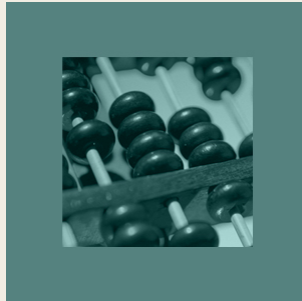




# Washington State Investment Board



Twenty-Third Annual Investment Report  
June 30, 2004



## INTRODUCTION

Message From the Chair .....	3
Letter of Transmittal .....	4
Our Role .....	5
Fiduciary Responsibilities and Investment Policies .....	5
Annual Budget .....	5
Accounting System and Internal Control .....	6
Acknowledgements .....	7
Board Members .....	8
Board Established Committees .....	11
Outside Help and Advice .....	11
Staff .....	12

## INVESTMENTS

Defined Benefit Retirement Funds .....	17
Retirement Plans .....	17
Retirement Fund Performance .....	17
Investment Growth and Returns .....	18
Strategic Asset Allocation .....	19
U.S. Equity Program .....	20
International Equity Program .....	21
Fixed Income Program .....	22
Private Equity Program .....	24
Real Estate Program .....	25
Defined Contribution Retirement Plans (PERS, SERS, and TRS) .....	26
Deferred Compensation Program and Judicial Retirement Account .....	28
Daily-Valued Funds for Self-Directed Investment Programs .....	30
Washington State Horizon Funds .....	30
Washington State Bond Market Fund .....	30
Savings Pool .....	31
Labor and Industries' Funds (Industrial Insurance Funds) .....	32
Permanent Funds .....	34
Other Trust Funds .....	34
Investing in Washington .....	36

## FINANCIALS

Management Discussion and Analysis .....	39
Investment Responsibility .....	39
Assets Under Management .....	40
Financial Highlights .....	40
Overview of the Financial Statements .....	40
Basic Financial Statements .....	41
Notes to the Financial Statements .....	41
Detailed Schedule of Investments .....	41
Contacting WSIB's Financial Management .....	41
Financial Statements .....	42
Financial Schedules .....	52
Annual Budget .....	52
Retirement Funds .....	54
Labor and Industries' Funds .....	89
Permanent Funds .....	106
Other Trust Funds .....	121
All Funds Combined .....	124

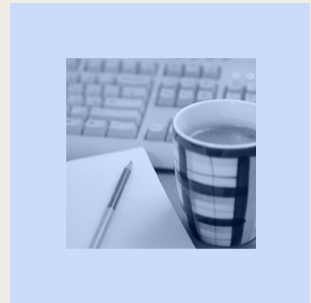
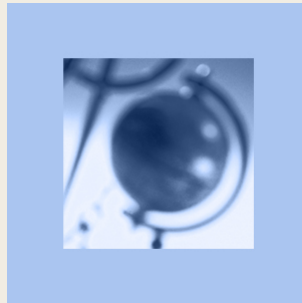
## GLOSSARY

Definitions .....	131
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# Introduction





## Message From the Chair

June 30, 2004

To our stakeholders,

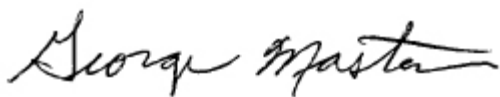
I am pleased to present the Annual Report from the Washington State Investment Board (WSIB) for the year ended June 30, 2004. It provides detailed information on investment performance and asset allocation for the 33 retirement and other public funds managed by the WSIB.

The WSIB ended FY 2004 with total assets under management at just over \$57 billion. The Commingled Trust Fund (CTF) for defined benefit retirement assets totaled \$43.3 billion with a rate of return for the fiscal year of 16.1%. The three, five, and ten year return rates for the CTF were 4.2%, 4.0%, and 9.8%, respectively. The Deferred Compensation Program, Judicial Retirement Account, and the three self directed retirement plans for teachers (TRS 3), school employees (SRS 3), and public employees (PERS 3) all ended FY 2004 with higher returns compared to last year. Finally, for the fourth consecutive year, investment returns for the various Industrial Insurance, Permanent, and Other funds posted positive returns of 1.7%, .03%, and 1.1%, respectively.

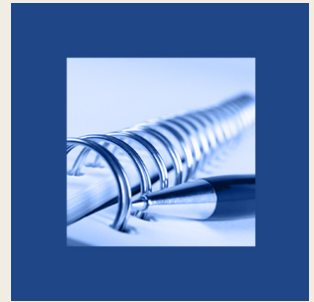
The Washington State Investment Board recognizes its fiduciary duty to prudently manage investments for the exclusive benefit of those who devote their lives to serving the public, educating our children, maintaining our schools, fighting fires, enforcing the law, caring for the disabled, protecting the environment, and supporting our colleges and universities. We are proud of their achievements and it's an honor to be entrusted with the responsibility of doing all we can to ensure their financial security today and well into the future.

In that spirit, members of the Investment Board decided to become more actively involved in the process of influencing exemplary corporate governance by increasing the WSIB's direct participation in proxy voting. In addition, the Board restructured the international equity investment program to capitalize on the most promising opportunities in the global marketplace. Several organizational changes were made to reduce costs, improve investment accounting, enhance communications, and build capacity for skillful, knowledgeable investment decisions with continuous education for Board members and staff. Finally, the WSIB celebrated its 13th consecutive year with a clean, no findings state audit review and report.

All of these accomplishments are the result of hard work and dedication by my fellow Board members, investment and operations staff, investment partners, and outside advisors. In the face of new challenges that lie ahead, I can assure you the WSIB will continue to pursue and secure successful investment opportunities for our beneficiaries and to vigorously adhere to the highest standards of fiduciary duty.



George Masten, Chair



## Letter of Transmittal



December 8, 2004

**The Honorable Gary Locke, Governor**  
State of Washington  
Olympia, Washington 98504

We are pleased to present to you the Washington State Investment Board (WSIB) Annual Investment Report for the fiscal year ended June 30, 2004. This report is designed to comply with the requirements of chapters 43.33A and 43.33A.150 of the Revised Code of Washington (RCW). For clarity throughout this report, the reference of "the WSIB" includes the agency and the independent Board by which it is governed.

The WSIB was created by statute (RCW 43.33A) in 1981 to "perform all duties prescribed by law with respect to the investment of public trust and retirement funds." Although governed by an independent board, the WSIB is part of the Executive branch of state government. As such, members of the Board and WSIB staff must comply with all statutory requirements and rules established for all state agencies, officials, and employees in the performance of their public duties.

Responsibility for the accuracy of the data and the fairness and completeness of this report, including all disclosures, rests with the management of the WSIB. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to provide a fair representation of investment performance and financial operations of the WSIB.

This report is presented in four sections: Introductory, Investment, Financial, and Glossary. The Introductory Section includes a letter from Investment Board Chairman George Masten and this letter of transmittal which describes our role, the WSIB's fiduciary responsibilities and investment policies, the annual budget, and accounting system and internal control. The Introductory Section also includes specific information on Board members, Board established committees, outside help and advice, and agency staff. The Investment Section contains a list of the various investment funds managed by the WSIB, performance information and charts for total assets under management and for each retirement and public fund portfolio managed by the WSIB, descriptions on how the different investment programs are structured and managed, and information on the WSIB's investments in Washington state. The Financial Section contains the management discussion and analysis (MD & A) and the basic financial statements and schedules. The Glossary Section contains useful definitions of terms used throughout this report.

This letter is designed to compliment the MD & A and should be read in conjunction with it.



## Our Role

The WSIB manages investments for 33 pension and public trust funds with integrity, prudence, and skill to meet or exceed the financial objectives of those we serve. A detailed list of the investment funds managed by the WSIB is on page 39 of this report.

## Fiduciary Responsibilities and Investment Policies

The term "fiduciary" characterizes a variety of relationships in which one party acts for the benefit of another. Members of the Investment Board are fiduciaries charged with the responsibility of managing retirement and public trust fund investments with the highest standard of professional conduct for the exclusive benefit of fund beneficiaries.

The Board shall invest and manage the assets entrusted to it with reasonable care 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 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)

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

## Annual Budget

To review in more detail, see the Annual Budget Schedule on pages 52-53.

## Operating Expenses

(Appropriated Expenses)

The WSIB receives no funding supported by general state tax revenues and reserves (General Fund-State). Pursuant to RCW 43.33A.160, the WSIB is funded from the earnings of the funds managed by the WSIB, proportional to the value of the assets of each fund, subject to a biennial (2-year) appropriation from the Legislature. Appropriated expenses cover normal agency operations, including staff, facilities, equipment, utilities, and supplies.

The WSIB's operating budget is tiny in comparison to the assets managed. Currently, the two-year operating budget is .023% of the total assets managed (\$57.3 billion). For fiscal year 2004, the appropriated operating expenditures were \$6,704,288, or .012% of the total assets managed.

Fiscal Year	Expenses	Percent of total assets
1999	\$4,922	0.009%
2000	\$4,626	0.008%
2001	\$5,569	0.010%
2002	\$6,062	0.012%
2003	\$7,448	0.014%
2004	\$6,704	0.012%



Fiscal Year	Total Assets
1999	\$52,870,990
2000	\$58,868,551
2001	\$55,298,357
2002	\$50,931,946
2003	\$52,132,415
2004	\$57,253,074



## Investment Expenses

(Non-Appropriated Expenses)

The WSIB also manages expenses classified as non-appropriated expenditures pursuant to RCW 43.84.160. These are fees and expenses associated with the management of investments, which typically include money manager, custodial bank, consultants, legal fees specifically related to an investment or group of investments, and research.

For fiscal year 2004, total non-appropriated expenditures were \$187,703,290, or 0.328% of the total assets managed.

Fiscal Year	Expenses	Percent of total assets
1999	\$100,002	0.189%
2000	\$138,573	0.235%
2001	\$170,228	0.308%
2002	\$205,548	0.403%
2003	\$195,161	0.374%
2004	\$187,703	0.328%

## Total Expenses

Fiscal Year	Expenses	Percent of total assets
1999	\$104,925	0.116%
2000	\$143,199	0.198%
2001	\$175,797	0.243%
2002	\$211,610	0.318%
2003	\$202,609	0.415%
2004	\$194,407	0.388%

## Accounting System and Internal Control

This report has been prepared to conform with the principles of accounting and reporting established by the Governmental Accounting Standards Board (GASB). Specific accounting treatments are detailed in the Notes to the Financial Statements found in the Financial Section of this report.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments (GASB 34). In June 2001, the GASB issued Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus, which amended certain provisions of GASB 34. As a result of the implementation of GASB 34, the management's discussion and analysis (MD & A) has been included as required supplementary information.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the funds are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and

(2) the valuation of costs and benefits requires estimates and judgments by management. In addition, budgetary controls are maintained by the Office of Financial Management and the Washington State Legislature.

### Acknowledgements

This report was made possible by the staff of the WSIB based in part on information provided by the Department of Retirement Systems. We sincerely appreciate the contributions of all who participated in the preparation of this document.

This report is intended to provide complete and reliable information and will be distributed to all interested parties to review and evaluate responsible stewardship of retirement and public fund investments managed by the WSIB.



Joseph A. Dear  
Executive Director



## Board Members

M. Murphy



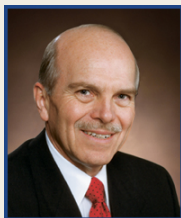
### Ex-Officio Board Members

#### Michael J. Murphy

##### State Treasurer

First elected State Treasurer in 1996 and re-elected to third term in 2004. Chairs the State Finance Committee, which oversees management of the state's debt and is responsible for investments of more than \$7.8 billion. Was appointed Thurston County Treasurer in 1987 and then elected three times to serve 10 years in office. Past president and current vice president of the Western State Treasurers Association. Graduated from Seattle University with a B. A. in History in 1969 and earned a M.B.A. from Pacific Lutheran University in 1978.

J. Charles



#### John F. Charles

##### Director, Department of Retirement Systems

Appointed director of Department of Retirement Systems (DRS) in 1997. Chairs the Washington State Pension Funding Council and the Employee Retirement Benefits Board and serves on the Select Committee on Pension Policy and the Executive Committee of the Washington Certified Public Manager program. Member of the National Council on Teacher Retirement and of the National Association of State Retirement Administrators. Graduated from the University of Washington with B.A. in Psychology and from the University of Utah with a M.S. in Human Resource Management.

P. Trause



#### Paul Trause

##### Director, Department of Labor and Industries

Appointed Director of the Department of Labor and Industries (L & I) in 2003 to oversee the delivery of an array of industrial insurance, medical care, wage replacement, and disability pension services for Washington employers and employees. Formerly deputy commissioner of the Employment Security Department; director of management and budget for the King County Prosecutor's Office; and deputy secretary and acting secretary for the Department of Social and Health Services. Earned B.A. in Industrial and Labor Relations from Cornell University and law degree from Cornell University Law School.

P. McElligott



### Board Members Appointed by the Governor

#### Patrick McElligott, Vice Chair

##### Representative - Active Member, Law Enforcement Officers' and Fire Fighters' Retirement System

Initially appointed to the Investment Board in 1997 and was reappointed to second term and elected Board vice chair in 2004. Currently serves as vice president for the Washington State Council of Fire Fighters (WSCFF), president of the Tacoma Professional Fire Fighters Local #31, a delegate to the Washington State Labor Council, and chairman of the City of Tacoma Joint Labor Committee. Former fire fighter for the King County District #39, was appointed to the Fire Protection Policy Board Subcommittee on Certification & Accreditation Standards in 1991, and was elected chair of the Certification and Accreditation Committee in 1995.

D. Brookman



#### Deborah Brookman

##### Representative - Active Member, Public Employees' Retirement System

Initially appointed in 2002 and re-appointed to the Board in 2003. Is currently a workers' compensation adjudicator with the Department of Labor and

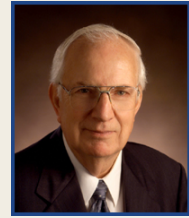
Industries (L & I). Former shop steward for the Washington Federation of State Employees and an officer for WFSE Local 443. Serves as a statewide labor chair for L & I. Received B.A. from The Evergreen State College in Olympia.

### George Masten, Board Chair

#### Representative - Retired Member of a State Retirement System

First appointed to the Board in 1985 and reappointed in 1993 following his retirement as executive director of the Washington Federation of State Employees (WFSE). Elected Board chair in 2003 and re-elected in 2004. Serves as president of the Retired Public Employees Council of Washington; a member of the state's Salary Setting and Productivity boards; and, an active member of the local Chapter of State Employee Retirees. Former vice president of the American Federation of State, County, and Municipal Employees (AFSCME) and was a member of the Washington State Labor Council Executive Board.

G. Masten



### Board Members Appointed by the Superintendent of Public Instruction

#### David Scott

#### Representative - Active Member, Teachers' Retirement System

Appointed to the WSIB in 2003. Currently serves as vice president of the Washington Education Association (WEA) which represents 76,000 educators in Washington and chair of WEA's Budget and Finance Committee. Formerly a high school English and Social Studies teacher for 25 years and president of the Edmonds Education Association and the WEA-Cascade regional council. Earned a B.A. in History and in Education at Western Washington University, received a Masters in Education at City University, and completed graduate course work in economics at Pepperdine University.

D. Scott



#### Glenn Gorton

#### Representative - Active Member, School Employees' Retirement System

Appointed to the Investment Board in 2002. Is a maintenance and transportation technician for the Eastmont School District in Eastern Washington. Former chair of the National Association of Classified School Employees, president of the Public School Employees of Washington, and member of the Board of Directors for Public School Employees of Washington. Graduated from Tustin High School in Southern California and studied Engineering at Saddleback College in Irvine.

G. Gorton



### Board Member Appointed by the Speaker of the House

#### Helen Sommers

#### State Representative

Appointed to the Board in 2000. Re-elected to legislature and re-appointed to chair the House Appropriations Committee in 2004. Is a member of the state's Pension Funding Council and serves on the Board for the Institute for Public Policy. Former chair of the Joint Committee on Pension Policy, the Joint Legislative Audit and Revenue Committee, and several different legislative committees including Capital Budget, Higher Education, and Revenue. Graduated from the University of Washington with B.A and M.A. degrees in Economics.

H. Sommers



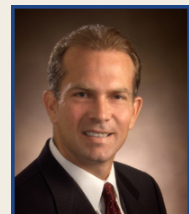
### Board Member Appointed by the President of the Senate

#### Joseph Zarelli

#### State Senator

Appointed to the Board in 2003. Chairs the Senate Ways and Means Committee and is vice chair of the Senate Economic Development Committee. Is a

J. Zarelli



J. Hanna



managing partner for a business development and risk management firm and a member of the Columbia River Chapter of the American Society for Industrial Security. Earned Associate of Arts and Sciences degree from Clark College and served in the U.S. Navy for 7 years.

### Non-Voting Board Members Appointed by Voting Board Members

#### Jeffrey Hanna

##### Investment Professional

Originally appointed to the Board in 2000 and was re-appointed to his second term in 2003.

Before retirement in 1993, was managing director and head of the Bond Market Research Department at Salomon Brothers, Inc. Former vice president and chief investment officer for First National Bank of Boston and an economist and portfolio manager in the international trust arm of First National Bank of Chicago. Earned B.A. in Economics, Magna Cum Laude, from the University of Washington and studied in the PhD economics program at MIT.

R. Nakahara



#### Robert S. Nakahara, CPA

##### Investment Professional

First appointed to the Board in 1996 and re-appointed to third term in 2004. Is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants/Washington State Society of CPA's. Currently working as chief financial officer/corporate secretary for MedManage Systems, Inc. Former president of Advanced Research Systems, Inc. and senior vice president/chief financial officer of PREMIER Blue Cross of Washington & Alaska. Received B.A. in Accounting, Finance, and International Business, Cum Laude from the University of Washington and earned his M.B.A. in Finance, Magna Cum Laude, from the University of Puget Sound.

C. Kaminski



#### Charles Kaminski, CFA

##### Investment Professional

Originally appointed to the Board in 1992 and re-appointed to fifth term in 2004. Is a registered investment advisor providing public market investment management to private clients. Was chief investment officer for GE Financial Assurance (Genworth) and chaired the company's Investment and Risk committees. Former director & portfolio manager for Baring Asset Management. Received M.B.A. from the Harvard Business School and three degrees in Electrical Engineering from the Massachusetts Institute of Technology.

J. Magnuson



#### John Magnuson, CPM, CRE

##### Investment Professional

Originally appointed to the Board in 2000 and re-appointed to second term in 2004. Formerly, national president of the Institute of Real Estate Management (IREM), has spoken before a world real estate congress in Paris and Singapore, and taught real estate investment and management principles in Poland, Hungary, Italy and Korea. Awarded Washington State *CERTIFIED PROPERTY MANAGER*® of the Year in 1982, was a founding trustee of the Washington Center for Real Estate Research, and a founding shareholder and chief operating officer of a real estate investment trust company. Earned B.A. from the University of Washington.

J. Seely



#### Jeffrey Seely

##### Investment Professional

First appointed to the Board in 2002 and re-appointed to a second term September 16, 2004. Currently, chairman, president and chief executive officer of ShareBuilder Corporation, a provider of online, long-term investment services for individuals, financial institutions, and non-financial partners.



Formerly, senior investment banker for Robertson Stephens & Co. and for Dean Witter Reynolds and Smith Barney. Received B.A. from St. Lawrence University and a M.B.A from Columbia University Graduate School of Business.

## Board Established Committees / Outside Help and Advice

Individual Board members are appointed by the Chair to serve on 4 different committees that can more efficiently and meticulously analyze investment and governance issues under their jurisdiction than would be possible for the entire Board. Committee recommendations are brought to the Board at regular meeting dates for full discussion, consideration, and a vote.

The 4 Committees are as follows:

### Administrative Committee

Responsible for organizational, personnel, budget, legal, and legislative issues, as well as strategic asset allocation matters.

### Audit

Oversees audit activities and operations, and nominates candidates for the non-voting positions on the Board. The Committee also develops and monitors the Conflict of Interest Policy for the Board, reviews performance-reporting requirements, and deals with corporate governance policies and issues.

### Private Markets

Develops policy and structure for private market investments (real estate, venture capital (corporate restructuring and other private equity), and reviews real estate and private equity investments for recommendations to the Board.

### Public Markets

Develops policy and structure for public market investments (fixed income, domestic equity, international equity) and reviews individual equity managers to recommend to the Board.

### Outside Help and Advice

In addition to skilled and professional recommendations by WSIB staff, the Board also relies on a variety of outside experts to provide advice and counsel, as well as specific investment services. The list to the right includes the consultants and advisors currently utilized by the Board.

#### Insurance Portfolio Consultant

- ❖ Conning Asset Management - Hartford, CT

#### Investment Accounting Data System

- ❖ Financial Control Systems - Chadds Ford, PA

#### General Investment Consultants

- ❖ Callan Associates - Denver, CO
- ❖ Pension Consulting Alliance - Encino, CA
- ❖ R.V. Kuhns & Associates Inc. - San Francisco, CA

#### Legal Services

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

#### Master Custodian Bank

- ❖ State Street Bank - Boston, MA

#### Private Equity Consultant

- ❖ Pacific Corporate Group - La Jolla, CA

#### Real Estate Consultant

- ❖ Courtland Partners - Cleveland, OH

#### Specialty Investment Consultants

- ❖ Aon - Portland, OR
- ❖ Cortex Applied Research - Toronto, Ontario, Canada
- ❖ Independent Fiduciary Services - Washington, D.C.

## Staff

J. Dear



### Joseph A. Dear

#### Executive Director

Appointed WSIB Executive Director on November 12, 2002. Formerly government relations officer for Frank Russell Company. Served as chief of staff for Governor Gary Locke; assistant secretary of labor for the Occupational Safety and Health Administration (OSHA), and director of the Washington State Department of Labor and Industries. Member of the Washington State Investment Board from 1987 to 1992 and served as Board chair from 1989 to 1991. Bachelor of Arts from The Evergreen State College.

G. Bruebaker



Gary Bruebaker, CFA, CPA

#### Chief Investment Officer

26 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 (Oregon).

#### Investment Support

**Kristi Bromley**  
Administrative Assistant

**Linda Buchanan**  
Secretary Administrative

**Elizabeth Hyde**  
Secretary Senior

**Sue Richards**  
Office Assistant Senior

**Kristi Walters**  
Executive Assistant

**Beth Vandehey**  
Internal Auditor

**Teresa Eckstein**  
Human Resources

**Liz Mendizabal**  
Director of Public Affairs

**Jenny Fuller**  
Webmaster / Graphics Coordinator

### Investments

#### Fixed Income

**Senior Investment Officer: William P. Kennett, CFA**

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.

#### Investment Staff:

Thomas E. Bosworth  
Lisa Harrison  
Donna May Ong, CFA  
Ralph Ripple

Paul Runnalls  
Maria S. Tosteson Rosen  
Judy Yu, CFA

#### Public Equity

**Senior Investment Officer: Nancy Calkins, CIMA**

Formerly an 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.

#### Investment Staff:

Linda L. Lester, CPA

#### Private Equity

**Senior Investment Officer: Thomas Ruggels**

Formerly an investment officer in both public and private equity and investment accounting controller for the WSIB. Graduate of the University of Kansas in Accounting with an MBA from the University of Washington.

#### Investment Staff:

Isabelle Fowler  
Sam Green, CPA

Gary R. Holt  
Janet Kruzell





## Real Estate

### Senior Investment Officer: Steven M. Draper

Formerly a real estate investment officer for the WSIB. Worked in the analysis, strategic planning, and management of real estate investment portfolios and projects, primarily as a consultant to institutional investors. Graduate of Brigham Young University in Business Management/Finance.

### Investment Staff:

Hanna Jirasetpatana

## Asset Allocation

### Senior Investment Officer: Diana Will, CFA

Formerly the CIO of the West Virginia Investment Management Board. Graduate of the University of Rhode Island with a BA in Chemistry.

## Operations

### Portfolio Administration

Alicia Markoff - Portfolio Administrator

Mike Donovan - Assistant Portfolio Administrator

Nelly Haun - Trade Settlement Specialist

Barbara Schoenthal - Trade Settlement Specialist

### Business and Office Services

Erwin Vidallon - Finance and Budget Manager

David Thatcher - Contract Specialist

Geri Uhlmeier - Administrative Assistant

Kathy Butler - Travel Coordinator

Jack Coleman - Chief Accountant

Brian Shrader - Fiscal Technician

Renee Long - Financial Specialist

Kae Schmidt - Financial Analyst 2

Patricia Sheridan - Office Manager

Tish Day - Forms and Records Analyst

Kathleen Wendel - Office Assistant

James Archie - Office Assistant

### Information Systems

Jim Lee - Systems and Office Services Manager

Tom Edwards - LAN Administrator

Bill Duris - Systems Analyst

Brad Christoffer - PC Support 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



## Theresa J. Whitmarsh

### Deputy Director for Operations

19 years in insurance, finance, and technology management. Formerly assistant and deputy director for the Washington State Department of Labor and Industries; vice president for leading data management company serving large, self-funded employers; and communications director for an insurance trade association. MBA graduate of Pacific Lutheran University and Bachelor of Arts from Seattle Pacific University.

### Operations Support

#### Christina Blue

Administrative Assistant

#### Heather Bjorn

Office Assistant Senior



# Investments





## Defined Benefit Retirement Funds

### Retirement Plans

The WSIB manages investments for 14 separate pension plans as shown in the chart to the right. The Department of Retirement Systems, whose director also serves as an ex-officio voting member on the Investment Board, administers the plans for public employees (PERS), teachers (TRS), classified school employees (SERS), law enforcement officers and firefighters (LEOFF), and other employees of participating local subdivisions including judges (JRA) and the state patrol (WSP). DRS is not the administrative arm for the volunteer firefighters pension fund (VFF), but the investment assets for those funds are managed by the WSIB.

The retirement system membership grew to 428,002 members as of June 30, 2004, including 30,660 inactive members.

In fiscal year 2004, retirement trust fund contributions, fees, and investment returns totaled \$6,953 million (including Plan 3 Self-Directed Defined Contribution). This includes positive revenues of \$502 million in member contributions and restorations, \$174 million in employer contributions, \$27 million in general fund contributions, \$26 million in fees and other revenue, and \$6,224 million in investment gains.

### Retirement Fund Performance

The defined benefit retirement funds are invested through the Retirement Commingled Trust Fund (CTF). The CTF pools retirement fund assets to provide more efficient management and reduce administrative costs and investment fees. Over the past 10 years the fund has grown from \$22.7 to \$43.4 billion including employer and employee contributions, plus net investment returns, less benefit payments and fund transfers (this does not include Plan 3 self-directed defined contribution funds).

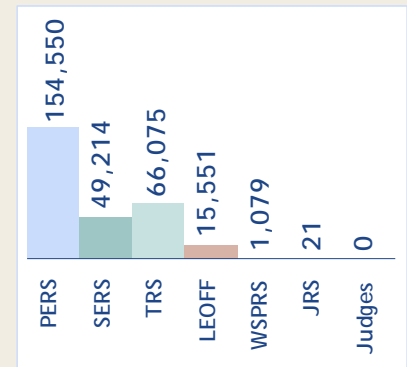
The WSIB measures fund performance by comparing expected investment returns for performance of the individual asset classes to appropriate benchmarks. Although returns will vary quarterly and annually, long-term expectations and realizations should exceed the actuarially assumed rate of return over time.

When reviewing quarterly and annual returns it is important to remember that asset classes differ in their behavior and volatility. Most public market investments can be priced instantaneously and fair market value can be determined with certainty. However, real estate and private equity investments are very illiquid and not easily priced. It may take years before expected returns are realized and these characteristics must be kept in mind when comparing fund performance from one year to the next.

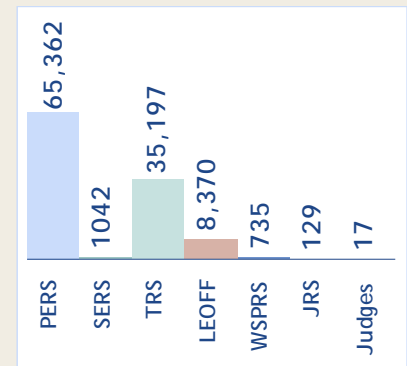
June 30, 2004

	Market Value
PERS 1	\$9,215,644,139
PERS 2/3	\$11,070,549,669
SERS 2/3	\$1,948,225,540
TRS 1	\$7,807,018,712
TRS 2/3	\$4,929,243,764
LEOFF 1	\$4,708,335,166
LEOFF 2	\$2,920,196,879
WSP 1/2	\$663,487,751
VFF	\$104,321,625
JRA	\$4,340,717
<b>Total</b>	<b>\$43,371,363,961</b>

Active members by System: 286,490



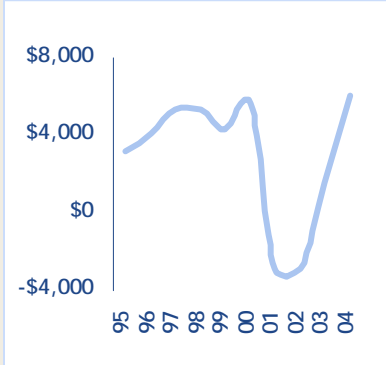
Retired Members by System: 110,852



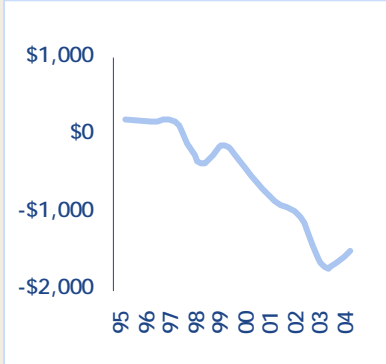
### Factors Affecting Trust Fund Balances

June 30, 2004

#### Investment Earnings



#### Net of Contributions and Benefit Payments



Note: Investment earnings include Plan 3 Self-Directed investments.  
Source of data: WSIB and DRS.

### CTF Time-Weighted Returns - Non-Lagged

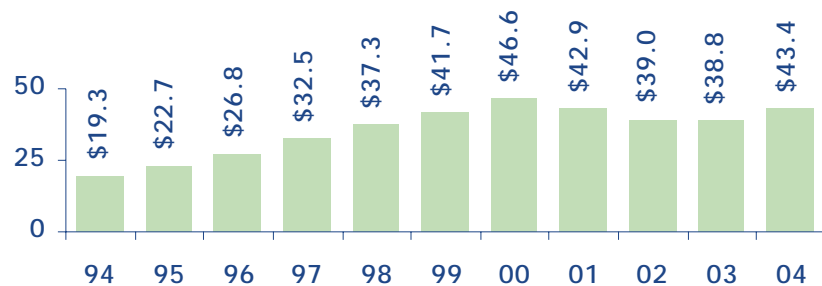
June 30, 2004

	Annualized		
	1 Year	3 Years	5 Years
Total Fund	16.06%	4.21%	3.97%
MAP Benchmark	17.53%	3.31%	1.65%
U.S. Equity	21.44%	0.71%	-0.66%
Dow Jones Wilshire 5000	21.24%	0.79%	-1.03%
International Equity	29.99%	4.73%	2.13%
MSCI ACWI ex. U.S. Index	32.50%	5.25%	0.96%
Fixed Income	1.54%	7.10%	7.57%
Lehman Universal	1.00%	6.65%	7.08%
Cash	1.03%	1.73%	2.50%
90 Day T-Bills	0.98%	1.71%	3.29%
Private Equity	21.48%	0.72%	5.87%
S & P 500 + 500 bp	24.11%	4.31%	2.79%
Real Estate	10.58%	10.58%	11.31%
NCREIF + 100 bp	11.83%	8.97%	10.41%

### Investment Growth and Returns

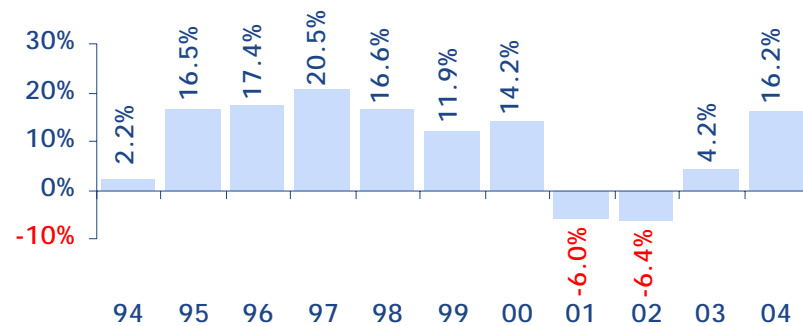
#### CTF Historical Market Values

Fiscal years ended June 1994 to 2004



#### CTF Historical Rates of Return

Fiscal years ended June 1994 to 2004



## Strategic Asset Allocation

Research shows that the asset allocation decision accounts for nearly 92% of the variation between returns on different investment portfolios. Individual asset classes have distinct characteristics and historically don't react in tandem under the same market conditions. When some are falling in value, others may be rising. By strategically diversifying the assets for investment portfolios, the WSIB helps to offset declines in any one particular class, smooth out the impact of the ups and downs in the marketplace, and reduce overall investment risk.

The WSIB spends considerable time monitoring and adjusting the asset allocation of the various investment portfolios we manage and the Board has established tight asset class policy ranges to meet the financial objectives of each fund.

The CTF, for example, is invested across 5 basic asset types including public equity, fixed income, private equity, real estate, and cash. The long-term policy targets established by the Board for each asset class are based, in part, upon historical average investment returns. The asset allocation targets and policy ranges for the CTF are formally reviewed and, if necessary, revised every 4 years. The most recent asset allocation study was completed in the fourth quarter of 2001.

Throughout each year, WSIB staff continuously monitors performance of the CTF asset mix and the results are reported to the Board monthly. Staff has directed several shifts during the fiscal year to adjust the mix toward the policy targets. This resulted in the CTF taking profits at key times in the fixed income and international equity markets. Both real estate and private equity have open contractual commitments to top tier investment partners that will move them toward their long-term targets over the next 3-4 years. As of June 30, 2004, private equity had open commitments of \$4.6 billion and real estate had open commitments of \$3.2 billion. It is expected that these commitments will be called over the next 3-4 years. The capital to fund these commitments will most likely come from distributions received from previous investments and then from U.S. and international equity and the fixed income portfolio.

## CTF Asset Allocation

June 30, 2004

Asset Class	Allocation		Policy Target	Policy Range
	Market Value (000s)	Percent	Long-Term	
U.S. Equity	\$14,584,327	34%	31%	26-36%
International Equity	\$7,058,418	17%	15%	12-18%
Fixed Income	\$10,364,604	25%	25%	21-29%
Private Equity	\$6,067,450	14%	17%	13-21%
Real Estate	\$4,095,248	9%	12%	10-14%
Cash (includes accruals)	\$1,156,842	1%	0%	0-2%
Total CTF	\$43,326,889			
Plan Specific Investments*	\$44,475			
Total Retirement Funds	\$43,371,364			

Asset allocation is often considered to be the most important driver of investment performance. In basic terms, it's the process of selecting a mix of asset classes, such as stocks and bonds, and strategically determining their proportions within an investment portfolio.

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.

Since the U.S. equity markets are generally efficient, the domestic equity portfolio is entirely (100%) passively invested in a low-cost broad-based index fund.

#### Fund Summary Statistics

Description	Statistic
Beta versus S & P 500	1.0
Fund Yield	1.61%
Number of issues in fund	3,924

#### Fund Makeup by Exchange

Exchange	# of Companies	% of Fund Market Value
NYSE	1,660	78.9%
AMEX	379	0.5%
OTC	3,040	20.6%

### U.S. Equity Program

The long-term asset allocation target for U.S. equity is 31% with a range from 26% to 36%. As of June 30, 2004, the U.S. equity program totaled \$14.6 billion and represented 33.7% of the CTF. The investment objective for the CTF domestic equity program is to closely track the Dow Jones Wilshire 5000 Index. Rather than owning individual stocks, the WSIB holds units of the Barclays Global Investors (BGI) U.S. Equity Market Fund.

### Fiscal Year Highlights

For the year ended June 30, 2004, the U.S. equity market, as measured by the Dow Jones Wilshire 5000 Index, the Russell 3000 Index, and the S & P 500 Index, was up 21.2%, 20.5%, and 19.1%, respectively. Outperforming all of these well-known U.S. equity benchmarks, the WSIB's U.S. Equity Market Fund earned a 21.4% return for fiscal year 2004.

- ❖ Value stocks outperformed growth stocks.
- ❖ Small capitalization stocks outperformed large capitalization stocks.
- ❖ Higher oil prices, continued terrorism fears and high unemployment dampened returns in the quarter ended June 30, 2004.

### Top 10 Holdings

	Fund	Dow Jones Wilshire 5000
General Electric Company	2.66%	2.66%
Microsoft Corporation	2.30%	2.29%
Exxon Mobil Corporation	2.30%	2.29%
Pfizer Incorporated	2.07%	2.06%
Citigroup Incorporated	1.90%	1.90%
Intel Corporation	1.41%	1.41%
Bank of America Corporation	1.38%	1.36%
Johnson and Johnson	1.31%	1.30%
American International Group	1.30%	1.29%
Cisco Systems Incorporated	1.27%	1.26%

### Sector Diversification

	Fund	Dow Jones Wilshire 5000
Basic Materials	2.79%	2.76%
Communications	11.35%	11.35%
Consumer, Cyclical	9.65%	9.66%
Consumer, Non-Cyclical	22.19%	22.11%
Diversified	0.01%	0.01%
Energy	6.70%	6.70%
Financial	21.26%	21.20%
Industrial	10.59%	10.56%
Technology	12.18%	12.18%
Utilities	2.81%	2.82%
Other	0.46%	0.65%
Total	100.0%	100.0%



### International Equity Program

The WSIB recently restructured its international public equity program with a greater emphasis on active management and enhanced indexing to create more flexibility and capture investment opportunities that could result in better returns.

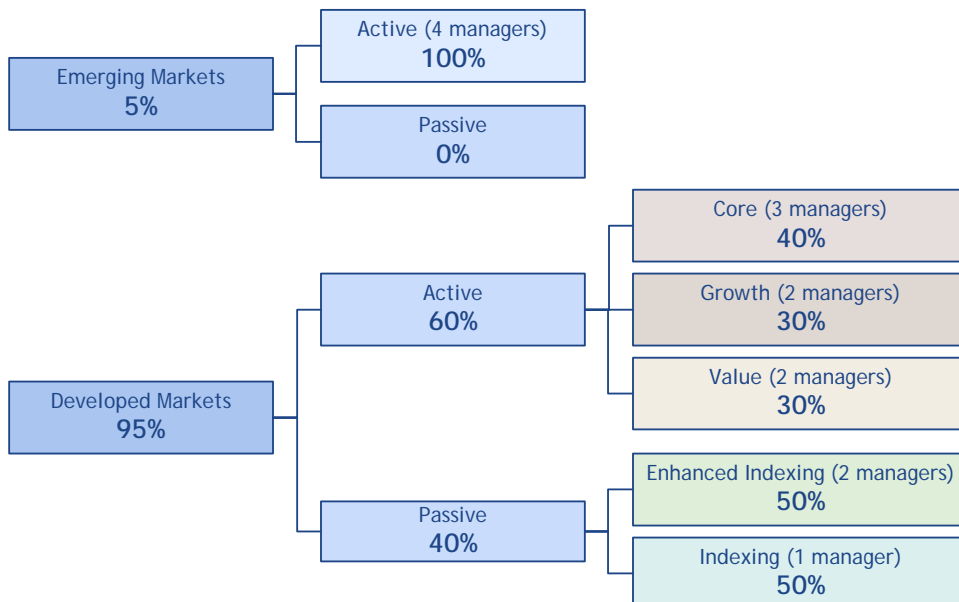
The target allocation for the international equity component of the WSIB retirement CTF is 15% with a range from 12% to 18%. As of June 30, 2004, the international program totaled \$7.3 billion and represented 16.7% of the retirement fund. The program benchmark is the Morgan Stanley Capital International, Inc. All-Country World ex United States Index (MSCI ACWI ex U.S.).

### Fiscal Year Highlights

International equity was the CTF's best performing asset class in fiscal year 2004. The WSIB's international equity portfolio returned 30.0%, underperforming the MSCI ACWI ex U.S. return of 32.5%.

The developed markets portion of the CTF's international equity program was completely revamped during the fiscal year June 30, 2004. Some of the highlights were:

- ❖ The 40% allocation to passive international developed markets equity was split between an enhanced index strategy and a passive index strategy. The passive portion remained with State Street Global Advisors, while the enhanced portion was divided between Goldman Sachs Asset Management and the Barclays Global Advisors World ex-U.S. Alpha Tilts Fund.
- ❖ 6 new active developed managers were hired including Arrowstreet Capital, L.P., Capital Guardian Trust Company, Fidelity Investment Management for core strategies; Julius Baer Investment Management and William Blair and Company for growth strategies; and LSV Asset Management, along with incumbent manager Delaware International, for value strategies.
- ❖ Transition managers, Frank Russell/Goldman Sachs and State Street Global Markets, oversaw the transition of \$4.4 billion from exiting managers to the new manager line-up.





## Fixed Income Program

WSIB staff internally manages the domestic fixed income program and its performance benchmark is the Lehman Universal Index. The primary strategy is sector selection, where the portfolio allocations are adjusted relative to the allocations of the benchmark index. The main sectors are U.S. Treasuries, agencies, credit bonds, mortgage backed securities (MBS), commercial mortgage backed securities (CMBS), and asset backed securities (ABS).

## Fiscal Year Highlights

- ❖ As of June 30, 2004, the market value of the portfolio was \$10.9 billion.
- ❖ The WSIB's portfolio outperformed the Lehman Universal Index by 0.54% for the fiscal year, returning 1.54% compared to the index's 1.00%.
- ❖ Treasury Inflation Protection Securities (TIPS) held in the portfolio were the best returning sector at 3.72%, followed by mortgages at 2.11%, ABS at 1.18%, Treasuries at 1.17%, and credits at 0.83%.
- ❖ Sector allocation was underweighted relative to the index in treasuries, agencies and mortgages, and overweighted in credits and CMBS.
- ❖ The portfolio has holdings of cash and TIPS while the index does not.
- ❖ In anticipation of interest rates moving higher, the portfolio's duration, a measure of the sensitivity of market values to changes in the level of interest rates, was less than that of the Universal Index.
- ❖ The yield on the 10-year treasury increased from 3.51% to 4.59%.
- ❖ The treasury component of the index returned -1.65%. MBS returned 2.23% and credit bonds returned a mere 0.08%.
- ❖ The more risky sectors, high yield and emerging markets, returned 10.32% and 6.79%, respectively.

## Sector Allocation

June 30, 2004

Sector	Market Value (000s)
Cash	\$426,651
<b>Bonds</b>	
U.S. Treasuries	\$683,274
TIPS	\$1,957,943
Agencies	\$0
Credit	\$4,663,485
ABS	\$32,770
CMBS	\$413,970
MBS	\$2,713,108
Total Bonds	\$10,464,551
<b>Total Fixed Income</b>	<b>\$10,891,202</b>

Time-Weighted Annualized Returns	1 Year	3 Years	5 Years	10 Years
Retirement	1.54%	7.10%	7.57%	7.77%
<i>Lehman U.S. Universal</i>	<i>1.01%</i>	<i>6.65%</i>	<i>7.08%</i>	<i>7.48%</i>
Difference	0.53%	0.45%	0.49%	0.29%

## Portfolio Allocations

June 30, 2004

Top 10 Issuers	Market Value (000s)
United States Treasury	\$2,641,217
FHLMC Securitized Mortgages	\$1,343,949
FNMA Securitized Mortgages	\$923,801
GNMA Securitized Mortgages	\$161,659
First Union Bank Securitized Mortgages	\$101,389
HBOS	\$92,838
CSX	\$88,006
Union Pacific	\$84,043
Goldman Sachs	\$80,426
Quebec	\$77,147

Top 10 Credit Issuers	Market Value (000s)
HBOS	\$92,838
CSX	\$88,006
Union Pacific	\$84,043
Goldman Sachs	\$80,426
Quebec	\$77,147
HSBC	\$76,152
Braskem	\$75,939
US Bancorp	\$66,121
International Finance Corp.	\$65,310
British Sky Broadcasting	\$59,524

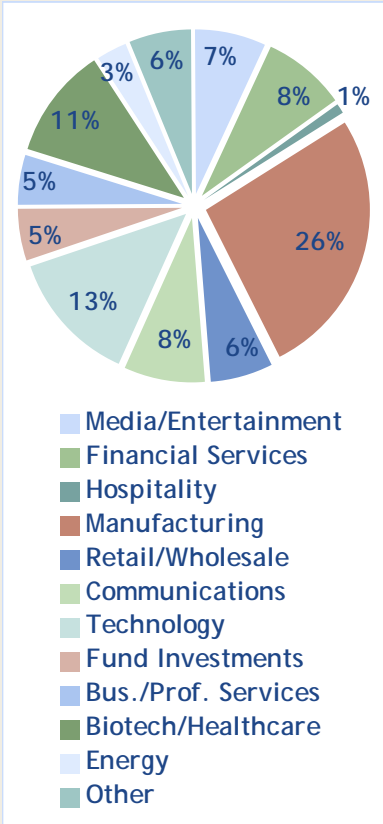
## Sector Distribution

	WSIB Portfolio	Lehman Universal
Cash	3.91%	0.00%
TIPS	17.97%	0.00%
Treasury	6.27%	20.59%
Agency	0.00%	9.80%
Credit	42.83%	34.29%
ABS	0.30%	1.41%
CMBS	3.80%	2.99%
MBS	24.92%	30.91%

## Quality Distribution

	WSIB Portfolio	Lehman Universal
TSY	24.24%	20.59%
AGY	22.55%	40.70%
Aaa	14.16%	7.63%
Aa	5.13%	3.16%
A	14.20%	9.42%
Baa	14.15%	10.04%
Other	5.58%	8.45%





### Private Equity Program

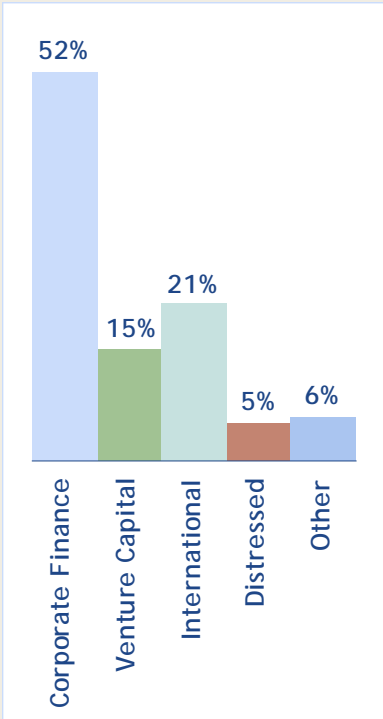
Private equity investments range from corporate restructuring to the investment of initial capital in start-up enterprises. These investments are illiquid and very long-term in nature (up to 12 years or more). They are attractive to long-term institutional investors because, over long time horizons,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

The WSIB portfolio is well-diversified by stage of investment, company size, and geographic location. Due to the long-term and private nature of these investments, their valuations are based on conservative estimates. The true return 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 provided by the general partners and reviewed by the WSIB's consultants and staff.

The WSIB asset allocation target for private equity is 17% of the total retirement fund. The objective of the WSIB private equity portfolio is to achieve, over the long-term, annualized returns of 5% above the Standard and Poors 500 Index. Since the program's inception in 1981, the portfolio has achieved a 13.4% internal rate of return (IRR), net of partnership fees and expenses. The IRR calculation method is the industry standard for calculating private equity investment performance.

### Fiscal Year Highlights

- ❖ The WSIB's Private Equity portfolio value increased from \$5.4 billion to \$6.1 billion.
- ❖ \$788.2 million in commitments were closed for fiscal year 2004.
- ❖ \$589.5 million in investment distributions were returned to the WSIB.
- ❖ \$5 billion remains unfunded.



During the past fiscal year, fundraising activity for both venture capital and buyout funds increased slightly over the prior year. The investment pace also experienced a slight increase. U.S. merger and acquisition activity increased significantly in both deal volume and deal value.



## Real Estate Program

The WSIB's real estate partnership investments deliver risk-adjusted returns that are consistent with the WSIB's long-term return expectations for the asset class. The majority of these externally managed partnerships invest in high-quality properties leased to third parties. The steady income from lease payments, combined with the potential upside from appreciation, generate returns that are expected to fall between performance expectations for fixed income and equities. Many of our real estate partnerships do not involve co-investment with other financial investors, thereby providing the WSIB with superior governance provisions related to acquisition, liquidation, and an annual business plan process.

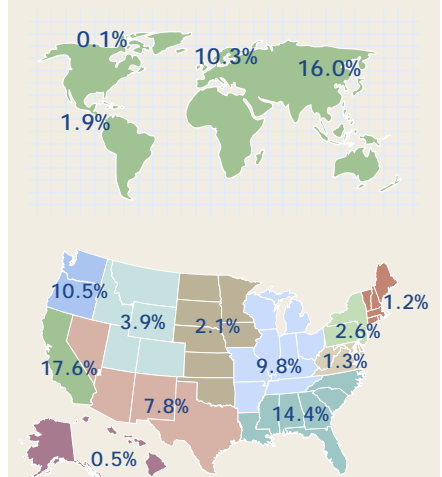
The majority of the WSIB's partners own real estate assets as private market investments, so they are not subject to the potential volatility of the public markets. Capital is diversified among a variety of partners, each with their own investment style, and partnership assets are geographically diversified, including outside the U.S. Investments are made in a variety of property types to provide further diversification. Finally, WSIB partners invest at different points in the real estate capital structure, as well as at different times in the property life cycle.

### Fiscal Year Highlights

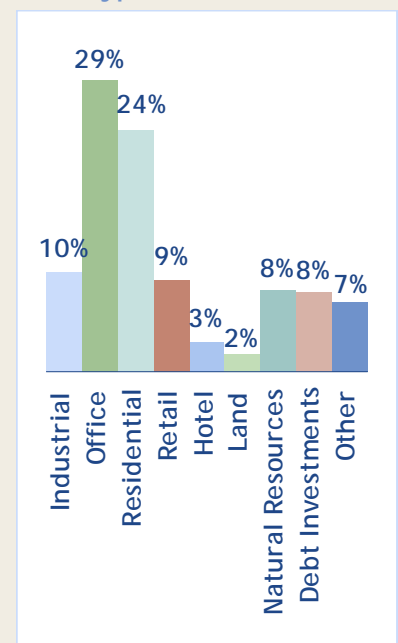
- ❖ The portfolio's value as of June 30, 2004 was \$4.1 billion representing 9.4% of the total retirement fund.
- ❖ For the one-year period ended June 30, 2004, the WSIB's real estate portfolio outperformed the National Council of Real Estate Investment Fiduciaries (NCREIF) Index, 12.2% to 10.8%. The WSIB's current return objective for real estate calls for a target benchmark return of 100 to 300 basis points (1-3%) above the NCREIF Index.

Partnerships	Market Value
Campbell Group	\$291,417,412
Cherokee Funds	\$109,654,869
Colonnade	\$96,232,410
Corporate Properties of the Americas	\$65,339,928
Principal Enterprise Capital	\$621,969,811
Hancock Natural Resource Group	\$37,522,187
Hearthstone Funds	\$4,692,593
Hometown America	\$732,535,749
ING Realty Associates	\$49,560,132
JE Roberts Companies	\$38,261,041
Lone Star Funds	\$600,703,637
Lowe Enterprises	\$122,885,833
Morgan Stanley International Real Estate Funds	\$320,659,612
PacTrust	\$347,780,131
Rockspring	\$215,811,451
TA Associates	\$207,025,191
Washington Real Estate Holdings	\$232,941,410

### Regional Distribution



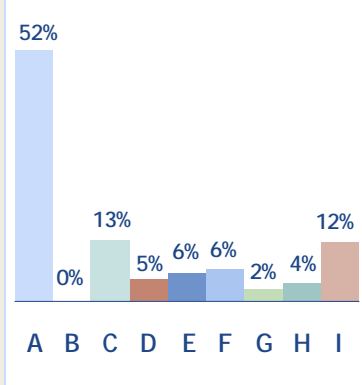
### Asset Type Distribution



## Defined Contribution Retirement Plans

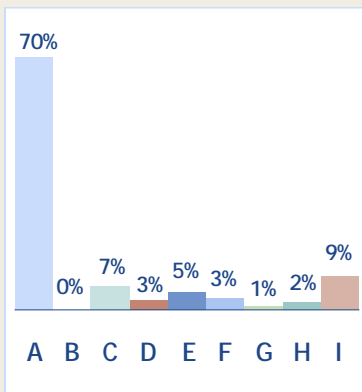
### PERS 3

Total Assets: \$820,520,554



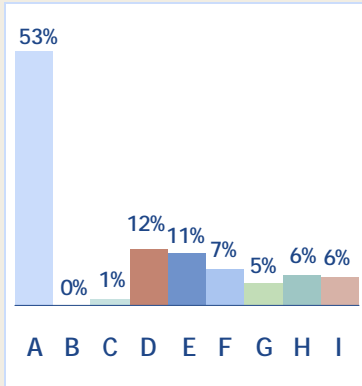
### SERS 3

Total Assets: \$626,736,146



### TRS 3

Total Assets: \$2,246,531,326



### PERS, SERS, and TRS Program (Plan 3)

June 30, 2004

As trustee of the Plan 3 retirement systems for Public Employees Retirement System (PERS 3), School Employees Retirement System (SERS 3), and Teachers Retirement System (TRS 3), the WSIB is responsible for the investment of plan assets and the provision of self-directed investment options to plan members. The administrative, accounting, and record-keeping work for these plans is provided by the DRS.

	PERS 3	SERS 3	TRS 3
A WSIB Tap Option	\$425,869,772	\$437,136,772	\$1,184,575,536
B Social Balanced Fund	\$1,572,673	\$498,585	\$2,041,658
C Horizon Funds	\$104,038,666	\$40,761,478	\$29,436,894
D U.S. Stock Fund	\$38,125,118	\$17,469,210	\$258,722,525
E U.S. Large Stock Fund	\$46,475,451	\$29,466,219	\$235,990,658
F U.S. Small Stock Fund	\$52,454,299	\$19,780,093	\$165,166,933
G International Stock Fund	\$19,497,598	\$7,960,021	\$106,086,176
H Bond Market Fund	\$30,343,744	\$15,202,672	\$139,540,650
I Money Market Fund	\$102,143,232	\$58,461,841	\$124,970,297
<b>Total</b>	<b>\$820,520,554</b>	<b>\$626,736,146</b>	<b>\$2,246,531,326</b>

**Fund Performance for PERS, SERS, and TRS**  
**June 30, 2004**

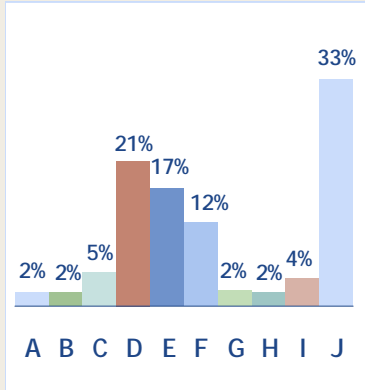
	1 Year	3 Year	5 Year
<b>WSIB TAP Option</b>	<b>16.72%</b>	<b>4.48%</b>	<b>3.85%</b>
<i>Custom Benchmark</i>	<i>17.53%</i>	<i>3.31%</i>	<i>1.65%</i>
<b>Social Balanced Fund</b>	<b>13.22%</b>	<b>N/A</b>	<b>N/A</b>
<i>Custom Benchmark</i>	<i>10.41%</i>	<i>N/A</i>	<i>N/A</i>
<b>Short-Horizon Fund</b>	<b>7.13%</b>	<b>4.24%</b>	<b>N/A</b>
<i>Custom Benchmark</i>	<i>7.42%</i>	<i>4.68%</i>	<i>4.45%</i>
<b>Mid-Horizon Fund</b>	<b>12.77%</b>	<b>4.28%</b>	<b>N/A</b>
<i>Custom Benchmark</i>	<i>13.08%</i>	<i>4.82%</i>	<i>3.53%</i>
<b>Long-Horizon Fund</b>	<b>19.08%</b>	<b>2.72%</b>	<b>N/A</b>
<i>Custom Benchmark</i>	<i>19.36%</i>	<i>3.28%</i>	<i>1.35%</i>
<b>U.S. Stock Fund</b>	<b>20.44%</b>	<b>0.13%</b>	<b>N/A</b>
<i>Russell 3000</i>	<i>20.46%</i>	<i>0.15%</i>	<i>-1.07%</i>
<b>U.S. Large Stock Fund</b>	<b>19.11%</b>	<b>-0.68%</b>	<b>-2.19%</b>
<i>S &amp; P 500 Index</i>	<i>19.11%</i>	<i>-0.68%</i>	<i>-2.19%</i>
<b>U.S. Small Stock Fund</b>	<b>33.46%</b>	<b>6.26%</b>	<b>6.71%</b>
<i>Russell 2000</i>	<i>33.37%</i>	<i>6.23%</i>	<i>6.63%</i>
<b>International Stock Fund</b>	<b>31.38%</b>	<b>2.01%</b>	<b>-1.25%</b>
<i>MSCI EAFE</i>	<i>32.37%</i>	<i>3.87%</i>	<i>0.06%</i>
<b>Bond Market Fund</b>	<b>0.09%</b>	<b>6.69%</b>	<b>N/A</b>
<i>Lehman Intermediate Credit</i>	<i>0.44%</i>	<i>7.14%</i>	<i>7.38%</i>
<b>Money Market Fund</b>	<b>1.08%</b>	<b>1.76%</b>	<b>3.43%</b>
<i>One Month LIBOR</i>	<i>1.15%</i>	<i>1.70%</i>	<i>3.43%</i>



## Deferred Compensation Program and Judicial Retirement Account

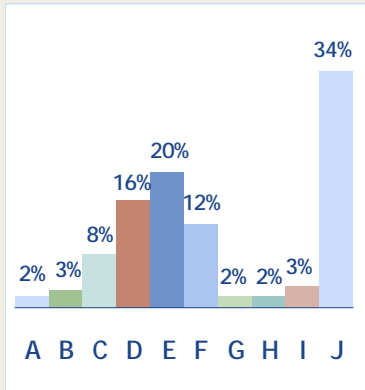
### DCP

Total Assets: \$1,741,853,291



### JRA

Total Assets: \$12,947,709



### Deferred Compensation Program (DCP)

June 30, 2004

The WSIB is responsible for investing DCP funds and providing investment options for program participants. DRS is responsible for DCP administration, accounting, and record-keeping.

### Judicial Retirement Account (JRA)

June 30, 2004

The JRA is a defined contribution supplemental retirement fund for state judges. Investments are self-directed by participants in the Judges' Supplemental Retirement Program utilizing the DCP investment options offered by the WSIB. The Office of the Administrator for the Courts administers the fund, while accounting and record-keeping is done by DRS.

	DCP	JRA
A Horizon Funds	\$34,861,184	\$228,295
B Social Balanced Fund	\$37,082,676	\$340,176
C U.S. Stock Market Index	\$84,989,716	\$989,382
D Equity Income Fund	\$363,618,984	\$2,019,728
E Independence Fund	\$293,936,785	\$2,534,861
F Growth Company Fund	\$209,736,264	\$1,552,228
G Overseas Fund	\$40,801,732	\$241,271
H U.S. Small Cap Stock Fund	\$33,871,990	\$219,676
I Bond Market Fund	\$70,739,027	\$395,205
J Savings Pool	\$572,214,935	\$4,426,886
<b>Total</b>	<b>\$1,741,853,291</b>	<b>\$12,947,709</b>



### Fund Performance for DCP and JRA

June 30, 2004

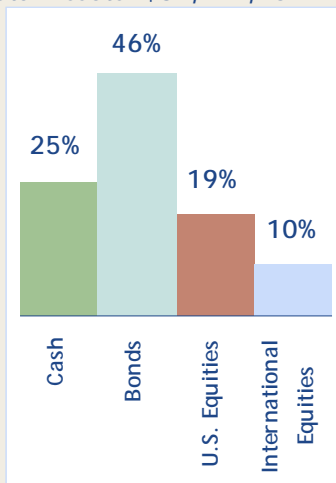
Fund Performance	1 Year	3 Year	5 Year
Short-Horizon Fund	7.13%	4.24%	N/A
<i>Custom Benchmark</i>	7.42%	4.68%	4.45%
Mid-Horizon Fund	12.77%	4.28%	N/A
<i>Custom Benchmark</i>	13.08%	4.82%	3.53%
Long-Horizon Fund	19.08%	2.72%	N/A
<i>Custom Benchmark</i>	19.36%	3.28%	1.35%
Social Balanced Fund	13.22%	N/A	N/A
<i>Custom Benchmark</i>	10.41%	N/A	N/A
U.S. Stock Market Index Fund	21.30%	0.71%	-0.67%
<i>Dow Jones Wilshire 5000</i>	21.24%	0.79%	-1.04%
Equity Income Fund	21.64%	2.24%	1.66%
<i>Russell 3000 Value</i>	22.14%	3.63%	2.62%
Independence Fund	16.39%	-0.82%	0.69%
<i>Russell 3000 Value</i>	20.46%	0.15%	-1.07%
Growth Company Fund	25.37%	-3.44%	0.86%
<i>Russell 3000 Growth</i>	18.82%	-3.49%	-6.05%
Overseas Fund	31.50%	1.81%	0.23%
<i>MSCI EAFE</i>	32.37%	3.87%	0.06%
U.S. Small Cap Stock Fund	33.46%	6.26%	6.71%
<i>Russell 2000</i>	33.37%	6.23%	6.63%
Bond Market Fund	0.09%	6.69%	N/A
<i>Lehman Intermediate Credit</i>	0.44%	7.14%	7.38%
Savings Pool	5.27%	5.77%	6.10%



## Daily-Valued Funds for Self-Directed Investment Programs

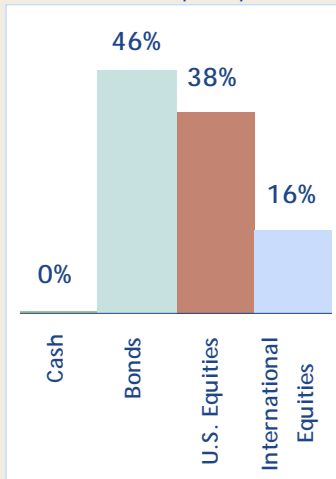
### Short-Horizon

Total Assets: \$31,227,262



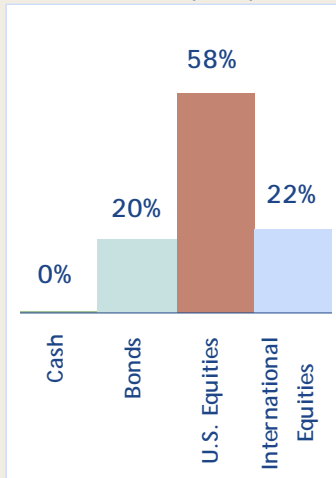
### Mid-Horizon

Total Assets \$96,120,280



### Long-Horizon

Total Assets: \$81,830,623



### Washington State Horizon Funds

These internally managed, daily-valued balanced funds give participants in the self-directed defined contribution retirement plans (TRS/SERS/PERS Plan 3's, DCP, and JRA) the ability to choose between different diversified asset allocation models that fit their personal risk and return objectives. Each Horizon Fund is regularly rebalanced by the WSIB to preserve the proper asset mix.

Total Horizon Assets: \$209,178,165

Fund Performance (June 30, 2004)	1 Year	Since Inception
Short-Horizon Fund	7.13%	3.02%
<i>Custom Benchmark</i>	<i>7.42%</i>	<i>3.38%</i>
Mid-Horizon Fund	12.77%	1.26%
<i>Custom Benchmark</i>	<i>13.08%</i>	<i>1.69%</i>
Long-Horizon Fund	19.08%	-1.88%
<i>Custom Benchmark</i>	<i>19.36%</i>	<i>-1.45%</i>

### Washington State Bond Market Fund

The goal of this daily-valued fund is to provide participants of the self-directed defined contribution retirement plans (TRS/SERS/PERS Plan 3's, DCP, and JRA) attractive returns while controlling risk by investing in high-quality corporate bonds. The fund is internally managed by WSIB staff and is intended for participants who want an intermediate-term investment designed to match or moderately exceed the returns of the Lehman Intermediate Credit Index.

Total Bond Market Assets: \$338,790,631

Top 10 Credit Issuers	
Norfolk Southern Corporation	1.1%
Santander Central Hispano Issuances	1.1%
British Sky Broadcasting Group PLC	1.0%
Burlington Northern Santa Fe Corporation	1.0%
Northern Trust Company	1.0%
Sara Lee Corporation	1.0%
Morgan Stanley Dean Witter and Co.	1.0%
Nordia Bank Finland PLC NY	1.0%
Repsol International Finance BV	1.0%
Quebec Province	1.0%

Characteristics	Fund	Index
Average Maturity	4.2 years	5.1 years
Yield to Maturity	3.90%	4.48%
Modified Duration	3.62	4.19
Average Coupon	4.68%	5.91%
Number of Holdings	125	2528

Fund Performance (June 30, 2004)	1 Year	Since Inception
Washington State Bond Market Fund	0.09%	7.76%
Lehman Intermediate Credit Index	0.44%	8.18%

### Savings Pool

This option is intended as a conservative short-term investment vehicle when the primary objectives are protecting current income and preserving principal while earning a rate of return in excess of the current yield of U.S. Treasury securities of similar maturities. The Savings Pool is a diversified portfolio of guaranteed investment contracts (GICs) and short-term cash funds.

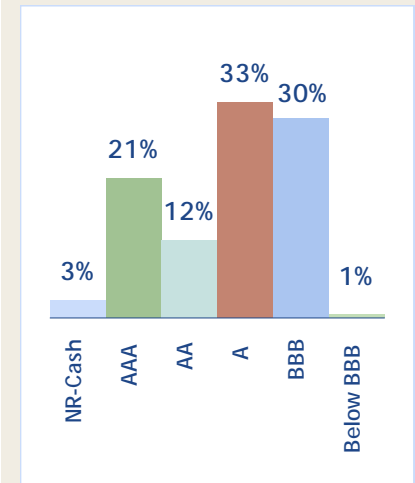
Total Savings Pool Assets: \$576,222,187

Characteristics	Fund
Average Maturity	2.5 years
Average Coupon	4.98%
Number of Holdings	31

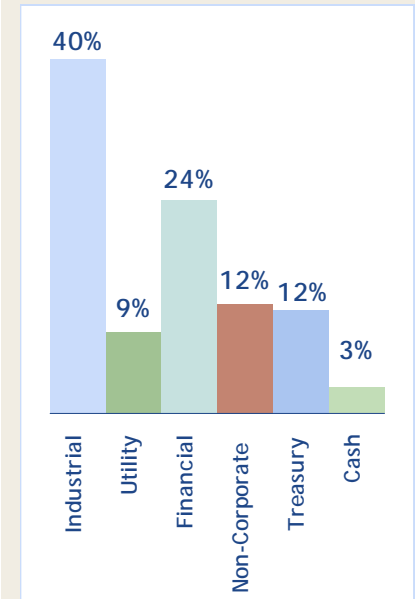
Top 10 GIC Issuers	
Hartford Life Insurance Co.	13.9%
John Hancock Life Insurance Co	12.3%
GE Life and Annuity Assurance Co.	12.0%
Monumental Life Insurance Company	11.1%
Metropolitan Life Insurance Co.	10.8%
Pacific Life Insurance Co.	9.2%
New York Life Insurance Corp	9.0%
Principal Life Insurance Co.	7.7%
Travelers Life and Annuity Co.	4.9%
Allstate Life Insurance Co.	1.9%

Fund Performance (June 30, 2004)	1 Year	Since Inception
Savings Pool	5.27%	7.41%

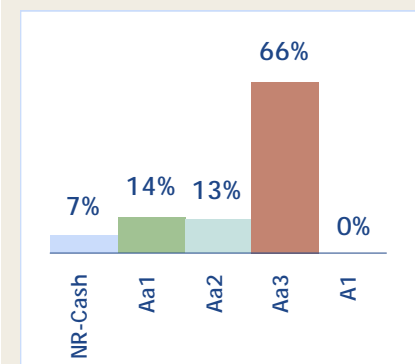
### Bond Rating Distribution



### Industry Distribution



### GIC Rating Distribution



## Labor and Industries' Funds (Industrial Insurance Funds)



**Total Market Value**  
**\$9,294,518,195**  
 June 30, 2004

The WSIB manages Industrial Insurance funds on behalf of the Department of Labor and Industries (L & I). The Industrial Insurance portfolio consists of 4 separate funds that totaled \$9.3 billion as of June 30, 2004.

**Accident Fund**  
**\$3,562,740,049**

This fund receives premiums from employers for industrial insurance and income from investments. It is primarily used to pay disability benefits for injured workers, such as time-loss compensation, permanent partial disability, certain travel and retraining expenses, burial awards, and administrative costs.

**Medical Aid Fund**  
**\$3,433,977,474**

This fund receives premiums paid by both the employer and employee, as well as income from investments. 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**  
**\$2,226,858,762**

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

**Supplemental Pension Fund**  
**\$70,941,911**

This fund receives premiums paid by both the employer and employee, as well as income from investments. These assets are used to supplement time loss and pensions based on older, lower schedules and to compensate for cost-of-living increases.

**Asset Allocation**

June 30, 2004

The majority of L & I's assets are in fixed income holdings. Income from these holdings is an important part of L & I payouts to claimants. Due to their credit risk, credit bonds allow the funds to hold assets with higher yields than government bonds; most of these holdings are in A and Baa rated companies. Equity is also held to provide for diversification beyond fixed income and for long-term return. Equity also acts as an inflation hedge for the Medical Aid Fund, which has the largest equity holdings of the 4 funds. At the end of the fiscal year, equities were 17.8% of L & I assets.

**Sector Allocations**

June 30, 2004

Time-Weighted Returns	1 Year	3 Years	5 Years	10 Years
Accident Fund	0.72%	6.95%	6.71%	8.07%
Medical Aid Fund	5.65%	5.39%	5.34%	8.15%
Pension Reserve Fund	-2.20%	8.34%	8.26%	9.41%
Supplemental Pension Fund	-0.12%	2.58%	4.46%	5.83%



All Assets	Market Value (000s)	Percent
Short-Term - Cash (Includes Accruals)	\$304,311	3.3
<b>Long-Term Fixed Income</b>		
U.S. Government (TSY & AGY)	\$1,180,979	12.7
Credit Bonds	\$4,600,001	49.5
Asset-Backed Securities	\$75,712	0.8
Mortgages	\$1,477,335	15.9
Total Fixed Income Plus Cash	\$7,638,338	82.2
<b>Equities</b>		
U.S. Equity Market Index	\$1,405,188	15.1
MSCI EAFE Index	\$250,992	2.7
Total Equity	\$1,656,180	17.8
<b>Total</b>	<b>\$9,294,518</b>	<b>100.0%</b>

### Portfolio Allocations

June 30, 2004

Top 10 Fixed Income Issuers	Market Value (000s)
United States Treasury	\$930,903
FHLMC Securitized Mortgages	\$685,917
FNMA Securitized Mortgages	\$306,553
Resolution Funding Corp.	\$150,654
DLJ Securitized Mortgages	\$117,169
Burlington Northern	\$70,821
Anadarko	\$67,738
US Bancorp	\$66,772
Goldman Sachs	\$65,960
Tennessee Valley Authority	\$63,076

Top 10 Credit Issuers	Market Value (000s)
Burlington Northern	\$70,821
Anadarko	\$67,738
US Bancorp	\$66,772
Goldman Sachs	\$65,960
Devon Energy	\$61,077
MetLife	\$60,286
Norfolk Southern	\$59,585
Pfizer	\$59,179
Encana	\$59,283
Bank America	\$58,607



## Permanent Funds

**Total Market Value**  
\$709,029,452

June 30, 2004

**Agricultural Fund**

\$147,536,238

**Normal School**

\$207,408,893

**Scientific Permanent**

\$161,639,760

**State University**

\$24,587,085

**Common School**

\$167,852,325

**Millersylvania Park  
Fund**

\$5,151

Distribution returns include coupon interest, expenses and fees, realized gains and losses, and additional income. Total return also includes unrealized market gains and losses on the investments held based on values captured at a point in time (June 30, 2004)

The Permanent Funds are non-expendable trusts in which the investment principal (corpus) remains intact as required by the Washington State Constitution. Earnings from these funds (less expenses) are reinvested (added to corpus) or distributed to a beneficiary fund. The assets of the 6 permanent funds totaled approximately \$709 million as of June 30, 2004.

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 5 education Permanent Funds were established through land grants from the federal government to benefit Washington's schools and colleges. Proceeds from the sale of land and timber are transferred from the Washington State Department of Natural Resources to the WSIB for investment purposes. Investment earnings are distributed to schools, colleges, and universities in the state for the purpose of bond repayment, capital development, and facilities maintenance.

Performance June 30, 2004	1 Year		3 Years		5 Years	
	Total Return	Dist. Return	Total Return	Dist. Return	Total Return	Dist. Return
Agricultural Fund	-0.12%	4.07%	6.34%	5.50%	6.88%	6.11%
Normal School	-0.18%	3.98%	6.49%	5.40%	6.94%	5.96%
Scientific Permanent	-0.09%	4.10%	6.77%	5.55%	6.95%	6.03%
State University	-0.17%	3.99%	6.74%	5.35%	7.08%	6.05%
Common School	0.54%	3.80%	6.33%	5.22%	6.69%	5.77%
Millersylvania Park Fund	0.99%	0.83%	1.62%	1.65%	3.28%	3.34%

## Other Trust Funds

**Total Market Value**  
\$471,126,746

June 30, 2004

**Guaranteed Education Tuition Fund \$405,265,896**

The Guaranteed Education Tuition (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 the funds and invests them in a mix of short-term holdings, TIPS, U.S. Equity, and International Equity.

Performance June 30, 2004	1 Year	3 Years	Since Inception 9/98
GET - College Tuition Program	16.00%	6.65%	5.77%
CPI (inflation) + 4.5%	7.43%	6.98%	7.21%

**Developmental Disabilities Endowment (DDEF) Fund \$7,334,316**

The Developmental Disabilities Endowment Trust Fund was established to support individuals with developmental disabilities through private contributions and public appropriations. The WSIB invests the fund in a mix of short-term holdings, TIPS, fixed income, and U.S. Equity.

Performance June 30, 2004	1 Year	Since Inception 6/00
DDEF State Fund	3.94%	5.86%
CPI (inflation)	2.93%	2.41%
90 Day T-Bill	0.98%	2.74%

### State Emergency Reserve Fund \$42,645

This fund, created under the guidelines of State Proposition 601, provides for a state 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. The WSIB began investing the State Emergency Reserve Fund in July 1999. The fund is invested in short-term holdings.

Fiscal Year 2004 Net Investment Earnings: \$510,506

### Game and Special Wildlife Fund \$9,872,079

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

Fiscal Year 2004 Net Investment Earnings: \$93,296

### State Employees' Insurance Reserve \$47,986,515

This fund holds and invests 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.

Fiscal Year 2004 Net Investment Earnings: \$422,838

### Radiation Perpetual Fund \$281,122

This fund provides monies for the maintenance, monitoring, and other care of radioactive materials at sites no longer in operation. 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. The fund is invested in short-term holdings.

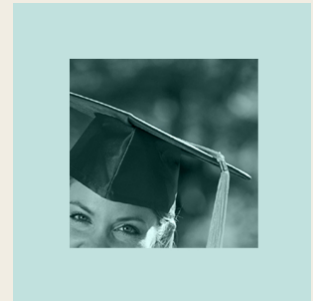
Fiscal Year 2004 Net Investment Earnings: \$2,477

### Reclamation Revolving Fund \$344,173

This fund provides a source of funding for the reclamation and development of land suitable and economically available for development as agricultural land. The program is under the authority of the Department of Ecology. The fund is invested in short-term holdings and municipal water district bonds.

Fiscal Year 2004 Net Investment Earnings: \$17,516

Performance June 30, 2004	1 Year	3 Years	5 Years
State Emergency Reserve Fund	0.90%	1.55%	3.22%
Game and Special Wildlife Fund	0.90%	1.52%	3.22%
State Employees' Insurance Reserve	0.90%	1.52%	3.22%
Radiation Perpetual Fund	0.90%	1.52%	3.22%
Reclamation Revolving Fund	3.32%	2.90%	4.05%



## Investing in Washington

### Washington Investments in the WSIB Portfolio

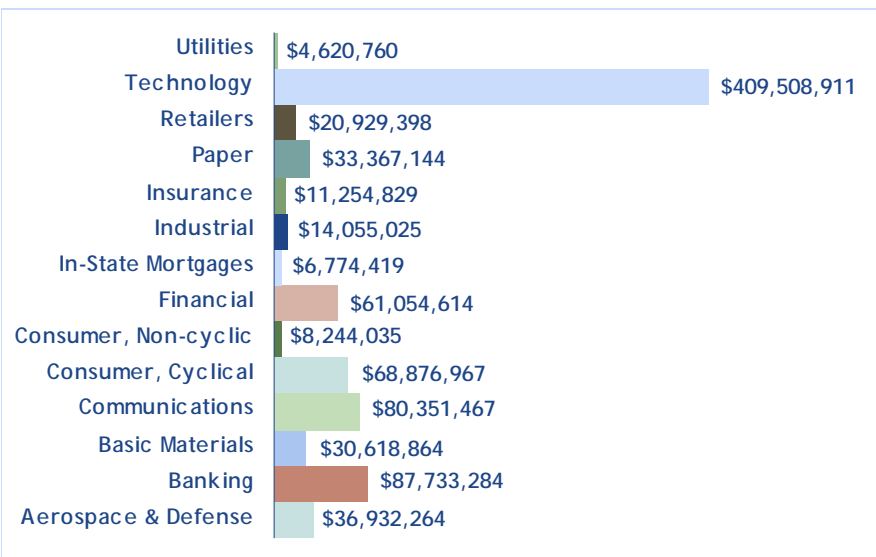
Investment Class	Value (000s)
Public Equity	\$677.3
Fixed Income	\$196.9
Private Equity	\$61.3
Real Estate*	\$428.7
<b>Total</b>	<b>\$1,364.2</b>

\* The real estate amount represents the total capital that the WSIB has invested in Washington properties.

The WSIB seeks the best investment opportunities no matter where they might be headquartered. The state of Washington is home to many successful companies and Washington-based investments can be found in all of the WSIB's investment portfolios.

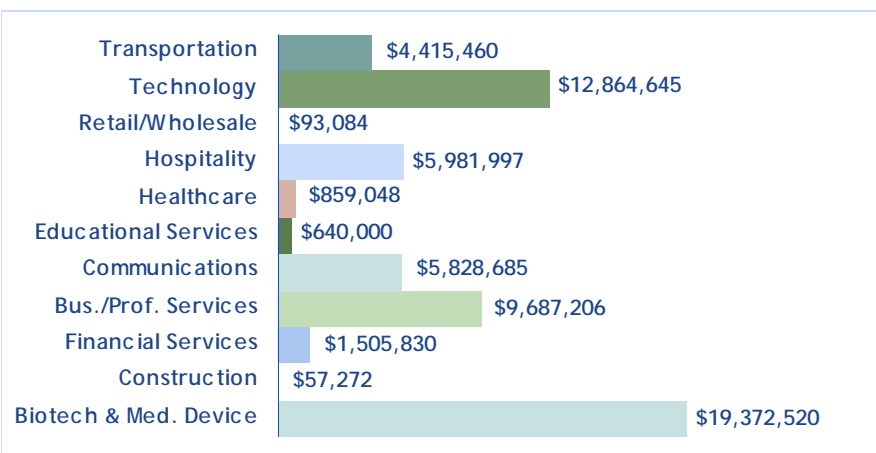
### Public Equity and Fixed Income

As of June 30, 2004, the market value of the WSIB public equity and fixed income investments in companies headquartered in Washington was \$874 million. The following industries are represented in these portfolios:

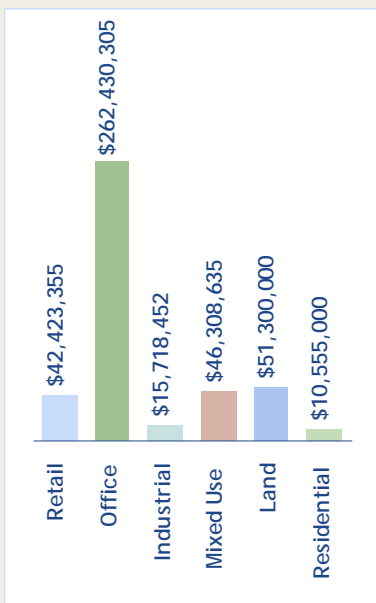


### Private Equity

As of June 30, 2004, the WSIB had over \$61.3 million invested in Washington's economy through its private equity partnerships and these investments are well diversified across numerous industry sectors:



### Real Estate by Property Type



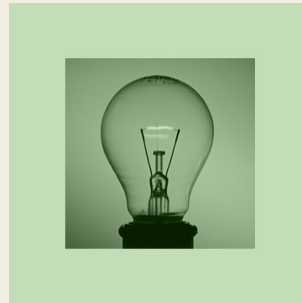
### Real Estate

Several of the WSIB's real estate partners have property investments located in Washington. As of June 30, 2004, the WSIB's investment in Washington properties was estimated at approximately \$429 million. Several property types are represented in the portfolio (see chart at left).





# Financials





## Management Discussion & Analysis

The discussion and analysis of the Washington State Investment Board (WSIB) financial performance provides an overview of the WSIB's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the Letter of Transmittal beginning on page 4 and WSIB's financial statements.

### Investment Responsibility

As of June 30, 2004, the WSIB had investment responsibility for the following 33 funds:

#### Defined Benefit

- Public Employees' Retirement System (PERS) Plan 1
- Public Employees' Retirement System (PERS) Plan 2/3
- School Employees' Retirement System (SERS) Plan 2/3
- Teachers' Retirement System (TRS) Plan 1
- Teachers' Retirement System (TRS) Plan 2/3
- Law Enforcement Officers' and Firefighters' (LEOFF) Plan 1
- Law Enforcement Officers' and Firefighters' (LEOFF) Plan 2
- Judicial Retirement Account (JRA)
- Washington State Patrol Retirement System (WSP) Plan 1
- Washington State Patrol Retirement System (WSP) Plan 2
- Volunteer Firefighters' Relief and Pension Fund (VFF)

#### Defined Contributions

- Public Employees' Retirement System (PERS) Plan 3 (Self-Directed)
- School Employees' Retirement System (SERS) Plan 3 (Self-Directed)
- Teachers' Retirement System (TRS) Plan 3 (Self-Directed)
- Judicial Retirement Account (JRA)

#### Deferred Compensation Funds

- Deferred Compensation Program (DCP)

#### Industrial Insurance (Labor and Industries) Funds

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

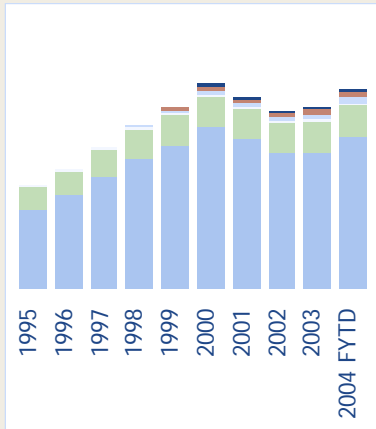
#### Permanent Funds

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

#### Other Trusts

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





- Other Trusts
- Deferred Compensation
- Defined Contribution Self-Directed
- Permanent Funds
- Labor and Industries
- Retirement Funds

## Assets Under Management

### Total Assets by Fund

June 30, 2004

Other Trusts	\$471,127
Deferred Compensation Program	\$1,741,853
Defined Contribution Self-Directed	\$1,659,155
Permanent Funds	\$709,029
Industrial Insurance Funds	\$9,294,283
Retirement	\$43,371,364
<b>Total</b>	<b>\$57,247,046</b>

## Financial Highlights

### Fiscal Year 2004 Highlights

- ❖ Total assets within the 33 individual funds managed by the WSIB were \$57.2 billion, up \$5.1 billion from the previous year.
- ❖ The CTF increased by \$4.5 billion with a total one year return of 16.1% due to good returns on equity markets.
  - ◆ Fiscal year 2004 ended with five consecutive quarters of positive returns for the Wilshire 5000 index with an above average one-year return at 21.2%.
  - ◆ Small cap equities, as measured by the Russell 2000, earned 33.4% and large cap equities, as measured by the Russell 1000, earned 19.5% overall.
  - ◆ Value equities earned 22.1% versus an 18.8% total performance for growth equities.
  - ◆ The one-year return for the international equity market ended FY 2004 at 32.5% as compared to the lower 21.4% one year return for U.S. markets.
- ❖ Inflation, as measured by the Consumer Price Index (CPI) grew 3.2% and the Federal Reserve raised interest rates by a quarter percent bringing the rate to 1.25% as of June 30, 2004.
- ❖ The WSIB received its 13<sup>th</sup> consecutive clean audit with no findings from the state auditor's office for FY 2004.
- ❖ Total expenses for all funds under management declined from 4.15 basis points to 3.88 basis points as a percentage of total assets due to both lower investment and operating expenses.

## Overview of the Financial Statements

This discussion and analysis serves as an introduction to the WSIB basic financial statements, which consist of the basic financial statements and notes

to the financial statements. The statements included are for the retirement systems' CTF, Labor and Industries' Funds, Permanent Trust Funds, and Other Trust Funds. The financial statements are reported separately due to the unique goals and objectives for each set of funds.

### Basic Financial Statements

The basic financial statements presented include the Statement of Net Assets, which reports the assets by general asset category; the Statement of Changes in Net Assets, which reports the contributions or withdrawals from investment earnings for the fiscal year ending June 30, 2004. The retirement funds also include the Statement of Participation, which reports the net assets by individual owner funds, and the Schedule of Investment Expenses, which reports all expenses related to the management of the funds.

#### Retirement Funds

Statement of Net Assets .....	42
Statement of Changes in Net Assets .....	43
Statement of Participation .....	44
Statement of Investment Expenses .....	44
Notes to Financial Statements .....	44-46

#### Labor and Industries' Funds

Statement of Net Assets .....	47
Statement of Changes in Net Assets .....	48
Notes to Financial Statement .....	48

#### Permanent Funds

Statement of Net Assets .....	49
Statement of Changes in Net Assets .....	50
Notes to Financial Statement .....	50-51

#### Other Trust Funds

Statement of Net Assets .....	51
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### Notes to the Financial Statements

The notes to the financial statements presented are an integral part of the financial statements and include additional information not readily evident in the statements themselves.

### Detailed Schedule of Investments

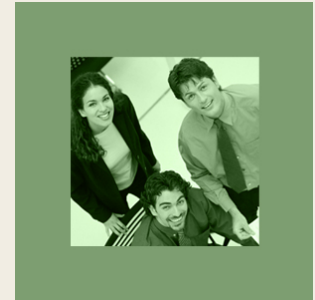
The schedule of investments lists the assets held at fiscal year end June 30, 2004 starting on pages 52-127.

### Contacting WSIB's Financial Management

This financial report is designed to provide a general overview of WSIB's investment activities. If you have any questions about this report or need additional information, contact us at:

Washington State Investment Board  
2100 Evergreen Park Drive SW  
P.O. Box 40916  
Olympia, WA 98504-0916

Phone: 360-956-4600  
Website: <http://www.sib.wa.gov/index.htm>



## Retirement Funds - Financial Statements

### Statement of Net Assets (Unaudited) - June 30, 2004

	COMMINGLED TRUST FUND (NOTE 2)	PLAN SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT OF TOTAL
Asset Backed Securities	\$48,469,088		\$48,469,088	0.1%
Commingled Index Funds - Domestic	14,584,326,761		14,584,326,761	33.7%
Commingled Index Funds - Foreign	3,067,009,359		3,067,009,359	7.1%
Corporate Stock - Foreign	3,991,409,361		3,991,409,361	9.2%
Credit Securities	4,624,288,495		4,624,288,495	10.7%
Mortgages and Mortgage Backed Securities	2,795,866,819		2,795,866,819	6.5%
Private Equity	6,067,449,584		6,067,449,584	14.0%
Real Estate	4,095,248,286		4,095,248,286	9.5%
Short-Term Securities	1,024,129,181	44,357,906	1,068,487,087	2.5%
U.S. Government Securities	2,895,979,254		2,895,979,254	6.7%
<b>Net Assets at Market Value</b>	<b>\$43,194,176,188</b>	<b>\$44,357,906</b>	<b>\$43,238,534,094</b>	<b>100.0%</b>
<b>Net of All Accrual Types</b>	<b>\$132,712,500</b>	<b>\$117,366</b>	<b>\$132,829,867</b>	
<b>Total Net Assets at Market Value, June 30, 2004</b>	<b>\$43,326,888,687</b>	<b>\$44,475,272</b>	<b>\$43,371,363,961</b>	

See Notes to Financial Statements

## Statement of Changes in Net Assets (Unaudited) - June 30, 2004

	COMMINGLED TRUST FUND (NOTE 2)	PLAN SPECIFIC INVESTMENTS (NOTE 2)	TOTAL
Total Net Assets at Market Value - June 30, 2003	\$38,778,607,018	\$41,066,245	\$38,819,673,263
<b>Fiscal Year 2004 Activity:</b>			
Net Withdrawal by Retirement Plans		(1,489,554,374)	(1,489,554,374)
Investments in Commingled Funds	290,958,127	(290,958,127)	
Withdrawals from Commingled Funds	(1,786,833,809)	1,786,833,809	
Investment Earnings (Note 1):			
Income	1,171,206,601	1,907,546	1,173,114,146
Capital Gains	5,936,798,096	-	5,936,798,096
Capital Losses	(514,163,389)	-	(514,163,389)
Market Gains and Losses (Unrealized)	(327,929,563)	-	(327,929,563)
Investment Expenses (Note 3)	(196,845,385)	-	(196,845,385)
Securities Lending Broker Rebates Paid	(24,909,009)	-	(24,909,009)
WSIB Operating Costs	-	(4,819,827)	(4,819,827)
Net Investment Earnings	\$6,044,157,352	\$(2,912,281)	\$6,041,245,070
Total Net Assets at Market Value - June 30, 2004	\$43,326,888,687	\$44,475,272	\$43,371,363,961
<b>Net Asset Value Recap - June 30, 2004</b>			
Investments (at Market Value)	\$43,194,176,187	\$44,357,906	\$43,238,534,093
Investment Earnings Receivable	126,890,943	117,366	127,008,311
Investment Management Fees Payable	(8,828,555)	-	(8,828,555)
Receivable for Investments Sold	65,949,186	-	65,949,186
Payable for Investments Purchased	(51,299,073)	-	(51,299,073)
Collateral Held Under Securities Lending Agreements	3,308,515,469	-	3,308,515,469
Obligations Under Securities Lending Agreements	(3,308,515,469)	-	(3,308,515,469)
Total Net Assets at Market Value - June 30, 2004	\$43,326,888,687	\$44,475,272	\$43,371,363,961

See Notes to Financial Statements.

## Statement of Participation (Unaudited) - June 30, 2004

<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	\$9,214,268,678	\$1,375,462	\$9,215,644,139	21.2%
PERS 2/3 (DC and DB Plans)	11,065,367,350	5,182,318	11,070,549,669	25.5%
TEACHERS 1	7,795,953,725	11,064,986	7,807,018,712	18.0%
TEACHERS 2/3 (DC and DB Plans)	4,918,387,083	10,856,681	4,929,243,764	11.4%
VOLUNTEER FIREFIGHTERS	104,321,351	273	104,321,625	0.2%
WSP 1/2	663,184,727	303,022	663,487,751	1.5%
LEOFF 1	4,707,808,137	527,029	4,708,335,166	10.9%
LEOFF 2	2,912,789,071	7,407,808	2,920,196,879	6.7%
SCHOOL EMPLOYEES 2/3 (DC and DB Plans)	1,944,808,563	3,416,977	1,948,225,540	4.5%
JUDICIAL		4,340,717	4,340,717	0.0%
<b>Total Net Assets at Market Value - June 30, 2004</b>	<b>\$43,326,888,687</b>	<b>\$44,475,272</b>	<b>\$43,371,363,961</b>	<b>100.0%</b>

See Notes to Financial Statements

## Schedule of Investment Expenses - June 30, 2004

<u>PUBLIC EQUITY SECURITIES:</u>	<u>FEES</u>
Passive Equity Managers	\$561,921
International Active Equity Managers	13,748,389
International Passive Equity Managers	1,986,949
 <u>ALTERNATIVE INVESTMENTS:</u>	
Private Equity	\$125,074,254
Real Estate	25,789,617
 <u>OTHER FEES:</u>	
Securities Lending Fees	\$6,965,304
Consultants and Advisors	1,802,442
Custodians	1,664,904
Legal Fees	374,511
Miscellaneous	55,257
 <b>Total Investment Expenses</b>	<b>\$178,023,548</b>

## Note to Financial Statements

### Note 1: Significant Accounting Policies

Long-term investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors.

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 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 13 separate retirement plans, excluding the Judicial Retirement Account (JRA) which isn't part of the CTF. 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 CTF 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 2/3; the Law Enforcement Officers' and Fire Fighters' Plans 1 and 2; the Washington State Patrol Retirement (WSP) Systems 1/2; and, the Volunteer Fire Fighters' Retirement Plan (VFF). The CTF includes only the defined benefit portion of PERS Plan 3, 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, 2004.

#### 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, 2004, the state had the following unfunded investment commitments:

Private Equity:	\$4,634,432,827
Real Estate:	\$677,371,896

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

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

#### Note 6: Derivatives

At June 30, 2004, the only derivative securities held directly by the WSIB were collateralized mortgage obligations of \$1.4 billion; however, derivatives may include a portion of the WSIB's individual investment managers' portfolios.

WSIB is authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate and equity swaps, and options to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. WSIB mitigates market risks arising from derivative transactions by requiring collateral in cash and investments to be maintained equal to the securities positions outstanding, and

thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the WSIB authority to invest in derivatives, international active equity managers may make limited investments in financial futures, forward contracts or other derivative securities to manage exposure to currency rate risk and equitize excess cash holdings. No such derivative securities were held as of June 30, 2004. Domestic and passive international equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use, and holdings of derivative securities by passive equity index fund managers is unavailable. At June 30, 2004, the only derivative securities held directly by the WSIB were collateralized mortgage obligations of \$1.644 billion.

#### Note 7: Accruals

The term "Net Accruals" means the sum of accrued income, pending trades receivable, pending trades payable, and accrued expenses.

## Labor and Industries' Funds - Financial Statements

### Statement of Net Assets (Unaudited) - June 30, 2004

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL	% OF TOTAL
<b>FIXED INCOME INVESTMENTS:</b>						
Asset Backed Securities		\$71,103,466	\$25,965,999		\$97,069,465	1.1%
Credit Securities	1,610,127,787	1,636,623,435	1,274,782,830	44,252,058	4,565,786,110	49.8%
Mortgages and Mortgage Backed Securities	635,846,870	440,446,387	358,376,247	660,345	1,435,329,849	15.6%
Liquidity	180,208,110	12,597,069	52,264,505	25,480,371	270,550,055	2.9%
U.S. Government Securities	724,105,400	162,233,372	261,351,198		1,147,689,971	12.5%
<b>Total Fixed Income Investments</b>	<b>\$3,150,288,167</b>	<b>\$2,323,003,730</b>	<b>\$1,972,740,779</b>	<b>\$70,392,774</b>	<b>\$7,516,425,450</b>	<b>81.9%</b>
<b>EQUITY INVESTMENTS:</b>						
Commingled Index Funds	\$375,077,133	\$1,052,737,749	\$228,364,894		\$1,656,179,775	18.1%
<b>Total Equity Investments</b>	<b>\$375,077,133</b>	<b>\$1,052,737,749</b>	<b>\$228,364,894</b>		<b>\$1,656,179,775</b>	<b>18.1%</b>
<b>Total Equity and Fixed Income Investments</b>	<b>\$3,525,365,300</b>	<b>\$3,375,741,478</b>	<b>\$2,201,105,673</b>	<b>\$70,392,774</b>	<b>\$9,172,605,225</b>	<b>100.0%</b>
<b>ACCRUALS:</b>						
Accrued Investment Income Receivable	\$38,574,795	\$25,418,742	\$26,259,467	\$551,133	\$90,804,135	
Accrued Management Fees Payable	(1,253,015)	(346,430)	(531,110)	(1,995)	(2,132,550)	
Payable for Investments Purchased						
Receivable for Investments Sold	52,969	33,163,684	24,732		33,241,384	
Collateral Held Under Securities Lending Agreements	719,854,169	244,772,828	302,017,970	1,015,394	1,267,660,361	
Obligations Under Securities Lending Agreements	(719,854,169)	(244,772,828)	(302,017,970)	(1,015,394)	(1,267,660,361)	
<b>Total Accruals</b>	<b>\$37,374,749</b>	<b>\$58,235,996</b>	<b>\$25,753,089</b>	<b>\$549,137</b>	<b>\$121,912,970</b>	
<b>Total Net Assets at Market Value, June 30, 2004</b>	<b>\$3,562,740,049</b>	<b>\$3,433,977,474</b>	<b>\$2,226,858,762</b>	<b>\$70,941,911</b>	<b>\$9,294,518,195</b>	

See Notes to Financial Statements.

**Statement of Changes in Net Assets (Unaudited) - June 30, 2004**

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL
Total Net Assets at Market Value, June 30, 2003	\$3,762,209,820	\$3,273,669,571	\$2,233,124,759	\$73,204,860	\$9,342,209,010
Net Amount Contributed (Withdrawn)	(243,104,116)	(26,943,997)	55,297,009	(2,756,430)	(217,507,534)
<b>INVESTMENT EARNINGS:</b>					
Interest, Dividends and Other Investment Income	\$198,626,056	\$145,202,721	\$129,018,708	\$2,406,893	\$475,254,378
Capital Gains	35,328,695	24,144,769	58,361,773	413,827	118,249,064
Capital Losses	(58,821,851)	(83,005,671)	(13,792,539)	(98,080)	(155,718,142)
Market Gains and Losses (Unrealized)	(136,084,724)	103,466,394	(217,714,815)	(2,174,597)	(252,507,742)
Investment Expenses	(7,971,336)	(2,120,891)	(4,037,337)	(44,993)	(14,174,557)
WSIB Operating Costs	(501,604)	(435,421)	(339,686)	(9,570)	(1,286,281)
Net Investment Earnings	\$30,575,235	\$187,251,900	\$(48,503,897)	\$493,481	\$169,816,720
<b>OTHER CHANGES IN FUND BALANCE:</b>					
Residual Equity Transfers	\$13,059,109		\$(13,059,109)		
Total Net Assets at Market Value, June 30, 2004	\$3,562,740,049	\$3,433,977,474	\$2,226,858,762	\$70,941,911	\$9,294,518,195

See Notes to Financial Statements.

**Note to Financial Statements**
**Note 1: Significant Accounting Policies**

Industrial Insurance (Labor and 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.

Long-term investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors.

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.

## Permanent Funds - Financial Statements

### Statement of Net Assets (Unaudited) - June 30, 2004

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL	% OF TOTAL
Asset Backed Securities	\$1,743,828		\$2,769,609		\$5,071,583		\$9,585,020	1.4%
Credit Securities	61,632,201		92,303,445	70,298,859	69,015,713	10,671,299	303,921,516	43.1%
Equity Index Funds				8,257,224			8,257,224	1.2%
Mortgages and Mortgage Backed Securities	47,576,649		65,710,709	53,928,233	49,508,276	8,067,730	224,791,597	31.9%
Liquidity	13,245,574	5,151	12,944,496	8,524,382	11,292,297	1,834,003	47,845,902	6.8%
US Government Securities	22,635,687		32,625,624	26,125,585	25,954,790	3,902,705	111,244,391	15.8%
<b>Total Investments</b>	<b>\$146,833,939</b>	<b>\$5,151</b>	<b>\$206,353,882</b>	<b>\$167,134,282</b>	<b>\$160,842,659</b>	<b>\$24,475,737</b>	<b>\$705,645,650</b>	<b>100.0%</b>
Accrued Income Receivable	\$1,329,027	\$4	\$1,957,864	\$1,418,849	\$1,506,472	\$216,776	6,428,991	
Accrued Expenses and Distributions to Beneficiary Funds	(627,760)	(4)	(903,827)	(701,406)	(710,801)	(105,545)	(3,049,344)	
Receivable for Investments Sold	1,032		974	600	1,431	119	4,155	
Payable for Investments Purchased								
Collateral Held Under Securities Lending Agreements	23,390,139		33,492,953	25,709,376	25,341,238	3,779,779	111,713,484	
Obligations Under Securities Lending Agreements	(23,390,139)		(33,492,953)	(25,709,376)	(25,341,238)	(3,779,779)	(111,713,484)	
<b>Total Net Assets at Market Value, June 30, 2004</b>	<b>\$147,536,238</b>	<b>\$5,151</b>	<b>\$207,408,893</b>	<b>\$167,852,325</b>	<b>\$161,639,760</b>	<b>\$24,587,085</b>	<b>\$709,029,452</b>	

See Notes to Financial Statements

## Statement of Changes in Net Assets (Unaudited)

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL
Total Net Assets at Market Value, June 30, 2003	\$151,443,336	\$5,151	\$214,261,528	\$173,759,013	\$165,779,471	\$25,301,396	\$730,549,895
Contributions	3,173,864	(0)	3,122,697	601,580	3,611,976	889,475	11,399,592
<b>INVESTMENT EARNINGS:</b>							
Interest, Dividends and Other Investment Income	\$7,120,211	\$51	\$9,910,912	\$7,772,299	\$7,900,495	\$1,161,710	\$33,865,678
Capital Gains	1,884,515		2,419,352	2,198,931	2,057,181	218,149	8,778,127
Capital Losses	(112,827)		(87,872)	(838,572)	(130,843)	(27,999)	(1,198,111)
Market Gains and Losses	(8,856,496)		(12,313,708)	(7,998,478)	(9,681,986)	(1,789,875)	(40,640,544)
Investment Expenses	(201,153)		(288,913)	(203,788)	(239,241)	(29,949)	(963,044)
WSIB Operating Costs	(20,864)		(26,378)	(23,581)	(22,688)	(5,220)	(98,731)
<b>Net Investment Earnings</b>	<b>\$(186,614)</b>	<b>\$51</b>	<b>\$(386,607)</b>	<b>\$906,811</b>	<b>\$(117,082)</b>	<b>\$(473,184)</b>	<b>\$(256,624)</b>
<b>OTHER CHANGES IN FUND BALANCE:</b>							
Distributions to Beneficiary Funds	\$(6,894,349)	\$(51)	\$(9,588,725)	\$(7,415,080)	\$(7,634,605)	\$(1,130,602)	\$(32,663,412)
<b>Total Net Assets at Market Value, June 30, 2004</b>	<b>\$147,536,238</b>	<b>\$5,151</b>	<b>\$207,408,893</b>	<b>\$167,852,325</b>	<b>\$161,639,760</b>	<b>\$24,587,085</b>	<b>\$709,029,452</b>

See Notes to Financial Statements.

## Note to Financial Statements

### Note 1: Significant Accounting Policies

Long-term investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors.

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 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, capital gains on an annual 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.

## Other Trust Funds - Financial Statements

### Statement of Changes in Net Assets (Unaudited) - June 30, 2004

	REVOLVING RECLAMATION	EMERGENCY RESERVE	GAME AND SPECIAL WILDLIFE	HEALTH INSURANCE	DEVELOPMENTAL DISABILITIES ENDOWMENT	RADIATION PERPETUAL	GET FUNDS	TOTAL OTHER TRUST
Total Net Assets at Market Value, June 30, 2003	\$1,081,907	\$57,627,675	\$11,777,342	\$47,557,857	\$6,496,042	\$278,610	\$271,544,973	\$396,364,406
Net Amount Contributed (Withdrawn)	(755,249)	(58,095,536)	(1,998,559)	5,820	549,970	35	87,555,521	27,262,001
INVESTMENT EARNINGS:								
Interest, Dividends and Other Investment Income	\$19,666	\$517,552	\$94,737	\$428,658	\$159,092	\$2,512	\$9,028,687	\$10,250,904
Capital Gains					31,547			31,547
Capital Losses					(72,370)		(12,055,185)	(12,127,554)
Market Gains and Losses (Unrealized)	(2,018)				197,717		50,486,601	50,682,300
Investment Expenses	(4)				(26,570)		(1,255,967)	(1,282,541)
WSIB Operating Costs	(129)	(7,046)	(1,441)	(5,820)	(1,111)	(35)	(38,736)	(54,318)
Net Investment Earnings	\$17,516	\$510,506	\$93,296	\$422,838	\$288,305	\$2,477	\$46,165,402	\$47,500,339
Total Net Assets at Market Value, June 30, 2004	\$344,173	\$42,645	\$9,872,079	\$47,986,515	\$7,334,316	\$281,122	\$405,265,896	\$471,126,746

## Annual Budget - Financial Schedules

### Annual Budget Schedule - June 30, 2004

OBJECTS OF EXPENDITURE	BUDGET TO DATE	EXPENDITURES TO DATE	BUDGET VARIANCE
<b>APPROPRIATED:</b>			
Salaries	\$3,773,517	\$3,600,560	\$172,957
Benefits	689,046	676,860	12,186
Personal Services	970,633	957,937	12,696
Goods and Services	1,055,101	1,216,105	(161,004)
Travel	177,053	234,328	(57,275)
Fixed Assets	66,325	18,504	47,821
Interagency Reimbursements			
<b>TOTAL APPROPRIATED</b>	<b>\$6,731,675</b>	<b>\$6,704,294</b>	<b>\$27,381</b>
<b>NON-APPROPRIATED:</b>			
<b>RETIREMENT FUNDS</b>			
U.S. Equity - Passive		\$561,921	
International Equity - Active		8,045,547	
International Emerging Markets - Passive		466,608	
International Emerging Markets - Active		5,702,842	
International Equity - Passive		1,520,341	
Private Equity		125,074,254	
Real Estate		25,789,617	
General Pension Consultants		1,802,442	
Legal Fees		374,511	
Custodian Bank Fees		1,664,904	
Securities Lending and Other Fees		6,965,304	
POMS Project and Misc Expenses		55,258	
<b>TOTAL RETIREMENT</b>		<b>\$178,023,548</b>	
<b>SELF-DIRECTED DEFINED CONTRIBUTION FUNDS</b>			
Self-Direct Managers - TERS 3 International		\$77,271	
Self-Direct Managers - TERS 3 U.S.		66,646	
U.S. Fixed Income		314,264	
Securities Lending and Other Fees		155,141	
<b>TOTAL SELF-DIRECTED CONTRIBUTION FUNDS *</b>		<b>\$613,322</b>	
<b>LABOR AND INDUSTRIES' FUNDS</b>			
Consultants		\$93,750	
U.S. Equity		37,254	
International Equity		141,501	
Custodian Bank Fees		97,138	
Securities Lending		1,240,548	
Provident Liquidity Fees		341,852	
POMS Project and Misc. Expenses		7,395	
<b>TOTAL LABOR AND INDUSTRIES'</b>		<b>\$1,959,437</b>	
<b>DEFERRED COMPENSATION FUNDS</b>			
Fixed Income - Active		\$5,175	
U.S. Equity - Active		6,045,920	
International Equity - Active		348,424	
U.S. Equity - Passive		9,954	



OBJECTS OF EXPENDITURE	BUDGET TO DATE	EXPENDITURES TO DATE	BUDGET VARIANCE
Securities Lending		20,153	
<i>TOTAL DEFERRED COPMENSATION FUNDS *</i>		<i>\$6,429,627</i>	
<b>PERMANENT / OTHER FUNDS</b>			
U.S. Equity		\$4,559	
International - Passive		54,259	
Custodian Bank Fees		17,128	
Securities Lending		282,514	
Provident Liquidity Fees		318,196	
POMS Project and Misc. Expenses		699	
<i>TOTAL PERMANENT FUNDS</i>		<i>\$677,354</i>	
<b>TOTAL NON-APPROPRIATED</b>		<b>\$187,703,290</b>	
<b>TOTAL EXPENSES</b>		<b>\$194,407,584</b>	

\* Expenses are paid by participants.

## Retirement Funds - Financial Schedules

### Retirement Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM SECURITIES:</b>				
<b>CURRENCIES</b>				
Australia-Dollar				757
Brazil-Real				1
Britain-Pound				893,317
Canada-Dollar				454,638
Denmark-Krone				1,144
E.M.U.-Euro				13,345,668
Hungary-Forint				5,298
Indonesia-Rupiah				48,159
Japan-Yen				2,185,761
Mexico-Peso				12,394
New Zealand-Dollar				6,207
Norway-Krone				1,569,114
Singapore-Dollar				1,332,228
South Africa-Rand				321
South Korea-Won				1,227,110
Sweden-Krona				6,574
Switzerland-Franc				83,992
Thailand-Baht				4,322
<b>TOTAL CURRENCIES</b>				<b>\$20,205,570</b>
<b>CASH EQUIVALENTS</b>				
STATE STREET BANK & TRUST CO			1,003,923,611	\$1,003,923,611
<b>TOTAL CASH EQUIVALENTS</b>				<b>\$1,003,923,611</b>
<b>TOTAL SHORT - TERM SECURITIES</b>				<b>\$1,024,129,181</b>
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	3.38	1/15/2012	121,100,000	\$141,922,835
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	50,000,000	53,837,002
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	435,000,000	553,029,126
U.S. TREASURY INFLATION INDEX	3.88	1/15/2009	175,000,000	223,647,495
U.S. TREASURY INFLATION INDEX	4.25	1/15/2010	50,000,000	63,954,975
U.S. TREASURY INFLATION INDEX	3.00	7/15/2012	220,600,000	249,402,818
U.S. TREASURY INFLATION INDEX	3.50	11/15/2006	90,000,000	91,169,096
U.S. TREASURY INFLATION INDEX	2.13	10/31/2004	100,000,000	100,173,996
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	450,000,000	571,929,927
U.S. TREASURY INFLATION INDEX	2.00	1/15/2014	125,000,000	126,427,036
U.S. TREASURY BOND	5.25	11/15/2028	150,000,000	146,921,997
U.S. TREASURY BOND	13.88	5/15/2011	31,000,000	37,321,519
U.S. TREASURY BOND	6.13	8/15/2007	100,000,000	108,504,997
U.S. TREASURY BOND	5.38	2/15/2031	70,000,000	70,590,801
U.S. TREASURY NOTE	7.00	7/15/2006	11,000,000	11,917,841
U.S. TREASURY NOTE	6.00	8/15/2009	50,000,000	54,956,501
<b>TOTAL U.S. TREASURIES</b>				<b>\$2,605,707,964</b>

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>AGENCIES</b>				
FHLM POOL # 51410	6.50	5/1/2031	1,371,839	\$1,429,239
FHLMC	6.50	6/1/2031	2,299,230	2,395,434
FHLMC	6.00	12/1/2021	12,530,047	12,903,932
FNMA 95-W1 A7	8.20	4/25/2025	3,528,230	3,736,064
FNMA FN555445	5.00	5/1/2018	37,990,202	38,163,683
FNMA FN662945	5.50	2/1/2018	29,270,556	29,986,528
FNMA FN670370	5.50	9/1/2017	17,550,416	17,990,507
FNMA FN681377	5.00	1/1/2018	17,008,222	17,095,822
FNMA FN683364	5.00	2/1/2018	25,918,746	26,037,103
FNMA POOL # 583169	6.50	5/1/2031	4,359,434	4,538,870
GNMA G2 003443	5.50	9/20/2033	45,729,659	45,702,053
GNMA POOL #G23427	4.50	8/20/2033	47,766,888	44,810,933
GNMA POOL #G23428	5.00	8/20/2033	46,813,528	45,481,123
<i>TOTAL U.S. AGENCIES</i>				\$290,271,290
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$2,895,979,254</b>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FGC 90241	6.50	12/1/2018	1,445,711	\$1,511,557
FGC 90247	6.50	1/1/2019	1,208,343	1,263,378
FGC46275	7.00	12/1/2030	622,385	656,377
FGC46639	7.00	1/1/2031	121,341	127,968
FGE 01279	5.50	1/1/2018	15,845,558	16,246,491
FGE 01281	5.00	1/1/2018	32,750,531	32,892,905
FGE 01489	4.50	11/1/2018	46,902,202	46,040,927
FGE 92335	5.50	11/1/2017	20,084,959	20,593,159
FGE 92496	5.50	11/1/2017	18,299,644	18,762,671
FGE 93579	5.00	1/1/2018	31,239,483	31,393,555
FGE 93919	5.50	1/1/2018	28,486,679	29,192,609
FGE 95466	5.00	4/1/2018	17,301,202	17,376,415
FGE 96536	5.00	3/1/2018	36,278,245	36,435,955
FGG 11343	5.50	12/1/2017	18,978,319	19,458,518
FHLM E01217	5.00	10/1/2017	25,833,382	25,960,791
FHLM FGE 01343	5.00	4/1/2018	56,426,169	56,671,467
FHLM FGE 95905	5.00	4/1/2018	16,776,652	16,849,584
FHLMC FGB 10569	4.50	11/1/2018	19,767,538	19,404,543
FHLMC FGB 12928	4.50	3/1/2019	19,942,188	19,527,825
FHLMC FGB 12930	4.50	3/1/2019	48,833,766	47,819,088
FHLMC FGB 13646	4.50	4/1/2019	33,249,896	32,559,023
FHLMC FGE 01322	5.00	3/1/2018	35,536,749	35,691,235
FHLMC FGE01136	5.50	3/1/2017	8,596,809	8,814,330
FHLMC G 10372	6.50	8/1/2010	1,911,724	2,026,948
FHLMC GIANT NONGNOME 50-1731	8.00	12/1/2004	1,063	1,074
FHLMC GIANT SWAP 30-4278	9.00	7/1/2018	827,299	907,034
FHLMC GIANT SWAP 30-4281	9.00	7/1/2018	714,346	782,748
FHLMC GIANT SWAP 53-8318	10.00	12/1/2019	259,603	295,453
FHLMC GIANT SWAP 538275	9.00	12/1/2019	9,387	10,312
FHLMC GIANT WAM SWAP 30-6660	7.00	3/15/2019	18,829	19,270
FHLMC GOLD PL C00335	7.50	5/1/2024	2,784,140	3,004,694

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHLMC GOLD PL D63625	7.50	9/1/2025	21,036	22,649
FHLMC GOLD PL D65599	7.50	11/1/2025	91,489	98,505
FHLMC GOLD PL D66023	7.50	12/1/2025	29,281	31,527
FHLMC GOLD PL D66145	7.50	12/1/2025	29,693	31,970
FHLMC GOLD PL D66251	7.50	12/1/2025	126,353	136,043
FHLMC GOLD PL D66700	7.50	12/1/2025	28,471	30,654
FHLMC GOLD PL D66758	7.50	12/1/2025	52,111	56,107
FHLMC GOLD PLC80158	7.50	5/1/2024	578,309	624,121
FHLMC GOLD PLC80321	7.50	6/1/2025	83,394	89,789
FHLMC PC 16-0034	8.50	12/1/2007	7,735	8,104
FHLMC PC 16-0037	8.50	1/1/2008	7,184	7,540
FHLMC PC 16-0038	8.50	2/1/2008	13,633	14,298
FHLMC PC 16-0039	8.50	3/1/2008	33,052	34,632
FHLMC PC 16-0040	8.75	3/1/2008	5,754	6,051
FHLMC PC 16-0045	8.75	5/1/2008	683	720
FHLMC PC 16-0046	8.75	5/1/2008	20,914	22,051
FHLMC PC 16-0047	8.75	5/1/2008	8,275	8,746
FHLMC PC 16-0063	9.50	10/1/2008	20,915	22,443
FHLMC PC 17-0019	8.50	2/1/2008	50,431	52,935
FHLMC PC 17-0029	12.00	5/1/2010	33,440	37,726
FHLMC PC 17-0141	11.00	9/1/2015	15,083	16,921
FHLMC PC 17-0145	11.00	10/1/2015	38,507	43,459
FHLMC PC 17-0147	11.00	11/1/2015	162,912	187,016
FHLMC PC 17-0149	11.00	12/1/2015	49,904	57,078
FHLMC PC 17-0186	9.50	8/1/2016	82,468	92,115
FHLMC PC 17-0222	8.50	5/1/2017	9,301	10,091
FHLMC PC 36-0003	9.50	6/1/2017	104,348	116,830
FHLMC SWAP 26-0847	8.50	1/1/2017	90	96
FHLMC SWAP 28-0417	8.50	9/1/2016	583	634
FHLMC SWAP 28-5569	8.50	1/1/2017	8,474	9,187
FHLMC SWAP 28-5709	8.50	1/1/2017	5,669	6,156
FHLMC SWAP 28-9214	8.50	3/1/2017	2,238	2,409
FHLMC SWAP 29-0303	8.50	4/1/2017	6,144	6,637
FHLMC SWAP 29-0815	8.50	4/1/2017	14,587	15,844
FHLMC SWAP 29-1140	8.50	4/1/2017	1,126	1,223
FHLMC SWAP 29-1274	8.00	4/1/2017	191,916	205,419
FHLMC SWAP 29-1470	8.50	4/1/2017	10,399	11,273
FHLMC SWAP 29-1802	8.50	4/1/2017	586	614
FN 756164	5.00	11/1/2033	24,043,509	23,352,259
FNCI 254590	5.00	1/25/2018	34,141,594	34,317,439
FNCN 0254663	5.00	1/1/2013	16,586,433	16,855,962
FNMA 15 YR PL 322608	6.50	5/1/2011	120,827	128,015
FNMA 15 YR PL 329775	6.50	1/1/2011	56,901	60,286
FNMA 15 YR PL 339802	6.50	5/1/2011	74,811	79,262
FNMA 15YR 344166	6.50	6/1/2011	57,606	61,033
FNMA 15YR 346538	6.50	5/1/2011	62,266	65,970
FNMA 16 YR PL 250613	6.50	6/1/2011	122,955	130,269
FNMA 20YR	6.50	4/1/2016	9,384	9,872
FNMA 20YR	6.50	4/1/2016	76,795	80,665
FNMA 20YR	6.50	4/1/2016	35,886	37,687



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNMA 20YR	6.50	4/1/2016	161,484	169,824
FNMA 20YR	6.50	4/1/2016	91,349	96,077
FNMA 20YR	6.50	5/1/2016	65,048	68,420
FNMA 20YR	6.50	5/1/2016	315,045	331,303
FNMA 20YR	6.50	5/1/2016	222,021	233,544
FNMA 20YR	6.50	4/1/2016	198,135	208,320
FNMA 20YR	6.50	5/1/2016	179,501	188,692
FNMA 20YR	6.50	5/1/2016	21,380	22,481
FNMA 20YR	6.50	5/1/2016	70,682	74,282
FNMA 20YR	6.50	4/1/2016	161,300	169,492
FNMA 20YR	6.50	5/1/2016	54,178	56,990
FNMA 20YR PL 250582	6.50	4/1/2016	149,064	156,741
FNMA 20YR PL 250591	6.50	5/1/2016	250,390	263,276
FNMA 20YR PL 298169	6.50	3/1/2016	22,028	23,171
FNMA 20YR PL 338386	6.50	4/1/2016	93,954	98,810
FNMA 20YR PL 338403	6.50	5/1/2016	356,662	375,110
FNMA 20YR PL 338427	6.50	5/1/2016	122,884	129,134
FNMA 545764	5.50	6/1/2017	11,347,223	11,631,764
FNMA 634181	5.50	2/1/2017	17,343,272	17,778,169
FNMA CA 7423	11.25	5/1/2014	22,062	25,381
FNMA CL 2463	11.00	9/1/2015	50,919	58,075
FNMA DWARF PL 324308	6.50	9/1/2008	3,808,594	4,045,765
FNMA FGE94053	5.50	2/1/2018	22,879,149	23,446,119
FNMA FN 681291	5.50	2/1/2018	25,685,122	26,329,198
FNMA FN254803	5.00	7/1/2018	40,838,636	41,025,124
FNMA FN545983	5.50	10/1/2017	11,534,772	11,824,016
FNMA FN657414	5.50	11/1/2017	14,713,516	15,082,469
FNMA FN666743	5.50	11/1/2017	22,833,797	23,406,374
FNMA FN677286	5.00	1/1/2018	29,009,270	29,158,681
FNMA FN677298	5.00	1/1/2018	33,427,729	33,599,897
FNMA FN681335	5.00	2/1/2018	29,916,598	30,053,210
FNMA FN685502	5.50	1/1/2018	12,057,912	12,352,854
FNMA FN688783	5.50	2/1/2018	18,241,230	18,687,419
FNMA FN704386	5.00	5/1/2018	10,685,220	10,734,014
FNMA FN704440	5.00	5/1/2018	23,872,285	23,981,297
FNMA FN704475	5.00	5/1/2018	14,908,006	14,976,083
FNMA FN704519	5.00	6/1/2018	47,810,710	48,029,035
FNMA FN704572	5.00	5/1/2018	39,383,664	39,563,508
FNMA FN708541	5.00	6/1/2018	9,941,136	9,986,532
FNMA FN708762	5.00	6/1/2018	11,855,720	11,909,859
FNMA FN713081	5.00	6/1/2018	13,803,369	13,866,402
FNMA FN720338	5.00	7/1/2018	29,710,699	29,846,371
FNMA FN720404	5.00	7/1/2018	14,732,221	14,799,495
FNMA FN742089	4.50	4/1/2019	43,811,592	42,910,625
FNMA FN759854	5.50	2/1/2034	47,125,180	46,993,648
FNMA FN763699	5.50	4/1/2034	49,502,282	49,364,115
FNMA FNR 759225	5.50	1/1/2034	45,920,063	45,863,069
FNMA GL 6222	9.00	4/1/2016	491,560	526,066
FNMA MEGA 70449	11.00	12/1/2019	317,211	367,354
FNMA MEGA 70453	10.50	12/1/2019	125,955	144,102

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNMA PL 050965	6.50	1/1/2024	11,293	11,831
FNMA PL 073014 OLIVE TOWER APT	9.02	6/1/2020	1,316,825	1,686,379
FNMA PL 219662	7.00	8/1/2023	63,225	67,289
FNMA PL 227422	7.00	8/1/2023	127,313	135,495
FNMA POOL # 416155	6.50	4/1/2028	626,828	652,818
FNMA POOL # 417065	6.50	3/1/2028	55,802	58,116
FNMA POOL # 417316	6.50	3/1/2028	35,040	36,493
FNMA POOL # 417759	6.50	3/1/2028	724,102	754,126
FNMA POOL # 419368	6.50	3/1/2028	333,361	347,183
FNMA POOL 252348	6.50	3/1/2019	4,800,729	5,019,836
FNMA POOL 456110	6.00	12/1/2018	2,591,609	2,668,931
GNMA 1 310560	8.50	8/15/2021	26,511	28,983
GNMA 1 SF 178138	8.50	8/15/2021	30,616	33,471
GNMA 1 SF 183602	8.50	12/15/2021	8,564	9,363
GNMA 1 SF 184777	8.50	11/15/2021	6,762	7,393
GNMA 1 SF 202092	8.50	6/15/2021	40,194	43,942
GNMA 1 SF 278964	8.50	5/15/2021	37,481	40,976
GNMA 1 SF 282707	8.50	11/15/2019	33,609	37,058
GNMA 1 SF 294371	8.50	7/15/2021	4,989	5,454
GNMA 1 SF 294485	8.50	6/15/2021	2,528	2,764
GNMA 1 SF 295503	8.50	7/15/2021	13,515	14,776
GNMA 1 SF 296059	8.50	5/15/2021	8,251	9,020
GNMA 1 SF 296567	8.50	2/15/2021	10,243	11,199
GNMA 1 SF 298323	8.50	6/15/2021	61,500	67,235
GNMA 1 SF 298355	8.50	9/15/2021	7,803	8,531
GNMA 1 SF 298516	8.50	5/15/2021	14,610	15,972
GNMA 1 SF 298598	8.50	12/15/2021	213,335	233,230
GNMA 1 SF 299457	8.50	5/15/2021	13,439	14,693
GNMA 1 SF 301296	8.50	5/15/2021	2,775	3,034
GNMA 1 SF 301362	8.50	5/15/2021	12,680	13,863
GNMA 1 SF 301691	8.50	7/15/2021	42,018	45,937
GNMA 1 SF 302066	8.50	6/15/2021	892	975
GNMA 1 SF 303333	8.50	6/15/2021	46,239	50,551
GNMA 1 SF 304222	8.50	4/15/2021	18,565	20,296
GNMA 1 SF 305680	8.50	8/15/2021	2,597	2,839
GNMA 1 SF 305800	8.50	5/15/2021	25,915	28,331
GNMA 1 SF 305900	8.50	7/15/2021	4,236	4,632
GNMA 1 SF 305957	8.50	6/15/2021	4,889	5,345
GNMA 1 SF 306080	8.50	8/15/2021	5,900	6,450
GNMA 1 SF 306346	8.50	6/15/2021	8,245	9,014
GNMA 1 SF 306540	8.50	10/15/2021	6,840	7,478
GNMA 1 SF 306617	8.50	5/15/2021	31,803	34,768
GNMA 1 SF 306673	8.50	8/15/2021	35,716	39,046
GNMA 1 SF 306871	8.50	6/15/2021	32,062	35,052
GNMA 1 SF 307608	8.50	6/15/2021	4,933	5,393
GNMA 1 SF 307626	8.50	7/15/2021	12,989	14,200
GNMA 1 SF 307705	8.50	5/15/2021	40,041	44,150
GNMA 1 SF 307793	8.50	5/15/2021	13,619	14,889
GNMA 1 SF 307895	8.50	6/15/2021	41,924	45,834
GNMA 1 SF 307938	8.50	6/15/2021	20,422	22,327



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GNMA 1 SF 308905	8.50	7/15/2021	36,724	40,149
GNMA 1 SF 309221	8.50	5/15/2021	18,851	20,609
GNMA 1 SF 309442	8.50	7/15/2021	3,392	3,709
GNMA 1 SF 309950	8.50	7/15/2021	33,786	36,937
GNMA 1 SF 310213	8.50	6/15/2021	72,490	79,250
GNMA 1 SF 310334	8.50	8/15/2021	16,287	17,806
GNMA 1 SF 310529	8.50	7/15/2021	5,711	6,244
GNMA 1 SF 310530	8.50	7/15/2021	27,883	30,484
GNMA 1 SF 310562	8.50	8/15/2021	44,114	48,228
GNMA 1 SF 310595	8.50	9/15/2021	18,662	20,402
GNMA 1 SF 310843	8.50	8/15/2021	61,638	67,386
GNMA 1 SF 311340	8.50	8/15/2021	11,702	12,793
GNMA 1 SF 311350	8.50	11/15/2021	5,690	6,220
GNMA 1 SF 311807	8.50	8/15/2021	21,077	23,043
GNMA 1 SF 311994	8.50	7/15/2021	18,933	20,698
GNMA 1 SF 312980	8.50	12/15/2021	15,666	17,127
GNMA 1 SF 313010	8.50	7/15/2021	8,131	8,889
GNMA 1 SF 313225	8.50	10/15/2021	4,775	5,220
GNMA 1 SF 315047	8.50	10/15/2021	41,504	45,375
GNMA 1 SF 315174	8.50	7/15/2022	29,450	32,157
GNMA 1 SF 316731	8.50	9/15/2021	16,013	17,507
GNMA 1 SF 316739	8.50	11/15/2021	13,970	15,272
GNMA 1 SF 319273	8.50	11/15/2021	126,807	138,633
GNMA 1 SF 323069	8.50	4/15/2022	12,428	13,570
GNMA 1 SF 323417	8.50	5/15/2022	10,607	11,582
GNMA 1 SF 324927	8.50	5/15/2022	30,514	33,319
GNMA 1 SF 780052	7.00	12/15/2008	1,869,082	2,017,964
GNMA 1 SF344991	7.50	7/15/2023	12,822	13,904
GNMA 1 SF348915	7.50	8/15/2023	160,644	174,210
GNMA 1 SF351889	7.50	8/15/2023	94,142	102,092
GNMA 1 SF355249	7.50	8/15/2023	80,462	87,257
GNMA 1 SF357258	7.50	9/15/2023	138,562	150,263
GNMA 1 SF358214	7.50	6/15/2023	114,752	124,442
GNMA 1 SF364223	7.50	10/15/2023	150,362	163,060
GNMA 1 SF375092	7.50	7/15/2025	175,439	189,995
GNMA 1 SF378496	7.50	10/15/2023	159,392	172,853
GNMA 1 SF379646	7.50	8/15/2025	104,313	112,968
GNMA 1 SF389658	7.50	7/15/2025	186,171	201,618
GNMA 1 SF390366	7.50	7/15/2025	104,795	113,490
GNMA 1 SF397840	7.50	7/15/2025	165,394	179,117
GNMA 1 SF399725	7.50	7/15/2025	164,308	177,941
GNMA 1 SF407645	7.50	7/15/2025	179,777	194,693
GNMA 1 SF410088	7.50	8/15/2025	288,520	312,458
GNMA 1 SF413883	7.50	7/15/2025	47,595	51,544
GNMA 1 SF780166	7.50	6/15/2025	163,307	177,098
GNMA 1 SSF 342587	8.50	12/15/2022	25,239	27,559
GNMA GP 90133	9.00	5/15/2009	49,046	52,633
GNMA GP 90150	9.00	8/15/2009	23,003	24,721
GNMA GP 90178	9.00	5/15/2009	10,617	11,394
GNMA GP 91485	9.00	5/15/2009	22,571	24,222

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GNMA I SF 352964	7.00	5/15/2024	1,685,872	1,803,371
GNMA I SF 389464	6.50	3/15/2024	346,490	365,267
GNMA II SF 120666	13.00	9/15/2014	6,431	7,739
GNMA PL 325672	7.00	11/15/2023	43,800	46,843
GNMA PL 346878	7.00	11/15/2023	3,701,679	3,958,870
GNMA PL 357234	7.00	11/15/2023	946,732	1,012,511
GNMA PL 364870	7.00	1/15/2024	2,864,923	3,064,597
GNMA PL 366529	6.50	11/15/2023	221,093	233,177
GNMA PL 368817	7.00	11/15/2023	38,440	41,110
GNMA PL 370890	7.00	11/15/2023	2,059,534	2,202,630
GNMA PL 372887	6.50	10/15/2023	34,000	35,858
GNMA POOL # 354778	7.00	3/15/2009	974,739	1,043,314
GNMA SF 11025	7.25	11/15/2005	1,515	1,626
GNMA SF 21705	8.25	6/15/2008	18,930	20,752
GNMA SF 22602	8.25	5/15/2008	28,685	31,446
GNMA SF 34245	10.00	12/15/2009	79,019	86,748
GNMA SF 35292	10.00	1/15/2010	58,021	63,929
GNMA SF 35888	10.00	12/15/2009	39,814	43,898
GNMA SF 36127	10.00	11/15/2009	28,942	31,910
GNMA SF 37913	10.00	12/15/2009	49,061	53,981
GNMA SF 39407	10.00	1/15/2010	17,929	19,372
GNMA SF 45231	10.50	12/15/2010	24,756	27,537
PNCMA 2000-C2 A2	7.30	9/12/2010	10,000,000	11,232,814
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$1,368,164,356
<b>FHA PROJECT / SBA LOANS</b>				
BURIEN HAUS	7.50	12/1/2017	418,798	\$419,690
FHA PRJ-REILLY MTG GRP #55	7.43	3/1/2024	4,983,475	5,149,126
GNMA 383716 LOWELL EMERSON APT	7.00	3/15/2029	4,178,959	4,488,411
MISSION TOWERS	7.50	6/1/2018	1,488,468	1,466,447
SUTTER VILLAGE	7.50	2/2/2018	719,363	720,895
<i>TOTAL FHA PROJECT/SBA LOANS</i>				\$12,244,569
<b>FHA / VA RESIDENTIAL</b>				
GNMA POOL 404208	7.00	7/15/2028	528,769	\$562,001
GNMA POOL 458902	7.00	7/15/2028	778,011	826,907
GNMA POOL 458909	7.00	7/15/2028	307,187	326,493
GNMA POOL 463999	7.00	7/15/2028	499,477	530,868
GNMA POOL 471729	7.00	7/15/2028	372,151	395,540
GNMA POOL 471774	7.00	7/15/2028	178,888	190,131
GNMA POOL 471802	7.00	7/15/2028	308,904	328,318
GNMA POOL 471803	7.00	7/15/2028	458,768	487,600
GNMA POOL 480120	7.00	7/15/2028	403,666	429,036
<i>TOTAL FHA/VA RESIDENTIAL</i>				\$4,076,896
<b>CONVENTIONAL RESIDENTIAL</b>				
FHLMC GOLD 1998 PL C00650	7.00	9/1/2028	871,307	\$918,972
FNMA	7.00	3/1/2015	3,431,164	3,637,630
FNMA	7.00	3/1/2015	1,277,667	1,354,549
FNMA	7.00	5/1/2015	154,570	163,826
FNMA	7.00	5/1/2015	190,710	202,130





DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNMA	7.00	3/1/2015	220,538	233,808
FNMA	7.00	5/1/2015	441,061	467,473
FNMA	7.00	2/1/2016	2,391,301	2,534,977
FNMA FN568468	7.00	1/1/2031	1,594,661	1,680,959
FNMA FN568471	7.50	1/1/2031	818,719	875,596
FNMA POOL # 571021	7.00	2/1/2031	460,262	485,241
FNMA POOL 252162	6.50	12/1/2028	4,748,234	4,945,112
FNMA POOL 455600	6.50	12/1/2028	2,507,054	2,611,004
FNMA POOL 455819	6.50	12/1/2028	290,662	302,714
NATIONSBANC	10.88	6/25/2010	1,229	1,238
NATIONSBANC	10.63	12/1/2009	22,306	23,472

<i>TOTAL CONVENTIONAL RESIDENTIAL</i>				<b>\$20,438,702</b>
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COLLATERALIZED MORTGAGE OBLIGATIONS				
BACM 2002-2 A3	5.12	7/11/2043	25,000,000	\$25,044,531
CCMSC 1999-2 A2	7.20	1/15/2032	25,000,000	27,938,573
CHASE 2004-S1 A7	4.50	2/25/2019	23,850,805	23,102,608
CMSI 99-5 A6	7.00	8/25/2029	650,514	649,726
COUNTRYWIDE HM LNS 2002-18 A6	6.00	11/25/2032	17,796,236	18,060,795
CSFB 2001-CK6 A3	6.39	10/15/2011	25,000,000	26,955,934
CSFB 2002-5 1A4	6.50	2/25/2032	13,600,638	13,888,716
CSFB 2002-CKP1 A3	6.44	12/15/2035	25,000,000	27,032,453
DLJCM 1999-CG2 A1B	7.30	6/10/2009	22,500,000	25,171,149
DLJCM 1999-CG3 A1B	7.34	9/10/2009	11,000,000	12,351,860
FHG 30 H	7.50	7/25/2023	1,396,859	1,412,744
FHLMC 1671 G	6.50	8/15/2023	25,893,012	26,532,044
FHLMC 1706 H	6.50	6/15/2023	4,235,891	4,312,752
FHLMC 1992 1233 H	7.00	4/15/2007	2,710,516	2,784,439
FHLMC 1994 1709 D	6.50	12/15/2023	1,914,533	1,964,713
FHLMC 1998 2046 G	6.50	4/15/2028	7,666,554	7,984,029
FHLMC 1998 2070 C	6.00	7/15/2028	13,444,993	13,868,015
FHLMC 1998 2080 C	6.50	8/15/2028	10,709,507	11,152,955
FHLMC 1999 2113 VB	6.00	11/15/2015	16,700,000	17,246,853
FHLMC 2139-B	6.50	3/15/2029	18,310,459	19,109,102
FHLMC 90 1006C	9.15	10/15/2020	373,934	373,857
FHR 2416 PE	6.00	10/15/2021	25,000,000	25,924,345
FHR 2418 PD	5.50	2/15/2012	11,789,200	12,126,135
FHR 2419 DE	5.50	7/15/2017	29,016,000	29,928,991
FHR 2419 UA	6.00	4/15/2032	25,000,000	25,765,113
FHR 2497 NE	5.00	9/15/2017	15,000,000	14,779,491
FHR 2497 OE	5.50	9/15/2017	20,000,000	20,406,020
FHR 2497 UF	5.00	9/15/2017	11,283,856	11,086,956
FHR 2501 AN	5.50	9/15/2017	15,000,000	15,261,278
FHR 2510 AJ	5.00	10/15/2017	29,331,000	28,687,158
FHR 2513 DB	5.00	10/15/2017	22,000,000	21,695,379
FHR 2567 OG	5.00	2/15/2018	12,442,037	11,910,374
FHR 2591Q0	4.50	3/15/2018	13,997,000	12,928,651
FHR 2728 NG	4.50	1/15/2019	22,877,000	21,123,995
FHR 2780 BC	4.50	10/15/2017	23,189,170	23,065,636
FHR 2786 PC	4.50	10/15/2016	20,000,000	19,789,242

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FIRST UNION LEHMA BRO 98-C2 A2	6.56	11/18/2035	25,000,000	27,026,876
FNGT 2002-T3 B	5.76	12/25/2011	20,000,000	21,041,566
FNMA 1993 28 Y6	7.00	3/25/2008	6,352,423	6,549,333
FNMA 1994 41PJ	6.50	6/25/2023	6,096,995	6,183,391
FNMA 1994 50 PG	6.50	1/25/2023	7,420,233	7,557,882
FNMA 1994 62 PH	6.90	11/25/2023	6,325,752	6,536,131
FNMA 1996-1 A	6.00	12/25/2008	21,452,504	22,224,015
FNMA FHR 2003-70 BH	4.50	10/25/2031	25,286,000	23,213,137
FNMA FNR 2003-16 PD	5.00	10/25/2016	24,933,884	24,259,305
FNMA FNR 2003-30EB	5.00	4/25/2018	4,700,000	4,525,682
FNMA FNR 2003-86OD	5.00	6/25/2028	19,432,500	19,192,394
FNMA FNR 2003-86QM	4.50	4/25/2016	16,564,500	16,243,414
FNMA FNR 2003-87TH	4.50	11/25/2016	15,395,000	14,810,669
FNMA FNR2003-35KJ	4.75	5/25/2018	15,600,000	14,617,354
FNMA G1993-15 H	7.25	4/25/2023	3,647,900	3,821,091
FNMA G1994-2D	6.45	1/25/2024	1,873,477	1,938,153
FNR 2001-52 VM	6.50	12/25/2021	8,448,780	8,611,039
FNR 2001-56 KD	6.50	8/15/2031	2,781,286	2,812,735
FNR 2002-11 QM	5.50	3/25/2016	20,000,000	20,342,516
FNR 2002-65 HC	5.00	10/25/2017	10,500,000	10,525,615
FNR 2002-67 AN	5.00	11/25/2017	30,000,000	29,432,901
FNR 2002-70 QV	5.50	3/25/2022	12,484,500	12,110,911
FNR 2002-71 KM	5.00	11/25/2017	25,000,000	24,344,540
FNR 2002-71 UC	5.00	11/25/2017	20,000,000	19,263,262
FNR 2003-67 TJ	4.75	7/25/2018	29,666,666	27,451,323
FUNB COMMERCIAL 2002 -C1 A2	6.14	2/12/2034	25,000,000	26,607,625
FUNBC 2001-C2 A2	6.66	1/12/2043	25,000,000	27,361,562
GNMA 1998-14 PH	6.50	6/20/2028	23,942,726	24,743,814
GNR 2001-64 PL	6.50	12/1/2031	17,502,000	17,992,114
HOUSING SEC 1994-3 A7	7.25	11/25/2024	2,901,776	2,895,190
JPMCC 2001-CIBC A3	6.26	3/15/2033	25,000,000	26,805,985
LBUBS 2000-C4 A2	7.37	6/15/2010	15,000,000	16,927,279
MASTR 2003-7 4A4	5.25	9/25/2033	20,000,000	18,799,016
MORGAN STANLEY CAP I 98-HF1 A2	6.52	3/15/2030	23,659,774	25,405,382
MSDWC 2000-1345 A2	7.46	9/3/2010	20,000,000	22,666,004
NLFC 1999-2 A2C	7.23	10/20/2008	19,225,000	21,229,905
PMAC 1999-C1 A2 CMBS	6.82	6/15/2032	19,680,000	21,220,409
PNCMS 1999-4 4A4	6.50	5/25/2029	4,867,666	4,946,393
RALI 2004-QS3 A1	5.00	3/25/2019	14,645,237	14,531,119
RALI 2004-QS6 A1	5.00	5/25/2019	25,228,855	24,755,814
RAST 2003-A15 1A1	4.25	2/25/2034	18,280,377	17,608,882
STAR BK NA, OH TR SB 00001	6.63	12/15/2006	10,000,000	10,749,714
WAMMS 2002-MS1 1A4	6.50	2/25/2032	19,980,127	20,361,701
WFMB 2003-13 A1	4.50	10/25/2018	23,014,208	22,291,325
WFMB 2003-16 2A1	4.50	12/25/2018	23,711,663	22,967,145
WFMB 2003-8A4	4.50	8/25/2018	25,000,000	24,024,073
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$1,390,942,297
<b>TOTAL MORTGAGES/MORTGAGE BACKED SECURITIES</b>				<b>\$2,795,866,819</b>

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>ASSET BACKED SECURITIES:</b>				
FUNBC 2001-C3 A3	6.42	8/15/2023	18,400,000	\$19,891,367
STANDARD CR CARD MASTER TRUST	7.25	4/7/2006	12,000,000	12,860,691
STD CR CARD 1995-9A ABS	6.55	10/7/2007	15,000,000	15,717,030
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$48,469,088</b>
<b>CREDIT SECURITIES:</b>				
ABN AMRO BANK NV	1.25	5/11/2007	35,000,000	\$35,035,700
ABN AMRO BK NV AMSTERDAM BRH	4.65	6/4/2018	20,000,000	17,737,885
AEGON NV	4.75	6/1/2013	18,000,000	17,157,608
AEGON NV	8.00	8/15/2006	12,840,000	14,032,772
AFLAC INC	6.50	4/15/2009	5,875,000	6,347,795
AIR PRODUCTS & CHEMICALS	4.13	12/1/2010	15,000,000	14,074,064
ALBERTA ENERGY	8.13	9/15/2030	20,000,000	24,076,173
ALCAN INC	4.88	9/15/2012	35,000,000	34,203,993
ALCOA INC	4.25	8/15/2007	14,500,000	14,744,926
AMERADA HESS	7.30	8/15/2031	20,000,000	20,306,600
AMERICA MOVIL SA	4.13	3/1/2009	38,000,000	35,837,040
AMERICAN EXPRESS	3.75	11/20/2007	23,000,000	22,927,914
AMERICAN GEN FIN CORP	5.38	9/1/2009	18,000,000	18,503,800
AMERICAN GENERAL FINANCE	5.38	10/1/2012	15,000,000	14,956,078
AMERICAN HONDA FINANCE	2.88	4/3/2006	48,000,000	47,824,066
AMSOUTH BANK NA	2.82	11/3/2006	24,000,000	23,714,722
ANADARKO PETROLEUM CORP	3.25	5/1/2008	13,000,000	12,612,980
ARCEL FINANCE	7.05	9/1/2011	30,000,000	29,700,000
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	30,000,000	29,857,040
BANCO BRADESCO	8.75	10/24/2013	15,000,000	14,962,500
BANCO NAC DE COM	3.88	1/21/2009	20,000,000	18,600,000
BANK OF AMERICA	4.38	12/1/2010	40,000,000	38,925,812
BANK OF NEW YORK	3.90	9/1/2007	35,000,000	35,064,455
BANK ONE CORP	4.13	9/1/2007	30,000,000	30,268,092
BEAR STEARNS CO INC	4.00	1/31/2008	12,000,000	11,965,593
BERKSHIRE HATHAWAY	3.38	10/15/2008	25,000,000	24,191,317
BHP BILLITON	4.80	4/15/2013	25,000,000	24,320,210
BNI	6.75	7/15/2011	40,000,000	43,816,424
BNP PARIBAS	5.13	1/15/2015	20,000,000	19,153,788
BOTTLING GROUP	4.63	11/15/2012	33,000,000	32,054,334
BP CANADA	3.38	10/31/2007	20,000,000	19,815,164
BP CAPITAL MARKETS AMERICA	4.20	6/15/2018	10,000,000	8,821,918
BP CAPITAL MARKETS PLC	2.35	6/15/2006	14,000,000	13,827,920
BRASKEM SA	9.25	10/28/2005	25,000,000	25,562,500
BRASKEM SA	12.50	11/5/2008	50,000,000	49,000,000
BRISTOL MEYERS SQB	4.75	10/1/2006	23,000,000	23,842,250
BRITISH COLUMBIA PROV	4.30	5/30/2013	23,000,000	21,983,069
BRITISH SKY BROADCASTING	8.20	7/15/2009	50,000,000	57,633,637
BURLINGTON NO SANTA FE	6.38	12/15/2005	6,250,000	6,548,898
CADBURY SCHWEPPE	5.13	10/1/2013	15,000,000	14,563,314
CANADIAN NATIONAL RAILWAYS	4.40	3/15/2013	23,000,000	21,511,552
CAPITAL ONE BANK	4.25	12/1/2008	10,000,000	9,800,180
CATERPILLAR FIN. SERV.	2.59	7/15/2006	17,000,000	16,779,752

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CELULOSA ARAUCO	7.75	9/13/2011	30,000,000	33,552,766
CENTERPOINT ENERGY	5.95	1/15/2014	10,000,000	9,831,100
CERRO NEGRO FINANCE LTD	8.03	6/1/2028	25,000,000	20,250,000
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	40,000,000	39,912,775
CIA BRASIL DE BEBIDAS	10.50	12/15/2011	43,000,000	48,912,503
CLEAR CHANNEL COMMUNICATIONS	4.63	1/15/2008	20,000,000	20,050,700
COCA COLA ENTERPRISES	2.50	9/15/2006	40,000,000	39,364,218
COMMONWEALTH BANK OF AUSTRALIA	4.65	6/15/2018	25,000,000	22,310,918
COMMONWEALTH EDISON	4.70	4/15/2015	20,000,000	18,914,836
CONSTELLATION ENERGY GROUP	7.60	4/1/2032	10,000,000	10,971,005
COSTA RICA	8.05	1/31/2013	12,000,000	11,520,000
CS FIRST BOSTON	7.75	5/15/2006	16,000,000	17,276,224
CSN ISLANDS VII	10.75	9/12/2008	30,000,000	31,050,000
CSN ISLANDS VIII CORP	9.75	12/16/2013	20,000,000	17,900,000
CSX CORP	8.63	5/15/2022	10,000,000	12,087,729
CSX CORP	9.00	8/15/2006	28,100,000	31,207,347
CSX CORP	7.95	5/1/2027	20,000,000	23,146,404
CSX CORP	2.75	2/15/2006	20,000,000	19,891,850
DEAN WTRR DISCV	6.75	10/15/2013	10,000,000	10,801,856
DEER PARK REFINING LP 144A	6.47	12/15/2008	2,512,100	2,659,302
DEVON ENERGY	2.75	8/1/2006	20,000,000	19,708,112
DIAGEO PLC	3.50	11/19/2007	33,000,000	32,665,566
DONNELLEY & SONS	3.75	4/1/2009	6,000,000	5,834,998
DONNELLEY & SONS	4.95	4/1/2014	15,000,000	14,286,053
DUPONT, E.I. NEMOUR	4.13	4/30/2010	18,000,000	17,695,094
ELI LILLY & CO	4.50	3/15/2018	10,000,000	8,984,650
EMBOTELLADORA ARICA SA 144A	9.88	3/15/2006	20,000,000	21,402,800
EMPRESA NACIONAL DE ELECTRIC	8.35	8/1/2013	25,000,000	26,489,575
ENAP	6.75	11/15/2012	10,000,000	10,732,800
ENDESA-CHILE OVERSEAS	7.20	4/1/2006	10,000,000	10,433,920
ENERSIS SA	7.38	1/15/2014	17,000,000	16,467,251
EOP OPERATING LP	4.75	3/15/2014	10,000,000	9,201,742
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	40,000,000	40,803,055
EXPORT DEVELOPMENT CDA	2.75	12/12/2005	47,000,000	47,091,470
FIFTH THIRD BANK	4.50	6/1/2018	22,000,000	19,548,000
FIRST TENNESSEE NATIONAL	4.50	5/15/2013	18,000,000	16,607,435
FIRST WARD PROPERTIES	8.00	11/15/2006	638,683	679,112
GEN MILLS INC	5.13	2/15/2007	10,000,000	10,367,471
GEN MILLS INC.	6.00	2/15/2012	10,000,000	10,441,130
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	33,000,000	32,433,732
GENERAL MILLS INC	2.63	10/24/2006	10,000,000	9,819,622
GENERAL REINSURANCE CORP	9.00	9/12/2009	15,000,000	18,262,965
GLAXOSMITHKLINE	2.38	4/16/2007	47,000,000	45,675,522
GLOBO COMMUN PAR	10.63	12/5/2008	26,000,000	14,759,589
GOLDMAN SACHS	5.50	11/15/2014	30,000,000	29,399,318
GOLDMAN SACHS	1.00	3/30/2007	30,000,000	29,976,807
GOLDMAN SACHS GROUP	6.65	5/15/2009	19,000,000	20,676,303
HBOS TREAS SERVICES	1.22	1/12/2007	30,000,000	30,096,270
HBOS TREAS SERVICES	1.17	1/12/2006	20,000,000	20,050,296
HBOS TREASURY SERVICES	3.75	9/30/2008	24,000,000	23,732,573



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
HOUSEHOLD FINANCE CORP	6.40	6/17/2008	14,000,000	15,072,661
HSBC AMERICAS INC	7.00	11/1/2006	39,500,000	42,641,599
HSBC HOLDINGS PLC	5.25	12/12/2012	18,000,000	17,892,687
HUNGARY GOVT	6.25	6/12/2008	613,200,000	2,589,717
HUNGARY REPUBLIC	6.75	2/12/2013	343,400,000	1,473,430
HUNGARY REPUBLIC	5.50	2/12/2014	223,700,000	872,251
HUNGARY REPUBLIC	7.00	6/24/2009	269,800,000	1,166,406
HUTCHISON WHAMPOA INTL	5.45	11/24/2010	10,000,000	9,833,816
HUTCHISON WHAMPOA INTL	7.45	11/24/2033	15,000,000	14,241,221
HYDRO-QUEBEC	8.00	2/1/2013	16,000,000	19,256,036
HYUNDAI MOTOR MFG ALABAMA	5.30	12/19/2008	20,000,000	19,793,946
INTER-AMERICAN DEVEL BK	4.38	9/20/2012	30,000,000	29,403,527
INTL BK RECON & DEV	4.13	8/12/2009	40,000,000	40,106,402
INTL FINANCE CORP	4.75	4/30/2007	15,000,000	15,553,238
INTL FINANCE CORP	3.75	6/30/2009	50,000,000	49,307,606
INTL NEDERLAND BK NV	5.13	5/1/2015	23,000,000	22,186,444
JOHN DEERE	5.88	4/6/2006	10,000,000	10,463,171
JOHN DEERE CAP	8.63	8/1/2019	2,000,000	2,009,200
JOHN DEERE CAPITAL CORP	1.00	6/28/2006	30,000,000	30,023,649
JOHNSON & JOHNSON	3.80	5/15/2013	13,000,000	11,902,926
JP MORGAN CHASE	3.63	5/1/2008	20,000,000	19,626,361
KANSAS GAS & ELEC	8.29	9/29/2016	24,500,000	25,502,050
KELLOGG COMPANY	6.60	4/1/2011	6,000,000	6,565,905
KELLOGG COMPANY	2.88	6/1/2008	17,000,000	16,208,076
KERR-MCGEE CORP	5.38	4/15/2005	22,000,000	22,430,993
KEYCORP	6.75	3/15/2006	25,000,000	26,532,402
KEYSPAN CORP	4.65	4/1/2013	8,000,000	7,675,982
KOREA DEVELOPMENT BANK	4.25	11/13/2007	13,000,000	12,943,584
KOREA HIGHWAY	4.88	4/7/2014	10,000,000	9,343,568
KREDIT WIEDERAUFBAU	3.38	1/23/2008	30,000,000	29,685,633
LEHMAN BROTHERS HOLDING	8.25	6/15/2007	25,000,000	28,037,262
MANDALAY RESORT	6.38	12/15/2011	20,000,000	20,325,000
MANITOBA (PROVINCE OF)	2.75	1/17/2006	52,000,000	51,975,010
MASCO CORP	4.63	8/15/2007	18,000,000	18,341,617
MBNA AMERICA BANK NA	7.75	9/15/2005	6,000,000	6,340,151
MERRILL LYNCH	1.60	12/22/2005	50,000,000	50,005,945
MEXICAN UTD STATES	7.50	4/8/2033	15,000,000	14,568,750
MEXICAN UTD STS	1.84	1/13/2009	40,000,000	40,601,932
MGM MIRAGE	5.88	2/27/2014	25,000,000	22,656,250
MID AMERICA ENERGY	4.63	10/1/2007	15,000,000	15,159,667
MIDAMERICAN FNDG	6.34	3/1/2009	40,000,000	43,007,600
MIRAGE RESORTS INC	7.25	8/1/2017	21,700,000	21,049,000
MONTREAL CITY OF	5.00	11/1/2004	68,000	68,602
MORGAN STANLEY	7.00	10/1/2013	15,500,000	17,169,009
MORGAN STANLEY & CO INC	7.28	5/15/2006	10,000,000	10,188,000
NEW BRUNSWICK	3.50	10/23/2007	33,000,000	32,824,101
NISOURCE FINANCE	6.15	3/1/2013	15,000,000	15,540,104
NISOURCE FINANCE	3.20	11/1/2006	14,000,000	13,881,017
NISOURCE FINANCE CORP	7.88	11/15/2010	7,000,000	7,997,237
NORDEA BANK SWEDEN	5.25	11/30/2012	35,000,000	34,752,781

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
NORDIC INV BANK	2.75	1/11/2006	47,000,000	47,137,380
NORFOLK SOUTHERN	8.38	5/15/2005	17,000,000	17,862,250
NORFOLK SOUTHERN CORP	7.70	5/15/2017	32,414,000	37,499,720
NORTHERN STATE POWER CO	2.88	8/1/2006	13,000,000	12,837,505
OCCIDENTAL PETE	6.50	4/1/2005	16,000,000	16,508,762
OCCIDENTAL PETROLEUM	7.65	2/15/2006	20,000,000	21,473,528
ONTARIO PROVINCE	5.13	7/17/2012	25,000,000	25,422,646
PACIFICORP	6.63	6/1/2007	7,000,000	7,535,364
PDVSA FIN LTD	7.50	11/15/2028	18,000,000	15,930,000
PDVSA FIN LTD	7.40	8/15/2016	18,000,000	16,965,000
PECO ENERGY	3.50	5/1/2008	15,000,000	14,732,145
PECOM ENERGIA	9.00	1/30/2007	4,500,000	4,601,250
PECOM ENERGIA	9.00	5/1/2009	18,600,000	18,228,000
PEMEX FINANCE LTD 144A	9.69	8/15/2009	35,000,000	39,733,050
PETRO BRAS INTL	9.75	7/6/2011	45,000,000	48,825,000
PETROBRAS ENERGIA	9.38	10/30/2013	25,000,000	23,500,000
PETRONAS CAPITAL LTD	7.00	5/22/2012	35,000,000	38,154,578
PFIZER INC.	4.65	3/1/2018	35,000,000	32,108,089
PHILLIPS PETE	8.75	5/25/2010	15,000,000	18,100,423
PHILLIPS PETE	8.50	5/25/2005	15,000,000	15,827,592
PLACER DOME INC	7.75	6/15/2015	15,000,000	17,452,185
POPULAR NORTH AMERICA INC.	3.88	10/1/2008	18,000,000	17,618,571
PRAXAIR INC.	6.38	4/1/2012	13,000,000	14,163,366
PRICE COSTCO INC	7.13	6/15/2005	10,000,000	10,433,032
PROGRESS ENERGY	6.05	4/15/2007	32,000,000	33,685,684
PROLOGIS	5.50	3/1/2013	8,000,000	7,946,000
QUEBEC PROV CDA	7.50	7/15/2023	17,500,000	20,913,087
QUEBEC PROVINCE	5.00	7/17/2009	13,000,000	13,375,175
QUEBEC PROVINCE CDA	8.63	1/19/2005	39,000,000	40,443,460
RAYTHEON CO	5.50	11/15/2012	20,000,000	20,228,389
REPSOL INTL FIN	7.45	7/15/2005	5,850,000	6,082,980
REPUBLIC OF ARGENTINA		10/15/2004	25,000,000	9,000,000
REPUBLIC OF ITALY	4.38	10/25/2006	30,000,000	30,792,572
ROYAL BANK SCOTLAND PLC	6.40	4/1/2009	35,000,000	37,865,291
SANEAMENTO BASIC	12.00	6/20/2008	10,000,000	10,000,000
SANTAN	7.63	9/14/2010	11,000,000	12,581,684
SANTANDER FIN ISSUANCES	7.88	4/15/2005	20,000,000	20,844,586
SCOTLAND INTL FIN #2	4.25	5/23/2013	20,000,000	18,508,738
SLM CORP	1.29	1/25/2007	50,000,000	50,032,380
SMFG	2.25	7/11/2005	162,000,000	3,570,636
SOCIEDAD QUIMICA 144A	7.70	9/15/2006	14,130,000	15,117,828
SOUTHWEST GAS CO	7.50	8/1/2006	8,000,000	8,493,038
ST GEORGE BANK LTD	7.15	6/18/2007	17,400,000	18,883,094
STATE STREET BANK & TRUST	5.25	10/15/2018	20,000,000	19,186,681
TELEFONICA EUROPE	8.25	9/15/2030	9,500,000	11,570,879
TELEFONICA EUROPE	7.75	9/15/2010	12,500,000	14,322,829
TELEFONOS DE MEXICO SA	4.50	11/19/2008	40,000,000	38,906,000
TRANSCANADA PIPELINE	8.63	5/15/2012	5,000,000	6,051,758
TRANSOCEAN OFFSHORE INC	8.00	4/15/2027	22,265,000	25,633,916
UNIBANCO CAYMAN	7.38	12/15/2013	30,000,000	27,600,000



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
UNION PACIFIC CO	7.60	5/1/2005	4,000,000	4,171,510
UNION PACIFIC CO	6.13	1/15/2012	12,500,000	13,159,015
UNION PACIFIC COMPANY	7.25	11/1/2008	25,000,000	27,774,817
UNION PACIFIC CORP	6.40	2/1/2006	25,300,000	26,586,912
UNION PACIFIC CORP MTN	6.79	11/9/2007	10,000,000	10,857,167
UNION PACIFIC RESOURCES	6.50	5/15/2005	15,000,000	15,526,010
US BANK NA	6.30	7/15/2008	50,000,000	53,889,191
VALE OVERSEAS	8.63	3/8/2007	10,000,000	10,833,749
VALE OVERSEAS	9.00	8/15/2013	40,000,000	41,000,000
VALERO ENERGY	3.50	4/1/2009	13,000,000	12,360,060
VALERO ENERGY	4.75	4/1/2014	10,000,000	9,354,131
VENEZUELA REPUBLIC	9.25	9/15/2027	1,930,000	1,635,675
VOTORANTIM OVERSEAS III	7.88	1/23/2014	25,000,000	23,625,000
WACHOVIA CORP	4.95	11/1/2006	38,000,000	39,284,512
WALMART STORES	4.55	5/1/2013	10,000,000	9,627,183
WALMART STORES	3.38	10/1/2008	17,000,000	16,551,435
WAMU 2003-S13 22A1	5.00	12/25/2018	21,738,514	21,587,675
WASHINGTON MUTUAL INC	7.25	8/15/2005	20,460,000	21,520,045
WASHINGTON MUTUAL INC	8.25	4/1/2010	20,000,000	23,149,385
WELLS FARGO & CO	7.13	8/15/2006	15,000,000	16,182,520
WELLS FARGO & CO	5.25	12/1/2007	22,000,000	22,941,714
WMC FIN USA LTD	5.13	5/15/2013	8,000,000	7,737,615
XTO ENERGY INC	6.25	4/15/2013	14,000,000	14,654,963
XTO ENERGY INC	4.90	2/1/2014	10,000,000	9,437,474
YPF SOCIEDAD ANONIMA	9.13	2/24/2009	20,000,000	21,750,000
YPF SOCIEDAD ANONIMA SA	7.75	8/27/2007	23,750,000	25,412,500
<b>TOTAL CREDIT SECURITIES</b>				<b>\$4,624,288,495</b>
<b>PRIVATE EQUITY:</b>				
ACCEL VIII LP			87,875	\$4,732,265
ACCELL-KKR COMPANY LLC			500,000	36,676,651
ADVENT VIII LP (TA)			87,726	7,719,740
ALLIANCE DATA SYSTEMS CORP			49,840	2,105,740
ALTA COMMUNICATIONS IX LP			37,500	3,207,301
AMPERSAND 2001 L.P.			35,000	2,587,997
APA EXCELSIOR V, LP			95,765	2,807,757
APAX EUROPE IV-A, LP			1,185,585	76,088,138
APAX EUROPE V-A, LP			540,028	62,782,440
APEX INV FD III LP			34,950	502,257
APEX INV FUND IV			98,999	1,990,328
APEX INVESTMENT FUND V LP			42,500	3,697,088
ASTORG II			122,252	23,731,214
AUSTIN VENTURES IV-B			109,885	1,623,850
AUSTIN VENTURES V, LP			135,009	5,168,854
AUSTIN VENTURES VI			218,610	7,872,155
AUSTIN VENTURES VII			558,868	43,400,245
AUSTIN VENTURES VIII LP			258,571	29,589,169
BANC FUND IV TRUST			288	2,442,800
BANC FUND V TRUST			300,000	42,890,667
BATTERY VENTURES IV, LP			74,783	1,422,757

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
BATTERY VENTURES V, LP			124,022	4,744,571
BATTERY VENTURES VI			190,614	10,595,029
BC EUROPEAN CAPITAL VI			147,331	24,424,761
BC EUROPEAN CAPITAL VII			524,396	61,015,957
BLACKROCK ASSET INVESTORS			10	1,186,039
BOSTON VENTURES LP, V			274,791	14,859,114
BOSTON VENTURES VI LP			233,825	19,298,353
CAPITAL RES LENDERS II, LP			124,883	4,167,492
CAPITAL RES LENDERS III, LP			175,508	10,577,222
CAPITAL RESOURCE PRTN IV, LP			542,196	46,900,776
CHARTERHOUSE CAP PARTNERS VI			241,368	42,188,783
CHARTERHOUSE CAP PARTNERS VII			61,910	16,855,317
CHL MEDICAL PARTNERS II L.P.			33,500	2,468,545
CHL MEDICAL PARTNERS, LP			45,883	2,470,892
CINVEN CAPITAL PARTNERS, LP			669	7,082,727
CINVEN SECOND FUND			687,769	77,900,053
CLAYTON DUBILIER & RICE VI LP			1,273,529	80,315,096
CLAYTON, DUBILIER & RICE V			221,781	14,369,472
CODE HENNESSY & SIMMONS II			53,965	2,357,973
CODE HENNESSY & SIMMONS III,LP			256,060	14,640,969
CODE HENNESSY & SIMMONS IV, LP			982,004	97,129,832
CONTRARIAN CAP FD II, LP			200,000	32,190,828
CORNERSTONE EQUITY INV IV			231,306	22,676,818
CYPRESS MERCHANT BK PART. LP			361,000	20,451,977
CYPRESS MRCHNT BKG PTNS II,LP			658,179	62,656,327
DOUGHTY HANSON & CO FUNDS II			991	3,046,701
DOUGHTY HANSON & CO III, LP			831,136	133,180,827
EDGEWATER PRIVATE EQ FD III			127,483	5,417,883
EL DORADO VENTURES IV, LP			86,247	612,646
ELDORADO VENTURES V LP			154,625	6,266,906
ELDORADO VENTURES VI LP			100,000	6,423,190
ENDEAVOUR CAPITAL IV LP			59,408	5,484,192
ESSEX WOODLANDS HEALTH IV, LP			86,636	6,645,853
ESSEX WOODLANDS HEALTH V			140,225	12,368,244
ESSEX WOODLANDS HEALTH V			133,008	12,475,162
ESSEX WOODLANDS HEALTH VI LP			13,500	1,083,445
ESSEX WOODLANDS VENTURES FD VI			8,100	650,067
EUROPEAN MEZZANINE FD III LP			321,598	40,943,901
EVERCORE CAPITAL PTNRS II LP			220,081	18,098,073
FIRST RESERVE FUND IX LP			616,778	69,114,000
FIRST RESERVE FUND VIII, LP			326,342	31,014,000
FORTRESS INV FD II LLC			302,892	46,366,611
FORTRESS INVESTMENT FUND LLC			1,250,117	226,831,357
FRANCE PRIVATE EQUITY II			181,317	24,557,862
FRANCISCO PARTNERS LP			317,095	27,040,965
FRAZIER HEALTHCARE II LP			78,992	4,390,856
FRAZIER HEALTHCARE III			421,656	4,926,650
FRAZIER HEALTHCARE III PCG			337,325	19,706,598
FRAZIER HEALTHCARE IV			63,381	4,951,046
FRAZIER HEALTHCARE IV PCG			126,762	9,902,073





DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GEOCAPITAL EUROFUND, LP			96,338	4,506,731
GEOCAPITAL V, LP			98,292	3,527,102
GILBERT GLOBAL EQ PARTNERS, LP			790,923	46,838,303
GREAT HILL EQUITY PARTNERS LP			189,278	9,888,822
GREAT HILL EQUITY PRTRNS II LP			50,500	4,516,479
GREEN EQUITY INV IV L.P.			131,525	12,774,505
GREEN MOUNTAIN PARTNERS LP			191,724	14,421,744
GREEN MOUNTAIN PTNR'S II, LP			341,256	33,870,764
GRYPHON PARTNERS II, LP			246,188	19,949,013
GTCR CAPITAL PARTNERS LP			351,419	31,695,050
GTCR FUND VII, LP			743,867	70,629,584
GTCR FUND VIII LTD PRTRNR			178,125	15,757,826
GTCR VII-A			76,791	9,878,780
HARBORVEST PRTRNR VI, PARTNERS			1,048,689	66,318,256
HARBOURVEST INTL PRTRNR III-DIR			383,684	17,777,980
HARBOURVEST INTL PTNR II-DIR			21,725	758,977
HARBOURVEST INTL PTNR III PTNR			528,712	48,088,704
HARBOURVEST INTL PTNR II-PTNR			215,652	15,010,860
HARBOURVEST INTL PTNRS IV (DIR)			354,000	34,015,842
HARBOURVEST INTL PTNRS IV-PTNR			83,670	7,995,292
HEALTHCARE VENTURES VI LP			86,665	7,622,262
HERITAGE FUND III, LP			253,497	17,536,266
INTERSOUTH PARTNERS VI			19,000	1,310,383
INTERWEST PARTNERS VI			86,110	4,636,610
JOSEPH LITTLEJOHN & LEVY FD II			287,281	10,288,599
JOSEPH LITTLEJOHN LEVY FD III			781,394	65,973,408
KKR 1986 FUND			356,150	67,368,924
KKR 1987 FUND			3,877,333	130,798,499
KKR 1993 FUND			687,563	55,786,928
KKR 1996 FUND			6,314,360	463,754,320
KKR EUROPEAN FUND			2,953,812	262,857,655
KKR MILLENNIUM FUND			3,687,753	345,317,000
KPS SPECIAL SITUATIONS FUND, LP			10,473	5,162,550
MADISON DEARBORN CAP PTNS III			859,135	87,357,963
MADISON DEARBORN CAP PTR IV LP			1,115,731	101,383,990
MATLIN PATTERSON GLOBAL OPP			683,133	66,441,393
MENLO VENTURE IX, L.P.			1,000,000	79,248,763
MENLO VENTURE PARTNERS IV			110,153	745,639
MENLO VENTURES IX, L.P.			150,000	11,887,314
MENLO VENTURES VI, LP			13,678	310,076
MENLO VENTURES VII			165,238	5,271,843
MENLO VENTURES VII, LP			51,756	1,686,553
MENLO VENTURES VIII LP			115,178	3,886,215
MENLO VENTURES VIII LP			383,927	12,954,042
MOBIUS TECH VENT. SIDE FD VI			20,265	3,468,911
MOBIUS TECH VENTURES VI			635,709	30,392,624
MORGAN STANLEY VEN PTN III			171,779	10,525,640
NEW ENTERPRISE ASSOC 11 LP			50,000	4,901,272
NEW ENTERPRISE ASSOCIATES 10			697,324	61,366,128
NORDIC CAPITAL FUND III			326,386	38,336,374

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
NORDIC CAPITAL IV			449,907	60,894,164
NORDIC CAPITAL VL.P.			102,579	10,314,439
OAK INVESTMENT PARTNERS IX			499,682	17,479,865
OAK INVESTMENT PARTNERS X LP			631,137	48,493,192
OAK INVESTMENT PTNRS VIII, LP			168,684	3,315,396
OCM OPPORTUNITIES FD III, LP			278,634	63,131,992
OCM OPPORTUNITIES FD IV L.P.			1	44,696,961
OCM OPPORTUNITIES FD V, LP			90,000	8,893,899
OCM OPPORTUNITIES FUND II LP			222,538	32,174,158
OCM OPPORTUNITIES FUND LP			1	6,663,287
OLYMPIC VENTURE PARTNERS IV			35,342	259,162
OLYMPIC VENTURE PARTNERS V			162,103	3,172,490
OLYMPUS GROWTH FUND III, LP			151,810	18,038,237
ONE LIBERTY VENTURES 2000 LP			82,546	4,558,968
OVP VENTURE PARTNERS VI			83,000	5,548,532
PALAMON EUROPEAN EQUITY LP			368,096	40,601,522
PARAGON VENTURE PARTNERS II			38,374	644,388
PRISM VENTURE PRTNRS IV, LP			49,409	3,316,283
RICE PARTNERS II LP			248,953	8,477,194
RICHLAND VENTURES III, LP			110,946	5,709,677
RSTW PARTNERS III, LP			406,366	25,964,525
SILVER LAKE PARTNERS, LP			417,716	50,728,524
SPC PARTNERS II, LP			78,528	9,209,886
SPECTRUM EQ INV II, LP			75,832	1,315,935
SPECTRUM EQ INV II, LP			32,252	548,329
SPECTRUM EQ INVESTORS IV			515,672	49,256,054
SPECTRUM EQUITY III LP			84,877	3,229,262
SPECTRUM EQUITY INV III, LP			126,572	4,843,898
SPECTRUM INVESTORS EQUITY IV			128,941	12,314,003
SPROUT CAPITAL IX, LP			631,197	46,927,487
SPROUT CAPITAL VII LP			145,486	7,232,423
SPROUT CAPITAL VIII-LP			481,343	13,323,260
SWANDER PACE CAPITAL FUND LP			54,122	1,548,101
TA IX, LP			83,823	10,833,987
TECHNOLOGY CROSSOVER II Q LP			31,318	2,362,568
TECHNOLOGY CROSSOVER VENT III			82,637	2,834,319
TECHNOLOGY CROSSOVER VENT IV			69,878	6,037,143
TECHNOLOGY CROSSOVER VTR V			11,500	1,100,189
TELECOM PARTNERS III, LP			453,836	2,475,301
THIRD CINVEN U.S. (NO.2) LP			352,166	44,554,235
THOMAS WEISEL CAPITAL PARTNERS			957,326	45,284,639
THREE ARCH PARTNERS IV LP			625	47,801
TPG PARTNERS III, LP			516,086	63,609,573
TPG PARTNERS IV LP			245,170	22,560,302
TRIDENT CAPITAL FUND V LP			92,449	7,691,399
TRIDENT CAPITAL V SECONDARY			26,725	2,746,607
TSG CAPITAL FUND II LP			137,729	2,092,137
TSG CAPITAL FUND III LP			694,596	29,255,536
U S VENTURE PARTNERS VIII LP			313,200	26,478,766
US VENTURE PARTNERS V, LP			81,204	4,134,668



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
US VENTURE PARTNERS VI LP			145,360	5,649,581
US VENTURE PARTNERS VII, LP			345,309	14,205,474
VANTAGE POINT VP III SECONDARY			21,828	4,601,128
VANTAGEPOINT COMM PTRNS, LP			82,205	3,179,381
VANTAGEPOINT VEN PTNS III, LP			72,744	2,300,564
VANTAGEPOINT VENTURE PRTNRS IV			116,050	8,526,261
VARDE SELECT FUND LP			1	2,259,586
VESTAR CAPITAL PARTNERS IV, LP			277,750	27,098,260
VESTAR CAPITAL PTNRS III, LP			129,478	10,646,040
VISION EXTENSION LP			72,277	1,620,902
WARBURG PINCUS EQ PTNR'S, LP			2,770,102	239,383,773
WARBURG PINCUS INTL PTNRS			633,000	60,267,760
WARBURG PINCUS PRIVATE EQ VIII			1,462,500	146,505,982
WARBURG PINCUS VENTURES			698,758	100,800,661
WCAS CAPITAL PTNRS III, LP			663,659	63,440,662
WELSH CARSON ANDER. STOWE VIII			1,456,901	122,179,943
WELSH CARSON ANDERSON STOWE IX			1,589,755	150,149,411
WELSH, CARSON, ANDERSON, STOWE VII			250,981	11,298,178
WORLDVIEW TECHNOLOGY PTNS I, LP			35,729	1,549,172
<b>TOTAL PRIVATE EQUITY</b>				<b>\$6,067,449,584</b>
<b>REAL ESTATE :</b>				
CHEROKEE INV PARTNERS II, LP			630,258	\$74,304,245
CHEROKEE INVESTMENT PRTNRS III			429,677	35,350,624
CORPORATE PROP OF AMERICAS LLC			605,000	65,594,817
EUROPEAN INV PROP LIMITED			2,462,562	215,811,451
FORESTREE WASHINGTON LP			623,927	37,522,187
HAWTHORNE TIMBER LLC			3,000,000	291,417,412
HEARTHSTONE MSII-HMBLDG INV			32,348	6,643,538
HOMETOWN AMERICA, LLC			6,202,906	732,535,749
ING REALTY PARTNERS LP			708,500	49,560,132
JER REAL ESTATE ADVISORS, LP			100,238	38,261,041
LONE STAR FUND II			162,923	40,098,526
LONE STAR OPPORTUNITY FD LP			150,550	13,356,273
LONESTAR FUND III			1,274,862	288,752,527
LONESTAR IV (US) LP			2,090,469	258,496,311
LOWE NORTHWEST INV PROP LLC			983,281	122,885,833
MEZZANINE CAPITAL PROP INV INC			792,602	96,232,410
MSREF III INTL TE			785,434	61,584,392
MSREF IV INTL TE			2,287,236	259,075,220
OLYMPIA PROPERTIES LLC			1,892,857	207,025,191
PAC/SIB-L.L.C.			3,883,926	110,005,092
PACTRUST REALTY ASSOC L.P.			773,154	237,775,039
PRINCIPAL ENTERPRISE CAPITAL I			3,955,173	621,969,811
UNION SQUARE LP			472,826	198,243,265
WASHINGTON REAL ESTATE HLDGS			332,849	34,698,145
<b>TOTAL REAL ESTATE</b>				<b>\$4,095,248,286</b>
<b>CORPORATE STOCK - FOREIGN:</b>				
3 I GROUP PLC			516,200	\$5,733,787

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
ABB LTD			382,748	2,093,440
ABITIBI CONSOLIDATED INC			54,700	373,302
ACAMBIS PLC			190,146	1,195,697
ACCOR			57,000	2,405,719
ACERINOX SA			9,623	547,809
ACOM CO LTD			62,960	4,090,972
ACS ACTIVIDADES CO			117,300	1,976,576
ACTELION			20,586	2,366,963
ADECCO SA			63,070	3,142,421
ADERANS COMPANY			29,800	641,800
ADIDAS SALOMON AG			14,800	1,766,970
ADVANTEST			28,400	1,902,617
AEGON NV			844,619	10,183,573
AEON CREDIT SERV			71,300	4,757,036
AEON MALL CO			42,200	2,509,994
AGFA GEVAERT NV			57,700	1,431,392
AGGREKO			182,640	544,853
AGORA SA			72,600	929,280
AIR LIQUIDE(L )			23,266	3,846,864
AISIN SEIKI CO			105,600	2,201,714
AKBANK TURK ANONIM SIRKETI			274,330	1,912,080
AKZO NOBEL NV			12,400	456,064
ALCAN INC			84,100	3,462,480
ALCATEL			342,509	5,283,929
ALFRESA HOLDINGS C			1,100	61,293
ALIMENTATION COUCHE TARD INC			19,144	333,690
ALINTA LTD			83,660	353,745
ALLGREEN PROPRIETIE			96,000	53,784
ALLIANCE UNICHEM			272,987	3,230,279
ALLIANZ AG			98,251	10,642,387
ALMANCORA			5,600	282,749
ALMANIJ(ALGEM MAA)			27,900	1,664,980
ALTADIS SA			269,100	8,315,974
ALTANA AG			19,200	1,154,669
ALUMINIUM CORP CHN			2,938,000	1,572,624
AMADA CO ORD			161,000	1,062,365
AMADEUS GLOBAL TRAVEL			202,720	1,329,386
AMANO CORPORATION			41,000	364,854
AMCOR LIMITED			3,704,704	17,987,458
AMERICA MOVIL S A DEC V			48,000	1,745,760
AMERICA MOVIL SA			4,764,600	8,655,022
AMP LIMITED			527,400	2,325,559
ANGIOTECH PHARMACEUTICALS			46,300	932,945
ANGLO AMERICAN PLC			141,300	2,890,472
ANGLO IRISH BK CP			244,300	3,834,236
ANRITSU Y50			95,000	621,638
AOYAMA TRADING			52,400	1,419,072
ARCELOR			542,800	9,113,488
ARES SERONO SA			4,329	2,727,229
ARN MONDADORI EDIT			34,175	323,485



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
ARNEST ONE CORP			47,500	1,432,205
ASAHI BREWERIES			153,300	1,690,143
ASAHI GLASS CO			436,000	4,535,215
ASATSU CORP			25,900	671,741
ASKUL			39,500	2,479,723
ASSIC GENERALI			37,200	1,003,401
ASTRAL MEDIA INC			13,600	288,585
ASTRAZENECA			423,900	19,245,289
ASTRAZENECA			425,130	19,073,875
ATI TECHNOLOGIES INC			44,400	833,193
AUST AND NZ BANK			322,870	4,111,378
AUSTRALIAN STOCK EXCHANGE			32,570	352,576
AUTOBACS SEVEN CO			34,600	1,132,035
AUTOLIV INC			28,300	1,181,523
AUTOSTRIDE			139,200	2,735,127
AVENTIS SA			165,822	12,518,423
AXA			234,250	5,158,505
AXA ASIA PAC HLDGS			34,093	79,797
AYALA CORP			2,431,000	246,758
BAA ORD 1.00P			587,410	5,896,258
BANCO BPI SA			164,972	602,140
BANG & OLUFSEN HLG			3,400	186,995
BANK MONTREAL QUE			130,000	5,174,790
BANK NS HALIFAX			253,200	6,764,590
BANK OF YOKOHAMA			101,000	631,279
BANK PRZEMYSLOWO HANDLOWY			11,900	663,187
BARCLAYS			2,356,097	20,071,390
BARRATT DEVEL			167,891	1,794,852
BASF AG			103,469	5,537,706
BAYER AG DEM5			683,727	19,715,000
BAYER VEREINSBK			1,051,670	18,706,501
BAYERISCHE MOTOREN WERKE AG			58,800	2,601,874
BBVA (BILB VIZ ARG)			1,195,800	15,974,475
BCA ANTONVENETA			53,100	1,091,164
BCA INTESA SPA			10,232,554	39,962,695
BCA NAZ DEL LAVORO			953,188	2,215,020
BCA POP DI MILANO			206,200	1,324,611
BCE INC			16,800	334,559
BCO COM PORTUGUES			487,718	1,139,294
BCO ESPIR SANTO			17,911	297,017
BCO ITAU HOLDING FINANCEIRA			50,000,000	4,649,661
BCO PASTOR			4,500	136,271
BCO POPULAR ESP			108,900	6,150,334
BCO SANT CENT HISP			3,547,965	36,820,871
BCP POP VERON NOV			411,406	7,067,585
BELGACOM SA			32,700	995,407
BELLUNA CO LTD			18,750	756,083
BENETTON GROUP SPA			36,210	414,116
BENI STABILI SPA			669,900	505,321
BG GROUP			7,464,500	45,991,511

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
BHP STEEL NPV			196,539	922,767
BIC			10,560	469,973
BILLABONG INTERNATL			464,200	2,670,968
BILLITON			1,469,945	12,755,589
BK AUSTRIA CREDIT			51,888	3,042,844
BK MANDIRI			7,522,500	940,062
BK OF IRELAND			115,956	1,549,048
BK OF PHILIP ISLAN			295,600	226,352
BK OF PIRAEUS			79,600	929,715
BK PEKAO			77,940	2,599,299
BK RAKYAT			12,877,500	2,294,051
BNP PARIBAS			611,941	37,635,389
BOC GROUP			472,209	7,904,119
BOC HONG KONG HOLDINGS LTD			950,000	1,619,913
BOHLER UDDEHOLM			7,808	647,873
BOMBARDIER INC			728,000	2,182,778
BOOTS GROUP			2,241,100	27,961,931
BOUYGUES			231,647	7,756,054
BP AMOCO			6,695,173	59,130,051
BRAMBLES INDUSTRIE			3,304,314	12,763,753
BRASCAN CORP			15,700	438,183
BRIDGESTONE CO			79,000	1,484,214
BRITISH AEROSPACE			4,826,275	19,189,743
BRITISH LAND CO			400,357	5,035,138
BRITISH SKY BRDCST			1,366,800	15,417,460
BROKEN HILL PROPTY			590,999	5,158,475
BROOKFIELD PPTYS CORP			8,300	236,603
BT GROUP			1,507,615	5,427,108
BUNZL			32,932	274,573
BURBERRY GROUP			40,400	299,472
C+S CO LTD			26,700	705,948
CABLE AND WIRELESS			1,032,676	2,429,903
CADBURY SCHWEPPE			177,500	1,531,421
CAIRN ENERGY PLC			80,800	2,076,341
CAISSE NATIONALE CRED AGRICOLE			113,818	2,769,534
CANADIAN NATL RY CO			16,300	702,210
CANADIAN NATURAL RES LTD			257,800	7,700,832
CANFOR CORP			13,900	157,583
CANON INC			1,010,696	53,260,340
CAPCOM CO			22,500	247,652
CAPITA GROUP PLC			980,700	5,664,520
CAPITALAND			274,000	217,934
CAPITALIA SPA			420,724	1,315,516
CARNIVAL PLC			395,862	19,225,245
CARREFOUR			19,800	960,696
CATHAY PACIFIC AIR			85,000	160,196
CATTLES PLC			359,300	2,107,895
CEDARA SOFTWARE CORP			29,400	225,859
CELESTICA INC			18,500	368,275
CELESTICA INC			14,600	291,270



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CELTIC RES HLDGS			27,800	201,157
CENCOSUD S A			60,100	1,112,271
CENTRICA			1,077,600	4,387,240
CESKY TELECOM AS			86,000	1,062,100
CHEUNG KONG(HOLDS)			1,813,000	13,365,407
CHINA INSURANCE IN			2,276,000	1,006,718
CHINA PETROLIUM + CHEMICAL			11,300,000	4,128,952
CHINA TELECOM			335,200	1,014,221
CHIYODA CORP			468,000	3,324,016
CHUNGHWA TELECOM CO LTD			18,100	319,284
CIA DE CONCESSOES			31,500	360,974
CIE DE ST GOBAIN			417,144	20,793,024
CIFRA SA DE CV			1,462,700	4,337,496
CINRAM INTL INC			16,100	300,205
CITIZEN WATCH			262,000	2,967,805
CITY DEVELOPMENTS			238,000	746,146
CLP HOLDINGS			230,000	1,259,135
CMB			4,272	518,454
CMNWLTH BK OF AUST			128,068	2,906,533
CNP ASSURANCES			19,454	1,128,761
COCA COLA HELL BOT			96,179	2,246,711
COGNOS INC			63,739	2,290,943
COLES MYER LIMITED			2,635,862	15,772,456
COLRUYT SA			14,400	1,778,256
COMFORTDELGRO CORP			125,000	89,262
COMMERCIAL UNION			1,529,950	15,787,268
COMMERCL BK GREECE			15,800	411,758
COMMERZBANK AG			147,378	2,596,372
COMPANHIA DE BEBIDAS DAS AMERS			40,200	806,814
COMPANHIA VALE DO RIO DOCE			34,300	1,341,130
COMPANIA ANON NAEL TELE DE VEZ			70,100	1,412,515
COMPASS GROUP			952,600	5,813,171
COMSYS HOLDINGS			80,000	649,590
CON IMPERIAL BANK OF COMMERCE			30,800	1,497,789
CONJUCHEM INC			65,500	625,322
CONSORICO ARA SA			471,900	1,356,411
CONTINENTAL AG			54,700	2,638,072
COPAL COMPANY			28,600	456,594
CORIO NV			78,300	3,334,230
CORP GEO SA DE CV			1,028,000	1,350,403
CORP MAPFRE SA			96,700	1,184,736
COSMOTE MOBILE TEL			125,500	1,969,696
COTT CORP QUE			26,500	855,827
CREATIVE TECHNOLOG			28,200	296,334
CREDEM			372,503	3,059,139
CREDIT SAISON CO			86,000	2,585,162
CREDIT SUISSE GRP			347,633	12,352,019
CREDITO ITALIANO			707,200	3,493,285
CRH			768,200	16,262,573
CRH			38,716	817,722

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CSA RISPARMIO FIRENZE			529,900	1,005,737
CSF (THOMSON)			18,300	669,499
CSR LIMITED			49,304	76,246
D+M HOLDINGS INC			102,000	364,569
D/S SVENDBORG			100	687,482
DAH SING FINANCIAL			24,900	146,850
DAI NIPPON PRINTNG			329,000	5,255,437
DAIICHI			46,100	821,743
DAIKIN KOGYO CO			46,000	1,235,211
DAIMLERCHRYSLER AG			184,601	8,624,441
DAINIPPON SCREEN			110,000	649,223
DAITO TRUST CONST			16,500	635,110
DAIWA HOUSE IND CO			82,000	951,400
DAIWA SECURITIES			567,200	4,075,377
DANISCO			67,400	3,475,222
DANSKE BANK			115,900	2,746,086
DBS GROUP HLDGS			364,600	3,048,123
DDI CORP ORD			635	3,631,398
DELHAIZE FRERES			57,124	2,922,472
DEPFA BANK			717,300	10,420,075
DEUTSCHE BANK AG			94,274	7,407,227
DEUTSCHE BOERSE AG			60,000	3,049,168
DEUTSCHE OFFICE TRUST			255,221	204,455
DEUTSCHE POST AG			45,000	971,799
DEUTSCHE TELEKOM			513,937	9,029,065
DEXIA			285,000	4,729,606
DIAGEO			347,100	4,680,078
DIXONS GROUP (NEW)			2,701,100	8,094,679
DNB HOLDING ASA			2,142,300	14,618,883
DOFASCO INC			163,100	4,817,274
DOWA MINING CO.			125,000	741,190
DRAGON OIL			638,700	495,166
DSV			17,700	845,996
EADS(EURO AERO			162,093	4,512,175
EAST JAPAN RAILWAY			859	4,817,926
EDGARS CONSOLIDATED STORES			44,700	1,064,928
EDISON			1,209,211	2,092,027
EFG EUROBANK ERGAS			181,159	3,949,696
EISAI CO			364,882	10,500,201
ELAN CORP			20,644	509,112
ELEC DE PORTUGAL			386,700	1,082,101
ELECTRABEL NPV			35,177	11,277,300
ELECTRICITY GENRTG			849,700	1,434,005
ELECTROBRAS (CENTR)			100,000,000	991,282
ELETRORBRAS (CENTR)			100,000,000	994,188
ELSEVIER NV			1,673,850	23,501,092
EMI GROUP			10,679	47,206
ENCANA CORP			81,000	3,481,052
ENDESA S.A.			121,000	2,331,880
ENEL			201,600	1,616,373



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
ENERFLEX SYS LTD			15,800	247,473
ENI			661,970	13,143,897
ERICSSON (LM) TEL			3,662,000	10,792,107
ERSTE BANK DER OST			66,000	10,366,589
ESPRIT HOLDINGS			1,111,500	4,973,378
ESSILOR INTL			23,500	1,533,922
EURO EXCH TRADED			86,300	3,003,961
EURONEXT			97,685	2,721,630
FABEGE AB			59,400	772,765
FADESA INMOBILIAR			16,800	245,277
FAIRFAX FINL HLDGS LTD			4,100	696,580
FAIRFAX(JOHN)			335,200	870,956
FALCONBRIDGE LTD NEW			38,700	945,310
FANUC CO.			31,400	1,873,381
FAST RETAILING CO			86,300	6,983,724
FCC CO LTD			15,900	686,331
FIAT SPA			85,975	719,658
FINMECCANICA SA			2,304,458	1,830,829
FLUGHAFEN WIEN SHS			8,300	478,654
FOLLI FOLLIE			27,206	867,887
FOMENTO ECON MEXICO			271,400	1,240,632
FORTIS			593,683	13,102,603
FORTIS NPV			211,609	4,685,665
FORTUM OYJ			385,000	4,918,308
FOSTERS BREWING GR			8,137,469	26,755,609
FR GROUP			111,200	2,809,140
FRANCE TELECOM			22,400	583,758
FRAPORT AG			62,902	1,755,592
FRASER & NEAVE			22,000	178,815
FREENET DE AG			3,100	265,899
FRENCH CONNECTION			103,674	780,253
FRESENIUS AG			29,600	2,246,481
FRESENIUS MEDICAL			18,077	967,489
FRESENIUS MEDICAL			45,825	3,400,375
FRIENDS PROVIDENT			1,407,400	3,745,529
FRONTLINE LTD			73,850	2,541,041
FUJI ELEC CO LTD			96,000	259,543
FUJI PHOTO FILM			179,000	5,610,411
FUJI TELEVISION NETWORK INC			400	916,464
FUJIKURA			125,000	703,386
FUJITSU			453,000	3,192,567
FUKUOKA BANK OF			38,000	225,322
FURUKAWA ELECTRIC			517,000	2,207,964
GALEN HLDGS			214,800	2,707,301
GAMBRO			122,000	1,182,273
GAMBRO			78,000	750,702
GAMESA CORP TECNO			15,790	232,644
GEBERIT			602	401,365
GECINA			7,100	558,029
GETINGE AB			67,200	793,952

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GFK AG			26,138	912,683
GIORDANO INTL LTD			930,000	587,227
GKN			1,359,000	6,173,688
GLAMIS GOLD LTD			36,500	638,393
GLAXOSMITHKLINE			2,669,496	54,027,013
GLOBE TELECOM IN			15,000	219,037
GPO MEDIA CAPITAL			63,738	333,451
GR ED L ESPRESSO			102,269	615,907
GRAFTON GROUP			268,400	2,138,895
GREAT UNIVERSAL			1,338,769	20,527,532
GREAT WEST LIFECO INC			45,200	1,624,941
GROUPE DANONE			40,200	3,506,799
GRUPO FERROVIAL SA			80,600	3,355,682
GRUPO FINANCIERO BANORTE SA			839,100	2,983,014
H LUNDBECK A S			23,000	500,716
H.I.S. CO			23,600	718,068
HACI OMER SABANCI HLDGS S A			3,842,300	2,939,360
HANG LUNG PROP			1,195,000	1,539,751
HANG SENG BANK			94,100	1,206,441
HANKYU CORP			42,000	366,439
HBOS			3,122,431	38,646,751
HDFC BANK LTD			122,900	3,301,094
HEIDELBERGCEMENT			4,787	238,497
HEINEKEN HOLDING			220,500	6,459,974
HEINEKEN NV			59,800	1,965,131
HENKEL KGAA NON PFD			35,849	3,060,949
HENKEL KGAA ORD			16,300	1,270,201
HENNES + MAURITZ			85,850	2,216,638
HERMES INTL			12,974	2,590,289
HIGHLAND GOLD MINI			53,700	222,525
HILL (WILLIAM)			471,448	4,736,538
HINO MOTORS			788,000	5,705,173
HIROSE ELECTRONICS			21,600	2,373,496
HITACHI CABLE			107,000	508,940
HITACHI CAP CORP			31,400	584,173
HITACHI CHEMICAL			29,100	478,177
HITACHI ORD			3,539,000	24,357,687
HOKKAIDO ELEC PWR			157,200	2,793,482
HOKUGIN FINANCIAL			337,000	864,776
HOLCIM			99,000	5,383,184
HOME CAP GRP INC COM			21,400	355,137
HONDA MOTOR CO.			122,600	5,910,058
HONG KONG & CHINA GAS			2,855,000	4,703,550
HONG KONG ELECTRIC			3,824,500	15,837,759
HONG KONG EXCHANGE			16,000	32,821
HOUSE FOOD CORP			11,400	161,103
HOYA CO			97,100	10,162,507
HSBC HLDGS			82,000	1,235,288
HSBC HLDGS			1,260,344	18,742,194
HUDSONS BAY CO			87,500	912,362



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
HUSKY ENERGY INC			199,000	3,807,086
HUTCHISON WHAMPOA			183,000	1,249,359
HYPO REAL ESTATE			40,300	1,182,137
HYSAN DEVELOPMENT			99,000	147,235
IBERDROLA SA			1,238,200	26,137,014
IMPERIAL OIL LTD			29,300	1,363,655
IMPERIAL TOBACCO			48,100	1,036,285
INCHCAPE			35,881	1,140,680
INCO LTD			16,900	579,951
INCO LTD COM			51,900	1,793,664
INDITEX			145,000	3,327,173
INDOFOODS SUKSES M			3,384,500	251,970
INFINEON TECHNOLOGIES AG ORD N			257,445	3,454,822
INFOSYS TECHNOLOGIES LTD			92,300	8,562,671
ING GROEP NV			1,489,121	35,147,741
INMET MNG CORP			12,300	169,718
INSURANCE AUST GRP			293,000	1,020,519
INTERBREW			34,700	1,103,994
INTERCONTINENTAL H			1,687,894	17,830,297
INTRACOM			29,450	128,273
IPSCO INC			21,900	491,331
IRISH LIFE + PERM			132,000	2,007,473
IRISH LIFE + PERM			68,069	1,047,624
ISHARES IFTSE 100 SHS			1,692,500	13,789,047
ISHARES INC			467,900	66,909,700
ISHARES TR			105,400	17,035,802
ISS INTERNATIONAL			57,550	2,844,883
ITALCEMENTI			109,330	1,463,180
ITO-YOKADO CO.			170,000	7,275,810
ITOCHU & CO.			579,000	2,600,101
ITOCHU TECHNO SCIE			3,700	157,678
ITV			661,800	1,386,201
JAMES HARDIE INDS			169,440	708,191
JAPAN AIRLINES SYS			339,100	1,084,598
JAPAN TOBACCO			105	816,020
JARDINE CYCLE + CARRIAGE LTD			9,000	33,441
JARDINE MATHESON			904,800	9,952,800
JC DECAUX SA			255,100	5,459,363
JEAN COUTU GROUP PJC INC			23,100	312,365
JERONIMO MARTINS SGPS			27,700	310,051
JSC MMC NORILSK NICKEL			23,429	1,300,310
JUSCO			120,000	4,816,936
KADOKAWA SHOTEN P			17,600	630,674
KAMIGUMI CO			106,000	770,362
KANEKA CORP Y50			126,000	1,192,852
KANSAI ELEC. POWER			122,500	2,232,988
KAO CORP.			122,000	2,940,567
KAPPA CREATE CO			32,300	2,229,015
KAWASAKI HEAVY IND			155,000	250,011
KAWASAKI KISEN			215,000	1,085,689

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
KBC BANKVERZEKERIN NPV			139,983	8,053,976
KEIO DENTETSU RY			88,000	502,442
KELDA GROUP			152,524	1,383,703
KEPPEL CORP			485,000	1,985,108
KESA ELECTRICALS			259,100	1,359,121
KEYENCE CORP			42,800	9,763,021
KINDEN CORPORATION			99,000	618,778
KINGFISHER			211,607	1,098,482
KOBENHAVN LUFTHAVE			7,200	1,048,901
KOITO MFG CO			138,000	1,014,306
KOKUSAI SECURITIES			123,000	1,615,351
KOMATSU CO			728,000	4,410,099
KOMERCNI BANKA A S			100,879	3,770,554
KON KPN NV			1,018,465	7,756,863
KONAMI CO			15,800	401,100
KONICA CORPORATION			298,500	4,119,883
KUBOTA			438,000	2,328,186
KURARAY CO			55,000	450,121
KYOCERA CORP.			95,600	8,113,055
KYUSHU ELEC POWER			142,100	2,650,172
LADBROKE GROUP			114,300	572,101
LAFARGE			4,490	400,420
LAGARDERE S.C.A.			53,781	3,359,967
LAN CHILE S A			71,800	1,385,740
LAND SECS GP			86,502	1,818,139
LEND LEASE CORP.			146,008	1,045,570
LEOPALACE21			62,400	1,166,622
LG ELECTRONICS			34,700	1,645,660
LI + FUNG			2,867,100	4,190,484
LION NATHAN LTD			169,940	802,618
LLOYDS TSB GROUP			5,708,899	44,699,451
LOBLAW COS LTD			4,800	218,743
LOGICA			375,800	1,247,169
LOGITECH INTL			52,200	2,375,759
LONDON STOCK EXCHANGE			116,943	776,199
LOREAL			26,500	2,116,637
LUNDIN PETROLEUM			32,586	173,032
LVMH MOET HENNESSY			93,300	6,748,375
MABUCHI MOTOR CORP			26,000	1,927,691
MACQUARIE BANK LTD			214,910	5,072,050
MAGNA INTL INC			10,400	881,411
MAKITA CORP			77,000	1,154,488
MAN AG			289,511	10,559,963
MAN GROUP			292,500	7,574,807
MANULIFE FINL CORP			283,514	11,429,373
MARKS + SPENCER			82,400	542,066
MARUBENI CORP.			342,000	839,995
MARUI CO			316,700	4,266,590
MASONITE INTL CORP			13,800	355,306
MATAV RT			368,439	1,474,691



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
MATSUSHITA ELC WKS			139,000	1,261,146
MATSUSHITA ELEC IND			1,805,606	25,632,440
MCCARTHY + STONE			163,200	1,719,546
MEDION AG			12,600	508,029
MEITEC CORPORATION			18,800	744,316
MERCK KGAA			61,564	3,707,641
METHANEX CORP			23,400	308,917
METRO AG			108,900	5,161,935
MICHAEL PAGE INTL			891,500	2,926,290
MICRONAS SEMICONDU			42,038	1,911,581
MILLEA HOLDINGS INC			1,367	20,295,468
MILLICOM INTERNATIONALCELLULAR			25,700	561,802
MILLICOM INTL CELL			35,700	784,334
MISUMI CORP			91,500	2,993,676
MITCHELLS + BUTLER			1,191,454	6,017,554
MITSUBISHI CORP.			656,000	6,372,726
MITSUBISHI ESTATE			450,000	5,584,017
MITSUBISHI GAS &			103,000	426,669
MITSUBISHI HVY IND			916,000	2,484,865
MITSUBISHI RAYON			286,000	1,111,341
MITSUBISHI TOKYO FIN			2,105	19,484,489
MITSUI & CO.			1,052,000	7,876,864
MITSUI FUDOSAN CO			292,000	3,500,307
MITSUI MARINE + FIRE			736,000	6,913,807
MITSUI OSK LINES			194,000	1,020,538
MITSUI TRUST HLDGS			202,000	1,481,006
MIZUHO FINANCIAL GB NPV			1,479	6,709,481
MOBISTAR			24,600	1,532,395
MORRISON(W)SUPRMKT			1,036,600	4,356,607
MOSCOW CITY TEL NETWORK			13,500	172,125
MR BRICOLAGE SA			36,892	1,211,886
MTN GROUP LTD			636,600	2,920,536
MUNCHENER RUCKVERS			47,600	5,160,008
MURATA MANUFACTNG			418,400	23,850,506
NAKANISHI INC JPY50			25,000	1,787,105
NAMCO			62,400	1,749,934
NATIONAL BK CDA MONTREAL QUE			148,100	4,749,804
NATIONAL GRID GRP			591,100	4,561,188
NATL AUSTRALIAN BK			1,398,178	29,063,290
NATL BK OF GREECE			185,700	4,039,663
NEC CORP.			905,000	6,369,793
NEC ELECTRONICS			26,600	1,633,323
NEDCOR LTD			192,600	1,912,901
NEPTUNE ORIENT LNS			174,000	238,405
NESTLE SA			77,662	20,711,520
NETWORK HEALTHCARE			580,000	415,480
NEWCREST MINING			259,500	2,490,979
NEWMONT MNG CORP CDA LTD			5,200	200,747
NEWS CORP PREF LTD VTG SH A			197,611	1,617,456
NEWS CORP.			454,434	4,013,965

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
NEXEN INC			28,600	1,109,230
NEXT GROUP			157,200	4,056,719
NGK SPARK PLUG CO			68,000	652,486
NIDEC CORPORATION			73,700	7,551,354
NIKKO SECURITIES			181,300	878,960
NIKON CORP			201,000	2,262,090
NINTENDO CO			41,800	4,845,988
NIPPON DENSO			77,500	1,804,060
NIPPON ELECTRIC			70,000	1,469,092
NIPPON EXPRESS CO.			368,000	2,158,457
NIPPON OIL CO.			311,000	1,958,090
NIPPON SHEET GLASS			716,000	2,834,734
NIPPON SHOKUBAI CO			33,000	263,419
NIPPON STEEL CORP.			1,491,000	3,129,166
NIPPON TEL & TEL CO			1,879	10,039,472
NIPPON YUSEN KK			322,000	1,484,361
NISHI NIPPON BANK			133,000	611,887
NISSAN MOTOR CO			578,000	6,425,459
NISSHIN SEIFUN GRP			78,000	792,045
NITORI CO			31,100	1,949,539
NITTO DENKO CORP			106,400	5,441,158
NOBIA AB			34,500	406,464
NOK CORP			51,200	1,900,380
NOKIA (AB) OY			384,500	5,548,131
NOKIAN TYRES			11,161	1,087,273
NOMURA AM			106,500	11,653,851
NOMURA AM			2,687,600	29,704,858
NOMURA RESEARCH INC			16,300	1,737,332
NOMURA SECURITIES			813,600	12,042,011
NORANDA INC			54,700	935,908
NORDBANKEN HOLDING			1,178,000	8,483,595
NORSK HYDRO AS NOK20			334,660	21,750,607
NORTEL NETWORKS CORP			208,600	1,040,861
NOVARTIS AG			639,369	28,205,954
NOVO NORDISK AS			90,200	4,643,434
NS SOLUTIONS CORP			10,300	297,347
NSK			125,000	622,050
NTT MOBILE COMMUNI			782	1,397,516
NUMICO (KON) NV			240,200	7,718,041
O/SEAS CHINESE BK			1,436,000	10,087,724
O/SEAS UNION ENTPR			59,000	241,487
OCE NV			14,383	232,738
OEST ELEKTRIZITATS			3,999	703,340
OHBAYASHI CORP			61,000	328,158
OMRON CORP			54,900	1,285,520
OMV AG			14,304	2,784,648
ONEX CORP			23,400	296,700
OPAP (ORG OF FOOTB)			96,700	1,825,929
OPEN TEXT CORP			8,200	261,152
ORASCOM CONSTR INDS S A E			10,439	309,694



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
ORASCOM TELECOM S A E			122,634	1,135,591
ORICA LTD			450,187	4,735,364
ORIENT O/SEAS INTL			133,000	393,042
ORIX CORP			102,200	11,707,831
ORKLA SA			299,600	7,499,185
ORPEA			11,210	288,730
OTE (HELLENIC TLM)			429,110	5,575,779
OTP BANK			320,535	6,546,948
PACIFIC DUNLAP LTD AUD0.50			79,645	429,421
PAK TELECOM CORP			700,600	507,961
PAL CO			10,200	372,983
PARK 24 CO			63,100	2,399,899
PARMALAT FINANZ			208,200	27,864
PASONA INC			700	2,495,532
PCCW LIMITED			1,590,000	1,080,412
PEARSON			201,467	2,447,914
PENN WEST PETE LTD			20,300	940,242
PERNOD-RICARD			37,846	4,839,365
PERPETUAL TST AUST			53,400	1,747,955
PETER HAMBRO MININ			93,000	701,607
PETRO CDA			70,100	3,014,182
PETROCHINA CO			21,828,000	10,074,720
PEUGOET SA			224,592	12,506,647
PHILIPPINE LNG DIS			28,100	575,461
PHILIPS ELECTRONICS NV			769,254	20,711,754
PILKINGTON			202,591	358,214
PIN PRINTEMPS REDO			39,379	4,046,039
PIRELLI + CO REAL			26,264	984,506
PIRELLI + CO SPA			1,381,402	1,426,900
PLACER DOME INC			33,400	558,016
POINT INC			24,900	673,189
POINT INC			49,800	1,346,378
PORSCHE AG			631	422,277
PORTUGAL TELECOM			141,600	1,528,103
POSCO			444,467	14,894,089
POTASH CORP SASK INC			3,300	316,032
POWER CORP CDA			41,100	1,620,090
POWER FINL CORP			18,100	740,470
PRECISION DRILLING CORP			47,900	2,276,835
PREMIER FARNELL			622,100	2,803,523
PREUSSAG AG			450,748	8,609,921
PROMINA GROUP			870,000	2,424,168
PROMISE CO ORD			22,050	1,471,145
PROSIEBENSATI MEDI			136,400	2,464,373
PRUDENTIAL CORP.			211,300	1,818,248
PUBLISHING & BROADCASTING LTD			152,525	1,365,299
PUMA AG			15,700	3,989,711
QBE INS GROUP			841,817	7,506,045
QLT INC			28,200	559,478
QUEBECOR WORLD INC			23,400	513,116

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
RANK GROUP			187,600	1,020,638
RAS			72,800	1,320,610
RECKITT & COLMAN			419,900	11,886,836
REED INTERNATIONAL			562,100	5,463,813
RENAULT (REGIE NATIONALE)			250,035	19,043,240
REPSOL SA			347,973	7,620,505
RESEARCH IN MOTION LTD			8,600	588,584
RESEARCH IN MOTION LTD			59,656	4,070,357
REUTERS GROUP			138,483	930,470
RHOEN-KLINIKUM			9,809	524,982
RICHEMONT (CIE FIN)			342,656	8,946,703
RICHTER GEDEON VEG			6,000	602,564
RICOH CO.			193,000	4,103,560
RIETER HLDGS AG			3,689	977,921
RINKER GROUP			549,106	3,079,183
RIO TINTO ZIMC			782,300	18,811,973
ROCHE HOLDINGS AG			271,394	26,870,693
ROHM COMPANY			28,800	3,447,079
ROLLS ROYCE GROUP			335,100	1,529,894
RONA INC			33,700	724,145
ROYAL BANK OF SCOT			604,200	17,399,978
ROYAL BK CDA MONTREAL QUE			15,200	670,353
ROYAL DUTCH PETROL			987,692	50,686,676
ROYAL+SUN ALLIANCE			365,500	546,838
RWE AG (NEU)			670,068	31,508,960
RYANAIR HOLDGS PLC			3,755	123,089
SAIPEM			114,900	1,045,652
SAMSUNG ELECTRONIC			10,200	4,210,645
SAMSUNG SDI			4,000	420,597
SAN PAOLO IMI SPA			399,264	4,809,069
SANKEN ELECTRIC CO			71,000	926,582
SANKYO CO ORD			353,800	7,668,396
SANOFI SYNTHELABO			305,224	19,347,377
SANTOS LIMITED			154,172	744,256
SANYO ELECTRIC CO			470,000	1,934,015
SAP AG			101,069	16,755,294
SAPUTO INC			6,800	161,942
SASOL			1,050,389	16,248,925
SAWAI PHARMACEUTIC			39,500	1,665,216
SBS BROADCASTING SA			9,700	297,887
SCANIA AB			30,400	1,033,115
SCHERING AG			64,856	3,821,469
SCHINDLER HLDG AG			1,129	324,078
SCHNEIDER SA			76,880	5,247,373
SCOT & NEWCASTLE			355,600	2,800,394
SCOT + SOUTHERN EN			134,500	1,662,286
SCOT POWER			699,692	5,059,704
SEAT PAGINE GIALLE			1,085,365	446,332
SEIKO EPSON CORP			7,700	280,154
SEINO TRANSPORTN			192,000	1,983,082





DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
SEIYU LTD			237,000	777,583
SEKISUI CHEMICAL			19,000	160,372
SEKISUI HOUSE ORD			253,000	2,807,891
SENSHUKAI CO			59,000	636,961
SHANGRI LA ASIA LTD			159,000	154,927
SHARP CORP ORD			492,000	7,859,194
SHELL TRNSPT & TRDG			3,074,559	22,553,754
SHIMIZU CONSTR. CO			163,000	737,955
SHINKO ELEC INDS			27,300	943,234
SHINSEI BANK			664,000	4,235,385
SHIONOGI & CO			132,000	2,269,459
SHIP FINANCE INTL			550	8,223
SHISEIDO CO.			197,000	2,482,473
SHOHKOH FUND + CO			6,380	1,280,502
SHOPPERS DRUG MART CORP			171,000	4,259,855
SHOPPERS DRUG MART CORP			103,400	2,575,842
SIAM CITY CEMENT			142,800	740,457
SIEMENS AG NPV (REGD)			164,755	11,848,551
SIGMA COMPANY LTD			356,600	2,034,458
SINGAPORE PRESS HD			8,000	19,321
SINGAPORE TELECOMM			4,872,000	6,364,191
SINO LAND CO			385,000	214,717
SKANDIA FORSAKRING			575,000	2,381,537
SKYLARK CO			43,300	869,056
SMARTONE TELECOM			288,000	315,700
SMC CORP			82,600	8,932,594
SMITH + NEPHEW			680,600	7,325,380
SMITHS INDUSTRIES			293,000	3,966,568
SMRT CORPORATION			690,000	288,426
SNAM RETE GAS			574,476	2,467,245
SOC AIR FRANCE			182,500	3,110,761
SOC GENERALE			423,362	35,978,577
SOGECABLE ORD SHS			70,500	2,843,403
SOMPO JAPAN INS			424,000	4,332,677
SONAE SGPS SA			254,302	278,457
SONY CORP.			280,700	10,573,038
SOUTH AFRICAN BREW			541,765	7,010,071
SOUTHCORP HLDGS			272,400	595,827
SPARBANKEN SVERIGE			196,000	3,746,739
STANDARD CHARTERED			809,000	13,174,749
STANLEY ELECTRIC			76,800	1,283,812
STATOIL ASA			1,388,500	17,627,930
STB LEASING CO			3,800	88,631
STMICROELECTRONICS			78,400	1,719,798
STOREBRAND ASA			248,000	1,695,910
SUEZ			118,740	2,471,797
SUGI PHARMACY			51,800	2,117,289
SUMISHO LEASE CO			42,500	1,667,049
SUMITOMO BAKELITE			215,000	1,505,384
SUMITOMO CHEMICAL			448,000	2,089,832

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
SUMITOMO CORP.			824,000	5,980,919
SUMITOMO ELECTRIC			369,000	3,763,891
SUMITOMO FORESTRY			235,000	2,700,729
SUMITOMO MITSUI GR			1,326	9,089,933
SUMITOMO OSAKA CEM			332,000	912,798
SUMITOMO TRUST			1,529,100	10,888,610
SUN HUNG KAI PROPS			324,000	2,658,530
SUN LIFE FINL SVCS INC			67,800	1,942,344
SUNCOR ENERGY INC			274,000	6,950,393
SUNCORP METWAY			28,554	282,448
SVENSKA HANDELSBANKEN SERIES A			131,600	2,637,957
SWATCH GROUP			13,400	1,744,012
SWIRE PACIFIC LTD			523,000	3,386,177
SWISS LIFE HOLDING			17,890	2,496,229
SWISS REINSURANCE			128,699	8,359,680
SWISSCOM AG			28,950	9,569,866
SYNGENTA AG			62,990	5,281,020
SYNTHES INC			36,011	4,104,575
TAB			151,669	519,811
TAISHO			61,000	1,352,885
TAIWAN SEMICNDCTR MFG CO LTD			913,032	7,587,293
TAIYO YUDEN CO			18,000	253,549
TAKEDA CHEMICAL			818,500	35,931,036
TAKEFUJI CORP			46,880	3,398,440
TALISMAN ENERGY INC			33,200	720,582
TATE & LYLE			855,759	5,121,332
TAYLOR WOODROW			413,100	1,925,333
TDK CORP			7,700	584,301
TECHNIP COFLEXIP			15,845	2,149,477
TECHTRONIC INDUSTR			808,500	1,290,523
TECK COMINCO LTD FORMERLY TECK			47,600	852,060
TEIJIN LTD ORD			450,000	1,682,628
TELE DANMARK A/S			28,400	922,765
TELECOM CORP OF NZ			6,189,765	23,113,167
TELECOM ITALIA			3,075,600	6,791,601
TELECOM ITALIA			955,788	2,971,106
TELEFONICA CA			4,060,668	60,026,007
TELEFONOS DE MEXICO S A			36,300	1,207,701
TELEKOMUNIKA CTA POLSKA			617,931	2,508,800
TELEKOMUNIKASI IND			2,523,000	1,985,663
TELENOR AS			1,788,400	12,436,108
TELESYSTEM INTL WIRELESS INC			94,300	922,254
TELEWAVE INC			63	750,584
TELSTRA CORP			4,817,389	16,879,641
TELUS CORP			91,100	1,368,453
TESCO			4,206,118	20,309,001
TEVA PHARMACEUTICAL INDS LTD			83,200	5,598,528
TEXWINCA HLDGS			91,000	71,752
THOMSON CORP			188,400	6,257,283
THYSSEN KRUPP AG			585,513	9,980,226



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
TNT POST GROEP NV			412,600	9,427,369
TODA CORPORATION			37,000	151,574
TOKYO BROADCASTING			256,000	4,504,605
TOKYO ELECTRIC POWER			63,800	1,447,143
TOKYO ELECTRON			74,500	4,178,527
TOKYO GAS CO.			268,500	952,293
TOLL HLDGS LIMITED			551,198	4,116,100
TOPPAN PRINTING			613,000	6,938,139
TORAY IND. INC.			396,000	1,865,408
TOROMONT INDS LTD			8,200	112,534
TORONTO DOMINION BK ONT			8,400	268,650
TOSHIBA CORP			60,000	241,397
TOSTEM CORPORATION			59,000	1,273,381
TOTAL SA SER B ORD			304,118	57,979,814
TOTO			405,000	4,261,009
TOYO INFORMATION			13,500	577,785
TOYO SEIKAN			193,000	3,314,686
TOYOTA MOTOR CORP			1,627,400	65,922,265
TPI TELEF PUB INFO			74,278	492,518
TRINITY MIRROR			211,912	2,497,965
TURKCELL ILETISIM HIZMETLERI A			39,800	1,221,860
TURKIYE GARANTI BANKASI A S			1,430,000	4,046,900
TURKIYE IS BANKASI A S			1,213,400	4,368,240
UBS AG			381,730	26,898,493
UCB			31,400	1,462,404
UFJ HLDGS			2,050	9,055,584
UFJ TSUBASA SECS			80,000	337,992
UNI CHARM CORP			63,600	3,170,820
UNIBAIL			4,800	496,393
UNIDEN CORP			52,000	1,127,068
UNILEVER			510,600	5,009,514
UNILEVER INDONESIA			5,645,000	2,356,461
UNILEVER NV			131,270	8,959,712
UNION FENOSA			97,060	2,070,084
UNITED O/SEAS BANK			125,400	975,564
UNITED UTILITIES			533,100	5,012,737
UNY CO			40,000	512,120
UPM KYMMENE OY			660,358	12,565,561
URALSVY ASINFORM JSC			110,700	896,670
USS			36,350	3,128,135
UTD BUSINESS MEDIA			160,000	1,471,111
VA TECHNOLOGIE AG			24,679	1,389,590
VALEO			50,556	2,106,682
VEBA AG ORD DEM5			172,167	12,421,393
VINCI			48,000	4,835,454
VIVENDI ENVIRONNEM			51,100	1,441,741
VIVENDI UNIVERSAL			446,872	12,396,060
VNU N.V.			71,000	2,061,942
VODAFONE GROUP			20,849,238	45,655,680
VOLGATELECOM PUB JT STK CO			73,000	409,318

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
VOLKSWAGEN AG			29,800	1,258,814
VOLKSWAGEN AG			61,200	1,769,146
VOLVO AB			24,400	817,873
VOLVO(AB)			465,500	16,190,337
WELLA AG			30,100	2,819,830
WERELDHAVE NV			9,200	756,659
WESFARMERS			85,855	1,758,314
WEST JAPAN RAILWAY			2,244	9,048,802
WESTFIELD HOLDINGS			91,060	976,859
WESTFIELD TRUST			326,110	1,001,812
WESTPAC BANK CORP			50,440	618,403
WHARF(HLDGS)			5,187,780	14,898,622
WHITBREAD			251,700	3,754,366
WIENERBERGER AG			55,600	1,935,345
WIHLBORGS FASTIGHE			68,700	905,153
WIMPEY, GEORGE			334,200	2,236,404
WOLSELEY ORD 25P			63,700	987,695
WOLTERS KLUWER			234,833	4,262,787
WOOLWORTHS LTD			144,100	1,144,333
WPP GROUP			96,000	974,937
XSTRATA			98,000	1,309,818
YAMAHA MOTOR Y50			68,000	1,058,810
YAMANOUCI			61,500	2,068,506
YAMATO TRANSPORT			104,900	1,712,202
YAMAZAKI BAKING			39,000	383,155
YAPI VE KREDI BANKASI AS			450,500	1,004,615
YARA INTERNATIONAL			104,200	841,838
YELL GROUP			306,220	1,914,500
YOKOGAWA ELECTRIC			56,000	746,735
YORK BENIMARU CO			24,700	733,428
YUKOS CORP			34,300	1,090,740
ZHEJIANG EXPRESSWA			3,266,000	2,323,944
ZURICH FIN SVS GRP			32,842	5,185,648
<b>TOTAL CORPORATE STOCK - FOREIGN</b>				<b>\$3,991,409,361</b>
<b>COMMINGLED INDEX FUNDS - DOMESTIC:</b>				
BGI US EQUITY MKT FUND			246,449,378	\$14,575,800,452
WSIB US EQUITY R/S			850,009	8,526,309
<b>TOTAL COMMINGLED INDEX FUNDS - DOMESTIC</b>				<b>\$14,584,326,761</b>
<b>COMMINGLED INDEX FUNDS - FOREIGN:</b>				
CANADA MSCI INDEX FUND			3,247,603	\$110,064,528
CAPITAL GUARDIAN GROWTH FUND			3,023,769	179,460,668
FOREIGN COLONIAL EM MKT GP TR			10,736,626	126,807,635
GMO TR			11,848,118	168,124,799
MSCI EAFE SL			40,532,366	1,757,969,775
SCHRODER EMERGING			50,871	116,966,500
WORLD EX US ALPHA TILTS			60,395,104	607,615,454
<b>TOTAL COMMINGLED INDEX FUNDS - FOREIGN</b>				<b>\$3,067,009,359</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$43,194,176,188</b>



## Labor and Industries' Funds - Financial Schedules

## Accident Fund Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			180,208,110	\$180,208,110
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY BOND	5.25	11/15/2028	75,000,000	\$73,460,999
U.S. TREASURY BOND	5.25	2/15/2029	60,000,000	58,810,799
U.S. TREASURY BOND	6.63	2/15/2027	110,000,000	127,613,201
U.S. TREASURY BOND	6.00	2/15/2026	35,000,000	37,713,897
U.S. TREASURY NOTE	7.25	5/15/2016	9,140,000	11,047,884
U.S. TREASURY NOTE	7.50	11/15/2016	98,720,000	121,691,154
U.S. TREASURY NOTE	8.75	5/15/2017	26,200,000	35,506,501
U.S. TREASURY NOTE	8.50	2/15/2020	16,850,000	22,802,095
U.S. TREASURY NOTE	7.88	2/15/2021	16,900,000	21,812,491
U.S. TREASURY NOTE	5.50	8/15/2028	100,000,000	101,306,999
<b>TOTAL U.S. .TREASURIES</b>				<b>\$611,766,018</b>
<b>AGENCIES</b>				
RESOLUTION FDG CORP	8.13	10/15/2019	51,300,000	\$65,635,781
TENNESSEE VALLEY AUTHORITY	7.13	5/1/2030	40,000,000	46,703,601
<b>TOTAL U.S. AGENCIES</b>				<b>\$112,339,382</b>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$724,105,400</b>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FHLMC PC 16-0011	8.50	10/1/2005	46	\$47
FHLMC PC 16-0016	8.50	8/1/2006	6,410	6,592
FHLMC PC 16-0034	8.50	12/1/2007	40,220	42,143
FHLMC PC 16-0038	8.50	2/1/2008	2,045	2,145
FHLMC PC 17-0018	8.50	2/1/2008	19,498	20,466
FHLMC PC 17-0019	8.50	2/1/2008	2,522	2,647
FHLMC PC 16-0039	8.50	3/1/2008	48,256	50,562
FHLMC PC 16-0040	8.75	3/1/2008	1,726	1,815
FHLMC PC 16-0043	8.75	4/1/2008	1,919	2,017
FHLMC PC 16-0049	8.75	7/1/2008	33,416	35,348
FHLMC PC 16-0079	10.25	5/1/2009	68,215	74,199
FHLMC PC 17-0029	12.00	5/1/2010	39,013	44,014
FHLMC PC 17-0040	14.50	12/1/2010	7,887	9,249
GNMA SF 45231	10.50	12/15/2010	6,498	7,227
FNMA CA 7423	11.25	5/1/2014	2,052	2,361
FNMA CL 2463	11.00	9/1/2015	5,382	6,139
FHLMC PC 17-0149	11.00	12/1/2015	131,840	150,795

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNMA GL 6222	9.00	4/1/2016	90,029	96,349
FHLMC PC 17-0186	9.50	8/1/2016	44,565	49,778
FHLMC SWAP 28-4854	8.50	12/1/2016	35,339	38,384
FHLMC SWAP 28-8307	8.50	3/1/2017	30,802	32,908
FHLMC SWAP 28-9754	8.50	3/1/2017	60,633	65,781
FHLMC SWAP 28-9978	8.50	4/1/2017	4,129	4,486
FHLMC SWAP 29-1274	8.00	4/1/2017	8,376	8,965
FHLMC GIANT SWAP 30-4272	8.50	6/1/2018	459,133	497,930
FHLMC GIANT SWAP 30-4278	9.00	7/1/2018	187,384	205,444
FHLMC GIANT SWAP 30-4281	9.00	7/1/2018	161,652	177,131
FHLMC GIANT WAM SWAP 30-6660	7.00	3/15/2019	11,685	11,958
FHLMC GIANT WAM SWAP 30-6661	8.50	3/15/2019	60,689	64,002
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$1,710,883
<b>OTHER MORTGAGES</b>				
BANCBOSTON (MERIDIAN)	10.25	8/1/2009	26,461	\$26,551
BANCBOSTON (MERIDIAN)	10.38	3/1/2010	35,428	36,595
FNMA POOL 380250	6.50	5/1/2008	19,167,708	20,643,842
<i>TOTAL OTHER MORTGAGES</i>				\$20,706,987
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
NLFC 1999-2 A2C	7.23	10/20/2008	25,000,000	\$27,607,158
DLJ CMC 1999-CG1 A-1B	6.46	1/10/2009	10,000,000	10,826,391
DLJCM 1999-CG2 A1B	7.30	6/10/2009	10,000,000	11,187,177
DLJCM 1999-CG3 A1B	7.34	9/10/2009	20,000,000	22,457,926
LBCMT 1999-C2 A2	7.33	9/15/2009	20,000,000	22,423,056
MSDWC 2000-1345 A2	7.46	9/3/2010	20,000,000	22,666,004
FHR 2802 UB	4.00	5/15/2011	10,000,000	9,560,548
FNGT 2002-T3 B	5.76	12/25/2011	20,000,000	21,041,566
FNGT 2003-T1 B	4.49	11/25/2012	20,000,000	19,237,860
FHR 2785 VH	5.00	4/15/2015	18,034,233	18,097,269
FHR 2773 EC	4.50	5/15/2016	20,000,000	19,789,306
FHR 2760 EB	4.50	9/15/2016	15,000,000	14,817,116
FHR 2483 DG	5.50	8/15/2017	10,145,000	9,910,487
FHR 2503 NA	5.00	9/15/2017	20,000,000	19,875,826
FHR 2508 CK	5.00	10/15/2017	15,000,000	14,656,334
FHR 2510 GB	5.00	10/15/2017	7,237,053	7,044,191
FHR 2513 DB	5.00	10/15/2017	22,000,000	21,695,379
FHR 2518 BD	5.00	10/15/2017	20,000,000	19,754,004
FNR 2002-71 KM	5.00	11/25/2017	10,000,000	9,737,816
FNR 2002-73 AN	5.00	11/25/2017	20,000,000	19,472,880
FHR 2564EK	5.50	2/15/2023	23,000,000	22,373,158
FNR 2002-56 KW	6.00	4/25/2023	18,889,000	19,471,053
FHR 1897 K	7.00	9/15/2026	10,480,000	11,113,718
FHR 2113 MW	6.50	1/15/2029	16,000,000	16,826,211

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNR 2002-55OP	6.00	9/25/2032	17,000,000	16,960,463
FHR 2510PQ	5.50	10/15/2032	12,219,688	10,720,976
FHR 2510XD	5.50	10/15/2032	7,346,000	6,496,218
FHR 2513GJ	5.50	10/15/2032	15,000,000	14,022,398
FHR 2530 MG	5.50	11/15/2032	15,084,138	14,029,042
FNR 2002-83 LG	5.50	11/25/2032	26,275,500	24,452,761
FHR 2531PM	5.50	12/15/2032	22,807,829	21,239,752
FNR 2002-86 MB	5.50	12/25/2032	15,000,000	14,175,671
FHR 2723 PE	5.50	12/15/2033	20,000,000	19,057,534
FHR 2731 PH	5.00	1/15/2034	8,151,000	7,383,727
CSFB 2001-CP4 A4	6.18	12/15/2035	10,000,000	10,673,262
BACM 2001-1 A2	6.50	4/15/2036	30,000,000	32,556,950
BACM 2002-2 A3	5.12	7/11/2043	10,000,000	10,017,812
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$613,429,001
<b>TOTAL MORTGAGES/MORTGAGE BACKED</b>				<b>\$635,846,870</b>
<b>CREDITS:</b>				
ALABAMA POWER COMPANY	5.88	12/1/2022	5,000,000	\$4,922,436
ALBERTA ENERGY	8.13	9/15/2030	10,000,000	12,038,087
ALBERTA ENERGY	7.38	11/1/2031	10,000,000	11,257,024
ALCAN INC	6.13	12/15/2033	25,000,000	24,173,273
ALLSTATE CORP	5.35	6/1/2033	10,000,000	8,784,379
AMERADA HESS	7.30	8/15/2031	10,000,000	10,153,300
AMERICAN GENERAL FINANCE	3.00	11/15/2006	20,000,000	19,784,091
ANHEUSER BUSCH COS INC	9.00	12/1/2009	20,000,000	24,274,911
ARCHER DANIELS	5.94	10/1/2032	10,000,000	9,732,114
ARIZONA PUBLIC SERVICE	5.63	5/15/2033	5,000,000	4,336,928
ASSOCIATED DRY GOODS	8.85	3/1/2006	1,900,000	2,060,194
BALTIMORE GAS & ELECTRIC	5.20	6/15/2033	10,000,000	8,467,692
BANK OF AMERICA	4.38	12/1/2010	25,000,000	24,328,632
BOC GROUP INC 144A	7.45	6/15/2006	10,000,000	10,698,692
BOEING CO	8.75	8/15/2021	15,000,000	18,552,145
BOEING CO	6.63	2/15/2038	5,000,000	5,060,494
BP CAPITAL MARKETS AMERICA	4.20	6/15/2018	10,000,000	8,821,918
BP CAPITAL MARKETS PLC	2.75	12/29/2006	20,000,000	19,818,260
BRASCAN CORP	7.38	3/1/2033	8,000,000	8,613,232
BRASKEM SA	11.75	1/22/2014	10,000,000	8,900,000
BRISTOL MEYER SQB	6.88	8/1/2097	8,807,000	9,221,274
BRISTOL MEYERS SQB	7.15	6/15/2023	5,000,000	5,606,103
BURLINGTON NO SANTA FE	7.00	12/15/2025	10,000,000	10,737,205
BURLINGTON NORTH	7.95	8/15/2030	13,700,000	16,346,800
BURLINGTON RESOURCES	7.40	12/1/2031	25,000,000	28,333,981
CANADIAN NATIONAL RAILWAY CO	6.90	7/15/2028	23,700,000	25,525,353
CANADIAN NATL RR CTF 97-2A	7.20	1/2/2016	21,499,077	24,114,924

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CENTURY TELEPHONE ENTPRS	6.88	1/15/2028	25,000,000	24,043,135
CERRO NEGRO FINANCE LTD	8.03	6/1/2028	15,000,000	12,150,000
CITIGROUP INC	6.63	6/15/2032	15,000,000	15,566,089
CLEAR CHANNEL COMMUNICATIONS	3.13	2/1/2007	20,000,000	19,664,539
COMMONWEALTH BANK OF AUSTRALIA	4.65	6/15/2018	5,000,000	4,462,184
CSX CORP	6.30	3/15/2012	18,000,000	18,906,441
DEVON ENERGY	7.95	4/15/2032	20,000,000	23,172,888
DOMINION RESOURCE INC	6.30	3/15/2033	10,000,000	9,510,136
EOP OPERATING LP	7.25	2/15/2018	6,000,000	6,476,531
EUROPEAN INVESTMENT BK	3.00	8/15/2006	25,000,000	24,979,241
FLORIDA POWER & LIGHT	5.63	4/1/2034	20,000,000	18,792,444
FSPC T A8	7.00	11/15/2028	16,422,759	17,311,521
GEN MILLS INC.	6.00	2/15/2012	15,000,000	15,661,695
GENERAL ELECTRIC CAP CORP	4.25	12/1/2010	15,000,000	14,543,134
GENWORTH FINANCIAL INC	4.75	6/15/2009	25,000,000	25,223,415
GOLDMAN SACHS	6.13	2/15/2033	15,000,000	14,170,112
HERSHEY FOODS CORP	8.80	2/15/2021	10,000,000	12,620,450
HSBC USA INC-NEW	8.38	2/15/2007	1,000,000	1,116,735
HUTCHISON WHAMPOA INTL	7.45	11/24/2033	20,000,000	18,988,294
HYDRO-QUEBEC	8.25	1/15/2027	10,000,000	12,961,134
INCO LTD	7.20	9/15/2032	20,000,000	21,483,931
INTER AMERN DEV BK	8.50	3/15/2011	20,000,000	24,366,774
INTL BUSINESS MACHINES	8.38	11/1/2019	15,000,000	18,713,704
INVERSIONES CMPC SA	4.88	6/18/2013	12,000,000	11,112,272
JOHN DEERE CAP	7.13	3/3/2031	5,000,000	5,659,644
JOHN DEERE CAPITAL CORP	1.00	6/28/2006	20,000,000	20,015,766
JOHNSON & JOHNSON	4.95	5/15/2033	20,000,000	17,391,798
KN ENERGY INC	7.25	3/1/2028	25,000,000	26,571,468
LOCKHEED MARTIN CORP	8.50	12/1/2029	10,000,000	12,536,990
MASS MUTUAL LIFE	5.63	5/15/2033	14,000,000	12,836,622
MELLON FINANCIAL	6.38	2/15/2010	25,000,000	27,037,153
MERCK & CO INC.	6.40	3/1/2028	11,955,000	12,608,774
METLIFE INC	6.50	12/15/2032	15,000,000	15,364,062
MEXICAN UNITED STATES	6.63	3/3/2015	5,000,000	4,975,000
MID AMERICA ENERGY	5.88	10/1/2012	13,000,000	13,218,109
MORGAN STANLEY	7.25	4/1/2032	5,000,000	5,572,378
NEW YORK LIFE	5.88	5/15/2033	25,000,000	23,721,780
NEW YORK TEL CO	8.63	11/15/2010	15,000,000	17,716,223
NISOURCE FINANCE	5.40	7/15/2014	10,000,000	9,722,131
NORFOLK SOUTHERN	9.00	3/1/2021	20,000,000	25,435,202
NORFOLK SOUTHERN CORP	7.70	5/15/2017	10,200,000	11,800,369
NORSK HYDRO A/S	7.50	10/1/2016	10,000,000	11,552,872
NORSK HYDRO A/S	7.15	1/15/2029	20,000,000	22,419,934
NORTHROP GRUMMAN	7.75	2/15/2031	20,000,000	23,214,163



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
OCCIDENTAL PETE	7.20	4/1/2028	10,000,000	11,014,341
ONCOR ELECTRIC DELIVERY	7.00	9/1/2022	20,000,000	21,421,034
ONTARIO PROVINCE	5.50	10/1/2008	15,000,000	15,854,741
PACIFIC GAS & ELECTRIC	6.05	3/1/2034	20,000,000	18,784,428
PANHANDLE EASTERN PIPELINE	7.25	5/15/2005	10,000,000	10,357,543
PDVSA FIN LTD	7.50	11/15/2028	15,000,000	13,275,000
PEMEX MASTER TRUST	8.63	2/1/2022	25,000,000	26,125,000
PETROBRAS INTL FINANCE	8.38	12/10/2018	15,000,000	13,837,500
PETRO-CANADA	5.35	7/15/2033	10,000,000	8,432,646
PETRONAS CAPITAL LTD	7.88	5/22/2022	20,000,000	22,129,008
PFIZER INC.	4.65	3/1/2018	10,000,000	9,173,740
PHARMACIA CORP	6.60	12/1/2028	15,000,000	16,215,797
PLACER DOME INC	6.38	3/1/2033	8,000,000	7,723,993
PROGRESS ENERGY INC	7.75	3/1/2031	11,800,000	13,225,101
QUEBEC PROVINCE	7.13	2/9/2024	5,000,000	5,727,948
RAYTHEON CO	6.40	12/15/2018	10,000,000	10,364,874
SAFERCO MTN	9.65	5/31/2007	16,000,000	19,036,960
SAFERCO MTN	9.65	5/31/2006	10,000,000	11,898,100
SARA LEE CORP	6.25	9/15/2011	16,100,000	17,335,811
SARA LEE CORP	6.13	11/1/2032	10,000,000	9,999,078
SOUTHERN CAL ED	5.75	4/1/2035	20,000,000	18,422,185
SPIEKER PROPERTIES INC	7.50	10/1/2027	20,000,000	21,248,542
SUNCOR ENERGY INC	5.95	12/1/2034	10,000,000	9,679,100
SUNTRUST BANKS INC	5.45	12/1/2017	15,000,000	14,736,090
TELEFONICA EUROPE	8.25	9/15/2030	10,000,000	12,179,872
TRANS CANADA	5.60	3/31/2034	7,000,000	6,374,782
TRANSCANADA PIPELINE	8.63	5/15/2012	5,000,000	6,051,758
UNILEVER CAPITAL	5.90	11/15/2032	21,245,000	20,687,468
UNION PACIFIC	5.38	6/1/2033	14,000,000	12,095,215
UNION PACIFIC RESOURCES	7.15	5/15/2028	27,000,000	29,231,774
US BANK	2.85	11/15/2006	20,000,000	19,777,147
VALERO ENERGY CORP	7.50	4/15/2032	20,000,000	22,261,928
WESTPAC BANKING CORP	4.63	6/1/2018	15,000,000	13,242,494
WEYERHAEUSER CO	8.50	1/15/2025	5,000,000	5,955,127
WEYERHAEUSER CO	7.95	3/15/2025	5,000,000	5,672,404
WISCONSIN ENERGY	5.63	5/15/2033	10,000,000	9,212,133
WMC FIN USA LTD	6.25	5/15/2033	5,000,000	4,747,365
WOODSIDE PETROLEUM	5.00	11/15/2013	10,000,000	9,760,034
WPD HOLDINGS UK	7.25	12/15/2017	8,000,000	7,391,571
XTO ENERGY INC	4.90	2/1/2014	10,000,000	9,437,474
<b>TOTAL CREDIT SECURITIES</b>				<b>\$1,610,127,787</b>

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT FD B			29,247,587	\$316,991,715
MSCI EAFE INDEX SL CTF			5,030,347	58,085,418
<b>TOTAL EQUITY INDEX FUNDS</b>				<b>\$375,077,133</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$3,525,365,300</b>

**Medical Aid Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			12,597,067	\$12,597,067
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY BOND	4.75	11/15/2008	60,000,000	\$62,685,599
U.S. TREASURY BOND	4.88	2/15/2012	30,000,000	30,985,201
U.S. TREASURY BOND	6.63	5/15/2007	30,000,000	32,849,400
<i>TOTAL U.S. TREASURIES</i>				<i>\$126,520,200</i>
<b>AGENCIES</b>				
FHLB	4.13	1/14/2005	23,000,000	\$23,281,138
FHLB/GLOBAL SR NT	5.80	9/2/2008	10,000,000	10,663,200
GUARANTEED TRADE TR 1994-A	7.39	6/26/2006	1,666,667	1,768,834
<i>TOTAL U.S. AGENCIES</i>				<i>\$35,713,172</i>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$162,233,372</b>
<b>MORTGAGES/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
GNMA 1 SF 780052	7.00	12/15/2008	679,660	\$733,798
FHLMC PC 16-0079	10.25	5/1/2009	68,215	74,199
GNMA GP 90132	9.00	5/15/2009	10,551	11,323
GNMA GP 90178	9.00	5/15/2009	10,617	11,394
FNMA CA 7423	11.25	5/1/2014	1,026	1,181
GNMA II SF 120666	13.00	9/15/2014	156,460	188,278
FNMA CL 2463	11.00	9/1/2015	11,063	12,618
FHLMC PC 17-0147	11.00	11/1/2015	69,224	79,467
FHLMC PC 17-0186	9.50	8/1/2016	44,565	49,778
FHLMC GIANT SWAP 30-4272	8.50	6/1/2018	550,743	597,281
FHLMC GIANT SWAP 30-4278	9.00	7/1/2018	205,513	225,321
FHLMC GIANT SWAP 30-4281	9.00	7/1/2018	177,470	194,463
GNMA 1 SF413882	7.50	7/15/2025	96,497	104,503
GNMA 1 SF334780	7.50	8/15/2025	363,401	393,552
GNMA 1 SF393278	7.50	8/15/2025	21,644	23,440
GNMA 1 SF409930	7.50	8/15/2025	86,352	93,517
GNMA 1 SF410088	7.50	8/15/2025	99,387	107,633
GNMA 1 SF413886	7.50	8/15/2025	115,176	124,732

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GNMA 1 SF414075	7.50	8/15/2025	86,563	93,745
GNMA 1 SF414098	7.50	8/15/2025	371,530	402,356
GNMA 1 SF415983	7.50	8/15/2025	113,080	122,462
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$3,645,040
<b>OTHER MORTGAGES</b>				
EUCLID APTS	7.50	5/1/2019	908,737	\$910,672
FNMA DUS PL 380826	5.80	11/1/2008	3,222,226	3,399,251
FNMA DUS PL 380827	5.75	11/1/2008	3,696,634	3,892,891
FNMA DUS PL 381006	6.00	12/1/2008	7,170,895	7,602,901
FNMA PL 380320	6.38	6/1/2008	4,894,998	5,257,721
NATIONSBANC	10.50	10/25/2009	28,583	29,283
<i>TOTAL OTHER MORTGAGES</i>				\$21,092,720
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
STAR BK NA, OH TR SB 00001	6.63	12/15/2006	10,000,000	\$10,749,714
CCMSC 1999-2 A1	7.03	10/15/2008	19,859,178	21,162,693
FHLMC 1993 1639 M	6.00	12/15/2008	3,254,202	3,401,515
DLJ CMC 1999-CG1 A-1B	6.46	1/10/2009	10,000,000	10,826,391
FNMA 1994 20-Z	6.50	2/25/2009	3,737,134	3,901,045
DLJCM 1999-CG2 A1B	7.30	6/10/2009	25,000,000	27,967,944
DLJCM 1999-CG3 A1B	7.34	9/10/2009	20,000,000	22,457,926
MSDWC 2000-1345 A2	7.46	9/3/2010	20,000,000	22,666,004
CSFB 2001-CK6 A3	6.39	10/15/2011	10,000,000	10,782,374
VENDEE 1999-3 H	6.50	8/15/2013	10,000,000	10,412,496
FHR 2668AB	4.00	1/15/2015	18,320,678	18,340,651
FHR 2676CV	4.00	5/15/2016	13,526,513	13,336,541
FNMA FNR 2003-9DA	4.50	12/25/2016	13,821,667	13,791,158
FHR 2280 VB	6.00	8/15/2017	17,014,000	17,671,845
FHR 2485 NB	5.00	8/15/2017	10,832,889	10,857,376
FHR 2497 OE	5.50	9/15/2017	10,000,000	10,203,010
FHR 2497 UF	5.00	9/15/2017	15,000,000	14,738,255
FHR 2501 AN	5.50	9/15/2017	10,000,000	10,174,185
FHR 2780 BC	4.50	10/15/2017	12,058,368	11,994,131
FNR 2003-9DB	5.00	2/25/2018	10,000,000	9,555,413
FHR 2609UB	4.50	5/15/2018	8,448,158	7,792,794
FNMA 1999-16 VB	6.50	12/25/2018	2,766,524	2,849,365
FHR 2808 VB	5.50	4/15/2021	19,638,000	18,946,834
FHLMC 1706 H	6.50	6/15/2023	5,949,501	6,057,456
CMSI 1994-8 A6	6.25	5/25/2024	1,338,377	1,338,377
PNCMS 1998-11 1A6	6.50	11/25/2028	3,195,750	3,214,583
COM MTG ACCEPT CORP 1998-C2 A3	6.04	9/15/2030	13,900,000	14,783,893
HFCMC 1999-PH1 A2	6.85	5/15/2031	10,000,000	10,955,981
COM MTG ACCEPT CORP 1999-C1 A2	7.03	6/15/2031	10,000,000	11,059,196
FNR 2003-48 GA	4.00	7/25/2031	18,921,970	18,213,111

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FNMA FHR 2003-70 BH	4.50	10/25/2031	15,000,000	13,770,350
GNR 2001-64 PL	6.50	12/1/2031	10,000,000	10,280,033
PMAC 1999-C1 A2 CMBS	6.82	6/15/2032	10,000,000	10,782,728
CSFB 2001-CP4 A4	6.18	12/15/2035	10,000,000	10,673,262
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$415,708,627
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$440,446,387</b>
<b>ASSET BACKED SECURITIES:</b>				
CCIMT 1999-7 A	6.65	11/15/2006	19,180,000	\$19,521,653
CENTEX HOME EQUITY 1999-4 A6	7.52	2/25/2031	9,277,383	9,829,674
CHMRV 1997-A A10	6.37	3/15/2010	2,230,044	2,267,328
DFS 1999-1 A5	5.97	8/15/2013	1,164,893	1,182,548
DFS 1999-3 A5	6.76	6/15/2012	5,026,658	5,082,424
IMC HOME EQ LN TR 97-7 A8 ABS	6.65	2/20/2029	6,673,727	6,752,977
MBNA MA CR CD 95-C A	6.45	2/15/2008	25,500,000	26,466,860
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$71,103,466</b>
<b>CREDITS:</b>				
AEGON NV	8.00	8/15/2006	22,000,000	\$24,043,691
ALABAMA POWER	4.88	9/1/2004	5,000,000	5,027,530
ALCOA INC	6.50	6/1/2011	11,000,000	11,955,514
AMERADA HESS	6.65	8/15/2011	7,000,000	7,407,470
AMERICAN GENERAL CORP	7.50	8/11/2010	20,000,000	22,867,984
AMSOUTH BANK NA	2.82	11/3/2006	20,000,000	19,762,268
APACHE CORP	6.50	12/15/2007	25,000,000	27,254,915
ARCEL FINANCE	7.05	9/1/2011	10,000,000	9,900,000
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	12,000,000	11,942,816
AVON PRODUCTS	4.63	5/15/2013	20,000,000	19,168,862
BANK OF AMERICA	4.38	12/1/2010	20,000,000	19,462,906
BANK OF NEW YORK	3.90	9/1/2007	20,000,000	20,036,832
BANK OF SCOTLAND 144A	7.00	11/20/2007	20,000,000	21,842,800
BANK ONE CORP	4.13	9/1/2007	18,000,000	18,160,855
BERKSHIRE HATHAWAY	3.38	10/15/2008	23,000,000	22,256,011
BHP BILLITON	4.80	4/15/2013	8,440,000	8,210,503
BNP PARIBAS	5.13	1/15/2015	8,000,000	7,661,515
BOC GROUP INC 144A	7.45	6/15/2006	10,000,000	10,698,692
BP CANADA	3.38	10/31/2007	13,000,000	12,879,857
BP CAPITAL MARKETS PLC	2.75	12/29/2006	10,000,000	9,909,130
BRITISH COLUMBIA PROV	4.30	5/30/2013	15,000,000	14,336,784
BROWN FORMAN CORP	3.00	3/15/2008	10,000,000	9,673,102
BURLINGTON NO SANTA FE	6.38	12/15/2005	10,000,000	10,478,236
BURLINGTON NO SANTA FE	5.90	7/1/2012	8,500,000	8,858,220
CADBURY SCHWEPES	3.88	10/1/2008	22,000,000	21,587,689
CAPITAL ONE BANK	4.25	12/1/2008	10,000,000	9,800,180
CATERPILLAR FINANCIAL SERVICES	3.00	2/15/2007	5,000,000	4,942,545



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CATERPILLAR FINANCIAL SERVICES	3.83	12/15/2008	20,000,000	19,732,298
CHEVRON TEXACO CP	3.38	2/15/2008	25,000,000	24,579,697
CIA BRASIL	8.75	9/15/2013	12,000,000	12,645,000
CINERGY CORP	6.53	12/16/2008	10,000,000	10,622,427
CLEAR CHANNEL COMMUNICATIONS	3.13	2/1/2007	10,000,000	9,832,269
COCA COLA ENTERPRISES	2.50	9/15/2006	9,000,000	8,856,949
CONSTELLATION ENERGY GROUP	6.35	4/1/2007	23,000,000	24,490,585
COP	4.75	10/15/2012	12,500,000	12,257,507
CSX CORP	6.30	3/15/2012	15,000,000	15,755,367
DAIMLER-CHRYSLER	6.40	5/15/2006	10,000,000	10,522,192
DEN DANSKE BANK	7.40	6/15/2010	12,000,000	13,631,568
DEVON ENERGY	2.75	8/1/2006	20,000,000	19,708,112
DIAGEO CAP PLC	3.38	3/20/2008	19,000,000	18,582,260
DOMINION RESOURCES INC.	4.13	2/15/2008	10,000,000	9,982,604
DUPONT, E.I. NEMOUR	4.13	4/30/2010	10,000,000	9,830,608
ELI LILLY & CO	2.90	3/15/2008	14,000,000	13,522,662
ENCANA CORP	4.75	10/15/2013	18,000,000	17,029,223
EOP OPERATING LP	4.75	3/15/2014	18,000,000	16,563,135
EOP OPERATING LP 144A	6.75	2/15/2008	5,000,000	5,372,920
ERP OPERATING LP	6.95	3/2/2011	2,000,000	2,191,522
FIRST UNION CORP	6.40	4/1/2008	15,000,000	16,129,498
GEN MILLS INC	5.13	2/15/2007	20,000,000	20,734,943
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	10,000,000	9,828,404
GILLETTE CO	4.13	8/30/2007	20,000,000	20,357,822
GOLDMAN SACHS	3.88	1/15/2009	10,000,000	9,743,395
GOLDMAN SACHS 144A	6.75	2/15/2006	15,000,000	15,889,692
HOUSEHOLD FINANCE CORP	7.20	7/15/2006	10,000,000	10,764,470
HOUSEHOLD FINANCE CORP	6.40	6/17/2008	10,000,000	10,766,187
HSBC AMERICAS INC	7.00	11/1/2006	5,000,000	5,397,671
HUTCHISON WHAMPOA INTL	5.45	11/24/2010	15,000,000	14,750,724
IBM CORP	4.25	9/15/2009	11,000,000	10,924,085
INTER-AMERICAN DEVEL BK	4.38	9/20/2012	20,000,000	19,602,351
INTL BK RECON & DEV	4.13	8/12/2009	15,000,000	15,039,901
INTL FINANCE CORP	3.75	6/30/2009	25,000,000	24,653,803
ITALY	3.63	9/14/2007	15,000,000	15,001,109
JOHNSON CONTROLS	4.88	9/15/2013	5,000,000	4,893,330
JP MORGAN CHASE	3.13	12/11/2006	24,000,000	23,803,361
KN ENERGY INC	6.80	3/1/2008	20,000,000	21,673,615
KOREA DEVELOPMENT BANK	5.50	11/13/2012	15,000,000	14,931,290
KREDIT WIEDERAUFBAU	3.38	1/23/2008	12,000,000	11,874,253
LEHMAN BROTHERS HOLDINGS	4.80	3/13/2014	10,000,000	9,357,945
LINCOLN NATIONAL CORP	4.75	2/15/2014	13,000,000	12,215,006
MASCO CORP	5.88	7/15/2012	10,055,000	10,397,224
MBNA AMERICA BANK NA	7.75	9/15/2005	6,000,000	6,340,151

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
MBNA CORP	6.88	6/1/2005	9,500,000	9,853,068
MELLON FINANCIAL	6.38	2/15/2010	25,000,000	27,037,153
MERCK & CO INC.	4.38	2/15/2013	13,000,000	12,419,962
METLIFE INC	5.38	12/15/2012	15,000,000	15,107,841
MEXICAN UNITED STATES	6.63	3/3/2015	5,000,000	4,975,000
MORGAN STANLEY	5.30	3/1/2013	12,000,000	11,812,538
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	5,000,000	5,162,008
NATIONAL FUEL GAS CO	5.25	3/1/2013	6,000,000	5,910,145
NORDEA BANK SWEDEN	5.25	11/30/2012	15,000,000	14,894,049
NORTHERN STATE POWER CO	4.75	8/1/2010	5,000,000	4,974,388
NORTHERN TRUST	6.30	3/7/2011	22,000,000	23,640,060
OCCIDENTAL PETROLEUM	7.65	2/15/2006	20,000,000	21,473,528
ONTARIO PROVINCE	5.50	10/1/2008	15,000,000	15,854,741
PACIFIC GAS & ELECTRIC	3.60	3/1/2009	5,000,000	4,817,213
PACIFICORP	4.30	9/15/2008	15,000,000	15,041,508
PANHANDLE EASTERN PIPELINE	7.25	5/15/2005	5,000,000	5,178,772
PECO ENERGY	3.50	5/1/2008	15,000,000	14,732,145
PETRO-CANADA	4.00	7/15/2013	5,000,000	4,498,407
PF EXPORT REC MT	6.44	6/1/2015	12,574,546	12,399,885
PHARMACIA CORP	5.88	12/1/2008	15,000,000	16,197,332
POTASH CORP SASKATCHEWAN CDA	7.13	6/15/2007	3,000,000	3,251,743
PRAXAIR INC.	6.38	4/1/2012	10,000,000	10,894,897
PRICE COSTCO INC	7.13	6/15/2005	10,000,000	10,433,032
PROGRESSIVE CORP	7.30	6/1/2006	15,000,000	16,118,630
QUEBEC PROVINCE	5.00	7/17/2009	15,000,000	15,432,894
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	6,000,000	5,781,318
ROYAL BANK SCOTLAND PLC	6.40	4/1/2009	15,000,000	16,227,982
ROYAL BK CDA NY BRH	6.75	10/24/2011	20,000,000	21,441,991
SAFECO CORP	4.20	2/1/2008	5,000,000	4,998,849
SAFECO CORP.	4.88	2/1/2010	4,000,000	4,032,479
SANTAN	7.63	9/14/2010	11,000,000	12,581,684
SANTANDER FIN ISSUANCES	6.80	7/15/2005	10,000,000	10,436,666
SMITH BARNEY HOLDINGS	6.88	6/15/2005	10,000,000	10,426,639
SOCIEDAD QUIMICA 144A	7.70	9/15/2006	10,000,000	10,699,100
SOUTHERN CAL ED	4.65	4/1/2015	12,000,000	11,162,652
SUNTRUST BANK	2.50	5/4/2006	24,000,000	23,762,567
SWEDISH EXPORT CREDIT	2.88	1/26/2007	12,000,000	11,880,551
TOYOTA MOTOR CREDIT CORP	2.70	1/30/2007	10,000,000	9,859,557
TRIBUNE COMPANY	5.50	10/6/2008	15,000,000	15,759,695
UNION PACIFIC	3.63	6/1/2010	10,000,000	9,397,188
UNION PACIFIC CO	7.60	5/1/2005	10,000,000	10,428,774
UNION PACIFIC RESOURCES	6.50	5/15/2005	10,000,000	10,350,673
UNION PACIFIC RESOURCES	7.00	10/15/2006	7,500,000	8,062,746
US BANCORP	5.10	7/15/2007	20,000,000	20,785,127



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
VALERO ENERGY	4.75	4/1/2014	10,000,000	9,354,131
VERIZON VIRGINIA INC	4.63	3/15/2013	15,000,000	13,964,590
WALMART STORES	3.38	10/1/2008	12,000,000	11,683,366
WALMART STORES	4.55	5/1/2013	8,000,000	7,701,746
WASHINGTON MUTUAL INC	7.50	8/15/2006	35,000,000	37,933,595
WASTE MGT INC	5.00	3/15/2014	5,000,000	4,752,735
WISCONSIN ENERGY	4.50	5/15/2013	5,000,000	4,730,297
YORKSHIRE POWER	6.50	2/25/2008	15,000,000	15,409,761
<b>TOTAL CREDIT SECURITIES</b>				<b>\$1,636,623,435</b>
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT FD B			82,426,145	\$893,352,536
MSCI EAFE INDEX SL CTF			13,803,171	159,385,214
<b>TOTAL EQUITY INDEX FUNDS</b>				<b>\$1,052,737,751</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$3,375,741,478</b>

### Accident Reserve Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			52,264,487	\$52,264,487
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY BOND	5.25	11/15/2028	35,000,000	\$34,281,799
U.S. TREASURY BOND	5.25	2/15/2029	40,000,000	39,207,199
U.S. TREASURY BOND	6.63	2/15/2027	47,500,000	55,105,700
U.S. TREASURY BOND	6.00	2/15/2026	20,000,000	21,550,798
U.S. TREASURY NOTE	8.50	2/15/2020	6,000,000	8,119,440
U.S. TREASURY NOTE	5.50	8/15/2028	20,000,000	20,261,400
<b>TOTAL U.S. TREASURIES</b>				<b>\$178,526,337</b>
<b>AGENCIES</b>				
RESOLUTION FDG CORP	8.13	10/15/2019	53,700,000	\$68,706,461
RESOLUTION FDG CORP	8.63	1/15/2030	10,000,000	14,118,401
<b>TOTAL U.S. AGENCIES</b>				<b>\$82,824,861</b>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$261,351,198</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH MORTGAGES</b>				
FHLMC PC 16-0040	8.75	3/1/2008	2,877	\$3,026
FHLMC PC 16-0043	8.75	4/1/2008	640	673
FHLMC PC 17-0040	14.50	12/1/2010	7,887	9,249
FNMA CA 7423	11.25	5/1/2014	1,026	1,181
GNMA II SF 120666	13.00	9/15/2014	65,192	78,449
FNMA CL 2463	11.00	9/1/2015	7,475	8,526
FHLMC PC 17-0149	11.00	12/1/2015	42,092	48,144

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHLMC SWAP 28-8047	8.50	2/1/2017	28,089	30,513
FHLMC PC 17-0217	8.00	3/1/2017	24,669	26,396
FHLMC SWAP 28-9414	8.50	3/1/2017	39,598	43,012
FHLMC SWAP 28-9442	8.50	3/1/2017	39,966	43,313
FHLMC SWAP 29-1274	8.00	4/1/2017	49,347	52,819
FHLMC GIANT SWAP 30-4272	8.50	6/1/2018	192,692	208,975
FHLMC GIANT SWAP 30-4278	9.00	7/1/2018	86,120	94,420
FHLMC GIANT SWAP 30-4281	9.00	7/1/2018	74,336	81,454
FHLMC GIANT WAM SWAP 30-6661	8.50	3/15/2019	2,471	2,606
<i>TOTAL PASS THROUGH MORTGAGES</i>				<i>\$732,755</i>
<b>OTHER MORTGAGES</b>				
NATIONSBANC	10.50	10/25/2009	85,750	\$87,850
TOWER HILL APTS	7.50	8/1/2018	827,413	829,175
CENTURY II APTS	7.50	8/1/2018	1,240,501	1,243,143
CHARTER MTG CO FHA PROJ PC	7.40	1/25/2022	1,868,881	1,913,660
FHA PRJ-REILLY MTG GRP #55	7.43	3/1/2024	1,435,234	1,482,942
<i>TOTAL OTHER MORTGAGES</i>				<i>\$5,556,770</i>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
FHLMC 1993 1639 M	6.00	12/15/2008	1,759,370	\$1,839,014
DLJ CMC 1999-CG1 A-1B	6.46	1/10/2009	10,000,000	10,826,391
MSDWC 2000-1345 A2	7.46	9/3/2010	15,000,000	16,999,503
FNGT 2002-T3 B	5.76	12/25/2011	10,000,000	10,520,783
FNGT 2003-T1 B	4.49	11/25/2012	10,000,000	9,618,930
FHR 2611KH	5.00	5/15/2018	12,430,000	11,960,267
FNR 2002-5 PJ	6.00	10/25/2021	10,000,000	10,343,904
FHR 2564EK	5.50	2/15/2023	10,000,000	9,727,460
FHR 2692 QE	5.00	10/15/2023	15,563,385	14,309,991
FNMA FNR 2004-2 OG	5.00	2/25/2024	11,770,533	10,799,036
FHLMC 2139-B	6.50	3/15/2029	8,534,753	8,907,011
FHR 2435 EQ	6.00	5/15/2031	15,000,000	15,148,959
COM MTG ACCEPT CORP 1999-C1 A2	7.03	6/15/2031	10,000,000	11,059,196
FNR 2001-56 KD	6.50	8/15/2031	2,781,286	2,812,735
PMAC 1999-C1 A2 CMBS	6.82	6/15/2032	5,000,000	5,391,364
FHR 2514 NE	5.50	10/15/2032	18,549,535	17,322,544
FHR 2524 PE	5.50	11/15/2032	14,977,000	13,919,517
FHR 2531PM	5.50	12/15/2032	20,000,000	18,624,966
FHR 2535 TG	5.50	12/15/2032	11,260,000	10,465,242
FHLM 2574 PW	5.50	2/15/2033	15,000,000	13,927,277
FHR 2579PD	5.50	3/15/2033	10,000,000	9,287,480
JPMCC 2001-CIBC A3	6.26	3/15/2033	15,370,000	16,480,319
FHR 2619PG	5.50	5/15/2033	15,000,000	14,047,472
FNMA FNR 2003-63YB	5.00	7/25/2033	15,000,000	13,399,220
FHR 2731 PH	5.00	1/15/2034	10,000,000	9,058,676





DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHR 2749 PE	5.00	2/15/2034	20,422,000	18,503,739
FHR 2774 PE	5.00	4/15/2034	13,496,000	12,240,999
FHR 2780 TG	5.00	4/15/2034	15,000,000	13,582,292
FUNBC 2001-C2 A2	6.66	1/12/2043	10,000,000	10,944,625
BACM 2002-2 A3	5.12	7/11/2043	10,000,000	10,017,812
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$352,086,722
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$358,376,247</b>
<b>ASSET BACKED SECURITIES:</b>				
STD CR CARD 1995-9A ABS	6.55	10/7/2007	4,000,000	\$4,191,208
FUNBC 2001-C3 A3	6.42	8/15/2023	10,000,000	10,810,526
GMACC 2001-C2 A2	6.70	4/15/2034	10,000,000	10,964,266
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$25,965,999</b>
<b>CREDITS:</b>				
ABBEEY NATL PLC	7.95	10/26/2029	10,000,000	\$11,836,955
ABN AMRO BK NV AMSTERDAM BRH	4.65	6/4/2018	5,000,000	4,434,471
ADM	7.50	3/15/2027	15,000,000	17,427,991
ALABAMA POWER COMPANY	5.88	12/1/2022	10,000,000	9,844,872
ALBERTA ENERGY	8.13	9/15/2030	15,000,000	18,057,130
ALCAN INC	6.13	12/15/2033	7,000,000	6,768,516
ALCAN INC.	4.50	5/15/2013	10,000,000	9,426,727
AMERADA HESS	7.88	10/1/2029	7,550,000	8,156,265
AMERICAN GENERAL FINANCE	3.00	11/15/2006	15,000,000	14,838,068
ANHEUSER BUSCH COS	5.95	1/15/2033	15,000,000	14,867,453
ARCEL FINANCE	7.05	9/1/2011	10,000,000	9,900,000
BANK OF AMERICA	4.38	12/1/2010	15,000,000	14,597,179
BERKSHIRE HATHAWAY	4.63	10/15/2013	15,000,000	14,318,636
BOEING CO	8.75	8/15/2021	10,000,000	12,368,097
BOSTON GAS CO MTN	8.95	6/1/2011	10,000,000	12,290,284
BP CAPITAL MARKETS AMERICA	4.20	6/15/2018	5,000,000	4,410,959
BRASKEM SA	11.75	1/22/2014	5,000,000	4,450,000
BRISTOL MEYERS SQB	7.15	6/15/2023	5,000,000	5,606,103
BRITISH COLUMBIA PROV	4.30	5/30/2013	5,000,000	4,778,928
BURLINGTON NORTH	6.75	3/15/2029	7,330,000	7,631,468
BURLINGTON NORTH	7.95	8/15/2030	13,000,000	15,511,562
BURLINGTON RES FIN CO	7.20	8/15/2031	10,000,000	11,071,131
CANADIAN NAT'L RR	7.63	5/15/2023	5,000,000	5,802,334
CARGILL INC	7.38	10/1/2025	4,000,000	4,446,545
CARGILL INC	6.88	2/1/2036	5,000,000	5,258,767
CARGILL INC	7.50	9/1/2006	15,000,000	16,910,528
CATERPILLAR INC	6.95	5/1/2042	15,000,000	16,740,371
CELULOSA ARAUCO	7.75	9/13/2011	10,000,000	11,184,255
CENTERPOINT ENERGY	5.95	1/15/2014	10,000,000	9,831,100
CERRO NEGRO FINANCE LTD	8.03	6/1/2028	10,000,000	8,100,000

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CHASE NEW SUB NOTE	6.50	1/15/2009	6,000,000	6,465,612
CITIGROUP INC	6.63	6/15/2032	5,000,000	5,188,696
CLEAR CHANNEL COMMUNICATIONS	3.13	2/1/2007	10,000,000	9,832,269
COCA COLA	7.38	7/29/2093	13,000,000	14,707,775
COCA-COLA ENTERPRISES	5.25	5/15/2007	15,000,000	15,697,696
COMMONWEALTH BANK OF AUSTRALIA	4.65	6/15/2018	5,000,000	4,462,184
CONSTELLATION ENERGY GROUP	7.60	4/1/2032	15,000,000	16,456,508
DEER PARK REFINING LP 144A	6.47	12/15/2008	1,507,260	1,595,581
DEERE & CO	6.55	10/1/2028	10,000,000	10,545,138
DEVON ENERGY	7.95	4/15/2032	15,000,000	17,379,666
DOMINION RESOURCE INC	6.30	3/15/2033	5,000,000	4,755,068
DUPONT, E.I. NEMOUR	4.13	4/30/2010	15,000,000	14,745,911
EMPRESA NACIONAL DE ELECTRIC	8.35	8/1/2013	5,000,000	5,297,915
FERRO CORP	8.00	6/15/2025	3,000,000	3,143,516
FLORIDA POWER & LIGHT	5.63	4/1/2034	10,000,000	9,396,222
FSPC T A8	7.00	11/15/2028	6,257,481	6,596,122
GENERAL ELECTRIC CAP CORP	4.25	12/1/2010	10,000,000	9,695,422
GILLETTE CO	4.13	8/30/2007	10,000,000	10,178,911
GOLDMAN SACHS	6.88	1/15/2011	5,000,000	5,485,736
GOLDMAN SACHS	6.13	2/15/2033	10,000,000	9,446,742
GOLDMAN SACHS	3.88	1/15/2009	10,000,000	9,743,395
HSBC AMERICAS INC	7.00	11/1/2006	5,000,000	5,397,671
HUTCHISON WHAMPOA INTL	7.45	11/24/2033	15,000,000	14,241,221
HYDRO-QUEBEC	8.25	1/15/2027	20,000,000	25,922,269
HYDRO-QUEBEC	8.00	2/1/2013	5,500,000	6,619,262
IBM CORP	7.00	10/30/2045	12,100,000	13,464,074
INCO LTD	7.20	9/15/2032	10,000,000	10,741,966
INTER AMERN DEV BK	8.50	3/15/2011	10,000,000	12,183,387
INTL BK RECON & DEV	4.13	8/12/2009	10,000,000	10,026,601
INTL FINANCE CORP	3.75	6/30/2009	25,000,000	24,653,803
INVERSIONES CMPC SA	4.88	6/18/2013	10,000,000	9,260,227
JOHN DEERE CAP	7.13	3/3/2031	4,000,000	4,527,715
JOHNSON & JOHNSON	4.95	5/15/2033	5,000,000	4,347,950
JP MORGAN CHASE	4.88	3/15/2014	15,000,000	14,151,930
KANSAS GAS & ELEC	8.29	9/29/2016	7,000,000	7,286,300
KELLOGG COMPANY	7.45	4/1/2031	14,000,000	16,097,487
KEYSPAN CORP	5.88	4/1/2033	7,000,000	6,645,820
KINDER MORGAN EN	7.40	3/15/2031	15,000,000	15,974,115
LOCKHEED MARTIN CORP	8.50	12/1/2029	20,000,000	25,073,981
METLIFE INC	6.50	12/15/2032	10,000,000	10,242,708
METLIFE INC	5.00	11/24/2013	20,000,000	19,360,808
MEXICAN UNITED STATES	6.63	3/3/2015	5,000,000	4,975,000
MORGAN STANLEY	7.25	4/1/2032	5,000,000	5,572,378
NCP	7.75	12/1/2045	12,000,000	13,616,651
NEW YORK LIFE	5.88	5/15/2033	10,000,000	9,488,712



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
NISOURCE FINANCE	6.15	3/1/2013	10,000,000	10,360,069
NORFOLK SOUTHERN	9.00	3/1/2021	15,000,000	19,076,402
NORSK HYDRO A/S	7.15	1/15/2029	10,000,000	11,209,967
NORTHERN STATE POWER CO	4.75	8/1/2010	15,000,000	14,923,164
OCCIDENTAL PETE	7.20	4/1/2028	15,000,000	16,521,512
ONCOR ELECTRIC DELIVERY	7.00	9/1/2022	10,000,000	10,710,517
ONTARIO HYDRO CDA	7.45	3/31/2013	3,000,000	3,522,714
ONTARIO PROVINCE	2.65	12/15/2006	20,000,000	19,708,946
PACIFIC GAS & ELECTRIC	6.05	3/1/2034	15,000,000	14,088,321
PDVSA FIN LTD	7.50	11/15/2028	11,000,000	9,735,000
PEMEX MASTER TRUST	8.63	2/1/2022	3,000,000	3,135,000
PETROBRAS INTL FINANCE	8.38	12/10/2018	10,000,000	9,225,000
PETRO-CANADA	4.00	7/15/2013	10,000,000	8,996,814
PETROLEOS MEXICANOS	9.50	9/15/2027	10,000,000	11,200,000
PETRONAS CAPITAL LTD	7.88	5/22/2022	5,000,000	5,532,252
PHARMACIA CORP	6.60	12/1/2028	15,000,000	16,215,797
PLACER DOME INC	7.75	6/15/2015	2,000,000	2,326,958
POTASH CORP SASKATCHEWAN CDA	7.13	6/15/2007	10,000,000	10,839,143
QUEBEC PROVINCE	7.13	2/9/2024	2,500,000	2,863,974
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	10,000,000	9,635,529
SANTAN	7.63	9/14/2010	10,000,000	11,437,894
SARA LEE CORP	6.13	11/1/2032	15,000,000	14,998,616
SOUTHERN CAL ED	5.75	4/1/2035	5,000,000	4,605,546
ST GEORGE BANK LTD	7.15	10/15/2005	7,500,000	7,884,911
ST GEORGE BANK LTD	7.15	6/18/2007	5,000,000	5,426,177
SUNCOR ENERGY INC	5.95	12/1/2034	5,000,000	4,839,550
SUNTRUST BANKS INC	5.45	12/1/2017	10,000,000	9,824,060
TELEFONICA EUROPE	8.25	9/15/2030	10,500,000	12,788,866
TENN VAL AUTH	6.15	1/15/2038	15,000,000	15,472,202
TOYOTA MOTOR CREDIT CORP	2.70	1/30/2007	10,000,000	9,859,557
TRANS CANADA	5.60	3/31/2034	5,000,000	4,553,416
TRANS-CANADA PL	4.00	6/15/2013	10,000,000	9,037,062
TRANSOCEAN OFFSHORE INC	8.00	4/15/2027	19,000,000	21,874,889
UNILEVER CAPITAL	5.90	11/15/2032	12,000,000	11,685,084
UNION PACIFIC	3.63	6/1/2010	10,000,000	9,397,188
UNION PACIFIC CO.	6.63	2/1/2029	10,000,000	10,232,395
UNION PACIFIC RESOURCES	7.15	5/15/2028	18,000,000	19,487,850
US BANK	2.85	11/15/2006	15,000,000	14,832,860
VALE OVERSEAS	9.00	8/15/2013	10,000,000	10,250,000
VALERO ENERGY CORP	7.50	4/15/2032	10,000,000	11,130,964
WASTE MGT INC	7.00	7/15/2028	4,500,000	4,684,787
WASTE MGT INC	5.00	3/15/2014	10,000,000	9,505,470
WEYERHAEUSER CO	8.50	1/15/2025	10,000,000	11,910,255
WILLAMETTE INDUSTRIES INC	7.85	7/1/2026	8,000,000	8,810,400
WOODSIDE PETROLEUM	5.00	11/15/2013	10,000,000	9,760,034

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
WPD HOLDINGS UK	7.38	12/15/2028	10,000,000	9,110,920
<b>TOTAL CREDIT SECURITIES</b>				<b>\$1,274,782,848</b>
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT FD B			17,977,482	\$194,843,925
MSCI EAFE INDEX SL CTF			2,903,002	33,520,969
<b>TOTAL EQUITY INDEX FUNDS</b>				<b>\$228,364,894</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$2,201,105,673</b>

### Supplemental Pension Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUNDS(21)			25,480,370	\$25,480,370
<b>COLLATERALIZED MORTGAGE OBLIGATIONS:</b>				
FHR 2583ND	4.25	12/15/2010	529,317	\$532,754
FNR 1988-13 C	9.30	5/25/2018	116,939	127,591
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>				<b>\$660,345</b>
<b>CREDITS:</b>				
ALABAMA POWER	4.88	9/1/2004	2,000,000	\$2,011,012
AMSOUTH BANK NA	2.82	11/3/2006	1,000,000	988,113
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	1,000,000	995,235
BANK OF NEW YORK	3.90	9/1/2007	1,000,000	1,001,842
BEAR STEARNS CO INC	4.00	1/31/2008	1,000,000	997,133
BP CAPITAL MARKETS PLC	2.35	6/15/2006	1,000,000	987,709
BRISTOL MEYERS SQB	4.75	10/1/2006	1,000,000	1,036,620
BRITISH COLUMBIA	4.63	10/3/2006	2,000,000	2,061,387
BROWN FORMAN CORP	2.13	3/15/2006	1,000,000	987,643
CADBURY SCHWEPPE	3.88	10/1/2008	1,000,000	981,259
CATERPILLAR FIN. SERV.	2.59	7/15/2006	1,000,000	987,044
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	1,000,000	997,819
COCA COLA ENTERPRISES	2.50	9/15/2006	1,000,000	984,105
CONSTELLATION ENERGY GROUP	6.35	4/1/2007	1,000,000	1,064,808
COP	3.63	10/15/2007	1,000,000	998,847
CSX CORP	2.75	2/15/2006	1,000,000	994,593
DIAGEO CAP PLC	3.38	3/20/2008	1,000,000	978,014
ELI LILLY & CO	2.90	3/15/2008	1,000,000	965,904
EUROPEAN INVESTMENT BK	3.00	8/15/2006	1,000,000	999,170
EXPORT DEVELOPMENT CDA	2.75	12/12/2005	1,000,000	1,001,946
GEN MILLS INC	5.13	2/15/2007	1,000,000	1,036,747
GLAXOSMITHKLINE	2.38	4/16/2007	1,000,000	971,820
HBOS TREASURY SERVICES	3.75	9/30/2008	1,000,000	988,857
ITALY	3.63	9/14/2007	1,000,000	1,000,074
JOHN DEERE	5.88	4/6/2006	2,000,000	2,092,634

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
JP MORGAN CHASE	3.13	12/11/2006	1,000,000	991,807
KREDIT WIEDERAUFBAU	3.38	1/23/2008	1,000,000	989,521
MANITOBA (PROVINCE OF)	2.75	1/17/2006	1,000,000	999,519
MORGAN STANLEY DEAN WITTER	6.10	4/15/2006	1,000,000	1,052,626
NORDIC INV BANK	2.75	1/11/2006	1,000,000	1,002,923
NORFOLK SOUTHERN	8.38	5/15/2005	2,000,000	2,101,441
PEPSI CO. INC.	4.50	9/15/2004	2,000,000	2,012,272
PFIZER INC.	3.30	3/2/2009	1,000,000	972,241
REPSOL INTL FIN	7.45	7/15/2005	2,000,000	2,079,651
SUNTRUST BANK	2.50	5/4/2006	1,000,000	990,107
SWEDISH EXPORT CREDIT	2.88	1/26/2007	1,000,000	990,046
TOYOTA MOTOR CREDIT CORP	2.70	1/30/2007	1,000,000	985,956
WALMART STORES	3.38	10/1/2008	1,000,000	973,615
<b>TOTAL CREDIT SECURITIES</b>				<b>\$44,252,059</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$70,392,774</b>

## Permanent Funds - Financial Schedules

### Agricultural Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			13,245,573	\$13,245,573
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	1,450,000	\$1,561,273
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	2,900,000	3,686,861
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	4,350,000	5,528,656
U.S. TREASURY BOND	5.50	5/15/2009	1,450,000	1,561,824
U.S. TREASURY BOND	4.88	2/15/2012	1,450,000	1,497,618
U.S. TREASURY BOND	4.25	8/15/2013	1,450,000	1,415,287
U.S. TREASURY NOTE	6.25	2/15/2007	1,450,000	1,567,044
U.S. TREASURY NOTE	6.75	5/15/2005	1,450,000	1,508,464
U.S. TREASURY NOTE	3.38	11/15/2008	2,900,000	2,868,651
U.S. TREASURY NOTE	2.63	11/15/2006	1,450,000	1,440,009
<i>TOTAL U.S. TREASURIES</i>				\$22,635,687
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$22,635,687</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FGE 92425	5.00	11/1/2012	964,559	\$969,316
FHLMC PC 16-0079	10.25	5/1/2009	6,821	7,420
FHLMC PC 17-0141	11.00	9/1/2015	5,065	5,682
FHLMC PC 17-0147	11.00	11/1/2015	1,502	1,724
FHLMC PC 17-0186	9.50	8/1/2016	2,987	3,336
FHLMC PC 17-0217	8.00	3/1/2017	5,581	5,972
FHLMC PC 17-0222	8.50	5/1/2017	2,144	2,326
FHLMC SWAP 29-0303	8.50	4/1/2017	276	298
FNMA PL 307056	7.50	8/1/2025	230,953	248,030
GNMA GP 90132	9.00	5/15/2009	15,826	16,984
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				\$1,261,088
<b>COLLATERTALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6.50	6/25/2029	311,398	\$311,398
BACM 2002-2 A3	5.12	7/11/2043	1,450,000	1,452,583
DLJCM 1999-CG2 A1B	7.30	6/10/2009	2,500,000	2,796,794
FHG 30 H	7.50	7/25/2023	1,269,872	1,284,313
FHLM PC 1055-H	7.00	3/15/2021	152,283	152,028
FHLMC 1992 1452 PL	6.50	12/15/2007	2,000,000	2,079,315
FHLMC 1998 2052 PL	6.00	4/15/2013	1,518,206	1,575,288
FHR 2538CB	5.00	12/15/2017	1,450,000	1,413,365
FHR 2561EC	5.00	2/15/2018	1,450,000	1,397,990
FHR 2564EK	5.50	2/15/2023	1,450,000	1,410,482

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHR 2567 OG	5.00	2/15/2018	1,450,000	1,388,040
FHR 2567JK	5.00	11/15/2018	1,450,000	1,401,484
FHR 2591O0	4.50	3/15/2018	1,450,000	1,339,326
FHR 2609UB	4.50	5/15/2018	1,450,000	1,337,517
FHR 2611KH	5.00	5/15/2018	1,450,000	1,395,204
FHR 2770 VN	5.00	12/15/2020	1,600,000	1,499,206
FHR 2780 BC	4.50	10/15/2017	1,344,972	1,337,807
FNMA 1993 223 PH	6.05	10/25/2022	281,182	281,757
FNMA 1994 62 PH	6.90	11/25/2023	632,575	653,613
FNMA 1999-16 VB	6.50	12/25/2018	2,463,318	2,537,079
FNMA 2003-88TH	4.50	9/25/2018	1,450,000	1,349,958
FNMA FHR 2003-70 BH	4.50	10/25/2031	1,450,000	1,331,134
FNMA FNR 2003-16 PD	5.00	10/25/2016	1,450,000	1,410,771
FNMA FNR 2003-17HC	5.00	3/25/2018	1,450,000	1,393,674
FNMA FNR 2003-30EB	5.00	4/25/2018	1,450,000	1,396,221
FNMA FNR 2003-43ED	5.00	5/25/2018	1,606,000	1,525,035
FNMA FNR 2003-83 TJ	4.50	9/25/2018	1,450,000	1,356,390
FNR 2003-2CB	5.00	2/25/2018	1,450,000	1,393,935
FNR 2003-9DB	5.00	2/25/2018	1,450,000	1,385,535
GNR 1999-22 VB	7.00	11/20/2014	1,500,000	1,567,736
GNR 2003-77 TH	5.00	7/16/2032	1,450,000	1,392,469
RESIDENTIA FD MTG 1994-S10 A4	6.50	3/25/2009	659,597	659,597
WAMMS 2002-MS1 1A4	6.50	2/25/2032	1,085,343	1,106,070
WAMMS 2003-MS5 1A1	5.00	3/25/2018	668,041	663,236
WFMBS 2003-13 A7	4.50	11/25/2018	1,450,000	1,339,209
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$46,315,560
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$47,576,649</b>
<b>ASSET BACKED SECURITIES:</b>				
DCMT 1999-6 A	6.85	7/17/2007	1,700,000	\$1,743,828
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$1,743,828</b>
<b>CREDIT SECURITIES:</b>				
AMSOUTH BANK NA	2.82	11/3/2006	1,050,000	\$1,037,519
ANHEUSER BUSCH COS	4.50	4/1/2018	1,050,000	939,425
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	1,050,000	1,044,996
BANK OF NEW YORK	3.90	9/1/2007	1,450,000	1,452,670
BEAR STEARNS CO INC	4.00	1/31/2008	1,050,000	1,046,989
BERKSHIRE HATHAWAY	4.63	10/15/2013	1,050,000	1,002,305
BP CAPITAL MARKETS PLC	2.35	6/15/2006	1,050,000	1,037,094
BRITISH COLUMBIA PROV	4.30	5/30/2013	1,050,000	1,003,575
CATERPILLAR FIN. SERV.	2.59	7/15/2006	1,050,000	1,036,396
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	1,450,000	1,446,838
COCA-COLA ENTERPRISES	5.25	5/15/2007	1,450,000	1,517,444
COP	3.63	10/15/2007	1,450,000	1,448,328
DIAGEO PLC	3.50	11/19/2007	1,050,000	1,039,359
DOMINION RESOURCES INC.	4.13	2/15/2008	1,050,000	1,048,173
DUPONT, E.I. NEMOUR	4.13	4/30/2010	1,050,000	1,032,214

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	1,450,000	1,479,111
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	1,050,000	1,031,982
GILLETTE CO	3.75	12/1/2004	1,400,000	1,411,378
GOLDMAN SACHS	5.50	11/15/2014	1,050,000	1,028,976
HBOS TREASURY SERVICES	3.75	9/30/2008	1,050,000	1,038,300
IBM CORP	4.25	9/15/2009	1,450,000	1,439,993
INTER AMERN DEV BK	4.00	1/18/2005	1,450,000	1,467,286
INTL BK RECON & DEV	4.13	8/12/2009	1,450,000	1,453,857
INTL FINANCE CORP	4.75	4/30/2007	1,450,000	1,503,480
INTL NEDERLAND BK NV	5.13	5/1/2015	1,050,000	1,012,859
ITALY	3.63	9/14/2007	1,450,000	1,450,107
JOHN DEERE CAP	7.13	3/3/2031	1,450,000	1,641,297
JP MORGAN CHASE	3.13	12/11/2006	1,050,000	1,041,397
KELLOGG COMPANY	2.88	6/1/2008	1,050,000	1,001,087
KN ENERGY INC	6.80	3/1/2008	1,450,000	1,571,337
KREDIT WIEDERAUFBAU	3.38	1/23/2008	1,050,000	1,038,997
MANITOBA (PROVINCE OF)	2.75	1/17/2006	1,050,000	1,049,495
MERCK & CO INC.	4.38	2/15/2013	1,050,000	1,003,151
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	1,450,000	1,496,982
NORTHERN TRUST CO.	4.60	2/1/2013	1,050,000	997,142
ONTARIO PROVINCE	5.13	7/17/2012	1,450,000	1,474,513
PECO ENERGY	3.50	5/1/2008	1,050,000	1,031,250
PEMEX MASTER TRUST	7.38	12/15/2014	1,050,000	1,071,000
PFIZER INC.	4.65	3/1/2018	1,050,000	963,243
PROCTER & GAMBLE	4.75	6/15/2007	1,450,000	1,497,517
PROGRESS ENERGY	6.05	4/15/2007	1,450,000	1,526,383
QUEBEC PROVINCE	5.00	7/17/2009	1,450,000	1,491,846
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	1,450,000	1,397,152
SARA LEE CORP	6.25	9/15/2011	1,100,000	1,184,434
SOUTHWESTERN ELECTRIC POWER	4.50	7/1/2005	1,450,000	1,475,958
ST GEORGE BANK LTD	7.15	6/18/2007	1,450,000	1,573,591
SUNTRUST BANK	2.50	5/4/2006	1,050,000	1,039,612
SWEDISH EXPORT CREDIT	2.88	1/26/2007	1,050,000	1,039,548
UNION PACIFIC CORP	6.40	2/1/2006	1,500,000	1,576,299
VALERO ENERGY	3.50	4/1/2009	1,050,000	998,314
<b>TOTAL CREDIT SECURITIES</b>				<b>\$61,632,202</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$146,833,939</b>





## Millersylvania Park Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUNDS(21)			5,151	\$5,151
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$5,151</b>

## Normal School Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			12,944,496	\$12,944,496
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	2,075,000	\$2,234,236
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	4,200,000	5,339,592
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	6,300,000	8,007,019
U.S. TREASURY BOND	5.50	5/15/2009	2,075,000	2,235,024
U.S. TREASURY BOND	4.88	2/15/2012	2,075,000	2,143,143
U.S. TREASURY BOND	4.25	8/15/2013	2,075,000	2,025,325
U.S. TREASURY NOTE	6.25	2/15/2007	2,075,000	2,242,494
U.S. TREASURY NOTE	6.75	5/15/2005	2,075,000	2,158,664
U.S. TREASURY NOTE	3.38	11/15/2008	4,200,000	4,154,598
U.S. TREASURY NOTE	2.63	11/15/2006	2,100,000	2,085,531
<b>TOTAL U.S. TREASURIES</b>				<b>\$32,625,624</b>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$32,625,624</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FHLMC PC 16-0079	10.25	5/1/2009	13,643	\$14,840
GNMA SF 30644	9.50	6/15/2009	13,425	14,319
GNMA SF 29026	9.50	7/15/2009	15,462	16,739
GNMA SF 27559	9.50	8/15/2009	51,954	56,316
GNMA SF 30363	9.50	9/15/2009	5,136	5,577
GNMA SF 27772	9.50	11/15/2009	45,250	49,079
FHLMC PC 17-0029	12.00	5/1/2010	3,716	4,192
FGE 92425	5.00	11/1/2012	1,366,459	1,373,198
FHLMC PC 17-0147	11.00	11/1/2015	1,502	1,724
FHLMC PC 17-0217	8.00	3/1/2017	11,089	11,866
FHLMC SWAP 29-1802	8.50	4/1/2017	1,409	1,476
FHLMC SWAP 29-9021	8.50	8/1/2017	33,197	36,041
FHR 2629AD	4.50	6/15/2018	2,100,000	1,911,195
FNMA PL 307056	7.50	8/1/2025	600,478	644,878
<b>TOTAL PASS THROUGH AND OTHER</b>				<b>\$4,141,438</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
FHLMC 1994 1429 G	7.00	11/15/2007	433,190	\$444,832

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
GNR 1999-22 VB	7.00	11/20/2014	2,422,000	2,531,372
FNMA FNR 2003-16 PD	5.00	10/25/2016	2,100,000	2,043,185
FHR 2780 BC	4.50	10/15/2017	1,947,890	1,937,513
FHR 2538CB	5.00	12/15/2017	2,075,000	2,022,575
FHR 2561EC	5.00	2/15/2018	2,075,000	2,000,572
FHR 2567 OG	5.00	2/15/2018	2,100,000	2,010,264
FNR 2003-2CB	5.00	2/25/2018	2,075,000	1,994,769
FNR 2003-9DB	5.00	2/25/2018	2,075,000	1,982,748
FHR 2591Q0	4.50	3/15/2018	2,075,000	1,916,621
FNMA FNR 2003-17HC	5.00	3/25/2018	2,075,000	1,994,396
WAMMS 2003-MS5 1A1	5.00	3/25/2018	955,990	949,114
FNMA FNR 2003-30EB	5.00	4/25/2018	2,075,000	1,998,041
FHR 2609UB	4.50	5/15/2018	2,075,000	1,914,032
FHR 2611KH	5.00	5/15/2018	2,075,000	1,996,585
FNMA FNR 2003-43ED	5.00	5/25/2018	2,298,946	2,183,047
FNMA 2003-88TH	4.50	9/25/2018	2,075,000	1,931,836
FNMA FNR 2003-83 TJ	4.50	9/25/2018	2,100,000	1,964,426
FHR 2567JK	5.00	11/15/2018	2,075,000	2,005,572
WFMBS 2003-13 A7	4.50	11/25/2018	2,100,000	1,939,545
FNMA 1999-16 VB	6.50	12/25/2018	5,210,864	5,366,898
FHR 2770 VN	5.00	12/15/2020	2,300,000	2,155,108
FNMA 1993 223 PH	6.05	10/25/2022	281,182	281,757
FHR 2564EK	5.50	2/15/2023	2,075,000	2,018,448
FHLMC 1998 2046 G	6.50	4/15/2028	1,570,258	1,635,283
AMAC 1999-4 1A4	6.50	6/25/2029	518,210	518,210
FNMA FHR 2003-70 BH	4.50	10/25/2031	2,100,000	1,927,849
GNR 2001-64 PL	6.50	12/1/2031	2,000,000	2,056,007
WAMMS 2002-MS1 1A4	6.50	2/25/2032	1,553,163	1,582,825
GNR 2003-77 TH	5.00	7/16/2032	2,100,000	2,016,679
BACM 2001-1 A2	6.50	4/15/2036	2,000,000	2,170,463
BACM 2002-2 A3	5.12	7/11/2043	2,075,000	2,078,696
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$61,569,271
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$65,710,709</b>
<b>ASSET BACKED SECURITIES:</b>				
DCMT 1999-6 A	6.85	7/17/2007	2,700,000	\$2,769,609
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$2,769,609</b>
<b>CREDIT SECURITIES:</b>				
ALCOA INC	4.25	8/15/2007	2,000,000	\$2,033,783
AMSOUTH BANK NA	2.82	11/3/2006	1,500,000	1,482,170
ANHEUSER BUSCH COS	4.50	4/1/2018	1,500,000	1,342,036
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	1,500,000	1,492,852
BANK OF NEW YORK	3.90	9/1/2007	2,075,000	2,078,821



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
BEAR STEARNS CO INC	4.00	1/31/2008	1,500,000	1,495,699
BERKSHIRE HATHAWAY	4.63	10/15/2013	1,500,000	1,431,864
BP CAPITAL MARKETS PLC	2.35	6/15/2006	1,500,000	1,481,563
BRITISH COLUMBIA PROV	4.30	5/30/2013	1,500,000	1,433,678
BURLINGTON NO SANTA FE	5.90	7/1/2012	2,000,000	2,084,287
CATERPILLAR FIN. SERV.	2.59	7/15/2006	1,500,000	1,480,566
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	2,075,000	2,070,475
COCA-COLA ENTERPRISES	5.25	5/15/2007	2,075,000	2,171,515
COP	3.63	10/15/2007	2,075,000	2,072,607
DIAGEO PLC	3.50	11/19/2007	1,500,000	1,484,798
DOMINION RESOURCES INC.	4.13	2/15/2008	1,500,000	1,497,391
DUPONT, E.I. NEMOUR	4.13	4/30/2010	1,500,000	1,474,591
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	2,075,000	2,116,658
FERRO CORP	8.00	6/15/2025	500,000	523,919
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	1,500,000	1,474,261
GILLETTE CO	3.75	12/1/2004	2,000,000	2,016,255
GOLDMAN SACHS	5.50	11/15/2014	1,500,000	1,469,966
HBOS TREASURY SERVICES	3.75	9/30/2008	1,500,000	1,483,286
IBM CORP	4.25	9/15/2009	2,075,000	2,060,680
INTER AMERN DEV BK	4.00	1/18/2005	2,075,000	2,099,737
INTL BK RECON & DEV	4.13	8/12/2009	2,075,000	2,080,520
INTL FINANCE CORP	4.75	4/30/2007	2,075,000	2,151,531
INTL NEDERLAND BK NV	5.13	5/1/2015	1,500,000	1,446,942
ITALY	3.63	9/14/2007	2,075,000	2,075,152
JOHN DEERE CAP	7.13	3/3/2031	2,075,000	2,348,752
JP MORGAN CHASE	3.13	12/11/2006	1,500,000	1,487,710
KELLOGG COMPANY	2.88	6/1/2008	1,500,000	1,430,124
KN ENERGY INC	6.80	3/1/2008	2,075,000	2,248,638
KREDIT WIEDERAUFBAU	3.38	1/23/2008	1,500,000	1,484,282
MANITOBA (PROVINCE OF)	2.75	1/17/2006	1,500,000	1,499,279
MERCK & CO INC.	4.38	2/15/2013	1,500,000	1,433,073
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	2,075,000	2,142,233
NORTHERN TRUST CO.	4.60	2/1/2013	1,500,000	1,424,489
ONTARIO PROVINCE	5.13	7/17/2012	2,075,000	2,110,080
PECO ENERGY	3.50	5/1/2008	1,500,000	1,473,215
PEMEX MASTER TRUST	7.38	12/15/2014	1,500,000	1,530,000
PFIZER INC.	4.65	3/1/2018	1,500,000	1,376,061
PROCTER & GAMBLE	4.75	6/15/2007	2,075,000	2,142,998
PROGRESS ENERGY	6.05	4/15/2007	2,075,000	2,184,306
QUEBEC PROVINCE	5.00	7/17/2009	2,075,000	2,134,884
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	2,075,000	1,999,372
SARA LEE CORP	6.25	9/15/2011	1,500,000	1,615,138
SOUTHWESTERN ELECTRIC POWER	4.50	7/1/2005	2,075,000	2,112,147
ST GEORGE BANK LTD	7.15	6/18/2007	2,075,000	2,251,863

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
SUNTRUST BANK	2.50	5/4/2006	1,500,000	1,485,160
SWEDISH EXPORT CREDIT	2.88	1/26/2007	1,500,000	1,485,069
UNION PACIFIC CORP	6.40	2/1/2006	750,000	788,150
UNION PACIFIC RESOURCES	7.15	5/15/2028	1,000,000	1,082,658
VALERO ENERGY	3.50	4/1/2009	1,500,000	1,426,161
<b>TOTAL CREDIT SECURITIES</b>				<b>\$92,303,444</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$206,353,882</b>

### Common School Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			8,524,382	\$8,524,382
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	1,625,000	\$1,749,703
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	3,200,000	4,068,260
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	4,800,000	6,100,586
U.S. TREASURY NOTE	1.63	10/31/2005	1,000,000	991,180
U.S. TREASURY BOND	5.50	5/15/2009	1,625,000	1,750,320
U.S. TREASURY BOND	4.88	2/15/2012	1,625,000	1,678,365
U.S. TREASURY BOND	4.25	8/15/2013	1,625,000	1,586,098
U.S. TREASURY NOTE	6.25	2/15/2007	1,625,000	1,756,170
U.S. TREASURY NOTE	6.75	5/15/2005	1,625,000	1,690,520
U.S. TREASURY NOTE	3.38	11/15/2008	3,200,000	3,165,408
U.S. TREASURY NOTE	2.63	11/15/2006	1,600,000	1,588,976
<b>TOTAL U.S. TREASURIES</b>				<b>\$26,125,585</b>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$26,125,585</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FGE 92425	5.00	11/1/2012	1,075,438	\$1,080,742
FHLMC PC 16-0040	8.75	3/1/2008	12,660	13,312
FHLMC PC 16-0079	10.25	5/1/2009	13,643	14,840
FHLMC PC 17-0003	8.00	3/1/2006	26	26
FHLMC PC 17-0147	11.00	11/1/2015	1,953	2,242
FHR 2629AD	4.50	6/15/2018	1,650,000	1,501,653
FNMA PL 307056	7.50	8/1/2025	110,850	119,046
FNMA PL 311991	7.50	8/1/2025	426,557	458,097
FNMA PL 311994	7.50	8/1/2025	28,527	30,636
FNMA PL 330130	7.50	11/1/2025	302,682	325,062
<b>TOTAL PASS THROUGH AND OTHER</b>				<b>\$3,545,655</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
DLJCM 1999-CG2 A1B	7.30	6/10/2009	2,500,000	\$2,796,794

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CITRV 1998-A A5	6.12	11/15/2013	1,280,000	1,324,200
FNMA FNR 2003-16 PD	5.00	10/25/2016	1,600,000	1,556,712
FHR 2780 BC	4.50	10/15/2017	1,484,107	1,476,201
FHR 2538CB	5.00	12/15/2017	1,625,000	1,583,944
FHR 2561EC	5.00	2/15/2018	1,625,000	1,566,713
FHR 2567 OG	5.00	2/15/2018	1,600,000	1,531,630
FNR 2003-2CB	5.00	2/25/2018	1,625,000	1,562,169
FNR 2003-9DB	5.00	2/25/2018	1,625,000	1,552,755
FHR 2591Q0	4.50	3/15/2018	1,625,000	1,500,969
FNMA FNR 2003-17HC	5.00	3/25/2018	1,625,000	1,561,877
WAMMS 2003-MS5 1A1	5.00	3/25/2018	748,667	743,282
FNMA FNR 2003-30EB	5.00	4/25/2018	1,625,000	1,564,731
FHR 2609UB	4.50	5/15/2018	1,625,000	1,498,941
FHR 2611KH	5.00	5/15/2018	1,625,000	1,563,591
FNMA FNR 2003-43ED	5.00	5/25/2018	1,800,000	1,709,255
FNMA 2003-88TH	4.50	9/25/2018	1,625,000	1,512,884
FNMA FNR 2003-83 TJ	4.50	9/25/2018	1,600,000	1,496,706
FHR 2567JK	5.00	11/15/2018	1,625,000	1,570,629
WFMBS 2003-13 A7	4.50	11/25/2018	1,600,000	1,477,748
FNMA 1999-16 VB	6.50	12/25/2018	4,263,434	4,391,099
FHR 2770 VN	5.00	12/15/2020	1,800,000	1,686,606
FNMA REMIC 1991-100 CL M	7.00	8/25/2021	143,804	150,347
FHLMC/GNMA 1993 24 H	6.00	9/25/2022	601,193	608,499
FNMA 1993 223 PH	6.05	10/25/2022	468,636	469,595
FHR 2564EK	5.50	2/15/2023	1,625,000	1,580,712
FNMA 1994 62 PH	6.90	11/25/2023	1,265,150	1,307,226
AMHPT 1996-2 A5	6.90	6/15/2027	548,314	569,989
AMAC 1999-4 1A4	6.50	6/25/2029	423,501	423,501
FNMA FHR 2003-70 BH	4.50	10/25/2031	1,600,000	1,468,837
WAMMS 2002-MS1 1A4	6.50	2/25/2032	1,216,333	1,239,562
GNR 2003-77 TH	5.00	7/16/2032	1,600,000	1,536,517
BACM 2001-1 A2	6.50	4/15/2036	2,000,000	2,170,463
BACM 2002-2 A3	5.12	7/11/2043	1,625,000	1,627,894
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$50,382,577
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$53,928,233</b>
<b>CREDIT SECURITIES:</b>				
ALCOA INC	4.25	8/15/2007	1,500,000	\$1,525,337
AMSOUTH BANK NA	2.82	11/3/2006	1,150,000	1,136,330
ANHEUSER BUSCH COS	4.50	4/1/2018	1,150,000	1,028,894
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	1,150,000	1,144,520
BANK OF NEW YORK	3.90	9/1/2007	1,625,000	1,627,993
BEAR STEARNS CO INC	4.00	1/31/2008	1,150,000	1,146,703
BERKSHIRE HATHAWAY	4.63	10/15/2013	1,150,000	1,097,762

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
BP CAPITAL MARKETS PLC	2.35	6/15/2006	1,150,000	1,135,865
BRITISH COLUMBIA PROV	4.30	5/30/2013	1,150,000	1,099,153
CATERPILLAR FIN. SERV.	2.59	7/15/2006	1,150,000	1,135,101
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	1,625,000	1,621,456
COCA-COLA ENTERPRISES	5.25	5/15/2007	1,625,000	1,700,584
COP	3.63	10/15/2007	1,625,000	1,623,126
DIAGEO PLC	3.50	11/19/2007	1,150,000	1,138,346
DOMINION RESOURCES INC.	4.13	2/15/2008	1,150,000	1,147,999
DUPONT, E.I. NEMOUR	4.13	4/30/2010	1,150,000	1,130,520
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	1,625,000	1,657,624
FERRO CORP	8.00	6/15/2025	500,000	523,919
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	1,150,000	1,130,266
GILLETTE CO	3.75	12/1/2004	1,600,000	1,613,004
GOLDMAN SACHS	5.50	11/15/2014	1,150,000	1,126,974
HBOS TREASURY SERVICES	3.75	9/30/2008	1,150,000	1,137,186
IBM CORP	4.25	9/15/2009	1,625,000	1,613,785
INTER AMERN DEV BK	4.00	1/18/2005	1,625,000	1,644,372
INTL BK RECON & DEV	4.13	8/12/2009	1,625,000	1,629,323
INTL FINANCE CORP	4.75	4/30/2007	1,625,000	1,684,934
INTL NEDERLAND BK NV	5.13	5/1/2015	1,150,000	1,109,322
ITALY	3.63	9/14/2007	1,625,000	1,625,120
JOHN DEERE CAP	7.13	3/3/2031	1,625,000	1,839,384
JP MORGAN CHASE	3.13	12/11/2006	1,150,000	1,140,578
KELLOGG COMPANY	2.88	6/1/2008	1,150,000	1,096,429
KN ENERGY INC	6.80	3/1/2008	1,625,000	1,760,981
KREDIT WIEDERAUFBAU	3.38	1/23/2008	1,150,000	1,137,949
MANITOBA (PROVINCE OF)	2.75	1/17/2006	1,150,000	1,149,447
MERCK & CO INC.	4.38	2/15/2013	1,150,000	1,098,689
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	1,625,000	1,677,653
NORTHERN TRUST CO.	4.60	2/1/2013	1,150,000	1,092,108
ONTARIO PROVINCE	5.13	7/17/2012	1,625,000	1,652,472
PECO ENERGY	3.50	5/1/2008	1,150,000	1,129,464
PEMEX MASTER TRUST	7.38	12/15/2014	1,150,000	1,173,000
PFIZER INC.	4.65	3/1/2018	1,150,000	1,054,980
PROCTER & GAMBLE	4.75	6/15/2007	1,625,000	1,678,251
PROGRESS ENERGY	6.05	4/15/2007	1,625,000	1,710,601
QUEBEC PROVINCE	5.00	7/17/2009	1,625,000	1,671,897
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	1,625,000	1,565,774
SOUTHWESTERN ELECTRIC POWER	4.50	7/1/2005	1,625,000	1,654,091
ST GEORGE BANK LTD	7.15	6/18/2007	1,625,000	1,763,507
SUNTRUST BANK	2.50	5/4/2006	1,150,000	1,138,623
SWEDISH EXPORT CREDIT	2.88	1/26/2007	1,150,000	1,138,553
UNION PACIFIC CORP	6.40	2/1/2006	1,000,000	1,050,866
UNION PACIFIC RESOURCES	7.15	5/15/2028	1,750,000	1,894,652



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
VALERO ENERGY	3.50	4/1/2009	1,150,000	1,093,390
<b>TOTAL CREDIT SECURITIES</b>				<b>\$70,298,859</b>
<b>EQUITY INDEX FUND:</b>				
BGI U.S. EQUITY MKT FUND B			761,862	\$8,257,224
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$167,134,282</b>

## Scientific Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			11,292,298	\$11,292,298
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	1,600,000	\$1,722,784
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	3,200,000	4,068,260
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	4,800,000	6,100,586
U.S. TREASURY BOND	5.50	5/15/2009	1,600,000	1,723,392
U.S. TREASURY BOND	4.88	2/15/2012	1,600,000	1,652,544
U.S. TREASURY BOND	4.25	8/15/2013	1,600,000	1,561,696
U.S. TREASURY NOTE	10.38	11/15/2012	800,000	977,480
U.S. TREASURY NOTE	6.25	2/15/2007	1,600,000	1,729,152
U.S. TREASURY NOTE	6.75	5/15/2005	1,600,000	1,664,512
U.S. TREASURY NOTE	3.38	11/15/2008	3,200,000	3,165,408
U.S. TREASURY NOTE	2.63	11/15/2006	1,600,000	1,588,976
<i>TOTAL U.S. TREASURIES</i>				<b>\$25,954,790</b>
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$25,954,790</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FGE 92425	5.00	11/1/2012	1,061,015	\$1,066,248
FHLMC PC 17-0141	11.00	9/1/2015	8,864	9,943
FHLMC PC 17-0147	11.00	11/1/2015	391	448
FHLMC PC 17-0217	8.00	3/1/2017	10,471	11,204
FNMA PL 311991	7.50	8/1/2025	60,774	65,267
FNMA PL 311994	7.50	8/1/2025	15,334	16,468
<i>TOTAL PASS THROUGH AND OTHER</i>				<b>\$1,169,579</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
FHLMC 1992 1452 PL	6.50	12/15/2007	3,500,000	\$3,638,801
RESIDENTIA FD MTG 1994-S10 A4	6.50	3/25/2009	878,306	878,306
DLJCM 1999-CG2 A1B	7.30	6/10/2009	1,200,000	1,342,461
GNR 1999-22 VB	7.00	11/20/2014	1,700,000	1,776,768
FNMA FNR 2003-16 PD	5.00	10/25/2016	1,600,000	1,556,712
FHR 2780 BC	4.50	10/15/2017	1,484,107	1,476,201
FHR 2538CB	5.00	12/15/2017	1,600,000	1,559,576

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHR 2561EC	5.00	2/15/2018	1,600,000	1,542,610
FHR 2567 OG	5.00	2/15/2018	1,600,000	1,531,630
FNR 2003-2CB	5.00	2/25/2018	1,600,000	1,538,135
FNR 2003-9DB	5.00	2/25/2018	1,600,000	1,528,866
FHR 2591Q0	4.50	3/15/2018	1,600,000	1,477,877
FNMA FNR 2003-17HC	5.00	3/25/2018	1,600,000	1,537,848
WAMMS 2003-MS5 1A1	5.00	3/25/2018	737,149	731,847
FNMA FNR 2003-30EB	5.00	4/25/2018	1,600,000	1,540,658
FHR 2609UB	4.50	5/15/2018	1,600,000	1,475,880
FHR 2611KH	5.00	5/15/2018	1,600,000	1,539,536
FNMA FNR 2003-43ED	5.00	5/25/2018	1,773,000	1,683,616
FNMA 2003-88TH	4.50	9/25/2018	1,600,000	1,489,608
FNMA FNR 2003-83 TJ	4.50	9/25/2018	1,600,000	1,496,706
FHR 2567JK	5.00	11/15/2018	1,600,000	1,546,465
WFMBS 2003-13 A7	4.50	11/25/2018	1,600,000	1,477,748
FNMA 1999-16 VB	6.50	12/25/2018	2,652,804	2,732,239
FHR 2770 VN	5.00	12/15/2020	1,800,000	1,686,606
FNMA 1993 223 PH	6.05	10/25/2022	187,454	187,838
FHR 2564EK	5.50	2/15/2023	1,600,000	1,556,394
FHG 30 H	7.50	7/25/2023	1,587,340	1,605,391
AMAC 1999-4 1A4	6.50	6/25/2029	373,677	373,677
FNMA FHR 2003-70 BH	4.50	10/25/2031	1,600,000	1,468,837
AMMS 2002-MS1 1A4	6.50	2/25/2032	1,197,620	1,220,492
GNR 2003-77 TH	5.00	7/16/2032	1,600,000	1,536,517
BACM 2002-2 A3	5.12	7/11/2043	1,600,000	1,602,850
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$48,338,697
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$49,508,276</b>
<b>ASSET BACKED SECURITIES:</b>				
CITRV 1999-A A4	6.16	6/15/2013	1,263,295	\$1,290,337
DCMT 1999-6 A	6.85	7/17/2007	2,000,000	2,051,562
FUNBC 2001-C3 A3	6.42	8/15/2023	1,600,000	1,729,684
<b>TOTAL ASSET BACKED SECURITIES</b>				<b>\$5,071,583</b>
<b>CREDIT SECURITIES:</b>				
AMSOUTH BANK NA	2.82	11/3/2006	1,125,000	\$1,111,628
ANHEUSER BUSCH COS	4.50	4/1/2018	1,125,000	1,006,527
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	1,125,000	1,119,639
BANK OF NEW YORK	3.90	9/1/2007	1,600,000	1,602,947
BEAR STEARNS CO INC	4.00	1/31/2008	1,125,000	1,121,774
BERKSHIRE HATHAWAY	4.63	10/15/2013	1,125,000	1,073,898
BP CAPITAL MARKETS PLC	2.35	6/15/2006	1,125,000	1,111,172
BRITISH COLUMBIA PROV	4.30	5/30/2013	1,125,000	1,075,259
BURLINGTON NO SANTA FE	5.90	7/1/2012	1,500,000	1,563,215
CATERPILLAR FIN. SERV.	2.59	7/15/2006	1,125,000	1,110,425



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	1,600,000	1,596,511
COCA-COLA ENTERPRISES	5.25	5/15/2007	1,600,000	1,674,421
COP	3.63	10/15/2007	1,600,000	1,598,155
DIAGEO PLC	3.50	11/19/2007	1,125,000	1,113,599
DOMINION RESOURCES INC.	4.13	2/15/2008	1,125,000	1,123,043
DUPONT, E.I. NEMOUR	4.13	4/30/2010	1,125,000	1,105,943
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	1,600,000	1,632,122
FERRO CORP	8.00	6/15/2025	1,000,000	1,047,839
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	1,125,000	1,105,695
GILLETTE CO	3.75	12/1/2004	1,350,000	1,360,972
GOLDMAN SACHS	5.50	11/15/2014	1,125,000	1,102,474
HBOS TREASURY SERVICES	3.75	9/30/2008	1,125,000	1,112,464
IBM CORP	4.25	9/15/2009	1,600,000	1,588,958
INTER AMERN DEV BK	4.00	1/18/2005	1,600,000	1,619,074
INTL BK RECON & DEV	4.13	8/12/2009	1,600,000	1,604,256
INTL FINANCE CORP	4.75	4/30/2007	1,600,000	1,659,012
INTL NEDERLAND BK NV	5.13	5/1/2015	1,125,000	1,085,207
ITALY	3.63	9/14/2007	1,600,000	1,600,118
JOHN DEERE CAP	7.13	3/3/2031	1,600,000	1,811,086
JP MORGAN CHASE	3.13	12/11/2006	1,125,000	1,115,783
KELLOGG COMPANY	2.88	6/1/2008	1,125,000	1,072,593
KN ENERGY INC	6.80	3/1/2008	1,600,000	1,733,889
KREDIT WIEDERAUFBAU	3.38	1/23/2008	1,125,000	1,113,211
MANITOBA (PROVINCE OF)	2.75	1/17/2006	1,125,000	1,124,459
MERCK & CO INC.	4.38	2/15/2013	1,125,000	1,074,804
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	1,600,000	1,651,843
NORTHERN TRUST CO.	4.60	2/1/2013	1,125,000	1,068,367
ONTARIO PROVINCE	5.13	7/17/2012	1,600,000	1,627,049
PECO ENERGY	3.50	5/1/2008	1,125,000	1,104,911
PEMEX MASTER TRUST	7.38	12/15/2014	1,125,000	1,147,500
PFIZER INC.	4.65	3/1/2018	1,125,000	1,032,046
PROCTER & GAMBLE	4.75	6/15/2007	1,600,000	1,652,432
PROGRESS ENERGY	6.05	4/15/2007	1,600,000	1,684,284
QUEBEC PROVINCE	5.00	7/17/2009	1,600,000	1,646,175
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	1,600,000	1,541,685
SARA LEE CORP	6.25	9/15/2011	1,125,000	1,211,353
SOUTHWESTERN ELECTRIC POWER	4.50	7/1/2005	1,600,000	1,628,643
ST GEORGE BANK LTD	7.15	6/18/2007	1,600,000	1,736,376
SUNTRUST BANK	2.50	5/4/2006	1,125,000	1,113,870
SWEDISH EXPORT CREDIT	2.88	1/26/2007	1,125,000	1,113,802
UNION PACIFIC CORP	6.40	2/1/2006	1,250,000	1,313,583
VALERO ENERGY	3.50	4/1/2009	1,125,000	1,069,620
<b>TOTAL CREDIT SECURITIES</b>				<b>\$69,015,712</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$160,842,659</b>

**University Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			1,834,003	\$1,834,003
<b>U.S. GOVERNMENT SECURITIES:</b>				
<b>TREASURIES</b>				
U.S. TREASURY INFLATION INDEX	5.63	5/15/2008	250,000	\$269,185
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	500,000	635,666
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	750,000	953,217
U.S. TREASURY BOND	5.50	5/15/2009	250,000	269,280
U.S. TREASURY BOND	4.88	2/15/2012	250,000	258,210
U.S. TREASURY BOND	4.25	8/15/2013	250,000	244,015
U.S. TREASURY NOTE	6.25	2/15/2007	250,000	270,180
U.S. TREASURY NOTE	6.75	5/15/2005	250,000	260,080
U.S. TREASURY NOTE	3.38	11/15/2008	500,000	494,595
U.S. TREASURY NOTE	2.63	11/15/2006	250,000	248,277
<i>TOTAL U.S. GOVERNMENT TREASURIES</i>				\$3,902,705
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>				<b>\$3,902,705</b>
<b>MORTGAGE/MORTGAGE BACKED SECURITIES:</b>				
<b>PASS THROUGH AND OTHER MORTGAGES</b>				
FGE 92425	5.00	11/1/2012	192,912	\$193,863
FHLMC GIANT SWAP 30-4272	8.50	6/1/2018	2,380	2,581
FHR 2629AD	4.50	6/15/2018	250,000	227,523
FNMA PL 330130	7.50	11/1/2025	60,465	64,936
<i>TOTAL PASS THROUGH AND OTHER</i>				\$488,903
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>				
AMAC 1999-4 1A4	6.50	6/25/2029	49,824	\$49,824
BACM 2002-2 A3	5.12	7/11/2043	250,000	250,445
BAFC 2000-1 1A12	6.75	11/20/2032	33,051	33,343
DLJCM 1999-CG3 A1B	7.34	9/10/2009	250,000	280,724
FHG 30 H	7.50	7/25/2023	190,481	192,647
FHLM PC GTD	7.00	5/25/2022	40,239	40,316
FHLMC 1993 1637 GA	5.80	6/15/2023	144,165	147,788
FHLMC 1998 2052 PL	6.00	4/15/2013	265,686	275,675
FHLMC 1999 2113 VB	6.00	11/15/2015	421,000	434,786
FHR 2280 VB	6.00	8/15/2017	200,000	207,733
FHR 2538CB	5.00	12/15/2017	250,000	243,684
FHR 2561EC	5.00	2/15/2018	250,000	241,033
FHR 2564EK	5.50	2/15/2023	250,000	243,187
FHR 2567 OG	5.00	2/15/2018	250,000	239,317
FHR 2567JK	5.00	11/15/2018	250,000	241,635
FHR 2591O0	4.50	3/15/2018	250,000	230,918
FHR 2609UB	4.50	5/15/2018	250,000	230,606
FHR 2611KH	5.00	5/15/2018	250,000	240,552



DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
FHR 2770 VN	5.00	12/15/2020	287,000	268,920
FHR 2780 BC	4.50	10/15/2017	231,892	230,656
FNMA 1993 223 PH	6.05	10/25/2022	52,675	52,783
FNMA 1994 62 PH	6.90	11/25/2023	160,674	166,018
FNMA 1999-16 VB	6.50	12/25/2018	94,743	97,580
FNMA 2003-88TH	4.50	9/25/2018	250,000	232,751
FNMA FHR 2003-70 BH	4.50	10/25/2031	250,000	229,506
FNMA FNR 2003-16 PD	5.00	10/25/2016	250,000	243,236
FNMA FNR 2003-17HC	5.00	3/25/2018	250,000	240,289
FNMA FNR 2003-30EB	5.00	4/25/2018	250,000	240,728
FNMA FNR 2003-43ED	5.00	5/25/2018	277,000	263,035
FNMA FNR 2003-83 TJ	4.50	9/25/2018	250,000	233,860
FNR 2003-2CB	5.00	2/25/2018	250,000	240,334
FNR 2003-9DB	5.00	2/25/2018	250,000	238,885
GNR 2003-77 TH	5.00	7/16/2032	250,000	240,081
WAMMS 2002-MS1 1A4	6.50	2/25/2032	187,128	190,702
WAMMS 2003-MS5 1A1	5.00	3/25/2018	115,180	114,351
WFMBS 2003-13 A7	4.50	11/25/2018	250,000	230,898
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$7,578,827
<b>TOTAL MORTGAGE/MORTGAGE BACKED</b>				<b>\$8,067,730</b>
<b>CREDIT SECURITIES:</b>				
AMSOUTH BANK NA	2.82	11/3/2006	175,000	\$172,920
ANHEUSER BUSCH COS	4.50	4/1/2018	175,000	156,571
ASIAN DEVELOPMENT BANK	2.38	3/15/2006	175,000	174,166
BANK OF NEW YORK	3.90	9/1/2007	250,000	250,460
BEAR STEARNS CO INC	4.00	1/31/2008	175,000	174,498
BERKSHIRE HATHAWAY	4.63	10/15/2013	175,000	167,051
BP CAPITAL MARKETS PLC	2.35	6/15/2006	175,000	172,849
BRITISH COLUMBIA PROV	4.30	5/30/2013	175,000	167,262
CATERPILLAR FIN. SERV.	2.59	7/15/2006	175,000	172,733
CHEVRON TEXACO CAP. CO.	3.50	9/17/2007	250,000	249,455
COCA-COLA ENTERPRISES	5.25	5/15/2007	250,000	261,628
COP	3.63	10/15/2007	250,000	249,712
DIAGEO PLC	3.50	11/19/2007	175,000	173,226
DOMINION RESOURCES INC.	4.13	2/15/2008	175,000	174,696
DUPONT, E.I. NEMOUR	4.13	4/30/2010	175,000	172,036
EUROPEAN INVESTMENT BANK	4.00	8/30/2005	250,000	255,019
GENERAL ELECTRIC CAP CORP	3.50	5/1/2008	175,000	171,997
GILLETTE CO	3.75	12/1/2004	250,000	252,032
GOLDMAN SACHS	5.50	11/15/2014	175,000	171,496
HBOS TREASURY SERVICES	3.75	9/30/2008	175,000	173,050
IBM CORP	4.25	9/15/2009	250,000	248,275
INTER AMERN DEV BK	4.00	1/18/2005	250,000	252,980
INTL BK RECON & DEV	4.13	8/12/2009	250,000	250,665

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
INTL FINANCE CORP	4.75	4/30/2007	250,000	259,221
INTL NEDERLAND BK NV	5.13	5/1/2015	175,000	168,810
ITALY	3.63	9/14/2007	250,000	250,018
JOHN DEERE CAP	7.13	3/3/2031	250,000	282,982
JP MORGAN CHASE	3.13	12/11/2006	175,000	173,566
KELLOGG COMPANY	2.88	6/1/2008	175,000	166,848
KN ENERGY INC	6.80	3/1/2008	250,000	270,920
KREDIT WIEDERAUFBAU	3.38	1/23/2008	175,000	173,166
MANITOBA (PROVINCE OF)	2.75	1/17/2006	175,000	174,916
MERCK & CO INC.	4.38	2/15/2013	175,000	167,192
MONTREAL CITY OF	5.00	11/1/2004	2,000	2,018
NATIONAL CITY BK OF INDIANA	4.88	7/20/2007	250,000	258,100
NORTHERN TRUST CO.	4.60	2/1/2013	175,000	166,190
ONTARIO PROVINCE	5.13	7/17/2012	250,000	254,226
PECO ENERGY	3.50	5/1/2008	175,000	171,875
PEMEX MASTER TRUST	7.38	12/15/2014	175,000	178,500
PFIZER INC.	4.65	3/1/2018	175,000	160,540
PROCTER & GAMBLE	4.75	6/15/2007	250,000	258,193
PROGRESS ENERGY	6.05	4/15/2007	250,000	263,169
QUEBEC PROVINCE	5.00	7/17/2009	250,000	257,215
ROYAL BANK OF SCOTLAND	5.00	10/1/2014	250,000	240,888
SARA LEE CORP	6.25	9/15/2011	175,000	188,433
SOUTHWESTERN ELECTRIC POWER	4.50	7/1/2005	250,000	254,476
ST GEORGE BANK LTD	7.15	6/18/2007	250,000	271,309
SUNTRUST BANK	2.50	5/4/2006	175,000	173,269
SWEDISH EXPORT CREDIT	2.88	1/26/2007	175,000	173,258
UNION PACIFIC CORP	6.40	2/1/2006	200,000	210,173
UNION PACIFIC RESOURCES	7.15	5/15/2028	250,000	270,665
VALERO ENERGY	3.50	4/1/2009	175,000	166,385
<b>TOTAL CREDIT SECURITIES</b>				<b>\$10,671,299</b>
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$24,475,737</b>



## Other Trust Funds - Financial Schedules

### Advance College Tuition Fund Schedule of Investments (Unaudited) - June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH-FUND(21)			3,782,662	\$3,782,662
<b>U.S. GOVERNMENT TREASURIES:</b>				
U.S. TREASURY INFLATION INDEX	3.63	1/15/2008	12,650,000	\$16,082,341
U.S. TREASURY INFLATION INDEX	3.88	1/15/2009	11,750,000	15,016,332
U.S. TREASURY INFLATION INDEX	4.25	1/15/2010	9,000,000	11,511,896
U.S. TREASURY INFLATION INDEX	3.63	4/15/2028	10,225,000	14,511,032
U.S. TREASURY INFLATION INDEX	3.50	1/15/2011	8,400,000	10,077,224
U.S. TREASURY INFLATION INDEX	3.38	1/15/2012	9,400,000	11,025,410
U.S. TREASURY INFLATION INDEX	3.38	4/15/2032	10,650,000	13,736,833
U.S. TREASURY INFLATION INDEX	3.88	4/15/2029	10,000,000	14,591,421
U.S. TREASURY INFLATION INDEX	3.00	7/15/2012	11,000,000	12,436,224
U.S. TREASURY INFLATION INDEX	1.88	7/15/2013	11,500,000	11,631,787
U.S. TREASURY INFLATION INDEX	3.38	1/15/2007	12,500,000	15,886,942
U.S. TREASURY INFLATION INDEX	2.00	1/15/2014	11,600,000	11,732,429
<b>EQUITY INDEX FUNDS:</b>				
BGI US EQUITY MKT FD B			14,886,926	\$161,347,681
CANADA MSCI INDEX COMMON TR			178,806	4,732,649
CTF EAFE			6,519,430	75,279,860
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$403,382,723</b>

### Developmental Disabilities Endowment Trust Fund Schedule of Investments (Unaudited) June 30, 2004

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND:</b>				
BLACKROCK TEMPCASH - FUND(21)			1,565,928	\$1,565,928
<b>U.S. GOVERNMENT TREASURIES:</b>				
TREASURY INFLATION IX N/B	3.50	1/15/2011	2,100,000	\$2,519,306
TREASURY INFLATION IX N/B	3.38	1/15/2012	100,000	117,292
<b>COMMINGLED BALANCED TRUST:</b>				
INTERMEDIATE BOND POOL			108,143	\$1,452,579
<b>EQUITY INDEX FUNDS:</b>				
BGI U.S.EQUITY MKT FUND B			77,061	\$835,200
<b>SHORT - TERM INVESTMENT FUND - PRIVATE:</b>				
BLACKROCK TEMPCASH-FUNDS(21)			41,799	\$41,799
<b>EQUITY INDEX FUNDS - PRIVATE:</b>				
VANGUARD BALANCED INDEX - Admiral Shares			762,065	\$762,065
<b>TOTAL NET ASSET AT MARKET VALUE</b>				<b>\$7,294,169</b>

**Game and Special Wildlife Fund Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND</b>				
BLACKROCK FEDFUND(30)			9,864,528	\$9,864,528
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$9,864,528</b>

**State Employees Insurance Reserve Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND</b>				
BLACKROCK FEDFUND(30)			47,949,809	\$47,949,809
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$47,949,809</b>

**Radiation Perpetual Maintenance Fund Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND</b>				
BLACKROCK FEDFUND(30)			280,907	\$280,907
<b>TOTAL NET ASSETS AT MARKET VALUE</b>				<b>\$280,907</b>

**Reclamation Revolving Fund Schedule of Investments (Unaudited) - June 30, 2004**

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
<b>SHORT - TERM INVESTMENT FUND</b>				
BLACKROCK FEDFUND(30)			36,881	\$36,881
<b>MUNICIPAL BONDS</b>				
CHELAN CO, ENTIAT IRR DISTR	5.00	1/1/2007	9,000	\$8,827
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2005	8,000	8,000
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2006	8,000	7,967
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2008	9,000	8,688
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2009	10,000	9,540
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2010	10,000	9,387
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2011	11,000	10,149
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2012	11,000	10,010
CHELAN CO, ENTIAT IRR DISTRI	5.00	1/1/2013	12,000	10,802
CHELAN CO, LOWER SQUILCHUCK	4.00	1/1/2010	25,000	20,000
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2005	9,000	8,949
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2006	9,000	8,897
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2007	10,000	9,830
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2008	10,000	9,767
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2009	11,000	10,667
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2010	11,000	10,565
CHELAN CO, LOWER STEMILT IRR	6.25	1/1/2011	12,000	11,513
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2005	12,000	12,000
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2006	12,000	12,000
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2007	12,000	12,000
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2008	12,000	12,000

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUES OR SHARES	BOOK AND MARKET VALUE
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2009	12,000	12,000
OKANOGAN CO, AENEAS LAKE IRR	5.00	1/1/2010	12,000	11,962
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2004	7,500	7,508
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2005	7,500	7,505
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2006	8,000	8,002
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2007	8,000	6,583
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2008	8,500	8,405
SPOKANE CO, MOAB IRR DISTRIC	4.00	1/1/2009	7,000	5,497
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2007	600	610
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2005	600	516
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2006	600	503
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2004	600	521
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2008	600	482
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2009	600	585
SPOKANE CO, MOAB IRR DISTRIC	4.00	7/1/2010	9,000	7,096
TOTAL MUNICIPAL BONDS				\$299,333
TOTAL NET ASSETS AT MARKET VALUE				\$336,214

## All Funds Combined - Financial Statements

### Broker Volume and Equity Commissions Paid - June 30, 2004

BROKER NAME	EQUITY		FIXED INCOME	
	Number of Shares Traded	Commission	Long-Term Volume	Short-Term Volume
ABD SECURITIES	161,300	\$6,797	-	-
ABG	823,258	15,907	-	-
ABN AMRO SECURITIES	12,311,355	159,167	285,724,000	-
ALFA CAPITAL	31,100	1,418	-	-
ALPHA BROKERAGE AE	6,100	272	-	-
AMADON CORPORATION	31,200	223	-	-
AUERBACH GRAYSON	177,275	5,113	-	-
BANC OF AM SEC LLC	-	-	180,000,000	-
BANC ONE	-	-	35,000,000	-
BANCO SANTANDER DE NEGOCIOS	7,371,078	18,233	-	-
BANK AM BELLEVUE ZURICH	10,272	1,485	-	-
BANK OF AMERICA	-	-	145,942,037	-
BANK OF NY SECURITIES INC	82,275	3,799	-	-
BANK ONE CAPITAL	-	-	33,000,000	-
BANK VONTOBEL	34,830	10,021	-	-
BANQUE NATIONAL DE PARIS	213,195	17,338	-	-
BARCLAYS BANK	-	-	857,700,000	-
BARCLAYS CAPITAL INC	-	-	25,000,000	-
BARING SECURITIES	5,736,273	88,881	-	-
BBVA SECURITIES	2,300	63	-	-
BEAR, STEARNS & CO.	10,192,546	102,780	477,686,940	-
BERNSTEIN SANFORD	35,590	1,834	-	-
BESTINVER S.A. S.V.B.	9,100	490	-	-
BHF SECURITIES	2,617,100	27,739	-	-
BHV	122,951	543	-	-
BLOOMBERG TRADEBOOK	830,680	3,540	-	-
BNP SECURITIES	2,984,989	18,292	-	-
BROCKHOUSE & COOPER	89,046	2,620	-	-
BROWN (ALEX) & SONS INC.	804,639	18,851	-	-
BUNTING WARBURG INC	289,700	8,896	-	-
BURNS FRY & TIMMINS	12,400	620	-	-
BURTON J VINCENT	103,000	4,337	-	-
CABOTO	491,087	2,409	-	-
CANNON SEC., INC.	303,094	6,942	-	-
CANTOR FITZGERALD	1,968,160	40,696	-	-
CARNEGIE	345,250	6,478	-	-
CAZENOVE & CO.	1,684,054	27,883	-	-
CDC MARCHE	11,200	496	-	-
CHASE MANHATTAN BANK	48,264	1,979	-	-
CHEVREUX DE VIRIEU	807,144	49,237	-	-



BROKER NAME	EQUITY		FIXED INCOME	
	Number of Shares Traded	Commission	Long-Term Volume	Short-Term Volume
CIBC WORL MARKETS CORP	90,464	2,926	-	-
CITIGROUP	198,001	3,151	874,251,666	-
COLLINS STEWART	17,900	264	-	-
COMMERZBANK AG	776,451	22,890	-	-
CREDIT AGRIGOLE	12,206,970	38,282	-	-
CREDIT LYONNAIS	11,186,783	43,528	-	-
CREDIT SUISSE FIRST BOSTON LTD	11,660,208	185,918	278,352,000	-
DAIWA SEC. AMERICA	1,562,988	55,933	-	-
DAVY STOCKBROKERS	1,800	53	-	-
DEN DANSKE	4,480	144	-	-
DEUTSCHE BANK GOVT SEC INC	1,488,445	45,641	-	-
DEUTSCHE BANK SECURITIES	17,327,869	288,119	589,981,000	-
DEUTSCHE MORGAN GRENFELL	723,980	9,686	-	-
DEUTSCHE SECURITIES	880,453	8,688	-	-
DIRECT BROKERAGE SVCS.	15,800	1,543	-	-
DRESDNER BANK	340,239	13,368	-	-
ECONO TRADING	75,000	3,380	-	-
ENSKILDA SECURITIES	1,536,055	20,166	-	-
ETRADE	7,022,403	24,735	-	-
EUROMOBILIARE	629,729	6,925	-	-
EXANE	700,504	39,574	-	-
EXECUTION SERVICES INC	494,910	10,671	-	-
FHLMC	-	-	20,000,000	-
FIRST BOSTON CORPORATION	14,494,501	193,561	10,218,000	-
FIRST SOUTHWEST CO.	188,300	6,431	-	-
FORTIS BAN	509,750	19,136	-	-
FOX PITT KELTON INC	760,754	25,637	-	-
FUJI SECURITIES	56,896	7,735	-	-
G-TRADE SE	1,166,370	20,988	-	-
GOLDMAN SACHS & COMPANY	593,129,981	1,877,548	2,760,461,296	-
GOODBODY STOCKBROKERS	467,275	9,237	-	-
HSBC INVESTMENT BANK PLC	1,542,014	47,528	-	-
HSBC SECURITIES INC	8,071,072	96,443	75,000,000	-
ING BARING SECURITIES	278,200	3,199	-	-
INSTINET	2,464,780	25,972	-	-
INTERDIN B.	13,000	643	-	-
INTERMOBILIARE SEC.	2,152,662	18,397	-	-
INTERMONTE	2,162,758	16,532	-	-
INVESTMENT TECHNOLOGY GRP INC	2,170,486	35,059	-	-
ITG INC	448,117	3,434	-	-
J & E DAVY	135,779	5,136	-	-
J.B. WERE & SON	963,176	6,992	-	-
J.P. MORGAN SECURITIES INC	12,247,860	225,475	1,001,802,156	-
JAMES CAPEL	177,200	11,711	-	-

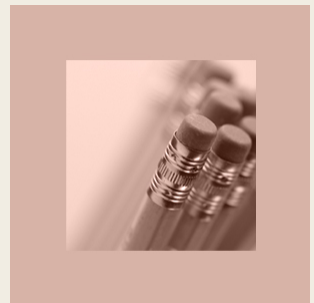
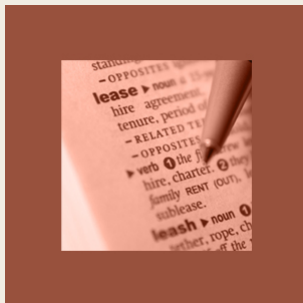
BROKER NAME	EQUITY		FIXED INCOME	
	Number of Shares Traded	Commission	Long-Term Volume	Short-Term Volume
JEFFERIES & CO	3,605,852	2,700	-	-
JULIUS BAER	1,029,295	22,203	-	-
KBC FINANCE	323,400	19,010	-	-
KEB SMITH BARNEY SECURITIES	169,410	12,342	-	-
KEPPLER EQ	14,000	4,383	-	-
KLEINWORTH BENSON INC	5,145,292	52,944	-	-
KNIGHT SEC	2,024,441	251	-	-
LATINVEST	590	37	-	-
LAZARD FRERES & CO	9,900	495	-	-
LEERINK SWANN	618,507	6,141	-	-
LEGG MASON	68,800	3,077	-	-
LEHMAN BROTHERS INC	12,643,911	168,693	779,305,747	-
MACQUARIE EQUITIES	5,102,414	33,770	-	-
MALONEY & CO	87,300	3,492	-	-
MCDONALD & COMPANY	3,400	170	10,000,000	-
MERRILL LYNCH INTERNATIONAL	18,901,307	114,805	-	-
MERRILL LYNCH PIERCE	19,608,798	286,667	373,520,658	-
MIZUHO	200	45	-	-
MONTGOMERY SECURITIES	143,600	1,157	-	-
MORGAN STANLEY & CO	19,218,738	299,734	595,202,244	-
NATIONAL A	112,467	1,164	-	-
NATIONAL BANK OF CANADA	11,100	498	-	-
NCB STOCKBROKERS	307,541	4,815	-	-
NESBITT BURNS	47,400	2,021	-	-
NEUE ZURCH	74,780	11,047	-	-
NOMURA SECURITIES INTL	4,190,975	51,429	-	-
NZB	15,300	1,599	-	-
ODDO SECURITIES	51,300	3,087	-	-
OPPENHEIMER & CO	91,100	3,400	-	-
PANMURE GORDON	43,596	4,399	-	-
PERSHING & COMPANY	39,595,651	149,955	-	-
PICTET & CO	45,397	4,580	-	-
RBC DOMINION SECURITIES	304,199	12,516	-	-
SALOMON BROTHERS	23,097,558	348,590	-	-
SAMSUNG SECURITIES CO LTD	30,425	14,221	-	-
SANFORD BERNSTEIN	1,191,041	23,337	-	-
SANTANDER INVESTMENT SEC'S.	22,800	1,100	-	-
SCOTIA CAPITAL MARKET	75,400	3,061	-	-
SCOTIA MCLEOD	73,400	2,816	-	-
SG COWEN SECURITIES CORP	600	79	-	-
SKANDINAVISKA ENSKILDA	1,600	71	-	-
SNS BANK NETHERLAND	18,952	665	-	-
SOCIETE GENERAL	856,008	44,872	-	-
SPEAR, LEEDS & KELLOGG	46,135	524	-	-



BROKER NAME	EQUITY		FIXED INCOME	
	Number of Shares Traded	Commission	Long-Term Volume	Short-Term Volume
STATE STREET BROKERAGE SERVICE	3,968,056	20,946	-	1,796,795,999
SVENSKA HANDELSBANKEN	322,961	8,502	-	-
SWISS BANK	1,131,633	36,278	-	-
THOMAS C BOWLES & CO	45,471	6,424	-	-
THOMAS WEISEL PARTNERS	724,604	2,403	-	-
TOKYO MITSUBISHI INTL.	36,863	662	-	-
TORONTO DOMINION SEC INC	53,300	1,507	-	-
TULLET & CO	125,340	5,667	-	-
U.S. BANK	-	-	1,238,885	-
UBS SECURITIES	13,822,737	193,334	57,000,000	-
UBS WARBURG	-	-	1,861,678,701	-
UBS-DB CORPORATION	291,504	7,351	-	-
UOBSECURITIES PTE LTD	2,338,400	28,269	-	-
USCC/SANTANDER	63,600	2,924	-	-
WAGNER STOTT & CO.	82,300	3,292	-	-
WARBURG DILLON READ LLC	10,149,236	126,637	-	-
WARBURG SECURITIES	3,411,882	83,330	-	-
WEST DEUTSCHE LANDESBANK	175,995	11,344	-	-
WEST LB SECURITIES	130,640	7,513	-	-
<b>TOTAL ALL FUNDS COMBINED</b>	<b>959,182,570</b>	<b>\$6,406,104</b>	<b>\$11,328,065,329</b>	<b>\$1,796,795,999</b>



# Glossary





## Glossary

### Active Commitments

An investment that has not reached the end of its legal term.

### Active Management

An investment management approach with the objective of attaining excess risk-adjusted return versus the benchmark as a result of structuring a portfolio differently than the benchmark.

### Actuary

A person who statistically calculates actuarial valuations to monitor the balance between the cost of future retirement benefits and the projected value of retirement fund assets. Recommends participant contribution rates based on the results of the valuations.

### Actuarial Valuation

Annual valuations are completed to ensure that benefits provided are fully funded and to determine employer contribution rates. Actuaries use each employer's schedule of benefits, membership data, and a set of actuarial assumptions, such as life expectancy and inflation rates, to estimate the cost of benefits. Costs are allocated to the fiscal years within the employee's career.

### Asset

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

### Asset Backed Securities (ABS)

A security backed by notes or receivables against assets other than real estate. For example, assets such as loans, leases, credit cards, and royalties.

### Asset Classes

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

### Benchmark

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

### Beneficiary

A person eligible to receive funds/payments from a retirement account to which they belong.

### Capital Commitment

A limited Pprtner's obligation to provide a certain amount of capital to a private equity fund for investments.

### Commercial Mortgage-Backed Security (CMBS)

Similar to a mortgage-backed security, but secured by loans with commercial property instead of residential property.





### **Commingled Trust Fund (CTF)**

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

### **Core Strategy**

An investment process that is neither growth oriented nor value oriented and buys securities that have characteristics of both growth and value.

### **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 salary history. This differs from a defined contribution plan in which benefits are determined not by a formula, but solely by the amount of contributions to an account plus net investment earnings.

### **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. The employee bears the investment risk, as 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.

### **Direct Investment**

Directly investing in an operating company, rather than investing through a partnership or fund vehicle.

### **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 strategy of reducing exposure to risk by combining a variety of investments amongst different asset classes that are unlikely to move in the same direction.

### **Draw-down**

When investors commit themselves to back a private equity or real estate fund, all the funding may not be needed at once. Therefore, remaining capital is drawn as needed.

### **Emerging Markets**

Investment markets in countries that are not fully developed and where there is a higher risk of default.

### **Ex-officio Member**

A member by virtue of office or position.

### **Fiduciary**

An individual, corporation, or association holding assets for another party, often with the legal authority and duty to make decisions regarding financial matters on behalf of the other party.





### **Fiduciary Trust or Responsibility**

The power entrusted to a person or entity (fiduciary) to manage money or property for another person. Fiduciary responsibility requires that actions taken on behalf of the principal will be beneficial to the principal's interests.

### **Fiscal Year**

The WSIB operates on a fiscal year calendar, which is July 1 to June 30 each year.

### **Fixed Income**

Securities representing debt obligations and usually having fixed payments and maturities. Different types of fixed income securities include government and corporate bonds, mortgage-backed securities, asset-backed securities, convertible issues, and may also include money-market instruments.

### **General Partner**

The managing partner in a private equity management company who has unlimited personal liability for the debts and obligations of the limited partnership and the right to participate in its management. The general partner is the intermediary between investors with capital and businesses seeking capital to grow.

### **Growth Strategy**

A style of equity investing that focuses on the growth potential of the company.

### **Guaranteed Education Tuition Program (GET)**

An investment program that allows participants to pre-purchase tuition fee credits at present rates for future use by themselves or other family members.

### **Guaranteed Investment Contract (GIC)**

In this report, unless the context otherwise requires, "guaranteed investment contract" means any unallocated group contract, investment contract, funding agreement, guaranteed interest contract, or other similar instrument by whatever name in which an insurance company agrees to guarantee a fixed or variable rate of interest or a future payment that is based on an index or any other similar criteria, that is payable at a predetermined date on monies that are deposited with the insurance company and that is not dependent on the continuance of human life.

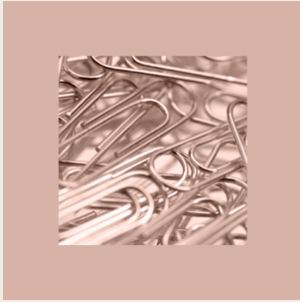
### **Illiquid**

That which cannot easily be converted into cash, such as private equity, real estate, collectibles, thinly traded securities, and any investments that require a long time to mature .

### **Index**

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





### Internal Rate of Return (IRR)

The dollar-weighted internal rate of return, net of management fees and carried interest, generated by WSIB investment in the fund. This return considers the daily timing of all cash flows and the WSIB's cumulative fair stated value, as of the end of the reported period.

### Institutional Investor

An organization whose primary purpose is to invest its assets or those held in trust by it for others. Includes pension funds, investment companies, universities, and banks.

### J-curve effect

In the early years, private equity funds usually show low or negative returns. Over time, companies progress and values increase resulting in unrealized gains above original cost. In the final years, higher valuations are confirmed by the partial or complete sale of companies, resulting in cash flows to the partners. The effect of this timing on the fund's interim returns is known as the J-Curve Effect. In practice, a private equity portfolio involves a series of J-Curves because funds are invested in at different times. However, not all funds will be profitable given the inherent risks of investing in private equity, including macroeconomic factors and the performance of underlying companies.

### Limited Partner

An investor in a limited partnership (such as private equity fund).

### Limited Partnership

Legal structure used by most venture and private equity funds that usually consists of a general partner (the management firm which has unlimited liability) and limited partners (the investors, who have limited liability and are not involved with day-to-day operations). The general partner receives a management fee and a percentage of the profits. The limited partners receive income, capital gains, and tax benefits. Using policies spelled out in a partnership agreement including terms, fees, and structure, the general partner manages the partnership.

### Liquidity

Measures or describes the ease and time in which assets can be turned into cash without an impact on price.

### Management Fee

This represents management fees charged (typically on committed capital).

### Mezzanine

Financing that combines debt and equity used in takeovers. It uses preferred shares and convertible securities to make a target firm larger.

### Net Internal Rate of Return

The dollar-weighted internal rate of return, net of management fees and carried interest, generated by WSIB investment in the fund. This return considers the daily timing of all cash flows and the WSIB's cumulative fair stated value, as of the end of the reported period.



### Non-voting WSIB Board Members

Members, typically experts in the investment and economics fields, who are appointed by the voting Board members and act in an advisory capacity.

### Passive Management

An investment strategy that seeks to match the return and risk characteristics of a market segment or index by mirroring its composition.

### Portfolio

The mix and composition of an investor's holdings amongst different classes of assets, such as bonds, mortgages, and common stocks.

### Private Equity

The infusion of equity capital into a private company (one that is not available on the public markets).

### Public equity

Shares that trade on public exchanges or "over-the-counter."

### Risk

The degree of uncertainty and/or the amount of possible loss on an investment.

### Savings Pool

The savings pool is a diversified portfolio in the DCP made up of GICs, bank investment contracts (BICs), and short-term cash funds. The primary objective is to preserve principal while earning a rate of return in excess of the current yield of U.S. Treasury securities of similar maturities. It is managed in a manner to facilitate liquidity needs and maintain stability of return.

### Self-directed Investment

An investment program in which individual members or participants choose the investment vehicles for their assets, usually from amongst a set of investment options provided by the trustee.

### State Street Bank (SSB)

This is the master custodian for the WSIB investment funds and the administrator of our supplemental savings programs.

### Stakeholders

Those people or entities who have an interest in the performance of the WSIB, i.e., organizations, state employees, the Legislature, and taxpayers.

### Strategic Planning

Long-term planning (at least 5-10 years out) that includes consideration of the external environment and future trends.

### Total Allocation Portfolio (TAP)

A diversified investment portfolio in the DCP designed for the long-term investor. Assets are invested across 5 broad asset classes divided between public market securities such as stocks, fixed income, and cash, and private market investments such as real estate and private equity.





### Treasury Inflation Protected Securities (TIPS)

A security that is identical to a treasury bond, except that principal and coupon payments are adjusted to eliminate the effects of inflation.

### Trust Fund

A fund whose assets are managed by trustee or a board of trustees for the benefit of another party or parties. Applicable state and federal law and the instrument establishing the trust govern the fund.

### Trustee

An individual or organization that holds or manages and invests assets for the benefit of another.

### TUCS Public Fund Median

Trust Universe Comparison Services Median return of other public funds.

### Value Strategy

A style of equity investing that focuses on buying undervalued or distressed stocks that the investment manager expects will be more fairly valued at a future date.

### 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 WSIB Board Members

There are 10 voting members on the Board. They include 5 members who represent various stakeholders in the pension systems, 3 ex-officio members, and 2 legislators, 1 from the House and 1 from the Senate.





