appear in Schedule I.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

SCHEDULE V

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
U.S. GOVERNMENT-GUARANTEED OBLIGATIONS					
American President Lines	Govt. Guaranteed Bond	11-1-91	4.80%	4.80%	\$ 2,168
States Steamship Co.	Govt. Guaranteed Bond	3-31-93	5.10	5.10	2,400
United States Lines	Govt. Guaranteed Bond	11-1-86	4 3/8	4.375	858
United States Lines	Govt. Guaranteed Bond	10-1-87	5	5.00	1,917
<i>Total U.S. Government-Guaranteed Obligations</i>				<i>4.90%</i>	<i>\$ 7,343</i>
CANADIAN PROVINCIAL OBLIGATIONS					
Alberta Govt. Telephone Comm.	Debenture	12-15-91	6	6.00	\$ 250
Alberta Govt. Telephone Comm.	Debenture	8-15-90	4 3/4	4.75	500
Alberta Govt. Telephone Comm.	Debenture	6-15-94	8	8.19	2,900
Alberta Mun. Finance Corp.	Debenture	5-15-84	4 3/4	4.75	183
Alberta Mun. Finance Corp.	Debenture	12-15-84	5	5.00	91
Alberta Mun. Finance Corp.	Debenture	6-15-85	4 7/8	4.875	176
British Columbia Hydro Power Authority	Debenture	7-2-91	5 5/8	5.625	300
City of Montreal	Debenture	11-1-90	5	5.00	192
City of Quebec	Debenture	7-1-87	6 1/4	6.25	200
City of Saskatoon	Debenture	8-1-90	5	5.00	250
City of Sherbrooke	Debenture	3-1-87	6 3/4	6.75	250
City of Windsor	Debenture	10-31-78	7 1/4	7.25	33
City of Windsor	Debenture	10-31-81	7 1/4	7.25	48
City of Windsor	Debenture	10-31-84	7 1/4	7.25	59
City of Windsor	Debenture	10-31-86	7 1/4	7.25	68
City of Windsor	Debenture	10-31-88	7 1/4	7.25	42
City of Winnipeg, Manitoba	Debenture	10-15-85	5	5.00	300
Greater Vancouver Sewer and Drainage	Debenture	5-1-91	5 1/2	5.50	200
LaSalle Quebec Canada	Debenture	3-15-72	6	6.00	10
LaSalle Quebec Canada	Debenture	3-15-75	6	6.00	12
LaSalle Quebec Canada	Debenture	3-15-80	6	6.00	11
LaSalle Quebec Canada	Debenture	3-15-83	6	6.00	6
LaSalle Quebec Canada	Debenture	3-15-84	6	6.00	6
LaSalle Quebec Canada	Debenture	3-15-89	6	6.00	10
LaSalle Quebec Canada	Debenture	3-15-90	6	6.00	5
Manitoba Hydro Electric Board	Debenture	10-1-89	4 1/2	4.50	250
Manitoba Hydro Electric Board	Debenture	11-1-90	4 3/4	4.75	250
Metropolitan Corp. of Greater Winnipeg, Canada	Debenture	5-1-88	7 1/4	7.25	200
Montreal Catholic School Comm.	Debenture	10-1-92	6 3/4	6.75	400
Province of Manitoba	Debenture	4-1-94	7 7/8	7.90	1,020
Province of New Brunswick	Debenture	2-1-85	5 3/8	5.375	82
Province of New Brunswick	Debenture	9-15-89	4 3/4	4.75	300
Province of New Brunswick	Debenture	10-1-91	6 7/8	6.875	90
Province of Nova Scotia	Debenture	2-1-92	5 7/8	5.875	500
Province of Nova Scotia	Debenture	11-15-93	7 1/4	7.25	165
Province of Ontario	Debenture	5-15-81	3 7/8	3.875	100
Province of Ontario	Debenture	5-1-83	4	4.00	65
Province of Ontario	Debenture	2-1-84	4 3/4	4.75	200
Province of Ontario	Debenture	2-15-99	7 3/8	7.375	200
Province of Saskatchewan	Debenture	10-1-90	4 7/8	4.875	300
Quebec Hydro Electric Comm.	Debenture Series N	1-1-81	3 1/2	3.50	100

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
CANADIAN PROVINCIAL OBLIGATIONS...continued...					
Quebec Hydro Electric Comm.	Debenture Series X	7-15-84	5	5.00	\$ 200
Quebec Hydro Electric Comm.	Debenture Series AS	6-15-85	4 5/8	4.625	100
Quebec Hydro Electric Comm.	Debenture Series AY	1-1-93	6 1/4	6.25	100
Vancouver British Columbia	Debenture	11-16-82	4 3/4	4.75	100
Vancouver British Columbia	Debenture	11-16-83	4 3/4	4.75	100
Vancouver British Columbia	Debenture	11-16-84	4 3/4	4.75	100
<i>Total Canadian Provincial Obligations</i>				6.44%	\$ 11,024
CORPORATE BOND OBLIGATIONS					
PUBLIC UTILITY OBLIGATIONS					
ELECTRIC					
Alabama Power Co.	First Mortgage	3-1-91	4 1/2	4.40	\$ 50
Alabama Power Co.	First Mortgage	3-1-84	3 1/8	3.125	75
Atlantic City Electric Co.	First Mortgage	3-1-91	4 1/2	4.37	600
Boston Edison Co.	First Mortgage Series D	7-1-82	3 1/8	7.78	100
Carolina Power & Light Co.	First Mortgage	4-1-90	4 7/8	4.85	500
Central Illinois Light Co.	First Mortgage	3-1-93	4 1/4	4.25	200
Central Illinois Light Co.	First Mortgage	12-1-81	3 1/4	3.25	50
Central Power & Light	First Mortgage	4-1-84	3 1/8	7.93	100
Central Maine Power	First Mortgage	11-1-90	5 1/4	5.25	147
Central Maine Power	First Mortgage	3-1-83	3 5/8	3.625	50
Cincinnati Gas & Electric	First Mortgage	5-1-90	5	5.00	150
Citizens Utilities	First Mortgage & Coll. Trust	12-31-91	4.80	4.80	1,000
Citizens Utilities	Collateral Trust	10-1-92	4 5/8	4.625	200
Columbus & Southern Ohio Elec.	First Mortgage	9-1-81	3 1/4	3.25	75
Columbus & Southern Ohio Elec.	First Mortgage	5-1-92	4 3/8	4.375	100
Commonwealth Edison Co.	First Mortgage	5-1-84	3	3.00	100
Commonwealth Edison Co.	First Mortgage	6-1-78	3	3.00	75
Commonwealth Edison Co.	First Mortgage	11-1-96	5 3/4	5.75	100
Consolidated Edison of N.Y.	First & Refunding Mortgage	12-1-93	4 5/8	4.54	700
Consumers Power Co.	First Mortgage	6-1-84	3	3.00	100
Consumers Power Co.	First Mortgage	2-1-90	3 1/4	3.25	50
Dayton Power & Light	First Mortgage	2-1-82	3 1/4	3.25	100
Duke Power Co.	First & Refunding Mortgage	2-1-92	4 1/2	7.20	100
Duquesne Light Co.	First Mortgage	7-1-84	3 1/8	3.125	150
Florida Power	First Mortgage	7-1-88	4 1/8	7.95	100
Florida Power & Light Co.	First Mortgage	6-1-89	5	5.00	300
Georgia Power Co.	First Mortgage	11-1-92	4 3/8	4.375	50
Gulf States Utilities	First Mortgage Series A	12-1-89	5 1/4	7.44	100
Hawaiian Electric	First Mortgage	4-1-91	4.65	4.65	1,550
Indiana & Michigan Electric Co.	First Mortgage	6-1-80	2 3/4	2.75	50
Iowa-Illinois Gas & Electric	First Mortgage	4-15-90	5	5.00	146
Jersey Central Power & Light	Debenture	10-1-88	4 5/8	4.56	1,584
Lake Superior District Power Co.	First Mortgage	2-1-91	4 5/8	4.60	500
Long Island Lighting Co.	First Mortgage	11-1-85	3 3/8	3.375	50
Long Island Lighting Co.	First Mortgage	4-1-93	4.40	4.40	1,000
Long Island Lighting Co.	First Mortgage	6-1-95	4.55	4.55	100

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
PUBLIC UTILITY OBLIGATIONS...continued...					
Massachusetts Electric	First Mortgage	9-1-92	4 3/8	8.15	\$ 100
Metropolitan Edison Co.	First Mortgage	12-1-92	4 3/8	4.375	200
Missouri Power & Light	First Mortgage	7-1-92	4 1/2	7.65	100
Montana-Dakota Utilities	S/F Debenture	7-1-84	4 5/8	4.605	1,102
New England Power Co.	First Mortgage	12-1-92	4 3/8	7.75	100
New England Power Co.	First Mortgage Series E	6-1-82	3 1/4	8.03	100
New England Power Co.	First Mortgage Series F	1-1-85	3 1/4	7.90	100
New York State Electric & Gas	First Mortgage	5-1-91	4 5/8	7.35	200
Northern States Power, Minn.	First Mortgage	7-1-88	4	7.85	120
Northern States Power	First Mortgage	10-1-84	3 1/8	7.90	75
Northern States Power	First Mortgage Series K	12-1-90	5	7.47	250
Otter Tail Power Co.	First Mortgage	8-1-88	4 3/4	4.75	100
Otter Tail Power Co.	First Mortgage	11-1-93	4 5/8	4.625	197
Pacific Gas & Electric	First & Refunding Mortgage Series W	12-1-84	3 1/8	7.80	100
Pacific Gas & Electric	First & Refunding Mortgage Series HH	6-1-94	4 3/8	7.42	200
Pacific Power & Light	First Mortgage	4-1-92	4 3/4	4.69	590
Pennsylvania Electric Co.	First Mortgage	5-1-91	4 5/8	7.48	100
Pennsylvania Power & Light	First Mortgage	12-1-91	4 5/8	7.44	200
Philadelphia Electric Co.	First & Refunding Mortgage	1-1-82	3 1/4	7.90	100
Potomac Edison Co.	First & Collateral Trust	5-1-87	4 5/8	8.25	100
Public Service Electric & Gas	First & Refunding Mortgage	11-1-86	4 3/8	4.375	50
Public Service Electric & Gas	First & Refunding Mortgage	9-1-94	4 5/8	4.53	1,215
Public Service of Colorado	First Mortgage	10-1-84	3 1/8	7.90	100
Public Service of Colorado	First Mortgage	10-1-91	4 1/2	7.75	100
Public Service of Oklahoma	First Mortgage	1-1-93	4 1/8	8.00	100
Puget Sound Power & Light	First Mortgage	11-1-93	4 5/8	4.625	75
Rochester Gas & Electric	First Mortgage	6-1-82	3 3/8	3.375	84
Rochester Gas & Electric	First Mortgage	11-15-91	4 1/2	4.50	200
Southern California Edison Co.	First & Refunding Mortgage	8-15-78	3 5/8	3.625	125
Southern California Edison Co.	First & Refunding Mortgage	9-1-85	4 3/8	4.47	760
Southern California Edison Co.	First & Refunding Mortgage	11-1-87	4 1/4	4.25	100
Southern California Edison Co.	First & Refunding Mortgage	5-1-87	4 1/4	4.25	100
Southern California Edison Co.	First & Refunding Mortgage	3-1-89	4 3/8	4.375	100
Southwestern Public Service	First Mortgage	6-1-79	3.20	3.20	75
Southwestern Public Service	First Mortgage	2-1-91	4 1/2	4.50	62
Southwestern Public Service	First Mortgage	1-1-93	4 3/8	4.375	99
Utah Power & Light	First Mortgage	9-1-85	3 5/8	8.35	100
Utah Power & Light	First Mortgage	9-1-90	4 7/8	4.80	1,290
Utah Power & Light	First Mortgage	6-1-92	4 1/2	4.50	200
Washington Water Power	First Mortgage	9-1-94	4 5/8	7.64	150
West Penn Power	First Mortgage	11-1-92	4 3/8	8.00	100
Western Massachusetts Electric	First Mortgage	5-1-92	4 3/8	8.00	100

Total Electric Utility Obligations

5.03% \$ 19,821

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE						
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	
GAS						
Brooklyn Union Gas Company	First Mortgage	4-1-90	4 5/8	4.56	\$ 1,175	
Columbia Gas System, Inc.	Debenture	7-1-79	3 1/2	3.50	75	
Columbia Gas System, Inc.	Debenture	1-1-88	4 3/8	4.375	450	
Gas Service Co.	First Mortgage	5-1-83	4.40	4.40	264	
Laclede Gas Co.	First Mortgage	12-1-79	3 1/4	3.25	50	
Lakehead Pipeline	S/F Debenture	4-15-93	7 1/8	7.125	500	
Lone Star Gas Co.	S/F Debenture	9-1-88	4 3/8	7.55	200	
Michigan Consolidated Gas Co.	First Mortgage	6-1-89	4 3/4	4.60	100	
National Fuel Gas Co.	S/F Debenture	4-1-85	5 1/8	7.63	138	
Northern Natural Gas Company	S/F Debenture	11-1-83	4 3/8	4.375	200	
Panhandle Eastern Pipeline Co.	Debenture	2-1-84	4.60	4.60	650	
Peoples Gas, Light & Coke	First & Refunding Mortgage	7-1-79	3 1/4	3.25	75	
Peoples Gas, Light & Coke	First & Refunding Mortgage	5-1-86	4 5/8	4.625	208	
Sierra Pacific Power Co.	First Mortgage	6-1-92	4 7/8	4.75	500	
Southern Counties Gas Co. of Calif.	First Mortgage	10-1-81	3 1/2	3.50	50	
Southern Union Gas Co.	First Mortgage	10-1-86	4.80	4.80	600	
Suburban Propane Gas	Note	12-30-84	4 7/8	4.875	816	
Transcontinental Gas Pipeline	First Mortgage	11-1-82	4 7/8	4.82	285	
Transcontinental Gas Pipeline	First Mortgage	5-1-88	6 3/4	6.75	250	
Washington Gas Light Co.	First Mortgage	3-1-91	5.20	5.20	600	
Wisconsin Natural Gas Co.	First Mortgage	10-15-86	4.75	7.77	200	
<i>Total Gas Utility Obligations</i>				5.11%	\$ 7,386	
TELEPHONE						
American Telephone & Telegraph Co.	Debenture	4-1-82	2 3/4	2.75	\$ 100	
American Telephone & Telegraph Co.	Debenture	9-15-84	3 1/4	3.25	200	
American Telephone & Telegraph Co.	Debenture	7-1-90	3 7/8	3.875	100	
American Telephone & Telegraph Co.	Debenture	2-1-94	4 5/8	7.60	100	
American Telephone & Telegraph Co.	Debenture	10-1-96	4 3/8	4.30	50	
Bell Telephone of Canada	First Mortgage	9-1-95	4.85	4.85	300	
Chesapeake & Potomac Tel. Md.	Debenture	12-1-93	4 1/8	7.50	115	
Diamond State Telephone	Debenture	4-1-94	4 3/4	7.20	100	
General Telephone of Florida	First Mortgage	11-1-91	4 5/8	4.625	200	
General Telephone of Florida	First Mortgage	5-1-93	4 1/2	4.50	500	
General Telephone Co. of the Midwest	First Mortgage	5-1-99	7 3/4	7.75	2,500	
New York Telephone Co.	Refunding Mortgage	7-1-93	4 1/8	4.125	225	
New York Telephone Co.	Refunding Mortgage	10-1-97	4 5/8	4.57	500	
Northwestern Bell Telephone Co.	Debenture	6-1-84	2 3/4	8.50	100	
Pacific Tel. & Tel. Co.	Debenture	11-15-89	3 1/8	7.45	100	
Rochester Telephone Corp.	First Mortgage	9-1-93	4 3/4	4.66	610	
Southwestern Bell Telephone	Debenture	5-1-83	3 1/8	7.70	135	
Southern Bell Tel. Co.	Debenture	9-1-89	3 1/8	7.70	100	
Southern New England Tel. Co.	Debenture	6-1-89	3 1/4	3.25	200	
<i>Total Telephone Utility Obligations</i>				6.09%	\$ 6,235	
FINANCE OBLIGATIONS						
American Investment	Note	1-1-91	5 1/4	5.25	\$ 650	
Beneficial Finance Corp.	Debenture	6-1-88	4.45	4.45	50	
Beneficial Finance Corp.	Note	3-1-89	4.60	4.60	325	
Beneficial Finance Corp.	Debenture	11-1-90	5	5.00	235	
Charter New York Corp.	Debenture	8-1-91	5 3/4	5.75	200	

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
FINANCE OBLIGATIONS...continued...					
C.I.T. Financial Corp.	Debenture	1-1-79	4 5/8	4.625	\$ 225
C.I.T. Financial Corp.	Debenture	9-1-84	4 1/2	4.50	50
C.I.T. Financial Corp.	Debenture	5-1-89	4 5/8	4.625	100
C.I.T. Financial Corp.	Debenture	5-1-89	4 5/8	8.56	200
Family Finance Corp.	Senior Debenture	5-15-90	4 3/4	4.84	1,300
General Acceptance Corp.	Senior Debenture	3-1-85	4 7/8	4.875	400
General Acceptance Corp.	Senior Debenture	3-1-85	4 7/8	10.11	250
General Electric Credit Corp.	Promissory Note	10-31-82	4 5/8	4.625	1,500
Household Finance Corp.	S/F Debenture	6-1-78	4	4.00	100
Household Finance Corp.	Debenture	7-1-82	5	5.00	125
Household Finance Corp.	Debenture	7-1-87	4 3/8	4.375	125
Household Finance Corp.	Debenture	7-1-91	4 1/2	4.50	175
Inter-American Development Bank	Bonds	12-15-82	4 1/4	4.25	100
International Bank for Recon- struction and Development	Bonds	1-15-79	4 1/4	4.25	100
John Deere Credit Corp.	Debenture	10-31-90	5.00	5.00	600
Macy Credit Corp.	Subdebenture	6-1-85	4 7/8	4.875	400
Marine Midland Corp.	Debenture	7-15-89	4 1/2	4.50	250
Montgomery Ward Credit	Debenture	7-1-80	4 7/8	4.875	200
Penney (J.C.) Credit	Debenture	7-1-84	4 1/2	4.50	170
Sears Roebuck Acceptance	Debenture	7-15-82	5	5.00	200
James Talcott, Inc.	Senior Note	10-1-85	5	5.00	400
<i>Total Finance Obligations</i>				5.06%	\$ 8,430
INDUSTRIAL OBLIGATIONS					
American Metal Climax	Note	8-1-88	4 1/2	4.50	\$ 237
Archer-Daniels Midland	Promissory Note	3-1-88	4 3/8	4.375	184
Ashland Oil & Refining Corp.	Bond	2-15-88	4.35	4.35	70
Ashland Oil & Refining Corp.	S/F Debenture	2-15-88	4.35	4.35	600
Beatrice Foods Co.	S/F Debenture	9-15-94	7 7/8	7.90	3,000
Burlington Industries	S/F Debenture	7-15-90	4 3/4	8.49	300
Burroughs Corp.	S/F Debenture	7-1-88	4 1/2	4.50	200
Burroughs Corp.	S/F Debenture	7-1-88	4 1/2	4.53	900
Checkerboard Properties Inc. (Ralston-Purina)	Guaranteed Notes	11-1-89	8 3/4	8.75	3,000
Consolidated, Bathurst Ltd.	Debenture	4-15-91	5 5/8	5.625	250
Control Data	S/F Debenture	5-1-85	5	8.38	250
Crown Cork & Seal Co., Inc.	S/F Debenture	3-15-88	4 3/8	7.73	200
Deere & Company	Debenture	7-1-89	4 1/2	7.47	200
Desoto Chemical	Note	12-1-85	5	5.00	1,500
Diamond-Shamrock Corp.	Note	5-1-89	4.65	4.65	285
Dow Chemical Co.	Note	1-15-90	4 1/2	4.50	1,440
Eaton Mfg. Company	S/F Debenture	7-15-88	4 3/8	8.27	110
Ekco Products	S/F Debenture	8-1-87	4.60	4.60	400
Fruehauf Corp.	S/F Debenture	4-1-87	6	6.00	250
Gimbel Bros., Inc.	S/F Debenture	6-1-81	5	5.08	500
Gould, Inc.	S/F Debenture	2-15-95	9 1/4	9.25	1,500
Greyhound Corp.	Senior Note	5-15-84	4 5/8	4.625	1,850
Hammond Corp.	Senior Note	1-15-90	8 3/4	8.75	2,800
International Harvester Co.	S/F Subdebenture	3-1-91	4.80	7.50	100
Kern County Land	Promissory Note	9-1-89	4.65	4.65	1,248
Lone Star Cement Corp.	S/F Debenture	7-1-90	4 7/8	4.875	1,260
Louisiana Land & Exploration	Note	12-1-94	8 1/4	8.25	3,000
MacMillan Bloedel Ltd.	Debenture Series A	10-1-90	4.95	4.95	500
Marathon Oil Co.	S/F Debenture	2-1-2000	8 1/2	8.52	1,500
Martin Marietta	S/F Debenture	4-15-92	5 7/8	9.02	100
Minneapolis-Honeywell	S/F Debenture	4-15-86	4 1/2	7.46	125
Mountain Fuel Supply	Debenture	9-1-86	4 7/8	4.80	1,228

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
INDUSTRIAL OBLIGATIONS...continued					
National Cash Register	S/F Debenture	4-1-87	4 3/8	7.70	\$ 219
Owens-Illinois	Notes	2-1-91	5	8.648	1,500
Packaging Corp. of America	S/F Debenture	10-1-87	4 3/8	7.99	200
Pillsbury	Debenture	6-1-86	4 5/8	4.625	100
Ralston Purina	S/F Debenture	11-15-88	4 3/8	7.85	195
Research Properties, Inc. (Standard Oil, Indiana)	Notes	11-1-99	8 1/4	8.25	3,000
Sovill Mfg. Co.	Note	9-15-90	4.80	4.80	878 ^b
S.C.M. Corp.	S/F Debenture	2-1-87	5 3/4	5.75	250
Shell Oil Co.	Debenture	3-15-91	5	5.00	1,500
Shell Canada Ltd.	Senior Debenture	1-1-94	7 1/2	7.50	1,850
Sinclair Oil Corp.	S/F Debenture	12-15-88	4.60	4.60	300
Spiegel, Inc.	Debenture	4-1-87	5	9.39	200
Sprague Electric	S/F Debenture	9-1-88	4 3/8	4.375	400
Sprague Electric	S/F Debenture	9-1-88	4 3/8	4.375	50
Standard Oil of Calif. (Chevron)	Note	4-1-91	5.10	5.10	1,000
Standard Oil of New Jersey	Debenture	11-1-97	6	6.00	700
Standard Oil of New Jersey	Debenture	7-15-98	6 1/2	6.50	800
Sun Oil Co.	Note	7-1-91	5 3/4	5.75	1,350
Sunray D-X Oil	S/F Debenture	5-1-87	4 1/4	8.00	200
Texas Company	Debenture	5-1-83	3 5/8	7.57	100
Times Mirror Co.	S/F Debenture	1-1-90	4 1/2	8.47	250
Union Tank Car	S/F Debenture	8-1-86	5	5.00	1,300
Union Tank Car	S/F Debenture	8-1-86	5	7.96	250
U.S. Steel	S/F Debenture	4-15-86	4 1/2	4.55	900
U.S. Steel	Subdebenture	1-1-96	4 5/8	7.21	200
Witco Chemical	Note	12-1-84	4.65	4.65	1,620
Youngstown Sheet & Tube Co.	First Mortgage	7-1-95	4.60	4.60	100
<i>Total Industrial Obligations</i>				6.64%	\$ 48,499 ^c
TRANSPORTATION DEBT OBLIGATIONS					
Chicago Burlington Quincy	First & Refunding Mortgage	2-1-78	4 3/8	4.375	\$ 306
Great Northern Railway	General Mortgage Series N	1-1-90	3 1/8	3.125	100
Missouri Pacific Railroad Co.	First Mortgage	1-1-90	4 1/4	9.02	275
Pennsylvania Company	Collateral Trust	6-1-85	5 1/4	8.22	100
Seaboard Airline Railroad Co.	First Mortgage	12-1-88	4 5/8	4.65	1,725
Southern Railway	First Mortgage	6-1-88	4 5/8	4.625	245
Southern Railway	First Mortgage	7-1-94	5	5.00	100
<i>Total Transportation Debt Obligations</i>				5.12%	\$ 2,851
RAILROAD EQUIPMENT OBLIGATIONS					
Atchison, Topeka & Santa Fe	Conditional Sale	7-15-70/ 1-15-81	5	5.00	\$ 1,672
Atlantic Coast Line Railroad	Equipment Trust	9-1-79	4 1/2	4.50	200
Chesapeake & Ohio Railway (Towson Equipment)	Conditional Sale	7-1-75/ 1-1-85	8 1/2	8.50	2,966 ^d
Chicago Burlington Quincy Railroad	Conditional Sale	6-15-70/ 12-15-80	4 7/8	4.875	1,220 ^e
Flying Tiger E.G.A.	Equipment Trust	9-30-80	6.60	9.39	200
General American Transportation	Equipment Trust	10-1-81	4.55	4.55	79
General American Transportation	Equipment Trust	7-15-84	4 5/8	4.59	1,593

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - MINNESOTA ADJUSTABLE FIXED BENEFIT FUND
June 30, 1970

ISSUE						
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	
RAILROAD EQUIPMENT OBLIGATIONS...continued...						
New York Central Railroad Co.	Equipment Trust	2-15-71	4 3/4	5.00	\$ 200	
New York Central Railroad Co.	Equipment Trust	2-15-72	4 3/4	5.00	250	
New York Central Railroad Co.	Equipment Trust	2-15-73	4 3/4	5.00	250	
New York Central Railroad Co.	Equipment Trust	2-15-74	4 3/4	5.00	250	
Norfolk & Western Railway Co. (New York, Chicago, St. Louis Railroad Company)	Conditional Sale	11-15-70/ 5-15-79	4.55	4.55	1,620	
Norfolk & Western Railway Co.	Conditional Sale	12-15-70/ 12-15-79	4 1/2	4.50	1,200	
Norfolk & Western Railway Co.	Conditional Sale	10-1-84	8 7/8	8.875	3,000	
North American Car Corp.	Equipment Trust	9-1-70	4.55	4.55	25	
North American Car Corp.	Equipment Trust	9-1-71	4.55	4.55	25	
North American Car Corp.	Equipment Trust	9-1-72	4.55	4.55	25	
North American Car Corp.	Equipment Trust	9-1-73	4.55	4.55	25	
North American Car Corp.	Equipment Trust	9-1-74	4.65	4.65	25	
North American Car Corp.	Equipment Trust	9-1-75	4.65	4.65	25	
North American Car Corp.	Equipment Trust	9-1-76	4.65	4.65	25	
North American Car Corp.	Equipment Trust	9-1-77	4.65	4.65	25	
North American Car Corp.	Equipment Trust	9-1-78	4.65	4.65	25	
Northern Pacific Railway	Conditional Sale	9-1-70/ 3-1-82	5.50	5.50	1,360 ^f	
St. Louis-San Francisco Railway Co.	Conditional Sale	1-15-76/85	9 3/8	9.375	1,718 ^g	
Western Pacific Railway Co.	Conditional Sale	3-15-71/80	4.55	4.55	1,500	
<i>Total Railroad Equipment Obligations</i>				<i>6.44%</i>	<i>\$ 19,503^h</i>	
TOTAL CORPORATE OBLIGATIONS				6.04%	\$112,725 ⁱ	
TOTAL UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN PROVINCIAL AND CORPORATE OBLIGATIONS				6.01%	\$131,092 ^j	

- a. Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
- b. Figure shown is rounded to the nearest thousand; actual holding is as follows: \$ 877,500.00
- c. Figure shown is rounded to the nearest thousand; actual holding is as follows: 48,498,500.00
- d. Figure shown is rounded to the nearest thousand; actual holding is as follows: 2,966,313.45
- e. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,220,258.41
- f. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,360,000.04
- g. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,717,500.00
- h. Figure shown is rounded to the nearest thousand; actual holding is as follows: 19,503,071.90
- i. Figure shown is rounded to the nearest thousand; actual holding is as follows: 112,724,571.90
- j. Figure shown is rounded to the nearest thousand; actual holding is as follows: 131,091,571.90

STATE OF MINNESOTA
STATE BOARD OF INVESTMENTUNITED STATES GOVERNMENT-GUARANTEED BONDS AND CORPORATE BOND HOLDINGS - PERMANENT SCHOOL FUND
December 31, 1969

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
U.S. GOVERNMENT-GUARANTEED OBLIGATIONS					
American Mail Line, Ltd.	Govt. Guaranteed Bond	3-1-93	6%	6.00	\$ 1,470
American President Lines, Ltd.	Govt. Guaranteed Bond	11-1-91	4.80	4.80	1,470
American President Lines, Ltd.	Govt. Guaranteed Bond	11-1-92	5.60	5.60	1,438
Delta Steamship Lines, Inc.	Govt. Guaranteed Bond	3-1-86	5 1/2	5.50	1,341
Eagle Terminal Tankers, Inc.	Govt. Guaranteed Bond	6-1-89	6	6.00	4,065
Farrell Lines, Inc.	Govt. Guaranteed Bond	4-1-88	8.05	8.05	2,500
Grace Line, Inc.	Govt. Guaranteed Bond	2-1-92	5.10	5.10	1,500
Intercontinental Bulktank Corp.	Govt. Guaranteed Bond	9-1-90	7.80	7.80	1,250
Matson Navigation Company	Govt. Guaranteed Bond	11-10-94	7 1/2	7.50	1,000
Moore-McCormack Lines, Inc.	Govt. Guaranteed Bond	4-1-87	5 3/4	5.87	1,678
Overseas Bulktank Corp.	Govt. Guaranteed Bond	12-1-90	7.80	7.80	1,250
Penn Tanker Company	Govt. Guaranteed Bond	10-1-89	6	6.00	1,475
Prudential Lines, Inc.	Govt. Guaranteed Bond	5-1-95	6	6.00	2,500
States Steamship Company	Govt. Guaranteed Bond	3-31-93	5.10	5.10	1,500
United States Lines	Govt. Guaranteed Bond	10-1-87	5.00	5.00	1,426
United States Lines	Govt. Guaranteed Bond	11-1-86	4 3/8	4.375	895
<i>Total U.S. Government-Guaranteed Obligations</i>				6.09%	\$ 26,758
CORPORATE BOND OBLIGATIONS					
PUBLIC UTILITY OBLIGATIONS					
ELECTRIC					
Duke Power Co.	First & Refunding Mortgage	2-1-95	4 1/2	4.47	\$ 1,500
Florida Power & Light Co.	First Mortgage	4-1-94	4 5/8	4.50	1,200
Gulf Power Co.	First Mortgage	9-1-71	3 1/8	4.55	1,348
Hawaiian Electric Co., Ltd.	First Mortgage	7-1-93	4.45	4.45	1,000
Indiana & Michigan Electric Co.	First Mortgage	8-1-93	4 3/8	4.42	1,000
Interstate Power Co.	First Mortgage	5-1-93	4 3/8	4.39	1,000
Iowa Power & Light Co.	S/F Debenture	4-1-89	4 5/8	4.57	1,200
Jersey Central Power & Light Co.	Debenture	10-1-88	4 5/8	4.56	960
Long Island Lighting Co.	First Mortgage	6-1-95	4.55	4.55	1,200
Massachusetts Electric Co.	First Mortgage	12-1-93	4 5/8	4.55	1,100
Montana-Dakota Utilities Co.	S/F Bond	7-1-84	4 5/8	4.615	962
Northern States Power Co.	First Mortgage	9-1-93	4 3/8	4.375	1,000
Otter Tail Power Co.	First Mortgage	11-1-93	4 5/8	4.60	992
Potomac Edison Co.	First Mortgage & Coll. Trust	3-1-94	4 5/8	4.55	1,200
Public Service Co. of Indiana	First Mortgage	7-1-82	3 3/8	4.38	1,100
Public Service Electric & Gas Co.	First & Refunding Mortgage	9-1-94	4 5/8	4.53	1,200
Southern California Edison Co.	First & Refunding Mortgage	3-1-89	4 3/8	4.44	1,500
Southwestern Public Service Co.	First Mortgage	2-1-94	4 1/2	4.50	1,200
<i>Total Electric Utility Obligations</i>				4.50%	\$ 20,662

UNITED STATES GOVERNMENT-GUARANTEED BONDS AND CORPORATE BOND HOLDINGS - PERMANENT SCHOOL FUND
December 31, 1969

ISSUE					
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)
GAS					
Arkansas Louisiana Gas Co.	First Mortgage	3-1-85	4 1/2	4.55	\$ 1,128
Columbia Gas System, Inc.	Debenture	5-1-89	4 5/8	4.64	1,200
The Gas Service Co.	First Mortgage	6-1-85	4.65	4.65	1,104
Michigan Consolidated Gas Co.	First Mortgage	6-1-89	4 3/4	4.60	1,200
Natural Gas Pipeline Co. of America	First Mortgage	9-1-86	6 1/4	6.34	1,000
Panhandle Eastern Pipe Line Co.	Debenture	2-1-84	4.60	4.60	1,200
Peoples Gas Light & Coke Co.	First & Refunding Mortgage	7-15-91	5 3/8	5.375	1,128
Suburban Propane Gas Corp.	Note	12-30-84	4 7/8	4.875	817
Total Gas Utility Obligations				4.93%	\$ 8,777
TELEPHONE					
American Telephone & Telegraph Co.	Debenture	9-15-84	3 1/4	4.40	\$ 1,000
American Telephone & Telegraph Co.	Debenture	5-1-99	4 3/8	4.365	1,500
The Bell Telephone Co. of Canada	First Mortgage	9-1-95	4.85	4.85	1,500
General Telephone Co. of Florida	First Mortgage	6-1-95	4 5/8	4.687	1,000
General Telephone Co. of Illinois	First Mortgage	9-1-95	4 7/8	4.875	1,200
General Telephone Co. of Indiana	First Mortgage	8-1-95	4.70	4.70	1,200
New York Telephone Co.	Refunding Mortgage	1-1-2004	4 5/8	4.53	1,500
Pacific Northwest Bell Telephone Co.	Debenture	12-1-2000	4 1/2	4.49	1,500
Total Telephone Utility Obligations				4.61%	\$ 10,400
Total Public Utility Obligations				4.62%	\$ 39,839
FINANCE OBLIGATIONS					
Beneficial Finance Co.	Note	3-1-89	4.60	4.60	\$ 1,000
Gulf Life Insurance Co.	Capital Note	6-1-89	4 3/4	4.75	1,200
Northwest Bancorporation	Debenture	10-15-90	4 3/4	4.78	1,500
Total Finance Obligations				4.72%	\$ 3,700
INDUSTRIAL OBLIGATIONS					
Aluminum Co. of America	Promissory Note	3-31-88	4 3/8	4.50	\$ 1,372
American Greetings Corp.	Promissory Note	10-1-84	4.70	4.70	938 ^b
American Metal Climax, Inc.	Note	8-1-88	4 1/2	4.50	950
Burlington Industries	S/F Debenture	7-15-90	4 3/4	4.80	1,200
Burroughs Corp.	Debenture	7-1-88	4 1/2	4.53	1,000
Cincinnati Milling Machine Co.	Note	1-15-85	4.60	4.60	1,000
Cummins Engine Co., Inc.	Note	7-15-90	4.60	4.60	1,200
Diamond Alkali Corp.	Note	5-1-89	4.65	4.65	1,200
Diebold, Inc.	Note	9-15-85	4.80	4.80	1,000
Dow Chemical Co.	Debenture	9-15-88	4.35	4.35	1,000
Dow Chemical Co.	Note	1-15-90	4 1/2	4.50	250
General Cable Corp.	Note	1-1-89	4 1/2	4.50	1,000
General Mills, Inc.	S/F Debenture	8-1-90	4 5/8	4.625	1,500
Gould National Batteries, Inc.	Note	11-1-80	4.85	4.85	1,200
Honeywell, Inc.	Note	4-1-90	4.55	4.55	1,500
Ingersoll Rand Co.	Note	1-1-91	4 3/4	4.75	1,150
Kern County Land Co.	Promissory Note	9-1-89	4.65	4.65	960
Lone Star Cement Corporation	S/F Debenture	7-1-90	4 7/8	4.875	1,500
Mead Corp.	Note	6-1-78	4 5/8	4.78	1,030
Mead Johnson & Co.	Promissory Note	5-1-84	4 5/8	4.625	1,050
Pillsbury Co.	Promissory Note	12-1-88	5 1/8	4.98	920
Scovill Manufacturing Co.	Note	9-15-90	4.80	4.80	1,170
Shell Oil Co.	Note	4-15-90	4 1/2	4.50	1,500
Sinclair Oil Corp.	S/F Debenture	12-15-88	4.60	4.60	1,200
Sprague Electric Co.	S/F Debenture	9-1-88	4 3/8	4.40	1,000
Standard Oil Co. of Indiana	Promissory Note	4-1-70/79	2.90	4.67	1,000
Standard Oil Co. of Indiana	Promissory Note	12-1-70/ 6-1-79	3	5.00	1,084
Standard Oil Co. of Ohio	Note	7-15-90	4.55	4.55	1,400
Sun Oil Co.	Debenture	11-15-90	4 5/8	4.69	1,500

UNITED STATES GOVERNMENT-GUARANTEED BONDS AND CORPORATE BOND HOLDINGS - PERMANENT SCHOOL FUND
December 31, 1969

ISSUE			Coupon	Average	Total
Company	Type of Security	Maturity Date (a)	Rate %	Yield %	Amount (000)
INDUSTRIAL OBLIGATIONS...continued...					
Swift & Co.	S/F Debenture	8-1-92	6.30	6.30	\$ 1,500
Texaco Inc.	Note	12-15-89	4 1/2	4.50	1,462 ^c
Union Carbide Corp.	Note	12-31-96	4 1/2	4.47	1,288 ^d
Witco Chemical Co., Inc.	Note	12-1-84	4.65	4.65	1,080
Youngstown Sheet & Tube Co.	First Mortgage S/F	7-1-95	4.60	4.60	1,500
<i>Total Industrial Obligations</i>				4.70%	\$ 39,604
TRANSPORTATION DEBT OBLIGATIONS					
Atchison, Topeka & Santa Fe Railway Co.	General Gold 4's	10-1-95	4	4.40	\$ 1,500
The Greyhound Corp.	Senior Note	5-15-84	6	5.63	1,200
Seaboard Air Line Railroad Co.	First Mortgage	12-1-88	4 5/8	4.65	1,000
Southern Railway Co.	First Mortgage	6-1-88	4 5/8	4.625	984
<i>Total Transportation Debt Obligations</i>				4.82%	\$ 4,684
RAILROAD EQUIPMENT OBLIGATIONS					
ACF Industries, Inc.	Equipment Trust	4-15-71/80	4.55	4.55	\$ 1,500
Chesapeake & Ohio Railway Co.	Conditional Sale	6-1-70/78	4.40	4.40	860 ^e
Chicago, Burlington & Quincy Railroad Co.	Conditional Sale	6-15-70/ 12-15-80	4 7/8	4.875	1,068 ^f
General American Transportation Corp.	Equipment Trust	7-15-84	4 5/8	4.59	1,422
Illinois Central Railroad Co.	Conditional Sale	2-15-83	6 7/8	6.875	1,500
Kansas City Southern Railway Co.	Conditional Sale	1-15-70/ 7-15-73	4.35	4.35	788 ^g
Kansas City Southern Railway Co.	Conditional Sale	1-15-74/ 7-15-78	4.45	4.45	492 ^h
Kansas City Southern Railway Co.	Conditional Sale	4-1-71/75	4 5/8	4.625	1,500
Norfolk & Western Railway Co.	Conditional Sale	12-15-70/79	4 1/2	4.50	1,500
North American Car Corp.	Equipment Trust	9-1-70/73	4.55	4.55	400
North American Car Corp.	Equipment Trust	9-1-74/78	4.65	4.65	1,000
Seaboard Air Line Railroad Co.	Equipment Trust	4-15-71/75	4 1/4	4.45	1,500
Southern Pacific Co.	Equipment Trust	4-1-71/73	4 1/4	4.45	1,500
Southern Pacific Co.	Conditional Sale	12-15-70/80	4.80	4.80	879 ⁱ
Western Pacific Railroad Co.	Conditional Sale	3-15-71/80	4.55	4.55	1,000
<i>Total Railroad Equipment Obligations</i>				4.76%	\$ 16,909
TOTAL CORPORATE OBLIGATIONS				4.69%	\$104,736
TOTAL U.S. GOVERNMENT-GUARANTEED AND CORPORATE OBLIGATIONS				4.97%	\$131,494

- a. Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date. Maturity dates for Penn Tanker Company and Prudential Lines, Inc. are estimated as they are dependent upon final determination of the delivery dates of the vessels.
- b. Figure shown is rounded to the nearest thousand; actual holding is as follows: \$ 937,500.00
- c. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,462,500.00
- d. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,288,356.15
- e. Figure shown is rounded to the nearest thousand; actual holding is as follows: 860,092.20
- f. Figure shown is rounded to the nearest thousand; actual holding is as follows: 1,067,643.05
- g. Figure shown is rounded to the nearest thousand; actual holding is as follows: 787,567.35
- h. Figure shown is rounded to the nearest thousand; actual holding is as follows: 492,229.59
- i. Figure shown is rounded to the nearest thousand; actual holding is as follows: 878,910.45

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule VII

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND CORPORATE BOND HOLDINGS - RETIREMENT FUNDS

December 31, 1969

ISSUE						Public	State	Teachers'	Public	Highway
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	Employees Retirement Fund (000)	Employees Retirement Fund (000)	Retirement Fund (000)	Employees Police & Fire Fund (000)	Patrolmen's Retirement Fund (000)
U.S. GOVERNMENT-GUARANTEED OBLIGATIONS										
American President Lines	Government-Guaranteed Bond	11-1-91	4.80	4.80	\$ 100	-	-	-	\$ 100	-
Delta Steamship Lines, Inc.	Government-Guaranteed Bond	3-1-86	5 1/2	5.50	671	\$ 671	-	-	-	-
Grace Line Inc.	Government-Guaranteed Bond	12-1-87	4.20	4.20	1,004	913	-	-	91	-
Grace Line Inc.	Government-Guaranteed Bond	2-1-92	5.10	5.10	850	750	-	-	100	-
Gulf & South American	Government-Guaranteed Bond	12-31-88	4 1/4	4.25	404	404	-	-	-	-
Gulf & South American	Government-Guaranteed Bond	12-31-88	4.20	4.20	404	323	-	-	81	-
Moore-McCormack Lines, Inc.	Government-Guaranteed Bond	7-1-83	4.20	4.20	962	875	-	-	87	-
Moore-McCormack Lines, Inc.	Government-Guaranteed Bond	4-1-87	5 3/4	5.75	2,217	693	\$ 555	\$ 693	138	\$ 138
United States Lines	Government-Guaranteed Bond	10-1-87	5	5.00	90	-	-	-	90	-
United States Lines	Government-Guaranteed Bond	11-1-86	4 3/8	4.375	90	-	-	-	90	-
<i>Total United States Government-Guaranteed Obligations</i>				4.97%	\$ 6,792	\$ 4,629	\$ 555	\$ 693	\$ 777	\$ 138
CANADIAN PROVINCIAL OBLIGATIONS										
The New Brunswick Electric Power Commission	S/F Debenture	11-15-91	6	6.16	\$ 1,400	\$ 500	\$ 400	\$ 500	-	-
New Brunswick Higher Education Commission	S/F Debenture	4-15-93	7	7.15	1,000	-	300	500	\$ 200	-
Province of Manitoba	Debenture	11-1-93	6 7/8	6.90	2,000	800	-	1,200	-	-
Province of Nova Scotia	S/F Debenture	8-1-93	7 1/4	7.20	2,900	800	700	1,000	250	\$ 150
Province of Ontario	Debenture	4-15-97	5 5/8	5.625	1,100	-	400	600	100	-
Province of Ontario	Debenture	12-1-97	6 7/8	6.96	1,300	700	200	400	-	-
<i>Total Canadian Provincial Obligations</i>				6.77%	\$ 9,700	\$ 2,800	\$ 2,000	\$ 4,200	\$ 550	\$ 150
CORPORATE BONDS										
PUBLIC UTILITY OBLIGATIONS										
ELECTRIC										
Alabama Power Co.	First Mortgage	4-1-90	5	5.01	\$ 426	\$ 122	\$ 87	\$ 217	-	-
Alabama Power Co.	First Mortgage	3-1-91	4 1/2	4.40	800	350	300	150	-	-
Arizona Public Service Co.	First Mortgage	9-1-97	6 1/4	6.25	1,200	-	500	700	-	-
Atlantic City Electric Co.	First Mortgage	3-1-91	4 1/2	4.37	600	-	-	600	-	-
California Electric Power Co.	First Mortgage	5-1-90	5 1/8	5.10	1,240	400	300	500	-	\$ 40
Carolina Power & Light Co.	First Mortgage	4-1-90	4 7/8	4.85	350	350	-	-	-	-
Central Illinois Light Co.	First Mortgage	3-1-90	4 7/8	4.90	1,000	250	250	500	-	-
Central Maine Power Co.	First Mortgage	11-1-90	5 1/4	5.10	684	-	294	293	\$ 58	39
Citizens Utilities Co.	Coll. Trust & First Mortgage	10-1-92	4 5/8	4.625	600	-	-	600	-	-
Commonwealth Edison Co.	First Mortgage	11-1-96	5 3/4	5.75	1,900	650	500	650	100	-
Consolidated Edison Co.	First & Refunding Mortgage	12-1-93	4 5/8	4.54	100	-	-	-	100	-
Consolidated Edison Co.	First & Refunding Mortgage	10-15-94	4.60	6.45	1,100	-	-	1,100	-	-

ISSUE						Public	State	Teachers'	Public	Highway
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	Employees Retirement Fund (000)	Employees Retirement Fund (000)	Retirement Fund (000)	Employees Police & Fire Fund (000)	Patrolmen's Retirement Fund (000)
PUBLIC UTILITY OBLIGATIONS (Continued)										
Dayton Power & Light Co.	First Mortgage	6-1-93	4.45	4.45	\$ 1,500	\$ 500	\$ 400	\$ 600	-	-
Georgia Power Co.	First Mortgage	11-1-90	4 7/8	4.88	800	500	200	-	\$ 60	\$ 40
Indiana & Michigan Electric Co.	First Mortgage	8-1-93	4 3/8	4.42	1,600	600	400	600	-	-
Interstate Power Co.	First Mortgage	5-1-93	4 3/8	4.39	1,000	-	400	500	50	50
Iowa-Illinois Gas & Electric Co.	First Mortgage	4-15-90	5	4.93	487	-	-	487	-	-
Jersey Central Power & Light Co.	Debenture	10-1-88	4 5/8	4.56	72	-	-	-	72	-
Kansas Gas & Electric Co.	First Mortgage	4-1-70	3 3/8	4.50	1,000	-	500	500	-	-
Long Island Lighting Co.	First Mortgage	6-1-95	4.55	4.55	400	-	400	-	-	-
Louisiana Power & Light Co.	First Mortgage	4-1-90	5	5.01	1,050	350	200	500	-	-
Metropolitan Edison Co.	First Mortgage	5-1-90	5	4.95	1,050	350	200	500	-	-
Montana-Dakota Utilities Co.	S/F Bond	7-1-84	4 5/8	4.605	48	-	-	-	48	-
Orange & Rockland Utilities Inc.	First Mortgage	4-15-91	4 7/8	4.80	1,400	500	350	550	-	-
Otter Tail Power Co.	First Mortgage	2-1-91	4 7/8	4.80	825	482	293	-	50	-
Otter Tail Power Co.	First Mortgage	11-1-93	4 5/8	4.625	222	197	-	-	25	-
Pacific Power & Light Co.	First Mortgage	4-1-92	4 3/4	4.69	460	-	-	400	60	-
Public Service Co. of New Hampshire	First Mortgage	7-1-92	4 5/8	4.54	650	300	350	-	-	-
Public Service Electric & Gas Co.	First & Refunding Mortgage	9-1-90	4 3/4	4.73	560	-	-	500	60	-
Puget Sound Power & Light Co.	First Mortgage	2-1-91	4 5/8	4.65	500	250	250	-	-	-
Puget Sound Power & Light Co.	First Mortgage	11-1-93	4 5/8	4.60	1,200	350	250	600	-	-
Rochester Gas & Electric	First Mortgage	7-1-98	6.70	6.70	2,000	800	-	1,000	150	50
Sierra Pacific Power Co.	First Mortgage	6-1-92	4 7/8	4.75	930	400	-	430	50	50
Southern California Edison Co.	First & Refunding Mortgage	9-1-85	4 3/8	4.43	500	-	-	500	-	-
Southern California Edison Co.	First & Refunding Mortgage	4-1-86	4 1/2	4.42	550	150	250	150	-	-
Southwestern Public Service Co.	First Mortgage	2-1-94	4 1/2	4.50	700	-	-	700	-	-
Tucson Gas & Electric Co.	First Mortgage	2-1-96	4 7/8	4.875	1,600	600	400	600	-	-
Total Electric Utility Obligations				5.01%	\$ 31,104	\$ 8,451	\$ 7,074	\$ 14,427	\$ 883	\$ 269
GAS										
Arkansas Louisiana Gas Co.	First Mortgage	4-1-83	4 3/8	4.45	\$ 1,400	\$ 500	\$ 400	\$ 500	-	-
Arkansas Louisiana Gas Co.	First Mortgage	3-1-85	4 1/2	4.55	1,504	564	376	564	-	-
Columbia Gas System, Inc.	Debenture	1-1-88	4 3/8	4.375	1,200	600	-	600	-	-
Gas Service Co.	First Mortgage	5-1-83	4.40	4.40	1,144	396	352	396	-	-
Laclede Gas Co.	First Mortgage	7-1-85	4 7/8	4.80	468	233	189	-	\$ 46	-
Louisiana Gas Service Co.	First Mortgage	6-1-87	4 1/2	4.70	1,550	500	500	400	100	\$ 50
Michigan Consolidated Gas Co.	First Mortgage	6-1-89	4 3/4	4.60	1,175	-	400	700	75	-
Michigan-Wisconsin Pipe Line Co.	First Mortgage	7-15-83	4 7/8	4.70	1,458	495	395	495	73	-
Milwaukee Gas Light Co.	First Mortgage	5-15-87	4 5/8	4.50	539	-	-	489	-	50
Natural Gas Pipeline Co. of America	First Mortgage	10-1-80	5	5.00	872	436	218	218	-	-
Natural Gas Pipeline Co. of America	First Mortgage	9-1-86	6 1/4	6.34	500	-	300	-	100	100
Northern Natural Gas Co.	Debenture	11-1-81	4 7/8	4.80	975	475	-	477	-	23
Northwest Natural Gas Co.	First Mortgage	1-1-89	4 3/4	4.72	1,600	600	400	600	-	-
The Peoples Gas Light & Coke Co.	First & Refunding Mortgage	7-15-91	5 3/8	5.375	376	-	376	-	-	-
Southern Counties Gas Co. of California	First Mortgage	8-1-85	4 3/4	4.60	1,165	397	240	492	36	-
Southern Natural Gas Co.	First Mortgage	12-1-81	4 3/4	4.75	1,060	404	328	328	-	-
Southern Union Gas Co.	First Mortgage	10-1-86	4.80	4.80	600	-	-	600	-	-
Springfield Gas Light Co.	Note	1-15-87	4 7/8	4.875	752	470	282	-	-	-
Texas Eastern Transmission Corp.	First Mortgage	12-1-81	4 7/8	4.915	1,225	377	377	471	-	-
Transcontinental Gas Pipe Line Corp.	First Mortgage	11-1-81	5	5.08	1,437	502	413	522	-	-
Transcontinental Gas Pipe Line Corp.	First Mortgage	11-1-82	4 7/8	4.82	716	287	281	-	54	94
Trunkline Gas Co.	First Mortgage	1-1-82	5	5.00	1,170	390	390	390	-	-
Washington Gas Light Co.	First Mortgage	3-1-91	5.20	5.20	400	-	400	-	-	-
Total Gas Utility Obligations				4.77%	\$ 23,286	\$ 7,626	\$ 6,617	\$ 8,242	\$ 484	\$ 317

ISSUE		Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Public Employees Police & Fire Fund (000)	Highway Patrolmen's Retirement Fund (000)
Company	Type of Security									
PUBLIC UTILITY OBLIGATIONS (Continued)										
TELEPHONE										
American Telephone & Telegraph Co.	Debenture	10-1-96	4 3/8	4.30	\$ 1,600	\$ 500	\$ 400	\$ 600	\$ 100	-
The Bell Telephone Co. of Canada	First Mortgage	9-1-95	4.85	4.85	500	-	-	500	-	-
The Bell Telephone Co. of Canada	First Mortgage	9-17-98	6.90	6.90	2,000	800	700	500	-	-
General Telephone Co. of Florida	First Mortgage	5-1-93	4 1/2	4.50	500	-	-	500	-	-
General Telephone Co. of Illinois	First Mortgage	9-1-95	4 7/8	4.875	900	-	400	500	-	-
General Telephone Co. of Indiana	First Mortgage	8-1-95	4.70	4.70	900	-	400	500	-	-
General Telephone Co. of the Northwest, Inc.	First Mortgage	6-1-99	7 1/8	7.125	2,550	700	600	1,000	150	\$ 100
Illinois Bell Telephone Co.	First Mortgage	7-1-97	4 7/8	4.75	500	250	200	-	50	-
New York Telephone Co.	Refunding Mortgage	1-1-2004	4 5/8	4.53	1,400	700	-	700	-	-
Pacific Northwest Bell Telephone Co.	Debenture	12-1-2000	4 1/2	4.49	1,000	600	400	-	-	-
Rochester Telephone Corp.	First Mortgage	9-1-93	4 3/4	4.70	500	-	-	500	-	-
United Telephone Co. of Ohio	First Mortgage	7-1-98	6 7/8	6.875	2,475	792	693	990	-	-
The United Telephone Co. of Pennsylvania	First Mortgage	11-1-98	6 5/8	6.625	1,238	-	-	1,238	-	-
Total Telephone Utility Obligations				5.78%	\$ 16,063	\$ 4,342	\$ 3,793	\$ 7,528	\$ 300	\$ 100
WATER										
Indianapolis Water Co.	First Mortgage	1-1-92	4 3/4	4.70	\$ 1,000	\$ 400	\$ 300	\$ 300	-	-
Indianapolis Water Co.	First Mortgage	8-1-97	5 7/8	5.875	600	-	-	600	-	-
Total Water Utility Obligations				5.14%	\$ 1,600	\$ 400	\$ 300	\$ 900	-	-
Total Public Utility Obligations				5.11%	\$ 12,053	\$ 20,819	\$ 17,784	\$ 31,097	\$ 1,667	\$ 686
FINANCE OBLIGATIONS										
American Investment Co.	Note	1-1-91	5 1/4	5.25	\$ 1,150	-	\$ 450	\$ 600	\$ 100	-
American Investment Co.	Senior Note	11-1-86	6 3/4	6.75	1,500	\$ 500	400	500	100	-
Beneficial Finance Co.	Note	3-1-89	4.60	4.60	1,400	500	400	500	-	-
CIT Financial Corp.	Debenture	10-1-86	6 3/8	6.42	1,850	-	600	1,000	100	\$ 150
Household Finance Corp.	Debenture	9-15-93	4 7/8	4.91	1,000	-	450	550	-	-
Household Finance Corp.	Debenture	1-1-90	7 1/4	7.30	1,750	900	255	450	145	-
John Deere Credit Co.	Debenture	10-31-90	5	5.00	1,050	-	450	600	-	-
Total Finance Obligations				5.92%	\$ 9,700	\$ 1,900	\$ 3,005	\$ 4,200	\$ 445	\$ 150
INDUSTRIAL OBLIGATIONS										
Abbott Laboratories	S/F Debenture	1-15-93	6 1/4	6.29	\$ 1,135	-	-	\$ 1,000	\$ 135	-
Aluminum Co. of America	Promissory Note	3-31-88	4 3/8	4.375	1,348	\$ 450	\$ 360	538	-	-
American Greetings Corp.	Promissory Note	10-1-84	4.70	7.40	469	-	-	469	-	-
American Metal Climax, Inc.	Note	8-1-88	4 1/2	6.43	2,137	1,282	-	855	-	-
American Sterilizer Co.	Note	8-1-77	4 7/8	4.875	493	230	263	-	-	-
Ameripol, Inc.	Note	11-15-92	6 1/2	6.50	2,000	500	500	1,000	-	-
Archer-Daniels-Midland Co.	Promissory Note	3-1-88	4 3/8	5.13	2,400	624	432	1,200	144	-
Ashland Oil & Refining Co.	S/F Debenture	2-15-88	4.35	4.35	1,500	500	400	600	-	-
Beckman Instruments, Inc.	Promissory Note	10-1-86	5 5/8	5.625	1,600	600	400	600	-	-
The Bendix Corp.	S/F Debenture	12-1-92	6 5/8	6.625	2,400	700	600	1,000	100	-
Burlington Industries, Inc.	S/F Debenture	7-15-90	4 3/4	4.80	1,040	-	400	500	100	\$ 40
Burroughs Corp.	Debenture	7-1-88	4 1/2	4.53	500	-	-	500	-	-
Central Soya Co., Inc.	S/F Debenture	1-1-93	6 3/8	6.45	1,950	800	-	1,000	150	-
CIBA Corp.	Note	9-15-86	5.85	6.77	3,100	1,300	400	1,200	200	-
Cities Service Co.	Debenture	11-1-97	6 1/8	6.45	1,600	-	600	1,000	-	-
Continental Oil Co.	Note	12-1-89	5 7/8	5.875	1,600	600	400	600	-	-
Cummins Engine Co.	Note	7-15-90	4.60	5.33	1,500	500	-	1,000	-	-
Diebold Inc.	Note	9-15-85	4.80	4.80	500	-	-	500	-	-
Dow Chemical Co.	Note	1-15-90	4 1/2	4.50	800	-	-	700	100	-
Dow Chemical Co.	Note	4-1-91	5	5.125	1,500	550	400	550	-	-
Ekco Products Co.	S/F Debenture	8-1-87	4.60	4.60	1,000	350	-	600	50	-
Emporium-Capwell Co.	Note	5-1-83	4 1/2	6.38	2,100	665	280	1,120	35	-

ISSUE										
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Public Employees Police & Fire Fund (000)	Highway Patrolmen's Retirement Fund (000)
INDUSTRIAL OBLIGATIONS (Continued)										
Ford Motor Co.	Note	12-1-86	5 3/4	5.75	\$ 1,700	\$ 600	\$ 500	\$ 600	-	-
Gould National Batteries, Inc.	Note	11-1-80	4.85	4.85	900	-	400	500	-	-
Gulf Oil Corporation	Debenture	6-15-93	6 5/8	6.625	2,840	800	690	1,000	\$ 200	\$ 150
Halliburton Co.	Note	6-1-86	5.30	5.96	2,800	1,350	600	700	150	-
Honeywell, Inc.	Note	4-1-90	4.55	7.16	1,075	-	575	500	-	-
International Multi-Foods, Corp.	Note	3-1-88	4 1/2	4.50	956	478	-	478	-	-
The Kroger Co.	Note	10-1-81	4.80	4.80	1,200	400	320	480	-	-
Mead Corp.	Note	6-1-78	4 5/8	4.78	810	-	370	440	-	-
Mead Johnson & Co.	Promissory Note	5-1-84	4 5/8	4.625	613	-	-	525	44	44
Montgomery Ward & Co., Inc.	S/F Debenture	8-1-90	4 7/8	5.75	940	-	440	500	-	-
Owens-Illinois, Inc.	Note	2-1-91	5	5.38	1,950	850	400	600	100	-
Phillips Petroleum Co.	Note	12-15-86	6 1/4	6.25	1,750	550	400	600	100	100
Pillsbury Co.	Promissory Note	12-1-88	5 1/8	4.98	552	-	-	552	-	-
Shamrock Oil & Gas Corp.	Promissory Note	11-15-87	4 1/2	4.50	1,350	450	360	450	90	-
Shell Oil Co.	Note	4-15-90	4 1/2	6.36	1,000	-	-	1,000	-	-
Shell Canada Ltd.	Debenture	1-1-94	7 1/2	7.50	1,200	-	-	1,200	-	-
Sinclair Oil Corp.	S/F Debenture	12-15-88	4.60	5.33	1,775	600	400	775	-	-
The Singer Co.	Note	8-1-86	5 5/8	5.90	2,100	600	400	1,100	-	-
Sprague Electric Co.	S/F Debenture	9-1-88	4 3/8	4.40	550	-	-	550	-	-
Standard Oil Co. (California)	Note	12-1-92	6	6.12	1,350	-	200	1,000	150	-
Standard Oil Co. (Indiana)	Promissory Note	4-1-70/79	2.90	4.67	667	-	300	367	-	-
Standard Oil Co. (Indiana)	Promissory Note	12-1-70/ 6-1-79	3	5.00	604	604	-	-	-	-
Standard Oil Co. (Indiana)	Debenture	1-15-98	6	6.07	1,850	400	400	1,000	-	50
Standard Oil Co. (New Jersey)	Debenture	11-1-97	6	6.00	1,000	-	-	1,000	-	-
Standard Oil Co. (New Jersey)	Debenture	7-15-98	6 1/2	6.50	350	-	-	-	200	150
Standard Oil Co. (Ohio)	Note	7-15-90	4.55	4.55	400	-	-	400	-	-
Sun Oil Co.	Note	7-1-91	5 3/4	5.75	400	-	400	-	-	-
Swift & Co.	S/F Debenture	8-1-92	6.30	6.30	1,150	-	500	550	-	100
Swift & Co.	Debenture	6-1-86	4 7/8	5.78	1,973	440	352	961	220	-
Uarco, Inc.	Note	5-1-88	6 1/2	6.50	1,600	600	-	1,000	-	-
Union Oil Co. of California	Note	12-1-88	6 1/2	6.50	2,050	800	-	1,000	150	100
United States Steel Corp.	S/F Debenture	4-15-86	4 1/2	4.55	500	-	-	500	-	-
Worthington Corp.	Note	7-1-81	5	5.00	966	322	240	404	-	-
Youngstown Sheet & Tube Co.	First Mortgage	7-1-95	4.60	5.62	3,215	700	500	1,700	315	-
<i>Total Industrial Obligations</i>				5.78%	\$ 76,808	\$ 20,195	\$ 14,182	\$ 38,964	\$ 2,733	\$ 734
TRANSPORTATION DEBT OBLIGATIONS										
Atchison, Topeka & Santa Fe Railway Co.	General Gold 4's	10-1-95	4	4.40	\$ 500	-	-	\$ 500	-	-
Atlantic Coast Line Railroad Co.	First Mortgage	10-1-88	4 3/4	4.75	1,397	\$ 481	\$ 387	480	-	\$ 49
Louisville & Nashville Railroad Co.	Coll. Trust	12-1-87	4 7/8	4.95	1,500	500	400	450	\$ 50	100
Southern Railway Co.	First Mortgage	6-1-88	4 5/8	4.625	1,602	587	393	573	49	-
Western Maryland Railway Co.	First Mortgage	10-1-89	4.85	4.85	1,488	480	384	480	72	72
Miscellaneous Railroad Bonds	Bond	Various	Various	4.31	42	-	42*	-	-	-
<i>Total Transportation Debt Obligations</i>				4.76%	\$ 6,529	\$ 2,048	\$ 1,606	\$ 2,483	\$ 171	\$ 221
RAILROAD EQUIPMENT OBLIGATIONS										
ACF Industries, Inc.	Equipment Trust	11-1-70/75	4 3/4	4.75	\$ 810	\$ 300	\$ 210	\$ 300	-	-
ACF Industries, Inc.	Equipment Trust	1-15-70/77	4 7/8	4.875	672	272	272	-	\$ 128	-
ACF Industries, Inc.	Equipment Trust	4-15-70/81	5 5/8	5.625	640	256	240	-	144	-
ACF Industries, Inc.	Equipment Trust	5-15-84	7 5/8	7.625	1,430	230	200	1,000	-	-

ISSUE											
Company	Type of Security	Maturity Date (a)	Coupon Rate %	Average Yield %	Total Amount (000)	Public Employees Retirement Fund (000)	State Employees Retirement Fund (000)	Teachers' Retirement Fund (000)	Public Employees Police & Fire Fund (000)	Highway Patrolmen's Retirement Fund (000)	
RAILROAD EQUIPMENT OBLIGATIONS (Continued)											
Chesapeake & Ohio Railway Co.	Conditional Sale	11-1-70/78	4.55	4.55	\$ 1,136 ^b	\$ 420 ^b	\$ 296 ^b	\$ 420 ^b	-	-	
Chesapeake & Ohio Railway Co.	Conditional Sale	2-15-83	6 7/8	6.875	1,700	500	500	700	-	-	
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.	Conditional Sale	1-15-82	6 3/8	6.375	864 ^c	247 ^c	247 ^c	247 ^c	\$ 74 ^c	\$ 49 ^c	
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.	Conditional Sale	12-1-71/ 6-1-81	5 3/8	5.375	1,184 ^d	358 ^d	298 ^d	349 ^d	179 ^d	-	
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.	Conditional Sale	1-1-70/77	5 3/8	5.375	1,006 ^e	362 ^e	290 ^e	354 ^e	-	-	
Fruit Growers Express Co.	Equipment Trust	5-1-70/77	4.70	4.70	400	200	-	200	-	-	
Fruit Growers Express Co.	Equipment Trust	12-15-70/75	4 3/4	4.75	1,002	300	300	300	60	42	
Fruit Growers Express Co.	Equipment Trust	11-15-72/81	6	6.00	1,000	300	250	300	100	50	
Illinois Central Railroad Co.	Conditional Sale	2-15-83	6 7/8	6.875	2,450 ^f	700 ^f	600 ^f	1,000 ^f	-	150	
Kansas City Southern Railway Co.	Conditional Sale	12-15-70/ 6-15-76	4 1/2	4.50	1,112 ^f	380 ^f	352 ^f	380 ^f	-	-	
Louisville & Nashville Railroad Co.	Conditional Sale	1-15-86	6 7/8	6.875	2,520	700	560	1,120	140	-	
New York Central Railroad Co.	Equipment Trust	6-1-73	4 7/8	5.15	50	-	-	-	-	50	
Norfolk & Western Railway Co.	Conditional Sale	12-15-70/79	4 1/2	4.50	800	-	-	700	100	-	
Norfolk & Western Railway Co.	Conditional Sale	6-1-72/81	5 1/2	5.50	1,000	300	300	300	100	-	
Norfolk & Western Railway Co.	Conditional Sale	8-1-72/83	7 1/4	7.25	2,400	720	600	1,080	-	-	
North American Car Corp.	Equipment Trust	4-15-70/ 10-15-72	4.40	4.40	360	120	102	120	18	-	
North American Car Corp.	Equipment Trust	4-15-73/ 10-15-77	4 1/2	4.50	1,200	400	340	400	60	-	
St. Louis-San Francisco Railway Co.	Conditional Sale	7-1-70/ 1-2-77	4 3/4	4.75	973 ^g	360 ^g	255 ^g	358 ^g	-	-	
St. Louis-San Francisco Railway Co.	Conditional Sale	12-1-70/ 6-1-72	4 1/4	4.50	197 ^h	60 ^h	61 ^h	76 ^h	-	-	
St. Louis-San Francisco Railway Co.	Conditional Sale	1-1-72/83	6 3/4	6.75	1,320	-	480	720	120	-	
St. Louis-San Francisco Railway Co.	Conditional Sale	12-15-83	7 1/4	7.25	1,399	746	-	653	-	-	
Southern Pacific Co.	Equipment Trust	2-1-71/73	4 1/4	4.50	985	450	-	500	35	-	
Southern Pacific Co.	Conditional Sale	12-15-70/80	4.80	4.80	659 ⁱ	-	330 ⁱ	329 ⁱ	-	-	
Southern Pacific Co.	Conditional Sale	3-1-70/84	7 5/8	7.625	2,550	750	600	1,050	150	-	
Western Fruit Express Co.	Equipment Trust	1-1-70/ 7-1-75	4.85	4.85	730	180	120	430	-	-	
Western Fruit Express Co.	Equipment Trust	9-1-71/80	4.70	4.70	1,650	600	600	450	-	-	
Total Railroad Equipment Obligations					5.97%	\$ 34,201	\$ 10,213	\$ 8,403	\$ 13,836	\$ 1,408	\$ 341
TOTAL CORPORATE OBLIGATIONS					5.54%	\$199,291	\$ 55,175	\$ 44,980	\$ 90,580	\$ 6,424	\$ 2,132
TOTAL UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN PROVINCIAL AND CORPORATE OBLIGATIONS					5.58%	\$215,783	\$ 62,604	\$ 47,535	\$ 95,473	\$ 7,751	\$ 2,420

(See page 6 for footnotes)

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - RETIREMENT FUNDS

December 31, 1969

- a. Most corporate issues have substantial sinking funds and an average life far shorter than the stated maturity date.
- b. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|----------------------------------|-------------------|
| Public Employees Retirement Fund | \$ 419,999.98 |
| State Employees Retirement Fund | 295,811.73 |
| Teachers' Retirement Fund | <u>420,000.02</u> |
| Total | \$1,135,811.73 |
- c. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|-------------------------------------|------------------|
| Public Employees Retirement Fund | \$ 247,103.19 |
| State Employees Retirement Fund | 247,103.19 |
| Teachers' Retirement Fund | 247,103.19 |
| Public Employees Police & Fire Fund | 74,130.92 |
| Highway Patrolmen's Retirement Fund | <u>49,420.61</u> |
| Total | \$ 864,861.10 |
- d. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|-------------------------------------|-------------------|
| Public Employees Retirement Fund | \$ 358,206.49 |
| State Employees Retirement Fund | 298,505.40 |
| Teachers' Retirement Fund | 348,505.00 |
| Public Employees Police & Fire Fund | <u>179,103.24</u> |
| Total | \$1,184,320.13 |
- e. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|----------------------------------|-------------------|
| Public Employees Retirement Fund | \$ 362,342.61 |
| State Employees Retirement Fund | 289,874.11 |
| Teachers' Retirement Fund | <u>354,001.94</u> |
| Total | \$1,006,218.66 |
- f. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|----------------------------------|-------------------|
| Public Employees Retirement Fund | \$ 379,761.90 |
| State Employees Retirement Fund | 352,334.67 |
| Teachers' Retirement Fund | <u>379,761.90</u> |
| Total | \$1,111,858.47 |
- g. Rounded to nearest thousand; actual holdings are as follows:
- | | |
|----------------------------------|-------------------|
| Public Employees Retirement Fund | \$ 359,610.00 |
| State Employees Retirement Fund | 254,730.00 |
| Teachers' Retirement Fund | <u>358,560.00</u> |
| Total | \$ 972,900.00 |

UNITED STATES GOVERNMENT GUARANTEED BONDS, CANADIAN PROVINCIAL OBLIGATIONS AND
CORPORATE BOND HOLDINGS - RETIREMENT FUNDS
December 31, 1969

h. Rounded to nearest thousand; actual holdings are as follows:

Public Employees Retirement Fund	\$ 60,784.25
State Employees Retirement Fund	60,784.24
Teachers' Retirement Fund	<u>75,823.32</u>
Total	\$ 197,391.81

i. Rounded to nearest thousand; actual holdings are as follows:

State Employees Retirement Fund	\$ 329,591.46
Teachers' Retirement Fund	<u>329,591.46</u>
Total	\$ 659,182.92

*Purchased 1930-1951

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule VIII

UNITED STATES GOVERNMENT-GUARANTEED BONDS, CANADIAN PROVINCIAL
OBLIGATIONS AND CORPORATE BOND HOLDINGS
PERMANENT SCHOOL FUND AND BASIC RETIREMENT FUNDS
December 31, 1969

<u>UNITED STATES GOVERNMENT-GUARANTEED BONDS</u>			<u>BASIC RETIREMENT FUNDS</u>	
<u>PERMANENT SCHOOL FUND</u>			<u>BASIC RETIREMENT FUNDS</u>	
Dollar Amount (000)	%		Dollar Amount (000)	%
\$ 26,758	20.36%		\$ 6,792	3.15%
<u>CANADIAN PROVINCIAL OBLIGATIONS</u>			<u>BASIC RETIREMENT FUNDS</u>	
<u>PERMANENT SCHOOL FUND</u>			<u>BASIC RETIREMENT FUNDS</u>	
Dollar Amount (000)	%		Dollar Amount (000)	%
-	-		\$ 9,700	4.49%
<u>CORPORATE BOND HOLDINGS</u>			<u>BASIC RETIREMENT FUNDS</u>	
<u>PERMANENT SCHOOL FUND</u>			<u>BASIC RETIREMENT FUNDS</u>	
Dollar Amount (000)	%	CLASSIFICATION BY CORPORATE TYPE	Dollar Amount (000)	%
		Public Utility Obligations		
\$ 20,662	15.71%	Electric	\$ 31,104	14.42%
8,777	6.67	Gas pipeline & distribution	23,286	10.79
10,400	7.91	Telephone	16,063	7.44
-	-	Water	1,600	0.74
\$ 39,839	30.29%	TOTAL PUBLIC UTILITY OBLIGATIONS	\$ 72,053	33.39%
		Other Obligations		
\$ 3,700	2.81%	Finance	\$ 9,700	4.49%
39,604	30.12	Industrial	76,808	35.60
4,684	3.56	Transportation	6,529	3.03
16,909	12.86	Railroad Equipment	34,201	15.85
\$ 64,897	49.35%	TOTAL OTHER OBLIGATIONS	\$ 127,239	58.97%
\$ 104,736	79.64%	TOTAL CORPORATE OBLIGATIONS	\$ 199,291	92.36%
\$ 131,494	100.00%	TOTAL UNITED STATES GOVERNMENT-GUARANTEED, CANADIAN PROVINCIAL AND CORPORATE OBLIGATIONS	\$ 215,783	100.00%

DISTRIBUTION BY REDEMPTION FEATURE
AT TIME OF PURCHASE

BONDS PURCHASED - January 1 - December 31, 1969

<u>PERMANENT SCHOOL FUND</u>			<u>BASIC RETIREMENT FUNDS</u>	
Dollar Amount (000)	%		Dollar Amount (000)	%
-	-	Noncallable	\$ 7,880	29.96%
\$ 12,040	97.77%	10-year or more call or refunding protection	13,585	51.64
274	2.23	Discount bonds*	4,840	18.40
\$ 12,314	100.00%	TOTALS	\$ 26,305	100.00%

*These bonds have been purchased at substantial discounts from original offering prices and therefore are not likely to be called at par value or above prior to maturity. In most cases, they represent issues previously owned which have declined to attractive prices because of higher interest rates.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule IX

COMMON STOCKS HELD IN THE PERMANENT SCHOOL FUND AND RETIREMENT FUNDS

December 31, 1969

PERMANENT SCHOOL FUND

RETIREMENT FUNDS**

PERMANENT SCHOOL FUND		RETIREMENT FUNDS**							
Shares	Cost	Company	Total Shares	Public Employees Retirement Fund	State Employees Retirement Fund	Teachers' Retirement Fund	Public Employees Police & Fire Fund	Highway Patrolmen's Retirement Fund	Total Cost
CONSUMER-ORIENTED STOCKS									
Utilities									
Electric									
12255	\$ 484,163.99	American Electric Power	36452	12000	6937	17515	-	-	\$ 1,349,128.05
11500	522,901.25	Central & South West	40000	14000	11000	13500	1200	300	1,745,286.51
16000	440,612.50	Cincinnati Gas & Electric	53500	18000	10500	25000	-	-	1,455,449.63
13545	681,068.54	Commonwealth Edison	21514	6875	4565	9172	902	-	1,035,345.25
10900	507,277.47	Consumers Power	37020	13900	8000	14570	550	-	1,625,174.54
11700	829,793.69	Florida Power & Light	21500	5300	5000	9700	1500	-	1,504,937.90
12420	414,857.30	General Public Utilities	30657	9048	6760	13484	624	741	1,015,727.34
14500	685,636.25	Houston Lighting & Power	36300	8400	6300	20100	1500	-	1,566,131.88
14277	382,974.33	Interstate Power	29458	9957	4547	13186	1318	450	755,054.63
9800	404,228.80	Kansas City Power & Light	31700	10000	7000	12600	1400	700	1,226,912.33
16000	540,222.50	Louisville Gas & Electric	42000	14000	8000	20000	-	-	1,373,899.63
17000	392,087.50	Middle South Utilities	55800	18900	12000	21100	2200	1600	1,283,544.79
11500	279,054.00	Minnesota Power & Light	37300	13000	8600	15100	-	600	874,016.79
18500	629,327.97	Northern States Power	48500	11800	6000	28500	2200	-	1,514,483.56
11500	312,233.80	Ohio Edison	37000	13500	7500	16000	-	-	991,158.41
		*Otter Tail Power Company	26600	8500	7600	9000	1500	-	632,825.00
12500	421,028.80	Pacific Gas & Electric	39100	10000	6000	20900	2200	-	1,357,133.27
12100	554,252.13	Public Service of Indiana	46000	18000	6500	18800	1500	1200	2,054,532.15
13000	463,210.48	Southern California Edison	41500	12500	9000	18000	1300	700	1,437,175.08
14000	403,177.50	Southern Company	62100	19000	12500	26500	2600	1500	1,709,629.13
10000	580,268.50	Texas Utilities	23700	6000	4000	12500	1200	-	1,288,890.41
13000	437,599.22	Virginia Electric & Power	33898	7833	6166	17499	2400	-	1,057,339.87
4000	83,426.00	Wisconsin Public Service	15500	6500	4000	5000	-	-	317,360.66
	\$ 10,449,402.52	Total Electric							\$ 29,171,136.81
Gas									
9000	\$ 364,165.72	Arkansas-Louisiana Gas	27100	9000	5000	12000	1000	100	\$ 1,064,697.08
		*Minneapolis Gas	8700	3000	2500	2600	400	200	332,951.00
		Northern Illinois Gas	22500	8000	5500	9000	-	-	753,062.50
7500	270,095.41	Panhandle Eastern Pipe Line	26148	9600	4714	10924	910	-	921,917.17
9125	379,536.62	Peoples Gas	19925	6900	4000	8700	-	325	842,213.26
	\$ 1,013,797.75	Total Gas							\$ 3,914,841.01
Telephone-Telegraph									
14100	\$ 899,272.69	American Telephone & Telegraph	30006	8710	5150	14510	1636	-	\$ 1,756,130.63
14800	610,468.88	General Telephone & Electronics	51100	17500	9000	22000	2200	400	2,123,865.59
		United Utilities	20000	10000	-	10000	-	-	581,575.00
	\$ 1,509,741.57	Total Telephone-Telegraph							\$ 4,461,571.22
	\$ 12,972,941.84	Total Utilities							\$ 37,547,549.04

PERMANENT SCHOOL FUNDRETIREMENT FUNDS**

Shares	Cost	Company	Total Shares	Public Employees Retirement Fund	State Employees Retirement Fund	Teachers' Retirement Fund	Public Employees Police & Fire Fund	Highway Patrolmen's Retirement Fund	Total Cost
<u>Airlines</u>									
5800	\$ 205,657.33	American Airlines	19500	7200	3800	8500	-	-	\$ 641,939.91
7000	261,206.95	Delta Air Lines	36500	12300	8300	14100	1500	300	1,261,789.04
11884	334,458.20	Northwest Airlines	35138	7714	7770	17142	1370	1142	1,153,715.10
7200	220,829.00	Pan American World Airways	16700	7400	3200	5700	-	400	467,820.66
3200	184,866.40	UAL, Incorporated	22600	7500	6500	7100	1500	-	1,206,281.12
	\$ 1,207,017.88	Total Airlines							\$ 4,731,545.83
<u>Railroads</u>									
7100	\$ 415,362.55	Great Northern	14700	4000	3800	6000	500	400	\$ 876,809.56
3200	379,929.11	Norfolk & Western	11950	3500	2800	5250	400	-	1,231,295.81
4300	228,432.60	Northern Pacific	8500	1900	1600	5000	-	-	482,180.95
9500	371,067.38	Southern Pacific	19400	6000	5000	8000	-	400	730,213.47
6000	338,508.12	Southern Railway	19000	5500	4500	7500	1400	100	1,024,770.90
3500	139,097.60	Union Pacific Corp.	20100	5700	4300	8700	800	600	759,904.08
	\$ 1,872,397.36	Total Railroads							\$ 5,105,174.77
<u>Railroad Equipment</u>									
6400	\$ 264,786.57	ACF Industries	17900	6500	4000	6500	900	-	\$ 817,397.52
8750	136,126.53	Trans-Union	47500	15500	12500	17250	1750	500	1,107,659.72
	\$ 400,913.10	Total Railroad Equipment							\$ 1,925,057.24
	\$ 4,009,735.76	Total Transportation							\$ 13,756,461.48
	\$ 11,929,894.57	TOTAL DURABLES STOCKS							\$ 38,255,615.10
	\$ 48,920,911.25	TOTAL COMMON STOCKS							\$155,277,757.38
	214,605.63	Less profit on stocks sold							3,310,634.60
	\$ 48,706,305.62+	Net cost							\$151,967,122.78+

* These stocks have not been approved for investment in the Permanent School Fund.

** Excluding stocks transferred to the Minnesota Adjustable Fixed Benefit Fund on January 2, 1970.

+ Market valuation, as of 12-31-69, \$49,684,224.53.

+ Market valuation, as of 12-31-69, \$156,009,563.39.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule X

COMMON STOCKS HELD IN THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND

September 30, 1970

<u>Shares</u>	<u>Company</u>	<u>Total Cost</u>
CONSUMER-ORIENTED STOCKS		
<u>Utilities</u>		
62800	American Telephone & Telegraph	\$ 3,086,152.52
60000	Commonwealth Edison	2,254,975.00
37900	Florida Power & Light	2,420,087.50
57000	Houston Lighting & Power	2,221,422.50
60000	Northern Illinois Gas	1,840,214.39
77400	Northern States Power	1,899,400.01
70300	Pacific Gas & Electric	2,107,481.25
47000	Texas Utilities	2,508,187.50
82333	Virginia Electric & Power	1,864,973.88
	Total Utilities	<u>\$ 20,202,894.55</u>
 <u>Financial Services</u>		
<u>Banks</u>		
26100	First Bank System	\$ 1,407,550.00
26500	First National City Corp.	1,717,805.77
46600	Northwest Bancorporation	1,500,486.68
29000	Security Pacific National Bank	1,201,925.00
38800	Wells Fargo & Company	1,702,050.00
	Total Banks	<u>\$ 7,529,817.45</u>
 <u>Insurance</u>		
25800	Connecticut General Life Ins.	\$ 1,549,498.03
92500	Northwestern National Life	2,241,695.00
27000	Safeco	1,374,250.00
43600	St. Paul Companies	1,762,112.50
	Total Insurance	<u>\$ 6,927,555.53</u>
	Total Financial Services	<u>\$ 14,457,372.98</u>
 <u>Consumer Goods & Services</u>		
<u>Leisure Time</u>		
2000	Disney (Walt) Productions	\$ 213,310.54
	Total Leisure Time	<u>\$ 213,310.54</u>
 <u>Food-Beverage</u>		
20900	Coca-Cola	\$ 1,571,338.10
23900	General Foods	1,861,167.20
50000	General Mills	1,656,440.18
	Total Food-Beverage	<u>\$ 5,088,945.48</u>
 <u>Retail Trade</u>		
57000	Dayton-Hudson Corp.	\$ 1,785,331.45
37800	Penney (J.C.) Co., Inc.	1,948,816.67
25500	Sears Roebuck	1,720,901.51
	Total Retail Trade	<u>\$ 5,455,049.63</u>
	Total Consumer Goods & Services	<u>\$ 10,757,305.65</u>
	TOTAL CONSUMER-ORIENTED STOCKS	<u>\$ 45,417,573.18</u>

<u>Shares</u>	<u>Company</u>	<u>Total Cost</u>
RESEARCH STOCKS		
<u>Cosmetics & Drugs</u>		
24800	American Home Products	\$ 1,484,744.20
23800	Avon Products	1,927,827.48
32500	Gillette Company	1,641,942.37
16600	Merck & Company	1,631,778.44
51700	Pfizer Incorporated	1,679,172.87
15000	Schering Corporation	808,413.34
	Total Cosmetics & Drugs	\$ 9,173,878.70
<u>Electronics; Data Processing</u>		
20000	Burroughs Corp.	\$ 2,692,678.08
23000	Control Data Corp.	2,288,286.98
30100	Emerson Electric Co.	1,669,551.87
21377	Honeywell, Inc.	2,321,201.00
10332	International Business Machines	3,531,915.37
36000	International Telephone & Telegraph	1,852,314.48
	Total Electronics; Data Processing	\$ 14,355,947.78
<u>Technology</u>		
30000	Eastman Kodak	\$ 2,154,994.75
18413	Minnesota Mining & Manufacturing	1,729,889.16
15107	Polaroid Corp.	1,339,582.01
17550	Xerox Corp.	1,687,216.47
	Total Technology	\$ 6,911,682.39
	TOTAL RESEARCH STOCKS	\$ 30,441,508.87
NATURAL RESOURCES STOCKS		
<u>Petroleum</u>		
76800	Gulf Oil	\$ 2,334,454.58
54000	Standard Oil (Indiana)	2,560,968.53
40300	Standard Oil (New Jersey)	2,536,551.68
69300	Texaco	2,156,990.64
	TOTAL NATURAL RESOURCES STOCKS	\$ 9,588,965.43
DURABLES STOCKS		
<u>Airlines</u>		
78368	Northwest Airlines	\$ 1,834,333.75
	Total Airlines	\$ 1,834,333.75
<u>Automobiles & Auto Equipment</u>		
55800	Ford Motor Co.	\$ 2,529,837.26
42375	General Motors Corp.	3,128,981.58
91500	Goodyear Tire & Rubber Co.	2,518,257.79
	Total Automobiles & Auto Equipment	\$ 8,177,076.63
<u>Building & Construction</u>		
65000	Carrier Corp.	\$ 2,329,391.88
62800	Caterpillar Tractor	2,430,871.99
54200	Weyerhaeuser	2,132,241.77
	Total Building & Construction	\$ 6,892,505.64
	TOTAL DURABLES STOCKS	\$ 16,903,916.02
	TOTAL APPROVED STOCKS	\$102,351,963.50

The following stocks were transferred from the Municipal Employees Retirement Board (Minneapolis) and are not currently being purchased.

<u>Shares</u>	<u>Company</u>	<u>Total Cost*</u>
4811	Allied Chemical Corp.	\$ 98,625.50
5040	Bank America Corp.	341,145.00
6800	Bank of New York	362,100.00
5286	Boise Cascade	373,323.75
4300	Bristol-Myers	322,500.00
3000	Gerber Products	117,375.00
8800	Kimberly-Clark	330,000.00
4800	Lincoln National Corp.	375,600.00
4800	Owens-Illinois	297,600.00
3824	Standard Oil (California)	195,502.00
2400	Taft Broadcasting	64,800.00
8200	U.S. Life Corp.	312,625.00
6500	Warner Lambert	459,875.00
	Total Miscellaneous Stocks	\$ 3,651,071.25
	TOTAL COMMON STOCKS	<u>\$106,003,034.75</u>

*Includes transfer of stocks on June 30, 1969, August 29, 1969, October 31, 1969, December 31, 1969, February 27, 1970 and April 30, 1970 closings, plus subsequent purchases.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule XI

COMMON STOCKS HELD IN THE MINNESOTA VARIABLE ANNUITY FUND

September 30, 1970

<u>Shares</u>	<u>Company</u>	<u>Total Cost</u>
<u>CONSUMER-ORIENTED STOCKS</u>		
300	American Telephone & Telegraph	\$ 13,639.50
200	Florida Power & Light	13,025.00
200	Texas Utilities	10,250.00
200	Coca Cola	14,607.50
200	General Foods	15,236.99
100	Disney (Walt) Productions	10,665.53
200	Connecticut General Life	11,800.00
400	Northwest Bancorporation	11,850.00
	TOTAL CONSUMER-ORIENTED STOCKS	<u>\$101,074.52</u>
<u>RESEARCH STOCKS</u>		
100	duPont (E.I.)	\$ 11,634.68
200	Eastman Kodak	12,955.86
200	Emerson Electric	10,669.58
50	International Business Machines	12,682.43
500	Pfizer Incorporated	15,916.66
400	Union Carbide	15,467.52
	TOTAL RESEARCH STOCKS	<u>\$ 79,326.73</u>
<u>NATURAL RESOURCES STOCKS</u>		
200	Mobil Oil	\$ 10,050.00
200	Louisiana Land & Exploration	11,003.90
	TOTAL NATURAL RESOURCES	<u>\$ 21,053.90</u>
<u>DURABLES STOCKS</u>		
400	Caterpillar Tractor	\$ 13,400.00
200	General Motors Corp.	12,486.67
600	Goodyear Tire & Rubber Co.	15,659.89
300	Weyerhaeuser	14,082.72
	TOTAL DURABLES STOCKS	<u>\$ 55,629.28</u>
	TOTAL COMMON STOCKS	<u>\$257,084.43</u>



MEMBERS OF BOARD:

GOVERNOR HAROLD LE VANDER
STATE AUDITOR WILLIAM J. O'BRIEN
STATE TREASURER VAL BJORNSON
SECRETARY OF STATE JOSEPH L. DONOVAN
ATTORNEY GENERAL DOUGLAS N. HEAD

ROBERT E. BLIXT
EXECUTIVE SECRETARY

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Room 105, MEA Building
55 Sherburne Avenue
Saint Paul 55103

November 16, 1970

SUPPLEMENT TO 1970 REPORT OF THE INVESTMENT DEPARTMENT
DISTRIBUTION OF SECURITIES BUSINESS

To: Members of the Minnesota Legislature and Investment
Underwriters, Brokers, and Dealers

From: Robert E. Blixt, Executive Secretary

The following schedules detail the distribution of securities business by Minnesota's State Board of Investment during 1969. We have found continued interest in this allocation by fund beneficiaries, elected officials, brokerage houses, investment bankers and the taxpayers generally.

We have made several changes in our methods of handling securities transactions in 1970 and expect to make further adjustments during the coming year. We have increased our use of block trades and are somewhat more dependent upon those firms specializing in this type of transaction. We have dealt with several organizations which have offered specialized computer information and have attempted to repay these organizations with commission business. As yet, these programs have been less than entirely satisfactory; we expect further modifications in 1971. Our future business will be concentrated with those organizations which are able to provide the types of service most desirable and necessary to our particular fund needs.

All details regarding the State's securities transactions are available to interested parties, and are provided to each member of the State Board of Investment and to the press at Board meetings.

The accompanying schedules in this report simply list the number of shares purchased or sold, or the face value in the case of bond transactions. This listing is not necessarily indicative of the commissions involved because of the impossibility of determining the exact profit or loss associated with any transaction handled on a competitive or a net price basis. After a review of departmental operations by the Public Employee Retirement Systems Interim Commission, the 1965 Legislature passed a bill, now Minnesota Statutes 1969, Section 11.13, which reads as follows:

"All securities purchased or sold by the state board of investment, except stocks listed or traded on a major United States stock exchange, securities bound by underwriting restrictions, or securities classified as private placements and offered only to a limited number of institutional investors, shall be purchased or sold on the basis of competitive offerings or bids received from at least two firms known to specialize in the securities being traded and likely to position these securities in relevant quantities."

Except in instances where specific research, proven trading ability, or particular services are involved, distribution of business on a price basis appears to be a most effective method. This consists of the acceptance of competitive offerings and bids from dealers who are either prime markets or are known to position these particular securities in quantities desired for the State funds. During recent years, price has been the dominant factor in transactions involving U.S. Treasury securities, unlisted stocks, corporate bonds purchased after the termination of underwriting syndicates, and a significant percentage of listed stocks. We have found definite disadvantages to the use of open, competitive offerings and bids in transactions involving large blocks of stocks. It appears that it is preferable to deal with one lead broker or dealer in these instances; under Minnesota law, however, we must check with other firms to be assured of a satisfactory price.

In many instances, however, a number of dealers may provide the same merchandise at identical prices. This applies particularly to corporate bonds still in syndicate and to stocks that are purchased over a major exchange. Factors involved in the placement of these orders include the extent of participation by various dealers in the bond syndicates, the location of the offices (Minnesota dealers given some preference), and the utility of research material provided by the firms.

We have been questioned concerning the possible loss which could result from the bankruptcy of any organization dealing with the State. It is presumed that the accounts would be protected in such an instance because the State pays for securities only after they are received, in good form, by banks in either New York or the Twin Cities for the State of Minnesota.

The following resumes outline the State's policies in distributing securities business; the listings show the firms with which the State completed specific transactions. It is to be emphasized that this supplement in no way signifies approval, endorsement, or license of such firms by any State agency. The regulation of securities and dealers in Minnesota is handled by the Securities Division of the Department of Commerce. The investment department, on the other hand, concerns itself only with obtaining debt securities and stocks at the lowest possible price, consistent with the receipt of necessary research materials and service.

Schedule 1. U.S. Treasury Securities Transactions

All purchases and sales of U.S. Treasury obligations are placed on a competitive basis. In transactions of larger size and longer maturity, in which cases it is probable that Minnesota banks do not position the securities in appropriate quantities, offerings or bids have been sought from two or three Minnesota banks and from various prime market dealers. If a Minnesota bank contacted is able to equal the best price quoted by any other dealer, the purchase or sale is completed through that particular bank. Repurchase agreements are negotiated on a competitive basis through those banks and securities firms which have expressed an interest in providing this type of security. These transactions consist simply of the purchase of U.S. Government securities, with a simultaneous sale of such securities to the same dealer at some later date. In this way, the amount of net income is set at the time of the initial purchase.

Schedule 2. Purchases and Sales of Short-Term Corporate Notes

During 1969, the use of short-term corporate notes of prime quality increased substantially because of new legislation. In previous years, these notes were bought for the highway and retirement funds on the basis of the highest yield available for the particular maturity date desired, consistent with the maintenance of adequate diversification of corporate credits. Securities issued by firms with assets of over \$500 million became eligible for use in the Invested Treasurer's Cash Fund in early 1969; substantial additional investments were made for this account. We have felt it necessary to use well-known, marketable names and to have prior agreements with the vendors that they will repurchase the notes if the State funds need cash. The nation-wide publicity given several nationally known corporations with liquidity problems in mid-1970 caused the investment department to review its use of these notes. We have continued the purchase of prime quality issues, but have subjected these securities to even closer scrutiny.

Schedule 3. Private Placements of Fixed-Income Securities

Certain debt issues of leading national corporations are used by the investment department if they have received a rating of "A" or better by a recognized service and have met definite statutory requirements. Because of the quality and size of these issues, their value is ascertainable from current market conditions and a required degree of marketability is assured. Such transactions must be completed through the investment firms handling the issue for the particular corporation desiring the funds. In order to avoid being the sole determinant as to interest rate, the investment department has purchased only a portion of an individual issue, with other recognized institutional buyers participating at the same price and interest rate.

Schedule 4. Debt Obligations Purchased at Time of Offering on a Designated Basis

Bonds in the amounts indicated were bought at the time of offering when the issues were readily available from members of the syndicates. The orders were placed only with those firms that assumed the underwriting risk and held the bonds. The largest individual order was placed with the chief underwriter in those cases when this particular firm had sufficient bonds available; this syndicate leader was asked to provide the billings and deliveries for all members of the account. The State accepts bonds only in large registered pieces. Somewhat larger orders were placed with major participants in the syndicates and with firms having offices in Minnesota.

Schedule 5. Debt Obligations Purchased at or After Time of Offering Through Dealers Having Bonds Available

This schedule includes a listing of orders for bonds placed on the basis of availability, with consideration, when possible, of the factors mentioned previously. In certain instances, such purchases were of issues in great demand by institutional investors; in other cases, the decision to buy the bonds was made after a large portion had been sold by the members of the syndicate. These transactions were completed on the basis of offerings to our department or through firms known to have unsold balances of the issues involved.

Schedule 6. Corporate Bonds Purchased Through Secondary Offerings

Additional bonds and portions of private placements of issues already owned by State funds were purchased in these accounts on the basis of offerings made to the State Board of Investment. The price was checked with other firms likely to maintain a market for the same or similar securities.

Schedule 7. Common Stock Purchases Allocated by Investment Department

These purchases, completed through a major exchange or at the time of a secondary distribution, were allocated on the basis of service received by the investment department. We favored those firms providing the most beneficial research material or, to a lesser extent, the investment bankers furnishing attractive private placements of fixed income securities and attractive bonds in useable quantities.

The distribution of brokerage business on the basis of "service" or "research" leads to inequities in the cases of public funds. During the past decade, we have been placed on the mailing list of practically every major investment banker and brokerage house in the United States. We do not have the time or staff to evaluate, file, or read even a small part of this material, and have found it necessary to confine attention primarily to the reports from those firms which have provided particularly valuable information over the years.

The recent entry of many State and public funds into the corporate securities market has resulted in more interest in these accounts on the part of many research organizations. Several outstanding firms may believe that their research should be used to a greater extent; nevertheless, it is impossible for us to use the volume of written materials presented to us. It appears unjustified to allocate State business on the basis of the amount of incoming mail or the frequency of sales-oriented memoranda. Even though many firms specializing in the short-term performance-conscious accounts showed outstanding results from their recommendations during the 1966-1969 period, we feel it may be inappropriate to compensate for this material with securities orders when we do not have the procedural flexibility necessary to use this information, nor statutory or board approval to use this type of security. Written research materials, teletype messages, and discussions with analysts have been most beneficial. Telephone calls regarding future securities offerings and our possible interest in forthcoming bond issues are discouraged.

It has been our hope for several years that we could reduce the number of firms with whom we conduct stock transactions. Not only would records be simplified, but we would then be able to concentrate our business with organizations which have best demonstrated their effectiveness in working with us. Nevertheless, we are dependent upon the nation's securities industry as a whole for our private placements, and have needed the services of numerous organizations in obtaining bonds and specialized information. Consequently, the list of dealers will continue to be longer than that deemed appropriate by most private funds. We have appreciated the fact that brokers and dealers in Minnesota and elsewhere have understood the necessity for our dealing with numerous firms, regardless of geographical location.

Since early 1970, the investment department has received the services of the AutEx organization, which provides detailed current televised information concerning blocks of stocks which may be of interest to us. The investment staff has increased its use of this information in recent months and finds that the data thus provided has led to the completion of transactions on a basis which appears most attractive. Late in 1970, certain members of the investment staff assumed definite trading responsibilities so as to follow more closely the information provided by AutEx and various securities firms.

The distribution of business listed under Schedule 7 does not indicate any future allotment of common stock orders; this will vary with our degree of dependence upon the many securities organizations for research and service.

Schedule 8. Common Stock Purchases Negotiated or Ordered on the Basis of Lowest Available Price

During 1969, no purchases were made of over-the-counter stocks until the offerings had been checked with two or more dealers. We attempted to contact organizations specializing in the particular stocks to be bought.

Substantial blocks of stocks were purchased from several large firms that buy and sell securities at a net price. This usually results in a definite saving to the customer when compared with the latest quotations on the major exchanges, including the standard commissions. The off-board, or "third" market, has proved to be very helpful, especially in obtaining stocks that show comparatively low trading activity on the major exchanges. Our experience during the past eight years indicates that savings on these transactions may approximate 3/8 to 1/2 of a point per share, or \$375 to \$500 per thousand shares.

These off-board trades are handled on a competitive basis, with two to four dealers contacted simultaneously. The dealers have been able to make markets of the size needed by our State funds in those stocks in which they specialize. Until recently, our trades generally ranged from 500 to 2000 shares. During 1969 and 1970, numerous trades involving substantially larger blocks of stocks have taken place. This has meant the use of New York Stock Exchange firms specializing in "block trades" and of third market organizations which are known for their ability to match buyers and sellers. It is expected that more future business will be allocated to these firms with demonstrated capability to handle such transactions efficiently.

The advantage of off-board transactions and block trades is that they allow the State to buy quantities of stock at one predetermined net price for all the various accounts. These third market and block purchases also minimize the number of separate trades and the accompanying accounting procedures.

It is not our intent to become unduly concerned with the relative merits of the major exchanges versus the third market; we are simply pointing out the advantages of using all three recognized markets -- major exchanges, over-the-counter market, and the third market -- for the benefit of the State funds.

Schedule 9. Common Stock Sales

The stocks indicated were sold through the markets which appeared to be appropriate at the time of the transactions. When the "over-the-counter" or "third" markets were used, bids were checked with two or more dealers. Commission business was allocated as described for stock purchases.

* * * * *

Suggestions by other public fund managers and institutional investors regarding the equitable distribution of our securities business have been most helpful; we continue to welcome this constructive interest and advice. The members of the State Board of Investment, acting through the investment department, are trustees for the beneficiaries of the retirement funds, for the State's educational institutions, and for the citizenry of Minnesota. This responsibility is recognized in conducting the securities business so as to retain the confidence of these groups. Their ultimate good must be placed ahead of all other considerations.

Respectfully submitted,



Robert E. Blixt, C.F.A.
Executive Secretary

REB:la

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 1

PURCHASES AND SALES OF U.S. TREASURY OBLIGATIONS
January 1 - December 31, 1969

A. PURCHASES (in thousands)

Dealer	1-30 days	31-90 days	91 days- 1 year	Over 1 year	Total
Bankers Trust Company	-	\$ 11,135.0	\$ 5,163.0	\$ 3,000.0	\$ 19,298.0
A.G. Becker & Company	-	1,500.0	-	-	1,500.0
Blyth & Company, Inc.	-	-	1,000.0	-	1,000.0
Briggs & Schaedle Company, Inc.	-	-	-	1,000.0	1,000.0
Chemical Bank N.Y. Trust Company	-	1,000.0	-	5,000.0	6,000.0
Discount Corporation	-	-	4,905.0	-	4,905.0
Francis I. duPont	-	-	8,310.0	-	8,310.0
Eastman Dillon Union Securities	-	-	-	2,000.0	2,000.0
First Boston Corporation	-	-	1,310.0	5,000.0	6,310.0
First National Bank, Chicago	-	8,655.0	8,130.0	-	16,785.0
First National Bank, St. Paul	\$ 3,372.0	34,362.0	23,102.0	578.0	61,414.0
Goldman Sachs & Company	100.0	-	-	-	100.0
Harris Trust & Savings Bank (Chicago)	1,000.0	3,655.0	19,655.0	4,000.0	28,310.0
Aubrey G. Lanston & Company, Inc.	-	26,935.0	35,143.0	-	62,078.0
Lehman Commercial Paper, Inc.	-	-	9,490.0	-	9,490.0
Merrill Lynch, Pierce, Fenner & Smith	-	5,065.0	32,900.0	10,000.0	47,965.0
Morgan Guaranty Trust Company	-	-	2,500.0	-	2,500.0
New York Hanseatic Corporation	120.0	2,000.0	10,900.0	6,000.0	19,020.0
Northwestern National Bank, Minneapolis	6,053.0	24,967.0	79,513.0	5,000.0	115,533.0
Salomon Brothers	950.0	13,995.0	28,715.0	5,000.0	48,660.0
U.S. Treasury	-	-	219.0	39,758.0	39,977.0
Totals	\$11,595.0	\$133,269.0	\$270,955.0	\$86,336.0	\$502,155.0

B. REPURCHASE AGREEMENTS (in thousands)

Dealer	1-30 days	31-90 days	Total
Bank of America	\$ 42,000.0	-	\$ 42,000.0
Bankers Trust Company	15,000.0	-	15,000.0
Chemical Bank N.Y. Trust Company	30,184.0	-	30,184.0
First National Bank, Chicago	41,638.0	-	41,638.0
First National Bank, Minneapolis	-	\$ 200.0	200.0
First National Bank, St. Paul	94,963.0	606.0	95,569.0
Aubrey G. Lanston & Company, Inc.	15,000.0	-	15,000.0
Northwestern National Bank, Minneapolis	38,114.0	4,600.0	42,714.0
William E. Pollack & Company	-	14,424.0	14,424.0
Totals	\$276,899.0	\$19,830.0	\$296,729.0

C. SALES (in thousands)

Dealer	1-30 days	31-90 days	91 days- 1 year	Over 1 year	Total
Bankers Trust Company	\$ 19,071.0	\$ 6,000.0	\$ 10,000.0	\$ 2,000.0	\$ 37,071.0
Briggs & Schaedle Company, Inc.	5,000.0	-	-	-	5,000.0
Chemical Bank N.Y. Trust Company	-	1,175.0	-	-	1,175.0
Discount Corporation	-	-	5,000.0	-	5,000.0
First Boston Corporation	425.0	-	5,000.0	-	5,425.0
First National Bank, Chicago	6,130.0	6,150.0	8,000.0	8,000.0	28,280.0
First National Bank, St. Paul	26,557.0	22,940.0	8,740.0	11,500.0	69,737.0
Harris Trust & Savings Bank (Chicago)	1,000.0	5,000.0	-	4,000.0	10,000.0
Aubrey G. Lanston & Company, Inc.	-	2,510.0	15,000.0	-	17,510.0
Lehman Commercial Paper, Inc.	-	-	5,000.0	-	5,000.0
Merrill Lynch, Pierce, Fenner & Smith	2,950.0	13,330.0	27,500.0	1,500.0	45,280.0
Morgan Guaranty Trust Company	-	2,000.0	5,000.0	2,500.0	9,500.0
Northwestern National Bank, Minneapolis	40,676.0	21,950.0	12,000.0	7,500.0	82,126.0
William E. Pollack & Company	-	700.0	-	-	700.0
Second District Securities	-	-	-	1,550.0	1,550.0
Salomon Brothers	1,600.0	15,000.0	25,800.0	7,400.0	49,800.0
Totals	\$103,409.0	\$96,755.0	\$127,040.0	\$45,950.0	\$373,154.0

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 2

PURCHASES AND SALES OF SHORT-TERM CORPORATE NOTES
January 1 - December 31, 1969

A. PURCHASES (in thousands)

Dealer	1-30 days	31-60 days	61-90 days	91-180 days	181-270 days	Total
Associates Corp. of North America	\$ 28,435.0	\$13,233.0	\$ 2,030.0	\$ 5,470.0	-	\$ 49,168.0
A.G. Becker & Co., Inc.:						44,595.0
Gamble Skogmo, Inc.	2,675.0	8,057.0	1,301.0	4,520.0	-	
General Acceptance Corp.	2,700.0	7,135.0	4,767.0	9,785.0	\$ 3,655.0	
Goldman, Sachs & Co.:						14,915.0
J.I. Case Credit Corp.	4,100.0	2,300.0	2,795.0	3,970.0	1,750.0	
Chrysler Financial Corp.	13,593.0	1,400.0	530.0	2,060.0	5,570.0	23,153.0
CIT Financial Corp.	33,845.0	3,400.0	3,500.0	2,320.0	-	43,065.0
Commercial Credit Co.	45,116.0	6,030.0	1,300.0	2,500.0	398.0	55,344.0
First Bank System	-	-	5,000.0	-	5,000.0	10,000.0
Ford Motor Credit Corp.	9,395.0	-	1,200.0	3,855.0	5,000.0	19,450.0
International Harvester Credit Corp.	10,480.0	-	-	-	4,000.0	14,480.0
Lehman Commercial Paper, Inc.:						50,009.0
Seaboard Finance Co.	20,264.0	12,538.0	6,417.0	5,400.0	5,390.0	
Montgomery Ward Credit Corp.	22,470.0	3,347.0	1,011.0	4,245.0	5,000.0	36,073.0
Northwest Bancorporation	-	-	5,000.0	-	5,000.0	10,000.0
J.C. Penney Financial Corp.	5,865.0	14,450.0	1,674.0	3,045.0	1,195.0	26,229.0
Piper, Jaffray & Hopwood:						3,850.0
International Milling Co.	-	2,000.0	-	-	-	
Honeywell Finance, Inc.	-	1,850.0	-	-	-	
Sears Roebuck Acceptance Corp.	32,176.0	1,100.0	510.0	2,515.0	6,100.0	42,401.0
James Talcott, Inc.	15,084.0	1,248.0	1,529.0	5,543.0	5,000.0	28,404.0
Transamerica Financial Corp.	22,083.0	10,617.0	220.0	3,502.0	-	36,422.0
Westinghouse Credit Corp.	14,545.0	2,400.0	500.0	3,310.0	3,000.0	23,755.0
Totals	\$282,826.0	\$91,105.0	\$39,284.0	\$62,040.0	\$56,058.0	\$531,313.0

B. SALES (in thousands)

Dealer	1-30 days	31-60 days	61-90 days	91-180 days	181-270 days	Total
Montgomery Ward Credit Corp.	\$ 400.0	\$ 25.0	-	-	-	\$ 425.0
James Talcott, Inc.	100.0	-	-	-	-	100.0
Totals	\$ 500.0	\$ 25.0	-	-	-	\$ 525.0

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 3

PRIVATE PLACEMENTS OF FIXED-INCOME SECURITIES
Purchased January 1 - December 31, 1969

Face Amount (000)	Dealer	Face Amount (000)	Dealer
\$ 775	Ames, A.E. & Co., Inc.	\$6,840	Morgan Stanley & Co.
1,475	Becker, A.G. & Co., Inc.	1,250	Paine, Webber, Jackson & Curtis
1,500	Dick & Merle-Smith	1,500	Pressprich, R.W. & Co., Inc.
5,500	Dillon, Read & Co., Inc.	4,675	Salomon Brothers
3,100	Kidder, Peabody & Co., Inc.	3,000	Shearson, Hammill & Co.
1,275	Kuhn, Loeb & Co., Inc.	1,250	Stone & Webster Securities Corp.
1,775	McLeod, Young, Weir, Inc.	775	Wood, Gundy & Co., Inc.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 4

DEBT OBLIGATIONS PURCHASED AT TIME OF OFFERING
ON A DESIGNATED BASIS
January 1 - December 31, 1969

Face Amount (000)	Dealer	Face Amount (000)	Dealer
\$ 135	Ames, A.E. & Co., Inc.	\$ 640	Kuhn, Loeb & Co.
40	Bache & Co., Inc.	30	Langley, W.C. & Co.
40	Bell, Gouinlock & Co., Inc.	310	Lehman Bros.
210	Blair & Co., Inc.	30	Loewi & Co., Inc.
30	Blair, Wm. & Co.	135	McLeod, Young, Weir, Inc.
40	Burns Bros. & Denton, Inc.	400	Merrill Lynch, Pierce, Fenner & Smith
650	Blyth & Co., Inc.	40	Midland Canadian Corp.
40	Clark Dodge & Co., Inc.	40	Mills, Spence & Co., Inc.
40	Dain Kalman & Quail, Inc.	100	Morgan Stanley & Co.
40	Dean Witter & Co.	40	Nesbitt Thomson Securities, Inc.
30	Dempsey-Tegeler & Co., Inc.	220	Nuveen, John & Co., Inc.
200	Dick & Merle-Smith	220	Paine, Webber, Jackson & Curtis
135	Dominion Securities Corp. (The)	40	Piper, Jaffray & Hopwood
400	Dréxel Harriman Ripley	40	Pitfield, Mackay & Co., Inc.
220	Eastman Dillon, Union Securities Co.	30	Reynolds & Co.
100	Equitable Securities, Morton & Co.	50	Richardson Securities, Inc.
505	First Boston Corp. (The)	505	Salomon Brothers
350	Francis I. duPont	40	Shearson, Hammill & Co., Inc.
310	Goldman, Sachs & Co.	480	Smith, Barney & Co., Inc.
100	Goodbody & Co.	100	Smithers, F.S. & Co.
480	Halsey-Stuart & Co., Inc.	30	Thomson & McKinnon
135	Harris & Partners, Inc.	30	Walston & Co., Inc.
30	Hentz & Co.	940	White, Weld & Co.
40	Hornblower & Weeks - Hemphill-Noyes	40	Woodard-Elwood & Co.
220	Kidder, Peabody & Co.	120	Wood, Gundy & Co., Inc.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 5

DEBT OBLIGATIONS PURCHASED AT OR AFTER TIME OF OFFERING
THROUGH DEALERS HAVING BONDS AVAILABLE
January 1 - December 31, 1969

Face Amount (000)	Dealer	Face Amount (000)	Dealer
\$ 48	American Securities Corp.	\$ 8	Julian Collins & Co.
84	Ames, A.E. & Co.	663	Kidder Peabody & Co.
165	Bache & Co., Inc.	330	Kuhn Loeb & Co.
14	Bacon, Whipple & Co.	14	Laird, Inc.
14	Baird, Robert W. & Co., Inc.	50	Laird, Bissell & Meeds, Inc.
114	Barth, J. & Co.	285	Langley, W.C. & Co.
14	Bateman Eichler, Hill Richards, Inc.	80	Lazard Freres & Co.
85	Bear, Stearns & Co.	50	Lehman Brothers
80	Becker, A.G. & Co., Inc.	100	Loeb, Rhoades & Co.
43	Blair & Co., Inc.	249	Loewi & Co., Inc.
30	Blair, Wm. & Co.	8	Maroney, Beissner & Co., Inc.
14	Bleichroeder, Arnold & S., Inc.	14	McDonald & Co.
14	Blunt Ellis & Simmons	120	McLeod, Young, Weir, Inc.
205	Blyth & Co.	125	McMaster Hutchinson & Co.
8	Boetteler & Co.	100	Merrill Lynch, Pierce, Fenner & Smith
14	Bradford, J.C. & Co.	125	Midland Canadian Corp.
18	Brown, Alex & Sons	50	Mills, Spence & Co., Inc.
58	Chicago Corp. (The)	18	Model, Roland & Co., Inc.
95	Clark Dodge & Co.	60	Morgan Stanley & Co.
30	Courts & Co.	30	Mosely, F.S. & Co.
25	Craigie & Co.	100	Mullaney, Wells & Co.
249	Dain Kalman & Quail, Inc.	25	Nuveen, John & Co., Inc.
510	Dean Witter & Co.	375	Paine, Webber, Jackson & Curtis
100	Dempsey-Tegeler & Co., Inc.	50	Paribas Corp.
68	Dick & Merle-Smith	179	Piper, Jaffray & Hopwood
50	Dillon, Read & Co., Inc.	80	Pitfield, Mackay & Co., Inc.
30	Dominick & Dominick, Inc.	14	Prescott, Merrill, Turben & Co.
205	Dominion Securities Corp. (The)	50	Putnam, Coffin & Burr-Doolittle,
105	Drexel Harriman Ripley, Inc.	8	Rauscher Pierce & Co., Inc.
115	Eastman Dillon, Union Securities	180	Reynolds & Co.
100	Equitable Canada, Inc.	8	Richardson Securities, Inc.
60	Equitable Securities, Morton & Co., Inc.	30	Rothschild, L.F. & Co.
30	Estabrook & Co.	350	Royal Securities, Inc.
350	First Boston Corp. (The)	40	Sade & Co.
8	First Mid America Corp.	50	Salomon Brothers
105	Folger, Nolan Fleming & Co., Inc.	100	Schwabacker & Co.
155	Francis I. duPont, A.C. Allyn, Inc.	55	Shearson, Hammill & Co., Inc.
100	Garret, Robert & Sons, Inc.	30	Shields & Co., Inc.
100	Glore Forgan, Wm. R. Staats, Inc.	14	Singer, Dean & Scribner
200	Goldman, Sachs & Co.	50	Smith Barney & Co.
30	Goodbody & Co.	48	Spencer Trask & Co.
50	Greenshields & Co.	14	Stern Bros. & Co.
615	Halsey, Stuart & Co., Inc.	50	Stone & Webster Securities Corp.
125	Harris & Partners, Inc.	14	Swiss American Corp.
55	Hayden, Stone, Inc.	58	Tucker, Anthony & R.L. Day
60	Hentz, H. & Co.	80	Walker, G.H. & Co.
8	Hilliard, J.J.B., W.L. Lyons & Co.	55	Walston & Co.
25	Hirsch & Co., Inc.	118	Weeden & Co., Inc.
220	Hornblower & Weeks, Hemphill-Noyes	135	Wertheim & Co.
18	Howe, Barnes & Johnson, Inc.	75	White, Weld & Co.
60	Hutton, E.F. & Co., Inc.	155	Wood, Gundy & Co., Inc.
30	Hutton, W.E. & Co.	14	Wood, Walker & Co.
14	Irving Lundborg & Co.	30	Wood, Struthers, & Winthrop

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Schedule 6

CORPORATE BONDS PURCHASED THROUGH SECONDARY OFFERINGS
January 1 - December 31, 1969

Face Amount (000)	Dealer	Face Amount (000)	Dealer
\$ 274	Discount Corp. of New York	\$ 500	Mullaney, Wells & Co.
825	First Boston Corp. (The)	150	Paine, Webber, Jackson & Curtis
900	Goldman, Sachs & Co.	800	Salomon Brothers
1,500	Morgan Stanley & Co.		

<u>Total Shares</u>	<u>Issue and Vendor</u>	<u>Total Shares</u>	<u>Issue and Vendor</u>	<u>Total Shares</u>	<u>Issue and Vendor</u>	
3310	Internat'l Bus. Mach. 20 Dain Kalman 400 Ebin Robertson 15 Estabrook 25 F.I. duPont 200 Kidder Peabody 1400 Merrill Lynch 200 Morgan Stanley 50 Paine Webber 1000 Smith Barney	6600	Std. Oil New Jersey 1400 Bache & Co. 4000 Brown Bros. 100 F.I. duPont 100 Thomson & McKinnon 1000 White Weld	500	National Lead 200 F.I. duPont 300 Thomson & McKinnon	
300	Xerox 100 Bache & Co. 200 Harris Upham	15100	Texaco 1000 Clark Dodge 2000 Dean Witter 400 Harris Upham 10000 Model Roland 1000 Nuveen 700 Thomson & McKinnon	29000	Weyerhaeuser 6000 Bache & Co. 8000 Dean Witter 10000 H.C. Wainwright 5000 Morgan Stanley	
<u>Photography</u>			<u>Electrical & Electronic</u>			
16100	Eastman Kodak 3000 Auerbach, Pollak 2400 Clark Dodge 400 Dean Witter 100 Merrill Lynch 4000 Morgan Stanley 1000 N.Y. Hanseatic 5200 Shearson Hammill	<u>DURABLES</u>		12200	Emerson Electric 5000 G.H. Walker 2000 H.C. Wainwright 200 Paine Webber 5000 Salomon Bros.	
100	Polaroid 100 Merrill Lynch	<u>Automobiles & Automobile Parts</u>		1300	General Electric 300 Langley 1000 Salomon Bros.	
<u>Miscellaneous</u>			2500	Chrysler 1500 Clark Dodge 1000 Merrill Lynch	185	Hewlett Packard 185 Merrill Lynch
100	Comsat 100 Lamson	5275	Ford Motor 100 Estabrook 75 Merrill Lynch 5000 Smith Barney 100 Thomson & McKinnon	34100	Int'l Tel. & Tel. 5000 Clark Dodge 100 Dain Kalman 7000 Eastman Dillon 2000 J. Barth 3000 Loeb, Rhoades 300 Merrill Lynch	
4315	Minnesota Mining & Mfg. 1000 Clark Dodge 40 Estabrook 75 F.I. duPont 200 Harris Upham 3000 Shearson Hammill	8850	General Motors 400 Blyth 5000 Clark Dodge 3000 Estabrook 300 Harris Upham 100 Langley 50 Merrill Lynch	4000	10000 Morgan Stanley 1000 Shearson Hammill 5700 Smith Barney 4000 Andresen	
4500	Universal Oil Products 3500 Brown Bros. 1000 Harris Upham	37500	Goodyear Tire & Rubber 1500 Clark Dodge 10000 Dean Witter 10000 H.C. Wainwright 16000 Smith Barney	100	Westinghouse 100 Merrill Lynch	
<u>NATURAL RESOURCES</u>			<u>Transportation</u>			
<u>Petroleum</u>			<u>Airlines</u>			
2300	Continental Oil 1000 Nuveen 1300 White Weld	<u>Building & Construction</u>		6900	Northwest Airlines 6900 H.C. Wainwright	
3000	Gulf Oil 2000 Glore Forgan 1000 Thomson & McKinnon	26800	Carrier Corp. 4000 Andresen 1000 Blyth 1000 Burnham & Co. 2200 H.C. Wainwright 10000 Laird 3000 Langley 200 Merrill Lynch 5100 Paine Webber 300 Sutro	4100	UAL, Inc. 4100 Sutro	
2400	Louisiana Land 400 Caldwell Phillips 2000 Eppler, Guerin	23000	Caterpillar Tractor 8000 Brown Bros. 10000 Merrill Lynch 5000 N.Y. Hanseatic	<u>Railroads</u>		
1200	Mobil Oil 100 Estabrook 100 F.I. duPont 1000 Paine Webber	12400	Georgia-Pacific 200 Bache & Co. 500 Burnham & Co. 9300 H.C. Wainwright 400 Merrill Lynch 2000 Piper Jaffray	200	Norfolk & Western 50 Estabrook 100 Merrill Lynch 50 Walston	
7500	Std. Oil Indiana 6500 First Manhattan 1000 F.S. Smithers	<u>Railroad Equipment</u>			1000	Southern Railway 1000 Dick & Merle-Smith
			400			Union Pacific Corp. 100 Langley 200 Merrill Lynch 100 Walston

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMMON STOCK PURCHASES NEGOTIATED OR ORDERED ON THE BASIS OF
LOWEST AVAILABLE PRICE
January 1 - December 31, 1969

Schedule 8

<u>Total</u> <u>Shares</u>	<u>Issue and Vendor</u>	<u>Total</u> <u>Shares</u>	<u>Issue and Vendor</u>	<u>Total</u> <u>Shares</u>	<u>Issue and Vendor</u>
CONSUMER-ORIENTED STOCKS					
UTILITIES		Telephone-Telegraph		Retail Trade	
Electric				27500	Dayton-Hudson Corp.
9000	American Electric Pwr.	5500	American Tel. & Tel.		500 A.G. Becker
	4000 J.S. Strauss		1000 First Boston		1000 Allison-Williams
	5000 Weeden	5000	4500 Weeden		1000 Bache & Co.
6600	Central & S.W.		General Tel. & Elec.		1000 Blair & Co.
	3100 First Boston	20000	2000 American Securities		1000 Blyth
	3500 Weeden		3000 First Boston		500 Burnham & Co.
9000	Cincinnati Gas & Elec.		United Utilities		500 Caldwell Phillips
	9000 Weeden		5000 American Securities		1000 Clark Dodge
6000	Commonwealth Edison		5000 First Boston		500 Courts & Co.
	6000 Weeden		10000 Weeden		1500 Dain Kalman
6000	Consumers Power	FINANCIAL SERVICES			
	3000 First Boston	Banks			
	3000 Weeden	3000	Conill		1000 Dean Witter
3000	Florida Pwr. & Light		3000 Keefe Bruyette		500 Dominick
	3000 Weeden	6500	First Bank System		500 Drexel Harriman
10500	Houston Lgt. & Pwr.		1500 Blyth		1000 Eastman Dillon
	3500 American Securities		5000 Dain Kalman		500 E.F. Hutton
	4000 First Boston	3500	First Nat'l City Corp.		250 Faulkner Dawkins
	3000 Weeden		3500 Keefe Bruyette		1000 F.I. duPont
2000	Louisville Gas & Elec.	1500	J.P. Morgan		2500 Goldman Sachs
	2000 First Boston		1500 Blyth		1000 Hornblower Weeks
5000	Middle So. Utilities	2000	National City Cleveland		500 J. Barth
	5000 Weeden		2000 Blyth		1000 Kidder Peabody
5000	Minn. Pwr. & Light	24000	Sec. Pacific Nat'l Bank		500 Lehman Bros.
	5000 Weeden		23500 Keefe Bruyette		250 Loewi & Co.
31100	Northern States Pwr.		500 Merrill Lynch		250 Model Roland
	5900 American Securities	4000	Valley National Bank		1000 N.Y. Hanseatic
	25200 Minn. Mutual Life		4000 Keefe Bruyette		1000 Paine Webber
22000	Pacific Gas & Electric	5000	Wells Fargo		3000 Piper Jaffray
	6000 American Securities		5000 Bear Stearns		250 Reynolds & Co.
	2000 J.S. Strauss	Insurance			
	14000 Weeden	4700	N.W. National Life Ins.		1000 Smith Barney
15800	Public Serv. Indiana		700 Dain Kalman		250 Sutro
	3800 First Boston		1000 Eastman Dillon		1000 White Weld
	12000 Weeden		1000 F.I. duPont		250 Wm. Blair & Co.
9000	Southern Calif. Edison		500 Merrill Lynch		500 Woodard-Elwood
	4000 American Securities		500 Piper Jaffray	2000	Federated Dept. Stores
	5000 Weeden		1000 Smith Barney		2000 Weeden
16500	Southern Company	17500	Safeco Corp.	RESEARCH STOCKS	
	3000 American Securities		11000 Blyth	Office Equipment	
	13500 Weeden		1000 Eastman Dillon	1000	Internat'l Bus. Mach.
18100	Texas Utilities		5000 F.I. duPont		1000 J.S. Strauss
	2500 Blyth		500 Merrill Lynch	Photography	
	2500 First Boston		1000 Eastman Dillon	1000	Eastman Kodak
	100 J.S. Strauss		500 F.I. duPont		1000 Weeden
	13000 Weeden	16800	500 Merrill Lynch	NATURAL RESOURCES	
34700	Virginia Elec. & Pwr.		St. Paul Companies	Petroleum	
	7500 American Securities		12500 Blyth	6000	Continental Oil
	22000 First Boston		2000 Dain Kalman		1000 J.S. Strauss
	5200 Weeden		800 F.I. duPont		5000 Weeden
			1000 First Boston	2000	Mobil Oil
			500 Merrill Lynch		2000 Weeden
Gas		CONSUMERS GOODS			
53400	Northern Illinois Gas	Food-Beverage			
	10000 Dean Witter	3000	General Foods	9000	Std. Oil Indiana
	100 F.I. duPont		2000 American Securities		4000 N.Y. Hanseatic
	200 Estabrook		1000 Weeden		4000 Smith Barney
	100 Walston				1000 Weeden
	43000 Weeden				

<u>Total Shares</u>	<u>Issue and Vendor</u>	<u>Total Shares</u>	<u>Issue and Vendor</u>
5000	Std. Oil New Jersey 5000 J.S. Strauss	DURABLES STOCKS	
		<u>Machinery</u>	
2600	Texaco 2600 Weeden	700	Toro Manufacturing Corp. 400 Dain Kalman 300 Piper Jaffray

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

COMMON STOCK SALES
January 1 - December 31, 1969

<u>Total Shares</u>	<u>Issue and Vendor</u>	<u>Total Shares</u>	<u>Issue and Vendor</u>
300	Boeing Company 300 Merrill Lynch	18600	Int'l Minerals & Chemicals 5800 Hornblower Weeks 12800 Jefferies & Co.
200	Burlington Industries 200 Paine Webber	4000	Safeco Corp. 4½ Conv. Pfd. 4000 Blyth
1000	Continental Can 1000 Dean Witter	15400	Searle (G.D.) 15400 Drexel Harriman
50	DuPont (E.I.) DeNemours 50 Merrill Lynch	5100	Texas Instruments 5100 Salomon Bros.
700	General Electric Company 700 Paine Webber	11000	Wisconsin Public Service 11000 Hayden Stone
24210	Hartford Fire Insurance 24210 Salomon Bros.		