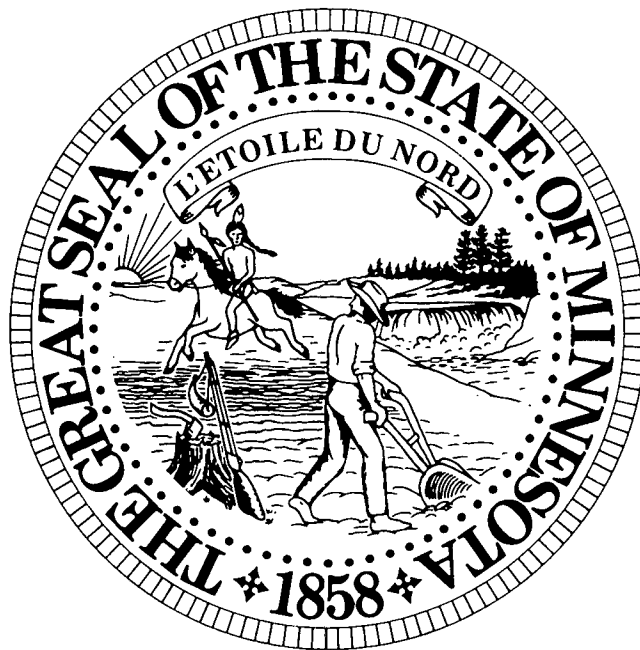


MINNESOTA STATE BOARD OF INVESTMENT

1984 ANNUAL REPORT



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1984 ANNUAL REPORT

STATE BOARD OF INVESTMENT

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EXECUTIVE DIRECTOR
HOWARD J. BICKER

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

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The State Board of Investment is pleased to submit its annual report for the fiscal year ended June 30, 1984. Fiscal year 1984 was a period of significant change for the Board. In particular, the redesign of the Basic Retirement Funds' investment management structure, begun in 1983 with the hiring of external common stock managers, was essentially completed. During 1984, the Board hired a master custodian, constructed a common stock index fund, retained external bond managers, and continued to implement its alternative equity investment program.

The Basic Retirement Funds' 1984 total rate of return was a disappointing -5.5%. This result was due to both the inhospitable investment environment as well as to the disruptions caused by the investment management structure changes. While this one year's performance is not acceptable, the Board believes that the Basic Retirement Funds' total portfolio is now positioned to produce superior long-term performance.

The Post Retirement Investment Fund, on the other hand, performed well in fiscal year 1984. Due primarily to the income generated by its sizable, high-yielding bond portfolio, the Post Retirement Fund's investment earnings permitted a 6.9% benefit increase for its participants, well in excess of inflation.

In view of the changes that the Board's investment process has undergone, the format of the Board's annual report has been significantly revised. The new format presents a discussion of the investment objectives, asset allocation, management structure, and performance of each investment fund managed by the State Board of Investment. Also presented is a discussion of the major investment management structure changes implemented during the year. The appendix sections include a description of the external money managers retained by the Board, historical risk data on the external common stock managers, and schedules of all Board investments.

It is our hope that this new format will clearly communicate the investment objectives, management, and performance of Minnesota's public pension funds.

Sincerely,

Howard Bicker

Howard J. Bicker
Executive Director

INTRODUCTION

All investments undertaken by the State Board of Investment are governed by the common law prudent person rule and other standards codified in Chapter 11A of the Minnesota Statutes. The prudent person rule requires all members of the Board, Investment Advisory Council, and investment staff 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."

In addition to the prudent person rule, the Minnesota Statutes contain a specific list of asset classes available for investment, such as stocks, bonds, short term securities, real estate, venture capital, and resource programs. The statutes prescribe the percentage of fund assets that may be invested in each specific class, and contain specific restrictions to ensure the quality of the investments.

Within the requirements established in state law, the State Board of Investment, in conjunction with the Investment Advisory Council and investment staff, sets the asset allocation targets among stocks, bonds, cash, and alternative equity investments for each fund under management. The asset allocation is based on each fund's specific needs and objectives and thus may differ substantially from fund to fund. In addition, the Board determines the most appropriate investment management structure for each fund, structures which may include the use of external money managers and/or the internal investment staff.

During the last two fiscal years, the State Board of Investment has implemented a major restructuring of the investment program for the \$3.0 billion Basic Retirement Funds, the largest single portfolio of assets invested by the Board. The Basic Retirement Funds are the pension assets of the currently employed participants in six major statewide retirement funds. The long-term asset allocation and investment management structure of the Basic Retirement Funds has been totally revised. These revisions are discussed in detail in the subsequent section on the Basic Retirement Funds.

The Board, Advisory Council, and staff have commenced a review of the investment objectives, asset allocation, and management structure of the remaining retirement funds, starting with the \$1.9 billion Post Retirement Investment Fund. As discussed on the following pages, the changes implemented during the last year are of fundamental importance to the future direction of the investment of Minnesota's public pensions funds.

FUNDS MANAGED BY THE STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

43%

POST RETIREMENT INVESTMENT FUND

26%

MINNESOTA SUPPLEMENTAL INVESTMENT FUND

3%

MINNESOTA VARIABLE ANNUITY FUND

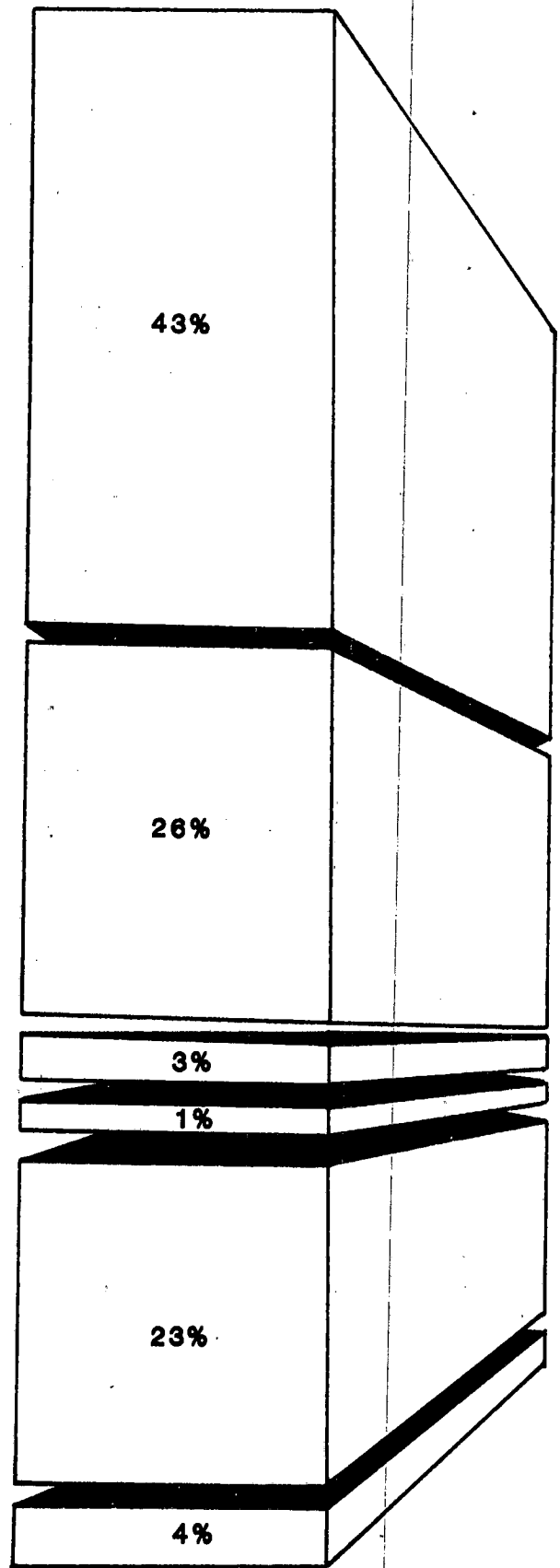
1%

STATE CASH ACCOUNTS

23%

PERMANENT SCHOOL FUND

4%



BASIC RETIREMENT FUNDS \$3.0 billion

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

Teachers Retirement Fund	\$1,214 million
Public Employees Retirement Fund	942 million
State Employees Retirement Fund	610 million
Public Employees Police and Fire Fund	211 million
Highway Patrol Retirement Fund	43 million
Judges Retirement Fund	3 million

POST RETIREMENT INVESTMENT FUND \$1.9 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 retirement benefit increases are based on dividends, interest, and net realized capital gains from the sale of equities.

MINNESOTA SUPPLEMENTAL INVESTMENT FUND \$221 million

The Minnesota Supplemental 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 short-to-intermediate debt investments
- Bond Account - a portfolio of longer maturity debt investments

MINNESOTA VARIABLE ANNUITY FUND \$96 million

The Variable Annuity Program is an investment option concentrating on common stocks which was historically offered to members of the Teachers' Retirement Association. It is not available to new members.

STATE CASH ACCOUNTS \$1.5 billion

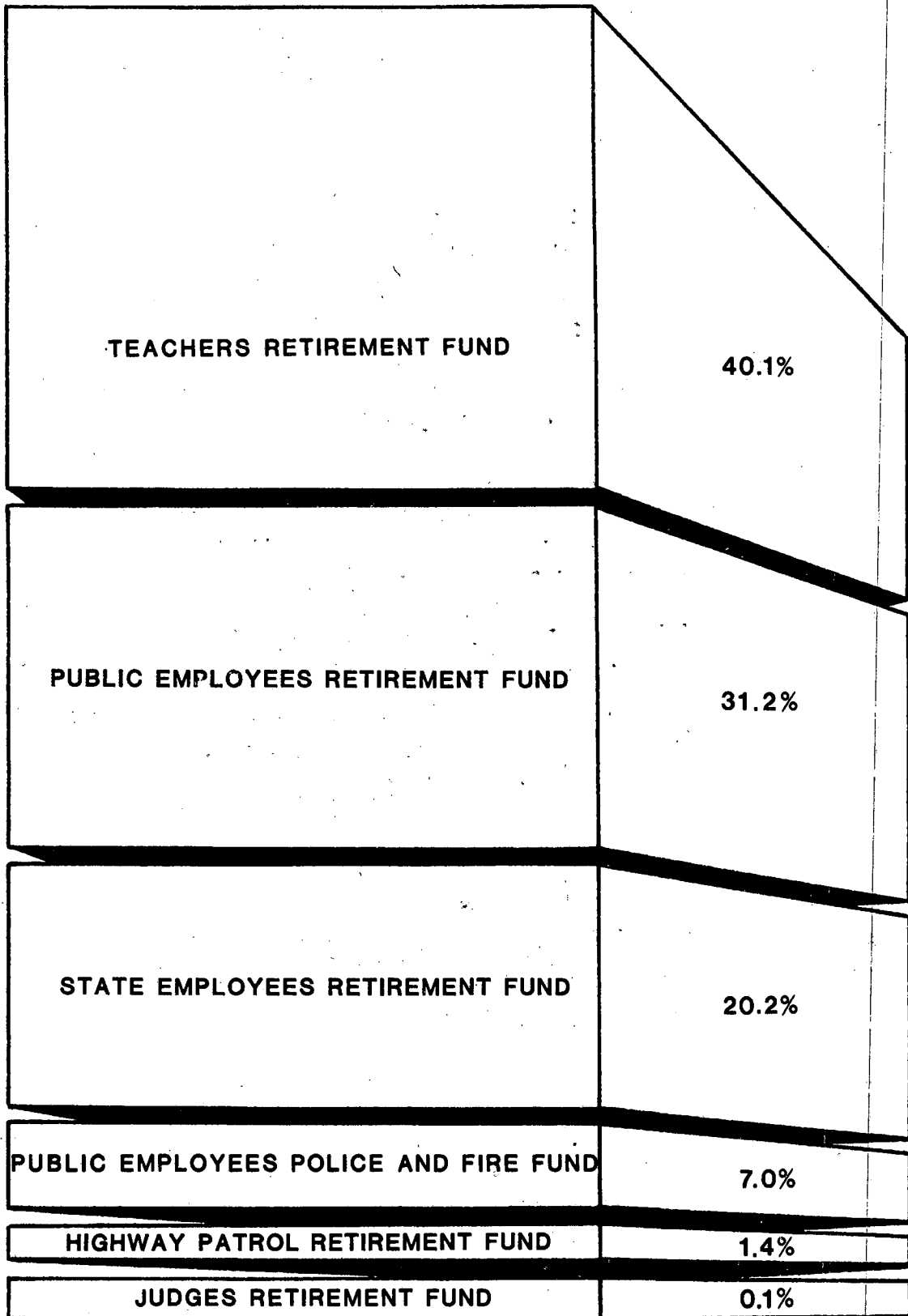
These accounts are composed of short term investments maturing within three years. They include the Invested Treasurers Cash Fund, transportation funds, and various miscellaneous cash accounts.

PERMANENT SCHOOL FUND \$277 million

The Permanent School Fund is a trust established for the benefit of Minnesota schools.

BASIC RETIREMENT FUNDS

COMPOSITION BY FUND



BASIC RETIREMENT FUNDS

The \$3.0 billion Basic Retirement Funds are composed of the retirement assets for currently employed participants in six major statewide retirement funds. The graph on the preceding page identifies the individual statewide retirement funds which comprise the Basic Retirement Funds. The Funds serve as accumulation pools in which the pension contributions of public employees and their employers are placed during the employees' years of active service. Approximately 250,000 public employees are participants in the Basic Retirement Funds.

INVESTMENT OBJECTIVES

The fundamental goal governing the investment of the Basic Retirement Funds is to earn total rates of return sufficient, over the long-term, to fund promised pension benefits at the lowest cost to the employers and employees. In setting the asset mix among stocks, bonds, and other investment alternatives, the Board pursues this fundamental goal by establishing three broad investment objectives. The first objective is to protect the principal of the Funds against a financial catastrophe which would result from a massive deflation or hyperinflation. The second is to control long-term total portfolio return volatility. Finally, the Board seeks to earn the highest possible real return subject to the first two objectives.

Based on the adequate funding levels and participant demographics of the Basic Retirement Funds, the investment time horizon of the Funds is long-term in nature, in excess of twenty years. Control of near-term portfolio return volatility and the generation of current income are not the Board's primary objectives. Rather, the Board focuses on the maximization of the long-term total rate of return, within the constraints described above.

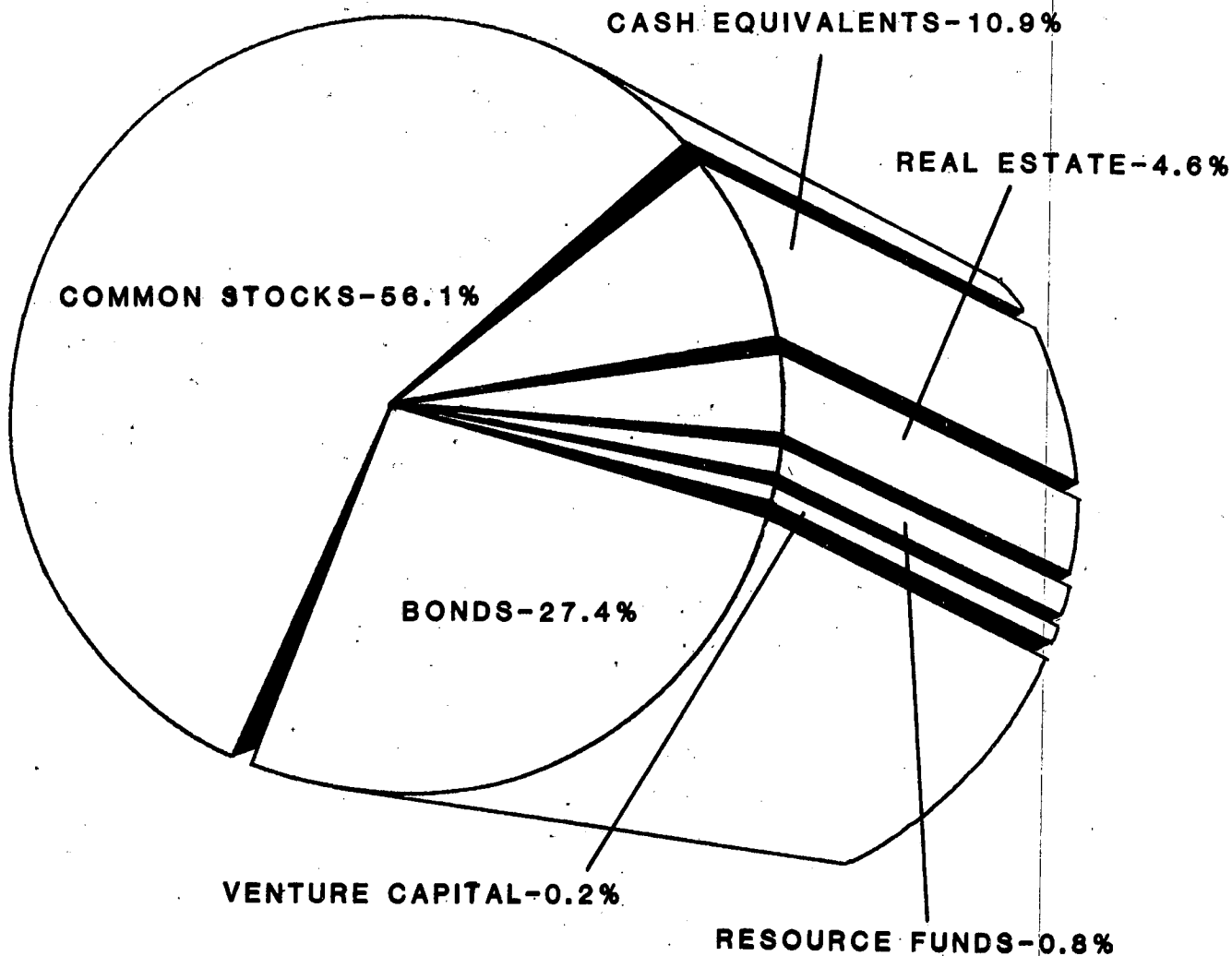
ASSET ALLOCATION

The choice of a long-run allocation of assets among common stocks, bonds, cash equivalents, and alternative equity investments can have a dramatic impact on investment results. In fact, asset allocation decisions quite frequently overwhelm the impact of individual security selection within a total portfolio.

BASIC RETIREMENT FUNDS

1984 FISCAL YEAR END ASSET MIX

PERCENT OF MARKET VALUE



	<u>\$Million</u>	<u>Percent</u>
Common Stocks	1,696	56.1
Bonds	829	27.4
Cash Equivalents*	331	10.9
Alternative Equity Assets:		
Real Estate	140	4.6
Resource Funds	23	0.8
Venture Capital	4	0.2
Total	3,023	100.0

*Includes cash uncommitted to long-term assets plus cash held by all external managers.

Based on the Basic Retirement Funds' investment objectives, the Board adopted the following long-term asset allocation, as recommended in a major study by the Investment Advisory Council:

Common Stocks	60.0%
Fixed Income (bonds and cash equivalents)	25.0%
Real Estate	10.0%
Resource Funds	2.5%
Venture Capital	2.5%

These new targets represent a major shift in the traditional asset allocation of the Basic Retirement Funds. Prior to 1983, these Funds had an average allocation of 45%, 42%, and 13% among equities, bonds, and cash equivalents, respectively. The graph on the preceding page presents the asset allocation of the Basic Retirement Funds at the end of the 1984 fiscal year. Historical data on the Funds' asset mix over the last five years are displayed in the graph on page 9 and the table on page 10.

As a result of the long-term investment time horizon of the Basic Retirement Funds and the advantageous long-term risk-return characteristics of common stocks, the majority of the Funds' assets are invested in this asset class. The Funds' emphasis on maximizing total returns, as opposed to current income, is consistent with the capital gains orientation of common stocks. While this strategy may result in a higher level of total portfolio return volatility than more conservative, higher fixed income allocation strategies, over a five to ten year period it is expected that the additional returns will more than compensate for the increased volatility.

The fixed income component of the Funds is utilized as a deflation hedge and as a means of dampening long-run portfolio return volatility. In the event of a major deflation, only high quality bonds will protect principal as well as generate sizable capital gains. Fixed income assets also serve as a diversifying element in the total portfolio, limiting return volatility. In addition, the fixed income portfolio serves to satisfy Minnesota statutes that limit equity investments to 75% of the total fund.

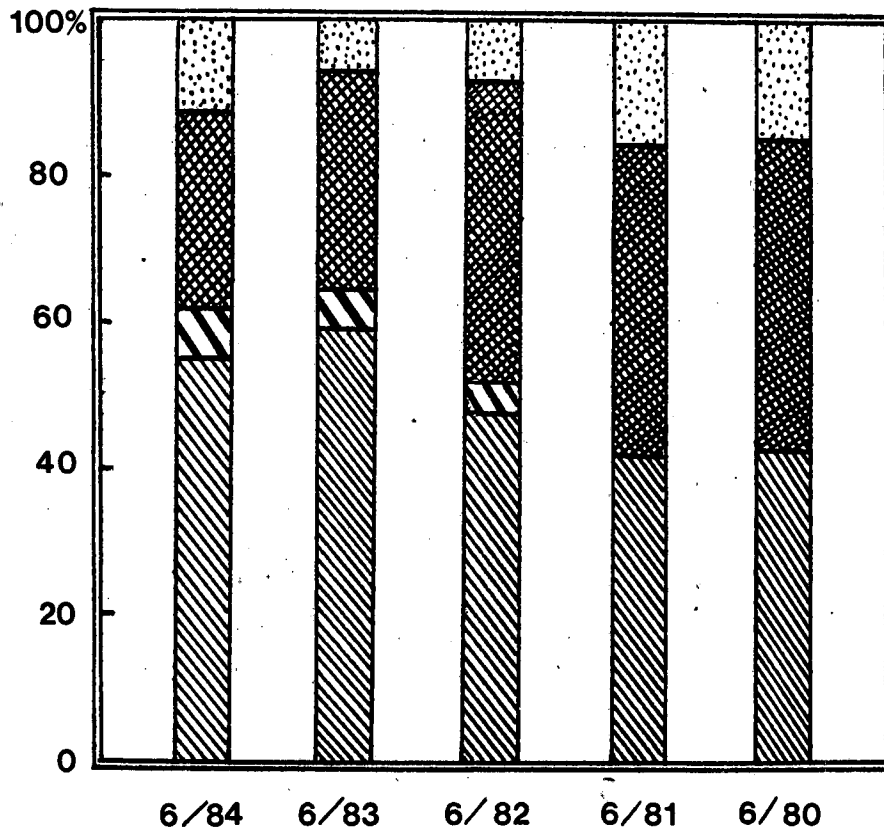
Alternative equity investments, such as real estate and resource funds, produce an inflation hedge that financial assets, such as stocks and particularly bonds, cannot provide. Hard assets can be expected to appreciate in value at least at a rate equal to inflation. Thus, by holding positions in these investments, the value of the total fund can be protected against catastrophic losses in the event of a sustained high inflation. Further, like fixed income assets, alternative equity investments also add diversification to the total portfolio, helping to prevent excessively volatile long-run returns.

BASIC RETIREMENT FUNDS

HISTORICAL ASSET MIX

PERCENT OF MARKET VALUE

FISCAL YEAR END ALLOCATIONS



Common
Stocks



Alt.
Equity
Assets



Bonds



Cash
Equivalents

BASIC RETIREMENT FUNDS

HISTORICAL ASSET MIX

PERCENT OF MARKET VALUE FISCAL YEAR END ALLOCATIONS

	FISCAL YEAR				
	1984 -----	1983 -----	1982 -----	1981 -----	1980 -----
Common Stocks					
\$ Million	1,696	1,872	1,037	868	789
Percent	56.1	59.5	47.5	42.6	43.6
Bonds					
\$ Million	829	970	922	831	734
Percent	27.4	30.8	42.2	40.8	40.6
Cash Equivalents*					
\$ Million	331	188	146	337	285
Percent	10.9	6.0	6.7	16.6	15.8
Real Estate					
\$ Million	140	96	62	---	---
Percent	4.6	3.1	2.8	---	---
Resource Funds					
\$ Million	23	19	18	---	---
Percent	0.8	0.6	0.8	---	---
Venture Capital					
\$ Million	4	---	---	---	---
Percent	0.2	---	---	---	---
Total Fund					
\$ Million	3,023	3,145	2,185	2,036	1,808
Percent	100.0	100.0	100.0	100.0	100.0

* Includes cash uncommitted to long-term assets plus cash held by all external managers.

INVESTMENT MANAGEMENT

Historically, the Basic Retirement Funds were managed completely by the SBI's investment staff. However, in conjunction with its asset mix restructuring, the Board chose to move to total external management. The transition from internal to external managers began in March, 1983 with the retention of eleven external common stock managers and was completed this year with the hiring of six fixed income managers. The following section is an overview of the investment management structure adopted for each asset class within the Basic Retirement Funds.

COMMON STOCKS

The SBI utilizes a two-part approach to the management of the Basic Retirement Funds' common stock portfolio, combining a \$1.3 billion core diversified passive portfolio (i.e., an index fund) with \$550 million in non-diversified actively managed portfolios.

An index fund is a well-diversified portfolio of common stocks designed to match the rate of return performance of a predetermined stock market index. The index fund utilized by the SBI tracks the Wilshire 5000, a broad-based equity market indicator composed of all common stocks, publicly traded in the U.S., for which daily prices are available. In effect, the Wilshire 5000 represents virtually the entire domestic common stock market.

The SBI's decision to utilize an index fund is based on the inherent difficulty of actively managing a multi-billion dollar common stock portfolio. Following the Investment Advisory Council's recommendations, the Board has chosen to accept market returns on a substantial portion of the portfolio through the utilization of an index fund. The SBI seeks above-market returns through the active management of the remaining assets.

The SBI has retained eleven aggressive equity managers for the actively managed segment of the common stock portfolio. Each manager is expected to achieve a high single or low double digit real rate of return over a three to five year period. In addition, the managers are expected to produce portfolios within specific risk tolerances to ensure that they complement the core index fund portfolio by maintaining aggressive non-diversified postures. A review of the managers' investment performance is found on pages 21-22. Discussion of the investment styles and portfolio characteristics of each individual manager are contained in Appendix I.

BONDS

During the year, the SBI completed the move of the Basic Retirement Funds to external management with the retention of six managers for the \$700 million bond portfolio. The move to external bond management was designed to incorporate a diversity of investment styles and additional investment techniques in the management of the bond portfolio. The Board sought to retain managers who invest in high quality fixed income securities and who place at least as much emphasis on sector weighting and issue selection decisions as on interest rate anticipation.

In keeping with the objective of utilizing the bond portfolio as a deflation hedge, the managers are restricted regarding the minimum average life of their portfolios. This requirement is designed to prevent the Basic Retirement Funds' total bond portfolio from assuming an excessively short-lived position and thus, severely diluting its deflation hedge capacity. Further, the bond managers are permitted to hold only high quality (BAA or better) fixed income assets. In addition, to avoid extreme variability in total bond portfolio returns, the maximum average life of the managers' portfolios is also constrained.

A discussion of the bond manager selection process can be found on pages 46-48. A review of each manager's investment approach is presented in Appendix I.

CASH EQUIVALENTS

The long-term asset mix of the Basic Retirement Funds does not include an allocation to cash equivalents. Given the long-run objectives of the Funds, a permanent commitment to short-term investments is not appropriate. On the other hand, at any given point it is quite likely that cash reserves will compose five percent or more of the Funds' market value. Cash equivalent holdings are derived from two sources: first, new contributions provided by the retirement funds which have yet to be allocated to a specific long-term asset segment; and second, the external investment managers, who are permitted to hold cash as part of their own individual short-run asset mix strategies.

Cash reserves are invested in a short-term investment fund (STIF) managed by State Street Bank and Trust, the Basic Retirement Funds' master custodian. The STIF is a separate account invested under the same state statutes which guide SBI investment staff's short-term investments.

REAL ESTATE

The SBI has targeted 10%, or \$300 million, of the Basic Retirement Funds for investment in real estate. Under state law, the SBI is authorized to invest in real estate through commingled funds, limited partnerships, and trusts. The SBI does not invest

in real estate through direct investments, separate accounts, or individual transactions. The SBI has adopted a three part program to implement the planned allocation: 30-40% of the real estate portfolio will be invested in open-end diversified commingled funds; 30-40% will be invested in closed-end diversified commingled funds; and, 20-30% will be placed in less diversified, more focused commingled funds.

The SBI has committed \$215 million to five commingled real estate funds designed for pension fund investors. These commingled funds offer broad diversification by property type, age, size, geographic location, and lease structure. Of this \$215 million commitment, the Board has invested a total of \$120 million in three open-end commingled funds managed by the Aetna, Equitable and Prudential Insurance Companies. In 1984, the Board committed an additional \$75 million to the closed-end fund managed by the Rosenberg Real Estate Equity Funds (RREEF) and \$20 million to the closed-end fund managed by the Heitman Advisory Corporation.

During the upcoming year, the Board plans to implement the third phase of the real estate investment program, the selection of less diversified, more focused commingled fund managers. These funds offer the ability to enhance the return earned by the diversified core real estate portfolio, which is expected to earn market returns. Evaluations of potential real estate commingled funds focus on the managers' experience and performance history; organizational structure; personnel; proposed investment strategy; acquisition and disposition processes; property management capabilities; the size of the fund; and, other fund participants. The selection of managers is expected to be completed during the first half of 1985. The screening will be conducted by the investment staff in conjunction with the Investment Advisory Council's Alternative Investment Committee and Evaluation Associates.

VENTURE CAPITAL

The SBI has allocated 2.5%, or \$75 million of the Basic Retirement Funds to investment in venture capital. Under state law, the Board is authorized to invest in venture capital through limited partnerships and corporations. The SBI's venture capital portfolio will be comprised of investments in limited partnerships that are diversified by industry type, stage of corporate development, and location.

During the year, the Board made its first investments in venture capital through the commitment of \$10 million to Norwest Venture Partners and \$25 million to Kohlberg, Kravis and Roberts, a leveraged buyout firm. It is anticipated that approximately \$40 million will be invested in three to five additional partnerships during the first half of 1985. Evaluations of potential venture capital partnerships focus on the managers'

experience and performance history; organizational structure; staff; partnership agreement; investment strategy; portfolio company selection process; investment management; and, fund administration. The screening of potential managers will be conducted by the investment staff in conjunction with the Investment Advisory Council's Alternative Investment Committee and Venture Economics, Inc.

RESOURCE FUNDS

The SBI has allocated 2.5%, or \$75 million, of the Basic Retirement Funds' assets for investment in oil and gas partnerships. The Board invests in partnerships structured specifically for tax-exempt investors. These partnerships concentrate their investments in producing properties and royalty interests that are diversified geographically and/or geologically. Evaluations of potential resource investments focus on the managers' experience and performance history; organizational structure; personnel; proposed investment types; acquisition, management and disposition processes; revenue sharing arrangements; and, assumptions governing return expectations.

The SBI has committed \$52 million in three oil and gas partnerships sponsored by First Reserve and the Apache Corporation. Of this total, \$30 million was committed in 1984 to an investment managed by the Apache Corporation. The SBI was one of twelve institutional investors providing a total of \$200 million to finance offshore production facilities for Apache's joint ventures in the Gulf of Mexico with the Shell Oil Company. It is anticipated that \$30 million will be committed to one to two new oil and gas investments over the next one to two years. All investments will be screened by the investment staff in conjunction with the Investment Advisory Council's Alternative Investment Committee.

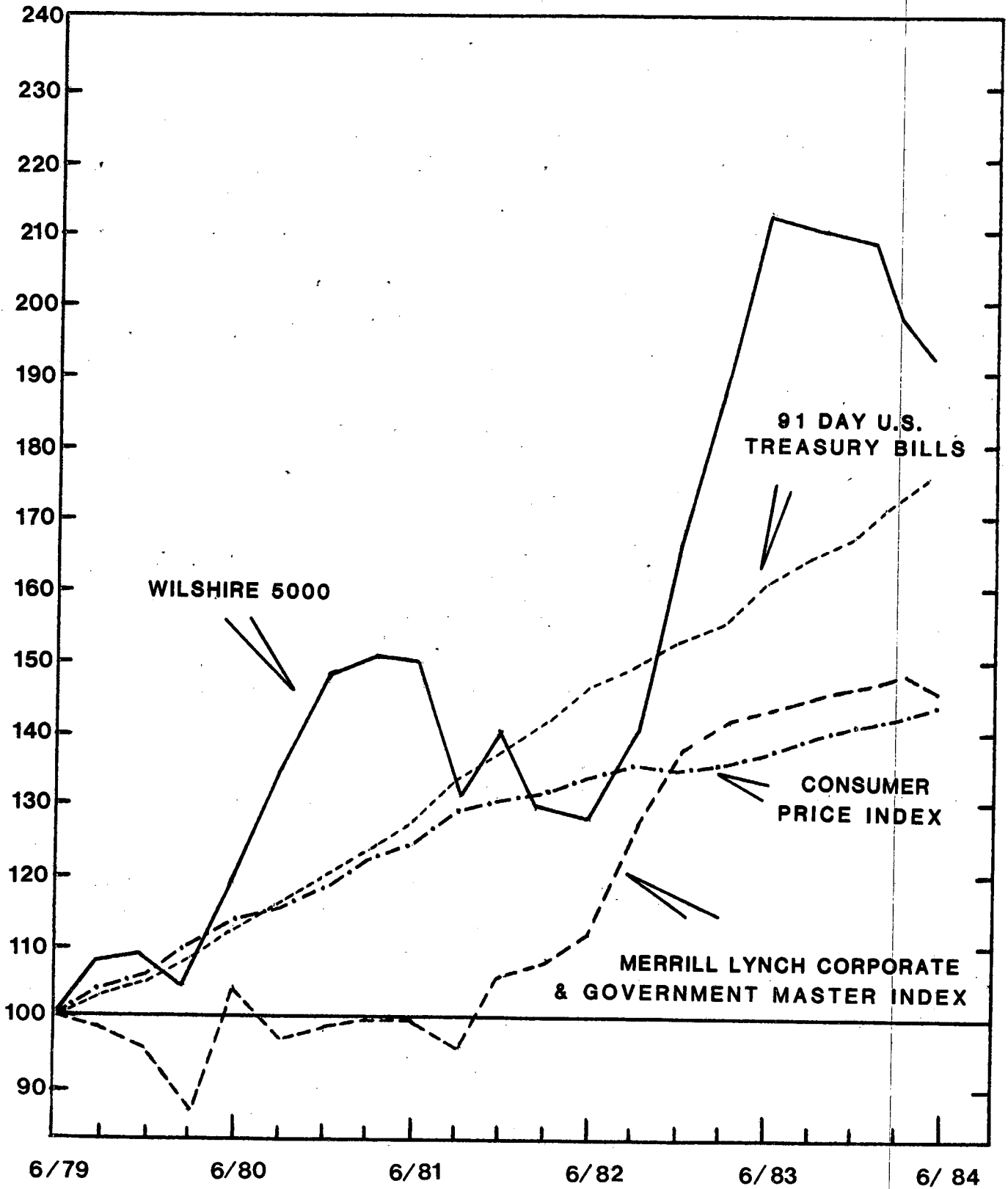
INVESTMENT PERFORMANCE

RISK-RETURN OBJECTIVES

The Board, on the recommendation of the Investment Advisory Council, has adopted performance objectives which are consistent with the needs of the Basic Retirement Funds and realistic in the sense that they are both attainable and measurable. The evaluation of performance outcomes relative to the objectives is an integral part of the SBI's investment management system.

PERFORMANCE OF CAPITAL MARKETS

CUMULATIVE RETURNS



It should be emphasized that performance evaluation must be long-term in scope. Excessive attention to short-run performance is frequently counterproductive, in that it can result in investment strategies which are not in the best interest of either the plan participants or the employers. The SBI's performance evaluation time horizon is approximately three to five years. While performance is measured and reviewed quarterly, the primary objective of this analysis is to identify trends and to control extreme underperformance. Decisions regarding the effectiveness of a particular investment management structure should be made over a considerably longer period.

The Basic Retirement Funds' multiple manager configuration requires that investment performance be evaluated on two distinct levels: the total fund and the individual managers. The use of total fund risk-return targets ensures that long-run strategic decisions which affect the total performance of the Funds are developed and implemented in a manner consistent with the Funds' needs. Risk-return objectives for the individual asset managers are designed to ensure that the managers adhere to their assigned investment roles. In addition, the objectives permit evaluation of the value that the managers add to the investment process.

TOTAL FUND RISK-RETURN OBJECTIVES

To a significant degree, the risk level of the total fund is set implicitly when the long-term asset mix and investment management structure for the fund are determined. Given the adequate funding levels and long-term investment time horizons of the Basic Retirement Funds, the Board, on the advice of the Investment Advisory Council, has targeted an above average risk posture for the Funds. This goal is implemented through the sizable long-term commitment of the Funds' assets to equities and the adoption of an investment management structure which has an aggressive orientation.

The Funds' long-term rate of return performance is evaluated relative to four specific benchmarks. First, based on the Funds' long-term asset mix targets and the historical real returns offered by the various asset classes, the total portfolio is expected to achieve a real rate of return of 5%. Second, the returns produced by the total portfolio are expected to exceed those derived from a composite of asset class market indices. Because comprehensive data is available for only the stock and bond markets, the composite index is weighted 70% stocks, 30% bonds, the same relative proportions as the Basic Retirement Funds' total portfolio. Third, the Funds' portfolio is expected to outperform the median return produced by a representative sample of other tax-exempt balanced funds. Fourth, the return on the Funds' total portfolio should exceed that of its actuarial assumed return of 8%.

INDIVIDUAL MANAGER RISK-RETURN OBJECTIVES

Two primary risk objectives have been established for the Basic Retirement Funds' individual equity managers. The first objective is based on comparisons of the relative market volatility of the managers' equity portfolios. The second objective relates to the diversification level of their equity portfolios. The index fund manager is expected to hold a portfolio whose risk matches that of the equity market. The active equity managers, due to their aggressive management styles, are expected to construct portfolios which are more risky than the market, both in terms of relative market volatility and diversification.

The equity managers' returns are evaluated against two standards. The first benchmark is the performance of the Wilshire 5000, representing the equity market. The index fund manager is expected to closely track the Wilshire 5000's return. The active equity managers, because of their riskier portfolios, are expected to produce returns which exceed that of the Wilshire 5000 by at least two percentage points. Second, the equity managers' performances are expected to exceed those of the median manager from a sample of other equity managers with similar portfolio risk characteristics.

With respect to the bond managers, the risk of their portfolios is constrained in such a way as to ensure that they fulfill their deflation hedge and total fund diversification roles. The bond managers are restricted in terms of the average life (i.e., the durations) of their portfolios and in terms of the quality of their fixed income investments.

The bond managers' return objectives are similar to those set for the equity managers. Their returns are expected to exceed those of the Merrill Lynch Master Bond Index, which represents the performance of the bond market. Further, the bond managers are expected to outperform the median manager from a representative sample of other bond managers with similar risk.

At this time, specific performance objectives have not been established for the alternative investment managers. A lack of comprehensive data on the returns provided by the real estate, resource, and venture capital markets, and the general unavailability of data on the performance of a universe of individual managers within these asset classes precludes effective performance evaluation. In the future, as markets for these assets become more institutionalized, the Board hopes to be able to more fully integrate these assets into its performance analysis.

TOTAL FUND RISK-RETURN PERFORMANCE RESULTS

In terms of total fund risk objectives, the Board continues to make progress toward full implementation of the long-term asset mix targets established for the Basic Retirement Funds. During the fiscal year, the index fund was constructed and external bond managers were hired. Commitments to alternative investments proceeded on schedule. The current overweighting of fixed income assets should decline over the next year as alternative investments continue to be increased and funded by the liquidation of bonds and cash equivalents.

From a total rate of return perspective, fiscal year 1984 was a difficult period for institutional investors. In contrast to fiscal year 1983, when stocks and bonds performed exceptionally well, in 1984 investors became increasingly concerned by the strength of the economic recovery and rising interest rates. The vigorous bull market in stocks, which began in August 1982, peaked in June 1983. Stock prices then began a slow, persistent decline that continued throughout the fiscal year. Bond prices followed an irregular path, but also ended the year down.

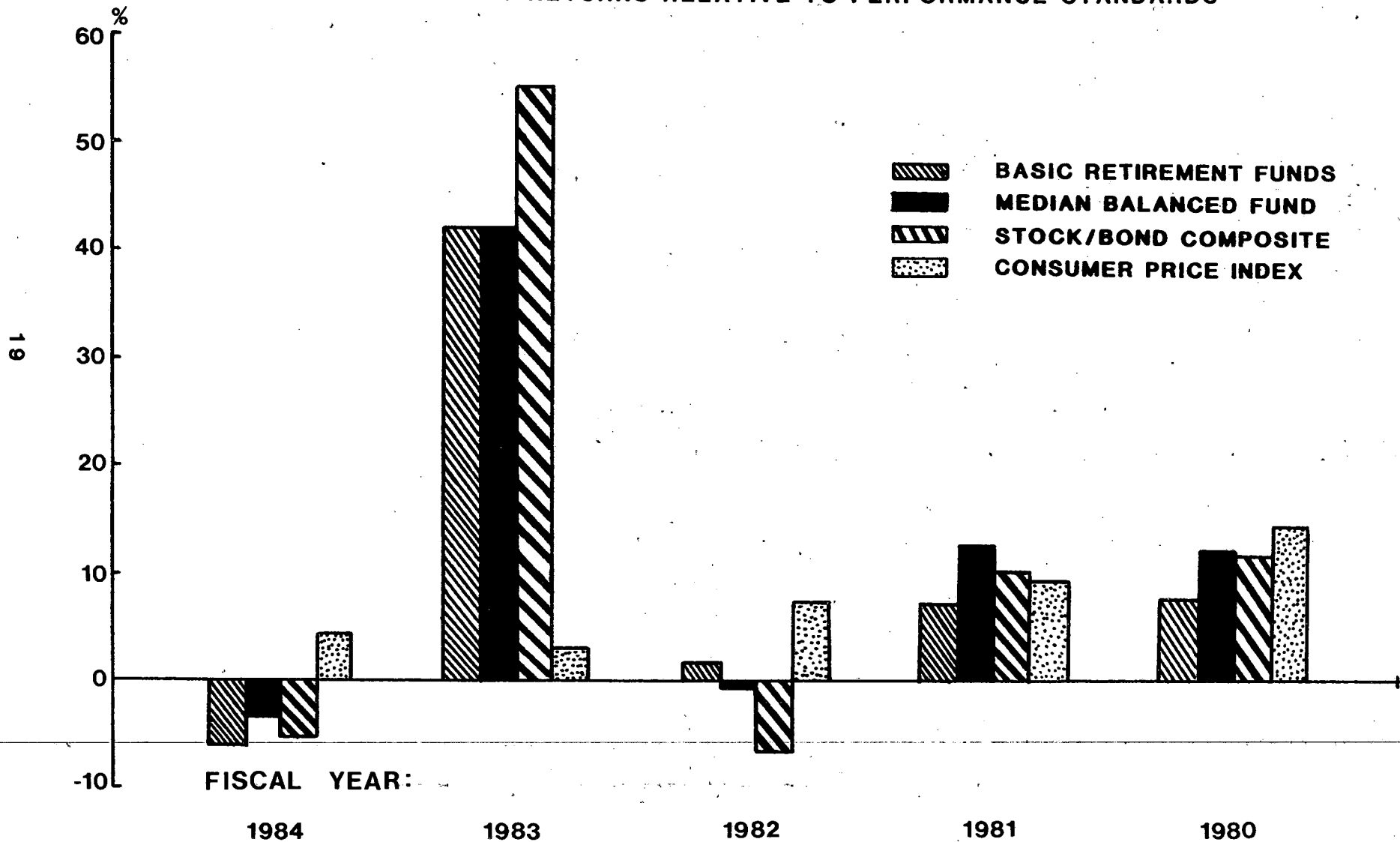
In this inhospitable investment environment, the Basic Retirement Funds' aggregate portfolio generated a -5.5% total rate of return. Relative to established long-run investment objectives, 1984 was a disappointing year for the Basic Retirement Funds. The Funds' failed to meet the real rate of return target as well as the assumed actuarial return. Further, the Funds underperformed the median balanced tax-exempt fund. Finally, the Basic Retirement Funds slightly underperformed the 70%/30% stock-bond composite performance standard. Total fund performance data relative to performance standards, for the most recent fiscal year as well as the last five years, are presented on pages 19-20.

Over the long-term, such total portfolio performance results are clearly unacceptable. However, these poor fiscal year returns must be evaluated in light of two important considerations. First, the Funds' investment structure was in a period of major transition during the year. At the beginning of the year the active equity managers had recently been retained and were in the midst of implementing their investment strategies. In addition, during the year the index fund was constructed and the funding of the alternative investment managers continued. Finally, toward the end of the year, cash flows to the Funds began to be disrupted by the "Rule of 85" (see pages 51-52). The second consideration is that the total portfolio's common stock-oriented asset mix, combined with the smaller capitalization, growth stock emphasis of the active equity managers, was not conducive to satisfactory performance. Fiscal year 1984 was an exceptionally poor period for common stocks, particularly for small, growth company stocks.

BASIC RETIREMENT FUNDS

TOTAL FUND RETURNS

INVESTMENT RETURNS RELATIVE TO PERFORMANCE STANDARDS



19

BASIC RETIREMENT FUNDS

INVESTMENT RETURNS RELATIVE TO PERFORMANCE STANDARDS

	FISCAL YEAR					ANNUALIZED	
	1984	1983	1982	1981	1980	3 YR.	5 YR.
	----	----	----	----	----	-----	-----
TOTAL FUND:							
(incl. alt. assets)*	-5.5	40.5	2.0	7.1	7.5	10.7	9.3
(excl. alt. assets)	-6.3	42.1	1.8	7.1	7.5	10.7	9.3
Median Balanced Fund**	-2.8	42.1	-0.7	12.0	11.8	11.3	11.9
Stock/Bond Composite***	-5.6	54.5	-7.2	10.3	11.6	10.6	10.7
Inflation	4.3	2.5	7.1	9.6	14.3	4.6	7.5
EQUITY SEGMENT							
Wilshire 5000	-11.1	54.1	-10.4	21.6	14.9	7.1	11.4
	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
BOND SEGMENT							
ML Master Bond Index	2.2	37.4	11.9	-9.6	-0.5	16.3	7.2
	1.7	28.9	12.3	-4.2	4.1	13.7	8.0

* Alternative equity assets include real estate, venture capital and resource funds

** Wilshire Associates Trust Universe Comparison Service median tax-exempt balanced portfolio

***50/50 Wilshire 5000/Merrill Lynch Master Bond Index Composite through 6-30-81, 70/30 Wilshire 5000/Merrill Lynch Master Bond Index Composite 7-01-81 through 6-30-84

However, the factors discussed above are expected to be transitory. The Basic Retirement Funds' investment management structure changes are largely complete. Further, capital market history would argue against the frequent recurrence of poor common stock environments such as that witnessed in 1984.

INDIVIDUAL MANAGER RISK-RETURN PERFORMANCE RESULTS

For the most part, the external equity managers were successful in meeting their long-term risk objectives during the fiscal year. All of the managers maintained market volatility levels in accordance with prescribed targets. Moreover, the large majority of the equity managers met the SBI's diversification guidelines. Those managers who continuously held overly diversified portfolios have been requested to rectify the situation. Specific portfolio risk data on the individual managers' portfolios are presented on pages 69-71.

The total portfolio returns produced by the individual equity managers were widely dispersed, as shown on page 22. Several of the active equity managers performed well, matching or exceeding the performance of their investment standards, the Wilshire 5000 and the median aggressively managed equity portfolio. On the other hand, the majority of the active equity managers produced poor returns. In aggregate, the active equity managers underperformed the returns of the Wilshire 5000 over the fiscal year, but performed roughly in line with the median manager from a sample of other equity managers with similar risk characteristics.

In general, the active equity managers, like most aggressive equity managers, were hampered by their orientation toward smaller capitalization, high growth, high volatility stocks. These types of stocks corrected more severely in the market downturn than did the slower growth, higher yielding stocks. The managers, in aggregate, remained consistently overweighted in the poorly performing Financial, Technology, and Transportation sectors of the economy and underweighted in the stronger Energy and Utilities sectors. Industry sector concentrations for the individual managers' portfolios are shown on pages 72-74.

The SBI's passive equity manager completed its index fund construction in mid-February. The index fund tightly tracked its target index, the Wilshire 5000, during the remainder of the fiscal year.

The six external bond managers were hired in July, 1984. Their performance will be discussed in the 1985 annual report. During the most recent fiscal year, the bond portfolio was managed solely by internal staff. As shown on page 20, over this period the bond portfolio's return exceeded that of its target, the Merrill Lynch Master Bond Index.

BASIC RETIREMENT FUNDS

EQUITY MANAGER PERFORMANCE

FISCAL YEAR 1984

Managers	Total Portfolio Returns
Fred Alger	- 13.7%
Alliance Capital	- 15.5
Beutel Goodman	1.2
Forstmann Leff	- 9.0
Hellman Jordan	- 8.0
IDS	- 12.3
Investment Advisers	- 7.9
Loomis Sayles	- 20.3
Siebel Capital	- 11.6
Herbert R. Smith	- 19.0
Trustee & Investors	- 23.1

Total - External Active Managers	- 13.1
Wilshire Associates	NA
<u>Performance Standards</u>	
Wilshire 5000	- 8.6%
S&P 500	- 4.6
TUCS Median Aggressive Manager	- 13.9
Consumer Price Index (Inflation)	4.3

NA - assets under management for less than one year

POST RETIREMENT INVESTMENT FUND

The Post Retirement Investment Fund contains the pension assets of the retired public employees covered by the seven statewide retirement plans (i.e., the Basic Retirement Funds and the Legislative & Survivors Retirement Fund). The assets of the Fund are used to finance annuities paid to retirees. These annuities may be adjusted upwards based on the earnings of the Fund. As of the end of the 1984 fiscal year, the Post Retirement Investment Fund had a market value of \$1.9 billion. As of that date, approximately 45,000 eligible retirees were participants in the Fund.

INVESTMENT OBJECTIVES

The SBI pursues two primary investment goals for the Post Retirement Investment Fund: first, to produce annual earnings sufficient to maintain promised benefits at current levels; second, to generate additional earnings which allow benefits to be increased at a rate which compensates, to some degree, for inflation.

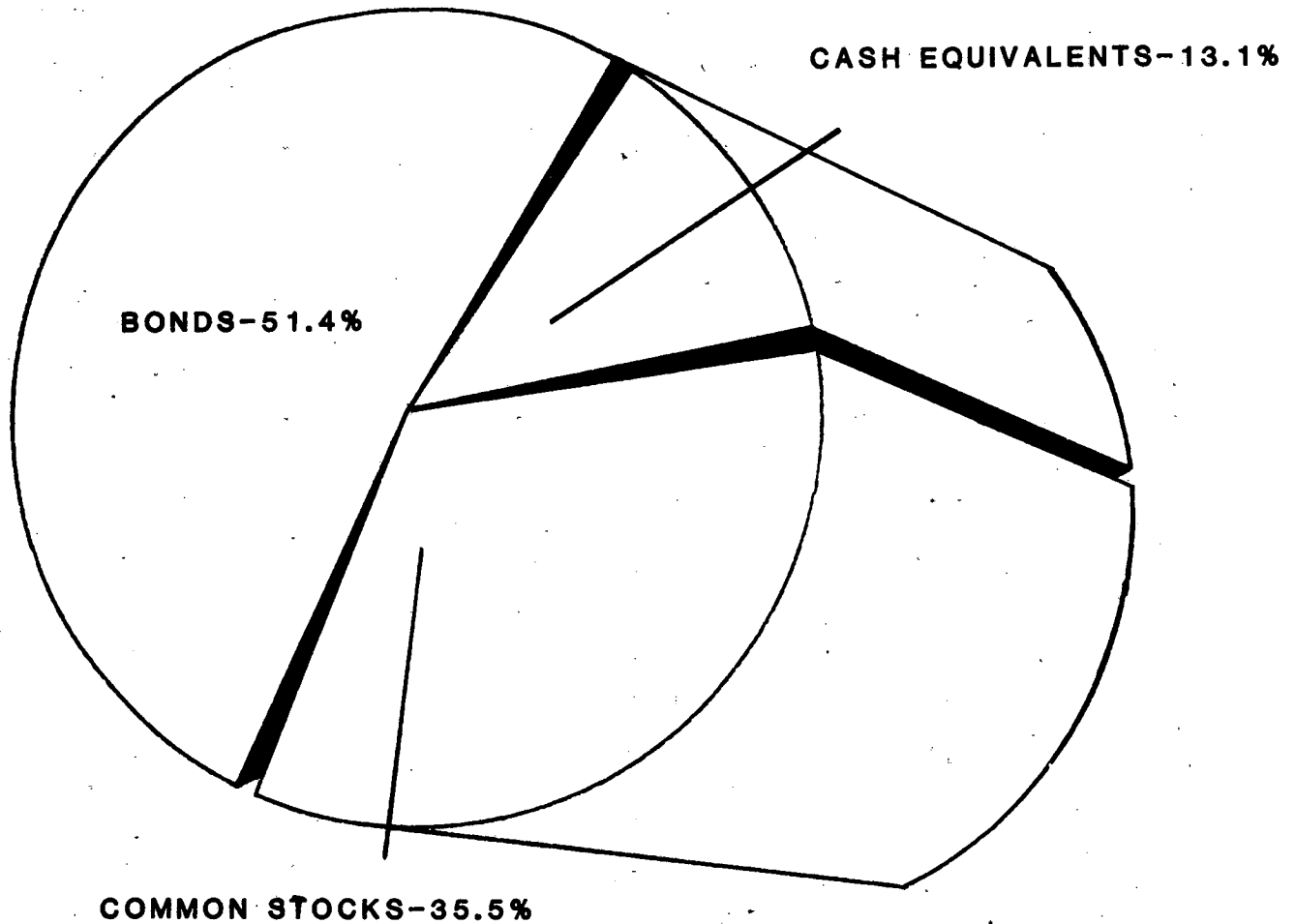
The Board recognizes that the demographics of the Fund and the Fund's legally mandated benefit calculation formula require a completely different investment approach from that utilized for the Basic Retirement Funds. The investment horizon of the retirees is considerably shorter than that of the active employees. With an average remaining life span of approximately eight years, the Fund's participants are much more sensitive to near-term performance volatility of the Fund than are active employees.

The ability of the Post Retirement Investment Fund to maintain current benefit levels and provide future benefit increases is dependent upon its earnings. As specified by statute, earnings for the Fund are defined as interest and dividend income as well as realized equity capital gains (or losses). Unrealized equity capital gains have no direct impact on the benefits paid out to retirees. Unrealized equity capital gains (or losses) are excluded from defined earnings in order to make benefit payments largely insensitive to near-term fluctuations in the capital markets. As a result, the Fund is not oriented toward long-term total rate of return maximization. Rather, the Board attempts to generate a high, consistent stream of earnings for the Fund which will produce increasing benefits over time.

POST RETIREMENT INVESTMENT FUND

1984 FISCAL YEAR END ASSET MIX

PERCENT OF MARKET VALUE



	<u>\$Million</u>	<u>Percent</u>
Common Stocks	657	35.5
Bonds	951	51.4
Cash Equivalents	243	13.1
Total	1,851	100.0

ASSET ALLOCATION

The asset mix of the Post Retirement Investment Fund is designed to generate the sizable, stable earnings stream referred to in the previous section. The Fund's year-end asset mix, as well as its historical asset allocation data, are presented on pages 26-27.

The majority of the Fund's assets are invested in intermediate to long-term, high quality bonds. Fixed income investments are ideal holdings for the Fund because they produce income flows which are highly predictable and thus can be matched against the Fund's well-defined liabilities. Further, because of the extraordinarily high levels of real (i.e., inflation-adjusted) interest rates in recent years, the Fund's fixed income investments have produced substantial interest income, which has permitted benefit increases well in excess of inflation.

While intermediate to long-term bonds represent the largest asset class in the Post Retirement Investment Fund's portfolio, common stocks also play a significant role. Common stocks provide the Fund with a source of long-run earnings growth not available from fixed income investments. In recent years, realized gains on common stocks have contributed importantly to the large benefit increases.

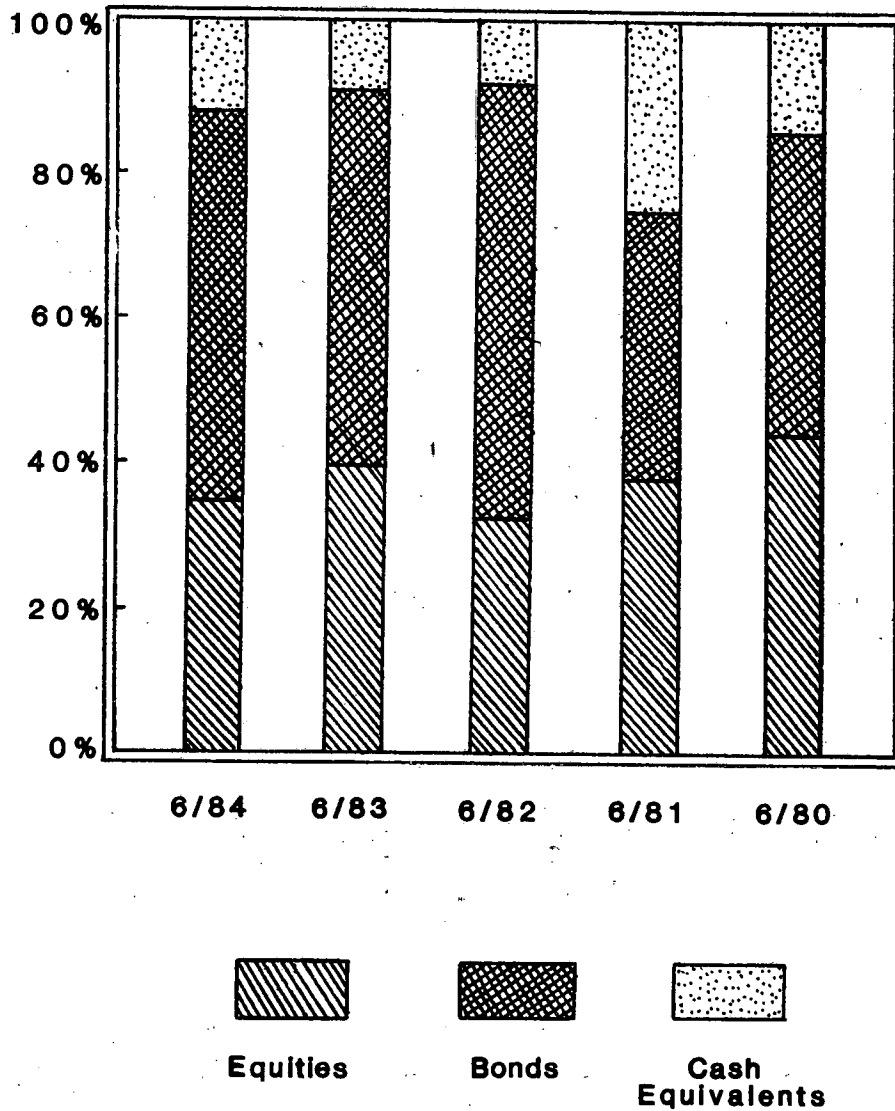
Cash equivalents make up the remainder of the Fund's portfolio. These assets provide the Fund with a certain amount of inflation protection, as their yields are highly inflation sensitive. Further, cash equivalents give the Fund the liquidity necessary to meet withdrawals required for benefit payments. In recent years, given the high levels of interest rates offered by longer-term fixed income investments, cash equivalents have been a relatively small portion of the total fund. Toward the end of the 1984 fiscal year, however, cash equivalent holdings rose temporarily due to an influx of contributions produced by the "Rule of 85" (see pages 51-52).

The Asset Allocation Committee of the Investment Advisory Council is currently reviewing the long-term asset allocation needs of the Post Retirement Investment Fund. The committee may not recommend major shifts in the Fund's asset mix. However, certain investment techniques which will enhance the Fund's ability to produce benefit increases over the long-span are likely to be recommended.

POST RETIREMENT INVESTMENT FUND

HISTORICAL ASSET MIX

PERCENT OF MARKET VALUE
FISCAL YEAR END ALLOCATIONS



POST RETIREMENT INVESTMENT FUND

HISTORICAL ASSET MIX

PERCENT OF MARKET VALUE FISCAL YEAR END ALLOCATIONS

	FISCAL YEAR				
	1984 -----	1983 -----	1982 -----	1981 -----	1980 -----
Common Stocks					
\$ Million	657	693	382	461	471
Percent	35.5	39.5	32.7	37.3	43.2
Bonds					
\$ Million	951	903	692	475	455
Percent	51.4	51.5	59.3	38.4	41.7
Cash Equivalents					
\$ Million	243	157	93	301	165
Percent	13.1	9.0	8.0	24.3	15.1
Total Fund					
\$ Million	1,851	1,753	1,167	1,237	1,091
Percent	100.0	100.0	100.0	100.0	100.0

INVESTMENT MANAGEMENT

The Post Retirement Investment Fund is managed solely by the SBI's investment staff. This investment management structure is employed for two primary reasons. First, the investment objectives of the Fund present a situation that most money management firms are ill-equipped to handle. Money managers tend to focus on maximizing total returns. However, as was discussed previously, this approach is not suited to the particular investment requirements of the Fund. The Fund's managers must be concerned with generating current income and avoiding realized losses on portfolio holdings. These are investment strategies that most managers are not comfortable implementing. Second, the investment staff has been viewed as more closely attuned to the risk-return preferences of the retirees.

COMMON STOCKS

The focus of the investment staff's common stock management is on long-term, value-based stock selection. The strategies implemented by the investment staff are less aggressive than those utilized by the Basic Retirement Funds' external equity managers. As the only common stock manager for the Post Retirement Investment Fund, the investment staff is cognizant of the diversification requirements of the Fund's stock portfolio. Further, staff is aware of the Fund's need to avoid investment strategies which generate high portfolio turnover and which may at times result in sizable realized losses.

The investment staff attempts to identify stocks that have attractive expected returns, yet do not possess significantly high levels of market volatility. Recommendations generated by quantitative valuation models are the primary source of investment candidates. In addition, selected recommendations of the Board's external equity managers are utilized if they fit the investment goals of the Fund. Based upon the recommendations from these two sources, the Fund's equity portfolio is constructed within specific portfolio diversification and turnover guidelines.

BONDS

As discussed, interest income from bonds is the Post Retirement Investment Fund's primary source of earnings to finance benefits payments. The investment staff utilizes primarily a buy-and-hold approach to bond management, concentrating on high quality issues with adequate call protection to lock in current high yields.

In recent years, the Post Retirement Investment Fund's bond portfolio has produced income well above that needed to fund the promised level of benefits. The excess interest earnings,

combined with realized capital gains from the common stock portfolio, have been used to fund substantial benefit increases.

INVESTMENT PERFORMANCE

RISK-RETURN OBJECTIVES

Because of its focus on generating current income, the risk composition of the Post Retirement Fund's investment portfolio is conservatively structured. As noted, the majority of the Fund's assets are invested in high quality bonds. Further, the Fund's equity portfolio maintains a relatively high level of diversification and a moderate level of volatility.

In terms of long-term rate of return objectives, the Fund's investment results are compared to three standards. First, the Fund is required to generate a level of interest and dividend income, combined with realized equity capital gains, which meets the Fund's actuarial assumptions. Second, the Fund is expected to produce additional earnings sufficient to allow benefits to increase at a rate at least one-half of the inflation rate. Third, the Fund's total rate of return is expected to exceed that of the performance of a composite index weighted 40% stocks, 60% bonds. These weightings represent the Fund's current long-term asset mix targets.

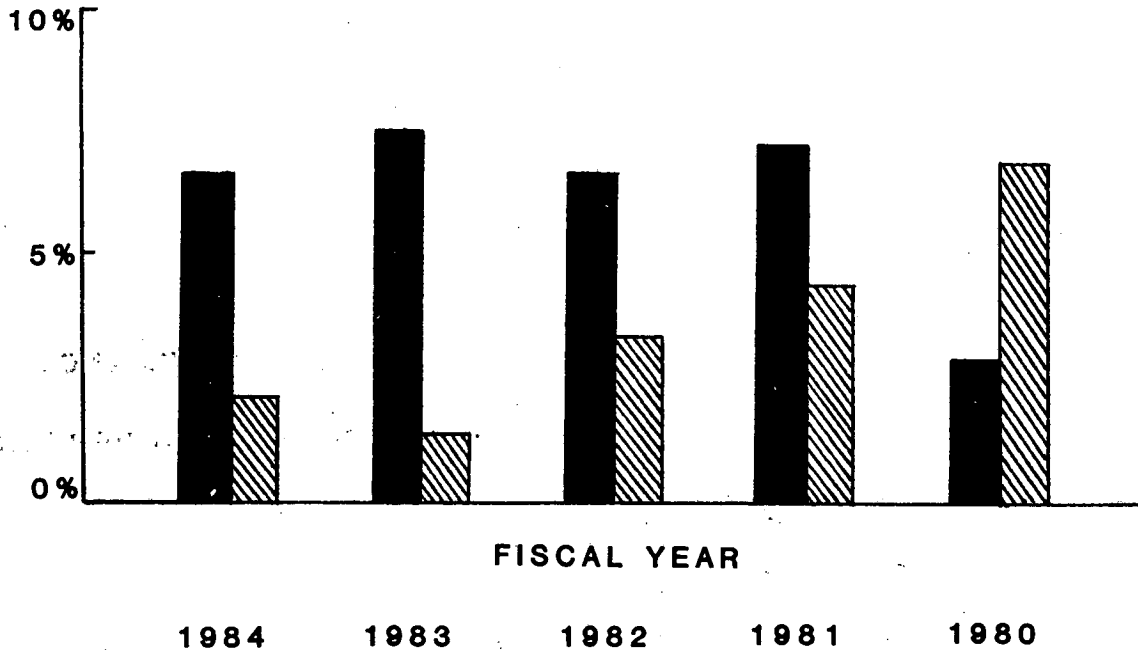
RISK-RETURN PERFORMANCE RESULTS

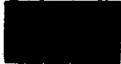

The Post Retirement Investment Fund's total portfolio met all prescribed risk targets during the fiscal year. The Fund was approximately 60% invested in fixed income assets, with an average quality rating of AAA. The Fund's equity portfolio maintained a slightly above average level of relative market volatility and was consistently well-diversified.

Investment returns for the 1984 fiscal year met all established performance standards. The Fund generated income and realized equity capital gains in excess of the amount needed to fund promised benefits. The surplus earnings will permit a benefit increase of approximately 7.3%, considerably above the fiscal year 1984 inflation rate of 4.4%. Finally, the Fund's total return outperformed that of its composite performance standard, largely due to the relatively strong performance of the Fund's bond segment. Post Retirement Investment Fund performance data, for the most recent fiscal year as well as the last five years, are presented on pages 30-32.

POST RETIREMENT INVESTMENT FUND

BENEFIT INCREASES VERSUS INFLATION



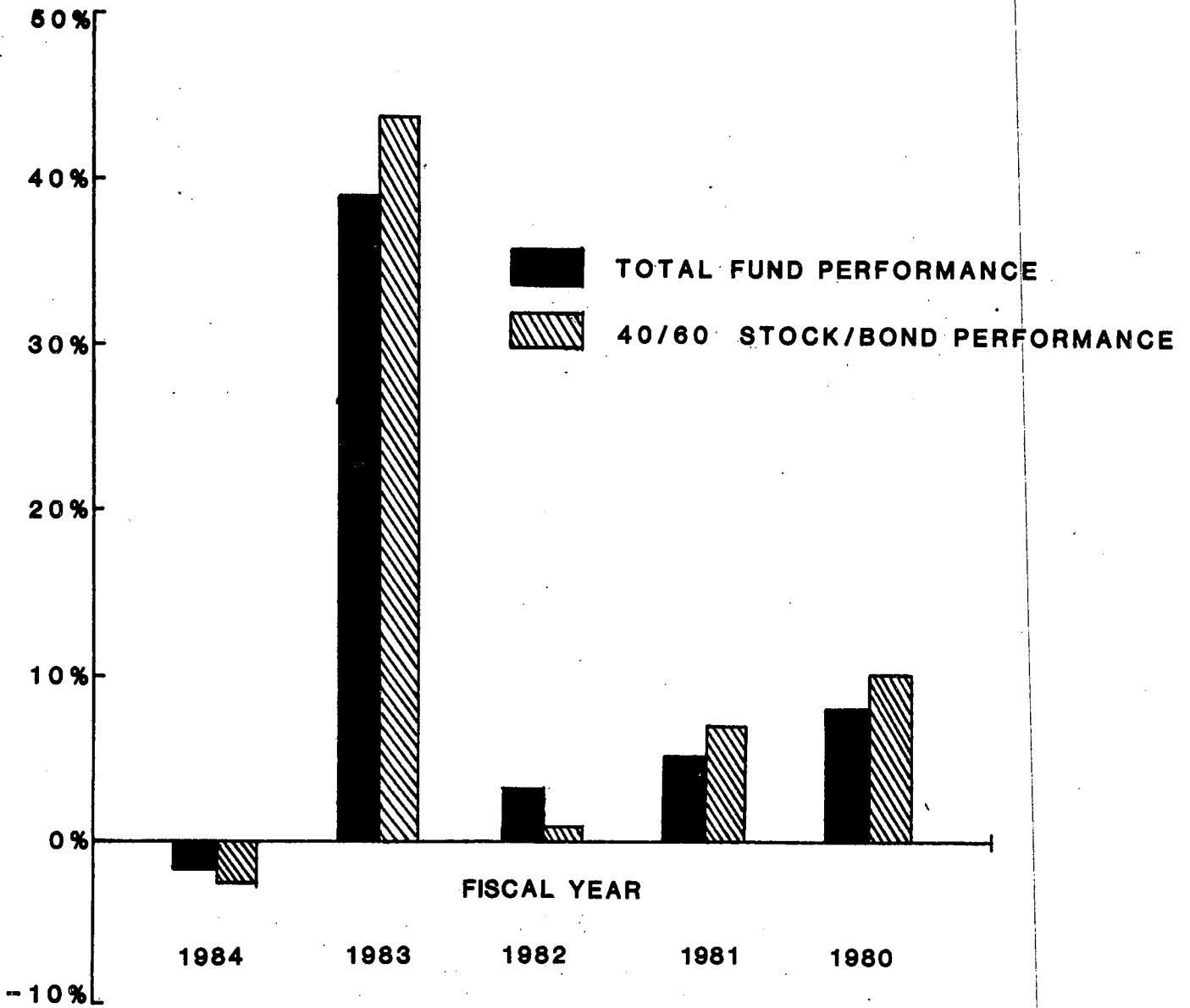
 **BENEFIT INCREASE**
 **50% OF INFLATION RATE**

	FISCAL YEAR				
	1984	1983	1982	1981	1980
Benefit Increase	6.9	7.5	6.9	7.4	3.2
50% of Inflation Rate	2.2	1.3	3.6	4.8	7.2

POST RETIREMENT INVESTMENT FUND

TOTAL FUND RETURNS

INVESTMENT RETURNS RELATIVE TO PERFORMANCE STANDARDS



POST RETIREMENT INVESTMENT FUND

INVESTMENT RETURNS RELATIVE TO PERFORMANCE STANDARDS

	FISCAL YEAR					ANNUALIZED	
	1984	1983	1982	1981	1980	3 YR.	5 YR.
TOTAL FUND	-1.7	38.4	3.2	5.5	7.9	12.0	9.8
Stock/Bond Composite*	-2.5	43.3	0.8	7.1	10.0	12.1	10.7
EQUITY SEGMENT	-9.3	54.9	- 9.8	18.5	14.3	8.2	11.4
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
BOND SEGMENT	2.8	34.0	10.2	-10.0	-0.2	15.0	6.4
ML Master Bond Index	1.7	28.9	12.3	- 4.2	4.1	13.7	8.0

*40/60 Wilshire 5000/Merrill Lynch Master Bond Index Composite

MINNESOTA SUPPLEMENTAL INVESTMENT FUND

The \$221 million Minnesota Supplemental Investment Fund contains the assets of a number of retirement plans, supplemental benefit programs, and deferred compensation plans. Participants include police and firefighters, teachers, unclassified state employees, and employees of various other units of government. The State's deferred compensation plan and teachers' supplemental retirement plan have the largest participation in the Minnesota Supplemental Investment Fund at \$71 million and \$53 million, respectively.

Participants in the Supplemental Investment Fund have three different investment options: the Income Share Account, the Growth Share Account, or one of two debt-related accounts, the Fixed Return Account for individuals or the Bond Account for retirement plans. Most participants have the freedom to select the allocation of their investments among accounts that is appropriate for their needs, within the statutory requirements and rules established by the individual units of government.

INCOME SHARE ACCOUNT

Similar to the Basic Retirement Funds, the primary investment objective of the \$111 million Income Share Account is to achieve long-term high real rates of return while hedging against disastrous financial environments and protecting against excessively volatile long-term performance. To achieve these objectives, the Income Share Account is invested in a balanced portfolio of common stocks and fixed income securities. As discussed in the Basic Retirement Funds section of this report, common stocks provide the potential for significant long-term capital appreciation, while bonds provide a hedge against deflation and the diversification needed to limit excessive portfolio return volatility. The year-end asset mix and historical asset allocation data for the Income Share Account are presented on page 41.

Participation in the Income Share Account is structured similar to a mutual fund. The participants own shares in the Account which are priced monthly on a market value basis. Interest and dividend income is reinvested. Participants' investment returns are measured by changes in the Account's unit value, which in turn is a function of the income and capital appreciation (or depreciation) generated by the securities held

by the Account. Participants may buy or sell shares in the Account based upon the most recently calculated unit value.

The SBI's investment staff manages the entire fixed income component and the majority of the common stock assets. In March, 1983, the Board retained BMI Capital Management to manage approximately one-fifth of the Income Share Account common stock portfolio. The Board believes that the aggressive style of equity management utilized by BMI Capital provides an investment approach that it is not feasible for investment staff to replicate. However, due to the balanced investment goals of the Account, the percentage of the total portfolio assigned to aggressive external equity management has been kept at a relatively low level.

Similar to other SBI funds which utilize a multi-manager investment structure, the performance of the Income Share Account is evaluated on two levels: the total fund and the individual manager.

The total fund performance of the Income Share Account is expected to exceed the returns of a composite of market indices weighted 50% Wilshire 5000, 50% Merrill Lynch Master Bond Index. The composite's weightings represent the long-term asset mix targets established for the Income Share Account. The total fund returns are also expected to surpass the median performance of a sample of other balanced tax-exempt funds.

On the individual manager level, the performance of the Income Share Account's external and internal equity managers is expected to exceed the returns produced by the Wilshire 5000 as well as the median managers from representative samples of other equity managers with similar investment characteristics. BMI Capital is a more aggressive manager than the Income Share Account's investment staff manager. Therefore, BMI Capital's performance is compared against a sample of managers whose investment style is similarly more aggressive than the managers against which the investment staff's performance is compared. The internal bond manager is targeted to outperform both the Merrill Lynch Master Bond Index and the median performance among bond managers of similar investment risk.

During fiscal year 1984, the Income Share Account underperformed its performance objectives on a total fund level, due largely to the performance of its equity portfolio. The Account's total fund returns failed to surpass those of both the composite index and the median tax-exempt balanced fund manager. On the individual manager level, performance results were mixed. BMI Capital significantly underperformed both the Wilshire 5000 and the median manager from a sample of similar risk equity managers. The investment staff equity portfolio, on the other hand, marginally outperformed the Wilshire 5000, but slightly underperformed the median manager from a sample of similar risk

equity managers. The Account's internal bond manager outperformed the Merrill Lynch Master Bond Index and approximately matched that of the median manager from a sample of bond managers of similar risk. Individual manager and total fund performance data are presented on pages 39 and 42, respectively.

GROWTH SHARE ACCOUNT

The \$54 million Growth Share Account is invested to provide participants with above-average capital appreciation. The Account is authorized to hold up to 100% of its market value in common stock investments. At times, cash equivalents may make up a large portion of the total portfolio, depending on the market outlook of the Account's managers. However, to achieve its investment objective, over the long-run the Account will hold a large, permanent equity commitment. The year-end asset mix and historical asset allocation data for the Account are presented on page 41. Because of its sizable common stock commitment, the Growth Share Account's returns likely will be more variable than those of the Income Share Account. However, it is anticipated that higher returns from the Growth Share Account's investments will compensate for the additional risk undertaken.

Participation in the Growth Share Account is structured in precisely the same manner as the Income Share Account.

Management of the Growth Share Account is split equally between external and internal management. Waddell & Reed was initially funded in March, 1983 and received additional funding in January, 1984. Waddell & Reed employs an aggressive equity management style which is complemented by investment staff's long-term value oriented investment approach.

The total fund performance of the Account is expected to exceed that of the Wilshire 5000. This standard represents the Account's long-run full allocation to common stocks. The total portfolio is also expected to perform above the median of a representative sample of tax-exempt, equity-only managers.

The Account's individual managers are likewise expected to outperform the Wilshire 5000. In addition, the external and internal managers are expected to produce returns that exceed those of the median managers from representative samples of other similar risk equity managers.

During fiscal year 1984, the Growth Share Account outperformed both of its total fund performance standards. On the individual manager level, Waddell & Reed performed extremely well, far outperforming the Wilshire 5000 and the median manager from a sample of equity managers of similar risk. Investment staff, however, underperformed both the Wilshire 5000 and the

median manager from a sample of similar risk equity managers. Individual manager and total fund performance data are presented on pages 39 and 42, respectively.

FIXED RETURN ACCOUNT

The Fixed Return Account is a \$59 million fund, whose investment objective is to generate high levels of current income by investing in quality debt securities. The Account's sole source of earnings is the interest income produced by its portfolio of securities. Participants experience minimal investment risk because all portfolio assets are held to maturity. Thus, there is little likelihood that the Account will realize capital losses (or gains) as a result of changes in the market value of the Account's assets.

Participation in the Fixed Return Account is structured similar to a money market mutual fund. The Account maintains a uniform value per share. Annual income is used to purchase additional shares in the Account. As currently established, the Account permits participation only by individual public employees as part of their authorized investment options. (Various retirement associations participate in a similar style of investment management through the Bond Account described below.)

The Fixed Return Account is managed entirely by investment staff. To maximize yields, yet maintain adequate liquidity for the Account, the investment staff maintains approximately a two-to-three year maturity target for new investments.

BOND ACCOUNT

The \$3 million Bond Account was established by the 1981 Legislature to provide a separate fixed return investment vehicle for police and fire fighter retirement organizations. Similar to the Fixed Return Account, the Bond Account is designed to offer a low risk investment option which earns a high level of current income from quality debt securities. Like the Fixed Return Account, the Bond Account is managed solely by investment staff. However, the average life of the Bond Account's investments is longer than that of the Fixed Return Account.

Participation in the Bond Account is offered to qualified retirement organizations only. Individuals do not participate in this Account. The Account is designed to offer participating organizations a fixed rate of return for a specified period of time. The length of time this guarantee is in effect depends on the average maturity of the Account's investments, usually in the range of six-to-eight years.

Contributions to the Bond Account made by the participating retirement organizations are grouped by year, referred to as a class year. Depending on the available fixed income investment opportunities available at the initiation of a class year, a rate of return is guaranteed on the contributions made by the participants in the class year. This guarantee is in effect for the life of the class. If a retirement organization should chose to withdraw from the Bond Account, all unexpired class years will have their shares redeemed at market value.

MINNESOTA VARIABLE ANNUITY FUND

The Minnesota Variable Annuity Fund is an investment option formerly offered to members of the Teachers' Retirement Association. The Fund was designed as an alternative to the regular Teachers' retirement plan. The opportunity to enroll in the Fund is no longer offered to new Association members, although members enrolled prior to the cutoff date may retain their participation in the Fund and continue to make contributions.

The investment objective of the Fund is quite similar to that of the Minnesota Supplemental Investment Fund's Growth Share Account. The purpose of the Fund is to provide participants with above average long-run capital appreciation on their investments. This investment objective necessitates a large long-term commitment to common stocks. Like the Growth Share Account, the Minnesota Variable Annuity Fund is authorized to hold up to 100% of its market value in common stocks. However, the Fund's portfolio may contain a considerable cash equivalent component at any given time, depending on the near-term investment strategies of its managers. The year-end asset mix and historical asset allocation data for the Fund are presented on page 41.

Management of the Minnesota Variable Annuity Fund is split equally between external and internal investment managers. Norwest Bank Minneapolis and Lieber & Company offer Fund participants an aggressive equity approach. Investment staff utilizes a long-term value oriented investment style. Both external managers were funded in March, 1983. Lieber & Company received additional funding in January, 1984. Norwest Bank received additional funding in April, 1984.

Because of the Fund's 100% common stock long-term asset mix target, the Fund's total performance is expected to surpass that of the Wilshire 5000. Further, the Fund's total portfolio returns are expected to exceed those of the median manager within a representative sample of tax-exempt equity-only managers.

The Fund's individual managers are expected to outperform the Wilshire 5000 and the median managers from representative samples of similar risk managers.

During the 1984 fiscal year, the Variable Annuity Fund underperformed both of its total fund performance standards. On the individual fund level, Lieber & Company approximately matched the Wilshire 5000's return and outperformed the median manager from a sample of similar risk equity managers. Norwest Bank and internal staff, on the other hand, underperformed both performance standards. Individual manager and total fund performance data are presented on pages 39 and 42, respectively.

MULTI-MANAGER FUNDS

EQUITY MANAGER PERFORMANCE

FISCAL YEAR 1984

	Total Portfolio Returns
Income Share Account	
BMI Capital	-23.8%
Internal Manager	-8.4
Growth Share Account	
Waddell & Reed	-10.8
Internal Manager	-13.1
Minnesota Variable Annuity Fund	
Norwest Bank Minneapolis	-16.1
Lieber & Company	- 8.6
Internal Manager	-13.4
 Performance Standards <hr style="border-top: 1px dashed black;"/>	
Wilshire 5000	- 8.6%
S&P 500	- 4.6
TUCS Median Aggressive Equity Manager	-13.9
TUCS Median Diversified Equity Manager	- 7.8
Consumer Price Index (Inflation)	4.3

PERMANENT SCHOOL FUND

The \$277 million Permanent School Fund is a trust created by the Minnesota Constitution for the benefit of Minnesota schools. Income derived from the investment of the Permanent School Fund is annually distributed to school districts throughout the state.

The primary investment objective of the Fund is to earn a high level of income while limiting the volatility of total portfolio returns. Only interest and dividend income and realized equity capital gains may be paid out to schools. Until the recent passage of a Constitutional Amendment, the State Constitution contained specific restrictions on the Fund's investment, including a 20% maximum limit on corporate stocks and a 40% maximum limit on corporate bonds. To achieve its objectives within these Constitutional restrictions, most of the Permanent School Fund has been invested in high quality fixed income securities, primarily of U.S. Government and Agency issues. The remaining assets have been invested in common stocks. The year-end asset mix and historical asset allocation data for the Permanent School Fund are presented on page 41.

The enacted amendment now permits the Permanent School Fund to be invested under the same restrictions which govern the retirement funds. With the passage of the amendment, it is likely that the asset mix of the Fund, as well as the composition of its investments, will be altered. It is anticipated that the Fund's new investment authority will result in a higher level of income.

Similar to the other yield-oriented funds, such as the Post Retirement Fund and Fixed Return Account, the Permanent School Fund is invested entirely by the SBI investment staff.

The total fund performance of the Permanent School Fund is expected to exceed the returns of a composite of market indices weighted 20% Wilshire 5000, 80% Merrill Lynch Master Bond Index. The composite weightings represent the long-term asset mix targets established for the Permanent School Fund. During the fiscal year 1984, this performance standard was exceeded, as shown on page 42.

RETIREMENT AND TRUST FUNDS

HISTORICAL ASSET MIX

PERCENT OF MARKET VALUE FISCAL YEAR END ALLOCATIONS

	1984		1983		1982		1981		1980	
	\$ Million	Percent	\$ Million	Percent	\$ Million	Percent	\$ Million	Percent	\$ Million	Percent
Income Share Account										
Common Stocks	61	55.0	70	61.4	37	46.8	33	42.9	29	41.4
Bonds	40	36.0	37	32.5	33	41.8	34	44.1	30	42.9
Cash Equivalents	10	9.0	7	6.1	9	11.4	10	13.0	11	15.7
Total	111	100.0	114	100.0	79	100.0	77	100.0	70	100.0
Growth Share Account										
Stocks	27	50.0	46	79.3	32	80.0	27	69.2	25	80.7
Bonds	0	0.0	0	0.0	1	2.5	0	0.0	0	0.0
Cash Equivalents	27	50.0	12	20.7	7	17.5	12	30.8	6	19.3
Total	54	100.0	58	100.0	40	100.0	39	100.0	31	100.0
Fixed Return Account										
Bonds	45	85.5	40	89.4	22	67.0	16	68.0	16	84.2
Cash Equivalents	8	14.5	5	10.6	10	33.0	8	32.0	3	16.8
Total	53	100.0	45	100.0	32	100.0	24	100.0	19	100.0
Bond Account										
Bonds	3	100.0	2	100.0	1	100.0	--	----	--	----
Cash Equivalents	0	0.0	0	0.0	0	0.0	--	----	--	----
Total	3	100.0	2	100.0	1	100.0				
Mn Variable Annuity Fund										
Stocks	83	86.5	87	81.3	57	76.0	48	62.3	47	70.2
Bonds	5	5.2	5	4.7	12	16.0	9	11.7	11	16.4
Cash Equivalents	8	8.3	15	14.0	6	8.0	20	26.0	9	13.4
Total	96	100.0	107	100.0	75	100.0	77	100.0	67	100.0
Permanent School Fund (at book value)										
Stocks	49	14.7	46	14.6	53	17.3	50	17.0	53	19.1
Bonds	232	69.5	235	74.6	220	71.9	223	75.9	215	77.6
Cash Equivalents	53	15.8	34	10.8	33	10.8	21	7.1	9	3.3
Total	334	100.0	315	100.0	306	100.0	294	100.0	277	100.0

RETIREMENT AND TRUST FUNDS

INVESTMENT RETURNS RELATIVE TO PERFORMANCE STANDARDS

	FISCAL YEAR					ANNUALIZED	
	1984	1983	1982	1981	1980	3 YR.	5 YR.
	-----	-----	-----	-----	-----	-----	-----
INCOME SHARE ACCOUNT							
TOTAL FUND	-4.4	39.8	3.7	6.2	8.0	11.5	9.7
50/50 Stock/Bond Composite	-3.6	47.0	-3.4	10.3	11.6	11.0	11.0
EQUITY SEGMENT	-11.0	53.7	-5.1	20.1	14.8	9.1	12.3
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
BOND SEGMENT	2.3	36.2	-12.1	-9.2	-1.7	16.0	6.9
M.L. Master Bond Index	1.7	28.9	12.3	-4.2	4.1	13.7	8.0
GROWTH SHARE ACCOUNT							
TOTAL FUND	-7.5	42.7	-4.2	20.7	14.5	8.1	11.8
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
Median Equity-Only Fund	-9.5	64.7	-13.0	23.1	18.3	9.8	14.1
EQUITY SEGMENT	-17.9	56.7	-9.4	21.9	14.8	5.2	10.3
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
MINNESOTA VARIABLE ANNUITY FUND							
TOTAL FUND	-9.8	44.2	-1.9	16.4	11.8	8.4	10.7
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
Median Equity-Only Fund	-9.5	64.7	-13.0	23.1	18.3	9.8	14.1
EQUITY SEGMENT	-14.1	55.8	-7.6	22.1	15.0	7.3	11.7
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
PERMANENT SCHOOL FUND							
TOTAL FUND	1.0	34.6	8.0	-2.5	5.3	13.7	8.5
20/80 Stock/Bond Composite	-0.4	35.8	6.6	1.4	7.0	12.9	9.4
EQUITY SEGMENT	-6.6	54.2	-9.1	17.9	13.3	9.4	11.9
Wilshire 5000	-8.6	66.4	-14.9	25.1	19.2	9.0	14.1
BOND SEGMENT	1.4	33.7	13.6	-10.4	1.6	15.5	7.0
M.L. Master Bond Index	1.7	28.9	12.3	-4.2	4.1	13.7	8.0

STATE CASH ACCOUNTS

The \$1.5 billion cash assets of State agency accounts, trust funds, and retirement funds are invested to provide a high level of current income. These assets are invested in highly liquid, quality securities, which mature within at least 3 years. All cash investments are managed by the SBI investment staff. Short term investments include U.S. Treasury and Agency issues, repurchase agreements, bankers acceptances, and certificates of deposit. The maturity structure of each individual account's portfolio depends on the cash flow needs of the respective account. The largest short-term accounts are the \$850 million Invested Treasurers Cash; the \$350 million Highway Funds; and the \$200 million Debt Service Account. During the last fiscal year, short term transactions exceeded \$68.2 billion.

As part of the cash management program, the SBI administers a securities lending program in which U.S. Treasury and Government Agency securities held by the SBI are loaned to banks and government security dealers for a daily fee. These loans are fully collateralized. The Securities Lending Program has generated approximately \$1 million per year in additional income for its accounts.

The SBI also manages a certificate of deposit (CD) program in which it purchases CD's from Minnesota banks and savings and loan institutions. The Board receives a market rate of return on these investments, utilizing the average secondary CD market rate quoted by the New York Federal Reserve Bank. All investments are fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. The Minnesota Certificate of Deposit program provides a reliable source of capital to all Minnesota financial institutions, regardless of size, many of which do not have access to the national CD market. The SBI designed the loan process so that no single institution is favored in the allocation of assets. Since it began in 1980, the CD program has loaned over \$700 million to 365 financial institutions throughout the state.

1984 MAJOR DEVELOPMENTS

INDEX FUND CONSTRUCTION

Following the adoption of the asset allocation recommendations of the Investment Advisory Council's Asset Mix Committee, the SBI decided to invest a sizable portion of the Basic Retirement Funds' common stock portfolio in a passively managed index fund. These recommendations called for a long-term commitment of 60% of the Basic Retirement Funds' assets to common stocks, split one-third/two-thirds between active and passive management, respectively. The active external equity managers were funded in early 1983. The funding of the index fund in late 1983 represented the second stage of the SBI's move to complete external management of the Basic Retirement Funds.

An equity index fund is a portfolio designed to match the performance of the stock market. The Board believes that an index fund can provide a large pension plan, such as the Basic Retirement Funds, with many important investment advantages, including low management costs and the ability to absorb sizable assets. Most importantly, an index fund provides an efficient means of managing total portfolio risk and return. The two-thirds of the Basic Retirement Funds' common stock assets in the index fund serve as a diversified "core" portfolio, designed to complement the highly non-diversified investment styles of the Board's active equity managers. The index fund provides the total equity portfolio with adequate diversification, permitting the active managers to focus on aggressive value-added management. That is, the index fund protects against extreme variations in equity portfolio performance, allowing the active managers the opportunity to add incremental value over the long run through concentrated sector and stock selection decisions.

Many index funds use the S&P 500 as a target index. However, the case can be made that the S&P 500 is not sufficiently representative of the overall stock market. The S&P 500 tends to be concentrated in many of the larger industrial companies and underweighted in the smaller service companies. As a result, based on the recommendations of the Investment Advisory Council's Asset Mix Committee, the SBI selected the Wilshire 5000 as the target for its index fund. The Wilshire 5000 is composed of all domestic common stocks for which daily prices are available. Thus, it is virtually an all-inclusive representation of the U.S. stock market. By using the Wilshire 5000 as a target index, the Board can more effectively produce a return on its passively managed funds which tracks that of the entire stock market.

The SBI's search committee interviewed five nationally-recognized index fund managers. The committee analyzed a number of factors as it reviewed each candidate,

including: index fund management experience; organizational stability; dollars under current passive management; index fund design; techniques employed in actual index fund construction (focusing especially upon trading strategies); and, management fees. The committee recommended that the SBI retain Wilshire Associates to manage its index fund. Wilshire has a strong background in non-discretionary index fund management. It is the largest supplier of index fund computer software and support in the country. While the SBI was to be Wilshire's first discretionary client, the search committee believed that the firm's extensive advisory experience, combined with its strong dedication to the success of its first fund, would be a positive factor. Further, the combination of the depth, quality, and stability of Wilshire's top management was considered to be superior to that of the other managers. Finally, the committee was impressed by Wilshire's innovativeness and research on passive management. The fact that Wilshire Associates created and maintains information on the Wilshire 5000 index had little to do with its selection as index fund manager.

At its October 26, 1983 meeting, the SBI approved the hiring of Wilshire Associates to manage its index fund. The firm's management responsibilities began December 1, 1983. Wilshire received a diversified portfolio of common stocks. The firm's task was to buy and sell securities so that the original portfolio was transformed into a portfolio which closely resembled the Wilshire 5000. The majority of the index fund construction was done through a package trading process whereby large blocks of securities were bought and sold in single packages at prices guaranteed by a brokerage house. The remaining transactions were done primarily on a "best efforts" basis, whereby each stock was traded individually at the best price the index fund manager could find.

The index fund construction was highly successful. Although almost \$2 billion in transactions took place, the trading attracted little or no attention of stock market participants. The cost of the trading was extremely low. Including commissions, estimated market impact costs, and administrative expenses, the index fund trades cost an average of only 0.86% of principal.

Although the index fund is designed to match the returns offered by the stock market, in any given quarter the index fund's return may not precisely track that of the Wilshire 5000. This deviation is referred to as tracking error. It is the result of two factors. First, the index fund does not own all 5000-odd stocks in the Wilshire 5000, due to both administrative constraints and SBI policy restrictions. Second, there are certain minor costs of maintaining an index fund, including management fees and trading costs associated with periodic rebalancing. The index fund's expected tracking error is small. Further, it is largely unbiased, being positive in some quarters,

negative in others. The expected maximum annual tracking error is approximately plus or minus 0.75 percentage points.

EXTERNAL BOND MANAGER SELECTION

As part of its investment management restructuring process, during fiscal year 1984 the Board retained six external bond managers to invest the long-term fixed income assets of the Basic Retirement Funds. While these managers were actually funded at the start of the 1985 fiscal year, the selection of the bond managers took place in fiscal year 1984.

The bond portfolio is an integral part of the Basic Retirement Funds' total investment portfolio. From a risk-return perspective, it is designed to complement the Basic Funds' investments in equities (both common stocks and alternative investments). The bond portfolio is intended to serve three primary purposes: first, to provide a deflationary hedge for the total portfolio; second, to produce a dampening effect on total portfolio variability of returns; and third, to satisfy the statutory requirements under which the Board invests.

In terms of the first objective, bonds in the Basic Retirement Funds' total portfolio serve as insurance against a major deflation. Only high quality bonds will preserve principal and, in fact, produce sizable capital gains in the event of a deflation. In such an economic environment, equity investments are likely to suffer substantial declines in value. The bond portfolio is designed to partially offset these losses, should they occur.

With respect to the second objective, bonds serve to reduce the volatility of total portfolio returns. As part of its long-run asset mix for the Basic Retirement Funds, the Board has allocated the majority of the Funds' assets to common stocks. Among the traditional asset classes, common stocks have historically offered the highest returns, yet have also generated the greatest investment risk, as measured by the variability of returns. Because bond returns are not perfectly positively correlated with stock returns, adding bonds to a portfolio of common stock creates a diversifying effect, dampening total portfolio return volatility.

Finally, the bond portfolio serves to meet statutory investment restrictions. By law, the Basic Retirement Funds cannot be more than 75% invested in equity assets. The Board's asset mix guidelines call for this maximum equity investment. The remaining assets must be invested in fixed income securities, the vast majority of which are the portfolios of the external bond managers.

In order to meet the investment policy objectives cited above, the SBI established investment guidelines for the external bond managers. First, the managers are required to invest solely in high quality fixed income investments. As noted above, only these assets provide an effective deflation hedge. Minnesota statutes specify fixed income investment quality guidelines which are sufficient to satisfy the Board's policy objectives. Second, the managers are required to maintain total portfolio durations within a three-to-seven year band. (Duration is a measure of the average life of an investment.) The lower end of the band prevents the managers from holding portfolios that are so shortlived as to reduce severely their deflation protection. The upper end of the band constrains managers from holding portfolios which are very sensitive to interest rate moves, and hence, exhibit excessive return volatility.

The SBI implemented a nationwide search for bond managers, similar to the search conducted for its common stock managers. Evaluation Associates, the Board's consultant, supplied a list of fifteen previously successful managers who could invest in long-term fixed income assets under the policy guidelines established by the Board. A search committee established by the SBI visited each of these firms at their place of business and conducted in-depth interviews. The search committee focused on the management firms' quality and stability of key personnel, investment philosophy and investment management approach, and historical risk-return data. The search committee recommended, and the Board approved at its May 23, 1984 meeting, the hiring of six bond managers. Those managers and their allocated assets are listed below:

Lehman Management	\$150 Million
Miller, Anderson & Sherrerd	150
Morgan Stanley Asset Management	150
Western Asset Management	150
Norwest Bank Minneapolis	75
Investment Advisers	25

The search committee identified a group of managers with a blend of investment styles to add diversification to the bond portfolio. That is, while almost all bond managers to some degree make portfolio decisions based upon expectations of interest rate moves, the managers hired by the Board place varying emphasis on this strategy. Further, these managers exhibit differences in the methods used to select securities and in the sectors of the market that they emphasize.

Prior to their July 2, 1984 funding, the bond managers were provided a list of current Basic Retirement Funds bond holdings. The managers selected bonds that fit their particular investment strategies. These bonds were transferred to the managers on

July 2 as part of their initial allocation. SBI investment staff assigned issues not selected to the managers on an equitable basis.

MASTER CUSTODIAN SELECTION

The SBI's decision to reorganize the investment management structure of the Basic Retirement Funds necessitated the retention of a master custodian. Previously, when all assets were internally managed, the SBI's custodial relationship with First National Bank of St. Paul presented a cost effective means of administering the Basic Retirement Funds' investments. First St. Paul essentially provided an inexpensive trade settlement mechanism. Transaction accounting and cash management was handled by SBI staff. This system was simplified by the fact that all trades originated from one source, that is, SBI staff. Thus, control of trade settlements and accounting was a straight-forward process.

The use of multiple external managers for the Basic Retirement Funds, and, in particular, the utilization of an extended index fund, was expected to increase dramatically the volume and variety of securities trades. The combination of SBI staff accounting and First St. Paul trade settlement was not designed to deal with such a complex investment management configuration. Master custodial banks, on the other hand, have designed administrative systems specifically to handle large multi-manager pension plans. Therefore, prior to its funding of the index fund, the Board hired a master custodian.

Master custodians provide a wide range of investment administration services. From the SBI's perspective, several such services were essential: safekeeping of securities; settlement of security trades; income collection; securities lending; cash management; reporting of assets held and transactions; and, fail float credit. The Board was also interested in such ancillary services as performance measurement, passive equity management and on-line data access.

Developing custodial systems designed to handle the needs of big pension plans is extremely expensive, both in terms of equipment and personnel. Further, there are vast economies of scale in the master custodian business, as a large client base allows significant fixed costs to be spread out. As a result, the largest master custodians tend to dominate the business because they are able to provide the most effective, lowest cost service to big pension funds.

The Board's search committee, assisted by the Board's consultant, Evaluation Associates, was assigned the task of recommending a master custodian. The committee prepared a

comprehensive request-for-proposal (RFP) which delineated, in considerable detail, the Board's specifications for master custodial service. The RFP focused on ten primary considerations: accounting, reporting, cash management, transition process, bank personnel, computer systems, securities lending, passive management, performance measurement and fees.

Evaluation Associates supplied a list of the top U.S. master custodian banks. The RFP was sent to these banks as well as to three large Twin Cities banks. Following receipt of the banks' responses, each bank was interviewed at its place of business by the search committee. A follow-up interview was conducted with three finalist banks.

Based on the banks' responses to the RFP and the on-site interviews, the search committee recommended that State Street Bank of Boston be hired as the SBI's master custodian. The committee believed that State Street provided the best combination of experience, size, personnel, accurate and timely reporting, and dedication to client service. The bank was the originator of custody services to mutual funds in the 1920's. It was an early participant in the master custodian business in the early 1970's. State Street is the second largest custodian bank in the U.S. The search committee was impressed not only with the number, but also the quality of persons who would be assigned to the SBI's account. The bank's recordkeeping and reporting capabilities were viewed favorably in terms of accuracy and timeliness. Finally, the master custody business is by far the bank's most important profit center. Thus, the bank appears committed to maintaining its leading role in the rapidly changing master custody business by continually making the sizable required investments in people and equipment.

At its September 20, 1983 meeting, the Board approved the hiring of State Street as master custodian for the assets of the Basic Retirement Funds. (The remaining SBI assets, almost all of which remain under internal management, continue to be custodied at First St. Paul. Their status will be evaluated at a future date.) State Street's custodial responsibilities began effective November 1, 1983. SBI staff spent considerable time during the month of October with State Street personnel preparing for the conversion. Subjects handled by the transition teams included: locating and inventorying all assets to be transferred; clarifying accounting procedures; developing a method of unitizing the asset pools and distributing pooled income; notifying the Board's managers of the new trade settlement procedures; creating a short-term investment fund; developing securities lending procedures; preparing specifications for a monthly data transfer to the SBI's accounting system; and, specifying asset pricing procedures.

The conversion process proceeded quite smoothly. All assets were transferred on schedule and no lost income resulted from the

transfer, problems which have been known to occur in other custodial conversions. Further, only one month after the transition, Wilshire Associates began construction of the SBI's index fund. State Street handled the index fund's massive trading volume without serious problems, reaffirming the quality of the bank's custodial operations.

INVESTMENT ADVISORY COUNCIL CHANGES

The Investment Advisory Council (IAC) was created by Minnesota Statutes 11A.08. Among its duties, the IAC is charged with the responsibility to "advise the state board and director on general policy matters relating to investments."

The Council consists of seventeen members. Ten of these members are required to be "experienced in general investment matters." These individuals are members of the Minnesota financial community and have extensive investment experience, either as money managers or as investment directors of pension plans. Other members of the IAC include the Commissioner of Finance, the executive directors of the three statewide retirement systems, a retiree representative and two currently employed public employee representatives.

The composition of the IAC has undergone a gradual but important evolution over the last several years. This shift has tended to reflect the changes in the SBI's investment management structure and, hence, changes in the Board's information needs.

Previously, when all of the Board's assets were managed internally, the private sector contingent of the IAC was composed largely of money managers. Their advice was useful in establishing investment strategies for the internally managed funds. As the SBI has moved to an emphasis on external management, the membership of the Council has changed to include a number of pension plan directors. These individuals, and the organizations which they represent, face decisions similar to those that now confront the SBI. Thus, their knowledge and experience is highly relevant to the Board's current and future decision-making needs.

The IAC has recently instituted significant changes in its organizational structure. The goal of these changes is to create a more effective means of analyzing important investment issues and communicating recommendations to the SBI. Five committees have been created and each IAC member has been assigned to one of the committees. The committees are organized around broad investment subjects relevant to the Board's decision-making. The five committees are: Administrative, Asset Allocation, Alternative Investments, Equity Managers, and Fixed Income Managers. The committees meet separately at least once per

quarter to consider topics under their specific pervue. The committee chairpersons formally present their committees' conclusions at the quarterly IAC meetings. In turn, the full IAC discusses these recommendations and sends them on, possibly with modifications, to the Board. SBI staff attends all committee meetings and provides information and analysis upon request.

LEGISLATIVE REVIEW

Relatively few changes were made in the SBI's statutory investment authority during the 1984 legislative session. The Board's housekeeping bill contained the following changes in investment statutes:

- 1) The authority to create a combined investment fund for fixed income investments. This authority was needed in order to pool the bond portfolios of the Basic Retirement Funds, thereby simplifying the external bond management process and producing significant savings in custodial expenses;
- 2) The expanded authority to invest in financial futures contracts to include futures contracts traded on any contract market designated and regulated by a federal agency. Among other investments, this new authority will permit the purchase of stock market futures contracts. The Board anticipates that the expanded futures authority will be used primarily by its external managers as part of their short-run asset allocation strategies; and
- 3) The elimination of the deferred yield adjustment for the active lives retirement funds. For actuarial purposes, losses on bond sales will no longer be amortized over the remaining life of the bond, but rather will be immediately written off against current income. The deferred yield adjustment account continues to be utilized by the Post Retirement Investment Fund.

Legislation was also passed requiring that the Board and Investment Advisory Council meet at least four times each year, rather than the previously specified six.

Perhaps the most significant piece of investment legislation passed in 1984 did not directly involve the Board. The Legislature passed a bill known as the "Rule of 85." This legislation permits participants in the statewide retirement plans to retire if their years of service and age total at least 85.

The exact number of early retirees and the timing of their retirements, produced by the "Rule of 85" cannot be forecasted accurately. It is certain, however, that a large number of public employees will take early retirement over the next two years that the "Rule of 85" is in effect. During this period, the Basic Retirement Funds will experience significant negative net contributions. Current estimates place the figure at roughly \$300 million. These cash flows will be transferred to the Post Retirement Investment Fund to fund annuities for the retirees.

From the Board's perspective, the significance of the "Rule of 85" is twofold. First, the sizable negative net contributions to the Basic Retirement Funds will necessitate modest temporary changes in the Funds' investment structures if the long-run allocations to alternative investments are to proceed as planned. Second, with the size of the Post Retirement Investment Fund expected to increase by almost two-thirds, to \$3 billion over the next two years, formal investment objectives and asset allocation targets will need to be developed for the Fund.

The Asset Allocation Committee of the Investment Advisory Council has addressed the first issue and recommended that:

- 1) The long-term asset allocation targets, adopted by the Board in August, 1983, should continue to be implemented as scheduled over the next two-to-three years.
- 2) Specifically, investments in alternative assets should proceed as planned.
- 3) Cash to finance both the negative net contributions and the continued funding of alternative investments should be raised from four sources (presented in order of recommended use):
 - a. Dividends from the index fund should be diverted for the next two years.
 - b. The private placement bond portfolio should be liquidated.
 - c. The three-year-and-under maturity bond portfolio should be liquidated.
 - d. A small portion of the funds managed by external bond managers should be withdrawn.
- 4) Cash positions of at least \$50 million should be maintained on a continuous basis to protect against any significant unexpected cash outflows.

The Asset Allocation Committee is also considering the second issue of investment goals and asset allocation targets for the Post Retirement Investment Fund. The Committee is expected to make specific recommendations to the Board at its December 1984 meeting.

MINNESOTA SMALL BUSINESS FINANCE AGENCY PROGRAM

During the last year the Minnesota Small Business Finance Agency, in conjunction with the Minnesota State Board of Investment, has provided loans to small businesses throughout the state. This program, called the Minnesota Plan, provides U.S. government guaranteed, fixed rate, long-term Small Business Administration (SBA) loans to Minnesota small businesses. Generally, SBA loans are available only for a maximum term of seven years, at variable rates adjusted quarterly at a level $2\frac{3}{4}\%$ above prime. The Minnesota Plan, a pilot project approved by the U.S. Small Business Administration, is designed to give small businesses the stable debt service payments necessary to implement their long-term investment and operational plans by providing loans for up to twenty years at a fixed rate of interest.

In order to finance this program, the Minnesota Small Business Finance Agency (MSBFA) sells taxable business loan revenue bonds. The proceeds from the bond sales are used by MSBFA to purchase the U.S. government guaranteed portion of SBA loans issued by banks to Minnesota small businesses. In effect, the bonds issued by the MSBFA are backed by the guarantee of the U.S. Small Business Administration, a full faith and credit obligation of the U.S. government. Because of the sound characteristics of this proposal as well as the attractive return available, the SBI has committed to purchase the bonds issued by the MSBFA for investment by the Permanent School Fund, the trust whose earnings directly benefit Minnesota schools.

The MSBFA bonds provide a yield which exceeds that of ten-year U.S. Treasury bonds by 1.5 percentage points. The MSBFA bond yield is pegged to U.S. Treasury obligations because of the similarity in quality and risk of the two investments. In addition, the SBI receives from the MSBFA a commitment fee of $\frac{1}{2}$ of 1% of the aggregate principal amount of the bonds not yet issued.

The MSBFA bonds are rated AA by the Standard and Poor's Corporation, which signals the quality of the instrument and offers liquidity in the event of the anticipated development of an active secondary market for these securities. The bonds have a twenty-year maturity with sinking fund payments in accordance with the actual loans in the underlying pool. As a result, the average life of the bonds is approximately ten years.

This innovative financing mechanism for small businesses is the result of extensive discussions between the staffs of the Minnesota Small Business Finance Agency and the State Board of Investment. The SBI anticipates that \$5.5 million, or approximately 2% of the Permanent School Fund, eventually will be invested in the Minnesota Plan.

PROXY VOTING

As a stockholder, the State Board of Investment is entitled to participate in corporate annual meetings, through direct attendance or casting its votes by proxy. Through proxy voting, the Board directs company representatives to vote its shares in a particular way on resolutions under consideration at annual meetings. In effect, as a shareholder the State Board of Investment can participate in shaping corporate policies and practices.

Resolutions prepared at annual meetings range from routine issues, such as those involving the election of corporate directors and ratification of auditors, to non-routine items involving such matters as merger proposals and corporate social responsibility issues. In order to identify the "non-routine" resolutions, the State Board of Investment utilizes the Investor Responsibility Research Center (IRRC), a non-partisan service which provides information and analyses of the issues under consideration at corporate annual meetings.

Due to the administrative difficulty involved in voting the proxies of over 1100 corporations owned by the Basic Retirement Funds, all routine matters are automatically voted in accordance with the recommendations of corporate management. This process is administered by the SBI's master custodian, State Street Bank and Trust Company. All non-routine issues highlighted by IRRC are screened by State Street and voted directly by the State Board of Investment. In addition, the shares of the approximately 150 companies owned by the Post Retirement Fund, the Supplemental Investment Fund, the Variable Annuity Fund and the Permanent School Fund are voted directly by the Board.

All non-routine issues are reviewed by a committee on proxy voting appointed by the State Board of Investment. The committee votes on the resolutions in accordance with the SBI's statement on investment responsibility (see page 46).

During the last fiscal year, the committee voted on forty-nine shareholder resolutions pertaining to issues of corporate social responsibility. Of these forty-nine resolutions, the committee voted in favor of thirty-nine shareholder resolutions, in opposition to the recommendation of corporate management. The committee also has adopted policies in opposition to certain management proposals which discourage changes in corporate ownership to the potential financial detriment of shareholders.

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.

STATISTICAL DATA APPENDIX

EXTERNAL MANAGER INVESTMENT PHILOSOPHIES

COMMON STOCK MANAGERS

FRED ALGER

Fred Alger utilizes a micro investment approach, emphasizing individual stock selection rather than industry selection and/or market timing. The firm focuses primarily on two types of companies: those currently undergoing a positive life cycle change, and those creative companies whose products have high unit volume growth rates. Fred Alger expects these two types of companies to be characterized by substantially above-consensus earnings gains and thus, exhibit strong stock price performance. The firm's decision-making structure is relatively unique in that portfolio selections are made by the firm's highly motivated group of analysts. Except on rare occasions, the firm maintains a fully invested posture.

ALLIANCE CAPITAL

The Alliance Capital office system employs a macro investment approach. Investment strategy is developed on two levels. Macroeconomic considerations are analyzed on a centralized basis at the New York headquarters. Committees, composed of members from the regional and New York offices, develop economic forecasts, set asset allocation and industry weightings, and formulate an eligible list of attractive securities. Specific stock selection is conducted at the regional office level. The Minneapolis office tends to focus on companies with favorable ratios of P/E to forecasted earnings growth.

BMI CAPITAL

BMI employs a micro investment approach, emphasizing individual stock selection rather than industry selection and/or market timing. The firm focuses on two types of companies: first, misperceived companies that are in the process of undergoing dynamic change that will cause them to produce materially higher earnings over the near-term, but whose prospects are as yet unrecognized by the market; and second, small-to-medium sized companies that exhibit the potential for rapid future earnings growth. This second type of company dominates the BMI portfolios. The firm tends to take sizable positions in a relatively few stocks. BMI generally maintains a fully invested posture, with any cash positions a result of a lack of attractive investment opportunities.

BEUTEL GOODMAN

Beutel Goodman utilizes a modified micro investment style. The firm concentrates on stock selection but is sensitive to the impact of macroeconomic factors on the attractiveness of specific industries and companies. Stocks purchased by Beutel Goodman tend to be either companies whose stock prices are too low in comparison to their tangible book value (as estimated by Beutel Goodman analysts) or companies whose stocks possess low relative P/E's given their investment characteristics and forecasted earnings growth. The firm generally remains fully invested, with cash positions usually resulting from an immediate lack of attractive investment opportunities.

FORSTMANN LEFF

Forstmann Leff uses a macro investment approach, focusing on industry selection and market timing. The firm attempts to identify social and economic factors impacting the marketplace on a cyclical and secular basis. From this analysis the firm focuses on those sectors that will be positively and negatively affected by these forces. Stock selection is of secondary importance to the firm. Holdings tend to be concentrated in larger capitalization institutional favorites. Forstmann Leff is an active market timer willing to make sizable asset mix shifts at any point in the market cycle.

HELLMAN JORDAN

Hellman Jordan employs a modified macro investment approach, focusing on companies that it believes will be positively impacted by the firm's forecasted economic scenarios. The firm attempts to identify long-term trends in the economy and develop investment concepts related to these trends. Stock selection is considered to be of secondary importance to successful asset mix and sector rotation decisions. While this approach often leads the firm to focus on high growth, high P/E companies, when the firm is negative on the market it will move to high yield, lower growth, lower P/E defensive stocks. In either case, the firm tends to hold larger capitalization issues. Hellman Jordan is an active market timer, willing to make sharp, significant asset mix moves at any point over the market cycle.

IDS ADVISORY

IDS employs a macro investment approach, focusing on industry selection and limited market timing. The firm attempts to identify industries that will be positively and negatively impacted by forecasted broad economic trends. The firm actively rotates among these affected industries. Stock selection is of secondary importance to the firm. IDS tends to make moderate asset allocation moves gradually over a market cycle.

INVESTMENT ADVISERS

Investment Advisers utilizes a macro investment style, with a relatively equal emphasis placed on asset allocation, industry weighting, and stock selection. Through a committee structure, the firm attempts to identify the economy's position within the real economic and credit cycles. Based upon this analysis, Investment Advisers rotates its portfolios among industries and investment characteristics. Stock selection focuses on the recommendations of fundamental valuation and earnings momentum models. Holdings tend to be concentrated in large capitalization institutional favorites. The firm actively conducts market timing to take advantage of cyclical moves in the market.

LIEBER & CO.

Lieber & Co. seeks to identify investment concepts that are either currently profitable or likely to become so in the near future, yet whose prospects are not reflected in the stock prices of the companies associated with the concepts. The investment concepts upon which the firm focuses are related to both macroeconomic trends and specific product developments within particular industries or companies. Stocks purchased by Lieber tend to be those of well-managed, high growth and high return on equity, small-to-medium sized companies. The stocks may be undervalued due to the failure of investors to recognize fully either the value of new products or a successful turnaround situation. Particularly attractive to Lieber are small-to-medium sized takeover candidates. The firm generally is fully invested, with any cash positions the result of a lack of attractive investment concepts.

LOOMIS SAYLES

The Loomis aggressive equity management group employs a modified micro approach. Based upon the firm's economic forecast, the aggressive equity group identifies those industries and companies that are expected to experience significant cyclical or secular earnings gains. The Loomis portfolio tends to focus on stocks with relatively high P/E's and low yields and companies with highly variable, but successful patterns of historical earnings growth. The firm generally maintains a fully invested position, only rarely raising cash to significant levels.

NORWEST BANK

Norwest utilizes a modified micro investment style. The bank emphasizes stock selection in its aggressively managed funds, although asset mix is set for all bank funds by a strategy committee. The aggressive funds tend to focus on industries and companies experiencing a growing share of GNP, developing new, high growth products, and which are positively influenced by cyclical economic change. This approach leads to a concentration in small capitalization, emerging growth, and technology companies. The bank is a moderate market timer, willing to shift asset mix at any point in the market cycle.

SIEBEL CAPITAL

Siebel employs a modified micro investment style, concentrating on stock selection, but also considering the effect of macroeconomic factors on the prospects for specific industries and companies. The firm tends to purchase stocks of two principal types of companies: first, seasoned growth companies devising new products or creating new markets for old products which will significantly raise earnings growth and second, low P/E companies undergoing a potentially profitable redeployment of assets. Siebel is a moderate market timer, willing to alter asset mix at any point in the market cycle.

HERBERT R. SMITH

Herbert R. Smith utilizes a modified macro investment approach. The firm uses its economic and political outlook and its technical analysis of the marketplace to establish the asset mix for its portfolios. The firm is an aggressive market timer, willing to make sizable asset allocation moves at any point in the market cycle. Although asset allocation receives the firm's primary attention, the firm also emphasizes stock selection. Its stock selection is predicated upon both fundamental and technical analysis of individual securities. Herbert Smith searches for stocks with attractive relative P/E's and positive technical patterns.

TRUSTEE & INVESTORS

Trustee & Investors employs a highly disciplined, micro investment approach, emphasizing stock selection rather than industry selection and/or market timing. The firm analyzes potential purchase and sale candidates through the use of computerized data bases which screen such fundamental valuation parameters as price, earnings, and balance sheet and income statement data. Trustee & Investors searches for companies with unrecognized assets or earnings, or companies undergoing cyclical or operational turnarounds. The firm maintains a fully invested position at all times.

WADDELL & REED

Waddell & Reed, in its aggressively managed funds, employs a micro investment approach. While asset mix decisions are made for all Waddell & Reed funds at a committee level, the aggressive funds focus on stock selection almost entirely. Holdings are concentrated in small capitalization stocks with an orientation toward cyclical companies and immature growth companies, particularly technology companies. The Waddell & Reed organization is an active market timer willing to make significant asset mix shifts at any point in the market cycle.

BOND MANAGERS

INVESTMENT ADVISERS

Investment Advisers is a traditional top down bond manager. The firm's approach is oriented toward correct identification of the economy's position in the credit cycle. This analysis leads the firm to its interest rate forecast and maturity decisions, from which the firm derives most of its value-added. Investment Advisers is an active asset allocator, willing to make rapid, significant moves between cash and long maturity investments over the course of an interest rate cycle. Quality, sector and issue selection are secondary decisions. Quality and sector choices are made through yield spread analyses consistent with the interest rate forecasts. Individual security selection receives very limited emphasis, focusing largely on specific bond characteristics such as call provisions.

LEHMAN MANAGEMENT

Lehman's primary emphasis is on forecasting cyclical interest rate trends and positioning its portfolios in terms of maturity, quality and sectors, in response to its interest rate forecast. However, the firm avoids significant, rapidly changing interest rate bets. Instead, it prefers to shift portfolio interest rate sensitivity gradually over a market cycle, avoiding extreme positions in either long or short maturities. Individual bond selection is based on a quantitative valuation approach and the firm's internally-conducted credit analysis. High quality (A or better) undervalued issues are selected consistent with the desired maturity, quality and sector composition of the portfolios.

MILLER, ANDERSON & SHERRERD

Miller Anderson focuses its investments in misunderstood or under-researched classes of securities. Over the years this approach has led the firm to emphasize mortgage-backed securities in its portfolios. The firm rarely purchases corporate bonds. Based on its economic and interest rate outlook, the firm establishes a desired maturity level for its portfolios. This decision is instituted primarily through the selection of specific types of mortgage securities that have prepayment expectations consistent with the portfolio's desired maturity. The firm will also move in and out of cash, but generally only gradually over an interest rate cycle and never taking extremely high cash positions. Total portfolio maturity is always kept within an intermediate three-to-seven-year duration band. Unlike many other firms that also invest in mortgage securities, Miller Anderson intensively researches and, even in some cases manages, the mortgage pools in which it invests.

MORGAN STANLEY

Morgan Stanley takes a very conservative approach to fixed income investing, emphasizing the preservation of capital through the generation of consistent real returns. This philosophy has led the firm to maintain a vast majority of its portfolio in short to intermediate maturity, high quality (A or better) securities. Large positions in maturities longer than ten years are held only as temporary trading opportunities. These positions are increased or reduced gradually as the firm's expectations of the cyclical level of interest rates changes. Issue selection is of secondary importance to maturity decisions. Further, the firm avoids short-run trades between qualities and sectors. Rather, given its maturity decisions, the firm prefers to make sizable investments in specific areas of the market where it believes persistent misvaluations are present.

NORWEST BANK

Norwest stresses consistency of fixed income portfolio relative returns. To accomplish this goal, the firm maintains a portfolio of high quality, liquid securities and a balance of maturity levels avoiding extreme exposures on either the long or short end. Further, Norwest will make only gradual moves between maturities over an interest rate cycle. The firm's maturity, quality and sector decisions are driven by both its economic forecasts and a quantitative analysis of the sensitivity of various classes of fixed income securities to different interest rate scenarios. The firm also concentrates on exploring misperceived fixed income securities, which has led the firm to make extensive use of mortgage-backed securities and floating rate notes.

WESTERN ASSET

Western recognizes the importance of interest rates changes on fixed income portfolio returns. However, the firm believes that successful interest rate forecasting, particularly short-run forecasting, is extremely difficult to accomplish consistently. Thus, the firm attempts to keep portfolio maturity in a narrow band near that of the market, making only relatively small, gradual shifts over an interest rate cycle. It prefers to add value primarily through appropriate sector decisions. Based on its economic analysis, Western will significantly overweight particular sectors, shifting these weights as economic expectations warrant. Issue selection, like its maturity decisions, are of secondary importance to the firm.

EQUITY MANAGER PORTFOLIO STATISTICS GLOSSARY

In the table following this glossary, summary descriptions of the individual equity managers' portfolio risk characteristics are displayed. Some of the statistics presented are technical in nature. This glossary is designed to aid in understanding the terms that are introduced.

- Qtr. Port. Turnover** - the manager's total equity asset sales during the quarter divided by the average value of the manager's equity assets over the quarter.
- # of Stocks** - number of different issues held in the manager's stock portfolio.
- Equity Allocation** - percent of the manager's total portfolio invested in common and preferred stocks and convertible securities.
- Yield** - indicated annual dividend of the manager's stock portfolio divided by the market value of the manager's stock portfolio.
- P/E** - weighted average price per share of the managers' common stock portfolio divided by the weighted average trailing four quarter earnings per share of the manager's common stock portfolio.
- Market Volatility** - degree to which the returns on the manager's stock portfolio are sensitive to movements in the stock market's return. By definition the market has a market volatility measure (referred to as beta) of 1.0. Portfolios with values greater (less) than 1.0 have above (below) average sensitivity to market moves. The SBI's managers are required, over the long-term to hold portfolios with market volatility levels above 1.10. This measure does not include the impact of cash holdings on total portfolio volatility.
- Diversification** - extent to which a manager's equity holdings statistically resemble the stock market. Low (high) diversification portfolios will experience returns which are not well (are well) correlated with those of the market. By definition, the market has a diversification measure of 1.0. The less a portfolio is diversified, the lower will be its diversification measure (referred to as R-squared). The SBI's managers are required, over the long-term, to hold portfolios with diversification levels less than .85.

**Portfolio Risk
Orientation**

- the riskiness of a portfolio can be expressed in terms of its market volatility and diversification. A complementary approach is to break down a portfolio's risk into sensitivity to various fundamental factors. These factors, six of which are used in this analysis, are related to various balance sheet, income statement and securities data on the stocks which make up a manager's portfolio. The sensitivity of a manager's portfolio to these factors is rated relative to the the stock market's sensitivity. Thus, the term ++ (--) indicates that a portfolio has a relatively very high (low) exposure to the factor. A + (-) indicates an above (below) average exposure. A 0 indicates no exposure.

Price Variability

- risk related to the historical variability of the prices of stocks in the portfolio. The more variable are the portfolio's securities' prices, the more risky is the portfolio. Items such as current stock price, twelve month price range, trading volume, and beta make up this measure.

Earnings Variability

- risk related to the variability of the earnings of those companies owned in the manager's portfolio. The more variable are the companies' earnings, the more risky is the portfolio. Items such as variance of accounting earnings, variance of cash flow, occurrence of extraordinary accounting items, and the correlation of companies' earnings with U.S. corporate earnings make up this measure.

Earnings Success

- risk related to the extent to which the earnings of companies owned by the portfolio have been recently low or negative. The poorer have been companies' earnings, the riskier is the portfolio. Items including return on equity, earnings growth, book/price ratio, dividend cuts, and tax rate make up this measure.

Size

- risk related to the size and maturity of the companies held in the portfolio. The smaller and younger the companies, the more risky is the portfolio. Items such as total assets, market capitalization, gross plant/book value ratio, and company age make up this measure.

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Growth	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Leverage	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
BAL	30	30	30	30	30	30	30	30	30	30	30	30	30
AMT	30	30	30	30	30	30	30	30	30	30	30	30	30
BY	30	30	30	30	30	30	30	30	30	30	30	30	30
CD	30	30	30	30	30	30	30	30	30	30	30	30	30
CM	30	30	30	30	30	30	30	30	30	30	30	30	30
CP	30	30	30	30	30	30	30	30	30	30	30	30	30
CR	30	30	30	30	30	30	30	30	30	30	30	30	30

- risk related to the growth orientation of companies owned by the manager. The more growth-oriented are the companies, the riskier is the portfolio. Items such as dividend yield, E/P ratio, and growth in total assets make up this measure.
- risk related to the extent to which companies held in the portfolio have used debt to finance their operations. The more leveraged are the companies, the riskier is the portfolio. Items such as debt/asset ratio, current asset/current liability ratio, and uncovered fixed charges make up this ratio.

EXTERNAL EQUITY MANAGERS

PORTFOLIO STATISTICS HISTORICAL SUMMARY

MANAGER NAME	DATE	QTR. PORT. T/O	# OF STKS	EQUITY ALLOC.	YIELD	P/E	MKT VOLTY	DIVRSFN	Price Var.	PORTFOLIO RISK ORIENTATION				
										Earn. Var.	Earn. Succ.	Size	Growth	Fin. Lever.
AVG. EXT. MANAGERS	6/30/84	27	41	81	3.21	13.5	1.29	0.81	+	+	+	+	+	0
AVG. EXT. MANAGERS	3/31/84	25	41	83	3.05	13.5	1.25	0.82	+	+	0	+	+	0
AVG. EXT. MANAGERS	12/31/83	36	34	84	2.79	16.2	1.23	0.80	+	+	0	+	0	0
AVG. EXT. MANAGERS	9/30/83	32	32	85	2.48	19.4	1.29	0.82	+	+	0	+	+	0
AVG. EXT. MANAGERS	6/30/83	27	32	85	2.44	16.7	1.29	0.81	+	0	-	0	+	+
AVG. EXT. MANAGERS	3/31/83	NA	26	67	2.78	15.0	1.26	0.83	+	+	-	0	+	0
FRED ALGER	6/30/84	16	32	93	2.92	13.1	1.22	0.86	+	+	0	0	-	0
FRED ALGER	3/31/84	19	33	91	2.82	14.8	1.19	0.86	+	+	+	0	0	0
FRED ALGER	12/31/83	23	32	95	2.64	15.9	1.18	0.88	+	++	-	0	0	0
FRED ALGER	9/30/83	27	32	91	2.63	17.5	1.24	0.88	+	++	0	0	0	0
FRED ALGER	6/30/83	8	35	94	2.10	18.7	1.33	0.88	++	++	--	+	+	++
FRED ALGER	3/31/83	NA	35	89	2.31	17.1	1.29	0.87	++	++	--	+	+	+
ALLIANCE CAPITAL	6/30/84	8	32	92	1.84	15.4	1.39	0.73	+	+	++	+	++	--
ALLIANCE CAPITAL	3/31/84	12	32	92	1.75	15.4	1.38	0.72	+	+	0	+	++	--
ALLIANCE CAPITAL	12/31/83	14	33	92	1.47	19.7	1.37	0.72	+	++	-	0	++	-
ALLIANCE CAPITAL	9/30/83	22	27	87	1.55	20.4	1.41	0.75	+	++	-	+	+	-
ALLIANCE CAPITAL	6/30/83	17	30	91	1.72	20.9	1.35	0.77	+	++	--	0	+	0
ALLIANCE CAPITAL	3/31/83	NA	30	84	1.68	20.3	1.40	0.81	++	++	--	+	++	-
BEUTEL GOODMAN	6/30/84	11	18	92	4.14	14.9	1.18	0.79	0	+	0	++	0	++
BEUTEL GOODMAN	3/31/84	12	20	98	3.84	11.0	1.16	0.79	+	+	+	++	0	++
BEUTEL GOODMAN	12/31/83	15	16	95	3.77	10.3	1.08	0.74	+	+	++	++	0	++
BEUTEL GOODMAN	9/30/83	6	16	99	3.47	10.5	1.14	0.75	+	+	++	++	0	++
BEUTEL GOODMAN	6/30/83	7	12	79	3.29	10.2	1.07	0.75	+	0	-	++	0	++
BEUTEL GOODMAN	3/31/83	NA	6	34	2.98	9.3	1.09	0.71	+	0	++	+	+	++
BMI CAPITAL	6/30/84	6	24	99	2.73	18.5	1.33	0.79	++	++	-	++	+	--
BMI CAPITAL	3/31/84	18	24	95	2.67	17.1	1.32	0.80	++	++	0	++	+	--
BMI CAPITAL	12/31/83	14	21	98	2.23	20.4	1.29	0.81	+	++	-	++	+	0
BMI CAPITAL	9/30/83	19	19	99	2.14	19.2	1.34	0.81	+	++	-	++	+	0
BMI CAPITAL	6/30/83	0	20	96	2.26	16.6	1.31	0.80	+	0	--	+++	+	0
BMI CAPITAL	3/31/83	NA	13	53	2.35	13.7	1.36	0.80	++	++	--	+++	++	++
FORSTMANN-LEFF	6/30/84	31	31	54	3.64	11.4	1.26	0.81	+	+	++	-	0	++
FORSTMANN-LEFF	3/31/84	34	38	71	3.52	12.4	1.17	0.82	0	+	+	-	0	++
FORSTMANN-LEFF	12/31/83	41	39	81	3.23	15.7	1.10	0.70	--	0	++	--	0	--
FORSTMANN-LEFF	9/30/83	46	28	83	2.59	20.7	1.14	0.72	--	0	++	--	0	--
FORSTMANN-LEFF	6/30/83	52	33	93	2.90	15.0	1.08	0.70	--	--	0	--	--	--
FORSTMANN-LEFF	3/31/83	NA	38	85	3.23	14.8	1.09	0.82	0	0	0	-	0	--

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MANAGER NAME	DATE	QTR. PORT. T/O	# OF STKS	EQUITY ALLOC.	YIELD	P/E	MKT VOLTY	DIVRSFN	Price Var.	PORTFOLIO RISK ORIENTATION				Fin. Lever.
										Earn. Var.	Earn. Succ.	Size	Growth	
HELLMAN JORDAN	6/30/84	34	37	61	5.09	13.5	1.25	0.87	+	++	++	-	0	++
HELLMAN JORDAN	3/31/84	30	34	58	4.94	12.9	1.16	0.87	+	++	+	--	0	+
HELLMAN JORDAN	12/31/83	43	23	51	5.31	12.5	1.23	0.74	+	++	++	-	--	++
HELLMAN JORDAN	9/30/83	57	20	47	2.89	21.2	1.34	0.77	+	++	++	0	0	++
HELLMAN JORDAN	6/30/83	38	18	56	2.37	16.1	1.30	0.77	+	++	-	--	0	++
HELLMAN JORDAN	3/31/83	NA	14	53	3.18	15.9	1.30	0.72	+	++	--	--	+	+
IDS ADVISORY	6/30/84	42	43	87	4.80	13.4	1.04	0.85	--	-	--	0	0	++
IDS ADVISORY	3/31/84	41	39	82	4.31	11.2	1.09	0.80	0	+	--	-	--	0
IDS ADVISORY	12/31/83	45	36	89	3.13	18.8	1.17	0.86	+	++	-	+	+	0
IDS ADVISORY	9/30/83	79	34	86	2.40	25.0	1.24	0.86	+	++	0	+	+	-
IDS ADVISORY	6/30/83	42	49	94	2.19	19.9	1.30	0.81	+	+	--	-	+	-
IDS ADVISORY	3/31/83	NA	48	88	3.17	15.3	1.19	0.84	+	+	-	--	+	-
INVESTMENT ADVISERS	6/30/84	8	43	98	4.19	10.0	1.21	0.89	0	0	++	-	0	++
INVESTMENT ADVISERS	3/31/84	21	40	92	3.60	11.1	1.17	0.89	0	+	++	-	0	++
INVESTMENT ADVISERS	12/31/83	16	39	89	3.11	13.5	1.13	0.86	--	+	++	--	0	0
INVESTMENT ADVISERS	9/30/83	8	41	89	2.92	15.6	1.13	0.87	--	+	++	--	0	0
INVESTMENT ADVISERS	6/30/83	7	37	78	3.19	15.9	1.08	0.89	-	0	0	--	0	0
INVESTMENT ADVISERS	3/31/83	NA	34	47	3.35	13.4	1.06	0.85	0	0	-	--	-	0
LIEBER & COMPANY	6/30/84	10	117	95	2.66	12.0	1.33	0.81	++	0	0	++	++	--
LIEBER & COMPANY	3/31/84	0	115	93	2.63	12.0	1.37	0.85	+	0	--	++	+	-
LIEBER & COMPANY	12/31/83	9	60	100	2.77	12.9	1.24	0.83	+	0	-	++	+	-
LIEBER & COMPANY	9/30/83	9	56	97	2.83	11.3	1.30	0.83	+	0	-	++	+	-
LIEBER & COMPANY	6/30/83	2	49	92	2.70	14.0	1.26	0.84	+	0	--	++	+	-
LIEBER & COMPANY	3/31/83	NA	24	45	2.94	15.9	1.20	0.85	+	0	-	++	+	--
LOOMIS SAYLES	6/30/84	25	20	94	1.71	14.4	1.37	0.70	++	++	-	+	++	0
LOOMIS SAYLES	3/31/84	6	22	93	1.93	13.2	1.37	0.66	++	++	--	+	+	+
LOOMIS SAYLES	12/31/83	39	19	81	1.79	18.0	1.38	0.70	++	++	--	+	+	0
LOOMIS SAYLES	9/30/83	60	23	95	1.28	28.8	1.53	0.75	++	++	--	+	++	0
LOOMIS SAYLES	6/30/83	49	19	97	1.21	17.3	1.64	0.75	++	++	--	+	++	++
LOOMIS SAYLES	3/31/83	NA	20	98	1.62	18.2	1.44	0.85	++	++	--	0	++	-
NORWEST BANK MPLS	6/30/84	26	56	89	1.96	17.4	1.39	0.83	++	++	++	++	++	-
NORWEST BANK MPLS	3/31/84	66	47	87	1.65	19.2	1.28	0.82	++	++	--	++	++	-
NORWEST BANK MPLS	12/31/83	92	41	83	1.88	19.0	1.23	0.87	+	0	-	+	+	--
NORWEST BANK MPLS	9/30/83	56	53	85	2.12	21.4	1.27	0.87	+	0	-	+	+	-
NORWEST BANK MPLS	6/30/83	95	42	80	2.53	16.3	1.23	0.88	+	--	-	+	+	--
NORWEST BANK MPLS	3/31/83	NA	35	83	2.94	14.1	1.20	0.90	+	--	-	+	+	--
SIEBEL CAPITAL	6/30/84	47	36	63	3.22	12.3	1.27	0.88	+	--	++	++	+	0
SIEBEL CAPITAL	3/31/84	28	42	78	3.07	11.5	1.25	0.88	+	0	+	+	+	0
SIEBEL CAPITAL	12/31/83	25	37	90	3.14	12.4	1.16	0.89	0	--	0	0	-	++
SIEBEL CAPITAL	9/30/83	26	35	83	3.28	12.6	1.15	0.88	0	0	++	0	0	0
SIEBEL CAPITAL	6/30/83	27	36	91	3.24	13.5	1.17	0.86	+	0	0	0	0	++
SIEBEL CAPITAL	3/31/83	NA	26	80	3.38	13.5	1.15	0.85	+	0	-	--	0	+

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MANAGER NAME	DATE	QTR. PORT. T/O	# OF STKS	EQUITY ALLOC.	YIELD	P/E	MKT VOLTY	DIVRSFN	Price Var.	PORTFOLIO RISK ORIENTATION				Fin. Lever.
										Earn. Var.	Earn. Succ.	Size	Growth	
HERBERT R. SMITH	6/30/84	38	67	86	3.29	12.5	1.20	0.92	+	+	-	+	+	--
HERBERT R. SMITH	3/31/84	29	68	84	3.12	13.9	1.22	0.91	+	+	0	+	+	0
HERBERT R. SMITH	12/31/83	46	60	80	2.14	18.9	1.33	0.85	++	++	-	++	+	++
HERBERT R. SMITH	9/30/83	40	46	65	2.68	19.4	1.44	0.87	+	++	-	++	+	++
HERBERT R. SMITH	6/30/83	13	48	65	2.36	18.2	1.46	0.83	++	++	--	++	++	++
HERBERT R. SMITH	3/31/83	NA	18	20	2.74	13.7	1.45	0.77	++	++	--	+	+	++
TRUSTEE & INVESTORS	6/30/84	15	40	95	3.86	12.8	1.31	0.90	++	+	++	-	+	++
TRUSTEE & INVESTORS	3/31/84	25	41	98	3.30	14.4	1.27	0.89	++	+	++	0	+	++
TRUSTEE & INVESTORS	12/31/83	17	44	99	2.82	18.0	1.25	0.89	+	0	0	+	+	++
TRUSTEE & INVESTORS	9/30/83	9	40	98	3.04	19.8	1.26	0.92	+	0	++	+	+	++
TRUSTEE & INVESTORS	6/30/83	11	34	98	3.09	17.5	1.24	0.93	+	0	-	+	+	+
TRUSTEE & INVESTORS	3/31/83	NA	26	71	3.80	14.4	1.24	0.93	+	0	-	+	0	++
WADDELL & REED	6/30/84	81	13	21	2.08	10.9	1.56	0.52	++	++	++	++	+	+
WADDELL & REED	3/31/84	35	21	31	2.63	12.6	1.31	0.74	+	++	+	+	0	++
WADDELL & REED	12/31/83	103	10	31	2.45	17.2	1.36	0.72	++	+	--	++	++	--
WADDELL & REED	9/30/83	9	17	73	1.41	27.4	1.41	0.73	++	0	--	++	+	--
WADDELL & REED	6/30/83	38	16	75	1.51	21.0	1.48	0.74	++	0	--	++	++	+
WADDELL & REED	3/31/83	NA	17	79	2.04	14.9	1.50	0.81	++	+	-	++	+	++

EXTERNAL EQUITY MANAGERS

SECTOR WEIGHTING HISTORICAL PROFILE

EQUITY SECTOR WEIGHTS

MANAGER NAME	DATE	TOTAL PORTFOLIO MARKET VALUE	CAP GDS	CONS DUR	CONS NDUR	ENER	FINL	MAT & SERV	TECH	TRAN	UTIL
AVG. EXT. MANAGERS	6/30/84	---	4.0	7.6	28.6	4.2	12.5	10.9	23.4	5.4	3.4
AVG. EXT. MANAGERS	3/31/84	---	5.2	7.6	24.0	5.7	13.2	13.3	22.7	5.1	3.1
AVG. EXT. MANAGERS	12/31/83	---	6.0	6.4	23.5	3.0	12.2	15.1	24.0	6.3	3.5
AVG. EXT. MANAGERS	9/30/83	---	3.6	5.9	28.9	3.1	12.8	13.5	24.2	5.7	2.4
AVG. EXT. MANAGERS	6/30/83	---	3.7	6.1	30.2	3.6	15.1	11.7	21.2	5.8	2.5
AVG. EXT. MANAGERS	3/31/83	---	2.8	4.3	30.6	3.6	15.2	11.4	23.5	4.9	3.8
FRED ALGER	6/30/84	49,936,760	14.0	8.0	30.7	---	3.8	11.5	29.5	2.6	---
FRED ALGER	3/31/84	51,737,228	13.3	4.3	28.8	---	3.4	18.3	31.9	---	---
FRED ALGER	12/31/83	55,644,200	13.2	6.6	21.7	---	6.4	18.1	33.9	---	---
FRED ALGER	9/30/83	56,169,879	5.7	6.8	26.9	---	8.4	23.3	29.0	---	---
FRED ALGER	6/30/83	58,138,999	4.9	8.5	35.0	3.5	8.2	18.0	21.9	---	---
FRED ALGER	3/31/83	51,420,548	1.4	7.5	37.0	---	9.0	22.0	23.1	---	---
ALLIANCE CAPITAL	6/30/84	48,457,996	---	8.1	51.6	---	6.9	---	23.5	9.9	---
ALLIANCE CAPITAL	3/31/84	47,427,119	---	8.3	48.0	2.7	5.6	---	25.1	10.4	---
ALLIANCE CAPITAL	12/31/83	52,725,699	0.8	7.5	45.3	---	6.8	2.4	24.2	13.1	---
ALLIANCE CAPITAL	9/30/83	52,945,082	2.8	5.4	45.9	---	9.2	---	24.6	12.1	---
ALLIANCE CAPITAL	6/30/83	57,538,354	2.2	4.7	42.3	---	8.2	7.5	22.7	12.4	---
ALLIANCE CAPITAL	3/31/83	51,037,067	---	3.5	49.9	2.7	6.7	3.6	23.5	10.0	---
BEUTEL GOODMAN	6/30/84	55,295,358	9.3	---	21.1	---	30.4	32.4	6.7	---	---
BEUTEL GOODMAN	3/31/84	56,896,258	8.9	---	18.6	---	27.2	39.3	6.0	---	---
BEUTEL GOODMAN	12/31/83	57,233,781	9.8	---	20.2	---	11.2	46.2	5.4	7.2	---
BEUTEL GOODMAN	9/30/83	55,416,939	8.8	---	22.0	---	13.1	43.5	4.7	8.0	---
BEUTEL GOODMAN	6/30/83	54,835,808	11.0	---	18.5	---	17.4	42.4	---	10.6	---
BEUTEL GOODMAN	3/31/83	50,442,256	---	---	15.7	---	15.4	52.1	---	16.8	---
BMI CAPITAL	6/30/84	8,533,642	3.2	16.4	37.4	---	---	11.5	31.5	---	---
BMI CAPITAL	3/31/84	8,366,038	4.3	12.7	39.3	---	---	17.8	25.9	---	---
BMI CAPITAL	12/31/83	9,784,767	7.4	12.1	28.4	---	6.6	19.0	26.4	---	---
BMI CAPITAL	9/30/83	10,420,827	7.6	11.2	37.1	---	6.4	18.6	19.2	---	---
BMI CAPITAL	6/30/83	11,285,353	7.9	12.7	44.2	---	9.8	15.9	9.5	---	---
BMI CAPITAL	3/31/83	10,081,983	10.6	8.1	35.3	---	12.3	22.0	11.8	---	---
FORSTMANN-LEFF	6/30/84	51,218,131	3.7	3.6	40.2	---	7.0	10.3	24.3	7.2	3.7
FORSTMANN-LEFF	3/31/84	52,083,507	7.6	3.0	37.0	---	6.0	14.5	23.1	6.0	2.8
FORSTMANN-LEFF	12/31/83	55,421,154	5.7	13.6	35.5	5.8	3.9	8.4	18.7	5.3	3.1
FORSTMANN-LEFF	9/30/83	55,775,736	---	14.6	52.3	3.3	4.5	5.3	15.1	4.8	---
FORSTMANN-LEFF	6/30/83	56,471,479	---	12.7	61.4	---	2.7	7.2	11.7	4.3	---
FORSTMANN-LEFF	3/31/83	51,390,160	2.1	4.7	50.7	5.9	4.7	10.3	17.4	4.2	---

EQUITY SECTOR WEIGHTS

MANAGER NAME	DATE	TOTAL PORTFOLIO MARKET VALUE	CAP GDS	CONS DUR	CONS NDUR	ENER	FINL	MAT & SERV	TECH	TRAN	UTIL
HELLMAN JORDAN	6/30/84	47,929,367	1.8	12.4	13.8	1.2	16.4	21.2	12.6	11.1	9.6
HELLMAN JORDAN	3/31/84	49,895,127	---	12.4	19.5	6.4	15.7	15.7	4.3	8.8	17.2
HELLMAN JORDAN	12/31/83	50,182,761	---	14.8	30.0	6.0	16.5	10.4	2.1	3.0	17.2
HELLMAN JORDAN	9/30/83	50,713,576	---	15.0	47.4	---	19.5	3.5	3.3	4.7	6.5
HELLMAN JORDAN	6/30/83	52,402,164	---	3.8	23.3	---	35.9	---	24.8	---	12.2
HELLMAN JORDAN	3/31/83	49,541,253	---	---	15.1	---	33.4	4.6	27.2	---	19.7
INVESTMENT ADVISERS	6/30/84	50,388,386	5.5	5.9	26.3	6.2	18.8	9.1	20.6	3.7	3.9
INVESTMENT ADVISERS	3/31/84	51,864,720	5.8	5.4	30.2	8.9	21.5	7.7	15.6	3.9	1.0
INVESTMENT ADVISERS	12/31/83	54,533,402	6.3	6.3	25.0	5.8	21.9	9.7	15.7	6.1	3.2
INVESTMENT ADVISERS	9/30/83	53,819,067	5.8	6.2	30.6	6.0	13.4	9.1	18.3	7.1	3.5
INVESTMENT ADVISERS	6/30/83	54,812,985	6.5	6.6	24.7	11.7	9.7	9.8	16.9	10.3	3.9
INVESTMENT ADVISERS	3/31/83	50,748,987	6.5	9.1	26.0	10.2	7.3	15.0	17.7	5.0	3.2
IDS ADVISORY	6/30/84	50,278,968	---	5.3	27.6	8.1	6.8	7.6	19.2	4.8	20.6
IDS ADVISORY	3/31/84	50,085,955	4.8	10.1	12.4	9.6	8.7	14.3	15.2	9.5	15.4
IDS ADVISORY	12/31/83	54,006,960	4.9	7.6	18.0	---	8.8	19.0	26.1	6.0	9.6
IDS ADVISORY	9/30/83	54,334,602	---	4.1	24.3	3.4	6.0	19.7	33.8	5.4	3.4
IDS ADVISORY	6/30/83	57,561,715	4.2	12.0	30.5	4.5	4.2	6.7	33.7	4.3	---
IDS ADVISORY	3/31/83	50,689,028	5.4	9.2	30.7	5.4	9.8	6.4	26.3	---	6.6
LIEBER & COMPANY	6/30/84	23,927,529	2.6	3.3	34.8	3.5	21.1	16.7	15.3	1.8	0.8
LIEBER & COMPANY	3/31/84	24,261,218	3.6	6.4	32.3	4.9	17.3	16.8	16.3	1.8	0.7
LIEBER & COMPANY	12/31/83	11,159,936	7.7	4.5	33.7	3.5	16.7	22.3	6.1	5.6	---
LIEBER & COMPANY	9/30/83	11,016,060	6.5	3.5	31.0	4.7	18.0	25.4	5.4	5.5	---
LIEBER & COMPANY	6/30/83	11,233,248	6.4	5.0	33.3	5.0	16.5	23.9	3.3	6.6	---
LIEBER & COMPANY	3/31/83	10,063,917	8.3	---	23.1	3.9	11.6	41.0	5.6	6.4	---
LOOMIS SAYLES	6/30/84	43,613,462	7.6	12.8	16.1	---	4.9	8.8	33.8	16.0	---
LOOMIS SAYLES	3/31/84	45,336,835	11.2	15.1	3.4	---	5.1	12.8	38.2	14.3	---
LOOMIS SAYLES	12/31/83	49,181,570	11.6	16.1	3.3	---	5.2	14.0	33.5	16.4	---
LOOMIS SAYLES	9/30/83	50,182,549	3.5	14.5	13.3	---	10.6	5.2	44.9	8.0	---
LOOMIS SAYLES	6/30/83	55,042,543	3.1	9.0	12.1	---	34.6	10.8	20.4	9.9	---
LOOMIS SAYLES	3/31/83	50,105,254	---	4.8	19.8	---	25.4	9.1	30.7	10.1	---
NORWEST BANK MPLS	6/30/84	24,546,941	2.8	5.5	31.2	5.8	1.0	9.3	38.9	4.3	1.3
NORWEST BANK MPLS	3/31/84	10,385,041	3.6	4.4	23.1	8.5	1.1	7.2	45.5	5.4	1.1
NORWEST BANK MPLS	12/31/83	11,215,761	2.5	1.6	25.5	1.2	3.2	6.0	51.8	1.7	6.6
NORWEST BANK MPLS	9/30/83	11,816,270	1.2	---	31.6	3.3	2.0	8.4	46.1	1.4	5.8
NORWEST BANK MPLS	6/30/83	12,126,921	4.8	---	36.4	5.2	8.9	4.8	33.0	2.9	3.3
NORWEST BANK MPLS	3/31/83	10,417,512	7.0	1.8	47.1	4.2	13.5	---	20.1	6.3	---
SIEBEL CAPITAL	6/30/84	49,523,376	4.1	4.8	38.8	---	25.9	7.4	17.6	1.4	---
SIEBEL CAPITAL	3/31/84	49,328,007	3.6	1.3	26.4	---	25.8	11.4	29.2	2.4	---
SIEBEL CAPITAL	12/31/83	53,482,144	3.6	1.7	27.9	---	24.0	11.7	24.6	2.6	3.8
SIEBEL CAPITAL	9/30/83	54,520,467	3.5	---	32.7	2.8	25.1	7.2	19.3	5.0	4.4
SIEBEL CAPITAL	6/30/83	56,381,931	2.6	---	36.4	1.7	22.6	6.2	20.1	5.4	5.0
SIEBEL CAPITAL	3/31/83	51,621,595	4.6	---	28.8	---	18.5	5.3	30.0	6.7	6.2

EQUITY SECTOR WEIGHTS

MANAGER NAME	DATE	TOTAL PORTFOLIO MARKET VALUE	CAP GDS	CONS DUR	CONS NDUR	ENER	FINL	MAT & SERV	TECH	TRAN	UTIL
HERBERT R. SMITH	6/30/84	42,860,060	2.4	0.3	24.4	25.5	10.6	7.5	20.9	7.4	1.1
HERBERT R. SMITH	3/31/84	44,150,474	3.3	0.2	10.1	28.8	16.9	12.8	18.6	9.1	---
HERBERT R. SMITH	12/31/83	46,441,280	4.4	0.4	15.4	10.6	14.5	8.8	30.2	15.8	---
HERBERT R. SMITH	9/30/83	48,910,462	2.2	0.6	12.7	9.4	22.1	15.6	23.2	9.4	4.8
HERBERT R. SMITH	6/30/83	53,176,398	2.0	0.6	15.5	5.2	17.6	13.9	29.4	7.3	6.7
HERBERT R. SMITH	3/31/83	50,198,982	4.8	---	32.6	---	20.5	---	34.7	7.4	---
TRUSTEE & INVESTORS	6/30/84	44,119,650	2.5	---	9.9	11.9	17.6	9.4	38.8	---	10.0
TRUSTEE & INVESTORS	3/31/84	47,158,224	2.5	---	10.0	16.0	17.3	10.1	35.3	---	8.7
TRUSTEE & INVESTORS	12/31/83	50,974,369	2.4	---	12.9	9.3	16.7	9.5	41.4	---	7.7
TRUSTEE & INVESTORS	9/30/83	53,062,524	2.5	---	15.6	10.5	17.1	8.8	38.4	---	7.1
TRUSTEE & INVESTORS	6/30/83	57,620,180	2.9	3.2	17.0	11.5	18.9	10.3	29.7	---	6.5
TRUSTEE & INVESTORS	3/31/83	50,154,412	3.6	---	12.2	14.4	24.1	10.2	24.1	---	11.4
WADDELL & REED	6/30/84	25,495,564	---	29.0	25.7	---	15.7	---	17.8	11.8	---
WADDELL & REED	3/31/84	25,833,644	5.2	32.1	21.4	---	25.0	---	11.7	4.5	---
WADDELL & REED	12/31/83	11,409,742	12.8	32.4	---	---	33.9	---	20.9	---	---
WADDELL & REED	9/30/83	12,042,511	5.8	13.4	22.5	---	5.1	---	38.2	15.0	---
WADDELL & REED	6/30/83	12,464,478	5.7	13.2	29.2	3.3	5.0	---	31.1	12.5	---
WADDELL & REED	3/31/83	10,013,713	5.5	13.8	15.5	2.5	29.1	---	27.2	6.4	---
WILSHIRE 5000	6/30/84	---	5.3	4.0	25.7	13.5	9.6	11.7	15.6	2.9	11.7
WILSHIRE 5000	3/31/84	---	5.4	3.9	23.6	16.1	9.8	12.1	15.3	2.9	11.1
WILSHIRE 5000	12/31/83	---	5.5	4.2	24.0	14.5	9.5	12.2	16.3	2.8	11.1
WILSHIRE 5000	9/30/83	---	5.2	4.0	24.3	14.8	9.4	11.8	16.3	2.9	11.3
WILSHIRE 5000	6/30/83	---	5.3	3.9	24.9	15.0	9.3	11.6	16.3	2.9	10.9
WILSHIRE 5000	3/31/83	---	5.1	3.5	25.2	14.6	9.8	12.3	14.9	2.9	11.8

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMPOSITION OF STATE INVESTMENT PORTFOLIO'S BY TYPE OF INVESTMENT
MARKET VALUE JUNE 30, 1984

	CASH AND SHORT TERM SECURITIES	BONDS		STOCKS		ALTERNATIVE ASSETS	TOTAL
		INTERNAL	EXTERNAL	INTERNAL	EXTERNAL		
BASIC RETIREMENT FUNDS:							
TEACHERS RETIREMENT FUND	\$ 55,687 4.59%	\$ -0-	\$344,497 28.37%	\$ -0-	\$ 725,783 59.76%	\$ 88,414 7.28%	\$1,214,381 100%
PUBLIC EMPLOYEES RETIRE. FUND	27,938 2.97%	-0-	268,023 28.45%	-0-	576,536 61.19%	69,630 7.39%	942,127 100%
STATE EMPLOYEES RETIRE. FUND	46,609 7.64%	-0-	171,171 28.06%	-0-	348,568 57.13%	43,778 7.17%	610,126 100%
PUBLIC EMP. POLICE & FIRE FUND	20,194 9.55%	-0-	58,629 27.74%	-0-	117,576 55.62%	14,987 7.09%	211,386 100%
HIGHWAY PATROL RETIRE. FUND	2,940 6.84%	-0-	11,475 26.70%	-0-	25,445 59.22%	3,109 7.24%	42,969 100%
JUDGES RETIREMENT FUND	230 7.73%	-0-	735 24.71%	-0-	1,779 59.80%	231 7.76%	2,975 100%
POST RETIREMENT FUND	278,092 15.30%	886,807 48.77%	-0-	653,355 35.93%	-0-	-0-	1,818,254 100%
MINNESOTA SUPPLEMENTAL FUNDS:							
INCOME SHARE ACCOUNT	9,783 8.97%	38,294 35.12%	-0-	52,433 48.08%	8,534 7.83%	-0-	109,044 100%
GROWTH SHARE ACCOUNT	6,864 12.69%	-0-	-0-	21,740 40.18%	25,496 47.13%	-0-	54,100 100%
FIXED RETURN ACCOUNT	11,673 22.79%	39,546 77.21%	-0-	-0-	-0-	-0-	51,219 100%
BOND ACCOUNT	98 3.34%	2,841 96.66%	-0-	-0-	-0-	-0-	2,939 100%
MINNESOTA VARIABLE ANNUITY	8,920 9.38%	-0-	-0-	37,706 39.65%	48,474 50.97%	-0-	95,100 100%
TOTAL RETIREMENT FUNDS	\$ 469,028 9.10%	\$ 967,488 18.77%	\$854,530 16.58%	\$765,234 14.84%	\$1,878,191 36.44%	\$220,149 4.27%	\$5,154,620 100%
PERMANENT SCHOOL FUND	57,993 21.24%	169,691 62.17%	-0-	45,277 16.59%	-0-	-0-	272,961 100%
TREASURERS CASH	775,811 100%	-0-	-0-	-0-	-0-	-0-	775,811 100%
TRANSPORTATION FUNDS	392,344 100%	-0-	-0-	-0-	-0-	-0-	392,344 100%
STATE BUILDING FUNDS	116,506 100%	-0-	-0-	-0-	-0-	-0-	116,506 100%
HOUSING FINANCE AGENCY	158,220 100%	-0-	-0-	-0-	-0-	-0-	158,220 100%
MINNESOTA DEBT SERVICE FUND	162,379 100%	-0-	-0-	-0-	-0-	-0-	162,379 100%
MISCELLANEOUS ACCOUNTS	296,765 100%	-0-	-0-	-0-	-0-	-0-	296,765 100%
TACONITE AREA ENVIR. PROTECTION	12,313 100%	-0-	-0-	-0-	-0-	-0-	12,313 100%
N.E. MINNESOTA PROTECTION	43,720 100%	-0-	-0-	-0-	-0-	-0-	43,720 100%
GRAND TOTAL	\$2,485,079 33.65%	\$1,137,179 15.40%	\$854,530 11.57%	\$810,511 10.97%	\$1,878,191 25.43%	\$220,149 2.98%	\$7,385,639 100%

**FISCAL 1984 EQUITIES TRANSACTION SUMMARY
ALL FUNDS COMBINED**

Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
A & M Food Services	41,800	0	Anixter Bros.	21,000	0
A. G. Edwards, Inc.	26,000	0	Apache Corp.	58,000	0
Abbott Labs	145,500	0	Apogee Enterprises	14,800	5,500
ACCO World Corp.	2,800	0	Apollo Computer Inc.	11,800	11,800
ACF Industries Inc.	14,600	5,000	Apple Computer	44,000	25,000
Adage Inc.	10,000	0	Applied Circuit Tech.	13,000	0
Adobe Oil & Gas	35,000	0	Applied Data Res.	20,600	7,000
Advanced Micro Dev.	196,400	134,700	Applied Magnetics	10,000	0
Advanced Semi Conductor	21,500	3,500	Applied Materials Inc.	30,000	0
Aetna Life and Casualty Co.	75,400	0	ARA Services	18,200	0
AFG Inds Inc.	31,000	0	Archer Daniels Midland Co.	1,251,050	1,180,100
Agency Rent A Car	15,100	0	Arizona Pub. Service Co.	50,100	0
Ahmanson H.F. Co.	91,000	124,000	Arkla Incorporated	39,000	90,000
Air Midwest Inc.	39,900	0	Armco Inc.	39,000	0
Air Products & Chem. Inc.	132,000	327,500	Armstrong Ind. Inc.	24,800	0
Airborne Fght. Corp.	24,000	0	Arvin Inds. Inc.	27,000	0
AirCal Inc.	16,500	0	ASA Ltd.	22,100	7,100
Alaska Airlines Inc.	45,000	0	Asamera Inc.	71,000	0
Alba Waldensian Inc.	10,000	10,000	Asarco Inc.	34,200	5,500
Albertsons Inc.	26,000	0	Ashland Oil Inc.	34,000	0
Alcan Aluminum Ltd.	77,900	35,000	Ask Computer	25,000	0
Alco Standard Corp.	37,900	0	Assoc. Dry Goods	26,100	2,600
Alexander & Alexander	63,000	67,300	Atlantic Bancorportion	36,000	0
Alexander & Baldwin Inc.	12,000	0	Atlantic City Electric Co.	28,000	0
Allegheny Corp.	11,000	0	Atlantic Research Corp.	7,600	7,600
Allegheny & Western Energy Corp.	500	0	Atlantic Richfield	767,500	1,344,900
Allegheny Beverage Corp.	41,000	0	Atwood Oceanics Inc.	1,000	0
Allegheny International	57,000	0	Augat Inc.	12,000	0
Allegheny Power Sys. Inc.	35,600	0	Automatic Data Processing Inc.	27,300	0
Allen Group Inc.	8,000	0	Auxton Comp. Enterprises	18,100	0
Alliance Technology Fd. Inc.	55,866	0	Avante Garde Corp.	7,000	7,000
Allied Bancshares Inc.	250,001	32,252	Avantek Inc.	27,000	0
Allied Corporation	163,000	39,250	Avco Corp.	631,100	1,028,000
Allied Stores Corp.	15,800	0	Avery Intl. Corp.	20,000	6,000
Allis Chalmers Corp.	40,000	0	Avnet Inc.	27,000	0
Alltel Corp.	26,000	0	Avon Products Inc.	417,200	604,900
Alpha Industry Inc.	0	13,000	AVX Corp.	24,000	0
Aluminum Co. of America	126,900	56,900	Axia Inc.	23,600	0
Amax Inc.	51,000	0	Aydin Corp.	23,500	0
Amdahl Corp.	36,600	0	Bairnco Corp.	20,500	0
Amer. Bank Insurance Group	0	7,000	Baker International Corp.	75,200	23,000
Amer. District Telegraph	44,200	15,200	Baldwin United Corp.	0	30,000
Amer. Ecology Inc.	2,443	1,200	Bally Manufacturing Co.	32,800	0
Amer. General Corp. Pfd. 2.64	420,100	21,400	Baltimore Gas & Electric Co.	28,500	0
Amer. General Corp. Warrants	10,700	10,700	Banc One Corp.	29,000	0
Amer. General Corp.	54,650	13,450	BancOhio Corp.	30,000	0
Amer. International Group Inc.	185,000	60,200	Bandag Inc.	11,000	0
Amer. Medical Int'l.	198,000	4,200	Bank Boston Corp.	11,000	0
Amerada Hess Corp.	346,200	377,800	Bank of NY Co. Inc.	20,000	0
American Brands Inc.	49,500	0	Bank VA Co.	12,600	0
American Broadcasting Co.	31,800	0	BankAmerica Corporation	111,600	89,200
American Can Corp.	21,800	0	Bankers Trust NY Corp.	377,930	105,280
American Carriers	23,000	1,000	Bard C.R. Inc.	17,000	37,000
American Cyanamid	183,600	168,600	Barnett Banks Fla.	20,000	0
American Electric Power Inc.	137,400	0	Barry Wright Corp.	26,000	0
American Express Company	895,000	1,022,251	Bassett Furniture Inds. Inc.	14,000	0
American Express Warrants	0	150	Bausch & Lomb Inc.	24,800	0
American Family Corp.	35,000	0	Baxter Travenol Labs	459,050	1,299,550
American Greetings	93,200	7,500	Baybanks Inc.	18,000	0
American Home Products Corp.	19,300	79,300	Bayly Corp.	34,700	0
American Hospital Supply	96,700	49,400	Beatrice Foods Co.	92,100	0
American Mtr. Inns Inc.	19,000	0	Becton Dickinson & Co.	12,000	0
American Natl. Ins. Co.	30,000	0	Bell & Howell Co.	225,650	197,250
American Natural Resources Co.	19,100	0	Bell Atlantic Corp.	38,800	43,481
American Petrofina Inc.	12,000	0	Bell Canada Enterprises Inc.	177,000	0
American Standard Inc.	667,250	1,166,000	Bell Industries	3,500	3,500
American Sterilizer Co.	47,000	0	Bell South Corporation	21,500	22,181
American Stores Co. New	48,800	0	Belo A. H. Corp.	18,000	0
American Tel. & Tel. New	58,050	35,100	Beneficial Corporation	11,000	0
American Tel. & Tel.	1,228,857	2,226,697	Berg Enterprises	0	14,000
American Water Works	6,000	0	Bergen Brunswick Corp.	50,500	5,500
Amerifin Corp.	15,000	0	Best Products	26,000	77,400
Ameritech Corp.	17,300	19,981	Bethlehem Steel	66,200	31,100
Ameritrust Corp.	17,000	0	Betz Labs Inc.	13,000	0
Ames Department Stores	14,000	3,200	Beverly Enterprises	56,000	0
Ametek Inc.	62,400	0	Big Three Industries	35,000	0
AMF Inc.	44,500	0	Bank of New Hampshire Corp.	5,100	0
Amfac Inc.	30,200	0	Black & Decker Mfg. Co.	43,500	0
Amfesco Ind. Inc.	2,100	0	Blair John & Co.	0	8,000
AMP Inc.	66,900	10,200	Block H & R Inc.	41,900	14,900
AMR Corp.	276,200	219,900	Blount Inc.	13,400	0
Amstar Corp.	12,000	12,000	Blue Bell Inc.	11,000	0
Amsted Inds. Inc.	29,000	16,700	Bob Evans Farms Inc.	37,000	0
Anacomp	0	68,200	Boeing Company	956,650	1,760,150
Analog Devices Inc.	27,000	0	Boise Cascade Corp.	35,500	0
Analogic Corp.	49,000	0	Borden Inc.	25,800	7,000
Anchor Hocking Corp.	69,700	46,700	Borg-Warner	634,928	1,361,500
Anderson Clayton & Co.	26,000	0	Borg-Warner ARCN 11-15-02	0	5,450
Andrew Corp.	21,000	0	Boston Edison Co.	24,000	0

**FISCAL 1984 EQUITIES TRANSACTION SUMMARY
ALL FUNDS COMBINED**

Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Bowater Inc.	18,600	18,600	Citizens & Southern GA Corp.	49,600	0
Brascan Ltd.	21,300	0	Citizens Fid. Corp.	21,000	0
Briggs & Stratton Corp.	17,000	0	Citizens Utils. Co. Del.	22,000	0
Bristol-Myers Company	1,409,550	1,829,150	City Fed. Savings & Loan Assn., Eliz, NJ	55,000	0
British Petroleum	15,900	7,750	City Investing	262,350	194,650
Brooklyn Un. Gas Co.	21,000	0	Clark Investing Pfd. 2.875	35,000	35,000
Brooks Fashion Stores Inc.	35,000	0	Clark Equipment Co.	24,400	0
Brown Group	234,550	20,750	Cleveland Cliffs & Iron	27,000	0
Browning Ferris Inds. Inc.	30,600	0	Cleveland Elec. Illum.	103,200	51,200
Brunswick Corp.	310,400	38,300	Clorox Co.	38,600	57,100
Brush Wellman Inc.	11,000	0	Cluett Peabody	90,000	60,000
Bucyrus Erie Co.	28,000	0	CNA Finl Corp.	50,000	0
Builders Transport Inc.	7,000	4,500	Coachmen Inds. Inc.	25,000	0
Burlington Industries	124,600	212,100	Coastal Corp.	20,000	0
Burlington Northern Inc.	213,300	9,000	Coca Cola Bottling Co. Cons.	20,000	0
Burdny Corp.	33,000	0	Coca Cola Company	160,000	159,600
Burroughs Corporation	62,500	0	Cole National Corp.	5,600	0
Cabot Corp.	18,000	0	Coleco Ind.	10,000	13,000
Caesar's World	53,000	53,000	Coleman Co. Inc.	11,000	0
Calfed Inc.	30,000	0	Colgate Palmolive	224,400	0
California Federal S & L	17,000	17,000	Collins & Aikman Corp.	17,600	0
Callahan Mining Corp.	30,000	0	Collins Foods Intl.	34,500	0
Cameron Iron Works Inc.	39,000	0	Colonial Penn Group	16,000	30,700
Campbell Red Lakes Mines Ltd.	50,000	0	Colt Inds. Inc. Del.	21,800	0
Campbell Soup Co.	33,000	0	Columbia Gas System Inc.	193,700	2,700
Canadian Marconi Co.	30,000	0	Combined Intl. Corp.	17,000	0
Canadian Pacific Enterprises	15,000	0	Combustion Engineering	399,350	722,350
Canadian Pacific Ltd.	227,300	2,300	Comdata Network Inc.	68,200	32,200
Canal-Randolph Corp.	1,000	0	Comdisco Inc.	62,500	37,500
Capital Cities Communications	12,700	0	Comerica Inc.	23,000	0
Capital Holding Corp.	65,200	37,300	Cominco Ltd.	16,000	0
Carl Karcher Enterprises Inc.	36,800	3,800	Commerce Clearing House Inc.	6,000	0
Carlisle Corp.	247,150	26,250	Commercial Alliance	2,000	0
Carnation	51,500	5,000	Commercial Metals Co.	26,000	0
Carolina Freight Corp.	24,000	0	Commodore Intl. Ltd.	22,800	0
Carolina Power & Light Co.	48,400	0	Commonwealth Edison Co.	2,163,916	3,993,606
Carpenter Technology Corp.	13,800	0	Communications Inds. Inc.	25,000	0
Carson Pirie & Co.	45,100	0	Communications Satellite Corp.	27,000	0
Carter Hawley Hale Stores Inc.	37,800	0	Comprehensive Care Corp.	28,000	0
Castle & Cooke Inc.	49,700	0	Compression Labs Inc.	11,800	11,800
Castle Ind. Inc.	0	15,000	Compugraphic Corp.	27,000	0
Caterpillar Tractor Co.	84,300	0	Computer Assoc. Intl. Inc.	25,000	0
CBI Inds. Inc.	12,000	0	Computer Consoles	4,800	0
CBS Incorporated	125,800	95,900	Computer Memories	6,000	6,000
CBT Corp.	22,000	0	Computer Sciences Corp.	85,500	0
Celanese Corporation	148,300	56,400	Computer Vision Corp.	51,100	0
Cent. Jersey B & Tr.	0	7,000	Conagra Inc.	108,500	18,500
Centel Corp.	21,000	0	Conair Corp. Del.	11,000	0
Centex Corp.	27,700	0	Cone MLS Corp.	10,000	10,000
Central & So. West Corp.	113,200	0	Conifer/Essex Group	2,000	0
Central Ill. Light Co.	32,000	0	Conroy Inc.	0	18,000
Central Ill. Pub. Service Co.	41,000	0	Consol. Edison of NY	358,600	260,800
Central LA Electric Co.	34,000	0	Consol. Foods Corp.	52,000	0
Central Soya Inc.	46,000	0	Consol. Freightways Inc.	11,800	0
Cenvill Invs. Inc.	26,000	0	Consol. Natural Gas	66,700	9,700
Certain Teed Products Corp.	31,400	0	Consolidated Papers Inc.	13,000	0
Cessna Aircraft Co.	42,000	0	Consumers Power Co.	45,000	0
Cetus Corp.	59,000	0	Continental Bancorp Inc. PA	26,000	0
CFS Contl. Inc.	18,000	0	Continental Corp.	28,000	0
Champion International	103,300	62,500	Continental Group Inc.	139,800	177,250
Champion Spark Plug Co.	64,000	0	Continental Ill. Corp.	38,000	0
Charming Shoppes Inc.	28,000	0	Continental Telecom. Inc.	401,200	420,300
Chart House Inc.	19,000	79,000	Contl. Air	2,500	15,900
Charter Co.	67,000	67,000	Contl. Air 9% CV Pfd.	0	6,500
Charter Med. Corp.	32,000	0	Control Data Corp.	221,400	164,200
Chase Manhattan Corp.	203,700	0	Convergent Tech.	129,100	37,400
Chem-Lawn Corp.	21,000	6,000	Conwood Corp.	25,900	25,900
Chemed Corporation	12,000	0	Cooper Inds. Inc.	69,600	37,000
Chemical New York Corp.	354,600	3,700	Cooper Labs Inc.	57,000	20,000
Chesapeake Corp. VA	16,000	0	Cooper Tire & Rubber	403,850	9,100
Chesebrough-Ponds Inc.	25,500	0	Coopervision Inc.	44,000	44,000
Chi-Chis Inc.	29,000	0	Condura Corp.	31,800	0
Chicago & NW Trans.	16,000	16,000	Corestates Finl. Corp.	21,000	0
Chieftain Dev. Ltd.	21,000	0	Corning Glass Works	35,100	0
Chromalloy American Corp. Del.	57,000	0	Corroon & Black Corp.	11,000	0
Chrysler Corp.	180,800	104,500	Countrywide Cr. Ind.	17,000	0
Chubb Corporation	22,500	14,400	Cox Communications Inc.	48,800	0
Churchs Fried Chicken	212,900	164,700	CPC International Inc.	223,900	156,000
Cigna Corporation	71,600	0	CPT Corp.	18,000	21,100
Cincinnati Bell Inc.	3,000	0	Crane Co.	106,000	84,660
Cincinnati Finl Corp.	10,000	0	Cray Resh Inc.	12,100	0
Cincinnati Gas & Electric Co.	48,100	48,100	Crocker National Corp.	31,700	14,700
Cincinnati Milacron Inc.	18,000	0	Cross & Trecker	24,000	10,000
Cintas Corp.	7,000	7,000	Cross A. T. Co.	22,500	0
Cipher Data Products Inc.	28,000	0	Crown Cork & Seal	236,550	72,500
Circle K Corp.	21,000	0	Crown Zellerbach Corp.	27,400	0
Circus Circus Enter.	4,000	4,000	CSX Corporation	310,700	262,000
Citicorp	1,093,100	1,699,700	Cullen Frost Bankers Inc.	23,000	0
Citizens & Southern Corp.	20,000	0			

**FISCAL 1984 EQUITIES TRANSACTION SUMMARY
ALL FUNDS COMBINED**

Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Cullinet Software Inc.	43,300	18,300	Faberge Inc.	27,000	0
Cummins Engine Co.	116,100	77,500	Fairchild Inds. Inc.	37,000	0
Dale Electronics	5,000	0	Fairfield Commun. Inc.	10,000	0
Dana Corporation	38,000	67,500	Falconbridge Ltd.	10,000	0
Dart & Kraft Inc.	150,300	90,700	Family Dr. Stores Inc.	34,000	0
Dart Drug Corp.	0	5,000	Farm Fresh Inc.	35,000	0
Data General Corp.	101,500	45,000	Farmers Group Inc.	61,000	9,000
Data Switch Corp.	20,000	0	Federal Co.	21,000	0
Datapoint Corp.	41,600	17,000	Federal Express Corp.	128,300	15,300
Dataproducts Corp.	23,000	20,000	Federal Natl. Mtg.	2,505,900	2,292,300
Datum Inc.	16,300	42,200	Federal Paper Brd Inc.	16,000	0
Dauphin Deposit Corp.	5,000	0	Federal-Mogul Corp.	21,000	15,000
Dayton Power & Light Co.	57,700	0	Federated Dept. Stores	154,650	139,350
Dayton-Hudson Corp.	343,000	500,700	Felmont Oil Corp.	30,000	30,000
DeLuxe Check Printers Inc.	21,400	0	Ferro Corp.	10,000	0
Dean Foods Co.	22,000	0	Fidelcor	18,000	0
Deere & Company	51,300	0	Figgie Intl. Inc.	17,700	14,800
DeKalb Agresearch Inc.	26,000	0	Filtertek Cos.	10,000	0
Delmarva Power & Light Co.	40,500	0	Fin. Corp. of America	72,904	100,599
Delmed Inc.	69,000	0	Financial Cp. of Amer. Fpfd.	11,760	11,760
Delta Air Lines Inc.	136,800	100,000	Firestone Tire & Rubber Co.	26,000	0
Dennison Mines Ltd. A	19,000	0	First ALA Bancshares Inc..	18,000	0
Dennys Inc.	40,600	66,300	First Atlanta Corp.	38,500	0
Detroit Edison Co.	153,000	0	First Bank System	12,800	0
Detroit Edison Co.	79,000	66,000	First Boston Inc.	14,700	0
Dexter Corp.	29,000	0	First Charter Financial	65,000	84,000
Diagnostic Products Corp.	7,000	0	First Chicago Corp.	35,300	0
Diamond Shamrock	161,200	58,800	First City Bankcorp Texas	375,800	8,400
Diasonics Inc.	96,000	0	First Data Resources	5,000	5,000
Diebold Inc.	10,000	25,000	First Executive Corp. Del.	47,600	0
Digital Equipment Corp.	119,700	48,000	First Interstate Bancorp.	302,250	96,850
Digital Switch	66,000	32,900	First Jersey Natl. Co.	8,000	0
Disney Walt Productions	61,700	75,800	First KY Natl. Corp.	17,900	0
Diversifoods Inc.	133,230	78,230	First Natl BNCP-ALNTWN	6,000	0
Docutel Olivetti Corp.	1,000	50,000	First Natl. St. Bancorporation	15,700	0
Dome Mines Ltd.	42,000	0	First Sec. Corp. Del.	29,000	0
Dominion Resources	339,050	3,850	First Savings Bank Florida	10,000	0
Donaldson Lufkin & Jen.	61,200	0	First Tenn. Natl. Corp.	5,000	0
Donnelley RR & Sons	36,600	10,000	First UN Corp.	18,000	0
Dorchester Gas Corp.	31,400	31,400	Fleet Financial Group Inc.	8,000	0
Dover Corp.	37,000	0	Fleetwood Enter. Inc.	341,200	120,000
Dow Chemical Company	1,304,500	2,030,900	Fleming Cos.	228,600	199,400
Dow Jones & Co.	90,000	0	Flightsafety Intl. Inc.	23,000	0
Dr. Pepper Co.	39,200	39,200	Floating Point Systems Inc.	54,000	0
Dresser Industries	61,600	0	Florida Federal S & L	20,000	0
Dreyers Grand Ice Cream Inc.	31,000	0	Florida National Banks Fla. Inc.	19,000	0
Dreyfus Corp.	40,500	51,000	Florida Power & Light Co.	41,800	0
DuPont E. I. DeNemours	829,080	1,223,280	Florida Progress Corp.	35,000	0
Duke Power Co. NC	610,400	78,000	Florida Rock Industries	3,000	0
Dun & Bradstreet Cos. Inc.	207,000	1,100	Flowers Industries	52,000	17,000
Duquesne Lt. Co.	55,900	0	Fluke John Mfg.	0	5,000
Durr Fillauer Med. Inc.	500	0	Fluor Corp.	73,000	0
Dysan Corp.	58,500	0	FMC Corp.	25,000	0
E-Systems	138,900	0	Ford Motor Co.	458,150	100,100
E. F. Hutton Group Inc.	67,100	45,000	Foremost Corp. of America	40,000	10,000
Eagle Picher Inds. Inc.	27,000	0	Forest Labs	13,000	0
Eastern Gas & Fuel Assoc.	27,000	0	Forest Oil Corp.	27,000	0
Eastman Kodak Company	259,800	523,380	Fort Howard Paper Co.	23,000	0
Eaton Corp.	83,900	20,000	Foster Med. Corp.	60,000	60,000
Echlin Inc.	29,000	47,000	Foster Wheeler Corp.	47,000	0
Eckerd Jack Corp.	29,100	0	Foxboro Co.	19,000	0
Economics Lab Inc.	26,800	0	Foxmeyer Corp.	22,600	8,300
Edison Bros Stores Inc.	15,000	0	Freeport-McMoran Inc.	69,000	0
Educational Comp. Corp.	15,000	0	Fremont Gen. Corp.	42,000	0
Edwards A.G. & Sons	10,000	19,700	Fruehauf Corp.	35,000	0
EG & G Inc.	28,900	0	Fuqua Inds. Inc.	24,000	0
El Chico Corp.	0	12,000	G & K Services Inc.	10,500	0
El Paso Electric Co.	57,000	0	G.D. Ritzys Inc.	8,500	8,500
Electronic Data Systems Corp.	56,700	700	GAF Corp.	40,000	0
Electrospace Systems	9,000	0	Gallagher Arthur J. & Co.	9,500	0
Emerson Electric	68,100	36,500	Gannett Inc.	41,400	0
Emerson Radio Corp.	174,993	262,390	Garan Inc.	3,500	4,200
Emery Air Freight Corp.	33,900	61,900	GATX	30,000	0
Emhart Corp VA	18,000	0	GCA Corp.	33,800	0
Emulex Corp.	15,100	0	Gearhart Inds. Inc.	40,000	0
Englehard Corp.	27,400	0	Geico Corp.	15,000	40,000
Enserch Corp.	284,450	2,950	Gelco Corporation	322,450	21,650
Entex	111,000	75,000	Genentech Inc.	17,000	0
Entre Computer Centers	5,300	5,300	General Cinema Corp.	11,000	0
Enzo Biochem Inc.	29,000	0	General Datacomm Inds. Inc.	22,000	0
Equatorial	28,900	15,900	General Dynamics	164,900	238,500
Equitable Gas Co.	14,000	0	General Electric Co.	1,528,800	2,200,800
Esmark Inc.	39,500	65,000	General Foods Corp.	165,200	115,900
Esquire Inc.	36,300	36,300	General Homes	0	4,000
Esterline Corp.	23,000	0	General Host Corp.	37,000	0
Ethyl Corp.	125,900	211,800	General Instrument Corp.	23,800	40,000
Evans & Sutherland Computer C	45,000	0	General Mills Inc.	77,000	25,000
ExCellO Corp.	19,000	0	General Motors Corp.	471,500	737,600
Exxon Corporation	1,122,950	79,550	General Nutrition Inc.	57,000	0

**FISCAL 1984 EQUITIES TRANSACTION SUMMARY
ALL FUNDS COMBINED**

Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
General Public Utilities Corp.	153,600	0	Honeywell Inc.	66,700	107,700
General Re Corp.	160,650	950	Hoover Co.	24,400	0
General Signal Corp.	48,000	0	Hoover Universal	47,400	5,200
General Tire & Rubber Co.	20,000	0	Hospital Corp. of America	115,900	84,000
Genetic Sys. Corp.	77,000	0	Houghton Mifflin Co.	20,900	0
Genrad Inc.	17,800	30,000	House of Fabrics Inc.	0	41,000
Genstar Ltd.	16,000	0	Household Intl.	37,000	0
Genuine Parts Company	275,900	636,500	Houston Industries Inc.	1,110,800	1,966,300
George A. Hormel & Co.	14,200	0	Houston Natl. Gas Corp.	284,050	30,700
Georgia Pacific Corp.	78,800	0	Hubbard Real Estate Investments	28,000	0
Gerber Products Co.	14,700	0	Hubbell Harvey B.	21,000	0
Gerber Scientific	8,000	8,000	Hughes Tool	42,900	0
Getty Oil Company	60,000	60,000	Humana Inc.	119,400	63,500
Gibraltar Savings Assn. Houston T	24,000	24,000	Hunt J.B.	10,100	10,100
Gibson Greetings	10,000	0	Hybritech Inc.	77,300	2,000
Gillette Company	23,700	212,000	Hyster Co.	8,000	8,000
Global Marine	44,100	44,100	I. C. Industries	19,000	10,000
Golden West Financial	24,800	3,800	I.M.S. Intl. Inc.	23,000	0
Goodrich (B.F.)	25,100	132,700	Idaho Power Co.	21,000	0
Goodyear Tire & Rubber	949,500	2,269,000	Ideal Basic Industries Inc.	30,000	0
Gould Inc.	34,400	0	Illinois Power Co.	56,400	47,200
Goulds Pumps Inc.	35,000	0	Illinois Power Corp.	86,000	0
Gr. Amer. Fed. Savings Bank	50,000	17,500	Illinois Tool Works Inc.	12,000	0
Great Lakes Federal S&L	14,000	1,300	Imperial Oil Co. Ltd.	42,400	0
Great Western Financial	49,800	184,500	Inco Inc.	72,700	230,000
Grace W. R. & Co.	36,700	0	Inexo Oil Co.	69,000	0
Grainger W.W. Inc.	12,600	2,600	Infotron Systems	4,000	4,000
Granger Assoc.	36,000	0	Ingersoll Rand	20,200	0
Great Atlantic & Pacific Tea Inc.	40,000	0	Inland Steel Corp.	30,500	35,000
Great Lakes Chemical Corp.	26,400	0	Insilco Corp.	43,000	0
Great Northern Nekoosa Corp.	61,000	0	Instacom Inc.	0	46,000
Greentree Accept. Inc.	14,000	0	Intl. Kings Table	15,000	0
Greyhound Corp.	675,100	1,238,200	Integr. Res. 4.25 Pfd. Cv.	0	10,000
Grow Chem. Corp.	35,000	0	Integrated Device Tech.	6,800	0
Grumman Corp.	67,600	85,000	Integrated Genetics Inc.	4,000	4,000
GTE Corp.	625,600	1,249,700	Integrated Resources Inc.	68,000	23,750
Guardian Inds. Corp.	32,000	0	Intel Corp.	161,100	65,000
Gulford Mills	29,000	0	Intelligent Sys. Corp.	35,000	0
Gulf & Western Indus.	668,200	1,223,200	Inter Lease Financial	3,000	0
Gulf Broadcasting	132,800	0	Interco	6,600	0
Gulf CDA Ltd.	78,000	0	Interfirst Corp.	52,500	75,000
Gulf Corp.	167,700	549,700	Intergraph Corp.	151,200	51,900
Gulf Stream Aerospace	54,900	8,500	Intermedics Inc.	42,000	0
Gulf Sts. Utils. Co.	47,000	0	International Multifoods Corp.	26,000	0
Gulf Utd. Corp.	21,400	21,400	Internorth Inc.	188,700	2,000
Hall Frank B. & Co. Inc.	29,500	0	Interpublic Group	14,000	5,000
Halliburton Inc.	1,101,650	2,382,900	Intl. Business Machines	856,642	1,288,949
Hamilton Bros. Pete. Corp.	44,000	0	Intl. Flavors & Frag.	37,200	7,500
Hammermill Paper Co.	14,000	0	Intl. Minerals & Chem.	56,700	30,000
Handleman Co.	0	3,500	Intl. Paper Co.	305,200	489,100
Handy & Harman	38,000	0	Invacare Corp.	24,500	0
Hanover Ins. Co.	19,000	0	Iowa Ill. Gas & Elec. Co.	26,000	0
Harcourt Brace Jovan.	30,000	0	Iowa Resources Inc.	24,000	0
Harland John H. Co.	17,000	0	Ipalco Enterprises	15,000	0
Harris Bankcorp. Inc.	10,000	0	Irving Bk. Corp.	14,000	0
Harris Corp.	70,900	40,000	ISC Sys. Corp.	44,000	0
Harsco Corp.	28,000	0	ITT Corp.	163,850	292,995
Harte Hanks Communications In.	27,000	0	IU Intl. Corp.	26,000	0
Hartford Natl. Corp.	12,500	0	James Riv. Corp. VA	28,700	0
Hartmarx Corp.	35,000	0	Jamesway Corp.	0	6,800
Hasbro Inds. Inc.	3,000	0	Jefferson Bankshares VA	6,500	0
Hawkeye Bancorp.	4,000	0	Jefferson Pilot Corp.	26,000	0
HBO & Co.	20,000	0	Jeffries Group	7,500	7,500
HCC Industries	0	20,200	Jerrico Inc.	40,000	0
Healthamerica Corp.	2,500	2,500	Jewel Companies	280,650	269,650
Healthdyne	98,000	7,000	Johnson & Johnson	303,500	979,000
Hecla Inc.	36,000	36,000	Johnson Controls	14,000	15,000
Heinz H.J. & Co.	295,050	226,350	Jonathan Logan	21,000	0
Heizer Corp.	40,000	0	Josephson Intl. Inc.	0	8,000
Heller Walter E. Intl. Corp.	15,000	15,000	Jostens Inc.	24,000	0
Helmerich & Payne Inc.	30,000	0	Joy Mfg. Co.	17,000	0
Hercules Incorporated	77,400	51,000	June Lighting Inc.	5,000	0
Heritage Federal S&L	20,000	0	JWT Group Inc.	21,900	0
Hershey Foods Corp.	34,400	0	K Mart Corporation	222,300	75,500
Hewlett Packard Co.	264,900	32,000	K N Energy Inc.	22,000	0
Higbee Company	5,000	0	Kaiser Alum. & Chem. Corp.	32,800	0
Hillenbrand Inds. Inc.	16,000	0	Kaneb Services	54,000	0
Hilton Hotels Corp.	16,000	0	Kansas City Power & Light Co.	35,000	0
Home Fed. Svc. & Loan Assn. S.D. Calif.	41,800	0	Kansas City So. Ind.	20,100	24,000
Hogan Systems	67,300	0	Kansas Gas & Elec. Co.	38,000	0
Holiday Inns	56,500	11,000	Kansas Power & Light Co.	23,000	0
Holly Corp.	50,000	0	Katy Inds. Inc.	21,000	0
Home Centers of America	13,400	13,400	Kaufman & Broad Inc.	42,000	0
Home Centers Amer. WTS 86	33,800	33,800	Kaydon Corp.	20,500	0
Home Depot Inc.	56,000	20,000	Kearney Natl. Inc.	6,000	0
Home Health Care America	7,000	5,000	Kellogg Co.	73,000	0
Homecrafters Whse. Inc.	3,700	3,700	Kemper Corp.	16,035	35
Homestake Mining Co.	85,950	13,700	Kennametal Inc.	19,000	0
Hon Industries	6,000	6,000	Kentron Intl. Inc.	19,400	0

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Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Kentucky Utils. Co.	29,000	0	McKesson Corp.	9,000	0
Kerr McGee Corp.	58,500	9,900	Mead Corp.	51,000	28,700
Key Pharmaceutical	55,600	55,500	Media Gen. Inc.	11,000	0
Keytronic Inc.	0	6,000	Medtronic Inc.	30,900	0
Kidde Inc.	244,400	114,400	MEI Corp.	19,000	0
Kimberly Clark Corp.	30,500	26,000	Mellon National Corp.	162,750	3,850
Kinder Care Learning Center	0	86,000	Melridge Inc.	3,000	0
KLA Instrs. Corp.	44,200	0	Melville Corporation	263,700	43,250
KLM Royal Dutch Air	10,600	30,000	Mentor Graphics Corp.	9,275	9,275
Knight Ridder Inc.	64,000	0	Mercantile Bancorporation Inc.	10,000	0
Koppers Inc.	33,000	0	Mercantile Stores Inc.	11,000	0
Kroger Company	206,300	3,000	Mercantile Texas Corp.	120,600	31,000
Kroy Inc.	24,000	0	Merchants Savings Bank	11,000	0
Kulicke & Soffa Ind.	17,300	9,000	Merck & Company Inc.	69,200	8,900
La Quinta Mtr. Inns Inc.	25,000	0	Meredith Corp.	28,000	0
Ladd Furniture	8,000	0	Meridian Bancorp Inc.	22,000	0
Lafarge Corp.	285,000	0	Merrill Lynch & Co. Inc.	142,900	252,800
Lance Inc.	25,000	0	Metromedia Inc.	31,300	31,300
Landmark Banking Corp. Fla.	12,500	0	MGM/UA Enterprises	47,400	9,800
Lawter Intl. Inc.	32,000	0	Mgmt. Science Amer.	48,700	0
Lear Siegler Inc.	164,900	40,200	Micom Sys. Inc.	23,000	0
Lee Data Corp.	50,000	0	Micro Mask	6,000	18,000
Lennar Corp.	15,000	80,000	Micron Technology	15,900	15,900
Levi Strauss & Co.	287,100	75,000	Micropolis Corp.	7,000	7,000
Levitz Furniture	17,000	0	Midcon Corporation	24,000	0
Libbey Owens Ford Co.	16,000	0	Middle South Utils. Inc.	120,900	0
Liberty Homes	18,000	0	Midland Energy Co.	10,000	0
Liberty National Corp.	3,000	0	Midland Ross Corp.	35,000	0
Liebert Corp.	30,000	0	Midlantic Banks Inc.	8,000	0
Lifeline Systems Inc.	5,100	5,100	Miller Herman Inc.	66,700	10,000
Lifemark Corp.	18,900	18,900	Miller Wohl	34,000	82,000
Lilly Eli & Co.	68,300	13,400	Millipore Corp.	22,000	15,000
Lily Tulip Inc.	31,000	0	Miniscribe	15,000	15,000
Limited Inc.	112,700	130,000	Minnesota Mining & Mfg. Co.	96,900	16,500
Lin Broadcast. Corp.	118,000	0	Minnesota Power & Light Co.	25,000	0
Lincoln Natl. Corp. Ind.	18,200	0	Mission Ins. Group Inc.	45,100	0
Litton Inds. Inc.	113,200	65,000	Mitchell Energy	247,850	13,700
Liz Claiborne Inc.	36,000	5,000	Mitel Corp.	47,000	0
Lockheed Aircraft Corp.	511,870	863,170	Mn. Venture Capital Pool	29,587	0
Loctite Corp.	20,000	0	Mn. Ext. Active Man. Pool	0	3,223
Loews Corp.	38,000	0	Mn. Indexed Fund Pool	1,407,040	1,933
Logicon Inc.	16,000	0	Mn. Real Estate Fund Pool	157,899	0
Lomas & Nettleton Finl Corp.	26,000	0	Mn. Resources Fund Pool	24,203	53
Lone Star Industries	25,000	3,100	Mobil Corporation	1,052,550	1,663,200
Long Drug Stores Inc.	13,000	15,000	Molex Inc.	9,400	0
Long Island Ltg. Co.	73,800	73,800	Monarch Capital Corp.	56,000	59,000
Loral Corp.	20,000	0	Monolithic Memories Inc.	52,900	0
Lotus	4,500	4,500	Monsanto Co.	112,700	102,500
Louisiana Ld. & Expl. Co.	34,600	0	Montana Power Co.	25,000	0
Louisiana Pac. Corp.	20,000	50,000	Moore Corp. Ltd.	29,100	0
Louisville Gas & Elec. Co.	28,000	0	Moore McCormack Res. Inc.	10,000	0
Lowenstein M Corp.	5,000	0	Morgan J.P. & Company Inc.	614,900	798,400
Lowes Company	107,200	72,000	Morris Co. Savings Bank	15,000	0
LSI Logic Corp.	34,200	0	Morrison Knudsen Inc.	23,000	0
LTV Corp.	110,900	0	Morse Shoe	5,000	0
Lubrizol Corp.	63,200	0	Morton Thiokol	25,000	15,000
Lucky Stores	391,200	1,000	Motorola Incorporated	241,900	388,100
M/A Com	79,700	16,000	Mountain Fuel Supply Co.	26,000	0
Machine Technology	43,700	0	Multimedia Inc.	18,000	1,500
Mack Trucks Inc.	99,400	0	Munford Inc.	5,000	0
Macy R.H. & Co.	55,100	68,000	Murphy Oil	25,000	0
Magic Chef Inc.	16,000	0	Mylan Labs Inc.	35,000	11,000
Malone & Hyde Inc.	21,000	0	N.W. Natl. Life	4,000	4,000
Manufacturers Han. Corp.	45,500	0	Nabisco Brands	84,100	20,900
Mapco Inc.	27,000	0	Nalco Chemical Co.	70,000	40,000
Marine Midland Banks Inc.	33,000	0	National Bankshares Corp.	5,000	0
Marion Labs Inc.	27,900	0	National City Corp.	14,000	0
Marriott Corp.	20,800	0	National Convenience Stores	35,000	0
Marsh & McClennan	179,350	132,350	National Data Corp.	33,000	0
Marshall Industries	37,500	15,500	National Distillers & Chem.	28,000	0
Martin Marietta	39,700	36,850	National Gypsum Co.	19,500	0
Mary Kay Cosmetics	254,000	35,000	National Intergroup Inc.	20,300	0
Masco Corp.	42,500	0	National Med. Care Inc.	72,600	0
Masonite Corp. New	13,000	29,400	National Service Inds. Inc.	18,600	0
Materials Research	4,000	4,000	Natl. Patent Devel. Corp.	38,800	0
Matrix Corp NJ	25,000	0	Natl. Computer Systems	5,000	0
Matrix Science Corp.	0	23,000	Natl. Med. Enter. Inc.	952,250	1,815,475
May Dept. Stores Co.	246,800	386,900	Natl. Semiconductor	235,800	175,200
Maytag Co.	8,000	3,100	NBD Bancorp Inc.	16,000	0
MCA Inc.	171,000	60,700	NBI Inc.	18,000	0
McCormick & Co. Inc.	22,000	0	NCNB Corp.	36,000	40,000
McDermott Intl. Inc.	20,000	0	NCR Corp.	240,100	605,600
McDonalds Corp.	586,350	1,352,050	Network Systems Corp.	114,200	73,200
McDonnell Douglas Corp.	140,400	31,050	Nevada Power Co.	26,000	0
McFarland Energy Inc.	1,500	0	New England Business Svc. Inc.	20,500	0
McGraw Edison Co.	138,950	120,950	New England Elec. Sys.	16,069	0
McGraw Hill Inc.	61,800	0	New York St. Electric & Gas Corp.	37,000	0
MCI Communication	2,196,900	3,395,300	New York Times Co.	34,800	0
McIntyre Mines Ltd.	8,000	0	Newell Cos.	0	15,200

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Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Newhall Ld. & Farming Co.	21,000	0	PHH Group Inc.	21,000	0
Newmont Mining	47,700	22,000	Phibro-Salomon	267,300	84,600
Niagara Mohawk Power Corp.	76,400	0	Philadelphia Elec. Co.	505,700	1,800
Nico Corp.	10,000	0	Philip Morris	17,000	17,000
Nicor Inc.	23,100	0	Phillips Petroleum Co.	260,500	143,550
Nielsen A.C. Co.	20,000	0	Pic N Save Corp.	39,000	4,000
Nike Inc.	46,000	0	Piedmont Aviation	36,000	24,000
NL Industries	29,300	0	Pier 1 Imports	40,200	40,200
No. American Philips Corp.	11,700	6,000	Pier 1 Imports Wts. 7/15/88	15,540	0
No. States Power Co. Minn.	386,144	939,351	Pillsbury Company	32,100	0
Noble Affiliates Inc.	51,000	0	Pioneer Corp.	20,000	51,200
Nordstrom Inc.	18,000	0	Pioneer Hi-Bred Intl.	35,000	0
Norfolk Southern Corp.	47,600	0	Pitney Bowes Inc.	215,850	378,450
Norstar Bancorp	18,000	0	Pittston Co.	47,000	0
North American Coal Corp.	13,000	0	Planning Research Corp.	7,500	0
Northeast Utilities	635,050	27,150	PNC Financial	30,600	0
Northern Ind. Pub. Service Co.	50,200	0	Pneumo Corp.	29,000	0
Northern Telecom Ltd.	86,700	69,700	Pogo Producing Co.	30,000	0
Northrop Corp.	16,100	20,500	Polaroid Corp.	13,900	0
Northwest Airlines	20,700	20,400	Policy Mgmt. Sys. Corp.	26,000	6,000
Northwest Inds. Inc.	55,700	35,400	Ponderosa System Inc.	27,000	75,000
Norton Co.	11,000	0	Pope & Talbot	24,300	0
Norwest Corp.	50,700	0	Portland Gen. Elec. Co.	46,000	0
Novar Electronics	29,400	0	Post Corp.	3,900	0
Noxell Corp.	18,000	0	Potlatch Corp.	20,000	0
Nucor Corp.	37,800	0	Potomac Electric & Power	71,000	38,000
Numerax Inc.	15,000	0	PPG Industries Inc.	53,500	25,000
Nutri Sys. Inc.	70,000	0	Premier Indl. Corp.	20,000	0
Nynex	49,100	44,781	Prentice Hall Inc.	22,700	5,000
Occidental Pete Corp.	72,800	0	Priam Corp.	0	15,500
Ocean Drilling & Expl. Co.	39,000	0	Price Co.	6,000	0
Ogden Corp.	24,000	20,000	Prime Computer Inc.	37,400	0
Ohio Gas Corp.	14,000	0	Prime Motor Inns Inc.	30,000	0
Ohio Edison Co.	106,200	0	Proctor & Gamble	419,600	655,600
Ohio Mattress Co.	19,000	0	Progressive Corp. Ohio	30,000	0
Oklahoma Gas & Electric Co.	33,000	0	Provident Life & Acc. Ins. Co.	11,000	0
Old Rep. Intl. Corp.	20,000	0	PSA Inc.	28,000	0
Olin Corp.	27,400	0	Public Service Co. Colo.	35,000	0
OMI Corp.	20,000	20,000	Public Service Co. Ind. Inc.	70,000	70,000
Omnicare Inc.	25,000	0	Public Service Co. NH	66,600	66,600
Oneok Inc.	24,000	0	Public Service Co. N. Mex.	35,000	0
Optical Coating Lab	7,000	0	Public Service Electric & Gas Co.	75,300	0
Optical Radiation Corp.	24,900	0	Puget Sound Power & Light Co.	59,000	0
Outboard Marine Corp.	13,300	0	Pulte Home Corp.	33,700	0
Overnite Transport	39,300	0	Purulator	13,500	0
Overseas Shipholding Group In.	34,000	0	Quaker Oats Co.	15,500	0
Owens Corning Fiber. Corp.	383,000	1,700	Quaker State Oil Refining Corp.	47,400	0
Owens Illinois Inc.	217,600	29,850	Quantum Corp.	6,800	0
Oxford Inds. Inc.	32,500	0	Quotron Systems Inc.	114,200	55,000
Paccar Inc.	7,000	0	R.P.M. Inc. Ohio	20,000	0
Pacific Gas & Electric Co.	222,600	0	Rio Grande Inds. Inc.	20,000	15,000
Pacific Lumber Co.	26,000	0	Rainier Bancorporation	20,000	0
Pacific Ltg. Corp.	24,800	0	Ralston Purina Co.	135,900	11,800
Pacific Telesis Group	11,500	25,181	Ranger Oil Ltd.	77,000	0
Pacificorp	72,000	28,900	Ransburg Corp.	34,000	0
Paine Webber	18,100	53,000	Raychem Corp.	6,000	0
Pall Corp.	24,300	0	Raytheon Company	125,700	0
Pandick Inc.	19,000	0	RB Industries Inc.	800	50,800
Pandick Press Inc.	19,000	28,500	RCA Corp.	250,300	77,000
Panhandle Eastern Corp.	31,900	0	Reading & Bates Corp.	65,000	0
Pantry Pride	44,700	44,700	Recoton Corp.	25,000	0
Par Pharmaceutical	11,000	11,000	Redman Inds. Inc.	40,000	0
Paradyne Corp.	92,500	0	Reeves Communications Corp.	58,000	0
Parisian Inc.	8,000	8,000	Regency Electronics	9,500	0
Parker Drilling Co.	90,000	0	Republic Airlines	41,000	28,000
Parker Hannifin Corp.	21,000	0	Republic Bank Corp.	416,200	3,300
Parker Pen Co.	36,000	0	Republic N.Y. Corp.	23,300	0
Parsons Corporation	269,800	18,800	Republic Steel	129,000	0
Pay N Pak Stores	0	5,000	Resort Intl.	11,000	11,000
Pay N Save Corp.	25,000	0	Restaurant Systems	2,500	2,500
Payless Cashways	62,500	20,000	Reuters Holdings Pic.	20,000	20,000
Penn Central Corp.	53,900	0	Revco D.S.	317,100	724,600
Penn Central Pfd. 5.27	0	53,500	Revlon Incorporated	65,700	38,000
Penney J.C. Inc.	217,000	399,800	Rexnord Inc.	45,000	0
Pennsylvania Power & Light Co.	87,600	0	Reynolds & Reynolds Co.	20,000	0
Pennwalt Corp.	16,000	0	Reynolds Metals Co.	21,000	0
Pennzoil Co.	219,500	2,850	Richardson Vicks	24,000	0
Pentair Inc.	26,000	0	Rite Aid Corp.	52,500	20,000
Peoples Energy Corp.	44,000	0	RLC Corp.	62,500	0
Peoples Express Airlines Inc.	30,000	0	Roadway Services Inc.	19,900	0
Pep Boys Manny Moe & Jack	25,000	0	Robertson H.H. Co.	18,500	0
Pepsico Incorporated	109,800	22,200	Robins A.H. Inc.	45,300	1,200
Perkin Elmer	40,500	56,500	Rochester Gas & Elec. Corp.	39,000	0
Petrie Stores Corp.	74,800	84,800	Rochester Tel. Corp.	22,000	0
Petrolane Inc.	65,500	7,500	Rockwell Intl. Corp.	159,900	0
Petrolite Corp.	24,000	0	Rohm & Haas Co.	19,800	0
Pfizer Incorporated	1,127,800	1,241,700	Rohr Inds. Inc.	19,800	0
Phelps Dodge	27,700	100,000	Rollins Communications Inc.	21,000	0
Phelps Dodge Corp. Pfd. \$5	10,000	0	Rollins Envir. Services	0	12,000

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Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Rollins Inc.	35,000	0	Sparkman Energy Corp. Units	0	310
Rollm Corp.	19,600	0	Sperry Corp.	183,200	74,700
Rorer Group Inc.	37,000	33,900	Springs Inds. Inc.	21,000	0
Roses Stores Inc.	8,000	0	Square D Co.	22,100	0
Rouse Co.	22,000	0	Squibb Corp.	287,000	624,900
Rowan Companies Inc.	115,500	50,700	SRI Corp.	38,000	0
Royal Crown Cos. Inc.	25,800	25,800	St. Regis Corp.	26,900	0
Royal Dutch Pet. Gldrs.	964,500	2,079,400	St. Paul Cos. Inc.	135,750	1,050
RPC Energy Services Inc.	21,000	0	Staley A.E. Mfg. Co.	41,000	0
Rubbermaid Inc.	19,000	0	Stanadyne Inc.	2,000	2,000
Ryan Homes Inc.	29,000	0	Standard Mtr. Prods: Inc.	34,000	0
Ryder Systems Inc.	39,000	22,750	Standard Oil Co. Ohio	318,450	102,700
Rykoff S.E. & Co.	37,000	0	Standard Oil of Calif.	756,100	1,874,600
Sabine Corp.	33,000	0	Standard Oil of Indiana	377,450	136,250
Safeco Corporation	19,200	0	Standard Products Co.	6,000	0
Safety Kleen Corp.	19,000	0	Standun Corp.	10,000	12,500
Safeway Stores Inc.	57,400	0	Stanley Works	30,700	0
Saga Corp.	70,000	0	State Street Boston Corp.	20,000	0
San Diego Gas & Electric Co.	37,000	0	Stauffer Chemical Co.	59,000	23,000
Sanders Associates	86,700	0	Sterling Drug Inc.	605,500	17,200
Santa Fe Industries	15,000	25,000	Stevens, J.P.	52,600	70,100
Santa Fe So. Pacific Corp.	146,245	0	Stone Container Corp.	18,000	0
Sargent Weich Scien.	800	0	Stop & Shop Inc.	46,300	1,300
Savannah Foods & Inds. Inc.	10,900	0	Storage Technology	52,000	60,300
SCA Services Inc.	46,000	0	Storer Communications	54,000	0
Scherer R.P. Corp.	8,000	37,000	Stratus Computer Inc.	4,000	4,000
Schering Plough Corp.	38,500	0	Stryker Corp.	25,000	0
Schlumberger Ltd.	545,300	167,100	Subaru of America Inc.	86,500	7,600
SCI Sys. Inc.	48,900	0	Sun Bks. Inc.	17,000	0
Scientific Atlanta Inc.	33,000	0	Sun Chemical	80,000	0
Scitex Ltd.	27,000	0	Sun Inc.	88,400	0
SCM Corp.	19,000	0	Sunair Electric Inc.	11,600	0
SCOA Inds. Inc.	27,000	0	Sundstrand Corp.	14,800	0
Scott & Fetzer Company	152,500	142,200	Sunshine Mining Co.	54,000	0
Scott Paper Co.	62,700	50,000	Super Valu Stores Inc.	78,600	76,700
Scovill	16,000	0	Superior Oil Company	113,500	59,517
Sea Containers Ltd.	153,600	3,600	Supermarkets Gen. Corp.	19,000	0
Seaco Inc.	157,200	210,200	Surgical Care Affil.	4,700	0
Seaco Inc.	150,000	0	Susquehanna Bankshares Inc.	8,000	0
Seagate Technology	96,300	34,800	Savings Bank Puget Sound	0	20,000
Sealed Power Corp.	24,000	20,000	Swift Indpt. Corp.	22,000	0
Searle Gd. & Co.	135,800	56,500	Sybron Corp.	31,000	0
Sears Roebuck & Company	285,900	69,500	Syms Corp.	29,000	0
Security Pacific Corp.	304,285	526,503	Syntex Corporation	744,750	1,596,350
Sedco Inc.	27,400	8,000	Sysco Corp.	26,000	0
See Q Tech. Inc.	2,900	2,900	Systems & Computer Technology	24,000	0
SEI Corp.	14,000	0	Systems Associates	13,000	0
Sensormatic Electrs. Corp.	29,400	0	Taft Broadcasting	12,000	4,000
Service Corp. Intl.	24,500	15,000	Tambrands Inc.	17,200	0
Service Merchandise	44,000	0	Tampax Inc.	149,000	137,000
Servicemaster Inds. Inc.	21,000	0	Tandem Computers Inc.	49,100	16,500
SFN Cos. Inc.	17,000	0	Tandon Corp.	130,700	35,200
Shaklee Corp.	29,000	0	Tandy Corp.	476,200	154,000
Shared Med. Systems Corp.	80,500	25,000	TeCo Energy Inc.	24,000	0
Shawmut Corp.	10,000	0	Tecumseh Products Co.	7,000	0
Shell Oil	150,900	150,900	Tejon Ranch Co.	7,000	0
Sheller Globe Corp.	30,000	0	Tektronix Inc.	14,800	0
Sherwin Williams Co.	35,000	114,800	Tele Communications Inc.	32,600	0
Shoneys Inc.	28,000	0	Telecom Plus Intl. Corp.	87,000	0
Signal Cos. Inc.	84,500	0	Teledyne Inc.	28,000	20,400
Silicone Systems Inc.	16,400	7,400	Telesphere Intl. Inc.	0	18,000
Silvercrest Ind.	1,700	0	Telex Corp.	74,000	55,300
Singer Co.	158,000	133,000	Tellabs Inc.	32,000	0
Skyline Corp.	36,000	0	Temple Inland	34,844	15,408
Smith Intl. Inc.	43,000	0	Tenneco Inc.	482,000	681,150
Smithkline-Beckman Corp.	535,400	470,800	Teradyne Inc.	48,000	30,000
Smucker J.M. Co.	11,000	0	Tesoro Pete Corp.	44,000	0
Snap On Tools Corp.	21,200	0	Texaco Inc.	256,400	39,800
Sonac Inc.	386,600	14,500	Texas Amern. Bancshares Inc.	17,000	0
Sonoco Products Co.	1,000	0	Texas Commerce Bankshares	318,200	0
Sony Corp.	34,000	34,000	Texas Eastern Corp.	118,850	0
South Carolina Electric & Gas Co.	36,000	0	Texas Industries	25,500	13,800
Southdown Inc.	20,600	0	Texas Instruments	87,900	112,400
Southeast Bkg. Corp.	28,000	0	Texas Oil & Gas Corp.	568,700	1,461,120
Southern Calif. Edison	118,600	0	Texas Utilities Co.	343,600	4,050
Southern Co.	170,900	0	Textron Inc.	29,700	0
Southern New England Tel. Co.	21,000	0	Thermo Electron Corp.	15,000	0
Southern Pacific Co.	42,000	62,000	Thomas & Betts Corp.	9,900	0
Southern Union Co.	31,000	0	Thompson Med. Co. Inc.	8,000	0
Southland Corp.	342,574	388,259	Thousand Trails	12,700	9,000
Southland Rty. Co.	39,000	0	Three Corn. Corp.	10,400	0
Southmark Corp.	31,300	0	Thrifty Corp.	40,000	0
Southwest Airlines	44,000	10,000	Thunander Corp.	10,000	0
Southwest Bancshares Inc.	25,000	0	Tidewater Inc.	36,000	0
Southwestern Bell Corp.	36,000	36,681	TIE Communications	119,100	108,800
Southwestern Energy Co.	32,000	0	Time Inc.	68,400	48,300
Southwestern Pub. Service Co.	39,000	0	Timeplex Inc.	15,800	0
Sovran Financial Corp.	21,050	0	Times Mirror Co.	26,700	0
Sparkman Energy Corp.	49,350	0	Timken Co.	10,200	0

**FISCAL 1984 EQUITIES TRANSACTION SUMMARY
ALL FUNDS COMBINED**

Security Description	Units Bought	Units Sold	Security Description	Units Bought	Units Sold
Todd Shipyards Corp.	10,000	0	Wavetek Corp.	5,400	15,400
Toledo Edison Co.	44,000	0	WD 40 Co.	32,000	0
Topp's Chewing Gum Inc.	25,000	25,000	Weis Markets Inc.	6,500	0
Torchmark Corp.	17,000	0	Weldotron Corp.	5,000	0
Toys R Us	148,300	61,000	Wells Fargo & Co.	14,000	5,000
Tracor Inc.	78,000	0	Wells Fargo Mtg. & Equity Tr.	24,000	0
Trane Co.	11,000	11,000	Wendys Intl. Inc.	48,600	0
Trans World Airl. Pfd. .05	0	6,938	West Inc.	25,000	0
Trans World Airlines	69,859	1	West Point Pepperell Inc.	15,000	5,000
Trans World Corp.	83,900	32,700	Western Cas. & Surety Co.	7,000	0
Transamerica Corp.	207,450	158,950	Western Pac. Inds. Inc.	7,500	1,000
Transco Energy Co.	171,350	40,800	Western Tel. Comm.	1,630	0
Transco Expl. Part. Ltd.	96,900	0	Western Union Corp.	247,350	23,250
Travelers Corp.	818,300	64,100	Westinghouse Elec. Co.	1,079,300	1,399,000
Tribune Company	16,150	16,150	Westmoreland Coal Co.	27,000	0
Trinity Inds. Inc.	20,000	0	Westvaco Corp.	14,700	0
Trust Co. GA Atlanta	14,000	0	Wetterau Inc.	33,000	0
TRW Inc.	27,300	29,600	Weyerheuser Co.	99,700	0
Tyco Labs	127,800	0	Whirlpool Corp.	1,065,300	1,779,300
Tyler Corp.	22,000	0	White Cons. Inds. Inc.	15,000	0
Tymshare Inc.	33,000	33,000	Whitehall Corp.	13,600	0
Tyson Foods Inc.	44,000	0	Whittaker Corp.	36,600	0
U.S. Bancorp.	31,000	0	Willamette Inds. Inc.	21,000	0
U.S. Inds. Inc.	40,000	40,000	Williams Cos.	16,000	0
U.S. Gypsum Co.	17,700	0	Williams Sonoma Inc.	3,000	3,000
U.S. Home Corp.	0	143,000	Winn Dixie Stores Inc.	32,200	0
U.S. Steel Pfd. 12.75	15,500	5,500	Winnebago Ind. Inc.	85,000	0
U.S. West Corp.	29,300	19,981	Wisconsin Electric Power	256,200	229,800
UAL Inc.	58,100	59,500	Wisconsin Pub. Service Corp.	24,000	0
UAL Inc. CV Pfd. 2.40	0	29,300	Wisconsin Power & Light Co.	26,000	0
Ultimate Corp.	70,700	24,200	Wiser Oil Co. Del.	28,000	0
Ultrasystems Inc.	500	0	Witco Chemical Corp.	40,600	3,500
Union Camp Corp.	60,200	8,000	Wolverine World Wide	0	25,000
Union Carbide Corp.	147,518	427,899	Wometco Enterprises Inc.	14,000	14,000
Union Elec. Co.	195,500	0	Woods Pete Corp.	27,000	0
Union Pacific Corp.	108,000	28,000	Woolworth F.W. Co.	23,800	0
Uniroyal Inc.	20,000	0	Worthington Inds. Inc.	33,000	0
United Artists Theatre Circuit	37,000	0	Wrigley Wm. Jr. Co.	12,000	0
United Brands Co.	45,500	0	Wyman-Gordon Co.	21,200	15,000
United Cable TV Corp.	42,100	0	Xerox Corp.	403,300	185,750
United Energy Res. Inc.	28,000	0	Xicor Inc.	0	7,000
United Illum. Co.	28,000	0	Xidex Corp.	32,200	0
United States Leasing Intl. In.	17,000	0	Xtra Corp.	24,000	8,800
United States Shoe Corp.	21,700	0	Yellow Freight System	25,600	40,700
United States Steel Corp.	80,700	0	Zapata Corp.	6,100	6,100
United States Surgical Corp.	45,000	0	Zayre Corp.	61,000	68,000
United Stationers Inc.	500	0	Zenith Radio Corp.	18,900	0
United Stockyards Corp.	3,000	0	Zero Corp.	0	4,000
United Technologies Corp.	78,000	10,000	Zurn Inds. Inc.	23,000	0
United Telacom. Inc.	65,200	0	Zycad Corp.	23,400	0
United VA Bankshares Inc.	22,000	0	Equit. Life Assur. Society	0	11,373
Unitog Co.	3,000	3,000	Amgo I	0	21,996
Unitrode Corp.	23,000	0	Aetna Real Estate Fund	0	11,414
Universal Foods Corp.	19,300	0	Prudential Real Estate Fund	0	10,480
Universal Health Services	50,000	0	TOTAL	121,819,617	102,094,331
Unocal Corp.	1,177,000	2,297,500			
Upjohn Co.	26,800	0			
US Air Group	236,050	41,450			
US Fidelity & Guar. Co.	280,900	35,550			
USLIFE Corp.	23,000	0			
Utah Power & Light Co. In.	31,000	0			
UTL Corp.	2,000	53,900			
V. F. Corp.	32,400	0			
Valero Energy Corp.	484,050	2,550			
Valid Logic Systems Inc.	18,000	0			
Valley National Corp.	110,000	83,000			
Value Line Inc.	20,000	0			
Varian Assoc. Inc.	34,900	30,000			
Veeco Instrs. Inc.	30,000	0			
Verbatim Corp.	28,000	0			
Viacom Intl.	22,000	9,000			
Vicorp Restaurants Inc.	30,000	40,000			
Virginia Natl. Bankshares Inc.	7,000	7,000			
Vulcan Mats. Co.	10,000	0			
Wechovia Corp.	33,200	0			
Wackenhut Corp.	12,000	0			
Wal-Mart Stores Inc.	358,650	261,850			
Walgreen Co.	25,000	0			
Wallace Computer Ser. Inc.	22,000	0			
Walter Jim Corp.	10,000	0			
Wang Labs Cl. B	1,077,400	1,089,300			
Warnaco Inc.	267,100	19,500			
Warner Communications	70,400	17,800			
Warner Lambert	62,100	53,000			
Washington Natl. Corp.	26,000	0			
Washington Post B	10,000	0			
Washington Water Power Co.	34,000	0			
Waste Management	752,900	1,254,000			
Watkins Johnson Co.	8,000	0			

MINNESOTA STATE BOARD OF INVESTMENT
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BROKER	EQUITY DOLLAR VOLUME	EQUITY COMM	BOND DOLLAR VOLUME	BOND COMM	SHORT TERM DOLLAR VOLUME
A.G. BECKER & CO.	\$ 31,083,549.03	\$ 72,189.00	\$ 0.00	\$ 0.00	\$ 1,858,052,222.22
ABEL/NOSER CORP.	2,195,250.00	4,860.00	0.00	0.00	0.00
ADAMS HARKNESS & HILL	2,359,519.67	5,025.00	0.00	0.00	0.00
ALLISON-WILLIAMS	0.00	0.00	2,573,222.09	19,810.31	0.00
AMERICAN EXPRESS CREDIT	0.00	0.00	0.00	0.00	3,354,000.00
AMERICAN NATIONAL BANK	0.00	0.00	0.00	0.00	88,353,200.00
AMERICAN SECURITIES	3,335,602.25	8,300.99	0.00	0.00	0.00
ASSOC CORP OF N AMER	0.00	0.00	0.00	0.00	140,059,155.56
AUTRANET	22,338,149.93	48,747.00	0.00	0.00	0.00
BAIRD PATRICK AND CO	556,037.82	1,404.00	0.00	0.00	0.00
BANK OF AMERICA	0.00	0.00	5,000,000.00	13,500.00	66,000,000.00
BANKERS TRUST	0.00	0.00	0.00	0.00	134,505,000.00
BATEMAN EICHLER	1,875,000.00	6,000.00	0.00	0.00	0.00
BEAR STEARNS & CO	59,401,772.32	147,456.55	0.00	0.00	5,716,398,000.00
BECKER-WARBURG-PARIBUS	63,984,112.50	142,358.00	0.00	0.00	0.00
BLYTH PAINE WEBBER	0.00	0.00	2,000,000.00	6,000.00	0.00
BMI CAPITAL MANAGEMENT	11,078,853.89	38,797.09	0.00	0.00	0.00
BOSTON INST. SERVICES	32,313,049.21	88,653.00	0.00	0.00	0.00
BRANDT (ROBERT) & CO	27,173,512.50	61,941.00	0.00	0.00	0.00
BRIGGS & SCHAEDEL	0.00	0.00	0.00	0.00	84,700,000.00
BROWN ALEX & SONS	1,685,618.46	3,860.00	188,560.00	500.00	0.00
BROWN BROS. HARRIMAN	1,232,300.00	3,395.00	0.00	0.00	0.00
BURGESS & LEITH	1,109,453.02	3,538.00	0.00	0.00	0.00
BURNS FRY & TIMMINS	949,590.00	2,340.00	0.00	0.00	0.00
BUTCHER & SINGER	723,170.87	560.00	0.00	0.00	0.00
CABLE/HOWSE & RAGEN	1,149,894.35	2,714.00	0.00	0.00	0.00
CANTOR FITZGERALD	25,568,892.78	62,264.50	0.00	0.00	0.00
CARROLL MCENTEE & MCGIN.	0.00	0.00	0.00	0.00	16,000,000.00
CHASE MANHATTAN BANK	0.00	0.00	0.00	0.00	12,800,000.00
CHEMICAL BANK N.Y.	0.00	0.00	0.00	0.00	9,800,000.00
CHICAGO CORP	117,096.08	400.00	0.00	0.00	0.00
CHRISTOPHER (B.C.) & CO.	302,812.50	500.00	0.00	0.00	0.00
CIT FINANCIAL CORP	0.00	0.00	0.00	0.00	90,703,111.11
CITIBANK	0.00	0.00	0.00	0.00	244,803,028.86
CONNING & COMPANY	5,974,794.42	15,428.00	0.00	0.00	0.00
COWEN & CO	17,682,263.17	38,709.90	0.00	0.00	0.00
CYRUS J. LAWRENCE	25,547,450.73	57,994.50	0.00	0.00	0.00
DAIN KALMAN & QUAIL	3,453,072.50	9,597.50	0.00	0.00	0.00
DEAN WITTER REYNOLDS	123,723,354.59	287,303.70	3,920,260.00	11,000.00	303,705,000.00
DELAFIELD HARVEY TABELL	9,758,487.50	21,745.00	0.00	0.00	0.00
DILLON READ	45,346,808.88	113,283.57	0.00	0.00	0.00
DISCOUNT CORP (N.Y.)	0.00	0.00	0.00	0.00	99,765,000.00
DONALDSON LUFKIN	46,297,114.46	100,407.00	0.00	0.00	0.00
DREXEL BURNHAM LAMBERT	79,443,591.93	182,309.00	0.00	0.00	0.00

MINNESOTA STATE BOARD OF INVESTMENT
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BROKER	EQUITY		BOND		SHORT TERM
	DOLLAR VOLUME	EQUITY COMM	DOLLAR VOLUME	BOND COMM	DOLLAR VOLUME
EF HUTTON AND CO	\$ 40,991,078.54	\$ 98,150.00	\$ 0.00	\$ 0.00	\$ 0.00
EBERSTADT (F) & CO	23,836,886.98	50,815.00	0.00	0.00	0.00
EDWARDS A.G. & SONS	0.00	0.00	0.00	4,000.00	0.00
ERNST & CO.	20,346,160.69	39,891.62	0.00	0.00	0.00
PHLB DES MOINES	0.00	0.00	0.00	0.00	12,000,000.00
FIRST BOSTON CORPORATION	96,937,021.58	209,214.55	7,000,000.00	16,100.00	4,496,192,100.00
FIRST INTERSTATE BANK CAL	0.00	0.00	0.00	0.00	22,576,867.56
FIRST INTERSTATE DALLAS	0.00	0.00	0.00	0.00	5,000,000.00
FIRST MANHATTAN COMPANY	47,987,506.21	106,942.50	0.00	0.00	0.00
FIRST NATIONAL BANK BOSTON	0.00	0.00	0.00	0.00	1,000,000.00
FIRST NATIONAL BANK CHICAGO	0.00	0.00	0.00	0.00	53,000,000.00
FIRST NATIONAL BANK MPLS	0.00	0.00	0.00	0.00	193,356,000.00
FIRST NATIONAL BANK ST. PAUL	0.00	0.00	0.00	0.00	185,829,000.00
FRED ALGER & COMPANY	86,942,238.40	309,706.84	0.00	0.00	0.00
GENERAL ELECTRIC CREDIT	1,543,975.51	3,346.00	0.00	0.00	84,639,000.00
GENERAL MOTORS ACCEPTANCE	0.00	0.00	0.00	0.00	286,746,100.00
GEORGE K. BAUM & CO.	29,336.64	144.00	0.00	0.00	0.00
GOLDMAN SACHS & COMPANY	150,998,388.03	328,705.50	2,000,000.00	6,000.00	6,420,457,100.00
HALSEY STUART & CO	6,370,530.91	15,603.00	0.00	0.00	0.00
HAMBRECHT & QUIST	914,850.00	2,052.00	0.00	0.00	0.00
HARRIS TRUST & SAVINGS	0.00	0.00	0.00	0.00	13,000,000.00
HAYDEN STONE INC	605,129.78	1,225.00	0.00	0.00	0.00
HOENIG & CO.	372,500.00	1,600.00	0.00	0.00	0.00
HOUSEHOLD FINANCE	0.00	0.00	0.00	0.00	9,900,000.00
INDEPENDENT STATE BANK	0.00	0.00	0.00	0.00	24,500,000.00
INSTANET	240,107,524.26	97,768.34	0.00	0.00	0.00
INTERFIRST DALLAS	0.00	0.00	0.00	0.00	1,500,000.00
INTERSTATE SECURITIES	4,678,072.50	5,651.00	0.00	0.00	0.00
IRVING TRUST CO N.Y.	0.00	0.00	0.00	0.00	12,000,000.00
JANNEY MONTGOMERY SCOTT	0.00	0.00	470,000.00	1,250.00	0.00
JEFFERIES & CO	84,527,614.71	186,490.61	0.00	0.00	0.00
JOHNSON LANE SPACE & SMITH	44,139,841.83	87,488.00	0.00	0.00	0.00
JONES & ASSOCIATES	51,260,014.25	93,438.00	0.00	0.00	0.00
JOSEPHTHAL & CO.	3,021,573.60	7,783.00	0.00	0.00	0.00
KEEFE BRUYETTE & WOOD	14,165,431.25	32,546.00	0.00	0.00	0.00
KIDDER PEABODY	93,365,622.33	217,263.45	29,638,968.30	85,175.00	15,219,479,000.00
KIRKPATRICK & CO.	284,058.20	579.00	0.00	0.00	0.00
KLEINWORT BENSON GOVT SEC	0.00	0.00	0.00	0.00	1,014,200,000.00
KLEINWORTH BENSON INC	0.00	0.00	0.00	0.00	20,000,000.00
L F ROTHSCHILD	7,651,225.12	18,700.00	0.00	0.00	0.00
LANSTON CO	0.00	0.00	0.00	0.00	4,120,000.00
LAZARD FRERES & CO	702,470.63	2,280.00	497,800.00	1,250.00	0.00
LEGG-MASON	38,795.00	170.00	0.00	0.00	0.00
LEHMAN GOVT SECURITIES	0.00	0.00	191,400.00	500.00	10,586,887,844.44
LEIBER & COMPANY	33,756,260.02	121,483.50	0.00	0.00	0.00

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BROKER	EQUITY DOLLAR VOLUME	EQUITY COMM	BOND DOLLAR VOLUME	BOND COMM	SHORT TERM DOLLAR VOLUME
LEWCO SECURITIES INC.	\$ 22,848,961.23	\$ 58,225.52	\$ 0.00	\$ 0.00	\$ 0.00
LOVETT MITCHELL WEBBER INC	1,012,371.50	2,759.00	0.00	0.00	0.00
LYNCH JONES & RYAN	6,469,959.19	14,018.00	0.00	0.00	0.00
MABON NUGENT & CO.	1,693,956.00	5,340.00	0.00	0.00	0.00
MARQUETTE NATIONAL BANK	0.00	0.00	0.00	0.00	129,927,000.00
MCDONALD & COMPANY	629,639.48	2,338.00	0.00	0.00	0.00
MERRIL-PERFORMANCE MEASURE	2,331,793.13	5,811.58	0.00	0.00	0.00
MERRILL LYNCH - IDC	207,975,928.41	423,117.63	0.00	0.00	0.00
MERRILL LYNCH EVALUATION	2,257,325.00	4,560.00	0.00	0.00	0.00
MERRILL LYNCH P F & S	54,392,388.67	128,338.50	0.00	0.00	9,967,147.22
MERRILL LYNCH P F & S (R)	95,178,530.73	246,355.50	6,298,180.00	16,875.00	287,404,000.00
MESIROW AND COMPANY	24,604,930.00	46,413.50	0.00	0.00	0.00
MIDLAND NATIONAL BANK MPLS	0.00	0.00	0.00	0.00	6,800,000.00
MIDWAY NATIONAL BANK ST PAUL	0.00	0.00	0.00	0.00	1,500,000.00
MONTGOMERY SECURITIES	14,668,572.10	37,338.50	0.00	0.00	0.00
MOORE SCHLEY & CAMERON	2,022,106.34	2,247.00	0.00	0.00	0.00
MORGAN GUARANTY	0.00	0.00	0.00	0.00	18,100,000.00
MORGAN STANLEY & CO	112,618,521.27	253,320.50	14,834,896.00	33,750.00	0.00
MOSELY (F.S.) & CO	81,685.00	310.00	0.00	0.00	0.00
MURPHY, BARRY W.	328,720.00	560.00	0.00	0.00	0.00
NATIONAL CITY BANK MPLS	0.00	0.00	0.00	0.00	7,500,000.00
NEUBERGER & BERMAN	11,889,896.25	27,521.00	0.00	0.00	0.00
NOMURA SECURITIES INTL	3,529,660.00	8,360.00	0.00	0.00	0.00
NORWEST BANK MPLS	0.00	0.00	0.00	0.00	243,547,000.00
OPPENHEIMER & CO	55,649,459.26	129,214.17	0.00	0.00	0.00
PACIFIC BROKERAGE SEC.	375,660,188.03	425,691.00	0.00	0.00	0.00
PAINE WEBBER J & C	98,642,669.18	225,055.50	0.00	0.00	1,434,344,000.00
PENNEY (J.C.) FINANCE	0.00	0.00	0.00	0.00	15,456,000.00
PFORZHEIMER CARL H.	347,613.39	450.00	0.00	0.00	0.00
PIPER JAFFRAY & HOPWOOD	1,675,382.50	5,377.00	0.00	0.00	0.00
PIPER JAFFRAY & HOP S	2,602,575.00	8,457.50	0.00	0.00	0.00
PRESCOTT BALL & TURBAN	3,618,083.30	7,909.00	0.00	0.00	0.00
PRINTON & KANE	0.00	0.00	1,243,282.50	3,667.50	0.00
PRUDENTIAL	11,844,527.37	25,681.00	0.00	0.00	0.00
PRUDENTIAL BACHE SEC.	79,436,524.55	225,890.90	16,571,949.00	47,500.00	1,391,816,000.00
QUANTITATIVE ANALYSIS	2,127,873.74	4,450.00	0.00	0.00	0.00
QUEST SECURITIES INC	1,052,700.00	2,700.00	0.00	0.00	0.00
R.C. STAMM	2,696,575.00	6,000.00	0.00	0.00	0.00
REPUBLIC BANK DALLAS	0.00	0.00	0.00	0.00	5,292,000.00
REPUBLIC NATL. BANK N.Y.	0.00	0.00	0.00	0.00	7,284,705.66
RESEARCH MANAGEMENT ASSOC	0.00	0.00	0.00	0.00	13,864,973.62
ROBERTSON COLMAN & STEPH	206,439.22	940.00	0.00	0.00	0.00
ROBINSON-HUMPHREY CO	2,275,000.00	5,200.00	0.00	0.00	0.00
RODMAN & RENSHAW	0.00	0.00	3,405,130.00	8,875.00	0.00

MINNESOTA STATE BOARD OF INVESTMENT
 COMMISSIONS AND TRADING VOLUME
 BY BROKER
 FISCAL YEAR 1984

BROKER	EQUITY DOLLAR VOLUME	EQUITY COMM	BOND DOLLAR VOLUME	BOND COMM	SHORT TERM DOLLAR VOLUME
ROONEY PACE INC.	\$ 123,662.50	\$ 700.00	\$ 0.00	\$ 0.00	\$ 0.00
ROTAN MOSLE	1,622,294.24	4,763.00	0.00	0.00	0.00
SALOMON BROTHERS	177,135,354.76	336,252.65	20,753,841.50	82,478.75	15,151,906,200.00
SANFORD C. BERNSTEIN	52,063,762.51	129,806.50	0.00	0.00	0.00
SEARS ROEBUCK ACCEPTANCE	0.00	0.00	0.00	0.00	65,681,000.00
SECURITIES SETTLEMENT CORP	1,853,164.47	3,594.00	0.00	0.00	0.00
SECURITY PACIFIC BANK	0.00	0.00	0.00	0.00	5,000,000.00
SHEARSON ARGUS RESEARCH	869,970.83	5,000.00	0.00	0.00	0.00
SHEARSON COMPUTER	0.00	0.00	3,000,000.00	8,500.00	0.00
SHEARSON LEHMAN (BONDSTAT)	0.00	0.00	5,000,000.00	14,500.00	0.00
SHEARSON LEHMAN AMER EXP.	78,974,959.31	172,996.80	5,110,625.00	13,812.00	33,744,000.00
SHEARSON/AMERICAN EXPRESS	85,228,997.87	188,768.50	0.00	0.00	0.00
SMITH BARNEY & COMPANY	171,337,944.17	380,928.25	963,760.00	2,500.00	0.00
SOWARBY (JOHN) ASSOCIATES	0.00	0.00	0.00	0.00	10,593,000.00
SUTRO & COMPANY INC	274,915.12	922.00	0.00	0.00	0.00
SYNDICATION	0.00	0.00	14,922,190.00	0.00	0.00
THOMSON & MCKINNON	2,732,347.08	3,980.00	4,000,000.00	8,600.00	0.00
TRANSAM FINANCIAL	0.00	0.00	0.00	0.00	21,015,000.00
TUCKER ANTHONY & R.L. DAY	8,285,437.50	17,820.00	0.00	0.00	0.00
TUCKER ANTHONY (L. BAILEY)	2,736,977.92	5,574.00	0.00	0.00	0.00
UNION BANK OF L.A.	0.00	0.00	0.00	0.00	63,590,000.00
W.E. POLLOCK & COMPANY	0.00	0.00	0.00	0.00	1,119,834,000.00
WAGNER STOTT & CO.	663,340.91	2,234.00	0.00	0.00	0.00
WALL STREET CLEARING	112,050.00	300.00	0.00	0.00	0.00
WALTER HELLER & CO	0.00	0.00	0.00	0.00	123,668,844.44
WEEDEN & COMPANY	43,506,625.00	86,566.00	0.00	0.00	0.00
WEISS	1,580,668.28	3,580.00	0.00	0.00	0.00
WELLS FARGO BANK	0.00	0.00	0.00	0.00	517,531,000.00
WERTHEIM & COMPANY	32,835,437.51	72,613.25	11,786,600.00	31,000.00	0.00
WERTHEIM MEASUREMENT	229,592.33	400.00	0.00	0.00	0.00
WESTINGHOUSE CREDIT	0.00	0.00	0.00	0.00	49,126,000.00
WILLIAM BLAIR & CO.	3,580,985.37	11,042.00	0.00	0.00	0.00
WILLIAM O NEIL & CO	47,955.00	80.00	0.00	0.00	0.00
WILSHIRE ASSOCIATES	18,550,713.36	35,986.50	0.00	0.00	0.00
WILSHIRE EQUITY MGR. SERV	4,292,000.00	15,000.00	0.00	0.00	0.00
WOOD GUNDY & COMPANY	11,409,338.64	25,037.00	0.00	0.00	0.00
ALL BROKERS COMBINED	\$3,606,264,379.86	\$7,416,760.96	\$161,370,664.39	\$437,143.56	\$68,269,872,600.69

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TIME-WEIGHTED RATE OF RETURN

In measuring the performance of a manager or fund whose investment objective is to maximize the total value of an investment portfolio, the proper measuring tool is the time-weighted total rate of return. This performance measure includes the effect of income earned as well as realized and unrealized portfolio market value changes. In addition, the time-weighted total rate of return nets out the influence of contributions made to and distributions taken from the manager or fund. These are variables over which the manager or fund generally has no control.

The calculation of a portfolio's true time-weighted return requires that the portfolio be valued every time that there is a capital flow in or out. Because most portfolios are not valued that frequently, it is usually necessary to estimate the time-weighted total rates of return 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, the SBI's performance measurement consultant, calculates the LIRR by solving the following equation for R:

$$VB*(1+R) + C*(1+R)**1/2 = VE$$

Where:

VB = Value of the fund at the beginning of the month

VE = 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 time-weighted return over the month. It approximates the interim valuations by assuming a uniform growth of the invested assets 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 - R1, R2, and R3, the quarterly time-weighted return (TWRQ) is:

$$TWRQ = (1+R1)*(1+R2)*(1+R3) - 1$$



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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

We have examined the combining and individual fund financial statements, including the portfolio of investments, and the supplementary schedule of participation of the Investment Trust Funds of the Minnesota State Board of Investment as of and for the year ended June 30, 1984 as shown on pages 91 to 183. 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, 1984 were counted by us when held by the State Treasurer or were confirmed to us when held by other custodians.

Required reserves, which determine participation in the Post Retirement Investment Fund, are presented in accordance with reports certified by the consulting actuaries for the various pension funds participating in the fund.

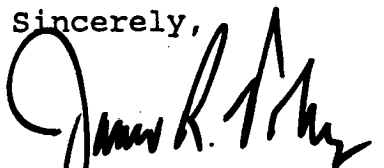
In our opinion, the aforementioned combining financial statements PRESENT FAIRLY the net assets and participation of the INVESTMENT TRUST FUNDS of the State of Minnesota at June 30, 1984, and the results of their operations and changes in their net assets for the year then ended, in conformity with generally accepted accounting principles which, except for the change in reporting entity as discussed in the Summary of Significant Accounting Policies, have been applied on a basis consistent with that of the preceding fiscal year.

In our opinion, relying on the certifications from the consulting actuaries as to reserves required for the Post Retirement Investment Fund, as discussed previously, the aforementioned financial statements PRESENT FAIRLY the net assets and participation of the SUPPLEMENTAL RETIREMENT FUND and its components, the INCOME SHARE, GROWTH SHARE, FIXED RETURN, and BOND accounts, the POST RETIREMENT INVESTMENT FUND, the VARIABLE ANNUITY FUND and the ACTIVE EQUITY FUND at June 30, 1984 and the results of their operations and changes in their net assets for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

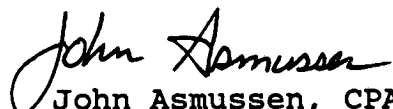
The State Board of Investment
and
Howard J. Bicker, Executive Director

In our opinion, the aforementioned financial statements PRESENT FAIRLY the net assets and participation of the BASIC RETIREMENT POOLED FUNDS and the PASSIVE EQUITY FUND, REAL ESTATE FUND, RESOURCE FUND, VENTURE CAPITAL FUND, BOND FUND, and MONEY MARKET FUND at June 30, 1984 and the results of their operations and changes in their net assets for the year then ended, in conformity with generally accepted accounting principles.

Sincerely,



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

November 19, 1984

STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1984

	SUPPLEMENTAL RETIREMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND	VARIABLE (4) ANNUITY FUND	BASIC RETIREMENT POOLED FUNDS	TOTAL
ASSETS:					
INVESTMENTS (at market value) (1)					
Common Stock	\$ 87,503,669	\$ 650,034,806	\$ 82,036,515	\$ 1,686,649,400	\$ 2,506,224,390
Alternative Equities	-0-	-0-	-0-	167,919,432	167,919,432
Fixed Income Securities	85,021,765	924,432,719	4,901,550	826,747,938	1,841,103,972
Short Term Securities	46,627,795	252,034,000	8,972,877	292,716,548	600,351,220
TOTAL INVESTMENTS(2)	\$ 219,153,229	\$ 1,826,501,525	\$ 95,910,942	\$ 2,974,033,318	\$ 5,115,599,014
Cash With State Treasurer	551	612	217	14	1,394
Security Sales Receivable	1,191,319	9,588,843	847,506	19,846,440	31,474,108
Accounts Receivable-Mortality	-0-	9,223,205	-0-	-0-	9,223,205
Accounts Receivable-Participants	-0-	6,533,620	-0-	-0-	6,533,620
Accrued Interest	2,550,981	29,902,893	78,736	22,526,040	55,058,650
Accrued Dividends	400,444	3,580,377	286,728	7,530,953	11,798,502
Accrued Short Term Gain	128,098	686,944	2,878	2,555,107	3,373,027
TOTAL ASSETS	\$ 223,424,622	\$ 1,886,018,019	\$ 97,127,007	\$ 3,026,491,872	\$ 5,233,061,520
LIABILITIES:					
Management Fees Payable	114,037	331,321	115,008	850,625	1,410,991
Security Purchases Payable	3,365,784	19,686,152	1,937,435	14,475,113	39,464,484
Accounts Payable to Teachers	-0-	-0-	267,724	-0-	267,724
Options Premiums Received	-0-	121,550(3)	-0-	-0-	121,550
TOTAL LIABILITIES	\$ 3,479,821	\$ 20,139,023	\$ 2,320,167	\$ 15,325,738	\$ 41,264,749
NET ASSETS AT JUNE 30, 1984	\$ 219,944,801	\$ 1,865,878,996	\$ 94,806,840	\$ 3,011,166,134	\$ 5,191,796,771
(1)The cost of investments at June 30, was:					
Common Stock	\$ 94,224,991	\$ 675,298,750	\$ 88,839,877	\$ 1,855,597,064	\$ 2,713,960,682
Alternative Equities	-0-	-0-	-0-	157,126,365	157,126,365
Fixed Income Securities	99,173,739	1,041,511,250	5,000,764	828,740,387	1,974,426,140
Short Term Securities	46,627,795	252,034,000	8,972,877	292,716,548	600,351,220
Total Investments at Cost	\$ 240,026,525	\$ 1,968,844,000	\$ 102,813,518	\$ 3,134,180,364	\$ 5,445,864,407
(2)The cost of loaned securities outstanding at June 30, was:					
	\$ 1,639,141	\$ 71,105,102	\$ -0-	\$ -0-	\$ 72,744,243

STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1984

	SUPPLEMENTAL RETIREMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND	VARIABLE(4) ANNUITY FUND	BASIC RETIREMENT POOLED FUNDS	TOTAL
FROM INVESTMENT ACTIVITY:					
Net Investment Income	\$ 17,202,163	\$ 162,467,706	\$ 4,339,777	\$ 90,943,084	\$ 274,952,730
Realized Gains (Losses)	6,950,051	42,263,254	3,902,257	(38,713,705)	14,401,857
Unrealized Gains (Losses)	(33,845,695)	(264,396,146)	(19,423,648)	(214,657,961)	(532,323,450)
TOTAL INCOME	\$ (9,693,481)	\$ (59,665,186)	\$ (11,181,614)	\$ (162,428,582)	\$ (242,968,863)
Less Distribution to Participant Accounts	5,177,450	(83,181,357)	(10,525,516)	(42,815,613)	(131,345,036)
Undistributed Dedicated Income	-0-	(111,514,807)	-0-	1,090,356	(110,424,451)
NET CHANGE IN UNDISTRIBUTED INCOME	\$ (4,516,031)	\$ (254,361,350)	\$ (21,707,130)	\$ (204,153,839)	\$ (484,738,350)
FROM PARTICIPANT TRANSACTION:					
Additions to Participant Accounts					
Participant Contributions	11,931,161	277,990,549	9,190	2,558,268,776	2,848,199,676
Income Distribution	(5,177,450)	83,181,357	10,525,516	42,815,613	131,345,036
Income to be Distributed	-0-	111,514,807	-0-	(1,090,356)	110,424,451
TOTAL ADDITIONS	\$ 6,753,711	\$ 472,686,713	\$ 10,534,706	\$ 2,599,994,033	\$ 3,089,969,163
Deductions from Participant Accounts					
Withdrawals	4,207,566	136,867,738	803,259	-0-	141,878,563
TOTAL DEDUCTIONS	\$ 4,207,566	\$ 136,867,738	\$ 803,259	\$ -0-	\$ 141,878,563
NET CHANGE IN PARTICIPATION	\$ 2,546,145	\$ 335,818,975	\$ 9,731,447	\$ 2,599,994,033	\$ 2,948,090,600
TOTAL CHANGE IN ASSETS	(1,969,886)	81,457,625	(11,975,683)	2,395,840,194	2,463,352,250
NET ASSETS:					
Beginning of Period	221,914,687	1,784,421,371	106,782,523	615,325,940	2,728,444,521
End of Period	\$ 219,944,801	\$ 1,865,878,996	\$ 94,806,840	\$ 3,011,166,134	\$ 5,191,796,771

STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 1984

	SUPPLEMENTAL RETIREMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND	VARIABLE (4) ANNUITY FUND	BASIC RETIREMENT POOLED FUNDS	TOTAL
INVESTMENT INCOME:					
Interest	\$ 9,945,521	\$ 120,932,350	\$ 473,981	\$ 21,924,315	\$ 153,276,167
Dividends	3,772,682	31,662,679	2,827,665	53,103,510	91,366,536
Short Term Gains	<u>3,771,445</u>	<u>10,203,998</u>	<u>1,341,264</u>	<u>19,368,771</u>	<u>34,685,478</u>
INCOME BEFORE EXPENSES	\$ 17,489,648	\$ 162,799,027	\$ 4,642,910	\$ 94,396,596	\$ 279,328,181
Management Fee—Outside Managers	(287,485)	(331,321)	(303,133)	(3,453,512)	(4,375,451)
NET INCOME	<u>\$ 17,202,163</u>	<u>\$ 162,467,706</u>	<u>\$ 4,339,777</u>	<u>\$ 90,943,084</u>	<u>\$ 274,952,730</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS					
Realized:					
Proceeds from Sales	\$ 151,165,440	\$ 641,246,985	\$ 130,854,491	\$ 2,409,794,847	\$ 3,333,061,763
Cost of Securities Sold	<u>144,215,389</u>	<u>598,983,731</u>	<u>126,952,234</u>	<u>2,448,508,553</u>	<u>3,318,659,907</u>
NET REALIZED GAIN (LOSS)	\$ 6,950,051	\$ 42,263,254	\$ 3,902,257	\$ (38,713,706)	\$ 14,401,856
Unrealized					
Beginning of Period	12,972,399	122,368,389	12,521,072	54,510,914	202,372,774
End of Period	<u>(20,873,296)</u>	<u>(142,027,757)</u>	<u>(6,902,576)</u>	<u>(160,147,027)</u>	<u>(329,950,656)</u>
INCREASE (DECREASE) IN UNREALIZED APPRECIATION	\$ (33,845,695)	\$ (264,396,146)	\$ (19,423,648)	\$ (214,657,941)	\$ (532,323,430)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT	<u>\$ (26,895,644)</u>	<u>\$ (222,132,892)</u>	<u>\$ (15,521,391)</u>	<u>\$ (253,371,647)</u>	<u>\$ (517,921,574)</u>

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT FUND
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1984

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	FIXED RETURN ACCOUNT	BOND ACCOUNT	SUPPLEMENTAL RETIREMENT FUND TOTAL
ASSETS:					
INVESTMENTS (at market value) (1)					
Common Stock	\$ 60,426,777	\$ 27,076,892	\$ -0-	\$ -0-	\$ 87,503,669
Fixed Income Securities	38,715,034	-0-	43,466,393	2,840,338	85,021,765
Short Term Securities	<u>10,934,330</u>	<u>27,063,465</u>	<u>8,533,000</u>	<u>97,000</u>	<u>46,627,795</u>
TOTAL INVESTMENTS(2)	\$ 110,076,141	\$ 54,140,357	\$ 51,999,393	\$ 2,937,338	\$ 219,153,229
Cash With State Treasurer	162	(1,018)	890	517	551
Security Sales Receivable	666,997	524,322	-0-	-0-	1,191,319
Accounts Receivable-Mortality	-0-	-0-	-0-	-0-	-0-
Accounts Receivable-Participants	-0-	-0-	-0-	-0-	-0-
Accrued Interest	1,099,719	-0-	1,358,268	92,994	2,550,981
Accrued Dividends	273,269	127,175	-0-	-0-	400,444
Accrued Short Term Gain	<u>6,938</u>	<u>113,647</u>	<u>7,513</u>	<u>-0-</u>	<u>128,098</u>
TOTAL ASSETS	\$ 112,123,226	\$ 54,904,483	\$ 53,366,064	\$ 3,030,849	\$ 223,424,622
LIABILITIES:					
Management Fees Payable	42,029	62,479	9,052	477	114,037
Security Purchases Payable	1,751,165	690,189	924,430	-0-	3,365,784
Accounts Payable to Teachers	-0-	-0-	-0-	-0-	-0-
Options Premiums Received	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES	\$ 1,793,194	\$ 752,668	\$ 933,482	\$ 477	\$ 3,479,821
NET ASSETS AT JUNE 30, 1984	<u>\$ 110,330,032</u>	<u>\$ 54,151,815</u>	<u>\$ 52,432,582</u>	<u>\$ 3,030,372</u>	<u>\$ 219,944,801</u>
 (1) The cost of investments at June 30, was:					
Common Stock	\$ 64,721,701	\$ 29,503,290	\$ -0-	\$ -0-	\$ 94,224,991
Fixed Income Securities	45,894,921	-0-	50,288,071	2,990,747	99,173,739
Short Term Securities	<u>10,934,330</u>	<u>27,063,465</u>	<u>8,533,000</u>	<u>97,000</u>	<u>46,627,795</u>
Total Investments at Cost	\$ 121,550,952	\$ 56,566,755	\$ 58,821,071	\$ 3,087,747	\$ 240,026,525
 (2) The cost of loaned securities outstanding at June 30, was:					
	\$ 460,000	\$ -0-	\$ 850,000	\$ 329,141	\$ 1,639,141

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT FUND
COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1984

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	FIXED RETURN ACCOUNT	BOND (6) ACCOUNT	SUPPLEMENTAL RETIREMENT FUND TOTAL
FROM INVESTMENT ACTIVITY:					
Net Investment Income	\$ 8,179,927	\$ 3,029,728	\$ 5,675,231	\$ 317,277	\$ 17,202,163
Realized Gains (Losses)	4,503,771	2,445,151	1,129	-0-	6,950,051
Unrealized Gains (Losses)	(19,120,623)	(10,213,500)	(4,231,917)	(279,655)	(33,845,695)
TOTAL INCOME	\$ (6,436,925)	\$ (4,738,621)	\$ 1,444,443	\$ 37,622	\$ (9,693,481)
Less Distribution to Participant Accounts	6,436,925	4,738,621	(5,687,558)	(310,538)	5,177,450
Undistributed Dedicated Income	-0-	-0-	-0-	-0-	-0-
NET CHANGE IN UNDISTRIBUTED INCOME	\$ -0-	\$ -0-	\$ (4,243,115)	\$ (272,916)	\$ (4,516,031)
FROM PARTICIPANT TRANSACTION:					
Additions to Participant Accounts					
Participant Contributions	4,293,085	344,192	6,457,914	835,970	11,931,161
Income Distribution	(6,436,925)	(4,738,621)	5,687,558	310,538	(5,177,450)
Income to be Distributed	-0-	-0-	-0-	-0-	-0-
TOTAL ADDITIONS	\$ (2,143,840)	\$ (4,394,429)	\$ 12,145,472	\$ 1,146,508	\$ 6,753,711
Deductions from Participant Accounts					
Withdrawals	2,270,436	-0-	1,937,130(5)	-0-	4,207,566
TOTAL DEDUCTIONS	\$ 2,270,436	\$ -0-	\$ 1,937,130	\$ -0-	\$ 4,207,566
NET CHANGE IN PARTICIPATION	\$ (4,414,276)	\$ (4,394,429)	\$ 10,208,342	\$ 1,146,508	\$ 2,546,145
TOTAL CHANGE IN ASSETS	(4,414,276)	(4,394,429)	5,965,227	873,592	(1,969,886)
NET ASSETS:					
Beginning of Period	114,744,308	58,546,244	46,467,355	2,156,780	221,914,687
End of Period	\$ 110,330,032	\$ 54,151,815	\$ 52,432,582	\$ 3,030,372	\$ 219,944,801

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT FUND
COMBINING STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 1984

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	FIXED RETURN ACCOUNT	BOND ACCOUNT	SUPPLEMENTAL RETIREMENT FUND TOTAL
INVESTMENT INCOME:					
Interest	\$ 4,673,464	\$ 13,096	\$ 4,956,712	\$ 302,249	\$ 9,945,521
Dividends	2,558,831	1,213,851	-0-	-0-	3,772,682
Option Income	-0-	-0-	-0-	-0-	-0-
Short Term Gains	<u>1,060,564</u>	<u>1,967,805</u>	<u>727,571</u>	<u>15,505</u>	<u>3,771,445</u>
INCOME BEFORE EXPENSES	\$ 8,292,859	\$ 3,194,752	\$ 5,684,283	\$ 317,754	\$ 17,489,648
Management Fee-Outside Managers	(112,932)	(165,024)	(9,052)	(477)	(287,485)
NET INCOME	<u>\$ 8,179,927</u>	<u>\$ 3,029,728</u>	<u>\$ 5,675,231</u>	<u>\$ 317,277</u>	<u>\$ 17,202,163</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS					
Realized:					
Proceeds from Sales	\$ 82,371,797	\$ 68,407,539	\$ 386,104	\$ -0-	\$ 151,165,440
Cost of Securities Sold	<u>77,868,026</u>	<u>65,962,388</u>	<u>384,975</u>	<u>-0-</u>	<u>144,215,389</u>
NET REALIZED GAIN (LOSS)	\$ 4,503,771	\$ 2,445,151	\$ 1,129	\$ -0-	\$ 6,950,051
Unrealized					
Beginning of Period	7,645,812	7,787,102	(2,589,761)	129,246	12,972,399
End of Period	<u>(11,474,811)</u>	<u>(2,426,398)</u>	<u>(6,821,678)</u>	<u>(150,409)</u>	<u>(20,873,296)</u>
INCREASE (DECREASE) IN UNREALIZED APPRECIATION	\$ (19,120,623)	\$ (10,213,500)	\$ (4,231,917)	\$ (279,655)	\$ (33,845,695)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT	<u>\$ (14,616,852)</u>	<u>\$ (7,768,349)</u>	<u>\$ (4,230,788)</u>	<u>\$ (279,655)</u>	<u>\$ (26,895,644)</u>

STATE BOARD OF INVESTMENT
MINNESOTA POOLED FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1984

	ACTIVE EQUITY FUND	PASSIVE EQUITY FUND	REAL ESTATE FUND	RESOURCE FUND	VENTURE CAPITAL FUND	BOND FUND	MONEY MARKET FUND	BASIC RETIREMENT POOLED FUNDS TOTAL
ASSETS:								
INVESTMENTS (at market value) (1)								
Common Stock	\$ 441,679,745	\$1,244,969,655	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,686,649,400
Alternative Equities	-0-	-0-	140,493,313	23,051,119	4,375,000	-0-	-0-	167,919,432
Fixed Income Securities	18,113,497	957,052	-0-	-0-	-0-	807,677,389	-0-	826,747,938
Short Term Securities	66,942,566	8,599,757	25,613,143	1,111,066	25,054,234	24,958,876	140,436,906	292,716,548
TOTAL INVESTMENTS(2)	\$ 526,735,808	\$1,254,526,464	\$ 166,106,456	\$ 24,162,185	\$ 29,429,234	\$ 832,636,265	\$ 140,436,906	\$ 2,974,033,318
Cash With State Treasurer	8	1	1	-0-	1	3	-0-	14
Security Sales Receivable	16,242,051	3,604,389	-0-	-0-	-0-	-0-	-0-	19,846,440
Accounts Receivable-Mortality	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accounts Receivable-Participants	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accrued Interest	822,346	4,742	-0-	-0-	-0-	21,698,952	-0-	22,526,040
Accrued Dividends	1,635,530	5,895,423	-0-	-0-	-0-	-0-	-0-	7,530,953
Accrued Short Term Gain	614,687	75,091	222,378	9,646	218,702	195,303	1,219,300	2,555,107
TOTAL ASSETS	\$ 546,050,430	\$1,264,106,110	\$ 166,328,835	\$ 24,171,831	\$ 29,647,937	\$ 854,530,523	\$ 141,656,206	\$ 3,026,491,872
LIABILITIES:								
Management Fees Payable	807,647	42,978	-0-	-0-	-0-	-0-	-0-	850,625
Security Purchases Payable	11,814,227	2,660,886	-0-	-0-	-0-	-0-	-0-	14,475,113
Accounts Payable to Teachers	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Options Premiums Received	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL LIABILITIES	\$ 12,621,874	\$ 2,703,864	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 15,325,738
NET ASSETS AT JUNE 30, 1984	\$ 533,428,556	\$1,261,402,246	\$ 166,328,835	\$ 24,171,831	\$ 29,647,937	\$ 854,530,523	\$ 141,656,206	\$ 3,011,166,134
(1)The cost of investments at June 30, was:								
Common Stock	\$ 472,190,773	\$1,383,406,291	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,855,597,064
Alternative Equities	-0-	-0-	129,700,246	23,051,119	4,375,000	-0-	-0-	157,126,365
Fixed Income Securities	19,053,856	965,697	-0-	-0-	-0-	808,720,834	-0-	828,740,387
Short Term Securities	66,942,566	8,599,757	25,613,143	1,111,066	25,054,234	24,958,876	140,436,906	292,716,548
Total Investments at Cost	\$ 558,187,195	\$1,392,971,745	\$ 155,313,389	\$ 24,162,185	\$ 29,429,234	\$ 833,679,710	\$ 140,436,906	\$ 3,134,180,364
(2)The cost of loaned securities outstanding at June 30, was:								
	\$ 35,227,313	\$ 113,287,485	\$ -0-	\$ -0-	\$ -0-	\$ 16,865,546	\$ -0-	\$ 165,380,344

STATE BOARD OF INVESTMENT
MINNESOTA POOLED FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1984

	ACTIVE EQUITY FUND	PASSIVE EQUITY FUND	REAL ESTATE FUND	RESOURCE FUND	VENTURE CAPITAL FUND	BOND FUND	MONEY MARKET FUND	BASIC RETIREMENT POOLED FUNDS TOTAL
FROM INVESTMENT ACTIVITY:								
Net Investment Income	\$ 19,837,263	\$ 39,455,572	\$ 1,135,522	\$ 383,590	\$ 647,937	\$ 18,979,078	\$ 10,504,122	\$ 90,943,084
Realized Gains (Losses)	(15,825,345)	13,745,314	-0-	-0-	-0-	(36,633,674)	-0-	(38,713,705)
Unrealized Gains (Losses)	(85,962,302)	(138,445,281)	10,793,067	-0-	-0-	(1,043,445)	-0-	(214,657,961)
TOTAL INCOME	\$ (81,950,384)	\$ (85,244,395)	\$ 11,928,589	\$ 383,590	\$ 647,937	\$ (18,698,041)	\$ 10,504,122	\$ (162,428,582)
Less Distribution to Participant Accounts	(4,819,565)	(52,503,582)	(1,135,522)	(383,590)	(647,937)	16,674,583	-0-	(42,815,613)
Undistributed Dedicated Income	807,647	(697,304)	-0-	-0-	-0-	980,013	-0-	1,090,356
NET CHANGE IN UNDISTRIBUTED INCOME	\$ (85,962,302)	\$ (138,445,281)	\$ 10,793,067	\$ -0-	\$ -0-	\$ (1,043,445)	\$ 10,504,122	\$ (204,153,839)
FROM PARTICIPANT TRANSACTION:								
Participants to Participant Accounts								
Participant Contributions	53,000	1,346,646,641	154,400,246	23,788,241	29,000,000	873,228,564	131,152,084	2,558,268,776
Income Distribution	4,819,565	52,503,582	1,135,522	383,590	647,937	(16,674,583)	-0-	42,815,613
Income to be Distributed	(807,647)	697,304	-0-	-0-	-0-	(980,013)	-0-	(1,090,356)
TOTAL ADDITIONS	\$ 4,064,918	\$ 1,399,847,527	\$ 155,535,768	\$ 24,171,831	\$ 29,647,937	\$ 855,573,968	\$ 131,152,084	\$ 2,599,994,033
Deductions from Participant Accounts								
Withdrawals	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL DEDUCTIONS	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
NET CHANGE IN PARTICIPATION	\$ 4,064,918	\$ 1,399,847,527	\$ 155,535,768	\$ 24,171,831	\$ 29,647,937	\$ 855,573,968	\$ 131,152,084	\$ 2,599,994,033
TOTAL CHANGE IN ASSETS	(81,897,384)	1,261,402,246	166,328,835	24,171,831	29,647,937	854,530,523	141,656,206	2,395,840,194
NET ASSETS:								
Beginning of Period	615,325,940	-0-	-0-	-0-	-0-	-0-	-0-	615,325,940
End of Period	\$ 533,428,556	\$ 1,261,402,246	\$ 166,328,835	\$ 24,171,831	\$ 29,647,937	\$ 854,530,523	\$ 141,656,206	\$ 3,011,166,134

STATE BOARD OF INVESTMENT
MINNESOTA POOLED FUNDS
COMBINING STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 1984

	ACTIVE EQUITY FUND	PASSIVE EQUITY FUND	REAL ESTATE FUND	RESOURCE FUND	VENTURE CAPITAL FUND	BOND FUND	MONEY MARKET FUND	BASIC RETIREMENT POOLED FUNDS TOTAL
INVESTMENT INCOME:								
Interest	\$ 2,032,049	\$ 1,202,856	\$ -0-	\$ -0-	\$ -0-	\$ 18,689,410	\$ -0-	\$ 21,924,315
Dividends	14,431,891	38,344,019	-0-	327,600	-0-	-0-	-0-	53,103,510
Short Term Gains	6,739,790	4,742	1,135,522	55,990	647,937	289,668	10,504,122	19,368,771
INCOME BEFORE EXPENSES	\$ 23,194,730	\$ 39,551,617	\$ 1,135,522	\$ 383,590	\$ 647,937	\$ 18,979,078	\$ 10,504,122	\$ 94,396,596
Management Fee-Outside Managers	3,357,467	96,045	-0-	-0-	-0-	-0-	-0-	3,453,512
NET INCOME	\$ 19,837,263	\$ 39,455,572	\$ 1,135,522	\$ 383,590	\$ 647,937	\$ 18,979,078	\$ 10,504,122	\$ 90,943,084
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS								
Realized:								
Proceeds from Sales	\$ 572,541,966	\$ 1,109,510,453	\$ -0-	\$ -0-	\$ -0-	\$ 727,742,428	\$ -0-	\$ 2,409,794,847
Cost of Securities Sold	588,367,312	1,095,765,139	-0-	-0-	-0-	764,376,102	-0-	2,448,508,553
NET REALIZED GAIN (LOSS)	\$ (15,825,346)	\$ 13,745,314	\$ -0-	\$ -0-	\$ -0-	\$ (36,633,674)	\$ -0-	\$ (38,713,706)
Unrealized								
Beginning of Period	54,510,914	-0-	-0-	-0-	-0-	-0-	-0-	54,510,914
End of Period	(31,451,388)	(138,445,261)	10,793,067	-0-	-0-	(1,043,445)	-0-	(160,147,027)
INCREASE (DECREASE) IN UNREALIZED APPRECIATION	\$ (85,962,302)	\$ (138,445,261)	\$ 10,793,067	\$ -0-	\$ -0-	\$ (1,043,445)	\$ -0-	\$ (214,657,941)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT	\$ (101,787,648)	\$ (124,699,947)	\$ 10,793,067	\$ -0-	\$ -0-	\$ (37,677,119)	\$ -0-	\$ (253,371,647)

SIGNIFICANT ACCOUNTING POLICIES

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

The Minnesota Post Retirement Fund, Minnesota Variable Annuity Fund, Minnesota Supplemental Retirement Fund, Minnesota Active Equity Pooled Fund, Minnesota Passive Equity Pooled Fund, Minnesota Real Estate Pooled Fund, Minnesota Resource Pooled Fund, Minnesota Venture Capital Pooled Fund and the Minnesota Bond Pooled Fund are managed by the State Board of Investment under authority of Minnesota Statutes 11A. The Supplemental Fund prepares separate financial statements for four investment accounts which it is comprised of: Income Share, Growth Share, Fixed Return and Bond Accounts.

The assets of the six pooled funds are held by our new master custodian State Street Bank of Boston. The six Basic Retirement Funds are the sole participants of these pooled funds. State Street Bank also invests cash equivalents for the six basic retirement funds and the value of these cash equivalents are included in the combining statement. The master custodial relationship with State Street Bank started on November 1, 1983. The Minnesota Active Equity Pooled Fund was created on March 1, 1983 and the remaining five pooled funds on November 1, 1984.

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.

The format of the financial statements presented herein is unchanged from that used in the prior years report, but the number of funds included has increased from seven to twelve. In the prior years annual report only one of the six pooled funds existed. For this reason comparative statements were not presented. The four investment accounts that make up the Supplemental Fund are combined to show the total for that fund. The six pooled funds are combined to show the total investments for the six basic retirement funds that are held at State Street Bank. The totals for the Supplemental Fund and the Pooled Funds are then combined with the Post Retirement and Variable Annuity Funds to present the entire group of funds administered by the State Board on a combined basis.

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 Compensation & Capital.

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 are accrued monthly. Short term interest is accrued monthly and is presented as "Accrued Short-Term Gain".

LOANING SECURITIES: Certain U.S. Government and Government Agency securities are loaned out by the State Board to banks and brokers for additional income. Collateral in the amount of 105% of the market value of the security loaned is required. The Pooled Funds under the custody of State Street Bank participate in a loan program in which equity and corporate bonds are loaned out to banks and brokers for additional income. This program is run entirely by the Bank with the income generated being split evenly by the State Board and the Bank.

PORTFOLIO LISTING: A listing of all securities held by these funds can be found starting on page 104 of this report. Bonds are shown at face value and stocks at market value. Securities held as cash equivalents are not listed.

GENERAL FOOTNOTES:

3) Options premiums received are shown as a liability until such time as the option contract is terminated. Upon termination any gain or loss applicable to the option transaction is recognized. For reporting purposes the market value of the option is shown on the Statement of Assets and Liabilities, while the difference between the premium received and the market value of the option is reported on the Statement of Operations as part of the "Increase (Decrease) in Unrealized Appreciation". At June 30, 1984 the option account in the Post Retirement Fund was:

Option Premium Received	\$436,268.47
Market Value of Options	<u>121,550.00</u>
Unrealized Appreciation	\$314,718.47

4) STATUTORY VALUATIONS REQUIRED IN MINNESOTA VARIABLE ANNUITY FUND: The Admitted Value Increment at June 30, 1983 and 1984 was \$2,015,181 and \$4,298,664 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 of 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.

Laws of Minnesota 1978, Chapter 781, stated in part "Effective July 1, 1978 no future employee and employer contribution shall be credited to any account 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 five 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)

**VARIABLE ANNUITY FUND
PARTICIPATION AT JUNE 30, 1984**

Net Assets	\$ 94,806,106
Admitted Value Increment	<u>4,298,664</u>
	\$ 99,104,770
Less: Unrealized Market Appreciation (Depreciation)	<u>(6,902,578)</u>
Total Participation	\$ 106,002,346

5) 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 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."

6) The Minnesota Supplemental Investment Fund Bond Account was created pursuant to Laws of Minnesota 1981, Chapter 208 with activity commencing on July 1, 1981. It is designed for public retirement funds who wish to lock in a guaranteed rate over a multi-year period. These retirement funds have been participating in a similar multi-year guaranteed rate plan in the Fixed Return Account. The guaranteed rate plan is being phased out of the Fixed Return Account. Income earned from prior year pools in the Fixed Return Account is being transferred to the Bond Account on a monthly basis. This income, new contributions and principal from the guaranteed rate pools as it matures will all be invested in the Bond Account. The first investment pool which commenced July 1, 1981 will pay 14.4% over a seven year period.

7) Total participation for the Post Retirement Fund is equal to the actuarially determined required reserves at June 30, 1984. It includes the 5% actuarially assumed income distribution made pursuant to Minnesota Statutes 11A.18 and the mortality gains and losses as determined by the actuaries for the applicable retirement funds.

8) 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 Claus 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."

The Deferred Yield Adjustment account at June 30, 1984 was \$21,895,896.15. 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.

FISCAL YEAR 1984

Deferred Yield Adjustment	
Beginning Balance	\$23,580,322.81
Net Realized (Gain) Loss	560,585.49
Amortization	<u>(2,245,012.15)</u>
Balance at June 30	\$21,895,896.15

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

10) Pursuant to Minnesota Statutes 11A.18 Subdivision 9 this is the portion of fiscal year 1984 income which is available for distribution as a benefit increase in January of 1985. This amount shall be increased by 2.5% from fiscal year 1985 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, 1983 are eligible to receive the January 1, 1985 increase. Past increases paid to retirees on January 1st have been:

1981	3.209%
1982	7.436%
1983	6.853%
1984	7.449%

The benefit increase for January 1, 1985 will be 6.905%.

STATE BOARD OF INVESTMENT
MINNESOTA INVESTMENT TRUST FUNDS
SCHEDULE OF PARTICIPATION
JUNE 30, 1984

	SUPPLEMENTAL RETIREMENT FUND TOTAL	POST RETIREMENT FUND	VARIABLE ANNUITY FUND	BASIC RETIREMENT POOLED FUND TOTAL	TOTAL
Albert Lea Firemen's Relief	\$ 1,885,322	\$ -0-	\$ -0-	\$ -0-	\$ 1,885,322
Apple Valley Firemen's-Special	138,392	-0-	-0-	-0-	138,392
Apple Valley Firemen's-General	8,670	-0-	-0-	-0-	8,670
Bloomington Fire Dept. Relief	4,828,218	-0-	-0-	-0-	4,828,218
Bloomington Police Relief	588,617	-0-	-0-	-0-	588,617
Chanhassen Fire Dept.	17,483	-0-	-0-	-0-	17,483
Hennepin County Supplemental Ret.	13,687,308	-0-	-0-	-0-	13,687,308
Inver Grove Heights Fire-Special	114,638	-0-	-0-	-0-	114,638
St. Louis Park Police Relief	47,381	-0-	-0-	-0-	47,381
St. Paul Fire -General	283,656	-0-	-0-	-0-	283,656
St. Paul Fire-Special	29,201,139	-0-	-0-	-0-	29,201,139
St. Paul Police Relief	29,448,877	-0-	-0-	-0-	29,448,877
MSRS Deferred Compensation	71,221,353	-0-	-0-	-0-	71,221,353
MSRS Unclassified Empl. Escrow	21,584,539	-0-	-0-	-0-	21,584,539
South St. Paul Policemen's Relief	159,074	-0-	-0-	-0-	159,074
Teacher's Supplemental Retirement	53,390,279	-0-	-0-	-0-	53,390,279
Winona Fire Dept. Relief	199,301	-0-	-0-	-0-	199,301
Teacher's Retirement Fund	-0-	819,209,787	108,008,080	1,213,765,945	2,138,983,792
Public Employees Retirement Fund	-0-	634,783,435	-0-	940,394,885	1,575,188,100
State Employees Retirement Fund	-0-	358,378,879	-0-	603,952,488	960,331,145
Public Employees Police & Fire	-0-	59,683,039	-0-	207,609,809	267,272,948
Highway Patrolmen's Retirement	-0-	40,454,843	-0-	42,466,760	82,921,703
Legislators & Survivors Retire.	-0-	5,501,426	-0-	-0-	5,501,426
Judges Retirement Fund	-0-	8,828,301	-0-	2,978,389	9,814,690
TOTAL PARTICIPATION	\$ 228,914,225	\$ 1,822,839,580 (7)	\$ 108,008,080	\$ 3,011,166,134	\$ 5,268,928,029
Less:					
Annuity Stabilization(8)	-0-	(26,447,644)	-0-	-0-	(26,447,644)
Admitted Value Increment	-0-	-0-	(4,298,664)	-0-	(4,298,664)
Unrealized Appreciation(9)					
(Depreciation) of Investments	(6,972,087)	(142,027,757)	(6,902,578)	-0-	(155,902,420)
Undistributed Earnings	2,683	111,514,807 (10)	-0-	-0-	111,517,470
NET ASSETS	\$ 219,944,801	\$ 1,865,878,986	\$ 94,606,840	\$ 3,011,166,134	\$ 5,181,796,771

MINNESOTA SUPPLEMENTAL RETIREMENT FUND

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	FIXED RETURN ACCOUNT	BOND ACCOUNT	SUPPLEMENTAL RETIREMENT FUND TOTAL
Albert Lea Firemen's Relief	\$ 1,885,408	\$ -0-	\$ 88,729	\$ 22,187	\$ 1,985,322
Apple Valley Firemen's-Special	32,130	13,885	21,135	71,242	138,392
Apple Valley Firemen's-General	3,893	-0-	-0-	4,777	8,670
Bloomington Fire Dept. Relief	4,445,881	382,337	-0-	-0-	4,828,218
Bloomington Police Relief	588,617	-0-	-0-	-0-	588,617
Chanhassen Fire Dept.	-0-	-0-	13,077	4,386	17,483
Hennepin County Supplemental Ret.	8,100,081	5,892,618	1,694,631	-0-	13,687,308
Inver Grove Heights Fire-Special	114,638	-0-	-0-	-0-	114,638
St. Louis Park Police Relief	47,381	-0-	-0-	-0-	47,381
St. Paul Fire -General	183,491	30,545	-0-	89,620	283,656
St. Paul Fire-Special	15,113,241	3,708,139	7,423,669	2,958,090	29,201,139
St. Paul Police Relief	24,329,529	5,122,349	-0-	-0-	29,448,877
MSRS Deferred Compensation	13,554,218	11,872,731	45,794,404	-0-	71,221,353
MSRS Unclassified Empl. Escrow	12,483,850	4,935,577	4,185,112	-0-	21,584,539
South St. Paul Policemen's Relief	75,755	-0-	61,773	21,548	159,074
Teacher's Supplemental Retirement	31,194,643	22,195,838	-0-	-0-	53,390,279
Winona Fire Dept. Relief	199,301	-0-	-0-	-0-	199,301
TOTAL PARTICIPATION	\$ 110,330,032	\$ 54,151,815	\$ 59,280,530	\$ 3,171,848	\$ 228,914,225
Less:					
Unrealized Appreciation	-0-	-0-	(6,821,878)	(150,409)	(6,972,087)
(Depreciation) of Investments(9)	-0-	-0-	(8,270)	8,933	2,683
Undistributed Earnings	-0-	-0-	-0-	-0-	-0-
NET ASSETS	\$ 110,330,032	\$ 54,151,815	\$ 52,432,582	\$ 3,030,372	\$ 219,944,801

MINNESOTA BASIC RETIREMENT POOLED FUNDS

	ACTIVE EQUITY FUND	PASSIVE EQUITY FUND	REAL ESTATE FUND	RESOURCE FUND	VENTURE CAPITAL FUND	BOND FUND	CASH EQUIVALENTS	BASIC RETIREMENT POOLED FUND TOTAL
Teachers Retirement Fund	\$ 214,705,887	\$ 510,732,833	\$ 87,098,888	\$ 9,358,497	\$ 11,960,374	\$ 344,498,975	\$ 55,416,431	\$ 1,213,765,945
Public Employees Retirement Fund	172,187,531	404,062,209	52,328,735	7,984,025	9,316,008	268,022,542	26,482,615	940,394,665
State Employees Retirement Fund	102,235,912	245,168,300	38,053,771	4,828,384	5,887,849	171,171,442	40,601,008	603,952,488
Public Employees Police & Fire	34,888,228	82,693,573	11,932,554	1,630,883	2,023,399	58,828,880	18,474,292	207,809,809
Highway Patrolmen's Retirement	7,869,480	17,562,423	2,351,495	336,862	420,859	11,475,258	2,450,373	42,466,760
Judges Retirement Fund	539,428	1,244,908	184,412	37,080	29,848	735,428	231,487	2,978,389
TOTAL PARTICIPATION	\$ 533,428,556	\$1,281,402,248	\$ 188,328,835	\$ 24,171,831	\$ 29,647,837	\$ 854,530,523	\$141,656,208	\$ 3,011,166,134

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
193,675	ALLIED BANCSHARES INC	\$ 4,623,991
146,775	ALLIED CORP	4,641,759
220,700	AMER. GENERAL CORP	4,579,525
72,500	AMER. INT'L. GROUP	4,241,250
314,150	AMERICAN EXPRESS CO	9,031,813
172,257	AMERICAN TEL & TEL NEW	2,971,433
408,100	ARCHER DANIELS MIDLAND	7,192,763
148,200	ATLANTIC RICHFIELD	6,743,100
304,900	AVON PRODS INC	6,707,800
223,050	BANKERS TRUST NY CORP	8,587,425
245,800	BAXTER TRAVENOL LABS	3,779,175
271,500	BOEING CO	11,878,125
241,728	BORG-WARNER	4,532,400
157,400	BROWN GROUP	4,171,100
170,700	BRUNSWICK CORP	4,992,975
109,050	BURLINGTON NORTHERN	4,389,263
134,300	CANADIAN PACIFIC LTD	4,112,938
154,300	CAPITAL HOLDING CORP	5,091,900
157,200	CARLISLE CORP	4,480,200
69,100	CELANESE CORP	4,474,225
119,100	CHASE MANHATTAN CORP	4,689,563
331,300	CHEMICAL NEW YORK CO	7,951,200
87,950	CITY INVESTING	3,748,869
130,550	COLUMBIA GAS SYSTEM	4,340,788
142,900	COMBUSTION ENGINEERING	4,447,763
607,145	COMMONWEALTH EDISON	13,812,539
223,800	CONTINENTAL TELECOM	4,280,175
134,300	CONTROL DATA CORP	4,146,513
316,450	COOPER TIRE & RUBBER	4,430,300
125,050	CROWN CORK & SEAL	4,955,106
218,600	DOMINION RESOURCES	5,082,450
99,800	DU PONT EI DENEMOURS	4,553,375
366,400	DUKE POWER CO. NC	8,976,800
85,100	DUN & BRADSTREET CO	5,042,175
88,600	E-SYSTEMS	2,458,650
175,000	ENSERCH CORP	3,368,750
247,400	EXXON CORP	10,081,550
974,650	FEDERAL NATL. MTG	12,304,956
274,850	FIRST CITY BANCORP	4,397,600
125,900	FIRST INTERSTATE BANK	3,950,113
234,200	FLEETWOOD ENTER. INC	4,010,675
120,300	FORD MOTOR CO	4,345,838
271,800	GELCO CORP	4,110,975
290,800	GENERAL ELECTRIC CO	15,267,000
175,300	GENERAL MOTORS CORP	11,460,238

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
74,250	GENERAL RE CORP	\$ 4,260,094
133,900	GOODYEAR TIRE & RUBBER	3,447,925
336,300	GREYHOUND CORP	7,524,713
122,200	GTE CORP	4,567,225
91,950	HALLIBURTON INC	3,091,819
261,100	HOUSTON INDUSTRIES INC	4,830,350
178,100	HOUSTON NAT. GAS CORP	8,571,063
123,700	INTERNORTH INC	4,499,588
261,684	INTL. BUSINESS MACHINES	27,673,083
194,655	ITT CORP	6,107,301
79,800	KIDDE INC	2,284,275
141,900	KROGER CO	4,700,438
75,500	LEAR SIEGLER INC	3,265,375
178,650	LEVI STRAUSS & CO	5,113,856
750	LITTON INDS INC	55,125
196,030	LOCKHEED AIRCRAFT CO	7,694,178
284,850	LUCKY STORES	4,593,206
180,775	MARY KAY COSMETICS	1,852,944
81,700	MCA INC	3,553,950
88,450	MCDONNELL DOUGLAS CO	4,953,200
385,200	MCI COMMUNICATION	2,889,000
113,500	MELLON NATIONAL CORP	4,256,250
119,700	MELVILLE CORP	4,294,238
157,050	MITCHELL ENERGY	3,023,213
280,650	MOBIL CORP	7,437,225
58,000	NATL. MED. ENTER. INC	1,210,750
408,700	NORTHEAST UTILITIES	4,648,963
326,500	OWENS CORNING FIBERGLASS	8,570,625
123,900	OWENS ILLINOIS INC	4,584,300
189,600	PARSONS CORP	4,597,800
130,150	PENNZOIL CO	4,213,606
160,000	PFIZER INC	5,240,000
324,100	PHILADELPHIA ELEC. CO	4,051,250
61,200	PHILLIPS PETROLEUM CO	2,172,600
8,300	RAYTHEON CO	315,400
314,900	REPUBLIC BANK CORP	8,344,850
372,000	ROYAL DUTCH PET. GLD	17,809,500
178,450	SCHLUMBERGER LTD	8,074,863
79,550	SECURITY PACIFIC CORP	3,360,988
227,750	SMITHKLINE-BECKMAN CORP	12,896,344
268,000	SONAT INC	8,676,500
149,900	SOUTHLAND CORP	4,047,300
85,800	ST. PAUL COS. INC	4,483,050
100,850	STANDARD OIL CO. OHIO	4,399,581
301,000	STERLING DRUG INC	8,051,750

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
57,900	SUBARU OF AMERICA INC	\$ 5,326,800
116,600	SYNTEX CORP	5,013,800
320,000	TANDY CORP	8,320,000
116,950	TENNECO INC	4,371,006
221,000	TEXAS COMMERCE BANKS	9,033,375
149,200	TEXAS EASTERN CORP	4,196,250
600,800	TEXAS OIL & GAS CORP	13,367,800
194,250	TEXAS UTILITIES CO	4,152,094
102,800	TRANSCO ENERGY CO	4,446,100
515,600	TRAVELERS CORP	14,694,600
164,200	US AIR GROUP	4,474,450
356,800	US FIDELITY & GUARANTY	7,091,400
361,600	VALERO ENERGY CORP	3,480,400
194,200	WARNACO INC	4,709,350
194,400	WASTE MANAGEMENT	6,342,300
184,300	WESTERN UNION CORP	4,238,900
938,100	WESTINGHOUSE ELEC. CO	20,638,200
114,950	XEROX CORP	4,411,206
TOTAL EQUITY PORTFOLIO		\$ 650,034,806

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
100,000	ALBERTA GOVT TEL COMM	06/15/1994	8.000%	\$ 70,560
100,000	AMERICAN BRANDS INC	03/01/1985	8.125%	97,260
745,000	AMERICAN PRES LINES	11/01/1991	4.800%	450,688
22,000,000	AMERICAN TELEPHONE & TEL	03/15/1991	13.250%	21,168,840
1,105,000	ARISTAR INC	05/15/1990	8.500%	951,681
5,000,000	ASSOCIATES CORP NO. AMER	11/15/1992	11.450%	4,306,000
4,427,142	ATLANTIC RICHFIELD CO	07/15/1996	9.250%	3,169,745
2,842,393	ATLANTIC RICHFIELD CO	12/01/2001	8.750%	1,864,320
2,250,000	BEATRICE FOODS CO	08/15/2008	8.500%	1,414,170
5,000,000	BELL TEL CO OF PENN	01/15/2019	9.250%	3,237,800
1,175,000	BROOKLYN UNION GAS	04/01/1990	4.625%	772,069
4,200,000	BURLINGTON INDUSTRIES	08/01/1990	11.250%	3,690,540
2,143,907	BURLINGTON NORTHERN	09/01/1993	8.750%	1,559,199
179,931	BURLINGTON NORTHERN	07/03/1993	8.500%	129,045
4,000,000	CANADIAN PACIFIC LTD	01/15/1992	8.625%	3,336,600
5,000,000	CENTRAL POWER & LIGHT	06/01/2004	9.375%	3,307,350
15,000,000	CHESAPEAKE & POTOMAC TEL	04/15/2019	9.500%	9,936,300
1,000,000	CITIZENS UTILITIES	12/31/1991	4.800%	628,370
3,000,000	CONSOLIATED NATURAL GAS	10/01/2000	12.875%	2,706,870
1,650,000	DEERE (JOHN) CREDIT	10/31/1990	5.000%	1,075,536
6,000,000	DOW CHEMICAL CO	07/15/2007	7.875%	3,465,720
150,000	DRESSER INDUSTRIES	05/15/1985	8.650%	145,218
50,000	DUKE POWER CO	05/01/1986	3.625%	43,218
250,000	FARRELL LINES INC	06/29/1997	8.350%	165,935
3,000,000	FEDERAL FARM CREDIT BANK	10/20/1997	11.900%	2,634,360
6,000,000	FEDERAL FARM CREDIT BANK	10/22/1990	10.600%	5,156,220
10,000,000	FEDERAL FARM CREDIT BANK	10/21/1991	10.600%	8,453,100
20,000,000	FEDERAL FARM CREDIT BANK	10/20/1993	11.800%	17,625,000
5,000,000	FEDERAL FARM CREDIT BANK	03/01/1994	12.350%	4,540,600
5,000,000	FEDERAL FARM CREDIT BANK	10/20/1986	10.750%	4,745,300
6,500,000	FEDERAL FARM CREDIT BANK	04/22/1985	13.250%	6,550,765
1,300,000	FEDERAL FARM CREDIT BANK	12/01/1986	10.000%	1,211,847
28,000,000	FEDERAL FARM CREDIT BANK	07/22/1991	14.700%	28,805,000
10,000,000	FEDERAL HOME LOAN BANK	09/25/1990	12.500%	9,400,000
10,000,000	FEDERAL HOME LOAN BANK	09/25/1991	11.750%	8,968,700
5,000,000	FEDERAL HOME LOAN BANK	04/27/1992	11.700%	4,446,850
7,000,000	FEDERAL HOME LOAN BANK	07/26/1993	11.700%	6,138,090
5,000,000	FEDERAL HOME LOAN BANK	11/25/1992	11.100%	4,271,850
10,000,000	FEDERAL HOME LOAN BANK	12/27/1993	12.150%	9,000,000
1,698,397	FEDERAL HOME LOAN MTG	01/01/2010	12.500%	1,515,820
8,579,558	FEDERAL HOME LOAN MTG	03/01/2010	14.750%	8,569,348
2,555,904	FEDERAL HOME LOAN MTG	07/01/2010	10.750%	2,054,308
20,000,000	FEDERAL HOME LOAN MTG	08/30/1991	11.850%	17,987,400
3,000,000	FEDERAL NATIONAL MTG	11/12/1990	10.900%	2,610,000
14,000,000	FEDERAL NATIONAL MTG	05/10/1990	10.300%	11,943,680

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
250,000	FEDERAL NATIONAL MTG	03/10/1987	7.750%	\$ 218,828
4,000,000	FEDERAL NATIONAL MTG	06/10/1988	10.500%	3,597,480
5,000,000	FIRESTONE TIRE & RUBBER	12/01/2004	9.250%	3,194,000
5,000,000	FIRST INTERSTATE BANCORP	04/15/1988	10.500%	4,498,050
2,000,000	FLORIDA POWER & LIGHT	05/01/2010	11.300%	1,544,040
3,000,000	FLORIDA POWER & LIGHT	11/01/2009	12.125%	2,472,330
4,850,000	FMC CORP	01/15/2000	9.500%	3,414,497
1,850,000	FORD MOTOR CO	07/15/1994	9.250%	1,379,564
5,000,000	FORD MOTOR CREDIT CO	04/01/1999	8.700%	3,221,400
14,000,000	GENERAL ELECTRIC CR. CO	09/15/1991	13.625%	13,766,340
5,500,000	GENERAL FOODS INC	03/01/1989	14.375%	5,554,230
13,000,000	GENERAL MOTORS ACCEPT CORP	04/01/2011	6.000%	5,850,000
8,800,000	GENERAL MOTORS ACCEPT CORP	10/15/1989	11.750%	8,061,416
1,000,000	GENERAL TEL CO (FLA)	05/01/1993	4.500%	559,150
946,271	GNMA POOL # 03818	04/15/2004	8.000%	631,636
70,742	GNMA POOL # 04054	10/15/2004	8.500%	44,339
636,099	GNMA POOL # 04086	05/15/2004	8.000%	424,596
1,609,081	GNMA POOL # 04137	10/15/2004	9.000%	1,138,425
690,943	GNMA POOL # 04149	09/15/2004	8.500%	433,063
504,244	GNMA POOL # 04168	09/15/2004	9.000%	356,753
36,452	GNMA POOL # 04225	09/15/2004	8.500%	22,847
516,614	GNMA POOL # 04471	11/15/2004	9.000%	365,505
477,542	GNMA POOL # 04507	10/15/2004	9.000%	337,861
427,393	GNMA POOL # 04714	10/15/2004	8.250%	262,103
235,676	GNMA POOL # 08073	01/15/2006	8.500%	147,715
468,703	GNMA POOL # 08296	02/15/2006	8.500%	293,769
229,872	GNMA POOL # 08437	02/15/2006	8.500%	144,077
1,305,390	GNMA POOL # 08803	04/15/2006	8.250%	800,543
643,446	GNMA POOL # 08961	05/15/2006	8.250%	394,600
1,111,092	GNMA POOL # 09105	03/15/2006	8.250%	681,388
1,132,874	GNMA POOL # 09204	02/15/2006	8.500%	710,052
731,127	GNMA POOL # 09678	08/15/2006	8.000%	488,027
1,149,017	GNMA POOL # 09760	05/15/2006	8.250%	704,646
699,597	GNMA POOL # 10182	05/15/2006	8.000%	466,981
498,082	GNMA POOL # 10278	06/15/2006	8.000%	332,470
55,503	GNMA POOL # 10697	07/15/2006	8.000%	37,048
272,323	GNMA POOL # 10805	10/15/2006	8.000%	181,776
688,071	GNMA POOL # 10810	07/15/2006	8.000%	459,288
1,186,360	GNMA POOL # 10904	08/15/2006	8.000%	791,895
596,766	GNMA POOL # 10910	09/15/2006	8.000%	398,341
559,547	GNMA POOL # 10960	07/15/2006	8.000%	373,498
655,896	GNMA POOL # 10961	08/15/2006	8.000%	437,811
724,458	GNMA POOL # 10975	08/15/2006	8.000%	483,575
1,195,561	GNMA POOL # 11057	09/15/2006	8.000%	798,037
568,695	GNMA POOL # 11304	07/15/2006	8.000%	379,604

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
427,858	GNMA POOL # 11312	09/15/2006	8.000%	\$ 285,595
716,062	GNMA POOL # 11639	10/15/2006	8.000%	477,972
548,806	GNMA POOL # 11780	02/15/2007	8.000%	366,328
1,160,179	GNMA POOL # 12312	10/15/2006	8.000%	774,419
335,550	GNMA POOL # 12527	10/15/2006	8.000%	223,980
305,809	GNMA POOL # 13003	10/15/2006	8.000%	204,128
621,846	GNMA POOL # 13338	11/15/2006	8.000%	415,082
595,264	GNMA POOL # 13439	10/15/2006	8.000%	397,339
718,511	GNMA POOL # 13548	01/15/2007	8.000%	479,606
800,189	GNMA POOL # 13653	10/15/2006	8.000%	534,126
505,794	GNMA POOL # 13844	01/15/2007	8.000%	337,617
744,692	GNMA POOL # 14575	07/15/2007	8.000%	497,082
753,535	GNMA POOL # 16214	07/15/2007	8.000%	502,984
693,960	GNMA POOL # 16805	08/15/2007	8.000%	463,218
761,690	GNMA POOL # 17398	08/15/2007	8.000%	508,428
836,075	GNMA POOL # 17424	07/15/2007	8.000%	558,080
733,223	GNMA POOL # 17467	07/15/2007	8.000%	489,427
633,230	GNMA POOL # 17784	07/15/2007	8.000%	422,681
632,188	GNMA POOL # 17891	07/15/2007	8.000%	421,985
663,696	GNMA POOL # 18077	07/15/2007	8.000%	443,017
215,441	GNMA POOL # 18516	09/15/2007	8.000%	143,807
1,684,825	GNMA POOL # 19672	02/15/2008	8.000%	1,124,621
793,646	GNMA POOL # 20041	03/15/2008	8.000%	529,759
787,773	GNMA POOL # 20413	01/15/2008	8.000%	525,839
805,440	GNMA POOL # 20746	12/15/2007	8.000%	537,631
764,868	GNMA POOL # 20952	10/15/2007	8.000%	510,549
772,288	GNMA POOL # 21467	12/15/2007	8.000%	515,502
746,663	GNMA POOL # 21480	01/15/2008	8.000%	498,398
817,366	GNMA POOL # 21652	02/15/2008	8.000%	545,592
1,800,767	GNMA POOL # 21878	04/15/2008	8.000%	1,202,012
821,673	GNMA POOL # 21982	01/15/2008	8.000%	548,466
803,244	GNMA POOL # 22676	02/15/2008	8.000%	536,165
871,087	GNMA POOL # 23016	01/15/2008	8.000%	581,450
701,608	GNMA POOL # 23098	01/15/2008	8.000%	468,323
4,342,053	GNMA POOL # 23139	05/15/2008	8.000%	2,898,320
820,276	GNMA POOL # 24837	04/15/2008	8.000%	547,534
819,310	GNMA POOL # 24978	04/15/2008	8.000%	546,890
4,448,479	GNMA POOL # 26980	10/15/2008	9.000%	3,147,299
4,696,093	GNMA POOL # 33172	07/15/2009	9.500%	3,445,758
3,808,113	GNMA POOL # 34007	09/15/2009	9.500%	2,794,203
2,865,725	GNMA POOL # 34126	08/15/2009	9.500%	2,102,726
2,879,100	GNMA POOL # 36068	10/15/2009	9.500%	2,112,540
709,315	GNMA POOL # 38180	07/15/2010	13.500%	673,849
4,574,567	GNMA POOL # 42691	08/15/2010	11.000%	3,716,836
6,231,110	GNMA POOL # 43600	11/15/2010	12.500%	5,584,633

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
3,665,163	GNMA POOL # 44539	10/15/2010	11.500%	\$3,087,900
799,125	GNMA POOL # 45933	04/15/2011	13.500%	759,169
845,790	GNMA POOL # 46868	05/15/2011	13.500%	803,500
790,574	GNMA POOL # 47924	05/15/2011	13.500%	751,045
443,295	GNMA POOL # 49656	10/15/2011	16.000%	471,001
433,394	GNMA POOL # 49993	10/15/2011	16.000%	460,481
963,235	GNMA POOL # 50250	10/15/2011	13.500%	915,073
260,511	GNMA POOL # 50733	10/15/2011	16.000%	276,793
178,278	GNMA POOL # 51252	11/15/2011	16.000%	189,420
169,003	GNMA POOL # 51524	10/15/2011	16.000%	179,566
77,961	GNMA POOL # 51624	10/15/2011	16.000%	82,833
380,955	GNMA POOL # 52431	10/15/2011	16.000%	404,765
258,629	GNMA POOL # 52437	10/15/2011	16.000%	274,793
200,000	HARBOR TUG & BARGE	03/15/2001	8.150%	124,436
3,000,000	HERTZ CORP	02/15/1999	9.500%	2,099,010
5,000,000	HONEYWELL INC	11/01/1992	11.125%	4,316,350
5,000,000	HOUSTON NATURAL GAS CO	11/15/1992	11.000%	4,230,250
150,000	INGERSOLL RAND CO	05/01/1985	8.750%	145,535
4,950,000	JEWEL COS INC	12/01/1992	11.500%	4,294,373
10,000,000	KIMBERLY CLARK	10/15/1990	11.125%	8,841,500
1,895,000	LACHMAR HULL 54 US	09/25/1988	14.000%	1,917,020
6,124,613	LNM ACCEPTANCE CORP	12/01/1986	9.100%	5,594,773
1,000,000	LONG ISLAND LIGHTING	04/01/1993	4.400%	530,590
3,518,861	LOUISVILLE & NASHVILLE	10/20/1991	9.000%	2,663,954
122,042	LOUISVILLE & NASHVILLE	04/20/1988	8.125%	100,796
50,000	MACMILLAN BLOEDEL LTD	07/15/1992	6.500%	29,865
4,940,000	MANITOBA HYDRO ELECTRIC	10/15/1997	7.650%	3,008,954
1,020,000	MANITOBA, PROVINCE OF	04/01/1994	7.875%	680,830
9,000,000	MARTIN-MARIETTA CORP	03/15/2011	7.000%	4,373,730
5,000,000	MINNESOTA POWER & LIGHT	08/01/2005	10.500%	3,643,150
5,000,000	MINNESOTA POWER & LIGHT	09/01/2006	8.700%	3,068,300
3,000,000	MISSISSIPPI POWER & LIGHT	06/01/1988	11.250%	2,675,280
1,463,662	MISSOURI PACIFIC RR	06/01/1995	12.750%	1,343,847
2,313,654	MISSOURI PACIFIC RR	06/01/1994	9.750%	1,774,480
250,000	MONTGOMERY WARD CREDIT	09/15/1986	8.625%	224,375
1,228,000	MOUNTAIN FUEL SUPPLY	09/01/1986	4.875%	1,055,589
7,000,000	MOUNTAIN STATES TEL & TEL	06/01/2013	7.750%	3,784,830
8,825,000	MOUNTAIN STATES TEL & TEL	04/01/2018	8.625%	5,299,589
150,000	NATIONAL RURAL UTILITIES	02/01/1985	8.950%	147,267
4,000,000	NATL MED ENTERPRISE CV.	05/15/2008	8.000%	3,320,000
2,000,000	NEW YORK STATE ELEC & GAS	04/01/1993	11.750%	1,667,740
6,500,000	NEW YORK STATE ELEC & GAS	01/01/1994	12.375%	5,592,080
2,500,000	NORTHERN STATES POWER CO	01/01/2004	8.375%	1,539,625
8,500,000	NORTHWESTERN BELL TEL	08/15/2016	9.500%	5,660,660
4,000,000	NORWEST CORP	03/15/2003	7.750%	2,276,800

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
2,000,000	NORWEST FINANCIAL	07/01/1990	12.750%	\$1,885,380
2,570,000	NORWEST FINANCIAL	07/01/1993	11.250%	2,191,311
7,000,000	NORWEST FINANCIAL	01/01/1994	12.125%	6,221,740
3,500,000	NOVA SCOTIA POWER COMM	03/15/1997	7.750%	2,111,095
6,400,000	NOVA SCOTIA POWER CORP	06/01/2008	9.625%	4,279,360
4,680,000	ONTARIO HYDRO	03/15/1996	9.500%	3,492,450
7,000,000	ONTARIO, PROVINCE OF	06/01/2008	9.375%	4,661,300
6,920,000	ONTARIO, PROVINCE OF	11/30/2008	9.375%	4,602,215
5,300,000	OWENS ILLINOIS INC	06/01/1990	10.375%	4,515,229
3,000,000	PACIFIC TEL & TEL CO	11/01/2020	15.000%	2,990,070
30,000	PACIFIC TELE & TELE	11/01/1990	4.625%	19,566
12,660,000	PENNEY (J.C.) CO	06/15/1990	10.750%	11,010,022
100,000	PENNWALT CORP	04/15/1985	9.000%	97,285
15,000,000	PHILLIPS PETROLEUM	09/01/1992	12.875%	14,193,600
2,415,000	PUBLIC SERV ELEC & GAS	09/01/1994	4.625%	1,300,188
3,000,000	PUBLIC SERVICE CO OF IND	09/01/1990	12.125%	2,538,990
7,000,000	PUBLIC SERVICE ELEC & GAS	06/01/2007	8.250%	4,090,240
1,110,000	ROCHESTER TELEPHONE	09/01/1993	4.750%	631,523
7,000,000	SASKATCH., PROVINCE OF	04/15/2008	9.250%	4,588,080
4,826,091	SEABOARD COAST LINE RR	10/01/1992	8.250%	3,590,419
4,701,139	SEABOARD COAST LINE RR	09/01/1993	9.625%	3,558,292
4,000,000	SEAFIRST CORP	06/01/1990	10.500%	3,460,000
3,200,000	SOUTHERN BELL TEL & TEL	10/05/2020	12.875%	2,782,368
6,000,000	SOUTHERN BELL TEL & TEL	12/01/2019	10.900%	4,499,040
8,000,000	SOUTHERN BELL TEL & TEL	03/15/2013	7.625%	4,320,960
3,150,000	SOUTHERN NATURAL GAS	11/15/1994	11.375%	2,681,753
200,000	SOUTHWEST INVESTMENT	10/15/1986	8.500%	177,440
5,000,000	SOUTHWESTERN BELL TEL CO	03/15/2019	9.625%	3,309,050
450,000	SPRAGUE ELECTRIC CO	09/01/1988	4.375%	313,200
1,123,687	STANDARD OIL OF CALIF	03/30/1997	7.700%	703,383
1,043,424	STANDARD OIL OF CALIF	03/02/1997	7.700%	647,601
1,043,424	STANDARD OIL OF CALIF	02/10/1997	7.700%	654,738
4,308,801	STANDARD OIL OF CALIF	07/02/1999	8.500%	2,818,947
15,000,000	STANDARD OIL OF INDIANA	06/01/1991	14.000%	15,065,400
550,000	STATES STEAMSHIP CO	03/31/1993	5.100%	314,298
5,000,000	STUDEBAKER-WORTHINGTON	11/15/2003	9.350%	3,400,100
4,000,000	TEKTRONIX INC	07/15/1990	11.000%	3,499,240
3,275,000	TEXACO INC	12/01/2001	7.750%	1,940,241
150,000	TEXAS EASTERN TRANS	07/01/1985	10.000%	146,016
3,000,000	TEXAS POWER & LIGHT	01/01/2006	8.600%	1,852,410
2,500,000	TEXAS POWER & LIGHT	02/01/2009	9.375%	1,638,950
12,000,000	U.S.A. TREASURY BOND	02/15/2001	11.750%	10,372,440
9,000,000	U.S.A. TREASURY BOND	05/15/2009	9.125%	6,069,330
10,000,000	U.S.A. TREASURY NOTE	05/15/1992	13.750%	9,950,000
20,000,000	U.S.A. TREASURY NOTE	07/15/1989	14.500%	20,537,400

MINNESOTA STATE BOARD OF INVESTMENT
 POST RETIREMENT FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
26,000,000	U.S.A. TREASURY NOTE	10/15/1989	11.875%	\$24,212,500
23,000,000	U.S.A. TREASURY NOTE	11/15/1992	10.500%	19,248,010
20,000,000	U.S.A. TREASURY NOTE	04/30/1985	9.500%	19,606,200
13,000,000	U.S.A. TREASURY NOTE	05/15/1993	10.125%	10,570,560
15,000,000	U.S.A. TREASURY NOTE	05/31/1985	9.875%	14,700,000
5,000,000	U.S.A. TREASURY NOTE	05/15/1991	14.500%	5,146,850
20,000,000	U.S.A. TREASURY NOTE	08/15/1991	14.875%	20,937,400
25,000,000	U.S.A. TREASURY NOTE	11/15/1991	14.250%	25,484,250
10,500,000	U.S.A. TREASURY NOTE	04/15/1988	13.250%	10,421,250
15,000,000	U.S.A. TREASURY NOTE	10/15/1988	15.375%	15,853,050
46,000,000	U.S.A. TREASURY NOTE	01/15/1989	14.625%	47,437,500
2,000,000	U.S.A. TREASURY NOTE	11/15/1989	10.750%	1,780,000
36,000,000	U.S.A. TREASURY NOTE	02/15/1992	14.625%	37,305,000
5,000,000	UNION CAMP	10/01/2012	12.750%	4,435,300
4,000,000	UNION TANK CAR	12/15/1995	9.500%	3,005,200
20,000,000	UPJOHN CO	06/01/1991	14.000%	19,948,000
4,000,000	USLIFE CORP	10/15/1989	12.000%	3,680,040
60,000	VIRGINIA ELEC. & POWER	12/01/1987	4.500%	46,332
4,000,000	WESTINGHOUSE CREDIT CORP	01/15/1989	10.750%	3,561,280
10,450,000	WILLAMETTE INDUSTRIES INC	04/15/1993	11.375%	8,832,758
TOTAL BOND PORTFOLIO				\$924,432,719

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
16,812	ALLIED BANCSHARES INC	\$ 401,387
12,075	ALLIED CORP	381,872
18,900	AMER. GENERAL CORP	392,175
6,400	AMER. INT'L. GROUP INC	374,400
31,000	AMERICAN EXPRESS CO	891,250
7,900	AMERICAN TEL & TEL NEW	136,275
49,200	ARCHER DANIELS MIDLAND	867,150
25,000	* ASK COMPUTER	412,500
16,600	ATLANTIC RICHFIELD	755,300
32,300	AVON PRODS INC	710,600
19,600	BANKERS TRUST NY CORP	754,600
28,600	BOEING CO	1,251,250
18,200	BORG-WARNER	341,250
15,300	BROWN GROUP	405,450
	BRUNSWICK CORP	
15,000	BMI CAPITAL MGMT	438,750
19,500	INTERNAL MGMT	570,375
	SUB-TOTAL 34,500 SHARES	1,009,125
16,500	* BURLINGTON INDUSTRIES	435,188
8,150	BURLINGTON NORTHERN INC	328,038
11,150	CANADIAN PACIFIC LTD	341,469
12,500	CAPITAL HOLDING CORP	412,500
13,900	CARLISLE CORP	396,150
5,750	CELANESE CORP	372,313
10,500	CHASE MANHATTAN CORP	413,438
28,150	CHEMICAL NEW YORK CORP	675,600
10,700	CITY INVESTING	456,088
11,000	COLUMBIA GAS SYSTEM INC	365,750
13,000	COMBUSTION ENGINEERING	404,625
72,700	COMMONWEALTH EDISON CO	1,653,925
20,300	CONTINENTAL TELECOM. INC	388,238
12,300	CONTROL DATA CORP	379,763
27,400	COOPER TIRE & RUBBER	383,600
10,500	CROWN CORK & SEAL	416,063
7,000	* CULLINET SOFTWARE INC	270,375
17,500	DOMINION RESOURCES	406,875
8,400	DU PONT EI DENEMOURS	383,250
32,500	DUKE POWER CO	796,250
	DUN & BRADSTREET COS INC	
8,000	BMI CAPITAL MGMT	474,000
6,900	INTERNAL MGMT	408,825
	SUB-TOTAL 14,900 SHARES	882,825
7,800	E-SYSTEMS	216,450
44,450	EMERSON RADIO CORP	377,825

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
20,900	ENSERCH CORP	\$ 402,325
21,750	EXXON CORP	886,313
102,100	FEDERAL NATL. MTG	1,289,013
18,400	FIRST CITY BANCORP TEXAS	294,400
9,800	FIRST INTERSTATE BANCORP	307,475
20,700	FLEETWOOD ENTER. INC	354,488
	FORD MOTOR CO	
10,000	BMI CAPITAL MGMT	361,250
10,600	INTERNAL MGMT	382,925
	SUB-TOTAL 20,600 SHARES	744,175
13,000	* FOREST LABS	204,750
6,200	GENERAL MOTORS CORP	405,325
5,350	GENERAL RE CORP	306,956
19,500	* GENUINE PARTS CO	536,250
	GOODYEAR TIRE & RUBBER	
19,000	BMI CAPITAL MGMT	489,250
16,000	INTERNAL MGMT	412,000
	SUB-TOTAL 35,000	901,250
39,800	GREYHOUND CORP	890,525
10,500	GTE CORP	392,438
6,600	HALLIBURTON INC	221,925
20,150	HOUSTON INDUSTRIES INC	372,775
11,700	HOUSTON NAT. GAS CORP	563,063
26,250	* INSILCO CORP	416,719
10,000	* INTERGRAPH CORP	435,000
10,300	INTERNORTH INC	374,663
6,700	INTL. BUSINESS MACHINES	708,525
10,500	* INTL. FLAVORS & FRAGRANCES	271,688
16,000	* KELLWOOD CO	424,000
6,500	KIDDE INC	186,063
12,000	KROGER CO	397,500
7,000	LEAR SIEGLER INC	302,750
13,700	LEVI STRAUSS & CO	392,163
250	LITTON INDS INC	18,375
	LOCKHEED AIRCRAFT CORP	
11,000	BMI CAPITAL MGMT	431,750
23,800	INTERNAL MGMT	934,150
	SUB-TOTAL 34,800	1,365,900
22,650	LUCKY STORES	365,231
13,450	MARY KAY COSMETICS	137,863
9,950	MCA INC	432,825
7,200	MCDONNELL DOUGLAS CORP	403,200
46,000	MCI COMMUNICATION	345,000
8,050	MELLON NATIONAL CORP	301,875

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
11,100	MELVILLE CORP	\$ 398,213
15,000	* MGMT. SCIENCE AMER	296,250
10,000	* MILLIPORE CORP	270,000
4,500	* MINNESOTA MNG & MFG CO	347,063
16,300	MITCHELL ENERGY	313,775
21,400	MOBIL CORP	567,100
20,000	* MORSE SHOE	460,000
35,700	NORTHEAST UTILITIES	406,088
6,900	NUCOR CORP	205,275
15,000	* NUMERAX INC	105,000
13,500	OWENS CORNING FIBERGLASS	354,375
11,600	OWENS ILLINOIS INC	429,200
16,300	PARSONS CORP	395,275
11,000	PENNZOIL CO	356,125
26,400	PHILADELPHIA ELEC. CO	330,000
25,000	* QUOTRON SYSTEMS INC	268,750
24,800	REPUBLIC BANK CORP	657,200
7,800	ROYAL DUTCH PET. GLDRS	373,425
12,550	SCHLUMBERGER LTD	567,888
31,650	SEA CONTAINERS LTD	704,213
31,650	SEACO INC	114,731
6,250	SECURITY PACIFIC CORP	264,063
10,000	* SHARED MED. SYSTEMS CORP	288,750
10,000	* SHERWIN WILLIAMS CO	282,500
23,300	SMITHKLINE-BECKMAN CORP	1,319,363
22,400	SONAT INC	725,200
13,300	SOUTHLAND CORP	359,100
7,600	ST. PAUL COS. INC	397,100
9,000	STANDARD OIL CO. OHIO	392,625
34,300	STERLING DRUG INC	917,525
4,500	SUBARU OF AMERICA INC	414,000
8,800	SYNTEX CORP	378,400
28,200	TANDY CORP	733,200
9,900	TENNECO INC	370,013
19,500	TEXAS COMMERCE BANKSHARES	797,063
11,300	TEXAS EASTERN CORP	317,813
10,100	TEXAS UTILITIES CO	215,888
22,500	* THERMO ELECTRON CORP	360,000
19,000	TIE COMMUNICATIONS	285,000
9,100	TRANSCO ENERGY CO	393,575
39,400	TRAVELERS CORP	1,122,900
2,500	* UPJOHN CO	165,625
14,100	US AIR GROUP	384,225

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
36,700	US FIDELITY & GUAR. CO	-\$ 729,413
26,900	VALERO ENERGY CORP	258,913
16,300	WARNACO INC	395,275
21,100	WASTE MANAGEMENT	688,388
15,250	WESTERN UNION CORP	350,750
99,800	WESTINGHOUSE ELEC. CO	2,195,600
10,700	XEROX CORP	410,613
TOTAL EQUITY PORTFOLIO		\$60,426,777

* THESE SECURITIES ARE HELD IN THE PORTFOLIO MANAGED BY
 BMI CAPITAL MANAGEMENT INC.

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
1,000,000	AMERICAN TELEPHONE & TEL	08/01/2000	6.000%	\$ 491,520
1,250,000	ASSOCIATES CORP NO AMER	11/15/1992	11.450%	1,076,500
668,000	BRITISH COLUMBIA HYDRO	07/15/1996	9.625%	519,991
535,977	BURLINGTON NORTHERN	09/01/1993	8.750%	389,800
400,000	CANADIAN PACIFIC LTD	01/15/1992	8.625%	333,660
259,137	CHESAPEAKE & OHIO RY	03/15/1989	8.750%	221,165
400,000	CITIES SERVICE GAS CO	06/01/1991	8.250%	286,136
500,000	CONSOLIATED NATURAL GAS	10/01/2000	12.875%	451,145
1,000,000	DOW CHEMICAL CO	07/15/2007	7.875%	577,620
1,500,000	FEDERAL FARM CREDIT BANK	03/01/1994	12.350%	1,362,180
1,000,000	FEDERAL FARM CREDIT BANK	04/22/1985	13.250%	1,007,810
2,000,000	FEDERAL HOME LOAN MTG	08/30/1991	11.850%	1,798,740
1,000,000	FEDERAL NATIONAL MTG	08/10/1984	11.100%	1,000,000
500,000	FEDERAL NATIONAL MTG	06/10/1988	10.500%	449,685
1,000,000	FIRST INTERSTATE BANCORP	04/15/1988	10.500%	899,610
800,000	FMC CORP	01/15/2000	9.500%	563,216
800,000	FORD MOTOR CREDIT CO	04/01/1999	8.700%	515,424
1,000,000	GENERAL MOTORS ACCEPT CO	10/15/1989	11.750%	916,070
1,500,000	GERBER PRODUCTS CO	11/01/1994	11.750%	1,296,660
580,136	GNMA POOL # 11828	09/15/2006	8.000%	387,241
695,602	GNMA POOL # 12712	10/15/2006	8.000%	464,314
655,202	GNMA POOL # 14185	12/15/2006	8.000%	437,347
755,377	GNMA POOL # 17945	12/15/2007	8.000%	504,214
816,221	GNMA POOL # 19774	11/15/2007	8.000%	544,828
1,000,000	HAWAIIAN TELEPHONE	10/01/2010	13.375%	902,980
1,000,000	HOUSTON NATURAL GAS CO	11/15/1992	11.000%	846,050
1,000,000	KIMBERLY CLARK	10/15/1990	11.125%	884,150
800,000	LINCOLN NATIONAL CORP	09/15/1992	13.875%	778,288
351,886	LOUISVILLE & NASHVILLE	10/20/1991	9.000%	266,395
500,000	MANITOBA HYDRO ELEC	10/15/1997	7.650%	304,550
800,000	MARATHON OIL CO	02/01/2000	8.500%	480,152
2,000,000	MISSISSIPPI POWER & LIGHT	06/01/1988	11.250%	1,783,520
731,831	MISSOURI PACIFIC RR	06/01/1995	12.750%	671,923
407,000	NATL MED ENTERPRISE CV.	11/15/2001	12.625%	421,245
700,000	NEW YORK STATE ELEC & GAS	04/01/1993	11.750%	583,709
625,000	NORTHERN STATES POWER CO	01/01/2004	8.375%	384,906
1,000,000	NORTHWESTERN BELL TEL	08/15/2016	9.500%	665,960
800,000	NORWEST CORP	09/15/1986	7.875%	710,864
624,000	ONTARIO HYDRO	03/15/1996	9.500%	465,660
1,000,000	ONTARIO, PROVINCE OF	06/15/2005	9.125%	658,120
500,000	ONTARIO, PROVINCE OF	06/01/2008	9.375%	332,950
500,000	PACIFIC TEL & TEL CO	11/01/2020	15.000%	498,345
500,000	ROHM & HAAS CO	04/15/1985	9.000%	486,785
700,000	SASKATCH., PROVINCE OF	04/15/2008	9.250%	458,808
500,000	SEAFIRST CORP	06/01/1990	10.500%	432,500

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT INCOME SHARE ACCOUNT
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
500,000	SOUTHERN BELL TEL & TEL	10/05/2020	12.875%	\$ 434,745
120,395	STANDARD OIL OF CALIF	03/30/1997	7.700%	75,363
120,395	STANDARD OIL OF CALIF	03/02/1997	7.700%	74,723
160,527	STANDARD OIL OF CALIF	02/10/1997	7.700%	100,729
82,045	STANDARD OIL OF CALIF	09/07/1997	7.700%	50,978
82,045	STANDARD OIL OF CALIF	09/08/1997	7.700%	50,976
82,045	STANDARD OIL OF CALIF	11/06/1997	7.700%	50,842
1,400,000	U.S.A. TREASURY BOND	11/15/1995	11.500%	1,216,250
3,000,000	U.S.A. TREASURY NOTE	10/15/1989	11.875%	2,793,750
3,000,000	U.S.A. TREASURY NOTE	11/15/1992	10.500%	2,510,610
1,000,000	U.S.A. TREASURY NOTE	02/15/1987	9.000%	907,810
500,000	USLIFE CORP	10/15/1990	12.500%	466,355
766,000	WELLS FARGO & CO	11/01/1998	8.625%	469,167
TOTAL BOND PORTFOLIO				\$38,715,034

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT GROWTH SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
6,787	ALLIED BANCSHARES INC	\$ 162,040
4,725	ALLIED CORP	149,428
7,600	AMER. GENERAL CORP	157,700
2,600	AMER. INT'L. GROUP	152,100
12,350	AMERICAN EXPRESS CO	355,063
1,200	AMERICAN TEL & TEL NEW	20,700
20,600	* AMR CORP	628,300
19,800	ARCHER DANIELS MIDLAND	348,975
6,600	ATLANTIC RICHFIELD	300,300
8,000	BANKERS TRUST NY CORP	308,000
11,350	BOEING CO	496,563
3,000	BRITISH PETROLEUM	74,625
3,850	BROWN GROUP	102,025
6,800	BRUNSWICK CORP	198,900
3,200	BURLINGTON NORTHERN INC	128,800
	CALFED INC	
17,000	WADDELL & REED	218,875
10,700	INTERNAL MGMT	137,763
	SUB-TOTAL 27,700 SHARES	356,638
3,900	CANADIAN PACIFIC LTD	119,438
5,000	CAPITAL HOLDING CORP	165,000
5,600	CARLISLE CORP	159,600
2,300	CELANESE CORP	148,925
4,200	CHASE MANHATTAN CORP	165,375
10,750	CHEMICAL NEW YORK CORP	258,000
42,200	* CHRYSLER CORP	1,055,000
20,000	* CHURCHS FRIED CHICKEN	550,000
4,300	CITY INVESTING	183,288
10,000	CLEVELAND ELEC. ILLUM	157,500
3,800	COLUMBIA GAS SYSTEM INC	126,350
5,200	COMBUSTION ENGINEERING	161,850
23,770	COMMONWEALTH EDISON CO	540,768
4,700	CONTINENTAL TELECOM. INC	89,888
4,950	CONTROL DATA CORP	152,831
11,000	COOPER TIRE & RUBBER	154,000
4,200	CROWN CORK & SEAL	166,425
5,600	* DATAPOINT CORP	106,400
13,000	DETROIT EDISON CO	164,125
7,100	DOMINION RESOURCES	165,075
3,400	DU PONT EI DENEMOURS	155,125
13,000	DUKE POWER CO NC	318,500
2,800	DUN & BRADSTREET COS INC	165,900
3,100	E-SYSTEMS	86,025

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT GROWTH SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
39,520	EMERSON RADIO CORP	\$ 335,920
8,500	ENSERCH CORP	163,625
7,850	EXXON CORP	319,888
	FEDERAL NATL. MTG	
35,000	WADDELL & REED	441,875
31,850	INTERNAL MGMT	402,106
	SUB-TOTAL 66,850 SHARES	843,981
2,900	FIGGIE INTL. INC	73,950
6,900	FIRST CITY BANCORP TEXAS	110,400
3,800	FIRST INTERSTATE BANCORP	119,225
8,300	FLEETWOOD ENTER. INC	142,138
	FORD MOTOR CO	
13,700	WADDELL & REED	494,912
4,300	INTERNAL MGMT	155,338
	SUB-TOTAL 18,000 SHARES	650,250
1,600	GENERAL ELECTRIC CO	84,000
2,500	GENERAL MOTORS CORP	163,438
1,600	GENERAL RE CORP	91,800
6,400	GOODYEAR TIRE & RUBBER	164,800
10,000	* GR. WESTERN FINANCIAL	177,500
	GREYHOUND CORP	
4,700	WADDELL & REED	105,163
16,000	INTERNAL MGMT	358,000
	SUB-TOTAL 20,700	463,163
4,200	GTE CORP	156,975
8,000	HALLIBURTON INC	269,000
6,000	HOOVER UNIVERSAL	136,500
8,100	HOUSTON INDUSTRIES INC	149,850
1,300	HOUSTON NAT. GAS CORP	62,563
9,200	ILLINOIS POWER CO	170,200
4,100	INTERNORTH INC	149,138
3,000	INTL. BUSINESS MACHINES	317,250
2,800	KIDDE INC	80,150
4,800	KROGER CO	159,000
2,800	LEAR SIEGLER INC	121,100
5,500	LEVI STRAUSS & CO	157,438
50	LITTON INDS INC	3,675
9,600	LOCKHEED AIRCRAFT CORP	376,800
34,200	* LSI LOGIC CORP	478,800
8,250	LUCKY STORES	133,031
5,275	MARY KAY COSMETICS	54,069
4,000	MCA INC	174,000

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT GROWTH SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
2,900	MCDONNELL DOUGLAS CORP	\$ 162,400
18,900	MCI COMMUNICATION	141,750
2,150	MELLON NATIONAL CORP	80,625
4,500	MELVILLE CORP	161,438
6,750	MITCHELL ENERGY	129,938
8,800	MOBIL CORP	233,200
7,500	MOTOROLA INC	250,313
8,500	NATL. MED. ENTER. INC	177,438
3,950	NO. STS. POWER CO	146,644
25,550	NORTHEAST UTILITIES	290,631
3,000	NUCOR CORP	89,250
5,000	OWENS CORNING FIBERGLASS	131,250
4,700	OWENS ILLINOIS INC	173,900
6,500	PARSONS CORP	157,625
4,400	PENNZOIL CO	142,450
13,500	* PFIZER INC	442,125
8,600	PHILADELPHIA ELEC. CO	107,500
9,400	REPUBLIC BANK CORP	249,100
2,550	ROYAL DUTCH PET. GLDRS	122,081
3,900	SCHLUMBERGER LTD	176,475
12,550	SEA CONTAINERS LTD	279,238
12,550	SEACO INC	45,494
2,500	SECURITY PACIFIC CORP	105,625
9,400	SMITHKLINE-BECKMAN CORP	532,275
9,000	SONAT INC	291,375
5,300	SOUTHLAND CORP	143,100
3,000	ST. PAUL COS. INC	156,750
3,600	STANDARD OIL CO. OHIO	157,050
14,050	STERLING DRUG INC	375,838
1,800	SUBARU OF AMERICA INC	165,600
4,100	SYNTEX CORP	176,300
51,000	* TANDON CORP	363,375
11,400	TANDY CORP	296,400
4,000	TENNECO INC	149,500
7,900	TEXAS COMMERCE BANKSHARES	322,913
4,400	TEXAS EASTERN CORP	123,750
7,200	TEXAS UTILITIES CO	153,900
12,900	TIE COMMUNICATIONS	193,500
6,200	* TOYS R US	274,350
3,600	TRANSCO ENERGY CO	155,700
16,400	TRAVELERS CORP	467,400
5,700	US AIR GROUP	155,325

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT GROWTH SHARE ACCOUNT
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
14,800	US FIDELITY & GUAR. CO	\$ 294,150
11,050	VALERO ENERGY CORP	106,356
6,500	WARNACO INC	157,625
9,450	WASTE MANAGEMENT	308,306
5,400	WESTERN UNION CORP	124,200
34,600	WESTINGHOUSE ELEC. CO	761,200
4,300	XEROX CORP	165,013
TOTAL EQUITY PORTFOLIO		\$27,076,893

* THESE SECURITIES ARE HELD IN THE PORTFOLIO MANAGED
 BY WADDELL & REED.

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT FIXED RETURN ACCOUNT
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
105,000	ACF INDUSTRIES INC	03/01/1991	9.000%	\$ 81,195
51,000	ACF INDUSTRIES INC	02/01/1992	8.000%	39,250
150,000	AMAX	03/01/2001	8.625%	93,394
1,000,000	ASSOCIATES CORP NO AMER	02/01/1989	11.850%	924,250
1,000,000	ASSOCIATES CORP NO AMER	11/15/1992	11.450%	861,200
132,814	ATLANTIC RICHFIELD CO	07/15/1996	9.250%	95,092
501,000	BRITISH COLUMBIA HYDRO	07/15/1996	9.625%	389,993
401,983	BURLINGTON NORTHERN	09/01/1993	8.750%	292,350
280,000	BURLINGTON NORTHERN	06/15/1998	9.250%	209,776
200,000	CANADIAN PACIFIC LTD	01/15/1992	8.625%	166,830
500,000	COMMONWEALTH EDISON	04/01/1999	10.000%	385,735
500,000	CREDITRIFT FINANCIAL	01/01/1994	12.375%	451,990
500,000	FEDERAL FARM CREDIT BANK	01/22/1990	10.950%	443,750
500,000	FEDERAL HOME LOAN BANK	03/25/1987	11.100%	495,780
750,000	FEDERAL HOME LOAN BANK	06/25/1987	10.300%	691,403
5,000,000	FEDERAL HOME LOAN BANK	12/26/1990	10.900%	4,356,250
500,000	FEDERAL HOME LOAN BANK	11/25/1986	11.300%	479,375
77,600	FEDERAL HOME LOAN MTG	03/15/2007	8.050%	61,546
1,600,000	FEDERAL HOME LOAN MTG	08/30/1991	11.850%	1,438,992
500,000	FLORIDA POWER & LIGHT	11/01/1990	13.300%	483,590
500,000	FLORIDA POWER CORP	04/01/1987	13.625%	496,940
150,000	FMC CORP	01/15/2000	9.500%	105,603
500,000	FORD LEASING DEV	03/15/2004	9.500%	328,355
150,000	FORD MOTOR CO	07/15/1994	9.250%	111,856
11,795	GNMA POOL # 09797	05/15/2006	8.000%	7,873
351,896	GNMA POOL # 10375	05/15/2006	8.250%	215,804
174,462	GNMA POOL # 15955	08/15/2007	8.000%	116,453
373,414	GNMA POOL # 17086	11/15/2007	8.000%	249,254
364,052	GNMA POOL # 17606	07/15/2007	8.000%	243,005
500,000	HAWAIIAN TELEPHONE	10/01/2010	13.375%	451,490
600,000	HOUSTON LIGHTING & POWER	02/01/1991	13.875%	590,586
250,000	HOUSTON LIGHTING & POWER	10/01/2006	8.375%	145,490
250,000	IOWA-ILL GAS & ELEC	01/15/2007	8.250%	148,400
500,000	KIMBERLY CLARK	10/15/1990	11.125%	442,075
471,124	LNM ACCEPTANCE CORP	12/01/1986	9.100%	430,367
105,566	LOUISVILLE & NASHVILLE	10/20/1991	9.000%	79,919
83,576	LOUISVILLE & NASHVILLE	04/20/1992	8.375%	66,210
150,000	MINNESOTA POWER & LIGHT	08/01/2005	10.500%	109,295
330,522	MISSOURI PACIFIC RR	06/01/1994	9.750%	253,497
400,000	MONTGOMERY WARD CREDIT	06/30/2002	8.250%	233,316
400,000	MONTGOMERY WARD CREDIT	10/01/2002	8.375%	235,936
500,000	NEW YORK STATE ELEC & GAS	01/01/1994	12.375%	430,160
400,000	NORTHERN STATES POWER	01/01/2004	8.375%	246,340
1,000,000	NORTHERN TELECOM	10/01/1990	12.250%	909,470
500,000	NORWEST FINANCIAL	07/01/1990	12.750%	471,345

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT FIXED RETURN ACCOUNT
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
1,000,000	NORWEST FINANCIAL	07/01/1991	12.750%	\$ 928,670
500,000	NOVA SCOTIA POWER CORP	06/01/2008	9.625%	334,325
500,000	OHIO EDISON CO	04/15/2010	15.500%	457,870
233,652	OLYMPIC PIPELINE CO	09/01/2001	8.850%	144,119
468,000	ONTARIO HYDRO	03/15/1996	9.500%	349,245
700,000	ONTARIO, PROVINCE OF	06/15/2005	9.125%	460,684
500,000	ONTARIO, PROVINCE OF	11/30/2008	9.375%	332,530
250,000	PACIFIC GAS & ELECTRIC	12/01/2005	7.750%	137,465
700,000	PENNEY J.C.	02/01/1993	12.125%	632,373
219,000	PLANTATION PIPE LINE	10/01/2001	7.875%	168,253
1,000,000	PUBLIC SERVICE CO OF IND	09/01/1990	12.125%	846,330
250,000	PUBLIC SERVICE CO OF IND	01/01/2007	7.625%	120,088
500,000	PUBLIC SERVICE ELEC & GAS	06/01/2007	8.250%	292,160
600,000	SASKATCH., PROVINCE OF	04/15/2008	9.250%	393,264
196,833	SEABOARD COAST LINE RR	04/01/1992	9.000%	147,382
386,087	SEABOARD COAST LINE RR	10/01/1992	8.250%	287,234
250,000	SOUTHERN BELL TEL & TEL	03/15/2013	7.625%	135,030
125,499	STANDARD OIL OF CALIF	07/02/1999	8.500%	82,105
150,000	STANDARD OIL OF INDIANA	07/15/2004	9.200%	104,565
250,000	TEXAS POWER & LIGHT CO	02/01/2007	8.250%	147,845
500,000	U.S.A. TREASURY BOND	11/15/1993	8.625%	365,935
2,000,000	U.S.A. TREASURY NOTE	09/30/1986	12.250%	1,965,620
5,000,000	U.S.A. TREASURY NOTE	04/15/1990	10.500%	4,362,500
3,000,000	U.S.A. TREASURY NOTE	04/30/1985	9.500%	2,940,930
1,000,000	U.S.A. TREASURY NOTE	05/31/1985	9.875%	980,000
500,000	U.S.A. TREASURY NOTE	02/15/1987	9.000%	453,905
500,000	U.S.A. TREASURY NOTE	11/15/1984	14.375%	505,470
3,000,000	U.S.A. TREASURY NOTE	02/15/1985	14.625%	3,047,820
250,000	UNION OIL OF CALIF	03/01/2006	8.625%	160,283
2,000,000	UPJOHN CO	07/15/1990	10.650%	1,732,640
500,000	USLIFE CORP	10/15/1990	12.500%	466,355
500,000	WILLAMETTE INDUSTRIES	04/15/1993	11.375%	422,620
TOTAL BOND PORTFOLIO				\$43,466,393

MINNESOTA STATE BOARD OF INVESTMENT
 SUPPLEMENTAL RETIREMENT BOND ACCOUNT
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
350,000	ASSOCIATES CORP NO AMER	11/15/1992	11.450%	\$ 301,420
200,000	FEDERAL NATIONAL MTG	10/13/1987	12.125%	192,000
400,000	FIRST INTERSTATE BANCORP	04/15/1988	10.500%	359,844
200,000	GENERAL MOTORS ACCEPT	10/15/1989	11.750%	183,214
300,000	NEW YORK STATE ELEC & GAS	04/01/1993	11.750%	250,161
300,000	PENNEY J.C.	02/01/1993	12.125%	271,017
480,000	U.S.A. TREASURY NOTE	04/15/1989	14.375%	491,098
250,000	U.S.A. TREASURY NOTE	11/15/1991	14.250%	254,842
250,000	U.S.A. TREASURY NOTE	01/15/1989	14.625%	257,813
330,000	WILLAMETTE INDUSTRIES	04/15/1993	11.375%	278,929
TOTAL BOND PORTFOLIO				\$2,840,338

MINNESOTA STATE BOARD OF INVESTMENT
 MINNESOTA VARIABLE ANNUITY FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
5,000,000	U.S.A. TREASURY NOTE	04/30/1985	9.500%	\$4,901,550
TOTAL BOND PORTFOLIO				\$4,901,550

MINNESOTA STATE BOARD OF INVESTMENT
 MINNESOTA VARIABLE ANNUITY FUND
 COMBINED INTERNAL AND EXTERNAL MANAGERS
 ALPHABETICAL EQUITY HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
10,000	** A G EDWARDS INC	\$ 225,000
10,000	** ADAGE INC	92,500
15,605	* AGENCY RENT A CAR	280,890
10,000	** ALBA WALDENSIAN INC	95,000
17,900	* ALCO STANDARD CORP	548,188
10,900	ALLIED BANCSHARES INC	260,238
7,625	ALLIED CORP	241,141
13,000	** AMER. DISTRICT TELEGRAPH	352,625
12,300	AMER. GENERAL CORP	255,225
4,100	AMER. INT'L GROUP INC	239,850
15,800	** AMER. MEDICAL INT'L	363,400
5,000	** AMERADA HESS CORP	140,625
26,000	* AMERICAN CARRIERS	234,000
20,100	AMERICAN EXPRESS CO	577,875
6,800	** AMERICAN GREETINGS	194,650
8,000	** AMERICAN STANDARD INC	199,000
6,000	** AMERICAN WATER WORKS	184,500
5,620	** AMFESCO IND. INC	76,573
9,900	** AMP INC	316,800
20,000	** ANALOGIC CORP	255,000
9,000	** ANDREW CORP	299,250
9,300	** APOGEE ENTERPRISES	76,725
13,000	* APPLIED CIRCUIT TECH	27,625
19,005	* APPLIED DATA RESEARCH	372,973
10,500	** APPLIED MAGNETICS	124,688
31,900	ARCHER DANIELS MIDLAND CO	562,238
7,000	** ARMSTRONG IND. INC	179,375
7,800	* ASSOC. DRY GOODS	419,250
10,800	ATLANTIC RICHFIELD	491,400
7,500	** AYDIN CORP	201,563
16,000	** BANK OF NY CO INC	432,000
12,800	BANKERS TRUST NY CORP	492,800
10,000	** BANTA GEORGE & CO	181,250
6,000	** BASSET WALKER INC	117,000
5,100	** BK. OF NEW HAMP. CORP	132,600
18,100	BOEING CO	791,875
5,150	BRITISH PETROLEUM	128,106
7,150	BROWN GROUP	189,475
	BRUNSWICK CORP	
15,000	NORWEST BANK MPLS	438,750
11,200	INTERNAL MGMT	327,600
	SUB-TOTAL 26,200 SHARES	766,350
2,500	** BUILDERS TRANSPORT INC	38,125
5,450	BURLINGTON NORTHERN INC	219,363

MINNESOTA STATE BOARD OF INVESTMENT
MINNESOTA VARIABLE ANNUITY FUND
COMBINED INTERNAL AND EXTERNAL MANAGERS
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
51,600	CALFED INC	\$ 664,350
6,750	CANADIAN PACIFIC LTD	206,719
8,100	CAPITAL HOLDING CORP	267,300
9,000	CARLISLE CORP	256,500
8,000	** CARTER HAWLEY HALE STORES	158,000
6,900	* CBS INC	539,925
3,700	CELANESE CORP	239,575
7,500	** CEN. BANKSHRS SO	151,875
6,800	CHASE MANHATTAN CORP	267,750
17,900	CHEMICAL NEW YORK CORP	429,600
29,100	* CHRYSLER CORP	727,500
6,950	CITY INVESTING	296,244
8,000	* CLUETT PEABODY	208,000
5,000	** COLE NATIONAL CORP	186,250
11,000	** COLEMAN CO INC	310,750
10,000	** COLLINS FOODS INTL	186,250
6,500	COLUMBIA GAS SYSTEM INC	216,125
8,400	COMBUSTION ENGINEERING	261,450
14,600	** COMMERCIAL ALLIANCE	251,850
32,300	COMMONWEALTH EDISON CO	734,825
4,800	** COMPUTER CONSOLES	88,800
11,000	** CONAIR CORP DEL	203,500
7,800	** CONIFER/ESSEX GROUP	269,100
9,000	** CONROY INC	31,500
10,100	CONTINENTAL TELECOM. INC	193,163
8,000	CONTROL DATA CORP	247,000
22,300	* CONVERGENT TECH	301,050
17,800	COOPER TIRE & RUBBER	249,200
31,800	* CORDURA CORP	651,900
17,340	** COUNTRYWIDE CR. IND	114,878
6,800	CROWN CORK & SEAL	269,450
5,000	** DALE ELECTRONICS	96,250
5,000	** DAUPHIN DEPOSIT CORP	126,250
13,800	* DENNYS INC	545,100
7,000	** DIAGNOSTIC PRODUCTS CORP	57,750
5,500	** DILLARD DEPT. STORES	283,938
10,500	* DISNEY WALT PRODUCTIONS	497,438
11,400	DOMINION RESOURCES	265,050
7,000	** DONNELLEY RR & SONS	276,500
5,400	DU PONT EI DENEMOURS	246,375
21,000	DUKE POWER CO NC	514,500
4,500	DUN & BRADSTREET COS INC	266,625
5,100	E-SYSTEMS	141,525
11,000	** E.F. HUTTON GROUP INC	328,625

MINNESOTA STATE BOARD OF INVESTMENT
MINNESOTA VARIABLE ANNUITY FUND
COMBINED INTERNAL AND EXTERNAL MANAGERS
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
15,000	** EDUCATIONAL COMP. CORP	\$ 105,000
5,000	** ELECTROSPACE SYSTEMS	121,250
63,703	EMERSON RADIO CORP	541,476
13,600	ENSERCH CORP	261,800
13,000	* EQUATORIAL	287,625
12,600	EXXON CORP	513,450
18,000	** FAIRFIELD COMMUN. INC	211,500
28,200	FEDERAL NATL. MTG	356,025
10,000	** FILTERTEK COS	135,000
11,750	FIRST CITY BANKCORP TEXAS	188,000
9,900	FIRST INTERSTATE BANCORP	310,613
8,000	** FIRST JERSEY NAT'L. CO	184,000
6,000	** FIRST NATL BNCP-ALLENTOWN	163,500
10,000	** FIRST NATL. SUPERMARKET	145,000
10,000	** FIRST SVGS. BANK FLORIDA	250,000
13,400	FLEETWOOD ENTER. INC	229,475
8,000	** FLEMING COS	212,000
20,000	** FLORIDA FED. S & L	295,000
5,400	** FLORIDA ROCK INDUSTRIES	148,500
6,900	FORD MOTOR CO	249,263
5,000	** FORT HOWARD PAPER CO	273,125
14,300	* FOXMEYER CORP	314,600
10,500	** G & K SERVICES INC	175,875
9,500	* GALLAGHER ARTHUR J. & CO	137,750
4,000	GENERAL MOTORS CORP	261,500
3,750	GENERAL RE CORP	215,156
10,000	** GIBSON GREETINGS	245,000
	GOODYEAR TIRE & RUBBER	
17,300	NORWEST BANK MPLS	445,475
10,400	INTERNAL MGMT	267,800
	SUB-TOTAL 27,700 SHARES	713,275
12,700	* GR. LAKES FEDERAL S&L	74,613
14,000	** GREENTREE ACCEPT. INC	199,500
25,800	GREYHOUND CORP	577,275
6,800	GTE CORP	254,150
15,000	** GULF CDA LTD	191,250
35,400	* GULF STREAM AEROSPACE	575,250
26,950	HALLIBURTON INC	906,194
4,000	** HANDLEMAN CO	128,500
10,000	** HARCOURT BRACE JOVAN	295,000
5,000	** HARPER GROUP	120,000
14,000	** HARTMARX CORP	392,000
4,500	** HASBRO INDS. INC	201,375
4,000	** HAWKEYE BANCORP	60,000

MINNESOTA STATE BOARD OF INVESTMENT
MINNESOTA VARIABLE ANNUITY FUND
COMBINED INTERNAL AND EXTERNAL MANAGERS
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
20,000	** HERITAGE FEDERAL S&L	\$ 265,000
5,000	** HIGBEE CO	195,000
37,300	* HOGAN SYSTEMS	568,825
8,400	** HOLMES D.H. & CO	151,200
10,200	HOOVER UNIVERSAL	232,050
28,900	* HOUGHTON MIFFLIN CO	722,500
13,100	HOUSTON INDUSTRIES INC	242,350
6,800	** HUBBELL HARVEY B.	204,850
44,800	* HYBRITECH INC	627,200
23,400	* IMPERIAL OIL CO LTD	611,325
15,000	** INT'L KINGS TABLE	232,500
6,800	* INTEGRATED DEVICE TECH	61,200
3,000	** INTER LEASE FINANCIAL	39,375
6,700	INTERNORTH INC	243,713
10,000	** INTL. ALUMINUM CORP	156,250
	INTL. BUSINESS MACHINES	
7,000	NORWEST BANK MPLS	740,250
10,300	LIEBER & CO	1,089,225
5,002	INTERNAL MGMT	528,962
	SUB-TOTAL 22,302 SHARES	2,358,437
24,500	* INVACARE CORP	232,750
7,700	* JAMES RIVER CORP VA	209,825
6,500	** JEFFERSON BANKSHARES VA	159,250
5,000	** JUNO LIGHTING INC	91,250
6,000	** KEARNEY NATL. INC	97,500
15,600	* KERR MCGEE CORP	487,500
4,400	KIDDE INC	125,950
7,800	KROGER CO	258,375
12,300	* KULICKE & SOFFA IND	250,613
8,000	** LADD FURNITURE	112,000
10,000	** LANCE INC	267,500
	LEAR SIEGLER INC	
13,300	NORWEST BANK MPLS	575,225
5,500	INTERNAL MGMT	237,875
	SUB-TOTAL 18,800 SHARES	813,100
6,000	** LEE DATA CORP	62,250
15,000	** LENNAR CORP	157,500
8,900	LEVI STRAUSS & CO	254,763
18,000	** LIBERTY HOMES	175,500
14,700	** LIBERTY NATIONAL CORP	169,050
31,000	* LILY TULIP INC	259,625
10,000	** LIMITED INC	195,000
250	LITTON INDS INC	18,375
10,000	** LIZ CLAIBORNE INC	400,000

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NO. OF SHARES	SECURITY	MARKET VALUE
	LOCKHEED AIRCRAFT CORP	
17,000	NORWEST BANK MPLS	\$ 667,250
15,500	INTERNAL MGMT	608,375
	SUB-TOTAL 32,500 SHARES	1,275,625
10,300	** LOUISIANA PAC. CORP	187,975
5,000	** LOWENSTEIN M CORP	273,750
14,200	LUCKY STORES	228,975
9,050	MARY KAY COSMETICS	92,763
10,000	** MAYFLOWER CORP	220,000
6,450	MCA INC	280,575
4,600	MCDONNELL DOUGLAS CORP	257,600
95,100	* MCI COMMUNICATION	713,250
5,500	MELLON NATIONAL CORP	206,250
7,250	MELVILLE CORP	260,094
11,000	** MERCHANTS SVGS. BANK	184,250
8,000	** MERRILL LYNCH & CO INC	215,000
37,600	* MGM/UA ENTERPRISES	521,700
8,000	** MICOM SYS INC	310,000
10,000	** MIDLAND ENERGY CO	233,750
16,000	** MILLER HERMAN INC	396,000
11,750	MITCHELL ENERGY	226,188
15,550	MOBIL CORP	412,075
15,000	** MORRIS CO SVGS. BANK	202,500
13,500	MOTOROLA INC	450,563
5,625	** MUNFORD INC	109,688
12,500	** NATL. COMPUTER SYSTEMS	200,000
14,000	NATL. MED. ENTER. INC	292,250
39,000	* NATL. SEMICONDUCTOR	477,750
19,000	* NETWORK SYSTEMS CORP	441,750
10,000	** NICO CORP	85,000
55,700	NORTHEAST UTILITIES	633,588
4,900	NUCOR CORP	145,775
7,000	** OPTICAL COATING LAB	152,250
8,300	OWENS CORNING FIBERGLASS	217,875
7,500	OWENS ILLINOIS INC	277,500
21,000	** OXFORD INDS INC	288,750
24,100	* PARADYNE CORP	310,288
10,500	PARSONS CORP	254,625
32,500	* PAYLESS CASHWAYS	532,188
7,100	PENNZOIL CO	229,863
7,000	** PERKIN ELMER	145,250
14,500	PHILADELPHIA ELEC. CO	181,250
7,500	** PLANNING RESEARCH CORP	112,500
9,000	** POPE & TALBOT	144,000

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NO. OF SHARES	SECURITY	MARKET VALUE
3,900	** POST CORP	\$ 249,113
8,700	** PRENTICE HALL INC	376,275
2,500	** PUROLATOR	80,625
10,800	* QUANTUM CORP	202,500
19,700	* RAYTHEON CO	748,600
15,500	* RCA CORP	490,188
25,000	** RECOTON CORP	265,625
9,500	** REGENCY ELECTRONICS	65,313
13,000	* REPUBLIC AIRLINES	48,750
16,100	REPUBLIC BANK CORP	426,650
8,000	** ROSES STORES INC	144,000
13,800	* ROWAN COMPANIES INC	150,075
10,550	ROYAL DUTCH PET. GLDRS.	505,081
2,300	** SARGENT WELCH SCIENTIFIC	62,388
9,800	SCHLUMBERGER LTD	443,450
21,150	SEA CONTAINERS LTD	470,588
21,150	SEACO INC	76,669
20,100	* SEAGATE TECHNOLOGY	206,025
5,450	SECURITY PACIFIC CORP	230,263
14,000	** SEI CORP	210,000
9,000	* SILICONE SYSTEMS INC	182,250
15,000	SMITHKLINE-BECKMAN CORP	849,375
3,200	** SO. CAROLINA NATL. CORP	126,400
14,600	SONAT INC	472,675
8,600	SOUTHLAND CORP	232,200
29,750	* SOUTHWEST AIRLINES	632,188
4,900	ST. PAUL COS. INC	256,025
5,800	STANDARD OIL CO OHIO	253,025
21,950	STERLING DRUG INC	587,163
3,000	SUBARU OF AMERICA INC	276,000
11,600	** SUNAIR ELEC. INC	94,250
4,700	* SURGICAL CARE AFFIL	48,175
8,000	** SUSQUEHANNA BNKSHRS. INC	248,000
29,000	* SYMS CORP	362,500
28,100	SYNTEX CORP	1,208,300
13,000	* SYSTEMS ASSOCIATES	237,250
13,500	* TANDON CORP	96,188
18,300	TANDY CORP	475,800
6,400	TENNECO INC	239,200
12,700	TEXAS COMMERCE BANKSHARES	519,113
7,500	TEXAS EASTERN CORP	210,938
230	TEXAS INDUSTRIES	6,699
52,100	TEXAS OIL & GAS CORP	1,159,225

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NO. OF SHARES	SECURITY	MARKET VALUE
26,050	TEXAS UTILITIES CO	\$ 556,819
10,400	* THREE COM CORP	81,900
10,000	** THUNANDER CORP	56,250
3,500	TIE COMMUNICATIONS	52,500
23,425	* TIMEPLEX INC	333,806
5,900	TRANSCO ENERGY CO	255,175
26,700	TRAVELERS CORP	760,950
17,000	** U.S. HOME CORP	97,750
5,000	** UNITED STATES SHOE CORP	135,625
10,100	** UNIVERSAL-RUNDLE	188,113
7,000	** UNOCAL CORP	234,500
9,200	US AIR GROUP	250,700
23,800	US FIDELITY & GUAR. CO	473,025
5,000	** V F CORP	121,250
18,050	VALERO ENERGY CORP	173,731
18,000	* VALID LOGIC SYSTEMS INC	213,750
12,000	** WACKENHUT CORP	265,500
10,500	WARNACO INC	254,625
18,200	* WARNER COMMUNICATIONS	425,425
	WASTE MANAGEMENT	
17,300	NORWEST BANK MPLS	564,412
15,550	INTERNAL MGMT	507,319
	SUB-TOTAL 32,850 SHARES	1,071,731
6,500	** WEIS MARKETS INC	201,500
5,000	** WELDOTRON CORP	35,000
9,200	WESTERN UNION CORP	211,600
57,800	WESTINGHOUSE ELEC. CO	1,271,600
6,900	XEROX CORP	264,788
23,400	* ZYCAD CORP	310,050
TOTAL EQUITY PORTFOLIO		\$ 82,036,515

* THESE SECURITIES ARE HELD IN THE PORTFOLIO MANAGED BY NORWEST BANK.

** THESE SECURITIES ARE HELD IN THE PORTFOLIO MANAGED BY LIEBER & CO.

MINNESOTA STATE BOARD OF INVESTMENT
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NO. OF SHARES	SECURITY	MARKET VALUE
13,488	ALLIED BANCSHARES INC	\$ 322,026
10,675	ALLIED CORP	337,597
15,300	AMER. GENERAL CORP	317,475
5,200	AMER. INT'L. GROUP	304,200
27,400	AMERICAN EXPRESS CO	787,750
8,400	AMERICAN TEL & TEL NEW	144,900
43,500	ARCHER DANIELS MIDLAND	766,688
13,400	ATLANTIC RICHFIELD	609,700
23,300	AVON PRODS INC	512,600
16,000	BANKERS TRUST NY CORP	616,000
23,100	BAXTER TRAVENOL LABS	355,163
27,650	BOEING CO	1,209,688
16,800	BORG-WARNER	315,000
13,100	BROWN GROUP	347,150
20,800	BRUNSWICK CORP	608,400
8,150	BURLINGTON NORTHERN	328,038
10,200	CANADIAN PACIFIC LTD	312,375
10,100	CAPITAL HOLDING CORP	333,300
11,200	CARLISLE CORP	319,200
4,650	CELANESE CORP	301,088
8,500	CHASE MANHATTAN CORP	334,688
24,600	CHEMICAL NEW YORK CO	590,400
9,500	CITY INVESTING	404,938
9,750	COLUMBIA GAS SYSTEM	324,188
10,500	COMBUSTION ENGINEERING	326,813
64,350	COMMONWEALTH EDISON	1,463,963
16,400	CONTINENTAL TELECOM	313,650
14,350	CONTROL DATA CORP	443,060
22,100	COOPER TIRE & RUBBER	309,400
14,300	DOMINION RESOURCES	332,475
6,800	DU PONT EI DENEMOURS	310,250
26,100	DUKE POWER CO. NC	639,450
5,600	DUN & BRADSTREET CO	331,800
6,300	E-SYSTEMS	174,825
18,500	ENSERCH CORP	356,125
16,700	EXXON CORP	680,525
88,100	FEDERAL NATL. MTG	1,112,273
20,500	FIRST CITY BANKCORP	328,000
9,500	FIRST INTERSTATE BANK	298,063
16,700	FLEETWOOD ENTER. INC	285,988
8,600	FORD MOTOR CO	310,675
5,000	GENERAL MOTORS CORP	326,875
5,650	GENERAL RE CORP	324,169
12,900	GOODYEAR TIRE & RUBBER	332,175
34,000	GREYHOUND CORP	760,750

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NO. OF SHARES	SECURITY	MARKET VALUE
8,500	GTE CORP	\$ 317,688
6,950	HALLIBURTON INC	233,694
18,750	HOUSTON INDUSTRIES INC	346,875
7,350	HOUSTON NAT. GAS CORP	353,719
8,300	INTERNORTH INC	301,913
6,700	INTL. BUSINESS MACHINES	708,525
6,500	KIDDE INC	186,063
9,800	KROGER CO	324,625
5,600	LEAR SIEGLER INC	242,200
14,350	LEVI STRAUSS & CO	410,769
4,400	LITTON INDS INC	323,400
22,650	LUCKY STORES	365,231
13,450	MARY KAY COSMETICS	137,863
8,800	MCA INC	382,800
5,800	MCDONNELL DOUGLAS CO	324,800
7,700	MELLON NATIONAL CORP	288,750
17,800	MELVILLE CORP	638,575
16,300	MITCHELL ENERGY	313,775
22,850	MOBIL CORP	605,525
29,250	NORTHEAST UTILITIES	332,719
11,700	OWENS CORNING FIBERGLASS	307,125
18,550	OWENS ILLINOIS INC	686,350
13,100	PARSONS CORP	317,675
8,900	PENNZOIL CO	288,138
25,100	PHILADELPHIA ELECTRIC CO	313,750
22,700	REPUBLIC BANK CORP	601,550
6,900	ROYAL DUTCH PET. GLD	330,338
15,300	SCHLUMBERGER LTD	692,325
31,650	SEA CONTAINERS LTD	704,213
31,650	SEACO INC	114,731
6,250	SECURITY PACIFIC CORP	264,063
19,950	SMITHKLINE-BECKMAN CORP	1,129,669
18,200	SONAT INC	589,225
10,700	SOUTHLAND CORP	288,900
6,100	ST. PAUL COS. INC	318,725
7,300	STANDARD OIL CO. OHIO	318,463
29,700	STERLING DRUG INC	794,475
3,700	SUBARU OF AMERICA INC	340,400
8,900	SYNTEX CORP	382,700
8,000	TENNECO INC	299,000
15,800	TEXAS COMMERCE BANKS	645,825
12,300	TEXAS EASTERN CORP	345,938
13,750	TEXAS UTILITIES CO	293,906
7,350	TRANSCO ENERGY CO	317,888

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NO. OF SHARES	SECURITY	MARKET VALUE
39,400	TRAVELERS CORP	\$ 1,122,900
11,400	US AIR GROUP	310,650
31,100	US FIDELITY & GUARANTY	618,113
26,900	VALERO ENERGY CORP	258,913
13,100	WARNACO INC	317,675
21,100	WASTE MANAGEMENT	688,388
14,050	WESTERN UNION CORP	323,150
83,100	WESTINGHOUSE ELEC. CO	1,828,200
8,600	XEROX CORP	330,025
TOTAL EQUITY PORTFOLIO		\$ 44,186,723

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PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
1,000,000	ALUMINUM CO OF CANADA	03/01/1995	9.500%	\$ 745,570
787,000	AMERICAN PRES LINES	11/01/1991	4.800%	476,096
2,656,285	ATLANTIC RICHFIELD CO	07/15/1996	9.250%	1,901,847
1,894,929	ATLANTIC RICHFIELD CO	12/01/2001	8.750%	1,242,884
2,500,000	BELL TELE. CO CANADA	09/01/1995	4.850%	1,321,175
1,200,000	CANADIAN PACIFIC, LTD	01/15/1992	8.625%	1,000,980
4,000,000	CONSOLIDATED NATURAL GAS	06/01/1997	8.125%	2,657,120
875,000	CONSTRUCTION AGGREGATE	06/01/1991	7.500%	637,254
1,644,000	EAGLE TERMINAL TANKERS	06/01/1989	6.000%	1,191,867
2,867,000	EL PASO COLUMBIA TANKER	03/31/2003	9.250%	1,953,316
150,000	FARRELL LINES, INC	09/20/1998	9.000%	103,692
140,000	FARRELL LINES, INC	06/29/1997	9.000%	98,102
144,000	FARRELL LINES, INC	11/27/1997	9.000%	100,423
146,000	FARRELL LINES, INC	02/28/1998	9.000%	101,531
591,000	FARRELL LINES, INC	04/01/1988	8.050%	509,158
5,000,000	FEDERAL FARM CREDIT BANK	10/21/1991	10.600%	4,226,550
7,000,000	FEDERAL HOME LOAN BANK	03/25/1988	10.200%	6,289,080
3,000,000	FEDERAL HOME LOAN BANK	04/27/1992	11.700%	2,668,110
3,000,000	FEDERAL HOME LOAN BANK	07/26/1993	11.700%	2,630,610
3,000,000	FEDERAL HOME LOAN MTG	08/30/1991	11.850%	2,698,110
2,500,000	FEDERAL NATIONAL MTG	08/10/1984	11.100%	2,500,000
4,000,000	FEDERAL NATIONAL MTG	05/10/1990	10.300%	3,412,480
3,000,000	FMC CORP	01/15/2000	9.500%	2,112,060
3,609,183	GNMA POOL #	07/30/2001	8.750%	2,277,755
1,064,594	GNMA POOL # 00001	02/15/2000	7.000%	674,686
671,376	GNMA POOL # 00010	06/15/2000	8.000%	448,144
739,441	GNMA POOL # 00019	07/15/2000	8.000%	493,577
669,753	GNMA POOL # 00020	10/15/2000	8.000%	447,060
722,460	GNMA POOL # 00021	11/15/2000	8.000%	482,242
716,993	GNMA POOL # 00022	01/15/2001	8.000%	478,593
313,944	GNMA POOL # 00023	02/15/2001	8.000%	209,557
761,812	GNMA POOL # 00027	05/15/2000	7.000%	482,798
752,918	GNMA POOL # 00030	07/15/2000	8.000%	502,573
819,469	GNMA POOL # 00058	08/01/2000	8.000%	546,996
602,410	GNMA POOL # 00061	12/15/2000	8.000%	402,109
784,953	GNMA POOL # 00071	09/15/2000	8.000%	523,956
530,695	GNMA POOL # 00075	12/15/2000	8.000%	354,239
759,049	GNMA POOL # 00107	12/15/2000	8.000%	506,665
489,363	GNMA POOL # 00116	02/15/2001	8.000%	326,650
669,659	GNMA POOL # 00252	02/15/2001	8.000%	446,997
377,103	GNMA POOL # 00484	03/15/2001	7.500%	244,645
2,352,410	GNMA POOL # 00505	11/15/2001	6.500%	1,482,018
2,303,606	GNMA POOL # 00506	12/15/2001	6.500%	1,451,272
619,740	GNMA POOL # 02180	02/15/2004	8.000%	413,677
2,479,651	GNMA POOL # 02290	03/15/2003	6.500%	1,562,180

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PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
2,732,627	GNMA POOL # 02291	04/15/2003	6.500%	\$1,721,555
1,259,325	GNMA POOL # 02292	06/15/2003	6.500%	793,375
2,703,587	GNMA POOL # 02424	04/15/2003	6.500%	1,703,260
2,691,562	GNMA POOL # 02548	07/15/2003	6.500%	1,695,684
955,095	GNMA POOL # 02678	11/15/2003	8.000%	637,526
1,496,668	GNMA POOL # 02682	11/15/2003	8.000%	999,026
937,902	GNMA POOL # 03015	04/15/2004	8.000%	626,050
1,473,030	GNMA POOL # 03291	04/15/2004	8.000%	983,248
828,634	GNMA POOL # 03487	02/15/2004	8.000%	553,113
390,644	GNMA POOL # 03627	07/15/2004	8.250%	239,566
25,993	GNMA POOL # 03738	06/15/2004	8.000%	17,350
1,098,639	GNMA POOL # 03972	07/15/2004	8.250%	673,752
779,061	GNMA POOL # 03974	11/15/2004	9.000%	551,185
1,204,341	GNMA POOL # 03975	07/15/2004	8.000%	803,898
434,393	GNMA POOL # 03979	08/15/2004	8.250%	266,396
442,795	GNMA POOL # 04004	08/15/2004	8.250%	271,549
1,176,728	GNMA POOL # 04092	07/15/2004	8.250%	721,640
369,670	GNMA POOL # 04145	08/15/2004	8.250%	226,704
507,801	GNMA POOL # 04472	09/15/2004	9.000%	359,269
35,754	GNMA POOL # 06039	07/15/2005	8.000%	23,866
24,632	GNMA POOL # 06560	10/15/2005	8.000%	16,442
502,643	GNMA POOL # 09113	12/15/2005	8.000%	335,514
463,169	GNMA POOL # 09680	06/15/2006	8.250%	284,043
690,045	GNMA POOL # 10351	08/15/2006	8.000%	460,605
674,693	GNMA POOL # 10887	07/15/2006	8.250%	413,762
758,575	GNMA POOL # 11127	09/15/2006	8.000%	506,349
555,826	GNMA POOL # 11299	08/15/2006	8.000%	371,014
3,786,540	GNMA POOL # 12383	02/15/2005	8.750%	2,389,686
744,597	GNMA POOL # 12766	12/15/2006	8.000%	497,019
451,049	GNMA POOL # 13705	10/15/2006	8.000%	301,075
1,524,331	GNMA POOL # 15976	08/15/2007	8.000%	1,017,491
690,486	GNMA POOL # 16875	08/15/2007	8.000%	460,899
833,035	GNMA POOL # 16965	11/15/2007	8.000%	556,051
810,011	GNMA POOL # 17189	07/15/2007	8.000%	540,683
885,242	GNMA POOL # 17769	08/15/2007	8.000%	590,899
396,243	GNMA POOL # 17803	11/15/2007	8.000%	264,492
733,826	GNMA POOL # 17904	08/15/2007	8.000%	489,829
755,377	GNMA POOL # 17945	12/15/2007	8.000%	504,214
684,465	GNMA POOL # 18017	07/15/2007	8.000%	456,880
883,534	GNMA POOL # 18058	07/15/2007	8.000%	589,759
362,359	GNMA POOL # 18592	11/15/2007	8.000%	241,875
751,584	GNMA POOL # 18768	08/15/2007	8.000%	501,682
699,340	GNMA POOL # 18782	10/15/2007	8.000%	466,809
798,501	GNMA POOL # 19105	07/15/2007	8.000%	532,999
737,268	GNMA POOL # 19667	01/15/2008	8.000%	492,127

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PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
746,183	GNMA POOL # 19740	10/15/2007	8.000%	\$ 498,077
4,232,147	GNMA POOL # 19784	09/15/2007	8.000%	2,824,958
681,769	GNMA POOL # 19997	10/15/2007	8.000%	455,081
53,554	GNMA POOL # 20074	03/15/2007	8.000%	35,747
787,476	GNMA POOL # 20263	11/15/2007	8.000%	525,640
811,724	GNMA POOL # 20393	11/15/2007	8.000%	541,826
829,543	GNMA POOL # 20495	11/15/2007	8.000%	553,720
896,484	GNMA POOL # 21037	11/15/2007	8.000%	598,403
746,663	GNMA POOL # 21480	01/15/2008	8.000%	498,398
823,832	GNMA POOL # 21615	01/15/2008	8.000%	549,908
768,937	GNMA POOL # 21930	03/15/2008	8.000%	513,266
891,477	GNMA POOL # 22012	04/15/2008	8.000%	595,061
799,753	GNMA POOL # 22820	12/15/2007	8.000%	533,835
847,427	GNMA POOL # 24078	02/15/2008	8.000%	565,658
892,384	GNMA POOL # 24417	03/15/2008	8.000%	595,667
4,206,204	GNMA POOL # 27638	10/15/2008	9.000%	2,975,889
4,496,877	GNMA POOL # 35014	02/15/2010	11.000%	3,653,713
1,975,796	GNMA POOL # 40589	03/15/2010	11.000%	1,605,334
1,827,219	GNMA POOL # 42691	08/15/2010	11.000%	1,484,616
2,665,721	GNMA POOL # 43596	10/15/2010	11.500%	2,245,870
4,000,000	KANSAS POWER & LIGHT	06/01/2007	8.125%	2,337,200
3,140,827	LNM ACCEPTANCE CORP	12/01/1986	9.100%	2,869,114
1,977,473	MARLIN DRILLING CO	01/01/1991	8.900%	1,85,874
984,000	MATSON NAVIGATION CO	11/10/1994	7.500%	644,264
1,205,000	MCI COMMUNICATIONS CV.	03/15/2003	7.750%	723,000
2,500,000	MICHIGAN BELL TELEPHONE	06/01/2015	8.125%	1,415,350
2,607,000	MOORE-MCCORMACK LEASING	07/15/2001	8.875%	1,738,061
648,000	MOORE-MCCORMACK LINES	04/01/1987	5.750%	560,209
3,000,000	MOUNTAIN STATES TEL & TEL	06/01/2013	7.750%	1,622,070
30,000	MOWER/FREEBORN SD 90	07/01/1986	3.000%	26,276
355,000	NATL MED ENTERPRISE CV.	11/15/2001	12.625%	367,425
2,500,000	NORTHERN STATES POWER	01/01/2004	8.375%	1,539,625
1,904,800	NORTON SIMON, INC	06/01/2004	9.875%	1,334,598
1,500,000	NORWEST CORP	03/15/2003	7.750%	853,800
3,000,000	NORWEST CORP	09/15/1986	7.875%	2,665,740
1,500,000	NORWEST CORP	10/15/1990	5.125%	990,375
1,000,000	OWENS ILLINOIS INC	06/01/1990	10.375%	851,930
1,543,000	PACIFIC FAR EAST LINE	02/01/1997	8.750%	1,066,290
914,500	PENN TANKER CO	11/10/1989	6.000%	664,073
1,632,000	PRUDENTIAL LINES INC	11/01/1995	6.000%	902,904
1,855,000	PUGET SOUND TUG & BARGE	02/15/2001	9.125%	1,265,815
148,500	SBA POOL # 3004	05/15/2004	11.700%	148,500
268,216	SBA POOL # 3009	12/19/2003	11.700%	268,216
66,780	SBA POOL # 3005A	04/13/1999	11.700%	66,780
100,470	SBA POOL # 3005B	03/25/1999	11.700%	100,470

MINNESOTA STATE BOARD OF INVESTMENT
 PERMANENT SCHOOL FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
109,296	SBA POOL - SULLIVAN	05/10/1991	11.700%	\$ 109,296
37,800	SBA POOL - WAGNER	04/02/1999	11.700%	37,800
4,000,000	SOUTHERN BELL TEL & TEL	03/15/2013	7.625%	2,160,480
1,000,000	SPRAGUE ELECTRIC CO	09/01/1988	4.375%	696,000
820,448	STANDARD OIL OF CALIF	09/07/1997	7.700%	509,785
820,448	STANDARD OIL OF CALIF	09/08/1997	7.700%	509,761
820,448	STANDARD OIL OF CALIF	11/06/1997	7.700%	508,423
878,000	STATES STEAMSHIP CO	03/31/1993	5.100%	501,733
3,000,000	TEXAS POWER & LIGHT	02/01/2009	9.375%	1,966,740
1,000,000	U.S.A. TREASURY BOND	02/15/2007	7.625%	582,500
2,000,000	U.S.A. TREASURY BOND	11/15/2010	12.750%	1,857,500
2,000,000	U.S.A. TREASURY BOND	11/15/1995	11.500%	1,737,500
50,000	U.S.A. TREASURY BOND	11/15/1998	3.500%	44,938
3,000,000	U.S.A. TREASURY BOND	02/15/2001	11.750%	2,593,110
69,000	U.S.A. TREASURY BOND	08/15/1984	6.375%	68,676
2,000,000	U.S.A. TREASURY BOND	11/15/1993	8.625%	1,463,740
15,000,000	U.S.A. TREASURY NOTE	10/15/1989	11.875%	13,968,750
5,000,000	U.S.A. TREASURY NOTE	04/30/1985	9.500%	4,901,550
40,000	U.S.A. TREASURY NOTE	11/15/1987	7.625%	34,300
11,000	U.S.A. TREASURY NOTE	02/15/1985	8.000%	10,780
50,000	U.S.A. TREASURY NOTE	05/15/1986	7.875%	45,860
2,000,000	U.S.A. TREASURY NOTE	02/15/1987	9.000%	1,815,620
40,000	U.S.A. TREASURY NOTE	05/15/198	12.000%	38,825
90,000	U.S.A. TREASURY NOTE	08/15/1986	8.000%	81,815
2,000,000	U.S.A. TREASURY NOTE	11/15/1989	10.750%	1,780,000
2,985,261	US DEPT OF AGRICULTURE	07/31/1985	8.625%	2,847,193
20,000	WAD/OTTERTL JICSD 291	07/01/1986	3.000%	17,518
2,176,246	WESTERN CO OF NORTH AMER	06/11/1990	9.250%	1,775,490
3,000,000	ZAPATA OFF-SHORE CO	06/15/1996	8.625%	2,072,550
TOTAL BOND PORTFOLIO				\$175,683,473

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
41,800	A & M FOOD SERVICES	HERBERT R. SMITH	\$ 240,350
50,000	ABBOTT LABS	LOOMIS SAYLES	2,181,250
20,000	ADVANCED MICRO DEV	HELLMAN JORDAN	615,000
60,000	AHMANSON H.F. CO	INVESTMENT ADVISORS	1,117,500
39,900	AIR MIDWEST INC	HERBERT R. SMITH	458,850
16,500	AIRCAL INC	HERBERT R. SMITH	148,500
7,000	ALCAN ALUMINUM LTD	HELLMAN JORDAN	190,750
30,000	ALEXANDER & ALEXANDER	HELLMAN JORDAN	570,000
140,000	ALLEGHENY INTERNATIONAL	BEUTEL GOODMAN	2,905,000
55,866	ALLIANCE TECHNOLOGY FUND	ALLIANCE CAPITAL	901,620
35,000	ALUMINUM CO OF AMERICA	HELLMAN JORDAN	1,190,000
75,000	AMER. GEN. CORP PFD 2.64	BEUTEL GOODMAN	3,140,625
31,000		HELLMAN JORDAN	1,298,125
17,900		SIEBEL CAPITAL	749,563
	SUB-TOTAL	123,900 SHARES	5,188,313
63,100	AMER. MEDICAL INT'L	FRED ALGER	1,451,300
47,000		SIEBEL CAPITAL	1,081,000
	SUB-TOTAL	110,100 SHARES	2,532,300
14,400	AMERADA HESS CORP	HERBERT R. SMITH	405,000
9,000	AMERICAN BROADCASTING CO	FORSTMANN LEFF	564,750
40,000	AMERICAN EXPRESS CO	FORSTMANN LEFF	1,150,000
40,000		INVESTMENT ADVISORS	1,150,000
11,000		SIEBEL CAPITAL	316,250
	SUB-TOTAL	91,000 SHARES	2,616,250
54,000	AMERICAN GREETINGS	FRED ALGER	1,545,750
25,000	AMERICAN HOSPITAL SUPPLY	INVESTMENT ADVISORS	778,125
40,000	AMERICAN STANDARD INC	INVESTMENT ADVISORS	995,000
25,000	AMERICAN STORES CO NEW	IDS ADVISORY	809,375
18,000	AMERITECH CORP	IDS ADVISORY	1,170,000
44,400	AMETEK INC	IDS ADVISORY	1,176,600
45,000	AMP INC	FRED ALGER	1,440,000
30,000		ALLIANCE CAPITAL	960,000
90,000		LOOMIS SAYLES	2,880,000
	SUB-TOTAL	165,000 SHARES	5,280,000
43,000	AMR CORP	ALLIANCE CAPITAL	1,311,500
19,000		FORSTMANN LEFF	579,500
31,000		INVESTMENT ADVISORS	945,500
70,000		LOOMIS SAYLES	2,135,000
	SUB-TOTAL	163,000 SHARES	4,971,500
60,000	ARCHER DANIELS MIDLAND	HELLMAN JORDAN	1,057,500
20,000	ARKLA INCORPORATED	INVESTMENT ADVISORS	395,000
70,000		TRUSTEE & INVESTORS	1,382,500
	SUB-TOTAL	90,000 SHARES	1,777,500

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
15,000	ATLANTIC RICHFIELD	INVESTMENT ADVISORS	\$ 682,500
15,000		TRUSTEE & INVESTORS	682,500
	SUB-TOTAL	30,000 SHARES	1,365,000
26,500	AUXTON COMP. ENTERPRISES	HERBERT R. SMITH	324,625
110,000	AVCO CORP	BEUTEL GOODMAN	3,272,500
54,500		SIEBEL CAPITAL	1,621,375
	SUB-TOTAL	164,500 SHARES	4,893,875
12,600	BANK OF VIRGINIA	HERBERT R. SMITH	456,750
70,000	BAXTER TRAVENOL LABS	INVESTMENT ADVISORS	1,076,250
34,700	BAYLY CORP	HERBERT R. SMITH	303,625
16,000	BELL ATLANTIC CORP	IDS ADVISORY	1,086,000
20,000	BERGEN BRUNSWIG CORP	SIEBEL CAPITAL	445,000
35,000	BEVERLY ENTERPRISES	INVESTMENT ADVISORS	958,125
25,000		SIEBEL CAPITAL	684,375
	SUB-TOTAL	60,000 SHARES	1,642,500
26,000	BLOCK H & R INC	SIEBEL CAPITAL	1,020,500
41,500	BOEING CO	FRED ALGER	1,815,625
29,000		ALLIANCE CAPITAL	1,268,750
17,000		IDS ADVISORY	743,750
30,000		TRUSTEE & INVESTORS	1,312,500
	SUB-TOTAL	117,500 SHARES	5,140,625
30,000	BOISE CASCADE CORP	INVESTMENT ADVISORS	1,023,750
15,000	BRUNSWICK CORP	HELLMAN JORDAN	438,750
30,000	BURLINGTON INDUSTRIES	FORSTMANN LEFF	791,250
16,000		HERBERT R. SMITH	422,000
	SUB-TOTAL	46,000 SHARES	1,213,250
29,500	BURLINGTON NORTHERN INC	FRED ALGER	1,187,375
12,000		IDS ADVISORY	483,000
	SUB-TOTAL	41,500 SHARES	1,670,375
21,000	BURROUGHS CORP	IDS ADVISORY	1,118,250
7,700		HERBERT R. SMITH	410,025
	SUB-TOTAL	28,700 SHARES	1,528,275
16,100	CARNATION	HERBERT R. SMITH	961,975
70,100	CARSON PIRIE & CO	SIEBEL CAPITAL	2,646,275
70,000	CATERPILLAR TRACTOR CO	HELLMAN JORDAN	525,000
25,000	CELANESE CORP	FRED ALGER	1,618,750
7,500		FORSTMANN LEFF	485,625
	SUB-TOTAL	32,500 SHARES	2,104,375
15,700	CENTEX CORP	HERBERT R. SMITH	380,725
57,200	CENTRAL & SO WEST CORP	FORSTMANN LEFF	1,015,300
54,000	CHAMPION INTERNATIONAL	INVESTMENT ADVISORS	1,046,250
65,000	CHASE MANHATTAN CORP	BEUTEL GOODMAN	2,559,375
29,000		TRUSTEE & INVESTORS	1,141,875
	SUB-TOTAL	94,000 SHARES	3,701,250
37,500	CHEMICAL NEW YORK CORP	INVESTMENT ADVISORS	900,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
55,000	CHRYSLER CORP	ALLIANCE CAPITAL	\$ 1,375,000
100,000		LOOMIS SAYLES	2,500,000
	SUB-TOTAL	155,000 SHARES	3,875,000
20,300	CHUBB CORP	HERBERT R. SMITH	933,800
17,000	CIGNA CORP	FRED ALGER	533,375
40,000	CITICORP	INVESTMENT ADVISORS	1,225,000
40,000		TRUSTEE & INVESTORS	1,225,000
	SUB-TOTAL	80,000 SHARES	2,450,000
21,600	CITIZENS & SOUTHN GA CORP	HERBERT R. SMITH	294,300
24,600	CLOROX CO	HERBERT R. SMITH	658,050
17,200	COCA COLA CO	HERBERT R. SMITH	991,150
145,000	COLGATE PALMOLIVE	BEUTEL GOODMAN	3,335,000
17,400		HERBERT R. SMITH	400,200
	SUB-TOTAL	162,400 SHARES	3,735,200
19,300	COLONIAL PENN GROUP	HERBERT R. SMITH	547,638
46,600	COMMONWEALTH EDISON CO	IDS ADVISORY	1,060,150
51,000	COMPUTER SCIENCES CORP	SIEBEL CAPITAL	663,000
30,000	COMPUTER VISION CORP	TRUSTEE & INVESTORS	1,162,500
60,000	CONAGRA INC	IDS ADVISORY	2,280,000
25,000	CONSOL. NAT. GAS	IDS ADVISORY	868,750
74,900	CONTINENTAL TELECOM. INC	TRUSTEE & INVESTORS	1,432,463
56,600	CONTL. AIR	HERBERT R. SMITH	360,825
63,500	CONTL. AIR 9% CV PFD	HERBERT R. SMITH	492,125
45,000	CONTROL DATA CORP	INVESTMENT ADVISORS	1,389,375
48,400	CONVERGENT TECH.	FORSTMANN LEFF	653,400
19,100	CORNING GLASS WORKS	FRED ALGER	1,217,625
25,000	COX COMMUNICATIONS INC	ALLIANCE CAPITAL	1,321,875
20,900	CPC INTERNATIONAL INC	FORSTMANN LEFF	770,688
7,000	CROWN ZELLERBACH CORP	HELLMAN JORDAN	215,250
45,000	CSX CORP	FORSTMANN LEFF	933,750
35,000		IDS ADVISORY	726,250
	SUB-TOTAL	80,000 SHARES	1,660,000
31,200	CUMMINS ENGINE CO	FRED ALGER	2,242,500
66,000		BEUTEL GOODMAN	4,743,750
20,000		LOOMIS SAYLES	1,437,500
5,100		HERBERT R. SMITH	366,563
	SUB-TOTAL	122,300 SHARES	8,790,313
60,000	DAMON CORP	FRED ALGER	855,000
9,000	DART & KRAFT INC	IDS ADVISORY	709,875
45,000	DATA GENERAL CORP	LOOMIS SAYLES	2,115,000
58,500	DAYTON HUDSON CORP	ALLIANCE CAPITAL	1,835,438
40,000		INVESTMENT ADVISORS	1,255,000
	SUB-TOTAL	98,500 SHARES	3,090,438
35,000	DELTA AIR LINES INC	HELLMAN JORDAN	1,076,250
62,000	DETROIT EDISON CO	IDS ADVISORY	782,750

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
46,000	DIAMOND SHAMROCK	HELLMAN JORDAN	\$ 851,000
11,500	DIGITAL EQUIPMENT CORP	FORSTMANN LEFF	966,000
25,000		LOOMIS SAYLES	2,100,000
15,300		TRUSTEE & INVESTORS	1,285,200
	SUB-TOTAL	51,800 SHARES	4,351,200
17,800	DIGITAL SWITCH	HELLMAN JORDAN	407,175
16,800		TRUSTEE & INVESTORS	384,300
	SUB-TOTAL	34,600 SHARES	791,475
55,000	DIVERSIFOODS INC	SIEBEL CAPITAL	763,125
22,200	DONALDSON LUFKIN & JEN	HERBERT R. SMITH	432,900
51,000	DONNELLEY RR & SONS	ALLIANCE CAPITAL	2,014,500
50,000	DOW CHEMICAL CO	INVESTMENT ADVISORS	1,400,000
45,000	DOW JONES & CO	ALLIANCE CAPITAL	1,985,625
26,200	DUN & BRADSTREET COS INC	FRED ALGER	1,552,350
23,000		IDS ADVISORY	1,362,750
	SUB-TOTAL	49,200 SHARES	2,915,100
23,000	EASTMAN KODAK CO	FRED ALGER	1,592,750
15,000		INVESTMENT ADVISORS	1,038,750
21,000		TRUSTEE & INVESTORS	1,454,250
	SUB-TOTAL	59,000 SHARES	4,085,750
40,000	EATON CORP	LOOMIS SAYLES	1,640,000
12,200	ELECTRONIC DATA SYS CORP	HERBERT R. SMITH	510,875
25,000	EXXON CORP	IDS ADVISORY	1,018,750
21,700		HERBERT R. SMITH	884,275
	SUB-TOTAL	46,700 SHARES	1,903,025
23,000	FARMERS GROUP INC	IDS ADVISORY	885,500
40,000	FEDERAL EXPRESS CORP	ALLIANCE CAPITAL	1,395,000
60,000		LOOMIS SAYLES	2,092,500
	SUB-TOTAL	100,000 SHARES	3,487,500
45,000	FEDERAL NATL. MTG.	ALLIANCE CAPITAL	568,125
45,000		SIEBEL CAPITAL	568,125
	SUB-TOTAL	90,000 SHARES	1,136,250
70,000	FIN. CORP OF AMERICA	HELLMAN JORDAN	735,000
83,000	FIRST INTERSTATE BANCORP	BEUTEL GOODMAN	2,604,125
18,000	FLUOR CORP	HELLMAN JORDAN	308,250
41,900	FORD MOTOR CO	HELLMAN JORDAN	1,513,638
35,000		IDS ADVISORY	1,264,375
34,000		INVESTMENT ADVISORS	1,228,250
75,000		LOOMIS SAYLES	2,709,375
	SUB-TOTAL	185,900 SHARES	6,715,638
30,000	FOREMOST CORP. OF AMERICA	SIEBEL CAPITAL	742,500
39,700	FRUEHAUF CORP	FRED ALGER	1,210,850
45,000	GANNETT INC	ALLIANCE CAPITAL	1,878,750

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
31,400	GENERAL ELECTRIC CO	FRED ALGER	\$ 1,648,500
33,000		INVESTMENT ADVISORS	1,732,500
25,000		SIEBEL CAPITAL	1,312,500
	SUB-TOTAL	89,400 SHARES	4,693,500
14,000	GENERAL MOTORS CORP	FRED ALGER	915,250
34,000		ALLIANCE CAPITAL	2,222,750
31,700		HELLMAN JORDAN	2,072,388
26,000		INVESTMENT ADVISORS	1,699,750
	SUB-TOTAL	105,700 SHARES	6,910,138
108,600	GENERAL PUBLIC UTIL. CORP	TRUSTEE & INVESTORS	977,400
35,000	GENERAL RE CORP	LOOMIS SAYLES	2,008,125
22,000	GENERAL SIGNAL CORP	INVESTMENT ADVISORS	962,500
62,100	GENSTAR LTD.	TRUSTEE & INVESTORS	1,040,175
5,000	GENUINE PARTS CO	FORSTMANN LEFF	137,500
43,300	GEORGIA PACIFIC CORP	FORSTMANN LEFF	822,700
33,800	GOODYEAR TIRE & RUBBER	FORSTMANN LEFF	870,350
40,000	GOULD INC	TRUSTEE & INVESTORS	1,050,000
32,500	GR. AMER. FED. SVGS. BANK	INVESTMENT ADVISORS	292,500
45,000	GREAT NORTHN NEKOOSA CORP	LOOMIS SAYLES	1,530,000
34,000	GRUMMAN CORP	TRUSTEE & INVESTORS	884,000
29,000	GUILFORD MILLS	HERBERT R. SMITH	616,250
85,000	GULF & WESTERN IND	FRED ALGER	2,486,250
28,900		HERBERT R. SMITH	845,325
40,600		TRUSTEE & INVESTORS	1,187,550
	SUB-TOTAL	154,500 SHARES	4,519,125
10,000	HALLIBURTON INC	HELLMAN JORDAN	336,250
25,000		TRUSTEE & INVESTORS	840,625
	SUB-TOTAL	35,000 SHARES	1,176,875
71,700	HECLA INC	TRUSTEE & INVESTORS	1,209,938
35,000	HERCULES INC	IDS ADVISORY	1,045,625
8,000	HEWLETT PACKARD CO	HELLMAN JORDAN	292,000
35,000		TRUSTEE & INVESTORS	1,277,500
	SUB-TOTAL	43,000 SHARES	1,569,500
16,500	HOLIDAY INNS	FORSTMANN LEFF	709,500
20,000	HOME DEPOT INC	IDS ADVISORY	452,500
18,200	HONEYWELL INC	FORSTMANN LEFF	962,325
8,000	HOUSTON NAT. GAS CORP	HELLMAN JORDAN	385,000
8,000		HERBERT R. SMITH	385,000
8,000		TRUSTEE & INVESTORS	385,000
	SUB-TOTAL	24,000 SHARES	1,155,000
52,100	HUGHES TOOL	TRUSTEE & INVESTORS	827,088
28,500	HUMANA INC	FORSTMANN LEFF	758,813
16,600		HERBERT R. SMITH	441,975
	SUB-TOTAL	45,100 SHARES	1,200,788
48,600	ILLINOIS POWER CORP	HELLMAN JORDAN	899,100

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
33,000	INTEGRATED RESOURCES INC	SIEBEL CAPITAL	\$ 701,250
41,500	INTEL CORP	ALLIANCE CAPITAL	1,255,375
39,000		TRUSTEE & INVESTORS	1,179,750
	SUB-TOTAL	80,500	2,435,125
20,000	INTERGRAPH CORP	IDS ADVISORY	870,000
50,000		LOOMIS SAYLES	2,175,000
	SUB-TOTAL	70,000 SHARES	3,045,000
20,000	INTL. BUSINESS MACHINES	FRED ALGER	2,115,000
22,000		ALLIANCE CAPITAL	2,326,500
15,000		HELLMAN JORDAN	1,586,250
18,000		IDS ADVISORY	1,903,500
20,000		INVESTMENT ADVISORS	2,115,000
26,291		SIEBEL CAPITAL	2,780,273
	SUB-TOTAL	121,291 SHARES	12,826,523
19,000	INTL. PAPER CO	HELLMAN JORDAN	923,875
12,000	JEFFERSON PILOT CORP	SIEBEL CAPITAL	363,000
31,000	JOHNSON & JOHNSON	FORSTMANN LEFF	930,000
21,900	JWT GROUP INC	SIEBEL CAPITAL	810,300
49,300	K MART CORP	FRED ALGER	1,528,300
70,000		FORSTMANN LEFF	2,170,000
	SUB-TOTAL	119,300	3,698,300
41,800	KASLER CORP	HERBERT R. SMITH	627,000
36,400	KENTRON INTL. INC	HERBERT R. SMITH	154,700
38,000	KNIGHT RIDDER INC	IDS ADVISORY	1,030,750
285,000	LAFARGE CORP	BEUTEL GOODMAN	2,956,875
20,200	LEVI STRAUSS & CO	IDS ADVISORY	578,225
40,000	LEVITZ FURNITURE	FRED ALGER	1,200,000
40,000	LIMITED INC	ALLIANCE CAPITAL	780,000
70,000	LIN BROADCAST. CORP	ALLIANCE CAPITAL	1,513,750
11,800	LITTON INDS INC	HERBERT R. SMITH	867,300
35,000	LOCKHEED AIRCRAFT CORP	IDS ADVISORY	1,373,750
60,000		LOOMIS SAYLES	2,355,000
25,000		SIEBEL CAPITAL	981,250
13,200		HERBERT R. SMITH	518,100
14,800		TRUSTEE & INVESTORS	580,900
	SUB-TOTAL	148,000 SHARES	5,809,000
19,800	LOEWS CORP	FRED ALGER	1,593,900
9,900		SIEBEL CAPITAL	796,950
	SUB-TOTAL	29,700 SHARES	2,390,850
16,000	LOGICON INC	SIEBEL CAPITAL	364,000
24,800	LONE STAR INDUSTRIES	TRUSTEE & INVESTORS	489,800
18,600	LOUISIANA LD & EXPL CO	HERBERT R. SMITH	546,375
180,400	LTV CORP	BEUTEL GOODMAN	2,142,250
30,000		HELLMAN JORDAN	356,250
	SUB-TOTAL	210,400 SHARES	2,498,500

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
28,080	LTV CORP CV PFD 1.25 SER.D	BEUTEL GOODMAN	\$ 449,280
26,200	LUBRIZOL CORP	IDS ADVISORY	569,850
21,700	M/A COM	TRUSTEE & INVESTORS	396,025
43,700	MACHINE TECHNOLOGY	HERBERT R. SMITH	284,050
67,000	MACK TRUCKS INC	IDS ADVISORY	1,030,125
30,000	MACY R.H. & CO	ALLIANCE CAPITAL	1,462,500
16,100		SIEBEL CAPITAL	784,875
	SUB-TOTAL	46,100 SHARES	2,247,375
10,000	MANUFACTURERS HANOVER CORP	TRUSTEE & INVESTORS	247,500
10,000	MARRIOTT CORP	INVESTMENT ADVISORS	681,250
20,000	MARSH & MCCLENNAN	IDS ADVISORY	870,000
5,000	MATH. APPLICATION GROUP	HERBERT R. SMITH	30,000
7,300	MAY DEPT. STORES CO	HERBERT R. SMITH	413,363
40,000	MCA INC	ALLIANCE CAPITAL	1,740,000
28,900	MCDONALDS CORP	FRED ALGER	1,983,263
17,400		FORSTMANN LEFF	1,194,075
22,000		INVESTMENT ADVISORS	1,509,750
	SUB-TOTAL	68,300 SHARES	4,687,088
26,800	MCGRAW HILL INC	FRED ALGER	1,139,000
34,000		TRUSTEE & INVESTORS	1,445,000
	SUB-TOTAL	60,800 SHARES	2,584,000
95,000	MCI COMMUNICATION	ALLIANCE CAPITAL	712,500
3,000	MELRIDGE INC	HERBERT R. SMITH	23,625
11,400	MELVILLE CORP	HERBERT R. SMITH	408,975
30,000	MERCANTILE TEXAS CORP	IDS ADVISORY	607,500
30,000		SIEBEL CAPITAL	607,500
	SUB-TOTAL	60,000 SHARES	1,215,000
13,000	MEREDITH CORP	SIEBEL CAPITAL	562,250
25,000	MERRILL LYNCH & CO INC	HELLMAN JORDAN	671,875
51,000		TRUSTEE & INVESTORS	1,370,625
	SUB-TOTAL	76,000 SHARES	2,042,500
50,000	MILLER HERMAN INC	IDS ADVISORY	1,237,500
102,100	MIN. & RES. LTD. ADR	TRUSTEE & INVESTORS	791,275
50,000	MOBIL CORP	TRUSTEE & INVESTORS	1,325,000
54,000	MONSANTO CO	BEUTEL GOODMAN	2,335,500
10,000		HELLMAN JORDAN	432,500
	SUB-TOTAL	64,000 SHARES	2,768,000
20,000	MORGAN J P & CO INC	INVESTMENT ADVISORS	1,242,500
45,600	MOTOROLA INC	FRED ALGER	1,521,900
45,000		ALLIANCE CAPITAL	1,501,875
36,000		IDS ADVISORY	1,201,500
6,000		SIEBEL CAPITAL	200,250
42,000		TRUSTEE & INVESTORS	1,401,750
	SUB-TOTAL	174,600 SHARES	5,827,275

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
45,000	MULTIMEDIA INC	ALLIANCE CAPITAL	\$ 1,743,750
5,000	NATIONAL BANKSHARES CORP	HERBERT R. SMITH	106,250
25,600	NATIONAL MED CARE INC	HERBERT R. SMITH	348,800
63,300	NATL. SEMICONDUCTOR	FORSTMANN LEFF	775,425
60,000	NCR CORP	FRED ALGER	1,470,000
56,000		FORSTMANN LEFF	1,372,000
	SUB-TOTAL	116,000 SHARES	2,842,000
20,000	NORTHERN TELECOM LTD	ALLIANCE CAPITAL	672,500
4,600	NORTHROP CORP	HERBERT R. SMITH	427,800
45,000	NORTHWEST AIRLINES	ALLIANCE CAPITAL	1,659,375
13,000		FORSTMANN LEFF	479,375
	SUB-TOTAL	58,000 SHARES	2,138,750
40,000	NORWEST CORP	INVESTMENT ADVISORS	1,005,000
50,800	NOVAR ELECTRONICS	HERBERT R. SMITH	482,600
25,000	NYNEX	INVESTMENT ADVISORS	1,512,500
23,300	OVERNITE TRANSPORT	HERBERT R. SMITH	460,175
7,000	PACIFIC TELESIS GROUP	HELLMAN JORDAN	380,625
13,000	PAINE WEBBER	FRED ALGER	396,500
20,000	PENN CENTRAL CORP	SIEBEL CAPITAL	925,000
10,300		HERBERT R. SMITH	476,375
	SUB-TOTAL	30,300 SHARES	1,401,375
36,000	PENNSYLVANIA PWR & LT CO	IDS ADVISORY	769,500
18,100	PENNZOIL CO	TRUSTEE & INVESTORS	585,988
31,800	PFIZER INC	HELLMAN JORDAN	1,041,450
53,000		INVESTMENT ADVISORS	1,735,750
30,000		SIEBEL CAPITAL	982,500
	SUB-TOTAL	114,800 SHARES	3,759,700
10,000	PHELPS DODGE CORP PFD \$5	HELLMAN JORDAN	435,000
24,000	PHIBRO-SALOMON	ALLIANCE CAPITAL	642,000
30,000		FORSTMANN LEFF	802,500
20,000		HELLMAN JORDAN	535,000
40,000		INVESTMENT ADVISORS	1,070,000
50,000		TRUSTEE & INVESTORS	1,337,500
	SUB-TOTAL	164,000 SHARES	4,387,000
11,300	PHILLIPS PETROLEUM CO	HERBERT R. SMITH	401,150
38,000	PIER 1 IMPORTS	HERBERT R. SMITH	650,750
15,540	PIER I IMPORTS WTS 7/15/88	HERBERT R. SMITH	69,930
40,000	PIONEER HI-BRED INT'L	INVESTMENT ADVISORS	1,040,000
34,800	PITNEY BOWES INC	INVESTMENT ADVISORS	1,200,600
30,000	PROGRESSIVE CORP OHIO	ALLIANCE CAPITAL	937,500

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
5,100	RALSTON PURINA CO	IDS ADVISORY	\$ 154,913
27,800		HERBERT R. SMITH	844,425
	SUB-TOTAL	32,900 SHARES	999,338
40,000	RAYTHEON CO	INVESTMENT ADVISORS	1,520,000
39,000		TRUSTEE & INVESTORS	1,482,000
	SUB-TOTAL	79,000 SHARES	3,002,000
47,000	RCA CORP	FRED ALGER	1,486,375
36,900		FORSTMANN LEFF	1,166,963
15,000		SIEBEL CAPITAL	474,375
	SUB-TOTAL	98,900 SHARES	3,127,713
93,750	RLC CORP	HERBERT R. SMITH	773,438
43,000	ROCKWELL INTL CORP	TRUSTEE & INVESTORS	1,166,375
17,100	ROLLINS ENVIR. SVS	HERBERT R. SMITH	241,538
26,100	RORER GROUP INC	SIEBEL CAPITAL	822,150
20,000	ROYAL DUTCH PET. GLDRS	IDS ADVISORY	957,500
20,600	RYDER SYSTEMS INC	IDS ADVISORY	901,250
52,000	SAGA CORP	IDS ADVISORY	1,534,000
30,000		SIEBEL CAPITAL	885,000
	SUB-TOTAL	82,000 SHARES	2,419,000
50,000	SANDERS ASSOCIATES	LOOMIS SAYLES	2,137,500
35,000		TRUSTEE & INVESTORS	1,496,250
	SUB-TOTAL	85,000 SHARES	3,633,750
15,000	SCHLUMBERGER LTD	IDS ADVISORY	678,750
10,000		INVESTMENT ADVISORS	452,500
	SUB-TOTAL	25,000 SHARES	1,131,250
17,800	SCOTT PAPER CO	FORSTMANN LEFF	489,500
150,000	SEA CONTAINERS LTD	BEUTEL GOODMAN	3,337,500
150,000	SEACO INC	BEUTEL GOODMAN	543,750
30,000	SEARLE GD & CO	FRED ALGER	1,372,500
16,500		IDS ADVISORY	754,875
30,000		LOOMIS SAYLES	1,372,500
	SUB-TOTAL	76,500 SHARES	3,499,875
35,000	SEARS ROEBUCK & CO	FORSTMANN LEFF	1,102,500
46,000		HELLMAN JORDAN	1,449,000
38,700		TRUSTEE & INVESTORS	1,219,050
	SUB-TOTAL	119,700 SHARES	3,770,550
30,000	SECURITY PACIFIC CORP	INVESTMENT ADVISORS	1,267,500
33,000	SHARED MED. SYSTEMS CORP	IDS ADVISORY	952,875
18,700	SILVERCREST IND	HERBERT R. SMITH	100,513
82,400	SOUTHDOWN INC	BEUTEL GOODMAN	3,656,500
30,000	SOUTHERN CALIF. EDISON	IDS ADVISORY	1,106,250
99,000	SOUTHMARK CORP	SIEBEL CAPITAL	742,500
20,000	SOUTHWESTERN BELL CORP	HELLMAN JORDAN	1,117,500

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
49,350	SPARKMAN ENERGY CORP	HERBERT R. SMITH	\$ 690,900
22,900	SPERRY CORP	FORSTMANN LEFF	850,163
40,000		INVESTMENT ADVISORS	1,485,000
	SUB-TOTAL	62,900 SHARES	2,335,163
32,000	SQUIBB CORP	INVESTMENT ADVISORS	1,476,000
11,700	ST. PAUL COS. INC	IDS ADVISORY	611,325
13,700	STANDARD OIL OF CALIF	HERBERT R. SMITH	479,500
15,000	STANDARD OIL OF INDIANA	INVESTMENT ADVISORS	856,875
26,400		HERBERT R. SMITH	1,508,100
	SUB-TOTAL	41,400 SHARES	2,364,975
140,000	STERLING DRUG INC	BEUTEL GOODMAN	3,745,000
30,000	STOP & SHOP INC	ALLIANCE CAPITAL	1,323,750
35,000	STORER COMMUNICATIONS	FORSTMANN LEFF	1,404,375
80,000	SUN CHEMICAL	BEUTEL GOODMAN	2,030,000
50,000	SUPER VALU STORES INC	INVESTMENT ADVISORS	1,425,000
18,200	SYNTEX CORP	FORSTMANN LEFF	782,600
70,000	TAMBRANDS INC	BEUTEL GOODMAN	3,622,500
17,200		SIEBEL CAPITAL	890,100
	SUB-TOTAL	87,200 SHARES	4,512,600
44,700	TELEX CORP	HERBERT R. SMITH	1,195,725
19,200	TENNECO INC	TRUSTEE & INVESTORS	717,600
21,400	TEXACO INC	HERBERT R. SMITH	722,250
9,800	TEXAS COMMERCE BANKSHARES	HERBERT R. SMITH	400,575
15,000	TEXAS INSTRUMENTS	FRED ALGER	1,931,250
7,000		SIEBEL CAPITAL	901,250
6,900		HERBERT R. SMITH	888,375
5,500		TRUSTEE & INVESTORS	708,125
	SUB-TOTAL	34,400 SHARES	4,429,000
16,100	TEXAS OIL & GAS CORP	HERBERT R. SMITH	358,225
29,550	THOUSAND TRAILS	HERBERT R. SMITH	624,244
38,500	TIE COMMUNICATIONS	ALLIANCE CAPITAL	577,500
45,000	TOYS R US	ALLIANCE CAPITAL	1,991,250
45,000		LOOMIS SAYLES	1,991,250
10,600		HERBERT R. SMITH	469,050
	SUB-TOTAL	100,600 SHARES	4,451,550
62,000	TRACOR INC	INVESTMENT ADVISORS	1,472,500
87,999	TRANS WORLD AIRLINES	HELLMAN JORDAN	780,991
30,000	TRANS WORLD CORP	HELLMAN JORDAN	813,750
16,200	TRANSCO ENERGY CO	HERBERT R. SMITH	700,650
96,900	TRANSCO EXPL. PART. LTD	HERBERT R. SMITH	1,986,450
33,000	TRAVELERS CORP	HELLMAN JORDAN	940,500
43,000		TRUSTEE & INVESTORS	1,225,500
	SUB-TOTAL	76,000 SHARES	2,166,000
104,300	TYCO LABS	BEUTEL GOODMAN	3,415,825

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	ADVISOR	MARKET VALUE
10,000	U.S. STEEL PFD. 12.75	HELLMAN JORDAN	\$ 1,233,750
30,000	U.S. WEST CORP	IDS ADVISORY	1,732,500
25,000	UAL INC	INVESTMENT ADVISORS	881,250
65,000		LOOMIS SAYLES	2,291,250
	SUB-TOTAL	90,000 SHARES	3,172,500
44,350	ULTIMATE CORP	HERBERT R. SMITH	870,369
60,000	UNION CAMP CORP	LOOMIS SAYLES	2,062,500
100,000	UNION ELEC CO	IDS ADVISORY	1,275,000
14,000	UNION PACIFIC CORP	HELLMAN JORDAN	542,500
12,000		SIEBEL CAPITAL	465,000
	SUB-TOTAL	26,000 SHARES	1,007,500
42,100	UNITED CABLE TV CORP	ALLIANCE CAPITAL	1,015,663
30,000	UNITED TECHNOLOGIES CORP	INVESTMENT ADVISORS	975,000
46,000		TRUSTEE & INVESTORS	1,495,000
	SUB-TOTAL	76,000 SHARES	2,470,000
32,000	UNOCAL CORP	INVESTMENT ADVISORS	1,072,000
37,700	UTL CORP	HERBERT R. SMITH	669,175
15,200	WACHOVIA CORP	HERBERT R. SMITH	697,300
55,000	WAL-MART STORES INC	ALLIANCE CAPITAL	2,268,750
46,000		IDS ADVISORY	1,897,500
25,000		LOOMIS SAYLES	1,031,250
	SUB-TOTAL	126,000 SHARES	5,197,500
40,000	WANG LABS CL B	ALLIANCE CAPITAL	1,130,000
26,000		HELLMAN JORDAN	734,500
	SUB-TOTAL	66,000 SHARES	1,864,500
15,900	WASHINGTON POST B	FRED ALGER	1,236,225
78,300	WATKINS JOHNSON CO	FRED ALGER	1,937,925
25,000	WEST POINT PEPPERELL INC	SIEBEL CAPITAL	993,750
63,600	WESTINGHOUSE ELEC. CO	FRED ALGER	1,399,200
46,800		FORSTMANN LEFF	1,029,600
	SUB-TOTAL	110,400 SHARES	2,428,800
39,700	WEYERHEUSER CO	FORSTMANN LEFF	1,061,975
19,600	WHITEHALL CORP	HERBERT R. SMITH	445,900
50,000	WILMINGTON TRUST CO	SIEBEL CAPITAL	1,675,000
20,100	WITCO CHEMICAL CORP	HERBERT R. SMITH	635,663
23,000	WOLVERINE WORLD WIDE	HERBERT R. SMITH	313,375
36,900	XTRA CORP	FRED ALGER	844,088
TOTAL EQUITY PORTFOLIO			\$441,679,745

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
26,000	A G EDWARDS INC	\$ 585,000
95,500	ABBOTT LABS	4,166,140
2,800	ACCO WORLD CORP	78,750
9,600	ACF INDUSTRIES INC	517,200
35,000	ADOBE OIL & GAS	665,000
41,700	ADVANCED MICRO DEV	1,282,275
18,000	ADVANCED SEMI CONDUCTOR	391,500
75,400	AETNA LIFE AND CASUALTY	2,214,875
31,000	AFG INDS INC	488,250
21,000	AHMANSON H.F. CO	391,125
24,500	AIR PRODUCTS & CHEM	1,010,625
24,000	AIRBORNE FGHT CORP	432,000
45,000	ALASKA AIRLS INC	511,875
26,000	ALBERTSONS INC	656,500
70,900	ALCAN ALUMINUM LTD	1,932,025
20,000	ALCO STANDARD CORP	612,500
33,000	ALEXANDER & ALEXANDER	627,000
24,000	ALEXANDER & BALDWIN	603,000
11,000	ALLEGHANY CORP	807,125
500	ALLEGHENY & WESTERN ENERGY	6,875
41,000	ALLEGHENY BEVERAGE	594,500
17,000	ALLEGHENY INTERNATIONAL	352,750
35,600	ALLEGHENY PWR SYS INC	881,100
8,000	ALLEN GROUP INC	156,000
30,000	ALLIED BANCSHARES INC	716,250
60,750	ALLIED CORPORATION	1,921,219
15,800	ALLIED STORES CORP	663,600
40,000	ALLIS CHALMERS CORP	430,000
26,000	ALLTEL CORP	555,750
65,000	ALUMINUM CO OF AMERICA	2,210,000
51,000	AMAX INC	1,026,375
36,600	AMDAHL CORP	411,750
16,000	AMER. DISTRICT TEL	434,000
50,200	AMER. GENERAL CORP	1,041,650
54,200	AMER. INT'L. GROUP	3,170,700
67,900	AMER. MEDICAL INT'L	1,561,700
64,000	AMERADA HESS CORP	1,800,000
49,500	AMERICAN BRANDS INC	2,741,063
22,800	AMERICAN BROADCASTING	1,430,700
21,800	AMERICAN CAN CORP	1,016,425
37,000	AMERICAN CYANAMID	1,780,625
137,400	AMERICAN ELEC PWR INC	2,335,800
171,419	AMERICAN EXPRESS	4,928,296
35,000	AMERICAN FAMILY CORP	612,500
24,900	AMERICAN GREETINGS	712,763

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
53,700	AMERICAN HOSPITAL SUPPLY	\$ 1,671,413
38,000	AMERICAN MTR INNS INC	560,500
30,000	AMERICAN NATL INS CO	742,500
28,650	AMERICAN NATURAL RES	816,525
12,000	AMERICAN PETROFINA	723,000
37,950	AMERICAN STANDARD INC	944,006
47,000	AMERICAN STERILIZER	752,000
23,800	AMERICAN STORES CO	770,525
783,607	AMERICAN TEL & TEL	13,517,221
15,000	AMERIFIN CORP	504,375
74,360	AMERITECH CORP	4,833,400
17,000	AMERITRUST CORP	709,750
14,000	AMES DEPARTMENT STORES	710,500
18,000	AMETEK INC	477,000
44,500	AMF INC	728,688
30,200	AMFAC INC	664,400
79,800	AMP INC	2,553,600
34,600	AMR CORP	1,055,300
12,300	AMSTED INDS INC	356,700
31,000	ANALOG DEVICES INC	759,500
29,000	ANALOGIC CORP	369,750
23,000	ANCHOR HOCKING CORP	675,625
26,000	ANDERSON CLAYTON & CO	721,500
12,000	ANDREW CORP	399,000
21,000	ANIXTER BROS	349,125
58,000	APACHE CORP	638,000
44,000	APPLE COMPUTER	1,166,000
30,000	APPLIED MATLS INC	930,000
18,200	ARA SERVICES	834,925
90,800	ARCHER DANIELS MIDLAND	1,600,350
50,100	ARIZONA PUB SVC CO	864,225
39,000	ARKLA INC	770,250
39,000	ARMCO INC	599,625
24,800	ARMSTRONG IND. INC	635,500
27,000	ARVIN INDS INC	600,750
15,000	ASA LTD	862,500
71,000	ASAMERA INC	754,375
28,700	ASARCO INC	685,213
34,000	ASHLAND OIL INC	786,250
15,700	ASSOC. DRY GOODS	843,875
36,000	ATLANTIC BANCORP.	949,500
28,000	ATLANTIC CITY ELEC CO	581,000
201,200	ATLANTIC RICHFIELD	9,154,600
1,000	ATWOOD OCEANICS INC	16,500
12,000	AUGAT INC	360,000

MINNESOTA STATE BOARD OF INVESTMENT
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 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
27,300	AUTOMATIC DATA PROCESSING	\$ 969,150
27,000	AVANTEK INC	604,125
21,000	AVCO CORP	624,750
22,000	AVERY INTL. CORP	561,000
27,000	AVNET INC	891,000
101,200	AVON PRODS INC	2,226,400
24,000	AVX CORP	486,000
23,600	AXIA INC	575,250
16,000	AYDIN CORP	430,000
20,500	BAIRNCO CORP	684,188
52,200	BAKER INTL. CORP	939,600
32,800	BALLY MFG CO	709,300
28,500	BALTIMORE GAS & ELECTRIC	908,438
31,900	BANC ONE CORP	697,813
30,000	BANCOHIO CORP	956,250
11,000	BANDAG INC	500,500
11,000	BANK BOSTON CORP	338,250
20,000	BANK OF NY CO INC	540,000
111,600	BANKAMERICA CORP	1,771,650
28,200	BANKERS TRUST NY CORP	1,085,700
17,000	BARD C.R. INC	425,000
20,000	BARNETT BKS FLORIDA	697,500
26,000	BARRY WRIGHT CORP	702,000
14,000	BASSETT FURNITURE INC	448,000
24,800	BAUSCH & LOMB INC	499,100
105,100	BAXTER TRAVENOL LABS	1,615,913
18,000	BAYBANKS INC	630,000
92,100	BEATRICE FOODS CO	2,440,650
12,000	BECTON DICKINSON & CO	399,000
28,400	BELL & HOWELL CO	738,400
74,360	BELL ATLANTIC CORP	5,047,185
177,000	BELL CANADA ENTERPRISE	4,115,250
243,080	BELL SOUTH CORP	6,745,470
18,000	BELO A H CORP	846,000
11,000	BENEFICIAL CORP	277,750
25,000	BERGEN BRUNSWIG CORP	556,250
26,000	BEST PRODUCTS	383,500
35,100	BETHLEHEM STEEL	671,288
13,000	BETZ LABS INC	383,500
19,000	BEVERLY ENTERPRISES	520,125
35,000	BIG THREE INDUSTRIES	813,750
43,500	BLACK & DECKER MFG CO	984,188
14,000	BLOCK H & R INC	549,500
13,400	BLOUNT INC	189,275
11,000	BLUE BELL INC	481,250

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
37,000	BOB EVANS FARMS INC	\$ 601,250
73,350	BOEING CO	3,209,063
21,000	BOISE CASCADE CORP	716,625
25,800	BORDEN INC	1,489,950
64,100	BORG-WARNER	1,201,875
24,000	BOSTON EDISON CO	639,000
21,300	BRASCAN LTD	487,238
17,000	BRIGGS & STRATTON CO	459,000
103,000	BRISTOL-MYERS CO	4,841,000
21,000	BROOKLYN UN GAS CO	624,750
35,000	BROOKS FASHION STORE	888,125
17,000	BROWN GROUP	450,500
30,600	BROWNING FERRIS INDS	898,875
23,100	BRUNSWICK CORP	675,675
22,000	BRUSH WELLMAN INC	737,000
28,000	BUCYRUS ERIE CO	353,500
21,200	BURLINGTON INDUSTRIES	559,150
57,600	BURLINGTON NORTHERN	2,318,400
33,000	BURNDY CORP	523,875
33,800	BURROUGHS CORP	1,799,850
18,000	CABOT CORP	441,000
30,000	CALFED INC	386,250
30,900	CALL CORP	571,650
39,000	CAMERON IRON WORKS INC	638,625
50,000	CAMPBELL RED LAKES	1,243,750
33,000	CAMPBELL SOUP CO	2,062,500
30,000	CANADIAN MARCONI CO	536,250
15,000	CANADIAN PACIFIC ENTER	240,000
58,700	CANADIAN PACIFIC LTD	1,797,688
1,000	CANAL-RANDOLPH CORP	58,125
12,700	CAPITAL CITIES COMM	2,047,875
27,900	CAPITAL HOLDING CORP	920,700
33,000	CARL KARCHER ENTERPRISES	808,500
24,000	CARLISLE CORP	684,000
35,400	CARNATION	2,115,150
24,000	CAROLINA FREIGHT CORP	414,000
48,400	CAROLINA PWR & LT CO	968,000
13,800	CARPENTER TECHNOLOGY	584,775
29,800	CARTER HAWLEY HALE STORES	588,550
49,700	CASTLE & COOKE INC	621,250
70,300	CATERPILLAR TRACTOR	2,636,250
12,000	CBI INDS INC	373,500
23,000	CBS INC	1,799,750
22,000	CBT CORP	594,000
12,100	CELANESE CORP	783,475

MINNESOTA STATE BOARD OF INVESTMENT
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 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
21,000	CENTEL CORP	\$ 732,375
12,000	CENTEX CORP	291,000
56,000	CENTRAL & SO WEST CO	994,000
32,000	CENTRAL ILL LIGHT CO	672,000
41,000	CENTRAL ILL PUB SVC	630,375
34,000	CENTRAL LA ELEC CO	624,750
46,000	CENTRAL SOYA INC	730,250
26,000	CENVILL INVS INC	507,000
31,400	CERTAIN TEED PRODS CO	553,425
42,000	CESSNA AIRCRAFT CO	819,000
59,000	CETUS CORP	671,125
27,000	CFS CONTL INC	718,875
40,800	CHAMPION INTERNATIONAL	790,500
64,000	CHAMPION SPARK PLUG	560,000
28,000	CHARMING SHOPPES INC	563,500
32,000	CHARTER MED CORP	804,000
25,600	CHASE MANHATTAN CORP	1,008,000
25,500	CHEM-LAWN CORP	694,875
12,000	CHEMED CORP	352,500
55,500	CHEMICAL NEW YORK CO	1,332,000
16,000	CHESAPEAKE CORP VA	516,000
25,500	CHESEBROUGH-PONDS INC	943,500
29,000	CHI-CHIS INC	522,000
21,000	CHIEFTAIN DEV LTD	262,500
57,000	CHROMALLOY AMERN CORP	655,500
14,550	CHUBB CORP	669,300
28,200	CHURCHS FRIED CHICKEN	775,500
54,600	CIGNA CORP	1,713,075
3,000	CINCINNATI BELL INC	108,750
10,500	CINCINNATI FINL CORP	643,125
18,000	CINCINNATI MILACRON	465,750
28,000	CIPHER DATA PRODS INC	609,000
21,000	CIRCLE K CORP	525,000
94,000	CITICORP	2,878,750
20,000	CITIZENS & SOUTHN CO	485,000
28,000	CITIZENS & SOUTHN GA	381,500
31,500	CITIZENS FID CORP	685,125
22,792	CITIZENS UTILS CO DEL	632,478
55,000	CITY FED SVGS&LN ASSOC	467,500
27,600	CITY INVESTING	1,176,450
24,400	CLARK EQUIP CO	686,250
27,000	CLEVELAND CLIFFS	526,500
42,000	CLEVELAND ELEC. ILLUM	661,500
14,000	CLOROX CO	374,500
22,000	CLUETT PEABODY	572,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
50,000	CNA FINL CORP	\$ 1,162,500
25,000	COACHMEN INDS INC	346,875
20,000	COASTAL CORP	582,500
35,000	COCA COLA BOTTLING CO	682,500
116,600	COCA COLA CO	6,719,075
600	COLE NATIONAL CORP	22,350
62,000	COLGATE PALMOLIVE	1,426,000
17,600	COLLINS & AIKMAN CORP	616,000
32,000	COLLINS FOODS INTL.	596,000
16,000	COLONIAL PENN GROUP	454,000
21,800	COLT INDS INC DEL	994,625
29,400	COLUMBIA GAS SYSTEM	977,550
17,000	COMBINED INTL CORP	512,125
25,100	COMBUSTION ENGINEERING	781,238
36,000	COMDATA NETWORK INC	544,500
25,000	COMDISCO INC	318,750
23,000	COMERICA INC	612,375
48,000	COMINCO LTD	552,000
6,000	COMMERCE CLEARING HOUSE	330,000
26,000	COMMERCIAL METALS CO	455,000
22,800	COMMODORE INTL LTD	618,450
126,936	COMMONWEALTH EDISON	2,887,794
25,000	COMMUNICATIONS INDS	512,500
27,000	COMMUNICATIONS SATELLITE	631,125
28,000	COMPREHENSIVE CARE CO	570,500
27,000	COMPUGRAPHIC CORP	850,500
25,000	COMPUTER ASSOC INTL	462,500
34,500	COMPUTER SCIENCES CO	448,500
21,100	COMPUTER VISION CORP	817,625
30,000	CONAGRA INC	1,140,000
97,800	CONSOL. EDISON OF N.Y.	2,469,450
52,000	CONSOL. FOODS CORP	1,495,000
11,800	CONSOL. FREIGHTWAYS	544,275
32,000	CONSOL. NAT. GAS	1,112,000
13,000	CONSOLIDATED PAPERS	754,000
45,000	CONSUMERS PWR CO	270,000
26,000	CONTINENTAL BANCORP	702,000
28,000	CONTINENTAL CORP	766,500
31,650	CONTINENTAL GROUP INC	1,637,888
38,000	CONTINENTAL ILL. CORP	209,000
52,800	CONTINENTAL TELECOM	1,009,800
29,600	CONTROL DATA CORP	913,900
29,000	CONVERGENT TECHNOLOGY	391,500
32,600	COOPER INDS. INC	916,875
37,000	COOPER LABS INC	888,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
21,000	CORESTATES FINL CORP	\$ 708,750
16,000	CORNING GLASS WORKS	1,020,000
11,000	CORROON & BLACK CORP	283,250
23,800	COX COMMUNICATIONS INC	1,258,425
47,000	CPC INTERNATIONAL INC	1,733,125
18,000	CPT CORP	198,000
23,164	CRANE CO	816,531
12,100	CRAY RESEARCH INC	544,500
17,000	CROCKER NATIONAL CORP	278,375
24,000	CROSS & TRECKER	468,000
22,500	CROSS A T CO	556,875
17,500	CROWN CORK & SEAL	693,438
20,400	CROWN ZELLERBACH CORP	627,300
108,100	CSX CORP	2,243,075
23,000	CULLEN FROST BANKERS	713,000
18,000	CULLINET SOFTWARE INC	695,250
13,500	CUMMINS ENGINE CO	970,313
33,000	DANA CORP	763,125
50,600	DART & KRAFT INC	3,991,075
31,500	DATA GENERAL CORP	1,480,500
20,000	DATA SWITCH CORP	300,000
19,000	DATAPPOINT CORP	361,000
23,000	DATAPRODUCTS CORP	388,125
57,700	DAYTON PWR & LT CO	685,188
72,300	DAYTON-HUDSON CORP	2,268,413
21,400	DE LUXE CHECK PRINTERS	888,100
33,000	DEAN FOODS CO	849,750
51,300	DEERE & CO	1,404,338
26,000	DEKALB AGRESEARCH INC	591,500
40,500	DELMARVA PWR & LT CO	749,250
69,000	DELMED INC	483,000
29,800	DELTA AIR LINES INC	916,350
19,000	DENISON MINES LTD A	242,250
19,000	DENISON MINES LTD B	213,750
13,000	DENNYS INC	513,500
91,000	DETROIT EDISON CO	1,148,875
29,000	DEXTER CORP	576,375
98,400	DIAMOND SHAMROCK	1,820,400
96,000	DIASONICS INC	252,000
41,900	DIGITAL EQUIPMENT CO	3,519,600
47,380	DIGITAL SWITCH	1,083,818
29,700	DISNEY WALT PRODUCTIONS	1,407,038
42,000	DOME MINES LTD	483,000
66,300	DOMINION RESOURCES	1,541,475
39,000	DONALDSON LUFKIN & JEN	760,500

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
29,600	DONNELLEY RR & SONS	\$ 1,169,200
37,000	DOVER CORP	1,267,250
147,700	DOW CHEMICAL CO	4,135,600
45,000	DOW JONES & CO	1,985,625
61,600	DRESSER INDUSTRIES	1,232,000
31,000	DREYERS GRAND ICE CREAM	457,250
15,000	DREYFUS CORP	403,125
197,780	DU PONT EI DENEMOURS	9,023,713
73,400	DUKE POWER CO NC	1,798,300
43,800	DUN & BRADSTREET COS	2,595,150
55,900	DUQUESNE LIGHT CO	670,800
500	DURR FILLAUER MED INC	5,688
58,500	DYSAN CORP	511,875
28,000	E-SYSTEMS	777,000
36,100	E.F. HUTTON GROUP INC	1,078,488
27,000	EAGLE PICHER INDS INC	621,000
27,000	EASTERN GAS & FUEL	594,000
135,200	EASTMAN KODAK CO	9,362,600
23,900	EATON CORP	979,900
29,000	ECHLIN INC	641,625
29,100	ECKERD JACK CORP	676,575
26,800	ECONOMICS LAB INC	606,350
15,000	EDISON BROS STORES INC	510,000
28,900	EG & G INC	801,975
57,000	EL PASO ELEC CO	591,375
43,800	ELECTRONIC DATA SYSTEMS	1,834,125
4,000	ELECTROSPACE SYSTEMS	97,000
52,100	EMERSON ELECTRIC	3,314,863
22,000	EMERY AIR FREIGHT CO	310,750
23,000	EMHART CORP VA	669,875
30,200	EMULEX CORP	551,150
27,400	ENGLEHARD CORP	691,850
45,000	ENSERCH CORP	866,250
36,000	ENTEX	715,500
29,000	ENZO BIOCHEM INC	435,000
21,000	EQUITABLE GAS CO	698,250
23,000	ESTERLINE CORP	644,000
20,000	ETHYL CORP	437,500
45,000	EVANS & SUTHERLAND CO	787,500
19,000	EX CELL O CORP	581,875
690,400	EXXON CORP	28,133,800
27,000	FABERGE INC	806,625
37,000	FAIRCHILD INDS INC	633,625
10,000	FALCONBRIDGE LTD	440,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
34,000	FAMILY DOLLAR STORES INC	\$ 731,000
35,700	FARM FRESH INC	566,738
29,000	FARMERS GROUP INC	1,116,500
21,000	FEDERAL CO	685,125
33,000	FEDERAL EXPRESS CORP	1,150,875
49,500	FEDERAL NATL. MTG	624,938
16,000	FEDERAL PAPER BRD INC	604,000
21,000	FEDERAL-MOGUL CORP	714,000
36,400	FEDERATED DEPT. STORES	1,747,200
10,000	FERRO CORP	252,500
18,000	FIDELCOR	690,750
26,000	FIRESTONE TIRE & RUBBER	445,250
36,000	FIRST ALA BANCSHARES	648,000
38,500	FIRST ATLANTA CORP	750,750
25,600	FIRST BANK SYSTEM	592,000
14,700	FIRST BOSTON INC	595,350
35,300	FIRST CHICAGO CORP	732,475
35,000	FIRST CITY BANKCORP	560,000
47,600	FIRST EXECUTIVE CORP	511,700
38,500	FIRST INTERSTATE BANCORP	1,207,938
17,900	FIRST KY NATL CORP	501,200
15,700	FIRST NATL ST BANCORP	561,275
29,000	FIRST SEC CORP DEL	540,125
5,000	FIRST TENN NATL CORP	120,625
27,000	FIRST UNION CORP	702,000
8,000	FLEET FINANCIAL GROUP	326,000
27,900	FLEETWOOD ENTER. INC	477,788
26,200	FLEMING COS	694,300
23,000	FLIGHTSAFETY INTL INC	557,750
54,000	FLOATING POINT SYS INC	891,000
19,000	FLORIDA NATL BKS FLA	793,250
41,800	FLORIDA POWER & LIGHT	1,515,250
35,000	FLORIDA PROGRESS CORP	673,750
35,000	FLOWERS INDUSTRIES	682,500
55,000	FLUOR CORP	941,875
25,000	FMC CORP	1,215,625
152,150	FORD MOTOR CO	5,496,419
27,000	FOREST OIL CORP	681,750
23,000	FORT HOWARD PAPER CO	1,256,375
47,000	FOSTER WHEELER CORP	540,500
19,000	FOXBORO CO	572,375
69,000	FREEMONT-MCMORAN INC	1,173,000
42,000	FREMONT GEN CORP	656,250
15,000	FRUEHAUF CORP	457,500
24,000	FUQUA INDS INC	609,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
40,000	GAF CORP	\$ 710,000
62,100	GANNETT INC	2,592,675
30,000	GATX	855,000
33,800	GCA CORP	895,700
40,000	GEARHART INDS INC	805,000
15,000	GEICO CORP	840,000
29,000	GELCO CORP	438,625
20,400	GENCORP	762,450
17,000	GENENTECH INC	586,500
11,000	GENERAL CINEMA CORP	528,000
44,000	GENERAL DATACOMM IND	687,500
42,100	GENERAL DYNAMICS	2,210,250
356,300	GENERAL ELECTRIC CO	18,705,750
49,300	GENERAL FOODS CORP	2,693,013
45,750	GENERAL HOST CORP	686,250
23,800	GENERAL INSTRUMENT	505,750
52,000	GENERAL MILLS INC	2,743,000
257,400	GENERAL MOTORS CORP	16,827,525
57,000	GENERAL NUTRITION INC	349,125
45,000	GENERAL PUBLIC UTILITIES	405,000
34,100	GENERAL RE CORP	1,956,488
26,000	GENERAL SIGNAL CORP	1,137,500
77,000	GENETIC SYS CORP	442,750
17,800	GENRAD INC	409,400
16,000	GENSTAR LTD	268,000
41,100	GENUINE PARTS CO	1,130,250
14,200	GEORGE A HORMEL & CO	379,850
78,800	GEORGIA PACIFIC CORP	1,497,200
14,700	GERBER PRODUCTS CO	580,650
23,700	GILLETTE CO	1,107,975
21,000	GOLDEN WEST FINANCIAL	244,125
25,100	GOODRICH (B.F.)	677,700
79,600	GOODYEAR TIRE & RUBBER	2,049,700
34,400	GOULD INC	903,000
35,000	GOULDS PUMPS INC	621,250
39,800	GR. WESTERN FINANCIAL	706,450
36,700	GRACE W R & CO	1,587,275
10,000	GRAINGER W W INC	516,250
40,000	GREAT ATLANTIC & PACIFIC	640,000
26,400	GREAT LAKES CHEMICAL	864,600
19,000	GREAT NORTHN NEKOOSA	646,000
36,200	GREYHOUND CORP	809,975
35,335	GROW CHEMICAL CORP	525,608
33,600	GRUMMAN CORP	873,600
144,100	GTE CORP	5,385,738

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
32,000	GUARDIAN INDS CORP	\$ 508,000
59,100	GULF & WESTERN INDUSTRIES	1,728,675
111,400	GULF BROADCASTING	891,200
63,000	GULF CDA LTD	803,250
20,000	GULF STREAM AEROSPACE	325,000
47,000	GULF STS UTILS CO	511,125
29,500	HALL FRANK B & CO INC	656,375
89,600	HALLIBURTON INC	3,012,800
44,000	HAMILTON OIL CORP	715,000
14,000	HAMMERMILL PAPER CO	616,000
38,000	HANDY & HARMAN	684,000
19,000	HANOVER INS. CO	451,250
30,000	HARCOURT BRACE JOVAN	885,000
17,000	HARLAND JOHN H CO	680,000
10,000	HARRIS BANCORP INC	778,750
30,900	HARRIS CORP	776,363
28,000	HARSCO CORP	546,000
27,000	HARTE HANKS COMM	810,000
12,500	HARTFORD NATL CORP	275,000
21,000	HARTMARK CORP	588,000
30,000	HBO & CO	630,000
91,000	HEALTHDYNE	580,125
68,700	HEINZ H.J. & CO	2,576,250
40,000	HEIZER CORP	690,000
30,000	HELMERICH & PAYNE INC	603,750
42,400	HERCULES INC	1,266,700
34,400	HERSHEY FOODS CORP	1,079,300
206,900	HEWLETT PACKARD CO	7,551,850
32,000	HILLENBRAND INDS INC	624,000
16,000	HILTON HOTELS CORP	800,000
41,800	HM FED SVG&LN ASSN	512,050
30,000	HOGAN SYSTEMS	457,500
29,000	HOLIDAY INNS	1,247,000
50,000	HOLLY CORP	575,000
16,000	HOME DEPOT INC	362,000
7,000	HOME HEALTH CARE AMER	49,875
72,250	HOMESTAKE MNG CO	1,896,563
36,400	HONEYWELL INC	1,924,650
24,400	HOOVER CO	597,800
26,000	HOOVER UNIVERSAL	591,500
63,900	HOSPITAL CORP OF AMER	2,548,013
37,000	HOUSEHOLD INTL	929,625
70,400	HOUSTON INDUSTRIES INC	1,302,400
30,900	HOUSTON NAT. GAS CORP	1,487,063
28,000	HUBBARD REAL ESTATE	609,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
21,000	HUBBELL HARVEY B.	\$ 632,625
42,900	HUGHES TOOL	681,038
98,340	HUMANA INC	2,618,303
38,500	HYBRITECH INC	539,000
9,000	I C INDUSTRIES	410,625
23,000	I M S INTL INC	707,250
21,000	IDAHO PWR CO	690,375
30,000	IDEAL BASIC INDS INC	562,500
37,400	ILLINOIS POWER CORP	691,900
24,000	ILLINOIS TOOL WORKS	576,000
19,000	IMPERIAL OIL CO LTD	496,375
72,700	INCO INC	708,825
69,000	INEXCO OIL CO	707,250
20,200	INGERSOLL RAND	808,000
30,500	INLAND STEEL CORP	667,188
40,000	INSILCO CORP	635,000
30,000	INTEGRATED RESOURCES	637,500
85,600	INTEL CORP	2,589,400
35,000	INTELLIGENT SYS CORP	481,250
6,600	INTERCO	399,300
52,500	INTERFIRST CORP	518,438
19,300	INTERGRAPH CORP	839,550
42,000	INTERMEDICS INC	556,500
26,000	INTERNATIONAL MULTIFOODS	611,000
33,600	INTERNORTH INC	1,222,200
28,000	INTERPUBLIC GROUP	917,000
485,772	INTL. BUSINESS MACHINES	51,370,389
37,200	INTL. FLAVORS & FRAG	962,550
26,700	INTL. MINERALS & CHEM	961,200
37,100	INTL. PAPER CO	1,803,988
26,000	IOWA ILL GAS & ELEC	591,500
24,000	IOWA RESOURCES INC	618,000
15,000	IPALCO ENTERPRISES	408,750
14,000	IRVING BK CORP	700,000
44,000	ISC SYS CORP	671,000
107,800	ITT CORP	3,382,225
26,000	IU INTL CORP	461,500
21,000	JAMES RIVER CORP VA	572,250
27,000	JEFFERSON PILOT CORP	816,750
40,000	JERRICO INC	570,000
11,000	JEWEL COMPANIES	792,000
163,500	JOHNSON & JOHNSON	4,905,000
14,000	JOHNSON CONTROLS	614,250
21,000	JONATHAN LOGAN	538,125
24,000	JOSTENS INC	603,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
17,000	JOY MFG CO	\$ 388,875
92,500	K MART CORP	2,867,500
22,000	K N ENERGY INC	662,750
32,800	KAISER ALUM & CHEM CO	475,600
54,000	KANEB SERVICES	756,000
35,000	KANSAS CITY PWR & LT	520,625
6,100	KANSAS CITY SO. IND	280,600
38,000	KANSAS GAS & ELEC CO	489,250
23,000	KANSAS PWR & LT CO	695,750
21,000	KATY INDS INC	446,250
42,000	KAUFMAN & BROAD INC	456,750
20,500	KAYDON CORP	133,250
73,000	KELLOGG CO	2,290,375
16,022	KEMPER CORP	556,765
19,000	KENNAMETAL INC	451,250
29,000	KENTUCKY UTILS CO	609,000
39,000	KERR MCGEE CORP	1,218,750
31,000	KEY PHARMACEUTICAL	383,625
30,000	KIDDE INC	858,750
35,000	KIMBERLY CLARK CORP	1,408,750
44,200	KLA INSTRS CORP	994,500
10,600	KLM ROYAL DUTCH AIR	532,650
45,000	KNIGHT RIDDER INC	1,220,625
33,000	KOPPERS INC	618,750
27,000	KROGER CO	894,375
24,000	KROY INC	246,000
25,000	LA QUINTA MTR INNS INC	375,000
25,000	LANCE INC	668,750
12,500	LANDMARK BKG CORP	184,375
48,000	LAWTER INTL INC	624,000
15,000	LEAR SIEGLER INC	648,750
44,000	LEE DATA CORP	456,500
30,300	LEVI STRAUSS & CO	867,338
17,000	LEVITZ FURNITURE	510,000
16,000	LIBBEY OWENS FORD CO	720,000
30,000	LIEBERT CORP	592,500
54,900	LILLY ELI & CO	3,328,313
52,700	LIMITED INC	1,027,650
48,000	LIN BROADCASTING CORP	1,038,000
32,000	LINCOLN NATL CORP INC	976,000
30,700	LITTON INDS INC	2,256,450
21,000	LIZ CLAIBORNE INC	840,000
47,670	LOCKHEED AIRCRAFT CO	1,871,048
20,000	LOCTITE CORP	710,000
20,750	LOEWS CORP	1,670,375

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
26,000	LOMAS & NETTLETON FINL.	\$ 611,000
25,000	LONE STAR INDUSTRIES	493,750
13,000	LONG DRUG STORES INC	485,875
20,000	LORAL CORP	492,500
16,000	LOUISIANA LD & EXPL	470,000
20,600	LOUISIANA PAC. CORP	375,950
28,000	LOUISVILLE GAS & ELEC	640,500
35,200	LOWES CO	748,000
94,000	LTV CORP	1,116,250
10,620	LTV CORP CV PFD	169,920
37,000	LUBRIZOL CORP	804,750
37,600	LUCKY STORES	606,300
42,000	M/A COM	766,500
32,400	MACK TRUCKS INC	498,150
39,000	MACY R.H. & CO	1,901,250
16,000	MAGIC CHEF INC	402,000
21,000	MALONE & HYDE INC	729,750
35,500	MANUFACTURERS HANOVER	878,625
27,000	MAPCO INC	712,125
33,000	MARINE MIDLAND BKS INC	651,750
27,900	MARION LABS INC	1,074,150
20,800	MARRIOTT CORP	1,417,000
27,000	MARSH & MCCLENNAN	1,174,500
22,000	MARSHALL INDUSTRIES	508,750
27,400	MARTIN MARIETTA	893,925
32,000	MARY KAY COSMETICS	328,000
42,500	MASCO CORP	1,110,313
25,000	MATRIX CORP N J	600,000
21,900	MAY DEPT. STORES CO	1,240,088
8,000	MAYTAG CO	305,000
36,400	MCA INC	1,583,400
22,000	MCCORMICK & CO INC	723,250
20,000	MCDERMOTT INTL INC	512,500
44,950	MCDONALDS CORP	3,084,694
30,400	MCDONNELL DOUGLAS CO	1,702,400
1,500	MCFARLAND ENERGY INC	23,438
18,000	MCGRAW EDISON CO	607,500
33,000	MCGRAW HILL INC	1,402,500
173,300	MCI COMMUNICATION	1,299,750
8,000	MCINTYRE MINES LTD	181,000
9,000	MCKESSON CORP	313,875
22,300	MEAD CORP	713,600
11,000	MEDIA GENERAL INC	594,000
30,900	MEDTRONIC INC	784,088
19,000	MEI CORP	719,625

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
22,000	MELLON NATIONAL CORP	\$ 825,000
48,700	MELVILLE CORP	1,747,113
15,000	MERCANTILE BANCORP	354,375
11,000	MERCANTILE STORES INC	567,875
29,600	MERCANTILE TEXAS CORP	599,400
60,300	MERCK & CO INC	5,577,750
15,000	MEREDITH CORP	648,750
22,000	MERIDIAN BANCORP INC	665,500
62,900	MERRILL LYNCH & CO	1,690,438
33,700	MGMT. SCIENCE AMER	665,575
15,000	MICOM SYS INC	581,250
24,000	MIDCON CORP	828,000
120,900	MIDDLE SOUTH UTILS	1,284,563
35,000	MIDLAND ROSS CORP	695,625
16,000	MIDLANTIC BKS INC	356,000
25,400	MILLER HERMAN INC	628,650
22,000	MILLIPORE CORP	594,000
91,400	MINNESOTA MNG & MFG	7,049,225
25,000	MINNESOTA PWR & LT CO	640,625
45,100	MISSION INS GROUP INC	648,313
26,000	MITCHELL ENERGY	500,500
47,000	MITEL CORP	317,250
334,300	MOBIL CORP	8,858,950
18,800	MOLEX INC	737,900
17,000	MONARCH CAPITAL CORP	575,875
52,900	MONOLITHIC MEMORIES	972,038
60,400	MONSANTO CO	2,612,300
25,000	MONTANA PWR CO	634,375
29,100	MOORE CORP LTD	1,109,438
10,000	MOORE MCCORMACK RES	207,500
30,700	MORGAN J P & CO	1,907,238
23,000	MORRISON KNUDSEN INC	646,875
10,000	MORTON THIOKOL	760,000
90,700	MOTOROLA INC	3,027,113
26,000	MOUNTAIN FUEL SUPPLY	715,000
18,000	MULTIMEDIA INC	697,500
25,000	MURPHY OIL	818,750
41,500	MYLAN LABS INC	1,120,500
63,200	NABISCO BRANDS	2,907,200
30,000	NALCO CHEMICAL CO	712,500
21,000	NATIONAL CITY CORP	598,500
35,000	NATIONAL CONVENIENCE	555,625
33,000	NATIONAL DATA CORP	474,375
28,000	NATIONAL DISTILLERS	773,500
19,500	NATIONAL GYPSUM CO	582,563

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
20,300	NATIONAL INTERGROUP	\$ 530,338
47,000	NATIONAL MED CARE INC	640,375
27,900	NATIONAL SVC INDS INC	662,625
38,800	NATL PATENT DEVEL CO	620,800
49,375	NATL. MED. ENTER. INC	1,030,703
64,300	NATL. SEMICONDUCTOR	787,675
16,000	NBD BANCORP INC	648,000
18,000	NBI INC	382,500
26,000	NCNB CORP	624,000
82,400	NCR CORP	2,018,800
22,000	NETWORK SYSTEMS CORP	511,500
26,000	NEVADA PWR CO	643,500
20,500	NEW ENGLAND BUSINESS	563,750
16,069	NEW ENGLAND ELEC SYS	520,234
37,000	NEW YORK ST ELEC & GAS	656,750
40,800	NEW YORK TIMES CO	1,280,100
21,000	NEWHALL LD & FARMING	708,750
25,700	NEWMONT MINING	950,900
76,400	NIAGARA MOHAWK PWR CO	1,069,600
23,100	NICOR INC	603,488
20,000	NIELSEN A C CO	1,002,500
46,000	NIKE INC	460,000
29,300	NL INDUSTRIES	391,888
23,400	NO. AMERICAN PHILIPS	751,725
23,294	NO. STS. POWER CO MINN	864,790
51,000	NOBLE AFFILIATES INC	803,250
18,000	NORDSTROM INC	589,500
47,600	NORFOLK SOUTHERN CORP	2,427,600
18,900	NORSTAR BANCORP	576,450
13,000	NORTH AMERN COAL CORP	620,750
53,000	NORTHEAST UTILITIES	602,875
50,200	NORTHERN IND PUB SVC	690,250
39,000	NORTHERN TELECOM LTD	1,311,375
11,500	NORTHROP CORP	1,069,500
16,400	NORTHWEST AIRLINES	604,750
20,300	NORTHWEST INDS INC	984,550
11,000	NORTON CO	357,500
30,700	NORWEST CORP	771,338
18,000	NOXELL CORP	630,000
23,000	NUCOR CORP	684,250
70,000	NUTRI SYSTEMS INC	420,000
74,360	NYNEX	4,498,780
72,800	OCCIDENTAL PET CORP	2,083,900
39,000	OCEAN DRILLING & EXPL	1,043,250
24,000	OGDEN CORP	672,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
14,000	OHIO CAS CORP	\$ 558,250
106,200	OHIO EDISON CO	1,062,000
19,000	OHIO MATTRESS CO	287,375
33,000	OKLAHOMA GAS & ELEC	664,125
21,000	OLD REP INTL CORP	685,125
27,400	OLIN CORP	746,650
25,000	OMNICARE INC	393,750
24,000	ONEOK INC	681,000
24,900	OPTICAL RADIATION CO	958,650
26,600	OUTBOARD MARINE CORP	548,625
16,000	OVERNITE TRANSPORTATION	316,000
34,000	OVERSEAS SHIPHOLDING	522,750
16,300	OWENS CORNING FIBER	427,875
21,500	OWENS ILLINOIS INC	795,500
34,000	OXFORD INDS INC	467,500
14,000	PACCAR INC	570,500
222,600	PACIFIC GAS & ELEC	3,060,750
26,000	PACIFIC LUMBER CO	565,500
24,800	PACIFIC LTG CORP	824,600
74,360	PACIFIC TELESIS GROUP	4,043,325
43,100	PACIFICORP	958,975
18,100	PAINE WEBBER	552,050
24,300	PALL CORP	817,088
28,500	PANDICK INC	463,125
31,900	PANHANDLE EASTERN CORP	1,100,550
68,400	PARADYNE CORP	880,650
90,000	PARKER DRILLING CO	821,250
21,000	PARKER HANNIFIN CORP	632,625
36,000	PARKER PEN CO	526,500
15,000	PARSONS CORP	363,750
25,000	PAY N SAVE CORP	431,250
30,000	PAYLESS CASHWAYS	491,250
23,600	PENN CENT CORP	1,091,500
56,200	PENNEY J.C. INC	2,852,150
51,600	PENNSYLVANIA PWR & LIGHT	1,102,950
16,000	PENNWALT CORP	546,000
37,000	PENNZOIL CO	1,197,875
26,000	PENTAIR INC	650,000
44,000	PEOPLES ENERGY CORP	423,500
30,000	PEOPLES EXPRESS AIRLINES	333,750
25,000	PEP BOYS MANNY MOE	675,000
87,600	PEPSICO INC	3,657,300
33,500	PERKIN ELMER	695,125
25,000	PETRIE STORES CORP	806,250
58,000	PETROLANE INC	1,123,750

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
24,000	PETROLITE CORP	\$ 642,000
119,800	PFIZER INC	3,923,450
27,700	PHELPS DODGE	477,825
21,000	PHH GROUP INC	409,500
108,700	PHIBRO-SALOMON	2,907,725
105,200	PHILADELPHIA ELEC. CO	1,315,000
116,100	PHILLIPS PETROLEUM CO	4,121,550
35,000	PIC'N SAVE CORP	691,250
12,000	PIEDMONT AVIATION	351,000
32,100	PILLSBURY CO	1,195,725
20,000	PIONEER CORP	542,500
30,000	PIONEER HI-BRED INTL	780,000
27,600	PITNEY BOWES INC	952,200
47,000	PITTSTON CO	552,250
30,600	PNC FINANCIAL	1,147,500
29,000	PNEUMO CORP	797,500
30,000	POGO PRODUCING CO	592,500
13,900	POLAROID CORP	378,775
23,000	POLICY MGMT. SYS. CO	678,500
27,000	PONDEROSA SYSTEM INC	526,500
24,300	POPE & TALBOT	388,800
46,000	PORTLAND GEN ELEC CO	655,500
20,000	POTLATCH CORP	555,000
33,000	POTOMAC ELEC. & POWER	676,500
53,500	PPG INDUSTRIES INC	1,491,313
20,000	PREMIER INDL CORP	617,500
14,000	PRENTICE HALL INC	605,500
12,000	PRICE CO	468,000
37,400	PRIME COMPUTER INC	500,225
30,000	PRIME MTR INNS INC	615,000
126,200	PROCTOR & GAMBLE	6,609,725
11,000	PROVIDENT LIFE & ACC	753,500
28,000	PSA INC	546,000
35,000	PUBLIC SVC CO COLORADO	612,500
35,000	PUBLIC SVC CO N MEXICO	765,625
75,300	PUBLIC SVC ELEC & GEORGIA	1,618,950
59,000	PUGET SOUND PWR & LIGHT	612,125
33,700	PULTE HOME CORP	417,038
11,000	PUROLATOR	354,750
15,500	QUAKER OATS CO	988,125
47,400	QUAKER ST OIL REFINING	770,250
34,200	QUOTRON SYSTEMS INC	367,650
20,000	R.P.M. INC OHIO	270,000
5,000	R10 GRANDE INDS INC	209,375
20,000	RAINIER BANCORP	732,500

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 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
91,200	RALSTON PURINA CO	\$ 2,770,200
77,000	RANGER OIL LTD	519,750
34,000	RANSBURG CORP	518,500
6,000	RAYCHEM CORP	324,000
65,700	RAYTHEON CO	2,496,600
58,900	RCA CORP	1,862,713
65,000	READING & BATES CORP	723,125
40,000	REDMAN INDS INC	375,000
58,000	REEVES COMMUNICATION	406,000
25,000	REPUBLIC BANK CORP	662,500
23,300	REPUBLIC N Y CORP	751,425
11,000	RESORTS INTL	389,125
24,350	REVCO D.S.	681,800
27,700	REVLON INC	1,076,838
45,000	REXNORD INC	686,250
20,000	REYNOLDS & REYNOLDS	575,000
21,000	REYNOLDS METALS CO	590,625
24,000	RICHARDSON VICKS	639,000
51,000	RITE AID CORP	1,051,875
39,800	ROADWAY SVCS INC	1,024,850
18,500	ROBERTSON H H CO	783,938
44,100	ROBINS A.H. INC	628,425
39,000	ROCHESTER GAS & ELECTRIC	541,125
22,000	ROCHESTER TEL CORP	624,250
116,900	ROCKWELL INTL CORP	3,170,913
19,800	ROHM & HAAS CO	1,059,300
19,800	ROHR INDS INC	678,150
21,000	ROLLINS COMMUNICATION	317,625
35,000	ROLLINS INC	669,375
19,600	ROLM CORP	779,100
27,000	RORER GROUP INC	850,500
22,000	ROUSE CO	715,000
76,000	ROWAN COMPANIES INC	826,500
21,000	RPC ENERGY SVCS INC	81,375
19,000	RUBBERMAID INC	717,250
29,000	RYAN HOMES INC	551,000
19,570	RYDER SYSTEMS INC	856,188
37,000	RYKOFF S E & CO	518,000
33,000	SABINE CORP	647,625
38,400	SAFECO CORP	1,200,000
19,000	SAFETY KLEEN CORP	641,250
57,400	SAFeway STORES INC	1,320,200
18,000	SAGA CORP	531,000
37,000	SAN DIEGO GAS & ELECTRIC	666,000
21,700	SANDERS ASSOCIATES	927,675

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
146,245	SANTA FE SO. PACIFIC	\$ 3,308,793
10,900	SAVANNAH FOODS & IND	487,775
46,000	SCA SVCS INC	954,500
38,500	SCHERING PLOUGH CORP.	1,491,875
224,400	SCHLUMBERGER LTD	10,154,100
48,900	SCI SYS INC	678,488
33,000	SCIENTIFIC ATLANTA INC	288,750
27,000	SCITEX LTD	519,750
19,000	SCM CORP	752,875
27,000	SCOA INDS INC	705,375
15,300	SCOTT & FETZER CO	799,425
44,900	SCOTT PAPER CO	1,234,750
16,000	SCOVILL	384,000
41,400	SEAGATE TECHNOLOGY	424,350
24,000	SEALED POWER CORP	585,000
37,300	SEARLE GD & CO	1,706,475
283,100	SEARS ROEBUCK & CO	8,917,650
28,635	SECURITY PACIFIC CORP	1,209,829
19,400	SEDCO INC	657,175
29,400	SENSORMATIC ELECTRS	224,175
24,500	SERVICE CORP INTL	967,750
44,000	SERVICE MERCHANDISE	610,500
21,000	SERVICEMASTER INDS INC	588,000
17,000	SFN COS INC	433,500
29,000	SHAKLEE CORP	456,750
20,700	SHARED MED. SYSTEMS	597,713
10,000	SHAWMUT CORP	425,000
30,000	SHELLER GLOBE CORP	536,250
25,000	SHERWIN WILLIAMS CO	706,250
28,000	SHONEYS INC	731,500
84,500	SIGNAL COS INC	2,228,688
25,000	SINGER CO	725,000
36,000	SKYLINE CORP	445,500
43,000	SMITH INTL INC	688,000
61,800	SMITHKLINE-BECKMAN CORP	3,499,425
11,000	SMUCKER J M CO	423,500
21,200	SNAP ON TOOLS CORP	654,550
39,900	SONAT INC	1,291,763
1,000	SONOCO PRODS CO	42,000
36,000	SOUTH CAROLINA ELECTRIC	648,000
10,600	SOUTHDOWN INC	470,375
28,000	SOUTHEAST BKG CORP	619,500
88,600	SOUTHERN CALIF. EDISON	3,267,125
170,900	SOUTHERN CO	2,542,138
21,000	SOUTHERN NEW ENGLAND	637,875

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
31,000	SOUTHERN UN CO	\$ 782,750
27,874	SOUTHLAND CORP	752,598
39,000	SOUTHLAND RTY CO	536,250
21,250	SOUTHWEST AIRLINES	451,563
25,000	SOUTHWEST BANCSHARES	484,375
74,360	SOUTHWESTERN BELL CO	4,154,865
32,000	SOUTHWESTERN ENERGY	664,000
39,000	SOUTHWESTERN PUB SERVICE	726,375
21,050	SOVRAN FINANCIAL CORP	626,238
45,600	SPERRY CORP	1,692,900
21,000	SPRINGS INDS INC	753,375
22,100	SQUARE D CO	734,825
40,100	SQUIBB CORP	1,849,613
38,000	SRI CORP	532,000
26,900	ST. REGIS CORP	1,018,838
15,600	ST. PAUL COS. INC	815,100
41,000	STALEY A E MFG CO	855,875
34,000	STANDARD MTR PRODS INC	595,000
89,200	STANDARD OIL CO OHIO	3,891,350
279,900	STANDARD OIL OF CALIF	9,796,500
240,800	STANDARD OIL OF IND	13,755,700
6,000	STANDARD PRODS CO	99,000
30,700	STANLEY WKS	663,888
20,000	STATE STREET BOSTON	680,000
36,000	STAUFFER CHEMICAL CO	634,500
47,300	STERLING DRUG INC	1,265,275
27,000	STEVENS J.P.	556,875
18,000	STONE CONTAINER CORP	567,000
15,000	STOP & SHOP INC	661,875
52,000	STORAGE TECHNOLOGY	507,000
19,000	STORER COMMUNICATION	762,375
25,000	STRYKER CORP	531,250
8,000	SUBARU OF AMERICA INC	736,000
17,000	SUN BKS INC	408,000
88,400	SUN INC	4,442,100
14,800	SUNDSTRAND CORP	599,400
54,000	SUNSHINE MNG CO	607,500
28,600	SUPER VALU STORES INC	815,100
59,483	SUPERIOR OIL CO	2,520,592
19,000	SUPERMARKETS GEN CORP	460,750
22,000	SWIFT INDPT CORP	574,750
31,000	SYBRON CORP	558,000
25,600	SYNTEX CORP	1,100,800
26,000	SYSKO CORP	789,750
24,000	SYSTEMS & COMPUTER TECH	600,000

MINNESOTA STATE BOARD OF INVESTMENT
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 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
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NO. OF SHARES	SECURITY	MARKET VALUE
12,000	TAFT BROADCASTING	\$ 780,000
12,000	TAMBRANDS INC	621,000
32,600	TANDEM COMPUTERS INC	766,100
38,000	TANDON CORP	270,750
81,300	TANDY CORP	2,113,800
24,000	TECO ENERGY INC	600,000
7,000	TECUMSEH PRODS CO	556,500
7,000	TEJON RANCH CO	609,000
14,800	TEKTRONIX INC	839,900
32,600	TELE COMMUNICATIONS	627,550
87,000	TELECOM PLUS INTL CO	870,000
15,100	TELEDYNE INC	3,633,438
19,000	TELEX CORP	508,250
32,000	TELLABS INC	760,000
19,436	TEMPLE INLAND	512,625
115,300	TENNECO INC	4,309,338
18,000	TERADYNE INC	492,750
44,000	TESORO PETE CORP	731,500
195,200	TEXACO INC	6,588,000
17,000	TEXAS AMERN BANCSHARES	614,125
31,500	TEXAS COMMERCE BANKS	1,287,563
53,000	TEXAS EASTERN CORP	1,490,625
12,060	TEXAS INDUSTRIES	351,248
18,200	TEXAS INSTRUMENTS	2,343,250
158,800	TEXAS OIL & GAS CORP	3,533,300
88,200	TEXAS UTILITIES CO	1,885,275
29,700	TEXTRON INC	846,450
9,900	THOMAS & BETTS CORP	670,725
8,000	THOMPSON MED CO INC	202,000
40,000	THRIFTY CORP	620,000
36,000	TIDEWATER INC	832,500
36,400	TIE COMMUNICATIONS	546,000
40,100	TIME INC	1,604,000
53,400	TIMES MIRROR CO	1,989,150
10,200	TIMKEN CO	540,600
10,000	TODD SHIPYARDS CORP	318,750
44,000	TOLEDO EDISON CO	665,500
34,000	TORCHMARK CORP	760,750
51,000	TOYS R US	2,256,750
16,000	TRACOR INC	380,000
7,541	TRANS WORLD AIRL PFD	754
19,722	TRANS WORLD AIRLINES	175,033
21,200	TRANS WORLD CORP	575,050
48,500	TRANSAMERICA CORP	1,091,250
18,100	TRANSCO ENERGY CO	782,825

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NO. OF SHARES	SECURITY	MARKET VALUE
58,700	TRAVELERS CORP	\$ 1,672,950
20,000	TRINITY INDS INC	360,000
21,000	TRUST CO GA ATLANTA	582,750
27,300	TRW INC	1,754,025
23,500	TYCO LABS	769,625
22,000	TYLER CORP	533,500
44,000	TYSON FOODS INC	803,000
31,000	U S BANCORP	561,875
17,700	U.S. GYPSUM CO	858,450
74,360	U.S. WEST CORP	4,294,290
26,600	UAL INC	937,650
25,000	ULTIMATE CORP	490,625
500	ULTRASYSTEMS INC	9,875
44,400	UNION CAMP CORP	1,526,250
53,318	UNION CARBIDE CORP	2,719,218
95,500	UNION ELEC CO	1,217,625
89,000	UNION PACIFIC CORP	3,448,750
20,000	UNIROYAL INC	242,500
37,000	UNITED ARTISTS THEATRE	823,250
45,500	UNITED BRANDS CO	705,250
28,000	UNITED ENERGY RES INC	665,000
28,000	UNITED ILLUM CO	353,500
17,000	UNITED STATES LEASING	527,000
16,700	UNITED STATES SHOE CO	452,988
80,700	UNITED STATES STEEL CO	1,967,063
45,000	UNITED STATES SURGICAL	540,000
500	UNITED STATIONERS INC	10,500
3,000	UNITED STOCKYARDS CO	25,500
86,000	UNITED TECHNOLOGIES	2,795,000
65,200	UNITED TELECOM. INC	1,198,050
22,000	UNITED VA BANKSHARES	572,000
23,000	UNITRODE CORP	612,375
19,300	UNIVERSAL FOODS CORP	424,600
50,000	UNIVERSAL HEALTH SERVICE	587,500
131,700	UNOCAL CORP	4,411,950
24,300	UPJOHN CO	1,609,875
20,000	US AIR GROUP	545,000
36,000	US FIDELITY & GUARANTY	715,500
23,000	USLIFE CORP	580,750
31,000	UTAH POWER & LIGHT CO	639,375
32,400	V F CORP	785,700
37,000	VALERO ENERGY CORP	356,125
27,000	VALLEY NATIONAL CORP	634,500
20,000	VALUE LINE INC	665,000
19,900	VARIAN ASSOC. INC	776,100

MINNESOTA STATE BOARD OF INVESTMENT
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 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
30,000	VEECO INSTRS INC	\$ 630,000
28,000	VERBATIM CORP	283,500
22,000	VIACOM INTERNATIONAL	640,750
30,000	VICORP RESTAURANTS INC	525,000
10,000	VULCAN MATLS CO	615,000
18,000	WACHOVIA CORP	825,750
105,400	WAL-MART STORES INC	4,347,750
25,000	WALGREEN CO	865,625
22,000	WALLACE COMPUTER SERVICE	569,250
12,500	WALTER JIM CORP	307,813
104,100	WANG LABS CL B	2,940,825
22,000	WARNACO INC	533,500
52,200	WARNER COMMUNICATION	1,220,175
62,100	WARNER LAMBERT	1,948,388
26,000	WASHINGTON NATL CORP	464,750
10,000	WASHINGTON POST B	777,500
34,000	WASHINGTON WTR PWR CO	561,000
36,100	WASTE MANAGEMENT	1,177,763
24,000	WATKINS JOHNSON CO	594,000
32,000	WD 40 CO	736,000
14,000	WELLS FARGO & CO	449,750
24,000	WELLS FARGO MTG & EQTY	576,000
64,800	WENDYS INTL INC	1,109,700
25,000	WEST INC	581,250
15,000	WEST POINT PEPPERELL	596,250
7,000	WESTERN CAS. & SURTY	313,250
6,500	WESTERN PAC INDS INC	633,750
1,630	WESTERN TEL COM	22,005
17,900	WESTERN UNION CORP	411,700
132,600	WESTINGHOUSE ELEC. CO	2,917,200
27,000	WESTMORELAND COAL CO	648,000
14,700	WESTVACO CORP	499,800
33,000	WETTERAU INC	651,750
99,700	WEYERHEUSER CO	2,666,975
27,600	WHIRLPOOL CORP	1,079,850
15,000	WHITE CONS INDS INC	414,375
36,600	WHITTAKER CORP	677,100
21,000	WILLAMETTE INDS INC	498,750
16,000	WILLIAMS COS	420,000
32,200	WINN DIXIE STORES INC	921,725
85,000	WINNEBAGO IND INC	871,250
26,400	WISCONSIN ELEC. POWER	735,900
24,000	WISCONSIN PUB SVC CO	666,000
26,000	WISCONSIN PWR & LT CO	711,750
28,000	WISER OIL CO DEL	595,000

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL PASSIVE EQUITY FUND HOLDINGS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
17,000	WITCO CHEMICAL CORP	\$ 537,625
27,000	WOODS PETE CORP	621,000
23,800	WOOLWORTH F W CO	835,975
33,000	WORTHINGTON INDS INC	680,625
12,000	WRIGLEY WM JR CO	645,000
21,200	WYMAN-GORDON CO	556,500
72,100	XEROX CORP	2,766,838
32,200	XIDEX CORP	499,100
24,000	XTRA CORP	549,000
14,900	YELLOW FREIGHT SYSTEM	352,013
18,700	ZAYRE CORP	701,250
18,900	ZENITH ELECTRONICS CO	448,875
23,000	ZURN INDS INC	517,500
TOTAL PORTFOLIO		\$ 1,243,869,655

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALPHABETICAL ACTIVE EQUITY MANAGER BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
HELLMAN JORDAN MANAGEMENT				
7,870,000	U.S.A. TREASURY NOTE	08/15/1993	11.875%	\$ 7,058,367
9,175,000	U.S.A. TREASURY BOND	08/15/2013	12.000%	8,022,345
610,000	AMERICAN GENERAL CV.	11/04/2008	11.000%	756,400
525,000	CROWN ZELLERBACH SER B	05/01/2009	9.250%	498,750
TOTAL BOND PORTFOLIO				\$16,335,862

HERBERT R. SMITH INC.				
500,000	FEDERAL NATIONAL MTG	05/10/1985	11.300%	\$ 496,095
1,000,000	FEDERAL NATIONAL MTG	04/10/1987	12.250%	968,440
310,000	SPARKMAN ENERGY CORP CV.	04/01/2003	10.750%	313,100
TOTAL BOND PORTFOLIO				\$ 1,777,635

MINNESOTA INDEX FUND - WILSHIRE ASSOCIATES				
987,925	MOBIL CORP	06/15/2004	14.400%	\$ 957,052
TOTAL BOND PORTFOLIO				\$ 957,052

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
250,000	ALLSTATE FINANCIAL CORP	04/15/1987	8.125%	\$ 216,968
7,000,000	AMERICAN EXPRESS	07/01/1990	10.100%	5,853,260
450,000	AMERICAN INVESTMENT	11/01/1986	6.750%	378,576
668,000	AMERICAN INVESTMENT	01/01/1991	5.250%	387,814
3,500,000	AMERICAN TELEPHONE & TEL	12/01/2003	7.125%	1,912,400
17,241,000	AMERICAN TELEPHONE & TEL	08/01/2000	6.000%	8,474,296
8,000	ANOKA CTY SD 48	02/01/1985	3.200%	8,785
66,000	ANOKA/CIRCLE PINES	01/01/1987	4.500%	58,267
40,000	APPALACHIAN ELEC POWER	03/01/1987	4.625%	32,520
7,500,000	ATLANTIC RICHFIELD	09/15/2012	12.500%	6,530,025
10,093,883	ATLANTIC RICHFIELD	07/15/1996	9.250%	7,227,018
6,000,000	BEATRICE FOODS CO	08/15/2008	8.500%	3,771,120
14,000,000	BELL TEL CO OF PENN	05/01/2008	6.750%	6,908,440
3,000,000	BELL TEL CO OF PENN	05/01/2001	4.750%	1,225,770
8,809,250	BRITISH COLUMBIA HYDRO	07/15/1996	9.625%	6,857,384
6,134,925	BURLINGTON NORTHERN	09/01/1993	8.750%	4,461,747
1,900,000	C.I.T. FINANCIAL CORP	10/01/1986	6.375%	1,673,881
90,000	CANADIAN PACIFIC LTD	01/15/1992	8.625%	75,074
105,000	CASS CITY/PINE RIVER	09/01/1989	4.700%	81,356
250,000	CASTLE & COOKE INC	05/15/1985	8.125%	235,863
150,000	CHASE MANHATTAN CORP	05/15/1986	8.750%	136,700
259,137	CHESAPEAKE & OHIO RY	03/15/1989	8.750%	221,163
48,000	CHISAGO 140 TAYLOR FLS	02/01/1988	3.700%	38,760
9,750,000	CITIES SERVICE GAS	09/15/2005	13.000%	8,243,723
4,750,000	CITIES SERVICE GAS	06/01/1991	8.250%	3,397,865
5,500,000	CONSOLIDATED NATURAL GAS	10/01/2000	12.875%	4,962,595
3,052,264	CONSOLIDATED EDISON	01/01/1996	9.250%	2,290,847
10,000	DAKOTA CTY SD 2	02/01/1985	3.900%	9,712
16,000,000	DAYTON HUDSON CO	10/15/2012	11.875%	13,322,710
12,213	DETROIT EDISON CO	06/30/1985	12.875%	12,092
12,542	DETROIT EDISON CO	12/30/1985	12.875%	12,363
20,000	DOUGLAS ISD 213 OSASIS	03/01/1989	3.900%	15,495
5,000	DOUGLAS ISD 214 CARLOS	02/01/1986	3.900%	4,571
8,000,000	DOW CHEMICAL CO	07/15/2007	7.875%	4,620,960
2,114,000	DRESSER INDUSTRIES	05/15/1985	8.650%	2,046,606
7,000,000	DUKE POWER CO	05/01/2009	10.125%	4,936,120
15,000	FARIBAULT/FREEBORN	02/01/1985	2.750%	14,380
13,000,000	FEDERAL FARM CREDIT BANK	10/20/1997	11.900%	11,415,560
19,000,000	FEDERAL FARM CREDIT BANK	10/22/1990	10.600%	16,328,030
10,000,000	FEDERAL FARM CREDIT BANK	10/21/1991	10.600%	8,453,100
5,000,000	FEDERAL FARM CREDIT BANK	10/20/1986	10.750%	4,745,300
12,500,000	FEDERAL FARM CREDIT BANK	04/22/1985	13.250%	12,597,625
3,290,000	FEDERAL HOME LOAN BANK	08/27/1984	7.850%	3,275,590
22,000,000	FEDERAL HOME LOAN BANK	07/26/1993	11.700%	19,291,140
6,707,831	FEDERAL HOME LOAN MTG	10/01/2009	12.500%	5,986,739

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
6,793,590	FEDERAL HOME LOAN MTG	01/01/2010	12.500%	\$ 6,063,279
3,407,872	FEDERAL HOME LOAN MTG	07/01/2010	10.750%	2,739,077
12,000,000	FEDERAL NATIONAL MTG	08/10/1984	11.100%	12,000,000
17,000,000	FEDERAL NATIONAL MTG	11/12/1990	10.900%	14,790,000
15,000,000	FEDERAL NATIONAL MTG	05/10/1990	10.300%	12,796,800
5,500,000	FEDERAL NATIONAL MTG	06/10/1988	10.500%	4,946,535
11,400,000	FIRESTONE TIRE & RUBBER	12/01/2004	9.250%	7,282,320
3,600,000	FIRST INTERSTATE BANCORP	04/15/1988	10.500%	3,238,596
3,000,000	FLORIDA POWER & LIGHT	05/01/2010	11.300%	2,316,060
7,000,000	FLORIDA POWER & LIGHT	11/01/2009	12.125%	5,768,770
11,200,000	FMC CORP	01/15/2000	9.500%	7,885,024
250,000	FORD MOTOR CREDIT CORP	11/01/1984	8.100%	246,655
565,985	GNMA POOL # 02731	02/15/2004	8.000%	377,795
1,103,067	GNMA POOL # 03518	01/15/2004	8.000%	736,297
1,100,264	GNMA POOL # 03802	07/15/2004	8.250%	742,678
684,143	GNMA POOL # 04039	07/15/2004	8.250%	461,797
454,393	GNMA POOL # 04064	08/15/2004	8.250%	306,715
136,985	GNMA POOL # 04218	05/15/2004	8.000%	91,438
40,409	GNMA POOL # 04236	06/15/2004	8.000%	26,973
823,503	GNMA POOL # 04281	09/15/2004	8.250%	555,864
65,953	GNMA POOL # 05767	07/15/2005	8.000%	44,024
480,358	GNMA POOL # 06336	06/15/2005	8.000%	320,639
444,777	GNMA POOL # 07214	09/15/2005	8.000%	296,889
22,561	GNMA POOL # 08550	03/15/2006	8.250%	15,229
217,243	GNMA POOL # 09125	06/15/2006	8.250%	146,639
512,713	GNMA POOL # 09162	04/15/2006	8.250%	346,081
76,099	GNMA POOL # 09350	03/15/2006	8.250%	51,367
506,585	GNMA POOL # 09790	04/15/2006	8.250%	341,945
461,294	GNMA POOL # 10249	11/15/2006	8.000%	307,914
547,578	GNMA POOL # 10411	06/15/2006	8.000%	365,508
583,419	GNMA POOL # 10706	06/15/2006	8.000%	389,432
153,679	GNMA POOL # 10743	05/15/2006	8.250%	103,733
727,595	GNMA POOL # 10943	07/15/2006	8.000%	485,670
630,849	GNMA POOL # 11281	08/15/2006	8.000%	421,092
482,103	GNMA POOL # 11364	08/15/2006	8.000%	321,804
239,742	GNMA POOL # 11486	09/15/2006	8.250%	161,826
757,352	GNMA POOL # 11810	10/15/2006	8.000%	505,532
1,077,396	GNMA POOL # 11828	09/15/2006	8.000%	719,162
788,532	GNMA POOL # 12025	10/15/2006	8.000%	526,345
763,217	GNMA POOL # 12077	11/15/2006	8.000%	509,448
495,322	GNMA POOL # 12243	10/15/2006	8.000%	330,627
586,160	GNMA POOL # 12283	10/15/2006	8.000%	391,262
2,412,961	GNMA POOL # 12289	10/15/2006	8.000%	1,610,652
481,083	GNMA POOL # 12548	11/15/2006	8.000%	321,123
610,177	GNMA POOL # 12599	09/15/2006	8.000%	407,293

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
647,113	GNMA POOL # 12757	09/15/2006	8.000%	\$ 431,948
788,962	GNMA POOL # 12777	11/15/2006	8.000%	526,632
1,227,843	GNMA POOL # 13099	10/15/2006	8.000%	819,585
633,947	GNMA POOL # 13255	11/15/2006	8.000%	423,160
536,033	GNMA POOL # 13262	11/15/2006	8.000%	357,802
644,801	GNMA POOL # 13297	11/15/2006	8.000%	430,404
816,900	GNMA POOL # 13327	11/15/2006	8.000%	545,281
624,818	GNMA POOL # 13334	10/15/2006	8.000%	417,066
1,333,387	GNMA POOL # 13380	12/15/2006	8.000%	890,036
804,276	GNMA POOL # 13935	01/15/2007	8.000%	536,854
1,201,114	GNMA POOL # 14053	12/15/2006	8.000%	801,743
815,674	GNMA POOL # 14174	12/15/2006	8.000%	544,462
775,513	GNMA POOL # 14188	10/15/2006	8.000%	517,655
684,132	GNMA POOL # 14919	02/15/2007	8.000%	456,658
1,543,288	GNMA POOL # 15012	12/15/2006	8.000%	1,030,144
717,613	GNMA POOL # 15616	01/15/2007	8.000%	479,007
1,199,573	GNMA POOL # 15783	01/15/2007	8.000%	800,715
879,843	GNMA POOL # 16051	01/15/2008	8.000%	587,295
373,414	GNMA POOL # 17086	11/15/2007	8.000%	249,254
958,374	GNMA POOL # 17566	03/15/2008	8.000%	639,715
1,605,443	GNMA POOL # 17619	08/15/2007	8.000%	1,071,633
732,443	GNMA POOL # 18099	08/15/2007	8.000%	488,906
810,374	GNMA POOL # 18224	09/15/2007	8.000%	540,925
871,406	GNMA POOL # 18279	01/15/2008	8.000%	581,663
81,950	GNMA POOL # 18542	09/15/2007	8.000%	54,702
1,736,399	GNMA POOL # 18553	09/15/2007	8.000%	1,159,046
1,734,204	GNMA POOL # 19083	12/15/2007	8.000%	1,157,581
719,514	GNMA POOL # 19157	10/15/2007	8.000%	480,276
758,905	GNMA POOL # 19311	10/15/2007	8.000%	506,569
717,022	GNMA POOL # 19458	08/15/2007	8.000%	478,612
858,922	GNMA POOL # 19574	12/15/2007	8.000%	573,331
1,730,935	GNMA POOL # 20008	11/15/2007	8.000%	1,155,399
781,388	GNMA POOL # 20109	12/15/2007	8.000%	521,576
1,602,223	GNMA POOL # 20197	09/15/2007	8.000%	1,069,484
1,718,789	GNMA POOL # 20289	11/15/2007	8.000%	1,147,292
847,317	GNMA POOL # 20290	12/15/2007	8.000%	565,584
813,600	GNMA POOL # 20305	11/15/2007	8.000%	543,078
853,544	GNMA POOL # 20455	12/15/2007	8.000%	569,741
817,487	GNMA POOL # 20489	10/15/2007	8.000%	545,673
1,583,727	GNMA POOL # 20691	12/15/2007	8.000%	1,057,137
853,426	GNMA POOL # 20761	10/15/2007	8.000%	569,662
690,004	GNMA POOL # 20819	10/15/2007	8.000%	460,578
840,456	GNMA POOL # 20916	11/15/2007	8.000%	561,004
817,870	GNMA POOL # 20963	11/15/2007	8.000%	545,928
1,681,060	GNMA POOL # 21013	11/15/2007	8.000%	1,122,107

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
856,555	GNMA POOL # 21113	10/15/2007	8.000%	\$ 571,751
835,056	GNMA POOL # 21131	12/15/2007	8.000%	557,400
822,356	GNMA POOL # 21329	12/15/2007	8.000%	548,923
828,401	GNMA POOL # 21487	11/15/2007	8.000%	552,958
1,567,703	GNMA POOL # 21694	02/15/2008	8.000%	1,046,442
1,667,720	GNMA POOL # 21772	12/15/2007	8.000%	1,113,203
1,646,393	GNMA POOL # 21790	12/15/2007	8.000%	1,098,967
816,221	GNMA POOL # 22022	01/15/2008	8.000%	544,827
1,611,594	GNMA POOL # 22832	09/15/2007	8.000%	1,075,739
20,148	GNMA POOL # 23012	03/15/2008	8.000%	13,449
4,216,260	GNMA POOL # 26157	10/15/2008	9.000%	2,983,004
4,404,806	GNMA POOL # 27963	11/15/2008	9.000%	3,116,400
967,678	GNMA POOL # 31488	07/15/2009	9.000%	684,632
2,918,526	GNMA POOL # 34131	08/15/2009	9.500%	2,141,469
4,571,421	GNMA POOL # 35013	01/15/2010	11.000%	3,714,280
3,781,556	GNMA POOL # 35047	10/15/2009	9.500%	2,774,717
2,861,312	GNMA POOL # 35549	08/15/2009	9.500%	2,099,487
2,866,766	GNMA POOL # 36021	09/15/2009	9.500%	2,103,490
2,840,000	GULF OIL CORP	06/15/1993	6.625%	1,903,482
7,000,000	HALLIBURTON CO	06/01/2005	10.200%	5,241,320
9,000,000	HAWAIIAN TELEPHONE	10/01/2010	13.375%	8,126,820
10,000	HENN CTY ISD 17 EDINA	02/01/1987	4.000%	8,829
7,000,000	HERTZ CORP	02/15/1999	9.500%	4,897,690
1,800,000	HOUSEHOLD FINANCE	01/01/1990	7.250%	1,387,116
4,000,000	HOUSTON LIGHTING & POWER	06/01/2010	12.000%	3,166,440
10,000,000	HOUSTON NATURAL GAS CO	11/15/1992	11.000%	8,460,500
4,000,000	ILLINOIS BELL TEL & TEL	07/01/2003	4.375%	1,490,560
50,000	INDIANA & MICH ELEC	02/01/1988	3.875%	36,146
5,000,000	INT'L BUS. MACHINES	10/01/1986	9.500%	4,608,450
5,000	ISANTI/PINE/KANABEC	02/01/1986	4.000%	4,578
3,160,000	LACHMAR HULL 54 US	09/25/1988	14.000%	3,196,719
25,000	LAKE CTY/BEAVER BAY	01/01/1987	5.000%	22,406
1,200,000	LINCOLN NATIONAL CORP	09/15/1992	13.875%	1,167,432
8,000	LINCOLN/LYON 409 TYLER	02/01/1986	4.300%	7,392
5,966,628	LNM ACCEPTANCE CORP	12/01/1986	9.100%	5,450,455
1,313,709	LOUISVILLE & NASHVILLE	10/20/1991	9.000%	994,543
5,161,666	LOUISVILLE & NASHVILLE	04/20/1992	8.375%	4,089,123
1,500,000	LOUISVILLE & NASHVILLE	12/01/1987	4.875%	1,207,500
9,375,000	MANITOBA HYDRO ELEC	10/15/1997	7.650%	5,710,313
2,000,000	MANITOBA, PROVINCE OF	11/01/1993	6.875%	1,243,760
6,200,000	MARATHON OIL CO	02/01/2000	8.500%	3,721,178
6,000,000	MARTIN-MARIETTA CORP	03/15/2011	7.000%	2,915,820
30,000	MCLEOD CTY SD 38	02/01/1987	3.900%	26,109
30,000	METRO WTR DIST SO CAL	08/01/1985	4.000%	28,591
150,000	METRO WTR DIST SO CAL	04/01/1986	4.000%	142,953

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
25,000	MILLE LACS SD 4/1 BOCK	03/01/1989	3.900%	\$ 19,039
800,000	MINNESOTA POWER & LIGHT	09/01/2006	8.700%	490,928
5,122,817	MISSOURI PACIFIC RR	06/01/1995	12.750%	4,703,464
5,586,070	MISSOURI PACIFIC RR	06/01/1994	9.750%	4,284,292
628,000	MOORE-MCCORMACK LINES	04/01/1987	5.750%	542,919
30,000	MORRISON/TODD ISD 486	02/01/1988	3.800%	24,316
7,000	MOWER/FREEMAN JISD 27	01/01/1986	3.000%	6,400
5,000	NOBLES CTY ICSD 119	09/01/1984	3.300%	4,937
1,200,000	NORTHERN STATES POWER	01/01/2004	8.375%	739,020
5,420,000	NORTHWESTERN BELL TEL	06/01/1998	4.875%	2,480,463
10,500,000	NORTHWESTERN BELL TEL	08/15/2016	9.500%	6,992,580
11,400,000	NORWEST CORP	09/15/1986	7.875%	10,129,812
12,785,000	NORWEST FINANCIAL	07/01/1990	12.750%	12,052,292
4,650,000	NOVA SCOTIA POWER	07/15/1998	8.125%	2,920,898
3,000,000	NOVA SCOTIA POWER	03/15/1997	7.750%	1,809,510
3,000,000	NOVA SCOTIA POWER	06/01/2008	9.625%	2,005,950
2,900,000	NOVA SCOTIA, PROVINCE OF	08/01/1993	7.250%	1,875,546
10,218,000	ONTARIO HYDRO	03/15/1996	9.500%	7,625,183
1,000,000	ONTARIO, PROVINCE OF	06/15/2005	9.125%	658,120
1,350,000	ONTARIO, PROVINCE OF	12/01/1997	6.875%	766,692
3,800,000	ONTARIO, PROVINCE OF	05/15/2001	7.850%	2,252,602
7,500,000	ONTARIO, PROVINCE OF	12/15/2002	7.300%	4,115,400
3,500,000	ONTARIO, PROVINCE OF	06/01/2008	9.375%	2,330,650
13,100,000	ONTARIO, PROVINCE OF	11/30/2008	9.375%	8,712,286
1,100,000	ONTARIO, PROVINCE OF	04/15/1997	5.625%	560,472
9,000,000	OWENS ILLINOIS INC	06/01/1990	10.375%	7,667,370
100,000	PACIFIC GAS & ELECTRIC	06/01/1985	9.500%	97,254
6,000,000	PACIFIC NORTHWEST BELL	10/01/2010	8.625%	3,643,380
8,500,000	PACIFIC TEL & TEL	11/01/2020	15.000%	8,471,865
2,000,000	PFIZER INC	08/15/2000	9.250%	1,411,400
12,000,000	PUBLIC SERVICE CO OF IND	09/01/1990	12.125%	10,155,960
25,000	RICE ISD 656 FARIBAULT	01/01/1987	3.400%	21,570
14,700,000	SASKATCH., PROVINCE OF	04/15/2008	9.250%	9,634,968
944,797	SEABOARD COAST LINE RR	04/01/1992	9.000%	707,436
386,087	SEABOARD COAST LINE RR	10/01/1992	8.250%	287,234
5,500,000	SEAFIRST CORP	06/01/1990	10.500%	4,757,500
26,000	SHERBURNE/VIL BIG LAKE	07/01/1986	4.500%	23,759
5,000,000	SOUTH CENTRAL BELL TEL	10/01/2020	12.875%	4,347,450
6,300,000	SOUTHERN BELL TEL & TEL	10/05/2020	12.875%	5,477,787
6,000,000	SOUTHERN PACIFIC TRANS	10/01/1992	8.250%	5,988,720
4,750,000	SOUTHWESTERN BELL TEL	08/01/1995	4.625%	2,327,453
250,000	SPERRY RAND FINANCIAL	02/01/1985	7.875%	243,558
550,000	SPRAGUE ELECTRIC CO	09/01/1988	4.375%	382,800
3,931,573	STANDARD OIL (INDIANA)	10/01/2000	9.000%	2,683,062
1,163,819	STANDARD OIL OF CALIF	03/30/1997	7.700%	728,504

MINNESOTA STATE BOARD OF INVESTMENT
 POOLED BOND FUND
 ALPHABETICAL BOND HOLDINGS
 JUNE 30, 1984

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
1,244,082	STANDARD OIL OF CALIF	03/02/1997	7.700%	\$ 772,140
1,203,951	STANDARD OIL OF CALIF	02/10/1997	7.700%	755,467
2,215,209	STANDARD OIL OF CALIF	09/07/1997	7.700%	1,376,420
1,435,783	STANDARD OIL OF CALIF	09/08/1997	7.700%	892,081
1,435,783	STANDARD OIL OF CALIF	11/06/1997	7.700%	889,741
5,019,962	STANDARD OIL OF CALIF	07/02/1999	8.500%	3,284,210
35,000	STEARNS CTY ISD 93	07/01/1987	4.750%	30,713
20,000	STEELE/FREEBORN 30	01/01/1985	2.700%	19,266
3,000	STEELE/RICE JICSD 5	01/01/1985	3.000%	2,825
14,500,000	STUDEBAKER-WORTHINGTON	11/15/2003	9.350%	9,860,290
6,000,000	TEXAS POWER & LIGHT	01/01/2006	8.600%	3,704,820
6,500,000	TEXAS POWER & LIGHT	02/01/2009	9.375%	4,261,270
200,000	TRAILMOBILE FINANCE	11/15/1987	8.200%	169,602
13,000,000	U.S.A. TREASURY BOND	11/15/2002	11.625%	11,074,310
20,000,000	U.S.A. TREASURY BOND	11/15/2012	10.375%	15,162,400
15,000,000	U.S.A. TREASURY BOND	11/15/2010	12.750%	13,931,250
26,600,000	U.S.A. TREASURY BOND	11/15/1995	11.500%	23,108,750
10,000,000	U.S.A. TREASURY BOND	02/15/2001	11.750%	8,643,700
32,000,000	U.S.A. TREASURY NOTE	11/15/1992	10.500%	26,779,840
47,000,000	U.S.A. TREASURY NOTE	04/30/1985	9.500%	46,074,570
17,000,000	U.S.A. TREASURY NOTE	05/15/1993	10.125%	13,823,040
8,500,000	U.S.A. TREASURY NOTE	05/31/1985	9.875%	8,330,000
7,500,000	U.S.A. TREASURY NOTE	02/15/1987	9.000%	6,808,575
20,000,000	U.S.A. TREASURY NOTE	11/15/1984	14.375%	20,218,800
6,000,000	U.S.A. TREASURY NOTE	11/15/1989	10.750%	5,340,000
10,000,000	UNION CAMP	10/01/2012	12.750%	8,870,600
6,000,000	UNION TANK CAR	12/15/1995	9.500%	4,507,800
7,000,000	USLIFE CORP	10/15/1989	12.000%	6,440,070
11,000,000	USLIFE CORP	10/15/1990	12.500%	10,259,810
250,000	UT CREDIT CORP	06/01/1986	8.625%	228,210
15,000	WAB/GOOD/OLMSTD 50 141	02/01/1986	3.800%	13,737
2,000	WABASHA CTY CSD 2374	02/01/1985	3.750%	1,926
15,000	WABASHA/OLMSTEAD 806	06/01/1987	4.100%	12,940
6,989,750	WELLS FARGO & CO	11/01/1998	8.625%	4,281,152
10,000	WINONA CTY/GOODVIEW	01/01/1985	4.500%	9,778
TOTAL BOND PORTFOLIO				\$807,677,389

MINNESOTA STATE BOARD OF INVESTMENT
 BASIC RETIREMENT FUNDS
 ALTERNATIVE EQUITY INVESTMENT FUNDS
 JUNE 30, 1984

NO. OF SHARES	SECURITY	MARKET VALUE
REAL ESTATE POOLED FUND		
300,000	ROSENBERG REAL ESTATE EQUITY FUND	300,000
14,184	EQUITABLE LIFE ASSURANCE FUND	48,468,702
20,860	AETNA REAL ESTATE FUND	44,172,705
10,478	PRUDENTIAL REAL ESTATE FUND	47,551,906
TOTAL REAL ESTATE POOLED FUND		\$140,493,313
RESOURCE POOLED FUND		
20,000	AMERICAN GAS & OIL I	17,538,241
1,753,991	AMERICAN GAS & OIL II	5,250,000
262,878	APACHE CORP	262,878
TOTAL RESOURCE POOLED FUND		\$ 23,051,119
VENTURE CAPITAL POOLED FUND		
375,000	KOHLBERG KRAVIS, ROBERTS & CO.	375,000
4,000	NORTHWEST VENTURE PARTNERS	4,000,000
TOTAL VENTURE CAPITAL POOLED FUND		4,375,000