



3 0307 00014 8695

930042

1992 ANNUAL REPORT

STATE
BOARD OF
INVESTMENT

HJ
3835
.M6
A25
1992
v.1

MINNESOTA

Pursuant to Mn Stat 11A.07

Part one Volume of two volumes

1992 ANNUAL REPORT

MINNESOTA STATE BOARD OF INVESTMENT

RECEIVED
JAN 21 1993
LEGISLATIVE REFERENCE LIBRARY
STATE CAPITOL
ST. PAUL, MN. 55155

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

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
(612)296-3328
FAX (612)296-9572

*An Equal Opportunity
Employer*

The Minnesota State Board of Investment is pleased to submit its 1992 Annual Report.

Fiscal year 1992 continued to be a fairly volatile period for investors. During the first half of the year, the stock and bond markets rose significantly in response to lower interest rates from the Federal Reserve Bank, improved economic data and lower inflation rates. During the last half of the fiscal year, the stock market retreated somewhat from its earlier levels, while the bond market continued to advance. Both markets, however, became more cautious towards the end of the period in reaction to mixed signals on the prospects for economic recovery. 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 14.5% for fiscal year 1992. (Refer to page 7.)
- The Post Retirement Investment Fund generated earnings that will provide a life-time benefit increase of 4.6% for eligible retirees beginning January 1, 1993. (Refer to page 29.)
- The Board approved the addition of international equities to the asset allocation of the Basic Retirement Funds. (Refer to page 75.)
- The 1992 Legislature adopted a change in the formula used to calculate benefit increases for retirees in the Post Retirement Investment Fund. The new formula contains both an inflation adjustment and an investment component and will be effective for benefit increases granted starting January 1, 1994. (Refer to page 77.)

On June 30, 1992, assets under management totaled \$19.7 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

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 1992)

Gary Austin	Executive Director	Teachers Retirement Association
David Bergstrom	Executive Director	Mn. State Retirement System
John E. Bohan	Vice President, Pension Investments	Grand Metropolitan - Pillsbury
James R. Eckmann	Director, Investor Rel. & Investments	Dayton Hudson Corporation
Kenneth F. Gudorf	President	Gage Investments
John M. Gunyou	Commissioner	Mn. Department of Finance
Laurie Fiori Hacking	Executive Director	Public Employees Retirement Assoc.
David B. Jeffery	Sr. Vice President/Resident Manager	Shearson Lehman Bros.
Keith Johnson	Retiree Representative	
P. Jay Kiedrowski	Executive Vice President	Norwest Bank, Mn.
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

CONSULTANTS

Richards & Tierney, Inc.	General Consultant	Chicago, Illinois
Pension Consulting Alliance	International Consultant	Studio City, California

INVESTMENT BOARD STAFF

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. Thomas	Investment Analyst, Fixed Income
Arthur M. Blauzda	Senior Analyst, Shareholder Services
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

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
Charlene Olson	Secretary to the Executive Director
Lin Nadeau	Secretary, External Programs
Carol Nelson	Secretary, Internal Programs
Lavern Jagg	Receptionist

TABLE OF CONTENTS

Part One

Introduction.....	1
Funds Under Management.....	3
Basic Retirement Funds.....	7
Post Retirement Investment Fund.....	29
Supplemental Investment Fund.....	41
Permanent School Trust Fund.....	53
Assigned Risk Plan	61
Cash Management	67
Major Policy Initiatives	71
• Legislative Update	73
• Basic Funds Asset Allocation Review	75
• Post Retirement Benefit Increase Formula.....	77
• Police and Fire Fund Consolidation	79
• Resolution on South Africa.....	80
• Mandate on Northern Ireland.....	82
• Proxy Voting.....	83
Investment Manager Summaries	87
• Common Stock Managers.....	89
• Bond Managers.....	92
• Alternative Investment Managers	94
Statistical Data Appendix	A-1

PART TWO of the Minnesota State Board of Investment's 1992 Annual Report contains financial statements, asset listings and accounting data.

INTRODUCTION

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

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.

FUNDS UNDER MANAGEMENT

Basic Retirement Funds

Post Retirement Investment Fund

Supplemental Investment Fund

Permanent School Trust Fund

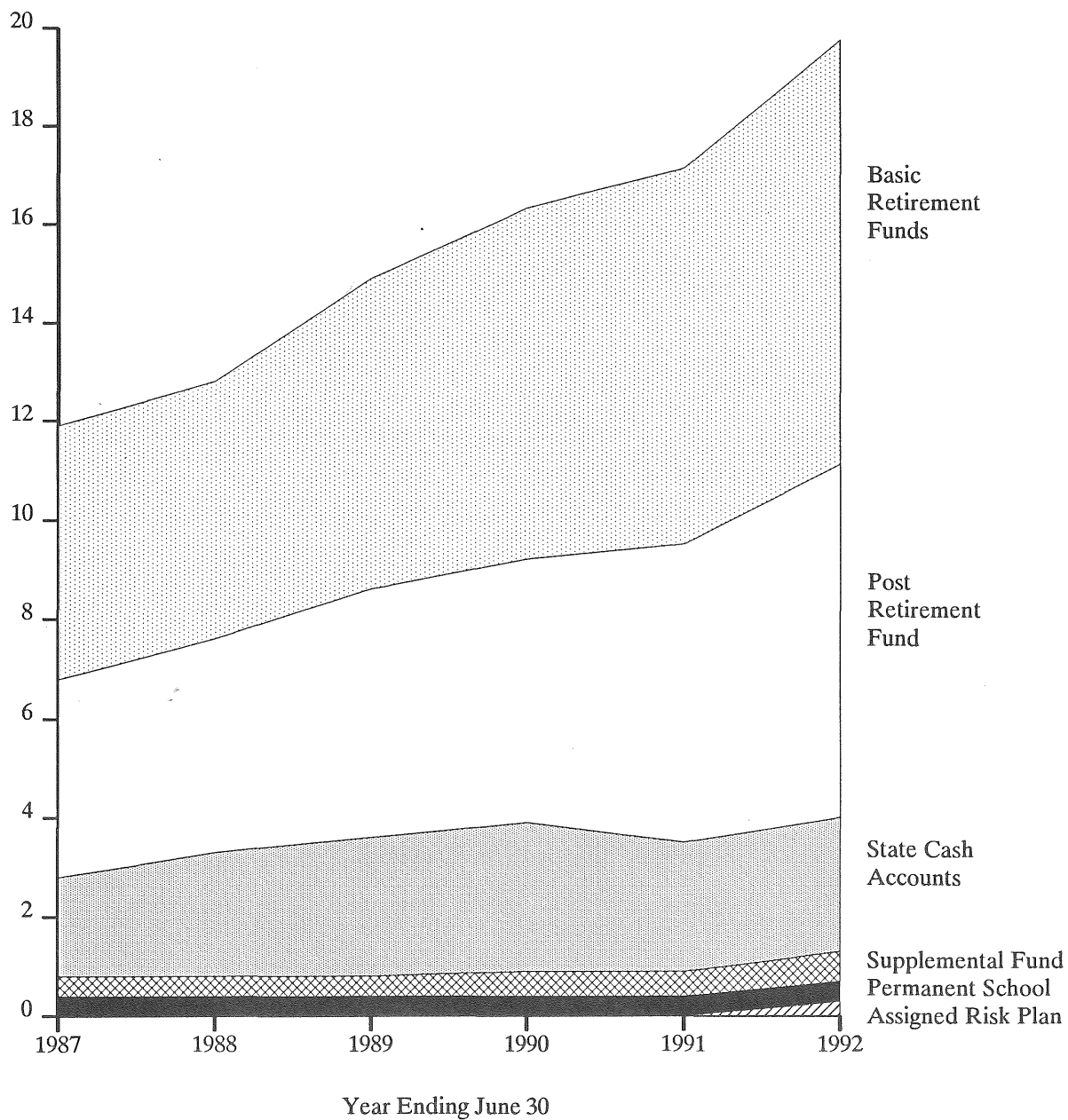
Assigned Risk Plan

State Cash Accounts

Growth in Assets

Fiscal Years 1988 - 1992

\$ BILLIONS



FUNDS UNDER MANAGEMENT

**Market Value
June 30, 1992**

Basic Retirement Funds

\$ 8.6 billion

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

• Teachers Retirement Fund	\$ 3,877 million
• Public Employees Retirement Fund	1,941 million
• State Employees Retirement Fund	1,697 million
• Public Employees Police and Fire Fund	779 million
• Highway Patrol Retirement Fund	125 million
• Correctional Employees Fund	88 million
• Police and Fire Consolidation Fund	95 million
• Judges Retirement Fund	6 million

Post Retirement Investment Fund

\$ 7.1 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

\$ 0.6 billion

The Supplemental Investment Fund includes 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	\$ 304 million
• Growth Share Account	actively managed stocks	82 million
• Common Stock Index Account	passively managed stocks	24 million
• Bond Market Account	actively managed bonds	12 million
• Money Market Account	short-term debt securities	78 million
• Fixed Interest Account	guaranteed investment contracts	69 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 Minnesota 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 portfolio.

State Cash Accounts

\$ 2.7 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

\$19.7 billion

BASIC RETIREMENT FUNDS

Investment Objectives

Asset Allocation

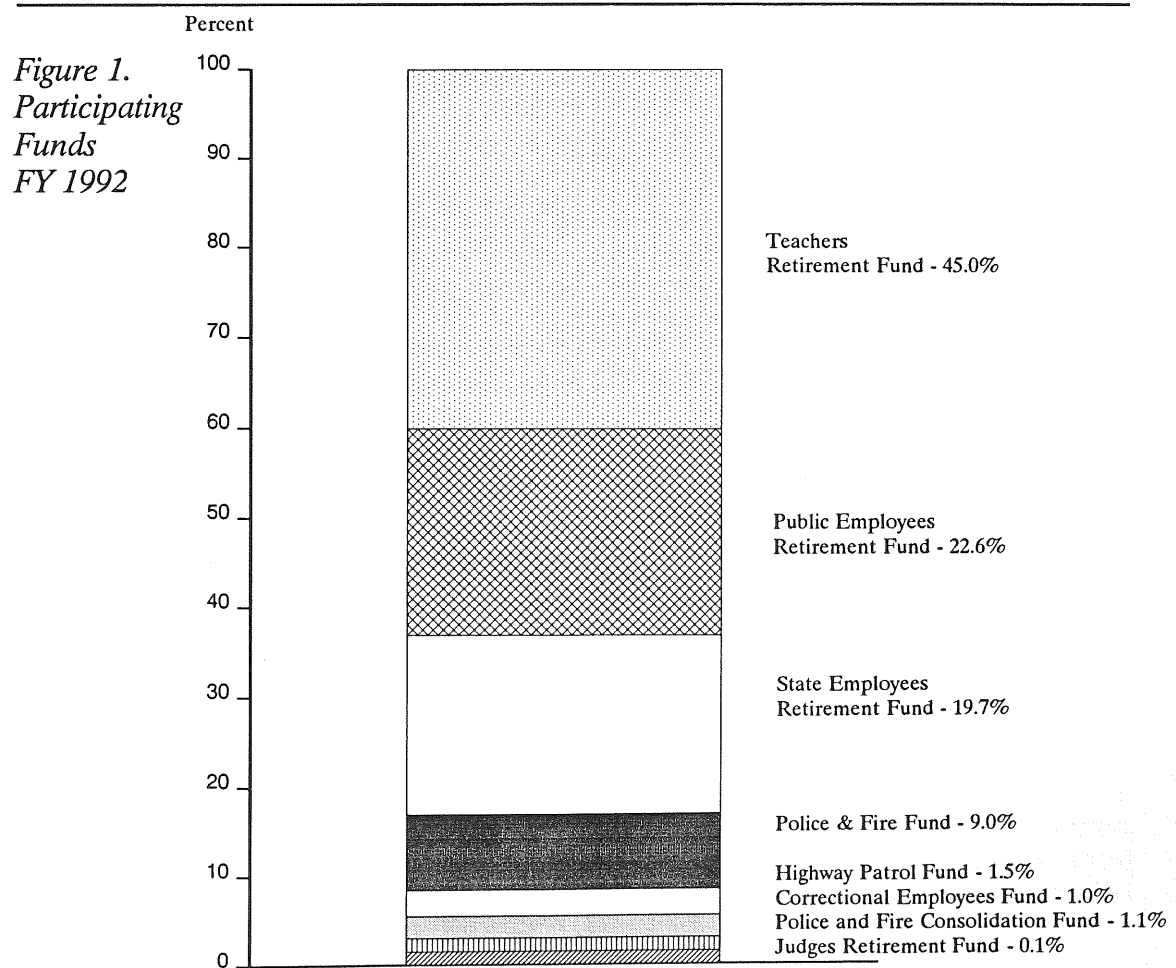
Investment Management

Investment Performance

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, 1992 the market value of the Funds was \$8.6 billion.



BASIC RETIREMENT FUNDS

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.

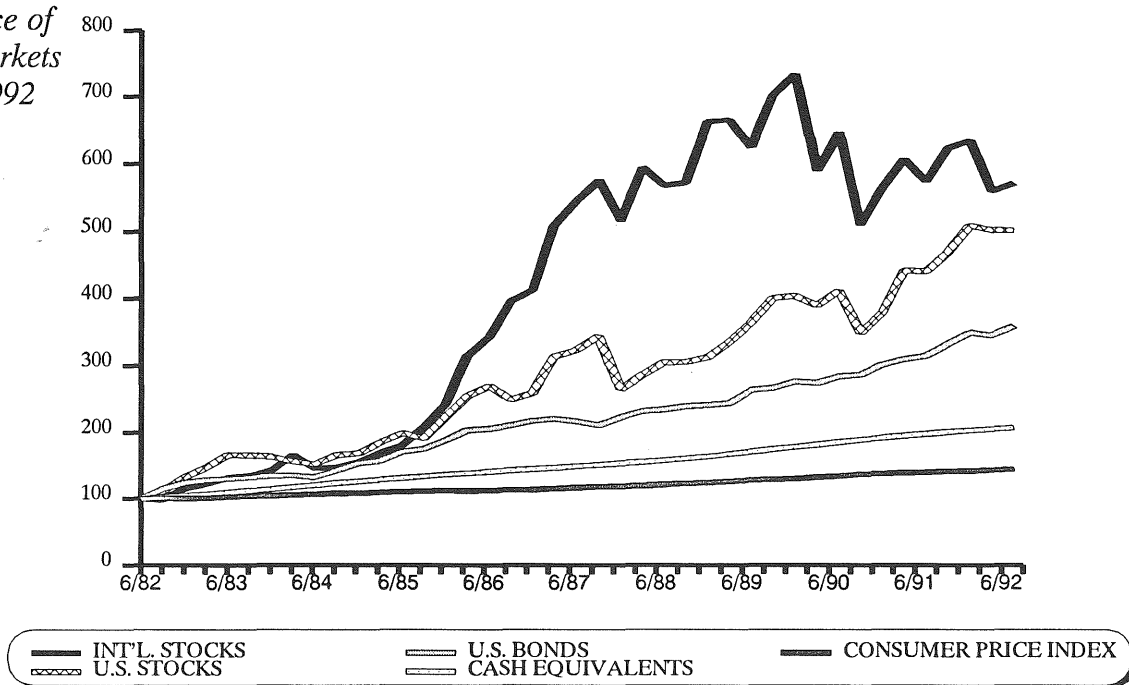
Actuarial Assumed Return

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 1983-1992



Indices used are: Morgan Stanley's Index of Europe, Australia and the Far East; Wilshire 5000 Index; Salomon Broad Investment Grade Bond Index; 91 Day Treasury Bills; and the Consumer Price 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 (both domestic and international) 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

Long-Term Allocation Policy

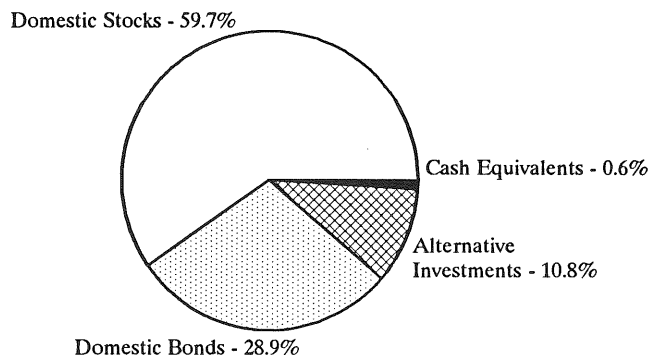
During fiscal year 1992, the Board formally reviewed the asset allocation of the Basic Funds. This review resulted in approval of the addition of international equities and the creation of a single combined target for all alternative assets (previously the SBI had separate targets for real estate, venture capital and resource funds.) (Refer to page 75 for more information.)

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 Stocks	50.0%
● International Stocks	10.0
● Domestic Bonds	24.0
● Alternative Investments	15.0
● Unallocated Cash	1.0

The Board has directed staff and the Investment Advisory Council (IAC) to develop an implementation plan for the international equity allocation. While the SBI made substantial progress in this area, an implementation plan was not adopted

*Figure 3.
Asset Mix
June 30, 1992*



	Market Value \$Millions	Actual Asset Mix	Policy Target
Domestic Stocks*	\$5,143	59.7%	50.0%
International Stocks*	0	0.0	10.0
Domestic Bonds	2,489	28.9	24.0
Alternative Assets**	926	10.8	15.0
Unallocated Cash	50	0.6	1.0
Total	\$8,608	100.0%	100.0%

* The 10% allocation to international stocks will remain invested in domestic stocks until an implementation plan is approved.

** Alternative assets are invested in bonds until deployed.

BASIC RETIREMENT FUNDS

during fiscal year 1992. Staff and the IAC will work with the Board's international consultant, Pension Consulting Alliance, to finalize the plan during fiscal year 1993.

Figure 3 presents the actual asset mix of the Basic Funds at the end of fiscal year 1992. The 10% allocation to international equities will remain invested in domestic common stocks until an implementation plan for international investing is approved. Historical data on the Basic Funds' actual asset mix over the last five years are displayed in Figure 4.

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 inclusion of venture capital is similar. However, the relatively small size of the venture capital market presents a practical limit to the amount that may be invested in 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

BASIC RETIREMENT FUNDS

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.

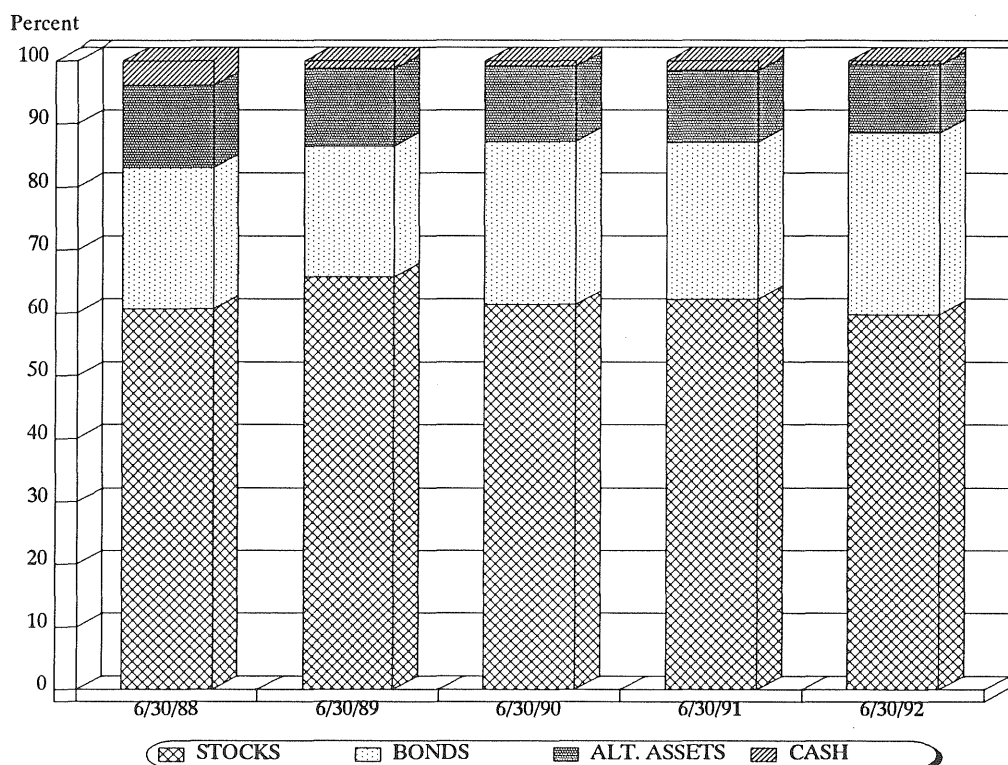
Common Stock Segment

The Board allocates 60% of the Basic Funds to common stocks. As noted earlier, long-term targets are 50% to domestic stocks and 10% to international stocks. Until an international implementation plan is approved, however, the entire 60% stock allocation is allocated to domestic stocks.

The SBI utilizes a two-part approach to the management of the domestic common stock segment:

- **Active Management.** No more than one-half of the stock segment will be actively managed. At the end of fiscal year 1992, approximately 42% of the stock segment was

*Figure 4.
Historical
Asset Mix
FY 1988-1992*



BASIC RETIREMENT FUNDS

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 1992, approximately 58% 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 aggregate benchmarks of the active managers and the asset class target (i.e. 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

*Figure 4 (con't).
Historical
Asset Mix
FY 1988-1992*

	Market Value June 30,				
	1988	1989	1990	1991	1992
Common Stocks					
\$Million	3,164.0	4,154.0	4,358.0	4,727.0	5,143.0
Percent	60.6	65.7	61.3	62.1	59.7
Bonds					
\$Million	1,178.0	1,318.0	1,840.0	1,899.0	2,489.0
Percent	22.5	20.8	25.9	25.0	28.9
Real Estate					
\$Million	465.0	502.0	525.0	456.0	388.0
Percent	8.9	7.9	7.4	6.0	4.5
Venture Capital					
\$Million	138.0	181.0	241.0	295.0	437.0
Percent	2.6	2.9	3.4	3.9	5.1
Resource Funds					
\$Million	78.0	96.0	84.0	112.0	101.0
Percent	1.5	1.5	1.2	1.5	1.2
Unallocated Cash					
\$Million	203.0	74.0	58.0	121.0	50.0
Percent	3.9	1.2	0.8	1.5	0.6
Total Fund					
\$Million	5,224.0	6,325.0	7,106.0	7,610.0	8,608.0

BASIC RETIREMENT FUNDS

- 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 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. The tilt strategy was phased-in beginning in fiscal year 1991 and was fully implemented by the last half of fiscal year 1992.

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. Customized 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 1992 Changes

During fiscal year 1992, the SBI terminated its relationships with Investment Advisers, Inc. and Rosenberg Institutional Management. Two new active domestic stock managers, Independence Investment Associates and Lynch & Mayer were retained for the Basic Funds as a result of an equity manager search conducted during the fiscal year.

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 domestic 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 1992, approximately 44% of the bond segment was

BASIC RETIREMENT FUNDS

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 1992, 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 diluting its deflation hedge capacity. 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 bond managers are permitted to purchase only high quality (BAA or better) fixed income assets.

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 1992 Changes

There were no additions or deletions to the bond segment during fiscal year 1992.

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.

BASIC RETIREMENT FUNDS

Real Estate Segment

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.

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

FY 1992 Changes

At fiscal year-end, the market value of the real estate portfolio comprised 4.5% of the Basic Funds. No new commitments to real estate were made during fiscal year 1992. The SBI will continue to review and add new real estate investments, as attractive opportunities are identified.

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

Venture Capital Segment

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.

BASIC RETIREMENT FUNDS

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

FY 1992 Changes

At year-end, the market value of Basic Funds' venture capital segment was 5.1%. No new commitments to venture capital were made during fiscal year 1992, however, the IMR Fund, L.P., which was approved by the Board in fiscal year 1991, did meet the Board's funding conditions and received initial funding during fiscal year 1992. The SBI will continue to review and add new venture capital investments, as attractive opportunities are identified, to replenish commitments that will expire in the mid-1990's.

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

Resource Fund Segment

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 oil and gas 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 1992 Changes

At year-end, the market value of the resource fund segment was 1.2% of the Basic Funds. During fiscal year 1992, no new commitments were made in the resource area. 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 measurable performance objectives which are consistent with the objectives of the Basic Funds. 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.

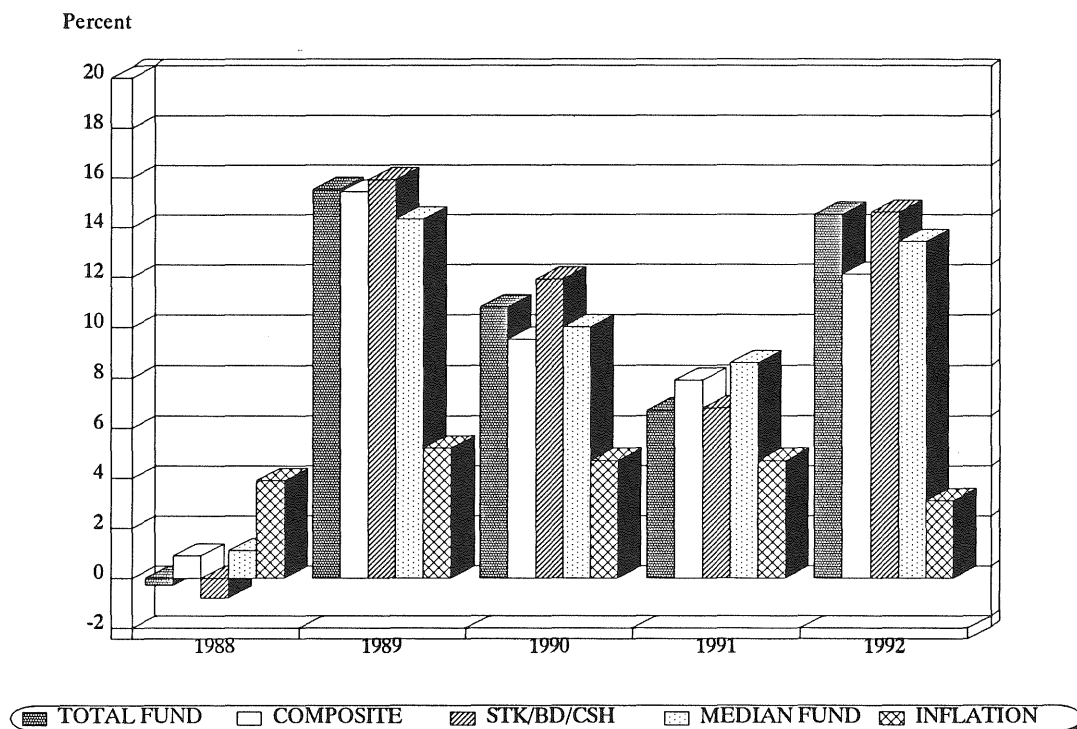
The Basic Funds' multi-manager structure requires that investment performance be evaluated on two distinct levels:

- **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. Benchmarks have been developed for each stock and bond 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 long-term investment time horizon of the Basic Funds, the Board believes an above-average risk posture is appropriate.

Figure 5.
Total Fund Performance
Fiscal Years 1988 - 1992



	1988	1989	1990	1991	1992	(Annualized)	
						3 YR.	5 YR.
Total Fund	-0.3%	15.5%	10.8%	6.7%	14.5%	10.6%	9.3%
Composite Index*	0.9	15.4	9.5	7.9	12.1	9.8	9.0
Stocks, Bonds, Cash Only	-0.8	15.9	11.9	6.8	14.6	11.0	9.5
Median Fund**	1.1	14.3	10.0	8.6	13.4	11.0	10.0
Inflation	3.9	5.2	4.7	4.7	3.1	4.2	4.3

* 60% Wilshire 5000 Adjusted/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. The Wilshire 5000 has been adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

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

BASIC RETIREMENT FUNDS

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 commitments to alternative investments near their policy target, 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 10.5 percentage points annualized. For fiscal year 1992, the Funds' return surpassed inflation by 11.4 percentage points.
- **Composite Index.** Over the last five years, the Basic Funds have outperformed their market index composite by 0.3 percentage point annualized. For fiscal year 1992, the Funds exceeded the composite by 2.4 percentage points.

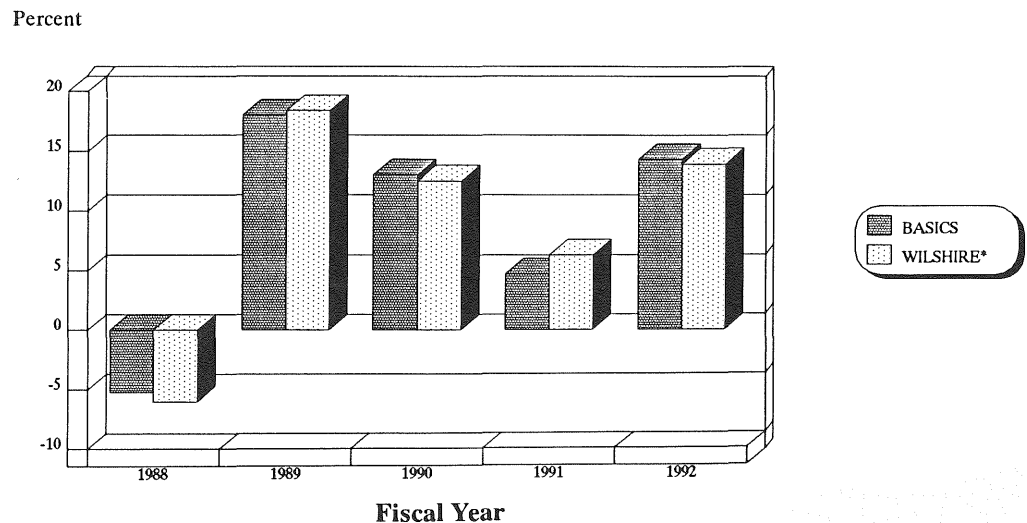
BASIC RETIREMENT FUNDS

- **Median Fund.** Over the last five years the Basic Funds, excluding alternative assets, were in the middle third (66th percentile) of public and private pension funds in the Wilshire Associates Trust Universe Comparison Service (TUCS). The Basic Funds ranked in the top third (33rd percentile) of TUCS for fiscal year 1992.

Fiscal year 1992 continued to be a fairly volatile period for investors. During the first half of the year, the stock and bond markets rose significantly in response to lower interest rates from the Federal Reserve Bank, improved economic data and lower inflation rates. During the last half of the fiscal year, the stock market retreated somewhat from its earlier levels, while the bond market continued to advance. Both markets, however, became more cautious towards the end of the fiscal year in reaction to mixed signals on the prospects for economic recovery. 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 57.4%, excluding alternative assets. Annualized returns over the same period continue to exceed the 8.5% actuarial return target by a comfortable margin.

*Figure 6.
Stock Segment
Performance
FY 1988 -1992*



	1988	1989	1990	1991	1992	(Annualized)	
STOCK SEGMENT						3 YR.	5 YR.
Wilshire 5000	-5.9	19.5	12.7	7.0	13.9	11.2	9.1
Wilshire 5000 Adj.*	-6.0	18.4	12.5	6.3	13.9	10.8	8.7

* Adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

BASIC RETIREMENT FUNDS

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.

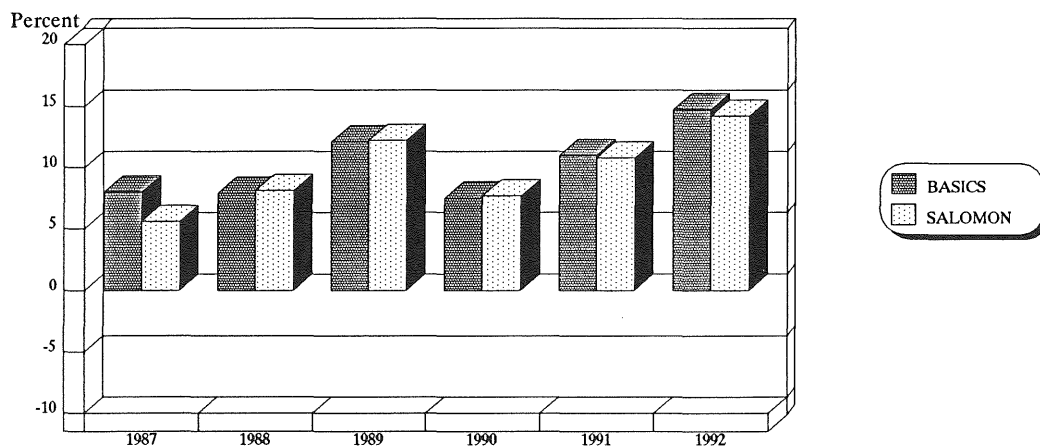
Stock Manager Performance

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 their risk targets as part of their specific investment strategies.

The common stock managers successfully fulfilled their long term risk objectives during fiscal year 1992. In general, the

Figure 7.
Bond Segment
Performance
FY 1988-1992



	Fiscal Year					3 Yr.	5 Yr.
BOND SEGMENT	1988	1989	1990	1991	1992		
Salomon Index*	7.9%	12.1%	7.5%	11.0%	14.7%	11.0%	10.6%
	8.1	12.2	7.7	10.8	14.2	10.9	10.6

* Salomon Broad Investment Grade Bond Index

BASIC RETIREMENT FUNDS

managers constructed portfolios consistent with their stated investment approaches and maintained appropriate levels of diversification.

The SBI evaluates a common stock manager returns against the performance of a customized index constructed to represent the manager's specific investment approach. This type of custom index is commonly referred to as a "benchmark portfolio." A **benchmark portfolio** takes into account the equity market forces that at times favorably or unfavorably impact certain investment styles. Thus, an individual benchmark is a more appropriate return target against which to judge a manager's performance than is a broad market index.

From a return perspective, common stock manager performance was favorable during fiscal year 1992. Five active managers (Alliance, GeoCapital, Independence, Lynch & Mayer and Waddell & Reed) 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 outperformed the broad market by 0.4 percentage points during fiscal year 1992.

*Figure 8.
Stock Manager
Performance
FY 1992*

	Total Portfolio Return	Benchmark Return
Alliance Capital	22.9%	11.6%
Forstmann Leff	10.1	12.3
Franklin Portfolio	13.6	14.5
GeoCapital	21.0	10.5
IDS Advisory	16.3	16.9
Independence Associates*	2.3	2.0
Lieber & Company	6.5	15.1
Lynch & Mayer*	-1.7	-4.0
Waddell & Reed	12.4	11.2
Wilshire Associates (tilted index)	14.1	14.4
Basic Funds' Common Stock Segment**	14.3%	
Stock Segment Performance Standards		
Wilshire 5000	13.9%	
Wilshire 5000 Adjusted***	13.9	
TUCS Median Managed Equity Portfolio	13.8	
Inflation	3.1%	

* manager was retained 2/92

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

*** adjusted for the SBI's liquor and tobacco restrictions

BASIC RETIREMENT FUNDS

Fiscal year 1992 performance data for the individual common stock managers are presented in Figure 8. Historical information is included in the Statistical Data Appendix.

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 1992. 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**. All the bond managers, both active and semi-passive, use the Salomon Broad Investment Grade Bond Index as their performance index. Due to the broad diversification of each manager, customized benchmarks are not necessary.

*Figure 9.
Bond Manager
Performance
FY 1992*

	Total Portfolio Return
Ark Asset Management	13.1%
Investment Advisers	15.2
Miller, Anderson & Sherrerd	17.0
Western Asset	15.6
Fidelity Management (enhanced index)	14.1
Lincoln Capital (enhanced index)	14.1
 Basic Funds' Bond Segment	 14.7%
 Bond Segment Performance Standards	
Salomon Broad Investment Grade Bond Index	14.2%
TUCS Median Managed Bond Portfolio	14.8
 Inflation	 3.1%

BASIC RETIREMENT FUNDS

Relative performance by the bond managers was favorable. Strong performance by three managers (Investment Advisers, Miller Anderson and 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 0.5 percentage points for the year.

Fiscal year 1992 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 1992, the SBI's real estate portfolio outperformed the index but trailed the rate of inflation (SBI real estate -10.1%, Wilshire Real Estate Index -10.7%, CPI 3.1%). Comparisons over the last five years were similar. (SBI real estate 1.1% annualized, Wilshire index 0.2% annualized, CPI 4.3% annualized). As the above numbers illustrate, the real estate market as a whole is currently in the midst of a significant downturn.

The SBI's **venture capital** portfolio provided a 51.9% return in fiscal year 1992 and 20.3% annualized over the last five years. The **resource** (oil and gas) portfolio returned 5.7% for the year and 7.4% annualized over the last five years. 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.

POST RETIREMENT FUND

Investment Objectives

Asset Allocation

Investment Management

Investment Performance

The 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, 1992, the Post Fund had a market value of \$7.1 billion with over 65,000 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) has pursued 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 has viewed the first of these two objectives as being of primary importance. Furthermore, to achieve these two objectives, the SBI recognizes that the Post Fund has required a completely different investment approach than that applied to the Basic Retirement Funds.

POST RETIREMENT INVESTMENT FUND

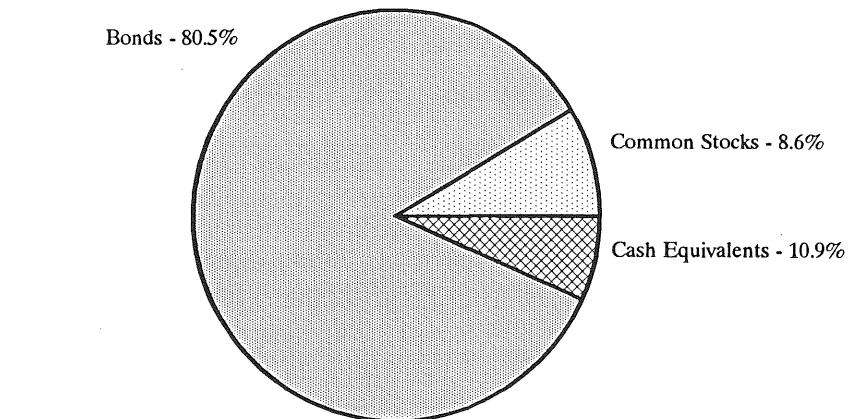
The ability of the Post Fund to maintain current benefit levels and provide future benefit increases has depended upon its realized earnings. State statutes defined earnings for the Post Fund as interest and dividend income as well as realized equity and fixed income capital gains (or losses). Unrealized 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 has not been oriented toward maximizing long-term total rate of return. Rather, the SBI has attempted 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 designed the asset mix of the Post Fund to generate the sizable stable earnings stream referred to in the previous

Figure 10.
Asset Mix
June 30, 1992



	Market Value	
	\$Millions	Percent
Common Stocks	\$ 610	8.6%
Bonds	5,708	80.5
Unallocated Cash	769	10.9
Total	\$7,087	100.0%

POST RETIREMENT INVESTMENT FUND

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 has invested 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 existed in recent years have created an ideal situation to employ a dedicated bond portfolio.

The dedicated bond portfolio has facilitated the attainment of the Post Fund's two objectives. Most importantly, it ensured that funds are available at the required times to meet promised benefit payments. Also, the dedicated bond portfolio consistently earned 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 has been able to 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 have provided 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.

Future Allocation Targets

A new benefit increase formula was adopted by the 1992 Legislature to provide greater inflation protection for retirees and to enhance the long-term earning power of the Post Fund. The new law becomes effective at the start of fiscal year 1993. Consequently, the Post Fund will require a new asset allocation strategy that will focus on long-term total rate of return rather than realized earnings. Therefore, the Board has approved new asset allocation targets for the Post Fund beginning in fiscal year 1993.

POST RETIREMENT INVESTMENT FUND

	June 30, 1992	Future Targets
Stocks	8.6%	50.0%
Bonds	80.5	47.0
Unallocated Cash	10.9	3.0
Total	100.0%	100.0%

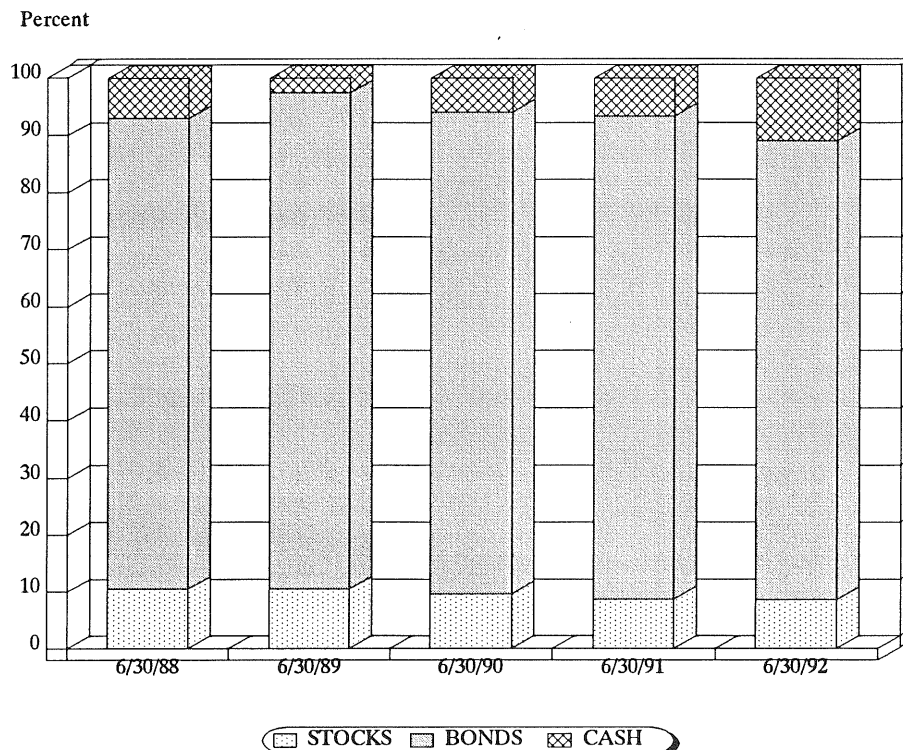
Due to the magnitude of the changes from the current asset mix, the transition will take place gradually during fiscal year 1993. Additional information regarding the benefit increase formula change and its impact on the Post Fund can be found on page 77.

INVESTMENT MANAGEMENT

Through fiscal year 1992, the Post Fund was managed almost entirely by SBI staff. The Board relied heavily on internal management for two reasons:

- **Dedicated Bond Portfolio.** The low turnover, limited discretion nature of the dedicated bond portfolio made bond management by SBI staff cost effective.

*Figure 11.
Historical
Asset Mix
FY 1988-1992*



POST RETIREMENT INVESTMENT FUND

- **Investment Constraints.** With respect to common stock management, the Post Fund's equity manager was 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.

The new benefit increase formula and asset allocation strategy described above eliminates these constraints. As a result, the Post Fund is expected to move to external management during fiscal year 1993.

Bond Management

As described earlier, the dedicated bond portfolio has represented the bulk of the Post Fund's assets. Staff constructed the lowest cost portfolio, within established constraints, that produced sufficient cash flows to fund promised benefit payments and maintained adequate quality levels.

The management of the dedicated bond portfolio required that the State's actuary supply the SBI with forecasts of benefit payments expected to be paid over a twenty-five year horizon.

*Figure 11 (con't).
Historical
Asset Mix
FY 1988-1992*

	Market Value June 30,				
	1988	1989	1990	1991	1992
Common Stocks					
\$Million	446.0	524.0	514.0	523.0	610.0
Percent	10.5	10.4	9.6	8.7	8.6
Bonds					
\$Million	3,511.0	4,358.0	4,512.0	5,063.0	5,708.0
Percent	82.5	86.9	84.5	84.7	80.5
Unallocated Cash					
\$Million	301.0	132.0	313.0	390.0	769.0
Percent	7.0	2.6	5.9	6.6	10.9
Total Fund					
\$Million	4,258.0	5,014.0	5,339.0	5,976.0	7,087.0
Percent	100.0	100.0	100.0	100.0	100.0

POST RETIREMENT INVESTMENT FUND

Based upon these forecasts, a computer program generated a list of bonds that met these forecasted benefit payments. Staff then attempted to purchase the recommended issues. If these bonds were not available, substitute bonds were purchased. Staff rebalanced 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 has been long-term, value-based stock selection. 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 attempted to identify stocks that have attractive expected returns, yet do not possess significantly high levels of market volatility. Staff used recommendations generated by quantitative valuation models as the primary source of investment candidates. Staff always maintained 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 have been 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

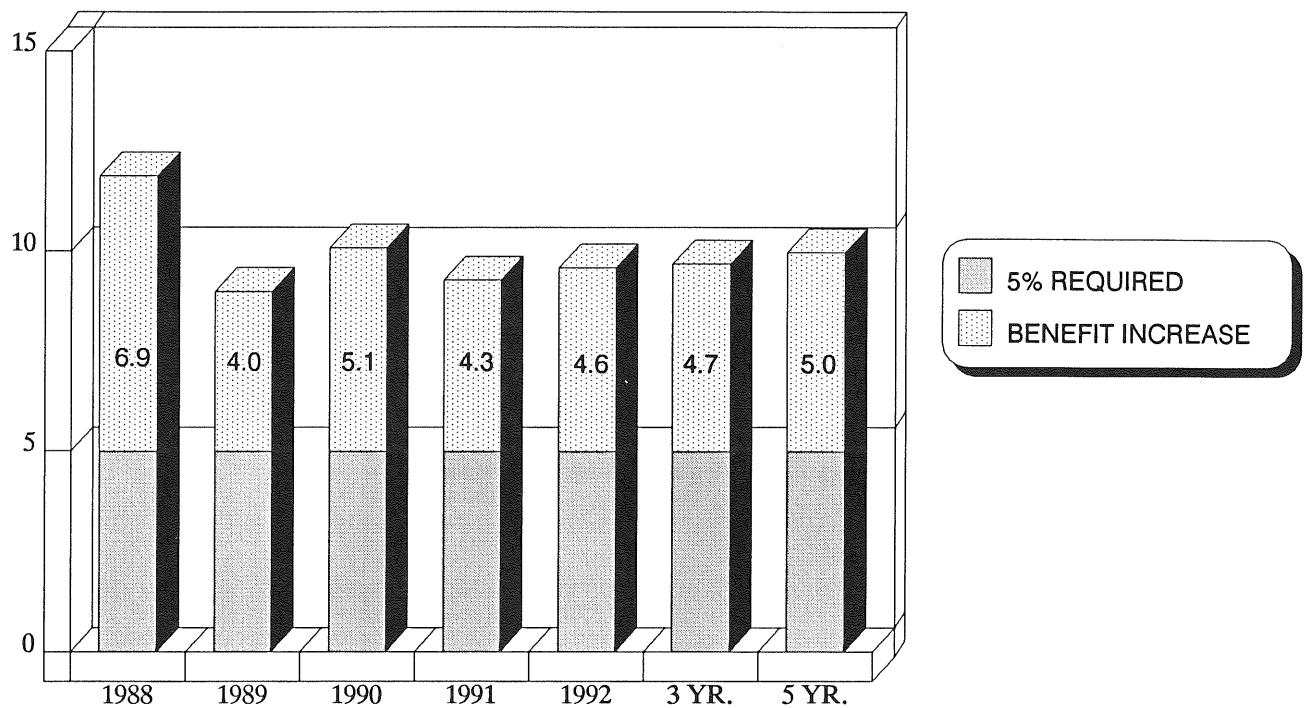
Because of its focus on generating current income, the risk composition of the Post Fund's investment portfolio has been conservatively structured. The majority of the Post Fund's assets has been invested in high quality bonds. Further, the Post Fund's common stock portfolio has maintained a relatively high level of diversification.

Total Fund Performance

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

Figure 12.
Realized Earnings
Fiscal Years 1988-1992

PERCENT



	1988	1989	1990	1991	1992	(Annualized)	
						3 YR.	5 YR.
Realized Earnings*	11.9%	9.0%	10.1%	9.3%	9.6%	9.7%	10.0%
Benefit Increase**	6.9	4.0	5.1	4.3	4.6	4.7	5.0
Inflation	3.9	5.2	4.7	4.7	3.1	4.2	4.3

* Interest, dividends and net realized capital gains.

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

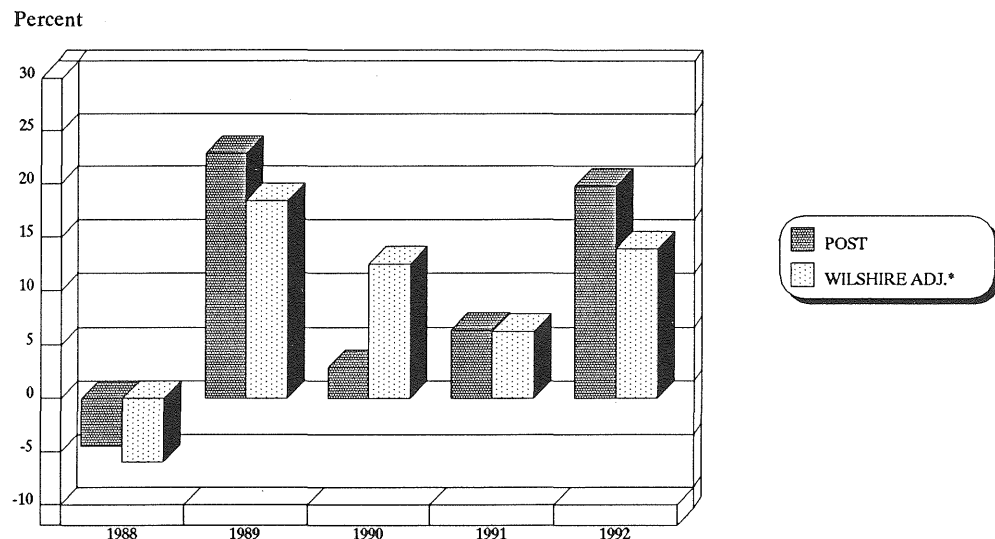
POST RETIREMENT INVESTMENT FUND

- **Actuarial Assumptions.** In order to finance promised benefit payments, the Post Fund has been forced to 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 has been 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 1992 fiscal year. Approximately 80% 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.

Overall, investment **returns** relative to performance objectives were satisfactory for the 1992 fiscal year. The Post Fund generated income and realized net capital gains in excess of the

Figure 13.
Stock Segment
Performance
FY 1988-1992



	1988	1989	1990	1991	1992	(Annualized)	
STOCK SEGMENT	-4.5%	22.9%	2.9%	6.4%	19.8%	3 YR.	5 YR.
Benchmark	-5.5	20.7	5.7	7.3	17.2	9.9	8.7
Wilshire 5000 Adj.*	-6.0	18.4	12.5	6.3	13.9	10.8	8.7

* Adjusted for the SBI's liquor and tobacco restrictions

POST RETIREMENT INVESTMENT FUND

amount needed to fund promised benefits. The surplus earnings will permit a benefit increase of 4.6% beginning January 1, 1993. (The total rate of return for the Fund was 15.8% for fiscal year 1992 and 10.6% annualized for FY88-92.)

As shown in Figure 12, the Post Fund has generated benefit increases of 5.0% on an annualized basis over the last five years. Inflation was 4.3% annualized over the same period.

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

Segment Performance

The contrarian value style pursued by the Post Fund's internal **common stock** manager outperformed the Wilshire 5000 Adjusted by 5.9 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 1992, the **dedicated bond portfolio** had a duration or average life of 7.7 years and a current yield of

Figure 14. Dedicated Bond Portfolio Statistics June 30, 1992

Value at Market	\$ 5,611,436,280
Value at Cost	5,056,163,354
Average Coupon	8.28%
Current Yield	6.94
Yield to Maturity	7.46
Current Yield at Cost	8.10
Time to Maturity	15.83 Years
Average Duration	7.69 Years
Average Quality Rating	AAA
Number of Issues	433

POST RETIREMENT INVESTMENT FUND

6.9%. 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 1992, the **cash enhancement program** produced a 5.0% total rate of return. This is above the rate of return generated by investments in 91 Day Treasury Bills and indicates the cash enhancement program met its objective during its fifth year of operation.

SUPPLEMENTAL INVESTMENT FUND

Income Share Account

Growth Share Account

Common Stock Index Account

Bond Market Account

Money Market Account

Fixed Interest Account

SUPPLEMENTAL INVESTMENT FUND

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 is one investment vehicle offered to public employees as part of the state's Deferred Compensation 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 serves as an external money manager for a portion of some local police and firefighter retirement plans.

The Supplemental Investment Fund serves more than 24,000 individuals. On June 30, 1992, the market value of the entire fund was \$569 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

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
- **Fixed Interest 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 Fixed Interest 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.

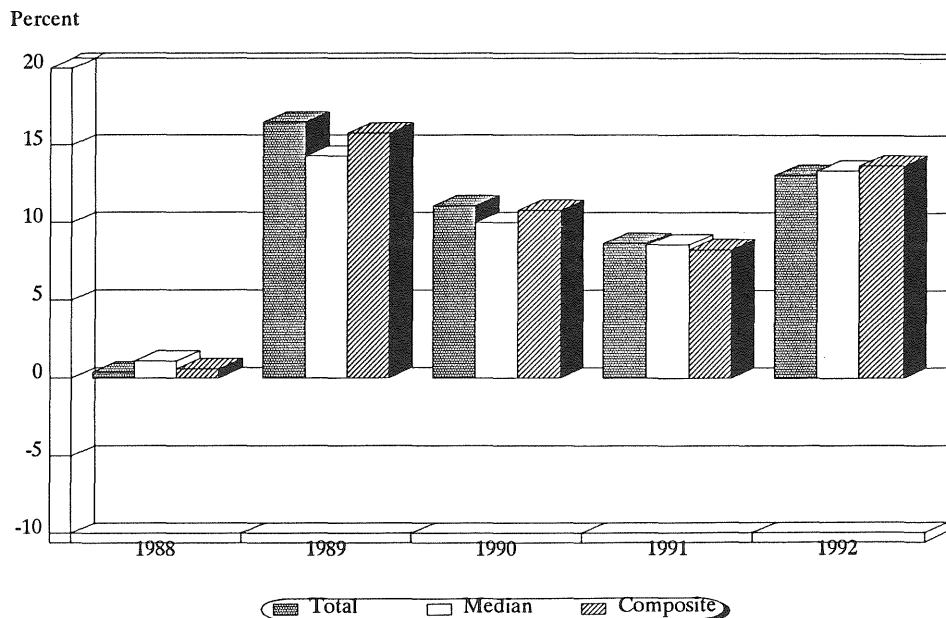
INCOME SHARE ACCOUNT

Objective

The \$304 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 1988-1992*



	1988	1989	1990	1991	1992	(Annualized) 3 YR.	(Annualized) 5 YR.
TOTAL ACCOUNT	0.4%	16.5%	11.1%	8.7%	13.1%	10.9%	9.8%
Median Fund*	1.1	14.3	10.0	8.6	13.4	11.0	10.0
Composite**	0.6	15.8	10.8	8.3	13.7	10.9	9.7

* TUCS Median Balanced Portfolio

** 60% Wilshire 5000 Adjusted/35% Salomon Broad Investment Grade Bond Index/5% 91 day T-Bills.
The Wilshire 5000 has been adjusted to reflect the SBI's restrictions on liquor and tobacco stocks

SUPPLEMENTAL INVESTMENT FUND

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, adjusted for the SBI's liquor and tobacco restrictions. 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 13.1% for fiscal year 1992, slightly underperforming 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 \$82 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.

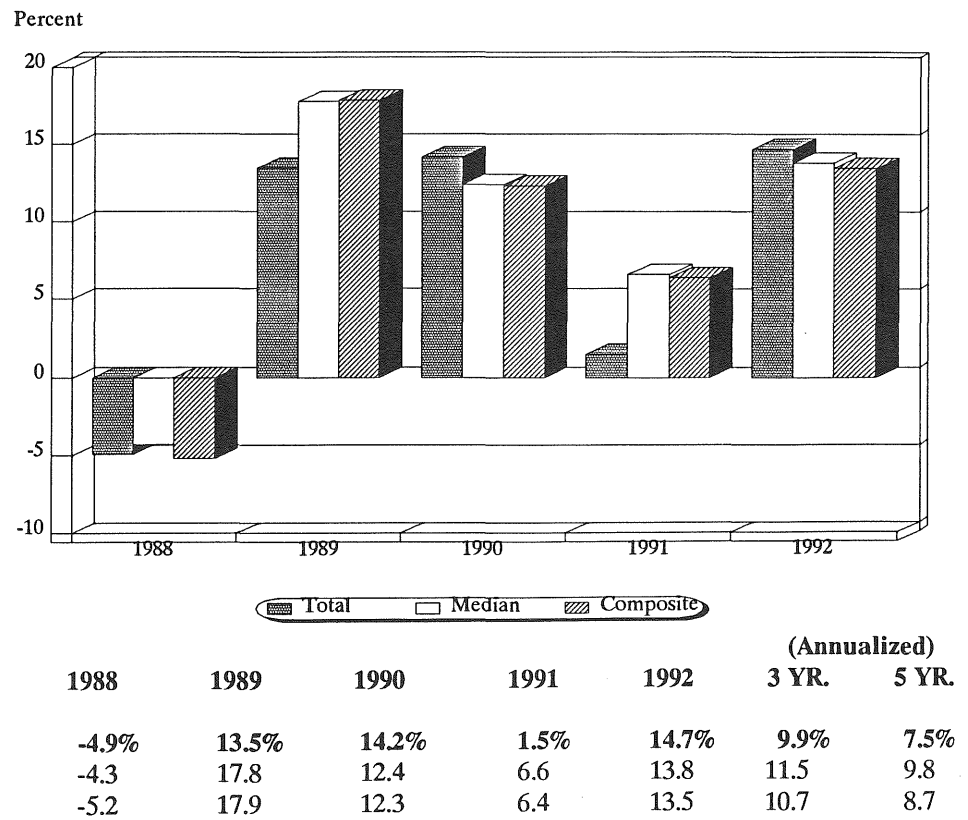
Management

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 1988-1992*



* TUCS Median Managed Equity Portfolio

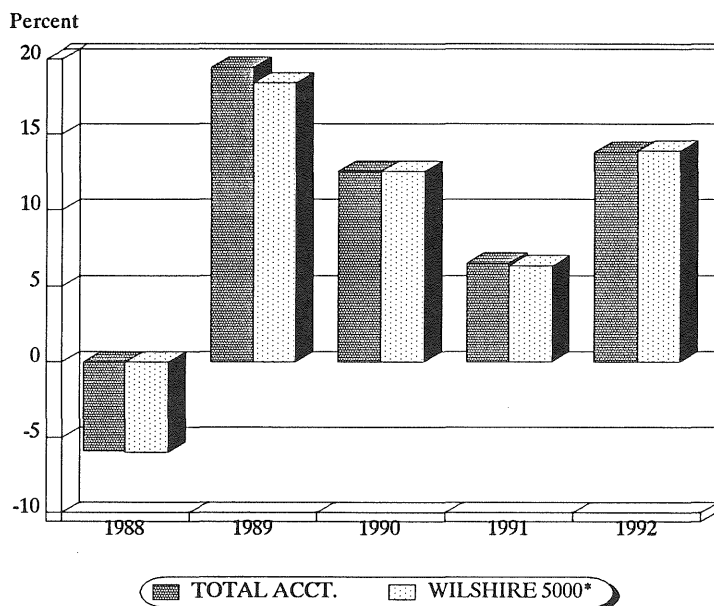
** 95% Wilshire 5000 Adjusted/5% 91 Day T-Bills. The Wilshire 5000 has been adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

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 outperformed both the composite and median manager for the fiscal year. The Account held sizable positions in the technology and consumer non-durable sectors of the stock market, which were two areas of the market that performed very well during the year. A five year history of performance results is shown in Figure 16.

Figure 17.
Common Stock
Index Account
FY 1988-1992



	1988	1989	1990	1991	1992	(Annualized)	
TOTAL ACCOUNT	-5.9%	19.4%	12.3%	6.7%	13.8%	3 Yr.	5 Yr.
Wilshire 5000 Adj. *	-6.0	18.4	12.5	6.3	13.9	10.9%	8.9%
						10.8	8.7

* Adjusted for the SBI's liquor and tobacco restrictions.

COMMON STOCK INDEX ACCOUNT

The Common Stock Index Account began accepting contributions at the end of July 1986. At the end of fiscal year 1992, it had a market value of \$24 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 adjusted for the SBI's liquor and tobacco restrictions. 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 1992, the Common Stock Index Account produced a return of 13.8%, 0.1 percentage point under the Wilshire 5000 Adjusted. 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 1992, the market value of the Account was \$12 million.

Objective

The Bond Market Account is **invested entirely in investment-grade government and corporate bonds** with intermediate to long maturities. As such, it is a more

SUPPLEMENTAL INVESTMENT FUND

conservative investment alternative than the accounts described in the previous sections and provides participants the opportunity to further diversify their assets.

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.

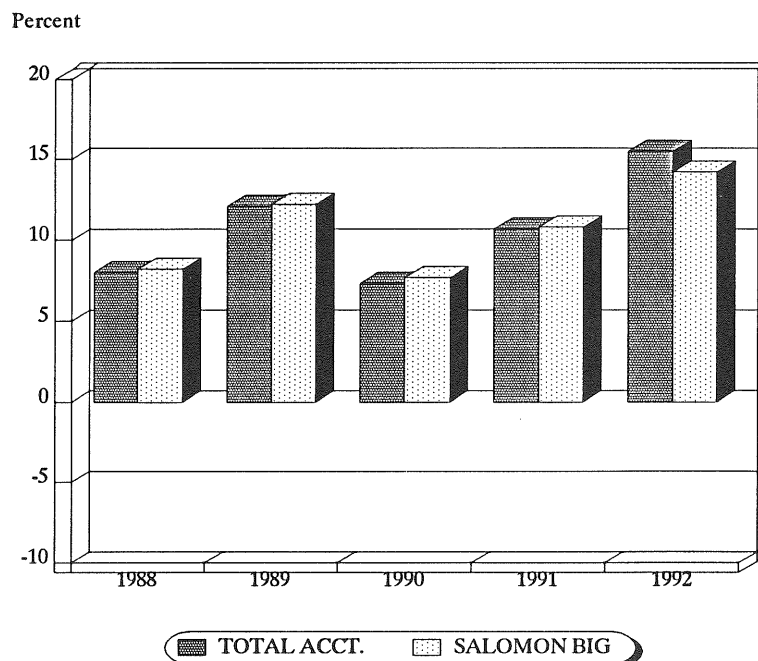
Management

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 1992, the Bond Market Account outperformed this target, with a 15.5% return compared to the Salomon index return of 14.2%. Total account results for prior years are shown in Figure 18.

Figure 18.
Bond Market
Account
FY 1988-1992



	1988	1989	1990	1991	1992	(Annualized)	
TOTAL ACCOUNT	7.9%	12.1%	7.1%	10.7%	15.5%	3 Yr.	5 Yr.
Salomon Index	8.1	12.2	7.7	10.8	14.2	11.0%	10.6

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 1992, the Money Market Account had a market value of \$78 million.

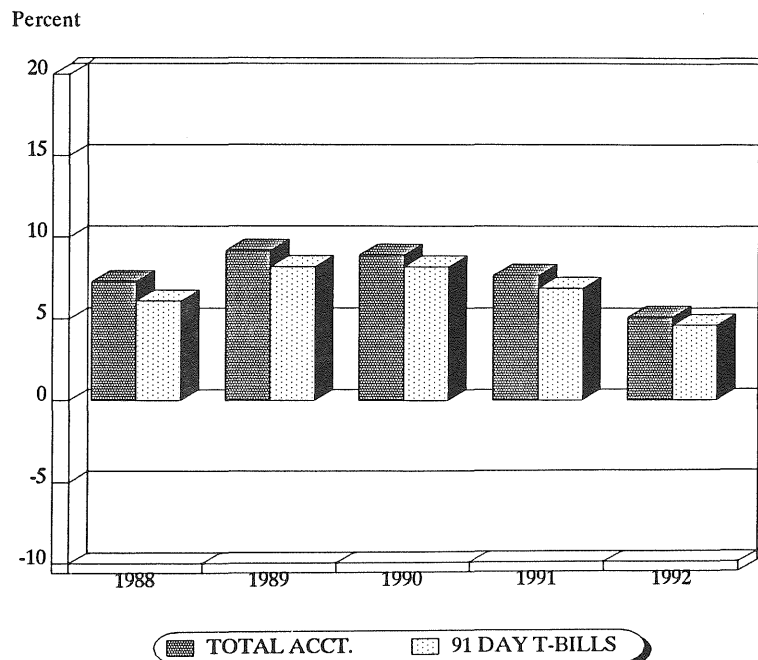
Management

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 1992 with a 5.1% return versus a return on 91 Day Treasury Bills of 4.6%. Total account results for prior years are shown in Figure 19.

*Figure 19.
Money Market
Account
FY 1988-1992*



	1988	1989	1990	1991	1992	(Annualized)	
Total Account	7.3%	9.1%	9.0%	7.6%	5.1%	3 Yr. 7.2%	5 Yr. 7.6%
91 Day T-Bills	6.0	8.1	8.2	6.9	4.6	6.6	6.8

FIXED INTEREST ACCOUNT

Objective

The Fixed Interest Account (formerly named the Guaranteed Return Account) opened for subscription in November 1986. The Fixed Interest 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 1992, the account totaled \$68 million.

Management

The SBI invests the Fixed Interest 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 Fixed Interest Account participants. The Board believes the competitive bidding presents the most effective method of achieving this goal.

Performance

The Board was satisfied with the winning bid of 6.634% on the 1991-1994 GIC, which was 57 basis points over prevailing interest rates on three-year Treasury Notes at the time of the bid.

Contract Period	Annual Effective Interest Rate
Nov. 1, 1989 - Oct. 31, 1992	8.400%
Nov. 1, 1990 - Oct. 31, 1993	8.875
Nov. 1, 1991 - Oct. 31, 1994	6.634

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. Two firms were also awarded the 1991-1994 contract: Continental Assurance, New York, NY and Provident National, Chattanooga, TN.

PERMANENT SCHOOL TRUST FUND

Investment Objectives

Asset Allocation

Investment Management

Investment Performance

The 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. On June 30, 1992 the market value of the Fund was \$419 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 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.

PERMANENT SCHOOL TRUST FUND

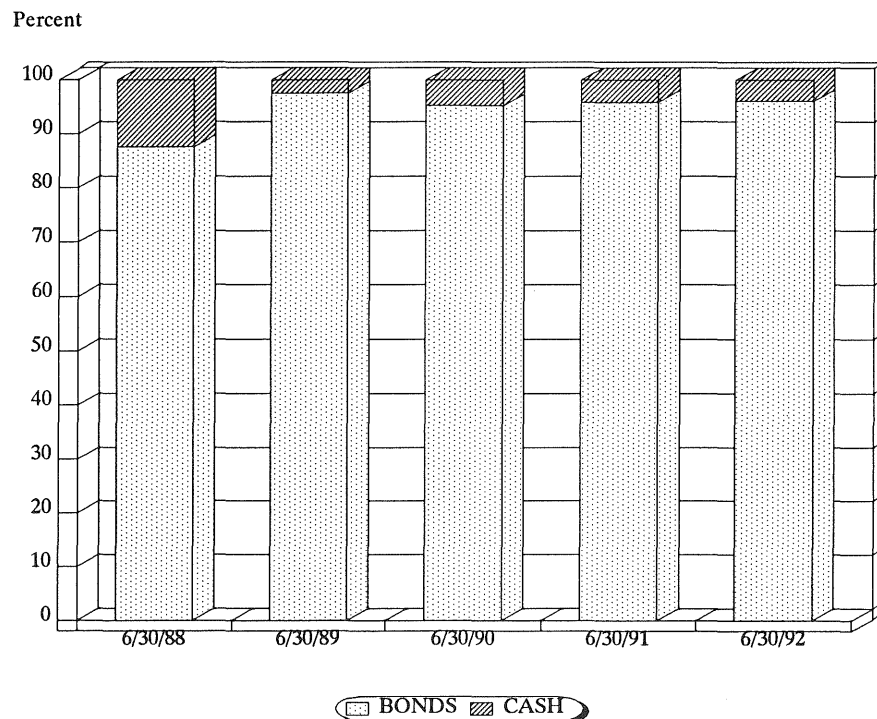
The SBI has a strong incentive not to invest in equity assets for several reasons:

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

Legislation was enacted during fiscal year 1992 to change the amortization period for realized gains and losses from five to ten years. This change will make equities a more attractive

*Figure 20.
Historical
Asset Mix
FY 1988-1992*



PERMANENT SCHOOL TRUST FUND

investment for the Fund. Further analysis of the fund's asset allocation is expected during fiscal year 1993.

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.

Figure 20 (con't).
Historical
Asset Mix
FY 1988-1992

	Market Value June 30,				
	1988	1989	1990	1991	1992
Bonds					
\$Million	313.6	375.0	359.0	368.2	402.3
Percent	87.6	97.5	95.2	95.8	96.0
Unallocated Cash					
\$Million	44.2	9.6	18.2	23.7	16.6
Percent	12.4	2.5	4.8	4.2	4.0
Total Fund					
\$Million	357.8	384.6	377.2	391.9	418.9
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 a loss. 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, 1992, the Fund's bond portfolio had a duration of 6.6 years, an average quality rating of AAA and a current yield of 8.2%. (The total rate of return for the Fund was 15.1% for fiscal year 1992 and 11.0% annualized for FY88-92.)

*Figure 21.
Bond Portfolio
Statistics
June 30, 1992*

Value at Market	\$395,205,229
Value at Cost	362,373,904
Average Coupon	9.12%
Current Yield	8.24
Yield to Maturity	7.68
Current Yield at Cost	9.06
Time to Maturity	14.83 Years
Average Duration	6.63 Years
Average Quality Rating	AAA
Number of Issues	128

PERMANENT SCHOOL TRUST FUND

Spendable income generated by the portfolio over the last five fiscal years is shown below:

Fiscal Year	Millions
1988	\$34
1989	\$33
1990	\$33
1991	\$34
1992	\$35

ASSIGNED RISK PLAN

Investment Objectives

Asset Allocation

Investment Management

Investment Performance

The Minnesota Workers Compensation Assigned Risk Plan was established in 1983 to provide workers' compensation coverage to Minnesota employers rejected by a licensed insurance company. The Plan provides disability income, medical expenses, retraining expenses and death benefits, with payments being made either periodically or in lump sum.

The Assigned Risk Plan operates as a non-profit, tax exempt entity and is administered by the Department of Commerce. Investment management responsibility for the Assigned Risk Plan was transferred from the Department of Commerce to the State Board of Investment (SBI) effective May 1991. On June 30, 1992 the market value of the Plan was \$348 million.

INVESTMENT OBJECTIVES

The SBI recognizes that the Assigned Risk 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 Plan:

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

Performance relative to these objectives is measured against a composite index that reflects the asset allocation of the portfolio.

ASSET ALLOCATION

The SBI believes that due to the uncertainty of premium and liability cash flows, the Plan should be invested very conservatively. The bond segment is invested to fund the shorter-term liabilities (less than 10 years) and the common stock segment invested to fund the longer-term liabilities. This creates a high fixed income allocation which minimizes the

ASSIGNED RISK PLAN

possibility of a future fund deficit. The smaller equity exposure provides higher expected returns and hedges some of the inflation risk associated with the liability stream. 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.

Figure 22 presents the allocation targets and actual asset mix of the Assigned Risk Plan at the end of fiscal year 1992.

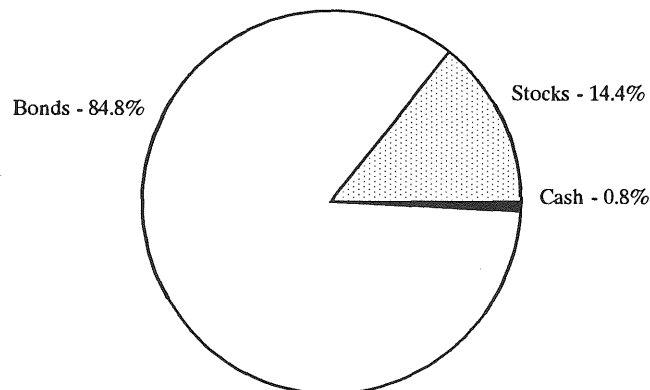
INVESTMENT MANAGEMENT

All assets in the Assigned Risk Plan are managed externally by a single balanced manager. Voyager Asset Management, Minneapolis, MN, has managed the portfolio since the SBI assumed investment responsibility for the plan in May 1991.

Bond Segment

During fiscal year 1992 the Board allocated 85% of the Assigned Risk Plan to bonds to fund the shorter-term liabilities of the Plan. The duration of the bond segment was approximately 3 years. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions.

*Figure 22.
Asset Mix
June 30, 1992*



	Market Value \$ Millions	Actual Asset Mix	Policy Target
Common Stocks	\$ 50	14.4%	15.0%
Bonds	295	84.8	85.0
Unallocated Cash	3	0.8	0.0
Total	\$348	100.0%	100.0%

ASSIGNED RISK PLAN

Common Stock Segment

During fiscal year 1992 the Board allocated 15% of the Assigned Risk Plan to common stocks to fund the longer-term liabilities of the Plan. While the SBI believes that the common stock segment should provide broad market coverage, the segment is actively managed to add incremental value over the long run.

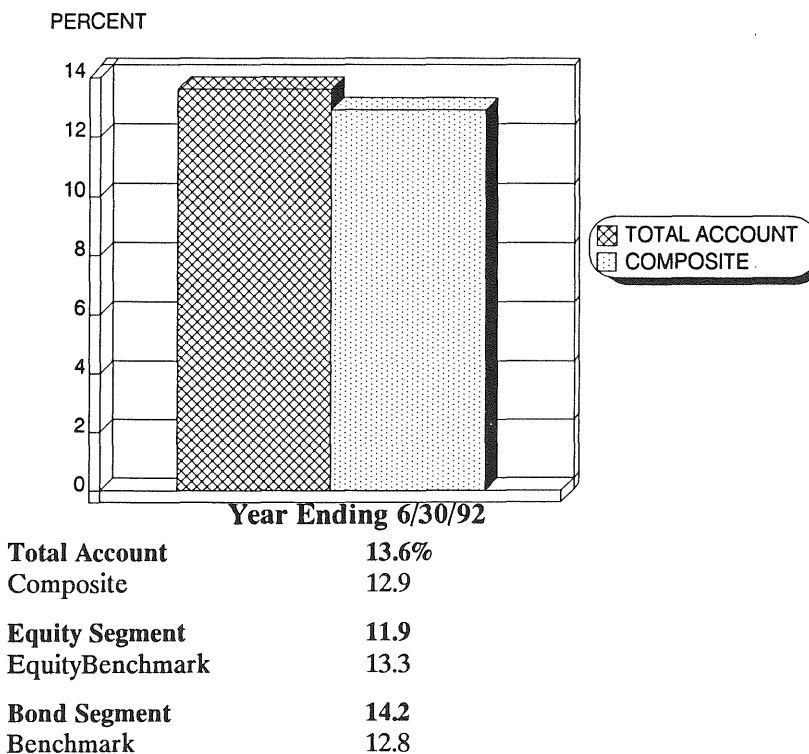
INVESTMENT PERFORMANCE

Due to the focus on liability matching, the composition of the Assigned Risk Plan's investment portfolio is conservatively structured. While the portfolio is actively managed, return enhancement plays a secondary role.

The Assigned Risk Plan utilizes a customized benchmark which is weighted to reflect the asset allocation targets of the Plan:

- The equity component consists of stocks rated "A" or greater by Standard and Poors. It does not include utility stocks or stocks that are restricted by the SBI's investment guidelines.
- The fixed income component reflects the duration target established for the bond segment (approximately 3 years) as well as the manager's suggested sector allocation.

*Figure 23.
Performance
Fiscal Year 1992*



ASSIGNED RISK PLAN

During fiscal year 1992, the bond segment performed well compared to its benchmark due to the manager's decision to hold a duration slightly longer than the benchmark as interest rates declined. The investment manager also overweighted in the better performing mortgage and corporate sectors and underweighted the lower performing government sector. The common stock segment underperformed against its benchmark due to the manager's stock selection decisions.

Overall, the Assigned Risk Plan provided a return of 13.6% for fiscal year 1992, outperforming its composite index by 0.7 percentage point. Performance results are presented in Figure 23.

CASH MANAGEMENT

Internal Cash Pools

Securities Lending Program

Certificate of Deposit Program

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, 1992, the combined value of all agency cash balances was \$2.7 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 \$ 0.4 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 \$1.8 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 1992, both the Trust Fund Pool and the Invested Treasurer's Cash Pool outperformed the total return on 91 Day Treasury Bills:

Trust Fund Pool	5.4%
Treasurer's Cash Pool	6.7
 91 Day Treasury Bills	 4.6%

The SBI is reviewing alternative targets 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 \$2.5 million in additional income for the funds managed by the Board in fiscal year 1992.

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 1992, the SBI purchased over \$109 million of CD's from Minnesota financial institutions. Since it began the program in 1980, the SBI has purchased over \$1.7 billion of CD's from over 465 financial institutions throughout the state.

MAJOR POLICY INITIATIVES

Legislative Update

Basic Funds Asset Allocation Review

Post Retirement Benefit Increase Formula

Police and Fire Fund Consolidation

Resolution on South Africa

Mandate on Northern Ireland

Proxy Voting

LEGISLATIVE UPDATE

SBI Proposed Legislation

The 1992 Legislature enacted several measures that affect the State Board of Investment (SBI).

The SBI proposed several changes that are important to the on-going management of the funds under the Board's control. The changes enacted by the Legislature are summarized below:

Permanent School Fund and Environmental Trust Fund.

The amortization period for realized gains and losses will be increased from 5 to 10 years. The change will reduce the volatility of the funds' income streams and will make equities more attractive investments for the funds.

Supplemental Investment Fund Asset Based Administrative Charge. The front-end charge on new contributions to the Supplemental Investment Fund (SIF) will be replaced with an asset based charge. The change was necessary to make the Supplemental Investment Fund comparable to the fee structure of the investment products offered by outside vendors for the Deferred Compensation Plan (the largest plan in the SIF).

Name Change for Guaranteed Return Account. The new law changes the name of the Guaranteed Return Account to the Fixed Interest Account. This change clarifies the nature of the account and focuses participant attention on the fixed interest rate feature of the guaranteed investment contracts (GIC's).

Authority to Purchase Synthetic GIC's. Authority was added to allow the SBI to invest in synthetic or alternative guaranteed investment contracts (GIC's). GIC's are offered primarily by life insurance companies. Assets backing traditional GIC's are in a life insurance company's general account. A synthetic GIC segregates a pool of assets from the insurance company's general account for the purpose of paying principal and interest on the contract. As a result, the credit quality of the investment may be viewed in terms of the ratings of the assets rather than the strength of the insurance company.

Authority to Purchase Deposit Notes. Authority was added to allow the SBI to invest in medium term debt securities issued by banks called deposit notes. These notes are much like medium term corporate notes with terms of less than 10 years. Deposit notes, like certificates of deposit, carry the rating of the issuing bank. The SBI anticipates using deposit notes in the cash pools

MAJOR POLICY INITIATIVES

to fill out the 9 months to 3 year portion of the maturity spectrum.

All changes included in the SBI's legislative proposal are contained in *Laws of Minnesota 1992*, Chapter 539.

Benefit Increase Formula Change

The 1992 Legislature adopted a change in the formula used to calculate post retirement benefit increases. The change was proposed by the three stateside retirement systems (Teachers Retirement Association, Minnesota State Retirement System and Public Employees Retirement Association) and was supported by the SBI.

The new formula contains both an inflation adjustment and an investment component and will be effective for benefit increases granted starting January 1, 1994. The complete legislation is contained in *Laws of Minnesota 1992*, Chapter 530. (Please refer to page 77 for additional information on the formula change and its impact on the management of the Post Retirement Investment Fund.)

Other Legislation

Unrated Debt. *Laws of Minnesota 1992*, Chapter 592 eliminated the SBI's authority to invest in high-yield (below investment grade) and unrated private placement debt.

Selection of 403(b) Annuity Vendors. *Laws of Minnesota 1992*, Chapter 487 requires the SBI to select ten (10) insurance companies to provide tax-sheltered annuities, referred to as "403(b)" annuities, to teachers statewide. The selections must be completed by January 1, 1993.

BASIC FUNDS ASSET ALLOCATION REVIEW

Strategy Framework

The State Board of Investment (SBI) determines the strategy for each fund under its management through long-term asset allocation decisions. The rationale for this framework is two-fold:

- Asset allocation is the single largest determinant of return.
- Asset allocation overwhelms all other policy and implementation decisions.

During fiscal year 1992, the Board formally reviewed the asset allocation of the Basic Retirement Funds and made modest changes to their long-term policy targets.

Past Targets

The asset allocation policy for the Basic Retirement Funds has remained relatively constant throughout the last decade::

		Targets Established	
		1983	1987
Domestic Common Stocks		60.0%	60.0%
Domestic Bonds		22.0	24.0
Alternative Investments		15.0	15.0
Real Estate	10.0		10.0
Venture Capital	2.5		2.5
Resource Funds	2.5		2.5
Unallocated Cash		3.0	1.0

Staff/IAC Allocation Proposal

As part of the 1992 review, staff and the IAC considered various alternatives which had the potential to provide additional returns without dramatically increasing the level of risk. Their proposal to the Board included three changes to the existing asset allocation policy:

- To add a 10% allocation to international stocks. This would reduce the domestic stock component from 60% to 50%.
- To increase the allocation to alternative assets from 15% to 20%.
- To decrease the bond component by 5% to offset the increased allocation to alternative assets.

Board Action

In September 1991, the Board adopted the proposal to add international stocks but did not approve the increased allocation to alternative investments or the corresponding decrease in

MAJOR POLICY INITIATIVES

bonds. The Board also determined that no new alternative investments should be made unless the market value of the investments plus the value of remaining unfunded commitments is less than the 15% allocation target. At the same time, the Board eliminated separate targets for real estate, venture capital and resource funds (formerly at 10%, 2.5% and 2.5%, respectively).

The SBI will not fund the international stocks target until an appropriate implementation plan has been developed by staff/IAC and formally adopted by the Board. Until that time, the 10% allocation to international stocks will continue to be invested in domestic stocks.

While staff and the IAC made substantial progress on the international implementation plan during the year, it was not finalized. In June 1992, the Board retained Pension Consulting Alliance (PCA) to provide additional consulting assistance concerning international assets. Additional study and development of the international investing plan is expected during fiscal year 1993.

Figure 24 compares the existing targets and staff/IAC proposal to the new allocation adopted by the Board.

Figure 24.
Asset
Allocation
Decisions

	Existing Targets	Proposed Targets	Board Approved Targets
Domestic Stocks	60.0%	50.0%	50.0%
Int'l. Stocks	0.0	10.0	10.0
Alternative Investments	15.0	20.0	15.0
Domestic Bonds	24.0	19.0	24.0
Cash	1.0	1.0	1.0

POST RETIREMENT BENEFIT INCREASE FORMULA

The formula used to determine post retirement benefit increases has been under study by the Minnesota State Retirement System (MSRS), Public Employees Retirement Association (PERA), Teachers Retirement Association (TRA) and the SBI for several years. During fiscal year 1992, the three retirement system boards jointly endorsed a proposal that is more inflation sensitive and enhances the long-term earning power of the Post Retirement Fund. With wide support from organizations representing retired public employees as well as the SBI, the new formula was adopted by the 1992 Legislature. The new law which becomes effective July 1, 1992, is contained in *Laws of Minnesota*, Chapter 530.

Rationale

Under the previous formula, benefits to retirees have been based solely on realized income (interest, dividends and net gain or loss from the sale of securities) that exceeds the Post Fund's actuarial assumption of 5% per year. Because the Post Fund must generate current income in order to provide benefit increases, the portfolio became progressively more conservative during the 1980's. (At the end of fiscal year 1992, the asset mix was more than 80% in bonds.) While this strategy generated benefit increases substantially above the rate of inflation during the last decade, the prospects for continued increases had declined along with falling interest rates. In addition, the high fixed income allocation did not allow the Post Fund to maximize the earning power of its assets.

New Formula

The new formula will be based upon the total return of the Post Fund rather than realized income generated by the portfolio. Benefit increases will be based on the combination of two components:

- **Inflation Component.** Each year, retirees will receive an inflation-based adjustment equal to 100% of inflation, up to a maximum of 3.5%. The inflation component will be granted regardless of investment performance. The limit or cap will maintain the actuarial soundness of the entire plan. It is the difference between the 8.5% return assumption for the Basic Funds, and the 5.0% return assumption for the Post Fund.
- **Investment Component.** Each year, retirees will also receive an investment-based adjustment, provided net investment gains are above the amount needed to finance the actuarial assumption of 5% and the inflation

MAJOR POLICY INITIATIVES

adjustment. Investment gains and losses will be spread over five years to smooth out the volatility of returns and all accumulated investment losses must be recovered before an investment-based adjustment is granted.

Because the investment-based component of the new formula will not be implemented fully during the initial years, a temporary transition adjustment may be paid during a phase-in period. The transition adjustment will be 1.0% in year 1, 0.75% in year 2, 0.50% in year 3 and 0.25% in year 4. Retirees will receive either the investment-based component or the transition adjustment, whichever is higher for the respective year.

Advantages

The new formula has two primary advantages:

- It will provide benefit increases that are more sensitive to inflation.
- It will allow the Post Fund to maximize the long-term earning power of its assets. Without the need to generate current income, the Post Fund can increase its stock exposure and thereby enhance its prospects for higher total rates of return over the long run.

Impact on Post Fund

The Post Retirement Fund will require a new asset allocation strategy which addresses the new focus on long-term total return. In order to meet the needs of the formula change, the Board approved new asset allocation targets for the Post Fund:

	June 30, 1992	Future
Stocks	8.6%	50.0%
Bonds	80.5	47.0
Cash	10.9	3.0

Due to the magnitude of the allocation changes, the SBI will move toward the new targets gradually during fiscal year 1993.

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 1992, two plans with assets totaling \$17 million merged with PERA under the procedures established by *Minnesota Statutes* Chapter 353A:

Albert Lea Police Relief Association	\$7,250,000
Richfield Police Relief Association	\$9,890,000

Since inception in 1987, twenty-two (22) plans with total assets of \$131 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

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. At the beginning of fiscal year 1992, the number had been lowered to 3 companies. During fiscal year 1992, 2 new companies were added to the restricted list due to merger and acquisition activity. This increased the number of restricted companies held by the SBI's active stock managers to 5 firms.

Task Force

When the original resolution was adopted, the Board created a task force 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 on Divestment 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 1992 the SBI held stocks or bonds in 37 out of 44 corporations identified by IRRC as having operations in Northern Ireland.

The SBI filed shareholder resolutions with 23 of these corporations during the 1992 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. Ten (10) resolutions were withdrawn when the targeted companies agreed to provide information on their employment activity in Northern Ireland. The voting results on the remaining 13 resolutions are shown below:

Affirmative		Affirmative	
Company	Vote	Company	Vote
Baker Hughes	14.5%	Marsh & McLennan	8.0%
Dun & Bradstreet	13.5	McDonnell Douglas	12.1
Ford Motor	5.3	Minnesota Mining	9.0
IBM	14.6	Mobil	9.4
Interpublic Group	5.8	Unisys	19.0
James River	16.0	United Technologies	5.7
		Xerox	10.6

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

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 Ceres

MAJOR POLICY INITIATIVES

Principles, (formerly known as 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 1992 Proposals

During fiscal year 1992, the SBI voted proxies for more than 1,400 corporations.

As in past years, the issues on corporate ballots included a broad range of proposals in the corporate governance area:

- The Securities and Exchange Commission cleared 10 executive compensation resolutions for shareholder votes. These resolutions were supported by an average of 21% of the shares voted.
- Shareholders submitted 29 proposals to redeem "poison pills" (an anti-takeover device) or submit them to shareholder vote. These proposals received majorities at 3 companies.
- More than 30 proposals were submitted concerning confidential voting, but none of these proposals passed. However, at least 13 companies adopted confidential voting voluntarily.
- Other proposals included: the repeal of classified boards which was supported by an average of 32% of shares voted; limiting severance packages to top executives ("golden parachutes") received support from an average of 26% of shares voted; the allowance of cumulative voting was supported by an average of 22% of shares voted; and to require directors to hold a specified

MAJOR POLICY INITIATIVES

minimum number of shares received support from an average of 12% of shares voted.

In the social responsibility area, South Africa again was the dominant social issue with over 75 proposals, followed by the Ceres Principles with 59 resolutions, discrimination in Northern Ireland with 27 resolutions and various military issues with 27 resolutions. Other social responsibility issues included proposals regarding smoking and health, poor and minority issues, infant formula, and environmental issues other than Ceres.

INVESTMENT MANAGER SUMMARIES

Common Stock Managers

Bond Managers

Alternative Investment Managers

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. The firm was retained by the SBI in March 1983.

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. The firm was retained by the SBI in March 1983.

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. Franklin was retained by the SBI in April 1989.

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

INVESTMENT MANAGER SUMMARIES

due to the lack of attractive investment opportunities. GeoCapital was retained by the SBI in April 1990.

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. IDS was retained by the SBI in March 1983.

Independence Investment Associates

Independence believes that individual stocks which outperform the market always have two characteristics: 1) they are intrinsically cheap; and 2) their business is in the process of improving. Independence ranks their universe by using a multifactor model. Using input primarily generated by their internal analysts, the model ranks each stock based on 10 discreet criteria. Independence constrains their portfolio by using the top 60% of their ranked universe and optimizing it relative to the benchmark selected by the client to minimize the market and industry risks. Independence maintains a fully invested portfolio and rarely holds more than a 1% cash position. The firm was retained by the SBI in February 1992.

Lieber & Co.

Lieber & Co. seeks to identify investment concepts that are either currently profitable or likely to become so in the near future, yet whose prospects are not reflected in the stock prices of the companies associated with the concepts. The investment concepts upon which the firm focuses are related to both macroeconomic trends and specific product developments within particular industries or companies. Stocks purchased by Lieber tend to be those of well-managed, high growth and high return on equity, small-to-medium sized companies. The stocks may be undervalued due to the failure of investors to recognize fully either the value of new products or a successful turnaround situation. Particularly attractive to Lieber are small-to-medium sized takeover candidates. The firm generally is fully invested, with any cash positions the result of a lack of attractive investment concepts. Lieber was retained by the SBI in March 1983.

Lynch & Mayer

Lynch & Mayer invests primarily in high-quality large capitalization growth stocks. They believe that outstanding investments are a function of corporate earnings growth considerably above historical trends or consensus expectations. Lynch and Mayer are bottom-up stock pickers and rely on very little economic analysis in their selection process. Lynch & Mayer screens out stocks below a certain market capitalization and liquidity level and then eliminates additional stocks based on various fundamental criteria. After the screening process they look for at least one of the following four factors: 1) acceleration of growth; 2) improving industry environment; 3) corporate restructuring; or 4) turnaround. The firm generally stays fully invested, with any cash due to lack of attractive investment opportunities. Lynch & Mayer were retained by the SBI in February 1992.

INVESTMENT MANAGER SUMMARIES

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. Waddell & Reed was retained by the SBI in March 1983.

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. Wilshire was retained by the SBI in December 1983.

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

BOND MANAGERS

Ark Asset Management

Ark Asset Management (formerly Lehman Ark) emphasizes cyclical interest rate forecasts, trends and positions 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. Ark was retained by the SBI in July 1984.

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. Investment Advisers was retained by the SBI in July 1984.

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. Fidelity was retained by the SBI in July 1988.

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. Lincoln was retained by the SBI in July 1988.

INVESTMENT MANAGER SUMMARIES

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. The firm was retained by the SBI in July 1984.

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. The firm was retained by the SBI in July 1984.

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. The SBI invested in the fund beginning in April 1982.

**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. The SBI invested in the fund beginning in October 1981.

**Heitman
Advisory Corp.
(HAC)**

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

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.

**LaSalle
Advisors**

Fund: LaSalle Income Parking Fund

The Income Parking Fund is a closed-end commingled fund managed by LaSalle Advisors of Chicago, Illinois. The fund's strategy is to acquire unleveraged parking facilities to maximize current return to the investors. In special situations, the fund may develop new parking facilities, but only when yield requirements can be maintained. LaSalle has expertise in this area, having close to 100,000 parking spaces under management in the U.S.

INVESTMENT MANAGER SUMMARIES

Paine Webber	<p>Funds: Paine Webber Qualified Plan Property Funds I-IV and Mortgage Partners Five, L.P.'s.</p> <p>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.</p>
Rosenberg Real Estate Equity Funds (RREEF)	<p>Fund: RREEF USA III</p> <p>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.</p>
State Street Bank & Trust	<p>Funds: AEW - State Street Real Estate Fund III AEW - State Street Real Estate Fund IV AEW - State Street Real Estate Fund V</p> <p>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.</p>
Trust Company of the West (TCW)	<p>Funds: TCW Realty Fund III TCW Realty Fund IV</p> <p>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.</p>
Zell/Equity	<p>Fund: Zell/Merrill Lynch Real Estate II</p> <p>Zell/Merrill Lyuch Real Estate Fund II, is based in Chicago, Illinois. The fund will make equity or equity-related investments in opportunistic real estate situations. The partnership will acquire office, retail, and residential properties and may also invest in mixed-use and industrial properties. The fund, additionally, has the authority to acquire convertible or participating mortgages.</p>

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.
Brinson Partners	Funds: Venture Partnership Acquisition Fund I Venture Partnership Acquisition Fund II 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.
DSV Management Ltd.	Fund: DSV Partners IV 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.
Golder, Thoma & Cressey	Fund: Golder, Thoma and Cressey Fund III 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.
Inman & Bowman Management	Fund: Inman & Bowman 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

INVESTMENT MANAGER SUMMARIES

investments in the Pacific Northwest as well. The partnership has a ten-year term.

Funds: 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.

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.

Funds: 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

INVESTMENT MANAGER SUMMARIES

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.

Funds: 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.

Fund: IMR Fund, L.P.

**The
Jacobs
Group**

The IMR Fund was formed in May 1992 and has a ten year term. The Fund will invest in established operating companies with assets and/or business segments offering opportunities for significantly enhanced appreciation. Investments in financially troubled or excessively leveraged companies, particularly bankrupt or poorly managed companies with high asset bases, will be a focus of the Fund.

**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

Apache Corporation	Fund: Apache Acquisition Net Profits Interest <p>Apache Acquisition Net Profits Interest is a 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 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.</p>
British Petroleum Company	Fund: British Petroleum Prudoe Bay Royalty Trust <p>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.</p>
First Reserve Corp.	Funds: AMGO I AMGO II AMGO IV AMGO V <p>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.</p>
J.P. Morgan Investment Management	Fund: Morgan Petroleum Fund II <p>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.</p>

INVESTMENT MANAGER SUMMARIES

**Simmons
& Company**

Fund: OFS Investments, L.P.

The fund serves as a vehicle for investment in the oil field service (OFS) and equipment industry. The General Partner is located in Houston, Texas and will endeavor to negotiate transactions that display strong fundamentals, value-added opportunities, reasonable pricing and appropriate financial structuring possibilities.

STATISTICAL DATA APPENDIX

Manager Portfolio Statistics

Historical Performance Summaries

Time-weighted Rate of Return

Benefit Increase Formula

Fee and Commission Data

Statistical Data Appendix

	Page
External Common Stock Managers:	
• Risk Factor Exposure Glossary.....	A-5
• Table 1 - Risk Factor Exposures	A-7
• Table 2 - Sector Weights.....	A-9
• Table 3 - Five Year Quarterly Performance Summary	A-11
• Table 4 - Five Year Annualized Performance Summary	A-13
External Bond Managers:	
• Portfolio Characteristics Glossary	A-14
• Table 5 - Portfolio Characteristics	A-15
• Table 6 - Sector Weights.....	A-16
• Table 7 - Five Year Quarterly Performance Summary	A-17
• Table 8 - Five Year Annualized Performance Summary	A-19
Alternative Investment Managers:	
• Table 9 - Summary of Commitments.....	A-20
Time-Weighted Rate of Return	A-22
Benefit Increase Formula	A-23
External Stock and Bond Manager Fees	A-24
Commissions Data	A-25

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.

Beta	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.
Book-to-Price (B/P)	Measures the book value of a company's common equity divided by market capitalization.
Dividend Yield (Div. Yld.)	Used as a predictor of dividend yield for the coming year.
Earnings-to-Price (E/P)	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).
Earnings Variability (Earn. Var.)	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.
Equity Allocation (Eq. Alloc.)	Measures the percent of the manager's total portfolio invested in common stocks, preferred stocks and convertible securities.
Financial Leverage (Finl.)	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.
Foreign Income (For. Inc.)	Measures the extent to which a company's operating income is generated outside of the U.S.

STOCK MANAGER RISK FACTOR EXPOSURE GLOSSARY

Growth	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.
Labor Intensity (Labor Int.)	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.
Monthly Turnover (Mo. T/O)	Measures the total equity asset sales divided by the average value of the equity assets in the manager's portfolio.
Size	Indicates the relative size of the company. It includes three descriptors: market capitalization, total assets, and the length of earnings history.
Success (Suc.)	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).
Trading Activity (Trad. Act.)	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.
Variability in Markets (Var. Mkts.)	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 1987 - June 1992

	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.
Alliance Capital															
Minimum	1.09	0.13	0.12	0.01	0.17	0.41	-0.24	-0.47	-0.12	0.03	-0.13	0.20	-0.79	0.79	93%
Average	1.14	0.25	0.33	0.19	0.44	0.54	-0.15	-0.36	0.02	0.14	0.13	0.30	-0.63	4.20	96%
Maximum	1.20	0.41	0.57	0.37	0.61	0.75	-0.07	-0.25	0.11	0.28	0.26	0.42	-0.50	9.31	100%
Bmrk. Avg.	1.15	0.34	0.09	-0.32	0.25	0.49	-0.06	-0.24	0.00	0.02	-0.05	0.42	-0.56	N.A.	95%
Forstmann Leff															
Minimum	1.01	0.05	-0.16	-1.13	0.19	-0.14	-0.12	-0.26	-0.04	-0.19	-0.48	-0.28	-0.81	1.69	44%
Average	1.13	0.50	0.21	-0.52	0.57	0.30	0.09	-0.09	0.35	0.08	0.03	0.05	-0.46	11.37	70%
Maximum	1.25	1.04	0.70	0.10	1.04	0.70	0.36	0.22	0.56	0.40	0.58	0.24	-0.14	38.82	98%
Bmrk. Avg.	1.16	0.45	-0.00	-0.47	0.32	0.36	-0.01	0.01	0.19	0.07	-0.04	0.26	-0.35	N.A.	70%
Franklin Portfolio*															
Minimum	1.02	0.12	-0.24	-0.95	0.05	-0.12	0.15	0.10	0.02	-0.20	-0.61	-0.19	-0.26	0.00	94%
Average	1.05	0.22	0.02	-0.59	0.11	0.11	0.32	0.19	0.20	-0.08	-0.49	-0.04	-0.08	7.17	98%
Maximum	1.09	0.31	0.27	-0.30	0.21	0.31	0.48	0.34	0.38	0.07	-0.36	0.16	0.12	17.91	100%
Bmrk. Avg.	1.04	0.20	-0.10	-0.59	0.12	0.06	0.03	0.12	0.13	-0.06	-0.40	-0.02	-0.05	N.A.	98%
GeoCapital Corp.*															
Minimum	1.22	0.90	-0.58	-2.33	0.49	0.94	-0.72	-0.46	0.43	-0.03	-0.71	0.42	-1.02	0.00	76%
Average	1.25	1.19	0.14	-2.19	0.72	1.05	-0.49	-0.32	0.51	0.24	-0.60	0.49	-0.95	0.93	95%
Maximum	1.28	1.38	0.91	-2.09	0.86	1.13	-0.35	-0.15	0.59	0.70	-0.40	0.60	-0.85	3.78	100%
Bmrk. Avg.	1.24	1.04	0.32	-1.95	0.66	1.07	-0.37	-0.24	0.46	0.13	-0.44	0.54	-0.92	N.A.	95%
IDS Advisory															
Minimum	1.08	0.17	0.05	-0.27	0.14	0.20	-0.22	-0.32	-0.01	-0.17	-0.33	0.01	-0.59	0.84	82%
Average	1.13	0.34	0.32	-0.09	0.32	0.35	-0.07	-0.19	0.19	-0.01	0.07	0.26	-0.47	6.95	95%
Maximum	1.19	0.61	0.63	0.12	0.64	0.42	0.11	-0.07	0.36	0.21	0.51	0.45	-0.29	19.57	100%
Bmrk. Avg.	1.03	0.10	-0.04	-0.16	0.09	0.08	0.00	0.06	0.08	0.00	-0.12	0.00	-0.08	N.A.	90%

Bmrk. Avg. = Benchmark average.

Aggregate Active figures include data only for managers retained on 6/30/92.

*Note: Franklin retained on 4/1/89. Data covers period from 4/1/89 - 6/30/92 only.

GeoCapital retained on 4/1/90. Data covers period from 4/1/90 - 6/30/92 only.

Independence retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Lynch & Mayer retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Table 1. Con't.

EXTERNAL ACTIVE STOCK MANAGERS

Risk Factor Exposures
July 1987 - June 1992

	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.
Independence Investment Associates*															
Minimum	1.00	-0.08	-0.09	0.30	-0.02	-0.18	0.07	0.06	0.03	0.06	-0.18	-0.06	0.17	0.00	97%
Average	1.01	-0.06	-0.03	0.32	-0.01	-0.17	0.10	0.09	0.05	0.11	-0.03	-0.03	0.18	5.47	99%
Maximum	1.01	-0.04	0.01	0.34	0.00	-0.14	0.14	0.10	0.07	0.16	0.04	0.00	0.20	15.72	99%
Bmrk. Avg.	1.00	-0.06	-0.05	0.30	-0.01	-0.07	0.00	0.04	0.01	0.05	0.02	-0.08	0.08	N.A.	100%
Lieber & Co.															
Minimum	1.03	0.10	-0.32	-1.84	0.02	0.34	-0.10	-0.06	-0.02	-0.24	-0.63	0.41	-0.68	0.10	87%
Average	1.10	0.46	-0.01	-1.59	0.20	0.41	0.01	0.04	0.09	-0.08	-0.42	0.50	-0.51	3.47	95%
Maximum	1.19	0.83	0.28	-1.34	0.55	0.55	0.16	0.12	0.15	0.06	-0.27	0.62	-0.40	11.43	100%
Bmrk. Avg.	1.09	0.53	-0.12	-1.96	0.10	0.45	0.07	0.16	0.27	0.02	-0.45	0.42	-0.44	N.A.	95%
Lynch & Mayer*															
Minimum	1.16	0.40	0.46	0.13	0.36	0.46	-0.10	-0.36	0.10	-0.01	-0.07	0.28	-0.60	4.28	88%
Average	1.18	0.48	0.59	0.22	0.40	0.49	-0.04	-0.32	0.13	0.04	0.02	0.35	-0.58	8.45	89%
Maximum	1.20	0.58	0.71	0.34	0.43	0.53	0.01	-0.25	0.19	0.08	0.17	0.43	-0.57	19.05	90%
Bmrk. Avg.	1.13	0.37	0.30	0.04	0.46	0.45	-0.07	-0.16	0.11	0.02	-0.21	0.15	-0.47	N.A.	92%
Waddell & Reed															
Minimum	1.10	0.28	-0.30	-1.29	0.43	0.32	-0.37	-0.24	0.20	-0.24	-0.35	0.15	-0.86	0.00	51%
Average	1.22	0.77	0.19	-0.97	0.83	0.66	-0.24	-0.03	0.53	0.05	-0.16	0.35	-0.61	10.74	71%
Maximum	1.31	1.25	0.81	-0.63	1.20	1.05	-0.08	0.18	0.75	0.34	0.22	0.54	-0.30	27.19	89%
Bmrk. Avg.	1.17	0.65	-0.12	-1.33	0.42	0.54	-0.16	0.08	0.39	0.28	-0.21	0.38	-0.53	N.A.	80%
Aggregate Active															
Minimum	1.09	0.25	-0.04	-0.66	0.29	0.32	-0.16	-0.25	0.13	-0.03	-0.24	0.17	-0.67	N.A.	N.A.
Average	1.14	0.43	0.22	-0.43	0.47	0.45	-0.07	-0.16	0.22	0.06	-0.04	0.26	-0.52	N.A.	N.A.
Maximum	1.19	0.73	0.57	-0.23	0.60	0.62	0.01	-0.05	0.29	0.20	0.21	0.37	-0.43	N.A.	N.A.

Bmrk. Avg. = Benchmark average.

Aggregate Active figures include data only for managers retained on 6/30/92.

*Note: Franklin retained on 4/1/89. Data covers period from 4/1/89 - 6/30/92 only.

GeoCapital retained on 4/1/90. Data covers period from 4/1/90 - 6/30/92 only.

Independence retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Lynch & Mayer retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Table 2.

EXTERNAL ACTIVE STOCK MANAGERS

Sector Weights
Actual Portfolio Less Benchmark Portfolio
July 1987 - June 1992

	Cons. Non Dur.	Cons. Dur.	Basic Mat.	Cap. Goods	Energy	Tech.	Trans.	Util.	Finl.
Alliance Capital									
Minimum	-7.34%	-1.93%	-9.93%	-4.70%	-2.21%	-12.08%	-4.12%	-2.40%	-3.15%
Average	1.09	-0.20	-4.87	-0.76	1.76	-2.00	1.60	0.63	2.74
Maximum	11.83	1.97	2.68	3.96	8.39	4.33	5.14	6.39	8.10
Bmrk. Avg.	45.50	3.63	11.68	6.66	2.85	13.21	2.61	1.70	12.17
Forstmann Leff									
Minimum	-17.35	-5.44	-7.36	-6.25	-7.69	-9.67	-3.69	-9.19	-16.64
Average	-0.23	-2.15	5.63	-2.68	10.50	-3.52	-1.51	-0.18	-5.85
Maximum	18.63	3.34	21.83	2.53	28.48	11.02	6.03	14.14	8.91
Bmrk. Avg.	36.00	4.70	13.31	6.80	5.03	9.67	3.22	5.35	15.92
Franklin Portfolio*									
Minimum	-6.52	-2.83	-7.67	-3.20	-4.57	-2.21	-2.68	-8.41	-2.34
Average	1.55	-0.51	-1.16	-0.71	0.50	0.76	-1.17	-0.15	0.90
Maximum	6.57	3.21	2.03	1.42	3.92	2.99	0.62	4.42	5.17
Bmrk. Avg.	30.67	4.10	11.03	5.88	5.69	5.58	2.66	16.14	18.26
GeoCapital Corp.*									
Minimum	3.45	-3.67	-4.69	-6.04	-6.45	-11.67	-3.07	-3.52	7.20
Average	11.00	-2.23	-2.07	-4.41	-5.13	-9.89	-2.43	1.93	13.24
Maximum	17.91	-0.47	0.21	-0.36	-2.29	-7.75	-1.64	6.40	20.83
Bmrk. Avg.	56.39	2.29	4.23	5.37	4.67	13.97	2.39	5.53	5.16
IDS Advisory									
Minimum	-9.99	-2.94	-2.15	-2.05	-3.28	-3.82	-2.26	-18.87	-13.22
Average	-1.01	1.13	9.26	4.92	1.25	0.07	1.55	-11.58	-5.61
Maximum	7.03	8.13	20.60	9.74	5.68	7.42	5.62	-6.53	5.58
Bmrk. Avg.	30.85	3.95	10.72	5.78	7.13	8.37	3.02	15.45	14.73

Bmrk. Avg. = Benchmark average

Aggregate Active figures include data only for managers retained on 6/30/92.

* Note: Franklin retained effective 4/1/89. Data covers period from 4/1/89 to 6/30/92 only.
GeoCapital retained effective 4/1/90. Data covers period from 4/1/90 to 6/30/92 only.
Independence retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.
Lynch & Mayer retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Table 2 Con't.

EXTERNAL ACTIVE STOCK MANAGERS

Sector Weights
Actual Portfolio Less Benchmark Portfolio
July 1987 - June 1992

	Cons. Non Dur.	Cons. Dur.	Basic Mat.	Cap. Goods	Energy	Tech.	Trans.	Util.	Finl.
Independence Investment Associates*									
Minimum	-6.59%	1.45%	-1.61%	2.83%	-2.46%	-1.71%	-0.24%	-0.59%	0.80%
Average	-4.22	1.81	-1.22	3.11	-1.42	-1.12	0.31	1.20	1.56
Maximum	-3.07	2.06	-0.64	3.37	0.83	-0.45	0.70	2.31	2.56
Bmrk. Avg.	35.54	4.80	8.24	5.14	9.18	6.73	2.28	15.25	12.84
Lieber & Co.									
Minimum	0.91	-2.30	-7.60	-4.99	-3.41	-4.98	-0.32	-5.68	-18.86
Average	8.28	-0.59	0.91	-1.67	-0.19	-1.18	1.62	-2.91	-4.28
Maximum	16.29	1.55	5.49	0.86	4.59	2.92	4.15	-0.31	16.62
Bmrk. Avg.	32.36	5.97	11.36	8.40	3.47	8.19	2.37	4.82	23.07
Lynch & Mayer*									
Minimum	-5.72	-2.03	-5.22	3.19	-6.17	-2.64	0.04	-2.48	4.62
Average	-0.16	3.53	-4.48	3.97	-5.99	-2.27	0.42	-0.74	5.72
Maximum	6.59	8.14	-2.91	5.22	-5.92	-1.81	0.79	1.19	6.83
Bmrk. Avg.	45.96	5.02	5.38	3.39	6.69	7.21	2.91	8.53	14.91
Waddell & Reed									
Minimum	-20.15	-6.45	-7.49	-4.61	-6.78	-5.76	-3.91	-2.34	-0.60
Average	-7.10	-1.04	-1.76	-0.08	-0.52	1.80	0.86	3.14	4.69
Maximum	9.71	5.11	5.41	4.67	8.62	10.60	9.27	18.80	11.37
Bmrk. Avg.	38.85	7.54	17.31	9.58	8.31	10.84	5.35	0.77	1.45
Aggregate Active									
Minimum	-5.35	-1.81	-3.50	-2.63	-2.61	-5.25	-2.36	-4.63	-8.06
Average	0.29	-0.50	0.82	-0.27	2.23	-1.27	0.60	-1.31	-0.59
Maximum	7.31	2.07	7.03	2.69	8.65	5.13	3.33	1.73	6.82

Bmrk. Avg. = Benchmark average

Aggregate Active figures include data only for managers retained on 6/30/92.

* Note: Franklin retained effective 4/1/89. Data covers period from 4/1/89 to 6/30/92 only.
 GeoCapital retained effective 4/1/90. Data covers period from 4/1/90 to 6/30/92 only.
 Independence retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.
 Lynch & Mayer retained on 2/1/92. Data covers period from 2/1/92 - 6/30/92 only.

Table 3.

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

	3Q87	4Q87	1Q88	2Q88	3Q88	4Q88	1Q89	2Q89	3Q89	4Q89
Alliance Capital										
Actual Portfolio	10.8%	-21.4%	4.0%	9.6%	-3.5%	0.6%	10.0%	11.7%	15.2%	0.3%
Benchmark Portfolio	5.1	-24.2	6.8	6.0	-0.9	1.3	6.7	8.3	10.7	-3.6
Forstmann Leff										
Actual Portfolio	8.4	-17.6	6.9	3.4	-2.6	2.6	8.3	2.1	9.8	-2.2
Benchmark Portfolio	4.2	-16.1	6.7	5.5	0.1	1.6	6.3	6.2	7.8	-1.0
Franklin Portfolio										
Actual Portfolio	Manager not retained until 2Q89.									
Benchmark Portfolio										
GeoCapital Corp.										
Actual Portfolio	Manager not retained until 2Q90.									
Benchmark Portfolio										
IDS Advisory										
Actual Portfolio	5.9	-20.7	0.6	7.1	-3.7	1.6	8.2	7.5	15.8	-0.5
Benchmark Portfolio	5.2	-19.5	7.5	5.3	0.3	2.3	6.6	8.6	8.8	-0.3
Independence Investment Associates										
Actual Portfolio	Manager not retained until 1Q92.									
Benchmark Portfolio										
Lieber & Company										
Actual Portfolio	2.7	-23.0	16.2	4.6	0.8	0.1	7.2	6.1	8.8	-3.9
Benchmark Portfolio	4.1	-24.8	15.0	6.9	-1.0	0.3	7.1	6.4	8.0	-3.6
Lynch & Mayer										
Actual Portfolio	Manager not retained until 1Q92.									
Benchmark Portfolio										
Waddell & Reed										
Actual Portfolio	9.8	-20.8	8.1	7.3	-5.9	1.2	5.2	10.4	12.1	-2.7
Benchmark Portfolio	6.0	-21.0	11.1	5.5	-1.7	1.0	6.5	5.9	7.9	-2.5
Aggregate Active*	6.9	-21.8	7.3	6.8	-2.8	0.5	8.1	7.9	11.7	-1.4
Market Index										
Wilshire 5000	6.2	-23.1	8.0	6.5	0.2	2.3	7.4	8.5	10.1	0.6
Wilshire 5000 Adj.**	5.9	-23.1	8.1	6.7	-0.1	2.0	7.2	8.5	10.0	0.6

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

** Adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

Table 3 Con't.

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

	1Q90	2Q90	3Q90	4Q90	1Q91	2Q91	3Q91	4Q91	1Q92	2Q92
Alliance Capital										
Actual Portfolio	-2.6%	9.7%	-16.4%	9.7%	17.4%	-4.3%	10.0%	15.0%	-2.0%	-0.8%
Benchmark Portfolio	-0.9	8.5	-18.3	10.3	17.3	-0.8	5.9	10.6	-3.6	-1.2
Forstmann Leff										
Actual Portfolio	-2.7	2.9	-8.3	2.2	19.3	-1.1	11.1	6.6	-2.0	-5.1
Benchmark Portfolio	-1.3	5.0	-14.6	8.0	15.2	0.2	5.1	6.4	1.3	-0.9
Franklin Portfolio										
Actual Portfolio	-3.2	2.4	-18.8	11.7	17.3	-2.4	5.7	9.0	-1.7	0.3
Benchmark Portfolio	-3.6	4.1	-17.0	10.1	17.9	0.1	6.1	7.9	-0.3	0.4
GeoCapital Corp.										
Actual Portfolio		6.0	-30.1	25.8	30.3	-3.9	17.9	16.7	-3.0	-9.4
Benchmark Portfolio		6.1	-22.3	10.8	24.6	-2.1	10.3	12.0	-1.0	-9.7
IDS Advisory										
Actual Portfolio	0.3	7.6	-19.4	4.7	19.7	-1.4	5.6	10.9	-0.8	0.1
Benchmark Portfolio	-2.7	5.5	-14.7	7.9	13.3	-0.3	5.3	8.1	1.3	1.3
Independence Investment Associates										
Actual Portfolio									-0.6	2.9
Benchmark Portfolio									-0.4	2.4
Lieber & Company										
Actual Portfolio	-5.3	6.2	-21.4	11.8	19.9	0.1	6.1	7.7	0.8	-7.5
Benchmark Portfolio	-3.8	2.1	-20.7	7.1	22.7	1.3	7.1	6.7	4.8	-3.9
Lynch & Mayer										
Actual Portfolio									0.2	-1.9
Benchmark Portfolio									-2.0	-2.0
Waddell & Reed										
Actual Portfolio	-0.3	5.8	-15.4	3.3	14.1	-1.2	6.6	5.3	3.4	-3.1
Benchmark Portfolio	-0.3	3.9	-17.4	6.9	18.5	0.2	5.4	5.4	3.6	-3.4
Aggregate Active*	-2.2	5.8	-17.1	7.3	17.6	-2.5	8.2	10.1	-1.0	-2.6
Market Index										
Wilshire 5000	-3.5	5.5	-15.2	8.7	16.5	-0.3	6.4	8.7	-1.3	-0.1
Wilshire 5000 Adj.**	-3.4	5.3	-15.5	8.4	16.4	-0.3	6.2	8.6	-1.3	0.0

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

** Adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

Table 4.

EXTERNAL STOCK MANAGERS
Five Year Annualized Performance Summary

	Year Ending 6/30/92		Two Years Ending 6/30/92		Three Years Ending 6/30/92		Five Years Ending 6/30/92	
	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio
Active Managers								
Alliance Capital	22.9%	11.6%	12.5%	8.2%	16.1%	10.3%	13.1%	7.1%
Forstmann Leff	10.1	12.3	10.4	9.3	9.4	9.7	7.4	8.4
Franklin	13.6	14.5	8.6	11.1	8.3	9.2	Manager retained 4/1/89	4/1/89
GeoCapital	21.0	10.5	15.4	7.7	Manager retained 4/1/90			
IDS	16.3	16.9	7.6	10.2	12.9	10.6	8.2	9.0
Independence	2.3	2.0	Manager retained 2/1/92					
Lieber & Company	6.5	15.1	6.0	10.3	5.7	7.5	5.4	6.2
Lynch & Mayer	-1.7	-4.0	Manager retained 2/1/92					
Waddell & Reed	12.4	11.2	5.2	8.0	8.4	8.3	7.3	6.9
Passive Manager								
Wilshire Associates	14.1%	14.4%	10.1%	10.6%	10.9%	11.3%	8.9%	9.2%
Total Basic Retirement Funds' Common Stock Segment*								
	14.3%	13.6%	9.4%	10.0%	10.6%	10.5%	8.6%	8.7%
Capital Markets Data								
Wilshire 5000	13.9%	—	10.4%	—	11.2%	—	9.1%	—
Wilshire 5000 Adj. **	13.9	—	10.1	—	10.8	—	8.7	—
91-Day Treasury Bills	4.6	—	5.8	—	6.6	—	6.8	—
Inflation	3.1	—	3.9	—	4.2	—	4.3	—

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

** Adjusted to reflect the SBI's restrictions on liquor and tobacco stocks.

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.

Average Quality Weightings (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.
Bond Allocation (Bond Alloc.)	The percent of the manager's total portfolio invested in bonds.
Coupon	The annual interest payment received on the manager's total portfolio stated as a percent of the portfolio's face value.
Current Yield (Cur. Yield)	The annual interest payment produced by the manager's total portfolio stated as a percent of the portfolio's market value.
Duration (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.
Number of Issues (# of Issues)	The number of different bond issues held in the manager's portfolio.
Quarterly Turnover (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.
Term to Maturity (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.
Yield to Maturity (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 1987 - June 1992

	Qtr. T/O	# Of Issues	Bond Alloc.	Coupon	Yield To Mat.	Avg. Qual.	Dur.	Term To Mat.
Ark Asset Management								
Minimum	14%	26	81%	6.50%	6.51%	AA	3.50 Yrs.	5.20 Yrs.
Average	46	43	90	7.91	8.28	AAA	4.15	7.33
Maximum	103	61	98	8.50	9.70	AAA	5.51	9.70
Investment Advisers								
Minimum	0	11	91	5.50	7.00	AAA	3.10	4.00
Average	18	17	96	7.87	8.74	AAA	5.75	13.24
Maximum	58	24	99	9.00	9.90	AAA	7.00	19.77
Miller Anderson								
Minimum	7	45	73	5.40	7.63	A	3.10	5.00
Average	38	61	91	8.70	9.42	AA	5.61	9.44
Maximum	86	87	100	20.21	13.00	AAA	7.00	16.10
Western Asset								
Minimum	12	38	84	8.22	7.47	AA	4.20	8.40
Average	51	57	93	8.63	9.02	AA	5.56	13.55
Maximum	85	77	100	9.60	10.50	AA	5.64	18.40
Salomon BIG*								
Minimum				8.46	7.12	AAA	4.41	8.95
Average				8.94	8.73	AAA	4.55	9.50
Maximum				9.13	9.91	AAA	4.69	9.84

* Salomon Broad Investment Grade Bond Index

Table 6.
EXTERNAL ACTIVE BOND MANAGERS
Sector Weights
July 1987 - June 1992

	(In Percentages)										
	Treas	Agcy	Total Govt	Ind	Util	Fin	Tran	Total Corp	Mtgs	Misc	Cash
Ark Asset Management											
Minimum	34	0	37	2	1	3	0	10	5	0	1
Average	55	2	56	6	2	13	0	21	16	0	3
Maximum	70	6	71	10	6	20	0	34	32	0	12
Investment Advisers											
Minimum	49	0	63	0	0	2	0	2	7	0	1
Average	65	10	76	0	1	8	0	9	13	0	3
Maximum	83	23	87	0	3	19	0	19	25	0	12
Miller Anderson											
Minimum	0	0	0	3	0	4	0	9	20	0	1
Average	23	2	26	6	1	20	1	27	37	2	6
Maximum	44	7	45	8	5	59	5	68	60	7	17
Western Asset											
Minimum	6	3	15	10	5	1	0	23	17	0	0
Average	20	8	28	17	10	9	1	37	29	4	6
Maximum	33	13	43	26	17	18	3	43	42	11	12
Salomon BIG*											
Minimum			52					18	25		
Average			54					19	27		
Maximum			56					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

	3Q87	4Q87	1Q88	2Q88	3Q88	4Q88	1Q89	2Q89	3Q89	4Q89
Ark Asset Management										
Actual Portfolio	-2.1%	5.3%	3.2%	0.7%	3.3%	0.8%	1.3%	7.0%	1.1%	3.2%
Benchmark Portfolio**	-2.1	5.2	3.4	1.1	1.8	0.9	1.2	7.2	1.2	3.5
Investment Advisers										
Actual Portfolio	-1.9	5.1	3.2	1.1	1.9	0.6	1.3	9.8	0.4	4.2
Benchmark Portfolio**	-2.8	5.8	3.8	1.2	2.0	0.8	1.1	8.4	0.9	3.9
Miller Anderson										
Actual Portfolio	-3.6	6.3	3.6	1.5	1.9	1.6	1.4	4.4	0.4	3.4
Benchmark Portfolio**	-2.8	5.8	3.8	1.2	2.0	0.8	1.2	7.9	1.0	3.7
Western Asset										
Actual Portfolio	-3.1	5.3	5.3	1.5	2.7	1.5	1.5	8.2	1.8	3.5
Benchmark Portfolio**	-2.7	5.6	4.0	1.4	2.2	0.9	1.2	7.8	1.0	3.6
Aggregate Active*	-2.2	5.3	3.8	1.1	2.4	1.1	1.4	6.9	1.2	3.5
Market Index										
Salomon Broad Investment Grade Bond Index	-2.8	5.8	3.8	1.2	2.0	0.8	1.2	7.9	1.0	3.7

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

** Customized benchmarks were used prior to 10/91 when the benchmark changed to the Salomon Broad Investment Grade Bond Index.

Table 7 Con't.

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

	1Q90	2Q90	3Q90	4Q90	1Q91	2Q91	3Q91	4Q91	1Q92	2Q92
Ark Asset Management										
Actual Portfolio	-0.5%	3.2%	1.2%	4.6%	2.5%	1.7%	5.4%	4.7%	-1.7%	4.3%
Benchmark Portfolio**	-0.4	3.4	1.2	4.6	2.5	1.6	5.1	5.0	-1.2	4.1
Investment Advisers										
Actual Portfolio	-2.7	4.0	-0.6	7.0	2.4	1.2	7.0	6.0	-2.7	4.4
Benchmark Portfolio**	-1.2	3.7	0.8	5.4	2.3	1.6	6.0	5.0	-1.2	4.1
Miller Anderson										
Actual Portfolio	-0.7	3.8	-0.5	6.1	3.2	1.7	7.3	7.2	-2.3	4.1
Benchmark Portfolio**	-0.8	3.6	1.0	5.1	2.6	1.8	5.7	5.0	-1.2	4.1
Western Asset										
Actual Portfolio	-1.4	3.7	0.1	5.5	3.4	1.8	6.3	5.4	-0.6	3.8
Benchmark Portfolio**	-0.4	3.7	0.8	4.8	3.0	2.0	5.8	5.0	-1.2	4.1
Aggregate Active*	-1.3	3.7	-0.1	5.4	3.0	1.7	6.0	5.5	-1.3	3.9
Market Index										
Salomon Broad Investment Grade Bond Index	-0.8	3.6	1.0	5.1	2.6	1.8	5.7	5.0	-1.2	4.1

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

** Customized benchmarks were used prior to 10/91 when the benchmark changed to the Salomon Broad Investment Grade Bond Index.

Table 8.

EXTERNAL BOND MANAGERS

Five Year Annualized Performance Summary

	Year Ending 6/30/92		Two Years Ending 6/30/92		Three Years Ending 6/30/92		Five Years Ending 6/30/92	
	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio	Actual Portfolio	Benchmark Portfolio
Active Managers								
Ark Asset Mgmt.	13.1%	13.5%	11.7%	12.2%	10.1%	10.5%	10.1%	10.1%
Investment Advisers	15.2	14.5	12.7	12.5	10.4	10.7	10.5	10.6
Miller Anderson	17.0	14.2	13.8	12.5	11.5	10.9	10.4	10.6
Western Asset	15.6	14.3	13.4	12.6	11.5	11.1	11.6	10.8
Semi-Passive Managers								
Fidelity Management	14.1%	14.2%	12.8%	12.5%	11.2%	10.9%	Manager retained 7/88	
Lincoln Capital	14.1	14.2	12.4	12.5	10.8	10.9	Manager retained 7/88	
Total Basic Retirement Funds' Bond Segment*								
	14.7%	14.2%	12.8%	12.5%	11.0%	10.9%	10.6%	10.6%
Capital Markets Data								
Salomon BIG Index**	14.2%	—	12.5%	—	10.9%	—	10.6%	—
91 Day Treasury Bills	4.6	—	5.8	—	6.6	—	6.8	—
Inflation	3.1	—	3.9	—	4.2	—	4.3	—

* 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, 1992**

	Total Fund Size (Millions)	SBI Inception Date	SBI Commitment	SBI Funded	SBI To Be Funded	Fund Description
Real Estate						
Aetna	\$1,573	4/82	\$40,000,000	\$40,000,000	\$0	Open End
AEW III	103	9/85	20,000,000	20,000,000	0	Closed End
AEW IV	86	9/86	15,000,000	15,000,000	0	Closed End
AEW V	82	12/87	15,000,000	15,000,000	0	Closed End
Equitable	3,613	10/81	40,000,000	40,000,000	0	Open End
Heitman I	113	8/84	20,000,000	20,000,000	0	Closed End
Heitman II	238	11/85	30,000,000	30,000,000	0	Closed End
Heitman III	200	1/87	20,000,000	20,000,000	0	Closed End
Heitman V	127	7/91	20,000,000	10,000,000	10,000,000	Closed End
LaSalle	76	9/91	15,000,000	3,386,142	11,613,858	Closed End
Paine Webber*	124	2/90	500,000	500,000	0	Closed End
RREEF	773	9/84	75,000,000	75,000,000	0	Closed End
TCW III	216	8/85	40,000,000	40,000,000	0	Closed End
TCW IV	250	11/86	30,000,000	30,000,000	0	Closed End
Zell	431	7/91	50,000,000	8,132,546	41,867,454	Closed End
Real Estate Total			\$430,500,000	\$367,018,688	\$63,481,312	
Resource (Oil & Gas)						
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	14,535,147	2,264,853	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	11,400,000	3,600,000	Debt with Equity
Simmons OFS	100	7/91	20,000,000	426,492	19,573,508	Equity
Resource Totals			\$141,100,000	\$115,661,639	\$25,438,361	

(Continued on following page)

Table 9 Con't.

ALTERNATIVE ASSETS

Summary of Commitments
As of June 30, 1992

	Total Fund Size (Millions)	SBI Inception Date	SBI Commitment	SBI Funded	SBI To Be Funded	Fund Description
Venture Capital						
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	4,978,229	21,771	Secondary Interests
Brinson II	110	7/90	20,000,000	10,000,000	10,000,000	Secondary Interests
Golder Thoma	225	10/87	14,000,000	8,405,000	5,595,000	Later Stage
IAI Ventures I*	40	3/91	500,038	500,038	0	Early Stage
IAI Ventures II	64	7/90	10,000,000	5,492,505	4,507,495	Early Stage
Inman/Bowman	44	6/85	7,500,000	7,500,000	0	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	134,301,723	12,332,937	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	3,500,000	6,500,000	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	22,500,000	7,500,000	Later Stage
Superior	35	6/86	6,645,000	5,648,250	996,750	Early Stage-Mn.
T. Rowe Price	—	11/87	10,035,919	10,035,919	0	IPO Manager
Zell/Chilmark	1,000	7/90	30,000,000	11,275,668	18,724,332	Restructuring
Venture Capital Totals			\$538,680,956	\$321,002,672	\$217,678,285	

SUMMARY

Real Estate Totals	\$ 430,500,000	\$ 367,018,688	\$ 63,481,312
Resource Totals	141,100,000	115,661,639	25,438,361
Venture Capital Totals	538,680,956	321,002,672	217,678,285
GRAND TOTALS	\$1,110,280,956	\$803,602,999	\$306,597,958

* Received from Police & 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_i = Net cash flow on the i th day of the month

n = Number of cash flows in the month

R = Internal rate of return

t_i = 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 (R_1 , R_2 , and R_3), the quarterly time-weighted return (TWRQ) is:

$$TWRQ = (1+R_1) \cdot (1+R_2) \cdot (1+R_3) - 1$$

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 1992

Active Stock Managers (1)

Alliance Capital	\$ 2,509,214
Forstmann Leff Associates	601,153
Franklin Portfolio Associates	590,075
GeoCapital Corp.	1,552,796
IDS Advisory	613,761
Independence Investment Associates	264,738
Investment Advisers Inc.*	205,919
Lieber & Company	796,377
Lynch & Mayer	339,162
Rosenberg Institutional Equity Management*	145,235
Waddell & Reed	599,939

Passive Stock Manager (2)

Wilshire Associates	\$ 513,064
---------------------	------------

Active Bond Managers (2)

Ark Asset Management	\$ 245,059
Investment Advisers Inc.	309,220
Miller, Anderson & Sherrerd	496,545
Western Asset Management	572,301

Semi-Passive Bond Managers(3)

Fidelity Management Trust	\$ 422,211
Lincoln Capital Management	302,033

* Manager terminated during fiscal year 1992.

- (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 1992

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
Abel/Noser Corp.	\$ 12,269,613	\$ 33,909	\$ 0	\$ 0	\$ 0
Adams Harkness & Hill	21,500	0	0	0	0
Adler, Coleman & Co.	11,564,052	9,069	0	0	0
Alpha Management Inc.	5,093,438	8,349	0	0	0
American Express Credit	0	0	0	0	104,212,878
American National Bank	0	0	0	0	5,400,000
Ames A.E. & Co.	0	0	0	0	750,155
Arbor Trading	0	0	6,587,931	0	0
Arnold S.	116,888	156	0	0	0
Associates Corp. of N.A.	0	0	0	0	124,056,111
Autranet	56,085,597	84,331	13,072,177	3,750	0
Bank of America	0	0	7,034,375	0	269,980,374
Bayer Hypo	0	0	102,516	0	0
Bear Stearns & Co.	136,356,814	191,419	72,528,102	2,008	0
Bernstein, Sanford & Co.	31,132,742	52,663	0	0	0
Black & Co.	241,282	210	0	0	0
Blair & Co.	6,450,136	7,934	0	0	0
Brandt (Robert) & Co.	9,122,774	15,514	0	0	0
Bridge Trading Co.	52,067,699	77,407	0	0	0
Broadcort Capital	105,489,633	165,591	0	0	0
Brown (Alex) & Sons, Inc.	9,157,453	10,428	0	0	0
Brown Bros. Harriman	2,754,438	4,550	3,515,147	0	0
BT Securities Corp.	2,477,604	752	9,522,117	0	1,992,000
Cantor Fitzgerald	251,200,229	376,761	0	0	0
Capel, James	3,870,855	5,197	0	0	0
Capital Inst. Services	24,065,166	31,237	55,558,118	5,609	0
Carroll McEntee & McGinley	0	0	47,908,480	0	0
Charles Schwab & Co., Inc.	1,608,975	2,888	0	0	0
Chase Govt. Securities Inc.	0	0	2,000,000	0	0
Chase Manhattan Bank	0	0	17,029,813	0	608,000
Chase Securities Inc.	0	0	10,000,000	50,000	9,970,056
Chemical Securities Inc.	0	0	0	0	207,203,293
Chevron Oil Fin. Co.	0	0	0	0	19,918,294
Chicago Corp.	1,075,338	1,590	0	0	0
CIT Group Holdings	0	0	0	0	144,915,269
Citibank	0	0	13,655,438	0	0
Citicorp Sec. Markets Inc.	0	0	0	0	450,713,711
CL Glazer Inc.	6,047,737	5,480	0	0	0
Commercial Credit Co.	0	0	0	0	164,334,321
Countrywide	0	0	2,117,431	0	0
County Natwest Securities Corp.	42,018,185	56,266	0	0	0
Cowen & Co.	16,718,152	19,322	0	0	0
Craig-Hallum Inc.	0	0	1,209,840	0	0
CRT Govt. Securities Ltd.	0	0	305,022,918	0	23,249,665,000
Cyrus J. Lawrence	10,872,774	14,641	0	0	0
Dain Bosworth, Inc.	6,712,539	8,814	0	0	0
Dain Kalman & Quail	28,809	119	0	0	0
Daiwa Sec. America	0	0	30,051,953	0	5,716,060,000
Dean Witter Reynolds	4,417,379	4,734	18,691,487	0	12,167,000,000
Deere & Co.	0	0	0	0	166,208,750
Delafield, Harvey Tabell	2,531,422	7,560	0	0	0
Delaware	0	0	58,000	0	0
Derby Sec.	2,663,804	2,412	0	0	0
Dillon Read	2,874,494	5,320	133,751,125	0	317,410,000
Discount Corp. NY	0	0	87,269,328	0	0
DLJ Fixed Income	0	0	20,639,892	0	0
Donaldson Lufkin	5,988,195	9,582	5,421,656	0	0
Dunlevy	48,578	96	0	0	0
Edwards A.G. & Sons	2,229,520	2,376	5,124,943	0	0
Eppler	1,613,200	700	0	0	0
Equitable Securities	335,688	740	0	0	0
Ernst & Co.	15,158,635	24,876	0	0	0
Execution Services Inc.	2,211,076	1,800	0	0	0
Factset Data	6,007,714	6,348	0	0	0
Fechtor	6,145,653	10,134	0	0	0
Fidelity	2,987,268	6,565	0	0	0
First Albany	2,593,032	1,476	0	0	0
First Bank Capital Mkts.	0	0	5,656,250	0	7,427,688
First Bank Nat'l. Assoc.	0	0	0	0	34,100,000
First Boston Corp.	131,784,372	170,078	353,885,118	0	269,346,319

COMMISSIONS AND TRADING VOLUME

By Broker for Fiscal Year 1992

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
First Chicago Capital Markets Inc.	\$ 0	\$ 0	\$ 2,000,000	\$ 0	\$ 19,870,825
First Manhattan Company	6,698,885	4,652	0	0	0
First Nat'l. Bank Chicago	0	0	0	0	4,641,275
Ford Financial Services	0	0	0	0	364,856,017
Fourteen Research Corp.	2,474,416	2,982	0	0	0
Freeman Securities	0	0	6,877,297	0	0
Furman Selz Mager	7,017,539	3,527	0	0	0
G.A. Thompson & Co.	0	0	257,671	0	0
General Electric Capital Corp.	0	0	0	0	458,576,839
General Electric Financial Serv.	0	0	0	0	3,885,000
General Motors Acceptance	0	0	0	0	110,100,797
GMAC Financial Services	0	0	0	0	112,855,041
Goldman Sachs & Co.	84,177,489	72,786	1,164,971,513	130,390	365,960,969
Goodrich Securities	103,406	330	0	0	0
Gordon Corp.	1,079,882	1,514	0	0	0
Gordon Haskett & Co.	10,207,564	24,490	0	0	0
Greenwich Capital Markets, Inc.	0	0	185,929,903	0	6,299,144,000
Gruntal & Co.	3,187,203	3,976	0	0	0
GX Clarke	0	0	3,029,297	0	43,490,000
Hamilton Investments	1,257,125	0	0	0	0
Hanifin	561,875	0	0	0	0
Harris Trust & Savings Bank	0	0	0	0	4,956,238
Hawthorne Securities	0	0	148,637	0	0
Heller Capital Markets	0	0	0	0	165,842,611
Heller Financial Inc.	0	0	0	0	208,896,207
Herzog Heine Gedvid	18,322,307	0	0	0	0
Income Reinvestment	0	0	263,236	0	0
Instinet	313,366,733	445,767	0	0	0
Interstate	13,313,280	29,256	0	0	0
Invemed Associates	96,633	108	0	0	0
ISI Group	5,596,359	11,330	0	0	0
ITT Financial Sec. Inc.	0	0	0	0	29,793,750
J.C. Bradford & Co.	2,663,398	2,784	0	0	0
J.P. Morgan & Co.	0	0	4,964,500	0	0
J.P. Morgan Securities Inc.	2,327,910	0	316,377,876	0	258,695,749
Janney Montgomery Scott	0	0	5,232,078	0	0
Jefferies & Co.	318,835,734	463,398	0	0	0
Jones & Assoc.	28,975,791	48,541	0	0	0
Josephthal & Co.	328,207	940	0	0	0
Kalb Voorhis & Co.	5,381,971	6,630	0	0	0
Kasper	0	0	6,420,897	0	0
Keefe Bruyette & Woods	1,746,775	0	0	0	0
Kemper Cap.	2,573,989	3,899	0	0	0
Kidder Peabody	33,685,068	40,640	491,980,950	1,226	4,149,703,041
Kinnard John G. & Co.	176,250	0	0	0	0
Lazard Freres & Co.	481,784	1,001	6,387,340	0	0
Lehman Bros. Inc.	107,253,188	143,137	749,221,145	0	410,815,058
Lehman Brothers Inc.	0	0	18,765,056	0	0
Lehman Govt. Securities	0	0	492,299,103	0	3,795,720,908
Lewco Securities, Inc.	48,188,577	66,382	6,874,565	0	0
Lieber & Company	715,425	1,700	0	0	0
Lipper Analytical Dist.	2,054,809	2,078	0	0	0
Lynch, Jones & Ryan	54,770,180	85,322	16,636,735	0	0
Mabon Nugent & Co.	7,619,601	10,030	0	0	0
Manufacturers Hanover Sec. Corp.	0	0	0	0	112,689,492
Marquette National Bank	0	0	22,003,120	0	31,399,255
McDonald & Company	4,350,233	4,052	997,931	0	0
Mellon Bank	14,999,997	0	0	0	0
Merrill Lynch PF&S	149,474,268	192,203	981,498,196	17,500	9,078,641,318
Mesirow & Company	3,890,523	8,550	0	0	0
MHT Brokers	0	0	3,017,083	0	0
Midwest Discount Securities	1,346,800	0	0	0	0
Miscellaneous	0	0	4,910,976	0	0
Montgomery Securities	63,399,654	75,530	1,043,000	0	0
Moran & Co.	259,920	0	0	0	0
Morgan Guaranty	0	0	111,910,642	0	29,742,117
Morgan Kegan Inc.	2,595,063	7,432	0	0	0
Morgan Stanley & Co.	1,039,112,521	885,541	369,736,001	38,750	55,804,118
Moseley Hallgarter Estabrook	0	0	1,303,906	0	0
National Financial	14,200,128	23,080	0	0	0
Nations Bank	0	0	5,087,269	0	0
Nations Bank Capital Mrkts.	0	0	0	0	29,853,083
Neuberger & Berman	7,083,076	7,028	0	0	0

COMMISSIONS AND TRADING VOLUME

By Broker for Fiscal Year 1992

Broker	Stock \$ Volume	Stock \$ Commissions	Bond \$ Volume	Bond \$ Commissions	Short Term \$ Volume
Nomura Securities Int'l.	\$ 1,591,596	\$ 2,814	\$ 39,404,253	\$ 0	\$ 611,900,000
Norwest Bank Mpls.	0	0	0	0	7,800,000
Norwest Financial Inc.	0	0	0	0	39,773,814
Norwest Investment Services Inc.	0	0	26,190,561	0	372,499,140
Oppenheimer & Co.	41,214,916	62,855	0	0	0
Paine Webber Inc.	9,535,361	18,711	33,063,454	0	0
Paine Webber J & C	95,051,020	157,218	113,342,908	3,242	0
Penney J.C. Funding Corp.	0	0	0	0	9,932,806
Pershing	26,926,344	41,636	49,078,954	0	0
Pforzheimer Carl H.	572,486	2,119	0	0	0
Piper Jeffray & Hopwood	16,945,497	18,604	0	0	0
Prudential	736,126	786	50,362,728	0	0
Prudential Securities Inc.	36,466,990	59,647	257,305,073	0	0
Rauscher Pierce Refsnes	3,465,055	4,772	0	0	0
Raymond James & Associates	3,714,652	4,110	2,675,625	0	0
Robert W. Baird & Co.	2,386,513	500	0	0	0
Robertson Colman & Stephens	12,302,447	3,865	0	0	0
Robinson-Humphrey Co.	8,466,578	7,435	0	0	0
Rochdale Securities Corp.	8,722,851	13,396	0	0	0
Rosenberg	37,191,405	0	0	0	0
Rothschild	239,351	245	0	0	0
Roulston & Company	412,195	852	0	0	0
Salomon Brothers	63,377,516	97,457	1,764,994,256	21,250	997,347,757
Sanwa-BGK	0	0	16,674,131	0	0
Scott & Stringfellow	1,871,196	3,346	0	0	0
Sears Roebuck Acceptance	0	0	640,061	0	364,099,104
SEI Funds Evaluation	32,694,498	60,058	0	0	0
Shearson American Express	8,464,292	6,486	38,123,784	8,750	0
Sherwood Securities	420,454	0	0	0	0
Smith Barney & Company	64,511,395	104,084	42,671,218	0	516,200,000
Smith New	2,757,563	0	0	0	0
Standard & Poor Securities	64,599,445	118,991	0	0	0
State Street Bank & Trust	29,210,180	0	34,207,218	0	5,824,568,269
Stephens, Inc.	862,500	0	0	0	0
Sutro & Company, Inc.	9,402,738	20,029	0	0	0
Swiss Bank	1,002,063	1,530	0	0	0
Texaco Inc.	0	0	0	0	100,114,882
Tucker Anthony & R.L. Day, Inc.	255,000	0	1,075,431	0	0
U.S. Clearing	891,937	3,695	0	0	0
UBS Securities	5,692,168	22,402	12,921,490	0	0
UBS-DB Corporation	9,233,190	7,223	67,708,579	0	0
US West Financial Services	0	0	0	0	9,955,447
Van Kasper	143,100	600	0	0	0
W & D Securities	575,216	593	0	0	0
Wagner Stott & Co.	43,719,008	66,154	0	0	0
Warburg S.G.	3,980,264	3,530	0	0	0
Wechsler	0	0	803,110	0	0
Weeden & Company	148,026,946	167,906	0	0	0
Weiss	2,560,972	2,904	0	0	0
Wellington & Co.	33,674,716	79,245	0	0	0
Wessels, Arnold & Henderson	4,024,939	4,410	0	0	0
Wheaton First Securities, Inc.	6,836,317	5,050	5,037,500	0	0
Wilshire Associates	10,832,632	15,583	0	0	0
Yaeger Sec.	0	0	16,021,060	0	0
Broker Unavailable*	1,606,899,655	430,190	1,694,532,608	0	418,839,235

All Brokers Combined	\$ 5,842,623,270	\$ 5,741,335	\$ 10,474,394,078	\$ 282,475	\$ 78,850,196,381
----------------------	------------------	--------------	-------------------	------------	-------------------

* Includes transactions where broker data was incomplete.

** Totals may not add due to rounding.

Both volumes of the 1992 Annual Report were produced using recycled, recyclable paper and a soy-based ink.



3 0307 00014 8703

930042

1992 ANNUAL REPORT

PART TWO

STATE BOARD OF INVESTMENT

HJ
3835
.M6
A25
1992
v.2

MISSOURI

Pursuant to Mn Stat 11A.07

Part two Volume of two volumes

1992 ANNUAL REPORT

MINNESOTA STATE BOARD OF INVESTMENT

RECEIVED
JAN 21 1993
LEGISLATIVE REFERENCE LIBRARY
STATE CAPITOL
ST. PAUL, MN. 55155

Governor Arne H. Carlson

State Auditor Mark B. Dayton

State Treasurer Michael A. McGrath

Secretary of State Joan Anderson Growe

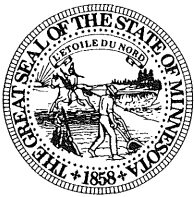
Attorney General Hubert H. Humphrey III

Financial Statements, Asset Listings and Accounting Data

TABLE OF CONTENTS

Part Two

Auditor's Report	1
Financial Statements.....	2
Footnotes to Financial Statements.....	5
Supplemental Financial Statements	9
• Supplemental Investment Fund Combining Statements.....	10
• Pooled Investment Account Schedules.....	14
• Footnotes to Supplemental Financial Statements	18
Asset Listings	19
• Post Retirement Investment Fund	20
• Supplemental Investment Fund	28
• Permanent School Fund	29
• Tilted Index Account	32
• Passive Equity Account	43
• Active Equity Account.....	54
• Active Bond Managers Account	62
• Semi-Passive Bond Managers Account.....	69
• Alternative Investment Account	83
Manager Fees.....	85



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

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

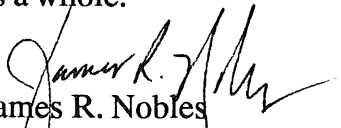
We have audited the accompanying financial statements of the Supplemental Retirement Fund and the Post Retirement Investment Fund which constitute the Investment Trust Funds of the State of Minnesota as of and for the year ended June 30, 1992, as shown on pages 2 to 7. These financial statements are 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.

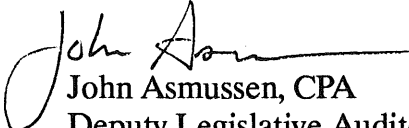
We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, 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, 1992, 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 85 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

December 1, 1992

**STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1992
AMOUNTS IN (000)'S**

	SUPPLEMENTAL INVESTMENT FUND TOTAL(5)	POST RETIREMENT INVESTMENT FUND (6)
ASSETS:		
INVESTMENTS(at market value) (3)		
COMMON STOCK	\$ 289,456	\$ 608,293
ALTERNATIVE EQUITIES	0	0
FIXED INCOME SECURITIES	172,607	5,611,436
SHORT TERM SECURITIES	105,248	760,513
TOTAL INVESTMENTS (4)	\$ 567,311	\$ 6,980,242
 CASH	 0	 1
SECURITY SALES RECEIVABLE	0	0
ACCOUNTS RECEIVABLE-FEE REFUNDS	0	0
ACCOUNTS RECEIVABLE-MORTALITY	0	13,539
ACCOUNTS RECEIVABLE-PARTICIPANTS	0	7,619
ACCRUED INTEREST	1,706	95,518
ACCRUED DIVIDENDS	0	1,977
ACCRUED SHORT TERM GAIN	342	8,820
TOTAL ASSETS	\$ 569,359	\$ 7,107,716
 LIABILITIES:		
MANAGEMENT FEES PAYABLE	94	208
SECURITY PURCHASES PAYABLE	0	0
ACCOUNTS PAYABLE-PARTICIPANTS	0	293
ACCOUNTS PAYABLE-MORTALITY	0	6,129
TOTAL LIABILITIES	\$ 94	\$ 6,630
 NET ASSETS AT JUNE 30, 1992	 \$ 569,265	 \$ 7,101,086

**STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1992
AMOUNTS IN (000)'S**

	SUPPLEMENTAL INVESTMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND
FROM INVESTMENT ACTIVITY:		
NET INVESTMENT INCOME	\$ 35,772	\$ 507,455
REALIZED GAINS (LOSSES)	1,516	32,055
UNREALIZED GAINS (LOSSES)	22,032	414,031
TOTAL INCOME	\$ 59,320	\$ 953,541
 LESS DISTRIBUTION TO		
PARTICIPANT ACCOUNTS	(59,320)	(280,591)
UNDISTRIBUTED DEDICATED INCOME	0	0
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 0	\$ 672,950
 FROM PARTICIPANT TRANSACTIONS:		
ADDITIONS TO PARTICIPANT ACCOUNTS		
PARTICIPANT CONTRIBUTIONS	27,626	1,256,911
INCOME DISTRIBUTION	59,320	280,591
INCOME TO BE DISTRIBUTED	0	0
TOTAL ADDITIONS	\$ 86,946	\$ 1,537,502
DEDUCTIONS FROM PARTICIPANT ACCOUNTS		
WITHDRAWALS	37,989	1,140,219
TOTAL DEDUCTIONS	\$ 37,989	\$ 1,140,219
NET CHANGE IN PARTICIPATION	\$ 48,957	\$ 397,283
TOTAL CHANGE IN ASSETS	\$ 48,957	\$ 1,070,233
 NET ASSETS:		
BEGINNING OF PERIOD	520,308	6,030,853
END OF PERIOD	\$ 569,265	\$ 7,101,086

**STATE BOARD OF INVESTMENT
INVESTMENT TRUST FUNDS
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 1992
AMOUNTS IN (000)'S**

	SUPPLEMENTAL INVESTMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND
INVESTMENT INCOME:		
INTEREST	\$ 13,224	\$ 467,825
DIVIDENDS	17,123	19,795
SHORT TERM GAINS	5,533	20,682
INCOME BEFORE EXPENSES	\$ 35,880	\$ 508,302
MANAGEMENT FEES	108	847
NET INCOME	<u>\$ 35,772</u>	<u>\$ 507,455</u>
 REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
REALIZED:		
PROCEEDS FROM SALES	\$ 54,896	\$ 380,510
COST OF SECURITIES SOLD	53,380	348,455
NET REALIZED GAIN (LOSS)	\$ 1,516	\$ 32,055
UNREALIZED:		
BEGINNING OF PERIOD	38,394	250,626
END OF PERIOD	60,426	664,657
INCREASE (DECREASE) IN UNREALIZED APPRECIATION	<u>\$ 22,032</u>	<u>\$ 414,031</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	<u>\$ 23,548</u>	<u>\$ 446,086</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

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, 1992, 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, 1992, the cost of investments for the Investment Trust Funds was:

Supplemental Retirement Fund	\$ 506,885,711
Post Retirement Fund	\$ 6,315,584,785

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1992

4. LOANED SECURITIES

The market value of loaned securities outstanding at June 30, 1992 was:

Supplemental Retirement Fund	\$ 14,322,735
Post Retirement Fund	\$ 2,880,712

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 1992 the fund included six separate accounts with different investment objectives. The Index Account, Bond Market Account and Fixed Interest 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. Assets of the Post Retirement Fund are held in custody at State Street Bank in Boston.

Participation in the Post Retirement Investment Fund is equal to the actuarially determined required reserves for retirement benefits as of June 30, 1992. 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 1992 investment income of the Post Retirement Investment Fund is available for distribution as a benefit increase to pension fund participants in January 1993. This amount is increased by 2.5% from Fiscal Year 1993 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, 1992 are eligible to receive the January 1, 1993 benefit increase, which will be 4.553%.

Laws of Minnesota 1992, Chapter 530 changed the formula used to calculate post retirement benefit increases. The new formula contains both an inflation adjustment and an investment component and will be effective for benefit increases granted January 1, 1994. This change will result in a new asset allocation strategy which will move a larger percentage of fund assets to common stocks.

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 advice to insure it is not violating its fiduciary responsibilities. As of June 30, 1992, the Board's actively managed portfolios contained stocks of only five 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, 1992
AMOUNTS IN (000)'S**

	SUPPLEMENTAL RETIREMENT FUND TOTAL	POST RETIREMENT INVESTMENT FUND
Teacher's Retirement Fund	\$ 0	\$ 2,587,979
Public Employees Retirement Fund	0	2,123,548
State Employees Retirement Fund	0	979,818
Public Employees Police & Fire Fund	0	233,026
Public Employees Consolidation Fund	0	78,131
Highway Patrolmen's Retirement Fund	0	101,509
Legislators & Survivors Retirement Fund	0	10,305
Correctional Employees Retirement Fund	0	36,728
Judges Retirement Fund	0	31,877
Income Share Account	304,268	0
Growth Share Account	81,490	0
Money Market Account	78,314	0
Common Stock Index Account	24,345	0
Bond Market Account	12,335	0
Fixed Return Account	68,516	0
TOTAL PARTICIPATION	\$ 569,268	\$ 6,182,921
Adjustments		
Unrealized Appreciation		
(Depreciation) of Investments	0	664,657
Undistributed Earnings	(3)	253,508
NET ASSETS	\$ 569,265	\$ 7,101,086

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTAL FINANCIAL STATEMENTS

**STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL INVESTMENT FUND
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1992
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	STOCK INDEX ACCOUNT	BOND MARKET ACCOUNT	FIXED INTEREST ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
ASSETS:							
INVESTMENTS(at market value) (2)							
COMMON STOCK	\$ 188,605	\$ 76,504	\$ 0	\$ 24,347	\$ 0	\$ 0	\$ 289,456
ALTERNATIVE EQUITIES	0	0	0	0	0	0	0
FIXED INCOME SECURITIES	92,169	0	0	0	12,340	68,098	172,607
SHORT TERM SECURITIES	22,149	5,038	78,061	0	0	0	105,248
TOTAL INVESTMENTS (3)	\$ 302,923	\$ 81,542	\$ 78,061	\$ 24,347	\$ 12,340	\$ 68,098	\$ 567,311
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	1,287	0	0	0	0	419	1,706
ACCRUED DIVIDENDS	0	0	0	0	0	0	0
ACCRUED SHORT TERM GAIN	72	17	253	0	0	0	342
TOTAL ASSETS	\$ 304,282	\$ 81,559	\$ 78,314	\$ 24,347	\$ 12,340	\$ 68,517	\$ 569,359
LIABILITIES:							
MANAGEMENT FEES PAYABLE	14	69	2	2	5	2	94
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	\$ 69	\$ 2	\$ 2	\$ 5	\$ 2	\$ 94
NET ASSETS AT JUNE 30, 1992	\$ 304,268	\$ 81,490	\$ 78,312	\$ 24,345	\$ 12,335	\$ 68,515	\$ 569,265

**STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL INVESTMENT FUND
COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1992
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	STOCK INDEX ACCOUNT	BOND MARKET ACCOUNT	FIXED INTEREST ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
FROM INVESTMENT ACTIVITY:							
NET INVESTMENT INCOME	\$ 16,047	\$ 8,523	\$ 4,055	\$ 877	\$ 1,068	\$ 5,202	\$ 35,772
REALIZED GAINS (LOSSES)	316	1,087	0	59	54	0	1,516
UNREALIZED GAINS (LOSSES)	18,816	1,393	0	1,460	363	0	22,032
TOTAL INCOME	\$ 35,179	\$ 11,003	\$ 4,055	\$ 2,396	\$ 1,485	\$ 5,202	\$ 59,320
LESS:							
DISTRIBUTION TO PARTICIPANT ACCOUNTS	(35,179)	(11,003)	(4,055)	(2,396)	(1,485)	(5,202)	(59,320)
UNDISTRIBUTED DEDICATED INCOME	0	0	0	0	0	0	0
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FROM PARTICIPANT TRANSACTIONS:							
ADDITIONS TO PARTICIPANT ACCOUNTS							
PARTICIPANT CONTRIBUTIONS	11,956	2,872	1,031	6,829	3,256	1,682	27,626
INCOME DISTRIBUTION	35,179	11,003	4,055	2,396	1,485	5,202	59,320
INCOME TO BE DISTRIBUTED	0	0	0	0	0	0	0
TOTAL ADDITIONS	\$ 47,135	\$ 13,875	\$ 5,086	\$ 9,225	\$ 4,741	\$ 6,884	\$ 86,946
DEDUCTIONS FROM PARTICIPANT ACCOUNTS							
WITHDRAWALS	12,468	7,862	12,814	303	959	3,583	37,989
TOTAL DEDUCTIONS	\$ 12,468	\$ 7,862	\$ 12,814	\$ 303	\$ 959	\$ 3,583	\$ 37,989
NET CHANGE IN PARTICIPATION	\$ 34,667	\$ 6,013	(\$ 7,728)	\$ 8,922	\$ 3,782	\$ 3,301	\$ 48,957
TOTAL CHANGE IN ASSETS	\$ 34,667	\$ 6,013	(\$ 7,728)	\$ 8,922	\$ 3,782	\$ 3,301	\$ 48,957
NET ASSETS:							
BEGINNING OF PERIOD	269,601	75,477	86,040	15,423	8,553	65,214	520,308
END OF PERIOD	\$ 304,268	\$ 81,490	\$ 78,312	\$ 24,345	\$ 12,335	\$ 68,515	\$ 569,265

**STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL INVESTMENT FUND
COMBINING STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 1992
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	STOCK INDEX ACCOUNT	BOND MARKET ACCOUNT	FIXED INTEREST ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
INVESTMENT INCOME:							
INTEREST	\$ 6,937	\$ 0	\$ 0	\$ 0	\$ 1,074	\$ 5,213	\$ 13,224
DIVIDENDS	7,861	8,382	0	880	0	0	17,123
SHORT TERM GAINS	1,286	179	4,064	0	0	4	5,533
INCOME BEFORE EXPENSES	\$ 16,084	\$ 8,561	\$ 4,064	\$ 880	\$ 1,074	\$ 5,217	\$ 35,880
MANAGEMENT FEES	37	38	9	3	6	15	108
NET INCOME	<u>\$ 16,047</u>	<u>\$ 8,523</u>	<u>\$ 4,055</u>	<u>\$ 877</u>	<u>\$ 1,068</u>	<u>\$ 5,202</u>	<u>\$ 35,772</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS							
REALIZED:							
PROCEEDS FROM SALES	\$ 15,209	\$ 5,000	\$ 0	\$ 305	\$ 960	\$ 33,422	\$ 54,896
COST OF SECURITIES SOLD	14,893	3,913	0	246	906	33,422	53,380
NET REALIZED GAIN (LOSS)	\$ 316	\$ 1,087	\$ 0	\$ 59	\$ 54	\$ 0	\$ 1,516
UNREALIZED:							
BEGINNING OF PERIOD	31,592	4,495	0	2,338	(31)	0	38,394
END OF PERIOD	50,408	5,888	0	3,798	332	0	60,426
INCREASE (DECREASE) IN							
UNREALIZED APPRECIATION	\$ 18,816	\$ 1,393	\$ 0	\$ 1,460	\$ 363	\$ 0	\$ 22,032
NET REALIZED AND UNREALIZED	<u>\$ 19,132</u>	<u>\$ 2,480</u>	<u>\$ 0</u>	<u>\$ 1,519</u>	<u>\$ 417</u>	<u>\$ 0</u>	<u>\$ 23,548</u>

**STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL INVESTMENT FUND
SCHEDULE OF PARTICIPATION
JUNE 30, 1992
AMOUNTS IN (000)'S**

	INCOME SHARE ACCOUNT	GROWTH SHARE ACCOUNT	MONEY MARKET ACCOUNT	STOCK INDEX ACCOUNT	BOND MARKET ACCOUNT	FIXED INTEREST ACCOUNT	SUPPLEMENTAL INVESTMENT FUND TOTAL
Albert Lea Firemen's Relief	\$ 3,014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,043	\$ 4,057
Austin Fire Relief	687	0	0	0	0	0	687
Austin Police Relief	753	0	0	0	0	0	753
Bagley Fire Relief	5	0	6	0	32	0	43
Balsam Fire Relief	15	3	0	0	0	0	18
Belle Plaine Fire Relief	0	14	0	0	0	0	14
Bloomington Fire Dept. Relief	7,863	0	0	0	0	0	7,863
Bloomington Police Relief	1,846	853	0	0	0	0	2,699
Canby Fire Relief	12	13	0	0	0	0	25
Chaska Fire Relief	39	0	1	0	0	0	40
Clear Lake Fire Relief	0	24	58	0	0	0	82
Clearbrook Fire Relief	0	0	6	0	0	0	6
Community College	29,541	12,624	2,564	672	1,334	2,392	49,127
Community College (IRA)	4	4	0	1	0	3	12
Crane Lake Fire Relief	5	0	4	0	0	0	9
Forest Lake Fire Relief	87	0	0	0	27	0	114
Good Thunder Fire Relief	30	0	0	0	0	0	30
Grey Eagle Fire Relief	11	0	6	0	0	0	17
Hackensack Fire Relief	11	0	0	0	0	0	11
Hennepin County Supplemental Ret.	26,528	10,728	5,275	2,532	1,303	0	46,366
Jackson Fire Relief	0	0	0	53	0	0	53
Lafayette Fire Relief	13	0	3	3	0	0	19
Lake City Fire Relief	51	0	0	0	0	0	51
Mapleview Fire Relief	20	0	0	0	17	0	37
Mayer Fire Relief - General	1	0	0	0	0	0	1
Mayer Fire Relief - Special	15	0	0	15	15	0	45
Medicine Lake Fire Relief	115	0	0	15	0	0	130
Menahga Fire Relief	12	0	0	0	10	0	22
Nodine Fire Relief	0	0	0	2	5	5	12
MSRS Deferred Compensation	45,422	24,144	51,654	14,662	4,656	54,897	195,435
MSRS Unclassified Employee Escrow	48,277	13,204	14,432	5,421	3,088	7,224	91,646
Osseo Fire Relief	40	0	0	0	0	0	40
PERA - DCP	587	223	214	158	111	236	1,529
Plato Fire Relief	10	21	0	11	0	0	42
Rush City Fire Relief	0	0	0	0	0	18	18
Scandia Valley Fire Relief	41	0	0	0	0	0	41
South St. Paul Police Relief	208	0	0	0	0	0	208
State University	57,374	19,630	4,091	795	1,731	2,698	
St. Paul Fire - General	1,082	0	0	0	0	0	1,082
St. Paul Fire - Special	44,868	0	0	0	0	0	44,868
St. Paul Police Relief	35,594	0	0	0	0	0	35,594
Stillwater Fire Relief	55	0	0	0	0	0	55
Willmar Fire Relief	5	5	0	5	6	0	21
Zumbro Falls Fire Relief	27	0	0	0	0	0	27
TOTAL PARTICIPATION	\$ 304,268	\$ 81,490	\$ 78,314	\$ 24,345	\$ 12,335	\$ 68,516	\$ 569,268
Adjustments							
Unrealized Appreciation							
(Depreciation) of Investments	0	0	0	0	0	0	0
Undistributed Earnings	0	0	(2)	0	0	(1)	(3)
NET ASSETS	\$ 304,268	\$ 81,490	\$ 78,312	\$ 24,345	\$ 12,335	\$ 68,515	\$ 569,265

**STATE BOARD OF INVESTMENT
MINNESOTA POOLED INVESTMENT ACCOUNTS
SCHEDULE OF ASSETS AND LIABILITIES
JUNE 30, 1992
AMOUNTS IN (000)'S**

ASSETS:

INVESTMENTS(at market value) (2)

	ACTIVE EQUITY ACCOUNT	TILTED EQUITY ACCOUNT	PASSIVE EQUITY ACCOUNT	ACTIVE BOND ACCOUNT	PASSIVE BOND ACCOUNT	REAL ESTATE ACCOUNT	RESOURCE ACCOUNT	VENTURE CAPITAL ACCOUNT(4)
COMMON STOCK	\$ 1,949,865	\$ 3,008,367	\$ 211,518	\$ 9,735	\$ 0	\$ 0	\$ 0	\$ 0
ALTERNATIVE EQUITIES	0	0	0	0	0	378,070	91,725	419,236
FIXED INCOME SECURITIES	3,697	2,712	372	1,031,375	1,340,611	0	0	0
SHORT TERM SECURITIES	222,966	15,465	512	85,873	144,140	5,499	9,312	18,038
TOTAL INVESTMENTS (3)	\$ 2,176,528	\$ 3,026,544	\$ 212,402	\$ 1,126,983	\$ 1,484,751	\$ 383,569	\$ 101,037	\$ 437,274

CASH	0	0	0	(353)	0	0	0	0
SECURITY SALES RECEIVABLE	31,515	4	0	2,151	23,245	0	0	0
ACCOUNTS RECEIVABLE-FEE REFUNDS	548	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	296	16	0	14,407	20,104	0	0	0
ACCRUED DIVIDENDS	3,795	8,446	546	0	0	530	0	75
ACCRUED SHORT TERM GAIN	673	38	4	293	527	16	31	54
TOTAL ASSETS	\$ 2,213,355	\$ 3,035,048	\$ 212,952	\$ 1,143,481	\$ 1,528,627	\$ 384,115	\$ 101,068	\$ 437,403

LIABILITIES:

MANAGEMENT FEES PAYABLE	2,428	119	8	443	113	0	0	0
SECURITY PURCHASES PAYABLE	28,393	4	0	50,078	120,309	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
TOTAL LIABILITIES	\$ 30,821	\$ 123	\$ 8	\$ 50,521	\$ 120,422	\$ 0	\$ 0	\$ 0

NET ASSETS AT JUNE 30, 1992

\$ 2,182,534	\$ 3,034,925	\$ 212,944	\$ 1,092,960	\$ 1,408,205	\$ 384,115	\$ 101,068	\$ 437,403
---------------------	---------------------	-------------------	---------------------	---------------------	-------------------	-------------------	-------------------

**STATE BOARD OF INVESTMENT
MINNESOTA POOLED INVESTMENT ACCOUNTS
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 1992
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
FROM INVESTMENT ACTIVITY:								
NET INVESTMENT INCOME	\$ 33,099	\$ 94,023	\$ 5,637	\$ 66,790	\$ 92,870	\$ 6,076	\$ 9,008	\$ 2,467
REALIZED GAINS (LOSSES)	199,142	322,128	3,095	28,210	31,797	0	202	25,785
UNREALIZED GAINS (LOSSES)	53,330	(4,123)	16,617	39,826	32,217	(52,256)	(4,299)	19,909
TOTAL INCOME	\$ 285,571	\$ 412,028	\$ 25,349	\$ 134,826	\$ 156,884	(\$ 46,180)	\$ 4,911	\$ 48,161
LESS DISTRIBUTION TO								
PARTICIPANT ACCOUNTS	(232,215)	(416,153)	(8,733)	(95,097)	(124,288)	(6,543)	(9,816)	(28,370)
UNDISTRIBUTED DEDICATED INCOME	(26)	2	1	97	(379)	467	606	118
NET CHANGE IN UNDISTRIBUTED INCOME	\$ 53,330	(\$ 4,123)	\$ 16,617	\$ 39,826	\$ 32,217	(\$ 52,256)	(\$ 4,299)	\$ 19,909
FROM PARTICIPANT TRANSACTIONS:								
ADDITIONS TO PARTICIPANT ACCOUNTS								
PARTICIPANT CONTRIBUTIONS	457,642	624,530	6,835	152,209	285,000	0	0	0
INCOME DISTRIBUTION	232,215	416,153	8,733	95,097	124,288	6,543	9,816	28,370
INCOME TO BE DISTRIBUTED	26	(2)	(1)	(97)	379	(467)	(606)	(118)
TOTAL ADDITIONS	\$ 689,883	\$ 1,040,681	\$ 15,567	\$ 247,209	\$ 409,667	\$ 6,076	\$ 9,210	\$ 28,252
DEDUCTIONS FROM PARTICIPANT ACCOUNTS								
WITHDRAWALS	454,764	903,541	311	34,913	100,000	25,000	16,750	10,000
TOTAL DEDUCTIONS	\$ 454,764	\$ 903,541	\$ 311	\$ 34,913	\$ 100,000	\$ 25,000	\$ 16,750	\$ 10,000
NET CHANGE IN PARTICIPATION	\$ 235,119	\$ 137,140	\$ 15,256	\$ 212,296	\$ 309,667	(\$ 18,924)	(\$ 7,540)	\$ 18,252
TOTAL CHANGE IN ASSETS	\$ 288,449	\$ 133,017	\$ 31,873	\$ 252,122	\$ 341,884	(\$ 71,180)	(\$ 11,839)	\$ 38,161
NET ASSETS:								
BEGINNING OF PERIOD	1,894,085	2,901,908	181,071	840,838	1,066,321	455,295	112,907	399,242
END OF PERIOD	\$ 2,182,534	\$ 3,034,925	\$ 212,944	\$ 1,092,960	\$ 1,408,205	\$ 384,115	\$ 101,068	\$ 437,403

STATE BOARD OF INVESTMENT
MINNESOTA POOLED INVESTMENT ACCOUNTS
SCHEDULE OF OPERATIONS
YEAR ENDED JUNE 30, 1992
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
INVESTMENT INCOME:								
INTEREST	\$ 361	\$ 38	\$ 0	\$ 65,612	\$ 88,372	\$ 0	\$ 0	\$ 0
DIVIDENDS	32,946	93,670	5,614	0	0	4,653	8,363	1,621
SHORT TERM GAINS	8,010	796	55	2,801	5,222	1,423	645	902
INCOME BEFORE EXPENSES	\$ 41,317	\$ 94,504	\$ 5,669	\$ 68,413	\$ 93,594	\$ 6,076	\$ 9,008	\$ 2,523
MANAGEMENT FEES	8,218	481	32	1,623	724	0	0	56
NET INCOME	\$ 33,099	\$ 94,023	\$ 5,637	\$ 66,790	\$ 92,870	\$ 6,076	\$ 9,008	\$ 2,467
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS								
REALIZED:								
PROCEEDS FROM SALES	\$ 1,762,917	\$ 1,155,159	\$ 10,549	\$ 1,789,443	\$ 2,750,224	\$ 0	\$ 2,053	\$ 36,452
COST OF SECURITIES SOLD	1,563,775	833,031	7,454	1,761,233	2,718,427	0	1,851	10,667
NET REALIZED GAIN (LOSS)	\$ 199,142	\$ 322,128	\$ 3,095	\$ 28,210	\$ 31,797	\$ 0	\$ 202	\$ 25,785
UNREALIZED:								
BEGINNING OF PERIOD	259,748	763,872	31,166	6,908	7,426	62,896	4,834	130,839
END OF PERIOD	313,078	759,749	47,783	46,734	39,643	10,640	535	150,748
INCREASE (DECREASE)								
IN UNREALIZED APPRECIATION	\$ 53,330	(\$ 4,123)	\$ 16,617	\$ 39,826	\$ 32,217	(\$ 52,256)	(\$ 4,299)	\$ 19,909
NET REALIZED AND UNREALIZED	\$ 252,472	\$ 318,005	\$ 19,712	\$ 68,036	\$ 64,014	(\$ 52,256)	(\$ 4,097)	\$ 45,694

**STATE BOARD OF INVESTMENT
MINNESOTA POOLED ACCOUNTS
SCHEDULE OF PARTICIPATION
JUNE 30, 1992
AMOUNTS IN (000)'S**

17

	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	\$ 954,746	\$ 1,370,894	\$ 0	\$ 489,874	\$ 638,374	\$ 174,129	\$ 45,816	\$ 198,286	\$ 3,872,119
Public Employees Retirement Fund	472,787	687,682	0	242,584	316,121	86,228	22,688	98,190	\$ 1,926,280
State Employees Retirement Fund	412,476	594,386	0	211,639	275,795	75,228	19,794	85,665	\$ 1,674,983
Public Employees Police & Fire Fund	189,192	272,629	0	97,073	126,500	34,505	9,079	39,292	\$ 768,270
Highway Patrolmen's Retirement Fund	30,359	43,749	0	15,577	20,299	5,537	1,457	6,305	\$ 123,283
Judges Retirement Fund	1,473	2,122	0	756	985	269	71	306	\$ 5,982
Police & Fire Consolidation Fund	23,647	32,602	0	12,133	15,811	4,313	1,135	4,911	\$ 94,552
Correctional Employees Retire. Fund	21,416	30,861	0	10,989	14,320	3,906	1,028	4,448	\$ 86,968
Supplemental Income Share Account	0	0	188,598	0	0	0	0	0	\$ 188,598
Supplemental Growth Share Account	76,438	0	0	0	0	0	0	0	\$ 76,438
Supplemental Index Share Account	0	0	24,346	0	0	0	0	0	\$ 24,346
Supplemental Bond Market Account	0	0	0	12,335	0	0	0	0	\$ 12,335
TOTAL PARTICIPATION	\$ 2,182,534	\$ 3,034,925	\$ 212,944	\$ 1,092,960	\$ 1,408,205	\$ 384,115	\$ 101,068	\$ 437,403	\$ 8,854,154

NOTES TO THE SUPPLEMENTAL FINANCIAL STATEMENTS

JUNE 30, 1992

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, 1992 the cost of investments for the Minnesota Pooled Investment Accounts and the individual accounts of the Minnesota Supplemental Investment Fund was:

Active Equity Account	\$ 1,863,450,599
Passive Equity Account	\$ 164,619,472
Tilted Equity Account	\$ 2,266,794,994
Active Bond Account	\$ 1,080,248,645
Passive Bond Account	\$ 1,445,107,830
Real Estate Account	\$ 372,928,650
Resource Account	\$ 100,501,827
Venture Capital Account	\$ 286,525,010
Income Share Account	\$ 252,515,030
Growth Share Account	\$ 75,654,177
Money Market Account	\$ 78,061,530
Index Account	\$ 20,548,607
Bond Market Account	\$ 12,008,478
Fixed Interest Account	\$ 68,097,889

3. LOANED SECURITIES:

The market value of loaned securities outstanding at June 30, 1992 for the Minnesota Pooled Investment Accounts and the individual accounts of the Minnesota Supplemental Investment Fund was:

Active Equity Account	\$ 133,828,337
Passive Equity Account	\$ 19,032,403
Tilted Equity Account	\$ 128,087,242
Active Bond Account	\$ 219,191,510
Passive Bond Account	\$ 262,382,338

4. LITIGATION:

Houston Monarch Inc. v. First Reserve Secured Energy Assets Limited Partnership, et al.,

United States District Court, Eastern District of Louisiana. The Minnesota State Board of Investment is one of many partners in several oil and gas resource Funds in which First Reserve, Inc. is a general partner. The State's net contribution to the limited partnership Funds is \$40.5 million. Plaintiffs have filed a breach of contract and deceptive trade practices action arising out of the acquisition of Baker/McMurry Oil Tools for one of the Funds seeking damages in excess of \$314,400,000 from certain of the Funds. A trial is scheduled for Spring of 1993. In a separate action filed in Texas against First Reserve, Inc. and other named defendants, a jury awarded Houston Monarch, Inc. in excess of \$150 million. Judgment has not yet been entered. Post-trial motions and an appeal are likely in the Texas action. Adverse decisions may have a negative impact on the value of the limited partnerships of which First Reserve is a general partner which are held in the State's Basic Retirement Fund.

ASSET LISTINGS

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
191,100	A M P INC	\$ 10,295,513
176,500	AETNA LIFE & CASUALTY CO.	7,302,688
191,600	AIR PRODUCTS & CHEM. INC.	8,143,000
203,300	ALLIED-SIGNAL INC.	10,927,375
54,700	ALUMINUM CO. OF AMERICA	4,150,363
125,000	AMERICAN EXPRESS COMPANY	2,906,250
159,000	AMERICAN GENERAL CORP	7,791,000
5,000	AMERICAN PRESIDENT COS LTD	220,625
104,300	ASARCO INC.	3,155,075
286,000	AST RESEARCH INC	3,932,500
40,850	ATLANTIC RICHFIELD	4,401,588
203,600	BANKAMERICA CORP.	9,034,750
70,600	BANKERS TRUST NY CORP.	4,147,750
286,000	BARD C.R. INC.	7,078,500
190,500	BAXTER INTL INC	6,929,438
246,200	BLOCK H & R INC.	8,401,575
140,000	BOISE CASCADE CORP	2,555,000
153,800	BRIGGS & STRATTON CORP	6,901,775
235,000	CANADIAN PACIFIC LTD	3,554,375
179,200	CENTERIOR ENERGY CORP	3,046,400
105,534	CHASE MANHATTAN CORP.	2,915,377
448,440	CHEMICAL BKG CORP	16,648,335
84,000	CHUBB CORPORATION	5,964,000
71,000	CIGNA CORPORATION	3,958,250
15,000	CIRCUIT CITY STORES INC	463,125
437,700	CITICORP	9,301,125
78,300	CLOROX CO.	3,552,863
237,000	COMMODORE INTL LTD	2,399,625
120,500	COMMUNICATIONS SATELLITE CORP	5,076,063
90,500	COMPAQ COMPUTER CORP	2,251,188
70,000	CONSOLIDATED RAIL CORP	6,326,250
326,500	CORE INDS INC	2,693,625
100,000	CRAY RESEARCH INC	2,862,500
99,800	CYPRUS MINERALS CORP	2,844,300
98,700	DANA CORPORATION	4,305,788
171,400	DETROIT EDISON CO	5,356,250
113,300	DIAMOND SHAMROCK R&M INC	2,011,075
258,100	DOW CHEMICAL COMPANY	14,873,013
196,000	DOW JONES & CO	6,296,500
163,400	DUN & BRADSTREET COS INC	9,252,525
133,900	EASTERN ENTERPRISES	3,682,250
249,750	EASTMAN KODAK CO.	10,021,219
246,200	ENTERGY CORP	6,955,150
140,000	FEDERAL PAPER BRD INC	4,130,000
294,965	FIRST BANK SYSTEM	7,742,831
200,600	FIRST CHICAGO CORP	7,096,225
175,000	FIRST UNION CORP	6,628,125
103,000	FLEMING COS.	3,540,625
82,700	FORD MOTOR CO.	3,793,863
71,800	GANNETT INC.	3,186,125
46,100	GENERAL DYNAMICS	3,290,388
58,800	GENERAL RE CORP.	4,983,300
284,400	GENUINE PARTS CO.	9,100,800
178,400	GOLDEN WEST FIN'L	8,184,100
74,300	GOODRICH (B.F.)	3,519,963
167,000	GOODYEAR TIRE & RUBBER	11,460,375
150,000	HALLIBURTON INC.	3,993,750
149,000	HARRIS CORP.	4,097,500
130,000	HELMERICH & PAYNE INC	3,006,250
122,000	HERCULES INC.	6,435,500
114,000	HEWLETT PACKARD CO.	7,851,750
54,000	I T T CORP	3,496,500
71,400	IMPERIAL OIL LTD	2,615,025
324,000	INTELLIGENT ELECTRONICS	2,511,000

NO. OF SHARES	SECURITY	MARKET VALUE
67,100	INTERNATIONAL BUSINESS MACH	\$ 6,567,413
175,000	K L M ROYAL DUTCH AIR	3,631,250
502,000	K MART CORPORATION	11,546,000
78,000	KEMPER CORP.	1,891,500
55,830	LOCKHEED AIRCRAFT CORP	2,463,499
274,300	LONG ISLAND LTG CO	6,446,050
22,500	LOUISIANA PAC. CORP.	1,040,625
55,000	MAPCO INC	2,976,875
54,100	MARTIN MARIETTA	2,833,488
101,400	MCDONALDS CORP.	4,664,400
141,600	MCDONNELL DOUGLAS CORP.	5,522,400
91,600	MELLON BANK CORP	3,767,050
15,000	MICHAELS FOODS	189,375
220,000	MICRON TECHNOLOGY	3,135,000
46,000	MOBIL CORPORATION	2,829,000
84,000	MORGAN STANLEY GROUP INC	4,210,500
98,700	NATIONSBANK CORP	4,700,588
190,000	NATL. MEDICAL ENTER. INC.	2,731,250
171,300	NORWEST CORP.	6,509,400
40,000	NYNEX	3,155,000
303,900	OCCIDENTAL PETE CORP	5,964,038
121,700	OHIO CAS CORP	6,754,350
247,800	P S I RESOURCES INC	4,181,625
200,000	PANHANDLE EASTN CORP	3,125,000
150,000	PENNEY J.C. INC.	10,593,750
122,500	PHILLIPS PETROLEUM CO.	2,970,625
250,000	PHILLIPS VAN HEUSEN CORP	5,593,750
457,011	PIER 1 INC	3,313,330
190,000	PITTSTON CO	2,968,750
115,000	PRECISION CASTPARTS CORP	2,601,875
225,000	QMS INC	1,828,125
120,800	ROCKWELL INTL CORP	2,793,500
20,000	ROHR INDS INC	205,000
31,000	ROYAL DUTCH PETE CO NY REG	2,716,375
380,000	SAFECARD SVCS INC	3,847,500
147,500	SALOMON INC	4,978,125
98,000	SEA CONTAINERS LTD.	2,094,750
78,100	SEARS ROEBUCK & COMPANY	3,104,475
96,700	SIGNET BANKING CORP.	3,819,650
118,000	SOUTHERN CO	4,115,250
45,500	ST. PAUL COS. INC.	3,645,688
15,000	STANDARD REGISTER	225,000
104,600	SUN COMPANY INC	2,680,375
163,600	SYNTEX CORPORATION	5,603,300
427,100	TEKTRONIX INC	7,474,250
260,000	TELCO SYSTEMS	1,625,000
87,700	TEXAS UTILITIES CO.	3,431,263
30,000	TEXTRON INC	1,121,250
242,000	THIOLCORPORATION	3,872,000
140,700	THOMAS & BETTS CORP	8,371,650
73,800	TRANSAMERICA CORP	3,274,875
154,000	TRAVELERS CORP.	3,176,250
122,100	U S F & G CORP.	1,739,925
595,900	UNISYS CORP.	5,363,100
107,000	UNITED ILLUM CO	3,972,375
220,200	UNITED STATES SHOE CORP	2,752,500
85,000	US WEST CORP	3,102,500
111,000	VALERO ENERGY CORP	2,594,625
175,000	WESTINGHOUSE ELEC. CO.	3,084,375
447,800	WEYERHEUSER CO.	15,337,150
22,000	WILLAMETTE INDS INC.	830,500
151,100	XEROX CORP	10,539,225
20,000	YELLOW FREIGHT SYSTEM	545,000
TOTAL EQUITY PORTFOLIO		\$ 608,292,603

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 25,000,000	1600 ARCH CORP SEC NT SER Z	05/01/94	00.0000%	\$ 17,007,000
3,750,000	AMERICAN GENERAL FIN	01/15/97	07.7500%	3,858,750
3,500,000	AMERICAN TELEPHONE & TELEGRAPH	04/01/26	08.6200%	3,552,500
2,102,000	ATLANTIC RICHFIELD	07/15/05	10.8700%	2,522,400
2,037,718	ATLANTIC RICHFIELD (BEDARCO)	12/01/01	08.7500%	1,983,168
21,000,000	B.E.A. CASH ENHANCEMENT POOL		00.0000%	21,000,000
9,750,000	BELL TEL OF CANADA	01/15/08	09.0000%	10,354,793
15,000,000	BENEFICIAL CORP.	07/15/02	07.5000%	14,557,200
6,000,000	BOSTON EDISON	04/15/07	09.2500%	6,305,520
7,000,000	BP NORTH AMERICA	06/15/17	09.5000%	7,498,120
6,000,000	BRITISH COLUMBIA HYDRO	06/15/07	08.3700%	5,960,520
40,218	BURLINGTON NORTHERN	07/03/93	08.7500%	41,225
391,621	BURLINGTON NORTHERN	09/01/93	08.5000%	403,334
6,000,000	C.I.T. FINANCIAL	03/15/08	08.7500%	5,957,220
7,790,000	C.I.T. FINANCIAL CORP.	04/01/01	08.3700%	7,799,738
6,000,000	CAROLINA POWER & LIGHT	08/01/00	08.7500%	6,129,600
3,500,000	CAROLINA PWR & LT CO	01/01/17	08.5000%	3,467,730
7,000,000	CATERPILLAR INC	05/01/07	06.0000%	5,624,360
5,000,000	CENTRAL POWER & LIGHT	06/01/04	09.3700%	5,181,500
750,000	CERTIFICATES ACCRUAL TREAS	11/15/98	00.0000%	483,818
6,000,000	CHEMICAL N.Y. CORP	08/01/02	08.2500%	5,946,180
7,500,000	CHESAPEAKE & POTOMAC TEL MD	07/01/26	09.1200%	8,025,900
18,140,000	CHEVRON CORP.	07/01/05	08.7500%	18,603,477
6,000,000	CHRYSLER CORP	11/01/98	08.0000%	5,662,500
15,000,000	CHRYSLER CORPORATION	08/01/92	11.0400%	15,027,600
5,000,000	CHRYSLER FINANCIAL	05/15/93	09.6500%	5,063,100
7,020,000	CITICORP	03/15/07	08.4500%	7,011,225
7,000,000	CITICORP	07/01/07	08.1200%	6,798,750
7,000,000	COLGATE PALMOLIVE	07/15/17	09.6200%	7,512,470
4,100,000	COMERICA INC	05/01/99	09.7500%	4,486,794
4,200,000	COMMONWEALTH EDISON	06/01/07	08.1200%	4,269,510
4,949,000	CONOCO INC	04/01/09	09.3700%	5,060,353
6,000,000	COUPON TREASURY RCPT	02/15/99	00.0000%	3,765,480
1,656,250	COUPON TREASURY RCPTS	11/15/98	00.0000%	1,068,430
668,990	COUPON TREASURY RCPTS	11/15/98	00.0000%	431,559
4,821,000	COUPON TREASURY RCPTS	11/15/00	00.0000%	2,604,208
4,875,000	DANA CORP	11/15/08	08.8700%	4,809,188
6,000,000	DETROIT EDISON	06/15/01	08.1200%	6,073,080
6,000,000	DETROIT EDISON	11/15/01	07.3700%	5,812,740
9,350,000	DETROIT EDISON	02/15/17	09.0000%	9,680,242
1,255,000	DOW CHEMICAL	02/15/08	08.6200%	1,298,247
7,000,000	DOW CHEMICAL COMPANY	07/15/07	07.8700%	6,995,380
4,000,000	DU PONT (E.I.) DENEMOURS	12/01/01	06.0000%	3,567,360
7,000,000	DUQUESNE LT CO	06/01/06	09.0000%	7,268,520
1,500,000	E.I. DUPONT DE NEMOURS	04/15/16	08.5000%	1,516,485
10,000,000	EASTMAN KODAK	10/01/04	09.7500%	11,318,100
2,025,000	FED NATL MTG ASSN	02/10/95	11.5000%	2,323,688
9,100,000	FEDERAL FARM CREDIT BANK	07/20/92	11.9000%	9,151,142
7,000,000	FEDERAL FARM CREDIT BANK	01/20/93	11.8000%	7,255,920
12,000,000	FEDERAL FARM CREDIT BANK	10/20/93	13.7500%	13,110,000
2,300,000	FEDERAL FARM CREDIT BANK	04/20/94	13.0000%	2,671,588
2,300,000	FEDERAL FARM CREDIT BANK	09/01/94	10.6500%	2,662,963
5,000,000	FEDERAL FARM CREDIT BANK	12/01/94	14.2500%	5,681,250
50,000,000	FEDERAL FARM CREDIT BANK	10/20/97	11.4500%	61,406,000
375,000	FEDERAL HOME LOAN BANK	01/25/93	11.7000%	386,951
5,000,000	FEDERAL HOME LOAN BANK	01/25/93	12.1500%	5,193,750
1,050,000	FEDERAL HOME LOAN BANK	03/25/93	10.8000%	1,101,188
900,000	FEDERAL HOME LOAN BANK	04/26/93	07.7500%	924,471
250,000	FEDERAL HOME LOAN BANK	05/25/93	08.2500%	258,828
31,200,000	FEDERAL HOME LOAN BANK	07/26/93	07.9500%	33,618,000
775,000	FEDERAL HOME LOAN BANK	07/26/93	07.5500%	802,365
7,000,000	FEDERAL HOME LOAN BANK	08/25/93	08.2500%	7,597,170
1,075,000	FEDERAL HOME LOAN BANK	09/27/93	09.5000%	1,119,011

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 950,000	FEDERAL HOME LOAN BANK	10/25/93	08.1200%	\$ 990,081
2,515,000	FEDERAL HOME LOAN BANK	12/27/93	07.7500%	2,790,066
200,000	FEDERAL HOME LOAN BANK	12/27/93	07.8700%	207,874
10,300,000	FEDERAL HOME LOAN BANK	01/25/94	07.3700%	10,692,636
2,100,000	FEDERAL HOME LOAN BANK	03/25/96	07.3000%	2,248,302
13,525,000	FEDERAL HOME LOAN BANK	04/25/96	10.7000%	14,294,167
25,600,000	FEDERAL HOME LOAN BANK	06/25/96	08.1000%	27,520,000
12,500,000	FEDERAL HOME LOAN BANK	07/25/96	11.9500%	13,320,250
47,000,000	FEDERAL HOME LOAN BANK	09/25/96	08.0000%	50,554,140
50,000,000	FEDERAL HOME LOAN MORTGAGE COR	11/29/19	00.0000%	5,031,000
5,000,000	FEDERAL NATIONAL MORTGAGE ASSN	01/11/93	00.0000%	5,181,250
8,000,000	FEDERAL NATIONAL MORTGAGE ASSN	04/12/93	00.0000%	8,420,000
5,000,000	FEDERAL NATIONAL MORTGAGE ASSN	11/10/93	09.2000%	5,209,350
8,320,000	FEDERAL NATIONAL MORTGAGE ASSN	01/10/95	11.9500%	9,609,600
5,150,000	FEDERAL NATIONAL MORTGAGE ASSN	01/10/96	10.3500%	5,681,068
350,000	FEDERAL NATIONAL MORTGAGE ASSN	12/10/97	07.1000%	355,467
105,000,000	FEDERAL NATIONAL MORTGAGE ASSN	07/05/14	08.2000%	16,373,700
24,400,000	FEDERAL NATIONAL MORTGAGE ASSN	12/10/15	07.7500%	30,149,128
3,000,000	FEDERAL NATIONAL MORTGAGE ASSN	03/10/16	10.9000%	3,060,000
90,000,000	FEDERAL NATIONAL MORTGAGE ASSN	10/09/19	10.8700%	9,168,300
10,000,000	FEDERAL NATIONAL MORTGAGE ASSN	11/10/20	09.5000%	10,896,900
15,000,000	FINANCING CORP	03/07/99	09.4000%	9,307,350
5,000,000	FINANCING CORP	12/06/02	10.7000%	2,224,150
12,950,000	FINANCING CORP	06/06/05	09.8000%	4,519,291
23,100,000	FINANCING CORP	12/06/05	10.3500%	7,714,707
10,000,000	FINANCING CORP	06/06/12	00.0000%	1,873,700
10,000,000	FINANCING CORP	09/26/12	00.0000%	1,798,600
20,000,000	FINANCING CORP	12/06/12	00.0000%	3,594,800
7,700,000	FINANCING CORP	05/11/13	00.0000%	1,334,179
9,000,000	FINANCING CORP	09/07/13	00.0000%	1,517,670
10,019,000	FINANCING CORP	09/26/13	00.0000%	1,662,352
25,000,000	FINANCING CORP	09/07/15	00.0000%	3,563,250
5,000,000	FINANCING CORP	10/06/17	00.0000%	6,337,500
42,000,000	FINANCING CORP	02/08/18	00.0000%	47,709,480
25,000,000	FINANCING CORP	02/08/18	00.0000%	2,943,000
10,000,000	FINANCING CORP	04/06/18	00.0000%	11,781,200
5,000,000	FINANCING CORP	08/03/18	00.0000%	6,176,550
23,950,000	FINANCING CORP FICO STRIP S 15	09/07/00	00.0000%	13,031,914
28,000,000	FINANCING CORP FICO STRIP S 15	03/07/02	00.0000%	13,295,800
28,935,000	FINANCING CORP FICO STRIP S 15	03/07/04	00.0000%	11,390,552
22,500,000	FINANCING CORP FICO STRIP S 15	03/07/05	00.0000%	8,029,125
28,900,000	FINANCING CORP FICO STRIP S 15	03/07/06	00.0000%	9,420,244
27,800,000	FINANCING CORP FICO STRIP S 15	09/07/06	00.0000%	8,652,750
17,300,000	FINANCING CORP FICO STRIP S 15	03/07/07	00.0000%	5,138,446
9,200,000	FINANCING CORP FICO STRIP S 15	09/07/07	00.0000%	2,614,088
12,500,000	FINANCING CORP FICO STRIP S 15	03/07/09	00.0000%	3,106,250
5,000,000	FIRST CHICAGO CORP	06/15/99	09.0000%	5,294,400
5,650,000	FMC CORP	01/15/00	09.5000%	5,734,750
5,000,000	FORD MOTOR CREDIT CORP	02/01/99	10.0000%	5,320,850
7,700,000	FPL GROUP CORP	03/01/17	08.8700%	7,921,529
30,000,000	FUNDING CORPORATION	07/15/13	00.0000%	5,312,400
30,000,000	FUNDING CORPORATION	10/15/13	00.0000%	5,203,800
30,000,000	FUNDING CORPORATION	01/15/14	00.0000%	5,098,500
30,000,000	FUNDING CORPORATION	04/15/14	00.0000%	4,994,100
30,000,000	FUNDING CORPORATION	07/15/14	00.0000%	4,893,000
10,000,000	FUNDING CORPORATION	07/15/20	00.0000%	1,033,700
5,000,000	FUNDING CORPORATION	01/15/21	00.0000%	500,450
10,000,000	FUNDING CORPORATION	07/15/24	00.0000%	795,300
5,000,000	FUNDING CORPORATION	01/15/25	00.0000%	382,250
15,000,000	FUNDING CORPORATION	01/15/26	00.0000%	1,063,050
25,000,000	FUNDING CORPORATION	04/15/27	00.0000%	1,616,000
20,000,000	FUNDING CORPORATION	07/15/27	00.0000%	1,272,000
10,000,000	FUNDING CORPORATION	07/15/28	00.0000%	592,000

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 5,000,000	FUNDING CORPORATION	01/15/29	00.0000%	\$ 286,600
5,000,000	GENERAL FOODS INC	06/15/01	06.0000%	4,370,700
8,500,000	GENERAL MOTORS ACCEPT CORP	06/01/99	08.2500%	8,513,281
4,200,000	GENERAL MOTORS ACCEPT CORP	02/01/00	08.7500%	4,257,750
5,000,000	GENERAL MOTORS ACCEPT CORP	06/15/01	08.8700%	5,106,250
5,000,000	GENERAL MOTORS ACCEPT CORP	11/15/06	08.7500%	5,048,500
7,000,000	GENERAL MOTORS ACCEPT CORP	07/15/07	08.0000%	6,861,120
3,100,000	GENERAL MOTORS CORPORATION	04/01/05	08.1200%	3,157,536
3,500,000	GENERAL MOTORS CORPORATION	04/15/16	08.6200%	3,318,420
1,000,000	GENERAL TEL CO (FLA)	05/01/93	04.5000%	955,000
1,200,000	GENERAL TEL OF CALIF.	06/15/26	09.3700%	1,288,944
11,500,000	GMAC	04/01/16	08.2500%	11,097,500
8,500,000	GTE CORP	12/01/16	09.1200%	8,746,585
6,300,000	GTE CORP	04/01/17	08.5000%	6,196,239
153,000	HARBOR TUG & BARGE	03/15/01	08.1500%	153,034
7,600,000	HOUSEHOLD FINANCE CORP	09/15/07	08.2000%	7,480,756
7,320,000	HOUSEHOLD FINANCE CORP.	10/01/03	08.3700%	7,338,300
525,000	HOUSTON LTG & POWER	10/01/07	08.3700%	549,985
14,000,000	HYDRO QUEBEC	12/01/29	08.5000%	13,930,420
3,500,000	HYDRO-QUEBEC	04/15/26	08.2500%	3,379,810
6,000,000	HYDRO-QUEBECK	09/15/06	08.6000%	6,156,180
2,035,000	INDIANA & MICH ELECTRIC	03/01/08	09.5000%	2,121,101
12,000,000	INTERNORTH INC.	03/15/06	09.6200%	13,136,280
7,000,000	ITT FINANCIAL	05/15/98	09.8800%	7,251,860
3,600,000	ITT FINANCIAL CORP	03/01/07	08.3700%	3,616,092
5,000,000	KANSAS POWER & LIGHT	02/01/08	08.7500%	5,182,400
3,600,000	KMART	03/01/05	12.5000%	4,861,908
5,000,000	KNIGHT-RIDDER INC	04/15/09	09.8700%	5,712,650
5,700,000	LOEWS CORP	01/15/07	08.2500%	5,757,000
7,000,000	LOEWS CORP	03/15/16	09.0000%	7,073,710
1,000,000	LONG ISLAND LIGHTING	04/01/93	04.4000%	999,580
6,000,000	MANITOBA HYDRO	12/01/06	08.6200%	6,150,780
5,440,000	MANITOBA HYDRO ELEC BD	10/15/97	07.6500%	5,599,066
4,300,000	MANUF. HANOVER CORP	03/01/04	08.1200%	4,237,048
800,000	MARATHON OIL COMPANY	02/01/00	08.5000%	803,128
9,000,000	MARTIN-MARIETTA CORP.	03/15/11	07.0000%	7,803,360
3,197,699	MINNESOTA ST HSG FIN AGY	02/01/18	00.0000%	2,948,886
4,525,000	MINNESOTA ST HSG FIN AGY	08/01/18	00.0000%	3,352,120
9,650,000	MINNESOTA ST HSG FIN AGY	08/01/19	00.0000%	6,431,822
8,060,000	MINNESOTA ST HSG FIN AGY	08/01/20	00.0000%	4,933,445
9,720,000	MINNESOTA ST HSG FIN AGY	08/01/22	00.0000%	5,361,941
424,920	MISSOURI PACIFIC RR	06/01/94	12.7500%	455,407
379,092	MISSOURI PACIFIC RR	06/01/95	09.7500%	416,436
5,000,000	MOBIL OIL	10/01/01	07.3700%	4,947,550
3,175,000	MONSANTO CO.	05/15/08	08.7500%	3,289,078
5,000,000	MOUNTAIN STATES TEL & TEL	04/01/26	09.0000%	5,221,700
6,000,000	N. BRUNSWICK ELECTRIC	05/01/01	09.3700%	6,307,500
3,000,000	N.Y. LIFE FUNDING CORP	05/15/95	09.2500%	3,247,500
6,000,000	NATIONAL ARCHIVES	09/01/19	08.5000%	6,298,800
3,500,000	NEW ENGLAND TEL & TEL	03/01/26	09.0000%	3,655,820
3,500,000	NEW YORK TEL	04/01/23	08.7500%	3,513,440
3,500,000	NEW YORK TEL CO	05/15/24	08.6200%	3,550,365
7,000,000	NO. AMER PHILLIPS	03/01/17	08.7500%	6,933,640
6,000,000	NORTHERN IND. PUB. SERV.	10/15/06	08.3700%	6,229,020
6,000,000	NORTHERN IND. PUB. SERV.	11/01/07	08.5000%	6,190,140
3,125,000	NORTHERN STATES POWER CO. MINN	01/01/04	08.3700%	3,227,938
3,500,000	NOVA SCOTIA POWER COMM	03/15/97	07.7500%	3,543,120
6,400,000	NOVA SCOTIA POWER CORP	06/01/08	09.6200%	6,885,120
10,000,000	OCCIDENTAL PETROLEUM	09/15/09	10.1200%	11,418,100
10,000,000	OCCIDENTAL PETROLEUM CORP	11/15/01	10.1200%	11,237,500
5,700,000	OCCIDENTAL PETE CORP	04/15/11	07.0000%	4,846,026
3,600,000	ONTARIO PROV. OF	01/15/07	08.4000%	3,650,508
6,000,000	ONTARIO PROVINCE	03/01/09	09.7500%	6,557,340

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 6,000,000	ONTARIO PROVINCE	09/20/09	09.8700%	\$ 6,631,680
7,000,000	ONTARIO, PROVINCE OF	06/01/08	09.3700%	7,475,510
6,920,000	ONTARIO, PROVINCE OF	11/30/08	09.3700%	7,396,926
7,000,000	PACIFIC BELL TEL	04/15/23	08.6200%	7,098,770
1,600,000	PACIFIC BELL TEL	08/15/25	08.7500%	1,645,072
5,000,000	PACIFIC BELL TEL	03/01/26	09.2500%	5,358,700
3,765,000	PACIFIC GAS & ELECTRIC	09/01/08	08.5000%	3,812,063
6,000,000	PACIFIC GAS & ELECTRIC	02/01/09	08.2500%	6,198,360
3,000,000	PACIFIC GAS & ELECTRIC	04/01/19	09.4000%	3,164,220
15,000,000	PACIFIC GAS & ELECTRIC	10/01/19	09.1200%	15,514,050
15,000,000	PACIFIC GAS & ELECTRIC	01/01/20	08.6500%	15,091,650
3,500,000	PACIFIC GAS & ELECTRIC	07/01/23	08.8700%	3,651,585
3,500,000	PACIFIC GAS & ELECTRIC	07/01/24	09.3000%	3,529,995
3,500,000	PACIFIC NORTHWEST BELL TEL	04/01/26	08.6200%	3,511,445
5,000,000	PACIFIC TEL & TEL	07/01/03	08.6500%	4,532,300
5,000,000	PACIFIC TEL & TEL	04/01/05	06.5000%	5,125,000
5,000,000	PACIFIC TEL & TEL CO	10/01/06	08.7500%	5,125,000
7,930,000	PENNEY J.C. CO.	05/01/06	06.0000%	6,598,553
10,000,000	PENNZOIL CO	11/15/09	10.1200%	11,277,200
7,000,000	PHILADELPHIA ELEC CO	04/01/17	09.3700%	7,367,500
6,000,000	PHILADELPHIA ELECTRIC	01/15/99	09.6200%	5,945,280
755,000	PHILADELPHIA ELECTRIC	08/01/02	09.1200%	781,146
4,075,000	PHILADELPHIA ELECTRIC	01/15/04	09.1200%	4,166,688
6,000,000	PHILADELPHIA ELECTRIC	03/01/06	07.5000%	6,195,000
3,060,000	PHILADELPHIA ELECTRIC	03/15/07	08.6200%	3,147,944
2,777,000	PHILADELPHIA ELECTRIC	03/15/08	08.5000%	2,888,080
5,000,000	POTOMIC ELECTRIC POWER	11/15/16	08.7500%	5,118,750
2,675,000	PRIMERICA CORP	10/15/92	11.1200%	2,714,858
5,000,000	PRIVATE EXP FUNDING CORP	03/31/99	09.5000%	5,637,800
3,500,000	PROCTOR & GAMBLE	01/15/17	08.1200%	3,438,610
6,000,000	PUBLIC SERVICE ELEC & GAS	09/01/07	08.1200%	6,153,240
10,000,000	QUEBEC PROVINCE OF	10/01/13	13.0000%	13,008,800
4,400,000	QUEBEC-HYDRO ELECTRIC	01/01/04	08.2500%	4,405,588
13,000,000	RALSTON PURINA	10/15/09	09.2500%	14,139,190
10,000,000	RESOLUTION FDG CORP	04/15/96	00.0000%	7,978,200
10,000,000	RESOLUTION FDG CORP	04/15/97	00.0000%	7,364,500
15,620,000	RESOLUTION FDG CORP	04/15/02	00.0000%	7,399,038
15,620,000	RESOLUTION FDG CORP	04/15/03	00.0000%	6,770,489
20,620,000	RESOLUTION FDG CORP	04/15/04	00.0000%	8,168,819
20,000,000	RESOLUTION FDG CORP	10/15/04	00.0000%	7,582,200
40,000,000	RESOLUTION FDG CORP	01/15/16	00.0000%	5,766,400
10,000,000	RESOLUTION FUNDING CORP	10/15/98	00.0000%	6,491,200
14,000,000	RESOLUTION FUNDING CORP	01/15/99	00.0000%	8,832,600
28,000,000	RESOLUTION FUNDING CORP	04/15/99	00.0000%	17,298,680
24,000,000	RESOLUTION FUNDING CORP	01/15/00	00.0000%	13,877,760
3,000,000	RESOLUTION FUNDING CORP	04/15/00	00.0000%	1,699,500
2,000,000	RESOLUTION FUNDING CORP	07/15/00	00.0000%	1,108,320
5,000,000	RESOLUTION FUNDING CORP	10/15/00	00.0000%	2,715,800
15,000,000	RESOLUTION FUNDING CORP	01/15/01	00.0000%	7,940,550
6,000,000	RGS AEGCO FDG	12/07/22	09.8100%	6,703,980
5,991,260	RGS AEGCO FDG	12/07/22	09.8200%	6,725,369
6,000,000	RGS I & M FDG	12/07/22	09.8100%	6,672,600
5,991,260	RGS I & M FDG	12/07/22	09.8200%	6,725,369
662,420,443	S B I MONEY FUND		00.0000%	662,420,443
8,775,000	SASKATCH., PROVINCE OF	04/15/08	09.2500%	9,196,463
6,000,000	SASKATCHEWAN CDA	11/15/06	08.6200%	6,146,280
6,000,000	SASKATCHEWAN CDA	05/15/07	08.7000%	6,147,000
301,631	SEABOARD COAST LINE RR	10/01/92	08.2500%	301,594
742,285	SEABOARD COAST LINE RR	09/01/93	09.6200%	760,427
3,000,000	SEARS	11/15/01	07.0000%	2,789,340
13,000,000	SEARS ROEBUCK & CO.	05/01/00	06.0000%	11,557,000
5,000,000	SHEARSON LEHMAN	03/01/96	09.8700%	5,021,950
5,000,000	SHEARSON LEHMAN	10/15/00	08.7500%	5,269,550

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 5,000,000	SIGNET BANKING CORP	06/01/99	09.6200%	\$ 5,357,150
5,000,000	SOUTH CENTRAL BELL TEL	12/01/04	08.2500%	5,128,500
3,000,000	SOUTH CENTRAL BELL TEL	11/01/07	07.3700%	2,922,630
3,500,000	SOUTHERN BELL TEL	11/01/24	08.7500%	3,539,725
5,000,000	SOUTHERN CAL EDISON	03/15/18	08.6200%	5,016,750
3,500,000	SOUTHERN CALIF EDISON	12/01/22	08.8700%	3,662,155
3,500,000	SOUTHERN CALIF EDISON	05/01/23	09.2500%	3,606,680
15,000,000	SOUTHERN CALIF EDISON CO	07/01/20	09.5000%	15,673,050
3,100,000	SOUTHWESTERN BELL TEL	06/01/03	08.7500%	2,691,172
5,000,000	SOUTHWESTERN BELL TEL	08/01/07	05.8700%	5,125,000
7,000,000	SOUTHWESTERN BELL TEL	04/15/20	08.6200%	7,021,910
2,123,873	STANDARD OIL (CHEVRON COPENHAG	07/02/99	08.5000%	2,225,925
524,807	STANDARD OIL (GEORGE M KELLER)	02/10/97	07.7000%	526,749
565,176	STANDARD OIL (HOWARD W. BELL)	03/30/97	07.7000%	567,284
524,806	STANDARD OIL (RUDOLPH PETERSON	03/02/97	07.7000%	541,962
10,000,000	STRPD U.S. TREAS. BONDS	05/15/06	00.0000%	3,328,200
50,000,000	STUDENT LN MRKTG ASSN	10/03/22	00.0000%	4,109,500
11,385,000	TENNESSEE GAS PIPELINE	09/01/92	13.7000%	11,516,497
5,700,000	TENNESSEE GAS PIPELINE	01/15/17	09.3700%	5,814,000
4,300,000	TEXAS ELEC. SERVICE	02/01/09	09.5000%	4,493,371
3,000,000	TEXAS POWER & LIGHT	01/01/06	08.6000%	3,041,490
2,500,000	TEXAS POWER & LIGHT	02/01/09	09.3700%	2,609,375
15,000,000	TEXAS UTIL.	02/01/17	09.2500%	15,263,250
7,000,000	TORCHMARK	03/01/17	08.6200%	6,813,240
250,000	TREASURY INVT GROWTH RCPTS	02/15/99	00.0000%	156,895
1,619,000	TREASURY INVT GROWTH RCPTS	11/15/00	00.0000%	1,044,401
57,871,865	TRUST FUND POOL		00.0000%	57,871,865
20,000,000	U.S.A. TREASURY BILL		00.0000%	19,220,975
2,000,000	U.S.A. TREASURY BOND	11/15/93	11.6200%	2,111,880
40,000,000	U.S.A. TREASURY BOND	02/15/94	10.3700%	42,712,400
22,300,000	U.S.A. TREASURY BOND	02/15/95	11.6200%	25,150,163
50,000,000	U.S.A. TREASURY BOND	05/15/95	07.6200%	56,593,500
40,000,000	U.S.A. TREASURY BOND	05/15/95	11.7500%	47,674,800
50,000,000	U.S.A. TREASURY BOND	11/15/95	09.0000%	58,843,500
50,000,000	U.S.A. TREASURY BOND	05/15/99	13.2500%	53,078,000
40,350,000	U.S.A. TREASURY BOND	02/15/00	10.7500%	42,228,696
28,020,000	U.S.A. TREASURY BOND	08/15/00	08.5000%	29,867,639
49,650,000	U.S.A. TREASURY BOND	02/15/01	08.3700%	64,265,471
8,925,000	U.S.A. TREASURY BOND	05/15/01	08.2500%	12,394,594
32,100,000	U.S.A. TREASURY BOND	08/15/01	10.3700%	45,311,076
29,500,000	U.S.A. TREASURY BOND	02/15/02	12.7500%	43,770,625
50,110,000	U.S.A. TREASURY BOND	11/15/02	11.5000%	66,035,459
65,350,000	U.S.A. TREASURY BOND	02/15/03	13.8700%	81,973,080
36,075,000	U.S.A. TREASURY BOND	05/15/03	07.8700%	45,330,402
16,600,000	U.S.A. TREASURY BOND	08/15/03	11.7500%	21,362,042
7,075,000	U.S.A. TREASURY BOND	11/15/03	08.3700%	9,524,719
15,745,000	U.S.A. TREASURY BOND	05/15/04	10.5000%	21,949,475
10,100,000	U.S.A. TREASURY BOND	08/15/04	12.6200%	15,146,869
88,154,000	U.S.A. TREASURY BOND	11/15/04	14.0000%	117,575,398
9,450,000	U.S.A. TREASURY BOND	05/15/05	12.0000%	10,019,930
51,500,000	U.S.A. TREASURY BOND	05/15/05	12.0000%	70,586,930
108,050,000	U.S.A. TREASURY BOND	08/15/05	10.7500%	137,256,996
57,250,000	U.S.A. TREASURY BOND	02/15/06	13.1200%	66,570,873
39,475,000	U.S.A. TREASURY BOND	02/15/07	09.3700%	40,264,500
10,000,000	U.S.A. TREASURY BOND	11/15/07	11.7500%	10,328,100
26,600,000	U.S.A. TREASURY BOND	08/15/08	13.3700%	28,378,742
11,600,000	U.S.A. TREASURY BOND	11/15/08	08.6200%	12,702,000
32,900,000	U.S.A. TREASURY BOND	05/15/09	09.1200%	36,991,773
65,900,000	U.S.A. TREASURY BOND	11/15/09	10.3700%	80,500,804
104,800,000	U.S.A. TREASURY BOND	02/15/10	11.8700%	139,841,976
66,400,000	U.S.A. TREASURY BOND	05/15/10	11.1200%	79,431,000
72,600,000	U.S.A. TREASURY BOND	11/15/10	10.7500%	103,818,000
73,925,000	U.S.A. TREASURY BOND	05/15/11	07.2500%	113,405,386

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 55,000,000	U.S.A. TREASURY BOND	11/15/11	09.2500%	\$ 85,576,700
60,000,000	U.S.A. TREASURY BOND	11/15/12	12.3700%	74,587,200
63,326,000	U.S.A. TREASURY BOND	08/15/13	07.8700%	88,320,139
50,000,000	U.S.A. TREASURY BOND	05/15/14	10.0000%	76,000,000
95,500,000	U.S.A. TREASURY BOND	08/15/14	07.5000%	138,653,585
45,500,000	U.S.A. TREASURY BOND	11/15/14	08.7500%	62,889,645
21,000,000	U.S.A. TREASURY BOND	08/15/15	09.8700%	27,234,270
27,000,000	U.S.A. TREASURY BOND	11/15/15	14.2500%	32,855,490
65,750,000	U.S.A. TREASURY BOND	02/15/16	13.7500%	75,632,883
88,250,000	U.S.A. TREASURY BOND	05/15/16	10.6200%	82,651,420
31,500,000	U.S.A. TREASURY BOND	11/15/16	08.7500%	30,318,750
18,500,000	U.S.A. TREASURY BOND	05/15/17	08.8700%	20,321,140
51,250,000	U.S.A. TREASURY BOND	08/15/17	12.5000%	56,983,338
11,200,000	U.S.A. TREASURY BOND	05/15/18	09.1200%	12,782,000
5,100,000	U.S.A. TREASURY BOND	11/15/18	09.0000%	5,753,412
15,100,000	U.S.A. TREASURY BOND	02/15/20	08.5000%	16,213,625
5,500,000	U.S.A. TREASURY COUPON	08/15/92	00.0000%	5,475,910
3,800,000	U.S.A. TREASURY COUPON	11/15/92	00.0000%	3,747,256
13,000,000	U.S.A. TREASURY COUPON	02/15/93	00.0000%	12,695,280
2,500,000	U.S.A. TREASURY COUPON	05/15/93	00.0000%	2,416,750
8,000,000	U.S.A. TREASURY COUPON	08/15/93	00.0000%	7,639,200
1,800,000	U.S.A. TREASURY COUPON	02/15/94	00.0000%	1,672,146
8,900,000	U.S.A. TREASURY COUPON	05/15/94	00.0000%	8,149,641
5,900,000	U.S.A. TREASURY COUPON	02/15/95	00.0000%	5,140,729
3,800,000	U.S.A. TREASURY COUPON	05/15/97	00.0000%	2,790,378
21,800,000	U.S.A. TREASURY COUPON	11/15/97	00.0000%	15,396,032
50,000,000	U.S.A. TREASURY COUPON	02/15/98	00.0000%	34,440,500
14,360,000	U.S.A. TREASURY COUPON	05/15/98	00.0000%	9,690,990
28,204,000	U.S.A. TREASURY COUPON	08/15/98	00.0000%	18,649,895
19,150,000	U.S.A. TREASURY COUPON	11/15/98	00.0000%	12,413,605
32,000,000	U.S.A. TREASURY COUPON	02/15/99	00.0000%	20,184,000
32,800,000	U.S.A. TREASURY COUPON	05/15/99	00.0000%	20,266,464
14,825,000	U.S.A. TREASURY COUPON	08/15/99	00.0000%	8,969,273
11,850,000	U.S.A. TREASURY COUPON	11/15/99	00.0000%	7,029,657
7,500,000	U.S.A. TREASURY COUPON	02/15/00	00.0000%	4,338,600
30,000,000	U.S.A. TREASURY COUPON	05/15/00	00.0000%	17,008,800
31,800,000	U.S.A. TREASURY COUPON	08/15/00	00.0000%	17,636,280
15,600,000	U.S.A. TREASURY COUPON	11/15/00	00.0000%	8,483,280
14,900,000	U.S.A. TREASURY COUPON	05/15/01	00.0000%	7,733,398
23,600,000	U.S.A. TREASURY COUPON	08/15/01	00.0000%	12,002,252
50,000,000	U.S.A. TREASURY COUPON	11/15/01	00.0000%	24,896,500
4,500,000	U.S.A. TREASURY COUPON	02/15/02	00.0000%	2,184,975
36,700,000	U.S.A. TREASURY COUPON	05/15/02	00.0000%	17,440,207
56,500,000	U.S.A. TREASURY COUPON	08/15/02	00.0000%	26,294,535
52,600,000	U.S.A. TREASURY COUPON	05/15/03	00.0000%	22,868,376
10,525,000	U.S.A. TREASURY COUPON	08/15/03	00.0000%	4,478,914
11,360,000	U.S.A. TREASURY COUPON	11/15/03	00.0000%	4,732,462
3,830,000	U.S.A. TREASURY COUPON	02/15/04	00.0000%	1,556,244
11,300,000	U.S.A. TREASURY COUPON	08/15/04	00.0000%	4,401,576
15,000,000	U.S.A. TREASURY COUPON	05/15/06	00.0000%	4,992,300
4,000,000	U.S.A. TREASURY COUPON	11/15/06	00.0000%	1,274,200
61,500,000	U.S.A. TREASURY COUPON	08/15/07	00.0000%	18,320,235
11,500,000	U.S.A. TREASURY COUPON	11/15/07	00.0000%	3,353,285
39,500,000	U.S.A. TREASURY COUPON	02/15/08	00.0000%	11,253,945
40,500,000	U.S.A. TREASURY COUPON	05/15/08	00.0000%	11,293,425
73,500,000	U.S.A. TREASURY COUPON	08/15/08	00.0000%	20,085,345
46,000,000	U.S.A. TREASURY COUPON	11/15/08	00.0000%	12,301,780
8,500,000	U.S.A. TREASURY COUPON	02/15/09	00.0000%	2,224,110
14,000,000	U.S.A. TREASURY COUPON	05/15/09	00.0000%	3,584,700
50,000,000	U.S.A. TREASURY COUPON	08/15/09	00.0000%	12,545,000
49,250,000	U.S.A. TREASURY COUPON	02/15/10	00.0000%	11,827,880
22,400,000	U.S.A. TREASURY COUPON	05/15/10	00.0000%	5,272,288
49,250,000	U.S.A. TREASURY COUPON	08/15/10	00.0000%	11,338,828

**MINNESOTA STATE BOARD OF INVESTMENT
POST RETIREMENT INVESTMENT FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 42,000,000	U.S.A. TREASURY COUPON	02/15/11	00.0000%	\$ 9,269,400
25,000,000	U.S.A. TREASURY COUPON	05/15/11	00.0000%	5,407,250
50,000,000	U.S.A. TREASURY COUPON	08/15/11	00.0000%	10,596,000
50,000,000	U.S.A. TREASURY COUPON	02/15/12	00.0000%	10,155,500
85,000,000	U.S.A. TREASURY COUPON	08/15/12	00.0000%	16,577,550
55,000,000	U.S.A. TREASURY COUPON	02/15/13	00.0000%	10,299,850
34,000,000	U.S.A. TREASURY COUPON	05/15/13	00.0000%	6,239,680
62,500,000	U.S.A. TREASURY COUPON	08/15/13	00.0000%	11,238,125
25,000,000	U.S.A. TREASURY COUPON	02/15/14	00.0000%	4,316,500
35,000,000	U.S.A. TREASURY COUPON	08/15/14	00.0000%	5,802,650
20,000,000	U.S.A. TREASURY COUPON	11/15/15	00.0000%	2,996,000
78,800,000	U.S.A. TREASURY COUPON	05/15/16	00.0000%	11,333,804
92,000,000	U.S.A. TREASURY COUPON	11/15/16	00.0000%	12,735,560
20,000,000	U.S.A. TREASURY COUPON	02/15/17	00.0000%	2,719,200
50,000,000	U.S.A. TREASURY COUPON	08/15/17	00.0000%	6,559,500
10,000,000	U.S.A. TREASURY COUPON	08/15/18	00.0000%	1,213,100
100,000,000	U.S.A. TREASURY COUPON	08/15/19	00.0000%	11,307,000
50,000,000	U.S.A. TREASURY COUPON	02/15/20	00.0000%	5,474,000
50,000,000	U.S.A. TREASURY COUPON	05/15/20	00.0000%	5,380,500
50,000,000	U.S.A. TREASURY COUPON	08/15/20	00.0000%	5,302,000
5,000,000	U.S.A. TREASURY NOTE	07/15/92	12.6200%	5,010,950
225,000	U.S.A. TREASURY NOTE	01/15/93	11.6200%	230,695
3,300,000	U.S.A. TREASURY NOTE	05/15/93	11.2500%	3,397,977
10,000,000	U.S.A. TREASURY NOTE	07/15/93	10.5000%	10,312,500
3,200,000	U.S.A. TREASURY NOTE	01/15/94	08.7500%	3,315,008
15,500,000	U.S.A. TREASURY NOTE	04/15/94	10.3700%	16,105,430
13,000,000	U.S.A. TREASURY NOTE	05/15/94	09.5000%	14,080,560
3,560,000	U.S.A. TREASURY NOTE	08/15/94	07.3700%	4,107,350
15,000,000	U.S.A. TREASURY NOTE	10/15/94	07.2500%	16,415,550
10,000,000	U.S.A. TREASURY NOTE	11/15/94	07.0000%	11,440,600
10,400,000	U.S.A. TREASURY NOTE	04/15/95	07.2500%	11,206,000
50,000,000	U.S.A. TREASURY NOTE	05/15/95	07.0000%	57,640,500
50,000,000	U.S.A. TREASURY NOTE	08/15/95	08.5000%	57,031,000
20,000,000	U.S.A. TREASURY NOTE	11/15/95	09.5000%	22,325,000
10,000,000	U.S.A. TREASURY NOTE	05/15/96	07.6200%	10,493,700
18,500,000	U.S.A. TREASURY NOTE	11/15/96	08.3700%	19,286,250
10,100,000	U.S.A. TREASURY NOTE	04/15/97	09.2500%	11,021,625
10,000,000	U.S.A. TREASURY NOTE	05/15/97	08.8700%	10,915,600
5,000,000	U.S.A. TREASURY NOTE	10/15/97	09.5000%	5,517,200
17,700,000	U.S.A. TREASURY NOTE	08/15/98	09.1200%	20,001,000
5,000,000	U.S.A. TREASURY NOTE	02/15/99	08.0000%	5,557,800
25,250,000	U.S.A. TREASURY NOTE	05/15/99	07.8700%	28,406,250
5,000,000	U.S.A. TREASURY NOTE	08/15/99	08.8700%	5,323,450
24,250,000	U.S.A. TREASURY NOTE	11/15/99	08.5000%	25,629,098
10,000,000	U.S.A. TREASURY NOTE	05/15/00	08.7500%	11,131,200
25,000,000	U.S.A. TREASURY SEC PRC	11/15/14	00.0000%	6,158,000
37,700,000	U.S.A. TREASURY SEC PRIN	08/15/95	00.0000%	31,668,377
10,000,000	U.S.A. TREASURY SEC PRIN	02/15/96	00.0000%	8,088,800
10,000,000	U.S.A. TREASURY SEC PRIN	11/15/97	00.0000%	7,044,000
10,000,000	U.S.A. TREASURY SEC PRIN	05/15/05	00.0000%	3,697,700
60,000,000	U.S.A. TREASURY SEC PRIN.	02/15/15	00.0000%	9,592,800
50,000,000	U.S.A. TREASURY SEC PRIN.	08/15/15	00.0000%	7,676,500
15,000,000	UNION PACIFIC CORP	01/15/17	08.5000%	14,935,650
10,000,000	UNITED STATES TREAS NOTES	11/15/94	00.0000%	8,855,500
1,734,375	UNITED STATES TREAS SEC	11/15/93	00.0000%	1,633,226
1,610,000	UNITED STATES TREAS STRIPPED	11/15/93	00.0000%	1,348,375
16,000,000	UNITED STATES TREAS STRIPPED	11/15/11	00.0000%	3,323,040
945,000	UNITED STATES TREAS STRIPS	11/15/98	00.0000%	609,610
4,555,000	WISCONSIN ELECTRIC POWER	05/15/08	08.8700%	4,765,942
\$ 8,200,557,288	TOTAL FIXED INCOME PORTFOLIO			\$ 6,371,949,564

**MINNESOTA STATE BOARD OF INVESTMENT
SUPPLEMENTAL INVESTMENT FUND
ALPHABETICAL HOLDINGS BY INVESTMENT OPTION
JUNE 30, 1992**

SHARES / PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
COMMON STOCK INDEX ACCOUNT				
14,237	MN. SUPPLEMENTAL INDEX			\$ 24,346,806
BOND MARKET ACCOUNT				
11,692	MN. FIXED INCOME POOL			\$ 12,340,014
FIXED INTEREST ACCOUNT				
\$ 14,460,714	JOHN HANCOCK LIFE INS CO.	10/31/92	08.4000 %	\$ 14,460,714
11,418,911	MUTUAL OF AMERICA	10/31/93	08.9500 %	11,418,911
11,354,233	PROVIDENCE NATIONAL	10/31/93	08.5800 %	11,354,233
15,431,681	PROVIDENCE NATIONAL	10/31/94	06.6500 %	15,431,681
15,432,349	CONTINENTAL ASSURANCE CO	10/31/94	06.6100 %	15,432,349
\$ 68,097,888				\$ 68,097,888
INCOME SHARE ACCOUNT				
1,250,000	ASSOCIATES CORP. NORTH AMERICA	11/15/92	11.4500 %	\$ 1,277,788
1,000,000	DQU FUNDING CORP	12/01/16	11.9500 %	1,113,750
3,000,000	DU PONT (E.I.) DENEMOURS	12/01/01	06.0000 %	2,675,520
2,500,000	FEDERAL NATIONAL MORTGAGE ASSN	08/30/99	08.5500 %	2,704,675
2,500,000	FEDERAL NATIONAL MORTGAGE ASSN	06/10/99	08.7000 %	2,726,550
2,500,000	FEDERAL NATIONAL MORTGAGE ASSN	12/10/98	07.0500 %	2,529,675
3,000,000	FHLMC - 1241 - I PAC	01/15/21	07.0000 %	2,773,500
3,000,000	FHLMC - 1241 - J PAC	09/15/21	07.0000 %	2,716,770
3,000,000	FN92 - 049 - G PAC	04/25/19	07.0000 %	2,895,480
1,198,644	FNMA POOL # 002494	04/01/08	08.0000 %	1,232,350
1,250,356	FNMA POOL # 002499	03/01/16	10.0000 %	1,346,858
1,709,148	FNMA POOL # 030817	06/01/09	09.0000 %	1,802,605
1,255,121	FNMA POOL # 049238	06/01/02	08.0000 %	1,293,163
1,464,763	GNMA II POOL # 000587	07/20/16	08.0000 %	1,481,242
1,494,779	GNMA POOL # 146852	04/15/16	09.5000 %	1,606,409
1,861,205	GNMA POOL # 205012	02/15/17	09.5000 %	2,000,200
1,464,087	GNMA POOL # 209563	10/15/17	09.5000 %	1,573,425
3,212,615	GNMA POOL # 289781	04/15/20	09.5000 %	3,452,533
3,000,000	HELLER FINL INTL	03/15/98	09.3700 %	3,201,750
3,000,000	ITT FINANCIAL CORP	05/02/94	08.7600 %	3,000,000
110,894	MINN. SUPPLEMENTAL INDEX POOL		00.0000 %	188,604,993
1,000,000	RALSTON PURINA	10/15/09	09.2500 %	1,087,630
3,000,000	RESOLUTION FUNDING CORP	10/15/19	08.1200 %	3,062,820
22,148,874	S.B.I. SUPPLEMENTAL MONEY FUND		00.0000 %	22,148,874
1,000,000	SECURITY PACIFIC CORP	05/15/99	09.7500 %	1,105,720
1,600,000	U.S.A. TREASURY BOND	05/15/05	12.0000 %	2,192,992
1,700,000	U.S.A. TREASURY BOND	11/15/03	11.8700 %	2,288,625
1,000,000	U.S.A. TREASURY BOND	11/15/04	11.6200 %	1,333,750
1,700,000	U.S.A. TREASURY BOND	11/15/02	11.6200 %	2,240,277
1,600,000	U.S.A. TREASURY BOND	05/15/04	12.3700 %	2,230,496
1,000,000	U.S.A. TREASURY BOND	08/15/05	10.7500 %	1,270,310
1,800,000	U.S.A. TREASURY BOND	05/15/03	10.7500 %	2,261,808
1,400,000	U.S.A. TREASURY BOND	11/15/95	11.5000 %	1,647,618
4,000,000	U.S.A. TREASURY NOTE	11/15/94	08.2500 %	4,278,760
2,200,000	U.S.A. TREASURY NOTE	05/15/93	07.6200 %	2,265,318
2,500,000	U.S.A. TREASURY NOTE	10/15/98	07.1200 %	2,563,275
3,500,000	U.S.A. TREASURY NOTE	07/15/95	08.8700 %	3,828,125
2,100,000	U.S.A. TREASURY NOTE	05/15/97	08.5000 %	2,292,276
1,500,000	U.S.A. TREASURY NOTE	05/15/94	09.5000 %	1,624,680
3,500,000	U.S.A. TREASURY NOTE	01/15/97	08.0000 %	3,748,290
3,000,000	U.S.A. TREASURY NOTE	02/15/93	08.3700 %	3,079,680
1,800,000	U.S.A. TREASURY NOTE	05/15/95	11.2500 %	2,075,058
2,100,000	U.S.A. TREASURY NOTE	10/15/95	08.6200 %	2,287,677
				\$ 302,923,295
GROWTH SHARES ACCOUNT				
5,038,263	S.B.I. SUPPLEMENTAL MONEY FUND			\$ 5,038,263
56,880	MINN. ACTIVE EQUITY MANAGER POOL			76,504,018
				\$ 81,542,281
MONEY MARKET ACCOUNT				
\$ 78,061,530	S.B.I. MONEY FUND			\$ 78,061,530

**MINNESOTA STATE BOARD OF INVESTMENT
PERMANENT SCHOOL FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 5,000,000	ATLANTIC RICHFIELD	03/01/11	09.1200%	\$ 5,357,000
5,000,000	ATLANTIC RICHFIELD	03/01/16	09.8700%	5,675,000
1,358,479	ATLANTIC RICHFIELD (BEDARCO)	12/01/01	08.7500%	1,322,112
4,000,000	BARNETT BANKS INC	03/01/99	08.5000%	4,140,000
2,500,000	BELL TELE. CO CANADA	09/01/95	04.8500%	2,525,250
1,000,000	CHRYSLER FIN. MTN	02/01/94	09.8700%	1,039,630
5,000,000	CITICORP PERSON TO PERSON INC	03/01/98	08.7500%	5,016,800
4,500,000	COLUMBUS SOUTHERN POWER	08/01/15	09.5000%	4,703,445
7,000,000	COMMONWEALTH EDISON	01/15/14	09.1200%	7,224,350
5,000,000	CSX TRANSPORTATION	08/15/06	09.0000%	5,337,700
5,000,000	DOW CHEMICAL	04/01/06	08.6200%	5,208,900
3,173,000	DU PONT E I DE NEMOURS & CO	11/15/04	08.4500%	3,252,325
100,000	FEDERAL FARM CREDIT BANK	03/01/94	12.3500%	112,094
600,000	FEDERAL FARM CREDIT BANK	07/20/92	13.7500%	603,372
3,000,000	FEDERAL HOME LOAN BANK	07/26/93	11.7000%	3,232,500
3,000,000	FEDERAL NATIONAL MORTGAGE ASSN	10/12/92	10.6000%	3,056,250
890,000	FLORIDA POWER & LIGHT	06/01/98	07.0000%	878,127
3,000,000	FMC CORP	01/15/00	09.5000%	3,045,000
1,400,000	FORD MOTOR COMPANY	04/01/06	08.8700%	1,502,830
1,200,000	FORD MOTOR CR. MTN	11/04/94	09.7500%	1,253,520
2,000,000	FORD MOTOR CR. MTN	11/01/93	09.1500%	2,053,420
3,900,000	GENERAL MOTORS ACCEPT CORP.	01/15/02	08.0000%	3,853,512
952,410	GNMA POOL # 00505	11/15/01	06.5000%	890,503
953,606	GNMA POOL # 00506	12/15/01	06.5000%	891,622
4,203,874	GNMA POOL # 00606	08/20/16	08.0000%	4,219,639
1,495,728	GNMA POOL # 00623	09/20/16	08.0000%	1,501,337
1,179,651	GNMA POOL # 02290	03/15/03	06.5000%	1,102,974
1,407,627	GNMA POOL # 02291	04/15/03	06.5000%	1,316,131
1,153,587	GNMA POOL # 02424	04/15/03	06.5000%	1,078,604
141,651	GNMA POOL # 03627	07/15/04	08.2500%	146,143
648,135	GNMA POOL # 03972	07/15/04	08.2500%	668,687
285,753	GNMA POOL # 03974	11/15/04	09.0000%	308,388
231,393	GNMA POOL # 03979	08/15/04	08.2500%	238,731
131,656	GNMA POOL # 04004	08/15/04	08.2500%	135,830
449,841	GNMA POOL # 04092	07/15/04	08.2500%	464,106
134,282	GNMA POOL # 04145	08/15/04	08.2500%	138,541
329,887	GNMA POOL # 04472	09/15/04	09.0000%	356,018
198,688	GNMA POOL # 09680	06/15/06	08.2500%	204,058
321,244	GNMA POOL # 10887	07/15/06	08.2500%	329,927
144,692	GNMA POOL # 17904	08/15/07	08.0000%	148,856
232,027	GNMA POOL # 18017	07/15/07	08.0000%	238,705
455,725	GNMA POOL # 18058	07/15/07	08.0000%	468,841
153,157	GNMA POOL # 18592	11/15/07	08.0000%	157,565
387,840	GNMA POOL # 18768	08/15/07	08.0000%	399,002
339,514	GNMA POOL # 18782	10/15/07	08.0000%	349,286
379,060	GNMA POOL # 19105	07/15/07	08.0000%	389,969
292,767	GNMA POOL # 19667	01/15/08	08.0000%	301,193
395,165	GNMA POOL # 19740	10/15/07	08.0000%	406,538
2,604,506	GNMA POOL # 19784	09/15/07	08.0000%	2,679,464
296,856	GNMA POOL # 19997	10/15/07	08.0000%	305,399
23,501	GNMA POOL # 20074	03/15/07	08.0000%	24,177
319,730	GNMA POOL # 20263	11/15/07	08.0000%	328,932
405,959	GNMA POOL # 20393	11/15/07	08.0000%	417,642
418,581	GNMA POOL # 20495	11/15/07	08.0000%	430,628
404,099	GNMA POOL # 21037	11/15/07	08.0000%	415,212
4,124,160	GNMA POOL # 210643	06/15/17	08.0000%	4,170,557
4,070,345	GNMA POOL # 210687	06/15/17	08.0000%	4,116,137
393,095	GNMA POOL # 21480	01/15/08	08.0000%	404,408
451,821	GNMA POOL # 21615	01/15/08	08.0000%	464,824
2,680,375	GNMA POOL # 217626	05/15/17	08.0000%	2,710,529

**MINNESOTA STATE BOARD OF INVESTMENT
PERMANENT SCHOOL FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 417,423	GNMA POOL # 21930	03/15/08	08.0000%	\$ 428,902
485,442	GNMA POOL # 22012	04/15/08	08.0000%	498,791
3,095,384	GNMA POOL # 224960	06/15/17	08.0000%	3,130,207
415,525	GNMA POOL # 22820	12/15/07	08.0000%	427,483
416,838	GNMA POOL # 24078	02/15/08	08.0000%	428,301
458,185	GNMA POOL # 24417	03/15/08	08.0000%	470,785
1,897,636	GNMA POOL # 27638	10/15/08	09.0000%	2,040,243
4,900,000	GNMA POOL # 319990	06/15/22	08.0000%	4,912,250
4,900,000	GNMA POOL # 327378	06/15/22	08.0000%	4,912,250
4,000,000	KANSAS POWER & LIGHT	06/01/07	08.1200%	4,066,200
2,500,000	MICHIGAN BELL TELEPHONE CO.	06/01/15	08.1200%	2,503,125
1,991,000	MOORE-MCCORMACK LEASING	07/15/01	08.8700%	2,026,181
2,000,000	MORGAN J.P.	08/01/94	08.8700%	2,134,540
3,000,000	MOUNTAIN STATES TEL & TEL	06/01/13	07.7500%	2,895,000
2,500,000	NORTHERN STATES POWER CO. MINN	01/01/04	08.3700%	2,582,350
1,500,000	NORWEST CORP	03/15/03	07.7500%	1,501,665
793,000	PUGET SOUND TUG & BARG	02/15/01	09.1200%	822,738
2,156,919	SBA POOL - MEEDA BONDS SER 84A	12/01/04	11.7000%	2,435,297
2,160,000	SEARS	11/15/01	07.0000%	2,008,325
2,500,000	SECURITY PACIFIC CORP	05/15/99	09.7500%	2,764,300
260,000	SHELL OIL	10/15/93	07.6200%	269,389
8,400,000	SOUTHERN BELL TEL & TEL	03/15/13	07.6200%	7,772,100
10,000,000	SYENERGY PIPELINE CO L.P.	12/30/08	09.6400%	10,000,000
3,000,000	TEXAS POWER & LIGHT	02/01/09	09.3700%	3,131,250
16,558,488	TRUST FUND POOL		00.0000%	16,558,488
6,500,000	U.S.A. TREASURY BOND	11/15/02	11.6200%	8,565,765
9,470,000	U.S.A. TREASURY BOND	11/15/12	10.3700%	11,772,346
3,500,000	U.S.A. TREASURY BOND	11/15/04	11.6200%	4,668,125
1,000,000	U.S.A. TREASURY BOND	02/15/07	07.6200%	1,020,000
4,400,000	U.S.A. TREASURY BOND	02/15/03	10.7500%	5,519,228
3,590,000	U.S.A. TREASURY BOND	05/15/99	08.5000%	3,811,000
5,000,000	U.S.A. TREASURY BOND	08/15/08	08.3700%	5,334,350
2,000,000	U.S.A. TREASURY BOND	11/15/10	12.7500%	2,860,000
2,000,000	U.S.A. TREASURY BOND	11/15/95	11.5000%	2,353,740
470,000	U.S.A. TREASURY BOND	05/15/11	13.8700%	721,008
4,850,000	U.S.A. TREASURY BOND	02/15/00	07.8700%	5,075,816
50,000	U.S.A. TREASURY BOND	11/15/98	03.5000%	49,235
3,000,000	U.S.A. TREASURY BOND	02/15/01	11.7500%	3,883,110
500,000	U.S.A. TREASURY BOND	08/15/00	08.3700%	532,970
560,000	U.S.A. TREASURY BOND	08/15/13	12.0000%	781,026
8,000,000	U.S.A. TREASURY BOND	08/15/05	10.7500%	10,162,480
5,000,000	U.S.A. TREASURY BOND	11/15/14	11.7500%	6,910,950
2,000,000	U.S.A. TREASURY BOND	11/15/93	08.6200%	2,111,880
3,400,000	U.S.A. TREASURY BOND	05/15/09	09.1200%	3,822,858
5,000,000	U.S.A. TREASURY BOND	11/15/09	10.3700%	6,107,800
4,500,000	U.S.A. TREASURY BOND	05/15/03	10.7500%	5,654,520
7,000,000	U.S.A. TREASURY BOND	05/15/16	07.2500%	6,555,920
6,400,000	U.S.A. TREASURY BOND	11/15/07	07.8700%	6,609,984
9,400,000	U.S.A. TREASURY BOND	05/15/10	10.0000%	11,244,750
2,400,000	U.S.A. TREASURY BOND	08/15/94	08.7500%	2,583,744
6,400,000	U.S.A. TREASURY BOND	11/15/08	08.7500%	7,008,000
5,000,000	U.S.A. TREASURY BOND	11/15/15	09.8700%	6,084,350
12,000,000	U.S.A. TREASURY BOND	05/15/17	08.7500%	13,181,280
12,000,000	U.S.A. TREASURY BOND	05/15/18	09.1200%	13,695,000
5,100,000	U.S.A. TREASURY BOND	02/15/19	08.8700%	5,683,287
6,900,000	U.S.A. TREASURY BOND	08/15/19	08.1200%	7,113,486
12,000,000	U.S.A. TREASURY BOND	02/15/20	08.5000%	12,885,000
8,000,000	U.S.A. TREASURY BOND	02/15/21	07.8700%	8,040,000
5,000,000	U.S.A. TREASURY BOND	11/15/21	08.0000%	5,117,200
2,400,000	U.S.A. TREASURY COUPON	05/15/12	00.0000%	477,720

**MINNESOTA STATE BOARD OF INVESTMENT
PERMANENT SCHOOL FUND
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 1,200,000	U.S.A. TREASURY NOTE	11/15/95	09.5000%	\$ 1,339,500
5,650,000	U.S.A. TREASURY NOTE	05/15/96	07.3700%	5,928,941
2,300,000	U.S.A. TREASURY NOTE	05/15/97	08.5000%	2,510,588
820,000	U.S.A. TREASURY NOTE	10/15/94	09.5000%	897,383
5,500,000	U.S.A. TREASURY NOTE	11/15/97	08.8700%	6,103,295
3,650,000	U.S.A. TREASURY NOTE	02/15/98	08.1200%	3,924,882
2,000,000	U.S.A. TREASURY NOTE	04/15/95	08.3700%	2,155,000
1,250,000	U.S.A. TREASURY NOTE	02/15/00	08.5000%	1,364,450
5,000,000	U.S.A. TREASURY NOTE	11/15/01	07.5000%	5,109,350

\$ 383,279,308 TOTAL FIXED INCOME PORTFOLIO

\$ 411,763,717

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
24,400	A & W BRANDS INC	\$ 777,750
35,300	A D C TELECOMMUNICATIONS INC	1,226,675
4,743	A G EDWARDS, INC	96,639
27,749	A L LABS INC	516,825
110,622	A M P INC	5,959,760
43,500	A M R CORP	2,811,188
60,900	A O N CORP	2,793,788
849,680	ABBOTT LABS	25,277,980
39,698	ABITIBI PAPER LTD.	511,112
36,550	ACUSON	740,138
54,300	ADAPTEC INC	1,242,113
34,300	ADT LTD	291,550
5,717	ADT LTD WTS	10,005
54,300	ADVANCED MICRO DEV.	475,125
16,760	ADVANCED TECH LABS INC	423,190
43,000	AES CORP	827,750
96,975	AETNA LIFE & CASUALTY CO.	4,012,341
31,600	AFFILIATED BANKSHARES COLO IN	1,019,100
61,900	AFFILIATED PUBLIC'NS NEW A	673,163
14,800	AFFYMAX NV	292,300
46,966	AFLAC INC.	1,420,722
70,125	AGENCY RENT A CAR	683,719
231,000	AHMANSON H.F. CO.	3,869,250
43,700	AIR PRODUCTS & CHEM. INC.	1,857,250
36,900	AIRBORNE FGHT CORP	548,888
17,100	AKTIEBOLAGET ELECTRO	741,713
30,800	ALBERTO CULVER CO	669,900
51,680	ALBERTSONS INC	2,157,640
188,500	ALCAN ALUMINUM LTD.	4,029,188
37,400	ALCO STANDARD CORP.	1,397,825
38,700	ALEX BROWN INC	653,063
68,300	ALEXANDER & ALEXANDER	1,468,450
33,100	ALEXANDER & BALDWIN INC	827,500
9,000	ALKERMES INC	78,750
9,357	ALLEGHANY CORP NEW	1,113,483
38,550	ALLEGHENY LUDLUM CORP	1,373,344
44,700	ALLEGHENY POWER SYS INC	1,966,800
17,447	ALLEN ORGAN CLASS B	505,963
59,900	ALLERGAN INC	1,317,800
41,700	ALLIANCE PHARMACEUTICAL COR	781,875
53,525	ALLIANT TECHSYSTEMS	1,217,694
4,300	ALLIED CLINICAL LABS	126,850
98,598	ALLIED-SIGNAL INC.	5,299,643
24	ALLIS CHALMERS CORP COM NEW	102
90,132	ALLTEL CORP	3,515,148
143,700	ALLWASTE INC	880,163
54,800	ALUMINUM CO. OF AMERICA	4,157,950
56,300	ALZA CORPORATION	2,568,688
29,250	AMAX GOLD INC	318,094
53,700	AMAX INC	1,154,550
40,100	AMBAC INC	1,423,550
79,300	AMDAHL CORP	1,397,663
41,200	AMERADA HESS CORP.	1,864,300
57,200	AMERICAN BANK INSURANCE GRP	993,850
90,100	AMERICAN BARRICK RES CORP	2,500,275
22,000	AMERICAN BUSINESS PRODS INC G	621,500
121,600	AMERICAN CYANAMID	6,764,000
180,900	AMERICAN ELEC POWER INC	5,766,188
538,918	AMERICAN EXPRESS COMPANY	12,529,844
48,200	AMERICAN FRUCTOSE CL A	1,018,225
149,100	AMERICAN GENERAL CORP	7,305,900
23,000	AMERICAN GREETINGS	986,125

NO. OF SHARES	SECURITY	MARKET VALUE
141,548	AMERICAN INTERNATIONAL GRP.	\$ 12,544,692
46,300	AMERICAN MAIZE PRODS CO	949,150
51,355	AMERICAN MED HLDS	481,453
21,700	AMERICAN NATL INS CO	873,425
29,600	AMERICAN PWR CONVERSION COR	791,800
58,304	AMERICAN STORES NEW	1,982,336
979,694	AMERICAN TEL & TEL NEW	42,126,842
43,400	AMERICAN WATER WORKS	949,375
240,480	AMERITECH CORP NEW	15,120,180
500	AMERON INC	15,375
69,300	AMETEK INC	1,082,813
28,200	AMGEN CORP.	1,716,675
351,900	AMOCO CORP	16,803,225
44,200	AMSCO INTL INC	977,925
41,125	AMSOUTH BANCORP.	1,182,344
51,700	AMWEST INS GROUP INC	439,450
203,600	ANACOMP	738,050
46,800	ANADARKO PETE CORP.	1,105,650
97,801	ANALOG DEVICES INC	941,335
98,300	ANALOGIC CORP	1,056,725
14,125	ANDOVER TOGS INC	47,672
31,600	ANDREW CORP.	900,600
60,650	APACHE CORP	962,819
1,900	APL CORP	1,188
15,570	APPLE COMPUTER	747,360
48,925	ARBOR DRUGS	917,344
141,124	ARCHER DANIELS MIDLAND CO.	3,334,055
136,800	ARCHIVE CORP	991,800
135,400	ARCO CHEM CO	6,042,225
105,100	ARCTIC ALASKA FISHERIES CORP	1,208,650
42,500	ARGONAUT GROUP INC	1,126,250
26,000	ARKANSAS FREIGHTWAYS CORP	539,500
133,208	ARKLA INCORPORATED	1,215,523
116,194	ARMCO INC	813,358
58,700	ARMSTRONG IND. INC.	1,753,663
9,000	ARROW ELECTRS INC	169,875
27,500	ARTISOFT INC	577,500
5,100	ARVIN INDS INC	128,775
40,200	ASARCO INC.	1,216,050
40,100	ASHLAND OIL INC	1,067,663
33,300	ASPEN LEAF INC	4,163
11,800	ASSOCIATED BANC CORP	377,600
9,500	ATLANTA SOSNOFF CAP CORP	40,375
24,100	ATLANTA GAS LT CO	867,600
80,400	ATLANTIC ENERGY INC	1,819,050
74,650	ATLANTIC RICHFIELD	8,043,538
19,350	ATLANTIC SOUTHEAST	561,150
56,800	ATWOOD OCEANICS INC	646,100
18,700	AUTODESK INC	717,613
57,400	AUTOMATIC DATA PROCESSING IN	2,453,850
56,100	AUTOZONE INC	1,570,800
600	AVEMCO CORP	15,375
93,000	AVERY DENNISON CORP	2,487,750
34,200	AVNET INC	944,775
29,675	AVON PRODS INC	1,520,844
44,850	AYDIN CORP.	706,388
178,400	AZTAR CORP	892,000
36,700	B B & T FINANCIAL CORP	1,036,775
365,900	B C E INC	13,584,038
40,800	B J SERVICES INC	571,200
0	B-E HLDGS INC PFD	2
70,150	BAIRNCO CORP	499,819

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
119,420	BAKER HUGHES INC	\$ 2,418,255
12,800	BALL CORP	449,600
24,000	BALLARD MED PRODS	564,000
9,000	BALTIMORE BANCORP	70,875
113,700	BALTIMORE GAS & ELEC CO	2,529,825
166,449	BANC ONE CORP	7,594,236
9,000	BANCORP HAWAII INC	423,000
13,400	BANDAG INC	938,000
13,400	BANDAG INC CL A	864,300
81,100	BANK BOSTON CORP	1,997,088
54,105	BANK OF NY CO. INC.	2,184,489
99,683	BANK SOUTH CORP	1,084,053
219,007	BANKAMERICA CORP.	9,718,436
80,100	BANKERS TRUST NY CORP.	4,705,875
5,900	BANKWORCESTER CORP	73,750
148,600	BANNER AEROSPACE INC	817,300
4,800	BANPONCE CORP	132,000
27,500	BANTA GEORGE & CO.	986,563
46,900	BARD C.R. INC.	1,160,775
106	BARNETT BANKS INC	0
58,400	BARNETT BKS FLA	2,168,100
26,100	BAROID CORP NEW	159,863
205	BASIX CORP WT	2
205	BASIX CORP NEW	60
205	BASIX CORP WT EXCH	2
28,750	BASSETT FURNITURE INDS INC	1,027,813
73,000	BATTLE MTN GOLD CL A	511,000
31,000	BAUSCH & LOMB INC	1,480,250
179,460	BAXTER INTL INC	6,527,858
4,900	BAY VIEW CAP CORP	86,975
43,400	BAYBANKS INC	1,475,600
231,897	BEAR STEARNS COS INC	3,826,301
56,975	BEAUTICONTROL COSMETICS INC	797,650
53,475	BECKMAN INSTRS INC NEW	995,972
25,100	BECTON DICKINSON CO	1,869,950
369,240	BELL ATLANTIC CORP.	16,431,180
429,020	BELL SOUTH CORP	21,182,863
33,000	BELO A H CORP CL A	1,452,000
44,400	BEMIS COMPANY	1,082,250
31,600	BENEFICIAL CORP.	1,844,650
52,196	BERGEN BRUNSWIG CORP.	998,249
28,700	BERKLEY W R CORP	957,863
1,020	BERKSHIRE HATHAWAY INC DEL	9,409,500
63,200	BETHLEHEM STEEL	955,900
17,000	BETZ LABS INC	926,500
106,300	BEVERLY ENTERPRISES INC	837,113
8,500	BHC COMMUNICATIONS	488,750
53,900	BINDLEY WESTN INDS INC	781,550
30,300	BIOMED INC	772,650
65,600	BIOMET INC	1,123,400
54,300	BLACK & DECKER MFG CO	1,214,963
31,550	BLACK HILLS CORP	914,950
23,085	BLOCK DRUG INC CL A	1,073,453
75,880	BLOCK H & R INC.	2,589,405
143,300	BLOCKBUSTER ENTMT	1,880,813
14,300	BLOUNT INC CL A	125,125
2,000	BLOUNT INC CL B CV	17,250
51,200	BMC INDS INC MINN	358,400
33,562	BOATMEN'S BANCSHARES	1,682,295
51,042	BOB EVANS FARMS INC	874,094
4,460	BOBBIE BROOKS INC	5,018
313,305	BOEING COMPANY	12,493,037

NO. OF SHARES	SECURITY	MARKET VALUE
69,000	BOISE CASCADE CORP	\$ 1,259,250
177,500	BORDEN INC.	5,413,750
42,100	BOSTON EDISON CO	1,089,338
51,400	BOWATER INC.	1,066,550
54,200	BOWNE & CO INC	806,225
13,900	BRAND COS INC	225,875
58,900	BRASCAN LTD	817,238
7,800	BRIGGS & STRATTON CORP	350,025
22,587	BRINKER INTL INC	745,371
483,134	BRISTOL MYERS SQUIBB CO	31,826,452
56,200	BROAD INC	871,100
37,800	BROOKLYN UN GAS CO.	1,157,625
193,100	BROWNING FERRIS INDS INC	4,248,200
56,000	BRUNOS INC	756,000
86,700	BRUNSWICK CORP.	1,267,988
53,700	BRUSH WELLMAN INC	886,050
50,300	BUR BROWN	213,775
41,750	BURLINGTON COAT FACTORY WHS	761,938
82,800	BURLINGTON NORTHERN INC.	3,094,650
95,982	BURLINGTON RES INC	3,851,278
32,800	BWIP HLDG INC	779,000
54,150	C B I INDS INC	1,814,025
7,120	C B S INCORPORATED	1,374,160
33,800	C I P S C O INC	959,075
86,400	C M S ENERGY CORP	1,371,600
54,400	C N A FINANCIAL CORP	4,596,800
27,600	C P C INTERNATIONAL INC	1,273,050
14,000	C P I CORP	304,500
10,600	C P T HOLDINGS CORP	1,908
45,483	C R I INDS MTGE ASSN	415,032
114,006	C S X CORPORATION	7,225,130
29,050	C U C INTERNATIONAL	867,869
25,600	CABOT CORP	1,152,000
41,000	CADENCE DESIGN SYS INC	835,375
24,500	CAESAR'S WORLD	704,375
68,100	CALFED INC	263,888
82,400	CALGENE INC	947,600
35,600	CALGON CARBON CORP	689,750
65,400	CALIF MICROWAVE	654,000
71,000	CALIFORNIA ENERGY INC	914,125
34,500	CALMAT CO	853,875
210,300	CAMPBELL SOUP CO	7,597,088
2,000	CANADIAN MARCONI CO	27,000
464,057	CANADIAN PACIFIC LTD	7,018,862
15,400	CANONIE ENVIRON SVCS	92,400
2,185	CAPITAL CITIES/ABC INC.	997,999
37,567	CAPITAL HOLDING CORP.	2,244,628
16,600	CAPSTEAD MTG CO (COMMON)	545,725
30,843	CARDINAL DISTR INC	925,290
14,800	CARLISLE CORP	632,700
92,300	CARNIVAL CRUISE LINES INC	2,607,475
66,100	CAROLINA PWR & LT CO	3,338,050
11,500	CARPENTER TECHNOLOGY CORP	564,938
42,900	CARTER WALLACE INC	1,158,300
151,561	CATELLUS DEV CORP	1,269,323
138,200	CATERPILLAR INC.	7,428,250
5,889	CELLULAR LONG DISTANCE INC	16,195
10,300	CEN. BANKSHRS. SO.	342,475
82,200	CENTEL CORP.	2,363,250
4,100	CENTENNIAL CELLULAR CORP CL	42,025
8,900	CENTERBANK WATERBURY CONN	67,863
179,280	CENTRIOR ENERGY CORP	3,047,760

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
25,694	CENTEX CORP	\$ 1,120,901
63,200	CENTEX TELEMANAGEMENT INC	869,000
42,700	CENTOCOR INC	555,100
68,700	CENTRAL & SO WEST CORP.	1,940,775
31,699	CENTRAL FID BKS INC	1,125,315
17,300	CENTRAL JERSEY BANCORP	302,750
40,000	CENTRAL LA ELEC CO	940,000
45,100	CENTRAL ME PWR CO	1,031,663
1,700	CENTRAL NEWSPAPERS INC.	35,488
11,000	CENTRAL VT PUBLIC SERVICE	343,750
29,100	CENTURY TEL ENTERPRISES INC	843,900
100,900	CEREDIAN CORP	1,399,988
112,700	CHAMBERS DEV INC CL A	788,900
80,465	CHAMPION INTL.	2,212,788
57,200	CHAPARRAL STL CO	622,050
16,650	CHARTER ONE FINANCIAL INC	366,300
162,000	CHASE MANHATTAN CORP.	4,475,250
18,700	CHEMED CORPORATION	507,238
122,863	CHEMICAL BKG CORP	4,561,289
250,100	CHEMICAL WASTE MGMT INC	4,220,438
50,000	CHESAPEAKE CORP VA	1,237,500
333,100	CHEVRON CORP	22,317,700
6,300	CHICAGO MILWAUKEE CORP	907,200
42,500	CHIQUITA BRANDS INTL CORP	706,563
45,710	CHIRON CORP	2,502,623
18,800	CHITTENDEN CORP	291,400
41,676	CHRIS CRAFT INDUSTRIES INC	1,099,205
421,725	CHRYSLER CORP.	8,908,941
15,075	CHUBB CORPORATION	1,070,325
36,350	CHURCH & DWIGHT INC	967,819
61,400	CIGNA CORPORATION	3,423,050
29,500	CILCORP INC	1,106,250
53,200	CINCINNATI BELL INC	917,700
33,300	CINCINNATI FINL CORP	1,456,875
38,000	CINCINNATI GAS & ELEC CO	1,306,250
43,350	CINTAS CORP.	1,148,775
27,500	CIRCUIT CITY STORES INC	849,063
51,900	CIRCUS CIRCUS ENTER.	2,166,825
254,700	CTICORP	5,412,375
36,030	CTIZENS UTILS DEL	1,279,082
24,950	CTIZENS UTILS CO DEL	854,528
67,875	CITY NATL CORP	780,563
82,800	CLAIRE'S STORES INC	569,250
30,900	CLARCOR INC	567,788
29,400	CLAYTON HOMES INC	565,950
26,903	CLEVELAND-CLIFFS INC	918,065
49,600	CLOROX CO.	2,250,600
3,300	CLUB MED INC	82,088
2,000	COAST SAVINGS FINANACIAL	21,000
66,950	COASTAL CORP	1,665,381
51,500	COCA COLA BOTTLING CO CONS	939,875
1,019,300	COCA COLA COMPANY	40,772,000
130,100	COCA COLA ENTERPRISES INC	1,658,775
161,590	COLGATE PALMOLIVE	8,362,283
21,600	COLLECTIVE BANCORP	453,600
30,500	COLORADO NATL BANKSHARES IN	930,250
36,100	COLUMBIA GAS SYSTEM INC	613,700
53,800	COLUMBIA HOSP CORP	887,700
72,900	COMCAST CORP CL A	1,275,750
67,945	COMDISCO INC.	1,095,613
47,400	COMERICA INC	2,808,450
147,713	COMINCO LTD	2,677,298

NO. OF SHARES	SECURITY	MARKET VALUE
51,400	COMMERCE CLEARING HOUSE IN	\$ 822,400
3,000	COMMERCE BANCSHARES INC	109,500
40,854	COMMERCIAL METALS CO	929,429
66,700	COMMODORE INTL LTD	675,338
234,236	COMMONWEALTH EDISON CO.	6,236,534
2,900	COMMONWEALTH ENERGY SYS	115,275
22,300	COMMUNICATIONS SATELLITE CO	939,388
39,780	COMMUNITY PSYCHIATRIC CENTE	457,470
36,300	COMPAQ COMPUTER CORP	902,963
1	COMPREHENSIVE CARE CORP	1
110,000	COMPUTER ASSOC INTL INC	1,265,000
13,000	COMPUTER SCIENCES CORP.	815,750
133,371	CONAGRA INC.	3,484,317
45,100	CONNOR PERIPHERALS INC	834,350
27,600	CONSECO INC	700,350
215,600	CONSOL. EDISON OF N.Y.	6,036,800
52,000	CONSOL. FREIGHTWAYS INC.	669,500
61,400	CONSOL. NAT. GAS	2,601,825
800	CONSOLIDATED NBS INC	432
39,300	CONSOLIDATED PAPERS INC	1,572,000
47,700	CONSOLIDATED RAIL CORP	4,310,888
57,200	CONTEL CELLULAR INC CL A	772,200
9,200	CONTINENTAL BANK CORP	240,350
116,700	CONTINENTAL BK CORP	2,129,775
62,500	CONTINENTAL CORP	1,757,813
53,700	CONVEX COMPUTER CORP	422,888
76,300	COOPER INDS. INC.	3,519,338
34,300	COOPER TIRE & RUBBER	1,642,113
24,400	COPYTELE INC	268,400
51,257	CORESTATES FINL CORP	2,524,407
45,484	CORNING INC	1,711,336
25,350	COSTCO WHSL CORP	722,475
35,806	COUNTRYWIDE CR. IND.	1,244,259
30,200	COUSINS PPTYS INC	347,300
26,622	CRACKER BARREL OLD CTRY STO	825,282
41,000	CRANE CO.	943,000
22,400	CRAY RESEARCH INC	641,200
52,300	CRESTAR FINANCIAL CORP	1,569,000
64,600	CROMPTON & KNOWLES CORP	1,162,800
29,300	CROSS A T CO	699,538
57,600	CROWN CORK & SEAL	1,785,600
37,600	CRYSTAL BRANDS INC	277,300
3,900	CUBIC CORP	72,638
18,500	CULLEN FROST BANKERS INC	499,500
6,600	CUMBERLAND FED BANCORP	206,250
21,200	CUMMINS ENGINE CO.	1,452,200
34,837	CURTICE-BURNS FOODS INC. CL A	444,172
48,938	CYPRUS MINERALS CORP	1,394,733
74,950	D P L INC.	1,939,331
50,700	D Q E INC.	1,514,663
50,500	DANA CORPORATION	2,203,063
30,800	DANEK GROUP INC	862,400
8,100	DANIEL INDS INC	104,288
196,071	DATA SWITCH CORP	281,852
5,000	DAUPHIN DEPOSIT CORP.	220,000
40,400	DAYTON-HUDSON CORP.	2,706,800
39,800	DEAN FOODS CO	1,059,675
112,400	DEERE & COMPANY	4,791,050
53,600	DEKALB ENERGY CL B	643,200
20,100	DEKALB GENETICS CORP	562,800
66,900	DELCHAMPS INC	1,237,650
50,800	DELMARVA PWR & LT CO	1,155,700

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
43,400	DELTA AIR LINES INC.	\$ 2,354,450
79,150	DELUXE CORPORATION	3,363,875
1,964	DENISON MINES LTD B	10,066
3,200	DEPOSIT GTY CORP	138,800
57,900	DESTEC ENERGY INC	781,650
161,775	DETROIT EDISON CO	5,055,469
7,000	DEVCON INTL CORP	115,500
39,800	DEXTER CORP	1,049,725
47,300	DIAGNOSTEK INC	614,900
9,000	DIAGNOSTIC PRODUCTS CORP.	285,750
25,700	DIAL CORP ARIZ	915,563
39,700	DIAMOND SHAMROCK R&M INC	704,675
47,026	DIANA CORP	105,809
16,200	DIEBOLD INC.	862,650
50,700	DIGITAL COMM. ASSOC.	893,588
87,120	DIGITAL EQUIPMENT CORP.	3,016,530
78,108	DILLARD DEPT. STORES	2,880,233
37,160	DIONEX CORP	1,021,900
21,500	DISCOUNT CORP NY	204,250
265,200	DISNEY WALT CORP	9,580,350
43,500	DOLE FOOD	1,261,500
45,400	DOLLAR GEN CORP	908,000
73,300	DOMINION BANKSHARES CORP	1,044,525
148,450	DOMINION RESOURCES	5,678,213
71,705	DOMTAR INC	439,193
26,600	DONALDSON INC	1,150,450
47,000	DONNELLEY RR & SONS	2,543,875
51,700	DOVER CORP.	2,087,388
268,150	DOW CHEMICAL COMPANY	15,452,144
130,400	DOW JONES & CO	4,189,100
17,950	DOWNEY SAVINGS & LN ASSN	275,981
149,750	DRESSER INDUSTRIES	3,126,031
30,300	DREYERS GRAND ICE CREAM INC	571,913
29,500	DREYFUS CORP.	1,113,625
622,650	DU PONT EI DENEMOURS	31,443,825
173,400	DUKE POWER CO. NC	5,938,950
179,426	DUN & BRADSTREET COS INC	10,159,997
23,500	DUNDEE BANCORP WT	235
48,600	DUPLEX PRODS INC	619,650
66,900	DURACELL INTL INC	1,864,838
6,700	DURR FILLAUER MED INC	145,725
40,900	DYNATECH CORP	736,200
54,600	E G & G INC	1,255,800
30,800	E-SYSTEMS	1,016,400
37,500	EASTERN ENTERPRISES	1,031,250
2,800	EASTERN UTILS ASSOC	64,750
302,800	EASTMAN KODAK CO.	12,149,850
23,300	EATON CORP.	1,861,088
76,300	ECHLIN INC.	1,430,625
100,600	ECHO BAY MINES LTD	603,600
42,800	ECOLAB INC	1,396,350
36,800	EDISON BROS STORES INC	1,435,200
37,400	EGGHEAD INC	687,225
124,000	EL PASO ELEC CO	418,500
27,640	ELJER INDS INC	217,665
164,748	EMERSON ELECTRIC	8,031,465
900	EMPIRE DIST ELEC CO	20,700
48,200	ENGLEHARD CORP	1,952,100
58,100	ENNIS BUSINESS FORMS INC	1,002,225
73,800	ENRON CORP.	3,090,375
57,500	ENRON OIL & GAS	1,466,250
48,600	ENSERCH CORP.	729,000
218,800	ENTERGY CORP	6,181,100

NO. OF SHARES	SECURITY	MARKET VALUE
146,480	EQUIFAX INC	\$ 2,398,610
27,600	EQUITABLE RES INC	1,131,600
149,800	ETHYL CORP.	3,969,700
34,500	EVANS & SUTHERLAND COMPUTE	526,125
978,350	EXXON CORPORATION	60,535,406
67,800	F H P INTERNATIONAL CORP	1,186,500
30,200	F M C CORP NEW	1,502,450
88,300	F M C GOLD CO	496,688
163,500	F P L GROUP INC	5,702,063
11,500	FABRI CTRS AMER INC	196,938
91,000	FAIRCHILD CORP	432,250
42,000	FARM & HOME FINANCIAL CORP	766,500
3,200	FARMER BROS CO	371,200
28,700	FEDERAL EXPRESS CORP.	1,295,088
23,000	FEDERAL HOME LN MTG CORP	914,250
22,300	FEDERAL MOGUL CORP	409,763
169,900	FEDERAL NATL MORTGAGE ASSN	10,363,900
27,500	FEDERAL PAPER BRD INC	811,250
21,600	FERRO CORP	996,300
34,800	FIFTH THIRD BANCORP	1,522,500
9,600	FIGGIE INTL HLDGS INC	175,200
37,800	FILENES BASEMENT CORP	567,000
12,200	FINA INC	908,900
44,800	FIRST ALA BANCSHARES INC	1,416,800
42,200	FIRST AM. CORP TENN.	970,600
82,366	FIRST AMER BK CORP	2,738,670
91,100	FIRST BANK SYSTEM	2,391,375
3,100	FIRST BANKERS TR & SVGS ASSN	3,772
19,100	FIRST BRANDS CORP	520,475
34,900	FIRST CAP HLDGS CORP	4,363
51,000	FIRST CHICAGO CORP	1,804,125
35,000	FIRST CITY BANCORP TEXAS	0
60,400	FIRST COLONIAL BKS	921,100
23,400	FIRST COMM CORP	1,111,500
47,400	FIRST EASTN CORP PA	497,700
6,600	FIRST EMPIRE ST CORP	834,900
2,133	FIRST FED CAP CORP	42,127
131,608	FIRST FID BANCORPORATION NEW	4,984,653
36,420	FIRST FINL CORP WIC	619,140
13,088	FIRST FINL MGMT CORP	390,989
38,400	FIRST FLA BKS INC.	1,862,400
34,200	FIRST HAWAIIAN CREDITCORP INC	855,000
102,000	FIRST INTERST. BANCORP	4,194,750
37,460	FIRST MICH BK CORP	824,120
3,600	FIRST PEOPLES FINL CORP	162,000
65,100	FIRST SEC CORP DEL	1,578,675
3,200	FIRST SEC KY CORP	79,200
20,000	FIRST SVC BANK FOR SVGS	1,260
39,000	FIRST TENN NATL CORP	1,423,500
80,180	FIRST UNION CORP	3,036,818
2,900	FIRST VA BKS INC	130,500
22,700	FIRSTAR CORPORATION	1,245,663
4,300	FIRSTCORP INC CL A	538
38,500	FIRSTFED MICHIGAN CORPORATIO	803,688
40,725	FISERV INC	895,950
51,760	FISHER PRICE INC	1,015,790
110,560	FLEET FINANCIAL GRP INC	3,275,340
28,500	FLEETWOOD ENTER. INC.	812,250
29,226	FLEMING COS.	1,004,644
28,250	FLIGHTSAFETY INTL INC	1,239,469
900	FLOATING POINT SYS INC	506
52,000	FLORIDA PROGRESS CORP	2,372,500
11,700	FLORIDA ROCK INDS.	302,738

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
54,250	FLOWERS INDUSTRIES	\$ 956,156
34,430	FLUOR CORP	1,377,200
346,050	FOOD LION CORP	4,066,088
61,200	FOOD LION INC CL A	703,800
32,900	FOOTE CONE & BELDING COMM	880,075
470,550	FORD MOTOR CO.	21,586,481
7,200	FORD MTR CO CDA LTD	738,000
46,000	FOREST LABS	1,472,000
1,200	FORT WAYNE NATL CORP	40,800
30,150	FORTUNE BANCORP INC	512,550
44,900	FOSTER WHEELER CORP	1,139,338
3,600	FOURTH FINANCIAL CORP	89,100
87,600	FRANKLIN RES INC	2,168,100
57,600	FREEMONT-MCMORAN COPPER INC	1,339,200
122,000	FREEMONT-MCMORAN INC	2,409,500
44,500	FREMONT GEN CORP	934,500
28,800	FRUIT OF THE LOOM INC	950,400
22,050	FULLER, H.B. CO	1,074,938
17,400	FUND AMERICAN COS	1,204,950
12,550	G F C FINL CORP	260,413
788,322	G T E CORP.	25,127,764
120,580	GANNETT INC.	5,350,738
36,500	GAP INC	1,259,250
36,100	GATX	947,625
33,500	GEICO CORP.	1,968,125
106,400	GENCORP	1,476,300
78,200	GENENTECH INC	2,482,850
88,200	GENERAL CINEMA CORP	2,105,775
33,600	GENERAL DYNAMICS	2,398,200
650,655	GENERAL ELECTRIC CO.	50,588,426
300	GENERAL HOMES	131
77,925	GENERAL MILLS INC.	5,230,716
77,740	GENERAL MOTORS (H)	2,011,523
30,940	GENERAL MOTORS CORP CL E	866,320
590,000	GENERAL MOTORS CORP.	25,960,000
129,400	GENERAL PUBLIC UTILITIES CORP	3,315,875
26,626	GENERAL RE CORP.	2,256,554
30,240	GENETICS INST INC DEP SH REP	960,120
32,000	GENEVA STL	380,000
41,200	GENLYTE GROUP INC	185,400
27,650	GENSIA PHARMACEUTICALS INC	1,009,225
65,125	GENUINE PARTS CO.	2,084,000
19,800	GENZYME CORP	871,200
74,400	GEORGE A HORMEL & CO	1,488,000
48,600	GEORGIA GULF CORP	1,026,675
117,750	GEORGIA PACIFIC CORP.	7,212,188
13,900	GERBER PRODS CO	924,350
41,500	GIANT FOODS INC	855,938
19,700	GIBSON GREETINGS	485,113
45,400	GIDDINGS & LEWIS INC	1,021,500
239,600	GILLETTE COMPANY	11,410,950
48,500	GITANO GROUP INC	278,875
39,000	GLATFELTER P.H. CO.	970,125
131,200	GLENFED INC	541,200
51,833	GOLDEN ENTERPRISES	505,372
94,200	GOLDEN WEST FIN'L	4,321,425
21,500	GOLDOME BUFFALO N Y	1,344
21,700	GOODRICH (B.F.)	1,028,038
50,700	GOODYEAR TIRE & RUBBER	3,479,288
35,400	GORMAN RUPP CO	1,163,775
36,700	GOULDS PUMPS INC	885,388
104,100	GRACE W R & CO	3,539,400
23,300	GRAINGER W W INC	1,074,713

NO. OF SHARES	SECURITY	MARKET VALUE
19,700	GRAND CASINOS INC	\$ 265,950
29,000	GREAT ATLANTIC & PAC TEA INC	783,000
64,700	GREAT LAKES CHEMICAL CORP	4,011,400
258,125	GREAT WESTERN FINANCIAL	4,355,859
22,500	GREENTREE ACCEPT. INC.	742,500
87,200	GREENWICH PHARMACEUTICALS I	675,800
34,534	GROW GROUP INC	431,675
49,800	GRUMMAN CORP.	1,126,725
100,800	GULF BROADCASTING CO LIQ TRU	0
114,199	GULF CDA RES. LTD.	570,995
115,900	GULF STS UTILS CO	1,767,475
29,525	GUNDLE ENVIRONMENTAL SYS IN	295,250
6,800	HAEMONITICS CORP	217,600
86,210	HALLIBURTON INC.	2,295,341
25,000	HANDLEMAN CO.	331,250
51,200	HANDY & HARMAN	633,600
3,750	HANDYMAN CORP	0
54,000	HANNAFORD BROS CO	972,000
23,100	HANOVER INS. CO	802,725
396,336	HANSON PLC CL B	173,397
44,138	HARLAND JOHN H CO	910,346
60,000	HARNISCHFEGER INDS INC	1,185,000
31,500	HARRIS CORP.	866,250
53,800	HARSCO CORP	1,970,425
14,000	HARTFORD STEAM BOILER INSP	771,750
51,800	HASBRO INC.	1,463,350
30,200	HAWAIIAN ELEC INDS INC	1,200,450
10,400	HEALTH CARE & RETIREMENT CO	197,600
39,000	HEALTH CARE PPTY INVS INC	926,250
38,037	HEALTHCARE COMPARE CORP	1,207,675
40,000	HEALTHTRUST INC THE HOSP CO	570,000
74,841	HECHINGER CO CL B CV	673,569
30,200	HEEKIN CAN INC	596,450
35,400	HEICO CORPORATION	469,050
135,700	HEINZ H.J. & CO.	5,207,488
5,000	HELENE CURTIS INDS INC	165,000
30,320	HELMERICH & PAYNE INC	701,150
40,100	HENLEY GROUP INC (NEW)	1,002,500
69,700	HERCULES INC.	3,676,675
2,100	HERITAGE BANCORP INC	39,900
54,700	HERSHEY FOODS CORP	2,297,400
192,250	HEWLETT PACKARD CO.	13,241,219
193,950	HIBERNIA CORP	1,066,725
36,500	HILLENBRAND INDS INC	1,350,500
25,500	HILTON HOTELS CORP	1,169,813
34,134	HOLLY CORP	853,350
1	HOLLY CORP (NEW)	13
88,837	HOME DEPOT INC.	5,974,288
33,000	HOME OIL LTD NEW	441,375
24,800	HOMEFED CORPORATION	18,600
57,700	HOMESTAKE MNG CO	757,313
52,700	HONEYWELL INC.	3,689,000
44,357	HOUSE OF FABRICS INC.	648,721
57,100	HOUSEHOLD INTL.	2,869,275
131,800	HOUSTON INDUSTRIES INC.	5,782,725
27,538	HUBBELL INC.	1,373,458
39,700	HUDSON FOODS INC	292,788
46,950	HUFFY CORP	674,906
98,235	HUMANA INC.	2,075,214
29,400	HUNT J.B.	602,700
62,417	HUNTINGTON BANCSHARES INC	1,591,634
78,900	I B P INC	1,479,375
162,700	I C H	508,438

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
32,433	IN B FINANCIAL CORP	\$ 1,439,214
112,550	ITT CORP	7,287,613
61,100	ICOS CORP	450,613
23,000	IDAHO PWR CO	583,625
28,800	IES INDS INC	792,000
30,000	ILLINOIS CENT CORP	626,250
74,600	ILLINOIS POWER CO.	1,697,150
28,700	ILLINOIS TOOL WORKS INC	1,747,113
22,500	IMC FERTILIZER GROUP INC	964,688
42,800	IMCERA GROUP INC	1,364,250
28,700	IMMUNE RESPONSE CORP	710,325
9,048	IMPERIAL CHEM INDS PLC	829,068
66,725	IMPERIAL HOLLY CORP	742,316
166,025	IMPERIAL OIL LTD	6,080,666
700	IMREG INC CL A	1,400
68,300	INCO INC.	2,091,688
41,300	INFORMATION RES INC	960,225
106,100	INGERSOLL RAND	2,917,750
46,700	INLAND STEEL IND. INC.	1,214,200
19,400	INTEGRA FINL CORP	727,500
74,600	INTEL CORP.	4,252,200
10,300	INTER-CITY PRODS CORP	70,813
53,900	INTERGRAPH CORP.	707,438
483,238	INTERNATIONAL BUSINESS MACH	47,296,919
65,800	INTERNATIONAL CORONA CORP	291,988
34,100	INTERNATIONAL FLAVORS & FRAG	3,303,438
34,200	INTERNATIONAL GAME TECHNOL	906,300
31,600	INTERNATIONAL MULTIFOODS	790,000
109,800	INTERNATIONAL PAPER CO	7,672,275
84,300	INTERNATIONAL SPECIALTY PROD	979,988
33,000	INTERPROVINCIAL PIPE LINE INC	676,500
93,000	INTERPUBLIC GROUP	2,627,250
50,000	INTERSTATE BAKERIES CORP DEL	875,000
25,000	INTERSTATE PWR CO	793,750
42,370	INTERTAN INC	635,550
56	INTL CAP EQUIPMENT NEW	530
4,000	IONICS INC	210,000
45,700	IOWA ILL GAS & ELEC CO	1,125,363
188	IOWA ILL GAS & ELECT PFD 7.50	17,743
27,500	IPALCO ENTERPRISES	962,500
62,917	ITEL CORP NEW	1,038,131
24,500	IVAX CORP	609,438
30,500	JACOBS ENGR GROUP INC	712,938
87,186	JAMES RIV CORP VA	1,787,313
39,225	JEFFERSON PILOT CORP.	1,642,547
58,500	JEFFRIES GROUP	950,625
638,160	JOHNSON & JOHNSON	28,557,660
37,380	JOHNSON CONTROLS	1,467,165
39,700	JONES APPAREL GROUP	1,057,013
40,900	JOSTENS INC	1,012,275
12,900	JSB FINANCIAL INC	216,075
8,800	JUNO LIGHTING INC.	118,800
5,200	JUSTIN INDS INC	128,700
32,800	JWP INC	401,800
95,600	K L A INSTRS CORP	836,500
89,100	K L M ROYAL DUTCH AIR	1,848,825
351,400	K MART CORPORATION	8,082,200
21,500	K N ENERGY INC.	521,375
20,900	K V PHARMACEUTICAL INC	240,350
20,900	K V PHARM CO CL A	235,125
8,000	KAISER STL CORP	0
104,700	KANEB SERVICES	458,063
58,400	KANSAS CITY PWR & LT CO	1,284,800

NO. OF SHARES	SECURITY	MARKET VALUE
6,000	KANSAS CITY SO. IND.	\$ 210,000
61,600	KATY INDS INC	1,224,300
52,925	KAUFMAN & BROAD HOME CORP	754,181
58,400	KAYDON CORP	1,270,200
233,600	KELLOGG CO	15,505,200
32,850	KELLWOOD CO.	903,375
4,800	KELLY SVCS INC	145,200
51,835	KEMPER CORP.	1,256,999
26,000	KENNAMETAL INC	890,500
33,800	KERR MCGEE CORP.	1,352,000
4,900	KEY CENTURION BACSHARES INC	98,000
52,200	KEYCORP	1,689,975
40,827	KEYSTONE INTL INC	1,092,122
191,700	KIMBERLY CLARK CORP	11,214,450
34,250	KING WORLD PRODTNS INC	792,031
31,700	KNIGHT RIDDER INC.	1,850,488
95,600	KROGER COMPANY	1,422,050
48,300	KU ENERGY CORP	1,279,950
6,750	L G & E ENERGY CORP	210,094
98,000	LAC MINERALS LTD NEW	673,750
112,700	LAFARGE CORP.	1,591,888
392,800	LAIDLAW INC CL B	4,075,300
24,200	LAM RESEARCH CORP	287,375
45,266	LANCE INC.	1,063,751
17,500	LANDMARK SVGS ASSN PITTSBURG	201,250
14,100	LANNET DATA COMMUNICATIONS	371,888
28,000	LAWSON PRODS INC	728,000
7,400	LAWTER INTL INC	94,350
10,500	LDDS COMMUNICATIONS INC	304,500
8,300	LEGG MASON INC	160,813
46,600	LEGGETT & PLATT INC	1,118,400
69,600	LENNAR CORP.	1,661,700
4,000	LIBERTY MEDIA CORP CL A NEW	185,000
400	LIBERTY MEDIA CORP CL E PFD 6%	21,200
6,300	LIBERTY NATL BANCORP INC KY	184,275
44,000	LIEBERMAN ENTERPRISES CERT	0
292,700	LILLY ELI & CO	19,062,088
105,925	LIMITED INC.	2,409,794
12,588	LIN BROADCAST. CORP.	805,632
40,600	LINCOLN NATL CORP IND	2,496,900
21,600	LINCOLN TELECOMMUNICATIONS	513,000
43,200	LIPOSOME TECHNOLOGY INC	442,800
19,400	LITTON INDS INC.	906,950
88,000	LIVE ENTERTAINMENT	143,000
33,280	LIZ CLAIBORNE INC.	1,173,120
58,950	LOCKHEED AIRCRAFT CORP	2,601,169
50,300	LOCTITE CORP	2,137,750
52,000	LOEWEN GROUP INC	702,000
50,150	LOEWS CORP	5,591,725
254,551	LONE STAR TECH	795,472
26,330	LONG DRUG STORES INC	878,764
130,400	LONG ISLAND LTG CO	3,064,400
62,500	LONGVIEW FIBRE CO	1,031,250
27,800	LOTUS	517,775
19,600	LOUISIANA LD & EXPL CO	666,400
69,600	LOUISIANA PAC. CORP.	3,219,000
66,200	LOWES COMPANY	1,299,175
53,200	LSI LOGIC CORP.	359,100
26,100	LUBRIZOL CORP	1,804,163
68,050	LUBYS CAFETERIAS INC	1,148,344
20,950	LUKENS STL CO	1,149,631
53,700	LYONDELL PETROCHEMICAL CO	1,154,550
32,900	M B I A INC	1,780,713

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
30,500	M C I COMMUNICATIONS	\$ 979,813
39,074	M C N CORP	971,966
36,900	M D U RESOURCES GROUP	885,600
129,300	M E I DIVERSIFIED	662,663
186,158	M N C FINANCIAL INC	2,001,199
59,700	M.A. HANNA CO	1,492,500
237,900	MACMILLAN BLOEDEL LTD	3,568,500
81,500	MACNEIL SCHWENDLER CORP.	896,500
10,700	MADISON GAS & ELEC CO	315,650
13,100	MAGMA PWR CO NEW	320,950
11,800	MAGNA GRP INC	160,775
67,700	MAGNA INTL INC	1,777,125
60,900	MAGNETEK INC	890,663
36,100	MANITOWOC INC	803,225
61,050	MANOR CARE INC	1,121,794
69,700	MANPOWER INC WIS	958,375
9,400	MANVILLE CORP	88,125
36,900	MAPCO INC	1,997,213
15,900	MARCUS CORP	294,150
7,500	MARIFARMS INC	16,875
206,378	MARION MERREL DOW	6,758,880
46,463	MARK IV INDS INC	621,436
86,700	MARRIOTT CORP.	1,398,038
71,500	MARSH & MCCLENNAN	5,541,250
27,404	MARSHALL & ILSLEY CORP	1,575,730
36,900	MARSHALL INDUSTRIES	1,102,388
38,200	MARTIN MARIETTA	2,000,725
18,000	MARVEL ENTMT GROUP INC	519,750
212,180	MASCO CORP	5,516,680
20,100	MASCO INDS	251,250
42,900	MATRIX SVC CO	847,275
83,550	MATTEL INC	2,109,638
10,000	MAXIM INTEGRATED PRODS	210,000
101,900	MAXUS ENERGY CORP	611,400
21,100	MAXXAM INC	677,838
16,052	MAY DEPT. STORES CO.	888,880
79,218	MAYTAG CO.	1,307,097
33,700	MBNA CORP	1,339,575
138,290	MCCAW CELLULAR COMMUNICAT	3,405,391
51,300	MCCLEATCHY NEWSPAPERS INC	1,154,250
48,880	MCCORMICK & CO INC	1,087,580
48,800	MCDERMOTT INTL INC	976,000
5,600	MCDONALD & CO INVT'S INC	58,800
214,556	MCDONALDS CORP.	9,869,576
28,300	MCDONNELL DOUGLAS CORP.	1,103,700
49,800	MCGRW HILL INC.	2,882,175
38,500	MCKESSON CORP	1,222,375
53,800	MEAD CORP.	1,896,450
35,000	MEASUREX CORP	665,000
53,787	MEDCO CONTAINMENT SVCS INC	1,613,610
19,100	MEDIA GEN INC	343,800
13,100	MEDICAL CARE INT'L INC	677,925
26,200	MEDIMMUNE INC	497,800
38,500	MEDTRONIC INC.	3,147,375
68,089	MEDUSA CORP	1,217,091
54,700	MELLON BANK CORP	2,249,538
36,200	MELRIDGE INC.	13,575
79,050	MELVILLE CORPORATION	3,596,775
25,500	MERCANTILE STORES INC	863,813
26,500	MERCANTILE BANCORPORATION I	1,159,375
30,200	MERCANTILE BANKSHARES CORP	913,550
857,415	MERCK & COMPANY INC.	41,798,981
87,000	MERCURY FIN CORP	1,076,625

NO. OF SHARES	SECURITY	MARKET VALUE
25,500	MERCURY GEN CORP NEW	\$ 1,045,500
22,100	MEREDITH CORP	604,988
58,000	MERIDIAN BANCORP INC	1,595,000
74,600	MERRILL CORP	690,050
121,900	MERRILL LYNCH & CO. INC.	6,155,950
35,500	MEYER FRED INC DEL	874,188
19,300	MGIC INV CORP WIS	658,613
61,850	MICHAELS FOODS	780,856
22,100	MICHIGAN NATL CORP	1,022,125
93,225	MICROSOFT CORP	6,525,750
38,700	MID-AMERICAN WASTE SYS INC	619,200
130,900	MIDLANTIC CORP	1,914,413
50,808	MIDWEST RESOURCES	1,028,862
42,600	MILLER HERMAN INC.	756,150
30,400	MILLIPORE CORP.	1,007,000
7,125	MINE SAFETY APPLIANCES CO	308,156
21,700	MINNESOTA PWR & LT CO	686,263
223,600	MINNESOTA MNG & MFG CO	21,689,200
29,900	MITCHELL ENERGY & DEV CL A	437,288
29,900	MITCHELL ENERGY & DEV CL B	411,125
335,200	MOBIL CORPORATION	20,614,800
11,900	MOLECULAR BIOSYSTEMS INC	260,313
64,275	MOLEX INC	2,008,594
25,775	MOLEX INC CL A	747,475
15,000	MONARCH CAPITAL CORP.	7,031
158,600	MONSANTO CO.	8,742,825
50,000	MONTANA PWR CO	1,312,500
177,200	MOORE CORP LTD	3,056,700
184,200	MORGAN J P & COMPANY INC.	10,338,225
103,000	MORGAN STANLEY GROUP INC	5,162,875
40,600	MORRISON KNUDSEN CORP	832,300
35,100	MORTON INTERNATIONAL	1,908,563
72,200	MOTOROLA INC.	5,532,325
5,000	MULTIBANK FINL CORP	75,000
14,000	MULTIMEDIA INC. NEW	385,000
41,285	MURPHY OIL	1,408,851
2,800	MUTUAL RISK MGT	84,350
31,450	MYLAN LABS INC	1,242,275
50,400	N B B BANCORP INC	938,700
145,127	N B D BANCORP	4,154,260
59,700	N I P S C O INDUSTRIES	1,499,963
104,370	N L INDS INC.	874,099
14,400	N S BANCORP INC	318,600
0	N V RYAN LP	0
26,365	N W N L COMPANIES	968,914
120,000	NABORS INDS	855,000
28,500	NAC RE CORP	737,438
18,800	NACCO INDS INC CL A	794,300
86,500	NALCO CHEMICAL CO.	3,103,188
43,300	NASH FINCH CO	757,750
24,700	NASHUA CORP	611,325
1	NATIONAL BANKSHARES CORP.	0
6,161	NATIONAL BUSINESS SYS WTS	0
79,438	NATIONAL CITY CORP	3,614,429
51,800	NATIONAL DATA CORP	505,050
85,900	NATIONAL EDUCATION CORP	773,100
15,000	NATIONAL FUEL GAS CO N J	382,500
47,100	NATIONAL SVC INDS INC	1,130,400
152,883	NATIONSBANK CORP	7,281,053
72,500	NATL HEALTH LABS	1,495,313
14,900	NATL PRESTO	830,675
177,250	NATL. MEDICAL ENTER. INC.	2,547,969
91,700	NATL. SEMICONDUCTOR	905,538

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
252,800	NAVISTAR INTL CORP.	\$ 663,600
7,800	NCH CORP	491,400
75,600	NERCO INC	907,200
28,100	NEUTROGENA CORP	505,800
40,700	NEVADA PWR CO	773,300
52,900	NEW ENGLAND BUS SVC INC	846,400
47,038	NEW ENGLAND ELEC SYS	1,540,495
14,000	NEW JERSEY RES CORP	281,750
47,100	NEW YORK BANCORP INC	918,450
57,000	NEW YORK ST ELEC & GAS CORP	1,674,375
54,900	NEW YORK TIMES CO	1,537,200
53,900	NEWBRIDGE NETWORKS CORP	869,138
43,100	NEWELL COS.	1,540,825
58,700	NEWMONT GOLD CO	2,700,200
26,200	NEWMONT MINING	1,270,700
97,800	NIAGARA MOHAWK PWR CORP	1,858,200
26,700	NICOR INC	1,198,163
33,700	NIKE INC.	2,093,613
53,800	NOBLE AFFILIATES INC	800,275
3,000	NORDSON CORP	146,250
28,500	NORDSTROM INC	805,125
165,500	NORFOLK SOUTHERN CORP	10,529,938
21,200	NORTH SIDE SVGS BK BRONX N Y	222,600
6,100	NORTHEAST BANCORP	74,725
94,600	NORTHEAST UTILITIES	2,258,575
50,288	NORTHERN STATES PWR MINN	2,086,952
200,400	NORTHERN TELECOM LTD.	7,364,700
24,100	NORTHERN TRUST CORP	1,421,900
62,200	NORTHROP CORP	1,632,750
35,300	NORTHWESTERN PUB SVC CO	882,500
129,640	NORWEST CORP.	4,926,320
42,700	NOVA PHARMACEUTICAL CORP	160,125
557,680	NOVA-AN ALBERTA CORP	3,973,470
37,900	NOVACARE INC	630,088
15,800	NOVELL INC	841,350
68,600	NOVELLUS SYS INC	634,550
31,800	NUCOR CORP	1,645,650
181,820	NYNEX	14,341,053
67,493	OAKWOOD HOMES CORP	759,291
216,686	OCCIDENTAL PETE CORP	4,252,463
5,889	OCOM CORP	23,556
34,500	OEA INC	815,063
46,100	OGDEN CORP.	904,713
39,112	OGDEN PROJS INC	704,016
17,400	OHIO CAS CORP	965,700
132,800	OHIO EDISON CO	2,772,200
31,400	OKLAHOMA GAS & ELEC CO	1,044,050
38,350	OLD KENT FINL CORP	1,572,350
65,086	OLD REP INTL CORP	1,448,163
102,200	OLD STONE CORP	370,475
19,200	OLIN CORP	883,200
7,400	OLSTEN CORP	189,625
64,400	OMI CORP.	313,950
32,456	OMNICOM GROUP INC.	1,135,960
46,204	ONEITA INDS INC	675,734
64,100	ONEOK INC	1,089,700
44,900	ORACLE SYS CORP	684,725
2,200	ORANGE & ROCKLAND UTILS INC	82,775
17,660	OREGON STEEL MILLS	373,068
55,445	ORYX ENERGY COMPANY	970,288
33,600	OTTER TAIL POWER CO	1,159,200
49,580	OVERSEAS SHIPHOLDING GROUP IN	768,490

NO. OF SHARES	SECURITY	MARKET VALUE
50,400	OWENS CORNING FIBERGLAS (NEW	\$ 1,524,600
47,900	OXFORD INDS INC	736,463
58,500	P H M CORPORATION	1,009,125
99,993	P N C FINANCIAL	5,399,622
14,700	P P G INDUSTRIES INC	962,850
68,600	P S I RESOURCES INC	1,157,625
23,100	PACCAR INC	1,345,575
53,900	PACIFIC ENTERPRISES	1,024,100
384,200	PACIFIC GAS & ELEC. CO.	12,390,450
39,600	PACIFIC TELECOM INC	940,500
360,836	PACIFIC TELESIS GP.	14,478,545
15,300	PACIFICARE HEALTH SYS INC	451,350
15,300	PACIFICARE HEALTH SYS CL B	374,850
272,744	PACIFICORP	6,068,554
55,362	PAINE WEBBER	1,197,203
78,650	PALL CORP	2,044,900
85,600	PANHANDLE EASTN CORP	1,337,500
26,400	PARAMETRIC TECH	983,400
74,300	PARAMOUNT COMMUNICATION	3,371,363
172,900	PARKER DRILLING CO	821,275
35,100	PARKER HANNIFIN CORP	1,022,288
7,800	PAYCHEX INC	179,400
71,600	PEGASUS GOLD INC	1,011,350
44,800	PENN CENT CORP	901,600
125,500	PENNEY J.C. INC.	8,863,438
138,400	PENNSYLVANIA PWR & LT CO	3,581,100
38,400	PENNZOIL CO.	1,718,400
38,225	PENTAIR INC	1,385,656
15,700	PEOPLES BANCORP	402,313
41,500	PEOPLES ENERGY CORP	1,089,375
52,300	PEOPLES HERITAGE SVGS BK	405,325
48,900	PEOPLES WESTCHESTER SVGS BK	941,325
47,300	PEP BOYS MANNY MOE & JACK	1,076,075
535,886	PEPSICO INCORPORATED	18,689,024
700	PERINI CORP	8,838
71,580	PERKIN ELMER	2,147,400
60,700	PET INC NEW	948,438
23,400	PETRIE STORES CORP.	508,950
14,100	PETROLITE CORP	398,325
378,100	PFIZER INCORPORATED	27,601,300
9,000	PHARMACEUTICAL MARKETING S	166,500
53,800	PHELPS DODGE	2,609,300
35,500	PHH GROUP INC	1,193,688
161,500	PHILADELPHIA ELEC. CO.	4,259,563
596,305	PHILIP MORRIS COS INC	43,828,418
190,100	PHILLIPS PETROLEUM CO.	4,609,925
62,620	PHILLIPS VAN HEUSEN CORP	1,401,123
89,200	PICCADILLY CAFETERIAS INC	925,450
1,500	PIEDMONT NAT GAS INC	51,000
55,700	PIER 1 INC	403,825
55,690	PINELANDS INC	988,498
92,600	PINNACLE WEST CAPITAL CORP	1,678,375
44,054	PIONEER GROUP INC	925,134
20,000	PIONEER HI-BRED INTL.	1,600,000
133,500	PITNEY BOWES INC.	3,854,813
57,800	PITTSTON CO	903,125
180,025	PLACER DOME INC	1,822,753
30,100	PLAINS PETE CO	782,600
35,969	POLAROID CORP.	984,651
15,500	POLICY MGMT. SYS. CORP.	976,500
77,300	POLYGRAM N V	2,251,363
78,900	PONCE FED SVGS & LN ASSN P R	256,425

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
65,100	POPE & TALBOT	\$ 1,009,050
56,800	PORTLAND GENERAL CORP	915,900
35,400	POTLATCH CORP	1,566,450
96,400	POTOMAC ELEC. & PWR.	2,434,100
31,300	PRATT & LAMBERT INC	492,975
32,575	PREMARK INTL INC	1,144,197
52,747	PREMIER INDL CORP	1,707,684
28,200	PRICE CO	930,600
9,700	PRICE T ROWE & ASSOC INC	362,538
67,700	PRIMARK CORP	643,150
103,260	PRIMERICA CORP NEW	3,962,603
535,080	PROCTOR & GAMBLE	24,613,680
45,000	PROTECTIVE LIFE CORP	1,080,000
64,100	PROVIDENCE FUND LIFE & ACC	1,394,175
211,772	PUBLIC SERVICE ENTERPRISE GRO	5,850,202
62,500	PUBLIC SVC CO COLO	1,679,688
81,700	PUBLIC SVC CO N MEX	1,051,888
33,070	PUGET SOUND BANCORP WASH	1,372,405
56,000	PUGET SOUND PWR & LT CO	1,449,000
30,600	PULITZER PUBG CO	879,750
36,500	PURITAN BENNETT CORP	1,204,500
25,800	QUAKER OATS CO	1,464,150
73,800	QUAKER ST CORP	1,005,525
29,700	QUAL MED INC	430,650
16,200	QUALCOMM INC	315,900
22,800	QUALITY FOOD CTRS INC	840,750
63,825	QUANTUM CHEMICAL CORP	1,156,828
52,350	QUANTUM CORP.	706,725
37,400	QUARTERDECK OFFICE SYSTEMS	462,825
127,500	QUEBECOR INC	1,482,188
57,000	QUESTAR CORP	1,296,750
27,700	QUICK & REILLY GROUP INC	581,700
50,000	R L I INC.	218,750
39,300	R P M INC OHIO	928,463
680	RACAL ELECTRS PLC	7,990
16,750	RALSTON PURINA CO.	778,875
109,400	RANGER OIL LTD	806,825
29,200	RAYCHEM CORP	930,750
142,100	RAYTHEON COMPANY	6,252,400
114,400	READERS DIGEST CORP	5,291,000
28,500	REEBOK INTERNATIONAL LTD	687,563
5,900	RELIANCE GROUP HLDGS INC	30,238
59,275	REPUBLIC N Y CORP	2,363,591
22,800	REYNOLDS & REYNOLDS CO	846,450
36,300	REYNOLDS METALS CO	2,100,863
129,388	RHONE POULENC RORER	7,164,861
206,268	RIGGS NATL CORP WASH D C	1,572,794
70,900	RITE AID CORP	1,409,138
27,400	ROADWAY SVCS INC	1,746,750
41,600	ROCHESTER GAS & ELEC CORP	951,600
34,600	ROCHESTER TEL CORP	1,063,950
242,900	ROCKWELL INTL CORP	5,617,063
13,500	ROGERS CANTEL MOBILE CL B	246,375
70,200	ROHM & HAAS CO	3,878,550
33,900	ROHR INDS INC	347,475
77,800	ROLLINS ENVIR. SVS.	962,775
3,400	ROLLINS INC	95,200
60,350	ROLLINS TRUCK LEASING	1,086,300
39,800	ROTHSCHILD L F UNTERBERG	29,850
75,300	ROUSE CO	1,148,325
123,000	ROWAN COMPANIES INC	738,000
15,500	ROYAL APPLIANCE MFG CO	620,000

NO. OF SHARES	SECURITY	MARKET VALUE
71,900	ROYAL INTL OPTICAL CORP	\$ 107,850
20,000	ROYAL PALM SVGS ASSN WEST PA	2,500
47,116	RUBBERMAID INC	1,384,033
39,200	RUSSELL CORP	1,225,000
1,200	RYAN BECK & CO	5,400
52,260	RYDER SYSTEMS INC.	1,345,695
45,125	RYKOFF S E & CO	733,281
195,760	S C E CORP.	8,662,380
119,150	S C I SYSTEMS INC.	848,944
13,900	S P I PHARMACEUTICALS INC	267,575
17,500	S P S TECHNOLOGIES INC	430,938
15,464,666	S.B.I MONEY FUND	15,464,666
44,700	SAFECO CORPORATION	2,313,225
63,537	SAFETY KLEEN CORP	1,763,152
101,000	SAFEWAY INC	1,224,625
95,000	SALOMON INC	3,206,250
94,800	SAN DIEGO GAS & ELEC CO	2,227,800
164,355	SANTA FE ENERGY RES	1,335,384
294,589	SANTA FE SO. PACIFIC CORP.	3,571,892
132,825	SARA LEE	6,840,488
48,000	SAVANNAH FOODS & INDS INC	708,000
32,800	SCANA	1,328,400
239,392	SCHERING PLOUGH CORP	13,136,636
238,420	SCHLUMBERGER LTD	14,990,658
35,950	SCHULMAN A INC	1,015,588
23,250	SCHWAB CHARLES CORP NEW	546,375
2,840	SCHWITZER INC	23,430
50,100	SCIENTIFIC ATLANTA INC	1,189,875
10,000	SCOR U S CORP	168,750
112,640	SCOTSMAN INDS INC	999,680
61,100	SCOTT PAPER CO.	2,337,075
56,300	SCRIPPS E W CO CL A	1,548,250
33,800	SEA CONTAINERS LTD.	722,475
30,800	SEAFIELD CAP CORP	808,500
17,800	SEAGULL ENERGY CORP	427,200
317,350	SEARS ROEBUCK & COMPANY	12,614,663
4,700	SEAWAY FOOD TOWN INC	54,050
50,400	SELECTIVE INSURANCE GROUP INC	1,045,800
30,200	SENSORMATIC ELECTRS CORP	807,850
22,130	SEQUA CORP CLASS A	852,005
41,837	SERVICE CORP. INT'L	1,072,073
140,100	SERVICE MERCHANDISE	1,471,050
47,900	SHARED MED. SYSTEMS CORP.	880,163
35,800	SHAW INDS INC	774,175
124,350	SHAWMUT NATL CORP	2,253,844
118,200	SHERWIN WILLIAMS CO.	3,250,500
42,100	SHONEYS INC	857,788
82,550	SHOREWOOD PACKAGING CORP	681,038
33,700	SIERRA PAC RES	779,313
27,500	SIERRA SEMICONDUCTOR CORP	388,438
43,610	SIGMA ALDRICH	2,185,951
37,900	SIGNET BANKING CORP.	1,497,050
48,900	SILICON GRAPHICS INC	819,075
35,900	SINGER CO N V	879,550
73,200	SMITHFIELD FOODS INC	1,061,400
26,900	SMUCKER J M CO	696,038
29,500	SMUCKER J M CO CL B NON VTG	708,000
30,700	SNAP ON TOOLS CORP	955,538
56,780	SOCIETY CORP	3,307,435
30,500	SONAT INC.	1,143,750
32,600	SONOCO PRODS CO	1,295,850
67,800	SOTHEY'S HOLDINGS	855,975

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
55,206	SOUTHDOWN INC.	\$ 538,259
254,400	SOUTHEAST BKG CORP	5,310,600
289,660	SOUTHERN CO	10,101,893
68,200	SOUTHERN NEW ENGLAND TELECOM	2,207,975
58,599	SOUTHTRUST CORP	1,508,924
24,200	SOUTHWEST AIRLINES	1,037,575
282,940	SOUTHWESTERN BELL CORP.	17,259,340
21,500	SOUTHWESTERN ENERGY CO	647,688
35,300	SOUTHWESTERN PUB SVC CO	1,120,775
16,760	SPACELABS MED INC	439,950
30,900	SPRINGS INDS INC	1,127,850
271,800	SPRINT CORP	5,911,650
20,100	ST JUDE MED INC	758,775
2,100	ST. JOE PAPER CO	78,488
9,400	ST. PAUL BANCORP	175,075
35,425	ST. PAUL COS. INC.	2,838,428
71,900	STANDARD FED BK TROY MICH	1,491,925
26,225	STANDARD PRODS CO	858,869
31,650	STANLEY WKS	1,258,088
37,700	STAR BANC CORP	1,206,400
29,300	STARRETT L S CO	717,850
27,400	STATE STREET BOSTON CORP	979,550
24,600	STEPAN CHEM CO	1,107,000
158,600	STERLING CHEMS INC	654,225
34,800	STEWART & STEVENSON SVCS INC	917,850
15,600	STEWART INFORMATION SVCS CO	218,400
53,300	STOKELY USA INC	333,125
17,200	STONE & WEBSTER INC	481,600
42,100	STONE CONTAINER CORP	1,057,763
18,216	STRAWBRIDGE & CLOTHIER	409,860
25,500	STRIDE RITE CORP	525,938
30,970	STRYKER CORP	1,029,753
38,350	STUDENT LN MARKETING ASSN	2,626,975
47,609	SUMMIT BANCORP.	737,940
75,945	SUN COMPANY INC	1,946,091
41,700	SUN GUARD DATA SYSTEMS	1,063,350
32,200	SUN MICROSYSTEMS INC	841,225
29,400	SUNDSTRAND CORP	1,021,650
1	SUNSHINE MNG CO HLD	0
97,000	SUNTRUST BKS INC	3,928,500
79,900	SUPER FOOD SVCS INC	918,850
7,160	SUPER RITE FOODS HLDGS CORP	102,030
52,800	SUPER VALU STORES INC.	1,267,200
24,450	SURGICAL CARE AFFIL.	739,613
31,000	SYBASE INC	790,500
16,100	SYMS CORP.	132,825
25,800	SYNERGEN INC	1,277,100
239,300	SYNTEX CORPORATION	8,196,025
60,800	SYSCO CORP	1,504,800
59,331	T J X COS INC NEW	1,112,456
42,800	T R W INC	2,300,500
33,300	T.J. INTL. INC.	807,525
38,600	TAMBRANDS INC.	2,460,750
67,700	TANDEM COMPUTERS INC	803,938
14,141	TANDON COMPUTER CPN PUR	0
890	TANDON CORP.	1,113
58,740	TANDY CORP	1,439,130
50,800	TCF FINANCIAL CORP	1,333,500
56,400	TECH SYM CORP	648,600
14,200	TECHNOLOGY SOLUTIONS CO	227,200
39,400	TECO ENERGY INC	1,541,525
8,600	TECUMSEH PRODS CL A	498,800

NO. OF SHARES	SECURITY	MARKET VALUE
8,600	TECUMSEH PRODS CO	\$ 537,500
10,548	TEJAS GAS CORP DEL	321,714
21,900	TEJON RANCH CO	366,825
49,200	TEKTRONIX INC	861,000
129,128	TELE COMMUNICATIONS INC	2,534,137
42,900	TELEDYNE INC.	809,738
36,250	TELEPHONE & DATA SYS INC	1,137,344
69,890	TEMPLE INLAND	3,389,665
113,885	TENNECO INC.	4,213,745
18,056	TENNIS LADY INC	18
46,200	TERADYNE INC.	490,875
164,600	TERRA INDS INC	864,150
83,600	TESORO PETE CORP	418,000
101,748	TEXACO CDA PETE INC	47,822
269,025	TEXACO INC.	16,612,294
200	TEXAS AMERN BANCSHARES INC	38
33,208	TEXAS INDUSTRIES	780,388
113,300	TEXAS INSTRUMENTS	3,979,663
178,600	TEXAS UTILITIES CO.	6,987,725
61,400	TEXTRON INC	2,294,825
40,775	THERMO INST SYS INC	1,055,053
58,100	THIokol CORPORATION	929,600
25,500	THOMAS & BETTS CORP	1,517,250
84,300	THREE COM CORP.	916,763
66,300	TIDEWATER INC.	1,002,788
16,500	TIFFANY & CO NEW	542,438
74,600	TIME WARNER INC	8,280,600
120,300	TIMES MIRROR CO CL A	4,030,050
44,200	TIMKEN CO	1,209,975
26,100	TOKOS MED CORP	756,900
14,020	TOOTSIE ROLL INDS INC	888,518
36,500	TORCHMARK CORP	2,477,438
2,100	TOTAL ASSETS PROTN INC	2,100
110,932	TOYS R US	3,827,154
92,166	TRANSAMERICA CORP	4,089,866
5,000	TRANSATLANTIC HOLDINGS INC	163,750
159,200	TRANSCANADA PIPELINES LTD	2,308,400
83,900	TRANSCO ENERGY CO.	1,174,600
110,300	TRAVELERS CORP.	2,274,938
29,500	TRIBUNE COMPANY	1,209,500
7,800	TRICO PRODS CORP	179,400
9,600	TRINITY INDS INC.	294,000
60,200	TRINOVA CORP	1,369,550
27,821	TRITON ENERGY CORP	768,555
28,100	TUCSON ELECTRIC PWR CO	147,525
78,600	TULTEX CORP	648,450
39,486	TURNER BROADCASTING	804,527
23,400	TURNER BROADCASTING CL B	450,450
40,900	TYCO LABS	1,390,600
40,200	TYCO TOYS INC	703,500
20,900	TYLER CORP DEL	99,275
73,500	TYSON FOODS INC	1,258,688
14,642	U A L CORP	1,698,472
65,900	U G I CORP NEW	1,161,488
84,000	U J B FINANCIAL CORP	1,648,500
1,700	U S TR CORP	83,088
68,604	U S BANCORP	1,655,072
134,500	U S F & G CORP.	1,916,625
123,183	U S G CORP	115,484
10,100	UNIFI INC	385,063
28,000	UNILAB CORP	203,000
3,600	UNION BK SAN FRANCISCO	86,400

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
92,350	UNION CAMP CORP.	\$ 4,294,275
209,291	UNION CARBIDE CORP	5,677,018
15,197	UNION CARBIDE CORP RTS	0
80,600	UNION ELEC CO	2,891,525
132,500	UNION PACIFIC CORP.	6,641,563
10,200	UNION PLANTERS CORP	187,425
58,200	UNION TEX PETE HLDGS INC	923,925
90,500	UNISYS CORP.	814,500
47,700	UNITED ASSET MGMT CORP	1,198,463
12,600	UNITED HEALTHCARE CORP	1,045,800
28,900	UNITED ILLUM CO	1,072,913
41,300	UNITED INDL CORP	449,138
27,584	UNITED INVESTORS MGT CO	565,472
15,730	UNITED MO BANCSHARES	652,795
90,800	UNITED STATES SHOE CORP	1,135,000
17,940	UNITED STATES SURGICAL CORP	1,708,785
158,200	UNITED TECHNOLOGIES CORP.	8,265,950
59,200	UNITRIN INC	2,012,800
28,437	UNIVERSAL FOODS CORP	771,354
71,200	UNIVERSAL HEALTH SVCS INC	801,000
79,846	UNO RESTAURANT CORP	698,653
41,360	UNOCAL CORP.	1,054,680
25,600	UNUM CORP	1,056,000
221,300	UPJOHN COMPANY	7,081,600
21,600	US AIR GROUP	275,400
55,900	US FACS CORP	572,975
21,050	US HEALTHCARE INC.	1,073,550
418,354	US WEST CORP	15,269,921
38,400	USLICO CORP	672,000
23,300	USLIFE CORP.	1,182,475
214,884	USX MARATHON GROUP COM NEW	4,673,727
35,316	USX U S STL	1,006,506
31,685	UTILICORP UTD INC	748,558
49,007	V F CORP	2,156,308
31,200	VALERO ENERGY CORP	729,300
96,800	VALHI INC NEW	568,700
2,500	VALLEY BANCORPORATION	83,750
38,100	VALLEY NATIONAL CORP.	1,966,913
55,600	VALUE CITY DEPT STORES INC	806,200
39,200	VAN DORN CO	661,500
24,300	VARIAN ASSOC. INC.	826,200
34,338	VENTURE STORES INC	892,788
56,376	VERMONT FIN'L SVCS	902,016
33,600	VIACOM INC	1,117,200
1,800	VICTORIA BANKSHARES INC	33,750
22,800	VIDEO LOTTERY TECHNOLOGIES I	621,300
50,300	VIDEOCART INC	320,663
11,000	VIGORA CORP	236,500
386	VODAFONE GROUP PLC ADR	24,801
23,000	VONS COMPANIES INC.	554,875
34,100	VORNADO INC	1,048,575
28,100	VULCAN MATLS CO	1,306,650
38,100	W P L HOLDINGS INC	1,285,875
35,983	WABAN INC	719,660
82,647	WACHOVIA CORP NEW	5,093,121
840,260	WAL-MART STORES INC.	45,163,975
90,000	WALGREEN CO	3,048,750
36,000	WALLACE COMPUTER SER INC	823,500
253,500	WANG LABS CL B	918,938
152,000	WARNER LAMBERT	9,272,000
100,000	WARWICK INS MGRS INC	1,000
35,800	WASHINGTON FED SVGS & LN ASSN	975,550

NO. OF SHARES	SECURITY	MARKET VALUE
26,800	WASHINGTON GAS LT CO	\$ 971,500
71,475	WASHINGTON MUT SVGS BK SEATT	1,867,284
31,700	WASHINGTON NATL CORP	622,113
4,900	WASHINGTON POST B	1,063,300
28,500	WASHINGTON WTR PWR CO	954,750
343,295	WASTE MANAGEMENT	11,543,294
17,400	WATTS INDS INC	848,250
21,824	WAUSAU PAPER MLS CO	894,784
24,400	WD 40 CO	963,800
33,400	WEIS MARKETS INC.	826,650
23,300	WELLFLEET COMMUNICATIONS IN	722,300
40,400	WELLMAN INC	863,550
41,075	WELLS FARGO & CO.	3,065,222
74,500	WENDYS INTL INC	819,500
48,200	WEST INC	1,126,675
28,725	WEST ONE BANCORP	1,184,906
7,200	WESTERN GAS RES INC	138,600
55,300	WESTERN PUBG GROUP INC	857,150
40,000	WESTERN RES INC	1,055,000
300	WESTERN SVGS & LN ASSN PHOENI	141
25,400	WESTERN WASTE INDS	311,150
405,700	WESTINGHOUSE ELEC. CO.	7,150,463
33,300	WESTMORELAND COAL CO	391,275
64,575	WESTVACO CORP	2,478,066
36,000	WETTERAU INC	936,000
3,300	WETTERAU PPTYS INC	56,100
284,450	WEYERHEUSER CO.	9,742,413
46,974	WHEELABRATOR TECHNOLOGY	1,303,529
80,100	WHIRLPOOL CORP.	2,983,725
30,900	WHITEHALL CORP.	347,625
76,072	WHITMAN CORP	1,017,463
40,700	WICOR INC	946,275
78,732	WILLAMETTE INDS INC.	2,972,133
34,600	WILLIAMS COMPANIES INC	1,003,400
41,220	WILLIS CORROON PLC	824,400
39,000	WILMINGTON TR CORP	1,014,000
65,100	WINN DIXIE STORES INC	2,913,225
51,900	WISCONSIN ENERGY CORP	2,069,513
4,400	WISCONSIN PUB SVC CORP	129,250
18,200	WISER OIL CO DEL	288,925
23,250	WITCO CORP.	993,938
41,700	WMS INDS INC	677,625
156,800	WOOLWORTH CORP	4,253,200
57,850	WORTHINGTON INDS INC	1,330,550
27,800	WRIGLEY WM JR CO	2,098,900
150,800	WYMAN-GORDON CO.	584,350
51,800	WYNNS INTL INC	1,107,225
76,650	XEROX CORP	5,346,338
12,200	XTRA CORP.	420,900
31,900	YELLOW FREIGHT SYSTEM	869,275
14,800	YORK INTL CORP NEW	490,250
21,300	ZIONS BANCORP	1,208,775
27,000	ZURN INDS INC	756,000
TOTAL EQUITY PORTFOLIO		\$ 3,023,831,497

**MINNESOTA STATE BOARD OF INVESTMENT
TILTED PASSIVE EQUITY ACCOUNT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 400	BORG WARNER CORP JR	07/15/07	00.0000%	\$ 416
200	C B S INC	08/01/95	10.8750%	201
2,269	CHEROKEE INC	04/15/01	15.7500%	1,475
221,375	D R HOLDINGS INC.	01/30/02	15.5000%	128,398
311	G-I HLDGS INC	03/15/05	12.8750%	321
50	RJR HLDGS CORP CV	05/01/09	00.0000%	91
435,000	CUC INTL INC ZERO CV	06/06/96	00.0000%	609,000
5,567	DYNCORP	06/30/03	16.0000%	5,762
600	SHONEYS INC	07/01/00	12.0000%	636
2,508,000	TIME WARNER INC	08/15/02	00.0000%	1,949,970
27,093	MHS HOLDINGS CORP	09/22/04	16.8750%	15,997
100	MARY KAY CORP	11/30/00	15.0000%	101
100	INTERCO INC	12/15/00	13.7500%	23
27	INTERCO INC	12/15/03	00.0000%	2
103	INTERCO INC	12/15/03	14.5000%	3
\$ 3,201,194 TOTAL FIXED INCOME PORTFOLIO				\$ 2,712,395

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 478,000	TIME WARNER INC	08/15/02	00.0000%	\$ 371,645

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
1,900	20TH CENTY INDS CAL	\$ 42,275
5,700	A M P INC	307,088
4,200	A M R CORP	271,425
3,500	A O N CORP	160,563
800	AAR CORP	10,600
48,600	ABBOTT LABS	1,445,850
3,300	ACUSON	66,825
5,700	ADAPTEC INC	130,388
2,200	ADOBE SYS INC	100,100
7,500	ADVANCED MICRO DEV.	65,625
2,000	ADVANCED TECH LABS INC	50,500
2,300	ADVANTA CORP	37,375
2,300	ADVANTA CORP CL B	33,350
3,700	AES CORP	71,225
5,900	AETNA LIFE & CASUALTY CO.	244,113
3,500	AFFILIATED BANKSHARES COLO IN	112,875
9,200	AFFILIATED PUBLIC'NS NEW A	100,050
4,500	AFLAC INC.	136,125
4,800	AGENCY RENT A CAR	46,800
6,200	AHMANSON H.F. CO.	103,850
6,200	AIR PRODUCTS & CHEM. INC.	263,500
2,700	AIRBORNE FGHT CORP	40,163
2,000	AIRGAS INC	60,000
2,000	ALASKA AIR GROUP	37,000
2,500	ALBERTO CULVER CO	54,375
7,100	ALBERTSONS INC	296,425
12,000	ALCAN ALUMINUM LTD.	256,500
2,300	ALCO STANDARD CORP.	85,963
5,200	ALDUS CORP	61,750
4,100	ALEX BROWN INC	69,188
2,800	ALEXANDER & ALEXANDER	60,200
3,700	ALEXANDER & BALDWIN INC	92,500
500	ALEXANDERS INC	8,875
1,800	ALLEGHENY LUDLUM CORP	64,125
2,700	ALLEGHENY POWER SYS INC	118,800
1,650	ALLEN GROUP INC	32,794
1,200	ALLEN ORGAN CLASS B	34,800
4,300	ALLERGAN INC	94,600
600	ALLIANT TECHSYSTEMS	13,650
7,800	ALLIED-SIGNAL INC.	419,250
4,300	ALLTEL CORP	167,700
6,000	ALLWASTE INC	36,750
4,500	ALUMINUM CO. OF AMERICA	341,438
3,900	ALZA CORPORATION	177,938
4,400	AMAX INC	94,600
3,000	AMBAC INC	106,500
5,700	AMDAHL CORP	100,463
4,300	AMERADA HESS CORP.	194,575
5,700	AMERICAN BANK INSURANCE GRP	99,038
7,100	AMERICAN BARRICK RES CORP	197,025
5,100	AMERICAN CYANAMID	283,688
9,800	AMERICAN ELEC POWER INC	312,375
25,400	AMERICAN EXPRESS COMPANY	590,550
3,200	AMERICAN FRUCTOSE CL A	67,600
5,900	AMERICAN GENERAL CORP	289,100
2,300	AMERICAN GREETINGS	98,613
11,500	AMERICAN INTERNATIONAL GRP.	1,019,188
10,600	AMERICAN MED HLDS	99,375
3,600	AMERICAN STORES NEW	122,400
72,588	AMERICAN TEL & TEL NEW	3,121,284
14,500	AMERITECH CORP NEW	911,688

NO. OF SHARES	SECURITY	MARKET VALUE
7,700	AMETEK INC	\$ 120,313
7,500	AMGEN CORP.	456,563
27,100	AMOCO CORP	1,294,025
4,600	AMSCO INTL INC	101,775
3,000	AMSOUTH BANCORP.	86,250
3,300	AMWEST INS GROUP INC	28,050
23,700	ANACOMP	85,913
2,700	ANADARKO PETE CORP.	63,788
6,500	ANALOG DEVICES INC	62,563
7,500	ANALOGIC CORP	80,625
1,000	ANDREW CORP.	28,500
3,700	APACHE CORP	58,738
6,500	APPLE COMPUTER	312,000
4,500	ARBOR DRUGS	84,375
21,825	ARCHER DANIELS MIDLAND CO.	515,616
20,600	ARCHIVE CORP	149,350
5,200	ARCO CHEM CO	232,050
3,000	ARGONAUT GROUP INC	79,500
9,824	ARKLA INCORPORATED	89,644
3,200	ARMSTRONG IND. INC.	95,600
1,938	ARROW FINANCIAL CORP	13,566
2,700	ARTISOFT INC	56,700
2,200	ASARCO INC.	66,550
3,100	ASHLAND OIL INC	82,538
700	ASSOCIATED BANC CORP	22,400
3,600	AST RESEARCH INC	49,500
3,600	ATLANTIC ENERGY INC	81,450
8,700	ATLANTIC RICHFIELD	937,425
3,800	ATWOOD OCEANICS INC	43,225
1,800	AUGAT INC	19,575
1,600	AUTODESK INC	61,400
7,600	AUTOMATIC DATA PROCESSING IN	324,900
3,800	AUTOZONE INC	106,400
3,708	AVERY DENNISON CORP	99,189
3,800	AVNET INC	104,975
3,800	AVON PRODS INC	194,750
8,600	AYDIN CORP.	135,450
2,500	B B & T FINANCIAL CORP	70,625
16,500	B C E INC	612,563
3,000	B E I ELECTRS INC	26,625
4,300	B J SERVICES INC	60,200
2,000	BAIRNCO CORP	14,250
7,300	BAKER HUGHES INC	147,825
2,800	BALL CORP	98,350
2,000	BALLY MFG CO	10,500
6,300	BALTIMORE GAS & ELEC CO	140,175
10,010	BANC ONE CORP	456,706
2,200	BANCORP HAWAII INC	103,400
800	BANDAG INC	56,000
800	BANDAG INC CL A	51,600
8,400	BANK BOSTON CORP	206,850
4,100	BANK OF NY CO. INC.	165,538
2,600	BANK SOUTH CORP	28,275
17,532	BANKAMERICA CORP.	777,983
4,300	BANKERS TRUST NY CORP.	252,625
3,600	BARD C.R. INC.	89,100
600	BARNES GROUP INC	18,975
42	BARNETT BANKS INC	0
4,200	BARNETT BKS FLA	155,925
1,350	BASSETT FURNITURE INDS INC	48,263
4,900	BATTLE MTN GOLD CL A	34,300

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
3,200	BAUSCH & LOMB INC	\$ 152,800
16,100	BAXTER INTL INC	585,638
5,100	BAYBANKS INC	173,400
6,727	BEAR STEARNS COS INC	110,996
4,500	BEAUTICONTROL COSMETICS INC	63,000
3,900	BECKMAN INSTRS INC NEW	72,638
2,100	BECTON DICKINSON CO	156,450
893	BEEBAS CREATIONS INC	8,260
25,836	BELL ATLANTIC CORP.	1,149,702
26,700	BELL SOUTH CORP	1,318,313
2,100	BELO A H CORP CL A	92,400
1,500	BENEFICIAL CORP.	87,563
4,000	BERGEN BRUNSWIG CORP.	76,500
2,100	BERKLEY W R CORP	70,088
100	BERKSHIRE HATHAWAY INC DEL	922,500
3,900	BETHLEHEM STEEL	58,988
1,900	BETZ LABS INC	103,550
8,100	BEVERLY ENTERPRISES INC	63,788
1,700	BHC COMMUNICATIONS	97,750
4,000	BINDLEY WESTN INDS INC	58,000
600	BINKS MFG CO	13,575
2,300	BIOGEN INC	58,650
5,900	BIOMATRIX INC	45,725
6,200	BIOMET INC	106,175
3,800	BLACK & DECKER MFG CO	85,025
2,250	BLACK HILLS CORP	65,250
2,228	BLOCK DRUG INC CL A	103,602
5,600	BLOCK H & R INC.	191,100
9,600	BLOCKBUSTER ENTMT	126,000
1,000	BLOUNT INC CL A	8,750
1,500	BMC SOFTWARE INC	67,500
2,400	BOATMEN'S BANCSHARES	120,300
5,066	BOB EVANS FARMS INC	86,755
18,500	BOEING COMPANY	737,688
2,000	BOISE CASCADE CORP	36,500
11,100	BORDEN INC.	338,550
1,300	BORLAND INTL INC	53,625
2,400	BOWNE & CO INC	35,700
5,400	BRASCAN LTD	74,925
2,025	BRINKER INTL INC	66,825
29,700	BRISTOL MYERS SQUIBB CO	1,956,488
4,200	BROAD INC	65,100
2,300	BROOKTREE CORP	26,450
8,100	BROWNING FERRIS INDS INC	178,200
5,500	BRUNOS INC	74,250
8,400	BRUNSWICK CORP.	122,850
2,000	BRUSH WELLMAN INC	33,000
3,400	BUR BROWN	14,450
4,700	BURLINGTON COAT FACTORY WHS	85,775
3,900	BURLINGTON NORTHERN INC.	145,763
7,500	BURLINGTON RES INC	300,938
3,000	C B I INDS INC	100,500
772	C B S INCORPORATED	148,996
3,300	C N A FINANCIAL CORP	278,850
10,600	C P C INTERNATIONAL INC	488,925
800	C P I CORP	17,400
5,200	C S X CORPORATION	329,550
3,650	C U C INTERNATIONAL	109,044
1,400	CABLETRON SYSTEMS	68,600
3,100	CADENCE DESIGN SYS INC	63,163
2,500	CAESAR'S WORLD	71,875

NO. OF SHARES	SECURITY	MARKET VALUE
8,500	CAGLES INC	\$ 76,500
4,600	CALFED INC	17,825
4,300	CALGON CARBON CORP	83,313
3,400	CALIF MICROWAVE	34,000
1,600	CALMAT CO	39,600
17,600	CAMPBELL SOUP CO	635,800
1,800	CANADIAN MARCONI CO	24,300
17,000	CANADIAN PACIFIC LTD	257,125
76,200	CANAL CAPITAL CORP	23,813
900	CAPITAL CITIES/ABC INC.	411,075
2,400	CAPITAL HOLDING CORP.	143,400
2,100	CARL KARCHER ENTERPRISES INC.	15,225
1,000	CARLISLE CORP	42,750
2,000	CARMIKE CINEMAS INC	31,750
7,700	CARNIVAL CRUISE LINES INC	217,525
1,600	CAROLINA FREIGHT CORP	21,400
4,200	CAROLINA PWR & LT CO	212,100
3,900	CARTER WALLACE INC	105,300
1,000	CASCADE NAT GAS CORP	22,125
10,675	CATELLUS DEV CORP	89,403
5,300	CATERPILLAR INC.	284,875
516	CELLULAR COMMS PUERTO RICO	7,740
3,100	CELLULAR COMMUNICATIONS CV	103,850
517	CELLULAR LONG DISTANCE INC	1,422
3,300	CENT HUDSON GAS & ELEC CORP	95,288
4,300	CENTEL CORP.	123,625
7,000	CENTERBANK WATERBURY CONN	53,375
7,200	CENTERIOR ENERGY CORP	122,400
1,300	CENTEX CORP	56,713
5,200	CENTEX TELEMAGEMENT INC	71,500
2,000	CENTOCOR INC	26,000
10,000	CENTRAL & SO WEST CORP.	282,500
1,200	CENTRAL JERSEY BANCORP	21,000
2,800	CENTRAL LA ELEC CO	65,800
5,100	CENTRAL ME PWR CO	116,663
2,400	CENTURY TEL ENTERPRISES INC	69,600
3,700	CEREDIAN CORP	51,338
8,400	CHAMBERS DEV INC CL A	58,800
4,900	CHAMPION INTL.	134,750
1,800	CHAPARRAL STL CO	19,575
3,800	CHARMING SHOPPES INC	109,250
7,000	CHASE MANHATTAN CORP.	193,375
11,544	CHEMICAL BKG CORP	428,571
11,000	CHEMICAL WASTE MGMT INC	185,625
2,800	CHESAPEAKE CORP VA	69,300
900	CHESAPEAKE UTILS CORP	11,475
19,200	CHEVRON CORP	1,286,400
600	CHICAGO MILWAUKEE CORP	86,400
2,800	CHIPS & TECHNOLOGIES INC	19,600
2,700	CHIQUITA BRANDS INTL CORP	44,888
2,950	CHIRON CORP	161,513
1,300	CHITTENDEN CORP	20,150
1,976	CHRIS CRAFT INDUSTRIES INC	52,117
16,000	CHRYSLER CORP.	338,000
4,700	CHUBB CORPORATION	333,700
2,900	CHURCH & DWIGHT INC	77,213
4,100	CIGNA CORPORATION	228,575
2,200	CILCORP INC	82,500
4,200	CINCINNATI BELL INC	72,450
2,400	CINCINNATI FINL CORP	105,000
3,000	CINCINNATI GAS & ELEC CO	103,125

MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
3,300	CINTAS CORP.	\$ 87,450
3,300	CIRCUIT CITY STORES INC	101,888
3,000	CIRCUS CIRCUS ENTER.	125,250
5,300	CIRRUS LOGIC INC	98,050
4,400	CISCO SYS INC	206,800
18,600	CTICORP	395,250
3,336	CITIZENS UTILS DEL	118,439
6,100	CITY NATL CORP	70,150
5,700	CLAIRE'S STORES INC	39,188
4,400	CLEARLY CANADIAN INTL BEV	71,500
2,300	CLEVELAND-CLIFFS INC	78,488
2,900	CLOROX CO.	131,588
3,100	COACHMEN INDS INC	19,763
5,300	COASTAL CORP	131,838
93,600	COCA COLA COMPANY	3,744,000
6,300	COCA COLA ENTERPRISES INC	80,325
7,900	COLGATE PALMOLIVE	408,825
4,000	COLORADO NATL BANKSHARES IN	122,000
2,500	COLUMBIA GAS SYSTEM INC	42,500
7,000	COMCAST CORP CL A	122,500
5,600	COMCAST CORP SP CL A	95,900
2,940	COMDISCO INC.	47,408
3,708	COMERICA INC	219,699
4,200	COMINCO LTD	76,125
1,700	COMMERCE CLEARING HOUSE IN	27,200
1,700	COMMERCE CLEARING HOUSE CL	22,950
2,700	COMMERCIAL METALS CO	61,425
11,400	COMMONWEALTH EDISON CO.	303,525
2,500	COMMUNICATIONS SATELLITE CO	105,313
7,700	COMMUNITY PSYCHIATRIC CENTE	88,550
4,600	COMPAQ COMPUTER CORP	114,425
1,300	COMPUSA INC	36,563
9,900	COMPUTER ASSOC INTL INC	113,850
1,900	COMPUTER SCIENCES CORP.	119,225
18,534	CONAGRA INC.	484,201
4,000	CONNOR PERIPHERALS INC	74,000
12,100	CONSOL. EDISON OF N.Y.	338,800
3,600	CONSOL. FREIGHTWAYS INC.	46,350
4,500	CONSOL. NAT. GAS	190,688
2,100	CONSOLIDATED PAPERS INC	84,000
2,200	CONSOLIDATED RAIL CORP	198,825
5,300	CONSOLIDATED STORES CORP	61,613
1,100	CONSUMERS WTR CO	18,975
5,600	CONTEL CELLULAR INC CL A	75,600
3,400	CONTINENTAL BK CORP	62,050
2,900	CONTINENTAL CORP	81,563
4,500	CONTINENTAL MED SYSTEMS	67,500
5,800	COOPER INDS. INC.	267,525
2,500	COOPER TIRE & RUBBER	119,688
2,700	CORESTATES FINL CORP	132,975
10,400	CORNING INC	391,300
6,900	COSTCO WHSL CORP	196,650
3,900	CRACKER BARREL OLD CTRY STO	120,900
3,400	CRANE CO.	78,200
12,600	CRAY COMPUTER CORP	37,800
1,700	CRAY RESEARCH INC	48,663
4,700	CRESTAR FINANCIAL CORP	141,000
2,100	CRITICAL CARE AMER INC	80,850
7,000	CROMPTON & KNOWLES CORP	126,000
2,000	CROSS A T CO	47,750
4,500	CROWN CORK & SEAL	139,500
2,500	CRYSTAL BRANDS INC	18,438

NO. OF SHARES	SECURITY	MARKET VALUE
2,500	CUMMINS ENGINE CO.	\$ 171,250
4,600	CYPRUS MINERALS CORP	131,100
1,200	D & N FINANCIAL CORPORATION	7,500
4,000	D P L INC.	103,500
3,700	D Q E INC.	110,538
6,000	DAMON CORP	144,000
2,900	DANA CORPORATION	126,513
3,000	DANAHER CORP	68,250
13,300	DATA SWITCH CORP	19,119
3,700	DAYTON-HUDSON CORP.	247,900
3,000	DEAN FOODS CO	79,875
4,000	DEERE & COMPANY	170,500
2,600	DEKALB ENERGY CL B	31,200
3,100	DEKALB GENETICS CORP	86,800
3,900	DELL COMPUTER CORP	70,688
3,700	DELMARVA PWR & LT CO	84,175
2,600	DELTA AIR LINES INC.	141,050
4,400	DELTA WOODSIDE INDS	73,700
4,500	DELUXE CORPORATION	191,250
1,700	DESOTO INC	9,988
5,300	DESTEC ENERGY INC	71,550
7,700	DETROIT EDISON CO	240,625
2,600	DEXTER CORP	68,575
3,800	DIAGNOSTEK INC	49,400
2,800	DIAL CORP ARIZ	99,750
2,600	DIAMOND SHAMROCK R&M INC	46,150
3,200	DIANA CORP	7,200
1,200	DIEBOLD INC.	63,900
2,500	DIGITAL COMM. ASSOC.	44,063
6,500	DIGITAL EQUIPMENT CORP.	225,063
6,000	DILLARD DEPT. STORES	221,250
8,000	DIME SVGS BK N Y FSB	50,000
2,700	DIONEX CORP	74,250
1,400	DISCOUNT CORP NY	13,300
28,400	DISNEY WALT CORP	1,025,950
3,200	DOLE FOOD	92,800
5,787	DOLLAR GEN CORP	115,740
4,000	DOMINION BANKSHARES CORP	57,000
8,400	DOMINION RESOURCES	321,300
4,902	DOMTAR INC	30,025
900	DONALDSON INC	38,925
4,200	DONNELLEY RR & SONS	227,325
3,300	DOVER CORP.	133,238
14,800	DOW CHEMICAL COMPANY	852,850
5,300	DOW JONES & CO	170,263
1,200	DOWNEY SAVINGS & LN ASSN	18,450
7,150	DRESSER INDUSTRIES	149,256
2,100	DREYFUS CORP.	79,275
36,700	DU PONT EI DENEMOURS	1,853,350
11,200	DUKE POWER CO. NC	383,600
9,800	DUN & BRADSTREET COS INC	554,925
6,400	DUPLEX PRODS INC	81,600
6,500	DURACELL INTL INC	181,188
2,300	DUTY FREE INTL	52,900
1,200	DYNAMICS CORP AMER	16,500
2,800	DYNATECH CORP	50,400
4,000	E G & G INC	92,000
2,000	E-SYSTEMS	66,000
17,600	EASTMAN KODAK CO.	706,200
2,000	EATON CORP.	159,750
7,900	ECHLIN INC.	148,125
5,400	ECOGEN INC	43,200

MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
3,000	ECOLAB INC	\$ 97,875
4,300	EL PASO ELEC CO	14,513
1,600	ELECTROCOM AUTOMATION INC	33,600
2,400	EMC INS GROUP INC	22,200
11,900	EMERSON ELECTRIC	580,125
3,200	EMPLOYEE BENEFIT PLANS INC	35,200
3,200	ENGLEHARD CORP	129,600
4,800	ENNIS BUSINESS FORMS INC	82,800
5,400	ENRON CORP.	226,125
4,000	ENRON OIL & GAS	102,000
4,700	ENSERCH CORP.	70,500
9,600	ENTERGY CORP	271,200
6,621	EQUIFAX INC	108,419
2,100	EQUITABLE RES INC	86,100
575	ESCO ELECTRS CORP	3,953
2,600	ESTERLINE CORP	21,775
6,400	ETHYL CORP.	169,600
2,300	EVANS & SUTHERLAND COMPUTE	35,075
3,200	EXEL LTD	115,200
68,100	EXXON CORPORATION	4,213,688
7,940	F H P INTERNATIONAL CORP	138,950
2,200	F M C CORP NEW	109,450
12,500	F M C GOLD CO	70,313
9,300	F P L GROUP INC	324,338
3,000	FARM & HOME FINANCIAL CORP	54,750
500	FARMER BROS CO	58,000
2,800	FEDERAL EXPRESS CORP.	126,350
9,900	FEDERAL HOME LN MTG CORP	393,525
6,000	FEDERAL MOGUL CORP	110,250
14,800	FEDERAL NATL MORTGAGE ASSN	902,800
3,700	FEDERAL PAPER BRD INC	109,150
5,250	FEDERAL SIGNAL CORP.	99,094
8,700	FEDERATED DEPT STORES NEW	110,925
3,300	FIFTH THIRD BANCORP	144,375
800	FINA INC	59,600
4,200	FINEVEST FOODS INC	1,838
4,100	FIRST ALA BANCSHARES INC	129,663
5,252	FIRST AMER BK CORP	174,629
4,600	FIRST BANK SYSTEM	120,750
3,500	FIRST BRANDS CORP	95,375
2,400	FIRST CAP HLDGS CORP	300
4,400	FIRST CHICAGO CORP	155,650
1,500	FIRST COLONIAL BKS	22,875
1,800	FIRST COML BANCORP	10,800
2,300	FIRST COML CORP	66,125
2,200	FIRST COMM CORP	104,500
800	FIRST EASTN CORP PA	8,400
3,500	FIRST FID BANCORPORATION NEW	132,563
2,400	FIRST FINL CORP WIC	40,800
3,300	FIRST FINL MGMT CORP	98,588
3,100	FIRST INTERST. BANCORP	127,488
8,268	FIRST MICH BK CORP	181,896
3,000	FIRST MISS CORP	34,125
1,575	FIRST SEC CORP DEL	38,194
3,900	FIRST TENN NATL CORP	142,350
6,600	FIRST UNION CORP	249,975
2,200	FIRSTAR CORPORATION	120,725
2,200	FIRSTFED MICHIGAN CORPORATIO	45,925
4,725	FISERV INC	103,950
2,320	FISHER PRICE INC	45,530
6,400	FLEET FINANCIAL GRP INC	189,600
2,500	FLEMING COS.	85,938

NO. OF SHARES	SECURITY	MARKET VALUE
1,700	FLIGHTSAFETY INTL INC	\$ 74,588
3,000	FLORIDA PROGRESS CORP	136,875
600	FLORIDA ROCK INDS.	15,525
800	FLUKE JOHN MFG.	22,600
4,100	FLUOR CORP	164,000
26,100	FOOD LION CORP	306,675
13,650	FOOD LION INC CL A	156,975
2,300	FOOTE CONE & BELDING COMM	61,525
26,400	FORD MOTOR CO.	1,211,100
500	FORD MTR CO CDA LTD	51,250
3,200	FOREST LABS	102,400
3,914	FOREST OIL CORP	4,893
2,100	FORTUNE BANCORP INC	35,700
3,300	FOSTER WHEELER CORP	83,738
4,800	FRANKLIN RES INC	118,800
5,400	FREEPORT-MCMORAN COPPER INC	125,550
7,000	FREEPORT-MCMORAN INC	138,250
3,700	FREMONT GEN CORP	77,700
432	FRISCHS RESTAURANTS INC	9,936
4,100	FRUIT OF THE LOOM INC	135,300
1,400	FUND AMERICAN COS	96,950
1,300	FUQUA INDS INC	15,113
1,400	G F C FINL CORP	29,050
48,795	G T E CORP.	1,555,341
1,800	G-III APPAREL GRP	9,000
7,600	GANNETT INC.	337,250
7,600	GAP INC	262,200
2,500	GATX	65,625
4,000	GEICO CORP.	235,000
2,900	GENCORP	40,238
6,100	GENENTECH INC	193,675
4,600	GENERAL CINEMA CORP	109,825
2,200	GENERAL DYNAMICS	157,025
47,400	GENERAL ELECTRIC CO.	3,685,350
11,700	GENERAL MILLS INC.	785,363
4,700	GENERAL MOTORS (H)	121,613
10,200	GENERAL MOTORS CORP CL E	285,600
36,600	GENERAL MOTORS CORP.	1,610,400
6,200	GENERAL PUBLIC UTILITIES CORP	158,875
4,800	GENERAL RE CORP.	406,800
1,200	GENETICS INST INC DEP SH REP	38,100
2,000	GENLYTE GROUP INC	9,000
2,400	GENSIA PHARMACEUTICALS INC	87,600
6,300	GENUINE PARTS CO.	201,600
2,100	GENZYME CORP	92,400
4,800	GEORGE A HORMEL & CO	96,000
4,400	GEORGIA GULF CORP	92,950
4,700	GEORGIA PACIFIC CORP.	287,875
2,000	GERBER PRODS CO	133,000
2,100	GERBER SCIENTIFIC	21,263
3,200	GIANT FOODS INC	66,000
11,800	GILLETTE COMPANY	561,975
1,800	GITANO GROUP INC	10,350
2,200	GLATFELTER P.H. CO.	54,725
6,500	GLENFED INC	26,813
11,600	GOLDEN ENTERPRISES	113,100
3,300	GOLDEN WEST FIN'L	151,388
1,300	GOODRICH (B.F.)	61,588
3,900	GOODYEAR TIRE & RUBBER	267,638
3,100	GORMAN RUPP CO	101,913
2,700	GOULDS PUMPS INC	65,138
4,800	GRACE W R & CO	163,200

MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
2,900	GRAINGER W W INC	\$ 133,763
2,000	GREAT ATLANTIC & PAC TEA INC	54,000
3,900	GREAT LAKES CHEMICAL CORP	241,800
6,800	GREAT WESTERN FINANCIAL	114,750
1,200	GREENTREE ACCEPT. INC.	39,600
6,300	GREYHOUND LINES INC	48,038
4,600	GROSSMANS INC	16,675
2,300	GROW GROUP INC	28,750
4,700	GRUBB & ELLIS CO	6,463
12,900	GULF CDA RES. LTD.	64,500
800	GULF U.S.A. CORP	1,600
2,000	GUNDLE ENVIRONMENTAL SYS IN	20,000
17,700	HADSON CORP	4,425
5,600	HALLIBURTON INC.	149,100
1,000	HALLWOOD GROUP INC	3,875
1,200	HANCOCK FABRICS INC	12,600
3,500	HANDY & HARMAN	43,313
4,800	HANNAFORD BROS CO	86,400
2,900	HANOVER INS. CO	100,775
3,100	HARLAND JOHN H CO	63,938
3,300	HARNISCHFEGER INDS INC	65,175
4,100	HARRIS CORP.	112,750
1,300	HARSCO CORP	47,613
1,900	HARTFORD STEAM BOILER INSP	104,738
1,400	HARTMARX CORP	7,875
5,250	HASBRO INC.	148,313
700	HAVERTY FURNITURE CO	7,875
600	HAVERTY FURNITURE COS INC	6,900
3,500	HAWAIIAN ELEC INDS INC	139,125
6,548	HEALTHCARE COMPARE CORP	207,899
5,700	HEALTHCARE SVCS GROUP INC	56,288
3,600	HEALTHSOUTH REHAB	70,200
5,300	HEALTHTRUST INC THE HOSP CO	75,525
7,900	HECHINGER CO CL B CV	71,100
2,000	HEEKIN CAN INC	39,500
2,400	HEICO CORPORATION	31,800
18,100	HEINZ H.J. & CO.	694,588
2,900	HELENE CURTIS INDS INC	95,700
2,100	HELMERICH & PAYNE INC	48,563
1,200	HENLEY PTYS INC	338
2,600	HERCULES INC.	137,150
4,900	HERSHEY FOODS CORP	205,800
13,400	HEWLETT PACKARD CO.	922,925
3,100	HIBERNIA CORP	17,050
3,800	HILLENBRAND INDS INC	140,600
2,500	HILTON HOTELS CORP	114,688
1,900	HOLLY CORP	47,500
11,500	HOME DEPOT INC.	773,375
2,000	HOME OIL LTD NEW	26,750
1,700	HOMEFED CORPORATION	1,275
5,200	HOMESTAKE MNG CO	68,250
3,800	HONEYWELL INC.	266,000
10,700	HORSHAM CORP SUB VTG	84,263
8,100	HOSPITAL CORP OF AMERICA	169,088
2,200	HOUSEHOLD INTL.	110,550
6,800	HOUSTON INDUSTRIES INC.	298,350
1,984	HUBBELL INC.	98,952
5,300	HUFFY CORP	76,188
8,750	HUMANA INC.	184,844
3,750	HUNT J.B.	76,875
4,515	HUNTINGTON BANCSHARES INC	115,133
8,008	I B P INC	150,150

NO. OF SHARES	SECURITY	MARKET VALUE
4,600	I C H	\$ 14,375
1,500	I N B FINANCIAL CORP	66,563
6,700	I T T CORP	433,825
3,300	IDAHO PWR CO	83,738
2,900	IES INDS INC	79,750
1,600	IFR SYS INC	8,400
4,950	ILLINOIS CENT CORP	103,331
4,900	ILLINOIS POWER CO.	111,475
3,000	ILLINOIS TOOL WORKS INC	182,625
1,700	IMC FERTILIZER GROUP INC	72,888
4,200	IMCERA GROUP INC	133,875
1,900	IMMUNEX CORP	54,625
10,600	IMPERIAL OIL LTD	388,225
5,500	INCO INC.	168,438
1,600	INFINITY BROADCASTING CORP	31,600
4,000	INFORMATION RES INC	93,000
5,400	INGERSOLL RAND	148,500
3,800	INLAND STEEL IND. INC.	98,800
10,800	INTEL CORP.	615,600
3,600	INTERGRAPH CORP.	47,250
31,000	INTERNATIONAL BUSINESS MACH	3,034,125
2,000	INTERNATIONAL FLAVORS & FRAG	193,750
5,400	INTERNATIONAL GAME TECHNOL	143,100
6,500	INTERNATIONAL PAPER CO	454,188
7,000	INTERNATIONAL SPECIALTY PROD	81,375
2,000	INTERPROVINCIAL PIPE LINE INC	41,000
4,000	INTERPUBLIC GROUP	113,000
3,000	INTERSTATE PWR CO	95,250
5,100	INTERTAN INC	76,500
3,300	IOWA ILL GAS & ELEC CO	81,263
3,000	IPALCO ENTERPRISES	105,000
4,350	IVAX CORP	108,206
4,000	JACOBS ENGR GROUP INC	93,500
4,300	JAMES RIV CORP VA	88,150
1,900	JAN BELL MARKETING	28,738
2,850	JEFFERSON PILOT CORP.	119,344
4,500	JEFFRIES GROUP	73,125
38,200	JOHNSON & JOHNSON	1,709,450
2,700	JOHNSON CONTROLS	105,975
16,200	JONES INTERCABLE INC CL A	190,350
3,900	JOSTENS INC	96,525
1,500	JUSTIN INDS INC	37,125
3,200	K L A INSTRS CORP	28,000
4,800	K L M ROYAL DUTCH AIR	99,600
22,000	K MART CORPORATION	506,000
1,500	K N ENERGY INC.	36,375
2,400	K V PHARMACEUTICAL INC	27,600
2,400	K V PHARM CO CL A	27,000
4,400	KANSAS CITY PWR & LT CO	96,800
6,600	KAUFMAN & BROAD HOME CORP	94,050
3,800	KAYDON CORP	82,650
16,800	KELLOGG CO	1,115,100
11,100	KELLWOOD CO.	305,250
2,100	KELLY SVCS INC	63,525
3,000	KEMPER CORP.	72,750
3,700	KENNAMETAL INC	126,725
2,600	KERR MCGEE CORP.	104,000
3,750	KEYCORP	121,406
3,100	KEYSTONE INTL INC	82,925
8,600	KIMBERLY CLARK CORP	503,100
3,200	KING WORLD PRODTNS INC	74,000
2,700	KNIGHT RIDDER INC.	157,613

MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
4,800	KNOWLEDGEWARE INC	\$ 60,600
5,200	KROGER COMPANY	77,350
3,600	KU ENERGY CORP	95,400
3,000	L G & E ENERGY CORP	93,375
1,200	LA Z BOY CHAIR CO	28,650
6,600	LAC MINERALS LTD NEW	45,375
2,300	LAFARGE CORP.	32,488
13,800	LAIDLAW INC CL B	143,175
3,700	LANCE INC.	86,950
1,200	LANDMARK SVGS ASSN PITTSBURG	13,800
1,900	LAWSON PRODS INC	49,400
1,700	LEGENT CORP	55,675
6,000	LIBERTY MEDIA CORP CL A NEW	277,500
600	LIBERTY MEDIA CORP CL E PFD 6%	31,800
16,600	LILLY ELI & CO	1,081,075
19,700	LIMITED INC.	448,175
2,700	LIN BROADCAST. CORP.	172,800
2,200	LINCOLN NATL CORP IND	135,300
2,000	LINCOLN TELECOMMUNICATIONS	47,500
2,600	LITTON INDS INC.	121,550
4,100	LIVE ENTERTAINMENT	6,663
4,600	LIZ CLAIBORNE INC.	162,150
1,100	LNH REIT INC	9,350
3,300	LOCKHEED AIRCRAFT CORP	145,613
3,200	LOCTITE CORP	136,000
3,900	LOEWS CORP	434,850
1,800	LONG DRUG STORES INC	60,075
2,000	LORAL CORP	64,500
2,800	LOTUS	52,150
2,400	LOUISIANA LD & EXPL CO	81,600
2,250	LOUISIANA PAC. CORP.	104,063
4,800	LOWES COMPANY	94,200
1,900	LUBRIZOL CORP	131,338
3,400	LUBYS CAFETERIAS INC	57,375
1,900	LUKENS STL CO	104,263
4,300	LUMEX INC	54,825
4,500	LYONDELL PETROCHEMICAL CO	96,750
3,000	M B I A INC	162,375
14,100	M C I COMMUNICATIONS	452,963
2,900	M C N CORP	72,138
2,300	M D U RESOURCES GROUP	55,200
5,100	M N C FINANCIAL INC	54,825
6,153	MACMILLAN BLOEDEL LTD	92,295
5,600	MACNEIL SCHWENDLER CORP.	61,600
1,400	MANITOWOC INC	31,150
6,450	MANOR CARE INC	118,519
6,600	MANPOWER INC WIS	90,750
2,000	MAPCO INC	108,250
15,900	MARION MERREL DOW	520,725
5,100	MARRIOTT CORP.	82,238
3,900	MARSH & MCLENNAN	302,250
2,300	MARSHALL & ILSLEY CORP	132,250
2,700	MARSHALL INDUSTRIES	80,663
2,800	MARTIN MARIETTA	146,650
8,400	MASCO CORP	218,400
4,400	MASCO INDS	55,000
7,100	MAXUS ENERGY CORP	42,600
2,900	MAXXAM INC	93,163
6,500	MAY DEPT. STORES CO.	359,938
6,900	MAYTAG CO.	113,850
2,900	MBNA CORP	115,275

NO. OF SHARES	SECURITY	MARKET VALUE
9,600	MCCAW CELLULAR COMMUNICAT	\$ 236,400
2,900	MCCLATCHY NEWSPAPERS INC	65,250
4,400	MCCORMICK & CO INC	97,900
2,900	MCDERMOTT INTL INC	58,000
19,400	MCDONALDS CORP.	892,400
2,000	MCDONNELL DOUGLAS CORP.	78,000
9,300	MCFARLAND ENERGY INC	30,225
2,500	MCGRAW HILL INC.	144,688
2,700	MCKESSON CORP	85,725
3,200	MEAD CORP.	112,800
2,400	MEASUREX CORP	45,600
8,200	MEDCO CONTAINMENT SVCS INC	246,000
1,300	MEDIA GEN INC	23,400
1,800	MEDICAL CARE INT'L INC	93,150
3,000	MEDICINE SHOPPE INTL INC	71,250
3,300	MEDTRONIC INC.	269,775
2,900	MELLON BANK CORP	119,263
5,400	MELVILLE CORPORATION	245,700
2,100	MENTOR GRAPHICS CORP.	21,525
3,000	MERCANTILE STORES INC	101,625
2,700	MERCANTILE BANCORPORATION I	118,125
66,000	MERCK & COMPANY INC.	3,217,500
3,300	MEREDITH CORP	90,338
3,700	MERIDIAN BANCORP INC	101,750
2,000	MERRILL CORP	18,500
5,400	MERRILL LYNCH & CO. INC.	272,700
2,600	MGIC INV CORP WIS	88,725
1,400	MICHIGAN NATL CORP	64,750
6,800	MICRON TECHNOLOGY	96,900
14,625	MICROSOFT CORP	1,023,750
1,500	MIDLAND CO	66,750
3,200	MIDLANTIC CORP	46,800
3,581	MIDWEST RESOURCES	72,515
6,000	MILLER HERMAN INC.	106,500
10,600	MILLICOM INC	71,550
2,200	MILLIPORE CORP.	72,875
3,000	MILTOPE GROUP INC	9,375
500	MINE SAFETY APPLIANCES CO	21,625
12,000	MINNESOTA MNG & MFG CO	1,164,000
2,600	MIRAGE RESORTS INC	67,275
1,500	MITCHELL ENERGY & DEV CL A	21,938
1,500	MITCHELL ENERGY & DEV CL B	20,625
21,900	MOBIL CORPORATION	1,346,850
3,100	MOLEX INC	96,875
1,800	MOLEX INC CL A	52,200
1,000	MONARCH CAPITAL CORP.	469
6,900	MONSANTO CO.	380,363
3,600	MONTANA PWR CO	94,500
4,800	MOORE CORP LTD	82,800
9,900	MORGAN J P & COMPANY INC.	555,638
1,200	MORGAN PRODS LTD	10,500
3,800	MORGAN STANLEY GROUP INC	190,475
2,800	MORRISON KNUDSEN CORP	57,400
2,600	MORTON INTERNATIONAL	141,375
7,000	MOTOROLA INC.	536,375
3,300	MULTIBANK FINL CORP	49,500
3,240	MURPHY OIL	110,565
5,000	MYCOGEN CORP	72,500
2,600	MYLAN LABS INC	102,700
2,800	N B B BANCORP INC	52,150
8,580	N B D BANCORP	245,603

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
4,400	N I P S C O INDUSTRIES	\$ 110,550
1,800	NAC RE CORP	46,575
1,500	NACCO INDS INC CL A	63,375
3,800	NALCO CHEMICAL CO.	136,325
1,000	NASH FINCH CO	17,500
1,700	NASHUA CORP	42,075
3,200	NATIONAL CITY CORP	145,600
7,600	NATIONAL DATA CORP	74,100
1,300	NATIONAL INTERGROUP INC	18,038
14,600	NATIONAL SAN SUPPLY	109,500
3,200	NATIONAL SVC INDS INC	76,800
12,436	NATIONSBANK CORP	592,265
5,200	NATL HEALTH LABS	107,250
1,600	NATL PRESTO	89,200
9,500	NATL. MEDICAL ENTER. INC.	136,563
9,800	NATL. SEMICONDUCTOR	96,775
14,700	NAVISTAR INTL CORP.	38,588
3,000	NERCO INC	36,000
1,900	NEUTROGENA CORP	34,200
2,400	NEVADA PWR CO	45,600
5,300	NEW ENGLAND BUS SVC INC	84,800
3,200	NEW ENGLAND ELEC SYS	104,800
800	NEW JERSEY RES CORP	16,100
1,500	NEW YORK BANCORP INC	29,250
3,600	NEW YORK ST ELEC & GAS CORP	105,750
4,000	NEW YORK TIMES CO	112,000
3,100	NEWELL COS.	110,825
5,600	NEWMONT GOLD CO	257,600
3,600	NEWMONT MINING	174,600
7,200	NIAGARA MOHAWK PWR CORP	136,800
2,000	NICOR INC	89,750
3,800	NIKE INC.	236,075
3,600	NOBLE AFFILIATES INC	53,550
1,300	NOLAND CO.	19,500
1,000	NORDSON CORP	48,750
4,000	NORDSTROM INC	113,000
8,000	NORFOLK SOUTHERN CORP	509,000
900	NORTANKERS INC	450
5,500	NORTEK INC.	30,250
700	NORTH CAROLINA NAT GAS CORP	20,038
1,300	NORTH FORK BANCORP INC	6,013
1,400	NORTH SIDE SVGS BK BRONX N Y	14,700
6,500	NORTHEAST UTILITIES	155,188
3,400	NORTHERN STATES PWR MINN	141,100
13,000	NORTHERN TELECOM LTD.	477,750
2,200	NORTHERN TRUST CORP	129,800
2,900	NORTHROP CORP	76,125
2,400	NORTHWESTERN PUB SVC CO	60,000
6,972	NORWEST CORP.	264,936
15,200	NOVA PHARMACEUTICAL CORP	57,000
17,700	NOVA-AN ALBERTA CORP	126,113
4,600	NOVACARE INC	76,475
7,400	NOVELL INC	394,050
5,700	NOVELLUS SYS INC	52,725
7,600	NOWSCO WELL SERVICE LTD	57,000
2,000	NUCOR CORP	103,500
11,100	NYNEX	875,513
16,700	OCCIDENTAL PETE CORP	327,738
517	OCOM CORP	2,068
4,800	OEA INC	113,400
2,600	OFFICE DEPOT INC	65,000
4,100	OGDEN CORP.	80,463

NO. OF SHARES	SECURITY	MARKET VALUE
2,900	OGDEN PROJS INC	\$ 52,200
8,000	OHIO EDISON CO	167,000
2,100	OKLAHOMA GAS & ELEC CO	69,825
2,800	OLD KENT FINL CORP	114,800
3,080	OLD REP INTL CORP	68,530
3,000	OLD STONE CORP	10,875
2,100	OLIN CORP	96,600
2,400	OMNICOM GROUP INC.	84,000
3,417	ONEITA INDS INC	49,974
3,000	ONEOK INC	51,000
1,000	OPTICAL RADIATION CORP	14,750
7,500	ORACLE SYS CORP	114,375
1,600	OREGON STEEL MILLS	33,800
4,400	ORIENT EXPRESS HOTELS INC.	10,450
4,300	ORYX ENERGY COMPANY	75,250
2,400	OTTER TAIL POWER CO	82,800
2,900	OVERSEAS SHIPHOLDING GROUP IN	44,950
4,300	OWENS CORNING FIBERGLAS (NEW	130,075
4,900	OWENS ILL INC	58,188
2,200	OXFORD HEALTH PLANS INC	51,700
5,900	OXFORD INDS INC	90,713
2,400	P H M CORPORATION	41,400
5,700	P N C FINANCIAL	307,800
5,800	P P G INDUSTRIES INC	379,900
700	P S GROUP INC	10,850
4,800	P S I RESOURCES INC	81,000
1,700	PACCAR INC	99,025
5,500	PACIFIC ENTERPRISES	104,500
22,900	PACIFIC GAS & ELEC. CO.	738,525
2,800	PACIFIC TELECOM INC	66,500
21,600	PACIFIC TELESIS GP.	866,700
14,000	PACIFICORP	311,500
5,100	PAINE WEBBER	110,288
4,950	PALL CORP	128,700
2,400	PANCHOS MEX BUFFET	18,600
6,400	PANHANDLE EASTN CORP	100,000
6,300	PARAMOUNT COMMUNICATION	285,863
1,600	PARKER & PARSELY PETE CO	20,400
6,000	PARKER DRILLING CO	28,500
3,300	PARKER HANNIFIN CORP	96,113
1,350	PAYCHEX INC	31,050
5,300	PEGASUS GOLD INC	74,863
3,000	PENN CENT CORP	60,375
6,400	PENNEY J.C. INC.	452,000
8,000	PENNSYLVANIA PWR & LT CO	207,000
2,100	PENNZOIL CO.	93,975
2,500	PENTAIR INC	90,625
1,100	PEOPLES BANCORP	28,188
3,100	PEOPLES ENERGY CORP	81,375
2,700	PEOPLES HERITAGE SVGS BK	20,925
3,100	PEOPLES WESTCHESTER SVGS BK	59,675
5,500	PEP BOYS MANNY MOE & JACK	125,125
56,030	PEPSICO INCORPORATED	1,954,046
3,200	PERKIN ELMER	96,000
5,800	PET INC NEW	90,625
2,900	PETRIE STORES CORP.	63,075
18,900	PFIZER INCORPORATED	1,379,700
3,600	PHELPS DODGE	174,600
11,800	PHILADELPHIA ELEC. CO.	311,225
52,800	PHILIP MORRIS COS INC	3,880,800
13,800	PHILLIPS PETROLEUM CO.	334,650
5,100	PHILLIPS VAN HEUSEN CORP	114,113

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
3,500	PICCADILLY CAFETERIAS INC	\$ 36,313
2,000	PICTURETEL CORP	54,000
2,060	PINELANDS INC	36,565
5,600	PINNACLE WEST CAPITAL CORP	101,500
1,000	PIONEER GROUP INC	21,000
1,900	PIONEER HI-BRED INTL.	152,000
8,400	PITNEY BOWES INC.	242,550
2,600	PITTSTON CO	40,625
12,500	PLACER DOME INC	126,563
1,400	PLAINS PETE CO	36,400
3,200	PLATINUM TECHNOLOGY INC	49,200
1,800	POGO PRODUCING CO	9,900
3,600	POLAROID CORP.	98,550
1,700	POLICY MGMT. SYS. CORP.	107,100
9,200	POLYGRAM N V	267,950
5,300	PONCE FED SVGS & LN ASSN P R	17,225
105	POOL ENERGY SRVS CO	722
7,000	POPE & TALBOT	108,500
3,500	PORTLAND GENERAL CORP	56,438
6,000	POTASH CORP SASK INC	129,000
2,000	POTLATCH CORP	88,500
6,000	POTOMAC ELEC. & PWR.	151,500
2,100	PRATT & LAMBERT INC	33,075
3,500	PRECISION CASTPARTS CORP	79,188
2,900	PREMARK INTL INC	101,863
3,000	PREMIER INDL CORP	97,125
3,700	PRESSTEK INC	61,975
2,400	PRICE CO	79,200
2,800	PRIMARK CORP	26,600
5,900	PRIMERICA CORP NEW	226,413
37,000	PROCTOR & GAMBLE	1,702,000
1,500	PROGRESSIVE CORP OHIO	84,750
3,900	PROMUS COS INC	111,150
1,500	PROTECTIVE LIFE CORP	36,000
5,100	PROVIDENCE FUND LIFE & ACC	110,925
12,100	PUBLIC SERVICE ENTERPRISE GRO	334,263
3,200	PUBLIC SVC CO COLO	86,000
9,800	PUBLIC SVC CO N MEX	126,175
3,630	PUGET SOUND BANCORP WASH	150,645
3,800	PUGET SOUND PWR & LT CO	98,325
2,100	PULITZER PUBG CO	60,375
2,700	PURITAN BENNETT CORP	89,100
3,800	PYRAMID TECHNOLOGY CORP RTS	40,850
5,800	QUAKER OATS CO	329,150
6,900	QUAKER ST CORP	94,013
2,100	QUAL MED INC	30,450
3,600	QUANTUM CORP.	48,600
6,900	QUARTERDECK OFFICE SYSTEMS	85,388
9,200	QUEBECOR INC	106,950
3,400	QUESTAR CORP	77,350
1,900	QUICK & REILLY GROUP INC	39,900
2,750	R P M INC OHIO	64,969
1,200	R S FINANCIAL CORP	15,300
8,400	RALSTON PURINA CO.	390,600
12,500	RANGER OIL LTD	92,188
2,100	RAYCHEM CORP	66,938
6,800	RAYTHEON COMPANY	299,200
6,300	READERS DIGEST CORP	291,375
4,900	REEBOK INTERNATIONAL LTD	118,213
2,700	REPUBLIC N Y CORP	107,663
2,500	REYNOLDS & REYNOLDS CO	92,813

NO. OF SHARES	SECURITY	MARKET VALUE
3,200	REYNOLDS METALS CO	\$ 185,200
7,900	RHONE POULENC RORER	437,463
2,196	RIGGS NATL CORP WASH D C	16,745
4,200	RITE AID CORP	83,475
2,000	ROADWAY SVCS INC	127,500
1,100	ROBERTSON CECO CORP	1,031
6,300	ROCHESTER CMNTY SVGS BK NY	47,250
2,900	ROCHESTER GAS & ELEC CORP	66,338
1,700	ROCHESTER TEL CORP	52,275
12,900	ROCKWELL INTL CORP	298,313
5,500	ROGERS CANTEL MOBILE CL B	100,375
3,600	ROHM & HAAS CO	198,900
5,600	ROLLINS ENVIR. SVS.	69,300
5,400	ROLLINS TRUCK LEASING	97,200
1,200	ROTO ROOTER INC	24,450
4,500	ROUSE CO	68,625
4,300	ROWAN COMPANIES INC	25,800
2,600	ROYAL APPLIANCE MFG CO	104,000
4,900	ROYAL INTL OPTICAL CORP	7,350
8,400	RUBBERMAID INC	246,750
2,800	RUSSELL CORP	87,500
3,800	RYDER SYSTEMS INC.	97,850
12,000	S C E CORP.	531,000
11,300	S C I SYSTEMS INC.	80,513
1,100	S P S TECHNOLOGIES INC	27,088
512,129	S.B.I. SUPPLEMENTAL MONEY FUN	512,129
3,200	SAFECO CORPORATION	165,600
3,000	SAFETY KLEEN CORP	83,250
5,500	SAFEWAY INC	66,688
5,900	SALOMON INC	199,125
6,000	SAN DIEGO GAS & ELEC CO	141,000
2,502	SANTA FE ENERGY RES	20,329
9,463	SANTA FE SO. PACIFIC CORP.	114,739
16,200	SARA LEE	834,300
4,000	SAVANNAH FOODS & INDS INC	59,000
2,400	SCANA	97,200
12,100	SCHERING PLOUGH CORP	663,988
12,700	SCHLUMBERGER LTD	798,513
2,550	SCHULMAN A INC	72,038
1,100	SCI MED LIFE SYS INC	61,050
6,900	SCIENTIFIC ATLANTA INC	163,875
3,900	SCOTT PAPER CO.	149,175
2,300	SCOTTS CO CL A	33,350
1,700	SCRIPPS E W CO CL A	46,750
1,100	SCURRY RAINBOW OIL	14,988
4,300	SEA CONTAINERS LTD.	91,913
1,500	SEAFIELD CAP CORP	39,375
5,400	SEAGATE TECHNOLOGY	80,325
18,800	SEARS ROEBUCK & COMPANY	747,300
2,900	SELECTIVE INSURANCE GROUP INC	60,175
4,700	SENSORMATIC ELECTRS CORP	125,725
1,500	SEQUA CORP CLASS A	57,750
200	SEQUA CORP CLASS B	10,000
3,300	SEQUOIA SYS INC	31,763
3,900	SERVICE CORP. INT'L	99,938
3,300	SFFED CORP	43,313
5,700	SHARED MED. SYSTEMS CORP.	104,738
7,200	SHAW INDS INC	155,700
5,300	SHAWMUT NATL CORP	96,063
4,600	SHERWIN WILLIAMS CO.	126,500
2,500	SHONEYS INC	50,938

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
3,600	SHOREWOOD PACKAGING CORP	\$ 29,700
2,300	SIERRA PAC RES	53,188
4,300	SIERRA SEMICONDUCTOR CORP	60,738
2,800	SIGMA ALDRICH	140,350
1,900	SIGNET BANKING CORP.	75,050
4,200	SILICON GRAPHICS INC	70,350
1,800	SILICON VY GROUP	8,550
5,400	SIZZLER INTL INC	57,375
2,900	SMUCKER J M CO	75,038
2,100	SMUCKER J M CO CL B NON VTG	50,400
2,900	SNAP ON TOOLS CORP	90,263
4,280	SOCIETY CORP	249,310
2,800	SONAT INC.	105,000
2,300	SONOCO PRODS CO	91,425
500	SOUTH JERSEY INDUSTRIES	10,750
1,500	SOUTHDOWN INC.	14,625
4,800	SOUTHEAST BKG CORP	100,200
17,300	SOUTHERN CO	603,338
3,100	SOUTHERN NEW ENGLAND TELECOM	100,363
500	SOUTHERN UN CO INC	7,063
41,700	SOUTHLAND CORP NEW	75,581
4,500	SOUTHTRUST CORP	115,875
3,000	SOUTHWEST AIRLINES	128,625
16,500	SOUTHWESTERN BELL CORP.	1,006,500
1,400	SOUTHWESTERN ENERGY CO	42,175
2,600	SOUTHWESTERN PUB SVC CO	82,550
2,000	SPACELABS MED INC	52,500
1,400	SPRINGS INDS INC	51,100
11,800	SPRINT CORP	256,650
2,500	ST JUDE MED INC	94,375
2,300	ST. PAUL COS. INC.	184,288
2,200	STANDARD BRANDS PAINT CO	2,750
3,400	STANDARD MICROSYSTEMS CORP	39,950
1,800	STANDARD PRODS CO	58,950
2,700	STANHOME INC	88,763
2,300	STANLEY WKS	91,425
6,800	STAPLES INC	212,500
2,000	STARRETT L S CO	49,000
4,000	STATE STREET BOSTON CORP	143,000
4,800	STERLING CHEMS INC	19,800
4,600	STEWART & STEVENSON SVCS INC	121,325
1,100	STEWART INFORMATION SVCS CO	15,400
4,500	STONE CONTAINER CORP	113,063
2,300	STRATUS COMPUTER INC.	98,613
636	STRAWBRIDGE & CLOTHIER	14,310
3,000	STRIDE RITE CORP	61,875
4,400	STRUCTURAL DYNAMICS	66,000
2,600	STRYKER CORP	86,450
5,200	STUDENT LN MARKETING ASSN	356,200
5,600	SUN COMPANY INC	143,500
2,800	SUN GUARD DATA SYSTEMS	71,400
5,200	SUN MICROSYSTEMS INC	135,850
2,100	SUNDSTRAND CORP	72,975
6,800	SUNTRUST BKS INC	275,400
4,100	SUPER VALU STORES INC.	98,400
3,450	SURGICAL CARE AFFIL.	104,363
2,000	SYNERGEN INC	99,000
4,100	SYNOPTICS COMM	132,225
12,900	SYNTEX CORPORATION	441,825
14,000	SYS CO CORP	346,500
12,900	T C B Y ENTERPRISES INC	56,438

NO. OF SHARES	SECURITY	MARKET VALUE
4,800	T J X COS INC NEW	\$ 90,000
2,400	T N T FREIGHTWAYS CORP	36,600
3,200	T R W INC	172,000
1,400	T.J. INTL. INC.	33,950
2,300	T2 MED INC	48,300
600	TAB PRODS CO	5,625
800	TALLEY INDS INC	2,100
2,200	TAMBRANDS INC.	140,250
6,000	TANDEM COMPUTERS INC	71,250
3,700	TANDY CORP	90,650
3,800	TECH SYM CORP	43,700
2,900	TECO ENERGY INC	113,463
300	TECUMSEH PRODS CL A	17,400
300	TECUMSEH PRODS CO	18,750
3,700	TEJAS GAS CORP DEL	112,850
27,060	TELE COMMUNICATIONS INC	531,053
4,500	TELEDYNE INC.	84,938
2,700	TELEPHONE & DATA SYS INC	84,713
6,700	TELESPHERE COMMUNICATIONS	209
2,800	TEMPLE INLAND	135,800
600	TENNANT CO	26,100
6,700	TENNECO INC.	247,900
2,600	TESORO PETE CORP	13,000
14,100	TEXACO INC.	870,675
1,900	TEXAS INDUSTRIES	44,650
4,300	TEXAS INSTRUMENTS	151,038
11,600	TEXAS UTILITIES CO.	453,850
4,500	TEXTRON INC	168,188
1,500	THERMO ELECTRON CORP.	61,125
1,900	THERMO INST SYS INC	49,163
2,000	THIokol CORPORATION	32,000
1,000	THOMAS & BETTS CORP	59,500
8,900	THREE COM CORP.	96,788
1,700	TIDEWATER INC.	25,713
1,100	TIFFANY & CO NEW	36,163
5,860	TIME WARNER INC	650,460
6,800	TIMES MIRROR CO CL A	227,800
1,800	TIMKEN CO	49,275
400	TNP ENTERPRISES INC	7,600
4,200	TOPPS INC	72,450
2,800	TORCHMARK CORP	190,050
3,500	TOTAL CDA OIL & GAS LTD.	21,875
3,500	TOTAL PETE NORTH AMER	26,688
15,800	TOYS R US	545,100
600	TRANS WORLD MUSIC CORP	11,175
4,000	TRANSAMERICA CORP	177,500
9,200	TRANSCANADA PIPELINES LTD	133,400
1,800	TRANSCO ENERGY CO.	25,200
5,400	TRAVELERS CORP.	111,375
3,800	TRIBUNE COMPANY	155,800
2,700	TRINOVA CORP	61,425
2,200	TRITON ENERGY CORP	60,775
1,600	TUCSON ELECTRIC PWR CO	8,400
3,300	TULTEX CORP	27,225
9,600	TURNER BROADCASTIN	195,600
5,800	TURNER BROADCASTING CL B	111,650
2,500	TYCO LABS	85,000
6,400	TYCO TOYS INC	112,000
1,400	TYLER CORP DEL	6,650
7,400	TYSON FOODS INC	126,725
1,257	U A L CORP	145,812

**MINNESOTA STATE BOARD OF INVESTMENT
PASSIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
6,100	U J B FINANCIAL CORP	\$ 119,713
4,100	U N C RESOURCES	24,600
4,300	U N R INDUSTRIES INC	24,994
4,850	U S BANCORP	117,006
3,400	U S BIOSCIENCE INC.	35,275
4,500	U S F & G CORP.	64,125
8,300	U S G CORP	7,781
1,600	U.S. CELLULAR CORP	29,600
2,500	UNI MARTS INC	10,625
1,700	UNIFI INC	64,813
3,600	UNION CAMP CORP.	167,400
6,900	UNION CARBIDE CORP	187,163
5,200	UNION ELEC CO	186,550
10,600	UNION PACIFIC CORP.	531,325
4,300	UNION TEX PETE HLDGS INC	68,263
8,400	UNISYS CORP.	75,600
1,200	UNITED ASSET MGMT CORP	30,150
1,700	UNITED HEALTHCARE CORP	141,100
1,900	UNITED INVESTORS MGT CO	38,950
770	UNITED MO BANCSHARES	31,955
500	UNITED NEW MEXICO FIN'L CORP.	8,500
7,100	UNITED STATES SHOE CORP	88,750
3,000	UNITED STATES SURGICAL CORP	285,750
7,000	UNITED TECHNOLOGIES CORP.	365,750
2,900	UNITRIN INC	98,600
3,100	UNIVERSAL FOODS CORP	84,088
6,000	UNIVERSAL HEALTH SVCS INC	67,500
5,900	UNO RESTAURANT CORP	51,625
12,500	UNOCAL CORP.	318,750
4,200	UNUM CORP	173,250
10,100	UPJOHN COMPANY	323,200
2,200	US AIR GROUP	28,050
4,100	US FACS CORP	42,025
4,200	US HEALTHCARE INC.	214,200
22,150	US WEST CORP	808,475
600	USLICO CORP	10,500
2,700	USLIFE CORP.	137,025
14,000	USX MARATHON GROUP COM NEW	304,500
2,700	USX U S STL	76,950
3,700	UTILICORP UTD INC	87,413
3,100	V F CORP	136,400
5,700	VALHI INC NEW	33,488
3,800	VALLEY NATIONAL CORP.	196,175
2,700	VAN DORN CO	45,563
3,600	VANGUARD CELLULARSYS INC	89,100
2,600	VARIAN ASSOC. INC.	88,400
1,500	VARLEN CORP	31,125
845	VENTURE STORES INC	21,970
4,000	VERMONT FIN'L SVCS	64,000
6,800	VIACOM INC	226,100
3,600	VIACOM INC NON-VTG	117,000
1,400	VICORP RESTAURANTS INC	26,250
1,100	VIDEO LOTTERY TECHNOLOGIES I	29,975
950	VIDEOCART INC	6,056
10,900	VIE DE FRANCE CORP	23,163
3,500	VIVRA INC	94,063
2,500	VORNADO INC	76,875
2,500	VULCAN MATLS CO	116,250
5,400	WABAN INC	108,000
5,930	WACHOVIA CORP NEW	365,436
62,800	WAL-MART STORES INC.	3,375,500

NO. OF SHARES	SECURITY	MARKET VALUE
2,200	WALBRO CORP	\$ 63,800
6,600	WALGREEN CO	223,575
2,600	WALLACE COMPUTER SER INC	59,475
9,300	WANG LABS CL B	33,713
7,700	WARNER LAMBERT	469,700
2,900	WASHINGTON GAS LT CO	105,125
4,950	WASHINGTON MUT SVGS BK SEATT	129,319
2,100	WASHINGTON NATL CORP	41,213
600	WASHINGTON POST B	130,200
2,100	WASHINGTON WTR PWR CO	70,350
26,900	WASTE MANAGEMENT	904,513
1,100	WATKINS JOHNSON CO.	11,000
800	WATT'S INDS INC	39,000
3,000	WAUSAU PAPER MLS CO	123,000
1,600	WD 40 CO	63,200
1,500	WEIRTON STL CORP	9,000
3,500	WEIS MARKETS INC.	86,625
900	WEITEK CORP	3,375
3,000	WELLFLEET COMMUNICATIONS IN	93,000
2,100	WELLMAN INC	44,888
2,700	WELLS FARGO & CO.	201,488
11,500	WENDYS INTL INC	126,500
9,000	WEST INC	210,375
700	WEST ONE BANCORP	28,875
5,000	WESTERN GAS RES INC	96,250
7,000	WESTERN PUBG GROUP INC	108,500
6,567	WESTERN RES INC	173,205
16,900	WESTINGHOUSE ELEC. CO.	297,863
2,100	WESTMORELAND COAL CO	24,675
3,400	WESTVACO CORP	130,475
2,400	WETTERAU INC	62,400
10,800	WEYERHEUSER CO.	369,900
4,400	WHEELABRATOR TECHNOLOGY	122,100
3,700	WHIRLPOOL CORP.	137,825
2,100	WHITEHALL CORP.	23,625
7,100	WHITMAN CORP	94,963
3,000	WICOR INC	69,750
400	WILEY JOHN + SON	15,900
3,600	WILLAMETTE INDS INC.	135,900
3,700	WILLIAMS COMPANIES INC	107,300
3,100	WILLIAMS SONOMA INC.	36,425
4,000	WILMINGTON TR CORP	104,000
4,200	WINN DIXIE STORES INC	187,950
3,400	WISCONSIN ENERGY CORP	135,575
5,800	WISER OIL CO DEL	92,075
1,700	WITCO CORP.	72,675
6,700	WOOLWORTH CORP	181,738
4,200	WORTHINGTON INDS INC	96,600
2,700	WRIGLEY WM JR CO	203,850
3,900	WYMAN-GORDON CO.	15,113
1,500	WYNN'S INTL INC	32,063
4,900	XEROX CORP	341,775
3,000	XILINX INC.	54,375
800	XTRA CORP.	27,600
3,000	YELLOW FREIGHT SYSTEM	81,750
11,800	ZENITH ELECTRONICS CORP	84,075
1,500	ZIONS BANCORP	85,125
1,900	ZURN INDS INC	53,200

TOTAL EQUITY PORTFOLIO

\$ 212,030,636

MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
ALLIANCE CAPITAL MANAGEMENT		
21,000	AMERICAN INTERNATIONAL GRP.	\$ 1,861,125
290,000	AMGEN CORP.	17,653,750
206,000	BANKAMERICA CORP.	9,141,250
100,500	BORLAND INTL INC	4,145,625
672,400	COCA COLA COMPANY	26,896,000
126,250	CONAGRA INC.	3,298,281
104,400	CONSOLIDATED RAIL CORP	9,435,150
113,000	DAYTON-HUDSON CORP.	7,571,000
447,400	DISNEY WALT CORP	16,162,325
300,300	FEDERAL NATL MORTGAGE ASSN	18,318,300
250,000	GENERAL ELECTRIC CO.	19,437,500
82,000	GENERAL RE CORP.	6,949,500
278,000	HOME DEPOT INC.	18,695,500
250,750	INTEL CORP.	14,292,750
340,000	JOHNSON & JOHNSON	15,215,000
247,362	LIN BROADCAST. CORP.	15,831,168
135,000	LOUISIANA PAC. CORP.	6,243,750
450,800	MCDONALDS CORP.	20,736,800
284,500	MEDCO CONTAINMENT SVCS INC	8,535,000
541,000	MERCK & COMPANY INC.	26,373,750
250,100	MERRILL LYNCH & CO. INC.	12,630,050
285,750	MICROSOFT CORP	20,002,500
170,000	MORGAN J P & COMPANY INC.	9,541,250
400,000	MULTIMEDIA INC. NEW	11,000,000
505,000	NORWEST CORP.	19,190,000
417,200	NOVELL INC	22,215,900
407,000	PEPSICO INCORPORATED	14,194,125
437,000	PHILIP MORRIS COS INC	32,119,500
102,400	PRIMERICA CORP NEW	3,929,600
225,950	STUDENT LN MARKETING ASSN	15,477,575
71,000	SYNTEX CORPORATION	2,431,750
650,000	TELE COMMUNICATIONS INC	12,756,250
139,080	TIME WARNER INC	15,437,880
433,437	TOYS R US	14,953,577
162,000	UNITED STATES SURGICAL CORP	15,430,500
260,000	UNOCAL CORP.	6,630,000
414,400	WAL-MART STORES INC.	22,274,000
270,600	WASTE MANAGEMENT	9,098,925
125,000	YORK INTL CORP NEW	4,140,625
TOTAL EQUITY PORTFOLIO		\$ 530,247,531

FORSTMANN LEFF ASSOCIATES

175,400	AFLAC INC.	\$ 5,305,850
66,100	AMERICAN TEL & TEL NEW	2,842,300
7,900	ATLANTIC RICHFIELD	851,225
98,400	ATWOOD OCEANICS INC	1,119,300
27,500	B C E INC	1,020,938
97,000	BANK BOSTON CORP	2,388,625
46,975	BANK OF NY CO. INC.	1,896,616
51,000	BANKAMERICA CORP.	2,263,125
42,400	BENEFICIAL CORP.	2,475,100
381,000	BIOGEN INC	9,715,500
349,200	BLOCKBUSTER ENTMT	4,583,250
125,100	BURLINGTON NORTHERN INC.	4,675,613
184,565	BURLINGTON RES INC	7,405,671
50,000	C S X CORPORATION	3,168,750
123,900	CALIFORNIA ENERGY INC	1,595,213
73,000	CENTEX CORP	3,184,625
164,350	CHEMICAL BKG CORP	6,101,494

NO. OF SHARES	SECURITY	MARKET VALUE
FORSTMANN LEFF ASSOCIATES (cont.)		
108,100	CHEMICAL WASTE MGMT INC	\$ 1,824,188
155,800	CITICORP	3,310,750
36,400	CLAYTON HOMES INC	700,700
124,200	COMPUTER ASSOC INTL INC	1,428,300
83,900	CONTINENTAL BK CORP	1,531,175
54,200	CONTINENTAL MED SYSTEMS	813,000
156,200	COUNTRYWIDE CR. IND.	5,427,950
8,500	CRESTAR FINANCIAL CORP	255,000
137,600	CRITICAL CARE AMER INC	5,297,600
222,675	DIAMOND SHAMROCK R&M INC	3,952,481
161,400	DIASONICS INC	2,380,650
136,200	ELECTRONIC ARTS	3,234,750
63,600	FEDERAL EXPRESS CORP.	2,869,950
60,320	FEDERAL NATL MORTGAGE ASSN	3,679,520
63,300	FLEETWOOD ENTER. INC.	1,804,050
271,650	FOOD LION INC CL A	3,123,975
65,200	GENERAL MOTORS (H)	1,687,050
53,550	HARPER GROUP	910,350
29,400	HASBRO INC.	830,550
303,132	HEALTHSOUTH REHAB	5,911,074
84,900	HEALTHTRUST INC THE HOSP CO	1,209,825
135,600	IMMUNEX CORP	3,898,500
38,500	INTERTRANS CORP	664,125
162,600	K MART CORPORATION	3,739,800
72,500	LOMAS FINANCIAL CORP	570,938
29,200	M C I COMMUNICATIONS	938,050
130,755	MARRIOTT CORP.	2,108,424
50,500	MASCO CORP	1,313,000
128,600	MATTEL INC	3,247,150
45,200	MAY DEPT. STORES CO.	2,502,950
19,700	MOBIL CORPORATION	1,211,550
19,500	MYCOGEN CORP	282,750
18,700	NATIONAL CITY CORP	850,850
36,000	NELSON THOMAS INC	711,000
215,850	PAINE WEBBER	4,667,756
43,980	PARAMETRIC TECH	1,638,255
50,500	PARKER & PARSLEY PETE CO	643,875
58,800	PRESLEY COS DEL	418,950
347,700	PRICE CO	11,474,100
62,400	PURITAN BENNETT CORP	2,059,200
85,500	RAYCHEM CORP	2,725,313
31,400	RELIFE INC CL A	416,050
443,400	RYANS FAMILY STEAK HOUSES INC	3,768,900
29,200	RYLAND GROUP INC	620,500
-200	S & P 500 FUTURES SEPT	0
81,500	SENSORMATIC ELECTRS CORP	2,180,125
1,266,112	SERVICE MERCHANDISE	13,294,176
204,200	SHAWMUT NATL CORP	3,701,125
15,100	SOCIETY CORP	879,575
174,800	SPX CORPORATION	3,758,200
133,700	STANDARD FED BK TROY MICH	2,774,275
46,600	T2 MED INC	978,600
3,800	TECUMSEH PRODS CL A	220,400
256,400	TELEFONICA DE ESPANA S A	8,300,950
46,200	TEXACO INC.	2,852,850
117,500	TEXAS INSTRUMENTS	4,127,188
187,000	TYCO TOYS INC	3,272,500
248,600	UNUM CORP	10,254,750
57,000	USX MARATHON GROUP COM NEW	1,239,750
74,400	VALERO ENERGY CORP	1,739,100

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
FORSTMANN LEFF ASSOCIATES (cont.)		
236,300	WABAN INC	\$ 4,726,000
32,500	WACHOVIA CORP NEW	2,002,813
18,700	WESTERN PUBG GROUP INC	289,850
86,270	WEYERHEUSER CO.	2,954,748
TOTAL EQUITY PORTFOLIO		\$ 232,795,039

FRANKLIN PORTFOLIO ASSOC TRUST		
60,000	AETNA LIFE & CASUALTY CO.	\$ 2,482,500
102,400	ALCO STANDARD CORP.	3,827,200
67,200	AMERITECH CORP NEW	4,225,200
152,600	ARCHER DANIELS MIDLAND CO.	3,605,175
92,100	BANCORP HAWAII INC	4,328,700
71,800	BANKERS TRUST NY CORP.	4,218,250
167,200	BAXTER INTL INC	6,081,900
61,900	BECTON DICKINSON CO	4,611,550
46,300	BMC SOFTWARE INC	2,083,500
99,900	CABLETRON SYSTEMS	4,895,100
4,300	CHIQUITA BRANDS INTL CORP	71,488
74,400	CIGNA CORPORATION	4,147,800
238,300	COMPUTER ASSOC INTL INC	2,740,450
129,600	DETROIT EDISON CO	4,050,000
72,000	ENRON CORP.	3,015,000
74,700	ENRON OIL & GAS	1,904,850
81,700	FEDERAL NATL MORTGAGE ASSN	4,983,700
65,000	FIRST BANK SYSTEM	1,706,250
148,710	FIRST FINL MGMT CORP	4,442,711
137,200	FLEMING COS.	4,716,250
113,600	FRUIT OF THE LOOM INC	3,748,800
55,700	GENERAL MOTORS (H)	1,441,238
139,800	GENUINE PARTS CO.	4,473,600
76,000	GOODYEAR TIRE & RUBBER	5,215,500
103,800	JEFFERSON PILOT CORP.	4,346,625
110,200	KING WORLD PRODTNS INC	2,548,375
230,900	KROGER COMPANY	3,434,638
69,700	LITTON INDS INC.	3,258,475
93,500	LOCKHEED AIRCRAFT CORP	4,125,688
113,100	LORAL CORP	3,647,475
90,450	LOUISIANA PAC. CORP.	4,183,313
104,500	MAYTAG CO.	1,724,250
72,600	MERCK & COMPANY INC.	3,539,250
67,000	MORGAN STANLEY GROUP INC	3,358,375
96,400	NEW ENGLAND ELEC SYS	3,157,100
94,700	NORWEST CORP.	3,598,600
84,300	OCCIDENTAL PETE CORP	1,654,388
131,100	PACIFIC GAS & ELEC. CO.	4,227,975
277,800	PANHANDLE EASTN CORP	4,340,625
93,300	PARAMOUNT COMMUNICATION	4,233,488
55,900	PENNEY J.C. INC.	3,947,938
63,300	PHH GROUP INC	2,128,463
188,400	RITE AID CORP	3,744,450
48,800	ROHM & HAAS CO	2,696,200
337,500	SANTA FE SO. PACIFIC CORP.	4,092,188
56,300	SOUTHERN CO	1,963,463
267,800	UNISYS CORP.	2,410,200
TOTAL EQUITY PORTFOLIO		\$ 163,378,249

GEO CAPITAL		
40,800	ADELPHIA COMMUNICATIONS	\$ 800,700
141,000	AICORP INC	564,000

NO. OF SHARES	SECURITY	MARKET VALUE
GEO CAPITAL (cont.)		
60,900	ALEX BROWN INC	\$ 1,027,688
125,000	ALKERMES INC	1,093,750
51,400	AMERICAN BLDG MAINTENANCE IN	1,876,100
20,000	AMERICAN INCOME HLDG	370,000
71,900	ASK COMPUTER	808,875
213,934	BEAR STEARNS COS INC	3,529,911
18,500	BHA GROUP INC.	337,625
30,360	BHC COMMUNICATIONS	1,745,700
30,000	BIOGEN INC	765,000
80,000	BMC SOFTWARE INC	3,600,000
91,800	CABLEVISION SYS CORP	2,972,025
102,900	CADENCE DESIGN SYS INC	2,096,588
37,500	CALGON CARBON CORP	726,563
13,666	CELLULAR COMMS PUERTO RICO	204,990
82,000	CELLULAR COMMUNICATIONS CV P	2,747,000
13,667	CELLULAR LONG DISTANCE INC	37,584
70,500	CENTEX CORP	3,075,563
87,429	CENTURY COMM. CORP CL A	928,931
36,450	CENTURY TEL ENTERPRISES INC	1,057,050
27,000	CHIRON CORP	1,478,250
79,000	COMCAST CORP CL A	1,382,500
85,100	CONTEL CELLULAR INC CL A	1,148,850
181,500	CONTINENTAL MED SYSTEMS	2,722,500
53,500	COR THERAPEUTICS INC.	601,875
39,800	CRAY RESEARCH INC	1,139,275
20,000	CREDIT ACCEPTANCE CORP	355,000
109,500	CRITICAL CARE AMER INC	4,215,750
112,000	CULLEN FROST BANKERS INC	3,024,000
25,000	CYTOTHERAPEUTICS	181,250
65,000	DIVERSICARE INC	796,250
76,700	DOLE FOOD	2,224,300
94,500	EASEL CORP	2,149,875
53,000	ENVOY CORP	808,250
2,500	FOOTE CONE & BELDING COMM	66,875
47,700	FORTIS CORP.	488,925
95,000	FOUNDATION HEALTH CO	2,802,500
21,000	GENETICS INST INC DEP SH REP	666,750
38,000	GOAL SYS INTL INC	636,500
106,000	HEALTH IMAGES INC	1,086,500
66,750	HEALTH MGT ASSOC INC	1,335,000
110,000	HEALTH RISK MGMT	660,000
54,000	HOME NUTRITIONAL SVC	972,000
76,000	IKOS SYSTEMS INC	114,000
10,000	IMCLONE SYS INC	102,500
154,200	INFORMATION RES INC	3,585,150
78,500	INTERSOLV INC	1,079,375
67,500	INTL CABECASTING TECH INC	565,313
261,000	LA QUINTA MOTOR INNS INC.	4,339,125
26,000	LAKE SHORE BANCORP INC ILL	565,500
88,900	LEGENT CORP	2,911,475
72,700	LEGG MASON INC	1,408,563
15,000	MATRIX SVC CO	296,250
40,000	MCCORMICK & CO INC	890,000
48,300	MEDEX INC.	1,110,900
92,100	MEDICAL IMAGING CTRS	276,300
137,700	MENTOR GRAPHICS CORP.	1,411,425
626,178	MERCURY FIN CORP	7,748,953
25,000	MGI PHARMA INC.	181,250
134,400	MILLER HERMAN INC.	2,385,600
132,300	MULTIMEDIA INC. NEW	3,638,250

MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
GEO CAPITAL (cont.)		
91,189	NEIMAN-MARCUS GROUP INC	\$ 1,276,646
74,500	NETWORK SYSTEMS CORP.	828,813
38,000	NEW ENGLAND BUS SVC INC	608,000
59,900	NORTHERN TRUST CORP	3,534,100
30,000	NOVA PHARMACEUTICAL CORP	112,500
158,000	NOVACARE INC	2,626,750
13,667	OCOM CORP	54,668
53,000	ORACLE SYS CORP	808,250
144,500	PARAMETRIC TECH	5,382,625
36,900	POLICY MGMT. SYS. CORP.	2,324,700
85,000	PRIMARK CORP	807,500
70,500	PROGRESS SOFTWARE CORP	2,767,125
100,000	QUANTUM HEALTH RES INC	2,225,000
20,000	REHABCLINICS INC	205,000
64,500	RELIFE INC CL A	854,625
52,500	RIEFOOD HLDGS INC CL A	931,875
72,500	SEI CORP.	1,658,438
85,800	SERVICE CORP. INT'L	2,198,625
82,766	SHONEYS INC	1,686,357
206,700	SIERRA TUCSON COS INC	1,679,438
38,850	SILICON VY BANCSHARES	427,350
301,724	SIZZLER INTL INC	3,205,818
3,875	SOFTWARE PUBL. CORP.	33,906
35,000	SOMATIX THERAPY	284,375
93,725	SOTHEBY'S HOLDINGS	1,183,278
108,500	STATE OF THE ART	976,500
80,000	STEWART ENTERPRISES INC	1,500,000
48,200	STRATUS COMPUTER INC.	2,066,575
37,500	STRYKER CORP	1,246,875
73,800	SYMANTEC CORP	2,804,400
5,000	SYNERGEN INC	247,500
130,000	SYSTEMS CTR INC	1,170,000
126,000	T2 MED INC	2,646,000
68,100	TETRA TECHNOLOGIES INC. DEL.	417,113
96,000	TOKOS MED CORP	2,784,000
119,900	TOPPS INC	2,068,275
15,000	TRICARE INC	90,000
160,850	U J B FINANCIAL CORP	3,156,681
87,500	U S TR CORP	4,276,563
87,750	U S HOMECARE CORP	833,625
15,000	UNITED HEALTHCARE CORP	1,245,000
147,450	US HEALTHCARE INC.	7,519,950
8,000	VALLEY BANCORPORATION	268,000
70,000	VALUE HEALTH INC	2,537,500
61,500	VALUE LINE INC	2,091,000
102,000	VANGUARD CELLULARSYS INC	2,524,500
90,720	VIACOM INC	3,016,440
67,720	VIACOM INC NON-VTG	2,200,900
32,400	VIDEOCART INC	206,550
50,000	VITAL SIGNS INC	1,068,750
3,800	VORNADO INC	116,850
55,000	WELLFLEET COMMUNICATIONS INC	1,705,000
60,500	WESTCOTT COMMUNICATIONS	922,625
23,500	WILEY JOHN + SON	934,125

TOTAL EQUITY PORTFOLIO \$ 184,265,600

NO. OF SHARES	SECURITY	MARKET VALUE
IDS ADVISORY		
175,300	ALLEGHENY LUDLUM CORP	\$ 6,245,063
80,000	ARCO CHEM CO	3,570,000
40,200	ATLANTIC RICHFIELD	4,331,550
94,800	BANKAMERICA CORP.	4,206,750
159,600	BETHLEHEM STEEL	2,413,950
255,800	CHRYSLER CORP.	5,403,775
35,500	CISCO SYS INC	1,668,500
127,650	CONAGRA INC.	3,334,856
50,700	CONSOLIDATED RAIL CORP	4,582,013
180,000	CORNING INC	6,772,500
40,400	DAYTON-HUDSON CORP.	2,706,800
87,800	DOW CHEMICAL COMPANY	5,059,475
50,400	EATON CORP.	4,025,700
85,000	FEDERAL NATL MORTGAGE ASSN	5,185,000
89,200	FIRST CHICAGO CORP	3,155,450
162,800	FLUOR CORP	6,512,000
94,500	FORD MOTOR CO.	4,335,188
84,000	GENERAL ELECTRIC CO.	6,531,000
200,000	GENERAL MOTORS CORP CL E	5,600,000
88,200	GENERAL MOTORS CORP.	3,880,800
32,500	GENERAL RE CORP.	2,754,375
80,000	GEORGIA PACIFIC CORP.	4,900,000
110,700	GOODYEAR TIRE & RUBBER	7,596,788
98,200	HOME DEPOT INC.	6,603,950
88,100	HONEYWELL INC.	6,167,000
50,000	ILLINOIS TOOL WORKS INC	3,043,750
139,500	INTEL CORP.	7,951,500
207,000	LYONDELL PETROCHEMICAL CO	4,450,500
80,000	MEDTRONIC INC.	6,540,000
70,800	MERRILL LYNCH & CO. INC.	3,575,400
36,400	MICROSOFT CORP	2,548,000
80,900	MOBIL CORPORATION	4,975,350
42,600	MOTOROLA INC.	3,264,225
139,300	NOVELL INC	7,417,725
60,100	PHILIP MORRIS COS INC	4,417,350
68,700	QUANTUM CHEMICAL CORP	1,245,188
56,100	REYNOLDS METALS CO	3,246,788
58,000	SOUTHWEST AIRLINES	2,486,750
61,500	TELEFONOS DE MEXICO SA	2,690,625
80,000	TYCO LABS	2,720,000
44,000	UNITED STATES SURGICAL CORP	4,191,000
130,000	WAL-MART STORES INC.	6,987,500
128,000	WEYERHEUSER CO.	4,384,000

TOTAL EQUITY PORTFOLIO \$ 193,678,131

INDEPENDENCE INVESTMENT ASSOC.		
65,000	ALEXANDER & BALDWIN INC	\$ 1,625,000
34,200	ALLIED-SIGNAL INC.	1,838,250
17,600	ALUMINUM CO. OF AMERICA	1,335,400
117,900	AMERICAN EXPRESS COMPANY	2,741,175
23,900	AMERICAN INTERNATIONAL GRP.	2,118,138
174,900	AMERICAN TEL & TEL NEW	7,520,700
6,800	AMGEN CORP.	413,950
68,600	AMOCO CORP	3,275,650
11,400	APPLE COMPUTER	547,200
25,100	AVON PRODS INC	1,286,375
47,850	BARNETT BKS FLA	1,776,431

MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992

NO. OF SHARES	SECURITY	MARKET VALUE
INDEPENDENCE INVESTMENT ASSOC. (cont.)		
181,900	BAXTER INTL INC	\$ 6,616,613
70,100	BOEING COMPANY	2,795,238
96,100	BRITISH TELECOM.	6,090,338
20,500	BURLINGTON NORTHERN INC.	766,188
17,800	C P C INTERNATIONAL INC	821,025
65,600	CAROLINA PWR & LT CO	3,312,800
101,300	CHASE MANHATTAN CORP.	2,798,413
30,950	CONAGRA INC.	808,569
4,600	CONSOLIDATED RAIL CORP	415,725
25,000	CONTINENTAL MED SYSTEMS	375,000
45,500	DAYTON-HUDSON CORP.	3,048,500
15,200	DELL COMPUTER CORP	275,500
11,200	DELUXE CORPORATION	476,000
20,900	DUN & BRADSTREET COS INC	1,183,463
74,900	EASTMAN KODAK CO.	3,005,363
77,600	EQUIFAX INC	1,270,700
70,300	EXXON CORPORATION	4,349,813
15,000	FEDERAL NATL MORTGAGE ASSN	915,000
45,700	FIRST UNION CORP	1,730,888
53,500	FLOWERS INDUSTRIES	942,938
89,100	FORD MOTOR CO.	4,087,463
24,300	G T E CORP.	774,563
28,600	GANNETT INC.	1,269,125
91,000	GENERAL ELECTRIC CO.	7,075,250
14,300	GENERAL MILLS INC.	959,888
69,700	GENERAL MOTORS CORP.	3,066,800
20,700	GENERAL SIGNAL CORP.	1,195,425
9,600	GOODYEAR TIRE & RUBBER	658,800
35,200	GREAT LAKES CHEMICAL CORP	2,182,400
65,800	HALLIBURTON INC.	1,751,925
24,200	HEALTHSOUTH REHAB	471,900
5,200	HEWLETT PACKARD CO.	358,150
27,300	HILTON HOTELS CORP	1,252,388
23,600	HOME DEPOT INC.	1,587,100
3,200	I T T CORP	207,200
9,500	IMCERA GROUP INC	302,813
78,800	INTERNATIONAL BUSINESS MACH	7,712,550
44,700	JONES APPAREL GROUP	1,190,138
190,700	K MART CORPORATION	4,386,100
14,000	KERR MCGEE CORP.	560,000
55,816	KEYCORP	1,807,043
41,870	LOCKHEED AIRCRAFT CORP	1,847,514
34,800	LORAL CORP	1,122,300
39,150	LOUISIANA PAC. CORP.	1,810,688
47,400	LOWES COMPANY	930,225
113,900	MASCO CORP	2,961,400
55,650	MATTEL INC	1,405,163
36,000	MBNA CORP	1,431,000
10,800	MERCK & COMPANY INC.	526,500
49,400	MOBIL CORPORATION	3,038,100
14,100	MORRISON INC	324,300
81,500	NATIONSBANK CORP	3,881,438
20,800	NORFOLK SOUTHERN CORP	1,323,400
81,300	NORWEST CORP.	3,089,400
37,200	NYNEX	2,934,150
35,700	OGDEN PROJS INC	642,600
229,400	PACIFIC GAS & ELEC. CO.	7,398,150
103,351	PANHANDLE EASTN CORP	1,614,859
30,700	PARAMOUNT COMMUNICATION	1,393,013
34,600	PENNEY J.C. INC.	2,443,625

NO. OF SHARES	SECURITY	MARKET VALUE
INDEPENDENCE INVESTMENT ASSOC. (cont.)		
60,100	PEPSICO INCORPORATED	\$ 2,095,988
140,700	PHILIP MORRIS COS INC	10,341,450
13,200	PIONEER HI-BRED INTL.	1,056,000
32,500	PRECISION CASTPARTS CORP	735,313
43,400	PROCTOR & GAMBLE	1,996,400
9,100	PROGRESSIVE CORP OHIO	514,150
67,000	REEBOK INTERNATIONAL LTD	1,616,375
76,600	SAN DIEGO GAS & ELEC CO	1,800,100
18,200	SEARS ROEBUCK & COMPANY	723,450
9,200	STUDENT LN MARKETING ASSN	630,200
13,800	SUNDSTRAND CORP	479,550
56,800	TENNECO INC.	2,101,600
37,500	TERADYNE INC.	398,438
129,000	TEXTRON INC	4,821,375
66,400	TOYS R US	2,290,800
13,100	UNIVERSAL FOODS CORP	355,338
56,300	UNOCAL CORP.	1,435,650
38,000	WASTE MANAGEMENT	1,277,750
25,500	WHITMAN CORP	341,063

TOTAL EQUITY PORTFOLIO \$ 184,462,166

LYNCH & MAYER INC		
87,800	AMERICAN TEL & TEL NEW	\$ 3,775,400
31,700	AMGEN CORP.	1,929,738
124,410	BANC ONE CORP	5,676,206
101,300	BLACK & DECKER MFG CO	2,266,588
135,700	BURLINGTON NORTHERN INC.	5,071,788
165,100	CHEMICAL BKG CORP	6,129,338
130,100	COCA COLA COMPANY	5,204,000
130,500	DURACELL INTL INC	3,637,688
71,400	ENRON CORP.	2,989,875
169,200	FEDERAL NATL MORTGAGE ASSN	10,321,200
108,500	FIRST DATA CORP	2,698,938
146,100	FRUIT OF THE LOOM INC	4,821,300
68,300	GENERAL ELECTRIC CO.	5,310,325
73,100	GENERAL MILLS INC.	4,906,838
125,600	GENERAL MOTORS CORP.	5,526,400
53,300	GOODYEAR TIRE & RUBBER	3,657,713
91,600	HEWLETT PACKARD CO.	6,308,950
113,800	M C I COMMUNICATIONS	3,655,825
161,550	MATTEL INC	4,079,138
159,900	MCDONALDS CORP.	7,355,400
60,300	MEDTRONIC INC.	4,929,525
90,000	MERCK & COMPANY INC.	4,387,500
112,850	MICROSOFT CORP	7,899,500
75,100	MOTOROLA INC.	5,754,538
83,200	NATIONSBANK CORP	3,962,400
107,400	NOVELL INC	5,719,050
86,200	PHILIP MORRIS COS INC	6,335,700
137,500	SEARS ROEBUCK & COMPANY	5,465,625
198,200	SINGER CO N V	4,855,900
157,200	TELEFONOS DE MEXICO SA	6,877,500
68,800	US HEALTHCARE INC.	3,508,800
117,900	WAL-MART STORES INC.	6,337,125
116,900	YORK INTL CORP NEW	3,872,313

TOTAL EQUITY PORTFOLIO \$ 165,228,119

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY		
28,650	A L LABS INC	\$ 533,606
10,000	ADVANCED TECH LABS INC	252,500
80,000	AHMANSON H.F. CO.	1,340,000
24,700	AIRGAS INC	741,000
37,900	ALASKA AIR GROUP	701,150
30,000	ALCO STANDARD CORP.	1,121,250
27,800	ALEXANDERS INC	493,450
30,000	ALOETTE COSMETICS INC	210,000
45,200	AMBAC INC	1,604,600
111,600	AMERICAN SOFTWARE INC	1,367,100
33,000	APPLE COMPUTER	1,584,000
50,000	APPLIED BIOSCIENCE	662,500
50,000	ARCHER DANIELS MIDLAND CO.	1,181,250
36,000	ATLANTIC SOUTHEAST	1,044,000
40,000	AUTODESK INC	1,535,000
20,000	B B & T FINANCIAL CORP	565,000
45,000	B S B BANCORP	990,000
51,456	BANC ONE CORP	2,347,680
12,200	BHC COMMUNICATIONS	701,500
19,800	BIOCRAFT LABS INC	396,000
110,000	BIOMET INC	1,883,750
8,400	BIRMINGHAM STL CORP	221,550
10,000	BLAIR CORPORATION	431,250
23,600	BLOCK H & R INC.	805,350
31,600	BOEING COMPANY	1,260,050
55,000	BOWNE & CO INC	818,125
34,698	BRISTOL MYERS SQUIBB CO	2,285,731
20,000	BUTLER MFG CO DEL	240,000
100,000	BYTEX CORP	775,000
45,000	C U C INTERNATIONAL	1,344,375
50,000	CAERE CORP	843,750
29,700	CALGON CARBON CORP	575,438
93,000	CAMBEX CORP	1,209,000
70,000	CARENENETWORK INC	385,000
30,000	CARNIVAL CRUISE LINES INC	847,500
60,000	CEM CORP	555,000
20,000	CHEMFAB CORP	290,000
54,750	CLARCOR INC	1,006,031
11,100	COLONIAL COS INC	299,700
34,000	COMMERCIAL INTERTECH CORP	578,000
60,000	COMMODORE INTL LTD	607,500
20,000	COMPRESSOR LABS	285,000
35,000	CORDIS CORP	770,000
30,000	COREL SYS CORP	618,750
23,280	CROWN CRAFTS INC	395,760
40,000	DATA GENERAL CORP.	325,000
30,000	DEP CORP	367,500
38,000	DIAGNOSTIC PRODUCTS CORP.	1,206,500
25,000	DIONEX CORP	687,500
20,000	DISNEY WALT CORP	722,500
6,250	DONNELLY CORP	118,750
10,500	DYCOM INDS INC	36,750
30,000	ELECTRO RENT CORP	498,750
38,800	EQK RLTY INVS I	72,750
45,000	EXABYTE CORP	1,434,375
50,000	EXCEL INDS INC	643,750
7,000	EXEL LTD	252,000
27,000	F & C BANCSHARES INC	378,000
104,132	F H P INTERNATIONAL CORP	1,822,310
35,000	FINGERHUT COS INC	1,006,250

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY (cont.)		
20,000	FIRST AMER BK CORP	\$ 665,000
29,600	FIRST EMPIRE ST CORP	3,744,400
50,000	FIRST FID BANCORPORATION NEW	1,893,750
75,000	FIRST FINL MGMT CORP	2,240,625
35,000	FIRST FLA BKS INC.	1,697,500
35,000	FIRST HAWAIIAN CREDITCORP INC	875,000
14,600	FIRST INTERST BANCORP RTS	0
10,000	FIRST VA BKS INC	450,000
60,000	FISHER PRICE INC	1,177,500
9,000	FLIGHTSAFETY INTL INC	394,875
30,800	FLORIDA ROCK INDS.	796,950
5,400	FRP PPTYS INC	70,200
130,595	G & K SERVICES INC.	1,730,384
4,000	GARAN INC.	255,000
32,600	GIANT FOODS INC	672,375
30,000	GOLDEN WEST FIN'L	1,376,250
26,700	GOODY PRODS INC	400,500
46,500	GRADCO SYSTEMS	93,000
16,000	GREAT LAKES CHEMICAL CORP	992,000
54,750	GUNDLE ENVIRONMENTAL SYS INC	547,500
10,000	HAEMONITICS CORP	320,000
59,000	HANDEX ENVIRONMENTAL	560,500
75,000	HEALTHCARE SVCS GROUP INC	740,625
35,000	HOME NUTRITIONAL SVC	630,000
34,875	HOOPER HOLMES INC	422,859
12,700	HOUSEHOLD INTL.	638,175
20,662	HUBBELL INC.	1,030,517
30,000	I P L SYS INC	570,000
20,000	IDEXX LABS INC	445,000
83,416	INSTEEL INDS INC	782,025
70,000	INTELLIGENT ELECTRONICS	542,500
46,000	INTERCARGO CORP	471,500
15,000	INTERLAKE INC	63,750
45,000	INTERTAN INC	675,000
22,000	JAMES RIV CORP VA	451,000
52,500	JEFFERSON BANKSHRS. VA.	1,470,000
77,000	JUNO LIGHTING INC.	1,039,500
39,450	JWP INC	483,263
28,400	KEANE INC	482,800
40,000	LA Z BOY CHAIR CO	955,000
15,000	LEGENT CORP	491,250
17,100	LILLIAN VERNON CORP	200,925
2,628	LIN BROADCAST. CORP.	168,192
35,000	LUNAR CORP	621,250
28,000	M B I A INC	1,515,500
60,000	MARGARETTEN FINL CORP	765,000
11,600	MATERIAL SCIENCES CORP	175,450
30,700	MBNA CORP	1,220,325
38,750	MEDICINE SHOPPE INTL INC	920,313
37,500	MEDIPLX GROUP INC NEW	562,500
10,000	MERCANTILE BANCORPORATION IN	437,500
22,500	MERCK & COMPANY INC.	1,096,875
24,000	MGIC INV CORP WIS	819,000
70,000	MID ATLANTIC MED SVCS INC.	656,250
25,000	MORGAN PRODS LTD	218,750
14,560	NATIONAL CITY CORP	662,480
55,000	NATIONAL DATA CORP	536,250
50,000	NATIONAL PIZZA CO	362,500
49,700	NATIONAL RE	925,663
66,850	NEWELL COS.	2,389,888

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY (cont.)		
28,564	NICHOLS INSTITUTE	\$ 232,083
28,564	NICHOLS INSTITUTE NON VTG	239,224
15,000	NIKE INC.	931,875
48,000	NORTH FORK BANCORP INC	222,000
70,000	NOVELL INC	3,727,500
55,000	ONBANCORP INC	1,526,250
54,000	OUTBOARD MARINE CORP	945,000
23,000	PARAMOUNT COMMUNICATION	1,043,625
39,000	PIONEER HI-BRED INTL.	3,120,000
33,400	PITNEY BOWES INC.	964,425
32,000	PORTA SYS CORP	524,000
50,000	POWELL INDS INC	350,000
39,900	PRECISION CASTPARTS CORP	902,738
20,000	QUARTERDECK OFFICE SYSTEMS	247,500
25,000	RASTEROPS	300,000
130,275	RAYMOND JAMES FINL INC	2,703,206
48,000	REEBOK INTERNATIONAL LTD	1,158,000
15,000	ROADWAY SVCS INC	956,250
15,000	S & K FAMOUS BRANDS	255,000
30,000	SALICK HEALTH CARE INC	315,000
45,000	SCHULMAN A INC	1,271,250
30,000	SCOTT PAPER CO.	1,147,500
51,250	SEALRIGHT INC	1,268,438
41,731	SEITEL INC	208,656
60,000	SHL SYSTEMHOUSE INC	517,500
75,000	SIERRA ONLINE	1,125,000
20,000	SIGMA ALDRICH	1,002,500
80,000	SKYWEST INC	570,000
100,000	SOFTWARE TOOL WORKS	237,500
10,000	SPACELABS MED INC	262,500
30,000	ST. PAUL BANCORP	558,750
40,200	STANLEY WKS	1,597,950
55,000	STATE OF THE ART	495,000
80,000	STEWART ENTERPRISES INC	1,500,000
10,000	SUMMCORP	385,000
31,650	SUPER FOOD SVCS INC	363,975
47,000	SUSQUEHANNA BNKSHRS. INC.	1,139,750
30,000	SYMBOL TECHNOLOGIES INC	555,000
30,000	SYSTEM SOFTWARE AS	885,000
30,000	T.J. INTL. INC.	727,500
57,300	TANDY CORP	1,403,850
30,000	TECNOL MED PRODS INC	487,500
15,700	TECUMSEH PRODS CL A	910,600
15,700	TECUMSEH PRODS CO	981,250
41,400	TELEFLEX INC.	1,314,450
50,000	TELXON CORP	1,025,000
20,000	TOPPS INC	345,000
25,000	TRICARE INC	150,000
20,000	TSENG LABS	280,000
30,000	UNICARE FINL CORP	243,750
44,000	UNUM CORP	1,815,000
40,100	US AIR GROUP	511,275
15,000	UTILX CORP	97,500
40,000	VALLEY BANCORPORATION	1,340,000
43,536	VENTURE STORES INC	1,131,936
23,850	VIVRA INC	640,969
10,000	VORNADO INC	307,500
65,000	WABAN INC	1,300,000
66,400	WALGREEN CO	2,249,300

NO. OF SHARES	SECURITY	MARKET VALUE
LIEBER & COMPANY (cont.)		
15,600	WALLACE COMPUTER SER INC	\$ 356,850
70,000	WASHINGTON FED SVGS & LN ASSN	1,907,500
30,000	WASTE MANAGEMENT	1,008,750
40,000	WELLMAN INC	855,000
20,000	WESTERN WASTE INDS	245,000
20,000	WETTERAU INC	520,000
26,000	YORK RESH CORP	130,000
35,000	ZURN INDS INC	980,000
TOTAL EQUITY PORTFOLIO		\$ 154,888,986

WADDELL & REED		
30,400	A M R CORP	\$ 1,964,600
57,100	AMBAC INC	2,027,050
33,000	AMGEN CORP.	2,008,875
133,400	ARMSTRONG IND. INC.	3,985,325
103,100	B J SERVICES INC	1,443,400
89,900	BAXTER INTL INC	3,270,113
80,200	BEMIS COMPANY	1,954,875
646,000	BEVERLY ENTERPRISES INC	5,087,250
164,700	BLOCKBUSTER ENTMT	2,161,688
55,900	BRITISH PETROLEUM	2,676,213
19,000	C S X CORPORATION	1,204,125
98,200	CARDIOPULMONICS INC	589,200
37,500	CHRYSLER CORP PFD	2,559,375
126,400	CHRYSLER CORP.	2,670,200
34,800	CRAY RESEARCH INC	996,150
147,950	DOWNEY SAVINGS & LN ASSN	2,274,731
30,500	FLUOR CORP	1,220,000
131,500	FOREST LABS	4,208,000
55,100	GENERAL DYNAMICS	3,932,763
100,500	GENERAL MOTORS CORP.	4,422,000
144,600	GEORGIA GULF CORP	3,054,675
124,300	GIDDINGS & LEWIS INC	2,796,750
118,800	HARLEY DAVIDSON INC	3,103,650
34,500	HOME DEPOT INC.	2,320,125
59,400	HORACE MANN EDUCATORS CORP	1,195,425
109,800	HOSPITAL CORP OF AMERICA	2,292,075
199,800	INTERNATIONAL RECTIFIER CORP	1,598,400
32,000	INTERSTATE BAKERIES CORP DEL	560,000
123,200	LOWES COMPANY	2,417,800
50,000	MARGARETTEN FINL CORP	637,500
33,100	MEDTRONIC INC.	2,705,925
124,100	MORNINGSTAR GROUP INC	1,178,950
42,800	NATL HEALTH LABS	882,750
506,200	NATL. SEMICONDUCTOR	4,998,725
179,000	NOBLE AFFILIATES INC	2,662,625
52,000	PITNEY BOWES INC.	1,501,500
200,000	REEBOK INTERNATIONAL LTD	4,825,000
89,300	SMITH INTL INC	781,375
187,100	SOUTHWEST AIRLINES	8,021,913
26,000	STEWART ENTERPRISES INC	487,500
150,000	SUPERMAC TECHNOLOGY INC	1,237,500
100,000	SYNTRO CORP	393,750
62,300	TAKECARE INC	1,946,875
114,800	TRITON ENERGY CORP	3,171,350
125,700	TYSON FOODS INC	2,152,613
16,400	U A L CORP	1,902,400
74,100	UNITED HEALTHCARE CORP	6,150,300

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL EQUITY HOLDINGS
JUNE 30, 1992**

NO. OF SHARES	SECURITY	MARKET VALUE
WADDELL & REED (CONT.)		
41,600	UNITED STATES SURGICAL CORP	\$ 3,962,400
109,000	UNOCAL CORP.	2,779,500
150,000	VALENCE TECHNOLOGY INC	1,425,000
136,800	VENTRITEX INC	3,043,800
87,300	VIACOM INC NON-VTG	2,837,250
75,000	VIDEO LOTTERY TECHNOLOGIES IN	2,043,750
107,900	WARNACO GROUP INC	3,277,463
97,100	WELLMAN INC	2,075,513
112,200	WEYERHEUSER CO.	3,842,850
	TOTAL EQUITY PORTFOLIO	\$ 140,920,906

NO. OF SHARES	SECURITY	MARKET VALUE
------------------	----------	-----------------

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE EQUITY ACCOUNT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	COUPON	MATURITY	MARKET VALUE
ALLIANCE CAPITAL MANAGEMENT				
\$ 34,544,732	S.B.I MONEY FUND	00.0000 %		\$ 34,544,732
FORSTMANN LEFF ASSOCIATES				
\$ 49,298,271	S.B.I MONEY FUND	00.0000 %		\$ 49,298,271
2,618,000	SENSORMATIC ELECTRS CV	07.0000 %	05/15/01	3,403,400
\$ 51,916,271	TOTAL FIXED INCOME PORTFOLIO			\$ 52,701,671
FRANKLIN PORTFOLIO ASSOC TRUST				
\$ 6,396,598	S.B.I MONEY FUND	00.0000 %		\$ 6,396,598
GEO CAPITAL				
\$ 695,408	S.B.I MONEY FUND	00.0000 %		\$ 695,408
IDS ADVISORY				
\$ 29,871,697	S.B.I MONEY FUND	00.0000 %		\$ 29,871,697
INDEPENDENCE INVESTMENT ASSOC.				
\$ 5,545,911	S.B.I MONEY FUND	00.0000 %		\$ 5,545,911
LYNCH AND MAYER INC				
\$ 25,497,415	S.B.I MONEY FUND	00.0000 %		\$ 25,497,415
LIEBER & COMPANY				
\$ 4,339,937	S.B.I MONEY FUND	00.0000 %		\$ 4,339,937
210,000	CUC INTL INC ZERO CV	00.0000 %	06/06/96	294,000
\$ 4,549,937	TOTAL FIXED INCOME PORTFOLIO			\$ 4,633,937
WADDELL & REED				
\$ 66,775,958	S.B.I MONEY FUND	00.0000 %		\$ 66,775,958

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
INVESTMENT ADVISERS
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 14,990,573	FED HM LN PC E00081	02/01/07	07.0000%	\$ 14,793,897
6,932,169	FED HM LN PC E00083	03/01/07	07.0000%	6,841,219
1,230,863	FHLM PC #140020	08/01/03	05.5000%	1,215,084
7,000,000	FINANCING CORP CPN FICO STRIPS	06/27/93	00.0000%	6,727,000
5,000,000	FIRST BANK NATIONAL	04/12/93	10.2000%	5,216,150
3,215,955	FNMA POOL # 008239	10/01/05	06.5000%	3,209,909
24,500,000	RESOLUTION FDG CORP	07/15/09	00.0000%	6,079,185
14,900,000	RESOLUTION FDG CORP	10/15/09	00.0000%	3,615,932
13,000,000	RESOLUTION FUNDING CORP	10/15/98	00.0000%	8,438,560
6,000,000	RESOLUTION FUNDING CORP	10/15/00	00.0000%	3,258,960
10,700,000	RESOLUTION FUNDING CORP	10/15/19	08.1250%	10,924,058
1,414,456	S.B.I MONEY FUND		00.0000%	1,414,456
11,000,000	U.S.A. TREASURY BOND	11/15/12	10.3750%	13,674,320
7,600,000	U.S.A. TREASURY BOND	08/15/17	08.8750%	8,450,212
3,500,000	U.S.A. TREASURY BOND	11/15/04	11.6250%	4,668,125
16,750,000	U.S.A. TREASURY BOND	11/15/21	08.0000%	17,142,620
5,000,000	U.S.A. TREASURY NOTE	11/15/98	08.8750%	5,554,700
6,750,000	U.S.A. TREASURY NOTE	05/15/99	09.1250%	7,593,750
3,500,000	U.S.A. TREASURY NOTE	08/15/97	08.6250%	3,842,335
5,000,000	U.S.A. TREASURY NOTE	02/15/96	07.8750%	5,331,250
10,500,000	U.S.A. TREASURY NOTE	11/15/97	08.8750%	11,651,745
19,000,000	U.S.A. TREASURY NOTE	02/15/99	08.8750%	21,119,640
\$ 197,484,016	TOTAL FIXED INCOME PORTFOLIO			\$ 170,763,106

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
ARK ASSET MANAGEMENT INC
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 370,000	ANHEUSER BUSH COS INC	12/01/99	08.7500%	\$ 400,640
2,600,000	ASSOCIATES CORP NORTH AMER	12/01/94	06.6250%	2,625,792
600,000	BENEFICIAL CORP MEDIUM TERM	01/26/98	09.6500%	670,668
1,100,000	CAPITAL CITIES ABC INC	12/15/00	08.8750%	1,173,238
1,250,000	CHASE MANHATTAN CR CARD TR	05/15/00	07.4000%	1,278,000
1,200,000	CIT GROUP HLDGS INC	04/15/98	08.7500%	1,281,444
570,000	COMMERCIAL CR CO	09/01/96	08.0000%	597,360
570,000	COMMERCIAL CREDIT	08/15/95	07.7000%	594,236
1,025,000	DISCOVER CR CARD	05/21/99	07.3000%	1,049,703
570,000	DUPONT E I DE NEMOURS & CO	10/15/96	08.4500%	606,628
2,321,341	FED HM LN PC # 306617	12/01/18	08.5000%	2,394,603
614,259	FED HM LN PC # 380006	08/01/02	09.0000%	644,775
1,969,177	FED HM LN PC # 380018	02/01/03	09.0000%	2,063,323
3,777,346	FED HM LN PC E00044	07/01/06	08.0000%	3,900,110
1,261,509	FED HM LN PC E00066	01/01/07	08.0000%	1,302,509
731,559	FED HM LN PC E00038	07/01/06	08.5000%	765,847
3,447,387	FED HM LN PC G10032	03/01/07	08.5000%	3,588,488
3,205,398	FHLM	05/01/21	08.5000%	3,320,568
1,000,000	FINANCING CORP	11/02/18	09.6500%	1,161,870
1,500,000	FIRST CHICAGO MASTER TR II	06/17/98	08.4000%	1,588,395
1,026,664	FNMA POOL # 020420	10/01/06	08.0000%	1,077,504
2,245,788	FNMA POOL # 050432	05/01/21	08.5000%	2,323,672
3,136,874	FNMA POOL # 050598	05/01/22	09.0000%	3,320,192
1,666,207	FNMA POOL # 106552	07/01/17	08.5000%	1,723,991
2,198,509	FNMA POOL #164636	01/01/22	09.0000%	2,326,989
1,200,000	FORD MTR CR CO	08/01/96	08.8750%	1,283,100
500,000	GENERAL MTRS ACCE CORP	12/15/01	09.6250%	554,305
1,000,000	GENERAL MTRS ACCEP CORP	06/27/94	08.2500%	1,047,310
1,294,982	GNMA POOL # 318190	12/01/21	08.5000%	1,345,564
3,041,135	GNMA POOL #293407	11/15/20	09.5000%	3,268,247
3,354,680	GNMA POOL #307571	07/15/20	09.0000%	3,559,080
3,200,000	GOVERNMENT TR CTFS	05/15/04	00.0000%	1,245,728
1,100,000	GTE CORP	12/01/00	09.3750%	1,212,200
1,100,000	HELLER FINL INC	05/15/97	07.7500%	1,113,541
1,100,000	HOUSEHOLD CR CARD TR	07/15/95	06.0000%	1,109,570
550,000	ICI NORTH AMER INC	11/15/06	08.8750%	591,415
1,000,000	INTERNATIONAL LEASE FIN COPR	10/01/94	07.2000%	1,026,250
1,050,000	LIMITED INC	05/15/02	07.8000%	1,047,543
600,000	PENNEY J.C. INC	10/15/97	10.0000%	672,750
1,000,000	PHILLIP MORRIS COS INC	07/01/96	08.8750%	1,072,780
570,000	REPUBLIC NY CORP	12/12/01	07.8750%	569,595
5,682,698	S.B.I MONEY FUND		00.0000%	5,682,698
1,000,000	SEARS	11/15/01	07.0000%	929,780
1,700,000	SEARS CR ACCOUNT TR	07/15/96	08.6500%	1,820,530
2,300,000	SEARS CR ACCOUNT TR	10/15/97	09.3500%	2,483,356
1,100,000	SECURITY PACIFIC CORP	05/15/99	09.7500%	1,216,292
1,200,000	STANDARD CR CARD MASTER TR	11/09/98	07.8750%	1,236,408
1,200,000	STANDARD CREDIT CARD	10/07/96	08.2500%	1,241,244
1,250,000	STANDARD CREDIT CARD	06/07/96	08.5000%	1,326,863
1,600,000	STANDARD CREDIT CARD	07/07/95	05.8750%	1,602,560

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
ARK ASSET MANAGEMENT INC
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 1,025,000	STANDARD CREDIT CARD TRUST	07/10/97	09.3750%	\$ 1,112,832
1,000,000	TENNESSEE VALLEY AUTH.	10/01/99	08.3750%	1,070,620
1,200,000	U.S.A. TREASURY BOND	08/15/17	08.8750%	1,334,244
2,500,000	U.S.A. TREASURY BOND	08/15/05	10.7500%	3,175,775
6,000,000	U.S.A. TREASURY BOND	05/15/16	07.2500%	5,619,360
17,230,000	U.S.A. TREASURY BOND	11/15/16	07.5000%	16,583,875
1,600,000	U.S.A. TREASURY BOND	05/15/03	10.7500%	2,010,496
10,000,000	U.S.A. TREASURY COUPON	02/15/04	00.0000%	4,063,300
4,300,000	U.S.A. TREASURY NOTE	12/31/94	07.6250%	4,548,583
3,750,000	U.S.A. TREASURY NOTE	05/15/93	07.6250%	3,861,338
600,000	UNITED STATES TREAS NTS	04/15/99	07.0000%	609,000
1,225,000	UNITED STATES TREAS NTS	08/15/94	06.8750%	1,272,469
\$ 129,080,512 TOTAL FIXED INCOME PORTFOLIO				\$ 125,301,146

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
MILLER ANDERSON
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 3,200,000	AMERICAN HSG TR	09/01/20	09.5520%	\$ 2,976,000
975,000	AMR COPR MTN	06/01/21	10.1250%	1,064,378
1,025,000	ARISTAR INC	02/15/99	07.8750%	1,035,076
2,840,000	CATERPILLAR INC	11/01/01	08.0000%	2,842,755
3,302,667	CHEMICAL MTG CO	01/15/97	05.7620%	3,224,228
1,450,000	COASTAL CORP	06/15/06	11.7500%	1,653,000
2,326,255	COLLATERALIZED MTG OBLIG TR 14	04/01/09	16.0000%	2,546,528
1,200,000	CONSOLIDATED RAIL CORP	06/15/20	09.7500%	1,347,228
1,650,000	CSX CORP	05/15/22	08.6250%	1,647,129
41,000	FED HM LN MTG CORP	09/15/06	01.0000%	1,633,440
1,700,000	FEDERAL EXPRESS CORP DEB	06/15/12	09.6500%	1,703,995
3,100,000	FEDERAL HOME LN CORP	02/15/21	07.5000%	3,039,953
5,300,000	FEDERAL HOME LN LTG CORP	08/15/20	08.9500%	5,636,126
4,300,000	FEDERAL HOME LN LTG CORP	01/15/20	08.5000%	4,492,339
3,000,000	FEDERAL HOME LN MTG CORP	11/15/18	07.0000%	2,901,330
51,095	FEDERAL NATL MTG ASSN	01/25/22	87.5580%	1,579,356
5,000,000	FEDERAL NATL MTG ASSN	01/25/19	07.2500%	4,902,050
5,000,000	FEDERAL NATL MTG ASSN	03/25/20	07.9500%	4,917,400
5,000,000	FEDERAL NATL MTG ASSN GTD	03/25/19	09.3000%	5,392,700
2,150,000	FEDERAL NATL MTG ASSN GTD	05/25/19	09.0000%	2,302,779
4,000,000	FHLM	05/15/19	09.5000%	4,351,960
5,900,000	FHLM	02/15/07	08.5000%	1,796,727
37,676	FNMA	09/25/20	62.1610%	1,238,034
522,467	FNMA	07/01/17	09.5000%	151,515
2,523,689	FNMA	06/01/18	09.5000%	725,560
3,100,000	FNMA	08/25/18	07.5000%	3,109,703
4,100,000	FNMA 15 YR # TBA	01/01/99	00.0000%	4,280,257
719,487	FNMA STRIPPED	04/01/17	09.5000%	216,523
944,076	FNMA STRIPPED	07/01/17	09.5000%	276,737
1,407,860	FNMA STRIPPED	11/01/18	09.5000%	434,677
935,000	FNMA STRIPPED	04/25/22	10.0000%	341,275
484,091	FNMA STRIPPED	12/01/18	09.5000%	147,648
2,000,000	FORD MTR CREDIT	05/17/99	07.9000%	2,034,520
2,750,473	FORTUNE MORTGAGE CORP	05/01/03	07.9430%	2,748,767
5,103,278	FSA CAP INC	03/20/13	08.2000%	5,280,310
975,000	GEORGIA PACIFIC CORP	06/15/02	10.1000%	1,079,237
1,675,000	GMAC	07/02/09	08.9500%	1,767,874
1,506,249	GS TR	12/25/15	26.8960%	1,766,077
976,592	GS TR 4	10/27/19	07.8060%	908,231
1,400,000	HELLER FINL INC MTN	05/19/99	08.2000%	1,425,410
2,000,000	HOUSEHOLD FIN CORP	10/08/03	05.7500%	1,955,000
1,400,000	HOUSEHOLD FINANCE	06/01/99	07.7500%	1,412,530
3,250,000	HOUSEHOLD FINANCE CORP	12/20/04	05.2880%	3,132,188
1,450,000	HOUSEHOLD FIND CORP	08/19/06	05.8930%	1,454,524
2,250,000	HYDRO QUEBEC	01/15/22	08.4000%	2,215,125
1,700,000	ITT FINL CORP	07/15/01	09.2570%	1,805,536
1,600,000	MARRIOTT CORP	06/15/07	09.3750%	1,698,000
1,500,000	MCDERMOTT INC	03/15/02	09.3750%	1,556,850
1,544,600	MIDWEST FEDERAL SAVINGS & LOAN	04/01/11	08.8100%	1,574,535
1,200,000	MLTR XII	09/01/16	14.2690%	1,167,000

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
MILLER ANDERSON
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 1,800,000	PHILIP MORRIS COS	02/15/00	09.2500 %	\$ 1,987,452
5,500,000	PRUDENTIAL HOME MTG SECS CO	05/25/07	07.5000 %	5,390,000
2,500,000	RAIL CAR TRUST	06/01/04	07.7500 %	2,554,700
12,000,000	RESOLUTION FDG CORP	07/15/08	00.0000 %	3,256,320
11,500,000	RESOLUTION FDG CORP	10/15/10	00.0000 %	2,562,315
4,100,000	RESOLUTION FDG CORP	10/15/03	00.0000 %	1,702,197
4,000,000	RESOLUTION FDG CORP	01/15/15	00.0000 %	626,080
18,650,000	RESOLUTION FUNDING CORP	01/15/03	00.0000 %	8,267,732
2,731,901	RESOLUTION TR CORP	01/25/26	08.6500 %	2,801,046
15,000,000	RFCO STRIPS	01/15/30	00.0000 %	815,400
2,951,973	RURAL HSG TR 1987 I	04/01/26	03.3300 %	2,448,307
5,000,000	RURAL HSG TRUST	04/01/26	06.3300 %	4,659,400
24,420,795	S.B.I MONEY FUND		00.0000 %	24,420,795
4,725,000	SECURED FINANCE DELS	12/15/01	09.0500 %	5,137,304
1,000,000	SECURITY PAC HOME EQUITY TR	03/10/06	10.5000 %	1,090,000
1,500,000	SECURITY PAC HOME EQUITY TR	03/10/06	08.9000 %	1,580,550
1,400,000	SOUTHBURY FINANCIAL CORP	04/01/99	07.7500 %	1,366,568
3,308,209	TALMAN FED SVGS & LN	03/01/08	09.1650 %	3,506,735
1,525,000	TORCHMARK CORP	08/15/09	08.2500 %	1,580,236
1,000,000	TRANSAMERICA FIN GROUP INC	02/16/98	09.2500 %	1,082,990
11,102,958	TRI CITY PPTY INV CORP	03/01/00	00.0000 %	6,027,463
1,500,000	U. S. LEASING & FINANCE	12/01/01	08.7500 %	1,558,125
15,000,000	U.S.A. TREASURY BOND	05/15/18	00.0000 %	1,880,100
15,600,000	U.S.A. TREASURY BOND	08/15/20	08.7500 %	17,213,664
17,500,000	U.S.A. TREASURY COUPON	05/15/01	00.0000 %	9,082,850
15,250,000	U.S.A. TREASURY COUPON	02/15/03	00.0000 %	6,778,320
28,000,000	U.S.A. TREASURY COUPON	08/15/09	00.0000 %	7,025,200
1,900,000	U.S.A. TREASURY COUPON	05/15/02	00.0000 %	902,899
12,700,000	U.S.A. TREASURY NOTE	02/15/00	08.5000 %	13,862,812
54,750,000	U.S.A. TREASURY SEC. PRIN.	02/15/15	00.0000 %	8,753,430
1,600,000	UNITED AIR LINES INC	07/15/21	10.2500 %	1,735,728
5,177,382	UNITED SAVINGS HOUSTON	05/01/08	09.0350 %	5,267,986
30,950,000	UNITED STATES TREAS SEC	08/15/06	00.0000 %	10,069,892
4,120,537	VIRGINIA BEACH FED SAVINGS & L	02/01/00	08.2470 %	4,177,524
\$ 451,330,308	TOTAL FIXED INCOME PORTFOLIO			\$ 280,062,237

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
WESTERN ASSET MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 2,330,000	AMERICAN BRANDS INC	10/01/03	08.5000%	\$ 2,444,356
2,720,000	AMR CORP DEL	10/01/21	09.8000%	2,862,882
2,180,000	AMR CORP DEL	04/15/21	10.0000%	2,333,058
4,350,000	BASS AMERICA INC	03/31/02	08.1250%	4,434,738
2,500,000	CENTEL CORP	06/15/16	09.5000%	2,561,525
11,485,000	COASTAL CORP	08/01/03	09.7500%	12,052,933
4,000,000	COSTAL CORP	10/01/10	10.7500%	4,456,920
5,000,000	DEERE & CO	06/15/19	08.9500%	5,383,500
16,055,000	DEERE & CO.	11/15/02	08.0000%	16,456,375
5,400,000	DELTA AIRLINES	02/01/11	10.3750%	5,960,628
5,000,000	EASTMAN KODAK CO	03/15/94	10.0500%	5,358,000
10,400,000	EASTMAN KODAK CO		00.0100%	2,925,000
24,000,000	EASTMAN KODAK WT EXP 11/01/04		00.0000%	2,190,240
1,250,000	ENRON CORP	05/15/01	09.6500%	1,361,013
-222	EURO DOLLAR SEPT 94.75 FUT CAL		00.0000%	-293,040
87	EURODOLLAR SEPT FUTURE		00.0000%	0
4,300,000	FARM CR SYS FINL ASSISTANCE	07/21/03	09.3750%	4,947,666
3,910,992	FED HM LN MTG CORP	03/15/97	08.5000%	3,875,520
4,708,604	FED HM LN PC # 220009	08/01/01	08.2500%	4,854,241
1,300,000	FED HOME LN MTG CORP	03/15/05	07.0000%	1,261,000
8,000,000	FEDERAL HOME LN MTG CORP	09/15/18	09.0000%	8,500,000
14,000,000	FEDERAL NATIONAL MORTGAGE ASSN	07/05/14	00.0000%	2,183,160
401,077	FEDERAL NATIONAL MTG. AS. STR.	03/01/09	06.5000%	394,058
8,402,500	FEDERAL NATL MTG ASSN	07/25/19	09.5000%	9,057,559
4,000,000	FEDERAL NATL MTG ASSN	09/25/18	09.0000%	4,298,040
8,000,000	FEDERAL NATL MTG ASSN	04/25/05	07.0000%	7,890,000
5,136,504	FEDERAL NATL MTG ASSN STRIP	01/01/06	05.0000%	4,931,044
13,268,898	FHA CITICORP #136	05/01/23	07.4300%	12,710,278
7,074,268	FHA GMAC # 2	11/01/19	07.3200%	6,825,608
4,059,078	FHA REILLY PROJ #48	07/01/23	07.4300%	3,967,749
5,500,000	FILM	10/15/05	06.7500%	5,252,775
4,500,000	FIRST INTERSTATE	04/15/01	10.8750%	5,170,545
4,148,319	FNMA POOL # 000797	01/01/23	07.2500%	4,075,724
11,705,000	FORD CAP B V	07/01/01	09.5000%	12,748,267
3,000,000	FORD CAPITAL B V	05/15/02	09.8750%	3,355,200
3,975,000	FORD CR AUTO LN MASTER TRUST	04/15/97	07.3750%	4,065,312
10,725,000	FORD CR QUTO LN MASTER TR	01/15/99	06.8750%	10,801,255
1,420,000	GENERAL ELEC CAP CORP	12/01/06	07.8750%	1,439,156
8,075,000	GENERAL MTRS CORP	07/15/01	09.1250%	8,633,386
5,000,000	GEORGIA PA CORP	05/15/22	09.5000%	5,052,750
5,000,000	GEORGIA PACIFIC CORP	03/15/22	09.6250%	5,114,050
-17,750	GNMA 8 6/15/22 CALL		00.0000%	-141,468
5,700,000	HYDRO QUEBEC	03/01/26	08.8750%	5,895,852
8,823,000	LITTON INDS INC	07/01/05	12.6250%	10,521,428
6,300,000	LYONDELL PETROCHEMICAL CO	03/15/02	09.1250%	6,520,563
3,000,000	MANITOBA PROV CDA WTS 8/15/98		00.0000%	194,310
7,400,000	MBNA MASTER CR CARD TRUST	10/15/98	07.7500%	7,718,940
8,000,000	MCDONNELL DOUGLAS CORP	04/01/12	09.7500%	7,711,920
10,000,000	MCI COMMUNICATIONS CORP		00.0000%	4,425,000
6,000,000	MID-ST TR II	04/01/03	09.6250%	6,690,000

**MINNESOTA STATE BOARD OF INVESTMENT
ACTIVE BOND MANAGERS ACCOUNT
WESTERN ASSET MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 3,000,000	MONSANTO CO	10/15/21	08.7000%	\$ 3,049,650
5,100,000	NATIONS BANK CORP	06/15/02	08.1250%	5,114,535
2,350,000	NEWFOUNDLAND PROV CDA	06/01/19	09.0000%	2,595,364
22,770,000	RESOLUTION FDG CORP	04/15/30	08.8750%	25,544,980
5,300,000	RESOLUTION FDG CORP	01/15/16	00.0000%	764,048
5,300,000	RESOLUTION FDG CORP	01/15/17	00.0000%	705,377
5,300,000	RESOLUTION FDG CORP	01/15/15	00.0000%	829,556
5,300,000	RESOLUTION FDG CORP	07/15/17	00.0000%	681,845
5,300,000	RESOLUTION FDG CORP	07/15/16	00.0000%	733,255
5,300,000	RESOLUTION FDG CORP	07/15/15	00.0000%	796,113
7,470,000	RJR NABISCO INC	04/15/99	08.3000%	7,638,075
6,369,699	RURAL HSG TR 1987 I	04/01/26	03.3300%	5,282,901
54,355,294	S.B.I MONEY FUND		00.0000%	54,355,294
6,000,000	SEAGRAM JOSEPH E & SONS INC	08/15/18	09.6500%	6,869,400
10,000,000	SHEARSON LEHMAN HUTTON INC	04/29/96	10.7500%	10,934,700
1,600,000	STANDARD CR CARD TR	03/10/95	09.0000%	1,710,640
3,000,000	SYSTEM ENERGY RES INC	11/15/94	14.0000%	3,529,590
6,290,000	TELE COMMUNICATIONS INC	06/15/22	09.8750%	6,219,238
3,000,000	TELECOMMUNICATION INC	10/01/03	09.6500%	3,106,890
33,350,000	U.S.A. TREASURY BOND	11/15/21	08.0000%	34,131,724
26,000,000	U.S.A. TREASURY BOND	02/15/21	07.8750%	26,130,000
9,397,000	U.S.A. TREASURY BOND	11/15/09	10.3750%	11,478,999
1,500,000	U.S.A. TREASURY NOTE	11/15/01	07.5000%	1,532,805
66,000,000	U.S.A. TREASURY SEC	02/15/15	00.0000%	10,506,540
18,750,000	UNITED STATES TREAS BD	08/15/21	08.1250%	19,394,438
44,525,000	UNITED STATES TREAS NTS	05/15/02	07.5000%	45,679,979
5	US TREAS BD SEPT		00.0000%	0
12,500	US TREAS NT	05/15/02	07.5050%	111,375
77	US TREAS NT SEPT FUTURE		00.0000%	0
-860	UST NT 5 YR CBT SEPT FUTURE		00.0000%	0

\$ 664,124,072 TOTAL FIXED INCOME PORTFOLIO

\$ 550,856,323

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 4,275,000	AFRICAN DEV BK	12/15/95	09.5000%	\$ 4,699,208
3,000,000	AFRICAN DEV BK	09/01/19	08.8000%	3,279,780
2,500,000	BARNETT BKS INC	09/01/96	05.2500%	2,400,000
487,610	BEAR STEARNS SECD INVS INC	12/01/18	09.0500%	495,748
458,491	BEAR STEARNS SECD INVS INC	12/01/18	00.0000%	447,776
8,000,000	CHASE MANHATTAN CORP	11/10/95	05.2500%	7,640,000
300,000	CHRYSLER FIN CORP	07/20/92	08.7000%	300,348
6,200,000	CIRCUS CIRCUS ENTERPRISES	06/15/97	10.6250%	6,907,358
2,000,000	CITIZENS & SOUTH GA CORP	12/19/97	05.2500%	1,900,000
250,000	COCA COLA ENTERPRISES INC	07/21/93	08.4600%	259,543
7,340,000	COMDISCO INC	06/15/94	06.5000%	7,374,718
6,730,000	CONTINENTAL BANK CORP	06/15/96	09.8750%	7,023,495
12,400,000	DISCOVER CARD TR	02/16/96	08.7500%	12,871,572
11,960,000	DISCOVER CARD TRUST	05/16/96	08.8500%	12,486,599
975,000	EXPORT IMPORTBK KOREA MEDIUM	11/01/96	07.8500%	1,007,741
399,787	FED HM LN PC # 140186	11/01/03	07.0000%	410,105
964,675	FED HM LN PC # 160099	01/01/10	12.5000%	1,084,950
1,987,378	FED HM LN PC # 170209	12/01/16	08.5000%	2,050,100
359,881	FED HM LN PC # 170212	01/01/17	08.5000%	371,239
171,309	FED HM LN PC # 181535	06/01/09	08.5000%	179,040
48,009	FED HM LN PC # 183320	04/01/11	07.0000%	49,248
556,528	FED HM LN PC # 183352	12/01/08	09.0000%	592,441
817,646	FED HM LN PC # 183354	11/01/10	06.0000%	800,778
160,719	FED HM LN PC # 186988	01/01/09	09.0000%	170,538
418,930	FED HM LN PC # 188844	08/01/08	07.5000%	432,545
137,282	FED HM LN PC # 200007	02/01/00	11.5000%	147,621
274,088	FED HM LN PC # 210229	09/01/00	11.0000%	293,871
68,713	FED HM LN PC # 210388	10/01/00	11.2500%	74,962
196,832	FED HM LN PC # 210589	12/01/00	11.0000%	211,040
441,346	FED HM LN PC # 220008	08/01/01	08.2500%	454,997
379,902	FED HM LN PC # 220015	10/01/01	08.2500%	391,652
65,260	FED HM LN PC # 253863	03/01/10	09.2500%	68,951
345,851	FED HM LN PC # 255674	11/01/99	09.0000%	363,032
130,777	FED HM LN PC # 255955	04/01/10	09.0000%	139,216
82,925	FED HM LN PC # 258115	11/01/09	09.0000%	88,277
276,665	FED HM LN PC # 271338	11/01/07	07.2500%	286,260
371,473	FED HM LN PC # 277830	06/01/05	07.0000%	367,409
310,874	FED HM LN PC # 279216	10/01/16	08.5000%	320,686
74,851	FED HM LN PC # 279794	03/01/11	09.0000%	79,681
441,514	FED HM LN PC # 287482	03/01/17	07.0000%	436,684
351,181	FED HM LN PC # 287926	03/01/17	08.5000%	362,264
66,283	FED HM LN PC # 289436	03/01/17	08.5000%	68,375
291,573	FED HM LN PC # 292346	07/01/06	08.5000%	304,732
2,719,203	FED HM LN PC # 298297	07/01/17	08.5000%	2,805,021
582,285	FED HM LN PC # 304981	06/01/18	09.5000%	617,035
1,172,221	FED HM LN PC # 305552	07/01/18	09.5000%	1,242,179
1,960,426	FED HM LN PC # 305850	07/01/18	09.0000%	2,057,820
610,039	FED HM LN PC # 306381	08/01/18	09.0000%	649,808
2,280,231	FED HM LN PC # 306650	02/01/19	08.5000%	2,352,195
3,168,487	FED NATL MTG ASSN STRIPPED	01/01/19	09.5000%	980,235
4,600,000	FEDERAL AGRIC MTG CORP	07/15/94	05.4400%	4,617,250
5,301,400	FEDERAL HOME LN MTG CORP	08/15/09	08.0000%	5,535,086
1,350,000	FEDERAL HOME LN MTG CORP	12/15/13	08.8000%	1,436,684

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 1,200,000	FEDERAL NATL MTG ASSN GTD	02/25/11	05.0000%	\$ 1,125,048
2,320,000	FHLMC	02/15/11	07.7500%	2,417,765
4,551,841	FHLMC	02/01/22	08.5000%	4,684,129
10,000,000	FINANCING CORP	04/06/18	09.8000%	11,781,200
4,445,000	FINANCING CORP	11/30/17	09.8000%	5,228,431
1,805,000	FINANCING CORP	10/06/17	10.7000%	2,287,838
2,580,000	FIRST BANK SYS INC	03/06/96	09.8900%	2,622,441
2,270,000	FIRST FID BANCORPORATION NEW	08/15/99	09.6250%	2,475,571
1,000,000	FIRST INST BANCORP	03/15/95	08.7500%	1,017,710
3,000,000	FIRST INTERSTATE	04/15/01	10.8750%	3,447,030
3,000,000	FIRST INTERSTATE BANCORP	02/01/04	09.1250%	3,140,040
3,500,000	FLORIDA NATL BKS FLA INC	05/16/96	05.2500%	3,360,000
575,239	FNMA POOL # 000248	09/01/10	08.5000%	602,022
505,800	FNMA POOL # 000704	06/01/10	08.5000%	529,350
1,407,093	FNMA POOL # 002494	04/01/08	08.0000%	1,446,660
496,695	FNMA POOL # 044049	04/01/08	08.0000%	513,453
519,995	FNMA POOL # 044060	08/01/17	09.0000%	548,428
128,544	FNMA POOL # 050078	06/01/03	08.5000%	134,448
477,418	FNMA POOL # 050174	03/01/19	09.5000%	509,343
42,089	FNMA POOL # 050231	09/01/19	09.5000%	44,903
3,651,204	FNMA POOL # 050249	11/01/19	09.5000%	3,895,360
60,098	FNMA POOL # 050403	02/01/21	09.5000%	64,117
141,386	FNMA POOL # 059543	03/01/18	09.5000%	150,840
151,705	FNMA POOL # 060125	05/01/03	08.5000%	158,673
390,324	FNMA POOL # 062906	06/01/18	09.0000%	411,666
865,530	FNMA POOL # 069507	01/01/19	09.0000%	912,857
1,876,671	FNMA POOL # 070801	04/01/21	12.0000%	2,103,617
15,657	FNMA POOL # 089166	02/01/20	09.0000%	16,513
464,809	FNMA POOL # 089231	02/01/20	09.5000%	495,891
270,124	FNMA POOL # 111545	12/01/06	09.5000%	288,187
156,952	FNMA POOL # 113251	01/01/20	09.0000%	165,534
482,285	FNMA POOL # 115476	07/01/18	09.0000%	508,657
738,384	FNMA POOL # 135128	03/01/20	09.0000%	778,759
287,748	FNMA POOL # 139454	07/01/19	09.5000%	306,989
730,144	FNMA POOL # 139654	03/01/20	09.0000%	770,068
798,712	FNMA POOL # 142349	08/01/17	09.0000%	842,385
494,721	FNMA POOL # 143096	05/01/22	08.0000%	498,738
467,177	FNMA POOL # 143864	10/01/21	09.5000%	498,417
442,382	FNMA POOL # 145333	07/01/20	09.5000%	471,964
262,336	FNMA POOL # 162033	05/01/22	08.0000%	264,466
512,116	FNMA POOL # 162351	05/01/22	08.0000%	516,274
143,072	FNMA POOL # 162395	05/01/22	08.0000%	144,234
531,410	FNMA POOL # 163658	05/01/22	08.0000%	535,725
199,881	FNMA POOL # 163704	05/01/22	08.0000%	201,504
13,365,000	FNMA POOL # 168677	07/01/22	08.5000%	13,707,478
470,829	FNMA POOL # 50099	08/01/03	08.5000%	492,454
566,962	FNMA POOL # 63571	07/01/03	08.5000%	593,002
613,421	FNMA POOL # 8245	12/01/08	08.0000%	618,402
17,750,000	FNMA 30 YEAR TBA	01/01/99	08.0000%	17,742,031
12,300,000	FNMA 30 YEAR TBA	01/01/99	09.0000%	12,533,250
7,500,000	GENERAL MOTORS ACCPT CORP	06/09/94	06.0000%	7,571,250
175,729	GNMA II POOL # 115563	06/20/14	12.5000%	202,308
207,545	GNMA II POOL # 121529	02/20/15	12.0000%	240,233

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 591,224	GNMA POOL # 026667	09/15/08	09.0000%	\$ 635,654
418,389	GNMA POOL # 028628	01/15/09	09.0000%	449,831
538,078	GNMA POOL # 033506	01/15/10	11.0000%	599,785
40,967	GNMA POOL # 037029	12/15/09	11.0000%	45,665
30,231	GNMA POOL # 038191	12/15/09	11.0000%	33,698
359,857	GNMA POOL # 038419	02/15/10	11.0000%	401,125
216,366	GNMA POOL # 038567	03/15/10	11.0000%	241,179
51,522	GNMA POOL # 039333	02/15/10	11.0000%	57,430
205,428	GNMA POOL # 039454	03/15/10	11.0000%	228,987
273,137	GNMA POOL # 039607	07/15/10	11.0000%	304,461
141,068	GNMA POOL # 039640	03/15/10	11.0000%	157,245
121,868	GNMA POOL # 039807	02/15/10	11.0000%	135,844
193,027	GNMA POOL # 040070	08/15/10	11.0000%	215,163
537,207	GNMA POOL # 040167	06/15/10	11.0000%	598,814
158,235	GNMA POOL # 040364	08/15/10	11.0000%	176,382
29,795	GNMA POOL # 041522	09/15/10	11.0000%	33,212
158,511	GNMA POOL # 042841	09/15/10	11.0000%	176,689
429,230	GNMA POOL # 043405	09/15/10	11.0000%	478,454
1,355	GNMA POOL # 046943	02/15/96	12.2500%	1,453
93,060	GNMA POOL # 050936	10/15/11	15.0000%	111,673
167,675	GNMA POOL # 051011	02/15/12	15.0000%	201,210
212,674	GNMA POOL # 052820	07/15/12	15.0000%	255,209
31,784	GNMA POOL # 054838	09/15/12	15.0000%	38,141
116,082	GNMA POOL # 061667	05/15/13	11.5000%	132,731
147,916	GNMA POOL # 064099	06/15/13	11.5000%	169,131
151,861	GNMA POOL # 068121	05/15/13	12.0000%	175,779
56,000	GNMA POOL # 115029	12/15/14	13.0000%	66,081
319,815	GNMA POOL # 122005	01/15/15	12.5000%	376,182
345,325	GNMA POOL # 128012	03/15/15	13.0000%	407,484
561,740	GNMA POOL # 128071	05/15/00	11.5000%	603,517
253,422	GNMA POOL # 137029	06/15/16	09.5000%	269,241
490,727	GNMA POOL # 156473	05/15/16	09.5000%	527,375
299,247	GNMA POOL # 157088	01/15/15	10.0000%	325,806
695,134	GNMA POOL # 159290	04/15/21	09.5000%	747,047
325,867	GNMA POOL # 162312	07/15/16	09.5000%	346,208
304,721	GNMA POOL # 174992	12/15/16	09.5000%	518,996
493,547	GNMA POOL # 172696	08/15/16	09.0000%	323,741
916,914	GNMA POOL # 175201	09/15/19	09.5000%	985,389
856,277	GNMA POOL # 177575	09/15/16	09.0000%	900,429
29,716	GNMA POOL # 178324	10/15/16	09.0000%	31,248
364,082	GNMA POOL # 184102	03/15/15	10.0000%	396,394
249,559	GNMA POOL # 185844	07/15/17	09.0000%	262,427
533,521	GNMA POOL # 187195	12/15/01	09.0000%	569,363
400,090	GNMA POOL # 188582	10/15/16	09.0000%	424,467
152,770	GNMA POOL # 197411	02/15/17	09.0000%	160,647
269,348	GNMA POOL # 201001	05/15/20	09.5000%	289,463
131,985	GNMA POOL # 203481	08/15/18	10.0000%	143,698
140,994	GNMA POOL # 204245	07/15/17	09.5000%	151,523
389,376	GNMA POOL # 207780	03/15/19	09.5000%	418,454
256,108	GNMA POOL # 210816	09/15/18	10.0000%	278,838
46,942	GNMA POOL # 215432	12/15/17	09.5000%	50,448
157,574	GNMA POOL # 216114	11/15/17	10.0000%	171,558

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 84,955	GNMA POOL # 219150	09/15/17	09.0000%	\$ 89,336
739,197	GNMA POOL # 225781	06/15/18	09.5000%	794,400
233,685	GNMA POOL # 226788	09/15/17	09.5000%	251,137
124,664	GNMA POOL # 231627	08/15/17	09.0000%	131,092
72,426	GNMA POOL # 232574	10/15/17	09.5000%	77,835
529,204	GNMA POOL # 232575	02/15/18	09.5000%	568,725
22,796	GNMA POOL # 232578	05/15/18	09.5000%	24,499
128,320	GNMA POOL # 233914	06/15/18	09.5000%	137,903
205,664	GNMA POOL # 252286	08/15/18	10.0000%	223,916
1,699,045	GNMA POOL # 252954	08/15/18	09.5000%	1,825,930
826,090	GNMA POOL # 254286	07/15/18	09.5000%	887,783
1,260,949	GNMA POOL # 255834	05/15/19	09.5000%	1,355,117
820,689	GNMA POOL # 256911	06/15/18	09.0000%	863,006
142,447	GNMA POOL # 258089	07/15/20	09.5000%	153,085
306,980	GNMA POOL # 259167	07/15/20	09.5000%	329,906
456,554	GNMA POOL # 26157	10/15/08	09.0000%	490,864
253,376	GNMA POOL # 265343	10/15/18	09.5000%	272,298
136,327	GNMA POOL # 267743	01/15/19	09.5000%	146,508
820,232	GNMA POOL # 270697	05/15/19	10.0000%	893,027
1,112,256	GNMA POOL # 27245	12/15/08	09.0000%	1,195,842
205,102	GNMA POOL # 273605	04/15/19	09.5000%	220,419
26,322	GNMA POOL # 274430	04/15/19	10.0000%	28,658
344,376	GNMA POOL # 277771	01/15/20	09.0000%	365,359
42,619	GNMA POOL # 278051	08/15/20	09.5000%	45,802
46,184	GNMA POOL # 278721	08/15/19	09.5000%	49,633
115,702	GNMA POOL # 279663	07/15/20	09.5000%	124,343
252,102	GNMA POOL # 280231	07/15/20	09.5000%	270,929
345,758	GNMA POOL # 280929	03/15/21	09.0000%	366,825
338,752	GNMA POOL # 281279	01/15/20	09.0000%	359,392
611,284	GNMA POOL # 281480	09/15/19	09.5000%	656,935
286,936	GNMA POOL # 282466	03/15/20	09.5000%	308,365
883,435	GNMA POOL # 283846	02/15/20	09.0000%	937,263
697,114	GNMA POOL # 283864	03/15/20	09.5000%	749,174
247,879	GNMA POOL # 284214	09/15/20	09.5000%	266,390
324,362	GNMA POOL # 284241	12/15/19	09.5000%	348,585
368,937	GNMA POOL # 285360	03/15/20	10.0000%	401,680
320,553	GNMA POOL # 285595	03/15/20	09.0000%	340,084
291,819	GNMA POOL # 285978	01/15/20	10.0000%	317,718
760,821	GNMA POOL # 286056	09/15/20	09.5000%	817,639
401,663	GNMA POOL # 286667	01/15/20	10.0000%	437,310
33,042	GNMA POOL # 287096	03/15/20	09.5000%	35,510
475,753	GNMA POOL # 287167	08/15/20	10.0000%	517,976
201,003	GNMA POOL # 287637	05/15/20	10.0000%	218,842
898,286	GNMA POOL # 288111	03/15/20	09.5000%	965,370
448,972	GNMA POOL # 288871	09/15/20	09.5000%	482,502
1,732,039	GNMA POOL # 289052	08/15/20	09.5000%	1,861,388
611,575	GNMA POOL # 289054	08/15/20	09.5000%	657,248
1,401,625	GNMA POOL # 289055	08/15/20	09.5000%	1,506,299
450,093	GNMA POOL # 289359	08/15/20	09.5000%	483,706
570,541	GNMA POOL # 289482	06/15/20	10.0000%	621,177
274,092	GNMA POOL # 289483	06/15/20	09.5000%	294,561
410,324	GNMA POOL # 289884	07/15/20	09.5000%	440,967

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 430,890	GNMA POOL # 29011	12/15/08	09.0000%	\$ 463,271
232,915	GNMA POOL # 290356	08/15/20	09.5000%	250,309
399,432	GNMA POOL # 290781	06/15/20	09.5000%	429,261
8,913,557	GNMA POOL # 291104	06/15/20	09.5000%	9,579,222
860,493	GNMA POOL # 291783	08/15/20	09.5000%	924,755
74,031	GNMA POOL # 291854	11/15/20	09.5000%	79,560
595,250	GNMA POOL # 292422	09/15/20	09.5000%	639,703
311,726	GNMA POOL # 292460	11/15/20	09.5000%	335,006
198,953	GNMA POOL # 292530	09/15/20	09.5000%	213,811
752,554	GNMA POOL # 292800	06/15/20	09.5000%	808,755
425,451	GNMA POOL # 293218	06/15/20	09.5000%	457,223
315,880	GNMA POOL # 293345	11/15/20	09.5000%	339,470
3,513,547	GNMA POOL # 295021	03/15/20	09.5000%	3,775,939
416,542	GNMA POOL # 295077	12/15/20	09.5000%	447,650
501,060	GNMA POOL # 295212	10/15/20	09.5000%	538,480
717,249	GNMA POOL # 296283	12/15/20	09.5000%	770,814
188,565	GNMA POOL # 297611	04/15/21	09.5000%	202,647
23,022	GNMA POOL # 298252	10/15/20	09.5000%	24,741
200,277	GNMA POOL # 298795	03/15/21	10.0000%	218,051
398,108	GNMA POOL # 299165	12/15/20	09.5000%	427,839
149,007	GNMA POOL # 299787	09/15/20	09.5000%	160,134
1,689,441	GNMA POOL # 300030	03/15/21	09.0000%	1,792,378
300,995	GNMA POOL # 301106	03/15/21	09.5000%	323,474
33,272	GNMA POOL # 301352	03/15/21	09.5000%	35,757
918,874	GNMA POOL # 303608	04/15/21	09.5000%	987,496
2,385,880	GNMA POOL # 305669	06/15/21	09.0000%	2,616,635
4,507,308	GNMA POOL # 306069	07/15/21	10.0000%	4,907,332
392,117	GNMA POOL # 309192	09/15/21	10.0000%	426,917
686,415	GNMA POOL # 310304	08/15/21	09.0000%	758,481
45,648	GNMA POOL # 316194	04/15/22	09.0000%	48,429
1,988,646	GNMA POOL # 318986	05/15/22	09.0000%	2,109,814
1,992,265	GNMA POOL # 323097	05/15/22	09.0000%	2,113,653
994,380	GNMA POOL # 325502	03/15/22	09.5000%	1,005,567
1,988,894	GNMA POOL # 326317	05/15/22	09.0000%	2,110,078
938,093	GNMA POOL # 329236	05/15/22	09.0000%	996,138
580,000	GNMA POOL # 330025	07/15/22	09.0000%	609,906
299,781	GNMA POOL # 330646	06/15/22	09.0000%	318,330
122,041	GNMA POOL # 42799	08/15/10	11.0000%	136,037
413,893	GNMA POOL # 44607	09/15/10	11.0000%	461,359
7,110,000	GOLDEN WEST FINL CORP	05/15/97	10.2500%	7,803,154
3,000,000	INTER AMERICAN DEV. BANK	10/15/97	09.5000%	3,371,490
4,000,000	IRVING BK CORP	05/30/97	08.2500%	3,840,000
2,120,000	KOREA DEV BANK	12/01/00	09.6000%	2,340,310
2,090,000	KOREA DEV BK MEDIUM TERM NTS	04/02/01	09.4800%	2,278,978
5,000,000	KOREAN DEV BANK	02/01/02	07.9000%	4,949,450
5,000,000	LONG ISLAND LIGHTING	06/15/99	10.8750%	5,662,500
3,000,000	MANITOBA PROV CDA	01/15/18	09.1250%	3,342,150
3,920,000	MANUFACTURERS HANOVER CORP	02/15/99	08.5000%	4,063,080
3,500,000	MARRIOTT CORP	01/15/95	09.1250%	3,572,170
820,000	MARRIOTT CORP	05/09/93	08.7500%	841,025
1,200,000	MARRIOTT CORP	02/01/94	08.3750%	1,233,684
5,086,602	MARYLAND NATL BK MTG	07/25/22	09.5000%	5,339,304

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
FIDELITY MANAGEMENT TRUST
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 7,000,000	MBNA CR CARD TR	06/30/98	08.2500%	\$ 7,372,190
3,375,000	MIDLAND AMERN CAP CORP	11/15/03	12.7500%	4,117,770
8,200,000	NCNB TEX NATL BK DALLAS TEX	06/01/04	09.5000%	9,055,424
2,410,000	PUBLIC SERVICE CO NH	05/15/96	08.8750%	2,572,458
80,802,773	S.B.I MONEY FUND		00.0000%	80,802,773
9,040,000	SEARS CR ACCOUNT TR	03/15/96	08.8500%	9,675,512
2,000,000	SOUTHERN CALIF GAS CO	06/15/98	09.3750%	2,075,960
5,000,000	SOVRAN FINL CORP	01/31/97	05.2500%	4,750,000
14,135,000	SYSTEM ENERGY RES INC	11/15/94	14.0000%	16,630,252
510,000	TENNECO CR CORP	07/15/95	09.0000%	539,871
1,790,000	TENNECO INC	11/15/00	10.3750%	1,972,580
7,120,000	THAILAND KINDOM	03/15/02	08.2500%	7,042,962
4,500,000	TRANSCO ENERGY CO	12/01/95	09.5000%	4,370,085
3,750,000	TRANSCONTINENTAL GAS PIPE LINE	05/15/00	09.4100%	3,750,000
83,340,000	U.S.A. TREASURY BOND	02/15/19	08.8750%	92,871,596
11,200,000	U.S.A. TREASURY BOND	08/15/13	12.0000%	15,620,528
10,000,000	U.S.A. TREASURY COUPON	05/15/99	00.0000%	6,178,800
5,345,000	U.S.A. TREASURY NOTE	11/15/97	08.8750%	5,931,293
4,170,000	U.S.A. TREASURY NOTE	05/15/00	08.8750%	4,641,710
3,505,000	U.S.A. TREASURY NOTE	05/15/96	07.3750%	3,678,042
22,770,000	U.S.A. TREASURY NOTE	10/15/94	09.5000%	24,918,805
38,560,000	U.S.A. TREASURY NOTE	05/15/97	08.5000%	42,090,554
4,310,000	U.S.A. TREASURY NOTE	05/15/99	09.1250%	4,848,750
47,050,000	U.S.A. TREASURY NOTE	02/15/96	08.8750%	51,696,188

\$ 716,199,762 TOTAL FIXED INCOME PORTFOLIO

\$ 759,302,579

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 475,000	AFRICAN DEV BK	11/01/97	10.0000%	\$ 543,490
1,240,000	AFRICAN DEV BK	09/01/19	08.8000%	1,355,642
515,000	ALLIED SIGNAL	02/15/03	09.2000%	559,146
1,000,000	AMERICAN EXPRESS CR CORP	03/01/97	07.7500%	1,031,570
1,250,000	AMERICAN TEL & TELEG CO	12/01/31	08.6250%	1,269,650
385,000	AMOCO CO	08/15/96	07.8750%	404,720
625,000	AMR CORP DEL	04/15/21	10.0000%	668,881
500,000	AMR CORP MEDIUM TERM	03/12/21	10.5500%	567,640
975,000	ASIAN DEVELOPMENT BANK	06/01/00	09.1250%	1,081,655
725,000	ASSOCIATES CORP	08/01/98	08.8000%	775,446
1,100,000	ATLANTIC RICHFIELD CO	03/01/32	08.7500%	1,124,178
1,625,000	AVCO FINL SVCS INC	01/15/93	09.3750%	1,655,729
785,000	BALTIMORE GAS & ELEC CO	01/01/02	07.1250%	761,018
965,000	BECTON DICKINSON & CO E GIVEN	12/15/96	07.8750%	991,489
625,000	BENEFICIAL CORP	05/15/08	08.4000%	626,563
4,560,000	BNY MASTER CR CARD TR	04/15/96	07.9500%	4,770,900
775,000	BRITISH COLUMBIA HYDRO & PWR	04/15/11	15.0000%	1,024,077
500,000	C I T GROUP HLDGS INC	06/15/96	08.8750%	538,885
1,105,000	CAROLINA PWR & LT	01/01/01	07.3750%	1,074,093
635,000	CATERPILLAR INC	03/15/21	09.3750%	676,104
757,155	CFC GRANTOR TR	04/17/95	09.5000%	780,430
740,000	CHASE MANHATTAN CR CARD TR	11/15/97	08.4500%	783,009
2,720,000	CHASE MANHATTAN CR CORP	08/15/97	08.5500%	2,884,968
1,629,150	CHEMICAL BK GRANTOR TR	02/15/95	09.0000%	1,688,452
265,000	CHEMICAL BKG CORP	03/15/99	10.3750%	298,064
545,000	CHEVRON CAP USA INC	03/01/97	07.8750%	554,538
895,000	CINCINNATI GAS & ELEC CO	04/01/16	09.2500%	926,477
905,000	CIT GROUP HOLDINGS	02/15/96	08.7500%	970,766
800,000	CITICORP MEDIUM TERM NTS	02/15/98	10.1500%	881,488
1,250,000	COCA COLA ENTERPRISES INC	02/01/22	08.5000%	1,248,138
365,000	COMMERCIAL CREDIT CO	12/01/95	09.8750%	401,891
600,000	COMMONWEALTH EDISON CO	10/15/03	08.0000%	607,332
515,000	COMMONWEALTH EDISON CO	06/15/20	09.8750%	563,384
950,000	CONNECTICUT LIGHT & POWER CO	11/01/18	09.7500%	1,019,436
150,000	CONSOLIDATED NAT GAS CO	12/01/11	08.6250%	151,170
490,000	CONSOLIDATED RAIL CORP	06/15/20	09.7500%	550,118
460,000	CORNING GLASS WKS	11/01/96	08.3750%	480,700
485,000	DAYTON HUDSON CORP	01/01/11	10.0000%	551,479
1,000,000	DETROIT EDISON	02/15/17	09.0000%	1,035,320
2,720,000	DISCOVER CARD TR	07/15/96	08.6250%	2,903,600
460,000	DOW CAP B V	06/01/10	09.2000%	490,838
610,000	DU PONT (E.I.) DENEMOURS	12/01/01	06.0000%	544,022
1,055,000	DUKE PWR CO	06/01/03	07.7500%	1,048,596
215,000	DUKE PWR CO	03/01/97	07.5000%	217,672
960,000	EATON CORP	04/01/11	07.0000%	827,606
960,000	EUROPEAN INVT BK	10/01/00	10.1250%	1,126,531
830,000	EXPORT DEV CORP	02/01/97	07.3750%	858,444
860,000	FARM CR CORP	12/24/96	07.5000%	891,338
13,635,000	FED HM LN GOLD 30 YR TBA	01/01/2099	08.5000%	13,945,590
7,300,000	FED HM LN GOLD 30 YR TBA	01/01/2099	09.0000%	7,619,375
434,872	FED HM LN GOLD 30 YR TBA	01/01/2099	00.0000%	460,013

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 972,796	FED HM LN PC # 016395	09/01/21	09.5000%	\$ 1,036,933
644,149	FED HM LN PC # 016664	11/01/21	09.5000%	686,618
289,985	FED HM LN PC # 170020	06/01/08	07.5000%	295,964
396,183	FED HM LN PC # 181020	06/01/09	07.5000%	404,352
685,921	FED HM LN PC # 181539	11/01/08	07.5000%	700,064
11,517	FED HM LN PC # 273361	06/01/16	08.5000%	11,880
1,385,373	FED HM LN PC # 278430	10/01/16	07.5000%	1,399,656
1,804,381	FED HM LN PC # 279044	10/01/16	09.0000%	1,894,022
277,143	FED HM LN PC # 286554	02/01/17	09.0000%	290,911
453,512	FED HM LN PC # 299561	07/01/17	08.5000%	467,825
648,745	FED HM LN PC # 300165	05/01/17	08.5000%	669,219
5,266,258	FED HM LN PC # C00038	05/01/21	09.5000%	5,613,462
91,881	FED HM LN PC D16663	08/01/21	09.5000%	97,939
398,845	FED HM LN PC E00005	12/01/05	09.0000%	417,914
1,446,312	FED HM LN PC E30315	01/01/06	09.0000%	1,515,461
760,518	FED HM LN PC E30325	01/01/06	09.0000%	796,879
404,887	FED HM LN PC E30382	01/01/06	09.0000%	424,244
1,198,762	FED HM LN PC E30387	01/01/06	09.0000%	1,256,075
1,539,791	FED HM LN PC E30401	01/01/06	09.0000%	1,613,409
324,311	FED HM LN PC E30469	02/01/06	09.0000%	339,817
736,122	FED HM LN PC E30480	01/01/06	09.0000%	771,316
1,732,150	FED HM LN PC E30495	02/01/06	09.0000%	1,814,964
1,573,411	FED HM LN PC E30513	02/01/06	09.0000%	1,648,635
1,202,720	FED HM LN PC E30594	03/01/06	09.0000%	1,260,222
347,867	FED HM LN PC E30780	04/01/06	09.0000%	364,499
824,010	FED HM LN PC E30841	05/01/06	09.0000%	863,406
330,361	FED HM LN PC E356W2E	04/01/07	07.5000%	336,347
984,260	FED HM LN PC E35882	04/01/07	07.5000%	1,002,095
137,780	FED HM LN PC E36228E	04/01/07	07.5000%	140,276
932,471	FED HM LN PC G10005	02/01/06	09.0000%	977,052
325,000	FED NATL MTG ASSN	02/10/95	11.5000%	372,938
1,135,000	FEDERAL FARM CREDIT BANK	01/20/93	10.6500%	1,176,496
4,355,000	FHLMC 15 YR TBA	01/01/2099	08.0000%	4,440,225
3,180,000	FIRST CHICAGO MASTER TR	06/15/95	09.2500%	3,425,941
285,000	FIRST FID BANCORPORATION NEW	08/15/99	09.6250%	310,810
300,000	FIRST INTERSTATE BANCORP	11/15/98	09.3750%	305,634
510,000	FLORIDA PWR & LT CO	11/01/18	09.8000%	548,311
580,000	FLORIDA PWR & LT CO	04/01/17	09.7500%	622,439
225,000	FNMA	07/10/96	08.0000%	240,188
605,000	FNMA 15 YR # TBA	07/01/02	08.0000%	611,995
1,910,000	FNMA 15 YR # TBA	01/01/2099	07.5000%	1,865,234
10,505,000	FNMA 30 YR TBA	01/01/2099	08.0000%	10,470,873
1,105,000	FNMA 30 YR TBA	01/01/2099	11.5000%	1,223,788
5,405,000	FNMA 30 YR TBA	01/01/2099	08.5000%	5,430,419
2,065,665	FNMA POOL # 000072	09/01/08	07.5000%	2,025,633
90,710	FNMA POOL # 000557	11/01/08	07.5000%	88,952
55,042	FNMA POOL # 002458	07/01/15	11.5000%	60,942
481,115	FNMA POOL # 027757	03/01/10	07.5000%	471,791
86,948	FNMA POOL # 029017	03/01/14	11.5000%	96,267
658,391	FNMA POOL # 035484	03/01/17	08.5000%	681,224
161,716	FNMA POOL # 035492	03/01/17	08.5000%	169,143
3,160,182	FNMA POOL # 038128	12/01/16	08.5000%	3,269,777

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 97,913	FNMA POOL # 035575	08/01/08	09.0000%	\$ 103,267
4,503,025	FNMA POOL # 038243	12/01/16	08.5000%	4,659,190
69,501	FNMA POOL # 038693	12/01/16	08.5000%	71,912
561,823	FNMA POOL # 039993	02/01/17	08.5000%	581,307
678,226	FNMA POOL # 040126	01/01/17	08.5000%	701,747
582,621	FNMA POOL # 040686	02/01/17	08.5000%	602,826
624,677	FNMA POOL # 041287	03/01/17	08.5000%	646,341
654,810	FNMA POOL # 041638	02/01/17	08.5000%	677,519
266,610	FNMA POOL # 041740	03/01/17	08.5000%	275,856
445,622	FNMA POOL # 042691	03/01/17	08.5000%	461,076
706,724	FNMA POOL # 042733	03/01/17	08.5000%	731,234
1,960,096	FNMA POOL # 042734	03/01/17	08.5000%	2,028,072
209,403	FNMA POOL # 043365	02/01/17	08.5000%	216,665
173,029	FNMA POOL # 045222	04/01/17	08.5000%	179,030
47,152	FNMA POOL # 046655	01/01/16	11.5000%	52,206
737,904	FNMA POOL # 050316	07/01/05	09.0000%	778,024
990,666	FNMA POOL # 050327	08/01/20	09.5000%	1,056,911
78,692	FNMA POOL # 050353	10/01/20	09.5000%	83,955
299,720	FNMA POOL # 050361	11/01/05	09.0000%	316,016
296,258	FNMA POOL # 050376	12/01/05	09.0000%	312,365
813,031	FNMA POOL # 050406	02/01/06	09.0000%	857,235
668,677	FNMA POOL # 050479	09/01/21	09.5000%	713,391
293,369	FNMA POOL # 050507	11/01/06	09.0000%	309,319
126,406	FNMA POOL # 051614	02/01/16	11.5000%	139,955
721,457	FNMA POOL # 052331	07/01/17	08.5000%	746,477
74,911	FNMA POOL # 053161	07/01/17	11.5000%	82,940
359,518	FNMA POOL # 055534	04/01/99	11.5000%	398,052
914,667	FNMA POOL # 058949	01/01/17	09.0000%	964,681
3,156,478	FNMA POOL # 059124	03/01/08	07.0000%	3,203,825
303,033	FNMA POOL # 064642	01/01/18	09.0000%	319,603
126,408	FNMA POOL # 065744	11/01/10	11.5000%	139,957
1,057,573	FNMA POOL # 066072	06/01/09	09.0000%	1,115,401
28,459	FNMA POOL # 066094	02/01/07	07.5000%	27,907
75,321	FNMA POOL # 067474	10/01/18	08.5000%	77,933
598,204	FNMA POOL # 067743	02/01/16	11.5000%	662,320
691,510	FNMA POOL # 070338	07/01/19	11.0000%	759,576
3,158,834	FNMA POOL # 070582	06/01/20	08.0000%	3,184,484
287,322	FNMA POOL # 070746	02/01/06	08.0000%	296,031
367,194	FNMA POOL # 080819	01/01/16	11.5000%	406,550
480,628	FNMA POOL # 081019	12/01/15	11.5000%	532,142
136,465	FNMA POOL # 083007	01/01/16	11.5000%	151,091
344,183	FNMA POOL # 089127	02/01/05	09.0000%	362,897
477,864	FNMA POOL # 093039	04/01/05	09.0000%	503,846
57,175	FNMA POOL # 094925	05/01/05	09.0000%	60,283
229,905	FNMA POOL # 097401	06/01/05	09.0000%	242,405
111,363	FNMA POOL # 103024	09/01/05	09.0000%	117,417
1,188,480	FNMA POOL # 103424	08/01/05	09.0000%	1,253,098
601,123	FNMA POOL # 104706	09/01/05	09.0000%	633,806
56,517	FNMA POOL # 104743	09/01/05	09.0000%	59,589
372,706	FNMA POOL # 105545	09/01/05	09.0000%	392,970
104,443	FNMA POOL # 105886	09/01/20	09.5000%	111,427
639,406	FNMA POOL # 107580	10/01/19	09.0000%	674,369

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 75,925	FNMA POOL # 108047	11/01/05	09.0000%	\$ 80,053
320,026	FNMA POOL # 108241	11/01/05	09.0000%	337,425
147,508	FNMA POOL # 108953	11/01/05	09.0000%	155,528
1,252,086	FNMA POOL # 110514	11/01/15	09.0000%	1,320,550
776,867	FNMA POOL # 111134	12/01/05	09.0000%	819,105
131,734	FNMA POOL # 111178	12/01/05	09.0000%	138,896
400,563	FNMA POOL # 111601	12/01/05	09.0000%	422,341
62,722	FNMA POOL # 111821	12/01/05	09.0000%	66,132
1,118,373	FNMA POOL # 118363	06/01/14	09.0000%	1,179,525
628,737	FNMA POOL # 118365	06/01/14	09.0000%	663,116
840,513	FNMA POOL # 118369	10/01/08	09.0000%	886,472
148,357	FNMA POOL # 121265	06/01/06	09.0000%	156,423
53,251	FNMA POOL # 131931	08/01/21	09.5000%	56,811
1,010,316	FNMA POOL # 131983	09/01/21	09.5000%	1,077,875
913,552	FNMA POOL # 132179	09/01/21	09.5000%	974,641
496,141	FNMA POOL # 132279	07/01/20	09.5000%	529,318
414,593	FNMA POOL # 132550	09/01/21	09.5000%	442,317
953,472	FNMA POOL # 138705	11/01/21	09.5000%	1,017,231
991,939	FNMA POOL # 138902	12/01/21	09.5000%	1,058,270
754,144	FNMA POOL # 139827	10/01/21	09.5000%	804,574
1,003,443	FNMA POOL # 144828	06/01/21	09.5000%	1,070,543
242,218	FNMA POOL # 148155	03/01/07	07.0000%	238,055
305,879	FNMA POOL # 148255	01/01/21	09.5000%	326,333
697,921	FNMA POOL # 148837	02/01/07	07.0000%	685,924
340,371	FNMA POOL # 149075	03/01/07	07.0000%	334,520
506,776	FNMA POOL # 151816	03/01/07	07.0000%	498,065
299,987	FNMA POOL # 152596	03/01/07	07.0000%	294,831
416,706	FNMA POOL # 153336	03/01/07	07.0000%	409,543
114,964	FNMA POOL # 153646	03/01/07	07.0000%	112,987
492,538	FNMA POOL # 155688	03/01/07	07.0000%	484,071
653,910	FNMA POOL E36117	04/01/07	07.5000%	665,758
6,820,000	FORD CR QUTO LN MASTER TR	01/15/99	06.8750%	6,868,490
1,110,000	FORD MOTOR CR CO	01/15/95	08.7500%	1,173,215
725,000	FORD MTR CR CORP	03/01/94	07.5000%	746,496
875,000	GENERAL ELEC CAP CORP MEDIUM	03/01/07	08.7000%	932,418
500,000	GENERAL MOTORS ACCEPT CORP	04/15/94	08.0000%	519,595
1,675,000	GENERAL MTRS ACCEP CORP	12/15/01	05.5000%	1,398,005
730,000	GENERAL MTRS ACCEP CORP	02/03/97	07.6500%	747,520
122,135	GNMA POOL # 035264	11/15/09	10.0000%	132,975
114,634	GNMA POOL # 035574	11/15/09	10.0000%	124,808
7,420,000	GNMA POOL # 04054	10/15/04	08.5000%	7,654,190
423,238	GNMA POOL # 046284	09/15/10	11.0000%	471,775
97,029	GNMA POOL # 059611	05/15/13	11.0000%	108,156
84,750	GNMA POOL # 064235	04/15/13	11.0000%	94,469
462,790	GNMA POOL # 065055	07/15/98	10.5000%	496,773
77,016	GNMA POOL # 106327	08/15/13	11.0000%	85,849
53,335	GNMA POOL # 129477	09/15/00	10.5000%	57,251
142,696	GNMA POOL # 133364	08/15/15	11.0000%	159,060
174,881	GNMA POOL # 135150	12/15/00	10.5000%	187,723
203,202	GNMA POOL # 140248	10/15/00	10.5000%	218,123
462,274	GNMA POOL # 140995	09/15/00	11.0000%	496,510
404,222	GNMA POOL # 145814	01/15/16	10.0000%	440,097

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 102,940	GNMA POOL # 146854	04/15/16	10.0000%	\$ 112,076
339,687	GNMA POOL # 148077	02/15/16	10.0000%	369,834
441,354	GNMA POOL # 148644	03/15/16	10.0000%	480,524
236,922	GNMA POOL # 149305	02/15/01	10.5000%	254,320
245,501	GNMA POOL # 149370	03/15/16	10.0000%	267,290
100,394	GNMA POOL # 150301	02/15/16	10.0000%	109,304
295,039	GNMA POOL # 156410	02/15/21	09.5000%	317,073
536,989	GNMA POOL # 158045	04/15/16	10.0000%	584,647
55,318	GNMA POOL # 175159	10/15/16	10.0000%	60,228
1,665,687	GNMA POOL # 181527	01/15/17	09.0000%	1,767,177
111,817	GNMA POOL # 181923	03/15/20	09.5000%	120,167
45,692	GNMA POOL # 184790	11/15/20	09.5000%	49,105
3,020,413	GNMA POOL # 185979	08/15/18	10.0000%	3,288,475
228,561	GNMA POOL # 194015	08/15/18	10.0000%	248,846
2,672,423	GNMA POOL # 194632	01/15/17	09.0000%	2,835,254
392,315	GNMA POOL # 195331	07/15/21	09.5000%	421,613
477,989	GNMA POOL # 204804	09/15/20	09.5000%	513,685
404,411	GNMA POOL # 205296	03/15/12	10.0000%	440,302
282,864	GNMA POOL # 208730	07/15/20	09.5000%	303,988
165,888	GNMA POOL # 217787	11/15/17	11.0000%	184,912
435,958	GNMA POOL # 224337	02/15/20	09.5000%	468,516
346,563	GNMA POOL # 231231	01/15/18	10.0000%	377,321
97,824	GNMA POOL # 231859	02/15/18	10.0000%	106,506
314,155	GNMA POOL # 246975	09/15/20	09.5000%	337,616
834,849	GNMA POOL # 251781	11/15/20	09.5000%	897,196
162,814	GNMA POOL # 252587	09/15/18	10.0000%	177,263
301,128	GNMA POOL # 252866	10/15/18	10.0000%	327,854
288,997	GNMA POOL # 253974	06/15/18	10.0000%	314,646
252,486	GNMA POOL # 254142	08/15/18	10.0000%	274,894
58,692	GNMA POOL # 256985	10/15/18	10.0000%	63,901
588,244	GNMA POOL # 259361	09/15/18	10.0000%	640,451
65,224	GNMA POOL # 263651	11/15/18	10.0000%	71,013
298,764	GNMA POOL # 266726	06/15/20	09.5000%	321,076
2,743,074	GNMA POOL # 275316	06/15/19	10.0000%	2,986,522
492,492	GNMA POOL # 280120	10/15/21	09.0000%	522,499
441,412	GNMA POOL # 281093	06/15/20	09.5000%	474,376
318,212	GNMA POOL # 282438	01/15/20	09.5000%	341,976
182,393	GNMA POOL # 283294	01/15/20	09.5000%	196,014
327,370	GNMA POOL # 283600	07/15/20	09.5000%	351,818
99,903	GNMA POOL # 285151	02/15/20	09.5000%	107,364
234,472	GNMA POOL # 285609	07/15/20	09.5000%	251,983
205,806	GNMA POOL # 287462	11/15/20	09.5000%	221,175
266,649	GNMA POOL # 288487	09/15/20	09.5000%	286,562
737,427	GNMA POOL # 288552	04/15/20	09.5000%	792,498
296,546	GNMA POOL # 290059	06/15/20	09.5000%	318,692
304,518	GNMA POOL # 290185	08/15/20	09.5000%	327,259
1,513,950	GNMA POOL # 290356	08/15/20	09.5000%	1,627,012
43,049	GNMA POOL # 290838	06/15/20	09.5000%	46,264
272,320	GNMA POOL # 291164	08/15/20	09.5000%	292,657
815,229	GNMA POOL # 291169	09/15/20	09.5000%	876,110
44,547	GNMA POOL # 292017	11/15/20	09.5000%	47,873
305,671	GNMA POOL # 292909	09/15/20	09.5000%	328,498
319,976	GNMA POOL # 292918	09/15/20	09.5000%	343,872
288,621	GNMA POOL # 293348	12/15/20	09.5000%	310,176
480,309	GNMA POOL # 294119	11/15/20	09.5000%	516,178
43,497	GNMA POOL # 294670	12/15/20	09.5000%	46,745
240,733	GNMA POOL # 294965	11/15/20	09.5000%	258,711
774,931	GNMA POOL # 295398	08/15/20	09.5000%	832,803

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 337,310	GNMA POOL # 295933	01/15/21	09.5000%	\$ 362,500
407,960	GNMA POOL # 295961	03/15/21	09.0000%	432,817
550,530	GNMA POOL # 296190	12/15/20	09.5000%	591,643
3,216,130	GNMA POOL # 296494	11/15/20	10.0000%	3,501,562
384,983	GNMA POOL # 296641	09/15/20	09.5000%	413,733
115,104	GNMA POOL # 296651	11/15/20	09.5000%	123,700
777,021	GNMA POOL # 297329	04/15/21	09.0000%	824,365
347,663	GNMA POOL # 297496	11/15/20	09.5000%	373,627
311,706	GNMA POOL # 297593	02/15/21	09.5000%	334,984
364,386	GNMA POOL # 298119	12/15/20	09.5000%	391,598
408,621	GNMA POOL # 299057	09/15/20	11.0000%	455,482
280,030	GNMA POOL # 299258	02/15/21	09.5000%	300,942
347,271	GNMA POOL # 300506	01/15/21	09.5000%	373,205
67,182	GNMA POOL # 302444	12/15/20	09.5000%	72,199
341,598	GNMA POOL # 302456	02/15/21	09.0000%	362,411
313,071	GNMA POOL # 302662	12/15/20	09.5000%	336,451
314,986	GNMA POOL # 302815	04/15/21	09.5000%	338,509
302,971	GNMA POOL # 302857	03/15/21	09.5000%	325,597
496,761	GNMA POOL # 303234	04/15/21	09.5000%	533,859
382,649	GNMA POOL # 303258	05/15/21	09.5000%	411,225
102,035	GNMA POOL # 305073	03/15/21	09.0000%	108,252
4,292,686	GNMA POOL # 305076	05/15/21	09.0000%	4,554,239
517,314	GNMA POOL # 305112	09/15/21	09.0000%	548,834
350,280	GNMA POOL # 305507	05/15/21	09.0000%	371,622
416,927	GNMA POOL # 306083	08/15/21	10.0000%	453,929
556,959	GNMA POOL # 306616	05/15/21	09.0000%	590,895
296,851	GNMA POOL # 306758	03/15/21	09.5000%	319,020
297,208	GNMA POOL # 306999	04/15/21	09.5000%	319,403
238,464	GNMA POOL # 307009	05/15/21	09.5000%	256,273
179,183	GNMA POOL # 307267	09/01/21	09.5000%	192,564
370,082	GNMA POOL # 309540	06/15/21	10.0000%	402,926
333,076	GNMA POOL # 310292	08/15/21	09.5000%	357,950
288,536	GNMA POOL # 310302	08/15/21	09.5000%	310,083
667,106	GNMA POOL # 310894	06/15/21	09.5000%	716,925
481,566	GNMA POOL # 312114	09/15/21	09.0000%	510,907
298,652	GNMA POOL # 312438	10/15/21	09.5000%	320,956
65,793	GNMA POOL # 313584	09/15/21	09.0000%	69,802
338,537	GNMA POOL # 313693	10/15/21	09.5000%	363,819
518,240	GNMA POOL # 313749	11/15/21	09.5000%	556,943
331,341	GNMA POOL # 314942	11/15/21	09.5000%	356,086
280,112	GNMA POOL # 315717	09/15/21	09.0000%	297,179
4,208,240	GNMA POOL # 317592	12/15/21	09.0000%	4,464,648
199,877	GNMA POOL # 318029	05/15/22	09.0000%	212,056
167,489	GNMA POOL # 318910	09/15/20	09.5000%	179,998
799,517	GNMA POOL # 328645	05/15/22	09.0000%	848,232
924,147	GNMA POOL # 329236	05/15/22	09.0000%	980,455
1,988,863	GNMA POOL # 329344	05/15/22	09.0000%	2,110,044
209,790	GNMA POOL # 63520	05/15/98	10.5000%	225,195
1,864,332	GOVERNMENT BACKED TR	11/15/96	09.4000%	2,033,781
2,490,000	GOVERNMENT BACKED TRS	05/15/93	00.0000%	2,404,892
2,280,000	GOVERNMENT BACKED TRS	11/15/92	00.0000%	2,248,422
985,000	GOVERNMENT TR CTF P 3	11/15/93	00.0000%	926,353
6,840,000	GOVERNMENT TR CTFS	05/15/02	09.4000%	7,654,165
10,330,000	GOVERNMENT TR CTFS	11/15/97	08.5500%	11,059,918
370,000	GOVERNMENT TR CTFS	11/15/93	00.0000%	347,970
17,040,000	GOVERNMENT TR CTFS	11/15/01	09.2500%	18,825,110
1,680,000	GOVERNMENT TR CTFS	11/15/96	09.2500%	1,834,778
885,000	GOVERNMENT TR P	11/15/93	00.0000%	832,307
2,875,000	GOVERNMENT TR P	05/15/94	00.0000%	2,626,456

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 505,000	GOVERNMENT TRUST CTFS	11/15/93	00.0000%	\$ 474,932
1,000,000	HERTZ	04/01/95	08.0000%	1,032,510
795,000	HOUSTON LTG & PWR	02/01/19	10.2500%	862,710
1,100,000	HYDRO QUEBEC	02/01/21	09.4000%	1,194,908
880,000	INTER AMERICAN DEV BK	03/15/11	08.5000%	914,258
1,685,000	INTERNATIONAL BK FOR RECON	12/15/94	11.6250%	1,896,720
2,250,000	INTERNATIONAL LEASE FIN CORP	11/15/95	07.4500%	2,325,128
320,000	ITT CORP	04/15/93	07.8750%	323,789
941,850	LEHMAN PASS THRU SECS INC	03/20/99	08.0000%	987,766
490,000	MANITOBA PROV CDA	07/17/16	07.7500%	511,839
1,380,000	MARRIOTT CORP	06/15/07	09.3750%	1,464,525
1,505,000	MARTIN-MARIETTA CORP.	03/15/11	07.0000%	1,304,895
500,000	MAY DEPARTMENT STORES	02/15/21	09.7500%	551,000
665,000	MID-ST TR II	04/01/98	09.3500%	662,087
8,620,000	NATIONAL CR CARD TR	12/31/97	09.4500%	9,373,819
955,000	NEW BRUNSWICK PROV CDA	05/15/20	09.7500%	1,075,320
1,415,000	NEW ENGLAND TEL & TELEG CO	11/15/29	07.8750%	1,489,358
765,000	NEW JERSEY BELL TEL CO	11/15/29	07.8500%	802,661
445,000	NEWFOUNDLAND PROV CDA	12/01/20	10.0000%	503,264
520,000	NEWFOUNDLAND PROV CDA	06/01/20	09.8750%	579,779
785,000	NIAGRA MOHAWK PWR CO	11/01/16	10.0000%	830,561
510,000	NORWEST CORP	05/01/97	09.2500%	557,425
1,125,000	NOVA SCOTIA PROV CDA	01/05/21	09.1250%	1,183,230
1,500,000	OCCIDENTAL PETE CORP	08/01/19	09.2500%	1,601,910
675,000	ONTARIO PROV CDA	05/01/11	15.1250%	896,974
620,000	PHILIP MORRIS COS INC	03/01/99	08.6250%	657,212
1,455,000	PITNEY BOWES CR CORP	09/15/09	08.5500%	1,545,035
435,000	PROCTER & GAMBLE CORP	10/26/29	08.0000%	462,583
1,000,000	RALSTON PURINA CO	06/15/96	09.0000%	1,067,310
705,000	REPUBLIC N Y CORP	12/01/00	09.7500%	795,846
8,970,000	RESOLUTION FUNDING CORP	01/15/21	08.6250%	9,673,607
1,490,000	ROCKWELL INTL CORP	09/15/99	08.8750%	1,620,882
63,337,224	S.B.I MONEY FUND		00.0000%	63,337,224
700,000	SASKATCHEWAN PROV	12/15/20	09.3750%	748,398
280,000	SASKATCHEWAN PROV	02/15/21	09.1250%	291,998
610,000	SECURITY PAC CORP	03/01/01	11.0000%	716,262
110,000	SECURITY PAC CORP	11/15/00	11.5000%	131,012
1,250,000	SEGRAMS CO LTD	01/15/22	08.3500%	1,226,564
900,000	SOUTH CENTRAL BELL TELEPHONE	03/01/17	08.2500%	886,644
1,480,000	STANDARD CREDIT CARD TR	06/10/95	09.3750%	1,598,518
660,000	STANDARD OIL CO	07/01/01	06.3000%	601,577
1,250,000	TEXACO CAP INC	09/01/21	08.8750%	1,295,875
595,000	TEXAS UTILS ELEC CO	03/01/16	09.3750%	609,524
985,000	TRANSAMERICA FINL CORP	03/15/11	06.5000%	798,727
6,145,000	U.S.A. TREASURY BOND	08/15/17	08.8750%	6,832,441
3,970,000	U.S.A. TREASURY BOND	11/15/11	14.0000%	6,177,082
1,880,000	U.S.A. TREASURY BOND	08/15/13	12.0000%	2,622,017
2,275,000	U.S.A. TREASURY BOND	08/15/05	10.7500%	2,889,955
6,175,000	U.S.A. TREASURY BOND	05/15/11	13.8750%	9,472,821
5,765,000	U.S.A. TREASURY BOND	11/15/10	12.7500%	8,243,950
300,000	U.S.A. TREASURY BOND	02/15/20	08.5000%	322,125
10,670,000	U.S.A. TREASURY BOND	11/15/04	11.6250%	14,231,113
23,725,000	U.S.A. TREASURY BOND	08/15/19	08.1250%	24,459,052
18,565,000	U.S.A. TREASURY BOND	02/15/21	07.8750%	18,657,825

**MINNESOTA STATE BOARD OF INVESTMENT
SEMI-PASSIVE BOND MANAGERS ACCOUNT
LINCOLN CAPITAL MANAGEMENT
ALPHABETICAL FIXED INCOME HOLDINGS
JUNE 30, 1992**

PAR VALUE	SECURITY	MATURITY	COUPON	MARKET VALUE
\$ 6,790,000	U.S.A. TREASURY NOTE	08/15/00	08.7500%	\$ 7,509,333
1,960,000	U.S.A. TREASURY NOTE	05/31/93	06.7500%	2,005,942
17,820,000	U.S.A. TREASURY NOTE	05/15/94	09.5000%	19,301,198
9,780,000	U.S.A. TREASURY NOTE	08/15/93	08.0000%	10,177,264
965,000	U.S.A. TREASURY NOTE	04/15/95	08.3750%	1,039,788
33,030,000	U.S.A. TREASURY NOTE	04/15/96	09.3750%	36,879,977
3,445,000	U.S.A. TREASURY NOTE	01/15/96	09.2500%	3,822,882
5,120,000	U.S.A. TREASURY NOTE	11/15/93	07.7500%	5,344,000
14,210,000	U.S.A. TREASURY NOTE	02/15/94	06.8750%	14,702,945
3,840,000	U.S.A. TREASURY NOTE	02/15/99	08.8750%	4,268,390
9,005,000	U.S.A. TREASURY NOTE	02/15/94	08.8750%	9,598,790
10,540,000	U.S.A. TREASURY NOTE	11/15/97	08.8750%	11,696,133
4,760,000	U.S.A. TREASURY NOTE	10/15/97	08.7500%	5,252,374
13,130,000	U.S.A. TREASURY NOTE	05/15/00	08.8750%	14,615,266
3,875,000	U.S.A. TREASURY NOTE	02/29/96	07.5000%	4,085,684
1,365,000	U.S.A. TREASURY NOTE	10/15/95	08.6250%	1,486,990
8,045,000	U.S.A. TREASURY NOTE	08/15/95	10.5000%	9,176,288
375,000	U.S.A. TREASURY NOTE	10/15/93	07.1250%	388,009
7,845,000	U.S.A. TREASURY NOTE	05/15/95	11.2500%	9,043,794
1,245,000	U.S.A. TREASURY NOTE	05/15/96	07.3750%	1,306,466
1,170,000	U.S.A. TREASURY NOTE	11/15/00	08.5000%	1,275,300
2,195,000	U.S.A. TREASURY NOTE	05/15/99	09.1250%	2,469,375
2,190,000	U.S.A. TREASURY NOTE	11/15/93	11.7500%	2,400,788
5,825,000	U.S.A. TREASURY NOTE	11/15/93	09.0000%	6,176,306
560,000	UNION OIL CO CALIF	02/15/06	09.1250%	595,543
440,000	VIRGINIA ELEC & PWR	04/01/21	08.7500%	447,216
500,000	VIRGINIA ELEC & PWR CO	03/01/07	08.6250%	515,795
610,000	WHIRLPOOL CORP	06/15/00	09.5000%	669,152
1,000,000	XEROX	11/01/95	08.7500%	1,067,430
\$ 677,119,422 TOTAL FIXED INCOME PORTFOLIO				\$ 725,448,835

**MINNESOTA STATE BOARD OF INVESTMENT
ALTERNATIVE INVESTMENT ACCOUNTS
ASSETS HELD JUNE 30, 1992**

REAL ESTATE ACCOUNT

NO. OF SHARES	SECURITY	MARKET VALUE
20,744	AETNA REAL EST. FUND	\$ 55,917,055
200	AMERICAN REP REALTY FUND	1
13,079	EQUIT. LIFE ASSUR. SOCIETY	71,170,683
6,000	HEITMAN ADV. REALTY II	31,419,366
10,000,000	HEITMAN ADV. V	10,065,380
19,621	HEITMAN ADVISORY CORP. GRP.	16,916,369
3,998	HEITMAN ADVISORY III	17,478,487
3,386,142	LASALLE PRTRNS INCOME	3,398,424
2,000	PAINE WEBBER MORTGAGE V	51,200
75	PAINE WEBBER QUAL FD I	24,450
125	PAINE WEBBER QUAL FD II	127,500
100	PAINE WEBBER QUAL. FD III	79,600
2,000	PAINE WEBBER QUAL. FD IV	94,900
5,498,782	S.B.I MONEY FUND	5,498,782
19,783	SSB REAL ESTATE FD III	19,465,824
14,802	SSB REAL ESTATE FUND IV	4,852,183
14,899	SSB REAL ESTATE FUND V	12,000,679
8,000	TCW REALTY FUND III	37,063,452
6,000	TCW REALTY FUND IV	28,549,294
75,000,000	THE RREEF FUNDS USA III	67,474,741
8,132,546	ZELL/ML REAL ESTATE II	6,032,601
TOTAL PORTFOLIO		\$ 387,680,969

VENTURE CAPITAL ACCOUNT

NO. OF SHARES	SECURITY	MARKET VALUE
4,203,329	ALLIED VENTURE PARTNERS	\$ 4,042,182
20,000	BANCTEC INC	455,000
6,189,658	CENTURY PTN III	7,294,221
7,500	CYGNUS THERAPEUTIC SYS	82,500
10,000,000	DSV PARTNERS IV	12,387,960
5,000	DULUTH GROWTH CO	0
8,889	FIRST CHICAGO III V.P.A.F.	10,151,259
4,392	FIRST CHICAGO V.P.A.F	3,990,438
7,500,000	G & K VENTURE PARTNERSHIP	5,457,173
8,400,000	GTC L.P. FUND III	11,946,186
5,492,505	IAI VENTURE PARTNERS	6,011,080
447,348	IAI VENTURE PARTNERS	451,939
13,237,757	K K R INVT. FD	43,089,375
5,000,991	KKR INVT FUND II	33,078,528
133,448,477	KKR INVT FUND III	217,350,070
7,510,380	MATRIX PARTNERS II L.P.	6,978,975
3,500,000	MATRIX PARTNERS III LP	3,387,052
6,161	NORTHWEST VENTURE PARTNERS	6,557,925
50,000	OFFICE DEPOT INC	1,250,000
18,037,989	S.B.I MONEY FUND	18,037,989
18,556,841	SUMMIT VENTURE LTD PART II	22,027,100
6,581,891	SUMMIT VENTURE LTD PARTN	5,439,696
5,648,250	SUPERIOR VENTURE PARTNERS	7,088,463
40,000	XILINX INC.	725,000
42,888	XYPLEX	943,536
10,093,984	ZELL/CHILMARK LTD PRTRN	9,049,954
TOTAL PORTFOLIO		\$ 437,273,600

**MINNESOTA STATE BOARD OF INVESTMENT
ALTERNATIVE INVESTMENT ACCOUNTS
ASSETS HELD JUNE 30, 1992**

RESOURCE ACCOUNT

NO. OF SHARES	SECURITY	MARKET VALUE
14,635	AMGO I	\$ 4,957,132
7,130	AMGO II	6,370,512
12,300,000	AMGO IV	14,905,521
11,532,954	AMGO V	14,222,231
1	APACHE CORP LTD II PART	0
30,000,000	APACHE CORP LTD III PART	7,889,130
1,000,000	BP ROYALTY TRUST	29,875,000
11,400,000	MORGAN J P PETROLEUM FUND II	13,088,762
416,492	OFS INVESTMENTS FUND II	416,492
9,312,283	S.B.I MONEY FUND	9,312,283
TOTAL PORTFOLIO		\$ 101,037,064

**MINNESOTA STATE BOARD OF INVESTMENT
MANAGERS FEES PAID FOR
FISCAL YEAR 1992**

ACTIVE EQUITY ACCOUNT (1)

Alliance Capital	\$ 2,509,214
Forstmann Leff Associates	601,153
Franklin Portfolio Assoc. Trust	590,075
Geocapital	1,552,796
Independence Investment Associates	264,738
IDS Advisory	613,761
Investment Advisers *	205,919
Lieber & Company	796,377
Lynch & Mayer	339,162
Rosenberg Institutional Equity Mgmt. *	145,235
Waddell & Reed	599,939
Active Managers Sub-Total	<u>\$ 8,218,369</u>

PASSIVE EQUITY MANAGERS (2)

Wilshire Associates	513,064
---------------------	---------

ACTIVE BOND MANAGERS (2)

Ark Asset Management	245,059
Investment Advisors	309,220
Miller Anderson	496,545
Western Asset Mgmt.	572,301
Active Bond Managers Sub-Total	<u>\$ 1,623,125</u>

SEMI-PASSIVE BOND MANAGERS (3)

Fidelity Management Trust	422,211
Lincoln Capital Management	302,033
Semi-Passive Bond Managers Sub-Total	<u>\$ 724,244</u>

TOTAL

\$ 11,078,802

* Manager terminated during fiscal year 1992.

(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) Semi-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
55 Sherburne Avenue
St. Paul, MN 55155
(612)296-3328