

A scenic photograph of a river flowing through a rocky canyon. In the foreground, a waterfall cascades down a dark, mossy rock face. The river continues through the canyon, with white water rapids visible. In the upper right, a wooden bridge with railings spans across a narrow section of the river. The surrounding landscape is lush with green vegetation and moss-covered rocks.

*Washington State  
Investment Board*

*20th Annual Investment Report  
June 30, 2001*



STATE OF WASHINGTON

**STATE INVESTMENT BOARD**

2424 Heritage Court SW - P.O. Box 40916 - Olympia, Washington 98504-0916  
(360) 664-8900 - FAX (360) 664-8912

June 30, 2001

To All Stakeholders:

I am pleased to submit the twentieth annual report of the Washington State Investment Board (WSIB) for fiscal year 2001.

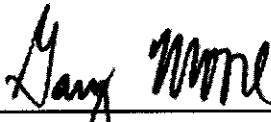
This year marks the twenty-year anniversary of the creation of the WSIB. When the WSIB first acquired Washington state's investment portfolio in 1981, the portfolio consisted of 16 individual retirement, industrial insurance and permanent funds totaling \$4.2 billion. The investment portfolio consisted of \$2.8 billion in fixed income securities, \$876 million in U.S. common stock and a little over \$500 million in short-term holdings.

How much difference twenty years can make! Today, the WSIB invests over \$55 billion in 31 individual funds — a figure that represents almost two-thirds of the total assets of the state of Washington. The investment portfolio is now diversified across a wide range of security types, including U.S. equities, government and corporate fixed income, mortgages, treasury inflation protection securities, guaranteed investment contracts, developed and emerging market non-U.S. equities, real estate, leveraged buy-out funds and venture capital. The WSIB now creates and offers daily-valued investment vehicles to individual participants in defined contribution retirement and deferred compensation programs. The changes in the state's investment portfolio over the past twenty years have contributed significantly to the tremendous improvements in the funding status of the state retirement plans and industrial insurance funds.

As of June 30, 2001, retirement fund assets stood at \$43.9 billion, including \$964 million in self-directed defined contribution funds. Following six consecutive years of double-digit investment gains, fiscal year 2001 was the first year since 1984 that the defined benefit retirement funds posted negative returns (-6.0 percent). This was only the second year in the twenty-year history of the WSIB that the retirement funds experienced negative performance. However, when compared with the returns of major stock indices like the S&P 500 (-14.8 percent) and the Wilshire 5000 (-15.3 percent), the WSIB's retirement fund performance reflects the benefits of a broadly diversified portfolio — a strategy which moderates extreme movements in any single investment market.

While funds with strong equity positions struggled in fiscal year 2001, the experience was markedly different for the Industrial Insurance and Permanent Funds, portfolios with a heavy emphasis on fixed income securities. The various Industrial Insurance Funds posted positive returns of between 4.8 percent and 12.3 percent, and the Permanent Funds posted historically high positive returns between 10.8 and 11.5 percent.

This coming fiscal year will present new challenges for the WSIB, most notably with the introduction of the state's largest defined contribution retirement plan, the new Public Employees' Retirement System Plan 3. However, these challenges will be met. As has been the case so many times over the past twenty years, the hard-working and dedicated Board and its staff will continue to work diligently to create and implement successful investment programs for the many and varied funds under the WSIB's management.



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Gary Moore, Chair

*In Memory of  
Toni Ritchey*

1947-2001



*Toni served as an investment officer on the staff of the Washington State Investment Board for 18 years. Her tenure on the Board's staff was the longest of any investment officer in the WSIB's history. Her outstanding career included long and productive periods in both the public equity and fixed income units.*

*Toni led a remarkably rich and varied life that touched many people. She was a homesteader in northern Canada for years, living in a one room cabin without electricity or telephone. Her refrigerator was a snow bank and nature was her market. She relied on her rustic skills to put food on the table. Too many cold winter nights in the Canadian wilds led her to enter the University of Puget Sound Business School, and from there to life as an entrepreneur with her own printing business. After selling the business and working for a time at Peoples Bank in Seattle, she came to WSIB in 1983. Toni always said that this was the job she loved. She loved what she did and the people around her, and she loved knowing that what she was doing helped other people.*

*Toni's dedication and contributions to the WSIB over the many years of her service are without equal. She is missed.*



## Twentieth Annual Investment Report (Part 1)

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**Part 2 of the Annual Report, "Financial Statements and Schedules of Investments," is an integral part of this Annual Report. It contains detailed listings of WSIB's investment holdings.**

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## ***HIGHLIGHTS OF FISCAL YEAR 2001***

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- Total assets managed by Washington State Investment Board (WSIB) stood at \$55.3 billion on June 30, 2001, with 31 individual state funds managed by WSIB. This figure represents a decline in total assets from the previous year of about \$3.7 billion, due to market value declines from negative investment returns and from pension distributions exceeding pension contributions in fiscal year 2001.
- The defined benefit Retirement Funds returned -6.0 percent in fiscal year 2001. Following six consecutive years of double-digit investment gains, this was the first year since 1984 that the Retirement Funds posted negative returns. Strong declines in the U.S. equity and non-U.S. equity markets contributed largely to the negative returns of the Retirement Funds.
- The four individual Industrial Insurance Funds each recorded positive returns in fiscal year 2001, with the highest being the 12.3% return of the Pension Reserve Fund.
- For the Permanent Funds, accrued earnings for distribution totaled \$42.7 million in fiscal year 2001.
- Defined contribution-type assets grew by \$313 million to total \$3.6 billion in four separate programs: Teachers' Retirement System Plan 3, School Employees' Retirement System Plan 3, the Judicial Retirement Account, and the state Deferred Compensation Plan.
- In Fiscal Year 2001, WSIB became trustee for the new Developmental Disabilities Endowment Trust Fund, with full investment authority for this new fund. By Fiscal Year end the fund had grown to \$5.5 million.
- Beginning in September 2000, new WSIB-managed investment options for defined contribution retirement plans and the Deferred Compensation Plan were introduced. These new daily-valued investment options are:
  - WSIB Short-Horizon Fund
  - WSIB Mid-Horizon Fund
  - WSIB Long-Horizon Fund
  - Washington State Bond Fund
- Beginning in March 2002, the WSIB will serve as asset trustee and have full authority for the investment of the new Public Employees' Retirement System Plan 3.
- The WSIB received its ninth consecutive unqualified state audit (for fiscal year 2000).

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# **WASHINGTON STATE INVESTMENT BOARD**

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The Washington State Investment Board (WSIB) was created by statute in 1981 to “. . . exercise all the powers and perform all duties prescribed by law with respect to the investment of public trust and retirement funds.” The law goes on to state “. . . the State Investment Board shall have full power to invest, reinvest, manage, contract, sell or exchange investments acquired.”

As of June 30, 2001, the WSIB has management responsibility for 31 funds which are categorized as either retirement funds (defined benefit and defined contribution), deferred compensation funds, industrial insurance funds, permanent funds, or other trust funds. The Board is composed of nine voting members and five non-voting members.

Although governed by an independent board, the WSIB is part of the Executive branch of state government. As a state agency, Board members and staff are required to comply with all statutory requirements and rules established for all agencies, officials, and employees in the performance of their public duties.

In order to efficiently analyze investment issues, specific areas of responsibility have been assigned to Committees of the Board. The Committees consist of selected Board members and act as extensions of the Board. Their functions are to analyze investment issues under their jurisdiction in greater detail than would be possible for the full Board. Recommendations are brought to the Board at regular meeting dates for a full Board vote.

## **Investment Principle**

*“The State Investment Board shall invest and manage the assets entrusted to it with reasonable care, skill, prudence, and diligence under circumstances then prevailing which a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an activity of like character and purpose.” (RCW 43.33A.140)*

*“The Board shall establish investment policies and procedures designed exclusively to maximize return at a prudent level of risk.” (RCW 43.33A.110)*

*“The Board shall consider investments not in isolation, but in the context of the investment of the particular fund as a whole and as part of an overall investment strategy, which should incorporate risk and return objectives reasonably suited for that fund.” (RCW 43.33A.140)*

## **Mission Statement**

*To invest and to manage the entrusted funds in a manner consistent with statutes, regulations, Board policies and the highest standard of professional conduct for the exclusive benefit of fund beneficiaries.*

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# WASHINGTON STATE INVESTMENT BOARD

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## BOARD-ESTABLISHED COMMITTEES

The Board has established four Committees which are appointed by the Chair and approved by the Board as follows:

### Administrative

This Committee is responsible for organizational, personnel, budget, legal issues, and legislative issues, as well as strategic asset allocation matters.

### Audit

This Committee oversees audit activities and operations, and nominates candidates for the non-voting positions on the Board. In addition, the Audit Committee develops and monitors the Code of Conduct for the Board, reviews performance reporting requirements, and deals with corporate governance policies and issues.

### Private Markets

This Committee is responsible for development of policy and structure for private market investments (real estate, venture capital, leveraged buyouts, etc.), and reviews individual real estate transactions, partnerships, and private equity investments for recommendations to the Board.

### Public Markets

This committee is responsible for the development of policy and structure for public market investments (fixed income, domestic equity, international equity), and reviews individual equity managers for recommendation to the Board.

## OUTSIDE HELP AND ADVICE

Even with a highly skilled, professional staff, the Board must rely on a variety of outside experts to provide advice and counsel, as well as specific investment services. The following list includes the consultants and advisors currently utilized by the Board.

Money management firms hired by the Board to manage specific portions of the equity portfolio, and other assets managed by general partners in private equity and real estate, are listed on the pages describing those specific investment programs.

### Legal Services

- Attorney General of Washington
- Foster, Pepper & Shefelman - Seattle, WA
- Goodwin Procter - Boston, MA
- Orrick, Herrington & Sutcliffe - New York, NY
- Preston, Gates & Ellis - Seattle, WA
- Song & Mondress - Seattle, WA
- Testa Hurwitz & Thibault - Boston, MA
- Paul, Hastings, Janofsky & Walker - Los Angeles, CA

### Master Custodian Bank

- State Street Bank - Boston, MA

### Private Equity Consultant

- Pacific Corporate Group - La Jolla, CA

### Real Estate Consultant

- Courtland Partners - Cleveland, OH

### Insurance Portfolio Consultant

- Conning Asset Management - Hartford, CT

### Investment Accounting Data System

- Financial Control Systems - Chadds Ford, PA

### General Investment Consultants

- Pension Consulting Alliance - Encino, CA
- Callan Associates - Denver, CO
- R.V. Kuhns & Associates - San Francisco, CA
- Watson-Wyatt Investment Consulting, S.F., CA

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## ***BOARD MEMBERS***

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### **Ex-Officio Board Members**

Michael J. Murphy	State Treasurer
John F. Charles, Vice-Chair	Director, Department of Retirement Systems
Gary Moore, Chair	Director, Department of Labor and Industries

### **Board Members Appointed by the Governor**

Beverly Hermanson	Representative - Active Member, Public Employees' Retirement System
George Masten	Representative - Retired Member of a State Retirement System
Patrick McElligott	Representative - Active Member, Law Enforcement Officers' and Fire Fighters' Retirement System

### **Board Member Appointed by the Superintendent of Public Instruction**

Lee Ann Prielipp	Representative - Active Member, Teachers' Retirement System
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### **Board Member Appointed by the Speaker of the House**

Helen Sommers	State Representative
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### **Board Member Appointed by the President of the Senate**

Sid Snyder	State Senator
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### **Non-Voting Board Members Appointed by Voting Board Members**

Jeffrey Hanna	Investment Professional
Charles Kaminski	Investment Professional
John Magnuson	Investment Professional
Robert S. Nakahara	Investment Professional
Paula Treneer	Investment Professional



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# STATE INVESTMENT BOARD STAFF

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## EXECUTIVE STAFF

### **James F. Parker**

*Executive Director*

Formerly General Secretary and Chief Executive Officer for the General Board of Pension and Health Benefits of the United Methodist Church headquartered in Evanston, Illinois. Top Honors graduate of University of Michigan with a BBA and Garrett-Evangelical with a M. DIV. Holds doctorate from Adrian (Michigan) College.

### **Gary H. Bruebaker, CFA, CPA**

*Chief Investment Officer*

Twenty-three years in executive management and public finance. Formerly Deputy State Treasurer of Oregon. Served as the President of the Government Finance Officers Association of the United States and Canada. Graduate of the University of Oregon with an MBA and a graduate of Oregon State University with honors in business administration. Chartered Financial Analyst, Certified Cash Manager and Certified Public Accountant.

### **Helen Small, CGFM**

*Chief Operating Officer*

Ten years in the management of public fund investment operations. Formerly held various executive positions as Director, Deputy Director, and Assistant Director in public finance, operations and program management with the state of Washington and state of Oregon. Graduate of Eastern Oregon State College and a Certified Government Financial Manager.

### **Beth Vandehey, CPA**

*Internal Auditor*

### **Executive Support**

Sheila Geisler,

*Executive Assistant*

Kristi Bromley,

*Administrative Assistant for Investments*

Kristi Walters,

*Administrative Assistant for Operations*

Catherine Bowman,

*Office Assistant*

## SENIOR INVESTMENT OFFICERS

### **William P. Kennett, CFA**

*Fixed Income*

Formerly a securities analyst at the Montana Board of Investments. Graduate of the University of Montana with an MBA and a BS in Business Administration.

### **Thomas E. Ruggels**

*Private Equity*

Formerly an Investment Officer in both public and private equity and Investment Accounting Controller for the SIB. Graduate of the University of Kansas in Accounting with an MBA from the University of Washington.

### **Nancy Calkins, CIMA**

*Public Equity*

Formerly Investment Officer for CALPERS, domestic and international external equity manager relations. Graduate with honors Master of Arts in Economics and Business Administration from California State University, Sacramento.

### **Jeffrey A. Habersetzer**

*Real Estate*

Formerly worked in the real estate related fields of fee appraisal and title insurance, and as a commercial sales and leasing associate. Graduate of University of Washington in Business Administration.

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# **STATE INVESTMENT BOARD STAFF**

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## **INVESTMENT STAFF**

### **Asset Allocation**

Diana Will, CFA

### **Fixed Income**

Thomas E. Bosworth  
Donna May Ong, CFA  
Maria S. Tosteson Rosen

### **Private Equity**

Isabelle Fowler  
Sam Green, CPA  
Gary R. Holt  
Kim M. Pedersen, CFA

### **Public Equity**

Linda L. Lester, CPA

### **Real Estate**

Steven M. Draper  
Gary G. Gallinger

### **Investment Support**

Linda Buchanan, Secretary Administrative  
Regina Cuccia, Office Assistant Senior  
Celeste Wade, Office Assistant Senior

## **OPERATIONS STAFF**

### **INVESTMENT OPERATIONS**

#### **Portfolio Administration**

Alicia Markoff, Portfolio Administrator  
Mike Donovan, Assistant Portfolio Administrator  
Nelly Haun, Trade Settlement Specialist

#### **Investment Accounting**

Steven C. Verschoor, Investment Accounting Controller  
Sandra Machado, Investment Accounting Supervisor  
Tami Clark, Investment Accountant  
Mimi French, Investment Accountant  
Vikki Gigstead, Investment Accountant  
Kae Schmidt, Investment Accountant

#### **Operations Support**

E. Reneé Wicklund, Office Assistant Senior

### **ADMINISTRATIVE SERVICES**

#### **Business Services**

Sandra Joudrey, CPA, Financial Manager  
John Lynch, JD, MPA, Contract Specialist  
Jack Coleman, Chief Accountant  
Kathy Butler, Administrative Assistant  
Barbara Schoenthal, Accountant  
Renee Long, Financial Specialist  
Meenu Kushan, Fiscal Technician

#### **Human Resources**

Melanie Watness

#### **Legislative and Communications**

Scott Huntley

#### **Systems and Office Services**

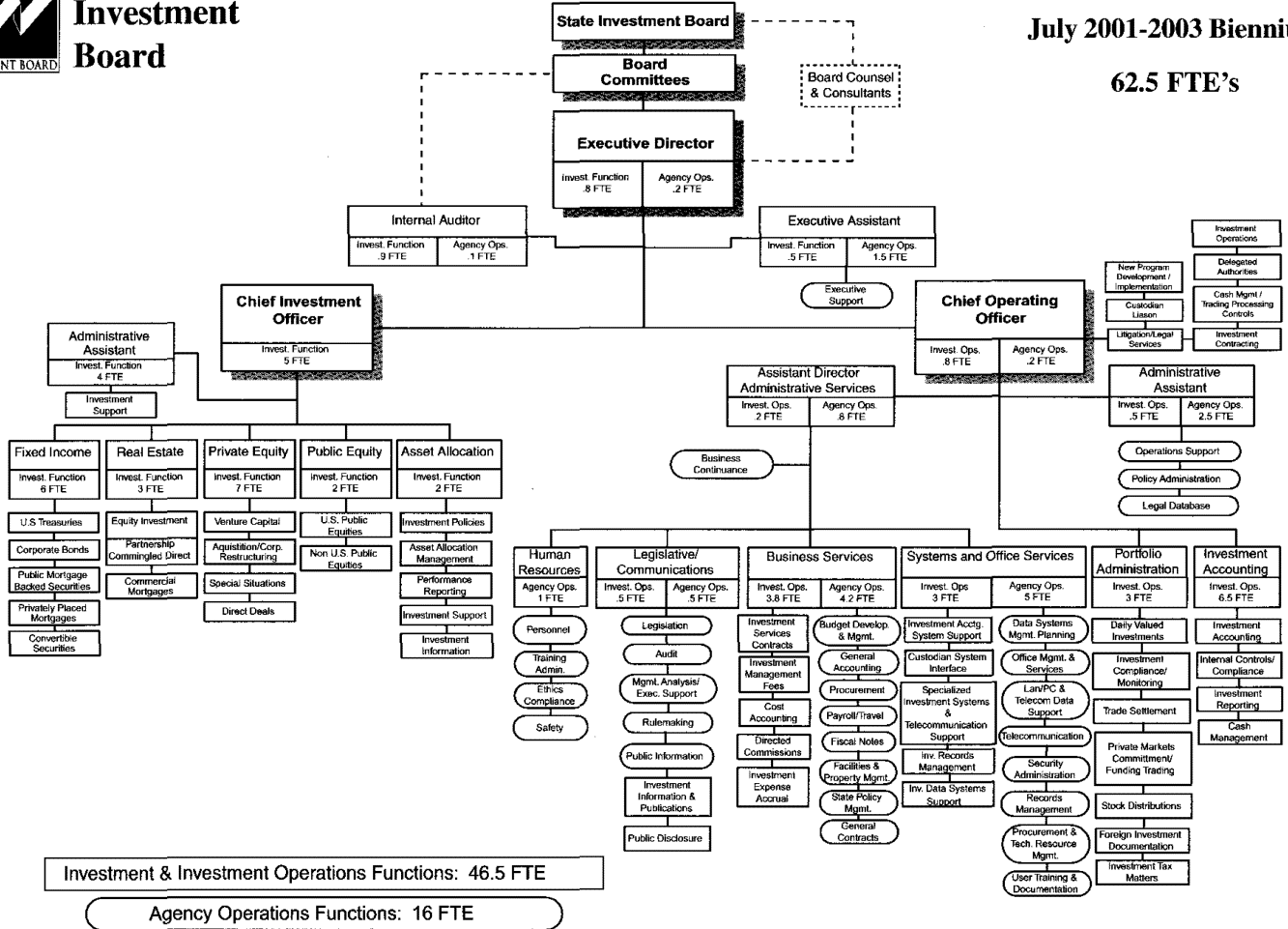
Jim Lee, Systems and Office Services Manager  
Tom Edwards, LAN Administrator  
Bill Duris, Systems Analyst  
Brad Christoffer, PC Support Specialist  
Patricia Sheridan, Office Manager  
Tish Day, Office Assistant Senior  
Shauna Raphael, Office Assistant Senior



**State Investment Board**

**Organizational Chart**  
July 2001-2003 Biennium

62.5 FTE's



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# ***INVESTMENT RESPONSIBILITY***

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As of June 30, 2001, The Washington State Investment Board has investment responsibility for the following thirty-one funds:

## **RETIREMENT FUNDS**

### **DEFINED BENEFIT**

- Public Employees' Retirement System (PERS) Plan 1
- Public Employees' Retirement System (PERS) Plan 2
- School Employees' Retirement System (SERS) Plan 2/3
- Teachers' Retirement System (TRS) Plan 1
- Teachers' Retirement System (TRS) Plan 2/3
- Law Enforcement Officers' & Fire Fighters' (LEOFF) Plan 1
- Law Enforcement Officers' & Fire Fighters' (LEOFF) Plan 2
- Judicial Retirement System
- Washington State Patrol Retirement System (WSPRS)
- Volunteer Fire Fighters' Relief & Pension Fund

### **DEFINED CONTRIBUTION**

- School Employees' Retirement System Plan 3 (Self-Directed)
- Teachers' Retirement System Plan 3 (Self-Directed)
- Judicial Retirement Account

## **DEFERRED COMPENSATION FUNDS**

- State Deferred Compensation Plan

## **INSURANCE (LABOR & INDUSTRIES) FUNDS**

- Accident Fund
- Medical Aid Fund
- Pension Reserve Fund
- Supplemental Pension Fund

## **PERMANENT FUNDS**

- Agricultural Permanent Fund
- Common School Permanent Fund
- Millersylvania Park Trust Fund
- Normal School Permanent Fund
- Scientific Permanent Fund
- State University Permanent Fund

## **OTHER TRUSTS**

- Developmental Disabilities Endowment Trust Fund
- Game and Special Wildlife Fund
- Guaranteed Education Tuition Fund
- Radiation Perpetual Fund
- Reclamation Revolving Fund
- State Emergency Reserve Fund
- State Employees' Insurance Reserve

# ASSETS UNDER MANAGEMENT

## TOTAL ASSETS BY FUND

*June 30, 2001*

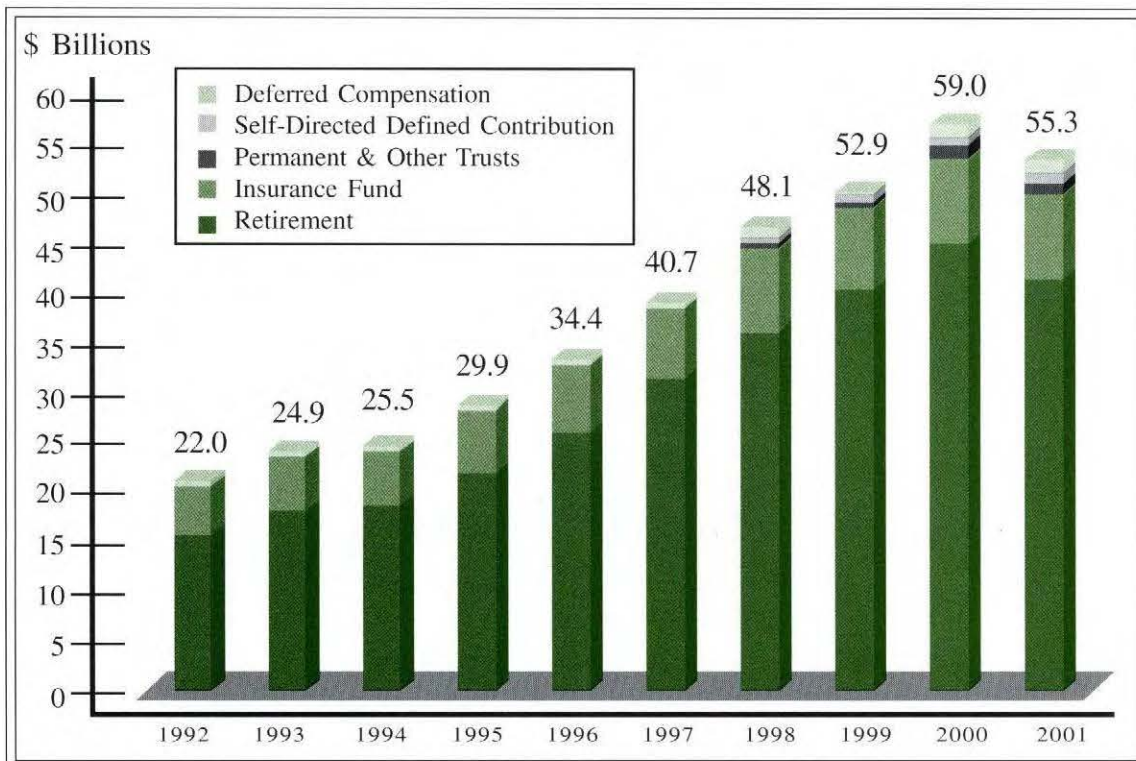
*(Millions)*

Retirement	\$ 42,979
Self-Directed Defined Contribution	964
Deferred Compensation	1,464
Industrial Insurance Funds	8,630
Permanent Funds	657
Other Trusts	604
	<b>\$ 55,298</b>

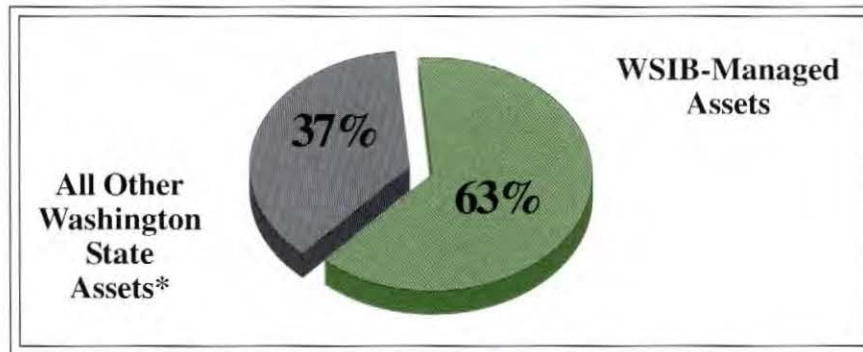
## GROWTH OF ASSETS

*Past Ten Years*

*Fiscal Year Ending June 30, 2001*



## ASSETS UNDER MANAGEMENT



63% of the total State Assets are managed by the WSIB

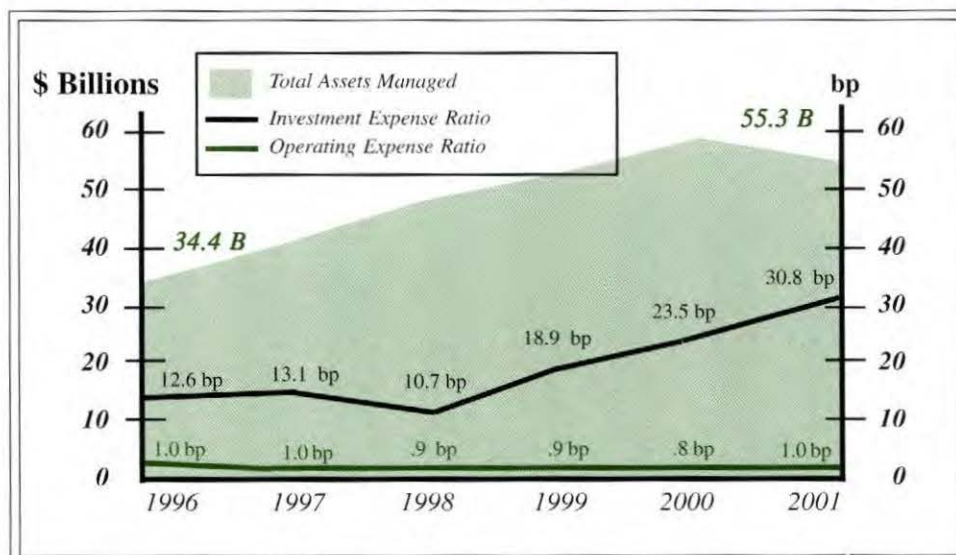
Source: 2000 Washington State CAFR

\*State Assets include: cash, investments, receivables, capital facilities and capital assets - including public lands, but excluding renewable resources and infrastructure (such as roads and bridges).

### WSIB COST OF MANAGEMENT (\$000)

FISCAL YEAR	TOTAL ASSETS	INVESTMENT EXPENSES	INV. COSTS TO ASSETS	OPERATING EXPENSES	OP. COSTS TO ASSETS	TOTAL EXPENSES	TOTAL COSTS TO ASSETS
1996	\$34,418,945	\$43,263	.126%	\$3,668	.010%	\$46,931	.136%
1997	\$40,654,325	\$53,288	.131%	\$4,008	.010%	\$57,296	.141%
1998	\$48,060,437	\$51,715	.107%	\$4,251	.009%	\$55,966	.116%
1999	\$52,870,990	\$100,002	.189%	\$4,922	.009%	\$104,925	.198%
2000	\$58,868,551	\$138,573	.235%	\$4,626	.008%	\$143,199	.243%
2001	\$55,298,357	\$170,228	.308%	\$5,569	.010%	\$175,797	.318%

### RATIO OF TOTAL COSTS TO ASSETS MANAGED



# **STATE INVESTMENT BOARD BUDGET**

The WSIB is referred to as a “non-general fund” agency for budgetary purposes. The WSIB receives no state tax monies; its funding comes from earnings on the assets managed. Portions of earnings are spent on appropriated and non-appropriated expenses.

## **THE BIENNIAL BUDGET (Appropriated Expenses)**

The WSIB follows the same budget process as any other state agency. The Board receives a biennial (two-year) appropriation from the legislature, which covers normal department operations, including staff, facilities, equipment, supplies, etc.

The biennial budget is approved by the state legislature every odd-numbered year. The biennial budget funds the WSIB from July 1 of the odd-numbered year, following passage of the state budget, to June 30 of the next odd-numbered year.

Like any other state agency, the WSIB cannot operate in a deficit. The appropriated operating expenses are funded based on a formula established by statute whereby each fund invested by the WSIB pays a share proportional to the value of the assets of the fund. The WSIB’s operating budget is tiny in comparison to the assets managed. Currently, the two-year operating budget is 0.021 percent of the total assets managed (\$55.3 Billion). For fiscal year 2001, the appropriated operating expenditures were \$5,568,894 or .01 percent of the total assets managed.

## **(Non-Appropriated)**

Fees and expenses associated with the management of investments typically include money manager, custodial bank, consultant, and legal fees specifically related to an investment or group of investments. These expenses are classified as non-appropriated expenditures which do not require specific legislative appropriation.

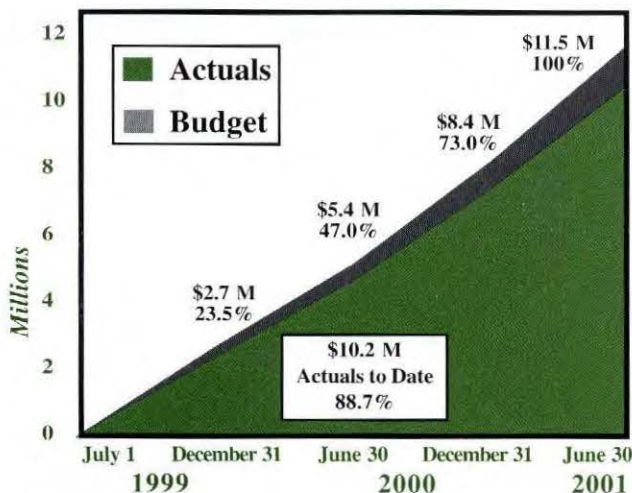
Statutory authority for these expenditures is codified in RCW 43.84.160, Investment counseling fees payable from earnings: “Investment counseling fees established by contract shall be payable from the investment earnings derived from those assets being managed by investment counsel.”

For fiscal year 2001, total non-appropriated expenditures were \$170,228,239 or .31 percent of the total assets managed.

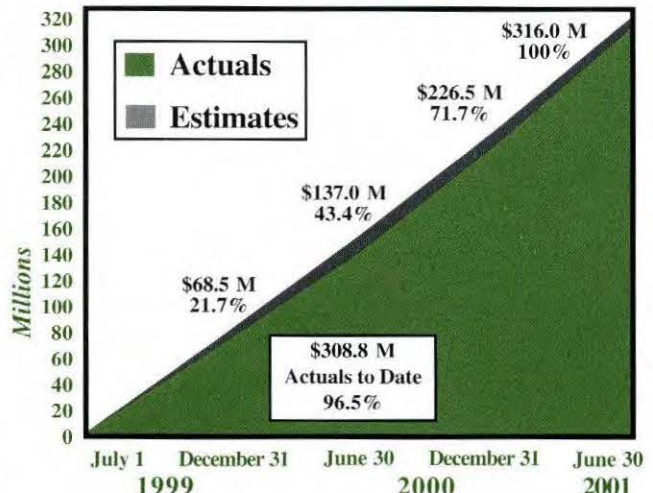
Investment expenses in fiscal year 2001 grew due to increased private equity and real estate commitments, and the inclusion of netted investment management fees.

## **INVESTMENT EXPENSES**

**Appropriated Expenditures  
as of June 30, 2001**



**Non-Appropriated Expenditures  
as of June 30, 2001**



# ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2001

Accrual Basis

<b>OBJECTS OF EXPENDITURE</b>	<b>BUDGET TO DATE</b>	<b>EXPENDITURE TO DATE</b>	<b>BUDGET VARIANCE</b>
<b>Appropriated</b>			
Salaries	\$ 3,332,383	\$ 2,893,272	\$ 439,111
Benefits	696,223	615,978	80,245
Personal Services	662,363	684,749	(22,386)
Goods & Services	1,162,735	1,136,895	25,840
Travel	200,224	184,256	15,968
Fixed Assets	7,801	54,244	(46,443)
Interagency Reimbursements	-	(500)	500
<b>Subtotal Appropriated</b>	<b>\$ 6,061,729</b>	<b>\$ 5,568,894</b>	<b>\$ 429,835</b>
<b>Retirement Funds</b>			
U.S. Equity-Passive		\$ 468,198	
Non-U.S. Equity - Active		9,468,967	
Non-U.S. Emerging Markets - Passive		303,879	
Non-U.S. Emerging Markets - Active		3,713,760	
Private Equity		101,625,990	
Real Estate		29,934,131	
Commercial Mortgages (Fixed Income)		1,004,007	
General Pension Consultants		3,889,580	
Legal Fees		256,986	
Custodian Bank Fees		963,754	
Securities Lending Fees		11,202,484	
<b>Total Retirement</b>		<b>\$ 162,831,737</b>	
<b>Self-Directed Defined Contribution Funds</b>			
Self-Direct Managers - Non U.S. Equity		57,310	
Self-Direct Managers - U.S. Equity		45,110	
U.S. Fixed Income		68,401	
<b>Total Self-Direct DC*</b>		<b>\$ 170,821</b>	
<b>Industrial Insurance Funds</b>			
Consultants		\$ 60,000	
U.S. Equity		30,227	
Custodian Bank Fees		156,929	
Securities Lending		852,868	
<b>Total L &amp; I</b>		<b>\$ 1,100,025</b>	
<b>Deferred Compensation Funds</b>			
Fixed Income - Active		\$ 18,969	
U.S. Equity - Active		5,753,190	
Non-U.S. Equity - Active		269,799	
US Equity - Passive		1,515	
<b>Total Deferred Compensation Funds*</b>		<b>\$ 6,043,474</b>	
<b>Permanent/Other Funds</b>			
U.S. Equity		\$ 1,278	
Custodian Bank Fees		27,416	
Securities Lending		53,487	
<b>Total Permanent Funds</b>		<b>\$ 82,180</b>	
<b>Subtotal Non-Appropriated</b>		<b>170,228,239</b>	
<b>TOTAL APPROPRIATED AND NON-APPROPRIATED</b>		<b>\$ 175,797,133</b>	

\*Expenses are paid by participants. DRS administrative costs borne by participants are not included.



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## INVESTING IN WASHINGTON

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While the WSIB continually seeks the best investment opportunities no matter where they might be located, the state of Washington is home to many tremendous companies that offer the WSIB excellent investment opportunities. Many Washington investments can be found in all of the WSIB's investment portfolios.

In the public markets (public equity and fixed income), the WSIB portfolio contains share ownership in and/or holds debt instruments issued by a large number of publicly-held companies headquartered in the state of Washington. Among the many Washington companies represented in the WSIB portfolio are:

- Advanced Digital Information
- Amazon.Com
- Americanwest Bancorp
- Cascade Natural Gas
- Cell Therapeutics
- Costco Wholesale Corp.
- Cutter & Buck
- Eden Bioscience Corp.
- Expedia, Inc.
- Immunex
- Labor Ready, Inc.
- Longview Fibre
- Microsoft
- Mackie Designs
- Nextel Partners, Inc.
- Nordstrom
- Paccar
- Potlatch
- Puget Energy Inc.
- Real Networks, Inc.
- Safeco
- Seattle Genetics, Inc.
- Spacelabs Medical
- Starbucks
- Sterling Financial Corp.
- Targeted Genetics Co.
- Todd Shipyards, Corp.
- Washington Mutual
- Western Wireless
- Weyerhaeuser

Several of the WSIB's real estate partners and managers have acquired or managed assets located in Washington. The following are some examples:

- 1551 Eastlake Avenue - Seattle
- 1616 Eastlake Avenue - Seattle
- Bellevue Galleria - Bellevue
- Burke & Phinney Buildings - Seattle
- Columbia Technology Center - Vancouver
- One & Two Union Square - Seattle
- Pacific Business Park North - Kent
- Southcenter Corporate Square - Seattle

The most direct impact the WSIB investments might have on the Washington economy is in private equity ownership. Some of the private equity portfolio companies headquartered in Washington include:

- Airspan Networks
- Apex Learning, Inc.
- Avenue A
- Bsquare Corp.
- Calypso Medical Tech
- Captura Software
- Car Toys
- Cobalt Group, Inc.
- Columbia Banking Systems
- Cybersafe Corp.
- Data Channel Corp.
- GST Network Funding
- Imandi.com
- Laplink.com
- Lizard Tech, Inc.
- Merrill Gardens
- Metawave Communications
- Phycom Corp.
- Point.com
- Restaurants Unlimited
- Skeletech
- Spinal Dynamics Corp.
- Talisma Corp.
- Therus Corp.
- Tidewater Holdings
- Viathan Corp.
- Xcyte Therapies
- Your Pet's Choice
- Zymogenetics, Inc.

## ***DEFINED BENEFIT RETIREMENT FUNDS***

- **Washington Pension System Policy Roles**
- **Retirement Plans**
- **Asset Growth**
- **Fund Performance**
- **Investment Growth and Returns**
- **Asset Allocation**
  
- **U.S. Equity Program**
- **Non-U.S. Equity Program**
- **Fixed Income Program**
- **Private Equity Program**
- **Real Estate Program**

# WASHINGTON PENSION SYSTEM POLICY ROLES

## LEGISLATIVE

### HOUSE APPROPRIATIONS & SENATE WAYS AND MEANS COMMITTEES

- Reviews Retirement Funding and Benefit Bills

### JOINT COMMITTEE ON PENSION POLICY

- Studies Issues
- Develops Retirement Policy
- Appoints State Actuary
- Recommends Legislation

### OFFICE OF STATE ACTUARY

- Performs Actuarial Services
- Advises on Pension Benefit Funding & Investment Policy
- Recommends Actuarial Assumptions and Contributions
- Staffs Joint Committee on Pension Policy

### PENSION FUNDING COUNCIL

- Adopts Economic Assumptions
- Establishes Employer Contribution Rate

## EXECUTIVE

### GOVERNOR

- Appoints Three State Investment Board Members
- Appoints Director of Department of Retirement Systems
- Appoints Director of Department of Labor and Industries

### OFFICE OF FINANCIAL MANAGEMENT

- Analyzes Impact of Retirement Legislation
- Advises Governor

### OFFICE OF STATE TREASURER

- Receipt and Disbursement Agent
- Member of the Investment Board

### DEPARTMENT OF RETIREMENT SYSTEMS

- Collects Contributions
- Maintains Records
- Pays Retirement Benefits
- Provides Member Services
- Member of the Investment Board

### EMPLOYEE RETIREMENT BENEFITS BOARD

- Recommends Types of Investment Options for Defined Contribution Retirement Plans
- Advises Department of Retirement Systems

### WASHINGTON STATE INVESTMENT BOARD

- Trustee for all Defined Benefit and Defined Contribution Plans
- Establishes Investment Policies
- Invests & Manages Assets for Exclusive Benefit of Fund Beneficiaries
- Authorizes Self-Directed Investment Options for Defined Contribution Retirement Plans
- Monitors and Reports Investment Performance
- Accounts for Investments (Except Defined Contribution and Deferred Compensation)

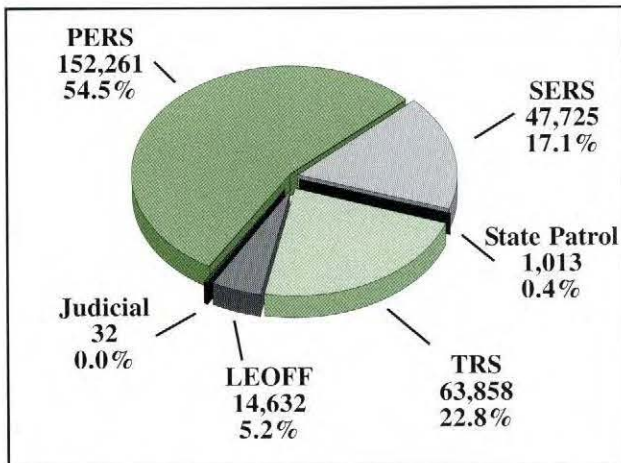
## ***RETIREMENT PLANS***

The Department of Retirement Systems (DRS) is the administrative arm of the State's multiple-employer retirement systems. Headed by a cabinet-level director, who also serves as a voting member of the WSIB, DRS administers the pension plans for state employees, teachers and classified educational employees; law enforcement officers and fire fighters; and other employees of participating local political subdivisions.

The retirement system membership has grown to 403,669 members as of June 30, 2001, including 23,838 inactive members.

In fiscal year 2001, the sum of trust fund contributions, fees and investment returns was -\$1,745 (including Plan 3 Self-Directed Defined Contribution). This includes positive revenues of \$467 million in member contributions and restorations, \$559 million in employer contributions, \$29 million in General Fund contributions, and \$27 million in fees and other revenue, countered by -\$2,827 million in investment losses.

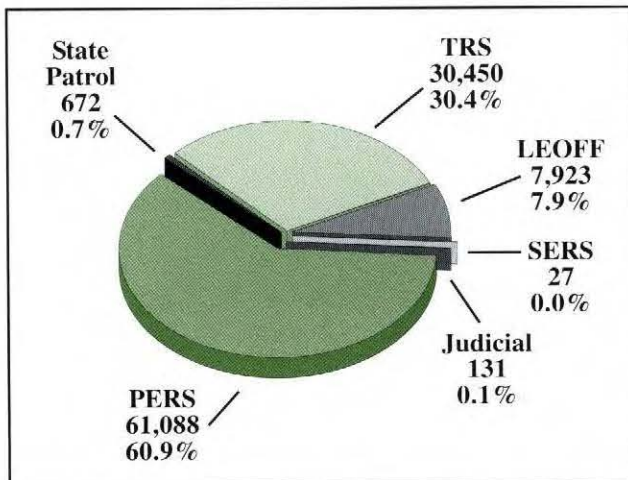
### **ACTIVE MEMBERS BY SYSTEM**



### **MARKET VALUE AS OF JUNE 30, 2001 (In \$000's)**

PERS 1	\$ 10,207,382
PERS 2	10,142,611
SERS 2/3	1,649,060
TRS 1	8,790,666
TRS 2/3	4,069,417
LEOFF 1	4,985,872
LEOFF 2	2,351,452
WSP	658,655
Vol FF	114,879
JUDICIAL	<u>9,551</u>
<b>TOTAL</b>	<b><u><u>\$ 42,979,545</u></u></b>

### **RETIRED MEMBERS BY SYSTEM**



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## **ASSET GROWTH**

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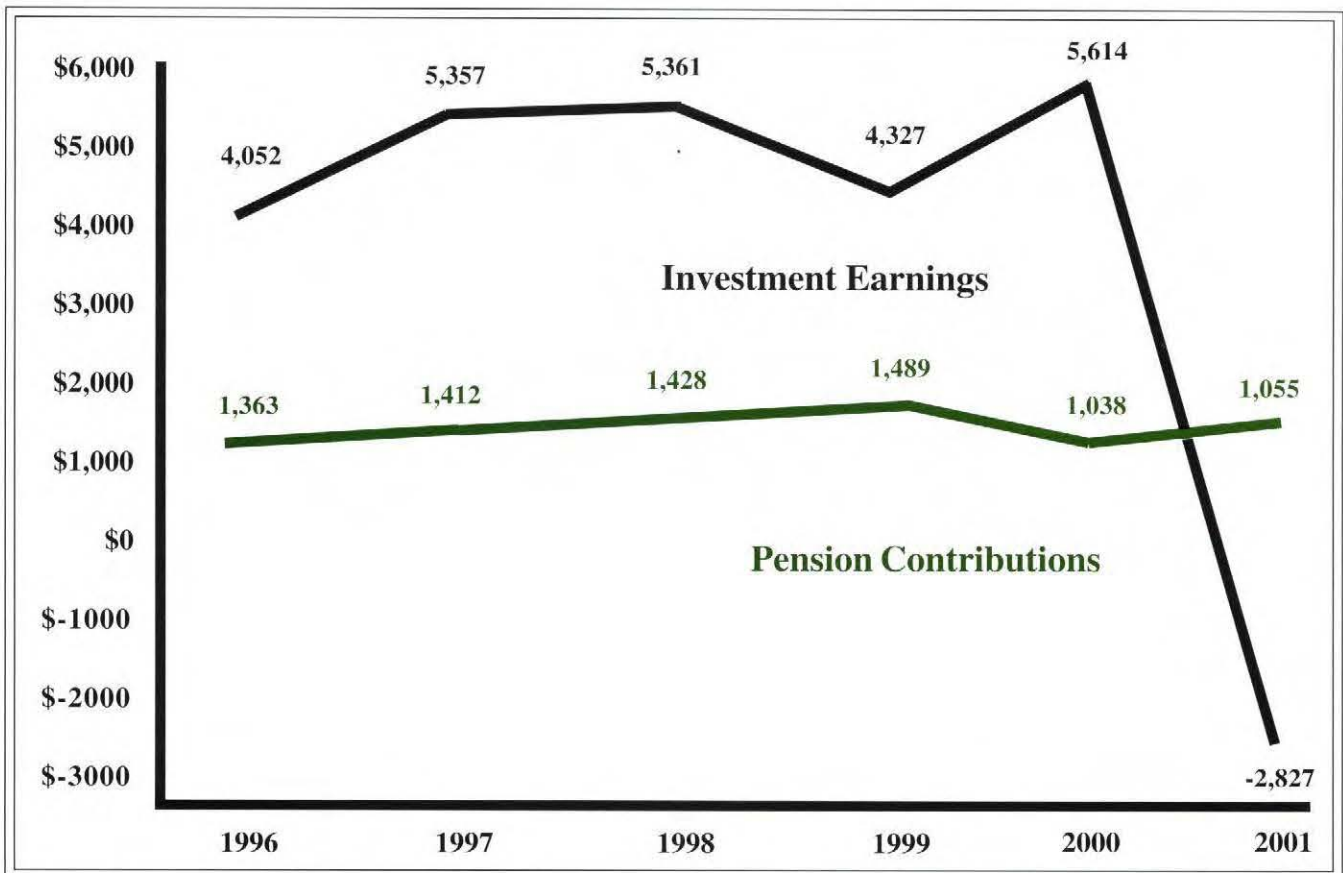
Over the past ten years, the assets of the Retirement Funds have grown from \$14.8 billion to \$43.0 billion (as of June 30, 2001), not including Plan 3 Self-Directed Defined Contribution. This growth has three components: employer contribution, employee contribution, and investment return.

Employer contributions are driven by the obligation of the employer to fund the plan in a systematic and deliberate manner consistent with actuarial projections, existing statutes and availability of funds.

The employee contributions are the most predictable of the three components since many are statutory and less likely to change.

Investment returns are primarily the result of asset allocation and capital market returns. The WSIB has no control over capital market returns; it does, however, have control over the Retirement Fund's asset allocation, investment strategies, risk-return objectives, and certain investment decisions. The asset allocation policy is reviewed regularly and revised when appropriate. (See the Asset Allocation section on page 22).

### **Factors Affecting Trust Fund Balances (in Millions)**



Note: Investment earnings and pension contributions include Plan 3 Self-Directed investment. Source of pension contributions: Department of Retirement Systems. Source of investment earnings: Washington State Investment Board and Department of Retirement Systems (for Plan 3 Self-Directed investment earnings). This chart is for comparison on investment returns and pension contributions only, and does not include all factors related to trust fund balances.

## **RETIREMENT FUND PERFORMANCE**

The WSIB measures its performance by the achievement of expected returns on the assets under management, and comparisons to appropriate benchmarks.

An important part of the asset allocation policy process is to set an expectation for performance of the individual asset classes, as well as the Retirement Fund as a whole. Although returns will vary quarterly and annually, the long-term expectation should exceed the actuarially assumed rate over time.

Assets differ in their behavior and volatility. For example, since most public market investments can be priced instantaneously, fair market value can be determined with certainty. However, the real estate and private equity investments are very illiquid, are not easily priced, and may take years before offering the expected return to the investor. These characteristics must be kept in mind when reviewing quarterly and annual returns.

The nine largest defined benefit retirement funds are invested through the Retirement Commingled Trust Fund (CTF). The CTF serves to pool the assets of the nine separate funds in order to provide for more efficient management and reduce administrative costs and investment fees.

### **RETIREMENT COMMINGLED TRUST FUND**

*Time-Weighted Returns  
Periods Ending June 30, 2001*

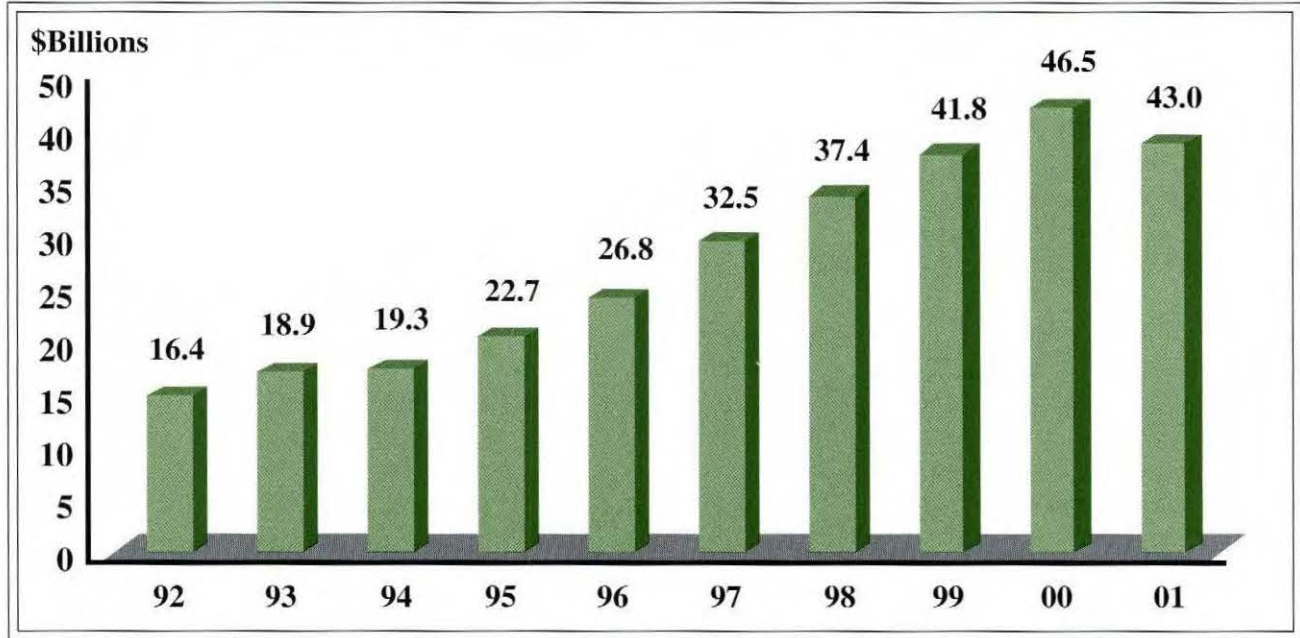
	-----Annualized-----		
	One Year	Three Years	Five Years
<b>TOTAL FUND</b>	<b>-6.0%</b>	<b>6.2%</b>	<b>11.1%</b>
<i>TUCS Public Fund &gt; \$1 B Median*</i>	-6.3	4.7	10.3
<i>TUCS Public/Corporate Fund &gt; \$1 B Median*</i>	-5.9	5.1	10.9
<b>LIQUIDITY</b>	<b>0.9%</b>	<b>4.1%</b>	<b>4.7%</b>
<i>90 Day Treasury Bill</i>	5.9	5.3	5.4
<b>FIXED INCOME</b>	<b>12.4%</b>	<b>6.4%</b>	<b>7.7%</b>
<i>Lehman Aggregate Bond Index</i>	11.2	6.2	7.5
<b>U.S. EQUITY</b>	<b>-14.5%</b>	<b>4.3%</b>	<b>13.3%</b>
<i>Wilshire 5000 Index</i>	-15.3	3.5	13.1
<b>NON-U.S. EQUITY</b>	<b>-21.6%</b>	<b>1.9%</b>	<b>2.4%</b>
<i>MSCI ACWI Free (ex. U.S.) Index</i>	-23.8	-0.5	2.7
<b>REAL ESTATE</b>	<b>13.3%</b>	<b>11.1%</b>	<b>17.4%</b>
<i>NCREIF Property Index</i>	12.0	12.5	12.7
<b>PRIVATE EQUITY</b>	<b>-6.9%</b>	<b>10.9%</b>	<b>18.3%</b>
KKR Portfolio	-3.7	1.4	12.8
Venture and Other Portfolio	-7.8	21.1	20.8

\* TUCS returns have been adjusted to reflect fees equivalent to those incurred by WSIB.

# INVESTMENT GROWTH AND RETURNS

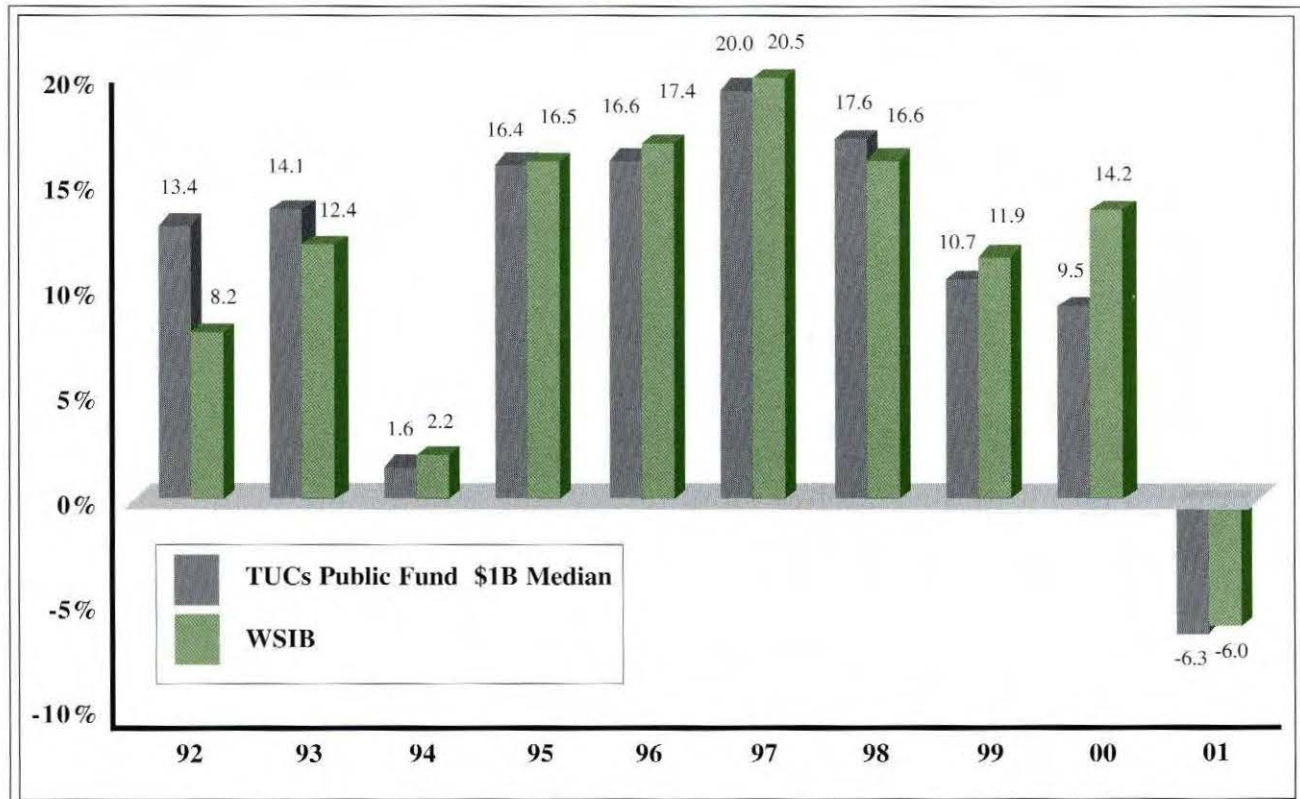
## RETIREMENT FUND HISTORICAL MARKET VALUES

*Fiscal years ending June 1992 to June 2001*



## RETIREMENT FUND HISTORICAL RATES OF RETURN

*Fiscal years ending June 1992 to June 2001*



## **ASSET ALLOCATION**

Asset allocation is the driver of investment performance. Research consistently shows that a plan's asset allocation explains over 90 percent of the variation in investment return. Accordingly, the WSIB spends considerable time and effort developing, monitoring, and adjusting the asset allocation of the retirement fund portfolio. To control the risk of the asset mix, the Board has established tight policy ranges around each asset class. By placing the fund's assets in several investment areas, the Board reduces the overall investment risk. The retirement fund is spread across five basic asset types. The following pages outline how each asset type is further diversified in line with the Board's mandate of a maximum rate of return at a prudent level of risk.

The Board has established a long-term plan based, in part, upon historical average investment returns. The Board formally reviews the plan every four years. The most recent asset allocation study began March 2001, and is expected to be completed in the Fourth Quarter of 2001.

The actual asset mix is monitored continuously by staff and is reported monthly to the Board. The investment staff has directed several shifts during the fiscal year to move back toward the policy targets. This resulted in the fund taking profits at key times in the Fixed Income and Non-U.S. equity markets. Both real estate and private equity have open contractual commitments to top tier investment partners that will place them very close to their long-term targets over the next year. As of June 30, 2001, private equity had open commitments of \$4.6 billion and real estate had open commitments of \$2.2 billion. It is expected that these commitments will be called over the next three to four years. The capital to fund these commitments will most likely come from distributions received from previous investments, and then from U.S. and non-U.S. equity and the fixed income portfolio.

### **RETIREMENT COMMINGLED TRUST FUND**

*June 30, 2001*

<b>ASSET CLASS</b>	<b>ALLOCATION</b>		<b>POLICY TARGET</b>	<b>POLICY RANGE</b>
	<b>IN 000'S</b>	<b>PERCENT</b>		
U.S. Equity	\$ 16,065,078	37.4	36%	+/- 5%
Fixed Income	10,991,746	25.6	25%	+/- 4%
Non-U.S. Equity	5,923,132	13.8	15%	+/- 3%
Private Equity	5,726,847	13.3	15%	-
Real Estate	3,638,783	8.5	9%	-
Liquidity	569,295	1.3	0%	0-5%
<b>Total CTF</b>	<b>\$ 42,914,881</b>			
<b>Plan Specific Investments*</b>	<b>\$ 64,664</b>			
<b>Total Retirement Funds</b>	<b>\$ 42,979,545</b>			

Unallocated funds targeted for Private Equity and Real Estate are invested in U.S. Equities and Fixed Income, respectively.

\* Plan-Specific Investments are short-term investment funds for each of the separate retirement plans.



# U.S. EQUITY PROGRAM

## THE PROGRAM

The U.S. Equity Portfolio is structured to capture the returns of the broad U.S. equity market. The WSIB uses a passively-managed U.S. Equity Market Index Fund to provide broad market exposure similar to the Wilshire 5000 index. The index measures the performance of all U.S. headquartered equity securities with readily available price data. Over 7,000 capitalization-weighted security returns are used to calculate the index.

As of June 30, 2001, the defined benefit retirement funds had \$16.1 billion invested in the U.S. Equity Market Index portfolio. Approximately 79 percent of the portfolio consisted of large-capitalization, S&P companies. The remaining 21 percent of the index was comprised of mid-capitalization and small-capitalization companies. Accordingly, the large-cap component of the WSIB U.S. equity portfolio totaled \$12.7 billion, while the small/mid cap component represented approximately \$3.4 billion.

## FISCAL YEAR HIGHLIGHTS

In the second half of 2000, the U.S. equity markets proved volatile, finishing with the major indices down. A slowing economy was the main theme of economic data released during that time period. Concerns over corporate profit expectations were realized when technology giants began to release earnings warnings.

In an attempt to revive the sluggish economy and keep recession at bay, the Federal Reserve Board lowered short-term interest rates six times in six months. By the end of June 2001, the federal funds rate stood at its lowest level in more than seven years. During the first quarter, the moves appeared to do little to stem the tide of earnings warnings and job cuts, particularly from the technology sector. The U.S. equity market languished, returning historically low first quarter performance numbers.

While economic indicators remained mixed in the second quarter, many investors became cautiously more optimistic. By the end of the first half, equity markets had rebounded enough to offset some of the losses of the first few months of the year, although not enough to bring performance numbers back into positive territory.

At the end of fiscal year, one year returns for the large-cap (S&P 500) and mid/small-cap (Wilshire 4500) stock indices were both down (-14.8 percent and -19.4 percent, respectively). The returns of WSIB's U.S. Equity Market Fund were -14.8 percent for the large-cap component and -13.3 percent for the mid/small cap component. The overall return of the U.S. Equity Market Fund was -14.4 percent for the year, which also exceeded the return of the Wilshire 5000 index of -15.3 percent.

## TEN LARGEST EQUITY HOLDINGS

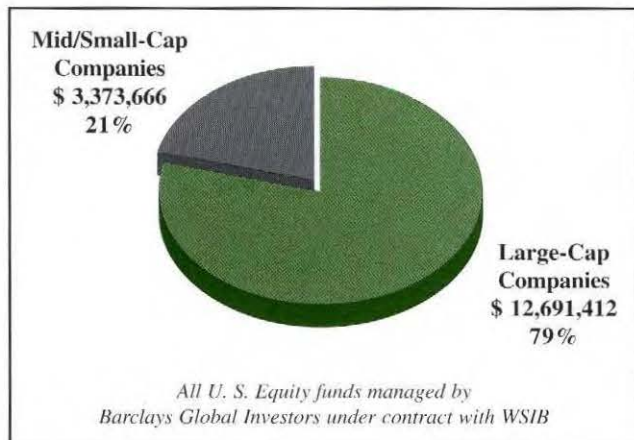
*June 30, 2001*

	% of Portfolio
General Electric Company	3.48
Microsoft Corporation	2.82
Exxon Corporation	2.16
Citigroup Inc.	1.91
Pfizer Incorporated	1.82
AOL TimeWarner Inc.	1.69
Wal-Mart Stores Incorporated	1.57
American International Group Inc.	1.44
Intel Corporation	1.41
International Business Machines Corp.	1.41

## U.S. EQUITY PORTFOLIO

*June 30, 2001*

*(In \$000's)*



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# ***NON-U.S. EQUITY PROGRAM***

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## **ALLOCATION TO NON-U.S. EQUITY**

*June 30, 2001*

<b><u>DEVELOPED MARKETS</u></b>	<b><u>MARKET VALUE</u></b>
	<b><u>(IN 000'S)</u></b>
<b>Active Managers</b>	
<i>Artisan Partners</i>	\$ 301,028
<i>Delaware International</i>	724,844
<i>Dresdner RCM Global Investors</i>	537,647
<i>Nicholas Applegate</i>	264,302
<i>Putnam Investments</i>	603,712
<i>Pyrford International PLC</i>	281,779
Total Active	<u>\$ 2,713,312</u>
<b>Passive Manager</b>	
<i>State Street Global Advisors</i>	<u>\$ 2,661,062</u>
<b>Total Developed Markets</b>	<u>\$ 5,374,374</u>
<b><u>EMERGING MARKETS</u></b>	
<b>Active Emerging Markets Managers</b>	
<i>Capital International</i>	\$ 138,811
<i>Foreign &amp; Colonial</i>	89,617
<i>Grantham, Mayo, Van Otterloo &amp; Co.</i>	101,533
<i>Schroder Capital Management</i>	89,337
Total Active Emerging Markets	<u>\$ 419,298</u>
<b>Passive Manager</b>	
<i>State Street Global Advisors</i>	<u>\$ 129,460</u>
<b>Total Emerging Markets</b>	<u>\$ 548,758</u>
<b>TOTAL NON-U.S. EQUITY</b>	<u><u>\$ 5,923,132</u></u>

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# ***FIXED INCOME PROGRAM***

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## **THE PROGRAM**

Fixed income securities constitute an important component of the portfolios of most institutional investors. Several factors make these instruments attractive in a pension portfolio. Fixed income securities offer diversification from a pure equity portfolio and represent an excellent source of liquidity. Less risky than equities, fixed income securities help control the overall portfolio volatility.

The domestic fixed income program is internally managed by WSIB staff with the Lehman Aggregate Index as the performance benchmark. The WSIB may invest in the following fixed income instruments:

- U.S. treasuries (TSY) and government agencies (Agency)
- Treasury Inflation Protection Securities (TIPS)
- Investment-grade and split-rated corporate bonds (Corporates or Credit)
- Publicly traded mortgage backed securities (MTG)
- Commercial Mortgage-Backed Securities (CMBS)
- Privately-placed mortgages
- Private placements of corporate debt
- Convertible securities
- Non-dollar bonds
- Asset-backed securities (ABS)
- Real estate mortgages

The fixed income management strategy is primarily one of sector selection. The portfolio is structured to be overweighted or underweighted relative to the index's major sectors: Treasuries, Agencies, Corporates, Mortgage-Backed Securities and Asset-Backed Securities. As of June 30, 2001, the portfolio was underweighted relative to the index in Governments and Mortgages, and overweighted in Corporates, Asset-Backed Securities and CMBS.

Not only is the total mortgage allocation lower than that of the index, about 70 percent of the mortgages are comprised of Collateralized Mortgage Obligations (CMOs), whose structure provides more stable cash flows than standard pass-through mortgages.

Individual sector structures may also be overweighted or underweighted relative to that of the index. For example, the corporate portfolio's allocation to industry and credit rating differs from the index, as do the mortgage portfolio's allocation to coupon and maturity.

Treasury and Agency debt have the highest credit rating since they are backed by either the U.S. Treasury or governmental agencies. Most mortgage debt has agency equivalent ratings, but some structured product held may be Aaa or Aa. Investment grade Corporate debt ranges from Aaa (the highest) to Baa (the lowest). More than forty percent of all investment-grade corporate debt issued is A rated. The portfolio's overall credit allocation reflects its large allocation to Corporates, its Corporate concentration in Baa-rated companies, and the mortgage allocation to Agency and Aaa-rated structured mortgage product.

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## ***FIXED INCOME PROGRAM***

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### **FISCAL YEAR HIGHLIGHTS**

The economy was slower in fiscal 2001 resulting in stocks down dramatically and bonds up. As the Fed tightened, interest rates went lower and spreads tightened in the credit sector.

For the fiscal year, one-year, 10-year and 30-year treasuries returned 7.1 percent, 8.1 percent and 5.9 percent respectively. The 30-year treasury yield started the year at 5.9 percent, reached a high of 6.0 percent in August, a low of 5.3 percent in January, and ended the year at 5.8 percent on June 29, 2001.

The WSIB's fixed income portfolio outperformed its benchmark, the Lehman Aggregate Index, by 1.2 percent for the fiscal year, returning 12.4 percent vs. 11.2 percent. Corporates (Credit), which are the portfolio's largest allocation, returned 13.4 percent, considerably higher than the index's corporate allocation's return of 12.3 percent. Corporate's returns were followed by the returns for the portfolio's CMBS, agencies, mortgages, asset-backed securities and treasuries. During the year the portfolio's duration averaged about 9 percent longer than the duration of the index, with a low of 6.6 percent at the end of August 2000 and a high of 14.6 percent at the end of January 2001.

### **ALLOCATION TO FIXED INCOME**

*June 30, 2001*

<b><u>SECTOR</u></b>	<b>MARKET VALUE</b> <b>(In \$000's)</b>
<b>Liquidity</b>	\$ 79,411
<b>Long - Term</b>	
US Treasuries	774,936
TIPS	464,117
Agencies	337,507
Credit (Corporate)	6,170,870
Asset Backed	355,876
CMBS	555,442
Mortgages	2,253,587
Total Long - Term	\$ 10,912,335
<b>Total Fixed Income</b>	<b>\$ 10,991,746</b>

# **FIXED INCOME PROGRAM**

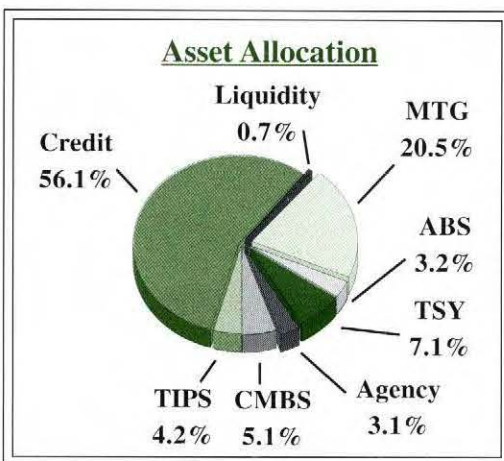
## **CHARACTERISTICS OF THE FIXED INCOME PORTFOLIO**

*June 30, 2001*

<u>Sector Distribution</u>	<u>WSIB Portfolio</u>	<u>Lehman Aggregate Index</u>
Liquidity	0.7%	0.0%
Treasury	7.1%	23.8%
TIPS	4.2%	0.0%
Agency	3.1%	11.0%
Credit (Corporate)	56.1%	26.3%
Asset-Backed	3.2%	1.8%
CMBS	5.1%	1.9%
Mortgages	20.5%	35.1%
	<u>100.0%</u>	<u>100.0%</u>

<u>Credit Distribution</u>	
TSY	11.2%
AGY	13.1%
Aaa	15.7%
Aa	6.9%
A	21.3%
Baa	26.2%
Other	5.5%
	<u>100.0%</u>

<u>Coupon Distribution</u>	
0 - 4.9%	1.4%
5 - 6.9%	44.9%
7 - 7.9%	34.8%
8 - 8.9%	11.5%
9 - 9.9%	5.0%
10+	2.4%
	<u>100.0%</u>



<u>Effective Duration</u>	
0 - 1 years	3.2%
1 - 3 years	21.4%
3 - 4 years	18.3%
4 - 6 years	26.6%
6 - 8 years	14.3%
8+	16.3%
	<u>100.0%</u>

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# ***PRIVATE EQUITY PROGRAM***

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## **THE PROGRAM**

Private equity investments range from leveraged buyouts of corporations to the investment of initial capital in start up enterprises. These investments are very long term in nature (up to 12 years) and are highly illiquid. They are attractive to sophisticated institutional investors, because over long time horizons private equity investment can offer higher returns than traditional public equity investments.

The objective of the WSIB's private equity portfolio is to achieve, over a long term, annualized, risk adjusted returns of 400 basis points (or four percent) above the S&P 500. The WSIB's asset allocation target for private equity is 15 percent of the total retirement fund. Over the past fiscal year, the Board committed nearly \$1.7 billion to Private Equity partnerships. The portfolio increased in value from \$5.53 billion to \$5.73 billion during the past fiscal year. This represents 13.3 percent of the retirement fund, and is approaching the policy target of 15 percent of the total retirement fund.

The portfolio is well-diversified across many subclasses of private equity including venture capital, (early stage, expansion, or late stage), distressed companies, buyouts of established companies (medium and large companies) as well as other strategies.

Due to the long-term and private nature of these investments, the valuations of these investments are based on conservative estimates. The true return on investment can only be accurately measured upon liquidation of the investment. Many investments are carried at original cost for considerable periods, until some event allows for the estimation of a market value. Such events would include an initial public offering, a subsequent round of financing or a commitment to purchase the investment. The valuations contained in this report are made by the General Partners, and reviewed by the WSIB consultants and staff in accordance with currently accepted accounting practices.

Since the inception of the program in 1981, the fund has achieved an annual 15.9 percent internal rate of return (IRR), which is net of partnership fees and expenses. The internal rate of return calculation is the industry standard method of investment performance. Time weighted returns, which represent performance independent of the timing of cash flows, are also calculated for the asset class. The time-weighted return for fiscal year 2001 was -6.9 percent.

## **ALLOCATION TO PRIVATE EQUITY**

*June 30, 2001*

<b><u>SUB-ASSET CLASS</u></b>	<b><u>MARKET VALUE (In \$000's)</u></b>	<b><u>% of Private Equity</u></b>
Corporate Restructuring	\$ 2,677,879	46.8%
Venture Capital	1,392,480	24.3%
International	657,155	11.5%
Distressed/Restructuring	432,044	7.5%
Mezzanine	310,119	5.4%
Other	257,387	4.5%
<b>Total Investment Holdings</b>	<b>\$ 5,727,064</b>	
<b>Net of Accruals</b>	<b>(217)</b>	
<b>Total Private Equity</b>	<b>\$ 5,726,847</b>	

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# ***REAL ESTATE PROGRAM***

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## **THE PROGRAM**

The WSIB's real estate program is an externally managed pool of select partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of commercial real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the Board's long-term return expectations for the asset class. The WSIB's real estate partnerships typically invest in private real estate assets that are held for long term income and appreciation. Many of the WSIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to liquidation, acquisition, and ongoing operational decisions like annual capital expenditures.

Volatility within the real estate portfolio is minimized through a combination of factors. First, the majority of the WSIB's partners own commercial real estate assets in a private investment form that is not subject to public market volatility. Second, real estate capital is diversified among a host of partners with varying investment styles. Third, partnership assets are invested in numerous economic regions, including international markets, and in various property types. Fourth, WSIB partners invest at different points within the asset's capital structure and life cycle.

Each year the WSIB reviews market conditions and makes adjustments to its investment strategy. This strategy establishes funding and return objectives for the real estate program for the ensuing planning period. The current plan calls for a target benchmark return of one to three percent above the NCREIF index. The portfolio increased in value from \$3.2 billion to \$3.6 billion during the past fiscal year, and represents 8.5 percent of the total retirement fund, approaching the policy target of 9 percent of the total retirement fund.

## **FISCAL YEAR HIGHLIGHTS**

Despite a slowing domestic economy, real estate performance posted attractive risk-adjusted returns. For the one-year period ending June 30, 2001, the NCREIF Index posted a total net return of 12.0 percent. The WSIB's real estate portfolio returned 13.3 percent for the same time period. Over five years, the WSIB's real estate portfolio has significantly outperformed the NCREIF Index, 17.4 percent to 12.7 percent.

# **REAL ESTATE PROGRAM**

## **ESTIMATED REAL ESTATE VALUE** *June 30, 2001*

<b><u>ADVISOR / PARTNER</u></b>	<b><u>INVESTMENT</u></b>	<b><u>MARKET VALUE</u></b> <b><u>(In \$000's)</u></b>
PM Realty Advisors	America West II	\$ 194
Pacific Realty Associates	Pactrust	280,472
Pacific Realty Associates	Pac-SIB	308,567
Lowe Enterprises	Union Square	387,437
Lowe Enterprises	Low NW	336,630
JE Robert Companies	JER Fund I	112,741
Sentinel Realty Advisors	SREF	25,225
Security Capital	Security Capital Group	87,035
TA Associates	Olympia Properties	392,396
Morgan Stanley	MSREF III International	121,699
Morgan Stanley	MSSS	24,494
Taylor Simpson Group	MCPI	101,480
Hudson Advisors	Lonestar I	20,674
Hudson Advisors	Lonestar II	130,357
Hudson Advisors	Lonestar III	230,131
Hancock Nat. Res. Group	ForesTree Washington	85,086
Hearthstone	Hearthstone Olympia Homebuilding Partners	6,038
Hearthstone	MSII	24,759
Transwestern	Home Town America	36,953
PRICOA	European Investor Properties	171,492
Cherokee Investment Services	Cherokee Investment Partners II	35,931
ING Realty Associates	ING Realty Partners	113,843
Principal Financial	Principal Enterprise Capital	268,394
Campbell Group	Hawthorne Timber Company	322,896
<b>Total Investment Holdings</b>		<b>\$ 3,625,924</b>
<b>Net of Accruals</b>		<b>\$ 12,859</b>
<b>Total Real Estate Equity</b>		<b>\$ 3,638,738</b>



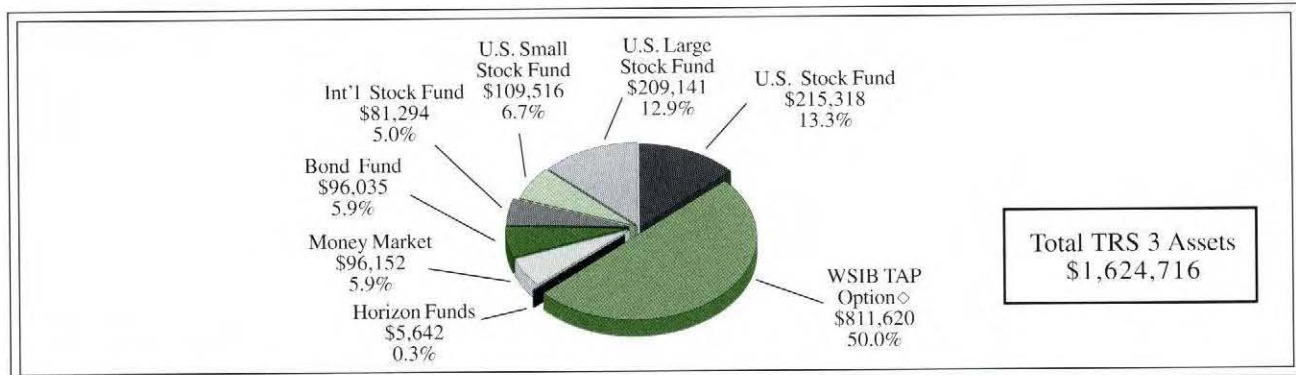
## ***DEFINED CONTRIBUTION RETIREMENT FUNDS***

- **Teachers' Retirement System Plan 3**
- **School Employees' Retirement System Plan 3**
- **Judicial Retirement Account**

# TEACHERS' RETIREMENT SYSTEM PLAN 3

The WSIB is Trustee of the Teachers' Retirement System (TRS) Plan 3. The WSIB is responsible for the investment of TRS Plan 3 assets and for the provision of self-directed investment options to members of the plan. The Department of Retirement Systems is responsible for plan administration, accounting, and record-keeping.

## TRS Plan 3 Defined Contribution Assets and Performance June 30, 2001 (In \$000's)



◊The WSIB Total Allocation Portfolio (TAP) option, the statutory default option for TRS Plan 3, is invested in the Retirement Commingled Trust Fund. These moneys are included in the total for Retirement Funds shown elsewhere in this report. The remaining options are shown elsewhere in this report as self-directed defined contribution funds.

<u>FUND PERFORMANCE</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
<b>WSIB TAP Option</b> <i>Custom Benchmark*</i>	-6.7% -10.4%	5.8% 3.2%	10.7% 9.3%
<b>Short-Horizon Fund</b> <i>Custom Benchmark‡</i>	** 1.3%	** 5.4%	** 7.9%
<b>Mid-Horizon Fund</b> <i>Custom Benchmark‡</i>	** -4.6%	** 4.6%	** 9.2%
<b>Long-Horizon Fund</b> <i>Custom Benchmark‡</i>	** -11.9%	** 3.5%	** 10.0%
<b>U.S. Stock Fund</b> <i>Russell 3000 Index</i>	** -13.9%	** 4.3%	** 13.8%
<b>U.S. Large Stock Fund</b> <i>S &amp; P 500 Index</i>	-14.8% -14.8%	3.9% 3.9%	** 14.5%
<b>U.S. Small Stock Fund</b> <i>Russell 2000 Index</i>	0.6% 0.6%	5.0% 5.3%	** 9.6%
<b>International Stock Fund</b> <i>MSCI EAFE Index</i>	-24.2% -23.6%	-1.3% -1.2%	** 2.9%
<b>Bond Fund</b> <i>Lehman Intermediate Credit</i>	** 11.9%	** 6.3%	** 7.2%
<b>Money Market</b> <i>90 Day T-Bill</i>	6.3% 5.9%	5.9% 5.3%	5.9% 5.4%

\* TAP Custom Benchmark: 60% Wilshire 5000 + 25% Lehman Aggregate + 15% MSCI ACWI Free ex U.S.

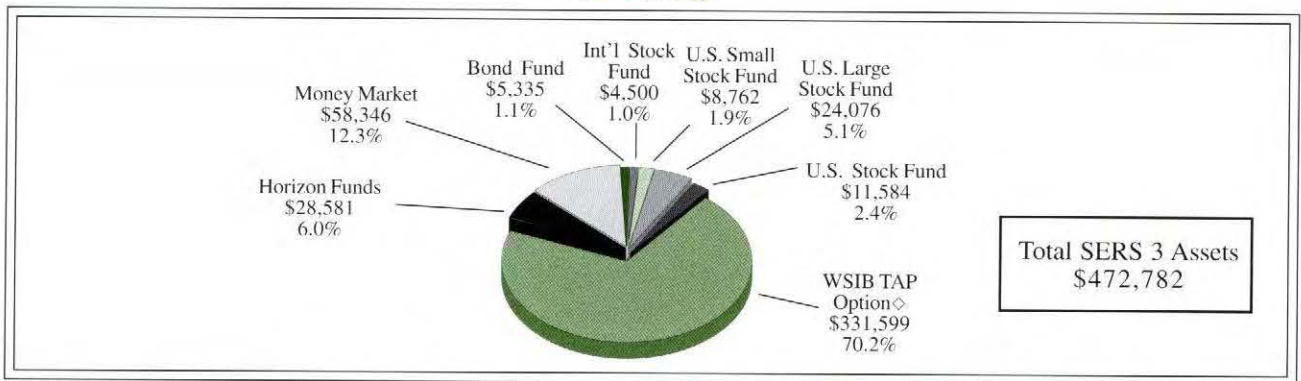
‡Horizon Fund Custom Benchmarks: **Short** - 46% Lehman Intermediate Credit + 25% London Interbank Offered Rate + 19% Wilshire 5000 + 10% MSCI EAFE; **Mid** - 46% Lehman Intermediate Credit + 38% Wilshire 5000 + 16% MSCI EAFE; **Long** - 58% Wilshire 5000 + 22% MSCI EAFE + 20% Lehman Intermediate Credit.

\*\* Fund has not been in existence long enough to provide performance figures for these dates.

## **SCHOOL EMPLOYEES' RETIREMENT SYSTEM PLAN 3**

The WSIB is Trustee of the School Employees' Retirement System (SERS) Plan 3. The WSIB is responsible for the investment of SERS Plan 3 assets and for the provision of self-directed investment options to members of the plan. The Department of Retirement Systems is responsible for plan administration, accounting, and record-keeping.

### **SERS Plan 3 Defined Contribution Assets and Performance** June 30, 2001 (In \$000's)



◇ The WSIB Total Allocation Portfolio (TAP) option, the statutory default option for SERS Plan 3, is invested in the Retirement Commingled Trust Fund. These moneys are included in the total for Retirement Funds shown elsewhere in this report. The remaining options are shown elsewhere in this report as self-directed defined contribution funds.

<b>FUND PERFORMANCE</b>	<b>ONE YEAR</b>	<b>THREE YEARS</b>	<b>FIVE YEARS</b>
<b>WSIB TAP Option</b> <i>Custom Benchmark*</i>	<b>-6.7%</b> <b>-10.4%</b>	<b>5.8%</b> <b>3.2%</b>	<b>10.7%</b> <b>9.3%</b>
<b>Short-Horizon Fund</b> <i>Custom Benchmark‡</i>	** <b>1.3%</b>	** <b>5.4%</b>	** <b>7.9%</b>
<b>Mid-Horizon Fund</b> <i>Custom Benchmark‡</i>	** <b>-4.6%</b>	** <b>4.6%</b>	** <b>9.2%</b>
<b>Long-Horizon Fund</b> <i>Custom Benchmark‡</i>	** <b>-11.9%</b>	** <b>3.5%</b>	** <b>10.0%</b>
<b>U.S. Stock Fund</b> <i>Russell 3000 Index</i>	** <b>-13.9%</b>	** <b>4.3%</b>	** <b>13.8%</b>
<b>U.S. Large Stock Fund</b> <i>S &amp; P 500 Index</i>	<b>-14.8%</b> <b>-14.8%</b>	<b>3.9%</b> <b>3.9%</b>	** <b>14.5%</b>
<b>U.S. Small Stock Fund</b> <i>Russell 2000 Index</i>	<b>0.6%</b> <b>0.6%</b>	<b>5.0%</b> <b>5.3%</b>	** <b>9.6%</b>
<b>International Stock Fund</b> <i>MSCI EAFE Index</i>	<b>-24.2%</b> <b>-23.6%</b>	<b>-1.3%</b> <b>-1.2%</b>	** <b>2.9%</b>
<b>Bond Fund</b> <i>Lehman Intermediate Credit</i>	** <b>11.9%</b>	** <b>6.3%</b>	** <b>7.2%</b>
<b>Money Market</b> <i>90 Day T-Bill</i>	<b>6.3%</b> <b>5.9%</b>	<b>5.9%</b> <b>5.3%</b>	<b>5.9%</b> <b>5.4%</b>

\* TAP Custom Benchmark: 60% Wilshire 5000 + 25% Lehman Aggregate + 15% MSCI ACWI Free ex U.S.

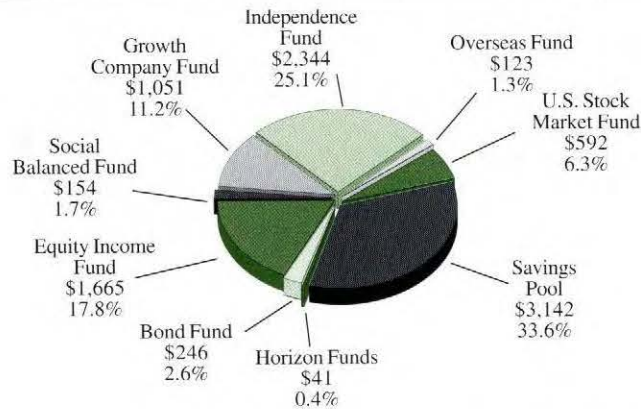
‡ Horizon Fund Custom Benchmarks: **Short** - 46% Lehman Intermediate Credit + 25% London Interbank Offered Rate + 19% Wilshire 5000 + 10% MSCI EAFE; **Mid** - 46% Lehman Intermediate Credit + 38% Wilshire 5000 + 16% MSCI EAFE; **Long** - 58% Wilshire 5000 + 22% MSCI EAFE + 20% Lehman Intermediate Credit.

\*\* Fund has not been in existence long enough to provide performance figures for these dates.

# JUDICIAL RETIREMENT ACCOUNT

The Judicial Retirement Account is a \$9.4 million (as of June 30, 2001) defined contribution supplemental retirement fund for state judges. Investments are self-directed by participants in the Judges' Supplemental Retirement Program, utilizing the Deferred Compensation investment options offered by WSIB. The fund is administered by the Office of the Administrator for the Courts and the Department of Retirement Systems is responsible for plan accounting and record-keeping.

## Judicial Retirement Account Assets and Performance June 30, 2001 (In \$000's)



<u>FUND PERFORMANCE</u>	<u>ONE YEAR</u>	<u>THREE YEARS</u>	<u>FIVE YEARS</u>
Savings Pool †	6.6%	6.6%	6.7%
Bond Fund	**	**	**
<i>Lehman Intermediate Credit</i>	11.9%	6.3%	7.2%
U.S. Stock Market Index Fund	-14.5%	4.3%	13.6%
<i>Wilshire 5000</i>	-15.3%	3.5%	13.1%
Short-Horizon Fund	**	**	**
<i>Custom Benchmark ‡</i>	1.3%	5.4%	7.9%
Mid-Horizon Fund	**	**	**
<i>Custom Benchmark ‡</i>	-4.6%	4.6%	9.2%
Long-Horizon Fund	**	**	**
<i>Custom Benchmark ‡</i>	-11.9%	3.5%	10.0%
Social Balanced Fund †	-5.8%	2.7%	9.3%
Equity Income Fund	10.1%	5.2%	13.3%
<i>Russell 3000 Value</i>	11.6%	5.4%	14.7%
Growth Company Fund	-29.3%	15.4%	17.3%
<i>Russell 3000 Growth</i>	-35.3%	0.7%	11.2%
Independence Fund	-28.3%	10.0%	15.0%
<i>Russell 3000</i>	-13.9%	4.3%	13.8%
Overseas Fund	-23.9%	0.3%	6.5%
<i>MSCI EAFE</i>	-23.6%	-1.2%	2.9%

‡ Horizon Fund Custom Benchmarks: **Short** - 46% Lehman Intermediate Credit + 25% London Interbank Offered Rate + 19% Wilshire 5000 + 10% MSCI EAFE; **Mid** - 46% Lehman Intermediate Credit + 38% Wilshire 5000 + 16% MSCI EAFE; **Long** - 58% Wilshire 5000 + 22% MSCI EAFE + 20% Lehman Intermediate Credit.

\*\* Fund has not been in existence long enough to provide performance figures for these dates.

† Fund has no readily accessible comparative index to use as a benchmark.

## ***DEFERRED COMPENSATION PLAN***

➤ **Savings Pool**

➤ **Individual Funds**

Washington State Bond Fund

U.S. Stock Market Index Fund

Washington State Horizon Funds

Social Balanced Fund

Equity-Income Fund

Growth Company Fund

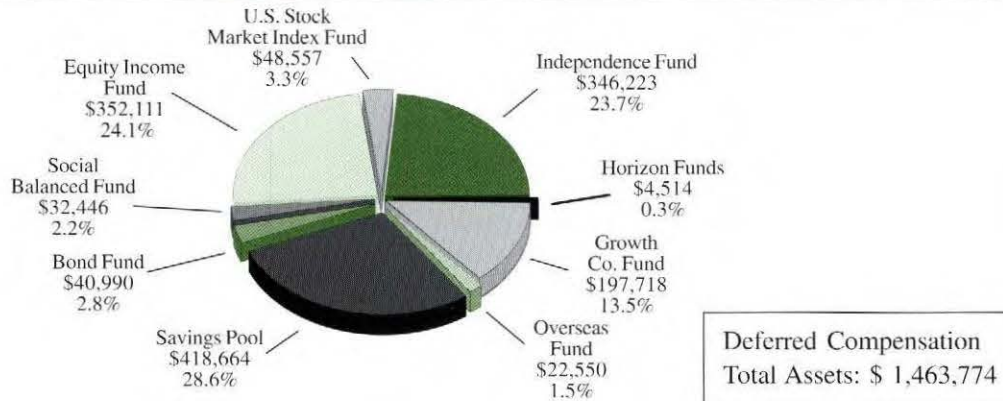
Independence Fund

Overseas Fund

# DEFERRED COMPENSATION PLAN

The WSIB is Trustee of State Deferred Compensation Plan assets. The WSIB is responsible for the investment of State Deferred Compensation funds and for the provision of investment options to participants in the program. The Department of Retirement Systems is responsible for Deferred Compensation Plan administration, accounting, and record-keeping.

## Deferred Compensation Plan Assets and Performance June 30, 2001 (In \$000's)



FUND PERFORMANCE	ONE YEAR	THREE YEARS	FIVE YEARS
<b>Savings Pool</b> †	6.6%	6.6%	6.7%
<b>Bond Fund</b>	**	**	**
<i>Lehman Intermediate Credit</i>	11.9%	6.3%	7.2%
<b>U.S. Stock Market Index Fund</b>	-14.5%	4.3%	13.6%
<i>Wilshire 5000</i>	-15.3%	3.5%	13.1%
<b>Short-Horizon Fund</b>	**	**	**
<i>Custom Benchmark</i> ‡	1.3%	5.4%	7.9%
<b>Mid-Horizon Fund</b>	**	**	**
<i>Custom Benchmark</i> ‡	-4.6%	4.6%	9.2%
<b>Long-Horizon Fund</b>	**	**	**
<i>Custom Benchmark</i> ‡	-11.9%	3.5%	10.0%
<b>Social Balanced Fund</b> †	-5.8%	2.7%	9.3%
<b>Equity Income Fund</b>	10.1%	5.2%	13.3%
<i>Russell 3000 Value</i>	11.6%	5.4%	14.7%
<b>Growth Company Fund</b>	-29.3%	15.4%	17.3%
<i>Russell 3000 Growth</i>	-35.3%	0.7%	11.2%
<b>Independence Fund</b>	-28.3%	10.0%	15.0%
<i>Russell 3000</i>	-13.9%	4.3%	13.8%
<b>Overseas Fund</b>	-23.9%	0.3%	6.5%
<i>MSCI EAFE</i>	-23.6%	-1.2%	2.9%

‡ Horizon Fund Custom Benchmarks: **Short** - 46% Lehman Intermediate Credit + 25% London Interbank Offered Rate + 19% Wilshire 5000 + 10% MSCI EAFE; **Mid** - 46% Lehman Intermediate Credit + 38% Wilshire 5000 + 16% MSCI EAFE; **Long** - 58% Wilshire 5000 + 22% MSCI EAFE + 20% Lehman Intermediate Credit.

\*\* Fund has not been in existence long enough to provide performance figures for these dates.

† Fund has no readily accessible comparative index to use as a benchmark.

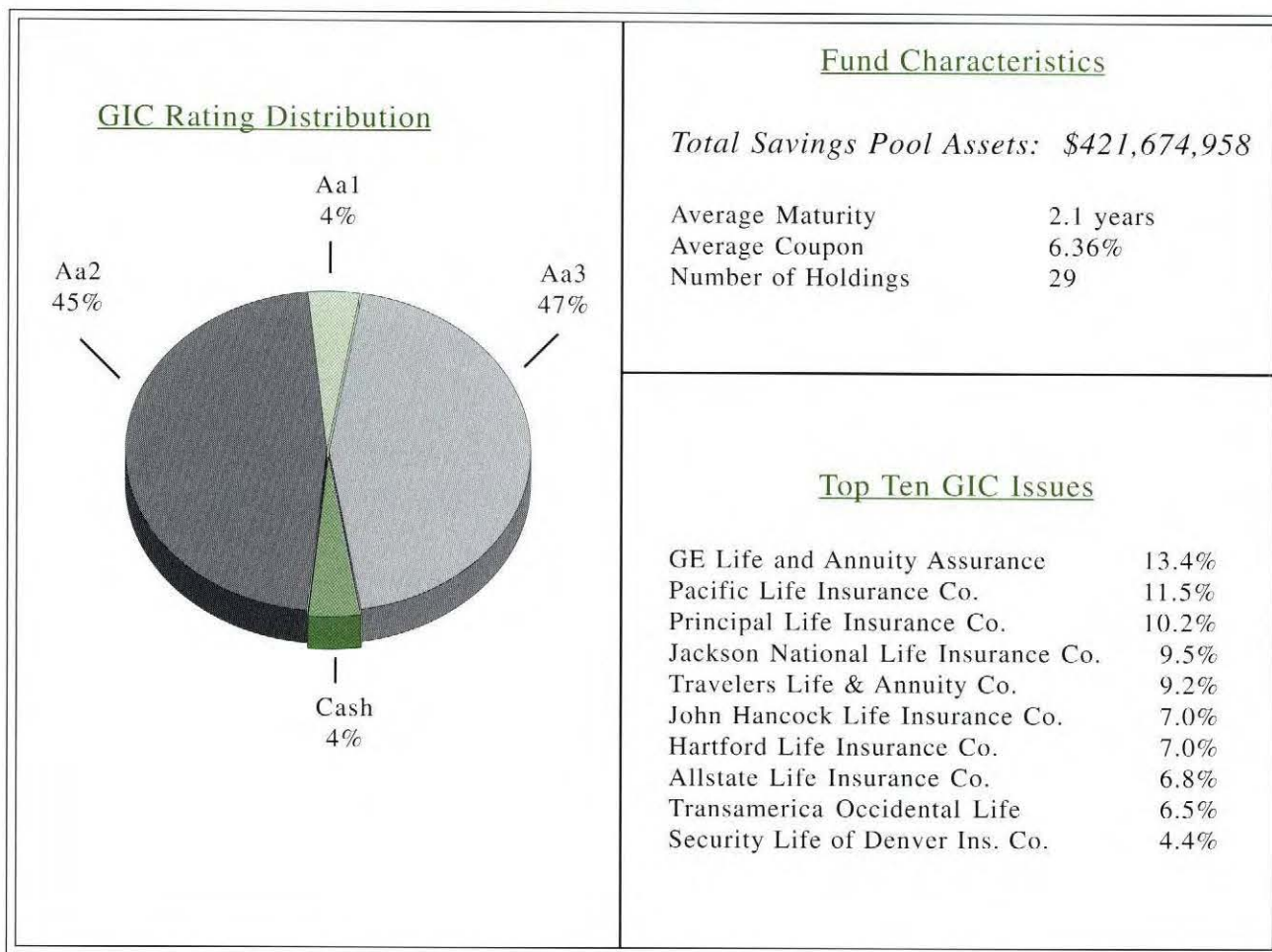
***SIB DAILY-VALUED FUNDS  
FOR SELF-DIRECTED INVESTMENT PROGRAMS***

- **Savings Pool**
- **Washington State Bond Fund**
- **Washington State Horizon Funds**

# SAVINGS POOL

The Deferred Compensation Savings Pool is internally-managed by WSIB and is intended as a conservative short-term investment vehicle where current income and the preservation of capital is the primary objective. (This investment option is also available to participants in the Judicial Retirement Account). The Savings Pool is a diversified portfolio of guaranteed investment contracts and short-term cash funds. Its investment goal is to preserve principal while earning a rate of return in excess of the current yield of U.S. Treasury securities of similar maturities.

## Savings Pool Characteristics and Performance June 30, 2001



<u>Fund Performance</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Savings Pool †	6.6%	6.6%	6.7%

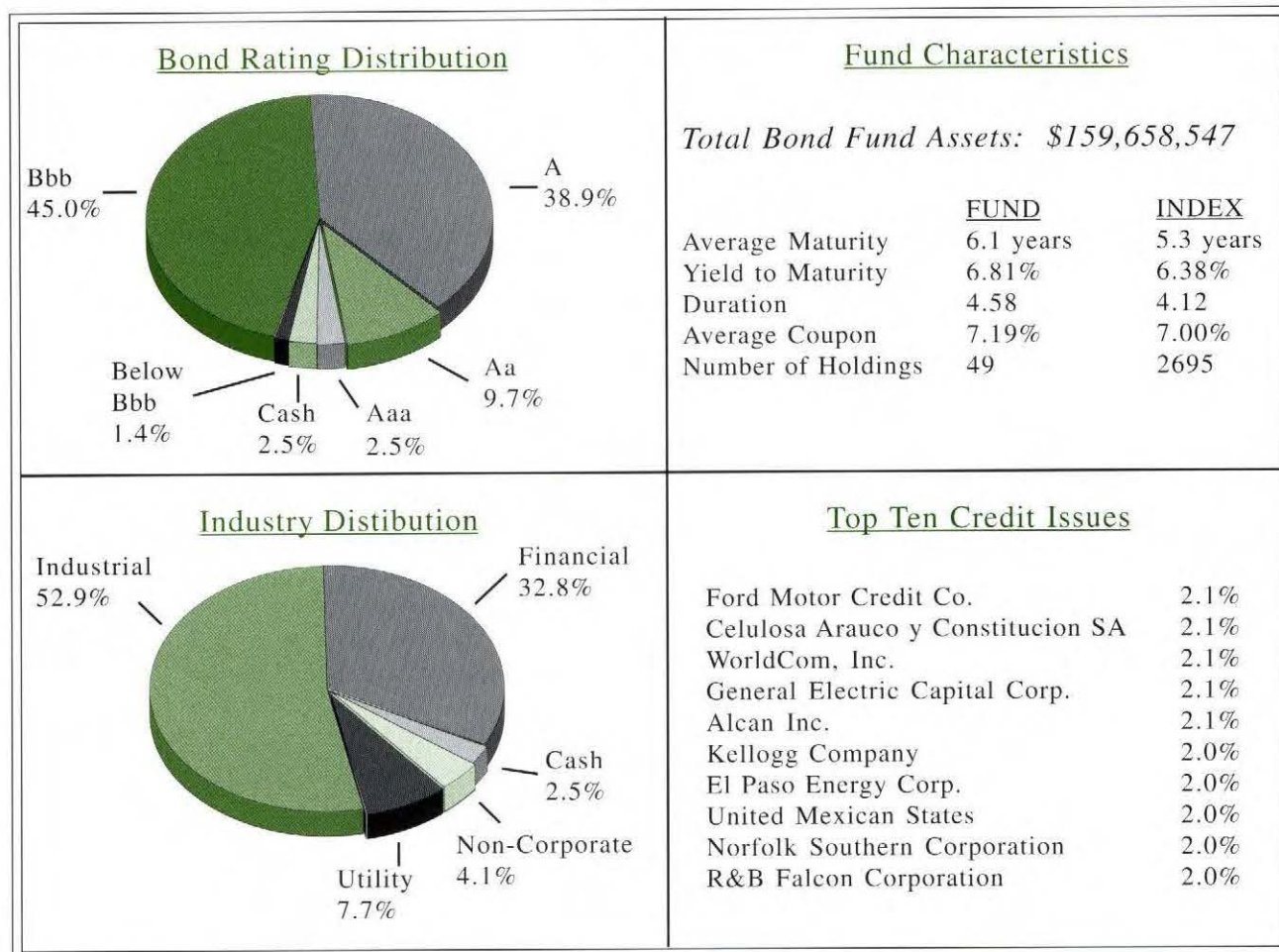
† Fund has no readily accessible comparative index to use as a benchmark.



# WASHINGTON STATE BOND FUND

In late July 2000, WSIB introduced the internally-managed Washington State Bond Fund as a daily-valued, self-directed investment option for participants in the defined contribution retirement plans (TRS 3, SERS 3 and the Judicial Retirement Account) and the state deferred compensation plan. This fund's goal is to provide attractive returns while controlling risk by investing in high quality corporate bonds. This fund is intended for participants who want an intermediate-term investment designed to match or moderately exceed the returns of the Lehman Intermediate Credit Index.

## Bond Fund Characteristics and Performance June 30, 2001



<u>Fund Performance</u>	Since Inception <u>7/23/00</u>	<u>1 Year</u>
Washington State Bond Fund	10.6%	**
<i>Lehman Intermediate Credit Index</i>	10.9%	11.9%

\*\* Fund has not been in existence long enough to provide performance figures for this date.

# WASHINGTON STATE HORIZON FUNDS

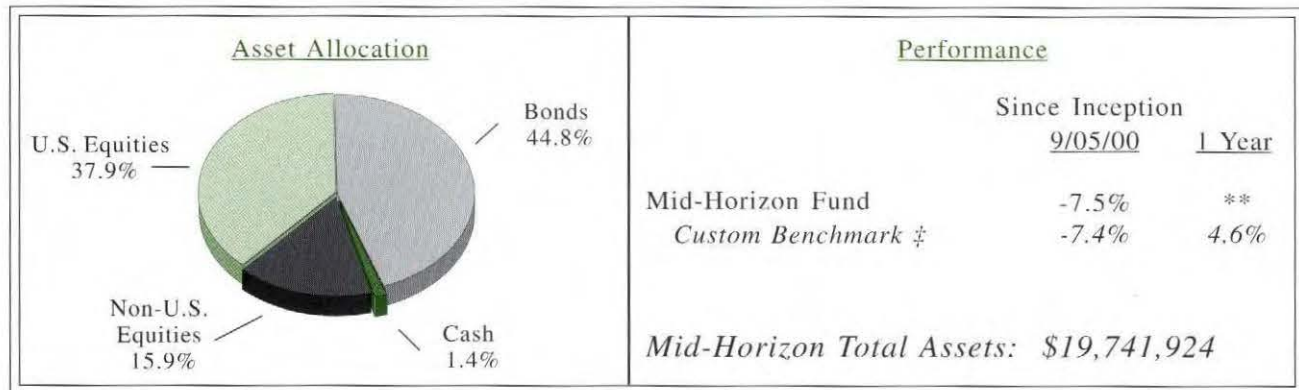
In September 2000, WSIB introduced three new internally-managed, daily-valued balanced funds as self-directed options for participants in the defined contribution retirement plans (TRS 3, SERS 3 and the Judicial Retirement Account) and the state deferred compensation plan. The three Horizon Funds provide participants in these plans with the ability to choose a diversified asset allocation model that fits their personal risk and return objectives in a single investment decision. Each Horizon Fund is regularly and carefully rebalanced by WSIB investment professionals in order to preserve the proper asset allocation mix.

## Horizon Funds Asset Allocation and Performance June 30, 2001

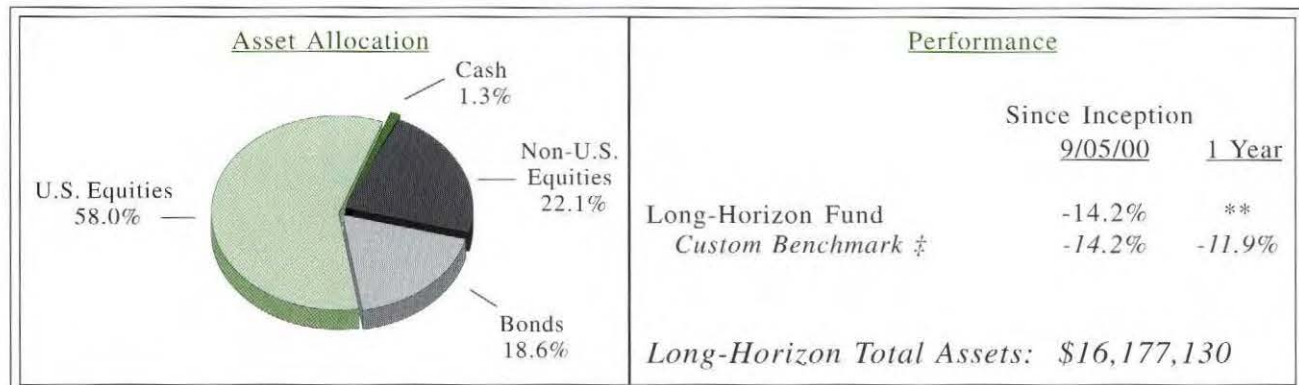
### Short-Horizon



### Mid-Horizon



### Long-Horizon



\*\* Fund has not been in existence long enough to provide performance figures for these dates.

‡ Horizon Fund Custom Benchmarks: **Short** - 46% Lehman Intermediate Credit + 25% London Interbank Offered Rate + 19% Wilshire 5000 + 10% MSCI EAFE; **Mid** - 46% Lehman Intermediate Credit + 38% Wilshire 5000 + 16% MSCI EAFE; **Long** - 58% Wilshire 5000 + 22% MSCI EAFE + 20% Lehman Intermediate Credit.

## ***INDUSTRIAL INSURANCE FUNDS***

- **Accident Fund**
- **Medical Aid Fund**
- **Pension Reserve Fund**
- **Supplemental Pension Fund**

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## ***INDUSTRIAL INSURANCE FUNDS***

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The WSIB manages Industrial Insurance funds on behalf of the Department of Labor and Industries (L & I). The Industrial Insurance Portfolio consists of four separate funds that total \$8.6 billion.

### **ACCIDENT FUND**

This fund earns revenue from employer premiums for industrial insurance and investment interest. The primary use is to pay disability benefits for injured workers, such as time loss compensation, permanent partial disability, certain travel and re-training expenses, burial awards, and administrative costs.

### **MEDICAL AID FUND**

The Medical Aid Fund earns income from premiums paid by both the employer and employee, as well as investment earnings. Payments are made for conservative medical care, hospital services, artificial appliances, physical and vocational rehabilitation, travel expenses, any other service required by the injured worker, and administrative costs.

### **PENSION RESERVE FUND**

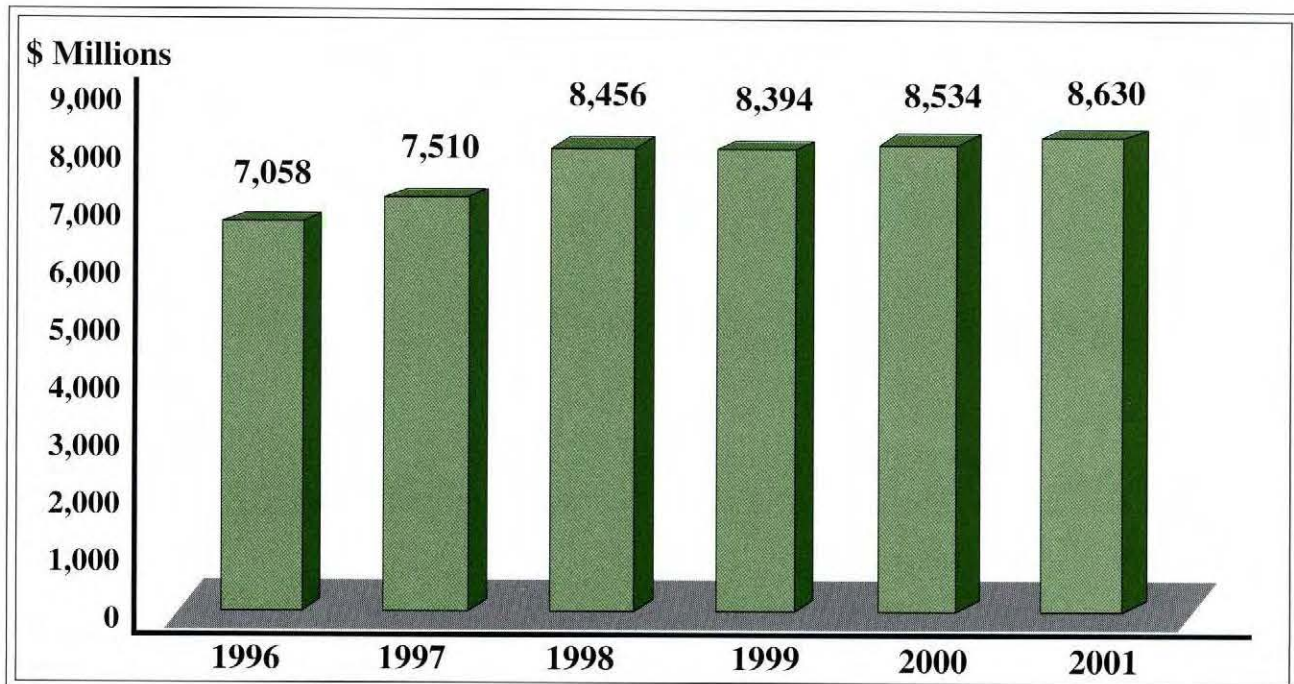
This fund is maintained by transfers of money from the Accident Fund at the time that a new pensioner is setup. This pays the permanently disabled worker and survivors of deceased injured workers.

### **SUPPLEMENTAL PENSION FUND**

The Supplemental Pension Fund receives income from employer and employee premiums and investment earnings. These funds are used to supplement time loss and pensions based on older, lower schedules and to compensate for cost of living increases.

### ***HISTORICAL MARKET VALUES***

*June 30, 2001*



# **INDUSTRIAL INSURANCE FUNDS**

## **ASSET ALLOCATION**

*June 30, 2001*

The Industrial Insurance Fund portfolios are weighted strongly toward corporate bonds (credit) with a meaningful allocation to equities. Corporates allow the funds to hold assets with higher yields than government bonds as a result of their credit risk. Most of this weighting lies in A and Baa rated companies. The equity allocation provides diversification from fixed income assets, with equities providing both higher return and greater volatility. This allocation also acts as an inflation hedge for the Medical Aid Fund, which has the largest equity holding of the four funds. At the end of the fiscal year, the total equity allocation was 13.6 percent.

<u>Assets</u>	<u>Market Value (In 000's)</u>	<u>Percent</u>
<b>Short-Term (Cash)</b>	\$ 123,099	1.4%
<b>Long-Term Fixed Income</b>		
U.S. Government Securities	\$ 1,129,345	13.1%
Corporate Bonds (credit)	4,370,771	50.6%
Asset Backed Securities	160,575	1.9%
Mortgages and Mortgage-Backed Securities	1,564,450	18.1%
Total Short Term and Fixed Income	\$ 7,348,241	85.1%
<b>Equities</b>		
U.S. Equity Market Index	\$ 1,002,552	11.6%
MSCI EAFE Index	169,344	2.0%
Total Equity	\$ 1,171,896	13.6%
<b>Total Accruals</b>	109,593	1.3%
<b>TOTAL</b>	\$ 8,629,730	100%

# INDUSTRIAL INSURANCE FUNDS

## TIME-WEIGHTED RETURNS

*June 30, 2001*

	— Annualized —		
	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Accident Fund	8.3%	5.2%	8.0%
Medical Aid Fund	4.8%	5.9%	8.7%
Pension Reserve Fund	12.3%	5.3%	8.4%
Supplemental Pension Fund	10.9%	6.6%	7.1%

## BOND PORTFOLIO CHARACTERISTICS

*June 30, 2001*

<u>Sector Distribution</u>		<u>Effective Duration</u>	
U.S. Treasuries	7.6%	0 - 1 years	3.7%
Agency	8.9%	1 - 3 years	12.3%
Corporate (Credit)	59.9%	3 - 4 years	12.5%
Asset Backed	2.3%	4 - 6 years	25.3%
Mortgages	15.4%	6 - 8 years	10.3%
CMBS	<u>5.9%</u>	8+	<u>35.9%</u>
Total	<u>100%</u>	Total	<u>100%</u>
<u>Credit Distribution</u>		<u>Coupon Distribution</u>	
TSY	7.6%	0 - 4.9%	3.8%
AGY	17.1%	5 - 6.9%	48.5%
Aaa	15.8%	7 - 7.9%	33.8%
Aa	5.9%	8 - 8.9%	10.8%
A	29.1%	9 - 9.9%	2.9%
Baa	21.9%	10 +	<u>0.2%</u>
Other	<u>2.6%</u>	Total	<u>100%</u>
Total	<u>100%</u>		

***PERMANENT FUNDS  
&  
OTHER TRUST FUNDS***

- **Agriculture Permanent Fund**
- **Common School Permanent Fund**
- **Normal School Permanent Fund**
- **Scientific School Permanent Fund**
- **State University Permanent Fund**
- **Millersylvania Park Trust Fund**
  
- **Developmental Disabilities Endowment Trust Fund**
- **Game and Special Wildlife Fund**
- **Guaranteed Education Tuition Fund**
- **Radiation Perpetual Fund**
- **Reclamation Revolving Fund**
- **State Emergency Reserve Fund**
- **State Employees' Insurance Reserve**

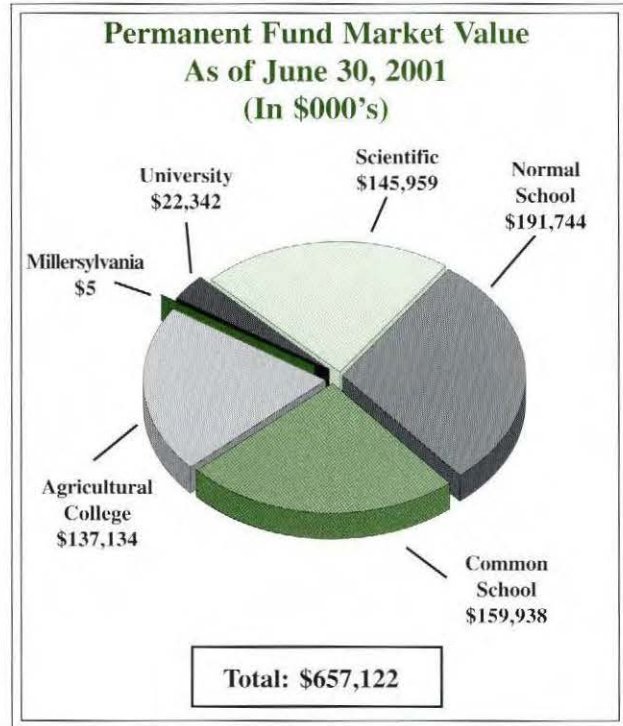
## PERMANENT FUNDS

The WSIB manages assets for six Permanent Funds each with its own specific purpose and investment constraints. In aggregate, the assets of the Permanent Funds totals \$657 million. Permanent Funds are non-expendable trust funds in which the investment principal (corpus) remains intact as required by the Washington State Constitution.

The Permanent Funds are invested in fixed income and short-term holdings with the exception of the Common School Permanent Fund, which is also invested in the U.S. Equity Market Index Fund.

The five education Permanent Funds were established through land grants from the federal government to benefit the Washington State schools and colleges. Investment earnings are distributed to the schools, colleges and universities in the state for the purpose of bond repayment, capital development, and facilities maintenance.

The Millersylvania Park Trust fund was established from a gift of cash and securities. The earnings on investments are used for improvement, maintenance, and upkeep of the Millersylvania State Park.



<u>Performance as of June 30, 2001</u>	<u>1 Year</u>		<u>3 Years</u>		<u>5 Years</u>
	<u>Total Return</u>	<u>Distribution Return</u>	<u>Total Return</u>	<u>Distribution Return</u>	<u>Total Return</u>
Agricultural College Fund	11.5%	7.1%	5.9%	6.9%	7.4%
Common School Fund	10.9%	6.6%	5.6%	6.5%	7.3%
Normal School Fund	11.3%	6.9%	5.9%	6.7%	7.4%
Scientific University Fund	10.8%	7.0%	5.6%	6.6%	7.2%
State University Fund	11.2%	7.1%	6.0%	7.1%	7.4%
<i>Lehman Aggregate Index</i>	11.2%		6.3%		7.5%
Millersylvania Park Fund	5.9%	6.1%	5.6%	5.7%	5.6%
<i>90 Day T-Bill</i>	5.9%		5.3%		5.4%

*Distribution returns include coupon interest, realized gains and losses, and additional income less expenses and fees. Total return also includes unrealized market gains and losses on the investments held based on values captured at a point in time (June 30, 2001).*

Fiscal Year 2001 Distributions: Agricultural College Fund, \$8,519,134; Common School Fund, \$10,138,570; Normal School fund, \$12,671,271; Scientific University Fund, \$9,881,340; State University Fund, \$1,524,838; Millersylvania Park Fund, \$297.



## ***OTHER TRUST FUNDS***

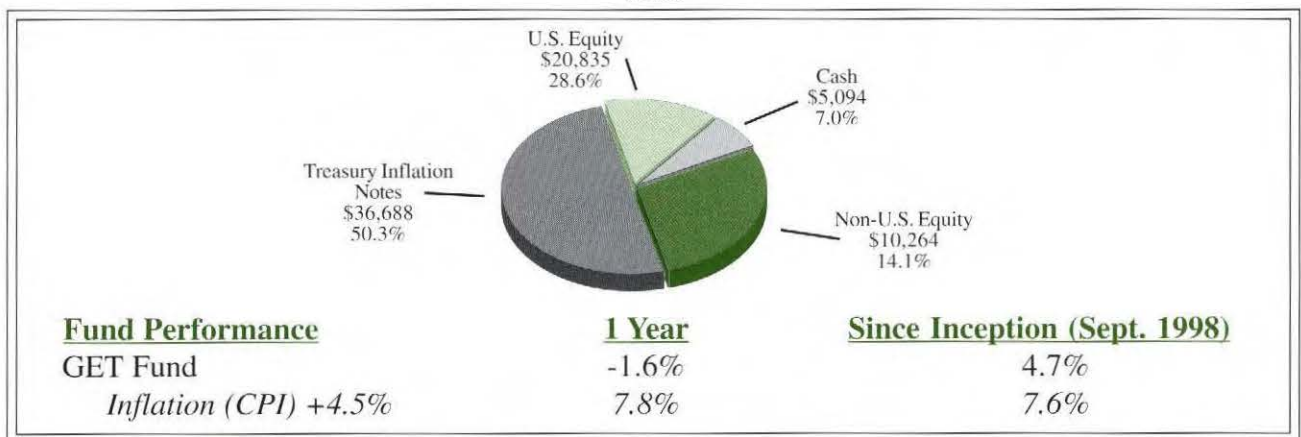
The WSIB manages assets for seven other trust funds that total about \$605 million in aggregate. Each fund has its own specific purpose and investment policy.

### ➤ **Guaranteed Education Tuition Fund (\$72.3 million)**

The GET Program allows individuals or groups to purchase state college and university tuition units for future use at current prices. Program administration is under the authority of the Committee on Advanced Tuition Payment. The WSIB serves as trustee for and invests the funds from advance tuition purchases in a mix of short-term holdings, Treasury Inflation Notes, U.S. equity and non-U.S. equity.

#### **GET Fund Asset Allocation and Fund Performance**

*June 30, 2001*  
\$000

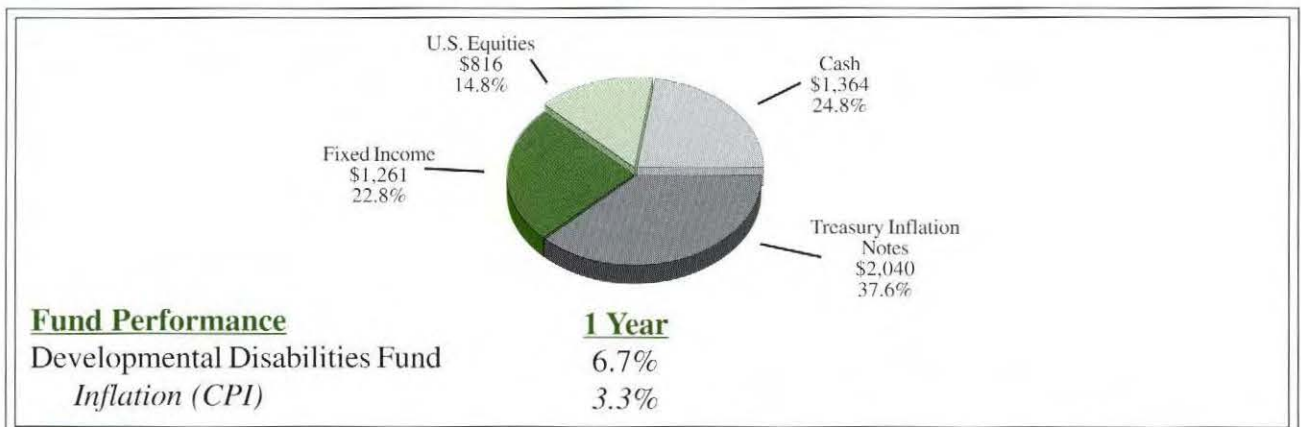


### ➤ **Developmental Disabilities Endowment Trust Fund ( \$5.5 million)**

The Developmental Disabilities Endowment Trust Fund was established in 1999 to support individuals with developmental disabilities through private contributions and public appropriations. The fund was established as a means to encourage and support families as they plan for the long-term care of individuals with disabilities. WSIB invests the fund in a mix of short-term holdings, Treasury Inflation Notes, fixed income, and U.S. equity.

#### **Developmental Disabilities Endowment Asset Allocation and Fund Performance**

*June 30, 2001*  
\$000



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## ***OTHER TRUST FUNDS***

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➤ **State Emergency Reserve Fund (\$476.9 million)**

The State Emergency Reserve Fund was created under the guidelines of State Proposition 601 to provide the State of Washington with a budget reserve fund. The monies in the fund are managed by the Office of Financial Management and overseen by the budget committees of the state House of Representatives and Senate. WSIB began investing the State Emergency Reserve Fund in July, 1999. The fund is invested in short-term holdings and agency notes.

➤ **Game and Special Wildlife Fund (\$11.3 million)**

This fund was created to hold moneys received as compensation for wildlife losses. The WSIB is authorized to invest surpluses in the Special Wildlife Fund. The program is under the authority of the State Fish and Wildlife Commission. The fund is invested in short-term holdings.

➤ **State Employees Insurance Reserve (\$37.3 million)**

This fund was created for the purpose of holding and investing reserves needed for the payment of claims in insurance programs under the Health Care Authority. The account is funded from the reserves of the public employees' and retirees' insurance account. The fund is invested in short-term holdings.

➤ **Radiation Perpetual Fund (\$268 thousand)**

This fund was created to provide moneys for the maintenance, monitoring, and other care of radioactive materials at sites no longer operating. Funding is from a charge imposed on each pound of uranium or thorium compound milled out of raw ore. The program is under the authority of the Department of Health. This fund is invested in short-term holdings.

➤ **Reclamation Revolving Fund (\$1.0 million)**

This fund was created to provide a source of funding for the reclamation and development of lands suitable, and economically available, for development as agricultural lands. This fund is invested in short term holdings and municipal water district bonds.

<b>Performance as of <u>June 30, 2001</u></b>	<b><u>1 Year</u></b>	<b><u>3 Year</u></b>	<b><u>5 Year</u></b>
State Emergency Reserve Fund	6.5%	N/A	N/A
Game and Special Wildlife Fund	5.9%	5.6%	6.0%
State Employees Ins. Reserve	5.9%	5.6%	5.6%
Radiation Perpetual Fund	5.9%	5.6%	5.6%
Reclamation Revolving Fund	6.8%	5.6%	6.0%
<i>90 Day T-Bill</i>	5.9%	5.3%	5.4%

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## GLOSSARY

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**Acquisitions/Buyouts.** The acquisition of a company or division usually involving leverage or some financial restructuring of the balance sheet.

**Active Management.** A style of investment management with the objective of attaining excess risk-adjusted performance versus the benchmark as a result of structuring a portfolio differently from the benchmark.

**Asset.** Anything owned that has value and is measurable in terms of money.

**Asset Class.** Categories of investments that share certain characteristics and exhibit similar patterns of return.

**Benchmark.** The performance objective represented by a model portfolio used to define the return against which another portfolio is to be evaluated.

**Beneficiary.** The recipient of fund benefits.

**Commingled Fund.** An investment fund in which the manager pools the assets of several trust accounts to permit more efficient management and to reduce administrative costs.

**Defined Benefit Plan.** A pension plan that promises to pay a specified amount to each person who retires, generally based upon a formula combination of years of service, age at retirement, and final compensation.

**Defined Contribution Plan.** A pension plan in which the retirement benefit is based solely on the amount contributed to an individual account plus net investment earnings. Members receive a full market rate of return; however, there is no guaranteed rate of return and the value of the member's account will increase or decrease based on fluctuations in the market.

**Distressed Entities.** The investment of equity or debt capital into an entity with various degrees of management assistance to help fix the underlying problems of the company.

**Diversification.** A technique of reducing risk by spreading investments among different asset classes, industries and sectors.

**Efficient Market.** The hypothesis that prices of securities fully reflect all available information.

**Ex-officio Member.** A member by virtue of office or position.

**Fiduciary.** One who holds something or acts in trust for another.

**Fixed Income.** Securities representing debt obligations and having fixed payments and maturities, as opposed to, for example, stock, which has no set dividend payment and/or maturity. Different types of fixed income securities include money market instruments, government and corporate bonds, mortgage-backed securities (including collateralized mortgage-obligations), asset backed securities, and convertible issues.

**Index.** A group of securities that represents the universe of available investments in a specific class or subclass of assets.

**Leveraged Buyout.** The purchase of assets or stock in a company using borrowed funds, with the expectation that operation of the company will enable repayment of these funds.

**Liquidity.** Measures or describes the ease with which assets can be turned into cash. Liquidity is also used to describe an asset class made up of cash equivalents and other short-term investment vehicles.

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## GLOSSARY

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**Nonvoting Members.** Members, typically experts in the investment and economics fields, who are appointed by the board and act in an advisory capacity.

**Passive Management.** An investment strategy that seeks to attain specific benchmark performance at a low cost.

**Private Debt.** The infusion of debt capital into a company or entity with some type of equity participation.

**Private Equity.** The infusion of equity capital into a company conferring either a controlling interest or significant influence in the company's management.

**Risk (investment).** The degree of uncertainty and/or the amount of possible loss that characterizes some course of action. The greater the volatility of the investment, the greater the degree of uncertainty of future investment returns.

**Self-Directed Investment.** An investment program in which the individual members or participants choose the investment vehicles for his/her assets, usually from among a set of investment options provided by the trustee. Members or participants usually receive the full market rate of return less expenses.

**Stock.** Ownership of a corporation represented by shares that are claim on the corporation's earnings and assets.

**Style Risk.** Individual managers generally can be categorized as investing in certain segments of the market (e.g., market capitalization size, low/high

price earning companies). Style risk is the degree of uncertainty and/or the amount of possible loss resulting from a style of management that differs from expectations. Style risk can occur either at the manager level, asset class level, or the consolidated portfolio level.

**Trustee.** A person, agency, bank, or trust company that has responsibility over financial aspects (receipts, disbursements, and/or investment) of funds. One who acts in the capacity of trust as a fiduciary and to whom property has been conveyed for the benefit of another party.

**TUCS Public Fund Median.** Trust Universe Comparison Services Median return of other public funds.

**TUCS Total Funds Median.** Trust Universe Comparison Services Median return of corporate and public funds.

**Venture Capital.** Equity financing of early, expansion, and later stage emerging small businesses. Companies grow from start-up to medium size businesses, and are then either sold to the public through an Initial Public Offering, or are sold to a strategic or financial buyer.

**Volatility.** In financial matters, volatility of returns is the measurement used to define risk. It describes the spread of annual returns from lowest to highest over a particular period. The greater the volatility, the higher the risk.

**Voting Members.** The nine voting members of the board. They include four members which represent various stakeholders in the pension systems, three ex-officio members, and one legislator from each house.

The Washington State Investment Board is an equal opportunity employer. Every effort will be made to provide reasonable accommodation and accessibility to WSIB employees and the public we serve.

**Special thanks to the following people for their work in producing  
WSIB's 2001 Annual Report:**

**Scott Huntley - Project Supervisor**

**Patricia Sheridan - Project Coordinator**

**Shauna Raphael - Graphics and Page Design**

**Steve Verschoor - Financial Statements and Schedules**

**Tom Edwards and Brad Christoffer - Technical Support**

**Shauna Raphael - Cover Photograph**

**Cover Photo: Lava Valley, Mt. St. Helens National Monument**



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*Washington State  
Investment Board*

*Financial Statements & Schedules  
20th Annual Investment Report  
June 30, 2001*



WASHINGTON STATE  
**INVESTMENT BOARD**

**Twentieth Annual Investment Report (Part 2)  
Financial Statements and Schedules of Investments**

**Contents**

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**This is Part 2 of the SIB Twentieth Annual Investment Report. This booklet does not include information on self-directed defined contribution investments or State Deferred Compensation Plan assets. Summary information regarding the investment of assets in those programs is provided in Part 1 of the Annual Report. The Department of Retirement Systems is responsible for accounting and reporting on investments for those programs.**



## ***RETIREMENT FUNDS***

- **Notes to Financial Statements**
- **Statement of Investments**
- **Schedule of Participation**
- **Statement of Changes in Investment Balances**
- **Schedule of Investment Expenses**
- **Schedule of Investments**

**NOTE:**

*The information in this section includes the Teachers' Retirement System (TRS) Plan 3 Total Allocation Portfolio (TAP) and the School Employees' Retirement System (SERS) Plan 3 TAP, but does not include TRS Plan 3 or SERS Plan 3 self-directed investments. See Note 5 under Retirement Funds Notes to Financial Statements.*

# Washington State Investment Board

## Retirement Funds

Notes to Financial Statements  
June 30, 2001

### **Note 1: Significant Accounting Policies**

Retirement fund investments are reported at fair market value, with the exception of short-term investments, which are reported at cost, and commercial real estate mortgages, which are reported at unpaid principal, adjusted for estimated uncollectibles.

Interest and dividend income is accrued when earned. Capital gains and losses are recognized on a trade date basis. Purchases and sales of investments are also recorded on a trade date basis.

Monthly, the assets of the retirement Commingled Trust Fund (CTF) are adjusted to fair market value. Unrealized gains and losses are included as investment earnings on the Statement of Changes in Investment Balance.

The Washington State Investment Board (WSIB) reports collateral received under securities lending agreements where the state has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions and broker commissions paid, are reported in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

### **Note 2: The Commingled Trust Fund**

The CTF is a diversified pool of investments which is used as an investment vehicle for nine separate retirement plans. These plans hold "units" in CTF, which represent a percentage ownership in the pool of investments. Plans are allowed to purchase or sell units in the CTF, based on the market value of the underlying assets, on the first business day of each month.

In addition to unit ownership in the CTF, each retirement plan holds its own short-term investments. These short-term investments are referred to as "plan-specific investments" in the accompanying financial statements and are used to manage the cash needs of the retirement plans.

The Commingled Trust Fund consists of the School Employees' Retirement System (SERS) Plans 2/3; the Teachers' Retirement System (TRS) Plans 1 and 2/3; the Public Employees' Retirement System (PERS) Plans 1 and 2; the Law Enforcement Officers' and Fire Fighters' Plans 1 and 2; the Washington State Patrol Retirement System; and, the Volunteer Fire Fighters' Retirement Plan. The Commingled Trust Fund includes only the defined benefit portion of SERS Plan 3 and TRS Plan 3, which are hybrid defined benefit/defined contribution plans.

### **Note 3: Fees and Expenses**

Investment related fees and expenses are paid from non-appropriated funds or are netted directly from the asset value of the invested funds. The Schedule of Investment Expenses is a listing of non-appropriated fees and expenses paid during the fiscal year ending June 30, 2001.

### **Note 4: Unfunded Commitments**

The WSIB has entered into a number of agreements that commit the state, upon request, to make additional investment purchases up to a stated amount. As of June 30, 2001, the state had the following unfunded investment commitments:

Private Equity	\$	4,614,146,225
Real Estate	\$	428,733,941

### **Note 5: Teachers' Retirement System Plan 3 and School Employees' Retirement System Plan 3**

The financial information presented in this section includes the WSIB Total Allocation Portfolio (TAP) for TRS Plan 3 and SERS Plan 3, which are invested in the Commingled Trust Fund. It does not include TRS Plan 3 or SERS Plan 3 self-directed investments, which are accounted for and reported on by the Department of Retirement Systems (DRS).

### **Note 6: Derivatives**

At June 30, 2001, the only derivative securities held directly by the WSIB were collateralized mortgage obligations of \$3.4 billion; however, derivatives may include a portion of the WSIB's individual investment managers portfolios.

### **Note 7: Accruals**

The term "Net of All Accrual Types" means the sum of accrued income, pending trades receivable and pending trades payable. Fiscal Year 2001 Commingled Trust Fund net accruals: Private Equity \$(217,189.18); Real Estate \$12,858,565.01; Commingled Index Funds - Domestic \$(116,277.77); Corporate Stock - Foreign and Commingled Index Funds - Foreign \$3,442,136.01; Short-Term Securities \$3,758,854.05, and; Fixed Income Securities \$163,273,693.70.

**WASHINGTON STATE INVESTMENT BOARD  
RETIREMENT FUNDS**

Statement of Investments - Unaudited

June 30, 2001

	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT
Short - Term Securities	\$ 751,585,215.90	\$ 64,168,995.08	\$ 815,754,210.98	1.9%
U.S. Government Securities	1,543,951,241.62		1,543,951,241.62	3.6%
Foreign Government Securities	170,125,000.00		170,125,000.00	0.4%
Mortgages and Mortgage Backed Securities	2,753,985,362.46		2,753,985,362.46	6.4%
Asset Backed Securities	354,188,193.25		354,188,193.25	0.8%
Corporate Obligations - Domestic	4,507,696,650.14		4,507,696,650.14	10.5%
Corporate Obligations - Yankee	1,140,648,946.53		1,140,648,946.53	2.7%
Corporate Obligations - Foreign	243,507,002.25		243,507,002.25	0.6%
Municipal Bonds	24,335,549.05		24,335,549.05	0.1%
Private Equity	5,727,064,050.00		5,727,064,050.00	13.4%
Real Estate	3,625,924,362.00		3,625,924,362.00	8.5%
Corporate Stock - Domestic	94,303.51		94,303.51	0.0%
Corporate Stock - Foreign	2,564,384,308.44		2,564,384,308.44	6.0%
Commingled Index Funds - Domestic	16,065,194,398.00		16,065,194,398.00	37.5%
Commingled Balanced Trust	5,875,484.06		5,875,484.06	0.0%
Commingled Index Funds - Foreign	3,253,320,954.13		3,253,320,954.13	7.6%
<b>Market Value of Investments</b>	<b>\$ 42,731,881,021.34</b>	<b>\$ 64,168,995.08</b>	<b>\$ 42,796,050,016.42</b>	<b>100.0%</b>
<b>Net of All Accrual Types</b>	<b>\$ 182,999,781.82</b>	<b>\$ 494,841.01</b>	<b>\$ 183,494,622.83</b>	
<b>Total Market Value, June 30, 2001</b>	<b>\$ 42,914,880,803.16</b>	<b>\$ 64,663,836.09</b>	<b>\$ 42,979,544,639.25</b>	

*See Notes to Financial Statements*

**WASHINGTON STATE INVESTMENT BOARD  
RETIREMENT FUNDS**

Statement of Changes in Investment Balances - Unaudited  
For the Fiscal Year Ended June 30, 2001

	<b>COMMINGLED TRUST FUND (NOTE 2)</b>	<b>PLAN-SPECIFIC INVESTMENTS (NOTE 2)</b>	<b>TOTAL</b>
<b>Net Asset Value - June 30, 2000</b>	\$ 46,563,074,278	\$ 47,350,447	\$ 46,610,424,725
<b><u>Fiscal Year 2001 Activity:</u></b>			
<b>Net Withdrawal by Retirement Plans</b>		\$ (873,595,916)	\$ (873,595,916)
<b>Investments in Commingled Funds</b>	\$ 404,500,194	\$ (404,500,194)	-
<b>Withdrawals from Commingled Funds</b>	\$ (1,290,344,582)	\$ 1,290,344,582	-
<b>Investment Earnings (Note 1):</b>			
Income	\$ 1,417,634,424	\$ 9,403,372	\$ 1,427,037,796
Capital Gains	1,520,219,967		1,520,219,966
Capital Losses	(1,130,432,817)		(1,130,432,817)
Market Gains and Losses (Unrealized)	(4,305,486,453)		(4,305,486,453)
Investment Expenses (Note 3)	(162,831,737)		(162,831,737)
Securities Lending Broker Rebates Paid	(101,452,471)		(101,452,471)
WSIB Operating Costs		(4,338,455)	(4,338,455)
<b>Net Investment Earnings</b>	<u>\$ (2,762,349,086)</u>	<u>\$ 5,064,917</u>	<u>\$ (2,757,284,171)</u>
<b>Net Asset Value - June 30, 2001</b>	<u>\$ 42,914,880,803</u>	<u>\$ 64,663,836</u>	<u>\$ 42,979,544,639</u>
<b><u>Net Asset Value Recap - June 30, 2001</u></b>			
Investments (at Market Value)	\$ 42,731,881,021	\$ 64,168,995	\$ 42,796,050,016
Investment Earnings Receivable	204,885,424	494,841	205,380,265
Investment Management Fees Payable	(28,345,428)		(28,345,428)
Receivable for Investments Sold	27,812,734		27,812,734
Payable for Investments Purchased	(21,352,949)		(21,352,949)
Collateral Held Under Securities Lending Agreements	2,032,549,398		2,032,549,398
Obligations Under Securities Lending Agreements	(2,032,549,398)		(2,032,549,398)
<b>Total Net Asset Value - June 30, 2001</b>	<u>\$ 42,914,880,803</u>	<u>\$ 64,663,836</u>	<u>\$ 42,979,544,639</u>

*See Notes to Financial Statements*

**WASHINGTON STATE INVESTMENT BOARD  
RETIREMENT FUNDS**

Statement of Participation - Unaudited  
June 30, 2001

<u>RETIREMENT PLAN:</u>	<u>COMMINGLED TRUST FUND (NOTE 2)</u>	<u>PLAN-SPECIFIC INVESTMENTS (NOTE 2)</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
PERS 1	\$ 10,205,290,334.03	\$ 2,091,801.16	\$ 10,207,382,135.19	23.7%
PERS 2	10,128,723,331.84	13,887,333.05	10,142,610,664.89	23.6%
TEACHERS 1	8,781,701,614.94	8,964,525.49	8,790,666,140.43	20.5%
TEACHERS 2/3 (DC and DB Plans)	4,057,108,966.91	12,308,231.96	4,069,417,198.87	9.5%
VOLUNTEER FIREFIGHTERS	114,878,692.83	258.67	114,878,951.50	0.3%
WASHINGTON STATE PATROL	658,239,491.15	415,078.19	658,654,569.34	1.5%
LEOFF 1	4,984,416,037.97	1,455,531.82	4,985,871,569.79	11.6%
LEOFF 2	2,342,787,271.87	8,665,086.78	2,351,452,358.65	5.5%
SCHOOL EMPLOYEES 2/3 (DC and DB Plans)	1,641,735,061.62	7,324,773.58	1,649,059,835.20	3.8%
JUDICIAL		9,551,215.39	9,551,215.39	0.0%
	<b>\$ 42,914,880,803.16</b>	<b>\$ 64,663,836.09</b>	<b>\$ 42,979,544,639.25</b>	<b>100.0%</b>

*See Notes to Financial Statements*

**WASHINGTON STATE INVESTMENT BOARD**  
**RETIREMENT FUNDS**  
Schedule of Investment Expenses  
For the Year Ended June 30, 2001

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**PUBLIC EQUITY SECURITIES:**

Active Equity Managers	\$ -
Passive Equity Managers	468,198
Enhanced Equity Managers	-
Global Managers	-
International Active Equity Managers	13,182,727
International Passive Equity Managers	303,879
	-

**FIXED INCOME SECURITIES:**

Commercial Mortgages	1,004,007
----------------------	-----------

**ALTERNATIVE INVESTMENTS:**

Private Equity	101,625,990
Real Estate	29,934,131

**OTHER FEES:**

Securities Lending Fees	11,202,484
Consultants and Advisors	3,889,580
Custodians	963,754
Legal Fees	256,986

<b>Total Investment Expenses</b>	<b>\$ 162,831,736</b>
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*See Notes to Financial Statements*

WASHINGTON STATE INVESTMENT BOARD  
**Retirement Funds**  
 Schedule of Investments - Unaudited  
 June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM SECURITIES:</b>				
<b>CURRENCIES</b>				
Australia-Dollar			\$	13.95
Britain-Pound				3,133,631.87
Canada-Dollar				4,122.75
Denmark-Krone				291.06
E.M.U.-Euro				659,724.76
France-Franc				18.47
Germany-Mark				2.02
Netherland-Guilder				18.18
South Korea-Won				491.43
Sweden-Krona				33.18
<i>TOTAL CURRENCIES</i>			<u>\$</u>	<u>8,358,665.00</u>
<b>CASH EQUIVALENTS</b>				
STATE STREET BANK & TRUST CO			743,226,551	\$ 743,226,550.90
<i>TOTAL CASH EQUIVALENTS</i>				<u>\$ 743,226,550.90</u>
<b>TOTAL SHORT - TERM SECURITIES</b>				<u><u>\$ 751,585,215.90</u></u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
TREASURY INFLATION IX N/B	1/15/2008	3.63	54,742,000	\$ 55,990,665.02
TREASURY INFLATION IX N/B	1/15/2009	3.88	188,741,000	194,933,592.21
TREASURY INFLATION IX N/B	1/15/2010	4.25	105,130,000	111,207,565.30
TREASURY INFLATION IX N/B	4/15/2028	3.63	82,019,250	83,787,585.03
U.S.A. TREASURY BOND	5/15/2011	13.88	31,000,000	42,600,820.00
U.S.A. TREASURY BOND	8/15/2013	12.00	30,000,000	41,531,100.00
U.S.A. TREASURY NOTE	11/15/2003	11.88	49,500,000	57,543,750.00
U.S.A. TREASURY NOTE	11/15/2015	9.88	25,300,000	35,261,875.00
U.S.A. TREASURY NOTE	5/15/2017	8.75	67,000,000	86,974,040.00
U.S.A. TREASURY NOTE	5/15/2020	8.75	22,540,000	29,787,962.40
U.S.A. TREASURY NOTE	2/15/2003	6.25	175,300,000	180,860,516.00
U.S.A. TREASURY NOTE	5/15/2004	7.25	199,000,000	212,961,840.00
U.S.A. TREASURY NOTE	11/15/2004	7.88	59,000,000	64,605,000.00
U.S.A. TREASURY NOTE	7/15/2006	7.00	11,000,000	11,929,830.00
<i>TOTAL US TREASURIES</i>				<u>\$ 1,209,976,140.96</u>



WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>AGENCIES</b>				
FEDERAL HOME LN MTG CORP	9/15/2005	8.20	121,831 \$	126,462.66
FHLB	2/25/2004	9.50	10,000,000	11,109,400.00
FHLB/GLOBAL SR NT	9/2/2008	5.80	34,600,000	34,237,738.00
FHLMC	5/15/2004	5.00	50,000,000	49,968,500.00
FNMA	3/21/2006	6.63	25,000,000	26,043,000.00
FNMA	4/15/2003	5.75	50,000,000	51,031,000.00
FNMA	6/15/2005	5.75	100,000,000	101,359,000.00
FNMA	3/15/2011	5.50	50,000,000	47,500,000.00
FNMA MTN	8/22/2005	6.85	12,000,000	12,600,000.00
<i>TOTAL US AGENCIES</i>				<u>\$ 333,975,100.66</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				<u>\$ 1,543,951,241.62</u>
<b>FOREIGN GOVERNMENT SECURITIES:</b>				
FED REPUBLIC OF BRAZIL	1/15/2020	12.75	20,000,000 \$	17,850,000.00
MEXICAN UTD STS	2/1/2010	9.88	100,000,000	109,400,000.00
REPUBLIC OF ARGENTINA	10/15/2003		35,000,000	26,250,000.00
REPUBLIC OF ARGENTINA	10/15/2004		25,000,000	16,625,000.00
<i>TOTAL FOREIGN GOVERNMENT SECURITIES</i>				<u>\$ 170,125,000.00</u>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FGC 90241	12/1/2018	6.50	9,911,031 \$	9,890,911.87
FGC 90247	1/1/2019	6.50	8,305,882	8,289,021.07
FGC46275	12/1/2030	7.00	2,970,557	2,985,409.70
FGC46639	1/1/2031	7.00	6,113,615	6,144,183.19
FHLMC G 10372	8/1/2010	6.50	8,011,003	8,081,099.55
FHLMC GIANT NONGNOME 50-1731	12/1/2004	8.00	168,784	172,947.74
FHLMC GIANT SWAP 30-4278	7/1/2018	9.00	2,790,882	2,973,154.87
FHLMC GIANT SWAP 30-4281	7/1/2018	9.00	2,959,807	3,153,111.57
FHLMC GIANT SWAP 53-8318	12/1/2019	10.00	863,945	962,072.37
FHLMC GIANT SWAP 538275	12/1/2019	9.00	36,846	39,298.00
FHLMC GIANT WAM SWAP 30-6660	3/15/2019	7.00	284,015	289,632.89
FHLMC GNOME 38-0021	5/1/2003	9.00	332,881	346,909.02
FHLMC GOLD PL C00335	5/1/2024	7.50	14,612,609	14,982,454.27
FHLMC GOLD PL D63625	9/1/2025	7.50	449,400	460,073.62
FHLMC GOLD PL D65599	11/1/2025	7.50	529,315	541,885.73
FHLMC GOLD PL D66023	12/1/2025	7.50	159,956	163,755.43

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FHLMC GOLD PL D66145	12/1/2025	7.50	283,221	\$ 289,947.75
FHLMC GOLD PL D66251	12/1/2025	7.50	357,429	365,918.31
FHLMC GOLD PL D66700	12/1/2025	7.50	390,674	399,952.17
FHLMC GOLD PL D66758	12/1/2025	7.50	226,878	232,266.16
FHLMC GOLD PLC80158	5/1/2024	7.50	3,230,172	3,311,927.66
FHLMC GOLD PLC80321	6/1/2025	7.50	569,229	582,747.75
FHLMC PC 16-0034	12/1/2007	8.50	27,893	29,472.38
FHLMC PC 16-0037	1/1/2008	8.50	30,331	32,049.08
FHLMC PC 16-0038	2/1/2008	8.50	53,811	56,558.96
FHLMC PC 16-0039	3/1/2008	8.50	130,736	137,412.70
FHLMC PC 16-0040	3/1/2008	8.75	23,957	25,271.00
FHLMC PC 16-0045	5/1/2008	8.75	2,577	2,718.05
FHLMC PC 16-0046	5/1/2008	8.75	83,237	87,803.70
FHLMC PC 16-0047	5/1/2008	8.75	27,496	29,004.19
FHLMC PC 16-0063	10/1/2008	9.50	63,338	67,556.11
FHLMC PC 17-0019	2/1/2008	8.50	168,344	177,877.05
FHLMC PC 17-0029	5/1/2010	12.00	74,198	84,158.88
FHLMC PC 17-0141	9/1/2015	11.00	43,490	48,414.78
FHLMC PC 17-0145	10/1/2015	11.00	100,574	112,544.78
FHLMC PC 17-0147	11/1/2015	11.00	429,888	485,150.88
FHLMC PC 17-0149	12/1/2015	11.00	123,207	138,496.08
FHLMC PC 17-0186	8/1/2016	9.50	312,811	334,607.68
FHLMC PC 17-0222	5/1/2017	8.50	27,114	28,807.01
FHLMC PC 36-0003	6/1/2017	9.50	329,015	352,148.21
FHLMC SWAP 26-0847	1/1/2017	8.50	1,467	1,558.77
FHLMC SWAP 28-0417	9/1/2016	8.50	647	687.34
FHLMC SWAP 28-4973	5/1/2008	8.50	1,926	2,012.70
FHLMC SWAP 28-5569	1/1/2017	8.50	22,982	24,411.02
FHLMC SWAP 28-5709	1/1/2017	8.50	10,979	11,661.36
FHLMC SWAP 28-7894	3/1/2017	8.50	28,700	30,484.81
FHLMC SWAP 28-7948	3/1/2017	8.50	8,598	9,132.49
FHLMC SWAP 28-9135	3/1/2017	8.50	30,452	32,345.56
FHLMC SWAP 28-9144	2/1/2017	8.50	7,235	7,685.29
FHLMC SWAP 28-9214	3/1/2017	8.50	44,632	47,407.23
FHLMC SWAP 28-9376	3/1/2017	8.50	32,368	34,380.33
FHLMC SWAP 28-9630	3/1/2017	8.50	21,697	23,046.15
FHLMC SWAP 28-9884	4/1/2017	8.50	132,351	140,580.96
FHLMC SWAP 29-0070	4/1/2017	8.50	1,902	1,957.55
FHLMC SWAP 29-0303	4/1/2017	8.50	31,682	33,652.38
FHLMC SWAP 29-0815	4/1/2017	8.50	43,590	46,300.25
FHLMC SWAP 29-1140	4/1/2017	8.50	1,256	1,333.93
FHLMC SWAP 29-1274	4/1/2017	8.00	720,133	745,467.79
FHLMC SWAP 29-1424	3/1/2017	8.50	39,289	41,732.49

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FHLMC SWAP 29-1470	4/1/2017	8.50	11,868 \$	12,605.45
FHLMC SWAP 29-1802	4/1/2017	8.50	8,837	9,386.47
FHLMC SWAP 29-2320	3/1/2017	8.50	15,782	16,763.60
FHLMC SWAP 29-2624	5/1/2017	8.50	10,729	11,396.31
FHLMC SWAP 29-4102	5/1/2017	8.50	10,591	11,249.99
FHLMC SWAP 29-4881	6/1/2017	8.00	90,491	93,674.54
FHLMC SWAP 29-9465	6/1/2017	8.00	22,903	23,708.80
FHLMC SWAP 30-3198	3/1/2018	8.00	11,151	11,539.91
FNGT 2000-T5 B	5/25/2010	7.30	57,530,000	61,146,778.78
FNMA 15 YR PL 322608	5/1/2011	6.50	308,437	310,749.83
FNMA 15 YR PL 329775	1/1/2011	6.50	227,124	229,111.16
FNMA 15 YR PL 339802	5/1/2011	6.50	243,511	245,337.10
FNMA 15YR 344166	6/1/2011	6.50	227,625	229,332.64
FNMA 15YR 346538	5/1/2011	6.50	255,316	257,230.73
FNMA 16 YR PL 250613	6/1/2011	6.50	466,888	470,389.73
FNMA 20YR	4/1/2016	6.50	62,044	62,181.39
FNMA 20YR	4/1/2016	6.50	563,417	564,662.56
FNMA 20YR	3/1/2016	6.50	69,081	69,247.78
FNMA 20YR	4/1/2016	6.50	584,067	576,398.16
FNMA 20YR	4/1/2016	6.50	829,861	818,965.24
FNMA 20YR	4/1/2016	6.50	358,038	353,336.81
FNMA 20YR	5/1/2016	6.50	440,726	434,939.48
FNMA 20YR	5/1/2016	6.50	796,901	786,437.25
FNMA 20YR	5/1/2016	6.50	616,608	608,511.68
FNMA 20YR	4/1/2016	6.50	658,977	650,324.99
FNMA 20YR	5/1/2016	6.50	702,536	693,311.93
FNMA 20YR	5/1/2016	6.50	62,889	62,063.61
FNMA 20YR	5/1/2016	6.50	776,154	765,963.52
FNMA 20YR	4/1/2016	6.50	1,125,024	1,110,252.92
FNMA 20YR	5/1/2016	6.50	231,471	228,431.69
FNMA 20YR PL 250582	4/1/2016	6.50	957,775	959,891.38
FNMA 20YR PL 250591	5/1/2016	6.50	1,454,344	1,457,558.18
FNMA 20YR PL 298169	3/1/2016	6.50	262,791	263,372.23
FNMA 20YR PL 338386	4/1/2016	6.50	282,927	283,552.64
FNMA 20YR PL 338403	5/1/2016	6.50	1,754,962	1,758,840.17
FNMA 20YR PL 338427	5/1/2016	6.50	972,394	959,626.03
FNMA CA 7423	5/1/2014	11.25	68,412	77,088.22
FNMA CL 2463	9/1/2015	11.00	151,976	169,171.71
FNMA GL 6222	4/1/2016	9.00	1,323,327	1,402,409.55
FNMA MEGA 70449	12/1/2019	11.00	1,100,962	1,240,981.92
FNMA MEGA 70453	12/1/2019	10.50	653,592	732,631.20
FNMA PL 050965	1/1/2024	6.50	55,123	54,554.44
FNMA PL 073014 OLIVE TOWER APT	6/1/2020	9.02	1,408,923	1,804,323.43

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FNMA PL 219662	8/1/2023	7.00	436,002 \$	440,087.67
FNMA PL 227422	8/1/2023	7.00	1,063,345	1,073,308.96
FNMA POOL # 416155	4/1/2028	6.50	4,285,114	4,224,865.51
FNMA POOL # 417065	3/1/2028	6.50	2,868,833	2,828,496.81
GNMA 1 310560	8/15/2021	8.50	118,181	124,975.30
GNMA 1 SF 178138	8/15/2021	8.50	137,234	145,123.52
GNMA 1 SF 183602	12/15/2021	8.50	40,938	43,291.65
GNMA 1 SF 184777	11/15/2021	8.50	66,241	70,049.59
GNMA 1 SF 202092	6/15/2021	8.50	89,878	95,045.18
GNMA 1 SF 278964	5/15/2021	8.50	104,358	110,357.80
GNMA 1 SF 282707	11/15/2019	8.50	92,316	97,969.01
GNMA 1 SF 294371	7/15/2021	8.50	20,479	21,656.70
GNMA 1 SF 294485	6/15/2021	8.50	5,258	5,560.57
GNMA 1 SF 295503	7/15/2021	8.50	58,523	61,887.10
GNMA 1 SF 296059	5/15/2021	8.50	55,294	58,472.63
GNMA 1 SF 296567	2/15/2021	8.50	39,379	41,716.41
GNMA 1 SF 298100	5/15/2021	8.50	24,133	25,520.07
GNMA 1 SF 298323	6/15/2021	8.50	188,646	199,491.22
GNMA 1 SF 298355	9/15/2021	8.50	8,555	9,047.28
GNMA 1 SF 298516	5/15/2021	8.50	26,469	27,990.63
GNMA 1 SF 298598	12/15/2021	8.50	674,303	713,069.02
GNMA 1 SF 298756	5/15/2021	8.50	7,903	8,357.05
GNMA 1 SF 299113	6/15/2021	8.50	31,321	33,121.40
GNMA 1 SF 299457	5/15/2021	8.50	41,258	43,630.20
GNMA 1 SF 300164	6/15/2021	8.50	16,768	17,731.50
GNMA 1 SF 300180	7/15/2021	8.50	10,303	10,895.06
GNMA 1 SF 301253	7/15/2021	8.50	17,331	18,327.58
GNMA 1 SF 301296	5/15/2021	8.50	36,427	38,521.26
GNMA 1 SF 301362	5/15/2021	8.50	72,476	76,642.14
GNMA 1 SF 301691	7/15/2021	8.50	71,540	75,653.15
GNMA 1 SF 302066	6/15/2021	8.50	3,919	4,144.74
GNMA 1 SF 303333	6/15/2021	8.50	160,586	169,818.48
GNMA 1 SF 304083	7/15/2021	8.50	3,434	3,631.06
GNMA 1 SF 304222	4/15/2021	8.50	93,404	98,773.39
GNMA 1 SF 304229	7/15/2021	8.50	23,235	24,570.46
GNMA 1 SF 304677	8/15/2021	8.50	22,989	24,310.29
GNMA 1 SF 304909	3/15/2021	8.50	4,839	5,116.73
GNMA 1 SF 305397	5/15/2021	8.50	68,141	72,058.52
GNMA 1 SF 305680	8/15/2021	8.50	63,402	67,046.49
GNMA 1 SF 305722	6/15/2021	8.50	7,875	8,327.23
GNMA 1 SF 305800	5/15/2021	8.50	78,587	83,104.90
GNMA 1 SF 305900	7/15/2021	8.50	18,747	19,824.80
GNMA 1 SF 305956	7/15/2021	8.50	17,820	18,844.19

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GNMA 1 SF 305957	6/15/2021	8.50	36,520 \$	38,619.19
GNMA 1 SF 306080	8/15/2021	8.50	28,771	30,424.90
GNMA 1 SF 306129	10/15/2021	8.50	49,470	52,314.03
GNMA 1 SF 306346	6/15/2021	8.50	22,296	23,577.81
GNMA 1 SF 306448	7/15/2021	8.50	53,831	56,926.25
GNMA 1 SF 306540	10/15/2021	8.50	34,250	36,219.40
GNMA 1 SF 306617	5/15/2021	8.50	109,164	115,439.46
GNMA 1 SF 306673	8/15/2021	8.50	119,294	126,151.76
GNMA 1 SF 306871	6/15/2021	8.50	253,953	268,552.47
GNMA 1 SF 307150	7/15/2021	8.50	14,818	15,669.95
GNMA 1 SF 307425	11/15/2021	8.50	230,716	243,980.21
GNMA 1 SF 307608	6/15/2021	8.50	23,420	24,766.10
GNMA 1 SF 307626	7/15/2021	8.50	75,970	80,337.37
GNMA 1 SF 307705	5/15/2021	8.50	196,158	207,804.24
GNMA 1 SF 307780	6/15/2021	8.50	50,504	53,407.21
GNMA 1 SF 307793	5/15/2021	8.50	14,533	15,368.89
GNMA 1 SF 307797	5/15/2021	8.50	179,443	189,759.05
GNMA 1 SF 307859	5/15/2021	8.50	127,783	135,128.84
GNMA 1 SF 307895	6/15/2021	8.50	171,711	181,582.29
GNMA 1 SF 307926	6/15/2021	8.50	47,586	50,321.42
GNMA 1 SF 307938	6/15/2021	8.50	45,530	48,147.57
GNMA 1 SF 308571	5/15/2021	8.50	30,295	32,037.16
GNMA 1 SF 308658	5/15/2021	8.50	30,232	31,969.56
GNMA 1 SF 308905	7/15/2021	8.50	71,116	75,204.95
GNMA 1 SF 309221	5/15/2021	8.50	44,017	46,547.36
GNMA 1 SF 309442	7/15/2021	8.50	4,251	4,495.36
GNMA 1 SF 309875	8/15/2021	8.50	19,922	21,066.85
GNMA 1 SF 309950	7/15/2021	8.50	148,520	157,058.58
GNMA 1 SF 310213	6/15/2021	8.50	150,630	159,289.42
GNMA 1 SF 310334	8/15/2021	8.50	70,125	74,156.97
GNMA 1 SF 310529	7/15/2021	8.50	42,838	45,300.92
GNMA 1 SF 310530	7/15/2021	8.50	132,725	140,355.42
GNMA 1 SF 310562	8/15/2021	8.50	72,523	76,692.39
GNMA 1 SF 310595	9/15/2021	8.50	35,688	37,739.60
GNMA 1 SF 310843	8/15/2021	8.50	220,174	232,831.40
GNMA 1 SF 311090	8/15/2021	8.50	3,241	3,426.88
GNMA 1 SF 311340	8/15/2021	8.50	32,633	34,509.57
GNMA 1 SF 311350	11/15/2021	8.50	32,034	33,875.50
GNMA 1 SF 311660	7/15/2021	8.50	35,495	37,535.34
GNMA 1 SF 311807	8/15/2021	8.50	22,575	23,872.48
GNMA 1 SF 311994	7/15/2021	8.50	66,548	70,373.66
GNMA 1 SF 312980	12/15/2021	8.50	78,218	82,714.84
GNMA 1 SF 313010	7/15/2021	8.50	28,393	30,025.73

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GNMA 1 SF 313022	8/15/2021	8.50	214,161 \$	226,473.20
GNMA 1 SF 313176	7/15/2021	8.50	49,482	52,327.22
GNMA 1 SF 313225	10/15/2021	8.50	45,759	48,389.48
GNMA 1 SF 313899	10/15/2021	8.50	12,938	13,682.03
GNMA 1 SF 315047	10/15/2021	8.50	161,149	170,413.03
GNMA 1 SF 315174	7/15/2022	8.50	97,426	102,723.36
GNMA 1 SF 316731	9/15/2021	8.50	57,225	60,515.37
GNMA 1 SF 316739	11/15/2021	8.50	124,566	131,727.66
GNMA 1 SF 319273	11/15/2021	8.50	468,932	495,890.91
GNMA 1 SF 323069	4/15/2022	8.50	85,802	90,466.62
GNMA 1 SF 323417	5/15/2022	8.50	66,023	69,612.30
GNMA 1 SF 324927	5/15/2022	8.50	98,058	103,389.33
GNMA 1 SF 780052	12/15/2008	7.00	7,147,932	7,339,997.10
GNMA 1 SF344991	7/15/2023	7.50	136,368	140,331.31
GNMA 1 SF348915	8/15/2023	7.50	657,242	676,341.01
GNMA 1 SF351889	8/15/2023	7.50	387,581	398,844.19
GNMA 1 SF354008	4/15/2023	7.50	118,165	121,598.49
GNMA 1 SF355249	8/15/2023	7.50	379,995	391,037.37
GNMA 1 SF357258	9/15/2023	7.50	674,825	694,435.50
GNMA 1 SF358214	6/15/2023	7.50	759,583	781,656.75
GNMA 1 SF364223	10/15/2023	7.50	836,970	861,292.42
GNMA 1 SF375092	7/15/2025	7.50	760,406	780,838.58
GNMA 1 SF378496	10/15/2023	7.50	1,077,069	1,108,368.18
GNMA 1 SF379646	8/15/2025	7.50	842,159	864,788.31
GNMA 1 SF389658	7/15/2025	7.50	924,560	949,403.30
GNMA 1 SF390366	7/15/2025	7.50	665,047	682,916.90
GNMA 1 SF397840	7/15/2025	7.50	982,931	1,009,342.59
GNMA 1 SF399725	7/15/2025	7.50	741,017	760,928.63
GNMA 1 SF407645	7/15/2025	7.50	639,746	656,936.41
GNMA 1 SF410088	8/15/2025	7.50	2,031,502	2,086,088.23
GNMA 1 SF410615	7/15/2025	7.50	1,029,118	1,056,770.24
GNMA 1 SF413883	7/15/2025	7.50	613,938	630,434.20
GNMA 1 SF780166	6/15/2025	7.50	782,850	805,599.62
GNMA 1 SSF 342587	12/15/2022	8.50	73,419	77,410.92
GNMA GP 90133	5/15/2009	9.00	143,039	153,486.62
GNMA GP 90150	8/15/2009	9.00	34,367	36,876.67
GNMA GP 90178	5/15/2009	9.00	52,962	56,830.70
GNMA GP 91485	5/15/2009	9.00	110,800	118,893.31
GNMA I SF 352964	5/15/2024	7.00	7,837,834	7,945,604.57
GNMA I SF 389464	3/15/2024	6.50	1,122,665	1,114,593.40
GNMA II SF 120666	9/15/2014	13.00	18,872	22,186.52
GNMA PL 325672	11/15/2023	7.00	226,927	230,330.45
GNMA PL 346878	11/15/2023	7.00	12,159,097	12,341,483.38

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GNMA PL 357234	11/15/2023	7.00	5,252,147 \$	5,330,929.24
GNMA PL 364870	1/15/2024	7.00	9,879,828	10,028,024.99
GNMA PL 366529	11/15/2023	6.50	777,693	772,584.01
GNMA PL 368817	11/15/2023	7.00	426,404	432,799.67
GNMA PL 370890	11/15/2023	7.00	8,186,245	8,309,038.17
GNMA PL 372887	10/15/2023	6.50	468,269	465,192.45
GNMA POOL # 354778	3/15/2009	7.00	3,469,834	3,560,882.68
GNMA SF 11025	11/15/2005	7.25	32,936	33,902.56
GNMA SF 21705	6/15/2008	8.25	71,837	75,960.78
GNMA SF 22602	5/15/2008	8.25	75,929	80,288.02
GNMA SF 2733	6/15/2003	6.50	11,716	11,846.99
GNMA SF 34245	12/15/2009	10.00	163,422	179,541.45
GNMA SF 35292	1/15/2010	10.00	133,607	146,785.54
GNMA SF 35888	12/15/2009	10.00	54,235	59,584.97
GNMA SF 36127	11/15/2009	10.00	39,468	43,361.64
GNMA SF 3617	10/15/2003	7.00	35,908	36,736.68
GNMA SF 37913	12/15/2009	10.00	160,849	176,715.15
GNMA SF 39407	1/15/2010	10.00	31,367	34,265.58
GNMA SF 45231	12/15/2010	10.50	76,058	84,291.09
MSDWC 2001-T1 A4	1/15/2011	6.66	25,000,000	24,987,540.00
PNCMA 2000-C1 A2	2/15/2010	7.61	15,000,000	15,861,274.50
PNCMA 2000-C2 A2	9/12/2010	7.30	10,000,000	10,391,697.00
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 364,700,815.38</u>
<b>FHA PROJECT / SBA LOANS</b>				
AUBURN VILLA	2/2/2018	7.50	753,512 \$	753,512.10
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	10,000,000	10,690,800.00
BURIEN HAUS	12/1/2017	7.50	468,503	468,502.94
FHA PRJ-REILLY MTG GRP #55	3/1/2024	7.43	7,159,848	7,089,896.22
FOXCROFT APTS	11/1/2018	7.50	3,447,261	3,447,306.73
GNMA 383716 LOWELL EMERSON APT	3/15/2029	7.00	4,342,438	4,457,729.60
MISSION TOWERS	6/1/2018	7.50	1,650,273	1,625,858.72
ST MARY'S COMMUNITY HOSP	8/1/2001	8.00	7,643	7,556.62
SUTTER VILLAGE	2/2/2018	7.50	802,812	802,812.31
TERRACE MANOR	7/1/2010	7.50	210,810	210,736.60
THE COTTAGES/WILDWOOD APTS	5/1/2018	7.50	953,422	937,562.72
WATERS EDGE APTS	12/1/2017	7.50	2,019,863	2,019,863.03
<i>TOTAL FHA PROJECT/SBA LOANS</i>				<u>\$ 32,512,137.59</u>
<b>FHA / VA RESIDENTIAL</b>				
CONTINENTAL MTG	4/1/2003	7.30	9,476 \$	9,363.32

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EXECUTIVE HOUSE	6/1/2011	11.50	2,904 \$	2,970.72
GNMA POOL 404208	7/15/2028	7.00	3,586,758	3,619,254.09
GNMA POOL 458902	7/15/2028	7.00	5,214,522	5,261,765.08
GNMA POOL 458909	7/15/2028	7.00	4,082,524	4,119,511.87
GNMA POOL 463999	7/15/2028	7.00	3,293,272	3,323,108.57
GNMA POOL 471729	7/15/2028	7.00	3,264,755	3,294,333.92
GNMA POOL 471774	7/15/2028	7.00	3,236,497	3,265,819.41
GNMA POOL 471802	7/15/2028	7.00	2,714,856	2,739,452.18
GNMA POOL 471803	7/15/2028	7.00	2,223,879	2,244,027.21
GNMA POOL 480120	7/15/2028	7.00	5,764,156	5,816,378.91
IST NATIONWIDE MORTGAGE	1/1/2002	6.75	2,657	2,682.93
METMOR FINANCIAL	2/1/2002	6.63	374	370.59
NATIONSBANC	11/1/2001	6.75	425	428.71
SEATTLE MORTGAGE CO	7/1/2002	6.75	6,322	6,270.44
U S MORTGAGE	4/1/2003	7.00	10,436	10,404.21
<i>TOTAL FHA/VA RESIDENTIAL</i>				<u>\$ 33,716,142.16</u>
<b>CONVENTIONAL COMMERCIAL LOANS</b>				
205 ASSOCIATES INC	7/15/2007	8.43	4,371,677 \$	4,371,676.85
2233, LP	8/15/2006	8.08	5,817,644	5,817,643.98
225 FOXBOROUGH BLVD REALTY COR	1/15/2010	8.16	4,466,298	4,466,297.74
300 CHUBB AVENUE, LLC	1/1/2010	7.83	3,184,590	3,184,590.15
59 HOOK CREEK RD ASSOC LLC	1/15/2011	8.35	4,129,104	4,129,104.29
A&A EXEC CENTER II, LLC	2/15/2004	7.82	4,937,653	4,937,652.89
AMERICAN NAT'L BK TR 60332	8/1/2009	7.69	14,944,332	14,944,331.86
BARRY F ONEILL	12/15/2007	8.28	4,297,782	4,297,781.78
BOHANNON TRUSTS PARTNERSHIP II	8/10/2011	8.04	1,752,693	1,752,693.31
BRADFORD FINANCIAL LLC	4/15/2010	8.62	4,042,844	4,042,844.38
CAPLACO 22 & DIERSBERGS MACKEN	11/1/2010	8.20	14,184,407	14,184,407.49
CCSF-ADC, INC	2/1/2006	7.27	4,983,762	4,983,762.05
CCSFERS BROOKHOLLOW	1/1/2007	7.68	5,303,217	5,303,216.58
CCSFERS SACRAMENTO (1), INC	2/1/2006	7.27	3,171,485	3,171,484.98
CCSFERS STADIUM BUSINESS (3),	2/1/2006	7.27	4,530,693	4,530,692.81
CLB PROP & CARL COPPOLA	6/15/2006	7.55	2,608,934	2,608,933.90
CMS INVESTORS	10/15/2006	8.20	3,241,512	3,241,512.30
CMS PROPERTIES INC	12/15/2019	8.25	5,982,436	5,982,435.58
COLE TAYLOR TRUST #98-8092	6/15/2010	9.06	10,383,992	10,383,992.11
COMMERS KLODT III	3/15/2012	7.89	2,677,540	2,677,539.60
CSM INVESTOR INC	10/15/2006	8.05	4,089,314	4,089,314.23
EAST 47TH BUSINESS CENTER LLC	7/15/2010	8.22	11,763,445	11,763,445.29
ECLIPSE REALTY LLC	3/15/2010	8.12	3,910,518	3,910,517.86
EJM DEVELOPMENT CO	6/15/2006	7.89	4,469,629	4,469,628.59



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EQUITY ONE (COMMONWEALTH) INC	2/15/2018	7.00	3,015,532 \$	3,015,532.33
FG DEERFIELD PARTNERS LTD	7/15/2010	8.45	4,351,016	4,351,015.73
FIFTH AVENUE KOP LP	9/10/2007	8.01	6,379,382	6,379,382.16
FOUR POINTS PARTNERS LLC	10/15/2007	8.12	16,250,000	16,250,000.00
FULCRUM MCKINNEY PLAZA LTD	12/15/2007	7.30	11,326,452	11,326,452.03
GARFIELD DEVELOPMENT LLC	11/1/2010	7.84	4,366,104	4,366,103.92
GWINNETT 316 ASSOCIATES	1/15/2016	7.45	1,836,648	1,836,647.50
GWINNETT 316 ASSOCIATES	5/15/2016	7.85	2,612,552	2,612,551.90
HANOVER ASSOCIATES, LP	2/15/2007	7.61	2,728,871	2,728,871.36
HOLLISTER 1997 LLC	5/15/2007	8.10	6,501,642	6,501,642.00
JEMCO PROPERTIES	11/15/2007	7.63	4,252,470	4,252,470.30
JHE REALTY LLC	10/15/2009	8.15	6,846,685	6,846,684.78
KERZNER ASSOCIATES	4/15/2006	7.25	2,409,251	2,409,251.21
KIRKLAND GATEWAY OFFICE PROJEC	8/15/2010	8.90	6,015,110	6,015,109.74
LANZCE J. DOUGLAS	8/1/2015	8.67	2,863,660	2,863,711.10
MCDOWELL CORNERS II, LLC	5/15/2015	8.04	3,696,782	3,696,781.93
MENLO BUSINESS PARK ASSOC, LLC	10/15/2016	8.50	4,008,738	4,008,738.36
MILLER VALENTINE PARTNERS	12/15/2007	7.54	8,038,929	8,038,929.22
MORRISTOWN PLAZA ASSOC LLC	7/15/2007	8.06	6,622,817	6,622,817.08
MPOV2 LTD	5/15/2007	8.58	3,701,329	3,701,329.40
MUNGUSTA LLC	9/15/2009	8.00	4,393,721	4,393,720.96
OKD TWO LTD	10/15/2007	7.54	2,454,958	2,454,957.57
ONE CALIFORNIA STREET PARTNERS	11/1/2006	7.79	19,065,677	19,065,677.04
OVERLAKE VILLAGE ASSOCIATES	12/1/2010	7.98	4,471,039	4,471,039.46
PANOS ENTERPRISES	9/1/2012	7.36	11,368,426	11,368,425.85
PANOS PROPERTIES LLC I	1/1/2013	7.32	12,434,746	12,434,745.94
PANOS PROPERTIES LLC II	9/1/2012	7.36	2,947,362	2,947,361.97
PANTHEON - JH PROPERTIES LLC	5/15/2007	8.17	4,157,015	4,157,014.90
PLAZA EXECUTIVE CTR TRUST	6/15/2007	8.38	6,537,956	6,537,955.74
PS BUSINESS PARKS LC	3/15/2007	8.19	6,384,769	6,384,769.24
REIMER-CRANE INVESTMENT CO LP	9/15/2008	7.22	2,563,005	2,563,005.11
SEVENTH & DON JULIAN INVT CO	5/1/2010	8.72	9,379,434	9,379,434.03
SILVER OAK ASSOCIATES LTD	6/15/2012	8.32	3,698,963	3,698,963.19
SOUTH HOLLAND LLC	8/15/2009	7.75	4,109,370	4,109,369.99
SUMMIT REIT	7/15/2012	8.25	10,428,493	10,428,493.16
VICTOR J. MAGGITI JR.	7/15/2012	8.24	8,052,021	8,052,021.31
VICTOR J. MAGGITI JR.	11/15/2005	8.44	522,971	522,971.13
WOODMEN CENTER 99 LLC	8/10/2009	7.87	9,800,000	9,800,000.00
YOUNG VENTURES, LP	2/15/2012	7.88	4,590,148	4,590,148.43
ZOLINE FAMILY PARTNERSHIP	1/15/2007	7.57	648,944	648,944.45
<i>TOTAL CONVENTIONAL COMMERCIAL LOANS</i>				<u>\$ 369,078,542.12</u>

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<b>CONVENTIONAL RESIDENTIAL MORTGAGES</b>				
BANK OF AMERICA	4/1/2010	11.00	80,738 \$	82,477.51
FHLMC GOLD 1998 PL C00650	9/1/2028	7.00	7,040,727	7,082,478.07
FN568468	1/1/2031	7.00	21,941,985	22,037,871.71
FN568471	1/1/2031	7.50	9,878,770	10,079,408.23
FNMA	3/1/2015	7.00	21,635,847	22,000,843.53
FNMA	3/1/2015	7.00	8,016,571	8,151,810.05
FNMA	5/1/2015	7.00	1,266,152	1,287,512.23
FNMA	5/1/2015	7.00	1,513,942	1,539,482.36
FNMA	3/1/2015	7.00	1,446,769	1,471,176.48
FNMA	5/1/2015	7.00	3,904,771	3,970,643.98
FNMA POOL # 571021	2/1/2031	7.00	7,764,836	7,798,768.56
FNMA POOL 252162	12/1/2028	6.50	28,948,931	28,541,908.69
FNMA POOL 455600	12/1/2028	6.50	15,443,073	15,225,943.22
FNMA POOL 455819	12/1/2028	6.50	4,210,818	4,151,614.22
NATIONSBANC	6/25/2010	10.88	44,953	45,813.52
NATIONSBANC	8/1/2009	10.63	14,698	15,537.71
NATIONSBANC	12/1/2009	10.63	39,636	41,709.81
<i>TOTAL CONVENTIONAL RESIDENTIAL MORTGAGES</i>			<b>\$</b>	<b>142,120,320.70</b>
<b>REAL ESTATE LOANS (SMALL LOAN PROG)</b>				
CRYSTAL & SUNSET HOUSE	9/15/2006	10.33	848,969 \$	848,968.86
HARBOR CLUB APTS	4/15/2002	9.72	1,378,332	1,378,331.69
L & L LAND/ PORTCO	12/15/2001	9.88	1,535,153	1,533,950.61
MARVIN GARDEN APTS	6/15/2006	10.38	3,440,041	3,440,040.89
TALISMAN APTS., DBSI INC.	11/15/2001	9.75	2,740,574	2,740,573.97
WENDOVER APARTMENTS	2/15/2002	9.63	1,028,668	1,028,667.63
WILDERNESS WEST LTD	11/1/2004	9.38	1,564,738	1,564,737.56
<i>TOTAL REAL ESTATE (SMALL LOANS)</i>			<b>\$</b>	<b>12,535,271.21</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-7 A4	11/25/2014	6.50	15,400,000 \$	15,193,332.00
AMAC 99-5 A10	8/25/2029	6.75	26,085,585	25,311,103.98
BAMS 98/1	5/25/2028	6.75	14,250,000	13,844,730.00
CCMSC 1999-2 A2	11/15/2009	7.20	41,425,000	42,910,641.34
CHASE MTG FIN 1993-0 A4	12/25/2009	5.90	6,103,802	6,145,734.98
CHASE MTG FIN 1993-0 A5	12/25/2009	6.60	3,385,565	3,429,983.31
CHEM MTG SEC 1994-2 A2	2/25/2024	6.50	16,868,929	17,037,618.66
CMC3 1998-2 A3	11/25/2028	6.25	16,250,000	16,397,225.00
CMC3 SECS CORP 1994-B A11	2/25/2009	6.75	25,098,277	25,537,496.79
CMSI 99-5 A6	8/25/2029	7.00	24,895,000	24,739,406.25

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COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	15,000,000	\$ 14,700,450.00
COM MTG ACCEPT CORP 1999-C1 A2	5/15/2009	7.03	37,300,000	38,278,871.36
COUNTRYWIDE 1998-19 A13	12/25/2028	6.50	25,000,000	23,898,250.00
COUNTRYWIDE FDG CORP 1993-9 A5	1/25/2009	6.50	33,827,931	33,521,111.67
COUNTRYWIDE MTG 1994-I CL A-11	7/25/2009	6.25	22,724,000	22,304,969.44
CRIMI MAE FIN CORP	1/1/2033	7.00	5,176,339	5,066,405.17
CWFC 1994-8 A7	4/25/2009	6.00	15,383,588	15,248,981.28
CWMBS 1994-G A6	4/25/2024	6.50	5,213,582	5,237,981.34
DLJ CMC 1999-CG1 A-1B	1/10/2009	6.46	30,000,000	29,882,724.00
DLJ MTG 1993-14 A2	8/25/2023	6.63	4,987,898	4,984,755.82
DLJCM 1999-CG2 A1B	6/10/2009	7.30	22,500,000	23,451,237.00
DLJCM 1999-CG3 A1B	9/10/2009	7.34	11,000,000	11,486,416.48
FHG 30 H	7/25/2023	7.50	2,200,000	2,269,432.00
FHLMC 14121	5/15/2021	6.75	10,811,000	11,010,246.73
FHLMC 1671 G	8/15/2023	6.50	40,750,141	41,641,346.58
FHLMC 1702 B TC	11/15/2022	6.50	5,000,000	5,103,100.00
FHLMC 1706 H	6/15/2023	6.50	11,000,000	11,226,820.00
FHLMC 1992 1233 H	4/15/2007	7.00	8,744,000	9,058,171.92
FHLMC 1992 1396 E	3/15/2022	7.00	6,000,000	6,135,000.00
FHLMC 1993 1584 G	9/15/2018	6.00	10,338,527	10,390,219.91
FHLMC 1994 1709 D	12/15/2023	6.50	7,679,205	7,837,550.35
FHLMC 1998 2046 G	4/15/2028	6.50	16,600,000	15,770,000.00
FHLMC 1998 2070 C	7/15/2028	6.00	26,744,000	24,245,040.64
FHLMC 1998 2080 C	8/15/2028	6.50	25,000,000	23,703,000.00
FHLMC 1999 2113 VB	11/15/2015	6.00	16,700,000	15,823,250.00
FHLMC 2139-B	3/15/2029	6.50	21,454,000	19,985,688.24
FHLMC 90 1006C	10/15/2020	9.15	1,432,992	1,514,041.54
FIRST UNION LEHMA BRO 98-C2 A2	11/18/2008	6.56	41,115,000	41,422,116.72
FNMA 1993 134GB	1/25/2008	6.50	19,000,000	19,427,500.00
FNMA 1993 201 H	9/25/2021	6.50	21,000,000	21,485,520.00
FNMA 1993 28 Y6	3/25/2008	7.00	21,727,000	22,358,386.62
FNMA 1993 44 PH	5/25/2019	6.75	25,000,000	25,640,500.00
FNMA 1993 50 PW	1/25/2022	5.50	15,987,000	15,602,192.91
FNMA 1993 56 P6	2/25/2021	6.75	10,000,000	10,253,100.00
FNMA 1993 85G	3/25/2008	6.50	2,259,140	2,269,012.85
FNMA 1993 95 Y5	4/25/2008	6.75	21,012,900	21,518,470.37
FNMA 1994 39PG	6/25/2020	6.15	22,432,521	22,663,800.42
FNMA 1994 40 O	3/25/2024	6.50	6,750,000	6,821,685.00
FNMA 1994 40 Y6	6/25/2022	6.00	35,000,000	35,338,800.00
FNMA 1994 41PJ	6/25/2023	6.50	25,000,000	25,468,750.00
FNMA 1994 50 PG	1/25/2023	6.50	25,160,900	25,718,968.76
FNMA 1994 62 PH	11/25/2023	6.90	10,000,000	10,318,700.00
FNMA 1996-1 A	12/25/2008	6.00	35,862,124	35,357,543.92

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FNMA G1993-15 H	4/25/2023	7.25	5,100,000	\$ 5,052,162.00
FNMA G1994-2D	1/25/2024	6.45	5,000,000	5,025,000.00
FNR 1999-19 VB	5/25/2014	6.50	29,879,000	29,720,043.72
FUNBC 2001-C2 A2	1/12/2043	6.66	25,000,000	24,958,065.00
GE CAP MTG 1994-10A15	3/25/2024	6.50	6,981,277	6,974,714.84
GE CAP MTG 1994-9 A4	2/25/2024	6.50	10,392,754	10,516,115.76
GE CAP MTG SERV 1994-1 A8	1/25/2024	6.50	13,000,000	12,670,840.00
GE CAP MTG SERV 1994-7 A11	2/25/2009	6.00	15,643,000	15,735,762.99
GE CAPITAL MTG 1994-12 A-12	3/25/2009	6.00	15,042,000	14,872,777.50
GE CAPITAL MTG SERV 1993-10A11	9/25/2023	6.50	7,220,000	7,172,564.60
GE CAPITAL MTG SVC 94-8 A8	2/25/2024	6.00	27,557,443	27,040,740.63
GECMS 1998-21 A3	11/1/2028	6.25	24,289,871	22,915,793.10
GECMS 1998-25 A9	12/25/2028	6.25	18,092,266	17,905,554.05
GECMS 99-15 L (A25)	8/25/2029	6.75	50,000,000	48,546,500.00
GNMA 1998-14 PH	6/20/2028	6.50	25,000,000	23,867,000.00
HOUSING SEC 1994-3 A7	11/25/2024	7.25	15,000,000	14,967,150.00
JPMCC 2001-CIBC A3	3/15/2033	6.26	25,000,000	24,218,087.50
MORGAN STANLEY CAP 1998-HF2 A2	11/15/2030	6.48	24,759,000	24,821,551.14
MORGAN STANLEY CAP 198-HF1 A2	1/15/2008	6.52	41,025,000	41,251,876.45
MSC 1999 FNV1 A2	3/15/2032	6.53	49,600,000	49,657,466.56
MSDWC 2000-1345 A2	9/3/2010	7.46	20,000,000	20,986,732.00
NASCOR 98-10 A5	5/25/2028	6.75	30,000,000	29,156,100.00
NLFC 1999-2 A2C	10/20/2008	7.23	19,225,000	20,086,087.75
NSCOR 1998-33 A5	1/25/2029	6.25	37,800,000	35,484,750.00
PMAC 1999-C1 A2 CMBS	4/15/2009	6.82	34,680,000	35,232,483.61
PNCMS 1999-4 4A4	5/25/2029	6.50	8,989,686	8,644,122.47
PRU HOME 93-43 A7	10/25/2023	6.75	15,795,852	15,776,106.86
PRU HOME MTG 1994-17 A4	4/25/2024	6.25	10,321,000	9,850,052.77
PRUD HOME MTG SECS 1993-38 A-3	8/25/2023	6.15	4,922,269	4,946,879.91
PRUHOME MTG 1993-44 A18	11/25/2023	6.75	10,000,000	9,825,000.00
RAST 98-A6	7/25/2028	6.75	30,000,000	29,315,400.00
RES FDG MTG SEC 99-S10 A2	4/25/2014	6.25	18,409,000	17,304,460.00
RESIDENTIAL FD MTG 94-S5 A8	2/25/2024	6.50	10,165,567	10,019,386.29
RESIDENTIAL FD MTG S43 A7	11/25/2023	6.50	4,798,000	4,609,054.76
RFMSI 1994-S1 A19	1/25/2024	6.75	11,578,612	11,401,227.85
RFMSI 98-S8	4/25/2028	6.75	40,000,000	39,050,000.00
RFMSI 98/S10 A4	1/25/2022	6.75	24,117,880	23,529,886.08
RFMSI 99-S18	8/25/2029	7.00	29,864,000	29,443,813.52
SBM7 2000-C1 A2	12/18/2009	7.52	40,000,000	42,093,224.00
SECUR ASSET SALES 1993-2 A10	7/25/2008	6.50	8,693,000	8,690,218.24

TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS

\$ 1,799,322,133.30

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>TOTAL MORTGAGES/MORTGAGE BACKED SECURITIES</b>				<b>\$ 2,753,985,362.46</b>
<b>ASSET BACKED SECURITIES:</b>				
AFC MTG LN TR	3/25/2028	7.03	4,588,885 \$	4,606,093.05
CENTEX HEQ 2000-B A6	7/25/2031	7.97	11,400,000	11,881,702.44
CENTEX HM EQ LN TR 98-1 A4 ABS	3/25/2029	6.40	10,960,759	11,064,722.98
CENTEX HOME EQ 98-2 A5 ABS	7/25/2028	6.41	12,700,000	12,802,977.95
CIT RV TRUST 97-A A7 ABS	8/15/2013	6.40	24,700,000	24,112,137.53
CITRV 1999-A A5	8/15/2015	6.24	15,220,000	15,503,808.86
DELHE 2000-1 A2F	2/15/2022	7.58	10,000,000	10,270,975.00
DIST FINL SVCS RV TR 99-1 A6	11/15/2016	6.02	16,866,000	16,441,835.28
EQUICREDIT HM EQ 1997-2 A7 ABS	2/15/2020	6.89	34,777,890	35,571,174.06
FLEETWOOD CR GR TR 1996-B CL A	3/15/2013	6.90	7,543,021	7,625,466.16
FNMA 95-W1 A7	4/25/2025	8.20	10,000,000	10,452,276.00
HOMEQ 2001-1 AH2	4/15/2019	5.88	20,000,000	20,099,484.00
IMC HM EQ 1997-2 A4 ABS	6/20/2016	7.25	4,843,409	4,873,680.04
LEHMAN HM EQ LN TR 98-3 A4 ABS	11/15/2015	6.48	18,694,000	19,040,990.55
METRIS MASTER TR 1997-1 A	10/15/2005	6.87	25,000,000	25,468,750.00
NBCMT 93-2 A	12/15/2005	6.00	17,050,000	17,401,571.00
PNBMT 1997-4 A	6/15/2007	6.25	35,600,000	36,356,500.00
RFMS2 1999-HII A3	9/25/2029	6.31	7,761,703	7,828,059.53
STANDARD CR CARD MASTER TRUST	4/7/2006	7.25	12,000,000	12,603,720.00
STD CR CARD 1995-9A ABS	10/7/2007	6.55	15,000,000	15,417,150.00
UNION ACCEP CORP 2000-B CL B	1/8/2008	7.73	19,219,016	20,499,002.47
WFS FINANCIAL 1997-C ABS	3/20/2005	6.30	14,188,988	14,266,116.35
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$ 354,188,193.25</b>
<b>CORPORATE OBLIGATIONS - DOMESTIC:</b>				
360 COMMUNICATIONS CO	3/1/2006	7.50	13,900,000 \$	14,367,457.00
360 COMMUNICATIONS CO	4/1/2009	7.60	14,000,000	14,451,780.00
ADOLPH COORS CO	7/15/2002	6.76	15,000,000	15,250,200.00
AIRTOUCH COMM	7/15/2006	7.50	15,000,000	15,867,300.00
ALBERTA ENERGY	9/15/2010	7.65	7,000,000	7,411,110.00
ALBERTSON'S INC	6/15/2026	7.75	10,000,000	9,656,900.00
ALBERTSON'S INC	8/1/2009	6.95	85,000,000	83,785,350.00
ALCAN INC	3/15/2011	6.45	7,000,000	6,852,090.00
AMERICAN STORES	5/15/2005	7.40	15,100,000	15,480,822.00
AMERICAN STORES	6/1/2026	8.00	35,000,000	34,557,250.00
ANR PIPELINE	2/15/2024	7.38	10,000,000	9,409,100.00
AT & T CORP	3/15/2009	6.00	50,000,000	46,498,500.00
AT & T CORP	3/15/2004	5.63	77,000,000	76,670,440.00

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AT&T CORP	3/15/2029	6.50	10,000,000 \$	8,514,200.00
B F PROPERTIES	2/25/2002	7.50	86,986	87,043.83
BANKAMERICA CORP	5/15/2010	6.60	13,285,000	13,099,142.85
BNI	7/15/2011	6.75	40,000,000	39,270,400.00
BOEING CAP CORP	9/27/2010	7.38	12,500,000	13,249,250.00
BOEING CAP CORP	9/27/2005	7.10	9,000,000	9,433,710.00
BOEING CO	8/15/2021	8.75	20,000,000	23,813,600.00
BOEING CO	2/15/2038	6.63	25,000,000	23,553,750.00
BOMBARDIER CAPITAL INC	10/17/2005	7.50	25,000,000	25,973,500.00
BRASCAN LTD	10/1/2002	7.38	22,000,000	22,141,460.00
BURLINGTON NO SANTA FE	12/15/2005	6.38	6,250,000	6,249,437.50
CALPINE CORP	8/15/2010	8.63	50,000,000	48,618,000.00
CARGILL INC	10/1/2025	7.38	8,000,000	7,812,960.00
CARGILL INC	9/1/2006	7.50	10,000,000	9,869,700.00
CARGILL INC MTN	6/18/2027	7.41	7,800,000	7,755,696.00
CARNIVAL CRUISE	10/1/2023	7.20	14,000,000	12,822,320.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	7,250,000	7,771,855.00
CARTER HOLT HARVEY LTD	12/1/2024	9.50	12,000,000	13,517,880.00
CASE CORP	8/1/2005	7.25	22,000,000	18,920,000.00
CASE CORPORATION	10/21/2007	6.75	11,500,000	9,085,000.00
CASE CREDIT	2/15/2003	6.13	35,000,000	31,500,000.00
CENTRAL BANKSHARES OF THE SOUT	5/1/2003	7.00	10,000,000	10,221,600.00
CHESAPEAKE & POTOMAC TEL MD	10/1/2008	6.63	1,000,000	1,001,720.00
CHESAPEAKE & POTOMAC TEL WA	2/1/2009	7.00	100,000	100,459.00
CINCINNATI GAS & ELEC	6/1/2025	6.90	30,000,000	30,002,400.00
CIRCUS CIRCUS ENTERPRISE	2/1/2006	6.45	9,000,000	8,292,420.00
CITICORP	5/1/2005	7.63	17,000,000	17,967,470.00
CITIGROUP INC	10/1/2010	7.25	12,000,000	12,456,600.00
CITIGROUP INC	12/1/2005	6.75	30,500,000	31,570,245.00
CITIGROUP INC	5/10/2006	5.75	10,000,000	9,903,000.00
COLONIAL PIPELINE, 144A	8/15/2007	7.45	10,000,000	10,413,400.00
COLORADO INTERSTATE GAS	6/15/2005	10.00	12,595,000	13,970,374.00
CONRAIL	6/15/2020	9.75	10,000,000	12,004,800.00
CONSOLIDATED NATURAL GAS	10/1/2004	7.25	15,000,000	15,522,450.00
CORP ANDINA FOM	1/18/2011	7.38	20,000,000	19,475,200.00
CS FIRST BOSTON	5/15/2006	7.75	20,000,000	21,157,400.00
CSX CORP	5/15/2022	8.63	10,000,000	11,035,000.00
CSX CORP	8/15/2006	9.00	28,100,000	31,256,473.00
CSX CORP	5/1/2027	7.95	50,000,000	51,849,500.00
DAIMLERCHRYSLER	1/18/2011	7.75	22,000,000	22,520,520.00
DAIMLERCHRYSLER	1/18/2006	7.25	30,000,000	30,723,300.00
DAIMLERCHRYSLER	1/18/2031	8.50	15,000,000	15,901,050.00
DEAN WTRR DISCV	10/15/2013	6.75	10,000,000	9,795,700.00

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DEER PARK REFINING LP 144A	12/15/2008	6.47	3,544,800 \$	3,569,436.35
DEERE & CO	6/15/2019	8.95	9,000,000	9,883,260.00
DEERE & CO	10/1/2028	6.55	10,000,000	8,989,300.00
DEN DANSKE BANK	6/15/2010	7.40	50,000,000	51,778,000.00
DEUTSCHE TELECOM FIN	6/15/2005	7.75	18,000,000	18,805,680.00
DEUTSCHE TELECOM FIN	6/15/2010	8.00	35,000,000	36,240,400.00
DEUTSCHE TELECOM FIN	6/15/2030	8.25	65,000,000	65,945,750.00
DIMONT CORP	3/1/2006	9.88	1,397,479	1,397,479.20
DR INVESTMENTS 144A	5/15/2002	7.10	10,000,000	10,177,000.00
EASTMAN CHEMICAL	2/1/2027	7.60	20,000,000	17,355,200.00
ENRON CORP	7/15/2028	6.95	10,000,000	9,135,900.00
ENRON CORP	7/15/2006	6.40	10,000,000	9,964,300.00
ENRON CORP	5/15/2019	7.38	50,000,000	49,119,500.00
EOP OPERATING LP 144A	2/15/2003	6.38	6,000,000	6,095,940.00
EOP OPERATING LTD PARTNERSHIP	6/15/2004	6.50	25,000,000	25,414,500.00
EPG	12/15/2007	6.95	32,000,000	31,693,120.00
ERP OPERATING LP	4/13/2005	6.63	25,000,000	25,174,000.00
FALCONBRIDGE LTD	11/1/2006	7.35	30,000,000	29,785,200.00
FBG FINANCE LTD	11/15/2005	6.75	20,000,000	20,709,400.00
FBG FINANCE LTD	6/1/2016	7.88	27,000,000	28,272,510.00
FIRST WARD PROPERTIES	11/15/2006	8.00	1,256,827	1,294,117.50
FLORIDA GAS TRANSMISSION	11/1/2004	8.63	8,000,000	8,534,560.00
FORD MOTOR CO	2/15/2028	6.63	25,000,000	21,769,250.00
FORD MOTOR COMPANY	7/16/2031	7.45	55,000,000	52,851,150.00
FORD MOTOR COMPANY	10/1/2028	6.63	25,000,000	21,745,750.00
FORD MOTOR CREDIT	8/1/2005	7.60	22,000,000	23,089,440.00
FORD MOTOR CREDIT CORP	11/15/2002	7.75	10,000,000	10,355,200.00
GEN MOTORS ACCEPT MTN	10/20/2003	6.63	10,000,000	10,275,000.00
GEN MTRS ACCEPT CORP MTN	10/18/2002	6.50	12,500,000	12,785,500.00
GENERAL REINSURANCE CORP	9/12/2009	9.00	15,000,000	17,145,450.00
GMAC	7/15/2005	7.50	51,000,000	53,547,450.00
GOLDMAN SACHS	7/15/2002	6.60	27,000,000	27,414,450.00
GOLDMAN SACHS GROUP	5/15/2009	6.65	57,000,000	56,278,950.00
GOLDMAN SACHS GROUP LP 144A	12/1/2004	6.63	10,000,000	10,302,500.00
GTE CORP	6/1/2003	9.10	5,000,000	5,374,600.00
GTE CORP	5/1/2023	7.83	15,000,000	15,016,200.00
GTE HAWAII	2/1/2006	7.00	10,000,000	10,416,400.00
HANSON PLC	9/27/2010	7.88	25,000,000	25,865,750.00
HELLER FINANCIAL	3/19/2004	6.00	13,000,000	13,136,890.00
HOUSEHOLD FINANCE CORP	6/17/2008	6.40	24,000,000	23,584,320.00
HSBC AMERICAS INC	11/1/2006	7.00	39,500,000	41,008,900.00
ICI WILMINGTON	9/15/2004	6.95	30,000,000	30,463,200.00
INDIANA BELL TEL INC	6/1/2003	4.38	650,000	636,499.50

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INTL BK FOR RECON & DEV	10/15/2002	12.38	5,000,000 \$	5,508,500.00
JOHN DEERE CAP	8/1/2019	8.63	2,000,000	2,096,980.00
KANSAS GAS & ELEC	9/29/2016	8.29	24,500,000	23,005,745.00
KELLOGG COMPANY	4/1/2011	6.60	6,000,000	5,812,500.00
KERN RIVER FUNDING CORP	9/30/2001	6.72	25,875,000	25,939,946.25
KEYCORP	3/15/2006	6.75	25,000,000	25,503,750.00
KINDER MORGAN EN	3/15/2011	6.75	12,000,000	11,815,320.00
KINDER MORGAN EN	3/15/2031	7.40	15,000,000	14,735,850.00
KROGER CO.	6/1/2029	7.70	5,000,000	4,996,600.00
KROGER COMPANY	12/15/2018	6.80	25,000,000	23,092,750.00
LAND O LAKES CAP TR I 144-A	3/15/2028	7.45	40,025,000	22,601,317.00
LBUBS 2000-C4 A2	6/15/2010	7.37	15,000,000	15,691,272.00
LEHMAN BROS HLDG	11/1/2009	7.88	25,000,000	26,510,500.00
LEHMAN BROTHERS HOLDING	1/15/2005	7.75	25,000,000	26,571,250.00
LEHMAN BROTHERS HOLDING	6/15/2007	8.25	50,000,000	54,231,000.00
LOCKHEED MARTIN CORP	12/1/2009	8.20	20,000,000	21,549,600.00
LOUISVILLE & NASHVILLE RR CO	4/1/2003	2.88	25,000	23,125.00
LS POWER FUNDING	6/30/2010	7.19	3,912,000	3,864,430.08
LUCENT TECHNOLOGY	3/15/2029	6.45	30,000,000	17,100,000.00
MBNA AMERICA BANK NA	9/15/2005	7.75	6,000,000	6,189,780.00
MCI COMMUNICATIONS CORP	8/20/2004	7.50	10,000,000	10,268,500.00
MCI COMMUNICATIONS CORP	1/20/2023	8.25	9,000,000	8,510,040.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	15,000,000	13,551,600.00
MCI COMMUNICATIONS CORP	4/15/2010	6.50	15,000,000	13,686,900.00
MGM MIRAGE INC	9/15/2010	8.50	20,000,000	20,837,600.00
MIDAMERICAN FNDG	3/1/2009	6.34	40,000,000	37,717,200.00
MIDLAND BANK PLC	6/15/2006	7.63	49,355,000	52,596,142.85
MIRAGE RESORTS INC	8/1/2017	7.25	29,200,000	25,533,064.00
MORGAN STANLEY	10/1/2013	7.00	15,500,000	15,562,155.00
MORGAN STANLEY & CO INC	5/15/2006	7.28	10,000,000	10,700,500.00
MOUNTAIN STS TEL & TELEG CO	6/1/2005	5.50	100,000	96,592.00
NCNB CORP	9/15/2009	9.38	15,000,000	17,343,450.00
NEW ENGLAND TEL & TELEG CO	10/1/2006	6.13	200,000	197,448.00
NEW YORK TEL CO	7/15/2031	9.38	14,250,000	15,128,512.50
NIPSCO CAPITAL MKTS SENIOR NTS	12/1/2027	6.78	20,000,000	19,932,200.00
NORANDA FOREST INC	11/15/2005	6.88	23,000,000	22,599,800.00
NORFOLK SOUTHERN	5/15/2005	8.38	17,000,000	18,254,770.00
NORFOLK SOUTHERN	2/15/2011	6.75	20,000,000	19,670,400.00
NORFOLK SOUTHERN	2/15/2031	7.25	35,000,000	33,890,500.00
NORFOLK SOUTHERN CORP	5/15/2017	7.70	32,414,000	32,987,403.66
NORTHERN TELECOM	6/15/2026	7.88	10,000,000	7,059,900.00
NORTHWEST PIPELINE CORP	12/1/2007	6.63	32,000,000	31,147,200.00
NRG ENERGY CORP	2/1/2006	7.63	20,000,000	20,641,600.00



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NRG ENERGY INC	9/15/2010	8.25	6,000,000 \$	6,274,200.00
OCCIDENTAL PETE	4/1/2028	7.20	20,000,000	19,299,000.00
OCCIDENTAL PETE	4/1/2005	6.50	16,000,000	16,244,000.00
OCCIDENTAL PETROLEUM	2/15/2006	7.65	20,000,000	21,140,600.00
PACIFICORP	7/15/2004	6.75	8,000,000	8,079,680.00
PACIFICORP	6/1/2007	6.63	7,000,000	6,793,990.00
PANHANDLE EASTERN	8/15/2013	7.20	6,000,000	5,001,060.00
PANHANDLE EASTERN PIPELINE	3/15/2023	7.95	10,000,000	9,038,700.00
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	5,000,000	5,077,450.00
PDV AMERICA INC	8/1/2003	7.88	36,000,000	36,244,080.00
PEMEX PROJECT	10/13/2010	9.13	50,000,000	52,459,500.00
PG&E GAS TRANSMISSION	6/1/2005	7.10	15,000,000	14,102,550.00
PHARMACIA CORP.	12/1/2018	6.50	40,000,000	38,712,000.00
PHILLIPS PETE	5/25/2010	8.75	15,000,000	17,127,300.00
PHILLIPS PETE	5/25/2005	8.50	15,000,000	16,257,750.00
PHILLIPS PETROLEUM	1/1/2023	8.49	15,000,000	15,799,050.00
PHILLIPS PETROLEUM	4/15/2023	7.92	10,000,000	10,051,900.00
PLACER DOME INC	5/15/2003	7.13	4,500,000	4,549,770.00
PLACER DOME INC	6/15/2015	7.75	15,000,000	13,346,700.00
PRICE COSTCO INC	6/15/2005	7.13	10,000,000	10,303,000.00
PUBLIC SERVICE CO OF COLORADO	4/15/2003	6.00	25,000,000	25,294,500.00
REPSOL INTL FIN	7/15/2005	7.45	5,850,000	6,139,809.00
RITE-AID CORP 144A	12/15/2008	6.13	10,000,000	7,350,000.00
RITE-AID CORP 144A	12/15/2028	6.88	10,000,000	6,800,000.00
ROYAL CARIBBEAN CRUISES	7/28/2004	8.13	21,000,000	21,133,560.00
ROYAL CARIBBEAN CRUISES	3/15/2018	7.25	20,000,000	15,687,800.00
SAKS INCORPORATED	12/1/2004	7.25	15,000,000	14,062,500.00
SAKS INCORPORATED	12/1/2010	7.50	29,550,000	25,413,000.00
SAKS INCORPORATED	2/15/2019	7.38	20,000,000	14,800,000.00
SANTAN	9/14/2010	7.63	11,000,000	11,414,150.00
SANTANDER FIN ISSUANCES	4/15/2005	7.88	20,000,000	21,017,600.00
SANTANDER FIN ISSUANCES	7/15/2005	6.80	35,300,000	35,929,752.00
SCOTLAND INT FINANCE	2/15/2011	6.50	36,500,000	35,342,220.00
SECURITY CAPITAL GROUP 144A	6/15/2005	6.95	25,000,000	24,777,000.00
SOCIETE GENERAL INSTL	11/8/2005	6.75	25,000,000	25,321,250.00
SOCIETY NATIONAL BANK	6/1/2005	7.25	17,750,000	18,346,045.00
SOUTHERN CAL ED	11/3/2003	7.20	22,000,000	15,840,000.00
SOUTHERN NATURAL GAS	9/15/2008	6.13	15,000,000	13,871,400.00
SOUTHWEST GAS CO	8/1/2006	7.50	8,000,000	8,084,720.00
SPIEKER PROPERTIES	7/1/2009	7.13	10,000,000	9,925,700.00
SPRINT CAP CORP	5/1/2019	6.90	45,000,000	39,304,350.00
SPRINT CAP CORP	5/1/2009	6.38	25,000,000	23,216,750.00
SPRINT CAPITAL CORP	11/15/2008	6.13	10,000,000	9,179,400.00

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SPRINT CAPITAL CORP	11/15/2028	6.88	15,000,000 \$	12,605,700.00
ST GEORGE BANK LTD	6/18/2007	7.15	17,400,000	17,203,554.00
STAR BK NA, OH TR SB 00001	12/15/2006	6.63	10,000,000	10,229,800.00
SURWAY ASSOC (SAFEWAY)	4/1/2005	13.90	13,789,048	13,789,048.02
TIME WARNER ENTERTAINMENT	10/1/2012	8.88	25,120,000	28,322,046.40
TIME WARNER INC	1/15/2013	9.13	44,250,000	50,660,497.50
TIME WARNER INC	8/15/2007	8.18	30,000,000	32,486,100.00
TRANSCANADA PIPELINE	5/15/2012	8.63	5,000,000	5,451,350.00
TRANSOCEAN OFFSHORE INC	4/15/2027	8.00	22,265,000	23,475,325.40
TRIBUNE COMPANY	10/6/2008	5.50	15,000,000	13,422,450.00
U S BANCORP	10/15/2005	6.75	27,000,000	27,807,030.00
UNION PACIFIC CO	5/1/2005	7.60	4,000,000	4,217,720.00
UNION PACIFIC CO	5/1/2025	8.35	25,000,000	25,902,250.00
UNION PACIFIC COMPANY	11/1/2008	7.25	25,000,000	25,800,750.00
UNION PACIFIC CORP	2/1/2006	6.40	25,300,000	25,503,918.00
UNION PACIFIC CORP MTN	11/9/2007	6.79	10,000,000	10,026,400.00
UNION PACIFIC RESOURCES	5/15/2005	6.50	15,000,000	15,273,150.00
UNION PACIFIC RR	1/16/2016	7.62	17,711,524	18,473,473.70
UNIV OF PUGET SOUND	7/1/2002	8.25	175,000	182,952.00
UNIV PUGET SOUND WA REV	7/1/2001	8.25	165,000	165,041.25
US BANK NA	7/15/2008	6.30	50,000,000	49,059,000.00
US WEST CAP FUNDING INC	7/15/2028	6.88	35,000,000	30,495,150.00
UTILICORP UNTIED	7/15/2004	7.00	47,000,000	47,504,310.00
WASHINGTON MUTUAL INC	8/15/2005	7.25	20,460,000	21,253,438.80
WASHINGTON MUTUAL INC	4/1/2010	8.25	45,000,000	48,779,100.00
WELLS FARGO & CO	8/15/2006	7.13	15,000,000	15,755,250.00
WESTERN RESOURCES INC	8/15/2003	6.25	32,000,000	31,272,320.00
WILLAMETTE INDUSTRIES	2/1/2018	7.00	25,200,000	23,412,060.00
WILLIAMS COMPANIES, INC	8/1/2006	6.50	48,700,000	48,146,768.00
WILLIAMS COS	7/15/2019	7.63	80,000,000	77,026,400.00
WILLIAMS HLDGS OF DEL	2/1/2006	6.25	15,000,000	14,682,300.00
WORLD COM INC	4/1/2004	7.55	15,000,000	15,423,600.00
WORLD COM INC	8/15/2028	6.95	25,000,000	21,103,500.00
WORLD COM INC.	1/15/2006	7.38	80,000,000	81,480,000.00
YORKSHIRE POWER	2/25/2003	6.15	16,000,000	15,944,480.00
YORKSHIRE POWER	2/25/2008	6.50	25,000,000	23,597,250.00
<b>TOTAL CORPORATE OBLIGATIONS - DOMESTIC</b>				<b>\$ 4,507,696,650.14</b>

**CORPORATE OBLIGATIONS - YANKEE:**

ABBEE NATIONAL PLC	10/15/2006	7.35	10,225,000 \$	10,358,947.50
ABN-AMRO BNK NV (CHICAGO)	5/31/2005	7.25	10,000,000	10,513,400.00

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AEGON NV	8/15/2006	8.00	12,840,000 \$	13,811,859.60
ALBERTA ENERGY	9/15/2030	8.13	20,000,000	21,802,800.00
APACHE FINANCE CANADA	12/15/2029	7.75	21,000,000	22,129,800.00
BANK OF SCOTLAND 144A	11/20/2007	7.00	10,000,000	9,850,900.00
BRAZIL REPUBLIC OF	7/26/2007	11.25	15,000,000	14,437,500.00
BRAZIL REPUBLIC OF	4/15/2004	11.63	15,000,000	15,307,500.00
CANADIAN NAT'L RR	3/15/2004	7.00	35,500,000	36,542,635.00
CANADIAN NATIONAL RAILWAY CO	7/15/2028	6.90	50,000,000	46,305,000.00
CANADIAN NATL RR 96-A A2	1/3/2014	7.90	9,904,808	10,434,616.40
CELULOSA ARAUCO CONSTITU	8/15/2010	8.63	30,000,000	30,421,200.00
CERRO NEGRO FINANCE LTD	6/1/2028	8.03	25,000,000	18,562,500.00
CIA DE TELECOMM CHILE	1/1/2006	8.38	20,000,000	20,420,000.00
COMPANIA TELECOM CHILE	7/15/2006	7.63	25,000,000	24,751,000.00
CORP ANDINA DE FOMENTO	3/1/2017	7.79	23,000,000	22,437,880.00
CROWN CORK + SEAL FIN SA	12/15/2003	6.75	11,600,000	4,988,000.00
EDPERBRASCAN CORP	12/16/2003	7.13	25,000,000	24,997,000.00
EMPRESA NACIONAL ELECTRI	7/15/2008	7.75	15,000,000	14,451,300.00
ENDESA-CHILE OVERSEAS	4/1/2006	7.20	10,000,000	9,896,600.00
ENERGY GROUP OVERSEAS BV	10/15/2027	7.55	20,000,000	18,366,600.00
GRUMA SA DE CV	10/15/2007	7.63	36,265,000	32,275,850.00
HYDRO QUEBEC	1/15/2022	8.40	27,000,000	31,103,460.00
HYDRO-QUEBEC	2/1/2013	8.00	16,000,000	17,779,200.00
MANITOBA PROV CDA	1/15/2018	9.13	9,000,000	11,358,990.00
MONTREAL CITY OF	11/1/2004	5.00	523,000	508,256.63
NAT'L WESTMINISTER BANK	10/16/2007	7.75	8,190,000	8,518,173.30
NORSK HYDRO	11/15/2025	7.15	15,000,000	14,578,950.00
NORSK HYDRO A/S	1/15/2009	6.36	50,000,000	48,939,000.00
NORSK HYDRO A/S	7/15/2014	9.13	25,900,000	29,439,753.00
NORSK HYDRO A/S	7/15/2004	8.40	9,000,000	9,542,250.00
PDVSA FIN LTD	11/15/2028	7.50	25,000,000	19,653,500.00
PDVSA FIN LTD	8/15/2016	7.40	20,000,000	17,159,200.00
PEMEX	9/15/2027	9.50	20,000,000	21,660,000.00
PETROLEOS MEXICANOS	9/15/2007	8.85	15,000,000	15,975,000.00
PETROLEUM NASIONAL BERHAD	8/15/2015	7.75	10,000,000	9,627,800.00
PETROLEUM NASIONAL BERHAD	8/15/2005	7.13	10,000,000	10,108,100.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	38,600,000	38,461,426.00
QUEBEC PROV CDA	7/15/2023	7.50	17,500,000	18,627,700.00
QUEBEC PROVINCE CDA	1/19/2005	8.63	39,000,000	42,855,150.00
RIO ALCOM LTD CDA	11/1/2005	7.05	20,000,000	19,565,800.00
ROYAL BANK OF SCOTLAND	2/1/2011	6.38	10,000,000	9,718,200.00
ROYAL BANK SCOTLAND PLC	4/1/2009	6.40	35,000,000	34,412,700.00
ROYAL BK CDA NY BRH	10/24/2011	6.75	25,000,000	25,496,000.00
ROYAL CARIBBEAN CRUISES	10/15/2027	7.50	10,650,000	8,177,602.50

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SKANDINAVISKA ENSKILDA 144A	3/29/2049	7.50	4,000,000 \$	3,874,320.00
SOCIEDAD QUIMICA 144A	9/15/2006	7.70	6,115,000	6,037,156.05
SVENSKA HANDELSBANKEN	3/7/2007	7.13	25,000,000	24,855,000.00
TELEFONICA EUROPE	9/15/2030	8.25	49,500,000	51,934,410.00
TELEFONICA EUROPE	9/15/2010	7.75	12,500,000	12,955,375.00
VODAFONE AIRTOUCH	2/15/2005	7.63	40,000,000	42,045,600.00
VODAFONE AIRTOUCH	2/15/2010	7.75	5,600,000	5,875,296.00
WPD HOLDINGS UK	12/15/2028	7.38	15,000,000	13,053,150.00
YPF SOCIEDAD ANONIMA	2/24/2009	9.13	20,000,000	21,343,600.00
YPF SOCIEDAD ANONIMA	3/15/2003	7.25	26,589,000	26,920,033.05
YPF SOCIEDAD ANONIMA GLOBAL	2/15/2004	8.00	10,800,000	11,174,544.00
YPF SOCIEDAD ANONIMA SA	8/27/2007	7.75	23,750,000	24,251,362.50
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE</b>				<b>\$ 1,140,648,946.53</b>
<b>CORPORATE OBLIGATIONS - FOREIGN:</b>				
BRAZIL-C	4/15/2014	8.00	61,570,500 \$	45,408,243.75
EMBOTELLADORA ARICA SA 144A	3/15/2006	9.88	20,000,000	20,500,200.00
KIMBERLY-CLARK DE MEXICO	8/1/2009	8.88	42,740,000	45,518,100.00
PEMEX FINANCE LTD 144A	8/15/2009	9.69	35,000,000	39,560,500.00
PEMEX FINANCE LTD 144A	8/15/2017	10.61	45,000,000	53,439,300.00
PEREZ COMPANC 144A	1/30/2004	9.00	5,000,000	4,925,000.00
PEREZ COMPANC S.A. 144A	5/1/2006	9.00	20,000,000	19,100,000.00
SKANDINAVISKA ENSKILDA	9/6/2006	8.13	14,650,000	15,055,658.50
<b>TOTAL CORPORATE OBLIGATIONS - FOREIGN</b>				<b>\$ 243,507,002.25</b>
<b>MUNICIPAL BONDS:</b>				
WASHINGTON ST HSG-TXB 2000 4T	12/1/2031	8.30	1,260,000 \$	1,286,863.20
WA ST HSG COMM 1998 4T	6/1/2030	6.75	4,570,000	4,412,746.30
WA ST HSG COMM 1999 1T	6/1/2030	6.45	2,930,000	2,772,571.10
WA ST HSG FIN COMM 2000 3T	12/1/2031	8.60	7,000,000	7,385,210.00
WA ST HSG FINANCE COMM 1997 4T	6/1/2029	7.07	6,470,000	6,391,001.30
WASH ST HSG FIN COMM	12/1/2027	7.82	2,015,000	2,087,157.15
<b>TOTAL MUNICIPAL BONDS</b>				<b>\$ 24,335,549.05</b>
<b>PRIVATE EQUITY:</b>				
ACCEL VIII LP			\$	4,122,917.00
ACCELL-KKR COMPANY LLC				44,238,256.00
ADVENT VIII LP (TA)				11,080,809.00
APA EXCELSIOR V, LP				6,776,036.00

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APAX EUROPE IV-A, LP				\$ 88,251,278.00
APAX V-A, LP				10,704,091.00
APEX INV FD III LP				3,186,712.00
APEX INV FUND IV				8,222,990.00
ASTORG II				13,342,182.00
AUSTIN VENTURES IV-B				13,078,254.00
AUSTIN VENTURES V, LP				28,661,964.00
AUSTIN VENTURES VI				24,226,654.00
AUSTIN VENTURES VII				35,526,893.00
BANC FUND IV TRUST				21,598,840.00
BANC FUND V TRUST				23,746,646.00
BATTERY VENTURES IV, LP				12,322,652.00
BATTERY VENTURES V, LP				10,985,878.00
BATTERY VENTURES VI				7,378,067.00
BC EUROPEAN CAPITAL VI				23,080,618.00
BC EUROPEAN CAPITAL VII				24,016,797.00
BLACKROCK FUND INVESTORS III				771,645.63
BOSTON VENTURES LP, V				26,000,108.00
BOSTON VENTURES VI LP				12,238,513.00
CAPITAL RES LENDERS II, LP				14,621,493.00
CAPITAL RES LENDERS III, LP				20,100,803.00
CAPITAL RESOURCE PRTN IV, LP				28,310,318.00
CCP VI LP, NO 2.1				28,411,587.00
CHL MEDICAL PARTNERS, LP				4,796,905.00
CINVEN CAPITAL PARTNERS, LP				22,636,344.00
CINVEN SECOND FUND				74,407,229.00
CLAYTON DUBILIER & RICE VI LP				75,510,729.00
CLAYTON, DUBILIER & RICE				51,033,512.00
CODE HENNESSY & SIMMONS II				8,077,068.00
CODE HENNESSY & SIMMONS III,LP				26,356,848.00
CODE HENNESSY & SIMMONS IV, LP				35,728,200.00
CONTRARIAN CAP FD II, LP				37,851,145.00
CORNERSTONE EQUITY INV IV				26,551,640.00
CYPRESS MERCHANT BK PART. LP				20,871,782.00
CYPRESS MRCHNT BKG PTNS II,LP				14,404,708.00
DOUGHTY HANSON & CO FUNDS II				2,130,418.00
DOUGHTY HANSON & CO III, LP				57,557,232.00
EDGEWATER PRIVATE EQ FD III				9,943,829.00
EL DORADO VENTURES IV, LP				13,268,368.00
ELDORADO VENTURES V LP				9,770,310.00
ELDORADO VENTURES VI LP				878,274.00
EQUITY-LINKED INVESTORS, L.P.				196,218.20

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ESSEX WOODLANDS HEALTH IV, LP				\$ 9,172,811.00
ESSEX WOODLANDS HEALTH V				3,854,744.00
ESSEX WOODLANDS HEALTH V				3,007,237.00
EVERGREEN III, L.P. (HANCOCK)				451,883.98
FIRST RESERVE FUND IX LP				10,225,000.00
FIRST RESERVE FUND VIII, LP				54,580,000.00
FORTRESS INVESTMENT FUND LLC				155,829,814.00
FRANCE PRIVATE EQUITY II				3,529,631.00
FRANCISCO PARTNERS LP				10,770,591.00
FRAZIER HEALTH CARE III				6,234,964.00
FRAZIER HEALTHCARE II LP				10,594,131.00
FRAZIER HEALTHCARE III				24,939,848.00
GEOCAPITAL EUROFUND, LP				8,787,783.00
GEOCAPITAL V, LP				8,225,828.00
GILBERT GLOBAL EQ PARTNERS, LP				42,891,696.00
GREAT HILL EQUITY PARTNERS LP				18,544,321.00
GREAT HILL EQUITY PRTNRS II LP				837,919.00
GREEN MOUNTAIN PARTNERS LP				20,504,579.00
GREEN MOUNTAIN PTNR'S II, LP				30,178,630.00
GRYPHON PARTNERS II, LP				4,703,422.00
GTCR CAPITAL PARTNERS LP				38,197,159.00
GTCR FUND VII, LP				55,077,745.00
GTCR VII-A				10,660,075.00
HARBOR VEST PRTRNR VI, PARTNERS				55,918,723.00
HARBOUR VEST INTL PRTRNR III-DIR				39,389,042.00
HARBOUR VEST INTL PTNR II-DIR				3,052,202.01
HARBOUR VEST INTL PTNR II-PTNR				25,699,678.00
HARBOUR VEST INTL PTNR III PTNR				29,216,464.00
HARBOUR VEST INTL PTNRS IV-PTNR				400,000.00
HARBOUR VEST PARTNERS II LP				628,241.00
HEALTHCARE VENTURES VI LP				3,569,304.00
HERITAGE FUND III, LP				9,426,256.00
INTERWEST PARTNERS VI				13,598,954.00
JOSEPH LITTLEJOHN & LEVY FD II				18,481,249.00
JOSEPH LITTLEJOHN LEVY FD III				124,073,056.00
KBEMF III LP				22,563,153.00
KKR 1986 FUND				33,996,800.00
KKR 1987 FUND				634,632,821.00
KKR 1993 FUND				124,988,118.00
KKR 1996 FUND				861,470,670.00
KKR EUROPEAN FUND				73,922,618.00
KPS SPECIAL SITUATIONS FUND,LP				8,450,633.00
MADISON DEARBORN CAP PTNS III				92,015,262.00

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MADISON DEARBORN CAP PTR IV LP			\$	20,469,438.00
MATERIA VENTURES				421,980.00
MENLO EVERGREEN V, L.P.				1,060,460.00
MENLO VENTURE IX, L.P.				7,588,212.00
MENLO VENTURE PARTNERS IV				2,958,278.00
MENLO VENTURES IX, L.P.				1,138,232.00
MENLO VENTURES VI, LP				1,397,074.00
MENLO VENTURES VII				15,543,198.00
MENLO VENTURES VII, LP				4,973,472.00
MENLO VENTURES VIII LP				9,666,361.00
MENLO VENTURES VIII LP				32,221,205.00
MORGAN STANLEY VEN PTN III				31,277,836.00
NEA 10				16,144,453.00
NORDIC CAPITAL FUND III				32,116,390.00
NORDIC CAPITAL IV				11,426,005.00
OAK INVESTMENT PARTNERS IX				21,972,137.00
OAK INVESTMENT PARTNERS X LP				7,706,845.00
OAK INVESTMENT PTNRS VIII, LP				10,010,081.00
OCM OPPORTUNITIES FD III, LP				130,732,334.00
OCM OPPORTUNITIES FUND II LP				83,561,466.00
OCM OPPORTUNITIES FUND LP				20,348,362.00
OLYMPIC VENTURE PARTNERS IV				5,633,047.00
OLYMPIC VENTURE PARTNERS V				10,582,508.00
OLYMPUS GROWTH FUND III, LP				8,388,905.00
ONELIBERTY VENTURES 2000 LP				2,033,816.00
PALAMON EUROPEAN EQUITY LP				11,890,382.00
PARAGON PARTNERS II				1,243,600.00
PHOENIX PARTNERS II				167,784.00
PHOENIX PARTNERS III				3,068,859.00
RICE PARTNERS II LP				21,534,935.00
RICHLAND VENTURES III, LP				10,012,762.00
RSTW PARTNERS III, LP				42,936,736.00
SILVER LAKE PARTNERS, LP				31,183,802.00
SOFTBANK TECH VENTURES VI				38,573,660.00
SPC PARTNERS II, LP				2,117,496.00
SPECTRUM EQ INV II, LP				5,207,481.00
SPECTRUM EQ INV II, LP				2,169,806.00
SPECTRUM EQUITY III LP				4,269,241.00
SPECTRUM EQUITY INV III, LP				6,403,895.00
SPECTRUM EQUITY INVESTORS IV				11,578,960.00
SPECTRUM INVESTORS EQUITY IV				2,894,735.00
SPROUT CAPITAL IX, LP				22,786,472.00
SPROUT CAPITAL VII LP				15,196,806.00

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SPROUT CAPITAL VIII-LP				\$ 40,957,929.00
SWANDER PACE CAPITAL FUND LP				4,817,017.00
TA IX, LP				2,644,054.00
TECHNOLOGY CROSSOVER II Q LP				3,763,518.00
TECHNOLOGY CROSSOVER VENT III				7,136,440.00
TECHNOLOGY CROSSOVER VENT IV				3,980,071.00
TELECOM PARTNERS III, LP				41,654,736.00
THOMAS WEISEL CAPITAL PARTNERS				71,035,161.00
TPG PARTNERS III, LP				18,219,081.00
TRIDENT CAPITAL FUND V LP				1,891,090.00
TSG CAPITAL FUND II LP				16,286,750.00
TSG CAPITAL FUND III LP				52,723,753.00
U S VENTURE PARTNERS VIII LP				4,156,533.00
US VENTURE PARTNERS V, LP				11,209,881.00
US VENTURE PARTNERS VI LP				23,030,229.00
US VENTURE PARTNERS VII, LP				24,916,465.00
VANTAGEPOINT COMM PTRNS, LP				12,093,384.00
VANTAGEPOINT VEN PTNS III, LP				4,840,570.00
VANTAGEPOINT VENTURE PRTNRS IV				1,384,769.00
VARDE SELECT FUND LP				16,996,232.00
VESTAR CAPITAL PARTNERS IV, LP				10,701,540.00
VESTAR CAPITAL PTNRS III, LP				13,794,008.00
VISION EXTENSION LP				3,931,401.00
WARBURG PINCUS EQ PTNR'S, LP				374,075,255.00
WARBURG PINCUS INTL PTNRS				16,519,899.00
WARBURG PINCUS VENTURES				161,524,218.00
WCAS CAPITAL PTNRS III, LP				93,538,330.00
WELSH,CARSON,ANDERSN,STOWE VII				44,531,496.00
WELSH CARSON ANDER. STOWE VIII				133,856,553.00
WELSH CARSON ANDERSON STOWE IX				38,574,693.00
WORLDVIEW TECHNOLOGY PTNS I,LP				5,402,670.18
<b>TOTAL PRIVATE EQUITY</b>				<b>\$ 5,727,064,050.00</b>

REAL ESTATE:

AMERICA WEST II				\$ 193,686.00
CHEROKEE INV PARTNERS II, LP				35,930,951.00
EUROPEAN INV PROP LIMITED				172,491,897.00
FORESTREE WASHINGTON LP				85,086,292.00
HAWTHORNE TIMBER LLC				322,896,018.00
HEARTHSTONE MSII-HMBLDG INV				24,758,793.00
HEARTHSTONE-OLY HOMEBLDG. LLC				6,037,936.00
HOMETOWN AMERICA, LLC				36,953,000.00



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ING REALTY PARTNERS LP				\$ 113,843,332.00
JER REAL ESTATE ADVISORS, LP				112,741,273.00
LONE STAR FUND II				130,356,806.00
LONE STAR OPPORTUNITY FD LP				20,674,025.00
LONESTAR FUND III				230,130,665.00
LOWE NORTHWEST INV PROP LLC				336,630,045.00
MEZZANINE CAPITAL PROP INV INC				101,480,313.00
MORGAN STAN SPEC SITUATIONS LP				24,493,523.00
MSREF III INTL-TE				121,699,191.00
OLYMPIA PROPERTIES LLC				392,395,970.00
PACTRUST REALTY ASSOC L.P.				280,471,695.00
PACTRUST/WISB-LLC				308,567,185.00
PRINCIPAL ENTERPRISE CAPITAL I				268,394,379.00
SECURITY CAPITAL CONV SUB DEB	3/29/2016	6.50	37,500,000	34,800,520.13
SECURITY CAPITAL GROUP CLASS A			45,820	49,024,821.02
SECURITY CAPITAL GROUP CLASS B			150,000	3,210,005.85
SENTINEL REAL ESTATE FUND				25,225,146.00
UNION SQUARE LP				387,436,894.00
<b>TOTAL REAL ESTATE</b>				<b>\$ 3,625,924,362.00</b>
<b>CORPORATE STOCK - DOMESTIC:</b>				
FOUR SEASONS HOTELS INC			1,700	\$ 94,095.00
PER SE TECHNOLOGIES			2,876	208.51
<b>TOTAL CORPORATE STOCK - DOMESTIC</b>				<b>\$ 94,303.51</b>
<b>CORPORATE STOCK - FOREIGN:</b>				
ABB LTD			200,880	\$ 3,039,987.09
ABBEY NATIONAL			229,300	4,014,971.13
ABN AMRO HLDGS NV			294,170	5,526,070.68
ACCIONA S A			35,364	1,317,270.00
ACCOR			32,780	1,383,358.89
AEGIS GROUP			146,000	215,601.20
AEGON NV			71,953	2,025,355.71
AGF ASS GEN DE FRANCE			93,600	5,205,973.71
AHOLD (KON) NV			229,567	7,190,712.66
AIFUL CORP			53,800	4,853,042.18
AIR LIQUIDE(L )			23,764	3,413,989.16

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
AKZO NOBEL NV			244,057 \$	10,330,516.27
ALCAN INC			34,400	1,446,213.44
ALCATEL			356,000	7,444,022.95
ALLEANZA ASSICURAZ			381,000	4,018,868.26
ALLIANZ AG			103,571	30,398,542.64
ALLIED IRISH BANKS			337,600	3,772,568.39
ALSTOM			160,758	4,471,990.85
ALTADIS SA			336,120	4,791,783.54
ALTRAN TECHNOLOGIES			95,000	4,423,306.64
AMCOR LIMITED			3,810,100	12,816,006.50
AMDOCS LIMITED			19,200	1,033,920.00
AMERICA MOVIL S A DEC V			211,120	4,403,963.20
AMVESCAP			153,000	2,657,464.12
ANDERSON EXPL LTD			121,900	2,916,642.67
ARES SERONO SA			2,165	2,147,708.72
ARGYLL GROUP			718,500	4,069,783.84
ASAHI GLASS CO			368,000	3,056,939.49
ASATSU CORP			35,500	720,158.59
ASM LITHOGRAPHY HLDG N V			113,200	2,518,700.00
ASSIC GENERALI			298,900	8,982,868.05
ASSOCIATED BRITISH FOODS PLC			459,962	2,983,783.81
ASTRAZENECA			570,813	26,596,489.18
AT + T CDA INC			179,900	5,420,387.00
AUMAR (AUT DEL MAR)			173,000	3,075,573.78
AUTOGRILL SPA			342,200	3,687,815.29
AUTOSTRADA SPA			772,400	5,015,316.91
AVENTIS SA			237,448	18,955,749.49
BAER HLDGS AG ORD			2,442	9,395,155.66
BANCA FIDEURAM SPA			158,700	1,507,407.03
BANGKOK BANK			1,540,000	1,564,543.95
BANQUE NATIONAL DE			8,640	751,913.03
BANYU PHARM			194,500	3,563,568.23
BARCLAYS PLC			71,900	2,204,420.32
BASF AG			69,700	2,731,961.15
BASS			1,568,152	16,386,492.03
BAYER AG DEM5			490,900	19,116,642.39
BAYER VEREINSBK			386,860	18,896,892.51
BAYERISCHE MOTOREN WERKE AG			263,065	8,663,101.91
BBVA (BILB VIZ ARG)			711,700	9,206,214.13
BCA INTESA SPA			2,496,199	8,812,030.90
BCA NAZ DEL LA VORO			2,019,700	6,326,293.57
BCE INC			40,318	1,081,301.14
BCE INC			54,590	1,435,717.00

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BCO POPULAR ESP			59,223 \$	2,070,122.46
BCO SANT CENT HISP			1,624,000	14,710,605.69
BEIERSDORF			6,080	635,669.38
BG GROUP			4,820,600	19,000,093.52
BHP			716,385	3,876,630.85
BILLITON			1,029,400	5,128,649.78
BK OF IRELAND			626,300	6,203,389.15
BK OF IRELAND			130,200	1,289,607.64
BLUE CIRCLE INDS			2,076,800	14,377,700.11
BOC GROUP			806,272	11,792,990.22
BOOTS CO.			3,009,139	25,434,648.63
BOUYGUES			176,625	5,969,025.84
BP AMOCO			1,840,500	15,129,666.61
BRAMBLES INDS LTD			174,000	4,243,740.71
BRIDGESTONE CO			281,000	2,940,330.16
BRIT AMER TOBACCO			813,800	6,180,455.24
BRITISH AEROSPACE			327,300	1,567,372.21
BRITISH AIRWAYS			3,241,600	15,682,918.56
BRITISH SKY BRDCST			269,400	2,591,568.63
BRITISH TELECOM			108,420	640,424.17
BRITISH TELECOM			508,700	3,197,998.69
BROKEN HILL PROPTY			672,600	3,550,837.24
BUZZI UNICEM SPA			58,100	455,457.51
CABLE AND WIRELESS			1,596,600	9,391,632.62
CANON INC			698,796	28,239,708.88
CANWEST GLOBAL COMMUNICATIONS			110,700	1,032,184.50
CAPITA GROUP PLC			425,000	2,764,456.04
CARLTON COMMUNCTNS			1,194,009	5,642,296.42
CARREFOUR			124,200	6,571,467.51
CARTER HOLT HARVEY			6,579,000	4,494,556.77
CASTORAMA DUBOIS			9,900	2,127,936.42
CELANESE AG			1	21.93
CELLTECH GROUP			175,000	2,948,518.71
CEMEX S A			34,400	911,600.00
CENTRICA			2,637,100	8,428,290.81
CENTROS COMERCIALE			187,600	2,509,288.94
CHARTERED SEMI CONDUCTORS			1,098,000	2,748,078.03
CHECK POINT SOFTWARE TECH LT			152,500	7,711,925.00
CHEUNG KONG(HOLDS)			986,000	10,745,381.50
CHINA TELECOM			1,532,500	8,095,127.60
CIE DE ST GOBAIN			78,000	10,598,158.04
CIFRA SA DE CV			1,627,100	4,404,742.82
CITIC PACIFIC LTD			665,000	2,059,039.98

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CLARIANT			137,190 \$	3,301,221.80
CMNWLTH BK OF AUST			818,729	14,206,570.06
COMPANHIA DE BEBIDAS DAS AMERS			281,700	6,521,355.00
COMPASS GROUP			2,771,801	22,181,113.02
CONTINENTAL AG			284,000	4,003,071.34
CORP MAPFRE SA			51,140	1,068,913.51
CORUS ENTMT INC			122,433	2,828,203.24
CREDITO ITALIANO			2,266,100	9,726,302.72
CRH			569,625	9,548,056.55
CSL LIMITED			202,429	4,906,247.63
CSR LIMITED			5,641,700	20,352,918.46
DAIKIN KOGYO CO			127,000	2,352,312.24
DANONE			82,389	11,306,104.58
DANSKE BANK			216,000	3,880,947.43
DBS GROUP HLDGS			593,882	4,367,841.17
DELHAIZE FRERES			6,400	378,448.80
DEUTSCHE BANK AG			146,387	10,459,374.40
DEUTSCHE BOERSE AG			66,065	2,321,027.51
DEUTSCHE POST AG			120,200	1,902,859.95
DEUTSCHE TELEKOM			429,900	9,702,604.80
DEXIA			553,930	8,731,629.81
DEXIA			451,810	3,824.87
DEXIA			26,000	412,480.75
DIAGEO			917,300	10,062,711.39
DIXONS GROUP (NEW)			1,250,000	4,096,141.54
EDISON			192,700	1,766,733.01
EISAI CO			572,182	12,823,166.22
ELAN CORP			106,936	6,608,570.80
ELAN PLC ADR			136,800	8,344,800.00
ELECTRABEL NPV			55,400	10,937,021.43
ELECTRICITY GENRTG			2,356,500	2,029,744.00
ELECTROLUX AB			193,400	2,674,012.91
ELSEVIER NV			1,611,810	20,058,198.87
ENDESA S.A.			357,900	5,708,254.78
ENERGIS			1,314,100	3,488,384.89
ENI			1,086,358	13,243,299.81
ERGO VERSICHERUNGS			25,000	3,629,651.14
ERICSSON (LM) TEL			158,170	864,592.79
FAST RETAILING CO			61,000	10,613,749.60
FOMENTO ECONOMICO MEXICANO			224,600	9,615,126.00
FORTIS B			23,338	563,078.89
FORTIS NL			395,342	9,612,096.99
FOSTERS BREWING GR			6,673,600	18,582,283.70

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FUJI PHOTO FILM			141,000 \$	6,082,479.54
FUJI TELEVISION NETWORK INC			274	1,575,248.18
FUJITSU			117,000	1,228,956.26
GF BBVA BANCOMER			780,500	772,153.78
GKN			1,359,000	13,035,054.53
GLAXOSMITHKLINE			2,095,041	58,929,335.40
GPE BRUXELLES LAM			30,950	1,734,520.33
GRANADA COMPASS			4,393,344	9,221,860.98
GREAT UNIVERSAL			3,148,600	26,945,552.61
GRUPO PRISA SA ORD SHS			98,600	1,051,739.57
GRUPO TELEVISION SA DE CV			72,197	2,888,601.97
GUCCI GROUP NV			98,527	8,251,636.25
HALIFAX GROUP			1,824,407	21,091,262.09
HANG SENG BANK			103,600	1,062,614.51
HAVAS ADVERTISING			278,673	3,066,895.63
HAYS PLC ORD 1P			643,000	1,657,158.23
HEINEKEN NV			69,125	2,787,253.55
HITACHI ORD			1,714,000	16,835,506.03
HONDA MOTOR CO.			309,400	13,595,028.93
HONG KONG & CHINA GAS			825,000	1,036,587.63
HONG KONG ELECTRIC			5,003,500	19,245,143.68
HSBC HLDGS			239,000	2,831,892.94
HUTCHISON WHAMPOA			254,500	2,569,593.04
IBERDROLA SA			1,291,400	16,562,815.61
IMPERIAL CHEMICAL			69,100	405,250.09
INDITEX			206,700	3,298,470.37
INFINEON TECHNOLOGIES AG ORD N			66,500	1,559,416.65
ING GROEP NV			675,658	44,157,550.65
INTERBREW			244,500	6,540,737.17
INVESTOR AB			642,262	8,172,078.50
JAPAN TELECOM CO			130	2,699,742.76
JARDINE MATHESON			1,548,800	9,525,120.00
JC DECAUX SA			210,000	2,808,905.53
JOHNSON ELEC HLDGS			1,007,000	1,381,462.97
KAO CORP.			182,000	4,523,893.27
KONAMI CO			54,000	2,463,685.65
KOREA ELEC POWER			108,580	2,020,553.05
KOREA TELECOM			216,600	4,760,868.00
KYOCERA CORP.			24,800	2,187,376.97
LAFARGE			92,102	7,875,011.32
LEGAL & GENERAL GP			3,262,000	7,397,631.62
LLOYDS TSB GROUP			2,666,835	26,685,790.46
LOBLAW COS LTD			55,000	1,826,250.38

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LONZA GROUP AG			3,930	\$ 2,293,687.11
MAGNA INTL INC			27,457	1,686,793.97
MANULIFE FINL CORP			95,300	2,659,823.00
MARKS & SPENCER			1,141,000	4,204,321.87
MARSCHOLLEK LAUTEN			13,600	1,496,728.45
MARUI CO			138,000	1,991,731.81
MATSUSHITA ELC WKS			154,000	1,780,595.41
MATSUSHITA BLEC IND			884,606	13,845,510.16
MEDIOBANCA SPA			262,200	2,801,255.97
METRO AG			55,004	2,072,120.64
MISYS			372,565	2,604,158.80
mitsui fudosan co			234,000	2,521,705.67
MIZUHO HLDGS			397	1,846,280.87
MOLSON INC			33,000	1,043,778.74
MOOLEN (VAN DER)			98,300	2,571,418.41
MUNCHENER RUCKVERS			124,025	34,805,952.29
MURATA MANUFACTNG			244,200	16,232,277.50
NATIONAL GRID GRP			369,500	2,723,044.58
NATIONAL POWER			466,300	1,965,774.19
NATL AUSTRALIAN BK			1,703,594	30,341,514.88
NEC CORP.			624,000	8,430,702.48
NESTLE SA			101,070	21,480,864.94
NEWS CORP LTD			156,000	5,795,400.00
NEWS CORP.			372,103	3,406,843.72
NICHIDO FIRE + MAR			1,312,000	8,184,510.31
NIKKO SECURITIES			1,131,000	9,059,565.34
NINTENDO CO			74,100	13,487,247.69
NIPPON OIL CO.			177,000	999,137.35
NIPPON TEL&TEL CO			1,135	5,915,459.54
NIPPON TV NETWORK			12,030	2,913,076.16
NISSAN MOTOR CO			1,018,000	7,027,974.83
NOKIA (AB) OY			458,196	10,383,898.08
NOMURA SECURITIES			288,000	5,519,117.72
NORTEL NETWORKS CORP			106,000	963,540.00
NOVARTIS AG			778,625	28,180,051.38
NOVO NORDISK AS			257,900	11,408,482.11
NTL INC			122,000	1,470,100.00
NTT DATA CORP			217	1,183,172.09
NTT MOBILE COMMUNI			1,130	19,661,536.13
O/SEAS CHINESE BK			1,704,850	11,135,122.84
OCE NV			230,389	2,418,489.34
OMRON CORP			29,000	524,353.07
ORANGE SA			196,120	1,593,873.57

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ORICA LTD			1,328,795	\$ 3,007,229.36
ORIENTAL LAND CO LTD			18,400	1,366,180.49
ORIX CORP			14,300	1,390,836.59
P4 RADIO HELE NORG			65,600	182,699.70
PANCANADIAN PETE LTD			51,400	1,574,959.33
PAPERLINX			1,270,034	2,619,990.62
PETROLEO BRASILEIRO SA			296,971	7,721,246.00
PEUGEOT SA			5,100	1,384,617.73
PIONEER ELECTRONIC			76,000	2,309,575.00
POHANG IRON + STEEL LTD			516,417	10,183,743.24
PORTGAL TCOM SGPS			1,337,506	181,165.92
PORTUGAL TELECOM			1,381,306	9,635,580.02
POWERGEN			1,608,000	16,260,127.84
PRECISION DRILLING CORP			87,700	2,739,748.00
PROMISE CO ORD			87,200	7,187,682.22
PROSIEBENSATI MEDI			301,703	4,341,994.85
PUBLICIS GROUPE SA			62,899	1,522,896.97
PUBLICIS GROUPE SA SVG (P/WT)			184,308	524,256.97
QBE INS GROUP			716,197	4,297,746.06
QIAGEN NV			113,700	2,502,618.01
QIAGEN NV			40,320	889,056.00
RAS			225,800	2,775,564.38
RECKITT & COLMAN			837,100	12,067,303.29
RENTOKIL INITIAL			1,736,000	5,884,042.28
REPSOL SA			301,000	4,968,918.32
REUTERS GROUP			116,467	1,511,867.08
RICHEMONT(CIE FIN)			1,727	4,419,939.30
RICOH CO.			270,000	5,823,650.62
RIO TIMTO LTD			93,365	1,619,593.31
RIO TINTO ZIMC			825,300	14,648,063.74
ROCHE HOLDINGS AG			131,600	9,481,821.90
ROGERS COMMUNICATIONS INC			71,700	1,070,612.55
ROHM COMPANY			29,600	4,599,649.63
ROLO BANCA 1473			320,255	4,712,012.60
ROYAL BANK OF SCOT			671,569	14,800,236.61
ROYAL BK CDA MONTREAL QUE			105,700	3,382,956.09
ROYAL DUTCH PETROL			432,900	24,913,199.06
ROYAL+SUN ALLIANCE			104,100	783,273.68
RTL GROUP NPV			44,300	2,681,455.04
RWE AG (NEU)			440,300	17,444,370.04
SAMSUMG ELECTR			33,700	2,635,340.00
SAMSUNG ELECTRONIC			53,530	7,903,210.07
SAN PAOLO IMI SPA			233,600	2,994,052.87

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SANDVIK AB			144,240 \$	2,902,019.71
SANKYO CO ORD			237,000	4,275,728.62
SANLAM			6,001,000	8,188,783.01
SANTA FE INTERNATIONAL CORP			77,900	2,259,100.00
SAP AG			79,846	11,011,208.87
SAP AKTIENGESELLSCHAFT			37,000	1,298,330.00
SASOL			753,962	6,883,832.96
SCHERING AG			75,400	3,931,993.67
SCHLUMBERGER LTD			44,100	2,321,865.00
SCHNEIDER SA			37,300	2,061,972.01
SCHW RUCKVERSICHER			11,239	22,461,054.16
SCOT + SOUTHERN EN			730,000	6,878,704.99
SCOT POWER			929,914	6,839,958.97
SECOM CO LTD ORD			22,000	1,227,753.52
SECURITAS			250,000	4,375,276.64
SEMBCORP MARINE			4,581,000	2,426,327.84
SERONO SA			68,500	1,709,075.00
SEVEN-ELEVEN JAPAN			29,000	1,132,416.60
SHELL TRNSPT&TRDG			4,566,167	37,953,190.73
SHIN-ETSU CHEMICAL			41,000	1,505,665.85
SHIONOGI & CO			62,000	1,292,540.93
SHIRE PHARMA GROUP			425,300	7,739,959.35
SHIRE PHARMACEUTICALS GROUP PL			30,000	1,665,000.00
SHISEIDO CO.			184,000	1,726,167.57
SIEBE			1,012,600	1,922,563.59
SIEMENS AG NPV (REGD)			147,750	8,943,227.60
SINGAPORE AIRLINES			304,900	2,108,578.85
SINGAPORE PRESS HD			409,816	4,498,635.26
SINGAPORE TELECOMM			6,787,000	7,077,719.17
SK TELECOM			3,050	449,131.66
SK TELECOM LTD			164,300	2,776,670.00
SMH AG NEUENBURG CHF50(BR)			1,974	1,976,904.95
SMH NEUNBURG AG			4,920	1,047,038.57
SMITH + NEPHEW			406,845	2,111,370.11
SMITHS INDUSTRIES			191,850	2,225,998.02
SMRT CORPORATION			3,084,000	1,421,855.73
SOC GENERALE			551,726	32,671,714.21
SODEXHO ALLIANCE			55,065	2,570,880.63
SOFTBANK CORPORATION			51	1,672.53
SOFTWARE AG DARMST			74,300	4,780,388.12
SONY CORP.			242,000	15,911,403.42
STANDARD CHARTERED			133,800	1,714,286.92
STORA ENSO OYJ			285,726	3,096,139.24



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SUEZ			243,750 \$	7,841,316.31
SUMITOMO ELECTRIC			246,000	2,789,098.07
SUMITOMO TRUST			428,800	2,699,005.08
SUN LIFE FINL SVCS INC			153,963	3,683,798.65
SUNCOR ENERGY INC			192,638	4,899,847.18
SVENSKA HANDELSBANKEN SERIES A			686,745	9,810,619.43
SWEDISH MATCH			541,000	2,534,766.57
SYNGENTA AG			105,200	5,531,127.68
SYNTHESTRATEC		4.485		2,752,352.76
TAB CORP HLDGS LTD			502,430	2,425,255.64
TAIWAN SEMICNDCTR MFG CO LTD			109,200	1,658,748.00
TAKEDA CHEMICAL			240,000	11,161,395.65
TAKEFUJI CORP			74,385	6,757,632.12
TALISMAN ENERGY INC			84,200	3,207,178.00
TELE NORTE LESTE PARTICIPACOES			141,208	2,154,834.08
TELECOM CORP OF NZ			4,450,626	10,069,491.91
TELECOM ITALIA MOB			269,700	1,374,479.26
TELECOM ITALIA SPA			606,277	2,894,749.24
TELECOM ITALIA SPA			870,300	7,809,722.46
TELECOMASIA			4,255,900	1,762,389.53
TELEFONICA CA			1,899,343	23,411,299.86
TELEFONOS DE MEXICO S A			228,820	8,029,293.80
TELESP CELULAR PARTICIPACOES			37,200	563,580.00
TELSTRA CORP			1,395,844	3,815,728.93
TESCO			4,775,934	17,228,787.20
TEVA PHARMACEUTICAL INDS LTD			88,900	5,538,470.00
TFI TV FRANCAISE			162,999	4,755,114.35
TIETOENATOR OYJ			57,600	1,282,445.69
TOHO CO. Y500			8,900	1,063,299.34
TOKIO MARINE&FIRE			426,000	3,979,374.32
TOKYO BROADCASTING			267,000	5,138,090.76
TOKYO ELECTRON			25,000	1,513,443.56
TOKYO GAS CO.			303,000	920,791.09
TOMKINS			1,592,227	4,097,935.28
TOMRA SYSTEMS ASA			161,000	2,535,151.16
TORAY IND.INC.			494,000	1,972,584.24
TORONTO DOMINION BK ONT			153,222	3,901,319.47
TOTAL SA SER B ORD			480,415	67,268,666.14
TOYOTA MOTOR CORP			495,800	17,452,205.22
TRANSOCEAN SEDCO FOREX INC			86,100	3,551,625.00
UBS AG			123,732	17,726,598.26
UFJ HLDGS			802	4,314,953.87
UNIBANCO UNIAO DE BARNCOS BRAS			46,800	1,191,060.00

WASHINGTON STATE INVESTMENT BOARD  
**Retirement Funds**  
 Schedule of Investments - Unaudited  
 June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
UNILEVER			937,285 \$	7,896,006.75
UNILEVER NV			179,900	10,782,641.68
UNITED MICROELECTRONICS CORP			179,600	1,598,440.00
UNITED O/SEAS BANK			904,187	5,707,132.77
UNITED UTILITIES			663,039	6,280,376.72
UPM KYMMENE OY			188,679	5,333,358.01
UTD BUSINESS MEDIA			179,470	1,458,910.74
VALEO			62,552	2,525,394.76
VEBA AG ORD DEM5			57,400	2,983,602.87
VENTURE MANUFACT			31,000	205,877.53
VESTAS WIND SYSTEMS			111,000	5,175,278.88
VIVENDI ENVIRONNEM			78,800	3,316,123.78
VIVENDI UNIVERSAL			140,500	8,189,191.38
VIVENDI UNIVERSAL			27,632	1,602,656.00
VNU N.V.			111,100	3,762,138.70
VODAFONE GROUP			14,887,808	32,977,698.12
WEST JAPAN RAILWAY			2,278	12,347,518.46
WHARF(HLDGS)			3,645,000	7,617,476.73
WOLTERS KLUWER			534,849	14,375,920.78
WOODSIDE PETROLEUM			469,000	3,912,950.47
WPP GROUP			577,340	5,683,798.97
YAMANOUCHI			161,000	4,518,280.49
YAMATO TRANSPORT			92,000	1,929,029.14
ZARDOYA OTIS			268,014	2,405,049.93
ZURICH FIN SVS GRP			16,586	5,656,766.75
<b>TOTAL CORPORATE STOCK - FOREIGN</b>				<b><u>\$ 2,564,384,308.44</u></b>
<b>COMMINGLED INDEX FUNDS - DOMESTIC:</b>				
BGI US EQUITY MKT			280,092,757 \$	16,065,194,398.00
<b>TOTAL COMMINGLED INDEX FUNDS - DOMESTIC</b>				<b><u>\$ 16,065,194,398.00</u></b>
<b>COMMINGLED BALANCED TRUST:</b>				
LONG HORIZON FUND			65,921 \$	565,418.26
MID HORIZON FUND			255,442	2,363,203.28
SHORT HORIZON FUND			297,874	2,946,862.52
<b>TOTAL COMMINGLED BALANCED TRUST</b>				<b><u>\$ 5,875,484.06</u></b>
<b>COMMINGLED INDEX FUNDS - FOREIGN:</b>				
ARGENTINA EMERGING MKTS INDEX			676,544 \$	5,015,221.35

WASHINGTON STATE INVESTMENT BOARD  
**Retirement Funds**  
 Schedule of Investments - Unaudited  
 June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
BRAZIL EMERGING			718,481	13,311,306.62
CAPITAL GUARDIAN GROWTH FUND			2,879,291	138,810,631.20
CHILE EMERGING MKTS INDEX			876,377	5,777,078.59
CHINA EMERGING			708,158	5,270,114.94
COLUMBIA EMERGING MKTS INDEX			238,837	829,241.37
CZECH REPUBLIC			203,425	1,282,795.32
EGYPT EMERGING MKTS INDEX			240,646	802,074.68
FOREIGN COLONIAL EM MKT GP TR			10,736,626	89,861,789.36
GMO TR			11,231,474	101,532,523.30
HUNGARY EMERGING			52,456	764,019.67
INDIA EMERGING MKTS INDEX			837,913	3,717,817.97
INDONESIA EMERGING			1,328,655	3,107,723.56
ISRAEL EMERGING MARKETS			441,229	5,247,097.87
JORDAN EMERGING			133,026	917,880.75
KOREA EMERGING MKTS			2,001,826	10,013,131.95
MALAYSIA EMG MKTS CTF			1,131,458	3,742,863.99
MEXICO EMERGING MKTS INDEX			1,041,329	16,749,782.68
MOROCCO EMERGING MARKETS			220,939	1,810,149.24
MSCI - EAFE PROVISIONAL IDX SE			254,874,874	2,525,045,376.00
MSCI PROVISIONAL CANADA			14,024,110	135,304,617.30
PAKISTAN EMERGING MKTS INDEX			418,715	880,556.79
PERU EMERGING MKTS INDEX			214,224	1,617,816.02
PHILIPPINES EMERGING MKTS INDX			2,266,030	4,575,115.14
POLAND EMERGING MKTS INDEX			110,923	1,069,743.95
PUTNAM INTL SMALL CAP TRANS FD			3,138,106	43,117,583.19
RUSSIA EMERGING MARKETS INDEX			162,221	1,132,630.27
SCHRODER EMERGING			50,871	90,024,418.92
SLOVAK REPUBLIC EMERGING MKT			222,330	865,086.82
SOUTH AFRICA IFC			2,447,176	18,816,334.80
SRILANKA EMERGING			373,967	748,682.03
TAIWAN EMERGING MKTS INDEX			751,920	8,227,506.59
THAILAND EMERGING MKTS INDEX			3,723,713	4,133,321.59
TURKEY EMERGING			540,844	4,963,328.74
VENEZUELA EMERGING MKTS INDEX			219,466	1,906,944.22
ZIMBABWE EMERGING MKTS INDEX			227,296	2,328,647.35
<b>TOTAL COMMINGLED INDEX FUNDS - FOREIGN</b>				<b>\$ 3,253,320,954.13</b>
<b>NET OF ALL ACCRUAL TYPES</b>				<b>\$ 182,999,781.82</b>
<b>TOTAL MARKET VALUE OF COMMINGLED TRUST FUND</b>				<b>\$ 42,914,880,803.16</b>

## ***INDUSTRIAL INSURANCE FUNDS***

- **Notes to Financial Statements**
- **Statement of Investments**
- **Statement of Changes in Investment Balances**
- **Schedule of Investments**

# **Washington State Investment Board**

## **Industrial Insurance Funds**

Notes to Financial Statements  
June 30, 2001

### **Note 1: Significant Accounting Policies**

Industrial Insurance (Labor & Industries) funds are enterprise funds for financial reporting purposes. Enterprise funds use the full accrual basis of accounting where revenues are recorded in the period earned and expenditures in the period incurred.

Investments are reported at fair market value, with the exception of short-term investments, which are reported at cost.

Interest and dividend income is accrued when earned. Capital gains and losses are recognized on a trade date basis. Purchases and sales of investments are also recorded on a trade date basis.

Unrealized gains and losses are included as investment earnings on the Statement of Changes in Investment Balance.

The WSIB reports collateral received under securities lending agreements where the state has the ability to spend, pledge or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions, including broker commissions paid, are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

**WASHINGTON STATE INVESTMENT BOARD  
LABOR AND INDUSTRIES FUNDS**

Statement of Investments (Unaudited)  
June 30, 2001

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL	PERCENT OF TOTAL
<b>FIXED INCOME INVESTMENTS:</b>						
Short-Term (Cash)	\$ 46,519,259.90	\$ 36,091,429.52	\$ 33,335,856.63	\$ 7,152,404.56	\$ 123,098,950.61	1.4%
US Government Securities	585,902,610.41	180,152,127.42	363,290,343.08	0.00	1,129,345,080.91	13.3%
Mortgages and Mortgage Backed Securities	686,537,095.31	726,813,575.38	137,408,691.25	13,691,083.94	1,564,450,445.88	18.4%
Asset Backed Securities	43,330,822.77	104,816,827.26	5,205,736.80	7,222,030.39	160,575,417.22	1.9%
Corporate Obligations	1,733,792,009.77	1,544,298,352.58	1,037,793,583.34	54,887,057.00	4,370,771,002.69	51.3%
<b>Total Fixed Income Investments</b>	<b>\$ 3,096,081,798.16</b>	<b>\$ 2,592,172,312.16</b>	<b>\$ 1,577,034,211.10</b>	<b>\$ 82,952,575.89</b>	<b>\$ 7,348,240,897.31</b>	<b>86.2%</b>
<b>EQUITY INVESTMENTS:</b>						
Commingled Index Funds	\$ 452,092,196.64	\$ 719,804,018.40	\$ -	\$ -	\$ 1,171,896,215.04	13.8%
<b>Total Equity Investments</b>	<b>\$ 452,092,196.64</b>	<b>\$ 719,804,018.40</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,171,896,215.04</b>	<b>13.8%</b>
<b>Total Equity and Fixed Income Investments</b>	<b>\$ 3,548,173,994.80</b>	<b>\$ 3,311,976,330.56</b>	<b>\$ 1,577,034,211.10</b>	<b>\$ 82,952,575.89</b>	<b>\$ 8,520,137,112.35</b>	<b>100.0%</b>
<b>ACCRUALS:</b>						
Accrued Investment Income Receivable	\$ 50,872,139.05	\$ 35,061,848.08	\$ 29,276,241.81	\$ 1,341,555.45		
Accrued Management Fees Payable	(3,980,915.40)	(1,018,700.25)	(1,956,987.35)	(7,128.98)		
Payable for Investments Purchased	0.00	0.00	0.00	0.00		
Receivable for Investments Sold	0.00	5,278.38	0.00	0.00		
Collateral Held Under Securities Lending Agreements	268,964,433.80	81,838,605.00	148,807,507.60	0.00		
Obligations Under Securities Lending Agreements	(268,964,433.80)	(81,838,605.00)	(148,807,507.60)	0.00		
<b>Total Accruals</b>	<b>\$ 46,891,223.65</b>	<b>\$ 34,048,426.21</b>	<b>\$ 27,319,254.46</b>	<b>\$ 1,334,426.47</b>		
<b>Total Market Value of Investments, June 30, 2001</b>	<b>\$ 3,595,065,218.45</b>	<b>\$ 3,346,024,756.77</b>	<b>\$ 1,604,353,465.56</b>	<b>\$ 84,287,002.36</b>		

See Notes to Financial Statements

**WASHINGTON STATE INVESTMENT BOARD**

**LABOR AND INDUSTRIES FUNDS**

Statement of Changes in Investment Balances (Unaudited)

Fiscal Year Ended June 30, 2001

	<u>ACCIDENT FUND</u>	<u>MEDICAL AID FUND</u>	<u>ACCIDENT RESERVE FUND</u>	<u>SUPPLEMENTAL PENSION FUND</u>	<u>TOTAL</u>
<b>Total Value of Fund, June 30, 2000*</b>	\$ 3,693,112,145	\$ 3,387,367,538	\$ 1,358,727,904	\$ 94,655,251	\$ 8,533,862,838
<b>Net Amount Contributed (Withdrawn)</b>	\$ (386,174,486)	\$ (200,991,908)	\$ 68,119,754	\$ (20,146,916)	\$ (539,193,557)
<b><u>INVESTMENT EARNINGS:</u></b>					
Interest, Dividends and Other Investment Income	\$ 246,959,548	\$ 185,925,024	\$ 117,161,653	\$ 6,395,505	\$ 556,441,730
Capital Gains	32,342,120	35,808,100	15,618,344	642,984	84,411,547
Capital Losses	(6,964,319)	(3,306,149)	(2,115,713)	(90,712)	(12,476,893)
Market Gains & Losses (Unrealized)	38,027,894	(50,865,021)	49,147,537	2,915,861	39,226,270
Investment Expenses	(20,618,200)	(7,597,708)	(8,688,536)	(76,887)	(36,981,331)
WSIB Operating Costs	(343,561)	(315,119)	(126,399)	(8,083)	(793,162)
<i>Net Investment Earnings</i>	\$ 289,403,482	\$ 159,649,127	\$ 170,996,886	\$ 9,778,667	\$ 629,828,161
<b><u>OTHER CHANGES IN FUND BALANCE:</u></b>					
Residual Equity Transfers	\$ (1,275,923)		\$ 6,508,923		\$ 5,233,000
<i>Net Other Changes in Fund Balance</i>	\$ (1,275,923)		\$ 6,508,923		\$ 5,233,000
<b>Total Value of Fund, June 30, 2001*</b>	\$ 3,595,065,218	\$ 3,346,024,757	\$ 1,604,353,466	\$ 84,287,002	\$ 8,629,730,443

*See Notes to Financial Statements*

\* Includes accruals

**WASHINGTON STATE INVESTMENT BOARD**

**Labor & Industries - Accident Fund**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			46,519,260	\$ <u>46,519,260.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY NOTE	5/15/2008	5.63	10,000,000	\$ 10,201,600.00
U.S.A. TREASURY NOTE	11/15/2012	10.38	6,100,000	7,713,633.00
U.S.A. TREASURY NOTE	5/15/2016	7.25	9,140,000	10,418,137.60
U.S.A. TREASURY NOTE	11/15/2016	7.50	98,720,000	115,101,596.80
U.S.A. TREASURY NOTE	5/15/2017	8.75	26,200,000	34,010,744.00
U.S.A. TREASURY NOTE	2/15/2020	8.50	16,850,000	21,775,929.00
U.S.A. TREASURY NOTE	2/15/2021	7.88	16,900,000	20,710,443.00
U.S.A. TREASURY BOND	2/15/2027	6.63	110,000,000	120,192,600.00
<i>TOTAL US TREASURIES</i>				\$ <u>340,124,683.40</u>
<b>AGENCIES</b>				
FHLB	2/25/2004	9.50	4,500,000	\$ 4,999,230.00
FHLB	2/15/2030	7.13	15,000,000	15,747,600.00
FNMA	10/9/2019		35,000,000	10,477,950.00
FNMA	6/1/2017		31,000,000	10,835,430.00
FNMA	8/6/2038	6.21	32,073,000	29,968,049.01
RESOLUTION FDG CORP	10/15/2019	8.13	51,300,000	61,720,056.00
RESOLUTION FDG CORP	5/15/2008		16,000,000	10,954,880.00
RESOLUTION FDG CORP	1/15/2013		26,200,000	13,055,722.00
TENNESSEE VALLEY AUTHORITY	5/1/2030	7.13	83,000,000	88,019,010.00
<i>TOTAL US AGENCIES</i>				\$ <u>245,777,927.01</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				\$ <u>585,902,610.41</u>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FHLMC	3/15/2031	6.75	35,000,000	\$ 35,689,150.00
FHLMC GIANT SWAP 30-4272	6/1/2018	8.50	1,945,136	2,066,084.82
FHLMC GIANT SWAP 30-4278	7/1/2018	9.00	632,137	673,421.38
FHLMC GIANT SWAP 30-4281	7/1/2018	9.00	669,785	713,528.20
FHLMC GIANT WAM SWAP 30-6660	3/15/2019	7.00	176,245	179,731.26
FHLMC GIANT WAM SWAP 30-6661	3/15/2019	8.50	305,050	320,628.50
FHLMC PC 16-0011	10/1/2005	8.50	3,754	3,864.73
FHLMC PC 16-0012	12/1/2005	8.50	669	688.20



**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Accident Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC PC 16-0016	8/1/2006	8.50	41,519 \$	43,398.04
FHLMC PC 16-0034	12/1/2007	8.50	145,043	153,256.33
FHLMC PC 16-0038	2/1/2008	8.50	8,072	8,483.85
FHLMC PC 16-0039	3/1/2008	8.50	190,875	200,622.54
FHLMC PC 16-0040	3/1/2008	8.75	7,187	7,581.31
FHLMC PC 16-0043	4/1/2008	8.75	7,499	7,910.75
FHLMC PC 16-0049	7/1/2008	8.75	136,212	143,685.96
FHLMC PC 16-0079	5/1/2009	10.25	195,573	213,399.53
FHLMC PC 17-0018	2/1/2008	8.50	69,208	73,127.07
FHLMC PC 17-0019	2/1/2008	8.50	8,417	8,893.86
FHLMC PC 17-0029	5/1/2010	12.00	86,564	98,185.35
FHLMC PC 17-0040	12/1/2010	14.50	18,634	22,208.72
FHLMC PC 17-0149	12/1/2015	11.00	325,503	365,894.15
FHLMC PC 17-0186	8/1/2016	9.50	169,040	180,818.61
FHLMC SWAP 28-4854	12/1/2016	8.50	59,207	62,905.11
FHLMC SWAP 28-8013	3/1/2017	8.50	26,150	27,776.53
FHLMC SWAP 28-8307	3/1/2017	8.50	51,558	54,777.96
FHLMC SWAP 28-9754	3/1/2017	8.50	118,400	125,762.33
FHLMC SWAP 28-9978	4/1/2017	8.50	10,601	11,260.00
FHLMC SWAP 29-1274	4/1/2017	8.00	31,427	32,532.95
FNMA CA 7423	5/1/2014	11.25	6,364	7,171.02
FNMA CL 2463	9/1/2015	11.00	16,064	17,881.81
FNMA GL 6222	4/1/2016	9.00	242,367	256,851.26
FNR 2000-39 Z	11/25/2030	7.00	15,714,460	15,321,598.23
GNMA SF 45231	12/15/2010	10.50	19,963	22,123.61
GNMA SN 1470	12/15/2002	6.50	39,780	41,335.86
<i>TOTAL PASS THROUGH MORTGAGES</i>			<u>\$</u>	<u>57,156,539.83</u>
<b>OTHER MORTGAGES</b>				
MCCORD MANOR	2/1/2019	7.50	1,240,918 \$	1,240,917.79
STRONGSVILLE SR CTR	7/1/2019	7.50	2,760,892	3,045,153.40
BANCBOSTON (MERIDIAN)	8/1/2009	10.25	64,799	64,798.62
BANCBOSTON (MERIDIAN)	3/1/2010	10.38	75,552	75,978.00
FNMA POOL 380250	5/1/2008	6.50	20,029,910	20,393,051.91
<i>TOTAL OTHER MORTGAGES</i>			<u>\$</u>	<u>24,819,899.72</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
BACM 2001-1 A2	4/15/2036	6.50	30,000,000 \$	29,761,500.00
BOAMS 1999-7 A24	7/25/2029	6.50	30,925,000	29,697,586.75
CHASE 1998-S7 A4	11/25/2028	6.25	28,270,162	26,591,479.78
CRUMI MAE FIN CORP	1/1/2033	7.00	5,243,631	5,132,268.66

**WASHINGTON STATE INVESTMENT BOARD**

**Labor & Industries - Accident Fund**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
DLJ CMC 1998-CF2 A1B	10/12/2008	6.24	36,985,000 \$	36,451,513.57
DLJ CMC 1999-CG1 A-1B	1/10/2009	6.46	10,000,000	9,960,908.00
DLJCM 1999-CG2 A1B	6/10/2009	7.30	10,000,000	10,422,772.00
DLJCM 1999-CG3 A1B	9/10/2009	7.34	34,750,000	36,286,633.88
FHLMC 1648 HD	7/15/2023	6.00	21,520,000	21,163,413.60
FHLMC 1671 G	8/15/2023	6.50	15,000,000	15,328,050.00
FHLMC 1697 PJ	7/15/2008	6.00	15,000,000	15,262,500.00
FHLMC 1993 1639 M	12/15/2008	6.00	13,500,000	13,200,435.00
FHLMC 1998 2046 G	4/15/2028	6.50	10,000,000	9,500,000.00
FHLMC 1998 2070 C	7/15/2028	6.00	25,000,000	22,664,000.00
FHLMC 1998 2075 D	8/15/2028	6.50	25,000,000	23,289,000.00
FHLMC 2100 GS	12/15/2013	6.50	26,666,000	26,132,680.00
FHLMC 2139-B	3/15/2029	6.50	32,908,000	30,655,776.48
FHR 1897 K	9/15/2026	7.00	10,480,000	10,031,246.40
FHR 2113 MW	1/15/2029	6.50	16,000,000	15,144,960.00
FNMA 1994 51 PH	1/25/2023	6.50	15,000,000	15,332,700.00
FNMA 1994 62 PH	11/25/2023	6.90	10,000,000	10,318,700.00
GE CAP MTG 1994-6A10	3/25/2024	6.50	15,320,000	14,477,400.00
GE CAPITAL MTG 1994-12 A-12	3/25/2009	6.00	15,000,000	14,831,250.00
GECMS 1998-10 2A7	5/25/2013	6.50	9,315,000	9,023,906.25
GNMA 1998-12 EB	5/20/2028	6.50	23,387,140	22,422,420.48
LBCMT 1999-C2 A2	9/15/2009	7.33	20,000,000	20,875,762.00
MSDWC 2000-1345 A2	9/3/2010	7.46	20,000,000	20,986,732.00
NLFC 1999-2 A2C	10/20/2008	7.23	25,000,000	26,119,750.00
PNCMS 1999-6 1A4	7/25/2029	6.75	20,550,142	20,029,812.40
PRU HOME 93-51 A14	12/25/2023	6.75	6,250,000	6,205,062.50
PRUHOME MTG 1993-44 A18	11/25/2023	6.75	13,000,000	12,772,500.00
RFMSI 1998-S31 A2	12/25/2025	6.50	14,522,154	24,487,936.00
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>				<b>\$ 604,560,655.75</b>
<b>TOTAL MORTGAGES/MORTGAGE BACKED</b>				<b>\$ 686,537,095.30</b>
<b>ASSET BACKED SECURITIES:</b>				
CENTEX HOME EQUITY 2000-A	3/25/2031	7.88	17,500,000 \$	18,315,281.25
MID STATES TRUST IV	4/1/2030	8.33	2,566,885	2,736,241.82
STANDARD CR CARD MASTER TRUST	4/7/2006	7.25	14,000,000	14,704,340.00
STD CR CARD 1995-9A ABS	10/7/2007	6.55	7,370,000	7,574,959.70
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$ 43,330,822.77</b>
<b>CORPORATE OBLIGATIONS:</b>				
AETNA INC	8/15/2006	7.13	8,500,000 \$	8,841,020.00

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
AIRTOUCH COMM	7/15/2006	7.50	5,000,000 \$	5,289,100.00
ALBERTSON'S INC. MTN	2/23/2028	6.57	33,500,000	30,071,945.00
AMERICAN STORES CO MTN	6/9/2003	7.20	5,000,000	5,210,500.00
ANHEUSER BUSCH COS INC	12/1/2009	9.00	20,000,000	23,662,200.00
ANHEUSER BUSCH COS INC	7/1/2023	7.38	5,000,000	4,950,100.00
ASSOCIATED DRY GOODS	3/1/2006	8.85	1,900,000	2,099,709.00
AT & T CORP	3/15/2009	6.00	30,000,000	27,899,100.00
AT&T CORP	3/15/2029	6.50	5,000,000	4,257,100.00
BANK OF NEW YORK	12/15/2004	8.50	5,500,000	6,012,985.00
BOC GROUP INC 144A	6/15/2006	7.45	10,000,000	10,270,600.00
BOEING CO	8/15/2021	8.75	15,000,000	17,860,200.00
BOEING CO	2/15/2038	6.63	25,000,000	23,553,750.00
BURLINGTON NO SANTA FE	12/15/2025	7.00	10,000,000	9,455,700.00
BURLINGTON NORTH	8/15/2030	7.95	13,700,000	14,444,047.00
BURLINGTON NORTHERN RR	10/1/2006	9.25	4,000,000	4,507,160.00
CARNIVAL CRUISE	10/1/2003	6.15	8,500,000	8,545,475.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	6,000,000	6,431,880.00
CASE CREDIT	2/15/2003	6.13	10,000,000	9,000,000.00
CENTURY TELEPHONE ENTPRS	1/15/2028	6.88	25,000,000	21,590,500.00
CHEMICAL BANK	6/1/2005	7.00	10,000,000	10,369,200.00
CHEMICAL BANK	11/1/2008	6.13	3,075,000	2,985,886.50
CHESAPEAKE & POTOMAC TEL MD	6/1/2004	5.88	750,000	750,030.00
CHESAPEAKE & POTOMAC TEL MD	10/1/2008	6.63	490,000	490,842.80
CHICAGO & NWESTN TRANS	7/30/2012	6.25	4,216,576	4,338,519.31
CINCINNATI GAS & ELEC	6/1/2025	6.90	5,000,000	5,000,400.00
CINCINNATI GAS & ELEC	2/15/2004	6.45	8,000,000	8,012,240.00
CINERGY CORP	12/16/2008	6.53	30,000,000	27,561,000.00
CIRCUS CIRCUS ENTERPRISE	2/1/2006	6.45	11,850,000	10,918,353.00
COLORADO INTERSTATE GAS	6/15/2005	10.00	4,750,000	5,268,700.00
CONAGRA	9/15/2004	7.40	10,000,000	10,288,700.00
CONSOLIDATED NATURAL GAS	10/1/2004	7.25	10,000,000	10,348,300.00
CSR AMERICA INC	7/21/2005	6.88	5,000,000	5,002,050.00
CSW INVTS	1/1/2006	7.45	15,000,000	15,054,000.00
DAIMLERCHRYSLER	1/18/2031	8.50	5,000,000	5,300,350.00
DEUTSCHE TELECOM FIN	6/15/2030	8.25	30,000,000	30,436,500.00
DR INVESTMENTS	5/15/2007	7.45	20,000,000	20,002,400.00
ENRON CORP	7/15/2028	6.95	20,000,000	18,271,800.00
EOP OPER LTD PARTNERSHIP	2/15/2018	7.25	6,000,000	5,632,440.00
EPG	12/15/2007	6.95	15,000,000	14,856,150.00
FLORIDA GAS TRANSMISSION	11/1/2004	8.63	10,000,000	10,668,200.00
FLORIDA GAS TRANSMISSION	11/1/2024	9.19	3,000,000	3,476,490.00
FORD MOTOR CO	2/15/2028	6.63	25,000,000	21,769,250.00
FORD MOTOR COMPANY	7/16/2031	7.45	8,000,000	7,687,440.00

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FORD MOTOR COMPANY	1/15/2022	8.88	7,000,000 \$	7,784,000.00
GOLDMAN SACHS 144A	2/15/2006	6.75	15,000,000	15,449,100.00
GOLDMAN SACHS GROUP LP 144A	12/1/2004	6.63	5,000,000	5,151,250.00
GTE CORP	11/1/2021	8.75	15,000,000	17,164,200.00
HANSON PLC	9/27/2010	7.88	20,000,000	20,692,600.00
HERSHEY FOODS CORP	2/15/2021	8.80	10,000,000	11,705,900.00
HOUSEHOLD FINANCE CO	2/15/2005	8.25	10,000,000	10,793,800.00
HOUSEHOLD FINANCE CORP	6/17/2008	6.40	10,000,000	9,826,800.00
HSBC USA INC-NEW	2/15/2007	8.38	1,000,000	1,092,700.00
ICI WILMINGTON	9/15/2004	6.95	12,400,000	12,591,456.00
INTER AMERN DEV BK	3/15/2011	8.50	20,000,000	23,342,600.00
INTL BUSINESS MACHINES	11/1/2019	8.38	15,000,000	16,994,400.00
JOHN DEERE CAP	3/3/2031	7.13	5,000,000	4,824,550.00
KANSAS GAS & ELEC	9/29/2003	6.76	4,338,202	4,305,274.79
KN ENERGY INC	3/1/2028	7.25	25,000,000	23,900,500.00
LEGRAND	2/15/2025	8.50	8,925,000	9,474,869.25
LOCKHEED MARTIN CORP	12/1/2029	8.50	10,000,000	11,044,700.00
LUCENT TECHNOLOGY	3/15/2029	6.45	5,000,000	2,850,000.00
LUCENT TECHNOLOGY	1/15/2028	6.50	13,000,000	7,410,000.00
MBIA INC	10/1/2028	6.63	15,000,000	13,860,600.00
MCI COMMUNICATIONS CORP	8/20/2004	7.50	10,000,000	10,268,500.00
MCI COMMUNICATIONS CORP	3/15/2024	7.75	5,000,000	4,523,900.00
MELLON FINANCIAL	2/15/2010	6.38	25,000,000	24,522,000.00
MERRILL LYNCH	7/15/2018	6.50	5,000,000	4,726,150.00
MORGAN STANLEY & CO INC	5/15/2003	7.03	10,000,000	10,026,900.00
MORGAN STANLEY GROUP INC	12/15/2003	6.38	7,500,000	7,682,775.00
NATIONAL RURAL UTILITIES	2/10/2003	7.38	10,000,000	10,356,800.00
NCNB CORP	9/15/2009	9.38	5,000,000	5,781,150.00
NEW YORK TEL CO	11/15/2010	8.63	15,000,000	16,884,450.00
NORFOLK SOUTHERN	3/1/2021	9.00	20,000,000	23,004,400.00
NORFOLK SOUTHERN CORP	5/15/2017	7.70	10,200,000	10,380,438.00
NOVA GAS TRANSMISSION	12/8/2004	8.50	4,000,000	4,279,760.00
OCCIDENTAL PETE	4/1/2028	7.20	10,000,000	9,649,500.00
PACIFIC TELECOM INC MTN	10/20/2005	6.63	10,000,000	10,255,000.00
PANHANDLE EASTERN PIPELINE	5/15/2005	7.25	10,000,000	10,253,100.00
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	10,000,000	10,154,900.00
PG&E GAS TRANSMISSION	6/1/2005	7.10	10,000,000	9,401,700.00
PHARMACIA CORP	12/1/2028	6.60	15,000,000	14,398,350.00
PNC BANK	4/15/2005	7.88	5,000,000	5,300,800.00
PNC FUNDING CORP	6/1/2004	7.75	5,250,000	5,513,287.50
PROGRESSIVE CORP	1/15/2004	6.60	10,000,000	10,058,400.00
RITE AID CORP (RAD)	2/15/2027	7.70	15,000,000	11,025,000.00
RITE-AID CORP 144A	12/15/2008	6.13	10,000,000	7,350,000.00

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RITE-AID CORP 144A	12/15/2028	6.88	10,000,000 \$	6,800,000.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	3,100,000	2,578,921.00
SAFECO CORP	4/1/2005	7.88	7,000,000	7,035,700.00
SAKS INC	11/15/2008	8.25	7,378,000	6,898,430.00
SAKS INCORPORATED	12/1/2010	7.50	10,000,000	8,600,000.00
SANTANDER FIN ISSUANCES	7/15/2005	6.80	14,300,000	14,555,112.00
SECURITY CAPITAL GROUP 144A	6/15/2028	7.70	20,000,000	17,082,000.00
SKANDINAVISKA ENSKILDA	2/15/2009	6.88	10,000,000	9,886,300.00
SOCIETY NATIONAL BANK	6/15/2003	6.75	2,625,000	2,697,843.75
SONAT INC	2/1/2018	7.00	15,000,000	13,749,750.00
SPIEKER PROPERTIES INC	10/1/2027	7.50	20,000,000	18,460,000.00
SPRINT CAPITAL CORP	11/15/2028	6.88	45,000,000	37,817,100.00
SWIFT BANK CORP - NY	6/15/2017	7.38	2,500,000	2,604,225.00
TIME WARNER INC	1/15/2013	9.13	25,500,000	29,194,185.00
TIME WARNER INC	1/15/2028	6.95	10,000,000	9,250,600.00
TRANSCANADA PIPELINE	5/15/2012	8.63	5,000,000	5,451,350.00
U S BANCORP	10/15/2005	6.75	10,000,000	10,298,900.00
UNION PACIFIC CO	5/1/2005	7.60	13,000,000	13,707,590.00
UNION PACIFIC CO	5/1/2025	8.35	5,000,000	5,180,450.00
UNION PACIFIC CORP	2/1/2006	6.40	10,000,000	10,080,600.00
UNION PACIFIC RESOURCES	5/15/2028	7.15	27,000,000	26,243,190.00
UNITED TELECOM	4/1/2003	9.50	2,000,000	2,116,060.00
US WEST CAP FUNDING INC	7/15/2028	6.88	10,000,000	8,712,900.00
WASHINGTON MUTUAL INC	8/15/2006	7.50	40,000,000	42,164,000.00
WELLS FARGO & CO	8/15/2006	7.13	10,000,000	10,503,500.00
WEYERHAEUSER CO	1/15/2025	8.50	5,000,000	5,332,100.00
WEYERHAEUSER CO	3/15/2025	7.95	5,000,000	5,039,050.00
WILLIAMS COS INC	11/15/2004	6.63	10,000,000	10,079,600.00
WILLIAMS HLDGS OF DEL	2/1/2006	6.25	5,000,000	4,894,100.00
WORLDCOM INC	8/15/2028	6.95	25,000,000	21,103,500.00
WPD HOLDINGS UK	12/15/2017	7.25	25,000,000	21,643,000.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 1,354,258,929.90</b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
ABN-AMRO BNK NV (CHICAGO)	5/31/2005	7.25	10,000,000 \$	10,513,400.00
ALBERTA ENERGY	9/15/2030	8.13	10,000,000	10,901,400.00
APACHE FINANCE CANADA	12/15/2029	7.75	5,000,000	5,269,000.00
ATHABASCA OIL SANDS	4/1/2027	8.20	5,950,000	6,611,580.50
CANADIAN NATIONAL RAILWAY CO	7/15/2028	6.90	23,700,000	21,948,570.00
CANADIAN NATL RR CTF 97-2A	1/2/2016	7.20	21,499,077	19,904,920.67
CERRO NEGRO FINANCE LTD	6/1/2028	8.03	15,000,000	11,137,500.00
ENERGY GROUP OVERSEAS BV	10/15/2027	7.55	18,000,000	16,529,940.00

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FSPC T A8	11/15/2028	7.00	26,245,000 \$	25,842,926.60
HYDRO QUEBEC MTN	4/12/2005	7.00	3,000,000	3,129,600.00
HYDRO-QUEBEC	1/15/2027	8.25	10,000,000	11,472,400.00
HYDRO-QUEBEC	4/15/2030	9.38	25,000,000	32,328,750.00
NAT'L WESTMINISTER BANK	10/16/2007	7.75	13,370,000	13,905,735.90
NORSK HYDRO	11/15/2025	7.15	5,000,000	4,859,650.00
NORSK HYDRO A/S	10/1/2016	7.50	10,000,000	10,444,400.00
NORSK HYDRO A/S	1/15/2029	7.15	35,000,000	33,944,400.00
NORSK HYDRO A/S	7/15/2004	8.40	5,000,000	5,301,250.00
ONTARIO PROV CDA	6/22/2004	7.63	13,000,000	13,849,420.00
ONTARIO PROVINCE	10/1/2008	5.50	15,000,000	14,567,550.00
PDVSA FIN LTD	11/15/2028	7.50	20,000,000	15,722,800.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	10,000,000	9,964,100.00
QUEBEC PROVINCE	2/9/2024	7.13	5,000,000	5,104,850.00
ROYAL CARIBBEAN CRUISES	10/15/2027	7.50	10,000,000	7,678,500.00
SAFERCO MTN	5/31/2007	9.65	16,000,000	18,778,240.00
SAFERCO MTN	5/31/2006	9.65	10,000,000	11,580,300.00
TELEFONICA EUROPE	9/15/2030	8.25	10,000,000	10,491,800.00
VODAFONE AIRTOUCH	2/15/2005	7.63	26,400,000	27,750,096.00
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE</b>				<b>\$ 379,533,079.67</b>
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT			36,514,649 \$	386,746,047.30
STATE STREET MSCI EAFE INDEX			1,219,702	65,346,149.34
<b>TOTAL EQUITY INDEX FUNDS</b>				<b>\$ 452,092,196.64</b>
<b>TOTAL EQUITY AND FIXED INCOME INVESTMENTS</b>				<b>\$ 3,548,173,994.69</b>

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<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			36,091,427	\$ <u>36,091,427.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY NOTE	8/15/2002	6.38	6,000,000	\$ 6,155,640.00
U.S.A. TREASURY NOTE	5/15/2004	7.25	15,000,000	16,052,400.00
U.S.A. TREASURY NOTE/STRIP	2/15/2004		12,200,000	10,846,898.00
U.S.A. TREASURY NOTE	5/15/2007	6.63	40,000,000	42,962,400.00
<i>TOTAL US TREASURIES</i>				<u>\$ 76,017,338.00</u>
<b>AGENCIES</b>				
FHLB	2/25/2004	9.50	3,700,000	\$ 4,110,478.00
FHLB/GLOBAL SR NT	9/2/2008	5.80	10,000,000	9,895,300.00
FNMA	2/15/2008	5.75	40,000,000	39,731,200.00
GUARANTEED TRADE TR 1994-A	6/26/2006	7.39	4,166,667	4,391,958.48
RESOLUTION FDG CORP/STRIP	4/15/2006		25,000,000	19,472,000.00
RESOLUTION FDG CORP/STRIP	4/15/2007		36,301,000	26,533,852.94
<i>TOTAL US AGENCIES</i>				<u>\$ 104,134,789.42</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				<u>\$ 180,152,127.42</u>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FHLMC 2008 B	8/15/2025	6.50	20,000,000	\$ 19,950,000.00
FHLMC GIANT SWAP 30-4272	6/1/2018	8.50	2,333,246	2,478,328.40
FHLMC GIANT SWAP 30-4278	7/1/2018	9.00	693,296	738,575.68
FHLMC GIANT SWAP 30-4281	7/1/2018	9.00	735,323	783,346.87
FHLMC GNOME 38-0021	5/1/2003	9.00	183,292	191,015.77
FHLMC PC 16-0079	5/1/2009	10.25	195,573	213,399.53
FHLMC PC 17-0147	11/1/2015	11.00	182,668	206,149.55
FHLMC PC 17-0186	8/1/2016	9.50	169,040	180,818.61
FNMA CA 7423	5/1/2014	11.25	3,182	3,585.52
FNMA CL 2463	9/1/2015	11.00	33,021	36,756.90
GNMA 1 SF 780052	12/15/2008	7.00	2,599,239	2,669,080.52
GNMA 1 SF334780	8/15/2025	7.50	2,342,100	2,405,032.42
GNMA 1 SF393278	8/15/2025	7.50	297,966	305,971.94
GNMA 1 SF409930	8/15/2025	7.50	498,856	512,260.41
GNMA 1 SF410088	8/15/2025	7.50	699,796	718,599.21

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GNMA 1 SF413882	7/15/2025	7.50	1,025,246 \$	1,052,793.85
GNMA 1 SF413886	8/15/2025	7.50	376,327	386,438.57
GNMA 1 SF414075	8/15/2025	7.50	407,590	418,542.20
GNMA 1 SF414098	8/15/2025	7.50	1,949,136	2,001,509.39
GNMA 1 SF415983	8/15/2025	7.50	472,704	485,405.48
GNMA GP 90132	5/15/2009	9.00	28,075	30,125.75
GNMA GP 90178	5/15/2009	9.00	52,962	56,830.70
GNMA II SF 120666	9/15/2014	13.00	459,133	539,766.18
<i>TOTAL PASS THROUGH MORTGAGES</i>			<u>\$</u>	<u>36,364,333.45</u>
<b>OTHER MORTGAGES</b>				
EUCLID APTS	5/1/2019	7.50	1,313,222 \$	1,313,222.17
VIRGINIA APTS	7/1/2018	7.50	1,637,737	1,637,736.74
FNMA DUS PL 380826	11/1/2008	5.80	3,444,974	3,378,313.50
FNMA DUS PL 380827	11/1/2008	5.75	3,872,672	3,784,878.60
FNMA DUS PL 381006	12/1/2008	6.00	7,504,523	7,533,715.94
FNMA PL 380320	6/1/2008	6.38	5,117,816	5,178,666.79
NATIONSANC	10/25/2009	10.50	93,734	118,292.68
<i>TOTAL OTHER MORTGAGES</i>			<u>\$</u>	<u>22,944,826.42</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
CCMSC 1999-2 A1	10/15/2008	7.03	26,700,091 \$	27,577,783.97
CHMRV 1997-A A9	12/15/2008	6.32	8,000,000	8,160,000.00
CMSI 1994-8 A6	5/25/2024	6.25	10,412,187	10,321,080.45
COM MTG ACEPT CORP 1998-C2 A3	9/15/2030	6.04	13,900,000	13,622,417.00
COM MTG ACEPT CORP 1999-C1 A2	5/15/2009	7.03	10,000,000	10,262,432.00
COUNTRYWIDE 1998-19 A13	12/25/2028	6.50	25,000,000	23,898,250.00
COUNTRYWIDE MTG 1993-AA10	10/25/2008	6.50	21,166,337	21,106,648.00
COUNTRYWIDE MTG 94-13 A10	6/25/2009	6.50	2,068,047	2,093,897.41
DLJ CMC 1999-CG1 A-1B	1/10/2009	6.46	10,000,000	9,960,908.00
DLJCM 1999-CG2 A1B	6/10/2009	7.30	25,000,000	26,056,930.00
DLJCM 1999-CG3 A1B	9/10/2009	7.34	20,000,000	20,884,393.60
DLJMA 1997-CF2 A1A	11/15/2006	6.55	9,661,810	9,859,950.49
FHLM REMIC 1927 A	1/15/2020	6.50	1,641,850	1,641,850.02
FHLMC 1271 G	8/15/2006	7.00	6,568,527	6,677,302.06
FHLMC 1673 Y5	2/15/2019	6.00	12,095,246	12,208,577.96
FHLMC 1706 H	6/15/2023	6.50	15,450,000	15,768,579.00
FHLMC 1992 1336 H	1/15/2021	7.75	271,110	270,684.39
FHLMC 1993 1505 D	8/15/2018	5.50	4,437,492	4,452,712.61
FHLMC 1993 1530 G	10/15/2021	6.50	10,000,000	10,193,700.00
FHLMC 1993 1620 PG	8/15/2018	6.00	7,092,609	7,139,136.53



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FHLMC 1993 1639 M	12/15/2008	6.00	9,248,202 \$	9,042,984.40
FHLMC 1994 1727 E	4/15/2018	6.50	364,910	364,337.11
FHLMC-GNMA93-12 E	3/25/2008	6.00	2,713,682	2,727,250.33
FHLMC/GNMA 29X	2/25/2023	6.75	3,229,213	3,261,505.46
FHR 2280 VB	8/15/2017	6.00	17,014,000	16,184,567.50
FNMA 1992 205K	5/25/2021	6.50	16,000,000	16,174,880.00
FNMA 1993 116E	7/25/2022	6.50	3,000,000	3,059,040.00
FNMA 1993 142B	6/19/2025	6.25	3,479,090	3,502,991.20
FNMA 1993 149H	9/20/2025	6.00	2,630,146	2,652,318.07
FNMA 1993 202N	2/25/2022	6.50	4,450,423	4,556,120.40
FNMA 1993 20PG	2/25/2019	6.50	3,799,295	3,807,577.37
FNMA 1993 28 Y5	3/25/2007	6.50	10,272,420	10,336,622.43
FNMA 1993 56 P6	2/25/2021	6.75	10,000,000	10,253,100.00
FNMA 1993 85G	3/25/2008	6.50	1,957,922	1,966,477.80
FNMA 1994 20-Z	2/25/2009	6.50	20,772,042	20,752,515.79
FNMA 1994 37G	11/18/2025	6.00	4,791,549	4,803,528.19
FNMA 1999-16 VB	12/25/2018	6.50	2,920,031	2,820,545.54
FNMA G93-33 H	11/25/2020	6.60	5,320,000	5,433,050.00
FNMA TRUST PREASSIGN 00575	6/20/2035	7.00	1,436,353	1,426,592.90
GE CAPITAL MTG 1992-13F	12/25/2007	7.00	16,403,000	16,520,773.54
GE CAPITAL MTG SVC 94-1 A6	1/25/2024	6.50	2,618,691	2,625,237.98
GECMS 1993-17 A11	12/25/2023	6.50	11,500,000	11,338,195.00
GECMS 1997-12 A6	12/25/2027	7.00	4,803,257	4,755,224.40
GECMS 99-15 L (A25)	8/25/2029	6.75	21,616,155	20,987,773.37
HFCMC 1999-PH1 A2	5/15/2031	6.85	10,000,000	10,171,126.00
MLMI 1996-C2 A2	11/21/2028	6.82	10,000,000	10,074,610.00
MSDWC 2000-1345 A2	9/3/2010	7.46	20,000,000	20,986,732.00
NSCOR 1998-29 A10	11/25/2028	6.25	20,000,000	18,781,200.00
NSCOR 1998-33 A5	1/25/2029	6.25	25,000,000	23,468,750.00
PHMS 1993-43 A3	10/25/2023	6.75	10,000,000	10,137,500.00
PHMS 1994-14 A4	4/25/2009	6.80	5,934,287	5,811,862.48
PMAC 1993-5 A9	6/25/2008	6.88	10,069,000	10,075,242.78
PMAC 1994-7 A5	4/25/2024	6.75	5,725,000	5,620,518.75
PMAC 1999-C1 A2 CMBS	4/15/2009	6.82	10,000,000	10,159,309.00
PNCMS 1998-11 1A6	11/25/2028	6.50	27,286,526	26,220,441.54
PRU HOME MTG 1994-14 A2	4/25/2009	6.40	210,918	210,784.75
RALI 1999-QS5 NB3	4/25/2029	6.75	9,618,710	9,345,153.89
RESIDENT FD MTG 93-S45 A8	12/25/2023	6.50	3,670,421	3,711,713.22
RFMSI 1994-S1 A19	1/25/2024	6.75	7,195,161	7,084,930.66
RFMSI 1998-S18 A4	8/25/2013	6.50	17,982,794	17,915,358.17
RFMSI 1999-S14 IA13	6/25/2029	6.50	20,000,000	19,337,400.00
SASI 1993-7 TA1	12/25/2023	6.25	0	-
VENDEE 1999-3 H	8/15/2013	6.50	10,000,000	9,762,500.00

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WAMU 01-4 A14	11/20/2029	6.00	28,000,000 \$	27,118,840.00
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 667,504,415.51</u>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<u><b>\$ 726,813,575.38</b></u>
<b>ASSET BACKED SECURITIES:</b>				
CCIMT 1999-7 A	11/15/2006	6.65	19,180,000 \$	19,863,191.60
CENTEX HOME EQUITY 1999-4 A6	2/25/2031	7.52	11,650,000	11,987,530.79
CHMRV 1997-A A10	3/15/2010	6.37	5,000,000	5,039,050.00
DFS 1999-1 A5	8/15/2013	5.97	3,000,000	2,980,290.00
DFS 1999-3 A5	6/15/2012	6.76	10,000,000	10,330,247.00
IMC HOME EQ LN TR 97-7 A8 ABS	2/20/2029	6.65	14,813,028	14,979,674.06
MBNA MA CR CD 95-C A	2/15/2008	6.45	25,500,000	26,241,030.00
MBNAM 1998-J A	2/15/2006	5.25	10,600,000	10,659,572.00
MID STATES TRUST IV	4/1/2030	8.33	2,566,885	2,736,241.81
<b>TOTAL ASSET BACKED SECURITIES</b>				<u><b>\$ 104,816,827.26</b></u>
<b>CORPORATE OBLIGATIONS:</b>				
AETNA INC	8/15/2006	7.13	8,000,000 \$	8,320,960.00
AIRTOUCH COMM	7/15/2006	7.50	5,000,000	5,289,100.00
ALCOA INC	6/1/2011	6.50	11,000,000	10,923,880.00
AMERICAN GENERAL CORP	8/11/2010	7.50	20,000,000	21,357,200.00
AMERICAN STORES	5/15/2005	7.40	5,000,000	5,126,100.00
APACHE CORP	12/15/2007	6.50	25,000,000	24,870,500.00
BOC GROUP INC 144A	6/15/2006	7.45	10,000,000	10,270,600.00
BOMBARDIER CAPITAL LTD	8/15/2004	7.50	35,000,000	36,432,200.00
BURLINGTON NO SANTA FE	12/15/2005	6.38	10,000,000	9,999,100.00
CALPINE CORP	8/15/2010	8.63	15,000,000	14,585,400.00
CARNIVAL CRUISE	5/15/2005	7.05	10,000,000	10,095,400.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	5,000,000	5,359,900.00
CASE CREDIT	2/15/2003	6.13	10,000,000	9,000,000.00
CASE CREDIT CORP MTN	3/1/2002	6.15	4,700,000	4,347,500.00
CHASE MANHATTAN CORP	12/1/2004	6.75	20,000,000	20,652,800.00
CINERGY CORP	12/16/2008	6.53	10,000,000	9,187,000.00
CIRCUS CIRCUS ENTERPRISE	2/1/2006	6.45	8,000,000	7,371,040.00
CIT GROUP HLDGS	2/15/2004	5.50	20,000,000	19,762,600.00
CONSOLIDATED NATURAL GAS	10/1/2004	7.25	25,000,000	25,870,750.00
CS FIRST BOSTON	5/15/2006	7.75	15,000,000	15,868,050.00
CSR AMERICA INC	7/21/2005	6.88	5,000,000	5,002,050.00
CSW ENERGY	10/1/2001	6.88	20,000,000	20,086,200.00
CSW INVTS NT 144A	8/1/2001	6.95	17,000,000	17,013,090.00

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CSX CORP	5/1/2002	7.05	35,000,000	\$ 35,557,900.00
DAIMLER-CHRYSLER	5/15/2006	6.40	10,000,000	9,920,500.00
DEN DANSKE BANK	6/15/2010	7.40	12,000,000	12,426,720.00
DR INVESTMENTS 144A	5/15/2002	7.10	29,700,000	30,225,690.00
DUKE CAPITAL CORP	7/15/2005	6.25	15,000,000	15,055,050.00
ENRON CORP	7/15/2006	6.40	10,000,000	9,964,300.00
EOP OPERATING LP 144A	2/15/2008	6.75	5,000,000	4,921,550.00
ERP OPERATING LP	3/2/2011	6.95	2,000,000	1,986,040.00
FIRST UNION CORP	4/1/2008	6.40	15,000,000	14,702,400.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	5,000,000	5,106,800.00
GE	4/23/2004	5.38	21,000,000	21,118,860.00
GEORGIA-PACIFIC	6/15/2002	9.95	10,835,000	11,235,678.30
GMAC	7/15/2005	7.50	40,000,000	41,998,000.00
GOLDMAN SACHS 144A	2/15/2006	6.75	15,000,000	15,449,100.00
GOLDMAN SACHS GROUP	5/15/2009	6.65	20,000,000	19,747,000.00
GOLDMAN SACHS GROUP LP 144A	12/1/2004	6.63	10,000,000	10,302,500.00
GRAND METROPOLITAN	1/6/2004		10,000,000	8,679,300.00
GTE CORP	6/1/2003	9.10	5,000,000	5,374,600.00
GTE HAWAII	2/1/2006	7.00	8,265,000	8,609,154.60
GTE NORTH	1/1/2021	9.60	9,769,000	10,233,613.64
HELLER FINANCIAL INC	11/1/2001	6.50	17,000,000	17,093,330.00
HOUSEHOLD FINANCE CORP	3/1/2003	6.88	5,000,000	5,148,400.00
HOUSEHOLD FINANCE CORP	7/15/2006	7.20	10,000,000	10,430,000.00
HOUSEHOLD FINANCE CORP	6/17/2008	6.40	10,000,000	9,826,800.00
HSBC AMERICAS INC	11/1/2006	7.00	5,000,000	5,191,000.00
ICI WILMINGTON	9/15/2004	6.95	10,000,000	10,154,400.00
KANSAS GAS & ELEC	9/29/2003	6.76	4,338,202	4,305,274.79
KERN RIVER FUNDING CORP	9/30/2001	6.72	20,000,000	20,050,200.00
KN ENERGY INC	3/1/2008	6.80	20,000,000	20,067,800.00
LEHMAN BROTHERS HOLDINGS	4/1/2004	6.63	12,000,000	12,359,760.00
MBNA AMER BANK NA	9/15/2002	7.25	5,000,000	5,090,050.00
MBNA AMERICA BANK NA	9/15/2005	7.75	6,000,000	6,189,780.00
MBNA CORP	6/1/2005	6.88	9,500,000	9,344,770.00
MELLON FINANCIAL	2/15/2010	6.38	25,000,000	24,522,000.00
MERRILL LYNCH & CO	2/12/2003	6.00	23,000,000	23,395,830.00
MORGAN STANLEY & CO INC	5/15/2003	7.03	10,000,000	10,026,900.00
NATIONAL RURAL UTILITIES	2/10/2003	7.38	25,000,000	25,892,000.00
NATIONASBANK CORP	8/15/2003	6.50	10,000,000	10,258,600.00
NORANDA FOREST INC	11/15/2005	6.88	7,500,000	7,369,500.00
NORTHERN TRUST	3/7/2011	6.30	22,000,000	21,349,900.00
NORTHWEST PIPELINE CORP	12/1/2007	6.63	20,000,000	19,467,000.00
NRG ENERGY INC	9/15/2010	8.25	6,000,000	6,274,200.00
OCCIDENTAL PETROLEUM	2/15/2006	7.65	20,000,000	21,140,600.00

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PACIFIC TELECOM INC MTN	10/20/2005	6.63	10,000,000 \$	10,255,000.00
PANHANDLE EASTERN PIPELINE	5/15/2005	7.25	5,000,000	5,126,550.00
PDVSA FIN LTD	11/15/2008	6.80	14,000,000	12,614,840.00
PG&E GAS TRANSMISSION	6/1/2005	7.10	7,500,000	7,051,275.00
PHARMACIA CORP	12/1/2008	5.88	15,000,000	14,575,350.00
PNC FUNDING CORP	9/1/2003	6.13	10,000,000	10,186,200.00
PRICE COSTCO INC	6/15/2005	7.13	10,000,000	10,303,000.00
PROGRESSIVE CORP	6/1/2006	7.30	15,000,000	15,499,050.00
RITE AID CORP	1/15/2007	7.13	14,000,000	11,550,000.00
RITE-AID CORP 144A	12/15/2008	6.13	9,800,000	7,203,000.00
ROYAL CARIBBEAN CRUISES	7/28/2004	8.13	8,000,000	8,050,880.00
SAFEWAY INC	3/1/2006	6.15	13,900,000	13,880,818.00
SAKS INC	7/15/2004	7.00	16,000,000	14,960,000.00
SANTAN	9/14/2010	7.63	11,000,000	11,414,150.00
SANTANDER FIN ISSUANCES	7/15/2005	6.80	10,000,000	10,178,400.00
SECURITY CAPITAL GROUP 144A	6/15/2005	6.95	15,000,000	14,866,200.00
SKANDINAVISKA ENSKILDA	2/15/2009	6.88	10,000,000	9,886,300.00
SMITH BARNEY HOLDINGS	6/15/2005	6.88	10,000,000	10,330,000.00
SOLOMON SMITH BARNEY HLD	5/15/2003	6.25	12,000,000	12,243,360.00
SONAT INC	2/1/2008	6.63	22,275,000	21,337,890.75
SPRINT CAPITAL CORP	11/15/2008	6.13	12,500,000	11,474,250.00
STAR BK NA, OH TR SB 00001	12/15/2006	6.63	10,000,000	10,229,800.00
TIME WARNER ENTERTAINMENT	10/1/2012	8.88	9,050,000	10,203,603.50
TRIBUNE COMPANY	10/6/2008	5.50	15,000,000	13,422,450.00
U S BANCORP	10/15/2005	6.75	5,100,000	5,252,439.00
UNION OIL OF CA MTN	10/15/2007	6.70	10,000,000	10,109,900.00
UNION PACIFIC CO	5/1/2005	7.60	10,000,000	10,544,300.00
UNION PACIFIC RESOURCES	10/15/2006	7.00	7,500,000	7,748,625.00
UNION PACIFIC RESOURCES	5/15/2005	6.50	10,000,000	10,182,100.00
WACHOVIA CORP	6/21/2004	6.70	15,000,000	15,384,450.00
WASHINGTON MUTUAL INC	8/15/2006	7.50	35,000,000	36,893,500.00
WESTERN RESOURCES INC	8/15/2003	6.25	15,000,000	14,658,900.00
WILLIAMS COS INC	11/15/2004	6.63	20,000,000	20,159,200.00
WILLIAMS HLDGS OF DEL	2/1/2006	6.25	5,000,000	4,894,100.00
WORLDCOM INC.	1/15/2006	7.38	15,000,000	15,277,500.00
YORKSHIRE POWER	2/25/2008	6.50	15,000,000	14,158,350.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 1,356,460,002.58</b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
ABN-AMRO BNK NV (CHICAGO)	5/31/2005	7.25	10,000,000 \$	10,513,400.00
AEGON NV	8/15/2006	8.00	22,000,000	23,665,180.00

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BANK OF SCOTLAND 144A	11/20/2007	7.00	20,000,000 \$	19,701,800.00
CROWN CORK + SEAL FIN PLC	12/15/2003	6.75	4,000,000	1,720,000.00
CROWN CORK + SEAL FIN SA	12/15/2003	6.75	6,000,000	2,580,000.00
DUETSCHKE BANK FINANCIAL	4/25/2009	7.50	15,000,000	15,806,850.00
GLAXO WELLCOME	1/25/2006	6.13	10,000,000	10,137,500.00
ONTARIO PROVINCE	10/1/2008	5.50	15,000,000	14,567,550.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	3,000,000	2,989,230.00
QUEBEC PROVINCE CDA	7/15/2002	7.50	5,000,000	5,150,200.00
ROYAL BANK SCOTLAND PLC	4/1/2009	6.40	15,000,000	14,748,300.00
ROYAL BK CDA NY BRH	10/24/2011	6.75	20,000,000	20,396,800.00
SASKATCHEWAN CDA	7/15/2004	8.00	12,000,000	12,863,760.00
SOCIEDAD QUIMICA 144A	9/15/2006	7.70	10,000,000	9,872,700.00
VODAFONE AIRTOUCH	2/15/2005	7.63	22,000,000	23,125,080.00
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE:</b>				<b>\$ 187,838,350.00</b>
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT			58,137,163 \$	615,806,234.20
STATE STREET MSCI EAFE INDEX			856,749	103,997,784.20
<b>TOTAL EQUITY INDEX FUNDS</b>				<b>\$ 719,804,018.40</b>
<b>TOTAL EQUITY AND FIXED INCOME INVESTMENTS</b>				<b>\$ 3,311,976,328.04</b>

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<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			33,335,839	\$ <u>33,335,839.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY NOTE	11/15/2012	10.38	3,800,000	\$ 4,805,214.00
U.S.A. TREASURY NOTE	5/15/2016	7.25	4,600,000	5,243,264.00
U.S.A. TREASURY NOTE	11/15/2016	7.50	28,380,000	33,089,377.20
U.S.A. TREASURY NOTE	5/15/2017	8.75	8,000,000	10,384,960.00
U.S.A. TREASURY NOTE	8/15/2017	8.88	15,000,000	19,696,800.00
U.S.A. TREASURY NOTE	2/15/2020	8.50	6,000,000	7,754,040.00
U.S.A. TREASURY BOND	2/15/2027	6.63	47,500,000	51,901,350.00
<i>TOTAL US TREASURIES</i>				<u>\$ 132,875,005.20</u>
<b>AGENCIES</b>				
FHLB	2/15/2030	7.13	10,000,000	\$ 10,498,400.00
FHLMC	9/15/2029	6.75	35,000,000	35,645,400.00
FNMA	8/12/2019	8.10	5,000,000	5,761,700.00
FNMA	8/6/2038	6.21	29,024,000	27,119,154.88
FNMA	5/15/2029	6.25	20,000,000	19,093,800.00
NRUC 6 05-15-06	5/15/2006	6.00	15,000,000	14,956,950.00
RESOLUTION FDG CORP	10/15/2019	8.13	53,700,000	64,607,544.00
RESOLUTION FDG CORP	1/15/2030	8.63	10,000,000	13,150,000.00
STUDENT LOAN MARKETING ASSOC	12/2/2013	8.41	4,700,000	5,509,293.00
STUDENT LOAN MARKETING ASSOC	12/1/2014	8.41	5,200,000	6,126,224.00
STUDENT LOAN MARKETING ASSOC	12/1/2015	8.41	5,600,000	6,737,472.00
TENNESSEE VALLEY AUTHORITY	5/1/2030	7.13	20,000,000	21,209,400.00
<i>TOTAL US AGENCIES</i>				<u>\$ 230,415,337.88</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				<u>\$ 363,290,343.08</u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FHLMC	3/15/2031	6.75	5,000,000	\$ 5,098,450.00
FHLMC GIANT SWAP 30-4272	6/1/2018	8.50	816,348	867,109.05
FHLMC GIANT SWAP 30-4278	7/1/2018	9.00	290,525	309,499.08
FHLMC GIANT SWAP 30-4281	7/1/2018	9.00	308,001	328,116.66
FHLMC GIANT WAM SWAP 30-6661	3/15/2019	8.50	12,422	13,056.29
FHLMC GNOME 38-0021	5/1/2003	9.00	46,808	48,780.98
FHLMC PC 16-0040	3/1/2008	8.75	11,978	12,635.50

**WASHINGTON STATE INVESTMENT BOARD****Labor & Industries - Accident Reserve Fund**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC PC 16-0043	4/1/2008	8.75	2,500 \$	2,636.92
FHLMC PC 17-0040	12/1/2010	14.50	18,634	22,208.72
FHLMC PC 17-0149	12/1/2015	11.00	103,922	116,817.25
FHLMC PC 17-0217	3/1/2017	8.00	93,477	96,791.49
FHLMC SWAP 28-8047	2/1/2017	8.50	31,212	33,153.19
FHLMC SWAP 28-9338	3/1/2017	8.50	18,934	20,111.17
FHLMC SWAP 28-9414	3/1/2017	8.50	92,133	97,861.46
FHLMC SWAP 28-9442	3/1/2017	8.50	84,474	89,726.90
FHLMC SWAP 29-1274	4/1/2017	8.00	185,166	191,679.70
FHLMC SWAP 29-2320	3/1/2017	8.50	8,093	8,595.76
FHLMC SWAP 29-3812	5/1/2017	8.50	8,525	9,054.69
FNMA CA 7423	5/1/2014	11.25	3,182	3,585.52
FNMA CL 2463	9/1/2015	11.00	22,311	24,835.71
FNMA CL 805 (WESTSIDE)	12/1/2009	9.50	82,162	86,899.53
FNMA CL 806 (WESTSIDE)	7/1/2008	9.00	45,805	48,361.00
GNMA II SF 120666	9/15/2014	13.00	191,306	224,902.58
GNMA SF 2967	7/15/2003	6.50	363	367.15
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 7,755,236.30</u>
<b>OTHER MORTGAGES</b>				
CHARTER MTG CO FHA PROJ PC	1/25/2022	7.40	6,867,542 \$	6,692,351.04
FHA PRJ-REILLY MTG GRP #55	3/1/2024	7.43	2,062,030	2,041,883.83
TERRACE APTS	12/1/2018	7.50	718,728	718,728.12
TOWER HILL APTS	8/1/2018	7.50	915,653	915,652.54
CENTURY II APTS	8/1/2018	7.50	1,374,065	1,374,064.68
NATIONSBANC	10/25/2009	10.50	281,201	354,878.04
<i>TOTAL OTHER MORTGAGES</i>				<u>\$ 12,097,558.25</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
COM MTG ACEPT CORP 1999-C1 A2	5/15/2009	7.03	10,000,000 \$	10,262,432.00
COUNTRYWIDE MTG 1993-E A8	1/25/2024	6.50	1,488,075	1,505,738.27
CRIMI MAE FIN CORP	1/1/2033	7.00	2,588,169	2,533,202.61
DLJ CMC 1999-CG1 A-1B	1/10/2009	6.46	10,000,000	9,960,908.00
FHLMC 1993 1639 M	12/15/2008	6.00	5,000,000	4,889,050.00
FHLMC 2139-B	3/15/2029	6.50	10,000,000	9,315,600.00
FUNBC 2001-C2 A2	1/12/2043	6.66	10,000,000	9,983,226.00
GE CAP MTG 1994-6A10	3/25/2024	6.50	4,510,000	4,261,950.00
GE CAP MTG SERV 1994-1 A8	1/25/2024	6.50	3,000,000	2,924,040.00
JPMCC 2001-CIBC A3	3/15/2033	6.26	15,370,000	14,889,280.20
MSDWC 2000-1345 A2	9/3/2010	7.46	15,000,000	15,740,049.00
PMAC 1999-C1 A2 CMBS	4/15/2009	6.82	5,000,000	5,079,654.50
PRU HOME MTG 1993-51 A16	12/25/2023	6.50	3,822,000	3,614,159.64
PRUHOME MTG 1993-44 A18	11/25/2023	6.75	3,300,000	3,242,250.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Accident Reserve Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
PRUHOME MTG 1993-62 A7	12/23/2026	6.75	5,000,000 \$	4,762,500.00
RESIDENTIAL FD MTG 94-S5 A8	2/25/2024	6.50	4,066,227	4,007,754.48
RFMSI 1994-S1 A11	1/25/2024	6.75	11,400,000	10,584,102.00
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 117,555,896.70</u>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<u><b>\$ 137,408,691.25</b></u>
<b>ASSET BACKED SECURITIES:</b>				
MID STATES TRUST IV	4/1/2030	8.33	1,026,754 \$	1,094,496.80
STD CR CARD 1995-9A ABS	10/7/2007	6.55	4,000,000	4,111,240.00
<b>TOTAL ASSET BACKED SECURITIES</b>				<u><b>\$ 5,205,736.80</b></u>
<b>CORPORATE OBLIGATIONS:</b>				
ADM	3/15/2027	7.50	15,000,000 \$	15,485,400.00
ALBERTSON'S INC. MTN	2/23/2028	6.57	10,000,000	8,976,700.00
AMER SAVINGS BK	2/15/2006	6.63	17,700,000	17,903,550.00
ANR PIPELINE	2/15/2024	7.38	3,000,000	2,822,730.00
AT&T CORP	3/15/2029	6.50	15,000,000	12,771,300.00
BOEING CO	8/15/2021	8.75	10,000,000	11,906,800.00
BOSTON GAS CO MTN	6/1/2011	8.95	10,000,000	11,356,900.00
BURLINGTON NORTH	3/15/2029	6.75	7,330,000	6,677,116.90
BURLINGTON NORTH	8/15/2030	7.95	13,000,000	13,706,030.00
CARGILL INC	10/1/2025	7.38	4,000,000	3,906,480.00
CARGILL INC	2/1/2036	6.88	5,000,000	4,440,250.00
CARGILL INC	9/1/2006	7.50	15,000,000	14,804,550.00
CARNIVAL CRUISE	10/1/2023	7.20	2,500,000	2,289,700.00
CHASE NEW SUB NOTE	1/15/2009	6.50	6,000,000	5,980,020.00
CHICAGO & NWESTN TRANS	7/30/2012	6.25	1,216,320	1,251,495.97
CINCINNATI GAS & ELEC	6/1/2025	6.90	2,000,000	2,000,160.00
CITIGROUP INC	5/10/2006	5.75	15,000,000	14,854,500.00
COLONIAL PIPELINE, 144A	8/15/2007	7.45	4,000,000	4,165,360.00
CROWN CORK + SEAL INC	12/15/2026	7.38	12,400,000	4,464,000.00
CS FIRST BOSTON	5/15/2006	7.75	10,000,000	10,578,700.00
DAIMLER-CHRYSLER	5/15/2006	6.40	7,000,000	6,944,350.00
DAIMLERCHRYSLER	1/18/2031	8.50	5,000,000	5,300,350.00
DEER PARK REFINING LP 144A	12/15/2008	6.47	2,126,880	2,141,661.82
DEERE & CO	10/1/2028	6.55	10,000,000	8,989,300.00
DEN DANSKE BANK	6/15/2010	7.40	10,000,000	10,355,600.00
DEUTSCHE TELECOM FIN	6/15/2030	8.25	15,000,000	15,218,250.00
DUKE CAPITAL CORP	7/15/2018	6.75	10,000,000	9,498,300.00
EASTMAN CHEMICAL	1/15/2024	7.25	3,000,000	2,515,170.00
ENRON CORP	7/15/2028	6.95	10,000,000	9,135,900.00
FERRO CORP	6/15/2025	8.00	3,000,000	2,881,050.00



**WASHINGTON STATE INVESTMENT BOARD****Labor & Industries - Accident Reserve Fund**

Schedule of Investments - Unaudited

June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FLORIDA GAS TRANSMISSION	11/1/2024	9.19	2,000,000 \$	2,317,660.00
FORD MOTOR CO	11/15/2022	8.88	5,000,000	5,433,900.00
FORD MOTOR CO.	2/1/2029	6.38	10,000,000	8,412,100.00
FORD MOTOR COMPANY	7/16/2031	7.45	15,000,000	14,413,950.00
GRAND METROPOLITAN	1/6/2004		2,500,000	2,169,825.00
GTE CORP	11/1/2021	8.75	10,000,000	11,442,800.00
GTE CORP	5/1/2023	7.83	5,000,000	5,005,400.00
HSBC AMERICAS INC	11/1/2006	7.00	5,000,000	5,191,000.00
IBM CORP	10/30/2045	7.00	12,100,000	11,815,650.00
ICI WILMINGTON	9/15/2004	6.95	10,000,000	10,154,400.00
INTER AMERN DEV BK	3/15/2011	8.50	10,000,000	11,671,300.00
JOHN DEERE CAP	3/3/2031	7.13	4,000,000	3,859,640.00
KANSAS GAS & ELEC	9/29/2016	8.29	7,000,000	6,573,070.00
KELLOGG COMPANY	4/1/2031	7.45	14,000,000	13,806,800.00
KINDER MORGAN EN	3/15/2031	7.40	15,000,000	14,735,850.00
KROGER CO.	6/1/2029	7.70	10,000,000	9,993,200.00
LEGRAND	2/15/2025	8.50	10,000,000	10,616,100.00
LOCKHEED MARTIN CORP	12/1/2029	8.50	20,000,000	22,089,400.00
LUCENT TECHNOLOGY	3/15/2029	6.45	13,000,000	7,410,000.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	3,500,000	3,162,040.00
MERRILL LYNCH	7/15/2018	6.50	5,000,000	4,726,150.00
MORGAN STANLEY & CO INC	5/15/2003	7.03	5,000,000	5,013,450.00
NCNB CORP	9/15/2009	9.38	3,525,000	4,075,710.75
NCP	12/1/2045	7.75	12,000,000	11,135,520.00
NORFOLK SOUTHERN	3/1/2021	9.00	15,000,000	17,253,300.00
NORTHERN TELECOM	6/15/2026	7.88	10,000,000	7,059,900.00
NORTHWESTERN PIPELINE	12/1/2025	7.13	3,000,000	2,731,710.00
OCCIDENTAL PETE	4/1/2028	7.20	15,000,000	14,474,250.00
PACIFIC TELECOM INC MTN	10/20/2005	6.63	5,000,000	5,127,500.00
PACIFICORP	7/15/2004	6.75	10,000,000	10,099,600.00
PANHANDLE EASTERN PIPELINE	3/15/2023	7.95	3,000,000	2,711,610.00
PHARMACIA CORP	12/1/2028	6.60	15,000,000	14,398,350.00
PHILLIPS PETROLEUM	1/1/2023	8.49	5,500,000	5,792,985.00
PHILLIPS PETROLEUM	4/15/2023	7.92	3,000,000	3,015,570.00
PLACER DOME INC	6/15/2015	7.75	2,000,000	1,779,560.00
POHANG IRON & STEEL	7/15/2004	7.13	7,500,000	7,666,875.00
RFCO STRIPS	1/15/2019		80,000,000	26,436,800.00
SECURITY CAPITAL GROUP 144A	6/15/2028	7.70	15,000,000	12,811,500.00
SOUTHERN UNION GAS	2/1/2024	7.60	5,100,000	4,657,116.00
SPIEKER PROPERTIES	7/1/2009	7.13	10,000,000	9,925,700.00
SPRINT CAPITAL CORP	11/15/2028	6.88	20,000,000	16,807,600.00
SPRINT CORP	4/15/2022	9.25	8,100,000	8,881,488.00
ST GEORGE BANK LTD	6/18/2007	7.15	5,000,000	4,943,550.00
ST GEORGE BANK LTD	10/15/2005	7.15	7,500,000	7,669,725.00
SWIFT BANK CORP - NY	6/15/2017	7.38	5,000,000	5,208,450.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Accident Reserve Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
TENN VAL AUTH	1/15/2038	6.15	15,000,000 \$	13,821,150.00
TENNESSEE GAS PIPELINE	4/1/2037	7.63	15,110,000	14,287,864.90
TIME WARNER INC	1/15/2028	6.95	10,000,000	9,250,600.00
TRANSOCEAN OFFSHORE INC	4/15/2027	8.00	19,000,000	20,032,840.00
UNION OIL OF CA MTN	10/15/2007	6.70	5,000,000	5,054,950.00
UNION PACIFIC CO	5/1/2025	8.35	5,000,000	5,180,450.00
UNION PACIFIC CO.	2/1/2029	6.63	10,000,000	9,052,100.00
UNION PACIFIC RESOURCES	5/15/2028	7.15	18,000,000	17,495,460.00
US WEST CAP FUNDING INC	7/15/2028	6.88	10,000,000	8,712,900.00
VERIZON GLOBAL	12/1/2030	7.75	7,000,000	7,196,980.00
WEYERHAEUSER CO	1/15/2025	8.50	15,000,000	15,996,300.00
WILLAMETTE INDUSTRIES INC	7/1/2026	7.85	8,000,000	7,895,680.00
WILLIAMS COS	7/15/2019	7.63	5,000,000	4,814,150.00
WORLDCOM INC	8/15/2028	6.95	10,000,000	8,441,400.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 785,232,554.34</b>

**CORPORATE OBLIGATIONS - YANKEE:**

ABBEY NATL PLC	10/26/2029	7.95	10,000,000 \$	10,992,800.00
ALBERTA ENERGY	9/15/2030	8.13	15,000,000	16,352,100.00
APACHE FINANCE CANADA	12/15/2029	7.75	15,000,000	15,807,000.00
ATHABASCA OIL SANDS	4/1/2027	8.20	10,000,000	11,111,900.00
CANADIAN NAT'L RR	5/15/2023	7.63	5,000,000	5,056,300.00
CERRO NEGRO FINANCE LTD	6/1/2028	8.03	10,000,000	7,425,000.00
DEUTSCHE BANK FINANCIAL	4/25/2009	7.50	10,000,000	10,537,900.00
ENERGY GROUP OVERSEAS BV	10/15/2027	7.55	10,000,000	9,183,300.00
FSPC T A8	11/15/2028	7.00	10,000,000	9,846,800.00
HYDRO-QUEBEC	1/15/2027	8.25	20,000,000	22,944,800.00
HYDRO-QUEBEC	2/1/2013	8.00	5,500,000	6,111,600.00
NAT'L WESTMINSTER BANK	10/16/2007	7.75	10,000,000	10,400,700.00
NORSK HYDRO A/S	1/15/2029	7.15	15,000,000	14,547,600.00
NORSK HYDRO A/S	7/15/2014	9.13	6,450,000	7,331,521.50
NOVA ALBERTA CRP	4/1/2023	7.88	4,450,000	4,461,614.50
ONTARIO HYDRO CDA	3/31/2013	7.45	3,000,000	3,207,060.00
PDVSA FIN LTD	11/15/2028	7.50	15,000,000	11,792,100.00
PETROLEOS MEXICANOS	9/15/2027	9.50	10,000,000	10,550,000.00
PETROLEUM NASIONAL BERHAD	8/15/2015	7.75	13,000,000	12,516,140.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	10,000,000	9,964,100.00
QUEBEC PROVINCE	2/9/2024	7.13	2,500,000	2,552,425.00
SVENSKA HANDELSBANKEN	3/7/2007	7.13	10,000,000	9,942,000.00
TELEFONICA EUROPE	9/15/2030	8.25	10,500,000	11,016,390.00
VODAFONE AIRTOUCH	2/15/2030	7.88	9,800,000	10,207,778.00
WPD HOLDINGS UK	12/15/2028	7.38	10,000,000	8,702,100.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Accident Reserve Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY</u> <u>DATE</u>	<u>COUPON</u> <u>RATE</u>	<u>PAR VALUE</u> <u>OR SHARES</u>	<u>BOOK AND</u> <u>MARKET VALUE</u>
TOTAL CORPORATE OBLIGATIONS - YANKEE:				<u>\$ 252,561,029.00</u>
TOTAL EQUITY AND FIXED INCOME INVESTMENTS				<u>\$ 1,577,034,193.47</u>

**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Supplemental Pension Fund**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			7,152,404	\$ <u>7,152,404.00</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS:</b>				
CHMRV 1997-A A9	12/15/2008	6.32	2,000,000	\$ 2,040,000.00
CWMBS 1993-E A6	1/25/2024	6.50	2,000,000	2,006,240.00
FNR 1988-13 C	5/25/2018	9.30	361,332	385,494.32
HS 1993-G G6	1/25/2009	6.63	2,000,000	1,996,860.00
PMAC 1994-7 A5	4/25/2024	6.75	2,000,000	1,963,500.00
PRU HOME MTG 1994-14 A2	4/25/2009	6.40	43,941	43,913.39
RFMSI 1994-S1 A19	1/25/2024	6.75	1,598,925	1,574,429.05
RFMSI 1998-S18 A4	8/25/2013	6.50	1,750,150	1,743,587.18
WAMU 01-4 A14	11/20/2029	6.00	2,000,000	1,937,060.00
RTC SERIES 1992-7 A-2D	6/25/2029	8.35	1	-
VA VENDEE MTG TRUST 1992-1 B	9/15/2010	7.75	0	-
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>				<b>\$ <u>13,691,083.94</u></b>
<b>ASSET BACKED SECURITIES:</b>				
CHEMT 1995-3A	4/15/2005	6.23	3,000,000	\$ 3,053,430.00
CROWN HM EQ 1996-1 A4 ABS	8/25/2012	7.15	1,023,723	1,042,990.39
DCMT 1999-6 A	7/17/2007	6.85	3,000,000	3,125,610.00
GREENTREE FIN HM EQ 97D A4 ABS	9/15/2028	6.54	0	-
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$ <u>7,222,030.39</u></b>
<b>CORPORATE OBLIGATIONS:</b>				
AT & T CORP	3/15/2004	5.63	3,000,000	\$ 2,987,160.00
BOMBARDIER CAPITAL LTD	8/15/2004	7.50	3,000,000	3,122,760.00
CIT GROUP HLDGS	2/15/2004	5.50	3,000,000	2,964,390.00
CSW INVTS NT 144A	8/1/2001	6.95	3,000,000	3,002,310.00
DAIMLER-CHRYSLER	5/15/2006	6.40	2,000,000	1,984,100.00
HELLER FINANCIAL INC	11/1/2001	6.50	3,000,000	3,016,470.00
LEHMAN BROTHERS HOLDINGS	4/1/2004	6.63	3,000,000	3,089,940.00
MORGAN STANLEY DEAN WITTER	4/15/2006	6.10	2,000,000	1,996,140.00
NORFOLK SOUTHERN	5/15/2005	8.38	3,000,000	3,221,430.00
PDVSA FIN LTD	2/15/2004	6.45	3,000,000	2,966,370.00
REPSOL INTL FIN	7/15/2005	7.45	2,000,000	2,099,080.00
RITE AID CORP 144A	10/1/2003	6.50	2,500,000	2,337,500.00
ROYAL CARIBBEAN	9/18/2002	7.13	2,500,000	2,498,800.00
SAKS INC	7/15/2004	7.00	3,000,000	2,805,000.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Labor & Industries - Supplemental Pension Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SALOMON SMITH BARNEY HLD	5/15/2003	6.25	3,000,000 \$	3,060,840.00
SPRINT CAPITAL CORP	11/15/2003	5.70	3,000,000	2,993,100.00
UTILICORP UNTIED	7/15/2004	7.00	3,000,000	3,032,190.00
WESTERN RESOURCES INC	8/15/2003	6.25	3,000,000	2,931,780.00
WILLIAMS HLDGS OF DEL	2/1/2006	6.25	2,800,000	2,740,697.00
WORLD.COM INC.	1/15/2006	7.38	2,000,000	2,037,000.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 54,887,057.00</b>
<b>TOTAL EQUITY AND FIXED INCOME INVESTMENTS</b>				<b>\$ 82,952,575.33</b>

## ***PERMANENT FUNDS***

- **Notes to Financial Statements**
- **Statement of Investments**
- **Statement of Changes in Investments**
- **Schedule of Investments**

# Washington State Investment Board

## Permanent Funds

Notes to Financial Statements  
June 30, 2001

### **Note 1: Significant Accounting Policies**

Investments are reported at fair market value, with the exception of short-term investments, which are reported at cost. Purchases and sales of investments are recorded on a trade date basis in accordance with generally accepted accounting principles.

Permanent fund revenues and expenditures are accounted for using the full accrual basis of accounting. Accordingly, revenues are recorded when earned and expenditures are recorded when incurred.

Capital gains and losses from the sale of investments are considered corpus. Accordingly, capital gains are reinvested as part of the principal of the portfolio. However, capital losses are deferred and amortized against future income distributions to beneficiary funds. This process is necessary to meet legal requirements that preclude capital losses from eroding the corpus of the invested funds. In addition, the loss is allocated over the weighted average life of the portfolio in order to alleviate any adverse impact on the current programs supported by these distributions.

Interest earnings, amortization of premiums and discounts, and amortization of deferred capital losses are distributed to beneficiary funds on a monthly basis.

The WSIB reports collateral received under securities lending agreements where the state has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions, including broker commissions paid, are also reported. Additionally, costs associated with securities lending transactions are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

**WASHINGTON STATE INVESTMENT BOARD**  
**PERMANENT FUNDS**  
Statement of Investments (Unaudited)  
June 30, 2001

	<u>AGRICULTURAL</u>	<u>MILLERSYLVANIA PARK TRUST</u>	<u>NORMAL SCHOOL</u>	<u>COMMON SCHOOL</u>	<u>SCIENTIFIC</u>	<u>STATE UNIVERSITY</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
Short Term (Cash)	\$ 2,694,087	\$ 5,151	\$ 4,775,102	\$ 4,271,235	\$ 2,734,659	\$ 382,563	\$ 14,862,797	2.3%
US Government Securities	16,798,397		21,937,352	18,000,860	17,637,203	2,782,007	77,155,819	11.8%
Mortgages and Mortgage Backed Securities	44,818,784		62,313,685	53,410,047	47,512,582	7,124,632	215,179,730	33.0%
Asset Backed Securities	6,247,985		8,098,878	5,254,788	6,604,253	1,050,910	27,256,814	4.2%
Corporate Obligations	65,475,602		93,090,708	74,576,972	70,236,376	10,834,381	314,214,039	48.2%
Equity Index Funds				3,322,990			3,322,990	0.5%
<b>Market Value of Assets</b>	<b>\$ 136,034,855</b>	<b>\$ 5,151</b>	<b>\$ 190,215,725</b>	<b>\$ 158,836,892</b>	<b>\$ 144,725,073</b>	<b>\$ 22,174,493</b>	<b>\$ 651,992,189</b>	<b>100.0%</b>
Accrued Income Receivable	\$ 1,969,837	\$ 17	\$ 2,757,287	\$ 2,157,922	\$ 2,173,299	\$ 313,196	9,371,558	
Accrued Expenses & Distributions to Beneficiary Funds	(870,981)	(17)	(1,228,561)	(1,056,706)	(939,436)	(145,598)	(4,241,301)	
Receivable for Investments Sold	-	-	-	-	-	-	-	
Payable for Investments Purchased	-	-	-	-	-	-	-	
Collateral Held Under Securities Lending Agreements	7,029,369	-	9,486,410	12,830,548	8,888,399	1,333,969	39,568,694	
Obligations Under Securities Lending Agreements	(7,029,369)	-	(9,486,410)	(12,830,548)	(8,888,399)	(1,333,969)	(39,568,694)	
<b>TOTAL VALUE OF FUND, JUNE 30, 2001</b>	<b>\$ 137,133,711</b>	<b>\$ 5,151</b>	<b>\$ 191,744,451</b>	<b>\$ 159,938,107</b>	<b>\$ 145,958,936</b>	<b>\$ 22,342,090</b>	<b>\$ 657,122,446</b>	

See Notes to Financial Statements



**WASHINGTON STATE INVESTMENT BOARD**  
**PERMANENT FUNDS**  
Statement of Changes in Investment (Unaudited)  
Fiscal Year Ended June 30, 2001

	<u>AGRICULTURAL</u>	<u>MILLERSYLVANIA PARK TRUST</u>	<u>NORMAL SCHOOL</u>	<u>COMMON SCHOOL</u>	<u>SCIENTIFIC</u>	<u>STATE UNIVERSITY</u>	<u>TOTAL</u>
<b>Total Value of Fund, June 30, 2000*</b>	\$ 114,702,972	\$ 5,151	\$ 182,122,729	\$ 150,561,597	\$ 136,270,029	\$ 21,156,883	\$ 604,819,361
<b>Contributions</b>	\$ 17,795,672	\$ -	\$ 2,018,092	\$ 3,312,624	\$ 4,878,205	\$ 372,761	\$ 28,377,353
<b>INVESTMENT EARNINGS:</b>							
Interest Earnings	\$ 9,099,096	\$ 297	\$ 14,047,475	\$ 11,921,251	\$ 10,494,360	\$ 1,625,826	\$ 47,188,304
Capital Gains (Note 1 and 2)	267,771		176,236	147,256	90,778	185,666	867,706
Capital Losses (Note 1 and 2)	(9,933)		(5,966)	(40,056)	(19,776)	(6,761)	(82,492)
Market Gains & Losses	4,339,981		6,899,301	5,029,442	4,647,081	629,061	21,544,865
Investment Expenses	(532,041)	(0)	(825,202)	(841,430)	(507,723)	(94,539)	(2,800,935)
WSIB Operating Costs	(10,671)	-	(16,942)	(14,006)	(12,677)	(1,969)	(56,265)
<b>Net Investment Earnings</b>	\$ 13,154,202	\$ 297	\$ 20,274,901	\$ 16,202,457	\$ 14,692,043	\$ 2,337,284	\$ 66,661,183
<b>OTHER CHANGES IN FUND BALANCE:</b>							
Distributions to Beneficiary Funds	\$ (8,519,134)	\$ (297)	\$ (12,671,271)	\$ (10,138,570)	\$ (9,881,340)	\$ (1,524,838)	\$ (42,735,450)
<b>Net Other Changes in Fund Balance</b>	\$ (8,519,134)	\$ (297)	\$ (12,671,271)	\$ (10,138,570)	\$ (9,881,340)	\$ (1,524,838)	\$ (42,735,450)
<b>Total Value of Fund, June 30, 2001*</b>	\$ 137,133,711	\$ 5,151	\$ 191,744,451	\$ 159,938,107	\$ 145,958,936	\$ 22,342,090	\$ 657,122,446

Note (1): Current year net capital losses are deferred and amortized against future income distributions paid to beneficiaries pursuant to state accounting policies.  
Note (2): Current year net capital gains are reinvested as corpus pursuant to state accounting policies.

See Notes to Financial Statements

\*Includes accruals

**WASHINGTON STATE INVESTMENT BOARD**  
**Agricultural Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			2,694,087	\$ <u><u>2,694,087.00</u></u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY BOND	8/15/2019	8.13	900,000	\$ 1,120,644.00
U.S.A. TREASURY NOTE	8/15/2003	11.13	500,000	566,720.00
U.S.A. TREASURY NOTE	11/15/2003	11.88	125,000	145,312.50
U.S.A. TREASURY NOTE	8/15/2005	10.75	1,010,000	1,225,725.90
U.S.A. TREASURY NOTE	5/15/2016	7.25	1,235,000	1,407,702.40
U.S.A. TREASURY NOTE	11/15/2016	7.50	5,000	5,829.70
U.S.A. TREASURY NOTE	8/15/2005	6.50	1,000,000	<u>1,058,440.00</u>
<i>TOTAL US TREASURIES</i>				<u>\$ 5,530,374.50</u>
<b>AGENCIES</b>				
FHLB/GLOBAL SR NT	9/2/2008	5.80	800,000	\$ 791,624.00
FHLMC	4/15/2008	5.75	383,000	380,188.78
FHLMC	12/14/2001	4.75	4,600,000	4,613,662.00
FHLMC	3/15/2011	5.63	1,700,000	1,630,402.00
FNMA	1/15/2030	7.13	1,700,000	1,811,826.00
FNMA MTN	10/28/2002	6.21	2,000,000	<u>2,040,320.00</u>
<i>TOTAL US AGENCIES</i>				<u>\$ 11,268,022.78</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				<u>\$ 16,798,397.28</u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC PC 16-0079	5/1/2009	10.25	19,557	\$ 21,339.96
FHLMC PC 17-0141	9/1/2015	11.00	14,604	16,257.43
FHLMC PC 17-0147	11/1/2015	11.00	3,963	4,472.68
FHLMC PC 17-0186	8/1/2016	9.50	11,328	12,117.60
FHLMC PC 17-0217	3/1/2017	8.00	21,147	21,897.33
FHLMC PC 17-0222	5/1/2017	8.50	6,251	6,641.28
FHLMC SWAP 29-0303	4/1/2017	8.50	1,423	1,511.03
FNMA PL 307056	8/1/2025	7.50	899,012	919,797.62
GNMA GP 90132	5/15/2009	9.00	42,113	45,188.48
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	500,000	534,540.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Agricultural Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>			\$	<u>1,583,763.41</u>
<b>COLLATERTALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6/25/2029	6.50	2,500,000	\$ 2,389,825.00
BOAMS 1999-7 A24	7/25/2029	6.50	2,500,000	2,400,775.00
COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	1,300,000	1,274,039.00
CSFB 1999-1 A6	12/27/2028	6.75	2,750,000	2,674,375.00
CWFC 1993-1 A7	10/25/2023	7.13	1,000,000	1,012,810.00
DLJ CMC 1998-CF2 A1B	10/12/2008	6.24	2,500,000	2,463,939.00
DLJCM 1999-CG2 A1B	6/10/2009	7.30	2,500,000	2,605,693.00
FHG 30 H	7/25/2023	7.50	2,000,000	2,063,120.00
FHLM PC 1055-H	3/15/2021	7.00	676,256	681,328.22
FHLMC 1992 1452 PL	12/15/2007	6.50	2,000,000	2,033,120.00
FHLMC 1998 2052 PL	4/15/2013	6.00	2,000,000	1,935,000.00
FNMA 1993 223 PH	10/25/2022	6.05	1,500,000	1,518,750.00
FNMA 1994 62 PH	11/25/2023	6.90	1,000,000	1,031,870.00
FNMA 1999-16 VB	12/25/2018	6.50	2,600,000	2,511,418.00
GE CAP MTG 1994-10A15	3/25/2024	6.50	173,718	173,554.35
GECMS 1993-17 A11	12/25/2023	6.50	2,500,000	2,464,825.00
GNR 1999-22 VB	11/20/2014	7.00	1,500,000	1,565,145.00
NSCOR 1998-33 A5	1/25/2029	6.25	2,000,000	1,877,500.00
PMAC 1994-7 A5	4/25/2024	6.75	2,750,000	2,699,812.50
PRU HOME 93-51 A14	12/25/2023	6.75	1,500,000	1,489,215.00
RESIDENTIA FD MTG 1994-S10 A4	3/25/2009	6.50	1,900,000	1,923,750.00
RFMSI 1994-S1 A11	1/25/2024	6.75	1,250,000	1,160,537.50
RFMSI 99-S18	8/25/2029	7.00	2,300,000	2,267,639.00
S B M VII 1994-15 A5	6/25/2009	6.50	1,000,000	1,016,980.00
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>			\$	<u>43,235,020.57</u>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>			<b>\$</b>	<b><u>44,818,783.98</u></b>
<b>ASSET BACKED SECURITIES:</b>				
CITIBK CR CARD TR I 98-2 A	1/15/2010	6.05	2,075,000	\$ 2,063,317.75
DCMT 1999-6 A	7/17/2007	6.85	1,700,000	1,771,179.00
MBNAM 1998-J A	2/15/2006	5.25	2,400,000	2,413,488.00
<b>TOTAL ASSET BACKED SECURITIES</b>			<b>\$</b>	<b><u>6,247,984.75</u></b>
<b>CORPORATE OBLIGATIONS:</b>				
ALBERTSONS INC	5/1/2031	8.00	1,000,000	\$ 992,440.00
ALCOA INC	6/1/2011	6.50	1,000,000	993,080.00

**WASHINGTON STATE INVESTMENT BOARD****Agricultural Permanent Fund**

Schedule of Investments - Unaudited

June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
ANR PIPELINE	11/1/2021	9.63	1,000,000 \$	1,165,240.00
ANZ BANKING GROUP	2/1/2004	6.25	1,000,000	1,010,910.00
BANK OF NEW YORK	12/15/2004	8.50	1,000,000	1,093,270.00
BURLINGTON NORTH	8/15/2030	7.95	1,100,000	1,159,741.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	1,000,000	1,071,980.00
CASE CREDIT CORP MTN	3/1/2002	6.15	2,000,000	1,850,000.00
CHESAPEAKE & POTOMAC TEL MD	1/1/2002	4.38	100,000	100,004.00
CIT GROUP HLDGS	2/15/2004	5.50	2,000,000	1,976,260.00
CITIGROUP INC	12/1/2005	6.75	1,200,000	1,242,108.00
CROWN CORK + SEAL INC	12/15/2026	7.38	2,000,000	720,000.00
DAIMLER-CHRYSLER	5/15/2006	6.40	1,000,000	992,050.00
DEUTSCHE TELECOM FIN	6/15/2030	8.25	1,100,000	1,116,005.00
EASTMAN CHEMICAL	1/15/2024	7.25	1,000,000	838,390.00
ENRON CORP	8/1/2009	6.75	2,000,000	1,973,460.00
FLEET BOSTON FINL CORP	9/15/2005	7.25	1,100,000	1,152,052.00
FORD MOTOR COMPANY	7/16/2031	7.45	1,100,000	1,057,023.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	500,000	510,680.00
GOLDMAN SACHS	7/15/2002	6.60	1,850,000	1,878,397.50
GTE HAWAII	2/1/2006	7.00	1,250,000	1,302,050.00
KELLOGG COMPANY	4/1/2031	7.45	1,000,000	986,200.00
KN ENERGY INC	3/1/2008	6.80	2,000,000	2,006,780.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	1,000,000	903,440.00
MORGAN STANLEY DEAN WITTER	4/15/2006	6.10	1,000,000	998,070.00
NEW ENGLAND TEL & TELEG CO	10/1/2006	6.13	505,000	498,556.20
NEW JERSEY BELL TEL CO	12/1/2006	5.88	600,000	595,416.00
NORTHWESTERN BELL TEL CO	9/1/2001	6.00	350,000	350,255.50
OCCIDENTAL PETROLEUM	11/15/2008	7.38	1,000,000	1,033,970.00
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	1,000,000	1,015,490.00
PHILLIPS PETROLEUM	2/15/2011	9.38	1,250,000	1,485,850.00
PLACER DOME INC	6/15/2015	7.75	500,000	444,890.00
PNC FUNDING CORP	6/1/2004	7.75	1,000,000	1,050,150.00
PROGRESSIVE CORP	1/15/2004	6.60	1,000,000	1,005,840.00
ROYAL CARIBBEAN CRUISES	4/1/2005	8.25	1,000,000	995,330.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	1,300,000	1,081,483.00
SAFEWAY INC	3/1/2006	6.15	1,200,000	1,198,344.00
SOCIETY CORP	6/15/2002	8.13	850,000	874,811.50
SOUTHERN UNION GAS	2/1/2024	7.60	1,250,000	1,141,450.00
ST GEORGE BANK LTD	6/18/2007	7.15	2,200,000	2,175,162.00
SWIFT BANK CORP - NY	6/15/2017	7.38	1,750,000	1,822,957.50
TIME WARNER ENTERTAINMENT	9/1/2008	7.25	1,000,000	1,023,930.00
TRANSOCEAN OFFSHORE INC	4/15/2027	8.00	1,000,000	1,054,360.00
UNION PACIFIC CO	5/1/2005	7.60	1,000,000	1,054,430.00
UNION PACIFIC CORP	2/1/2006	6.40	1,500,000	1,512,090.00

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**WASHINGTON STATE INVESTMENT BOARD**

**Agricultural Permanent Fund**

Schedule of Investments - Unaudited

June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
WASTE MANAGEMENT	3/15/2011	7.65	1,000,000	\$ 1,014,230.00
WILLIAMS HLDGS OF DEL	2/1/2006	6.25	1,200,000	1,174,584.00
WORLDCOM INC	5/15/2004	6.50	1,000,000	1,001,600.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b><u>\$ 53,694,810.20</u></b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
APACHE FINANCE CANADA	12/15/2029	7.75	1,100,000	\$ 1,159,180.00
DUETSCHKE BANK FINANCIAL	4/25/2009	7.50	2,000,000	2,107,580.00
MERITA BANK	4/1/2009	6.50	2,000,000	1,951,320.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	800,000	797,128.00
SASKATCHEWAN CDA	7/15/2013	7.38	2,000,000	2,146,600.00
SKANDINAVISKA ENSKILDA 144A	3/29/2049	7.50	2,000,000	1,937,160.00
VODAFONE AIRTOUCH	2/15/2005	7.63	1,600,000	1,681,824.00
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE:</b>				<b><u>\$ 11,780,792.00</u></b>
<b>MARKET VALUE OF ASSETS</b>				<b><u>\$ 136,034,855.21</u></b>

**WASHINGTON STATE INVESTMENT BOARD**  
**Millersylvania Park Trust Fund**  
 Schedule of Investments - Unaudited  
 June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			5,151	\$ <u><u>5,151.03</u></u>
<b>MARKET VALUE OF ASSETS</b>				<b>\$ <u><u>5,151.03</u></u></b>

**WASHINGTON STATE INVESTMENT BOARD**

**Normal School Permanent Fund**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			4,775,102	\$ <u>4,775,102.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY BOND	8/15/2019	8.13	900,000	\$ 1,120,644.00
U.S.A. TREASURY BOND	11/15/2021	8.00	3,750,000	4,671,675.00
U.S.A. TREASURY NOTE	2/15/2003	10.75	835,000	919,017.70
U.S.A. TREASURY NOTE	5/15/2003	10.75	300,000	334,311.00
U.S.A. TREASURY NOTE	11/15/2003	11.88	1,000,000	1,162,500.00
U.S.A. TREASURY NOTE	5/15/2016	7.25	1,425,000	1,624,272.00
U.S.A. TREASURY NOTE	11/15/2016	7.50	480,000	559,651.20
<i>TOTAL US TREASURIES</i>				\$ <u>10,392,070.90</u>
<b>AGENCIES</b>				
FHLB	8/15/2002	6.00	4,500,000	\$ 4,593,510.00
FHLB/GLOBAL SR NT	9/2/2008	5.80	1,300,000	1,286,389.00
FHLMC	12/14/2001	4.75	3,000,000	3,008,910.00
FHLMC MTN	2/27/2006	6.13	2,600,000	2,656,472.00
<i>TOTAL US AGENCIES</i>				\$ <u>11,545,281.00</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				\$ <u>21,937,351.90</u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC PC 16-0079	5/1/2009	10.25	39,115	\$ 42,679.92
FHLMC PC 17-0029	5/1/2010	12.00	8,244	9,351.00
FHLMC PC 17-0147	11/1/2015	11.00	3,963	4,472.68
FHLMC PC 17-0217	3/1/2017	8.00	42,020	43,509.89
FHLMC SWAP 29-1802	4/1/2017	8.50	21,260	22,581.80
FHLMC SWAP 29-9021	8/1/2017	8.50	60,909	64,696.67
FHLMC SWAP 30-3750	4/1/2018	8.50	60,255	63,990.59
FNMA PL 307056	8/1/2025	7.50	2,337,432	2,391,473.65
GNMA SF 27559	8/15/2009	9.50	113,132	123,316.46
GNMA SF 27772	11/15/2009	9.50	109,934	120,343.62
GNMA SF 29026	7/15/2009	9.50	33,607	36,632.01
GNMA SF 30363	9/15/2009	9.50	26,446	28,950.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Normal School Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
GNMA SF 30644	6/15/2009	9.50	28,662 \$	31,052.96
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	2,000,000	2,138,160.00
CASA DE WOODS	1/1/2014	7.00	313,171	232,811.19
FULTON WOODS APTS	2/1/2018	7.50	1,186,982	1,186,981.73
HYDE PARK APTS	4/1/2019	7.50	1,289,666	1,289,665.64
<i>TOTAL PASS THROUGH AND OTHER</i>			<b>\$</b>	<b><u>7,830,669.81</u></b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6/25/2029	6.50	4,160,357 \$	3,977,010.07
BACM 2001-1 A2	4/15/2036	6.50	2,000,000	1,984,100.00
BOAMS 1999-7 A24	7/25/2029	6.50	3,900,000	3,745,209.00
COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	4,000,000	3,920,120.00
DLJ CMC 1998-CF2 A1B	10/12/2008	6.24	4,600,000	4,533,647.76
FHLMC 1994 1429 G	11/15/2007	7.00	1,466,667	1,514,788.34
FHLMC 1998 2046 G	4/15/2028	6.50	3,400,000	3,230,000.00
FHLMC-GNMA93-12 E	3/25/2008	6.00	1,995,021	2,004,995.75
FNMA 1993 223 PH	10/25/2022	6.05	1,500,000	1,518,750.00
FNMA 1999-16 VB	12/25/2018	6.50	5,500,000	5,312,615.00
GE CAP MTG 1994-10A15	3/25/2024	6.50	54,721	54,669.62
GECMS 1993-4F F10 CMO	3/25/2008	7.00	1,796,821	1,791,197.30
GNR 1999-22 VB	11/20/2014	7.00	2,422,000	2,527,187.46
MLMI 1996-C2 A2	11/21/2028	6.82	1,400,000	1,410,445.40
NSCOR 1998-33 A5	1/25/2029	6.25	3,700,000	3,473,375.00
PHMS 1994-29 A5	10/25/2024	7.00	1,470,000	1,497,562.50
PRU HOME 93-51 A14	12/25/2023	6.75	3,500,000	3,474,835.00
RFMSI 1994-S1 A11	1/25/2024	6.75	1,975,000	1,833,649.25
RFMSI 99-S18	8/25/2029	7.00	3,200,000	3,154,976.00
RYMS 1993-4 A8	8/25/2024	7.50	1,300,000	1,337,375.00
S B M VII 1994-15 A5		6.50	2,150,000	2,186,507.00
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>			<b>\$</b>	<b><u>54,483,015.45</u></b>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>			<b>\$</b>	<b><u>62,313,685.26</u></b>
<b>ASSET BACKED SECURITIES:</b>				
CROWN HM EQ 1996-1 A4 ABS	8/25/2012	7.15	1,338,715 \$	1,363,910.51
DCMT 1999-6 A	7/17/2007	6.85	2,700,000	2,813,049.00
MBNAM 1998-J A	2/15/2006	5.25	3,900,000	3,921,918.00
<b>TOTAL ASSET BACKED SECURITIES</b>			<b>\$</b>	<b><u>8,098,877.51</u></b>



**WASHINGTON STATE INVESTMENT BOARD**  
**Normal School Permanent Fund**  
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>CORPORATE OBLIGATIONS:</b>				
AMERICAN STORES	5/15/2005	7.40	1,000,000 \$	1,025,220.00
ANR PIPELINE	2/15/2024	7.38	1,000,000	940,910.00
ANR PIPELINE	11/1/2021	9.63	1,300,000	1,514,812.00
ANZ BANKING GROUP	2/1/2004	6.25	2,000,000	2,021,820.00
BANK OF NEW YORK	12/15/2004	8.50	1,000,000	1,093,270.00
BOEING CAP CORP	9/27/2005	7.10	1,800,000	1,886,742.00
CARGILL INC MTN	6/18/2027	7.41	2,200,000	2,187,504.00
CARNIVAL CORP	4/15/2008	6.15	2,000,000	1,878,360.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	1,800,000	1,929,564.00
CASE CREDIT CORP MTN	3/1/2002	6.15	3,700,000	3,422,500.00
CHASE MANHATTAN CORP	2/15/2002	8.50	1,000,000	1,025,080.00
CHESAPEAKE & POTOMAC TEL MD	6/1/2004	5.88	200,000	200,008.00
CHESAPEAKE & POTOMAC TEL MD	10/1/2008	6.63	775,000	776,333.00
CHICAGO & NWESTN TRANS	7/30/2012	6.25	810,880	834,330.65
CINCINNATI GAS & ELEC	2/15/2004	6.45	1,000,000	1,001,530.00
CITIGROUP INC	12/1/2005	6.75	1,900,000	1,966,671.00
CROWN CORK + SEAL INC	12/15/2026	7.38	2,000,000	720,000.00
CSW INVTS	1/1/2006	7.45	2,500,000	2,509,000.00
EASTMAN CHEMICAL	1/15/2024	7.25	2,000,000	1,676,780.00
FERRO CORP	6/15/2025	8.00	500,000	480,175.00
FIRST CHICAGO	6/15/2002	8.25	1,000,000	1,030,070.00
FORD MOTOR COMPANY	7/16/2031	7.45	1,600,000	1,537,488.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	1,000,000	1,021,360.00
GTE HAWAII	2/1/2006	7.00	2,500,000	2,604,100.00
KELLOGG COMPANY	4/1/2031	7.45	2,000,000	1,972,400.00
KN ENERGY INC	3/1/2008	6.80	2,500,000	2,508,475.00
LEHMAN BROTHERS HOLDING	6/15/2007	8.25	2,000,000	2,169,240.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	2,500,000	2,258,600.00
NEW ENGLAND TEL & TELEG CO	10/1/2006	6.13	700,000	691,068.00
NEW JERSEY BELL TEL CO	12/1/2006	5.88	500,000	496,180.00
OCCIDENTAL PETROLEUM	11/15/2008	7.38	1,000,000	1,033,970.00
PACIFIC TEL & TELEG CO	11/1/2002	6.00	250,000	250,202.50
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	1,500,000	1,523,235.00
PHILLIPS PETROLEUM	2/15/2011	9.38	2,000,000	2,377,360.00
PLACER DOME INC	6/15/2015	7.75	500,000	444,890.00
PNC FUNDING CORP	6/1/2004	7.75	1,500,000	1,575,225.00
PROGRESSIVE CORP	1/15/2004	6.60	2,500,000	2,514,600.00
ROYAL CARIBBEAN CRUISES	4/1/2005	8.25	2,000,000	1,990,660.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	2,000,000	1,663,820.00
SAFWAY INC	3/1/2006	6.15	1,900,000	1,897,378.00
SOUTHERN UNION GAS	2/1/2024	7.60	1,500,000	1,369,740.00
ST GEORGE BANK LTD	6/18/2007	7.15	4,300,000	4,251,453.00

**WASHINGTON STATE INVESTMENT BOARD**  
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June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SWIFT BANK CORP - NY	6/15/2017	7.38	2,500,000	\$ 2,604,225.00
TIME WARNER ENTERTAINMENT	9/1/2008	7.25	2,000,000	2,047,860.00
U S BANCORP	10/15/2005	6.75	2,000,000	2,059,780.00
UNION PACIFIC CO	5/1/2005	7.60	2,800,000	2,952,404.00
UNION PACIFIC CORP	2/1/2006	6.40	750,000	756,045.00
UNION PACIFIC RESOURCES	5/15/2028	7.15	1,000,000	971,970.00
WASTE MANAGEMENT	3/15/2011	7.65	2,525,000	2,560,930.75
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 80,225,338.90</b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
CANADIAN NATIONAL RAILWAY CO	7/15/2028	6.90	1,800,000	\$ 1,666,980.00
DEUTSCHE BANK FINANCIAL	4/25/2009	7.50	3,000,000	3,161,370.00
ENERGY GROUP OVERSEAS BV	10/15/2027	7.55	1,000,000	918,330.00
SASKATCHEWAN CDA	7/15/2013	7.38	3,700,000	3,971,210.00
VODAFONE AIRTOUCH	2/15/2010	7.75	3,000,000	3,147,479.00
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE</b>				<b>\$ 12,865,369.00</b>
<b>MARKET VALUE OF ASSETS</b>				<b>\$ 190,215,724.57</b>

**WASHINGTON STATE INVESTMENT BOARD**  
**Permanent Common School Fund**  
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June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			4,271,235	\$ <u>4,271,235.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY BOND	11/15/2021	8.00	4,750,000	\$ 5,917,455.00
U.S.A. TREASURY NOTE	11/15/2012	10.38	200,000	252,906.00
U.S.A. TREASURY NOTE	11/15/2003	11.88	1,500,000	1,743,750.00
U.S.A. TREASURY NOTE	5/15/2016	7.25	1,500,000	1,709,760.00
U.S.A. TREASURY NOTE	11/15/2016	7.50	1,960,000	2,285,242.40
U.S.A. TREASURY NOTE	8/15/2005	6.50	2,000,000	2,116,880.00
TOTAL US TREASURIES				\$ <u>14,025,993.40</u>
<b>AGENCIES</b>				
FED FARM CREDIT MTN (FFCB)	10/7/2009	6.45	2,450,000	\$ 2,490,572.00
FHLB/GLOBAL SR NT	9/2/2008	5.80	1,500,000	1,484,295.00
TOTAL US AGENCIES				\$ <u>3,974,867.00</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				
				\$ <u>18,000,860.40</u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC PC 16-0040	3/1/2008	8.75	52,704	\$ 55,596.18
FHLMC PC 16-0079	5/1/2009	10.25	39,115	42,679.92
FHLMC PC 17-0003	3/1/2006	8.00	5,031	5,143.80
FHLMC PC 17-0147	11/1/2015	11.00	5,152	5,814.57
FNMA PL 307056	8/1/2025	7.50	431,494	441,470.61
FNMA PL 311991	8/1/2025	7.50	1,249,765	1,278,660.02
FNMA PL 311994	8/1/2025	7.50	680,168	695,893.99
FNMA PL 330130	11/1/2025	7.50	1,278,225	1,307,778.01
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	1,650,000	1,763,982.00
TOTAL PASS THROUGH AND OTHER				\$ <u>5,597,019.10</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6/25/2029	6.50	3,400,000	\$ 3,250,162.00

**WASHINGTON STATE INVESTMENT BOARD**  
**Permanent Common School Fund**  
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
AMAC 1999-6 A7	9/25/2029	7.00	2,000,000 \$	2,018,120.00
AMHPT 1996-2 A5	6/15/2027	6.90	1,200,000	1,234,428.72
BACM 2001-1 A2	4/15/2036	6.50	2,000,000	1,984,100.00
BOAMS 1999-7 A24	7/25/2029	6.50	3,400,000	3,265,054.00
CITRV 1998-A A5	11/15/2013	6.12	1,280,000	1,303,049.34
COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	3,000,000	2,940,090.00
COM MTG ACCEPT CORP 1999-C1 A2	5/15/2009	7.03	2,500,000	2,565,608.00
DLJCM 1999-CG2 A1B	6/10/2009	7.30	2,500,000	2,605,693.00
FHG 20 K	9/25/2023	5.50	1,479,659	1,409,374.80
FHLMC 1994 1727 E	4/15/2018	6.50	91,228	91,084.29
FHLMC/GNMA 1993 24 H	9/25/2022	6.00	3,000,000	3,016,860.00
FNMA 1993 223 PH	10/25/2022	6.05	2,500,000	2,531,250.00
FNMA 1993-163 PK	10/25/2021	6.25	3,000,000	3,037,500.00
FNMA 1994 62 PH	11/25/2023	6.90	2,000,000	2,063,740.00
FNMA 1999-16 VB	12/25/2018	6.50	4,500,000	4,346,685.00
FNMA REMIC 1991-100 CL M	8/25/2021	7.00	632,489	642,368.79
GE CAP MTG 1994-10A15	3/25/2024	6.50	217,147	216,942.92
NSCOR 1998-33 A5	1/25/2029	6.25	3,000,000	2,816,250.00
PRU HOME 93-51 A14	12/25/2023	6.75	3,000,000	2,978,430.00
RFMSI 1994-S1 A11	1/25/2024	6.75	1,575,000	1,462,277.25
S B M VII 1994-15 A5	6/25/2009	6.50	2,000,000	2,033,960.00
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>				<b>\$ 47,813,028.11</b>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$ 53,410,047.21</b>
<b>ASSET BACKED SECURITIES:</b>				
GREEN TREE FIN CORP 97-1 A5	3/15/2028	6.86	1,996,260 \$	2,036,803.65
MBNAM 1998-J A	2/15/2006	5.25	3,200,000	3,217,984.00
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$ 5,254,787.65</b>
<b>CORPORATE OBLIGATIONS:</b>				
AMERICAN STORES	5/15/2005	7.40	1,000,000 \$	1,025,220.00
ANR PIPELINE	11/1/2021	9.63	1,500,000	1,747,860.00
BANK OF NEW YORK	12/15/2004	8.50	1,250,000	1,366,587.50
BNI	7/15/2011	6.75	1,500,000	1,472,640.00
BOEING CAP CORP	9/27/2010	7.38	1,840,000	1,950,289.60
CARTER HOLT HARVEY LTD	12/1/2004	8.88	1,000,000	1,071,980.00
CASE CORPORATION	10/21/2007	6.75	2,000,000	1,580,000.00
CASE CREDIT CORP MTN	3/1/2002	6.15	1,500,000	1,387,500.00

**WASHINGTON STATE INVESTMENT BOARD**  
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CHESAPEAKE & POTOMAC TEL MD	6/1/2004	5.88	609,000 \$	609,024.36
CHICAGO & N WESTN TRANS	7/30/2012	6.25	810,880	834,330.65
CROWN CORK + SEAL INC	12/15/2026	7.38	2,400,000	864,000.00
CSW INVTS	1/1/2006	7.45	1,300,000	1,304,680.00
EASTMAN CHEMICAL	1/15/2024	7.25	2,350,000	1,970,216.50
FERRO CORP	6/15/2025	8.00	500,000	480,175.00
FIRST CHICAGO	6/15/2002	8.25	2,500,000	2,575,175.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	1,000,000	1,021,360.00
GOLDMAN SACHS	7/15/2002	6.60	3,500,000	3,553,725.00
HOUSEHOLD FINANCE CORP	1/15/2003	7.63	2,000,000	2,078,660.00
INDIANA BELL TEL INC	6/1/2003	4.38	300,000	293,769.00
KN ENERGY INC	3/1/2008	6.80	2,500,000	2,508,475.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	1,750,000	1,581,020.00
MOUNTAIN STS TEL & TELEG CO	6/1/2005	5.50	1,190,000	1,149,444.80
NEW ENGLAND TEL & TELEG CO	10/1/2006	6.13	525,000	518,301.00
NEW JERSEY BELL TEL CO	12/1/2006	5.88	1,365,000	1,354,571.40
NORTHWESTERN BELL TEL CO	9/1/2001	6.00	1,000,000	1,000,730.00
OCCIDENTAL PETROLEUM	11/15/2008	7.38	4,600,000	4,756,262.00
PACIFIC TEL & TELEG CO	7/1/2003	6.50	400,000	400,452.00
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	1,500,000	1,523,235.00
PHILLIPS PETROLEUM	2/15/2011	9.38	2,000,000	2,377,360.00
PLACER DOME INC	6/15/2015	7.75	500,000	444,890.00
PNC FUNDING CORP	6/1/2004	7.75	1,000,000	1,050,150.00
PROGRESSIVE CORP	1/15/2004	6.60	2,250,000	2,263,140.00
RITE AID CORP	1/15/2007	7.13	2,150,000	1,773,750.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	1,100,000	915,101.00
SOUTHERN UNION GAS	2/1/2024	7.60	1,000,000	913,160.00
ST GEORGE BANK LTD	6/18/2007	7.15	3,700,000	3,658,227.00
SWIFT BANK CORP - NY	6/15/2017	7.38	1,000,000	1,041,690.00
TIME WARNER ENTERTAINMENT	9/1/2008	7.25	1,000,000	1,023,930.00
UNION PACIFIC CORP	2/1/2006	6.40	1,000,000	1,008,060.00
UNION PACIFIC RESOURCES	5/15/2028	7.15	4,750,000	4,616,857.50
UTILICORP UNTIED	7/15/2004	7.00	3,000,000	3,032,190.00
WASTE MANAGEMENT	3/15/2011	7.65	1,000,000	1,014,230.00
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 67,112,419.31</b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
NORSK HYDRO A/S	7/15/2014	9.13	1,000,000 \$	1,136,670.00
NOVA SCOTIA PROV CDA	5/1/2021	9.13	1,500,000	1,873,845.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	700,000	697,487.00
SASKATCHEWAN CDA	7/15/2013	7.38	3,500,000	3,756,550.00

**WASHINGTON STATE INVESTMENT BOARD**  
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE:</b>				<b><u>\$ 7,464,552.00</u></b>
<b>EQUITY INDEX FUND:</b>				
BGI US EQUITY MKT FUND B			313,756	<b><u>\$ 3,322,990.00</u></b>
<b>MARKET VALUE OF ASSETS</b>				<b><u>\$ 158,836,891.57</u></b>

**WASHINGTON STATE INVESTMENT BOARD**  
**Scientific Permanent Fund**  
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June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			2,734,659	\$ <u><u>2,734,659.00</u></u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY BOND	8/15/2019	8.13	1,750,000	\$ 2,179,030.00
U.S.A. TREASURY NOTE	11/15/2012	10.38	800,000	1,011,624.00
U.S.A. TREASURY NOTE	2/15/2003	10.75	300,000	330,186.00
U.S.A. TREASURY NOTE	11/15/2016	7.50	425,000	495,524.50
U.S.A. TREASURY NOTE	8/15/2005	6.50	4,000,000	4,233,760.00
<i>TOTAL US TREASURIES</i>				\$ <u><u>8,250,124.50</u></u>
<b>AGENCIES</b>				
FHLB/GLOBAL SR NT	9/2/2008	5.80	1,500,000	\$ 1,484,295.00
FHLMC	10/6/2004	6.24	2,900,000	2,992,423.00
FHLMC	3/15/2009	5.75	1,700,000	1,671,304.00
FNMA	11/15/2030	6.63	1,000,000	1,004,530.00
FNMA MTN	8/7/2001	6.69	2,230,000	2,234,526.90
<i>TOTAL US AGENCIES</i>				\$ <u><u>9,387,078.90</u></u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				
				\$ <u><u>17,637,203.40</u></u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC PC 17-0141	9/1/2015	11.00	25,557	\$ 28,450.56
FHLMC PC 17-0147	11/1/2015	11.00	1,031	1,163.06
FHLMC PC 17-0217	3/1/2017	8.00	39,678	41,084.76
FNMA PL 311991	8/1/2025	7.50	178,060	182,176.73
FNMA PL 311994	8/1/2025	7.50	365,614	374,066.80
FNMA PL 312210	7/1/2025	7.50	240,447	246,006.57
FNMA PL 315470	7/1/2025	7.50	840,450	859,880.85
FNMA PL 319490	8/1/2025	7.50	155,759	159,360.09
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	750,000	801,810.00
BITTERROOT MANOR	1/1/2019	7.50	977,071	977,071.20
SKY PARK APTS	2/1/2018	7.50	909,682	909,681.97
<i>TOTAL PASS THROUGH AND OTHER</i>				\$ <u><u>4,580,752.59</u></u>

**WASHINGTON STATE INVESTMENT BOARD**  
**Scientific Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6/25/2029	6.50	3,000,000 \$	2,867,790.00
BOAMS 1999-7 A24	7/25/2029	6.50	3,000,000	2,880,930.00
COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	3,000,000	2,940,090.00
DLJ CMC 1998-CF2 A1B	10/12/2008	6.24	3,400,000	3,350,957.04
DLJCM 1999-CG2 A1B	6/10/2009	7.30	1,200,000	1,250,732.64
FHG 30 H	7/25/2023	7.50	2,500,000	2,578,900.00
FHLMC 1992 1452 PL	12/15/2007	6.50	3,500,000	3,557,960.00
FHLMC-GNMA93-12 E	3/25/2008	6.00	897,759	902,248.26
FNMA 1993 223 PH	10/25/2022	6.05	1,000,000	1,012,500.00
FNMA 1999-16 VB	12/25/2018	6.50	2,800,000	2,704,604.00
GE CAP MTG 1994-10A15	3/25/2024	6.50	108,573	108,471.43
GNMA 1998-11 VB	2/20/2011	6.50	3,500,000	3,516,380.00
GNR 1999-22 VB	11/20/2014	7.00	1,700,000	1,773,831.00
HS 1993-G G6	1/25/2009	6.63	1,000,000	998,430.00
NSCOR 1998-33 A5	1/25/2029	6.25	3,000,000	2,816,250.00
PRU HOME 93-51 A14	12/25/2023	6.75	2,500,000	2,482,025.00
RESIDENTIA FD MTG 1994-S10 A4	3/25/2009	6.50	2,530,000	2,561,625.00
RFMSI 1994-S1 A11	1/25/2024	6.75	1,500,000	1,392,645.00
RFMSI 1999-S4 A3	2/25/2029	6.50	1,200,000	1,146,000.00
RYMS 1993-4 A8	8/25/2024	7.50	1,000,000	1,028,750.00
S B M VII 1994-15 A5	6/25/2009	6.50	1,043,000	1,060,710.14
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>			<b>\$</b>	<b>42,931,829.51</b>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>			<b>\$</b>	<b>47,512,582.10</b>
<b>ASSET BACKED SECURITIES:</b>				
CITRV 1999-A A4	6/15/2013	6.16	1,700,000 \$	1,704,777.00
DCMT 1999-6 A	7/17/2007	6.85	2,000,000	2,083,740.00
MBNAM 1998-J A	2/15/2006	5.25	2,800,000	2,815,736.00
<b>TOTAL ASSET BACKED SECURITIES</b>			<b>\$</b>	<b>6,604,253.00</b>
<b>CORPORATE OBLIGATIONS:</b>				
ALBERTSON'S INC	8/1/2004	6.55	3,000,000 \$	3,031,230.00
ANR PIPELINE	2/15/2024	7.38	1,000,000	940,910.00
ANR PIPELINE	11/1/2021	9.63	1,000,000	1,165,240.00
BANK OF NEW YORK	12/15/2004	8.50	1,000,000	1,093,270.00
BOEING CAP CORP	9/27/2005	7.10	1,000,000	1,048,190.00



**WASHINGTON STATE INVESTMENT BOARD****Scientific Permanent Fund**

Schedule of Investments - Unaudited

June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CARTER HOLT HARVEY LTD	12/1/2004	8.88	1,000,000 \$	1,071,980.00
CASE CORPORATION	10/21/2007	6.75	1,500,000	1,185,000.00
CASE CREDIT CORP MTN	3/1/2002	6.15	2,800,000	2,590,000.00
CHESAPEAKE & POTOMAC TEL MD	10/1/2008	6.63	500,000	500,860.00
CHICAGO & NWESTN TRANS	7/30/2012	6.25	810,880	834,330.65
CINCINNATI GAS & ELEC	2/15/2004	6.45	1,000,000	1,001,530.00
CITIGROUP INC	12/1/2005	6.75	1,400,000	1,449,126.00
CROWN CORK + SEAL INC	12/15/2026	7.38	3,200,000	1,152,000.00
CSW INVTs	1/1/2006	7.45	1,200,000	1,204,320.00
DEUTSCHE TELECOM FIN	6/15/2030	8.25	1,000,000	1,014,550.00
EASTMAN CHEMICAL	1/15/2024	7.25	1,500,000	1,257,585.00
FERRO CORP	6/15/2025	8.00	1,000,000	960,350.00
FIRST CHICAGO	6/15/2002	8.25	1,000,000	1,030,070.00
FLEET BOSTON FINL CORP	9/15/2005	7.25	1,400,000	1,466,248.00
FORD MOTOR COMPANY	7/16/2031	7.45	1,000,000	960,930.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	400,000	408,544.00
GOLDMAN SACHS	7/15/2002	6.60	2,300,000	2,335,305.00
GTE HAWAII	2/1/2006	7.00	1,600,000	1,666,624.00
ILLINOIS BELL TEL CO	7/1/2003	4.38	250,000	243,687.50
KN ENERGY INC	3/1/2008	6.80	1,900,000	1,906,441.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	1,000,000	903,440.00
NEW ENGLAND TEL & TELEG CO	10/1/2006	6.13	600,000	592,344.00
NEW JERSEY BELL TEL CO	12/1/2006	5.88	1,100,000	1,091,596.00
NORTHWESTERN BELL TEL CO	9/1/2001	6.00	70,000	70,051.10
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	1,300,000	1,320,137.00
PHILLIPS PETROLEUM	2/15/2011	9.38	2,000,000	2,377,360.00
PLACER DOME INC	6/15/2015	7.75	1,250,000	1,112,225.00
PNC FUNDING CORP	6/1/2004	7.75	1,000,000	1,050,150.00
PROGRESSIVE CORP	1/15/2004	6.60	1,000,000	1,005,840.00
ROYAL CARIBBEAN CRUISES	4/1/2005	8.25	1,000,000	995,330.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	2,300,000	1,913,393.00
SAFEWAY INC	11/15/2008	6.50	2,700,000	2,668,032.00
SOUTHERN UNION GAS	2/1/2024	7.60	1,000,000	913,160.00
ST GEORGE BANK LTD	6/18/2007	7.15	3,000,000	2,966,130.00
SWIFT BANK CORP - NY	6/15/2017	7.38	2,000,000	2,083,380.00
TIME WARNER ENTERTAINMENT	9/1/2008	7.25	900,000	921,537.00
U S BANCORP	10/15/2005	6.75	1,500,000	1,544,835.00
UNION PACIFIC CO	5/1/2005	7.60	2,000,000	2,108,860.00
UNION PACIFIC CORP	2/1/2006	6.40	1,250,000	1,260,075.00
WASTE MANAGEMENT	3/15/2011	7.65	1,500,000	1,521,345.00
WILLIAMS COMPANIES, INC.	8/1/2006	6.50	1,300,000	1,285,232.00

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**WASHINGTON STATE INVESTMENT BOARD**  
**Scientific Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ <u>61,222,773.25</u></b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
ENERGY GROUP OVERSEAS BV	10/15/2027	7.55	1,000,000	\$ 918,330.00
NORSK HYDRO A/S	7/15/2014	9.13	1,000,000	1,136,670.00
NOVA SCOTIA PROV CDA	5/1/2021	9.13	1,400,000	1,748,922.00
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	1,600,000	1,594,256.00
SASKATCHEWAN CDA	7/15/2013	7.38	2,000,000	2,146,600.00
VODAFONE AIRTOUCH	2/15/2010	7.75	1,400,000	1,468,824.00
<b>TOTAL CORPORATE OBLIGATIONS - YANKEE</b>				<b>\$ <u>9,013,602.00</u></b>
<b>MARKET VALUE OF ASSETS</b>				<b>\$ <u>144,725,072.75</u></b>

**WASHINGTON STATE INVESTMENT BOARD**  
**State University Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>SHORT - TERM INVESTMENT FUND:</b>				
PROVIDENT TEMPFUND B			382,563	\$ <u>382,563.00</u>
<b>US GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S.A. TREASURY NOTE	11/15/2003	11.88	75,000	\$ 87,187.50
U.S.A. TREASURY NOTE	5/15/2016	7.25	20,000	22,796.80
U.S.A. TREASURY NOTE	11/15/2016	7.50	175,000	204,039.50
U.S.A. TREASURY NOTE	8/15/2005	6.50	750,000	793,830.00
<i>TOTAL US GOVERNMENT TREASURIES</i>				<u>\$ 1,107,853.80</u>
<b>AGENCIES</b>				
FFCB	2/3/2003	5.00	300,000	\$ 301,734.00
FHLB/GLOBAL SR NT	9/2/2008	5.80	300,000	296,859.00
FHLM	2/13/2015	7.38	380,000	408,260.60
FHLMC	1/15/2006	5.25	300,000	296,625.00
TENN VAL AUTH	12/15/2017	6.25	380,000	370,674.80
<i>TOTAL US AGENCIES</i>				<u>\$ 1,674,153.40</u>
<b>TOTAL US GOVERNMENT SECURITIES</b>				<u>\$ 2,782,007.20</u>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC GIANT SWAP 30-4272	6/1/2018	8.50	10,081	\$ 10,707.82
FNMA PL 315470	7/1/2025	7.50	205,892	210,651.89
FNMA PL 330130	11/1/2025	7.50	255,344	261,247.62
BEVERLY FINANCE CORP 144A	7/15/2004	8.36	100,000	106,908.00
<i>TOTAL PASS THROUGH AND OTHER</i>				<u>\$ 589,515.33</u>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6/25/2029	6.50	400,000	\$ 382,372.00
BAFC 2000-1 1A12	11/20/2032	6.75	200,000	194,062.00
COM MTG ACCEPT CORP 1998-C2 A3	9/15/2030	6.04	300,000	294,009.00
COM MTG ACCEPT CORP 1999-C1 A2	5/15/2009	7.03	200,000	205,248.64
DLJCM 1999-CG3 A1B	9/10/2009	7.34	250,000	261,054.92
FHG 30 H	7/25/2023	7.50	300,000	309,468.00

**WASHINGTON STATE INVESTMENT BOARD**  
**State University Permanent Fund**  
Schedule of Investments - Unaudited  
June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLM PC GTD	5/25/2022	7.00	300,000 \$	306,843.00
FHLMC 1993 1637 GA	6/15/2023	5.80	252,181	253,204.85
FHLMC 1998 2052 PL	4/15/2013	6.00	350,000	338,625.00
FHLMC 1999 2113 VB	11/15/2015	6.00	421,000	398,897.50
FHR 2280 VB	8/15/2017	6.00	200,000	190,250.00
FNMA 1993 223 PH	10/25/2022	6.05	281,000	284,512.50
FNMA 1993-163 PK	10/25/2021	6.25	400,000	405,000.00
FNMA 1994 62 PH	11/25/2023	6.90	254,000	262,094.98
FNMA 1998 47 PC	12/18/2021	6.25	440,000	447,972.80
FNMA 1999-16 VB	12/25/2018	6.50	100,000	96,593.00
GE CAP MTG 1994-10A15	3/25/2024	6.50	21,715	21,694.29
GECMS 1993-4F F10 CMO	3/25/2008	7.00	200,506	199,878.86
MSC 1999 FNV1 A2	3/15/2032	6.53	400,000	400,463.44
NSCOR 1998-33 A5	1/25/2029	6.25	300,000	281,625.00
PHMS 1993-47 A5	12/25/2023	6.75	200,000	202,000.00
PRU HOME 93-51 A14	12/25/2023	6.75	250,000	248,202.50
RFMSI 1994-S1 A11	1/25/2024	6.75	200,000	185,686.00
RFMSI 1998-S18 A4	8/25/2013	6.50	175,015	174,358.73
RFMSI 1999-S4 A3	2/25/2029	6.50	200,000	191,000.00
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 6,535,117.01</u>
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<u><b>\$ 7,124,632.34</b></u>
<b>ASSET BACKED SECURITIES:</b>				
CIT RV TRUST 97-A A7 ABS	8/15/2013	6.40	300,000 \$	292,859.97
GREEN TREE FIN CORP 97-1 A5	3/15/2028	6.86	299,439	305,520.56
MBNAM 1998-J A	2/15/2006	5.25	450,000	452,529.00
<b>TOTAL ASSET BACKED SECURITIES</b>				<u><b>\$ 1,050,909.53</b></u>
<b>CORPORATE OBLIGATIONS:</b>				
ANR PIPELINE	11/1/2021	9.63	200,000 \$	233,048.00
BANK OF NEW YORK	12/15/2004	8.50	250,000	273,317.50
BOEING CAP CORP	9/27/2005	7.10	200,000	209,638.00
BURLINGTON NORTH	8/15/2030	7.95	200,000	210,862.00
CARTER HOLT HARVEY LTD	12/1/2004	8.88	200,000	214,396.00
CASE CREDIT CORP MTN	3/1/2002	6.15	300,000	277,500.00
CHICAGO & NWESTN TRANS	7/30/2012	6.25	243,264	250,299.22
DR INVESTMENTS 144A	5/15/2002	7.10	300,000	305,310.00
EASTMAN CHEMICAL	1/15/2024	7.25	150,000	125,758.50

**WASHINGTON STATE INVESTMENT BOARD**  
**State University Permanent Fund**  
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June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FORD MOTOR COMPANY	7/16/2031	7.45	400,000 \$	384,372.00
FORD MOTOR CREDIT CORP	2/15/2002	8.20	100,000	102,136.00
GENERAL ELEC CREDIT CORP	11/1/2001	5.50	400,000	400,448.00
GOLDMAN SACHS	7/15/2002	6.60	350,000	355,372.50
GTE HAWAII	2/1/2006	7.00	250,000	260,410.00
KN ENERGY INC	3/1/2008	6.80	300,000	301,017.00
LOCKHEED MARTIN CORP	12/1/2029	8.50	200,000	220,894.00
MCI COMMUNICATIONS CORP	3/23/2025	7.75	250,000	225,860.00
NORTHWESTERN BELL TEL CO	9/1/2001	6.00	80,000	80,058.40
OCCIDENTAL PETROLEUM	11/15/2008	7.38	400,000	413,588.00
PANHANDLE EASTERN PIPELINE	8/15/2004	7.88	100,000	101,549.00
PHILLIPS PETROLEUM	2/15/2011	9.38	250,000	297,170.00
PLACER DOME INC	6/15/2015	7.75	250,000	222,445.00
PNC FUNDING CORP	6/1/2004	7.75	250,000	262,537.50
PROGRESSIVE CORP	1/15/2004	6.60	250,000	251,460.00
R AND B FALCON CORP	4/15/2008	6.95	200,000	202,178.00
RITE-AID CORP 144A	12/15/2008	6.13	200,000	147,000.00
ROHM & HAAS CO 144A	7/15/2004	6.95	400,000	412,964.00
SAFECO CAPITAL TRUST I	7/15/2037	8.07	200,000	166,382.00
SAFEWAY INC	11/15/2008	6.50	300,000	296,448.00
SOCIETY CORP	6/15/2002	8.13	150,000	154,378.50
SOUTHERN UNION GAS	2/1/2024	7.60	150,000	136,974.00
ST GEORGE BANK LTD	6/18/2007	7.15	400,000	395,484.00
SWIFT BANK CORP - NY	6/15/2017	7.38	250,000	260,422.50
TIME WARNER ENTERTAINMENT	9/1/2008	7.25	100,000	102,393.00
U S BANCORP	10/15/2005	6.75	300,000	308,967.00
UNION PACIFIC CO	5/1/2005	7.60	200,000	210,886.00
UNION PACIFIC CORP	2/1/2006	6.40	200,000	201,612.00
UNION PACIFIC RESOURCES	5/15/2028	7.15	250,000	242,992.50
WEYERHAEUSER CO	1/15/2025	8.50	175,000	186,623.50
<b>TOTAL CORPORATE OBLIGATIONS</b>				<b>\$ 9,405,151.62</b>
<b>CORPORATE OBLIGATIONS - YANKEE:</b>				
APACHE FINANCE CANADA	12/15/2029	7.75	200,000 \$	210,760.00
CROWN CORK + SEAL FIN SA	12/15/2003	6.75	400,000	172,000.00
MONTREAL CITY OF	11/1/2004	5.00	13,000	12,633.53
NORSK HYDRO A/S	7/15/2014	9.13	180,000	204,600.60
POTASH CORP SASKATCHEWAN CDA	6/15/2007	7.13	300,000	298,923.00
SASKATCHEWAN CDA	7/15/2013	7.38	300,000	321,990.00
VODAFONE AIRTOUCH	2/15/2030	7.88	200,000	208,322.00

**WASHINGTON STATE INVESTMENT BOARD**  
**State University Permanent Fund**  
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June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
TOTAL CORPORATE OBLIGATIONS - YANKEE				\$ <u>1,429,229.13</u>
MARKET VALUE OF ASSETS				\$ <u>22,174,492.82</u>

## ***OTHER TRUST FUNDS***

- **Developmental Disabilities Endowment Trust Fund**
- **Emergency Reserve Fund**
- **Game and Special Wildlife Fund**
- **Guaranteed Education Fund**
- **Radiation Perpetual Maintenance Fund**
- **Reclamation Revolving Fund**
- **State Employees' Insurance Reserve**

**WASHINGTON STATE INVESTMENT BOARD**

**Other Funds**

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>ADVANCE COLLEGE TUITION FUND:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT TEMPFUND B			5,083,148 \$	5,083,148.00
<b>US GOVERNMENT TREASURIES</b>				
TREASURY INFLATION IX N/B	1/15/2008	3.63	12,590,660	12,877,852.95
TREASURY INFLATION IX N/B	1/15/2009	3.88	12,942,240	13,366,874.89
TREASURY INFLATION IX N/B	1/15/2010	4.25	7,359,100	7,784,529.57
TREASURY INFLATION IX N/B	1/15/2011	3.50	2,032,540	2,040,162.03
<b>EQUITY INDEX FUNDS</b>				
BGI US EQUITY MKT FUND B			1,967,223	20,834,880.00
STATE STREET MSCI EAFE INDEX			117,500	10,263,540.00
<b>TOTAL ADVANCE COLLEGE TUITION FUND</b>				<b>\$ 72,250,987.44</b>
<b>DEVELOPMENTAL DISABILITIES ENDOWMENT TRUST</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT TEMPFUND B			1,364,384 \$	1,364,384.00
<b>US GOVERNMENT TREASURIES</b>				
TSY INFL IX N/B	1/15/2011	3.50	2,032,540	2,040,162.02
<b>COMMINGLED BALANCED TRUST</b>				
INTERMEDIATE BOND POOL			114,053	1,261,479.00
<b>EQUITY INDEX FUNDS</b>				
BGI US EQUITY MKT FUND B			77,057	816,114.00
<b>TOTAL DEVELOPMENTAL DISABILITIES ENDOWMENT</b>				<b>\$ 5,482,139.02</b>
<b>EMERGENCY RESERVE FUND:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT T FUND			326,603,400 \$	326,603,400.00
<b>US GOVERNMENT AGENCIES</b>				
PHLB	8/13/2001	5.50	50,000,000	50,054,500.00
PHLMC	12/14/2001	4.75	50,000,000	50,148,500.00
FNMA	10/15/2001	4.63	50,000,000	50,070,500.00



**WASHINGTON STATE INVESTMENT BOARD**

**Other Funds**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<b>TOTAL EMERGENCY RESERVE FUND</b>				<b><u>\$ 476,876,900.00</u></b>
<b>GAME AND SPECIAL WILDLIFE FUND:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT T FUND			11,323,467	<b><u>\$ 11,323,467.00</u></b>
<b>STATE EMPLOYEES INSURANCE RESERVE:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT T FUND			37,333,682	<b><u>\$ 37,333,682.00</u></b>
<b>RADIATION PERPETUAL MAINTENANCE FUND:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT T FUND			267,874	<b><u>\$ 267,874.00</u></b>
<b>RECLAMATION REVOLVING FUND:</b>				
<b>SHORT - TERM INVESTMENT FUND</b>				
PROVIDENT T FUND			597,590	<b><u>\$ 597,590.00</u></b>
<b>MUNICIPAL BONDS</b>				
CHELAN CO, ENTIAT IRR DISTRI	1/1/2007	5.00	9,000	9,017.73
CHELAN CO, ENTIAT IRR DISTRI	1/1/2002	5.00	7,000	7,059.15
CHELAN CO, ENTIAT IRR DISTRI	1/1/2003	5.00	7,000	7,041.65
CHELAN CO, ENTIAT IRR DISTRI	1/1/2004	5.00	7,000	7,032.55
CHELAN CO, ENTIAT IRR DISTRI	1/1/2005	5.00	8,000	8,028.48
CHELAN CO, ENTIAT IRR DISTRI	1/1/2006	5.00	8,000	8,021.76
CHELAN CO, ENTIAT IRR DISTRI	1/1/2008	5.00	9,000	9,011.07
CHELAN CO, ENTIAT IRR DISTRI	1/1/2009	5.00	10,000	10,005.90
CHELAN CO, ENTIAT IRR DISTRI	1/1/2010	5.00	10,000	10,000.00
CHELAN CO, ENTIAT IRR DISTRI	1/1/2011	5.00	11,000	10,917.94

**WASHINGTON STATE INVESTMENT BOARD**

**Other Funds**

Schedule of Investments - Unaudited

June 30, 2001

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CHELAN CO, ENTIAT IRR DISTRI	1/1/2012	5.00	11,000 \$	10,771.42
CHELAN CO, ENTIAT IRR DISTRI	1/1/2013	5.00	12,000	11,632.56
CHELAN CO, LOWER SQUILCHUCK	1/1/2010	4.00	25,000	22,622.00
CHELAN CO, LOWER STEMILT IRR	1/1/2003	6.25	8,000	8,603.36
CHELAN CO, LOWER STEMILT IRR	1/1/2002	6.25	8,000	8,083.20
CHELAN CO, LOWER STEMILT IRR	1/1/2004	6.25	9,000	9,082.35
CHELAN CO, LOWER STEMILT IRR	1/1/2005	6.25	9,000	9,073.35
CHELAN CO, LOWER STEMILT IRR	1/1/2006	6.25	9,000	9,068.85
CHELAN CO, LOWER STEMILT IRR	1/1/2007	6.25	10,000	10,071.50
CHELAN CO, LOWER STEMILT IRR	1/1/2008	6.25	10,000	10,066.60
CHELAN CO, LOWER STEMILT IRR	1/1/2009	6.25	11,000	11,067.76
CHELAN CO, LOWER STEMILT IRR	1/1/2010	6.25	11,000	11,063.91
CHELAN CO, LOWER STEMILT IRR	1/1/2011	6.25	12,000	12,062.64
KLICKITAT CO, N DALLES IRR D	1/1/2002	3.00	2,000	1,841.22
KLICKITAT CO, WHITE SALMON I	1/1/2002	3.00	2,000	1,981.54
OKANOGAN CO, AENEAS LAKE IRR	1/1/2002	5.00	12,000	12,016.32
OKANOGAN CO, AENEAS LAKE IRR	1/1/2003	5.00	12,000	12,011.16
OKANOGAN CO, AENEAS LAKE IRR	1/1/2004	5.00	12,000	12,008.52
OKANOGAN CO, AENEAS LAKE IRR	1/1/2005	5.00	12,000	12,006.24
OKANOGAN CO, AENEAS LAKE IRR	1/1/2006	5.00	12,000	12,004.56
OKANOGAN CO, AENEAS LAKE IRR	1/1/2007	5.00	12,000	12,003.00
OKANOGAN CO, AENEAS LAKE IRR	1/1/2008	5.00	12,000	12,001.56
OKANOGAN CO, AENEAS LAKE IRR	1/1/2009	5.00	12,000	12,000.24
OKANOGAN CO, AENEAS LAKE IRR	1/1/2010	5.00	12,000	12,000.00
SPOKANE CO, MOAB IRR DISTRIC	7/1/2001	4.00	6,500	6,499.93
SPOKANE CO, MOAB IRR DISTRIC	7/1/2002	4.00	6,500	6,477.83
SPOKANE CO, MOAB IRR DISTRIC	7/1/2003	4.00	7,000	6,929.58
SPOKANE CO, MOAB IRR DISTRIC	7/1/2004	4.00	7,500	7,379.10
SPOKANE CO, MOAB IRR DISTRIC	7/1/2005	4.00	7,500	7,273.05
SPOKANE CO, MOAB IRR DISTRIC	7/1/2006	4.00	8,000	7,670.08
SPOKANE CO, MOAB IRR DISTRIC	7/1/2007	4.00	8,000	6,582.80
SPOKANE CO, MOAB IRR DISTRIC	7/1/2008	4.00	8,500	7,935.94
SPOKANE CO, MOAB IRR DISTRIC	1/1/2009	4.00	7,000	5,496.61
SPOKANE CO, MOAB IRR DISTRIC	7/1/2001	4.00	600	559.79
SPOKANE CO, MOAB IRR DISTRIC	7/1/2002	4.00	600	546.59
SPOKANE CO, MOAB IRR DISTRIC	7/1/2003	4.00	600	532.99
SPOKANE CO, MOAB IRR DISTRIC	7/1/2007	4.00	600	568.01
SPOKANE CO, MOAB IRR DISTRIC	7/1/2005	4.00	600	516.40
SPOKANE CO, MOAB IRR DISTRIC	7/1/2006	4.00	600	503.20
SPOKANE CO, MOAB IRR DISTRIC	7/1/2004	4.00	600	521.26
SPOKANE CO, MOAB IRR DISTRIC	7/1/2008	4.00	600	482.38
SPOKANE CO, MOAB IRR DISTRIC	7/1/2009	4.00	600	551.86
SPOKANE CO, MOAB IRR DISTRIC	1/1/2007	4.00	9,000	7,486.00

WASHINGTON STATE INVESTMENT BOARD

Other Funds

Schedule of Investments - Unaudited

June 30, 2001

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OR SHARES</u>	<u>BOOK AND MARKET VALUE</u>
<i>TOTAL MUNICIPAL BONDS</i>				<u>\$ 415,793.49</u>
<b>TOTAL RECLAMATION REVOLVING FUND</b>				<u><b>\$ 1,013,383.49</b></u>

## ***BROKER VOLUME & COMMISSIONS PAID***

➤ **Equity**

➤ **Fixed Income**

**WASHINGTON STATE INVESTMENT BOARD**

**Broker Volume and Equity Commissions Paid**

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
AB ASESORES	493,429	\$ 41,049.89		
ABD SECURITIES	173,400	7,637.00		
ABG	620,400	25,782.96		
ABN AMRO BANK NV	1,578,450	23,431.42		
ABN AMRO E	964,400	7,260.17		
ABN AMRO SECURITIES	10,043,134	312,000.97		
ACCIONES Y VALORES	1,353,115	7,057.40		
AHORRO CORPORATION FINANCIERA	305,464	13,838.47		
ALEX BROWN REALTY INC	58,000	251.51		
ALPHA MGMT	4,482,832	175,786.60		
ALPHA SECURITIES	18,800	746.30		
AMADON CORPORATION	989,600	33,616.38		
ARNHOLD	393,800	4,596.00		
AUERBACH GRAYSON	811,060	26,593.93		
BA SECURITIES INC			4,301,172	
BANC OF AM SEC LLC	143,747	2,951.09	5,982,180	
BANCBOSTON ROBERTSON STEPHENS	1,247,813	4,363.84		
BANCO BILBAO VISCA YA	231,500	9,327.32		
BANCO COMERCIAL	30,600	926.49		
BANCO SANTANDER DE NEGOCIOS	24,500	206.61		
BANK AL JAZIRA	1,250	1,510.91		
BANK AM BELLEVUE ZURICH	30	167.37		
BANK AMERICA			10,426,964	
BANK J. VONTOBEL	53,461	57,781.46		
BANK JULIUS	338,857	62,356.07		
BANK OF AMERICA	335,816	964.04	74,047,793	
BANK OF NEW YORK	71,000	6,612.43		
BANQUE PARIBAS	47,867	8,675.08		
BARCLAYS AMERICAN CORP			8,490,480	
BARCLAYS BANK			165,229,807	
BARCLAYS CAPITAL INC			233,176,982	
BARING SECURITIES	2,697,453	34,048.90		
BARNARD JA	98,300	3,527.56		
BAYER HYPO	9,597	1,130.39		
BBV INTERACTIVOS SVB	54,400	2,920.89		
BBV SECURITIES INC	491,200	20,988.16		
BEAR, STEARNS & CO.	3,066,995	92,564.30	941,066,741	
BERNSTEIN SANFORD	488,290	15,292.95		
BESTINVER S.A. S.V.B.	90,000	4,499.04		
BHF SECURITIES	320,700	7,026.51		
BNP SECURITIES	39,900	2,640.41		
BNY ESI + CO - ALPHA DIVISION	648,889	30,730.45		
BODELL OVERCASH ANDERSON	11,100	555.00		
BRIDGE TRADING CO.	19,700	985.00		
BROCKHOUSE & COOPER	1,032,711	17,924.04		
BROWN (ALEX) & SONS INC.	238,300	11,729.65		

# WASHINGTON STATE INVESTMENT BOARD

## Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
AB ASESORES	493,429	\$ 41,049.89		
ABD SECURITIES	173,400	7,637.00		
ABG	620,400	25,782.96		
ABN AMRO BANK NV	1,578,450	23,431.42		
ABN AMRO E	964,400	7,260.17		
ABN AMRO SECURITIES	10,043,134	312,000.97		
ACCIONES Y VALORES	1,353,115	7,057.40		
AHORRO CORPORATION FINANCIERA	305,464	13,838.47		
ALEX BROWN REALTY INC	58,000	251.51		
ALPHA MGMT	4,482,832	175,786.60		
ALPHA SECURITIES	18,800	746.30		
AMADON CORPORATION	989,600	33,616.38		
ARNHOLD	393,800	4,596.00		
AUERBACH GRAYSON	811,060	26,593.93		
BA SECURITIES INC			4,301,172	
BANC OF AM SEC LLC	143,747	2,951.09	5,982,180	
BANCBOSTON ROBERTSON STEPHENS	1,247,813	4,363.84		
BANCO BILBAO VISCAYA	231,500	9,327.32		
BANCO COMERCIAL	30,600	926.49		
BANCO SANTANDER DE NEGOCIOS	24,500	206.61		
BANK AL JAZIRA	1,250	1,510.91		
BANK AM BELLEVUE ZURICH	30	167.37		
BANK AMERICA			10,426,964	
BANK J. VONTOBEL	53,461	57,781.46		
BANK JULIUS	338,857	62,356.07		
BANK OF AMERICA	335,816	964.04	74,047,793	
BANK OF NEW YORK	71,000	6,612.43		
BANQUE PARIBAS	47,867	8,675.08		
BARCLAYS AMERICAN CORP			8,490,480	
BARCLAYS BANK			165,229,807	
BARCLAYS CAPITAL INC			233,176,982	
BARING SECURITIES	2,697,453	34,048.90		
BARNARD JA	98,300	3,527.56		
BAYER HYPO	9,597	1,130.39		
BBV INTERACTIVOS SVB	54,400	2,920.89		
BBV SECURITIES INC	491,200	20,988.16		
BEAR, STEARNS & CO.	3,066,995	92,564.30	941,066,741	
BERNSTEIN SANFORD	488,290	15,292.95		
BESTINVER S.A. S.V.B.	90,000	4,499.04		
BHF SECURITIES	320,700	7,026.51		
BNP SECURITIES	39,900	2,640.41		
BNY ESI + CO - ALPHA DIVISION	648,889	30,730.45		
BODELL OVERCASH ANDERSON	11,100	555.00		
BRIDGE TRADING CO.	19,700	985.00		
BROCKHOUSE & COOPER	1,032,711	17,924.04		
BROWN (ALEX) & SONS INC.	238,300	11,729.65		

# WASHINGTON STATE INVESTMENT BOARD

## Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
BROWN BROS. HARRIMAN	30,200	\$ 1,812.00		
BSN SCIEDAD DEVALORES	83,775	1,989.88		
BUNTING WARBURG INC	287,800	11,288.68		
BUNTING WARVURGER SEC	534,900	28,724.82		
BURNS FRY & TIMMINS	265,183	12,710.32		
C.S.F.B.	234,697	9,038.87	82,337,947	
CABOTO	1,944,800	19,381.20		
CANADIAN I	485,608	18,249.16		
CANTOR FITZGERALD	613,136	1,508.12		
CAPEL, JAMES	109,340	3,370.66		
CARNEGIE	822,180	60,457.36		
CARNEGIE FONDKOMMISSION	461,300	20,818.51		
CARROLL MCENTEE & MCG	67,600	5,611.58		
CAZENOVE & CO.	1,148,704	12,733.06		
CCF PARIS	13,700	2,565.19		
CHARTERHOUSE TILNEY	624,116	12,966.73		
CHASE BANK			5,905,634	
CHASE MANHATTAN BANK			27,912,500	
CHASE SECURITIES INC			64,607,455	
CHEUVREUX	1,077,831	98,379.92		
CHEVREUX DE VIRIEU	22,600	1,738.87		
CHICAGO CORP	375,000	10,777.20		
CIBC WORL MARKETS CORP	158,490	6,593.83		
CIBC/WOOD GUNDY	148,000	8,846.00		
CITATION GROUP	245,000	12,551.00		
CL GLAZER INC.	3,730,400	9,822.99		
COMMERZBANK AG	1,273,677	54,312.31		
CONCORD SECURITIES GROUP INC	47,500	1,240.29		
COUNTRYWIDE			64,671,468	
COUNTY NATWEST SEC CORP USA	575,900	6,431.63		
COWEN&CO	558,687	6,725.55		
CREDIT AGR	3,590	276.82		
CREDIT LYONNAISE	4,901,223	90,202.72		
CREDIT SUISSE	1,138,339	41,310.49		
CREDIT SUISSE FIRST BOSTON LTD	1,044,022	87,332.33		
CREDITANSTALT BANK	24,967	2,645.01		
CS FIRST BOSTON			210,560,954	
DAEWOO SEC	1,030	938.50		
DAIWA SEC. AMERICA	5,006,100	98,833.89		
DAVY STOCKBROKERS	71,200	1,515.19		
DEN DANSKE	43,600	6,843.89		
DEUTSCHE			99,592,250	
DEUTSCHE BANK AG/LONDON	283,970	32,084.76		
DEUTSCHE BANK CAPITAL	1,588,425	22,319.96		
DEUTSCHE BANK GOVT SEC INC	8,573,529	230,426.34		
DEUTSCHE BANK SECS	9,925,661	155,082.21		

# WASHINGTON STATE INVESTMENT BOARD

## Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
BROWN BROS. HARRIMAN	30,200	\$ 1,812.00		
BSN SCIEDAD DEVALORES	83,775	1,989.88		
BUNTING WARBURG INC	287,800	11,288.68		
BUNTING WARVURGER SEC	534,900	28,724.82		
BURNS FRY & TIMMINS	265,183	12,710.32		
C.S.F.B.	234,697	9,038.87	82,337,947	
CABOTO	1,944,800	19,381.20		
CANADIAN I	485,608	18,249.16		
CANTOR FITZGERALD	613,136	1,508.12		
CAPEL, JAMES	109,340	3,370.66		
CARNEGIE	822,180	60,457.36		
CARNEGIE FONDKOMISSION	461,300	20,818.51		
CARROLL MCENTEE & MCG	67,600	5,611.58		
CAZENOVE & CO.	1,148,704	12,733.06		
CCF PARIS	13,700	2,565.19		
CHARTERHOUSE TILNEY	624,116	12,966.73		
CHASE BANK			5,905,634	
CHASE MANHATTAN BANK			27,912,500	
CHASE SECURITIES INC			64,607,455	
CHEUVREUX	1,077,831	98,379.92		
CHEVREUX DE VIRIEU	22,600	1,738.87		
CHICAGO CORP	375,000	10,777.20		
CIBC WORL MARKETS CORP	158,490	6,593.83		
CIBC/WOOD GUNDY	148,000	8,846.00		
CITATION GROUP	245,000	12,551.00		
CL GLAZER INC.	3,730,400	9,822.99		
COMMERZBANK AG	1,273,677	54,312.31		
CONCORD SECURITIES GROUP INC	47,500	1,240.29		
COUNTRYWIDE			64,671,468	
COUNTY NATWEST SEC CORP USA	575,900	6,431.63		
COWEN&CO	558,687	6,725.55		
CREDIT AGR	3,590	276.82		
CREDIT LYONNAISE	4,901,223	90,202.72		
CREDIT SUISSE	1,138,339	41,310.49		
CREDIT SUISSE FIRST BOSTON LTD	1,044,022	87,332.33		
CREDITANSTALT BANK	24,967	2,645.01		
CS FIRST BOSTON			210,560,954	
DAEWOO SEC	1,030	938.50		
DAIWA SEC. AMERICA	5,006,100	98,833.89		
DAVY STOCKBROKERS	71,200	1,515.19		
DEN DANSKE	43,600	6,843.89		
DEUTSCHE			99,592,250	
DEUTSCHE BANK AG/LONDON	283,970	32,084.76		
DEUTSCHE BANK CAPITAL	1,588,425	22,319.96		
DEUTSCHE BANK GOVT SEC INC	8,573,529	230,426.34		
DEUTSCHE BANK SECS	9,925,661	155,082.21		



# WASHINGTON STATE INVESTMENT BOARD

## Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
DEUTSCHE M	372,430 \$	6,410.50		
DEUTSCHE MORGAN GREINFELL	194,000	14,740.31		
DEUTSCHE SECS	224,590	4,333.20		
DONALDSON LUFKIN JENRETTE	170,413	1,127.01		
DRESDNER BANK	205,640	2,944.93		
DRESDNER K	7,392,354	161,720.46		
DRESDNER SEC (USA) INC	600	338.73		
ECONO TRADING	3,400	152.83		
EIFB PARIS	1,010	87.22		
ENSKILDA SECURITIES	160,800	12,030.62		
ERNST & CO.	142,000	7,224.00		
EUROMOBILIARE	2,229,600	19,828.10		
EXANE	293,229	49,892.86		
EXECUTION SERVICES INC	87,500	4,375.00		
FACTSET DATA	45,670	1,135.18		
FECHTOR	31,400	1,570.00		
FIRST BOSTON CORP.	13,308,353	383,606.43	13,823,550	
FIRST ENER	16,600	647.72		
FIRST UNION CAP MKTS			36,323,600	
FLEMING (ROBERT) INC	826,700	12,926.95		
FORTIS BAN	387,041	36,735.91		
FORTIS INVESTMENT	15,300	1,684.92		
FOX PITT KELTON INC	1,124,571	43,010.92		
FRANK RUSSEL	13,180	1,259.38		
G-TRADE SE	1,188,920	19,380.20		
GENERAL MTRS ACCEPT. CORP			8,677,856	
GOEPEL MCDERMID	21,800	886.72		
GOEPEL SHIELDS & PARTNERS	33,800	1,411.80		
GOLDMAN, SACHS & CO.	42,877,597	1,093,185.86	194,401,018	
GOODBODY STOCKBROKERS	18,700	414.62		
GREENWICH CAPITAL			52,264,100	
GRIFFITHS MCBURNEY	306,600	14,905.99		
HAMBRECHT & QUIST	434,700	179.80		
HSBC INVESTMENT BANK PLC	1,949,300	1,688.22	21,719,365	
HSBC SECURITIES INC	16,537,337	243,023.06		
IBJ INTL LTD	500,000	1,326.00		
ING BANK BRAZIL	13,900	563.62		
ING BARING	245,613	4,681.36		
ING SECURITIES	84,200	2,905.15		
INSTINET	1,416,121	39,732.20		
INTERMOBILIARE SEC.	2,754,050	60,350.84		
INTERMONTE	4,639,870	86,337.06		
INVESTMENT TECHNOLOGY CORP	284,310	2,541.73		
ITG - POSIT	59,700	221.05		
ITG INC	23,700	86.15		
J CHEUVREAUX	6,400	604.96		

# WASHINGTON STATE INVESTMENT BOARD

## Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 2001

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
DEUTSCHE M	372,430	\$ 6,410.50		
DEUTSCHE MORGAN GREINFELL	194,000	14,740.31		
DEUTSCHE SECS	224,590	4,333.20		
DONALDSON LUFKIN JENRETTE	170,413	1,127.01		
DRESDNER BANK	205,640	2,944.93		
DRESDNER K	7,392,354	161,720.46		
DRESDNER SEC (USA) INC	600	338.73		
ECONO TRADING	3,400	152.83		
EIFB PARIS	1,010	87.22		
ENSKILDA SECURITIES	160,800	12,030.62		
ERNST & CO.	142,000	7,224.00		
EUROMOBILIARE	2,229,600	19,828.10		
EXANE	293,229	49,892.86		
EXECUTION SERVICES INC	87,500	4,375.00		
FACTSET DATA	45,670	1,135.18		
FECHTOR	31,400	1,570.00		
FIRST BOSTON CORP.	13,308,353	383,606.43	13,823,550	
FIRST ENER	16,600	647.72		
FIRST UNION CAP MKTS			36,323,600	
FLEMING (ROBERT) INC	826,700	12,926.95		
FORTIS BAN	387,041	36,735.91		
FORTIS INVESTMENT	15,300	1,684.92		
FOX PITT KELTON INC	1,124,571	43,010.92		
FRANK RUSSEL	13,180	1,259.38		
G-TRADE SE	1,188,920	19,380.20		
GENERAL MTRS ACCEPT. CORP			8,677,856	
GOEPEL MCDERMID	21,800	886.72		
GOEPEL SHIELDS & PARTNERS	33,800	1,411.80		
GOLDMAN, SACHS & CO.	42,877,597	1,093,185.86	194,401,018	
GOODBODY STOCKBROKERS	18,700	414.62		
GREENWICH CAPITAL			52,264,100	
GRIFFITHS MCBURNEY	306,600	14,905.99		
HAMBRECHT & QUIST	434,700	179.80		
HSBC INVESTMENT BANK PLC	1,949,300	1,688.22	21,719,365	
HSBC SECURITIES INC	16,537,337	243,023.06		
IBJ INTL LTD	500,000	1,326.00		
ING BANK BRAZIL	13,900	563.62		
ING BARING	245,613	4,681.36		
ING SECURITIES	84,200	2,905.15		
INSTINET	1,416,121	39,732.20		
INTERMOBILIARE SEC.	2,754,050	60,350.84		
INTERMONTE	4,639,870	86,337.06		
INVESTMENT TECHNOLOGY CORP	284,310	2,541.73		
ITG - POSIT	59,700	221.05		
ITG INC	23,700	86.15		
J CHEUVREAU	6,400	604.96		



*Washington State Investment Board*  
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