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# 1991 ANNUAL REPORT

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BOARD OF  
INVESTMENT

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FINANCIAL

Volume 1 of the 2 volumes

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# **1991 ANNUAL REPORT**

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## **MINNESOTA STATE BOARD OF INVESTMENT**

**Governor Arne H. Carlson**

**State Auditor Mark B. Dayton**

**State Treasurer Michael A. McGrath**

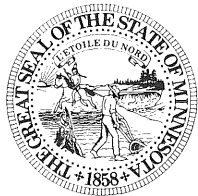
**Secretary of State Joan Anderson Growe**

**Attorney General Hubert H. Humphrey III**

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MINNESOTA  
STATE  
BOARD OF  
INVESTMENT



**Board Members:**

Governor  
Arne H. Carlson

State Auditor  
Mark B. Dayton

State Treasurer  
Michael A. McGrath

Secretary of State  
Joan Anderson Growe

Attorney General  
Hubert H. Humphrey III

**Executive Director:**

Howard J. Bicker

Suite 105, MEA Bldg.  
55 Sherburne Avenue  
St. Paul, MN 55155  
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FAX (612)296-9572

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Employer*

**The Minnesota State Board of Investment is pleased to submit its 1991 Annual Report.**

Fiscal year 1991 was a fairly volatile period for all investors due to fears of recession and concerns over political instability in the Persian Gulf region. However, with an early end to the Gulf War, the stock market rebounded after January 1991 and finished the fiscal year with a modest gain. The bond market generated attractive returns as a result of an accomodating monetary policy set by the Federal Reserve Bank. Returns on most financial assets exceeded the rate of inflation for the year.

**Several events should be highlighted for the year:**

- **The Basic Retirement Funds, the largest group of funds managed by the Board, produced a total rate of return of 6.7% for fiscal year 1991.** Over the last five fiscal years the Basic Funds have generated a cumulative return of 59.1%, excluding alternative assets. (Refer to page 7.)
- **The Post Retirement Investment Fund generated earnings that will provide a life-time benefit increase of 4.3% for eligible retirees beginning January 1, 1992.** Over the last five years, benefit increases have been 5.7% on an annualized basis. (Refer to page 29.)
- **The Board assumed the investment management responsibility for the Minnesota Workers Compensation Assigned Risk Plan from the Department of Commerce effective May 1991.** Voyageur Asset Management was retained to manage the \$297 million in assets for the fund. (Refer to page 65).

**On June 30, 1991, assets under management totaled \$17.4 billion.** This total is the aggregate of several separate pension funds, trust funds and cash accounts, each with differing investment objectives. In establishing a comprehensive management program, the Board develops an investment strategy for each fund which reflects its unique needs. **The primary purpose of this annual report is to communicate the investment goals, policies, and performance of each fund managed by the Board.**

Through the investment programs presented in this report, the Minnesota State Board of Investment will continue to enhance the management and investment performance of the funds under its control.

Sincerely,

Howard J. Bicker  
Executive Director

## INVESTMENT ADVISORY COUNCIL

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The Legislature has established a 17-member Investment Advisory Council to advise the Board and its staff on investment-related matters.

- The Board appoints ten members experienced in finance and investment. These members traditionally have come from the Minneapolis and St. Paul corporate investment community.
- The Commissioner of Finance and the Executive Directors of the three statewide retirement systems are permanent members of the Council.
- Two active employee representatives and one retiree representative are appointed to the Council by the Governor.

The Council has formed three committees organized around broad investment subjects relevant to the Board's decision-making: Asset Allocation, Stock and Bond Managers and Alternative Investments.

All proposed investment policies are reviewed by the appropriate Committee and the full Council before they are presented to the Board for action.

### Members of the Council (as of December 1991)

John E. Bohan	Vice President, Pension Investments	Grand Metropolitan - Pillsbury
James R. Eckmann	Assistant Treasurer	Dayton Hudson Corporation
Elton Erdahl	Executive Director	Teachers Retirement Association
Doug Mewhorter	Acting Executive Director	Mn. State Retirement System
Kenneth F. Gudorf	President	KFG Ventures
John M. Gunyou	Commissioner	Mn. Department of Finance
Laurie Fiori Hacking	Executive Director	Public Employees Retirement Assoc.
David B. Jeffery	Vice President and Resident Manager	Shearson Lehman Bros.
Keith Johnson	Retiree Representative	
Peter J. Kiedrowski	Executive Vice President	Norwest Bank
Han Chin Liu	Active Employee Representative	
Malcolm W. McDonald**	Director & Corporate Secretary	Space Center, Inc.
Gary R. Norstrom	Treasurer	City of St. Paul
Barbara Schnoor	Active Employee Representative	
Michael L. Troutman	Sr. Manager, Investment Programs	Board of Pensions, ELCA
Deborah Veverka	Manager, Pension Investments	Honeywell, Inc.
Jan Yeomans*	Director, Benefit Funds & Fin'l. Markets	3M Co.

\*Chair

\*\*Vice-Chair

### CONSULTANT

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Richards & Tierney, Inc.

Chicago, Illinois



## **INVESTMENT BOARD STAFF**

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Howard Bicker	Executive Director
Beth Lehman	Assistant Executive Director
James E. Heidelberg	Assistant to the Executive Director

### **External Money Management**

John Griebenow	Manager, Alternative Investments
Michael J. Menssen	Manager, External Equities
James H. Lukens	Manager, External Fixed Income
Mansco Perry III	Investment Analyst, Alternative Investments
Joan M. Guckeen	Investment Analyst, Equities
Andrea J. Botos	Investment Analyst, Fixed Income
Deborah F. Griebenow	Investment Analyst, Management Reporting

### **Internal Money Management - Stocks and Bonds**

Roger W. Henry	Manager, Internal Portfolios
A. Arthur Kaese	Senior Equity Analyst
N. Robert Barman	Senior Fixed Income Analyst
Arthur M. Blauzda	Senior Analyst, Shareholder Services

### **Internal Money Management - Cash Accounts**

John T. Kinne	Manager, Short-Term Accounts
Harold L. Syverson	Security Trader, Short-Term

### **Administrative Staff**

L. Michael Schmitt	Administrative Director
Mable E. Patrick	Accounting Supervisor
Thomas L. Delmont	Accounting Officer, Intermediate
Nancy Wold	Accounting Officer
Kathy Sears	Computer Operator
Harriet Balian	Secretary to the Executive Director
Charlene Olson	Secretary, External Programs
Lin Nadeau	Secretary, Internal Programs
Lavern Jagg	Receptionist

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PART TWO of the Minnesota State Board of Investment's 1991 Annual Report contains financial statements, asset listings and accounting data.

## INTRODUCTION

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All investments undertaken by the Minnesota State Board of Investment (SBI) are governed by the common law prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 356A.

### **Prudent Person Rule**

The prudent person rule, as codified in *Minnesota Statutes* 11A.09, requires all members of the Board, Investment Advisory Council, and SBI 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.” *Minnesota Statutes* 356A.04 contains similar codification of the prudent person rule applicable to the investment of pension fund assets.

### **Authorized Investments**

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

### **Investment Policies**

Within the requirements defined by state law, the State Board of Investment, in conjunction with SBI staff and the Investment Advisory Council, establishes investment policies for all funds under its management. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure, and specific performance standards.

The Board’s policy concerning investment in companies with direct investment in South Africa is described in the Major Policy Initiatives section of this report. In addition to these restrictions, the SBI does not hold the stock of any company which generates more than fifty percent of its revenues from the sale of liquor or tobacco and does not invest in the stock of American Home Products.

In recent years, the Board, its staff, and the Investment Advisory Council have conducted detailed analyses of the investment policies of the Basic Retirement Funds, the Post Retirement Investment Fund, the Supplemental Investment Fund, and the Permanent School Trust Fund. The results of these studies guide



## INTRODUCTION

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the on-going management of these funds and will be updated periodically.

### **Report Format**

**This annual report is published in two separate volumes.** This volume, **Part One**, contains the text of the annual report. It describes the investment policies and performance for each of the funds managed by the SBI. It also contains statistical data on the Board's managers. The second volume, **Part Two**, contains audited financial statements, asset listings and accounting data.

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## **FUNDS UNDER MANAGEMENT**

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**Basic Retirement Funds**

**Post Retirement Investment Fund**

**Supplemental Investment Fund**

**Permanent School Trust Fund**

**Assigned Risk Plan**

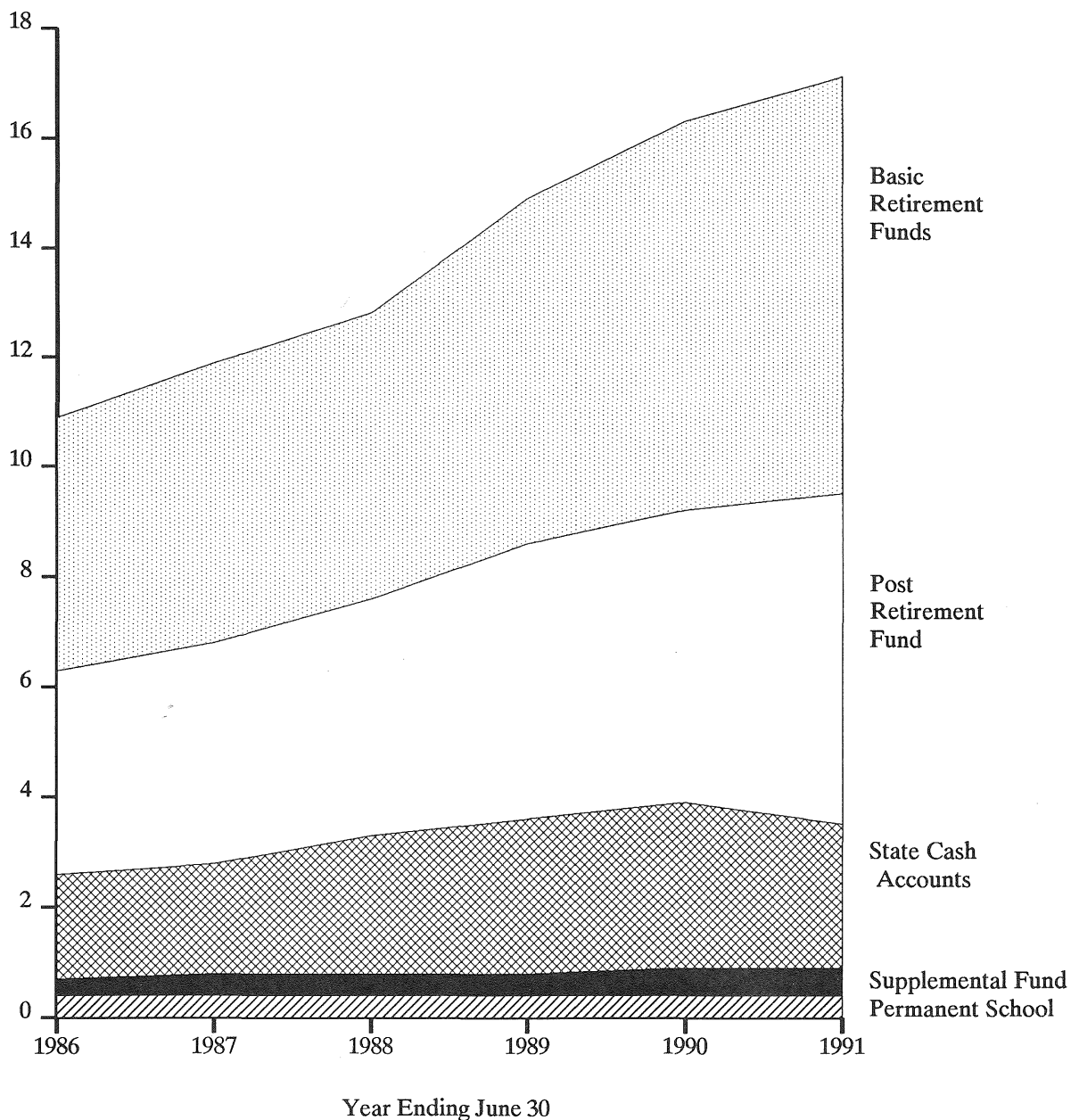
**State Cash Accounts**

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## Growth in Assets

Fiscal Years 1987 - 1991

\$ BILLIONS



Note: The Assigned Risk Plan was added in May 1991 and is not shown. The market value of the Plan on June 30, 1991 was \$297 million.



## FUNDS UNDER MANAGEMENT

---

**Market Value  
June 30, 1991**

### **Basic Retirement Funds**

**\$ 7.6 billion**

The Basic Retirement Funds contain the pension assets of the currently working participants in eight major statewide retirement plans:

• Teachers Retirement Fund	\$ 3,467 million
• Public Employees Retirement Fund	1,727 million
• State Employees Retirement Fund	1,488 million
• Public Employees Police and Fire Fund	661 million
• Highway Patrol Retirement Fund	110 million
• Correctional Employees Fund	74 million
• Police and Fire Consolidation Fund	76 million
• Judges Retirement Fund	6 million

### **Post Retirement Investment Fund**

**\$ 6.0 billion**

The Post Retirement Investment Fund is composed of the reserves for retirement benefits to be paid to retired employees. Permanent retirement benefit increases are permitted based on excess earnings from dividends, interest, and net realized capital gains.

### **Supplemental Investment Fund**

**\$ 0.5 billion**

The 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 may choose among six separate accounts with different investment emphases designed to meet a wide range of investor needs and objectives.

• Income Share Account	stocks and bonds	\$ 269 million
• Growth Share Account	actively managed stocks	76 million
• Common Stock Index Account	passively managed stocks	15 million
• Bond Market Account	actively managed bonds	8 million
• Money Market Account	short-term debt securities	86 million
• Guaranteed Return Account	guaranteed investment contracts	65 million

### **Permanent School Trust Fund**

**\$0.4 billion**

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

### **Assigned Risk Plan**

**\$ 0.3 billion**

The Mn. Workers Compensation Assigned Risk Plan is the insurance company of last resort for companies unable to obtain private worker compensation insurance. The SBI is the investment manager for the fund's balanced portfolio.

### **State Cash Accounts**

**\$ 2.6 billion**

These accounts are the cash balances of state government funds, including the Invested Treasurers Cash Fund, transportation funds, and other miscellaneous cash accounts. All assets are invested in high quality, liquid short-term debt securities.

### **Total Assets**

**\$17.4 billion**



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# **BASIC RETIREMENT FUNDS**

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**Investment Objectives**

**Asset Allocation**

**Investment Management**

**Investment Performance**

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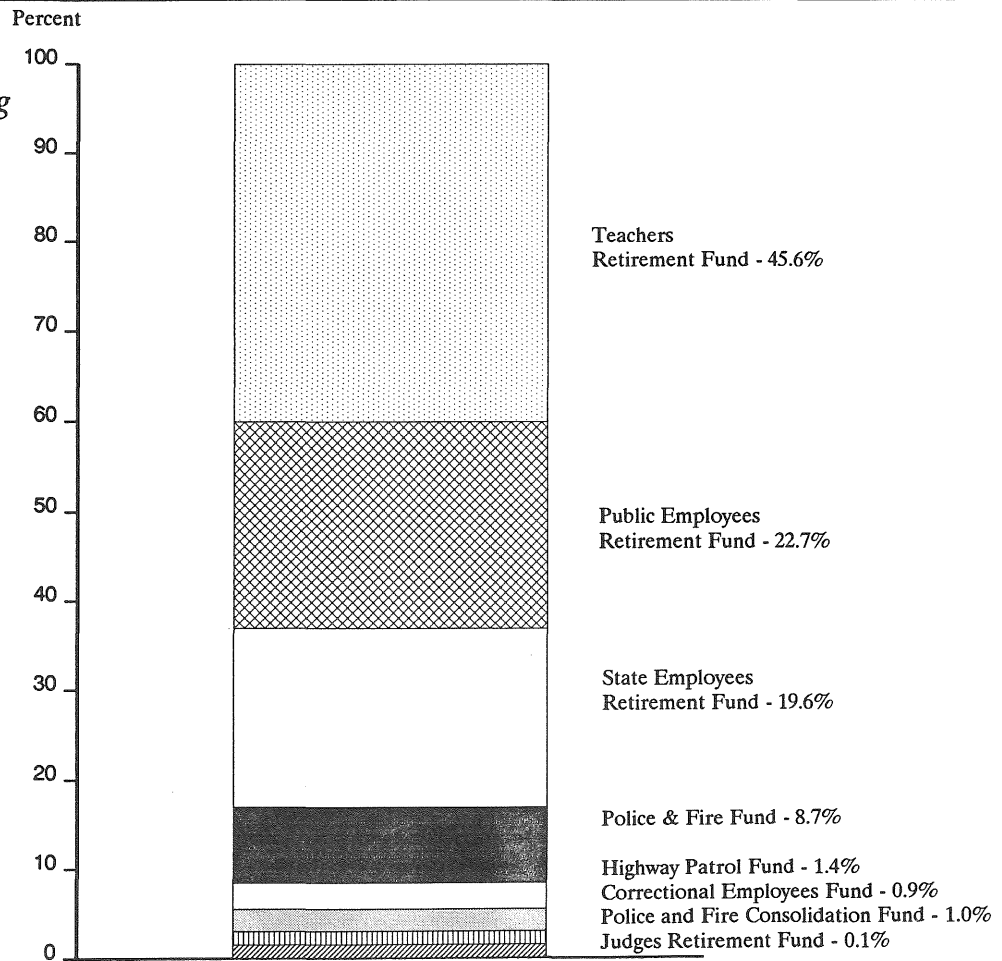


## BASIC RETIREMENT FUNDS

The Basic Retirement Funds are composed of the retirement assets for currently working participants in eight statewide retirement funds.

Figure 1 identifies the individual retirement funds which comprise the Basic Funds. The Funds serve as accumulation pools for the pension contributions of public employees and their employers during the employees' years of active service. Approximately 250,000 public employees participate in the Basic Funds. On June 30, 1991 the market value of the Funds was \$7.6 billion.

*Figure 1.  
Participating  
Funds  
FY 1991*



### INVESTMENT OBJECTIVES

The State Board of Investment (SBI) has one overriding responsibility with respect to its management of the Basic Funds: to ensure that sufficient funds are available to finance promised retirement benefits.

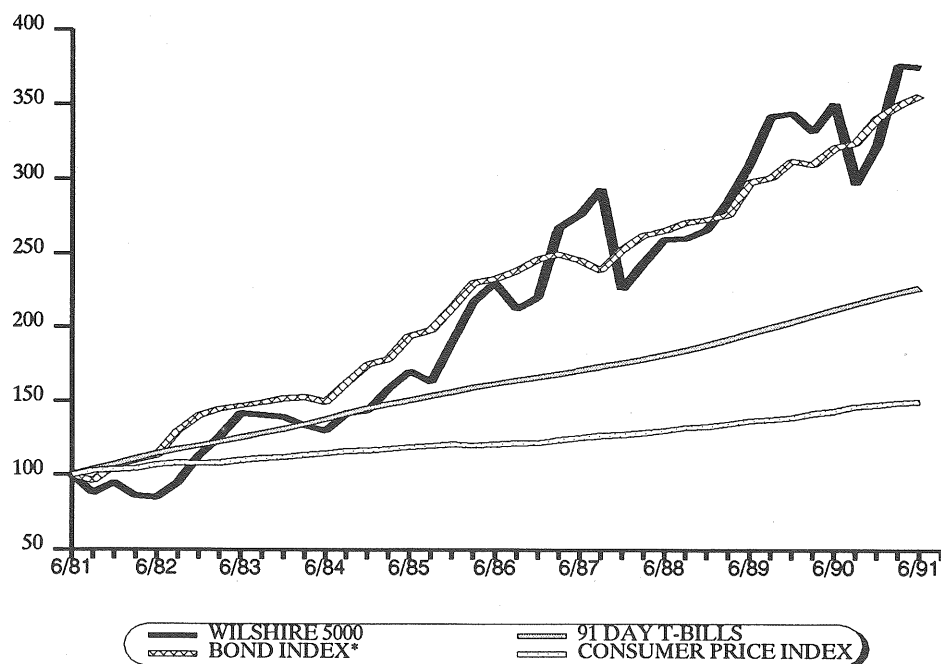
#### Actuarial Assumed Return

The Basic Funds invest the pension contributions of most public employees in the State of Minnesota during their working years. Employee and employer contribution rates are specified in state law as a percentage of an employee's salary. The rates are set so that contributions plus expected investment earnings will cover the projected cost of promised pension benefits. In order to meet these projected pension costs, the Basic Retirement Funds must generate investment returns of at least 8.5% on an annualized basis, over time.

#### Time Horizon

Normally, pension assets will accumulate in the Basic Retirement Funds for thirty to forty years during an employee's years of active service. This provides the Basic Funds with a long investment time horizon and permits the Board to take

*Figure 2.  
Performance of  
Capital Markets  
FY 1982-1991*



\* Salomon Broad Investment Grade Bond Index



advantage of the long run return opportunities offered by the capital markets in order to meet its actuarial return target.

As illustrated in Figure 2, historical evidence strongly indicates that common stocks will provide the greatest opportunity to maximize investment returns over the long-term. As a result, the Board has chosen to incorporate a large commitment to common stocks in its asset allocation policy for the Basic Funds. In order to limit the short run volatility of returns exhibited by common stocks, the Board includes other asset classes such as bonds and real estate in the total portfolio. These assets diversify the Basic Funds and reduce wide fluctuations in investment returns on a year to year basis. This diversification benefit should not impair the Basic Funds' ability to meet or exceed their actuarial return target over the long-term.

### **Long-Term Objectives**

Within this context, the Board has established several long-term investment objectives for the Basic Retirement Funds. Monitoring actual performance against these return objectives helps the Board to ensure that the Basic Funds will meet their long-term funding obligations:

- **Provide Real Returns.** Over a ten year period, the Basic Funds are expected to generate total returns that are 3-5 percentage points greater than the rate of inflation.
- **Exceed Market Returns.** Over a five year period, the Basic Funds are expected to outperform a composite of market indices weighted in a manner that reflects their long-term asset allocation policy.
- **Exceed Median Fund Returns.** Over a five year period, the Basic Funds are expected to outperform the median fund from a representative universe of public and private funds with a balanced asset mix of stocks and bonds.

## **ASSET ALLOCATION**

The allocation of assets among common stocks, bonds, and alternative investments can have a dramatic impact on investment results. In fact, asset allocation decisions overwhelm the impact of individual security selection within a total portfolio. Consequently, the Board has focused considerable attention on the selection of an appropriate long-term asset allocation policy for the Basic Funds.

## BASIC RETIREMENT FUNDS

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### Long-Term Allocation Policy

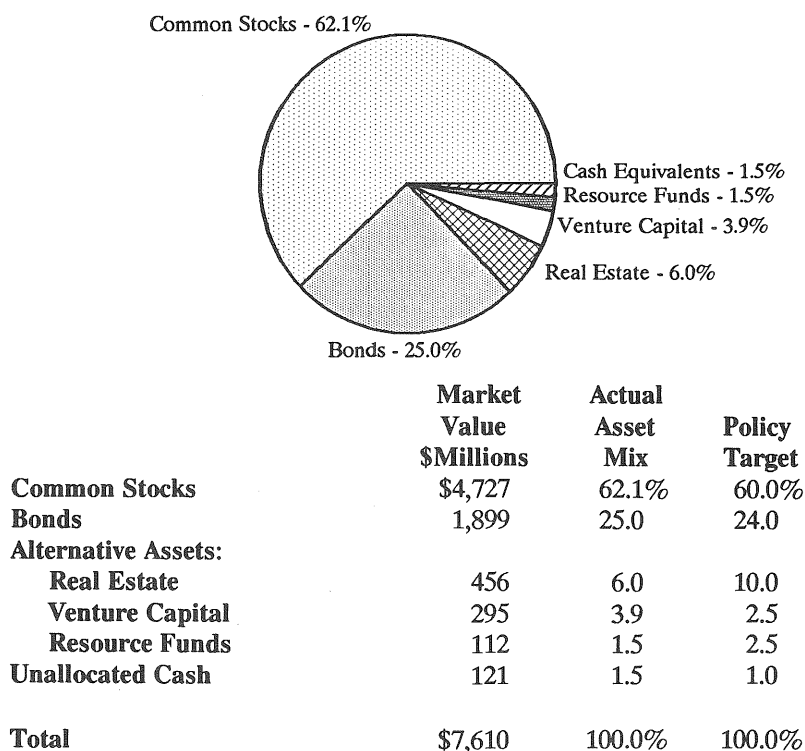
Based on the Basic Funds' investment objectives and the expected long run performance of the capital markets, the Board has adopted the following long-term asset allocation policy for the Basic Funds:

● Domestic Common Stocks	60.0%
● Domestic Bonds	24.0
● Real Estate	10.0
● Venture Capital	2.5
● Resource Funds	2.5
● Unallocated Cash	1.0

It should be noted that the Board has approved the addition of international stocks to the Basic Funds. When an appropriate implementation plan has been approved the asset allocation targets shown above will be adjusted by adding a 10.0% allocation to international common stocks and lowering the domestic common stock allocation to 50.0%.

Figure 3 presents the actual asset mix of the Basic Funds at the end of fiscal year 1991. Historical data on the Basic Funds' actual asset mix over the last five years are displayed in Figure 4.

*Figure 3.  
Asset Mix  
June 30, 1991*



## **BASIC RETIREMENT FUNDS**

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### **Total Return Vehicles**

The SBI invests the majority of the Basic Funds' assets in common stocks. A large allocation is consistent with the investment time horizon of the Basic Funds and the advantageous long-term risk-return characteristics of common stocks. The rationale underlying the venture capital allocation is similar. However, the relatively small size of the venture capital market presents a practical limit to the amount that may be allocated to this asset class.

The Board recognizes that this sizable policy allocation to common stock and venture capital likely will produce more volatile portfolio returns than a more conservative policy focused on fixed income securities. It is understood that this policy may result in quarters or even years of disappointing results. Nevertheless, the long run return benefits of this policy are expected to compensate for the additional volatility.

### **Diversification Vehicles**

The Board includes other asset classes in the Basic Funds both to provide some insulation against highly inflationary or deflationary environments and to diversify the portfolio sufficiently to avoid excessive return volatility.

Real estate and resource (oil and gas) investments provide an inflation hedge that other financial assets cannot offer. In a period of rapidly rising prices, these "hard" assets can be expected to appreciate in value at a rate at least equal to the inflation rate. Further, even under more normal financial conditions such as low to moderate inflation, the returns on these assets are not highly correlated with common stocks. Thus, their inclusion in the Basic Funds serves to dampen return volatility.

The bond component of the Basic Funds acts as a hedge against a deflationary economic environment. In the event of a major deflation, high quality fixed income assets, particularly long-term bonds, will protect principal and generate significant capital gains. And, like real estate and resource funds, under normal financial conditions bonds help to diversify the Basic Funds, thereby controlling return volatility.

## **INVESTMENT MANAGEMENT**

All assets in the Basic Retirement Funds are managed externally by private money management firms under contracts or agreements with the SBI.

## BASIC RETIREMENT FUNDS

### Common Stock Segment

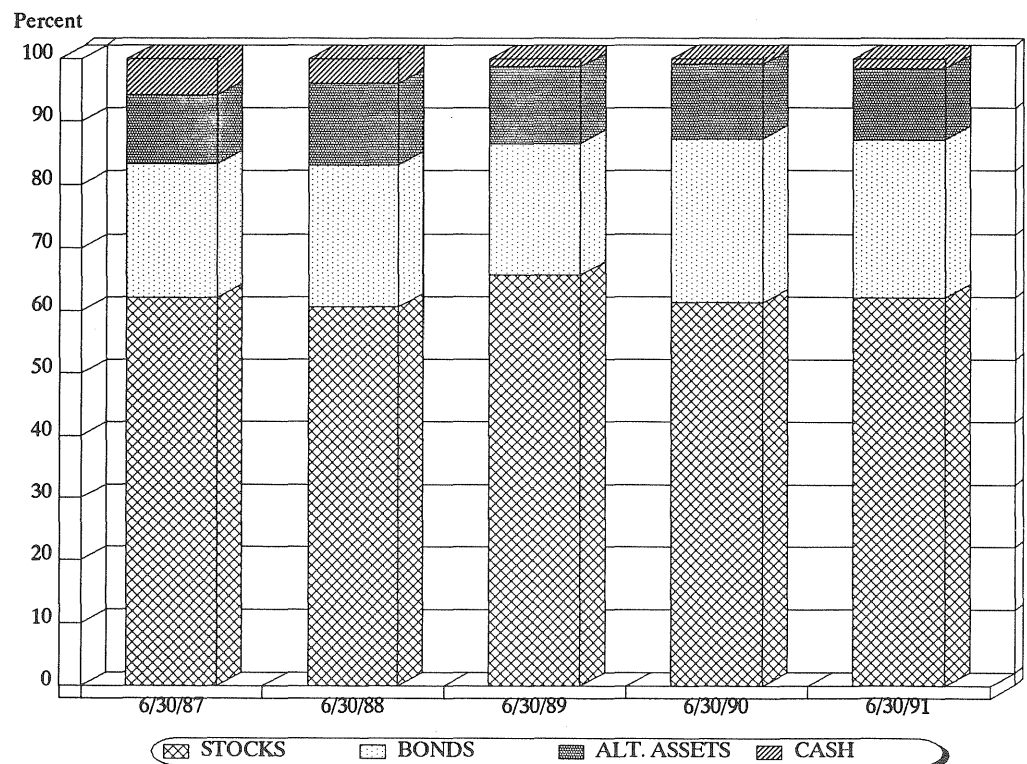
The Board allocates 60% of the Basic Funds to common stocks. The SBI utilizes a two-part approach to the management of the common stock segment:

- **Active Management.** No more than one-half of the stock segment will be actively managed. At the end of fiscal year 1991, approximately 40% of the stock segment was actively managed by a group of nine external money managers.
- **Passive Management.** On an on-going basis, at least one-half of the stock segment will be passively managed, i.e. invested in an **index fund**. At the end of fiscal year 1991, approximately 60% of the stock segment was indexed.

The **actively managed segment** of the Basic Funds' common stock portfolio is designed to add value. Each active manager is expected to add incremental value over the long run relative to a customized benchmark which reflects its unique investment approach or style.

This type of active manager structure can result in misfit or style bias. "Misfit" can be defined as the difference between the

*Figure 4.  
Historical  
Asset Mix  
FY 1987-1991*



## BASIC RETIREMENT FUNDS

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aggregate benchmarks of the active managers and the asset class target (e.g. the Wilshire 5000). The SBI has experienced three major areas of misfit in its active manager group:

- persistent over-exposure to small capitalization stocks
- persistent over-exposure to growth oriented stocks
- persistent under-exposure to yield oriented stocks

These areas have underperformed the broad stock market in the recent past, and as a result, the manager's benchmarks, individually and in aggregate, have also underperformed.

The SBI uses the **passively managed segment** of the stock portfolio to compensate for misfit. Because of its large size, the index fund can be a powerful lever in managing the characteristics of the entire stock segment. By making relatively minor changes in its holdings, the index fund is being modified or "tilted" to compensate for the existing misfit in the active manager group. This strategy should result in a decrease in the volatility of total segment returns and allow the value added through active management to benefit the total common stock segment returns.

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*Figure 4 (con't).*  
*Historical*  
*Asset Mix*  
*FY 1987-1991*

	Market Value June 30,				
	1987	1988	1989	1990	1991
<b>Common Stocks</b>					
\$Million	3,188.0	3,164.0	4,154.0	4,358.0	4,727.0
Percent	62.1	60.6	65.7	61.3	62.1
<b>Bonds</b>					
\$Million	1,089.0	1,178.0	1,318.0	1,840.0	1,899.0
Percent	21.2	22.5	20.8	25.9	25.0
<b>Real Estate</b>					
\$Million	405.0	465.0	502.0	525.0	456.0
Percent	7.9	8.9	7.9	7.4	6.0
<b>Venture Capital</b>					
\$Million	93.0	138.0	181.0	241.0	295.0
Percent	1.8	2.6	2.9	3.4	3.9
<b>Resource Funds</b>					
\$Million	68.0	78.0	96.0	84.0	112.0
Percent	1.3	1.5	1.5	1.2	1.5
<b>Unallocated Cash</b>					
\$Million	294.0	203.0	74.0	58.0	121.0
Percent	5.7	3.9	1.2	0.8	1.5
<b>Total Fund</b>					
\$Million	5,137.0	5,224.0	6,325.0	7,106.0	7,610.0

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## **BASIC RETIREMENT FUNDS**

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A comprehensive monitoring system has been established to ensure that the many elements of the common stock portfolio conform to the Basic Funds' investment policy. Performance benchmarks have been established for each of the Board's managers. These benchmarks enable the SBI to evaluate more effectively the managers' decision-making, both individually and in aggregate, with respect to risk incurred and returns achieved.

### **FY 1991 Changes**

Implementation of the tilted index fund described above began in October 1990. By June 30, 1991 the majority of the modifications were in place. During fiscal year 1991, the SBI terminated its relationships with Concord Capital and Sasco Capital. The funds were placed in the index fund until new managers could be selected during fiscal year 1992.

**A description of each common stock manager's investment approach is included in the Manager Summary section. Their portfolio characteristics are included in the Statistical Data Appendix.**

### **Bond Segment**

The Board allocates 24% of the Basic Funds to bonds. The SBI uses a two-part approach to the management of the bond segment:

- **Active Management.** No more than one-half of the bond segment will be actively managed. At the end of the fiscal year 1991, approximately 44% of the bond segment was actively managed by a group of four external money managers.
- **Semi-Passive Management.** On an on-going basis, at least one-half of the assets allocated to bonds will be managed by semi-passive managers. At the end of fiscal year 1991, approximately 56% of the bond segment was invested using an **enhanced index** approach.

The group of **active bond managers** was selected for its blend of investment styles. Each of the managers invests in high quality, fixed income securities. The managers vary, however, in the emphasis they place on interest rate anticipation and in the manner in which they approach issue selection and sector weighting decisions.

In keeping with the objective of utilizing the bond portfolio as a deflation hedge, the active managers are restricted regarding the minimum average life of their portfolios. This requirement is designed to prevent the Basic Funds' total bond portfolio from assuming an excessively short-lived position and thus, severely

## **BASIC RETIREMENT FUNDS**

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diluting its deflation hedge capacity. Further, the bond managers are permitted to purchase only high quality (BAA or better) fixed income assets. In addition, to avoid extreme variability in total bond segment returns, the SBI constrains the maximum duration (average life) of the managers' portfolios to a band of three to seven years.

The goal of the **enhanced index managers** is to add incremental value to the Salomon Broad Investment Grade (BIG) Index through the superior selection of bonds for the portfolios. The enhanced index portfolios adhere very closely to characteristics of the Salomon BIG and match its duration and maturity structure. The semi-passive managers seek to add value by exploiting perceived mispricings among individual securities or by making minor alterations in the sector weightings within the portfolio. Although the enhanced index managers seek to exceed the performance of the index, the possibility exists that the semi-passive approach may slightly underperform the target index during some periods.

### **FY 1991 Changes**

There were no additions or deletions to the bond segment during fiscal year 1991.

**A description of each bond manager's investment approach is included in the Manager Summary section. Their portfolio characteristics are presented in the Statistical Data Appendix.**

### **Real Estate Segment**

The Board allocates 10% of the Basic Funds for investment in real estate. State law authorizes the SBI to invest in real estate through commingled funds, limited partnerships and trusts. Each of the Board's real estate investments involve at least four other participants. In addition, the Board's investment may not exceed 20% of a given commingled fund, partnership or trust. State law does not permit investment in real estate through direct investments, separate accounts or individual transactions.

By investing in several open-end and closed-end commingled funds, the SBI has created a large core portfolio of real estate that is broadly diversified by property type, location and financing structure. The core portfolio is designed to reflect the composition of the aggregate U.S. real estate market and, as such, is expected to earn at least market returns. The broad diversification of the core portfolio enables the SBI to select less diversified, special orientation managers for the remaining portion of the real estate segment. With their more focused approach to real estate management, these funds offer the ability to enhance the return earned by the core portfolio.

## **BASIC RETIREMENT FUNDS**

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Prospective real estate managers are reviewed and selected based on the managers' experience, investment strategy and performance history.

### **FY 1991 Changes**

At fiscal year-end, the market value of the real estate portfolio comprised 6.0% of the Basic Funds. The SBI will continue to review and add new real estate investments, as attractive opportunities are identified.

During fiscal year 1991, the SBI approved two commitments:

- Heitman Real Estate Fund V, a follow-on investment with Heitman Advisory Corp. Fund V will focus on equity interests in existing shopping centers, industrial and business parks, and office buildings
- Zell\Merrill Lynch Real Estate Opportunity Partners II Limited Partnership. This fund will make equity or equity-related investments in opportunistic real estate situations.

**A description of each real estate manager's investment approach is included in the Manager Summary section.**

### **Venture Capital Segment**

The Board allocates 2.5% of the Basic Funds to investment in venture capital. Under state law, the SBI is authorized to invest in venture capital through limited partnerships and corporations. As with real estate investments, each venture capital investment must involve at least four other investors, and the Board's investment may not exceed 20% of a particular limited partnership.

The SBI maintains a broadly diversified venture capital portfolio that is diversified across three dimensions: location, industry type and stage of corporate development of individual portfolio companies.

Prospective venture capital managers are reviewed and selected based primarily on the managers' experience, investment strategy, diversification potential and performance history.

### **FY 1991 Changes**

At year-end, the market value of Basic Funds' venture capital segment was 3.9%, somewhat above its long-term target. The SBI has made additional investments to replenish commitments that will expire in the mid-1990's when several of the SBI's current venture capital partnerships mature.



## **BASIC RETIREMENT FUNDS**

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During fiscal year 1991, the SBI approved two commitments:

- The 1991 KKR Supplemental Fund is a leveraged buyout investment fund raised to supplement KKR's 1987 fund and will invest primarily in management buyouts. It is expected that the 1991 Fund will utilize more conservative acquisition capital structures (less debt, more equity) than prior KKR funds.
- IMR Fund, L.P., was approved subject to certain funding conditions. When operational, the fund proposes to take positions in companies with under-valued or under-utilized assets that can be restructured.

**A description of each venture capital manager's investment approach is included in the Manager Summary section.**

### **Resource Fund Segment**

The Board allocates 2.5% of the Basic Funds' assets for investment in oil and gas partnerships. The SBI invests in partnerships structured specifically for pension funds and other tax-exempt investors. There must be four other participants in each of the SBI's resource investments and the Board may invest no more than 20% of a partnership's total capital. The resource partnerships in which the Board invests concentrate their investments in producing properties and royalty interests that are diversified geographically and/or geologically.

Resource investments are selected based on the managers' experience, investment strategy and performance history.

### **FY 1991 Changes**

At year-end, the market value of the resource fund segment was 1.5% of the Basic Funds. During fiscal year 1991, the SBI approved a commitment with a new oil and gas fund, L.E. Simmons, OFS Investments, L.P. This investment is in the oil field service and equipment industry. The Board plans to continue to review resource investments for possible inclusion in the portfolio.

**A description of each resource fund manager's investment approach is included in the Manager Summary section.**

### **Unallocated Cash**

The Board allocates 1% of the Basic Funds to cash. Given the long-term objectives of the Basic Funds and their limited liquidity needs, the Board believes that a minimal commitment to short-term investments is most appropriate.

These cash reserves, as well as any cash held by stock and bond managers, are invested in a short-term investment fund (STIF) managed by State Street Bank and Trust, the Basic Funds' master custodian. The STIF is a separate account invested under the same state statutes which guide all of the SBI's short-term investments.

### INVESTMENT PERFORMANCE

The Board has adopted performance objectives which are consistent with the objectives of the Basic Funds and realistic because they are both attainable and measurable. The evaluation of performance outcomes relative to established policy is an integral part of the SBI's investment program.

#### Evaluation Framework

Given the long-term investment time horizon of the Basic Funds, the performance evaluation time period is necessarily long-term as well. Recognizing that excessive attention to performance in the short run can be counterproductive, the SBI evaluates investment performance over a time horizon of approximately three to five years (roughly corresponding to a typical market cycle). While performance is measured and reviewed quarterly to identify trends and control extreme underperformance, decisions regarding the effectiveness of the Board's investment program are made over a considerably longer period.

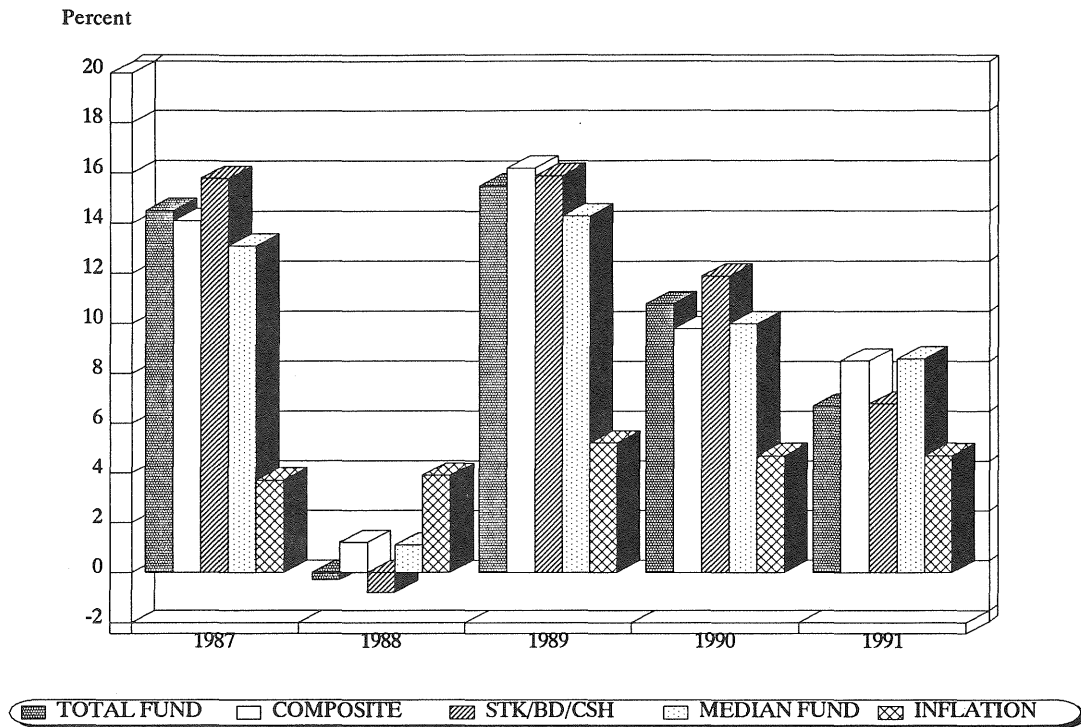
The Basic Funds' multi-manager structure requires that investment performance be evaluated on two distinct levels:

- **Total Fund.** Risk-return targets for the total fund ensure that long run strategic decisions which affect the total performance of the Basic Funds are implemented in a manner consistent with their investment policy. Specific standards have been selected to monitor performance on a total fund level.
- **Individual Managers.** Risk-return objectives for the individual managers are designed to ensure that they adhere to their assigned investment roles and to permit an evaluation of the value they add to the SBI's investment program. Individual benchmarks have been developed for each manager to monitor performance at the manager level.

#### Total Fund Performance

To a significant degree, the **risk objective** of the total fund is set implicitly when the asset allocation and investment management structure are determined. Given the adequate funding levels and

**Figure 5.**  
**Total Fund Performance**  
**Fiscal Years 1987 - 1991**



	1987	1988	1989	1990	1991	(Annualized)	
						3 YR.	5 YR.
<b>Total Fund</b>	<b>14.5%</b>	<b>-0.3%</b>	<b>15.5%</b>	<b>10.8%</b>	<b>6.7%</b>	<b>11.0%</b>	<b>9.3%</b>
<b>Composite Index*</b>	<b>14.1</b>	<b>1.2</b>	<b>16.2</b>	<b>9.8</b>	<b>8.5</b>	<b>11.3</b>	<b>9.7</b>
<b>Stocks, Bonds, Cash Only</b>	<b>15.8</b>	<b>-0.8</b>	<b>15.9</b>	<b>11.9</b>	<b>6.8</b>	<b>11.5</b>	<b>9.7</b>
<b>Median Fund**</b>	<b>13.1</b>	<b>1.1</b>	<b>14.3</b>	<b>10.0</b>	<b>8.6</b>	<b>11.4</b>	<b>9.8</b>
<b>Inflation</b>	<b>3.7</b>	<b>3.9</b>	<b>5.2</b>	<b>4.7</b>	<b>4.7</b>	<b>4.8</b>	<b>4.4</b>

\* 60% Wilshire 5000/24% Salomon Broad Investment Grade Bond Index/10% Wilshire Real Estate Index/1% 91 Day T-Bills/2.5% Venture Capital Funds/2.5% Resource Funds since July 1989.

\*\* Wilshire Assoc. Trust Universe Comparison Service (TUCS) median balanced portfolio. TUCS contains returns of more than 800 public and private funds.

## **BASIC RETIREMENT FUNDS**

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long-term investment time horizon of the Basic Funds, the Board believes an above-average risk posture is appropriate.

The Board's objective is to take advantage of the established relationship between risk and return. Higher risk investment strategies have been shown to offer higher long run returns than lower risk strategies. The SBI's risk target therefore, is implemented by committing the majority of the Basic Funds' assets to common stocks.

The Basic Funds' risk objectives are implicitly met by attaining the targeted policy asset mix. In this regard, the common stock and bond targets have been achieved. The Basic Funds began commitments to real estate, venture capital and resource funds in the early to middle 1980's. With alternative investments near their policy targets, only moderate additional activity is expected over the next several years.

The Basic Funds' **return objectives** are evaluated relative to three specific standards:

- **Real Return.** Over a ten year period, the Basic Funds are expected to produce returns that exceed inflation by 3-5 percentage points annually.
- **Composite Index.** Over a five year period, the returns produced by the total portfolio are expected to exceed those derived from a composite of market indices weighted in the same proportion as the Basic Funds' long-term asset allocation.
- **Median Fund.** Over a five year period, the Basic Funds, excluding alternative assets, are expected to outperform the median return produced by a representative sample of other public and private pension and trust funds with a balanced asset mix of stocks and bonds.

Overall, the Basic Funds have performed satisfactorily compared to these standards:

- **Real Return.** Over the last ten years, the Basic Funds have exceeded inflation by 8.9 percentage points annualized. For fiscal year 1991, the Funds' return surpassed inflation by 2.0 percentage points.
- **Composite Index.** Over the last five years, the Basic Funds have underperformed their market index composite by 0.4 percentage point annualized. For fiscal

## BASIC RETIREMENT FUNDS

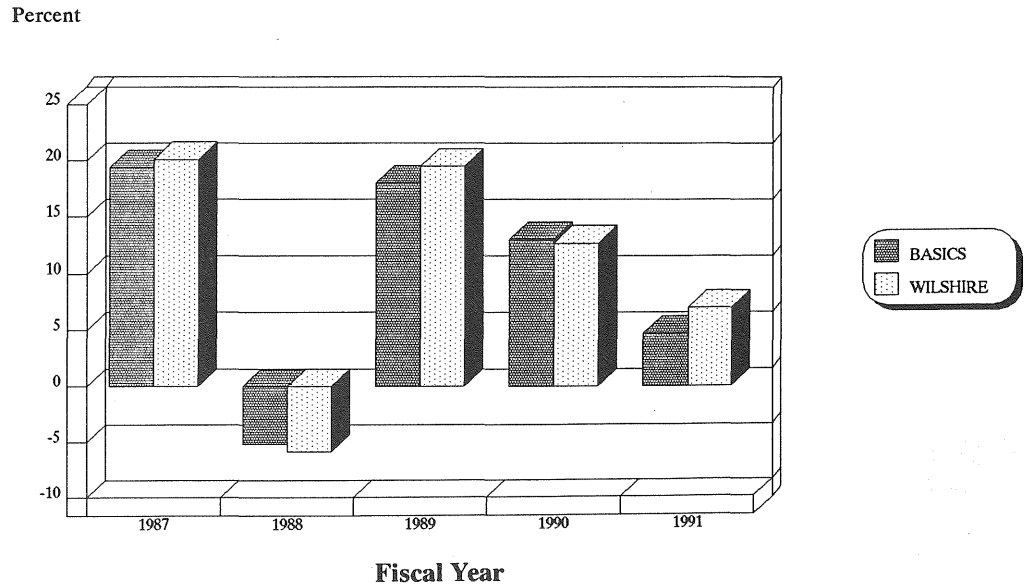
year 1991, the Funds trailed the composite by 1.8 percentage points.

- **Median Fund.** Over the last five years the Basic Funds, excluding alternative assets, were in the middle third (56th percentile) of public and private pension funds in the Wilshire Associates Trust Universe Comparison Service (TUCS). The Basic Funds ranked in the third quartile (71st percentile) of TUCS for fiscal year 1991.

Fiscal year 1991 was a fairly volatile period for all investors. Fears of recession and concerns over political instability in the Persian Gulf region caused a substantial decline in the stock market in the first half of the year. However, with an early end to the Gulf War, the stock market rebounded after January 1991 and finished the fiscal year with a modest gain. The bond market generated attractive returns as a result of an accommodating monetary policy set by the Federal Reserve Bank. Returns on most financial assets exceeded the rate of inflation for the year. Over the last five years, the Basic Funds have provided a cumulative return of 59.1%, excluding alternative assets.

Performance relative to total fund targets is presented in Figure 5. Common stock and bond segment performance are shown in Figure 6 and Figure 7.

*Figure 6.  
Stock Segment  
Performance  
FY 1987 -1991*



	1987	1988	1989	1990	1991	(Annualized)	
STOCK SEGMENT	19.4%	-5.2%	18.0%	13.0%	4.7%	3 YR.	5 YR.
Wilshire 5000	20.1	-5.9	19.5	12.7	7.0	11.8%	9.6%
						13.0	10.2

## BASIC RETIREMENT FUNDS

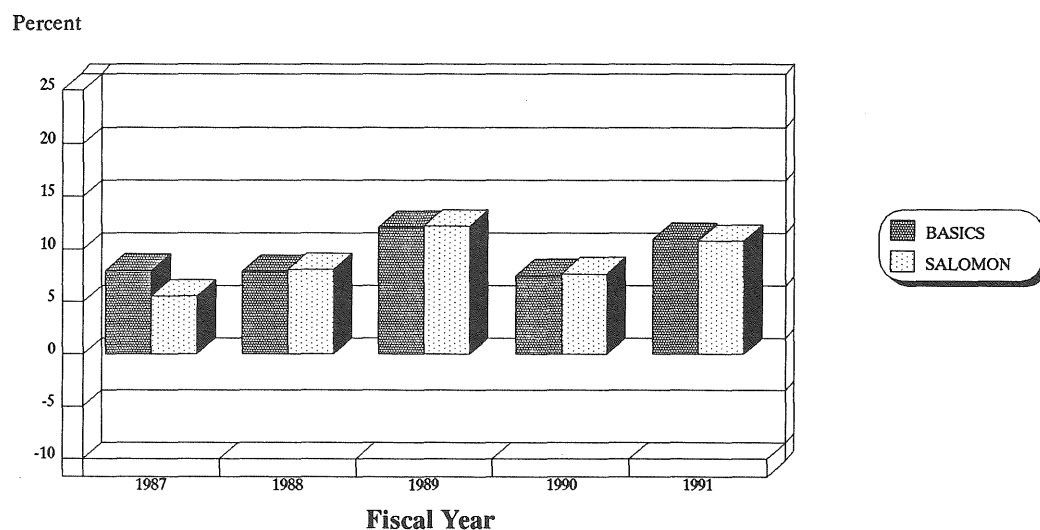
### Stock Manager Performance

Two primary long run **risk objectives** have been established for the Basic Funds' common stock managers:

- **Investment Approach.** Each manager (active or passive) is expected to hold a portfolio that is consistent, in terms of risk characteristics, with the manager's stated investment approach.
- **Diversification.** Each active common stock manager is expected to hold a highly non-diversified portfolio, while the index fund manager is expected to hold a well diversified portfolio which tracks its stated target. In the short run, the active common stock managers may depart from these two risk targets as part of their specific investment strategies.

The common stock managers successfully fulfilled their long term risk objectives during fiscal year 1991. In general, the managers constructed portfolios consistent with their stated investment approaches and maintained appropriate levels of diversification.

*Figure 7.  
Bond Segment  
Performance  
FY 1987-1991*



	1987	1988	1989	1990	1991	(Annualized)	
BOND SEGMENT	7.9%	7.9%	12.1%	7.5%	11.0%	3 Yr.	5 Yr.
Salomon Index*	5.6	8.1	12.2	7.7	10.8	10.2	8.9

\* Salomon Broad Investment Grade Bond Index

## BASIC RETIREMENT FUNDS

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The SBI evaluates the common stock managers' returns against the performance of customized indices constructed to represent the managers' specific investment approaches. These custom indices are commonly referred to as "benchmark portfolios." The **benchmark portfolios** take into account the equity market forces that at times favorably or unfavorably impact certain investment styles. Thus, the benchmarks are more appropriate return targets against which to judge the managers' performances than are broad market indices.

From a return perspective, common stock manager performance was disappointing. Two active managers (Forstmann and GeoCapital) exceeded their benchmarks for the year. The remainder of the managers underperformed their benchmarks to varying degrees. As a group, the active and passive managers underperformed the broad market by 2.2 percentage points during fiscal year 1991.

Fiscal year 1991 performance data for the individual common stock managers are presented in Figure 8. Historical information is included in the Statistical Data Appendix.

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*Figure 8.*

*Stock Manager  
Performance  
FY 1991*

	Total Portfolio Return	Benchmark Return
Alliance Capital	3.0%	4.9%
Forstmann Leff	10.7	6.4
Franklin Portfolio	3.9	7.8
GeoCapital	10.2	5.0
IDS Advisory	-0.4	4.0
Investment Advisers	0.6	5.6
Lieber & Company	5.5	5.6
Rosenberg Institutional	1.3	5.7
Waddell & Reed	-1.5	4.9
Wilshire Associates (tilted index)	6.4	6.9
<b>Basic Funds' Common Stock Segment*</b>	<b>4.8%</b>	
<b>Stock Segment Performance Standards</b>		
Wilshire 5000	7.0%	
TUCS Median Managed Equity Portfolio	6.6	
<b>Inflation</b>	<b>4.7%</b>	

\* includes performance of any manager retained for less than the full fiscal year

## BASIC RETIREMENT FUNDS

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### **Bond Manager Performance**

The SBI constrains the **risk** of the active bond managers' portfolios to ensure that they fulfill their deflation hedge and total fund diversification roles. The managers are restricted in terms of the duration (average life) of their portfolios and the quality of their fixed income investments.

The bond managers successfully fulfilled their long-term risk objective during fiscal year 1991. In general, the managers constructed portfolios consistent with their stated investment approaches and maintained appropriate levels of quality and duration.

As with the stock segment, the returns of each of the Board's bond managers is compared to an appropriate **benchmark portfolio**. Relative performance by the bond managers was favorable. Strong performance by two managers (Fidelity, Western) more than offset performance at or below benchmark levels from the remainder of the group. As a group, the active and semi-passive bond managers exceeded the performance of the broad bond market by 0.2 percentage points for the year.

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*Figure 9.  
Bond Manager  
Performance  
FY 1991*

	<b>Total Portfolio Return</b>	<b>Benchmark Return</b>
Investment Advisers	10.2%	10.5%
Lehman Ark	10.2	10.3
Miller, Anderson & Sherrerd	10.7	10.8
Western Asset	11.2	11.0
Fidelity Management (enhanced index)	11.5	10.8
Lincoln Capital (enhanced index)	10.8	10.8
 <b>Basic Funds' Bond Segment</b>	 11.0%	
 <b>Bond Segment Performance Standards</b>		
Salomon Broad Investment		
Grade Bond Index	10.8%	
TUCS Median Managed Bond Portfolio	10.6	
 <b>Inflation</b>	 4.7%	



**Fiscal year 1991 performance data for the individual bond managers are presented in Figure 9. Historical information is included in the Statistical Data Appendix.**

### **Alternative Asset Managers**

The SBI reviews performance of its real estate investments relative to two standards:

- the Wilshire Associates Real Estate Index, an index of commingled real estate funds
- inflation, as measured by changes in the Consumer Price Index (CPI)

During fiscal year 1991, the SBI's real estate portfolio underperformed both standards (SBI real estate -4.4%, Wilshire Real Estate Index -3.8%, CPI 4.7%). Comparisons over the last five years, however, show the real estate portfolio outperforming (SBI real estate 4.6% annualized, Wilshire index 4.5% annualized, CPI 4.4% annualized). As the above numbers illustrate, the real estate market as a whole is currently in the midst of a significant downturn.

At this time, specific performance objectives have not been established for the venture capital and resource fund managers. The long-term nature of these investments and the lack of comprehensive data on the returns provided by the resource and venture capital markets preclude comprehensive performance evaluation. In the future, as markets for these assets become more institutionalized, the SBI will fully integrate appropriate performance standards for these assets into its performance analysis.



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# **POST RETIREMENT FUND**

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**Investment Objectives**

**Asset Allocation**

**Investment Management**

**Investment Performance**

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## **POST RETIREMENT INVESTMENT FUND**

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**T**he Post Retirement Investment Fund contains the pension assets of retired public employees covered by nine statewide retirement plans (i.e. the Basic Retirement Funds and the Legislative & Survivors Retirement Fund).

The assets of the Post Fund finance monthly annuities paid to retirees. These annuities may be adjusted upwards based on the earnings of the Post Fund. On June 30, 1991, the Post Fund had a market value of \$6.0 billion with over 60,000 retiree participants.

### **INVESTMENT OBJECTIVES**

#### **Actuarial Assumed Return**

Public employees participating in the statewide retirement plans are promised benefits based on their total years of service and their "high five" average salaries. When an employee retires, a sum of money sufficient to finance a fixed monthly annuity is transferred from accumulation pools in the Basic Funds to the Post Fund. In order to support promised benefits, the Post Fund must "earn" at least 5% on its invested assets each year. If the Post Fund exceeds this earnings rate, excess earnings are used to finance permanent benefit increases for eligible retirees.

#### **Earnings Objectives**

Within this framework, the State Board of Investment (SBI) pursues two objectives for the Post Fund:

- To generate 5% realized earnings each year to maintain current benefits.
- To generate at least 3% additional realized earnings each year to provide annual benefit increases to eligible retirees.

The Board views the first of these two objectives as being of primary importance. Furthermore, to achieve these two objectives, the SBI recognizes that the Post Fund requires a completely different investment approach than that applied to the Basic Retirement Funds.

## POST RETIREMENT INVESTMENT FUND

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The ability of the Post Fund to maintain current benefit levels and provide future benefit increases depends upon its realized earnings. State statutes define earnings for the Post Fund as interest and dividend income as well as realized equity and fixed income capital gains (or losses). Unrealized capital gains (or losses) have no direct impact on the benefits paid to retirees. Unrealized 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. (More information on the benefit increase formula is included in the Statistical Data Appendix.)

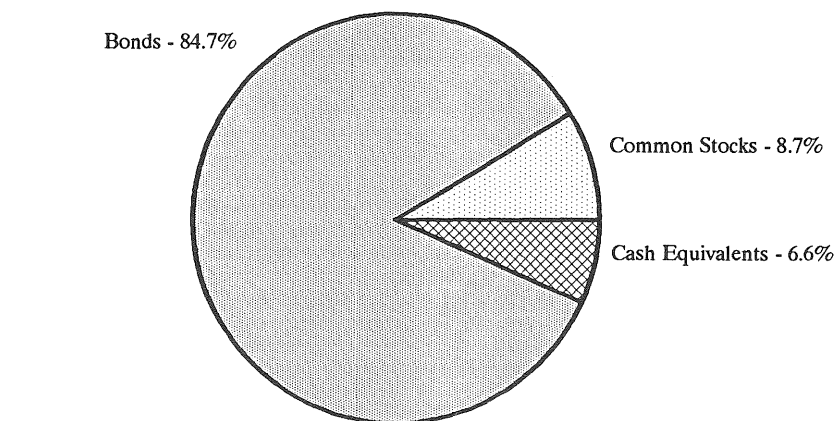
As a result, the Post Fund is not oriented toward maximizing long-term total rate of return. Rather, the SBI attempts to generate a high, consistent stream of earnings for the Post Fund that will maintain current benefits, as well as produce income sufficient to increase benefits over time.

### ASSET ALLOCATION

The Board has designed the asset mix of the Post Fund to generate the sizable stable earnings stream referred to in the

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*Figure 10.*  
*Asset Mix*  
*June 30, 1991*



	Market Value \$Millions	Percent
Common Stocks	\$ 523	8.7%
Bonds	5,063	84.7
Unallocated Cash	390	6.6
<b>Total</b>	<b>\$5,976</b>	<b>100.0%</b>

## **POST RETIREMENT INVESTMENT FUND**

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previous section. The Post Fund's year-end asset mix is presented in Figure 10. Historical asset allocation data is shown in Figure 11.

### **Dedicated Bond Portfolio**

The SBI invests the majority of the Post Fund's assets in a dedicated bond portfolio. A dedicated bond portfolio is a collection of high quality bonds with various maturities which generate cash flows from income and principal payments that match a specific stream of liabilities or benefit payments. The highly predictable benefits owed to the Post Fund's retired participants and the high real interest rates that have existed in recent years have created an ideal situation to employ a dedicated bond portfolio.

The dedicated bond portfolio facilitates the attainment of the Post Fund's two objectives. Most importantly, it ensures that funds are available at the required times to meet promised benefit payments. Also, the dedicated bond portfolio consistently earns enough additional interest income to permit a minimum annual benefit increase of 3%, provided the portfolio yields at least 8% on an annual basis. If the portfolio yield is greater than 8% or if stock investments do well, as was the case in recent years, the Post Fund can offer eligible retirees even more than this floor benefit increase.

### **Common Stocks**

While bonds represent the largest asset class in the Post Fund's total portfolio, common stocks also play an important role. Common stocks provide the Post 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 large benefit increases.

### **Unallocated Cash**

Cash equivalents make up the remainder of the Post Fund's portfolio. Because the Post Fund's cash needs are very predictable, the SBI generally maintains a small cash equivalents allocation. However, large cash flows into the Post Fund, which frequently occur at fiscal year-end, give a distorted view of the Post Fund's normal allocation to the segment.

### **Changes in Asset Mix**

During fiscal year 1991, the asset mix of the Post Fund did not change significantly. In the mid-1980's, the substantial decline in interest rates necessitated an increase in the size of the dedicated bond portfolio and a concomitant reduction in the size of the common stock portfolio. With lower interest rates, new cash flows into the Post Fund are invested at lower yields than in the recent past. If interest rates remain at relatively low levels, the size of the common stock portfolio will continue to shrink slowly as the dedicated bond portfolio grows larger.

### INVESTMENT MANAGEMENT

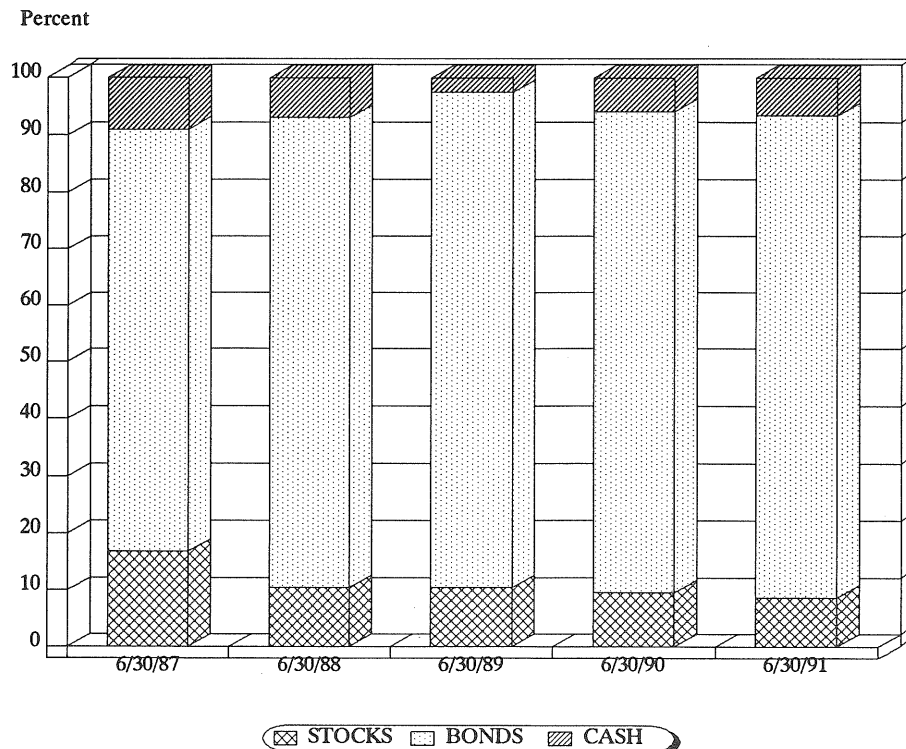
The Post Fund is managed almost entirely by SBI staff. The Board relies heavily on internal management for two reasons:

- **Dedicated Bond Portfolio.** The low turnover, limited discretion nature of the dedicated bond portfolio makes bond management by SBI staff cost effective.
- **Investment Constraints.** With respect to common stock management, the Post Fund's equity manager must be concerned with generating current income and avoiding realized losses. Most external investment managers are not used to functioning under the Post Fund's unique investment requirements. SBI staff, on the other hand, has operated under these constraints since the Post Fund's inception.

#### Bond Management

As described earlier, the dedicated bond portfolio represents the bulk of the Post Fund's assets. Staff constructs the lowest cost portfolio, within established constraints, that produces sufficient cash flows to fund promised benefit payments and maintains adequate quality levels.

*Figure 11.  
Historical  
Asset Mix  
FY 1987-1991*





## POST RETIREMENT INVESTMENT FUND

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The management of the dedicated bond portfolio requires that the State's actuary supply the SBI with forecasts of benefit payments expected to be paid over a twenty-five year horizon. Based upon these forecasts, a computer program generates a list of bonds that will meet these forecasted benefit payments. Staff then attempt to purchase the recommended issues. If these bonds are not available, substitute bonds are purchased. Staff rebalance the dedicated bond portfolio annually following the receipt of the benefit payment projections from the State's actuary.

### **Common Stock Management**

The focus of SBI staff's common stock management is long-term, value-based stock selection. Staff generally implement less aggressive investment strategies than those utilized by the Basic Retirement Funds' active stock managers. Further, SBI staff are aware of the Post Fund's need to avoid investment strategies which generate high portfolio turnover and which, at times, could result in sizable realized losses.

SBI staff attempt to identify stocks that have attractive expected returns, yet do not possess significantly high levels of market volatility. Staff use recommendations generated by quantitative valuation models as the primary source of investment candidates.

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*Figure 11 (con't).  
Historical  
Asset Mix  
FY 1987-1991*

	Market Value June 30,				
	1987	1988	1989	1990	1991
<b>Common Stocks</b>					
\$Million	673.0	446.0	524.0	514.0	523.0
Percent	16.8	10.5	10.4	9.6	8.7
<b>Bonds</b>					
\$Million	2,965.0	3,511.0	4,358.0	4,512.0	5,063.0
Percent	74.2	82.5	86.9	84.5	84.7
<b>Unallocated Cash</b>					
\$Million	359.0	301.0	132.0	313.0	390.0
Percent	9.0	7.0	2.6	5.9	6.6
<b>Total Fund</b>					
\$Million	3,997.0	4,258.0	5,014.0	5,339.0	5,976.0
Percent	100.0	100.0	100.0	100.0	100.0

## **POST RETIREMENT INVESTMENT FUND**

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Staff always maintain a fully invested position in the equity segment.

### **Cash Enhancement**

The SBI has established a cash enhancement program using financial futures for a portion of the Post Fund's cash reserves. Low risk stock index futures investment strategies are employed to improve the rate of return earned on cash equivalents. The strategies are low risk because each investment is fully hedged. That is, stock index futures contracts are simultaneously bought and sold, thereby eliminating market risk. The underlying mispricings between the contracts provide the source of returns to the cash enhancement program.

The Board has retained BEA Associates, New York, NY, a firm specializing in the management of financial futures, to manage the cash enhancement program.

## **INVESTMENT PERFORMANCE**

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

### **Total Fund Performance**

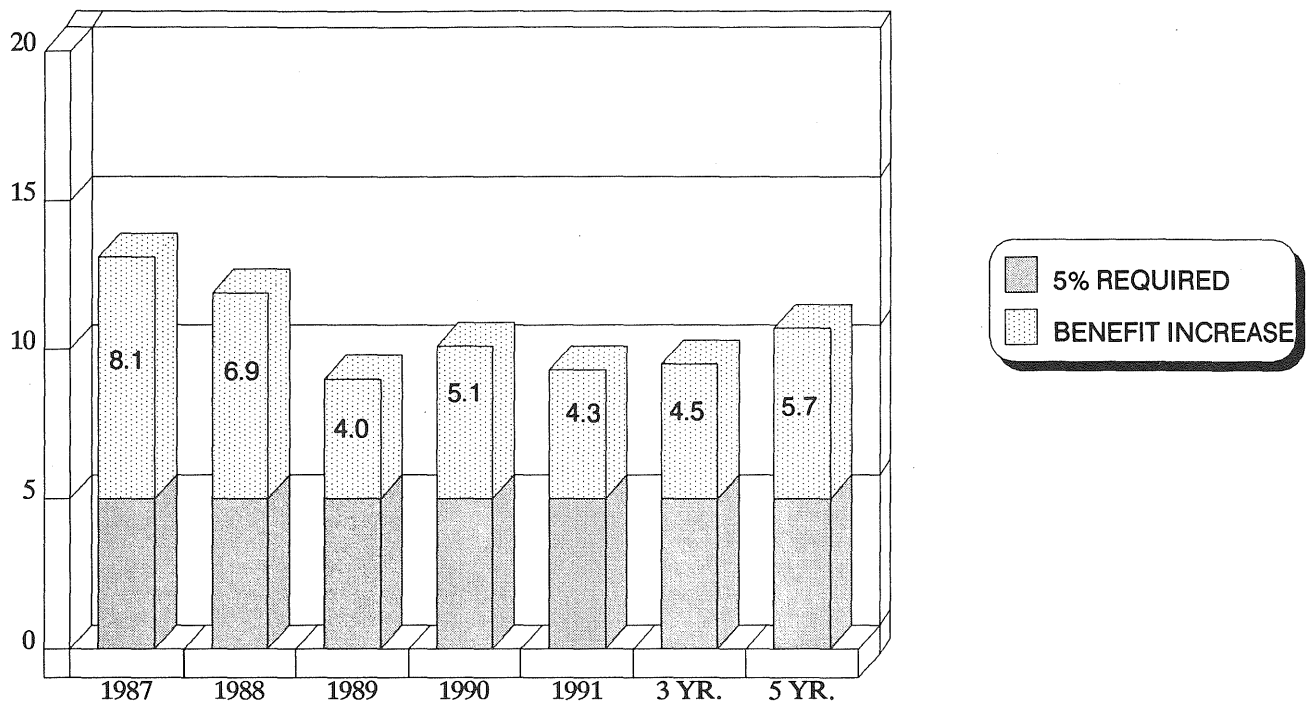
In terms of long-term rate of return objectives, the Fund's investment results are compared to two standards:

- **Actuarial Assumptions.** In order to finance promised benefit payments, the Post Fund must generate a level of interest and dividend income which, combined with realized net capital gains, meets the Post Fund's actuarial assumption of 5% per year.
- **Benefit Increase Level.** The Post Fund is expected to produce additional earnings sufficient to allow benefits to increase by at least 3% per year.

The Post Fund's total portfolio met all of the prescribed risk targets during the 1991 fiscal year. Approximately 85% of the fund was invested in bonds with an average quality rating of AAA. The Post Fund's common stock portfolio maintained a slightly above average level of relative market volatility and was consistently well diversified.

**Figure 12.**  
**Realized Earnings**  
**Fiscal Years 1987-1991**

PERCENT



	1987	1988	1989	1990	1991	(Annualized)	
						3 YR.	5 YR.
Realized Earnings*	13.1%	11.9%	9.0%	10.1%	9.3%	9.5%	10.7%
Benefit Increase**	8.1	6.9	4.0	5.1	4.3	4.5	5.7
Inflation	3.7	3.9	5.2	4.7	4.7	4.9	4.4

\* Interest, dividends and net realized capital gains.

\*\* Payable starting January 1 of the following calendar year.

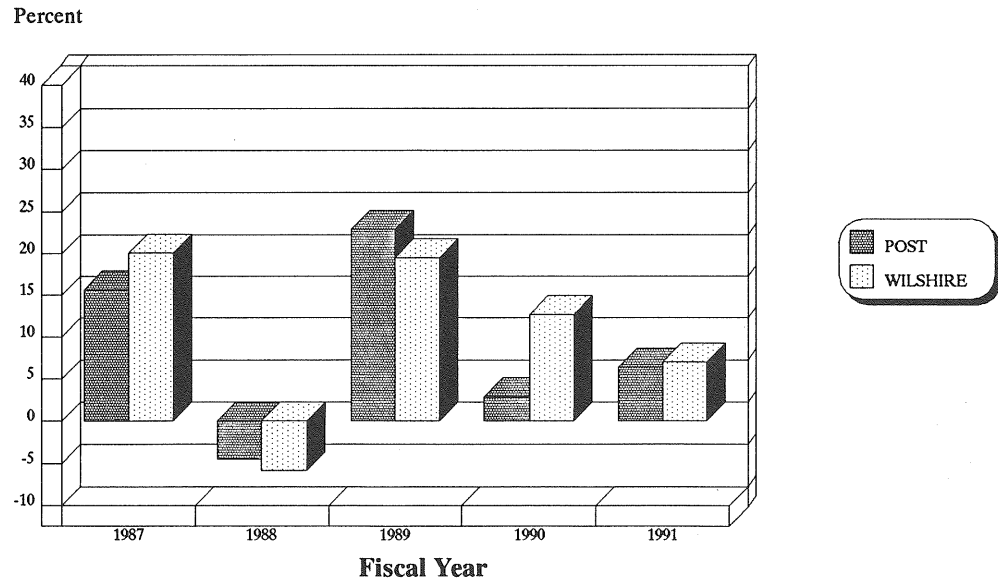
## POST RETIREMENT INVESTMENT FUND

Overall, investment returns relative to performance objectives were satisfactory for the 1991 fiscal year. The Post Fund generated income and realized net capital gains in excess of the amount needed to fund promised benefits. The surplus earnings will permit a benefit increase of 4.3% beginning January 1, 1992. (The total rate of return for the Fund was 9.6% for fiscal year 1991 and 8.4% annualized for FY87-91.)

As shown in Figure 12, the Post Fund has generated benefit increases of 5.7% on an annualized basis over the last five years. During this period, investment returns were high compared to inflation, which increased at an annualized rate of 4.4%. The formula used to compute benefit increases was revised in 1980. During the twelve years since the revised formula was instituted, benefit increases have been 6.5% on an annualized basis. This compares to an annualized inflation rate of 5.4% for the same period.

More information on the benefit increase formula is included in the Statistical Data Appendix.

*Figure 13.  
Stock Segment  
Performance  
FY 1987-1991*



	1987	1988	1989	1990	1991	(Annualized)	
						3 YR.	5 YR.
STOCK SEGMENT	15.7%	-4.5%	22.9%	2.9%	6.4%	10.4%	8.3
Wilshire 5000	20.1	-5.9	19.5	12.7	7.0	13.0	10.2

## POST RETIREMENT INVESTMENT FUND

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### Segment Performance

The contrarian value style pursued by the Post Fund's internal **common stock** manager underperformed the Wilshire 5000 by 0.6 percentage points for the fiscal year. Historical performance data on the stock segment of the Post Fund is shown in Figure 13.

At the end of fiscal year 1991, the **dedicated bond portfolio** had a duration or average life of 7.6 years and a current yield of 7.7%. This is consistent with the design of the dedicated bond portfolio. More information on the dedicated bond portfolio is shown in Figure 14.

During fiscal year 1991, the **cash enhancement program** produced a 7.4% total rate of return. This is substantially above the rate of return generated by investments in 91 Day Treasury Bills and indicates the cash enhancement program met its objective during its fourth year of operation.

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### *Figure 14. Dedicated Bond Portfolio Statistics June 30, 1991*

Value at Market	\$ 4,968,567,551
Value at Cost	4,567,934,400
Average Coupon	8.61%
Current Yield	7.66
Yield to Maturity	8.57
Current Yield at Cost	8.33
Time to Maturity	15.38 Years
Average Duration	7.57 Years
Average Quality Rating	AAA
Number of Issues	425



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## **SUPPLEMENTAL INVESTMENT FUND**

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**Income Share Account**

**Growth Share Account**

**Common Stock Index Account**

**Bond Market Account**

**Money Market Account**

**Guaranteed Return Account**

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The Minnesota Supplemental Investment Fund is a multi-purpose investment program that offers a range of investment options to state and local public employees. The different participating groups use the Supplemental Fund for a variety of purposes:

- It functions as the investment manager for all assets of the Unclassified Employees Retirement Plan.
- It acts as one investment manager for assets of the supplemental retirement programs for state university and community college faculty.
- It is the sole investment manager for all assets of the Hennepin County Supplemental Retirement Program.
- It is one investment vehicle offered to public employees as part of the state's Deferred Compensation Plan.
- It serves as an external money manager for a portion of some local police and firefighter retirement plans.

The Supplemental Investment Fund serves more than 20,000 individuals. On June 30, 1991, the market value of the entire fund was \$520 million.

### **Fund Structure**

A wide diversity of investment goals exists among the Supplemental Fund's participants. In order to meet those needs, the Supplemental Fund has been structured much like a **"family of mutual funds."** Participants may allocate their investments among one or more accounts that are appropriate for their needs, within statutory requirements and rules established by the participating organizations. Participation in the Supplemental Fund is accomplished through the purchase or sale of shares in each account.

### **Fund Management**

The investment objectives, asset allocation, investment management and investment performance of each existing account in the Supplemental Fund are explained in the following sections.

## **SUPPLEMENTAL INVESTMENT FUND**

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### **Range of Investment Options**

Participants in the Supplemental Fund have six different investment options:

- **Income Share Account**, a balanced portfolio of stocks and bonds
- **Growth Share Account**, a portfolio of actively managed common stocks
- **Common Stock Index Account**, a passively managed common stock portfolio
- **Bond Market Account**, an actively managed fixed income portfolio
- **Money Market Account**, a portfolio of liquid, short-term debt securities
- **Guaranteed Return Account**, an investment option utilizing guaranteed investment contracts (GIC's)

### **Share Values**

Each account in the Supplemental Fund establishes a share value and participants may buy or sell shares monthly, based on the most recent unit value.

In the Income Share Account, the Growth Share Account, the Common Stock Index Account and the Bond Market Account, shares are priced monthly based on the market value of the entire account. Individuals measure the performance of these accounts by changes in share values, which in turn are a function of the income and capital appreciation (or depreciation) generated by the securities in the accounts.

In the Money Market Account and the Guaranteed Return Account, share values remain constant and the accrued interest income is credited to the accounts through the purchase of additional shares at predetermined intervals.

The investment returns shown in this report are calculated using a time-weighted rate of return formula. These returns may differ slightly from calculations based on share values, due to the movement of cash flows in and out of the accounts.

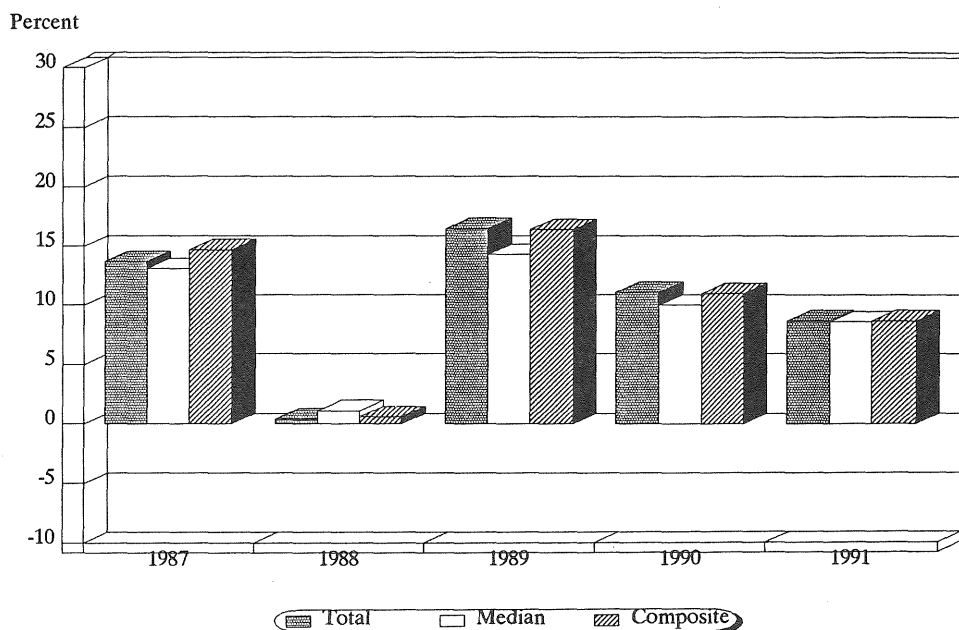
## INCOME SHARE ACCOUNT

### Objective

The \$269 million Income Share Account resembles the Basic Retirement Funds in terms of investment objectives. The Account seeks to maximize long-term inflation-adjusted rates of return. The Income Share Account pursues this objective within the constraints of protecting against disastrous financial environments and limiting short run portfolio return volatility.

The SBI invests the Income Share Account in a balanced portfolio of common stocks and fixed income securities. The Account's policy asset allocation calls for the following long-term asset mix: **60% common stocks, 35% bonds, 5% cash equivalents**. Common stocks provide the potential for significant long-term capital appreciation, while bonds provide both a hedge against deflation and the diversification needed to limit excessive portfolio return volatility.

Figure 15.  
Income Share  
Account  
FY 1987-1991



	1987	1988	1989	1990	1991	(Annualized)	
						3 YR.	5 YR.
<b>TOTAL ACCOUNT</b>	13.7%	0.4%	16.5%	11.1%	8.7%	12.0%	9.9%
Median Fund*	13.1	1.1	14.3	10.0	8.6	11.4	9.8
Composite**	14.7	0.6	16.4	11.0	8.7	12.0	10.1

\* TUCS Median Balanced Portfolio

\*\* 60% Wilshire 5000/35% Salomon Broad Investment Grade Bond Index/5% 91 day T-Bills

### **Management**

The Income Share Account's investment management structure combines internal and external management. SBI staff manage the entire fixed income segment. Currently, the entire common stock segment is managed by Wilshire Associates as part of a passively managed index fund designed to track the Wilshire 5000. Prior to April 1988, a significant portion of the stock segment was actively managed.

### **Performance**

Similar to the other SBI funds which utilize a multi-manager investment structure, the Board evaluates the performance of the Income Share Account on two levels:

- **Total Account.** The Income Share Account is expected to exceed the returns of a composite of market indices weighted in the same proportion as its policy asset allocation. In addition, the Income Share Account's performance is expected to exceed the performance of the median fund from a universe of other balanced funds over the long-term.
- **Individual Manager.** The passive stock manager is expected to track closely the performance of the Wilshire 5000. The internal bond manager for the account is expected to exceed the performance of the Salomon Broad Investment Grade Bond Index.

The Income Share Account provided a return of 8.7% for fiscal year 1991, essentially matching its market index composite and the median fund. A five year history of performance results is presented in Figure 15.

## **GROWTH SHARE ACCOUNT**

### **Objective**

The Board has established above-average capital appreciation as the primary investment objective of the \$76 million Growth Share Account. To achieve this objective, the Account maintains a large equity exposure with the following long-term asset allocation: **95% common stocks, 5% cash equivalents.**

The small cash equivalents component represents the normal cash reserves held by the Growth Share Account as a result of new contributions not yet allocated to common stocks. The Growth Share Account's asset mix may vary from its assigned policy allocation at times, depending on the Account managers' near-term outlook for the capital markets.

## SUPPLEMENTAL INVESTMENT FUND

Because of its substantial common stock policy allocation, the Growth Share Account's returns are more variable than those of the balanced Income Share Account. The Board expects higher long run returns from the Growth Share Account's investments to compensate for the additional variability of returns.

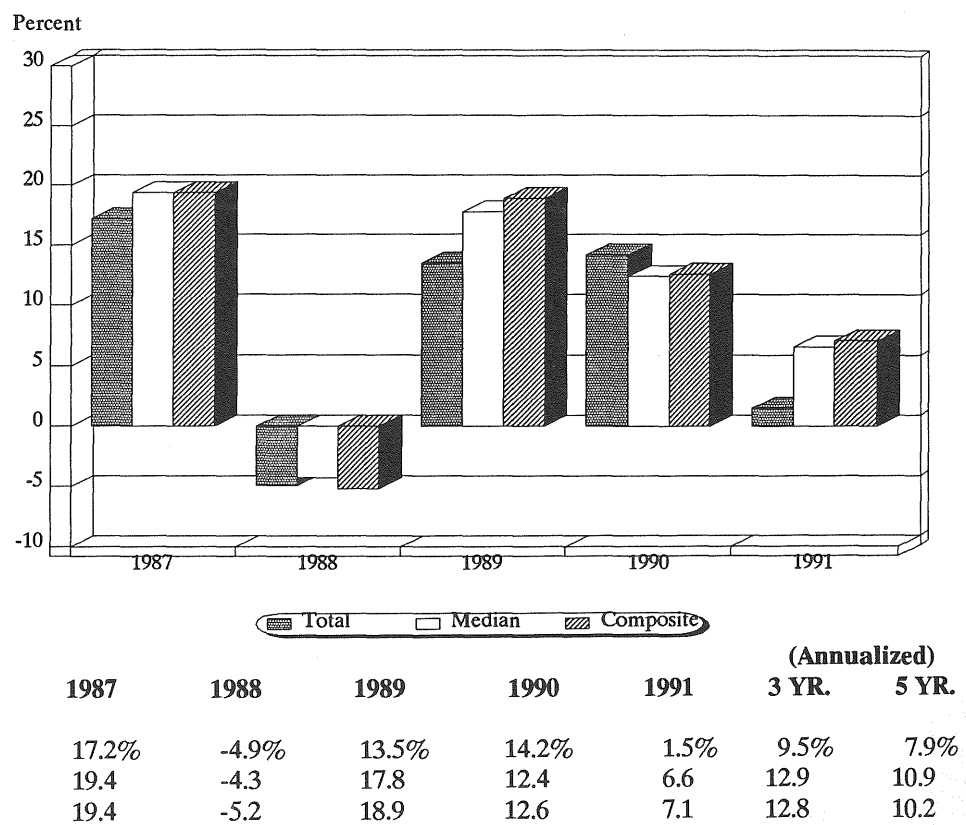
### Management

The SBI has assigned the entire common stock portfolio of the Growth Share Account to external managers. The allocation to active common stock managers, rather than to an index fund, reflects the more aggressive investment policy of the Growth Share Account. Currently, these assets are managed by the same active managers utilized by the Basic Retirement Funds. Prior to April 1988, a significant portion of the account was invested by other active managers.

### Performance

Like the Income Share Account, the Board evaluates the performance of the Growth Share Account on two levels:

*Figure 16.  
Growth Share  
Account  
FY 1987-1991*



\* TUCS Median Managed Equity Portfolio

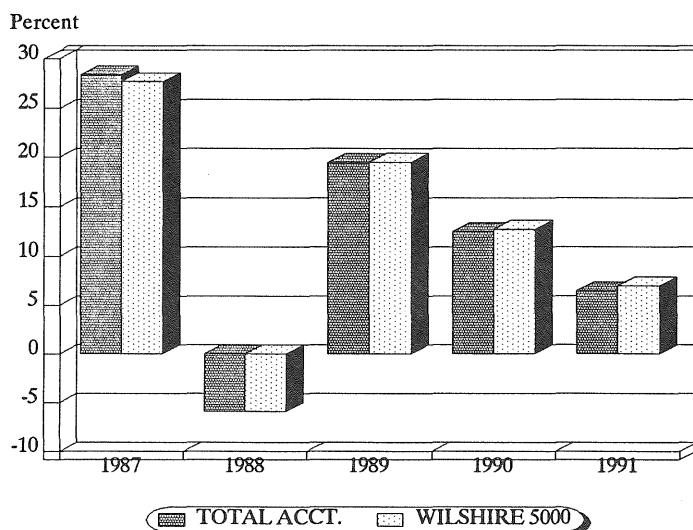
\*\* 95% Wilshire 5000/5% 91 Day T-Bills

## SUPPLEMENTAL INVESTMENT FUND

- **Total Account.** The Growth Share Account is expected to exceed the returns of a composite of market indices weighted in the same proportion as its policy asset allocation. The Account's performance is also expected to surpass the performance of the median portfolio from a universe of managed equity portfolios.
- **Individual Manager.** Performance objectives for the external managers are described in the Basic Retirement Funds discussion.

The Growth Share Account underperformed both the composite and median manager for the year by a substantial margin. A large portion of the Account was committed to the stock of medium size companies. These holdings underperformed the stock of very large and small companies. An overweighting in energy stocks and an underweighting in the consumer non-durable sector also contributed to disappointing returns. A five year history of performance results is shown in Figure 16.

Figure 17.  
Common Stock  
Index Account  
FY 1987-1991



	1987*	1988	1989	1990	1991	3 Yr.	(Annualized) Since Incept.*
Total Account	28.4%	-5.9%	19.4%	12.5%	6.5%	12.7%	11.8%
Wilshire 5000	27.7	-5.9	19.5	12.7	7.0	13.0	11.8

\* Since July 30, 1986.

## **COMMON STOCK INDEX ACCOUNT**

The Common Stock Index Account began accepting contributions at the end of July 1986. At the end of fiscal year 1991, it had a market value of \$15 million.

### **Objective**

The investment objective of the Common Stock Index Account is to generate returns that match the performance of the common stock market, as represented by the Wilshire 5000. To accomplish this objective, the SBI allocates all of the Common Stock Index Account's assets to **passively managed common stocks**.

This 100% common stock allocation means that the Common Stock Index Account's returns, like those of the Growth Share Account, are more variable than the returns produced by the balanced Income Share Account. The Board expects that this greater variability in returns will be compensated over the long run by higher returns.

### **Management**

The Common Stock Index Account is invested entirely by Wilshire Associates, the SBI's passive stock manager.

### **Performance**

The performance objective of the Common Stock Index Account is straightforward. The Account is expected to track closely the performance of the Wilshire 5000. The SBI recognizes that the Account's returns may deviate slightly from those of the Wilshire 5000 due to the effects of management fees, new contributions, dividend flows or tracking error.

During fiscal year 1991, the Common Stock Index Account produced a return of 6.5%, 0.5 percentage point under the Wilshire 5000. This is within the range of acceptable tracking error. Total account results for prior years are shown in Figure 17.

## **BOND MARKET ACCOUNT**

The Bond Market Account began accepting contributions at the end of July 1986. At the end of fiscal year 1991, the market value of the Account was \$8 million.

### **Objective**

The Bond Market Account offers participants a means of adding a fixed income component to their set of investments. The account is **invested entirely in investment-grade government and corporate bonds** with intermediate to long maturities.

## SUPPLEMENTAL INVESTMENT FUND

The Account earns investment returns through interest income and capital appreciation. Because bond prices move inversely with interest rates, the Account entails some risk for investors. However, historically, it represents a lower risk alternative than the investment options that include only common stocks.

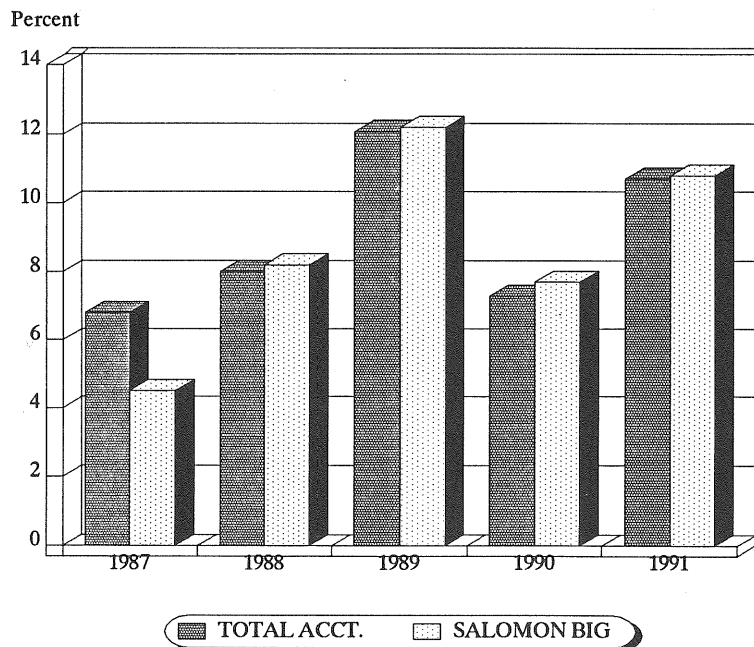
### Management

The SBI has assigned the entire bond portfolio to external managers. These assets are managed by the same active managers utilized by the Basic Retirement Funds. A discussion of the SBI's active bond managers is presented in the Basic Funds section.

### Performance

The Bond Market Account is expected to exceed the performance of the bond market, as represented by the Salomon Broad Investment Grade Bond Index. For fiscal year 1991, the Bond Market Account essentially matched this target, with a 10.7% return compared to the Salomon index return of 10.8%. Total account results for prior years are shown in Figure 18.

*Figure 18.  
Bond Market  
Account  
FY 1987-1991*



	1987*	1988	1989	1990	1991	(Annualized) 3 Yr.	Since Incept.*
Total Account	6.8%	8.0%	12.1%	7.3%	10.7%	10.0%	9.1%
Salomon Index	4.5	8.2	12.2	7.7	10.8	10.2	8.8

\* Since July 30, 1986.



## MONEY MARKET ACCOUNT

**Objective**

The Money Market Account invests solely in **short-term, liquid debt securities**. The Account's investment objectives are to preserve capital and offer competitive money market returns. At the end of fiscal year 1991, the Money Market Account had a market value of \$86 million.

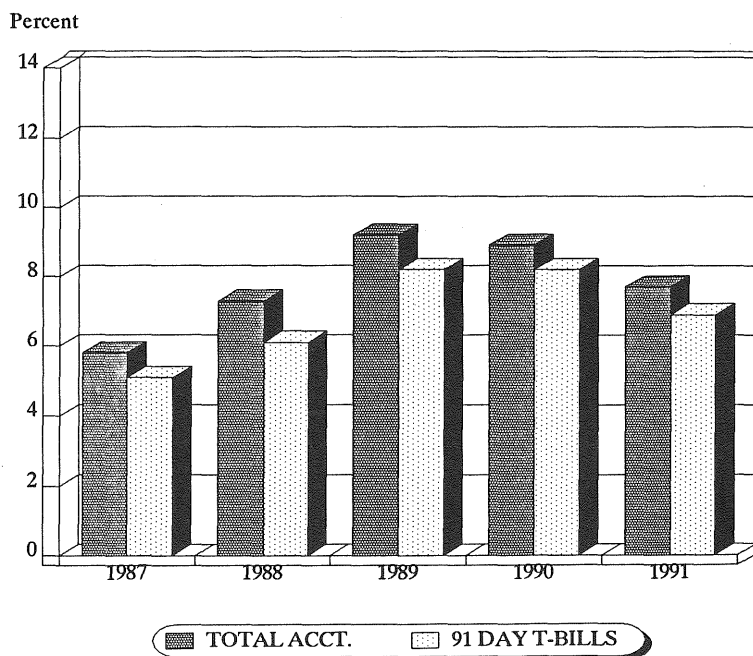
**Management**

The Account utilizes the same short-term investment manager as the Basic Retirement Funds, which is State Street Bank and Trust Company.

**Performance**

The Account is expected to produce returns competitive with those available from short-term debt securities. The Money Market Account exceeded that target in fiscal year 1991 with a 7.7% return versus a return on 91 Day Treasury Bills of 6.9%. Total account results for prior years are shown in Figure 19.

*Figure 19.  
Money Market  
Account  
FY 1987-1991*



	1987*	1988	1989	1990	1991	(Annualized) 3 Yr.	Since Incept.*
Total Account	5.8%	7.3%	9.2%	8.9%	7.7%	8.6%	7.9%
91 Day T-Bills	5.1	6.1	8.2	8.2	6.9	7.8	7.0

\* Since July 30, 1986.

**GUARANTEED RETURN ACCOUNT**

**Objective** The Guaranteed Return Account opened for subscription in November 1986. The Guaranteed Return Account is designed to offer participants a fixed rate of return for a specified period of time with negligible risk. At the end of fiscal year 1991, the account totaled \$65 million.

**Management** The SBI invests the Guaranteed Return Account in **three-year guaranteed investment contracts** (GIC's) offered by major U.S. insurance companies and banks. Annually, the SBI accepts bids from banks and insurance companies that meet financial quality criteria defined by State statute. Generally, the insurance company or bank bidding the highest three-year GIC interest rate will be awarded the contract for the three-year period. Participants making contributions over the following twelve months receive the fixed rate for the remainder of the three year contract period.

Within the constraints of permitting only top-rated U.S. insurance companies and banks to bid on the GIC contracts, the SBI desires to maximize the three-year interest rate offered to Guaranteed Return Account participants. The Board believes the competitive bidding presents the most effective method of achieving this goal.

**Performance** The Board was very satisfied with the winning bid of 8.875% on the 1990-1993 GIC, which was 84 basis points over prevailing interest rates on three-year Treasury Notes at the time of the bid.

<b>Contract Period</b>	<b>Annual Effective Interest Rate</b>
Nov. 1, 1988 - Oct. 31, 1991	9.010%
Nov. 1, 1989 - Oct. 31, 1992	8.400
Nov. 1, 1990 - Oct. 31, 1993	8.875

The 1988-1991 contract was awarded to Mutual of America, New York, NY. The 1989-1992 contract was placed with John Hancock, Boston, MA. The 1990-1993 contract was awarded to two firms: Mutual of America, New York, NY and Provident National, Chattanooga, TN.

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# **PERMANENT SCHOOL TRUST FUND**

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**Investment Objectives**

**Asset Allocation**

**Investment Management**

**Investment Performance**

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**T**he Permanent School Trust Fund is a trust fund created by the Minnesota State Constitution and designated as a long-term source of revenue for public schools. Proceeds from land sales, mining royalties, timber sales, lakeshore and other leases are invested in the Fund.

Income generated by the Fund's assets is used to offset state school aid payments. During fiscal year 1991, investment income reported to the Minnesota Department of Finance totaled \$34 million.

## **INVESTMENT OBJECTIVES**

The State Board of Investment (SBI) invests the Permanent School Trust Fund to produce a high, consistent level of income that will assist in offsetting state expenditures on school aids.

### **Investment Constraints**

The Fund's investment objectives are influenced by the restrictive legal provisions under which its investments must be managed. These provisions require that the Fund's principal remain inviolate. Further, any net realized capital gains from stock or bond investments must be added to principal. Moreover, if the Fund realizes net capital losses, these losses must be offset against interest and dividend income before such income can be distributed. Finally, all interest and dividend income must be distributed in the year in which it is earned.

These legal provisions limit the investment time horizon over which the Permanent School Trust Fund is managed. Long run growth in its assets is difficult to achieve without seriously reducing current spendable income and exposing the spendable income stream to unacceptable volatility. The SBI, therefore, invests the Fund's assets to produce the maximum amount of current income, within the constraint of maintaining adequate portfolio quality.

### ASSET ALLOCATION

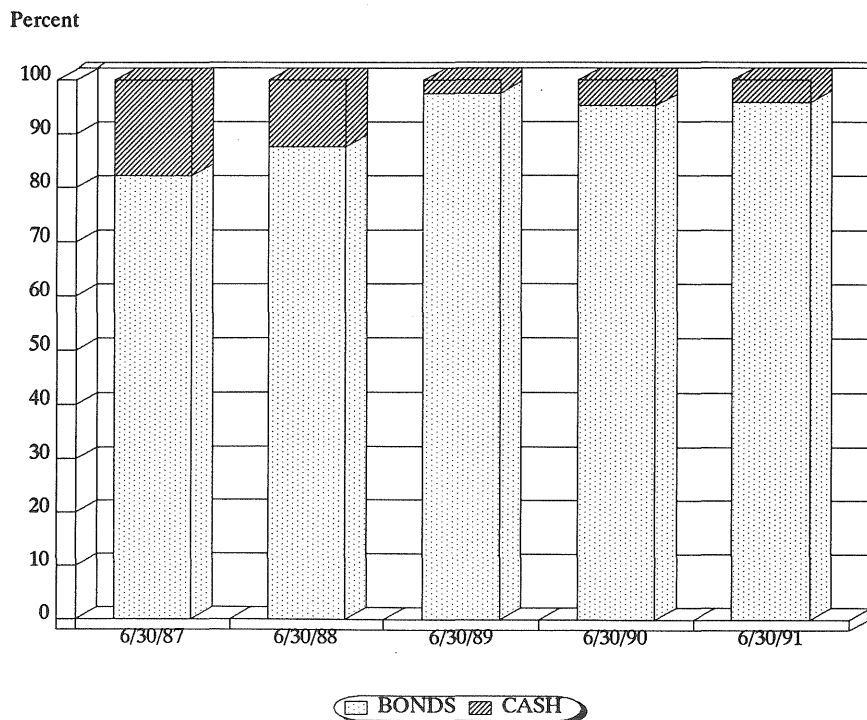
The SBI maximizes current income by investing all of the Permanent School Trust Fund's assets in fixed income securities.

The SBI has a strong incentive not to invest in equity assets for several reasons:

- Common stock yields are considerably lower than bond yields. Thus, common stocks generate less current income than bonds.
- Stock prices are highly volatile and at times may produce realized capital losses that will reduce spendable income.
- Net capital gains become part of the Permanent School Trust Fund's principal. Therefore, the effect of the volatility of common stock prices on the Permanent School Fund's spendable income cannot be smoothed out by including past realized capital gains in spendable income.

Considering these constraints, the Board completely eliminated the Fund's small common stock component in fiscal year 1986,

*Figure 20.  
Historical  
Asset Mix  
FY 1987-1991*



investing the proceeds in fixed income securities. Historical asset mix data for the Fund are shown in Figure 20.

## **INVESTMENT MANAGEMENT**

SBI staff manage all assets of the Permanent School Trust Fund. Given the existing legal restrictions of the Fund, external managers would find it extremely difficult to invest the Fund's portfolio.

The Fund's emphasis on producing high levels of current spendable income through passive investments is not compatible with the investment style of most money managers. In addition, with the move to an all fixed income portfolio, SBI staff management of the Fund is the most cost-effective approach.

The staff manage the Fund's bond portfolio primarily through a buy-and-hold, laddered maturity approach. Virtually all securities are held to maturity after purchase. To minimize reinvestment risk and reduce exposure to dramatic interest rate fluctuations, the portfolio purchases securities with uniformly staggered maturity dates.

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*Figure 20 (con't).  
Historical  
Asset Mix  
FY 1987-1991*

		Market Value				
		1987	1988	June 30, 1989	1990	1991
<b>Bonds</b>	\$Million	297.0	313.6	375.0	359.0	368.2
	Percent	82.2	87.6	97.5	95.2	95.8
<b>Unallocated Cash</b>						
	\$Million	64.0	44.2	9.6	18.2	23.7
	Percent	17.8	12.4	2.5	4.8	4.2
<b>Total Fund</b>						
	\$Million	361.0	357.8	384.6	377.2	391.9
	Percent	100.0	100.0	100.0	100.0	100.0

## INVESTMENT PERFORMANCE

The Permanent School Trust Fund's investment objective is to maximize spendable income, within the constraint of maintaining adequate portfolio quality.

From a total portfolio **risk perspective**, the Fund is very conservatively structured, as its target asset mix calls for a full commitment to fixed income securities. Within the bond portfolio, SBI staff control risk by establishing a laddered portfolio structure, thereby avoiding significant interest rate bets. Further, the staff purchase only investment-grade bonds and seek to maintain an overall portfolio quality rating of at least AA.

From a **rate of return perspective**, the Board is not concerned with the Fund's total rate of return. Market value changes have no effect on the Fund's ability to produce spendable income. Spendable income is affected only to the extent that any securities are sold at losses. Thus, the Fund's return objective is to maintain a high current yield on new investments.

The Fund achieved its risk-return performance objectives during the year. On June 30, 1991, the Fund's bond portfolio had a duration of 7.2 years, an average quality rating of AAA and a current yield of 8.9%. (The total rate of return for the Fund was 10.5% for fiscal year 1991 and 9.3% annualized for FY87-91.)

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*Figure 21.  
Bond Portfolio  
Statistics  
June 30, 1991*

Value at Market	\$368,248,287
Value at Cost	355,333,402
Average Coupon	9.14%
Current Yield	8.87
Yield to Maturity	8.68
Current Yield at Cost	9.19
Time to Maturity	15.27 Years
Average Duration	7.18 Years
Average Quality Rating	AAA
Number of Issues	132



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# **CASH MANAGEMENT**

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**Internal Cash Pools**

**Securities Lending Program**

**Certificate of Deposit Program**

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### INTERNAL CASH POOLS

#### State Cash Accounts

The State Board of Investment (SBI) manages the cash balances in more than 400 state agency accounts with the objectives of preserving capital and providing competitive money market returns. To this end, the SBI invests these cash accounts in short-term, liquid, high quality debt securities. These investments include U. S. Treasury and Agency issues, repurchase agreements, bankers acceptances, and commercial paper. On June 30, 1991, the combined value of all agency cash balances was \$2.6 billion.

#### Pool Structure

Most of the cash accounts are managed by SBI staff through two pooled investment vehicles, which operate much like money market mutual funds:

- **Trust Fund Pool.** This pool contains cash balances of retirement-related accounts managed internally as well as the cash in the Permanent School Fund. The Trust Fund Pool has an average daily balance of \$ 0.2 billion.
- **Treasurer's Cash Pool.** This pool contains cash balances from the Invested Treasurer's Cash and other accounts necessary for the operation of state agencies . The Treasurer's Cash Pool has an average daily balance of \$2.2 billion.

Because of special legal restrictions, a small number of cash accounts cannot be commingled. These accounts are therefore invested separately.

#### Performance

For fiscal year 1991, both the Trust Fund Pool and the Invested Treasurer's Cash Pool outperformed the total return on 91 Day Treasury Bills:

Trust Fund Pool	8.0%
Treasurer's Cash Pool	8.6
91Day Treasury Bills	6.9%

The SBI is in the process of determining a more appropriate target against which to measure the performance of the cash equivalent assets.

### **SECURITIES LENDING PROGRAM**

As part of its internal 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 generated approximately \$3.0 million in additional income for the funds managed by the Board in fiscal year 1991.

### **CERTIFICATE OF DEPOSIT PROGRAM**

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 SBI receives a market rate of return on these investments, using the average secondary CD market rate quoted by the New York Federal Reserve Bank. Only the cash reserves of pension funds (i.e., Basic Retirement Funds or Post Retirement Fund) are used in the program. As a result, all investments are fully insured by the Federal Deposit Insurance Corporation (FDIC).

The Minnesota Certificate of Deposit program provides a reliable source of capital to Minnesota financial institutions, regardless of size, many of which do not have access to the national CD market. The Board designed the program so that no single institution is favored in the allocation of assets.

During fiscal year 1991, the SBI purchased over \$114 million of CD's from Minnesota financial institutions. Since it began the program in 1980, the SBI has purchased over \$1.6 billion of CD's from over 465 financial institutions throughout the state.

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## **MAJOR POLICY INITIATIVES**

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**Assigned Risk Plan**

**Program Evaluation Report**

**Tactical Asset Allocation Review**

**Police and Fire Fund Consolidation**

**Resolution on South Africa**

**Mandate on Northern Ireland**

**Proxy Voting**

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### ASSIGNED RISK PLAN

In accordance with legislation enacted during the 1990 legislative session, investment management responsibility for the Minnesota Workers Compensation Assigned Risk Plan was transferred from the Department of Commerce to the State Board of Investment (SBI) effective May 1991. During fiscal year 1991, the SBI reviewed the portfolio and selected an outside investment firm to manage the assets of the plan.

#### **Plan Description**

The Assigned Risk Plan (ARP) was established in 1983 to provide workers' compensation coverage to Minnesota employers rejected by a licensed insurance company. The Assigned Risk Plan operates as a non-profit, tax exempt entity and is administered by the Department of Commerce. The Plan provides disability income, medical expenses, retraining expenses and death benefits, with payments being made either periodically or in lump sum.

#### **Investment Objectives and Constraints**

The SBI recognizes that the Plan has limited tolerance for risk due to erratic cash flows, no allowance for surplus, and generally short duration liabilities.

The SBI has therefore established two investment objectives for the ARP:

- to minimize mismatch between assets and liabilities
- to provide sufficient liquidity (cash) for payment of on-going claims and operating expenses

#### **Asset Allocation**

In order to meet the investment objectives and constraints listed above, an initial asset allocation for the Assigned Risk Plan was developed in conjunction with the investment manager for the Plan:

Common Stocks	20.0%
Bonds	80.0

In the future, the actual asset mix will fluctuate in response to changes in the liability stream projected by the Plan's actuary and further analysis by the investment manager and SBI staff. Performance of the total portfolio will be reviewed against a benchmark that reflects the asset allocation of the Plan. This benchmark must change over time to reflect changes in the liability stream.

## MAJOR POLICY INITIATIVES

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### **Manager Selection**

The Board considered a wide range of managers and evaluated all firms against the following criteria:

- ability to provide both stock and bond management
- extent of firm's experience in asset/liability management
- extent of firm's systems and analytic capabilities
- ability to address the firm's investment approach to the unique characteristics of the Assigned Risk Plan

Seven firms were asked to make presentations to a search committee appointed by the Board. The evaluation of finalists focused on the firms' ability to enhance portfolio returns as well as their experience in asset/liability management. At its meeting in June 1991, the Board selected Voyager Asset Management to manage the assets of the Assigned Risk Plan.



**LEGISLATIVE AUDITOR'S  
PROGRAM EVALUATION REPORT**

In May 1990, the Legislative Audit Commission requested that the Program Evaluation Division conduct an evaluation of state investment performance. The study, entitled "State Investment Performance," was released in April 1991.

**Issues  
Addressed**

The report evaluated the performance of the funds managed by the State Board of Investment (SBI) over the last ten years. The SBI's management policies, legal restrictions, and other constraints were factored into the evaluation. The report concentrated on:

- an evaluation of the state's investment performance against appropriate benchmarks
- potential policy changes needed to improve investment performance

**Findings**

The report stated that statutory and fiduciary responsibilities have been successfully fulfilled by the Board, its staff and the Investment Advisory Council. The report noted several investment policy changes initiated by the SBI that have had a positive impact on the funds under its control during the 1980's:

- restructuring the Basic Retirement Funds and the Supplemental Investment Fund
- implementation of a performance-based fee structure for external managers
- pooling of numerous cash accounts to enhance returns and improve administrative flexibility

The report also noted several areas which warrant additional attention from the Legislature and the SBI:

- **Post Retirement Fund.** Changes in the fund's cash flow, a decreasing allocation to stocks and lower interest rates on bonds are expected to result in a reduction in the benefit increase for retirees in the future, given the statutory benefit increase mechanism presently in place. The low stock exposure in the Post Fund reduces the earning power of the portfolio over the long-term.
- **Permanent School Fund.** The fund currently consists of bonds which typically are held to maturity. The absence of

## MAJOR POLICY INITIATIVES

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stocks in the fund is likely to reduce the long-term growth of the portfolio.

- **Cash Management.** Given the current composition of both the Invested Treasurer's Cash pool and the Trust Fund pool, the benchmark used to measure performance (91-day Treasury Bills) is not representative of the pools.

**Recommendations** In light of these findings, the report made the following recommendations:

- The Legislature should consider changes to the Post Retirement benefit increase mechanism.
- The equity exposure in the Permanent School Fund should be increased to enhance the long-term earning power of the assets.
- The SBI should develop a more appropriate performance benchmark for its cash portfolios.
- The SBI should add certain performance information to its quarterly and annual reports.

The SBI will continue to address these recommendations and incorporate changes where necessary.

### TACTICAL ASSET ALLOCATION REVIEW

Tactical asset allocation (TAA) strategies attempt to generate excess return relative to a given asset mix by increasing or decreasing the exposure of stocks, bonds or cash depending on a forecasted future rate of returns. TAA and other forms of market timing have not been used previously in the Basic Retirement Funds. During fiscal year 1991, staff re-examined that policy decision and discussed the expected risks and returns associated with TAA. The following material is a summary of the information presented to the Board in a staff policy paper on this issue.

#### Current Asset Allocation Strategy

The asset allocation policy for the Basic Funds incorporates a large commitment to common stocks in order to obtain higher rates of return over the long-term. (See Basic Retirement Funds section for more information.) The long-term asset allocation targets are:

Domestic Common Stocks	60.0%
Domestic Bonds	24.0
Real Estate	10.0
Venture Capital	2.5
Resource Funds	2.5
Unallocated Cash	1.0

The SBI's present asset allocation strategy uses a constant rebalancing approach. Currently, staff must rebalance the Basic Retirement Fund if an asset class deviates by more than 10% from its policy allocation (e.g. for stocks at a policy weight of 60%, the rebalancing range is  $\pm 6\%$ ). The policy gives staff discretion whether to rebalance for deviation in the 5-10% range (e.g. stocks  $\pm 3\%$ ).

Staff analysis indicated that this rebalancing strategy provides the greatest additional return for the least additional risk when compared to other rebalancing ranges. In effect, the SBI's current rebalancing guidelines impose a "buy low, sell high" discipline in the Basic Retirement Funds relative to its long-term asset mix policy.

#### Risks of TAA

Staff reviewed both academic studies and actual results of plan sponsors to assess the potential risks and rewards of TAA for the Basic Funds. Several significant risks were identified:

- TAA strategies have greater potential downside loss than upside gain when compared to the current rebalancing strategy for the Basic Funds.

## MAJOR POLICY INITIATIVES

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- TAA strategies would have to improve their track record significantly in order to consistently outperform a constant rebalancing strategy on a risk-return basis.
- TAA would require a large commitment of the total assets to one, or relatively few, managers and TAA strategies.
- TAA would require a potentially longer evaluation time frame than other investment strategies to determine whether the results were due to skill or chance.

### **Board Action**

Based on the analysis, staff and the Investment Advisory Council recommended that the Board retain its current rebalancing policy and not implement a TAA strategy for the Basic Retirement Funds. At its meeting in March 1991, the Board adopted this recommendation.

### POLICE AND FIRE FUND CONSOLIDATION

In 1987, legislation was enacted that establishes procedures for voluntary consolidation of local police and fire plans with the Public Employees Retirement Association (PERA). When a merger is approved, assets are transferred from the local plan to the Basic Retirement Funds and Post Retirement Fund.

By statute, the executive director of the State Board of Investment (SBI) has authority to accept assets in-kind or to require that individual holdings be converted to cash prior to the transfer. Since the investments made by local plans are similar to those made by the SBI, most assets can be transferred at their market value.

During fiscal year 1991, eight plans with assets totaling \$41 million merged with PERA under the procedures established by *Minnesota Statutes* Chapter 353A:

Chisholm Fire Relief Association	\$520,000
Chisholm Police Relief Association	\$860,000
Crookston Fire Relief Association	\$780,000
Faribault Fire Relief Association	\$3,400,000
Mankato Fire Relief Association	\$2,600,000
Rochester Fire Relief Association	\$15,800,000
St. Louis Park Police Relief Association	\$12,100,000
Winona Police Relief Association	\$5,100,000

Since inception in 1987, 20 plans with total assets of \$114 million have merged with PERA.

## **RESOLUTION ON SOUTH AFRICA**

In October 1985, the State Board of Investment (SBI) adopted a resolution concerning its holdings in companies doing business in countries of South Africa and Namibia. In March 1989, the SBI revised and restated the resolution.

### **Original Resolution**

The original resolution established a four phase timetable for the SBI's divestment program which was tied to a company's rating on its implementation of the Sullivan Principles, a set of fair employment guidelines established by Dr. Leon Sullivan. In addition, the resolution required that the divestment action associated with each phase of the resolution would not take place before the Board obtained legal and financial advice concerning any impact on its fiduciary responsibilities.

After reviewing reports from its financial and legal advisers, the Board decided not to immediately liquidate holdings affected by the resolution. Rather, it chose to implement the requirements of each phase by instituting a policy of **"divestment through attrition."** Under this policy, the Board's active stock managers were directed to discontinue purchases of stock in companies affected by the resolution unless the manager determined that the failure to buy a particular securities would be a violation of its fiduciary responsibility. As existing holdings were sold during the normal course of business, it was expected that stock holdings in the restricted companies would decline.

During fiscal years 1986-1988, substantial progress was made toward full divestment using the divestment through attrition policy. The reduction was due both to sales of shares during the normal course of business and the decision of many companies to withdraw their operations from South Africa.

### **Revised Resolution**

In March 1989, the Board revised the original resolution to reflect the divestment through attrition policy and to recognize the continual change in the specific companies that have South African operations.

The revised resolution provides that the Board will divest from its actively managed stock portfolios the remaining holdings of all companies doing business in South Africa by March 1, 1991. In the event a stock becomes subject to divestiture after March 1, 1991, the stock is to be divested within two years.

The SBI relies on information available through the Investor Responsibility Research Center (IRRC) in Washington, D.C. to

## MAJOR POLICY INITIATIVES

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identify companies with direct investment in South Africa. The Board directs its active stock managers to discontinue purchases of these companies unless the manager determines that failure to complete a purchase would be a breach of the manager's fiduciary responsibility.

At the time the Board adopted the revised resolution, the SBI's active stock managers held shares in 21 companies with direct investments in South Africa. By the end of fiscal year 1991, the number had been lowered to 3 companies indicating that progress continues to be made through the Board's divestment through attrition policy.

### **Task Force**

When the original resolution was adopted, the Board created a Task Force on South Africa to advise the SBI on its implementation process. Designees of each of the five Board members serve as members of the Task Force along with a representative from the statewide retirement systems, a representative of public employees and a representative from the private sector. The Task Force was officially reinstated in March 1991 and continues under the revised resolution. It meets periodically to monitor the SBI's progress in implementing the resolution.

### MANDATE ON NORTHERN IRELAND

#### Requirements

In 1988, the Legislature enacted statutory provisions concerning the Board's investments in U.S. companies with operations in Northern Ireland. The statute requires the State Board of Investment (SBI) to:

- Annually compile a list of U.S. corporations with operations in Northern Ireland in which the SBI invests.
- Annually determine whether those corporations have taken affirmative action to eliminate religious or ethnic discrimination. The statute lists nine goals modeled after the MacBride Principles.
- Sponsor, co-sponsor and support resolutions that encourage U.S. companies to pursue affirmative action in Northern Ireland, where feasible.

The statute does not require the SBI to divest existing holdings in any companies and does not restrict future investments by the SBI.

#### Implementation

The SBI uses the services of the Investor Responsibility Research Center (IRRC), Washington D.C., to determine corporate activity in Northern Ireland. In January 1991 the SBI held stocks or bonds in 40 out of 46 corporations identified by IRRC as having operations in Northern Ireland.

The SBI filed shareholder resolutions with 28 of these corporations during the 1991 proxy season. The resolutions asked corporations to sign the MacBride Principles, to implement affirmative action programs or to report on the steps they have taken to alleviate religious or ethnic discrimination. Eleven (11) resolutions were withdrawn when the targeted companies agreed to provide information on their employment activity in Northern Ireland. The voting results on the remaining 17 resolutions are shown below:

Affirmative		Affirmative	
Company	Vote	Company	Vote
Baker Hughes	10.5%	Marsh & McLennan	8.1%
Dun & Bradstreet	12.1	McDonnell Douglas	5.7
Exxon	6.0	Minnesota Mining	7.4
Ford Motor	5.1	Mobil	10.1
General Motors	9.5	NCR	15.3
IBM	9.6	Unisys	17.4
Illinois Tool Works	8.2	VF Corp.	7.2
Interpublic Group	4.3	Xerox	12.7
James River	11.9		



### PROXY VOTING

As a stockholder, the State Board of Investment (SBI) 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. Resolutions prepared at annual meetings range from routine issues, such as those involving the election of corporate directors and ratification of auditors, to matters such as merger proposals and corporate social responsibility issues. In effect, as a shareholder the SBI can participate in shaping corporate policies and practices.

#### **Voting Process**

The Board recognizes its fiduciary responsibility to cast votes on proxy issues. The SBI does not delegate the duty to its external investment managers. Rather, the SBI actively votes all shares according to guidelines established by its Proxy Committee.

The Board delegates proxy voting responsibilities to its Proxy Committee which is comprised of a designee of each Board member. The five member Committee meets only if it has a quorum and casts votes on proxy issues based on a majority vote of those present. In the unusual event that it reaches a tie vote or a quorum is not present, the Committee will cast a vote to abstain.

#### **Voting Guidelines**

The Committee has formulated guidelines by which it casts votes on a wide range of corporate governance and social responsibility issues. Each year the Proxy Committee reviews existing guidelines and determines which issues it will review on a case-by-case basis.

#### **Corporate Governance Issues**

- **Routine Matters.** In general, the SBI **supports** management on routine matters such as uncontested election of directors; selection of auditors; management proposals on compensation issues including savings plans and stock options; and limits on director and officer liability or increases in director and officer indemnification permitted under the laws of the state of incorporation.
- **Shareholder Rights Issues.** In general, the SBI **opposes** proposals that would restrict shareholder ability to effect change. Such proposals include instituting supermajority requirements to ratify certain actions or events; creating classified boards; barring shareholders from participating in the determination of the rules governing the board's actions, such as quorum requirements and the duties of

## MAJOR POLICY INITIATIVES

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directors; prohibiting or limiting shareholder action by written consent; and granting certain stockholders superior voting rights over other stockholders.

In general, the SBI **supports** proposals that preserve shareholder rights to effect change. Such proposals include requiring shareholder approval of poison pill plans; repealing classified boards; adopting secret ballot of proxy votes; reinstating cumulative voting; and adopting anti-greenmail provisions.

### Social Responsibility Issues

- **Buyout Proposals.** In general, the SBI **supports** friendly takeovers and management buyouts.
- **Special Cases.** The Proxy Committee evaluates hostile takeovers, contested election of directors, compensation agreements that are contingent upon corporate change in control, and recapitalization plans on a case-by-case basis. In addition, the Committee reviews all corporate governance issues affecting companies incorporated or headquartered in Minnesota on a case-by-case basis.
- **South Africa and Namibia.** The SBI **supports** a variety of proposals regarding South Africa including those that encourage the signing of the Statement of Principles (formerly Sullivan Principles); encourage withdrawal from South Africa; sever all company ties with South Africa; promote the welfare of black employees and improve the quality of black life outside the work environment; limit strategic sales to South Africa; apply economic pressures on the South African government; or request a report on operations in South Africa.
- **Northern Ireland.** The SBI **supports** resolutions that call for the adoption of the MacBride Principles as a means to encourage equal employment opportunities in Northern Ireland. Also, the SBI **supports** resolutions that request companies to submit reports to shareholders concerning their labor practices or their sub-contractors' labor practices in Northern Ireland.
- **Environmental Protection/Awareness.** In general, the SBI **supports** resolutions that require a corporation to report or disclose to shareholders company efforts in the environmental arena. In addition, the SBI **supports** resolutions that request a corporation to report on progress toward achieving the objectives of the Valdez

Principles, an environmental code of conduct for corporations.

- **Other Social Responsibility Issues.** In general, the SBI **supports** proposals that require a company to report or disclose to shareholders company efforts concerning a variety of social responsibility issues. In the past, these reporting resolutions have included issues such as affirmative action programs, animal testing procedures, nuclear plant safety procedures and criteria used to evaluate military contract proposals.

In general, the SBI **opposes** proposals that require a company to institute a specific business action in response to such issues. As an example, the SBI voted against a shareholder proposal which would have required a utility to phase out operations of a nuclear power plant.

### **FY 1991 Proposals.**

As in years past, the issues on corporate ballots included a broad range of proposals. In the corporate governance area, shareholders submitted 42 proposals to redeem "poison pills" (an anti-takeover device) or submit them to shareholder vote. These proposals passed at 6 companies. More than 33 proposals were submitted concerning confidential voting, however, none of these proposals passed. Other proposals included the repeal of classified boards (33), proposals dealing with golden parachutes (16), cumulative voting (41), more disclosure on executive compensation (14) and proposals requiring directors to hold a specified minimum number of shares (11).

In the social responsibility area, South Africa again was the dominant social issue with over 90 proposals, followed by Valdez Principles with 53 resolutions, discrimination in Northern Ireland 34 resolutions and various military issues with 23 resolutions. Other social responsibility issues included proposals regarding smoking and health, poor and minority issues, affordable housing, and environmental issues other than Valdez.

During fiscal year 1991, the SBI voted proxies for more than 1,400 corporations



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# **INVESTMENT MANAGER SUMMARIES**

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**Common Stock Managers**

**Bond Managers**

**Alternative Investment Managers**

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### COMMON STOCK MANAGERS

#### **Alliance Capital Management**

Alliance searches for companies likely to experience high rates of earnings growth on either a cyclical or secular basis. Alliance invests in a wide range of growth opportunities from small, emerging growth to large, cyclically sensitive companies. There is no clear distinction on the part of the firm as to an emphasis on one particular type of growth company over another. However, the firm's decision-making process appears to be much more oriented toward macroeconomic considerations than is the case with most other growth managers. Accordingly, cyclical earnings prospects, rather than secular, appear to play a larger role in terms of stock selection. Alliance is not an active market timer, rarely raising cash above minimal levels.

#### **Forstmann Leff Associates**

Forstmann Leff is a classic example of a "rotational" manager. The firm focuses almost exclusively on asset mix and sector weighting decisions. Based upon its macroeconomic outlook, the firm will move aggressively into and out of asset classes and equity sectors over the course of a market cycle. The firm tends to purchase liquid, large capitalization stocks. Forstmann Leff will make sizable market timing moves at any point during a market cycle.

#### **Franklin Portfolio Associates**

Franklin Portfolio Associate's investment decisions are quantitatively driven and controlled. The firm believes that consistent application of integrated multiple valuation models produces superior investment results. The firm's stock selection model is a composite model comprised of 30 valuation measures each of which falls into one of the following groups: fundamental momentum, relative value, future cash flow, and economic cycle analysis. The firm believes that a multi-dimensional approach to stock selection provides greater consistency than reliance on a limited number of valuation criteria. The firm attributes its value-added to its stock picking ability. Franklin's portfolio management process focuses on buying and selling the right stock rather than attempting to time the market or pick the right sector or industry groups. The firm always remains fully invested.

#### **GeoCapital Corp.**

GeoCapital invests primarily in small capitalization equities with the intent to hold them as they grow into medium and large capitalization companies. The firm uses a theme approach and an individual stock selection analysis to invest in the growth/technology and intrinsic value areas of the market. In the growth/technology area, GeoCapital looks for companies that will have above average growth due to a good product development program and limited competition. In the intrinsic value area, the key factors in this analysis are the corporate assets, free cash flow, and a catalyst that will cause a positive change in the company. The firm generally stays fully invested, with any cash positions due to the lack of attractive investment opportunities.

## INVESTMENT MANAGER SUMMARIES

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### **IDS Advisory**

IDS employs a "rotational" style of management, shifting among industry sectors based upon its outlook for the economy and the financial markets. The firm emphasizes primarily sector weighting decisions. Moderate market timing is also used. Over a market cycle IDS invests in a wide range of industries. It tends to buy liquid, large capitalization stocks. While IDS makes occasional significant asset mix shifts over a market cycle, the firm is a less aggressive market timer than most rotational managers.

### **Investment Advisers Inc.**

Investment Advisers is a "rotational" manager. Its macroeconomic forecasts drive its investment decision-making. The firm emphasizes market timing and sector weighting decisions. Investment Advisers invests in a wide range of industries over a market cycle. It tends to hold liquid, medium to large capitalization stocks. The firm is an active market timer, willing to make gradual but significant asset mix shifts over a market cycle.

### **Lieber & Co.**

Lieber and 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.

### **Rosenberg Institutional Equity Management**

Rosenberg Institutional Equity Management believes the market is inefficient in the relative valuation of individual companies within groups of similar companies. Rosenberg uses quantitative techniques to identify and purchase undervalued stocks. The firm's valuation system, as embodied in several computer programs, analyzes accounting data on over 3,500 companies. Unlike traditional analysis which assigns an entire company to one industry, Rosenberg compares each company's separate business segments with similar business operations of other companies. These separate valuations are then integrated into a single valuation for the total company. The difference between Rosenberg's valuation and the current market price is the expected profit opportunity. Stocks with large positive profit opportunity are candidates for purchase. The firm does not strive to outperform its benchmark by timing the market or by "betting" on factors. The firm always remains fully invested.

### **Waddell & Reed**

Waddell & Reed focuses its attention primarily on small capitalization aggressive growth stocks. However, the firm has demonstrated a willingness to make significant bets against this investment approach for extended periods of time. The firm is an active market timer and will raise cash to extreme levels at various points in the market cycle.



### **Wilshire Associates**

The index fund managed by Wilshire Associates is designed to track a custom index which has been modified or “tilted” to compensate for style bias or misfit in the active managers’ aggregate benchmark. The tilting process was initiated during fiscal year 1991. Prior to that time, Wilshire Associates’ portfolio was indexed to the Wilshire 5000. The Wilshire 5000 is a broad-based market indicator and is composed of the common stock of all U.S. domiciled corporations for which daily prices are available.

**Portfolio statistics for each of the active equity managers can be found in the Statistical Data Appendix.**

### BOND MANAGERS

**Investment  
Advisers  
Inc.**

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 interest rate forecasts. Individual security selection receives very limited emphasis, focusing largely on specific bond characteristics such as call provisions.

**Fidelity  
Management  
Trust**

Fidelity Management Trust manages a diversified semi-passive portfolio of fixed income securities designed to simulate the characteristics of the Salomon Broad Investment Grade (BIG) index, a diversified market indicator composed of government, mortgage and corporate securities. The BIG index represents virtually the entire investment grade fixed income market. While matching the risk profile of the BIG index, Fidelity seeks to enhance returns by actively managing yield curve, sector, and issue exposure. The objective is to provide modest increments to the BIG index return on a consistent basis.

**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. In August, 1989, Lehman completed a management buyout and became Lehman Ark.

**Lincoln  
Capital  
Management**

Lincoln Capital manages a diversified semi-passive portfolio of fixed income securities designed to simulate the Salomon Broad Investment Grade (BIG) index. Lincoln employs quantitative disciplines that model the BIG index according to a variety of risk variables. Lincoln seeks to enhance returns relative to the BIG index by modest alterations to the BIG index sector weightings, the use of undervalued securities, and an aggressive trading strategy in mortgage securities. The objective is to provide modest increments to the BIG index return on a consistent basis.

**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. 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. In addition, the firm will move in and out of cash gradually over an interest rate cycle. The firm never takes extremely high cash positions and keeps total portfolio maturity within an intermediate three-to-seven year duration band. Unlike other firms that also invest in mortgage securities, Miller Anderson intensively researches and, in some cases, manages the mortgage pools in which it invests.

**Western  
Asset  
Management**

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.

**Portfolio statistics for each of the active bond managers can be found in the Statistical Data Appendix.**

### ALTERNATIVE INVESTMENT MANAGERS

#### Real Estate

##### **Aetna Life & Casualty**

###### **Fund: RESA**

Real Estate Separate Account (RESA) is an open-end commingled real estate fund managed by the Aetna Life and Casualty Company of Hartford, Conn. The fund was formed in January, 1978. The fund has no termination date; investors have the option to withdraw all or a portion of their investment. RESA invests primarily in existing equity real estate. Investments are diversified by location and type of property. On-site management of properties is contracted to outside firms or conducted by a joint venture partner.

##### **Equitable Real Estate Group**

###### **Fund: Prime Property Fund**

Prime Property Fund was formed in August, 1973 by the New York-based Equitable Real Estate Group, Inc. The account is an open-end commingled real estate fund. The fund has no termination date; investors retain the option to withdraw all or a portion of their investment. The fund makes equity investments in existing real estate. The fund's portfolio is diversified by location and property type. Management of the fund's properties is contracted to outside firms or is conducted by joint venture partners.

##### **Heitman Advisory Corp. (HAC)**

###### **Funds: HAC Group Trust I HAC Group Trust II HAC Group Trust III**

HAC Group Trusts are closed-end commingled funds managed by the Heitman Advisory Group. The majority of the trust investments are equity real estate. The real estate portfolios are diversified by the type and location of the properties. Centre Properties, Ltd., an affiliate of Heitman, manages the trusts' wholly-owned properties. Properties that are partially owned by the trusts may be managed by joint venture partners. Heitman Advisory is based in Chicago.

##### **Paine Webber**

###### **Fund: Paine Webber Qualified Plan Property Funds I-IV and Mortgage Partners Five, L.P.'s.**

The Managing General Partner of Funds I-V is based in Boston, Mass. and is a wholly owned subsidiary of Paine Webber Group, Inc. The Funds have real estate investments which are diversified by location and property type. The SBI received these investments through Police and Fire Plan consolidations.

**Rosenberg Real  
Estate Equity  
Funds  
(RREEF)**

**Fund: RREEF USA III**

RREEF USA III is a closed-end commingled fund managed by the Rosenberg Real Estate Equity Funds. Typically, the trust purchases 100% of the equity of its properties with cash. The trust generally does not utilize leverage or participating mortgages. Properties are diversified by location and type. RREEF's in-house staff manages the trust's real estate properties. The firm's primary office is located in San Francisco.

**State Street  
Bank & Trust**

**Funds: AEW - State Street Real Estate Fund III  
AEW - State Street Real Estate Fund IV  
AEW - State Street Real Estate Fund V**

State Street Real Estate Funds are closed-end commingled funds managed by the State Street Bank and Trust Company of Boston. State Street Bank has retained Aldrich, Eastman and Waltch (AEW) as the funds' advisor. The funds' special orientation is the use of creative investment vehicles such as convertible and participating mortgages to maximize real estate returns. The real estate portfolios are diversified by location and property type. On-site property management typically is contracted to outside firms or conducted by joint venture partners.

**Trust Company  
of the West  
(TCW)**

**Funds: TCW Realty Fund III  
TCW Realty Fund IV**

TCW Realty Funds are closed-end commingled funds. The funds are managed as joint ventures between Trust Company of the West and Westmark Real Estate Investment Services of Los Angeles. These managers utilize specialty investment vehicles such as convertible and participating mortgages to enhance real estate returns. Investments are diversified by location and type. Portfolio properties are typically managed by local property management firms.

## Venture Capital

**Allied  
Capital**

**Fund: Allied Venture Partnership**

Allied Venture Partnership was formed in September, 1985 and has a ten-year term. Based in Washington D.C., the fund focuses on later-stage, low technology companies located in the Southeastern and Eastern U. S. Most investments will be made in syndication with Allied Capital, a large, publically owned venture capital corporation formed in 1958.

## **INVESTMENT MANAGER SUMMARIES**

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### **Funds: Venture Partnership Acquisition Fund I Venture Partnership Acquisition Fund II**

#### **Brinson Partners**

Brinson Partners Venture Partnership Acquisition Funds I and II were formed in 1988 and 1990, respectively. The limited partnerships have ten year terms. Brinson Partners is based in Chicago, Illinois. Fund I and II invest exclusively in secondary venture capital limited partnership interests which are sold by investors who for a variety of reasons have decided to sell some or all of their venture capital holdings.

### **Fund: DSV Partners IV**

#### **DSV Management Ltd.**

DSV Partners IV limited partnership was formed in April, 1985. It has a twelve-year term. DSV Partners IV is the fourth venture fund to be managed by DSV Management Ltd. since the firm's inception in 1968. The firm has offices in Princeton, New Jersey, and California. DSV Partners' investment emphasis is on portfolio companies in the start-up and early stages of corporate development. The geographic focus of the partnership is on East and West Coast firms. Investments are diversified by industry type.

### **Fund: Golder, Thoma and Cressey Fund III**

#### **Golder, Thoma & Cressey**

Golder, Thoma and Cressey Fund III, a venture capital limited partnership, was formed in October, 1987. The fund is based in Chicago, Illinois and has a ten year term. The fund will invest in growing private businesses, found and build companies in fragmented industries and invest in small leveraged buyouts. In addition, the portfolio will be diversified geographically and by industry.

### **Fund: Inman & Bowman**

#### **Inman & Bowman Management**

The Inman & Bowman limited partnership was formed in June, 1985. Its investment focus is early-stage, high-technology firms. The fund will emphasize investments in California, where the general partner, Inman & Bowman Management, is based. However, the fund will consider investments in the Pacific Northwest as well. The partnership has a ten-year term.

### **Fund: Superior Venture Partners IAI Ventures I IAI Ventures II**

#### **IAI Venture Capital Group**

Superior Ventures is a Minnesota-based venture capital limited partnership. It was formed in June, 1986 and has an eleven-year term. Superior Ventures is managed by IAI Venture Capital Group, a subsidiary of Investment Advisers, Inc. Up to 15% of the fund will be invested in other Minnesota-based venture capital limited partnerships. The remainder of the fund will be invested in operating companies located within the state.

## INVESTMENT MANAGER SUMMARIES

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IAI Ventures I and II are also Minnesota-based venture capital limited partnerships managed by IAI Venture Capital Group. These funds have venture capital investment strategies similar to Superior's but are more diversified geographically.

**Funds: KKR 1984 LBO Fund**  
**KKR 1986 LBO Fund**  
**KKR 1987 LBO Fund**  
**KKR 1991 LBO Fund**

**Kohlberg, Kravis,  
Roberts & Co.  
(KKR)**

KKR's Leveraged Buyout Funds are structured as limited partnerships. The funds invest in large leveraged buyouts but may include other types of investments as well. The partnerships' portfolio companies are often mature, low technology companies with very diversified operations. Kohlberg, Kravis, Roberts and Co. operates offices in New York and San Francisco.

**Fund: Matrix Partners II**  
**Matrix Partners III**

**Matrix  
Partners**

Matrix Partners II and III are venture capital limited partnerships and have terms of ten years. Investment emphasis is on high-technology firms in the early and expansion stages of corporate development. However, for diversification the portfolios will include a sizable component of non-technology firms. The portfolios may include several small leveraged buyout investments as well. The funds are managed by five general partners with offices in Boston, San Jose, and San Francisco.

**Fund: Northwest Venture Partners I**

**Norwest Venture  
Capital  
Management**

Northwest Venture Partners I was formed in January, 1984 and has a term of ten years. Norwest Venture Capital Management, a wholly owned subsidiary of Norwest Corp., is the general partner and manager of the partnership. Norwest Venture Capital also manages the Northwest Growth Fund, a small business investment company (SBIC), and Northwest Equity Capital, a leveraged buyout fund. Northwest Venture Partners' investment focus is on high technology companies in the early stages of corporate development. However, the partnership's portfolio also includes investments in expansion stage firms and is diversified by the location and industry type of its portfolio companies.

**Fund: First Century III**

**Smith Barney  
Venture  
Corp.**

First Century III was formed in December, 1984. It is structured as a limited partnership with a term of ten years. The general partner and manager of the partnership is Smith Barney Venture Corp., a subsidiary of Smith Barney Harris Upham and Co. Smith Barney Venture has offices in New York and San Francisco. This is the third fund formed by the firm since 1972. The partnership invests primarily in early stage, high technology companies. Investments are diversified by location and industry group.

## INVESTMENT MANAGER SUMMARIES

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**Fund: Summit Ventures I  
Summit Ventures II**

**Stamps,  
Woodsum & Co.**

Summit Ventures are limited partnerships with ten-year terms. The funds were formed by Stamps, Woodsum & Co., the managing general partners of the fund, and Shearson/American Express. Stamps and Woodsum focus on profitable, expansion stage firms that have not yet received any venture backing. The majority of the partnerships investments are in high tech firms. Investments are diversified by location and industry type.

**T. Rowe  
Price**

T. Rowe Price, a Baltimore-based money management firm, was selected to manage stock distributions from the Board's venture capital limited partnerships. T. Rowe Price has extensive research capabilities in the small capitalization company area. In addition, the firm has a large trading staff with particular expertise in the trading of small capitalization and illiquid stocks.

**Fund: Zell/Chilmark**

**Zell/  
Chilmark**

Zell/Chilmark was formed in July 1990 with a 10 year term. Based in Chicago, Illinois, the Fund focuses on corporate restructuring and rejuvenation situations. The partnership will invest primarily in the assets, debt and/or common and preferred stock of companies with a fair market value of at least \$100 million.

### Resource Funds

**Funds: Apache Equipment Financing Notes  
Apache Acquisition Net Profits Interest**

**Apache  
Corporation**

Apache Equipment Financing Notes are a \$150 million private placement to finance Apache's portion of production facility expenditures. The expenditures were made under the terms of a series of offshore joint ventures in the Gulf of Mexico. The joint ventures were organized by Shell Oil Company. In addition to fixed interest payments of 10% per annum, noteholders will receive additional interest of 2% of Apache's share of gross revenues from the joint ventures. The 2% additional interest will be paid to noteholders throughout the life of producing properties. Apache Corp. is based in Denver.

Apache Acquisition Net Profits Interest is a \$190 million private placement to acquire a non-operating interest in the net profit generated by oil and gas properties acquired in 1986 from Occidental Petroleum Company. Investors will receive a 85% net profits interest in the financed share of producing properties until the cumulative total of such payments equals the investment cost plus 8% per year return on investment (the "Payout"). However, if the cumulative net profit discounted at 10% should fail to exceed a defined cumulative cash flow



## **INVESTMENT MANAGER SUMMARIES**

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comparably discounted, investors will receive a 90% net profits interest until Payout. After Payout, investors will receive a 75% net profits interest for the life of the producing properties.

### **British Petroleum Company**

#### **Fund: British Petroleum Prudhoe Bay Royalty Trust**

The British Petroleum Prudhoe Bay Royalty Trust is an overriding royalty interest (ORI) in the Prudhoe Bay Field, Alaska, the largest oil and gas producing field in the U.S. The ORI will equal 15.35% of the first 90,000 barrels per day of oil production net to British Petroleum's interest in the Prudhoe Bay Field. British Petroleum's current total production from the field is over seven times greater than this amount. Under terms of the agreement, production costs are fixed and can vary only with inflation. The oil price is tied directly to the West Texas Intermediate spot price. British Petroleum has guaranteed an average minimum price of \$15 per barrel for the first 2.5 years.

#### **Funds: AMGO I AMGO II AMGO IV AMGO V**

### **First Reserve Corp.**

American Gas and Oil (AMGO) funds are structured as limited partnerships. The general partner and manager of the funds is First Reserve Corp. The general partner's long-term investment strategy is to create diversified portfolios of oil and gas investments. The portfolios are diversified across four dimensions: location, geological structure, investment type, and operating company.

### **J.P. Morgan Investment Management**

#### **Fund: Morgan Petroleum Fund II**

Morgan Petroleum Fund II was formed in July 1988 and is managed by J.P. Morgan Investment Management, Inc. The fund managers have an office in Houston, Texas. Fund investments will be diversified geographically and by company. Most investments will take the form of an overriding royalty interest and will include, primarily, property acquisitions and development drilling.

A summary of the Board's commitments to these real estate, venture capital, and resource funds can be found in the Statistical Data Appendix.



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# **STATISTICAL DATA APPENDIX**

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**Manager Portfolio Statistics**

**Historical Performance Summaries**

**Time-weighted Rate of Return**

**Benefit Increase Formula**

**Fee and Commission Data**

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## STOCK MANAGER RISK FACTOR EXPOSURE GLOSSARY

The following definitions describe the risk factors that the State Board of Investment (SBI) uses in monitoring its stock managers. The terms are referred to in Table 1.

SBI analysis of a stock manager's portfolio, in part, utilizes the BARRA E2 risk model. The BARRA model contains a number of risk factors that the SBI has found to correlate highly with a manager's investment style. That is, a manager tends to exhibit consistent exposures to many of these risk factors over time. The benchmark construction process includes identifying these persistent exposures and capturing them in the benchmark portfolio.

Factor exposures are calibrated relative to approximately 1400 of the largest market capitalization (HICAP) companies. An exposure level of 0 for a particular stock to a particular factor indicates that the stock has the same exposure as the capitalization-weighted average of the HICAP stocks. Around that zero exposure, deviations are measured in standard deviation units. Thus, an exposure level of +1 indicates that the stock has a greater exposure to the factor than roughly 68% of the HICAP stocks.

<b>Beta</b>	Forecasts the sensitivity of a stock's return to the return on the market portfolio. The BARRA E2 beta is a forecasted beta, based on a company's exposure to thirteen common risk factors and fifty-five industries.
<b>Book-to-Price (B/P)</b>	Measures the book value of a company's common equity divided by market capitalization.
<b>Dividend Yield (Div. Yld.)</b>	Used as a predictor of dividend yield for the coming year.
<b>Earnings-to-Price (E/P)</b>	Incorporates several variants of a company's earnings-price ratio. Includes the current earnings-price ratio, the normalized (5 year) earnings-price ratio, and analysts's forecasted earnings-price ratio as compiled by the Institutional Brokerage Estimate Services (IBES).
<b>Earnings Variability (Earn. Var.)</b>	Indicates the variability of a company's earnings. Comprised of six descriptors: historical earnings variance, cash flow variance, earnings covariability with the economy, the level of concentration of the company's earnings from various sources, the incidence of extraordinary items, and the variability of the company's earnings estimates as compiled by IBES.
<b>Equity Allocation (Eq. Alloc.)</b>	Measures the percent of the manager's total portfolio invested in common stocks, preferred stocks and convertible securities.
<b>Financial Leverage (Finl.)</b>	Measures the extent to which a company utilizes financial leverage to finance its operations. Comprised of three descriptors: debt-to-total assets (at market), debt-to-total assets (at book), and uncovered fixed charges.
<b>Foreign Income (For. Inc.)</b>	Measures the extent to which a company's operating income is generated outside of the U.S.

## STOCK MANAGER RISK FACTOR EXPOSURE GLOSSARY

<b>Growth</b>	Indicates potential growth in a company's earnings over the next five years. Comprised of seven descriptors: most recent five-year dividend payout, most recent five-year dividend yield, most recent five-year earnings-price ratio, change in capital structure, normalized (5 year) earnings-price ratio, recent earnings change, and forecasted earnings growth.
<b>Labor Intensity (Labor Int.)</b>	Measures the degree to which labor, as opposed to capital, is used by a company as a factor of production. Derived from three descriptors: labor expense relative to assets, fixed plant and equipment (inflation adjusted) relative to equity, and depreciated plant value relative to gross plant value.
<b>Monthly Turnover (Mo. T/O)</b>	Measures the total equity asset sales divided by the average value of the equity assets in the manager's portfolio.
<b>Size</b>	Indicates the relative size of the company. It includes three descriptors: market capitalization, total assets, and the length of earnings history.
<b>Success (Suc.)</b>	Describes the extent to which a company has been "successful" in the recent past, in terms of both earnings and stock prices. Composed of six descriptors: most recent five-year earnings growth, most recent one-year earnings growth, forecasted next year's earnings growth, historical alpha, and relative strength. (The last two descriptors are calculated over the most recent year and most recent five-years).
<b>Trading Activity (Trad. Act.)</b>	Measures the trading characteristics of a company's stock. Comprised of six descriptors: most recent five-year share turnover, most recent year share turnover, quarterly share turnover, stock price, trading volume relative to stock price variance, and the number of IBES analysts following the stock.
<b>Variability in Markets (Var. Mkts.)</b>	Measures the volatility of a stock's return related to its past behavior and the behavior of its options. Variants of the factor are calculated for optioned stocks, listed but not optioned stocks, and thinly traded stocks. A partial list of the descriptors that make up this factor include: historical beta, option-implied standard deviation of return, daily standard deviation of return, cumulative price range, stock price, and share turnover.



Table 1.

## EXTERNAL ACTIVE STOCK MANAGERS

Risk Factor Exposures  
July 1986 - June 1991

	Beta	Var. Mkts.	Suc.	Size	Trad. Act.	Growth	E/P	B/P	Earn. Var.	Finl.	For. Inc.	Labor Int.	Div. Yld.	Mo. T/O	Eq. Alloc.
<b>Alliance Capital</b>															
Minimum	1.09	0.13	0.12	-0.11	0.17	0.41	-0.22	-0.42	-0.12	-0.12	-0.12	0.18	-0.80	0.81	92%
Average	1.14	0.25	0.29	0.14	0.43	0.53	-0.13	-0.34	0.03	0.09	0.12	0.28	-0.64	4.80	97%
Maximum	1.19	0.45	0.51	0.37	0.61	0.70	-0.04	-0.25	0.12	0.28	0.26	0.42	-0.50	10.91	100%
Bmrk. Avg.	1.16	0.36	0.05	-0.37	0.26	0.50	-0.06	-0.23	0.03	0.01	-0.04	0.43	-0.56	N.A.	95%
<b>Forstmann Leff</b>															
Minimum	1.01	0.05	-0.16	-1.35	0.19	-0.14	-0.35	-0.45	-0.04	-0.19	-0.36	-0.28	-1.08	1.69	44%
Average	1.14	0.49	0.23	-0.43	0.58	0.34	0.06	-0.14	0.30	0.10	0.12	0.08	-0.47	13.92	66%
Maximum	1.42	1.26	0.70	0.10	1.37	1.07	0.36	0.11	0.56	0.40	0.58	0.38	-0.14	38.82	93%
Bmrk. Avg.	1.15	0.42	-0.03	-0.50	0.29	0.37	-0.01	-0.00	0.18	0.07	-0.04	0.26	-0.35	N.A.	70%
<b>Franklin Portfolio*</b>															
Minimum	1.03	0.13	-0.24	-0.95	0.05	0.01	0.15	0.10	0.10	-0.15	-0.61	-0.19	-0.26	0.00	94%
Average	1.05	0.23	-0.04	-0.67	0.12	0.15	0.31	0.18	0.25	-0.05	-0.51	-0.05	-0.11	6.53	98%
Maximum	1.09	0.31	0.15	-0.30	0.21	0.31	0.48	0.27	0.38	0.07	-0.36	0.16	0.02	10.69	100%
Bmrk. Avg.	1.04	0.20	-0.14	-0.62	0.12	0.07	0.03	0.12	0.14	-0.06	-0.39	-0.03	-0.04	N.A.	98%
<b>GeoCapital Corp.**</b>															
Minimum	1.22	0.90	-0.58	-2.33	0.49	0.94	-0.72	-0.46	0.48	0.18	-0.66	0.42	-0.98	0.00	76%
Average	1.24	1.11	-0.13	-2.21	0.68	1.02	-0.52	-0.30	0.53	0.35	-0.55	0.48	-0.93	0.90	94%
Maximum	1.28	1.28	0.34	-2.09	0.80	1.08	-0.46	-0.15	0.59	0.70	-0.40	0.52	-0.85	3.18	99%
Bmrk. Avg.	1.21	0.89	0.09	-1.98	0.51	0.98	-0.39	-0.22	0.42	0.16	-0.41	0.53	-0.84	N.A.	95%
<b>IDS Advisory</b>															
Minimum	1.08	0.17	0.05	-0.47	0.11	0.20	-0.22	-0.34	-0.01	-0.18	-0.39	0.12	-0.59	0.84	86%
Average	1.12	0.34	0.33	-0.12	0.29	0.35	-0.05	-0.21	0.16	-0.03	0.09	0.28	-0.47	7.36	96%
Maximum	1.18	0.55	0.57	0.12	0.64	0.42	0.11	-0.09	0.36	0.21	0.51	0.45	-0.29	17.36	100%
Bmrk. Avg.	1.02	0.07	-0.03	-0.17	0.06	0.06	0.01	0.03	0.04	-0.01	-0.10	0.01	-0.05	N.A.	90%

Bmrk. Avg. = Benchmark average.

Aggregate Active figures include data only for managers retained on 6/30/91.

\* Manager retained on 4/1/89. Data covers period from 4/1/89 - 6/30/91 only.

\*\* Manager retained on 4/1/90. Data covers period from 4/1/90 - 6/30/91 only.

Table 1. Con't.

## EXTERNAL ACTIVE STOCK MANAGERS

Risk Factor Exposures  
July 1986 - June 1991

	Beta	Var. Mkts.	Suc.	Size	Trad. Act.	Growth	E/P	B/P	Earn. Var.	Finl.	For. Inc.	Labor Int.	Div. Yld.	Mo. T/O	Eq. Alloc.
<b>Investment Advisers</b>															
Minimum	1.03	0.01	0.05	-0.47	0.21	0.17	-0.33	-0.36	-0.16	-0.16	-0.17	-0.08	-0.64	0.00	66%
Average	1.08	0.20	0.24	-0.17	0.38	0.33	-0.10	-0.24	0.04	-0.02	0.28	0.19	-0.40	5.11	80%
Maximum	1.14	0.49	0.43	0.10	0.66	0.51	0.04	-0.09	0.34	0.10	0.62	0.39	-0.24	35.58	88%
Bmrk. Avg.	1.03	0.06	-0.03	0.00	0.07	0.05	-0.00	-0.01	0.01	-0.00	0.09	0.03	-0.04	N.A.	90%
<b>Lieber &amp; Co.</b>															
Minimum	1.03	0.10	-0.32	-1.72	0.02	0.34	-0.10	-0.11	-0.02	-0.20	-0.63	0.35	-0.61	0.10	87%
Average	1.08	0.36	-0.05	-1.57	0.15	0.40	0.02	0.01	0.09	-0.03	-0.45	0.49	-0.49	3.61	95%
Maximum	1.12	0.57	0.28	-1.34	0.29	0.47	0.16	0.11	0.17	0.10	-0.27	0.62	-0.40	11.43	100%
Bmrk. Avg.	1.08	0.48	-0.17	-1.96	0.06	0.47	0.06	0.11	0.26	0.03	-0.43	0.45	-0.47	N.A.	95%
<b>Rosenberg Institutional*</b>															
Minimum	1.01	0.03	-0.17	-0.47	0.01	-0.04	0.24	0.29	0.02	-0.07	-0.16	-0.11	-0.06	1.81	97%
Average	1.02	0.08	-0.07	-0.32	0.05	0.02	0.28	0.34	0.09	-0.04	-0.04	-0.02	-0.03	8.33	99%
Maximum	1.03	0.15	0.04	-0.17	0.09	0.07	0.31	0.42	0.17	0.02	0.04	0.07	0.01	69.52	100%
Bmrk. Avg.	1.02	0.09	-0.07	-0.24	0.04	0.06	-0.00	0.06	0.06	0.00	-0.18	-0.01	-0.04	N.A.	98%
<b>Waddell &amp; Reed</b>															
Minimum	1.10	0.28	-0.30	-1.29	0.40	0.16	-0.38	-0.24	0.16	-0.24	-0.35	0.15	-0.80	0.00	51%
Average	1.20	0.65	0.11	-0.85	0.81	0.55	-0.20	-0.01	0.48	0.02	-0.04	0.35	-0.53	11.90	71%
Maximum	1.30	0.92	0.35	-0.16	1.20	0.79	0.07	0.19	0.75	0.30	0.50	0.54	-0.12	27.19	90%
Bmrk. Avg.	1.17	0.61	-0.12	-1.27	0.41	0.55	-0.18	0.06	0.38	0.29	-0.16	0.38	-0.54	N.A.	80%
<b>Aggregate Active</b>															
Minimum	1.08	0.22	-0.05	-0.58	0.29	0.31	-0.16	-0.29	0.08	-0.03	-0.14	0.16	-0.63	N.A.	N.A.
Average	1.13	0.36	0.20	-0.38	0.43	0.41	-0.05	-0.15	0.17	0.03	0.04	0.24	-0.48	N.A.	N.A.
Maximum	1.19	0.53	0.39	-0.20	0.54	0.52	0.03	0.01	0.24	0.18	0.27	0.35	-0.35	N.A.	N.A.

Bmrk. Avg. = Benchmark average.

Aggregate Active figures include data only for managers retained on 6/30/91.

\* Manager retained on 4/1/89. Data covers period from 4/1/89 - 6/30/91 only.

\*\* Manager retained on 4/1/90. Data covers period from 4/1/90 - 6/30/91 only.

Table 2.

## EXTERNAL ACTIVE STOCK MANAGERS

Sector Weights  
Actual Portfolio Less Benchmark Portfolio  
July 1986 - June 1991

	Cons. Non Dur.	Cons. Dur.	Basic Mat.	Cap. Goods	Energy	Tech.	Trans.	Util.	Finl.
<b>Alliance Capital</b>									
Minimum	-7.34%	-1.93%	-11.50%	-6.62%	-1.68%	-12.08%	-4.12%	-1.71%	-5.16%
Average	0.77	0.44	-4.72	-1.16	1.90	-1.25	1.81	0.90	1.32
Maximum	16.70	2.79	2.68	3.96	8.39	7.33	7.25	6.39	8.10
Bmrk. Avg.	42.47	3.67	12.18	7.06	2.84	14.22	2.71	1.56	13.30
<b>Forstmann Leff</b>									
Minimum	-17.35	-5.77	-7.18	-7.29	-7.69	-9.67	-3.69	-10.04	-16.64
Average	-0.04	-2.42	7.67	-3.07	8.99	-2.19	-1.42	-2.12	-5.40
Maximum	23.04	3.34	21.83	2.53	28.48	13.57	6.03	14.14	13.40
Bmrk. Avg.	34.75	4.76	13.68	7.13	4.97	9.90	3.29	6.01	15.51
<b>Franklin Portfolio*</b>									
Minimum	-6.52	-2.83	-4.37	-2.63	-4.57	-2.21	-2.38	-8.41	-2.34
Average	0.62	-0.82	0.25	-0.32	0.64	0.25	-0.74	-0.29	0.40
Maximum	6.57	0.36	2.03	1.42	3.92	2.76	0.62	4.42	3.51
Bmrk. Avg.	29.97	4.01	11.10	6.08	5.74	5.49	2.66	16.59	18.37
<b>GeoCapital Corp.**</b>									
Minimum	7.25	-3.67	-4.69	-6.04	-6.45	-10.86	-3.07	1.11	7.20
Average	13.99	-3.27	-3.25	-4.46	-6.34	-9.70	-2.96	4.78	11.22
Maximum	17.91	-0.74	-0.98	-0.36	-4.85	-7.75	-1.75	6.40	15.07
Bmrk. Avg.	53.28	3.01	5.22	5.85	6.04	14.43	2.80	4.73	4.63
<b>IDS Advisory</b>									
Minimum	-7.87	-2.94	-2.15	-6.23	-7.19	-8.39	-2.26	-18.87	-13.22
Average	0.21	1.26	9.10	3.80	0.54	-0.44	1.77	-10.82	-5.43
Maximum	7.03	6.74	20.60	9.74	5.68	7.42	5.17	2.04	5.58
Bmrk. Avg.	30.17	4.24	10.49	6.47	7.93	8.62	2.69	15.67	13.73

Bmrk. Avg. = Benchmark average

Aggregate Active figures include data only for managers retained on 6/30/91.

\* Manager retained effective 4/1/89. Data covers period from 4/1/89 to 6/30/91 only.

\*\* Manager retained effective 4/1/90. Data covers period from 4/1/90 to 6/30/91 only.

Table 2 Con't.

**EXTERNAL ACTIVE STOCK MANAGERS**

**Sector Weights**  
**Actual Portfolio Less Benchmark Portfolio**  
**July 1986 - June 1991**

	Cons. Non Dur.	Cons. Dur.	Basic Mat.	Cap. Goods	Energy	Tech.	Trans.	Util.	Finl.
<b>Investment Advisers</b>									
Minimum	-1.78%	-5.32%	-4.61%	-4.25%	-9.20%	-5.26%	-2.76%	-15.02%	-9.98%
Average	8.46	-3.47	4.06	1.10	-2.77	2.96	0.31	-4.18	-6.48
Maximum	16.65	-0.27	10.05	8.36	4.64	9.91	6.71	3.45	-2.20
Bmrk. Avg.	32.41	4.97	10.92	6.48	9.77	9.19	2.88	13.09	10.30
<b>Lieber &amp; Co.</b>									
Minimum	-4.59	-2.30	-8.20	-7.44	-2.28	-6.56	-0.75	-5.68	-18.86
Average	7.39	-0.38	-0.50	-2.89	0.06	-2.22	1.35	-2.35	-0.47
Maximum	16.29	1.55	5.49	0.12	4.59	2.92	4.15	0.14	20.48
Bmrk. Avg.	31.74	6.23	11.21	9.10	3.25	8.86	2.36	4.47	22.77
<b>Rosenberg Institutional*</b>									
Minimum	-0.92	-2.38	0.44	-2.79	-2.34	-1.78	-0.71	-3.60	-6.44
Average	1.34	-0.28	2.77	-1.47	0.67	0.95	0.21	-0.67	-3.52
Maximum	3.44	1.47	5.42	0.11	4.18	4.09	0.85	2.79	-0.82
Bmrk. Avg.	29.43	4.82	8.98	6.44	8.81	7.94	2.16	17.36	14.07
<b>Waddell &amp; Reed</b>									
Minimum	-20.15	-6.45	-7.49	-5.32	-8.00	-5.76	-5.85	-2.34	-0.94
Average	-6.82	-0.85	-2.07	0.06	-0.81	3.19	-0.10	3.26	4.13
Maximum	9.71	5.11	5.41	4.67	8.62	16.75	9.27	18.80	17.46
Bmrk. Avg.	37.80	7.59	17.76	9.97	8.48	10.83	5.55	0.77	1.25
<b>Aggregate Active</b>									
Minimum	-4.32	-1.72	-2.77	-4.65	-5.41	-4.82	-2.03	-5.50	-7.86
Average	1.17	-0.59	1.84	-0.64	1.22	-0.10	0.62	-1.85	-1.67
Maximum	7.53	1.21	7.11	2.48	7.64	7.26	3.14	1.29	6.81

Bmrk. Avg. = Benchmark average

Aggregate Active figures include data only for managers retained on 6/30/91.

\* Manager retained effective 4/1/89. Data covers period from 4/1/89 to 6/30/91 only.

\*\* Manager retained effective 4/1/90. Data covers period from 4/1/90 to 6/30/91 only.

Table 3.

**EXTERNAL ACTIVE STOCK MANAGERS****Five Year Quarterly Performance Summary**

	3Q86	4Q86	1Q87	2Q87	3Q87	4Q87	1Q88	2Q88	3Q88	4Q88
<b>Alliance Capital</b>										
Actual Portfolio	-11.8%	5.2%	27.4%	4.7%	10.8%	-21.4%	4.0%	9.6%	-3.5%	0.6%
Benchmark Portfolio	-9.9	2.6	22.8	3.2	5.1	-24.2	6.8	6.0	-0.9	1.3
<b>Forstmann Leff</b>										
Actual Portfolio	-10.8	3.4	19.8	1.6	8.4	-17.6	6.9	3.4	-2.6	2.6
Benchmark Portfolio	-5.6	2.6	16.1	2.1	4.2	-16.1	6.7	5.5	0.1	1.6
<b>Franklin Portfolio</b>										
Actual Portfolio	Manager not retained until 2Q89.									
Benchmark Portfolio										
<b>GeoCapital Corp.</b>										
Actual Portfolio	Manager not retained until 2Q90.									
Benchmark Portfolio										
<b>IDS Advisory</b>										
Actual Portfolio	-10.1	4.5	22.4	3.7	5.9	-20.7	0.6	7.1	-3.7	1.6
Benchmark Portfolio	-7.4	3.9	20.5	3.2	5.2	-19.5	7.5	5.3	0.3	2.3
<b>Investment Advisers</b>										
Actual Portfolio	-8.9	4.1	19.7	4.0	8.8	-15.2	-1.5	4.6	-1.0	1.9
Benchmark Portfolio	-7.4	3.9	20.5	3.2	5.7	-18.9	5.6	5.8	0.7	3.0
<b>Lieber &amp; Company</b>										
Actual Portfolio	-9.5	0.1	20.1	-1.4	2.7	-23.0	16.2	4.6	0.8	0.1
Benchmark Portfolio	-10.8	2.2	20.4	0.1	4.1	-24.8	15.0	6.9	-1.0	0.3
<b>Rosenberg Institutional</b>										
Actual Portfolio	Manager not retained until 2Q89.									
Benchmark Portfolio										
<b>Waddell &amp; Reed</b>										
Actual Portfolio	-6.4	5.1	18.4	2.4	9.8	-20.8	8.1	7.3	-5.9	1.2
Benchmark Portfolio	-6.9	3.0	22.1	3.6	6.0	-21.0	11.1	5.5	-1.7	1.0
<b>Aggregate Active*</b>	-8.6	3.9	21.0	2.3	6.9	-21.8	7.3	6.8	-2.8	0.5
<b>Market Index</b>										
Wilshire 5000	-7.7	4.0	21.2	3.3	6.2	-23.1	8.0	6.5	0.2	2.3

\* Aggregate Active performance numbers include returns of any managers retained during the time period shown but subsequently terminated by the Board.

Table 3 Con't.

## EXTERNAL ACTIVE STOCK MANAGERS

## Five Year Quarterly Performance Summary

	1Q89	2Q89	3Q89	4Q89	1Q90	2Q90	3Q90	4Q90	1Q91	2Q91
<b>Alliance Capital</b>										
Actual Portfolio	10.0%	11.7%	15.2%	0.3%	-2.6%	9.7%	-16.4%	9.7%	17.4%	-4.3%
Benchmark Portfolio	6.7	8.3	10.7	-3.6	-0.9	8.5	-18.3	10.3	17.3	-0.8
<b>Forstmann Leff</b>										
Actual Portfolio	8.3	2.1	9.8	-2.2	-2.7	2.9	-8.3	2.2	19.3	-1.1
Benchmark Portfolio	6.3	6.2	7.8	-1.0	-1.3	5.0	-14.6	8.0	15.2	0.2
<b>Franklin Portfolio</b>										
Actual Portfolio		9.7	11.1	-2.5	-3.2	2.4	-18.8	11.7	17.3	-2.4
Benchmark Portfolio		8.4	7.4	-2.2	-3.6	4.1	-17.0	10.1	17.9	0.1
<b>GeoCapital Corp.</b>										
Actual Portfolio	Manager not retained until 2Q90.					6.0	-30.1	25.8	30.3	-3.9
Benchmark Portfolio						6.1	-22.3	10.8	24.6	-2.1
<b>IDS Advisory</b>										
Actual Portfolio	8.2	7.5	15.8	-0.5	0.3	7.6	-19.4	4.7	19.7	-1.4
Benchmark Portfolio	6.6	8.6	8.8	-0.3	-2.7	5.5	-14.7	7.9	13.3	-0.3
<b>Investment Advisers</b>										
Actual Portfolio	7.4	6.5	12.4	0.2	-2.9	5.8	-14.3	5.8	13.3	-2.0
Benchmark Portfolio	6.4	7.2	9.4	0.9	-2.0	5.8	-13.3	8.1	13.4	-0.6
<b>Lieber &amp; Company</b>										
Actual Portfolio	7.2	6.1	8.8	-3.9	-5.3	6.2	-21.4	11.8	19.9	0.1
Benchmark Portfolio	7.1	6.4	8.0	-3.6	-3.8	2.1	-20.7	7.1	22.7	1.3
<b>Rosenberg Institutional</b>										
Actual Portfolio		8.7	10.7	-0.6	-2.4	3.7	-16.9	8.0	16.2	-2.8
Benchmark Portfolio		8.2	9.5	0.1	-3.3	4.9	-16.1	8.7	16.5	-0.5
<b>Waddell &amp; Reed</b>										
Actual Portfolio	5.2	10.4	12.1	-2.7	-0.3	5.8	-15.4	3.3	14.1	-1.2
Benchmark Portfolio	6.5	5.9	7.9	-2.5	-0.3	3.9	-17.4	6.9	18.5	0.2
<b>Aggregate Active*</b>	8.1	7.9	11.7	-1.4	-2.2	5.8	-17.1	7.3	17.6	-2.5
<b>Market Index</b>										
Wilshire 5000	7.4	8.5	10.1	0.6	-3.5	5.5	-15.2	8.7	16.5	-0.3

\* Aggregate Active performance numbers include returns of any managers retained during the time period shown but subsequently terminated by the Board.

Table 4.

**EXTERNAL STOCK MANAGERS**  
**Five Year Annualized Performance Summary**

	Year Ending 6/30/91		Two Years Ending 6/30/91		Three Years Ending 6/30/91		Five Years Ending 6/30/91	
	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio
<b>Active Managers</b>								
Alliance Capital	3.0%	4.9%	12.8%	9.7%	14.9%	11.8%	13.2%	8.1%
Forstmann Leff	10.7	6.4	9.1	8.4	9.5	10.5	7.8	8.8
Franklin	3.9	7.8	5.7	6.6	Manager retained effective 4/1/89			
GeoCapital	10.2	5.0	Manager retained effective 4/1/90					
IDS	-0.4	4.0	11.2	7.6	12.0	11.2	8.7	9.5
Investment Advisers	0.6	5.6	7.9	9.9	10.3	12.7	8.5	10.4
Lieber & Company	5.5	5.6	5.4	3.9	8.4	6.9	5.6	5.2
Rosenberg	1.3	5.7	6.2	8.4	Manager retained effective 4/1/89			
Waddell & Reed	-1.5	4.9	6.5	6.9	7.8	8.6	8.6	8.8
<b>Passive Manager</b>								
Wilshire Associates	6.4%	6.9%	9.3%	9.8%	12.6%	12.9%	10.1%	10.2%
<b>Total Basic Retirement Funds' Common Stock Segment*</b>								
	4.8%	6.4%	8.8%	9.1%	11.8%	12.1%	9.8%	9.7%
<b>Capital Markets Data</b>								
Wilshire 5000	7.0%	—	9.8%	—	13.0%	—	10.2%	—
91-Day Treasury Bills	6.9	—	7.6	—	7.8	—	7.0	—
Inflation	4.7	—	4.7	—	4.8	—	4.4	—

\* Total segment performance numbers include returns of any managers retained during the time periods shown but subsequently terminated by the Board.

## BOND MANAGER PORTFOLIO CHARACTERISTICS GLOSSARY

The bond manager portfolio statistics glossary is designed to define terminology the State Board of Investment uses in evaluating a bond manager's investment philosophy, risk characteristics and performance data. The definitions refer to categories shown in Table 5.

<b>Average Quality Weightings</b> (Avg. Qual.)	Refers to the average rating given the total portfolio's securities by Moody's Corp. A security's rating indicates the financial strength of its issuer and other factors related to the likelihood of full and timely payment of interest and principal.
<b>Bond Allocation</b> (Bond Alloc.)	The percent of the manager's total portfolio invested in bonds.
<b>Coupon</b>	The annual interest payment received on the manager's total portfolio stated as a percent of the portfolio's face value.
<b>Current Yield</b> (Cur. Yield)	The annual interest payment produced by the manager's total portfolio stated as a percent of the portfolio's market value.
<b>Duration</b> (Dur.)	A measure of the average life of the total portfolio. Duration is a weighted average maturity where the time in the future that each cash flow is received is weighted by the proportion that the present value of the cash flow contributes to the total present value (or price) of the total portfolio.
<b>Number of Issues</b> (# of Issues)	The number of different bond issues held in the manager's portfolio.
<b>Quarterly Turnover</b> (Qtr. T/O)	The manager's total bond sales during the quarter divided by the average value of the manager's bond portfolio over the quarter.
<b>Term to Maturity</b> (Term to Mat.)	A measure of the average life of the total portfolio. Term to maturity is the number of years remaining until the average bond in the portfolio makes its final cash payment.
<b>Yield to Maturity</b> (Yield to Mat.)	The compounded annualized return that the manager's total portfolio would produce if it were held to maturity and all cash flows were reinvested at an interest rate equal to the yield to maturity.



**Table 5.**  
**EXTERNAL ACTIVE BOND MANAGERS**  
**Portfolio Characteristics**  
**July 1986 - June 1991**

	<b>Qtr. T/O</b>	<b># Of Issues</b>	<b>Bond Alloc.</b>	<b>Coupon</b>	<b>Yield To Mat.</b>	<b>Avg. Qual.</b>	<b>Dur.</b>	<b>Term To Mat.</b>
<b>Investment Advisers</b>								
Minimum	0.0%	11	92%	7.60%	8.00%	AAA	3.20 Yrs.	4.30 Yrs.
Average	14.0	18	96	8.24	8.64	AAA	5.26	11.10
Maximum	37.0	22	99	9.40	9.90	AAA	7.00	19.77
<b>Lehman Management</b>								
Minimum	14.0	26	87	7.41	7.30	AA	3.63	5.00
Average	44.0	41	93	8.25	8.51	AAA	3.93	6.92
Maximum	103.0	50	100	10.20	10.10	AAA	4.50	8.60
<b>Miller Anderson</b>								
Minimum	7.0	43	73	5.40	7.80	A	3.10	5.50
Average	42.0	62	96	8.18	9.98	AA	5.57	10.04
Maximum	86.0	70	100	9.50	13.00	AAA	6.96	16.10
<b>Western Asset</b>								
Minimum	12.0	38	84	8.22	8.30	AA	4.20	8.40
Average	40.0	54	93	8.84	9.21	AA	5.24	12.93
Maximum	85.0	71	100	9.60	10.50	AA	6.70	16.89
<b>Salomon BIG*</b>								
Minimum				8.83	7.57	AAA	4.12	8.97
Average				9.11	8.85	AAA	4.47	9.51
Maximum				9.83	9.91	AAA	4.67	9.84

\* Salomon Broad Investment Grade Bond Index

**Table 6.**  
**EXTERNAL ACTIVE BOND MANAGERS**  
**Sector Weights**  
**July 1986 - June 1991**

	(In Percentages)										
	Treas.	Agcy	Total Govt.	Ind	Util	Fin	Tran	Total Corp.	Mtgs	Misc	Cash
<b>Investment Advisers</b>											
Minimum	51	0	56	0	0	2	0	2	0	0	1
Average	66	7	73	2	1	10	0	13	11	0	3
Maximum	83	14	87	23	3	19	0	36	25	0	12
<b>Lehman Management</b>											
Minimum	46	0	48	3	1	5	0	10	5	0	0
Average	59	1	60	7	3	13	0	23	12	0	5
Maximum	71	6	71	14	8	26	0	33	24	0	19
<b>Miller Anderson</b>											
Minimum	0	0	0	3	0	3	0	9	20	0	1
Average	24	1	25	6	0	20	1	27	39	2	7
Maximum	44	5	44	9	5	59	2	68	60	7	18
<b>Western Asset</b>											
Minimum	5	3	12	9	5	1	0	23	23	0	0
Average	19	8	27	16	9	9	1	35	29	3	6
Maximum	33	13	43	22	17	18	4	43	45	6	13
<b>Salomon BIG*</b>											
Minimum			53					18	21		
Average			55					19	26		
Maximum			59					20	29		

**Abbreviations:**

Treas	Treasuries
Agcy	Government agencies
Ind	Industrials
Util	Utilities
Fin	Financials
Tran	Transportation
Mtgs	Mortgages
Misc	Miscellaneous or other

\* The Salomon Broad Investment Grade (BIG) Bond Index categorizes the index according to Government, Corporate, and Mortgage securities only.

Table 7.

**EXTERNAL ACTIVE BOND MANAGERS****Five Year Quarterly Performance Summary**

	3Q86	4Q86	1Q87	2Q87	3Q87	4Q87	1Q88	2Q88	3Q88	4Q88
<b>Investment Advisers</b>										
Actual Portfolio	2.4%	2.7%	1.0%	-0.9%	-1.9%	5.1%	3.2%	1.1%	1.9%	0.6%
Benchmark Portfolio	2.5	3.3	1.3	-1.6	-2.8	5.8	3.8	1.2	2.0	0.8
<b>Lehman Management</b>										
Actual Portfolio	2.9	2.8	1.1	-1.6	-2.1	5.3	3.2	0.7	3.3	0.8
Benchmark Portfolio	2.3	2.9	1.5	-1.3	-2.1	5.2	3.4	1.1	1.8	0.9
<b>Miller Anderson</b>										
Actual Portfolio	2.2	10.3**	2.8	-1.6	-3.6	6.3	3.6	1.5	1.9	1.6
Benchmark Portfolio	2.5	3.3	1.3	-1.6	-2.8	5.8	3.8	1.2	2.0	0.8
<b>Western Asset</b>										
Actual Portfolio	2.2	4.9	2.6	-3.4	-3.1	5.3	5.3	1.5	2.7	1.5
Benchmark Portfolio	2.4	3.2	1.3	-1.4	-2.7	5.6	4.0	1.4	2.2	0.9
<b>Aggregate Active*</b>	2.7	5.3	2.3	-2.3	-2.2	5.3	3.8	1.1	2.4	1.1
<b>Market Index</b>										
Salomon Broad Investment Grade Bond Index	2.5	3.3	1.3	-1.6	-2.8	5.8	3.8	1.2	2.0	0.8

\* Aggregate Active performance numbers include returns of any managers retained during the time periods shown but subsequently terminated by the Board.

\*\* Performance reflects positive impact of pricing adjustment made during the quarter.

Table 7 Con't.

**EXTERNAL ACTIVE BOND MANAGERS****Five Year Quarterly Performance Summary**

	1Q89	2Q89	3Q89	4Q89	1Q90	2Q90	3Q90	4Q90	1Q91	2Q91
<b>Investment Advisers</b>										
Actual Portfolio	1.3%	9.8%	0.4%	4.2%	-2.7%	4.0%	-0.6%	7.0%	2.4%	1.2%
Benchmark Portfolio	1.1	8.4	0.9	3.9	-1.2	3.7	0.8	5.4	2.3	1.6
<b>Lehman Management</b>										
Actual Portfolio	1.3	7.0	1.1	3.2	-0.5	3.2	1.2	4.6	2.5	1.7
Benchmark Portfolio	1.2	7.2	1.2	3.5	-0.4	3.4	1.2	4.6	2.5	1.6
<b>Miller Anderson</b>										
Actual Portfolio	1.4	4.4	0.4	3.4	-0.7	3.8	-0.5	6.1	3.2	1.7
Benchmark Portfolio	1.2	7.9	1.0	3.7	-0.8	3.6	1.0	5.1	2.6	1.8
<b>Western Asset</b>										
Actual Portfolio	1.5	8.2	1.8	3.5	-1.4	3.7	0.1	5.5	3.4	1.8
Benchmark Portfolio	1.2	7.8	1.0	3.6	-0.4	3.7	0.8	4.8	3.0	2.0
<b>Aggregate Active*</b>	1.4	6.9	1.2	3.5	-1.3	3.7	-0.1	5.4	3.0	1.7
<b>Market Index</b>										
Salomon Broad Investment Grade Bond Index	1.2	7.9	1.0	3.7	-0.8	3.6	1.0	5.1	2.6	1.8

\* Aggregate Active performance numbers include returns of any managers retained during the time periods shown but subsequently terminated by the Board.

Table 8.

# EXTERNAL BOND MANAGERS

## Five Year Annualized Performance Summary

	Year Ending 6/30/91		Two Years Ending 6/30/91		Three Years Ending 6/30/91		Five Years Ending 6/30/91	
	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio
Active Managers								
Investment Advisers	10.2%	10.5%	8.1%	8.9%	10.0%	10.1%	8.5%	8.7%
Lehman Management	10.2	10.3	8.7	9.0	10.0	9.8	8.5	8.5
Miller Anderson	10.7	10.8	8.8	9.3	9.1	10.2	9.8	8.9
Western Asset	11.2	11.0	9.5	9.5	11.1	10.5	9.7	9.1
Semi-Passive Managers								
Fidelity Management	11.5%	10.8%	9.7%	9.3%	10.5%	10.2	Manager retained 7/88	
Lincoln Capital	10.8	10.8	9.2	9.3	10.2	10.2	Manager retained 7/88	
Total Basic Retirement Funds' Bond Segment*								
	11.0%	10.8%	9.2%	9.2%	10.2%	10.1%	9.3%	8.9%
Capital Markets Data								
Salomon BIG Index**	10.8%	—	9.3%	—	10.2%	—	8.9%	—
91 Day Treasury Bills	6.9	—	7.6	—	7.8	—	7.0	—
Inflation	4.7	—	4.7	—	4.8	—	4.4	—

\* Total segment performance numbers include returns of any managers retained during the time periods shown but subsequently terminated by the Board.

\*\*Salomon Broad Investment Grade Bond Index

Table 9.

## ALTERNATIVE ASSETS

Summary of Commitments  
As of June 30, 1991

	Total Fund Size (Millions)	SBI Inception Date	SBI Commitment	SBI Funded	SBI To Be Funded	Fund Description
<b>Real Estate</b>						
Aetna	\$1,573	4/82	\$40,000,000	\$40,000,000	\$0	OpenEnd/Diversified
AEW III	103	9/85	20,000,000	20,000,000	0	Closed/Diversified
AEW IV	86	9/86	15,000,000	15,000,000	0	ClosedEnd/Diversified
AEW V	82	12/87	15,000,000	15,000,000	0	ClosedEnd/Diversified
Equitable	3,613	10/81	40,000,000	40,000,000	0	OpenEnd/Diversified
Heitman I	113	8/84	20,000,000	20,000,000	0	ClosedEnd/Diversified
Heitman II	238	11/85	30,000,000	30,000,000	0	ClosedEnd/Diversified
Heitman III	200	1/87	20,000,000	20,000,000	0	ClosedEnd/Diversified
Paine Webber*	124	2/90	500,000	500,000	0	Closed End/Diversified
RREEF	773	9/84	75,000,000	75,000,000	0	ClosedEnd/Diversified
TCW III	216	8/85	40,000,000	40,000,000	0	ClosedEnd/Diversified
TCW IV	250	11/86	30,000,000	30,000,000	0	ClosedEnd/Diversified
<b>Real Estate Total</b>			<b>\$345,500,000</b>	<b>\$345,500,000</b>	<b>\$0</b>	
<b>Resource (Oil &amp; Gas)</b>						
AMGO I	\$144	9/81	\$15,000,000	\$15,000,000	\$0	Debt with Equity
AMGO II	36	2/83	7,000,000	7,000,000	0	Debt with Equity
AMGO IV	75	7/88	12,300,000	12,300,000	0	Debt with Equity
AMGO V	85	5/90	16,800,000	9,745,020	7,054,980	Debt with Equity
Apache I	100	5/84	1,981,735	1,981,735	0	Debt with Equity
Apache III	190	12/86	30,000,000	30,000,000	0	Net Profits Interest
British Pet.	500	2/89	25,000,000	25,000,000	0	Royalty
Morgan O&G	135	8/88	15,000,000	10,800,000	4,200,000	Debt with Equity
<b>Resource Totals</b>			<b>\$123,081,735</b>	<b>\$111,826,755</b>	<b>\$11,254,980</b>	

(Continued on following page)

Table 9 Con't.

## ALTERNATIVE ASSETS

Summary of Commitments  
As of June 30, 1991

	Total Fund Size (Millions)	SBI Inception Date	SBI Commitment	SBI Funded	SBI To Be Funded	Fund Description
<b>Venture Capital</b>						
Allied	\$40	9/85	\$5,000,000	\$5,000,000	\$0	Later Stage
DSV	60	4/85	10,000,000	10,000,000	0	Early Stage
First Century	100	12/84	10,000,000	8,500,000	1,500,000	Early Stage
Brinson	50	5/88	5,000,000	4,787,202	212,798	Secondary Interests
Brinson II	110	7/90	20,000,000	4,000,000	16,000,000	Secondary Interests
Golder Thoma	225	10/87	14,000,000	7,000,000	7,000,000	Later Stage
IAI Ventures I*	40	3/91	500,000	450,000	50,000	Early Stage
IAI Ventures II	64	7/90	10,000,000	1,767,637	8,232,363	Early Stage
Inman/Bowman	44	6/85	7,500,000	5,250,000	2,250,000	Early Stage
KKR 1984 Fund	1,000	3/84	25,000,000	25,000,000	0	LBO
KKR 1986 Fund	2,000	12/85	18,365,339	18,365,339	0	LBO
KKR 1987 Fund	5,600	10/87	146,634,660	127,164,179	19,470,481	LBO
KKR 1991 Fund	1,200	5/91	150,000,000	0	150,000,000	LBO
Matrix	70	8/85	10,000,000	10,000,000	0	Early Stage
Matrix II	80	5/90	10,000,000	2,125,000	7,875,000	Early Stage
Norwest	60	1/84	10,000,000	10,000,000	0	Early Stage
Summit I	93	12/84	10,000,000	10,000,000	0	Later Stage
Summit II	230	5/88	30,000,000	19,500,000	10,500,000	Later Stage
Superior	35	6/86	6,645,000	4,651,500	1,993,500	Early Stage-Mn.
T. Rowe Price	--	11/87	5,782,964	5,782,964	0	IPO Manager
Zell/Chilmark	1,000	7/90	30,000,000	0	30,000,000	Restructuring
<b>Venture Capital Totals</b>			<b>\$534,427,963</b>	<b>\$279,343,821</b>	<b>\$255,084,142</b>	

## SUMMARY

Real Estate Totals	\$345,500,000	\$345,500,000	\$0
Resource Totals	123,081,735	111,826,755	11,254,980
Venture Capital Totals	534,427,963	279,343,821	255,084,142
<b>GRAND TOTALS</b>	<b>\$1,003,009,698</b>	<b>\$736,670,576</b>	<b>\$266,339,122</b>

\* Received from Police &amp; Fire Fund Consolidation

## 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). State Street Bank, the SBI's performance measurement consultant, calculates the LIRR by solving the following equation for R:

$$VB \cdot (1+R) + \sum_{i=1}^n C_i \cdot (1+R)^{t_i} = VE$$

Where:

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

VE = Value of the fund at the end of the month

C<sub>i</sub> = Net cash flow on the i<sup>th</sup> day of the month

n = Number of cash flows in the month

R = Internal rate of return

t<sub>i</sub> = Time from cash flow i to the end of the period, expressed as a percentage of the total number days in the month

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:

$$TWRQ = (1+R1) \cdot (1+R2) \cdot (1+R3) - 1$$



## BENEFIT INCREASE FORMULA

In order to support currently promised benefits, the Post Retirement Investment Fund must generate 5% realized earnings on its invested assets each year. All realized earnings in excess of 5% are used to finance permanent lifetime benefit increases for current retirees. The benefit increase calculation is specified in Minnesota Statutes Chapter 11A.18, subdivision 9. A summary of the methodology is shown below:

$$\begin{array}{rcccl} \boxed{\text{Investment Earnings (1)}} & - & \boxed{\text{Required Return of 5\% (2)}} & = & \boxed{\text{Income Available for Benefit Increase}} \\ \\ \boxed{\text{Income Available for Benefit Increase}} & \div & \boxed{\text{Required Reserves(3)}} & = & \boxed{\text{Benefit Increase (4)}} \end{array}$$

- (1) Investment earnings are defined as dividends, interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending June 30.
- (2) Each cash flow in or out of the Post Fund is adjusted by 5% multiplied by the fraction of a year from the date of the cash flow to the end of the fiscal year on June 30.
- (3) Total required reserves are calculated by the State's actuary retained by the Legislative Commission on Pensions and Retirement.
- (4) A retiree who has been receiving an annuity or benefit for at least one year as of the end of the fiscal year will receive the full benefit increase. A retiree who has been receiving an annuity or benefit for less than one year will receive one twelfth of the full increase for each month the person was retired during the fiscal year. Full or partial increases are effective beginning January 1 of the following calendar year.

## EXTERNAL STOCK AND BOND MANAGER FEES

### Total Payments for Fiscal Year 1991

#### Active Stock Managers (1)

Alliance Capital	\$ 1,281,935
Concord Capital Management*	44,357
Forstmann Leff Associates	589,939
Franklin Portfolio Associates	545,470
GeoCapital Corp.	679,760
IDS Advisory	391,237
Investment Advisers Inc.	121,604
Lieber & Company	1,284,752
Rosenberg Institutional Equity Management	845,323
Sasco Capital, Inc.*	28,741
Waddell & Reed	325,873

#### Passive Stock Manager (2)

Wilshire Associates	\$ 415,235
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#### Active Bond Managers (2)

Investment Advisers Inc.	\$ 241,518
Lehman Management	228,537
Miller, Anderson & Sherrerd	386,762
Western Asset Management	490,773

#### Semi-Passive Bond Managers(3)

Fidelity Management Trust	\$ 524,051
Lincoln Capital Management	295,410

\* Manager terminated during fiscal year 1991.

- (1) Active stock managers are compensated on a performance-based fee formula. Fees earned may range from zero to twice the manager's base fee, depending on the manager's performance relative to an established benchmark.
- (2) The passive stock manager and active bond managers are compensated based on a specified percentage of assets under management.
- (3) The semi-passive bond managers are compensated on a performance-based fee formula. Fees earned may range from 5 to 10 basis points of assets under management, depending on the manager's performance relative to an established benchmark.

# COMMISSIONS AND TRADING VOLUME

## By Broker for Fiscal Year 1991

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
ABD Securities	\$ 677,560	\$ 560	\$ 0	\$ 0	\$ 0
Abel/Noser Corp.	20,933,146	40,496	0	0	0
Adams Harkness & Hill	4,967,574	8,609	0	0	0
Adler, Coleman & Co.	10,881,313	15,192	0	0	0
Allison-Williams	0	0	839,790	0	0
Associates Corp. of N.A.	0	0	0	0	155,000,000
Autranet	77,932,541	109,285	6,162,094	1,770	0
BHS Securities	0	0	5,537,988	0	0
Bank of America	0	0	3,000,000	0	62,000,000
Bankers Trust	0	0	0	0	20,000,000
Barclays American Corp.	0	0	15,678,797	0	109,343,420
Bateman Eichler	171,571	571	0	0	0
Baum George K. & Co.	1,885,043	1,841	0	0	0
Bear Stearns & Co.	109,857,050	204,768	46,491,127	0	0
Bernstein, Sanford & Co.	42,890,988	79,992	0	0	0
Birr, Wilson & Co.	2,332,002	1,913	0	0	0
Blair & Co.	2,066,700	1,800	0	0	0
Blunt Ellis & Loewi	3,283,425	2,772	0	0	0
Brandt (Robert) & Co.	7,871,925	17,638	0	0	0
Brean Murray	525,438	376	0	0	0
Bridge Trading Co.	89,608,796	139,394	0	0	0
Broadcorn Capital	130,830,122	223,811	3,197,902	0	0
Brown (Alex) & Sons, Inc.	24,433,534	30,808	0	0	0
Brown Bros. Harriman	3,713,967	9,550	0	0	0
BT Securities Corp.	0	0	0	0	35,000,000
Burns Fry & Timmins	1,665,580	2,902	0	0	0
Cantor Fitzgerald	146,300,237	239,671	0	0	0
Capital Inst. Services	13,449,682	22,060	4,485,938	703	0
Carolina Securities	0	0	21,109,887	0	0
Carroll McEntee & McGinley	0	0	30,331,859	0	0
Charles Schwab & Co., Inc.	5,810,847	13,233	0	0	0
Chase Govt. Securities Inc.	0	0	2,000,000	0	0
Chase Manhattan Bank	0	0	34,547,744	0	22,406,000
Chemical Bank New York	0	0	0	0	2,000,000
CIT Group Holdings	0	0	0	0	60,000,000
Citibank	0	0	0	0	14,934,204
Citicorp	0	0	0	0	1,900,000
Citicorp Sec. Markets, Inc.	0	0	16,065,625	0	311,500,000
CL Glazer Inc.	4,832,956	8,764	0	0	0
Commercial Credit Co.	0	0	0	0	101,692,000
Conning & Co.	1,152,763	2,422	0	0	0
Continental Bank (CHI)	0	0	0	0	4,200,000
Continental Illinois Bank & Trust	0	0	10,184,375	0	0
County Natwest Securities Corp.	25,352,224	55,539	0	0	0
Cowen & Co.	41,461,641	44,164	0	0	0
Cronin & Co.	0	0	283,941	0	0
CRT Govt. Securities Ltd.	0	0	279,838,658	0	24,592,508,000
Cyrus J. Lawrence	2,171,688	4,072	3,677,832	0	0
Dain Bosworth, Inc.	11,801,969	12,872	116,091	0	0
Daiwa Sec. America	0	0	43,036,164	0	25,000,000
Daniels & Bell	366,208	1,680	0	0	0
Dean Witter Reynolds	19,909,862	34,320	88,287,100	0	11,512,500,000
Deere & Co.	0	0	0	0	40,000,000
Delafield, Harvey Tabell	1,314,250	6,250	0	0	0
Dillon Read	10,657,722	24,790	137,080,202	0	1,423,929,000
Discount Corp. NY	0	0	74,835,938	0	0
Discover Credit Corp.	0	0	0	0	46,000,000
DLJ Fixed Income	0	0	42,931,300	0	0
Dominick & Dominick	1,198,198	2,060	0	0	0
Donaldson Lufkin	22,938,011	40,153	9,421,368	10,575	0
Edwards - Bond Service	0	0	2,762,108	0	0
Edwards A.G. & Sons	467,625	0	1,006,820	0	0
Ernst & Co.	101,710,959	181,430	0	0	0
Execution Services Inc.	19,320,612	42,996	0	0	0
Exxon Credit Corp.	0	0	0	0	27,000,000
Factset Data	1,900,326	3,025	0	0	0
Fahnestock & Co.	11,231,898	14,720	0	0	0
FBS Investment Services Inc.	0	0	2,906,719	0	4,305,000
Federal Reserve Mpls.	0	0	59,519,700	0	0
First Albany	1,836,961	2,032	0	0	0
First Bank Nat'l. Assoc.	62,505,048	68,993	120,389,725	0	7,520,000
First Boston Corp.	48,271,044	31,253	186,889,441	0	53,700,000

# COMMISSIONS AND TRADING VOLUME

## By Broker for Fiscal Year 1991

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
First Chicago Capital Markets Inc.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,000,000
First Chicago Corp.	201,710	0	0	0	0
First Manhattan Company	30,802,539	57,932	0	0	0
First Nat'l. Bank Chicago	0	0	0	0	5,946,161
First Southwest Co.	84,375	0	0	0	0
Ford Financial Services	0	0	0	0	97,002,000
Fourteen Research Corp.	3,263,871	3,255	0	0	0
Freeman Securities	0	0	779,709	0	0
Furman Selz Mager	1,615,236	840	0	0	0
Garat & Co.	0	0	6,576,222	0	0
General Electric Capital Corp.	0	0	0	0	313,769,000
General Electric Financial Serv.	0	0	0	0	25,000,000
General Motors Acceptance	0	0	0	0	162,600,000
Gerard Klaver Madison	3,327,004	3,560	0	0	0
Goldman Sachs & Co.	121,264,469	152,876	741,985,382	71,708	189,800,000
Goldman Sachs Money Mkt. Inc.	0	0	0	0	40,000,000
Goodrich Securities	1,333,144	4,215	0	0	0
Gordon Haskett & Co.	1,802,800	20,740	0	0	0
Greenwich Capital Markets, Inc.	0	0	251,880,382	0	978,538,000
Gruntal & Co.	3,971,021	5,634	0	0	0
GX Clarke	0	0	0	0	120,000
Heller Financial, Inc.	0	0	0	0	194,100,000
Herzog Heine Geduld	5,920,707	7,180	0	0	0
Household Finance	0	0	0	0	109,700,000
Howard Weil Labouisse	371,700	450	0	0	0
Impact Securities Co.	2,395,351	3,841	0	0	0
Income Reinvestment	0	0	463,438	0	0
Instinet	338,947,129	500,226	0	0	0
Institutional	0	0	7,378,924	0	0
Interstate	450,896	0	0	0	0
Invedmed Associates	297,280	452	0	0	0
ITT Financial Sec. Inc.	0	0	0	0	145,000,000
J.C. Bradford & Co.	898,011	1,425	0	0	0
J.C. Sargent Securities	0	0	1,503,736	0	0
J.P. Morgan & Co.	0	0	51,136,811	0	75,000,000
J.P. Morgan Securities Inc.	0	0	127,908,721	0	146,250,000
Janney Montgomery Scott	84,108	189	0	0	0
Jefferies & Co.	217,667,090	305,134	0	0	0
Jessup & Lamont	7,116,227	10,614	0	0	0
Jones & Assoc.	37,494,430	56,780	0	0	0
Keefe Bruyette & Woods	1,114,063	3,875	0	0	0
Kidder Peabody	33,872,590	67,532	262,115,153	4,375	2,205,157,692
Lazard Freres & Co.	1,244,287	3,655	7,731,077	0	0
Legg Mason	353,843	1,260	0	0	0
Lehman Bros. Inc.	19,557,261	23,357	109,574,605	110,000	184,200,000
Lehman Brothers Inc.	0	0	129,433,504	0	128,000,000
Lehman Govt. Securities	0	0	102,358,953	0	327,100,000
Lewco Securities, Inc.	34,972,112	51,682	0	0	0
Lieber & Company	51,068,586	128,740	0	0	0
Lipper Analytical Dist.	3,583,142	4,340	0	0	0
Lynch, Jones & Ryan	47,254,772	89,848	0	0	0
Mabon Nugent & Co.	2,961,618	9,609	0	0	5,050,486
Manufacturers Hanover Sec. Corp.	0	0	0	0	422,073,121
Manufacturers Hanover Trust	0	0	0	0	1,000,000
Marquette National Bank	0	0	10,078,781	0	29,175,000
Mayer & Schweitzer Inc.	383,725	0	0	0	0
McDonald & Company	4,049,886	8,057	0	0	0
Merrill Lynch PF&S	166,557,002	264,508	292,004,512	0	3,841,338,383
Mesirow & Company	4,314,900	12,852	0	0	0
Montgomery Securities	74,813,644	142,231	1,100,850	0	0
Morgan Guaranty	277,854,128	322,257	166,420,610	0	27,487,404
Morgan Kegan Inc.	272,561	336	0	0	0
Morgan Stanley & Co.	139,331,387	127,586	165,739,301	51,133	0
National City Bank Mpls.	48,304,900	87,125	0	0	150,567,337
National Financial	5,707,591	8,403	0	0	0
Needham Securities	298,125	0	0	0	0
Neuberger & Berman	6,042,709	12,033	0	0	0
Newbridge Securities	741,875	1,750	0	0	0
Nomura Securities Int'l.	2,731,868	4,829	148,844,712	16,165	839,837,000
Norwest Investment Services Inc.	0	0	2,000,000	0	229,370,000
Oppenheimer & Co.	36,675,997	56,548	0	0	0
Oscar Grussman	467,531	1,771	0	0	0
Paine Webber Inc.	51,999,057	73,710	32,837,829	313	0

# COMMISSIONS AND TRADING VOLUME

## By Broker for Fiscal Year 1991

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
Paine Webber J & C	\$ 32,697,804	\$ 49,268	\$ 13,764,860	\$ 0	\$ 2,374,819
Penney J.C. Funding Corp.	0	0	0	0	20,000,000
Pershing	19,402,624	33,324	0	0	0
Pforzheimer Carl H.	65,766	315	0	0	0
Piper Jeffray & Hopwood	8,482,158	11,613	2,580,000	0	0
Piper G.W. & Co.	0	0	2,113,950	0	0
PNC Securities Inc.	0	0	0	0	45,000,000
Prescott Ball & Turban	6,285,285	11,723	0	0	0
Prudential	35,278,859	41,962	49,148,278	0	0
Prudential Securities Inc.	8,884,711	19,462	86,416,543	0	3,715,000
Rauscher Pierce Refsnes	3,294,369	9,397	0	0	0
Raymond James & Associates	2,578,281	1,966	0	0	0
RBC Dominion Securities	1,416,526	6,120	0	0	0
Reynders Gray & Co.	2,581,141	4,340	0	0	0
Robert Fleming	565,723	0	0	0	0
Robert W. Baird & Co.	83,437	0	0	0	0
Robertson Colman & Stephens	5,236,454	5,456	0	0	0
Robinson-Humphrey Co.	8,362,171	10,534	0	0	0
Rodman & Renshaw	4,947,314	6,504	0	0	0
Roulston & Company	5,111,355	8,364	0	0	0
Salomon Brothers	89,620,697	105,783	626,788,566	12,500	891,339,262
Sanwa-BGK	0	0	10,367,227	0	0
Sears Roebuck Acceptance	0	0	0	0	317,270,000
Securities Settlement Corp.	34,224	62	0	0	25,200,000
Security Pacific Bank	0	0	0	0	30,000,000
Security Pacific National Bank	0	0	0	0	30,000,000
SEI Funds Evaluation	1,744,020	3,278	0	0	0
Shearson American Express	55,102,086	86,519	732,579,406	0	31,186,485
Sherwood Securities	298,344	0	0	0	0
Smith R.D.	0	0	30,313	0	0
Smith Barney & Company	46,495,761	80,254	23,732,763	0	1,300,901,817
Standard & Poor Securities	2,075,601	14,260	0	0	0
State Board of Investment	12,579,716	0	0	0	0
State Street Bank & Trust	1,059,300	0	0	0	3,304,305,665
Stechler Associates	0	0	1,477,969	0	0
Stephens, Inc.	0	0	406,210	0	0
Sutro & Company, Inc.	3,069,014	4,530	0	0	0
The Chicago Corp.	1,468,880	2,670	0	0	0
Toronto Domin	0	0	0	0	3,000,000
Troster Singer	58,438	0	0	0	0
Tucker Anthony & R.L. Day, Inc.	360,499	0	0	0	0
UBS Securities	7,774,473	1,910	13,087,972	0	0
UBS-DB Corporation	1,368,987	1,294	0	0	0
Union Bank of L.A.	0	0	1,025,000	0	0
W & D Securities	2,399,863	11,005	0	0	0
Wagner Stott & Co.	83,865,264	103,811	0	0	0
Warburg S.G.	5,127,658	13,572	0	0	0
Watkins & Co.	0	0	2,406,432	0	0
Weeden & Company	62,153,413	122,041	0	0	0
Wertheim Schroder & Co. Inc.	2,657,041	8,012	1,000,000	0	0
Wessels, Arnold & Henderson	1,460,655	0	0	0	0
Westinghouse Securities Corp.	0	0	10,000,000	0	130,000,000
Wheaton First Securities, Inc.	1,085,132	0	0	0	0
William Blair & Co.	727,719	0	0	0	0
Wilshire Associates	13,373,670	20,827	0	0	0
Broker Unavailable*	1,431,473,644	191,078	1,704,126,651	4,730	2,377,345,353

All Brokers Combined	\$ 4,861,037,334	\$ 5,383,267	\$ 7,153,521,581	\$ 283,971	\$ 58,077,257,609
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\* Includes transactions where broker data was incomplete.

\*\* Totals may not add due to rounding.

Both volumes of the 1991 Annual Report were produced using recycled, recyclable paper and a soy-based ink.





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# 1991 ANNUAL REPORT

PART TWO

STATE  
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INVESTMENT

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# **1991 ANNUAL REPORT**

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## **MINNESOTA STATE BOARD OF INVESTMENT**

**Governor Arne H. Carlson**

**State Auditor Mark B. Dayton**

**State Treasurer Michael A. McGrath**

**Secretary of State Joan Anderson Growe**

**Attorney General Hubert H. Humphrey III**

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**Financial Statements, Asset Listings and Accounting Data**

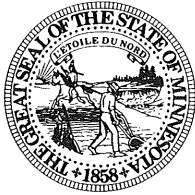


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STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Independent Auditor's Report

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

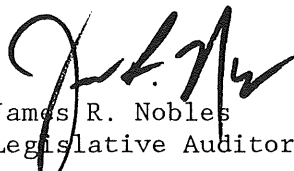
We have audited the accompanying financial statements of the Supplemental Retirement Fund and the Post Retirement Investment Fund which constitute the Investment Trust Funds of the State of Minnesota as of and for the year ended June 30, 1991, as shown on pages 2 to 7. These financial statements are the responsibility of the State Board of Investment's management. Our responsibility is to express an opinion on these financial statements based on our audit.

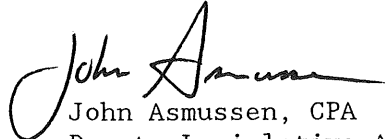
We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis,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

The financial statements present only the Investment Trust Funds of the State of Minnesota and are not intended to present fairly the financial position and results of operations of the State Board of Investment or the State of Minnesota in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets and participation of the Investment Trust Funds of the State of Minnesota at June 30, 1991, and the results of their operations and changes in their net assets for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining financial statements and supporting schedules on pages 10 to 77 are presented for the purposes of additional analysis and are not a required part of the Investment Trust Funds of the State of Minnesota. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

November 29, 1991

**STATE BOARD OF INVESTMENT  
INVESTMENT TRUST FUNDS  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	<b>SUPPLEMENTAL INVESTMENT FUND TOTAL(5)</b>	<b>POST RETIREMENT INVESTMENT FUND (6)</b>
<b>ASSETS:</b>		
<b>INVESTMENTS(at market value) (3)</b>		
COMMON STOCK	\$ 251,783	\$ 520,650
ALTERNATIVE EQUITIES	0	0
FIXED INCOME SECURITIES	152,639	4,968,568
SHORT TERM SECURITIES	113,599	383,988
<b>TOTAL INVESTMENTS (4)</b>	<b>\$ 518,021</b>	<b>\$ 5,873,206</b>
 CASH	 0	 23
SECURITY SALES RECEIVABLE	0	88
ACCOUNTS RECEIVABLE-FEE REFUNDS	0	0
ACCOUNTS RECEIVABLE-MORTALITY	0	28,736
ACCOUNTS RECEIVABLE-PARTICIPANTS	0	26,305
ACCRUED INTEREST	1,798	95,107
ACCRUED DIVIDENDS	0	2,258
ACCRUED SHORT TERM GAIN	559	6,250
<b>TOTAL ASSETS</b>	<b>\$ 520,378</b>	<b>\$ 6,031,973</b>
 <b>LIABILITIES:</b>		
MANAGEMENT FEES PAYABLE	71	321
SECURITY PURCHASES PAYABLE	0	799
ACCOUNTS PAYABLE-PARTICIPANTS	0	0
OPTIONS PREMIUMS RECEIVED	0	0
<b>TOTAL LIABILITIES</b>	<b>\$ 71</b>	<b>\$ 1,120</b>
 <b>NET ASSETS AT JUNE 30, 1991</b>	 <b>\$ 520,307</b>	 <b>\$ 6,030,853</b>

**STATE BOARD OF INVESTMENT  
INVESTMENT TRUST FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	<b>SUPPLEMENTAL INVESTMENT FUND TOTAL</b>	<b>POST RETIREMENT INVESTMENT FUND</b>
<b>FROM INVESTMENT ACTIVITY:</b>		
NET INVESTMENT INCOME	\$ 28,513	\$ 478,544
REALIZED GAINS (LOSSES)	( 13,184 )	( 5,791 )
UNREALIZED GAINS (LOSSES)	20,737	43,371
TOTAL INCOME	\$ 36,066	\$ 516,124
 LESS DISTRIBUTION TO		
PARTICIPANT ACCOUNTS	( 36,066 )	( 250,540 )
UNDISTRIBUTED DEDICATED INCOME	0	0
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 0	\$ 265,584
 <b>FROM PARTICIPANT TRANSACTIONS:</b>		
ADDITIONS TO PARTICIPANT ACCOUNTS		
PARTICIPANT CONTRIBUTIONS	24,546	640,118
INCOME DISTRIBUTION	36,066	250,540
INCOME TO BE DISTRIBUTED	0	0
TOTAL ADDITIONS	\$ 60,612	\$ 890,658
DEDUCTIONS FROM PARTICIPANT ACCOUNTS		
WITHDRAWALS	16,855	490,138
TOTAL DEDUCTIONS	\$ 16,855	\$ 490,138
NET CHANGE IN PARTICIPATION	\$ 43,757	\$ 400,520
TOTAL CHANGE IN ASSETS	\$ 43,757	\$ 666,104
 <b>NET ASSETS:</b>		
BEGINNING OF PERIOD	476,550	5,364,749
END OF PERIOD	<u>\$ 520,307</u>	<u>\$ 6,030,853</u>

**STATE BOARD OF INVESTMENT  
INVESTMENT TRUST FUNDS  
STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	<b>SUPPLEMENTAL INVESTMENT FUND TOTAL</b>	<b>POST RETIREMENT INVESTMENT FUND</b>
<b>INVESTMENT INCOME:</b>		
INTEREST	\$ 13,348	\$ 441,076
DIVIDENDS	7,502	21,480
SHORT TERM GAINS	7,775	16,897
INCOME BEFORE EXPENSES	\$ 28,625	\$ 479,453
MANAGEMENT FEES	112	909
NET INCOME	<u>\$ 28,513</u>	<u>\$ 478,544</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
<b>REALIZED:</b>		
PROCEEDS FROM SALES	\$ 169,683	\$ 316,628
COST OF SECURITIES SOLD	182,867	322,419
NET REALIZED GAIN (LOSS)	(\$ 13,184 )	(\$ 5,791 )
<b>UNREALIZED:</b>		
BEGINNING OF PERIOD	17,657	207,256
END OF PERIOD	38,394	250,627
INCREASE (DECREASE) IN		
UNREALIZED APPRECIATION	\$ 20,737	\$ 43,371
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	<u>\$ 7,553</u>	<u>\$ 37,580</u>

## NOTES TO THE FINANCIAL STATEMENTS

### JUNE 30, 1991

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity and Basis of Presentation: This report includes financial statements for the Investment Trust Funds of the State of Minnesota, which are administered by the State Board of Investment under authority of **Minnesota Statutes Chapter 11A**. The Investment Trust funds include the Supplemental Retirement Fund and the Post Retirement Investment Fund.

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, conform with generally accepted accounting principles.

Authorized Investments: **Minnesota Statutes, Section 11A.24** broadly restricts investments to obligations and stocks of the U.S. and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; international securities; restricted participation as a limited partner in venture capital, real estate or resource equity investments; and restricted participation in registered mutual funds.

Risk Categories: At June 30, 1991, all investments of the Investment Trust Funds and pooled investment accounts are insured or registered, or are held by the state or its agent in the state's name. The state's investment risk for repurchase agreements is reduced by a State Board of Investment policy which limits transactions to those with primary government securities dealers whose net excess capital is greater than \$200,000,000.

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 Financial Control Systems, Inc.

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".

Amortization of Fixed Income Securities: Premiums and discounts on fixed income purchases are amortized over the remaining life of the security using the "Effective Interest Method".

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 100% of the market value of the security loaned is required.

#### 2. PORTFOLIO LISTING:

A listing of all securities held by these funds can be found starting on page 19 of this report. Fixed income and equity securities are presented at market value. Securities held as cash equivalents are not listed.

#### 3. COST OF INVESTMENTS

At June 30, 1991, the cost of investments for the Investment Trust Funds was:

Supplemental Retirement Fund	\$ 479,625,600
Post Retirement Fund	\$ 5,622,578,864

## NOTES TO THE FINANCIAL STATEMENTS

### JUNE 30, 1991

#### 4. LOANED SECURITIES

The market value of loaned securities outstanding at June 30, 1991 was:

Supplemental Retirement Fund	\$ 9,241,784
Post Retirement Fund	\$ 316,330,145

#### 5. SUPPLEMENTAL RETIREMENT FUND

The Supplemental Retirement Fund serves as an investment vehicle for the various state and locally administered pension plans. During Fiscal Year 1991 the fund included six separate accounts with different investment objectives. The Index Account, Bond Market Account and Guaranteed Investment Contract(G.I.C.) Accounts were new investment vehicles during Fiscal Year 1987. Financial information on the individual accounts is shown on pages 10 to 13 of this report. Participation in the Supplemental Investment Fund accounts is determined in accordance with various statutory requirements.

#### 6. POST RETIREMENT INVESTMENT FUND

The Post Retirement Fund serves as an investment vehicle for the Defined Benefit Pension Funds of the State of Minnesota. The fund invests amounts certified by the various pension funds as reserves required for the payment of retirement benefits.

Participation in the Post Retirement Investment Fund is equal to the actuarially determined required reserves for retirement benefits as of June 30, 1991. It includes a 5% assumed income distribution, in accordance with Minnesota Statutes Section 11A.18, and any mortality gains or losses as determined by an independent actuary hired by the State Legislature.

Pursuant to Minnesota Statutes Section 11A.18, Subdivision 9, a portion of Fiscal Year 1991 investment income of the Post Retirement Investment Fund is available for distribution as a benefit increase to pension fund participants in January 1992. This amount is increased by 2.5%

from Fiscal Year 1992 income. The benefit increase is stated as a percentage of total required reserves. In accordance with statutory provisions, the amount available for the benefit increase is certified to each participating pension fund for distribution to eligible individuals. Annuitants and other individuals receiving benefits at May 31, 1991 are eligible to receive the January 1, 1992 benefit increase, which will be 4.295%. Past increases paid to retirees on January 1st have been:

1981	3.209 %	1987	9.792 %
1982	7.436 %	1988	8.054 %
1983	6.853 %	1989	6.918 %
1984	7.449 %	1990	4.040 %
1985	6.905 %	1991	5.100 %
1986	7.884 %		

#### 7. POOLED INVESTMENT ACCOUNTS

The State Board of Investment manages eight pooled investment accounts for the Investment Trust Funds, the Supplemental Investment Fund and the Defined Benefit Pension Funds of the State of Minnesota. The assets of the pooled accounts are held by our master custodian, State Street Bank of Boston. Financial information on these pooled accounts is shown on pages 14 to 17 of this report.

#### 8. SOUTH AFRICA POLICY

At its March 1, 1989 meeting the Minnesota State Board of Investment adopted a resolution relating to companies doing business in South Africa. The resolution calls for the divestment through attrition of the stock of companies not meeting predetermined guidelines by March 1991.

The resolution also calls for the SBI to receive financial and legal advise to insure it is not violating its fiduciary responsibilities. As of June 30, 1991, the Board's actively managed portfolios contained stocks of only three companies doing business in South Africa.

It cannot be determined at this time what effect, if any, this resolution will have on the SBI's future investment flexibility.

**STATE BOARD OF INVESTMENT  
MINNESOTA INVESTMENT TRUST FUNDS  
SCHEDULE OF PARTICIPATION  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	<b>SUPPLEMENTAL RETIREMENT FUND TOTAL</b>	<b>POST RETIREMENT INVESTMENT FUND</b>
Teacher's Retirement Fund	\$ 0	\$ 2,301,369
Public Employees Retirement Fund	0	1,943,989
State Employees Retirement Fund	0	877,416
Public Employees Police & Fire Fund	0	207,781
Public Employees Consolidation Fund	0	66,806
Highway Patrolmen's Retirement Fund	0	94,638
Legislators & Survivors Retirement Fund	0	9,869
Correctional Employees Retirement Fund	0	33,768
Judges Retirement Fund	0	28,104
Income Share Account	269,600	0
Growth Share Account	75,477	0
Money Market Account	86,043	0
Index Account	15,423	0
Bond Market Account	8,552	0
G.I.C. Account	65,216	0
<b>TOTAL PARTICIPATION</b>	<b>\$ 520,311</b>	<b>\$ 5,563,740</b>
Adjustments		
Admitted Value Increment	0	0
Unrealized Appreciation		
(Depreciation) of Investments	0	250,627
Undistributed Earnings	( 4 )	216,486
<b>NET ASSETS</b>	<b>\$ 520,307</b>	<b>\$ 6,030,853</b>



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## **SUPPLEMENTAL FINANCIAL STATEMENTS**

**STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL INVESTMENT FUND  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	INDEX ACCOUNT	BOND MARKET ACCOUNT	G.I.C. ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
<b>ASSETS:</b>							
INVESTMENTS(at market value) (2)							
COMMON STOCK	\$ 165,654	\$ 70,705	\$ 0	\$ 15,424	\$ 0	\$ 0	\$ 251,783
ALTERNATIVE EQUITIES	0	0	0	0	0	0	0
FIXED INCOME SECURITIES	79,317	0	0	0	8,556	64,766	152,639
SHORT TERM SECURITIES	23,184	4,797	85,618	0	0	0	113,599
TOTAL INVESTMENTS (3)	\$ 268,155	\$ 75,502	\$ 85,618	\$ 15,424	\$ 8,556	\$ 64,766	\$ 518,021
CASH	0	0	0	0	0	0	0
SECURITY SALES RECEIVABLE	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE-FEE REFUNDS	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE-MORTALITY	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE-PARTICIPANTS	0	0	0	0	0	0	0
ACCRUED INTEREST	1,348	0	0	0	0	450	1,798
ACCRUED DIVIDENDS	0	0	0	0	0	0	0
ACCRUED SHORT TERM GAIN	111	24	424	0	0	0	559
TOTAL ASSETS	\$ 269,614	\$ 75,526	\$ 86,042	\$ 15,424	\$ 8,556	\$ 65,216	\$ 520,378
<b>LIABILITIES:</b>							
MANAGEMENT FEES PAYABLE	14	49	2	1	3	2	71
SECURITY PURCHASES PAYABLE	0	0	0	0	0	0	0
ACCOUNTS PAYABLE-PARTICIPANTS	0	0	0	0	0	0	0
OPTIONS PREMIUMS RECEIVED	0	0	0	0	0	0	0
TOTAL LIABILITIES	\$ 14	\$ 49	\$ 2	\$ 1	\$ 3	\$ 2	\$ 71
NET ASSETS AT JUNE 30, 1991	\$ 269,600	\$ 75,477	\$ 86,040	\$ 15,423	\$ 8,553	\$ 65,214	\$ 520,307

**STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL INVESTMENT FUND  
COMBINING STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	INDEX ACCOUNT	BOND MARKET ACCOUNT	G.I.C. ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
<b>FROM INVESTMENT ACTIVITY:</b>							
NET INVESTMENT INCOME	\$ 13,438	\$ 2,470	\$ 6,236	\$ 402	\$ 713	\$ 5,254	\$ 28,513
REALIZED GAINS (LOSSES)	(11,927)	(166)	0	(1,106)	15	0	(13,184)
UNREALIZED GAINS (LOSSES)	19,963	(1,127)	0	1,854	47	0	20,737
TOTAL INCOME	\$ 21,474	\$ 1,177	\$ 6,236	\$ 1,150	\$ 775	\$ 5,254	\$ 36,066
<b>LESS:</b>							
DISTRIBUTION TO PARTICIPANT ACCOUNTS	(21,474)	(1,177)	(6,236)	(1,150)	(775)	(5,254)	(36,066)
UNDISTRIBUTED DEDICATED INCOME	0	0	0	0	0	0	0
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>FROM PARTICIPANT TRANSACTIONS:</b>							
ADDITIONS TO PARTICIPANT ACCOUNTS							
PARTICIPANT CONTRIBUTIONS	7,256	2,674	3,151	4,766	1,597	5,103	24,547
INCOME DISTRIBUTION	21,474	1,177	6,236	1,149	775	5,254	36,065
INCOME TO BE DISTRIBUTED	0	0	0	0	0	0	0
TOTAL ADDITIONS	\$ 28,730	\$ 3,851	\$ 9,387	\$ 5,915	\$ 2,372	\$ 10,357	\$ 60,612
DEDUCTIONS FROM PARTICIPANT ACCOUNTS							
WITHDRAWALS	3,763	2,336	5,274	30	413	5,039	16,855
TOTAL DEDUCTIONS	\$ 3,763	\$ 2,336	\$ 5,274	\$ 30	\$ 413	\$ 5,039	\$ 16,855
NET CHANGE IN PARTICIPATION	\$ 24,967	\$ 1,515	\$ 4,113	\$ 5,885	\$ 1,959	\$ 5,318	\$ 43,757
TOTAL CHANGE IN ASSETS	\$ 24,967	\$ 1,515	\$ 4,113	\$ 5,885	\$ 1,959	\$ 5,318	\$ 43,757
<b>NET ASSETS:</b>							
BEGINNING OF PERIOD	244,633	73,962	81,927	9,538	6,594	59,896	476,550
END OF PERIOD	\$ 269,600	\$ 75,477	\$ 86,040	\$ 15,423	\$ 8,553	\$ 65,214	\$ 520,307

**STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL INVESTMENT FUND  
COMBINING STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	<u>INCOME SHARE ACCOUNT</u>	<u>GROWTH SHARE ACCOUNT</u>	<u>MONEY MARKET ACCOUNT</u>	<u>INDEX ACCOUNT</u>	<u>BOND MARKET ACCOUNT</u>	<u>G.I.C. ACCOUNT</u>	<u>SUPPLEMENTAL INVESTMENT FUND TOTAL</u>
<b>INVESTMENT INCOME:</b>							
INTEREST	\$ 7,370	\$ 0	\$ 0	\$ 0	\$ 717	\$ 5,261	\$ 13,348
DIVIDENDS	4,748	2,350	0	404	0	0	7,502
SHORT TERM GAINS	<u>1,354</u>	<u>175</u>	<u>6,246</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,775</u>
INCOME BEFORE EXPENSES	\$ 13,472	\$ 2,525	\$ 6,246	\$ 404	\$ 717	\$ 5,261	\$ 28,625
MANAGEMENT FEES	<u>34</u>	<u>55</u>	<u>10</u>	<u>2</u>	<u>4</u>	<u>7</u>	<u>112</u>
NET INCOME	<u>\$ 13,438</u>	<u>\$ 2,470</u>	<u>\$ 6,236</u>	<u>\$ 402</u>	<u>\$ 713</u>	<u>\$ 5,254</u>	<u>\$ 28,513</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>							
<b>REALIZED:</b>							
PROCEEDS FROM SALES	\$ 134,046	\$ 4,291	\$ 0	\$ 9,309	\$ 414	\$ 21,623	\$ 169,683
COST OF SECURITIES SOLD	<u>145,973</u>	<u>4,457</u>	<u>0</u>	<u>10,415</u>	<u>399</u>	<u>21,623</u>	<u>182,867</u>
NET REALIZED GAIN (LOSS)	( \$ 11,927 )	( \$ 166 )	\$ 0	( \$ 1,106 )	\$ 15	\$ 0	( \$ 13,184 )
<b>UNREALIZED:</b>							
BEGINNING OF PERIOD	11,629	5,622	0	484	(78)	0	17,657
END OF PERIOD	<u>31,592</u>	<u>4,495</u>	<u>0</u>	<u>2,338</u>	<u>(31)</u>	<u>0</u>	<u>38,394</u>
<b>INCREASE (DECREASE) IN</b>							
UNREALIZED APPRECIATION	\$ 19,963	( \$ 1,127 )	\$ 0	\$ 1,854	\$ 47	\$ 0	\$ 20,737
NET REALIZED AND UNREALIZED	<u>\$ 8,036</u>	<u>( \$ 1,293 )</u>	<u>\$ 0</u>	<u>\$ 748</u>	<u>\$ 62</u>	<u>\$ 0</u>	<u>\$ 7,553</u>

**STATE BOARD OF INVESTMENT  
MINNESOTA SUPPLEMENTAL INVESTMENT FUND  
SCHEDULE OF PARTICIPATION  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	INDEX ACCOUNT	BOND MARKET ACCOUNT	G.I.C. ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
Albert Lea Firemen's Relief	\$ 2,390	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,258	\$ 3,648
Austin Fire Relief	608	0	0	0	0	0	608
Austin Police Relief	666	0	0	0	0	0	666
Bagley Fire Relief	0	0	25	0	14	0	39
Bloomington Fire Dept. Relief	13,584	0	0	0	0	0	13,584
Bloomington Police Relief	1,456	744	0	0	0	0	2,200
Chaska Fire Relief	0	0	6	0	0	0	6
Clear Lake Fire Relief	0	21	65	0	0	0	86
Clearbrook Fire Relief	0	0	5	0	0	0	5
Crane Lake Fire Relief	4	0	4	0	0	0	8
Forest Lake Fire Relief	19	0	0	0	0	0	19
Grey Eagle Fire Relief	6	0	6	0	0	0	12
Hackensack Fire Relief	10	0	0	0	0	0	10
Hennepin County Supplemental Ret.	22,541	10,549	4,821	1,762	745	0	40,418
Lafayette Fire Relief	12	0	3	3	0	0	18
Mayer Fire Relief	11	0	0	11	11	0	33
Medicine Lake Fire Relief	102	0	0	0	0	0	102
Menahga Fire Relief	5	0	0	0	0	0	5
Nodine Fire Relief	0	0	3	2	0	3	8
MSRS Deferred Compensation	35,148	20,093	55,689	9,227	2,549	51,114	173,820
MSRS Unclassified Employee Escrow	41,074	11,046	16,123	3,571	2,566	7,623	82,003
Osseo Fire Relief	36	0	0	0	0	0	36
PERA - DCP	154	80	63	44	48	88	477
Plato Fire Relief	8	16	0	8	0	0	32
Rush City Fire Relief	0	0	0	0	0	17	17
Scandia Valley Fire Relief	32	0	0	0	0	0	32
South St. Paul Police Relief	184	0	0	0	0	0	184
St. Paul Fire - General	913	0	0	0	0	0	913
St. Paul Fire - Special	40,080	0	0	0	0	0	40,080
St. Paul Police Relief	31,482	0	0	0	0	0	31,482
Stillwater Fire Relief	49	0	0	0	0	0	49
Teacher's Supplemental Retirement	79,021	32,923	9,229	791	2,615	5,113	129,692
Willmar Fire Relief	5	5	0	4	5	0	19
<b>TOTAL PARTICIPATION</b>	<b>\$ 269,600</b>	<b>\$ 75,477</b>	<b>\$ 86,042</b>	<b>\$ 15,423</b>	<b>\$ 8,553</b>	<b>\$ 65,216</b>	<b>\$ 520,311</b>
Adjustments							
Unrealized Appreciation							
(Depreciation) of Investments	0	0	0	0	0	0	0
Undistributed Earnings	0	0	(2)	0	0	(2)	(4)
<b>NET ASSETS</b>	<b>\$ 269,600</b>	<b>\$ 75,477</b>	<b>\$ 86,040</b>	<b>\$ 15,423</b>	<b>\$ 8,553</b>	<b>\$ 65,214</b>	<b>\$ 520,307</b>

**STATE BOARD OF INVESTMENT  
MINNESOTA POOLED INVESTMENT ACCOUNTS  
SCHEDULE OF ASSETS AND LIABILITIES  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	ACTIVE EQUITY ACCOUNT	TILTED EQUITY ACCOUNT	PASSIVE EQUITY ACCOUNT	ACTIVE BOND ACCOUNT	PASSIVE BOND ACCOUNT	REAL ESTATE ACCOUNT	RESOURCE ACCOUNT	VENTURE CAPITAL ACCOUNT(4)
<b>ASSETS:</b>								
<b>INVESTMENTS(at market value) (2)</b>								
COMMON STOCK	\$ 1,764,427	\$ 2,873,404	\$ 180,365	\$ 1,393	\$ 0	\$ 0	\$ 0	\$ 0
ALTERNATIVE EQUITIES	0	0	0	0	0	408,807	95,851	372,259
FIXED INCOME SECURITIES	4,186	589	0	794,148	1,030,443	0	0	0
SHORT TERM SECURITIES	130,062	19,378	1,324	30,982	87,258	45,265	16,364	26,653
<b>TOTAL INVESTMENTS (3)</b>	<b>\$ 1,898,675</b>	<b>\$ 2,893,371</b>	<b>\$ 181,689</b>	<b>\$ 826,523</b>	<b>\$ 1,117,701</b>	<b>\$ 454,072</b>	<b>\$ 112,215</b>	<b>\$ 398,912</b>
CASH	0	0	0	0	0	0	0	0
SECURITY SALES RECEIVABLE	18,276	140	0	22,290	13,054	0	0	0
ACCOUNTS RECEIVABLE-FEE REFUNDS	726	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE-MORTALITY	0	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE-PARTICIPANTS	0	0	0	0	0	0	0	0
ACCRUED INTEREST	289	14	0	13,222	14,896	0	0	0
ACCRUED DIVIDENDS	3,971	8,492	499	0	0	998	606	194
ACCRUED SHORT TERM GAIN	598	83	7	164	369	225	86	137
<b>TOTAL ASSETS</b>	<b>\$ 1,922,535</b>	<b>\$ 2,902,100</b>	<b>\$ 182,195</b>	<b>\$ 862,199</b>	<b>\$ 1,146,020</b>	<b>\$ 455,295</b>	<b>\$ 112,907</b>	<b>\$ 399,243</b>
<b>LIABILITIES:</b>								
MANAGEMENT FEES PAYABLE	1,503	116	7	345	279	0	0	0
SECURITY PURCHASES PAYABLE	26,947	76	1,117	21,016	79,420	0	0	0
ACCOUNTS PAYABLE-PARTICIPANTS	0	0	0	0	0	0	0	0
OPTIONS PREMIUMS RECEIVED	0	0	0	0	0	0	0	0
<b>TOTAL LIABILITIES</b>	<b>\$ 28,450</b>	<b>\$ 192</b>	<b>\$ 1,124</b>	<b>\$ 21,361</b>	<b>\$ 79,699</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>NET ASSETS AT JUNE 30, 1991</b>	<b>\$ 1,894,085</b>	<b>\$ 2,901,908</b>	<b>\$ 181,071</b>	<b>\$ 840,838</b>	<b>\$ 1,066,321</b>	<b>\$ 455,295</b>	<b>\$ 112,907</b>	<b>\$ 399,243</b>

**STATE BOARD OF INVESTMENT  
MINNESOTA POOLED INVESTMENT ACCOUNTS  
SCHEDULE OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	ACTIVE EQUITY ACCOUNT	TILTED EQUITY ACCOUNT	PASSIVE EQUITY ACCOUNT	ACTIVE BOND ACCOUNT	PASSIVE BOND ACCOUNT	REAL ESTATE ACCOUNT	RESOURCE ACCOUNT	VENTURE CAPITAL ACCOUNT
<b>FROM INVESTMENT ACTIVITY:</b>								
NET INVESTMENT INCOME	\$ 44,997	\$ 82,003	\$ 4,011	\$ 70,653	\$ 86,070	\$ 8,448	\$ 8,640	\$ 3,448
REALIZED GAINS (LOSSES)	18,652	68,023	1,121	4,877	13,605	16,260	217	20,767
UNREALIZED GAINS (LOSSES)	29,131	(30,020)	31,166	7,099	8,787	(47,333)	17,922	129,950
TOTAL INCOME	\$ 92,780	\$ 120,006	\$ 36,298	\$ 82,629	\$ 108,462	(\$ 22,625)	\$ 26,779	\$ 154,165
<b>LESS DISTRIBUTION TO</b>								
PARTICIPANT ACCOUNTS	(61,831)	(150,061)	(5,139)	(75,510)	(99,830)	(24,720)	(8,251)	(24,060)
UNDISTRIBUTED DEDICATED INCOME	(1,772)	35	7	(20)	155	13	(606)	(155)
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 29,177	(\$ 30,020)	\$ 31,166	\$ 7,099	\$ 8,787	(\$ 47,332)	\$ 17,922	\$ 129,950
<b>FROM PARTICIPANT TRANSACTIONS:</b>								
<b>ADDITIONS TO PARTICIPANT ACCOUNTS</b>								
PARTICIPANT CONTRIBUTIONS	336,399	383,196	144,880	107,452	21,831	0	2,542	4,469
INCOME DISTRIBUTION	61,831	150,061	5,139	75,510	99,829	24,720	8,251	24,060
INCOME TO BE DISTRIBUTED	1,772	(35)	(7)	20	(155)	(13)	606	155
TOTAL ADDITIONS	\$ 400,002	\$ 533,222	\$ 150,012	\$ 182,982	\$ 121,505	\$ 24,707	\$ 11,399	\$ 28,684
<b>DEDUCTIONS FROM PARTICIPANT ACCOUNTS</b>								
WITHDRAWALS	341,803	377,327	107	169,457	90,231	43,500	41	0
TOTAL DEDUCTIONS	\$ 341,803	\$ 377,327	\$ 107	\$ 169,457	\$ 90,231	\$ 43,500	\$ 41	\$ 0
NET CHANGE IN PARTICIPATION	\$ 58,199	\$ 155,895	\$ 149,905	\$ 13,525	\$ 31,274	(\$ 18,793)	\$ 11,358	\$ 28,684
TOTAL CHANGE IN ASSETS	\$ 87,376	\$ 125,875	\$ 181,071	\$ 20,624	\$ 40,061	(\$ 66,125)	\$ 29,280	\$ 158,634
<b>NET ASSETS:</b>								
BEGINNING OF PERIOD	1,806,709	2,776,033	0	820,214	1,026,260	521,420	83,627	240,609
END OF PERIOD	\$ 1,894,085	\$ 2,901,908	\$ 181,071	\$ 840,838	\$ 1,066,321	\$ 455,295	\$ 112,907	\$ 399,243



**STATE BOARD OF INVESTMENT  
MINNESOTA POOLED INVESTMENT ACCOUNTS  
SCHEDULE OF OPERATIONS  
YEAR ENDED JUNE 30, 1991  
AMOUNTS IN (000)'S**

	ACTIVE EQUITY ACCOUNT	TILTED EQUITY ACCOUNT	PASSIVE EQUITY ACCOUNT	ACTIVE BOND ACCOUNT	PASSIVE BOND ACCOUNT	REAL ESTATE ACCOUNT	RESOURCE ACCOUNT	VENTURE CAPITAL ACCOUNT
<b>INVESTMENT INCOME:</b>								
INTEREST	\$ 2,593	\$ 37	\$ 0	\$ 69,496	\$ 82,415	\$ 0	\$ 0	\$ 0
DIVIDENDS	38,667	80,562	3,964	0	0	6,002	8,027	2,215
SHORT TERM GAINS	9,876	1,799	67	2,505	4,474	2,446	613	1,233
INCOME BEFORE EXPENSES	\$ 51,136	\$ 82,398	\$ 4,031	\$ 72,001	\$ 86,889	\$ 8,448	\$ 8,640	\$ 3,448
MANAGEMENT FEES	6,139	395	20	1,348	819	0	0	0
NET INCOME	<u>\$ 44,997</u>	<u>\$ 82,003</u>	<u>\$ 4,011</u>	<u>\$ 70,653</u>	<u>\$ 86,070</u>	<u>\$ 8,448</u>	<u>\$ 8,640</u>	<u>\$ 3,448</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>								
<b>REALIZED:</b>								
PROCEEDS FROM SALES	\$ 1,593,267	\$ 616,324	\$ 8,220	\$ 1,136,405	\$ 1,526,259	\$ 38,063	\$ 9,598	\$ 65,070
COST OF SECURITIES SOLD	<u>1,574,615</u>	<u>548,301</u>	<u>7,099</u>	<u>1,131,528</u>	<u>1,512,654</u>	<u>21,803</u>	<u>9,381</u>	<u>44,303</u>
NET REALIZED GAIN (LOSS)	\$ 18,652	\$ 68,023	\$ 1,121	\$ 4,877	\$ 13,605	\$ 16,260	\$ 217	\$ 20,767
<b>UNREALIZED:</b>								
BEGINNING OF PERIOD	230,617	793,892	0	(191)	(1,361)	110,229	(13,088)	889
END OF PERIOD	<u>259,748</u>	<u>763,872</u>	<u>31,166</u>	<u>6,908</u>	<u>7,426</u>	<u>62,896</u>	<u>4,834</u>	<u>130,839</u>
<b>INCREASE (DECREASE)</b>								
IN UNREALIZED APPRECIATION	\$ 29,131	(\$ 30,020)	\$ 31,166	\$ 7,099	\$ 8,787	(\$ 47,333)	\$ 17,922	\$ 129,950
NET REALIZED AND UNREALIZED	<u>\$ 47,783</u>	<u>\$ 38,003</u>	<u>\$ 32,287</u>	<u>\$ 11,976</u>	<u>\$ 22,392</u>	<u>(\$ 31,073)</u>	<u>\$ 18,139</u>	<u>\$ 150,717</u>

**STATE BOARD OF INVESTMENT  
MINNESOTA POOLED ACCOUNTS  
SCHEDULE OF PARTICIPATION  
JUNE 30, 1991  
AMOUNTS IN (000)'S**

	ACTIVE EQUITY ACCOUNT	TILTED EQUITY ACCOUNT	PASSIVE EQUITY ACCOUNT	ACTIVE BOND ACCOUNT	PASSIVE BOND ACCOUNT	REAL ESTATE ACCOUNT	RESOURCE ACCOUNT	VENTURE CAPITAL ACCOUNT	POOLED ACCOUNT TOTAL
Teachers Retirement Fund	\$ 835,915	\$ 1,331,655	\$ 0	\$ 381,549	\$ 490,063	\$ 208,723	\$ 51,760	\$ 183,027	\$ 3,482,692
Public Employees Retirement Fund	410,783	654,395	0	187,500	240,820	102,670	25,436	89,942	\$ 1,711,446
State Employees Retirement Fund	354,077	564,057	0	161,617	207,575	88,411	21,925	77,527	\$ 1,475,189
Public Employees Police & Fire Fund	157,330	250,631	0	71,812	92,232	39,284	9,742	34,448	\$ 665,479
Highway Patrolmen's Retirement Fund	26,146	41,610	0	11,934	15,290	6,529	1,619	5,725	\$ 108,853
Judges Retirement Fund	1,608	2,250	0	734	941	402	100	352	\$ 6,387
Police & Fire Consolidation Fund	19,826	29,103	0	9,049	9,035	4,950	1,228	4,341	\$ 77,532
Correctional Employees Retire. Fund	17,724	28,207	0	8,090	10,365	4,426	1,097	3,881	\$ 73,790
Supplemental Income Share Account	0	0	165,647	0	0	0	0	0	\$ 165,647
Supplemental Growth Share Account	70,676	0	0	0	0	0	0	0	\$ 70,676
Supplemental Index Share Account	0	0	15,424	0	0	0	0	0	\$ 15,424
Supplemental Bond Market Account	0	0	0	8,553	0	0	0	0	\$ 8,553
<b>TOTAL PARTICIPATION</b>	<b>\$ 1,894,085</b>	<b>\$ 2,901,908</b>	<b>\$ 181,071</b>	<b>\$ 840,838</b>	<b>\$ 1,066,321</b>	<b>\$ 455,295</b>	<b>\$ 112,907</b>	<b>\$ 399,243</b>	<b>\$ 7,851,668</b>

## NOTES TO THE SUPPLEMENTAL FINANCIAL STATEMENTS

### JUNE 30, 1991

#### 1. PORTFOLIO LISTING:

A listing of all securities held by these funds can be found starting on page 19 of this report. Fixed income and equity securities are presented at market value. Securities held as cash equivalents are not listed.

#### 2. COST OF INVESTMENTS:

At June 30, 1991 the cost of investments for the Minnesota Pooled Investment Accounts and the individual accounts of the Minnesota Supplemental Investment Fund was:

Active Equity Account	\$ 1,638,927,432
Passive Equity Account	\$ 150,522,926
Tilted Equity Account	\$ 2,129,499,565
Active Bond Account	\$ 819,615,313
Passive Bond Account	\$ 1,110,274,195
Real Estate Account	\$ 391,175,979
Resource Account	\$ 107,380,248
Venture Capital Account	\$ 268,072,282
Income Share Account	\$ 236,562,611
Growth Share Account	\$ 71,006,062
Money Market Account	\$ 85,617,809
Index Account	\$ 13,085,847
Bond Market Account	\$ 8,587,424
G.I.C. Account	\$ 64,765,847

#### 3. LOANED SECURITIES:

The market value of loaned securities outstanding at June 30, 1991 for the Minnesota Pooled Investment Accounts and the individual accounts of the Minnesota Supplemental Investment Fund was:

Active Equity Account	\$ 81,462,610
Passive Equity Account	\$ 6,011,686
Tilted Equity Account	\$ 128,465,679
Active Bond Account	\$ 39,005,812
Passive Bond Account	\$ 70,912,951

#### 4. LITIGATION:

##### Phyllis Kahn, et al. v. Kohlberg, Kravis, Roberts & Co., et al.,

United States District Court, Southern District of New York. Plaintiffs claim that defendant Kohlberg, Kravis, Roberts & Co. ("KKR") has, among other things, violated the federal Investment Advisors Act by charging excessive fees to its clients, including the State of Minnesota. Plaintiffs allege that their succeeding in the lawsuit would not result in any outlays of funds by the State. However, defendant KKR alleges that if plaintiff prevails, there will be a negative impact on the Basic Retirement Funds of approximately \$200 million. The case was dismissed on statute of limitation grounds but the time for appeal has not yet run.

## **ASSET LISTINGS**

**MINNESOTA STATE BOARD OF INVESTMENT  
POST RETIREMENT INVESTMENT FUND  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
191,100	A M P INC	\$ 9,507,225
141,700	AETNA LIFE & CASUALTY CO.	5,862,837
95,800	AIR PRODUCTS & CHEM. INC.	6,454,525
194,800	ALLIED-SIGNAL INC.	6,428,400
54,700	ALUMINUM CO. OF AMERICA	3,692,250
120,800	AMAX INC	2,793,500
146,000	AMDAHL CORP	2,135,250
51,000	AMERADA HESS CORP.	2,620,125
159,000	AMERICAN GENERAL CORP	6,022,125
144,100	AMERICAN GREETINGS	4,629,212
104,300	ASARCO INC.	2,698,762
286,000	AST RESEARCH INC	5,791,500
40,850	ATLANTIC RICHFIELD	4,687,537
106,500	AVON PRODS INC	4,526,250
203,600	BANKAMERICA CORP.	7,380,500
70,600	BANKERS TRUST NY CORP.	3,415,275
286,000	BARD C.R. INC.	8,043,750
190,500	BAXTER INTL INC	6,143,625
280,000	BLACK & DECKER MFG CO	4,340,000
123,100	BLOCK H & R INC.	6,770,500
140,000	BOISE CASCADE CORP	3,570,000
83,843	BOWATER INC.	2,305,682
153,800	BRIGGS & STRATTON CORP	5,056,175
96,500	C & S SOVRAN CORP	2,303,937
235,000	CANADIAN PACIFIC LTD	3,906,875
179,200	CENTERIOR ENERGY CORP	2,934,400
100,680	CHASE MANHATTAN CORP.	1,636,050
114,966	CHEMICAL BKG CORP	2,457,398
84,000	CHUBB CORPORATION	5,859,000
50,000	CIGNA CORPORATION	2,331,250
327,500	CITICORP	4,748,750
84,500	COLUMBIA GAS SYSTEM INC	1,616,062
237,000	COMMODORE INTL LTD	2,755,125
86,000	COMMONWEALTH EDISON CO.	3,106,750
120,500	COMMUNICATIONS SATELLITE CORP	3,449,312
90,500	COMPAQ COMPUTER CORP	2,816,812
70,000	CONSOLIDATED RAIL CORP	3,990,000
102,150	COOPER INDS. INC.	5,477,793
326,500	CORE INDS INC	2,285,500
100,000	CRAY RESEARCH INC	3,300,000
128,100	CYPRUS MINERALS CORP	2,802,187
49,200	DELTA AIR LINES INC.	3,376,350
346,400	DETROIT EDISON CO	9,872,400
125,000	DIAMOND SHAMROCK R&M INC	2,640,625
161,000	DOMINION BANKSHARES CORP	1,710,625
200,000	DOW CHEMICAL COMPANY	10,625,000
196,000	DOW JONES & CO	5,292,000
142,800	DUN & BRADSTREET COS INC	6,765,150
100,500	EASTERN ENTERPRISES	2,437,125
170,250	EASTMAN KODAK CO.	6,597,187
246,200	ENTERGY CORP	5,724,150
140,000	FEDERAL PAPER BRD INC	4,287,500
283,852	FIRST BANK SYSTEM	5,215,780
200,600	FIRST CHICAGO CORP	4,187,525
175,000	FIRST UNION CORP	3,893,750
82,700	FORD MOTOR CO.	2,977,200
46,100	GENERAL DYNAMICS	1,930,437
58,800	GENERAL RE CORP.	5,593,350
112,400	GENUINE PARTS CO.	4,819,150
178,400	GOLDEN WEST FIN'L	6,310,900
167,000	GOODYEAR TIRE & RUBBER	5,552,750

NO. OF SHARES	SECURITY	MARKET VALUE
149,000	HARRIS CORP.	\$ 3,855,375
122,000	HERCULES INC.	4,514,000
114,000	HEWLETT PACKARD CO.	5,785,500
50,000	HOMEFED CORPORATION	125,000
54,000	I T T CORP	3,037,500
61,000	IMPERIAL OIL CO. LTD.	2,851,750
99,000	INCO INC.	3,551,625
162,000	INTELLIGENT ELECTRONICS	3,159,000
34,900	INTERNATIONAL BUSINESS MACH	3,389,662
95,000	JAMES RIV CORP VA	2,386,875
20,000	JAN BELL MARKETING	230,000
319,100	K MART CORPORATION	14,439,275
78,000	KEMPER CORP.	2,574,000
55,830	LOCKHEED AIRCRAFT CORP	2,435,583
274,300	LONG ISLAND LTG CO	6,137,462
358,923	MANUFACTURERS HANOVER	7,761,709
54,100	MARTIN MARIETTA	3,022,837
141,600	MCDONNELL DOUGLAS CORP.	7,133,100
91,600	MELLON BANK CORP	2,736,550
102,100	MERRILL LYNCH & CO. INC.	3,918,087
46,000	MOBIL CORPORATION	2,955,500
42,000	MORGAN STANLEY GROUP INC	3,333,750
194,000	NIKE INC.	7,008,250
171,300	NORWEST CORP.	4,710,750
303,900	OCCIDENTAL PETE CORP	6,495,862
134,000	OHIO CAS CORP	6,365,000
63,600	ORYX ENERGY COMPANY	1,979,550
247,800	P S I RESOURCES INC	3,902,850
150,000	PENNEY J.C. INC.	7,950,000
106,700	PERKIN ELMER	3,040,950
125,000	PHILLIPS VAN HEUSEN CORP	3,562,500
443,700	PIER I INC	3,105,900
115,300	REYNOLDS & REYNOLDS CO	2,565,425
61,500	REYNOLDS METALS CO	3,628,500
120,800	ROCKWELL INTL CORP	3,367,300
31,000	ROYAL DUTCH PETE CO NY REG	2,402,500
380,000	SAFECARD SVCS INC	3,182,500
147,500	SALOMON INC	4,793,750
167,000	SCIENTIFIC ATLANTA INC	2,296,250
49,000	SEA CONTAINERS LTD.	2,394,875
260,000	SEAGATE TECHNOLOGY	1,950,000
127,500	SEARS ROEBUCK & COMPANY	4,829,062
78,700	SECURITY PACIFIC CORP.	1,810,100
96,700	SIGNET BANKING CORP.	1,559,287
87,500	SONAT INC.	3,467,187
118,000	SOUTHERN CO	3,245,000
45,500	ST. PAUL COS. INC.	2,855,125
163,600	SYNTEX CORPORATION	6,257,700
427,100	TEKTRONIX INC	11,157,987
87,700	TEXAS UTILITIES CO.	3,047,575
242,000	THIokol CORPORATION	3,660,250
80,000	THOMAS & BETTS CORP	4,320,000
73,800	TRANSAMERICA CORP	2,389,275
154,000	TRAVELERS CORP.	3,349,500
122,100	U S F & G CORP.	1,098,900
742,900	UNISYS CORP.	2,785,875
107,000	UNITED ILLUM CO	3,664,750
111,000	VALERO ENERGY CORP	2,511,375
125,000	WESTINGHOUSE ELEC. CO.	3,484,375
415,100	WEYERHEUSER CO.	11,103,925
139,900	XEROX CORP	7,554,613

TOTAL EQUITY PORTFOLIO

\$ 520,649,873

**MINNESOTA STATE BOARD OF INVESTMENT  
POST RETIREMENT INVESTMENT FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 25,000,000	1600 ARCH CORP SEC NT SER Z	00.0000 %	05/01/94	\$ 17,007,000
6,000,000	AMER ELEC POWER GEN CO SLOB	09.8100 %	12/07/22	6,178,080
6,000,000	AMER ELEC POWER GEN CO SLOB	09.8200 %	12/07/22	6,169,740
3,750,000	AMERICAN GENERAL FIN	07.7500 %	01/15/97	3,506,400
3,500,000	AMERICAN TELEPHONE & TELEGRAPH	08.6250 %	04/01/26	3,290,000
120,947	AMOCO CORP	09.2000 %	07/15/04	121,098
9,500,000	ARCHER DANIELS MIDLAND CO	00.0000 %	05/01/92	8,955,175
2,102,000	ATLANTIC RICHFIELD	10.8750 %	07/15/05	2,397,520
2,170,879	ATLANTIC RICHFIELD CO.	08.7500 %	12/01/01	2,112,764
2,562,046	ATLANTIC RICHFIELD CO.	09.2500 %	07/15/96	2,561,431
9,750,000	BELL TEL OF CANADA	09.0000 %	01/15/08	9,590,685
6,000,000	BENEFICIAL CORP	08.4000 %	12/01/07	5,617,500
15,000,000	BENEFICIAL CORP.	07.5000 %	07/15/02	13,033,350
6,000,000	BOSTON EDISON	09.2500 %	04/15/07	5,901,060
7,000,000	BP NORTH AMERICA	09.5000 %	06/15/17	6,972,560
6,000,000	BRITISH COLUMBIA HYDRO	08.3750 %	06/15/07	5,688,180
587,430	BURLINGTON NORTHERN	08.7500 %	09/01/93	585,621
64,372	BURLINGTON NORTHERN	08.5000 %	07/03/93	64,082
6,000,000	C.I.T. FINANCIAL	08.7500 %	03/15/08	5,522,100
6,000,000	C.I.T. FINANCIAL	09.8500 %	08/15/04	6,046,500
7,790,000	C.I.T. FINANCIAL CORP.	08.3750 %	04/01/01	7,254,437
500,000	CANADIAN PACIFIC, LTD.	08.6250 %	01/15/92	501,040
6,000,000	CAROLINA POWER & LIGHT	08.7500 %	08/01/00	5,785,500
3,500,000	CAROLINA PWR & LT CO	08.5000 %	01/01/17	3,205,545
7,000,000	CATERPILLAR INC	06.0000 %	05/01/07	5,059,740
5,000,000	CENTRAL POWER & LIGHT	09.3750 %	06/01/04	4,938,100
750,000	CERTIFICATES ACCRUAL TREAS	00.0000 %	11/15/98	406,080
6,000,000	CHEMICAL N.Y. CORP	08.2500 %	08/01/02	5,243,460
7,500,000	CHESAPEAKE & POTOMAC TEL MD	09.1250 %	07/01/26	7,200,525
18,140,000	CHEVRON CORP.	08.7500 %	07/01/05	17,777,200
1,500,000	CHRYSLER CORP	12.7500 %	03/01/92	1,506,090
6,000,000	CHRYSLER CORP	08.0000 %	11/01/98	4,079,999
15,000,000	CHRYSLER CORPORATION	11.0400 %	08/01/92	14,823,299
5,000,000	CHRYSLER FINANCIAL	09.6500 %	05/15/93	4,710,500
7,000,000	CITICORP	08.1250 %	07/01/07	5,880,000
7,020,000	CITICORP	08.4500 %	03/15/07	6,177,600
1,000,000	CITIZENS UTILITIES	04.8000 %	12/31/91	989,139
7,000,000	COLGATE PALMOLIVE	09.6250 %	07/15/17	7,003,150
4,100,000	COMERICA INC	09.7500 %	05/01/99	4,116,974
4,200,000	COMMONWEALTH EDISON	08.1250 %	06/01/07	3,819,102
5,800,000	CONOCO INC	09.3750 %	04/01/09	5,799,826
1,734,375	COUPON TREASURY RCPT	00.0000 %	11/15/93	1,469,744
6,000,000	COUPON TREASURY RCPT	00.0000 %	02/15/99	3,160,319
1,320,000	COUPON TREASURY RCPTS	00.0000 %	08/15/91	1,312,291
1,656,250	COUPON TREASURY RCPTS	00.0000 %	11/15/98	896,760
166,875	COUPON TREASURY RCPTS	00.0000 %	08/15/91	165,900
250,000	COUPON TREASURY RCPTS	00.0000 %	08/15/91	248,540
4,821,000	COUPON TREASURY RCPTS	00.0000 %	11/15/00	2,179,574
668,990	COUPON TREASURY RCPTS	00.0000 %	11/15/98	362,217
945,000	COUPON TREASURY RCPTS	00.0000 %	11/15/98	511,660
4,875,000	DANA CORP	08.8750 %	11/15/08	4,165,395
6,000,000	DETROIT EDISON	07.3750 %	11/15/01	5,280,000
6,000,000	DETROIT EDISON	08.1250 %	06/15/01	5,581,440
9,350,000	DETROIT EDISON	09.0000 %	02/15/17	8,876,329
1,255,000	DOW CHEMICAL	08.6250 %	02/15/08	1,195,387
7,000,000	DOW CHEMICAL COMPANY	07.8750 %	07/15/07	6,236,090
4,000,000	DU PONT (E.I.) DENEMOURS	06.0000 %	12/01/01	3,229,960
7,000,000	DUQUESNE	09.0000 %	06/01/06	6,790,000
1,500,000	E.I. DUPONT DE NEMOURS	08.5000 %	04/15/96	1,391,250
10,000,000	EASTMAN KODAK	09.7500 %	10/01/04	10,350,099
10,000,000	FEDERAL FARM CREDIT BANK	10.6000 %	10/21/91	10,134,399

**MINNESOTA STATE BOARD OF INVESTMENT  
POST RETIREMENT INVESTMENT FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 12,000,000	FEDERAL FARM CREDIT BANK	11.8000 %	10/20/93	\$ 13,155,000
1,800,000	FEDERAL FARM CREDIT BANK	09.1000 %	07/22/91	1,803,365
2,300,000	FEDERAL FARM CREDIT BANK	13.0000 %	09/01/94	2,643,551
2,300,000	FEDERAL FARM CREDIT BANK	14.2500 %	04/20/94	2,686,676
5,000,000	FEDERAL FARM CREDIT BANK	11.4500 %	12/01/94	5,559,350
5,000,000	FEDERAL FARM CREDIT BANK	11.5000 %	01/20/92	5,142,200
50,000,000	FEDERAL FARM CREDIT BANK	11.9000 %	10/20/97	58,718,500
665,000	FEDERAL FARM CREDIT BANK	13.6500 %	12/02/91	685,362
7,000,000	FEDERAL FARM CREDIT BANK	10.6500 %	01/20/93	7,378,420
9,100,000	FEDERAL FARM CREDIT BANK	13.7500 %	07/20/92	9,782,500
10,300,000	FEDERAL HOME LOAN BANK	07.3000 %	01/25/94	10,274,250
1,050,000	FEDERAL HOME LOAN BANK	10.8000 %	03/25/93	1,112,338
1,075,000	FEDERAL HOME LOAN BANK	07.9500 %	09/27/93	1,089,781
12,500,000	FEDERAL HOME LOAN BANK	08.0000 %	07/25/96	12,453,125
200,000	FEDERAL HOME LOAN BANK	07.3750 %	12/27/93	200,623
2,100,000	FEDERAL HOME LOAN BANK	08.1000 %	03/25/96	2,103,926
250,000	FEDERAL HOME LOAN BANK	08.1250 %	05/25/93	254,842
2,515,000	FEDERAL HOME LOAN BANK	12.1500 %	12/27/93	2,782,218
25,600,000	FEDERAL HOME LOAN BANK	08.2500 %	06/25/96	25,767,936
2,865,000	FEDERAL HOME LOAN BANK	11.7500 %	09/25/91	2,901,700
31,200,000	FEDERAL HOME LOAN BANK	11.7000 %	07/26/93	33,891,000
3,525,000	FEDERAL HOME LOAN BANK	07.7500 %	04/25/96	3,488,657
375,000	FEDERAL HOME LOAN BANK	09.5000 %	01/25/93	388,008
47,000,000	FEDERAL HOME LOAN BANK	08.2500 %	09/25/96	47,337,930
5,000,000	FEDERAL HOME LOAN BANK	10.7000 %	01/25/93	5,267,199
5,000,000	FEDERAL HOME LOAN BANK	11.7000 %	04/27/92	5,209,350
6,470,000	FEDERAL HOME LOAN BANK	11.4500 %	02/25/92	6,678,269
7,000,000	FEDERAL HOME LOAN BANK	11.9500 %	08/25/93	7,651,839
775,000	FEDERAL HOME LOAN BANK	07.7500 %	07/26/93	784,687
900,000	FEDERAL HOME LOAN BANK	07.5500 %	04/26/93	907,596
950,000	FEDERAL HOME LOAN BANK	07.8750 %	10/25/93	962,464
50,000,000	FEDERAL HOME LOAN MORTGAGE COR	00.0000 %	11/29/19	4,047,000
10,000,000	FEDERAL NATIONAL MORTGAGE ASSN	09.5000 %	11/10/20	10,043,699
2,025,000	FEDERAL NATIONAL MORTGAGE ASSN	11.5000 %	02/10/95	2,259,130
22,000,000	FEDERAL NATIONAL MORTGAGE ASSN	00.0000 %	07/05/14	2,777,500
24,400,000	FEDERAL NATIONAL MORTGAGE ASSN	10.3500 %	12/10/15	28,060,000
25,000,000	FEDERAL NATIONAL MORTGAGE ASSN	08.5000 %	01/10/92	25,289,000
3,000,000	FEDERAL NATIONAL MORTGAGE ASSN	08.2000 %	03/10/16	2,803,110
350,000	FEDERAL NATIONAL MORTGAGE ASSN	07.1000 %	12/10/97	331,954
5,000,000	FEDERAL NATIONAL MORTGAGE ASSN	07.7500 %	11/10/93	5,056,250
5,000,000	FEDERAL NATIONAL MORTGAGE ASSN	10.9000 %	01/11/93	5,284,350
50,000,000	FEDERAL NATIONAL MORTGAGE ASSN	00.0000 %	10/09/19	4,093,500
5,150,000	FEDERAL NATIONAL MORTGAGE ASSN	09.2000 %	01/10/96	5,359,193
8,000,000	FEDERAL NATIONAL MORTGAGE ASSN	10.8750 %	04/12/93	8,514,959
8,320,000	FEDERAL NATIONAL MORTGAGE ASSN	11.9500 %	01/10/95	9,375,558
10,000,000	FINANCING CORP	09.8000 %	04/06/18	10,821,899
12,950,000	FINANCING CORP	00.0000 %	06/06/05	3,681,037
23,100,000	FINANCING CORP	00.0000 %	12/06/05	6,273,729
25,000,000	FINANCING CORP	00.0000 %	09/07/15	2,821,750
42,000,000	FINANCING CORP	09.4000 %	02/08/18	43,614,480
5,000,000	FINANCING CORP	00.0000 %	12/06/02	1,813,649
5,000,000	FINANCING CORP	10.3500 %	08/03/18	5,676,550
5,000,000	FINANCING CORP	10.7000 %	10/06/17	5,850,000
12,500,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/09	2,534,875
17,300,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/07	4,203,035
22,500,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/05	6,531,525
23,950,000	FINANCING CORP FICO STRIP S 15	00.0000 %	09/07/00	10,715,230
27,800,000	FINANCING CORP FICO STRIP S 15	00.0000 %	09/07/06	7,073,709
28,000,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/02	10,892,560
28,900,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/06	7,663,412
28,935,000	FINANCING CORP FICO STRIP S 15	00.0000 %	03/07/04	9,237,498

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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 9,200,000	FINANCING CORP FICO STRIP S 15	00.0000 %	09/07/07	\$ 2,136,424
5,000,000	FIRST CHICAGO CORP	09.0000 %	06/15/99	4,745,900
3,300,000	FIRST CHICAGO MED TERM NOTE	09.7000 %	03/31/92	3,372,435
5,650,000	FMC CORP	09.5000 %	01/15/00	5,466,375
3,000,000	FNMA CAPITAL DEBENTURE	07.4000 %	10/01/97	2,868,750
5,000,000	FORD MOTOR CREDIT CORP	10.0000 %	02/01/99	5,050,699
7,700,000	FPL GROUP CORP	08.8750 %	03/01/17	7,120,575
10,000,000	FUNDING CORPORATION	00.0000 %	04/15/96	6,808,200
10,000,000	FUNDING CORPORATION	00.0000 %	04/15/97	6,213,600
15,620,000	FUNDING CORPORATION	00.0000 %	04/15/02	6,199,890
15,620,000	FUNDING CORPORATION	00.0000 %	04/15/03	5,652,565
20,000,000	FUNDING CORPORATION	00.0000 %	10/15/04	6,319,200
20,620,000	FUNDING CORPORATION	00.0000 %	04/15/04	6,820,477
30,000,000	FUNDING CORPORATION	00.0000 %	01/15/14	4,187,700
30,000,000	FUNDING CORPORATION	00.0000 %	04/15/14	4,096,799
30,000,000	FUNDING CORPORATION	00.0000 %	07/15/13	4,374,600
30,000,000	FUNDING CORPORATION	00.0000 %	07/15/14	4,017,599
30,000,000	FUNDING CORPORATION	00.0000 %	10/15/13	4,279,800
5,000,000	GENERAL FOODS INC	06.0000 %	06/15/01	4,005,050
4,200,000	GENERAL MOTORS ACCEPT CORP	08.7500 %	02/01/00	4,137,000
5,000,000	GENERAL MOTORS ACCEPT CORP	08.2500 %	11/15/06	4,540,700
5,000,000	GENERAL MOTORS ACCEPT CORP	08.7500 %	06/15/01	4,906,250
7,000,000	GENERAL MOTORS ACCEPT CORP	08.0000 %	07/15/07	6,238,750
8,500,000	GENERAL MOTORS ACCEPT CORP	08.8750 %	06/01/99	8,457,500
3,100,000	GENERAL MOTORS CORPORATION	08.6250 %	04/01/05	2,972,125
3,500,000	GENERAL MOTORS CORPORATION	08.1250 %	04/15/16	3,020,010
1,000,000	GENERAL TEL CO (FLA)	04.5000 %	05/01/93	955,000
1,200,000	GENERAL TEL OF CALIF.	09.3750 %	06/15/26	1,179,899
11,500,000	GMAC	08.2500 %	04/01/16	10,105,625
6,300,000	GTE CORP	08.5000 %	04/01/17	5,724,117
8,500,000	GTE CORP	09.1250 %	12/01/16	8,047,884
174,000	HARBOR TUG & BARGE	08.1500 %	03/15/01	170,681
7,600,000	HOUSEHOLD FINANCE CORP	08.2000 %	09/15/07	6,682,832
325,000	HOUSEHOLD FINANCE CORP	09.6250 %	06/15/04	310,820
7,320,000	HOUSEHOLD FINANCE CORP.	08.3750 %	10/01/03	6,686,161
525,000	HOUSTON LTG & POWER	08.3750 %	10/01/07	487,016
14,000,000	HYDRO QUEBEC	08.5000 %	12/01/29	12,840,100
3,500,000	HYDRO-QUEBEC	08.2500 %	04/15/26	3,123,645
6,000,000	HYDRO-QUEBECK	08.6000 %	09/15/06	5,663,460
2,035,000	INDIANA & MICH ELECTRIC	09.5000 %	03/01/08	2,052,948
6,000,000	INDIANA MICH ELEC SLOB	09.8100 %	12/07/22	6,010,680
6,000,000	INDIANA MICH ELEC SLOB	09.8200 %	12/07/22	6,169,740
6,000,000	INTER-AMERICAN DEV. BANK	09.6250 %	01/15/04	6,060,000
12,000,000	INTERNORTH INC.	09.6250 %	03/15/06	12,124,679
7,000,000	ITT FINANCIAL	09.8800 %	05/15/98	7,262,850
3,600,000	ITT FINANCIAL CORP	08.3750 %	03/01/07	3,289,284
5,000,000	KANSAS POWER & LIGHT	08.7500 %	02/01/08	4,813,500
3,600,000	KMART	12.5000 %	03/01/05	4,418,136
5,000,000	KNIGHT-RIDDER INC	09.8750 %	04/15/09	5,215,250
5,700,000	LOEWS CORP	08.2500 %	01/15/07	5,131,026
7,000,000	LOEWS CORP	09.0000 %	03/15/16	6,559,630
1,000,000	LONG ISLAND LIGHTING	04.4000 %	04/01/93	952,769
224,227	LOUISVILLE & NASHVILLE	09.0000 %	10/20/91	224,592
6,000,000	MANITOBA HYDRO	08.6250 %	12/01/06	5,744,580
5,440,000	MANITOBA HYDRO ELEC BD	07.6500 %	10/15/97	5,122,467
4,300,000	MANUF. HANOVER CORP	08.1250 %	03/01/04	3,612,000
800,000	MARATHON OIL COMPANY	08.5000 %	02/01/00	764,000
9,000,000	MARTIN-MARIETTA CORP.	07.0000 %	03/15/11	7,096,320
5,000,000	MCDONALDS CORP	09.7500 %	05/01/19	5,085,850
3,197,699	MHFA SER. A 1988	00.0000 %	02/01/93	2,430,123



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\$ 9,650,000	MHFA SER. A 1989	00.0000 %	08/01/96	\$ 5,210,999
4,525,000	MHFA SER. B 1988	00.0000 %	08/01/95	2,624,500
8,060,000	MINNESOTA HOUSING FIN AGY	00.0000 %	08/01/97	4,110,599
504,592	MISSOURI PACIFIC RR	12.7500 %	06/01/95	549,552
640,966	MISSOURI PACIFIC RR	09.7500 %	06/01/94	657,765
1,700,000	MOBIL CORP	08.5000 %	06/15/01	1,693,625
5,000,000	MOBIL OIL	07.3750 %	10/01/01	4,527,500
3,535,000	MONSANTO CO.	08.7500 %	05/15/08	3,431,212
6,000,000	N. BRUNSWICK ELECTRIC	09.3750 %	05/01/01	6,029,460
3,000,000	N.Y. LIFE FUNDING CORP	09.2500 %	05/15/95	3,070,020
6,000,000	NATIONAL ARCHIVES	08.5000 %	09/01/19	5,790,000
5,848,000	NATIONAL RURAL UTIL.	09.7500 %	09/01/09	5,976,305
7,000,000	NO. AMER PHILLIPS	08.7500 %	03/01/17	6,300,280
6,000,000	NORTHERN IND. PUB. SERV.	08.3750 %	10/15/06	5,577,660
6,000,000	NORTHERN IND. PUB. SERV.	08.5000 %	11/01/07	5,603,699
3,125,000	NORTHERN STATES POWER CO. MINN	08.3750 %	01/01/04	2,955,375
3,500,000	NOVA SCOTIA POWER COMM	07.7500 %	03/15/97	3,310,860
6,400,000	NOVA SCOTIA POWER CORP	09.6250 %	06/01/08	6,550,272
10,000,000	OCCIDENTAL PETROLEUM	10.1250 %	09/15/09	10,278,100
10,000,000	OCCIDENTAL PETROLEUM CORP	10.1250 %	11/15/01	10,350,000
5,700,000	OCCIDENTAL PETE CORP	07.0000 %	04/15/11	4,375,947
3,600,000	ONTARIO PROV. OF	08.4000 %	01/15/07	3,385,800
5,100,000	ONTARIO PROV. OF	09.2500 %	11/15/05	5,101,377
6,000,000	ONTARIO PROVINCE	09.7500 %	03/01/09	6,154,980
6,000,000	ONTARIO PROVINCE	09.8750 %	09/20/09	6,221,219
1,000,000	ONTARIO PROVINCE OF CANADA	09.1250 %	06/15/05	990,679
6,920,000	ONTARIO, PROVINCE OF	09.3750 %	11/30/08	6,978,681
7,000,000	ONTARIO, PROVINCE OF	09.3750 %	06/01/08	7,046,759
1,600,000	PACIFIC BELL TEL	08.7500 %	08/15/25	1,480,336
7,000,000	PACIFIC BELL TEL	08.6250 %	04/15/23	6,441,610
15,000,000	PACIFIC GAS & ELECTRIC	08.6500 %	01/01/20	13,861,050
15,000,000	PACIFIC GAS & ELECTRIC	09.1250 %	10/01/19	14,434,800
3,000,000	PACIFIC GAS & ELECTRIC	09.4000 %	04/01/19	2,950,290
3,765,000	PACIFIC GAS & ELECTRIC	08.2500 %	09/01/08	3,461,578
6,000,000	PACIFIC GAS & ELECTRIC	08.5000 %	02/01/09	5,647,500
5,000,000	PACIFIC TEL & TEL	06.5000 %	07/01/03	4,127,200
5,000,000	PACIFIC TEL & TEL	08.6500 %	04/01/05	4,869,550
5,000,000	PACIFIC TEL & TEL CO	08.7500 %	10/01/06	4,925,000
7,930,000	PENNEY J.C. CO.	06.0000 %	05/01/06	5,816,734
10,000,000	PENNZOIL CO	10.1250 %	11/15/09	10,338,800
7,000,000	PHILADELPHIA ELEC CO	09.3750 %	04/01/17	6,816,250
2,777,000	PHILADELPHIA ELECTRIC	09.1250 %	03/15/08	2,679,805
3,060,000	PHILADELPHIA ELECTRIC	08.6250 %	03/15/07	2,861,100
4,075,000	PHILADELPHIA ELECTRIC	08.5000 %	01/15/04	3,822,390
6,000,000	PHILADELPHIA ELECTRIC	07.5000 %	01/15/99	5,500,380
6,000,000	PHILADELPHIA ELECTRIC	09.1250 %	03/01/06	5,880,000
755,000	PHILADELPHIA ELECTRIC	09.6250 %	08/01/02	760,254
5,000,000	PHILLIPS PETE CO	13.8750 %	03/15/97	5,337,500
5,000,000	POTOMIC ELECTRIC POWER	08.7500 %	11/15/16	4,677,900
2,675,000	PRIMERICA CORP	11.1250 %	10/15/92	2,770,524
5,000,000	PRIVATE EXP FUNDING CORP	09.5000 %	03/31/99	5,260,799
3,500,000	PROCTOR & GAMBLE	08.1250 %	01/15/17	3,150,525
1,631,959	PUBLIC SERVICE ELEC & GAS	09.7500 %	07/01/09	1,660,893
6,000,000	PUBLIC SERVICE ELEC & GAS	08.1250 %	09/01/07	5,465,819
10,000,000	QUEBEC PROVINCE OF	13.0000 %	10/01/13	12,231,499
4,400,000	QUEBEC-HYDRO ELECTRIC	08.2500 %	01/01/04	4,079,944
13,000,000	RALSTON PURINA	09.2500 %	10/15/09	12,692,289
10,000,000	RESOLUTION FUNDING CORP	00.0000 %	10/15/98	5,424,200
383,988,394	S.B.I MONEY FUND	00.0000 %		383,988,394
8,775,000	SASKATCH., PROVINCE OF	09.2500 %	04/15/08	8,740,338
6,000,000	SASKATCHEWAN CDA	08.6250 %	05/15/07	5,716,860

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\$ 6,000,000	SASKATCHEWAN CDA	08.7000 %	11/15/06	\$ 5,757,600
1,237,141	SEABOARD COAST LINE RR	09.6250 %	09/01/93	1,267,377
904,892	SEABOARD COAST LINE RR	08.2500 %	10/01/92	904,783
3,000,000	SEARS	07.0000 %	11/15/01	2,504,850
13,000,000	SEARS ROEBUCK & CO.	06.0000 %	05/01/00	10,340,850
5,000,000	SHEARSON LEHMAN	08.7500 %	03/01/96	4,790,500
5,000,000	SHEARSON LEHMAN	09.8750 %	10/15/00	4,964,550
5,000,000	SIGNET BANKING CORP	09.6250 %	06/01/99	4,353,400
3,000,000	SOUTH CENTRAL BELL TEL	07.3750 %	11/01/07	2,597,909
5,000,000	SOUTH CENTRAL BELL TEL	08.2500 %	12/01/04	4,693,000
5,000,000	SOUTHERN CAL EDISON	08.6250 %	03/15/18	4,631,250
15,000,000	SOUTHERN CALIF EDISON CO	09.5000 %	07/01/20	14,970,299
3,100,000	SOUTHWESTERN BELL TEL	05.8750 %	06/01/03	2,410,777
5,000,000	SOUTHWESTERN BELL TEL	08.7500 %	08/01/07	4,850,000
7,000,000	SOUTHWESTERN BELL TEL	08.6250 %	04/15/20	6,436,430
2,319,539	STANDARD OIL OF CALIF.	08.5000 %	07/02/99	2,191,663
608,004	STANDARD OIL OF CALIF.	07.7000 %	03/02/97	579,519
608,005	STANDARD OIL OF CALIF.	07.7000 %	02/10/97	562,532
654,774	STANDARD OIL OF CALIF.	07.7000 %	03/30/97	604,821
10,000,000	STRPD U.S. TREAS. BONDS	00.0000 %	05/15/06	2,798,000
50,000,000	STUDENT LN MRKTG ASSN	00.0000 %	10/03/22	3,343,500
11,385,000	TENNESSEE GAS PIPELINE	13.7000 %	09/01/92	12,032,123
5,700,000	TENNESSEE GAS PIPELINE	09.3750 %	01/15/17	5,352,585
4,300,000	TEXAS ELEC. SERVICE	09.5000 %	02/01/09	4,209,915
2,500,000	TEXAS POWER & LIGHT	09.3750 %	02/01/09	2,431,800
3,000,000	TEXAS POWER & LIGHT	08.6000 %	01/01/06	2,787,600
15,000,000	TEXAS UTIL.	09.2500 %	02/01/17	14,242,650
7,000,000	TORCHMARK	08.6250 %	03/01/17	6,160,210
1,619,000	TREASURY INVT GROWTH RCPTS	00.0000 %	11/15/00	876,591
250,000	TREASURY INVT GROWTH RCPTS	00.0000 %	02/15/99	131,680
10,000,000	U.S.A. TREASURY BOND	07.8750 %	11/15/07	9,525,000
10,100,000	U.S.A. TREASURY BOND	13.7500 %	08/15/04	14,319,880
104,800,000	U.S.A. TREASURY BOND	11.7500 %	02/15/10	131,360,512
11,600,000	U.S.A. TREASURY BOND	08.7500 %	11/15/08	11,842,903
11,600,000	U.S.A. TREASURY BOND	11.1250 %	08/15/03	13,974,403
15,100,000	U.S.A. TREASURY BOND	08.5000 %	02/15/20	15,114,194
15,745,000	U.S.A. TREASURY BOND	12.3750 %	05/15/04	20,576,668
18,500,000	U.S.A. TREASURY BOND	08.7500 %	05/15/17	18,916,250
2,000,000	U.S.A. TREASURY BOND	08.6250 %	11/15/93	2,062,500
20,000,000	U.S.A. TREASURY BOND	08.0000 %	08/15/01	19,775,000
20,000,000	U.S.A. TREASURY BOND	09.8750 %	11/15/15	22,668,800
21,000,000	U.S.A. TREASURY BOND	10.6250 %	08/15/15	25,370,520
22,300,000	U.S.A. TREASURY BOND	10.5000 %	02/15/95	24,320,826
22,500,000	U.S.A. TREASURY BOND	07.5000 %	11/15/16	20,088,225
26,600,000	U.S.A. TREASURY BOND	08.3750 %	08/15/08	26,425,503
28,020,000	U.S.A. TREASURY BOND	08.3750 %	08/15/00	28,055,025
29,500,000	U.S.A. TREASURY BOND	14.2500 %	02/15/02	41,770,230
30,000,000	U.S.A. TREASURY BOND	09.3750 %	02/15/06	32,371,799
32,100,000	U.S.A. TREASURY BOND	13.3750 %	08/15/01	43,184,450
32,900,000	U.S.A. TREASURY BOND	09.1250 %	05/15/09	34,503,875
36,075,000	U.S.A. TREASURY BOND	10.7500 %	05/15/03	42,422,035
39,475,000	U.S.A. TREASURY BOND	07.6250 %	02/15/07	36,859,781
40,000,000	U.S.A. TREASURY BOND	08.8750 %	08/15/17	41,387,600
40,000,000	U.S.A. TREASURY BOND	09.0000 %	02/15/94	41,624,800
40,000,000	U.S.A. TREASURY BOND	12.6250 %	05/15/95	46,550,000
40,350,000	U.S.A. TREASURY BOND	07.8750 %	02/15/00	39,391,687
43,500,000	U.S.A. TREASURY BOND	09.2500 %	02/15/16	46,585,890
45,500,000	U.S.A. TREASURY BOND	11.7500 %	11/15/14	58,709,104
49,650,000	U.S.A. TREASURY BOND	11.7500 %	02/15/01	60,960,766
5,000,000	U.S.A. TREASURY BOND	09.1250 %	05/15/18	5,317,200
50,000,000	U.S.A. TREASURY BOND	08.5000 %	05/15/99	50,703,000
50,000,000	U.S.A. TREASURY BOND	10.3750 %	05/15/95	54,406,000

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\$ 50,000,000	U.S.A. TREASURY BOND	11.5000 %	11/15/95	\$ 56,625,000
50,000,000	U.S.A. TREASURY BOND	13.2500 %	05/15/14	70,968,500
50,110,000	U.S.A. TREASURY BOND	11.6250 %	11/15/02	62,042,193
5,100,000	U.S.A. TREASURY BOND	09.0000 %	11/15/18	5,361,375
51,500,000	U.S.A. TREASURY BOND	12.0000 %	05/15/05	66,129,089
55,000,000	U.S.A. TREASURY BOND	14.0000 %	11/15/11	80,248,300
60,000,000	U.S.A. TREASURY BOND	10.3750 %	11/15/12	69,225,000
63,326,000	U.S.A. TREASURY BOND	12.0000 %	08/15/13	82,402,957
64,000,000	U.S.A. TREASURY BOND	07.2500 %	05/15/16	55,639,679
65,350,000	U.S.A. TREASURY BOND	10.7500 %	02/15/03	76,765,991
65,900,000	U.S.A. TREASURY BOND	10.3750 %	11/15/09	75,249,233
66,400,000	U.S.A. TREASURY BOND	10.0000 %	05/15/10	74,202,000
66,904,000	U.S.A. TREASURY BOND	11.6250 %	11/15/04	83,630,000
7,075,000	U.S.A. TREASURY BOND	11.8750 %	11/15/03	8,936,574
72,600,000	U.S.A. TREASURY BOND	12.7500 %	11/15/10	97,419,762
73,925,000	U.S.A. TREASURY BOND	13.8750 %	05/15/11	106,497,833
86,800,000	U.S.A. TREASURY BOND	10.7500 %	08/15/05	102,749,500
8,925,000	U.S.A. TREASURY BOND	13.1250 %	05/15/01	11,806,079
9,450,000	U.S.A. TREASURY BOND	08.2500 %	05/15/05	9,408,609
95,500,000	U.S.A. TREASURY BOND	12.5000 %	08/15/14	129,402,500
10,400,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/05	3,174,392
10,525,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/03	3,752,373
11,360,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/03	3,965,548
11,500,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/07	2,829,805
11,850,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/99	5,907,343
13,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/93	11,654,630
14,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/09	3,029,740
14,360,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/98	8,190,082
14,825,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/99	7,544,294
15,600,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/00	7,143,396
1,800,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/94	1,488,996
19,150,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/98	10,462,602
20,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/17	2,283,800
21,800,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/97	13,007,405
22,400,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/10	4,449,760
2,500,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/93	2,201,425
25,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/14	3,617,000
25,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/06	6,995,000
25,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/11	4,567,250
25,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/13	3,775,000
25,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/14	3,473,499
26,400,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/04	8,810,208
26,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/04	8,644,830
28,204,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/98	15,736,421
28,400,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/01	12,426,704
30,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/00	14,297,400
31,800,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/00	14,826,750
32,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/99	17,038,080
32,800,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/99	17,083,880
34,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/13	5,245,860
34,600,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/01	14,809,146
3,500,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/92	3,317,895
35,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/94	27,774,250
36,700,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/02	14,661,283
3,800,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/97	2,366,450
3,800,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/92	3,474,644
3,830,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/04	1,307,025
39,500,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/08	9,512,390
4,000,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/06	1,072,320
40,500,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/08	9,548,280
42,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/11	7,837,620
4,500,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/02	1,837,620

**MINNESOTA STATE BOARD OF INVESTMENT  
POST RETIREMENT INVESTMENT FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 46,000,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/08	\$ 10,390,480
49,250,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/10	9,993,317
49,250,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/10	9,574,692
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/12	8,565,499
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/98	29,119,500
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/05	14,936,000
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/09	10,589,500
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/11	8,939,500
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/17	5,500,000
50,000,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/01	20,981,000
52,600,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/03	19,181,116
5,300,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/91	5,264,278
5,400,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/91	5,286,060
5,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/92	5,112,745
55,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/13	8,667,449
56,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/02	22,049,125
5,900,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/92	5,678,278
5,900,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/95	4,475,740
61,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/07	15,458,640
73,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/08	16,958,655
7,500,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/00	3,652,200
78,800,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/16	9,567,108
8,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/93	6,903,679
8,500,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/05	2,650,045
8,500,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/09	1,878,925
85,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/12	13,979,950
8,900,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/94	7,227,512
92,000,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/16	10,731,800
10,000,000	U.S.A. TREASURY NOTE	07.2500 %	07/15/93	10,050,000
10,000,000	U.S.A. TREASURY NOTE	07.3750 %	05/15/96	9,787,500
10,000,000	U.S.A. TREASURY NOTE	08.5000 %	05/15/97	10,206,200
10,000,000	U.S.A. TREASURY NOTE	08.8750 %	05/15/00	10,356,199
10,000,000	U.S.A. TREASURY NOTE	11.6250 %	11/15/94	11,215,600
10,100,000	U.S.A. TREASURY NOTE	08.5000 %	04/15/97	10,305,131
10,400,000	U.S.A. TREASURY NOTE	08.3750 %	04/15/95	10,634,000
13,000,000	U.S.A. TREASURY NOTE	09.5000 %	05/15/94	13,702,780
15,000,000	U.S.A. TREASURY NOTE	09.5000 %	10/15/94	15,848,400
15,500,000	U.S.A. TREASURY NOTE	07.0000 %	04/15/94	15,393,359
17,700,000	U.S.A. TREASURY NOTE	09.2500 %	08/15/98	18,690,138
18,500,000	U.S.A. TREASURY NOTE	07.2500 %	11/15/96	17,898,750
20,000,000	U.S.A. TREASURY NOTE	09.5000 %	11/15/95	21,212,399
225,000	U.S.A. TREASURY NOTE	08.7500 %	01/15/93	231,187
2,600,000	U.S.A. TREASURY NOTE	13.7500 %	07/15/91	2,609,750
3,200,000	U.S.A. TREASURY NOTE	07.0000 %	01/15/94	3,184,992
3,300,000	U.S.A. TREASURY NOTE	07.6250 %	05/15/93	3,339,171
3,560,000	U.S.A. TREASURY NOTE	12.6250 %	08/15/94	4,063,953
5,000,000	U.S.A. TREASURY NOTE	08.7500 %	10/15/97	5,156,250
5,000,000	U.S.A. TREASURY NOTE	10.3750 %	07/15/92	5,187,500
50,000,000	U.S.A. TREASURY NOTE	10.5000 %	08/15/95	54,703,000
50,000,000	U.S.A. TREASURY NOTE	11.2500 %	05/15/95	55,812,500
6,000,000	U.S.A. TREASURY NOTE	09.1250 %	05/15/99	6,301,860
9,800,000	U.S.A. TREASURY NOTE	09.1250 %	09/30/91	9,876,538
16,000,000	U.S.A. TREASURY PHY PRINCIPAL	00.0000 %	11/15/11	2,965,000
1,610,000	U.S.A. TREASURY PHY. COUPON	00.0000 %	11/15/93	1,348,375
10,000,000	U.S.A. TREASURY SEC PRIN.	00.0000 %	11/15/94	7,706,250
50,000,000	U.S.A. TREASURY SEC PRIN.	00.0000 %	02/15/15	6,687,000
50,000,000	U.S.A. TREASURY SEC PRIN.	00.0000 %	08/15/15	6,408,000
15,000,000	UNION PACIFIC CORP	08.5000 %	01/15/17	13,384,500
4,555,000	WISCONSIN ELECTRIC POWER	08.8750 %	05/15/08	4,450,736
<b>\$ 7,017,757,356</b>	<b>TOTAL FIXED INCOME PORTFOLIO</b>			<b>\$ 5,352,555,853</b>

**MINNESOTA STATE BOARD OF INVESTMENT  
SUPPLEMENTAL INVESTMENT FUND  
ALPHABETICAL HOLDINGS BY INVESTMENT OPTION  
JUNE 30, 1991**

SHARES / PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
<b>COMMON STOCK INDEX ACCOUNT</b>				
9,873	MN. SUPPLEMENTAL INDEX			\$ 15,424,029
<b>BOND MARKET ACCOUNT</b>				
8,500	MN. FIXED INCOME POOL	00.0000 %		\$ 8,556,276
<b>GUARANTEED RETURN ACCOUNT</b>				
14,956,868	JOHN HANCOCK LIFE INS CO.	08.4000 %	10/31/92	\$ 14,956,868
10,737,166	MUTUAL OF AMERICA	08.9500 %	10/31/93	10,737,166
28,357,112	MUTUAL OF AMERICA	09.0100 %	10/31/91	28,357,112
10,714,699	PROVIDENCE NATIONAL	08.5800 %	10/31/93	10,714,699
64,765,845				\$ 64,765,845
<b>INCOME SHARE ACCOUNT</b>				
1,250,000	ASSOCIATES CORP. NORTH AMERICA	11.4500 %	11/15/92	\$ 1,299,750
1,000,000	DQU FUNDING CORP	11.9500 %	12/01/16	1,120,000
2,000,000	FEDERAL HOME LOAN MORTGAGE	11.8500 %	08/30/91	2,018,739
1,341,772	FNMA POOL # 002494	08.0000 %	04/01/08	1,302,150
1,521,465	FNMA POOL # 002499	10.0000 %	03/01/16	1,577,090
2,128,499	FNMA POOL # 030817	09.0000 %	06/01/09	2,107,214
1,397,548	FNMA POOL # 049238	08.0000 %	06/01/02	1,346,006
1,000,000	GERBER PRODUCTS CO	11.7500 %	11/01/94	1,022,070
1,589,933	GNMA II POOL # 000587	08.0000 %	07/20/16	1,496,524
1,878,677	GNMA POOL # 146852	09.5000 %	04/15/16	1,916,250
2,063,326	GNMA POOL # 205012	09.5000 %	02/15/17	2,104,593
1,798,289	GNMA POOL # 209563	09.5000 %	10/15/17	1,834,255
3,635,622	GNMA POOL # 289781	09.5000 %	04/15/20	3,708,334
3,000,000	ITT FINANCIAL CORP	08.7600 %	05/02/94	3,000,000
106,301	MN. SUPPLEMENTAL INDEX			165,653,911
1,000,000	PNPP FUNDING CORP	12.0000 %	05/30/16	1,119,990
1,000,000	RALSTON PURINA	09.2500 %	10/15/09	976,329
3,000,000	RESOLUTION FUNDING CORP	08.1250 %	10/15/19	2,816,250
23,184,209	S.B.I. SUPPLEMENTAL MONEY FUND	00.0000 %		23,184,209
1,000,000	SECURITY PACIFIC CORP	09.7500 %	05/15/99	973,660
1,000,000	U.S.A. TREASURY BOND	10.7500 %	08/15/05	1,183,750
1,000,000	U.S.A. TREASURY BOND	11.6250 %	11/15/04	1,250,000
1,400,000	U.S.A. TREASURY BOND	11.5000 %	11/15/95	1,585,500
1,600,000	U.S.A. TREASURY BOND	12.0000 %	05/15/05	2,054,495
1,600,000	U.S.A. TREASURY BOND	12.3750 %	05/15/04	2,090,992
1,700,000	U.S.A. TREASURY BOND	11.6250 %	11/15/02	2,104,804
1,700,000	U.S.A. TREASURY BOND	11.8750 %	11/15/03	2,147,304
1,800,000	U.S.A. TREASURY BOND	10.7500 %	05/15/03	2,116,692
1,500,000	U.S.A. TREASURY NOTE	09.5000 %	05/15/94	1,581,090
1,800,000	U.S.A. TREASURY NOTE	11.2500 %	05/15/95	2,009,250
2,100,000	U.S.A. TREASURY NOTE	08.5000 %	05/15/97	2,143,302
2,100,000	U.S.A. TREASURY NOTE	08.6250 %	10/15/95	2,160,375
2,200,000	U.S.A. TREASURY NOTE	07.6250 %	05/15/93	2,226,114
2,250,000	U.S.A. TREASURY NOTE	08.7500 %	09/30/92	2,306,947
3,000,000	U.S.A. TREASURY NOTE	08.3750 %	02/15/93	3,068,430
3,000,000	U.S.A. TREASURY NOTE	10.5000 %	11/15/92	3,144,360
3,100,000	U.S.A. TREASURY NOTE	08.7500 %	01/15/93	3,185,250
3,500,000	U.S.A. TREASURY NOTE	08.0000 %	01/15/97	3,497,795
3,500,000	U.S.A. TREASURY NOTE	08.8750 %	07/15/95	3,634,540
4,000,000	U.S.A. TREASURY NOTE	08.2500 %	11/15/94	4,086,240
98,745,641				\$ 268,154,554
<b>GROWTH SHARES ACCOUNT</b>				
53,826	MN. EXT. ACTIVE MAN. POOL			\$ 70,704,880
4,796,506	S.B.I. SUPPLEMENTAL MONEY FUND	00.0000 %		4,796,506
4,850,332				\$ 75,501,386
<b>MONEY MARKET ACCOUNT</b>				
85,617,809	S.B.I. MONEY FUND			\$ 85,617,809

**MINNESOTA STATE BOARD OF INVESTMENT  
PERMANENT SCHOOL FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 3,400,000	AMOCO	08.3750 %	06/15/05	\$ 3,315,000
5,000,000	ATLANTIC RICHFIELD	09.1250 %	03/01/11	4,956,299
5,000,000	ATLANTIC RICHFIELD	09.8750 %	03/01/16	5,290,300
1,447,252	ATLANTIC RICHFIELD CO.	08.7500 %	12/01/01	1,408,509
1,537,227	ATLANTIC RICHFIELD CO.	09.2500 %	07/15/96	1,536,858
4,000,000	BARNETT BANKS INC	08.5000 %	03/01/99	3,679,960
2,500,000	BELL TELE. CO CANADA	04.8500 %	09/01/95	2,259,050
150,000	CANADIAN PACIFIC, LTD.	08.6250 %	01/15/92	150,312
1,000,000	CHRYSLER FIN. MTN	09.8750 %	02/01/94	1,039,630
5,000,000	CITICORP PERSON TO PERSON INC	08.7500 %	03/01/98	4,534,250
4,500,000	COLUMBUS SOUTHERN POWER	09.5000 %	08/01/15	4,449,150
7,000,000	COMMONWEALTH EDISON	09.1250 %	01/15/14	6,775,650
5,000,000	CSX TRANSPORTATION	09.0000 %	08/15/06	4,766,650
5,000,000	DOW CHEMICAL	08.6250 %	04/01/06	4,792,950
3,690,000	DU PONT E I DE NEMOURS & CO	08.4500 %	11/15/04	3,583,912
100,000	FEDERAL FARM CREDIT BANK	12.3500 %	03/01/94	111,625
5,000,000	FEDERAL FARM CREDIT BANK	10.6000 %	10/21/91	5,067,199
600,000	FEDERAL FARM CREDIT BANK	13.7500 %	07/20/92	645,000
3,000,000	FEDERAL HOME LOAN BANK	11.7000 %	04/27/92	3,125,610
3,000,000	FEDERAL HOME LOAN BANK	11.7000 %	07/26/93	3,258,750
3,000,000	FEDERAL NATIONAL MORTGAGE ASSN	10.6000 %	10/12/92	3,133,110
890,000	FLORIDA POWER & LIGHT	07.0000 %	06/01/98	809,223
3,000,000	FMC CORP	09.5000 %	01/15/00	2,902,500
1,400,000	FORD MOTOR COMPANY	08.8750 %	04/01/06	1,321,614
1,200,000	FORD MOTOR CR. MTN	09.7500 %	11/04/94	1,253,520
2,000,000	FORD MOTOR CR. MTN	09.1500 %	11/01/93	2,053,419
3,900,000	GENERAL MOTORS ACCEPT CORP.	08.0000 %	01/15/02	3,566,901
1,152,409	GNMA POOL # 00505	06.5000 %	11/15/01	1,077,503
1,128,606	GNMA POOL # 00506	06.5000 %	12/15/01	1,055,246
4,536,058	GNMA POOL # 00606	08.0000 %	08/20/16	4,235,544
1,605,865	GNMA POOL # 00623	08.0000 %	09/20/16	1,499,476
1,304,651	GNMA POOL # 02290	06.5000 %	03/15/03	1,219,848
1,532,627	GNMA POOL # 02291	06.5000 %	04/15/03	1,433,006
1,353,586	GNMA POOL # 02424	06.5000 %	04/15/03	1,265,603
161,504	GNMA POOL # 03627	08.2500 %	07/15/04	155,170
689,858	GNMA POOL # 03972	08.2500 %	07/15/04	662,802
310,002	GNMA POOL # 03974	09.0000 %	11/15/04	312,373
270,194	GNMA POOL # 03979	08.2500 %	08/15/04	259,597
147,264	GNMA POOL # 04004	08.2500 %	08/15/04	141,488
507,420	GNMA POOL # 04092	08.2500 %	07/15/04	487,519
170,536	GNMA POOL # 04145	08.2500 %	08/15/04	163,848
378,408	GNMA POOL # 04472	09.0000 %	09/15/04	381,303
230,682	GNMA POOL # 09680	08.2500 %	06/15/06	221,490
398,205	GNMA POOL # 10887	08.2500 %	07/15/06	382,336
166,253	GNMA POOL # 17904	08.0000 %	08/15/07	160,330
270,863	GNMA POOL # 18017	08.0000 %	07/15/07	261,213
507,500	GNMA POOL # 18058	08.0000 %	07/15/07	489,417
187,006	GNMA POOL # 18592	08.0000 %	11/15/07	180,343
432,177	GNMA POOL # 18768	08.0000 %	08/15/07	416,778
369,400	GNMA POOL # 18782	08.0000 %	10/15/07	356,238
453,963	GNMA POOL # 19105	08.0000 %	07/15/07	437,789
317,855	GNMA POOL # 19667	08.0000 %	01/15/08	306,530
448,472	GNMA POOL # 19740	08.0000 %	10/15/07	432,493
2,921,589	GNMA POOL # 19784	08.0000 %	09/15/07	2,817,493
317,679	GNMA POOL # 19997	08.0000 %	10/15/07	306,360
28,504	GNMA POOL # 20074	08.0000 %	03/15/07	27,488
395,012	GNMA POOL # 20263	08.0000 %	11/15/07	380,938
457,512	GNMA POOL # 20393	08.0000 %	11/15/07	441,211
474,555	GNMA POOL # 20495	08.0000 %	11/15/07	457,647
479,003	GNMA POOL # 21037	08.0000 %	11/15/07	458,492

**MINNESOTA STATE BOARD OF INVESTMENT  
PERMANENT SCHOOL FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 4,396,316	GNMA POOL # 210643	08.0000 %	06/15/17	\$ 4,138,032
4,375,930	GNMA POOL # 210687	08.0000 %	06/15/17	4,118,844
435,718	GNMA POOL # 21480	08.0000 %	01/15/08	420,193
514,332	GNMA POOL # 21615	08.0000 %	01/15/08	496,006
2,787,126	GNMA POOL # 217626	08.0000 %	05/15/17	2,623,382
482,728	GNMA POOL # 21930	08.0000 %	03/15/08	462,057
538,562	GNMA POOL # 22012	08.0000 %	04/15/08	515,501
3,209,691	GNMA POOL # 224960	08.0000 %	06/15/17	3,021,122
464,306	GNMA POOL # 22820	08.0000 %	12/15/07	447,763
543,674	GNMA POOL # 24078	08.0000 %	02/15/08	520,394
525,395	GNMA POOL # 24417	08.0000 %	03/15/08	502,898
2,203,040	GNMA POOL # 27638	09.0000 %	10/15/08	2,210,927
4,000,000	KANSAS POWER & LIGHT	08.1250 %	06/01/07	3,646,520
2,500,000	MICHIGAN BELL TELEPHONE CO.	08.1250 %	06/01/15	2,237,150
1,008,836	MN MTG. MARKETING CORP	12.5660 %	06/01/14	1,137,463
346,624	MN MTG. MARKETING CORP	13.0040 %	02/01/15	390,926
407,080	MN MTG. MARKETING CORP	12.8230 %	09/01/14	459,047
2,121,000	MOORE-MCCORMACK LEASING	08.8750 %	07/15/01	2,124,520
2,000,000	MORGAN J.P.	08.8750 %	08/01/94	2,047,780
3,000,000	MOUNTAIN STATES TEL & TEL	07.7500 %	06/01/13	2,546,250
2,500,000	NORTHERN STATES POWER CO. MINN	08.3750 %	01/01/04	2,364,300
1,500,000	NORWEST CORP	07.7500 %	03/15/03	1,322,400
6,400,000	PACIFIC GAS & ELEC.	09.3750 %	02/01/11	6,392,000
899,000	PUGET SOUND TUG & BARG	09.1250 %	02/15/01	932,712
2,680,529	SBA POOL - MEEDA BONDS SER 84A	11.7000 %	12/01/04	3,026,484
2,160,000	SEARS	07.0000 %	11/15/01	1,803,492
2,500,000	SECURITY PACIFIC CORP	09.7500 %	05/15/99	2,434,150
260,000	SHELL OIL	07.6250 %	10/15/93	261,435
8,400,000	SOUTHERN BELL TEL & TEL	07.6250 %	03/15/13	7,205,352
3,000,000	TEXAS POWER & LIGHT	09.3750 %	02/01/09	2,918,160
16,379,221	TRUST FUND POOL	00.0000 %		16,379,221
1,000,000	U.S.A. TREASURY BOND	07.6250 %	02/15/07	933,750
12,000,000	U.S.A. TREASURY BOND	08.5000 %	02/15/20	12,011,280
12,000,000	U.S.A. TREASURY BOND	08.7500 %	05/15/17	12,270,000
12,000,000	U.S.A. TREASURY BOND	09.1250 %	05/15/18	12,761,280
2,000,000	U.S.A. TREASURY BOND	08.6250 %	11/15/93	2,062,500
2,000,000	U.S.A. TREASURY BOND	11.5000 %	11/15/95	2,265,000
2,000,000	U.S.A. TREASURY BOND	12.7500 %	11/15/10	2,683,740
2,400,000	U.S.A. TREASURY BOND	08.7500 %	08/15/94	2,485,487
3,000,000	U.S.A. TREASURY BOND	11.7500 %	02/15/01	3,683,430
3,400,000	U.S.A. TREASURY BOND	09.1250 %	05/15/09	3,565,749
3,500,000	U.S.A. TREASURY BOND	11.6250 %	11/15/04	4,375,000
3,590,000	U.S.A. TREASURY BOND	08.5000 %	05/15/99	3,640,475
4,400,000	U.S.A. TREASURY BOND	10.7500 %	02/15/03	5,168,635
4,500,000	U.S.A. TREASURY BOND	10.7500 %	05/15/03	5,291,729
470,000	U.S.A. TREASURY BOND	13.8750 %	05/15/11	677,091
4,850,000	U.S.A. TREASURY BOND	07.8750 %	02/15/00	4,734,812
50,000	U.S.A. TREASURY BOND	03.5000 %	11/15/98	48,155
500,000	U.S.A. TREASURY BOND	08.3750 %	08/15/00	500,625
5,000,000	U.S.A. TREASURY BOND	08.3750 %	08/15/08	4,967,200
5,000,000	U.S.A. TREASURY BOND	09.8750 %	11/15/15	5,667,200
5,000,000	U.S.A. TREASURY BOND	10.3750 %	11/15/09	5,709,350
5,000,000	U.S.A. TREASURY BOND	11.7500 %	11/15/14	6,451,549
5,100,000	U.S.A. TREASURY BOND	08.8750 %	02/15/19	5,292,831
560,000	U.S.A. TREASURY BOND	12.0000 %	08/15/13	728,700
6,400,000	U.S.A. TREASURY BOND	07.8750 %	11/15/07	6,096,000
6,400,000	U.S.A. TREASURY BOND	08.7500 %	11/15/08	6,534,015
6,500,000	U.S.A. TREASURY BOND	11.6250 %	11/15/02	8,047,780
6,900,000	U.S.A. TREASURY BOND	08.1250 %	08/15/19	6,624,000
7,000,000	U.S.A. TREASURY BOND	07.2500 %	05/15/16	6,085,589
8,000,000	U.S.A. TREASURY BOND	07.8750 %	02/15/21	7,497,520

**MINNESOTA STATE BOARD OF INVESTMENT  
PERMANENT SCHOOL FUND  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 8,000,000	U.S.A. TREASURY BOND	10.7500 %	08/15/05	\$ 9,470,000
9,400,000	U.S.A. TREASURY BOND	10.0000 %	05/15/10	10,504,500
9,470,000	U.S.A. TREASURY BOND	10.3750 %	11/15/12	10,926,012
2,400,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/12	402,503
1,200,000	U.S.A. TREASURY NOTE	09.5000 %	11/15/95	1,272,743
1,250,000	U.S.A. TREASURY NOTE	08.5000 %	02/15/00	1,266,799
2,000,000	U.S.A. TREASURY NOTE	08.3750 %	04/15/95	2,044,999
2,300,000	U.S.A. TREASURY NOTE	08.5000 %	05/15/97	2,347,426
3,650,000	U.S.A. TREASURY NOTE	08.1250 %	02/15/98	3,654,562
5,500,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/97	5,702,784
5,650,000	U.S.A. TREASURY NOTE	07.3750 %	05/15/96	5,529,937
820,000	U.S.A. TREASURY NOTE	09.5000 %	10/15/94	866,379

\$ 380,118,805 TOTAL FIXED INCOME PORTFOLIO

\$ 384,627,460



**MINNESOTA STATE BOARD OF INVESTMENT  
TILTED PASSIVE EQUITY ACCOUNT  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
26,700	A & W BRANDS INC	\$ 941,175
45,000	A D C TELECOMMUNICATIONS IN	1,788,750
2,530	A G EDWARDS, INC	80,327
41,022	A M P INC	2,040,844
46,600	A M R CORP	2,830,950
51,500	A O N CORP	1,944,125
422,940	ABBOTT LABS	21,887,145
39,698	ABITIBI PAPER LTD.	540,885
44,550	ACUSON	1,297,518
35,700	ADAPTEC INC	432,862
133,300	ADVANCED MICRO DEV.	1,599,600
94,200	AETNA LIFE & CASUALTY CO.	3,897,525
48,300	AFFILIATED BANKSHARES COLO I	851,287
61,900	AFFILIATED PUBLIC'NS NEW A	564,837
70,125	AGENCY RENT A CAR	552,234
151,400	AHMANSON H.F. CO.	2,744,125
46,800	AIR PRODUCTS & CHEM. INC.	3,153,150
38,514	AIR WIS AVIATION INC	389,954
40,400	AIRBORNE FGHT CORP	969,600
29,092	ALASKA AIR GROUP	625,478
103,280	ALBERTSONS INC	4,234,480
228,600	ALCAN ALUMINUM LTD.	4,743,450
62,100	ALCO STANDARD CORP.	1,956,150
40,800	ALEXANDER & ALEXANDER	918,000
34,800	ALEXANDER & BALDWIN INC	843,900
30,456	ALLEGHANY CORP NEW	3,007,628
41,250	ALLEGHENY LUDLUM CORP	1,036,406
39,400	ALLEGHENY POWER SYS INC	1,521,825
17,447	ALLEN ORGAN CLASS B	514,686
64,100	ALLERGAN INC	1,201,875
8,725	ALLIANT TECHSYSTEMS	231,212
132,848	ALLIED-SIGNAL INC.	4,383,984
24	ALLIS CHALMERS CORP COM NEW	101
76,232	ALLTEL CORP	2,877,758
172,700	ALLWASTE INC	777,150
85,200	ALUMINUM CO. OF AMERICA	5,751,000
29,000	ALZA CORPORATION	1,642,125
29,250	AMAX GOLD INC	438,750
87,000	AMAX INC	2,011,875
41,600	AMBASE CORPORATION	26,000
84,900	AMDAHL CORP	1,241,662
54,700	AMERADA HESS CORP.	2,810,212
84,500	AMERICAN BANK INSURANCE GRP	1,362,562
96,400	AMERICAN BARRICK RES CORP	2,156,950
104,300	AMERICAN CYANAMID	6,740,387
162,600	AMERICAN ELEC POWER INC	4,613,775
486,468	AMERICAN EXPRESS COMPANY	10,945,530
66,866	AMERICAN FAMILY CORP	1,454,335
47,400	AMERICAN FRUCTOSE CL A	1,042,800
169,500	AMERICAN GENERAL CORP	6,419,812
34,400	AMERICAN GREETINGS	1,105,100
163,848	AMERICAN INTERNATIONAL GRP.	13,804,194
25,300	AMERICAN MAIZE PRODS CO	487,025
6,355	AMERICAN MED HLDS	74,671
25,952	AMERICAN STORES NEW	2,141,040
9,500	AMERICAN SVGS BK FSB	5,937
906,650	AMERICAN TEL & TEL NEW	34,679,362
75,300	AMERICAN TELEVISION &	2,880,225
46,500	AMERICAN WATER WORKS	941,625
239,080	AMERITECH CORP NEW	14,404,570
500	AMERON INC	18,312

NO. OF SHARES	SECURITY	MARKET VALUE
74,200	AMETEK INC	\$ 927,500
24,000	AMGEN CORP.	2,829,000
431,600	AMOCO CORP	21,849,750
200	AMREP CORP	1,025
29,350	AMSOUTH BANCORP.	832,806
48,000	AMWEST INS GROUP INC	678,000
350,100	ANACOMP	1,312,875
61,300	ANADARKO PETE CORP.	1,517,175
95,801	ANALOG DEVICES INC	910,109
110,400	ANALOGIC CORP	1,242,000
11,200	ANDOVER TOGS INC	33,600
15,200	ANDREW CORP.	478,800
107,900	APACHE CORP	1,591,525
1,900	APL CORP	1,187
48,370	APPLE COMPUTER	2,007,355
87,925	ARBOR DRUGS	1,626,612
258,648	ARCHER DANIELS MIDLAND CO.	6,110,559
97,000	ARCHIVE CORP	400,125
101,000	ARCO CHEM CO	4,014,750
99,600	ARCTIC ALASKA FISHERIES CORP	597,600
52,500	ARGONAUT GROUP INC	1,365,000
78,508	ARKLA INCORPORATED	1,305,195
49,000	ARMCO INC	251,125
46,300	ARMSTRONG IND. INC.	1,342,700
27,500	ARROW FINANCIAL CORP	185,625
32,700	ASARCO INC.	846,112
43,000	ASHLAND OIL INC	1,306,125
33,300	ASPEN LEAF INC	4,162
9,600	ASSOCIATED BANC CORP	266,400
9,500	ATLANTA SOSNOFF CAP CORP	46,312
24,100	ATLANTA GAS LT CO	768,187
43,100	ATLANTIC ENERGY INC	1,497,725
120,550	ATLANTIC RICHFIELD	13,833,112
12,900	ATLANTIC SOUTHEAST	441,825
56,800	ATWOOD OCEANICS INC	568,000
18,700	AUTODESK INC	906,950
184,820	AUTOMATIC DATA PROCESSING I	6,006,650
609	AVANTEK INC	1,446
600	AVEMCO CORP	12,600
68,500	AVERY DENNISON CORP	1,695,375
37,500	AVNET INC	1,040,625
41,500	AVON PRODS INC	1,763,750
46,050	AYDIN CORP.	1,087,931
53,300	B B & T FINANCIAL CORP	1,105,975
318,300	B C E INC	11,657,737
40,800	B J SERVICES INC	938,400
0	B-E HLDGS INC PFD	4
34,450	BAIRNCO CORP	262,681
124,920	BAKER HUGHES INC	2,935,620
12,800	BALL CORP	403,200
64,800	BALTIMORE GAS & ELEC CO	1,895,400
143,180	BANC ONE CORP	5,476,635
2,704	BANCFLOIDA CORP	8,788
14,400	BANDAG INC	1,483,200
119,800	BANK BOSTON CORP	823,625
58,005	BANK OF NY CO. INC.	1,587,886
37,683	BANK SOUTH CORP	249,649
200,000	BANKAMERICA CORP.	7,250,000
85,800	BANKERS TRUST NY CORP.	4,150,575
216,800	BANNER AEROSPACE INC	1,924,100
44,500	BANTA GEORGE & CO.	1,212,625

**MINNESOTA STATE BOARD OF INVESTMENT  
TILTED PASSIVE EQUITY ACCOUNT  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
65,600	BARD C.R. INC.	\$ 1,845,000
47,850	BARNETT BKS FLA	1,279,987
20,075	BAROID CORP NEW	127,978
205	BASIX CORP WT	2
205	BASIX CORP NEW	60
205	BASIX CORP WT EXCH	2
18,700	BASSETT FURNITURE INDS INC	701,250
73,000	BATTLE MTN GOLD CL A	711,750
21,100	BAUSCH & LOMB INC	1,706,462
207,160	BAXTER INTL INC	6,680,910
86,400	BAYBANKS INC	1,188,000
222,100	BEAR STEARNS COS INC	3,026,112
44,450	BEAUTICONTROL COSMETICS INC	1,066,800
57,275	BECKMAN INSTRS INC NEW	1,038,109
26,800	BECTON DICKINSON CO	1,993,250
355,040	BELL ATLANTIC CORP.	16,775,640
422,620	BELL SOUTH CORP	20,444,242
47,900	BELO A H CORP CL A	1,460,950
42,600	BEMIS COMPANY	1,443,075
21,700	BENEFICIAL CORP.	1,228,762
44,677	BERGEN BRUNSWIG CORP.	1,122,509
45,600	BERKLEY W R CORP	1,345,200
1,000	BERKSHIRE HATHAWAY INC DEL	8,400,000
99,700	BETHLEHEM STEEL	1,607,662
18,200	BETZ LABS INC	987,350
138,500	BEVERLY ENTERPRISES INC	1,298,437
59,100	BINDLEY WESTN INDS INC	834,787
128,200	BIOMET INC	3,365,250
22,000	BLACK HILLS CORP	745,250
31,743	BLOCK DRUG INC CL A	1,745,865
40,640	BLOCK H & R INC.	2,235,200
150,400	BLOCKBUSTER ENTMT	1,278,400
14,300	BLOUNT INC CL A	121,550
2,000	BLOUNT INC CL B CV	18,000
35,862	BOATMEN'S BANCSHARES	1,443,445
80,682	BOB EVANS FARMS INC	1,472,446
278,755	BOEING COMPANY	12,753,041
55,400	BOISE CASCADE CORP	1,412,700
157,500	BORDEN INC.	5,492,812
59,400	BOWNE & CO INC	668,250
59,300	BRASCAN LTD	933,975
20,925	BRINKER INTL INC	800,381
483,934	BRISTOL MYERS SQUIBB CO	37,625,868
80,900	BROAD INC	930,350
53,400	BROOKLYN UN GAS CO.	1,495,200
139,800	BROWNING FERRIS INDS INC	3,634,800
75,900	BRUNOS INC	1,461,075
68,100	BRUNSWICK CORP.	961,912
30,200	BRUSH WELLMAN INC	536,050
50,300	BUR BROWN	433,837
69,850	BURLINGTON COAT FACTORY WH	977,900
145,300	BURLINGTON NORTHERN INC.	4,177,375
148,382	BURLINGTON RES INC	5,638,516
81,338	C & S SOVRAN CORP	1,941,944
43,350	C B I INDS INC	1,419,712
13,920	C B S INCORPORATED	2,241,120
33,000	C I P S C O INC	812,625
55,300	C M S ENERGY CORP	1,403,237
57,600	C N A FINANCIAL CORP	4,593,600
44,400	C P C INTERNATIONAL INC	3,790,650
14,200	C P I CORP	441,975

NO. OF SHARES	SECURITY	MARKET VALUE
53,000	C P T CORP	\$ 11,593
483	C R I INDS MTGE ASSN	4,347
113,106	C S X CORPORATION	5,132,184
81,450	C U C INTERNATIONAL	1,995,525
35,495	C V REIT INC	208,533
5,000	CABOT CORP	146,250
15,000	CABOT OIL & GAS CORP CL A	223,125
48,100	CADENCE DESIGN SYS INC	853,775
36,900	CAESAR'S WORLD	885,600
68,100	CALFED INC	400,087
133,300	CALGENE INC	983,087
35,600	CALGON CARBON CORP	747,600
64,100	CALIF MICROWAVE	945,475
33,700	CALMAT CO	821,437
113,800	CAMPBELL SOUP CO	8,406,975
405,857	CANADIAN PACIFIC LTD	6,747,372
11,485	CAPITAL CITIES/ABC INC.	4,925,629
40,167	CAPITAL HOLDING CORP.	1,968,183
300	CAPSTEAD MTG CO (COMMON)	5,662
40,395	CARDINAL DISTR INC	1,509,763
14,800	CARLISLE CORP	473,600
98,800	CARNIVAL CRUISE LINES INC	2,074,800
65,600	CAROLINA PWR & LT CO	2,993,000
11,500	CARPENTER TECHNOLOGY CORP	560,625
18,800	CARTER WALLACE INC	1,224,350
176,700	CASTLE & COOKE INC	6,802,950
30,361	CATELLUS DEV CORP	360,536
118,200	CATERPILLAR INC.	5,836,125
38,333	CELLULAR COMMUNICATIONS IN	1,188,323
97,700	CENDEL CORP.	3,053,125
188,980	CENTERIOR ENERGY CORP	3,094,547
27,500	CENTEX CORP	1,034,687
76,200	CENTEX TELEMAGEMENT INC	1,143,000
46,800	CENTOCOR INC	1,485,900
73,500	CENTRAL & SO WEST CORP.	3,307,500
13,000	CENTRAL FID BKS INC	513,500
17,300	CENTRAL JERSEY BANCORP	220,575
21,400	CENTRAL LA ELEC CO	856,000
44,700	CENTRAL ME PWR CO	799,012
113,200	CETUS CORP	1,839,500
109,965	CHAMPION INTL.	3,120,256
57,200	CHAPARRAL STL CO	572,000
800	CHARTER CO	4,700
112,500	CHASE MANHATTAN CORP.	1,828,125
18,700	CHEMED CORPORATION	383,350
93,235	CHEMICAL BKG CORP	1,992,898
180,100	CHEMICAL WASTE MGMT INC	3,579,487
53,600	CHESAPEAKE CORP VA	1,072,000
332,100	CHEVRON CORP	23,371,537
6,300	CHICAGO MILWAUKEE CORP	877,275
54,500	CHIUQUITA BRANDS INTL CORP	2,289,000
18,800	CHITTENDEN CORP	141,000
0	CHOCK FULL O NUTS CORP	0
49,669	CHRIS CRAFT INDUSTRIES INC	1,297,602
200	CHRISTIANA COS INC	5,750
224,625	CHRYSLER CORP.	3,200,906
71,350	CHUBB CORPORATION	4,976,662
55,250	CHURCH & DWIGHT INC	1,519,375
65,700	CIGNA CORPORATION	3,063,262
31,600	CILCORP INC	1,066,500
57,000	CINCINNATI BELL INC	1,125,750

**MINNESOTA STATE BOARD OF INVESTMENT  
TILTED PASSIVE EQUITY ACCOUNT  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
11,800	CINCINNATI FINL CORP	\$ 1,339,300
40,600	CINCINNATI GAS & ELEC CO	1,304,275
23,175	CINTAS CORP.	1,019,700
86,200	CIRCUIT CITY STORES INC	1,465,400
22,400	CIRCUS CIRCUS ENTER.	1,646,400
344,800	CITICORP	4,999,600
36,068	CITIZENS UTILS DEL	937,781
60,775	CITY NATL CORP	850,850
82,800	CLAIRE'S STORES INC	1,221,300
34,603	CLEVELAND-CLIFFS INC	1,081,343
41,700	CLOROX CO.	1,636,725
2,000	COAST SAVINGS FINANACIAL	8,250
71,750	COASTAL CORP	2,080,750
58,000	COCA COLA BOTTLING CO CONS	1,247,000
587,200	COCA COLA COMPANY	32,002,400
107,300	COCA COLA ENTERPRISES INC	1,891,162
134,690	COLGATE PALMOLIVE	4,949,857
34,600	COLUMBIA GAS SYSTEM INC	661,725
53,100	COMCAST CORP CL A	763,312
82,700	COMCAST CORP SP CL A	1,147,462
52,900	COMDISCO INC.	1,216,700
37,050	COMERICA INC	1,431,056
105,813	COMINCO LTD	2,248,526
22,000	COMMERCE CLEARING HOUSE IN	379,500
22,000	COMMERCE CLEARING HOUSE CL	368,500
3,100	COMMERCIAL BANCORPORATION	25,575
39,954	COMMERCIAL METALS CO	809,068
244,736	COMMONWEALTH EDISON CO.	8,841,088
48,700	COMMUNICATIONS SATELLITE CO	1,394,037
39,780	COMMUNITY PSYCHIATRIC CENTE	1,193,400
52,400	COMPAQ COMPUTER CORP	1,630,950
1	COMPREHENSIVE CARE CORP	3
145,800	COMPUTER ASSOC INTL INC	1,476,225
22,500	COMPUTER SCIENCES CORP.	1,555,312
1,600	COMPUTRAC INC	2,600
117,700	CONAGRA INC.	4,913,975
46,900	CONNOR PERIPHERALS INC	756,262
201,100	CONSOL. EDISON OF N.Y.	4,952,087
72,800	CONSOL. FREIGHTWAYS INC.	1,164,800
65,700	CONSOL. NAT. GAS	2,669,062
800	CONSOLIDATED NBS INC	440
31,400	CONSOLIDATED PAPERS INC	1,216,750
51,100	CONSOLIDATED RAIL CORP	2,912,700
79,000	CONTINENTAL BK CORP	888,750
53,600	CONTINENTAL CORP	1,460,600
219,500	CONTROL DATA CORP.	2,332,187
53,400	COOPER INDS. INC.	2,863,575
36,700	COOPER TIRE & RUBBER	1,073,475
54,857	CORESTATES FINL CORP	2,118,851
76,492	CORNING INC	4,752,065
42,000	COSTCO WHSL CORP	1,722,000
306	COUNTRYWIDE CR. IND.	6,043
30,200	COUSINS PPTY INC	415,250
48,915	CRACKER BARREL OLD CTRY STO	1,540,822
15,000	CRAIG CORP PFD CL A	189,375
58,900	CRANE CO.	1,619,750
33,500	CRAY RESEARCH INC	1,105,500
56,000	CRESTAR FINANCIAL CORP	1,057,000
34,600	CROMPTON & KNOWLES CORP	942,850
29,300	CROSS A T CO	732,500
20,600	CROWN CORK & SEAL	1,591,350

NO. OF SHARES	SECURITY	MARKET VALUE
37,600	CRYSTAL BRANDS INC	\$ 808,400
32,600	CUMMINS ENGINE CO.	1,299,925
34,837	CURTICE-BURNS FOODS INC. CL A	448,526
92,689	CYCLOPS INDS INC	1,390,335
42,938	CYPRUS MINERALS CORP	939,268
17,500	D & N FINANCIAL CORPORATION	59,062
100,250	D P L INC.	2,055,125
54,200	D Q E INC.	1,422,750
32,500	DANA CORPORATION	1,064,375
3,340	DANAHER CORP	71,810
196,071	DATA SWITCH CORP	563,704
47,800	DAYTON-HUDSON CORP.	3,417,700
32,400	DEAN FOODS CO	1,470,150
86,800	DEERE & COMPANY	4,513,600
38,200	DEKALB ENERGY CL B	687,600
20,100	DEKALB GENETICS CORP	723,600
44,000	DELCHAMPS INC	1,144,000
54,900	DELMARVA PWR & LT CO	1,029,375
46,500	DELTA AIR LINES INC.	3,191,062
8,000	DELTA WOODSIDE INDS	112,000
68,200	DELUXE CORPORATION	3,017,850
1,964	DENISON MINES LTD B	10,065
170,200	DETROIT EDISON CO	4,850,700
38,900	DEXTER CORP	787,725
54,900	DIAGNOSTEK INC	947,025
27,500	DIAL CORP ARIZ	941,875
38,300	DIAMOND SHAMROCK R&M INC	809,087
47,026	DIANA CORP	123,443
17,800	DIEBOLD INC.	712,000
41,900	DIGITAL COMM. ASSOC.	591,837
106,920	DIGITAL EQUIPMENT CORP.	6,361,740
31,436	DILLARD DEPT. STORES	3,815,544
39,760	DIONEX CORP	1,192,800
21,500	DISCOUNT CORP NY	249,937
85,800	DISNEY WALT CORP	9,566,700
39,820	DOLLAR GEN CORP	627,165
78,500	DOMINION BANKSHARES CORP	834,062
92,500	DOMINION RESOURCES	4,382,187
70,200	DOMTAR INC	535,275
14,000	DONALDSON INC	474,250
60,700	DONNELLEY RR & SONS	2,625,275
43,600	DOVER CORP.	1,716,750
223,000	DOW CHEMICAL COMPANY	11,846,875
87,400	DOW JONES & CO	2,359,800
17,950	DOWNEY SAVINGS & LN ASSN	291,687
140,350	DRESSER INDUSTRIES	2,666,650
33,200	DREYERS GRAND ICE CREAM INC	954,500
31,600	DREYFUS CORP.	1,153,400
639,150	DU PONT EI DENEMOURS	29,321,006
174,900	DUKE POWER CO. NC	4,831,612
169,526	DUN & BRADSTREET COS INC	8,031,294
48,600	DUPLEX PRODS INC	680,400
40,900	DYNATECH CORP	756,650
29,300	E G & G INC	1,179,325
33,000	E-SYSTEMS	1,332,375
1,000	EAGLE FOOD CTFS INC	7,250
92,500	EASTERN ENTERPRISES	2,243,125
288,950	EASTMAN KODAK CO.	11,196,812
25,000	EATON CORP.	1,515,625
104,400	ECHLIN INC.	1,422,450
77,600	ECHO BAY MINES LTD	717,800

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45,800	ECOLAB INC	\$ 1,265,225
39,500	EDISON BROS STORES INC	1,649,125
102,200	EL PASO ELEC CO	625,975
2,840	ELJER INDS INC	39,405
185,698	EMERSON ELECTRIC	8,658,169
62,600	ENGLEHARD CORP	1,854,525
58,000	ENNIS BUSINESS FORMS INC	1,435,500
39,500	ENRON CORP.	2,276,187
61,600	ENRON OIL & GAS	1,108,800
48,600	ENSERCH CORP.	862,650
269,500	ENTERGY CORP	6,265,875
160,380	EQUIFAX INC	2,987,077
29,400	EQUITABLE RES INC	1,051,050
8,524	ESCO ELECTRS CORP	55,406
23,900	ESCROW TYLER CORP	0
127,000	ETHYL CORP.	3,429,000
34,500	EVANS & SUTHERLAND COMPUTE	690,000
600	EVANS INC	1,125
1,051,400	EXXON CORPORATION	61,112,625
56,100	F H P INTERNATIONAL CORP	1,290,300
32,300	F M C CORP NEW	1,421,200
56,800	F M C GOLD CO	383,400
73,400	F N W BANCORP INC	945,025
28,000	F P A CORP	10,500
143,200	F P L GROUP INC	4,349,700
56,600	FABRICLAND INC	1,068,325
91,000	FAIRCHILD CORP	830,375
43,600	FARM & HOME FINANCIAL CORP	588,600
3,200	FARMER BROS CO	294,400
39,200	FEDERAL EXPRESS CORP.	1,509,200
56,400	FEDERAL HOME LN MTG CORP	4,540,200
22,300	FEDERAL MOGUL CORP	376,312
171,900	FEDERAL NATL MORTGAGE ASSN	8,509,050
43,300	FEDERAL PAPER BRD INC	1,326,062
31,800	FERRO CORP	890,400
34,400	FIFTH THIRD BANCORP	1,728,600
11,300	FINA INC	870,100
62,600	FIRST ALA BANCSHARES INC	1,518,050
17,500	FIRST AM. CORP TENN.	225,312
86,300	FIRST BANK SYSTEM	1,585,762
3,100	FIRST BANKERS TR & SVGS ASSN	3,772
30,500	FIRST BRANDS CORP	854,000
34,900	FIRST CAP HLDGS CORP	8,179
54,600	FIRST CHICAGO CORP	1,139,775
35,000	FIRST CITY BANKCORP TEXAS	0
21,800	FIRST COLONIAL BKS	359,700
26,200	FIRST COML BANCORP	186,675
22,900	FIRST COMM CORP	492,350
12,400	FIRST EASTN CORP PA	173,600
18,700	FIRST ESSEX BANCORP INC	39,737
92,108	FIRST FID BANCORPORATION NEW	2,509,943
18,210	FIRST FINL CORP WIC	277,702
525	FIRST FINL MGMT CORP	18,703
10,200	FIRST FLA BKS INC.	128,775
66,600	FIRST INTERST. BANCORP	2,089,575
35,677	FIRST MICH BK CORP	668,943
19,500	FIRST SEC CORP DEL	448,500
20,000	FIRST SVC BANK FOR SVGS	1,260
50,100	FIRST TENN NATL CORP	1,571,887
85,880	FIRST UNION CORP	1,910,830
24,300	FIRSTAR CORPORATION	865,687

NO. OF SHARES	SECURITY	MARKET VALUE
4,000	FIRSTCORP INC CL A	\$ 500
38,500	FIRSTFED MICHIGAN CORPORATIO	490,875
30,300	FISERV INC	1,219,575
108,260	FLEET/NORSTAR FINL GROUP INC	2,395,252
44,400	FLEETWOOD ENTER. INC.	1,370,850
35,326	FLEMING COS.	1,404,208
30,250	FLIGHTSAFETY INTL INC	1,557,875
1,800	FLOATING POINT SYS INC	3,150
42,400	FLORIDA PROGRESS CORP	1,658,900
11,700	FLORIDA ROCK INDS.	315,900
57,850	FLOWERS INDUSTRIES	968,987
72,300	FLUOR CORP	3,398,100
268,800	FOOD LION CORP	4,771,200
39,000	FOOD LION INC CL A	682,500
33,300	FOOTE CONE & BELDING COMM	828,337
425,250	FORD MOTOR CO.	15,309,000
6,700	FORD MTR CO CDA LTD	837,500
49,200	FOREST LABS	1,771,200
57,266	FOREST OIL CORP	64,425
30,150	FORTUNE FINL GROUP INC	271,350
48,100	FOSTER WHEELER CORP	1,304,712
35,300	FRANKLIN RES INC	1,244,325
58,200	FREEPORT-MCMORAN COPPER IN	1,513,200
78,400	FREEPORT-MCMORAN INC	2,861,600
54,000	FREMONT GEN CORP	1,309,500
23,000	FULLER, H.B. CO	983,250
26,400	FUND AMERICAN COS	1,656,600
723,122	G T E CORP.	21,422,489
64,180	GANNETT INC.	2,687,537
35,900	GAP INC	2,149,512
31,100	GATX	995,200
500	GAYLORD CONTAINER CORP	2,187
10,100	GEICO CORP.	1,853,350
61,400	GENENTECH INC	1,688,500
192,800	GENERAL CINEMA CORP	4,530,800
65,900	GENERAL DYNAMICS	2,759,562
724,490	GENERAL ELECTRIC CO.	53,612,260
300	GENERAL HOMES	131
120,800	GENERAL MILLS INC.	6,825,200
83,240	GENERAL MOTORS (H)	1,394,270
74,720	GENERAL MOTORS CORP CL E	3,493,160
530,100	GENERAL MOTORS CORP.	21,601,575
154,400	GENERAL PUBLIC UTILITIES CORP	3,570,500
55,526	GENERAL RE CORP.	5,281,910
24,400	GENETICS INST INC	750,300
5,000	GENEVA STL	78,125
10,000	GENLYTE GROUP INC	67,500
46,850	GENUINE PARTS CO.	2,008,693
79,700	GEORGE A HORMEL & CO	1,544,187
161,800	GEORGIA PACIFIC CORP.	8,454,050
21,200	GERBER PRODS CO	1,266,700
578	GETTY PETE CORP	11,993
45,500	GIANT FOODS INC	1,336,562
13,700	GIBSON GREETINGS	328,800
210,800	GILLETTE COMPANY	7,219,900
33,500	GITANO GROUP INC	632,312
5,900	GLATFELTER P.H. CO.	331,875
143,800	GLENFED INC	772,925
56	GLOBAL MARINE INC WT	56
51,833	GOLDEN ENTERPRISES	388,747
60,750	GOLDEN VY MICROWAVE FOODS I	1,359,281

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97,000	GOLDEN WEST FIN'L	\$ 3,431,375
21,500	GOLDOME BUFFALO N Y	1,343
18,800	GOODRICH (B.F.)	742,600
43,200	GOODYEAR TIRE & RUBBER	1,436,400
45,900	GORMAN RUPP CO	1,245,037
39,300	GOULDS PUMPS INC	879,337
141,400	GRACE W R & CO	4,754,575
47,000	GRAINGER W W INC	2,203,125
25,000	GREAT ATLANTIC & PAC TEA INC	1,084,375
5,100	GREAT CTRY BK ANSONIA CONN	12,750
34,600	GREAT LAKES CHEMICAL CORP	2,819,900
175,725	GREAT WESTERN FINANCIAL	3,119,118
59,400	GREENTREE ACCEPT. INC.	1,588,950
7,500	GROUND ROUND RESTAURANTS	57,187
34,534	GROW GROUP INC	267,638
40,000	GRUMMAN CORP.	715,000
100,800	GULF BROADCASTING CO LIQ TRU	0
114,199	GULF CDA RES. LTD.	885,042
29,525	GUNDLE ENVIRONMENTAL SYS IN	435,493
261,200	HADSON CORP	522,400
147,710	HALLIBURTON INC.	5,391,415
51,200	HANDY & HARMAN	646,400
3,750	HANDYMAN CORP	0
32,400	HANNAFORD BROS CO	1,413,450
23,100	HANOVER INS. CO	652,575
47,238	HARLAND JOHN H CO	1,051,045
64,200	HARNISCHFEGGER INDS INC	1,324,125
30,800	HARRIS CORP.	796,950
57,600	HARSCO CORP	1,584,000
14,000	HARTFORD STEAM BOILER INSP	792,750
55,400	HASBRO INC.	1,537,350
7,200	HAVERTY FURNITURE COS INC	75,600
32,300	HAWAIIAN ELEC INDS INC	1,029,562
29,700	HEALTH CARE PPTY INVS INC	1,150,875
153,141	HECHINGER CO CL B CV	1,856,834
30,200	HEEKEN CAN INC	989,050
35,400	HEICO CORPORATION	402,675
190,800	HEINZ H.J. & CO.	7,035,750
30,320	HELMERICH & PAYNE INC	697,360
57,200	HERCULES INC.	2,116,400
77,800	HERSHEY FOODS CORP	3,170,350
211,100	HEWLETT PACKARD CO.	10,713,325
68,450	HIBERNIA CORP	308,025
33,000	HILLENBRAND INDS INC	1,476,750
35,300	HILTON HOTELS CORP	1,478,187
34,134	HOLLY CORP	1,096,554
0	HOLLY CORP (NEW)	16
148,162	HOME DEPOT INC.	6,685,832
33,000	HOME OIL LTD NEW	424,875
24,800	HOMEFED CORPORATION	62,000
61,100	HOMESTAKE MNG CO	1,023,425
56,400	HONEYWELL INC.	3,419,250
65,300	HOUSEHOLD INTL.	2,946,662
138,100	HOUSTON INDUSTRIES INC.	4,937,075
28,132	HUBBELL INC.	1,381,984
39,700	HUDSON FOODS INC	392,037
34,300	HUFFY CORP	870,362
60,840	HUMANA INC.	2,912,715
63,636	HUNTINGTON BANCSHARES INC	1,097,721
104,500	I B P INC	1,841,812
162,700	I C H	589,787

NO. OF SHARES	SECURITY	MARKET VALUE
28,800	I E INDS INC	\$ 756,000
34,733	I N B FINANCIAL CORP	929,107
160,800	I T T CORP	9,045,000
20,000	ILLINOIS CENT CORP	427,500
116,600	ILLINOIS POWER CO.	2,186,250
39,700	ILLINOIS TOOL WORKS INC	2,496,137
74,900	IMC FERTILIZER GROUP INC	3,454,762
18,900	IMCERA GROUP INC	1,771,875
8,880	IMPERIAL CHEM INDS PLC	708,179
67,425	IMPERIAL HOLLY CORP	1,205,221
179,725	IMPERIAL OIL CO. LTD.	8,402,143
700	IMREG INC CL A	700
11,750	IMREG INC EXP 12/31/91	8,812
73,100	INCO INC.	2,622,462
70,500	INFORMATION RES INC	1,674,375
50,850	INGERSOLL RAND	2,567,925
50,000	INLAND STEEL IND. INC.	1,075,000
781,900	INSPIRATION RES CORP	2,443,437
91,000	INTEL CORP.	4,231,500
10,300	INTER-CITY PRODS CORP	34,762
53,800	INTERGRAPH CORP.	1,358,450
2,900	INTERLAKE INC	9,787
480,963	INTERNATIONAL BUSINESS MACH	46,713,531
1,116	INTERNATIONAL CAP EQUIP. LTD	558
31,500	INTERNATIONAL FLAVORS & FRA	2,429,437
32,300	INTERNATIONAL GAME TECHNOL	1,425,237
28,600	INTERNATIONAL MULTIFOODS	1,236,950
115,300	INTERNATIONAL PAPER CO	8,128,650
33,000	INTERPROVINCIAL PIPE LINE INC	858,000
36,000	INTERPUBLIC GROUP	1,498,500
25,000	INTERSTATE PWR CO	740,625
22,070	INTERTAN INC	496,575
49,000	IOWA ILL GAS & ELEC CO	1,090,250
188	IOWA ILL GAS & ELECT PFD 7.50	16,027
26,900	IPALCO ENTERPRISES	739,750
162,317	ITEL CORP NEW	2,495,623
93,000	JACOBS ENGR GROUP INC	2,092,500
120,086	JAMES RIV CORP VA	3,017,160
28,050	JEFFERSON PILOT CORP.	1,199,137
65,800	JEFFRIES GROUP	871,850
319,980	JOHNSON & JOHNSON	26,718,330
39,980	JOHNSON CONTROLS	1,219,390
43,800	JOSTENS INC	1,352,325
1	JOY TECHNOLOGIES PFD.	25
109,800	K L A INSTRS CORP	1,372,500
68,400	K L M ROYAL DUTCH AIR	991,800
181,100	K MART CORPORATION	8,194,775
21,500	K N ENERGY INC.	505,250
20,100	K V PHARMACEUTICAL INC	266,325
8,000	KAISER STL CORP	0
700	KANEB SERVICES	4,462
31,200	KANSAS CITY PWR & LT CO	1,154,400
3,000	KANSAS CITY SO. IND.	153,000
35,700	KANSAS GAS & ELEC CO	986,212
42,800	KANSAS PWR & LT CO	1,021,850
93,600	KATY INDS INC	1,778,400
56,725	KAUFMAN & BROAD HOME CORP	765,787
31,200	KAYDON CORP	1,333,800
122,000	KELLOGG CO	12,001,750
49,550	KELLWOOD CO.	916,675
68,535	KEMPER CORP.	2,261,655

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26,000	KENNAMETAL INC	\$ 926,250
51,700	KENTUCKY UTILS CO	1,169,712
4,700	KERR GLASS MFG CORP	31,137
36,200	KERR MCGEE CORP.	1,434,425
37,211	KEYCORP	1,260,522
43,727	KEYSTONE INTL INC	1,361,002
87,900	KIMBERLY CLARK CORP	8,394,450
44,550	KING WORLD PRODTNS INC	1,303,087
34,000	KNIGHT RIDDER INC.	1,670,250
87,300	KROGER COMPANY	1,866,037
98,000	LAC MINERALS LTD NEW	820,750
36,300	LAFARGE CORP.	494,587
244,900	LAIDLAW INC CL B	2,449,000
48,466	LANCE INC.	1,114,718
17,500	LANDMARK SVGS ASSN PITTSBUR	80,937
28,000	LAWSON PRODS INC	819,000
25,000	LEGGETT & PLATT INC	821,875
44,000	LIEBERMAN ENTERPRISES CERT	0
267,600	LILLY ELI & CO	19,233,750
157,300	LIMITED INC.	4,443,725
31,988	LIN BROADCAST. CORP.	1,871,298
32,300	LINCOLN NATL CORP IND	1,481,762
28,600	LINCOLN TELECOMMUNICATIONS	672,100
18,200	LITTON INDS INC.	1,401,400
88,000	LIVE ENTERTAINMENT	1,210,000
46,580	LIZ CLAIBORNE INC.	2,183,437
54,320	LOCKHEED AIRCRAFT CORP	2,369,710
53,800	LOCTITE CORP	1,795,575
62,850	LOEWS CORP	6,292,856
457,351	LONE STAR TECH	2,915,612
25,930	LONG DRUG STORES INC	1,140,920
136,600	LONG ISLAND LTG CO	3,056,425
34,800	LORAL CORP	1,413,750
33,100	LOTUS	1,108,850
19,600	LOUISIANA LD & EXPL CO	698,250
40,300	LOUISIANA PAC. CORP.	1,647,262
35,400	LOWES COMPANY	1,110,675
27,900	LUBRIZOL CORP	1,286,887
82,450	LUBYS CAFETERIAS INC	1,504,712
28,650	LUKENS STL CO	1,260,600
57,500	LYONDELL PETROCHEMICAL CO	1,380,000
44,400	M B I A INC	1,365,300
100,300	M C I COMMUNICATIONS	2,820,937
42,474	M C N CORP	913,191
52,750	M CORP	3,270
37,700	M D U RESOURCES GROUP	782,275
129,300	M E I DIVERSIFIED	630,337
900	M L X CORP	618
199,258	M N C FINANCIAL INC	747,217
142,500	M.A. HANNA CO	3,295,312
154,300	MACMILLAN BLOEDEL LTD	2,815,975
82,700	MACNEIL SCHWENDLER CORP.	1,292,187
60,900	MAGNETEK INC	822,150
36,100	MANITOWOC INC	685,900
62,600	MANOR CARE INC	1,197,225
62,800	MANPOWER INC WIS	879,200
99,200	MANUFACTURERS HANOVER	2,145,200
13,500	MANUFACTURERS NATL CORP	826,875
115,300	MAPCO INC	5,750,587
204,378	MARION MERREL DOW	7,102,135
75,800	MARRIOTT CORP.	1,345,450

NO. OF SHARES	SECURITY	MARKET VALUE
61,500	MARSH & MCCLENNAN	\$ 4,812,375
29,404	MARSHALL & ILSLEY CORP	1,161,458
39,600	MARSHALL INDUSTRIES	950,400
48,900	MARTIN MARIETTA	2,732,287
172,780	MASCO CORP	3,973,940
57,200	MATTEL INC	1,458,600
101,900	MAXUS ENERGY CORP	866,150
19,100	MAXXAM INC	888,150
46,552	MAY DEPT. STORES CO.	2,478,894
84,818	MAYTAG CO.	1,282,872
132,090	MCCAW CELLULAR COMMUNICAT	2,806,912
56,900	MCCLATCHY NEWSPAPERS INC	1,223,350
26,200	MCCORMICK & CO INC	1,048,000
67,800	MCDERMOTT INTL INC	1,271,250
5,200	MCDONALD & CO INVTS INC	44,200
281,606	MCDONALDS CORP.	9,257,797
36,200	MCDONNELL DOUGLAS CORP.	1,823,575
28,000	MCFARLAND ENERGY INC	182,000
36,400	MCGRAW HILL INC.	2,161,250
29,700	MCKESSON CORP	980,100
57,600	MEAD CORP.	1,900,800
35,000	MEASUREX CORP	726,250
32,000	MEDCO CONTAINMENT SVCS INC	1,536,000
19,100	MEDIA GEN INC	403,487
26,900	MEDICAL CARE INT'L INC	1,466,050
20,600	MEDTRONIC INC.	2,327,800
77,989	MEDUSA CORP	1,228,326
34,400	MELLON BANK CORP	1,027,700
36,200	MELRIDGE INC.	13,575
78,100	MELVILLE CORPORATION	3,787,850
27,300	MERCANTILE STORES INC	1,078,350
28,400	MERCANTILE BANCORPORATION I	852,000
319,910	MERCK & COMPANY INC.	37,149,548
22,100	MEREDITH CORP	607,750
110,000	MERIDIAN BANCORP INC	1,760,000
56,800	MERRILL CORP	837,800
141,800	MERRILL LYNCH & CO. INC.	5,441,575
95,900	MEYER FRED INC DEL	1,894,025
84,750	MICHAELS FOODS	1,578,468
32,200	MICHIGAN NATL CORP	885,500
49,600	MICRON TECHNOLOGY	582,800
104,250	MICROSOFT CORP	7,102,031
68,600	MIDLANTIC CORP	343,000
54,308	MIDWEST RESOURCES	1,065,794
42,600	MILLER HERMAN INC.	873,300
32,500	MILLIPORE CORP.	1,348,750
7,125	MINE SAFETY APPLIANCES CO	381,187
214,700	MINNESOTA MNG & MFG CO	20,101,287
1,200	MIRAGE RESORTS INC	31,200
63,800	MITCHELL ENERGY	1,188,275
348,600	MOBIL CORPORATION	22,397,550
47,175	MOLEX INC	1,285,518
27,175	MOLEX INC CL A	713,343
15,000	MONARCH CAPITAL CORP.	7,031
146,700	MONSANTO CO.	9,682,200
53,600	MONTANA PWR CO	1,199,300
100,300	MOORE CORP LTD	2,683,025
191,200	MORGAN J P & COMPANY INC.	9,966,300
43,900	MORGAN STANLEY GROUP INC	3,484,562
21,700	MORRISON KNUDSEN CORP	1,014,475
37,600	MORTON INTERNATIONAL	1,983,400

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NO. OF SHARES	SECURITY	MARKET VALUE
76,200	MOTOROLA INC.	\$ 5,067,300
72,300	MURPHY OIL	2,521,462
46,850	MYLAN LABS INC	1,136,112
40,800	N B B BANCORP INC	423,300
60,500	N B D BANCORP	2,094,812
78,300	N C N B CORP.	2,799,225
58,200	N C R CORP.	6,227,400
63,900	N I P S C O INDUSTRIES	1,309,950
73,370	N L INDS INC.	1,146,406
0	N V RYAN LP	0
56,065	N W N L COMPANIES	1,345,560
19,000	NAC RE CORP	698,250
22,300	NACCO INDS INC CL A	1,023,012
72,400	NALCO CHEMICAL CO.	2,054,350
43,300	NASH FINCH CO	822,700
24,700	NASHUA CORP	756,437
1	NATIONAL BANKSHARES CORP.	0
6,161	NATIONAL BUSINESS SYS WTS	0
45,442	NATIONAL CITY CORP	1,567,749
51,800	NATIONAL DATA CORP	699,300
900	NATIONAL EDUCATION CORP	6,300
29,400	NATIONAL LN BK HOUSTON TEX	27,562
12,200	NATIONAL STANDARD CO	22,875
37,400	NATIONAL SVC INDS INC	935,000
93,500	NATL HEALTH LABS	1,776,500
23,400	NATL PRESTO	1,102,725
81,075	NATL. MEDICAL ENTER. INC.	3,536,896
144,300	NATL. SEMICONDUCTOR	811,687
413,600	NAVISTAR INTL CORP.	1,447,600
45,000	NERCO INC	961,875
28,100	NEUTROGENA CORP	428,525
40,700	NEVADA PWR CO	742,775
52,900	NEW ENGLAND BUS SVC INC	938,975
50,338	NEW ENGLAND ELEC SYS	1,409,464
21,800	NEW YORK BANCORP INC	261,600
50,100	NEW YORK ST ELEC & GAS CORP	1,233,712
58,700	NEW YORK TIMES CO	1,416,137
46,100	NEWELL COS.	1,544,350
83,500	NEWMONT GOLD CO	3,340,000
46,800	NEWMONT MINING	1,860,300
104,800	NIAGARA MOHAWK PWR CORP	1,611,300
47,000	NICOR INC	2,032,750
36,000	NIKE INC.	1,300,500
53,800	NOBLE AFFILIATES INC	719,575
81,600	NORDSTROM INC	3,223,200
173,200	NORFOLK SOUTHERN CORP	7,902,250
13,000	NORTANKERS INC	91,000
20,000	NORTH FORK BANCORP INC	177,500
21,200	NORTH SIDE SVGS BK BRONX N Y	196,100
84,700	NORTHEAST UTILITIES	1,746,937
53,788	NORTHERN STATES PWR MINN	1,862,409
234,300	NORTHERN TELECOM LTD.	8,551,950
25,800	NORTHERN TRUST CORP	980,400
52,800	NORTHROP CORP	1,339,800
34,900	NORTHWESTERN PUB SVC CO	868,137
135,840	NORWEST CORP.	3,735,600
322,980	NOVA-AN ALBERTA CORP	2,180,115
48,000	NOVACARE INC	1,380,000
33,000	NOVELL INC	1,617,000
24,100	NOWSCO WELL SERVICE LTD	289,200
17,000	NUCOR CORP	1,287,750

NO. OF SHARES	SECURITY	MARKET VALUE
176,820	NYNEX	\$ 12,620,527
6,395	OAKWOOD HOMES CORP	67,147
228,936	OCCIDENTAL PETE CORP	4,893,507
57,300	OCCUPATIONAL URGENT CARE	1,289,250
152,700	OCEAN DRILLING & EXPL CO	2,844,037
49,300	OGDEN CORP.	930,537
42,812	OGDEN PROJS INC	909,755
18,600	OHIO CAS CORP	883,500
123,400	OHIO EDISON CO	2,252,050
33,600	OKLAHOMA GAS & ELEC CO	1,268,400
41,050	OLD KENT FINL CORP	1,077,562
34,943	OLD REP INTL CORP	969,668
43,600	OLD STONE CORP	348,800
20,600	OLIN CORP	1,017,125
34,756	OMNICOM GROUP INC.	986,201
48,195	ONEITA INDS INC	355,438
102,700	ONEOK INC	1,463,475
47,600	ORACLE SYS CORP	404,600
23,600	OREGON STEEL MILLS	749,300
79,945	ORYX ENERGY COMPANY	2,488,288
35,900	OTTER TAIL POWER CO	924,425
43,580	OVERSEAS SHIPHOLDING GROUP I	866,152
53,900	OWENS CORNING FIBERGLAS (NE	1,435,087
87,600	OXFORD INDS INC	1,062,150
62,700	P H M CORPORATION	791,587
97,993	P N C FINANCIAL	3,539,997
40,600	P P G INDUSTRIES INC	2,248,225
10,300	P S GROUP INC	437,750
73,400	P S I RESOURCES INC	1,156,050
24,800	PACCAR INC	1,097,400
57,740	PACIFIC ENTERPRISES	1,508,457
423,400	PACIFIC GAS & ELEC. CO.	10,690,850
41,000	PACIFIC TELECOM INC	1,076,250
360,236	PACIFIC TELESIS GP.	15,219,971
230,744	PACIFICORP	4,845,624
49,975	PAINE WEBBER	980,759
60,300	PALL CORP	2,163,262
64,551	PANHANDLE EASTN CORP	750,405
65,400	PANSOPHC SYS INC	711,225
92,700	PARAMOUNT COMMUNICATION	3,719,587
183,300	PARKER DRILLING CO	1,283,100
37,600	PARKER HANNIFIN CORP	1,010,500
78,400	PEGASUS GOLD INC	1,038,800
115,500	PENNEY J.C. INC.	6,121,500
63,000	PENNSYLVANIA PWR & LT CO	2,748,375
53,100	PENNZOIL CO.	3,816,562
40,925	PENTAIR INC	1,575,612
15,700	PEOPLES BANCORP	290,450
44,400	PEOPLES ENERGY CORP	1,098,900
39,300	PEOPLES HERITAGE SVGS BK	117,900
48,900	PEOPLES WESTCHESTER SVGS BK	721,275
41,600	PEP BOYS MANNY MOE & JACK	577,200
644,321	PEPSICO INCORPORATED	18,685,309
700	PERINI CORP	7,787
133,580	PERKIN ELMER	3,807,030
32,400	PETRIE STORES CORP.	660,150
14,100	PETROLITE CORP	303,150
487,200	PFIZER INCORPORATED	27,039,600
28,800	PHELPS DODGE	1,864,800
169,900	PHILADELPHIA ELEC. CO.	3,419,237
441,930	PHILIP MORRIS COS INC	28,062,555

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NO. OF SHARES	SECURITY	MARKET VALUE
273,200	PHILLIPS PETROLEUM CO.	\$ 6,966,600
54,560	PHILLIPS VAN HEUSEN CORP	1,554,960
51,500	PICCADILLY CAFETERIAS INC	566,500
55,690	PINELANDS INC	807,505
197,800	PINNACLE WEST CAPITAL CORP	1,953,275
23,854	PIONEER GROUP INC	483,043
27,100	PIONEER HI-BRED INTL.	1,341,450
67,500	PITNEY BOWES INC.	3,974,062
131,200	PITTSTON CO	2,214,000
189,725	PLACER DOME INC	2,585,003
30,100	PLAINS PETE CO	921,812
26,500	POGO PRODUCING CO	139,125
41,569	POLAROID CORP.	1,023,636
27,000	POLICY MGMT. SYS. CORP.	1,289,250
78,900	PONCE FED SVGS & LN ASSN P R	256,425
1,520	POOL ENERGY SRVS CO	11,210
39,700	POPE & TALBOT	684,825
51,900	PORTLAND GENERAL CORP	908,250
28,800	POTLATCH CORP	1,224,000
75,900	POTOMAC ELEC. & PWR.	1,555,950
31,300	PRATT & LAMBERT INC	426,462
21,300	PRECISION CASTPARTS CORP	692,250
28,075	PREMARK INTL INC	610,631
44,147	PREMIER INDL CORP	1,214,042
34,800	PRICE CO	1,879,200
3,000	PRICE T ROWE & ASSOC INC	82,500
67,700	PRIMARK CORP	727,775
217,260	PRIMERICA CORP NEW	6,028,965
299,915	PROCTOR & GAMBLE	23,205,923
25,800	PROTECTIVE LIFE CORP	567,600
68,600	PROVIDENCE FUND LIFE & ACC	1,234,800
190,672	PUBLIC SERVICE ENTERPRISE GRO	4,933,638
84,600	PUBLIC SVC CO COLO	1,914,075
80,300	PUBLIC SVC CO N MEX	823,075
52,700	PUGET SOUND BANCORP WASH	1,357,025
59,900	PUGET SOUND PWR & LT CO	1,347,750
30,600	PULITZER PUBG CO	703,800
40,000	PURITAN BENNETT CORP	1,150,000
65,400	QUAKER OATS CO	4,054,800
218,800	QUAKER ST CORP	2,406,800
76,600	QUALITY FOOD CTRS INC	2,719,300
69,925	QUANTUM CHEMICAL CORP	909,025
52,350	QUANTUM CORP.	543,131
68,250	QUEBECOR INC	1,057,875
97,000	QUESTAR CORP	1,855,125
27,700	QUICK & REILLY GROUP INC	470,900
50,000	R L I INC.	218,750
41,000	R P M INC OHIO	912,250
17,500	R S FINANCIAL CORP	140,000
0	R.P.S. CORP	12
3,400	RACAL ELECTRS LTD	22,525
37,800	RALSTON PURINA CO.	1,852,200
109,400	RANGER OIL LTD	765,800
250	RATNERS GROUP PLC	2,218
31,200	RAYCHEM CORP	811,200
59,200	RAYTHEON COMPANY	4,736,000
88,600	READERS DIGEST CORP	3,067,775
88,600	REEBOK INTERNATIONAL LTD	2,159,625
5,900	RELiance GROUP HLDGS INC	30,975
2,000	REPSOL S A	45,000
2,508	REPUBLIC PICTURES CORP CL A	21,945

NO. OF SHARES	SECURITY	MARKET VALUE
27,450	REPUBLIC N Y CORP	\$ 1,643,568
37,700	REYNOLDS & REYNOLDS CO	838,825
81,300	REYNOLDS METALS CO	4,796,700
87,088	RHONE POULENC RORER	3,635,924
288	RHONE POULENC RT CONT. VALU	864
300	RIEDEL ENVIRONMENTAL	1,725
18,300	RIGGS NATL CORP WASH D C	141,825
30,900	RITE AID CORP	1,317,112
20	RJR NABISCO HLDGS CV	700
29,400	ROADWAY SVCS INC	1,514,100
15,300	ROBERTSON CECO CORP	59,287
42,800	ROCHESTER GAS & ELEC CORP	829,250
37,000	ROCHESTER TEL CORP	1,077,625
171,200	ROCKWELL INTL CORP	4,772,200
49,900	ROHM & HAAS CO	2,145,700
33,900	ROHR INDS INC	771,225
83,300	ROLLINS ENVIR. SVS.	697,637
64,550	ROLLINS TRUCK LEASING	798,806
39,800	ROTHSCHILD L F UNTERBERG	29,850
39,000	ROUSE CO	643,500
123,000	ROWAN COMPANIES INC	1,030,125
470	ROYAL DUTCH PETE CO NY REG	36,425
71,900	ROYAL INTL OPTICAL CORP	125,825
20,000	ROYAL PALM SVGS ASSN WEST PA	2,500
59,808	RUBBERMAID INC	3,020,303
200	RUSS TOGS INC	1,075
42,000	RUSSELL CORP	1,002,750
1,200	RYAN BECK & CO	1,950
55,960	RYDER SYSTEMS INC.	1,077,230
49,425	RYKOFF S E & CO	994,678
190,960	S C E CORP.	7,423,570
60,950	S C I SYSTEMS INC.	457,125
16,200	S P S TECHNOLOGIES INC	473,850
47,900	SAFECO CORPORATION	1,868,100
27,037	SAFETY KLEEN CORP	828,008
50,000	SAFEWAY INC	918,750
154,600	SALOMON INC	5,024,500
43,900	SAN DIEGO GAS & ELEC CO	1,640,762
192,955	SANTA FE ENERGY RES	2,484,295
445,389	SANTA FE SO. PACIFIC CORP.	3,952,827
163,700	SARA LEE	6,609,387
52,600	SAVANNAH FOODS & INDS INC	1,144,050
35,100	SCANA	1,316,250
234,792	SCHERING PLOUGH CORP	11,680,902
235,220	SCHLUMBERGER LTD	13,848,577
25,700	SCHULMAN A INC	886,650
15,500	SCHWAB CHARLES CORP NEW	383,625
2,840	SCHWITZER INC	21,300
50,900	SCIENTIFIC ATLANTA INC	699,875
80,140	SCOTSMAN INDS INC	601,050
66,600	SCOTT PAPER CO.	2,780,550
60,300	SCRIPPS E W CO CL A	1,190,925
16,900	SEA CONTAINERS LTD.	825,987
30,800	SEAFIELD CAP CORP	696,850
313,200	SEARS ROEBUCK & COMPANY	11,862,450
32,631	SECURITY BANCORP INC	929,983
124,340	SECURITY PACIFIC CORP.	2,859,820
49,200	SELECTIVE INSURANCE GROUP IN	701,100
63,700	SENSORMATIC ELECTRS CORP	1,496,950
10,230	SEQUA CORP CLASS A	535,796
78,337	SERVICE CORP. INT'L	1,703,829



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NO. OF SHARES	SECURITY	MARKET VALUE
1,100	SEVEN OAKS INTL INC	\$ 1,375
77,000	SHARED MED. SYSTEMS CORP.	1,511,125
179,750	SHAWMUT NATL CORP	831,343
123,600	SHERWIN WILLIAMS CO.	3,012,750
82,550	SHOREWOOD PACKAGING CORP	877,093
33,700	SIERRA PAC RES	754,037
44,880	SIGMA ALDRICH	1,683,000
55,700	SIGNET BANKING CORP.	898,162
31,000	SILICON GRAPHICS INC	879,625
74,400	SMITHFIELD FOODS INC	1,506,600
29,500	SMUCKER J M CO	1,430,750
32,900	SNAP ON TOOLS CORP	978,775
15,200	SOCIETY CORP	634,600
46,600	SOMERSET BANKSHARES INC	14,562
32,400	SONAT INC.	1,283,850
34,900	SONOCO PRODS CO	1,221,500
29,500	SOTHEBY'S HOLDINGS	354,000
52,700	SOUTH CAROLINA NATL. CORP	1,666,637
55,206	SOUTHDOWN INC.	1,021,311
254,400	SOUTHEAST BKG CORP	636,000
277,960	SOUTHERN CO	7,643,900
47,000	SOUTHERN NEW ENGLAND TELEC	1,515,750
16,866	SOUTHTRUST CORP	383,701
44,000	SOUTHWEST AIRLINES	1,144,000
311,750	SOUTHWESTERN BELL CORP.	16,678,625
21,500	SOUTHWESTERN ENERGY CO	752,500
37,800	SOUTHWESTERN PUB SVC CO	1,082,025
33,100	SPRINGS INDS INC	984,725
1,319	SSMC INC	47,978
36,540	ST JUDE MED INC	1,589,490
43,500	ST. PAUL COS. INC.	2,729,625
26,225	STANDARD PRODS CO	458,937
33,950	STANLEY WKS	1,294,343
24,800	STAR BANC CORP	508,400
29,300	STARRETT L S CO	670,237
31,600	STATE STREET BOSTON CORP	1,414,100
158,600	STERLING CHEMS INC	872,300
33,300	STEWART & STEVENSON SVCS INC	1,448,550
15,600	STEWART INFORMATION SVCS CO	179,400
53,300	STOKELY USA INC	559,650
2,200	STONE & WEBSTER INC	63,250
45,000	STONE CONTAINER CORP	973,125
75,370	STRYKER CORP	1,884,250
91,550	STUDENT LN MARKETING ASSN	4,806,375
2,300	SUAVE SHOE CORP	12,650
13,409	SUMMIT BANCORP.	191,078
81,345	SUN COMPANY INC	2,359,005
95,100	SUN GUARD DATA SYSTEMS	1,592,925
54,500	SUN MICROSYSTEMS INC	1,519,187
31,500	SUNDSTRAND CORP	1,023,750
0	SUNSHINE MNG CO HLD	0
103,900	SUNTRUST BKS INC	3,129,987
42,500	SUPER FOOD SVCS INC	605,625
2,386	SUPER RITE FDS HLD WTS	634
74,200	SUPER VALU STORES INC.	2,068,325
34,100	SURGICAL CARE AFFIL.	1,283,012
227,000	SYNTEX CORPORATION	8,682,750
52,000	SYSCO CORP	2,132,000
88,931	T J X COS INC NEW	1,600,758
45,800	T R W INC	1,929,325
33,300	T.J. INTL. INC.	890,775

NO. OF SHARES	SECURITY	MARKET VALUE
49,400	TAMBRANDS INC.	\$ 2,531,750
74,200	TANDEM COMPUTERS INC	1,029,525
62,940	TANDY CORP	1,683,645
56,400	TECH SYM CORP	676,800
42,200	TECO ENERGY INC	1,434,800
5,200	TECUMSEH PRODS CO	522,600
10,548	TEJAS GAS CORP DEL	282,159
21,900	TEJON RANCH CO	498,225
56,700	TEKTRONIX INC	1,481,287
251,500	TELE COMMUNICATIONS INC	3,458,125
64,600	TELEDYNE INC.	1,227,400
38,850	TELEPHONE & DATA SYS INC	1,160,643
96,090	TEMPLE INLAND	4,360,083
116,910	TENNECO INC.	4,676,400
18,056	TENNIS LADY INC	1,128
38,600	TESORO PETE CORP	303,975
101,748	TEXACO CDA PETE INC	62,066
260,400	TEXACO INC.	15,656,550
200	TEXAS AMERN BANCSHARES INC	37
27,808	TEXAS INDUSTRIES	622,204
71,900	TEXAS INSTRUMENTS	2,390,675
184,000	TEXAS UTILITIES CO.	6,394,000
65,700	TEXTRON INC	2,110,612
45,375	THERMO INST SYS INC	1,026,609
47,700	THIOLKOL CORPORATION	721,462
27,300	THOMAS & BETTS CORP	1,474,200
161,400	THREE COM CORP.	1,230,675
91,600	TIDEWATER INC.	1,259,500
16,500	TIFFANY & CO NEW	874,500
50,200	TIME WARNER INC	4,423,875
95,700	TIMES MIRROR CO CL A	2,823,150
31,600	TIMKEN CO	813,700
33,095	TOOTSIE ROLL INDS INC	1,671,297
39,100	TORCHMARK CORP	1,886,575
2,100	TOTAL ASSETS PROTN INC	2,100
7,000	TOTAL CDA OIL & GAS LTD.	33,250
7,000	TOTAL PETE NORTH AMER	97,125
242,725	TOYS R US	6,826,640
69,866	TRANSAMERICA CORP	2,261,911
134,200	TRANSCANADA PIPELINES LTD	2,063,325
26,400	TRANSCO ENERGY CO.	801,900
200	TRANSTECHNOLOGY CORP	1,350
80,000	TRAVELERS CORP.	1,740,000
53,900	TRIBUNE COMPANY	2,351,387
40,400	TRINOVA CORP	1,030,200
721	TRITON ENERGY CORP	13,699
78,600	TULTEX CORP	589,500
86,786	TURNER BROADCASTIN	1,160,762
36,800	TYCO LABS	1,766,400
47,700	TYCO TOYS INC	846,675
20,900	TYLER CORP DEL	65,312
126,600	TYSON FOODS INC	2,611,125
14,213	U A L CORP	1,972,053
164,800	U G I CORP	2,945,800
90,000	U J B FINANCIAL CORP	1,102,500
48,936	U S BANCORP	1,468,080
144,000	U S F & G CORP.	1,296,000
123,183	U S G CORP	215,570
37,100	U S WEST NEWVECTOR GROUP INC	1,493,275
72,450	UNION CAMP CORP.	3,224,025
145,791	UNION CARBIDE CORP	2,970,491

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NO. OF SHARES	SECURITY	MARKET VALUE
15,197	UNION CARBIDE CORP RTS	\$ 0
86,300	UNION ELEC CO	2,567,425
136,500	UNION PACIFIC CORP.	11,397,750
62,400	UNION TEX PETE HLDGS INC	1,037,400
123,800	UNISYS CORP.	464,250
134,800	UNITED ARTISTS ENTMT CL A	1,870,350
65,600	UNITED ARTISTS ENTMT CL B	893,800
51,100	UNITED ASSET MGMT CORP	1,213,625
39,400	UNITED HEALTHCARE CORP	1,768,075
30,900	UNITED ILLUM CO	1,058,325
5,600	UNITED INNS INC	23,800
27,584	UNITED INVESTORS MGT CO	496,512
10,800	UNITED MERCHANTS & MFRS. INC	5,400
10,300	UNITED MO BANCSHARES	329,600
7,000	UNITED NEW MEXICO FIN'L CORP.	85,750
326,500	UNITED STATES SHOE CORP	4,162,875
51,200	UNITED STATES SURGICAL CORP	3,206,400
130,800	UNITED TECHNOLOGIES CORP.	5,820,600
222,600	UNITED TELECOM. INC.	6,566,700
63,300	UNITRIN INC	2,152,200
39,937	UNIVERSAL FOODS CORP	1,447,716
89,000	UNIVERSAL HEALTH SVCS INC	1,279,375
87,446	UNO RESTAURANT CORP	874,460
194,960	UNOCAL CORP.	4,581,560
29,600	UNUM CORP	1,890,700
189,300	UPJOHN COMPANY	8,021,587
32,000	US AIR GROUP	480,000
61,200	US FACS CORP	665,550
34,350	US HEALTHCARE INC.	1,107,787
397,540	US WEST CORP	14,062,977
8,400	USLICO CORP	164,850
35,200	USLIFE CORP.	1,447,600
227,084	USX MARATHON GROUP COM NE	5,109,390
45,416	USX U S STL	1,038,891
31,685	UTILICORP UTD INC	780,243
45,107	V F CORP	1,296,826
18,000	VALERO ENERGY CORP	407,250
96,800	VALHI INC NEW	641,300
56,600	VALLEY NATIONAL CORP.	1,294,725
39,200	VAN DORN CO	563,500
90,100	VARIAN ASSOC. INC.	3,727,887
82,138	VENTURE STORES INC	1,858,372
59,576	VERMONT FIN'L SVCS	417,032
14,100	VIDEOCART INC	128,662
23,000	VONS COMPANIES INC.	623,875
36,500	VORNADO INC	939,875
30,100	VULCAN MATLS CO	1,136,275
65,800	W P L HOLDINGS INC	1,694,350
106,483	WABAN INC	2,142,970
60,300	WACHOVIA CORP NEW	3,007,462
914,180	WAL-MART STORES INC.	39,081,195
89,700	WALGREEN CO	2,982,525
57,300	WALLACE COMPUTER SER INC	1,317,900
137,100	WANG LABS CL B	514,125
138,600	WARNER LAMBERT	10,048,500
100,000	WARWICK INS MGRS INC	50,000
25,900	WASHINGTON FED SVGS & LN ASS	867,650
26,200	WASHINGTON GAS LT CO	746,700
49,450	WASHINGTON MUT SVGS BK SEAT	1,242,431
31,700	WASHINGTON NATL CORP	463,612
7,500	WASHINGTON POST B	1,680,000

NO. OF SHARES	SECURITY	MARKET VALUE
30,500	WASHINGTON WTR PWR CO	\$ 907,375
389,495	WASTE MANAGEMENT	14,216,567
17,000	WATTS INDS INC	833,000
22,462	WAUSAU PAPER MLS CO	1,302,796
23,600	WD 40 CO	767,000
36,100	WEIS MARKETS INC.	1,164,225
43,300	WELLMAN INC	1,163,687
48,000	WELLS FARGO & CO.	3,312,000
79,800	WENDYS INTL INC	778,050
47,100	WEST INC	753,600
25,825	WEST ONE BANCORP	781,206
99,400	WESTERN PUBG GROUP INC	1,143,100
300	WESTERN SVGS & LN ASSN PHOEN	140
241,300	WESTINGHOUSE ELEC. CO.	6,726,237
32,660	WESTMARK INTL INC	1,163,512
30,300	WESTMORELAND COAL CO	590,850
50,575	WESTVACO CORP	1,681,618
36,000	WETTERAU INC	1,003,500
3,300	WETTERAU PPTYS INC	53,625
244,750	WEYERHEUSER CO.	6,547,062
64,274	WHEELABRATOR TECHNOLOGY	1,622,918
76,800	WHIRLPOOL CORP.	2,467,200
30,900	WHITEHALL CORP.	440,325
233,172	WHITMAN CORP	3,089,529
43,600	WICOR INC	888,350
42,166	WILLAMETTE INDS INC.	2,408,732
42,120	WILLIS CORROON PLC	1,053,000
28,900	WILMINGTON TRUST CO.	1,387,200
80,600	WINN DIXIE STORES INC	3,093,025
55,500	WISCONSIN ENERGY CORP	1,796,812
18,200	WISER OIL CO DEL	279,825
24,950	WITCO CORP.	1,026,068
96,500	WOOLWORTH CORP	2,967,375
41,300	WORTHINGTON INDS INC	1,063,475
29,800	WRIGLEY WM JR CO	1,780,550
65,400	WYMAN-GORDON CO.	408,750
57,300	WYNN'S INTL INC	1,017,075
101,500	XEROX CORP	5,481,000
12,200	XTRA CORP.	280,600
44,500	YELLOW FREIGHT SYSTEM	1,346,125
22,800	ZIONS BANCORP	912,000
28,000	ZURN INDS INC	980,727

**TOTAL EQUITY PORTFOLIO**

**\$ 2,873,404,690**

**MINNESOTA STATE BOARD OF INVESTMENT  
TILTED PASSIVE EQUITY ACCOUNT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 400	BORG WARNER CORP JR	00.0000 %	07/15/07	\$ 350
200	C B S INC	10.8750 %	08/01/95	204
435,000	CUC INTL INC ZERO CV	00.0000 %	06/06/96	480,675
192,275	D R HOLDINGS INC.	15.5000 %	01/30/02	82,678
4,769	DYNACORP	16.0000 %	06/30/03	2,837
270	G-I HLDGS INC	16.6200 %	03/15/05	275
8,760	GENERAL MOTORS CONT	00.0000 %	10/28/91	8,615
400	HOSPITAL CORP OF AMER SDB	00.0000 %	07/01/03	369
100	INTERCO INC	13.7500 %	12/15/00	8
102	INTERCO INC	14.5000 %	12/15/03	0
27	INTERCO INC	00.0000 %	12/15/03	0
100	MARY KAY CORP	15.0000 %	11/30/00	101
23,040	MHS HOLDINGS CORP	16.8750 %	01/01/04	11,944
50	RJR HLDGS CORP CV	00.0000 %	05/01/09	77
19,377,719	S.B.I MONEY FUND	00.0000 %		19,377,719
600	SHONEYS INC	12.0000 %	07/01/00	618
\$ 20,043,812 TOTAL FIXED INCOME PORTFOLIO				\$ 19,966,470

**MINNESOTA STATE BOARD OF INVESTMENT**  
**PASSIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
5,700	A M P INC	\$ 283,575
3,200	A M R CORP	194,400
3,500	A O N CORP	132,125
800	AAR CORP	12,400
23,200	ABBOTT LABS	1,200,600
3,300	ACUSON	96,112
7,600	ADAPTEC INC	92,150
2,200	ADOBE SYS INC	95,150
9,000	ADVANCED MICRO DEV.	108,000
5,900	AETNA LIFE & CASUALTY CO.	244,112
1,700	AFFILIATED BANKSHARES COLO I	29,962
9,200	AFFILIATED PUBLIC'NS NEW A	83,950
4,800	AGENCY RENT A CAR	37,800
6,200	AHMANSON H.F. CO.	112,375
3,000	AIR PRODUCTS & CHEM. INC.	202,125
2,600	AIR WIS AVIATION INC	26,325
2,700	AIRBORNE FGHT CORP	64,800
2,000	ALASKA AIR GROUP	43,000
2,500	ALBERTO CULVER CO	56,250
7,100	ALBERTSONS INC	291,100
12,000	ALCAN ALUMINUM LTD.	249,000
2,300	ALCO STANDARD CORP.	72,450
2,800	ALEXANDER & ALEXANDER	63,000
500	ALEXANDERS INC	17,875
1,800	ALLEGHENY LUDLUM CORP	45,225
2,700	ALLEGHENY POWER SYS INC	104,287
1,500	ALLEN GROUP INC	20,062
1,200	ALLEN ORGAN CLASS B	35,400
4,300	ALLERGAN INC	80,625
600	ALLIANT TECHSYSTEMS	15,900
7,800	ALLIED-SIGNAL INC.	257,400
4,300	ALLTEL CORP	162,325
6,000	ALLWASTE INC	27,000
4,500	ALUMINUM CO. OF AMERICA	303,750
2,700	ALZA CORPORATION	152,887
4,400	AMAX INC	101,750
5,700	AMDAHL CORP	83,362
4,300	AMERADA HESS CORP.	220,912
5,700	AMERICAN BANK INSURANCE GRP	91,912
7,100	AMERICAN BARRICK RES CORP	158,862
5,100	AMERICAN CYANAMID	329,587
9,800	AMERICAN ELEC POWER INC	278,075
25,400	AMERICAN EXPRESS COMPANY	571,500
4,500	AMERICAN FAMILY CORP	97,875
3,200	AMERICAN FRUCTOSE CL A	70,400
6,400	AMERICAN GENERAL CORP	242,400
2,300	AMERICAN GREETINGS	73,887
11,300	AMERICAN INTERNATIONAL GRP.	952,025
1,800	AMERICAN STORES NEW	148,500
58,800	AMERICAN TEL & TEL NEW	2,249,100
5,800	AMERICAN TELEVISION &	221,850
14,100	AMERITECH CORP NEW	849,525
10,800	AMETEK INC	135,000
2,400	AMGEN CORP.	282,900
27,100	AMOCO CORP	1,371,937
2,000	AMSOUTH BANCORP.	56,750
3,300	AMWEST INS GROUP INC	46,612
23,700	ANACOMP	88,875
2,700	ANADARKO PETE CORP.	66,825
6,500	ANALOG DEVICES INC	61,750
7,500	ANALOGIC CORP	84,375

NO. OF SHARES	SECURITY	MARKET VALUE
1,000	ANDREW CORP.	\$ 31,500
3,700	APACHE CORP	54,575
6,500	APPLE COMPUTER	269,750
1,800	ARBOR DRUGS	33,300
22,500	ARCHER DANIELS MIDLAND CO.	531,562
20,600	ARCHIVE CORP	84,975
5,100	ARCO CHEM CO	202,725
3,000	ARGONAUT GROUP INC	78,000
9,604	ARKLA INCORPORATED	159,666
3,200	ARMSTRONG IND. INC.	92,800
1,900	ARROW FINANCIAL CORP	12,825
2,200	ASARCO INC.	56,925
3,100	ASHLAND OIL INC	94,162
700	ASSOCIATED BANC CORP	19,425
1,800	ATLANTIC ENERGY INC	62,550
8,700	ATLANTIC RICHFIELD	998,325
3,800	ATWOOD OCEANICS INC	38,000
1,800	AUGAT INC	22,950
1,600	AUTODESK INC	77,600
8,600	AUTOMATIC DATA PROCESSING I	279,500
4,091	AVANTEK INC	9,716
3,708	AVERY DENNISON CORP	91,773
2,500	AVNET INC	69,375
3,800	AVON PRODS INC	161,500
8,600	AYDIN CORP.	203,175
2,500	B B & T FINANCIAL CORP	51,875
16,500	B C E INC	604,312
3,000	B E I ELECTRS INC	27,000
4,300	B J SERVICES INC	98,900
2,000	BAIRNCO CORP	15,250
7,300	BAKER HUGHES INC	171,550
2,000	BALLY MFG CO	7,750
4,200	BALTIMORE GAS & ELEC CO	122,850
8,400	BANC ONE CORP	321,300
800	BANDAG INC	82,400
11,200	BANK BOSTON CORP	77,000
4,100	BANK OF NY CO. INC.	112,237
2,600	BANK SOUTH CORP	17,225
11,300	BANKAMERICA CORP.	409,625
4,300	BANKERS TRUST NY CORP.	208,012
5,700	BARD C.R. INC.	160,312
600	BARNES GROUP INC	20,100
4,200	BARNETT BKS FLA	112,350
900	BASSETT FURNITURE INDS INC	33,750
4,900	BATTLE MTN GOLD CL A	47,775
1,900	BAUSCH & LOMB INC	153,662
15,100	BAXTER INTL INC	486,975
7,500	BAYBANKS INC	103,125
7,245	BEAR STEARNS COS INC	98,713
3,000	BEAUTICONTROL COSMETICS INC	72,000
3,900	BECKMAN INSTRS INC NEW	70,687
2,000	BECTON DICKINSON CO	148,750
1,800	BEEBAS CREATIONS INC	15,750
21,200	BELL ATLANTIC CORP.	1,001,700
26,000	BELL SOUTH CORP	1,257,750
2,100	BELO A H CORP CL A	64,050
1,500	BENEFICIAL CORP.	84,937
3,200	BERGEN BRUNSWIG CORP.	80,400
2,100	BERKLEY W R CORP	61,950
100	BERKSHIRE HATHAWAY INC DEL	840,000
3,900	BETHLEHEM STEEL	62,887

**MINNESOTA STATE BOARD OF INVESTMENT**  
**PASSIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
900	BETZ LABS INC	\$ 48,825
8,100	BEVERLY ENTERPRISES INC	75,937
1,700	BHC COMMUNICATIONS	88,612
4,000	BINDLEY WESTN INDS INC	56,500
600	BINKS MFG CO	16,275
5,400	BIOMET INC	141,750
3,800	BLACK & DECKER MFG CO	58,900
1,500	BLACK HILLS CORP	50,812
2,163	BLOCK DRUG INC CL A	118,965
2,800	BLOCK H & R INC.	154,000
7,200	BLOCKBUSTER ENTMT	61,200
1,000	BLOUNT INC CL A	8,500
1,500	BMC SOFTWARE INC	55,125
2,400	BOATMEN'S BANCSHARES	96,600
18,500	BOEING COMPANY	846,375
2,000	BOISE CASCADE CORP	51,000
11,100	BORDEN INC.	387,112
2,400	BOWNE & CO INC	27,000
5,400	BRASCAN LTD	85,050
1,350	BRINKER INTL INC	51,637
28,200	BRISTOL MYERS SQUIBB CO	2,192,550
4,200	BROAD INC	48,300
8,100	BROWNING FERRIS INDS INC	210,600
5,500	BRUNOS INC	105,875
14,000	BRUNSWICK CORP.	197,750
2,000	BRUSH WELLMAN INC	35,500
3,400	BUR BROWN	29,325
4,700	BURLINGTON COAT FACTORY WH	65,800
3,900	BURLINGTON NORTHERN INC.	112,125
7,500	BURLINGTON RES INC	285,000
6,900	C & S SOVRAN CORP	164,737
3,000	C B I INDS INC	98,250
772	C B S INCORPORATED	124,292
3,300	C N A FINANCIAL CORP	263,175
5,500	C P C INTERNATIONAL INC	469,562
800	C P I CORP	24,900
5,200	C S X CORPORATION	235,950
5,550	C U C INTERNATIONAL	135,975
1,400	CABLETRON SYSTEMS	51,450
3,100	CADENCE DESIGN SYS INC	55,025
2,500	CAESAR'S WORLD	60,000
8,500	CAGLES INC	56,312
4,600	CALFED INC	27,025
2,400	CALGON CARBON CORP	50,400
3,400	CALIF MICROWAVE	50,150
9,700	CAMPBELL SOUP CO	716,587
1,800	CANADIAN MARCONI CO	18,900
17,000	CANADIAN PACIFIC LTD	282,625
76,200	CANAL CAPITAL CORP	28,575
900	CAPITAL CITIES/ABC INC.	385,987
2,400	CAPITAL HOLDING CORP.	117,600
2,100	CARL KARCHER ENTERPRISES INC	19,687
1,000	CARLISLE CORP	32,000
6,700	CARNIVAL CRUISE LINES INC	140,700
1,600	CAROLINA FREIGHT CORP	26,200
4,200	CAROLINA PWR & LT CO	191,625
1,300	CARTER WALLACE INC	84,662
1,000	CASCADE NAT GAS CORP	21,375
4,500	CASTLE & COOKE INC	173,250
400	CASTLE A M & CO	5,700
10,675	CATELLUS DEV CORP	126,765

NO. OF SHARES	SECURITY	MARKET VALUE
5,300	CATERPILLAR INC.	\$ 261,687
3,100	CELLULAR COMMUNICATIONS IN	96,100
3,300	CENT HUDSON GAS & ELEC CORP	79,200
4,300	CENTEL CORP.	134,375
7,200	CENTERIOR ENERGY CORP	117,900
1,300	CENTEX CORP	48,912
5,200	CENTEX TELEMAGEMENT INC	78,000
4,600	CENTOCOR INC	146,050
5,000	CENTRAL & SO WEST CORP.	225,000
1,200	CENTRAL JERSEY BANCORP	15,300
1,400	CENTRAL LA ELEC CO	56,000
5,100	CENTRAL ME PWR CO	91,162
2,400	CENTURY TEL ENTERPRISES INC	61,800
13,100	CETUS CORP	212,875
4,900	CHAMPION INTL.	139,037
1,800	CHAPARRAL STL CO	18,000
7,000	CHASE MANHATTAN CORP.	113,750
1,300	CHEMED CORPORATION	26,650
6,300	CHEMICAL BKG CORP	134,662
11,000	CHEMICAL WASTE MGMT INC	218,625
2,800	CHESAPEAKE CORP VA	56,000
900	CHESAPEAKE UTILS CORP	10,350
18,900	CHEVRON CORP	1,330,087
600	CHICAGO MILWAUKEE CORP	83,550
2,800	CHIPS & TECHNOLOGIES INC	21,350
4,400	CHIQUITA BRANDS INTL CORP	184,800
1,300	CHITTENDEN CORP	9,750
1,938	CHRIS CRAFT INDUSTRIES INC	50,630
12,000	CHRYSLER CORP.	171,000
4,400	CHUBB CORPORATION	306,900
2,900	CHURCH & DWIGHT INC	79,750
4,100	CIGNA CORPORATION	191,162
2,200	CILCORP INC	74,250
4,200	CINCINNATI BELL INC	82,950
800	CINCINNATI FINL CORP	90,800
2,600	CINCINNATI GAS & ELEC CO	83,525
1,650	CINTAS CORP.	72,600
8,800	CIRCUIT CITY STORES INC	149,600
1,500	CIRCUS CIRCUS ENTER.	110,250
17,600	CITICORP	255,200
3,118	CITIZENS UTILS DEL	81,071
6,100	CITY NATL CORP	85,400
5,700	CLAIRE'S STORES INC	84,075
2,300	CLEVELAND-CLIFFS INC	71,875
2,900	CLOROX CO.	113,825
3,100	COACHMEN INDS INC	16,275
5,300	COASTAL CORP	153,700
50,300	COCA COLA COMPANY	2,741,350
8,700	COCA COLA ENTERPRISES INC	153,337
7,200	COLGATE PALMOLIVE	264,600
2,500	COLUMBIA GAS SYSTEM INC	47,812
6,000	COMCAST CORP CL A	86,250
5,600	COMCAST CORP SP CL A	77,700
2,800	COMDISCO INC.	64,400
2,250	COMERICA INC	86,906
4,200	COMINCO LTD	89,250
1,700	COMMERCE CLEARING HOUSE IN	29,325
1,700	COMMERCE CLEARING HOUSE CL	28,475
2,700	COMMERCIAL METALS CO	54,675
11,100	COMMONWEALTH EDISON CO.	400,987
3,300	COMMUNICATIONS SATELLITE CO	94,462

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE EQUITY ACCOUNT  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
2,700	COMMUNITY PSYCHIATRIC CENTE	\$ 81,000
4,600	COMPAQ COMPUTER CORP	143,175
9,900	COMPUTER ASSOC INTL INC	100,237
1,900	COMPUTER SCIENCES CORP.	131,337
10,200	CONAGRA INC.	425,850
4,000	CONNOR PERIPHERALS INC	64,500
12,100	CONSOL. EDISON OF N.Y.	297,962
3,600	CONSOL. FREIGHTWAYS INC.	57,600
4,500	CONSOL. NAT. GAS	182,812
2,100	CONSOLIDATED PAPERS INC	81,375
3,300	CONSOLIDATED RAIL CORP	188,100
1,100	CONSUMERS WTR CO	17,875
5,300	CONTEL CELLULAR INC CL A	102,025
3,400	CONTINENTAL BK CORP	38,250
2,900	CONTINENTAL CORP	79,025
3,700	CONTROL DATA CORP.	39,312
5,800	COOPER INDS. INC.	311,025
2,500	COOPER TIRE & RUBBER	73,125
3,700	CORESTATES FINL CORP	142,912
5,200	CORNING INC	323,050
3,600	COSTCO WHSL CORP	147,600
2,000	COUSINS PPTY INC	27,500
5,000	CPC REXCEL INC	6,875
4,200	CRACKER BARREL OLD CTRY STO	132,300
1,200	CRAIG CORP PFD CL A	15,150
3,400	CRANE CO.	93,500
2,700	CRAY COMPUTER CORP	27,675
1,700	CRAY RESEARCH INC	56,100
4,700	CRESTAR FINANCIAL CORP	88,712
3,500	CROMPTON & KNOWLES CORP	95,375
2,000	CROSS A T CO	50,000
1,500	CROWN CORK & SEAL	115,875
2,500	CRYSTAL BRANDS INC	53,750
1,100	CUMMINS ENGINE CO.	43,862
1,200	D & N FINANCIAL CORPORATION	4,050
4,000	D P L INC.	82,000
3,700	D Q E INC.	97,125
13,300	DATA SWITCH CORP	38,237
3,700	DAYTON-HUDSON CORP.	264,550
3,100	DEAN FOODS CO	140,662
4,000	DEERE & COMPANY	208,000
2,600	DEKALB ENERGY CL B	46,800
1,400	DEKALB GENETICS CORP	50,400
3,700	DELMARVA PWR & LT CO	69,375
2,600	DELTA AIR LINES INC.	178,425
4,500	DELUXE CORPORATION	199,125
1,700	DESOTO INC	17,000
7,700	DETROIT EDISON CO	219,450
2,600	DEXTER CORP	52,650
5,000	DIAGNOSTEK INC	86,250
2,800	DIAL CORP ARIZ	95,900
2,600	DIAMOND SHAMROCK R&M INC	54,925
3,200	DIANA CORP	8,400
1,200	DIEBOLD INC.	48,000
2,500	DIGITAL COMM. ASSOC.	35,312
6,500	DIGITAL EQUIPMENT CORP.	386,750
2,200	DILLARD DEPT. STORES	267,025
2,700	DIONEX CORP	81,000
1,400	DISCOUNT CORP NY	16,275
7,100	DISNEY WALT CORP	791,650
12,430	DOLLAR GEN CORP	195,772

NO. OF SHARES	SECURITY	MARKET VALUE
4,000	DOMINION BANKSHARES CORP	\$ 42,500
5,300	DOMINION RESOURCES	251,087
4,800	DOMTAR INC	36,600
900	DONALDSON INC	30,487
4,200	DONNELLEY RR & SONS	181,650
3,300	DOVER CORP.	129,937
14,400	DOW CHEMICAL COMPANY	765,000
5,300	DOW JONES & CO	143,100
1,200	DOWNNEY SAVINGS & LN ASSN	19,500
7,150	DRESSER INDUSTRIES	135,850
2,100	DREYFUS CORP.	76,650
37,300	DU PONT EI DENEMOURS	1,711,137
10,700	DUKE POWER CO. NC	295,587
9,800	DUN & BRADSTREET COS INC	464,275
6,400	DUPLEX PRODS INC	89,600
5,500	DURACELL INTL INC	121,000
1,200	DYNAMICS CORP AMER	14,550
2,800	DYNATECH CORP	51,800
2,000	E G & G INC	80,500
2,000	E-SYSTEMS	80,750
17,300	EASTMAN KODAK CO.	670,375
2,000	EATON CORP.	121,250
4,300	ECHLIN INC.	58,587
5,200	ECHO BAY MINES LTD	48,100
4,300	EL PASO ELEC CO	26,337
2,400	EMC INS GROUP INC	23,400
11,900	EMERSON ELECTRIC	554,837
3,200	ENGLEHARD CORP	94,800
3,200	ENNIS BUSINESS FORMS INC	79,200
2,700	ENRON CORP.	155,587
4,000	ENRON OIL & GAS	72,000
4,700	ENSERCH CORP.	83,425
10,600	ENTERGY CORP	246,450
8,321	EQUIFAX INC	154,978
2,100	EQUITABLE RES INC	75,075
575	ESCO ELECTRS CORP	3,737
2,600	ESTERLINE CORP	21,775
6,300	ETHYL CORP.	170,100
2,300	EVANS & SUTHERLAND COMPUTE	46,000
67,600	EXXON CORPORATION	3,929,250
3,740	F H P INTERNATIONAL CORP	86,020
2,200	F M C CORP NEW	96,800
12,500	F M C GOLD CO	84,375
5,000	F N W BANCORP INC	64,375
8,500	F P L GROUP INC	258,187
3,000	FARM & HOME FINANCIAL CORP	40,500
500	FARMER BROS CO	46,000
2,800	FEDERAL EXPRESS CORP.	107,800
3,700	FEDERAL HOME LN MTG CORP	297,850
7,700	FEDERAL MOGUL CORP	129,937
14,800	FEDERAL NATL MORTGAGE ASSN	732,600
2,200	FIFTH THIRD BANCORP	110,550
800	FINA INC	61,600
4,200	FINEVEST FOODS INC	2,100
4,100	FIRST ALA BANCSHARES INC	99,425
4,600	FIRST BANK SYSTEM	84,525
5,700	FIRST BRANDS CORP	159,600
2,400	FIRST CAP HLDGS CORP	562
4,400	FIRST CHICAGO CORP	91,850
1,500	FIRST COLONIAL BKS	24,750
1,800	FIRST COML BANCORP	12,825

**MINNESOTA STATE BOARD OF INVESTMENT**  
**PASSIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
1,600	FIRST COMM CORP	\$ 34,400
800	FIRST EASTN CORP PA	11,200
3,500	FIRST FID BANCORPORATION NEW	95,375
1,200	FIRST FINL CORP WIC	18,300
3,100	FIRST INTERST. BANCORP	97,262
7,875	FIRST MICH BK CORP	147,656
1,050	FIRST SEC CORP DEL	24,150
2,600	FIRST TENN NATL CORP	81,575
5,600	FIRST UNION CORP	124,600
2,200	FIRSTFED MICHIGAN CORPORATIO	28,050
2,100	FISERV INC	84,525
6,400	FLEET/NORSTAR FINL GROUP INC	141,600
5,000	FLEMING COS.	198,750
1,700	FLIGHTSAFETY INTL INC	87,550
2,600	FLORIDA PROGRESS CORP	101,725
600	FLORIDA ROCK INDS.	16,200
800	FLUKE JOHN MFG.	14,600
4,100	FLUOR CORP	192,700
17,400	FOOD LION CORP	308,850
8,100	FOOD LION INC CL A	141,750
2,300	FOOTE CONE & BELDING COMM	57,212
25,200	FORD MOTOR CO.	907,200
500	FORD MTR CO CDA LTD	62,500
3,200	FOREST LABS	115,200
3,914	FOREST OIL CORP	4,403
2,100	FORTUNE FINL GROUP INC	18,900
3,300	FOSTER WHEELER CORP	89,512
2,400	FRANKLIN RES INC	84,600
4,100	FREEPORT-MCMORAN COPPER IN	106,600
3,500	FREEPORT-MCMORAN INC	127,750
3,700	FREMONT GEN CORP	89,725
416	FRISCHS RESTAURANTS INC	4,420
1,400	FUND AMERICAN COS	87,850
1,300	FUQUA INDS INC	15,925
57,595	G T E CORP.	1,706,251
1,800	G-III APPAREL GRP	6,300
8,600	GANNETT INC.	360,125
3,800	GAP INC	227,525
7,100	GATX	227,200
800	GEICO CORP.	146,800
2,900	GENCORP	28,637
5,900	GENENTECH INC	162,250
3,600	GENERAL CINEMA CORP	84,600
2,200	GENERAL DYNAMICS	92,125
47,400	GENERAL ELECTRIC CO.	3,507,600
12,300	GENERAL MILLS INC.	694,950
4,700	GENERAL MOTORS (H)	78,725
5,100	GENERAL MOTORS CORP CL E	238,425
32,100	GENERAL MOTORS CORP.	1,308,075
6,200	GENERAL PUBLIC UTILITIES CORP	143,375
4,800	GENERAL RE CORP.	456,600
2,000	GENETICS INST INC	61,500
2,000	GENLYTE GROUP INC	13,500
4,100	GENUINE PARTS CO.	175,787
10,100	GEORGE A HORMEL & CO	195,687
4,700	GEORGIA PACIFIC CORP.	245,575
2,800	GERBER PRODS CO	167,300
2,100	GERBER SCIENTIFIC	25,200
3,200	GIANT FOODS INC	94,000
11,800	GILLETTE COMPANY	404,150
1,800	GITANO GROUP INC	33,975

NO. OF SHARES	SECURITY	MARKET VALUE
6,500	GLENFED INC	\$ 34,937
11,600	GOLDEN ENTERPRISES	87,000
3,800	GOLDEN VY MICROWAVE FOODS I	85,025
3,300	GOLDEN WEST FIN'L	116,737
1,300	GOODRICH (B.F.)	51,350
2,900	GOODYEAR TIRE & RUBBER	96,425
3,100	GORMAN RUPP CO	84,087
2,700	GOULDS PUMPS INC	60,412
4,400	GRACE W R & CO	147,950
2,900	GRAINGER W W INC	135,937
2,000	GREAT ATLANTIC & PAC TEA INC	86,750
1,800	GREAT LAKES CHEMICAL CORP	146,700
6,800	GREAT WESTERN FINANCIAL	120,700
1,200	GREENTREE ACCEPT. INC.	32,100
4,600	GROSSMANS INC	14,375
2,300	GROW GROUP INC	17,825
4,700	GRUBB & ELLIS CO	8,812
7,700	GULF CDA RES. LTD.	59,675
800	GULF RES & CHEM CORP	4,700
2,000	GUNDLE ENVIRONMENTAL SYS IN	29,500
17,700	HADSON CORP	35,400
5,600	HALLIBURTON INC.	204,400
1,000	HALLWOOD GROUP INC	7,125
1,200	HANCOCK FABRICS INC	28,650
3,500	HANDY & HARMAN	44,187
2,400	HANNAFORD BROS CO	104,700
2,900	HANOVER INS. CO	81,925
3,100	HARLAND JOHN H CO	68,975
3,300	HARNISCHFEGER INDS INC	68,062
2,100	HARRIS CORP.	54,337
1,300	HARSCO CORP	35,750
1,400	HARTMARX CORP	13,475
700	HAVERTY FURNITURE CO	6,650
600	HAVERTY FURNITURE COS INC	6,300
3,500	HAWAIIAN ELEC INDS INC	111,562
3,800	HEALTHCARE SVCS GROUP INC	92,150
14,300	HECHINGER CO CL B CV	173,387
1,500	HECLA INC.	17,250
2,000	HEEKIN CAN INC	65,500
2,400	HEICO CORPORATION	27,300
19,200	HEINZ H.J. & CO.	708,000
2,100	HELMERICH & PAYNE INC	48,300
1,200	HENLEY PTYS INC	1,650
2,400	HERCULES INC.	88,800
6,900	HERSHEY FOODS CORP	281,175
12,900	HEWLETT PACKARD CO.	654,675
3,100	HIBERNIA CORP	13,950
1,900	HILLENBRAND INDS INC	85,025
2,500	HILTON HOTELS CORP	104,687
1,900	HOLLY CORP	61,037
10,050	HOME DEPOT INC.	453,506
2,000	HOME OIL LTD NEW	25,750
1,700	HOMEFED CORPORATION	4,250
5,200	HOMESTAKE MNG CO	87,100
4,800	HONEYWELL INC.	291,000
2,200	HOUSEHOLD INTL.	99,275
6,800	HOUSTON INDUSTRIES INC.	243,100
1,890	HUBBELL INC.	92,846
7,100	HUFFY CORP	180,162
5,500	HUMANA INC.	263,312
4,300	HUNTINGTON BANCSHARES INC	74,175

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NO. OF SHARES	SECURITY	MARKET VALUE
4,700	I B P INC	\$ 82,837
4,600	I C H	16,675
2,900	I E INDS INC	76,125
1,500	I N B FINANCIAL CORP	40,125
6,700	I T T CORP	376,875
1,600	IFR SYS INC	12,000
4,900	ILLINOIS POWER CO.	91,875
3,000	ILLINOIS TOOL WORKS INC	188,625
5,800	IMC FERTILIZER GROUP INC	267,525
1,400	IMCERA GROUP INC	131,250
10,600	IMPERIAL OIL CO. LTD.	495,550
5,500	INCO INC.	197,312
4,000	INFORMATION RES INC	95,000
2,700	INGERSOLL RAND	136,350
3,800	INLAND STEEL IND. INC.	81,700
10,800	INTEL CORP.	502,200
3,600	INTERGRAPH CORP.	90,900
30,600	INTERNATIONAL BUSINESS MACH	2,972,025
2,000	INTERNATIONAL FLAVORS & FRA	154,250
4,500	INTERNATIONAL GAME TECHNOL	198,562
5,800	INTERNATIONAL PAPER CO	408,900
2,000	INTERPROVINCIAL PIPE LINE INC	52,000
2,000	INTERPUBLIC GROUP	83,250
3,000	INTERSTATE PWR CO	88,875
5,100	INTERTAN INC	114,750
3,300	IOWA ILL GAS & ELEC CO	73,425
1,800	IPALCO ENTERPRISES	49,500
6,200	JACOBS ENGR GROUP INC	139,500
4,300	JAMES RIV CORP VA	108,037
1,900	JAN BELL MARKETING	21,850
1,900	JEFFERSON PILOT CORP.	81,225
4,500	JEFFRIES GROUP	59,625
17,800	JOHNSON & JOHNSON	1,486,300
2,700	JOHNSON CONTROLS	82,350
16,200	JONES INTERCABLE INC CL A	143,775
3,100	JOSTENS INC	95,712
1,000	JUSTIN INDS INC	11,250
3,200	K L A INSTRS CORP	40,000
2,600	K L M ROYAL DUTCH AIR	37,700
10,700	K MART CORPORATION	484,175
1,500	K N ENERGY INC.	35,250
2,400	K V PHARMACEUTICAL INC	31,800
2,200	KANSAS CITY PWR & LT CO	81,400
2,900	KANSAS PWR & LT CO	69,237
3,800	KAUFMAN & BROAD HOME CORP	51,300
1,900	KAYDON CORP	81,225
9,000	KELLOGG CO	885,375
11,100	KELLWOOD CO.	205,350
2,100	KELLY SVCS INC	82,425
2,500	KEMPER CORP.	82,500
3,700	KENNAMETAL INC	131,812
3,600	KENTUCKY UTILS CO	81,450
2,600	KERR MCGEE CORP.	103,025
2,500	KEYCORP	84,687
3,100	KEYSTONE INTL INC	96,487
4,200	KIMBERLY CLARK CORP	401,100
3,200	KING WORLD PRODTNS INC	93,600
2,700	KNIGHT RIDDER INC.	132,637
4,200	KROGER COMPANY	89,775
1,100	L & N HSG CORP	7,012
1,200	LA Z BOY CHAIR CO	29,550

NO. OF SHARES	SECURITY	MARKET VALUE
6,600	LAC MINERALS LTD NEW	\$ 55,275
2,300	LAFARGE CORP.	31,337
12,800	LAIDLAW INC CL B	128,000
3,700	LANCE INC.	85,100
1,200	LANDMARK SVGS ASSN PITTSBUR	5,550
1,900	LAWSON PRODS INC	55,575
1,700	LEGENT CORP	42,712
15,800	LILLY ELI & CO	1,135,625
19,200	LIMITED INC.	542,400
2,700	LIN BROADCAST. CORP.	157,950
2,200	LINCOLN NATL CORP IND	100,925
2,000	LINCOLN TELECOMMUNICATIONS	47,000
1,300	LITTON INDS INC.	100,100
4,100	LIVE ENTERTAINMENT	56,375
4,600	LIZ CLAIBORNE INC.	215,625
3,300	LOCKHEED AIRCRAFT CORP	143,962
3,200	LOCTITE CORP	106,800
3,900	LOEWS CORP	390,487
1,800	LONG DRUG STORES INC	79,200
2,000	LORAL CORP	81,250
2,800	LOTUS	93,800
2,400	LOUISIANA LD & EXPL CO	85,500
1,500	LOUISIANA PAC. CORP.	61,312
2,400	LOWES COMPANY	75,300
1,900	LUBRIZOL CORP	87,637
3,400	LUBYS CAFETERIAS INC	62,050
1,900	LUKENS STL CO	83,600
1,800	LUMEX INC	15,300
3,900	LYONDELL PETROCHEMICAL CO	93,600
3,000	M B I A INC	92,250
13,500	M C I COMMUNICATIONS	379,687
2,900	M C N CORP	62,350
2,300	M D U RESOURCES GROUP	47,725
5,100	M N C FINANCIAL INC	19,125
5,100	MACMILLAN BLOEDEL LTD	93,075
5,600	MACNEIL SCHWENDLER CORP.	87,500
1,500	MAGMA COPPER CO NEW CL B	8,625
1,400	MANITOWOC INC	26,600
4,300	MANOR CARE INC	82,237
3,600	MANUFACTURERS HANOVER	77,850
900	MANUFACTURERS NATL CORP	55,125
2,000	MAPCO INC	99,750
14,800	MARION MERREL DOW	514,300
5,100	MARRIOTT CORP.	90,525
3,900	MARSH & MCCLENNAN	305,175
2,300	MARSHALL & ILSLEY CORP	90,850
2,700	MARSHALL INDUSTRIES	64,800
2,800	MARTIN MARIETTA	156,450
8,400	MASCO CORP	193,200
4,400	MASCO INDS	30,250
7,100	MAXUS ENERGY CORP	60,350
2,900	MAXXAM INC	134,850
6,500	MAY DEPT. STORES CO.	346,125
6,900	MAYTAG CO.	104,362
2,900	MBNA CORP	89,537
9,600	MCCAW CELLULAR COMMUNICAT	204,000
2,900	MCCLATCHY NEWSPAPERS INC	62,350
6,300	MCCORMICK & CO INC	252,000
2,900	MCDERMOTT INTL INC	54,375
19,400	MCDONALDS CORP.	637,775
2,000	MCDONNELL DOUGLAS CORP.	100,750



**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE EQUITY ACCOUNT  
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NO. OF SHARES	SECURITY	MARKET VALUE
9,300	MC FARLAND ENERGY INC	\$ 60,450
2,500	MCGRAW HILL INC.	148,437
2,700	MCKESSON CORP	89,100
3,200	MEAD CORP.	105,600
2,400	MEASUREX CORP	49,800
4,100	MEDCO CONTAINMENT SVCS INC	196,800
1,300	MEDIA GEN INC	27,462
1,800	MEDICAL CARE INT'L INC	98,100
3,000	MEDICINE SHOPPE INTL INC	61,500
1,600	MEDTRONIC INC.	180,800
2,900	MELLON BANK CORP	86,637
5,400	MELVILLE CORPORATION	261,900
2,100	MENTOR GRAPHICS CORP.	34,125
1,800	MERCANTILE STORES INC	71,100
5,700	MERCANTILE BANCORPORATION I	171,000
20,800	MERCK & COMPANY INC.	2,415,400
3,300	MEREDITH CORP	90,750
3,700	MERIDIAN BANCORP INC	59,200
13,000	MERRILL CORP	191,750
5,400	MERRILL LYNCH & CO. INC.	207,225
5,800	METRO MOBILE CTS INC CL B	87,000
1,400	MICHIGAN NATL CORP	38,500
6,800	MICRON TECHNOLOGY	79,900
9,150	MICROSOFT CORP	623,343
3,200	MIDLANTIC CORP	16,000
3,581	MIDWEST RESOURCES	70,277
6,000	MILLER HERMAN INC.	123,000
10,600	MILLICOM INC	51,675
2,200	MILLIPORE CORP.	91,300
3,000	MILTOPE GROUP INC	9,750
500	MINE SAFETY APPLIANCES CO	26,750
11,800	MINNESOTA MNG & MFG CO	1,104,775
21,600	MOBIL CORPORATION	1,387,800
1,800	MOLEX INC	49,050
1,800	MOLEX INC CL A	47,250
1,000	MONARCH CAPITAL CORP.	468
6,900	MONSANTO CO.	455,400
3,600	MONTANA PWR CO	80,550
4,800	MOORE CORP LTD	128,400
9,900	MORGAN J P & COMPANY INC.	516,037
1,200	MORGAN PRODS LTD	13,200
1,900	MORGAN STANLEY GROUP INC	150,812
1,400	MORRISON KNUDSEN CORP	65,450
2,500	MORTON INTERNATIONAL	131,875
7,000	MOTOROLA INC.	465,500
1,700	MURPHY OIL	59,287
5,000	MYCOGEN CORP	73,750
3,700	MYLAN LABS INC	89,725
2,800	N B B BANCORP INC	29,050
3,800	N B D BANCORP	131,575
6,100	N C N B CORP.	218,075
3,800	N C R CORP.	406,600
4,400	N I P S C O INDUSTRIES	90,200
1,200	NAC RE CORP	44,100
1,500	NACCO INDS INC CL A	68,812
3,800	NALCO CHEMICAL CO.	107,825
1,000	NASH FINCH CO	19,000
1,700	NASHUA CORP	52,062
3,200	NATIONAL CITY CORP	110,400
7,600	NATIONAL DATA CORP	102,600
1,300	NATIONAL INTERGROUP INC	20,637
14,600	NATIONAL SAN SUPPLY	105,850

NO. OF SHARES	SECURITY	MARKET VALUE
3,200	NATIONAL SVC INDS INC	\$ 80,000
5,200	NATL HEALTH LABS	98,800
1,600	NATL PRESTO	75,400
4,200	NATL. MEDICAL ENTER. INC.	183,225
9,800	NATL. SEMICONDUCTOR	55,125
14,700	NAVISTAR INTL CORP.	51,450
3,000	NERCO INC	64,125
1,900	NEUTROGENA CORP	28,975
2,400	NEVADA PWR CO	43,800
5,300	NEW ENGLAND BUS SVC INC	94,075
3,200	NEW ENGLAND ELEC SYS	89,600
800	NEW JERSEY RES CORP	14,900
1,500	NEW YORK BANCORP INC	18,000
3,100	NEW YORK ST ELEC & GAS CORP	76,337
4,000	NEW YORK TIMES CO	96,500
3,100	NEWELL COS.	103,850
5,600	NEWMONT GOLD CO	224,000
3,600	NEWMONT MINING	143,100
7,200	NIAGARA MOHAWK PWR CORP	110,700
2,000	NICOR INC	86,500
3,800	NIKE INC.	137,275
3,600	NOBLE AFFILIATES INC	48,150
1,300	NOLAND CO.	16,575
1,200	NORD RES CORP	8,400
500	NORDSON CORP	26,375
4,000	NORDSTROM INC	158,000
9,000	NORFOLK SOUTHERN CORP	410,625
900	NORTANKERS INC	6,300
5,500	NORTEK INC.	11,000
700	NORTH CAROLINA NAT GAS CORP	16,800
1,300	NORTH FORK BANCORP INC	11,537
1,400	NORTH SIDE SVGS BK BRONX N Y	12,950
5,500	NORTHEAST UTILITIES	113,437
3,400	NORTHERN STATES PWR MINN	117,725
13,000	NORTHERN TELECOM LTD.	474,500
2,200	NORTHERN TRUST CORP	83,600
2,900	NORTHROP CORP	73,587
2,400	NORTHWESTERN PUB SVC CO	59,700
10,072	NORWEST CORP.	276,980
5,000	NOVA PHARMACEUTICAL CORP	23,125
15,800	NOVA-AN ALBERTA CORP	106,650
3,700	NOVELL INC	181,300
7,600	NOWSCO WELL SERVICE LTD	91,200
1,000	NUCOR CORP	75,750
10,700	NYNEX	763,712
15,700	OCCIDENTAL PETE CORP	335,587
10,500	OCCUPATIONAL URGENT CARE	236,250
2,800	OCEAN DRILLING & EXPL CO	52,150
4,100	OGDEN CORP.	77,387
2,900	OGDEN PROJS INC	61,625
8,000	OHIO EDISON CO	146,000
2,100	OKLAHOMA GAS & ELEC CO	79,275
2,800	OLD KENT FINL CORP	73,500
1,540	OLD REP INTL CORP	42,735
3,000	OLD STONE CORP	24,000
3,300	OLIN CORP	162,937
2,400	OMNICOM GROUP INC.	68,100
3,255	ONEITA INDS INC	24,005
3,000	ONEOK INC	42,750
1,000	OPTICAL RADIATION CORP	25,000
10,100	ORACLE SYS CORP	85,850
1,600	OREGON STEEL MILLS	50,800

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NO. OF SHARES	SECURITY	MARKET VALUE
4,400	ORIENT EXPRESS HOTELS INC.	\$ 14,300
5,600	ORYX ENERGY COMPANY	174,300
2,400	OTTER TAIL POWER CO	61,800
2,900	OVERSEAS SHIPHOLDING GROUP I	57,637
4,300	OWENS CORNING FIBERGLAS (NE	114,487
5,900	OXFORD INDS INC	71,537
2,400	P H M CORPORATION	30,300
5,000	P N C FINANCIAL	180,625
5,800	P P G INDUSTRIES INC	321,175
700	P S GROUP INC	29,750
4,800	P S I RESOURCES INC	75,600
1,700	PACCAR INC	75,225
3,700	PACIFIC ENTERPRISES	96,662
22,500	PACIFIC GAS & ELEC. CO.	568,125
2,800	PACIFIC TELECOM INC	73,500
21,600	PACIFIC TELESIS GP.	912,600
14,000	PACIFICORP	294,000
3,400	PAINE WEBBER	66,725
3,300	PALL CORP	118,387
2,400	PANCHOS MEX BUFFET	18,000
4,400	PANHANDLE EASTN CORP	51,150
8,300	PANSOPHC SYS INC	90,262
6,300	PARAMOUNT COMMUNICATION	252,787
6,000	PARKER DRILLING CO	42,000
3,300	PARKER HANNIFIN CORP	88,687
900	PAYCHEX INC	21,150
5,300	PEGASUS GOLD INC	70,225
6,800	PENNEY J.C. INC.	360,400
4,000	PENNSYLVANIA PWR & LT CO	174,500
2,100	PENNZOIL CO.	150,937
2,500	PENTAIR INC	96,250
1,100	PEOPLES BANCORP	20,350
3,100	PEOPLES ENERGY CORP	76,725
2,700	PEOPLES HERITAGE SVGS BK	8,100
3,100	PEOPLES WESTCHESTER SVGS BK	45,725
59,230	PEPSICO INCORPORATED	1,717,670
3,200	PERKIN ELMER	91,200
7,700	PET INC NEW	136,675
2,900	PETRIE STORES CORP.	59,087
17,800	PFIZER INCORPORATED	987,900
1,800	PHELPS DODGE	116,550
11,300	PHILADELPHIA ELEC. CO.	227,412
21,600	PHILIP MORRIS COS INC	1,371,600
13,800	PHILLIPS PETROLEUM CO.	351,900
3,700	PHILLIPS VAN HEUSEN CORP	105,450
3,500	PICCADILLY CAFETERIAS INC	38,500
2,060	PINELANDS INC	29,870
5,600	PINNACLE WEST CAPITAL CORP	55,300
1,000	PIONEER GROUP INC	20,250
3,800	PIONEER HI-BRED INTL.	188,100
4,200	PITNEY BOWES INC.	247,275
2,600	PITTSTON CO	43,875
12,500	PLACER DOME INC	170,312
1,400	PLAINS PETE CO	42,875
1,800	POGO PRODUCING CO	9,450
2,800	POLAROID CORP.	68,950
1,700	POLICY MGMT. SYS. CORP.	81,175
9,200	POLYGRAM N V	158,700
5,300	PONCE FED SVGS & LN ASSN P R	17,225
105	POOL ENERGY SRVS CO	774
8,200	POPE & TALBOT	141,450
3,500	PORTLAND GENERAL CORP	61,250

NO. OF SHARES	SECURITY	MARKET VALUE
6,000	POTASH CORP SASK INC	\$ 95,250
2,000	POTLATCH CORP	85,000
6,000	POTOMAC ELEC. & PWR.	123,000
2,100	PRATT & LAMBERT INC	28,612
3,500	PRECISION CASTPARTS CORP	113,750
4,200	PREMARK INTL INC	91,350
3,000	PREMIER INDL CORP	82,500
2,400	PRICE CO	129,600
2,800	PRIMARK CORP	30,100
5,900	PRIMERICA CORP NEW	163,725
18,500	PROCTOR & GAMBLE	1,431,437
1,500	PROGRESSIVE CORP OHIO	79,687
1,300	PROMUS COS INC	26,000
1,500	PROTECTIVE LIFE CORP	33,000
5,100	PROVIDENCE FUND LIFE & ACC	91,800
11,700	PUBLIC SERVICE ENTERPRISE GRO	302,737
3,200	PUBLIC SVC CO COLO	72,400
9,800	PUBLIC SVC CO N MEX	100,450
3,300	PUGET SOUND BANCORP WASH	84,975
3,800	PUGET SOUND PWR & LT CO	85,500
2,100	PULITZER PUBG CO	48,300
2,700	PURITAN BENNETT CORP	77,625
5,800	QUAKER OATS CO	359,600
11,100	QUAKER ST CORP	122,100
3,600	QUANTUM CORP.	37,350
4,600	QUEBECOR INC	71,300
3,400	QUESTAR CORP	65,025
1,900	QUICK & REILLY GROUP INC	32,300
2,100	R M I TITANIUM CO	9,975
2,750	R P M INC OHIO	61,187
1,200	R S FINANCIAL CORP	9,600
8,400	RALSTON PURINA CO.	411,600
15,100	RANGER OIL LTD	105,700
2,100	RAYCHEM CORP	54,600
3,400	RAYTHEON COMPANY	272,000
6,300	READERS DIGEST CORP	218,137
6,100	REEBOK INTERNATIONAL LTD	148,687
1,800	REPUBLIC N Y CORP	107,775
2,500	REYNOLDS & REYNOLDS CO	55,625
3,200	REYNOLDS METALS CO	188,800
7,200	RHONE POULENC RORER	300,600
1,200	RIGGS NATL CORP WASH D C	9,300
2,100	RITE AID CORP	89,512
2,000	ROADWAY SVCS INC	103,000
1,100	ROBERTSON CECO CORP	4,262
2,900	ROCHESTER GAS & ELEC CORP	56,187
1,700	ROCHESTER TEL CORP	49,512
12,900	ROCKWELL INTL CORP	359,587
3,500	ROHM & HAAS CO	150,500
5,600	ROLLINS ENVIR. SVS.	46,900
5,400	ROLLINS TRUCK LEASING	66,825
1,200	ROTO ROOTER INC	19,950
4,500	ROUSE CO	74,250
4,300	ROWAN COMPANIES INC	36,012
4,900	ROYAL INTL OPTICAL CORP	8,575
4,200	RUBBERMAID INC	212,100
2,800	RUSSELL CORP	66,850
3,800	RYDER SYSTEMS INC.	73,150
1,323,880	S.B.I. SUPPLEMENTAL MONEY FU	1,323,880
11,700	S C E CORP.	454,837
4,100	S C I SYSTEMS INC.	30,750
1,100	S P S TECHNOLOGIES INC	32,175

**MINNESOTA STATE BOARD OF INVESTMENT**  
**PASSIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
3,200	SAFECO CORPORATION	\$ 124,800
3,000	SAFETY KLEEN CORP	91,875
5,500	SAFEWAY INC	101,062
1,500	SALEM CARPET MLS INC	6,000
5,900	SALOMON INC	191,750
3,000	SAN DIEGO GAS & ELEC CO	112,125
2,502	SANTA FE ENERGY RES	32,213
8,363	SANTA FE SO. PACIFIC CORP.	74,221
17,300	SARA LEE	698,487
4,000	SAVANNAH FOODS & INDS INC	87,000
2,400	SCANA	90,000
1,800	SCHEIB EARL INC	20,925
12,100	SCHERING PLOUGH CORP	601,975
12,700	SCHLUMBERGER LTD	747,712
1,700	SCHULMAN A INC	58,650
6,900	SCIENTIFIC ATLANTA INC	94,875
3,900	SCOTT PAPER CO.	162,825
1,100	SCURRY RAINBOW OIL	23,375
2,700	SEA CONTAINERS LTD.	131,962
1,500	SEAFIELD CAP CORP	33,937
5,400	SEAGATE TECHNOLOGY	40,500
18,300	SEARS ROEBUCK & COMPANY	693,112
1,400	SECURITY BANCORP INC	39,900
6,400	SECURITY PACIFIC CORP.	147,200
2,900	SELECTIVE INSURANCE GROUP IN	41,325
4,700	SENSORMATIC ELECTRS CORP	110,450
1,500	SEQUA CORP CLASS A	78,562
200	SEQUA CORP CLASS B	12,150
5,700	SHARED MED. SYSTEMS CORP.	111,862
3,600	SHAW INDS INC	123,300
5,300	SHAWMUT NATL CORP	24,512
4,600	SHERWIN WILLIAMS CO.	112,125
3,600	SHOREWOOD PACKAGING CORP	38,250
2,300	SIERRA PAC RES	51,462
2,800	SIGMA ALDRICH	105,000
1,900	SIGNET BANKING CORP.	30,637
2,100	SILICON GRAPHICS INC	59,587
1,800	SILICON VY GROUP	12,825
5,400	SIZZLER INTL INC	91,125
1,200	SKYLINE CORP.	18,300
2,100	SMUCKER J M CO	101,850
2,200	SNAP ON TOOLS CORP	65,450
2,200	SOCIETY CORP	91,850
2,200	SONAT INC.	87,175
2,300	SONOCO PRODS CO	80,500
3,600	SOUTH CAROLINA NATL. CORP	113,850
500	SOUTH JERSEY INDUSTRIES	9,250
1,500	SOUTHDOWN INC.	27,750
4,800	SOUTHEAST BKG CORP	12,000
16,900	SOUTHERN CO	464,750
3,100	SOUTHERN NEW ENGLAND TELEC	99,975
500	SOUTHERN UN CO INC	6,250
3,000	SOUTHWEST AIRLINES	78,000
16,200	SOUTHWESTERN BELL CORP.	866,700
1,400	SOUTHWESTERN ENERGY CO	49,000
2,600	SOUTHWESTERN PUB SVC CO	74,425
1,400	SPRINGS INDS INC	41,650
800	SPX CORPORATION	12,800
2,500	ST JUDE MED INC	108,750
2,600	ST. PAUL COS. INC.	163,150
2,200	STANDARD BRANDS PAINT CO	16,225
1,800	STANDARD PRODS CO	31,500

NO. OF SHARES	SECURITY	MARKET VALUE
2,700	STANHOME INC	\$ 90,450
2,300	STANLEY WKS	87,687
2,000	STARRETT L S CO	45,750
2,000	STATE STREET BOSTON CORP	89,500
4,800	STERLING CHEMS INC	26,400
2,300	STEWART & STEVENSON SVCS INC	100,050
1,100	STEWART INFORMATION SVCS CO	12,650
10,400	STONE CONTAINER CORP	224,900
618	STRAWBRIDGE & CLOTHIER	16,686
6,400	STRYKER CORP	160,000
5,200	STUDENT LN MARKETING ASSN	273,000
5,600	SUN COMPANY INC	162,400
1,500	SUN ELEC CORP	13,500
2,800	SUN GUARD DATA SYSTEMS	46,900
5,200	SUN MICROSYSTEMS INC	144,950
2,100	SUNDSTRAND CORP	68,250
6,800	SUNTRUST BKS INC	204,850
4,100	SUPER VALU STORES INC.	114,287
2,300	SURGICAL CARE AFFIL.	86,537
12,000	SYNTEX CORPORATION	459,000
7,000	SYS CO CORP	287,000
12,900	T C B Y ENTERPRISES INC	95,137
4,800	T J X COS INC NEW	86,400
3,200	T R W INC	134,800
1,400	T.J. INTL. INC.	37,450
600	TAB PRODS CO	6,675
800	TALLEY INDS INC	4,400
2,200	TAMBRANDS INC.	112,750
6,000	TANDEM COMPUTERS INC	83,250
4,400	TANDY CORP	117,700
3,800	TECH SYM CORP	45,600
2,900	TECO ENERGY INC	98,600
300	TECUMSEH PRODS CO	30,150
3,700	TEJAS GAS CORP DEL	98,975
18,900	TELE COMMUNICATIONS INC	259,875
2,900	TELEDYNE INC.	55,100
1,800	TELEPHONE & DATA SYS INC	53,775
6,700	TELESPHERE COMMUNICATIONS	7,537
2,800	TEMPLE INLAND	127,050
600	TENNANT CO	21,000
6,700	TENNECO INC.	268,000
2,600	TESORO PETE CORP	20,475
13,900	TEXACO INC.	835,737
1,900	TEXAS INDUSTRIES	42,512
4,300	TEXAS INSTRUMENTS	142,975
11,000	TEXAS UTILITIES CO.	382,250
4,500	TEXTRON INC	144,562
1,900	THERMO INST SYS INC	42,987
1,000	THOMAS & BETTS CORP	54,000
13,300	THREE COM CORP.	101,412
1,700	TIDEWATER INC.	23,375
1,100	TIFFANY & CO NEW	58,300
3,100	TIME WARNER INC	273,187
6,800	TIMES MIRROR CO CL A	200,600
1,800	TIMKEN CO	46,350
400	TNP ENTERPRISES INC	7,050
2,800	TORCHMARK CORP	135,100
3,500	TOTAL CDA OIL & GAS LTD.	16,625
3,500	TOTAL PETE NORTH AMER	48,562
15,300	TOYS R US	430,312
600	TRANS WORLD MUSIC CORP	10,500
4,000	TRANSAMERICA CORP	129,500

**MINNESOTA STATE BOARD OF INVESTMENT**  
**PASSIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
7,700	TRANSCANADA PIPELINES LTD	\$ 118,387
1,800	TRANSCO ENERGY CO.	54,675
5,400	TRAVELERS CORP.	117,450
3,800	TRIBUNE COMPANY	165,775
2,700	TRINOVA CORP	68,850
1,600	TUCSON ELECTRIC PWR CO	8,600
3,300	TULTEX CORP	24,750
7,900	TURNER BROADCASTIN	105,662
2,500	TYCO LABS	120,000
3,200	TYCO TOYS INC	56,800
1,400	TYLER CORP DEL	4,375
10,400	TYSON FOODS INC	214,500
1,100	U A L CORP	152,625
8,800	U J B FINANCIAL CORP	107,800
4,100	U N C RESOURCES	19,475
3,900	U S BANCORP	117,000
4,500	U S F & G CORP.	40,500
8,300	U S G CORP	14,525
2,500	U S WEST NEWVECTOR GROUP INC	100,625
2,500	UNI MARTS INC	9,062
3,600	UNION CAMP CORP.	160,200
6,800	UNION CARBIDE CORP	138,550
5,200	UNION ELEC CO	154,700
5,300	UNION PACIFIC CORP.	442,550
4,300	UNION TEX PETE HLDGS INC	71,487
8,400	UNISYS CORP.	31,500
7,000	UNITED ARTISTS ENTMT CL A	97,125
1,200	UNITED ASSET MGMT CORP	28,500
4,400	UNITED HEALTHCARE CORP	197,450
1,900	UNITED INVESTORS MGT CO	34,200
700	UNITED MO BANCSHARES	22,400
500	UNITED NEW MEXICO FIN'L CORP.	6,125
7,100	UNITED STATES SHOE CORP	90,525
3,600	UNITED STATES SURGICAL CORP	225,450
7,000	UNITED TECHNOLOGIES CORP.	311,500
11,200	UNITED TELECOM. INC.	330,400
2,900	UNITRIN INC	98,600
3,100	UNIVERSAL FOODS CORP	112,375
6,000	UNIVERSAL HEALTH SVCS INC	86,250
5,900	UNO RESTAURANT CORP	59,000
12,500	UNOCAL CORP.	293,750
2,100	UNUM CORP	134,137
9,600	UPJOHN COMPANY	406,800
2,200	US AIR GROUP	33,000
4,100	US FACS CORP	44,587
4,200	US HEALTHCARE INC.	135,450
21,100	US WEST CORP	746,412
600	USLICO CORP	11,775
2,700	USLIFE CORP.	111,037
13,500	USX MARATHON GROUP COM NE	303,750
2,700	USX U S STL	61,762
4,900	UTILICORP UTD INC	120,662
3,100	V F CORP	89,125
5,700	VALHI INC NEW	37,762
3,800	VALLEY NATIONAL CORP.	86,925
2,700	VAN DORN CO	38,812
2,600	VARIAN ASSOC. INC.	107,575
1,500	VARLEN CORP	21,000
845	VENTURE STORES INC	19,118
4,000	VERMONT FIN'L SVCS	28,000
1,400	VICORP RESTAURANTS INC	35,000
950	VIDEOCART INC	8,668

NO. OF SHARES	SECURITY	MARKET VALUE
10,900	VIE DE FRANCE CORP	\$ 23,162
600	VIVRA INC	13,200
2,500	VORNADO INC	64,375
2,500	VULCAN MATLS CO	94,375
9,200	WABAN INC	185,150
4,500	WACHOVIA CORP NEW	224,437
61,100	WAL-MART STORES INC.	2,612,025
2,200	WALBRO CORP	25,300
6,600	WALGREEN CO	219,450
2,600	WALLACE COMPUTER SER INC	59,800
9,300	WANG LABS CL B	34,875
7,200	WARNER LAMBERT	522,000
3,900	WASHINGTON GAS LT CO	111,150
3,300	WASHINGTON MUT SVGS BK SEAT	82,912
2,100	WASHINGTON NATL CORP	30,712
600	WASHINGTON POST B	134,400
2,100	WASHINGTON WTR PWR CO	62,475
25,900	WASTE MANAGEMENT	945,350
1,100	WATKINS JOHNSON CO.	17,462
800	WATTS INDS INC	39,200
1,500	WAUSAU PAPER MLS CO	87,000
1,600	WD 40 CO	52,000
1,500	WEIRTON STL CORP	8,250
900	WEITEK CORP	9,787
2,100	WELLMAN INC	56,437
2,700	WELLS FARGO & CO.	186,300
12,600	WENDYS INTL INC	122,850
9,000	WEST INC	144,000
700	WEST ONE BANCORP	21,175
7,000	WESTERN PUBG GROUP INC	80,500
16,900	WESTINGHOUSE ELEC. CO.	471,087
2,000	WESTMARK INTL INC	71,250
2,100	WESTMORELAND COAL CO	40,950
3,400	WESTVACO CORP	113,050
2,400	WETTERAU INC	66,900
10,700	WEYERHEUSER CO.	286,225
4,400	WHEELABRATOR TECHNOLOGY	111,100
3,700	WHIRLPOOL CORP.	118,862
2,100	WHITEHALL CORP.	29,925
10,900	WHITMAN CORP	144,425
3,000	WICOR INC	61,125
400	WILEY JOHN + SON	14,800
1,800	WILLAMETTE INDS INC.	102,825
2,600	WILLIAMS COMPANIES INC	82,550
2,808	WILLIS CORROON PLC	70,200
2,000	WILMINGTON TRUST CO.	96,000
4,200	WINN DIXIE STORES INC	161,175
5,300	WINNEBAGO IND INC.	25,837
3,400	WISCONSIN ENERGY CORP	110,075
5,800	WISER OIL CO DEL	89,175
1,700	WITCO CORP.	69,912
6,700	WOOLWORTH CORP	206,025
2,800	WORTHINGTON INDS INC	72,100
3,000	WRIGLEY WM JR CO	179,250
3,900	WYMAN-GORDON CO.	24,375
1,500	WYNNS INTL INC	26,625
4,900	XEROX CORP	264,600
800	XTRA CORP.	18,400
3,000	YELLOW FREIGHT SYSTEM	90,750
1,500	ZIONS BANCORP	60,000
1,900	ZURN INDS INC	66,506
TOTAL EQUITY PORTFOLIO		\$ 181,689,111

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
<b>ALLIANCE CAPITAL MANAGEMENT</b>		
115,000	AMERICAN INTERNATIONAL GRP.	\$ 9,688,750
160,000	APPLE COMPUTER	6,640,000
208,275	BOEING COMPANY	9,528,581
372,200	COCA COLA COMPANY	20,284,900
118,000	DAYTON-HUDSON CORP.	8,437,000
156,800	DELTA AIR LINES INC.	10,966,275
103,600	DISNEY WALT CORP	11,551,400
395,800	FEDERAL NATIONAL MORTGAGE AS	19,592,100
184,350	G T E CORP.	5,461,368
208,000	GENERAL ELECTRIC	15,392,000
115,000	GENERAL MOTORS PFD. CONV. 3.31	4,758,125
167,000	GENERAL RE CORP.	15,885,875
225,000	HALLIBURTON INC.	8,212,500
240,000	HOME DEPOT INC.	10,830,000
315,750	INTEL CORP.	14,682,375
78,000	INTERNATIONAL BUSINESS MACH	7,575,750
208,000	JOHNSON & JOHNSON	17,368,000
223,162	LIN BROADCAST. CORP.	13,054,977
200,000	MERCK & COMPANY INC.	23,225,000
250,500	MICROSOFT CORP	17,065,312
315,000	MULTIMEDIA INC. NEW	8,662,500
305,000	NORWEST CORP.	8,387,500
293,000	NOVELL INC	14,357,000
471,000	PEPSICO INCORPORATED	13,659,000
425,000	PHILIP MORRIS COS INC	26,987,500
164,400	PRIMERICA CORP NEW	4,562,100
122,300	REUTERS HOLDINGS PLC	4,479,237
268,550	STUDENT LN MARKETING ASSN	14,098,875
380,000	SYNTEX CORPORATION	14,535,000
120,000	TIME WARNER INC	10,575,000
343,437	TOYS R US	9,659,165
97,600	U A L CORP	13,542,000
355,000	UNOCAL CORP.	8,342,500
497,400	WAL-MART STORES INC.	21,263,850
339,600	WASTE MANAGEMENT	12,395,400
125,000	XEROX CORP	6,750,000
<b>TOTAL EQUITY PORTFOLIO</b>		<b>\$ 442,456,915</b>

<b>FORSTMANN LEFF ASSOCIATES</b>		
20,800	ALLIED CLINICAL LABS	\$ 403,000
21,000	AMAX INC	485,625
169,200	AMERICAN FAMILY CORP	3,680,100
50,800	AMGEN CORP.	5,988,050
16,500	ATLANTIC SOUTHEAST	565,125
98,400	ATWOOD OCEANICS INC	984,000
117,400	BARD C.R. INC.	3,301,875
304,395	BEAR STEARNS COS INC	4,147,381
234,400	BIODIN INC	6,328,800
214,565	BURLINGTON RES INC	8,153,470
30,100	CIRCUS CIRCUS ENTER.	2,212,350
22,700	COMAIR INC	431,300
99,000	COSTCO WHSL CORP	4,059,000
77,100	COUNTRYWIDE CR. IND.	1,522,725
36,450	CRACKER BARREL OLD CTRY STOR	1,148,175
73,900	CRITICAL CARE AMER INC	2,420,225
70,520	CRYSTAL BRANDS INC	1,516,180
190,075	DIAMOND SHAMROCK R&M INC	4,015,334
807,000	DIASONICS INC	3,328,875
43,800	DREYERS GRAND ICE CREAM INC	1,259,250
170,200	DREYFUS CORP.	6,212,300
43,200	DURR FILLAUER MED INC	1,382,400

NO. OF SHARES	SECURITY	MARKET VALUE
<b>FORSTMANN LEFF ASSOCIATES (cont.)</b>		
29,500	ELECTRONIC ARTS	\$ 505,187
37,700	ENVOY CORP	442,975
96,700	FEDERAL NATL MORTGAGE ASSN	4,786,650
137,100	FIRST MISS CORP	1,559,512
158,300	FOOD LION INC CL A	2,770,250
47,100	GENERAL MOTORS CORP.	1,919,325
54,600	GRACE ENERGY CORP	832,650
73,600	HANCOCK FABRICS INC	1,757,200
44,000	HANDEX ENVIRONMENTAL	957,000
25,700	HARPER GROUP	668,200
98,355	HEALTHSOUTH REHAB	2,704,777
64,950	HOME DEPOT INC.	2,930,868
161,600	IMMUNEX CORP	6,948,800
123,000	INTEL CORP.	5,719,500
30,000	INTERNATIONAL BUSINESS MACH	2,913,750
412,300	MAGMA COPPER CO NEW CL B	2,370,725
223,500	MARINE HLDG CO	237,357
121,300	MATTEL INC	3,093,150
88,600	MCDERMOTT INTL INC	1,661,250
127,600	MEDCO CONTAINMENT SVCS INC	6,124,800
29,500	MESA AIRLINES	435,125
64,900	MORGAN J P & COMPANY INC.	3,382,912
32,200	NELCOR INC	627,900
36,000	NELSON THOMAS INC	468,000
87,500	NOBLE DRILLING CORP	459,375
16,800	NORWEST CORP.	462,000
44,600	NOVELL INC	2,185,400
104,600	PAINE WEBBER	2,052,775
64,800	PALL CORP	2,324,700
205,400	PARKER DRILLING CO	1,437,800
66,300	PEP BOYS MANNY MOE & JACK	919,912
125,600	PFIZER INCORPORATED	6,970,800
347,700	PRICE CO	18,775,800
70,700	RAYCHEM CORP	1,838,200
326,000	RYANS FAMILY STEAK HOUSES INC	2,567,250
21,100	SALOMON INC	685,750
245,200	SANTA FE ENERGY RES	3,156,950
775,375	SERVICE MERCHANDISE	8,044,515
140,800	SMITH INTL INC	1,830,400
96,700	SPX CORPORATION	1,547,200
24,700	ST. PAUL COS. INC.	1,549,925
133,700	STANDARD FED BK TROY MICH	1,470,700
390,000	TELEFONOS DE MEXICO	499,687
29,250	TELEFONOS DE MEXICO SA	749,531
107,400	TOYS R US	3,020,625
164,300	UNUM CORP	10,494,662
53,200	USX MARATHON GROUP COM NEW	1,197,000
133,100	VALERO ENERGY CORP	3,011,387
180,900	WABAN INC	3,640,612
16,900	WACHOVIA CORP NEW	842,887
94,700	WASTE MANAGEMENT	3,456,550
31,168	WHEELABRATOR TECHNOLOGY	786,992
<b>TOTAL EQUITY PORTFOLIO</b>		<b>\$ 205,342,788</b>

<b>FRANKLIN PORTFOLIO ASSOC TRUST</b>		
60,000	AETNA LIFE & CASUALTY CO.	\$ 2,482,500
96,300	AHMANSON H.F. CO.	1,745,437
40,700	AMERADA HESS CORP.	2,090,962
44,900	AMERICAN ELEC POWER INC	1,274,037
28,075	AMERICAN INTERNATIONAL GRP.	2,365,318
63,500	AMERICAN TEL & TEL NEW	2,428,875

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
FRANKLIN PORTFOLIO ASSOC TRUST (cont.)		
59,400	APPLE COMPUTER	\$ 2,465,100
83,200	ASARCO INC.	2,152,800
13,900	ATLANTIC RICHFIELD	1,595,025
99,200	BANKAMERICA CORP.	3,596,000
37,600	BECTON DICKINSON CO	2,796,500
46,300	BMC SOFTWARE INC	1,701,525
7,600	CAPITAL CITIES/ABC INC.	3,259,450
52,800	CHUBB CORPORATION	3,682,800
55,800	COCA COLA COMPANY	3,041,100
48,900	COMPAQ COMPUTER CORP	1,522,012
347,000	COMPUTER ASSOC INTL INC	3,513,375
70,500	CONAGRA INC.	2,943,375
119,950	CYPRUS MINERALS CORP	2,623,906
51,200	DUKE POWER CO. NC	1,414,400
48,200	EXXON CORPORATION	2,801,625
17,600	FEDERAL EXPRESS CORP.	677,600
81,700	FEDERAL NATL MORTGAGE ASSN	4,044,150
21,600	FEDERAL PAPER BRD INC	661,500
95,000	FIRST CHICAGO CORP	1,983,125
99,140	FIRST FINL MGMT CORP	3,531,862
80,400	FLEMING COS.	3,195,900
84,400	FOOD LION CORP	1,498,100
57,500	GAP INC	3,442,812
12,500	GEICO CORP.	2,293,750
136,800	GENERAL CINEMA CORP	3,214,800
28,700	GENERAL ELECTRIC CO.	2,123,800
68,200	GENERAL MOTORS (H)	1,142,350
126,400	GENERAL PUBLIC UTILITIES CORP	2,923,000
93,200	GENUINE PARTS CO.	3,995,950
61,100	GREAT ATLANTIC & PAC TEA INC	2,650,212
35,700	GREAT LAKES CHEMICAL CORP	2,909,550
77,200	HASBRO INC.	2,142,300
21,800	IMCERA GROUP INC	2,043,750
62,300	INTEL CORP.	2,896,950
90,000	IPALCO ENTERPRISES	2,475,000
59,200	MARTIN MARIETTA	3,307,800
65,400	MCCAW CELLULAR COMMUNICATI	1,389,750
26,600	MERCK & COMPANY INC.	3,088,925
33,500	MORGAN STANLEY GROUP INC	2,659,062
71,700	MULTIMEDIA INC. NEW	1,971,750
59,200	MURPHY OIL	2,064,600
98,900	NEW ENGLAND ELEC SYS	2,769,200
72,300	PACIFIC GAS & ELEC. CO.	1,825,575
16,500	PENNEY J.C. INC.	874,500
89,900	PEPSICO INCORPORATED	2,607,100
63,300	PHH GROUP INC	1,835,700
4,100	ROADWAY SVCS INC	211,150
70,300	SALOMON INC	2,284,750
19,200	SAVANNAH FOODS & INDS INC	417,600
81,800	SCANA	3,067,500
83,200	SUPER VALU STORES INC.	2,319,200
41,700	TEXAS UTILITIES CO.	1,449,075
78,900	US WEST CORP	2,791,087
66,000	USX MARATHON GROUP COM NEW	1,485,000
8,600	USX U S STL	196,725
73,000	WILLIAMS COMPANIES INC	2,317,750
19,700	WOOLWORTH CORP	605,775
TOTAL EQUITY PORTFOLIO		\$ 142,882,157

GEO CAPITAL		
40,800	ADELPHIA COMMUNICATIONS	\$ 448,800

NO. OF SHARES	SECURITY	MARKET VALUE
GEO CAPITAL (cont.)		
41,300	ADOBE SYS INC	\$ 1,786,225
141,000	AICORP INC	846,000
29,000	ALEX BROWN INC	420,500
82,500	AMERICAN SOFTWARE INC	1,113,750
59,200	AMERICAN TELEVISION &	2,264,400
71,900	ASK COMPUTER	575,200
194,045	BEAR STEARNS COS INC	2,643,863
4,500	BHA GROUP INC.	74,250
25,860	BHC COMMUNICATIONS	1,347,952
65,000	BMC SOFTWARE INC	2,388,750
26,600	CABLETRON SYSTEMS	977,550
67,700	CABLEVISION SYS CORP	1,777,125
92,900	CADENCE DESIGN SYS INC	1,648,975
76,700	CASTLE & COOKE INC	2,952,950
82,000	CELLULAR COMMUNICATIONS INC	2,542,000
45,500	CENTEX CORP	1,711,937
80,010	CENTURY COMM. CORP CL A	710,088
36,450	CENTURY TEL ENTERPRISES INC	938,587
134,000	COMCAST CORP CL A	1,926,250
85,100	CONTEL CELLULAR INC CL A	1,638,175
121,000	CONTINENTAL MED SYSTEMS	2,359,500
15,000	COR THERAPEUTICS INC.	120,000
44,800	CRAY RESEARCH INC	1,478,400
89,500	CRITICAL CARE AMER INC	2,931,125
67,000	CULLEN FROST BANKERS INC	577,875
94,500	EASEL CORP	1,559,250
180,000	FIRST ILL CORP	2,092,500
7,000	FORTIS CORP.	63,875
20,000	FOUNDATION HEALTH CO	582,500
38,000	GOAL SYS INTL INC	522,500
96,000	HEALTH IMAGES INC	876,000
34,500	HEALTH MGT ASSOC INC	810,750
110,000	HEALTH RISK MGMT	907,500
54,000	HOME NUTRITIONAL SVC	904,500
76,000	IKOS SYSTEMS INC	156,750
141,200	INFORMATION RES INC	3,353,500
78,500	INTERSOLV INC	726,125
22,500	KNOWLEDGEWARE INC	489,375
177,700	LA QUINTA MOTOR INNS INC.	2,465,587
77,900	LEGENT CORP	1,957,237
72,700	LEGG MASON INC	1,354,037
16,000	MBNA CORP	494,000
20,000	MCCORMICK & CO INC	800,000
92,100	MEDICAL IMAGING CTRS	1,116,712
137,700	MENTOR GRAPHICS CORP.	2,237,625
177,777	MERCURY FIN CORP	3,533,317
25,325	METRO MOBILE CTS INC	376,709
161,825	METRO MOBILE CTS INC CL B	2,427,375
25,000	MGI PHARMA INC.	206,250
84,000	MULTIMEDIA INC. NEW	2,310,000
85,700	NATIONAL CONVENIENCE STORES	299,950
91,189	NEIMAN-MARCUS GROUP INC	1,516,017
74,500	NETWORK SYSTEMS CORP.	903,312
22,500	NEW ENGLAND BUS SVC INC	399,375
59,900	NORTHERN TRUST CORP	2,276,200
79,000	NOVACARE INC	2,271,250
53,000	ORACLE SYS CORP	450,500
62,250	PARAMETRIC TECH	1,478,437
36,900	POLICY MGMT. SYS. CORP.	1,761,975
85,000	PRIMARK CORP	913,750
37,500	SEI CORP.	984,375

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
<b>GEO CAPITAL (cont.)</b>		
80,300	SERVICE CORP. INT'L	\$ 1,746,525
77,766	SHONEYS INC	1,205,373
118,000	SIERRA TUCSON COS INC	2,286,250
163,549	SIZZLER INTL INC	2,759,889
9,675	SOFTWARE PUBL. CORP.	139,078
48,200	STRATUS COMPUTER INC.	1,415,875
37,500	STRYKER CORP	937,500
36,900	SYMANTEC CORP	1,577,475
64,500	SYSTEMS CTR INC	628,875
68,000	T2 MED INC	3,094,000
17,500	TETRA TECHNOLOGIES INC. DEL.	341,250
96,000	TOKOS MED CORP	2,484,000
5,000	TOPPS INC	71,250
82,500	U S TR CORP	3,073,125
121,000	UNITED ARTISTS ENTMT CL A	1,678,875
1,000	UNITED ARTISTS ENTMT CL B	13,625
15,000	UNITED HEALTHCARE CORP	673,125
147,450	US HEALTHCARE INC.	4,755,262
60,000	VALUE HEALTH INC	915,000
61,500	VALUE LINE INC	1,445,250
60,000	VANGUARD CELLULARSYS INC	1,200,000
67,720	VIACOM INC	1,811,510
67,720	VIACOM INC NON-VTG	1,811,510
67,900	VIDEOCART INC	619,587
50,000	VITAL SIGNS INC	637,500
60,500	WESTCOTT COMMUNICATIONS	438,625
67,500	WESTERN DIGITAL CORP.	270,000
23,500	WILEY JOHN + SON	869,500
	<b>TOTAL EQUITY PORTFOLIO</b>	<b>\$ 122,679,176</b>

**IDS ADVISORY**

107,800	A M R CORP	\$ 6,548,850
175,300	ALLEGHENY LUDLUM CORP	4,404,412
100,000	ARCO CHEM CO	3,975,000
30,000	ATLANTIC RICHFIELD	3,442,500
249,100	BETHLEHEM STEEL	4,016,737
60,000	CHUBB CORPORATION	4,185,000
100,000	COCA COLA COMPANY	5,450,000
80,000	CORNING INC	4,970,000
35,000	DISNEY WALT CORP	3,902,500
40,000	EATON CORP.	2,425,000
80,000	FEDERAL NATL MORTGAGE ASSN	3,960,000
150,000	FIRST BANK SYSTEM	2,756,250
150,000	FLUOR CORP	7,050,000
60,000	FOREST LABS	2,160,000
150,000	FOSTER WHEELER CORP	4,068,750
55,000	GENERAL ELECTRIC CO.	4,070,000
100,000	GENERAL MOTORS CORP CL E	4,675,000
100,000	GENERAL RE CORP.	9,512,500
100,000	GEORGIA PACIFIC CORP.	5,225,000
160,000	HALLIBURTON INC.	5,840,000
50,000	HILTON HOTELS CORP	2,093,750
161,250	HOME DEPOT INC.	7,276,406
80,000	HONEYWELL INC.	4,850,000
200,000	INTEL CORP.	9,300,000
80,000	LIZ CLAIBORNE INC.	3,750,000
40,000	MEDTRONIC INC.	4,520,000
200,000	MERRILL LYNCH & CO. INC.	7,675,000
100,000	NOVELL INC	4,900,000
200,000	OWENS CORNING FIBERGLAS (NEW)	5,325,000
50,000	PACCAR INC	2,212,500

NO. OF SHARES	SECURITY	MARKET VALUE
<b>IDS ADVISORY (cont.)</b>		
60,000	PHILIP MORRIS COS INC	\$ 3,810,000
45,000	PROCTOR & GAMBLE	3,481,875
80,000	QUAKER OATS CO	4,960,000
75,000	REYNOLDS METALS CO	4,425,000
100,000	TENNECO INC.	4,000,000
40,000	TYCO LABS	1,920,000
40,000	U A L CORP	5,550,000
100,000	UNITED STATES SURGICAL CORP	6,262,500
150,000	WAL-MART STORES INC.	6,412,500
142,000	WEYERHEUSER CO.	3,798,500
100,000	WOOLWORTH CORP	3,075,000
	<b>TOTAL EQUITY PORTFOLIO</b>	<b>\$ 192,235,530</b>

**INVESTMENT ADVISORS INC.**

20,000	A M P INC	\$ 995,000
20,000	AMERICAN INTERNATIONAL GRP.	1,685,000
50,000	ARCHER DANIELS MIDLAND CO.	1,181,250
22,500	ATLANTIC RICHFIELD	2,581,875
70,000	BAXTER INTL INC	2,257,500
24,000	CHAMBERS DEV INC CL A	636,000
20,000	COMMUNITY PSYCHIATRIC CENTER	600,000
20,000	COMPUTER SCIENCES CORP.	1,382,500
30,000	CRAY RESEARCH INC	990,000
22,500	DAYTON-HUDSON CORP.	1,608,750
50,000	DELUXE CORPORATION	2,212,500
12,000	DILLARD DEPT. STORES	1,456,500
50,000	DOMINION RESOURCES	2,368,750
60,000	DOVER CORP.	2,362,500
25,000	EASTMAN KODAK CO.	968,750
60,700	EMERSON ELECTRIC	2,830,137
90,000	FOREST LABS	3,240,000
40,000	G T E CORP.	1,185,000
60,000	GANNETT INC.	2,512,500
20,000	GENERAL ELECTRIC CO.	1,480,000
55,000	GOLDEN VY MICROWAVE FOODS IN	1,230,625
40,000	HALLIBURTON INC.	1,460,000
50,900	HONEYWELL INC.	3,085,812
60,000	INTEL CORP.	2,790,000
40,000	INTERNATIONAL SPECIALTY PRODS	620,000
36,000	JOSTENS INC	1,111,500
50,000	KEYSTONE INTL INC	1,556,250
100,000	MAXUS ENERGY CORP	850,000
25,000	MEDTRONIC INC.	2,825,000
20,000	MERCK & COMPANY INC.	2,322,500
30,000	MOBIL CORPORATION	1,927,500
95,000	NETWORK SYSTEMS CORP.	1,151,875
60,000	PENTAIR INC	2,310,000
75,000	PEPSICO INCORPORATED	2,175,000
50,000	PHILIP MORRIS COS INC	3,175,000
40,000	PRICE CO	2,160,000
100,000	REPSOL S A	2,250,000
45,000	RUBBERMAID INC	2,272,500
37,500	SAFETY KLEEN CORP	1,148,437
70,000	SIGMA ALDRICH	2,625,000
40,000	SUN MICROSYSTEMS INC	1,115,000
120,000	SYNTEX CORPORATION	4,590,000
20,000	SYSCO CORP	820,000
60,000	TELEFONOS DE MEXICO SA	1,537,500
25,000	UNITED HEALTHCARE CORP	1,121,875
30,000	VARIAN ASSOC. INC.	1,241,250
40,000	VICORP RESTAURANTS INC	1,000,000
	<b>TOTAL EQUITY PORTFOLIO</b>	<b>\$ 85,007,136</b>

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
<b>LIEBER &amp; COMPANY</b>		
28,650	A L LABS INC	\$ 429,750
26,000	A M R CORP	1,579,500
30,000	ADVANCED LOGIC RESEARCH	371,250
24,700	AIRGAS INC	364,325
15,000	ALBERT FISHER GROUP PLC	288,750
30,000	ALCO STANDARD CORP.	945,000
27,800	ALEXANDERS INC	993,850
30,000	ALOETTE COSMETICS INC	367,500
18,750	AMERICAN INTERNATIONAL GRP.	1,579,687
111,600	AMERICAN SOFTWARE INC	1,506,600
30,500	ANDREW CORP.	960,750
24,000	ATLANTIC SOUTHEAST	822,000
20,000	B B & T FINANCIAL CORP	415,000
45,000	B S B BANCORP	641,250
57,000	BAKER J INC	655,500
35,000	BERRIE PETE CO.	463,750
12,200	BHC COMMUNICATIONS	635,925
19,800	BIOCRAFT LABS INC	269,775
60,000	BIOMET INC	1,575,000
10,000	BLAIR CORPORATION	425,000
11,800	BLOCK H & R INC.	649,000
32,600	BOEING COMPANY	1,491,450
55,000	BOWNE & CO INC	618,750
34,698	BRISTOL MYERS SQUIBB CO	2,697,769
33,000	BURLINGTON RES INC	1,254,000
100,000	BYTEX CORP	1,150,000
2,191	C B S INCORPORATED	352,751
15,000	C N A FINANCIAL CORP	1,196,250
45,000	C U C INTERNATIONAL	1,102,500
25,000	CAERE CORP	418,750
46,500	CAMBEX CORP	558,000
30,000	CARENENETWORK INC	487,500
30,000	CARNIVAL CRUISE LINES INC	630,000
60,000	CEM CORP	637,500
20,000	CHEMICAL FABRICS CORP	490,000
30,000	COLONIAL COS INC	952,500
24,600	COMMERCIAL INTERTECH CORP	412,050
9,000	CONROY INC.	0
23,280	CROWN CRAFTS INC	256,080
27,500	CRYSTAL BRANDS INC	591,250
7,800	DALLAS SEMICONDUCTOR CORP	62,400
3,500	DART GROUP	233,625
30,000	DELCHAMPS INC	780,000
25,000	DELTA AIR LINES INC.	1,715,625
35,000	DH TECHNOLOGY INC	319,375
39,000	DIAGNOSTIC PRODUCTS CORP.	1,365,000
5,000	DISNEY WALT CORP	557,500
44,000	DOLLAR GEN CORP	693,000
15,000	DONNELLEY RR & SONS	648,750
17,900	DOW CHEMICAL COMPANY	950,937
10,500	DYCOM INDS INC	91,875
15,000	ENRON CORP.	864,375
20,000	ENSERCH CORP.	355,000
38,800	EQK RLTY INVS I	145,500
72,200	EQUITABLE RES INC	2,581,150
35,000	EXABYTE CORP	573,125
50,000	EXCEL INDS INC	475,000
104,132	F H P INTERNATIONAL CORP	2,395,036
5,000	FEDERAL HOME LN MTG CORP	402,500
25,000	FIDELITY BANCSHARES	500,000

NO. OF SHARES	SECURITY	MARKET VALUE
<b>LIEBER &amp; COMPANY (cont.)</b>		
35,000	FINGERHUT COS INC	\$ 857,500
20,000	FIRST AMER BK CORP	552,500
29,600	FIRST EMPIRE ST CORP	2,582,600
50,000	FIRST FID BANCORPORATION NEW	1,362,500
10,000	FIRST FINL MGMT CORP	356,250
35,000	FIRST HAWAIIAN CREDITCORP INC	1,015,000
14,600	FIRST INTERST BANCORP RTS	0
10,000	FIRST VA BKS INC	317,500
35,100	FLEMING COS.	1,395,225
14,000	FLIGHTSAFETY INTL INC	721,000
30,800	FLORIDA ROCK INDS.	831,600
42,500	FLOWERS INDUSTRIES	711,875
5,400	FRP PPTYS INC	64,800
30,500	FULLER , H.B. CO	1,303,875
130,595	G & K SERVICES INC.	1,860,978
25,200	GANNETT INC.	1,055,250
52,000	GERBER SCIENTIFIC	624,000
41,800	GIANT FOODS INC	1,227,875
40,000	GOLDEN WEST FIN'L	1,415,000
20,800	GOODRICH (B.F.)	821,600
26,700	GOODY PRODS INC	420,525
46,500	GRADCO SYSTEMS	127,875
12,800	GREAT LAKES CHEMICAL CORP	1,043,200
44,750	GUNDLE ENVIRONMENTAL SYS INC	660,062
11,200	HEXCEL CORP	179,200
23,250	HOOVER HOLMES INC	345,843
43,100	HOUGHTON MIFFLIN CO.	1,007,462
20,000	HOUSEHOLD INTL.	902,500
19,679	HUBBELL INC.	966,730
10,000	I N B FINANCIAL CORP	267,500
65,833	INSTEEL INDS INC	469,060
23,000	INTERCARGO CORP	373,750
15,000	INTERLAKE INC	50,625
45,000	INTERTAN INC	1,012,500
10,000	ISOMEDIX INC	175,000
10,000	JACOBSON STORES INC	162,500
22,000	JAMES RIV CORP VA	552,750
30,000	JEFFERSON BANKSHRS. VA.	652,500
38,500	JUNO LIGHTING INC.	832,562
45,000	JWP INC	742,500
3,500	KANSAS CITY SO. IND.	178,500
28,400	KEANE INC	571,550
25,000	LADD FURNITURE	287,500
15,000	LEGENT CORP	376,875
18,300	LILLIAN VERNON CORP	164,700
2,628	LIN BROADCAST. CORP.	153,738
26,200	LOUISIANA LD & EXPL CO	933,375
28,000	M B I A INC	861,000
55,100	MARINE CORP ILL	1,749,425
27,200	MAY DEPT. STORES CO.	1,448,400
20,000	MCGRAW HILL INC.	1,187,500
38,750	MEDICINE SHOPPE INTL INC	794,375
7,800	MELVILLE CORPORATION	378,300
10,000	MERCANTILE BANCORPORATION IN	300,000
13,000	MERCHANTS NATL CORP	269,750
7,500	MERCK & COMPANY INC.	870,937
49,000	MEYER FRED INC DEL	967,750
35,000	MID ATLANTIC MED SVCS INC.	315,000
25,000	MORGAN PRODS LTD	275,000
55,000	NATIONAL DATA CORP	742,500



**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE EQUITY ACCOUNT  
ALPHABETICAL EQUITY HOLDINGS  
JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY (cont.)		
31,000	NATL HEALTH LABS	\$ 589,000
25,000	NEWELL COS.	837,500
28,564	NICHOLS INSTITUTE	399,896
28,564	NICHOLS INSTITUTE NON VTG	335,627
15,000	NIKE INC.	541,875
48,000	NORTH FORK BANCORP INC	426,000
40,000	NOVELL INC	1,960,000
30,000	OCTEL COMMUNICATIONS	735,000
40,000	ONBANCORP INC	565,000
54,000	OUTBOARD MARINE CORP	870,750
33,000	PARAMOUNT COMMUNICATION	1,324,125
20,600	PARK ELECTROCHEMICAL CORP	236,900
30,000	PEP BOYS MANNY MOE & JACK	416,250
3,200	PINELANDS INC	46,400
64,000	PITNEY BOWES INC.	3,768,000
7,223	POLAROID CORP.	177,866
30,000	POWELL INDS INC	273,750
39,900	PRECISION CASTPARTS CORP	1,296,750
86,850	RAYMOND JAMES FINL INC	1,899,843
12,000	REYNOLDS & REYNOLDS CO	267,000
12,800	RUSSELL CORP	305,600
20,000	SALICK HEALTH CARE INC	220,000
45,000	SANFORD CORP ILL	1,226,250
30,000	SCHULMAN A INC	1,035,000
51,250	SEALRIGHT INC	1,249,218
20,301	SEITEL INC	248,687
20,000	SENSORMATIC ELECTRS CORP	470,000
15,000	SHAW INDS INC	513,750
35,000	SIERRA ONLINE	656,250
20,000	SIGMA ALDRICH	750,000
35,000	SOFTWARE TOOL WORKS	91,875
5,800	SOUTHWESTERN ENERGY CO	203,000
25,000	SPIEGEL INC CL A	412,500
23,700	STRIDE RITE CORP	1,066,500
20,000	STRUCTURAL DYNAMICS	650,000
30,000	SUMMAGRAPHICS CORP	277,500
15,000	SUNDSTRAND CORP	487,500
34,650	SUPER FOOD SVCS INC	493,762
47,000	SUSQUEHANNA BNKSHRS. INC.	887,125
30,000	SYMBOL TECHNOLOGIES INC	562,500
13,000	SYNOPTICS COMM	373,750
30,000	T.J. INTL. INC.	802,500
8,200	TASTY BAKING CORP	147,600
15,700	TECUMSEH PRODS CO	1,577,850
41,400	TELEFLEX INC.	1,190,250
20,000	TORCHMARK CORP	965,000
20,000	TRANSCO ENERGY CO.	607,500
42,000	U S WEST NEWVECTOR GROUP INC	1,690,500
88,400	UNION TEX PETE HLDGS INC	1,469,650
22,000	UNUM CORP	1,405,250
40,100	US AIR GROUP	601,500
3,536	VENTURE STORES INC	80,002
23,850	VIVRA INC	524,700
10,000	VORNADO INC	257,500
66,400	WALGREEN CO	2,207,800
15,600	WALLACE COMPUTER SER INC	358,800
30,000	WASTE MANAGEMENT	1,095,000
20,000	WATTS INDS INC	980,000
40,000	WELLMAN INC	1,075,000
4,600	WEST INC	73,600
20,000	WESTERN WASTE INDS	392,500

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY (cont.)		
10,000	WESTMARK INTL INC	\$ 356,250
40,000	WETTERAU INC	1,115,000
30,000	WILEY JOHN + SON	1,110,000
60,000	WOOLWORTH CORP	1,845,000
35,000	ZURN INDS INC	1,225,000
	TOTAL EQUITY PORTFOLIO	\$ 142,095,833
ROSENBERG INSTITUTIONAL EQUITY MGMT		
49,200	A L LABS INC	\$ 738,000
13,300	ACETO CORP	159,600
17,100	AKTIEBOLAGET ELECTRO	698,962
28,200	AKZO N V SPONSORED ADR	782,550
6,100	ALLEGHANY CORP NEW	602,375
75,100	AMAX INC	1,736,687
92,900	AMDAHL CORP	1,358,662
53,600	AMERADA HESS CORP.	2,753,700
1,400	AMERICAN ECOLOGY	18,200
32,500	AMERICAN FRUCTOSE CL A	715,000
21,600	AMERICAN MAIZE PRODS CO	415,800
36,000	AMERICAN NATL INS CO	1,228,500
13,500	AMERICAN STORES NEW	1,113,750
22,500	AMERICAN WATER WORKS	455,625
153,500	AMERITECH CORP NEW	9,248,375
2,800	AMGEN CORP.	330,050
7,500	AMOCO CORP	379,687
3,700	AMWEST INS GROUP INC	52,262
12,200	APPLE COMPUTER	506,300
251,280	ARCHER DANIELS MIDLAND CO.	5,936,490
5,500	ARCTIC ALASKA FISHERIES CORP	33,000
8,800	ARMSTRONG IND. INC.	255,200
48,300	ASARCO INC.	1,249,762
47,100	AST RESEARCH INC	953,775
83,200	ATLANTIC RICHFIELD	9,547,200
15,400	AYDIN CORP.	363,825
152,500	B C E INC	5,585,312
4,800	BARCLAYS PLC	136,800
3,100	BAUSCH & LOMB INC	250,712
142,800	BAXTER INTL INC	4,605,300
71,800	BEAZER PLC	412,850
20,300	BECTON DICKINSON CO	1,509,812
45,200	BERGEN BRUNSWIG CORP.	1,135,650
40	BERKSHIRE HATHAWAY INC DEL	336,000
11,300	BEST BUY INC	251,425
73,500	BEVERLY ENTERPRISES INC	689,062
15,600	BHC COMMUNICATIONS	813,150
21,900	BMC INDS INC MINN	169,725
9,900	BOND INTL GOLD INC	51,975
4,300	BP PRUDHOE BAY RTY TR	132,225
4,600	BRASCAN LTD	72,450
21,800	BRITISH AWYS PLC	566,800
15,200	BRITISH GAS PLC	592,800
35,400	BRITISH STEEL PLC	708,000
18,700	BRITISH TELECOM.	1,068,237
17,700	BURLINGTON COAT FACTORY WHSE	247,800
3,858	C B S INCORPORATED	621,138
500	C D I CORP	4,562
33,300	C S X CORPORATION	1,510,987
20,800	CABOT CORP	608,400
1,200	CAGLES INC	7,950
37,900	CALIF MICROWAVE	559,025
2,000	CANADIAN MARCONI CO	21,000

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
ROSENBERG INSTITUTIONAL EQUITY MGMT (cont.)		
7,100	CANAL CAPITAL CORP	\$ 2,662
6,700	CAPITAL CITIES/ABC INC.	2,873,462
200	CARL KARCHER ENTERPRISES INC.	1,875
30,000	CAROLCO PICTURES INC	292,500
157,400	CENTERIOR ENERGY CORP	2,577,425
9,594	CENTEX CORP	360,974
28,200	CHIQUITA BRANDS INTL CORP	1,184,400
21,900	CHIRON CORP	1,133,325
40,371	CHRIS CRAFT INDUSTRIES INC	1,054,692
85,200	CIGNA CORPORATION	3,972,450
59,900	COCA COLA ENTERPRISES INC	1,055,737
3,000	COMCAST CORP CL A	43,125
38,800	COMDISCO INC.	892,400
6,400	COMMODORE INTL LTD	74,400
33,800	COMMUNICATIONS SATELLITE COR	967,525
20,000	COMPAQ COMPUTER CORP	622,500
128,000	COMPUTER ASSOC INTL INC	1,296,000
12,300	COMPUTER SCIENCES CORP.	850,237
117,200	CONAGRA INC.	4,893,100
40,700	CONNOR PERIPHERALS INC	656,287
27,800	CONSOLIDATED RAIL CORP	1,584,600
60,200	CONTINENTAL BK CORP	677,250
100	CROWLEY MILNER & CO	1,462
3,900	CUBIC CORP	80,925
2,700	CURTICE-BURNS FOODS INC. CL A	34,762
600	CYCARE SYS INC	4,500
26,450	CYPRUS MINERALS CORP	578,593
10,500	DAHLBERG INC	157,500
2,500	DART GROUP	166,875
9,700	DATA GENERAL CORP.	144,287
34,200	DEAN FOODS CO	1,551,825
54,300	DETROIT EDISON CO	1,547,550
27,400	DEVON GROUP INC NEW	143,850
2,700	DIAGNOSTEK INC	46,575
15,300	DIAL CORP ARIZ	524,025
189,500	DIGITAL EQUIPMENT CORP.	11,275,250
5,200	DONNELLEY RR & SONS	224,900
46,800	DOW CHEMICAL COMPANY	2,486,250
223,500	EASTMAN KODAK CO.	8,660,625
6,500	ECOLAB INC	179,562
37,752	EDISON BROS STORES INC	1,576,146
12,400	EDO CORP	72,850
136,700	ENTERGY CORP	3,178,275
14,700	ERICSSON L M TEL CON	457,537
700	EVANS INC	1,312
86,500	EXXON CORPORATION	5,027,812
31,500	F M C GOLD CO	212,625
2,000	F P A CORP	750
203,200	FEDERAL NATL MORTGAGE ASSN	10,058,400
900	FINA INC	69,300
3,200	FIRST FINL MGMT CORP	114,000
300	FIRSTCORP INC CL A	37
40,100	FLEMING COS.	1,593,975
900	FLOATING POINT SYS INC	1,575
500	FORD MTR CO CDA LTD	62,500
520	FRISCHS RESTAURANTS INC	5,525
1,200	GENERAL MILLS INC.	67,800
7,000	GENERAL MOTORS (H)	117,250
5,800	GENERAL MOTORS CORP CL E	271,150
132,800	GENERAL PUBLIC UTILITIES CORP	3,071,000
31,200	GREAT ATLANTIC & PAC TEA INC	1,353,300

NO. OF SHARES	SECURITY	MARKET VALUE
ROSENBERG INSTITUTIONAL EQUITY MGMT (cont.)		
55,300	GRUMMAN CORP.	\$ 988,487
3,900	GULF CDA RES. LTD.	30,225
38,400	HARRIS CORP.	993,600
2,700	HEICO CORPORATION	30,712
21,000	HERCULES INC.	777,000
5,400	HITACHI LTD	425,250
27,500	HONDA MOTORS NEW	591,250
71,000	HONEYWELL INC.	4,304,375
42,800	HOUSEHOLD INTL.	1,931,350
1,700	I B P INC	29,962
115,500	IT T CORP	6,496,875
21,800	IMC FERTILIZER GROUP INC	1,005,525
8,100	IMCERA GROUP INC	759,375
21,100	INACOMP COMPUTER CTR	131,875
56,300	INTERGRAPH CORP.	1,421,575
4,500	INTERNATIONAL MULTIFOODS	194,625
16,700	INTERNATIONAL TECHNOLOGY CO	131,512
4,800	JONES INTERCABLE INC CL A	42,600
20,700	K MART CORPORATION	936,675
800	K V PHARMACEUTICAL INC	10,600
7,000	KATY INDS INC	133,000
29,500	KING WORLD PRODTNS INC	862,875
3,000	KNAPPE & VOGT MFG	47,250
1,200	L V M H MOET HENNESSY	158,100
71,600	LAFARGE CORP.	975,550
11,600	LENNAR CORP.	275,500
2,800	LIFETIME CORP	75,250
1,000	LIN BROADCAST. CORP.	58,500
8,300	LITTON INDS INC.	639,100
12,600	LOCKHEED AIRCRAFT CORP	549,675
9,094	LOWES COMPANY	285,324
1,000	M L X CORP	687
5,900	M.A. HANNA CO	136,437
15,900	MARCUS CORP	246,450
2,800	MATSUSHITA EL. IND.	336,000
2,000	MAXXAM INC	93,000
1,240	MCCORMICK & CO INC	49,600
400	MCDONALD & CO INVTs INC	3,400
30,200	MERCANTILE STORES INC	1,192,900
32,400	MERRILL LYNCH & CO. INC.	1,243,350
21,592	MERRY GO ROUND ENTERPRISES	582,984
3,400	MILTOPE GROUP INC	11,050
49,300	MITCHELL ENERGY	918,212
3,900	MURPHY OIL	136,012
7,900	NACCO INDS INC CL A	362,412
1,300	NATIONAL SAN SUPPLY	9,425
900	NATIONAL STANDARD CO	1,687
35,000	NERCO INC	748,125
77,700	NEW ENGLAND ELEC SYS	2,175,600
27,120	NEW LINE CINEMA CORP	294,930
5,900	NEWS LTD	64,162
28,000	NIKE INC.	1,011,500
6,200	NORTEK INC.	12,400
13,300	NORTHERN TELECOM LTD.	485,450
53,800	NORTHROP CORP	1,365,175
98,200	NYNEX	7,009,025
200	OGLEBAY NORTON CO	6,800
3,800	OPTICAL RADIATION CORP	95,000
1,100	OVERSEAS SHIPHOLDING GROUP IN	21,862
43,900	P P G INDUSTRIES INC	2,430,962
5,400	P S I RESOURCES INC	85,050

**MINNESOTA STATE BOARD OF INVESTMENT**  
**ACTIVE EQUITY ACCOUNT**  
**ALPHABETICAL EQUITY HOLDINGS**  
**JUNE 30, 1991**

NO. OF SHARES	SECURITY	MARKET VALUE
ROSENBERG INSTITUTIONAL EQUITY MGMT (cont.)		
19,600	PACIFIC TELECOM INC	\$ 514,500
64,800	PANSOPHIC SYS INC	704,700
65,700	PENN CENT CORP	1,478,250
375,900	PEPSICO INCORPORATED	10,901,100
800	PERINI CORP	8,900
130,700	PHILIP MORRIS COS INC	8,299,450
10,700	PHILLIPS PETROLEUM CO.	272,850
37,700	PICCADILLY CAFETERIAS INC	414,700
94,100	PINNACLE WEST CAPITAL CORP	929,237
7,000	PITTSTON CO	118,125
1,500	POLICY MGMT. SYS. CORP.	71,625
29,900	POTLATCH CORP	1,270,750
7,600	PRIMERICA CORP NEW	210,900
30,043	QUANTUM CORP.	311,696
11,600	RADIATION SYS INC	203,000
43,300	REEBOK INTERNATIONAL LTD	1,055,437
20,100	REYNOLDS & REYNOLDS CO	447,225
3,400	REYNOLDS METALS CO	200,600
300	RIEDEL ENVIRONMENTAL	1,725
218,600	ROCKWELL INTL CORP	6,093,475
3,132,336	ROSENBERG SMALL CAPITALIZATIO	33,014,826
200	RYMER CO	1,700
106,600	SALOMON INC	3,464,500
2,000	SCHEIB EARL INC	23,250
9,000	SCRIPPS E W CO CL A	177,750
56,611	SEAGATE TECHNOLOGY	424,582
159,500	SEARS ROEBUCK & COMPANY	6,041,062
6,400	SHARED MED. SYSTEMS CORP.	125,600
21,200	SHERWIN WILLIAMS CO.	516,750
10,400	SKYWEST INC	58,500
4,900	SONY CORP.	221,112
600	SOUTHERN UN CO INC	7,500
900	STANDARD REGISTER	11,362
24,600	STEPAN CHEM CO	596,550
75,802	STORAGE TECH COM PAR .10	2,965,753
25,586	STRAWBRIDGE & CLOTHIER	690,822
200	SUN MICROSYSTEMS INC	5,575
16,100	SYMS CORP.	187,162
73,200	TANDON CORP.	237,900
1,400	TASTY BAKING CORP	25,200
5,000	TEAM INC	41,250
2,800	TECUMSEH PRODS CO	281,400
9,900	TEKTRONIX INC	258,637
4,000	TELE COMMUNICATIONS INC	55,000
85,800	TELEFONICA DE ESPANA S A	2,230,800
67,000	TEMPLE INLAND	3,040,125
97,600	TEXAS UTILITIES CO.	3,391,600
107,700	TEXTRON INC	3,459,862
1,000	TIME WARNER INC	88,125
1,800	TRANSCANADA PIPELINES LTD	27,675
28,900	TRINOVA CORP	736,950
2,800	UNI MARTS INC	10,150
400	UNITED INNS INC	1,700
14,200	UNIVERSAL FOODS CORP	514,750
22,300	UNUM CORP	1,424,412
290,100	US WEST CORP	10,262,287
7,500	VALERO ENERGY CORP	169,687
12,700	VARIAN ASSOC. INC.	525,462

NO. OF SHARES	SECURITY	MARKET VALUE
ROSENBERG INSTITUTIONAL EQUITY MGMT (cont.)		
129,800	WENDYS INTL INC	\$ 1,265,550
31,000	WESTERN WASTE INDS	608,375
19,200	WYLE LABS	256,800
	TOTAL EQUITY PORTFOLIO	\$ 303,871,362
WADDELL & REED		
14,200	AMGEN CORP.	\$ 1,673,825
36,500	AMOCO CORP	1,847,812
40,000	ANADARKO PETE CORP.	990,000
65,700	APPLIED MATLS INC	1,872,450
101,300	ARMSTRONG IND. INC.	2,937,700
102,300	AVON PRODS INC	4,347,750
135,400	B J SERVICES INC	3,114,200
118,100	BAXTER INTL INC	3,808,725
52,700	BEMIS COMPANY	1,785,212
392,400	BEVERLY ENTERPRISES INC	3,678,750
59,000	BP PRUDHOE BAY RTY TR	1,814,250
25,000	C S X CORPORATION	1,134,375
61,800	CALGON CARBON CORP	1,297,800
50,000	CAMBRIDGE NEUROSCIENCE RES.	387,500
68,000	CHAMBERS DEV INC CL A	1,802,000
89,500	CHEMICAL WASTE MGMT INC	1,778,812
18,100	COOPER INDS. INC.	970,612
250,450	DOWNEY SAVINGS & LN ASSN	4,069,812
39,400	EXXON CORPORATION	2,290,125
45,000	FABRI CTRS AMER INC	1,265,625
90,400	FEDERAL EXPRESS CORP.	3,480,400
39,900	FEDERAL NATL MORTGAGE ASSN	1,975,050
40,100	FLUOR CORP	1,884,700
117,300	GENCORP	1,158,337
54,300	GENERAL DYNAMICS	2,273,812
213,900	GIDDINGS & LEWIS INC	4,839,487
90,000	HOME DEPOT INC.	4,061,250
125,000	INTERNATIONAL RECTIFIER CORP	1,906,250
92,000	LOUISIANA PAC. CORP.	3,760,500
279,900	LSI LOGIC CORP.	2,239,200
22,800	MEDTRONIC INC.	2,576,400
26,000	MERCK & COMPANY INC.	3,019,250
74,800	NATL. MEDICAL ENTER. INC.	3,263,150
665,000	NATL. SEMICONDUCTOR	3,740,625
45,000	NETWORK SYSTEMS CORP.	545,625
235,100	NOBLE AFFILIATES INC	3,144,462
177,000	NORTANKERS INC	1,239,000
70,900	PENNEY J.C. INC.	3,757,700
34,200	PITNEY BOWES INC.	2,013,525
176,000	REEBOK INTERNATIONAL LTD	4,290,000
165,600	SAFEWAY INC	3,042,900
117,000	SILICON VY GROUP	833,625
89,300	SMITH INTL INC	1,160,900
235,300	SOUTHWEST AIRLINES	6,117,800
97,300	UNITED HEALTHCARE CORP	4,366,337
33,200	UNITED STATES SURGICAL CORP	2,079,150
143,200	UNOCAL CORP.	3,365,200
54,700	VIACOM INC NON-VTG	1,463,225
51,000	WAL-MART STORES INC.	2,180,250
85,000	WELLMAN INC	2,284,375
109,400	WEYERHEUSER CO.	2,926,450
	TOTAL EQUITY PORTFOLIO	\$ 127,856,270

**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE EQUITY ACCOUNT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
<b>ALLIANCE CAPITAL MANAGEMENT</b>				
\$ 22,188,041	S.B.I MONEY FUND	00.0000 %		\$ 22,188,041
<b>FORSTMANN LEFF ASSOCIATES</b>				
\$ 1,790,000	HALLIBURTON CO	00.0000 %	03/13/06	\$ 737,462
17,095,891	S.B.I MONEY FUND			17,095,891
3,063,000	SENSORMATIC ELECTRS CV	07.0000 %	05/15/01	3,216,150
<b>\$ 21,948,891</b>	<b>TOTAL FIXED INCOME PORTFOLIO</b>			<b>\$ 21,049,503</b>
<b>FRANKLIN PORTFOLIO ASSOC TRUST</b>				
\$ 2,595,241	S.B.I MONEY FUND			\$ 2,595,241
<b>GEO CAPITAL</b>				
\$ 2,671,416	S.B.I MONEY FUND			\$ 2,671,416
<b>IDS ADVISORY</b>				
\$ 1,063,409	S.B.I MONEY FUND			\$ 1,063,409
<b>INVESTMENT ADVISORS INC.</b>				
\$ 13,394,529	S.B.I MONEY FUND			\$ 13,394,529
<b>LIEBER &amp; COMPANY</b>				
\$ 9,829,440	S.B.I MONEY FUND			\$ 9,829,440
210,000	CUC INTL INC ZERO CV	00.0000 %	06/06/96	232,050
<b>\$ 10,039,440</b>	<b>TOTAL FIXED INCOME PORTFOLIO</b>			<b>\$ 10,061,490</b>
<b>ROSENBERG INSTITUTIONAL EQUITY MGMT</b>				
\$ 3,110,611	S.B.I MONEY FUND			\$ 3,110,611
<b>WADDELL &amp; REED</b>				
\$ 58,113,797	S.B.I MONEY FUND			\$ 58,113,797

**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
INVESTMENT ADVISORS  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 1,128,358	FED HM LN PC # 142065	07.5000 %	02/01/08	\$ 1,106,660
1,098,577	FED HOME LN PC # 200059	08.5000 %	11/01/01	1,082,098
7,000,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	06/27/93	6,089,720
5,000,000	FIRST BANK NATIONAL	10.2000 %	04/12/93	5,280,450
3,679,352	FNMA POOL # 008239	06.5000 %	10/01/05	3,583,321
12,623,024	GNMA POOL # 185312	09.0000 %	01/15/20	12,551,957
10,700,000	RESOLUTION FUNDING CORP	08.1250 %	10/15/19	10,044,625
13,000,000	RESOLUTION FUNDING CORP	00.0000 %	10/15/98	7,051,460
3,630,757	S.B.I MONEY FUND	00.0000 %		3,630,757
11,000,000	U.S.A. TREASURY BOND	10.3750 %	11/15/12	12,691,250
30,250,000	U.S.A. TREASURY BOND	08.8750 %	08/15/17	31,299,372
13,000,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/98	13,479,310
3,500,000	U.S.A. TREASURY NOTE	08.6250 %	08/15/97	3,589,670
5,000,000	U.S.A. TREASURY NOTE	07.7500 %	02/15/95	5,028,100
6,750,000	U.S.A. TREASURY NOTE	09.1250 %	05/15/99	7,089,592

\$ 127,360,068	TOTAL FIXED INCOME PORTFOLIO	\$ 123,598,342
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**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
LEHMAN MANAGEMENT INC  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 2,400,000	ASSOC CORP NORTH AMERICA	09.0000 %	11/15/94	\$ 2,456,016
1,500,000	BALTIMORE GAS & ELECTRIC	09.5000 %	05/01/93	1,547,190
1,200,000	CIT GROUP HLDGS INC	08.7500 %	04/15/98	1,182,984
1,200,000	COCA COLA ENTERPRISES	08.3500 %	06/20/95	1,197,108
2,649,724	FED HM LN PC # 306617	08.5000 %	12/01/18	2,552,824
882,320	FED HM LN PC # 380006	09.0000 %	08/01/02	872,394
2,496,147	FED HM LN PC # 501721	08.0000 %	06/01/02	2,346,378
1,219,455	FNMA POOL # 020420	08.0000 %	10/01/06	1,193,163
1,359,160	FNMA POOL # 050070	08.5000 %	05/01/03	1,338,772
3,748,460	FNMA POOL # 070008	08.0000 %	06/01/03	3,610,217
1,688,540	FNMA POOL # 070355	08.5000 %	03/01/04	1,663,212
982,588	FNMA POOL # 070365	08.5000 %	08/01/04	967,849
1,910,320	FNMA POOL # 106552	08.5000 %	07/01/17	1,842,256
1,000,000	GENERAL MTRS ACCEP CORP	08.2500 %	06/27/94	996,850
1,100,000	GTE CORP	09.3750 %	12/01/00	1,117,171
1,000,000	MORGAN STANLEY GROUP INC	09.8750 %	05/01/95	1,043,090
2,000,000	NATIONAL CREDIT CARD TR	08.7500 %	08/31/95	2,031,240
1,100,000	PENNEY J C INC	09.0500 %	03/01/01	1,089,935
1,000,000	PHILLIP MORRIS COS INC	08.8750 %	07/01/96	1,007,140
980,000	RESOLUTION FUNDING CORP	08.6250 %	01/15/21	972,032
1,000,000	ROCKWELL INTL CORP	08.3750 %	02/15/01	966,960
1,000,000	SALOMON INC.	08.5000 %	07/01/94	1,001,380
2,523,496	S.B.I. MONEY FUND	00.0000 %		2,523,496
1,000,000	SEARS	07.0000 %	11/15/01	834,950
1,200,000	SEARS CREDIT ACCOUNT TR	08.6000 %	05/15/96	1,203,216
2,000,000	SEARS CREDIT ACCOUNT TR 90-A	08.7500 %	01/15/95	2,011,240
1,000,000	SEARS CREDIT ACCT TRUST	09.0000 %	09/15/93	1,018,430
1,000,000	SEARS ROEBUCK & CO	09.3500 %	05/15/93	1,024,390
1,200,000	SOUTHERN CALIF EDISON CO	08.2500 %	08/15/93	1,216,908
500,000	SOUTHERN CALIF GAS CO	08.8750 %	01/15/93	508,985
1,950,000	STANDARD CR CARD TR	09.0000 %	03/10/95	1,992,042
1,000,000	STANDARD CREDIT CARD	08.5000 %	06/07/96	990,310
1,000,000	TENNESSEE VALLEY AUTH.	08.3750 %	10/01/99	993,120
1,000,000	U.S.A. TREASURY BOND	07.5000 %	11/15/16	892,810
1,600,000	U.S.A. TREASURY BOND	10.7500 %	05/15/03	1,881,504
1,800,000	U.S.A. TREASURY BOND	08.1250 %	05/15/21	1,742,058
3,500,000	U.S.A. TREASURY BOND	10.7500 %	08/15/05	4,143,125
10,000,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/93	8,965,100
1,000,000	U.S.A. TREASURY NOTE	07.8750 %	02/15/96	999,690
1,100,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/97	1,140,557
3,100,000	U.S.A. TREASURY NOTE	07.0000 %	01/31/93	3,107,750
3,600,000	U.S.A. TREASURY NOTE	08.1250 %	02/15/98	3,604,500
380,000	U.S.A. TREASURY NOTE	09.1250 %	05/15/99	399,117
4,350,000	U.S.A. TREASURY NOTE	07.6250 %	05/15/93	4,401,634
4,500,000	U.S.A. TREASURY NOTE	08.5000 %	08/15/95	4,613,895
4,600,000	U.S.A. TREASURY NOTE	08.1250 %	09/30/92	4,677,602
4,700,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/98	4,873,289
6,000,000	U.S.A. TREASURY NOTE	08.2500 %	08/15/92	6,101,220
8,800,000	U.S.A. TREASURY NOTE	08.6250 %	10/15/95	9,053,000
1,000,000	UNITED PARCEL SVC AMER INC	08.3750 %	04/01/20	931,750
1,200,000	WESTINGHOUSE ELECTRIC CORP	07.7500 %	04/15/96	1,156,439
\$ 110,020,210	TOTAL FIXED INCOME PORTFOLIO			\$ 109,998,288

**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
MILLER ANDERSON  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 1,400,000	AMERICAN GEN FIN CORP	08.4500 %	10/15/09	\$ 1,332,702
2,000,000	AMERICAN HSG TR	09.5520 %	09/01/20	1,762,500
1,300,000	AMR COPR MTN	10.1250 %	06/01/21	1,271,972
1,100,000	BAXTER INTL INC	09.5000 %	06/15/08	1,125,377
1,100,000	CALFED INC	06.5000 %	02/20/01	671,000
2,525,000	CATERPILLAR INC	08.0000 %	11/01/01	2,366,859
4,332,752	CHEMICAL MTG CO	05.7620 %	01/15/97	4,019,971
1,425,000	CHRYSLER FINL CORP	13.2500 %	10/15/99	1,424,857
1,350,000	COASTAL CORP	10.0000 %	02/01/01	1,358,950
900,000	DELTA AIR LINES	09.7500 %	05/15/21	886,077
1,145,526	DREXEL BURNHAM LAMBERT CMO TR	00.0000 %	07/01/03	701,279
1,705,408	FED HM LN PC # A70075	08.5000 %	09/01/20	1,649,982
5,712,937	FED HM LN PC # G00015	09.5000 %	12/01/20	5,812,914
4,300,000	FEDERAL HOME LN LTG CORP	08.5000 %	01/15/20	4,156,638
5,300,000	FEDERAL HOME LN LTG CORP	08.9500 %	08/15/20	5,256,751
5,000,000	FEDERAL NATL MTG ASSN GTD	09.3000 %	03/25/19	5,080,850
4,926,065	FEDERAL NATL MTG ASSN STRIP	00.0000 %	09/01/18	3,060,318
3,560,873	FEDERAL NATL MTG ASSN STRIPPED	00.0000 %	01/01/18	2,132,073
1,381,634	FEDERAL NATL MTG GTD	00.0000 %	11/25/18	917,861
1,400,000	FEDERAL NATL MTG GTD	00.0000 %	03/25/19	805,434
2,292,418	FEDERAL NATL MTG STRIPPED	00.0000 %	07/01/17	1,361,123
4,000,000	FHLM	09.5000 %	05/15/19	4,125,240
1,955,054	FNMA POOL # 019084	07.0000 %	08/01/06	1,866,450
3,220,312	FORTUNE MORTGAGE CORP	07.9430 %	05/01/03	3,046,222
4,705,406	FSA CAP INC	08.2000 %	03/20/13	4,470,136
1,172,292	GS TR 4	05.9860 %	10/27/19	954,316
800,000	HELLER FINL INTL	09.3750 %	03/15/98	801,576
2,000,000	HOUSEHOLD FIN CORP	06.3600 %	10/08/03	1,976,240
700,000	ITT CORP	09.7500 %	02/15/21	701,134
8,600,000	LOMAS & NETTLETON FINL CORP	00.0000 %	09/03/01	860,000
1,600,000	MARRIOTT CORP	09.3750 %	06/15/07	1,551,680
2,003,438	MIDWEST FEDERAL SAVINGS & LOAN	08.8100 %	04/01/11	1,928,930
1,800,000	PHILIP MORRIS COS	09.2500 %	02/15/00	1,822,068
13,563,000	RESOLUTION FUNDING CORP	00.0000 %	01/15/03	5,026,583
4,500,000	RESOLUTION FUNDING CORP	00.0000 %	10/15/98	2,440,890
6,698,000	RESOLUTION FUNDING CORP	00.0000 %	01/15/00	3,242,300
3,183,533	RURAL HSG TR 1987 1	03.3300 %	04/01/26	2,355,815
5,000,000	RURAL HSG TRUST	06.3300 %	04/01/26	4,234,400
5,441,432	S.B.I. MONEY FUND	00.0000 %		5,441,432
3,100,000	SECURED FINANCE DELS	09.0500 %	12/15/01	3,031,304
1,000,000	SECURITY PAC HOME EQUITY TR	10.5000 %	03/10/06	1,036,250
1,500,000	SECURITY PAC HOME EQUITY TR	08.9000 %	03/10/06	1,504,695
4,193,672	TALMAN FED SVGS & LN	09.1650 %	03/01/08	4,150,981
1,525,000	TORCHMARK CORP	08.2500 %	08/15/09	1,479,128
1,000,000	TRANSAMERICA FIN GROUP INC	09.2500 %	02/16/98	1,004,060
11,102,957	TRI CITY PPTY INV CORP	00.0000 %	03/01/00	4,976,012
7,700,000	U.S.A. TREASURY BOND	08.7500 %	08/15/20	7,928,613
10,750,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/98	6,131,155
19,750,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/01	8,641,810
30,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/01	13,054,305
7,000,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/98	3,905,650
7,500,000	U.S.A. TREASURY COUPON	00.0000 %	11/15/01	3,147,150
7,600,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/02	3,036,124
9,500,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/99	4,834,455

**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
MILLER ANDERSON  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 10,500,000	U.S.A. TREASURY NOTE	09.2500 %	08/15/98	\$ 11,087,370
8,500,000	U.S.A. TREASURY NOTE	08.5000 %	02/15/00	8,614,240
11,600,000	U.S.A. TREASURY SEC	00.0000 %	02/15/15	1,547,904
5,700,000	U.S.A. TREASURY SEC	00.0000 %	02/15/01	2,548,755
16,000,000	U.S.A. TREASURY SEC PRIN.	00.0000 %	02/15/15	2,139,840
6,211,609	UNITED SAVINGS HOUSTON	09.0380 %	05/01/08	5,953,455
1,100,000	UNITED STATES LEASING INTL	08.7500 %	05/01/96	1,087,339
4,919,837	VIRGINIA BEACH FED SAVINGS & L	08.2470 %	02/01/00	4,558,327

\$ 313,353,155 TOTAL FIXED INCOME PORTFOLIO

\$ 199,399,822



**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
WESTERN ASSET MANAGEMENT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 3,300,000	AMR CORP DEL	10.0000 %	04/15/21	\$ 3,227,334
5,900,000	ARIZONA PUB SVC CO	10.7500 %	04/01/19	5,921,712
2,625,000	B P AMERICA INC	09.3750 %	11/01/00	2,692,278
4,500,000	BANKAMERICA CORP	09.5000 %	04/01/01	4,491,315
6,700,000	BNY MASTER CR CARD TR	07.9500 %	04/15/96	6,702,077
4,000,000	CHESAPEAKE & POTOMAC TELE	08.3750 %	10/01/29	3,935,720
1,700,000	CHRYSLER FINL CORP	09.5000 %	06/01/08	1,578,501
3,243,000	CHRYSLER AUBURN HILLS TR GTD	15.8750 %	05/01/20	2,334,960
5,000,000	DEERE & CO	08.9500 %	06/15/19	4,973,949
16,055,000	DEERE & CO.	08.0000 %	11/15/02	15,543,808
2,000,000	DELTA AIR LINES	09.7500 %	05/15/21	1,969,060
2,500,000	DOVER CR CARD TR	08.2500 %	10/15/97	2,511,700
5,000,000	EASTMAN KODAK CO	10.0500 %	03/15/94	5,238,950
1,250,000	ENRON CORP	09.6500 %	05/15/01	1,283,850
-119	EURO DOLLAR DEC 93 CALL	00.0000 %		-35,700
-218	EURO DOLLAR DEC 93 .25	00.0000 %		-39,240
484	EURO DOLLAR DECEMBER FUT	00.0000 %		0
427	EURODOLLAR SEPT FUTURE	00.0000 %		0
4,300,000	FARM CR SYS FINL ASSISTANCE	09.3750 %	07/21/03	4,583,542
3,965,454	FED HM LN MTG CORP	08.5000 %	03/15/97	3,965,454
5,735,603	FED HM LN PC # 170170	09.0000 %	06/01/16	5,671,077
2,315,036	FED HM LN PC # 181257	08.0000 %	01/01/09	2,176,134
5,354,456	FED HM LN PC # 220009	08.2500 %	08/01/01	5,324,310
3,545,561	FED HM LN PC # 538237	07.5000 %	10/01/19	3,255,251
3,976,064	FED HM LN PC # 538307	07.5000 %	01/01/19	3,650,504
3,612,748	FED HM LN PC # 538343	09.0000 %	01/01/20	3,572,105
8,000,000	FEDERAL HOME LN MTG CORP	09.0000 %	09/15/18	8,060,000
472,177	FEDERAL NATIONAL MTG. AS. STR.	06.5000 %	03/01/09	420,533
4,000,000	FEDERAL NATL MTG ASSN	09.0000 %	09/25/18	4,009,240
8,402,500	FEDERAL NATL MTG ASSN	09.5000 %	07/25/19	8,444,008
5,820,463	FEDERAL NATL MTG ASSN STRIP	05.0000 %	01/01/06	4,951,031
13,399,709	FHA CITICORP #136	07.4300 %	05/01/23	11,782,766
7,194,084	FHA GMAC # 2	07.3200 %	11/01/19	6,495,322
4,096,687	FHA REILLY PROJ #48	07.4300 %	07/01/23	3,411,967
7,150,000	FIRST CHICAGO MASTER TR II	08.4000 %	06/17/98	7,075,854
4,185,867	FNMA POOL # 000797	07.2500 %	01/01/23	3,856,230
4,115,515	FNMA POOL # 070479	08.0000 %	01/01/20	3,875,004
6,630,000	FORD CAP B V	09.5000 %	07/01/01	6,620,718
-28,400	GNMA 8/13/91 CALL STRK 98	00.0000 %		-239,625
-10,840	GNMA 9. JULY CALL	00.0000 %		-16,937
1,765,000	GTE CORP	10.2500 %	05/01/19	1,824,392
5,500,000	KFW INTL FIN INC	09.5000 %	12/15/00	5,735,950
3,423,000	LITTON INDS INC	12.6250 %	07/01/05	3,859,192
5,000,000	LONG ISLAND LIGHTING CO	09.7500 %	05/01/21	4,974,900
6,000,000	MID-ST TR II	09.6250 %	04/01/03	6,157,500
3,000,000	NATIONAL AUSTRALIA BANK	09.7000 %	10/15/98	3,006,420
2,350,000	NEWFOUNDLAND PROV CDA	09.0000 %	06/01/19	2,307,770
4,310,000	NOVA SCOTIA PROV CDA	09.1250 %	01/05/21	4,176,734
5,000,000	OCCIDENTAL PETE CORP MED TERM	10.6900 %	05/22/00	5,398,350
6,300,000	PHILIP MORRIS COS. INC.	08.7500 %	06/15/97	6,279,399
9,500,000	QUEBEC PROV CDA	09.1250 %	03/01/00	9,521,375
5,300,000	RESOLUTION FDG CORP	00.0000 %	01/15/15	679,460
5,300,000	RESOLUTION FDG CORP	00.0000 %	01/15/16	627,096

**MINNESOTA STATE BOARD OF INVESTMENT  
ACTIVE BOND MANAGERS ACCOUNT  
WESTERN ASSET MANAGEMENT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 5,300,000	RESOLUTION FDG CORP	00.0000 %	01/15/17	\$ 580,509
5,300,000	RESOLUTION FDG CORP	00.0000 %	07/15/15	651,953
5,300,000	RESOLUTION FDG CORP	00.0000 %	07/15/16	603,299
5,300,000	RESOLUTION FDG CORP	00.0000 %	07/15/17	558,673
9,570,000	RESOLUTION FDG CORP	08.8750 %	04/15/30	9,794,320
9,840,000	RESOLUTION FDG CORP	08.8750 %	07/15/20	10,009,149
5,824,000	RESOLUTION FUNDING CORP	08.6250 %	01/15/21	5,776,650
9,290,000	RESOLUTION FUNDING CORP	09.3750 %	10/15/20	9,934,447
5,000,000	SALOMON INC MED TERM NOTE	09.7500 %	05/18/93	5,110,150
19,386,684	S.B.I. MONEY FUND	00.0000 %		19,386,684
6,000,000	SEAGRAM JOSEPH E & SONS INC	09.6500 %	08/15/18	6,256,380
12,000,000	SEARS CR ACCOUNT TR	08.8500 %	03/15/96	12,037,500
5,500,000	SEARS CREDIT ACCOUNT TR	08.6000 %	05/15/96	5,514,740
10,000,000	SHEARSON LEHMAN HUTTON INC	10.7500 %	04/29/96	10,321,800
3,000,000	SYSTEM ENERGY RES INC	14.0000 %	11/15/94	3,481,290
5,880,000	TENNESSEE VALLEY AUTH.	08.3750 %	10/01/99	5,839,545
9,570,000	TEXAS UTILS ELEC CO	09.7500 %	05/01/21	9,503,105
6,000,000	TIMES MIRROR CO	08.7000 %	06/15/99	6,111,000
875,000	U.S.A. TREASURY BOND	08.8750 %	08/15/17	905,353
9,397,000	U.S.A. TREASURY BOND	10.3750 %	11/15/09	10,730,152
9,891,000	U.S.A. TREASURY BOND	08.7500 %	08/15/20	10,184,663
13,500,000	U.S.A. TREASURY NOTE	07.8750 %	02/15/96	13,495,815
2,750,000	U.S.A. TREASURY NOTE	07.8750 %	07/15/96	2,743,125
2,960,000	U.S.A. TREASURY NOTE	08.0000 %	05/15/01	2,912,817
4,440,000	U.S.A. TREASURY NOTE	08.8750 %	05/15/00	4,598,152
6,880,000	U.S.A. TREASURY NOTE	08.5000 %	07/15/97	7,017,600
95	UST BD SEP 94 CALL EXP 6/22/91	00.0000 %		920
22,700	UST NT 8/13/91 CALL 97.8125	00.0000 %		212,813
8,130	UST NT JULY 97.75 CALL	00.0000 %		38,109
24,000,000	EASTMAN KODAK WT EXP 1			1,213,200
3,000,000	MANITOBA PROV CDA WTS			178,950
87,750	STUDENT LOAN I			878
-30	U S T BD SEPT	00.0000 %		0
-149	U S T NT SEPT FUT	00.0000 %		0
<b>\$ 448,626,438</b>	<b>TOTAL FIXED INCOME PORTFOLIO</b>			<b>\$ 393,527,041</b>

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
FIDELITY MANAGEMENT TRUST  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 2,000,000	AFRICAN DEV BK	09.5000 %	12/15/95	\$ 2,072,860
3,000,000	AFRICAN DEV BK	08.8000 %	09/01/19	3,004,320
2,670,000	AMR CORP DEL MEDIUM TERM	10.0000 %	03/07/01	2,642,579
450,000	AMR CORP MTN	09.6200 %	01/17/95	460,885
888,986	BEAR STEARNS SECD INVS INC	00.0000 %	12/01/18	831,318
917,507	BEAR STEARNS SECD INVS INC	09.0500 %	12/01/18	931,811
3,000,000	CHRYSLER FINL CORP MED TERM	10.0500 %	06/08/92	2,936,310
2,500,000	CIRCUS CIRCUS ENTERPRISES	10.6250 %	06/15/97	2,573,975
250,000	COCA COLA ENTERPRISES INC	08.4600 %	07/21/93	253,917
50,000	DEERE & CO	08.5000 %	10/01/91	50,141
17,400,000	DISCOVER CARD TR	08.7500 %	02/16/96	17,727,120
509,585	FED HM LN PC # 140186	07.0000 %	11/01/03	490,950
198,452	FED HM LN PC # 160069	10.0000 %	01/01/09	205,211
1,406,524	FED HM LN PC # 160099	12.5000 %	01/01/10	1,556,839
2,589,659	FED HM LN PC # 170209	08.5000 %	12/01/16	2,494,955
488,655	FED HM LN PC # 170212	08.5000 %	01/01/17	470,785
2,083,464	FED HM LN PC # 181419	08.0000 %	10/01/07	2,028,439
201,352	FED HM LN PC # 181535	08.5000 %	06/01/09	198,708
63,806	FED HM LN PC # 183320	07.0000 %	04/01/11	56,747
651,658	FED HM LN PC # 183352	09.0000 %	12/01/08	648,803
1,190,392	FED HM LN PC # 183354	06.0000 %	11/01/10	1,194,844
1,819,267	FED HM LN PC # 184989	08.0000 %	06/01/09	1,768,655
191,021	FED HM LN PC # 186988	09.0000 %	01/01/09	190,991
916,594	FED HM LN PC # 188689	08.0000 %	10/01/07	910,718
523,465	FED HM LN PC # 188844	07.5000 %	08/01/08	513,399
384,467	FED HM LN PC # 200007	11.5000 %	02/01/00	405,370
520,737	FED HM LN PC # 210229	11.0000 %	09/01/00	545,473
73,303	FED HM LN PC # 210388	11.2500 %	10/01/00	77,723
344,966	FED HM LN PC # 210589	11.0000 %	12/01/00	361,352
477,106	FED HM LN PC # 220008	08.2500 %	08/01/01	474,420
440,001	FED HM LN PC # 220015	08.2500 %	10/01/01	437,523
78,356	FED HM LN PC # 253863	09.2500 %	03/01/10	78,197
432,605	FED HM LN PC # 255674	09.0000 %	11/01/99	427,739
179,612	FED HM LN PC # 255955	09.0000 %	04/01/10	178,825
106,501	FED HM LN PC # 258115	09.0000 %	11/01/09	106,035
468,757	FED HM LN PC # 271338	07.2500 %	11/01/07	454,835
453,540	FED HM LN PC # 277830	07.0000 %	06/01/05	403,365
503,511	FED HM LN PC # 279216	08.5000 %	10/01/16	485,097
87,114	FED HM LN PC # 279794	09.0000 %	03/01/11	87,100
570,622	FED HM LN PC # 287482	07.0000 %	03/01/17	507,494
441,696	FED HM LN PC # 287926	08.5000 %	03/01/17	425,543
76,227	FED HM LN PC # 289436	08.5000 %	03/01/17	73,439
331,771	FED HM LN PC # 292346	08.5000 %	07/01/06	327,415
3,055,460	FED HM LN PC # 298297	08.5000 %	07/01/17	2,943,722
950,302	FED HM LN PC # 304981	09.5000 %	06/01/18	960,100
1,761,094	FED HM LN PC # 305552	09.5000 %	07/01/18	1,779,251
2,263,271	FED HM LN PC # 305850	09.0000 %	07/01/18	2,237,809
767,906	FED HM LN PC # 306381	09.0000 %	08/01/18	764,543
2,859,914	FED HM LN PC # 306650	08.5000 %	02/01/19	2,755,327
401,208	FED HM LN PC # 309615	10.0000 %	12/01/18	414,873
369,825	FED HM LN PC # 360043	10.0000 %	12/01/18	382,421
367,117	FED HM LN PC # 360064	10.0000 %	07/01/19	379,621
235,199	FED HM LN PC # 360106	10.0000 %	05/01/20	243,210
65,879	FED HM LN PC # 548778	10.0000 %	05/01/20	68,123

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
FIDELITY MANAGEMENT TRUST  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 129,133	FED HM LN PC # 553673	10.0000 %	10/01/20	\$ 133,531
1,941,348	FED HM LN PC # 554028	10.0000 %	11/01/20	2,007,470
824,708	FED HM LN PC # 554698	10.0000 %	03/01/21	852,542
5,210,000	FEDERAL HOME LN MTG CORP	07.9500 %	01/15/11	5,143,207
5,301,400	FEDERAL HOME LN MTG CORP	08.0000 %	08/15/09	5,298,855
10,000,000	FINANCING CORP	09.8000 %	04/06/18	10,821,900
1,805,000	FINANCING CORP	10.7000 %	10/06/17	2,111,850
4,445,000	FINANCING CORP	09.8000 %	11/30/17	4,792,243
1,000,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	06/27/93	869,960
1,175,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	08/03/92	1,094,218
1,300,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	02/08/92	1,252,940
1,300,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	08/08/91	1,293,877
2,175,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	08/03/92	2,025,468
2,300,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	08/08/92	2,139,437
3,320,000	FINANCING CORP CPN FICO STRIPS	00.0000 %	12/27/93	2,771,967
2,580,000	FIRST BANK SYS INC	09.8900 %	03/06/96	2,612,508
2,360,000	FIRST CHICAGO CORP	09.8750 %	08/15/00	2,332,104
4,970,000	FIRST FID BANCORPORATION NEW	09.6250 %	08/15/99	4,847,638
2,325,000	FIRST INTST BANCORP	12.7500 %	05/01/97	2,579,471
5,000,000	FNMA	09.0000 %	10/25/14	5,086,050
663,658	FNMA POOL # 000248	08.5000 %	09/01/10	654,732
587,468	FNMA POOL # 000704	08.5000 %	06/01/10	582,504
1,575,112	FNMA POOL # 002494	08.0000 %	04/01/08	1,528,599
57,608	FNMA POOL # 029555	09.5000 %	07/01/16	58,454
557,012	FNMA POOL # 044049	08.0000 %	04/01/08	540,564
4,183,066	FNMA POOL # 044155	09.0000 %	05/01/21	4,141,235
161,593	FNMA POOL # 050078	08.5000 %	06/01/03	159,169
669,718	FNMA POOL # 050157	09.0000 %	12/01/18	663,021
2,198,952	FNMA POOL # 050267	09.0000 %	01/01/20	2,176,962
2,194,963	FNMA POOL # 050275	09.0000 %	02/01/20	2,173,013
386,337	FNMA POOL # 050276	09.5000 %	02/01/20	392,008
29,721	FNMA POOL # 050416	09.5000 %	03/01/21	30,158
3,824,096	FNMA POOL # 050426	09.5000 %	04/01/21	3,880,234
214,897	FNMA POOL # 060125	08.5000 %	05/01/03	211,674
3,588,535	FNMA POOL # 070254	09.5000 %	02/01/17	3,641,214
2,749,724	FNMA POOL # 070801	12.0000 %	04/01/21	3,028,133
308,191	FNMA POOL # 077312	09.0000 %	06/01/19	305,109
385,391	FNMA POOL # 081868	09.5000 %	04/01/18	391,048
446,303	FNMA POOL # 083800	09.5000 %	08/01/18	452,855
769,553	FNMA POOL # 088090	09.0000 %	02/01/20	761,858
19,160	FNMA POOL # 089166	09.0000 %	02/01/20	18,968
958,527	FNMA POOL # 104699	09.5000 %	09/01/20	972,598
5,080,037	FNMA POOL # 105850	09.0000 %	10/01/20	5,029,237
312,976	FNMA POOL # 106564	09.0000 %	10/01/20	309,846
2,700,771	FNMA POOL # 106704	09.0000 %	10/01/20	2,673,763
446,362	FNMA POOL # 111545	09.5000 %	12/01/06	452,915
560,932	FNMA POOL # 111972	09.5000 %	09/01/20	569,167
1,084,196	FNMA POOL # 112999	09.5000 %	09/01/18	1,100,112
535,034	FNMA POOL # 114152	09.5000 %	01/01/17	542,888
529,298	FNMA POOL # 115033	09.5000 %	02/01/21	537,068
502,513	FNMA POOL # 117891	09.5000 %	04/01/21	509,890
885,179	FNMA POOL # 118454	09.5000 %	04/01/21	898,173
545,680	FNMA POOL # 50099	08.5000 %	08/01/03	537,495
745,701	FNMA POOL # 50109	10.0000 %	08/01/18	773,666

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
FIDELITY MANAGEMENT TRUST  
ALPHABETICAL FIXED INCOME HOLDINGS  
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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 684,960	FNMA POOL # 63571	08.5000 %	07/01/03	\$ 674,685
989,022	FNMA POOL # 63983	10.0000 %	08/01/18	1,026,111
134,465	FNMA POOL # 64565	10.0000 %	08/01/18	139,507
712,667	FNMA POOL # 8245	08.0000 %	12/01/08	671,019
2,327,554	FORD CR 1989 A GRANTOR TR	08.7000 %	10/17/94	2,347,175
11,729,570	FORD MOTORS	08.6000 %	12/15/94	11,821,178
60,000	GENERAL MOTORS ACCEPTANCE CORP	00.0000 %	07/01/91	59,961
3,000,000	GENERAL MTRS ACCEP CORP	08.3750 %	05/01/97	3,027,480
3,750,000	GEORGIA PACIFIC CORP	09.2500 %	10/01/93	3,735,937
237,936	GNMA II POOL # 115563	12.5000 %	06/20/14	265,596
208,920	GNMA II POOL # 121529	12.0000 %	02/20/15	236,341
688,630	GNMA POOL # 026667	09.0000 %	09/15/08	691,095
471,499	GNMA POOL # 028628	09.0000 %	01/15/09	473,187
373	GNMA POOL # 032982	08.7500 %	07/15/91	365
551,118	GNMA POOL # 033506	11.0000 %	01/15/10	597,097
52,136	GNMA POOL # 037029	11.0000 %	12/15/09	56,486
41,875	GNMA POOL # 038191	11.0000 %	12/15/09	45,369
444,968	GNMA POOL # 038419	11.0000 %	02/15/10	482,092
228,191	GNMA POOL # 038567	11.0000 %	03/15/10	247,229
92,201	GNMA POOL # 039333	11.0000 %	02/15/10	99,893
451,268	GNMA POOL # 039454	11.0000 %	03/15/10	488,918
454,173	GNMA POOL # 039607	11.0000 %	07/15/10	492,065
213,601	GNMA POOL # 039640	11.0000 %	03/15/10	231,422
195,875	GNMA POOL # 039807	11.0000 %	02/15/10	212,217
267,262	GNMA POOL # 040070	11.0000 %	08/15/10	289,560
590,518	GNMA POOL # 040167	11.0000 %	06/15/10	639,785
187,884	GNMA POOL # 040364	11.0000 %	08/15/10	203,559
44,930	GNMA POOL # 041522	11.0000 %	09/15/10	48,679
209,335	GNMA POOL # 042841	11.0000 %	09/15/10	226,800
465,888	GNMA POOL # 043405	11.0000 %	09/15/10	504,757
1,612	GNMA POOL # 046943	12.2500 %	02/15/96	1,717
94,756	GNMA POOL # 050936	15.0000 %	10/15/11	111,634
188,283	GNMA POOL # 051011	15.0000 %	02/15/12	221,820
270,764	GNMA POOL # 052820	15.0000 %	07/15/12	318,993
48,789	GNMA POOL # 054838	15.0000 %	09/15/12	57,479
156,723	GNMA POOL # 061667	11.5000 %	05/15/13	173,619
149,726	GNMA POOL # 064099	11.5000 %	06/15/13	165,868
191,521	GNMA POOL # 068121	12.0000 %	05/15/13	216,658
97,914	GNMA POOL # 115029	13.0000 %	12/15/14	112,724
375,563	GNMA POOL # 122005	12.5000 %	01/15/15	428,612
348,124	GNMA POOL # 128012	13.0000 %	03/15/15	400,778
902,373	GNMA POOL # 128071	11.5000 %	05/15/00	953,691
875,420	GNMA POOL # 157454	09.0000 %	06/15/16	870,492
403,963	GNMA POOL # 157887	09.5000 %	05/15/16	402,291
889,178	GNMA POOL # 159290	09.5000 %	04/15/21	906,962
708,727	GNMA POOL # 160441	09.0000 %	04/15/16	704,737
163,100	GNMA POOL # 160472	09.0000 %	09/15/16	162,182
713,733	GNMA POOL # 160593	09.0000 %	05/15/16	709,714
431,493	GNMA POOL # 162312	09.5000 %	07/15/16	429,706
29,321	GNMA POOL # 164169	09.0000 %	06/15/16	29,156
757,587	GNMA POOL # 165545	09.0000 %	07/15/16	753,322
20,989	GNMA POOL # 165925	09.0000 %	07/15/16	20,871
188,174	GNMA POOL # 166301	09.0000 %	08/15/16	187,115
26,110	GNMA POOL # 167248	09.0000 %	06/15/16	25,963
196,839	GNMA POOL # 167801	09.0000 %	10/15/16	195,731

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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 287,904	GNMA POOL # 171881	09.0000 %	09/15/16	\$ 286,284
413,594	GNMA POOL # 172696	09.5000 %	12/15/16	411,882
801,792	GNMA POOL # 175230	09.0000 %	10/15/16	797,278
173,123	GNMA POOL # 175352	09.0000 %	09/15/16	172,149
811,629	GNMA POOL # 178945	09.0000 %	02/15/17	807,059
795,299	GNMA POOL # 182459	09.0000 %	12/15/16	790,821
649,170	GNMA POOL # 187195	09.0000 %	12/15/01	657,486
765,668	GNMA POOL # 188582	09.0000 %	10/15/16	761,357
36,172	GNMA POOL # 189876	09.0000 %	11/15/16	35,969
609,033	GNMA POOL # 191217	09.0000 %	11/15/16	605,604
148,255	GNMA POOL # 192807	09.0000 %	12/15/16	147,420
722,849	GNMA POOL # 192885	09.0000 %	12/15/16	718,779
44,255	GNMA POOL # 194842	09.0000 %	11/15/16	44,006
51,841	GNMA POOL # 198000	09.0000 %	06/15/17	51,549
2,792,347	GNMA POOL # 200914	08.0000 %	04/15/17	2,628,297
441,130	GNMA POOL # 203481	10.0000 %	08/15/18	460,566
159,812	GNMA POOL # 204245	09.5000 %	07/15/17	163,008
399,414	GNMA POOL # 210816	10.0000 %	09/15/18	417,013
180,754	GNMA POOL # 216114	10.0000 %	11/15/17	188,718
375,127	GNMA POOL # 216690	10.0000 %	08/15/17	391,655
126,043	GNMA POOL # 221489	09.5000 %	09/15/17	128,563
912,333	GNMA POOL # 225781	09.5000 %	06/15/18	930,580
408,070	GNMA POOL # 226788	09.5000 %	09/15/17	416,232
860,592	GNMA POOL # 229897	09.0000 %	08/15/17	855,747
393,603	GNMA POOL # 230332	09.5000 %	08/15/17	401,475
110,662	GNMA POOL # 232920	09.0000 %	08/15/17	110,039
162,850	GNMA POOL # 237713	10.0000 %	11/15/17	170,025
91,419	GNMA POOL # 238070	09.0000 %	10/15/17	90,904
873,050	GNMA POOL # 238521	11.0000 %	12/15/18	945,889
470,958	GNMA POOL # 251278	10.0000 %	09/15/18	491,708
243,864	GNMA POOL # 252286	10.0000 %	08/15/18	254,609
1,890,245	GNMA POOL # 252954	09.5000 %	08/15/18	1,928,050
882,036	GNMA POOL # 255149	10.0000 %	12/15/18	920,898
369,033	GNMA POOL # 255309	10.0000 %	08/15/18	385,293
40,665	GNMA POOL # 256063	10.0000 %	06/15/18	42,457
909,801	GNMA POOL # 257253	10.0000 %	08/15/18	949,887
429,627	GNMA POOL # 258289	10.0000 %	02/15/19	448,557
323,437	GNMA POOL # 259167	09.5000 %	07/15/20	329,906
333,005	GNMA POOL # 259737	10.0000 %	08/15/18	347,677
513,281	GNMA POOL # 26157	09.0000 %	10/15/08	515,119
436,781	GNMA POOL # 263657	10.0000 %	12/15/18	456,025
320,594	GNMA POOL # 264467	10.0000 %	05/15/19	334,719
948,265	GNMA POOL # 264931	10.0000 %	05/15/19	990,046
953,895	GNMA POOL # 270697	10.0000 %	05/15/19	995,923
24,656	GNMA POOL # 271798	10.0000 %	04/15/19	25,743
1,233,530	GNMA POOL # 27245	09.0000 %	12/15/08	1,237,946
961,998	GNMA POOL # 273466	10.0000 %	05/15/19	1,004,384
865,119	GNMA POOL # 274430	10.0000 %	04/15/19	903,236
115,693	GNMA POOL # 275191	10.0000 %	05/15/19	120,791
1,815,212	GNMA POOL # 276197	10.0000 %	05/15/19	1,895,190
448,477	GNMA POOL # 277317	10.0000 %	05/15/19	468,237
680,412	GNMA POOL # 278028	10.0000 %	05/15/19	710,391
49,682	GNMA POOL # 278051	09.5000 %	08/15/20	50,675
292,464	GNMA POOL # 280231	09.5000 %	07/15/20	298,313

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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 6,766,021	GNMA POOL # 281729	09.0000 %	10/15/19	\$ 6,727,928
337,109	GNMA POOL # 282466	09.5000 %	03/15/20	343,852
1,836,871	GNMA POOL # 289052	09.5000 %	08/15/20	1,873,609
615,492	GNMA POOL # 289054	09.5000 %	08/15/20	627,802
1,447,373	GNMA POOL # 289055	09.5000 %	08/15/20	1,476,320
495,867	GNMA POOL # 289359	09.5000 %	08/15/20	505,784
482,183	GNMA POOL # 289884	09.5000 %	07/15/20	491,826
483,282	GNMA POOL # 29011	09.0000 %	12/15/08	485,013
995,161	GNMA POOL # 291783	09.5000 %	08/15/20	1,015,064
348,566	GNMA POOL # 293345	09.5000 %	11/15/20	355,538
3,985,071	GNMA POOL # 295021	09.5000 %	03/15/20	4,064,773
347,384	GNMA POOL # 301106	09.5000 %	03/15/21	354,332
170,609	GNMA POOL # 42799	11.0000 %	08/15/10	184,843
557,229	GNMA POOL # 44607	11.0000 %	09/15/10	603,719
5,110,000	GOLDEN WEST FINL CORP	10.2500 %	05/15/97	5,279,754
2,250,000	HOME SVGS AMER IRWINDALE CALIF	10.5000 %	06/12/97	2,304,585
3,000,000	INTER AMERICAN DEV. BANK	09.5000 %	10/15/97	3,145,770
625,000	INTERNATIONAL BK FOR RECON &	14.7500 %	06/01/92	663,843
1,000,000	INTERNATIONAL LEASE FIN CORP	07.6000 %	02/01/92	1,002,510
1,470,000	KOREA DEV BANK	09.6000 %	12/01/00	1,489,727
2,090,000	KOREA DEV BK MEDIUM TERM NTS	09.4800 %	04/02/01	2,097,774
3,000,000	MANITOBA PROV CDA	09.1250 %	01/15/18	3,075,810
2,570,000	MANUFACTURERS HANOVER CORP	08.5000 %	02/15/99	2,346,255
260,000	MARRIOTT CORP	08.7500 %	05/09/93	259,305
760,000	MCDERMOTT INC	10.2500 %	06/01/95	784,988
5,000,000	MORGAN STANLEY MTG TR H	08.2500 %	07/20/18	4,801,999
250,000	PHH GROUP INC	08.7500 %	08/15/91	250,545
2,000,000	PHILIP MORRIS COS INC	09.0000 %	05/15/98	2,050,920
3,000,000	PHILLIP MORRIS COS INC.	07.5000 %	08/01/96	3,001,230
2,000,000	PITNEY BOWES CR CORP	08.6250 %	02/15/08	1,973,740
4,000,000	PRIVATE EXPT FDG CORP.	09.0000 %	01/31/96	4,113,200
10,500,000	RESOLUTION FUNDING CORP	08.1250 %	10/15/19	9,856,875
4,000,000	RJR NABISCO INC	08.8750 %	11/15/92	3,988,720
6,795,250	S.B.I MONEY FUND	00.0000 %		6,795,250
9,897,000	SEARS CREDIT ACCOUNT TR	09.3500 %	12/15/93	9,949,553
2,000,000	SOUTHERN CALIF GAS CO	09.3750 %	06/15/98	2,098,860
3,000,000	STANDARD CREDIT CARD TR	09.3000 %	05/10/93	3,077,790
6,500,000	STANDARD CREDIT CARD TR	09.3750 %	06/10/95	6,739,655
11,935,000	SYSTEM ENERGY RES INC	14.0000 %	11/15/94	13,849,732
10,215,000	U.S.A. TREASURY BOND	08.8750 %	08/15/17	10,569,358
23,410,000	U.S.A. TREASURY BOND	08.8750 %	02/15/19	24,295,132
35,710,000	U.S.A. TREASURY BOND	10.3750 %	11/15/12	41,200,412
10,000,000	U.S.A. TREASURY COUPON	00.0000 %	05/15/99	5,208,500
14,545,000	U.S.A. TREASURY NOTE	09.5000 %	10/15/94	15,367,665
1,760,000	U.S.A. TREASURY NOTE	08.5000 %	05/15/97	1,796,291
1,800,000	U.S.A. TREASURY NOTE	09.1250 %	05/15/99	1,890,558
20,375,000	U.S.A. TREASURY NOTE	07.6250 %	05/15/93	20,616,851
31,920,000	U.S.A. TREASURY NOTE	09.5000 %	11/15/95	33,854,990
5,950,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/97	6,169,376
7,000,000	U.S.A. TREASURY NOTE	07.8750 %	03/31/92	7,080,920
9,300,000	U.S.A. TREASURY NOTE	07.3750 %	05/15/96	9,102,375
12,615,000	U.S.A. TREASURY NOTES	09.0000 %	05/15/92	12,883,068
\$ 529,296,896	TOTAL FIXED INCOME PORTFOLIO			\$ 539,200,614

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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 1,240,000	AFRICAN DEV BK	08.8000 %	09/01/19	\$ 1,241,785
475,000	AFRICAN DEV BK	10.0000 %	11/01/97	506,065
515,000	ALLIED SIGNAL	09.2000 %	02/15/03	513,496
1,000,000	AMERICAN EXPRESS CR CORP	07.7500 %	03/01/97	954,740
385,000	AMOCO CO	07.8750 %	08/15/96	376,071
500,000	AMR CORP MEDIUM TERM	10.5500 %	03/12/21	506,275
975,000	ASIAN DEVELOPMENT BANK	09.1250 %	06/01/00	998,994
1,625,000	AVCO FINL SVCS INC	09.3750 %	01/15/93	1,652,901
785,000	BALTIMORE GAS & ELEC CO	07.1250 %	01/01/02	686,733
35,000	BANKAMERICA CORP	09.7000 %	08/01/00	35,471
710,000	BANKAMERICA CORP	09.6250 %	02/13/01	714,366
965,000	BECTON DICKINSON & CO E GIVEN	07.8750 %	12/15/96	925,367
625,000	BENEFICIAL CORP	08.4000 %	05/15/08	624,556
755,000	BENEFICIAL CORP	09.1250 %	02/15/98	760,254
4,560,000	BNY MASTER CR CARD TR	07.9500 %	04/15/96	4,561,413
775,000	BRITISH COLUMBIA HYDRO & PWR	15.0000 %	04/15/11	994,549
500,000	C I T GROUP HLDGS INC	08.8750 %	06/15/96	502,520
1,105,000	CAROLINA PWR & LT	07.3750 %	01/01/01	973,394
635,000	CATERPILLAR INC	09.3750 %	03/15/21	621,010
1,598,705	CFC GRANTOR TR	09.5000 %	04/17/95	1,625,675
740,000	CHASE MANHATTAN CR CARD TR	08.4500 %	11/15/97	748,088
2,864,623	CHEMICAL BK GRANTOR TR	09.0000 %	02/15/95	2,904,011
265,000	CHEMICAL BKG CORP	10.3750 %	03/15/99	259,119
545,000	CHEVRON CAP USA INC	07.8750 %	03/01/97	526,824
895,000	CINCINNATI GAS & ELEC CO	09.2500 %	04/01/16	871,094
860,000	CIT GROUP HLDGS INC	07.4000 %	02/15/92	863,827
905,000	CIT GROUP HOLDINGS	08.7500 %	02/15/96	905,063
200,000	CITICORP	09.0000 %	04/15/99	183,368
515,000	CITICORP	09.7500 %	08/01/99	496,975
365,000	COMMERCIAL CREDIT CO	09.8750 %	12/01/95	379,067
515,000	COMMONWEALTH EDISON CO	09.8750 %	06/15/20	535,455
600,000	COMMONWEALTH EDISON CO	08.0000 %	10/15/03	549,143
950,000	CONNECTICUT LIGHT & POWER CO	09.7500 %	11/01/18	968,088
150,000	CONSOLIDATED NAT GAS CO	08.6250 %	12/01/11	141,838
490,000	CONSOLIDATED RAIL CORP	09.7500 %	06/15/20	496,615
460,000	CORNING GLASS WKS	08.3750 %	11/01/96	453,831
2,211,950	COUPON TREAS RCPT	00.0000 %	11/15/92	2,021,102
2,259,000	COUPON TREAS RCPT	00.0000 %	02/15/93	2,024,064
420,000	COUPON TREAS RCPT	00.0000 %	08/15/93	362,044
9,639,840	COUPON TREAS RCPT	00.0000 %	02/15/92	9,280,370
485,000	DAYTON HUDSON CORP	10.0000 %	01/01/11	503,255
1,000,000	DETROIT EDISON	09.0000 %	02/15/17	949,340
460,000	DOW CAP B V	09.2000 %	06/01/10	452,934
1,170,000	DOW CORNING CORP	08.1500 %	10/15/96	1,150,496
610,000	DU PONT (E.I.) DENEMOURS	06.0000 %	12/01/01	492,568
1,055,000	DUKE PWR CO	07.7500 %	06/01/03	963,932
215,000	DUKE PWR CO	07.5000 %	03/01/97	203,828
960,000	EATON CORP	07.0000 %	04/01/11	746,265
960,000	EUROPEAN INVT BK	10.1250 %	10/01/00	1,040,659
830,000	EXPORT DEV CORP	07.3750 %	02/01/97	796,982
860,000	FARM CR CORP	07.5000 %	12/24/96	828,756
335,979	FED HM LN PC # 170020	07.5000 %	06/01/08	317,601
430,291	FED HM LN PC # 181020	07.5000 %	06/01/09	406,754
747,572	FED HM LN PC # 181539	07.5000 %	11/01/08	706,679



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PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 708,563	FED HM LN PC # 200055	08.5000 %	10/01/01	\$ 697,935
599,209	FED HM LN PC # 217458	08.5000 %	06/01/02	590,221
14,924	FED HM LN PC # 273361	08.5000 %	06/01/16	14,379
1,601,378	FED HM LN PC # 278430	07.5000 %	10/01/16	1,491,524
2,419,970	FED HM LN PC # 279044	09.0000 %	10/01/16	2,392,746
460,090	FED HM LN PC # 286554	09.0000 %	02/01/17	454,914
541,515	FED HM LN PC # 299561	08.5000 %	07/01/17	521,712
702,672	FED HM LN PC # 300165	08.5000 %	05/01/17	676,975
1,135,000	FEDERAL FARM CREDIT BANK	10.6500 %	01/20/93	1,196,358
225,000	FEDERAL NATIONAL MORTGAGE ASSN	08.0000 %	07/10/96	224,226
325,000	FEDERAL NATIONAL MORTGAGE ASSN	11.5000 %	02/10/95	362,576
485,000	FEDERAL NATIONAL MORTGAGE ASSN	10.1250 %	06/10/92	501,063
1,100,000	FHLMC GOLD 15YR TBA	08.5000 %	01/01/99	1,082,812
3,180,000	FIRST CHICAGO MASTER TR	09.2500 %	06/15/95	3,280,074
285,000	FIRST FID BANCORPORATION NEW	09.6250 %	08/15/99	277,983
300,000	FIRST INTST BANCORP	08.6250 %	04/01/99	277,038
510,000	FLORIDA PWR & LT CO	09.8000 %	11/01/18	516,211
580,000	FLORIDA PWR & LT CO	09.7500 %	04/01/17	586,385
2,390,000	FNMA 30YR TBA	09.0000 %	01/01/99	2,367,593
2,378,525	FNMA POOL # 000072	07.5000 %	09/01/08	2,188,243
105,503	FNMA POOL # 000557	07.5000 %	11/01/08	97,062
315,690	FNMA POOL # 007424	11.5000 %	07/01/14	339,957
134,906	FNMA POOL # 013532	11.5000 %	11/01/15	145,276
99,282	FNMA POOL # 019999	11.5000 %	11/01/15	106,913
105,154	FNMA POOL # 022642	11.5000 %	12/01/15	113,237
103,718	FNMA POOL # 022752	11.5000 %	01/01/16	111,691
170,878	FNMA POOL # 025622	11.5000 %	02/01/16	184,013
532,370	FNMA POOL # 027757	07.5000 %	03/01/10	489,781
138,600	FNMA POOL # 029017	11.5000 %	03/01/14	149,254
765,437	FNMA POOL # 035484	08.5000 %	03/01/17	738,165
187,062	FNMA POOL # 035492	08.5000 %	03/01/17	184,256
3,733,029	FNMA POOL # 038128	08.5000 %	12/01/16	3,600,021
6,321,951	FNMA POOL # 038243	08.5000 %	12/01/16	6,096,700
92,994	FNMA POOL # 038693	08.5000 %	12/01/16	89,680
366,183	FNMA POOL # 038950	09.0000 %	12/01/01	368,241
626,476	FNMA POOL # 039993	08.5000 %	02/01/17	604,155
798,104	FNMA POOL # 040126	08.5000 %	01/01/17	769,668
593,624	FNMA POOL # 040686	08.5000 %	02/01/17	572,473
746,426	FNMA POOL # 041287	08.5000 %	03/01/17	719,831
663,625	FNMA POOL # 041638	08.5000 %	02/01/17	639,980
360,141	FNMA POOL # 041740	08.5000 %	03/01/17	347,309
519,574	FNMA POOL # 042691	08.5000 %	03/01/17	501,062
716,021	FNMA POOL # 042733	08.5000 %	03/01/17	690,509
2,233,834	FNMA POOL # 042734	08.5000 %	03/01/17	2,154,242
228,086	FNMA POOL # 043365	08.5000 %	02/01/17	219,960
33,039	FNMA POOL # 044688	07.5000 %	04/01/02	31,088
470,377	FNMA POOL # 044691	07.5000 %	04/01/02	442,592
214,292	FNMA POOL # 045222	08.5000 %	04/01/17	206,657
34,920	FNMA POOL # 045371	07.5000 %	04/01/02	32,857
287,489	FNMA POOL # 046551	07.5000 %	05/01/02	270,507
68,421	FNMA POOL # 046655	11.5000 %	01/01/16	73,681
397,729	FNMA POOL # 047134	07.5000 %	05/01/02	374,235
332,836	FNMA POOL # 047233	07.5000 %	05/01/02	313,175
363,035	FNMA POOL # 048313	07.5000 %	07/01/02	341,590

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
LINCOLN CAPITAL MANAGEMENT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 21,872	FNMA POOL # 049389	07.5000 %	06/01/02	\$ 20,580
36,654	FNMA POOL # 049521	07.5000 %	06/01/02	34,489
17,878	FNMA POOL # 050208	11.5000 %	05/01/19	19,252
128,459	FNMA POOL # 051614	11.5000 %	02/01/16	138,333
262,430	FNMA POOL # 051821	07.5000 %	06/01/02	246,928
815,980	FNMA POOL # 052331	08.5000 %	07/01/17	786,907
162,164	FNMA POOL # 053161	11.5000 %	07/01/17	174,629
379,493	FNMA POOL # 054457	07.5000 %	07/01/02	357,077
109,811	FNMA POOL # 055385	11.5000 %	05/01/15	118,252
508,442	FNMA POOL # 055534	11.5000 %	04/01/99	547,526
3,782,727	FNMA POOL # 059124	07.0000 %	03/01/08	3,611,294
160,636	FNMA POOL # 065744	11.5000 %	11/01/10	172,985
33,732	FNMA POOL # 066094	07.5000 %	02/01/07	31,033
86,130	FNMA POOL # 067474	08.5000 %	10/01/18	83,061
723,857	FNMA POOL # 067743	11.5000 %	02/01/16	779,500
640,916	FNMA POOL # 069061	11.5000 %	11/01/17	690,183
1,052,030	FNMA POOL # 070008	08.0000 %	06/01/03	1,013,231
237,840	FNMA POOL # 070258	09.0000 %	03/01/02	239,176
1,058,501	FNMA POOL # 070338	11.0000 %	07/01/19	1,128,955
186,965	FNMA POOL # 070505	08.0000 %	01/01/05	180,070
3,626,922	FNMA POOL # 070582	08.0000 %	06/01/20	3,414,964
466,305	FNMA POOL # 071883	11.5000 %	02/01/19	502,150
461,024	FNMA POOL # 080819	11.5000 %	01/01/16	496,463
375,313	FNMA POOL # 080926	11.5000 %	09/01/19	404,164
229,705	FNMA POOL # 083007	11.5000 %	01/01/16	247,362
165,459	FNMA POOL # 087212	11.5000 %	01/01/16	178,178
674,923	FNMA POOL # 090548	08.5000 %	03/01/05	664,799
14,125,000	FNMA POOL # TBA	00.0000 %	01/01/99	14,015,988
2,175,000	FNMA POOL # TBA	09.5000 %	01/01/99	2,208,389
1,110,000	FORD MOTOR CR CO	08.7500 %	01/15/95	1,107,480
725,000	FORD MTR CR CORP	07.5000 %	03/01/94	709,224
885,000	GENERAL ELEC CR CORP	05.5000 %	11/01/01	687,060
500,000	GENERAL MOTORS ACCEPT CORP	08.0000 %	04/15/94	496,530
610,000	GENERAL MOTORS ACCEPT CORP.	08.0000 %	01/15/02	557,899
980,000	GENERAL MTRS ACCEP CORP	05.5000 %	12/15/01	737,851
541,338	GNMA POOL # 046284	11.0000 %	09/15/10	586,502
130,775	GNMA POOL # 059611	11.0000 %	05/15/13	141,685
139,143	GNMA POOL # 064235	11.0000 %	04/15/13	150,752
718,677	GNMA POOL # 065055	10.5000 %	07/15/98	755,732
194,728	GNMA POOL # 106327	11.0000 %	08/15/13	210,974
102,188	GNMA POOL # 129477	10.5000 %	09/15/00	107,456
188,693	GNMA POOL # 133364	11.0000 %	08/15/15	204,436
288,297	GNMA POOL # 135150	10.5000 %	12/15/00	303,162
408,932	GNMA POOL # 140248	10.5000 %	10/15/00	430,017
499,506	GNMA POOL # 140995	11.0000 %	09/15/00	526,819
376,505	GNMA POOL # 149305	10.5000 %	02/15/01	395,917
591,319	GNMA POOL # 169447	09.5000 %	05/15/21	603,145
220,275	GNMA POOL # 217787	11.0000 %	11/15/17	238,652
223,508	GNMA POOL # 259622	09.5000 %	10/15/20	227,978
39,119	GNMA POOL # 289343	09.5000 %	06/15/20	39,901
205,331	GNMA POOL # 292190	09.5000 %	03/15/21	209,437
997,607	GNMA POOL # 293770	09.5000 %	02/15/21	1,017,559
721,617	GNMA POOL # 296265	09.5000 %	10/15/20	736,050
510,316	GNMA POOL # 298322	09.5000 %	06/15/21	520,522

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
LINCOLN CAPITAL MANAGEMENT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 488,461	GNMA POOL # 299057	11.0000 %	09/15/20	\$ 529,214
249,256	GNMA POOL # 300001	09.5000 %	12/15/20	254,241
961,397	GNMA POOL # 301056	09.5000 %	11/15/20	980,625
29,931	GNMA POOL # 302448	09.5000 %	01/15/21	30,530
998,133	GNMA POOL # 302727	09.5000 %	02/15/21	1,018,096
798,529	GNMA POOL # 303142	09.5000 %	01/15/21	814,500
400,000	GNMA POOL # 304797	09.5000 %	06/15/21	408,000
580,000	GNMA POOL # 307458	09.5000 %	06/15/21	591,600
489,010	GNMA POOL # 309130	09.5000 %	06/15/21	498,790
498,370	GNMA POOL # 311273	09.5000 %	06/15/21	508,337
21,900,000	GNMA POOL # 31210	09.5000 %	07/15/09	22,255,875
314,837	GNMA POOL # 63520	10.5000 %	05/15/98	331,070
18,930,000	GNMA POOL # TBA	10.0000 %	06/15/17	19,625,085
2,203,685	GOVERNMENT BACKED TR	09.4000 %	11/15/96	2,297,342
2,280,000	GOVERNMENT BACKED TRS	00.0000 %	11/15/92	2,079,542
2,490,000	GOVERNMENT BACKED TRS	00.0000 %	05/15/93	2,184,153
3,400,000	GOVERNMENT BACKED TRS	00.0000 %	05/15/92	3,219,222
985,000	GOVERNMENT TR CTF P 3	00.0000 %	11/15/93	831,724
10,330,000	GOVERNMENT TR CTFS	08.5500 %	11/15/97	10,500,445
2,370,000	GOVERNMENT TR CTFS	09.2500 %	11/15/96	2,447,025
370,000	GOVERNMENT TR CTFS	00.0000 %	11/15/93	312,424
5,085,000	GOVERNMENT TR CTFS	09.2500 %	11/15/01	5,250,262
6,840,000	GOVERNMENT TR CTFS	09.4000 %	05/15/02	7,121,808
2,875,000	GOVERNMENT TR P	00.0000 %	05/15/94	2,317,566
885,000	GOVERNMENT TR P	00.0000 %	11/15/93	747,285
505,000	GOVERNMENT TRUST CTFS	00.0000 %	11/15/93	426,416
375,000	HOUSEHOLD FIN CORP	08.5000 %	08/15/91	376,125
565,000	HOUSEHOLD FIN CORP	07.7500 %	11/01/91	566,005
795,000	HOUSTON LTG & PWR	10.2500 %	02/01/19	819,517
880,000	INTER AMERICAN DEV BK	08.5000 %	03/15/11	845,715
1,685,000	INTERNATIONAL BK FOR RECON	11.6250 %	12/15/94	1,877,056
320,000	ITT CORP	07.8750 %	04/15/93	319,561
490,000	MANITOBA PROV CDA	07.7500 %	07/17/16	476,936
1,380,000	MARRIOTT CORP	09.3750 %	06/15/07	1,338,324
1,505,000	MARTIN-MARIETTA CORP.	07.0000 %	03/15/11	1,186,662
500,000	MAY DEPARTMENT STORES	09.7500 %	02/15/21	503,730
665,000	MID-ST TR II	09.3500 %	04/01/98	673,645
955,000	NEW BRUNSWICK PROV CDA	09.7500 %	05/15/20	997,659
1,415,000	NEW ENGLAND TEL & TELEG CO	07.8750 %	11/15/29	1,389,530
765,000	NEW JERSEY BELL TEL CO	07.8500 %	11/15/29	729,947
445,000	NEWFOUNDLAND PROV CDA	10.0000 %	12/01/20	465,705
520,000	NEWFOUNDLAND PROV CDA	09.8750 %	06/01/20	539,037
785,000	NIAGRA MOHAWK PWR CO	10.0000 %	11/01/16	805,347
510,000	NORWEST CORP	09.2500 %	05/01/97	512,325
1,500,000	OCCIDENTAL PETE CORP	09.2500 %	08/01/19	1,442,805
675,000	ONTARIO PROV CDA	15.1250 %	05/01/11	872,363
450,000	PACIFIC GAS & ELEC CO	08.5000 %	02/01/20	406,170
620,000	PHILIP MORRIS COS INC	08.6250 %	03/01/99	607,085
1,455,000	PITNEY BOWES CR CORP	08.5500 %	09/15/09	1,422,117
435,000	PROCTER & GAMBLE CORP	08.0000 %	10/26/29	429,514
1,000,000	RALSTON PURINA CO	09.0000 %	06/15/96	1,006,160
705,000	REPUBLIC N Y CORP	09.7500 %	12/01/00	732,269
5,525,000	RESOLUTION FDG CORP	08.8750 %	07/15/20	5,619,974
3,130,000	RESOLUTION FUNDING CORP	09.3750 %	10/15/20	3,347,128

**MINNESOTA STATE BOARD OF INVESTMENT  
PASSIVE BOND MANAGERS ACCOUNT  
LINCOLN CAPITAL MANAGEMENT  
ALPHABETICAL FIXED INCOME HOLDINGS  
JUNE 30, 1991**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
\$ 1,490,000	ROCKWELL INTL CORP	08.8750 %	09/15/99	\$ 1,492,533
395,000	SASKATCHEWAN PROV	09.1250 %	02/15/21	387,566
585,000	SASKATCHEWAN PROV	09.3750 %	12/15/20	588,486
80,462,409	S.B.I. MONEY FUND			80,462,409
900,000	SOUTH CENTRAL BELL TELEPHONE	08.2500 %	03/01/17	812,898
4,590,000	STANDARD CR CARD MASTER TR	07.8750 %	07/07/94	4,570,630
1,480,000	STANDARD CR CARD TR	09.0000 %	03/10/95	1,511,908
660,000	STANDARD OIL CO	06.3000 %	07/01/01	546,539
710,000	STANDARD OIL CO	07.0000 %	12/15/91	709,723
825,000	TENNECO INC	10.0000 %	03/15/08	832,169
595,000	TEXAS UTILS ELEC CO	09.3750 %	03/01/16	570,438
985,000	TRANSAMERICA FINL CORP	06.5000 %	03/15/11	715,523
9,780,000	U.S.A. TREASURY NOTE	08.0000 %	08/15/93	9,957,213
11,610,000	U.S.A. TREASURY BOND	12.7500 %	11/15/10	15,579,110
1,800,000	U.S.A. TREASURY BOND	11.1250 %	08/15/03	2,168,442
18,225,000	U.S.A. TREASURY BOND	08.8750 %	08/15/17	18,857,225
23,050,000	U.S.A. TREASURY BOND	08.1250 %	08/15/19	22,128,000
2,790,000	U.S.A. TREASURY BOND	10.7500 %	05/15/03	3,280,872
615,000	U.S.A. TREASURY BOND	11.6250 %	11/15/04	768,750
6,990,000	U.S.A. TREASURY BOND	12.0000 %	08/15/13	9,095,737
1,550,000	U.S.A. TREASURY COUPON	00.0000 %	02/15/94	1,282,191
3,900,000	U.S.A. TREASURY COUPON	00.0000 %	08/15/96	2,597,595
1,150,000	U.S.A. TREASURY NOTE	09.5000 %	05/15/94	1,212,169
12,425,000	U.S.A. TREASURY NOTE	11.2500 %	05/15/95	13,869,406
1,290,000	U.S.A. TREASURY NOTE	08.7500 %	09/30/92	1,322,649
13,050,000	U.S.A. TREASURY NOTE	08.5000 %	04/15/97	13,315,045
1,335,000	U.S.A. TREASURY NOTE	09.6250 %	03/31/93	1,393,820
1,350,000	U.S.A. TREASURY NOTE	08.0000 %	07/31/92	1,369,831
1,365,000	U.S.A. TREASURY NOTE	08.6250 %	10/15/95	1,404,243
14,825,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/97	15,371,597
150,000	U.S.A. TREASURY NOTE	07.1250 %	10/15/93	150,421
1,870,000	U.S.A. TREASURY NOTE	08.6250 %	05/15/93	1,923,762
21,180,000	U.S.A. TREASURY NOTE	08.5000 %	05/15/97	21,616,731
2,130,000	U.S.A. TREASURY NOTE	09.1250 %	12/31/92	2,201,227
2,325,000	U.S.A. TREASURY NOTE	07.7500 %	11/15/93	2,355,504
2,415,000	U.S.A. TREASURY NOTE	08.6250 %	08/15/97	2,476,872
350,000	U.S.A. TREASURY NOTE	08.0000 %	01/15/97	349,779
3,840,000	U.S.A. TREASURY NOTE	08.8750 %	02/15/99	3,978,009
445,000	U.S.A. TREASURY NOTE	08.8750 %	11/15/98	461,407
5,005,000	U.S.A. TREASURY NOTE	08.2500 %	02/15/93	5,109,804
5,525,000	U.S.A. TREASURY NOTE	09.0000 %	11/15/93	5,742,519
6,045,000	U.S.A. TREASURY NOTE	09.2500 %	01/15/96	6,354,806
6,450,000	U.S.A. TREASURY NOTE	07.1250 %	03/31/93	6,474,187
775,000	U.S.A. TREASURY NOTE	08.2500 %	08/15/92	788,074
8,470,000	U.S.A. TREASURY NOTE	11.7500 %	11/15/93	9,301,076
9,005,000	U.S.A. TREASURY NOTE	08.8750 %	02/15/94	9,342,687
9,140,000	U.S.A. TREASURY NOTE	09.1250 %	05/15/99	9,599,833
560,000	UNION OIL CO CALIF	09.1250 %	02/15/06	547,741
500,000	VIRGINIA ELEC & PWR CO	08.6250 %	03/01/07	476,640
820,000	WESTINGHOUSE CR CORP	08.7500 %	06/22/92	832,554
500,000	WESTINGHOUSE CREDIT CORP	07.3000 %	11/15/91	501,120
520,000	WHIRLPOOL CORP	09.0000 %	03/01/03	509,241
1,000,000	XEROX	08.7500 %	11/01/95	1,006,140

\$ 570,253,672 TOTAL FIXED INCOME PORTFOLIO

\$ 578,499,553

**MINNESOTA STATE BOARD OF INVESTMENT  
ALTERNATIVE INVESTMENT ACCOUNTS  
ASSETS HELD JUNE 30, 1991**

**REAL ESTATE ACCOUNT**

NO. OF SHARES	SECURITY	MARKET VALUE
20,743	AETNA REAL EST. FUND	\$ 60,593,325
200	AMERICAN REP REALTY FUND	1
13,205	EQUIT. LIFE ASSUR. SOCIETY	74,524,435
6,000	HEITMAN ADV. REALTY II	33,283,116
19,621	HEITMAN ADVISORY CORP. GRP.	20,403,614
3,997	HEITMAN ADVISORY III	18,906,022
2,000	PAINE WEBBER MORTGAGE V	58,000
75	PAINE WEBBER QUAL FD I	28,875
125	PAINE WEBBER QUAL FD II	130,000
100	PAINE WEBBER QUAL. FD III	78,000
2,000	PAINE WEBBER QUAL. FD IV	100,000
19,782	SSB REAL ESTATE FD III	24,144,019
14,802	SSB REAL ESTATE FUND IV	5,486,862
14,898	SSB REAL ESTATE FUND V	16,347,077
8,000	TCW REALTY FUND III	43,880,439
6,000	TCW REALTY FUND IV	34,872,000
75,000,000	THE RREEF FUNDS USA III	75,971,024
45,264,799	S.B.I. MONEY FUND	45,264,799
	<b>TOTAL PORTFOLIO</b>	<b>\$ 454,071,608</b>

**RESOURCE ACCOUNT**

NO. OF SHARES	SECURITY	MARKET VALUE
16,630	AMGO I	\$ 5,176,498
2,088,919	AMGO II	6,711,478
12,300,000	AMGO IV	11,149,224
10,626,396	AMGO V	10,626,396
1	APACHE CORP LTD I PART	0
1	APACHE CORP LTD II PART	0
30,000,000	APACHE CORP LTD III PART	24,511,200
1,000,000	BP ROYALTY TRUST	25,285,697
10,800,000	MORGAN J P PETROLEUM FUND II	12,390,462
316,606	S.B.I. MONEY FUND	16,363,753
	<b>TOTAL PORTFOLIO</b>	<b>\$ 112,214,708</b>

**VENTURE CAPITAL ACCOUNT**

NO. OF SHARES	SECURITY	MARKET VALUE
4,476,798	ALLIED VENTURE PARTNERS	\$ 3,644,270
20,000	BANCTEC INC	235,000
5,221,801	CENTURY PTN III	6,392,101
10,000,000	DSV PARTNERS IV	11,412,350
5,000	DULUTH GROWTH CO	0
4,946	FIRST CHICAGO III V.P.A.F.	5,160,715
4,422	FIRST CHICAGO V.P.A.F	4,506,429
6,750,000	G & K VENTURE PARTNERSHIP	4,986,333
7,000,000	GTC L.P. FUND III	6,316,443
1,767,636	IAI VENTURE PARTNERS	1,578,939
450,000	IAI VENTURE PARTNERS	414,981
20,000	INTEGRATED SYS INC CL A	275,000
15,047,926	K K R INVT. FD	31,539,159
1,550,341	KKR INVT FUND II	40,811,063
130,351,881	KKR INVT FUND III	208,113,329
8,124,380	MATRIX PARTNERS II L.P.	8,977,383
2,125,000	MATRIX PARTNERS III LP	2,011,484
6,999	NORTHWEST VENTURE PARTNERS	4,696,606
18,152,462	SUMMIT VENTURE LTD PART II	17,368,621
7,165,007	SUMMIT VENTURE LTD PARTN	7,509,329
4,651,500	SUPERIOR VENTURE PARTNERS	4,673,087
1,992	TRICARE INC	27,390
50,000	XILINX INC.	1,050,000
558,645	ZELL/CHILMARK LTD PRNTR	558,645
26,652,879	S.B.I. MONEY FUND	26,652,879
	<b>TOTAL PORTFOLIO</b>	<b>\$ 398,911,536</b>

**MINNESOTA STATE BOARD OF INVESTMENT  
MANAGERS FEES PAID FOR  
FISCAL YEAR 1991**

**ACTIVE EQUITY ACCOUNT (1)**

Alliance Capital	\$ 1,281,935
Concord Capital Management *	44,357
Forstmann Leff Associates	589,939
Franklin Portfolio Assoc. Trust	545,470
Geocapital	679,760
IDS Advisory	391,237
Investment Advisors	121,604
Lieber & Company	1,284,752
Rosenberg Institutional Equity Mgmt.	845,323
Sasco Capital Inc. *	28,741
Waddell & Reed	325,873
Active Managers Sub-Total	\$ 6,138,991

**PASSIVE EQUITY MANAGERS (2)**

Wilshire Associates	415,235
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**ACTIVE BOND MANAGERS (2)**

Investment Advisors	241,518
Lehman Management	228,537
Miller Anderson	386,762
Western Asset Mgmt.	490,773
Active Bond Managers Sub-Total	\$ 1,347,590

**PASSIVE BOND MANAGERS (3)**

Fidelity Management Trust	524,051
Lincoln Capital Management	295,410
Passive Bond Managers Sub-Total	\$ 819,461

**TOTAL**

<b>\$ 8,721,277</b>
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\* Manager terminated during fiscal year 1991.

(1) Active stock managers are compensated on a performance-based fee formula. Fees earned may range from zero to twice the manager's base fee, depending on the manager's performance relative to an established benchmark.

(2) The passive stock manager and active bond managers are compensated based on a specified percentage of assets under management.

(3) Passive bond managers are compensated on a performance-based fee formula. Fees earned range from .5 to 10 basis points of assets under management, depending on the manager's performance relative to an established benchmark.



**Minnesota State Board of Investment  
Room 105, MEA Building  
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