

**1981 REPORT**  
**of the**  
**MINNESOTA STATE**  
**BOARD OF INVESTMENT**



## TABLE OF CONTENTS

|   |    |
|---|----|
| Members of the State Board of Investment,<br>Advisory Council and Investment Staff..... | 1  |
| Introduction.....   | 2  |
| Overview of Funds Managed by the Board.....   | 3  |
| Investment Policy and Objectives.....   | 4  |
| Investment Review Fiscal Year 1981.....   | 5  |
| Summary of Investment Results.....  | 12 |
| Other Major Developments.....   | 14 |

## STATISTICAL SECTION

|   |    |
|---|----|
| Composition of Investment Portfolio.....                | 17 |
| Investment Portfolios.....                              | 18 |
| Basic Retirement Funds                                  |    |
| Permanent School Fund                                   |    |
| Schedule of Investment Commissions.....                 | 33 |
| Schedule of Common Stock Transactions.....              | 35 |
| Time-weighted Rate of Return.....                       | 38 |
| Market Environment.....                                 | 39 |
| Opinion of Legislative Auditor.....                     | 40 |
| Significant Accounting Policies.....                    | 42 |
| Financial Statements of Funds Managed by the Board..... | 43 |
| Investment Portfolios.....                              | 56 |



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



EXECUTIVE DIRECTOR  
JONATHAN P. WHITE

ASSISTANT EXECUTIVE DIRECTOR  
HOWARD J. BICKER

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

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August 1981

The State Board of Investment is pleased to submit its Annual Report for the fiscal year ending June 30, 1981. Total assets under management reached \$ 5.0 billion, up 9% from a year ago. Of this amount, over \$ 3.8 billion are the retirement funds for Minnesota state employees, teachers, and other public employees. The remaining \$ 1.2 billion are state trust funds and accounts of numerous state agencies, including the Treasurer's Office, the Department of Finance, and the Department of Transportation.

Recent years have been marked by high rates of inflation which have upset many traditional investment benchmarks. Within this difficult economic and investment environment, the Board has endeavored to manage the State's funds prudently. Investment policy and strategy are focused on improving the total rate of return while protecting the funds against periodic market declines.

We are particularly pleased that eligible retirees will receive a 7% lifetime benefit increase in January 1982. This increase is possible because realized income exceeded the revised statutory requirements of the Post Retirement Investment Fund. Steps have been taken to build in annual lifetime benefit increases of similar magnitude in relation to the inflation rate in future years.

The total rate of return for the Basic Retirement Funds during the year was 7.1% with common stocks up 21.6% and bonds down 9.6%. The total rate of return for the Post Retirement Fund was 5.5% with stocks up 18.5% and bonds down 10%. The total return measures income received plus changes in the market value of the securities. Though the average yield to maturity on bonds purchased the last fiscal year was 12.9%, the total return from the cumulative bond portfolio was negative due to the impact of rising interest rates on the market value of existing holdings. Largely because of the Board's focus on stocks and short term securities, the total rate of return exceeded the median attained by funds in the Merrill Lynch Public Pension Fund Index. The income return for state cash accounts during FY 81 was 14.8%.

The Board, the Advisory Council and the investment staff are acutely aware of their responsibility to the citizens of this State, present retirement fund participants, and current retirees.

Respectfully submitted,

*Jonathan P. White*  
Jonathan P. White

*Howard J. Bicker*  
Howard J. Bicker

FUNDS MANAGED BY THE STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

\$2.2 billion

The Basic Retirement Funds are the pension assets of currently employed participants in six major state retirement funds:

|                                       |               |
|---------------------------------------|---------------|
| Teachers Retirement Fund              | \$859 million |
| Public Employees Retirement Fund      | \$737 million |
| State Employees Retirement Fund       | \$423 million |
| Public Employees Police and Fire Fund | \$136 million |
| Highway Patrol Retirement Fund        | \$ 38 million |
| Judges Retirement Fund                | \$ 3 million  |

POST RETIREMENT INVESTMENT FUND

\$1.3 billion

The Post Retirement Investment Fund is composed of the reserves for retirement benefits to be paid to currently retired employees by seven funds. Permanent post retirement benefit increases are based on dividends, interest, and net realized capital gains from the sale of equities.

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND

\$147 million

The Minnesota Supplemental Retirement Investment Fund includes the assets of the state deferred compensation plan, supplemental benefit arrangements, various retirement programs for local police and firefighters and the unclassified employees of the state. Participants have a choice among four separate accounts with different investment emphases as authorized by law:

- Income Share Account - a balanced portfolio of stocks and bonds
- Growth Share Account - a portfolio of common stocks
- Fixed Return Account - a portfolio of bond and other debt investments
- Bond Account - a portfolio of longer maturity debt investments

MINNESOTA VARIABLE ANNUITY FUND

\$ 75 million

The Variable Annuity Program is an investment option formerly offered to members of the Teachers' Retirement Association.

INVESTED TREASURERS CASH FUND

\$372 million

The Treasurers Cash Fund is composed of tax receipts used to pay state obligations. The fund is composed of short term investments maturing within three years.

TRANSPORTATION FUNDS

\$221 million

These are funds set aside for highway and airport construction projects.

MISCELLANEOUS CASH ACCOUNTS

\$321 million

These accounts include proceeds from bond sales, debt service funds, state agency accounts, and endowment funds and trust accounts held for various educational institutions.

PERMANENT SCHOOL FUND

\$295 million

The Permanent School Fund is a trust established for the benefit of Minnesota schools. Criteria governing investments are contained in the Minnesota Constitution.

## INVESTMENT POLICY AND OBJECTIVES

### Investment Policy

The Board's investments are governed by the "prudent person" standard of care established in common law and codified in Minnesota Statutes. This standard requires the Board to act in good faith and "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom."

Many investments that potentially offer high returns also expose the funds to high levels of risk. The Board seeks to maximize the total rate of return in accordance with the needs and goals of the retirement funds and state accounts while maintaining a high quality, diversified portfolio of readily marketable securities. The portfolio includes numerous types of investments representing various sectors of the economy and the capital markets. This broad-based diversification limits the fund's exposure to unanticipated business risks and localized economic recessions.

In past years, retirement fund portfolios were usually balanced between debt and common stock investments. However, recent legislative action will permit equity investment up to 75% of the portfolio at market value. The Board sought this legislation as it believes equity investments provide the best real total rate of return potential over the long term.

### Summary Performance Objectives

Because the retirement funds are established to benefit employees over a long period of time, the funds' investment objectives are also long-term in nature. Investments are designed not only to produce current income, but also to increase the value of the capital and to generate a rising level of retirement benefits. Therefore, the Board sets its objectives and measures performance primarily in terms of total rate of return - - which includes market appreciation or depreciation of the assets as well as income. As market cycles normally encompass a three to five year period, investment performance is usually analyzed over a similar time frame.

Based on the recommendations of the Investment Advisory Council, in December, 1980 the Board adopted performance objectives for each fund under management. For the major retirement funds, the Board seeks a superior real total rate of return over a three to five year market cycle that exceeds indexes of stock and bond market performance (the S & P 500 and Merrill Lynch Master Bond Index). For the Basic Retirement Fund, the Board seeks returns in the top third of a universe of other public fund managers. For the Post Retirement Fund, the Board seeks to exceed the median of other public fund managers and to provide a benefit increase equal to half of the personal consumption deflator, a standard measure of inflation. The minimum performance objective is the preservation of principal and attainment of the required actuarial return.

The state cash accounts are invested to generate maximum current income. The Board seeks a return that exceeds a blended bond equivalent yield weighted 70% in 90 day Treasury bills and 30% in 6 month directly placed finance company commercial paper.

## INVESTMENT REVIEW - 1981 FISCAL YEAR

### General Investment Approach

In order to achieve the long term investment goals for the retirement funds, the Board maintains a portfolio of common stocks and fixed income securities within ranges that it reviews periodically with the Investment Advisory Council.

Fixed income securities, such as bonds and U. S. Government guaranteed mortgages, offer a predictable, steady long term cash flow. While the stable income provided by these investments is an important component in achieving fund objectives, the Board also seeks appreciation in the value of assets and increased income over the long term by investing in equities, such as common stocks. Common stocks can be volatile over short periods of time, but over the long term, a highly diversified portfolio of equity investments historically has provided a total rate of return in excess of most other widely utilized types of investments. As we anticipate that growth in the nation's economy will continue to generate significant increases in the income flow and the value of such securities, a well-managed equity portfolio is essential for the achievement of the funds' long term investment goals. In the future, real estate, resource and venture capital investments may be added to the equity portfolio to augment total return and reduce volatility.

Cash reserves of the retirement funds and assets of state funds are invested in short term securities such as U. S. Treasury and agency issues, repurchase agreements, commercial paper, bankers acceptances and certificates of deposit. The short term portfolio for the retirement funds represents cash flow and monies designated for future opportunities in equities or fixed income securities.

Though the investment approach of the retirement funds is designed to achieve long term objectives, investment prospects are continually reviewed and assessed in relation to the present and anticipated economic and market environments.

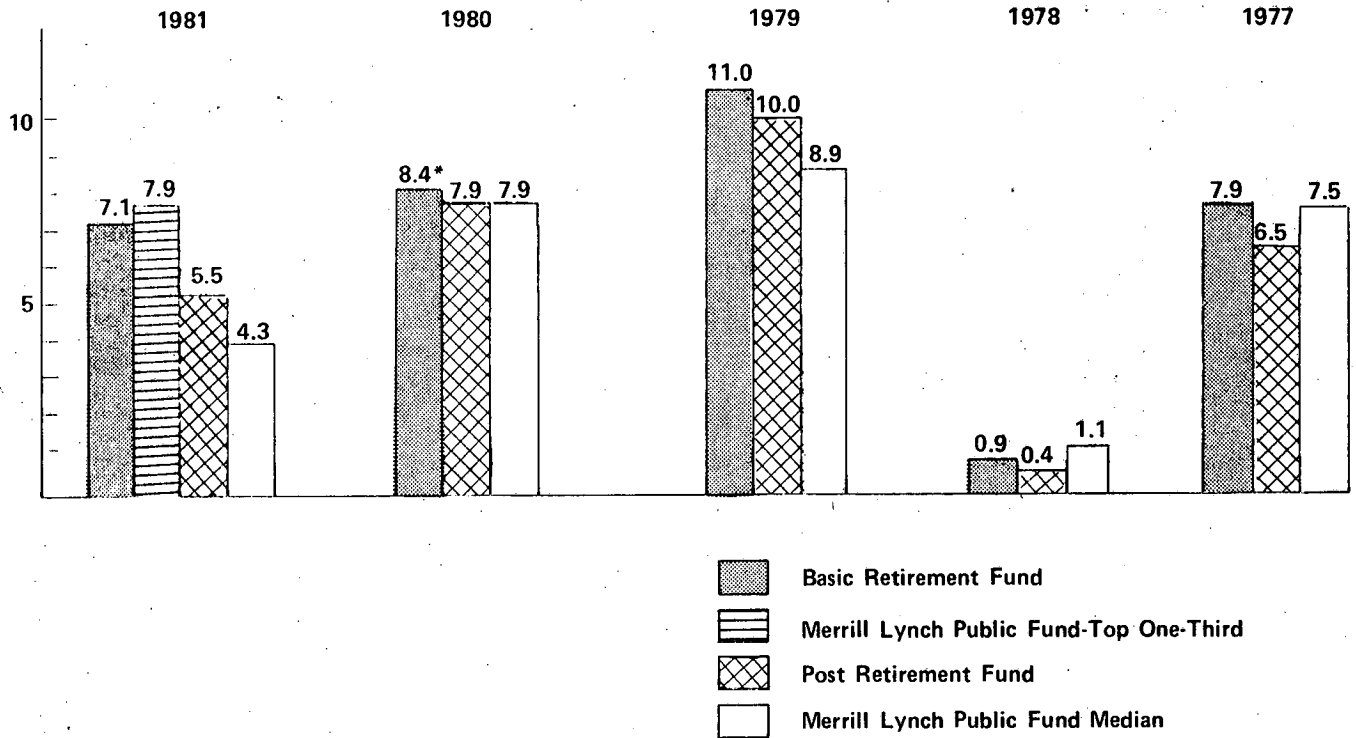
On June 30 retirement fund assets valued at market were allocated as follows:

|            | <u>1981</u> | <u>1980</u> | <u>1979</u> |
|------------|-------------|-------------|-------------|
| Short Term | 20%         | 15%         | 8%          |
| Equity     | 41          | 44          | 48          |
| Bonds      | 39          | 41          | 44          |

### Total Fund Performance

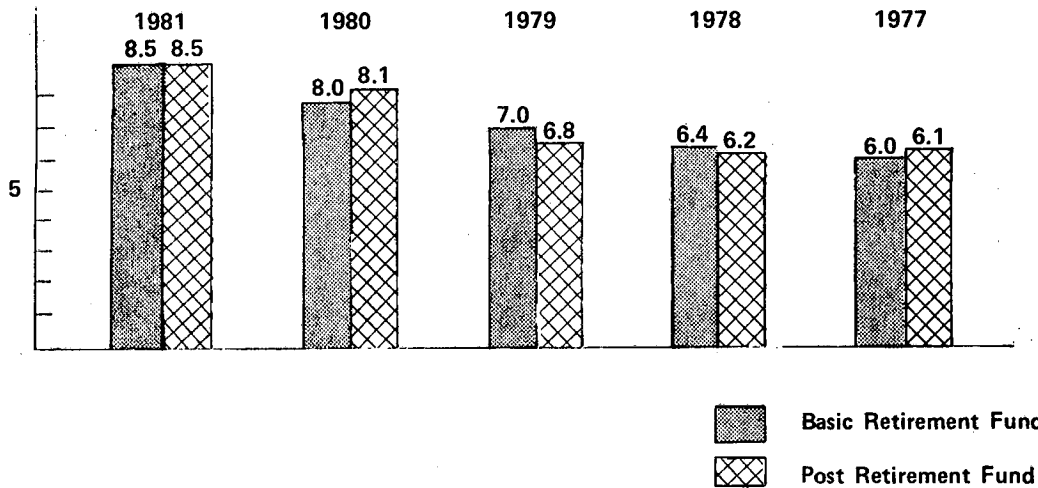
The following graph illustrates the total rate of return earned by the major retirement funds invested by the Board and the performance of the Merrill Lynch universe of public funds during the last five years. The total rate of return measures the income earned by the funds as well as the unrealized appreciation or depreciation in the market value of the assets.

**TOTAL FUND**  
**Annualized Time Weighted**  
**Total Rate of Return**  
**Fiscal Year Ending June 30**



Whereas the total rate of return measures the unrealized change in the market value of the assets, the following table illustrates the yield for the retirement funds during the last five years:

**YIELD**  
**Fiscal Year Ending June 30**





## Common Stock Review

Due to concern about the prospect for economic stagflation and possible stock market weakness, as well as the attractive returns available from fixed income investments, the Board reduced its percentage commitment to common stocks from a high of 50% in December to 41% in June as compared with a 44% position a year earlier. During the entire fiscal year, common stock sales outweighed purchases by over \$100 million.

The common stock portfolio is composed of investments in a diversified list of strong companies with superior long-term investment characteristics. Because the staff anticipates lower inflation rates in the future, the major strategic move during the year was to reduce commitments in companies that benefited from double digit inflation, such as energy corporations, and increase investments in the financial sector of the market which will benefit as inflation and interest rates subside.

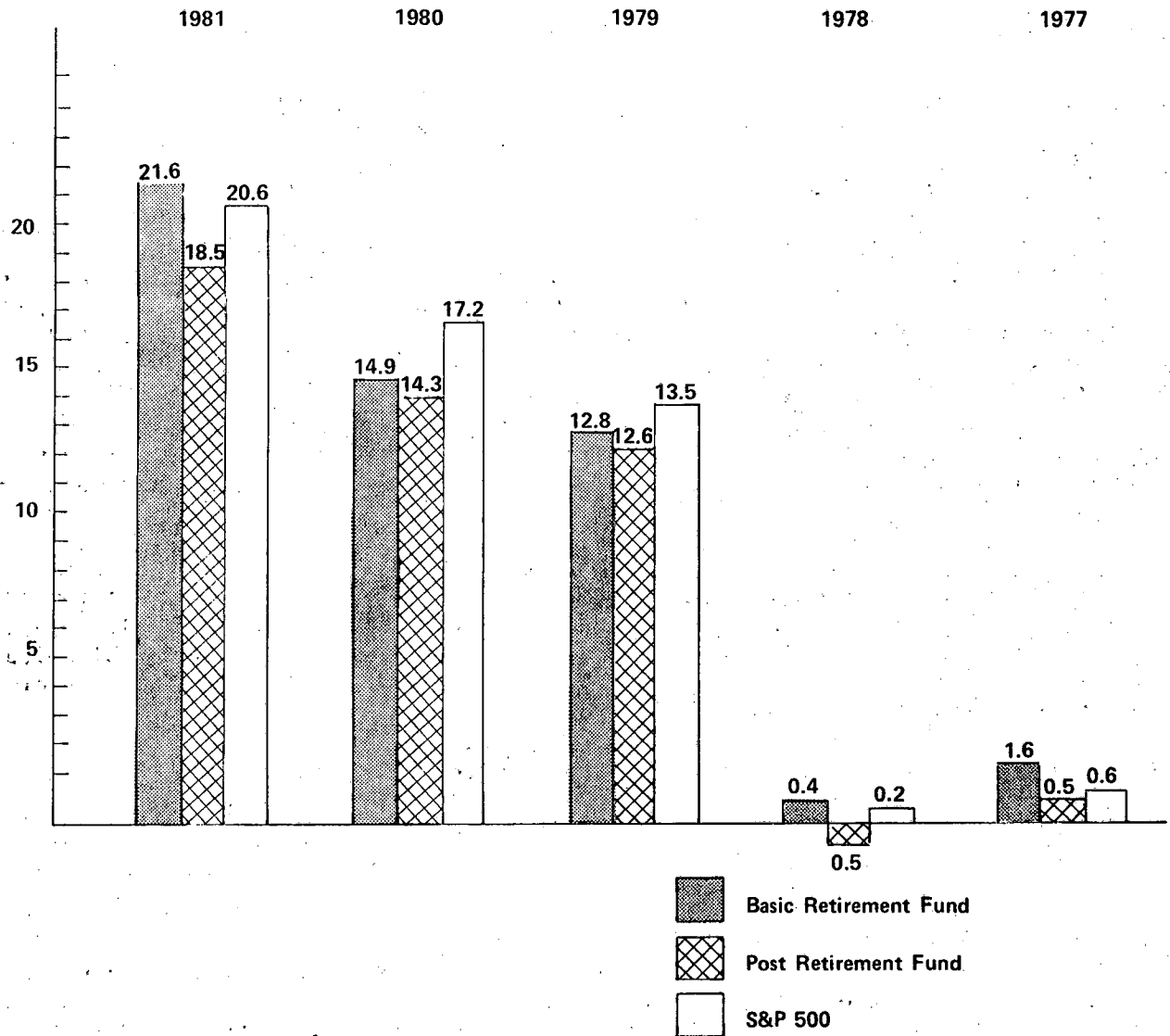
The ten largest common stock holdings at market value on June 30, 1981 were:

|                  |      |                    |      |
|------------------|------|--------------------|------|
| AT & T           | 5.0% | Union Carbide      | 2.3% |
| IBM              | 4.0  | Eastman Kodak      | 2.0  |
| Exxon            | 3.7  | Atlantic Richfield | 1.9  |
| General Electric | 2.4  | Pepsico            | 1.7  |
| McDonalds        | 2.4  | Archer Daniels     | 1.7  |

The Board was successful in outperforming the S&P 500 index in most of its equity accounts during fiscal 1981. Because benefit increases for retirees are paid from the excess investment income earned by the fund, the Post Retirement Fund has a larger portion of income oriented stocks. These stocks did not perform as well as the S&P 500 index due to the increase in interest rates during FY 1981.

During FY 1981, the total rate of return in the Basic Funds' common stock portfolio was 21.6%. The following graph illustrates the total equity rate of return for the \$2.2 billion Basic Retirement Fund, and the \$1.3 billion Post Retirement Investment Fund, and the S&P 500.

**COMMON STOCKS**  
**Annualized Time Weighted Total Rate of Return**  
**Fiscal Year Ending June 30**



## Fixed Income Review

The rising interest rates that marked FY 1981 caused a broad decline in the bond market. As interest rates increased, the market values of bonds previously purchased at lower rates declined. For the three calendar years 1978-80, bond holdings have depreciated in value at market in excess of interest income earned. As the market value of the portfolios decreased during the year and higher yielding investments were added, the yield to maturity of the portfolio increased significantly.

| <u>Fund</u>          | <u>Yield to<br/>Maturity<br/>06-30-81</u> | <u>Yield to<br/>Maturity<br/>06-30-80</u> |
|----------------------|---|---|
| Basic Funds          | 10.35%                                    | 9.03%                                     |
| Post Retirement Fund | 10.18                                     | 9.14                                      |

The staff expects the recent general economic sluggishness to continue, permitting a significant rally in bond prices as interest rates decline. In order to benefit from the high yields available on long term bonds, as well as possibly realize important capital gains, substantial cash reserves were committed to bonds throughout the last nine months of FY 1981. The Board's net purchases were \$373 million at cost. The issues were bought at a weighted average yield of 13% and a weighted average maturity of 27 years. The purchases were nearly equally divided between U.S. Government Bonds and high quality corporate obligations. In the basic funds, the average maturity was lengthened from 12 to 17 years.

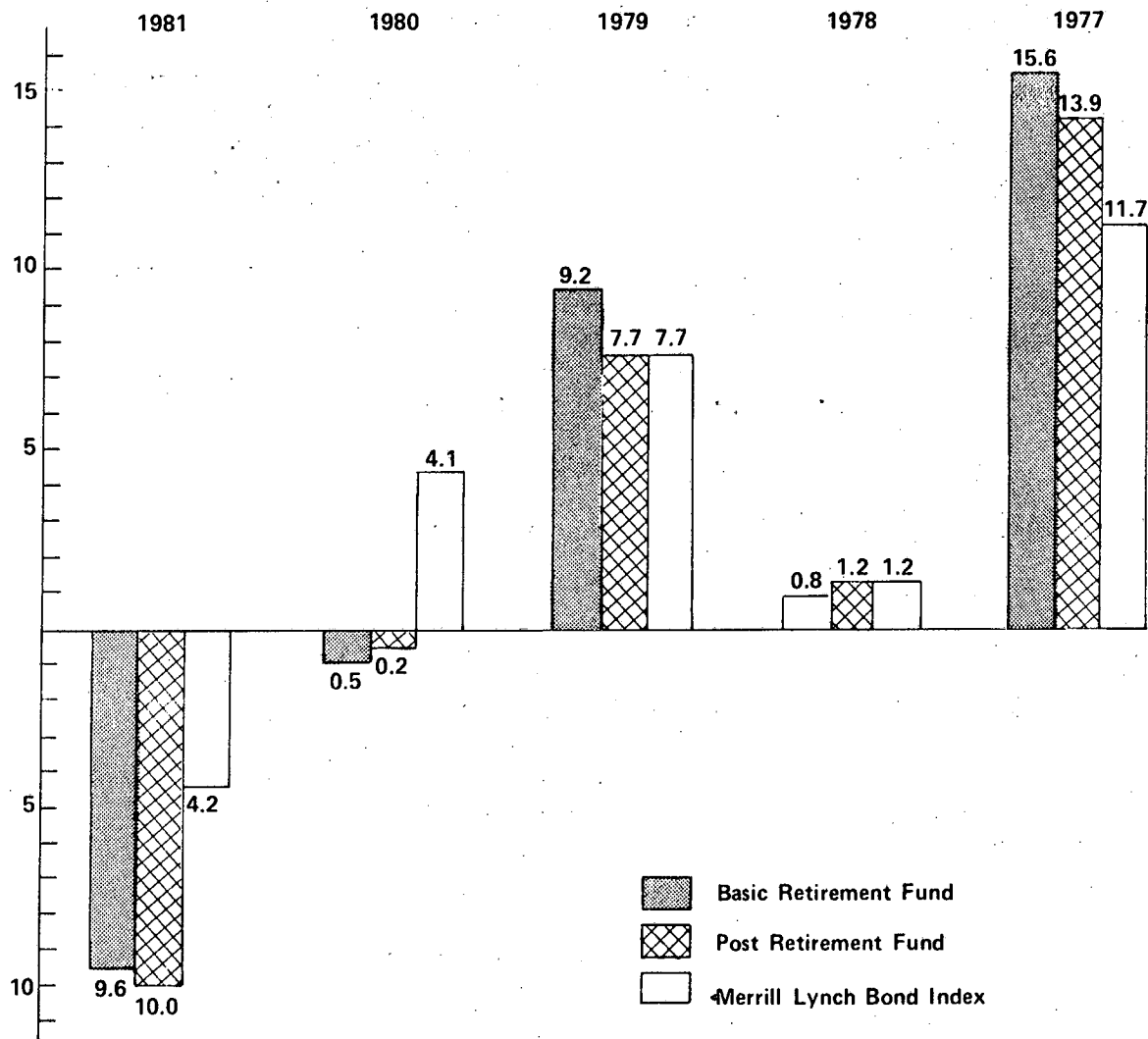
In periods of rising interest rates, the market value of bond portfolios with longer maturity structures declines in value more than shorter maturity portfolios. The SBI portfolio has a maturity structure that is positioned to outperform the Merrill Lynch index as interest rates decline. The following table illustrates the impact of the maturity structure on the total rate of return during 1981:

|                             | <u>Average<br/>Maturity<br/>(years)</u> | <u>Rate of Return</u> |
|-----------------------------|---|-----------------------|
| Merrill Lynch Bond Index    | 11.5                                    | - 4.2                 |
| Salomon Brothers Bond Index | 24.0                                    | - 12.8                |
| SBI portfolio               | 15.8                                    | - 9.5                 |

The maturity structure and investment performance of the SBI bond portfolio ranked between the Merrill Lynch and Salomon Brothers indexes. It is the staff's belief that we are presently near a major high in interest rates and that the long term debt securities purchased during fiscal 1981 will be of major benefit to the future total rates of return of the SBI managed funds.

The following graph illustrates the total rate of return for the bond portfolios of the Basic Retirement Funds and the Post Retirement Investment Fund as compared to the Merrill Lynch Master Bond Index.

Annualized Time Weighted Total Rate of Return  
Fiscal Year Ending June 30



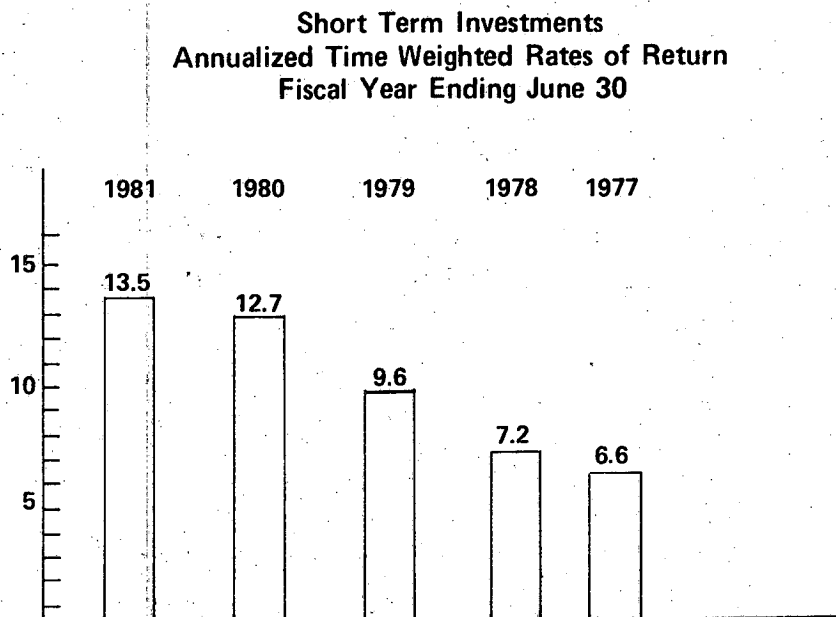
## Short Term Review

During FY 1981, short term investments generated record high returns as the result of Federal Reserve policies and demands for credit. The prime rate ranged from 11.0% to a record 21.5%, while yields for three month Treasury Bills ranged from 8% to 17% on a discounted basis.

Due to the strategic sales of other securities and normal cash flow, on June 30, 1981, 19.5% of the retirement funds were invested in short term securities, compared with 15.0% a year earlier; as a result, the investments totaled a record \$680 million on June 30, 1981, up from \$459 million a year earlier. A considerable portion will be reinvested as more permanent investment opportunities become available. The state cash accounts are invested entirely in short term securities based on statutory requirements.

Last year's record high rates enabled the Board to obtain an overall yield of 13.5% for the retirement funds. The Board achieved its performance goal for state cash accounts by realizing a 14.8% return as compared to the 13.9% return achieved from a blended yield of Treasury Bills and commercial paper.

The following graph illustrates the returns earned by the retirement fund short term portfolio during the last five years:



During the last fiscal year, the Board initiated a program to purchase certificates of deposit from Minnesota financial institutions at competitive interest rates. Since July of 1980, the Board has purchased over \$250 million in certificates of deposit from more than 325 Minnesota banks and savings institutions.

The short term department also manages a Securities Lending Program. U. S. Treasury and Agency securities are lent to brokers on a fully collateralized basis. The Securities Lending Program generated slightly over \$694,000 in profits during the recent fiscal year, an amount in excess of half the Board's total operating budget.

SUMMARY OF INVESTMENT RESULTS

The time weighted total rate of return is the best method of comparing investment performance among managers of long term funds. It measures total cash income and market appreciation or depreciation. The Board utilizes the formula recommended by the Bank Administration Institute (see page 38). Pursuant to the state law, public pension funds in Minnesota are required to use this formula.

TOTAL FUND

Annualized Time Weighted Total Rate of Return

Fiscal Year Ending June 30

|                                    | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>5 Years</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Merrill Lynch<br>Public Fund Index |             |             |             |             |             |                |
| 1st Quartile                       | 10.8        | 10.5        | 9.4         | NA          | NA          | 6.8            |
| Median                             | 4.3         | 7.9         | 8.7         | 1.1         | 7.5         | 5.9            |
| 3rd Quartile                       | 0.2         | 5.5         | 7.7         | NA          | NA          | 5.0            |
| Retirement Funds                   |             |             |             |             |             |                |
| Teachers                           | 7.3         | 8.4         | 9.9         | 0.7         | 7.8         | 6.8            |
| Public Employees                   | 7.2         | 8.3         | 9.9         | 0.7         | 8.0         | 6.8            |
| State Employees                    | 7.4         | 8.5         | 10.4        | 0.9         | 7.9         | 7.0            |
| Police and Fire                    | 7.3         | 8.4         | 9.9         | 1.3         | 7.7         | 6.9            |
| Highway Patrol                     | 7.8         | 8.0         | 9.9         | 0.8         | 6.7         | 6.6            |
| Judges                             | 2.9         | 5.6         | 9.6         | 1.3         | 11.9        | 6.2            |
| Post Retirement                    | 5.5         | 7.9         | 10.0        | 0.4         | 6.5         | 6.0            |
| Income Account                     | 6.2         | 8.0         | 10.3        | -0.9        | 10.5        | 6.7            |
| Growth Account                     | 20.7        | 14.5        | 14.1        | 2.3         | -2.9        | 9.4            |
| Fixed Return Account               | -5.3        | 0.6         | 6.9         | -0.7        | 12.1        | 2.6            |
| Variable Annuity                   | 16.4        | 11.7        | 12.3        | 0.7         | 2.7         | 8.6            |
| Trust Fund                         |             |             |             |             |             |                |
| Permanent School                   | -2.5        | 5.4         | 9.5         | 0.1         | 10.8        | 4.5            |

NA = Merrill Lynch is unable to provide public fund performance numbers for these periods.

COMMON STOCKS  
Annualized Time Weighted Total Rate of Return  
Fiscal Year Ending June 30

|                                    | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>5 Years</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|
| S&P 500                            | 20.6%       | 17.2%       | 13.5%       | 0.2%        | 0.6%        | 10.1%          |
| Merrill Lynch<br>Public Fund Index |             |             |             |             |             |                |
| 1st Quartile                       | 28.6        | 20.3        | 15.1        | NA          | NA          | 12.9           |
| Median                             | 23.9        | 14.7        | 11.6        | 1.0         | 0.6         | 10.0           |
| 3rd Quartile                       | 20.0        | 12.6        | 10.0        | NA          | NA          | 8.8            |
| Retirement Funds                   |             |             |             |             |             |                |
| Teachers                           | 21.6        | 15.1        | 12.2        | 0.4         | 1.5         | 9.9            |
| Public Employees                   | 21.6        | 14.8        | 12.2        | 0.2         | 1.7         | 9.8            |
| State Employees                    | 21.5        | 14.8        | 12.4        | 0.2         | 1.7         | 9.8            |
| Police and Fire                    | 21.7        | 14.9        | 12.4        | 0.8         | 0.9         | 9.8            |
| Highway Patrol                     | 22.0        | 14.6        | 12.6        | -0.5        | -0.4        | 9.3            |
| Judges                             | 21.3        | 12.5        | 12.2        | -3.5        | 2.0         | 8.6            |
| Post Retirement                    | 18.5        | 14.3        | 12.6        | -0.5        | 0.5         | 8.8            |
| Income Account                     | 20.1        | 14.8        | 13.5        | -3.4        | 6.9         | 10.1           |
| Growth Account                     | 21.9        | 14.9        | 14.4        | 2.3         | -3.2        | 9.7            |
| Variable Annuity                   | 22.1        | 15.1        | 14.0        | 0.3         | -1.2        | 9.7            |
| Trust Fund                         |             |             |             |             |             |                |
| Permanent School                   | 17.9        | 13.3        | 13.9        | -2.2        | 3.5         | 9.0            |

FIXED INCOME  
Annualized Time Weighted Total Rate of Return  
Fiscal Year Ending June 30

|                                    | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>5 Years</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Merrill Lynch Bond Index           | -4.2%       | 4.1%        | 7.7%        | 1.2%        | 11.7%       | 4.0%           |
| Merrill Lynch<br>Public Fund Index |             |             |             |             |             |                |
| 1st Quartile                       | -4.8        | 4.0         | 7.7         | NA          | NA          | 3.9            |
| Median                             | -8.1        | 1.5         | 7.0         | 0.9         | 13.9        | 2.7            |
| 3rd Quartile                       | -10.0       | -0.3        | 5.7         | NA          | NA          | 1.6            |
| Retirement Funds                   |             |             |             |             |             |                |
| Teachers                           | -9.7        | -0.4        | 7.5         | 0.6         | 15.7        | 2.4            |
| Public Employees                   | -9.8        | -0.6        | 7.4         | 0.7         | 15.7        | 2.3            |
| State Employees                    | -9.1        | -0.4        | 7.9         | 1.0         | 15.7        | 2.7            |
| Police and Fire                    | -9.5        | -0.9        | 7.3         | 1.4         | 15.5        | 2.4            |
| Highway Patrol                     | -8.6        | -1.6        | 7.2         | 1.5         | 15.4        | 2.5            |
| Judges                             | -9.6        | -1.1        | 7.9         | 1.4         | 14.3        | 2.3            |
| Post Retirement                    | -10.0       | -0.2        | 7.7         | 1.2         | 13.9        | 2.2            |
| Income Account                     | -9.2        | -1.8        | 7.5         | 1.3         | 14.8        | 2.2            |
| Fixed Return Account               | -10.8       | -0.7        | 6.4         | -0.7        | 14.9        | 1.5            |
| Variable Annuity                   | -9.0        | 1.2         | 7.6         | 1.1         | 14.1        | 2.7            |
| Trust Fund                         |             |             |             |             |             |                |
| Permanent School                   | -10.4       | 1.6         | 8.3         | -0.1        | 13.6        | 2.3            |

## OTHER MAJOR DEVELOPMENTS

### Legislative Action

During the year, the Legislature expanded the Board's flexibility by authorizing several new types of investments and changing the maximum limit on common stock investments from 50% of book value to 75% of market value. Within this 75% limit, the Board is authorized to invest up to 20% in real estate funds, venture capital partnerships, regional funds, and resource programs. The Board was also given authority to invest in conventional mortgage pools.

The Legislature authorized the Minneapolis Employees Retirement Fund (MERF) to invest approximately \$198 million previously included in the Post Retirement Investment Fund. On July 1, 1981, most of the assets of MERF's retirees were transferred. The Legislative Auditor will conduct an examination of the transfer upon its completion.

### Investment Advisory Council Review

The Investment Advisory Council is composed of ten persons experienced in general investment matters, the Commissioner of Finance, the three executive directors of Minnesota's major pension funds, and a retiree receiving benefits from the Post Retirement Fund. The Council meets at least bimonthly to review and comment on the Board's investment policies and strategy. The Council also reviews proposed statutory changes and internal operating guidelines. The Council does not advise on individual investment transactions.

During the year, the Council issued a major report at the request of the SBI on performance objectives, asset mix, and communications. While the Council recommended specific performance objectives and asset mix ranges for each fund under management, it also advised the Board to review fund needs, investment objectives, and strategy at least yearly due to the dynamic nature of the capital markets.

Three Council subcommittees have been established to advise on specific Board policies and practices. The Subcommittee on Asset Mix and Performance Evaluation has recently reviewed guidelines for the implementation of the new investment authority granted by the 1981 Legislature. The Subcommittee on Accountability and Compensation is currently studying an accountability system for performance appraisal as a means to improve investment performance. A third subcommittee focuses on Board communications, particularly the annual report.

Three long time members of the Advisory Council retired during 1981. The Board is most appreciative of the diligent service of Robert Davis, the former Council Chairman, Gaylord Glarner and Donald Jondahl. The Board welcomes Peter Anderson and Glenn Kent who joined the Council in 1981.



### Peat Marwick Mitchell Study

During the year, the Board hired the consulting firm of Peat Marwick and Mitchell to analyze the nature and effectiveness of the investment management system and to suggest ways in which future investment performance may be improved. In August, Peat Marwick issued a comprehensive study on the governance structure, the investment program, and administration. The Board looks forward to a careful examination of the consultant's conclusions and the implementation of constructive changes in the near future.

### Operating Changes

Two significant changes which will improve internal operations occurred during the year. First, all common stock securities were transferred to the Depository Trust Company, a change which will result in the faster receipt of dividends and allow the Board to efficiently conduct trading, options and lending functions. Secondly, an improved data processing system now provides significant new information and expanded accounting capability on a more economic basis.

### Investment Transactions

During 1981, total commissions to banks and investment firms were approximately \$4.8 million. Because the Board is acutely aware of the cost of investment transactions and the need to derive maximum efficiency, the staff carefully evaluates all brokers to determine those which offer the best value. Key criteria are: the general trading capability and commission rates; quality, timeliness, breadth, and depth of company and industry research reports; underwriting position; economic and portfolio strategy services; computer generated analytical reports; selected other investment services; and the firm's financial strengths and overall responsiveness. A list of the firms and banks which handled Board transactions during FY 1981 can be found on pages 19 and 20.

### Investment Responsibility

The Board voted proxies in 146 companies during FY 1981. The vast majority of the 486 resolutions considered at shareholder's meetings dealt with internal business operations. The Board subscribes to the Investor Responsibility Research Center, which provides analyses on resolutions dealing with issues of corporate social responsibility. The Board cast proxies in favor of 17 such resolutions in opposition to the recommendations of corporate management. All other resolutions were voted in accordance with managements' recommendations.

The Board has adopted a statement on investment responsibility which provides guidance on voting proxies and other related issues. A copy of the Board's resolution follows:

RESOLUTION

REGARDING ADDITIONAL INVESTMENT CRITERIA AND THE VOTING OF PROXIES

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

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

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

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

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

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

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

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMPOSITION OF STATE INVESTMENT PORTFOLIO BY TYPE OF INVESTMENT  
June 30, 1981

|  | Cash and<br>U.S. Gov't.<br>Short-term | Bank and<br>Corporate<br>Short-term | U.S. Gov't.<br>and Agency<br>Guaranteed | (1)<br>Canadian<br>Governmental<br>Obligation | (1)<br>Corporate<br>Bonds | (2)<br>Common<br>Stock    | Total                   |
|--|---------------------------------------|-------------------------------------|---|---|---------------------------|---------------------------|-------------------------|
| <b>Basic Retirement Funds</b>          |                                       |                                     |   |   |                           |                           |                         |
| Teachers Retirement Fund               | \$ 89,005,821<br>10.36%               | \$ 42,966,124<br>5.00%              | \$127,856,841<br>14.88%                 | \$ 44,134,524<br>5.14%                        | \$ 260,439,754<br>30.31%  | \$ 294,752,537<br>34.31%  | \$ 859,155,601<br>100%  |
| Public Employees Ret. Fund             | \$ 71,941,073<br>9.77%                | \$ 40,851,410<br>5.54%              | \$ 92,932,668<br>12.61%                 | \$ 39,320,035<br>5.34%                        | \$ 234,968,642<br>31.90%  | \$ 256,641,288<br>34.84%  | \$ 736,655,116<br>100%  |
| State Employees Ret. Fund              | \$ 46,219,484<br>10.93%               | \$ 19,567,912<br>4.63%              | \$ 58,934,501<br>13.93%                 | \$ 23,655,913<br>5.59%                        | \$ 130,686,741<br>30.90%  | \$ 143,908,168<br>34.02%  | \$ 422,972,719<br>100%  |
| Public Employees Police &<br>Fire Fund | \$ 17,531,378<br>12.93%               | \$ 3,960,661<br>2.92%               | \$ 14,021,669<br>10.34%                 | \$ 7,342,328<br>5.41%                         | \$ 48,081,990<br>35.45%   | \$ 44,684,933<br>32.95%   | \$ 135,622,959<br>100%  |
| Highway Patrol Ret. Fund               | \$ 3,986,437<br>10.56%                | \$ 667,319<br>1.77%                 | \$ 2,332,849<br>6.18%                   | \$ 1,863,354<br>4.93%                         | \$ 14,337,530<br>37.96%   | \$ 14,578,171<br>38.60%   | \$ 37,765,660<br>100%   |
| Judges Retirement Fund                 | \$ 642,846<br>19.07%                  | \$ -0-                              | \$ 344,688<br>10.22%                    | \$ 296,371<br>8.79%                           | \$ 1,358,666<br>40.30%    | \$ 729,077<br>21.62%      | \$ 3,371,648<br>100%    |
| Post Retirement Fund                   | \$ 224,111,440<br>16.74%              | \$ 68,749,219<br>5.14%              | \$188,902,717<br>14.11%                 | \$ 55,481,768<br>4.15%                        | \$ 392,791,138<br>29.35%  | \$ 408,390,714<br>30.51%  | \$1,338,426,996<br>100% |
| <b>Minnesota Supplemental Funds</b>    |                                       |                                     |   |   |                           |                           |                         |
| Income Share Account                   | \$ 6,933,386<br>8.44%                 | \$ 2,396,925<br>2.92%               | \$ 13,632,117<br>16.59%                 | \$ 4,237,298<br>5.16%                         | \$ 25,493,975<br>31.04%   | \$ 29,448,076<br>35.85%   | \$ 82,141,777<br>100%   |
| Growth Share Account                   | \$ 9,649,436<br>27.00%                | \$ 2,575,211<br>7.21%               | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ 23,507,297<br>65.79%   | \$ 35,731,944<br>100%   |
| Fixed Return Account                   | \$ 6,408,048<br>21.68%                | \$ 926,909<br>3.14%                 | \$ 4,497,061<br>15.21%                  | \$ 3,584,092<br>12.12%                        | \$ 14,142,816<br>47.85%   | \$ -0-                    | \$ 29,558,926<br>100%   |
| Minnesota Variable Annuity             | \$ 15,900,665<br>21.24%               | \$ 3,750,145<br>5.01%               | \$ 1,635,440<br>2.18%                   | \$ 2,729,579<br>3.65%                         | \$ 8,661,333<br>11.57%    | \$ 42,193,130<br>56.35%   | \$ 74,870,292<br>100%   |
| <b>Total Retirement Funds</b>          | \$ 492,330,014<br>13.11%              | \$186,411,835<br>4.96%              | \$505,090,551<br>13.45%                 | \$182,645,262<br>4.86%                        | \$1,130,962,585<br>30.11% | \$1,258,833,391<br>33.51% | \$3,756,273,638<br>100% |
| Permanent School Fund                  | \$ 21,402,420<br>7.25%                | \$ -0-                              | \$164,297,181<br>55.64%                 | \$ -0-  | \$ 59,777,643<br>20.24%   | \$ 49,809,286<br>16.87%   | \$ 296,286,530<br>100%  |
| Treasurers Cash                        | \$ 253,000,521<br>68.01%              | \$119,000,000<br>31.99%             | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 372,000,521<br>100%  |
| Transportation Funds                   | \$ 169,897,061<br>76.78%              | \$ 45,220,603<br>20.44%             | \$ 6,148,329<br>2.78%                   | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 221,265,993<br>100%  |
| State Building Funds                   | \$ 12,197,861<br>100.00%              | \$ -0-                              | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 12,197,861<br>100%   |
| Housing Finance Agency                 | \$ 65,645,717<br>67.40%               | \$ 31,744,984<br>32.60%             | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 97,390,701<br>100%   |
| Minnesota Debt Service Fund            | \$ 83,272,492<br>67.11%               | \$ 40,451,531<br>32.69%             | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 123,724,023<br>100%  |
| Miscellaneous Accounts                 | \$ 32,272,746<br>97.46%               | \$ -0-                              | \$ 842,304<br>2.54%                     | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 33,115,130<br>100%   |
| Taconite Area Env. Protection          | \$ 20,082,350<br>86.37%               | \$ 3,168,493<br>13.63%              | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 23,250,843<br>100%   |
| N.E. Minnesota Protection              | \$ 24,337,698<br>78.65%               | \$ 6,608,069<br>21.35%              | \$ -0-                                  | \$ -0-  | \$ -0-                    | \$ -0-                    | \$ 30,945,767<br>100%   |
|  | \$1,174,438,880<br>23.65%             | \$432,605,515<br>8.71%              | \$676,378,445<br>13.62%                 | \$182,645,262<br>3.68%                        | \$1,190,740,228<br>23.98% | \$1,308,642,677<br>26.36% | \$4,965,451,007<br>100% |

(1) All bonds are shown at amortized cost.  
(2) All stocks are shown at cost  
(3) Includes \$114,375.00 of convertible debentures 0.09% of the account.

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE |
|-------------|--------------------------------|------------------------------|--------------|-------------|--------------------------------|------------------------------|--------------|
| 48,300      | AETNA LIFE & CASUALTY COMPANY  | TEACHER'S RETIREMENT FUND    | 1,919,925    | 48,000      | BRISTOL-MYERS COMPANY          | TEACHER'S RETIREMENT FUND    | 2,394,000    |
| 44,150      | AETNA LIFE & CASUALTY COMPANY  | PUBLIC EMPLOYEES RETIREMENT  | 1,754,963    | 42,000      | BRISTOL-MYERS COMPANY          | PUBLIC EMPLOYEES RETIREMENT  | 2,094,750    |
| 25,650      | AETNA LIFE & CASUALTY COMPANY  | STATE EMPLOYEES RETIREMENT F | 1,019,588    | 27,000      | BRISTOL-MYERS COMPANY          | STATE EMPLOYEES RETIREMENT F | 1,346,625    |
| 10,900      | AETNA LIFE & CASUALTY COMPANY  | PUB. EMPLOY. POLICE AND FIRE | 433,275      | 8,000       | BRISTOL-MYERS COMPANY          | PUB. EMPLOY. POLICE AND FIRE | 399,000      |
| 3,900       | AETNA LIFE & CASUALTY COMPANY  | HIGHWAY PATROL RETIREMENT FU | 155,025      |             |                                | 125,000 SHARES               | 6,234,375    |
| 200         | AETNA LIFE & CASUALTY COMPANY  | JUDGES RETIREMENT FUND       | 7,950        |             |                                | SUB-TOTAL                    | 3,020,063    |
|             |                                | 133,100 SHARES               | 5,290,725    | 76,700      | BURROUGHS CORPORATION          | TEACHER'S RETIREMENT FUND    | 476,438      |
| 108,000     | ALUMINUM CO. OF AMERICA        | TEACHER'S RETIREMENT FUND    | 3,213,000    | 65,900      | BURROUGHS CORPORATION          | PUBLIC EMPLOYEES RETIREMENT  | 2,594,813    |
| 94,200      | ALUMINUM CO. OF AMERICA        | PUBLIC EMPLOYEES RETIREMENT  | 7,802,450    | 39,000      | BURROUGHS CORPORATION          | STATE EMPLOYEES RETIREMENT F | 1,535,625    |
| 50,500      | ALUMINUM CO. OF AMERICA        | STATE EMPLOYEES RETIREMENT F | 1,502,375    | 12,100      | BURROUGHS CORPORATION          | PUB. EMPLOY. POLICE AND FIRE | 248,063      |
| 15,700      | ALUMINUM CO. OF AMERICA        | PUB. EMPLOY. POLICE AND FIRE | 467,075      | 6,300       | BURROUGHS CORPORATION          | HIGHWAY PATROL RETIREMENT FU | 11,813       |
| 4,800       | ALUMINUM CO. OF AMERICA        | HIGHWAY PATROL RETIREMENT FU | 142,800      | 300         | BURROUGHS CORPORATION          | JUDGES RETIREMENT FUND       | 7,886,813    |
| 400         | ALUMINUM CO. OF AMERICA        | JUDGES RETIREMENT FUND       | 11,900       |             |                                | 200,300 SHARES               | 1,400,000    |
|             |                                | 273,600 SHARES               | 8,139,600    | 25,000      | CBS INCORPORATED               | TEACHER'S RETIREMENT FUND    | 2,487,200    |
| 32,100      | AMERICAN EXPRESS COMPANY       | TEACHER'S RETIREMENT FUND    | 1,006,200    | 7,000       | CBS INCORPORATED               | PUBLIC EMPLOYEES RETIREMENT  | 392,000      |
| 20,800      | AMERICAN EXPRESS COMPANY       | PUBLIC EMPLOYEES RETIREMENT  | 677,250      | 2,600       | CBS INCORPORATED               | STATE EMPLOYEES RETIREMENT F | 145,600      |
| 14,000      | AMERICAN EXPRESS COMPANY       | STATE EMPLOYEES RETIREMENT F | 387,000      |             |                                | PUB. EMPLOY. POLICE AND FIRE | 7,280,000    |
| 8,000       | AMERICAN EXPRESS COMPANY       | PUB. EMPLOY. POLICE AND FIRE | 193,500      |             |                                | 130,000 SHARES               | 500,850      |
| 4,000       | AMERICAN EXPRESS COMPANY       | HIGHWAY PATROL RETIREMENT FU | 9,675        | 18,900      | CHAMPION INTERNATIONAL CORP.   | TEACHER'S RETIREMENT FUND    | 447,850      |
| 200         | AMERICAN EXPRESS COMPANY       | JUDGES RETIREMENT FUND       | 3,826,463    | 16,900      | CHAMPION INTERNATIONAL CORP.   | PUBLIC EMPLOYEES RETIREMENT  | 227,900      |
|             |                                | 79,100 SHARES                | 1,590,000    | 8,600       | CHAMPION INTERNATIONAL CORP.   | STATE EMPLOYEES RETIREMENT F | 90,100       |
| 40,000      | AMERICAN STANDARD INC.         | TEACHER'S RETIREMENT FUND    | 1,311,750    | 3,400       | CHAMPION INTERNATIONAL CORP.   | PUB. EMPLOY. POLICE AND FIRE | 45,050       |
| 33,000      | AMERICAN STANDARD INC.         | PUBLIC EMPLOYEES RETIREMENT  | 795,000      | 1,700       | CHAMPION INTERNATIONAL CORP.   | HIGHWAY PATROL RETIREMENT FU | 1,311,750    |
| 20,000      | AMERICAN STANDARD INC.         | STATE EMPLOYEES RETIREMENT F | 198,750      |             |                                | 49,500 SHARES                | 1,854,350    |
| 5,000       | AMERICAN STANDARD INC.         | PUB. EMPLOY. POLICE AND FIRE | 63,600       | 77,900      | CHUBB CORPORATION              | PUBLIC EMPLOYEES RETIREMENT  | 1,862,400    |
| 1,600       | AMERICAN STANDARD INC.         | HIGHWAY PATROL RETIREMENT FU | 7,950        | 67,100      | CHUBB CORPORATION              | STATE EMPLOYEES RETIREMENT F | 533,500      |
| 200         | AMERICAN STANDARD INC.         | JUDGES RETIREMENT FUND       | 3,967,050    | 38,400      | CHUBB CORPORATION              | PUB. EMPLOY. POLICE AND FIRE | 169,750      |
|             |                                | 99,800 SHARES                | 14,639,344   | 11,000      | CHUBB CORPORATION              | HIGHWAY PATROL RETIREMENT FU | 4,850        |
| 260,255     | AMERICAN TELEPHONE & TELEGRAPH | TEACHER'S RETIREMENT FUND    | 13,526,775   | 3,500       | CHUBB CORPORATION              | JUDGES RETIREMENT FUND       | 9,603,000    |
| 240,476     | AMERICAN TELEPHONE & TELEGRAPH | PUBLIC EMPLOYEES RETIREMENT  | 6,772,950    | 100         |                                | 198,000 SHARES               | 2,478,422    |
| 120,408     | AMERICAN TELEPHONE & TELEGRAPH | STATE EMPLOYEES RETIREMENT F | 2,291,513    | 126,289     | COMMONWEALTH EDISON CO.        | TEACHER'S RETIREMENT FUND    | 2,263,979    |
| 40,738      | AMERICAN TELEPHONE & TELEGRAPH | PUB. EMPLOY. POLICE AND FIRE | 643,388      | 115,362     | COMMONWEALTH EDISON CO.        | PUBLIC EMPLOYEES RETIREMENT  | 1,421,262    |
| 11,438      | AMERICAN TELEPHONE & TELEGRAPH | HIGHWAY PATROL RETIREMENT FU | 39,375       | 72,421      | COMMONWEALTH EDISON CO.        | STATE EMPLOYEES RETIREMENT F | 561,275      |
| 700         | AMERICAN TELEPHONE & TELEGRAPH | JUDGES RETIREMENT FUND       | 37,913,344   | 28,600      | COMMONWEALTH EDISON CO.        | PUB. EMPLOY. POLICE AND FIRE | 204,100      |
|             |                                | 674,015 SHARES               | 6,871,500    | 10,400      | COMMONWEALTH EDISON CO.        | HIGHWAY PATROL RETIREMENT FU | 9,813        |
| 381,750     | ARCHER DANIELS MIDLAND CO.     | TEACHER'S RETIREMENT FUND    | 6,061,500    | 500         | COMMONWEALTH EDISON CO.        | JUDGES RETIREMENT FUND       | 6,938,851    |
| 336,750     | ARCHER DANIELS MIDLAND CO.     | PUBLIC EMPLOYEES RETIREMENT  | 3,429,000    |             |                                | 353,572 SHARES               | 3,996,563    |
| 190,500     | ARCHER DANIELS MIDLAND CO.     | STATE EMPLOYEES RETIREMENT F | 1,012,500    | 78,750      | CONN. GENERAL INS. CORP.       | TEACHER'S RETIREMENT FUND    | 3,501,750    |
| 56,250      | ARCHER DANIELS MIDLAND CO.     | PUB. EMPLOY. POLICE AND FIRE | 328,500      | 69,000      | CONN. GENERAL INS. CORP.       | PUBLIC EMPLOYEES RETIREMENT  | 1,763,563    |
| 18,250      | ARCHER DANIELS MIDLAND CO.     | HIGHWAY PATROL RETIREMENT FU | 17,703,000   | 34,750      | CONN. GENERAL INS. CORP.       | STATE EMPLOYEES RETIREMENT F | 482,125      |
|             |                                | 983,500 SHARES               | 6,241,500    | 9,500       | CONN. GENERAL INS. CORP.       | PUB. EMPLOY. POLICE AND FIRE | 147,175      |
| 131,400     | ATLANTIC RICHFIELD             | TEACHER'S RETIREMENT FUND    | 5,443,500    | 2,900       | CONN. GENERAL INS. CORP.       | HIGHWAY PATROL RETIREMENT FU | 5,075        |
| 114,600     | ATLANTIC RICHFIELD             | PUBLIC EMPLOYEES RETIREMENT  | 3,025,750    | 100         | CONN. GENERAL INS. CORP.       | JUDGES RETIREMENT FUND       | 9,896,250    |
| 63,700      | ATLANTIC RICHFIELD             | STATE EMPLOYEES RETIREMENT F | 921,500      |             |                                | 195,000 SHARES               | 3,306,506    |
| 19,400      | ATLANTIC RICHFIELD             | PUB. EMPLOY. POLICE AND FIRE | 299,250      | 50,481      | CONOCO INC.                    | TEACHER'S RETIREMENT FUND    | 2,942,588    |
| 6,300       | ATLANTIC RICHFIELD             | HIGHWAY PATROL RETIREMENT FU | 14,250       | 44,925      | CONOCO INC.                    | PUBLIC EMPLOYEES RETIREMENT  | 1,639,531    |
| 300         | ATLANTIC RICHFIELD             | JUDGES RETIREMENT FUND       | 15,945,750   | 25,031      | CONOCO INC.                    | STATE EMPLOYEES RETIREMENT F | 563,497      |
|             |                                | 335,700 SHARES               | 3,696,000    | 8,603       | CONOCO INC.                    | PUB. EMPLOY. POLICE AND FIRE | 203,509      |
| 96,000      | AVON PRODS INC                 | TEACHER'S RETIREMENT FUND    | 3,311,000    | 3,107       | CONOCO INC.                    | HIGHWAY PATROL RETIREMENT FU | 11,725       |
| 84,000      | AVON PRODS INC                 | PUBLIC EMPLOYEES RETIREMENT  | 1,848,000    | 179         | CONOCO INC.                    | JUDGES RETIREMENT FUND       | 8,667,353    |
| 48,000      | AVON PRODS INC                 | STATE EMPLOYEES RETIREMENT F | 577,500      |             |                                | 132,326 SHARES               | 1,529,500    |
| 15,000      | AVON PRODS INC                 | PUB. EMPLOY. POLICE AND FIRE | 215,600      | 53,200      | CONSOLIDATED FOODS CORPORATION | TEACHER'S RETIREMENT FUND    | 1,535,250    |
| 5,600       | AVON PRODS INC                 | HIGHWAY PATROL RETIREMENT FU | 11,550       | 53,400      | CONSOLIDATED FOODS CORPORATION | PUBLIC EMPLOYEES RETIREMENT  | 833,750      |
| 300         | AVON PRODS INC                 | JUDGES RETIREMENT FUND       | 9,659,650    | 29,000      | CONSOLIDATED FOODS CORPORATION | STATE EMPLOYEES RETIREMENT F | 477,250      |
|             |                                | 250,900 SHARES               | 5,176,250    | 16,600      | CONSOLIDATED FOODS CORPORATION | PUB. EMPLOY. POLICE AND FIRE | 4,375,750    |
| 205,000     | BANKAMERICA CORPORATION        | TEACHER'S RETIREMENT FUND    | 4,545,000    |             |                                | 152,200 SHARES               | 1,389,825    |
| 180,000     | BANKAMERICA CORPORATION        | PUBLIC EMPLOYEES RETIREMENT  | 2,525,000    | 42,600      | CPC INTERNATIONAL INC.         | TEACHER'S RETIREMENT FUND    | 1,389,825    |
| 100,000     | BANKAMERICA CORPORATION        | STATE EMPLOYEES RETIREMENT F | 782,750      | 42,600      | CPC INTERNATIONAL INC.         | PUBLIC EMPLOYEES RETIREMENT  | 652,925      |
| 31,000      | BANKAMERICA CORPORATION        | PUB. EMPLOY. POLICE AND FIRE | 227,250      | 19,400      | CPC INTERNATIONAL INC.         | STATE EMPLOYEES RETIREMENT F | 306,675      |
| 9,000       | BANKAMERICA CORPORATION        | HIGHWAY PATROL RETIREMENT FU | 13,256,250   | 9,400       | CPC INTERNATIONAL INC.         | PUB. EMPLOY. POLICE AND FIRE | 104,400      |
|             |                                | 525,000 SHARES               | 3,517,281    | 3,200       | CPC INTERNATIONAL INC.         | HIGHWAY PATROL RETIREMENT FU | 6,525        |
| 114,850     | BOEING COMPANY                 | TEACHER'S RETIREMENT FUND    | 2,967,563    | 200         |                                | JUDGES RETIREMENT FUND       | 3,830,175    |
| 96,900      | BOEING COMPANY                 | PUBLIC EMPLOYEES RETIREMENT  | 1,630,016    |             |                                | 117,400 SHARES               |              |
| 53,225      | BOEING COMPANY                 | STATE EMPLOYEES RETIREMENT F | 489,234      |             |                                |                              |              |
| 15,975      | BOEING COMPANY                 | PUB. EMPLOY. POLICE AND FIRE | 122,500      |             |                                |                              |              |
| 4,000       | BOEING COMPANY                 | HIGHWAY PATROL RETIREMENT FU | 9,188        |             |                                |                              |              |
| 300         | BOEING COMPANY                 | JUDGES RETIREMENT FUND       | 8,735,781    |             |                                |                              |              |
|             |                                | 285,250 SHARES               |              |             |                                |                              |              |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                    | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                      | ADVISOR                      | MARKET VALUE |
|-------------|-----------------------------|------------------------------|--------------|-------------|-------------------------------|------------------------------|--------------|
| 40,000      | CRUM & FORSTER              | TEACHER'S RETIREMENT FUND    | 2,145,000    | 303,224     | EXXON CORPORATION             | TEACHER'S RETIREMENT FUND    | 10,385,422   |
| 51,400      | CRUM & FORSTER              | PUBLIC EMPLOYEES RETIREMENT  | 1,844,700    | 268,032     | EXXON CORPORATION             | PUBLIC EMPLOYEES RETIREMENT  | 9,180,096    |
| 30,000      | CRUM & FORSTER              | STATE EMPLOYEES RETIREMENT F | 1,072,500    | 147,832     | EXXON CORPORATION             | STATE EMPLOYEES RETIREMENT F | 5,063,246    |
| 10,000      | CRUM & FORSTER              | PUB. EMPLOY. POLICE AND FIRE | 357,500      | 46,000      | EXXON CORPORATION             | PUB. EMPLOY. POLICE AND FIRE | 1,575,500    |
| 3,200       | CRUM & FORSTER              | HIGHWAY PATROL RETIREMENT FU | 114,400      | 24,000      | EXXON CORPORATION             | HIGHWAY PATROL RETIREMENT FU | 822,000      |
| 200         | CRUM & FORSTER              | JUDGES RETIREMENT FUND       | 7,150        | 2,000       | EXXON CORPORATION             | JUDGES RETIREMENT FUND       | 68,500       |
|             | SUB-TOTAL                   | 155,000 SHARES               | 5,541,250    |             | SUB-TOTAL                     | 791,088 SHARES               | 27,094,744   |
| 57,000      | DART & KRAFT INC.           | TEACHER'S RETIREMENT FUND    | 2,921,250    | 49,500      | FEDERATED DEPT. STORES INC.   | TEACHER'S RETIREMENT FUND    | 1,980,000    |
| 50,000      | DART & KRAFT INC.           | PUBLIC EMPLOYEES RETIREMENT  | 2,562,500    | 54,000      | FEDERATED DEPT. STORES INC.   | PUBLIC EMPLOYEES RETIREMENT  | 2,160,000    |
| 27,500      | DART & KRAFT INC.           | STATE EMPLOYEES RETIREMENT F | 1,409,375    | 22,000      | FEDERATED DEPT. STORES INC.   | STATE EMPLOYEES RETIREMENT F | 880,000      |
| 8,700       | DART & KRAFT INC.           | PUB. EMPLOY. POLICE AND FIRE | 445,875      | 11,200      | FEDERATED DEPT. STORES INC.   | PUB. EMPLOY. POLICE AND FIRE | 448,000      |
| 2,200       | DART & KRAFT INC.           | HIGHWAY PATROL RETIREMENT FU | 112,750      |             | SUB-TOTAL                     | 136,700 SHARES               | 5,468,000    |
| 300         | DART & KRAFT INC.           | JUDGES RETIREMENT FUND       | 15,375       | 61,100      | FIRST BANK SYSTEM             | TEACHER'S RETIREMENT FUND    | 2,673,125    |
|             | SUB-TOTAL                   | 145,700 SHARES               | 7,467,125    | 53,700      | FIRST BANK SYSTEM             | PUBLIC EMPLOYEES RETIREMENT  | 2,349,375    |
| 29,700      | DAYTON-HUDSON CORP.         | TEACHER'S RETIREMENT FUND    | 1,596,375    | 30,200      | FIRST BANK SYSTEM             | STATE EMPLOYEES RETIREMENT F | 1,321,250    |
| 27,100      | DAYTON-HUDSON CORP.         | PUBLIC EMPLOYEES RETIREMENT  | 1,456,625    | 12,800      | FIRST BANK SYSTEM             | PUB. EMPLOY. POLICE AND FIRE | 560,000      |
| 15,300      | DAYTON-HUDSON CORP.         | STATE EMPLOYEES RETIREMENT F | 822,375      | 4,500       | FIRST BANK SYSTEM             | HIGHWAY PATROL RETIREMENT FU | 196,875      |
| 2,500       | DAYTON-HUDSON CORP.         | HIGHWAY PATROL RETIREMENT FU | 134,375      | 500         | FIRST BANK SYSTEM             | JUDGES RETIREMENT FUND       | 21,875       |
| 200         | DAYTON-HUDSON CORP.         | JUDGES RETIREMENT FUND       | 10,750       |             | SUB-TOTAL                     | 162,800 SHARES               | 7,122,500    |
|             | SUB-TOTAL                   | 74,800 SHARES                | 4,020,500    | 130,200     | FLORIDA POWER & LIGHT COMPANY | TEACHER'S RETIREMENT FUND    | 3,873,450    |
| 41,900      | DELTA AIR LINES INC.        | TEACHER'S RETIREMENT FUND    | 2,985,375    | 112,800     | FLORIDA POWER & LIGHT COMPANY | PUBLIC EMPLOYEES RETIREMENT  | 3,355,800    |
| 32,100      | DELTA AIR LINES INC.        | PUBLIC EMPLOYEES RETIREMENT  | 2,287,125    | 61,400      | FLORIDA POWER & LIGHT COMPANY | STATE EMPLOYEES RETIREMENT F | 1,826,650    |
| 23,900      | DELTA AIR LINES INC.        | STATE EMPLOYEES RETIREMENT F | 1,702,875    | 22,300      | FLORIDA POWER & LIGHT COMPANY | PUB. EMPLOY. POLICE AND FIRE | 663,425      |
| 7,900       | DELTA AIR LINES INC.        | PUB. EMPLOY. POLICE AND FIRE | 562,875      | 6,000       | FLORIDA POWER & LIGHT COMPANY | HIGHWAY PATROL RETIREMENT FU | 178,500      |
| 2,600       | DELTA AIR LINES INC.        | HIGHWAY PATROL RETIREMENT FU | 185,250      |             | SUB-TOTAL                     | 332,700 SHARES               | 9,897,825    |
| 100         | DELTA AIR LINES INC.        | JUDGES RETIREMENT FUND       | 7,125        | 76,500      | GENERAL DYNAMICS              | TEACHER'S RETIREMENT FUND    | 2,476,688    |
|             | SUB-TOTAL                   | 108,500 SHARES               | 7,710,625    | 72,000      | GENERAL DYNAMICS              | PUBLIC EMPLOYEES RETIREMENT  | 2,331,000    |
| 36,072      | DISNEY WALT PRODUCTIONS     | TEACHER'S RETIREMENT FUND    | 2,286,063    | 38,000      | GENERAL DYNAMICS              | STATE EMPLOYEES RETIREMENT F | 1,230,250    |
| 32,435      | DISNEY WALT PRODUCTIONS     | PUBLIC EMPLOYEES RETIREMENT  | 2,055,568    | 10,000      | GENERAL DYNAMICS              | PUB. EMPLOY. POLICE AND FIRE | 323,750      |
| 19,106      | DISNEY WALT PRODUCTIONS     | STATE EMPLOYEES RETIREMENT F | 1,210,843    | 3,300       | GENERAL DYNAMICS              | HIGHWAY PATROL RETIREMENT FU | 106,838      |
| 6,865       | DISNEY WALT PRODUCTIONS     | PUB. EMPLOY. POLICE AND FIRE | 435,069      | 200         | GENERAL DYNAMICS              | JUDGES RETIREMENT FUND       | 6,475        |
| 2,077       | DISNEY WALT PRODUCTIONS     | HIGHWAY PATROL RETIREMENT FU | 131,630      |             | SUB-TOTAL                     | 200,000 SHARES               | 6,475,000    |
|             | SUB-TOTAL                   | 96,555 SHARES                | 6,119,173    | 141,000     | GENERAL ELECTRIC COMPANY      | TEACHER'S RETIREMENT FUND    | 8,724,375    |
| 112,356     | DOW CHEMICAL COMPANY        | TEACHER'S RETIREMENT FUND    | 3,728,418    | 125,500     | GENERAL ELECTRIC COMPANY      | PUBLIC EMPLOYEES RETIREMENT  | 7,745,313    |
| 92,792      | DOW CHEMICAL COMPANY        | PUBLIC EMPLOYEES RETIREMENT  | 3,073,735    | 70,500      | GENERAL ELECTRIC COMPANY      | STATE EMPLOYEES RETIREMENT F | 4,362,188    |
| 56,880      | DOW CHEMICAL COMPANY        | STATE EMPLOYEES RETIREMENT F | 1,884,150    | 21,500      | GENERAL ELECTRIC COMPANY      | PUB. EMPLOY. POLICE AND FIRE | 1,330,313    |
| 16,000      | DOW CHEMICAL COMPANY        | PUB. EMPLOY. POLICE AND FIRE | 530,000      | 7,000       | GENERAL ELECTRIC COMPANY      | HIGHWAY PATROL RETIREMENT FU | 433,125      |
| 7,100       | DOW CHEMICAL COMPANY        | HIGHWAY PATROL RETIREMENT FU | 235,188      | 400         | GENERAL ELECTRIC COMPANY      | JUDGES RETIREMENT FUND       | 24,750       |
| 1,000       | DOW CHEMICAL COMPANY        | JUDGES RETIREMENT FUND       | 33,125       |             | SUB-TOTAL                     | 365,900 SHARES               | 22,640,063   |
|             | SUB-TOTAL                   | 286,328 SHARES               | 9,484,615    | 98,300      | GENERAL HILLS INCORPORATED    | TEACHER'S RETIREMENT FUND    | 3,723,113    |
| 100,700     | DRESSER INDUSTRIES          | TEACHER'S RETIREMENT FUND    | 3,839,188    | 86,900      | GENERAL HILLS INCORPORATED    | PUBLIC EMPLOYEES RETIREMENT  | 3,291,338    |
| 101,000     | DRESSER INDUSTRIES          | PUBLIC EMPLOYEES RETIREMENT  | 3,850,625    | 49,400      | GENERAL HILLS INCORPORATED    | STATE EMPLOYEES RETIREMENT F | 1,871,025    |
| 46,500      | DRESSER INDUSTRIES          | STATE EMPLOYEES RETIREMENT F | 1,772,813    | 12,800      | GENERAL HILLS INCORPORATED    | PUB. EMPLOY. POLICE AND FIRE | 484,800      |
| 14,000      | DRESSER INDUSTRIES          | PUB. EMPLOY. POLICE AND FIRE | 533,750      | 4,200       | GENERAL HILLS INCORPORATED    | HIGHWAY PATROL RETIREMENT FU | 159,075      |
| 8,000       | DRESSER INDUSTRIES          | HIGHWAY PATROL RETIREMENT FU | 305,000      | 300         | GENERAL HILLS INCORPORATED    | JUDGES RETIREMENT FUND       | 11,363       |
| 600         | DRESSER INDUSTRIES          | JUDGES RETIREMENT FUND       | 22,875       |             | SUB-TOTAL                     | 251,900 SHARES               | 9,540,713    |
|             | SUB-TOTAL                   | 270,800 SHARES               | 10,324,250   | 80,000      | GENERAL MOTORS CORPORATION    | TEACHER'S RETIREMENT FUND    | 4,240,000    |
| 76,000      | DU PONT E I DE NEMOURS & CO | TEACHER'S RETIREMENT FUND    | 4,037,500    | 71,500      | GENERAL MOTORS CORPORATION    | PUBLIC EMPLOYEES RETIREMENT  | 3,789,500    |
| 66,000      | DU PONT E I DE NEMOURS & CO | PUBLIC EMPLOYEES RETIREMENT  | 3,506,250    | 40,500      | GENERAL MOTORS CORPORATION    | STATE EMPLOYEES RETIREMENT F | 2,146,500    |
| 38,000      | DU PONT E I DE NEMOURS & CO | STATE EMPLOYEES RETIREMENT F | 2,018,750    | 12,200      | GENERAL MOTORS CORPORATION    | PUB. EMPLOY. POLICE AND FIRE | 646,600      |
| 10,180      | DU PONT E I DE NEMOURS & CO | PUB. EMPLOY. POLICE AND FIRE | 540,813      | 3,800       | GENERAL MOTORS CORPORATION    | HIGHWAY PATROL RETIREMENT FU | 201,400      |
| 3,400       | DU PONT E I DE NEMOURS & CO | HIGHWAY PATROL RETIREMENT FU | 180,625      | 300         | GENERAL MOTORS CORPORATION    | JUDGES RETIREMENT FUND       | 15,900       |
|             | SUB-TOTAL                   | 193,580 SHARES               | 10,283,938   |             | SUB-TOTAL                     | 208,300 SHARES               | 11,039,900   |
| 32,800      | DUN & BRADSTREET COS INC    | TEACHER'S RETIREMENT FUND    | 2,103,300    | 44,700      | GETTY OIL COMPANY             | TEACHER'S RETIREMENT FUND    | 4,480,475    |
| 32,300      | DUN & BRADSTREET COS INC    | PUBLIC EMPLOYEES RETIREMENT  | 2,071,238    | 54,300      | GETTY OIL COMPANY             | PUBLIC EMPLOYEES RETIREMENT  | 3,760,275    |
| 16,000      | DUN & BRADSTREET COS INC    | STATE EMPLOYEES RETIREMENT F | 1,026,000    | 29,000      | GETTY OIL COMPANY             | STATE EMPLOYEES RETIREMENT F | 2,008,250    |
| 3,000       | DUN & BRADSTREET COS INC    | PUB. EMPLOY. POLICE AND FIRE | 192,375      | 9,000       | GETTY OIL COMPANY             | PUB. EMPLOY. POLICE AND FIRE | 623,250      |
| 2,000       | DUN & BRADSTREET COS INC    | HIGHWAY PATROL RETIREMENT FU | 128,250      | 2,800       | GETTY OIL COMPANY             | HIGHWAY PATROL RETIREMENT FU | 193,900      |
| 100         | DUN & BRADSTREET COS INC    | JUDGES RETIREMENT FUND       | 6,413        | 200         | GETTY OIL COMPANY             | JUDGES RETIREMENT FUND       | 13,850       |
|             | SUB-TOTAL                   | 86,200 SHARES                | 5,527,575    |             | SUB-TOTAL                     | 140,000 SHARES               | 11,080,000   |
| 90,500      | EASTMAN KODAK COMPANY       | TEACHER'S RETIREMENT FUND    | 6,744,875    | 141,400     | GILLETTE COMPANY              | TEACHER'S RETIREMENT FUND    | 4,789,925    |
| 77,000      | EASTMAN KODAK COMPANY       | PUBLIC EMPLOYEES RETIREMENT  | 5,755,750    | 122,900     | GILLETTE COMPANY              | PUBLIC EMPLOYEES RETIREMENT  | 4,163,238    |
| 40,680      | EASTMAN KODAK COMPANY       | STATE EMPLOYEES RETIREMENT F | 3,040,830    | 49,100      | GILLETTE COMPANY              | STATE EMPLOYEES RETIREMENT F | 2,340,763    |
| 13,000      | EASTMAN KODAK COMPANY       | PUB. EMPLOY. POLICE AND FIRE | 971,750      | 20,000      | GILLETTE COMPANY              | PUB. EMPLOY. POLICE AND FIRE | 677,500      |
| 4,400       | EASTMAN KODAK COMPANY       | HIGHWAY PATROL RETIREMENT FU | 343,850      | 6,500       | GILLETTE COMPANY              | HIGHWAY PATROL RETIREMENT FU | 220,188      |
| 300         | EASTMAN KODAK COMPANY       | JUDGES RETIREMENT FUND       | 22,425       | 100         | GILLETTE COMPANY              | JUDGES RETIREMENT FUND       | 3,388        |
|             | SUB-TOTAL                   | 226,080 SHARES               | 16,899,480   |             | SUB-TOTAL                     | 360,000 SHARES               | 12,195,000   |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                   | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                     | ADVISOR                      | MARKET VALUE |
|-------------|----------------------------|------------------------------|--------------|-------------|------------------------------|------------------------------|--------------|
| 145,000     | GOODYEAR TIRE & RUBBER CO. | TEACHER'S RETIREMENT FUND    | 2,773,125    | 126,814     | INTL. TEL & TEL              | TEACHER'S RETIREMENT FUND    | 3,915,382    |
| 128,500     | GOODYEAR TIRE & RUBBER CO. | PUBLIC EMPLOYEES RETIREMENT  | 2,457,563    | 110,743     | INTL. TEL & TEL              | PUBLIC EMPLOYEES RETIREMENT  | 3,419,190    |
| 72,000      | GOODYEAR TIRE & RUBBER CO. | STATE EMPLOYEES RETIREMENT F | 1,377,000    | 62,243      | INTL. TEL & TEL              | STATE EMPLOYEES RETIREMENT F | 1,921,733    |
| 21,500      | GOODYEAR TIRE & RUBBER CO. | PUB. EMPLOY. POLICE AND FIRE | 411,188      | 18,317      | INTL. TEL & TEL              | PUB. EMPLOY. POLICE AND FIRE | 565,537      |
| 6,500       | GOODYEAR TIRE & RUBBER CO. | HIGHWAY PATROL RETIREMENT FU | 124,313      | 6,500       | INTL. TEL & TEL              | HIGHWAY PATROL RETIREMENT FU | 200,688      |
|             | SUB-TOTAL                  | 373,500 SHARES               | 7,143,188    | 500         | INTL. TEL & TEL              | JUDGES RETIREMENT FUND       | 15,438       |
| 138,300     | GULF OIL CORPORATION       | TEACHER'S RETIREMENT FUND    | 4,840,500    |             | SUB-TOTAL                    | 325,117 SHARES               | 10,037,987   |
| 121,000     | GULF OIL CORPORATION       | PUBLIC EMPLOYEES RETIREMENT  | 4,235,000    | 64,200      | JOHNSON & JOHNSON            | TEACHER'S RETIREMENT FUND    | 2,247,000    |
| 67,400      | GULF OIL CORPORATION       | STATE EMPLOYEES RETIREMENT F | 2,339,000    | 52,800      | JOHNSON & JOHNSON            | PUBLIC EMPLOYEES RETIREMENT  | 1,848,000    |
| 19,000      | GULF OIL CORPORATION       | PUB. EMPLOY. POLICE AND FIRE | 665,000      | 31,500      | JOHNSON & JOHNSON            | STATE EMPLOYEES RETIREMENT F | 1,102,500    |
| 3,800       | GULF OIL CORPORATION       | HIGHWAY PATROL RETIREMENT FU | 133,000      | 12,300      | JOHNSON & JOHNSON            | PUB. EMPLOY. POLICE AND FIRE | 430,500      |
|             | SUB-TOTAL                  | 349,500 SHARES               | 12,232,500   | 2,700       | JOHNSON & JOHNSON            | HIGHWAY PATROL RETIREMENT FU | 94,500       |
| 45,600      | HALLIBURTON INC.           | TEACHER'S RETIREMENT FUND    | 2,724,400    |             | SUB-TOTAL                    | 163,500 SHARES               | 5,722,500    |
| 36,400      | HALLIBURTON INC.           | PUBLIC EMPLOYEES RETIREMENT  | 2,174,900    | 67,800      | LEVI STRAUSS AND COMPANY     | TEACHER'S RETIREMENT FUND    | 2,422,850    |
| 22,900      | HALLIBURTON INC.           | STATE EMPLOYEES RETIREMENT F | 1,368,275    | 59,200      | LEVI STRAUSS AND COMPANY     | PUBLIC EMPLOYEES RETIREMENT  | 2,116,400    |
| 7,100       | HALLIBURTON INC.           | PUB. EMPLOY. POLICE AND FIRE | 424,225      | 34,000      | LEVI STRAUSS AND COMPANY     | STATE EMPLOYEES RETIREMENT F | 1,215,500    |
|             | SUB-TOTAL                  | 112,000 SHARES               | 6,692,000    | 10,800      | LEVI STRAUSS AND COMPANY     | PUB. EMPLOY. POLICE AND FIRE | 386,100      |
| 143,300     | HERCULES INCORPORATED      | TEACHER'S RETIREMENT FUND    | 3,618,325    | 2,800       | LEVI STRAUSS AND COMPANY     | HIGHWAY PATROL RETIREMENT FU | 100,100      |
| 124,700     | HERCULES INCORPORATED      | PUBLIC EMPLOYEES RETIREMENT  | 3,148,675    | 200         | LEVI STRAUSS AND COMPANY     | JUDGES RETIREMENT FUND       | 7,150        |
| 72,400      | HERCULES INCORPORATED      | STATE EMPLOYEES RETIREMENT F | 1,828,100    |             | SUB-TOTAL                    | 174,800 SHARES               | 6,249,100    |
| 20,800      | HERCULES INCORPORATED      | PUB. EMPLOY. POLICE AND FIRE | 525,200      | 53,200      | MARSH & MCCLENNAN            | TEACHER'S RETIREMENT FUND    | 2,081,450    |
| 9,300       | HERCULES INCORPORATED      | HIGHWAY PATROL RETIREMENT FU | 234,825      | 51,400      | MARSH & MCCLENNAN            | PUBLIC EMPLOYEES RETIREMENT  | 2,018,850    |
|             | SUB-TOTAL                  | 370,500 SHARES               | 9,355,125    | 26,600      | MARSH & MCCLENNAN            | STATE EMPLOYEES RETIREMENT F | 1,040,725    |
| 48,000      | HEWLETT PACKARD COMPANY    | TEACHER'S RETIREMENT FUND    | 4,566,000    | 9,200       | MARSH & MCCLENNAN            | PUB. EMPLOY. POLICE AND FIRE | 359,950      |
| 43,000      | HEWLETT PACKARD COMPANY    | PUBLIC EMPLOYEES RETIREMENT  | 4,090,375    | 2,200       | MARSH & MCCLENNAN            | HIGHWAY PATROL RETIREMENT FU | 86,075       |
| 24,000      | HEWLETT PACKARD COMPANY    | STATE EMPLOYEES RETIREMENT F | 2,283,000    | 200         | MARSH & MCCLENNAN            | JUDGES RETIREMENT FUND       | 7,825        |
| 7,500       | HEWLETT PACKARD COMPANY    | PUB. EMPLOY. POLICE AND FIRE | 713,438      |             | SUB-TOTAL                    | 143,000 SHARES               | 5,594,875    |
| 3,200       | HEWLETT PACKARD COMPANY    | HIGHWAY PATROL RETIREMENT FU | 304,400      | 131,500     | MCDONALDS CORP.              | TEACHER'S RETIREMENT FUND    | 8,514,825    |
| 300         | HEWLETT PACKARD COMPANY    | JUDGES RETIREMENT FUND       | 28,538       | 112,500     | MCDONALDS CORP.              | PUBLIC EMPLOYEES RETIREMENT  | 7,284,375    |
|             | SUB-TOTAL                  | 126,000 SHARES               | 11,985,750   | 63,800      | MCDONALDS CORP.              | STATE EMPLOYEES RETIREMENT F | 4,131,050    |
| 49,400      | HONEYWELL INCORPORATED     | TEACHER'S RETIREMENT FUND    | 4,217,525    | 17,800      | MCDONALDS CORP.              | PUB. EMPLOY. POLICE AND FIRE | 1,152,550    |
| 41,800      | HONEYWELL INCORPORATED     | PUBLIC EMPLOYEES RETIREMENT  | 3,568,675    | 5,600       | MCDONALDS CORP.              | HIGHWAY PATROL RETIREMENT FU | 362,600      |
| 23,500      | HONEYWELL INCORPORATED     | STATE EMPLOYEES RETIREMENT F | 2,006,313    | 500         | MCDONALDS CORP.              | JUDGES RETIREMENT FUND       | 32,375       |
| 8,000       | HONEYWELL INCORPORATED     | PUB. EMPLOY. POLICE AND FIRE | 683,000      |             | SUB-TOTAL                    | 331,700 SHARES               | 21,477,375   |
|             | SUB-TOTAL                  | 122,700 SHARES               | 10,475,513   | 60,800      | MERCK & COMPANY INCORPORATED | TEACHER'S RETIREMENT FUND    | 5,624,000    |
| 89,300      | HOUSEHOLD FINANCE CORP.    | TEACHER'S RETIREMENT FUND    | 1,495,775    | 52,100      | MERCK & COMPANY INCORPORATED | PUBLIC EMPLOYEES RETIREMENT  | 4,819,250    |
| 70,300      | HOUSEHOLD FINANCE CORP.    | PUBLIC EMPLOYEES RETIREMENT  | 1,177,525    | 28,700      | MERCK & COMPANY INCORPORATED | STATE EMPLOYEES RETIREMENT F | 2,654,750    |
| 43,900      | HOUSEHOLD FINANCE CORP.    | STATE EMPLOYEES RETIREMENT F | 735,325      | 12,300      | MERCK & COMPANY INCORPORATED | PUB. EMPLOY. POLICE AND FIRE | 1,137,750    |
| 9,000       | HOUSEHOLD FINANCE CORP.    | PUB. EMPLOY. POLICE AND FIRE | 150,750      | 4,700       | MERCK & COMPANY INCORPORATED | HIGHWAY PATROL RETIREMENT FU | 434,750      |
| 700         | HOUSEHOLD FINANCE CORP.    | JUDGES RETIREMENT FUND       | 11,725       | 500         | MERCK & COMPANY INCORPORATED | JUDGES RETIREMENT FUND       | 46,250       |
|             | SUB-TOTAL                  | 213,200 SHARES               | 3,571,100    |             | SUB-TOTAL                    | 159,100 SHARES               | 14,716,750   |
| 233,850     | HOUSTON INDUSTRIES INC.    | TEACHER'S RETIREMENT FUND    | 4,472,381    | 134,000     | MOBIL CORPORATION            | TEACHER'S RETIREMENT FUND    | 4,020,000    |
| 214,950     | HOUSTON INDUSTRIES INC.    | PUBLIC EMPLOYEES RETIREMENT  | 4,110,919    | 108,800     | MOBIL CORPORATION            | PUBLIC EMPLOYEES RETIREMENT  | 3,264,000    |
| 126,750     | HOUSTON INDUSTRIES INC.    | STATE EMPLOYEES RETIREMENT F | 2,424,094    | 61,200      | MOBIL CORPORATION            | STATE EMPLOYEES RETIREMENT F | 1,836,000    |
| 13,500      | HOUSTON INDUSTRIES INC.    | PUB. EMPLOY. POLICE AND FIRE | 258,188      | 14,200      | MOBIL CORPORATION            | PUB. EMPLOY. POLICE AND FIRE | 426,000      |
| 10,500      | HOUSTON INDUSTRIES INC.    | HIGHWAY PATROL RETIREMENT FU | 200,813      | 6,800       | MOBIL CORPORATION            | HIGHWAY PATROL RETIREMENT FU | 204,000      |
| 450         | HOUSTON INDUSTRIES INC.    | JUDGES RETIREMENT FUND       | 8,604        |             | SUB-TOTAL                    | 325,000 SHARES               | 9,750,000    |
|             | SUB-TOTAL                  | 600,000 SHARES               | 11,475,000   | 89,200      | MORGAN J P & COMPANY INC.    | TEACHER'S RETIREMENT FUND    | 5,329,700    |
| 141,800     | HOUSTON NATURAL GAS CORP.  | TEACHER'S RETIREMENT FUND    | 6,061,950    | 78,500      | MORGAN J P & COMPANY INC.    | PUBLIC EMPLOYEES RETIREMENT  | 4,690,375    |
| 124,000     | HOUSTON NATURAL GAS CORP.  | PUBLIC EMPLOYEES RETIREMENT  | 5,301,000    | 44,300      | MORGAN J P & COMPANY INC.    | STATE EMPLOYEES RETIREMENT F | 2,646,925    |
| 88,700      | HOUSTON NATURAL GAS CORP.  | STATE EMPLOYEES RETIREMENT F | 3,791,925    | 13,400      | MORGAN J P & COMPANY INC.    | PUB. EMPLOY. POLICE AND FIRE | 800,650      |
| 29,500      | HOUSTON NATURAL GAS CORP.  | PUB. EMPLOY. POLICE AND FIRE | 1,261,125    | 4,200       | MORGAN J P & COMPANY INC.    | HIGHWAY PATROL RETIREMENT FU | 250,950      |
| 9,000       | HOUSTON NATURAL GAS CORP.  | HIGHWAY PATROL RETIREMENT FU | 384,750      | 400         | MORGAN J P & COMPANY INC.    | JUDGES RETIREMENT FUND       | 23,900       |
| 200         | HOUSTON NATURAL GAS CORP.  | JUDGES RETIREMENT FUND       | 8,550        |             | SUB-TOTAL                    | 230,000 SHARES               | 13,742,500   |
|             | SUB-TOTAL                  | 393,200 SHARES               | 16,809,300   | 47,400      | MOTOROLA INCORPORATED        | TEACHER'S RETIREMENT FUND    | 3,389,100    |
| 63,200      | INA CORP.                  | TEACHER'S RETIREMENT FUND    | 2,930,900    | 40,800      | MOTOROLA INCORPORATED        | PUBLIC EMPLOYEES RETIREMENT  | 2,917,200    |
| 54,500      | INA CORP.                  | PUBLIC EMPLOYEES RETIREMENT  | 2,527,438    | 23,200      | MOTOROLA INCORPORATED        | STATE EMPLOYEES RETIREMENT F | 1,658,800    |
| 23,750      | INA CORP.                  | STATE EMPLOYEES RETIREMENT F | 1,101,406    | 6,500       | MOTOROLA INCORPORATED        | PUB. EMPLOY. POLICE AND FIRE | 464,750      |
| 7,500       | INA CORP.                  | PUB. EMPLOY. POLICE AND FIRE | 347,813      | 2,100       | MOTOROLA INCORPORATED        | HIGHWAY PATROL RETIREMENT FU | 150,150      |
| 2,500       | INA CORP.                  | HIGHWAY PATROL RETIREMENT FU | 115,938      |             | SUB-TOTAL                    | 120,000 SHARES               | 8,580,000    |
| 100         | INA CORP.                  | JUDGES RETIREMENT FUND       | 4,638        | 48,000      | NL INDUSTRIES                | TEACHER'S RETIREMENT FUND    | 2,363,000    |
|             | SUB-TOTAL                  | 151,550 SHARES               | 7,028,131    | 64,000      | NL INDUSTRIES                | PUBLIC EMPLOYEES RETIREMENT  | 2,224,000    |
| 237,412     | INTL. BUSINESS MACHINES    | TEACHER'S RETIREMENT FUND    | 13,740,220   | 34,000      | NL INDUSTRIES                | STATE EMPLOYEES RETIREMENT F | 1,181,500    |
| 206,800     | INTL. BUSINESS MACHINES    | PUBLIC EMPLOYEES RETIREMENT  | 11,968,550   | 10,000      | NL INDUSTRIES                | PUB. EMPLOY. POLICE AND FIRE | 347,500      |
| 119,700     | INTL. BUSINESS MACHINES    | STATE EMPLOYEES RETIREMENT F | 6,927,638    | 3,800       | NL INDUSTRIES                | HIGHWAY PATROL RETIREMENT FU | 132,050      |
| 35,900      | INTL. BUSINESS MACHINES    | PUB. EMPLOY. POLICE AND FIRE | 2,077,713    | 200         | NL INDUSTRIES                | JUDGES RETIREMENT FUND       | 6,950        |
| 11,100      | INTL. BUSINESS MACHINES    | HIGHWAY PATROL RETIREMENT FU | 642,413      |             | SUB-TOTAL                    | 180,000 SHARES               | 6,255,000    |
| 960         | INTL. BUSINESS MACHINES    | JUDGES RETIREMENT FUND       | 55,560       |             |                              |                              |              |
|             | SUB-TOTAL                  | 611,872 SHARES               | 35,412,092   |             |                              |                              |              |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                      | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                   | ADVISOR                      | MARKET VALUE |
|-------------|-------------------------------|------------------------------|--------------|-------------|----------------------------|------------------------------|--------------|
| 134,796     | NORTHERN STS. POWER CO. MINN. | TEACHER'S RETIREMENT FUND    | 3,403,599    | 43,000      | SOUTHERN RAILWAY CO.       | TEACHER'S RETIREMENT FUND    | 3,816,250    |
| 107,592     | NORTHERN STS. POWER CO. MINN. | PUBLIC EMPLOYEES RETIREMENT  | 2,716,698    | 37,000      | SOUTHERN RAILWAY CO.       | PUBLIC EMPLOYEES RETIREMENT  | 3,283,750    |
| 66,104      | NORTHERN STS. POWER CO. MINN. | STATE EMPLOYEES RETIREMENT F | 1,669,177    | 20,400      | SOUTHERN RAILWAY CO.       | STATE EMPLOYEES RETIREMENT F | 1,810,500    |
| 18,000      | NORTHERN STS. POWER CO. MINN. | PUB. EMPLOY. POLICE AND FIRE | 454,500      | 6,200       | SOUTHERN RAILWAY CO.       | PUB. EMPLOY. POLICE AND FIRE | 550,250      |
| 2,000       | NORTHERN STS. POWER CO. MINN. | HIGHWAY PATROL RETIREMENT FU | 50,500       | 1,600       | SOUTHERN RAILWAY CO.       | HIGHWAY PATROL RETIREMENT FU | 142,000      |
| 800         | NORTHERN STS. POWER CO. MINN. | JUDGES RETIREMENT FUND       | 20,200       | 200         | SOUTHERN RAILWAY CO.       | JUDGES RETIREMENT FUND       | 17,750       |
|             | SUB-TOTAL                     | 329,294 SHARES               | 8,314,674    |             | SUB-TOTAL                  | 108,400 SHARES               | 9,620,500    |
| 215,500     | OWENS ILLINOIS INC.           | TEACHER'S RETIREMENT FUND    | 6,572,750    | 138,519     | SOUTHLAND CORP.            | TEACHER'S RETIREMENT FUND    | 3,636,124    |
| 187,000     | OWENS ILLINOIS INC.           | PUBLIC EMPLOYEES RETIREMENT  | 5,703,500    | 116,914     | SOUTHLAND CORP.            | PUBLIC EMPLOYEES RETIREMENT  | 3,069,045    |
| 105,000     | OWENS ILLINOIS INC.           | STATE EMPLOYEES RETIREMENT F | 3,202,500    | 63,133      | SOUTHLAND CORP.            | STATE EMPLOYEES RETIREMENT F | 1,657,241    |
| 32,000      | OWENS ILLINOIS INC.           | PUB. EMPLOY. POLICE AND FIRE | 976,000      | 21,614      | SOUTHLAND CORP.            | PUB. EMPLOY. POLICE AND FIRE | 567,420      |
| 10,500      | OWENS ILLINOIS INC.           | HIGHWAY PATROL RETIREMENT FU | 320,250      | 6,277       | SOUTHLAND CORP.            | HIGHWAY PATROL RETIREMENT FU | 164,771      |
|             | SUB-TOTAL                     | 550,000 SHARES               | 16,775,000   | 321         | SOUTHLAND CORP.            | JUDGES RETIREMENT FUND       | 8,424        |
| 87,600      | PENNEY J. C. INCORPORATED     | TEACHER'S RETIREMENT FUND    | 2,956,500    |             | SUB-TOTAL                  | 346,782 SHARES               | 9,103,028    |
| 72,900      | PENNEY J. C. INCORPORATED     | PUBLIC EMPLOYEES RETIREMENT  | 2,460,375    | 49,000      | ST. PAUL COS. INC.         | TEACHER'S RETIREMENT FUND    | 2,156,000    |
| 44,100      | PENNEY J. C. INCORPORATED     | STATE EMPLOYEES RETIREMENT F | 1,748,375    | 41,400      | ST. PAUL COS. INC.         | PUBLIC EMPLOYEES RETIREMENT  | 1,821,600    |
| 16,600      | PENNEY J. C. INCORPORATED     | PUB. EMPLOY. POLICE AND FIRE | 560,250      | 24,800      | ST. PAUL COS. INC.         | STATE EMPLOYEES RETIREMENT F | 1,091,200    |
| 5,700       | PENNEY J. C. INCORPORATED     | HIGHWAY PATROL RETIREMENT FU | 192,375      | 7,700       | ST. PAUL COS. INC.         | PUB. EMPLOY. POLICE AND FIRE | 338,800      |
| 300         | PENNEY J. C. INCORPORATED     | JUDGES RETIREMENT FUND       | 10,125       | 2,900       | ST. PAUL COS. INC.         | HIGHWAY PATROL RETIREMENT FU | 127,600      |
|             | SUB-TOTAL                     | 227,200 SHARES               | 7,668,000    | 100         | ST. PAUL COS. INC.         | JUDGES RETIREMENT FUND       | 4,400        |
| 230,986     | PEPSICO INCORPORATED          | TEACHER'S RETIREMENT FUND    | 8,171,130    |             | SUB-TOTAL                  | 125,900 SHARES               | 5,539,600    |
| 200,100     | PEPSICO INCORPORATED          | PUBLIC EMPLOYEES RETIREMENT  | 7,078,538    | 114,300     | STANDARD OIL OF CALIFORNIA | TEACHER'S RETIREMENT FUND    | 4,286,250    |
| 112,800     | PEPSICO INCORPORATED          | STATE EMPLOYEES RETIREMENT F | 3,990,300    | 100,100     | STANDARD OIL OF CALIFORNIA | PUBLIC EMPLOYEES RETIREMENT  | 3,753,750    |
| 33,000      | PEPSICO INCORPORATED          | PUB. EMPLOY. POLICE AND FIRE | 1,167,375    | 55,800      | STANDARD OIL OF CALIFORNIA | STATE EMPLOYEES RETIREMENT F | 2,092,500    |
| 10,500      | PEPSICO INCORPORATED          | HIGHWAY PATROL RETIREMENT FU | 371,438      | 15,800      | STANDARD OIL OF CALIFORNIA | PUB. EMPLOY. POLICE AND FIRE | 592,500      |
| 400         | PEPSICO INCORPORATED          | JUDGES RETIREMENT FUND       | 14,150       | 5,000       | STANDARD OIL OF CALIFORNIA | HIGHWAY PATROL RETIREMENT FU | 187,500      |
|             | SUB-TOTAL                     | 587,786 SHARES               | 20,792,930   |             | SUB-TOTAL                  | 291,000 SHARES               | 10,912,500   |
| 141,500     | PHILLIPS PETROLEUM CO.        | TEACHER'S RETIREMENT FUND    | 5,412,375    | 59,000      | SUPER VALU STORES INC.     | TEACHER'S RETIREMENT FUND    | 2,205,125    |
| 123,500     | PHILLIPS PETROLEUM CO.        | PUBLIC EMPLOYEES RETIREMENT  | 4,723,875    | 49,000      | SUPER VALU STORES INC.     | PUBLIC EMPLOYEES RETIREMENT  | 1,831,375    |
| 68,000      | PHILLIPS PETROLEUM CO.        | STATE EMPLOYEES RETIREMENT F | 2,601,000    | 30,000      | SUPER VALU STORES INC.     | STATE EMPLOYEES RETIREMENT F | 1,121,250    |
| 21,000      | PHILLIPS PETROLEUM CO.        | PUB. EMPLOY. POLICE AND FIRE | 803,250      | 8,700       | SUPER VALU STORES INC.     | PUB. EMPLOY. POLICE AND FIRE | 325,163      |
| 6,000       | PHILLIPS PETROLEUM CO.        | HIGHWAY PATROL RETIREMENT FU | 229,500      | 3,000       | SUPER VALU STORES INC.     | HIGHWAY PATROL RETIREMENT FU | 112,125      |
|             | SUB-TOTAL                     | 360,000 SHARES               | 13,770,000   | 300         | SUPER VALU STORES INC.     | JUDGES RETIREMENT FUND       | 11,213       |
| 51,000      | RAYTHEON COMPANY              | TEACHER'S RETIREMENT FUND    | 2,295,000    |             | SUB-TOTAL                  | 150,000 SHARES               | 5,606,250    |
| 46,000      | RAYTHEON COMPANY              | PUBLIC EMPLOYEES RETIREMENT  | 2,070,000    | 59,000      | SYNTEX CORPORATION         | TEACHER'S RETIREMENT FUND    | 3,311,375    |
| 27,000      | RAYTHEON COMPANY              | STATE EMPLOYEES RETIREMENT F | 1,215,000    | 51,000      | SYNTEX CORPORATION         | PUBLIC EMPLOYEES RETIREMENT  | 2,862,375    |
| 7,000       | RAYTHEON COMPANY              | PUB. EMPLOY. POLICE AND FIRE | 315,000      | 29,000      | SYNTEX CORPORATION         | STATE EMPLOYEES RETIREMENT F | 1,627,625    |
| 2,000       | RAYTHEON COMPANY              | HIGHWAY PATROL RETIREMENT FU | 90,000       | 9,000       | SYNTEX CORPORATION         | PUB. EMPLOY. POLICE AND FIRE | 505,125      |
| 200         | RAYTHEON COMPANY              | JUDGES RETIREMENT FUND       | 9,000        | 2,000       | SYNTEX CORPORATION         | HIGHWAY PATROL RETIREMENT FU | 112,250      |
|             | SUB-TOTAL                     | 133,200 SHARES               | 5,994,000    |             | SUB-TOTAL                  | 150,000 SHARES               | 8,418,750    |
| 58,000      | REVCO D.S.                    | TEACHER'S RETIREMENT FUND    | 2,160,500    | 217,400     | TEXAS OIL & GAS CORP.      | TEACHER'S RETIREMENT FUND    | 7,310,075    |
| 52,000      | REVCO D.S.                    | PUBLIC EMPLOYEES RETIREMENT  | 1,937,000    | 190,000     | TEXAS OIL & GAS CORP.      | PUBLIC EMPLOYEES RETIREMENT  | 6,388,750    |
| 32,000      | REVCO D.S.                    | STATE EMPLOYEES RETIREMENT F | 1,192,000    | 73,500      | TEXAS OIL & GAS CORP.      | STATE EMPLOYEES RETIREMENT F | 2,471,438    |
| 10,000      | REVCO D.S.                    | PUB. EMPLOY. POLICE AND FIRE | 372,500      | 19,600      | TEXAS OIL & GAS CORP.      | PUB. EMPLOY. POLICE AND FIRE | 659,050      |
| 2,800       | REVCO D.S.                    | HIGHWAY PATROL RETIREMENT FU | 104,300      | 4,500       | TEXAS OIL & GAS CORP.      | HIGHWAY PATROL RETIREMENT FU | 218,563      |
| 200         | REVCO D.S.                    | JUDGES RETIREMENT FUND       | 7,450        |             | SUB-TOTAL                  | 507,000 SHARES               | 17,047,875   |
|             | SUB-TOTAL                     | 155,000 SHARES               | 5,773,750    | 100,000     | TEXAS UTILITIES COMPANY    | TEACHER'S RETIREMENT FUND    | 2,037,500    |
| 103,200     | ROYAL DUTCH PETROLEUM CO ORD  | TEACHER'S RETIREMENT FUND    | 3,328,200    | 80,000      | TEXAS UTILITIES COMPANY    | PUBLIC EMPLOYEES RETIREMENT  | 1,630,000    |
| 89,400      | ROYAL DUTCH PETROLEUM CO ORD  | PUBLIC EMPLOYEES RETIREMENT  | 2,883,150    | 45,000      | TEXAS UTILITIES COMPANY    | STATE EMPLOYEES RETIREMENT F | 914,875      |
| 50,400      | ROYAL DUTCH PETROLEUM CO ORD  | STATE EMPLOYEES RETIREMENT F | 1,625,400    | 22,000      | TEXAS UTILITIES COMPANY    | PUB. EMPLOY. POLICE AND FIRE | 448,250      |
| 15,000      | ROYAL DUTCH PETROLEUM CO ORD  | PUB. EMPLOY. POLICE AND FIRE | 483,750      | 6,000       | TEXAS UTILITIES COMPANY    | HIGHWAY PATROL RETIREMENT FU | 122,250      |
| 5,000       | ROYAL DUTCH PETROLEUM CO ORD  | HIGHWAY PATROL RETIREMENT FU | 161,250      | 1,000       | TEXAS UTILITIES COMPANY    | JUDGES RETIREMENT FUND       | 20,375       |
|             | SUB-TOTAL                     | 263,000 SHARES               | 8,481,750    |             | SUB-TOTAL                  | 254,000 SHARES               | 5,175,250    |
| 114,000     | SANTA FE INDUSTRIES           | TEACHER'S RETIREMENT FUND    | 2,944,000    | 59,200      | TRAVELERS CORPORATION      | TEACHER'S RETIREMENT FUND    | 2,782,400    |
| 103,500     | SANTA FE INDUSTRIES           | PUBLIC EMPLOYEES RETIREMENT  | 2,691,000    | 49,500      | TRAVELERS CORPORATION      | PUBLIC EMPLOYEES RETIREMENT  | 2,324,500    |
| 57,000      | SANTA FE INDUSTRIES           | STATE EMPLOYEES RETIREMENT F | 1,482,000    | 28,400      | TRAVELERS CORPORATION      | STATE EMPLOYEES RETIREMENT F | 1,334,800    |
| 18,000      | SANTA FE INDUSTRIES           | PUB. EMPLOY. POLICE AND FIRE | 468,000      | 9,400       | TRAVELERS CORPORATION      | PUB. EMPLOY. POLICE AND FIRE | 441,800      |
| 6,900       | SANTA FE INDUSTRIES           | HIGHWAY PATROL RETIREMENT FU | 179,400      | 2,800       | TRAVELERS CORPORATION      | HIGHWAY PATROL RETIREMENT FU | 131,600      |
| 600         | SANTA FE INDUSTRIES           | JUDGES RETIREMENT FUND       | 15,600       | 100         | TRAVELERS CORPORATION      | JUDGES RETIREMENT FUND       | 4,700        |
|             | SUB-TOTAL                     | 300,000 SHARES               | 7,800,000    |             | SUB-TOTAL                  | 149,400 SHARES               | 7,021,800    |
| 96,002      | SECURITY PACIFIC CORPORATION  | TEACHER'S RETIREMENT FUND    | 3,888,081    | 131,500     | UNION CARBIDE CORP         | TEACHER'S RETIREMENT FUND    | 7,890,000    |
| 85,063      | SECURITY PACIFIC CORPORATION  | PUBLIC EMPLOYEES RETIREMENT  | 3,445,052    | 109,200     | UNION CARBIDE CORP         | PUBLIC EMPLOYEES RETIREMENT  | 6,552,000    |
| 52,245      | SECURITY PACIFIC CORPORATION  | STATE EMPLOYEES RETIREMENT F | 2,116,733    | 45,500      | UNION CARBIDE CORP         | STATE EMPLOYEES RETIREMENT F | 3,930,000    |
| 22,000      | SECURITY PACIFIC CORPORATION  | PUB. EMPLOY. POLICE AND FIRE | 891,000      | 18,800      | UNION CARBIDE CORP         | PUB. EMPLOY. POLICE AND FIRE | 1,128,000    |
| 5,000       | SECURITY PACIFIC CORPORATION  | HIGHWAY PATROL RETIREMENT FU | 202,500      | 6,300       | UNION CARBIDE CORP         | HIGHWAY PATROL RETIREMENT FU | 378,000      |
|             | SUB-TOTAL                     | 260,330 SHARES               | 10,543,363   |             | SUB-TOTAL                  | 331,300 SHARES               | 19,878,000   |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                         | ADVISOR                      | MARKET VALUE |
|-------------|----------------------------------|------------------------------|--------------|
| 124,984     | VALLEY MATL BK AZ PHOENIX        | TEACHER'S RETIREMENT FUND    | 5,412,493    |
| 97,702      | VALLEY MATL BK AZ PHOENIX        | PUBLIC EMPLOYEES RETIREMENT  | 4,144,548    |
| 56,194      | VALLEY MATL BK AZ PHOENIX        | STATE EMPLOYEES RETIREMENT F | 2,395,355    |
| 9,500       | VALLEY MATL BK AZ PHOENIX        | PUB. EMPLOY. POLICE AND FIRE | 404,938      |
| 4,618       | VALLEY MATL BK AZ PHOENIX        | HIGHWAY PATROL RETIREMENT FU | 282,092      |
| 200         | VALLEY MATL BK AZ PHOENIX        | JUDGES RETIREMENT FUND       | 8,525        |
|             | SUB-TOTAL                        | 297,200 SHARES               | 12,668,150   |
| 55,808      | WARNER COMMUNICATIONS            | TEACHER'S RETIREMENT FUND    | 2,846,208    |
| 56,288      | WARNER COMMUNICATIONS            | PUBLIC EMPLOYEES RETIREMENT  | 2,870,488    |
| 31,394      | WARNER COMMUNICATIONS            | STATE EMPLOYEES RETIREMENT F | 1,601,194    |
| 9,344       | WARNER COMMUNICATIONS            | PUB. EMPLOY. POLICE AND FIRE | 477,544      |
| 2,942       | WARNER COMMUNICATIONS            | HIGHWAY PATROL RETIREMENT FU | 150,042      |
| 300         | WARNER COMMUNICATIONS            | JUDGES RETIREMENT FUND       | 15,300       |
|             | SUB-TOTAL                        | 156,098 SHARES               | 7,960,998    |
| 77,700      | WHIRLPOOL CORP.                  | TEACHER'S RETIREMENT FUND    | 2,134,750    |
| 73,900      | WHIRLPOOL CORP.                  | PUBLIC EMPLOYEES RETIREMENT  | 2,032,250    |
| 44,800      | WHIRLPOOL CORP.                  | STATE EMPLOYEES RETIREMENT F | 1,232,000    |
| 24,200      | WHIRLPOOL CORP.                  | PUB. EMPLOY. POLICE AND FIRE | 665,500      |
| 8,300       | WHIRLPOOL CORP.                  | HIGHWAY PATROL RETIREMENT FU | 228,250      |
|             | SUB-TOTAL                        | 228,900 SHARES               | 6,294,750    |
| 87,000      | WILLIAMS COS                     | TEACHER'S RETIREMENT FUND    | 2,403,375    |
| 79,000      | WILLIAMS COS                     | PUBLIC EMPLOYEES RETIREMENT  | 2,182,375    |
| 46,500      | WILLIAMS COS                     | STATE EMPLOYEES RETIREMENT F | 1,294,563    |
| 12,500      | WILLIAMS COS                     | PUB. EMPLOY. POLICE AND FIRE | 345,313      |
| 5,000       | WILLIAMS COS                     | HIGHWAY PATROL RETIREMENT FU | 138,125      |
| 300         | WILLIAMS COS                     | JUDGES RETIREMENT FUND       | 8,288        |
| 21,974,523  | TOTAL EQUITY PORTFOLIO           |                              | 868,243,145  |
|             | TEACHER'S RETIREMENT FUND        |                              | 8338,192,294 |
|             | PUBLIC EMPLOYEES RETIREMENT FUND |                              | 295,653,555  |
|             | STATE EMPLOYEES RETIREMENT FUND  |                              | 145,439,743  |
|             | PUB. EMPLOY. POLICE AND FIRE     |                              | 51,274,322   |
|             | HIGHWAY PATROL RETIREMENT FUND   |                              | 16,595,269   |
|             | JUDGES RETIREMENT FUND           |                              | 885,980      |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

PERMANENT SCHOOL FUND

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                       | MARKET VALUE |
|-------------|--------------------------------|--------------|
| 5,000       | ALCAN ALUMINUM LTD.            | 141,250      |
| 22,800      | AMERICAN HOME PRODS CORP       | 749,550      |
| 47,000      | AMERICAN TELEPHONE & TELEGRAPH | 2,643,750    |
| 10,000      | ARA SERVICES                   | 345,000      |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

PERMANENT SCHOOL FUND

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                       | MARKET VALUE |
|-------------|--------------------------------|--------------|
| 32,000      | ATLANTIC RICHFIELD             | 1,520,000    |
| 17,000      | AVON PRODS INC                 | 654,500      |
| 28,000      | BANKAMERICA CORPORATION        | 707,000      |
| 10,000      | BAXTER TRAVENOL LABS           | 543,750      |
| 15,925      | BENEFICIAL CORPORATION         | 170,254      |
| 38,000      | BOEING COMPANY                 | 1,143,750    |
| 11,400      | BURROUGHS CORPORATION          | 456,750      |
| 15,150      | CATERPILLAR TRACTOR COMPANY    | 994,219      |
| 1,400       | CHAMPION INTERNATIONAL CORP.   | 42,400       |
| 16,000      | COCA COLA COMPANY              | 556,000      |
| 20,000      | COLGATE PALMOLIVE              | 340,000      |
| 12,000      | CONN. GENERAL INS. CORP.       | 609,000      |
| 11,948      | CONOCO INC.                    | 782,594      |
| 29,000      | CONSOLIDATED FOODS CORPORATION | 833,750      |
| 24,000      | CONTINENTAL GROUP INCORPORATED | 876,000      |
| 12,000      | CPC INTERNATIONAL INC.         | 391,500      |
| 4,000       | DAYTON-HUDSON CORP.            | 215,000      |
| 20,000      | DOW CHEMICAL COMPANY           | 642,500      |
| 13,000      | DU PONT E I DE NEMOURS & CO    | 796,875      |
| 15,350      | EASTMAN KODAK COMPANY          | 1,147,413    |
| 107,632     | EXXON CORPORATION              | 3,688,394    |
| 18,000      | FEDERATED DEPT. STORES INC.    | 720,000      |
| 29,500      | FIRST BANK SYSTEM              | 1,290,625    |
| 28,000      | FLORIDA POWER & LIGHT COMPANY  | 833,000      |
| 22,200      | GENERAL ELECTRIC COMPANY       | 1,373,625    |
| 23,000      | GENERAL FOODS CORP.            | 710,125      |
| 20,000      | GENERAL MILLS INCORPORATED     | 757,500      |
| 23,200      | GENERAL MOTORS CORPORATION     | 1,229,400    |
| 25,800      | GENERAL TELEPHONE & ELECTRIC C | 757,875      |
| 5,000       | GENUINE PARTS COMPANY          | 163,125      |
| 33,000      | GOODYEAR TIRE & RUBBER CO.     | 631,125      |
| 6,000       | HARCOURT BRACE JOVANOVICH      | 111,000      |
| 10,000      | HONEYWELL INCORPORATED         | 853,750      |
| 31,000      | HOUSEHOLD FINANCE CORP.        | 519,250      |
| 60,000      | HOUSTON INDUSTRIES INC.        | 1,147,500    |
| 15,000      | HOUSTON NATURAL GAS CORP.      | 641,250      |
| 22,950      | INA CORP.                      | 1,044,304    |
| 20,000      | INTERNORTH INC.                | 675,000      |
| 50,140      | INTL. BUSINESS MACHINES        | 2,901,853    |
| 20,000      | INTL. TEL & TEL                | 617,500      |
| 10,000      | MARATHON OIL COMPANY           | 612,500      |
| 20,000      | MCDONALDS CORP.                | 1,295,000    |
| 10,000      | MERCK & COMPANY INCORPORATED   | 925,000      |
| 18,000      | MINNESOTA HNG & MFG CO         | 1,035,000    |
| 41,200      | MOBIL CORPORATION              | 1,236,000    |
| 13,920      | MORGAN J P & COMPANY INC.      | 951,220      |
| 49,500      | NORTHERN STS. POWER CO. MINN.  | 1,249,875    |
| 33,000      | NORTHWEST BANCORPORATION INC   | 1,031,250    |
| 19,800      | PENNEY J. C. INCORPORATED      | 648,250      |
| 14,664      | PEOPLES ENERGY CORP.           | 424,972      |
| 8,706       | PROCTOR & GAMBLE               | 459,025      |
| 25,000      | ROYAL DUTCH PETROLEUM CO ORD   | 804,250      |
| 20,000      | SCHERING PLOUGH CORP           | 695,000      |
| 17,000      | ST. PAUL COS. INC.             | 748,000      |
| 10,000      | STANDARD OIL OF INDIANA        | 548,750      |
| 4,000       | SUPER VALU STORES INC.         | 224,250      |
| 50,000      | TEXACO INC.                    | 1,768,750    |
| 28,000      | TEXAS UTILITIES COMPANY        | 570,500      |
| 19,700      | UNION CARBIDE CORP             | 1,182,000    |
| 10,000      | UNION PACIFIC CORPORATION      | 577,500      |
| 26,050      | US FIDELITY & GUARANTY CO      | 1,279,704    |
| 12,200      | WHIRLPOOL CORP.                | 335,500      |
| 15,000      | WILLIAMS COS                   | 414,375      |
| 13,440      | XEROX CORP                     | 725,740      |
| 1,496,971   | TOTAL EQUITY PORTFOLIO         | 58,383,644   |



STATE OF MINNESOTA  
 PERMANENT SCHOOL FUND  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD    | % COST                   |
|--------------------|-------------------------------|--------|--------------------------|
| 1,000,000          | ALUMINUM CO OF CANADA         | 9.500  | X DUE 3/ 1/1995 9.383 X  |
| 750,000            | AMERICAN PRES LINES           | 5.600  | X DUE 11/ 1/1992 5.400 X |
| 1,097,000          | AMERICAN PRES LINES           | 4.800  | X DUE 11/ 1/1991 4.800 X |
| 2,957,301          | ATLANTIC RICHFIELD CO.        | 9.250  | X DUE 7/15/1996 9.250 X  |
| 2,000,000          | ATLANTIC RICHFIELD CO.        | 8.750  | X DUE 12/ 1/2001 8.750 X |
| 2,300,000          | BELL TELE. CO CANADA          | 4.850  | X DUE 9/ 1/1995 5.576 X  |
| 3,000,000          | BELL TELE. CO CANADA          | 9.500  | X DUE 6/ 1/2004 9.500 X  |
| 1,500,000          | CANADIAN PACIFIC, LTD.        | 8.625  | X DUE 1/15/1992 8.625 X  |
| 1,000,000          | CHESAPEAKE & POTOMAC TEL. VA. | 9.500  | X DUE 4/15/2019 12.797 X |
| 4,000,000          | CONSOLIDATED NATURAL GAS CO.  | 8.125  | X DUE 6/ 1/1997 8.145 X  |
| 1,250,000          | CONSTRUCTION AGGREGATE        | 7.500  | X DUE 6/ 1/1991 7.500 X  |
| 377,000            | DELTA STEAMSHIP LINES         | 5.500  | X DUE 3/ 1/1986 5.500 X  |
| 2,100,000          | EAGLE TERMINAL TANKERS        | 6,000  | X DUE 6/ 1/1989 6,000 X  |
| 2,867,000          | EL PASO COLUMBIA TANKER CO.   | 9.250  | X DUE 3/31/2003 9.250 X  |
| 175,000            | FARRELL LINES, INC            | 9,000  | X DUE 9/20/1998 9,000 X  |
| 165,000            | FARRELL LINES, INC            | 9,000  | X DUE 6/29/1997 9,000 X  |
| 168,000            | FARRELL LINES, INC            | 9,000  | X DUE 11/27/1997 9,000 X |
| 170,000            | FARRELL LINES, INC            | 9,000  | X DUE 2/28/1998 9,000 X  |
| 1,074,000          | FARRELL LINES, INC            | 8,050  | X DUE 4/ 1/1988 8,050 X  |
| 3,000,000          | FEDERAL HOME LOAN BANK        | 12.250 | X DUE 8/25/1983 12.250 X |
| 2,500,000          | FEDERAL NATL MORTGAGE ASSN    | 14.250 | X DUE 5/10/1984 14.250 X |
| 3,000,000          | FMC CORP                      | 9.500  | X DUE 1/15/2000 9.596 X  |
| 3,854,921          | GNMA POOL                     | 8.750  | X DUE 7/30/2001 8.750 X  |
| 1,230,427          | GNMA POOL # 00001             | 7,000  | X DUE 2/15/2000 7,955 X  |
| 760,899            | GNMA POOL # 00010             | 8,000  | X DUE 4/15/2000 8,421 X  |
| 871,836            | GNMA POOL # 00019             | 8,000  | X DUE 7/15/2000 8,333 X  |
| 820,552            | GNMA POOL # 00020             | 8,000  | X DUE 10/15/2000 8,333 X |
| 799,708            | GNMA POOL # 00021             | 8,000  | X DUE 11/15/2000 8,290 X |
| 838,762            | GNMA POOL # 00022             | 8,000  | X DUE 1/15/2001 8,247 X  |
| 385,671            | GNMA POOL # 00023             | 8,000  | X DUE 2/15/2001 8,205 X  |
| 908,814            | GNMA POOL # 00027             | 7,000  | X DUE 5/15/2000 7,955 X  |
| 883,789            | GNMA POOL # 00030             | 8,000  | X DUE 7/15/2000 8,377 X  |
| 1,014,901          | GNMA POOL # 00058             | 8,000  | X DUE 8/ 1/2000 8,421 X  |
| 695,753            | GNMA POOL # 00061             | 8,000  | X DUE 12/15/2000 8,421 X |
| 932,480            | GNMA POOL # 00071             | 8,000  | X DUE 9/15/2000 8,377 X  |
| 639,276            | GNMA POOL # 00075             | 8,000  | X DUE 12/15/2000 8,290 X |
| 916,103            | GNMA POOL # 00107             | 8,000  | X DUE 12/15/2000 8,333 X |
| 595,867            | GNMA POOL # 00116             | 8,000  | X DUE 2/15/2001 8,205 X  |
| 763,301            | GNMA POOL # 00252             | 8,000  | X DUE 2/15/2001 8,000 X  |
| 439,002            | GNMA POOL # 00484             | 7,500  | X DUE 3/15/2001 7,426 X  |
| 2,302,410          | GNMA POOL # 00505             | 6,500  | X DUE 11/15/2001 6,931 X |
| 2,503,606          | GNMA POOL # 00506             | 6,500  | X DUE 12/15/2001 6,931 X |
| 686,917            | GNMA POOL # 02180             | 8,000  | X DUE 2/15/2004 8,290 X  |
| 2,779,451          | GNMA POOL # 02290             | 6,500  | X DUE 3/15/2003 6,980 X  |
| 3,007,427          | GNMA POOL # 02291             | 6,500  | X DUE 4/15/2003 6,980 X  |
| 1,548,871          | GNMA POOL # 02292             | 6,500  | X DUE 6/15/2003 7,027 X  |
| 3,003,587          | GNMA POOL # 02424             | 6,500  | X DUE 4/15/2003 7,146 X  |
| 3,135,426          | GNMA POOL # 02548             | 6,500  | X DUE 7/15/2003 7,182 X  |
| 1,080,888          | GNMA POOL # 02678             | 8,000  | X DUE 11/15/2003 8,249 X |
| 1,605,607          | GNMA POOL # 02682             | 8,000  | X DUE 11/15/2003 8,249 X |
| 1,062,913          | GNMA POOL # 03015             | 8,000  | X DUE 4/15/2004 8,290 X  |
| 1,649,620          | GNMA POOL # 03291             | 8,000  | X DUE 4/15/2004 8,258 X  |
| 995,261            | GNMA POOL # 03487             | 8,000  | X DUE 2/15/2004 8,290 X  |

23.

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION | YLD    | % COST                   |
|--------------------|----------------------|--------|--------------------------|
| 438,866            | GNMA POOL # 03627    | 8.250  | X DUE 7/15/2004 9.007 X  |
| 29,750             | GNMA POOL # 03738    | 8.000  | X DUE 6/15/2004 8.391 X  |
| 1,237,240          | GNMA POOL # 03972    | 8.250  | X DUE 7/15/2004 9.007 X  |
| 845,370            | GNMA POOL # 03974    | 9.000  | X DUE 11/15/2004 9.486 X |
| 1,317,163          | GNMA POOL # 03975    | 8.000  | X DUE 7/15/2004 8.448 X  |
| 477,762            | GNMA POOL # 03979    | 8.250  | X DUE 8/15/2004 8.271 X  |
| 488,497            | GNMA POOL # 04004    | 8.250  | X DUE 8/15/2004 8.271 X  |
| 1,305,626          | GNMA POOL # 04092    | 8.250  | X DUE 7/15/2004 8.921 X  |
| 510,212            | GNMA POOL # 04145    | 8.250  | X DUE 8/15/2004 8.271 X  |
| 529,590            | GNMA POOL # 04472    | 9.000  | X DUE 9/15/2004 9.486 X  |
| 40,571             | GNMA POOL # 06039    | 8.000  | X DUE 7/15/2005 8.153 X  |
| 28,442             | GNMA POOL # 06560    | 8.000  | X DUE 10/15/2005 8.153 X |
| 594,749            | GNMA POOL # 09113    | 8.000  | X DUE 12/15/2005 8.117 X |
| 503,889            | GNMA POOL # 09680    | 8.250  | X DUE 6/15/2006 8.324 X  |
| 750,970            | GNMA POOL # 10351    | 8.000  | X DUE 8/15/2006 8.391 X  |
| 736,402            | GNMA POOL # 10887    | 8.250  | X DUE 7/15/2006 8.324 X  |
| 811,589            | GNMA POOL # 11127    | 8.000  | X DUE 9/15/2006 8.391 X  |
| 607,684            | GNMA POOL # 11299    | 8.000  | X DUE 8/15/2006 8.153 X  |
| 3,952,558          | GNMA POOL # 12383    | 8.750  | X DUE 2/15/2005 8.750 X  |
| 808,372            | GNMA POOL # 12766    | 8.000  | X DUE 12/15/2006 8.205 X |
| 530,737            | GNMA POOL # 13705    | 8.000  | X DUE 10/15/2006 8.117 X |
| 1,672,403          | GNMA POOL # 15976    | 8.000  | X DUE 8/15/2007 8.000 X  |
| 822,911            | GNMA POOL # 16875    | 8.000  | X DUE 8/15/2007 8.044 X  |
| 891,361            | GNMA POOL # 16965    | 8.000  | X DUE 11/15/2007 8.549 X |
| 858,350            | GNMA POOL # 17189    | 8.000  | X DUE 7/15/2007 8.026 X  |
| 946,545            | GNMA POOL # 17769    | 8.000  | X DUE 8/15/2007 8.044 X  |
| 435,865            | GNMA POOL # 17803    | 8.000  | X DUE 11/15/2007 8.153 X |
| 801,508            | GNMA POOL # 17904    | 8.000  | X DUE 8/15/2007 8.026 X  |
| 816,838            | GNMA POOL # 17945    | 8.000  | X DUE 12/15/2007 8.340 X |
| 775,106            | GNMA POOL # 18017    | 8.000  | X DUE 7/15/2007 8.044 X  |
| 946,140            | GNMA POOL # 18058    | 8.000  | X DUE 7/15/2007 8.044 X  |
| 412,760            | GNMA POOL # 18592    | 8.000  | X DUE 11/15/2007 8.153 X |
| 842,489            | GNMA POOL # 18768    | 8.000  | X DUE 8/15/2007 8.549 X  |
| 784,294            | GNMA POOL # 18782    | 8.000  | X DUE 10/15/2007 8.380 X |
| 857,068            | GNMA POOL # 19105    | 8.000  | X DUE 7/15/2007 8.380 X  |
| 843,266            | GNMA POOL # 19667    | 8.000  | X DUE 1/15/2008 8.264 X  |
| 813,767            | GNMA POOL # 19740    | 8.000  | X DUE 10/15/2007 8.459 X |
| 4,583,842          | GNMA POOL # 19784    | 8.000  | X DUE 9/15/2007 8.617 X  |
| 756,267            | GNMA POOL # 19997    | 8.000  | X DUE 10/15/2007 8.105 X |
| 57,382             | GNMA POOL # 20074    | 8.000  | X DUE 3/15/2007 8.391 X  |
| 850,594            | GNMA POOL # 20263    | 8.000  | X DUE 11/15/2007 8.454 X |
| 885,228            | GNMA POOL # 20393    | 8.000  | X DUE 11/15/2007 8.459 X |
| 887,789            | GNMA POOL # 20495    | 8.000  | X DUE 11/15/2007 8.153 X |
| 939,269            | GNMA POOL # 21037    | 8.000  | X DUE 11/15/2007 8.292 X |
| 825,533            | GNMA POOL # 21480    | 8.000  | X DUE 1/15/2008 8.264 X  |
| 885,967            | GNMA POOL # 21615    | 8.000  | X DUE 1/15/2008 8.264 X  |
| 850,641            | GNMA POOL # 21930    | 8.000  | X DUE 3/15/2008 8.549 X  |
| 953,837            | GNMA POOL # 22012    | 8.000  | X DUE 4/15/2008 8.549 X  |
| 852,977            | GNMA POOL # 22820    | 8.000  | X DUE 12/15/2007 8.264 X |
| 891,693            | GNMA POOL # 24078    | 8.000  | X DUE 2/15/2008 8.454 X  |
| 924,837            | GNMA POOL # 24417    | 8.000  | X DUE 3/15/2008 8.549 X  |
| 4,582,915          | GNMA POOL # 27638    | 9.000  | X DUE 10/15/2008 9.249 X |
| 4,840,078          | GNMA POOL # 35014    | 11.000 | X DUE 2/15/2010 12.026 X |

STATE OF MINNESOTA  
 PERMANENT SCHOOL FUND  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD    | & | COST                    |
|--------------------|-------------------------------|--------|---|-------------------------|
| 2,084,082          | GNMA POOL # 40589             | 11.000 | X | DUE 3/15/2010 10.841 X  |
| 1,973,859          | GNMA POOL # 42691             | 11.000 | X | DUE 8/15/2010 11.556 X  |
| 3,001,444          | GNMA POOL # 43596             | 11.500 | X | DUE 10/15/2010 12.330 X |
| 1,467,000          | GRACE LINE, INC               | 5.100  | X | DUE 2/ 1/1992 5.100 X   |
| 480,000            | BULF LIFE INSURANCE           | 4.750  | X | DUE 6/ 1/1989 4.750 X   |
| 166,667            | ILLINOIS CENTRAL RR           | 6.875  | X | DUE 2/15/1983 6.875 X   |
| 924,000            | INDRAM OCEAN SYSTEMS          | 8.750  | X | DUE 2/ 1/1989 8.750 X   |
| 1,108,000          | INTERCONTL BULKTANK           | 7.800  | X | DUE 9/ 1/1990 7.800 X   |
| 4,000,000          | KANSAS POWER & LIGHT          | 8.125  | X | DUE 6/ 1/2007 8.166 X   |
| 3,485,871          | LHM ACCEPTANCE CORP           | 9.100  | X | DUE 12/ 1/1986 9.100 X  |
| 2,392,010          | MARLIN DRILLING CO.           | 8.900  | X | DUE 1/ 1/1991 8.900 X   |
| 984,000            | MATSON NAVIGATION CO          | 7.500  | X | DUE 11/10/1994 7.500 X  |
| 2,500,000          | MICHIGAN BELL TELEPHONE CO.   | 8.125  | X | DUE 6/ 1/2015 8.149 X   |
| 2,607,000          | MOORE-MCCORMACK LEASNG        | 8.875  | X | DUE 7/15/2001 8.875 X   |
| 1,046,000          | MOORE-MCCORMACK LINES         | 5.750  | X | DUE 4/ 1/1987 5.750 X   |
| 3,000,000          | MOUNTAIN STATES TEL & TEL     | 7.750  | X | DUE 6/ 1/2013 12.960 X  |
| 90,000             | MOWER-FREEDORN SD 90          | 3.000  | X | DUE 7/ 1/1986 3.000 X   |
| 2,300,000          | NORTHERN STATES POWER CO. MIN | 8.375  | X | DUE 1/ 1/2004 8.682 X   |
| 1,300,000          | NORTHWEST BANCORP             | 7.750  | X | DUE 3/15/2003 7.750 X   |
| 3,000,000          | NORTHWEST BANCORP             | 7.875  | X | DUE 9/15/1986 7.885 X   |
| 1,300,000          | NORTHWEST BANCORP.            | 5.125  | X | DUE 10/15/1990 5.151 X  |
| 2,000,000          | NORTON SIMON, INC.            | 9.875  | X | DUE 6/ 1/2004 9.875 X   |
| 1,151,000          | OVERSEAS BULK TANK            | 7.800  | X | DUE 12/ 1/1990 7.800 X  |
| 1,000,000          | OWENS ILLINOIS INC.           | 10.375 | X | DUE 6/ 1/1990 10.427 X  |
| 1,734,000          | PACIFIC FAR EAST LINE         | 8.750  | X | DUE 2/ 1/1997 8.750 X   |
| 914,500            | PENN TANKER CO.               | 6.000  | X | DUE 10/ 1/1989 6.000 X  |
| 2,168,000          | PRUDENTIAL LINES, INC.        | 6.000  | X | DUE 11/ 1/1995 6.000 X  |
| 1,968,000          | PUBET SOUND TUG & BARG        | 9.125  | X | DUE 2/15/2001 9.125 X   |
| 1,500              | RENVILLE/VILL DANUBE          | 2.500  | X | DUE 7/ 1/1981 2.500 X   |
| 99,279             | SBA #38                       | 14.250 | X | DUE 4/10/1985 14.250 X  |
| 38,244             | SBA #39                       | 15.250 | X | DUE 7/ 8/1987 15.250 X  |
| 128,672            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 6/25/1995 11.000 X  |
| 315,000            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 11/20/1999 11.000 X |
| 101,209            | SBA GUARANTEED LOAN           | 14.750 | X | DUE 1/28/1985 14.750 X  |
| 123,776            | SBA GUARANTEED LOAN           | 14.250 | X | DUE 1/16/1987 14.250 X  |
| 26,766             | SBA GUARANTEED LOAN           | 14.500 | X | DUE 2/28/1990 14.500 X  |
| 54,204             | SBA GUARANTEED LOAN           | 11.100 | X | DUE 4/13/1987 11.100 X  |
| 144,740            | SBA GUARANTEED LOAN           | 14.750 | X | DUE 2/26/1990 14.750 X  |
| 103,857            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 1/ 1/1987 11.000 X  |
| 15,148             | SBA GUARANTEED LOAN           | 14.500 | X | DUE 3/17/1985 14.500 X  |
| 55,666             | SBA GUARANTEED LOAN           | 8.250  | X | DUE 8/22/1985 8.250 X   |
| 135,554            | SBA GUARANTEED LOAN           | 8.250  | X | DUE 4/27/1984 8.250 X   |
| 456,026            | SBA GUARANTEED LOAN           | 8.500  | X | DUE 2/22/1997 8.500 X   |
| 33,036             | SBA GUARANTEED LOAN           | 9.000  | X | DUE 2/23/1984 9.000 X   |
| 161,829            | SBA GUARANTEED LOAN           | 8.250  | X | DUE 5/25/1984 8.250 X   |
| 106,529            | SBA GUARANTEED LOAN           | 9.000  | X | DUE 5/27/1994 9.000 X   |
| 104,398            | SBA GUARANTEED LOAN           | 9.000  | X | DUE 12/22/1992 9.000 X  |
| 63,693             | SBA GUARANTEED LOAN           | 10.250 | X | DUE 2/28/1985 10.250 X  |
| 57,327             | SBA GUARANTEED LOAN           | 11.000 | X | DUE 5/23/1986 11.000 X  |
| 363,415            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 9/ 4/1986 11.000 X  |
| 314,910            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 9/19/1998 11.000 X  |
| 226,213            | SBA GUARANTEED LOAN           | 11.000 | X | DUE 5/ 3/1986 11.000 X  |
| 53,499             | SBA GUARANTEED LOAN           | 11.000 | X | DUE 9/26/1984 11.000 X  |

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION    | YLD    | & | COST                    |
|--------------------|-------------------------|--------|---|-------------------------|
| 127,356            | SBA GUARANTEED LOAN     | 11.000 | X | DUE 5/31/1986 11.000 X  |
| 332,750            | SBA GUARANTEED LOAN     | 11.000 | X | DUE 11/17/1984 11.000 X |
| 55,897             | SBA GUARANTEED LOAN     | 11.000 | X | DUE 10/11/1995 11.000 X |
| 434,551            | SBA GUARANTEED LOAN     | 13.000 | X | DUE 11/23/1984 13.000 X |
| 109,979            | SBA GUARANTEED LOAN     | 11.000 | X | DUE 10/19/1999 11.000 X |
| 44,933             | SBA GUARANTEED LOAN     | 11.000 | X | DUE 11/10/1984 11.000 X |
| 173,016            | SBA GUARANTEED LOAN     | 11.000 | X | DUE 12/ 7/1989 11.000 X |
| 197,338            | SBA GUARANTEED LOAN     | 11.000 | X | DUE 11/15/1987 11.000 X |
| 45,959             | SBA GUARANTEED LOAN     | 14.000 | X | DUE 1/23/1990 14.000 X  |
| 23,821             | SBA GUARANTEED LOAN     | 14.750 | X | DUE 2/ 1/1987 14.750 X  |
| 44,559             | SBA GUARANTEED LOAN     | 11.000 | X | DUE 9/ 5/1986 11.000 X  |
| 4,000,000          | SOUTHERN BELL TEL & TEL | 7.625  | X | DUE 3/15/2013 8.382 X   |
| 1,000,000          | SPRAGUE ELECTRIC CO     | 4.375  | X | DUE 9/ 1/1988 4.391 X   |
| 3,954,309          | STANDARD OIL (INDIANA)  | 7.300  | X | DUE 10/ 1/2000 7.300 X  |
| 914,289            | STANDARD OIL OF CALIF.  | 7.700  | X | DUE 9/ 7/1997 7.700 X   |
| 914,289            | STANDARD OIL OF CALIF.  | 7.700  | X | DUE 9/ 8/1997 7.700 X   |
| 914,778            | STANDARD OIL OF CALIF.  | 7.700  | X | DUE 11/ 6/1997 7.700 X  |
| 1,393,000          | STATES STEAMSHIP CO     | 5.100  | X | DUE 3/31/1993 5.100 X   |
| 832,000            | SWIFT & COMPANY         | 6.300  | X | DUE 8/ 1/1992 6.300 X   |
| 3,000,000          | TEXAS POWER & LIGHT     | 9.375  | X | DUE 2/ 1/2009 12.619 X  |
| 50,000             | U.S.A. TREASURY BOND    | 3.250  | X | DUE 6/15/1983 3.250 X   |
| 2,000,000          | U.S.A. TREASURY BOND    | 7.625  | X | DUE 2/15/2007 11.445 X  |
| 2,000,000          | U.S.A. TREASURY BOND    | 12.750 | X | DUE 11/15/2010 12.824 X |
| 2,000,000          | U.S.A. TREASURY BOND    | 11.500 | X | DUE 11/15/1995 12.935 X |
| 2,000,000          | U.S.A. TREASURY BOND    | 3.500  | X | DUE 11/15/1998 3.500 X  |
| 50,000             | U.S.A. TREASURY BOND    | 11.750 | X | DUE 2/15/2001 12.454 X  |
| 3,000,000          | U.S.A. TREASURY BOND    | 6.375  | X | DUE 8/15/1984 6.375 X   |
| 69,000             | U.S.A. TREASURY BOND    | 8.625  | X | DUE 11/15/1993 8.639 X  |
| 2,000,000          | U.S.A. TREASURY BOND    | 7.625  | X | DUE 11/15/1987 7.992 X  |
| 40,000             | U.S.A. TREASURY NOTE    | 8.000  | X | DUE 2/15/1985 7.983 X   |
| 11,000             | U.S.A. TREASURY NOTE    | 7.875  | X | DUE 5/15/1986 7.875 X   |
| 50,000             | U.S.A. TREASURY NOTE    | 9.000  | X | DUE 2/15/1987 9.005 X   |
| 2,000,000          | U.S.A. TREASURY NOTE    | 12.000 | X | DUE 5/15/1987 12.031 X  |
| 40,000             | U.S.A. TREASURY NOTE    | 8.000  | X | DUE 8/15/1986 7.635 X   |
| 90,000             | U.S.A. TREASURY NOTE    | 9.000  | X | DUE 8/15/1982 9.014 X   |
| 85,000             | U.S.A. TREASURY NOTE    | 7.875  | X | DUE 11/15/1982 7.920 X  |
| 33,000             | U.S.A. TREASURY NOTE    | 10.750 | X | DUE 11/15/1989 10.219 X |
| 2,000,000          | U.S.A. TREASURY NOTE    | 8.625  | X | DUE 7/31/1985 8.625 X   |
| 2,991,344          | US DEPT OF AGRICULTUR   | 3.000  | X | DUE 7/ 1/1986 3.000 X   |
| 45,000             | WAD/OTTERTL JICSD 291   | 3.250  | X | DUE 7/ 1/1982 3.250 X   |
| 1,000              | WASHINGTON CTY SD 41    | 9.250  | X | DUE 6/11/1990 9.250 X   |
| 2,897,324          | WESTERN CO OF NORTH AM  | 4.600  | X | DUE 7/ 1/1995 4.600 X   |
| 1,001,000          | WESTMONTON SHEET TUBE   | 8.625  | X | DUE 6/15/1996 8.625 X   |
| 3,000,000          | ZAPATA OFF-SHORE CO.    | 8.744  | X |                         |
| 232,221,319        | GRAND TOTAL             |        |   |                         |

STATE OF MINNESOTA  
BASIC RETIREMENT FUNDS  
FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD @ COST              | .....PAR VALUE IN \$1000'S..... |       |       |       |       |       |     |
|--------------------|-------------------------------|-------------------------|---------------------------------|-------|-------|-------|-------|-------|-----|
|                    |                               |                         | TRA                             | PERA  | SERA  | PEPF  | HPAT  | JRET  |     |
| 7,800,000          | ACF INDUSTRIES, INC.          | 9.000 % DUE 3/ 1/1991   | 9.000 %                         | 3,000 | 3,000 | 1,000 | 800   | 0     | 0   |
| 2,934,000          | ACF INDUSTRIES, INC.          | 8.000 % DUE 2/ 1/1992   | 8.000 %                         | 2,934 | 0     | 0     | 0     | 0     | 0   |
| 20,000             | AITKEN CTY ISD 4              | 4.400 % DUE 2/ 1/1983   | 4.400 %                         | 0     | 20    | 0     | 0     | 0     | 0   |
| 5,000,000          | AKZONA, INC                   | 7.500 % DUE 2/15/1997   | 7.500 %                         | 2,500 | 2,000 | 0     | 500   | 0     | 0   |
| 250,000            | ALLSTATE FINANCIAL CORP.      | 8.125 % DUE 4/15/1987   | 8.832 %                         | 0     | 0     | 250   | 0     | 0     | 0   |
| 10,554,000         | ALUMINUM CO OF CANADA         | 9.500 % DUE 3/ 1/1995   | 9.627 %                         | 4,000 | 3,860 | 1,744 | 800   | 150   | 0   |
| 7,000,000          | AMERICAN EXPRESS              | 10.100 % DUE 7/ 1/1990  | 10.100 %                        | 4,000 | 3,000 | 0     | 0     | 0     | 0   |
| 900,000            | AMERICAN INVESTMENT           | 6.750 % DUE 11/ 1/1986  | 6.750 %                         | 300   | 300   | 240   | 60    | 0     | 0   |
| 950,000            | AMERICAN INVESTMENT           | 5.250 % DUE 1/ 1/1991   | 5.250 %                         | 499   | 0     | 369   | 82    | 0     | 0   |
| 250,000            | AMERICAN SVGS. & LOAN         | 8.500 % DUE 4/15/1984   | 8.718 %                         | 0     | 0     | 250   | 0     | 0     | 0   |
| 3,500,000          | AMERICAN TELEPHONE & TELEGRAP | 7.125 % DUE 12/ 1/2003  | 12.178 %                        | 2,500 | 1,000 | 0     | 0     | 0     | 0   |
| 17,241,000         | AMERICAN TELEPHONE & TELEGRAP | 6.000 % DUE 8/ 1/2000   | 11.765 %                        | 6,000 | 5,000 | 4,000 | 2,000 | 241   | 0   |
| 31,000             | ANOKA CTY SD 48               | 3.200 % DUE 2/ 1/1985   | 3.200 %                         | 31    | 0     | 0     | 0     | 0     | 0   |
| 18,000             | ANOKA/CIRCLE PINES            | 4.200 % DUE 1/ 1/1983   | 4.200 %                         | 0     | 18    | 0     | 0     | 0     | 0   |
| 129,000            | ANOKA/CIRCLE PINES            | 4.500 % DUE 1/ 1/1987   | 4.500 %                         | 52    | 38    | 22    | 0     | 17    | 0   |
| 40,000             | APPALACHIAN EL POWER          | 4.625 % DUE 3/ 1/1987   | 6.549 %                         | 0     | 0     | 40    | 0     | 0     | 0   |
| 1,250,000          | ARIZONA PUBLIC SERV           | 6.250 % DUE 9/ 1/1997   | 6.304 %                         | 750   | 0     | 500   | 0     | 0     | 0   |
| 4,673,975          | ARMCO STEEL CORP.             | 7.875 % DUE 12/15/1996  | 7.932 %                         | 2,375 | 1,871 | 0     | 428   | 0     | 0   |
| 11,632,050         | ATLANTIC RICHFIELD CO.        | 9.250 % DUE 7/15/1996   | 9.250 %                         | 3,943 | 3,943 | 2,464 | 789   | 394   | 99  |
| 5,900,000          | ATLANTIC RICHFIELD CO.        | 8.750 % DUE 12/ 1/2001  | 8.750 %                         | 2,000 | 2,000 | 1,200 | 700   | 0     | 0   |
| 1,600,000          | B. F. GOODRICH CO             | 6.500 % DUE 11/15/1992  | 6.500 %                         | 800   | 400   | 400   | 0     | 0     | 0   |
| 6,000,000          | BEATRICE FOODS CO             | 8.500 % DUE 8/15/2008   | 8.813 %                         | 2,000 | 2,000 | 2,000 | 0     | 0     | 0   |
| 14,000,000         | BELL TEL CO OF PENNA          | 6.750 % DUE 5/ 1/2008   | 12.505 %                        | 5,500 | 4,000 | 3,000 | 800   | 700   | 0   |
| 3,000,000          | BELL TEL OF PENNA             | 4.750 % DUE 5/ 1/2001   | 11.195 %                        | 2,000 | 1,000 | 0     | 0     | 0     | 0   |
| 2,000,000          | BELL TELE. CO CANADA          | 6.900 % DUE 9/17/1998   | 6.900 %                         | 500   | 800   | 700   | 0     | 0     | 0   |
| 11,200,000         | BELL TELE. CO CANADA          | 9.500 % DUE 6/ 1/2004   | 9.500 %                         | 4,000 | 4,000 | 2,000 | 800   | 400   | 0   |
| 15,000             | BLUE EARTH ISD 112            | 3.000 % DUE 4/ 1/1983   | 3.000 %                         | 15    | 0     | 0     | 0     | 0     | 0   |
| 10,950,000         | BRITISH COLUMBIA HYDRO        | 9.625 % DUE 7/15/1996   | 9.644 %                         | 4,350 | 2,700 | 2,500 | 1,000 | 400   | 0   |
| 20,000             | BROWN/CITY SPRINGFIELD        | 3.600 % DUE 1/ 1/1982   | 3.600 %                         | 10    | 10    | 0     | 0     | 0     | 0   |
| 7,975,402          | BURLINGTON NORTHERN           | 8.750 % DUE 9/ 1/1993   | 8.750 %                         | 2,613 | 2,613 | 2,177 | 572   | 0     | 0   |
| 10,700,000         | BURLINGTON NORTHERN           | 9.250 % DUE 6/15/1998   | 9.250 %                         | 4,000 | 4,000 | 2,600 | 0     | 0     | 100 |
| 1,900,000          | C.I.T. FINANCIAL CORP.        | 6.375 % DUE 10/ 1/1986  | 6.495 %                         | 1,000 | 0     | 750   | 0     | 150   | 0   |
| 1,240,000          | CALIF ELECTRIC POWER          | 5.125 % DUE 5/ 1/1990   | 5.108 %                         | 500   | 400   | 300   | 0     | 40    | 0   |
| 100,000            | CANADIAN PACIFIC, LTD.        | 8.625 % DUE 1/15/1992   | 8.625 %                         | 0     | 0     | 0     | 0     | 0     | 100 |
| 100,000            | CARTER HAWLEY HALE CR.        | 7.950 % DUE 2/ 1/1982   | 8.325 %                         | 0     | 0     | 100   | 0     | 0     | 0   |
| 135,000            | CASS CITY/PINE RIVER          | 4.700 % DUE 9/ 1/1989   | 4.700 %                         | 0     | 65    | 70    | 0     | 0     | 0   |
| 250,000            | CASTLE & COOKE, INC.          | 8.125 % DUE 5/15/1985   | 8.530 %                         | 0     | 0     | 250   | 0     | 0     | 0   |
| 150,000            | CHASE MANHATTAN CORP.         | 8.750 % DUE 5/15/1986   | 8.861 %                         | 0     | 0     | 150   | 0     | 0     | 0   |
| 373,016            | CHESAPEAKE & OHIO RY          | 8.750 % DUE 3/15/1989   | 8.750 %                         | 0     | 0     | 0     | 224   | 149   | 0   |
| 15,300,000         | CHESAPEAKE & POTOMAC TEL. VA. | 9.500 % DUE 4/15/2019   | 12.803 %                        | 6,000 | 4,000 | 2,300 | 2,000 | 1,000 | 0   |
| 48,000             | CHISAGO 140 TAYLOR FLS        | 3.700 % DUE 2/ 1/1988   | 3.700 %                         | 0     | 0     | 48    | 0     | 0     | 0   |
| 10,000             | CHISAGO/RUSH CITY HOSP        | 3.800 % DUE 3/ 1/1982   | 3.800 %                         | 10    | 0     | 0     | 0     | 0     | 0   |
| 150,000            | CITICORP CV.                  | 5.750 % DUE 6/30/2000   | 7.541 %                         | 0     | 0     | 150   | 0     | 0     | 0   |
| 4,750,000          | CITIES SERVICE GAS CO.        | 8.250 % DUE 6/ 1/1991   | 8.250 %                         | 2,000 | 1,450 | 1,000 | 300   | 0     | 0   |
| 10,000             | CLAY CTY ICSD 75              | 3.000 % DUE 4/ 1/1982   | 3.000 %                         | 10    | 0     | 0     | 0     | 0     | 0   |
| 5,000              | CLAY CTY ISD 122              | 4.000 % DUE 2/ 1/1984   | 4.000 %                         | 0     | 5     | 0     | 0     | 0     | 0   |
| 10,000             | CLAY/BECKER JICSD 43          | 3.100 % DUE 8/ 1/1981   | 3.100 %                         | 0     | 0     | 0     | 0     | 10    | 0   |
| 28,000             | CLEARWATER/POLK CTYS          | 3.000 % DUE 2/ 1/1983   | 3.000 %                         | 28    | 0     | 0     | 0     | 0     | 0   |
| 2,000,000          | COMMONWEALTH EDISON           | 5.750 % DUE 11/ 1/1996  | 5.802 %                         | 650   | 750   | 500   | 100   | 0     | 0   |
| 1,200,000          | COMMONWEALTH EDISON           | 10.000 % DUE 4/ 1/1999  | 10.000 %                        | 0     | 0     | 0     | 700   | 400   | 100 |
| 3,239,000          | CONOCO INC                    | 9.000 % DUE 12/ 1/2000  | 9.012 %                         | 1,303 | 948   | 790   | 198   | 0     | 0   |
| 5,500,000          | CONSOLIDATED NATURAL GAS      | 12.875 % DUE 10/ 1/2000 | 13.446 %                        | 3,000 | 1,000 | 1,000 | 500   | 0     | 0   |
| 3,422,314          | CONSOLIDATED EDISON           | 9.250 % DUE 1/ 1/1996   | 9.250 %                         | 1,711 | 1,467 | 0     | 244   | 0     | 0   |

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STATE OF MINNESOTA  
BASIC RETIREMENT FUNDS  
FIXED INCOME SECURITIES - JUNE 30 , 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD    | % | DUE | TRA        | .....PAR VALUE IN \$1000'S..... |      |        |        |       |       |     |   |     |
|--------------------|-------------------------------|--------|---|-----|------------|---------------------------------|------|--------|--------|-------|-------|-----|---|-----|
|                    |                               |        |   |     |            | 10/15/1994                      | PERA | SERA   | PEFF   | HPAT  | JRET  |     |   |     |
| \$ 1,100,000       | CONSOLIDATED EDISON OF N.Y.   | 4.600  | % | DUE | 10/15/1994 | 6.008                           | %    | 1,100  | 0      | 0     | 0     | 0   | 0 | 0   |
| 8,000              | CROW WING 46 MINN BLDG        | 3.100  | % | DUE | 1/ 1/1983  | 3.100                           | %    | 0      | 8      | 0     | 0     | 0   | 0 | 0   |
| 3,000              | CROW WING/BAXTER SD 36        | 3.100  | % | DUE | 5/ 1/1982  | 3.100                           | %    | 0      | 3      | 0     | 0     | 0   | 0 | 0   |
| 9,209,102          | CROWN ZELLBACH. (S.T.)        | 8.125  | % | DUE | 5/ 1/1994  | 8.125                           | %    | 3,341  | 3,341  | 1,630 | 652   | 244 | 0 | 0   |
| 10,000             | DAKOTA 198 INVER GROVE        | 3.900  | % | DUE | 4/ 1/1983  | 3.900                           | %    | 0      | 10     | 0     | 0     | 0   | 0 | 0   |
| 17,000             | DAKOTA CTY SD 2               | 3.900  | % | DUE | 2/ 1/1985  | 3.900                           | %    | 17     | 0      | 0     | 0     | 0   | 0 | 0   |
| 15,000             | DAKOTA/GOODHUE SD 4           | 2.900  | % | DUE | 3/ 1/1984  | 2.900                           | %    | 15     | 0      | 0     | 0     | 0   | 0 | 0   |
| 1,500,000          | DAYTON POWER & LIGHT          | 4.450  | % | DUE | 6/ 1/1993  | 4.450                           | %    | 600    | 500    | 400   | 0     | 0   | 0 | 0   |
| 10,500,000         | DEERE (JOHN) CREDIT           | 7.500  | % | DUE | 4/30/1998  | 7.627                           | %    | 4,000  | 3,750  | 2,250 | 500   | 0   | 0 | 0   |
| 669,893            | DEL & HUDSON (GUAR GE)        | 10.500 | % | DUE | 9/ 1/1985  | 10.500                          | %    | 0      | 557    | 0     | 112   | 0   | 0 | 0   |
| 6,000              | DELA, LACKAWANNA & WST        | 4.500  | % | DUE | 5/ 1/1985  | 4.500                           | %    | 0      | 0      | 6     | 0     | 0   | 0 | 0   |
| 264,000            | DELTA STEAMSHIP LINES         | 5.500  | % | DUE | 3/ 1/1986  | 5.500                           | %    | 0      | 264    | 0     | 0     | 0   | 0 | 0   |
| 30,119             | DETROIT EDISON CO.            | 12.875 | % | DUE | 6/30/1985  | 11.866                          | %    | 0      | 0      | 30    | 0     | 0   | 0 | 0   |
| 28,188             | DETROIT EDISON CO.            | 12.875 | % | DUE | 12/30/1985 | 11.866                          | %    | 0      | 0      | 28    | 0     | 0   | 0 | 0   |
| 12,785,000         | DIAL FINANCIAL                | 12.750 | % | DUE | 7/ 1/1990  | 12.750                          | %    | 5,000  | 4,000  | 3,000 | 785   | 0   | 0 | 0   |
| 5,000              | DODGE/VILL HAYFIELD           | 5.000  | % | DUE | 8/ 1/1981  | 5.000                           | %    | 5      | 0      | 0     | 0     | 0   | 0 | 0   |
| 40,000             | DOUGLAS ISD 213 OSASIS        | 3.900  | % | DUE | 3/ 1/1989  | 3.900                           | %    | 40     | 0      | 0     | 0     | 0   | 0 | 0   |
| 5,000              | DOUGLAS ISD 214 CARLOS        | 3.900  | % | DUE | 2/ 1/1986  | 3.900                           | %    | 0      | 5      | 0     | 0     | 0   | 0 | 0   |
| 8,000,000          | DOW CHEMICAL COMPANY          | 7.875  | % | DUE | 7/15/2007  | 12.746                          | %    | 3,000  | 3,000  | 1,000 | 1,000 | 0   | 0 | 0   |
| 2,114,000          | DRESSER INDUSTRIES            | 8.650  | % | DUE | 5/15/1985  | 8.610                           | %    | 1,057  | 1,057  | 0     | 0     | 0   | 0 | 0   |
| 100,000            | DU PONT E I DE NEMOURS & CO   | 8.450  | % | DUE | 11/15/2004 | 8.861                           | %    | 0      | 0      | 0     | 0     | 0   | 0 | 100 |
| 7,000,000          | DUKE POWER COMPANY            | 10.125 | % | DUE | 5/ 1/2009  | 13.107                          | %    | 2,000  | 2,000  | 2,000 | 1,000 | 0   | 0 | 0   |
| 200,000            | EUROPEAN ECONOMIC CMTY        | 7.750  | % | DUE | 10/ 1/1981 | 7.949                           | %    | 0      | 0      | 200   | 0     | 0   | 0 | 0   |
| 10,500,000         | EXPORT DEVELOPMENT            | 8.500  | % | DUE | 7/15/1981  | 8.500                           | %    | 4,000  | 4,000  | 2,500 | 0     | 0   | 0 | 0   |
| 100,000            | EXXON PIPELINE                | 8.875  | % | DUE | 10/15/2000 | 8.897                           | %    | 0      | 0      | 0     | 0     | 0   | 0 | 100 |
| 3,000              | FARGO N.D. WATER SPACE UTIL   | 2.500  | % | DUE | 7/ 1/1983  | 2.500                           | %    | 0      | 3      | 0     | 0     | 0   | 0 | 0   |
| 25,000             | FARIBAULT/FREEBORN            | 2.750  | % | DUE | 2/ 1/1985  | 2.750                           | %    | 0      | 25     | 0     | 0     | 0   | 0 | 0   |
| 5,000,000          | FEDERAL FARM CREDIT BANKS     | 10.750 | % | DUE | 10/20/1986 | 10.750                          | %    | 2,000  | 2,000  | 1,000 | 0     | 0   | 0 | 0   |
| 12,500,000         | FEDERAL FARM CREDIT BANKS     | 13.250 | % | DUE | 4/22/1985  | 13.250                          | %    | 4,000  | 4,000  | 3,000 | 1,000 | 500 | 0 | 0   |
| 1,000,000          | FEDERAL HOME LOAN BANK        | 12.250 | % | DUE | 8/25/1983  | 12.250                          | %    | 0      | 0      | 0     | 1,000 | 0   | 0 | 0   |
| 3,290,000          | FEDERAL HOME LOAN BANK        | 7.850  | % | DUE | 8/27/1984  | 7.864                           | %    | 0      | 3,185  | 0     | 105   | 0   | 0 | 0   |
| 3,893,944          | FEDERAL HOME LOAN MORTGAGE    | 10.750 | % | DUE | 7/ 1/2010  | 10.987                          | %    | 1,947  | 1,947  | 0     | 0     | 0   | 0 | 0   |
| 7,618,219          | FEDERAL HOME LOAN MTG.        | 12.500 | % | DUE | 10/ 1/2009 | 12.646                          | %    | 2,857  | 2,857  | 1,905 | 0     | 0   | 0 | 0   |
| 7,715,314          | FEDERAL HOME LOAN MTG.        | 12.500 | % | DUE | 1/ 1/2010  | 12.882                          | %    | 2,893  | 1,929  | 1,929 | 964   | 0   | 0 | 0   |
| 5,500,000          | FEDERAL NATL MORTGAGE ASSN    | 10.500 | % | DUE | 6/10/1988  | 10.500                          | %    | 2,000  | 2,000  | 1,000 | 500   | 0   | 0 | 0   |
| 12,000,000         | FEDERAL NATL MORTGAGE ASSN    | 14.250 | % | DUE | 5/10/1984  | 14.250                          | %    | 4,000  | 4,000  | 3,000 | 1,000 | 0   | 0 | 0   |
| 5,000              | FILMORE/CANTON SEW            | 3.750  | % | DUE | 2/ 1/1982  | 3.750                           | %    | 0      | 5      | 0     | 0     | 0   | 0 | 0   |
| 11,400,000         | FIRESTONE TIRE & RUBBER       | 9.250  | % | DUE | 12/ 1/2004 | 9.265                           | %    | 4,100  | 4,000  | 2,100 | 800   | 400 | 0 | 0   |
| 3,685,000          | FIRST BANK SYSTEM             | 8.750  | % | DUE | 6/30/1983  | 8.805                           | %    | 1,843  | 1,842  | 0     | 0     | 0   | 0 | 0   |
| 3,000,000          | FLORIDA POWER & LIGHT COMPANY | 11.300 | % | DUE | 5/ 1/2010  | 13.449                          | %    | 1,000  | 1,000  | 1,000 | 0     | 0   | 0 | 0   |
| 7,000,000          | FLORIDA POWER & LIGHT COMPANY | 12.125 | % | DUE | 11/ 1/2009 | 13.630                          | %    | 2,000  | 2,000  | 2,000 | 1,000 | 0   | 0 | 0   |
| 11,200,000         | FMC CORP                      | 9.500  | % | DUE | 1/15/2000  | 9.596                           | %    | 3,800  | 3,800  | 2,400 | 800   | 400 | 0 | 0   |
| 3,500,000          | FORD LEASING DEVELOPT         | 9.500  | % | DUE | 3/15/2004  | 9.500                           | %    | 0      | 2,000  | 1,500 | 0     | 0   | 0 | 0   |
| 250,000            | FORD MOTOR CREDIT CORP.       | 8.100  | % | DUE | 11/ 1/1984 | 8.438                           | %    | 0      | 0      | 250   | 0     | 0   | 0 | 0   |
| 100,000            | FRUIT GROWERS EXPRESS         | 6.000  | % | DUE | 11/15/1981 | 6.000                           | %    | 30     | 30     | 25    | 10    | 5   | 0 | 0   |
| 250,000            | GAMBLES CREDIT CORP.          | 9.375  | % | DUE | 7/15/1986  | 9.282                           | %    | 0      | 0      | 250   | 0     | 0   | 0 | 0   |
| 26,000,000         | GENERAL MOTORS ACCEPT CORP    | 6.000  | % | DUE | 4/ 1/2011  | 13.480                          | %    | 10,000 | 10,000 | 5,000 | 1,000 | 0   | 0 | 0   |
| 100,000            | GENERAL MOTORS ACCEPT CORP    | 4.625  | % | DUE | 9/ 1/1982  | 5.370                           | %    | 0      | 0      | 100   | 0     | 0   | 0 | 0   |
| 2,600,000          | GENERAL TEL CO NW             | 7.125  | % | DUE | 6/ 1/1999  | 7.274                           | %    | 1,000  | 900    | 700   | 0     | 0   | 0 | 0   |
| 634,556            | GNMA POOL # 02731             | 8.000  | % | DUE | 2/15/2004  | 8.292                           | %    | 0      | 635    | 0     | 0     | 0   | 0 | 0   |
| 1,294,240          | GNMA POOL # 03518             | 8.000  | % | DUE | 1/15/2004  | 8.340                           | %    | 0      | 1,294  | 0     | 0     | 0   | 0 | 0   |
| 1,225,770          | GNMA POOL # 03802             | 8.250  | % | DUE | 7/15/2004  | 8.271                           | %    | 1,226  | 0      | 0     | 0     | 0   | 0 | 0   |
| 767,936            | GNMA POOL # 04039             | 8.250  | % | DUE | 7/15/2004  | 8.271                           | %    | 0      | 768    | 0     | 0     | 0   | 0 | 0   |

STATE OF MINNESOTA  
 BASIC RETIREMENT FUNDS  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION | YLD @ COST             | .....PAR VALUE IN \$1000'S..... |       |       |      |      |      |     |
|--------------------|----------------------|------------------------|---------------------------------|-------|-------|------|------|------|-----|
|                    |                      |                        | TRA                             | PERA  | SERA  | PEPF | HPAT | JRET |     |
| 497,185            | GNMA POOL # 04064    | 8.250 % DUE 8/15/2004  | 8.271 %                         | 0     | 0     | 0    | 497  | 0    | 0   |
| 157,160            | GNMA POOL # 04218    | 8.000 % DUE 5/15/2004  | 8.391 %                         | 157   | 0     | 0    | 0    | 0    | 0   |
| 45,511             | GNMA POOL # 04236    | 8.000 % DUE 6/15/2004  | 8.391 %                         | 46    | 0     | 0    | 0    | 0    | 0   |
| 862,591            | GNMA POOL # 04281    | 8.250 % DUE 9/15/2004  | 8.271 %                         | 0     | 863   | 0    | 0    | 0    | 0   |
| 71,579             | GNMA POOL # 05767    | 8.000 % DUE 7/15/2005  | 8.391 %                         | 0     | 0     | 72   | 0    | 0    | 0   |
| 527,095            | GNMA POOL # 06336    | 8.000 % DUE 6/15/2005  | 8.056 %                         | 0     | 527   | 0    | 0    | 0    | 0   |
| 571,730            | GNMA POOL # 07214    | 8.000 % DUE 9/15/2005  | 8.056 %                         | 0     | 572   | 0    | 0    | 0    | 0   |
| 24,110             | GNMA POOL # 08550    | 8.250 % DUE 3/15/2006  | 8.271 %                         | 0     | 0     | 0    | 24   | 0    | 0   |
| 238,237            | GNMA POOL # 09125    | 8.250 % DUE 6/15/2006  | 8.271 %                         | 238   | 0     | 0    | 0    | 0    | 0   |
| 535,011            | GNMA POOL # 09162    | 8.250 % DUE 4/15/2006  | 8.271 %                         | 0     | 0     | 535  | 0    | 0    | 0   |
| 81,854             | GNMA POOL # 09350    | 8.250 % DUE 3/15/2006  | 8.271 %                         | 0     | 0     | 0    | 0    | 82   | 0   |
| 549,248            | GNMA POOL # 09790    | 8.250 % DUE 4/15/2006  | 8.271 %                         | 0     | 0     | 549  | 0    | 0    | 0   |
| 554,824            | GNMA POOL # 10249    | 8.000 % DUE 11/15/2006 | 8.056 %                         | 0     | 0     | 0    | 555  | 0    | 0   |
| 655,660            | GNMA POOL # 10411    | 8.000 % DUE 6/15/2006  | 8.117 %                         | 656   | 0     | 0    | 0    | 0    | 0   |
| 642,021            | GNMA POOL # 10706    | 8.000 % DUE 6/15/2006  | 8.117 %                         | 642   | 0     | 0    | 0    | 0    | 0   |
| 171,747            | GNMA POOL # 10743    | 8.250 % DUE 5/15/2006  | 8.271 %                         | 0     | 0     | 0    | 57   | 0    | 114 |
| 813,637            | GNMA POOL # 10943    | 8.000 % DUE 7/15/2006  | 8.071 %                         | 400   | 414   | 0    | 0    | 0    | 0   |
| 703,282            | GNMA POOL # 11281    | 8.000 % DUE 8/15/2006  | 8.056 %                         | 0     | 0     | 703  | 0    | 0    | 0   |
| 571,094            | GNMA POOL # 11364    | 8.000 % DUE 8/15/2006  | 8.391 %                         | 571   | 0     | 0    | 0    | 0    | 0   |
| 259,531            | GNMA POOL # 11486    | 8.250 % DUE 9/15/2006  | 8.271 %                         | 0     | 0     | 0    | 0    | 260  | 0   |
| 849,249            | GNMA POOL # 11810    | 8.000 % DUE 10/15/2006 | 8.292 %                         | 0     | 0     | 849  | 0    | 0    | 0   |
| 1,147,815          | GNMA POOL # 11828    | 8.000 % DUE 9/15/2006  | 8.071 %                         | 0     | 0     | 0    | 662  | 353  | 132 |
| 874,476            | GNMA POOL # 12025    | 8.000 % DUE 10/15/2006 | 8.391 %                         | 0     | 874   | 0    | 0    | 0    | 0   |
| 825,013            | GNMA POOL # 12077    | 8.000 % DUE 11/15/2006 | 8.117 %                         | 0     | 0     | 825  | 0    | 0    | 0   |
| 580,428            | GNMA POOL # 12243    | 8.000 % DUE 10/15/2006 | 8.292 %                         | 580   | 0     | 0    | 0    | 0    | 0   |
| 647,121            | GNMA POOL # 12283    | 8.000 % DUE 10/15/2006 | 8.056 %                         | 647   | 0     | 0    | 0    | 0    | 0   |
| 2,608,995          | GNMA POOL # 12289    | 8.000 % DUE 10/15/2006 | 8.340 %                         | 2,609 | 0     | 0    | 0    | 0    | 0   |
| 571,877            | GNMA POOL # 12548    | 8.000 % DUE 11/15/2006 | 8.108 %                         | 0     | 0     | 572  | 0    | 0    | 0   |
| 689,247            | GNMA POOL # 12599    | 8.000 % DUE 9/15/2006  | 8.391 %                         | 0     | 689   | 0    | 0    | 0    | 0   |
| 727,803            | GNMA POOL # 12757    | 8.000 % DUE 9/15/2006  | 8.391 %                         | 0     | 0     | 728  | 0    | 0    | 0   |
| 849,117            | GNMA POOL # 12777    | 8.000 % DUE 11/15/2006 | 8.292 %                         | 849   | 0     | 0    | 0    | 0    | 0   |
| 1,341,821          | GNMA POOL # 13099    | 8.000 % DUE 10/15/2006 | 8.071 %                         | 0     | 1,342 | 0    | 0    | 0    | 0   |
| 687,891            | GNMA POOL # 13255    | 8.000 % DUE 11/15/2006 | 8.056 %                         | 0     | 0     | 688  | 0    | 0    | 0   |
| 578,926            | GNMA POOL # 13262    | 8.000 % DUE 11/15/2006 | 8.117 %                         | 0     | 579   | 0    | 0    | 0    | 0   |
| 744,738            | GNMA POOL # 13297    | 8.000 % DUE 11/15/2006 | 8.085 %                         | 0     | 0     | 745  | 0    | 0    | 0   |
| 934,358            | GNMA POOL # 13327    | 8.000 % DUE 11/15/2006 | 8.056 %                         | 0     | 934   | 0    | 0    | 0    | 0   |
| 706,086            | GNMA POOL # 13334    | 8.000 % DUE 10/15/2006 | 8.391 %                         | 706   | 0     | 0    | 0    | 0    | 0   |
| 1,473,943          | GNMA POOL # 13380    | 8.000 % DUE 12/15/2006 | 8.108 %                         | 1,474 | 0     | 0    | 0    | 0    | 0   |
| 910,862            | GNMA POOL # 13935    | 8.000 % DUE 1/15/2007  | 8.071 %                         | 911   | 0     | 0    | 0    | 0    | 0   |
| 1,454,876          | GNMA POOL # 14053    | 8.000 % DUE 12/15/2006 | 8.108 %                         | 0     | 1,455 | 0    | 0    | 0    | 0   |
| 950,121            | GNMA POOL # 14174    | 8.000 % DUE 12/15/2006 | 8.117 %                         | 0     | 0     | 950  | 0    | 0    | 0   |
| 887,171            | GNMA POOL # 14188    | 8.000 % DUE 10/15/2006 | 8.071 %                         | 0     | 887   | 0    | 0    | 0    | 0   |
| 768,945            | GNMA POOL # 14919    | 8.000 % DUE 2/15/2007  | 8.117 %                         | 0     | 769   | 0    | 0    | 0    | 0   |
| 1,702,722          | GNMA POOL # 15012    | 8.000 % DUE 12/15/2006 | 8.071 %                         | 1,703 | 0     | 0    | 0    | 0    | 0   |
| 768,555            | GNMA POOL # 15616    | 8.000 % DUE 1/15/2007  | 8.153 %                         | 0     | 0     | 769  | 0    | 0    | 0   |
| 1,374,290          | GNMA POOL # 15783    | 8.000 % DUE 1/15/2007  | 8.056 %                         | 1,374 | 0     | 0    | 0    | 0    | 0   |
| 911,280            | GNMA POOL # 16051    | 8.000 % DUE 1/15/2008  | 8.340 %                         | 0     | 0     | 0    | 911  | 0    | 0   |
| 408,860            | GNMA POOL # 17086    | 8.000 % DUE 11/15/2007 | 8.205 %                         | 0     | 0     | 0    | 0    | 409  | 0   |
| 992,257            | GNMA POOL # 17566    | 8.000 % DUE 3/15/2008  | 8.380 %                         | 992   | 0     | 0    | 0    | 0    | 0   |
| 1,756,102          | GNMA POOL # 17619    | 8.000 % DUE 8/15/2007  | 8.459 %                         | 0     | 1,756 | 0    | 0    | 0    | 0   |
| 807,014            | GNMA POOL # 18099    | 8.000 % DUE 8/15/2007  | 8.292 %                         | 0     | 807   | 0    | 0    | 0    | 0   |
| 889,974            | GNMA POOL # 18224    | 8.000 % DUE 9/15/2007  | 8.292 %                         | 0     | 0     | 890  | 0    | 0    | 0   |
| 929,107            | GNMA POOL # 18279    | 8.000 % DUE 1/15/2008  | 8.264 %                         | 929   | 0     | 0    | 0    | 0    | 0   |

STATE OF MINNESOTA  
BASIC RETIREMENT FUNDS  
FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION      | YLD %  | COST             | PAR VALUE IN \$1000'S..... |      |       |       |       |       |     |   |
|--------------------|---------------------------|--------|------------------|----------------------------|------|-------|-------|-------|-------|-----|---|
|                    |                           |        |                  | TRA                        | PERA | SERA  | PEFF  | HPAT  | JRET  |     |   |
| 89,246             | GNMA POOL # 18542         | 8.000  | % DUE 9/15/2007  | 8.391                      | %    | 0     | 89    | 0     | 0     | 0   | 0 |
| 1,831,680          | GNMA POOL # 18553         | 8.000  | % DUE 9/15/2007  | 8.104                      | %    | 1,832 | 0     | 0     | 0     | 0   | 0 |
| 1,855,915          | GNMA POOL # 19083         | 8.000  | % DUE 12/15/2007 | 8.264                      | %    | 1,856 | 0     | 0     | 0     | 0   | 0 |
| 802,616            | GNMA POOL # 19157         | 8.000  | % DUE 10/15/2007 | 8.380                      | %    | 803   | 0     | 0     | 0     | 0   | 0 |
| 812,660            | GNMA POOL # 19311         | 8.000  | % DUE 10/15/2007 | 8.380                      | %    | 813   | 0     | 0     | 0     | 0   | 0 |
| 766,454            | GNMA POOL # 19458         | 8.000  | % DUE 8/15/2007  | 8.380                      | %    | 0     | 766   | 0     | 0     | 0   | 0 |
| 902,419            | GNMA POOL # 19574         | 8.000  | % DUE 12/15/2007 | 8.205                      | %    | 0     | 0     | 902   | 0     | 0   | 0 |
| 1,855,435          | GNMA POOL # 20008         | 8.000  | % DUE 11/15/2007 | 8.153                      | %    | 0     | 1,855 | 0     | 0     | 0   | 0 |
| 865,413            | GNMA POOL # 20109         | 8.000  | % DUE 12/15/2007 | 8.205                      | %    | 865   | 0     | 0     | 0     | 0   | 0 |
| 1,741,016          | GNMA POOL # 20197         | 8.000  | % DUE 9/15/2007  | 8.085                      | %    | 1,741 | 0     | 0     | 0     | 0   | 0 |
| 1,862,120          | GNMA POOL # 20289         | 8.000  | % DUE 11/15/2007 | 8.205                      | %    | 0     | 1,862 | 0     | 0     | 0   | 0 |
| 906,510            | GNMA POOL # 20290         | 8.000  | % DUE 12/15/2007 | 8.264                      | %    | 0     | 907   | 0     | 0     | 0   | 0 |
| 911,929            | GNMA POOL # 20305         | 8.000  | % DUE 11/15/2007 | 8.205                      | %    | 0     | 912   | 0     | 0     | 0   | 0 |
| 893,720            | GNMA POOL # 20455         | 8.000  | % DUE 12/15/2007 | 8.459                      | %    | 0     | 0     | 894   | 0     | 0   | 0 |
| 917,755            | GNMA POOL # 20489         | 8.000  | % DUE 10/15/2007 | 8.104                      | %    | 0     | 0     | 918   | 0     | 0   | 0 |
| 1,702,281          | GNMA POOL # 20691         | 8.000  | % DUE 12/15/2007 | 8.205                      | %    | 1,702 | 0     | 0     | 0     | 0   | 0 |
| 920,002            | GNMA POOL # 20761         | 8.000  | % DUE 10/15/2007 | 8.380                      | %    | 0     | 0     | 920   | 0     | 0   | 0 |
| 744,496            | GNMA POOL # 20819         | 8.000  | % DUE 10/15/2007 | 8.153                      | %    | 744   | 0     | 0     | 0     | 0   | 0 |
| 946,743            | GNMA POOL # 20916         | 8.000  | % DUE 11/15/2007 | 8.085                      | %    | 0     | 947   | 0     | 0     | 0   | 0 |
| 887,613            | GNMA POOL # 20963         | 8.000  | % DUE 11/15/2007 | 8.085                      | %    | 0     | 888   | 0     | 0     | 0   | 0 |
| 1,834,757          | GNMA POOL # 21013         | 8.000  | % DUE 11/15/2007 | 8.459                      | %    | 1,835 | 0     | 0     | 0     | 0   | 0 |
| 923,995            | GNMA POOL # 21113         | 8.000  | % DUE 10/15/2007 | 8.153                      | %    | 924   | 0     | 0     | 0     | 0   | 0 |
| 924,664            | GNMA POOL # 21131         | 8.000  | % DUE 12/15/2007 | 8.292                      | %    | 925   | 0     | 0     | 0     | 0   | 0 |
| 880,072            | GNMA POOL # 21329         | 8.000  | % DUE 12/15/2007 | 8.264                      | %    | 0     | 880   | 0     | 0     | 0   | 0 |
| 893,682            | GNMA POOL # 21487         | 8.000  | % DUE 11/15/2007 | 8.205                      | %    | 0     | 0     | 894   | 0     | 0   | 0 |
| 1,732,273          | GNMA POOL # 21694         | 8.000  | % DUE 2/15/2008  | 8.454                      | %    | 1,732 | 0     | 0     | 0     | 0   | 0 |
| 1,859,758          | GNMA POOL # 21772         | 8.000  | % DUE 12/15/2007 | 8.454                      | %    | 0     | 0     | 1,860 | 0     | 0   | 0 |
| 1,746,596          | GNMA POOL # 21790         | 8.000  | % DUE 12/15/2007 | 8.340                      | %    | 0     | 0     | 1,747 | 0     | 0   | 0 |
| 919,202            | GNMA POOL # 22022         | 8.000  | % DUE 1/15/2008  | 8.264                      | %    | 0     | 0     | 919   | 0     | 0   | 0 |
| 1,700,344          | GNMA POOL # 22832         | 8.000  | % DUE 9/15/2007  | 8.454                      | %    | 0     | 1,700 | 0     | 0     | 0   | 0 |
| 22,440             | GNMA POOL # 23012         | 8.000  | % DUE 3/15/2008  | 8.391                      | %    | 0     | 22    | 0     | 0     | 0   | 0 |
| 4,582,889          | GNMA POOL # 26157         | 9.000  | % DUE 10/15/2008 | 9.023                      | %    | 4,583 | 0     | 0     | 0     | 0   | 0 |
| 4,782,730          | GNMA POOL # 27963         | 9.000  | % DUE 11/15/2008 | 9.249                      | %    | 4,783 | 0     | 0     | 0     | 0   | 0 |
| 993,416            | GNMA POOL # 31488         | 9.000  | % DUE 7/15/2009  | 9.511                      | %    | 993   | 0     | 0     | 0     | 0   | 0 |
| 2,987,106          | GNMA POOL # 34131         | 9.500  | % DUE 8/15/2009  | 9.765                      | %    | 0     | 0     | 2,987 | 0     | 0   | 0 |
| 4,914,389          | GNMA POOL # 35013         | 11.000 | % DUE 1/15/2010  | 11.562                     | %    | 4,914 | 0     | 0     | 0     | 0   | 0 |
| 3,971,912          | GNMA POOL # 35047         | 9.500  | % DUE 10/15/2009 | 10.100                     | %    | 3,972 | 0     | 0     | 0     | 0   | 0 |
| 2,976,686          | GNMA POOL # 35549         | 9.500  | % DUE 8/15/2009  | 9.706                      | %    | 2,977 | 0     | 0     | 0     | 0   | 0 |
| 2,932,790          | GNMA POOL # 36021         | 9.500  | % DUE 9/15/2009  | 10.326                     | %    | 2,933 | 0     | 0     | 0     | 0   | 0 |
| 15,000             | GOODHUE CTY CSD 6         | 3.000  | % DUE 2/ 1/1983  | 3.000                      | %    | 15    | 0     | 0     | 0     | 0   | 0 |
| 833,000            | GRACE LINE, INC           | 5.100  | % DUE 2/ 1/1992  | 5.100                      | %    | 0     | 734   | 0     | 99    | 0   | 0 |
| 10,000             | GRANT/OTTERTAIL CJSB 8    | 3.250  | % DUE 4/ 1/1983  | 3.250                      | %    | 0     | 10    | 0     | 0     | 0   | 0 |
| 5,722,868          | GRC REALTY CORPORATION    | 7.700  | % DUE 12/31/1998 | 7.700                      | %    | 2,861 | 2,861 | 0     | 0     | 0   | 0 |
| 2,840,000          | GULF OIL CORPORATION      | 6.625  | % DUE 6/15/1993  | 6.625                      | %    | 1,000 | 800   | 690   | 200   | 150 | 0 |
| 9,000,000          | HAWAIIAN TELEPHONE        | 13.375 | % DUE 10/ 1/2010 | 13.498                     | %    | 4,000 | 2,000 | 2,000 | 1,000 | 0   | 0 |
| 10,000             | HENN CTY ISD 17 EDINA     | 4.000  | % DUE 2/ 1/1987  | 4.000                      | %    | 10    | 0     | 0     | 0     | 0   | 0 |
| 7,000,000          | HERTZ CORPORATION         | 9.500  | % DUE 2/15/1999  | 9.500                      | %    | 2,300 | 2,300 | 2,000 | 400   | 0   | 0 |
| 8,000,000          | HONEYWELL FINANCE INC.    | 8.200  | % DUE 12/15/1998 | 8.372                      | %    | 4,000 | 4,000 | 0     | 0     | 0   | 0 |
| 1,800,000          | HOUSEHOLD FINANCE         | 7.250  | % DUE 1/ 1/1990  | 7.369                      | %    | 500   | 900   | 400   | 0     | 0   | 0 |
| 4,000,000          | HOUSTON LIGHTING & POWER  | 12.000 | % DUE 6/ 1/2010  | 13.420                     | %    | 1,000 | 1,000 | 1,000 | 1,000 | 0   | 0 |
| 4,000,000          | ILLINOIS BELL TEL. & TEL. | 4.375  | % DUE 7/ 1/2003  | 11.354                     | %    | 2,000 | 1,000 | 1,000 | 0     | 0   | 0 |
| 272,222            | ILLINOIS CENTRAL RR       | 6.875  | % DUE 2/15/1983  | 6.875                      | %    | 111   | 78    | 67    | 0     | 17  | 0 |
| 50,000             | INDIANA & MICH ELEC       | 3.875  | % DUE 2/ 1/1988  | 5.784                      | %    | 0     | 0     | 50    | 0     | 0   | 0 |

STATE OF MINNESOTA  
BASIC RETIREMENT FUNDS  
FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION       | YLD. @ COST            | .....PAR VALUE IN \$1000'S..... |       |       |       |       |       |    |   |
|--------------------|----------------------------|------------------------|---------------------------------|-------|-------|-------|-------|-------|----|---|
|                    |                            |                        | TRA                             | PERA  | SERA  | PEPF  | HPAT  | JRET  |    |   |
| 600,000            | INDIANAPOLIS WATER         | 5.875 % DUE 8/ 1/1997  | 5.875 %                         | 600   | 0     | 0     | 0     | 0     | 0  | 0 |
| 5,000,000          | INT'L BUS. MACHINES        | 9.500 % DUE 10/ 1/1986 | 10.700 %                        | 2,000 | 2,000 | 1,000 | 0     | 0     | 0  | 0 |
| 250,000            | INTERNATL HARV CREDIT      | 8.350 % DUE 12/15/1986 | 8.789 %                         | 0     | 0     | 250   | 0     | 0     | 0  | 0 |
| 15,000             | ISANTI/PINE/KANABEC        | 4.000 % DUE 2/ 1/1986  | 4.000 %                         | 0     | 0     | 15    | 0     | 0     | 0  | 0 |
| 30,000             | KANABEC/VILL OR MORA       | 4.500 % DUE 11/ 1/1982 | 4.500 %                         | 0     | 30    | 0     | 0     | 0     | 0  | 0 |
| 4,150,000          | KANSAS POWER & LIGHT       | 8.125 % DUE 6/ 1/2007  | 8.166 %                         | 0     | 3,000 | 0     | 750   | 400   | 0  | 0 |
| 20,000             | KOOCHING/INT FALLS GO      | 3.300 % DUE 6/ 1/1982  | 3.300 %                         | 0     | 0     | 20    | 0     | 0     | 0  | 0 |
| 10,000             | LAC QUI PARLE SD 33        | 3.900 % DUE 2/ 1/1982  | 3.900 %                         | 0     | 10    | 0     | 0     | 0     | 0  | 0 |
| 5,000,000          | LACHMAR (HULL 54)          | 14.000 % DUE 9/25/1988 | 14.000 %                        | 2,000 | 2,000 | 1,000 | 0     | 0     | 0  | 0 |
| 30,000             | LAKE CTY/BEAVER BAY        | 5.000 % DUE 1/ 1/1987  | 5.000 %                         | 0     | 0     | 30    | 0     | 0     | 0  | 0 |
| 10,000             | LAKE OF WOODS SD 111       | 4.500 % DUE 1/ 1/1984  | 4.500 %                         | 0     | 0     | 10    | 0     | 0     | 0  | 0 |
| 10,000             | LE SUEUR/SIBLEY/NICLET     | 2.600 % DUE 7/ 1/1982  | 2.600 %                         | 0     | 10    | 0     | 0     | 0     | 0  | 0 |
| 13,000             | LINCOLN/LYON 409 TYLER     | 4.300 % DUE 2/ 1/1986  | 4.300 %                         | 0     | 0     | 13    | 0     | 0     | 0  | 0 |
| 30,000             | LINCOLN/PIPESTONE 404      | 4.000 % DUE 1/ 1/1983  | 4.000 %                         | 0     | 0     | 30    | 0     | 0     | 0  | 0 |
| 6,623,155          | LNM ACCEPTANCE CORP        | 9.100 % DUE 12/ 1/1986 | 9.100 %                         | 1,743 | 1,743 | 1,743 | 871   | 436   | 87 | 0 |
| 920,000            | LOUISVILLE & NASHVILLE     | 6.875 % DUE 1/15/1986  | 6.934 %                         | 400   | 300   | 220   | 0     | 0     | 0  | 0 |
| 1,790,302          | LOUISVILLE & NASHVILLE     | 9.000 % DUE 10/20/1991 | 9.000 %                         | 0     | 1,311 | 0     | 480   | 0     | 0  | 0 |
| 5,806,874          | LOUISVILLE & NASHVILLE     | 8.375 % DUE 4/20/1992  | 8.375 %                         | 2,351 | 2,351 | 1,106 | 0     | 0     | 0  | 0 |
| 1,500,000          | LOUISVILLE & NASHVILLE     | 4.875 % DUE 12/ 1/1987 | 4.930 %                         | 450   | 500   | 400   | 50    | 100   | 0  | 0 |
| 2,000              | LYON/CITY MARSHALL GO      | 3.250 % DUE 5/ 1/1982  | 3.250 %                         | 2     | 0     | 0     | 0     | 0     | 0  | 0 |
| 10,472,000         | MACHILLAN BLOEDEL, LTD     | 8.750 % DUE 7/ 1/1994  | 8.750 %                         | 3,652 | 3,652 | 2,200 | 704   | 264   | 0  | 0 |
| 9,375,000          | MANITOBA HYDRO ELEC BD     | 7.650 % DUE 10/15/1997 | 7.706 %                         | 3,500 | 3,500 | 1,875 | 500   | 0     | 0  | 0 |
| 2,000,000          | MANITOBA, PROVINCE OF      | 6.875 % DUE 11/ 1/1993 | 6.896 %                         | 1,200 | 800   | 0     | 0     | 0     | 0  | 0 |
| 6,200,000          | MARATHON OIL COMPANY       | 8.500 % DUE 2/ 1/2000  | 8.633 %                         | 0     | 4,000 | 1,000 | 800   | 400   | 0  | 0 |
| 10,000             | MARTIN CTY ISD 458         | 3.600 % DUE 2/ 1/1984  | 3.600 %                         | 10    | 0     | 0     | 0     | 0     | 0  | 0 |
| 6,000,000          | MARTIN-MARIETTA CORP.      | 7.000 % DUE 3/15/2011  | 12.740 %                        | 3,000 | 3,000 | 0     | 0     | 0     | 0  | 0 |
| 50,000             | MCLEOD CTY SD 38           | 3.900 % DUE 2/ 1/1987  | 3.900 %                         | 50    | 0     | 0     | 0     | 0     | 0  | 0 |
| 10,000             | MCLEOD/LES PRAIRIE SEW     | 3.500 % DUE 7/ 1/1981  | 3.500 %                         | 0     | 0     | 10    | 0     | 0     | 0  | 0 |
| 200,000            | MEDIAN MORTGAGE INV.       | 7.000 % DUE 9/15/1981  | 14.000 %                        | 0     | 0     | 200   | 0     | 0     | 0  | 0 |
| 15,000             | MEEKER CTY ICDS 47         | 3.300 % DUE 7/ 1/1981  | 3.300 %                         | 0     | 0     | 15    | 0     | 0     | 0  | 0 |
| 15,000             | MEEKER/WATKINS WATERWK     | 3.400 % DUE 12/ 1/1983 | 3.400 %                         | 15    | 0     | 0     | 0     | 0     | 0  | 0 |
| 4,000              | METRO WTR DIST SO CAL      | 3.000 % DUE 4/ 1/1983  | 3.000 %                         | 4     | 0     | 0     | 0     | 0     | 0  | 0 |
| 228,000            | METRO WTR DIST SO CAL      | 3.500 % DUE 2/ 1/1984  | 3.500 %                         | 28    | 45    | 155   | 0     | 0     | 0  | 0 |
| 212,000            | METRO WTR DIST SO CAL      | 4.000 % DUE 8/ 1/1985  | 4.000 %                         | 40    | 150   | 22    | 0     | 0     | 0  | 0 |
| 40,000             | MILLE LACS SD 4/1 BOCK     | 3.900 % DUE 3/ 1/1989  | 3.900 %                         | 0     | 40    | 0     | 0     | 0     | 0  | 0 |
| 25,000             | MILLE LACS/MORRISON 34     | 3.200 % DUE 3/ 1/1984  | 3.200 %                         | 25    | 0     | 0     | 0     | 0     | 0  | 0 |
| 800,000            | MINNESOTA POWER & L.       | 8.700 % DUE 9/ 1/2006  | 8.700 %                         | 0     | 0     | 0     | 800   | 0     | 0  | 0 |
| 6,533,333          | MISSOURI PACIFIC RR        | 12.750 % DUE 6/ 1/1995 | 12.750 %                        | 1,867 | 1,867 | 1,400 | 933   | 467   | 0  | 0 |
| 7,323,333          | MISSOURI PACIFIC RR        | 9.750 % DUE 6/ 1/1994  | 9.750 %                         | 0     | 3,467 | 2,600 | 867   | 390   | 0  | 0 |
| 10,000,000         | MONSANTO CO.               | 8.750 % DUE 5/15/2008  | 12.647 %                        | 4,000 | 3,000 | 2,000 | 500   | 500   | 0  | 0 |
| 11,350,000         | MONTGOMERY WARD CREDIT     | 8.375 % DUE 10/ 1/2002 | 8.408 %                         | 4,000 | 4,000 | 2,500 | 850   | 0     | 0  | 0 |
| 4,500,000          | MOORE BUSINESS FORMS       | 7.900 % DUE 10/ 1/1996 | 7.900 %                         | 2,000 | 2,000 | 0     | 500   | 0     | 0  | 0 |
| 1,216,000          | MOORE-MCCORMACK LINES      | 5.750 % DUE 4/ 1/1987  | 5.750 %                         | 378   | 377   | 307   | 77    | 77    | 0  | 0 |
| 15,000             | MORRISON/CASS/TODD 27      | 3.200 % DUE 2/ 1/1984  | 3.200 %                         | 0     | 0     | 15    | 0     | 0     | 0  | 0 |
| 55,000             | MORRISON/TODD ISD 486      | 3.800 % DUE 2/ 1/1988  | 3.800 %                         | 0     | 55    | 0     | 0     | 0     | 0  | 0 |
| 10,000,000         | MOUNTAIN STATES TEL & TEL  | 7.750 % DUE 6/ 1/2013  | 12.960 %                        | 3,000 | 3,000 | 2,000 | 1,000 | 1,000 | 0  | 0 |
| 5,000,000          | MOUNTAIN STATES TEL & TEL  | 8.625 % DUE 4/ 1/2018  | 13.130 %                        | 2,500 | 1,500 | 1,000 | 0     | 0     | 0  | 0 |
| 22,000             | MOWER/FREEMAN JISD 27      | 3.000 % DUE 1/ 1/1986  | 3.000 %                         | 22    | 0     | 0     | 0     | 0     | 0  | 0 |
| 8,762,000          | N. BRUNSWICK ELEC PWR      | 7.875 % DUE 4/ 1/1998  | 7.875 %                         | 3,131 | 3,128 | 1,790 | 446   | 267   | 0  | 0 |
| 1,400,000          | N. BRUNSWICK ELEC PWR      | 6.000 % DUE 11/15/1991 | 6.122 %                         | 500   | 500   | 400   | 0     | 0     | 0  | 0 |
| 1,050,000          | N. BRUNSWICK H EDUC        | 7.000 % DUE 4/15/1993  | 7.168 %                         | 550   | 0     | 300   | 200   | 0     | 0  | 0 |
| 10,200,000         | NEW YORK TELEPHONE COMPANY | 8.000 % DUE 7/15/2008  | 8.725 %                         | 4,000 | 3,500 | 1,500 | 800   | 400   | 0  | 0 |
| 30,000             | NOBLES CTY ICSD 119        | 3.300 % DUE 9/ 1/1984  | 3.300 %                         | 30    | 0     | 0     | 0     | 0     | 0  | 0 |

STATE OF MINNESOTA  
BASIC RETIREMENT FUNDS  
FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD %    | DUE        | TRA      | .....PAR VALUE IN \$1000'S..... |       |       |       |       |      |
|--------------------|-------------------------------|----------|------------|----------|---------------------------------|-------|-------|-------|-------|------|
|                    |                               |          |            |          | COST                            | TRA   | PERA  | SERA  | PEPF  | HPAT |
| \$ 1,300,000       | NORTHERN STATES POWER CO. MIN | 8.375 %  | 1/ 1/2004  | 8.682 %  | 0                               | 0     | 0     | 800   | 400   | 100  |
| 11,300,000         | NORTHWEST BANCORP             | 7.750 %  | 3/15/2003  | 7.750 %  | 4,000                           | 4,000 | 2,500 | 500   | 300   | 0    |
| 11,400,000         | NORTHWEST BANCORP             | 7.875 %  | 9/15/1986  | 7.885 %  | 4,000                           | 4,000 | 2,500 | 800   | 0     | 100  |
| 1,600,000          | NORTHWEST NATURAL GAS         | 4.750 %  | 1/ 1/1989  | 4.726 %  | 600                             | 600   | 400   | 0     | 0     | 0    |
| 5,420,000          | NORTHWESTERN BELL TEL. CO.    | 4.975 %  | 6/ 1/1998  | 10.704 % | 2,000                           | 2,000 | 1,000 | 420   | 0     | 0    |
| 10,500,000         | NORTHWESTERN BELL TEL. CO.    | 9.500 %  | 8/15/2016  | 12.932 % | 4,000                           | 2,000 | 2,000 | 1,500 | 1,000 | 0    |
| 9,000,000          | NORTHWESTERN BELL TEL. CO.    | 8.125 %  | 3/15/2017  | 12.950 % | 4,000                           | 3,000 | 2,000 | 0     | 0     | 0    |
| 7,000,000          | NORTON SIMON, INC.            | 9.875 %  | 6/ 1/2004  | 9.875 %  | 2,000                           | 2,500 | 2,500 | 0     | 0     | 0    |
| 4,650,000          | NOVA SCOTIA POWER COMM        | 8.125 %  | 7/15/1998  | 8.147 %  | 1,650                           | 1,500 | 1,500 | 0     | 0     | 0    |
| 3,000,000          | NOVA SCOTIA POWER COMM        | 7.750 %  | 3/15/1997  | 7.793 %  | 1,300                           | 1,500 | 0     | 0     | 0     | 0    |
| 3,100,000          | NOVA SCOTIA POWER CORP        | 9.625 %  | 6/ 1/2008  | 9.722 %  | 1,000                           | 1,000 | 1,000 | 0     | 0     | 100  |
| 2,900,000          | NOVA SCOTIA, PROVINCE         | 7.250 %  | 8/ 1/1993  | 7.334 %  | 1,000                           | 800   | 700   | 250   | 150   | 0    |
| 5,000,000          | OHIO BELL TELEPHONE CO.       | 9.000 %  | 11/ 1/2018 | 12.768 % | 2,000                           | 2,000 | 1,000 | 0     | 0     | 0    |
| 100,000            | OHIO POWER COMPANY            | 10.125 % | 6/ 1/1982  | 10.025 % | 0                               | 0     | 100   | 0     | 0     | 0    |
| 1,000              | OLMSTEAD                      | 2.750 %  | 2/ 1/1983  | 2.750 %  | 0                               | 0     | 0     | 0     | 1     | 0    |
| 243,400            | OLYMPIC PIPELINE CO.          | 8.850 %  | 9/ 1/2001  | 8.850 %  | 0                               | 0     | 0     | 0     | 146   | 97   |
| 12,852,000         | ONTARIO HYDRO                 | 9.500 %  | 3/15/1996  | 9.500 %  | 4,347                           | 4,253 | 2,835 | 945   | 473   | 0    |
| 1,100,000          | ONTARIO PROVINCE OF CANADA    | 9.125 %  | 6/15/2005  | 9.036 %  | 0                               | 0     | 0     | 1,000 | 0     | 100  |
| 1,350,000          | ONTARIO, PROVINCE OF          | 6.875 %  | 12/ 1/1997 | 6.976 %  | 400                             | 700   | 250   | 0     | 0     | 0    |
| 3,800,000          | ONTARIO, PROVINCE OF          | 7.850 %  | 5/15/2001  | 7.850 %  | 2,000                           | 1,500 | 0     | 300   | 0     | 0    |
| 7,500,000          | ONTARIO, PROVINCE OF          | 7.300 %  | 12/15/2002 | 7.300 %  | 3,500                           | 3,500 | 0     | 500   | 0     | 0    |
| 3,500,000          | ONTARIO, PROVINCE OF          | 9.375 %  | 6/ 1/2008  | 9.375 %  | 1,000                           | 1,000 | 1,000 | 500   | 0     | 0    |
| 13,100,000         | ONTARIO, PROVINCE OF          | 9.375 %  | 11/30/2008 | 9.470 %  | 5,000                           | 4,000 | 3,000 | 800   | 200   | 100  |
| 1,100,000          | ONTARIO, PROVINCE OF          | 5.625 %  | 4/15/1997  | 5.625 %  | 600                             | 0     | 400   | 100   | 0     | 0    |
| 75,000             | OTTERTAIL CTY ISD 21          | 3.800 %  | 11/ 1/1983 | 3.800 %  | 75                              | 0     | 0     | 0     | 0     | 0    |
| 10,000             | OTTERTAIL CTY SD 38           | 3.500 %  | 1/ 1/1982  | 3.500 %  | 10                              | 0     | 0     | 0     | 0     | 0    |
| 3,000              | OTTERTAIL SD 69               | 3.250 %  | 7/ 1/1981  | 3.250 %  | 0                               | 0     | 3     | 0     | 0     | 0    |
| 9,000,000          | OWENS ILLINOIS INC.           | 10.375 % | 6/ 1/1990  | 10.427 % | 4,000                           | 3,000 | 1,000 | 500   | 500   | 0    |
| 100,000            | PACIFIC GAS & ELECTRIC        | 9.500 %  | 6/ 1/1985  | 9.548 %  | 0                               | 0     | 0     | 0     | 0     | 100  |
| 8,500,000          | PACIFIC TEL & TEL CO.         | 15.000 % | 11/ 1/2020 | 15.045 % | 4,000                           | 3,000 | 1,000 | 500   | 0     | 0    |
| 2,000,000          | PFIZER INCORPORATED           | 9.250 %  | 8/15/2000  | 9.310 %  | 1,000                           | 1,000 | 0     | 0     | 0     | 0    |
| 10,000             | PINE CTY ICSD 5               | 3.500 %  | 7/ 1/1981  | 3.500 %  | 0                               | 0     | 10    | 0     | 0     | 0    |
| 3,000              | PINE/KANABEC JICSD 2          | 3.250 %  | 2/ 1/1982  | 3.250 %  | 0                               | 0     | 0     | 0     | 3     | 0    |
| 8,350,000          | PLANTATION PIPE LINE          | 7.875 %  | 10/ 1/2001 | 7.952 %  | 3,500                           | 3,000 | 1,250 | 300   | 300   | 0    |
| 12,000,000         | PUBLIC SERVICE CO OF IND.     | 12.125 % | 9/ 1/1990  | 12.191 % | 5,000                           | 4,000 | 2,000 | 1,000 | 0     | 0    |
| 9,950,000          | PUBLIC SERVICE CO OF IND.     | 7.625 %  | 1/ 1/2007  | 7.713 %  | 3,490                           | 4,000 | 1,600 | 540   | 320   | 0    |
| 13,850,000         | PUBLIC SERVICE ELECTRIC & GAS | 8.250 %  | 6/ 1/2007  | 8.351 %  | 5,000                           | 5,000 | 3,050 | 800   | 0     | 0    |
| 99,000             | PUGET SOUND TUG & BARG        | 9.125 %  | 2/15/2001  | 9.125 %  | 0                               | 0     | 0     | 0     | 0     | 99   |
| 5,000              | RED LAKE/PENN SD 16           | 4.000 %  | 4/ 1/1982  | 4.000 %  | 5                               | 0     | 0     | 0     | 0     | 0    |
| 25,000             | REDWOOD CTY ICSD 74           | 2.700 %  | 10/ 1/1982 | 2.700 %  | 25                              | 0     | 0     | 0     | 0     | 0    |
| 65,000             | RICE ISD 656 FARIBAULT        | 3.400 %  | 1/ 1/1987  | 3.400 %  | 50                              | 15    | 0     | 0     | 0     | 0    |
| 2,000,000          | ROCHESTER GAS & ELEC          | 6.700 %  | 7/ 1/1998  | 6.700 %  | 1,000                           | 800   | 0     | 150   | 50    | 0    |
| 10,000             | ROSEAU/BADGER IND CONS        | 3.500 %  | 10/ 1/1981 | 3.500 %  | 10                              | 0     | 0     | 0     | 0     | 0    |
| 100,000            | RYDER SYSTEMS, INC.           | 9.750 %  | 5/15/1982  | 9.665 %  | 0                               | 0     | 100   | 0     | 0     | 0    |
| 250,000            | SAN DIEGO FEDERAL             | 8.000 %  | 10/15/1982 | 8.269 %  | 0                               | 0     | 250   | 0     | 0     | 0    |
| 14,700,000         | SASKATCH., PROVINCE OF        | 9.250 %  | 4/15/2008  | 9.250 %  | 5,000                           | 5,000 | 3,500 | 800   | 400   | 0    |
| 1,180,996          | SEABOARD COAST LINE RR        | 9.000 %  | 4/ 1/1992  | 9.000 %  | 0                               | 0     | 0     | 787   | 394   | 0    |
| 386,087            | SEABOARD COAST LINE RR        | 8.250 %  | 10/ 1/1992 | 8.250 %  | 0                               | 0     | 0     | 0     | 386   | 0    |
| 5,500,000          | SEAFIRST CORP                 | 10.500 % | 6/ 1/1990  | 10.553 % | 2,000                           | 2,000 | 1,000 | 500   | 0     | 0    |
| 1,080,000          | SHELL CANADA, LTD             | 7.500 %  | 1/ 1/1994  | 7.500 %  | 1,080                           | 0     | 0     | 0     | 0     | 0    |
| 45,000             | SHERBURNE/VIL BIG LAKE        | 4.500 %  | 7/ 1/1986  | 4.500 %  | 0                               | 45    | 0     | 0     | 0     | 0    |
| 250,000            | SOHIO CORPORATION             | 8.625 %  | 2/ 1/1983  | 8.779 %  | 0                               | 0     | 250   | 0     | 0     | 0    |
| 5,000,000          | SOUTH CENTRAL BELL TELEPHONE  | 12.875 % | 10/ 1/2020 | 13.679 % | 5,000                           | 0     | 0     | 0     | 0     | 0    |



STATE OF MINNESOTA  
 BASIC RETIREMENT FUNDS  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD @ COST                       | .....PAR VALUE IN \$1000'S..... |        |       |       |      |      |
|--------------------|-------------------------------|----------------------------------|---------------------------------|--------|-------|-------|------|------|
|                    |                               |                                  | TRA                             | PERA   | SERA  | PEPF  | HPAT | JRET |
| \$ 5,000,000       | SOUTH CENTRAL BELL TELEPHONE  | 8.250 % DUE 11/ 1/2015 12.762 %  | 2,000                           | 2,000  | 1,000 | 0     | 0    | 0    |
| 5,000,000          | SOUTH CENTRAL BELL TELEPHONE  | 8.250 % DUE 8/ 1/2013 12.727 %   | 2,000                           | 2,000  | 1,000 | 0     | 0    | 0    |
| 6,300,000          | SOUTHERN BELL TEL & TEL       | 12.875 % DUE 10/ 5/2020 13.679 % | 2,000                           | 2,000  | 1,000 | 800   | 500  | 0    |
| 8,500,000          | SOUTHERN BELL TEL & TEL       | 10.900 % DUE 12/ 1/2019 13.370 % | 4,000                           | 3,000  | 1,000 | 500   | 0    | 0    |
| 5,000,000          | SOUTHERN BELL TEL & TEL       | 8.250 % DUE 4/15/2016 12.717 %   | 2,000                           | 1,000  | 1,000 | 1,000 | 0    | 0    |
| 18,200,000         | SOUTHERN BELL TEL & TEL       | 7.625 % DUE 3/15/2013 9.336 %    | 6,500                           | 6,500  | 3,000 | 1,600 | 500  | 100  |
| 8,000,000          | SOUTHERN PACIFIC TRANS.       | 8.250 % DUE 10/ 1/1992 8.250 %   | 2,800                           | 2,800  | 1,600 | 560   | 240  | 0    |
| 5,000,000          | SOUTHWESTERN BELL TEL CO      | 8.750 % DUE 9/ 1/2018 12.753 %   | 2,000                           | 2,000  | 1,000 | 0     | 0    | 0    |
| 4,750,000          | SOUTHWESTERN BELL TEL. & TEL. | 4.625 % DUE 8/ 1/1995 9.765 %    | 2,000                           | 1,000  | 1,000 | 750   | 0    | 0    |
| 250,000            | SPERRY RAND FINANCIAL         | 7.875 % DUE 2/ 1/1985 8.289 %    | 0                               | 0      | 250   | 0     | 0    | 0    |
| 550,000            | SPRAGUE ELECTRIC CO           | 4.375 % DUE 9/ 1/1988 4.391 %    | 550                             | 0      | 0     | 0     | 0    | 0    |
| 540,800            | SPRINGFIELD GAS LIGHT         | 4.875 % DUE 1/15/1987 4.875 %    | 0                               | 338    | 203   | 0     | 0    | 0    |
| 3,000              | ST LOUIS CTY ISD 700          | 4.100 % DUE 2/ 1/1983 4.100 %    | 0                               | 0      | 0     | 0     | 3    | 0    |
| 220,000            | ST. LOUIS-SF RAILWAY          | 6.750 % DUE 1/ 1/1983 6.750 %    | 120                             | 0      | 80    | 20    | 0    | 0    |
| 300,000            | ST. LOUIS-SF RAILWAY          | 7.250 % DUE 12/15/1983 7.250 %   | 140                             | 160    | 0     | 0     | 0    | 0    |
| 5,239,460          | STANDARD OIL (INDIANA)        | 7.300 % DUE 10/ 1/2000 7.300 %   | 1,977                           | 1,483  | 1,483 | 297   | 0    | 0    |
| 4,358,890          | STANDARD OIL (INDIANA)        | 9.000 % DUE 10/ 1/2000 9.000 %   | 1,486                           | 1,486  | 991   | 248   | 149  | 0    |
| 3,708,152          | STANDARD OIL (INDIANA)        | 7.500 % DUE 10/ 1/2000 7.500 %   | 1,483                           | 1,483  | 494   | 247   | 0    | 0    |
| 1,305,128          | STANDARD OIL OF CALIF.        | 7.700 % DUE 3/30/1997 7.700 %    | 630                             | 540    | 0     | 135   | 0    | 0    |
| 810,000            | STANDARD OIL OF CALIF.        | 6.000 % DUE 12/ 1/1992 6.091 %   | 600                             | 0      | 120   | 90    | 0    | 0    |
| 1,395,137          | STANDARD OIL OF CALIF.        | 7.700 % DUE 3/ 2/1997 7.700 %    | 630                             | 630    | 0     | 135   | 0    | 0    |
| 1,350,132          | STANDARD OIL OF CALIF.        | 7.700 % DUE 2/10/1997 7.700 %    | 540                             | 630    | 0     | 180   | 0    | 0    |
| 2,468,581          | STANDARD OIL OF CALIF.        | 7.700 % DUE 9/ 7/1997 7.700 %    | 457                             | 457    | 1,280 | 91    | 183  | 0    |
| 1,600,006          | STANDARD OIL OF CALIF.        | 7.700 % DUE 9/ 8/1997 7.700 %    | 457                             | 457    | 503   | 91    | 91   | 0    |
| 1,600,006          | STANDARD OIL OF CALIF.        | 7.700 % DUE 11/ 6/1997 7.700 %   | 457                             | 457    | 503   | 91    | 91   | 0    |
| 5,784,684          | STANDARD OIL OF CALIF.        | 8.500 % DUE 7/ 2/1999 8.500 %    | 1,928                           | 1,928  | 1,928 | 0     | 0    | 0    |
| 4,500,000          | STAUFFER CHEMICAL CO          | 7.500 % DUE 3/15/1997 7.500 %    | 2,000                           | 2,000  | 0     | 500   | 0    | 0    |
| 3,000              | STEARNS COMM SD 2022          | 4.000 % DUE 2/ 1/1982 4.000 %    | 0                               | 0      | 3     | 0     | 0    | 0    |
| 45,000             | STEARNS CTY ISD 93            | 4.750 % DUE 7/ 1/1987 4.750 %    | 0                               | 0      | 45    | 0     | 0    | 0    |
| 5,000              | STEARNS CTY ISD 93            | 4.600 % DUE 7/ 1/1981 4.600 %    | 0                               | 0      | 0     | 0     | 5    | 0    |
| 55,000             | STEELE/FREEBORN 30            | 2.700 % DUE 1/ 1/1985 2.700 %    | 0                               | 55     | 0     | 0     | 0    | 0    |
| 12,000             | STEELE/RICE JICSD 5           | 3.000 % DUE 1/ 1/1985 3.000 %    | 12                              | 0      | 0     | 0     | 0    | 0    |
| 14,500,000         | STUDEBAKER-WORTHINGTON        | 9.350 % DUE 11/15/2003 9.350 %   | 5,000                           | 5,000  | 3,000 | 1,000 | 500  | 0    |
| 240,000            | SUN OIL CO                    | 5.750 % DUE 7/ 1/1991 5.750 %    | 0                               | 0      | 240   | 0     | 0    | 0    |
| 666,000            | SWIFT & COMPANY               | 6.300 % DUE 8/ 1/1992 6.503 %    | 333                             | 0      | 333   | 0     | 0    | 0    |
| 200,000            | TALMAN FEDERAL S & L          | 8.375 % DUE 4/15/1983 8.385 %    | 0                               | 0      | 200   | 0     | 0    | 0    |
| 5,275,000          | TEXACO, INC.                  | 7.750 % DUE 12/ 1/2001 7.750 %   | 2,198                           | 1,758  | 1,319 | 0     | 0    | 0    |
| 6,000,000          | TEXAS POWER & LIGHT           | 8.600 % DUE 1/ 1/2006 12.894 %   | 2,000                           | 2,000  | 1,000 | 1,000 | 0    | 0    |
| 6,500,000          | TEXAS POWER & LIGHT           | 9.375 % DUE 2/ 1/2009 12.765 %   | 2,000                           | 3,000  | 1,500 | 0     | 0    | 0    |
| 20,000             | TODD/VILL BROWERVILLE         | 2.900 % DUE 1/ 1/1984 2.900 %    | 20                              | 0      | 0     | 0     | 0    | 0    |
| 200,000            | TRAILMOBILE FINANCE           | 8.200 % DUE 11/15/1987 8.632 %   | 0                               | 0      | 200   | 0     | 0    | 0    |
| 23,000,000         | U.S.A. TREASURY BOND          | 7.625 % DUE 2/15/2007 11.469 %   | 10,000                          | 8,000  | 3,000 | 2,000 | 0    | 0    |
| 40,500,000         | U.S.A. TREASURY BOND          | 12.750 % DUE 11/15/2010 12.684 % | 16,500                          | 13,000 | 7,000 | 4,000 | 0    | 0    |
| 26,600,000         | U.S.A. TREASURY BOND          | 11.500 % DUE 11/15/1995 12.474 % | 10,000                          | 9,000  | 6,000 | 900   | 700  | 0    |
| 15,000,000         | U.S.A. TREASURY BOND          | 13.875 % DUE 5/15/2011 12.914 %  | 5,000                           | 5,000  | 5,000 | 0     | 0    | 0    |
| 10,000,000         | U.S.A. TREASURY BOND          | 11.750 % DUE 2/15/2001 12.454 %  | 5,000                           | 3,000  | 2,000 | 0     | 0    | 0    |
| 4,000,000          | U.S.A. TREASURY BOND          | 9.125 % DUE 5/15/2009 11.916 %   | 2,000                           | 2,000  | 0     | 0     | 0    | 0    |
| 7,500,000          | U.S.A. TREASURY NOTE          | 9.000 % DUE 2/15/1987 9.026 %    | 3,000                           | 3,000  | 1,000 | 500   | 0    | 0    |
| 6,000,000          | U.S.A. TREASURY NOTE          | 10.750 % DUE 11/15/1989 10.219 % | 2,000                           | 2,000  | 2,000 | 0     | 0    | 0    |
| 936,000            | UARCO, INC                    | 6.500 % DUE 5/ 1/1988 6.500 %    | 585                             | 351    | 0     | 0     | 0    | 0    |
| 810,900            | UNION OIL OF CALIFORNIA       | 6.500 % DUE 12/ 1/1988 6.500 %   | 395                             | 317    | 0     | 60    | 39   | 0    |
| 6,000,000          | UNION TANK CAR                | 9.500 % DUE 12/15/1995 9.500 %   | 3,000                           | 3,000  | 0     | 0     | 0    | 0    |
| 100,000            | UNITED ILLUMINATING CO        | 8.500 % DUE 11/15/1997 8.500 %   | 0                               | 0      | 0     | 0     | 0    | 100  |

STATE OF MINNESOTA  
 BASIC RETIREMENT FUNDS  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION   | YLD @ COST              | .....PAR VALUE IN \$1000'S..... |         |         |         |        |        |       |
|--------------------|------------------------|-------------------------|---------------------------------|---------|---------|---------|--------|--------|-------|
|                    |                        |                         | TRA                             | PERA    | SERA    | PEPF    | HPAT   | JRET   |       |
| \$ 2,200,000       | UNITED TEL CO OHIO     | 6.875 % DUE 7/ 1/1998   | 6.875 %                         | 880     | 704     | 616     | 0      | 0      | 0     |
| 1,100,000          | UNITED TEL CO PA       | 6.625 % DUE 11/ 1/1998  | 6.625 %                         | 1,100   | 0       | 0       | 0      | 0      | 0     |
| 11,000,000         | USLIFE CORP.           | 12.500 % DUE 10/15/1990 | 12.563 %                        | 5,000   | 3,000   | 2,000   | 1,000  | 0      | 0     |
| 250,000            | UT CREDIT CORP.        | 8.625 % DUE 6/ 1/1986   | 8.723 %                         | 0       | 0       | 250     | 0      | 0      | 0     |
| 35,000             | WAR/GOOD/OLMSTD 50 141 | 3.800 % DUE 2/ 1/1986   | 3.800 %                         | 0       | 0       | 35      | 0      | 0      | 0     |
| 11,000             | WABASHA CTY CSD 2374   | 3.750 % DUE 2/ 1/1985   | 3.750 %                         | 11      | 0       | 0       | 0      | 0      | 0     |
| 35,000             | WABASHA/OLMSTEAD 806   | 4.100 % DUE 6/ 1/1987   | 4.100 %                         | 0       | 35      | 0       | 0      | 0      | 0     |
| 7,550,000          | WELLS FARGO & COMPANY  | 8.625 % DUE 11/ 1/1998  | 8.625 %                         | 2,500   | 2,500   | 1,500   | 800    | 250    | 0     |
| 10,600,000         | WELLS FARGO & COMPANY  | 11.550 % DUE 1/15/1983  | 11.550 %                        | 3,000   | 3,000   | 3,000   | 1,000  | 500    | 100   |
| 1,488,000          | WESTERN MARYLAND RR    | 4.850 % DUE 10/ 1/1989  | 4.850 %                         | 480     | 480     | 384     | 72     | 72     | 0     |
| 10,000             | WINONA CTY/GOODVIEW    | 4.500 % DUE 1/ 1/1985   | 4.500 %                         | 10      | 0       | 0       | 0      | 0      | 0     |
| 5,000              | WRIGHT CTY ISD 879     | 3.600 % DUE 5/ 1/1984   | 3.600 %                         | 5       | 0       | 0       | 0      | 0      | 0     |
| 10,000             | WRIGHT CTY SD 79       | 3.000 % DUE 4/ 1/1982   | 3.000 %                         | 10      | 0       | 0       | 0      | 0      | 0     |
| 2,066,000          | YOUNGSTOWN SHEET TUBE  | 4.600 % DUE 7/ 1/1995   | 5.080 %                         | 1,127   | 463     | 332     | 144    | 0      | 0     |
| \$1,204,002,356    | GRAND TOTAL            |                         | 10.044 %                        | 473,775 | 399,914 | 231,404 | 76,464 | 20,417 | 2,029 |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED  
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR

|  | EQUITY<br>DOLLAR VOLUME<br>TRANSACTED | COMMISSIONS | SHORT TERM<br>DOLLAR VOLUME<br>TRANSACTED | BOND<br>DOLLAR VOLUME<br>TRANSACTED |
|--|---------------------------------------|-------------|---|-------------------------------------|
| Abel/Noser Corp.                       | \$ 15,866,169                         | \$ 36,069   | \$ -0-                                    | \$ -0-                              |
| ACLI Government Securities             | -0-                                   | -0-         | 1,673,104,000                             | -0-                                 |
| Alex Brown & Sons                      | 2,077,006                             | 4,804       | -0-                                       | 1,600,000                           |
| Allison Williams                       | -0-                                   | -0-         | -0-                                       | 4,600,250                           |
| American Express Credit                | -0-                                   | -0-         | 30,240,000                                | -0-                                 |
| American National Bank                 | -0-                                   | -0-         | 290,634,653                               | 200,000                             |
| American Securities Corp.              | 2,337,224                             | 9,299       | -0-                                       | -0-                                 |
| Associates Corp. of North America      | -0-                                   | -0-         | 222,489,000                               | -0-                                 |
| Autranet                               | 31,581,207                            | 67,460      | -0-                                       | -0-                                 |
| Bache, Halsey, Stuart, Shields, Inc.   | 3,828,254                             | 12,000      | 122,686,000                               | 32,000,000                          |
| Bacon Whipple                          | -0-                                   | -0-         | -0-                                       | 1,000,000                           |
| Bank of America                        | -0-                                   | -0-         | 134,096,515                               | -0-                                 |
| Bankers Discount Corp.                 | -0-                                   | -0-         | 37,260,639                                | -0-                                 |
| Bankers Trust N.Y. Corp.               | -0-                                   | -0-         | 919,099,710                               | 183,500,000                         |
| Bear Stearns & Co.                     | 24,773,354                            | 58,623      | -0-                                       | 14,275,000                          |
| Becker, A.G., Inc.                     | 13,823,044                            | 39,032      | 1,099,136                                 | 28,350,000                          |
| Beneficial Corporation                 | -0-                                   | -0-         | 184,895,602                               | -0-                                 |
| Bernstein, Sanford & Co., Inc.         | 11,778,418                            | 31,540      | -0-                                       | -0-                                 |
| Blair, William & Co.                   | 1,784,802                             | 4,770       | -0-                                       | 700,000                             |
| Blunt Ellis                            | -0-                                   | -0-         | -0-                                       | 1,200,000                           |
| Boston Institutional Services          | 35,339,819                            | 77,283      | -0-                                       | -0-                                 |
| Brandt, Robert & Co., Inc.             | 26,853,716                            | 88,805      | -0-                                       | -0-                                 |
| Briggs & Schaedle                      | -0-                                   | -0-         | 186,808,842                               | -0-                                 |
| Brown Brothers Harriman                | 11,598,158                            | 23,570      | -0-                                       | -0-                                 |
| Bruan, Gordon & Co.                    | 19,138,593                            | 37,980      | -0-                                       | -0-                                 |
| Callan Associates                      | 1,316,316                             | 3,300       | -0-                                       | -0-                                 |
| Cantor Fitzgerald & Co., Inc.          | 17,155,611                            | 38,075      | -0-                                       | -0-                                 |
| Carroll McEntee & McGinley, Inc.       | -0-                                   | -0-         | 1,000,000                                 | -0-                                 |
| Chase Manhattan Bank                   | -0-                                   | -0-         | 11,396,299                                | -0-                                 |
| Chemical Bank, N.Y.                    | -0-                                   | -0-         | 177,024,574                               | -0-                                 |
| CIT Financial Corp.                    | -0-                                   | -0-         | 126,667,000                               | -0-                                 |
| Citibank N.A. New York                 | -0-                                   | -0-         | 9,422,257,533                             | 116,500,000                         |
| Commercial Credit Co.                  | -0-                                   | -0-         | 114,005,000                               | -0-                                 |
| Conning & Co.                          | 887,222                               | 2,810       | -0-                                       | -0-                                 |
| Continental Bank - Chicago             | -0-                                   | -0-         | 19,843,781                                | -0-                                 |
| Dain Bosworth, Inc.                    | 3,152,413                             | 9,006       | -0-                                       | -0-                                 |
| Dean Witter Reynolds                   | 20,691,215                            | 68,769      | -0-                                       | 3,500,000                           |
| Delafield, Harvey & Tabell             | 5,601,370                             | 13,860      | -0-                                       | -0-                                 |
| Dillon Read & Co., Inc.                | 5,392,514                             | 14,507      | -0-                                       | 1,050,000                           |
| Discount Corp. N.Y.                    | -0-                                   | -0-         | 161,007,845                               | 10,000,000                          |
| Donaldson, Lufkin, Jenrette Securities | 17,468,020                            | 40,910      | -0-                                       | 2,650,000                           |
| Drexel Burnham Lambert, Inc.           | 43,953,139                            | 103,231     | -0-                                       | 4,000,000                           |
| Federal Home Loan Bank-Des Moines      | -0-                                   | -0-         | 5,500,000                                 | -0-                                 |
| First Boston Inc.                      | 43,279,084                            | 108,399     | 50,584,624                                | 34,500,000                          |
| First Interstate Bank-California       | -0-                                   | -0-         | 1,803,675,000                             | -0-                                 |
| First Manhattan Company                | 4,172,078                             | 11,080      | -0-                                       | -0-                                 |
| First National Bank-Chicago            | -0-                                   | -0-         | 153,823,343                               | -0-                                 |
| First National Bank-Minneapolis        | -0-                                   | -0-         | 813,950,781                               | -0-                                 |
| First National Bank-St. Paul           | -0-                                   | -0-         | 540,896,847                               | -0-                                 |
| Ford Motor Credit Corp.                | -0-                                   | -0-         | 104,483,000                               | -0-                                 |
| Fourteen Research                      | 2,168,582                             | 5,280       | -0-                                       | -0-                                 |
| General Electric Credit Corp.          | -0-                                   | -0-         | 220,169,000                               | -0-                                 |
| General Motors Acceptance Corp.        | -0-                                   | -0-         | 323,694,000                               | -0-                                 |
| Goldman Sachs & Company                | 137,643,303                           | 340,216     | 3,683,600,780                             | 25,050,000                          |
| Harris Trust & Savings                 | -0-                                   | -0-         | 354,677,666                               | -0-                                 |
| Hawthorne Securities                   | 8,386,537                             | 19,295      | -0-                                       | -0-                                 |
| Heller, Walter & Co.                   | -0-                                   | -0-         | 138,853,000                               | -0-                                 |
| Herzfeld & Stern                       | 53,000                                | 1,184       | -0-                                       | -0-                                 |
| Household Finance Corp.                | -0-                                   | -0-         | 108,680,000                               | -0-                                 |
| Hutton, E.F. & Co.                     | 22,836,060                            | 62,454      | 357,897,828                               | 44,918,364                          |
| Independent State Bank                 | -0-                                   | -0-         | 19,400,000                                | -0-                                 |
| Institutional Networks                 | 81,415,485                            | 136,370     | -0-                                       | -0-                                 |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED  
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR  
CONTINUED

|                                       | EQUITY<br>DOLLAR VOLUME<br>TRANSACTED | COMMISSIONS | SHORT TERM<br>DOLLAR VOLUME<br>TRANSACTED | BOND<br>DOLLAR VOLUME<br>TRANSACTED |
|---------------------------------------|---------------------------------------|-------------|---|-------------------------------------|
| Jeffries & Co.                        | \$ 42,496,244                         | \$ 104,391  | \$ -0-                                    | \$ -0-                              |
| Jones & Associates                    | 549,010                               | 2,012       | -0-                                       | -0-                                 |
| Keefe Bruyette & Woods, Inc.          | 2,822,898                             | 12,701      |   | 800,000                             |
| Kidder Peabody & Co., Inc.            | 34,602,170                            | 88,176      | 1,571,252,000                             | 85,054,805                          |
| Lanston Company                       | -0-                                   | -0-         | -0-                                       | 5,000,000                           |
| Lawrence, Cyrus J.                    | 2,713,587                             | 12,893      | -0-                                       | -0-                                 |
| Lazard Freres & Co.                   | -0-                                   | -0-         | -0-                                       | 4,000,000                           |
| Legg Mason Wood Walker, Inc.          | 3,129,998                             | 13,831      | -0-                                       | -0-                                 |
| Lehman Brothers Kuhn Loeb, Inc.       | 6,950,996                             | 17,360      | 355,998,778                               | 21,111,047                          |
| Lynch Jones & Ryan                    | 2,902,336                             | 8,531       | -0-                                       | -0-                                 |
| Marquette National Bank               | -0-                                   | -0-         | 246,693,299                               | 300,000                             |
| Merrill Lynch, Pierce, Fenner & Smith | 157,840,306                           | 358,694     | 131,920,868                               | 98,413,064                          |
| Mesirow and Company                   | 7,138,083                             | 19,770      | -0-                                       | -0-                                 |
| Midland National Bank-Minneapolis     | -0-                                   | -0-         | 4,175,000                                 | -0-                                 |
| Midway National Bank-St. Paul         | -0-                                   | -0-         | 1,900,000                                 | -0-                                 |
| Morgan Guaranty                       | -0-                                   | -0-         | 1,170,785,124                             | 35,000,000                          |
| Morgan Stanley & Co.                  | 66,962,989                            | 212,658     | 13,268,000                                | 68,800,000                          |
| National City Bank-Minneapolis        | -0-                                   | -0-         | 7,900,000                                 | -0-                                 |
| Neuberger & Berman                    | 665,540                               | 2,140       | -0-                                       | -0-                                 |
| New York Hanseatic                    | -0-                                   | -0-         | 54,842,000                                | -0-                                 |
| N.W. National Bank-Minneapolis        | -0-                                   | -0-         | 1,341,163,801                             | -0-                                 |
| N.W. National Bank-St. Paul           | -0-                                   | -0-         | 1,000,000                                 | -0-                                 |
| Nuveen, John & Co.                    | -0-                                   | -0-         | 1,000,000                                 | -0-                                 |
| Ohio Company (The)                    | -0-                                   | -0-         | -0-                                       | 300,000                             |
| O'Neil (Wm.) Co., Inc.                | 11,599,911                            | 25,118      | -0-                                       | -0-                                 |
| Oppenheimer & Co., Inc.               | 48,552,652                            | 113,160     | -0-                                       | 1,000,000                           |
| Paine Webber Mitchell Hutchins, Inc.  | 34,740,756                            | 98,825      | 3,852,500                                 | 1,800,000                           |
| Penney, J.C. Financial Corp.          | -0-                                   | -0-         | 25,856,000                                | -0-                                 |
| Piper Jaffray & Hopwood               | 9,950,177                             | 26,130      | -0-                                       | 1,650,000                           |
| Rodman & Renshaw                      | -0-                                   | -0-         | -0-                                       | 1,775,000                           |
| Rothschild, L.F., Unterberg, Towbin   | 3,377,762                             | 8,650       | -0-                                       | -0-                                 |
| Salomon Brothers                      | 109,182,739                           | 240,132     | 55,960,000                                | 180,551,000                         |
| Schapiro (M.A.) & Co.                 | 140,000                               | 437         | -0-                                       | -0-                                 |
| Sears Roebuck Acceptance Corp.        | -0-                                   | -0-         | 182,200,000                               | -0-                                 |
| Security Pacific Bank                 | -0-                                   | -0-         | 29,497,472                                | -0-                                 |
| Shearson Loeb Rhoades                 | 1,376,732                             | 7,000       | -0-                                       | 8,250,000                           |
| Smilen & Safian, Inc.                 | 4,803,592                             | 10,750      | -0-                                       | -0-                                 |
| Smith Barney Harris Upham & Co.       | 54,071,131                            | 135,780     | -0-                                       | 8,800,000                           |
| Sowarby, John & Associates            | -0-                                   | -0-         | 644,331,000                               | -0-                                 |
| Summit State Bank - Minneapolis       | -0-                                   | -0-         | -0-                                       | 156,444                             |
| Thomson & McKinnon                    | 74,000                                | 1,600       | -0-                                       | 1,400,000                           |
| Transamerica Financial Corp.          | -0-                                   | -0-         | 281,477,000                               | -0-                                 |
| Tucker, Anthony & R.L. Day, Inc.      | 12,227,792                            | 28,012      | -0-                                       | 500,000                             |
| Weedon & Company                      | 29,875,779                            | 61,702      | -0-                                       | -0-                                 |
| Wells Fargo Bank                      | -0-                                   | -0-         | 8,352,346,423                             | -0-                                 |
| Wertheim & Company                    | 19,112,176                            | 41,415      | -0-                                       | 9,752,000                           |
| Westinghouse Credit Corp.             | -0-                                   | -0-         | 236,966,000                               | -0-                                 |
| Wilshire Associates                   | 16,673,196                            | 35,550      | -0-                                       | -0-                                 |
| Wood Gundy Limited                    | 869,791                               | 2,390       | -0-                                       | 700,000                             |
|                                       | 1,301,754,056                         | 3,159,789   | 37,229,887,263                            | 1,044,706,993                       |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1981

|   | TOTAL #<br>OF SHARES |   | TOTAL #<br>OF SHARES |
|---|----------------------|---|----------------------|
| <b>PURCHASES</b>                          |                      | <b>PURCHASES</b>                          |                      |
| <b>UTILITIES</b>                          |                      | <b>TECHNOLOGY</b>                         |                      |
| <b>ELECTRIC</b>                           |                      | <b>ELECTRONICS</b>                        |                      |
| Commonwealth Edison Company               | 214,499              | Hewlett-Packard Company                   | 30,000               |
| Consolidated Edison Company of New York   | 25,000               | Motorola, Incorporated                    | 140,000              |
| Florida Power & Light Company             | 152,000              | <b>OFFICE EQUIPMENT</b>                   |                      |
| Houston Industries, Incorporated          | 1,074,000            | Apple Computer, Incorporated              | 4,575                |
| Northern States Power Company (Minn.)     | 183,500              | Burroughs Corporation                     | 44,000               |
| Pacific Power & Light Company             | 71,500               | Control Data Corporation                  | 70,000               |
| Public Service Company of Indiana, Inc.   | 13,705               | Digital Equipment Corporation             | 2,000                |
| Texas Utilities Company                   | 9,000                | Honeywell, Incorporated                   | 20,000               |
| <b>NATURAL GAS</b>                        |                      | International Business Machines, Inc.     | 30,000               |
| Houston Natural Gas Corporation           | 360,000              | Xerox Corporation                         | 101,500              |
| Internorth, Inc.                          | 110,000              | <b>BASIC INDUSTRY</b>                     |                      |
| Pioneer Corporation                       | 29,000               | <b>AEROSPACE</b>                          |                      |
| Texas Oil & Gas Corporation               | 540,000              | Boeing Company (The)                      | 233,000              |
| <b>COMMUNICATIONS</b>                     |                      | General Dynamics Corporation              | 100,000              |
| American Telephone & Telegraph Company    | 217,772              | Lockheed Corporation                      | 13,500               |
| Central Telephone & Utilities Corporation | 25,500               | <b>BUILDING &amp; FOREST PRODUCTS</b>     |                      |
| United Telecommunications, Inc.           | 6,600                | American Standard, Incorporated           | 16,500               |
| <b>FINANCIAL SERVICES</b>                 |                      | Champion International Corporation        | 51,100               |
| <b>BANKS</b>                              |                      | Georgia-Pacific Corporation               | 70,000               |
| BankAmerica Corporation                   | 686,500              | Kaiser Cement Corporation                 | 11,000               |
| Chase Manhattan Corporation               | 225,000              | Lone Star Industries, Incorporated        | 10,000               |
| Continental Illinois Corporation          | 55,000               | Ryan Homes, Incorporated                  | 26,000               |
| First Bank System, Incorporated           | 53,500               | <b>CHEMICALS</b>                          |                      |
| First International Bancshares, Inc.      | 25,000               | Dow Chemical Company (The)                | 49,000               |
| Manufacturers Hanover Corporation         | 6,000                | DuPont (E.I.) de Nemours & Company        | 6,600                |
| J.P. Morgan & Co., Incorporated           | 235,000              | Hercules, Incorporated                    | 50,000               |
| Security Pacific Corporation              | 248,000              | Union Carbide Corporation                 | 299,000              |
| Valley National Corporation               | 190,000              | <b>ELECTRICAL EQUIPMENT</b>               |                      |
| <b>FINANCE</b>                            |                      | General Electric Company                  | 114,500              |
| American Express Company                  | 186,600              | Westinghouse Electric Corporation         | 147,000              |
| First Charter Financial Corporation       | 68,300               | <b>MACHINERY</b>                          |                      |
| Gelco Corporation                         | 123,000              | ACF Industries, Incorporated              | 40,000               |
| <b>INSURANCE</b>                          |                      | <b>METALS</b>                             |                      |
| Aetna Life & Casualty Company             | 48,500               | Alcan Aluminum Limited                    | 75,000               |
| Chubb Corporation                         | 238,500              | Aluminum Company of America               | 130,000              |
| Connecticut General Insurance Corporation | 150,300              | St. Joe Minerals Corporation              | 94,000               |
| Crum & Forster                            | 235,000              | <b>TEXTILES</b>                           |                      |
| INA Corporation                           | 65,000               | Strauss (Levi) & Company                  | 127,400              |
| Marsh & McLennan Companies'               | 203,000              | <b>MISCELLANEOUS</b>                      |                      |
| St. Paul Companies, Inc. (The)            | 193,000              | American Can Company                      | 16,000               |
| Travelers Corporation (The)               | 263,500              | Continental Group, Inc. (The)             | 124,000              |
| U.S. Fidelity & Guarantee Company         | 52,000               | International Telephone & Telegraph Corp. | 72,000               |
| <b>CONSUMER-ORIENTED</b>                  |                      | Minnesota Mining & Manufacturing Co.      | 120,000              |
| <b>AUTOS-AUTO PARTS</b>                   |                      | Owens-Illinois Incorporated               | 550,000              |
| Genuine Parts Company                     | 10,000               | <b>ENERGY</b>                             |                      |
| Goodyear Tire & Rubber Company (The)      | 190,000              | <b>OIL-DOMESTIC</b>                       |                      |
| <b>CONSUMER-DURABLES</b>                  |                      | Atlantic Richfield Company                | 140,000              |
| Toro Company                              | 50,000               | Getty Oil Company                         | 50,000               |
| <b>CONSUMER-NONDURABLES</b>               |                      | Marathon Oil Company                      | 6,000                |
| Eastman Kodak Company                     | 193,000              | Phillips Petroleum Company                | 406,500              |
| Gillette Company                          | 475,000              | Shell Oil Company                         | 140,000              |
| Procter & Gamble Company (The)            | 8,000                | Standard Oil Company (Ohio)               | 60,000               |
| <b>CONSUMER-MISCELLANEOUS</b>             |                      | <b>OIL-INTERNATIONAL</b>                  |                      |
| ARA Services, Incorporated                | 50,000               | Allied Corporation                        | 12,000               |
| McDonald's Corporation                    | 242,000              | Gulf Oil Corporation                      | 240,000              |
| Warner Communications - Warrants          | 4,465                | Mobil Corporation                         | 268,000              |
| <b>DRUGS</b>                              |                      | Royal Dutch Petroleum Company             | 391,000              |
| Abbott Laboratories                       | 40,000               | Standard Oil Company of California        | 100,000              |
| Baxter Travenol Labs., Incorporated       | 116,000              | <b>ENERGY-RELATED</b>                     |                      |
| Bristol Meyers Company                    | 200,000              | Dresser Industries, Incorporated          | 10,000               |
| Medtronic, Inc.                           | 90,000               | Williams Companies (The)                  | 135,000              |
| Schering-Plough Corporation               | 120,000              | <b>TRANSPORTATION</b>                     |                      |
| Syntex Corporation                        | 150,000              | <b>AIRLINES</b>                           |                      |
| <b>FOODS-BEVERAGES</b>                    |                      | Delta Air Lines, Incorporated             | 65,000               |
| Archer Daniels-Midland Co.                | 1,418,500            | Northwest Airlines, Incorporated          | 130,000              |
| Coca-Cola Company (The)                   | 30,000               | <b>RAILROADS</b>                          |                      |
| Dart-Kraft, Incorporated                  | 40,000               | Greyhound-Warrants                        | 101,667              |
| General Mills, Incorporated               | 90,000               | Norfolk & Western Railway Company         | 25,500               |
| PepsiCo, Inc.                             | 365,000              | Santa Fe Industries, Incorporated         | 210,000              |
| Pillsbury Company (The)                   | 50,000               | Southern Railway Company                  | 40,000               |
| <b>MEDIA</b>                              |                      |   |                      |
| CBS Incorporated                          | 280,000              |   |                      |
| Harcourt Brace Jovanovich, Inc.           | 6,000                |   |                      |
| <b>RETAIL SALES</b>                       |                      |   |                      |
| Dayton Hudson Corporation                 | 53,000               |   |                      |
| Penney (J.C.) Company, Incorporated       | 40,000               |   |                      |
| Revco, D.S., Inc.                         | 85,000               |   |                      |
| Safeway Stores, Incorporated              | 10,000               |   |                      |
| Southland Corporation                     | 105,750              |   |                      |
| Super Valu Stores, Incorporated           | 213,600              |   |                      |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT  
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1981

| SALES                                   | TOTAL #<br>OF SHARES | SALES                                 | TOTAL #<br>OF SHARES |
|---|----------------------|---------------------------------------|----------------------|
| <b>UTILITIES</b>                        |                      | <b>FOODS-BEVERAGES</b>                |                      |
| <b>ELECTRIC</b>                         |                      | CPC International, Inc.               | 104,000              |
| Central & Southwest Corporation         | 101,000              | Coca-Cola Company (The)               | 160,100              |
| Cincinnati Gas & Electric Company (The) | 124,000              | Consolidated Foods Corporation        | 100,000              |
| Commonwealth Edison Company             | 43,999               | General Foods Corporation             | 89,000               |
| Houston Industries, Incorporated        | 133,650              | General Mills, Incorporated           | 108,000              |
| Minnesota Power & Light Company         | 238,200              | Dart-Kraft, Incorporated              | 32,600               |
| Northern States Power Company (Minn.)   | 60,000               | Norton Simon, Incorporated            | 525,222              |
| Pacific Gas & Electric Company          | 72,300               | Pillsbury Company (The)               | 240,100              |
| Public Service Company of Indiana, Inc. | 153,685              | <b>MEDIA</b>                          |                      |
| Southern California Edison Company      | 83,500               | Donnelly (R.R.) & Sons Company        | 110,402              |
| Virginia Electric & Power Company       | 404,098              | Dun & Bradstreet Corporation          | 3,000                |
| <b>NATURAL GAS</b>                      |                      | Gannett Company, Incorporated         | 45,000               |
| Panhandle Eastern Pipeline Company      | 503,896              | Harcourt Brace Jovanovich, Inc.       | 90,000               |
| Peoples Energy Corporation              | 187,666              | <b>RETAIL SALES</b>                   |                      |
| <b>COMMUNICATIONS</b>                   |                      | Federated Department Stores, Inc.     | 100                  |
| American Telephone & Telegraph Company  | 12,100               | K Mart Corporation                    | 249,400              |
| Central Telephone & Utilities Corp.     | 127,000              | Penney (J.C.) Company, Inc.           | 8,500                |
| General Telephone & Electronics Corp.   | 460,300              | Revco D.S., Incorporated              | 50,000               |
| United Telecommunications, Inc.         | 502,800              | Sears, Roebuck & Company              | 474,700              |
| <b>FINANCIAL SERVICES</b>               |                      | <b>TECHNOLOGY</b>                     |                      |
| <b>BANKS</b>                            |                      | <b>ELECTRONICS</b>                    |                      |
| BankAmerica Corporation                 | 4,500                | Hewlett-Packard Company               | 13,500               |
| Chase Manhattan Corporation             | 225,000              | Motorola, Incorporated                | 20,000               |
| Citicorp                                | 139,944              | Perkin-Elmer Corporation (The)        | 272,400              |
| Continental Illinois Corporation        | 109,272              | <b>OFFICE EQUIPMENT</b>               |                      |
| First International Bancshares, Inc.    | 124,625              | Apple Computer, Incorporated          | 4,575                |
| Manufacturers Hanover Corporation       | 50,000               | Burroughs Corporation                 | 69,400               |
| J.P. Morgan & Co., Incorporated         | 48,106               | Control Data Corporation              | 77,000               |
| Northwest Bancorporation                | 328,400              | Digital Equipment Corporation         | 82,500               |
| Security Pacific Corporation            | 3,000                | International Business Machines, Inc. | 71,500               |
| <b>FINANCE</b>                          |                      | Xerox Corporation                     | 266,020              |
| Beneficial Corporation                  | 196,725              | <b>BASIC INDUSTRY</b>                 |                      |
| First Charter Financial Corporation     | 127,000              | <b>AEROSPACE</b>                      |                      |
| Golden West Financial Corporation       | 7,500                | Boeing Company (The)                  | 150                  |
| Household International, Inc.           | 319,800              | Raytheon Company                      | 11,400               |
| MGIC Investment Corporation             | 118,700              | United Technologies Corporation       | 33,000               |
| <b>INSURANCE</b>                        |                      | <b>BUILDING &amp; FOREST PRODUCTS</b> |                      |
| Aetna Life & Casualty Company           | 10,000               | American Standard, Incorporated       | 200                  |
| Crum & Forster                          | 80,000               | Georgia-Pacific Corporation           | 411,391              |
| Marsh & McLennan Companies              | 60,000               | Kaiser Cement Corporation             | 11,000               |
| SAFECO Corporation                      | 74,650               | Lone Star Industries, Inc.            | 95,000               |
| U.S. Fidelity & Guaranty                | 182,430              | Masonite Corporation                  | 159,400              |
| <b>CONSUMER-ORIENTED</b>                |                      | Owens-Corning Fiberglas Corporation   | 338,800              |
| <b>AUTO-AUTO PARTS</b>                  |                      | Ryan Homes, Incorporated              | 21,000               |
| Ford Motor Company                      | 315,650              | Weyerhaeuser Company                  | 317,300              |
| General Motors Corporation              | 164,600              | <b>CHEMICALS</b>                      |                      |
| Genuine Parts                           | 259,550              | Air Products & Chemicals, Inc.        | 197,440              |
| <b>CONSUMER-DURABLES</b>                |                      | Dow Chemical Company (The)            | 12,700               |
| Sunbeam Corporation                     | 184,049              | DuPont (E.I.) de Nemours & Company    | 50,000               |
| Toro Company                            | 20,000               | Hercules, Incorporated                | 152,000              |
| Whirlpool Corporation                   | 10,000               | Monsanto Company                      | 180,536              |
| <b>CONSUMER-NONDURABLES</b>             |                      | Union Carbide Corporation             | 10,000               |
| Avon Products, Incorporated             | 50,000               | <b>ELECTRICAL EQUIPMENT</b>           |                      |
| Colgate Palmolive Company               | 302,800              | Emerson Electric Company              | 250,200              |
| Eastman Kodak Company                   | 152,500              | Gould, Incorporated                   | 167,300              |
| Gillette Company                        | 55,000               | <b>MACHINERY</b>                      |                      |
| Procter & Gamble Company (The)          | 85,900               | Caterpillar Tractor Company           | 130,850              |
| Revlon, Incorporated                    | 178,000              | Combustion Engineering, Incorporated  | 346,000              |
| <b>CONSUMER-MISCELLANEOUS</b>           |                      | Trans Union Corporation               | 215,500              |
| Disney (Walt) Productions               | 67,894               | <b>METALS</b>                         |                      |
| McDonald's Corporation                  | 43,000               | Aluminum Company of America           | 177,000              |
| Warner Communications                   | 58,608               | Hanna Mining Company (The)            | 23,900               |
| Warner Communications-Warrants          | 4,465                | Pittston Company (The)                | 62,363               |
| <b>DRUGS</b>                            |                      | St. Joe Minerals Corporation          | 459,000              |
| Abbott Laboratories                     | 40,000               | <b>PAPER</b>                          |                      |
| American Home Products Corporation      | 174,800              | International Paper Company           | 28,000               |
| Baxter Travenol Labs., Inc.             | 183,500              | Union Camp Corporation                | 136,300              |
| Bristol Meyers Company                  | 75,000               | <b>TEXTILES</b>                       |                      |
| Johnson & Johnson                       | 180,000              | Strauss (Levi) & Company              | 200                  |
| Medtronic, Incorporated                 | 254,000              | <b>MISCELLANEOUS</b>                  |                      |
| Merck & Company, Inc.                   | 22,800               | Corning Glass Works                   | 80,900               |
| National Medical Enterprises, Inc.      | 8,000                | Minnesota Mining & Manufacturing Co.  | 314,700              |
| Pfizer, Incorporated                    | 451,300              | <b>ENERGY</b>                         |                      |
| Schering-Plough Corporation             | 71,100               | <b>OIL-DOMESTIC</b>                   |                      |
| Warner-Lambert Company                  | 564,500              | Atlantic Richfield Company            | 155,300              |
|   |                      | Conoco Incorporated                   | 213,087              |
|   |                      | Marathon Oil Company                  | 301,200              |
|   |                      | Phillips Petroleum Company            | 48,000               |
|   |                      | Standard Oil Company (Indiana)        | 592,100              |
|   |                      | Standard Oil Company (Ohio)           | 318,200              |

SALESTOTAL #  
OF SHARES

## OIL-INTERNATIONAL

|                                    |         |
|------------------------------------|---------|
| Exxon Corporation                  | 90,000  |
| Gulf Oil Corporation               | 50,100  |
| Mobil Corporation                  | 28,000  |
| Standard Oil Company of California | 54,000  |
| Texaco, Incorporated               | 239,390 |

## ENERGY-RELATED

|                                  |        |
|----------------------------------|--------|
| Baker International Corporation  | 39,500 |
| Dresser Industries, Incorporated | 50,000 |
| Halliburton Company              | 53,000 |

## AIRLINES

|                                  |         |
|----------------------------------|---------|
| Delta Air Lines, Incorporated    | 10,000  |
| Northwest Airlines, Incorporated | 270,026 |
| UAL, Incorporated                | 39,300  |

## RAILROADS

|                           |         |
|---------------------------|---------|
| Greyhound-Warrants        | 101,667 |
| Southern Railway Company  | 100     |
| Union Pacific Corporation | 96,800  |

### Time Weighted Rate of Return Formula

The time-weighted rate of return measures total return to a fund which includes cash yield as well as realized and unrealized market value changes in assets. In addition, it nets out the influence of contributions and distributions, variables over which the investment manager has no control. Thus it is the best measure of investment management performance. The calculation of a fund's true time-weighted return requires that the fund be valued every time there is a capital flow in or out. Since most funds do not value that frequently, it is necessary to estimate the time-weighted rates by approximating the required valuations.

In 1968, the Bank Administration Institute (BAI) commissioned a study conducted by the University of Chicago, which considered desirable methods of estimating time-weighted returns. The BAI report is considered to be the definitive work in the field of performance measurement because of the academic reputations and thorough scientific efforts of its authors.

When monthly data are available, the BAI study recommends employing a technique called the linked internal rate of return (LIRR). Merrill Lynch, our performance measurement consultant, calculates the LIRR by solving the following equation for R:

$$V_B (1+R) + C (1+R)^{\frac{1}{2}} = V_E$$

Where

$V_B$  = Value of the fund at the beginning of the month.

$V_E$  = Value of the fund at the end of the month.

C = Assumed single mid-month net cash flow.

R = Internal rate of return.

The internal rate of return, R, is a proxy for the true-weighted return over the month. It approximates the interim valuations by assuming a uniform growth throughout the period.

The IRR's calculated for each month can be linked together to estimate the time-weighted return for a longer period. For example, given three consecutive monthly IRR's -  $R_1$ ,  $R_2$  and  $R_3$ , the quarterly time-weighted return is:

$$TWR_Q = (1+R_1) (1+R_2) (1+R_3) - 1$$

$TWR_Q$  = Quarterly time-weighted rate of return.



MARKET ENVIRONMENT  
Fiscal Years Ending June 30

|   | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>5 Years<br/>Annualized</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------------------------|
| <b>Economic Activity</b>                      |             |             |             |             |             |                               |
| Real GNP                                      | 3.2%        | -0.7%       | 2.8%        | 5.1%        | 5.2%        | 3.1%                          |
| <b>Inflation</b>                              |             |             |             |             |             |                               |
| Personal Consumption<br>Expenditures Deflator | 8.2         | 10.5        | 8.5         | 6.6         | 6.2         | 8.0                           |
| Consumer Price Index                          | 9.8         | 14.4        | 10.7        | 7.0         | 6.8         | 9.7                           |
| <b>Fixed Income Returns</b>                   |             |             |             |             |             |                               |
| 1 Short-term                                  | 14.4        | 12.3        | 9.3         | 6.5         | 5.1         | 9.5                           |
| 2 Intermediate-term                           | -0.2        | 8.4         | 8.0         | 10.4        | 2.0         | 5.6                           |
| 3 Long-term                                   | -11.5       | -2.9        | 7.2         | 15.5        | -0.6        | 1.1                           |
| <b>Common Stock Returns</b>                   |             |             |             |             |             |                               |
| S&P 500                                       | 20.6        | 17.2        | 13.5        | 0.2         | 0.6         | 10.1                          |
| Dow Jones Industrial<br>Average               | 19.2        | 9.5         | 8.9         | -5.4        | -4.5        | 5.1                           |

- 1 U.S. 91-Day Treasury Bills
- 2 Kuhn-Loeb Intermediate-term Government/Corporate Bond Index
- 3 Kuhn-Loeb Long-term Government/Corporate Bond Index



STATE OF MINNESOTA  
**OFFICE OF THE LEGISLATIVE AUDITOR**

Veterans Service Building, 1st Floor West Wing  
St. Paul, Minnesota 55155

(612) 296-4708

The State Board of Investment

and

Howard J. Bicker, Acting Executive Director

We have examined the statements of assets and liabilities, including the portfolio of investments shown on pages 56 to 65, and the supplementary schedules of participation of the Minnesota Post Retirement Investment Fund, Minnesota Supplemental Retirement Investment Fund, which includes the Income, Growth, and Fixed Return Accounts, and the Minnesota Variable Annuity Fund of the Minnesota State Board of Investment as of June 30, 1980 and 1981, and the related statements of operations and of changes in net assets for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Securities owned at June 30, 1980 and 1981 were counted by us when held by the State Treasurer or were confirmed to us when held by other custodians.

As discussed in Note 3 of the financial statements of the Minnesota Post Retirement Investment Fund, mortality gains and losses are calculated after year end by each participating retirement fund's actuary. The associated transfers of required reserves, if any, are not reasonably estimable. Accordingly, no provision for any asset or liability that may result has been made in the financial statements.

As discussed in Note 9 of the financial statements of the Minnesota Post Retirement Investment Fund, the transfer of assets, obligations and required reserves attributable to the retired members of the Minneapolis Employees Retirement Fund is reported based on an estimate of their proportional share of total required reserves of the Minnesota Post Retirement Investment Fund. The final transfer will be determined after year end when mortality gains and losses are calculated by each participating retirement fund's actuary.

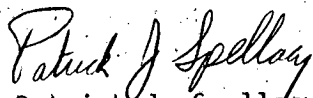
The State Board of Investment  
and  
Howard J. Bicker, Acting Executive Director  
Page 2

In our opinion, subject to the effects of the matters discussed in the preceding two paragraphs, the aforementioned financial statements present fairly the net assets and participation of the Minnesota Post Retirement Investment Fund at June 30, 1980 and 1981, and the results of its operations and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

In our opinion, the aforementioned financial statements present fairly the net assets and participation of the Minnesota Supplemental Retirement Investment Fund Income Shares Account, Growth Shares Account, and Fixed Return Account, and the Minnesota Variable Annuity Fund at June 30, 1980 and 1981, and the results of their operations and changes in their net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The additional information presented on pages 1 to 39 of this report is not necessary for a fair presentation of the financial statements in conformity with generally accepted accounting principles. This information, prepared by the State Board of Investment, has not been subjected to the audit procedures applied in the examination of the basic financial statements, and therefore, we do not express an opinion on this information.

Sincerely,



Patrick J. Spellacy, CPA  
Deputy Legislative Auditor

October 21, 1981

## SIGNIFICANT ACCOUNTING POLICIES

The following general notes apply to all financial statements presented herein for the five funds under management of the State Board. Specific notes can be found immediately after the financial statements of the fund they relate to.

The Minnesota Post Retirement Investment Fund, Minnesota Variable Annuity Investment Fund and the Minnesota Supplemental Retirement Investment Fund are managed by the State Board of Investment under authority of Minnesota Statutes 11A. The Supplemental Fund prepares separate financial statements for three investment vehicles which it is comprised of; Income Share, Growth Share and Fixed Return Accounts.

The Financial Statements presented for these funds are based on the preferred accounting practices described in the American Institute of Certified Public Accountants audit guide "Audits of Investment Companies." These practices and the significant accounting policies which follow are in conformity with generally accepted accounting principles.

**Security Valuation:** All securities are valued at market except for U.S. Government Short-term Securities and Commercial Paper which are valued at market less accrued interest. Accrued short-term interest is recognized as income as part of "Short-term Gain". For Long-term fixed income securities the State Board uses the Merrill Lynch valuation system. This pricing service is capable of providing prices for both actively traded and privately placed bonds. For Equity securities the State Board uses a valuation service provided by Wilshire Associates.

**Recognition of Security Transactions:** Security transactions are accounted for on the date the securities are purchased or sold.

**Income Recognition:** Dividend income is recorded on the ex-dividend date. Interest and dividend income is accrued monthly. Short-term interest is accrued at year end only and is presented as "Accrued Short-term Gain".

**Expenses:** The cost of security transactions is part of the transaction price. Investment research, audit, legal, payroll and other administrative expenses are paid by the State General Fund.

**Loaning Securities:** Certain U.S. Government and Government Agency securities are loaned out to banks and brokers for additional income of .5%. Collateral in the amount of 105% of the market value of the security loaned is required.

**Portfolio Listing:** A listing of all securities held by these funds can be found on page 56 of this report. Bonds are shown at face value and stocks at market value. Securities held as cash equivalents are not listed.

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
GROWTH SHARE ACCOUNT  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1980 AND 1981

|  | June 30      |              |
|--|--------------|--------------|
|  | 1980         | 1981         |
| <b>Assets:</b>                             |              |              |
| Investments (at market value) <sup>1</sup> |              |              |
| Common Stock                               | \$24,719,922 | \$26,700,015 |
| Commercial Paper                           | 3,710,265    | 2,575,211    |
| U.S. Gov't. Short Term Securities          | 2,109,966    | 9,447,125    |
| *Total Investments                         | \$30,540,153 | \$38,722,351 |
| Security Sales Receivable                  | \$ -0-       | \$ 87,945    |
| Cash with State Treasurer                  | 24,690       | 10,241       |
| Accrued Dividends                          | 90,382       | 118,956      |
| Accrued Short-Term Gain                    | 86,502       | 238,732      |
| Total Assets                               | \$30,741,727 | \$39,178,225 |
| <b>Liabilities:</b>                        |              |              |
| Participant Contributions Paid in Advance  | \$ 17,013    | \$ -0-       |
| Securities Purchases Payable               | 50,895       | -0-          |
| Total Liabilities                          | \$ 67,908    | \$ -0-       |
| Net Assets June 30                         | \$30,673,819 | \$39,178,225 |

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30 |              |
|---|--------------------|--------------|
|   | 1980               | 1981         |
| <b>From Investment Activity:</b>          |                    |              |
| Net Investment Income                     | \$ 1,469,761       | \$ 2,310,486 |
| Realized Gains (Losses)                   | 986,710            | 2,579,386    |
| Unrealized Gains (Losses)                 | 1,268,112          | 1,483,242    |
| Total Income                              | \$ 3,724,583       | \$ 6,373,114 |
| Less Distribution to Participant Accounts | (3,724,583)        | (6,373,114)  |
| Net Change in Undistributed Income        | -0-                | -0-          |
| <b>From Participation Transactions:</b>   |                    |              |
| Additions to Participation Accounts:      |                    |              |
| Participant Contributions                 | \$ 2,254,227       | \$ 2,387,930 |
| Income Distribution                       | 3,724,583          | 6,373,114    |
| Total Additions                           | \$ 5,978,810       | \$ 8,761,044 |
| Deductions from Participation Accounts:   |                    |              |
| Withdrawals                               | \$ 58,717          | \$ 256,638   |
| Total Deductions                          | \$ 58,717          | \$ 256,638   |
| Net Change in Participation Accounts      | \$ 5,920,093       | \$ 8,504,406 |
| Total Change in Net Assets                | \$ 5,920,093       | \$ 8,504,406 |
| <b>Net Assets:</b>                        |                    |              |
| Beginning of Period                       | \$24,753,726       | \$30,673,819 |
| End of Period                             | \$30,673,819       | \$39,178,225 |

Notes to Financial Statements

1) The cost of investments at June 30 was:

|                                   | 1980         | 1981         |
|-----------------------------------|--------------|--------------|
| Common Stock                      | \$23,114,571 | \$23,507,297 |
| U.S. Gov't. Short-Term Securities | 2,109,966    | 9,551,250    |
| Commercial Paper                  | 3,710,265    | 2,575,211    |
| Total                             | \$28,934,802 | \$35,633,758 |

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
GROWTH SHARE ACCOUNT  
STATEMENT OF OPERATIONS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30  |                     |
|---|---------------------|---------------------|
|   | 1980                | 1981                |
| Investment Income:  |                     |                     |
| Income  |                     |                     |
| Dividends   | \$ 1,096,678        | \$ 1,267,443        |
| Short-Term Gain   | 373,366             | 1,043,043           |
| Total Income  | <u>\$ 1,470,044</u> | <u>\$ 2,310,486</u> |
| Expenses  |                     |                     |
| Investment Expense  | \$ 283              | \$ -0-              |
| Total Expense   | <u>\$ 283</u>       | <u>\$ -0-</u>       |
| Net Investment Income                                     | <u>\$ 1,469,761</u> | <u>\$ 2,310,486</u> |
| Realized and Unrealized Gain (Loss)<br>On Investments     |                     |                     |
| Realized:   |                     |                     |
| Proceeds from Sales                                       | \$ 5,439,219        | \$ 8,235,062        |
| Cost of Securities Sold                                   | 4,452,509           | 5,655,676           |
| Net Realized Gain (Loss)                                  | <u>\$ 986,710</u>   | <u>2,579,386</u>    |
| Unrealized:   |                     |                     |
| Beginning of Period                                       | \$ 337,239          | \$ 1,605,351        |
| End of Period   | 1,605,351           | 3,088,593           |
| Increase (Decrease) in Unrealized<br>Appreciation         | <u>\$ 1,268,112</u> | <u>\$ 1,483,242</u> |
| Net Realized and Unrealized Gain<br>(Loss) on Investments | <u>\$ 2,254,822</u> | <u>\$ 4,062,628</u> |

SCHEDULE OF PARTICIPATION  
JUNE 30, 1980 AND 1981

|                                   | June 30, 1980       |                     | June 30, 1981       |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | Number of<br>Shares | Market<br>Value     | Number of<br>Shares | Market<br>Value     |
| Apple Valley Firemen              | \$ 819              | \$ 5,878            | \$ 819              | \$ 7,069            |
| Bloomington Fire Dept. Relief     | 21,908              | 157,237             | 21,908              | 189,089             |
| MSRS Deferred Compensation        | 820,218             | 5,886,839           | 894,435             | 7,719,905           |
| Hennepin County Supplemental Ret. | 627,440             | 4,503,240           | 665,170             | 5,741,109           |
| St. Louis Park Fire               | 17,037              | 122,277             |                     |                     |
| St. Paul Fire Dept. - General     | 2,807               | 20,146              | 2,807               | 24,227              |
| St. Paul Fire Dept. - Special     | 315,777             | 2,266,383           | 336,343             | 2,902,990           |
| St. Paul Police Relief            | 241,858             | 1,735,855           | 295,089             | 2,546,925           |
| MSRS Unclassified Employees       | 384,528             | 2,759,820           | 406,781             | 3,510,943           |
| Teachers' Supplemental Retirement | 1,841,416           | 13,216,144          | 1,915,872           | 16,535,968          |
| Total Shares                      | <u>\$4,273,808</u>  |                     | <u>\$4,539,224</u>  |                     |
| Total Participation               |                     | <u>\$30,673,819</u> |                     | <u>\$39,178,225</u> |

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
INCOME SHARE ACCOUNT  
STATEMENT OF ASSETS & LIABILITIES  
JUNE 30, 1980 AND 1981

|  | June 30      |              |
|--|--------------|--------------|
|  | 1980         | 1981         |
| <b>Assets:</b>                             |              |              |
| Investments (at market value) <sup>1</sup> |              |              |
| Common Stock                               | \$29,160,371 | \$33,030,989 |
| Fixed Income Securities                    | 30,185,202   | 33,926,077   |
| U.S. Gov't. Short Term Securities          | 8,816,566    | 7,078,437    |
| Commercial Paper                           | 1,975,265    | 2,396,925    |
| *Total Investments                         | \$70,137,404 | \$76,432,428 |
| Cash with State Treasurer                  | \$ 78,136    | \$ 151       |
| Accrued Interest                           | 791,062      | 1,064,042    |
| Accrued Dividends                          | 206,198      | 248,438      |
| Accrued Short-Term Gain                    | 205,979      | 267,478      |
| Total Assets                               | \$71,418,779 | \$78,012,537 |
| <b>Liabilities:</b>                        |              |              |
| Participant Contribution Paid in Advance   | \$ 68,064    | \$ -0-       |
| Security Purchases Payable                 | 67,860       | 324,817      |
| Total Liabilities                          | \$ 135,924   | \$ 324,817   |
| Net Assets June 30                         | \$71,282,855 | \$77,687,720 |

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30 |              |
|---|--------------------|--------------|
|   | 1980               | 1981         |
| <b>From Investment Activity:</b>          |                    |              |
| Net Investment Income                     | \$ 5,500,011       | \$ 7,208,028 |
| Realized Gains (Losses)                   | 2,561,200          | 1,038,808    |
| Unrealized Gains (Losses)                 | (2,626,426)        | (3,599,361)  |
| Total Income                              | \$ 5,434,785       | \$ 4,647,475 |
| Less Distribution to Participant Accounts | (5,434,785)        | (4,647,475)  |
| Net Change in Undistributed Income        | -0-                | -0-          |
| <b>From Participation Transactions:</b>   |                    |              |
| Additions to Participation Accounts:      |                    |              |
| Participant Contributions                 | \$ 7,654,259       | \$ 6,271,082 |
| Income Distribution                       | 5,434,785          | 4,647,475    |
| Total Additions                           | \$13,089,044       | \$10,918,557 |
| Deductions from Participation Accounts:   |                    |              |
| Withdrawals                               | \$ 406,249         | \$ 4,513,692 |
| Total Deductions                          | \$ 406,249         | \$ 4,513,692 |
| Net Change in Participation Accounts      | \$12,682,795       | \$ 6,404,865 |
| Total Change in Net Assets                | \$12,682,795       | \$ 6,404,865 |
| <b>Net Assets:</b>                        |                    |              |
| Beginning of Period                       | \$58,600,060       | \$71,282,855 |
| End of Period                             | \$71,282,855       | \$77,687,720 |

1) The cost of investments at June 30 was:

|                                   | 1980         | 1981         |
|-----------------------------------|--------------|--------------|
| Common Stock                      | \$28,005,125 | \$29,448,076 |
| Fixed Income                      | 33,798,896   | 43,363,390   |
| U.S. Gov't. Short Term Securities | 8,792,781    | 7,258,062    |
| Commercial Paper                  | 1,975,265    | 2,396,925    |
| Total                             | \$72,572,067 | \$82,466,453 |

\*The cost of loaned securities outstanding at June 30, 1981 was \$500,000.00

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
INCOME SHARE ACCOUNT  
STATEMENT OF OPERATIONS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30 |               |
|---|--------------------|---------------|
|   | 1980               | 1981          |
| Investment Income:  |                    |               |
| Income  |                    |               |
| Interest  | \$ 2,624,660       | \$ 3,843,382  |
| Dividends   | 1,905,486          | 1,982,923     |
| Short-Term Gains  | 970,218            | 1,381,723     |
| Total Income  | \$ 5,500,364       | \$ 7,208,028  |
| Expenses  |                    |               |
| Investment Expense  | \$ 353             | \$ -0-        |
| Total Expense   | \$ 353             | \$ -0-        |
| Net Investment Income                                     | \$ 5,500,011       | \$ 7,208,028  |
| Realized and Unrealized Gain (Loss)<br>On Investments     |                    |               |
| Realized:   |                    |               |
| Proceeds from Sales                                       | \$ 7,889,751       | \$15,999,386  |
| Cost of Securities Sold                                   | 5,328,551          | 14,960,578    |
| Net Realized Gain (Loss)                                  | \$ 2,561,200       | \$ 1,038,808  |
| Unrealized:   |                    |               |
| Beginning of Period                                       | \$ 191,762         | \$(2,434,664) |
| End of Period   | (2,434,664)        | (6,034,025)   |
| Increase (Decrease) in Unrealized<br>Appreciation         | \$(2,626,426)      | \$(3,599,361) |
| Net Realized and Unrealized Gain (Loss)<br>On Investments | \$ (65,226)        | \$(2,560,553) |

SCHEDULE OF PARTICIPATION  
JUNE 30, 1980 AND 1981

|                                    | June 30, 1980       |                 | June 30, 1981       |                 |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                    | Number of<br>Shares | Market<br>Value | Number of<br>Shares | Market<br>Value |
| Albert Lea Firemen's Relief        | \$ 122,096          | \$ 1,281,955    | \$ 124,717          | \$ 1,391,362    |
| Apple Valley Firemen's Relief      | 747                 | 7,843           | 1,318               | 14,704          |
| Bloomington Fire Dept. Relief      | 208,378             | 2,187,879       | 240,286             | 2,680,668       |
| Bloomington Police Relief          | 39,368              | 413,347         | 39,368              | 439,196         |
| Fairmont Police Benefit            | 8,022               | 84,228          |                     |                 |
| Faribault Police Benefit           | 16,728              | 175,637         | 16,728              | 186,620         |
| Hennepin County Supplemental Ret.  | 316,961             | 3,327,954       | 377,274             | 4,208,928       |
| Rochester Fire Dept. Relief        | 317,711             | 3,335,829       | 323,356             | 3,607,410       |
| Rochester Police Pension Fund      | 329,011             | 3,454,474       |                     |                 |
| St. Cloud Fire Dept. Relief        | 32,217              | 338,265         |                     |                 |
| St. Louis Park Fire Dept. Relief   | 48,831              | 512,704         | 61,060              | 681,195         |
| St. Louis Park Police Relief       | 3,116               | 32,717          | 3,116               | 34,763          |
| St. Paul Fire - General            | 10,752              | 112,891         | 10,752              | 119,951         |
| St. Paul Fire - Special            | 978,474             | 10,273,555      | 1,040,075           | 11,603,240      |
| St. Paul Police Relief             | 1,319,240           | 13,851,451      | 1,456,343           | 16,247,192      |
| MSRS Deferred Compensation         | 713,561             | 7,492,083       | 757,845             | 8,454,638       |
| MSRS Unclassified Employees Escrow | 627,932             | 6,593,015       | 702,727             | 7,839,733       |
| So. St. Paul Policemen's Relief    | 4,982               | 52,309          | 4,982               | 55,580          |
| Teachers' Supplemental Retirement  | 1,677,888           | 17,617,101      | 1,790,609           | 19,976,316      |
| Winona Fire Dept. Relief           | 13,107              | 137,618         | 13,107              | 146,224         |
| Total Shares                       | \$6,789,122         |                 | \$6,963,663         |                 |
| Total Participation Value          |                     | \$71,282,855    |                     | \$77,687,720    |



STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1980 AND 1981

|  | June 30             |                     |
|--|---------------------|---------------------|
|  | 1980                | 1981                |
| <b>Assets:</b>                             |                     |                     |
| Investments (at market value) <sup>1</sup> |                     |                     |
| Fixed Income Securities                    | \$15,812,746        | \$16,543,568        |
| U.S. Gov't. Short-Term Securities          | 1,882,612           | 5,870,531           |
| Commercial Paper                           | <u>1,596,000</u>    | <u>926,908</u>      |
| *Total Investments                         | \$19,291,358        | \$23,341,007        |
| Cash with State Treasurer                  | \$ 752              | \$ 537,517          |
| Accrued Interest                           | <u>534,145</u>      | <u>901,584</u>      |
| <b>Net Assets June 30</b>                  | <u>\$19,826,255</u> | <u>\$24,780,108</u> |

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30  |                     |
|---|---------------------|---------------------|
|   | 1980                | 1981                |
| <b>From Investment Activity:</b>          |                     |                     |
| Net Investment Income                     | \$ 1,811,098        | \$ 2,720,686        |
| Realized Gains (Losses)                   | 2,365               | 853                 |
| Unrealized Gains (Losses)                 | <u>(1,396,342)</u>  | <u>(3,530,370)</u>  |
| Total Income                              | \$ 417,121          | \$ (808,831)        |
| Less Distribution to Participant Accounts | <u>(1,754,537)</u>  | <u>(2,720,170)</u>  |
| Net Change in Undistributed Income        | \$(1,337,416)       | \$(3,529,001)       |
| <b>From Participation Transactions:</b>   |                     |                     |
| Addition to Participation Accounts:       |                     |                     |
| Participant Contributions                 | \$ 4,928,594        | \$ 6,414,091        |
| Income Distribution                       | 1,754,537           | 2,720,170           |
| Total Additions                           | <u>\$ 6,683,131</u> | <u>\$ 9,134,261</u> |
| Deductions from Participation Accounts:   |                     |                     |
| Withdrawals                               | \$ 2,312,988        | \$ 651,407          |
| Total Deductions                          | <u>\$ 2,312,988</u> | <u>\$ 651,407</u>   |
| Net Change in Participation Accounts      | <u>\$ 4,370,143</u> | <u>\$ 8,482,854</u> |
| Total Change in Net Assets                | \$ 3,032,727        | \$ 4,953,853        |
| <b>Net Assets:</b>                        |                     |                     |
| Beginning of Period                       | \$16,793,528        | \$19,826,255        |
| End of Period                             | <u>\$19,826,255</u> | <u>\$24,780,108</u> |

1) The cost of investments at June 30 was:

|                                       | 1980                | 1981                |
|---------------------------------------|---------------------|---------------------|
| Fixed Income Securities               | \$17,962,139        | \$22,223,969        |
| U.S. Government Short-Term Securities | 1,883,250           | 5,870,531           |
| Commercial Paper                      | 1,596,000           | 926,908             |
| Total                                 | <u>\$21,441,389</u> | <u>\$29,021,408</u> |

\*The cost of loaned securities outstanding at June 30, 1981 was \$900,000.00

STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND  
FIXED RETURN ACCOUNT  
STATEMENT OF OPERATIONS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30   |                      |
|---|----------------------|----------------------|
|   | 1980                 | 1981                 |
| Investment Income:  |                      |                      |
| Income  |                      |                      |
| Interest  | \$ 1,527,868         | \$ 1,981,316         |
| Short Term Gain   | 283,275              | 739,370              |
| Total Income  | <u>\$ 1,811,143</u>  | <u>\$ 2,720,686</u>  |
| Expenses  |                      |                      |
| Investment Expense  | \$ 45                | \$ -0-               |
| Total Expense   | <u>\$ 45</u>         | <u>\$ -0-</u>        |
| Net Investment Income                                     | <u>\$ 1,811,098</u>  | <u>\$ 2,720,686</u>  |
| Realized and Unrealized Gain (Loss)<br>On Investments     |                      |                      |
| Realized:   |                      |                      |
| Proceeds from Sales                                       | \$ 152,046           | \$ 264,210           |
| Cost of Securities Sold                                   | 149,681              | 263,357              |
| Net Realized Gain (Loss)                                  | <u>\$ 2,365</u>      | <u>\$ 853</u>        |
| Unrealized:   |                      |                      |
| Beginning of Period                                       | \$ (753,689)         | \$(2,150,031)        |
| End of Period   | <u>(2,150,031)</u>   | <u>(5,680,401)</u>   |
| Increase (Decrease) in Unrealized<br>Appreciation         | <u>\$(1,396,342)</u> | <u>\$(3,530,370)</u> |
| Net Realized and Unrealized Gain<br>(Loss) on Investments | <u>\$(1,393,977)</u> | <u>\$(3,529,517)</u> |

SCHEDULE OF PARTICIPATION  
JUNE 30, 1980 AND 1981

|   | June 30             |                     |
|---|---------------------|---------------------|
|   | 1980                | 1981                |
| Albert Lea Firemen's Relief                       | \$ 61,303           | \$ 66,729           |
| Apple Valley Firemen's Relief                     | 19,404              | 21,135              |
| Chanhassen Fire Relief                            | 12,004              | 13,077              |
| Crookston Police Relief                           | 95,598              | 104,105             |
| MSRS Deferred Compensation                        | 13,242,514          | 19,620,445          |
| Hennepin County Supplemental Retirement           | 510,611             | 767,140             |
| St. Paul Fire Dept. - Special                     | 6,028,017           | 7,423,669           |
| South St. Paul Police Relief                      | 56,503              | 61,773              |
| MSRS Unclassified Employees Escrow                | <u>1,945,296</u>    | <u>2,376,159</u>    |
| Total Participation <sup>2</sup>                  | \$21,971,250        | \$30,454,232        |
| Undistributed Earnings                            | 5,036               | 6,277               |
| Unrealized Depreciation of Investments            | <u>(2,150,031)</u>  | <u>(5,680,401)</u>  |
| Total Participation and Undistributed<br>Earnings | <u>\$19,826,255</u> | <u>\$24,780,108</u> |

- 2) Withdrawals from the fixed return account are paid out pursuant to Minnesota Statutes 11A.17 Subdivision 9, which states in part that: "The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board."

STATE BOARD OF INVESTMENT  
MINNESOTA VARIABLE ANNUITY FUND  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1980 AND 1981

|                                   | June 30      |              |
|-----------------------------------|--------------|--------------|
|                                   | 1980         | 1981         |
| Assets: <sup>1</sup>              |              |              |
| Investments (at market value)     |              |              |
| Common Stock                      | \$46,658,625 | \$48,383,359 |
| Fixed Income Securities           | 11,300,359   | 8,795,786    |
| U.S. Gov't. Short-Term Securities | 4,856,450    | 15,483,031   |
| Commercial Paper                  | 4,072,570    | 3,750,145    |
| *Total Investments                | \$66,888,004 | \$76,412,321 |
| Cash with State Treasurer         | \$ 25        | \$ 8,044     |
| Security Sales Receivable         | -0-          | 156,347      |
| Accrued Interest                  | 275,053      | 268,523      |
| Accrued Dividends                 | 207,366      | 255,900      |
| Accrued Short-Term Gain           | 88,858       | 368,363      |
| Total Assets                      | \$67,459,306 | \$77,469,498 |
| Liabilities:                      |              |              |
| Security Purchases Payable        | \$ 152,685   | \$ -0-       |
| Total Liabilities                 | \$ 152,685   | \$ -0-       |
| Net Assets June 30                | \$67,306,621 | \$77,469,498 |

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30 |               |
|---|--------------------|---------------|
|   | 1980               | 1981          |
| From Investment Activity:                 |                    |               |
| Net Investment Income                     | \$ 3,844,393       | \$ 5,064,112  |
| Realized Gains (Losses)                   | 2,383,859          | 4,753,847     |
| Unrealized Gains (Losses)                 | 827,722            | 811,333       |
| Total Income                              | \$ 7,055,974       | \$10,629,292  |
| Less Distribution to Participant Accounts | (4,375,294)        | (13,194,512)  |
| Net Change in Undistributed Income        | \$ 2,680,680       | \$(2,565,220) |
| From Participation Transactions:          |                    |               |
| Additions to Participation Accounts:      |                    |               |
| Participant Contributions <sup>2,3</sup>  | \$ -0-             | \$ -0-        |
| Income Distribution                       | 4,375,294          | 13,194,512    |
| Total Additions                           | \$ 4,375,294       | \$13,194,512  |
| Deductions From Participation Accounts:   |                    |               |
| Withdrawals                               | \$ 632,511         | \$ 466,415    |
| Total Deductions                          | \$ 632,511         | \$ 466,415    |
| Net Change in Participation Accounts      | \$ 3,742,783       | \$12,728,097  |
| Total Change in Net Assets                | \$ 6,423,463       | \$10,162,877  |
| Net Assets:                               |                    |               |
| Beginning of Period                       | \$60,883,158       | \$67,306,621  |
| End of Period                             | \$67,306,621       | \$77,469,498  |

1) The cost of Investments at June 30 was:

|                                   | 1980         | 1981         |
|-----------------------------------|--------------|--------------|
| Common Stocks                     | \$43,566,626 | \$42,193,130 |
| Fixed Income Securities           | 13,497,271   | 13,026,353   |
| U.S. Gov't. Short-Term Securities | 4,856,450    | 15,736,273   |
| Commercial Paper                  | 4,072,570    | 3,750,145    |
| Total                             | \$65,992,917 | \$74,705,901 |

\*The cost of loaned securities outstanding at June 30, 1981 was \$1,000,000.00

STATE BOARD OF INVESTMENT  
MINNESOTA VARIABLE ANNUITY FUND  
STATEMENT OF OPERATIONS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30  |                     |
|---|---------------------|---------------------|
|   | 1980                | 1981                |
| Investment Income:  |                     |                     |
| Income  |                     |                     |
| Interest  | \$ 1,168,182        | \$ 1,134,827        |
| Dividends   | 2,130,884           | 2,373,555           |
| Short-Term Gain   | 545,742             | 1,555,730           |
| Total Income  | <u>\$ 3,844,808</u> | <u>\$ 5,064,112</u> |
| Expenses  |                     |                     |
| Investment Expense  | \$ 415              | \$ -0-              |
| Total Expense   | <u>\$ 415</u>       | <u>\$ -0-</u>       |
| Net Investment Income                                     | <u>\$ 3,844,393</u> | <u>\$ 5,064,112</u> |
| Realized and Unrealized Gain (Loss)<br>On Investments     |                     |                     |
| Realized:   |                     |                     |
| Proceeds from Sales                                       | \$10,004,752        | \$17,674,305        |
| Cost of Securities Sold                                   | 7,620,893           | 12,920,458          |
| Net Realized Gain (Loss)                                  | <u>\$ 2,383,859</u> | <u>\$ 4,753,847</u> |
| Unrealized:   |                     |                     |
| Beginning of Period                                       | \$ 67,365           | \$ 895,087          |
| End of Period   | 895,087             | 1,706,420           |
| Increase (Decrease) in Unrealized<br>Appreciation         | <u>\$ 827,722</u>   | <u>\$ 811,333</u>   |
| Net Realized and Unrealized Gain<br>(Loss) on Investments | <u>\$ 3,211,581</u> | <u>\$ 5,565,180</u> |

- 2) The Admitted Value Increment at June 30, 1980 and 1981 was (\$2,564,303 and \$1,091,756 respectively. This valuation is required by Minnesota Statutes 11A.19 subdivision 5 and is the amount by which the recognized value of investments is above or below the book value of investments. The admitted value is based on an average ratio of book value to market value of the securities calculated over a two year period. This calculation is used to determine the rate of return and the increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.
- 3) Laws of Minnesota for 1978, Chapter 781, stated in part "Effective July 1, 1978 no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation. . .". Very few members of the Teachers' Retirement Fund elected to continue in the variable annuity division. There have been no contributions in the last two years. Previous contributions for all former and current participants in the variable annuity fund will remain in that fund until the participant retires or withdraws in accordance with the Teachers' Retirement Act (M.S. 354).

Participation at June 30

|                                      | 1980                | 1981                |
|--------------------------------------|---------------------|---------------------|
| Net Assets at June 30                | \$67,306,621        | \$77,469,498        |
| Admitted Value Increment             | (2,564,303)         | 1,091,756           |
|                                      | <u>\$64,742,318</u> | <u>\$78,561,254</u> |
| Less: Unrealized Market Appreciation | 895,087             | 1,706,420           |
| Accrued Short-Term Gain              | 88,858              | 368,363             |
| Total Participation                  | <u>\$63,758,373</u> | <u>\$76,486,471</u> |

STATE BOARD OF INVESTMENT  
MINNESOTA POST RETIREMENT INVESTMENT FUND  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1980 AND 1981

|  | June 30         |                 |
|--|-----------------|-----------------|
|  | 1980            | 1981            |
| <b>Assets:</b>                             |                 |                 |
| Investments (at market value) <sup>1</sup> |                 |                 |
| Common Stock                               | \$ 470,395,401  | \$ 461,189,056  |
| Fixed Income                               | 454,552,694     | 475,117,567     |
| Convertible Debentures                     | 937,500         | -0-             |
| U.S. Gov't. Short Term Securities          | 78,278,952      | 223,968,264     |
| Commercial Paper                           | 88,851,848      | 68,749,219      |
| Total Investments <sup>2</sup>             | \$1,093,016,395 | \$1,229,024,106 |
| Cash with State Treasurer                  | \$ 1,735        | \$ 19,110       |
| Accounts Receivable                        | -0-             | 194,835         |
| Accrued Interest                           | 9,867,679       | 14,356,814      |
| Accrued Dividends                          | 2,751,595       | 2,356,744       |
| Accrued Short Term Gain                    | 2,470,357       | 4,297,890       |
| Total Assets                               | \$1,108,107,761 | \$1,250,249,499 |
| <b>Liabilities:</b>                        |                 |                 |
| Security Purchases Payable                 | \$ 4,912,939    | \$ -0-          |
| Total Liabilities                          | \$ 4,912,939    | \$ -0-          |
| Net Assets                                 | \$1,103,194,822 | \$1,250,249,499 |

STATEMENT OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 1980 AND 1981

|   | Year Ended June 30 |                 |
|---|--------------------|-----------------|
|   | 1980               | 1981            |
| <b>From Investment Activity:</b>          |                    |                 |
| Net Investment Income                     | \$ 82,772,778      | \$ 104,076,105  |
| Realized Gains (Losses)                   | 10,989,617         | 38,795,343      |
| Unrealized Gains (Losses)                 | (14,491,434)       | (80,733,929)    |
| Total Income                              | \$ 79,270,961      | \$ 62,137,519   |
| Less Distribution to Participant Accounts | (51,585,964)       | (58,514,013)    |
| Undistributed Dedicated Income            | (31,213,028)       | (81,783,045)    |
| Net Change in Undistributed Income        | \$ (3,528,031)     | \$ (78,159,539) |
| <b>From Participation Transactions:</b>   |                    |                 |
| Additions to Participation Accounts:      |                    |                 |
| Accounts Receivable                       | \$ -0-             | \$ 194,835      |
| Participant Contributions                 | 149,591,115        | 176,781,536     |
| Income Distribution                       | 51,585,964         | 58,514,013      |
| Income to be Distributed Jan. 1, 1982     | 31,213,028         | 81,783,045      |
| Total Additions                           | \$ 232,390,107     | \$ 317,273,429  |
| Deductions from Participation Accounts:   |                    |                 |
| Withdrawals                               | \$ 88,838,762      | \$ 92,059,213   |
| Total Deductions                          | \$ 88,838,762      | \$ 92,059,213   |
| Net Change in Net Assets                  | \$ 143,551,345     | \$ 225,214,216  |
| Total Change in Assets                    | \$ 140,023,314     | \$ 147,054,677  |
| <b>Net Assets:</b>                        |                    |                 |
| Beginning of Period                       | \$ 963,171,790     | \$1,103,194,822 |
| Effect of Accounting Change               | (282)              | -0-             |
| End of Period                             | \$1,103,194,822    | \$1,250,249,499 |

1) Cost of Investments at June 30:

|                                   | 1980            | 1981            |
|-----------------------------------|-----------------|-----------------|
| Common Stock                      | \$ 432,531,788  | \$ 408,390,714  |
| Fixed Income                      | 520,807,867     | 637,129,252     |
| Convertibles                      | 1,149,410       | -0-             |
| U.S. Gov't. Short Term Securities | 78,278,952      | 224,092,320     |
| Commercial Paper                  | 88,851,848      | 68,749,219      |
|                                   | \$1,121,619,865 | \$1,338,361,505 |

2) The cost of loaned securities outstanding at June 30, 1981 was \$18,500,000.00

STATE BOARD OF INVESTMENT  
MINNESOTA POST RETIREMENT INVESTMENT FUND  
STATEMENT OF OPERATIONS  
YEARS ENDED JUNE 30, 1980 AND 1981

|  | Year Ended June 30     |                        |
|--|------------------------|------------------------|
|  | 1980                   | 1981                   |
| <b>Investment Income:</b>                              |                        |                        |
| Income   |                        |                        |
| Interest   | \$ 41,611,097          | \$ 57,660,226          |
| Dividends  | 27,679,399             | 28,261,762             |
| Short-Term Gain  | 13,486,204             | 18,154,117             |
| Total Income   | <u>\$ 82,776,700</u>   | <u>\$ 104,076,105</u>  |
| Expenses   |                        |                        |
| Investment Expense                                     | \$ 3,922               | \$ -0-                 |
| Total Expense  | <u>\$ 3,922</u>        | <u>\$ -0-</u>          |
| Net Investment Income                                  | <u>\$ 82,772,778</u>   | <u>\$ 104,076,105</u>  |
| Realized and Unrealized Gain (Loss)                    |                        |                        |
| On Investments   |                        |                        |
| Realized:  |                        |                        |
| Proceeds from Sales                                    | \$ 83,700,500          | \$ 319,879,497         |
| Cost of Securities Sold                                | 72,710,883             | 281,084,154            |
| Net Realized Gain (Loss)                               | <u>\$ 10,989,617</u>   | <u>\$ 38,795,343</u>   |
| Unrealized:  |                        |                        |
| Beginning of Period                                    | \$ (14,112,036)        | \$ (28,603,470)        |
| End of Period  | <u>(28,603,470)</u>    | <u>(109,337,399)</u>   |
| Increase (Decrease) in Unrealized Appreciation         | <u>\$ (14,491,434)</u> | <u>(80,733,929)</u>    |
| Net Realized and Unrealized Gain (Loss) on Investments | <u>\$ (3,501,817)</u>  | <u>\$ (41,938,586)</u> |

MINNESOTA POST RETIREMENT INVESTMENT FUND  
SCHEDULE OF PARTICIPATION

|   | June 30                |                        | Transfer<br>July 1, 1981 | Balance<br>July 1, 1981 |
|---|------------------------|------------------------|--------------------------|-------------------------|
|   | 1980                   | 1981                   |                          |                         |
| Required Reserves <sup>3</sup>                    |                        |                        |                          |                         |
| Teachers Retirement Fund                          | \$ 419,241,386         | \$ 477,304,586         |                          | \$ 477,304,586          |
| Public Employees Retirement Fund                  | 291,160,232            | 339,477,133            |                          | 339,477,133             |
| State Employees Retirement Fund                   | 194,288,613            | 230,821,455            |                          | 230,821,455             |
| Minneapolis Municipal Employees Retirement        | 181,241,143            | 200,531,416            | \$ 200,531,416           |                         |
| Public Employees Police & Fire Fund               | 29,876,883             | 34,420,071             |                          | 34,420,071              |
| Highway Patrolmen's Retirement Fund               | 14,216,754             | 19,299,141             |                          | 19,299,141              |
| Legislators & Survivors Retirement Fund           | 2,154,750              | 3,507,271              |                          | 3,507,271               |
| Judges Retirement Fund                            | 3,624,345              | 4,714,441              |                          | 4,714,441               |
| Total Participation <sup>4</sup>                  | <u>\$1,135,804,106</u> | <u>\$1,310,075,514</u> | <u>\$ 200,531,416</u>    | <u>\$1,109,544,098</u>  |
| Less Annuity Stabilization Reserve <sup>5,6</sup> | 35,218,842             | 32,271,661             | 5,953,776                | 26,317,885              |
|   | <u>\$1,100,585,264</u> | <u>\$1,277,803,853</u> | <u>\$ 194,577,640</u>    | <u>\$1,083,226,213</u>  |
| Unrealized Market (depreciation) <sup>7</sup>     | (28,603,470)           | (109,337,399)          | (16,709,642)             | (92,627,757)            |
| Undistributed Dedicated Income <sup>8</sup>       | 31,213,028             | 81,783,045             | 12,512,806               | 69,270,239              |
| Net Assets at June 30                             | <u>\$1,103,194,822</u> | <u>\$1,250,249,499</u> | <u>\$ 190,380,804</u>    | <u>\$1,059,868,695</u>  |

- 3) The required reserves presented for June 30, 1981 includes the 5% actuarially assumed income distribution made pursuant to Minnesota Statutes 11A.18. Mortality gains and losses are calculated after year end by each participants actuary. Transfers to or from the Post Retirement Investment Fund for June 30, 1981 mortality will be made late in the calendar year 1981. The amount of mortality gain or loss applicable to June 30, 1981 is not reasonably estimatable and therefore no amount is included in these statements. It is not anticipated that the sum calculated for June 30, 1981 would have a material effect on these statements.
- 4) Total participation is equal to the actuarially determined required reserves. The remaining footnotes define the difference between participation and the net assets of the fund.
- 5) The annuity stabilization reserve is the difference between the actuarially determined reserves required to support benefits in force and the book value of the assets of the fund. Pursuant to Minnesota Statutes 11A.18 Subdivision 9 Clause 2C "The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to Clause (1)(C)." "If the state board determines that the book value of the assets of the fund is less than an amount equal to 100 percent of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in Subdivision 11, then the board shall allocate five percent of the excess investment income as an asset of the fund. The remaining 95 percent will be termed available for distribution." Prior to the passage of Laws 1981 Chapter 159 the board was required to allocate 25 percent of the excess investment income as an asset of the fund. The Schedule of Participation presented for fiscal year 1980 was prepared based on 25 percent of the excess income being allocated to the fund.
- 6) The Deferred Yield Adjustment account at June 30, 1980 and 1981 was \$5,528,056 and \$8,038,365 respectively. This account is required by Minnesota Statutes 11A.18 Subdivision 5 and is the unamortized loss on the sale or disposition of debt securities. The account is increased by the loss on the sale of debt securities and decreased by the gain on the sale of such securities. At the end of each year a portion of the balance is offset against investment income for the year.

| Deferred Yield Adjustment: | 1980               | 1981               |
|----------------------------|--------------------|--------------------|
| Beginning Balance          | \$6,087,114        | \$5,528,056        |
| Net realized (Gain) Loss   | 238,945            | 3,609,068          |
| Amortization               | ( 798,003)         | (1,098,759)        |
| Balance at June 30         | <u>\$5,528,056</u> | <u>\$8,038,365</u> |

- 7) The unrealized market appreciation or (depreciation) is the difference between the cost and market value of investments.

- 8) Pursuant to Minnesota Statutes 11A.18 Subdivision 9 this is the portion of fiscal year 1981 income which is available for distribution as a benefit increase in January 1982. This amount shall be increased by 2.5% from fiscal year 1982 income and shall be stated as a percentage of total required reserves. The amount available shall be certified to each participating pension fund for distribution to eligible individuals. Individuals receiving benefits at June 30, 1980 are eligible to receive the January 1, 1982 increase. The benefit increase for January of 1981 was 3.209% and the estimated benefit increase for January 1982 is 7.5%. Final determination of the January 1982 increase will be made late in calendar year 1981 when final actuarial calculations are completed.
- 9) Pursuant to Laws 1981 Chapter 298 Section 8; the State Board of Investment shall transfer the assets and obligations in the Minnesota Post Retirement Fund attributable to the retired members of the Minneapolis Employees Retirement Fund (MERF) to the retirement benefit fund established pursuant to Section 7.

The transfer of assets and obligations shall be based on the proportional share of required reserves of the Post Retirement Fund attributable to Minneapolis retirement funds retired members as determined by the actuary for the Legislative Commission on Pensions and Retirement. The proportional share of required reserves shall determine the proportional share of the assets transferred based on market value.

The initial transfer of assets shall equal at least 90 percent of the estimated total market value of MERF's participation in the Post Retirement fund on the established transfer date (June 30, 1981). On July 1, 1981 a transfer of assets was made to MERF totaling \$188,350,096 which equaled 98.9 percent of the estimated assets due MERF of \$190,380,804.

|                                     | <u>Transfer</u><br><u>July 1, 1981</u> |
|-------------------------------------|--|
| Assets:                             |  |
| Investments (at market value)       |  |
| Common Stock                        | \$ 69,216,225                          |
| Fixed Income                        | 71,866,627                             |
| Short Term Securities Account       | 44,693,743 <sup>a</sup>                |
| Total Investments                   | <u>\$ 185,776,595</u>                  |
| Cash with State Treasurer           |  |
| Accounts Receivable                 | 194,835 <sup>b</sup>                   |
| Accrued Interest                    | 2,362,730                              |
| Accrued Dividends                   | 15,936                                 |
| Accrued Short-Term Gain             | -0-                                    |
| Total Assets Transferred 7-1-81     | <u>\$ 188,350,096</u>                  |
| Estimated Balance to be Transferred | <u>\$ 2,030,708<sup>c</sup></u>        |
| Estimated Net Assets Due MERF       | <u>\$ 190,380,804</u>                  |



- a) The transfer for short term assets was made in cash based on 15% of the total June 30, 1981 short term holdings.
  - b) For the year ended June 30, 1980 MERF failed to transfer a sufficient amount to cover their mortality adjustment. We have therefore shown this receivable due the Post Retirement Fund as an asset transferred to M.E.R.F. effective July 1, 1981.
  - c) This is an estimate of the balance of assets still to be transferred to MERF.
- 9) Cont. The remainder of the transfer shall be in cash with interest at the average rate earned in the Post Retirement Fund short term portfolio from the established date for the transfer of assets and liabilities (June 30, 1981) to the actual date of transfer after the actuarial determination of the proportional share of reserves attributable to retired members of MERF is calculated by the actuary for the Legislative Commission on Pension and Retirement.

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD @ COST   | POST       | SRIN     | SRGR   | SRFR  | MVAR |     |
|--------------------|-------------------------------|--------------|------------|----------|--------|-------|------|-----|
| 3,650,000          | ACF INDUSTRIES, INC.          | 9.000 % DUE  | 3/ 1/1991  | 9.000 %  | 3,000  | 0     | 150  | 500 |
| 733,000            | ACF INDUSTRIES, INC.          | 8.000 % DUE  | 2/ 1/1992  | 8.000 %  | 0      | 367   | 72   | 294 |
| 17,000             | ACF INDUSTRIES, INC.          | 5.500 % DUE  | 4/15/1982  | 6.011 %  | 17     | 0     | 0    | 0   |
| 3,000,000          | ALBERTA GOVT TEL COM          | 8.000 % DUE  | 6/15/1994  | 8.147 %  | 3,000  | 0     | 0    | 0   |
| 100,000            | ALLIED CHEMICAL CORP.         | 8.375 % DUE  | 4/ 1/1983  | 8.535 %  | 100    | 0     | 0    | 0   |
| 800,000            | ALUMINUM CO OF CANADA         | 9.500 % DUE  | 3/ 1/1995  | 9.659 %  | 0      | 800   | 0    | 0   |
| 150,000            | AMAX                          | 8.625 % DUE  | 3/ 1/2001  | 8.691 %  | 0      | 0     | 150  | 0   |
| 5,000,000          | AMAX                          | 8.750 % DUE  | 3/15/1997  | 8.750 %  | 5,000  | 0     | 0    | 0   |
| 100,000            | AMERICAN BRANDS, INC.         | 8.125 % DUE  | 3/ 1/1985  | 8.398 %  | 100    | 0     | 0    | 0   |
| 5,025,000          | AMERICAN EXPRESS              | 10.100 % DUE | 7/ 1/1990  | 10.100 % | 5,025  | 0     | 0    | 0   |
| 543,000            | AMERICAN INVESTMENT           | 5.250 % DUE  | 1/ 1/1991  | 5.250 %  | 543    | 0     | 0    | 0   |
| 1,047,000          | AMERICAN PRES LINES           | 4.800 % DUE  | 11/ 1/1991 | 5.232 %  | 1,047  | 0     | 0    | 0   |
| 100,000            | AMERICAN TELEPHONE & TELEGRAP | 7.750 % DUE  | 2/ 1/1982  | 7.979 %  | 100    | 0     | 0    | 0   |
| 1,000,000          | AMERICAN TELEPHONE & TELEGRAP | 6.000 % DUE  | 8/ 1/2000  | 11.765 % | 0      | 1,000 | 0    | 0   |
| 150,000            | ARCO PIPELINE                 | 8.375 % DUE  | 7/15/1983  | 8.513 %  | 150    | 0     | 0    | 0   |
| 100,000            | ARIZONA PUBLIC SERV           | 9.500 % DUE  | 2/15/1982  | 9.383 %  | 100    | 0     | 0    | 0   |
| 3,401,025          | ARMCO STEEL CORP.             | 7.875 % DUE  | 12/15/1996 | 7.875 %  | 3,401  | 0     | 0    | 0   |
| 5,865,313          | ATLANTIC RICHFIELD CO.        | 9.250 % DUE  | 7/15/1996  | 9.250 %  | 4,929  | 789   | 148  | 0   |
| 3,000,000          | ATLANTIC RICHFIELD CO.        | 8.750 % DUE  | 12/ 1/2001 | 8.750 %  | 3,000  | 0     | 0    | 0   |
| 2,250,000          | BEATRICE FOODS CO             | 8.500 % DUE  | 8/15/2008  | 8.813 %  | 2,250  | 0     | 0    | 0   |
| 5,000,000          | BELL TEL CO OF PENNA          | 9.250 % DUE  | 1/15/2019  | 12.839 % | 5,000  | 0     | 0    | 0   |
| 5,800,000          | BELL TELE. CO CANADA          | 9.500 % DUE  | 6/ 1/2004  | 9.500 %  | 5,000  | 800   | 0    | 0   |
| 2,725,000          | BENEFICIAL CORP.              | 4.600 % DUE  | 3/ 1/1989  | 6.124 %  | 2,725  | 0     | 0    | 0   |
| 7,050,000          | BRITISH COLUMBIA HYDRO        | 9.625 % DUE  | 7/15/1996  | 9.630 %  | 5,150  | 800   | 600  | 500 |
| 1,175,000          | BROOKLYN UNION GAS            | 4.625 % DUE  | 4/ 1/1990  | 4.586 %  | 1,175  | 0     | 0    | 0   |
| 4,266,825          | BURLINGTON NORTHERN           | 8.125 % DUE  | 1/ 5/1993  | 8.125 %  | 4,267  | 0     | 0    | 0   |
| 4,006,427          | BURLINGTON NORTHERN           | 8.750 % DUE  | 9/ 1/1993  | 8.750 %  | 2,787  | 697   | 523  | 0   |
| 7,300,000          | BURLINGTON NORTHERN           | 9.250 % DUE  | 6/15/1998  | 9.250 %  | 7,000  | 0     | 300  | 0   |
| 221,616            | BURLINGTON NORTHERN           | 8.500 % DUE  | 7/ 3/1993  | 8.740 %  | 222    | 0     | 0    | 0   |
| 3,409,112          | CANADIAN PACIFIC, LTD.        | 8.500 % DUE  | 2/ 1/1989  | 8.500 %  | 3,409  | 0     | 0    | 0   |
| 6,230,000          | CANADIAN PACIFIC, LTD.        | 8.625 % DUE  | 1/15/1992  | 8.625 %  | 5,000  | 500   | 250  | 480 |
| 5,000,000          | CENTRAL POWER & LIGHT         | 9.375 % DUE  | 6/ 1/2004  | 9.787 %  | 5,000  | 0     | 0    | 0   |
| 373,016            | CHESAPEAKE & OHIO RY          | 8.750 % DUE  | 3/15/1989  | 8.750 %  | 0      | 373   | 0    | 0   |
| 16,000,000         | CHESAPEAKE & POTOMAC TEL. VA. | 9.500 % DUE  | 4/15/2019  | 12.810 % | 15,000 | 1,000 | 0    | 0   |
| 5,000,000          | CIBA GEIGY CORP               | 9.500 % DUE  | 6/ 1/2000  | 9.500 %  | 5,000  | 0     | 0    | 0   |
| 400,000            | CITIES SERVICE GAS CO.        | 8.250 % DUE  | 6/ 1/1991  | 8.250 %  | 0      | 400   | 0    | 0   |
| 1,000,000          | CITIZENS UTILITIES            | 4.800 % DUE  | 12/31/1991 | 4.800 %  | 1,000  | 0     | 0    | 0   |
| 32,000             | COLUMBIA GAS SYSTEM           | 4.750 % DUE  | 10/ 1/1981 | 5.278 %  | 32     | 0     | 0    | 0   |
| 43,000             | COLUMBIA GAS SYSTEM           | 4.875 % DUE  | 11/ 1/1983 | 5.652 %  | 43     | 0     | 0    | 0   |
| 7,300,000          | COMMONWEALTH EDISON           | 10.000 % DUE | 4/ 1/1999  | 10.000 % | 6,000  | 800   | 500  | 0   |
| 3,500,000          | CONSOLIATED NATURAL GAS       | 12.875 % DUE | 10/ 1/2000 | 13.446 % | 3,000  | 500   | 0    | 0   |
| 4,645,302          | CROWN ZELBACH. (S.T.)         | 8.125 % DUE  | 5/ 1/1994  | 8.125 %  | 4,238  | 0     | 0    | 407 |
| 25,000             | DAYTON POWER & LIGHT          | 3.250 % DUE  | 2/ 1/1982  | 3.904 %  | 25     | 0     | 0    | 0   |
| 1,650,000          | DEERE (JOHN) CREDIT           | 5.000 % DUE  | 10/31/1990 | 6.049 %  | 1,650  | 0     | 0    | 0   |
| 168,644            | DEL & HUDSON (GUAR GE)        | 10.500 % DUE | 9/ 1/1985  | 10.500 % | 0      | 98    | 0    | 70  |
| 2,500,000          | DIAL FINANCIAL                | 12.750 % DUE | 7/ 1/1990  | 12.750 % | 2,000  | 0     | 500  | 0   |
| 7,000,000          | DOW CHEMICAL COMPANY          | 7.875 % DUE  | 7/15/2007  | 12.706 % | 6,000  | 1,000 | 0    | 0   |
| 150,000            | DRESSER INDUSTRIES            | 8.650 % DUE  | 5/15/1985  | 8.918 %  | 150    | 0     | 0    | 0   |
| 50,000             | DUKE POWER CO                 | 3.625 % DUE  | 5/ 1/1986  | 5.179 %  | 50     | 0     | 0    | 0   |
| 3,000,000          | DUKE POWER COMPANY            | 10.125 % DUE | 5/ 1/2009  | 13.107 % | 3,000  | 0     | 0    | 0   |
| 5,650,000          | EXPORT DEVELOPMENT            | 8.500 % DUE  | 7/15/1981  | 8.500 %  | 5,000  | 0     | 150  | 500 |
| 1,300,000          | FAMILY FINANCE CORP           | 4.750 % DUE  | 5/15/1990  | 4.800 %  | 1,300  | 0     | 0    | 0   |
| 250,000            | FARRELL LINES, INC            | 8.350 % DUE  | 6/29/1997  | 8.789 %  | 250    | 0     | 0    | 0   |

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD    | @ | COST           | POST   | .....PAR VALUE IN \$1000'S..... |        |       |      |     |     |
|--------------------|-------------------------------|--------|---|----------------|--------|---------------------------------|--------|-------|------|-----|-----|
|                    |                               |        |   |                |        | SRIN                            | SRGR   | SRFR  | HVAR |     |     |
| 500,000            | FED FARM CREDIT BK            | 10.950 | % | DUE 1/22/1990  | 10.950 | %                               | 0      | 0     | 0    | 500 | 0   |
| 3,000,000          | FED NATL MORTGAGE ASN         | 8.600  | % | DUE 10/11/1982 | 8.600  | %                               | 3,000  | 0     | 0    | 0   | 0   |
| 5,000,000          | FEDERAL FARM CREDIT BANKS     | 10.750 | % | DUE 10/20/1986 | 10.750 | %                               | 5,000  | 0     | 0    | 0   | 0   |
| 7,500,000          | FEDERAL FARM CREDIT BANKS     | 13.250 | % | DUE 4/22/1985  | 13.250 | %                               | 6,500  | 1,000 | 0    | 0   | 0   |
| 1,300,000          | FEDERAL FARM CREDIT BANKS     | 10.000 | % | DUE 12/ 1/1986 | 10.034 | %                               | 1,300  | 0     | 0    | 0   | 0   |
| 500,000            | FEDERAL HOME LOAN BANK        | 11.100 | % | DUE 3/25/1987  | 11.100 | %                               | 0      | 0     | 0    | 500 | 0   |
| 500,000            | FEDERAL HOME LOAN BANK        | 12.300 | % | DUE 8/25/1981  | 12.300 | %                               | 0      | 0     | 0    | 500 | 0   |
| 1,000,000          | FEDERAL HOME LOAN BANK        | 12.250 | % | DUE 8/25/1983  | 12.250 | %                               | 0      | 1,000 | 0    | 0   | 0   |
| 500,000            | FEDERAL HOME LOAN BANK        | 11.300 | % | DUE 11/25/1986 | 11.300 | %                               | 0      | 0     | 0    | 500 | 0   |
| 5,000,000          | FEDERAL HOME LOAN BANK        | 11.000 | % | DUE 5/25/1984  | 11.000 | %                               | 5,000  | 0     | 0    | 0   | 0   |
| 2,920,458          | FEDERAL HOME LOAN MORTGAGE    | 10.750 | % | DUE 7/ 1/2010  | 10.987 | %                               | 2,920  | 0     | 0    | 0   | 0   |
| 109,600            | FEDERAL HOME LOAN MORTGAGE    | 8.050  | % | DUE 3/15/2007  | 8.090  | %                               | 0      | 0     | 0    | 110 | 0   |
| 3,857,657          | FEDERAL HOME LOAN MTG.        | 12.500 | % | DUE 1/ 1/2010  | 12,763 | %                               | 3,858  | 0     | 0    | 0   | 0   |
| 9,673,958          | FEDERAL HOME LOAN MTG.        | 14.750 | % | DUE 3/ 1/2010  | 14,852 | %                               | 9,674  | 0     | 0    | 0   | 0   |
| 200,000            | FEDERAL LAND BANK             | 9.100  | % | DUE 7/20/1981  | 9.140  | %                               | 200    | 0     | 0    | 0   | 0   |
| 250,000            | FEDERAL NATL MORTGAGE ASSN    | 7.750  | % | DUE 3/10/1987  | 8.367  | %                               | 250    | 0     | 0    | 0   | 0   |
| 4,500,000          | FEDERAL NATL MORTGAGE ASSN    | 10.500 | % | DUE 6/10/1988  | 10.500 | %                               | 4,000  | 500   | 0    | 0   | 0   |
| 500,000            | FEDERAL NATL MORTGAGE ASSN    | 14.250 | % | DUE 5/10/1984  | 14.250 | %                               | 0      | 500   | 0    | 0   | 0   |
| 5,500,000          | FIRESTONE TIRE & RUBBER       | 9.250  | % | DUE 12/ 1/2004 | 9.338  | %                               | 5,000  | 0     | 0    | 0   | 500 |
| 5,500,000          | FIRST BANK SYSTEM             | 8.750  | % | DUE 6/30/1983  | 8.754  | %                               | 5,000  | 0     | 0    | 0   | 500 |
| 2,000,000          | FLORIDA POWER & LIGHT COMPANY | 11.300 | % | DUE 5/ 1/2010  | 13.449 | %                               | 2,000  | 0     | 0    | 0   | 0   |
| 500,000            | FLORIDA POWER & LIGHT COMPANY | 13.300 | % | DUE 11/ 1/1990 | 13.747 | %                               | 0      | 0     | 0    | 500 | 0   |
| 3,000,000          | FLORIDA POWER & LIGHT COMPANY | 12.125 | % | DUE 11/ 1/2009 | 13.630 | %                               | 3,000  | 0     | 0    | 0   | 0   |
| 500,000            | FLORIDA POWER CORP.           | 13.625 | % | DUE 4/ 1/1987  | 13.787 | %                               | 0      | 0     | 0    | 500 | 0   |
| 5,800,000          | FMC CORP                      | 9.500  | % | DUE 1/15/2000  | 9.596  | %                               | 4,850  | 800   | 0    | 150 | 0   |
| 6,500,000          | FORD LEASING DEVELOPT         | 9.500  | % | DUE 3/15/2004  | 9.500  | %                               | 5,000  | 1,000 | 0    | 500 | 0   |
| 2,000,000          | FORD MOTOR COMPANY            | 9.250  | % | DUE 7/15/1994  | 9.275  | %                               | 1,850  | 0     | 0    | 150 | 0   |
| 5,800,000          | FORD MOTOR CREDIT CO          | 8.700  | % | DUE 4/ 1/1999  | 8.921  | %                               | 5,000  | 800   | 0    | 0   | 0   |
| 14,000,000         | GENERAL MOTORS ACCEPT CORP    | 6.000  | % | DUE 4/ 1/2011  | 13.480 | %                               | 13,000 | 1,000 | 0    | 0   | 0   |
| 1,000,000          | GENERAL TEL CO (FLA)          | 4.500  | % | DUE 5/ 1/1993  | 5.505  | %                               | 1,000  | 0     | 0    | 0   | 0   |
| 2,500,000          | GENERAL TEL CO MIDW           | 7.750  | % | DUE 5/ 1/1999  | 7.750  | %                               | 2,500  | 0     | 0    | 0   | 0   |
| 1,048,351          | GNMA POOL # 03818             | 8.000  | % | DUE 4/15/2004  | 8.939  | %                               | 1,048  | 0     | 0    | 0   | 0   |
| 83,714             | GNMA POOL # 04054             | 8.500  | % | DUE 10/15/2004 | 8.953  | %                               | 84     | 0     | 0    | 0   | 0   |
| 669,092            | GNMA POOL # 04086             | 8.000  | % | DUE 5/15/2004  | 8.939  | %                               | 669    | 0     | 0    | 0   | 0   |
| 122,966            | GNMA POOL # 04122             | 8.250  | % | DUE 7/15/2004  | 8.271  | %                               | 0      | 0     | 0    | 0   | 123 |
| 1,821,848          | GNMA POOL # 04137             | 9.000  | % | DUE 10/15/2004 | 9.427  | %                               | 1,822  | 0     | 0    | 0   | 0   |
| 747,941            | GNMA POOL # 04149             | 8.500  | % | DUE 9/15/2004  | 9.164  | %                               | 748    | 0     | 0    | 0   | 0   |
| 567,371            | GNMA POOL # 04168             | 9.000  | % | DUE 9/15/2004  | 9.645  | %                               | 567    | 0     | 0    | 0   | 0   |
| 38,416             | GNMA POOL # 04225             | 8.500  | % | DUE 9/15/2004  | 8.953  | %                               | 38     | 0     | 0    | 0   | 0   |
| 1,463,012          | GNMA POOL # 04278             | 9.000  | % | DUE 10/15/2004 | 9.363  | %                               | 1,463  | 0     | 0    | 0   | 0   |
| 597,018            | GNMA POOL # 04471             | 9.000  | % | DUE 11/15/2004 | 9.651  | %                               | 597    | 0     | 0    | 0   | 0   |
| 523,295            | GNMA POOL # 04507             | 9.000  | % | DUE 10/15/2004 | 9.645  | %                               | 523    | 0     | 0    | 0   | 0   |
| 493,851            | GNMA POOL # 04714             | 8.250  | % | DUE 10/15/2004 | 8.349  | %                               | 494    | 0     | 0    | 0   | 0   |
| 790,525            | GNMA POOL # 06356             | 8.000  | % | DUE 7/15/2005  | 8.045  | %                               | 791    | 0     | 0    | 0   | 0   |
| 568,970            | GNMA POOL # 06970             | 8.500  | % | DUE 1/15/2006  | 8.525  | %                               | 569    | 0     | 0    | 0   | 0   |
| 249,187            | GNMA POOL # 08073             | 8.500  | % | DUE 1/15/2006  | 8.953  | %                               | 249    | 0     | 0    | 0   | 0   |
| 529,173            | GNMA POOL # 08296             | 8.500  | % | DUE 2/15/2006  | 8.525  | %                               | 529    | 0     | 0    | 0   | 0   |
| 300,862            | GNMA POOL # 08437             | 8.500  | % | DUE 2/15/2006  | 8.525  | %                               | 301    | 0     | 0    | 0   | 0   |
| 1,379,031          | GNMA POOL # 08803             | 8.250  | % | DUE 4/15/2006  | 8.354  | %                               | 1,379  | 0     | 0    | 0   | 0   |
| 740,376            | GNMA POOL # 08961             | 8.250  | % | DUE 5/15/2006  | 8.349  | %                               | 740    | 0     | 0    | 0   | 0   |
| 1,259,755          | GNMA POOL # 09105             | 8.250  | % | DUE 3/15/2006  | 8.339  | %                               | 1,260  | 0     | 0    | 0   | 0   |
| 1,299,759          | GNMA POOL # 09204             | 8.500  | % | DUE 2/15/2006  | 8.545  | %                               | 1,300  | 0     | 0    | 0   | 0   |
| 209,361            | GNMA POOL # 09228             | 8.000  | % | DUE 5/15/2006  | 8.743  | %                               | 209    | 0     | 0    | 0   | 0   |

57.

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION | YLD @ COST             | .....PAR VALUE IN \$1000'S..... |       |      |      |      |     |
|--------------------|----------------------|------------------------|---------------------------------|-------|------|------|------|-----|
|                    |                      |                        | POST                            | SRIN  | SRGR | SRFR | MVAR |     |
| 838,068            | GNMA POOL # 09678    | 8.000 % DUE 8/15/2006  | 8.045 %                         | 838   | 0    | 0    | 0    | 0   |
| 2,607,850          | GNMA POOL # 09760    | 8.250 % DUE 5/15/2006  | 8.333 %                         | 2,608 | 0    | 0    | 0    | 0   |
| 13,135             | GNMA POOL # 09797    | 8.000 % DUE 5/15/2006  | 8.292 %                         | 0     | 0    | 0    | 13   | 0   |
| 755,200            | GNMA POOL # 10182    | 8.000 % DUE 5/15/2006  | 8.045 %                         | 755   | 0    | 0    | 0    | 0   |
| 582,525            | GNMA POOL # 10278    | 8.000 % DUE 6/15/2006  | 8.045 %                         | 583   | 0    | 0    | 0    | 0   |
| 398,070            | GNMA POOL # 10375    | 8.250 % DUE 5/15/2006  | 8.278 %                         | 0     | 0    | 0    | 398  | 0   |
| 818,337            | GNMA POOL # 10397    | 8.000 % DUE 8/15/2006  | 8.391 %                         | 818   | 0    | 0    | 0    | 0   |
| 180,864            | GNMA POOL # 10697    | 8.000 % DUE 7/15/2006  | 8.391 %                         | 181   | 0    | 0    | 0    | 0   |
| 315,370            | GNMA POOL # 10805    | 8.000 % DUE 10/15/2006 | 8.043 %                         | 315   | 0    | 0    | 0    | 0   |
| 718,458            | GNMA POOL # 10810    | 8.000 % DUE 7/15/2006  | 8.045 %                         | 718   | 0    | 0    | 0    | 0   |
| 1,313,394          | GNMA POOL # 10904    | 8.000 % DUE 8/15/2006  | 8.391 %                         | 1,313 | 0    | 0    | 0    | 0   |
| 643,585            | GNMA POOL # 10910    | 8.000 % DUE 9/15/2006  | 8.045 %                         | 644   | 0    | 0    | 0    | 0   |
| 582,748            | GNMA POOL # 10960    | 8.000 % DUE 7/15/2006  | 8.071 %                         | 583   | 0    | 0    | 0    | 0   |
| 719,601            | GNMA POOL # 10961    | 8.000 % DUE 8/15/2006  | 8.071 %                         | 720   | 0    | 0    | 0    | 0   |
| 842,546            | GNMA POOL # 10975    | 8.000 % DUE 8/15/2006  | 8.045 %                         | 843   | 0    | 0    | 0    | 0   |
| 1,311,760          | GNMA POOL # 11057    | 8.000 % DUE 9/15/2006  | 8.043 %                         | 1,312 | 0    | 0    | 0    | 0   |
| 718,281            | GNMA POOL # 11304    | 8.000 % DUE 7/15/2006  | 8.045 %                         | 718   | 0    | 0    | 0    | 0   |
| 573,491            | GNMA POOL # 11312    | 8.000 % DUE 9/15/2006  | 8.071 %                         | 573   | 0    | 0    | 0    | 0   |
| 758,384            | GNMA POOL # 11639    | 8.000 % DUE 10/15/2006 | 8.043 %                         | 758   | 0    | 0    | 0    | 0   |
| 638,695            | GNMA POOL # 11780    | 8.000 % DUE 2/15/2007  | 8.026 %                         | 639   | 0    | 0    | 0    | 0   |
| 618,054            | GNMA POOL # 11828    | 8.000 % DUE 9/15/2006  | 8.071 %                         | 0     | 618  | 0    | 0    | 0   |
| 1,279,038          | GNMA POOL # 12312    | 8.000 % DUE 10/15/2006 | 8.071 %                         | 1,279 | 0    | 0    | 0    | 0   |
| 369,257            | GNMA POOL # 12527    | 8.000 % DUE 10/15/2006 | 8.743 %                         | 369   | 0    | 0    | 0    | 0   |
| 1,497,131          | GNMA POOL # 12624    | 8.000 % DUE 12/15/2006 | 8.043 %                         | 1,497 | 0    | 0    | 0    | 0   |
| 1,397,026          | GNMA POOL # 12692    | 8.000 % DUE 10/15/2006 | 8.043 %                         | 1,397 | 0    | 0    | 0    | 0   |
| 784,005            | GNMA POOL # 12712    | 8.000 % DUE 10/15/2006 | 8.292 %                         | 0     | 784  | 0    | 0    | 0   |
| 339,867            | GNMA POOL # 13003    | 8.000 % DUE 10/15/2006 | 8.043 %                         | 340   | 0    | 0    | 0    | 0   |
| 678,167            | GNMA POOL # 13338    | 8.000 % DUE 11/15/2006 | 8.045 %                         | 678   | 0    | 0    | 0    | 0   |
| 714,240            | GNMA POOL # 13439    | 8.000 % DUE 10/15/2006 | 8.043 %                         | 714   | 0    | 0    | 0    | 0   |
| 748,121            | GNMA POOL # 13548    | 8.000 % DUE 1/15/2007  | 8.043 %                         | 748   | 0    | 0    | 0    | 0   |
| 906,012            | GNMA POOL # 13653    | 8.000 % DUE 10/15/2006 | 8.350 %                         | 906   | 0    | 0    | 0    | 0   |
| 546,822            | GNMA POOL # 13844    | 8.000 % DUE 1/15/2007  | 8.045 %                         | 547   | 0    | 0    | 0    | 0   |
| 729,311            | GNMA POOL # 14185    | 8.000 % DUE 12/15/2006 | 8.056 %                         | 0     | 729  | 0    | 0    | 0   |
| 835,294            | GNMA POOL # 14575    | 8.000 % DUE 7/15/2007  | 8.026 %                         | 835   | 0    | 0    | 0    | 0   |
| 196,271            | GNMA POOL # 15955    | 8.000 % DUE 8/15/2007  | 8.292 %                         | 0     | 0    | 0    | 196  | 0   |
| 834,444            | GNMA POOL # 16214    | 8.000 % DUE 7/15/2007  | 8.044 %                         | 834   | 0    | 0    | 0    | 0   |
| 767,383            | GNMA POOL # 16805    | 8.000 % DUE 8/15/2007  | 8.153 %                         | 767   | 0    | 0    | 0    | 0   |
| 855,076            | GNMA POOL # 17081    | 8.000 % DUE 7/15/2007  | 8.026 %                         | 855   | 0    | 0    | 0    | 0   |
| 408,860            | GNMA POOL # 17086    | 8.000 % DUE 11/15/2007 | 8.205 %                         | 0     | 0    | 0    | 409  | 0   |
| 823,431            | GNMA POOL # 17398    | 8.000 % DUE 8/15/2007  | 8.044 %                         | 823   | 0    | 0    | 0    | 0   |
| 902,265            | GNMA POOL # 17424    | 8.000 % DUE 7/15/2007  | 8.044 %                         | 902   | 0    | 0    | 0    | 0   |
| 822,375            | GNMA POOL # 17467    | 8.000 % DUE 7/15/2007  | 8.044 %                         | 822   | 0    | 0    | 0    | 0   |
| 392,597            | GNMA POOL # 17606    | 8.000 % DUE 7/15/2007  | 8.081 %                         | 0     | 0    | 0    | 393  | 0   |
| 657,038            | GNMA POOL # 17784    | 8.000 % DUE 7/15/2007  | 8.044 %                         | 657   | 0    | 0    | 0    | 0   |
| 750,628            | GNMA POOL # 17891    | 8.000 % DUE 7/15/2007  | 8.026 %                         | 751   | 0    | 0    | 0    | 0   |
| 851,315            | GNMA POOL # 17929    | 8.000 % DUE 8/15/2007  | 8.026 %                         | 851   | 0    | 0    | 0    | 0   |
| 816,838            | GNMA POOL # 17945    | 8.000 % DUE 12/15/2007 | 8.340 %                         | 0     | 817  | 0    | 0    | 0   |
| 790,886            | GNMA POOL # 18063    | 8.000 % DUE 7/15/2007  | 8.292 %                         | 0     | 0    | 0    | 0    | 791 |
| 819,388            | GNMA POOL # 18077    | 8.000 % DUE 7/15/2007  | 8.044 %                         | 819   | 0    | 0    | 0    | 0   |
| 236,459            | GNMA POOL # 18516    | 8.000 % DUE 9/15/2007  | 8.743 %                         | 236   | 0    | 0    | 0    | 0   |
| 777,671            | GNMA POOL # 18611    | 8.000 % DUE 7/15/2007  | 8.026 %                         | 778   | 0    | 0    | 0    | 0   |
| 1,804,947          | GNMA POOL # 19672    | 8.000 % DUE 2/15/2008  | 8.350 %                         | 1,805 | 0    | 0    | 0    | 0   |
| 876,971            | GNMA POOL # 19774    | 8.000 % DUE 11/15/2007 | 8.104 %                         | 0     | 877  | 0    | 0    | 0   |

58.

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION     | YLD @ COST              | .....PAR VALUE IN \$1000'S..... |       |       |      |      |     |
|--------------------|--------------------------|-------------------------|---------------------------------|-------|-------|------|------|-----|
|                    |                          |                         | POST                            | SRIN  | SRGR  | SRFR | MVAR |     |
| 884,475            | GNMA POOL # 20041        | 8.000 % DUE 3/15/2008   | 8.454 %                         | 884   | 0     | 0    | 0    | 0   |
| 943,715            | GNMA POOL # 20413        | 8.000 % DUE 1/15/2008   | 8.459 %                         | 944   | 0     | 0    | 0    | 0   |
| 874,938            | GNMA POOL # 20746        | 8.000 % DUE 12/15/2007  | 8.454 %                         | 875   | 0     | 0    | 0    | 0   |
| 845,384            | GNMA POOL # 20952        | 8.000 % DUE 10/15/2007  | 8.153 %                         | 845   | 0     | 0    | 0    | 0   |
| 871,188            | GNMA POOL # 21467        | 8.000 % DUE 12/15/2007  | 8.350 %                         | 871   | 0     | 0    | 0    | 0   |
| 825,533            | GNMA POOL # 21480        | 8.000 % DUE 1/15/2008   | 8.350 %                         | 826   | 0     | 0    | 0    | 0   |
| 912,688            | GNMA POOL # 21652        | 8.000 % DUE 2/15/2008   | 8.350 %                         | 913   | 0     | 0    | 0    | 0   |
| 1,885,913          | GNMA POOL # 21878        | 8.000 % DUE 4/15/2008   | 8.459 %                         | 1,886 | 0     | 0    | 0    | 0   |
| 906,987            | GNMA POOL # 21982        | 8.000 % DUE 1/15/2008   | 8.380 %                         | 907   | 0     | 0    | 0    | 0   |
| 868,521            | GNMA POOL # 22676        | 8.000 % DUE 2/15/2008   | 8.350 %                         | 869   | 0     | 0    | 0    | 0   |
| 917,488            | GNMA POOL # 23016        | 8.000 % DUE 1/15/2008   | 8.350 %                         | 917   | 0     | 0    | 0    | 0   |
| 775,392            | GNMA POOL # 23067        | 8.000 % DUE 2/15/2008   | 8.350 %                         | 0     | 0     | 0    | 0    | 775 |
| 815,996            | GNMA POOL # 23098        | 8.000 % DUE 1/15/2008   | 8.350 %                         | 816   | 0     | 0    | 0    | 0   |
| 4,675,059          | GNMA POOL # 23139        | 8.000 % DUE 5/15/2008   | 8.702 %                         | 4,675 | 0     | 0    | 0    | 0   |
| 904,435            | GNMA POOL # 24837        | 8.000 % DUE 4/15/2008   | 8.380 %                         | 904   | 0     | 0    | 0    | 0   |
| 875,043            | GNMA POOL # 24978        | 8.000 % DUE 4/15/2008   | 8.380 %                         | 875   | 0     | 0    | 0    | 0   |
| 4,657,762          | GNMA POOL # 26980        | 9.000 % DUE 10/15/2008  | 9.023 %                         | 4,658 | 0     | 0    | 0    | 0   |
| 2,987,038          | GNMA POOL # 31210        | 9.500 % DUE 7/15/2009   | 9.725 %                         | 2,987 | 0     | 0    | 0    | 0   |
| 4,868,237          | GNMA POOL # 33172        | 9.500 % DUE 7/15/2009   | 9.794 %                         | 4,868 | 0     | 0    | 0    | 0   |
| 3,949,259          | GNMA POOL # 34007        | 9.500 % DUE 9/15/2009   | 9.781 %                         | 3,949 | 0     | 0    | 0    | 0   |
| 2,964,732          | GNMA POOL # 34126        | 9.500 % DUE 8/15/2009   | 9.762 %                         | 2,965 | 0     | 0    | 0    | 0   |
| 2,992,894          | GNMA POOL # 36068        | 9.500 % DUE 10/15/2009  | 10.326 %                        | 2,993 | 0     | 0    | 0    | 0   |
| 2,992,366          | GNMA POOL # 42194        | 11.500 % DUE 10/15/2010 | 12.530 %                        | 2,992 | 0     | 0    | 0    | 0   |
| 4,941,688          | GNMA POOL # 42691        | 11.000 % DUE 8/15/2010  | 11.556 %                        | 4,942 | 0     | 0    | 0    | 0   |
| 6,993,066          | GNMA POOL # 43600        | 12.500 % DUE 11/15/2010 | 13.029 %                        | 6,993 | 0     | 0    | 0    | 0   |
| 3,988,020          | GNMA POOL # 44539        | 11.500 % DUE 10/15/2010 | 12.530 %                        | 3,988 | 0     | 0    | 0    | 0   |
| 44,747             | GOODYEAR TIRE & RUBBER   | 9.250 % DUE 3/ 1/1982   | 9.091 %                         | 45    | 0     | 0    | 0    | 0   |
| 2,387,000          | GOULD, INC.              | 9.250 % DUE 2/15/1995   | 9.446 %                         | 2,387 | 0     | 0    | 0    | 0   |
| 200,000            | HARBOR TUG & BARGE       | 8.150 % DUE 3/15/2001   | 8.402 %                         | 200   | 0     | 0    | 0    | 0   |
| 1,500,000          | HAWAIIAN TELEPHONE       | 13.375 % DUE 10/ 1/2010 | 13.626 %                        | 0     | 1,000 | 0    | 500  | 0   |
| 29,511             | HERCULES, INC.           | 10.250 % DUE 1/ 1/1983  | 9.856 %                         | 30    | 0     | 0    | 0    | 0   |
| 3,000,000          | HERTZ CORPORATION        | 9.500 % DUE 2/15/1999   | 9.500 %                         | 3,000 | 0     | 0    | 0    | 0   |
| 5,500,000          | HONEYWELL FINANCE INC.   | 8.200 % DUE 12/15/1998  | 8.200 %                         | 5,000 | 0     | 0    | 0    | 500 |
| 600,000            | HOUSTON LIGHTING & POWER | 13.875 % DUE 2/ 1/1991  | 14.058 %                        | 0     | 0     | 0    | 600  | 0   |
| 1,000,000          | HOUSTON LIGHTING & POWER | 12.000 % DUE 6/ 1/2010  | 13.420 %                        | 1,000 | 0     | 0    | 0    | 0   |
| 250,000            | HOUSTON LIGHTING & POWER | 8.375 % DUE 10/ 1/2006  | 8.417 %                         | 0     | 0     | 0    | 250  | 0   |
| 150,000            | INGERSOLL RAND CO.       | 8.750 % DUE 5/ 1/1985   | 8.794 %                         | 150   | 0     | 0    | 0    | 0   |
| 250,000            | IOWA-ILL GAS & ELEC      | 8.250 % DUE 1/15/2007   | 8.312 %                         | 0     | 0     | 0    | 250  | 0   |
| 150,000            | J.C. PENNEY FINANCIAL    | 9.450 % DUE 10/15/1981  | 9.403 %                         | 150   | 0     | 0    | 0    | 0   |
| 500,000            | KANSAS POWER & LIGHT     | 8.125 % DUE 6/ 1/2007   | 8.166 %                         | 0     | 0     | 0    | 0    | 500 |
| 3,000,000          | LACHMAR HULL 54 US       | 14.000 % DUE 12/31/1989 | 14.000 %                        | 3,000 | 0     | 0    | 0    | 0   |
| 7,320,329          | LNM ACCEPTANCE CORP      | 9.100 % DUE 12/ 1/1986  | 9.100 %                         | 6,797 | 0     | 0    | 523  | 0   |
| 1,000,000          | LONG ISLAND LIGHTING     | 4.400 % DUE 4/ 1/1993   | 4.400 %                         | 1,000 | 0     | 0    | 0    | 0   |
| 1,950,000          | LOUISIANA LAND & EXPL.   | 8.250 % DUE 12/ 1/1994  | 8.250 %                         | 1,950 | 0     | 0    | 0    | 0   |
| 5,417,730          | LOUISVILLE & NASHVILLE   | 9.000 % DUE 10/20/1991  | 9.000 %                         | 4,794 | 480   | 0    | 144  | 0   |
| 94,023             | LOUISVILLE & NASHVILLE   | 8.375 % DUE 4/20/1992   | 8.375 %                         | 0     | 0     | 0    | 94   | 0   |
| 193,447            | LOUISVILLE & NASHVILLE   | 8.125 % DUE 4/20/1988   | 8.442 %                         | 193   | 0     | 0    | 0    | 0   |
| 250,000            | MACHILLAN BLOEDEL, LTD   | 5.450 % DUE 10/ 1/1990  | 5.450 %                         | 250   | 0     | 0    | 0    | 0   |
| 5,016,000          | MACHILLAN BLOEDEL, LTD   | 8.750 % DUE 7/ 1/1994   | 8.750 %                         | 4,576 | 0     | 0    | 0    | 440 |
| 50,000             | MACHILLAN BLOEDEL, LTD   | 6.500 % DUE 7/15/1992   | 8.025 %                         | 50    | 0     | 0    | 0    | 0   |
| 5,840,000          | MANITOBA HYDRO ELEC BD   | 7.650 % DUE 10/15/1997  | 7.650 %                         | 4,940 | 500   | 0    | 0    | 400 |
| 1,020,000          | MANITOBA, PROVINCE OF    | 7.875 % DUE 4/ 1/1994   | 7.896 %                         | 1,020 | 0     | 0    | 0    | 0   |
| 3,800,000          | MARATHON OIL COMPANY     | 8.500 % DUE 2/ 1/2000   | 8.561 %                         | 3,000 | 800   | 0    | 0    | 0   |

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION          | YLD    | % | COST           | POST   | SRIN | SRGR  | SRFR  | MVAR  |
|--------------------|-------------------------------|--------|---|----------------|--------|------|-------|-------|-------|
| 9,000,000          | MARTIN-MARIETTA CORP.         | 7.000  | % | DUE 3/15/2011  | 12.740 | %    | 9,000 | 0     | 0     |
| 1,300,000          | MINNESOTA GAS COMPANY         | 9.250  | % | DUE 11/15/1981 | 9.282  | %    | 0     | 800   | 0     |
| 5,150,000          | MINNESOTA POWER & L.          | 10.500 | % | DUE 8/ 1/2005  | 10.500 | %    | 5,000 | 0     | 150   |
| 5,000,000          | MINNESOTA POWER & L.          | 8.700  | % | DUE 9/ 1/2006  | 8.700  | %    | 5,000 | 0     | 0     |
| 2,800,000          | MISSOURI PACIFIC RR           | 12.750 | % | DUE 6/ 1/1995  | 12.750 | %    | 1,867 | 933   | 0     |
| 3,466,667          | MISSOURI PACIFIC RR           | 9.750  | % | DUE 6/ 1/1994  | 9.750  | %    | 3,033 | 0     | 433   |
| 5,000,000          | MONSANTO CO.                  | 8.750  | % | DUE 5/15/2008  | 12.648 | %    | 5,000 | 0     | 0     |
| 500,000            | MONTANA POWER COMPANY         | 8.750  | % | DUE 12/ 1/1981 | 8.750  | %    | 0     | 0     | 0     |
| 400,000            | MONTGOMERY WARD CREDIT        | 8.250  | % | DUE 6/30/2002  | 8.335  | %    | 0     | 0     | 400   |
| 250,000            | MONTGOMERY WARD CREDIT        | 8.625  | % | DUE 9/15/1986  | 8.938  | %    | 250   | 0     | 0     |
| 4,925,000          | MONTGOMERY WARD CREDIT        | 8.375  | % | DUE 10/ 1/2002 | 8.478  | %    | 3,125 | 850   | 400   |
| 500,000            | MOORE BUSINESS FORMS          | 7.900  | % | DUE 10/ 1/1996 | 7.900  | %    | 0     | 500   | 0     |
| 1,228,000          | MOUNTAIN FUEL SUPPOB          | 4.875  | % | DUE 9/ 1/1986  | 4.837  | %    | 1,228 | 0     | 0     |
| 7,000,000          | MOUNTAIN STATES TEL & TEL     | 7.750  | % | DUE 6/ 1/2013  | 12.960 | %    | 7,000 | 0     | 0     |
| 8,825,000          | MOUNTAIN STATES TEL & TEL     | 8.625  | % | DUE 4/ 1/2018  | 13.032 | %    | 8,825 | 0     | 0     |
| 358,000            | N. BRUNSWICK ELEC PWR         | 7.875  | % | DUE 4/ 1/1998  | 7.875  | %    | 0     | 0     | 0     |
| 150,000            | NATIONAL RURAL UTILITIES      | 8.950  | % | DUE 2/ 1/1985  | 9.040  | %    | 150   | 0     | 0     |
| 5,000,000          | NEW YORK TELEPHONE COMPANY    | 8.000  | % | DUE 7/15/2008  | 8.460  | %    | 5,000 | 0     | 0     |
| 50,000             | NORTHERN STATES POWER         | 3.250  | % | DUE 6/ 1/1982  | 3.757  | %    | 50    | 0     | 0     |
| 3,525,000          | NORTHERN STATES POWER CO. MIN | 8.375  | % | DUE 1/ 1/2004  | 8.682  | %    | 2,500 | 625   | 400   |
| 4,500,000          | NORTHWEST BANCORP             | 7.750  | % | DUE 3/15/2003  | 7.750  | %    | 4,000 | 0     | 0     |
| 5,600,000          | NORTHWEST BANCORP             | 7.875  | % | DUE 9/15/1986  | 7.885  | %    | 4,800 | 800   | 0     |
| 9,500,000          | NORTHWESTERN BELL TEL. CO.    | 9.500  | % | DUE 8/15/2016  | 12.943 | %    | 8,500 | 1,000 | 0     |
| 6,000,000          | NORTON SIMON, INC.            | 9.875  | % | DUE 6/ 1/2004  | 9.875  | %    | 6,000 | 0     | 0     |
| 500,000            | NOVA SCOTIA POWER COMM        | 8.125  | % | DUE 7/15/1998  | 8.147  | %    | 0     | 0     | 0     |
| 3,500,000          | NOVA SCOTIA POWER COMM        | 7.750  | % | DUE 3/15/1997  | 7.793  | %    | 3,500 | 0     | 0     |
| 6,900,000          | NOVA SCOTIA POWER CORP        | 9.625  | % | DUE 6/ 1/2008  | 9.722  | %    | 6,400 | 0     | 500   |
| 150,000            | OCCIDENTAL PETROLEUM          | 11.000 | % | DUE 5/15/1982  | 10.590 | %    | 150   | 0     | 0     |
| 500,000            | OHIO EDISON COMPANY           | 15.500 | % | DUE 4/15/2010  | 15.500 | %    | 0     | 0     | 500   |
| 5,124,600          | OLYMPIC PIPELINE CO.          | 8.850  | % | DUE 9/ 1/2001  | 8.850  | %    | 4,880 | 0     | 245   |
| 7,465,500          | ONTARIO HYDRO                 | 9.500  | % | DUE 3/15/1996  | 9.500  | %    | 5,670 | 756   | 567   |
| 1,700,000          | ONTARIO PROVINCE OF CANADA    | 9.125  | % | DUE 6/15/2005  | 9.293  | %    | 0     | 1,000 | 700   |
| 7,500,000          | ONTARIO, PROVINCE OF          | 9.375  | % | DUE 6/ 1/2008  | 9.375  | %    | 7,000 | 500   | 0     |
| 7,420,000          | ONTARIO, PROVINCE OF          | 9.375  | % | DUE 11/30/2008 | 9.486  | %    | 6,920 | 0     | 500   |
| 2,937,000          | OWENS ILLINOIS INC.           | 5.000  | % | DUE 2/ 1/1991  | 6.923  | %    | 2,937 | 0     | 0     |
| 5,300,000          | OWENS ILLINOIS INC.           | 10.375 | % | DUE 6/ 1/1990  | 10.427 | %    | 5,300 | 0     | 0     |
| 50,000             | PACIFIC GAS & ELECTRIC        | 3.125  | % | DUE 6/ 1/1984  | 4.274  | %    | 50    | 0     | 0     |
| 250,000            | PACIFIC GAS & ELECTRIC CO.    | 7.750  | % | DUE 12/ 1/2005 | 7.974  | %    | 0     | 0     | 250   |
| 3,500,000          | PACIFIC TEL & TEL CO.         | 15.000 | % | DUE 11/ 1/2020 | 15.046 | %    | 3,000 | 500   | 0     |
| 30,000             | PACIFIC TELE & TELE           | 4.625  | % | DUE 11/ 1/1990 | 6.839  | %    | 30    | 0     | 0     |
| 100,000            | PENNWALT CORPORATION          | 9.000  | % | DUE 4/15/1985  | 9.000  | %    | 100   | 0     | 0     |
| 45,000             | PHILADELPHIA ELECTRIC CO.     | 3.250  | % | DUE 1/ 1/1982  | 3.904  | %    | 45    | 0     | 0     |
| 650,000            | PLANTATION PIPE LINE          | 7.875  | % | DUE 10/ 1/2001 | 7.965  | %    | 0     | 400   | 250   |
| 2,415,000          | PUBLIC SERV ELEC GAS          | 4.625  | % | DUE 9/ 1/1994  | 5.389  | %    | 2,415 | 0     | 0     |
| 4,000,000          | PUBLIC SERVICE CO OF IND.     | 12.125 | % | DUE 9/ 1/1990  | 12.251 | %    | 3,000 | 0     | 1,000 |
| 5,250,000          | PUBLIC SERVICE CO OF IND.     | 7.625  | % | DUE 1/ 1/2007  | 7.707  | %    | 5,000 | 0     | 250   |
| 8,000,000          | PUBLIC SERVICE ELECTRIC & GAS | 8.250  | % | DUE 6/ 1/2007  | 8.389  | %    | 7,000 | 0     | 500   |
| 45,000             | QUEBEC HYDRO ELEC COMM        | 4.250  | % | DUE 12/ 1/1981 | 4.964  | %    | 45    | 0     | 0     |
| 1,800,000          | RALSTON PURINA                | 8.750  | % | DUE 11/ 1/1989 | 8.750  | %    | 1,800 | 0     | 0     |
| 1,431,061          | RALSTON PURINA                | 8.000  | % | DUE 12/31/1982 | 8.000  | %    | 1,334 | 0     | 97    |
| 5,000,000          | RAYTHEON CO                   | 8.250  | % | DUE 7/ 1/1996  | 8.376  | %    | 5,000 | 0     | 0     |
| 1,110,000          | ROCHESTER TELEPHONE           | 4.750  | % | DUE 9/ 1/1993  | 5.472  | %    | 1,110 | 0     | 0     |
| 500,000            | ROHM & HAAS COMPANY           | 9.000  | % | DUE 4/15/1985  | 9.000  | %    | 0     | 500   | 0     |

STATE OF MINNESOTA

POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION       | YLD @ COST              | POST     | SRIN   | SRGR  | SRFR | MVAR  |
|--------------------|----------------------------|-------------------------|----------|--------|-------|------|-------|
| 8,300,000          | SASKATCH., PROVINCE OF     | 9.250 % DUE 4/15/2008   | 9.250 %  | 7,000  | 700   | 0    | 600   |
| 1,218,000          | SCOVILL MFG CO             | 4.800 % DUE 9/15/1990   | 5.274 %  | 1,218  | 0     | 0    | 0     |
| 2,725,000          | SEABOARD AIR               | 4.625 % DUE 12/ 1/1988  | 5.165 %  | 2,725  | 0     | 0    | 0     |
| 2,460,409          | SEABOARD COAST LINE RR     | 9.000 % DUE 4/ 1/1992   | 9.000 %  | 2,214  | 0     | 0    | 246   |
| 5,212,179          | SEABOARD COAST LINE RR     | 8.250 % DUE 10/ 1/1992  | 8.250 %  | 4,826  | 0     | 0    | 386   |
| 6,185,709          | SEABOARD COAST LINE RR     | 9.625 % DUE 9/ 1/1993   | 9.625 %  | 6,186  | 0     | 0    | 0     |
| 4,500,000          | SEAFIRST CORP              | 10.500 % DUE 6/ 1/1990  | 10.553 % | 4,000  | 500   | 0    | 0     |
| 100,000            | SEARS ROEBUCK ACCEPT       | 5.000 % DUE 7/15/1982   | 5.731 %  | 100    | 0     | 0    | 0     |
| 1,710,000          | SHELL CANADA, LTD          | 7.500 % DUE 1/ 1/1994   | 7.524 %  | 1,710  | 0     | 0    | 0     |
| 950,000            | SHELL OIL CO               | 5.000 % DUE 3/15/1991   | 5.000 %  | 950    | 0     | 0    | 0     |
| 3,700,000          | SOUTHERN BELL TEL & TEL    | 12.875 % DUE 10/ 5/2020 | 13.679 % | 3,200  | 500   | 0    | 0     |
| 6,500,000          | SOUTHERN BELL TEL & TEL    | 10.900 % DUE 12/ 1/2019 | 13.387 % | 6,000  | 500   | 0    | 0     |
| 9,450,000          | SOUTHERN BELL TEL & TEL    | 7.625 % DUE 3/15/2013   | 9.314 %  | 8,000  | 700   | 0    | 250   |
| 100,000            | SOUTHERN CALIFORNIA EDISON | 4.625 % DUE 9/ 1/1983   | 5.539 %  | 100    | 0     | 0    | 0     |
| 2,756,766          | SOUTHERN PACIFIC TRANS     | 9.500 % DUE 3/ 1/1991   | 9.500 %  | 2,757  | 0     | 0    | 0     |
| 200,000            | SOUTHWEST. INVESTMENT      | 8.500 % DUE 10/15/1986  | 9.103 %  | 200    | 0     | 0    | 0     |
| 5,000,000          | SOUTHWESTERN BELL TEL CO   | 7.625 % DUE 10/ 1/2013  | 12.605 % | 5,000  | 0     | 0    | 0     |
| 5,000,000          | SOUTHWESTERN BELL TEL CO   | 8.750 % DUE 9/ 1/2018   | 13.119 % | 5,000  | 0     | 0    | 0     |
| 5,000,000          | SOUTHWESTERN BELL TEL CO   | 9.625 % DUE 3/15/2019   | 12.972 % | 5,000  | 0     | 0    | 0     |
| 450,000            | SPRAGUE ELECTRIC CO        | 4.375 % DUE 9/ 1/1988   | 4.376 %  | 450    | 0     | 0    | 0     |
| 2,904,200          | STANDARD OIL (INDIANA)     | 8.250 % DUE 11/ 1/1999  | 8.250 %  | 2,904  | 0     | 0    | 0     |
| 2,521,543          | STANDARD OIL (INDIANA)     | 7.500 % DUE 10/ 1/2000  | 7.568 %  | 1,730  | 791   | 0    | 0     |
| 4,400,000          | STANDARD OIL CO OHIO       | 8.500 % DUE 1/ 1/2000   | 8.679 %  | 4,400  | 0     | 0    | 0     |
| 1,395,137          | STANDARD OIL OF CALIF.     | 7.700 % DUE 3/30/1997   | 7.700 %  | 1,260  | 135   | 0    | 0     |
| 1,305,128          | STANDARD OIL OF CALIF.     | 7.700 % DUE 3/ 2/1997   | 7.700 %  | 1,170  | 135   | 0    | 0     |
| 1,350,132          | STANDARD OIL OF CALIF.     | 7.700 % DUE 2/10/1997   | 7.700 %  | 1,170  | 180   | 0    | 0     |
| 274,287            | STANDARD OIL OF CALIF.     | 7.700 % DUE 9/ 7/1997   | 7.700 %  | 0      | 91    | 0    | 183   |
| 228,572            | STANDARD OIL OF CALIF.     | 7.700 % DUE 9/ 8/1997   | 7.700 %  | 0      | 91    | 0    | 137   |
| 228,572            | STANDARD OIL OF CALIF.     | 7.700 % DUE 11/ 6/1997  | 7.700 %  | 0      | 91    | 0    | 137   |
| 5,109,804          | STANDARD OIL OF CALIF.     | 8.500 % DUE 7/ 2/1999   | 8.500 %  | 4,965  | 0     | 0    | 145   |
| 150,000            | STANDARD OIL OF INDIANA    | 9.200 % DUE 7/15/2004   | 9.068 %  | 0      | 0     | 0    | 150   |
| 2,230,000          | STATES STEAMSHIP CO        | 5.100 % DUE 3/31/1993   | 5.100 %  | 2,230  | 0     | 0    | 0     |
| 5,500,000          | STUDEBAKER-WORTHINGTON     | 9.350 % DUE 11/15/2003  | 9.350 %  | 5,000  | 0     | 0    | 500   |
| 810,000            | SUN OIL CO                 | 5.750 % DUE 7/ 1/1991   | 5.750 %  | 810    | 0     | 0    | 0     |
| 3,516,000          | TEXACO, INC.               | 7.750 % DUE 12/ 1/2001  | 7.750 %  | 3,516  | 0     | 0    | 0     |
| 150,000            | TEXAS EASTERN TRANSMISSION | 10.000 % DUE 7/ 1/1985  | 9.524 %  | 150    | 0     | 0    | 0     |
| 3,000,000          | TEXAS POWER & LIGHT        | 8.600 % DUE 1/ 1/2006   | 12.905 % | 3,000  | 0     | 0    | 0     |
| 2,500,000          | TEXAS POWER & LIGHT        | 9.375 % DUE 2/ 1/2009   | 13.153 % | 2,500  | 0     | 0    | 0     |
| 250,000            | TEXAS POWER & LIGHT CO     | 8.250 % DUE 2/ 1/2007   | 8.260 %  | 0      | 0     | 0    | 250   |
| 125,000            | U.S. STEEL CORP.           | 4.500 % DUE 4/15/1986   | 5.625 %  | 125    | 0     | 0    | 0     |
| 75,000             | U.S.A. TREASURY BOND       | 3.250 % DUE 6/15/1983   | 3.976 %  | 75     | 0     | 0    | 0     |
| 15,000,000         | U.S.A. TREASURY BOND       | 7.625 % DUE 2/15/2007   | 11.480 % | 14,000 | 1,000 | 0    | 0     |
| 4,000,000          | U.S.A. TREASURY BOND       | 12.750 % DUE 11/15/2010 | 12.884 % | 0      | 4,000 | 0    | 0     |
| 5,900,000          | U.S.A. TREASURY BOND       | 11.500 % DUE 11/15/1995 | 12.923 % | 4,500  | 1,400 | 0    | 0     |
| 12,000,000         | U.S.A. TREASURY BOND       | 11.750 % DUE 2/15/2001  | 12.454 % | 12,000 | 0     | 0    | 0     |
| 500,000            | U.S.A. TREASURY BOND       | 8.625 % DUE 11/15/1993  | 8.639 %  | 0      | 0     | 0    | 500   |
| 9,000,000          | U.S.A. TREASURY BOND       | 9.125 % DUE 5/15/2009   | 11.916 % | 9,000  | 0     | 0    | 0     |
| 3,600,000          | U.S.A. TREASURY BOND       | 10.375 % DUE 11/15/2009 | 11.337 % | 0      | 1,500 | 600  | 1,500 |
| 400,000            | U.S.A. TREASURY NOTE       | 7.875 % DUE 5/15/1983   | 8.077 %  | 400    | 0     | 0    | 0     |
| 1,500,000          | U.S.A. TREASURY NOTE       | 9.000 % DUE 2/15/1987   | 9.005 %  | 0      | 1,000 | 0    | 500   |
| 150,000            | U.S.A. TREASURY NOTE       | 8.000 % DUE 2/15/1983   | 8.142 %  | 150    | 0     | 0    | 0     |
| 2,000,000          | U.S.A. TREASURY NOTE       | 10.750 % DUE 11/15/1989 | 10.219 % | 2,000  | 0     | 0    | 0     |
| 1,500,000          | U.S.A. TREASURY NOTE       | 11.875 % DUE 9/30/1982  | 11.797 % | 0      | 0     | 0    | 1,500 |

STATE OF MINNESOTA  
 POST RETIREMENT \* SUPPLEMENTAL RET. INCOME \* SUPPLEMENTAL RET. GROWTH \* SUPPLEMENTAL FIXED RETURN \* VARIABLE ANNUITY  
 FIXED INCOME SECURITIES - JUNE 30, 1981

| TOTAL<br>PAR VALUE | SECURITY DESCRIPTION    | YLD @ COST              | .....PAR VALUE IN \$1000'S..... |         |        |      |        |        |
|--------------------|-------------------------|-------------------------|---------------------------------|---------|--------|------|--------|--------|
|                    |                         |                         | POST                            | SRIN    | SRGR   | SRFR | HVAR   |        |
| \$ 250,000         | UNION OIL OF CALIFORNIA | 8.625 % DUE 3/ 1/2006   | 8.617 %                         | 0       | 0      | 0    | 250    | 0      |
| 4,000,000          | UNION TANK CAR          | 9.500 % DUE 12/15/1995  | 9.500 %                         | 4,000   | 0      | 0    | 0      | 0      |
| 5,400,000          | UNITED ILLUMINATING CO  | 8.500 % DUE 11/15/1997  | 8.500 %                         | 4,900   | 0      | 0    | 0      | 500    |
| 4,500,000          | USLIFE CORP.            | 12.500 % DUE 10/15/1990 | 12.563 %                        | 3,500   | 500    | 0    | 500    | 0      |
| 25,000             | VIRGINIA ELEC. & POWER  | 3.375 % DUE 12/ 1/1981  | 3.959 %                         | 25      | 0      | 0    | 0      | 0      |
| 60,000             | VIRGINIA ELEC. & POWER  | 4.500 % DUE 12/ 1/1987  | 6.250 %                         | 60      | 0      | 0    | 0      | 0      |
| 1,000,000          | WASHINGTON GAS & LIGHT  | 5.200 % DUE 3/ 1/1991   | 5.843 %                         | 1,000   | 0      | 0    | 0      | 0      |
| 800,000            | WELLS FARGO & COMPANY   | 8.625 % DUE 11/ 1/1998  | 8.625 %                         | 0       | 800    | 0    | 0      | 0      |
| 6,375,000          | WELLS FARGO & COMPANY   | 11.550 % DUE 1/15/1983  | 11.550 %                        | 4,875   | 1,000  | 0    | 500    | 0      |
| 68,000             | YOUNGSTOWN SHEET TUBE   | 4.600 % DUE 7/ 1/1995   | 4.600 %                         | 68      | 0      | 0    | 0      | 0      |
| \$ 777,726,245     | GRAND TOTAL             |                         | 9.915 %                         | 690,659 | 47,908 | 600  | 22,440 | 16,119 |



STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE |
|-------------|--------------------------------|------------------------------|--------------|-------------|--------------------------------|------------------------------|--------------|
| 10,000      | ACF INDUSTRIES INCORPORATED    | POST RETIREMENT FUND         | 1,780,000    | 7,000       | CITICORP                       | MINN. VARIABLE ANNUITY FUND  | 189,000      |
| 103,000     | AETNA LIFE & CASUALTY COMPANY  | POST RETIREMENT FUND         | 4,094,250    | 120,400     | COCA COLA COMPANY              | POST RETIREMENT FUND         | 4,183,900    |
| 12,000      | AIR PRODUCTS & CHEMICALS INC.  | SUPPLEMENTAL RET. GROWTH SHA | 477,500      | 19,000      | COCA COLA COMPANY              | MINN. VARIABLE ANNUITY FUND  | 460,250      |
| 19,201      | AIR PRODUCTS & CHEMICALS INC.  | MINN. VARIABLE ANNUITY FUND  | 750,039      |             | SUB-TOTAL                      | 139,400 SHARES               | 4,844,150    |
| 70,000      | ALCAN ALUMINUM LTD.            | POST RETIREMENT FUND         | 1,228,519    | 183,200     | COLGATE PALMOLIVE              | POST RETIREMENT FUND         | 3,114,400    |
| 12,000      | ALLIED CHEMICAL CORP.          | SUPPLEMENTAL RET. INCOME SHA | 1,977,500    |             | COLGATE PALMOLIVE              | SUPPLEMENTAL RET. INCOME SHA | 240,500      |
| 3,000       | ALUMINUM CO. OF AMERICA        | SUPPLEMENTAL RET. INCOME SHA | 646,500      | 7,000       | SUB-TOTAL                      | 197,700 SHARES               | 3,340,900    |
| 13,000      | AMERICAN CAN CORP.             | SUPPLEMENTAL RET. INCOME SHA | 738,000      | 16,000      | COMBUSTION ENGINEERING INC.    | SUPPLEMENTAL RET. INCOME SHA | 259,875      |
| 100,000     | AMERICAN EXPRESS COMPANY       | POST RETIREMENT FUND         | 640,000      |             | COMBUSTION ENGINEERING INC.    | MINN. VARIABLE ANNUITY FUND  | 594,000      |
| 7,500       | AMERICAN EXPRESS COMPANY       | SUPPLEMENTAL RET. INCOME SHA | 4,837,500    |             | SUB-TOTAL                      | 23,000 SHARES                | 853,875      |
| 100,000     | AMERICAN HOME PRODS CORP       | POST RETIREMENT FUND         | 367,813      | 153,999     | COMMONWEALTH EDISON CO.        | POST RETIREMENT FUND         | 3,020,230    |
| 10,500      | AMERICAN HOME PRODS CORP       | SUPPLEMENTAL RET. INCOME SHA | 5,200,313    |             | CONN. GENERAL INS. CORP.       | POST RETIREMENT FUND         | 4,417,788    |
| 12,000      | AMERICAN HOME PRODS CORP       | SUPPLEMENTAL RET. GROWTH SHA | 3,511,050    | 10,000      | CONN. GENERAL INS. CORP.       | SUPPLEMENTAL RET. INCOME SHA | 507,500      |
|             | SUB-TOTAL                      | 129,300 SHARES               | 345,188      | 2,800       | CONN. GENERAL INS. CORP.       | SUPPLEMENTAL RET. GROWTH SHA | 142,100      |
| 40,000      | AMERICAN STANDARD INC.         | POST RETIREMENT FUND         | 1,94,500     | 4,000       | SUB-TOTAL                      | MINN. VARIABLE ANNUITY FUND  | 203,000      |
| 4,000       | AMERICAN STANDARD INC.         | SUPPLEMENTAL RET. INCOME SHA | 4,250,738    |             | CONOCO INC.                    | POST RETIREMENT FUND         | 5,270,388    |
| 8,500       | AMERICAN STANDARD INC.         | SUPPLEMENTAL RET. GROWTH SHA | 1,590,000    | 41,819      | CONOCO INC.                    | SUPPLEMENTAL RET. INCOME SHA | 2,739,145    |
| 16,000      | AMERICAN STANDARD INC.         | MINN. VARIABLE ANNUITY FUND  | 159,000      |             | CONOCO INC.                    | SUPPLEMENTAL RET. GROWTH SHA | 324,946      |
|             | SUB-TOTAL                      | 68,500 SHARES                | 337,875      | 2,987       | CONOCO INC.                    | MINN. VARIABLE ANNUITY FUND  | 195,649      |
| 527,301     | AMERICAN TELEPHONE & TELEGRAPH | POST RETIREMENT FUND         | 2,722,875    |             | SUB-TOTAL                      | 60,339 SHARES                | 3,952,205    |
| 30,018      | AMERICAN TELEPHONE & TELEGRAPH | SUPPLEMENTAL RET. INCOME SHA | 29,660,681   | 55,000      | CONSOLIDATED FOODS CORPORATION | POST RETIREMENT FUND         | 1,581,250    |
| 13,714      | AMERICAN TELEPHONE & TELEGRAPH | SUPPLEMENTAL RET. GROWTH SHA | 1,688,513    | 25,000      | CONSOLIDATED EDISON OF N.Y.    | SUPPLEMENTAL RET. INCOME SHA | 718,750      |
| 31,065      | AMERICAN TELEPHONE & TELEGRAPH | MINN. VARIABLE ANNUITY FUND  | 771,413      | 20,000      | CONSOLIDATED EDISON OF N.Y.    | SUPPLEMENTAL RET. INCOME SHA | 575,000      |
|             | SUB-TOTAL                      | 602,098 SHARES               | 1,747,406    | 140,000     | CONTINENTAL GROUP INCORPORATED | POST RETIREMENT FUND         | 5,110,000    |
| 40,000      | ARA SERVICES                   | POST RETIREMENT FUND         | 33,868,013   | 24,000      | CONTINENTAL ILL. CORP.         | SUPPLEMENTAL RET. INCOME SHA | 978,000      |
| 435,000     | ARCHER DANIELS MIDLAND CO.     | POST RETIREMENT FUND         | 1,380,000    | 15,000      | CONTINENTAL ILL. CORP.         | SUPPLEMENTAL RET. GROWTH SHA | 611,250      |
| 178,000     | ATLANTIC RICHFIELD             | POST RETIREMENT FUND         | 7,830,000    | 25,000      | CONTINENTAL ILL. CORP.         | MINN. VARIABLE ANNUITY FUND  | 1,018,750    |
| 17,000      | ATLANTIC RICHFIELD             | SUPPLEMENTAL RET. GROWTH SHA | 8,455,000    |             | SUB-TOTAL                      | 64,000 SHARES                | 2,608,000    |
| 24,000      | ATLANTIC RICHFIELD             | MINN. VARIABLE ANNUITY FUND  | 807,500      | 60,000      | CONTROL DATA CORPORATION       | POST RETIREMENT FUND         | 4,387,500    |
|             | SUB-TOTAL                      | 219,000 SHARES               | 10,402,500   | 64,000      | CPC INTERNATIONAL INC.         | POST RETIREMENT FUND         | 2,088,000    |
| 109,900     | AVON PRODS INC                 | POST RETIREMENT FUND         | 4,231,150    | 13,000      | CPC INTERNATIONAL INC.         | SUPPLEMENTAL RET. INCOME SHA | 424,125      |
| 15,400      | AVON PRODS INC                 | SUPPLEMENTAL RET. INCOME SHA | 592,900      |             | SUB-TOTAL                      | 77,000 SHARES                | 2,512,125    |
| 9,500       | AVON PRODS INC                 | SUPPLEMENTAL RET. GROWTH SHA | 365,750      | 95,800      | DART & KRAFT INC.              | POST RETIREMENT FUND         | 4,909,750    |
| 20,000      | AVON PRODS INC                 | MINN. VARIABLE ANNUITY FUND  | 770,000      | 11,000      | DART & KRAFT INC.              | SUPPLEMENTAL RET. INCOME SHA | 563,750      |
|             | SUB-TOTAL                      | 154,800 SHARES               | 5,959,800    | 7,500       | DART & KRAFT INC.              | SUPPLEMENTAL RET. GROWTH SHA | 384,375      |
| 6,800       | BAKER INTERNATIONAL CORP.      | SUPPLEMENTAL RET. GROWTH SHA | 259,250      | 11,000      | DART & KRAFT INC.              | MINN. VARIABLE ANNUITY FUND  | 563,750      |
| 11,700      | BAKER INTERNATIONAL CORP.      | MINN. VARIABLE ANNUITY FUND  | 446,043      |             | SUB-TOTAL                      | 125,300 SHARES               | 6,421,625    |
|             | SUB-TOTAL                      | 18,500 SHARES                | 705,313      | 40,000      | DAYTON-HUDSON CORP.            | POST RETIREMENT FUND         | 2,150,000    |
| 270,000     | BANKAMERICA CORPORATION        | POST RETIREMENT FUND         | 6,817,500    | 8,500       | DAYTON-HUDSON CORP.            | SUPPLEMENTAL RET. GROWTH SHA | 456,875      |
| 11,000      | BANKAMERICA CORPORATION        | SUPPLEMENTAL RET. GROWTH SHA | 277,750      | 14,500      | DAYTON-HUDSON CORP.            | MINN. VARIABLE ANNUITY FUND  | 779,375      |
| 13,000      | BANKAMERICA CORPORATION        | MINN. VARIABLE ANNUITY FUND  | 328,250      |             | SUB-TOTAL                      | 63,000 SHARES                | 3,386,250    |
|             | SUB-TOTAL                      | 294,000 SHARES               | 7,423,500    | 4,000       | DIGITAL EQUIPMENT CORP.        | MINN. VARIABLE ANNUITY FUND  | 395,000      |
| 110,000     | BAXTER TRAVENOL LABS           | POST RETIREMENT FUND         | 5,981,250    | 127,000     | DOW CHEMICAL COMPANY           | POST RETIREMENT FUND         | 4,206,875    |
| 2,000       | BAXTER TRAVENOL LABS           | SUPPLEMENTAL RET. INCOME SHA | 108,750      | 9,000       | DOW CHEMICAL COMPANY           | SUPPLEMENTAL RET. GROWTH SHA | 298,125      |
| 6,000       | BAXTER TRAVENOL LABS           | SUPPLEMENTAL RET. GROWTH SHA | 326,250      | 17,000      | DOW CHEMICAL COMPANY           | MINN. VARIABLE ANNUITY FUND  | 563,125      |
| 9,400       | BAXTER TRAVENOL LABS           | MINN. VARIABLE ANNUITY FUND  | 511,125      |             | SUB-TOTAL                      | 153,000 SHARES               | 5,068,125    |
|             | SUB-TOTAL                      | 127,400 SHARES               | 6,927,375    | 136,000     | DRESSER INDUSTRIES             | POST RETIREMENT FUND         | 5,185,000    |
| 5,000       | BENEFICIAL CORPORATION         | SUPPLEMENTAL RET. INCOME SHA | 116,250      | 17,000      | DRESSER INDUSTRIES             | SUPPLEMENTAL RET. INCOME SHA | 648,125      |
| 164,000     | BOEING COMPANY                 | POST RETIREMENT FUND         | 5,022,500    |             | SUB-TOTAL                      | 153,000 SHARES               | 5,833,125    |
| 11,925      | BOEING COMPANY                 | SUPPLEMENTAL RET. GROWTH SHA | 365,703      | 52,000      | DU PONT E I DE NEMOURS & CO    | POST RETIREMENT FUND         | 2,782,500    |
| 22,875      | BOEING COMPANY                 | MINN. VARIABLE ANNUITY FUND  | 700,547      | 14,400      | DU PONT E I DE NEMOURS & CO    | SUPPLEMENTAL RET. INCOME SHA | 775,625      |
|             | SUB-TOTAL                      | 198,800 SHARES               | 6,088,750    | 6,800       | DU PONT E I DE NEMOURS & CO    | SUPPLEMENTAL RET. GROWTH SHA | 341,250      |
| 6,300       | BURKDOUGHS CORPORATION         | SUPPLEMENTAL RET. GROWTH SHA | 248,063      | 12,000      | DU PONT E I DE NEMOURS & CO    | MINN. VARIABLE ANNUITY FUND  | 437,500      |
| 14,500      | BURKDOUGHS CORPORATION         | MINN. VARIABLE ANNUITY FUND  | 570,938      |             | SUB-TOTAL                      | 85,400 SHARES                | 4,536,875    |
|             | SUB-TOTAL                      | 20,800 SHARES                | 819,000      | 126,700     | EASTMAN KODAK COMPANY          | POST RETIREMENT FUND         | 9,470,825    |
| 150,000     | CBS INCORPORATED               | POST RETIREMENT FUND         | 8,400,000    | 8,000       | EASTMAN KODAK COMPANY          | SUPPLEMENTAL RET. INCOME SHA | 598,000      |
| 11,000      | CENTRAL TEL & UTIL CORP.       | SUPPLEMENTAL RET. INCOME SHA | 332,750      | 5,000       | EASTMAN KODAK COMPANY          | SUPPLEMENTAL RET. GROWTH SHA | 373,750      |
| 14,500      | CENTRAL TEL & UTIL CORP.       | MINN. VARIABLE ANNUITY FUND  | 438,625      | 9,500       | EASTMAN KODAK COMPANY          | MINN. VARIABLE ANNUITY FUND  | 710,125      |
|             | SUB-TOTAL                      | 25,500 SHARES                | 771,375      |             | SUB-TOTAL                      | 149,200 SHARES               | 11,152,200   |
| 60,000      | CHUBB CORPORATION              | POST RETIREMENT FUND         | 2,910,000    | 5,500       | EMERSON ELECTRIC               | SUPPLEMENTAL RET. GROWTH SHA | 253,000      |
| 9,000       | CHUBB CORPORATION              | SUPPLEMENTAL RET. INCOME SHA | 436,500      | 7,000       | EMERSON ELECTRIC               | MINN. VARIABLE ANNUITY FUND  | 322,000      |
| 7,000       | CHUBB CORPORATION              | SUPPLEMENTAL RET. GROWTH SHA | 339,500      |             | SUB-TOTAL                      | 12,500 SHARES                | 575,000      |
| 12,500      | CHUBB CORPORATION              | MINN. VARIABLE ANNUITY FUND  | 606,250      |             |                                |                              |              |
|             | SUB-TOTAL                      | 88,500 SHARES                | 4,292,250    |             |                                |                              |              |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                      | ADVISOR                      | MARKET VALUE |
|-------------|--------------------------------|------------------------------|--------------|-------------|-------------------------------|------------------------------|--------------|
| 602,000     | EXXON CORPORATION              | POST RETIREMENT FUND         | 20,618,500   | 100,000     | HOUSTON NATURAL GAS CORP.     | POST RETIREMENT FUND         | 4,275,000    |
| 40,000      | EXXON CORPORATION              | SUPPLEMENTAL RET. INCOME SHA | 1,370,000    | 4,000       | HOUSTON NATURAL GAS CORP.     | SUPPLEMENTAL RET. INCOME SHA | 171,000      |
| 26,000      | EXXON CORPORATION              | SUPPLEMENTAL RET. GROWTH SHA | 890,500      | 7,500       | HOUSTON NATURAL GAS CORP.     | SUPPLEMENTAL RET. GROWTH SHA | 320,625      |
| 47,000      | EXXON CORPORATION              | MINN. VARIABLE ANNUITY FUND  | 1,609,750    | 13,000      | HOUSTON NATURAL GAS CORP.     | MINN. VARIABLE ANNUITY FUND  | 555,750      |
|             | SUB-TOTAL                      | 715,000 SHARES               | 24,488,750   |             | SUB-TOTAL                     | 124,000 SHARES               | 5,322,375    |
| 85,000      | FEDERATED DPFT. STORES INC.    | POST RETIREMENT FUND         | 3,400,000    | 10,500      | INA CORP.                     | SUPPLEMENTAL RET. INCOME SHA | 486,938      |
| 10,000      | FEDERATED DEPT. STORES INC.    | SUPPLEMENTAL RET. INCOME SHA | 400,000      | 6,000       | INA CORP.                     | SUPPLEMENTAL RET. GROWTH SHA | 278,250      |
| 8,000       | FEDERATED DEPT. STORES INC.    | MINN. VARIABLE ANNUITY FUND  | 320,000      | 7,500       | INA CORP.                     | MINN. VARIABLE ANNUITY FUND  | 347,813      |
|             | SUB-TOTAL                      | 103,000 SHARES               | 4,120,000    |             | SUB-TOTAL                     | 24,000 SHARES                | 1,113,000    |
| 107,400     | FIRST BANK SYSTEM              | POST RETIREMENT FUND         | 4,698,750    | 90,000      | INTERNORTH INC.               | POST RETIREMENT FUND         | 3,037,500    |
| 5,500       | FIRST BANK SYSTEM              | SUPPLEMENTAL RET. GROWTH SHA | 240,625      | 309,024     | INTL. BUSINESS MACHINES       | POST RETIREMENT FUND         | 17,884,764   |
| 9,000       | FIRST BANK SYSTEM              | MINN. VARIABLE ANNUITY FUND  | 393,750      | 6,000       | INTL. BUSINESS MACHINES       | SUPPLEMENTAL RET. INCOME SHA | 347,250      |
|             | SUB-TOTAL                      | 121,900 SHARES               | 5,333,125    | 18,048      | INTL. BUSINESS MACHINES       | SUPPLEMENTAL RET. GROWTH SHA | 1,044,528    |
| 170,300     | FLORIDA POWER & LIGHT COMPANY  | POST RETIREMENT FUND         | 5,066,425    | 35,772      | INTL. BUSINESS MACHINES       | MINN. VARIABLE ANNUITY FUND  | 2,070,305    |
| 10,500      | FLORIDA POWER & LIGHT COMPANY  | SUPPLEMENTAL RET. GROWTH SHA | 312,375      |             | SUB-TOTAL                     | 368,844 SHARES               | 21,346,847   |
| 15,000      | FLORIDA POWER & LIGHT COMPANY  | MINN. VARIABLE ANNUITY FUND  | 446,250      | 220,400     | INTL. TEL & TEL               | POST RETIREMENT FUND         | 6,804,850    |
|             | SUB-TOTAL                      | 195,800 SHARES               | 5,825,050    | 24,000      | INTL. TEL & TEL               | SUPPLEMENTAL RET. INCOME SHA | 741,000      |
| 31,000      | GELCO CORPORATION              | SUPPLEMENTAL RET. INCOME SHA | 821,500      | 11,000      | INTL. TEL & TEL               | SUPPLEMENTAL RET. GROWTH SHA | 339,625      |
| 27,000      | GELCO CORPORATION              | SUPPLEMENTAL RET. GROWTH SHA | 715,500      | 13,000      | INTL. TEL & TEL               | MINN. VARIABLE ANNUITY FUND  | 401,375      |
| 35,000      | GELCO CORPORATION              | MINN. VARIABLE ANNUITY FUND  | 1,722,500    |             | SUB-TOTAL                     | 268,400 SHARES               | 8,284,850    |
|             | SUB-TOTAL                      | 123,000 SHARES               | 3,259,500    | 15,000      | JEFFERSON PILOT CORP.         | MINN. VARIABLE ANNUITY FUND  | 418,125      |
| 175,000     | GENERAL ELECTRIC COMPANY       | POST RETIREMENT FUND         | 10,828,125   | 120,000     | JOHNSON & JOHNSON             | POST RETIREMENT FUND         | 4,200,000    |
| 11,000      | GENERAL ELECTRIC COMPANY       | SUPPLEMENTAL RET. INCOME SHA | 680,625      | 20,400      | JOHNSON & JOHNSON             | SUPPLEMENTAL RET. GROWTH SHA | 714,000      |
| 4,500       | GENERAL ELECTRIC COMPANY       | SUPPLEMENTAL RET. GROWTH SHA | 278,438      | 27,000      | JOHNSON & JOHNSON             | MINN. VARIABLE ANNUITY FUND  | 945,000      |
| 14,500      | GENERAL ELECTRIC COMPANY       | MINN. VARIABLE ANNUITY FUND  | 897,188      |             | SUB-TOTAL                     | 167,400 SHARES               | 5,859,000    |
|             | SUB-TOTAL                      | 205,000 SHARES               | 12,684,375   | 117,127     | K MART CORPORATION            | POST RETIREMENT FUND         | 2,503,590    |
| 81,100      | GENERAL FOODS CORP.            | POST RETIREMENT FUND         | 2,503,963    | 19,000      | K MART CORPORATION            | SUPPLEMENTAL RET. GROWTH SHA | 406,125      |
| 80,000      | GENERAL MILLS INCORPORATED     | POST RETIREMENT FUND         | 3,030,000    | 31,000      | K MART CORPORATION            | MINN. VARIABLE ANNUITY FUND  | 662,625      |
| 13,500      | GENERAL MILLS INCORPORATED     | SUPPLEMENTAL RET. GROWTH SHA | 511,313      |             | SUB-TOTAL                     | 167,127 SHARES               | 3,572,340    |
| 13,000      | GENERAL MILLS INCORPORATED     | MINN. VARIABLE ANNUITY FUND  | 492,375      | 40,000      | LEVI STRAUSS AND COMPANY      | POST RETIREMENT FUND         | 1,430,000    |
|             | SUB-TOTAL                      | 106,500 SHARES               | 4,033,688    | 3,500       | LEVI STRAUSS AND COMPANY      | SUPPLEMENTAL RET. GROWTH SHA | 125,125      |
| 15,200      | GENERAL MOTORS CORPORATION     | SUPPLEMENTAL RET. INCOME SHA | 805,600      | 7,500       | LEVI STRAUSS AND COMPANY      | MINN. VARIABLE ANNUITY FUND  | 268,125      |
| 4,000       | GENERAL MOTORS CORPORATION     | SUPPLEMENTAL RET. GROWTH SHA | 212,000      |             | SUB-TOTAL                     | 51,000 SHARES                | 1,823,250    |
| 9,700       | GENERAL MOTORS CORPORATION     | MINN. VARIABLE ANNUITY FUND  | 514,100      | 13,500      | LOCKHEED AIRCRAFT CORP        | SUPPLEMENTAL RET. INCOME SHA | 504,563      |
|             | SUB-TOTAL                      | 28,900 SHARES                | 1,531,700    | 14,000      | MANUFACTURERS HANOVER CORP.   | SUPPLEMENTAL RET. INCOME SHA | 542,500      |
| 19,000      | GENERAL TELEPHONE & ELECTRIC C | SUPPLEMENTAL RET. INCOME SHA | 558,125      | 10,000      | MARATHON OIL COMPANY          | SUPPLEMENTAL RET. INCOME SHA | 612,500      |
| 15,500      | GENERAL TELEPHONE & ELECTRIC C | MINN. VARIABLE ANNUITY FUND  | 455,313      | 9,000       | MARATHON OIL COMPANY          | SUPPLEMENTAL RET. GROWTH SHA | 551,250      |
|             | SUB-TOTAL                      | 34,300 SHARES                | 1,013,438    | 10,000      | MARATHON OIL COMPANY          | MINN. VARIABLE ANNUITY FUND  | 612,500      |
| 86,200      | GENUINE PARTS COMPANY          | POST RETIREMENT FUND         | 2,812,275    |             | SUB-TOTAL                     | 29,000 SHARES                | 1,776,250    |
| 15,000      | GENUINE PARTS COMPANY          | SUPPLEMENTAL RET. GROWTH SHA | 489,375      | 160,000     | MCDONALDS CORP.               | POST RETIREMENT FUND         | 10,360,000   |
| 25,500      | GENUINE PARTS COMPANY          | MINN. VARIABLE ANNUITY FUND  | 831,938      | 5,500       | MCDONALDS CORP.               | SUPPLEMENTAL RET. INCOME SHA | 356,125      |
|             | SUB-TOTAL                      | 126,700 SHARES               | 4,133,588    | 14,000      | MCDONALDS CORP.               | SUPPLEMENTAL RET. GROWTH SHA | 906,500      |
| 9,438       | GEORGIA PACIFIC CORP.          | SUPPLEMENTAL RET. GROWTH SHA | 266,250      | 23,100      | MCDONALDS CORP.               | MINN. VARIABLE ANNUITY FUND  | 1,495,725    |
| 11,419      | GEORGIA PACIFIC CORP.          | MINN. VARIABLE ANNUITY FUND  | 315,450      |             | SUB-TOTAL                     | 202,600 SHARES               | 13,118,350   |
|             | SUB-TOTAL                      | 21,057 SHARES                | 581,700      | 50,000      | MEFTRONIC INC.                | POST RETIREMENT FUND         | 1,750,000    |
| 40,000      | GETTY OIL COMPANY              | POST RETIREMENT FUND         | 2,770,000    | 51,900      | MERCK & COMPANY INCORPORATED  | POST RETIREMENT FUND         | 4,800,750    |
| 3,500       | GETTY OIL COMPANY              | SUPPLEMENTAL RET. GROWTH SHA | 242,375      | 82,000      | MINNESOTA MNG & MFG CO        | POST RETIREMENT FUND         | 4,715,000    |
| 6,500       | GETTY OIL COMPANY              | MINN. VARIABLE ANNUITY FUND  | 450,125      | 7,500       | MINNESOTA MNG & MFG CO        | SUPPLEMENTAL RET. GROWTH SHA | 431,250      |
|             | SUB-TOTAL                      | 50,000 SHARES                | 3,462,500    | 14,000      | MINNESOTA MNG & MFG CO        | MINN. VARIABLE ANNUITY FUND  | 805,000      |
| 205,000     | GILLETTE COMPANY               | POST RETIREMENT FUND         | 6,944,375    |             | SUB-TOTAL                     | 103,500 SHARES               | 5,951,250    |
| 155,400     | GOODYEAR TIRE & RUBBER CO.     | POST RETIREMENT FUND         | 2,972,025    | 270,000     | MOBIL CORPORATION             | POST RETIREMENT FUND         | 8,100,000    |
| 7,500       | GOODYEAR TIRE & RUBBER CO.     | SUPPLEMENTAL RET. INCOME SHA | 143,438      | 8,000       | MOBIL CORPORATION             | SUPPLEMENTAL RET. INCOME SHA | 240,000      |
|             | SUB-TOTAL                      | 162,900 SHARES               | 3,115,463    | 26,000      | MOBIL CORPORATION             | MINN. VARIABLE ANNUITY FUND  | 780,000      |
| 300,000     | GULF OIL CORPORATION           | POST RETIREMENT FUND         | 10,500,000   |             | SUB-TOTAL                     | 304,000 SHARES               | 9,120,000    |
| 91,400      | HALLIBURTON INC.               | POST RETIREMENT FUND         | 5,461,150    | 9,000       | NORFOLK & WESTERN RAILWAY CO. | SUPPLEMENTAL RET. GROWTH SHA | 435,375      |
| 8,000       | HALLIBURTON INC.               | SUPPLEMENTAL RET. GROWTH SHA | 478,000      | 16,500      | NORFOLK & WESTERN RAILWAY CO. | MINN. VARIABLE ANNUITY FUND  | 798,188      |
| 18,000      | HALLIBURTON INC.               | MINN. VARIABLE ANNUITY FUND  | 1,075,500    |             | SUB-TOTAL                     | 25,500 SHARES                | 1,233,563    |
|             | SUB-TOTAL                      | 117,400 SHARES               | 7,014,650    | 166,057     | NORTHERN STS. POWER CO. MINN. | POST RETIREMENT FUND         | 4,192,939    |
| 3,600       | HEWLETT PACKARD COMPANY        | SUPPLEMENTAL RET. GROWTH SHA | 342,450      | 37,673      | NORTHERN STS. POWER CO. MINN. | SUPPLEMENTAL RET. INCOME SHA | 951,243      |
| 7,400       | HEWLETT PACKARD COMPANY        | MINN. VARIABLE ANNUITY FUND  | 703,925      |             | SUB-TOTAL                     | 203,730 SHARES               | 5,144,183    |
|             | SUB-TOTAL                      | 11,000 SHARES                | 1,046,375    | 14,800      | NORTHWEST BANCORPORATION INC  | SUPPLEMENTAL RET. INCOME SHA | 462,500      |
| 87,277      | HONEYWELL INCORPORATED         | POST RETIREMENT FUND         | 7,451,274    | 12,000      | NORTHWEST BANCORPORATION INC  | MINN. VARIABLE ANNUITY FUND  | 837,500      |
| 4,500       | HONEYWELL INCORPORATED         | SUPPLEMENTAL RET. GROWTH SHA | 384,188      |             | SUB-TOTAL                     | 26,800 SHARES                | 717,500      |
|             | SUB-TOTAL                      | 91,777 SHARES                | 7,835,461    | 35,000      | PACIFIC POWER & LIGHT         | SUPPLEMENTAL RET. INCOME SHA | 246,000      |
| 21,000      | HOUSEHOLD FINANCE CORP.        | SUPPLEMENTAL RET. INCOME SHA | 351,750      | 12,000      | PACIFIC POWER & LIGHT         | SUPPLEMENTAL RET. GROWTH SHA | 246,000      |
| 345,000     | HOUSTON INDUSTRIES INC.        | POST RETIREMENT FUND         | 6,598,125    | 24,500      | PACIFIC POWER & LIGHT         | MINN. VARIABLE ANNUITY FUND  | 502,250      |
| 24,000      | HOUSTON INDUSTRIES INC.        | SUPPLEMENTAL RET. GROWTH SHA | 459,000      |             | SUB-TOTAL                     | 71,500 SHARES                | 1,465,750    |
| 45,000      | HOUSTON INDUSTRIES INC.        | MINN. VARIABLE ANNUITY FUND  | 860,625      |             |                               |                              |              |
|             | SUB-TOTAL                      | 414,000 SHARES               | 7,917,750    |             |                               |                              |              |

STATE OF MINNESOTA  
STATE BOARD OF INVESTMENT

ALPHABETICAL EQUITY SECURITIES LISTING  
JUNE 30, 1981

| # OF SHARES | SECURITY                     | ADVISOR                      | MARKET VALUE | # OF SHARES | SECURITY                       | ADVISOR                      | MARKET VALUE |
|-------------|------------------------------|------------------------------|--------------|-------------|--------------------------------|------------------------------|--------------|
| 132,400     | PENNEY J. C. INCORPORATED    | POST RETIREMENT FUND         | 4,468,500    | 50,000      | SUNBEAM CORP.                  | POST RETIREMENT FUND         | 1,075,000    |
| 10,500      | PENNEY J. C. INCORPORATED    | SUPPLEMENTAL RET. INCOME SHA | 354,375      | 8,000       | SUNBEAM CORP.                  | SUPPLEMENTAL RET. GROWTH SHA | 172,000      |
| 8,000       | PENNEY J. C. INCORPORATED    | SUPPLEMENTAL RET. GROWTH SHA | 270,000      |             | SUB-TOTAL                      | 58,000 SHARES                | 1,247,000    |
| 143,999     | PEOPLES ENERGY CORP.         | POST RETIREMENT FUND         | 5,092,875    | 57,600      | SUPER VALU STORES INC.         | POST RETIREMENT FUND         | 2,152,800    |
| 105,000     | PEPSICO INCORPORATED         | POST RETIREMENT FUND         | 7,010,957    | 221,300     | TEXACO INC.                    | POST RETIREMENT FUND         | 7,028,488    |
| 14,800      | PEPSICO INCORPORATED         | SUPPLEMENTAL RET. INCOME SHA | 3,714,375    | 13,000      | TEXACO INC.                    | SUPPLEMENTAL RET. INCOME SHA | 459,875      |
| 14,500      | PEPSICO INCORPORATED         | SUPPLEMENTAL RET. GROWTH SHA | 594,300      |             | SUB-TOTAL                      | 234,300 SHARES               | 8,288,343    |
| 17,000      | PEPSICO INCORPORATED         | MINN. VARIABLE ANNUITY FUND  | 512,938      | 11,000      | TEXAS OIL & GAS CORP.          | SUPPLEMENTAL RET. GROWTH SHA | 369,875      |
|             | SUB-TOTAL                    | 153,300 SHARES               | 5,422,988    | 22,000      | TEXAS OIL & GAS CORP.          | MINN. VARIABLE ANNUITY FUND  | 739,750      |
| 12,500      | PFIZER INCORPORATED          | SUPPLEMENTAL RET. INCOME SHA | 600,000      | 285,000     | TEXAS UTILITIES COMPANY        | POST RETIREMENT FUND         | 1,109,625    |
| 11,000      | PFIZER INCORPORATED          | MINN. VARIABLE ANNUITY FUND  | 528,000      | 45,300      | TEXAS UTILITIES COMPANY        | SUPPLEMENTAL RET. INCOME SHA | 922,988      |
|             | SUB-TOTAL                    | 23,500 SHARES                | 1,128,000    | 16,500      | TEXAS UTILITIES COMPANY        | SUPPLEMENTAL RET. GROWTH SHA | 336,168      |
| 110,000     | PHILLIPS PETROLEUM CO.       | POST RETIREMENT FUND         | 4,207,500    | 25,000      | TEXAS UTILITIES COMPANY        | MINN. VARIABLE ANNUITY FUND  | 509,375      |
| 11,500      | PHILLIPS PETROLEUM CO.       | SUPPLEMENTAL RET. INCOME SHA | 439,875      |             | SUB-TOTAL                      | 371,800 SHARES               | 7,575,425    |
| 5,000       | PHILLIPS PETROLEUM CO.       | SUPPLEMENTAL RET. GROWTH SHA | 191,250      | 10,000      | TORO COMPANY                   | SUPPLEMENTAL RET. GROWTH SHA | 97,500       |
|             | SUB-TOTAL                    | 126,500 SHARES               | 4,838,625    | 20,000      | TORO COMPANY                   | MINN. VARIABLE ANNUITY FUND  | 195,000      |
| 8,000       | PILLSBURY COMPANY            | SUPPLEMENTAL RET. INCOME SHA | 344,000      |             | SUB-TOTAL                      | 30,000 SHARES                | 292,500      |
| 8,000       | PILLSBURY COMPANY            | SUPPLEMENTAL RET. GROWTH SHA | 344,000      | 100,000     | TRAVELERS CORPORATION          | POST RETIREMENT FUND         | 4,700,000    |
|             | SUB-TOTAL                    | 16,000 SHARES                | 688,000      | 11,000      | TRAVELERS CORPORATION          | SUPPLEMENTAL RET. INCOME SHA | 517,000      |
| 29,000      | PIONEER CORP.                | SUPPLEMENTAL RET. INCOME SHA | 710,500      | 7,500       | TRAVELERS CORPORATION          | SUPPLEMENTAL RET. GROWTH SHA | 352,500      |
| 54,000      | PROCTOR & GAMBLE             | POST RETIREMENT FUND         | 4,090,500    | 15,000      | TRAVELERS CORPORATION          | MINN. VARIABLE ANNUITY FUND  | 705,000      |
| 3,000       | PROCTOR & GAMBLE             | SUPPLEMENTAL RET. GROWTH SHA | 227,250      |             | SUB-TOTAL                      | 133,500 SHARES               | 6,274,500    |
| 5,500       | PROCTOR & GAMBLE             | MINN. VARIABLE ANNUITY FUND  | 416,625      | 200,000     | UNION CARBIDE CORP.            | POST RETIREMENT FUND         | 12,000,000   |
|             | SUB-TOTAL                    | 62,500 SHARES                | 4,734,375    | 12,000      | UNION CARBIDE CORP.            | SUPPLEMENTAL RET. INCOME SHA | 720,000      |
| 8,000       | RAYTHEON COMPANY             | SUPPLEMENTAL RET. GROWTH SHA | 360,000      |             | SUB-TOTAL                      | 212,000 SHARES               | 12,720,000   |
| 15,000      | RAYTHEON COMPANY             | MINN. VARIABLE ANNUITY FUND  | 675,000      | 85,000      | UNITED TECHNOLOGIES CORP.      | POST RETIREMENT FUND         | 4,706,875    |
|             | SUB-TOTAL                    | 23,000 SHARES                | 1,035,000    | 9,000       | UNITED TECHNOLOGIES CORP.      | SUPPLEMENTAL RET. INCOME SHA | 498,375      |
| 10,000      | REVLON INCORPORATED          | SUPPLEMENTAL RET. GROWTH SHA | 411,750      | 27,900      | UNITED TECHNOLOGIES CORP.      | SUB-TOTAL                    | 5,205,250    |
| 19,000      | REVLON INCORPORATED          | MINN. VARIABLE ANNUITY FUND  | 786,125      | 10,000      | UNITED TELECOMMUNICATIONS INC. | SUPPLEMENTAL RET. GROWTH SHA | 578,925      |
|             | SUB-TOTAL                    | 79,000 SHARES                | 1,199,875    | 2,666       | VALLEY NATL BK AZ PHOENIX      | SUPPLEMENTAL RET. GROWTH SHA | 426,250      |
| 80,000      | ROYAL DUTCH PETROLEUM CO ORD | POST RETIREMENT FUND         | 2,580,000    | 6,100       | WARNER COMMUNICATIONS          | SUPPLEMENTAL RET. GROWTH SHA | 135,866      |
| 8,000       | ROYAL DUTCH PETROLEUM CO ORD | SUPPLEMENTAL RET. GROWTH SHA | 258,000      |             | WARNER COMMUNICATIONS          | MINN. VARIABLE ANNUITY FUND  | 311,100      |
| 15,000      | ROYAL DUTCH PETROLEUM CO ORD | MINN. VARIABLE ANNUITY FUND  | 483,750      |             | SUB-TOTAL                      | 8,766 SHARES                 | 447,066      |
|             | SUB-TOTAL                    | 103,000 SHARES               | 3,321,750    | 21,500      | WARNER LAMBERT                 | SUPPLEMENTAL RET. INCOME SHA | 489,125      |
| 5,000       | RYAN HOMES INCORPORATED      | SUPPLEMENTAL RET. INCOME SHA | 121,875      | 140,000     | WESTINGHOUSE ELECTRIC COMPANY  | POST RETIREMENT FUND         | 4,252,500    |
| 71,600      | SAFECO CORPORATION           | POST RETIREMENT FUND         | 2,908,750    | 7,000       | WESTINGHOUSE ELECTRIC COMPANY  | SUPPLEMENTAL RET. INCOME SHA | 212,625      |
| 5,350       | SAFECO CORPORATION           | SUPPLEMENTAL RET. GROWTH SHA | 225,449      |             | SUB-TOTAL                      | 147,000 SHARES               | 4,465,125    |
|             | SUB-TOTAL                    | 77,150 SHARES                | 3,134,219    | 105,100     | WHIRLPOOL CORP.                | POST RETIREMENT FUND         | 2,890,250    |
| 10,000      | SAFEWAY STORES, INCORPORATED | SUPPLEMENTAL RET. INCOME SHA | 315,000      | 19,500      | WHIRLPOOL CORP.                | MINN. VARIABLE ANNUITY FUND  | 536,250      |
| 120,000     | SANTA FE INDUSTRIES          | POST RETIREMENT FUND         | 3,120,000    |             | SUB-TOTAL                      | 124,600 SHARES               | 3,426,500    |
| 171,000     | SCHERING PLOUGH CORP.        | POST RETIREMENT FUND         | 5,856,750    | 150,000     | WILLIAMS COS                   | POST RETIREMENT FUND         | 4,143,750    |
| 8,000       | SCHERING PLOUGH CORP.        | SUPPLEMENTAL RET. GROWTH SHA | 274,000      | 6,500       | WILLIAMS COS                   | SUPPLEMENTAL RET. INCOME SHA | 179,563      |
| 7,000       | SCHERING PLOUGH CORP.        | MINN. VARIABLE ANNUITY FUND  | 239,750      | 5,000       | WILLIAMS COS                   | SUPPLEMENTAL RET. GROWTH SHA | 138,125      |
|             | SUB-TOTAL                    | 186,000 SHARES               | 6,370,500    | 12,500      | WILLIAMS COS                   | MINN. VARIABLE ANNUITY FUND  | 345,313      |
| 14,000      | SEARS ROEBUCK & COMPANY      | MINN. VARIABLE ANNUITY FUND  | 269,500      |             | SUB-TOTAL                      | 174,000 SHARES               | 4,806,750    |
| 263,614     | SECURITY PACIFIC CORPORATION | POST RETIREMENT FUND         | 10,676,367   | 111,150     | XEROX CORP.                    | POST RETIREMENT FUND         | 6,002,100    |
| 9,000       | SECURITY PACIFIC CORPORATION | SUPPLEMENTAL RET. INCOME SHA | 364,500      | 6,000       | XEROX CORP.                    | SUPPLEMENTAL RET. INCOME SHA | 324,000      |
|             | SUB-TOTAL                    | 272,614 SHARES               | 11,040,867   | 9,500       | XEROX CORP.                    | SUPPLEMENTAL RET. GROWTH SHA | 513,000      |
| 180,000     | SHELL OIL                    | POST RETIREMENT FUND         | 8,100,000    | 16,000      | XEROX CORP.                    | MINN. VARIABLE ANNUITY FUND  | 864,000      |
| 73,000      | SOUTHERN RAILWAY CO.         | POST RETIREMENT FUND         | 4,478,750    | 14,654,536  | TOTAL EQUITY PORTFOLIO         |                              | 569,303,419  |
| 4,500       | SOUTHERN RAILWAY CO.         | SUPPLEMENTAL RET. INCOME SHA | 399,375      |             |                                |                              |              |
|             | SUB-TOTAL                    | 77,500 SHARES                | 6,878,125    |             |                                |                              |              |
| 99,857      | SOUTHLAND CORP.              | POST RETIREMENT FUND         | 2,621,246    |             |                                |                              |              |
| 6,231       | SOUTHLAND CORP.              | SUPPLEMENTAL RET. GROWTH SHA | 163,564      |             |                                |                              |              |
| 37,247      | SOUTHLAND CORP.              | MINN. VARIABLE ANNUITY FUND  | 977,735      |             |                                |                              |              |
|             | SUB-TOTAL                    | 143,335 SHARES               | 3,762,544    |             |                                |                              |              |
| 134,200     | ST. PAUL COS. INC.           | POST RETIREMENT FUND         | 5,904,800    |             |                                |                              |              |
| 12,000      | ST. PAUL COS. INC.           | SUPPLEMENTAL RET. INCOME SHA | 528,000      |             |                                |                              |              |
| 6,000       | ST. PAUL COS. INC.           | SUPPLEMENTAL RET. GROWTH SHA | 264,000      |             |                                |                              |              |
| 15,500      | ST. PAUL COS. INC.           | MINN. VARIABLE ANNUITY FUND  | 682,000      |             |                                |                              |              |
|             | SUB-TOTAL                    | 167,700 SHARES               | 7,378,800    |             |                                |                              |              |
| 170,000     | STANDARD OIL OF CALIFORNIA   | POST RETIREMENT FUND         | 6,375,000    |             |                                |                              |              |
| 7,000       | STANDARD OIL OF INDIANA      | SUPPLEMENTAL RET. INCOME SHA | 484,125      |             |                                |                              |              |
| 11,000      | STANDARD OIL OF CALIFORNIA   | SUPPLEMENTAL RET. GROWTH SHA | 412,500      |             |                                |                              |              |
| 7,500       | STANDARD OIL OF INDIANA      | MINN. VARIABLE ANNUITY FUND  | 411,563      |             |                                |                              |              |

POST RETIREMENT FUND 8461,189,054  
 SUPPLEMENTAL RET. INCOME SHARES 33,030,989  
 SUPPLEMENTAL RET. GROWTH SHARES 26,700,015  
 MINN. VARIABLE ANNUITY FUND 48,383,359

65.